



**City of Minneapolis
Financial Status Report as of 3rd Quarter 2013
Prepared by the
City of Minneapolis Finance Department
December 3, 2013**

City of Minneapolis

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THE REPORT

This report consists of two sections. The first section includes the Business Line Review along with a summary Financial Strength Analysis Schedule, which provides historical as well as projected cash and fund balance/net position information for all the major funds of the City included in this report. The second section includes detailed schedules and analysis of the results of individual funds through September 30, 2013.

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

BUSINESS LINE REVIEW

The City's business activities are accounted for in funds and these funds are divided into two major groupings: Governmental Funds and Proprietary Funds.

GOVERNMENTAL FUNDS

Governmental Funds account for goods and services provided within the government that are primarily supported either directly or indirectly by taxes and use the modified accrual basis of accounting to record transactions. Governmental Funds included in this report are the General Fund and selected Special Revenue Funds.

General Fund

The General Fund is the general operating fund of the City and is used to account for all financial resources except those required either by law or administrative action to be accounted for in another fund. The General Fund began 2013 with a fund balance of \$85.3 million and an expense operating budget of \$382.6 million including transfers. Subsequent adjustments, including \$2.1 million in rollovers from 2012 to 2013, increased the operating budget to \$385.4 million. Through the third quarter of this year, the fund has spent 70% of its revised operating budget. Based on General Fund operating results through September 30, 2013, it is anticipated that the fund balance in the General Fund will end the year at about \$98.4 million, an increase of \$13.0 million or 15.4% over last year, and well within the current stated reserve policy of 15% of the following year's budgeted Operating Revenue. As noted on the Financial Strength Analysis Schedule, the projected increase in fund balance continues the upward trend over the past three years with increases of \$8.5 million in 2011 and \$15.4 million in 2012.

Revenue collections in excess of what was estimated for budget purposes are the primary reason for this year's projected \$13.0 million gain. Year-end revenues are anticipated to come in at \$16.7 million or 5% over estimates. Property tax revenues are expected to be \$6.2 million over estimates due to delinquent-tax and excess tax-increment collections. Construction activity will help license and permit fees exceed estimates by \$6.4 million, and Public Works' utility-cut revenues will boost service charges by \$4.2 million.

Year-to-date *expenditures* through the third quarter are 5 percentage points under budget at this point in time, but are projected to be slightly over budget by year end. Unexpected increases in equipment and fuel costs will cause Police and Fire to exceed their total budgets by just over \$0.6 million. The City Coordinator's Office anticipates a \$2.3 million deficit primarily due to the planned payment of the remaining debt incurred for COMPASS implementation costs. Utilization of a portion of the \$3.9 million in available contingency funds will be requested to fund the repayment of COMPASS debt and the Police and Fire budget deficits. Excessive snow falls and increased utility cut work pushed Public Works' expenses to \$2.8 million over budget. These costs will be offset by

the increased revenues created by the utility cut and other work for others. All other departments' year-end expenditures will likely be at or near budget.

Selected Special Revenue Funds

- The **Convention Center Fund** accounts for the operating activities of the Convention Center and for the City's sales tax and other related local taxes. Currently all of the tax revenue received by the Convention Center is used to support the Convention Center's capital and operating activities. Though the Convention Center budgeted for a loss of \$(1.5) million in 2013, the fund is projecting a gain of nearly \$1.2 million at year end. Revenues from operations continue to improve and are expected to come in at \$1.4 million or 9.5% higher than budgeted. The increased operating revenues along with strong tax revenues and successful efforts to reduce operating and capital expenses will enable the Convention Center to have a better than budgeted net income performance. The Convention Center is expecting to end the year with a fund balance \$2.7 million above budget. The cash balance at the end the year is projected to be \$43.5 million or \$1.3 million over the 2012 ending cash balance.
- The Grant Funds in the Special Revenue Fund include the **Federal Grant Fund**, which has seen some significant reduction in expenditures in the current year due to the ending of the Recovery grant programs that were awarded in 2009 and 2010; the **Community Development Block Grant (CDBG)** and **HOME Funds**, which have also seen some reduction in recent awards; and the **Grants Other Fund**, which is used to account for non-federal grants and other restricted revenue sources. In all areas there have been new grant awards and program startups that help offset the reductions discussed above.
- The **CPED Special Revenue Funds** are all performing within budget, although the Preliminary Planning Fund and the Operating Fund continue to carry negative cash and fund balances. A plan to address the deficits in these programs was developed as part of the 2012 budget process.

PROPRIETARY FUNDS

Proprietary funds operate, more or less, like a business and are assumed to be self-supporting. Proprietary funds are normally grouped into two subsets: Internal Service Funds, which sell goods and services internally to other government units; and Enterprise Funds which sell goods and services to third parties. The rates charged by these businesses are supposed to cover the full cost of providing the good or service sold by the fund, including the cost of maintaining, replacing, and expanding the fund's capital assets. Proprietary funds use full accrual accounting.

Internal Service Funds

Over the years, the Internal Service Funds have been one of the largest financial challenges for the City and workout plans were developed for some to help move them toward a more stable and sustainable positive financial position. Significant progress has been made to improve the financial status of these funds. It is expected that with the planned cash infusions they have received, as needed, and the continued review and revision of their cost recovery models, all internal service funds will be able to successfully move off the workout plans in the next year and to maintain financial viability on an ongoing basis into the future.

As indicated on the Financial Strength Analysis Schedule, the six internal service funds as a whole have experienced significant sustainable growth in the last three years and are projected to maintain both a positive cash balance and an improving net position into the future:

- As always, the **Engineering Materials and Testing Fund** is projected to continue to exceed its financial targets for the year. An increase in repair work and rental revenue for both vehicles and operators along with lower than expected costs for fuel will help the **Equipment Services (Fleet) Fund** exceed its financial targets for the year.

- The **Property Services Fund** is projected to do better than expected due to increased revenue from projects completed for other departments as well as increased property rents along with lower operating costs that result primarily from unexpected vacancy savings.
- The **Intergovernmental Services Fund's** projected increase in net position is due primarily to the receipt of \$3.9 million in cash from the General Fund. The significant increase in the cash balance projected at year-end 2013 is due primarily to this transfer of cash from the General Fund along with transfers from other departments for work to be done on various projects and an \$8.4 million decrease in debt service payments.
- Though the **Public Works Stores Fund**, the smallest of the six internal service funds, expects to end the year with a positive net position that is slightly higher than expected, it does anticipate to be in a negative cash position which will require ongoing oversight and review of options to address both the cash deficit and the need to revise how the administrative fee is calculated.
- The **Self Insurance Fund** continues to improve both its cash and net position primarily due to transfers from the General Fund through 2014 as planned in the long-term financial plan. The financial policy for the net position of the Self Insurance Fund determines that the net position should not fall below zero.

Enterprise Funds

The Enterprise Funds are City owned businesses that sell goods and services to third parties.

- The **Sewer Utility Funds**, which include the **Sanitary Sewer** and **Storm Water Funds**, and the **Water Utility Fund** continues to perform well in 2013. All of the utility funds are on track to exceed their net income requirements. Additionally, the cash position in each fund exceeds the cash reserve requirement and will be used to pay operating expenditures, capital programs, pension fund, and debt services for the coming months and for future programs. The utility funds have been accumulating cash in order to fund major infrastructure replacement and maintenance and repair projects in the future without having to incur a significant amount of debt. At the same time, the funds are also using the extra cash to pay down outstanding debt.
- The **Solid Waste Fund** accounts for the City's solid waste collection, disposal, and recycling operations. Like the other utility funds, the Solid Waste Fund expects to exceed its cash and net position targets as well as its net income requirements for 2013. The Solid Waste Fund had also built up excessive cash balances and, in the last two years, has used those balances to fund the capital purchase of equipment and carts for new programs like the One-Sort Program in the Recycling Division. As a result, the numbers in the Financial Strength Analysis Schedule for the Solid Waste Fund are reflective of this planned use of fund balance and cash. Currently, the Solid Waste Fund has no outstanding debt.
- Since the **Parking Fund** installed the new on-street parking meters with credit card capability, the fund has experienced a significant increase in on-street parking revenues...\$2.5 million in 2012 and another \$1.5 million projected in 2013. Higher operating revenue from the on-street meter program along with lower operating expenses relative to budget has enabled the fund to exceed expectations both in meeting cash requirements and overall fund performance. The cash balance is above target and is reserved for future debt service payments and the remaining cost for installing the on-street meters.
- The **CPED Enterprise Fund** has five components: Housing Development, General Agency Reserve, Theatres, River Terminal, and Economic Development Program. Overall the CPED Enterprise Funds are expected to operate at a slight gain. The programs with expected operating losses for the year will rely on the use of fund balance to sustain the program operations.

CASH AND INVESTMENTS

The last page of the report is the Third Quarter, 2013, Cash and Investments Report. It provides an overview of the overall City cash position at 9/30/2013. This information is also summarized in the Financial Strength Analysis Schedule which includes a historical comparison for the last three years and a projection to the end of 2013. The overall City cash position is projected to increase approximately \$88.4 million in 2013 for a total increase of \$151.4 million over the four years 2010 through 2013. Though it is projected to increase significantly in 2013, much of the cash balance is targeted for payment of outstanding debt in the general fund and the funding of major capital infrastructure projects and repayment of outstanding debt in the internal service and enterprise operations.

Respectfully Submitted,

Kevin D. Carpenter
Chief Finance Officer

Sandra K. Christensen
Deputy Chief Finance Officer

Connie L. Griffith
Controller

City of Minneapolis
 Financial Strength Analysis at 3rd Qtr 2013

FINANCIAL STRENGTH ANALYSIS (in millions)	2013 ANALYSIS					Projected Increase (Decrease) Over 2012		Total 4 Year Incr (2010 - 2013 Proj)		4 Year Avg Incr (2010 - 2013 Proj)	
	2010	2011	2012	YTD 9/30/2013	Projected YE 2013	\$	%	\$	%	\$	%
General Fund Total Fund Balance	61.4	69.9	85.3	52.8	98.4	13.1	15.4%	37.0	60.3%	9.3	15.1%
General Fund Unassigned/Unreserved Fund Balance	60.1	69.9	85.3	52.8	98.4	13.1	15.4%	38.3	63.7%	9.6	15.9%
General Fund Cash Balance	62.9	76.3	87.8	54.3	100.1	12.3	14.0%	37.2	59.1%	9.3	14.8%
Overall City Cash Position	498.6	525.4	561.6	573.3	650.0	88.4	15.7%	151.4	30.4%	37.9	7.6%
SPECIAL REVENUE FUNDS FINANCIAL STRENGTH ANALYSIS											
Convention Center - Cash	27.2	31.1	44.4	64.7	43.5	(0.9)	-2.0%	16.3	59.9%	4.1	15.0%
Convention Center - Fund Balance	46.1	49.7	58.6	79.2	59.8	1.2	2.0%	13.7	29.7%	3.4	7.4%
Grant Funds - Cash	0.3	0.7	1.5	1.5	0.5	(1.0)	-66.7%	0.2	66.7%	0.1	16.7%
Grant Funds - Fund Balance	17.2	16.7	10.8	6.5	8.3	(2.5)	-23.1%	(8.9)	-51.7%	(2.2)	-12.9%
Comm Planng & Econ Dev (CPED) - Cash	167.2	167.6	169.7	157.4	169.2	2.1	1.3%	2.0	1.2%	0.5	0.3%
Comm Planng & Econ Dev (CPED) - Fund Balance	225.3	209.6	207.9	194.7	206.4	(1.7)	-0.8%	(18.9)	-8.4%	(4.7)	-2.1%
INTERNAL SERVICE FUNDS FINANCIAL STRENGTH ANALYSIS											
Engr. Materials & Testing - Cash	0.8	1.2	1.7	2.8	2.5	0.8	47.1%	1.7	212.5%	0.4	53.1%
Engr. Materials & Testing - Net Assets/Position	0.7	1.1	1.6	2.0	2.1	0.5	31.3%	1.4	200.0%	0.4	50.0%
Intergovernmental Services - Cash	8.4	11.9	15.8	14.8	29.5	13.7	86.7%	21.1	251.2%	5.3	62.8%
Intergovernmental Services - Net Assets/Positn.	16.9	22.2	27.4	32.1	33.2	5.8	21.2%	16.3	96.4%	4.1	24.1%
Property Services - Cash	0.1	0.7	0.8	3.8	3.8	3.0	375.0%	3.7	3700.0%	0.9	925.0%
Property Services - Net Assets/Position	26.0	26.1	25.6	27.8	28.3	2.7	10.5%	2.3	8.8%	0.6	2.2%
Equipment Services - Cash	8.2	12.3	10.2	20.1	15.5	5.3	52.0%	7.3	89.0%	1.8	22.3%
Equipment Services - Net Assets/Position	30.6	35.2	37.2	45.9	46.8	9.6	25.8%	16.2	52.9%	4.1	13.2%
PW Stores - Cash	0.0	0.0	0.0	(0.5)	0.0	0.0	-	0.0	-	0.0	-
PW Stores - Net Assets/Position	3.2	3.0	3.7	3.9	4.0	0.3	8.1%	0.8	25.0%	0.2	6.3%
Self Insurance Fund - Cash	41.2	47.5	56.4	58.6	58.8	2.4	4.3%	17.6	42.7%	4.4	10.7%
Self Insurance Fund - Net Assets/Position	(6.6)	(4.1)	1.7	4.3	4.9	3.2	188.2%	11.5	174.2%	2.9	43.6%
Total ISF - Cash	58.7	73.6	84.9	99.6	110.1	11.3	15.4%	51.4	87.6%	12.9	21.9%
Total ISF - Net Assets/Position	70.8	83.5	97.2	116.0	119.3	13.7	16.4%	48.5	68.5%	12.1	17.1%
ENTERPRISE FUNDS FINANCIAL STRENGTH ANALYSIS											
Sanitary Sewer - Cash	16.7	20.8	20.0	19.6	17.3	(2.7)	-13.5%	0.6	3.6%	0.2	0.9%
Sanitary Sewer - Net Assets/Position	96.2	100.8	107.5	113.3	111.5	4.0	3.7%	15.3	15.9%	3.8	4.0%
Stormwater - Cash	26.2	26.6	37.4	43.4	40.5	3.1	8.3%	14.3	54.6%	3.6	13.6%
Stormwater - Net Assets/Position	267.9	284.9	299.6	305.6	303.3	3.7	1.2%	35.4	13.2%	8.9	3.3%
Solid Waste & Recycling - Cash	21.9	22.4	23.9	16.6	15.8	(8.1)	-33.9%	(6.1)	-27.9%	(1.5)	-7.0%
Solid Waste & Recycling - Net Assets/Position	27.9	30.5	30.3	25.3	24.4	(5.9)	-19.5%	(3.5)	-12.5%	(0.9)	-3.1%
Water Enterprise - Cash	12.8	15.2	19.1	20.3	19.2	0.1	0.5%	6.4	50.0%	1.6	12.5%
Water Enterprise - Net Assets/Position	176.9	186.0	197.2	198.5	197.2	0.0	0.0%	20.3	11.5%	5.1	2.9%
Municipal Parking - Cash	12.8	11.6	7.7	8.0	4.8	(2.9)	-37.7%	(8.0)	-62.5%	(2.0)	-15.6%
Municipal Parking - Net Assets/Position	148.3	157.2	162.8	162.3	171.5	8.7	5.3%	23.2	15.6%	5.8	3.9%
Comm Planng & Econ Dev (CPED) - Cash**	0.1	0.0	0.0	0.0	0.0	0.0	-	(0.1)	-	(0.0)	-
Comm Planng & Econ Dev (CPED) - Fund Balance	40.2	39.8	38.5	38.4	38.0	(0.5)	-1.3%	(2.2)	-5.5%	(0.6)	-1.4%
Total ESF - Cash	58.9	96.6	108.1	107.9	80.3	11.5	11.9%	21.4	36.3%	5.4	9.1%
Total ESF - Net Assets/Position	757.4	799.2	835.8	843.4	845.9	36.6	4.6%	88.5	11.7%	22.1	2.9%

* Total Market Value of cash and cash equivalents as reported in the Investment Report page attached to the Third Quarter 2013 Financial Status Report. Does not include the \$42.0M invested for General Agency Reserve Fund Systems (GARFS).

**Cash in CPED Enterprise Funds does not include the \$39.4M (MV at 9/30/2013 of \$42.0M) invested with trustees through GARFS and reported in the CPED Enterprise Funds.

APPENDIX
DETAILED FUND INFORMATION

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.

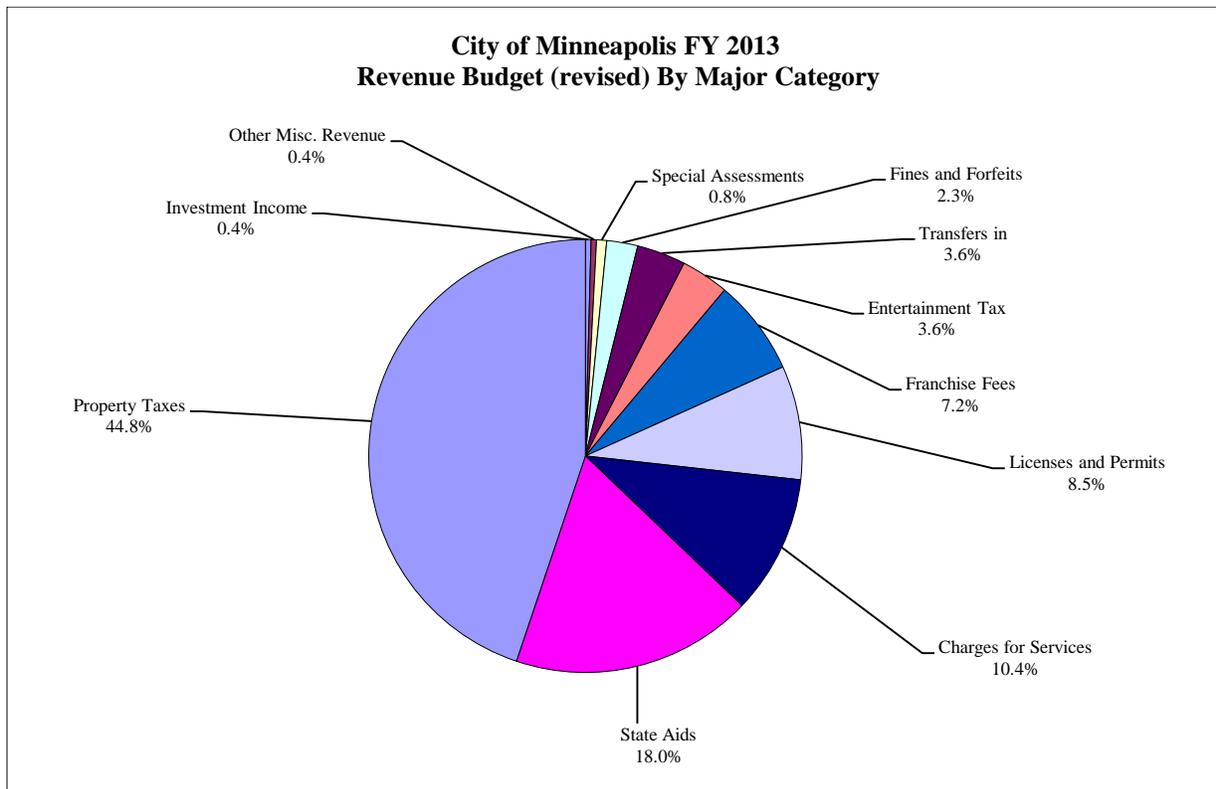
Financial Performance

The fund balance for the General Fund at fiscal year-end 2012 was \$ 85.3 million. At year-end 2013, the fund balance is projected to be \$98.4 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 Rev in Excess of Budget	16.73 million
2013 Projected Exp Appropriation Deficit	(1.2) million
2012 Fund Bal Rollovers to 2013/Other Adj	<u>(2.4) million</u>
Total – Excess Revenue Over Expense	<u>13.1 million</u>
Projected Fund Balance, December 31, 2013	<u>\$ 98.4 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 \$6.2 million over budgeted amounts due to increased delinquent tax and excess TIF collections.

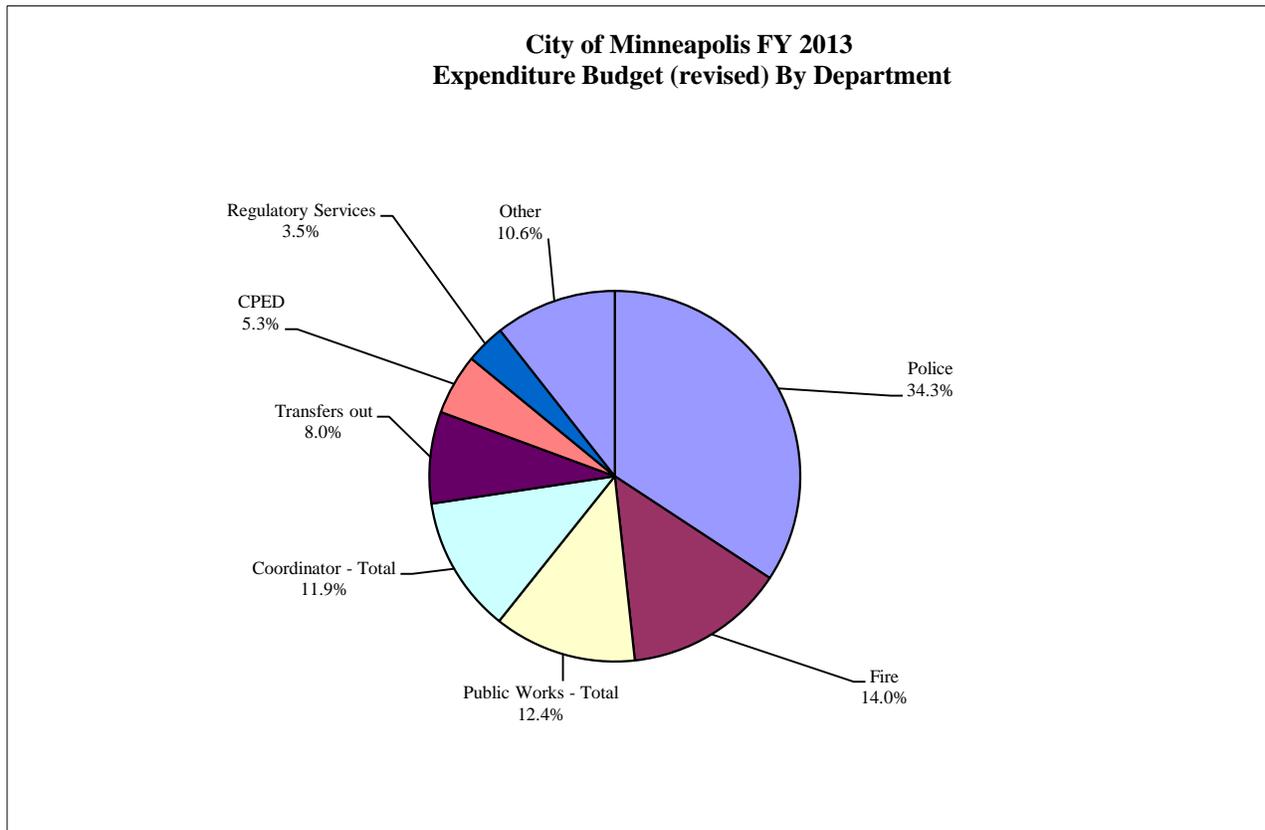
State aids, the second major source of fund revenue (17.6%), are expected to be at or slightly over budgeted levels. Local Government Aid is received in two equal payments - one in July, and one at the end of December.

Charges for services, the third major source of fund revenue (10.4%), are anticipated to end the year \$4.2 million over budgeted levels. This is due primarily to increases in utility cut revenue from work done for others by Public Works.

License and permit fees, the fourth largest source of revenue to the City (8.5%), are projected to be \$6.4 million in excess of budget, due to the ongoing activity related to construction.

Franchise Fees (7.2%), are projected to be at or slightly over 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.

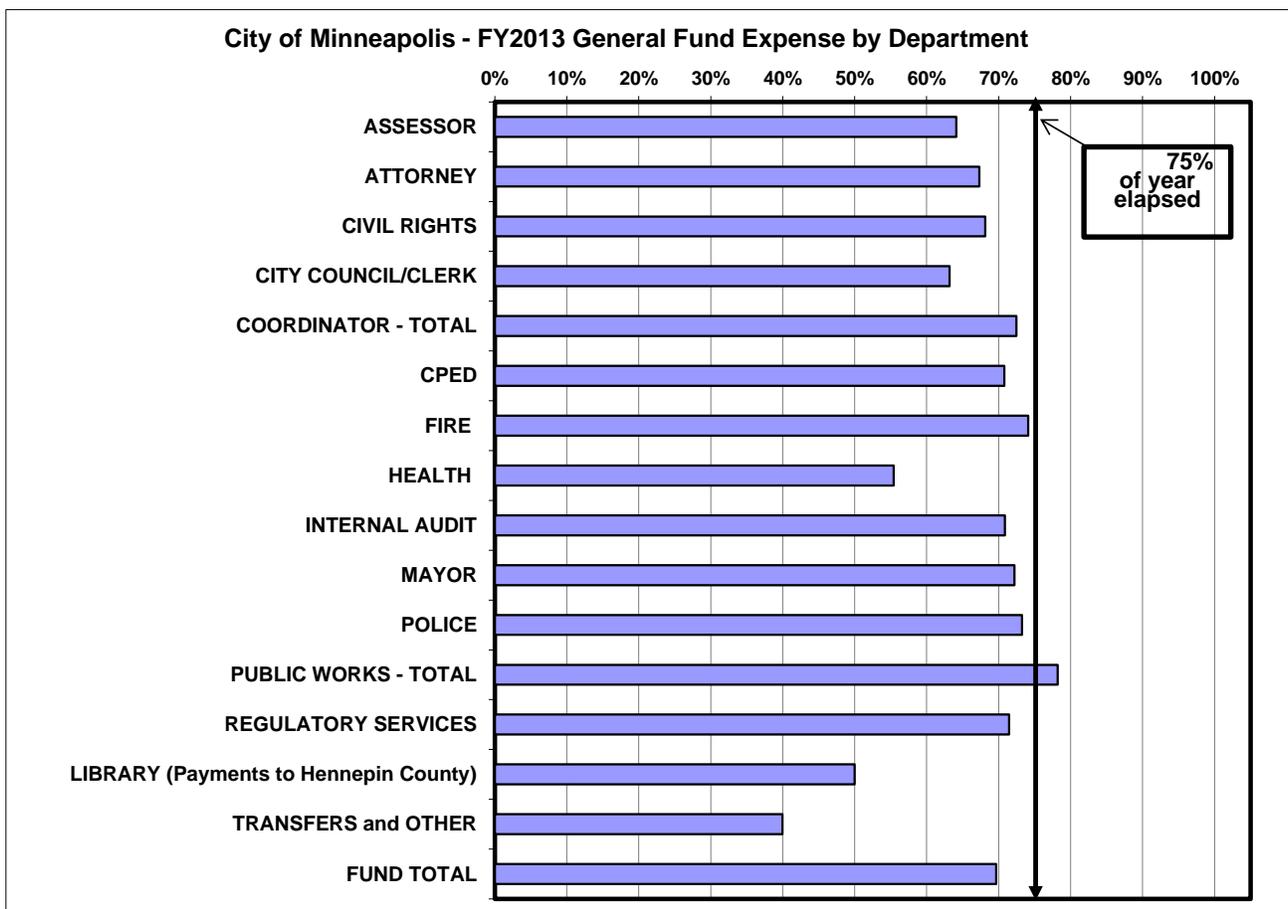
The Police Department anticipates exceeding their budget by \$390,000 due to unexpected equipment and fuel costs.

The Fire Department is projecting ending the year approximately \$200,000 over budget. This is primarily due to equipment costs exceeding budgeted amounts.

The City Coordinator anticipates a budget deficit of \$(1.7) million, due to the payoff of outstanding costs for the COMPASS financial system.

The Public Works Department anticipates ending the year at or near budget. The excess of expenditures over budget in Transportation Maintenance & Repair (TM&R) are a result of the increase in utility cut work TM&R has done this year. Increased revenues from the utility cut work (See Revenue discussion on previous page) more than offset the additional costs incurred.

Regulatory Services is projecting a savings of \$200,000 which offsets an anticipated budget deficit in CPED for the same amount due to credit card fees. The City Clerk anticipates a small deficit due to election costs. Expenditures for all of the remaining departments are expected to end the year at or near the current budget.



City of Minneapolis
General Fund
September 30, 2013

	Original Budget	Revised Budget	YTD Actual	Percent of Revised Budget Remaining	Projected YE Totals	Variance Budget vs Projected	Projected YE as Percent of Revised Budget
Revenues:							
Property Taxes	170,933,820	171,733,820	90,101,015	48%	177,964,822	6,231,002	104%
Entertainment Tax	13,700,000	13,700,000	9,252,662	32%	13,400,000	(300,000)	98%
State Aids	69,008,791	69,008,791	32,745,052	53%	69,301,112	292,321	100%
Charges for Services	39,757,549	39,757,549	31,456,386	21%	43,950,000	4,192,451	111%
Franchise Fees	27,400,000	27,400,000	21,233,992	23%	27,500,000	100,000	100%
Licenses and Permits	32,575,423	32,575,423	30,286,662	7%	39,000,000	6,424,577	120%
Fines and Forfeits	8,848,000	8,848,000	5,434,080	39%	8,448,000	(400,000)	95%
Special Assessments	2,462,080	2,891,750	1,853,207	36%	3,000,000	108,250	104%
Investment Income	1,600,000	1,600,000	697,475	56%	1,394,950	(205,050)	87%
Other Shared Taxes	531,405	531,405	-	100%	531,405	-	100%
Other Miscellaneous	1,014,570	214,570	454,826	-112%	500,000	285,430	233%
Contributions	800,000	800,000	699,736	13%	800,000	-	100%
Total Revenues	368,631,638	369,061,308	224,215,093	39%	385,790,289	16,728,981	105%
Transfers In	13,933,000	13,933,000	11,556,722	17%	13,933,000	-	100%
Revenues and Other Sources	382,564,638	382,994,308	235,771,815	38%	399,723,289	16,728,981	104%
Expenditures :							
Police	131,564,103	131,978,579	96,693,111	27%	132,368,579	(390,000)	100%
Fire	53,790,399	54,014,248	40,027,424	26%	54,214,248	(200,000)	100%
Human Resources	7,129,275	7,477,772	5,156,211	31%	6,702,772	775,000	90%
Finance and Property Services	20,322,781	20,322,781	14,973,380	26%	23,064,454	(2,741,673)	113%
911	7,725,519	7,725,519	5,629,090	27%	7,725,000	519	100%
311	3,121,905	3,121,905	2,251,876	28%	3,121,000	905	100%
City Coordinator	1,628,113	1,578,113	1,187,192	25%	2,143,113	(565,000)	136%
Intergov Relations	1,509,561	1,509,561	937,132	38%	1,355,000	154,561	90%
Communications	2,135,305	2,185,305	1,662,521	24%	2,135,000	50,305	98%
Emergency Management	692,647	1,042,647	575,778	45%	1,038,000	4,647	100%
Neighbrhd and Comm Rel	933,611	933,611	878,316	6%	933,611	-	100%
Information Technology	200,000	200,000	-	100%	200,000	-	100%
Coordinator - Total	45,398,717	46,097,214	33,251,496	28%	48,417,950	(2,320,736)	105%
Trans Plan and Design	2,739,596	2,739,596	1,649,246	40%	2,230,000	509,596	81%
Trans Maint and Repair	27,684,769	28,114,439	23,916,880	15%	31,574,750	(3,460,311)	112%
Administration	2,870,539	2,870,539	1,959,826	32%	2,650,539	220,000	92%
Traf and Parkng Svcs	14,234,248	14,234,248	9,986,984	30%	14,344,524	(110,276)	101%
Public Works - Total	47,529,152	47,958,822	37,512,936	22%	50,799,813	(2,840,991)	106%
Regulatory Services	13,336,111	13,355,231	9,544,861	29%	13,155,000	200,231	99%
Attorney	8,074,265	8,434,415	5,677,336	33%	8,134,415	300,000	96%
City Council & City Clerk	8,316,615	8,456,299	5,364,530	37%	8,500,000	(43,701)	101%
Culture and Recreation -Library	4,106,000	4,106,000	2,052,868	50%	4,105,736	264	100%
Contingency	3,883,246	3,883,246	540	100%	540	3,882,706	0%
Assessor	4,314,925	4,314,925	2,766,188	36%	4,000,000	314,925	93%
CPED	20,034,403	20,434,403	14,468,224	29%	20,634,403	(200,000)	101%
Health	6,945,827	6,974,927	3,865,159	45%	6,955,000	19,927	100%
Civil Rights	2,462,504	2,462,504	1,677,667	32%	2,440,000	22,504	99%
Mayor	1,598,248	1,709,682	1,234,048	28%	1,709,682	-	100%
Internal Audit	382,137	435,137	308,387	29%	430,000	5,137	99%
Total Expenditures	351,736,652	354,615,632	254,444,775	28%	355,865,366	(1,249,734)	100%
Transfers Out	30,827,986	30,827,986	13,871,110	55%	30,827,986	-	100%
Expenditures and Other Uses	382,564,638	385,443,618	268,315,885	30%	386,693,352	(1,249,734)	100%
Change in Fund Balance					13,029,937		
Fund Balance - January 1, 2013					85,345,223		
Fund Balance - December 31, 2013					98,375,160		

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 3rd quarter ending September 30, 2013, tax proceeds overall were above 2012 levels by 5.2 for the same period. The liquor tax declined significantly when comparing September 2013 year to date to September 2012 year to date in part because of the cold, wet spring with fewer people taking 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.

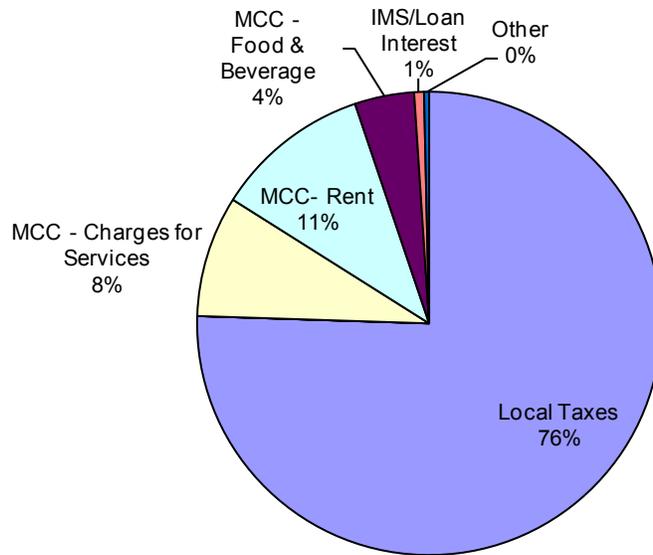
Tax	September 2012	September 2013	Variance	% Change
Sales	\$22,951,947	\$24,447,430	\$1,495,483	6.5%
Food	8,287,664	8,636,928	349,264	4.2%
Liquor	3,951,366	3,855,825	(95,541)	(2.4)%
Lodging	4,439,291	4,761,028	321,737	7.2%
Total	\$39,630,268	\$41,701,211	\$2,070,943	5.2%

Operating Revenue

Through the 3rd quarter of 2013, operating revenue finished at nearly \$13 million or 88% of budget. Rents and Commissions had the strongest finish at nearly \$6 million or 94% of budget followed by Charges for Services and Sales at nearly \$4.7 million or 87% and Catering Commissions at nearly \$2.3 million or 75% of budget.

The Convention Center continues to discount rents to be competitive, and through September 30, 2013 the Convention Center had 285 events with over 651,000 attendees. Space is being filled with regional, state, and local events, and the Convention Center projects 380 events with 785,000 attendees for 2013. Economic impact to the community as a result of events in 2013 is estimated to be approximately \$350 million.

Convention Center Revenue Source 3rd Quarter 2013



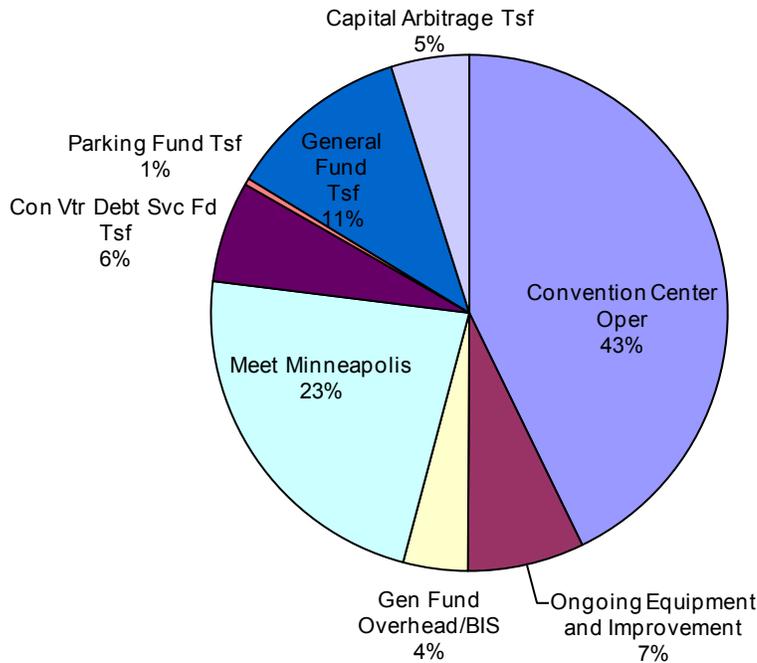
Operating Expenditures

Through the 3rd quarter of 2013, Convention Center operating expenses not including Ongoing Equipment and Improvement, IT, and General Fund Overhead were at \$16.4 million or 71% of budget. 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
3rd 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 Meet Minneapolis receiving \$250 thousand of their \$500,000 budgeted incentive budget.

Fund Balance

The 2013 ending fund balance is projected to be \$54.5 million, which is approximately \$2.7 million over budget and an increase of nearly \$1.2 million 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 September 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	4,668,251	87%	6,000,000	5,405,038
Rents and Commissions	6,400,000	5,999,939	94%	6,800,000	7,005,147
Catering Commissions	3,044,000	2,286,944	75%	3,400,000	2,688,849
Total Operating Revenue	14,783,000	12,955,134	88%	16,200,000	15,099,034
Tax Revenue:					
Sales and Use Tax	31,500,000	24,447,430	78%	32,450,000	31,731,154
Food Tax	12,000,000	8,636,928	72%	11,750,000	11,464,597
Liquor Tax	5,700,000	3,855,825	68%	5,300,000	5,426,548
Lodging Tax	6,800,000	4,761,028	70%	6,550,000	6,431,736
Total Tax Revenue	56,000,000	41,701,211	74%	56,050,000	55,054,035
Other Non Operating Revenue:					
Investment Management Services Interest	200,000	112,781	56%	200,000	259,937
Meet Minneapolis (iDSS) Loan Interest	265,132	265,132	100%	265,132	314,359
Bonds Issued - Domes	-	-	-	-	4,200,000
Premiums and Accrued Interest - Bonds	-	-	-	-	111,067
Copper Scrap Sales - Domes	-	-	-	-	552,337
Other	-	192,955	-	194,955	13,387
Total Other Non Operating Revenue	465,132	570,868	123%	660,087	5,451,087
Total Non Operating Revenue	56,465,132	42,272,079	75%	56,710,087	60,505,122
Total Revenue	71,248,132	55,227,213	78%	72,910,087	75,604,156
EXPENDITURES					
Convention Center Operations	23,152,836	16,428,027	71%	22,389,946	21,342,376
Ongoing Equipment and Improvement	11,072,796	2,800,513	25%	11,072,796	5,099,234
General Fund Overhead/IT Operating	1,939,054	1,551,611	80%	1,939,054	2,002,888
Meet Minneapolis	9,017,258	8,767,258	97%	8,767,258	8,138,127
Capital Improvements - Domes	-	-	-	-	3,905,033
Other Fiscal Charges (Bonds)	-	-	-	-	7,392
Total Expenditures	45,181,944	29,547,409	65%	44,169,054	40,495,050
Excess of Revenues Over (Under) Expenditures	26,066,188	25,679,804	99%	28,741,033	35,109,106
OTHER FINANCING SOURCES (USES)					
General Fund Transfer - Mounted Patrol, Econ Dev	(5,250,000)	(4,375,000)	83%	(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)	(5,083,696)	18%	(27,512,128)	(25,817,581)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,458,137)	20,596,108		1,228,905	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	73,820,894		54,453,691	53,224,786
Ending Cash Balance		59,267,226		38,074,682	36,845,777

**CONVENTION FACILITIES RESERVE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the fiscal quarter ending September 30, 2013**

	2013		2012
	Budget	Actual	Actual
REVENUES:			
Interest		-	-
Total revenues	-	-	-
Excess of revenues over (under) expenditures	-	-	-
OTHER FINANCING SOURCES (USES):			
Transfer from Convention Center	-	-	1,150,000
Transfer to Convention Center	-	-	(1,500,000)
Transfers within special revenue funds	-	-	(350,000)
Total other financing sources (uses)	-	-	(350,000)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	-	-	(350,000)
Fund Balance - January 1	5,400,450	5,400,450	5,750,450
Ending Fund Balance	5,400,450	5,400,450	5,400,450
Ending Cash Balance		5,400,450	5,400,450

SPECIAL REVENUE FUNDS
Federal, CDBG, and Other State and Local Grants
Quarter Ending September 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 September 30, expenditures were \$15,081,089 compared to the 2012 expenditures of \$24,361,761. 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 September 30 were \$12,895,810 compared to \$15,326,225 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 September 30, 2013 are \$20,216,353 compared to the 2012

expenditures of \$14,730,860. The revenue in the fund as of September 30, 2013 and 2012 is \$20,517,344 and \$19,584,101, 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 \$13,448,148 of which \$8,918,769 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 September 30, 2013

	Federal Grants 01300	HUD Grants 01400&01500	Grants Other 01600	Total
Assets				
Cash and cash equivalents	\$ 1,358,335	\$ 1,324,551	\$ (1,137,816)	\$ 1,545,070
Accounts - net	57,420	19,496	9,010	85,926
Special Assessments Receivable				-
Intergovernmental Receivables	34,037		580	34,617
Prepaid Expense				-
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	\$ 2,961,759	\$ 7,588,288	\$ 3,650,027	\$ 14,200,074
Liabilities				
Salaries payable	\$ 72,506	\$ 67,603	\$ 108,903	\$ 249,012
Accounts payable	207,865	497,434	64,909	770,208
Inter Governmental Payables				-
Due to Other Funds	3,800,000	2,700,000		6,500,000
Use Taxes Payable	1,186	-	19	1,205
Unclaimed Property				-
Deposits held for others			738	738
Deferred revenue & Contracts	5,828		132,675	138,503
Deferred Special Assessments				-
Total Liabilities	\$ 4,087,385	\$ 3,265,037	\$ 307,244	\$ 7,659,666
Fund Balance	\$ (1,125,626)	\$ 4,323,251	\$ 3,342,783	\$ 6,540,408
Total Liabilities and Fund Balance	\$ 2,961,759	\$ 7,588,288	\$ 3,650,027	\$ 14,200,074
Revenue				
Taxes-Charitable Gambling			\$ 86,666	\$ 86,666
Grants and Shared Revenues	\$ 11,052,050	10,528,879	18,738,369	40,319,298
Loan Origination Fees				-
Special Assessments			695	695
Private Contributions			1,115,193	1,115,193
Charges for Services		36,519	618,744	655,263
Licenses & Permits				-
Fines and forfeits				-
Interest		50,381	1,717	52,098
Rent & Commissions		4,197		4,197
Sale of Lands & Buildings	325,816	95,296		421,112
Loan Recapture	1,036,968	239,224		1,276,192
Sale of Equipment				-
Refund of Prior Years Expended		16,025		16,025
Miscellaneous Revenue	28,672	4,301	13,381	46,354
Transfer within Special Revenue Fund			(57,421)	(57,421)
Total Revenue	\$ 12,443,506	\$ 10,974,822	\$ 20,517,344	\$ 43,935,672
Expenditures	\$ 15,081,099	\$ 12,895,810	\$ 20,216,353	\$ 48,193,262
Revenues Over (Under) Expenditures	\$ (2,637,593)	\$ (1,920,988)	\$ 300,991	\$ (4,257,590)

**CDBG Program Year 39
Beginning June 1, 2013
September 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	14,122	14,122	89,578	
Adult Training, Placement and Retention	1,467,600	237,898	1,705,498	-	-	-	-	1,705,498	-	-	1,705,498	
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	268,402	268,402	1,485,028	
Subtotal Capital Grants	<u>\$ 6,942,501</u>	<u>\$ 237,898.00</u>	<u>\$ 7,180,399</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,180,399</u>	<u>\$ 282,524</u>	<u>\$ 282,524</u>	<u>\$ 6,897,875</u>	
Public Service Grants:												
Community Crime Prevention Specialists	\$ 876,600	\$ 20,415	\$ 897,015	\$ -	\$ -	\$ -	\$ -	\$ 897,015	\$ 246,021	\$ 246,021	\$ 650,994	
Access & Outreach (Multicultural Affairs)	120,000	-	120,000	-	-	-	-	120,000	-	-	120,000	
Domestic Abuse Project	59,500	15,500	75,000	-	-	-	-	75,000	-	-	75,000	
Juvenile Supervisor Center	100,000	-	100,000	-	-	-	-	100,000	1,628	1,628	98,372	
Way to Grow	192,600	19,400	212,000	-	-	-	-	212,000	30,837	30,837	181,163	
Youth Employment & Training	250,900	2,100	253,000	-	-	-	-	253,000	6,295	6,295	246,705	
Subtotal Public Service Grants	<u>\$ 1,599,600</u>	<u>\$ 57,415</u>	<u>\$ 1,657,015</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,657,015</u>	<u>\$ 284,781</u>	<u>\$ 284,781</u>	<u>\$ 1,372,234</u>	
Administrative Grants:												
YCB Administration	\$ 65,400	\$ 600	\$ 66,000	\$ -	\$ -	\$ -	\$ -	\$ 66,000	\$ 65,400	\$ 65,400	\$ 600	
Civil Rights Dept Fair Housing	361,900	3,100	365,000	-	-	-	-	365,000	-	-	365,000	
Finance Administration	194,400	1,600	196,000	-	-	-	-	196,000	-	-	196,000	
Grants & Special Projects	188,400	1,600	190,000	-	-	-	-	190,000	-	-	190,000	
Housing Discrimination Law Project-Leg:	47,229	6,771	54,000	-	-	-	-	54,000	3,936	3,936	50,064	
Grant Administration	67,400	-	67,400	-	-	-	-	67,400	-	-	67,400	
Legal Aid Mid-Minnesota	29,060	4,940	34,000	-	-	-	-	34,000	7,265	7,265	26,735	
Neighborhood Services	71,400	-	71,400	-	-	-	-	71,400	34,148	34,148	37,252	
Way to Grow Administration	15,900	1,600	17,500	-	-	-	-	17,500	1,592	1,592	15,908	
YCB Youth Violence Prevention	100,200	10,500	110,700	-	-	-	-	110,700	-	-	110,700	
CDBG Planning Admin	984,060	53,293	1,037,353	-	-	-	-	1,037,353	207,589	207,589	829,764	
Subtotal Administrative Grants	<u>\$ 2,125,349</u>	<u>\$ 84,004</u>	<u>\$ 2,209,353</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,209,353</u>	<u>\$ 319,930.00</u>	<u>\$ 319,930.00</u>	<u>\$ 1,889,423</u>	
Subtotal Administrative Grants	<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>\$ 379,317.00</u>	<u>\$ 11,046,767</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,046,767</u>	<u>\$ 887,235</u>	<u>\$ 887,235</u>	<u>\$ 10,159,532</u>	

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

Project	Adopted Budget 2011R-659	Reduction Amount Final HUD	Amended Budget	Department Actions	Reprogrammed Amounts	Revised Budget	2013		Remaining Grant Budget
							Current Year Expenditures	Grant to Date Expenditures	
Capital Grants:									
Lead Reduction	\$ 62,000	\$ (500)	\$ 61,500	\$ -	\$ -	\$ 61,500	\$ -	\$ -	\$ 61,500
Problem Properties Board Bldg	104,600	(900)	103,700	-	-	103,700	46,047	103,700	-
Adult Training, Placement and Retentior	1,480,000	(12,400)	1,467,600	-	-	1,467,600	1,187,342	1,366,295	101,305
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	1,037,274	1,495,875	1,470,901
Vacant & Boarded Housing	1,599,056	(13,400)	1,585,656	-	-	1,585,656	1,058,870	1,608,910	(23,254)
Subtotal Capital Grants	\$ 7,001,201	\$ (58,700)	\$ 6,942,501	\$ -	\$ -	\$ 6,942,501	\$ 3,329,533	\$ 4,574,780	\$ 2,367,721
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	56,899	56,899	63,101
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	250,900	250,900	-
Subtotal Public Service Grants	\$ 1,613,000	\$ (13,400)	\$ 1,599,600	\$ -	\$ -	\$ 1,599,600	\$ 862,175	\$ 1,536,399	\$ 63,201
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	211,688	215,205	146,695
Finance Administration	196,000	(1,600)	194,400	-	-	194,400	-	-	194,400
Grants & Special Projects	190,000	(1,600)	188,400	-	-	188,400	106,150	120,263	68,137
Housing Discrimination Law Project-Leg:	47,740	(511)	47,229	-	-	47,229	47,229	47,229	-
Grant Administration	68,000	(600)	67,400	-	-	67,400	15,925	15,925	51,475
Legal Aid Mid-Minnesota	-	-	-	29,060	-	29,060	14,530	24,217	4,843
Neighborhood Services	72,000	(600)	71,400	-	-	71,400	62,967	71,400	-
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	72,092	97,575	2,625
Legal Aid Society	29,260	(200)	29,060	(29,060)	-	-	-	-	-
CDBG Planning Program Admin	992,360	(8,300)	984,060	-	-	984,060	460,894	984,060	-
Subtotal Administrative Grants	\$ 2,143,360	\$ (18,011)	\$ 2,125,349	\$ -	\$ -	\$ 2,125,349	\$ 1,000,750	\$ 1,656,577	\$ 468,772
Block E Deficit Reduction:									
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Administrative Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GRAND TOTAL	\$ 10,757,561	\$ (90,111)	\$ 10,667,450	\$ -	\$ -	\$ 10,667,450	\$ 5,192,458	\$ 7,767,756	\$ 2,899,694

**CDBG Program Year 37
Beginning June 1, 2011
September 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 Retentio	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	53,941	53,941	529,728	-
NonProfit MF Rental Development Assis	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	921,789	1,952,857	774,546	-
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	\$ 1,031,227	\$ 5,367,852	\$ 2,460,318	\$ -
Public Service Grants:												
Restorative Justice Programs	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -
Community Crime Prevention Specialist	934,386	(50,000.00)	884,386	-	-	-	-	884,386	-	884,386	-	-
Access & Outreach (Multicultural Affairs	121,000	-	121,000	-	-	-	-	121,000	11,801	121,000	-	-
PHAC: Living at Home Block Nurse Proj	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	-	-
	250,000	(259,563.00)	(9,563)	-	-	9,563	-	-	-	-	-	-
PHAC: Hennepin Healthcare	-	-	-	-	-	30,000	-	30,000	4,544	30,000	-	-
PHAC: Holy Rosary Church	-	-	-	-	-	50,000	-	50,000	-	50,000	-	-
PHAC: MPLS American Indian	-	-	-	-	-	30,000	-	30,000	-	30,000	-	-
PHAC: MPS Teenage Parenting & Pregr	75,000	-	75,000	-	-	(66,762)	-	8,238	4,801	8,238	-	-
PHAC: SE Asian Community Council	-	-	-	-	-	22,199	-	22,199	-	22,199	-	-
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	\$ -	\$ -	\$ -	\$ -	\$ 1,805,823	\$ 21,146	\$ 1,805,823	\$ -	\$ -
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	135,148	163,673	32,327	-
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	(413)	190,000	-	-
Housing Discrimination Law Project-Lec	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	\$ 205,895	\$ 2,374,974	\$ 32,327	\$ -
Block E Deficit Reduction:												
YCB Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ 1,197	\$ -
Subtotal Administrative Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ 1,197	\$ -
GRAND TOTAL	\$ 14,439,575	\$ (2,397,084)	\$ 12,042,491	\$ -	\$ -	\$ -	\$ -	\$ 12,042,491	\$ 1,258,268	\$ 9,548,649	\$ 2,493,842	\$ -

**CDBG Program Year 36
Beginning June 1, 2010
September 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	60,950	691,095	2,905
Problem Properties Police	53,000		53,000	-	-	53,000	-	53,000	-
Lead Reduction	125,000		125,000	-	-	125,000	11,068	115,406	9,594
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 Assist	166,000		166,000	-	-	166,000	-	-	166,000
NEDF/CEDF	1,500,000		1,500,000	-	-	1,500,000	1,305	322,468	1,177,532
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	\$ 296,853	\$ 8,257,792	\$ 1,505,397
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	-	934,386	-
Access & Outreach (Multicultural Affairs)	121,000		121,000	-	-	121,000	-	121,000	-
Living at Home Block Nurse Program	49,000		49,000	87,250	-	136,250	13,925	136,250	-
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 Volunteer	49,000		49,000	(5,237)	-	43,763	-	43,763	-
MPS Teenage Parenting & Pregnancy Pr	49,000		49,000	(8,928)	-	40,072	-	40,072	-
MPS Teenage Parenting & Pregnancy Pr	-		-	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 Gr	\$ 2,111,000	\$ 54,386	\$ 2,165,386	\$ -	\$ -	\$ 2,165,386	\$ 21,446	\$ 2,165,386	\$ -
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	-	196,000	-
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-Leg	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	-	(66,095)	166,905	-	92,854	74,051
Legal Aid Society	34,000		34,000	-	-	34,000	-	34,000	-
Planning - Administration	941,000		941,000	-	-	941,000	-	941,000	-
Subtotal Administrative Gr	\$ 2,511,000	\$ -	\$ 2,511,000	\$ -	\$ (67,292)	\$ 2,443,708	\$ -	\$ 2,362,620	\$ 81,088
Block E Deficit Reduction:									
G4123YCB36-YCB Administration	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ 1,197
G4890CP36-Citizen Participation	\$ -	\$ -	\$ -	\$ -	\$ 66,095	\$ 66,095	\$ -	\$ -	\$ 66,095
Subtotal Administrative Gr	\$ -	\$ -	\$ -	\$ -	\$ 67,292	\$ 67,292	\$ -	\$ -	\$ 67,292
GRAND TOTAL	\$ 14,077,000	\$ 362,575	\$ 14,439,575	\$ -	\$ -	\$ 14,439,575	\$ 318,299	\$ 12,785,798	\$ 1,653,777

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

Project	Adopted Budget	Reduction Amount	Amended Budget	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	\$ 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	(87)	125,000	-	
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	\$ 34,932	\$ 11,868,171	\$ 1,150,829	
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	2,209	186,048	3,662.00	
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	\$ 2,209	\$ 2,505,851	\$ 3,662	
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	\$ 37,141	\$ 16,163,494	\$ 1,229,216	

**CDBG Program Year 34
Beginning June 1, 2008
September 30, 2013**

Project	Adopted Budget	Reduction Amount	Amended Budget	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	\$ 218,000		\$ 218,000	\$ -	\$ -	\$ -		\$ 218,000	\$ -	\$ 218,000	\$ -	
Problem Properties Attorneys	38,300		38,300	-	-	-		38,300	-	38,300	-	
Problem Properties Police	52,700		52,700	-	-	-		52,700	-	52,700	-	
Lead Reduction	125,000		125,000	-	-	-		125,000	-	125,000	-	
Problem Properties Board Bldg	348,000		348,000	-	-	-		348,000	-	348,000	-	
Childcare Facilities Loan/Grant	224,000		224,000	-	-	-		224,000	-	-	224,000	
Adult Training, Placement and Retention	1,380,000		1,380,000	-	-	-		1,380,000	-	1,381,068	(1,068)	
High density corridor housing	729,000		729,000	-	-	-		729,000	-	729,000	-	
NonProfit MF Rental Development Assistance	165,000		165,000	-	-	-		165,000	-	155,000	10,000	
NEDF/CEDF	518,000		518,000	1,150,000 ¹	-	-		1,668,000	82,143	544,331	1,123,669	
Homeownership Program (GMMHC)	319,000		319,000	-	-	-		319,000	-	319,000	-	
Industry Cluster Program (Living Wage Jobs)	65,100		65,100	-	-	-		65,100	-	65,100	-	
Multi-Family/Affordable Housing	4,270,000		4,270,000	-	-	-		4,270,000	-	4,270,000	-	
Vacant & Boarded Housing	569,000		569,000	-	-	-		569,000	-	569,000	-	
Subtotal Capital Grants	\$ 9,021,100	\$ -	\$ 9,021,100	\$ 1,150,000	\$ -	\$ -	\$ -	\$ 10,171,100	\$ 82,143	\$ 8,814,499	\$ 1,356,601	
Public Service Grants:												
Multi Cultural & Native American Indian	\$ 119,000		\$ 119,000	\$ -	\$ -	\$ -		\$ 119,000	\$ -	\$ 119,000	\$ -	
Graffiti Removal on Public Property	86,200		86,200	-	-	-		86,200	-	86,200	-	
Advocacy (Housing)	82,300		82,300	-	-	-		82,300	-	82,300	-	
Asian Media Access	26,800		26,800	-	-	-		26,800	-	26,800	-	
Living at Home Block Nurse Program	64,100		64,100	-	-	-		64,100	-	64,100	-	
Child Dental Services	10,500		10,500	-	-	-		10,500	-	10,500	-	
Curfew/Truancy Center	98,000		98,000	-	-	-		98,000	-	98,000	-	
Domestic Abuse Project	34,500		34,500	-	-	(34,500)		-	-	-	-	
Resource Inc, Employment Action Center	44,000		44,000	-	-	-	(6,000) ²	38,000	-	38,000	-	
Fremont Community Health Services	44,000		44,000	-	-	-		44,000	-	44,000	-	
Greater Minneapolis Council of Churches	44,000		44,000	-	-	-		44,000	-	44,000	-	
Lao Assistance Center of MN	48,800		48,800	-	-	-		48,800	-	48,800	-	
MITZGI Communications	42,100		42,100	-	-	-		42,100	-	42,100	-	
MPS Teenage Parenting & Pregnancy Program	65,100		65,100	-	-	-		65,100	-	65,100	-	
Minneapolis Urban League	64,100		64,100	-	-	-		64,100	182.00	64,100	-	
St Marys Health Clinics	18,200		18,200	-	-	-		18,200	-	18,200	-	
St Stephens Human Services	44,000		44,000	-	-	-		44,000	-	44,000	-	
Southside Family Nurturing Center	44,000		44,000	-	-	-	(20,727) ²	23,273	-	23,273	-	
348TOTS	-		-	-	-	34,500		34,500	-	34,500	-	
Way to Grow	261,000		261,000	-	-	-	(1) ²	260,999	-	260,999	-	
Youth are Here Busses	71,800		71,800	-	-	-	(71,800) ²	-	-	-	-	
Mortgage Foreclosure Prevention Program	196,000		196,000	-	-	-		196,000	-	196,000	-	
Youth Employment & Training	457,000		457,000	-	-	-		457,000	-	457,000	-	
Subtotal Public Service Grants	\$ 1,965,500	\$ -	\$ 1,965,500	\$ -	\$ -	\$ -	\$ (98,528)	\$ 1,866,972	\$ 182	\$ 1,866,972	\$ -	
Administrative Grants:												
MPH Citizen Participation	\$ 68,000		\$ 68,000	\$ -	\$ -	\$ -		\$ 68,000	\$ -	\$ 68,000	\$ -	
YCB Administration	65,000		65,000	-	-	-	(197) ²	64,803	-	64,803	-	
Civil Rights Dept Fair Housing	196,000		196,000	-	-	-		196,000	-	196,000	-	
Grants & Special Projects	235,000		235,000	-	-	-		235,000	-	235,000	-	
Homeless Initiative	-		-	-	-	-		-	-	-	-	
Housing Discrimination Law Project-Legal Aid	54,600		54,600	-	-	-		54,600	-	54,600	-	
Finance Administration	196,000		196,000	-	-	-		196,000	-	196,000	-	
Grant Administration	67,972		67,972	-	-	-		67,972	-	67,972	-	
Legal Aid Society	33,500		33,500	-	-	-		33,500	-	33,500	-	
Neighborhood Services	71,800		71,800	-	-	-		71,800	-	71,800	-	
Way to Grow Administration	25,800		25,800	-	-	-		25,800	-	25,800	-	
YCB Youth Violence Prevention	120,000		120,000	-	-	-		120,000	-	120,000	-	
Citizen Participation	233,000		233,000	-	-	-		233,000	-	233,000	-	
Program Admin	62,000		62,000	-	-	-		62,000	-	62,000	-	
Planning - Administration	878,000		878,000	-	-	-		878,000	-	878,000	-	
Subtotal Administrative Grants	\$ 2,306,672	\$ -	\$ 2,306,672	\$ -	\$ -	\$ -	\$ (197)	\$ 2,306,475	\$ -	\$ 2,306,475	\$ -	
Block E Deficit Reduction:												
Resource Inc, Employment Action Center			\$ -					\$ 6,000 ²	\$ 6,000	\$ -	\$ 6,000	
Southside Family Nurturing Center			-					20,727 ²	20,727	-	20,727	
Way to Grow			-					1 ²	1	-	1	
YCB Administration			-					197 ²	197	-	197	
Youth are Here Busses			-					71,800 ²	71,800	-	71,800	
Subtotal Reprogrammed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,725	\$ 98,725	\$ -	\$ -	\$ 98,725	
GRAND TOTAL	\$ 13,293,272	\$ -	\$ 13,293,272	\$ 1,150,000	\$ -	\$ -	\$ -	\$ 14,443,272	\$ 82,325	\$ 12,987,946	\$ 1,455,326	

**City of Minneapolis
Community Planning & Economic Development (CPED)
Special Revenue Funds
For the Third Quarter Ending September 31, 2013**

	<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	47,623,266	25,864,646	21,758,620	101,505,395	132,173,876
Housing & Economic Developmen	6,708,608	5,393,608	5,638,712	(245,104)	9,754,049	12,121,196
Development Accounts	5,560,721	5,610,721	4,359,321	1,251,400	17,300,651	22,188,789
Neighborhood Revitalization Progi	2,422,971	2,422,971	4,272,243	(1,849,272)	36,231,437	36,781,795
Preliminary Planning	2,475,460	2,475,460	420,713	2,054,747	(2,166,259)	(1,941,049)
CPED Operating	6,613,155	6,613,155	5,104,340	1,508,815	(5,229,414)	(6,623,957)
Total	<u><u>70,036,081</u></u>	<u><u>70,139,181</u></u>	<u><u>45,659,975</u></u>	<u><u>24,479,206</u></u>	<u><u>157,395,859</u></u>	<u><u>194,700,650</u></u>

CPED Special Revenue Fund accounts for governmental fund proceeds that are legally restricted to expenditures for specific purposes in a series of housing and economic development program. The range of programs operated within this fund was created to increase the City’s economic competitiveness, to ensure an array of attractive housing choices, to support strong and diverse neighborhoods and to preserve our historic structures. These programs are financed primarily through state and local grants, tax increment financing, and administrative fees collected from the issuance of housing and economic revenue bonds.

Fund Balance. The fund balance in the combined CPED Special Revenue Fund as of the third quarter 2013 is \$194,700,650. A portion of that balance consists of prepaid expenses, capital advances and property held for development and is not available (\$38,222,308), leaving a combined available fund balance of \$156,478,342. The available cash in the combined CPED Special Revenue Fund is \$157,395,859. Of that cash balance, \$137,736,832 is from the NRP and TIF programs, which are restricted by State law. The remaining cash balance, \$19,659,027, has been assigned for use in specific purposes. **All special revenue funds are restricted to the legal purposes of the special revenue.**

Tax Increment Financing. This program accounts for financial resources used for the acquisition and betterment of land and facilities in designated areas of the City. Authorized under Minnesota Statutes, Section 469.174 – 469.1799, as amended, this is a major financing tool available to the City to assist in the development and redevelopment of property within the City that would not occur “but for” this tool.

The primary source of revenue for this program is property tax increment, the taxes generated from the new, incremental value of specific development. Generally this revenue is used to pay outstanding bonds and notes. **Tax increment revenues of the program are segregated by district and are restricted in how they may be used under State law.**

Housing and Economic Development. Primary activities of the Housing and Economic Development program include small business loans, housing rehabilitation loans, and mortgage assistance loans, as well as housing development loans and grants through the Affordable Housing Trust Fund.

Sources of revenue for this program include loan repayments, loan administrative fees and fees relating to the issuance of housing and economic revenue bonds.

Beginning in 2014, it is proposed that the Housing and Economic Development program be financed through the City's General Fund. Simultaneously, revenue sources of the program will be deposited to the City's General Fund. This will assure a continuing revenue source for the program without fluctuations due to economic conditions that impact the City's housing or business climate.

Development Account. The Development Account program provides loans and grants to outside organizations within the City to assist commercial and housing development as well as interim loans to CPED projects. Program assistance is directed to commercial, job-creation, and housing activities.

The program is capitalized with residual equities such as land sale proceeds, parking revenues and rental income from development projects and UDAG and other loan payments not part of the Housing and Economic Development program.

Neighborhood Revitalization Program. This program was established in 1990 and 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.

The program was funded from tax increment and other revenues of the City's Common Project. From 1990 through 2011, the program was administered by the NRP Policy Board, a board established under State law and a joint powers agreement between the City, County, School District, Park Board and Library Board. In 2012 after the joint powers agreement expired, the program came under the management of the City's Neighborhood and Community Relations Department. **The revenues remaining in this program are restricted in their use by State law.**

Preliminary Planning. The Preliminary Planning program was established to account for and finance preliminary expenditures relating to new projects, whether those projects will eventually be established as TI districts, will be funded through another mechanism, or it is determined it is not feasible to undertake.

Activities financed through the Preliminary Planning program are those preliminary costs relating to any property investigations, project coordinator time, or blight and financial analyses. Both administrative and non-capital project costs are charged to this fund. Once a project has been approved, whether through the establishment of a TI district or if it is to be financed through another source, the intent is that the preliminary costs of the project will be reimbursed from either TI or other revenues generated from the new project. Preliminary Planning allocations and appropriations, except for encumbrances, lapse at year end. Currently a deficit exists in the program in the amount of \$(2,166,259).

Beginning in 2014, it is proposed that the Preliminary Planning program will be financed from the City's General Fund. This will eliminate future current deficits in the program.

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. Currently, a deficit exists in the program in the amount of \$(5,229,414).

Deficit Work-out Plans. Multi-year Workout Plans for deficits in the Preliminary Planning and CPED Operating programs were developed and approved by CPED directors as part of the 2012 budget process.

For both programs, the deficit in 2011 was spread over a 5-year period. In each year, the available, unrestricted CPED revenues were to be used to pay 20 percent of the original deficit plus the actual deficit from the prior year-end. As an example, a \$5 million deficit in a program would be paid down each year by \$1 million. In addition to the \$1 million payment, any current deficit from the immediate prior year would also be paid in the subsequent year. Therefore if the current year deficit was \$350,000, the total deficit reduction payment would be \$1,350,000. After the 5-year period, the only deficits remaining would be from the immediately prior year and available, unrestricted revenues would be used to pay that then current deficit.

In 2012 and 2013 portions of the 5-year deficit reduction plan for the two programs, along with the prior year's current deficit were successfully implemented. The Mayor's proposed 2014 budget includes the third year payment of the work-out plan.

CPED Special Revenue Fund Component Programs
Financial Statement Summaries
3rd Quarter 2013

CPED Special Revenue Fund	TIF	Housing & Econ Development	Development Account	NRP	Preliminary Planning	CPED Operating	Spec Rev Fund Total
Assets							
Cash	101,505,395	9,754,049	17,300,651	36,231,437	(2,166,259)	(5,229,414)	157,395,859
Misc receivables	546,080	21,576	97,925	83,956	(5,294)	41,732	785,975
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	139,023,769	22,069,244	22,179,274	36,811,096	(1,929,089)	(5,187,682)	212,966,612
Liabilities							
Payables	134,393	65,987	(9,515)	29,301	11,960	836,275	1,068,401
Advances from other funds	6,438,000	1,220,000	-	-	-	600,000	8,258,000
Deferred revenue	277,500	8,662,061	-	-	-	-	8,939,561
Total Liabilities	6,849,893	9,948,048	(9,515)	29,301	11,960	1,436,275	18,265,962
Total Fund Balance	132,173,876	12,121,196	22,188,789	36,781,795	(1,941,049)	(6,623,957)	194,700,650
Total Liabilities & FB	139,023,769	22,069,244	22,179,274	36,811,096	(1,929,089)	(5,187,682)	212,966,612
Revenue							
Property tax increment	18,476,643	-	-	-	-	-	18,476,643
Fees & charges for services	321,925	1,549,908	5,680	-	176,360	2,694,148	4,748,021
Sales - lands & buildings	8,456	138,233	48,606	-	-	-	195,295
Interest revenue	273,549	150,280	41,516	97,872	(6,215)	26,521	583,523
Rent	2,401,177	50,000	1,800	-	700	43,343	2,497,020
Loan recapture	293,338	1,880,019	179,202	445,453	-	62,480	2,860,492
Total revenue	21,775,088	3,768,440	276,804	543,325	170,845	2,826,492	29,360,994
Expenditures							
Personal services	146,759	967,566	496,218	-	211,449	676,428	2,498,420
Contractual services	762,476	1,021,181	539,297	4,103,767	192,195	3,750,039	10,368,955
Other operating costs	580,320	124,356	152,606	-	900	677,873	1,536,055
Program capital outlay	7,199,963	3,040,330	271,200	164,706	16,169	-	10,692,368
Total expenditures	8,689,518	5,153,433	1,459,321	4,268,473	420,713	5,104,340	25,095,798
Transfers							
Transfers from other funds	-	910,038	34,568	-	600,000	1,597,056	3,141,662
Transfers to other funds	(17,175,128)	(485,279)	(2,900,000)	(3,770)	-	-	(20,564,177)
Total transfers	(17,175,128)	424,759	(2,865,432)	(3,770)	600,000	1,597,056	(17,422,515)
2013 change in fund balance	(4,089,558)	(960,234)	(4,047,949)	(3,728,918)	350,132	(680,792)	(13,157,319)
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	132,173,876	12,121,196	22,188,789	36,781,795	(1,941,049)	(6,623,957)	194,700,650

**City of Minneapolis
Engineering, Materials, and Testing
For the Third Quarter ending September 30, 2013**

Fund 6000	2013 Budget	09-30-2013 Actual	Projected YE 2013	YE 2012
Operating Revenue	1,500,000	1,518,437	1,890,000	1,988,868
Operating Expense	1,558,304	1,074,196	1,414,012	1,324,518
Operating Margin	(58,304)	444,241	475,988	664,350
Change in Net Position	(58,304)	444,241	475,988	469,350
Net Position	1,526,062	2,028,607	2,060,354	1,584,366
Cash Balance		2,776,225	2,457,972	1,745,678

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 third quarter 2013 is \$1,518,437, or 101.2% of the budgeted amount of \$1,500,000 and a decrease of 3.5% over the third quarter 2012 revenue of \$1,572,764. 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. The rates charged for inspection services in 2013 are less than the rates charged for the same services in 2012 through the first three quarters of the year. The overhead rate for asphalt and concrete also decreased during the third quarter of 2013 to bring the revenue recovered more in line with the costs associated with procuring the products.

Expense:

Operating expense through third quarter 2013 is \$1,074,196, or 68.9% of the budgeted amount of \$1,558,304. The 2013 expense reflects an increase of 9.1% over the 2012 expense of \$984,861 incurred through the same period. Personnel expense is up over last year due to additional personnel hired to perform test work.

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 \$390,000 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 \$1.4 million which is 8.0% less than the budgeted amount of \$1.6 million. These projections result in a 2013 increase to net position of \$475,988 which exceeds the budgeted decrease to net position of (\$58,304) by \$529,292 and results in a projected ending net position of \$2,060,354. Ending cash is projected to be \$2,457,972, an increase of \$712,295 over the 2012 ending cash balance of \$1,745,678.

Other Financial Items:

The 2013 third quarter net position is \$2,028,607 which represents an increase of \$444,241 over the 2012 year-end net position of \$1,584,366. 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 third quarter cash balance is \$2,766,225, an increase of \$387,591 from the 2012 third quarter cash balance of \$2,388,634. 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 Third Quarter/Years Ending 2013, 2012, and 2011

	Budget Year 2013	Projected Year Ending 2013	For Period Ending 30-Sep-13	For Year Ending 2012	For Period Ending 30-Sep-12	For Year Ending 2011	For Period Ending 30-Sep-11
Operating Revenues:							
Asphalt / Concrete	300,000	480,000	430,635	520,855	435,687	373,353	297,942
Inspection revenue	1,200,000	1,410,000	1,087,802	1,468,013	1,137,077	1,438,398	1,142,997
Total Operating Revenues	1,500,000	1,890,000	1,518,437	1,988,868	1,572,764	1,811,751	1,440,939
Operating Expenses:							
Personnel	916,587	930,000	714,875	811,234	592,532	794,112	620,365
Contractual	444,703	386,902	280,604	446,859	340,836	411,793	281,005
Materials, Supplies, Services, Other	179,904	80,000	65,884	55,504	43,302	80,881	37,119
Rent	13,098	13,098	9,824	6,909	5,182	12,257	8,036
Depreciation	4,012	4,012	3,009	4,012	3,009	4,012	3,009
Total Operating Expenses	1,558,304	1,414,012	1,074,196	1,324,518	984,861	1,303,055	949,534
Operating Margin	(58,304)	475,988	444,241	664,350	587,903	508,696	491,405
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)	(146,250)	(88,000)	(66,000)
Total Non-Operating Revenues (Expenses)	-	-	-	(195,000)	(146,250)	(88,000)	(66,000)
Change in Net Position	(58,304)	475,988	444,241	469,350	441,653	420,696	425,405
Significant Balance Sheet Items							
Cash Balance		2,457,972	2,776,225	1,745,678	2,388,634	1,164,437	1,460,449
Net position		2,060,354	2,028,607	1,584,366		1,129,035	

**City of Minneapolis
Fleet Services Division
For the Third Quarter Ending September 30, 2013**

	2013 Budget	09-30-2013 Actual	Projected YE 2013	Actual YE 2012
Operating Revenue	38,632,530	32,524,894	42,183,000	41,674,044
Operating Expense	41,653,014	30,522,459	40,565,571	40,463,053
Operating Margin	(3,020,484)	2,002,435	1,617,429	1,210,991
Change in Net Position	5,483,941	8,066,000	9,626,854	2,934,897
Net Position	42,683,447	45,265,506	46,826,360	37,199,506
Cash Balance		20,096,943	15,500,000	10,236,821

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 third quarter 2013 is \$32,524,894 or 84.2% of the budgeted amount of \$38,632,530. The revenue earned through third quarter 2013 increased by \$1,522,139, or 4.9%, from the revenue earned through third 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 third quarter of 2013.

Expenses:

Operating expense through third quarter 2013 totaled \$30,522,459, representing 73.3% of the annual budgeted amount of \$41,653,014. Expenses through the third quarter of 2013 increased \$641,103, or 2.1%, over the total expense through the same period in 2012. Increases in material costs for repair parts are responsible for increased costs through the first three quarters.

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 \$2.2 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. In addition, the City will call \$1,380,000 of outstanding Various Purpose Bonds in December 2013 and retire this debt related to the funding of rolling stock equipment. 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 \$42.2 million which is 9.2% more than the budgeted amount of \$38.6 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 \$40.6 million or 2.6% 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, an increase to net position of \$9.6 million is projected compared to the budgeted increase of \$5.5 million, resulting in a projected ending net position of \$46,826,360. The increase to net position 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 change to net position. Ending cash is projected to be \$15,500,000, an increase of \$5,263,179 over the 2012 ending cash balance of \$10,236,821.

Other Financial Items:

The net position at the end of third quarter is \$45,265,506 or \$8,066,000 ahead of the 2012 year-end net position of \$37,199,506. The net position at year-end 2012 represented an increase of \$2,042,608, or 5.8%, over the 2011 net position of \$35,156,898. Net position is tracking close to the amount calculated in the updated long term financial plan. The reserve policy for net position for the Fleet Services Division fund states that the net position should not be less than twice the annual depreciation or \$13.0 million

The fund has maintained a positive cash balance with a third quarter 2013 ending balance of \$20,096,943, an increase of \$8,004,137 from the 2012 third quarter ending balance of \$12,092,807. Reserve policies for internal service funds determine that the minimum cash balance for the Fleet Services Division should be 15% of the fund's operating budget or \$4.2 million.

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

	Budget Current Year 2013	Projected Year Ending 2013	For Period Ending 30-Sep-13	For Year Ending 2012	For Period Ending 30-Sep-12	For Year Ending 2011	For Period Ending 30-Sep-11
Operating Revenues:							
Charges for Services and Sales	16,289,980	18,108,000	13,456,028	17,089,648	12,869,602	16,136,254	12,148,646
Rent Public Works and Other	22,342,550	24,075,000	19,068,866	24,584,396	18,133,153	25,457,256	18,753,790
Total Operating Revenue	38,632,530	42,183,000	32,524,894	41,674,044	31,002,755	41,593,510	30,902,436
Operating Expenses:							
Personnel Services	13,758,537	12,700,000	10,490,838	13,856,783	10,363,571	13,800,893	10,369,426
Contractual Services	9,507,814	9,698,000	6,978,472	9,545,442	6,838,099	9,572,620	6,640,816
Materials, supplies, services and other	10,919,092	10,700,000	7,781,502	9,671,822	7,121,792	9,683,528	6,607,184
Rent	967,571	967,571	725,678	965,350	724,012	1,089,672	817,254
Depreciation	6,500,000	6,500,000	4,545,969	6,423,656	4,833,882	6,475,161	4,753,704
Total Operating Expenses	41,653,014	40,565,571	30,522,459	40,463,053	29,881,356	40,621,874	29,188,384
Operating Margin	(3,020,484)	1,617,429	2,002,435	1,210,991	1,121,399	971,636	1,714,052
Non-Operating Revenues/(Expenses):							
Interest on Bonds	(640,575)	(640,575)	(480,431)	(522,632)	(573,563)	(723,865)	(630,488)
Gains/Losses on disposal of fixed assets	200,000	200,000	181,740	232,662	76,587	35,644	13,565
Damages/Losses recovered	-	-	-	-	-	-	-
Revenue from grants	-	-	-	-	-	13,399	-
Reimbursements for vehicle purchases	600,000	100,000	97,454	-	-	-	-
Other revenue	30,000	35,000	28,552	679,566	22,909	165,415	24,690
Total Non-Operating Revenues(Expenses)	189,425	(305,575)	(172,685)	389,596	(474,066)	(509,407)	(592,233)
Operating Transfers in (out)							
Transfers from other fund	8,315,000	8,315,000	6,236,250	1,926,000	1,444,500	4,299,000	3,224,250
Transfers to other fund	-	-	-	(2,283,728)	(1,666,500)	(923,000)	(692,250)
Total Operating Transfers	8,315,000	8,315,000	6,236,250	(357,728)	(222,000)	3,376,000	2,532,000
Capital Contribution¹	-	-	-	1,692,038	-	-	-
Change in Net Position	5,483,941	9,626,854	8,066,000	2,934,897	425,333	3,838,229	3,653,819
Significant Balance Sheet Items							
Cash Balance		15,500,000	20,096,943	10,236,821	12,092,807	12,302,528	12,501,586
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		46,826,360	45,265,506	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	10,352,641	7,098,119	4,535,191	7,388,837	5,843,751	4,191,791	3,779,252

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 Third Quarter ending September 30, 2013**

Fund 6200	2013 Budget	09-30-2013 Actual	Projected YE 2013	Actual YE 2012
Operating Revenue	16,881,056	13,105,254	17,425,000	16,575,275
Operating Expense	18,765,842	13,443,350	18,080,936	17,335,662
Operating Margin	(1,884,786)	(338,096)	(655,936)	(760,387)
Change in Net Position	1,468,798	2,178,684	2,699,648	(525,059)
Net Position	27,040,049	27,749,935	28,270,899	25,571,251
Cash Balance		3,849,793	3,778,707	762,026

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 third quarter 2013 is \$13,105,254, or 77.6% of the budgeted amount of \$16,881,056. The 2013 third quarter revenue increased \$905,397, or 7.4%, from the revenue earned through third 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 third quarter 2013 from both discretionary projects and rents increased from the amount earned through the same period in 2012.

Expenses:

Operating expense through third quarter 2013 is \$13,443,350, or 71.6% of the total budgeted amount of \$18,765,842. The 2013 third quarter expense increased \$925,791, or 7.4%, from the operating expense recorded through third quarter 2012. Expense increased for contractual services and materials due to additional project expenses compared to 2012. Some of these additional expenses are charged out through projects and result in the higher income noted above.

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 was 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 \$17.4 million or 3.2% more than the budgeted amount of \$16.9 million. Increased revenue from projects completed for other departments as well as increased property rents is driving the revenue projection up. The operating expense is projected to be \$18.1 million or \$685,000 less than the budgeted amount of \$18.8 million. Savings from vacant positions are lowering the projected personnel costs for the year. These projections result in an expected operating margin loss of \$0.7 million compared to the budgeted margin loss of \$1.9 million. The actual operating margin loss through third quarter 2013 is (\$338,096) compared to the operating margin loss of (\$317,702) through third quarter 2012. The projected increase to net position is \$2.7 million or \$1.2 million over the budgeted increase of \$1.5 million, resulting in a projected ending net position of \$28,270,899. The same factors that project the operating margin loss to be less than budgeted cause the change in projected net position to increase in excess of what was budgeted. The 2013 projected ending cash balance is \$3,778,707, an increase of \$3,016,681 over the 2012 ending cash balance of \$762,026.

Other Financial Items:

The net position at third quarter is \$27,749,935 representing an increase of \$2.2 million over the net position of \$25,571,251 for the year ending 2012. The net position at year-end 2012 recorded a decrease of \$490,995 from the net position 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 million and the net position was \$23.4 million greater than the benchmark.

The cash balance at the end of third quarter 2013 was \$3,849,793 compared to a cash balance of \$1,256,115 at the end of third quarter 2012. The cash consists of a balance of \$1,380,477 in the Property Disposition fund and a balance of \$2,469,316 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 Third Quarter / Years Ending 2013, 2012, and 2011

	Budget Current Year 2013	Projected Year 2013	For Period Ending 30-Sep-13	For Year Ending 2012	For Period Ending 30-Sep-12	For Year Ending 2011	For Period Ending 30-Sep-11
Operating Revenues:							
Charges for Services And Sales	2,915,325	3,650,000	2,774,423	3,334,978	2,411,628	3,165,022	2,451,943
Rents Public Works and Other	13,965,731	13,775,000	10,330,831	13,240,297	9,788,229	13,263,508	10,018,149
Total Operating Revenue	16,881,056	17,425,000	13,105,254	16,575,275	12,199,857	16,428,530	12,470,092
Operating Expenses:							
Personnel Services	6,050,826	5,400,000	4,034,321	5,476,677	4,107,376	5,894,653	4,440,065
Contractual Services	9,931,415	9,800,000	7,294,656	9,083,368	6,415,529	9,020,881	6,859,137
Materials, Supplies, Services and Other	1,152,665	1,250,000	891,756	1,054,864	706,379	965,613	678,585
Rent	519,596	519,596	389,697	593,518	445,138	550,468	412,851
Depreciation	1,111,340	1,111,340	832,920	1,127,235	843,137	1,132,937	849,703
Total Operating Expenses	18,765,842	18,080,936	13,443,350	17,335,662	12,517,559	17,564,552	13,240,341
Operating Margin	(1,884,786)	(655,936)	(338,096)	(760,387)	(317,702)	(1,136,022)	(770,249)
Non-Operating Revenues/(Expenses):							
Interest on Bonds	(143,250)	(143,250)	(107,438)	(130,637)	(123,188)	(151,500)	(138,825)
Gains/Losses on disposal of fixed assets	-	-	-	-	-	655,313	-
Revenue from grants	-	-	-	-	-	35,860	-
Misc Revenues	3,000	5,000	3,842	23,140	9,520	79,770	40,567
Total Non-Operating Revenues(Expenses)	(140,250)	(138,250)	(103,596)	(107,497)	(113,668)	619,443	(98,258)
Operating Transfers in(out)							
Transfers from other fund	3,493,834	3,493,834	2,620,376	894,000	670,500	821,100	615,825
Transfers to other fund	-	-	-	(598,000)	(448,500)	(420,882)	(171,000)
Total Operating Transfers	3,493,834	3,493,834	2,620,376	296,000	222,000	400,218	444,825
Capital Contribution¹	-	-	-	46,825	-	-	-
Change in Net Position	1,468,798	2,699,648	2,178,684	(525,059)	(209,370)	(116,361)	(423,682)
Significant Balance Sheet Items							
Cash Balance		3,778,707	3,849,793	762,026	1,256,115	699,148	1,983,769
Property Dispositon Fund cash balance			1,380,477	1,380,477	1,390,831	1,397,773	1,838,094
Operating cash balance			2,469,316	(618,451)	(134,716)	(698,625)	145,675
Bonds Payable			(4,775,000)	(4,775,000)	(5,475,000)	(5,475,000)	(6,170,000)
Net Position		28,270,899	27,749,935	25,571,251		26,062,246	
Significant Cash Flow Items							
Principal Payments on Debt	(730,000)	(730,000)	-	(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 Third Quarter ending September 30, 2013**

Fund 6300	2013 Budget	09-30-13 Actual	Projected YE 2013	Actual YE 2012
Operating Revenue	1,025,000	1,001,039	1,335,000	1,929,689
Operating Expense	1,040,173	800,696	1,078,557	1,142,797
Operating Margin	(15,173)	200,343	256,443	786,892
Change in Net Position	(5,173)	204,625	261,443	669,892
Net Position	3,687,072	3,896,870	3,953,688	3,692,245
Cash Balance		(533,646)	(576,828)	(163,313)

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 third quarter 2013 is \$1,001,039, or 97.7% of the budgeted amount of \$1,025,000. The amount earned through third quarter represents a decrease of \$108,654, or 9.8%, over the \$1,109,693 in revenue earned through third 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 third quarter 2013 is \$800,696, or 77.0% of the budgeted amount of \$1,040,173. The amount expended through third quarter 2013 decreased by \$5,029 or 0.6% from the \$805,725 expended through the same period in 2012. An increase in personnel costs through the first three quarters of 2013 has been offset by a larger decrease in materials expense. This decrease is due to fewer items purchased for sale to outside parties.

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:

Revenue earned in 2013 is projected to total \$1,335,000 at year-end, exceeding the budgeted revenue of \$1,025,000 by \$310,000. For the year, it is expected that inventory issued to City departments will exceed the budgeted amounts. The fund's expense is projected to total \$1,078,557, which is \$38,384 or 3.6% 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 increase to net position of \$261,443 compared to a budgeted decrease to net position of (\$5,173), and a projected ending net position of \$3,953,688.

The ending cash balance is projected to be negative (\$576,828) a decrease of \$413,515 from the 2012 ending balance of negative (\$163,313).

Other Financial Items:

Third quarter ending net position is \$3,896,870. 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 the net position should be maintained equal to 15% of the annual operating budget, or \$0.2 million.

The cash balance at the end of third quarter 2013 is a deficit of (\$533,646), an increase of \$1,290,844 from the third quarter 2012 deficit cash balance of (\$1,824,490). The increase in cash corresponds to an increase in revenue from overhead charges on inventory sales and requisition processing and a decrease in the amount expended for inventory purchases. 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 Third Quarter/Years Ending 2013, 2012, and 2011

	Budget Year 2013	Projected Year Ending 2013	For Period Ending 30-Sep-13	For Year Ending 2012	For Period Ending 30-Sep-12	For Year Ending 2011	For Period Ending 30-Sep-11
Operating Revenues:							
Central Stores	470,000	725,000	546,572	825,836	618,055	427,998	288,788
Traffic Stores	555,000	610,000	454,467	1,103,853	491,637	483,597	367,054
Total Operating Revenues	1,025,000	1,335,000	1,001,039	1,929,689	1,109,693	911,595	655,842
Operating Expenses:							
Personnel	662,423	725,000	548,572	712,498	520,734	647,724	508,174
Contractual	273,945	280,000	208,313	271,777	200,337	257,778	193,816
Materials, Supplies, Other	70,248	40,000	18,643	120,717	56,300	93,554	19,301
Rent	33,557	33,557	25,168	37,805	28,354	41,700	31,275
Total Operating Expenses	1,040,173	1,078,557	800,696	1,142,797	805,725	1,040,756	752,566
Operating Margin	(15,173)	256,443	200,343	786,892	303,968	(129,161)	(96,724)
Non-Operating Revenues/(Expenses)							
Other revenue	10,000	5,000	4,282	-	-	-	-
Total Non-Operating Revenues (Expenses)	10,000	5,000	4,282	-	-	-	-
Operating Transfer In (Out)							
Transfers to other fund	-	-	-	(117,000)	(87,750)	(51,000)	(38,250)
Total Operating Transfers	-	-	-	(117,000)	(87,750)	(51,000)	(38,250)
Change in Net Position	(5,173)	261,443	204,625	669,892	216,218	(180,161)	(134,974)
Significant Balance Sheet Items							
Cash Balance		(576,828)	(533,646)	(163,313)	(1,824,490)	(1,027,215)	(1,110,740)
Inventories			5,166,210	4,287,662	5,835,005	4,367,622	4,741,622
Net Position		3,953,688	3,896,870	3,692,245		3,025,637	

**City of Minneapolis
Intergovernmental Service Fund
For the Third Quarter ending September 30, 2013**

Fund 6400	2013 Budget	9-30-2013 Actual	Projected YE 2013	Actual YE 2012
Operating Revenue	39,067,548	24,568,357	32,926,000	33,547,563
Operating Expenses	51,291,892	32,724,035	44,227,967	45,388,974
Operating Margin	(12,224,344)	(8,155,679)	(11,301,967)	(11,841,411)
Change in Net Position	4,913,308	4,697,560	5,835,685	(751,117)
Net Position	32,323,387	32,107,639	33,245,764	27,410,079
Cash Balance		14,810,628	29,487,286	14,649,580

Note: Operating expense includes annual depreciation expense of \$12,000,000 and 9/30/13 actual depreciation expense of \$8,939,251.

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 third quarter of 2013 is \$24,568,357 or 62.9% of the annual budgeted amount of \$39,067,548. This is a decrease of \$231,128, or 0.9%, compared to revenue of \$24,799,484 earned through third 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 third quarter are \$32,724,035, or 63.8% of the annual budgeted amount of \$51,291,892. The annual expense budget includes \$12,000,000 of depreciation expense and the depreciation recorded through third quarter is \$8,939,251. The operating expense through third quarter decreased \$304,119 from the 2012 expense of \$33,028,154. PMO experienced a decrease in expense through third 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 third quarter, \$76,386 of interest is recognized. 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 receives transfers in totaling \$17.2 million and \$12.9 million is recognized through third quarter. The actual amount transferred to the fund through third quarter is \$801,473 consisting primarily of \$750,000 from the Self Insurance fund. The annual 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.

The 2012 transfer to other funds 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 \$32.9 million or \$6.2 million less than the budgeted amount of \$39.1 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 \$44.2 million or \$7.0 million less than the budgeted amount of \$51.3 million. The fund plans to expend \$578,000 in 2013 for the Intelligent Operations Platform project. The 2013 IOP project expense is funded by \$352,273 of rolled over appropriation from 2012 and \$225,727 of fund balance. Depreciation expense of \$12.0 million is included in the operating budget. These projections result in an expected operating margin deficit of \$11.3 million as compared to a budgeted operating margin deficit of \$12.2 million. The revenue source for a portion of the wireless payment and rent expense is included in the transfer in budget rather than in the operating budget contributing \$0.7 million to the deficit operating margin.

The fund is projecting an increase to net position of \$5.8 million compared to a budgeted increase of \$4.9 million bringing the projected year-end net position to \$33.2 million. This projection represents a 21.3% increase to net position from the 2012 ending balance of \$27.4 million. An increase of \$3.9 million in the transfer from the general fund is the primary factor contributing to the 2013 increase.

The year-end cash balance is projected to be \$29.5 million which represents an increase of 101.3% over the cash balance at year-end 2012 of \$14.6 million. The primary reasons for the increase to cash balance is an increase of \$5.1 million to the transfers to the fund and a decrease of \$8.4 million to debt payments paid by the fund.

Other Financial Items:

The cash balance at the end of third quarter 2013 is \$14.8 million as compared to a cash balance of \$11.3 million at September 30, 2012. The primary reason for the increase to cash through third quarter 2013 is the absence of the MERF debit payment which was finalized in 2012. Included in the cash balance are prepayments of \$13.3 million for technology projects from other City departments. Financial reserve policies for the internal service funds determine that the minimum cash balance for the Intergovernmental Services fund should be 15% of the fund's total budget or \$4.8 million.

The net position at the third quarter of 2013 is \$32.1 million, an increase of \$4.7 million from the year-end 2012 net position of \$27.4 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 Third Quarter/Year Ending 2013, 2012 and 2011

	Budget Current Year 2013	Projected Year 2013	For Period Ending 30-Sep-13	For Year Ending 2012	For Period Ending 30-Sep-12	For Year Ending 2011	For Period Ending 30-Sep-11
Operating Revenues:							
Charges for Service:							
IT - PMO	11,379,105	5,000,000	3,593,873	6,164,239	4,381,870	5,534,278	3,886,073
IT - Telecom	3,126,425	3,026,000	2,270,752	3,066,530	2,300,331	2,922,005	2,230,193
IT - Operating-other	23,504,068	23,800,000	17,888,941	23,147,764	17,304,411	22,429,235	16,790,932
CC-Mailing Services	437,076	480,000	350,401	602,624	399,583	586,807	379,683
CC-Copy Services	620,874	620,000	464,390	566,406	413,289	445,645	332,986
Human Resources	-	-	-	-	-	8,250	8,250
Total Operating Revenues	39,067,548	32,926,000	24,568,357	33,547,563	24,799,484	31,926,220	23,628,117
Operating Expenses:							
IT - PMO	11,379,105	4,800,000	3,556,273	5,955,908	4,400,286	5,300,595	3,490,554
IT - Telecom	1,861,325	1,740,000	1,310,944	1,949,045	1,303,270	1,738,183	1,334,838
IT - Operating-other	24,403,455	24,100,000	17,760,230	23,636,620	17,230,166	23,452,651	17,682,808
CC-Mailing Services/Data Center	651,184	627,000	459,769	675,912	494,554	666,779	468,035
CC-Copy Services	668,856	633,000	474,956	585,482	428,416	601,344	453,442
Human resources	327,967	327,967	222,612	272,194	184,767	273,938	202,874
Depreciation	12,000,000	12,000,000	8,939,251	12,313,813	8,986,695	12,074,238	8,114,128
Total Operating Expenses	51,291,892	44,227,967	32,724,035	45,388,974	33,028,154	44,107,728	31,746,679
Operating Margin	(12,224,344)	(11,301,967)	(8,155,679)	(11,841,411)	(8,228,670)	(12,181,508)	(8,118,562)
Non-Operating Revenues/(Expenses)							
Interest on Bonded Debt	(101,848)	(101,848)	(76,386)	(26,027)	(291,675)	(276,662)	(508,650)
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)	(76,386)	(14,396)	(291,675)	(81,777)	(508,650)
Operating Transfer In (Out)							
Transfers from other fund	17,239,500	17,239,500	12,929,625	12,185,444	9,305,208	14,549,293	10,130,639
Transfers to other fund	-	-	-	(1,103,473)	(804,000)	(447,707)	(317,250)
Total Operating Transfers	17,239,500	17,239,500	12,929,625	11,081,971	8,501,208	14,101,586	9,813,389
Capital Contribution	-	-	-	22,719	-	-	-
Change in Net Position	4,913,308	5,835,685	4,697,560	(751,117)	(19,137)	1,838,301	1,186,177
Significant Balance Sheet Items							
Cash balance ¹		29,487,286	14,810,628	14,649,580	11,273,136	11,041,044	6,891,261
Work-in-progress				9,843,681		7,870,919	
Due from other funds (includes Capital Arbitrage)				1,212,832		819,371	
Interfund Loans			(5,125,000)	(6,250,000)	(6,625,000)	(7,750,000)	(8,125,000)
Bonds Payable				(3,115,000)		(11,055,000)	
Unearned Revenue			(13,314,181)	(12,235,400)	(14,630,033)	(13,327,259)	(12,771,952)
Net Position		33,245,764	32,107,639	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)	

¹The projected cash balance is expected to increase significantly due to the transfer in of \$14.2 million from the general fund which had not occurred by third quarter. The transfer in of \$12.9 million recorded in the third quarter statement is the actual of \$0.8 million plus an accrual of \$12.1 million.

**City of Minneapolis
Self Insurance Fund
For the Third Quarter ending September 30, 2013**

Fund 6900	2013 Budget	09/30/2013 Actual	Projected YE 2013	Actual YE 2012
Operating Revenue	28,680,893	22,548,752	29,767,000	27,405,201
Operating Expenses	28,114,789	22,074,849	29,444,000	21,152,025
Operating Margin	566,104	473,903	323,000	6,253,176
Change in Net Position	3,421,604	2,615,528	3,178,500	5,861,449
Net Position	5,122,118	4,316,042	4,879,014	1,700,514
Cash Balance		58,307,765	58,828,866	56,563,931

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 third quarter of 2013 is \$22,548,752, or 78.6% of the annual budgeted amount of \$28,680,893. This is an increase of \$1.9 million, or 9.0% compared to \$20,679,411 earned through the third quarter of 2012. The primary reason for the increase is a one-time refund of \$834,162 from the Health Care Savings Plan administered by the Minnesota State Retirement System that was deposited into the Self Insurance fund. The refund was distributed to some Minneapolis employees who participated in the plan and was processed through the Self Insurance fund. The fund recorded an expense equal to the amount refunded. In addition, revenue received from City departments for payment of the liability premium increased 5.4% from 2012 to 2013. An actuarial study conducted in 2012 predicted an increase in the City's liability for tort settlement payments.

Expenses:

Operating expenses through the third quarter 2013 are \$22,074,849, or 78.5% of the annual budgeted amount of \$28,114,789. This is a significant increase of \$7.2 million, or 48.8%, compared to \$14,836,619 expended through the third quarter of 2012. The increase in operating expense is due primarily to the amount paid out for tort settlements, \$4.8 million through September 30, as compared to \$1.2 million in 2012. In addition, the amount paid for workers compensation increased by \$2.0 million, or 34.3%, from \$5.9 million in 2012 to \$7.9 million through third quarter 2013. The fund recorded a one-time expense of \$834,162 related to the HCSP refund referenced in the Revenue section. The City's expense for employee sick leave payout at retirement, \$879,361, 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. This annual transfer will end with the 2016 transfer. 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 \$29.8 million or \$1.1 million more than the budgeted amount of \$28.7 million. The one-time addition of the Health Care Savings Plan refund to revenue is the primary cause for the forecast to exceed the budget. Operating expense is projected to be \$29.4 million or \$1.3 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 and workers compensation claims. These projections will result in a projected operating margin gain of \$323,000 as compared to the budgeted operating margin gain of \$566,104. The fund experienced an operating margin gain of \$5.8 million at third quarter 2012 primarily due to a decrease in tort settlement payments.

The net position in 2013 is projected to increase by \$3.2 million compared to the budgeted increase of \$3.4 million, bringing the projected year-end net position to \$4.9 million. The projected ending cash balance for 2013 is \$58.8 million as compared to \$56.6 million in 2012. The increase in cash in 2013 is less than the increase experienced in 2012 due to an increase in payments for workers compensation claims and tort settlements occurring in 2013.

Other Financial Items:

The cash balance at the end of third quarter is \$58,307,765 compared to a cash balance of \$53,212,707 at September 30, 2012 and \$56,563,931 at year-end 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 \$55.8 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 liability of \$50.0 million. The cash balance is \$2.8 million above its target.

Net position at the end of third quarter is \$4.3 million as compared to the 2012 year-end net position of \$1.7 million. The increase to net position in 2012 due to operations was offset by an increase to the City's liability for unpaid claims as determined by an actuarial study. 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 financial policy for the net position of the Self Insurance fund determines that the net position should not fall below zero.

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

	Budget Current Year 2013	Projection Year 2013	For Period Ending 30-Sep-13	For Year Ending 2012	For Period Ending 30-Sep-12	For Year Ending 2011	For Period Ending 30-Sep-11
Operating Revenues:							
Health & Welfare (employee benefits)	2,420,000	2,350,000	1,755,434	2,291,023	1,704,115	2,472,832	1,792,664
Workers Compensation	9,344,787	9,300,000	6,964,588	9,030,201	6,984,734	8,840,179	6,472,318
Liability - Subrogation	15,360,698	15,383,000	11,536,638	14,577,377	10,933,033	13,925,462	10,442,943
Attorney Office Services	10,000	18,000	14,543	9,377	7,904	2,429	2,251
Human Resources Services	1,395,408	2,348,000	1,983,066	1,326,173	919,499	1,470,744	1,014,424
Risk Management-Employment Services	150,000	368,000	294,483	171,050	130,126	147,958	122,530
Total Operating Revenues	28,680,893	29,767,000	22,548,752	27,405,201	20,679,411	26,859,604	19,847,130
Operating Expenses:							
Health & Welfare (employee benefits)	2,420,000	1,160,000	879,361	784,178	624,164	794,353	590,684
Workers Compensation	6,876,465	10,600,000	7,898,533	8,062,472	5,882,380	7,517,126	5,482,421
Liability & Settlements	8,031,025	6,450,000	4,811,469	2,577,805	1,160,770	9,017,392	7,418,471
City Attorney/Civil Division-Litigation	6,539,095	6,250,000	4,553,884	6,130,345	4,548,605	6,156,353	4,573,215
Risk Management - WC/Risk	2,535,112	2,534,000	1,899,455	2,167,183	1,583,246	2,164,504	1,661,937
Human Resource - Employee Benefits	1,713,092	2,450,000	2,032,147	1,430,042	1,037,454	1,572,506	1,165,575
Total Operating Expenses	28,114,789	29,444,000	22,074,849	21,152,025	14,836,619	27,222,234	20,892,303
Operating Margin	566,104	323,000	473,903	6,253,176	5,842,792	(362,630)	(1,045,173)
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	2,891,625	4,071,500	2,887,500	7,330,000	5,497,500
Transfers to other fund	(1,000,000)	(1,000,000)	(750,000)	(1,485,000)	(1,113,750)	(1,217,000)	(912,750)
Total Operating Transfers	2,855,500	2,855,500	2,141,625	2,586,500	1,773,750	6,113,000	4,584,750
Change in Net Position (Less Unpaid Claims Liability adj)¹	3,421,604	3,178,500	2,615,528	5,861,449	7,616,542	2,994,837	3,539,577
Significant Balance Sheet Items							
Cash balance		58,828,866	58,307,765	56,563,931	53,212,707	48,571,139	44,861,589
Unpaid claims liability				(53,030,025)		(50,050,004)	
Net position		4,879,014	4,316,042	1,700,514		(4,098,990)	

¹Net income for 2012 includes a reduction of \$2,980,021 resulting from an 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 Third Quarter Ending September 30, 2013**

Fund 07100	2013 Budget	09/30/13 Actual	Projected YE 2013	Actual YE 2012
Operating Revenue	53,963,521	44,798,682	60,077,550	62,324,490
Operating Expense	46,516,385	36,864,364	52,358,595	51,872,132
Operating Margin	7,447,136	7,934,318	7,718,955	10,452,358
Net Income(Loss)	2,773,274	4,349,549	4,045,093	6,623,449
Net Position	110,235,257	111,811,533	111,507,076	107,461,983
Cash Balance		19,635,609	17,252,911	20,018,104

Program Description:

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

Revenue:

With sewer revenue of \$44.8 million recognized through the end of the third quarter, 83% of the budgeted revenue has been realized compared to \$44.3 million for the same period in 2012. This is an increase of \$500,000 or 1% compared to revenues through the third quarter of 2012. The sanitary utility revenues increased by \$400,000 and sewer availability charges (SAC) contributed an extra \$100,000 compared to the third quarter of 2012. However, the increase in SAC revenues will be offset by a corresponding increase in SAC expenses.

Expenses:

The Sanitary Sewer Fund's operating expense of \$36.9 million through the third quarter amounts to 79% of the 2013 budget compared to \$34.2 million for the same period in 2012. This is an increase of \$2.7 million or 8% over the same period in the prior year. The increases in expenses are due to increases in monthly payments to the Met Council by \$1.4 million; SAC charges by \$1 million; and maintenance expenses by \$300,000.

Transfers:

There is a transfer made from this fund to the water fund to cover shared costs for meter expenses. As of the end of the third quarter, \$862,000 has been transferred out for meter expense.

Debt Service:

For 2013, the debt service cost is estimated at \$4.6 million which includes \$4.2 million set aside for principal and \$400,000 for interest. For the quarter, \$200,000 in interest has been paid. These debt service payments are primarily for bonds sold to fund capital programs.

Forecast:

For the next three months, it is estimated that cash outflow for operating expenses, debt services, capital programs, and transfers will amount to \$22 million. The fund also anticipates \$19 million in revenues will be received from operations and bond sales resulting in a cash balance at year-end of \$16.9 million. Projected operating revenues and expenses are both anticipated to exceed the 2013 adopted budget as a result of increased SAC charges. However, increases in SAC charges will be off-set by increase in SAC revenues.

Fund Balance:

The fund balance for 2013 is projected at \$111.8 million. This is an increase of \$4.4 million over 2012 and \$1.6 million over the 2013 budget.

Other Financial Items:

The current cash balance is \$19.6 million. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Based on the current budget, the targeted cash balance is \$12 million. Therefore, the cash position through the quarter is \$8 million above the targeted amount.

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

	Budget Year 2013	Projected Year 2013	Period Ending 30-Sep-13	Year Ending 2012	Period Ending 30-Sep-12	Year Ending 2011	Period Ending 30-Sep-11
Operating Revenues:							
Sanitary Utility Charges	50,584,521	50,740,550	38,882,505	50,779,368	38,440,674	45,477,734	33,944,644
Other Services Provided	1,319,000	750,000	289,965	732,578	315,600	956,746	296,437
SAC Revenues	2,060,000	8,587,000	5,626,212	10,812,544	5,518,795	3,592,393	1,592,042
Interest							
Total Operating Revenues	53,963,521	60,077,550	44,798,682	62,324,490	44,275,069	50,026,873	35,833,123
Operating Expenses:							
Sewer Design	772,904	642,376	323,669	452,654	338,911	365,967	430,608
Sewer Maintenance	7,087,354	6,769,045	4,681,697	5,956,525	4,391,468	5,510,181	3,993,293
Met Council Env. Svcs.	38,656,127	44,947,174	31,858,998	45,462,953	29,431,672	36,788,568	26,531,689
Total Operating Expenses	46,516,385	52,358,595	36,864,364	51,872,132	34,162,051	42,664,716	30,955,590
Operating Margin	7,447,136	7,718,955	7,934,318	10,452,358	10,113,018	7,362,157	4,877,533
Non-Operating Revenues/(Expenses)							
Net Transfers (out)	(1,149,339)	(1,149,339)	(862,004)	(2,149,086)	(1,579,416)	(576,827)	(576,827)
Non-Operating Income	7,000,000	4,860,000	1,169,100	5,004,117	4,854,370	3,019,806	5,272,711
Non-operating Expense	(8,000,000)	(4,860,000)	(2,108,255)	(4,811,751)	(2,710,065)	(3,309,442)	(1,608,547)
Depreciation	(2,080,655)	(2,080,655)	(1,560,491)	(1,358,359)	(1,542,219)	(1,293,289)	(1,397,617)
Special Assessments						21,098	9,806
Net Interest Income (Exp)	(443,868)	(443,868)	(223,118)	(513,830)	(308,500)	(517,701)	(328,500)
Total Non-Operating Revenues (Expenses)	(4,673,862)	(3,673,862)	(3,584,769)	(3,828,909)	(1,285,830)	(2,656,355)	1,371,025
Net Income	2,773,274	4,045,093	4,349,549	6,623,449	8,827,188	4,705,802	6,248,560
Significant Balance Sheet Items							
Cash Balance		17,252,911	19,635,609	20,018,104	22,593,060	20,768,739	15,492,024
Accounts Receivable		3,490,195	4,867,776	3,950,672	4,467,504	3,089,731	3,845,608
Net Position	110,235,257	111,507,076	111,811,533	107,461,983	109,665,722	100,838,534	102,404,902
Significant Cash Flow Items							
Bond Principle payments	4,150,000	4,150,000	-	4,600,000	-	4,100,000	-

**City Of Minneapolis
Storm Water Fund
For the Third Quarter Ending September 30, 2013**

Fund 07300	2013 Budget	09/30/13 Actual	Projected YE 2013	Actual YE 2012
Operating Revenue	40,379,230	29,788,596	40,109,088	39,863,222
Operating Expense	25,510,361	16,114,646	23,394,739	21,568,193
Operating Margin	14,868,869	13,673,950	16,714,349	18,295,029
Net Income(Loss)	(155,301)	6,044,153	3,679,823	14,698,125
Net Position	299,440,114	305,639,568	303,275,238	299,595,415
Cash Balance		43,391,700	40,545,804	37,408,504

Program Description:

The Storm Water Fund pays 5% of the contractual payments to Met Council Environmental Services (MCES) for waste water collection and treatment services. This fund also accounts for the combined sewer overflow (CSO) program, street cleaning, storm design, storm water maintenance and the related capital programs and debt service payments.

Revenue:

With \$29.8 million in revenue received through the end of the third quarter, 74% of the operating revenue budget has been realized compared to 77% for the same period in 2012. This is an increase of \$100,000 over revenues received in the third quarter of 2012. This increase is related to storm utility charges. The utility rate for 2013 was set at \$11.82/ESU (Equivalent Storm Units) which is 12 cents higher than the rate for 2012. An additional \$61,000 increase is related to reimbursements from the State of Minnesota for maintenance work done by the Street Cleaning and Storm Maintenance Departments. However, this increase was off-set by a decrease in design revenues.

Expenses:

Through the third quarter of 2013, the Storm Water Fund's operating expenses were \$16.1 million or 63% of the budgeted amount. This is \$1.3 million or 9% over the \$14.8 million recorded through the third quarter of 2012. \$1.2 million of this increase is due to higher expenses in the storm maintenance cost center for contractual services primarily related to storm tunnel rehabilitation work. An increase in internal transfers relating to government services and overheads accounted for an additional \$500,000 of the increased expenses. However, these increases were offset by a decrease of \$500,000 in storm management and street cleaning expenses.

Transfers:

In 2013, the transfer out for the MERF pension liability was eliminated. Pension plan payments are now paid out of the operating budget.

Debt Service:

The debt service budget for 2013 is \$8 million of which \$7.0 million is set aside for principal payments and \$1.0 million for interest payments. Through the third quarter of 2013, \$700,000 in interest expense has been recognized. The debt service payments are primarily for bonds sold to finance the combined sewer overflow, flood mitigation, and storm tunnel programs.

Forecast:

Over the course of the next three months, it is estimated that this fund will incur cash outflows of \$7.3 million for operations, \$7.4 million for debt service, and an additional \$3.9 million for capital outlays. These outflows will be off-set by cash inflows of \$10.3 million in operating revenues and an additional \$500,000 in revenues from capital programs. At year end, the cash balance is projected to be \$35.6 million. Operating revenues are projected at \$40.1 million which is \$300,000 lower than the budgeted amount of \$40.4 million. Operating expenses are projected to total \$23.4 million which is \$2.1 million less than the amount budgeted for 2013.

Fund Balance:

The fund balance for 2013 is projected to be \$303.3 million. This is an increase of \$3.7 million over 2012 and \$3.8 million more the 2013 budget.

Other Financial Items:

The ending cash balance as of 9/30/13 is \$43.4 million. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Based on the current budget, the target amount is \$5 million. Therefore, \$38.4 million is available for payment of anticipated operating and non-operating expenses.

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

	Budget Year 2013	Projected Year End 2013	For Period Ending 30-Sep-13	For Year Ending 2012	For Period Ending 30-Sep-12	For Year Ending 2011	For Period Ending 30-Sep-11
Operating Revenues:							
State Grants	669,614	1,139,799	963,928	1,114,709	1,016,695	1,209,421	971,136
County Grants	245,517	417,913	313,435	399,558	199,780	399,558	199,779
Storm Utility Charges	37,835,008	37,125,277	27,768,958	36,694,339	27,658,714	35,622,524	26,756,613
Other Services Provided	1,629,091	1,426,099	742,275	1,654,616	821,349	1,863,494	772,290
Total Operating Revenues	40,379,230	40,109,088	29,788,596	39,863,222	29,696,538	39,094,997	28,699,818
Operating Expenses:							
Sewer Design	4,158,348	3,560,513	2,252,381	3,427,270	2,244,800	3,684,851	2,354,853
Stormwater Management CSO	875,394	622,513	455,879	648,483	527,563	929,998	727,363
Street Cleaning	8,158,279	8,100,000	4,831,834	7,993,832	5,165,395	7,797,519	5,138,255
Sewer Maintenance	6,144,012	5,057,583	3,832,563	4,169,738	2,675,770	2,810,772	1,991,701
Met Council Env. Svcs.	6,174,328	6,054,130	4,741,989	5,328,870	4,212,198	4,648,168	4,022,933
Total Operating Expenses	25,510,361	23,394,739	16,114,646	21,568,193	14,825,726	19,871,308	14,235,105
Operating Margin	14,868,869	16,714,349	13,673,950	18,295,029	14,870,812	19,223,689	14,464,714
Non-Operating Revenues/(Expenses)							
Net Transfers in (out)				(1,245,296)	(834,000)	(700,064)	(700,064)
Depreciation	(6,407,477)	(6,407,477)	(4,805,608)	(4,078,992)	(2,946,750)	(3,929,000)	(2,855,815)
Special Assessments	60,000			830,245	298,381	744,220	67,689
Net Interest Income (Exp)	(976,693)	(976,693)	(732,520)	(469,981)	(856,206)	(670,128)	(4,596,494)
Other Non Operating Income	10,000,000	4,349,644	4,041,732	4,418,795	936,683	12,465,436	6,432,090
Other Non Operating (Exp)	(17,700,000)	(10,000,000)	(6,133,402)	(3,051,675)	(4,691,986)	(17,123,318)	(10,609,612)
Total Non-Operating Revenues (Expenses)	(15,024,170)	(13,034,526)	(7,629,797)	(3,596,904)	(8,093,878)	(9,212,854)	(12,262,206)
Net Income	(155,301)	3,679,823	6,044,153	14,698,125	6,776,934	10,010,835	2,202,510
Significant Balance Sheet Items							
Total Ending Cash Balance		40,545,804	43,391,700	37,408,504	34,718,699	26,587,823	33,710,822
Accounts Receivable		3,453,573	3,735,565	3,616,327	3,732,551	3,314,209	3,489,988
Bonds & Notes Payable			14,782,696	14,620,910	15,485,910	15,485,910	27,258,910
Net Position	299,440,114	303,275,238	305,639,568	299,595,415	291,674,224	284,897,290	281,387,343
Significant Cash Flow Items							
Bond principle & note payments	6,950,000	6,950,000	262,796	6,265,000	-	11,773,000	-

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

Fund 07700	2013 Budget	09/30/13 Actual	Projected YE 2013	Year End 2012
Operating Revenue	31,312,436	23,327,587	31,324,966	32,061,276
Operating Expense	37,602,918	27,420,992	36,032,599	32,376,821
Operating Margin	(6,290,482)	(4,093,405)	(4,707,633)	(315,545)
Net Income(Loss)	(7,471,223)	(4,978,961)	(5,888,374)	(1,857,045)
Net Position	22,848,069	25,340,331	24,430,918	30,319,292
Cash Balance		16,555,422	15,824,552	23,856,133

Program Description

The Solid Waste and Recycling Fund accounts for the City's solid waste and recycling collection and disposal, graffiti removal, and a solid waste transfer station that serves 105,000 dwelling units. Pick-up services for trash, yard waste, and recyclables are provided on a weekly and a biweekly basis. 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. Also accounted for in this fund are various initiatives such as Clean City neighborhood clean sweeps; city-wide litter and graffiti abatement and removal; and an Organics Pilot Program

Revenue

With operating revenues through the end of the third quarter totaling \$23.3 million, 75% of the budgeted revenue has been realized compared to \$24.2 million through third quarter of 2012. This is a decrease of \$900,000 or 4% over 2012 operating revenues. Utility revenues totaled \$21.7 million through the third quarter of 2013, compared to \$21.9 million through the third quarter of 2012. This decrease can be attributed to the implementation of a flat rate charge, and the elimination of recycling credits. An increase in revenues of \$174,000 in miscellaneous services was offset by a decrease in revenues from the sale of scrap metals and monthly utility fees. Revenue from the sale of scrap metal decreased \$574,000 as a result of decreased demand for this product. Also, the Hennepin County grant has been estimated at \$880,000 for the year, but only \$660,000 has been recognized for the period which is \$204,000 less than the amount received by the end of third quarter of 2012.

Expenses:

Operating expenses through the third quarter were \$27.4 million compared to \$21.9 million in 2012. This is an increase of \$5.5 million or 25% over 2012. \$4.5 million of the increase is related to capital purchases of equipment and carts for the One-Sort Program in the Recycling Division. This was a planned expense, and the Recycling Division's 2013 budget was increased by \$5.4 million to accommodate this expense. Additional purchases of carts and containers in the Collection Division increased expenses by \$400,000. Finally, the Administration Division of Solid Waste which accounts for overheads, workers compensation, and internal transfers experienced an increase in internal transfers and personnel costs which increased expenses in this division by \$500,000.

Transfers:

Budgeted transfers into the Solid Waste and Recycling fund include \$146,000 from the Parking Fund for the Litter Container Program and \$150,000 from the General Fund for graffiti removal and micro-grants. As of the end of the quarter, \$222,000 in transfer revenues has been recognized. \$700,000 was budgeted for transfers out of the Fund for alley plowing. For the quarter ending September 30th, \$583,000 in alley plowing transfers has been recognized.

Debt Service:

This fund has no debt service.

Forecast:

Over the next three months, the estimated cash outflow will total \$8.6 million for operating expenses; equipment purchases; capital outlay for bins, carts and improvements; and transfers. The Fund also anticipates an additional \$8 million in revenue from its operations which will create a deficit of \$600,000 and reduce the cash balance at year end to an estimated \$16 million. 100% of budgeted revenues are projected to be realized by year end compared to 95% of the total budgeted expenses.

Fund Balance:

The fund balance for 2013 is projected at \$24.3 million. This is \$7.5 million less than 2012 but \$1.6 million higher than the 2013 budget.

Other Financial Items:

The Fund's cash balance as of the end of the third quarter was \$16.6 million and the accounts receivable balance was \$3 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the targeted cash balance is \$9 million. With a current cash balance of \$15.9 million, the unrestricted cash reserve is in excess of \$7.6 million.

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

	Budget Year 2013	Projection Year 2013	For Period Ending 30-Sep-13	For Year Ending 2012	For Period Ending 30-Sep-12	For Year Ending 2011	For Period Ending 30-Sep-11
Operating Revenues:							
County Grants	880,000	864,545	648,409	864,448	864,448	889,675	953,168
Solid Waste Fees	28,226,436	28,876,901	21,669,183	29,250,660	21,961,762	28,938,271	21,751,261
Recyclable Sales	1,220,500	952,177	626,026	1,611,178	1,242,413	2,173,123	1,634,083
Charges for Other Services	985,500	631,343	383,969	334,990	210,151	585,217	353,343
Total Operating Revenues	31,312,436	31,324,966	23,327,587	32,061,276	24,278,774	32,586,286	24,691,855
Operating Expenses:							
Collection	7,939,895	7,860,496	6,028,236	7,535,591	5,662,547	7,770,758	5,211,840
Disposal	5,134,662	4,565,442	3,465,990	5,056,654	3,750,422	5,097,762	3,436,766
Recycling	9,117,266	9,260,842	7,119,222	5,510,041	2,660,761	3,571,822	2,684,011
Yard Waste	2,867,608	2,450,300	1,760,850	2,549,112	1,692,284	2,202,595	1,518,307
Large Item/Problem Material	1,785,880	1,737,917	1,246,009	1,298,656	763,376	1,036,280	768,474
Transfer Stations	376,080	365,257	265,532	385,757	335,588	408,516	467,624
Administration	4,250,970	4,208,460	3,388,088	3,931,544	2,894,737	3,980,983	3,036,937
Customer Service	714,883	580,000	432,484	605,386	449,291	654,129	502,602
Clean City	1,936,914	1,720,000	1,283,300	1,839,385	1,381,972	1,694,552	1,248,607
Equipment	3,228,302	3,013,987	2,248,169	3,416,485	2,183,205	2,653,277	1,925,715
Organics	250,458	269,898	183,110	248,210	187,337	210,154	139,258
Total Operating Expenses	37,602,918	36,032,599	27,420,992	32,376,821	21,961,520	29,280,828	20,940,141
Operating Margin	(6,290,482)	(4,707,633)	(4,093,405)	(315,545)	2,317,254	3,305,458	3,751,714
Non-Operating Revenues/(Expenses)							
Net Transfers In	296,000	296,000	222,000	296,000	219,135	196,000	37,500
Net Transfers Out	(777,810.67)	(777,811)	(583,358)	(1,271,000)	(953,250)	(936,000)	(761,000)
Depreciation	(698,930)	(698,930)	(524,198)	(664,537)	(447,095)	(969,693)	(506,974)
Other non-operating Expense					(106,636)	-	(1,767,252)
Special Assessments	-	-	-	98,037	-	255,881	7,124
Total Non-Operating Revenues (Expenses)	(1,180,741)	(1,180,741)	(885,556)	(1,541,500)	(1,287,846)	(1,453,812)	(2,990,603)
Net Income	(7,471,223)	(5,888,374)	(4,978,961)	(1,857,045)	1,029,408	1,851,646	761,111
Significant Balance Sheet Items							
Operating Cash		15,824,552	16,555,422	23,856,133	24,036,557	22,371,818	22,143,491
Accounts Receivable		3,232,874	3,002,864	2,873,172	3,002,258	3,957,458	2,953,148
Capital Outlay			-	-	-	1,905,749	1,767,252
Net Position	22,848,069	24,430,918	25,340,331	30,319,292	31,568,296	30,538,888	28,687,242

**City of Minneapolis
Water Enterprise Fund
For the Third Quarter Ending September 30, 2013**

Fund 7400	2013 Budget	9/30/13 Actual	Projected	Actual
Operating Revenue	76,487,925	57,457,622	77,101,227	79,340,643
Operating Expense	50,901,021	38,470,092	51,983,981	51,301,862
Operating Margin	25,586,904	18,987,559	25,117,245	28,038,782
Net Income (Loss)	11,459,238	1,337,815	(10,421)	11,536,636
Net Position		198,523,701	197,175,465	197,185,886
Cash Balance		20,321,170	19,208,989	19,066,539

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:

At the end of the third quarter 2013 operating revenue was \$57,457,622 or 75% of the 2013 budgeted amount of \$76,487,925. There was an increase in water sales this quarter in relationship to the previous quarter's sales. The previous quarter's sales were sluggish due to wet weather at the beginning of the season. This quarter's sales reflect a higher demand due to the dry weather in late August and early September. However, collections for water sales volumes are down slightly over the same period last year in spite of the 2.81% increase in the volume rate. Suburban sales are also down \$416,058 although increased revenues are expected in the 4th quarter as a result of suburban meter accuracy settlements. Fixed rate revenues for the same period are relatively flat as expected.

Expense:

Through the third quarter of 2013, operating expenses totaled \$38,470,092 or 75.6% of the 2013 budgeted amount of \$50,901,021 indicating that the fund's spending is slightly over as compared to the budget. Expenses are expected to be slightly over budget for the year, due mainly to increases in electrical costs, and the expense associated with the new insurance on the buildings. These increased costs should be covered by the revenues expected over the budgeted amount.

Transfers:

For 2013, the transfer amount of \$18,334 represents a 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 Division's 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. This amount represents both the interest expense and the principle payments on the debt.

Forecast:

For the year ended 2013, operating revenues are expected to come in over budget by approximately 1%. The chief reason for the increased revenues is due to the rate increase. Operating expenses are expected to come in approximately 2% over budget. This year we experience a 16.1 percent increase in our Xcel utility costs and also increased insurance premiums on out buildings. If realized, this activity will result in an operating margin of \$25.1 million, compared to the budgeted margin of \$25.6 million, or \$.5 million less than the amount budgeted. Net income is projected at \$-10 thousand compared to a budgeted amount of \$-7.7 million. The largest contribution to the variance is due to Capital expenditures being \$8 million less than planned.

Other Financial Items:

The ending cash balance as of 9/30/13 is \$20,321,170 compared to \$17,450,864.17 as of 9/30/12. 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-Sep-13	For Year Ending 2012	For Period Ending 30-Sep-12	For Year Ending 2011	For Period Ending 30-Sep-11
Operating Revenues:							
Water Sales - City							
Volume Rate	56,243,394	56,656,399	42,774,913	56,440,374	42,943,404	53,338,098	39,765,411
Fixed Rate	3,257,556	3,228,795	2,420,020	3,216,611	2,413,961		
Water Sales - Suburbs	12,480,305	12,246,588	8,458,828	12,976,941	9,635,453	12,900,851	9,764,023
Other Operating Revenues	4,506,670	4,969,445	3,803,890	6,706,717	6,761,756	3,345,168	1,490,442
Total Operating Revenues	76,487,925	77,101,227	57,457,651	79,340,643	61,754,574	69,584,117	51,019,876
Operating Expenses:							
Payments for City Services	10,767,376	10,767,376	8,473,939	9,645,669	7,575,948	7,333,923	5,757,838
Administration	1,317,682	1,418,550	988,003	1,215,322	816,645	1,007,162	750,513
Engineering	2,158,160	2,520,746	1,814,256	1,923,249	1,444,258	1,549,047	1,134,260
Operations	17,963,545	18,128,545	12,711,902	16,415,712	11,697,938	15,957,374	11,392,578
Maintenance	6,119,641	6,319,641	4,808,097	7,445,167	5,377,723	5,738,283	4,480,138
Distribution	8,256,384	8,550,384	6,275,946	9,628,717	6,647,337	7,841,971	6,079,713
Major Repairs & Replacement	1,000,000	1,000,000	1,013,972	1,676,151	1,367,381	3,438,120	1,905,685
Meter Shop	1,930,048	1,839,514	1,387,583	1,996,339	1,472,097	2,401,283	1,833,182
Reimbursables	1,388,185	1,439,226	996,394	1,355,535	689,298		
Total Operating Expenses	50,901,021	51,983,982	38,470,092	51,301,862	37,088,625	45,267,164	33,333,907
Operating Margin	25,586,904	25,117,245	18,987,559	28,038,782	24,665,949	24,316,953	8,482,375
Non-Operating Revenues/(Expenses)							
Net Transfers in (out)	22,000	22,000	18,334	(3,998,112)	(3,744,000)	(2,042,000)	(2,042,000)
Depreciation	(9,748,315)	(9,748,315)	(7,311,236)	(10,551,351)	(6,589,322)	(10,016,991)	(3,997,747)
Special Assessments				1,204,006			
Net Interest Income (Exp)	(4,401,351)	(4,401,351)	(2,798,613)	(3,303,893)	(2,921,168)	(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	
Capital Outlay	(19,150,000)	(11,000,000)	(7,558,229)	(11,708,710)	(8,383,368)	(15,297,583)	(6,570,515)
Capital Revenue	2,000,000					95,607	1,846,019
Other Non-Operating Income				134,443			
Other Non Operating Expense				(831)			
Total Non-Operating Revenues (Expenses)	(31,277,666)	(25,127,666)	(17,649,744)	(16,502,146)	(21,624,267)	(15,254,840)	(7,687,034)
Net Income	(5,690,762)	(10,421)	1,337,815	11,536,636	3,041,682	9,062,113	795,341
Significant Balance Sheet Items							
Cash Balance		19,208,989	20,321,170	19,066,539	17,450,864	15,055,373	13,771,401
Construction Cash						95,607	1,846,019
Accounts Receivable			7,240,212.64	4,559,012	7,180,007	4,984,301	4,384,333
Assessments Receivable			1,892,614.13	2,302,230	572,240	2,065,302	631,080
Bonds & Notes Payable			109,503,120.03	113,284,120	115,577,934	119,124,241	114,840,545
Net Position		197,175,465	198,523,701	197,185,886	185,232,162	185,958,995	178,932,043
Significant Cash Flow Items							
Bond & Note Principle Payments		5,982,024	3,781,000	5,796,108	3,546,307	3,655,000	

**City of Minneapolis
Municipal Parking Fund
For the Third Quarter Ended Sept 30, 2013**

Fund 7500*	2013 Original Budget	Sept 30, 2013 Period End Actuals	Projected YE 2013	Actual YE 2012
Revenue	45,476,616	35,623,330	47,649,046	44,731,539
Expenses	30,058,287	20,880,030	28,304,674	29,038,266
Operating Margin	15,418,329	14,743,300	19,344,372	15,693,273
Net Income (Loss)	3,044,247	(1,825,722)	6,970,290	7,311,909
Net Position	168,929,000	161,655,705	171,476,275	162,756,498
Cash Balance		11,436,871	4,798,731	7,353,257

* 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 third quarter actual revenues are up in comparison to the 2013 budget by 4.4%. For the third quarter of 2013 the 4.4% is from:

- Impound Lot revenues are down 18.4% compared to budget.
- On-street parking is up 38.1% compared to budget.
- Off-street ramps and lots are down 0.7% 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 generally perform slightly above projections.

Expenses:

The 2013 third quarter operating expenses are below the third quarter 2013 budget by 7.4%. For the third quarter of 2013, the 7.4% is from:

- Impound Lot expenses are down 16.5% compared to budget.
- On-street meters are equal to budget.
- Off-street ramps and lots are down 6.3% 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 September 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 \$2.1 million. Operating expenses are estimated to be under budget by \$1.1 million resulting in an estimated increase in the Operating margin of \$3.2 million over Budget.

Other Financial Items:

The current operating cash balance is \$11.4 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 a \$3.9 million surplus which is retained for future debt service payments.

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

	Current Budget Year 2013	Projected Year Ending 31-Dec-13	For Period Ending 30-Sep-13	For Year Ending 31-Dec-12	For Period Ending 30-Sep-12	For Year Ending 31-Dec-11	For Period Ending 30-Sep-11
Operating Revenues:							
Off-Street Parking: City Owned	29,976,612	30,112,917	22,326,470	29,002,072	21,765,460	28,268,322	21,411,199
Off-Street Parking: State Owned	10,433,618	10,433,618	8,013,257	9,069,273	6,110,115	10,336,123	9,145,432
Towing	6,500,003	5,791,830	3,978,291	5,575,586	3,971,801	6,410,768	4,756,333
On-Street Meters	9,000,001	11,744,299	9,318,569	10,153,881	7,458,416	7,610,627	5,421,790
Total Operating Revenues	55,910,234	58,082,664	43,636,587	53,800,812	39,305,792	52,625,840	40,734,754
Operating Expenses:							
Off-Street Parking: City Owned-Direct Expenses	22,182,639	20,461,468	15,593,078	20,291,391	14,539,000	21,543,930	15,354,531
Off-Street Parking: State Owned-Direct Expenses	8,684,131	8,684,131	7,288,328	10,822,313	6,544,897	9,966,433	7,280,804
Towing	5,019,445	4,709,910	3,145,395	4,294,098	2,953,735	4,694,310	3,392,682
On-Street Meters	2,856,203	3,133,296	2,141,557	4,451,961	3,318,324	5,065,159	4,126,369
Other Operating Expenses	-	-	-	816	13,515	237,422	172,035
Total Operating Expenses	38,742,418	36,988,805	28,168,358	39,860,579	27,369,471	41,507,254	30,326,421
Operating Margin	17,167,816	21,093,859	15,468,229	13,940,233	11,936,321	11,118,586	10,408,333
Non-Operating Revenues/(Expenses)							
General Fund Transfer Out	(7,918,000)	(7,918,000)	(6,598,364)	(7,818,000)	-	(8,618,000)	(5,863,500)
Arena Reserve Transfer Out	(3,129,132)	(3,129,132)	(2,346,849)	(2,940,905)	(2,205,679)	(2,758,000)	(2,068,500)
Debt Service Transfer Out	-	-	-	(477,000)	(357,750)	(198,000)	(198,000)
General Debt Service Transfer Out	-	-	-	(46,901)	-	(42,001)	(42,001)
Sanitation Transfer Out	(146,000)	(146,000)	-	(146,000)	-	(146,000)	-
Total Transfers Out	(11,193,132)	(11,193,132)	(8,945,213)	(11,428,806)	(2,563,429)	(11,762,001)	(8,172,001)
Convention Center related facility Transfer	4,729,200	4,729,200	159,600	5,580,100	2,373,800	7,589,231	2,523,525
TI and MCDA Transfers In	6,900,547	6,900,547	67,531	8,219,301	2,654,767	7,607,095	7,031,531
Other Transfers In	-	-	-	-	-	-	-
Total Transfers In	11,629,747	11,629,747	227,131	13,799,401	5,028,567	15,196,326	9,555,056
Depreciation	(6,901,000)	(6,901,000)	(5,310,036)	(6,905,352)	(3,438,169)	(6,392,796)	(5,081,802)
Special Assessments	-	-	-	58,057	58,057	(232,360)	-
Interest	(5,909,697)	(5,909,697)	(1,977,092)	(4,497,741)	(2,579,623)	(4,845,780)	(2,816,756)
Other Non Operating Expenses	(2,856,203)	-	-	(3,188)	(48,417)	(116,668)	(71,057)
Other Non-Operating Income	-	-	21,110	2,385	31,146	2,460,338	-
Capital Outlay	(1,700,000)	(1,700,000)	(602,874)	224,104	(2,076,810)	(2,270,434)	(131,511)
Capital Revenue	1,700,000	1,700,000	17,951	-	600,825	1,700,000	1,700,000
Capital Contribution	-	-	-	369,776	-	-	-
Total Non-Operating Revenues (Expenses)	(15,230,285)	(12,374,082)	(16,569,022)	(8,381,364)	(4,987,853)	(6,263,375)	(5,018,071)
Net Income+/-	1,937,531	8,719,777	(1,100,793)	5,558,869	6,948,468	4,855,211	5,390,262
Significant Balance Sheet Items							
Operating Cash		4,798,731	11,436,871	7,353,257	10,375,743	11,648,613	11,276,024
Notes Payable		38,650,000	38,650,000	38,650,000	38,650,000		
Bonds Payable		81,050,942	95,680,042	95,680,042	106,120,042	149,200,042	162,320,042
Net Position	168,929,000	171,476,275	161,655,705	162,756,498	164,146,097	157,197,629	151,807,367
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	602,874	602,874	1,675,135	569,102	2,270,434	143,785

CPED Enterprise Fund Component Programs

The CPED Enterprise Fund operates a series of business-type activities designed to enhance housing options and economic development within the City. There are five component operations within this fund.

The **Housing Development** component accounts for various home ownership and home improvement loan programs. These are mature programs. All issued debt has been retired and no new loans are being issued. The residual balances are committed to the operations of the Minneapolis-St Paul Housing Finance Board. The Board is a joint venture created for the benefit of the Cities of Minneapolis and Saint Paul to cooperatively operate various housing loan programs. The committed balances will be used to pay for the Minneapolis share of bond issuance costs. The residual activity of the Housing Development component is accounted for by trustees, reviewed by management throughout the year, and recorded in City accounting records at year end. It is anticipated that approximately \$75,000 will be transferred to the Minneapolis-St Paul Housing Finance Board during 2013.

The **General Agency Reserve Fund System (GARFS)** is 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 in maintaining the “A+” rating of the fund. Most of the transactions of the fund are maintained in a series of trustee accounts and are not incorporated into the quarterly reports. The activity shown herein reflects only CPED’s in-house management and support of the fund. At the end of 2012, GARFS had outstanding bonds payable of \$84 million, investment reserves of \$31 million, and restricted net assets of \$33.6 million. The GARFS net position at the end of 2013 is expected to be comparable.

The **Theatres** component was created to account for the operations of the State, Orpheum, and Pantages Theatres. The City no longer operates these Theatres. Only residual balances and activity remain. There was a cash deficit of more than \$2 million at the conclusion of the operational period. The City has a workout plan in place to transfer \$400,000 per year into the fund to clear the deficit. Two years of the workout plan have been successfully implemented. At 9/30/2013 the cash deficit was \$1.3 million.

The **River Terminal** component operates a public terminal facility located on the Mississippi River in north Minneapolis. The lease agreement obligates the operator to subsidize the City for operating losses and to share profits. The operator is not obligated to pay for the cost of the City’s internal management of the facility. The land is held by the City for future development along the Mississippi. The net position of the component fund is not expected to change in 2013.

The **Economic Development Program** component accounts for certain defaulted properties and for the Capital Investment Fund Program with the Federal Home Loan Bank, which provided loans to businesses for economic development and the creation of jobs. The current activities of this fund are residual in nature to complete the existing projects. These activities are minimal and comparable to the prior year.

CPED Enterprise Fund Component Programs
Statement of Net Assets
12/31/12 and 9/30/13

	Housing Development Fund 12/31/2012	Housing Development Fund 9/30/2013	General Agency Reserve Fund System 12/31/2012	General Agency Reserve Fund System Operations 9/30/2013	Theatres 12/31/2012	Theatres 9/30/2013	River Terminal 12/31/2012	River Terminal 9/30/2013	Economic Development Program 12/31/2012	Economic Development Program 9/30/2013
ASSETS										
Current assets:										
Cash and cash equivalents	\$ 138,162	\$ 138,162	\$ 1,157,820	\$ 958,026	\$ (1,720,346)	\$ (1,344,722)	\$ (507,264)	\$ (578,725)	\$ 795,997	\$ 899,825
Deposits with fiscal agents	-	-	39,373,461	-	-	-	-	-	22,277	97,277
Loans and notes receivable	150,000	150,000	-	-	-	-	-	-	-	-
Capital leases	-	-	3,630,000	-	-	-	-	-	-	-
Other current assets	196	196	41,120	2,745	(3,453)	(3,453)	27,924	(960)	1,564	1,564
Total current assets	288,358	288,358	44,202,401	960,771	(1,723,799)	(1,348,175)	(479,340)	(579,685)	819,838	998,666
Noncurrent assets:										
Loans and notes receivable	344,987	344,987	-	-	-	-	-	-	-	-
Capital leases	-	-	80,653,137	-	-	-	-	-	-	-
Capital assets (net of accumulated depreciation)	-	-	-	-	-	-	5,787,963	5,527,318	-	-
Total noncurrent assets	344,987	344,987	80,653,137	-	-	-	5,787,963	5,527,318	-	-
Total assets	\$ 633,345	\$ 633,345	\$ 124,855,538	\$ 960,771	\$ (1,723,799)	\$ (1,348,175)	\$ 5,308,623	\$ 4,947,633	\$ 819,838	\$ 998,666
LIABILITIES										
Current liabilities:										
Deposits held for others	-	-	4,469,686	-	-	-	-	-	-	-
Unearned revenue	-	-	1,084,300	-	-	-	-	-	-	-
Bonds payable - current portion	-	-	3,630,000	-	-	-	-	-	-	-
Notes payable - current portion	-	-	-	-	-	-	-	-	116,613	116,613
Other current liabilities	67	67	419,537	17,900	(1,186)	(1,186)	29,277	2,893	10,730	11,431
Total current liabilities	67	67	9,603,523	17,900	(1,186)	(1,186)	29,277	2,893	127,343	128,044
Noncurrent liabilities:										
Bonds payable	-	-	81,625,000	-	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-	-	-	40,501	40,501
Compensated absences payable	-	-	10,422	10,554	-	-	-	-	-	-
Total noncurrent liabilities	-	-	81,635,422	10,554	-	-	-	-	40,501	40,501
Total liabilities	67	67	91,238,945	28,454	(1,186)	(1,186)	29,277	2,893	167,844	168,545
NET ASSETS										
Invested in capital assets, net of related debt	-	-	-	-	-	-	5,787,963	5,527,318	-	-
Restricted	-	-	33,616,593	932,317	-	-	-	-	-	-
Unrestricted	632,937	633,278	-	-	(1,722,613)	(1,346,989)	(508,617)	(582,578)	651,994	830,121
Total net assets	632,937	633,278	33,616,593	932,317	(1,722,613)	(1,346,989)	5,279,346	4,944,740	651,994	830,121
Total liabilities & net assets	\$ 633,004	\$ 633,345	\$ 124,855,538	\$ 960,771	\$ (1,723,799)	\$ (1,348,175)	\$ 5,308,623	\$ 4,947,633	\$ 819,838	\$ 998,666

CPED Enterprise Fund Component Programs
Statement of Revenues, Expenses, and Changes in Program Net Assets
For the Nine Months Ended 9/30/12 and 9/30/13

	Housing Development Fund 1/1-9/30/12	Housing Development Fund 1/1-9/30/13	General Agency Reserve Fund System 1/1-9/30/12	General Agency Reserve Fund System Operations 1/1-9/30/13	Theatres 1/1-9/30/12	Theatres 1/1-9/30/13	River Terminal 1/1-9/30/12	River Terminal 1/1-9/30/13	Economic Development Program 1/1-9/30/12	Economic Development Program 1/1-9/30/13
Operating revenues										
Charges for sales and services	\$ -	\$ -	\$ 272,064	\$ 191,424	\$ -	\$ -	\$ 1,077,330	\$ 1,288,254	\$ 206,250	\$ 206,250
Interest on program activities	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total operating revenues	-	-	272,064	191,424	-	-	1,077,330	1,288,254	206,250	206,250
Operating expenses:										
Personal services	-	-	120,757	252,430	1,181	-	6,346	44,896	1,463	8,359
Contractual services	-	-	43,018	199,720	1,008	20,000	1,150,813	1,315,831	3,359	21,735
Other	-	-	5,363	7,760	-	-	500	500	-	-
Depreciation expense	-	-	-	-	-	-	260,645	260,645	-	-
Total operating expenses	-	-	169,138	459,910	2,189	20,000	1,418,304	1,621,872	4,822	30,094
Operating income	-	-	102,926	(268,486)	(2,189)	(20,000)	(340,974)	(333,618)	201,428	176,156
Nonoperating revenues (expenses)										
Interest on investments	1,654	341	7,570	3,026	(8,446)	(4,376)	(3,152)	(988)	3,102	1,971
Interest expense	-	-	-	-	-	-	-	-	(8,771)	-
Total nonoperating revenue (expenses)	1,654	341	7,570	3,026	(8,446)	(4,376)	(3,152)	(988)	(5,669)	1,971
Income (loss) before transfers	1,654	341	110,496	(265,460)	(10,635)	(24,376)	(344,126)	(334,606)	195,759	178,127
Net transfers from (to) other funds	-	-	-	-	400,000	400,000	-	-	-	-
Change in net position	1,654	341	110,496	(265,460)	389,365	375,624	(344,126)	(334,606)	195,759	178,127
Net position - January 1	1,015,905	632,937	1,193,181	1,197,777	(2,112,030)	(1,722,613)	5,678,038	5,279,346	240,835	651,994
Net position - September 30	\$ 1,017,559	\$ 633,278	\$ 1,303,677	\$ 932,317	\$ (1,722,665)	\$ (1,346,989)	\$ 5,333,912	\$ 4,944,740	\$ 436,594	\$ 830,121

City of Minneapolis

Third Quarter, 2013, Cash and Investments Report

In accordance with the City's investment policy, revenue not immediately required for payment of obligations shall be placed in authorized investments. The objectives of the City's investment strategy, in order of priority, are safety of principal, liquidity and yield. As of September 30, 2013, the City's current investment portfolio was valued at \$615.3 million. The sector holdings and fund distributions are shown below. For the 12 months ended September 30, 2013, the portfolio has underperformed its benchmark.

Investment Performance period ended September 30, 2013	City Portfolio	Custom Benchmark*
3 Month Total Return	0.22%	0.24%
12 Month Total Return	0.00%	0.21%
3 Year Total Return	0.61%	0.43%
Weighted Average Maturity	1.7 Years	1.6 Years
Credit Quality	AGY	TSY

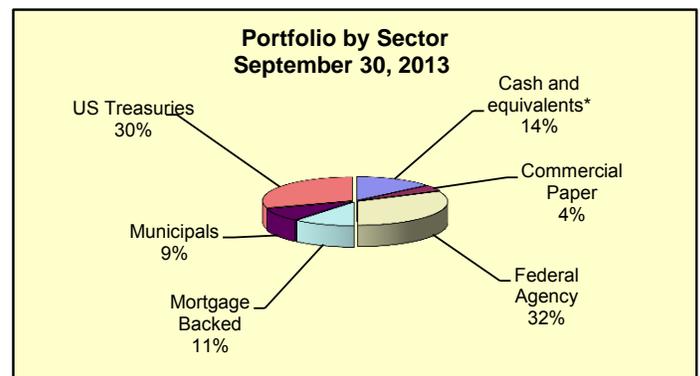
*Custom Benchmark is a combination of the Merrill Lynch 1-3 year Treasury Index, the Merrill Lynch 3 month US T-Bill Index and the Citigroup 1 month T-Bill Index, weighted for actual investment balances.

Portfolio Holdings

By Sector

Market Value in millions	Sept 30 2013	% of port.	Sept. 30 2012	% of port.
Cash and equivalents*	\$ 86.1	14%	\$ 103.3	17%
Commercial Paper	24.6	4%	32.7	6%
Federal Agency	196.9	32%	213.4	36%
Mortgage Backed	67.7	11%	70.8	12%
Municipals	55.4	9%	16.3	3%
US Treasuries	184.6	30%	157.1	26%
Total Cash & Investments	\$ 615.3	100%	\$ 593.6	100%

*Net of checks outstanding



Funds Performance

Book Value in millions	Sept. 30 2013	% of funds	Sept. 30 2012	% of funds
Debt Service	\$ 47.3	8%	\$ 75.3	14%
Development	19.6	3%	18.9	3%
Enterprise Fund	111.4	19%	109.1	20%
General	58.2	10%	38.7	7%
Internal Service	99.3	17%	78.4	14%
NRP	36.2	6%	42.0	8%
Park Board	7.9	1%	14.5	3%
TIF	101.4	18%	94.2	17%
Convention Center	59.2	10%	34.8	6%
Other	26.8	5%	14.2	3%
Sub Total City Operating	\$ 567.3	99%	\$ 520.1	95%
Bond Proceeds/Construction	7.1	1%	27.3	5%
Total Book Value	574.4	100%	547.4	100%
Unrealized gain (loss) & Accrued interest	(1.1)		2.6	
Total Market Value	\$ 573.3		\$ 550.0	
General Agency Reserve				
Fund System (GARFS)	42.0		43.6	
All Funds & GARFS Market Value	\$ 615.3		\$ 593.6	

