

City of Minneapolis
Financial Status Report as of 2nd Quarter 2013
Prepared by the
City of Minneapolis Finance Department
August 27, 2013

City of Minneapolis

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General Fund

Fund Description

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

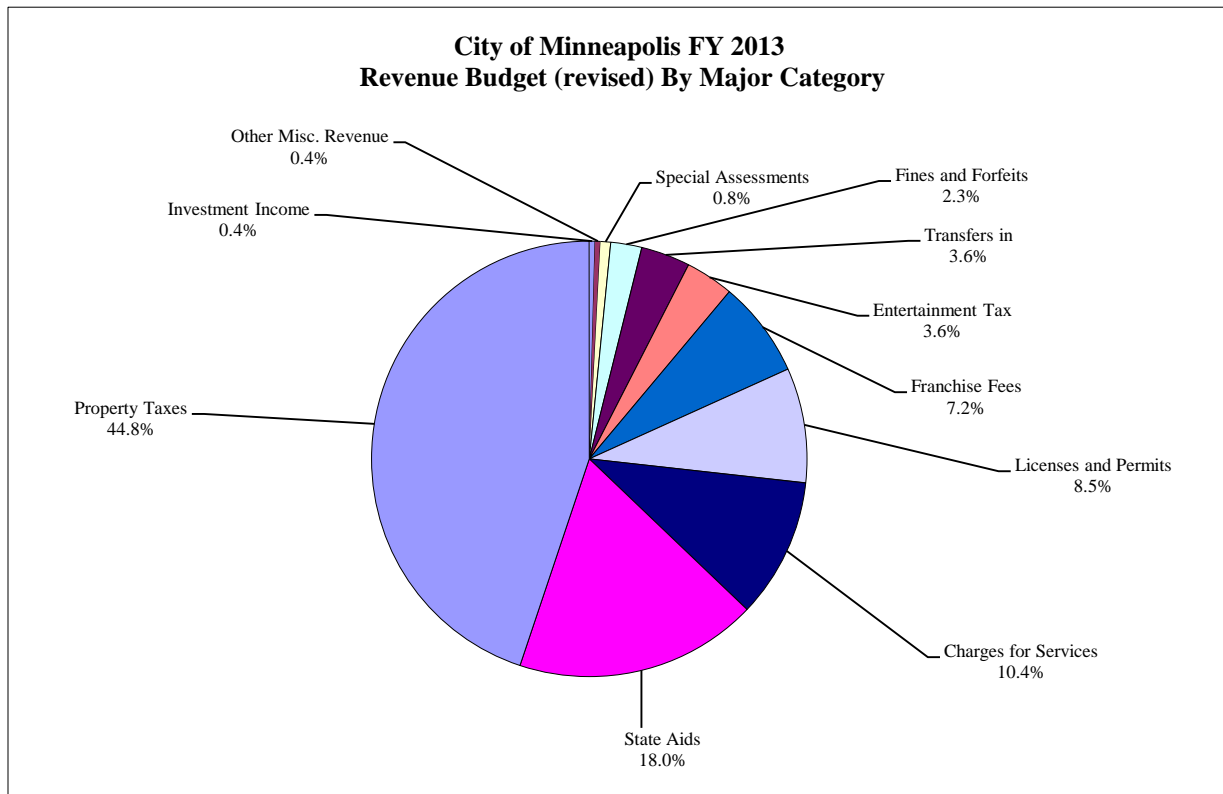
Financial Performance

The fund balance for the General Fund at fiscal year-end 2012 was \$ 85.3 million. The projected fund balance at year-end 2013 is \$89.8 million which is well within the City's stated reserve policy.

Preliminary 2013 Fund Balance

| | |
|--|-------------------------------|
| Fund Balance January 1, 2013 | \$ 85.3 million |
| Excess of Revenue over Expense: | |
| 2013 Projected Revenue in Excess of Budget | 2.8 million |
| 2013 Projected Expense Appropriation Savings | 3.9 million |
| 2012 Fund Balance Rollovers to 2013 | <u>(2.2) million</u> |
| Total – Excess Revenue Over Expense | <u>4.5 million</u> |
| Projected Fund Balance, December 31, 2013 | <u>\$ 89.8 million</u> |

General Fund Revenues:



The five largest revenue sources account for 88.9% of total budgeted revenues: property taxes, state aids, charges for services, licenses and permits, and franchise fees.

Property taxes, the major source of General Fund revenue (44.8%), are received from Hennepin County in July and December, and are expected to be at budgeted amounts.

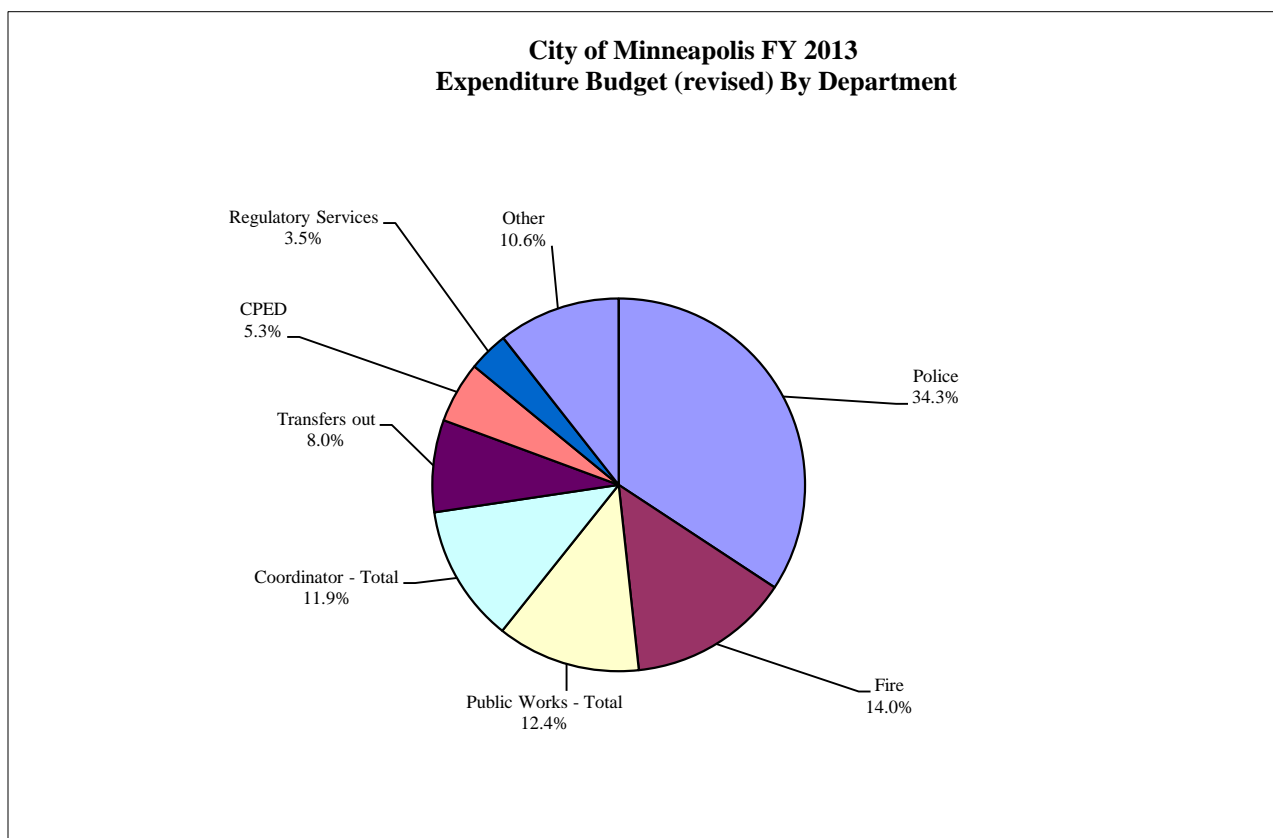
State aids, the second major source of fund revenue (17.6%), are expected to be at budgeted levels. Local Government Aid is received in two equal payments - one in July, and one at the end of December.

Charges for services, the third major source of fund revenue (10.4%), are anticipated to end the year at budgeted levels.

License and permit fees, the fourth largest source of revenue to the City (8.5%), are projected to be \$3.2 million in excess of budget, due to the ongoing activity related to construction.

Franchise Fees (7.2%), are projected to be at or slightly under budget. The natural gas franchise fees are much higher than 2012 at this time. This is due to the extended cool weather this year, and last year's early spring. The franchise fees from electricity are at expected levels.

General Fund Expenditures:



Six departments make up 81.4% of the total General Fund expenditures: Police, Fire, Public Works, the City Coordinator, Community Planning and Economic Development (CPED), and Regulatory Services. Small percentage variances in any of these large departments can have a significant effect on the amount of General Fund expenditures.

The Police Department anticipates exceeding their budget by \$350,000. This is due to unexpected equipment and fuel costs of \$560,000.

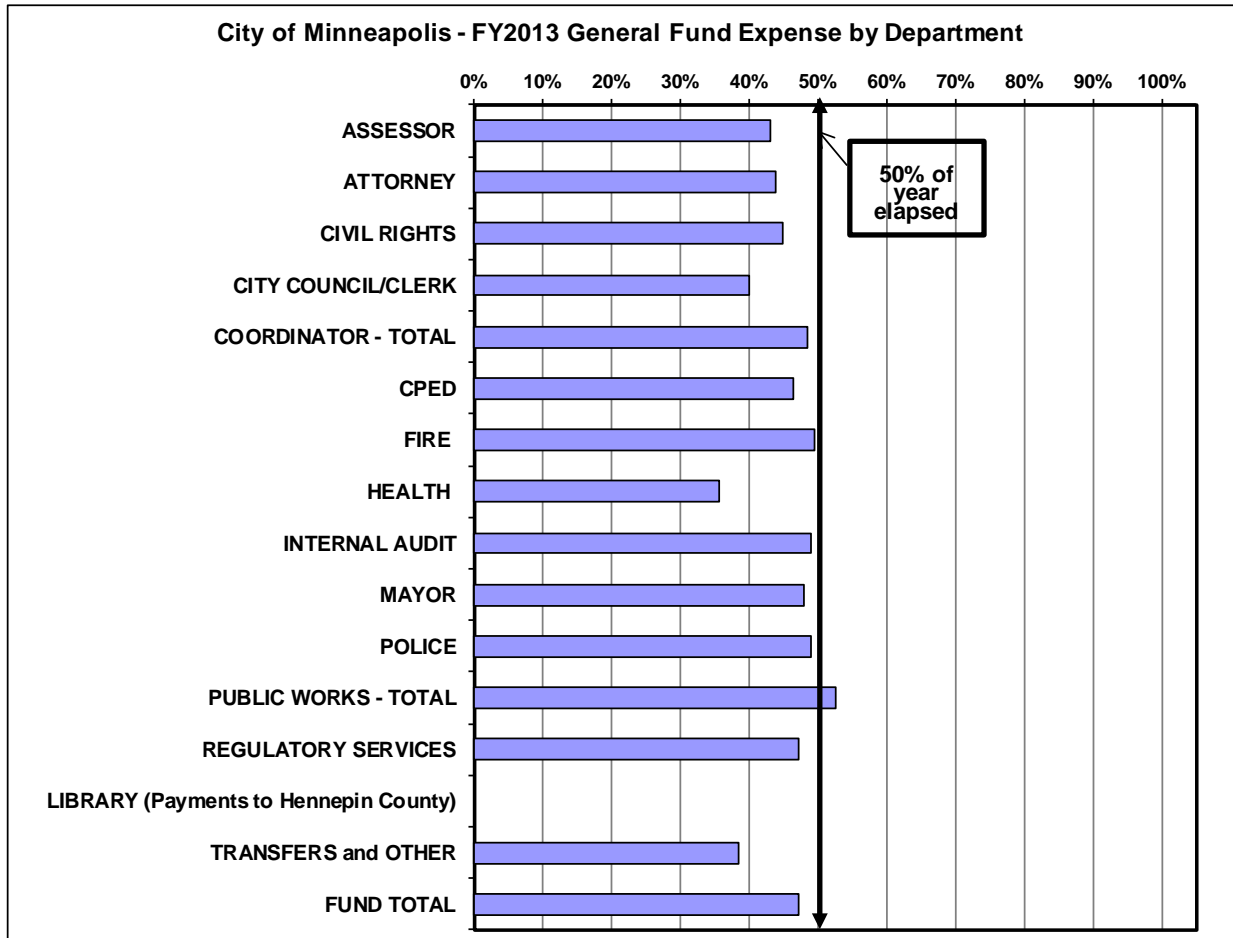
The Fire Department is projecting ending the year at \$500,000 over budget. This is due to equipment costs exceeding budgeted amounts.

The City Coordinator anticipates budget savings of \$200,000, primarily due to vacant positions.

The Public Works Department as well as CPED anticipate ending the year at or near budget.

Regulatory Services is projecting a savings of \$300,000.

Expenditures for all of the remaining departments are expected to end the year at or near the current budget.



**City of Minneapolis
General Fund
June 30, 2013**

| | Original Budget | Revised Budget | YTD Actual | Percent of Revised Budget Remaining | Projected YE Totals | Projected YE as Percent of Revised Budget |
|---|------------------------|-----------------------|--------------------|--|----------------------------|--|
| Revenues: | | | | | | |
| Property Taxes | 170,933,820 | 171,733,820 | 822 | 100% | 171,734,000 | 100% |
| Entertainment Tax | 13,700,000 | 13,700,000 | 4,563,888 | 67% | 13,700,000 | 100% |
| State Aids | 69,008,791 | 69,008,791 | 2,049,791 | 97% | 69,090,000 | 100% |
| Charges for Services | 39,757,549 | 39,757,549 | 18,266,600 | 54% | 39,800,000 | 100% |
| Franchise Fees | 27,400,000 | 27,400,000 | 14,289,716 | 48% | 27,400,000 | 100% |
| Licenses and Permits | 32,575,423 | 32,575,423 | 19,081,389 | 41% | 35,775,423 | 110% |
| Fines and Forfeits | 8,848,000 | 8,848,000 | 3,653,173 | 59% | 8,448,000 | 95% |
| Special Assessments | 2,462,080 | 2,891,750 | 111,997 | 96% | 2,628,750 | 91% |
| Investment Income | 1,600,000 | 1,600,000 | 720,895 | 55% | 1,442,000 | 90% |
| Other Shared Taxes | 531,405 | 531,405 | - | 100% | 531,000 | 100% |
| Other Miscellaneous | 1,014,570 | 214,570 | 283,451 | -32% | 500,000 | 233% |
| Contributions | 800,000 | 800,000 | 477,306 | 40% | 800,000 | 100% |
| Total Revenues | 368,631,638 | 369,061,308 | 63,499,028 | 83% | 371,849,173 | 101% |
| Transfers In | 13,933,000 | 13,933,000 | 6,934,070 | 50% | 13,933,000 | 100% |
| Revenues and Other Sources | 382,564,638 | 382,994,308 | 70,433,098 | 82% | 385,782,173 | 101% |
| Expenditures : | | | | | | |
| Police | 131,564,103 | 131,978,579 | 64,539,598 | 51% | 132,328,579 | 100% |
| Fire | 53,790,399 | 54,014,248 | 26,687,329 | 51% | 54,514,248 | 101% |
| Human Resources | 7,129,275 | 7,477,772 | 3,753,213 | 50% | 7,477,000 | 100% |
| Finance and Property Services | 20,322,781 | 20,322,781 | 9,848,483 | 52% | 20,072,000 | 99% |
| 911 | 7,725,519 | 7,725,519 | 3,598,378 | 53% | 7,725,000 | 100% |
| 311 | 3,121,905 | 3,121,905 | 1,516,121 | 51% | 3,121,000 | 100% |
| City Coordinator | 1,628,113 | 1,578,113 | 665,414 | 58% | 1,778,113 | 113% |
| Intergov Relations | 1,509,561 | 1,509,561 | 606,989 | 60% | 1,469,561 | 97% |
| Communications | 2,135,305 | 2,185,305 | 1,132,137 | 48% | 2,150,000 | 98% |
| Emergency Management | 692,647 | 1,042,647 | 374,059 | 64% | 1,038,000 | 100% |
| Neighbrhd and Comm Rel | 933,611 | 933,611 | 786,508 | 16% | 933,611 | 100% |
| Coordinator - Total | 45,198,717 | 45,897,214 | 22,281,302 | 51% | 45,764,285 | 100% |
| Trans Plan and Design | 2,739,596 | 2,739,596 | 1,097,527 | 60% | 2,739,596 | 100% |
| Trans Maint and Repair | 27,684,769 | 28,114,439 | 15,919,887 | 43% | 28,114,439 | 100% |
| Administration | 2,870,539 | 2,870,539 | 1,285,376 | 55% | 2,870,539 | 100% |
| Traf and Parkng Srvc | 14,234,248 | 14,234,248 | 6,912,919 | 51% | 14,234,248 | 100% |
| Public Works - Total | 47,529,152 | 47,958,822 | 25,215,710 | 47% | 47,958,822 | 100% |
| Regulatory Services | 13,336,111 | 13,355,231 | 6,286,367 | 53% | 13,005,231 | 97% |
| Attorney | 8,074,265 | 8,434,415 | 3,698,413 | 56% | 8,434,415 | 100% |
| City Council & City Clerk | 8,316,615 | 8,490,410 | 3,403,326 | 60% | 8,490,410 | 100% |
| Culture and Recreation -Library | 4,106,000 | 4,106,000 | - | 100% | 4,105,736 | 100% |
| Contingency | 3,883,246 | 3,883,246 | 540 | 100% | 1,000 | 0% |
| Assessor | 4,314,925 | 4,314,925 | 1,860,295 | 57% | 4,014,925 | 93% |
| CPED | 20,034,403 | 20,434,403 | 9,497,503 | 54% | 20,400,000 | 100% |
| Health | 6,945,827 | 6,974,927 | 2,481,653 | 64% | 6,974,900 | 100% |
| Civil Rights | 2,462,504 | 2,462,504 | 1,104,512 | 55% | 2,392,504 | 97% |
| Mayor | 1,598,248 | 1,709,682 | 819,716 | 52% | 1,709,682 | 100% |
| Internal Audit | 382,137 | 435,137 | 213,166 | 51% | 420,137 | 97% |
| Total Expenditures | 351,536,652 | 354,449,743 | 168,089,428 | 53% | 350,514,874 | 99% |
| Transfers Out | 30,827,986 | 30,827,986 | 13,353,550 | 57% | 30,827,986 | 100% |
| Expenditures and Other Uses | 382,364,638 | 385,277,729 | 181,442,978 | 53% | 381,342,860 | 99% |
| Change in Fund Balance | | | | | 4,439,313 | |
| Fund Balance - January 1, 2013 | | | | | 85,345,223 | |
| Fund Balance - December 31, 2013 | | | | | 89,784,536 | |

Convention Center Special Revenue Fund Report

The Convention Center Fund accounts for the operating activities of the Convention Center and for the City's sales and other related taxes.

Revenue

Tax Revenue

The Convention Center Special Revenue Fund activity is funded from local tax receipts and Convention Center operating revenue. Tax receipts are made up of a .5% citywide sales tax; a 3% food and liquor tax applied to core downtown establishments; and a 2.625% citywide lodging tax for motels and hotels with 50 units or more. With the new state tax of .375% effective July 1, 2009, the lodging tax was reduced from 3% to 2.625%. The law provides that when the general sales tax rate is combined with any other taxes on lodging within the City of Minneapolis, the total tax amount may not exceed 13%. Presently, up to 1% of all lodging tax proceeds received by the City are paid directly to Meet Minneapolis.

With the exception of a portion of the sales tax, all of the other tax revenues received by the Convention Center are used to support the Convention Center's capital and operating activities. The General Fund receives \$5,250,000 of the sales tax for economic development and mounted patrol related to convention public safety activities.

Through the 2nd quarter ending June 30, 2013, tax proceeds overall were above 2012 levels by 1.4% for the same period indicating slow growth. The liquor tax declined significantly when comparing June 2013 year to date to June 2012 year to date in part because of the cold, wet, spring as fewer people took advantage of local drinking opportunities. Tax revenues are receipted into the month they are received from the State of Minnesota. The local taxes are driven by consumer spending habits and as a result, are highly variable from month to month. The tax revenues reported on the statement include a monthly accrual entry.

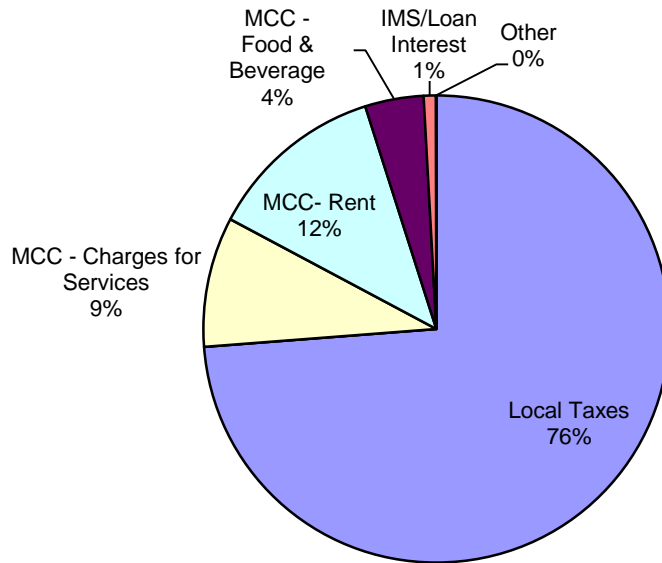
| Tax | June 2012 | June 2013 | Variance | % Change |
|--------------|---------------------|---------------------|------------------|-----------------|
| Sales | \$15,090,502 | \$15,710,325 | \$619,823 | 4.1% |
| Food | 5,337,421 | 5,335,745 | (1,676) | 0.0% |
| Liquor | 2,698,221 | 2,342,913 | (355,308) | -13.2% |
| Lodging | 2,645,638 | 2,751,271 | 105,633 | 4.0% |
| Total | \$25,771,781 | \$26,140,254 | \$368,472 | 1.4% |

Operating Revenue

Through the 2nd quarter of 2013, operating revenue finished at nearly \$9 million or 61% of budget. Rents and Commissions had the strongest finish at nearly \$4.4 million or 68% of budget followed by Charges for Services and Sales at nearly \$3.2 million or 60% and Catering Commissions at \$1.4 million or 47% of budget.

The Convention Center continues to discount rents to be competitive, and through June 30, 2013 the Convention Center had 216 events with 554,000 attendees. Space is being filled with regional, state, and local events, and the Convention Center projects 400 events with 785,000 attendees for 2013.

Convention Center Revenue Source 2nd Quarter 2013



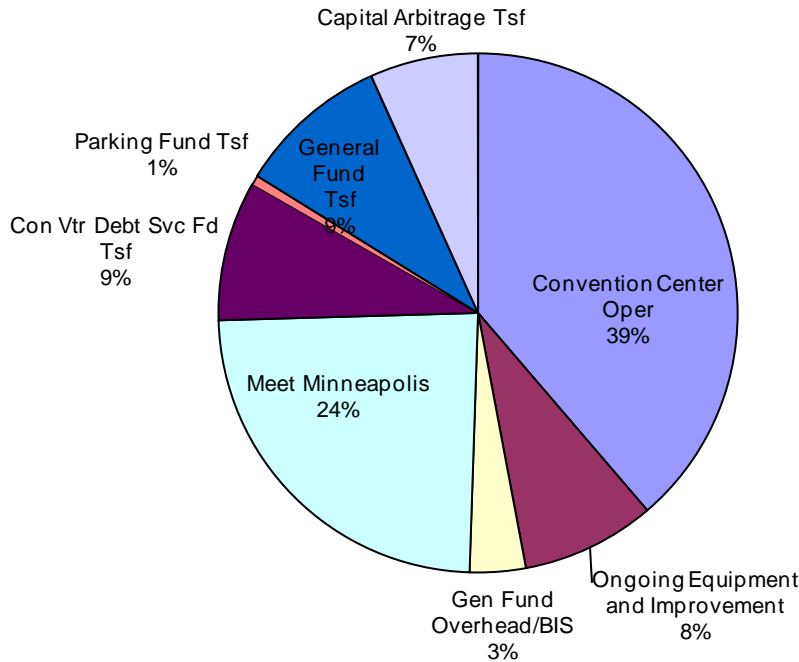
Operating Expenditures

Through the 2nd quarter of 2013, Convention Center operating expenses not including Ongoing Equipment and Improvement, IT, and General Fund Overhead were at \$10.8 million or 47% of budget. Initial projections indicate the Convention Center will come in below budget by approximately 3% considering the mix and volume of event activity, energy savings, and as a direct result of the staff model changes made beginning in 2012. The Convention Center continues to work on its 'no waste' initiative which includes a large waste program, as well as further enhancements to the energy efficiency practices that were put in place in 2009. The ongoing management of operating expenses includes a variety of cost containment activities:

- Reduction in energy and water consumption
- Identifying and implementing operating efficiencies
- Realignment of the workforce
- Managing overtime

The Convention Center anticipates meeting its budget target in ongoing equipment and improvements, and is currently working on much needed projects such as design work on interior refresh, build a new Visitor Information Center, skyway escalator projects, parking ramp restoration, waste handling areas & organics, LED lighting in Halls, B, C, D, and E, and HVAC controls. The replacement of three of the four existing domes has been completed.

**Convention Center Expenditures & Transfers
2nd Quarter 2013**



Transfers

The Convention Center Fund annually transfers a portion of its tax revenue to several other funds, in addition to receiving transfers from other funds. In 2013, transfers are budgeted for the General Fund - \$5.3 million for economic development and mounted patrol, \$17.5 million for debt service, and \$4.7 million to the Municipal Parking Enterprise Fund. In addition, the Convention Center is receiving a \$1.5 million transfer from IT for a capital advance. The IT transfer is being accounted for on the balance sheet.

Meet Minneapolis

In 2004, Meet Minneapolis entered into a \$2.5 million loan agreement with the City for its joint venture Internet Destination Sales System (iDSS). Meet Minneapolis requested that the Council advance an additional \$2.5 million for the project in 2005. In August 2005, the loans were rolled together and a promissory note was issued for \$5 million. The City entered into a 3rd loan agreement for \$5 million for additional iDSS start up capital in April 2006. The three loans were consolidated for a total of \$10 million. The loan draws were capped in May 2007. The consolidated loan has a 10 year amortization of principle (2008-2017) repaid in full in 2017 at a 5% interest rate. The note repayment for the loan is pledged against assets, future appropriations from the City funding, as well as profit from the iDSS. The total of the loan was nearly \$9.1 million. Quarterly interest payments began on 03/31/08, and annual principal payments began on 12/31/08. Interest and principal payments coincide with Meet Minneapolis's quarterly sales and marketing payments from the City. Meet Minneapolis's quarterly sales and marketing payment from the City of Minneapolis is being reduced by the amount of the interest and principal payments due for that particular period. The principle is accounted for on the balance sheet as a loan receivable while the interest received is classified as revenue in

the period in which it is due. Meet Minneapolis is projected to finish 2013 at \$8.8 million which is \$250 thousand under budget as the result of receiving \$250 thousand of their \$500,000 incentive budget.

Fund Balance

The 2013 ending fund balance is projected to be \$53.5 million, which is approximately \$1.8 million over budget and an increase of \$305 thousand over last year.

CONVENTION CENTER SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the fiscal quarter ending June 30, 2013

CITY OF MINNEAPOLIS, MINNESOTA

| | 2013 | | | | |
|---|---------------------|--------------------|------------------------|---------------------------|---------------------|
| | Budget | Actual | Percent of Total | Year End Projection | 2012 Actual |
| REVENUE | | | | | |
| Operating Revenue: | | | | | |
| Charges for Services and Sales | 5,339,000 | 3,189,955 | 60% | 5,400,000 | 5,405,038 |
| Rents and Commissions | 6,400,000 | 4,362,671 | 68% | 6,900,000 | 7,005,147 |
| Catering Commissions | 3,044,000 | 1,436,159 | 47% | 2,950,000 | 2,688,849 |
| Total Operating Revenue | 14,783,000 | 8,988,785 | 61% | 15,250,000 | 15,099,034 |
| Tax Revenue: | | | | | |
| Sales and Use Tax | 31,500,000 | 15,710,325 | 50% | 32,000,000 | 31,731,154 |
| Food Tax | 12,000,000 | 5,355,745 | 45% | 11,900,000 | 11,464,597 |
| Liquor Tax | 5,700,000 | 2,342,813 | 41% | 5,600,000 | 5,426,548 |
| Lodging Tax | 6,800,000 | 2,751,271 | 40% | 6,600,000 | 6,431,736 |
| Total Tax Revenue | 56,000,000 | 26,160,154 | 47% | 56,100,000 | 55,054,035 |
| Other Non Operating Revenue: | | | | | |
| Investment Management Services Interest | 200,000 | 156,614 | 78% | 355,000 | 259,937 |
| Meet Minneapolis (iDSS) Loan Interest | 265,132 | 138,879 | 52% | 265,132 | 314,359 |
| Bonds Issued - Domes | - | - | - | - | 4,200,000 |
| Premiums and Accrued Interest - Bonds | - | - | - | - | 111,067 |
| Copper Scrap Sales - Domes | - | - | - | - | 552,337 |
| Other | - | 13,115 | - | 187,472 | 13,387 |
| Total Other Non Operating Revenue | 465,132 | 308,608 | 66% | 807,604 | 5,451,087 |
| Total Non Operating Revenue | 56,465,132 | 26,468,762 | 47% | 56,907,604 | 60,505,122 |
| Total Revenue | 71,248,132 | 35,457,548 | 50% | 72,157,604 | 75,604,156 |
| EXPENDITURES | | | | | |
| Convention Center Operations | 23,152,836 | 10,794,319 | 47% | 22,560,946 | 21,342,376 |
| Ongoing Equipment and Improvement | 11,072,796 | 2,320,153 | 21% | 11,072,796 | 5,099,234 |
| General Fund Overhead/IT Operating | 1,939,054 | 969,527 | 50% | 1,939,054 | 2,002,888 |
| Meet Minneapolis | 9,017,258 | 6,694,725 | 74% | 8,767,257 | 8,138,127 |
| Capital Improvements - Domes | - | - | - | - | 3,905,033 |
| Other Fiscal Charges (Bonds) | - | - | - | - | 7,392 |
| Total Expenditures | 45,181,944 | 20,778,724 | 46% | 44,340,053 | 40,495,050 |
| Excess of Revenues Over (Under) Expenditures | 26,066,188 | 14,678,824 | 56% | 27,817,551 | 35,109,106 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| General Fund Transfer - Mounted Patrol, Econ Dev | (5,250,000) | (2,625,000) | 50% | (5,250,000) | (250,000) |
| Facility Reserve Fund Transfer to Convention Ctr | - | - | - | - | 1,500,000 |
| Convention Center Facility Reserve Fund Transfer | - | - | - | - | (1,150,000) |
| Convention Ctr Debt Service Transfer | (17,545,125) | (2,429,173) | 14% | (17,532,928) | (19,833,806) |
| Transfer to General Debt Service | - | - | - | - | (103,675) |
| Other Debt Service Transfer | - | - | - | - | (400,000) |
| Municipal Parking Enterprise Fund Transfer | (4,729,200) | (159,600) | 3% | (4,729,200) | (5,580,100) |
| Transfer from Capital Arbitrage | - | 1,880,077 | - | - | - |
| Total Other Financing Sources (Uses) | (27,524,325) | (3,333,696) | 12% | (27,512,128) | (25,817,581) |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (1,458,137) | 11,345,128 | | 305,423 | 9,291,525 |
| Fund Balance - January 1 | 53,224,786 | 53,224,786 | | 53,224,786 | 43,933,262 |
| Ending Fund Balance | 51,766,649 | 64,569,914 | | 53,530,209 | 53,224,786 |
| Ending Cash Balance | | 47,609,363 | | 37,151,200 | 36,845,777 |

SPECIAL REVENUE FUNDS
Federal, CDBG, and Other State and Local Grants
Quarter Ending June 30, 2013

The City receives a number of federal and state grants that are recorded in the Federal (01300), Community Development Block Grant (CDBG) (01400), HOME (01500) and Grants Other (01600) funds. These grants have varying grant periods and are used for a range of purposes.

Since the City records its financial information on a modified accrual basis, the timing of cash receipts can result in grant funds reflecting a deficit cash balance. For annual reporting purposes, cash deficits are eliminated through inter-fund borrowing.

Federal Grants Fund (01300)

The City accounts for its federal grant activity in fund 01300. As of June 30, expenditures were \$10,415,444 compared to the 2012 expenditures of \$15,543,123. The 2012 expenditures are higher compared to the current year due to the Recovery grants that were awarded in 2009 and 2010 that have ended. There were new grants for the Neighborhood Stabilization Program (NSP) in 2011 that will continue in 2013. These new grants help offset the loss of revenue from the expiring Recovery grants at the fund level.

HUD Consolidated Plan Funds (01400 & 01500)

The Community Development Block Grant (CDBG) is the City's largest single grant and is accounted for in fund 01400 along with three other Housing and Urban Development (HUD) Programs. The programs are the Emergency Solutions Grant Program (ESG), HOME Investment Partnerships Program, and Housing Opportunities for Persons with AIDS (HOPWA). The HOME program is accounted for in fund 01500 and the combined amounts are presented in the schedule. HUD grant expenditures as of June 30 were \$9,304,769 compared to \$11,403,912 for 2012. The HUD Consolidated Plan program year is from June 1 to May 31. The CDBG award beginning June 1, 2012 was \$3.1 million less than the prior CDBG award beginning in 2011. The impact of that reduction will be reflected in reduced spending in the current year. At the fund level, the reduction in CDBG expenditures is offset by the additional NSP3 funds awarded in 2011 to be expended between March 16, 2011 and March 15, 2014.

In 1990, the Council committed \$7,791,856 of CDBG funds for the redevelopment of Block E. As this commitment was not offset with reductions in other CDBG funded projects, the City over-committed its CDBG Allocation. The City has been able to remain within its cumulative allocation because it continues to receive CDBG funding each year. However, should the CDBG funding ever cease, the over commitment of funds will become apparent and other sources will be required to cover the funding shortfall. The City's intent is to reprogram unspent CDBG projects balances to offset the Block E deficit. Since November 2001, the City Council approved the reprogramming of \$1,624,299. Since 2008, in accordance with the reprogramming policy, an additional \$1,930,104 has been reprogrammed resulting in a current deficit balance of \$4,237,453.

Grants Other Fund (01600)

The fund is used to account for non-federal grants and other restricted revenue sources. The year-to-date expenditures as of June 30, 2013 are \$14,060,654 compared to the 2012

expenditures of \$7,020,719. The revenue in the fund as of June 30, 2013 and 2012 is \$15,104,669 and \$11,480,794, respectively. The 2010 Minnesota State Legislature approved a \$14M grant to the City of Minneapolis to fund the renovation of Orchestra Hall. The total grant expended to date is \$11,324,448 of which \$6,795,069 was expended in 2013. This accounts for the majority of the increase in expenditures and revenues in the fund.

Capital Grants

In addition to the grants that are recorded in the funds reflected above, the City's Department of Public Works receives various grants through the Minnesota Department of Transportation, Metropolitan Council, and Housing and Urban Development. These grants are generally recorded in Fund 04100, the Permanent Improvement Capital Projects fund.

Special Revenue Funds
Grant Funds
Quarter Ending June 30, 2013

| | Federal Grants 01300 | HUD Grants 01400&01500 | Grants Other 01600 | Total |
|---|-------------------------------------|---|-----------------------------------|-----------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ 1,699,090 | \$ 17,468 | \$ (275,897) | \$ 1,440,661 |
| Accounts - net | 51,977 | 15,408 | 6,265 | 73,650 |
| Special Assessments Receivable | | | | - |
| Intergovernmental Receivables | 784,037 | | 580 | 784,617 |
| Prepaid Expense | | 2,264 | | 2,264 |
| Due from Other Funds | | | 2,700,000 | 2,700,000 |
| Deposits with Fiscal Agents | | | 43,224 | 43,224 |
| Properties held for resale | 1,511,967 | 6,244,241 | 2,035,029 | 9,791,237 |
| Total Assets | <u>\$ 4,047,071</u> | <u>\$ 6,279,381</u> | <u>\$ 4,509,201</u> | <u>\$ 14,835,653</u> |
| Liabilities | | | | |
| Salaries payable | \$ 136,623 | \$ 205,619 | \$ 256,628 | \$ 598,870 |
| Accounts payable | 117,602 | 109,381 | 34,079 | 261,062 |
| Inter Governmental Payables | | | | - |
| Due to Other Funds | 4,550,000 | 2,700,000 | | 7,250,000 |
| Use Taxes Payable | 156 | - | 12 | 168 |
| Unclaimed Property | | | | - |
| Deposits held for others | | | | - |
| Deferred revenue & Contracts | 5,828 | | 132,675 | 138,503 |
| Deferred Special Assessments | | | | - |
| Total Liabilities | <u>\$ 4,810,209</u> | <u>\$ 3,015,000</u> | <u>\$ 423,394</u> | <u>\$ 8,248,603</u> |
| Fund Balance | <u>\$ (763,138)</u> | <u>\$ 3,264,381</u> | <u>\$ 4,085,807</u> | <u>\$ 6,587,050</u> |
| Total Liabilities and Fund Balance | <u>\$ 4,047,071</u> | <u>\$ 6,279,381</u> | <u>\$ 4,509,201</u> | <u>\$ 14,835,653</u> |
| Revenue | | | | |
| Taxes-Charitable Gambling | | | \$ 81,609 | \$ 81,609 |
| Grants and Shared Revenues | \$ 6,935,955 | 5,944,181 | 13,775,938 | 26,656,074 |
| Loan Origination Fees | | | | - |
| Special Assessments | | | 3,908 | 3,908 |
| Private Contributions | | | 786,138 | 786,138 |
| Charges for Services | | 1,920 | 502,975 | 504,895 |
| Licenses & Permits | | | | - |
| Fines and forfeits | | | | - |
| Interest | | 41,033 | 1,725 | 42,758 |
| Rent & Commissions | | 2,616 | | 2,616 |
| Sale of Lands & Buildings | 291,737 | 192,675 | | 484,412 |
| Loan Recapture | 897,250 | 136,461 | | 1,033,711 |
| Sale of Equipment | | | | - |
| Miscellaneous Revenue | 15,497 | 6,025 | 9,797 | 31,319 |
| Transfer within Special Revenue Fund | | | (57,421) | (57,421) |
| Total Revenue | <u>\$ 8,140,439</u> | <u>\$ 6,324,911</u> | <u>\$ 15,104,669</u> | <u>\$ 29,570,019</u> |
| Expenditures | <u>\$ 10,415,544</u> | <u>\$ 9,304,769</u> | <u>\$ 14,060,654</u> | <u>\$ 33,780,967</u> |
| Revenues Over (Under) Expenditures | <u>\$ (2,275,105)</u> | <u>\$ (2,979,858)</u> | <u>\$ 1,044,015</u> | <u>\$ (4,210,948)</u> |

**CDBG Program Year 39
Beginning June 1, 2013
June 30, 2013**

| Project | Adopted Budget 2012R-654 | Reduction Amount Final HUD | Amended Budget | Program Income | Council Actions | Department Actions | Reprogrammed Amounts | Revised Budget | 2013 | | | |
|--|--------------------------------|----------------------------------|----------------------|-------------------|--------------------|-----------------------|-------------------------|----------------------|-------------------------|-------------------------------|---------------------------|--|
| | | | | | | | | | Current Expenditures | Grant to Date Expenditures | Remaining Grant Budget | |
| Capital Grants: | | | | | | | | | | | | |
| Lead Reduction | \$ 61,500 | \$ - | \$ 61,500 | \$ - | \$ - | \$ - | \$ - | \$ 61,500 | \$ - | \$ - | \$ 61,500 | |
| Problem Properties Board Bldg | 103,700 | - | 103,700 | - | - | - | - | 103,700 | 1,905 | 1,905 | 101,795 | |
| Adult Training, Placement and Retention | 1,467,600 | - | 1,467,600 | - | - | - | - | 1,467,600 | - | - | 1,467,600 | |
| High density corridor housing | 578,769 | - | 578,769 | - | - | - | - | 578,769 | - | - | 578,769 | |
| NEDF/CEDF (Great Streets) | 10,726 | - | 10,726 | - | - | - | - | 10,726 | - | - | 10,726 | |
| Multi-Family/Affordable Housing | 2,966,776 | - | 2,966,776 | - | - | - | - | 2,966,776 | - | - | 2,966,776 | |
| Vacant & Boarded Housing | 1,753,430 | - | 1,753,430 | - | - | - | - | 1,753,430 | - | - | 1,753,430 | |
| Subtotal Capital Grants | <u>\$ 6,942,501</u> | <u>\$ -</u> | <u>\$ 6,942,501</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,942,501</u> | <u>\$ 1,905</u> | <u>\$ 1,905</u> | <u>\$ 6,940,596</u> | |
| Public Service Grants: | | | | | | | | | | | | |
| Community Crime Prevention Specialists | \$ 876,600 | \$ - | \$ 876,600 | \$ - | \$ - | \$ - | \$ - | \$ 876,600 | \$ 62,102 | \$ 62,102 | \$ 814,498 | |
| Access & Outreach (Multicultural Affairs) | 120,000 | - | 120,000 | - | - | - | - | 120,000 | - | - | 120,000 | |
| Juvenile Supervisor Center | 100,000 | - | 100,000 | - | - | - | - | 100,000 | - | - | 100,000 | |
| Domestic Abuse Project | 59,500 | - | 59,500 | - | - | - | - | 59,500 | - | - | 59,500 | |
| Way to Grow | 192,600 | - | 192,600 | - | - | - | - | 192,600 | - | - | 192,600 | |
| Youth Employment & Training | 250,900 | - | 250,900 | - | - | - | - | 250,900 | 503 | 503 | 250,397 | |
| Subtotal Public Service Grants | <u>\$ 1,599,600</u> | <u>\$ -</u> | <u>\$ 1,599,600</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,599,600</u> | <u>\$ 62,605</u> | <u>\$ 62,605</u> | <u>\$ 1,536,995</u> | |
| Administrative Grants: | | | | | | | | | | | | |
| YCB Administration | \$ 65,400 | \$ - | \$ 65,400 | \$ - | \$ - | \$ - | \$ - | \$ 65,400 | \$ - | \$ - | \$ 65,400 | |
| Civil Rights Dept Fair Housing | 361,900 | - | 361,900 | - | - | - | - | 361,900 | - | - | 361,900 | |
| Finance Administration | 194,400 | - | 194,400 | - | - | - | - | 194,400 | - | - | 194,400 | |
| Grants & Special Projects | 188,400 | - | 188,400 | - | - | - | - | 188,400 | - | - | 188,400 | |
| Housing Discrimination Law Project-Legal Aid | 47,229 | - | 47,229 | - | - | - | - | 47,229 | - | - | 47,229 | |
| Grant Administration | 67,400 | - | 67,400 | - | - | - | - | 67,400 | - | - | 67,400 | |
| Legal Aid Mid-Minnesota | 29,060 | - | 29,060 | - | - | - | - | 29,060 | - | - | 29,060 | |
| Neighborhood Services | 71,400 | - | 71,400 | - | - | - | - | 71,400 | - | - | 71,400 | |
| Way to Grow Administration | 15,900 | - | 15,900 | - | - | - | - | 15,900 | - | - | 15,900 | |
| YCB Youth Violence Prevention | 100,200 | - | 100,200 | - | - | - | - | 100,200 | - | - | 100,200 | |
| CDBG Planning Admin | 984,060 | - | 984,060 | - | - | - | - | 984,060 | - | - | 984,060 | |
| Subtotal Administrative Grants | <u>\$ 2,125,349</u> | <u>\$ -</u> | <u>\$ 2,125,349</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,125,349</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,125,349</u> | |
| Block E Deficit Reduction: | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Subtotal Reprogrammed | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | |
| GRAND TOTAL | <u>\$ 10,667,450</u> | <u>\$ -</u> | <u>\$ 10,667,450</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,667,450</u> | <u>\$ 64,510</u> | <u>\$ 64,510</u> | <u>\$ 10,602,940</u> | |

CDBG Program Year 38
Beginning June 1, 2012
June 30, 2013

| Project | Adopted Budget 2011R-659 | Reduction Amount Final HUD | Amended Budget | Department Actions | Reprogrammed Amounts | Revised Budget | 2013 | | |
|--|--------------------------------|----------------------------------|----------------------|-----------------------|-------------------------|----------------------|------------------------------|-------------------------------|---------------------------|
| | | | | | | | Current Year Expenditures | Grant to Date Expenditures | Remaining Grant Budget |
| Capital Grants: | | | | | | | | | |
| Lead Reduction | \$ 62,000 | \$ (500) | \$ 61,500 | \$ - | \$ - | \$ 61,500 | \$ - | \$ - | \$ 61,500 |
| Problem Properties Board Bldg | 104,600 | (900) | 103,700 | - | - | 103,700 | 49,331 | 106,984 | (3,284) |
| Adult Training, Placement and Retention | 1,480,000 | (12,400) | 1,467,600 | - | - | 1,467,600 | 780,536 | 959,489 | 508,111 |
| High density corridor housing | 583,669 | (4,900) | 578,769 | - | - | 578,769 | - | - | 578,769 |
| Commercial Property Investment | 139,000 | (1,200) | 137,800 | - | - | 137,800 | - | - | 137,800 |
| NEDF/CEDF (Great Streets) | 41,000 | (300) | 40,700 | - | - | 40,700 | - | - | 40,700 |
| Multi-Family/Affordable Housing | 2,991,876 | (25,100) | 2,966,776 | - | - | 2,966,776 | 895,917 | 1,354,433 | 1,612,343 |
| Vacant & Boarded Housing | 1,599,056 | (13,400) | 1,585,656 | - | - | 1,585,656 | 924,385 | 1,474,424 | 111,232 |
| Subtotal Capital Grants | \$ 7,001,201 | \$ (58,700) | \$ 6,942,501 | \$ - | \$ - | \$ 6,942,501 | \$ 2,650,169 | \$ 3,895,330 | \$ 3,047,171 |
| Public Service Grants: | | | | | | | | | |
| Community Crime Prevention Specialists | \$ 884,000 | \$ (7,400) | \$ 876,600 | \$ - | \$ - | \$ 876,600 | \$ 333,348 | \$ 876,600 | \$ - |
| Access & Outreach (Multicultural Affairs) | 121,000 | (1,000) | 120,000 | - | - | 120,000 | 25,434 | 25,434 | 94,566 |
| Domestic Abuse Project | 60,000 | (500) | 59,500 | - | - | 59,500 | 59,500 | 59,500 | - |
| Juvenile Supervisor Center | 100,000 | - | 100,000 | - | - | 100,000 | 49,031 | 100,000 | - |
| Way to Grow | 195,000 | (2,400) | 192,600 | - | - | 192,600 | 112,497 | 192,500 | 100 |
| Youth Employment & Training | 253,000 | (2,100) | 250,900 | - | - | 250,900 | 60,567 | 60,567.00 | 190,333 |
| Subtotal Public Service Grants | \$ 1,613,000 | \$ (13,400) | \$ 1,599,600 | \$ - | \$ - | \$ 1,599,600 | \$ 640,377 | \$ 1,314,601 | \$ 284,999 |
| Administrative Grants: | | | | | | | | | |
| YCB Administration | \$ 66,000 | \$ (600) | \$ 65,400 | \$ - | \$ - | \$ 65,400 | \$ - | \$ 64,803 | \$ 597 |
| Civil Rights Dept Fair Housing | 365,000 | (3,100) | 361,900 | - | - | 361,900 | 122,135 | 125,651 | 236,249 |
| Finance Administration | 196,000 | (1,600) | 194,400 | - | - | 194,400 | - | - | 194,400 |
| Grants & Special Projects | 190,000 | (1,600) | 188,400 | - | - | 188,400 | 32,893 | 47,005 | 141,395 |
| Housing Discrimination Law Project-Legal Aid | 47,740 | (511) | 47,229 | - | - | 47,229 | 41,667 | 41,667 | 5,562 |
| Grant Administration | 68,000 | (600) | 67,400 | - | - | 67,400 | - | - | 67,400 |
| Legal Aid Mid-Minnesota | - | - | - | 29,060 | - | 29,060 | 14,530 | 24,217 | 4,843 |
| Neighborhood Services | 72,000 | (600) | 71,400 | - | - | 71,400 | 83,851 | 92,284 | (20,884) |
| Way to Grow Administration | 16,000 | (100) | 15,900 | - | - | 15,900 | 9,275 | 15,900 | - |
| YCB Youth Violence Prevention | 101,000 | (800) | 100,200 | - | - | 100,200 | 63,833 | 89,316 | 10,884 |
| Legal Aid Society | 29,260 | (200) | 29,060 | (29,060) | - | - | - | - | - |
| CDBG Planning Program Admin | 992,360 | (8,300) | 984,060 | - | - | 984,060 | 457,261 | 980,427 | 3,633 |
| Subtotal Administrative Grants | \$ 2,143,360 | \$ (18,011) | \$ 2,125,349 | \$ - | \$ - | \$ 2,125,349 | \$ 825,445 | \$ 1,481,270 | \$ 644,079 |
| Block E Deficit Reduction: | | | | | | | | | |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Subtotal Reprogrammed | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| GRAND TOTAL | \$ 10,757,561 | \$ (90,111) | \$ 10,667,450 | \$ - | \$ - | \$ 10,667,450 | \$ 4,115,991 | \$ 6,691,201 | \$ 3,976,249 |

CDBG Program Year 37
Beginning June 1, 2011
June 30, 2013

| Project | Adopted Budget 2010R-598 | Reduction Amount 2011R-301 | Amended Budget 2011R-301 | Program Income | Council Actions | Department Actions | Reprogrammed Amounts | Revised Budget | 2013 | | | |
|---|--------------------------------|----------------------------------|--------------------------------|-------------------|--------------------|-----------------------|-------------------------|----------------------|------------------------------|-------------------------------|---------------------------|-------------|
| | | | | | | | | | Current Year Expenditures | Grant to Date Expenditures | Remaining Grant Budget | |
| Capital Grants: | | | | | | | | | | | | |
| General Housing Rehabilitation-MPHA | \$ 110,000 | \$ (110,000) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Problem Properties Attorneys | 38,000 | (7,617) | 30,383 | - | - | - | - | 30,383 | 11,066 | 30,383 | - | - |
| Personal Protective Equipment | 584,000 | - | 584,000 | - | - | - | - | 584,000 | - | 584,000 | - | - |
| Problem Properties Police | 53,000 | (10,624) | 42,376 | - | - | - | - | 42,376 | 31,977 | 42,376 | - | - |
| Lead Reduction | 125,000 | (25,057) | 99,943 | - | - | - | - | 99,943 | 4,897 | 4,897 | 95,046 | - |
| Problem Properties Board Bldg | 348,000 | (186,823) | 161,177 | - | - | - | - | 161,177 | 7,526 | 161,177 | - | - |
| Adult Training, Placement and Retention | 1,255,000 | (141,570) | 1,113,430 | - | - | - | - | 1,113,430 | 31 | 1,113,430 | - | - |
| High density corridor housing | 730,000 | (146,331) | 583,669 | - | - | - | - | 583,669 | 45,507 | 45,507 | 538,162 | - |
| NonProfit MF Rental Development Assistance | 166,000 | (33,275) | 132,725 | - | - | - | - | 132,725 | - | - | 132,725 | - |
| NEDF/CEDF (Great Streets) | 1,127,000 | (225,912) | 901,088 | - | - | - | - | 901,088 | - | - | 901,088 | - |
| Homeownership Program (GMMHC) | 34,000 | (6,815) | 27,185 | - | - | - | - | 27,185 | - | - | 27,185 | - |
| Multi-Family/Affordable Housing | 3,411,189 | (683,786) | 2,727,403 | - | - | - | - | 2,727,403 | 919,071 | 1,950,139 | 777,264 | - |
| Vacant & Boarded Housing | 1,782,000 | (357,209) | 1,424,791 | - | - | - | - | 1,424,791 | - | 1,424,791 | - | - |
| Subtotal Capital Grants | \$ 9,763,189 | \$ (1,935,019) | \$ 7,828,170 | \$ - | \$ - | \$ - | \$ - | \$ 7,828,170 | \$ 1,020,075 | \$ 5,356,700 | \$ 2,471,470 | \$ - |
| Public Service Grants: | | | | | | | | | | | | |
| Restorative Justice Programs | \$ 20,000 | \$ - | \$ 20,000 | \$ - | \$ - | \$ - | \$ - | \$ 20,000 | \$ - | \$ 20,000 | \$ - | \$ - |
| Community Crime Prevention Specialists | 934,386 | (50,000.00) | 884,386 | - | - | - | - | 884,386 | - | 884,386 | - | - |
| Access & Outreach (Multicultural Affairs) | 121,000 | - | 121,000 | - | - | - | - | 121,000 | 20,004 | 129,203 | (8,203) | - |
| PHAC: Living at Home Block Nurse Program DHFS | 75,000 | - | 75,000 | - | - | (75,000) | - | - | - | - | - | - |
| Curfew/Truancy Center | 100,000 | - | 100,000 | - | - | - | - | 100,000 | - | 100,000 | - | - |
| Domestic Abuse Project | 75,000 | - | 75,000 | - | - | - | - | 75,000 | - | 75,000 | - | - |
| Public Health Advisory Committee | 250,000 | (259,563.00) | (9,563) | - | - | 9,563 | - | - | - | - | - | - |
| Hennepin Healthcare | - | - | - | - | - | 30,000 | - | 30,000 | 4,544 | 30,000 | - | - |
| Holy Rosary Church | - | - | - | - | - | 50,000 | - | 50,000 | - | 50,000 | - | - |
| MPLS American Indian | - | - | - | - | - | 30,000 | - | 30,000 | - | 30,000 | - | - |
| MPS Teenage Parenting & Pregnancy Program | 75,000 | - | 75,000 | - | - | (66,762) | - | 8,238 | 5,228 | 8,665 | (427) | - |
| SE Asian Community Council | - | - | - | - | - | 27,000 | - | 27,000 | - | 22,199 | 4,801 | - |
| Way to Grow | 262,000 | (50,000.00) | 212,000 | - | - | - | - | 212,000 | - | 212,000 | - | - |
| Youth Employment & Training | 253,000 | - | 253,000 | - | - | - | - | 253,000 | - | 253,000 | - | - |
| Subtotal Public Service Grants | \$ 2,165,386 | \$ (359,563) | \$ 1,805,823 | \$ - | \$ - | \$ 4,801 | \$ - | \$ 1,810,624 | \$ 29,776 | \$ 1,814,453 | \$ (3,829) | \$ - |
| Administrative Grants: | | | | | | | | | | | | |
| YCB Administration | \$ 66,000 | \$ - | \$ 66,000 | \$ - | \$ - | \$ - | \$ (1,197) | \$ 64,803 | \$ - | \$ 64,803 | \$ - | \$ - |
| Civil Rights Dept Fair Housing | 365,000 | - | 365,000 | - | - | - | - | 365,000 | 52,160 | 365,000 | - | - |
| Finance Administration | 196,000 | - | 196,000 | - | - | - | - | 196,000 | 77,103 | 105,629 | 90,371 | - |
| Director of Arts-City Coordinator Adm | 28,146 | (28,146) | - | - | - | - | - | - | - | - | - | - |
| MPH Citizen Participation | 68,000 | - | 68,000 | - | - | - | - | 68,000 | 34,000 | 68,000 | - | - |
| Grants & Special Projects | 190,000 | - | 190,000 | - | - | - | - | 190,000 | 38,721 | 229,133 | (39,133) | - |
| Housing Discrimination Law Project-Legal Aid | 54,000 | - | 54,000 | - | - | - | - | 54,000 | - | 54,000 | - | - |
| Homeless Initiative | 77,000 | - | 77,000 | - | - | - | - | 77,000 | (4,339) | 77,000 | - | - |
| Grant Administration | 68,000 | - | 68,000 | - | - | - | - | 68,000 | - | 68,000 | - | - |
| Neighborhood Services | 72,000 | - | 72,000 | - | - | - | - | 72,000 | (1,938) | 72,000 | - | - |
| Way to Grow Administration | 26,000 | - | 26,000 | - | - | - | - | 26,000 | - | 26,000 | - | - |
| YCB Youth Violence Prevention | 121,000 | (20,000) | 101,000 | - | - | - | - | 101,000 | (5,955) | 101,000 | - | - |
| Legal Aid Society | 34,000 | - | 34,000 | - | - | - | - | 34,000 | - | 34,000 | - | - |
| Program Admin | 100,000 | - | 100,000 | - | - | - | - | 100,000 | - | 100,000 | - | - |
| Planning - Administration | 1,045,854 | (54,356.00) | 991,498 | - | - | - | - | 991,498 | (2,768) | 991,498 | - | - |
| Subtotal Administrative Grants | \$ 2,511,000 | \$ (102,502) | \$ 2,408,498 | \$ - | \$ - | \$ - | \$ (1,197) | \$ 2,407,301 | \$ 186,984 | \$ 2,356,063 | \$ 51,238 | \$ - |
| Block E Deficit Reduction: | | | | | | | | | | | | |
| YCB Administration | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,197 | \$ 1,197 | \$ - | \$ - | \$ 1,197 | \$ - |
| Subtotal Reprogrammed | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,197 | \$ 1,197 | \$ - | \$ - | \$ 1,197 | \$ - |
| GRAND TOTAL | \$ 14,439,575 | \$ (2,397,084) | \$ 12,042,491 | \$ - | \$ - | \$ 4,801 | \$ - | \$ 12,047,292 | \$ 1,236,835 | \$ 9,527,216 | \$ 2,520,076 | \$ - |

**CDBG Program Year 36
Beginning June 1, 2010
June 30, 2013**

| Project | Adopted Budget 2009R-586 | Reduction Amount | Amended Budget | Department Actions | Reprogrammed Amounts | Revised Budget | 2013 | | |
|--|--------------------------------|---------------------|----------------------|-----------------------|-------------------------|----------------------|------------------------------|-------------------------------|---------------------------|
| | | | | | | | Current Year Expenditures | Grant to Date Expenditures | Remaining Grant Budget |
| Capital Grants: | | | | | | | | | |
| Problem Properties Attorneys | \$ 38,000 | | \$ 38,000 | \$ - | \$ - | \$ 38,000 | \$ - | \$ 38,000 | \$ - |
| Personal Protective Equipment | 694,000 | | 694,000 | - | - | 694,000 | 39,725 | 669,870 | 24,130 |
| Problem Properties Police | 53,000 | | 53,000 | - | - | 53,000 | - | 53,000 | - |
| Lead Reduction | 125,000 | | 125,000 | - | - | 125,000 | 2,229 | 106,567 | 18,433 |
| Problem Properties Board Bldg | 348,000 | | 348,000 | - | - | 348,000 | - | 348,000 | - |
| Adult Training, Placement and Retention | 982,000 | | 982,000 | - | - | 982,000 | - | 982,000 | - |
| High density corridor housing | 730,000 | | 730,000 | - | - | 730,000 | 223,530 | 730,000 | - |
| NonProfit MF Rental Development Assistance | 166,000 | | 166,000 | - | - | 166,000 | - | - | 166,000 |
| NEDF/CEDF | 1,500,000 | | 1,500,000 | - | - | 1,500,000 | 723 | 321,886 | 1,178,114 |
| Homeownership Program (GMMHC) | 334,000 | | 334,000 | - | - | 334,000 | - | 184,634 | 149,366 |
| Multi-Family/Affordable Housing | 3,703,000 | 308,189 | 4,011,189 | - | - | 4,011,189 | - | 4,011,189 | - |
| Vacant & Boarded Housing | 782,000 | | 782,000 | - | - | 782,000 | - | 782,000 | - |
| Subtotal Capital Grants | \$ 9,455,000 | \$ 308,189 | \$ 9,763,189 | \$ - | \$ - | \$ 9,763,189 | \$ 266,207 | \$ 8,227,146 | \$ 1,536,043 |
| Public Service Grants: | | | | | | | | | |
| Restorative Justice Programs | \$ 20,000 | | \$ 20,000 | \$ - | \$ - | \$ 20,000 | \$ - | \$ 20,000 | \$ - |
| Community Crime Prevention Specialists | 880,000 | 54,386 | 934,386 | - | - | 934,386 | 56 | 934,442 | (56) |
| Access & Outreach (Multicultural Affairs) | 121,000 | | 121,000 | - | - | 121,000 | 2,069 | 123,069 | (2,069) |
| Living at Home Block Nurse Program | 49,000 | | 49,000 | 87,250 | - | 136,250 | 8,986 | 131,311 | 4,939 |
| Catholic Charities | 49,000 | | 49,000 | (38,980) | - | 10,020 | - | 10,020 | - |
| Centro Cultural Chicano Inc | 33,000 | | 33,000 | 14,000 | - | 47,000 | - | 47,000 | - |
| Curfew/Truancy Center | 100,000 | | 100,000 | - | - | 100,000 | - | 100,000 | - |
| Greater Minneapolis Council of Churches | 26,000 | | 26,000 | (26,000) | - | - | - | - | - |
| Lao Assistance Center of MN | 49,000 | | 49,000 | (49,000) | - | - | - | - | - |
| Minnesota International Health Volunteers | 49,000 | | 49,000 | (5,237) | - | 43,763 | - | 43,763 | - |
| MPS Teenage Parenting & Pregnancy Program | 49,000 | | 49,000 | (8,928) | - | 40,072 | - | 40,072 | - |
| MPS Teenage Parenting & Pregnancy Program | - | | - | 42,801 | - | 42,801 | 7,521 | 42,801 | - |
| Minneapolis Urban League | 49,000 | | 49,000 | (134) | - | 48,866 | - | 48,866 | - |
| Southside Community Health Ser | 47,000 | | 47,000 | (15,772) | - | 31,228 | - | 31,228 | - |
| Way to Grow | 262,000 | | 262,000 | - | - | 262,000 | - | 262,000 | - |
| Youth Employment & Training | 328,000 | | 328,000 | - | - | 328,000 | - | 328,000 | - |
| Subtotal Public Service Grants | \$ 2,111,000 | \$ 54,386 | \$ 2,165,386 | \$ - | \$ - | \$ 2,165,386 | \$ 18,632 | \$ 2,162,572 | \$ 2,814 |
| Administrative Grants: | | | | | | | | | |
| YCB Administration | \$ 66,000 | | \$ 66,000 | \$ - | \$ (1,197) | \$ 64,803 | \$ - | \$ 64,803 | \$ - |
| Civil Rights Dept Fair Housing | 365,000 | | 365,000 | - | - | 365,000 | - | 365,000 | - |
| Finance Administration | 196,000 | | 196,000 | - | - | 196,000 | 14,903 | 210,903 | (14,903) |
| MPH Citizen Participation | 68,000 | | 68,000 | - | - | 68,000 | - | 68,000 | - |
| Grants & Special Projects | 190,000 | | 190,000 | - | - | 190,000 | - | 182,963 | 7,037 |
| Housing Discrimination Law Project-Legal Aid | 54,000 | | 54,000 | - | - | 54,000 | - | 54,000 | - |
| Homeless Initiative | 77,000 | | 77,000 | - | - | 77,000 | - | 77,000 | - |
| Grant Administration | 68,000 | | 68,000 | - | - | 68,000 | - | 68,000 | - |
| Neighborhood Services | 72,000 | | 72,000 | - | - | 72,000 | - | 72,000 | - |
| Way to Grow Administration | 26,000 | | 26,000 | - | - | 26,000 | - | 26,000 | - |
| YCB Youth Violence Prevention | 121,000 | | 121,000 | - | - | 121,000 | - | 121,000 | - |
| Citizen Participation | 233,000 | | 233,000 | - | - | 233,000 | - | 92,854 | 140,146 |
| Legal Aid Society | 34,000 | | 34,000 | - | - | 34,000 | - | 34,000 | - |
| Planning - Administration | 941,000 | | 941,000 | - | - | 941,000 | - | 941,000 | - |
| Subtotal Administrative Grants | \$ 2,511,000 | \$ - | \$ 2,511,000 | \$ - | \$ (1,197) | \$ 2,509,803 | \$ 14,903 | \$ 2,377,523 | \$ 132,280 |
| Block E Deficit Reduction: | | | | | | | | | |
| G4123YCB36-YCB Administration | \$ - | \$ - | \$ - | \$ - | \$ 1,197 | \$ 1,197 | \$ - | \$ - | \$ 1,197 |
| Subtotal Reprogrammed | \$ - | \$ - | \$ - | \$ - | \$ 1,197 | \$ 1,197 | \$ - | \$ - | \$ 1,197 |
| GRAND TOTAL | \$ 14,077,000 | \$ 362,575 | \$ 14,439,575 | \$ - | \$ - | \$ 14,439,575 | \$ 299,742 | \$ 12,767,241 | \$ 1,672,334 |

CDBG Program Year 35
Beginning June 1, 2009
June 30, 2013

| Project | Adopted Budget | Reduction Amount | Amended Budget | Program Income | Council Actions | Department Actions | Reprogrammed Amounts | Revised Budget | 2013 | | | |
|--|----------------------|------------------|----------------------|---------------------|-----------------|--------------------|------------------------|----------------------|--------------------|----------------------------|------------------------|--|
| | | | | | | | | | #REF! Expenditures | Grant to Date Expenditures | Remaining Grant Budget | |
| Capital Grants: | | | | | | | | | | | | |
| General Housing Rehabilitation-MPHA | \$ 219,000 | \$ - | \$ 219,000 | \$ - | \$ - | \$ - | \$ - | \$ 219,000 | \$ - | \$ 219,000 | \$ - | |
| Problem Properties Attorneys | 38,000 | - | 38,000 | - | - | - | - | 38,000 | - | 38,000 | - | |
| Problem Properties Police | 53,000 | - | 53,000 | - | - | - | - | 53,000 | - | 53,000 | - | |
| Lead Reduction | 125,000 | - | 125,000 | - | - | - | - | 125,000 | - | 125,087 | (87) | |
| Problem Properties Board Bldg | 348,000 | - | 348,000 | - | - | - | - | 348,000 | - | 348,000 | - | |
| Childcare Facilities Loan/Grant | 225,000 | - | 225,000 | - | - | - | - | 225,000 | - | - | 225,000 | |
| Adult Training, Placement and Retention | 511,000 | - | 511,000 | - | - | - | - | 511,000 | - | 511,000 | - | |
| High density corridor housing | 730,000 | - | 730,000 | - | - | - | - | 730,000 | - | 730,000 | - | |
| NonProfit MF Rental Development Assistance | 166,000 | - | 166,000 | - | - | - | - | 166,000 | - | 73,727 | 92,273 | |
| Homeownership Program (GMMHC) | 334,000 | - | 334,000 | 1,472,000 | - | - | - | 1,806,000 | - | 972,444 | 833,556 | |
| Multi-Family/Affordable Housing | 5,715,000 | - | 5,715,000 | 2,014,000 | - | - | - | 7,729,000 | 35,019 | 7,729,000 | - | |
| Vacant & Boarded Housing | 569,000 | - | 569,000 | 500,000 | - | - | - | 1,069,000 | - | 1,069,000 | - | |
| Subtotal Capital Grants | \$ 9,033,000 | \$ - | \$ 9,033,000 | \$ 3,986,000 | \$ - | \$ - | \$ - | \$ 13,019,000 | \$ 35,019 | \$ 11,868,258 | \$ 1,150,742 | |
| Public Service Grants: | | | | | | | | | | | | |
| Multi Cultural & Native American Indian | \$ 121,000 | \$ - | \$ 121,000 | \$ - | \$ - | \$ - | \$ - | \$ 121,000 | \$ - | \$ 121,000 | \$ - | |
| Graffiti Removal on Public Property | 86,000 | - | 86,000 | - | - | - | (19,527) ³ | 66,473 | - | 66,473 | - | |
| Living at Home Block Nurse Program | 69,000 | - | 69,000 | - | - | 20,000 | - | 89,000 | - | 89,000 | - | |
| Catholic Charities | 69,000 | - | 69,000 | - | - | (3,562) | - | 65,438 | - | 65,438 | - | |
| Centro Cultural Chicano Inc | 47,000 | - | 47,000 | - | - | - | - | 47,000 | - | 47,000 | - | |
| Greater Minneapolis Council of Churches | 36,000 | - | 36,000 | - | - | (23,518) | - | 12,482 | - | 12,482 | - | |
| Juvenile Supervision Center | 100,000 | - | 100,000 | - | - | - | - | 100,000 | - | 100,000 | - | |
| Lao Family Community | 69,000 | - | 69,000 | - | - | (22,815) | - | 46,185 | - | 46,185 | - | |
| Minnesota International Health Volunteers | 69,000 | - | 69,000 | - | - | (2,180) | - | 66,820 | - | 66,820 | - | |
| MPS Teenage Parenting & Pregnancy Program | 69,000 | - | 69,000 | - | - | 16,075 | - | 85,075 | - | 85,075 | - | |
| Minneapolis Urban League | 69,000 | - | 69,000 | - | - | 16,000 | - | 85,000 | - | 85,000 | - | |
| Southside Community Health Services | 66,000 | - | 66,000 | - | - | - | - | 66,000 | - | 66,000 | - | |
| Way to Grow | 262,000 | - | 262,000 | - | - | - | - | 262,000 | - | 262,000 | - | |
| Youth are Here Busses | 51,000 | - | 51,000 | - | - | - | (51,000) ³ | - | - | - | - | |
| Advocacy (Housing) | 82,000 | - | 82,000 | - | - | - | - | 82,000 | - | 81,999 | 1 | |
| Mortgage Foreclosure Prevention Program | 140,000 | - | 140,000 | - | - | - | - | 140,000 | - | 137,000 | 3,000 | |
| Youth Employment & Training | 458,000 | - | 458,000 | - | - | - | - | 458,000 | - | 458,000 | - | |
| Subtotal Public Service Grants | \$ 1,863,000 | \$ - | \$ 1,863,000 | \$ - | \$ - | \$ - | \$ (70,527) | \$ 1,792,473 | \$ - | \$ 1,789,472 | \$ 3,001 | |
| Administrative Grants: | | | | | | | | | | | | |
| MPH Citizen Participation | \$ 68,000 | \$ - | \$ 68,000 | \$ - | \$ - | \$ - | \$ - | \$ 68,000 | \$ - | \$ 68,000 | \$ - | |
| YCB Administration | 66,000 | - | 66,000 | - | - | - | (1,197) ³ | 64,803 | - | 64,803 | - | |
| Civil Rights Dept Fair Housing | 365,000 | - | 365,000 | - | - | - | - | 365,000 | - | 365,000 | - | |
| Grants & Special Projects | 189,710 | - | 189,710 | - | - | - | - | 189,710 | 1,819 | 185,657 | 4,053.00 | |
| Housing Discrimination Law Project-Legal Aid | 54,000 | - | 54,000 | - | - | - | - | 54,000 | - | 54,000 | - | |
| Homeless Initiative | 77,000 | - | 77,000 | - | - | - | - | 77,000 | - | 77,000 | - | |
| Finance Administration | 196,000 | - | 196,000 | - | - | - | - | 196,000 | - | 196,000 | - | |
| Grant Administration | 68,000 | - | 68,000 | - | - | - | - | 68,000 | - | 68,000 | - | |
| Neighborhood Services | 72,000 | - | 72,000 | - | - | - | - | 72,000 | - | 72,000 | - | |
| Way to Grow Administration | 26,000 | - | 26,000 | - | - | - | - | 26,000 | - | 26,000 | - | |
| YCB Youth Violence Prevention | 121,000 | - | 121,000 | - | - | - | - | 121,000 | - | 121,000 | - | |
| Citizen Participation | 233,000 | - | 233,000 | - | - | - | - | 233,000 | - | 233,000 | - | |
| Legal Aid Society | 34,000 | - | 34,000 | - | - | - | - | 34,000 | - | 34,000 | - | |
| Program Admin | 62,000 | - | 62,000 | - | - | - | - | 62,000 | - | 62,000 | - | |
| Planning - Administration | 879,000 | - | 879,000 | - | - | - | - | 879,000 | - | 879,000 | - | |
| Subtotal Administrative Grants | \$ 2,510,710 | \$ - | \$ 2,510,710 | \$ - | \$ - | \$ - | \$ (1,197) | \$ 2,509,513 | \$ 1,819 | \$ 2,505,460 | \$ 4,053 | |
| Block E Deficit Reduction: | | | | | | | | | | | | |
| Graffiti Removal on Public Property | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 19,527 ³ | \$ 19,527 | \$ - | \$ - | \$ 19,527 | |
| YCB Administration | - | - | - | - | - | - | 1,197 ³ | 1,197 | - | - | 1,197 | |
| Youth are Here Busses | - | - | - | - | - | - | 51,000 ³ | 51,000 | - | - | 51,000 | |
| Subtotal Reprogrammed | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 71,724 | \$ 71,724 | \$ - | \$ - | \$ 71,724 | |
| GRAND TOTAL | \$ 13,406,710 | \$ - | \$ 13,406,710 | \$ 3,986,000 | \$ - | \$ - | \$ - | \$ 17,392,710 | \$ 36,838 | \$ 16,163,190 | \$ 1,229,520 | |

| | <u>Original Budget</u> | <u>Current Budget</u> | <u>Expended</u> | <u>Remaining Budget</u> | <u>Cash</u> | <u>Fund Balance</u> |
|---|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------|---------------------------|
| Tax Increment Financing Program | 46,255,166 | 47,605,166 | 16,046,241 | 31,558,925 | 92,611,385 | 123,265,487 |
| Housing & Economic Development | 6,708,608 | 5,393,608 | 3,701,023 | 1,692,585 | 10,228,116 | 12,602,208 |
| Development Accounts | 5,560,721 | 5,560,721 | 3,719,395 | 1,841,326 | 17,886,776 | 22,693,658 |
| Neighborhood Revitalization Progr | 2,422,971 | 2,422,971 | 2,836,012 | (413,041) | 37,664,654 | 38,179,562 |
| Preliminary Planning | 2,475,460 | 2,475,460 | 310,022 | 2,165,438 | (2,165,112) | (1,938,972) |
| CPED Operating | 6,613,155 | 6,613,155 | 3,376,206 | 3,236,949 | (4,525,420) | (5,802,443) |
| Total | <u>70,036,081</u> | <u>70,071,081</u> | <u>29,988,899</u> | <u>40,082,182</u> | <u>151,700,399</u> | <u>188,999,500</u> |

Fund Balance. The fund balance of the CPED Special Revenue Fund is \$188,999,500. A portion of that fund balance, including prepaid expenses, advances, and property held for development is in a nonspendable form (\$38,222,308). Fund balance in the NRP and TIF programs are restricted by State law (\$131,385,052). The remaining fund balance (\$19,382,140) has been assigned for use in specific purposes. **All special revenue fund balance is restricted to the legal purposes of the special revenue.**

Tax Increment Financing. This program accounts for financial resources to be used for the acquisition and betterment of land and facilities in designated areas of the City. A major financing tool and the primary source of revenue for this program is property tax increment. Generally used to pay outstanding bonds and notes, **tax increment revenues are restricted revenues under State law.**

Housing and Economic Development. Small business loans, housing rehabilitation, and mortgage assistance are the major activities in this program. This program also accounts for the collection of administration fees and the related expenditures for the issuance of housing and economic revenue bonds.

Development Account. This program provides interim loans to CPED projects. The program may also provide loans and grants to organizations within the City. Program assistance is directed to commercial, job-creation, and housing activities. The Program includes activities of the Legacy Fund, the Neighborhood Development Account and the Development Account.

The fund balance includes reserves for prior commitments made by Council action, including the Accelerated Infrastructure Program.

Neighborhood Revitalization Program. This program focuses on the delivery of City services, including housing and commercial development, to individual neighborhoods based on the priorities set by the people who live and work in those neighborhoods. **Revenues held in this program are restricted in their use by State law.**

Preliminary Planning. The Preliminary Planning program was established to account for the early costs of planning and assessing the feasibility of development activities. Preliminary Planning allocations and appropriations lapse at year end.

A plan to address the deficit in this program has been developed as part of the 2012 budget process. The 2012 and 2013 portion of the multi-year deficit reduction plan has been successfully implemented.

CPED Operating. This program provides the working capital to finance CPED's administrative costs. The program also provides financing for projects not eligible for CPED's restrictive revenue sources. **A plan to address the deficit in this program has been developed by CPED management as part of the 2012 budget process. The multi-year deficit reduction plan will require careful monitoring. The 2012 and 2013 phase of the plan has been successfully implemented.**

| CPED Special Revenue Fund | TIF | Housing & Econ Development | Development Account | NRP | Preliminary Planning | CPED Operating | Spec Rev Fund Total |
|-----------------------------------|---------------------|---|--------------------------------|-------------------|---------------------------------|---------------------------|--------------------------------|
| Assets | | | | | | | |
| Cash | 92,611,385 | 10,228,116 | 17,886,776 | 37,664,654 | (2,165,112) | (4,525,420) | 151,700,399 |
| Misc receivables | 548,648 | 19,030 | 96,740 | 86,546 | (5,294) | (1,739) | 743,931 |
| Loans receivable | - | 8,294,470 | - | - | - | - | 8,294,470 |
| Capital advances | 7,408,000 | 10,000 | 850,000 | - | - | - | 8,268,000 |
| Properties held for resale | 29,564,294 | 3,989,149 | 3,930,698 | 495,703 | 242,464 | - | 38,222,308 |
| Total Assets | 130,132,327 | 22,540,765 | 22,764,214 | 38,246,903 | (1,927,942) | (4,527,159) | 207,229,108 |
| Liabilities | | | | | | | |
| Payables | 86,096 | 71,969 | 61,121 | 39,258 | 12,848 | 664,030 | 935,322 |
| Advances from other funds | 6,438,000 | 1,220,000 | - | - | - | 600,000 | 8,258,000 |
| Deferred revenue | 342,744 | 8,646,588 | 9,435 | 28,083 | (1,818) | 11,254 | 9,036,286 |
| Total Liabilities | 6,866,840 | 9,938,557 | 70,556 | 67,341 | 11,030 | 1,275,284 | 18,229,608 |
| Total Fund Balance | 123,265,487 | 12,602,208 | 22,693,658 | 38,179,562 | (1,938,972) | (5,802,443) | 188,999,500 |
| Total Liabilities & FB | 130,132,327 | 22,540,765 | 22,764,214 | 38,246,903 | (1,927,942) | (4,527,159) | 207,229,108 |
| Revenue | | | | | | | |
| Property tax increment | - | - | - | - | - | - | - |
| Fees & charges for services | 222,605 | 1,000,848 | 750 | - | 70,525 | 1,803,882 | 3,098,610 |
| Sales - lands & buildings | 8,456 | 14,706 | 32,404 | - | - | - | 55,566 |
| Interest revenue | 359,658 | 99,693 | 46,999 | 140,332 | (8,994) | 37,992 | 675,680 |
| Rent | 2,336,820 | 50,000 | 1,350 | - | 700 | 72,642 | 2,461,512 |
| Loan recapture | 120,755 | 1,146,516 | 60,244 | 364,529 | - | 5,356 | 1,697,400 |
| Total revenue | 3,048,294 | 2,311,763 | 141,747 | 504,861 | 62,231 | 1,919,872 | 7,988,768 |
| Expenditures | | | | | | | |
| Personal services | 95,952 | 518,898 | 194,342 | - | 149,702 | 451,756 | 1,410,650 |
| Contractual services | 269,218 | 576,722 | 357,071 | 2,751,058 | 144,551 | 2,473,354 | 6,571,974 |
| Other operating costs | 299,673 | 107,566 | 91,687 | - | 900 | 451,096 | 950,922 |
| Program capital outlay | 1,783,794 | 2,012,558 | 176,295 | 81,184 | 14,869 | - | 4,068,700 |
| Total expenditures | 2,448,637 | 3,215,744 | 819,395 | 2,832,242 | 310,022 | 3,376,206 | 13,002,246 |
| Transfers | | | | | | | |
| Transfers from other funds | - | 910,038 | 34,568 | - | 600,000 | 1,597,056 | 3,141,662 |
| Transfers to other funds | (13,597,604) | (485,279) | (2,900,000) | (3,770) | - | - | (16,986,653) |
| Total transfers | (13,597,604) | 424,759 | (2,865,432) | (3,770) | 600,000 | 1,597,056 | (13,844,991) |
| 2013 change in fund balance | (12,997,947) | (479,222) | (3,543,080) | (2,331,151) | 352,209 | 140,722 | (18,858,469) |
| Beginning fund balance | 136,263,434 | 13,081,430 | 26,236,738 | 40,510,713 | (2,291,181) | (5,943,165) | 207,857,969 |
| Ending fund balance | 123,265,487 | 12,602,208 | 22,693,658 | 38,179,562 | (1,938,972) | (5,802,443) | 188,999,500 |

**City of Minneapolis
Engineering, Materials, and Testing
For the Second Quarter ending June 30, 2013**

| Fund 6000 | 2013 Budget | 06-30-2013 Actual | Remaining Budget | % of Actual To Budget |
|--------------------------|--------------------|------------------------------|-----------------------------|----------------------------------|
| Operating Revenue | 1,500,000 | 738,661 | 761,339 | 49.2% |
| Operating Expense | 1,558,304 | 678,308 | 879,996 | 43.5% |
| Operating Margin | (58,304) | 60,353 | | |
| Net Income | (58,304) | 60,353 | | |

Program Description:

The Engineering, Materials and Testing Fund records transactions related to City purchases of Hot-Mix Asphalt and Ready-Mix Concrete. This fund also records the transactions associated with the quality control activities for the placement of these materials and assures compliance with State and Federal standards and specifications. The Engineering Laboratory, a component of this fund, provides these quality control activities. In addition, the Engineering Laboratory is responsible for construction inspection and testing services, maintaining a laboratory for testing construction materials, performing geotechnical evaluations, and coordinating related environmental field services.

Revenue:

Operating revenue earned through second quarter 2013 is \$738,661, or 49.2% of the budgeted amount of \$1,500,000 and a decrease of 10.4% over the second quarter 2012 revenue of \$823,946. Revenue for asphalt and concrete is recorded as overhead charged on the products, or the difference between the cost of the product and the sale price charged to the customer. Revenue for the first half of the year is dependent upon a multitude of factors such as weather as well as the timing of construction projects. The decrease in 2013 compared to 2012 is associated with the colder spring in 2013 which delayed construction projects. Additionally, the rates charged for inspection services in 2013 are less than the rates charged for the same services in 2012 through the first two quarters of the year.

Expense:

Operating expense through second quarter 2013 is \$678,308, or 43.5% of the budgeted amount of \$1,558,304. The 2013 expense reflects an increase of 19.7% over the 2012 expense of \$566,669 incurred through the same period. Personnel expense is up over the first two quarters of last year due to additional personnel hired to perform test work as well as increased hours coded to the fund.

Transfers:

This fund does not have any transfers in or out in 2013.

Debt Service:

This fund does not have any debt obligations.

Forecast:

Operating revenue is projected to be \$1.9 million or approximately \$400,000 more than the budgeted amount of \$1.5 million. The increase in revenue is due to an increase in project work resulting in additional asphalt and concrete sales as well as increased inspection revenue. Operating expense is projected to be \$1.5 million which is slightly less than the budgeted amount of \$1.5 million. These projections result in a 2013 operating margin of \$392,890 which is an increase of \$451,194 over the budgeted amount of (\$58,304).

Other Financial Items:

The 2012 year-end net position is \$1,584,366 which represents an increase of \$455,331 from the 2011 ending balance of \$1,129,035. The financial policy for the net position for this fund determines that net position not be less than 15% of the annual operating budget or \$0.2 million.

The 2013 second quarter cash balance is \$3,018,316, an increase of \$1,273,997 from the 2012 second quarter cash balance of \$1,744,319. Financial policies for the cash reserve for the Engineering, Materials, and Testing Fund determine that the cash balance should not be less than 15% of the operating budget or \$0.2 million.

City of Minneapolis, Minnesota
Engineering, Materials and Testing Fund
Statement of Revenues and Expenses
For Second Quarter/Years Ending 2013, 2012, and 2011

| | Budget Year 2013 | Projected Year Ending 2013 | For Period Ending 30-Jun-13 | For Year Ending 2012 | For Period Ending 30-Jun-12 | For Year Ending 2011 | For Period Ending 30-Jun-11 |
|--|------------------------|----------------------------------|-----------------------------------|----------------------------|-----------------------------------|----------------------------|-----------------------------------|
| Operating Revenues: | | | | | | | |
| Asphalt / Concrete | 300,000 | 450,000 | 217,367 | 520,855 | 185,942 | 373,353 | 106,708 |
| Inspection revenue | 1,200,000 | 1,450,000 | 521,294 | 1,468,013 | 638,004 | 1,438,398 | 561,935 |
| Total Operating Revenues | 1,500,000 | 1,900,000 | 738,661 | 1,988,868 | 823,946 | 1,811,751 | 668,643 |
| Operating Expenses: | | | | | | | |
| Personnel | 916,587 | 1,010,000 | 450,148 | 811,234 | 370,184 | 794,112 | 386,528 |
| Contractual | 444,703 | 400,000 | 177,610 | 446,859 | 167,077 | 411,793 | 166,252 |
| Materials, Supplies, Services, Other | 179,904 | 80,000 | 41,995 | 55,504 | 23,948 | 80,881 | 21,514 |
| Rent | 13,098 | 13,098 | 6,549 | 6,909 | 3,454 | 12,257 | 3,051 |
| Depreciation | 4,012 | 4,012 | 2,006 | 4,012 | 2,006 | 4,012 | 2,006 |
| Total Operating Expenses | 1,558,304 | 1,507,110 | 678,308 | 1,324,518 | 566,669 | 1,303,055 | 579,351 |
| Operating Margin | (58,304) | 392,890 | 60,353 | 664,350 | 257,276 | 508,696 | 89,292 |
| Non-Operating Revenues/(Expenses): | | | | | | | |
| Other revenue | - | - | - | - | - | - | - |
| Total Non-Operating Revenues(Expenses) | - | - | - | - | - | - | - |
| Operating Transfers in(out) | | | | | | | |
| Transfer from other fund | - | - | - | - | - | - | - |
| Transfers to other fund | - | - | - | (195,000) | (97,500) | (88,000) | (44,000) |
| Total Non-Operating Revenues (Expenses) | - | - | - | (195,000) | (97,500) | (88,000) | (44,000) |
| Net Income¹ | (58,304) | 392,890 | 60,353 | 469,350 | 159,776 | 420,696 | 45,292 |
| Significant Balance Sheet Items | | | | | | | |
| Cash Balance | | | 3,018,316 | 1,745,678 | 1,744,319 | 1,164,437 | 1,358,380 |
| Net position | | | | 1,584,366 | | 1,129,035 | |

**City of Minneapolis
Fleet Services Division
For the Second Quarter Ending June 30, 2013**

| | 2013 Budget | 06-30-2013 Actual | Remaining Budget | % of Actual To Budget |
|--------------------------|--------------------|------------------------------|-----------------------------|----------------------------------|
| Operating Revenue | 39,232,530 | 21,345,013 | 17,887,517 | 54.4% |
| Operating Expense | 41,653,976 | 19,679,233 | 21,974,743 | 47.2% |
| Operating Margin | (2,421,446) | 1,665,780 | | |
| Net Income | 5,482,979 | 5,515,445 | | |

Program Description:

The Fleet Services Fund manages the acquisition, maintenance and disposal of 1,300 units of equipment; primarily the City's fleet of vehicles, including police cars, fire trucks, snow plows, sedans and pickup trucks along with off road equipment. This fund provides technicians to maintain the equipment as well as the drivers and operators for the equipment that is used in construction and snow removal. In addition, the fund manages the dispatch of City-owned and contractual equipment.

Revenue:

Operating revenue earned through second quarter 2013 is \$21,345,013 or 54.4% of the budgeted amount of \$39,232,530. The revenue earned through second quarter 2013 increased by \$1,015,183, or 5.0%, from the revenue earned through second quarter 2012. The rental rates for equipment and operators are calculated through an activity based cost allocation model and are adjusted at the beginning of the current year to account for any changes in fuel prices or expected utilization of equipment. An increase in both fuel sales and repairs has resulted in increased revenue through the second quarter of 2013.

Expenses:

Operating expense through second quarter 2013 totaled \$19,679,233, representing 47.2% of the annual budgeted amount of \$41,653,976. Expenses through the second quarter of 2013 decreased \$226,168, or 1.1%, over the total expense through the same period in 2012. Depreciation expense decreased from 2012 due to changes in the age and price of vehicles.

Transfers:

In 2013, this fund will receive a transfer of \$8,315,000 from the general fund in accordance with the accepted long-term financial plan to assist with debt payments related to fleet upgrades and a new maintenance facility. The Fleet Services Division had a transfer out of \$2.3 million in 2012 for debt service related to the former Minneapolis Employees Retirement Fund's unfunded pension liability. This transfer was the final payment for this pension debt as the City retired bonds related to the debt in 2012.

Debt Service:

Principal payments related to the general obligation bonds sold to finance the upgrade of fleet vehicles and the new maintenance facility will total \$2,275,000 in 2013. Interest payments related to the 2013 debt will total \$640,575. Beginning in 2007, the financial plan eliminated the sale of bonds to finance equipment purchases. The fund is scheduled for a principal payment of a \$9.3 million in 2018. This debt is expected to be restructured, enabling the principal payments to be completed over four years.

Forecast:

Operating revenue is projected to be \$42.6 million which is 8.6% more than the budgeted amount of \$39.2 million. An increase in repair work and rental revenue for both vehicles and operators is causing the increased revenue projection. Operating expense is projected to be \$41.0 million or 0.6% less than the budgeted amount of \$41.7 million. Materials expense is expected to be less than budgeted due to fuel purchases coming in less than the budgeted amount. Total fuel expense was budgeted to increase over prior

years, but will remain consistent. After transfers are complete and non-operating revenue is recorded, a net gain of \$9.0 million is projected compared to the budgeted net gain of \$5.5 million. The net gain is primarily due to the large transfer in from the general fund. Capital expense related to the purchase of equipment is not included in the calculation of net income.

Other Financial Items:

The net position for year ending 2012 was \$37,199,506, an increase of \$2,042,608, or 5.8% over the 2011 ending balance of \$35,156,898. Net position is tracking close to the amount calculated in the updated long term financial plan. The fund has maintained a positive cash balance with a second quarter 2013 ending balance of \$16,124,333, an increase of \$5,200,406 from the 2012 second quarter ending balance of \$10,923,927. Reserve policies for internal service funds determine that the minimum cash balance should be 15% of the fund's operating budget or \$4.1 million for Fleet Services Division.

City of Minneapolis
Fleet Services Division Fund
Statement of Revenue and Expenses
For Second Quarter Years, 2013, 2012, and 2011

| | Budget Current Year 2013 | Projected Year Ending 2013 | For Period Ending 30-Jun-13 | For Year Ending 2012 | For Period Ending 30-Jun-12 | For Year Ending 2011 | For Period Ending 30-Jun-11 |
|---|--------------------------------|----------------------------------|-----------------------------------|----------------------------|-----------------------------------|----------------------------|-----------------------------------|
| Operating Revenues: | | | | | | | |
| Charges for Services and Sales | 16,889,980 | 18,108,000 | 9,074,846 | 17,089,648 | 8,440,351 | 16,136,254 | 7,688,248 |
| Rent Public Works and Other | 22,342,550 | 24,499,000 | 12,270,167 | 24,584,396 | 11,889,479 | 25,457,256 | 12,329,905 |
| Total Operating Revenue | 39,232,530 | 42,607,000 | 21,345,013 | 41,674,044 | 20,329,830 | 41,593,510 | 20,018,153 |
| Operating Expenses: | | | | | | | |
| Personnel Services | 13,758,539 | 14,000,000 | 6,923,255 | 13,856,783 | 6,900,643 | 13,800,893 | 6,706,980 |
| Contractual Services | 9,519,145 | 9,698,000 | 4,273,695 | 9,545,442 | 4,543,056 | 9,572,620 | 4,114,520 |
| Materials, supplies, services and other | 10,908,721 | 10,250,000 | 5,107,799 | 9,671,822 | 4,775,894 | 9,683,528 | 4,534,325 |
| Rent | 967,571 | 967,571 | 483,786 | 965,350 | 482,675 | 1,089,672 | 544,836 |
| Depreciation | 6,500,000 | 6,500,000 | 2,890,699 | 6,423,656 | 3,203,133 | 6,475,161 | 3,109,239 |
| Total Operating Expenses | 41,653,976 | 41,415,571 | 19,679,233 | 40,463,053 | 19,905,401 | 40,621,874 | 19,009,900 |
| Operating Margin | (2,421,446) | 1,191,429 | 1,665,780 | 1,210,991 | 424,429 | 971,636 | 1,008,253 |
| Non-Operating Revenues/(Expenses): | | | | | | | |
| Interest on Bonds | (640,575) | (640,575) | (320,288) | (522,632) | (382,375) | (723,865) | (420,325) |
| Gains/Losses on disposal of fixed assets | 200,000 | 150,000 | - | 232,662 | - | 35,644 | - |
| Damages/Losses recovered | - | - | - | - | - | - | - |
| Revenue from grants ¹ | - | - | - | - | - | 13,399 | - |
| Other revenue | 30,000 | 30,000 | 12,452 | 679,566 | 16,267 | 165,415 | 24,954 |
| Total Non-Operating Revenues(Expenses) | (410,575) | (460,575) | (307,836) | 389,596 | (366,108) | (509,407) | (395,371) |
| Operating Transfers in (out) | | | | | | | |
| Transfers from other fund | 8,315,000 | 8,315,000 | 4,157,500 | 1,926,000 | 963,000 | 4,299,000 | 2,149,500 |
| Transfers to other fund | - | - | - | (2,283,728) | (1,111,000) | (923,000) | (461,500) |
| Transfers from component units | - | - | - | - | - | - | - |
| Total Operating Transfers | 8,315,000 | 8,315,000 | 4,157,500 | (357,728) | (148,000) | 3,376,000 | 1,688,000 |
| Capital Contribution¹ | - | - | - | 1,692,038 | - | - | - |
| Net Income (loss) | 5,482,979 | 9,045,854 | 5,515,445 | 2,934,897 | (89,679) | 3,838,229 | 2,300,882 |
| Significant Balance Sheet Items | | | | | | | |
| Cash Balance | | | 16,124,333 | 10,236,821 | 10,923,927 | 12,302,528 | 10,008,352 |
| Net Building Value | | | | 22,178,787 | | 22,781,211 | |
| Net Fleet Value | | | | 24,814,450 | | 23,236,366 | |
| Bonds Payable | | | (21,290,000) | (21,290,000) | (23,535,000) | (23,535,000) | (25,690,000) |
| Net Position | | | | 37,199,506 | | 35,156,898 | |
| Significant Cash Flow Items | | | | | | | |
| Principal on Equipment Bonds | (1,205,000) | (1,205,000) | - | (1,275,000) | - | (1,870,000) | - |
| Principal on Facilities Bonds | (1,070,000) | (1,070,000) | - | (970,000) | - | (285,000) | - |
| Fleet Purchases | 10,351,681 | 8,063,629 | 2,258,708 | 7,388,837 | 3,280,015 | 4,191,791 | 2,705,186 |

¹Capital contribution in 2012 consists of \$639,038 from the Federal State Energy Program grant for solar panels at Currie and Royalston facilities and \$1,053,000 from the Community Development Block Grant for fire trucks.

**City of Minneapolis
Property Services Division
For the Second Quarter ending June 30, 2013**

| Fund 6200 | 2013 Budget | 06-30-2013 Actual | Remaining Budget | % of Actual To Budget |
|--------------------------|-------------|----------------------|---------------------|--------------------------|
| Operating Revenue | 16,111,056 | 8,581,334 | 7,529,722 | 53.3% |
| Operating Expense | 17,995,841 | 8,897,321 | 9,098,520 | 49.4% |
| Operating Margin | (1,884,785) | (315,987) | | |
| Net Income | 1,468,799 | 1,360,788 | | |

Program Description:

The Property Services Fund is responsible for the maintenance and upkeep of City-owned buildings including police precinct structures, fire stations, and public works buildings. The fund does not include the Convention Center, or Water facilities and Park Board buildings. The fund is also responsible for the Radio Shop which maintains the City's emergency communications network. Beginning in 2009, the Council approved a City-wide charge for City Hall rent. The Property Service fund collects the rental charge and remits it to the Municipal Building Commission (MBC) to reimburse MBC for maintenance and property management services. The revenue and expense budgets for the fund are increased by \$4,533,000 to account for this flow-through rental charge. The City departments located in City Hall receive a general fund appropriation to fund the charge for the rent.

In April 2011, the Property Services fund was transitioned from the Public Works department to the Finance department within the City Coordinator's Office. The activities in this fund determined that the fund remain an internal service fund and report to the Chief Financial Officer.

Revenue:

Operating revenue recorded through second quarter 2013 is \$8,581,334, or 53.3% of the budgeted amount of \$16,111,056. The 2013 second quarter revenue increased \$793,373, or 10.2%, from the revenue earned through second quarter 2012. Property Services earns revenue through rent charged to departments housed in City owned buildings for property maintenance and by performing facility repairs and upgrades. Revenue from repairs and upgrades fluctuates based on the amount of discretionary spending available to departments. Revenue earned through second quarter 2013 from both discretionary projects and rents increased from the amount earned through the same period in 2012.

Expenses:

Operating expense through second quarter 2013 is \$8,897,321, or 49.4% of the total budgeted amount of \$17,995,841. The 2013 second quarter expense increased \$737,900, or 9.0%, from the operating expense recorded through second quarter 2012. Expense increased for contractual services and materials due to additional City Hall expense and increased projects compared to 2012.

Transfers:

In 2013, this fund receives a transfer in from the general fund of \$3,185,600 to assist with net debt bond payments related to the purchase of the 800 MHZ radio system. The Property Services fund will use this one time transfer to assist with debt payments scheduled through 2018. The fund receives an additional transfer in from the general fund of \$308,234 for City Hall rent in 2013. Property Services had a transfer out of \$598,000 in 2012 for debt service related to the former Minneapolis

Employees Retirement Fund's unfunded pension liability. This transfer is the final payment for this pension debt as the City retired bonds related to this debt in 2012.

Debt Service:

The debt service for 2013 is related to the sale of net debt bonds to purchase the 800 MHZ radio system. In 2013, the debt consists of an interest payment of \$143,250 and a principal payment of \$730,000. Property Services is responsible for \$350,000 per year of this debt.

Forecast:

Operating revenue is projected to be \$1.1 million, or 6.8% more than budgeted amount of \$16.1 million. Increased revenue from projects for other departments is driving the overall revenue projection up. The operating expense is projected to be slightly ahead of the budgeted amount of \$18.0 million. These projections result in an expected operating margin loss of \$0.8 million compared to the budgeted margin loss of \$1.8 million. The actual operating margin loss through second quarter 2013 is (\$315,987) compared to the operating margin loss of (\$371,460) through second quarter 2012.

Other Financial Items:

The net position for the year ending 2012 was \$25,571,251, a decrease of \$490,995 from the net asset balance of \$26,062,246 for year ending 2011. The cost allocation model for this fund does not recover the depreciation costs related to capital assets. It is expected that the net asset position will decrease primarily due to recognizing the depreciation of capital assets. The financial policy for the net position for the Property Services Fund determines that net position should not fall below two times the annual depreciation. The depreciation in 2012 was \$1.1 and the net position was \$23.4 million greater than the benchmark.

The cash balance at the end of second quarter 2013 was \$2,453,380 compared to a cash balance of \$535,099 at the end of second quarter 2012. The cash consists of a balance of \$1,380,477 in the Property Disposition fund and a balance of \$1,072,903 in the Property Services operating fund. Financial reserve policies for the internal service funds determine that the minimum cash balance should be 15.0% of the fund's operating budget or \$1.8 million for the Property Services fund. The reserve policy determined that the target date to attain this balance is year-end 2013.

City of Minneapolis, Minnesota
Property Services Fund
Statement of Revenues and Expenses
For Second Quarter / Years Ending 2013, 2012, and 2011

| | Budget Current Year 2013 | Projected Year 2013 | For Period Ending 30-Jun-13 | For Year Ending 2012 | For Period Ending 30-Jun-12 | For Year Ending 2011 | For Period Ending 30-Jun-11 |
|---|--------------------------------|---------------------------|-----------------------------------|----------------------------|-----------------------------------|----------------------------|-----------------------------------|
| Operating Revenues: | | | | | | | |
| Charges for Services And Sales | 2,145,325 | 3,450,000 | 1,762,852 | 3,334,978 | 1,327,926 | 3,165,022 | 1,449,624 |
| Rents Public Works and Other | 13,965,731 | 13,750,000 | 6,818,482 | 13,240,297 | 6,460,035 | 13,263,508 | 6,600,321 |
| Total Operating Revenue | 16,111,056 | 17,200,000 | 8,581,334 | 16,575,275 | 7,787,961 | 16,428,530 | 8,049,945 |
| Operating Expenses: | | | | | | | |
| Personnel Services | 6,050,825 | 5,500,000 | 2,635,580 | 5,476,677 | 2,728,350 | 5,894,653 | 2,867,663 |
| Contractual Services | 9,271,415 | 9,650,000 | 4,866,079 | 9,083,368 | 4,145,956 | 9,020,881 | 4,528,464 |
| Materials, Supplies, Services and Other | 1,042,665 | 1,250,000 | 580,194 | 1,054,864 | 421,887 | 965,613 | 437,788 |
| Rent | 519,596 | 519,596 | 259,798 | 593,518 | 296,760 | 550,468 | 275,233 |
| Depreciation | 1,111,340 | 1,111,340 | 555,670 | 1,127,235 | 566,468 | 1,132,937 | 566,468 |
| Total Operating Expenses | 17,995,841 | 18,030,936 | 8,897,321 | 17,335,662 | 8,159,421 | 17,564,552 | 8,675,616 |
| Operating Margin | (1,884,785) | (830,936) | (315,987) | (760,387) | (371,460) | (1,136,022) | (625,671) |
| Non-Operating Revenues/(Expenses): | | | | | | | |
| Interest on Bonds | (143,250) | (143,250) | (71,625) | (130,637) | (82,125) | (151,500) | (92,550) |
| Gains/Losses on disposal of fixed assets | - | - | - | - | - | 655,313 | - |
| Revenue from grants | - | - | - | - | - | 35,860 | - |
| Misc Revenues | 3,000 | 3,000 | 1,483 | 23,140 | 6,714 | 79,770 | 25,712 |
| Total Non-Operating Revenues(Expenses) | (140,250) | (140,250) | (70,142) | (107,497) | (75,411) | 619,443 | (66,838) |
| Operating Transfers in(out) | | | | | | | |
| Transfers from other fund | 3,493,834 | 3,493,834 | 1,746,917 | 894,000 | 447,000 | 821,100 | 410,550 |
| Transfers to other fund | - | - | - | (598,000) | (299,000) | (420,882) | (114,000) |
| Total Operating Transfers | 3,493,834 | 3,493,834 | 1,746,917 | 296,000 | 148,000 | 400,218 | 296,550 |
| Capital Contribution¹ | - | - | - | 46,825 | - | - | - |
| Net Income (loss) | 1,468,799 | 2,522,648 | 1,360,788 | (525,059) | (298,871) | (116,361) | (395,959) |
| Significant Balance Sheet Items | | | | | | | |
| Cash Balance | | | 2,453,380 | 762,026 | 535,099 | 699,148 | 1,364,551 |
| Property Dispositon Fund cash balance | | | 1,380,477 | 1,380,477 | 1,397,773 | 1,397,773 | 2,030,976 |
| Operating cash balance | | | 1,072,903 | (618,451) | (862,674) | (698,625) | (666,425) |
| Bonds Payable | | | (4,775,000) | (4,775,000) | (5,475,000) | (5,475,000) | (6,170,000) |
| Net Position | | | | 25,571,251 | | 26,062,246 | |
| Significant Cash Flow Items | | | | | | | |
| Principal Payments on Debt | | | - | (700,000) | - | (695,000) | - |

¹Capital contribution in 2012 consists of \$46,825 received from the Federal Energy and Efficiency Conservation Block Grant (EECBG). The proceeds partially funded the installation of a building control system in the Public Service Center.

NOTE: Beginning in 2012, the services provided to Development Properties and Parking Facilities, are provided by other City funds. For periods prior to 2012, the activity related to these services is removed to show comparative revenue and expense related to only the current departments in the Property Services. Fund.

**City of Minneapolis
Public Works Stores
For the Second Quarter ending June 30, 2013**

| Fund 6300 | 2013 Budget | 06-30-13 Actual | Remaining Budget | % Actual To Budget |
|--------------------------|--------------------|----------------------------|-----------------------------|-------------------------------|
| Operating Revenue | 1,035,000 | 531,664 | 503,336 | 51.4% |
| Operating Expense | 1,040,173 | 521,342 | 518,831 | 50.1% |
| Operating Margin | (5,173) | 10,322 | | |
| Net Income | (5,173) | 14,034 | | |

Program Description:

The Public Works Stores fund, established in 1965, accounts for the centralized procurement, receiving, warehousing and distribution of stocked inventory items and the purchase of special goods and services. The fund's mission is to provide goods in a cost effective manner to City departments through the Central Stores and Traffic Stores.

Revenue:

Operating revenue earned through second quarter 2013 is \$531,664, or 51.4% of the budgeted amount of \$1,035,000. The amount earned through second quarter represents a decrease of \$64,292, or 10.8%, over the \$595,956 in revenue earned through second quarter 2012. Revenue for this fund is earned by applying overhead charges to inventory sales and transaction processing. The decrease in revenue corresponds to a decreased level of inventory purchases and requisition processing transactions related to City projects.

Expenses:

Operating expense recorded through second quarter 2013 is \$521,342, or 50.1% of the budgeted amount of \$1,040,173. The amount expended through second quarter 2013 decreased by \$14,163 or 2.6% from the \$535,505 expended through the same period in 2011. The decrease in expense is due to a decrease in inventory purchased to sell to outside entities.

Transfers:

There are no transfers in or out of this fund in 2013.

Debt Service:

The Public Works Stores fund does not have any debt obligations.

Forecast:

Operating revenue is projected to total \$1,090,000 at year-end, exceeding the budgeted revenue of \$1,035,000 by \$55,000. For the year, it is expected that inventory issued to City departments will exceed the budgeted amounts. Operating expense is projected to total \$1,073,557, which is \$33,384, or 3.2% more than the budgeted expense of \$1,040,173. The cost of inventory that is resold to City departments is excluded from the total expense of the Stores Fund. As a result, increased inventory purchases do not increase the overall expense of the Fund. These year-end projections result in an operating margin gain of \$16,443 compared to a budgeted operating margin loss of (\$5,173).

Other Financial Items:

The fund continues to maintain a positive net position with a 2012 ending balance of \$3,692,245, an increase of 22% from the 2011 ending balance of \$3,025,637. The financial policy for the net

position for the Public Works Stores Fund determines that a net asset balance should be maintained equal to 15% of the annual operating budget, or \$0.2 million.

The cash balance at the end of second quarter 2013 was a deficit of (\$232,464), an increase of \$1,525,640 from the second quarter 2012 deficit cash balance of (\$1,758,104). The increase in cash corresponds to an increase in revenue from overhead charges on inventory sales and requisition processing during 2012. The fund has not had a positive cash balance since 2005 when the ending balance was \$91,610. The financial policy for the cash balance for the Public Works Stores Fund determines that the cash balance should be maintained equal to 15% of the annual operating budget, or \$0.2 million.

City of Minneapolis, Minnesota
Public Works Stores
Statement of Revenues and Expenses
For the Second Quarter/Years Ending 2013, 2012, and 2011

| | Budget Year 2013 | Projected Year Ending 2013 | For Period Ending 30-Jun-13 | For Year Ending 2012 | For Period Ending 30-Jun-12 | For Year Ending 2011 | For Period Ending 30-Jun-11 |
|--|---------------------------------|---|--|-------------------------------------|--|-------------------------------------|--|
| Operating Revenues: | | | | | | | |
| Central Stores | 470,000 | 575,000 | 293,939 | 825,836 | 333,005 | 427,998 | 155,121 |
| Traffic Stores | 565,000 | 515,000 | 237,725 | 1,103,853 | 262,951 | 483,597 | 228,743 |
| Total Operating Revenues | 1,035,000 | 1,090,000 | 531,664 | 1,929,689 | 595,956 | 911,595 | 383,864 |
| Operating Expenses: | | | | | | | |
| Personnel | 662,423 | 700,000 | 351,403 | 712,498 | 334,126 | 647,724 | 347,287 |
| Contractual | 273,945 | 270,000 | 136,141 | 271,777 | 134,778 | 257,778 | 127,928 |
| Materials, Supplies, Other ¹ | 70,248 | 70,000 | 17,019 | 120,717 | 47,698 | 93,554 | 6,291 |
| Rent | 33,557 | 33,557 | 16,779 | 37,805 | 18,903 | 41,700 | 20,850 |
| Total Operating Expenses | 1,040,173 | 1,073,557 | 521,342 | 1,142,797 | 535,505 | 1,040,756 | 502,356 |
| Operating Margin | (5,173) | 16,443 | 10,322 | 786,892 | 60,451 | (129,161) | (118,492) |
| Non-Operating Revenues/(Expenses) | | | | | | | |
| Other revenue | - | - | 3,712 | - | - | - | - |
| Total Non-Operating Revenues (Expenses) | - | - | 3,712 | - | - | - | - |
| Operating Transfer In (Out) | | | | | | | |
| Transfers to other fund | - | - | - | (117,000) | (58,500) | (51,000) | (25,500) |
| Total Operating Transfers | - | - | - | (117,000) | (58,500) | (51,000) | (25,500) |
| Net Income | (5,173) | 16,443 | 14,034 | 669,892 | 1,951 | (180,161) | (143,992) |
| Significant Balance Sheet Items | | | | | | | |
| Cash Balance | | | (232,464) | (163,313) | (1,758,104) | (1,027,215) | (1,085,303) |
| Inventories | | | 4,455,535 | 4,287,662 | 5,255,258 | 4,367,622 | 4,616,888 |
| Net Position | | | | 3,692,245 | | 3,025,637 | |

**City of Minneapolis
Intergovernmental Service Fund
For the Second Quarter ending June 30, 2013**

| Fund 6400 | 2013 Budget | 6-30-2013 Actual | Remaining Budget | % of Actual To Budget |
|--------------------|------------------------|-----------------------------|-----------------------------|----------------------------------|
| Operating Revenue | 37,021,722 | 15,843,875 | 21,177,847 | 42.8% |
| Operating Expenses | 49,411,955 | 21,855,866 | 27,556,089 | 44.2% |
| Operating Margin | (12,390,233) | (6,011,991) | | |
| Net Income | 4,763,321 | 2,564,237 | | |

Note: Operating expense budget includes depreciation expense of \$12,000,000 and 6/30/13 actual expenses include depreciation expense of \$5,997,372.

Program Description:

The Intergovernmental Service Fund accounts for operations of Information Technology (IT); the City Clerk's printing and central mailing services; and a small portion of Human Resources internal services. IT is comprised of telecommunications services, network services, application support, internet and intranet services, convenience copier function, broadband wireless, and deployment of software and hardware.

Revenue:

Operating revenue through the second quarter of 2013 is \$15,843,875 or 42.8% of the annual budgeted amount of \$37,021,722. This is a decrease of \$240,349, or 1.5%, compared to revenue of \$16,084,223 earned through second quarter of 2012. The decrease in revenue is primarily due to less revenue earned from charges to City departments for project management (PMO) services and technology.

Expenses:

Operating expenses through the second quarter are \$21,885,866, or 44.2% of the annual budgeted amount of \$49,411,955. The annual expense budget includes \$12,000,000 of depreciation expense and the depreciation recorded through second quarter is \$5,997,372. The operating expense through second quarter decreased \$15,889 from the 2012 expense of \$21,871,755. PMO experienced a decrease in expense through second quarter 2013 as compared to 2012. The expenses in PMO include the cost of purchasing technology, creating enhancements, and implementation of the products. The PMO department charges the costs of these products and services to City user departments and includes an overhead amount that is calculated to generate enough revenue to cover the overhead expense of the department.

Debt:

The debt service for 2013 is related to the sale of net debt bonds for IT projects. In 2013, the debt consists of an interest payment of \$101,848 and a principal payment of \$1,955,000. At the end of second quarter, \$50,924 of interest has been paid. The total principal payment of \$1,955,000 will be paid in fourth quarter. Beginning 2013, the principal payment is significantly reduced to \$1,955,000 as the fund completes payment on net debt bonds sold through 2009. Future sales of net debt bonds to support capital projects are expected to be between \$1.2 million and \$2.9 million from 2013 through 2017.

Transfers:

In 2013, this fund will receive transfers totaling \$17,255,402. The transfers consist of a general fund transfer totaling \$14.2 million, \$1.0 million from the Self Insurance Fund, and \$2.1 million from the debt service fund. Beginning in 2015, the transfer from the general fund will be reduced to \$0.6 million and will not include funding for payment of debt service. The transfer from the Self Insurance fund is in accordance with the long-term financial plans for both funds and will end in 2016. As of second quarter, \$8.6 million is recognized.

The 2012 transfer expense includes a transfer out of \$1,072,000 for debt service related to the former Minneapolis Employees Retirement Fund's unfunded pension liability. In 2012, the City retired bonds related to this debt resulting in substantial savings while creating a large one-time increase to this debt

payment for the proprietary funds. The Intergovernmental Services fund used fund balance as a revenue source for the payment and will recover the expense through the cost allocation model in years 2013 through 2015.

Forecast:

Operating revenue is projected to be \$32.4 million or \$4.6 million less than the budgeted amount of \$37.0 million. The fund's PMO budget increases as new projects are approved by City departments. Expenses for these projects, along with the billing to customer departments, may occur in years subsequent to the addition of the appropriation to the budget. Operating expenses are expected to be \$44.4 million or \$5.0 million less than the budgeted amount of \$49.4 million. Depreciation expense of \$12.0 million is included in the operating budget. These projections result in an expected operating margin deficit of \$12.0 million as compared to a budgeted operating margin deficit of \$12.4 million. The revenue source for a portion of the wireless payment and rent expense are included in the transfer in budget rather than in the operating budget which contributes to the deficit operating margin. The fund is projecting a net income of \$5.2 compared to a budgeted net income of \$4.8 million. An increase of \$3.9 million in the transfer from the general fund and the 2012 MERF debt service payment of \$1.1 are the primary factors contributing to the increase in 2013 projected net income when compared to the actual in 2012.

Other Financial Items:

The cash balance at the end of second quarter 2013 is \$19.5 million as compared to a cash balance of \$11.5 million at June 30, 2012. The primary reasons for the increase to cash are the increase in the transfer from the general fund and a decrease to the payment for debt service interest. Included in the cash balance are prepayments of \$13.4 million for technology projects from other City departments. Financial reserve policies for the internal service funds determine that the minimum cash balance should be 15% of the fund's total budget or \$4.8 million.

The net position at year-end 2012 was \$27.4 million, an increase of \$5.2 million from the 2011 ending balance of \$22.2 million. Financial reserve policies for the internal service funds determine that the minimum net position for the Intergovernmental Services fund should be twice the depreciation amount or \$24.0 million. The cost allocation model for this fund does not recover depreciation related to capital assets. This fund records the acquisition value of customer funded IT project assets and it is expected that the net position will continue to increase.

City of Minneapolis, Minnesota
Intergovernmental Services Fund
Statement of Revenues and Expenses
For Second Quarter/Years Ending 2013, 2012 and 2011

| | Budget Current Year 2013 | Projected Year 2013 | For Period Ending 30-Jun-13 | For Year Ending 2012 | For Period Ending 30-Jun-12 | For Year Ending 2011 | For Period Ending 30-Jun-11 |
|---|--------------------------------|---------------------------|-----------------------------------|----------------------------|-----------------------------------|----------------------------|-----------------------------------|
| Operating Revenues: | | | | | | | |
| Charges for Service: | | | | | | | |
| IT - PMO | 9,648,804 | 4,500,000 | 1,885,091 | 6,164,239 | 2,462,349 | 5,534,278 | 2,411,414 |
| IT - Telecom | 3,091,997 | 3,000,000 | 1,493,840 | 3,066,530 | 1,534,701 | 2,922,005 | 1,485,143 |
| IT - Operating-other | 23,222,971 | 23,900,000 | 11,977,086 | 23,147,764 | 11,522,970 | 22,429,235 | 11,190,847 |
| CC-Mailing Services | 437,076 | 425,000 | 191,945 | 602,624 | 266,409 | 586,807 | 268,592 |
| CC-Copy Services | 620,874 | 575,000 | 295,913 | 566,406 | 297,794 | 445,645 | 229,351 |
| Human Resources | - | - | - | - | - | 8,250 | 8,250 |
| Total Operating Revenues | 37,021,722 | 32,400,000 | 15,843,875 | 33,547,563 | 16,084,223 | 31,926,220 | 15,593,597 |
| Operating Expenses: | | | | | | | |
| IT - PMO | 9,648,804 | 4,500,000 | 1,851,762 | 5,955,908 | 2,417,342 | 5,300,595 | 2,260,851 |
| IT - Telecom | 1,826,897 | 1,800,000 | 879,421 | 1,949,045 | 964,683 | 1,738,183 | 931,719 |
| IT - Operating-other ¹ | 24,322,358 | 24,500,000 | 12,381,942 | 23,636,620 | 11,698,475 | 23,452,651 | 11,688,109 |
| CC-Mailing Services/Data Center | 617,073 | 625,000 | 275,135 | 675,912 | 302,181 | 666,779 | 286,753 |
| CC-Copy Services | 668,856 | 615,000 | 302,644 | 585,482 | 284,393 | 601,344 | 300,162 |
| Human resources | 327,967 | 327,967 | 167,590 | 272,194 | 143,470 | 273,938 | 140,488 |
| Depreciation | 12,000,000 | 12,000,000 | 5,997,372 | 12,313,813 | 6,061,211 | 12,074,238 | 5,413,474 |
| Total Operating Expenses | 49,411,955 | 44,367,967 | 21,855,866 | 45,388,974 | 21,871,755 | 44,107,728 | 21,021,556 |
| Operating Margin | (12,390,233) | (11,967,967) | (6,011,991) | (11,841,411) | (5,787,532) | (12,181,508) | (5,427,959) |
| Non-Operating Revenues/(Expenses) | | | | | | | |
| Interest on Bonded Debt | (101,848) | (101,848) | (51,473) | (26,027) | (194,450) | (276,662) | (339,100) |
| Gains/(Losses) on disposal of fixed assets | - | - | - | - | - | (6,584) | - |
| Revenue from grants | - | - | - | 11,631 | - | 201,469 | - |
| Other Non Operating Income (Expense) | - | - | - | - | - | - | - |
| Total Non-Operating Revenues (Expenses) | (101,848) | (101,848) | (51,473) | (14,396) | (194,450) | (81,777) | (339,100) |
| Operating Transfer In (Out) | | | | | | | |
| Transfers from other fund | 17,255,402 | 17,255,402 | 8,627,701 | 12,185,444 | 6,203,472 | 14,549,293 | 7,002,008 |
| Transfers to other fund | - | - | - | (1,103,473) | (536,000) | (447,707) | (211,500) |
| Total Operating Transfers | 17,255,402 | 17,255,402 | 8,627,701 | 11,081,971 | 5,667,472 | 14,101,586 | 6,790,508 |
| Capital Contribution | - | - | - | 22,719 | - | - | - |
| Net Income | 4,763,321 | 5,185,587 | 2,564,237 | (751,117) | (314,510) | 1,838,301 | 1,023,449 |
| Significant Balance Sheet Items | | | | | | | |
| Cash balance | | | 19,510,274 | 14,649,580 | 11,463,468 | 11,041,044 | 7,321,510 |
| Work-in-progress | | | | 9,843,681 | | 7,870,919 | |
| Due from other funds (includes Capital Arbitrage) | | | | 1,212,832 | | 819,371 | |
| Interfund Loans | | | (5,500,000) | (6,250,000) | (7,000,000) | (7,750,000) | (9,364,051) |
| Bonds Payable | | | (3,115,000) | (3,115,000) | (11,055,000) | (11,055,000) | (20,080,000) |
| Deferred Revenue | | | (13,447,759) | (12,235,400) | (14,806,486) | (13,327,259) | (12,181,126) |
| Net Position | | | | 27,410,079 | | 22,238,383 | |
| Significant Cash Flow Items | | | | | | | |
| Principal on Bonds | (1,955,000) | (1,955,000) | | (9,215,000) | | (10,025,000) | |

**City of Minneapolis
Self Insurance Fund
For the Second Quarter ending June 30, 2013**

| Fund 6900 | 2013 Budget | 6-30-2013 Actual | Remaining Budget | % of Actual To Budget |
|--------------------|------------------------|-----------------------------|-----------------------------|----------------------------------|
| Operating Revenue | 28,680,448 | 14,162,020 | 14,518,428 | 49.4% |
| Operating Expenses | 28,114,789 | 15,076,596 | 13,038,193 | 53.6% |
| Operating Margin | 565,659 | (914,576) | | |
| Net Income | 3,421,159 | 513,174 | | |

Program Description:

The Self Insurance Fund accounts for accrued sick leave benefit, tort liability, workers compensation, civil attorney services and the administrative functions to support these activities. An activity-based cost allocation model determines the rates charged to City departments to provide self insurance for liability and workers compensation costs using data determined by an actuarial study based on a department's responsibility. The cost allocation model also assigns a charge for employee benefit administration and attorney services.

Revenue:

Operating revenue through the second quarter of 2013 is \$14,162,020, or 49.4% of the annual budgeted amount of \$28,680,448. This is an increase of \$505,473, or 3.7% compared to \$13,656,547 earned through the second quarter of 2012. Revenue received from City departments for payment of the liability premium increased 5.4% from 2012 to 2013 due to an increase in the estimate of the City's liability for tort settlements in 2013 as determined by the 2012 actuarial study.

Expenses:

Operating expenses through the second quarter 2013 are \$15,076,596, or 53.6% of the annual budgeted amount of \$28,114,789. This is a significant increase of \$5,679,475, or 60.4%, compared to \$9,397,121 expended through the second quarter of 2012. The increase in operating expense is due primarily to the amount paid out for tort settlements, \$4.3 million through June 30, as compared to \$0.6 million in 2012. In addition, the amount paid for workers compensation increased by 41.9% from \$3.5 million in 2012 to \$4.9 million through second quarter 2013. The City's expense for employee sick leave payout at retirement, \$604,944, is less than budgeted.

Debt Service:

The Self Insurance Fund does not have outstanding debt obligations.

Transfers:

In 2013, this fund will receive an interfund transfer of \$3,855,500 from the general fund as determined in the long term financial plan.

The 2013 budget includes a transfer out of \$1,000,000 to the Intergovernmental Services Fund as part of its long term financial plan. In 2012, this fund made a final transfer of \$485,000 to the pension fund debt service to retire bonds related to the unfunded pension liability of the former Minneapolis Employees Retirement Fund. The fund's net position is the source of funding for this payment and the fund will recover the cost of this payment through the cost allocation model over three years.

Forecast:

Operating revenue is projected to be \$28.3 million or \$0.4 million less than budgeted amount of \$28.7 million. Operating expense is projected to be \$30.3 million or \$2.1 million more than the budgeted amount of \$28.1 million. Operating expenses are projected to be more than budgeted primarily due to an increase in tort liability payments. These projections will result in a projected operating margin loss of \$2.0 million as compared to the budgeted operating margin gain of \$0.6 million. The fund experienced an operating

margin gain of \$4.3 million at second quarter 2012. Net income for 2013 is projected to be \$0.9 million compared to budgeted net income of \$3.4 million.

Other Financial Items:

The cash balance at the end of second quarter is \$56,128,322 compared to a cash balance of \$49,685,272 at June 30, 2012. Financial reserve policies for the internal service funds determine the minimum cash balance for the Self Insurance fund should be equal to the unpaid claims liability plus 10% of the fund's operating budget or \$55.7 million for the Self Insurance fund. The unpaid claims liability at year-end 2012 is \$53.0 million, an increase of \$3.0 million from year-end 2011 of \$50.0 million. The cash position is \$0.4 million above its target.

Net position at year end 2012 was \$1.7 million, an increase of \$5.8 million from the deficit of \$4.1 million at year end 2011. It is expected that the net position will continue to increase primarily due to transfers from the general fund through 2014 as planned in the long term financial plan. The net position financial policy for the Self Insurance fund determines that net assets should not fall below zero.

City of Minneapolis, Minnesota
Self Insurance Fund
Statement of Revenues and Expenses
For Second Quarter/Years Ending 2013, 2012, and 2011

| | Budget Current Year 2013 | Projection Year 2013 | For Period Ending 30-Jun-13 | For Year Ending 2012 | For Period Ending 30-Jun-12 | For Year Ending 2011 | For Period Ending 30-Jun-11 |
|--|--------------------------------|----------------------------|-----------------------------------|----------------------------|-----------------------------------|----------------------------|-----------------------------------|
| Operating Revenues: | | | | | | | |
| Health & Welfare (employee benefits) | 2,420,000 | 2,255,000 | 1,127,736 | 2,291,023 | 1,131,837 | 2,472,832 | 1,296,478 |
| Workers Compensation | 9,344,787 | 8,869,787 | 4,436,966 | 9,030,201 | 4,536,901 | 8,840,179 | 4,556,441 |
| Liability - Subrogation | 15,360,698 | 15,375,730 | 7,687,865 | 14,577,377 | 7,288,689 | 13,925,462 | 6,962,005 |
| Attorney Office Services | 10,000 | 10,000 | 5,110 | 9,377 | 1,154 | 2,429 | 2,251 |
| Human Resources Services | 1,394,963 | 1,315,000 | 657,364 | 1,326,173 | 612,999 | 1,470,744 | 698,282 |
| Risk Management-Employment Services | 150,000 | 465,000 | 246,979 | 171,050 | 84,967 | 147,958 | 102,267 |
| Total Operating Revenues | 28,680,448 | 28,290,517 | 14,162,020 | 27,405,201 | 13,656,547 | 26,859,604 | 13,617,724 |
| Operating Expenses: | | | | | | | |
| Health & Welfare (employee benefits) | 2,420,000 | 1,210,000 | 604,944 | 784,178 | 518,587 | 794,353 | 403,758 |
| Workers Compensation | 6,876,465 | 9,851,000 | 4,925,239 | 8,062,472 | 3,471,623 | 7,517,126 | 3,874,293 |
| Liability & Settlements | 8,031,025 | 9,000,000 | 4,487,151 | 2,577,805 | 661,478 | 9,017,392 | 4,651,701 |
| City Attorney/Civil Division-Litigation | 6,539,095 | 6,060,000 | 3,028,891 | 6,130,345 | 3,042,462 | 6,156,353 | 3,022,667 |
| Risk Management - WC/Risk | 2,535,112 | 2,525,000 | 1,212,361 | 2,167,183 | 1,008,977 | 2,164,504 | 1,108,856 |
| Human Resource - Employee Benefits | 1,713,092 | 1,650,000 | 818,010 | 1,430,042 | 693,993 | 1,572,506 | 773,000 |
| Total Operating Expenses | 28,114,789 | 30,296,000 | 15,076,596 | 21,152,025 | 9,397,121 | 27,222,234 | 13,834,275 |
| Operating Margin | 565,659 | (2,005,483) | (914,576) | 6,253,176 | 4,259,426 | (362,630) | (216,551) |
| Non-Operating Revenues/(Expenses) | | | | | | | |
| Other Non Operating Income (Exp) | - | - | - | 1,794 | - | 1,974 | - |
| Total Non-Operating Revenues (Expenses) | - | - | - | 1,794 | - | 1,974 | - |
| Operating Transfer In (Out) | | | | | | | |
| Transfers from other fund | 3,855,500 | 3,855,500 | 1,927,750 | 4,071,500 | 1,925,000 | 7,330,000 | 3,665,000 |
| Transfers to other fund | (1,000,000) | (1,000,000) | (500,000) | (1,485,000) | (742,500) | (1,217,000) | (608,500) |
| Total Operating Transfers | 2,855,500 | 2,855,500 | 1,427,750 | 2,586,500 | 1,182,500 | 6,113,000 | 3,056,500 |
| Net Income (Less Unpaid Claims Liability adj)¹ | 3,421,159 | 850,017 | 513,174 | 5,861,449 | 5,441,926 | 2,994,837 | 2,839,949 |
| Significant Balance Sheet Items | | | | | | | |
| Cash balance | | | 56,128,322 | 56,563,931 | 49,685,272 | 48,571,139 | 43,408,189 |
| Unpaid claims liability | | | | (53,030,025) | | (50,050,004) | |
| Net position | | | | 1,700,514 | | (4,098,990) | |

¹Net income for 2012 includes a reduction of \$2,980,021 resulting from an adjustment increase to unpaid claims liability based on a 2012 actuarial study. A reduction of \$2,757,507 is included in the 2011 net income resulting from an increase in unpaid claims liability for 2011.

**City Of Minneapolis
Sanitary Sewer Fund
For the Second Quarter Ending June 30, 2013**

| Fund 07100 | 2013 Budget | 06-30-2013 Actual | Remaining Budget | % of Actual To Budget |
|-------------------|------------------------|------------------------------|-----------------------------|----------------------------------|
| Operating Revenue | 53,963,521 | 28,539,357 | 25,424,164 | 53% |
| Operating Expense | 46,516,385 | 23,598,772 | 21,917,613 | 51% |
| Operating Margin | 7,447,136 | 4,940,585 | | |
| Net Income | 4,495,570 | 3,455,218 | | |

Program Description:

The Sanitary Sewer Fund accounts for 95% of the contractual payments to Metropolitan Council Environmental Services (MCES) for waste water collection and treatment services. The Fund also accounts for sanitary sewer maintenance and design work along with capital programs and debt services.

Revenue:

With sewer revenue of \$28.5 million through the end of the second quarter, 53% of the budgeted revenue has been realized compared to \$27.4 million or 52% for the same period in 2012. This is an increase of \$1.1 million, or 4%, compared to revenues through second quarter of 2012. The increase of \$22K in sanitary utility revenues has been offset by a decrease of \$44K in design and miscellaneous revenues. SAC permit revenues contributed an extra \$1.2 million compared to second quarter 2012; however, the increase in SAC revenues will be offset by a corresponding increase in SAC expenditures.

Expenses:

The Sanitary Sewer Fund's operating expense of \$23.6 million through second quarter amounts to 51% of the 2013 budget compared to \$22.4 million for 2012. This is an increase of \$1.2 million, or 5%, over the same period in the prior year. The increase in expenditures is mainly due to increases in monthly payments to Met Council by \$900K. The increase of \$200K in SAC charges has also contributed to an increase in expenditures over the second period of 2012.

Transfers:

There is a transfer made from this Fund to the Water department to cover shared costs for meter expenses. For the quarter, \$575K in funds for meter expense has been transferred out.

Debt Service:

For 2013, the debt service cost is estimated at \$4.6 million which includes \$4.2 million set aside for principal and \$400K for interest. For the quarter, \$200K in interest has been paid. These debt service payments are primarily for bonds sold to fund Capital programs.

Forecast:

For the next six months, it is estimated that cash outflow will amount to \$38 million which would include operating expenditures, debt services, capital programs, and transfers. The Fund also anticipates \$35 million in revenues from operations and bond sales thereby maintaining the fund balance for the year end at \$15 million.

Other Financial Items:

The current operating cash balance is \$18 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$12 million. The cash position through the quarter remains at \$6 million above its target.

City of Minneapolis, Minnesota
Sanitary Sewer Fund
Statement of Revenues and Expenses
For Second Quarter/Years Ending 2013, 2012, 2011

| | Budget Year 2013 | Projected Year 2013 | Period Ending 06/30/2013 | Year Ending 2012 | Period Ending 06/30/2012 | Year Ending 2011 | Period Ending 06/30/2011 |
|--|------------------------|---------------------------|--------------------------------|------------------------|--------------------------------|------------------------|--------------------------------|
| Operating Revenues: | | | | | | | |
| Sanitary Utility Charges | 50,584,521 | 50,584,521 | 25,203,574 | 50,779,368 | 25,181,869 | 45,477,734 | 22,067,165 |
| Other Services Provided | 1,319,000 | 1,319,000 | 210,777 | 732,578 | 254,641 | 956,746 | 195,510 |
| SAC Revenues | 2,060,000 | 5,000,000 | 3,125,006 | 10,812,544 | 1,969,535 | 3,592,393 | 923,600 |
| Interest | | | | | | | |
| Total Operating Revenues | 53,963,521 | 56,903,521 | 28,539,357 | 62,324,490 | 27,406,045 | 50,026,873 | 23,186,275 |
| Operating Expenses: | | | | | | | |
| Sewer Design | 772,904 | 689,897 | 225,247 | 452,654 | 227,616 | 365,967 | 225,469 |
| Sewer Maintenance | 7,087,354 | 7,057,533 | 3,016,995 | 5,956,525 | 2,900,761 | 5,510,181 | 2,610,370 |
| Met Council Env. Svcs. | 38,656,127 | 41,360,174 | 20,356,530 | 45,462,953 | 19,253,353 | 36,788,568 | 17,507,892 |
| Total Operating Expenses | 46,516,385 | 49,107,604 | 23,598,772 | 51,872,132 | 22,381,730 | 42,664,716 | 20,343,731 |
| Operating Margin | 7,447,136 | 7,795,917 | 4,940,585 | 10,452,358 | 5,024,315 | 7,362,157 | 2,842,544 |
| Non-Operating Revenues/(Expenses) | | | | | | | |
| Net Transfers (out) | (1,149,339) | (1,149,339) | (574,670) | (2,149,086) | (1,052,944) | (576,827) | (576,827) |
| Non-Oper Income (Expenses) | | | (8,400) | 20,136 | | 181,368 | |
| Depreciation | (1,358,359) | (1,358,359) | (679,180) | (1,358,359) | (679,180) | (1,293,289) | (593,827) |
| Special Assessments | | | | | | 21,098 | |
| Net Interest Income (Exp) | (443,868) | (443,868) | (223,118) | (513,830) | (308,500) | (517,701) | (221,934) |
| Total Non-Operating Revenues (Expenses) | (2,951,566) | (2,951,566) | (1,485,367) | (4,001,139) | (2,040,624) | (2,185,351) | (1,392,588) |
| Net Income | 4,495,570 | 4,844,351 | 3,455,218 | 6,451,219 | 2,983,692 | 5,176,806 | 1,449,956 |
| Significant Balance Sheet Items | | | | | | | |
| Operating Cash | | 15,250,787 | 18,174,723 | 19,181,223 | 19,246,615 | 14,430,329 | 13,306,588 |
| Accounts Receivable | | 3,490,195 | 4,375,339 | 3,950,672 | 3,893,766 | 3,089,731 | 3,451,361 |
| Significant Cash Flow Items | | | | | | | |
| Capital Outlay | 8,000,000 | 8,000,000 | 846,747 | 4,811,751 | 1,295,566 | 3,309,442 | 952,843 |
| Capital Revenue | 7,000,000 | 7,000,000 | 680,595 | 6,251,747 | 362,700 | 2,838,438 | 48,679 |
| Bond Principle payments | 4,150,000 | 4,150,000 | - | 4,600,000 | - | 4,100,000 | - |

**City Of Minneapolis
Storm Water Fund
For the Second Quarter Ending June 30, 2013**

| Fund 07300 | 2013 Budget | 06/30/2013 Actual | Remaining Budget | % of Actual To Budget |
|-------------------|------------------------|------------------------------|-----------------------------|----------------------------------|
| Operating Revenue | 40,379,230 | 19,877,980 | 20,501,251 | 49% |
| Operating Expense | 25,510,361 | 10,508,954 | 15,001,407 | 41% |
| Operating Margin | 14,868,869 | 9,369,026 | | |
| Net Income | 9,873,184 | 6,355,200 | | |

Program Description:

The Storm Water Fund is responsible for 5% of the expenditures related to the Met Council Environmental Services (MCES). The Combined Sewer Overflow (CSO) program, Street Cleaning, Storm Design, Storm Water Maintenance along with Capital programs are other activities included in this Fund.

Revenue:

With Storm Water revenue of \$19.9 million through the second quarter, 49% of the operating revenue budget has been realized compared to \$19.7 million, or 51%, for the same period in 2012. The revenue increased by \$200K over second quarter 2012. \$100K of the increase in revenues comes from storm utility charges and design work related to Capital projects. The utility rate for 2013 was set at \$11.82/ESU, 12 cents higher than the rate for 2012. The remaining \$100K increase comes from State/County for maintenance work done by Street Cleaning and Storm Maintenance departments and reimbursed by the State.

Expenses:

Through second quarter 2013, the Storm Water Fund's operating expenses ended at 41% of the budget. Expenses through the quarter totaled \$10.5 million, which is \$700 K, or 7%, over the \$9.8 million recorded through second quarter 2012. Increases are due to higher expenditures in Storm Maintenance cost centers for contractual services related primarily to storm tunnel rehab work. As a result, expenditures increased by \$1 million. However, these increases have been slightly offset by a decrease of \$400K in Storm Management and Street Cleaning expenditures.

Transfers:

Starting in 2013, the transfer out to the MERF pension fund has been discontinued. Pension plan payments are now paid out of the operating budget.

Debt Service:

The debt service budget for 2013 totals \$8 million of which \$7 million is set aside for principal and \$1 million goes towards interest. Through second quarter 2013, \$500K in interest expense has been recognized. The debt service payments are primarily for bonds sold to finance the Combined Sewer Overflow, Flood Mitigation, and the Storm Tunnel programs.

Forecast:

In the next six months, it is estimated that this fund will incur cash outflow of \$13 million in operations, \$7.5 million for debt service, and an additional \$11.5 million for capital outlays. These outflows will be off-set by cash inflows from operating revenues estimated at \$21 million and capital programs projected to bring in an additional \$4.4 million. At year-end 2013, the cash balance is projected to remain at \$34 million.

Other Financial Items:

For the quarter, the operating cash balance ended at \$41 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the required cash balance is \$5 million, leaving \$35 million in an unrestricted reserve which will be used to pay operating and non-operating expenses listed for the coming months.

City of Minneapolis, Minnesota
Stormwater Fund
Statement of Revenues and Expenses
For Second Quarter/Years Ending 2013, 2012 and 2011

| | Budget Year 2013 | Projected Year 2013 | For Period Ending 06/30/2013 | For Year Ending 12/31/2012 | For Period Ending 06/30/2012 | For Year Ending 12/31/2011 | For Period Ending 06/30/2011 |
|--|---------------------------------|------------------------------------|---|---|---|---|---|
| Operating Revenues: | | | | | | | |
| State Grants | 669,614 | 1,139,799 | 530,069 | 1,114,709 | 508,348 | 1,209,421 | 922,129 |
| County Grants | 245,517 | 417,913 | 208,957 | 399,558 | 99,890 | 399,558 | 99,890 |
| Storm Utility Charges | 37,835,008 | 37,931,128 | 18,510,437 | 36,694,339 | 18,460,641 | 35,622,524 | 17,704,022 |
| Other Services Provided | 1,629,091 | 1,426,099 | 628,517 | 1,654,616 | 593,658 | 1,863,494 | 434,220 |
| Total Operating Revenues | 40,379,230 | 40,914,939 | 19,877,980 | 39,863,222 | 19,662,537 | 39,094,997 | 19,160,261 |
| Operating Expenses: | | | | | | | |
| Sewer Design | 4,158,348 | 4,195,816 | 1,506,093 | 3,427,270 | 1,427,652 | 3,684,851 | 1,474,472 |
| Stormwater Management CSO | 875,394 | 875,394 | 340,588 | 648,483 | 378,567 | 929,998 | 496,029 |
| Street Cleaning | 8,158,279 | 8,158,279 | 3,240,816 | 7,993,832 | 3,608,911 | 7,797,519 | 3,173,084 |
| Sewer Maintenance | 6,144,012 | 4,267,462 | 2,340,768 | 4,169,738 | 1,571,442 | 2,810,772 | 1,075,893 |
| Met Council Env. Svcs. | 6,174,328 | 6,174,328 | 3,080,689 | 5,328,870 | 2,808,132 | 4,648,168 | 2,681,956 |
| Total Operating Expenses | 25,510,361 | 23,671,279 | 10,508,954 | 21,568,193 | 9,794,704 | 19,871,308 | 8,901,434 |
| Operating Margin | 14,868,869 | 17,243,660 | 9,369,026 | 18,295,029 | 9,867,833 | 19,223,689 | 10,258,827 |
| Non-Operating Revenues/(Expenses) | | | | | | | |
| Net Transfers in (out) | - | - | - | (1,245,296) | (556,000) | (700,064) | (700,064) |
| Depreciation | (4,078,992) | (4,078,992) | (2,039,496) | (4,078,992) | (2,039,496) | (3,929,000) | (1,903,876) |
| Special Assessments | 60,000 | 60,000 | 2,226 | 830,245 | 5,657 | 744,220 | - |
| Net Interest Income (Exp) | (976,693) | (976,693) | (488,347) | (469,981) | (488,347) | (670,128) | (3,064,329) |
| Other Non Operating Income (Exp) | | | (488,209) | 511,943 | (422,970) | 906,887 | (650,388) |
| Total Non-Operating Revenues (Expenses) | (4,995,685) | (4,995,685) | (3,013,826) | (4,452,081) | (3,501,155) | (3,648,085) | (6,318,657) |
| Net Income | 9,873,184 | 12,247,975 | 6,355,200 | 13,842,948 | 6,366,678 | 15,575,604 | 3,940,170 |
| Significant Balance Sheet Items | | | | | | | |
| Operating Cash | | 33,926,498 | 40,850,949 | 33,223,043 | 30,182,477 | 24,530,818 | 31,567,052 |
| Accounts Receivable | | 3,453,573 | 3,607,901 | 3,616,327 | 3,473,348 | 3,314,209 | 3,843,201 |
| Bonds & Notes Payable | | | 14,782,696 | 14,620,910 | 15,485,910 | 15,485,910 | 18,270,910 |
| Significant Cash Flow Items | | | | | | | |
| Capital Outlay | 17,700,000 | 17,700,000 | 4,141,565 | 6,338,748 | 3,179,489 | 16,078,292 | 4,710,461 |
| Bond principle & note payments | 6,950,000 | 6,950,000 | - | 6,265,000 | - | 11,773,000 | - |

**City Of Minneapolis
Solid Waste and Recycling Fund
For the Second Quarter Ending June 30, 2013**

| Fund 07700 | 2013 Budget | 06/30/13 Actual | Remaining Budget | % of Actual To Budget |
|-------------------|--------------------|------------------------|-------------------------|------------------------------|
| Operating Revenue | 31,312,436 | 15,494,669 | 15,817,767 | 49% |
| Operating Expense | 37,602,918 | 17,750,594 | 19,852,324 | 47% |
| Operating Margin | (6,290,482) | (2,255,925) | | |
| Net Income/(Loss) | (7,359,019) | (2,790,220) | | |

Program Description

The Solid Waste Fund accounts for the City's solid waste collection, disposal, recycling, and graffiti removal operations. The division provides pick-up services for trash, yard wastes, and recyclables on a weekly and a biweekly basis. The Fund is responsible for the operations of a solid waste transfer station which serves over 105,000 dwelling units. The division also provides "clean city" activities such as neighborhood clean sweeps, litter-graffiti controls and removals city-wide. It has initiated "organics" pilot program in selected school districts and neighborhoods. City crews provide approximately one-half of the solid waste collection services and the other half of the services are provided through a consortium of companies specializing in waste collections.

Revenue

With operating revenues through the quarter totaling \$15.5 million, 49% of the budgeted revenue has been realized compared to \$15.9 million, or 52%, through second quarter of 2012. This is a decrease of \$351K, or 2%, over 2012 operating revenues. The increase in revenues of \$51K in miscellaneous services has been offset by a decrease in revenues from the sale of scrap metals and monthly utility fees. Utility revenues totaled \$14.4 million compared to \$14.6 million for 2012. Revenue from the sale of scrap metal through the quarter was \$520K which is \$221K lower than the 2012 total of \$741K. The Hennepin County grant has been estimated at \$880K for the year and \$440K has been recognized for the period.

Expenses:

The operating expenses through the second quarter ended at \$17.8 million compared to \$14.8 million in 2012. This is an increase of \$2.9 million, or 20%, over 2012. The increase in expenditures of \$2.8 million is primarily in the recycling division where capital purchases of equipment and carts are being done for the one-sort program. In order to fund this one-sort program, the recycling division's 2013 budget was increased by \$5.4 million.

Transfers:

Estimated transfers into the Solid Waste and Recycling fund for the year include \$146K from the Parking fund for the litter container program and \$150K from the General fund for graffiti and micro-grants. For the quarter, \$148K has been recognized as transfer revenues into the Fund. Transfers out of the Fund include \$700K for alley plowing. For the quarter ending June 30th, \$350K in alley plowing transfers has been made.

Debt Service: This fund has no debt service.

Forecast:

For the next six months, the estimated cash outflow will total \$18 million which would include all operating expenditures, equipment purchases, and other capital outlays for bins, carts and improvements. The Fund also anticipates an additional \$16 million in revenues from its operations in the same period creating a deficit of \$2 million and bringing the fund balance for year end to an estimated \$17 million.

Other Financial Items:

The fund's cash balance for the second quarter ended at \$19 million. The accounts receivable balance stands at \$3 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$9 million, which results in an unrestricted reserve in excess of \$10 million.

City of Minneapolis, Minnesota
Solid Waste and Recycling Fund
Statement of Revenues and Expenses
For Second Quarter/Years Ending 2013, 2012, 2011

| | Budget Year 2013 | Projection Year 2013 | For Period Ending 6/30/2013 | For Year Ending 12/31/2012 | For Period Ending 6/30/2012 | For Year Ending 12/31/2011 | For Period Ending 6/30/2011 |
|--|------------------------|----------------------------|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| Operating Revenues: | | | | | | | |
| County Grants | 880,000 | 880,000 | 440,000 | 864,448 | 400,000 | 889,675 | 400,000 |
| Solid Waste Fees | 28,226,436 | 28,876,901 | 14,372,325 | 29,250,660 | 14,593,029 | 28,938,271 | 14,429,671 |
| Recyclable Sales | 1,220,500 | 892,177 | 520,171 | 1,611,178 | 741,057 | 2,173,123 | 1,061,379 |
| Charges for Other Services | 985,500 | 661,343 | 162,173 | 334,990 | 111,624 | 585,217 | 203,537 |
| Total Operating Revenues | 31,312,436 | 31,310,420 | 15,494,669 | 32,061,276 | 15,845,710 | 32,586,286 | 16,094,587 |
| Operating Expenses: | | | | | | | |
| Collection | 7,939,895 | 7,860,496 | 4,028,027 | 7,535,591 | 3,762,905 | 7,770,758 | 3,639,100 |
| Disposal | 5,134,662 | 4,467,156 | 2,266,510 | 5,056,654 | 2,378,761 | 5,097,762 | 2,426,412 |
| Recycling | 9,117,266 | 9,260,842 | 4,547,121 | 5,510,041 | 1,748,746 | 3,571,822 | 1,696,100 |
| Yard Waste | 2,867,608 | 2,199,738 | 1,099,207 | 2,549,112 | 1,063,080 | 2,202,595 | 935,537 |
| Large Item/Problem Material | 1,785,880 | 1,737,917 | 765,077 | 1,298,656 | 530,274 | 1,036,280 | 624,950 |
| Transfer Stations | 376,080 | 365,257 | 177,062 | 385,757 | 243,977 | 408,516 | 308,019 |
| Administration | 4,250,970 | 4,192,166 | 2,114,362 | 3,931,544 | 1,920,402 | 3,980,983 | 1,984,593 |
| Customer Service | 714,883 | 629,758 | 289,853 | 605,386 | 294,026 | 654,129 | 338,423 |
| Clean City | 1,936,914 | 1,646,377 | 814,992 | 1,839,385 | 963,121 | 1,694,552 | 811,085 |
| Equipment | 3,228,302 | 3,013,987 | 1,517,912 | 3,416,485 | 1,780,703 | 2,653,277 | 1,479,710 |
| Organics | 250,458 | 269,898 | 130,471 | 248,210 | 127,525 | 210,154 | 80,585 |
| Total Operating Expenses | 37,602,918 | 35,643,592 | 17,750,594 | 32,376,821 | 14,813,520 | 29,280,828 | 14,324,514 |
| Operating Margin | (6,290,482) | (4,333,172) | (2,255,925) | (315,545) | 1,032,190 | 3,305,458 | 1,770,073 |
| Non-Operating Revenues/(Expenses) | | | | | | | |
| Net Transfers In | 296,000 | 296,000 | 148,000 | 296,000 | 148,000 | 196,000 | 25,000 |
| Net Transfers Out | (700,000) | (700,000) | (350,026) | (1,271,000) | (635,500) | (936,000) | (586,000) |
| Depreciation | (664,537) | (664,537) | (332,269) | (664,537) | (332,269) | (715,708) | (349,900) |
| Special Assessments | - | - | - | 98,037 | - | 255,881 | - |
| Total Non-Operating Revenues (Expenses) | (1,068,537) | (1,068,537) | (534,295) | (1,541,500) | (819,769) | (1,199,827) | (910,900) |
| Net Income | (7,359,019) | (5,401,709) | (2,790,220) | (1,857,045) | 212,422 | 2,105,631 | 859,173 |
| Significant Balance Sheet Items | | | | | | | |
| Operating Cash | | 17,169,873 | 18,936,094 | 23,856,133 | 22,979,900 | 22,371,818 | 21,308,547 |
| Accounts Receivable | | 3,232,874 | 3,085,664 | 2,873,172 | 2,852,875 | 3,957,458 | 2,829,567 |
| Capital Outlay | | | - | - | - | 1,905,479 | 1,767,252 |

**City of Minneapolis
Water Enterprise Fund
For the Second Quarter Ending December 31, 2013**

| Fund 7400 | 2013 Budget | 6/30/13 Actual | Over/(Under) Budget | % of Actual To Budget |
|-------------------|------------------------|---------------------------|--------------------------------|----------------------------------|
| Operating Revenue | 75,338,586 | 33,257,666 | 42,080,920 | 44% |
| Operating Expense | 50,901,021 | 24,875,629 | 26,025,392 | 49% |
| Operating Margin | 24,437,565 | 8,382,037 | | |
| Net Income (Loss) | 11,433,391 | 2,430,257 | | |

Program Description:

This Fund accounts for the operation, maintenance and capital investments of the water treatment and distribution system for the City and several suburban wholesale customers. The City sells water directly to seven cities - Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal, and Edina, as well as the Metropolitan Airport Commission

Revenue:

The second quarter 2013 operating revenue was \$33,257,666 or 44% of the 2013 budgeted amount of \$75,338,586. Although there was a 2.8% increase in the volume rate, water sales related to volume are down \$975,000 over the same period last year. Suburban sales are also down \$2 million. The decreased sales are the result of the cold wet weather experienced this spring and into early summer. We are also reviewing a possible issue with suburban meter accuracy. Fixed rate revenues for the same period are relatively flat as expected.

Expense:

Through the second quarter of 2013, operating expenses totaled \$24,875,629 or 49% of the 2013 budgeted amount of \$50,901,021 indicating that the fund's spending is on track with the budget.

Transfers:

For 2013, the transfer amount of \$585,672 represents a \$574,670 transfer in from the sanitary sewer fund to support that fund's share of the water fund's meter shop expenses as well as a \$11,002 transfer from the City's general fund to offset rent expense at city hall.

Debt Services:

Debt service payments are primarily for bonds sold to finance the Water Works capital improvement program. Past projects include dewatering plant improvements, water treatment infrastructure improvements, and cleaning and lining of the distribution mains. The amount budgeted for 2013 debt service is \$10,383,375.

Forecast:

For the year ended 2013, operating revenues are expected to come in under budget by approximately \$2.3 million or 3%. The chief reason for the decreased revenues is decreased sales. Operating expenses are expected to come in at budget. If realized, this activity will result in an operating margin of \$22 million, compared to the budgeted margin of \$24.4 million, or

\$2.4 million less than the amount budgeted. Net income is projected at \$9.1 million compared to a budgeted amount of \$11.4 million.

Other Financial Items:

The ending cash balance as of 6/30/13 is \$21,093,375 compared to \$14,769,529 as of 6/30/12. The objective is to have a cash balance equal to or greater than 3 months of operating expense. Based on the current budget the target amount would be \$12.7 million. In addition to the operating cash reserve, the Water Fund is also reserving approximately \$1.3 million per year for membrane and valve replacement at the Columbia Heights water treatment facility. The 12/31/13 balance in this operating reserve will be \$3.9 million.

City of Minneapolis, Minnesota
Water Fund
Statement of Revenues and Expenses
For Years Ending 2013, 2012, 2011

| | Budget Current Year 2013 | Projected Ending 2013 | For Period Ending 30-Jun-13 | For Year Ending 2012 | For Period Ending 30-Jun-12 | For Year Ending 2011 | For Period Ending 30-Jun-11 |
|--|--------------------------------|-----------------------------|-----------------------------------|----------------------------|-----------------------------------|----------------------------|-----------------------------------|
| Operating Revenues: | | | | | | | |
| Water Sales - City | | | | | | | |
| Volume Rate | 56,243,394 | 55,465,084 | 25,130,763 | 56,440,374 | 25,253,038 | 53,338,098 | 23,995,645 |
| Fixed Rate | 3,257,556 | 3,220,848 | 1,610,424 | 3,216,611 | 1,598,802 | | |
| Water Sales - Suburbs | 12,480,305 | 11,020,313 | 4,544,637 | 12,976,941 | 5,094,508 | 12,900,851 | 5,329,695 |
| Other Operating Revenues | 3,357,331 | 3,331,149 | 1,971,842 | 6,706,717.33 | 3,769,422 | 3,345,167.79 | 1,191,412 |
| Total Operating Revenues | 75,338,586 | 73,037,394 | 33,257,666 | 79,340,643 | 35,715,770 | 69,584,117 | 30,516,752 |
| Operating Expenses: | | | | | | | |
| Payments for City Services | 10,767,376 | 10,767,376 | 5,261,904 | 9,645,669 | 5,050,783 | 7,333,923 | 3,838,559 |
| Administration | 1,317,682 | 1,335,432 | 704,668 | 1,215,322 | 566,822 | 1,007,162 | 525,744 |
| Engineering | 2,158,160 | 2,358,160 | 1,238,975 | 1,923,249 | 962,248 | 1,549,047 | 751,889 |
| Operations | 17,963,545 | 17,673,493 | 8,394,909 | 16,415,712 | 6,971,056 | 15,957,374 | 7,268,615 |
| Maintenance | 6,119,641 | 6,232,278 | 3,021,226 | 7,445,167 | 3,176,295 | 5,738,283 | 3,200,901 |
| Distribution | 8,256,384 | 8,444,749 | 4,282,153 | 9,628,717 | 4,868,233 | 7,841,971 | 4,436,695 |
| Major Repairs & Replacement | 1,000,000 | 1,000,000 | 358,349 | 1,676,151 | 925,373 | 3,438,120 | 642,106 |
| Meter Shop | 1,930,048 | 1,642,430 | 944,665 | 1,996,339 | 945,140 | 2,401,283 | 1,369,868 |
| Reimbursables | 1,388,185 | 1,431,081 | 668,780 | 1,355,535 | 399,609 | | |
| Total Operating Expenses | 50,901,021 | 50,884,999 | 24,875,629 | 51,301,862 | 23,865,559 | 45,267,164 | 22,034,377 |
| Operating Margin | 24,437,565 | 22,152,395 | 8,382,037 | 28,038,782 | 11,850,211 | 24,316,953 | 8,482,375 |
| Non-Operating Revenues/(Expenses) | | | | | | | |
| Net Transfers in (out) | 1,171,339 | 1,171,339 | 585,672 | (3,998,112) | (1,999,056) | (2,042,000) | (2,042,000) |
| Depreciation | (9,774,162) | (9,774,162) | (4,887,081) | (10,551,351) | (3,619,570) | (10,016,991) | (3,997,747) |
| Special Assessments | | | | 1,204,006 | | | |
| Net Interest Income (Exp) | (4,401,351) | (4,401,351) | (1,650,369) | (3,303,893) | (1,726,238) | (3,569,353) | (1,647,287) |
| Federal Emergency Management Assistance | | | | 10,455 | 10,455 | 280,128 | |
| State of Minnesota | | | | 3,136 | 3,136 | 93,376 | |
| Other Non-Operating Income | | | | 134,443 | | | |
| Other Non-Operating (Expense) | | | | (831) | | | |
| Total Non-Operating Revenues (Expenses) | (13,004,174) | (13,004,174) | (5,951,779) | (16,502,146) | (7,331,273) | (15,254,840) | (7,687,034) |
| Net Income | 11,433,391 | 9,148,220 | 2,430,257 | 11,536,636 | 4,518,938 | 9,062,113 | 795,341 |
| Significant Balance Sheet Items | | | | | | | |
| Operating Cash | | | 21,093,375.18 | 19,066,539 | 14,769,529 | 15,055,373 | 13,771,401 |
| Construction Cash | | | | | | 95,607 | 1,846,019 |
| Accounts Receivable | | | 5,439,176.16 | 4,559,012 | 5,423,832 | 4,984,301 | 4,384,333 |
| Assessments Receivable | | | 2,261,471.94 | 2,302,230 | 1,029,724 | 2,065,302 | 631,080 |
| Bonds & Notes Payable | | | 113,284,120.03 | 113,284,120 | 119,124,241 | 119,124,241 | 114,840,545 |
| Significant Cash Flow Items | | | | | | | |
| Capital Outlay | | | 3,015,401.86 | 11,708,710 | 5,229,176 | 15,297,583 | 6,570,515 |
| Bond & Note Principle Payments | | | | 5,796,108 | | 3,655,000 | |
| Total Cash Flow Items | | | | 17,504,818 | 5,229,176 | 18,952,583 | 6,570,515 |

**City of Minneapolis
Municipal Parking Fund
For the Second Quarter Ended June 30, 2013**

| Fund 7500* | 2013 Original Budget | June 30, 13 Period End Actuals | Remaining Budget | % of Actual To Budget |
|-------------------|-------------------------------------|---|-----------------------------|--|
| Revenue | 45,476,616 | 23,553,063 | 21,925,893 | 52% |
| Expenses | 30,058,287 | 13,316,291 | 16,745,036 | 44% |
| Operating Margin | 15,418,329 | 10,236,772 | | |
| Net Income (Loss) | 3,044,247 | (448,019) | | |

* Figures in the table do not include State-owned ABC parking facilities. Net Income (Loss) includes all non-operating expenditures and revenues such as depreciation expense, bond interest expense and transfers between funds

Program Description:

This fund primarily accounts for operation and maintenance of parking ramps, lots, on-street parking meters, and the municipal impound lot. Major parking-related capital construction and development activities occur in this fund.

Revenues:

The 2013 second quarter actual revenues are up in comparison to the 2013 budget by 3.6%. For the second quarter of 2013 the 3.6% is from:

- Impound Lot revenues are down 12.4% compared to budget.
- On-street parking are up 23.7% compared to budget.
- Off-street ramps and lots are up 1.0% compared to budget.

Impound Lot revenues are lower than budgeted due to lower than expected snow emergencies during 2013 and a reduction in the volume. The newly installed On-street meters with credit card capability, additional meter coverage, and event revenues contributed to the increase in On-street revenues. Off-street revenues are consistently stable and perform slightly above projections.

Expenses:

The 2013 second quarter operating expenses are below the second quarter 2013 budget by 11.4 %. For the second quarter of 2013, the 11.4% is from:

- Impound Lot expenses are down 10.1% compared to budget.
- On-street meters are down 1.6% compared to budget.
- Off-street ramps and lots are down 13.0% compared to budget.

Impound Lot expenses are lower than expected due to a slower winter with limited snow related operational activities, including towing, security, lot maintenance and personnel. On-street meter expenses are performing as projected. Off-street ramps and lots show lower than budgeted expenses due to reduced costs associated with operational efficiencies attained through ongoing parking initiatives.

Transfers to and from other funds:

The 2013 transfers into and out of the Parking Fund are programmed and planned according to the 2013 budget. During the year of 2013, \$11.6 million of funds will be transferred in and \$11.2 million of funds will be transferred out.

Debt Service:

For 2013, the debt service budget is \$20.5 million. The outstanding balance of bond principal as of June 30, 2013 is \$95.7 million and the outstanding balance of note principal is 38.7 million.

Forecast:

For the year ending 2013 operating revenues are estimated to be greater than budgeted by \$0.6 million. Operating expenses are estimated to be under budget by \$2.9 million resulting in an increase in the Operating margin. The overall increase in the Operating Margin over Budget is estimated to be \$3.5 million.

Other Financial Items:

The current operating cash balance is \$7.9 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$7.5 million, which results in \$0.4 million surplus which is retained for future debt service payments.

City of Minneapolis, Minnesota
Municipal Parking Fund
Statement of Revenues and Expenditures
For Second Quarter/Years Ending 2013, 2012, and 2011

| | Current Budget Year 2013 | Projected Year Ending 31-Dec-13 | For Period Ending 30-Jun-13 | For Year Ending 31-Dec-12 | For Period Ending 30-Jun-12 | For Year Ending 31-Dec-11 | For Period Ending 30-Jun-11 |
|---|--------------------------------|---------------------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Operating Revenues: | | | | | | | |
| Off-Street Parking: City Owned | 29,976,612 | 29,756,892 | 15,139,133 | 29,546,205 | 14,956,749 | 28,268,322 | 14,629,140 |
| Off-Street Parking: State Owned | 10,433,618 | 10,433,618 | 3,965,922 | 9,657,497 | 3,652,087 | 10,336,123 | 7,233,660 |
| Towing | 6,500,003 | 5,459,498 | 2,847,312 | 5,575,586 | 2,806,811 | 6,410,768 | 3,542,861 |
| On-Street Meters | 9,000,001 | 10,833,736 | 5,566,618 | 10,153,881 | 4,843,920 | 7,610,627 | 3,398,800 |
| Total Operating Revenues | 55,910,234 | 56,483,744 | 27,518,985 | 54,933,169 | 26,259,567 | 52,625,840 | 28,804,461 |
| Operating Expenses: | | | | | | | |
| Off-Street Parking: City Owned-Direct Expenses | 22,182,639 | 18,620,345 | 9,653,975 | 20,290,791 | 9,907,920 | 21,543,930 | 10,603,268 |
| Off-Street Parking: State Owned-Direct Expenses | 8,684,131 | 8,684,131 | 4,185,844 | 8,802,796 | 4,207,936 | 9,966,433 | 4,810,939 |
| Towing | 5,019,445 | 4,817,838 | 2,256,498 | 4,294,098 | 1,963,869 | 4,694,310 | 2,429,498 |
| On-Street Meters | 2,856,203 | 3,726,997 | 1,405,818 | 4,451,961 | 1,167,318 | 5,065,159 | 2,646,487 |
| Other Operating Expenses | - | - | - | 816 | 0 | 237,422 | 107,658 |
| Total Operating Expenses | 38,742,418 | 35,849,311 | 17,502,135 | 37,840,462 | 17,247,043 | 41,507,254 | 20,597,850 |
| Operating Margin | 17,167,816 | 20,634,433 | 10,016,850 | 17,092,707 | 9,012,524 | 11,118,586 | 8,206,611 |
| Non-Operating Revenues/(Expenses) | | | | | | | |
| General Fund Transfer Out | (7,918,000) | (7,918,000) | (3,959,044) | (7,818,000) | 0 | (8,618,000) | 0 |
| Arena Reserve Transfer Out | (3,129,132) | (3,129,132) | (1,564,566) | (2,940,905) | (1,470,453) | (2,758,000) | (1,379,000) |
| Debt Service Transfer Out | 0 | - | - | (477,000) | (238,500) | (198,000) | (198,000) |
| General Debt Service Transfer Out | - | - | - | - | - | 0 | 0 |
| Sanitation Transfer Out | (146,000) | (146,000) | - | (146,000) | 0 | (146,000) | 0 |
| Total Transfers Out | (11,193,132) | (11,193,132) | (5,523,610) | (11,381,905) | (1,708,953) | (11,720,000) | (1,577,000) |
| Convention Center related facility Transfer | 4,729,200 | 4,729,200 | 159,600 | 5,580,100 | 221,300 | 7,589,231 | - |
| TI and MCDA Transfers In | 6,900,547 | 6,900,547 | 67,531 | 8,219,301 | 4,157,267 | 7,607,095 | 0 |
| Other Transfers In | - | - | - | - | - | - | - |
| Total Transfers In | 11,629,747 | 11,629,747 | 227,131 | 13,799,401 | 4,378,567 | 15,196,326 | - |
| Depreciation | (6,901,000) | (6,901,000) | (3,540,520) | (6,703,978) | (3,438,169) | (6,392,796) | (3,351,989) |
| Special Assessments | 0 | - | - | 58,057 | 58,057 | 0 | 0 |
| Interest | (5,909,697) | (5,909,697) | (1,851,824) | (4,497,741) | (2,448,786) | (4,845,780) | (2,599,189) |
| Other Non Operating Expenses | 0 | - | - | (3,188) | (48,417) | (116,668) | (47,875) |
| Other Non-Operating Income | 0 | - | 4,032 | 2,385 | 2,016 | 2,464,405 | 0 |
| Total Non-Operating Revenues (Expenses) | (12,374,082) | (12,374,082) | (10,684,791) | (8,726,969) | (3,205,685) | (5,414,513) | (7,576,053) |
| Net Income+/- | 4,793,734 | 8,260,351 | (667,941) | 8,365,738 | 5,806,839 | 5,704,073 | 630,558 |
| Significant Balance Sheet Items | | | | | | | |
| Operating Cash | | | 7,869,872 | 7,353,257 | 16,315,925 | 9,839,553 | 13,180,196 |
| Notes Payable | | | 38,650,000 | 38,650,000 | 38,650,000 | | |
| Bonds Payable | | | 95,680,042 | 95,680,042 | 106,120,042 | 149,200,042 | 162,320,042 |
| Total Balance Sheet Items | | | 142,199,914 | 141,683,299 | 161,085,967 | 159,039,595 | 175,500,238 |
| Significant Cash Flow Items | | | | | | | |
| Principal on debt (net of Refunding Bonds) | 14,629,100 | 14,629,100 | - | 16,770,000 | 16,615,000 | 14,820,000 | 6,960,000 |
| Capital Outlay | 0 | 0 | 169,782 | 1,675,135 | 569,102 | 2,270,434 | 143,785 |
| Total Cash Flow Items | 14,629,100 | 14,629,100 | 169,782 | 18,445,135 | 17,184,102 | 17,090,434 | 7,103,785 |

| | Housing Development Fund 1/1-12/31/12 | Housing Development Fund 1/1-6/30/13 | General Agency Reserve Fund System 1/1-12/31/12 | General Agency Reserve Fund System Operations 1/1-6/30/13 | Theatres 1/1-12/31/12 | Theatres 1/1-6/30/13 | River Terminal 1/1-12/31/12 | River Terminal 1/1-6/30/13 | Economic Development Program 1/1-12/31/12 | Economic Development Program 1/1-6/30/13 |
|--|--|---|--|--|--------------------------|-------------------------|-----------------------------------|----------------------------------|--|---|
| Operating revenues | | | | | | | | | | |
| Charges for sales and services | \$ - | \$ - | \$ 313,077 | \$ 128,082 | \$ - | \$ - | \$ 1,651,517 | \$ 743,900 | \$ 275,000 | \$ 114,583 |
| Interest on program activities | 45,081 | - | 5,154,241 | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |
| Total operating revenues | 45,081 | - | 5,467,318 | 128,082 | - | - | 1,651,517 | 743,900 | 275,000 | 114,583 |
| Operating expenses: | | | | | | | | | | |
| Personal services | - | - | 244,525 | 173,935 | 1,181 | - | 5,767 | 16,703 | 2,743 | 4,449 |
| Contractual services | 274,397 | - | 179,327 | 142,252 | 1,008 | 10,000 | 1,692,817 | 853,985 | 5,542 | 17,407 |
| Other | - | - | 6,460 | 4,242 | - | - | 500 | 500 | - | - |
| Depreciation expense | - | - | - | - | - | - | 347,526 | 173,763 | - | - |
| Total operating expenses | 274,397 | - | 430,312 | 320,429 | 2,189 | 10,000 | 2,046,610 | 1,044,951 | 8,285 | 21,856 |
| Operating income | (229,316) | - | 5,037,006 | (192,347) | (2,189) | (10,000) | (395,093) | (301,051) | 266,715 | 92,727 |
| Nonoperating revenues (expenses) | | | | | | | | | | |
| Interest on investments | 864 | 490 | 93,410 | 4,367 | (8,394) | (6,295) | (3,599) | (1,431) | 5,122 | 2,836 |
| Interest expense | - | - | (5,099,015) | - | - | - | - | - | (15,194) | - |
| Total nonoperating revenue (expenses) | 864 | 490 | (5,005,605) | 4,367 | (8,394) | (6,295) | (3,599) | (1,431) | (10,072) | 2,836 |
| Income (loss) before transfers | (228,452) | 490 | 31,401 | (187,980) | (10,583) | (16,295) | (398,692) | (302,482) | 256,643 | 95,563 |
| Net transfers from (to) other funds | (154,516) | - | (1,381,411) | - | 400,000 | 400,000 | - | - | 154,516 | - |
| Change in net position | (382,968) | 490 | (1,350,010) | (187,980) | 389,417 | 383,705 | (398,692) | (302,482) | 411,159 | 95,563 |
| Total net position - January 1 | 1,015,905 | 632,937 | 34,966,603 | 1,197,777 | (2,112,030) | (1,722,613) | 5,678,038 | 5,279,346 | 240,835 | 651,994 |
| Total net position - December 31 | \$ 632,937 | \$ 633,427 | \$ 33,616,593 | \$ 1,009,797 | \$ (1,722,613) | \$ (1,338,908) | \$ 5,279,346 | \$ 4,976,864 | \$ 651,994 | \$ 747,557 |

Housing Development - This fund accounts for various home ownership and home improvement programs. These are mature programs. The residual balances are committed to the operations of the Minneapolis-St Paul Housing Finance Board.

General Agency Reserve Fund System - This fund accounts for a program in which revenue bonds are issued to finance economic development. The program obtains lease or loan agreements from developers to meet the debt service requirements of the financing. The funds are restricted by bond covenants and the need of the City to minimize risk in its support of the GARFS. The funds are critical to maintaining the "A+" rating of the fund.

Theatres - This fund accounted for the operations of the State, Orpheum and the Pantages theatres. The City no longer operates these theatres. The fund accounts for residual balances and activity.

River Terminal - This fund is used to account for the operations of the public terminal facility located on the Mississippi River

Economic Development Program - This fund accounts for the Capital Investment Fund Program with the Federal Home Loan Bank, which provides loans to businesses for economic development and the creation of jobs, as well as for certain defaulted properties.