fNEW ISSUE: BOOK ENTRY ONLY **Ratings: Moody's Investors Service "Aaa"**
Fitch Ratings "AAA"

In the opinion of McGrann Shea Carnival Straughn & Lamb, Chartered, Bond Counsel, on the basis of laws in effect on the date of issuance of the Bonds, interest on the Bonds is not includable in gross income of the recipient for federal income tax purposes or in taxable net income of individuals, estates and trusts for Minnesota income tax purposes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal or Minnesota individual or corporate alternative minimum taxes; however, interest on the Bonds is included in adjusted current earnings in calculating federal corporate alternative minimum taxable income. Bond Counsel is also of the opinion that interest on the Bonds is subject to the Minnesota franchise tax measured by income and imposed on corporations and financial institutions. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. (For a discussion of related issues see "Tax Exemption" herein.)

OFFICIAL STATEMENT

$5,730,000
General Obligation Bonds, Series 2018A
Three Rivers Park District, Minnesota

Bonds Dated: November 15, 2018 **Principal Due:** February 1, 2020/2029

The $5,730,000 General Obligation Bonds, Series 2018A (the "Bonds") are being issued by the Three Rivers Park District (the "Park District" or the "District") for the purpose of financing the acquisition and betterment of park properties and facilities which are part of the Park District's Asset Management Program, and to pay the costs of issuance of the Bonds. The Bonds will be general obligations of the Park District for which the Park District will pledge its full faith and credit and unlimited taxing powers.

The Bonds will be issued as fully registered Bonds in denominations of $5,000 or integral multiples thereof, in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the District. Individual purchases may be made in book-entry form only. Purchasers will not receive bonds representing their interest in the Bonds purchased. Principal will be payable annually on each February 1, commencing February 1, 2020. Interest will be payable on each February 1 and August 1, commencing on February 1, 2019, and will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent dispersal to the beneficial owners of the Bonds as described herein.

The Bonds will be dated November 15, 2018, and will mature serially on February 1, in the years and amounts as follows:

Year	Amount	Interest Rate	Yield	CUSIP 885718	Year	Amount	Interest Rate	Yield	CUSIP 885718
2020	$ 480,000	4.000%	2.050%	LJ 3	2025	$ 575,000	4.000%	2.500%	LP 9
2021	500,000	4.000%	2.120%	LK 0	2026	600,000	4.000%	2.600%	LQ 7
2022	520,000	4.000%	2.220%	LL 8	2027	620,000	5.000%	2.700%	LR 5
2023	540,000	3.000%	2.300%	LM 6	2028	650,000	5.000%	2.800%	LS 3
2024	560,000	3.000%	2.400%	LN 4	2029	685,000	5.000%	2.890%	LT 1

The Bonds are not subject to redemption prior to the stated maturity date.

BANK QUALIFIED: The Bonds will be designated as "Qualified Tax-Exempt Obligations."

LEGAL OPINION: McGrann Shea Carnival Straughn & Lamb, Chartered
Minneapolis, Minnesota

Piper Jaffray & Co. has agreed to purchase the Bonds from the District for an aggregate price of **$6,240,712.87**. The Bonds will be available for delivery on or about **November 15, 2018.**

The date of this Official Statement is October 29, 2018.

(This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision.)

PiperJaffray.

pfm

No dealer, broker, salesman or other person has been authorized by the District, the Municipal Advisor or the Underwriters to give any information or to make any representations other than those contained in this Official Statement or the Final Official Statement and, if given or made, such information and representations must not be relied upon as having been authorized by the District, the Municipal Advisor or the Underwriters. This Official Statement or the Final Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the District and other sources which are believed to be reliable, but it is not to be construed as a representation by the Municipal Advisor or Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement or the Final Official Statement nor any sale made thereafter shall, under any circumstances, create any implication that there has been no change in the affairs of the District or in any other information contained herein, since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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INTRODUCTION TO THE OFFICIAL STATEMENT

The following information is furnished solely to provide limited introductory information regarding $5,730,000 General Obligation Bonds, Series 2018A (the "Bonds") of the Three Rivers Park District, Minnesota (the "Park District" or the "District") and does not purport to be comprehensive. All such information is qualified in its entirety by reference to the more detailed descriptions appearing in this Official Statement, including the appendices hereto.

Issuer:	Three Rivers Park District, Minnesota	
Security:	The Bonds will be general obligations of the Park District for which the Park District will pledge its full faith and credit and unlimited taxing powers.	
Purpose:	The proceeds of the Bonds will be used for the purpose of financing the acquisition and betterment of park properties and facilities which are part of the District's Asset Management Program.	
Principal Payable:	On February 1 of the years 2020 through 2029.	
Interest Payable:	Semiannually on each February 1 and August 1, commencing February 1, 2019.	
Optional Redemption:	The Bonds are not subject to redemption prior to the stated maturity date.	
Denominations:	$5,000 or multiples thereof.	
Form:	The Bonds will be issued in global book-entry form only.	
Tax Status:	Generally exempt from federal and state income taxes. The Bonds will be designated as "Qualified Tax-Exempt Obligations" (See "Tax Exemption" herein).	
Professional Consultants:	*Financial Consultant:*	PFM Financial Advisors LLC Minneapolis, Minnesota
	Bond Counsel:	McGrann Shea Carnival Straughn & Lamb, Chartered Minneapolis, Minnesota
	Paying Agent:	Three Rivers Park District, Minnesota

Questions regarding the Bonds or the Official Statement can be directed to and additional copies of the Official Statement or the District's audited financial reports may be obtained from PFM Financial Advisors LLC, 50 South 6th Street, Suite 2250, Minneapolis, Minnesota 55402, (612/338-3535 612/338-7264 FAX), the District's municipal advisor.

DESCRIPTION OF THE BONDS

Authorization

The District is authorized to issue the Bonds pursuant to Minnesota Statutes, Chapters 398 and 475, and Sections 383B.68, et seq.

Security and Source of Payment

The Bonds are valid and binding general obligations of the District and all of the taxable property within its jurisdiction is subject to the levy of an ad valorem tax without limitation as to rate or amount for the purpose of paying the principal of and interest on the Bonds.

Purpose

The proceeds of the Bonds will be used for the acquisition and betterment of park properties and facilities which are part of the Park District's Asset Management Program and to pay costs associated with the issuance of the Bonds. The 2018 Asset Management Program, which was adopted by the Board of Commissioners on November 16, 2017, totals $14,700,393 a portion of which is funded by the Bonds described herein. The remainder of the Program is funded by local, state and federal sources, including, but not limited to: Met Council Development Grants, Met Council Land Acquisition Grants, State Legacy Amendment Grants and, Federal and Transportation Grants.

Source and Uses of Funds

Table 1 presents the sources and uses of funds for the Bonds.

Table 1
Sources and Uses for the Bonds

Sources:	
Par Amount of Bonds	$ 5,730,000.00
Premium	542,175.40
Total Sources	$ 6,272,175.40
Uses:	
Deposit to Project Fund	$ 6,170,000.00
Costs of Issuance/Underwriter's Discount	99,137.53
Project Contingency	3,037.87
Total Uses	$ 6,272,175.40

Interest Computation

Interest on the Bonds is payable semiannually on each February 1 and August 1, commencing February 1, 2019. Interest will be computed on a 360-day year, 30-day month basis, and paid to the owners of record as of the close of business on the fifteenth day of the immediately preceding month. Payments coming due on a non-business day will be paid on the next business day.

Redemption Provisions

Optional Redemption.

The Bonds are not subject to redemption prior to the stated maturity date.

Registration, Transfer and Exchange

The Bonds shall be issued only in fully registered form. The District shall appoint, and shall maintain, a bond registrar, transfer agent and paying agent (the "Registrar"). The Registrar shall keep at its corporate office a bond register in which the Registrar shall provide for the ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

Book-Entry Only System

The information contained in the following paragraphs of this subsection "Book-Entry Only System" has been extracted from a schedule prepared by Depository Trust Company ("DTC") entitled "SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY ONLY ISSUANCE." The District makes no representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered certificate will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such annual maturity, and such certificates will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations ("Direct Participants"). DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the District, disbursements of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

NEITHER THE DISTRICT NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO CERTIFICATEHOLDERS; (4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS CERTIFICATEHOLDER; OR (5) THE SELECTION BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNER TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF BONDS.

Continuing Disclosure

In order to permit proposers for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the District will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the Bond Resolution, to provide annual reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, the events as to which notice is to be given, if material, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix C to this Official Statement.

Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Bonds or the Resolution. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the District to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

In the past five years, the District has not failed to comply in any material respect with any previous undertakings under the Rule to provide annual reports or notices of material events. The District has appointed Digital Assurance Certification, L.L.C. ("DAC"), as the disclosure dissemination agent for the Bonds.

THE DISTRICT

General Information

The Three Rivers Park District was created in 1957 by the Minnesota Legislature as a special purpose government entity responsible for the acquisition, development and maintenance of large parks, wildlife sanctuaries, forest land and other reservations and as a means for public access to historic sites, lakes, rivers, streams and other natural phenomena (Minnesota Statutes, Chapter 398).

The District has acquired and developed a system of approximately 27,000 acres in 10 regional parks, 7 park reserves, 161 miles on 13 different regional trails, and 6 special recreation features. These facilities support a wide variety of activities ranging from downhill skiing to bird watching. Park use for the past ten years is reflected in the table below:

Table 2
Park Use

Year	Visitors
2017	12,682,100
2016	10,961,300
2015	10,530,900
2014	10,436,800
2013	10,074,500
2012	9,613,400
2011	9,097,600
2010	8,242,500
2009	7,413,000
2008	6,774,600

Source: Metropolitan Council.

The Park District's 2017 visitation increased substantially in part due to the completion of the Nine Mile Creek Trail. However, the majority of the increase is due to a change in methodology by the Metropolitan Council on how it estimates usage during fall and spring. This change increased the usage estimated for these seasons to more closely resemble changing recreational trends that show year-round use to be more common than in the past. The Metropolitan Regional Park System, of which the District is one of ten operating agencies, reported 58.3 million visits during 2017, meaning Three Rivers Park District accounted for 21.7% of the system's visits.

The District's jurisdiction includes Hennepin County, with the exception of the city of Minneapolis; Scott County through a joint powers agreement which establishes the District as a regional park authority in that county; and facilities owned by the District in four adjacent counties: Dakota, Wright, Carver, and Ramsey. The District has the authority to levy property taxes and issue debt up to statutorily prescribed limits. In addition, it has the power to make and enforce ordinances on its property.

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The District's total full-time equivalent employment as of September 1, 2018, was 401. The District also employs approximately 1,400 persons on a seasonal basis. Full-time regular employment for the last ten years is presented in the table below:

Table 3
Full-Time Equivalent Employment

Year	FTE
2018	401
2017	396
2016	385
2015	382
2014	381
2013	358
2012	360
2011	377
2010	370
2009	371

Source: Metropolitan Council.

Organization

The Board of Commissioners is the District's governing body, and it is comprised of seven Commissioners: five elected by district and two appointed at large by the Hennepin County Board of Commissioners. Executive administration is managed by the Superintendent and the Board of Commissioners. The two operating divisions of the District reporting to the Superintendent are: Recreation, Education and Natural Resources, and Planning, Design and Technology. In addition, five general operating departments report directly to the Superintendent including Finance. The Chief Financial Officer is responsible for the financial affairs of the District. Table 4 presents the current Board of Commissioners and Administrative Staff.

Table 4
Board of Commissioners

		Term Expires
John Gunyou	*Chair*	December 31, 2018
Daniel Freeman	*Vice Chair*	December 31, 2020
Penny Steele	*Commissioner*	December 31, 2020
Jennifer DeJournett	*Commissioner*	December 31, 2018
John Gibbs	*Commissioner*	December 31, 2020
Gene Kay	*Commissioner*	December 31, 2018
Steven Antolak	*Commissioner*	December 31, 2020

Administrative Staff

Boe R. Carlson	*Superintendent and Secretary to the Board*
Luke C. Skinner	*Associate Superintendent for Recreation and Education and Natural Resources*
Jonathan C. Vlaming	*Associate Superintendent for Planning, Design and Technology*
Howard D. Koolick	*Chief Financial Officer*

Recent Events and Achievements

1. Completed construction of the Nine Mile Creek Regional Trail, which will allow users to travel through the cities of Hopkins, Edina, Richfield and Bloomington. This fifteen mile trail, that follows the creek for which it is named, meanders through areas that are primarily residential while retaining a natural feel due to its route through forested areas, open spaces and 1.7 miles of wooden boardwalk that spans the creek and associated wetlands.

2. Completed replacement of all the pavement and the creative play area at French Regional Park. The replacement of the play area was known as an icon for its climbing ropes and nets for almost 30 years. The play area opened in August of 2018 and includes towers, climbing nets and slides. Many of these features were specially fabricated for the French play area including the 28-foot tower and several of the 47 different climbing nets. In addition, a separate play area that is similar to main play area is available for smaller children and the major portions of the play are now fully accessible for park guests with physical disabilities. In the short time that the play area has been open, it has been very busy and the initial response from the public is overwhelming positive.

3. Selected and installed a new accounting system. The Park District had been using software purchased in 1994 that was designed to run on an IBM mini-computer. While the system was updated on a regular basis, it was difficult to use and becoming outdated. As a result, there were less than 30 users that accessed the system and most staff asked Finance to provide the information they needed instead of accessing it on the system. The new system was purchased from BS&A, a software vendor specializing in governmental software, and went live in early June of 2018. Changing software allowed the Park District to review and modify a variety of operating policies and procedures including changing from a paper intensive Finance operation to an almost paperless operation. Installation of the system included converting ten years of historical data to allow staff to do comparisons as soon as the system was live. In all, more than 150 users were trained and more than 100 users are accessing the system on a regular basis. Staff have been very complimentary on how easy the system is to use.

4. Cooperated with the National Park Service and a specialized vendor to offer kayaking and stand up paddleboard opportunities on the Mississippi River and two lakes through the acquisition of specialized boat lockers. The paddle share program allows experienced paddlers to rent either a kayak or stand up paddleboard on-line then proceed to the park and, using a code that the park guest received during the rental process, open the locker to access their equipment. The rental lockers require no on-site staff other than periodic checking of the equipment. The two sites on the Mississippi river are part of a larger network that spans almost 18 miles of the river.

5. Updated the master plan for Coon Rapids Dam Regional Park. This park is one of the most unique facilities in the Park District. Amenities include a visitor center, large picnic shelter and a 2,150-foot walkway across the dam. With the exception of the dam walkway, most of the facilities were built 40 years ago. The new master plan envisions a new visitor and educational center, new recreational and educational areas and an expansion of the park through cooperation with the City of Brooklyn Park to include the city's nature area that is adjacent to the park. In recognition of the major change in the park, a new name is being given to the park. Mississippi Gateway Regional Park is scheduled for construction for 2020 and 2021 with an estimated cost of $25 million, a large portion of which is expected to come from state grants and other sources.

6. Received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended December 31, 2016, the 28th consecutive year. In addition, received an independent auditor's report which cited no material weaknesses in the Park District's internal control structure. The Park District submitted the 2017 Comprehensive Annual Financial Report to GFOA for their review under the Certificate of Achievement program and anticipates being awarded the Certificate of Achievement again.

7. Received confirmation of the Park District's "Aaa" bond rating from Moody's Investors Service and "AAA" from Fitch Ratings on bonds issued in November of 2017.

Enterprise Operations

Enterprise Funds are used to account for facilities which are financed and operated in a manner similar to private business enterprises. There are currently three Enterprise Funds: Baker National Golf Course Fund, Eagle Lake Golf Course Fund, and the Hyland Hills Ski Area Fund. It is the intent of the Board of Commissioners that costs (excluding depreciation) of providing these facilities and services to the general public be recovered primarily through user charges. All three enterprise operations have a fiscal year ending December 31.

Baker National Golf Course is a popular and well-respected course due to its design, natural scenic beauty, and quality facilities. While being somewhat affected by economic conditions, the impact from the economy is not as significant when compared to higher priced courses in the metropolitan area. Revenues for 2018 are approximately $80,000 greater than anticipated through August despite opening later than normal due to more than a foot of snow that fell on April 15th. Expenses are projected to be approximately $100,000 less than budgeted resulting in a projected net income of approximately $180,000.

Eagle Lake Golf Course, a facility designed to serve youth through a variety of programs, opened in August 2001 and added a putting course in 2009. Revenues are projected to be approximately $25,000 less than budgeted due to the weather conditions described above. Expenses, after debt service payments, are projected to be as budgeted for 2018. The 2018 budget included a debt service tax levy as the Park District believes the objective of serving youth and encouraging them to explore outdoor recreation is a goal worthy of using tax revenues. This levy will continue through 2022.

Hyland Hills Ski Area switched to a calendar year in 2017 after operating on a fiscal year ending June 30th for more than three decades. This change was made to bring the budget year into alignment with the rest of the Park District and to recognize the facility now operates as a year-round operation. Revenues through August are almost $500,000 ahead of historical averages and ski school registration and annual pass sales are still upcoming this fall. Expenses are currently close to anticipated amounts through August and are projected to end the year close to budget.

Pension Benefits

Minnesota Statutes Chapter 353 sets the rates for employer and employee pension contributions. These statutes are established and amended by the State legislature. The Park District makes annual contributions to the pension plans equal to a percentage of annual covered payroll as required by State statute. The Park District has no employees in the Basic Plan which is no longer available to new members. Contribution rates for 2018 and 2017 are as follows:

	2017		2018	
Plan	Employee	Employer	Employee	Employer
Coordinated Plan	6.50%	7.50%	6.50%	7.50%
Police and Fire Plan	10.80%	16.20%	10.80%	16.20%

The Park District's contributions for the years ending December 31, 2017, 2016, and 2015 are presented in the table below.

	2017	2016	2015
Basic and Coordinated Plan	$ 1,612,500	$ 1,549,583	$ 1,500,386
Police and Fire Plan	194,047	206,682	207,461
	$ 1,806,547	$ 1,756,265	$ 1,707,847

These contributions were equal to the contractually required contributions for each year as set by State Statute.

Other Post-Employment Benefits

In June 2004 the Governmental Accounting Standards Board ("GASB") issued GASB 45, which addresses how state and local governments are required to account for and report their costs and obligations related to other post-employment benefits ("OPEB"), defined to include post-retirement healthcare benefits. GASB 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension establishes financial reporting standards designed to measure, recognize and display OPEB costs. OPEB costs would become measurable on an accrual basis of accounting, and contribution rates (actuarially determined) would be prescribed for funding such costs. The provisions of GASB 45 do not require governments to fund their OPEB plans.

The District has obtained an actuarial valuation of its OPEB liability. As of January 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $1,170,304 and the actuarial value of assets was $0. This liability is primarily the implicit cost of retirees' impact on health care rates. The Park District, as required by state law, also provides health insurance for one former police officer who was injured on the job. Currently, the costs of the liability are paid by the District on an annual basis. At this time the District does not expect to cover any additional costs out of its general fund and therefore does not consider the liability to have a material impact upon its financial operations. For additional information, refer to Note 14 "Other Post-Employment Benefits" in the Notes to the Basic Financial Statements as included in Appendix A to this official statement.

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ECONOMIC AND DEMOGRAPHIC INFORMATION

Hennepin County is part of a seven-county metropolitan area which also includes Anoka, Carver, Dakota, Ramsey, Scott, and Washington Counties. Various statistics which follow reflect, where indicated, Hennepin County, the seven-county metropolitan area and the State of Minnesota.

Demographic Statistics

Table 5 presents various demographic statistics relating to Hennepin County for the years 2006 through 2017.

Table 5
Hennepin County Demographic Statistics

Year	Population[(1)]	Per Capita Personal Income[(2)]	Median Age[(3)]	K-12 School Enrollment[(4)]
2017	1,252,024	$ 74,592	36.5	170,683
2016	1,232,483	67,427	36.2	168,629
2015	1,223,149	65,231	36.1	166,106
2014	1,210,720	63,901	36.2	164,151
2013	1,195,058	61,539	36.0	162,827
2012	1,180,138	62,571	35.9	161,409
2011	1,163,060	59,174	35.9	158,431
2010	1,152,425	56,279	35.8	157,544
2009	1,168,983	54,013	37.6	156,320
2008	1,169,151	58,042	37.2	155,754
2007	1,157,283	56,624	37.2	154,624
2006	1,152,508	53,588	36.9	153,449

Sources:

(1) U.S. Census Bureau, www.census.gov for 2010; Minnesota Demographic Center, www.demography.state.mn for the remaining years.
(2) Bureau of Economic Analysis, www.bea.gov.
(3) U.S. Census Bureau, U.S. Community Survey.
(4) Fall registration for public schools within the County - Minnesota Department of Education, www.education.state.mn.us.

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Labor Force Statistics

Table 6 lists the annual average labor force and unemployment rate for the Metropolitan Statistical Area, Hennepin County and the State of Minnesota for the years 2007 through 2017, and August 2018 only. Information in this table has not been seasonally adjusted.

Table 6
Labor Force Statistics

	Metropolitan Statistical Area		Hennepin County		State of Minnesota	
Year	Average Labor Force	Average Unemployment Rate	Average Labor Force	Average Unemployment Rate	Average Labor Force	Average Unemployment Rate
2018(1)	2,022,959	2.5%	711,415	2.4%	3,087,727	2.5%
2017	2,002,065	2.9%	704,086	2.9%	3,071,661	2.9%
2016	1,938,642	3.6%	679,285	3.4%	3,020,924	3.8%
2015	1,938,857	3.4%	679,549	3.3%	3,010,366	3.7%
2014	1,923,003	3.9%	674,658	3.8%	2,982,750	4.2%
2013	1,909,871	4.7%	669,800	4.6%	2,971,523	4.9%
2012	1,893,165	5.5%	662,562	5.2%	2,958,272	5.6%
2011	1,880,888	6.3%	656,064	6.1%	2,946,278	6.5%
2010	1,870,769	7.3%	650,891	7.0%	2,938,795	7.4%
2009	1,875,124	7.7%	656,192	7.3%	2,941,976	7.8%
2008	1,876,629	5.2%	656,957	4.9%	2,925,088	5.4%
2007	1,867,297	4.3%	655,691	4.1%	2,906,389	4.6%

(1) As of August, 2018.

Source: Minnesota Department of Employment and Economic Development. Labor statistics for the Metropolitan Area are defined as the "Minneapolis-St. Paul-Bloomington, MN-WI Metro Statistical Area."

Income Statistics

Table 7 lists the distribution of household income, median household income and per capita income for Hennepin County in 2017.

Table 7
Income Statistics

	Hennepin County	
Less than $10,000	24,489	4.8 %
$10,000 to $14,999	16,463	3.2 %
$15,000 to $24,999	35,729	7.0 %
$25,000 to $34,999	36,523	7.2 %
$35,000 to $49,999	57,582	11.3 %
$50,000 to $74,999	84,344	16.6 %
$75,000 to $99,999	63,950	12.6 %
$100,000 to $149,999	84,241	16.6 %
$150,000 to $199,999	45,866	9.1 %
$200,000 or more	58,541	11.6 %
Total Households	507,728	100.0 %
Median Household Income	$ 74,592	
Per Capita Income	$ 106,391	

Source: U.S. Census Bureau, 2016 American Community Survey 1-Year Estimates.

FINANCIAL SUMMARY

(This summary is subject in all respects to more complete information contained in this Official Statement.)

Economic Market Value (2017/18)	$ 123,942,920,463
Estimated Market Value (2017/18)	$ 116,882,680,100
Taxable Market Value (2017/18)	$ 113,730,370,808
Net Tax Capacity (2017/18)	$ 1,304,690,419
General Obligation Long-Term Debt (Includes the Bonds)	$ 66,300,000
Overlapping General Obligation Debt	$ 3,222,673,942
Population (2017 US Census Estimate)	829,693

Debt Ratios

	Amount	Per Capita (829,693)	Percent of Economic Market Value
General Obligation Debt	$ 66,300,000	$ 80	0.05%
Overlapping Debt	3,222,673,942	3,884	2.60%
Total	$ 3,288,973,942	$ 3,964	2.65%

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INDEBTEDNESS OF THE DISTRICT

Debt History

Table 8 presents a summary of the District's general obligation debt on December 31 for each of the last ten years and the ratio of that debt to population and market value.

Table 8
Historical Summary of Debt

Year	G.O. Debt Total	Less Cash in Debt Service Fund	Net	Taxable Market Value[(1)] (000's Omitted)	Population[(2)]	Net G.O. Debt to Taxable Market Value	Net G.O. Debt Per Capita
2017	$ 68,265,000	$ 14,826,427	$ 53,438,573	$ 112,426,512	829,693	0.048%	$ 64.41
2016	70,475,000	13,952,481	56,522,519	106,688,710	812,531	0.053%	69.56
2015	72,145,000	13,586,604	58,558,396	100,627,634	812,210	0.071%	72.08
2014	66,945,000	12,056,162	54,888,838	91,271,202	804,888	0.060%	68.72
2013	70,323,464	9,228,684	61,094,780	91,038,449	798,708	0.067%	76.49
2012	93,968,244	10,036,279	83,931,965	90,736,199	792,568	0.092%	71.40
2011	81,810,000	9,890,234	71,919,766	97,304,713	775,187	0.074%	92.78
2010	82,275,000	10,753,764	71,521,236	104,631,351	769,847	0.068%	92.90
2009	84,610,000	9,980,689	74,629,311	108,958,626	782,292	0.068%	95.40
2008	86,225,000	12,709,133	73,515,867	108,130,892	779,020	0.068%	94.37
2007	84,870,000	11,392,380	73,477,620	101,121,309	769,263	0.073%	95.52

(1) Property market value is for the assessment year indicated. The property market value is Hennepin County excluding the city of Minneapolis. Applicable taxes are collectible in the subsequent year.

(2) Data relates to US Census Data and Estimates for Hennepin County excluding the city of Minneapolis as of July 1, 2017.

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Indebtedness by Issue

Table 9, below and Table 10, on the following page, summarize the District's outstanding debt as of December 31, 2017 and as of issuance of the Bonds described herein.

Table 9
General Obligation Indebtedness by Issue

Date of Issue	Issue	Final Maturity	Outstanding Interest Rate	Original Amount	Outstanding 12/31/2017	Outstanding as of the Issuance of the Bonds
12/29/11	Refunding Bonds (2011B)	02/01/20	3.00%	$ 6,190,000	$ 1,945,000	$ 1,315,000
11/13/12	Refunding Bonds (2012B)	02/01/22	4.00%	20,090,000	11,605,000	9,275,000
11/13/12	Bonds (2012A)	02/01/18	3.00%	3,560,000	755,000	--
11/13/12	Golf Course Rev Ref Bonds (2012C)	01/01/22	2.00%	2,720,000	1,595,000	1,295,000
12/12/13	Bonds (2013A)	02/01/32	3.00% - 4.25%	8,105,000	7,410,000	7,020,000
12/12/13	Refunding Bonds (2013C)	02/01/23	5.00%	7,965,000	6,215,000	5,300,000
12/16/14	Bonds (2014A)	02/01/30	2.25% - 3.00%	7,870,000	6,975,000	6,515,000
12/16/14	Capital Notes (2014B)	02/01/18	1.00%	975,000	325,000	--
05/13/15	Revenue Bonds (2015A)	08/01/40	3.00% - 3.375%	6,465,000	6,110,000	5,920,000
12/16/15	Bonds (2015B)	02/01/31	2.125% - 3.250%	7,965,000	7,535,000	7,095,000
12/16/15	Capital Notes (2015C)	02/01/19	2.00%	710,000	475,000	240,000
12/13/16	Bonds (2016A)	02/01/30	2.10% - 3.00%	8,425,000	8,425,000	7,980,000
12/13/16	Capital Notes (2016B)	02/01/20	3.00%	865,000	865,000	585,000
12/12/17	Bonds (2017A)	02/01/31	2.50% - 3.00%	8,030,000	8,030,000	8,030,000
11/15/18	Bonds (2018A)	02/01/29	3.00% - 5.00%	5,730,000	--	5,730,000
	Total General Obligation Debt				$ 68,265,000	$ 66,300,000

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Table 10
General Obligation Annual Maturity Schedule

Bond Year Ending February 1	Outstanding		Bonds		Total General Obligation Debt Service
	Principal	Interest	Principal	Interest	
2019	$ 7,705,000	$ 998,073	$	$ 50,192	$ 8,766,214
2020	7,680,000	1,724,220	480,000	237,750	10,121,970
2021	6,670,000	1,451,545	500,000	218,550	8,840,095
2022	5,855,000	1,210,870	520,000	198,550	7,784,420
2023	4,520,000	1,003,270	540,000	177,750	6,241,020
2024	2,900,000	845,770	560,000	161,550	4,467,320
2025	2,980,000	760,358	575,000	144,750	4,460,108
2026	3,065,000	671,183	600,000	121,750	4,457,933
2027	3,150,000	587,358	620,000	97,750	4,455,108
2028	3,250,000	492,033	650,000	66,750	4,458,783
2029	3,340,000	397,918	685,000	34,250	4,457,168
2030	3,435,000	298,983	--	--	3,733,983
2031	2,220,000	196,438	--	--	2,416,438
2032	905,000	124,050	--	--	1,029,050
2033	285,000	88,875	--	--	373,875
2034	290,000	80,069	--	--	370,069
2035	300,000	70,850	--	--	370,850
2036	310,000	61,319	--	--	371,319
2037	320,000	51,275	--	--	371,275
2038	330,000	40,713	--	--	370,713
2039	340,000	29,825	--	--	369,825
2040	355,000	18,309	--	--	373,309
2041	365,000	6,159	--	--	371,159
Total	$ 60,570,000	$ 11,209,463	$ 5,730,000	$ 1,509,592	$ 79,032,000

Overlapping Debt

There are 45 cities, one township and 21 school districts located either partially or completely within Three Rivers Park District. In addition, four regional governmental agencies are authorized to incur debt which is taxable to District residents. Table 11 summarizes the outstanding principal amount of long-term general obligation debt attributable to these underlying and overlapping governmental units as of December 31, 2017, unless otherwise noted, and the portion of that debt applicable to the District.

Table 11
Overlapping Debt

	G.O. Debt[1] (As of 12/31/17)	Applicable to the Park District Percent[1]	Amount
Overlapping:			
Cities	$ 247,430,181	91.52%	$ 226,447,726
School Districts	2,288,420,000	80.09%	1,832,818,351
Hennepin County[2]	1,510,130,047	70.98%	1,071,822,564
Hennepin County Rail Authority	31,535,000	70.98%	22,382,128
Metropolitan Council[3]	182,425,000	37.94%	69,203,172
Total	$ 4,259,940,228		$ 3,222,673,942

(1) The percentage reflects the portion of the general obligation debt which is supplied primarily by taxes on taxable real estate located within Hennepin County excluding the city of Minneapolis, and Minneapolis Schools. Includes only general obligation debt entirely supported by tax levies. (Excludes General Obligation Tax Increment, Special Assessment and Revenue Debt.)

(2) Debt as of December 31, 2017. Excludes general obligation debt payable from revenues other than tax levies.

(3) General obligation debt excluding general obligation debt supported by wastewater revenues and grant anticipation notes. Debt as of December 31, 2017.

Source: Hennepin County Auditor.

Debt Limitation

The District is limited by Minnesota Statutes to issue general obligation bonds without a referendum in an amount up to 0.1% of the latest full and true valuation of property within the District. Total general obligation debt may be issued in an amount up to 0.5% of the latest full and true valuation for the District. Table 12 shows the non-voted debt limit computation for the District.

Table 12
Debt Limit Computation

Estimated Market Value (2017/2018)	$ 116,882,680,100
	x 0.1%
Debt Limit (100%)	$ 116,882,680
Current G.O. Debt (57.05%) (Includes the Bonds)	66,685,000
Remaining Debt Margin (42.95%)	$ 50,197,680

Future Financing

The District does not anticipate issuing additional debt in the next six months.

FINANCIAL INFORMATION

Financial Reports

The District's financial reports have been audited by an independent certified public accountant. Copies of the District's audited financial reports for the years ended December 31, 2014 through 2017, the 2018 Adopted Operating Budget, and the District's Asset Management Program are available upon request from PFM Financial Advisors LLC, the District's Municipal Advisor. See Appendix A for the General Purpose Financial Statements for the fiscal year ended December 31, 2017.

Financial Policies

During 1989 the Board of Commissioners adopted a Financial Management Plan to provide the framework for managing and accounting for public funds and to do so in a manner consistent with not only the letter of generally accepted accounting practices but with their spirit as well. The Board of Commissioners periodically reviews and amends these policies as needed. There are seventy separate policy statements in the Financial Management Plan grouped in the following categories: capital improvement, preservation and rehabilitation planning and funding policies; vehicle and mobile equipment policies; revenue policies; golf and ski operations; gifts and donations policies; debt policies; reserve policies; investment policies; accounting, auditing and financial reporting policies; risk management policies; operating budget policies; and special assessment policies.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Three Rivers Park District for its comprehensive annual financial report for the fiscal year ended December 31, 2016. This was the 28th consecutive year the Three Rivers Park District has received this certificate. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year.

The Park District submitted its 2017 comprehensive annual financial report to GFOA to determine its eligibility under the Certificate of Achievement for Excellence in Financial Reporting and is awaiting GFOA's response. Management believes the 2017 report meets the criteria to receive the Certificate of Achievement Award.

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Results of Operations

Statements of revenues and expenditures of the General Fund of the District have been compiled from the District's financial reports. They have been organized in such a manner as to facilitate year-to-year comparisons. Table 13 below presents a summary of revenues and expenditures of the District's General Fund for the fiscal years ended 2014 through 2017.

Table 13
Statement of Revenues and Expenditures
for the General Fund and Scott County Special Revenue Fund
(Years Ended December 31)

	2017	2016	2015	2014
Revenues:				
Property Taxes	$ 28,521,005	$ 27,824,606	$ 27,448,853	$ 27,066,552
Intergovernmental	2,928,119	2,972,570	2,688,082	2,532,759
Charges for Park Use	5,259,689	5,682,867	5,101,029	4,762,894
Other Charges	2,051,999	2,345,069	2,225,878	351,790
Investment Earnings	171,914	84,947	138,502	215,605
Fines and Forfeitures	54,353	26,063	42,324	45,042
Contributions and Other	247,099	176,019	219,721	210,140
Total Revenues	$ 39,234,178	$ 39,112,141	$ 37,864,389	$ 37,184,782
Expenditures:				
Current:				
Park and Trail Operations	$ 13,177,111	$ 13,237,667	$ 12,974,776	$ 13,300,721
Education and Recreation and Natural Resources	15,168,453	14,915,003	14,150,629	12,976,172
Planning, Design and Technology	3,604,760	3,660,427	3,688,428	3,600,273
General Government	7,294,874	6,609,942	6,139,860	6,196,329
Capital Outlay	547,191	245,971	279,005	401,944
Total Expenditures	$ 39,792,389	$ 38,669,010	$ 37,232,698	$ 36,475,439
Excess (Deficiency) of Revenue over Expenditures:	$ (558,211)	$ 443,131	$ 631,691	$ 709,343
Other Financing Sources (Uses):				
Operating Transfers In	65,040	$ 79,610	$ 32,478	$ 31,552
Operating Transfers Out	(2,744,756)	(2,887,315)	(23,700)	(19,313)
Sale of Capital Assets	274	16,359	152,849	1,928
Total Other Financing Sources (Uses)	$ (2,679,442)	$ (2,791,346)	$ 161,627	$ 14,167
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses:	$ (3,237,653)	$ (2,348,215)	$ 793,318	$ 723,510
Beginning Fund Balance:	16,645,663	18,993,878	18,200,560	17,477,050
Ending Balance:	$ 13,408,010	$ 16,645,663	$ 18,993,878	$ 18,200,560

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The District maintains operating budgetary control through an annual budget appropriation for the General Fund and the Scott-Three Rivers Special Revenue Fund adopted by the Board of Commissioners of the Park District. The operating budgets may be modified by the Park District Board of Commissioners' increasing or decreasing appropriations. The Superintendent may transfer budgeted amounts between departments within any fund. In addition, budgetary control is maintained through the use of an encumbrance system. As purchase orders are issued, corresponding amounts of appropriations are reserved by the use of encumbrances for later payment so that appropriations may not be overspent. Table 14 summarizes the District's 2017 and 2018 Budgets as amended.

Table 14
Operating Budget for the General Fund
and the Scott-Three Rivers Special Revenue Fund

	Adopted 2018 Operating Budget	2017 Amended Budget	2018 Budget Over (Under) 2017 Budget
Revenues:			
Property Taxes	$ 30,927,071	$ 28,352,364	$ 2,574,707
Park Use	7,929,027	7,698,585	230,442
Intergovernmental	2,927,898	2,854,634	73,264
Transfers	130,606	130,606	--
Other	470,972	547,922	(76,950)
Total Revenues	$ 42,385,574	$ 39,584,111	$ 2,801,463
Expenditures:			
Current:			
Recreation, Education and Natural Resources	$ 16,086,643	$ 15,325,567	$ 761,076
Park Design, Planning, and Technology	3,852,923	3,666,488	186,435
Park Maintenance	11,607,258	11,164,877	442,381
Public Safety	2,170,905	2,179,844	(8,939)
Administration	965,221	763,035	202,186
General Government Functions	6,163,314	6,498,405	-(335,091)
Capital Outlay	607,611	677,287	(69,676)
Transfers	1,071,405	2,758,405	(1,687,000)
Contingency	170,109	30,000	140,109
Total Expenditures	$ 42,695,389	$ 43,063,908	$ (386,519)

The amount shown as budgeted transfers for 2017 includes a planned use of excess fund balance of $2,727,000 to finance several projects that were part of the District's 2017 Asset Management Program. This transfer decreased the size of the 2017 General Obligation Bonds that were issued in the fall of 2017.

The Park District's 2018 operating budget continues to emphasize the following priorities:

1. Continue to provide high quality facilities, programs and recreation opportunities.
2. Manage natural resources and educate the public on natural resource management issues.
3. Continue to engage residents of suburban Hennepin County in both existing park locations and in resident's local communities.

The Park District's draft of the 2019 budgets for the General Fund and the Scott-Three Rivers Special Revenue Fund are being reviewed by the Board of Commissioners during November and December 2018. The draft budgets total$42,242,702. It includes a net zero increase in the property tax levy. This is possible since the 2018 levy, which was slightly lower than the 2017 levy, included $1,000,000 in the operating levy that was used for one-time costs since the District expected the 2019 overall levy would need to increase by this amount.

The 2019 budget continues the priorities that have driven the budget for the past several years:

1. Continue to provide high quality facilities, programs and recreational opportunities.
2. Continue to manage natural resource and educate the public on natural resource management issues.
3. Continue to engage residents of Suburban Hennepin County in both existing park locations and in resident's local communities.

Investments

Cash balances for all funds, except for small amounts on hand or in Park District depositories and amounts noted below, are deposited in pooled accounts of Hennepin County. The County invests cash surpluses for these accounts. Investment earnings, including gains and losses on sales of securities, are allocated to the Park District's funds on the basis of average cash balances. A portion of the cash balances in the General Obligation Bond Fund are invested by the Park District directly and investment earnings, including gains and losses on sales of securities, are allocated to the Park District's General Obligation Bond Fund. Cash and cash equivalents include all highly liquid investments with an original maturity of three months or less from the time of purchase. For purposes of the statement of cash flows, the Proprietary Funds consider all unrestricted investments held in the pooled accounts of Hennepin County to be cash equivalents because this pool is used essentially as a demand deposit account.

Table 15 presents the Park District's investments as of August 31, 2018:

Table 15
Investments

	Credit Risk		Interest Risk-Maturity in Years		
Investment Type	Rating	Agency	Less than 1 year	1 to 3	Total
US Treasury Notes	N/A	N/A	$ 1,493,768	$ 494,668	$ 1,988,436
Certificates of Deposit	N/A	N/A	$ 2,718,300	N/A	$ 2,718,300
Investment Pools/Mutual Funds					
Hennepin County Investment Pool	N/R	N/R	N/A		$ 36,489,121
PMA – 4m Fund	N/R	N/R	N/A		$ 2,127,952
Wells Fargo Advanced Government Fund	AAAm Aaa	S & P Moody's	N/A		$ 396,651
Total Investments					$ 43,720,460

N/A - Not Applicable
N/R - Not Rated

PROPERTY VALUATIONS AND TAXES

Assessed Valuations/Tax Capacity and Estimated Market Valuations

The County Assessor, pursuant to State law, is responsible for the assessment of all taxable property located within a county. State law provides, with certain exceptions, that all taxable property is to be valued at its market value. All real property subject to taxation must be listed and may be revalued each year with reference to its value as of January 2. The assessor views and reappraises all parcels at maximum intervals of four years. Personal property subject to taxation must also be listed and assessed annually as of January 2.

Property is appraised at **Estimated Market Value**, defined as the usual selling price of the property which would be obtained at private sale and not at a forced or auction sale.

The taxable value of property, upon which taxes are levied, extended and collected, is a percentage of the Estimated Market Value. In previous years, the term for taxable value was "assessed value." In 1988, the Minnesota State Legislature changed the manner in which the taxable value of property is determined. For taxes payable in 1989, the taxable value of property was called **Gross Tax Capacity**. Since 1990, taxable value has been referred to as **Net Tax Capacity**. The mechanics of the computation are the same as in previous years. Gross/Net Tax Capacity equals Estimated Market Value multiplied by a given percentage called a class rate for the particular classification of property. Neither the assessed value/tax capacity nor the market value may accurately represent what a property's actual market value would be in the market place. By dividing the estimated market value used for tax purposes by the State Equalization Aid Review Committee's (EARC) "Sales Ratio" for any particular year, an **Economic Market Value** can be calculated which approximates actual market value. Sales ratios represent the relationship between the market value used for tax purposes and actual selling prices which were obtained in real estate transactions within a governmental unit in any particular year.

The District does not have its own sales ratio; therefore, for purposes of calculating the economic market value, the sales ratio of Hennepin County is used. The 2017 sales ratio for Hennepin County is 94.24%.

Property values for the District include all of Hennepin County with the exception of property within the city of Minneapolis. Table 16 shows the trend of tax capacities and taxable market value for property within the Park District for years 2013 through 2017.

Table 16
Trend of Property
Values (In Thousands)

Levy/Payable Year	Adjusted Net Tax Capacity(1)	Taxable Market Value	Estimated Market Value
2017/18	$ 1,304,690	$ 113,730,370	$ 116,882,680
2016/17	1,225,469	106,688,710	110,053,361
2015/16	1,147,830	100,627,634	104,113,040
2014/15	1,079,366	94,514,474	98,147,180
2013/14	993,330	87,321,591	91,271,202

(1) Tax capacity is adjusted for fiscal disparities and tax increment financing. Tax capacity may decrease, even though assessor's taxable market value increases due to legislatively mandated reductions in class rates.

Source: Hennepin County Taxpayer Services Department.

The Economic Market Value, Estimated Market Value, Taxable Market Value and Net Tax Capacity for the District for the 2017 assessment year (2018 collection year) are shown in Table 17. Table 18 breaks down the Net Tax Capacity of real property within the District into the various types of property which make up the totals.

Table 17
2017/18 Property Values

	Economic Market Value	Estimated Market Value	Taxable Market Value	Net Tax Capacity
Real Estate	$ 122,643,061,863	$ 115,578,821,500	$ 112,426,512,208	$ 1,385,239,563
Personal Property	1,303,858,600	1,303,858,600	1,303,858,600	25,654,787
Less: Tax Increment and Fiscal Disparities Value	--	--	--	(106,203,931)
Total	$ 123,946,920,463	$ 116,882,680,100	$ 113,730,370,808	$ 1,304,690,419

Source: Hennepin County Taxpayer Services Department.

Table 18
2017/18 Real Property by Category

	Tax Capacity	% of Total
Residential	$ 822,382,149	59.37%
Agricultural	5,108,980	0.37%
Public Utility	3,171,283	0.23%
Railroad Operating Property	3,053,914	0.22%
All other Commercial & Industrial	430,914,965	31.11%
Non-Homestead Residential/Multiple Dwelling	106,782,254	7.71%
Commercial & Seasonal Recreational	12,687,145	0.92%
Other	1,138,873	0.08%
Total Real Property:	$ 1,385,239,563	100.00%

Source: Hennepin County Taxpayer Services Department.

Property Tax Levies and Collections

The tax year in Minnesota is January 1 to December 31, and taxes are collected by the County Treasurer. The sequence of events in the taxation of property begins with the certification of the property tax levy to the County Auditor on or before five working days after December 20. The County Auditor then calculates the Tax Capacity Rates and spreads the taxes designed to meet these property tax requirements. The resulting taxes on property are payable the following year. The due dates for taxes on real property are one-half on or before May 15 and one-half on or before October 15. The due dates for payment of personal property taxes are due in full on May 15.

Penalties on unpaid taxes occur as follows: on May 16, unpaid property taxes (first one-half) are penalized at a rate of 2% on property classified as homestead and 4% on property classified as non-homestead. Thereafter, an additional 1% is charged on the first day of each month up to and including October 1st for both homestead and non-homestead property. On October 16 unpaid property taxes (second one-half) are penalized at a rate of 2% for homestead and 4% for non-homestead property. Thereafter, an additional 2% on homestead property and 4% on non-homestead property is charged on the first day of each month up to and including December 1.

If the tax remains unpaid on the first business day in January following the year in which taxes were due, the penalty increases to a maximum of 10% for homestead property and 14% for non-homestead property. Interest, at a rate to be established by Minnesota Statutes, Section 549.09, begins to accrue on January 1 following the year in which the taxes were due. The interest is charged on the full amount of the taxes, penalties, and publication fees. Personal property tax not paid when due is penalized at a rate of 8% per annum.

Table 19 presents the Tax Levies and Collections for the Park District for the last five years.

Table 19
Tax Levies and Collections

Levy/Collection Year	Levy	Net Tax Levy	Collected First Year Amount	Collected First Year Percentage of Net Levy	Collected as of 06/01/18 Amount	Collected as of 06/01/18 Percentage of Net Levy
2017/18	$ 41,440,061	In Process of Collection………				
2016/17	41,457,324	$ 41,197,396	$ 41,102,562	99.77%	$ 41,160,915	99.91%
2015/16	41,493,484	41,356,146	41,152,776	99.51%	41,203,469	99.63%
2014/15	41,221,717	41,148,503	40,924,744	99.46%	40,972,668	99.57%
2013/14	41,314,016	41,197,736	40,974,891	99.46%	41,018,405	99.56%

Source: Hennepin County Taxpayer Services Department.

Tax Rates

Table 20 shows the tax rates for a resident of the Park District for collection years 2014 through 2018, not including the appropriate municipality or school district tax rate.

Table 20
Property Tax Rates(1)
Direct and Overlapping Government

Collection Year(1)	Park District	Hennepin County	Transit Commission	Metropolitan Council	Metropolitan Mosquito Control District
2018	3.161%	42.808%	1.383%	0.844%	0.456%
2017	3.365%	44.087%	1.463%	0.883%	0.475%
2016	3.601%	45.356%	1.491%	0.925%	0.483%
2015	3.789%	46.398%	1.523%	0.976%	0.507%
2014	4.169%	49.959%	1.703%	1.069%	0.563%

(1) The total tax rate for any particular taxpayer includes the municipal tax rate and school district tax rate in addition to the rates for the taxing entities shown above.

Source: Hennepin County Taxpayer Services Department.

Levy Limitation

The levy for payment of principal and interest on the Bonds is not subject to any limitations. The Park District's levy limit for general purposes is 0.03224% of the estimated market value located within the District. For taxes levied in 2017 and payable in 2018, the levy limit is $37,682,976. The actual tax levy for operations in 2017 was $31,438,187.

Principal Taxpayers

A list of the 14 largest taxpaying parcels in the District with the highest net tax capacity on the 2017 assessment is presented in Table 21.

Table 21
Principal Taxpayers

Name	Tax Capacity	% of Total[1]
MOAC Mall Holdings LLC	$ 16,799,250	1.29%
Target Corporation United	2,449,030	0.19%
Best Buy Co., Inc.	2,369,250	0.18%
Galleria Shopping Center	2,309,154	0.18%
Southdale Center LLC	2,165,092	0.17%
Ridgedale Center LLC	1,923,450	0.15%
ARC Wemps LLC	1,909,250	0.15%
CAPREF Eden Prairie LLC	1,859,250	0.14%
ML-AI Normandale LLC	1,786,970	0.14%
General Mills, Inc.	1,659,250	0.13%
United Healthcare Services	1,602,408	0.12%
G&I VII 1550/1600 Utica LLC	1,599,250	0.12%
Normandale Holdings LLC	1,580,760	0.12%
Allianz Life Insurance Co., America	1,561,430	0.12%
Prisa Arbor Lakes LLC	1,403,078	0.11%
Total	$ 42,976,872	3.29%

(1) Based on the adjusted net tax capacity value of $1,304,690,419.

Source: Hennepin County Taxpayer Services Department.

MUNICIPAL ADVISOR

The District has retained PFM Financial Advisors LLC, of Minneapolis, Minnesota, as municipal advisor (the "Municipal Advisor") in connection with the issuance of the Bonds. In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the District to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

Requests for information concerning the District should be addressed to PFM Financial Advisors LLC, 50 South 6th Street, Suite 2250, Minneapolis, Minnesota 55402 (612/338-3535, 612/338-7264 fax).

TAX EXEMPTION

In the opinion of McGrann Shea Carnival Straughn & Lamb, Chartered, as Bond Counsel, under federal and Minnesota laws, regulations, rulings and decisions in effect on the date of issuance of the Bonds, interest on the Bonds is not includable in gross income for federal income tax purposes or in taxable net income of individuals, estates and trusts for Minnesota income tax purposes. Certain provisions of the Internal Revenue Code of 1986, as amended (the

“Code”), however, impose continuing requirements that must be met after the issuance of the Bonds in order for interest thereon to be and remain not includable in federal gross income and in Minnesota taxable net income. Noncompliance with such requirements by the District may cause the interest on the Bonds to be includable in gross income for purposes of federal income taxation and in taxable net income for purposes of Minnesota income taxation, retroactive to the date of issuance of the Bonds, irrespective in some cases of the date on which such noncompliance is ascertained. The opinion of Bond Counsel assumes compliance with such requirements. No provision has been made for redemption of or for an increase in the interest rate on the Bonds in the event that interest on the Bonds becomes includable in federal gross income or Minnesota taxable income.

Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal or Minnesota individual or corporate alternative minimum taxes; however, interest on the Bonds is included in adjusted current earnings in calculating federal corporate alternative minimum taxable income. Bond Counsel is also of the opinion that interest on the Bonds is subject to the Minnesota franchise tax measured by income and imposed on corporations and financial institutions.

The foregoing is qualified in its entirety by reference to the Forms of Legal Opinion contained in Appendix B hereto. Except as stated above, Bond Counsel will express no opinion as to any federal, state or local tax consequence resulting from ownership of, receipt of interest on, or disposition of the Bonds.

Interest on the Bonds may be includable in the income of a foreign corporation for purposes of the branch profits tax imposed by Section 884 of the Code and is includable in the net investment income of foreign insurance companies for purposes of Section 842(b) of the Code. In the case of an insurance company subject to the tax imposed by Section 831 of the Code, the amount which otherwise would be taken into account as losses incurred under Section 832(b)(5) of the Code must be reduced by a percentage of the interest on the Bonds that is received or accrued during the taxable year. Section 86 of the Code and corresponding provisions of Minnesota law require recipients of certain Social Security and railroad retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Bonds. Passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code and corresponding provisions of Minnesota law for a Subchapter S corporation that has Subchapter C earnings and profits at the close of the taxable year if greater than a certain percentage of the gross receipts of such Subchapter S corporation is passive investment income. Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds and Minnesota law similarly denies a deduction for such interest expense in the case of individuals, trusts and estates. Federal and Minnesota laws also restrict the deductibility of other expenses allocable to the Bonds. In the case of a financial institution, no deduction is allowed under the Code for that portion of the holder’s interest expense allocable to interest on the Bonds, except with respect to certain “qualified tax-exempt obligations” (within the meaning of Section 265(b) of the Code). The Bonds will be designated by the District as qualified tax-exempt obligations.

The foregoing is not intended to be an exhaustive discussion of the tax consequences arising from ownership or disposition of the Bonds. The ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a beneficial owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the beneficial owner or the beneficial owner’s other items of income or deduction. Prospective purchasers or beneficial owners should consult their tax advisors in respect to such other tax consequences. Bond Counsel expresses no opinion regarding any such other tax consequences.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds.

Certain agreements, requirements and procedures contained or referred to in relevant documents may be changed and certain actions (including, without limitation, defeasance of Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bonds or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than McGrann Shea Carnival Straughn & Lamb, Chartered.

Legislation affecting tax-exempt obligations like the Bonds is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds, will not have an adverse effect on the tax status of interest or other income with respect to the Bonds, or the market value of the Bonds. Such adverse effects could result, for example, from changes to federal or State income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction of the benefit) of the exclusion of interest on the Bonds from gross income for federal income tax purposes or from taxable net income for State income tax purposes.

From time to time, there are legislative proposals that, if enacted, could adversely affect the federal and state tax matters referred to herein, adversely affect marketability or market value of the Bonds, or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. No prediction is made concerning future events. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Original Issue Premium

The Bonds are being issued at a premium to the principal amount payable at maturity (collectively, the "Premium Bonds"). Except in the case of dealers, who are subject to special rules, bondholders from time to time must reduce their federal income tax basis for the Premium Bonds for purposes of determining gain or loss on the sale or payment of such Bonds. Premium generally is amortized on the basis of a bondholder's constant yield to maturity with semiannual compounding. This might result in taxable gain upon sale of the Premium Bonds, even if they are sold for an amount equal to or less than their original cost. Amortized premium is not deductible for federal income tax purposes. Purchasers of the Bonds should consult their tax advisors concerning the timing and rate of premium amortization.

RATINGS

The Bonds are rated "Aaa" by Moody's Investors Service, and "AAA" by Fitch Ratings. A rating is subject to withdrawal at any time; withdrawal of a rating may have an adverse effect on the marketability of the Bonds. For an explanation of the significance of the rating, an investor should communicate with the rating agency.

LITIGATION

The District is not aware of any threatened or pending litigation affecting the validity of the Bonds or the District's ability to meet its financial obligations.

CERTIFICATION

The District will furnish a statement to the effect that this Official Statement, to the best of their knowledge and belief as of the date of sale and the date of delivery, is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading.

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Bonds are subject to the opinion of McGrann Shea Carnival Straughn & Lamb, Chartered, Bond Counsel, as to validity and tax exemption. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by its Superintendent and Secretary to the Board of Commissioners has been duly authorized by the District.

THREE RIVERS PARK DISTRICT

By /s/ Boe R. Carlson

Superintendent and Secretary to the Board of Commissioners

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APPENDIX A

Audited Financial Statements
for the Year Ended December 31, 2017

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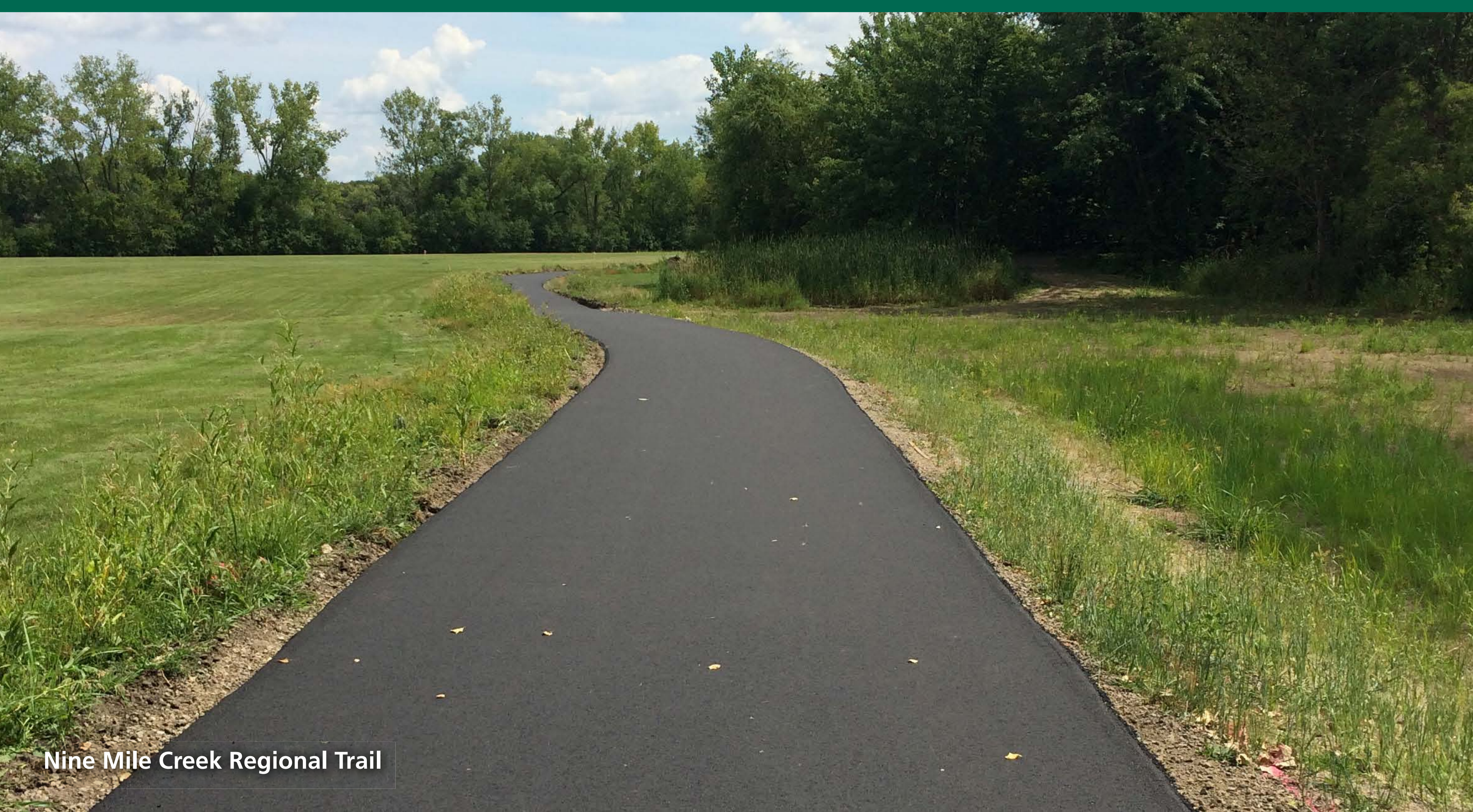
ThreeRivers
PARK DISTRICT

STATE OF MINNESOTA

Comprehensive Annual Financial Report

For the year ended December 31, 2017



Nine Mile Creek Regional Trail

Three Rivers Park District

State of Minnesota

Comprehensive Annual Financial Report

For the Year Ended December 31, 2017

Prepared By: Department of Finance

THREE RIVERS PARK DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2017

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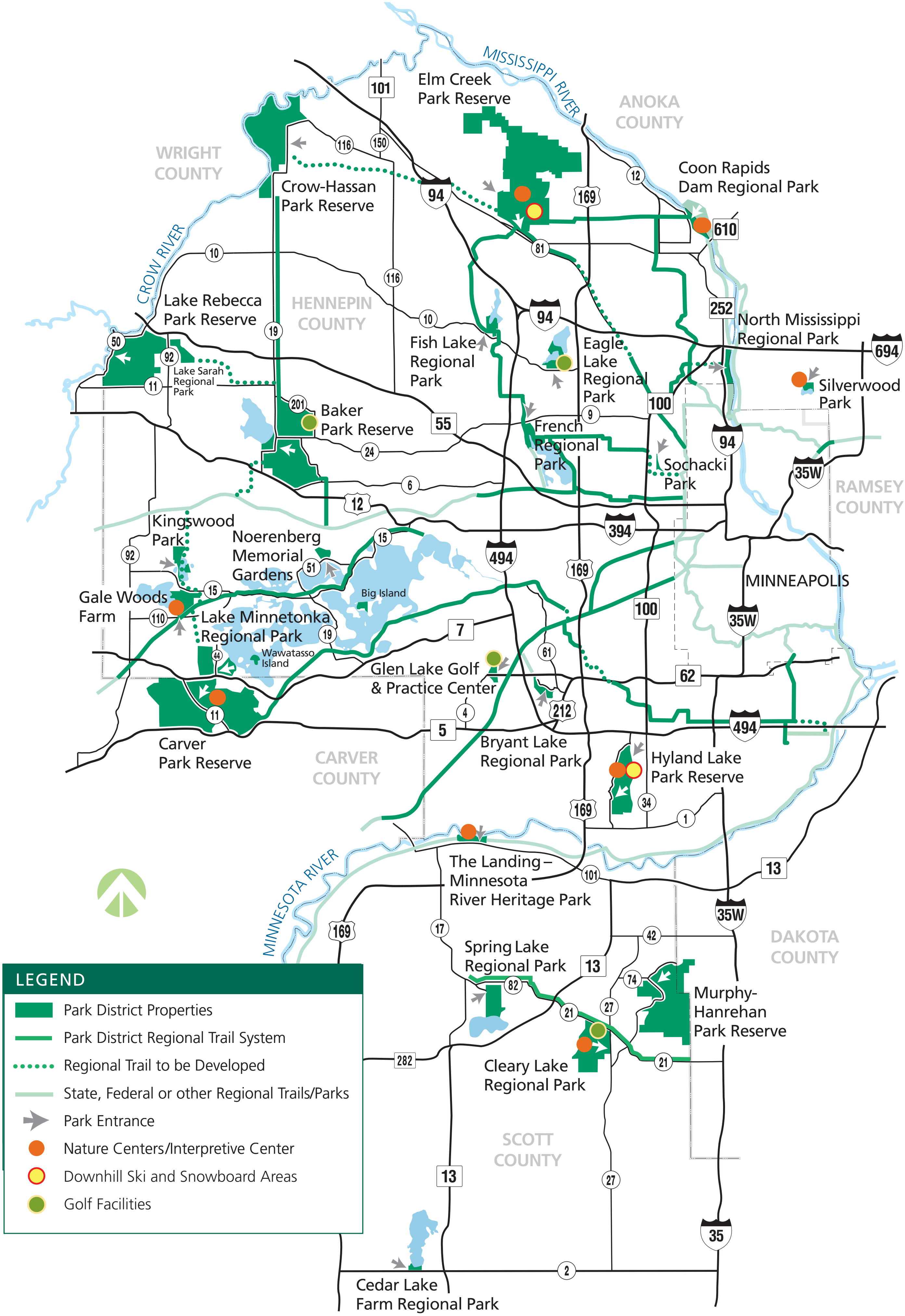

MISSISSIPPI RIVER
Elm Creek Park Reserve
ANOKA COUNTY
Coon Rapids Dam Regional Park
WRIGHT COUNTY
Crow-Hassan Park Reserve
CROW RIVER
Lake Rebecca Park Reserve
HENNEPIN COUNTY
Fish Lake Regional Park
Eagle Lake Regional Park
North Mississippi Regional Park
Lake Sarah Regional Park
Silverwood Park
Baker Park Reserve
French Regional Park
Sochacki Park
RAMSEY COUNTY
Kingswood Park
Noerenberg Memorial Gardens
Big Island
MINNEAPOLIS
Gale Woods Farm
Lake Minnetonka Regional Park
Wawatasso Island
Glen Lake Golf & Practice Center
Carver Park Reserve
CARVER COUNTY
Bryant Lake Regional Park
Hyland Lake Park Reserve
The Landing – Minnesota River Heritage Park
MINNESOTA RIVER
DAKOTA COUNTY
Spring Lake Regional Park
Murphy-Hanrehan Park Reserve
Cleary Lake Regional Park
SCOTT COUNTY
Cedar Lake Farm Regional Park
LEGEND
Park District Properties
Park District Regional Trail System
Regional Trail to be Developed
State, Federal or other Regional Trails/Parks
Park Entrance
Nature Centers/Interpretive Center
Downhill Ski and Snowboard Areas
Golf Facilities

May 11, 2018

The Honorable Members of the Three Rivers
Park District Board of Commissioners

State law requires that every general-purpose local government publish within six months of the close of each year a complete set of audited financial statements. Therefore, we hereby issue the Comprehensive Annual Financial Report of the Three Rivers Park District, (hereafter referred to as the Park District) for the fiscal year ended December 31, 2017.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Redpath and Company, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Park District's financial statements for the year ended December 31, 2017. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The Park District was created in 1957 as a special purpose government entity responsible not for the establishment of parks and playgrounds of a local or neighborhood type, but rather for the acquisition, development and maintenance of large parks, wildlife sanctuaries, forest land and other reservations, and a means for public access to historic sites and to lakes, rivers and streams and other natural phenomena (Minnesota Statutes, Chapter 398). Over the last 60 years, the Park District has developed an outstanding system of over 27,000 acres in 10 regional parks, seven park reserves, 145 miles on 19 different regional trails, and six special recreation features.

Administrative Center, 3000 Xenium Lane North, Plymouth, MN 55441-1299

Information 763.559.9000 • TTY 763.559.6719 • Fax 763.559.3287 • www.ThreeRiversParks.org

These facilities support a wide variety of activities ranging from golf and downhill skiing to bird banding and picnicking. Surveys indicate that The Park District is well known and well respected by visitors and non-visitors alike. The general public and visitors give very high ratings to Three Rivers for environmental stewardship, environmental education, recreation, maintenance and operations, and public safety services. The popularity and success of the Park District is exhibited by the District's more than 10 million annual visits.

The Park District has operated under several different names since its creation. The original name, Hennepin County Park Reserve District, was changed by the State Legislature in 1985 to the Suburban Hennepin Regional Park District. The Park District, looking for a more user friendly name, did business using the shortened name, Hennepin Parks, until 2003 when the operating name was changed to Three Rivers Park District, to better represent the area served by the Park District. In 2005, the State Legislature officially changed the Park District's name to Three Rivers Park District.

The Park District's jurisdiction includes Hennepin County, except for the City of Minneapolis. Parks in Scott County are operated through an agreement which establishes the Park District as a regional park authority for that county. In addition, facilities are owned and operated by the Park District in four adjacent counties: Dakota, Wright, Carver, and Ramsey. The Park District has the authority to levy property taxes and issue debt within statutorily prescribed limits. In addition, it has the power to enact and enforce ordinances on its property.

The Board of Commissioners is the Park District's governing body. The Board is comprised of seven (7) Commissioners: five (5) are elected by district and the Hennepin County Board of Commissioners appoints two (2) at large. The Park District is independent for financial reporting purposes; and the Park District's officials exercise oversight responsibility in the operation of the park system. This includes the provision of staff for maintenance and program purposes, system planning, land acquisition and development, and administrative services.

The annual budget serves as the foundation for the Park District's financial planning and control. All departments of the Park District submit requests for appropriation to the Superintendent in August of each year. The Superintendent uses these requests as the starting point for developing a proposed budget. The Superintendent then presents this proposed budget to the Board for review. The Board holds public hearings on the proposed budget and adopts the budget by late November. The adopted preliminary operating budget is submitted to Hennepin County for review as required by Minnesota Statute.

The Board considers any County recommendations in December and reaffirms the final budget by January 1, the beginning of the Park District's fiscal year.

The appropriated budget is prepared by fund, function, and department. The Superintendent may make transfers of appropriations within a fund. Transfers of appropriations between funds or increases to fund's total appropriation, however, require the approval of the Board. A budget-to-actual comparison is provided in this report for the general fund and the major special revenue funds as part of the basic financial statements for the governmental funds.

Local Economy, Important Events and Future Prospects

The Park District is responsible for managing over 27,000 acres of parkland and hundreds of miles of trails within six counties. Management and development of the Park District's numerous sites requires the Park District to collaborate with more than 50 cities and numerous watershed districts. The Park District continues to have to balance the increased costs associated with ever increasing park usage, expanded services to residents in their local neighborhoods, the Park District's desire to provide high quality recreational and educational opportunities, and managing and preserving natural resources against available revenue from user fees and the desire to limit property tax increases. The Park District's largest revenue stream comes from the property tax levied against all property in suburban

Hennepin County. The Park District's ability to levy taxes for operations is limited by state statute to .03224% of market value. While the Park District's levy has always been below the levy limit, the limit and proposed levy are reviewed as part of the budget process to ensure the current year levy complies with state law and that future levies will not be constrained by the levy limit.

As part of the 2017 budget process, the Park District reviewed park use fees in an effort to generate additional non-tax revenue. This is consistent with survey results that shows residents preferred increased user fees over either increased taxes or decreased services. The Park District reviewed various fees and increased a number of fees where appropriate based on market conditions and fairness. The Park District remains committed to balancing the need for increased fees with the desire to keep park facilities accessible to all and will continue to review fees in the years to come to ensure fees are equitable.

Work continued on the Nine Mile Creek Trail, which will allow users to travel through the cities of Hopkins, Minnetonka, Edina, Richfield and Bloomington and connect to other trails that will allow them to go almost anywhere in Hennepin County. Federal, state and county grants have funded portions of the trail which includes several miles of elevated boardwalks along the creek, bridges and underpasses that cross four major highways. Most of the trail was open in 2017 and the remaining section will be completed in 2018.

The French Regional Park received a major facelift in 2017, as the creative play area and all pavement in the park was replaced. The play area, which was known as an icon in the western suburbs for its climbing ropes and nets, and the pavement on all roads, parking areas and trails were removed in the spring. By late summer most of the paving work was completed with only a top coat of blacktop and shoulder restoration remaining. The play area, which was redesigned with the help of students from Park Brook Elementary school, will include some rope and net elements and is scheduled to be completed in May or June of 2018.

The Park District partnered with We Can Ride, Inc. to relocate to Baker Park Reserve. We Can Ride, a nonprofit organization that strives to "improve the lives of individuals with disabilities or special needs through equine assisted activities", had been located on property owned by Hennepin County for many years, but needed to relocate in 2017. The District worked with the City of Medina to allow We Can Ride to occupy a portion of Baker Park that had previously housed the Park District's equine patrol. We Can Ride moved into its new home in the summer of 2017 and both organizations view the partnership as a tremendous success.

Several technological improvements were completed in 2017 that will change the way the Park District operates for many years to come. A new recreation and reservation system was launched in April. This system included numerous enhancements that help in handling facility rentals, lessons, concession and merchandise sales, campground reservations, equipment rentals, permits and passes. With this new system there are more options for tracking, reporting and analyzing park usage and revenues. While the launch of the system was not without some issues, most were resolved quickly, and the system has operated with very little downtime. An updated website was also launched that strengthened the Park District's presence on the internet and provided a more user friendly on-line registration and reservation experience. In addition to the recreation and reservation system and new website, the Park District began implementation of new financial software. This system will replace the 25-year-old existing financial software and will provide added functionality, along with ease of use and decreased maintenance costs. The system will go live in June of 2018.

Long-term Financial Planning

The asset management program provides a sound, comprehensive, fiscally responsible method to manage capital development, maintenance, rehabilitation, information technology, and other capital-intensive activities at a District-wide level. An effective asset management program facilitates decision making that prioritizes projects, reduces costs and maximizes assets.

The 2017 asset management plan totaled $18.3 million which finances 99 projects throughout the District. The projects have been divided into nine distinct program areas. The first five program areas are responsible for sustaining existing service levels, infrastructure and facilities. They play a critical role in the function of the Park District and should be strongly considered for funding prior to the construction of new or expanded facilities. These program areas are ADA compliance, infrastructure management, preservation and rehabilitation, information and technology, and natural resources management. The final four program areas either improve existing facilities and operations or add new facilities; these program areas are small capital investments, sustainability, partnerships, and major capital projects. Projects included trail crossing improvements, construction of various regional trail segments, including a federally funded program to connect regional trails to local trail systems, community enhancement programs, energy efficiency and conservation programs, accessibility improvements and the replacement of the French Regional Park Play Area. A variety of sources were identified to fund these improvements including regional park development grants, grants from other agencies, Park District general obligation bonds, and general fund reserves. Projects completed in 2017 include; Nine Mile Regional Trail West segment and boardwalks, Twin Lakes Regional Trail, Bassett Creek Regional Trail, pavement rehabilitation in French Regional Park, Faribault House foundation restoration, and Cleary Lake Regional Park visitor center enhancements.

The Park District uses a five-year capital improvement plan to plan upcoming capital projects. This plan highlights the scope, timing and funding of all major projects for the next five years and is updated annually as the current year is removed and year 5 projects are included. It is expected that most of the proposed projects in years 2-5 will remain in their programmed year, but it is also possible that new opportunities (or challenges) may require revisions of project timing in years 2-5. The five-year capital improvement plan is also used to help plan and manage debt issuance and structure.

Relevant Financial Policies

The Park District Board of Commissioners adopted a Financial Management Plan in 1989 that provides a framework for managing public funds. This plan has been amended 11 times since its adoption. The plan contains 69 policy statements covering:

- Operating Budgets
- Revenue Sources
- Gifts and Donations
- Fund Balance Levels
- Accounting and Financial Reporting
- Capital Improvements Planning and Funding
- Golf and Alpine Skiing Operations
- Debt Management
- Investments
- Risk Management
- Special Assessments
- Vehicle/Mobile Equipment Funding

Several of the policies have received increased attention over the last several years. One of the fund balance policies state that the District strives to maintain a minimum unassigned fund balance in the General Fund for working capital purposes of 22% of the ensuing year's budget. The fund balance has exceeded this amount for several years and the Board has approved using $1,000,000 of the excess fund balance to fund future land improvements. In addition, minimum fund balances in other funds are set in the Financial Management Plan and are monitored to ensure that the Park District's strong financial position is maintained. Future funding and spending decisions will continue to be a balance between Park District needs, annual property tax increases and maintaining appropriate Fund Balances.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Park District for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2016. This was the twenty-eighth consecutive year the Park District has received this certificate. The Certificate of

Achievement for Excellence in Financial Reporting is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit had to publish an easily readable and efficiently organized CAFR that satisfied both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been accomplished without the skill, effort and dedication of all members of the Finance Department. We would also like to express our appreciation to the Superintendent, Associate Superintendents, Department Directors, and Board of Commissioners for their interest and support in planning and conducting the financial operations of the Park District in a responsible and progressive manner.

Respectfully submitted,

Howard D. Koolick

Howard D. Koolick
Director of Finance/CFO

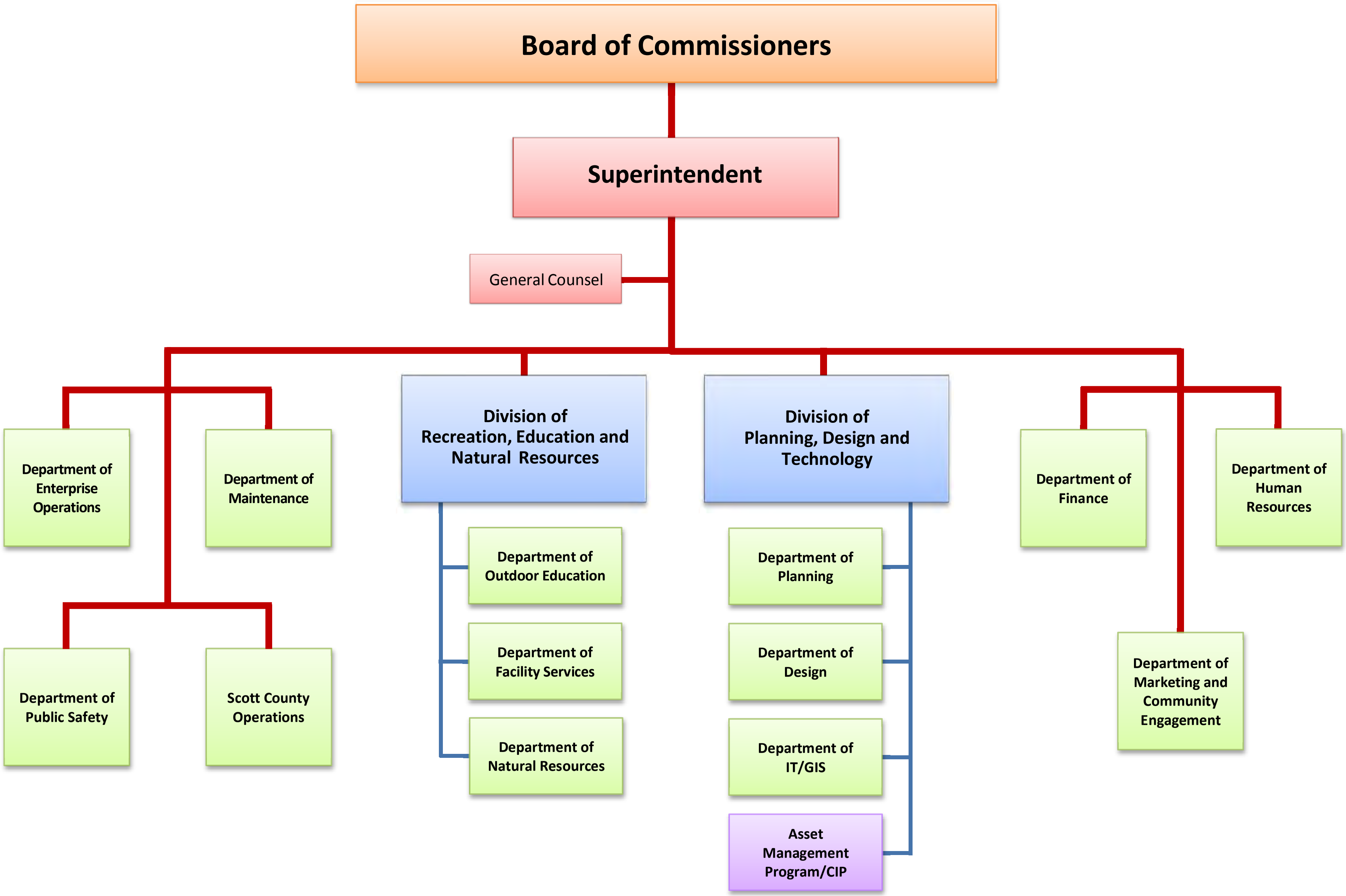
Jill M. Cremers

Jill M. Cremers
Finance Manager

Three Rivers Park District

Organizational Chart

April 2018



PRINCIPAL OFFICIALS

The Board of Commissioners is the policy body for the Park District. Five members are elected by District, and two are appointed at large by the Hennepin County Board of Commissioners.

John Gunyou, Chair	Elected – District 4	Term expires 12/31/2018
Daniel Freeman, Vice Chair	Elected - District 3	Term expires 12/31/2020
Penny Steele	Elected - District 1	Term expires 12/31/2020
Jennifer DeJournett	Elected - District 2	Term expires 12/31/2018
John Gibbs	Elected – District 5	Term expires 12/31/2020
Gene Kay	Appointed	Term expires 12/31/2018
Steven E. Antolak	Appointed	Term expires 12/31/2020

Senior Management

Boe R. Carlson	Superintendent and Secretary to the Board
Eric J. Quiring, P. A.	General Counsel
Thomas K. McDowell	Associate Superintendent/Recreation, Education and Natural Resources (Retired October 2017)
Jonathon C. Vlaming	Associate Superintendent/Planning, Design and Technology
Howard D. Koolick	Director of Finance/CFO

Consultants and Advisors

External Auditor	Redpath and Company
Financial Consultant	Public Financial Management, Inc.
Bond Counsel	McGrann, Shea, Carnival, Straughn and Lamb, Chartered
Insurance and Risk Management	Minnesota Counties Insurance Trust

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Three Rivers Park District

Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrill

Executive Director/CEO

SECTION II

FINANCIAL SECTION

ThreeRivers

PARK DISTRICT

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Three Rivers Park District
Plymouth, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Three Rivers Park District, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Three Rivers Park District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Three Rivers Park District, as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Scott County Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1Q to the financial statements, Three Rivers Park District changed the year end of the Hyland Hills Ski Area Enterprise Fund from June 30 to December 31 in order to enhance financial reporting consistency. As a result, 18 months of financial activity is presented in the accompanying financial statements for the Hyland Hills Ski Area. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress, the schedules of proportionate share of net pension liability and the schedules of pension contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Three Rivers Park District's basic financial statements. The introductory section, combining and individual fund statements and schedules, and the statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2018, on our consideration of Three Rivers Park District'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 Three Rivers Park District'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 Three Rivers Park District's internal control over financial reporting and compliance.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

May 11, 2018

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As management of the Three Rivers Park District (Park District), we offer readers of the Park District's financial statements this narrative overview and analysis of the financial activities of the Park District for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report.

Financial Highlights

- The Park District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $216,924,317 (net position). Of this amount, $200,064,759 is the Park District's net investment in capital assets and $18,093,256 is restricted for specific purposes (restricted net position) leaving a deficit of ($1,233,698) in unrestricted net position. The deficit balance is not an indication that the Park District lacks the resources to satisfy its financial obligations in the near future. Rather, the deficit is the result of long-term, actuarially determined liabilities associated with pensions which are managed by the respective retirement systems and the State Legislature.
- The Park District's total net position increased by $7,883,463.
- As of the close of the current fiscal year, the Park District's governmental funds reported combined ending fund balances of $51,731,381, a decrease of $1,517,596 in comparison with the prior year. Approximately 38% of this amount, $19,485,948 is available for use within the Park District's constraints and policies.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was $12,664,926, or approximately 34% of total general fund expenditures. The committed or assigned amount, $4,717,626 is in accordance with the Park District's Financial Management Plan, leaving $7,947,300 unassigned and available for future allocation.
- The Park District's total bonded debt decreased by $2,210,000, from $70,475,000 to $68,265,000. The key factor in this decrease was the Park District's annual debt payment exceeding the issuance of $8,030,000 in General Obligation Bonds, for the purpose of financing the Park District's 2017 Capital Improvement Plan.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Park District's basic financial statements. The Park District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Park District's finances, in a manner similar to the private-sector business.

The statement of net position presents information on all of the Park District's assets, liabilities, and deferred outflows/inflows of resources with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Park District is improving or deteriorating.

The statement of activities presents information showing how the Park District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Park District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Park District include Park and Trail Operations, Recreation, Education and Natural Resources, Planning, Design, and Technology, and General Government. The business-type activities of the Park District include Baker National Golf Course, Hyland Hills Ski Area, and Eagle Lake Golf Course.

The government-wide financial statements can be found on pages 27-28 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Park District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Park District can be divided into two categories: governmental funds, and proprietary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Park District maintains fifteen governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for six of these funds which are considered to be major funds. Data from the other nine funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Park District adopts an annual appropriated budget for its general fund and certain special revenue funds. A budget to actual comparison has been provided for these funds to demonstrate compliance with these budgets.

The governmental fund financial statements can be found on pages 30-38 of this report.

Proprietary Funds – The Park District maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Park District uses enterprise funds to account for its Baker National Golf Course, Hyland Hills Ski Area, and Eagle Lake Golf Course.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the Park District's various functions. The Park District uses internal service funds to account for its fleet of vehicles and equipment, for its risk management functions, and to provide pension benefits to other funds of the Park District on a cost reimbursement basis. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 39-42 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the governmental and proprietary fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Park District's progress in funding its Pension liability and Other Post-Employment Benefits (OPEB). Required supplementary information can be found on page 75 of this report.

The combining and individual statements and schedules in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Park District, assets and deferred outflows exceeded liabilities and deferred inflows by $216,924,317. By far the largest portion of the Park Districts net position (92 percent) reflects its investment in capital assets (e.g. land, buildings, land improvements, furniture and equipment) less any related debt used to acquire those assets that is still outstanding. The Park District uses these capital assets to provide services to park guests; consequently, these assets are not available for future spending. Although the Park District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position increased $1,067,994 to $18,093,256 in 2017 largely due to the $979,903 increase in debt services restrictions, $92,442 increase in capital improvement restrictions, and a $4,351 decrease in C.E. French Endowment and Eastman Library Expendable Trust Funds. Net Position is reported as restricted when constraints place on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.

The remaining deficit of $(1,233,698) represents the unrestricted portion of the Park District's net position. This is a decrease of $3,363,374 from the 2016 unrestricted net position. The decrease is largely due to the impact of GASB 68, which was implemented back in 2015, which requires the Park District to report the unfunded portion of defined benefit pension plans.

Three Rivers Park District's Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	$ 61,115,080	$ 62,191,966	$ 2,221,269	$ 2,118,642	$ 63,336,349	$ 64,310,608
Capital assets - net	238,153,501	228,580,879	21,029,389	22,567,821	259,182,890	251,148,700
Total assets	$ 299,268,581	$ 290,772,845	$ 23,250,658	$ 24,686,463	$ 322,519,239	$ 315,459,308
Deferred Outflow of Resources	$ 7,441,968	$ 14,939,254	$ -	$ -	$ 7,441,968	$ 14,939,254
Long-term liabilities outstanding	$ 91,379,117	$ 102,671,749	$ 8,312,468	$ 9,033,056	$ 99,691,585	$ 111,704,805
Other Liabilities	5,575,916	5,017,258	506,287	330,357	6,082,203	5,347,615
Total liabilities	$ 96,955,033	$ 107,689,007	$ 8,818,755	$ 9,363,413	$ 105,773,788	$ 117,052,420
Deferred Inflow of Resources	$ 7,263,102	$ 4,305,288	$ -	$ -	$ 7,263,102	$ 4,305,288
Net position:						
Net investment in capital assets	$ 187,122,540	$ 175,870,459	$ 12,942,219	$ 14,015,457	$ 200,064,759	$ 189,885,916
Restricted	18,093,256	17,025,262	-	-	18,093,256	17,025,262
Unrestricted	(2,723,382)	822,083	1,489,684	1,307,593	(1,233,698)	2,129,676
Total net position	$ 202,492,414	$ 193,717,804	$ 14,431,903	$ 15,323,050	$ 216,924,317	$ 209,040,854

Statement of Activities

The Park District's overall net position increased $7,883,463 from the prior fiscal year. The governmental activities net position increased by $8,774,610 while the business-type activities net position decreased by $891,147.

The following table presents the changes in net position for governmental and business-type activities.

Three Rivers Park District's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	$ 8,243,186	$ 9,011,092	$ 9,379,556	$ 6,955,821	$ 17,622,742	$ 15,966,913
Operating grants and contributions	5,692,725	5,353,495	-	11,678	5,692,725	5,365,173
Capital grants and contributions	12,437,952	13,568,013	-	73,924	12,437,952	13,641,937
General revenues:						
Property taxes	40,607,986	40,703,288	345,345	341,040	40,953,331	41,044,328
Unrestricted investments earnings	584,691	213,842	10,255	15,347	594,946	229,189
Gain on the sale of capital assets	175,588	118,023	-	-	175,588	118,023
Other	270,458	178,319	28,395	86,205	298,853	264,524
Total revenues	68,012,586	69,146,072	9,763,551	7,484,015	77,776,137	76,630,087
Expenses:						
Park and Trail Operations	24,526,248	25,463,526	-	-	24,526,248	25,463,526
Recreation, Education, and Natural Resources	21,017,720	20,659,023	-	-	21,017,720	20,659,023
Planning, Design, and Technology	5,286,835	5,437,672	-	-	5,286,835	5,437,672
General Government	7,117,892	6,645,439	-	-	7,117,892	6,645,439
Interest and fiscal charges on debt	1,270,612	1,319,733	-	-	1,270,612	1,319,733
Baker National Golf Course	-	-	2,212,912	2,267,792	2,212,912	2,267,792
Hyland Hills Ski Area	-	-	7,329,914	4,766,622	7,329,914	4,766,622
Eagle Lake Golf Course	-	-	1,130,541	1,176,877	1,130,541	1,176,877
Total expenses	59,219,307	59,525,393	10,673,367	8,211,291	69,892,674	67,736,684
Increase (decrease) in net position before transfers	8,793,279	9,620,679	(909,816)	(727,276)	7,883,463	8,893,403
Transfers	(18,669)	(17,248)	18,669	17,248	-	-
Change in net position	8,774,610	9,603,431	(891,147)	(710,028)	7,883,463	8,893,403
Net position-Beginning	193,717,804	184,114,373	15,323,050	16,033,078	209,040,854	200,147,451
Net position on December 31	$ 202,492,414	$ 193,717,804	$ 14,431,903	$ 15,323,050	$ 216,924,317	$ 209,040,854

Governmental Activities

Governmental activities increased the Park District's net position by $8,774,610 compared to an increase of $9,603,431 in 2016. The revenues for the Park District's governmental activities decreased by $1,133,486, or 1.64%, while expenses decreased by $306,086, or .51%. The major components of this decreases are explained as follows:

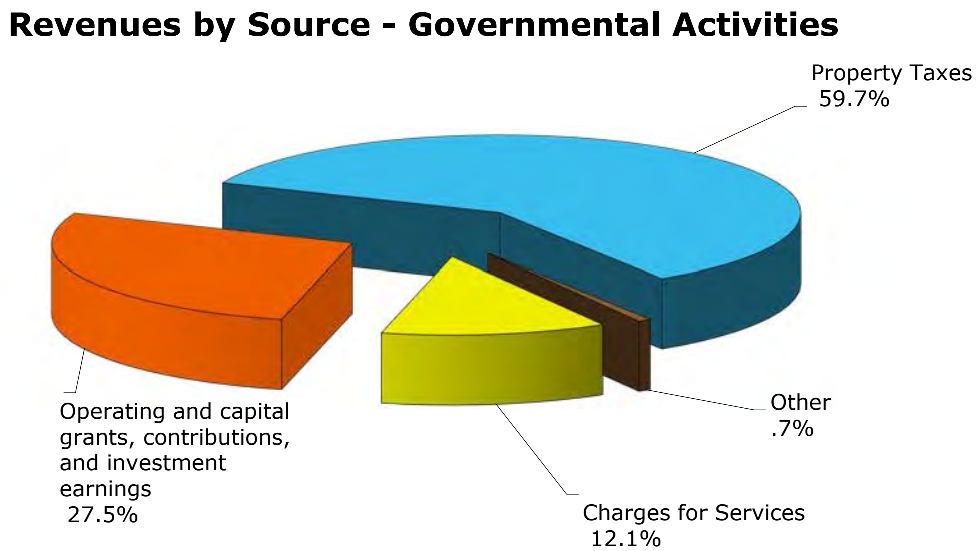
Charges for services revenue decreased $767,906, or 8.53% in 2017. A portion of this decrease was anticipated due to the pavement resurfacing and construction project at French Regional Park, in addition usage was down throughout the Park District due to a cool wet summer and a late start to a warm winter. Decreased revenues were seen in summer and winter rental equipment as well as in fees for boat trailer parking, swimming, camping, alpine and cross-country skiing, which also led to a decrease in park concession revenue.

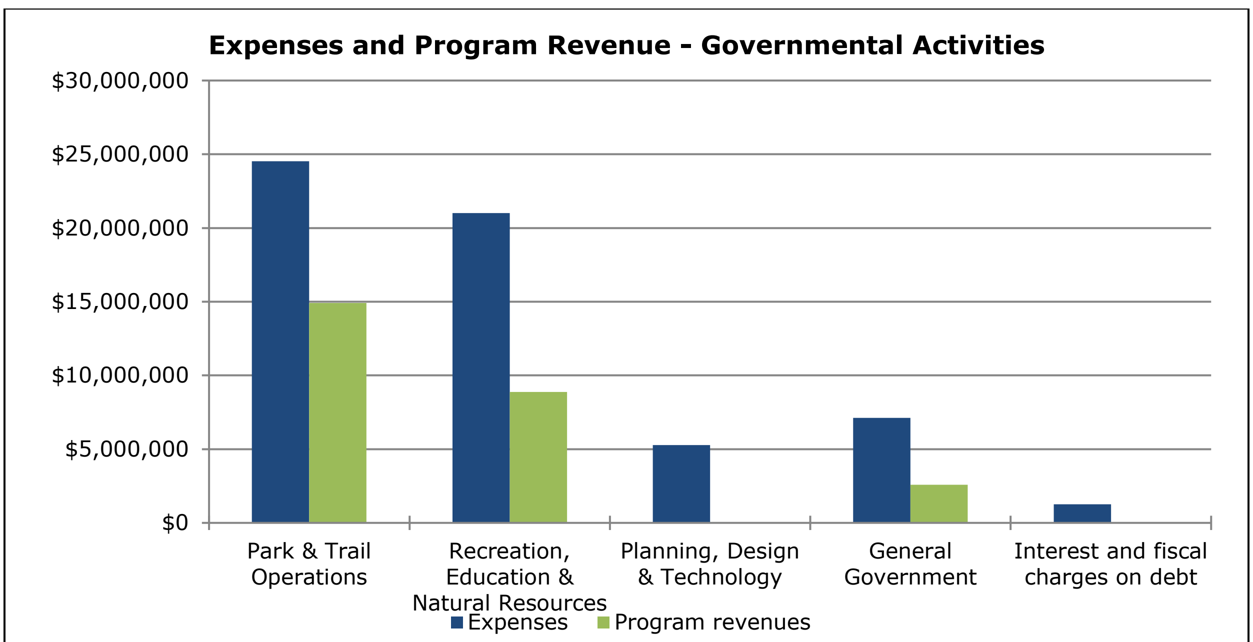
Operating and capital grants and contributions decreased by $790,831, or 4.18%, due to the completion of Nokomis-Minnesota River Regional Trail, Bassett Creek Regional Trail and the Nine Mile East Regional Trail projects which were funded Federal Highway Administration Grants and Metropolitan Council Grants in 2016.

Property taxes decreased by $95,302, or .02%. This slight decrease is due to County adjustments to prior year tax levies and the subsequent reduction to the Park District collections.

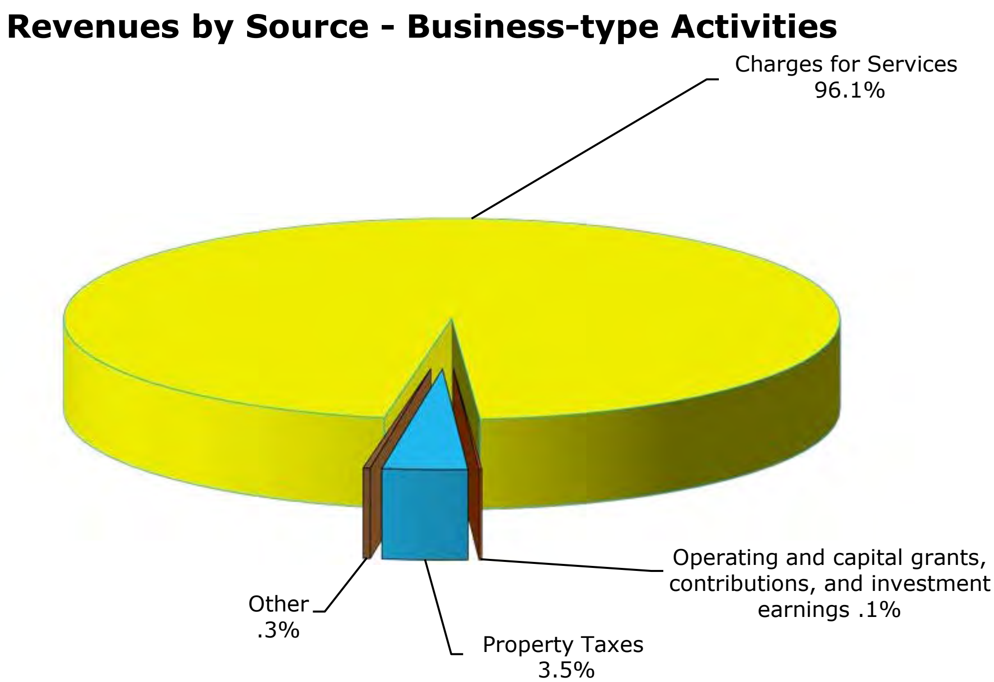
Unrestricted investment earnings increased $370,849. This is due to an unrealized increase of $375,736 in the market value of the investments held by Hennepin County. In 2016, unrealized losses were recorded totaling $336,215, whereas 2017 recorded a $39,521 unrealized gain.

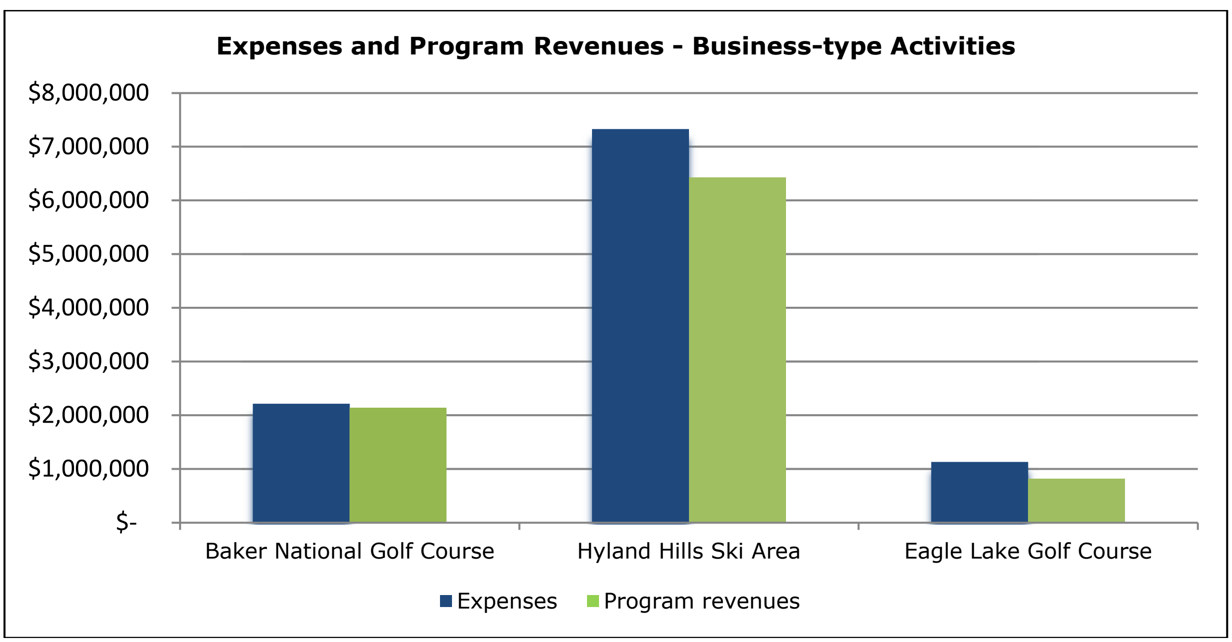
Expenses – The Park District's expenses for governmental activities decreased by $306,086, or .05%. This decrease was a combination of a slight increase due to normal inflationary increases to operate and maintain a high standard for quality facilities, programs and recreational opportunities throughout the Park District, offset by reduced principal and interest paid on bonds during 2017.





Business-Type Activities





During 2017, the Park District changed the year end for the Hyland Hills Ski Area Enterprise Fund from June 30 to December 31 in order to enhance financial reporting consistency. As a result, 18 months of financial activity (July 1, 2016 through December 31, 2017) for Hyland Hills Ski Area Fund is presented on the Statement of Activities. As we analyze the Business-type activities the Hyland Hills Ski Area Fund have reported higher revenues and expenses than last year due to an additional six months of reporting.

Business-type activities decreased the Park District's net position by $891,147 compared to a decrease of $710,028 in 2016. The change in the decrease in net position can be explained as follows:

Revenues – The Park District's business-type revenues increased by $2,279,536, or 30.5%. Charges for services increased $2,423,735, or 34.9% primarily due to reporting an additional six months of revenues at Hyland Hills Ski Area, which includes increases in special events and parking revenues. The Park District's golf operations had only a minor impact on the overall increase in revenues.

Expenses – The Park District's expenses for business-type activities experienced an increase in the amount of $2,462,076, or 29.9%. This increase is due to reporting an additional six months of expenses at the Hyland Hills Ski Area. The expenses include costs for staffing, supplies and commodities, services and other related charges for events held at Hyland Hills Ski Area.

Financial Analysis of the Park District's Funds

As noted earlier, the Park District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Park District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Park District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Park District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Park District's governmental funds reported combined ending fund balances of $51,731,381, a decrease of $1,517,596 in comparison with the prior year. Committed, assigned, and unassigned fund balance, which is available for spending at the Park District's discretion, have a balance of $19,485,948, or 37.7% of fund balance at year end. The remainder of fund balance is nonspendable or restricted to indicate that it is not available for new spending because it has already been obligated; 1) for assets not readily available, such as prepaid items, advances and inventories, 2) for permanent fund trust accounts, 3) for future debt service payments, 4) for capital improvement projects, and 5) for maintenance and rehabilitation of existing Park District facilities.

The General Fund is the chief operating fund of the Park District. At the end of the current fiscal year, unassigned fund balance of the general fund was $7,947,300, while total fund balance reached $12,964,666. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 21.1% of total general fund expenditures, while total fund balance represents 34.4% of that same amount.

The Park District, in an effort to ensure financial stability and adequate cash flow, has established the following fund balance allocations for the General Fund.

- The Park District's Board of Commissioners committed fund balance to fully fund obligations for accrued employee benefits.
- The financial management plan assigned fund balance to ensure the Park District can adequately fund:
    - next year's budget commitments to be funded by its allocation of state maintenance and operation funding
    - emergencies and unforeseen circumstances without a major impact on existing customer service levels equal to $1,000,000

- The financial management plan sets the minimum unassigned fund balance to equal 22.0% of the ensuing year's budget to ensure availability of funds for the next year's budget until property tax and park use revenues are received. The Park District did not meet this minimum assigned fund balance as of December 31, 2017, due to the growth in the 2018 budget.

The committed and assigned fund balances demonstrate the Park District's dedication to responsible financial management and continued high quality programming and facilities for the public. The amount committed for compensated absences as of December 31, 2017 is $2,975,291. The total of the assigned fund balance in the General Fund as of December 31, 2017 is $1,742,335.

The fund balance of the Park District's general fund decreased $3,384,443 during the current fiscal year. Key factors in this decrease are as follows:

- General fund property tax revenue increased by $696,399 or 2.5%, due primarily to an increase in the operating tax levy approved by the Board of Commissioners.
- General fund intergovernmental revenue decreased by $174,755 or 11.5% due to a combination of a slightly smaller allocation in the operations and maintenance grant and the completion of two projects funded by grants from the Conservation Partners Legacy Grant Program.
- General fund charges for park use decreased $375,328 or 6.9% as a result of a decrease in fees for cross country and alpine skiing, swimming, disc golf, boat trailer parking and overnight camping.
- General fund rental charges decreased by $194,701 or 22.8% due to a decrease in tube rentals at Elm Creek and cross-country ski rentals.
- Total general fund expenditures increased by $1,065,066 or 2.9% in the current fiscal year. This increase was due to a 1.5% to 3.0% inflationary salary adjustment for employees, additional staffing for delivery of programs to taxpayers in their neighborhoods, additional seasonal staffing associated with water quality testing, and the one-time purchases of additional pieces of equipment.
- General fund transfers out to other funds decreased by $142,559 or 4.9%. The current year transfer of $2,744,756 was for a one-time transfer of $1,000,000 to fund a portion of future land acquisitions, $1,627,000 to help fund the 2017 asset management plan, and $100,000 to fund pocket parks initiative.

The Scott County special revenue fund net change in fund balance increased by $146,790. Golf charges, lessons and league charges increased slightly, $15,931, due to additional sessions of programs in the Spring and two additional weeks of lessons in the fall that did not exist in 2016. Charges for park use and rental charges decreased, due cross-country ski fee being down due to a short winter. An increase in contributions from Scott County offset expenditure increases due to normal inflationary increases and the expansion of the golf lesson program.

The G.O. Bond C.I.P. fund net change in fund balance increased by $86,626. This increase is a combination of unspent 2017 bond proceeds associated with projects under construction and continued capital project expenditures for projects started in previous year. The capital project expenditures included construction of the Nine Mile Regional trail and boardwalks, the Bassett Creek Regional trail, the Twin Lakes Regional Trail, the French Regional Park pavement rehabilitation and play area design, the Cleary Lake Regional Park Visitor Center enhancements, the Faribault house restoration. Other construction projects included a variety of Natural Resource Management projects, pocket parks, on-ramps to regional trail system, sustainability projects, district wide ADA improvements, HVAC upgrades, and various pavement replacements.

The Metro-Three Rivers C.I.P. Fund had zero net change in fund balance due to grant revenues matching project expenditures.

The Land Acquisition, Development and Betterment fund had an increase in its fund balance of $931,683 due to the $1,000,000 transfer from the General Fund for future land acquisitions offset with the current year expenditures for acquisition of land, invasive species management costs, and forest management projects approved in the Asset Management Program.

The debt service fund has a total fund balance of $14,826,427, all of which is restricted for the payment of debt service. The increase in fund balance during the current year was $873,946, due to the 2017 property tax collections which fund the 2018 scheduled debt service payments, being greater than the required 2017 debt service payments.

Proprietary funds. The Park District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Baker National Golf Course at the end of the year amounted to $1,013,411, those of Hyland Hills Ski Area amounted to $341,920, and those of Eagle Lake Golf Course amounted to $400,493. The total net position for these funds decreased by $30,975 and $714,569 for Baker National Golf Course and Hyland Hills Ski Area and increased by $76,456 for Eagle Lake Golf Course.

Golf course revenues were higher by $5,788 at Baker National Golf course and lower by $63,502 at Eagle Lake Golf Course. The 2017 expenses decreased by $133,526 at Baker National Golf Course and $17,809 at Eagle Lake Golf Course due to the employee's salary and benefit costs, in addition Baker National expenses increased for equipment rental. Hyland Hills Ski Area revenues increased by $2,481,449 and the 2017 expenses increased by $2,301,866, as Hyland Hills Ski Area is reporting an additional six months of operating activity, from July 1, 2017 through December 31, 2017. A portion of the increases in revenues and expenses were anticipated due to the expansion of special events at Hyland Hills Ski Area during the summer months.

General Fund Budgetary Highlights

During the year, there was a $3,583,422 increase in appropriations between the original and final amended budget. Following are the main components of the increase:

- $536,953 represents appropriation increases for prior year encumbrances.
- $86,614 represents additions approved by the Board of Commissioners for unanticipated grants, and other miscellaneous revenue and the associated operating expenditures.
- $2,959,855 represents the use of unassigned fund balance for the pocket parks, for future land acquisition, and for funding some of the 2017 asset management projects.

Actual revenues and other financing sources were $167,577 less than budgeted. All revenues exceeded budget except for charges for park use, concessions, rental charges for service, lesson and league charges for services, and investment earnings. Property tax revenues exceeded budget by $168,641, as the Park District is required by State Statute to budget assuming a 98.0% collection rate. The actual collection rate for 2017 was 99.2%. Other revenues exceeded budget by $114,710. Approximately $50,000, of this amount is the Park District recognizing revenue for unredeemed gift cards, for the first time. Due to the unfavorable weather conditions in 2017 the Park District faced the challenges of meeting the budgeted goals for charges for park use, rental and concessions.

Expenditures and other financing uses were $305,142 less than budgeted. This positive variance is due to unspent budget authority in consultant agreements, utilities, and capital equipment. When combined with the budget deficit in revenues and other sources, the General Fund's fund balance decrease of $3,384,443 was $137,565 lower than planned in the budget.

Capital Asset and Debt Administration

Capital assets. The Park District's investment in capital assets for its governmental and business-type activities as of December 31, 2017 amounts to $259,182,890 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, permanent easements, buildings and structures, improvements other than buildings, furniture and equipment, infrastructure, and temporary easements. The total increase in the Park District's investment in capital assets for the current fiscal year was $8,034,190 net of accumulative depreciation. The Park District spent $485,130 in land acquisitions during 2017. In addition, major capital assets completed during the current fiscal year included the following:

- Nine Mile Regional Trail West Segment - $6,103,855
- Nine Mile Regional Trail East Segment - $337,545
- Nine Mile Regional Trail Boardwalks - $3,182,811
- Twin Lakes Regional Trail - $1,749,013
- Bassett Creek Regional Trail - $572,310
- French Regional Park Pavement Rehabilitation - $4,949,308
- Cleary Lake Regional Park Visitor Center Enhancements - $419,567
- The Landing – Faribault House Foundation Restoration - $357,343

Three Rivers Park District Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
Capital Assets	2017	2016	2017	2016	2017	2016
Land	$ 91,097,159	$ 90,612,029	$ 417,179	$ 417,179	$ 91,514,338	$ 91,029,208
Construction in progress	1,466,703	2,535,139	-	-	1,466,703	2,535,139
Permanent easements	1,603,845	1,606,175	-	-	1,603,845	1,606,175
Buildings and structures	41,631,753	42,390,557	13,966,833	14,571,784	55,598,586	56,962,341
Improvements other than buildings	63,980,006	56,368,298	4,169,106	4,699,772	68,149,112	61,068,070
Furniture and equipment	10,079,732	10,389,272	2,476,271	2,879,086	12,556,003	13,268,358
Infrastructure	28,294,303	24,670,993	-	-	28,294,303	24,670,993
Temporary Easements	-	8,416	-	-	-	8,416
Total Capital Assets	$ 238,153,501	$ 228,580,879	$ 21,029,389	$ 22,567,821	$ 259,182,890	$ 251,148,700

Additional information on the Park District's capital assets can be found in Note 3 of the notes to the financial statements.

Long-term debt. At year-end, the Park District had $68,265,000 in bonds and notes outstanding versus $70,475,000 last year. The decrease was the result of the scheduled debt payments during the year amounting to more than the issuance of the 2017 General Obligation bonds.

Three Rivers Park District Long-term Debt
(General Obligation and Revenue Bonds, and Capital Leases)

	Governmental Activities		Business-Type Activities		Total	
Long-term Debt	2017	2016	2017	2016	2017	2016
General Obligation Bonds	$ 60,560,000	$ 62,125,000	$ -	$ -	$ 60,560,000	$ 62,125,000
Revenue Bonds	-	-	7,705,000	8,350,000	7,705,000	8,350,000
Total Long-term Debt	$ 60,560,000	$ 62,125,000	$ 7,705,000	$ 8,350,000	$ 68,265,000	$ 70,475,000

The Park District's previous ratings of "Aaa" from Moody's and "AAA" from Fitch were both confirmed for the 2017 bond issue; citing the Park District's large and diverse tax base, proactive financial management, and ample financial reserves as reasons for the ratings.

Additional information on the Park District's long-term debt can be found in Note 4 of the basic financial statements.

Economic factors and next year's budget & rates

The Park District's ever-increasing number of park and trail users, exceeding 10 million, have impacted costs for public service and park maintenance. The increased need to be proactive in protecting natural resources from invasive species and contamination continues to grow. The 2018 budget reallocates existing resources to continue to provide recreational opportunities, funding for maintenance and continued efforts in natural resources management. Continued efforts at reaching suburban Hennepin County residents in their local neighborhoods has proven to be very successful and will be expanding in the future. This effort will add financial pressures to the Park District's future budgets. In addition, weather conditions will continue to positively and negatively impact park operations.

The Park District's ability to levy taxes for operations is limited by state statute to .03224% of taxable market value. While the Park District's levy has always been below the levy limit, the limit and the proposed levy are reviewed as part of the budget process to ensure the current year levy complies with state law and the future levies will not be constrained by the levy limit. The 2018 budget includes an increase in property taxes of $2,574,707 in the operating portion of the property tax levy and a similar decrease in the debt service portion. Park use revenues are budgeted to increase by $186,428 through a combination of public and group education program expansion and the addition of park use revenues at French Regional Park that were removed from the 2017 budget due to reconstruction of all roads, trails and parking areas.

The Park District's 2018 General Fund Operating Budget was approved at $39,432,770, which is an increase of $2,687,935, or 7.32%, from the 2017 budget. The budget provides funding for the priorities identified below through a combination of property taxes, park guest fees, reprioritization of costs, and other sources.

- Continue to provide high quality facilities, programs and recreational opportunities.
- Continue to manage natural resources and educate the public on natural resource management issues.
- Continue to engage residents of suburban Hennepin County in both existing park locations and in resident's local communities.

In addition, the 2018 budget includes expenditures for one-time costs in the amount of $500,000 which are being funded by the portion of the tax levy that will be used to fund 2019 budgetary needs. The Park District decided to do this in order to avoid reducing taxes in 2018 followed by an increase in 2019; deeming a flat tax levy as a more prudent financial plan.

Contacting the Park District's Financial Management

This financial report is designed to provide our taxpayers, park guests, our creditors, and other interested parties with a general overview of the Three Rivers Park District's finances and to show the Park District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department at 3000 Xenium Lane North, Plymouth, MN 55441, or Jill Cremers, Finance Manager at (763) 559-6735, or jill.cremers@threeriversparks.org.

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BASIC FINANCIAL STATEMENTS

ThreeRivers
PARK DISTRICT

THREE RIVERS PARK DISTRICT

STATEMENT OF NET POSITION
As of December 31, 2017

ASSETS	Governmental Activities	Business-Type Activities	Total
Cash, cash equivalents, and investments	$ 52,004,313	$ 2,448,104	$ 54,452,417
Property taxes receivable	301,558	-	301,558
Other receivables	135,535	18,944	154,479
Internal balances	487,381	(487,381)	-
Due from other governmental units	7,537,125	71,305	7,608,430
Prepaid items	189,052	7,819	196,871
Inventory	460,116	162,478	622,594
Capital assets:			
Nondepreciable	94,167,707	417,179	94,584,886
Depreciable	238,858,196	34,573,771	273,431,967
Accumulated depreciation	(94,872,402)	(13,961,561)	(108,833,963)
Total assets	299,268,581	23,250,658	322,519,239
Deferred Outflows of Resources	7,441,968	-	7,441,968
LIABILITIES			
Accounts payable	1,442,199	143,215	1,585,414
Contracts payable	609,439	-	609,439
Retainage payable	643,140	-	643,140
Due to other governmental units	297,005	2,727	299,732
Unearned revenue	65,281	-	65,281
Accrued interest	761,527	94,950	856,477
Accrued liabilities	1,757,325	265,395	2,022,720
Noncurrent liabilities:			
Due within one year	8,673,054	590,870	9,263,924
Due in more than one year	82,706,063	7,721,598	90,427,661
Total liabilities	96,955,033	8,818,755	105,773,788
Deferred Inflows of Resources	7,263,102	-	7,263,102
NET POSITION			
Net investment in capital assets	187,122,540	12,942,219	200,064,759
Restricted for			
Maintain and rehabilitate existing facilities	2,661,185	-	2,661,185
Debt service	14,161,151	-	14,161,151
Noerenberg Trust			
Non-Expendable	1,200,000	-	1,200,000
C.E. French Endowment			
Non-Expendable	28,519	-	28,519
Expendable	31,293	-	31,293
Eastman Library			
Non-Expendable	5,025	-	5,025
Expendable	6,083	-	6,083
Unrestricted	(2,723,382)	1,489,684	(1,233,698)
Total Net Position	$ 202,492,414	$ 14,431,903	$ 216,924,317

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

THREE RIVERS PARK DISTRICT

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017
For the 18 month period ended December 31, 2017 for Hyland Hills Ski Area - See Note 1Q

		Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Park and Trail Operations	$ 24,526,248	$ 14,760	$ 2,473,276	$ 12,417,952	$ (9,620,260)	$ -	$ (9,620,260)
Recreation, Education, and Natural Resources	21,017,720	8,228,426	653,006	-	(12,136,288)	-	(12,136,288)
Planning, Design, and Technology	5,286,835	-	-	-	(5,286,835)	-	(5,286,835)
General Government	7,117,892	-	2,566,443	20,000	(4,531,449)	-	(4,531,449)
Interest and fiscal charges on debt	1,270,612	-	-	-	(1,270,612)	-	(1,270,612)
Total governmental activities	59,219,307	8,243,186	5,692,725	12,437,952	(32,845,444)	-	(32,845,444)
Business-type activities:							
Baker National Golf Course	2,212,912	2,137,766	-	-	-	(75,146)	(75,146)
Hyland Hills Ski Area	7,329,914	6,424,694	-	-	-	(905,220)	(905,220)
Eagle Lake Golf Course	1,130,541	817,096	-	-	-	(313,445)	(313,445)
Total business-type activities	10,673,367	9,379,556	-	-	-	(1,293,811)	(1,293,811)
Total government	$ 69,892,674	$ 17,622,742	$ 5,692,725	$ 12,437,952	(32,845,444)	(1,293,811)	(34,139,255)
General revenues:							
Property taxes					40,607,986	345,345	40,953,331
Unrestricted investment earnings					584,691	10,255	594,946
Gain on the sale of capital assets					175,588	-	175,588
Other					270,458	28,395	298,853
Transfers					(18,669)	18,669	-
Total general revenue and transfers					41,620,054	402,664	42,022,718
Change in net position					8,774,610	(891,147)	7,883,463
Net Position - Beginning					193,717,804	15,323,050	209,040,854
Net Position - Ending					$ 202,492,414	$ 14,431,903	$ 216,924,317

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

MAJOR GOVERNMENTAL FUNDS

General Fund

The General Fund accounts for the revenues and expenditures relating to normal governmental activities which are not accounted for in another fund. It is the main operating fund of the Park District.

Special Revenue Funds

The Special Revenue Funds are used to account for a specific revenue source that is restricted, committed, or assigned to expenditures for particular purposes.

Scott County

The Scott County fund accounts for revenues and expenditures associated with all regional park facilities in Scott County per the covenants of a joint powers agreement.

Capital Project Funds

Capital projects funds account for the financial resources that are restricted, committed, or assigned to expenditures for the acquisition, development and betterment of Park District facilities other than those facilities financed by proprietary funds.

General Obligation Bonds CIP Fund

A fund established to account for the revenue from General Obligation Bond sales. These monies will be used to fund the Capital Improvement Plan.

Metro-Three Rivers Park Districts CIP Fund

A fund established to account for monies received from Metropolitan Council (Minnesota) grants and expended in accordance with grant agreements between the Park District and the Metropolitan Council. This fund applies to all Three Rivers Park Districts' facilities not located in Scott County.

Land Acquisition, Development and Betterment Fund

A fund established to account for the revenues and expenditures associated with park acquisition and improvement that is not funded by Metropolitan Council grants.

Debt Service Fund

The Debt Service Fund accounts for financial resources that are restricted, committed, or assigned to expenditures for the payment of long-term debt principal, interest, and related costs, which are not accounted for in another fund.

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PARK DISTRICT

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THREE RIVERS PARK DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
As of December 31, 2017

ASSETS	General	Scott County	G.O. Bond C.I.P.
Cash, cash equivalents, and investments	$ 14,504,780	$ -	$ 11,465,070
Property taxes receivable	205,307	-	-
Other receivables	121,183	63	14,190
Due from other funds	219,751	-	-
Due from other governmental units	154,535	695,472	2,468,462
Advance to other funds	44,991	-	-
Prepaid items	152,860	375	4,000
Inventory	101,889	32,798	-
Total Assets	$ 15,505,296	$ 728,708	$ 13,951,722
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 664,563	$ 21,662	$ 223,125
Contracts payable	-	-	582,129
Retainage payable	-	-	627,368
Accrued liabilities	1,488,179	59,743	-
Due to other funds	-	200,552	-
Due to other government units	145,354	2,307	145,873
Unearned Revenue	37,227	1,100	-
Total Liabilities	2,335,323	285,364	1,578,495
Deferred Inflows of Resources:			
Unavailable revenue-property taxes	205,307	-	-
Total Deferred Inflows of Resources	205,307	-	-
Fund Balances:			
Nonspendable:			
Prepaid items	152,860	375	4,000
Advance	44,991	-	-
Inventory	101,889	32,798	-
C.E. French Endowment - non-expendable	-	-	-
Noerenberg Trust - non-expendable	-	-	-
Eastman Library - non-expendable	-	-	-
Restricted:			
Capital improvement projects	-	-	12,369,227
Maintain and rehabilitate existing facilities	-	-	-
Debt Service	-	-	-
C.E. French Endowment	-	-	-
Eastman Library	-	-	-
Committed:			
Future park & trail acquisition and improvement	-	-	-
Compensated absences	2,975,291	-	-
Maintain and rehabilitate existing facilities	-	-	-
Betterment of and access to facilities & programs	-	-	-
Operation & improvement of parks & trails in Scott County	-	410,171	-
Assigned			
Future park operating and maintenance costs	684,059	-	-
Capital improvement projects	-	-	-
Community Engagement	58,276		-
Contingencies	1,000,000	-	-
Technology improvements	-	-	-
Unassigned:	7,947,300	-	-
Total Fund Balances	12,964,666	443,344	12,373,227
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 15,505,296	$ 728,708	$ 13,951,722

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

Metro - Three Rivers C.I.P.	Land Acquisition Development & Betterment	Debt Service	Other Governmental	Total Governmental	
$ -	$ 27,099	$ 14,816,427	$ 7,183,381	$ 47,996,757	
-	-	96,251	-	301,558	
-	-	-	99	135,535	
-	3,811,353	-	-	4,031,104	-
3,846,097	259,529	10,000	103,030	7,537,125	
-	176,250	-	-	221,241	
-	-	-	28,765	186,000	
-	-	-	3,547	138,234	
$ 3,846,097	$ 4,274,231	$ 14,922,678	$ 7,318,822	$ 60,547,554	
$ 2,200	$ 1,007	$ -	$ 396,959	$ 1,309,516	
16,772	-	-	10,538	609,439	
15,772	-	-	-	643,140	
	1,185	-	12,365	1,561,472	
3,811,353	-	-	19,199	4,031,104	-
-	-	-	1,129	294,663	
-	-	-	26,954	65,281	
3,846,097	2,192	-	467,144	8,514,615	
-	-	96,251	-	$ 301,558	
-	-	96,251	-	301,558	
-	-	-	28,765	186,000	
-	176,250	-	-	221,241	
-	-	-	3,547	138,234	
-	-	-	28,519	28,519	
-	-	-	1,200,000	1,200,000	
-	-	-	5,025	5,025	
-	-	-	543,447	12,912,674	
-	-	-	2,689,937	2,689,937	
-	-	14,826,427	-	14,826,427	
-	-	-	31,293	31,293	
-	-	-	6,083	6,083	
-	4,095,789	-	-	4,095,789	
-	-	-	-	2,975,291	
-	-	-	501,937	501,937	
-	-	-	902,837	902,837	
-	-	-	-	410,171	
-	-	-	-	684,059	
-	-	-	944,635	944,635	
-	-	-	-	58,276	
-	-	-	-	1,000,000	
-	-	-	-	-	
-	-	-	(34,347)	7,912,953	
-	4,272,039	14,826,427	6,851,678	51,731,381	
$ 3,846,097	$ 4,274,231	$ 14,922,678	$ 7,318,822	$ 60,547,554	

THREE RIVERS PARK DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

As of December 31, 2017

FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		$ 51,731,381
Amounts reported for governmental activities in the statement of net position are different because:		
1) Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds:		
Governmental capital assets	$ 317,645,937	
Less accumulated depreciation	(83,605,208)	234,040,729
2) Long term liabilities are not payable with current financial resources and are therefore not reported in the governmental funds.		
Bonds payable	$ (60,560,000)	
OPEB liability	(1,686,394)	
Accrued interest payable	(761,527)	
Unamortized bond premium	(3,412,387)	
Compensated absences	(2,975,291)	(69,395,599)
3) Internal service funds are used by management to charge the cost of pension liability, insurance and equipment rental to individual funds.		
Equipment rental	$ 6,067,561	
Risk management	1,924,331	
State Pension	(22,443,687)	(14,451,795)
4) Internal service funds charges of cost to proprietary funds for insurance and equipment rental to individual funds.		
Internal activity	$ 266,140	266,140
5) Adjustments for deferred inflows of resources on long-term assets not available to pay current-period expenditures.		
Delinquent property taxes	$ 301,558	301,558
Total Net Position		$ 202,492,414

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

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THREE RIVERS PARK DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	General	Scott County	G.O. Bond C.I.P.
Revenues:			
Property taxes	$ 28,521,005	$ -	$ -
Intergovernmental	1,352,092	1,576,027	8,896,756
Charges for park use	5,067,379	192,310	-
Golf charges for services	-	273,211	-
Concession charges for services	578,450	21,369	-
Rental charges for services	659,421	83,235	-
Merchandise charges for services	146,185	15,810	-
Lesson and league charges for services	173,874	100,444	-
Investment earnings (charges)	177,238	(5,324)	115,170
Fines and forfeitures	53,618	735	-
Other	240,596	6,503	-
Total revenues	36,969,858	2,264,320	9,011,926
Expenditures:			
Current:			
Park and Trail Operations	12,067,062	1,110,049	2,943,194
Recreation, Education and Natural Resources	14,427,612	740,841	710,729
Planning, Design, and Technology	3,604,760	-	370,984
General Government	7,037,158	257,716	58,287
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Bond issuance costs	-	-	116,789
Capital projects	-	-	1,169,009
Capital outlay	538,267	8,924	11,590,399
Total expenditures	37,674,859	2,117,530	16,959,391
Excess of revenues over (under) expenditures	(705,001)	146,790	(7,947,465)
Other financing sources (uses):			
Transfer in	65,040	-	1,727,000
Transfer (out)	(2,744,756)	-	(1,199,421)
Issuance of debt	-	-	7,223,933
Premium (discount)	-	-	282,579
Sale of capital assets	274	-	-
Total other financing sources (uses)	(2,679,442)	-	8,034,091
Net Change in Fund Balances	(3,384,443)	146,790	86,626
Fund balances, January 1	16,349,109	296,554	12,286,601
Fund balance, December 31	$ 12,964,666	$ 443,344	$ 12,373,227

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

Metro - Three Rivers C.I.P.	Land Acquisition Development & Betterment	Debt Service	Other Governmental	Total Governmental
$ -	$ -	$ 12,159,319	$ -	$ 40,680,324
4,202,738	250,118	20,000	1,490,028	17,787,759
-	-	-	7,061	5,266,750
-	-	-	605,940	879,151
-	-	-	48,596	648,415
-	-	-	100,005	842,661
-	-	-	23,331	185,326
-	-	-	146,565	420,883
-	51,284	137,316	65,675	541,359
-	-	-	-	54,353
-	-	-	311,924	559,023
4,202,738	301,402	12,316,635	2,799,125	67,866,004
-	778	-	2,775,467	18,896,550
-	159,529	-	724,397	16,763,108
-	-	-	899,634	4,875,378
-	-	-	186,278	7,539,439
-	-	9,595,000	-	9,595,000
-	-	1,845,189	-	1,845,189
-	-	2,500	7,650	126,939
438,639	5,186	-	245,070	1,857,904
3,764,099	204,226	-	146,557	16,252,472
4,202,738	369,719	11,442,689	4,985,053	77,751,979
-	(68,317)	873,946	(2,185,928)	(9,885,975)
-	1,000,000	-	1,210,177	4,002,217
-		-	(34,044)	(3,978,221)
-	-	-	806,067	8,030,000
-	-	-	31,530	314,109
-	-	-	-	274
-	1,000,000	-	2,013,730	8,368,379
-	931,683	873,946	(172,198)	(1,517,596)
-	3,340,356	13,952,481	7,023,876	53,248,977
$ -	$ 4,272,039	$ 14,826,427	$ 6,851,678	$ 51,731,381

THREE RIVERS PARK DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ (1,517,596)

Amounts reported for governmental activities in the statement of activities are different because:

1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. The net effect of various miscellaneous transactions involving capital assets, including disposal, which decrease net position.

Capital outlays	$ 18,110,376	
Depreciation	(8,504,237)	
Loss on disposal of capital assets	(56,762)	
Contribution of assets to business-type activities	(57,900)	
Contribution of assets to internal service funds	(139,500)	9,351,977

2) Long-term debt service activity.

Bond principal payments	$ 9,595,000	
Change in interest payable, premium & discounts	387,407	
OPEB liability	(122,014)	
Issuance of bonds	(8,030,000)	
Compensated absences	75,915	1,906,308

3) Net change due to internal service funds incorporated into statement of activities.

Internal activity	$ (1,115,800)	
Portion for business-type activities	222,059	(893,741)

4) Changes in unavailable revenue for activities that do not provide current financial resources.

Delinquent property taxes	$ (72,338)	(72,338)
Change in net position of governmental activities		$ 8,774,610

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

THREE RIVERS PARK DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2017

	Original Budget	Budget as Amended	Actual	Variance Over/(Under) Amended Budget
REVENUES:				
Property taxes	$ 28,352,364	$ 28,352,364	$ 28,521,005	$ 168,641
Intergovernmental	1,213,207	1,269,821	1,352,092	82,271
Charges for park use	4,542,101	5,152,108	5,067,379	(84,729)
Concession charges for services	693,748	693,748	578,450	(115,298)
Rental charges for services	928,148	928,148	659,421	(268,727)
Merchandise charges for services	125,068	125,068	146,185	21,117
Lesson and league charges for services	810,007	200,000	173,874	(26,126)
Investment earnings	200,000	200,000	177,238	(22,762)
Fines and forfeits	25,000	25,000	53,618	28,618
Other	95,886	125,886	240,596	114,710
Total revenues	36,985,529	37,072,143	36,969,858	(102,285)
OTHER FINANCING SOURCES:				
Transfer in	130,606	130,606	65,040	(65,566)
Sale of capital assets	-	-	274	274
Total revenue and other financing sources	37,116,135	37,202,749	37,035,172	(167,577)
EXPENDITURES:				
Park and Trail Operations	12,098,716	12,109,906	12,067,062	(42,844)
Recreation, Education, and Natural Resouces	14,301,869	14,523,660	14,427,612	(96,048)
Planning, Design, and Technology	3,643,718	3,666,488	3,604,760	(61,728)
General Government	6,538,393	6,989,011	7,037,158	48,147
Capital outlay	527,234	677,287	538,267	(139,020)
Total expenditures	37,109,930	37,966,352	37,674,859	(291,493)
OTHER FINANCING USES:				
Transfers out	31,405	2,758,405	2,744,756	(13,649)
Total expenditures and other financing uses	37,141,335	40,724,757	40,419,615	(305,142)
NET CHANGE IN FUND BALANCES	$ (25,200)	$ (3,522,008)	(3,384,443)	$ 137,565
FUND BALANCE AT BEGINNING OF YEAR			16,349,109	
FUND BALANCE AT END OF YEAR			$ 12,964,666	

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

THREE RIVERS PARK DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SCOTT COUNTY SPECIAL REVENUE FUND

For the Year Ended December 31, 2017

	Original Budget	Budget as Amended	Actual	Variance Over/(Under) Amended Budge
REVENUES:				
Intergovernmental	$ 1,584,813	$ 1,584,813	$ 1,576,027	$ (8,786)
Charges for park use	201,311	229,011	192,310	(36,701)
Golf charges for services	315,166	315,166	273,211	(41,955)
Concession charges for services	30,329	30,329	21,369	(8,960)
Rental charges for services	74,843	74,843	83,235	8,392
Merchandise charges for services	17,000	17,000	15,810	(1,190)
Lesson and league charges for services	82,700	55,000	100,444	45,444
Investment earnings (charges)	-	-	(5,324)	(5,324)
Fines and forfeits	-	-	735	735
Other	-	-	6,503	6,503
Total revenues	2,306,162	2,306,162	2,264,320	(41,842)
EXPENDITURES:				
Park and Trail Operations	1,234,690	1,234,815	1,110,049	(124,766)
Recreation, Education, and Natural Resources	799,043	801,907	740,841	(61,066)
General Government	272,429	272,429	257,716	(14,713)
Capital outlay	-	-	8,924	8,924
Total expenditures	2,306,162	2,309,151	2,117,530	(191,621)
NET CHANGE IN FUND BALANCES	$ -	$ (2,989)	146,790	$ 149,779
FUND BALANCE AT BEGINNING OF YEAR			296,554	
FUND BALANCE AT END OF YEAR			$ 443,344	

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

PROPRIETARY FUNDS

Enterprise Funds

Enterprise funds are used to account for Park District operations that are financed and operated in a manner similar to private business enterprises - where the intent of the Park District's Board of Commissioners is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges and fees; and that periodic determination of net income is appropriate for accountability purposes.

Baker National Golf Course Fund

This fund accounts for the day-to-day operations of the Baker National Golf Course and Driving Range.

Hyland Hills Ski Area Fund

This fund accounts for the day-to-day operations of the alpine ski and snowboard operation and the summer disc golf at the Hyland Hills Ski Area.

Eagle Lake Golf Course Fund

This fund accounts for the day-to-day operations of the Eagle Lake Golf Course and Driving Range.

Internal Service Funds

Internal service funds are used by the Park District to account for the financing of the worker's compensation and general insurance services, as well as equipment replacement, and pension benefits provided to other departments of the Park District.

Equipment Internal Service Fund

This fund is used to account for the rental of vehicles and other equipment to other departments and related costs.

Risk Management Internal Service Fund

This fund is used to account for all insurance premiums, recoveries, self-funded losses, legal costs and other expenses associated with risk management activities of the Park District.

State Pension Internal Service Fund

This fund is used to provide pension benefits to other funds of the Park District on a cost reimbursement basis.

ThreeRivers
PARK DISTRICT

THREE RIVERS PARK DISTRICT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

As of December 31, 2017

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Baker National Golf Course	Hyland Hills Ski Area	Eagle Lake Golf Course	Total	
ASSETS:					
Current Assets:					
Cash and cash equivalents	$ 1,136,404	$ 754,127	$ 557,573	$ 2,448,104	$ 4,007,556
Customers and other receivables	-	18,944	-	18,944	-
Due from other governmental units	808	70,497	-	71,305	-
Prepaid items	1,069	6,750	-	7,819	3,052
Inventories	14,346	143,710	4,422	162,478	321,882
Total current assets	1,152,627	994,028	561,995	2,708,650	4,332,490
Noncurrent Assets:					
Capital assets:					
Nondepreciable	309,500	107,679	-	417,179	-
Depreciable	8,325,759	21,143,091	5,104,921	34,573,771	15,379,966
Accumulated depreciation	(6,530,936)	(4,342,912)	(3,087,713)	(13,961,561)	(11,267,194)
Total capital assets	2,104,323	16,907,858	2,017,208	21,029,389	4,112,772
Total noncurrent assets	2,104,323	16,907,858	2,017,208	21,029,389	4,112,772
Total assets	3,256,950	17,901,886	2,579,203	23,738,039	8,445,262
Deferred Outflows of Resources related to Pensions	-	-	-	-	7,441,968
LIABILITIES:					
Current Liabilities:					
Accounts payable	8,366	132,767	2,082	143,215	132,683
Due to other government units	-	1,729	998	2,727	2,342
Accrued interest	-	79,000	15,950	94,950	-
Accrued liabilities	23,477	224,796	17,122	265,395	35,530
Current portion bonds payable	-	190,000	300,000	490,000	-
Current portion advance from other funds	-	89,054	-	89,054	-
Current portion compensated absences	33,530	48,960	18,380	100,870	55,220
Total current liabilities	65,373	766,306	354,532	1,186,211	225,775
Noncurrent liabilities:					
Bonds payable	-	6,039,347	1,336,582	7,375,929	-
Advance from other funds	-	132,187	-	132,187	-
Accrued liabilities	-	-	-	-	160,323
OPEB liabilities	24,971	46,987	16,714	88,672	-
Compensated absences	48,872	117,869	90,256	256,997	67,272
Net pension liability	-	-	-	-	22,622,553
Total noncurrent liabilities	73,843	6,336,390	1,443,552	7,853,785	22,850,148
Total liabilities	139,216	7,102,696	1,798,084	9,039,996	23,075,923
Deferred Inflows of Resources related to Pensions	-	-	-	-	7,263,102
NET POSITION:					
Net investment in capital assets	2,104,323	10,457,270	380,626	12,942,219	4,112,772
Unrestricted	1,013,411	341,920	400,493	1,755,824	(18,564,567)
Total net position	$ 3,117,734	$ 10,799,190	$ 781,119	14,698,043	$ (14,451,795)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(266,140)	
Total net position - business-type activities				$ 14,431,903	

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

THREE RIVERS PARK DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS

For the Year Ended December 31, 2017
For the 18 months ended December 31, 2017 for Hyland Hills Ski Area - See Note 1Q

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Baker National Golf Course	Hyland Hills Ski Area	Eagle Lake Golf Course	Total	
OPERATING REVENUES:					
Golf charges for services	$ 1,325,529	$ 21,265	$ 571,125	$ 1,917,919	$ -
Ski & snowboard charges for services	-	2,795,654	-	2,795,654	-
Concession charges for service	212,133	1,022,537	25,702	1,260,372	-
Rental charges for service	331,093	626,102	57,403	1,014,598	-
Merchandise	124,259	228,473	19,287	372,019	-
Lesson and league charges for service	142,372	1,481,674	137,081	1,761,127	-
Special events charges	-	120,390	-	120,390	
Interfund services used	-	-	-	-	5,109,897
Miscellaneous charges	2,380	128,599	6,498	137,477	371,269
Total operating revenues	2,137,766	6,424,694	817,096	9,379,556	5,481,166
OPERATING EXPENSES:					
Salaries and wages	764,580	3,001,822	453,353	4,219,755	674,268
Retirement contributions	89,411	342,452	55,749	487,612	2,988,465
Insurance contributions and other benefits	93,070	290,144	80,757	463,971	523,824
Supplies and commodities	367,726	1,027,402	82,488	1,477,616	875,191
Professional service fees	-	560	-	560	288,363
Repair and maintenance service fees	6,793	90,909	-	97,702	204,835
Communication	5,286	12,257	1,874	19,417	54,971
Utilities	36,641	322,753	31,113	390,507	-
Equipment rental	361,811	509,850	120,741	992,402	1,336
Claims settlements	-	-	-	-	-
Insurance premiums	-	-	-	-	357,802
Other services and charges	102,711	219,259	25,342	347,312	29,330
Depreciation	313,612	1,107,298	220,177	1,641,087	990,304
Total operating expenses	2,141,641	6,924,706	1,071,594	10,137,941	6,988,689
OPERATING INCOME (LOSS)	(3,875)	(500,012)	(254,498)	(758,385)	(1,507,523)
NONOPERATING REVENUES (EXPENSES):					
Property tax revenue	-	-	345,345	345,345	-
Intergovernmental	-	-	-	-	18,342
Investment earnings (charges)	7,512	(1,826)	4,569	10,255	43,332
Gain (loss) on disposal of assets	-	(974)	-	(974)	175,314
Interest and fees on bonded debt	-	(291,341)	(21,052)	(312,393)	-
Other	4,619	21,684	2,092	28,395	-
Total nonoperating revenues (expenses)	12,131	(272,457)	330,954	70,628	236,988
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	8,256	(772,469)	76,456	(687,757)	(1,270,535)
CONTRIBUTIONS:					
Capital contributions	-	57,900	-	57,900	139,500
TRANSFERS:					
Transfer in	-	-	-	-	86,756
Transfer (out)	(39,231)	-	-	(39,231)	(71,521)
Total transfers	(39,231)	-	-	(39,231)	15,235
CHANGE IN NET POSITION	(30,975)	(714,569)	76,456	(669,088)	(1,115,800)
NET POSITION - BEGINNING	3,148,709	11,513,759	704,663	15,367,131	(13,335,995)
NET POSITION - ENDING	$ 3,117,734	$ 10,799,190	$ 781,119	$ 14,698,043	$ (14,451,795)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(222,059)	
Change in net postion - business-type activities				$ (891,147)	

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

THREE RIVERS PARK DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended December 31, 2016 (June 30, 2016 for the Hyland Hills Ski Area Fund)
For the 18 months ended December 31, 2017 for Hyland Hills Ski Area - See Note 1Q

	Business-Type Activities - Enterprise Funds				Governmental
	Baker National Golf Course	Hyland Hills Ski Area	Eagle Lake Golf Course	Total	Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Interfund services used	$ -	$ -	$ -	$ -	$ 5,109,897
Charges for services	2,135,446	6,134,341	810,598	9,080,385	364,795
Payments to suppliers	(882,468)	(2,143,966)	(262,453)	(3,288,887)	(1,499,419)
Payments to employees	(986,742)	(3,489,251)	(577,081)	(5,053,074)	(3,101,692)
Claims and premiums paid	-	-	-	-	(314,553)
Other operating revenues	6,999	150,283	8,590	165,872	7,386
Net cash provided by (used in) operating activities	273,235	651,407	(20,346)	904,296	566,414
CASHFLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Property tax revenue	-	-	345,345	345,345	-
Net cash provided by (used in) noncapital financing activities	-	-	345,345	345,345	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Cash repaid to other funds	-	(89,054)	-	(89,054)	
Purchase of property and equipment	-	(45,729)	-	(45,729)	(1,072,023)
Proceeds from the sale of property and equipment	-	-	-	-	175,888
Proceeds from the issuance of bonds	-	-	-	-	-
Principal payments on capital debt	-	(355,000)	(290,000)	(645,000)	-
Interest and fees paid on capital debt	-	(301,006)	(34,800)	(335,806)	-
Transfer from other funds	-	-	-	-	86,756
Transfer to other funds	(39,231)	-	-	(39,231)	(71,521)
Net cash (used in) capital and related financing activities	(39,231)	(790,789)	(324,800)	(1,065,766)	(880,900)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received (charged)	7,512	(1,826)	4,569	10,255	43,332
Net cash provided by (used in) investing activities	7,512	(1,826)	4,569	10,255	43,332
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	241,516	(141,208)	4,768	194,130	(271,154)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	894,888	895,335	552,805	2,343,028	4,278,710
CASH AND CASH EQUIVALENTS AT END OF YEAR (INCLUDING RESTRICTED CASH)	$ 1,136,404	$ 754,127	$ 557,573	$ 2,448,104	$ 4,007,556

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

THREE RIVERS PARK DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (Continued)
For the Year Ended December 31, 2017
For the 18 months ended December 31, 2017 for Hyland Hills Ski Area - See Note 1Q

	Business-Type Activities - Enterprise Funds				Governmental
	Baker National Golf Course	Hyland Hills Ski Area	Eagle Lake Golf Course	Total	Activities - Internal Service Funds
RECONCILIATION OF OPERATING (LOSS)/INCOME TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES:					
Operating income (loss)	$ (3,875)	$ (500,012)	$ (254,498)	$ (758,385)	$ (1,507,523)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Intergovernmental Revenue	-	-	-	-	18,342
Miscellaneous revenue (charges)	4,619	21,684	2,092	28,395	-
Depreciation	313,612	1,107,298	220,177	1,641,087	990,304
(Increase) decrease in:					
Receivables	60	(18,944)	-	(18,884)	912
Due from other government units	(808)	(65,497)	-	(66,305)	-
Prepaid expenses	-	(410)	-	(410)	(3,052)
Inventory	(6,720)	(37,564)	(672)	(44,956)	15,650
Deferred outflows of resources	-	-	-	-	7,497,286
Increase (decrease) in:					
Accounts payable	6,626	76,429	(634)	82,421	(46,523)
Other accrued liabilities	180	174,752	2,845	177,777	50,702
Due to other government units	(598)	569	411	382	(11,468)
Unearned revenue	-	(77,313)	-	(77,313)	-
OPEB liability	1,932	7,125	2,767	11,824	-
Compensated absences	(41,793)	(36,710)	7,166	(71,337)	(8,957)
Net pension liability	-	-	-	-	(9,387,073)
Deferred inflows of resources	-	-	-	-	2,957,814
Net cash provided by (used in) operating activities	$ 273,235	$ 651,407	$ (20,346)	$ 904,296	$ 566,414
NONCASH ACTIVITIES:					
Disposal of assets	$ -	$ 974	$ -	$ 974	$ 574
Property contributed by other funds	$ -	$ 57,900	$ -	$ 57,900	$ 139,500
Accrued interest expense	$ -	$ 79,000	$ 15,950	$ 94,950	$ -
Capital debt amortization	$ -	$ (5,227)	$ (10,848)	$ (16,075)	$ -

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

NOTES TO BASIC FINANCIAL STATEMENTS

ThreeRivers
PARK DISTRICT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Three Rivers Park District, formerly known as the Hennepin County Park Reserve District and the Suburban Hennepin Regional Park District, was organized in 1957 as a special park district pursuant to authority provided by Minnesota Statutes, Chapter 398. The primary purpose of the Park District is to acquire, develop, and operate large parks, forests, and other reservations, trail systems, and wildlife sanctuaries. The Park District is governed by a seven-member Board of Commissioners; five commissioners are elected from districts within suburban Hennepin County, and two commissioners are appointed by the Hennepin County Board of Commissioners.

The accounting policies of the Park District conform to U.S. generally accepted accounting principles applicable to governmental entities, as of December 31, 2017. The following is a summary of the more significant policies:

A. Financial Reporting Entity

The accompanying financial statements of the Three Rivers Park District include the primary government (the Park District) and its component units, entities for which the Park District is considered financially accountable. The Park District may be considered financially accountable for another entity if it appoints a voting majority of the governing body, is able to impose its will on that organization, if the organization can provide financial benefits or impose financial burdens on the Park District or if the organization is fiscally dependent on the Park District. The Park District does not have any component units.

Pursuant to the terms of an agreement between the Park District and Scott County, Minnesota, the Park District provides staff, planning, land acquisition, administrative and operational services to all regional park facilities in Scott County, and keeps records of all related financial transactions. The funds and accounts relating to these activities, consisting of $2,264,320 of revenues and $2,117,530 of expenditures, are included in the Scott County Special Revenue Fund in the accompanying financial statements.

The Park District has entered into a joint powers agreement with Hennepin County whereby the Park District manages and operates the Glen Lake Golf and Practice Center, an executive golf facility owned by Hennepin County. Under the terms of the agreement, the Park District is reimbursed by Hennepin County for all costs incurred. All land, buildings and equipment are owned by Hennepin County. The agreement specifies that Hennepin County and the Park District will split profits on a 70/30 percent allocation, once a fund balance of $150,000 is achieved and maintained. All activity has been recorded in a Special Revenue Fund – Glen Lake Golf Course Fund, a nonmajor fund included with the Park's other nonmajor governmental funds in these financial statements.

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the Park District as a whole) and fund financial statements. While the fund financial statement model emphasizes major and nonmajor funds, in the government-wide model the focus is on the Park District as a whole. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resources measurement focus, which incorporates long-term assets and receivables as well as long-term debt and obligations. The Park District generally uses restricted assets first for expenses incurred for which both restricted and unrestricted assets are available. The Park District may defer the use of restricted assets based on a review of the specific transaction.

The government–wide Statement of Activities reflects both the gross cost and the net cost per functional category, which are otherwise being supported by general revenues (property taxes, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by the related program revenues, and operating and capital grants and contributions. The program revenues must be directly associated with the function or a business-type activity. Program revenues are derived directly from the program itself or from parties outside the Park District's taxpayers as a whole. The Park District does not allocate indirect expenses.

The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column includes capital-specific grants.

The governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements' governmental activities column, a reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and the change in net position.

The focus of the current financial statement reporting model is on the Park District as a whole and on the Park District's major funds, including both governmental funds and enterprise funds (by category). Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

In the fund financial statements, financial transactions and accounts of the Park District are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulation, restrictions, or limitations.

Major Governmental Funds – The Park District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Park District. It is used to account for all financial resources except those required to be accounted for in another fund. This fund records revenues such as property tax revenues, licenses and permits, fines and penalties, intergovernmental revenues, and interest earnings. Most of the current day-to-day operations of the governmental units are financed from this fund.

Scott County Fund – The Special Revenue Scott County Fund is used to account for revenues and expenditures associated with all regional park facilities in Scott County per the covenants of a joint powers agreement. The revenue sources include user fees, grants, and a contribution from Scott County as agreed upon in the joint powers agreement.

G.O. Bond C.I.P. Fund – The G.O. Bond C.I.P. Fund is used to account for the acquisition or construction of major capital facilities that are financed with bonding activity, other than those that are financed by proprietary funds.

Metro-Three Rivers C.I.P. Fund – The Metro-Three Rivers C.I.P. Fund is used to account for the acquisition or construction of major capital facilities that are financed with grant activity through the Metropolitan Council.

Land Acquisition, Development and Betterment Fund – The Land Acquisition, Development and Betterment Fund is used to account for the acquisition or construction of major capital facilities, other than those that are financed by proprietary funds.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs, which are not accounted for in another fund.

Major Proprietary Funds - The Park District reports the following major proprietary funds:

Baker National Golf Course Fund – The Baker National Golf Course Fund is used to account for resources and payments related to the operation and maintenance of the Baker National Golf Course.

Hyland Hills Ski Area Fund – The Hyland Ski Area Fund is used to account for resources and payments related to the operation and maintenance of the Hyland Hills Ski Area.

Eagle Lake Golf Course Fund – The Eagle Lake Golf Course Fund is used to account for resources and payments related to the operation and maintenance of the Eagle Lake Golf Course.

Other Funds - The Park District reports the following other funds:

Internal Service Funds – Internal Service Funds are used to account for equipment rental, provided to other departments or agencies of the Park District, as well as, the worker's compensation, employee dental benefits, general insurance services, and the pension benefits to other funds of the Park District on a cost reimbursement basis.

C. Measurement Focus and Basis of Accounting

The accounting and reporting treatment applied to a fund is determined by its measurement focus.

Governmental Funds:

- *Measurement Focus*: Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Reported fund balance is considered a measure of "available spendable resources." Governmental fund operating statements represent increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

- *Basis of Accounting:* Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. 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. Other revenue is considered available if collected within 60 days. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

- *Revenues:* Major revenues that are susceptible to accrual include property taxes, excluding delinquent taxes received over 60 days after year-end; intergovernmental revenues; charges for services; and interest on investments. Major revenues that are not susceptible to accrual include fees and miscellaneous revenues; such revenues are recorded only as received because they are not measurable until collected.

- *Expenditures:* Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on long-term debt, as well as expenditures related to compensated absences and OPEB, which are recognized when due.

Proprietary Funds:

- *Measurement Focus*: Proprietary funds are accounted for on a flow of economic resources measurement focus. This means that all assets, including capital assets, and all liabilities, including long-term liabilities, associated with fund activity are included on the balance sheets. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

- *Basis of Accounting:* Proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded at the time liabilities are incurred.

- *Operating versus Nonoperating Items:* Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Park District's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Budgets

The Park District followed these procedures in establishing the 2017 budgetary data reflected in the financial statements:

1. The Park District's Board of Commissioners, after holding public hearings, approved an operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them.

2. The Park District submitted the budget to the Hennepin County (Minnesota) Board of Commissioners. The County Board may, within 15 days, veto or modify an item contained in the budget. The Park District Board may re-approve a vetoed or modified item by a two-thirds majority.

3. After adoption of a final budget and on or before five working days after December 20, the Park District certified to Hennepin County the amount of ad valorem taxes to be levied.

4. The Park District's Board may make modifications to the adopted budget by increasing or decreasing appropriations and may authorize the transfer of budgeted amounts between departments within any fund. The Park District's management may amend the budget up to the total fund level without seeking the approval of the Park District Board.

5. Expenditures may not legally exceed budgeted appropriations at the total fund level. Monitoring of budgets is maintained at the expenditure category level (i.e. personal services, commodities, contractual services, other charges, capital outlay) within each activity.

6. Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund and the following special revenue funds: Scott County, and Glen Lake Golf Course. Formal budgetary integration is not employed for the Debt Service Fund because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. Budgetary control for Capital Projects Funds is accomplished through the use of project reporting controls. The Board made supplemental budgetary appropriations throughout the year for the General Fund, totaling $3,583,422, $536,953 relating to encumbrances, $86,614 relating to unanticipated grants, park use charges, other miscellaneous revenue and sale of capital assets, and $2,959,855 for use of assigned contingencies fund balance. The Board approved the use of the General Funds assigned contingencies fund balance for pocket parks, for future land acquisitions, and for funding some of the 2017 asset management projects. The only supplemental budgetary appropriations for Scott County Special Revenue Fund was related to encumbrances totaling $2,989 and none for Glen Lake Golf Course.

7. Budgeted amounts are as originally adopted, or as amended by the Park District Board of Commissioners. Budgeted expenditure appropriations lapse at year-end. Encumbrances represent purchase commitments. Encumbrances outstanding at year-end are reported in fund balances since they do not constitute expenditures or liabilities.

E. Cash, Cash Equivalents, and Investments

Cash balances for all funds, except for small amounts on hand or in Park District depositories are deposited in pooled accounts of Hennepin County. The County invests cash surpluses for these accounts. Investment earnings, including gains and losses on sales of securities, are allocated to the Park District's funds on the basis of average cash balances. Cash balances in the G.O. Bond Fund are invested by the Park District directly and investment earnings, including gains and losses on sales of securities, are allocated to the Park District's G.O. Bond Fund. Cash and cash equivalents include all highly liquid investments with an original maturity of three months or less from the time of purchase. For purposes of the statement of cash flows, the Proprietary Funds consider all unrestricted investments held in the pooled accounts of Hennepin County to be cash equivalents because this pool is used essentially as a demand deposit account.

The Park District's pooled investments, primarily consisting of securities of the federal government or its agencies, are recorded at fair value.

F. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered, as well as short-term cash deficits. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheets of the fund financial statements.

Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

G. Inventories and Prepaid Items

All inventories are valued at cost based on physical counts, which approximates a first-in, first-out basis.

Inventory in the General Fund consists of expendable supplies for consumption. The cost of inventory is recorded as an expenditure/expense when consumed (i.e., consumption method) in the General Fund, as well as, special revenue and proprietary fund types.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

H. Restricted Cash and Investments

Certain proceeds of debt service fund refunding bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

I. Capital Assets

Capital assets, which include land, buildings and structures, land improvements, furniture and equipment, machinery and automobiles, infrastructure (e.g., roads, bridges, sidewalks, and similar items), and intangible assets such as easements, are reported in the applicable governmental or business-type activity columns in the government-wide statements. Capital assets are defined as assets with an initial cost of more than $5,000 ($40,000 for infrastructure type assets) and an estimated useful life of greater than one year. All capital assets are recorded at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at the acquisition value as of the date of donation.

Capital outlays are recorded as expenditures in the Park District's governmental fund financial statements, which use the modified accrual basis of accounting. Capital outlays are capitalized in the Park District's government-wide and proprietary fund statements of net assets, which use the full accrual basis of accounting. Depreciation/amortization on the Park District's capital assets (including infrastructure) is recorded on a government-wide and proprietary fund basis. Capital assets not being depreciated/amortized include land, permanent easements, and construction in progress.

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Asset	Years
Improvements other than buildings	10-40
Buildings	20-40
Furnishings and equipment	3-15
Ski Jump	40
Trail systems	11-40
Street and infrastructure	10-50
Temporary easements	2
Leasehold improvements	Lesser of remaining life of lease or Life of leasehold improvements

J. Compensated Absences

The Park District compensates all employees upon termination for unused vacation pay, up to a maximum of 240 hours. Park District employees are also entitled to sick leave benefits upon resignation in good standing or retirement after completion of ten years of service. The amount of severance benefits is limited to one-half of their sick leave accumulation, up to a maximum of 600 hours of sick leave.

The expense and related liability for accrued vacation and sick pay is recognized when earned in the government-wide and all proprietary fund financial statements. The liability for the non-vested accumulating rights has been estimated and recorded as part of the liability for compensated absences. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation or retirement.

K. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, and proprietary fund type statements of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method.

L. Bond Premiums, Discounts, and Issuance Costs

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts on debt issuances are reported as other financing sources and uses respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Park District has one item that qualifies for reporting in the category. It is the pension related deferred outflows of resources reported in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflow of resources. This separate financial statement element represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Park District has pension related deferred inflows of resources reported in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position. The Park District also has another type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from the following sources: property taxes, due from other governmental units, and loans receivable.

N. Interfund Transactions

Interfund services provided are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Other interfund transactions are reported as transfers in (out).

Interfund transactions within the respective categories of governmental activities and business-type activities in the government-wide statement of activities are eliminated. The internal balances caption on the government-wide statement of net position represents interfund receivables or payables between the two types of activities: governmental and business-type.

O. Property Taxes

Property tax levies are set by the Board of Commissioners in December, and are certified to Hennepin County (the County) for collection in the following year. In Minnesota, counties act as collection agents for all property taxes.

The County spreads all levies over taxable property. Such taxes become a lien on January 1 and are recorded as receivables by the Park District at that date. Within the fund financial statements, property taxes are accrued and recognized as revenue, excluding delinquent taxes received over 60 days after year-end. Unavailable revenue in governmental activities is susceptible to full accrual on the government-wide statements.

Real property taxes may be paid by taxpayers in two equal installments, on May 15 and October 15. The County provides tax settlements to taxing districts four times a year in January, May, June, and November.

In the governmental fund financial statements, taxes that remain unpaid at December 31 are classified as delinquent taxes receivable and are fully offset by deferred inflows of resources, because they are not known to be available to finance current expenditures. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material.

P. Risk Management

The Park District is exposed to various risks of loss related to torts; damage to, and destruction of, assets; errors and omissions; injuries to employees; and natural disasters. The risk management activities of the Park District are accounted for by the Risk Management Fund, an internal service fund that charges its costs to user departments. Such reimbursements are recorded as interfund services used.

The Park District insures for risks associated with general liability and property with a Minnesota Counties Intergovernmental Trust. The Risk Management Fund provides coverage of insurance premiums that will cover up to a maximum of $1,500,000 for general liability claims and either replacement cost or actual cash value for property and equipment claims.

The Park District is self-insured for worker's compensation costs. The Park District provides coverage through the Risk Management Fund up to the retention factor of $500,000 per occurrence. Claims in excess of that amount are covered 100% by Workers Compensation Reinsurance Agency.

In 1997, the Park District also began a self-insurance program for dental benefits. Accordingly, the Park District has not purchased outside insurance for the risk of losses to which it is exposed. Instead, the Park District management believes it is more economical to manage its risks internally and set aside assets for claim settlement. Participants in the program make premium payments to the Risk Management Internal Service Fund. The excess amount received above the claims is $160,724 at December 31, 2017.

The liability recorded by the Risk Management Fund includes estimated settlements for claims reported but not yet settled as of December 31, 2017, estimated deductible/premium adjustments not settled as of December 31, 2017, as well as, an estimate of claims incurred but not reported. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

Changes in the fund's liability amount are as follows:

	2017	2016
Beginning of year liability	$ 132,855	$ 141,567
Claims and change in estimates	412,570	266,582
Claims payments	(331,402)	(275,294)
Accrued liabilities	$ 214,023	$ 132,855

The fund's total accrued liability for December 31, 2017 is $214,023, of this amount $160,323 represents the non-current liability.

Q. Hyland Hills Ski Area Enterprise Fund Fiscal Year End

During 2017, the Park District changed the year end of the Hyland Hills Ski Area Enterprise Fund from June 30 to December 31 in order to enhance financial reporting consistency. As a result, 18 months of financial activity (July 1, 2016 through December 31, 2017) for the Hyland Hills Ski Area Fund is presented on the Statement of Activities, the Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds and the Statement of Cash Flows – Proprietary Funds.

R. Endowments

The Park District receives a variety of donations from constituents and business partners that contain restrictions on their use. Most are intended to be used within one year of receipt and are accounted for in the General Donations Special Revenue Fund. The Park District does maintain three permanent funds for endowments that have extended lives due to restrictions placed on the funds by the donor. The Board of Commissioners has the authority to spend the investment earnings from the original donation and Park District policy requires all spending of these funds to be approved by the Board. Investment earnings allocated to these funds are earned and realized upon allocation to the funds. The amounts available to spend are reflected in the Net Position as expendable. The three endowments, the C.E. French Endowment, the Noerenberg Trust and the Eastman Library Trust are described below:

C.E. French Endowment – This fund accounts for the original donations of $28,519 to honor the Park District's first Park Superintendent. At Mr. French's request, the funds are to be used for staff development and training. Mr. French's desire was that the funds remain in perpetuity.

Noerenberg Trust – This fund accounts for the original donation of $1.2 million to fund the operation of the Noerenberg Memorial Gardens. The trust document requires the Park District maintain the original donation while allowing the Park District to spend all investment earnings on operations of the gardens.

Eastman Library Trust – This fund accounts for the original donation of $5,025 made to create a library at Eastman Nature Center. The trust allows the Park District to spend funds on books and materials for the library, but not on regular operations. The Park District has opted to not spend the entire endowment to allow for periodic updating of library materials as needed.

S. Use of Estimates

The preparation of financial statements, in accordance with accounting principles generally accepted in the United States of America, requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

T. Net Position

In the government-wide and proprietary fund financial statements, net position represents the difference between assets and liabilities. Net position are displayed in three components:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.

- **Restricted** – Consists of net assets restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

- **Unrestricted** – All other net assets that do not meet the definition of "restricted" or "net investment in capital assets."

U. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, other long-term assets, and legally or contractually required to be maintained intact. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.

- **Committed** – Consists of internally imposed constraints that are established by formal action (resolution) of the Park District's Board of Commissioners (the Board of Commissioners), which is the Park District's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Park District's Board of Commissioners removes or changes the specified use by resolution.

- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the Park District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to Park District's Board of Commissioners resolution, the Park District's Chief Financial Officer is authorized to establish assignments of fund balance.

- **Unassigned** – The residual classification for the General Fund which also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the Park District's policy to first use restricted resources, then use unrestricted resources as they are needed.

When committed, assigned, or unassigned resources are available for use, it is the Park District's policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

The Park District's financial management plan sets the minimum unassigned fund balance for the General Fund to equal 22 percent of the ensuing year's budget. This will ensure availability of adequate funds for the next year's budget until property tax and park use revenues are received.

At December 31, 2017, the unassigned fund balance of the General Fund was $7,947,300, compared to its targeted fund balance of $8,675,209 based on the above policy.

V. Defined Benefit Pension Plans

Pensions. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. CASH AND INVESTMENTS

A. Components of Cash and Investments

Cash and investments at year end consist of the following:

Deposits	$ 1,089,962
Investments	53,301,440
Cash on Hand	61,015
Total	$ 54,452,417

B. Deposits

In accordance with applicable Minnesota Statutes, the Park District maintains deposits at depository banks authorized by the Board of Commissioners, including checking accounts and certificates of deposits.

The following is considered the most significant risk associated with deposits:

Custodial credit risk – In the case of deposits, this is the risk that in the event of a bank failure, the Park District's deposits may be lost.

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The Park District has no additional deposit policies addressing custodial credit risk.

At year-end, the carrying amount of the Park District's deposits was $1,089,962 while the balance on the bank records was $834,239. At December 31, 2017, all deposits were fully covered by federal depository insurance, surety bonds, or by collateral held by the Park District's agent in the Park District's name.

C. <u>Investments</u>

The Park District had the following investments at year end:

	Credit Risk		Interest Risk-Maturity Duration in Years		
Investment Type	Rating	Agency	Less than 1	1 to 3	Total
US Treasury Notes	N/A	N/A	1,493,768	494,668	1,988,436
Municipal Bonds	N/A	N/A	599,988		599,988
Certificate of Deposit	N/A	N/A	4,747,200	244,200	4,991,400
Investment pools/mutual funds					
Hennepin County Investment Pool	N/R	N/R	N/A		44,375,337
PMA - 4M Fund	N/R	N/R	N/A		820,177
Morgan Stanley Institutional Cash	AAAm	S & P	N/A		
Management Fund	Aaa	Moody's			97,758
Wells Fargo money market	AAAm	S & P	N/A		428,344
	Aaa	Moody's			
Total Investments					$ 53,301,440

N/A – Not Applicable
N/R – Not Rated

The Park District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable.

The Park District has the following recurring fair value measurements as of December 31, 2017:

		Fair Value Measurement Using		
Investment Type	12/31/2017	Level 1	Level 2	Level 3
Investments at fair value:				
US Treasury Notes	$ 1,988,436	$ 1,988,436	$ -	$ -
Municipal Bonds	$ 599,988	599,988	-	-
Negotiable CDs	$ 4,991,400	-	4,991,400	-
Total/Subtotal	$ 7,579,824	$ 2,588,424	$ 4,991,400	$ -
Investment pools/mutual funds:				
Hennepin County Investment Pool	$ 44,375,337			
PMA - 4M	$ 820,177			
Morgan Stanley Institutional Cash Management Fund	$ 97,758			
Wells Fargo money market	$ 428,344			
Total	$ 53,301,440			

The Park District's external investment pool investment with the 4M fund is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M fund is an unrated pool and the fair value of the position in the pool is the same as the value of pool shares. The pool is managed to maintain a portfolio weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of $1. The pool measures their investment in accordance with Government Accounting Standards Board Statement No. 79, at amortized cost.

The 4M Liquid Asset Fund has no redemption requirements. The 4M Plus Fund requires funds to be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period are subject to a penalty equal to 7 days interest on the amount withdrawn.

Investments are subject to various risks, the following of which are considered the most significant:

Custodial credit risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the Park District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Park District does not have a formal investment policy addressing this risk, but typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

Credit risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the Park District's investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less; general obligations rated "A" or better; revenue obligations rated "AA" or better; general obligations of the Minnesota Housing Finance Agency rated "A" or better; bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System;

commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding $10,000,000, that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers. The Park District's investment policies do not further address credit risk.

Concentration risk – This is the risk associated with investing a significant portion of the Park District's investment (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds. The Park District places no limit on the amount it may invest in any one issuer. The Park District does not have an investment in any one issuer that is in excess of 5 percent.

Interest rate risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The Park District does not have an investment policy limiting the duration of investments.

3. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Land	$ 90,612,029	$ 485,130	$ -	-	$ 91,097,159
Construction in progress	2,535,139	17,571,590	(18,640,026)	-	1,466,703
Permanent easements	1,606,175	-	(2,330)	-	1,603,845
Subtotal non-depreciable capital assets	94,753,343	18,056,720	(18,642,356)	-	94,167,707
Buildings and structures	63,718,022	862,473	(56,934)	-	64,523,561
Improvements other than buildings	88,489,435	12,005,723	(1,128,779)	-	99,366,379
Furniture and equipment	31,495,417	1,810,099	(1,390,496)	-	31,915,020
Infrastructure	39,598,345	5,031,840	(1,742,885)	-	42,887,300
Temporary Easements	165,936	-	-	-	165,936
Subtotal depreciable capital assets	223,467,155	19,710,135	(4,319,094)	-	238,858,196
Totals at historical cost	318,220,498	37,766,855	(22,961,450)	-	333,025,903
Less accumulated depreciation:					
Buildings and structures	(21,327,465)	(1,584,032)	19,689	-	(22,891,808)
Improvements other than buildings	(32,121,137)	(4,394,015)	1,128,779	-	(35,386,373)
Furniture and equipment	(21,106,145)	(2,099,548)	1,370,405	-	(21,835,288)
Infrastructure	(14,927,352)	(1,408,530)	1,742,885	-	(14,592,997)
Temporary Easements	(157,520)	(8,416)	-	-	(165,936)
Total accumulated depreciation	(89,639,619)	(9,494,541)	4,261,758	-	(94,872,402)
Governmental activities capital assets, net	$228,580,879	$ 28,272,314	$(18,699,692)	$ -	$ 238,153,501

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Land	$ 417,179	$ -	$ -	$ -	$ 417,179
Construction in progress	-	-	-	-	-
Subtotal non-depreciable capital assets	417,179	-	-	-	417,179
Buildings and structures	17,447,797	-	-	-	17,447,797
Improvements other than buildings	11,939,834	57,900	-	-	11,997,734
Furniture and equipment	5,124,165	45,729	(41,654)	-	5,128,240
Subtotal depreciable capital assets	34,511,796	103,629	(41,654)	-	34,573,771
Totals at historical cost	34,928,975	103,629	(41,654)	-	34,990,950
Less accumulated depreciation:					
Buildings and structures	(2,876,013)	(604,951)	-	-	(3,480,964)
Improvements other than buildings	(7,240,062)	(588,566)	-	-	(7,828,628)
Furniture and equipment	(2,245,079)	(447,570)	40,680	-	(2,651,969)
Total accumulated depreciation	(12,361,154)	(1,641,087)	40,680	-	(13,961,561)
Business-type activities capital assets, net	$ 22,567,821	$ (1,537,458)	$ (974)	$ -	$ 21,029,389

Depreciation expense was charged to governmental activities as follows:

Park and Trail Operations	$ 4,584,314
Recreation, Education and Natural Resources	3,653,040
Planning, Design, and Technology	266,883
Capital assets held by the government's internal service funds are charged to various functions based on their usage of the assets	990,304
Total depreciation expense, governmental activities	$ 9,494,541

Depreciation expense was charged to business-type activities as follows:

Baker National Golf Course	$ 313,612
Hyland Hills Ski Area	1,107,298
Eagle Lake Golf Course	220,177
Total depreciation expense, business-type activities	$ 1,641,087

Included in construction-in-progress are several projects in various stages of completion. Outstanding commitments for these projects were $2,104,195 at December 31, 2017. Funds available in the G.O. Bond Capital Projects Fund, Coon Rapids Dam Rehabilitation Fund, Maintenance and Rehabilitation Fund and the Land Acquisition Development and Betterment Fund will be used to finance these commitments.

4. LONG-TERM OBLIGATIONS

The bonded long-term debt obligations outstanding at year-end are summarized as follows:

	Maturities	Rates	Original Issuance Amount	Balance December 31, 2017
Governmental-type activities:				
2011 General Obligation Refunding Bonds	2013-2020	2.00%-3.00%	6,190,000	1,945,000
2012 General Obligation Bonds	2014-2018	3.00%	3,560,000	755,000
2012 General Obligation Refunding Bonds	2014-2022	3.00%-4.00%	20,090,000	11,605,000
2013 General Obligation Bonds	2015-2032	2.00%-4.25%	8,105,000	7,410,000
2013 General Obligation Refunding Bonds	2016-2023	3.00%-5.00%	7,965,000	6,215,000
2014 General Obligation Bonds	2016-2030	2.00%-3.00%	7,870,000	6,975,000
2014 General Obligation Capital Equipment Notes	2016-2018	1.00%	975,000	325,000
2015 General Obligation Bonds	2017-2031	3.00%-3.25%	7,965,000	7,535,000
2015 General Obligation Capital Equipment Notes	2017-2019	2.00%	710,000	475,000
2016 General Obligation Bonds	2018-2030	2.10%-3.00%	8,425,000	8,425,000
2016 General Obligation Capital Equipment Notes	2018-2020	3.00%	865,000	865,000
2017 General Obligation Bonds	2019-2031	2.50%-3.00%	8,030,000	8,030,000
Total governmental-type activities:			**$ 80,750,000**	**$ 60,560,000**
Business-type activities:				
2012 General Obligation Refunding Bonds	2014-2022	2.00%	2,720,000	1,595,000
2015 General Obligation Revenue Bonds	2016-2040	3.00%-3.375%	6,465,000	6,110,000
Total business-type activities:			**$ 9,185,000**	**$ 7,705,000**

Changes in long-term obligation during 2017 are summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental-type activities:					
Bonds payable:					
General obligation bonds	$ 62,125,000	$ 8,030,000	$ (9,595,000)	$ 60,560,000	$ 7,205,000
Plus unamortized bond premiums	3,790,088	314,109	(691,810)	3,412,387	-
Total bonds payable	65,915,088	8,344,109	(10,286,810)	63,972,387	7,205,000
OPEB liability	1,564,380	154,782	(32,768)	1,686,394	-
Compensated absences	3,182,655	1,596,611	(1,681,483)	3,097,783	1,468,054
Net pension liability	32,009,626	1,690,347	(11,077,420)	22,622,553	-
Total governmental-type activities payable	**102,671,749**	**11,785,849**	**(23,078,481)**	**91,379,117**	**8,673,054**
Business-type activities:					
Bonds payable:					
Revenue bonds	$ 8,350,000	$ -	$ (645,000)	$ 7,705,000	$ 490,000
Plus unamortized bond premiums	177,004	-	(16,075)	160,929	-
Total bonds payable	8,527,004	-	(661,075)	7,865,929	490,000
OPEB liability	76,848	14,003	(2,179)	88,672	-
Compensated absences	429,204	56,428	(127,765)	357,867	100,870
Total business-type activities payable	**9,033,056**	**70,431**	**(791,019)**	**8,312,468**	**590,870**

Long-term debt maturities are as follows:

	Governmental-Type Activities General Obligation Bonds	
Year	Principal	Interest
2018	$ 7,205,000	$ 1,823,391
2019	7,395,000	1,654,945
2020	7,170,000	1,393,320
2021	6,140,000	1,149,095
2022	5,310,000	937,808
2023-2027	15,490,000	2,882,231
2028-2032	11,850,000	761,991
	$ 60,560,000	$ 10,602,781

	Business-Type Activities Revenue Bonds	
Year	Principal	Interest
2018	$ 490,000	$ 218,500
2019	505,000	206,700
2020	515,000	194,600
2021	535,000	182,150
2022	550,000	169,300
2023-2027	1,160,000	730,950
2028-2032	1,340,000	546,150
2033-2037	1,550,000	328,850
2038-2040	1,060,000	71,969
	$ 7,705,000	$ 2,649,169

General Obligation bonds issued for the acquisition and development of large parks, trails, and facilities, as well as fund the computer equipment replacement plan, are backed by the full faith credit and taxing power of the Park District and are financed through the Debt Service Fund.

General Obligation Revenue bonds issued to finance the construction of the Eagle Lake Golf Course, are backed by the full faith credit and taxing power of the Park District and are supported by the Eagle Lake Golf Course Enterprise Fund and are carried as debt of this fund.

General Obligation Revenue bonds issued to finance the construction of the ski chalet and related improvements at the Hyland Lake Park Reserve, are backed by the full faith credit and taxing power of the Park District and are supported by the Hyland Hills Ski Area Enterprise Fund and are carried as debt of this fund.

The compensated absences balance represents the accumulated vacation and severance pay amounts owed to employees as of year-end. Actual payments upon termination are made from the fund to which the employee is assigned at the time employment ceases. In addition to the General Fund, the following funds are involved in paying compensated absences upon termination: Scott County Special Revenue Fund, Glen Lake Special Revenue Fund, Baker National Golf Course Fund, Hyland Hills Ski Area Fund, Eagle Lake Golf Course Fund and the Equipment Internal Service Fund.

The OPEB liability is generally liquidated by the General Fund, Baker National Golf Course Fund, Hyland Hills Ski Area Fund, and Eagle Lake Golf Course Fund. Additional information for other post-employment benefits can be found at Note 14.

The net pension liability is generally liquidated by the State Pension internal service fund. Additional information for net pension liability can be found at Note 12.

5. PLEDGED REVENUE

		Revenue Pledged				Current Year	
Bond Issue	Use of Proceeds	Type	Percent of Total Debt Service	Term of Pledge	Remaining Principal and Interest	Principal and Interest Paid	Pledged Revenue Received
2012 G.O. Refunding Bonds	Construction of Eagle Lake Golf Course	*Net operating revenues of Eagle Lake Golf Course and taxes levied for Debt Service*	*100%*	2018-2022	$ 1,676,750	$ 324,800	$ 817,096
2015 G.O. Revenue Bonds	Construction of Hyland Hills Ski Area Chalet	*Net operating revenues of Hyland Hills Ski Area and taxes levied for Debt Service*	*100%*	2018-2040	$ 8,677,419	$ 650,125	$ 6,424,694
Governmental G.O. Bonds and Notes	Park District Improvements	*Ad valorem taxes of the Debt Service Fund*	*100%*	2018-2031	$ 71,162,781	$ 11,440,189	$ 12,159,319

6. LEASE OBLIGATION

The Park District leases golf carts under an operating lease agreement with a four-year term expiring June 2020. Rent expense for the year ended December 31, 2017 totaled $121,637. Future minimum lease payments are as follows:

Year	Total
2018	$ 119,612
2019	$ 119,612
2020	$ 119,612

7. INTERFUND RECEIVABLES AND PAYABLES

Interfund borrowing is utilized for cash flow purposes. Interfund receivables and payables at December 31, 2017 are as follows:

A. Due To/Due From

	Due From Other Funds	Due to Other Funds
Major Governmental Funds:		
General Fund	$ 219,751	$ -
Scott County		200,552
Metro-Three Rivers C.I.P.	-	3,811,353
Land Acquisition Development & Betterment	3,811,353	-
Other Governmental Funds:		
Special Revenue Funds:		
Glen Lake Golf Course	-	19,199
Total Governmental Funds	$ 4,031,104	$ 4,031,104

B. Advances to/From Other Funds

The Park District created two internal advances to Hyland Hills Ski Area Fund for the purchase of snow grooming equipment, both will be repaid with interest. In 2013, the General Fund made an advance in the amount of $269,950 and in 2015, the Land Acquisition and Development Fund made an advance in the amount of $264,375. At December 31, 2017 the balances of the advances are $44,991 in the General Fund and $176,250 in the Land Acquisition and Development fund and the Hyland Hills Ski Area Enterprise Fund reflects the total of both balances.

8. INTERFUND TRANSFERS

Interfund transfers include a number of transfers and administrative charges in accordance with the Financial Management Plan, Capital Improvement Plan, Joint Powers Agreements, and Trust Agreements. Most of these transfers are designed to allocate financial resources between funds when one fund receives benefit from the services of another fund. In addition, the transfer from the Rehabilitation and Maintenance Fund to the General Fund is to mitigate the cost of operations funded by the taxpayers. Finally, the transfers between the Noerenberg Trust Fund and the General Fund are to reimburse the General Fund for the cost of operating Noerenberg Gardens in accordance with the donor's wishes.

Transfers made during 2017 are as follows:

	Transfers In	Transfers Out
General Fund	$ 65,040	$ (2,744,756)
G.O. Bond C.I.P. Fund	1,727,000	(1,199,421)
Land Acquisition Development & Betterment	1,000,000	-
Other Governmental Funds:		
Rehabilitation & Maintenance Fund	1,192,421	-
Noerenberg Trust fund	17,756	(34,044)
Baker National Golf Course	-	(39,231)
Internal Service Funds:		
Equipment	86,756	-
Risk Management	-	(71,521)
	$ 4,088,973	$ (4,088,973)

In addition to the above cash transfer the governmental activities transferred $57,900 of capital assets to the Hyland Hills Ski Area fund.

9. INTERGOVERNMENTAL REVENUE AND UNEARNED REVENUE

Metropolitan Council Parks and Open Space grants are reported in the Capital Projects Funds. These grants are used for acquiring open space lands and for various construction projects in the Park District's parks as described in the grant agreements. Through December 31, 2017, the Park District has received authorizations for $152,129,346 in grants and has received cash payments of $139,233,847. In addition, the Park District receives regional operations and maintenance funding which is recorded in the General Fund and Lottery-in-lieu-of funding which is recorded in the Rehabilitation and Maintenance Fund and the General Fund. Such funding in 2017 amounted to $684,059, $1,319,103, and $258,772 respectively.

10. CONTINGENCIES

A. Litigation

There are several lawsuits in which the Park District is involved. Although the outcome of these lawsuits is not presently determinable, the Park District's officials estimate that the potential claims not covered by insurance resulting from such litigation would not materially affect the financial statements of the Park District. No loss has been recorded on the Park District's financial statements relating to these claims.

B. Audits of Federal and State Grants

The Park District receives financial assistance from federal and state government agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund.

11. DEFINED BENEFIT PENSION PLANS

A. PLAN DESCRIPTION

The Park District 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 Fund (GERF)

   All full-time and certain part-time employees (with the exception of employees covered by PEPFF) of the Park District are covered by the General Employees Retirement Fund (GERF). GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. The Park District no longer has any employees who are members of the Basic Plan. All new members must participate in the Coordinated Plan.

2. Public Employees Police and Fire Fund (PEPFF)

   The PEPFF, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

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. Increases are related to the funding ratio of the plan. Members in plans that are at least 90 percent funded for two consecutive years are given 2.5% increases. Members in plans that have not exceeded 90% funded, or have fallen below 80%, are given 1% increases.

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.

1. GERF Benefits

   Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 1.7% of average salary for Coordinated Plan members for each year of service. For 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.

2. PEPFF Benefits

   Benefits for the PEPFF members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for PEPFF members first hired after June 30, 2014, vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For PEPFF members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

C. CONTRIBUTIONS

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

1. GERF Contributions

   Coordinated Plan members were required to contribute 6.50% of their annual covered salary in calendar year 2017. The Park District was required to contribute 7.50% for Coordinated Plan members in calendar year 2017. The Park District's contributions to the GERF for the year ended December 31, 2017, were $1,612,500. The Park District's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

   Plan members were required to contribute 10.8% of their annual covered salary in calendar year 2017. The Park District was required to contribute 16.20% of pay for PEPFF members in calendar year 2017. The Park District's contributions to the PEPFF for the year ended December 31, 2017, were $194,047. The Park District's contributions were equal to the required contributions as set by state statute.

D. PENSION COSTS

1. GERF Pension Costs

At December 31, 2017, the Park District reported a liability of $21,015,911 for its proportionate share of the GERF's net pension liability. The Park District's net pension liability reflected a reduction due to the State of Minnesota's contribution of $6 million to the fund in 2017. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the Park District totaled $264,265. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Park District's proportion of the net pension liability was based on the Park District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the Park District's proportion was .3292% which was an increase of .0012% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Park District recognized pension expense of $2,605,037 for its proportionate share of the GERF's pension expense. In addition, the Park District recognized an additional $7,632 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.

At December 31, 2017, the Park District reported its proportionate share of the GERF'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	$ 692,620	$ 1,352,529
Changes in actuarial assumptions	3,489,094	2,106,847
Differences between projected and actual investment earnings	136,716	-
Changes in proportion	52,578	645,865
Contributions paid to PERA subsequent to the measurement date	814,518	-
Total	$ 5,185,526	$ 4,105,241

$814,518 reported as deferred outflows of resources related to pensions resulting from Park District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. 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	
2018	$	387,722
2019	$	1,150,587
2020	$	(380,457)
2021	$	(892,085)
2022	$	-
Thereafter	$	-

2. PEPFF Pension Costs

At December 31, 2017, the Park District reported a liability of $1,606,642 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Park District's proportion of the net pension liability was based on the Park District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the Park District's proportion was .119% which was a decrease of .015% from its proportion measured as of June 30, 2016. The Park District also recognized $10,710 for the year ended December 31, 2017, as revenue (and an offsetting reduction of net pension liability) for its proportionate share of the State of Minnesota's on-behalf contributions to the PEPFF. Legislation passed in 2013 required the State of Minnesota to begin contributing $9 million to the PEPFF each year, starting in fiscal year 2014.

For the year ended December 31, 2017, the Park District recognized pension expense of $280,247 for its proportionate share of the PEPFF's pension expense.

At December 31, 2017, the Park District reported its proportionate share of the PEPFF'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	$ 36,982	$ 425,371
Changes in actuarial assumptions	2,102,611	2,281,032
Differences between projected and actual investment earnings	17,118	-
Changes in proportion	-	451,458
Contributions paid to PERA subsequent to the measurement date	99,731	-
Total	$ 2,256,442	$ 3,157,861

$99,731 reported as deferred outflows of resources related to pensions resulting from Park District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. 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	
2018	$	(88,702)
2019	$	(88,701)
2020	$	(145,116)
2021	$	(188,481)
2022	$	(490,150)
Thereafter	$	-

E. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP 2014 tables for the General Employees Plan and the Police and Fire Plan for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases for retirees are assumed to be: one percent per year for the General Employees Plan through 2044 and Police and Fire Plan through 2064 and then 2.5% thereafter.

Actuarial assumptions used in the June 30, 2017, valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2015. The most recent five-year experience study for Police and Fire Plan was completed in 2016.

The following changes in actuarial assumptions occurred in 2017:

General Employees Fund

- 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. 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 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

Police and Fire Fund

- The single discount rate was changed from 5.6 percent to 7.5 percent.
- The assumed salary increases 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.
- The 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 long-term expected rate of return on pension plan investments is 7.5%. 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 geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected Real Rate of Return
Domestic Stocks	39%	5.10%
International Stocks	19%	5.30%
Bonds	20%	0.75%
Alternative Assets	20%	5.90%
Cash	2%	0.00%
Total	100%	

F. DISCOUNT RATE

The discount rate used to measure the total pension liability in 2017 was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund and the Police and Fire Fund was projected to be available to make all projected future benefit payments of current plan members. 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.

At June 30, 2016, the Police and Fire Fund projected benefit payments to exceed the funds projected fiduciary net position after June 30, 2056 and therefore used a single discount rate of 5.6 percent, which as stated above, increased to 7.5 percent at June 30, 2017.

G. PENSION LIABILITY SENSITIVITY

The following presents the Park District'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 District'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:

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Park District's proportionate share of the GERF net pension liability	$ 32,597,239	$ 21,015,911	$ 11,534,490
Park District's proportionate share of the PEPFF net pension liability	$ 3,025,775	$ 1,606,642	$ 435,069

H. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

I. PENSION EXPENSE

Pension expense recognized by the Park District for the fiscal year ended December 31, 2017 is as follows:

GERF		$ 2,612,669
PEPFF		280,247
	Total	2,892,916

12. DEFINED CONTRIBUTION PLAN

Two commissioners of the Park District are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA. The PEDCP is a tax qualified plan under Section 401(a) if the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate.

An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (.0025) of the assets in each member's account annually.

Total contributions made by the Park District during fiscal year 2017 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer (Pension Expense)	Employee	Employer	Rate
$ 2,335	$ 2,335	5%	5%	5%

13. FUND DEFICITS

The following funds had a deficit fund balance at December 31, 2017:

Other Governmental Fund:	
Glen Lake Golf Course	$ (28,182)
Internal Service Fund	
State Pension	$ (22,443,687)

The deficit fund balance for Glen Lake Golf Course will be eliminated through future operating profits. Because the GERF and PEPFF pension plans continue to report a net pension liability, the deficit balance of the State Pension internal service fund is not expected to eliminated. The Park District will continue to contribute amounts to each pension plan as required by state statutes.

14. OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

The Park District provides post-employment insurance benefits to certain eligible employees through Park District's Other Post-Employment Benefits Plan, a single-employer defined benefit plan administered by the Park District. All post-employment benefits are based on contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a separately available financial report. These benefits are summarized as follows:

Post-Employment Insurance Benefits – All retirees of the Park District have the option under state law to continue their medical insurance coverage through the Park District from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of all employee groups, the retiree must pay the full premium to continue coverage for medical and dental insurance.

The Park District is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees, whether the premiums are paid by the Park District or the retiree. Consequently, participating retirees are considered to receive a secondary benefit known as an "implicit rate subsidy." This benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the Park District's younger and statistically healthier active employees.

B. Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to pre-fund benefits as determined annually by the Park District.

C. Annual OPEB Cost and Net OPEB Obligation

The Park District's annual OPEB cost (expense) is calculated based on annual required contributions (ARC) of the Park District, an amount determined on an actuarially determined basis in accordance with the parameters of GASB Statement Nos. 43 and 45. The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the Park District's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the Park District's net OPEB obligation to the plan:

	2017 Fiscal Year Ended
Annual required contribution	$ 155,266
Interest on net OPEB obligation	74,022
Adjustment to annual required contribution	(64,215)
Annual OPEB cost (expense)	165,073
Contributions made	34,947
Increase in net OPEB obligation	130,126
Net OPEB obligation – beginning of year	1,644,940
Net OPEB obligation – end of year	$ 1,775,066

The Park District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the past three years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2015	$ 218,035	$ 72,146	33.1%	$ 1,502,947
December 31, 2016	$ 154,771	$ 12,778	8.3%	$ 1,644,940
December 31, 2017	$ 165,073	$ 34,947	21.2%	$ 1,775,066

D. Funded Status and Funding Progress

As of January 1, 2016, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was $1,170,304, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $1,170,304. The covered payroll (annual payroll of active employees covered by the plan) was $19,882,000, and the ratio of the UAAL to the covered payroll was 5.9 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress immediately following the notes to the basic financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2016 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included: a 4.5 percent investment rate of return (net of administrative expenses) based on the Park District's own investments; an annual healthcare cost trend rate of 9.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after twelve years for medical insurance. Both rates include a 2.75 percent inflation assumption and a 3.50 percent projected salary increase. The UAAL is being amortized on a level dollar basis over a 30-year open period. The remaining amortization period at January 1, 2016 was 30 years.

REQUIRED SUPPLEMENTARY INFORMATION

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PARK DISTRICT

THREE RIVERS PARK DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Accrued Liability	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Payroll
January 1, 2012	$ 1,589,363	$ -	$ 1,589,363	-	$ 18,312,767	8.7%
January 1, 2014	$ 1,650,289	$ -	$ 1,650,289	-	$ 19,394,942	8.5%
January 1, 2016	$ 1,170,304	$ -	$ 1,170,304	-	$ 19,882,000	5.9%

THREE RIVERS PARK DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -
GENERAL EMPLOYEES RETIREMENT FUND
For The Year Ended December 31, 2017

Measurement Date	Fiscal Year Ending	Park District's Proportion Share (Percentage) of the Net Pension Liability	Park District's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with Park District (b)	Park District's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with Park District (a+b)	Covered Payroll (c)	Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	December 31, 2015	0.3348%	$ 17,351,074	$ -	$ 17,351,074	$ 19,680,584	88.2%	78.2%
June 30, 2016	December 31, 2016	0.3280%	$ 26,631,973	$ 347,840	$ 26,979,813	$ 20,337,483	132.7%	68.9%
June 30, 2017	December 31, 2017	0.3292%	$ 21,015,911	$ 264,265	$ 21,280,176	$ 21,130,005	100.7%	75.9%

* The schedule is provided prospectively beginning with the District's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

THREE RIVERS PARK DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND
For The Year Ended December 31, 2017

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2015	$1,500,386	$1,500,386	$0	$20,005,570	7.5%
December 31, 2016	$1,549,583	$1,549,583	$0	$20,661,134	7.5%
December 31, 2017	$1,612,500	$1,612,500	$0	$21,500,023	7.5%

* The schedule is provided prospectively beginning with the District's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

THREE RIVERS PARK DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -
PUBLIC EMPLOYEES POLICE AND FIRE FUND
For The Year Ended December 31, 2017

Measurement Date	Fiscal Year Ending	Proportion (Percentage) of the Net Pension Liability	Proportionate Share (Amount) of the Net Pension Liability (a)	Covered Payroll (b)	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	December 31, 2015	0.1460%	$1,658,902	$1,343,298	123.5%	86.6%
June 30, 2016	December 31, 2016	0.1340%	$5,377,653	$1,287,578	417.7%	63.9%
June 30, 2017	December 31, 2017	0.1190%	$1,606,642	$1,216,980	132.0%	85.4%

* The schedule is provided prospectively beginning with the District's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

THREE RIVERS PARK DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES POLICE AND FIRE FUND
For The Year Ended December 31, 2017

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2015	$207,461	$207,461	$0	$1,280,496	16.2%
December 31, 2016	$206,682	$206,682	$0	$1,275,817	16.2%
December 31, 2017	$194,047	$194,047	$0	$1,197,819	16.2%

* The schedule is provided prospectively beginning with the District's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

General Employees Retirement Fund

2017 Changes

Changes in Actuarial Assumptions:

-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. The revised CSA loads are now 0.0 percnet 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 from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 Changes

Changes in Actuarial Assumptions:

-The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.

-The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.

-Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Public Employees Police and Fire Fund

2017 Changes

Changes in Actuarial Assumptions:

-The single discount rate was changed from 5.6 percent to 7.5 percent.

-The assumed salary increases 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.

-The 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.

2016 Changes

Changes in Actuarial Assumptions:

-The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.

-The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.

-The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

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Combining And Individual Fund Statements And Schedules

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PARK DISTRICT

NONMAJOR FUNDS

Special Revenue Funds

The Special Revenue Funds account for a specific revenue source that is restricted, committed, or assigned to expenditures for particular purposes.

Rehabilitation and Maintenance

A fund established to account for the revenues and expenditures associated with funding from the State of Minnesota and the Metropolitan Council for operations and maintenance from state funds in lieu of lottery proceeds.

Glen Lake Golf Course

This fund is used to account for activity related to operating Hennepin County's golf facility.

General Donations

This fund was established to account for the receipt and expenditure of general donations from individuals and organizations.

Capital Projects Funds

Capital projects funds account for the financial resources that are restricted, committed, or assigned to expenditures for the acquisition, development and betterment of Park District facilities other than those facilities financed by proprietary funds.

Scott-Three Rivers CIP

A fund established to account for monies contributed by Scott County and the Park District to fund capital projects for Park District facilities in Scott County.

Coon Rapids Dam (CRD) Rehabilitation

This fund was established to account for funds for the purpose of maintaining, repairing and/or operating the Coon Rapids Dam and Walkway.

General Obligation Bond Equipment

A fund established to account for the revenue from General Obligation Bond sales. These monies will be used to fund the Technology Plan.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

C.E. French Endowment

This fund accounts for the original donations to honor the Park District's first Park Superintendent. At Mr. French's request, the funds are to be used for staff development and training. Mr. French's desire was that the funds remain in perpetuity.

Noerenberg Trust

This fund was established to account for a substantial bequest to provide ongoing revenue for annual operation of and capital improvements to the Noerenberg Memorial Gardens property, which was also part of the bequest.

Eastman Library Trust

This fund was established to account for the specific donations of which the investment earnings are used to provide additional resource materials for the library at the Eastman Nature Center in the Elm Creek Park Reserve.

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PARK DISTRICT

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THREE RIVERS PARK DISTRICT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2017

	Special Revenue			
ASSETS	Rehabilitation & Maintenance	Glen Lake Golf Course	General Donations	Total Special Revenue
Cash, cash equivalents, and investments	$ 3,221,899	$ -	$ 928,788	$ 4,150,687
Other receivables	-	-	-	-
Due from other governmental units	64,711	-	-	64,711
Prepaid items	1,395	2,618	-	4,013
Inventory	-	3,547	-	3,547
Total Assets	$ 3,288,005	$ 6,165	$ 928,788	$ 4,222,958
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 189,240	$ 2,254	$ 25,951	$ 217,445
Contracts payable	10,538	-	-	10,538
Accrued liabilities	-	12,365	-	12,365
Due to other funds	-	19,199	-	19,199
Due to other government units	366	529	-	895
Unearned revenue	26,954	-	-	26,954
Total Liabilities	227,098	34,347	25,951	287,396
Fund balances:				
Nonspendable:				
Prepaid items	1,395	2,618	-	4,013
Inventory	-	3,547	-	3,547
C.E. French Endowment - non-expendable	-	-	-	-
Noerenberg Trust - non-expendable	-	-	-	-
Eastman Library - non-expendable	-	-	-	-
Restricted:				
Capital improvement projects	-	-	-	-
Maintain and rehabilitate existing facilities	2,557,575	-	-	2,557,575
C.E. French Endowment	-	-	-	-
Eastman Library	-	-	-	-
Committed:				
Maintain and rehabilitate existing facilities	501,937	-	-	501,937
Betterment of and access to facilities & programs	-	-	902,837	902,837
Assigned				
Capital improvement projects	-	-	-	-
Unassigned:	-	(34,347)	-	(34,347)
Total Fund Balances	3,060,907	(28,182)	902,837	3,935,562
Total Liabilities and Fund Balances	$ 3,288,005	$ 6,165	$ 928,788	$ 4,222,958

	Capital Project				Permanent				
	Scott-Three Rivers C.I.P.	CRD Rehabilitation	G.O. Bond Equipment	Total Capital Project	C.E. French Endowment	Noerenberg Trust	Eastman Library	Total Permanent	Total Nonmajor Governmental
	$ 97,354	$ 951,408	$ 712,938	$ 1,761,700	$ 59,812	$ 1,200,000	$ 11,182	$ 1,270,994	$ 7,183,381
	-	-	99	99	-	-	-	-	99
	38,319	-	-	38,319	-	-	-	-	103,030
	-	-	24,752	24,752	-	-	-	-	28,765
	-	-	-	-	-	-	-	-	3,547
	$ 135,673	$ 951,408	$ 737,789	$ 1,824,870	$ 59,812	$ 1,200,000	$ 11,182	$ 1,270,994	$ 7,318,822
	$ 3,300	$ 6,773	$ 169,367	$ 179,440	$ -	$ -	$ 74	$ 74	$ 396,959
	-	-	-	-	-	-	-	-	10,538
	-	-	-	-	-	-	-	-	12,365
	-	-	-	-	-	-	-	-	19,199
	11	-	223	234	-	-	-	-	1,129
	-	-	-	-	-	-	-	-	26,954
	3,311	6,773	169,590	179,674	-	-	74	74	467,144
	-	-	24,752	24,752	-	-	-	-	28,765
	-	-	-	-	-	-	-	-	3,547
	-	-	-	-	28,519	-	-	28,519	28,519
	-	-	-	-	-	1,200,000	-	1,200,000	1,200,000
	-	-	-	-	-	-	5,025	5,025	5,025
	-	-	543,447	543,447	-	-	-	-	543,447
	132,362	-	-	132,362	-	-	-	-	2,689,937
	-	-	-	-	31,293	-	-	31,293	31,293
	-	-	-	-	-	-	6,083	6,083	6,083
	-	-	-	-	-	-	-	-	501,937
	-	-	-	-	-	-	-	-	902,837
	-	944,635	-	944,635	-	-	-	-	944,635
	-	-	-	-	-	-	-	-	(34,347)
	132,362	944,635	568,199	1,645,196	59,812	1,200,000	11,108	1,270,920	6,851,678
	$ 135,673	$ 951,408	$ 737,789	$ 1,824,870	$ 59,812	$ 1,200,000	$ 11,182	$ 1,270,994	$ 7,318,822

THREE RIVERS PARK DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	Special Revenue			
	Rehabilitation & Maintenance	Glen Lake Golf Course	General Donations	Total Special Revenue
Revenues:				
Intergovernmental	$ 1,383,814	$ 9,609	$ -	$ 1,393,423
Charges for park use	-	7,061	-	7,061
Golf charges for services	-	605,940	-	605,940
Concession charges for services	-	48,596	-	48,596
Rental charges for services	-	100,005	-	100,005
Merchandise charges for services	-	23,331	-	23,331
Lesson and league charges for service	-	146,565	-	146,565
Investment earnings	25,288	800	9,319	35,407
Other	-	286	300,267	300,553
Total revenues	1,409,102	942,193	309,586	2,660,881
Expenditures:				
Current:				
Park and Trail Operations	2,240,323	389,508	32,055	2,661,886
Recreation, Education, and Natural Resources	95,528	397,782	223,006	716,316
Planning, Design, and Technology	-	-	-	-
General Government	-	173,400	12,878	186,278
Debt Service:				
Bond issuance costs	-	-	-	-
Capital projects	43,451	-	46,288	89,739
Capital outlay	1,536	-	-	1,536
Total expenditures	2,380,838	960,690	314,227	3,655,755
Excess of revenues over (under) expenditures	(971,736)	(18,497)	(4,641)	(994,874)
Other financing sources (uses):				
Transfer in	1,192,421	-	-	1,192,421
Transfer (out)	-	-	-	-
Issuance of debt	-	-	-	-
Premium and discount	-	-	-	-
Total other financing sources (uses)	1,192,421	-	-	1,192,421
Net Change in Fund Balances	220,685	(18,497)	(4,641)	197,547
Fund balances, January 1	2,840,222	(9,685)	907,478	3,738,015
Fund balance, December 31	$ 3,060,907	$ (28,182)	$ 902,837	$ 3,935,562

Capital Projects				Permanent				
Scott-Three Rivers C.I.P.	CRD Rehabilitation	G.O. Bond Equipment	Total Capital Projects	C.E. French Endowment	Noerenberg Trust	Eastman Library	Total Permanent	Total Nonmajor Governmental
$ 96,605	$ -	$ -	$ 96,605	$ -	$ -	$ -	$ -	$ 1,490,028
-	-	-	-	-	-	-	-	7,061
-	-	-	-	-	-	-	-	605,940
-	-	-	-	-	-	-	-	48,596
-	-	-	-	-	-	-	-	100,005
-	-	-	-	-	-	-	-	23,331
-	-	-	-	-	-	-	-	146,565
1,091	4,086	8,007	13,184	685	16,288	111	17,084	65,675
-	6,874	4,497	11,371	-	-	-	-	311,924
97,696	10,960	12,504	121,160	685	16,288	111	17,084	2,799,125
104,200	9,381	-	113,581	-	-	-	-	2,775,467
2,934	-	-	2,934	4,845	-	302	5,147	724,397
-	-	899,634	899,634	-	-	-	-	899,634
-	-	-	-	-	-	-	-	186,278
-	-	7,650	7,650	-	-	-	-	7,650
-	7,667	147,664	155,331	-	-	-	-	245,070
-	-	145,021	145,021	-	-	-	-	146,557
107,134	17,048	1,199,969	1,324,151	4,845	-	302	5,147	4,985,053
(9,438)	(6,088)	(1,187,465)	(1,202,991)	(4,160)	16,288	(191)	11,937	(2,185,928)
-	-	-	-	-	17,756	-	17,756	1,210,177
-	-	-	-	-	(34,044)	-	(34,044)	(34,044)
-	-	806,067	806,067	-	-	-	-	806,067
-	-	31,530	31,530	-	-	-	-	31,530
-	-	837,597	837,597	-	(16,288)	-	(16,288)	2,013,730
(9,438)	(6,088)	(349,868)	(365,394)	(4,160)	-	(191)	(4,351)	(172,198)
141,800	950,723	918,067	2,010,590	63,972	1,200,000	11,299	1,275,271	7,023,876
$ 132,362	$ 944,635	$ 568,199	$ 1,645,196	$ 59,812	$ 1,200,000	$ 11,108	$ 1,270,920	$ 6,851,678

THREE RIVERS PARK DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GLEN LAKE GOLF COURSE FUND

For the Year Ended December 31, 2017

	Original Budget	Budget as Amended	Actual	Variance Over/(Under) Amended Budget
REVENUES:				
Intergovernmental	$ -	$ -	$ 9,609	$ 9,609
Charges for park use	5,500	5,500	7,061	1,561
Golf charges for services	641,268	641,268	605,940	(35,328)
Concession charges for services	56,000	56,000	48,596	(7,404)
Rental charges for services	78,631	78,631	100,005	21,374
Merchandise charges for services	19,376	19,376	23,331	3,955
Lesson and league charges for services	135,500	135,500	146,565	11,065
Investment earnings	-	-	800	800
Other	5,000	5,000	286	(4,714)
Total revenues	941,275	941,275	942,193	918
EXPENDITURES:				
Park and Trail Operations	367,351	367,351	389,508	22,157
Recreation, Education, and Natural Resources	399,350	399,350	397,782	(1,568)
General Government	173,400	173,400	173,400	-
Capital Outlay	-	-	-	-
Total expenditures	940,101	940,101	960,690	20,589
NET CHANGE IN FUND BALANCES	$ 1,174	$ 1,174	(18,497)	$ (19,671)
FUND BALANCE AT BEGINNING OF YEAR			(9,685)	
FUND BALANCE AT END OF YEAR			$ (28,182)	

INTERNAL SERVICE FUNDS

Internal service funds are used by the Park District to account for the financing of goods or services, provided by one department to other departments of the Park District on a cost reimbursement basis.

Equipment Internal Service Fund
This fund is used to account for the rental of vehicles and other equipment to other departments and related costs.

Risk Management Internal Service Fund
This fund is used to account for all insurance premiums, recoveries, self-funded losses, legal costs and other expenses associated with risk management activities of the Park District.

State Pension Internal Service Fund
This fund is used to provide pension benefits to other funds of the District on a cost reimbursement basis.

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THREE RIVERS PARK DISTRICT

COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS

As of December 31, 2017

	Equipment	Risk Management	State Pension	Total
ASSETS:				
Current Assets:				
Cash and cash equivalents	$ 1,856,231	$ 2,151,325	$ -	$ 4,007,556
Prepaid items	3,052			3,052
Inventories	321,882	-	-	321,882
Total current assets	2,181,165	2,151,325	-	4,332,490
Noncurrent Assets:				
Capital assets:				
Depreciable	15,379,966	-	-	15,379,966
Accumulated depreciation	(11,267,194)	-	-	(11,267,194)
Total capital assets	4,112,772	-	-	4,112,772
Total assets	6,293,937	2,151,325	-	8,445,262
Deferred Outflows of Resources Related to Pensions	-	-	7,441,968	7,441,968
LIABILITIES:				
Current Liabilities:				
Accounts payable	66,012	66,671	-	132,683
Accrued liabilities	35,530	-	-	35,530
Due to other government units	2,342	-	-	2,342
Current portion of compensated absences	55,220	-	-	55,220
Total current liabilities	159,104	66,671	-	225,775
Noncurrent Liabilities:				
Accrued liabilities	-	160,323	-	160,323
Compensated absences	67,272	-	-	67,272
Net pension liability	-	-	22,622,553	22,622,553
Total noncurrent liabilities	67,272	160,323	22,622,553	22,850,148
Total liabilities	226,376	226,994	22,622,553	23,075,923
Deferred Inflows of Resources Related to Pensions	-	-	7,263,102	7,263,102
NET POSITION:				
Net investment in capital assets	4,112,772	-	-	4,112,772
Unrestricted	1,954,789	1,924,331	(22,443,687)	(18,564,567)
Total net position	$ 6,067,561	$ 1,924,331	$ (22,443,687)	$ (14,451,795)

THREE RIVERS PARK DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS

For The Year Ended December 31, 2017

	Equipment	Risk Management	State Pension	Total
OPERATING REVENUES:				
Interfund services used	$ 2,621,350	$ 682,000	$ 1,806,547	$ 5,109,897
Miscellaneous charges	7,386	363,883	-	371,269
Total operating revenues	2,628,736	1,045,883	1,806,547	5,481,166
OPERATING EXPENSES:				
Salaries and wages	674,268	-	-	674,268
Retirement contributions	95,549	-	2,892,916	2,988,465
Insurance contributions and other benefits	108,628	415,196	-	523,824
Supplies and commodities	855,443	19,748	-	875,191
Professional service fees	-	288,363	-	288,363
Repair and maintenance service fees	152,952	51,883	-	204,835
Communications	54,971	-	-	54,971
Equipment rental	1,336	-	-	1,336
Insurances premiums	-	357,802	-	357,802
Other services and charges	25,130	4,200	-	29,330
Depreciation	990,304	-	-	990,304
Total operating expenses	2,958,581	1,137,192	2,892,916	6,988,689
OPERATING INCOME (LOSS)	(329,845)	(91,309)	(1,086,369)	(1,507,523)
NONOPERATING REVENUES (EXPENSES):				
Intergovernmental	-	-	18,342	18,342
Investment earnings	19,771	23,561	-	43,332
Gain (loss) on disposal of assets	175,314	-	-	175,314
Total nonoperating revenues (expenses)	195,085	23,561	18,342	236,988
Income (loss) before contributions	(134,760)	(67,748)	(1,068,027)	(1,270,535)
Capital contributions	139,500	-	-	139,500
Transfers:				
Transfer in	86,756	-	-	86,756
Transfer out	-	(71,521)	-	(71,521)
Total transfers	86,756	(71,521)	-	15,235
Change in position	91,496	(139,269)	(1,068,027)	(1,115,800)
Net Position - Beginning	5,976,065	2,063,600	(21,375,660)	(13,335,995)
Net Position - Ending	$ 6,067,561	$ 1,924,331	$ (22,443,687)	$ (14,451,795)

THREE RIVERS PARK DISTRICT

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2017

	Equipment	Risk Management	State Pension	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Interfund services used	$ 2,621,350	$ 682,000	$ 1,806,547	$ 5,109,897
Charges for services	-	364,795	-	364,795
Payments to suppliers	(1,153,625)	(345,794)	-	(1,499,419)
Payments to employees and fringe benefits	(879,949)	(415,196)	(1,806,547)	(3,101,692)
Premiums and claims paid	-	(314,553)	-	(314,553)
Other operating revenues	7,386	-	-	7,386
Net cash provided by (used in) operating activities	595,162	(28,748)	-	566,414
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of property and equipment	(1,072,023)	-	-	(1,072,023)
Sale of property	175,888	-	-	175,888
Transfers to other funds	-	(71,521)	-	(71,521)
Transfer from other funds	86,756	-	-	86,756
Net cash provided by (used in) capital and related financing activities	(809,379)	(71,521)	-	(880,900)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received/charged	19,771	23,561	-	43,332
Net cash provided by (used in) investing activities	19,771	23,561	-	43,332
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(194,446)	(76,708)	-	(271,154)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,050,677	2,228,033	-	4,278,710
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,856,231	$ 2,151,325	$ -	$ 4,007,556
RECONCILIATIONS OF OPERATING (LOSS) INCOME TO CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES:				
Operating (loss) income	$ (329,845)	$ (91,309)	$ (1,086,369)	$ (1,507,523)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Intergovernmental Revenue	-	-	18,342	18,342
Depreciation	990,304	-	-	990,304
(Increase) decrease in:				
Receivables	-	912	-	912
Prepaid items	(3,052)	-	-	(3,052)
Inventory	15,650	-	-	15,650
Deferred outflows of resources	-	-	7,497,286	7,497,286
Increase (decrease) in:				
Accounts payable	(76,755)	30,232	-	(46,523)
Other accrued liabilities	7,453	43,249	-	50,702
Due to other government units	364	(11,832)	-	(11,468)
Compensated absences	(8,957)	-	-	(8,957)
Net pension liability	-	-	(9,387,073)	(9,387,073)
Deferred inflows of resources			2,957,814	2,957,814
Net cash provided by (used in) operating activities	$ 595,162	$ (28,748)	$ -	$ 566,414
NONCASH ACTIVITIES:				
Disposal of assets	$ 574	$ -	$ -	$ 574
Property contributed by other funds	$ 139,500	$ -	$ -	$ 139,500

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SECTION III

STATISTICAL SECTION

ThreeRivers
PARK DISTRICT

STATISTICAL SECTION
(Unaudited)

This part of Three Rivers Park District comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Park District's overall financial health.

Contents **Page**

Source:

Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

ThreeRivers
PARK DISTRICT

THREE RIVERS PARK DISTRICT **TABLE 1**

NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	$128,947,262	$133,174,610	$136,843,129	$139,643,003	$146,788,214	$152,550,764	$155,537,813	$161,381,872	$175,870,459	$187,122,540
Restricted	11,457,926	12,613,160	14,560,018	14,107,390	14,365,637	13,670,996	15,761,541	16,662,454	17,025,262	18,093,256
Unrestricted	20,962,017	22,301,760	24,143,722	26,178,836	26,378,621	25,696,582	26,190,237	6,070,047	822,083	(2,723,382)
Total governmental activities net position	$161,367,205	$168,089,530	$175,546,869	$179,929,229	$187,532,472	$191,918,342	$197,489,591	$184,114,373	$193,717,804	$202,492,414
Business-type activities										
Net investment in capital assets	$ 4,483,563	$ 4,650,114	$ 6,065,790	$ 6,456,296	$ 7,173,812	$ 8,263,254	$ 8,279,050	$ 12,923,861	$ 14,015,457	$ 12,942,219
Restricted	179,500	179,500	179,500	179,500	–	–	–	–	–	–
Unrestricted	4,034,199	4,838,419	4,342,132	4,989,175	5,222,718	4,092,654	3,597,171	3,109,217	1,307,593	1,489,684
Total business-type activities net position	$ 8,697,262	$ 9,668,033	$ 10,587,422	$ 11,624,971	$ 12,396,530	$ 12,355,908	$ 11,876,221	$ 16,033,078	$ 15,323,050	$ 14,431,903
Primary government										
Net investment in capital assets	$133,430,825	$137,824,724	$142,908,919	$146,099,299	$153,962,026	$160,814,018	$163,816,863	$174,305,733	$189,885,916	$200,064,759
Restricted	11,637,426	12,792,660	14,739,518	14,286,890	14,365,637	13,670,996	15,761,541	16,662,454	17,025,262	18,093,256
Unrestricted	24,996,216	27,140,179	28,485,854	31,168,011	31,601,339	29,789,236	29,787,408	9,179,264	2,129,676	(1,233,698)
Total primary government net position	$170,064,467	$177,757,563	$186,134,291	$191,554,200	$199,929,002	$204,274,250	$209,365,812	$200,147,451	$209,040,854	$216,924,317

Note: GASB 65 was implemented in 2013. Net position was restated for 2013 to reflect the expensing of bond issuance costs in the year of issuance. Net position for years prior to 2013 was not restated.
GASB 68 was implemented in 2015. Net position was restated for 2015 to reflect the reporting of the net pension liability and pension related deferred outflows and inflows of resources. Net position for years prior to 2015 was not restated.

THREE RIVERS PARK DISTRICT **TABLE 2**

CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Park and Trail Operations	$ -	$ -	$ -	$ -	$ -	$ 23,666,083	$ 22,511,571	$ 24,945,695	$ 25,463,526	$ 24,526,248
Recreation, Education and Natural Resources	-	-	-	-	-	16,485,328	17,457,800	19,223,417	20,659,023	21,017,720
Planning, Design and Technology	-	-	-	-	-	5,418,354	6,044,002	5,521,858	5,437,672	5,286,835
Parks and Natural Resources	20,966,115	22,450,620	22,908,212	24,176,014	23,142,318	-	-	-	-	-
Recreation and Education	11,201,455	12,913,031	13,998,245	14,465,157	14,799,048	-	-	-	-	-
Administrative	5,289,041	5,983,536	5,618,990	5,532,137	5,757,010	-	-	-	-	-
General Government	4,319,334	4,379,136	4,613,448	6,095,107	4,797,268	5,781,642	5,673,433	6,098,431	6,645,439	7,117,892
Interest and fiscal charges on debt	3,150,646	2,927,314	2,735,109	2,619,496	2,259,514	2,434,257	1,327,742	1,359,205	1,319,733	1,270,612
Total governmental activities expenses	44,926,591	48,653,637	49,874,004	52,887,911	50,755,158	53,785,664	53,014,548	57,148,606	59,525,393	59,219,307
Business-type activities										
Baker National Golf Course	2,019,459	2,025,894	2,026,250	1,977,693	2,074,780	1,971,196	1,988,031	2,061,784	2,267,792	2,212,912
Hyland Hills Ski Area	3,240,975	3,268,514	3,309,185	3,620,169	3,534,015	3,671,669	4,425,321	4,555,789	4,766,622	7,329,914
Eagle Lake Golf Course	1,309,170	1,117,669	1,177,598	1,208,934	1,182,580	1,093,505	1,086,136	1,138,618	1,176,877	1,130,541
Total business-type activities expenses	6,569,604	6,412,077	6,513,033	6,806,796	6,791,375	6,736,370	7,499,488	7,756,191	8,211,291	10,673,367
Total primary government expenses	$ 51,496,195	$ 55,065,714	$ 56,387,037	$ 59,694,707	$ 57,546,533	$ 60,522,034	$ 60,514,036	$ 64,904,797	$ 67,736,684	$ 69,892,674
Program revenues										
Government activities										
Charges for services										
Recreation, Education and Natural Resources	$ -	$ -	$ -	$ -	$ -	$ 6,657,928	$ 7,904,923	$ 8,265,086	$ 8,949,308	$ 8,228,426
Recreation and Education	5,339,398	5,973,030	6,689,291	6,664,011	7,048,995	-	-	-	-	-
Other Activities	198,150	176,716	252,568	216,595	291,635	869,798	62,203	58,226	61,784	14,760
Operating grants and contributions	3,713,458	3,480,442	4,112,555	3,636,722	3,733,506	4,708,391	4,833,395	4,695,897	5,353,495	5,692,725
Capital grants and contributions	5,055,715	5,556,220	5,509,298	5,598,201	7,052,064	7,201,422	4,246,443	12,146,763	13,568,013	12,437,952
Total governmental activities program revenues	14,306,721	15,186,408	16,563,712	16,115,529	18,126,200	19,437,539	17,046,964	25,165,972	27,932,600	26,373,863
Business-type activities										
Charges for services										
Baker National Golf Course	1,787,406	1,743,362	1,837,266	1,744,452	1,877,549	1,581,156	1,780,357	2,086,768	2,131,978	2,137,766
Hyland Hills Ski Area	4,068,917	3,964,484	3,847,220	4,055,968	3,774,019	3,956,225	3,891,579	2,471,827	3,943,245	6,424,694
Eagle Lake Golf Course	700,024	769,808	805,219	748,338	770,899	685,396	720,603	863,148	880,598	817,096
Operating grants and contributions	50,583	24,500	3,879	9,049	4,280	-	-	-	11,678	-
Capital grants and contributions	-	-	-	-	-	-	-	2,101,692	73,924	-
Total business-type activities program revenues	6,606,930	6,502,154	6,493,584	6,557,807	6,426,747	6,222,777	6,392,539	7,523,435	7,041,423	9,379,556
Total primary government program revenues	$ 20,913,651	$ 21,688,562	$ 23,057,296	$ 22,673,336	$ 24,552,947	$ 25,660,316	$ 23,439,503	$ 32,689,407	$ 34,974,023	$ 35,753,419

Net (expense)/revenue										
Governmental activities	$ (30,619,870)	$ (33,467,229)	$ (33,310,292)	$ (36,772,382)	$ (32,628,958)	$ (34,348,125)	$ (35,967,584)	$ (31,982,634)	$ (31,592,793)	$ (32,845,444)
Business-type activities	37,326	90,077	(19,449)	(248,989)	(364,628)	(513,593)	(1,106,949)	(232,756)	(1,169,868)	(1,293,811)
Total primary government net expense	$ (30,582,544)	$ (33,377,152)	$ (33,329,741)	$ (37,021,371)	$ (32,993,586)	$ (34,861,718)	$ (37,074,533)	$ (32,215,390)	$ (32,762,661)	$ (34,139,255)
General revenues and other changes in net position										
Governmental activities										
Property taxes	$ 36,832,115	$ 39,112,020	$ 39,810,145	$ 39,418,659	$ 39,382,325	$ 39,486,366	$ 40,688,099	$ 40,471,485	$ 40,703,288	$ 40,607,986
Unrestricted investment earnings	2,320,717	826,339	405,328	782,087	671,880	(230,246)	577,189	384,083	213,842	584,691
Gain on the sale of capital assets	97,270	97,347	125,686	66,050	124,766	103,365	109,011	270,235	118,023	175,588
Other	220,796	438,141	858,825	1,696,236	373,656	140,514	197,307	223,200	178,319	270,458
Transfers	(50,409)	(284,293)	(432,353)	(808,290)	(320,426)	(358,287)	(32,773)	(4,043,801)	(17,248)	(18,669)
Total governmental activities	39,420,489	40,189,554	40,767,631	41,154,742	40,232,201	39,141,712	41,538,833	37,305,202	41,196,224	41,620,054
Business-type activities										
Property taxes	407,000	409,000	382,648	390,129	341,888	337,785	342,510	341,827	341,040	345,345
Unrestricted investment earnings	313,172	168,344	100,710	81,584	89,339	47,991	42,484	(11,032)	26,210	10,255
Net unrealized gain (loss) on investments	-	-	-	-	-	(20,926)	2,748	(2,460)	(10,863)	-
Gain on the sale of capital assets						-	-	-	-	-
Other	14,928	19,057	23,127	6,535	384,534	46,355	16,260	17,477	86,205	28,395
Transfers	35,813	284,293	432,353	808,290	320,426	167,800	223,260	4,043,801	17,248	18,669
Total business-type activities	770,913	880,694	938,838	1,286,538	1,136,187	579,005	627,262	4,389,613	459,840	402,664
Total primary government	$ 40,191,402	$ 41,070,248	$ 41,706,469	$ 42,441,280	$ 41,368,388	$ 39,720,717	$ 42,166,095	$ 41,694,815	$ 41,656,064	$ 42,022,718
Change in net position										
Governmental activities	$ 8,800,619	$ 6,722,325	$ 7,457,339	$ 4,382,360	$ 7,603,243	$ 4,793,587	$ 5,571,249	$ 5,322,568	$ 9,603,431	$ 8,774,610
Business-type activities	808,239	970,771	919,389	1,037,549	771,559	65,412	(479,687)	4,156,857	(710,028)	(891,147)
Total primary government	$ 9,608,858	$ 7,693,096	$ 8,376,728	$ 5,419,909	$ 8,374,802	$ 4,858,999	$ 5,091,562	$ 9,479,425	$ 8,893,403	$ 7,883,463

Note: The Park District reorganized departmental functions in the Governmental Activities in fiscal year 2012, resulting in changes to the Governmental Activities reporting functions. Years prior to 2013 have not been restated.

Note: GASB 65 was implemented in 2013. Bond issuance costs are now expensed in the year of issuance. Expenses for years prior to 2013 were not restated.
GASB 68 was implemented in 2015. Pension expense for years prior to 2015 was not restated.

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THREE RIVERS PARK DISTRICT **TABLE 3**

GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Property Tax		
Fiscal Year	General Purpose	Debt Service	Total
2008	27,230,407	9,601,708	36,832,115
2009	28,828,700	10,283,320	39,112,020
2010	29,393,810	10,416,335	39,810,145
2011	29,107,530	10,311,129	39,418,659
2012	28,367,134	11,015,191	39,382,325
2013	27,691,010	11,795,356	39,486,366
2014	27,248,887	13,439,212	40,688,099
2015	27,411,838	13,059,647	40,471,485
2016	27,802,929	12,900,359	40,703,288
2017	28,472,627	12,135,359	40,607,986

THREE RIVERS PARK DISTRICT

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2008	2009	2010	2011
General Fund				
Reserved	$ 66,279	$ 35,528	$ 16,157	$ –
Unreserved	15,158,876	16,133,231	17,520,546	–
Nonspendable	–	–	–	373,645
Committed	–	–	–	2,627,667
Assigned	–	–	–	11,784,032
Unassigned	–	–	–	2,320,109
Total General Fund	$ 15,225,155	$ 16,168,759	$ 17,536,703	$ 17,105,453
All other governmental funds				
Reserved	$ 38,711,654	$ 32,091,654	$ 31,898,096	$ –
Unreserved reported in				
Special revenue funds	3,534,476	3,483,412	3,542,886	–
Capital projects funds	223,168	135,322	281,176	–
Permanent funds	56,946	51,374	37,014	–
Nonspendable	–	–	–	1,284,336
Restricted	–	–	–	34,608,187
Committed	–	–	–	6,672,701
Assigned	–	–	–	1,323,069
Unassigned	–	–	–	(137,452)
Total all other governmental funds	$ 42,526,244	$ 35,761,762	$ 35,759,172	$ 43,750,841

Note: The Park District implemented GASB 54 in fiscal year 2011, resulting in significant reclassification of the components of fund balance. Years prior to 2011 have not been restated.

TABLE 4

2012	2013	2014	2015	2016	2017
$ –	$ –	$ –	$ –	$ –	$ –
–	–	–	–	–	–
268,268	489,193	381,231	358,156	256,987	299,740
2,502,233	2,554,597	2,800,297	2,988,308	3,051,206	2,975,291
5,070,138	4,522,930	1,785,813	1,930,217	2,114,063	1,742,335
9,205,139	9,750,656	13,085,373	13,549,802	10,926,853	7,947,300
$ 17,045,778	$ 17,317,376	$ 18,052,714	$ 18,826,483	$ 16,349,109	$ 12,964,666
$ –	$ –	$ –	$ –	$ –	$ –
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
1,288,989	1,286,192	1,826,051	1,807,017	2,020,288	1,479,279
48,466,074	22,669,534	24,457,702	25,026,660	29,767,619	30,466,414
6,804,192	6,588,298	6,557,166	5,205,912	4,692,258	5,910,734
1,205,949	1,203,497	683,492	554,551	435,723	944,635
(99,704)	(122,739)	(107,220)	(43,512)	(16,020)	(34,347)
$ 57,665,500	$ 31,624,782	$ 33,417,191	$ 32,550,628	$ 36,899,868	$ 38,766,715

THREE RIVERS PARK DISTRICT

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2008	2009	2010	2011
Revenues				
Property Taxes	$ 36,672,636	$ 39,015,815	$ 39,880,218	$ 39,787,280
Intergovernmental	8,505,133	8,761,502	8,639,003	9,192,033
Charges for park use	5,448,564	6,139,192	6,932,128	6,866,940
Investment earnings (charges)	2,357,699	706,003	233,748	705,566
Fines and forfeitures	88,673	104,069	109,227	95,782
Other	485,146	619,786	1,008,863	1,771,010
Total Revenues	53,557,851	55,346,367	56,803,187	58,418,611
Expenditures				
Park and Trail Operations	-	-	-	-
Recreation, Education and Natural Resources	-	-	-	-
Planning, Design and Technology	-	-	-	-
Parks and Natural Resources	18,315,088	20,444,693	20,474,387	21,573,643
Recreation and Education	8,675,008	10,094,669	10,414,698	10,545,141
Administrative	4,901,103	5,591,060	5,237,780	5,483,106
General Government	5,245,308	5,365,834	5,554,098	6,450,229
Capital outlay	19,896,827	15,383,790	8,959,693	8,047,924
Debt Service				
Principal	5,391,333	6,393,199	6,815,000	7,735,000
Interest	3,120,453	3,108,656	2,847,799	2,699,185
Bond Issuance Costs	-	-	-	89,170
Total Expenditures	65,545,120	66,381,901	60,303,455	62,623,398
Excess of revenues over (under) expenditures	(11,987,269)	(11,035,534)	(3,500,268)	(4,204,787)
Other financing sources (uses)				
Transfer in	2,945,633	2,439,034	2,632,029	2,936,752
Transfer (out)	(2,949,133)	(2,460,984)	(2,632,029)	(2,946,752)
Payment on refunding bonds	(2,570,000)	(11,825,000)	-	-
Payment to refunded bond escrow agent	-	-	-	-
Refunding bonds issued	2,585,000	11,655,000	-	6,190,000
Issuance of debt	6,870,000	5,095,000	4,700,000	4,575,000
Premium (discount)	128,950	301,127	160,206	635,024
Sale of capital assets	5,186	10,479	5,416	375,182
Total other financing sources (uses)	7,015,636	5,214,656	4,865,622	11,765,206
Net change in fund balance	$ (4,971,633)	$ (5,820,878)	$ 1,365,354	$ 7,560,419
Debt service as a percentage of noncapital expenditures	18.6%	18.6%	18.8%	19.1%

TABLE 5

2012	2013	2014	2015	2016	2017
$ 39,535,133	$ 39,687,213	$ 40,429,303	$ 40,519,924	$ 40,733,605	$ 40,680,324
10,655,268	11,792,002	8,844,666	15,778,174	18,474,346	17,787,759
7,326,562	7,509,863	7,952,577	8,305,559	8,996,708	8,243,186
625,683	(220,527)	518,051	346,585	198,155	541,359
82,030	49,617	45,042	42,324	26,063	54,353
549,996	328,696	515,986	671,133	457,802	559,023
58,774,672	59,146,864	58,305,625	65,663,699	68,886,679	67,866,004
-	18,939,500	17,825,422	20,321,364	19,507,443	18,896,550
-	13,400,871	14,394,451	15,899,489	16,811,870	16,763,108
-	4,971,686	5,463,962	4,966,409	4,974,879	4,875,378
20,844,041	-	-	-	-	-
10,592,618	-	-	-	-	-
5,636,845	-	-	-	-	-
5,518,772	6,744,187	6,372,439	6,400,253	6,794,998	7,539,439
11,116,056	14,658,286	8,772,778	12,426,187	16,026,319	18,110,376
8,670,000	9,660,000	10,030,000	9,660,000	10,675,000	9,595,000
2,502,688	2,347,723	1,878,141	1,944,652	1,881,634	1,845,189
87,198	194,805	132,827	106,220	145,174	126,939
64,968,218	70,917,058	64,870,020	71,724,574	76,817,317	77,751,979
(6,193,546)	(11,770,194)	(6,564,395)	(6,060,875)	(7,930,638)	(9,885,975)
1,842,235	1,430,432	2,586,601	2,793,981	4,214,780	4,002,217
(1,842,235)	(1,430,432)	(2,610,101)	(6,069,981)	(4,172,437)	(3,978,221)
(6,535,000)	(22,695,000)	-	-	-	-
-	(9,246,134)	-	-	-	-
20,090,000	7,965,000	-	-	-	-
3,560,000	8,530,000	8,845,000	8,675,000	9,290,000	8,030,000
2,924,046	1,436,892	268,682	416,232	453,802	314,109
9,484	10,316	1,960	152,849	16,359	274
20,048,530	(13,998,926)	9,092,142	5,968,081	9,802,504	8,368,379
$ 13,854,984	$ (25,769,120)	$ 2,527,747	$ (92,794)	$ 1,871,866	$ (1,517,596)
20.7%	21.3%	21.2%	19.6%	20.7%	19.2%

THREE RIVERS PARK DISTRICT

TAX CAPACITY AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(In Thousands of Dollars)

	Real Property				Less
Fiscal Year	Residential Property	Commercial Property	Other Property	Personal Property	TIF and Fiscal Disparity Contribution
2008	840,078	394,451	69,771	16,346	128,424
2009	838,113	415,165	70,392	16,834	141,885
2010	801,774	399,140	69,622	17,088	126,287
2011	742,504	369,378	65,776	18,001	113,602
2012	678,585	359,820	66,479	18,637	97,528
2013	636,198	361,265	69,218	20,507	90,935
2014	633,794	364,799	72,191	21,072	98,526
2015	689,053	381,513	79,045	22,259	70,244
2016	728,224	410,410	89,161	23,402	103,358
2017	767,776	430,779	103,791	25,091	101,965

Source: Hennepin County Taxpayer Services Division

TABLE 6

Total Tax Capacity	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
1,192,222	3.137%	108,130,893	1.10%
1,198,619	3.334%	108,958,626	1.10%
1,161,337	3.499%	104,631,351	1.11%
1,082,057	3.765%	97,304,713	1.11%
1,025,993	3.943%	90,736,199	1.13%
996,253	4.054%	87,086,742	1.14%
993,330	4.169%	87,321,591	1.14%
1,101,626	3.789%	94,514,474	1.17%
1,147,839	3.601%	100,627,634	1.14%
1,225,472	3.365%	106,688,711	1.15%

THREE RIVERS PARK DISTRICT **TABLE 7**

PROPERTY TAX CAPACITY RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

				Overlapping Rates						
	Three Rivers Park District			Hennepin County			Special Districts			
Fiscal Year	Operating	Debt Service	Total	Operating	Debt Service	Total	Metropolitan Transit Commission	Metropolitan Council	Metropolitan Mosquito Control	Total Direct and Ovelapping Rates
2008	2.294	0.843	3.137	35.440	3.131	38.571	1.264	0.812	0.486	44.270
2009	2.432	0.902	3.334	36.891	3.522	40.413	1.273	0.817	0.489	46.326
2010	2.559	0.940	3.499	38.556	4.084	42.640	1.366	0.793	0.461	48.759
2011	2.753	1.012	3.765	40.157	5.030	45.187	1.539	0.885	0.525	51.901
2012	2.816	1.127	3.943	41.942	5.729	47.671	1.607	0.940	0.537	54.698
2013	2.820	1.234	4.054	43.051	5.975	49.026	1.689	0.997	0.556	56.322
2014	2.769	1.400	4.169	43.486	5.975	49.461	1.703	1.069	0.563	56.965
2015	2.545	1.244	3.789	40.843	5.555	46.398	1.523	0.976	0.507	53.193
2016	2.439	1.162	3.601	39.931	5.425	45.356	1.491	0.925	0.483	51.856
2017	2.339	1.026	3.365	39.031	5.056	44.087	1.463	0.883	0.475	50.273

Note: The Park District's taxing jurisdication includes 45 cities and a number of school districts with the authority to levy taxes against the Park District's constituency. Most taxpayers are subject to taxation by one city and one school district in addition to the taxes shown above. Due to the number of combinations of city and school district taxes, it is not practical to show the tax rates from these "underlying" entities.

Source: Hennepin County Taxpayer Services Division

THREE RIVERS PARK DISTRICT **TABLE 8**

PRINCIPAL PROPERTY TAX PAYERS
2016 AND TEN YEARS AGO

	2016			2006		
	Tax Capacity	Rank	Percentage of Total (1)	Tax Capacity	Rank	Percentage Of Total Tax Capacity
MOAC Mall Holding LCC	$ 16,799,250	1	1.37%	$ 9,345,250	1	0.94%
Best Buy Co., Inc.	2,599,250	2	0.21%	2,748,390	2	0.28%
Target Corporation United	2,449,030	3	0.20%	-	-	-
Ridgedale Joint Venture	2,119,250	4	0.17%	2,134,950	4	0.22%
Southdale Center LLC	1,982,130	5	0.16%	-	-	-
Galleria Shopping Center	1,923,450	6	0.16%	-	-	-
G&I VII 1600 & Moneygram LLC	1,913,310	7	0.16%	-	-	-
CAPREF Eden Prairie LLC	1,859,250	8	0.15%	-	-	-
ARC Wemps LLC	1,821,540	9	0.15%	-	-	-
ML-AI Normandale LLC	1,786,970	10	0.15%	-	-	-
United Healthcare	1,713,036	11	0.14%	-	-	-
Normandale Holdings LLC	1,580,760	12	0.13%	-	-	-
General Mills, Inc.	1,563,250	13	0.13%	1,717,430	6	0.17%
Allianz Life Insurance Co., America	1,561,430	14	0.13%	-	-	-
Mills Corporation (Southdale Center)	–	–	-	2,487,232	3	0.25%
Eden Prairie Mall LLC	–	–	-	1,799,250	5	0.18%
Prudential RE Investors	–	–	-	1,599,250	7	0.16%
Teachers Insurance/Annuity Assoc.	–	–	-	1,330,532	8	0.14%
Gabbert and Gabbert Co.	–	–	-	1,273,072	9	0.13%
Teachers Insurance/Annuity Assoc.	–	–	-	1,113,022	10	0.11%
	$ 41,671,906		3.41%	$ 25,548,378		2.58%

(1) Based on the adjusted net tax capacity value of $1,225,469,292.

Source: Hennepin County Taxpayer Services Division

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

		Collections within the Fiscal Year of the Levy		Collections in Subsequent	Total Collections to Date	
Fiscal Year	Total Tax Levied	Amount	Percentage	Years	Amount	Percentage
2008	37,354,572	36,704,571	98.26%	379,542	37,084,113	99.28%
2009	39,769,160	39,024,940	98.13%	330,573	39,355,513	98.96%
2010	40,465,666	39,830,942	98.43%	152,825	39,983,767	98.81%
2011	40,465,666	39,921,457	98.66%	89,099	40,010,556	98.88%
2012	40,280,048	39,818,441	98.85%	111,257	39,929,698	99.13%
2013	40,280,048	39,951,725	99.18%	10,170	39,961,895	99.21%
2014	41,309,658	40,974,891	99.19%	34,146	41,009,037	99.27%
2015	41,207,270	40,923,435	99.31%	24,457	40,947,892	99.37%
2016	41,478,898	41,152,776	99.21%	23,964	41,176,740	99.27%
2017	41,440,519	41,102,563	99.18%	-	41,102,563	99.18%

THREE RIVERS PARK DISTRICT **TABLE 10**

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities		Business Type Activities					
Fiscal Year	General Obligation Bonds	Capital Leases	Golf Revenue Bonds	General Obligation Bonds	Capital Leases	Park District Total	Percentage of Personal Income (1)	Per Capita (2)
2008	82,325,000	38,199	1,210,000	7,525,000	-	91,098,199	0.207%	116.94
2009	80,895,000	-	1,050,000	3,715,000	-	85,660,000	0.203%	109.50
2010	78,780,000	-	880,000	3,495,000	16,375	83,171,375	0.196%	108.04
2011	81,810,000	-	705,000	3,270,000	8,408	85,793,408	0.193%	110.67
2012	93,968,244	-	-	5,841,425	-	99,809,669	0.219%	125.93
2013	70,323,464	-	-	2,804,972	-	73,128,436	0.151%	91.66
2014	68,760,819	-	-	2,524,125	-	71,284,944	0.139%	89.02
2015	67,531,138	-	-	8,828,078	-	76,359,216	0.144%	94.20
2016	65,915,088	-	-	8,527,004	-	74,442,092	0.136%	91.62
2017	63,972,387	-	-	7,865,929	-	71,838,316	*	*

Note: Information on the Park District's outstanding debt can be found in the notes to the financial statements.

(1) - Personal Income information can be found on table 15 - Demographic and Economic Statistics.
(2) - Population information can be found on table 15 - Demographic and Economic Statistics.

* - Information not available.

THREE RIVERS PARK DISTRICT **TABLE 11**

RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less Amounts Available in Debt Service Fund	Total	Percentage of Estimated Taxable Value of Property (1)	Per Capita (2)
2008	89,850,000	7,963,451	81,886,549	0.0757%	105.11
2009	84,610,000	9,013,847	75,596,153	0.0694%	96.63
2010	82,275,000	9,840,585	72,434,415	0.0692%	94.09
2011	85,080,000	9,890,234	75,189,766	0.0773%	97.00
2012	99,809,669	10,036,279	89,773,390	0.0989%	113.27
2013	73,128,436	9,228,684	63,899,752	0.0734%	80.09
2014	71,284,944	11,370,727	59,914,217	0.0686%	74.82
2015	76,359,216	12,793,148	63,566,068	0.0673%	78.42
2016	74,442,092	13,181,248	61,260,844	0.0609%	75.40
2017	71,838,316	14,161,151	57,677,165	0.0541%	*

Note: Information on the Park District's outstanding debt can be found in the notes to the financial statements.

(1) - Estimated taxable value of property information can be found on table 6 - Tax Capacity Value of Taxable Property.

(2) - Population information can be found on table 15 - Demographic and Economic Statistics.

* - Information not available.

THREE RIVERS PARK DISTRICT **TABLE 12**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITY DEBT
AS OF DECEMBER 31, 2017

Governmental Unit	Debt Outstanding	Percentage Applicable to Park District	Estimated Share of Overlapping Debt
Direct Debt:			
Three Rivers Park District	$ 63,972,387	100%	$ 63,972,387
Total Direct Debt			63,972,387
Overlapping Debt (1)			
Hennepin County	1,110,220,000	71.97%	799,025,334
Metropolitan Council	1,484,038,432	34.25%	508,283,163
Underlying Debt (2)			
School Districts	1,896,217,470	71.97%	1,364,707,713
Municipalities	1,681,177,153	71.80%	1,207,085,196
Total Overlapping and Underlying Debt			3,879,101,406
Total Direct, Overlapping and Underlying Debt			$ 3,943,073,793

(1) - Overlapping governments are those that coincide, at least in part, with the geographic boundries of the Park District's taxing jurisdiction (suburban Hennepin County). The percentage associated with each overlapping government represents the portion of taxable property for that government that is located in suburban Hennepin County.

(2) - Underlying Debt is the debt of governmental entities that are wholly or partially located in suburban Hennepin County. These entities comprise a portion of the Park District's taxing jurisdiction. Since portions of these entities are located outside suburban Hennepin County, only a portion of their net debt is applicable to the Park District. The percentage associated with each underlying government represents the portion of taxable property that is located in suburban Hennepin County.

Source: Hennepin County Taxpayer Services Division

THREE RIVERS PARK DISTRICT

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year				
	2008	2009	2010	2011	2012
Debt limit	$ 540,654,463	$ 544,793,130	$ 523,156,756	$ 486,523,567	$ 453,680,996
Total net debt applicable to limit	77,140,867	74,629,311	71,521,236	67,665,201	82,938,721
Legal debt margin	$ 463,513,596	$ 470,163,819	$ 451,635,520	$ 418,858,366	$ 370,742,275
Total net debt applicable to the limit as a percentage of the debt limit	14.27%	13.70%	13.67%	13.91%	18.28%

Note: Under Minnesota law, the Park District may issue general obligation bonds provided such bonds do not cause the net debt of the Park District to exceed five-tenths of one percent (0.5%) of the taxable value of the District. In addition, no bonds shall be issued in an amount that would cause the net debt to exceed one-tenth of one percent (0.1%) of the taxable value without first obtaining the approval of the majority of the electors voting on the question at an election.

TABLE 13

2013	2014	2015	2016	2017
$ 435,433,714	$ 436,607,955	$ 472,572,371	$ 503,138,170	$ 533,443,553
63,899,752	59,914,217	63,566,068	61,260,844	57,677,165
$ 371,533,962	$ 376,693,738	$ 409,006,303	$ 441,877,326	$ 475,766,388
14.67%	13.72%	13.45%	12.18%	10.81%

Legal Debt Margin Calculation for Fiscal Year 2017	
Taxable Value	$ 106,688,710,677
Debt Limit (.5% of Taxable Value)	533,443,553
Debt applicable to limit	
General Obligation Bonds	63,972,387
General Obligation Revenue Bonds	7,865,929
Less: Amount set aside for repayment of general obligation debt	14,161,151
Total net debt applicable to limit	57,677,165
Legal Debt Margin	$ 475,766,388

THREE RIVERS PARK DISTRICT **TABLE 14**

PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

	Golf Revenue Bonds					
		Less:		Debt Service		
Fiscal Year	Golf Fees and other revenue	Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2008	1,818,001	1,619,474	198,527	155,000	54,981	0.95
2009	1,753,348	1,644,818	108,530	160,000	49,463	0.52
2010	1,840,988	1,649,808	191,180	170,000	43,063	0.90
2011	1,750,939	1,616,090	134,849	175,000	35,943	0.64
2012 (1)	1,882,092	1,671,396	210,696	705,000	38,325	0.28
2013	1,024,627	752,965	271,662	-	34,453	-
2014	1,064,473	777,781	286,692	270,000	51,700	0.89
2015	1,207,225	835,585	371,640	280,000	46,200	1.14
2016	1,224,723	869,226	355,497	285,000	40,550	1.09
2017	1,167,010	851,417	315,593	290,000	34,800	0.97

Note: Information on the Park District's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation.

(1) - The golf revenue bonds for Baker National Golf Course were paid off in 2012.

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands) (2)	Per Capita Personal Income (2)	Median Age (1)	School Enrollment (3)	Unemployment Rate (4)
2008	779,020	44,064,487	56,564	37.6	155,754	4.9%
2009	782,292	42,250,026	54,008	35.9	156,320	7.4%
2010	769,847	42,435,506	55,122	35.9	157,544	6.9%
2011	775,187	44,554,648	57,476	35.9	158,431	6.1%
2012	792,568	45,506,877	57,417	35.9	161,409	5.3%
2013	797,840	48,349,902	60,601	35.9	162,827	4.7%
2014	800,791	51,171,346	63,901	35.9	164,151	3.9%
2015	810,632	52,878,336	65,231	35.9	166,106	3.1%
2016	812,531	54,786,528	67,427	35.9	168,629	3.5%
2017	*	*	*	*	*	2.9%

Data Sources
(1) - Bureau of the Census/Metropolitan Council
(2) - U.S. Department of Commerce, Bureau of Economic Analysis. Amounts shown are for Hennepin County.
(3) - Minnesota Department of Education - Fall registration
(4) - Minnesota Department of Employment and Economic Development. Percentage is for Hennepin County.

* - Information not available.

THREE RIVERS PARK DISTRICT **TABLE 16**

PRINCIPAL EMPLOYERS
2016 AND NINE YEARS AGO

	2016			2007		
Employer	Employees	Rank	Percent of Total State Employment	Employees	Rank	Percent of Total State Employment
Mayo Foundation	42,000	1	1.40%	8,000	3	1.20%
State of Minnesota	39,000	2	1.30%	25,000	1	3.76%
United States Federal Government	33,000	3	1.10%	7,000	4	1.05%
Target Corporation	27,000	4	0.90%	12,000	2	1.81%
Allina Health Systems	26,000	5	0.87%	*	*	*
University of Minnesota	26,000	6	0.87%	*	*	*
Health Partners	23,000	7	0.77%	*	*	*
Wal-Mart Stores, Inc.	22,000	8	0.73%	*	*	*
Fairview Health Services	20,000	9	0.67%	5,000	9	0.75%
Wells Fargo Bank Minnesota	16,000	10	0.53%	*	*	*
Park Nicollet Health Systems	*	*	*	6,000	5	0.90%
United Parcel Service of America, Inc.	*	*	*	5,400	6	0.81%
Abbott Northwestern Hospital	*	*	*	5,000	7	0.77%
Cardiac Rhythm Management	*	*	*	5,000	8	0.75%
Medtronic Tachyarrhythmia Mgmt	*	*	*	4,500	10	0.68%
	274,000		9.14%	82,900		12.48%

Source: Hennepin County Comprehensive Annual Financial Report (CAFR) 2016
Statewide information from Minnesota Department of Employment and Economic Development Top Employers Statewide. Data specific to Hennepin County is no longer available.

* - Data not available

THREE RIVERS PARK DISTRICT **TABLE 17**

FULL-TIME EQUIVALENT PARK DISTRICT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees (1) as of January 1									
Function	2008	2009	2010	2011	2012	2013	2014 (2)	2015	2016	2017
Park and Facility Maintenance	95.15	97.83	101.23	101.28	100.75	96.78	103.38	103.43	105.58	107.28
Wildlife Management	4.60	4.80	4.80	4.80	4.80	4.80	4.80	4.80	4.80	5.00
Forestry and Horticulture	18.75	18.52	16.77	16.52	16.52	16.52	17.00	17.00	16.50	17.00
Water Resources	5.00	5.00	5.00	5.00	5.00	6.00	5.00	5.00	5.00	5.00
Carpentry and Vehicle Maintenance	17.90	18.00	18.00	20.00	18.00	17.70	18.00	18.00	18.00	18.00
Visitor Center and Park Operations	35.05	35.98	35.41	35.34	32.10	35.10	58.04	60.04	63.38	72.97
Nature Center Education and Operations	58.64	61.57	60.14	61.27	63.07	62.92	74.33	75.29	75.89	74.13
Administration	24.50	24.50	24.50	24.50	21.50	20.00	19.47	20.47	19.47	20.17
Finance	13.80	12.80	12.80	12.80	12.00	12.00	10.80	10.80	10.80	10.80
Public Safety	49.75	47.25	47.25	48.00	43.25	41.25	21.00	18.00	18.00	16.00
Planning and Engineering	20.00	20.00	17.00	20.00	17.00	14.50	19.00	19.00	18.00	19.00
Marketing and Communications	9.64	10.00	10.00	10.00	10.00	11.00	11.80	11.80	13.40	17.04
Guest and Community Services	11.35	9.85	13.35	12.35	10.05	12.05	12.90	12.90	11.50	9.00
Superintendent's Office	4.70	4.70	4.20	5.50	5.50	7.20	5.50	5.20	4.70	4.75
	368.83	370.80	370.45	377.36	359.54	357.82	381.02	381.73	385.02	396.14

Notes:
(1) - Full-time Equivalent Employees are defined as full-time and part-time employees only. Seasonal or temporary employees are not included. Information for Park District employees provided in Three Rivers Park District Adopted Budget Book.
(2) - Full-time and Part-time staff increased after passage of the Health Care Reform Act of 2015. Seasonal employee hours decreased in order to avoid substantial increases in health care insurance expense.

THREE RIVERS PARK DISTRICT **TABLE 18**

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Parks and Recreation										
Park Visitors (1, 2)	6,774,600	7,157,800	7,929,000	8,964,800	9,323,600	9,716,000	10,097,000	10,199,000	10,375,000	*
Picnic Site Reservations (3)	2,520	2,000	2,410	3,714	3,511	3,465	3,243	2,852	2,294	1,933
Golf										
Rounds of Golf (4)										
Baker Championship Course	34,437	32,868	34,272	33,080	34,769	27,600	30,359	34,513	35,568	34,620
Baker Evergreen Course	13,901	14,432	13,801	13,192	14,291	12,350	13,743	17,046	16,384	16,251
Eagle Lake Eagle Course	26,180	25,428	30,037	21,188	28,863	21,706	25,970	28,807	27,192	26,478
Eagle Lake Birdie Course	10,047	11,297	9,925	7,286	8,662	7,376	7,963	7,246	6,914	6,205
Cleary Lake Golf Course	19,447	21,623	19,988	19,122	18,016	15,110	14,388	15,633	15,988	15,689
Glen Lake Golf Course	30,781	31,346	30,156	26,375	28,500	24,887	26,452	32,857	33,080	31,675
Total Golf Rounds	134,843	136,994	138,179	120,243	133,101	109,029	118,875	136,102	135,126	130,918
Alpine Ski and Snowboard (4)										
Skier Visits	170,124	160,495	157,688	162,651	153,466	165,113	157,152	127,638	150,712	156,954
Days Open	114	114	99	115	108	115	111	103	101	100
Public Safety										
Number of Citations (5)	2,370	1,975	2,626	1,864	1,688	729	628	541	435	635

(1) - Park visitor increases from 2007-2010 are due to increases in regional trails and the ability to make snow for cross country skiing.
(2) - Visitation estimates for 2007 were adjusted to reflect the seasonal multipliers from the Metropolitan Council Regional Parks and Trails Survey 2008 so that estimates are comparable across all years.
(3) - Picnic Site Reservations provided by Finance Revenue system.
(4) - Information for Park District operations provided in Three Rivers Park District Adopted Budget Book.
(5) - Number of Citations tracked by Public Safely Law Enforcement Technology Group.

* - Data not available

THREE RIVERS PARK DISTRICT **TABLE 19**

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Parks and Recreation										
Acreage	26,820	26,928	26,928	27,089	27,484	27,635	27,714	27,714	27,716	27,729
Regional Parks	10	10	10	10	10	10	10	10	10	10
Park Reserves	7	7	7	7	7	7	7	7	7	7
Special Recreation Features	4	4	4	4	4	5	6	6	6	6
Chlorinated Swim Ponds	2	2	2	2	2	2	2	2	2	2
Creative Play Areas	9	9	9	9	9	9	9	9	9	9
Visitor Centers	9	10	10	10	10	10	10	10	10	10
Nature Centers	3	3	3	3	3	3	3	3	3	3
Swimming Beaches	6	6	6	6	6	6	6	6	6	6
Dams	1	1	1	1	1	1	1	1	1	1
Golf										
Golf Facilities Owned	3	3	3	3	3	3	3	3	3	3
Golf Holes	54	54	54	54	54	54	54	54	54	54
Driving Ranges	4	4	4	4	4	4	3	3	3	3
Disc Golf Course	-	3	3	3	3	3	3	3	3	3
Mini Golf Course	-	1	1	1	1	1	1	1	1	1
Alpine Ski and Snowboard										
Ski Chalets	2	2	2	2	2	2	2	2	2	2
Ski Runs	17	17	17	17	18	18	18	18	18	18
Terrain Parks	3	3	3	3	3	3	3	3	3	3
Chair Lifts	3	3	3	3	3	3	3	3	3	3
Conveyor Lifts	5	5	5	5	5	5	5	5	5	5
Other Vertical Lift Systems	4	4	4	4	5	5	5	5	5	5
Tubing Lanes	20	20	20	20	20	20	20	12	12	12

(1) - Information for Park District operations provided in Three Rivers Park District Adopted Budget Book.

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ThreeRivers
PARK DISTRICT

The Landing – Oliver Faribault House

APPENDIX B

Form of Legal Opinion

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McGRANN SHEA CARNIVAL STRAUGHN & LAMB, CHARTERED

ATTORNEYS AT LAW

WILLIAM R. MCGRANN
DOUGLAS M. CARNIVAL
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CHRISTY E. LAWRIE
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OF COUNSEL
ROBERT O. STRAUGHN
PETER L. COOPER

ANDREW J. SHEA
(1938-2018)

$5,730,000
GENERAL OBLIGATION BONDS, SERIES 2018A
THREE RIVERS PARK DISTRICT

We have acted as bond counsel to the Three Rivers Park District (the "Issuer") in connection with the issuance by the Issuer of its $5,730,000 General Obligation Bonds, Series 2018A, bearing a date of original issue of November 15, 2018 (the "Bonds"). The Bonds are being issued pursuant to a resolution of the Issuer, Resolution No. 18-19 (the "Resolution"), adopted by the Board of Commissioners of the Issuer on October 18, 2018. We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto.

As to questions of fact material to our opinion, we have relied upon and assumed the accuracy of the factual matters represented, warranted or certified in certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We have assumed the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such documents, and the accuracy of the statements of fact contained in such documents.

Certain agreements, requirements and procedures contained or referred to in the Resolution and other relevant documents may be changed and certain actions (including, without limitation, defeasance of Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.
~~~~~~

The opinions expressed herein are based upon existing Minnesota and federal laws as presently enacted and construed (which excludes any pending legislation which may have a retroactive effect on or before the date hereof), regulations, rulings and decisions, and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We disclaim any obligation to update this letter. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution and other relevant documents, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes.

Based on and subject to the foregoing, and in reliance thereon, it is our opinion, as of the date hereof, that:

(1) The Resolution and related proceedings show lawful authority for the issuance of the Bonds according to their terms under the Constitution and laws of the State of Minnesota now in force.

(2) The Bonds are valid and binding general obligations of the Issuer and all of the taxable property within the Issuer's jurisdiction is subject to the levy of an ad valorem tax without limitation as to rate or amount for the purpose of paying the principal of and interest on the Bonds; provided that the enforceability (but not the validity) of the Bonds and the pledge of taxes for the payment of the principal and interest thereon is subject to the exercise of judicial discretion in accordance with general principles of equity, to the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

(3) At the time of the issuance and delivery of the Bonds to the original purchaser, the interest on the Bonds (a) is excludable from gross income for United States income tax purposes and is excludable, to the same extent, from taxable net income of individuals, estates and trusts for State of Minnesota income tax purposes, (b) is includable in taxable income for purposes of Minnesota franchise taxes measured by income and imposed on corporations and financial institutions, and (c) is not a specific item of tax preference for purposes of the federal alternative minimum tax or the Minnesota alternative minimum tax applicable to individuals, estates or trusts, but is includable in adjusted current earnings in calculating federal corporate alternative minimum taxable income for taxable years beginning prior to January 1, 2018.

(4) The opinions set forth in paragraph 3 above are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from federal gross income and taxable net income for State of Minnesota income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds

in gross income and taxable net income retroactive to the date of issuance of the Bonds. We express no opinion regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds.

Dated: November 15, 2018

McGrann Shea Carnival
Straughn & Lamb, Chartered

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APPENDIX C

Form of Continuing Disclosure Certificate

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by Three Rivers Park District (the "District") in connection with the issuance of the District's General Obligation Bonds, Series 2018A (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the Board of Commissioners of the District on October 18, 2018 (the "Resolution") and delivered to Piper Jaffray & Co., Minneapolis, Minnesota (the "Purchaser"). Pursuant to the Resolution, the District has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the District hereby specifically covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders of the Bonds in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings.

"Annual Financial Information" means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP") for governmental units as prescribed by the Governmental Accounting Standards Board ("GASB")) or operating data with respect to the District, provided at least annually, of the type included in the Final Official Statement with respect to the Bonds; which Annual Financial Information may, but is not required to, include Audited Financial Statements.

"Annual Financial Information Report" means any annual report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the District's annual financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB except that the general purpose financial statements of the District do not include the general fixed assets account group, which should be included to conform with generally accepted accounting principles.

"District" means Three Rivers Park District, which is the obligated person with respect to the Bonds.

"Fiscal Year" means the fiscal year of the District.

"Final Official Statement" means the final official statement, dated October 29, 2018, as the same may be revised and re-dated thereafter, delivered in connection with the Bonds, which is available from the MSRB.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board, established pursuant to the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Participating Underwriter” means any of the original underwriter(s) of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

“Rule” means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. Part 240, § 240.15c2-12), as in effect on the date of this Disclosure Certificate, including any official interpretations thereof, as the same may be amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The District shall, not later than September 30 after the end of each Fiscal Year, commencing with the year that ends December 31, 2018, provide the MSRB with Annual Financial Information which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Financial Information may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Financial Information not later than 30 days after the date of the auditor’s opinion letter and in such event the District shall be deemed to have complied with the Undertaking and its obligations under this Disclosure Certificate. Annual Financial Information must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the District is unable or fails to provide to the MSRB an Annual Financial Information Report by the date required in subsection (a), the District shall send a notice of that fact to the MSRB.

(c) The District shall cause the Annual Financial Information Report to be delivered to the MSRB via its internet repository named “Electronic Municipal Market Access” (“EMMA”), currently located at http://emma.msrb.org, in an electronic format as prescribed by the MSRB.

Section 4. Content of Annual Financial Information Reports. The District’s Annual Financial Information Report shall contain or incorporate by reference the following:

The District’s Audited Financial Statements and information contained in the tables described on Exhibit A, attached hereto, which are included in the Final Official Statement.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds not later than ten business days after the occurrence of the event:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties (this is not applicable to the Bonds);

(5) Substitution of credit or liquidity providers, or their failure to perform (this is not applicable to the Bonds);

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security;

(7) Modifications to rights of security holders, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the securities, if material (this is not applicable to the Bonds);

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person (when such event is considered to have occurred under the Rule);

(13) The consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material (this is not applicable to the Bonds).

(b) If the District obtains knowledge of the occurrence of a Listed Event described in Section 5(a), the District shall within ten business days of such occurrence file a notice of such occurrence with the MSRB in electronic format accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(8) or (a)(9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Resolution.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the District shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the District's information.

Section 6. Termination of Reporting Obligation. The District's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Agent. The District may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent. The District intends to initially appoint Digital Assurance Certification, L.L.C., as the disclosure dissemination agent for the Bonds.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, if and of itself, cause the undertakings to violate the Rule. The provisions of the Resolution constituting the Undertaking and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that District delivers to the MSRB an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require the Resolution and this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of the Resolution constituting the Undertaking and this Disclosure Certificate, may be amended without the consent of the holders of the Bonds, but only upon the delivery by the District to the MSRB of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the District's compliance with the Resolution, this Disclosure Certificate and the Rule.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Financial Information Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Financial Information Report or notice of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Financial Information Report or notice of occurrence of a Listed Event.

<u>Section 10. No Previous Non-Compliance</u>. The District represents that in the last five years it has not failed to comply in any material respect with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

<u>Section 11. Default</u>. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any holder of the securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

<u>Section 12. Beneficiaries</u>. This Disclosure Certificate shall inure solely to the benefit of the District, the Participating Underwriters and holders from time to time of the Bonds, and shall create no rights in any other person or entity.

[signature page follows]

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective as of the ______ day of November, 2018.

THREE RIVERS PARK DISTRICT

By ____
Board Chair

By ____
Superintendent and Secretary to the Board

EXHIBIT A

Tables and Table Headings

Park Use
Full-Time Equivalent Employment
Historical Summary of Debt
General Obligation Indebtedness by Issue
General Obligation Annual Maturity Schedule
Overlapping Debt
Debt Limit Computation
Statement of Revenues and Expenditures for the General Fund and Scott County Special Revenue Fund
Operating Budget for the General Fund and the Scott-Three Rivers Special Revenue Fund
Trend of Property Values (In Thousands)
2017/18 Property Values
2017/18 Real Property by Category
Tax Levies and Collections
Property Tax Rates Direct and Overlapping Government
Principal Taxpayers