



City of Minneapolis
Financial Status Report as of 4th Quarter 2005
Prepared by the
City of Minneapolis Finance Department
March 06, 2006

City of Minneapolis

Interim Financial Report Index for the 4th Quarter of 2005

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THE REPORT

The report consists of two sections. The first section of the report includes the Business line review. The second section includes detailed schedules and analysis of the results of individual funds through December 31, 2005.

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 services and goods provided within the government and are primarily supported either directly or indirectly by taxes. These groupings include General fund, Special Revenue Funds, Capital Projects, Debt Services, and Agency funds. Governmental funds use the modified accrual basis of accounting to record transactions.

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. The General Fund began 2005 with a fund balance of \$61.4 million and an operating budget of \$291 million. The operating budget included \$5 million for unfunded pension obligations avoiding the need to issue additional debt and incur interest costs. Additionally, the City Council re-appropriated an additional \$14.5 million for pension debt reduction and various one-time expenses for One-Call, One-Stop and other departmental initiatives. Prior to final year-end audit adjustments, the City will end the year with an estimated fund balance of \$53 million, which is well within the stated fund balance requirement of 15% of the following years' revenue budget or \$47.8 million. General Fund spending, as a whole, is at 99% of budget at year-end. All departments either spent within or *slightly* exceeded their appropriation. Actual revenues will end the year at 103% of budget. *Franchise Fees* and *Fines* exceeded budgeted amounts by 23% and 18% respectively. In addition, revenues from *Licenses and Permits* were 11% greater than expected.

The **Convention Center Fund** accounts for the operating activities of the Convention Center and for the City's sales tax and other related taxes. All of the tax revenue received by the Convention Center is used to support the Convention Center's capital and operating activities except the entertainment tax. The entertainment tax revenue is transferred to the City's General Fund and Arena Reserve Fund.

The Convention Center's 2005 operating budget planned for a loss of \$3.6 million; however, year-end results show a gain of \$4.8 million. The majority of the recovery is better than expected (\$4.1 million) sales, entertainment and lodging tax revenues and a reduction to operating expenses and interest costs on variable rate debt.

Grant Funds are used to record grant related activities. Fund 0300 represents all of the federal grant activity. Fund 0400 captures the Housing and Urban Development grants for community development and housing related programs. This fund includes the Community Development Block Grant, Emergency Shelter Program, HOME Investment Partnership Program, and Housing Opportunities for People with Aids. Fund 0600 is used to record all of the non-federal sources of restricted revenue. Because the year-end CDBG reprogramming is being presented through a separate council action, it is omitted from this report.

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.

Enterprise Funds are City owned businesses that sell goods and services to third parties. Excluding the CPED enterprise activities and the River Terminal, the City operates five enterprise funds. A snapshot of these funds follows:

| Enterprise Funds | | | | | |
|-----------------------------|----------------------------|-----------------------------------|----------------|-----------------------|----------------------------------|
| (In Thousands) | | | | | |
| Fund | Beg. Net Assets | Preliminary Year -End 2005 | | | 12/31/2005 Net Assets |
| | | Revenue | Expense | Net Income | |
| Stormwater & Sanitary Sewer | 298,058 | 65,027 | 60,821 | 4,206 | 302,264 |
| Solid Waste | 17,841 | 29,776 | 28,132 | 1,644 | 19,485 |
| Water Utility | 130,153 | 61,985 | 54,437 | 7,548 | 137,701 |
| Parking | 69,684 | 70,640 | 68,323 | 2,317 | 72,001 |

With the exception of the Parking fund, the City's enterprise activities are in good condition. All of these funds had positive net assets at the beginning of 2005 and their financial plans call for a continuation of positive financial activity. There is an area of concern within the Water Fund as far as cash position is concerned. The fund ended the year with a negative cash balance of almost \$2 million.

Sewer Utility Fund accounts for sewage interceptor and treatment services and the storm management activities including the Combined Sewer Overflow program. The Sewer Fund was split into two funds in 2005: Stormwater and Sanitary. The Stormwater Fund had net income of \$4.8 million in 2005; this is \$2.6 million lower than expected. The lower income can be attributed to two things: 1) a credit program instituted after rates were set resulting in \$2.1 decrease in ongoing revenue; 2) adjustments to disputed properties such as railroads, duplexes, UofM. This decrease in revenue will have an ongoing effect on the fund from an income and cash standpoint that will have to be addressed during the 2007 budget process. The Sanitary Sewer fund had a net loss of \$.7 million during 2005. This is actually *less* than the budgeted loss of \$1.7 million. Both funds have positive cash and net assets but the cash balances will continue dwindling because of the permanent effect of stormwater credits and the Government Service Fee which was imposed on these funds without rates or existing expense budgets being adjusted.

Solid Waste Fund accounts for the City's solid waste collection, disposal, and recycling operations. The fund had a very positive financial performance in 2005; posting a net income of \$1.7 million. Revenues were better than expected particularly in the recyclable sales area. The fund has a cash balance of \$15 million.

Water Utility Fund accounts for the operation and maintenance of a water delivery system for the City and several suburban city customers. The Water Fund had a \$.12 rate increase in 2005. In addition, the fund issued a refund to the Joint Water Commission (JWC) of \$3.6 million in accordance with a new contract negotiated with the consortium. The fund ended the year with a net income of \$7.5 million which was \$1.3 million lower than expected. Additionally, the fund has a negative cash balance of \$2 million. The erosion of the funds' cash balance can be attributed to several factors: 1) The one-time refund to the JWC of \$3.6 million; 2) The Government Service Fee of \$1.6 million which was imposed on the fund without rates or spending being adjusted. The 2007 budget process will have to address this ongoing situation.

Parking Fund accounts for the operation and maintenance of parking ramps, lots, on street parking meters, a municipal impound lot, and traffic/parking control. Prior to 2001, revenue performance had been better than budgeted, but since September 2002, revenue has dropped. This is primarily due to economic conditions, high office vacancy rates, and increasing transfers to other funds. In June 2004, the City Council adopted a financial and operational workout plan for the Parking Services Fund that is expected to restore the funds' solvency by 2010. Income compared to the workout plan was \$1.8 million lower than planned, primarily because projections for off-street parking and in the collection of unpaid tow and storage fees was greater than actual results.

Internal Service Funds remain one of the largest financial challenges for the City of Minneapolis. An overview of the Internal Service Funds follows:

| Internal Service Funds (In Thousands) | | | | | |
|--|----------------------------|----------------|----------------|-----------------------|----------------------------------|
| Preliminary Year-End 2005 | | | | | |
| Fund | Beg. Net Assets | Revenue | Expense | Net Income | 12/31/2005 Net Assets |
| Engineering, Mat, and Testing | 600 | 4,181 | 4,412 | (231) | 369 |
| Equipment Fund | 13,266 | 40,211 | 38,061 | 2,150 | 15,416 |
| Property Services | 30,076 | 17,710 | 17,055 | 655 | 30,731 |
| Public Works Stores | 2,615 | 4,906 | 4,478 | 428 | 3,043 |
| Intergovernmental Fund | (37,487) | 43,498 | 41,027 | 2,471 | (35,016) |
| Self Insurance | (37,980) | 69,886 | 66,141 | 3,745 | (34,235) |

The **Intergovernmental Service Fund** is operating at a level called for in its financial workout plan. The City instituted an Activity Based Costing rate model in 2005. Customers are charged a rate based on services consumed. This rate model replaces the arbitrary "fund-transfer" method that existed previously. The year-end results indicate that BIS is roughly \$3.7 million ahead of plan on a cash basis. A very strong year in 2005, including a net income swing from a budgeted loss of \$2.2 million to a \$2.1 million gain accounts for the stronger than expected cash position. The improvement can be attributed to the successful Project Management Division (PMD) which has roughly 100 technology projects "in-flight". Because BIS is able to manage so many projects in-house it is able to recover its internal costs and spread them over so many projects resulting in low project management costs for internal customers and full cost recovery for BIS. Depreciation expense continues to pose a challenge for the fund because it is not recovered through the rate model.

The **Equipment Fund** also operates under a Council-adopted financial workout plan. The fund has positive cash and net assets and continues to make good progress toward solvency and a pay-as-you-go approach to replacing its capital assets. Revenues and expenses are lower than expected due to a decreased level of equipment usage in the Capital Projects area, but the funds operating margin remains positive. Because the fund has missed its revenue targets for the last two years, its cash position has slipped behind the workout plan target for 2005. As of year-end, the fund has a cash position of \$1.2 million, whereas the workout plan projected a balance of \$5.8 million.

The **Self-Insurance Fund** had net income of \$3.7 million and is tracking ahead of its adopted workout plan both from a net assets and cash standpoint. The gains can be attributed to ongoing subsidies from the General Fund and lower than expected costs for workers compensation and health care.

The **Property Services Fund** had net income of \$.7 million which was \$1.5 million better than expected. The positive turnaround was a result of work-for-others revenue being 17% greater than planned allowing for the division to recover all of its overhead costs and more. This funds financial performance is hindered by depreciation expense. Similar to BIS, it is not recovering for depreciation in its rental rates and this will continue to adversely affect the fund.

The **Engineering Materials and Testing Fund** had a loss of \$.2 million. This fund has consistently lost money for the last eight years and if the trend continues will be in need of a financial workout plan. The fund has a very small amount of cash and positive net assets but one more year of losses could reverse that situation. Public Works management has decided to continue buying, rather than making, asphalt which will improve the financial results in this fund. In addition, management has increased its overhead rates to fully recover fixed costs.

Respectfully Submitted,

Patrick P. Born
Finance Officer

Charles J. Elliott
Controller

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

Based on un-audited figures, the General Fund fund balance is expected to end fiscal year 2005 at approximately \$53.0 million. The fund balance for the General fund at fiscal year-end 2004 was \$61.4 million, and the council took several actions at the end of 2004 and early 2005 to spend down some of the fund balance as explained below.

What happened in 2005?

| | |
|--|----------------|
| Fund balance at 12/31/2004 (actual) | \$61.4 |
| | |
| City Council actions after 12/31/2004: | |
| Planned Expenditure increase to Police | (0.5) |
| Early Retirement of Pension Debt Funds | (5.00) |
| Carry forward appropriations | (14.5) |
| | |
| Planned Fund balance at 12/31/2005 | \$41.4 |
| | |
| Results of 2005 financial operations: | 11.60 |
| | |
| Fund balance at 12/31/2005 (estimate) | \$53.00 |
| | |

The City's policy is to maintain a minimum fund balance of 15% of the following years revenue budget; the projected balance would be well within this requirement.

General Fund Revenues:

The five largest revenue sources account for 84% of total budgeted revenues: property taxes, state aids, charges for services, franchise fees, and licenses and permits.

Property taxes, the major source of General Fund revenue (34%), met the budget of \$97.5 million at the end of the year.

State aids, the second major source of fund revenue (22%), has also met the current estimated revenue of \$64.2 million (received in July and December).

Charges for services, the third major source of fund revenue (12%), have exceeded the budget by about 4%. Most of these increases occurred in the Public Works department as reimbursable work for others.

Franchise fees (8% of fund revenue) have exceeded the budget significantly by about 25%, primarily due to increased natural gas franchise fees.

Licenses and permit fees, the fifth major source of revenue (8%), have significantly come ahead of budget by about 11%, primarily in the building/construction permitting area of Regulatory Services.

Other shared taxes exceeded the current budget slightly by about 1%.

Fine and Forfeit revenues also exceeded the estimated revenue budget by 18%, primarily due to increased collections in the Regulatory Services' meter monitoring enforcements (about \$1.2 million).

Investment income exceeded the current budget by about 14%.

Other miscellaneous revenues are currently projected to meet the current budget.

All other General Fund revenues and transfers have currently met or exceed the estimated budget at the end of the year with no significant variances.

General Fund Expenditures

Four departments excluding transfers make up about 90% of the total general fund expenditures: Police, Coordinator, Fire, and Public Works. Small percentage variances in any of these large departments can have a significant effect on the amount of general fund expenditures.

Overall, for 2005, all City Departments actual expenditures spent within or slightly exceeded their current budget.

A detailed financial schedule of the fund is included on the next page:

**City of Minneapolis
General Fund
31-Dec-05**

| | Original Budget | Revised Budget | Actual | Variance | Percent of Variance |
|---|------------------------|-----------------------|--------------------------|------------------|----------------------------|
| Revenues: | | | | | |
| Property Taxes | 101,926,076 | 97,981,530 | 97,501,512 | (480,018) | 0% |
| State Aids | 64,189,664 | 64,189,664 | 64,189,664 | - | 0% |
| Charges for Services | 32,957,126 | 34,223,926 | 34,252,164 | 28,238 | 0% |
| Franchise Fees | 22,407,500 | 22,409,000 | 27,652,995 | 5,243,995 | 23% |
| Licenses and Permits | 22,532,387 | 22,462,387 | 24,905,373 | 2,442,986 | 11% |
| Other Shared Taxes | 11,166,951 | 15,111,497 | 15,211,386 | 99,889 | 1% |
| Fines and Forfeits | 8,512,377 | 8,512,377 | 10,015,993 | 1,503,616 | 18% |
| Special Assessments | 2,743,434 | 2,888,130 | 2,838,906 | (49,224) | -2% |
| Investment Income | 1,830,000 | 2,119,841 | 2,416,060 | 296,219 | 14% |
| Other Miscellaneous | 526,469 | 604,669 | 685,650 | 80,981 | 13% |
| Total Revenues | 268,791,984 | 270,503,021 | 279,669,703 | 9,166,682 | 3% |
| Transfers In | 17,031,750 | 17,031,750 | 17,006,250 | (25,500) | 0% |
| Revenues and Other Sources | 285,823,734 | 287,534,771 | 296,675,953 | 9,141,182 | 3% |
| Expenditures : | | | | | |
| Police | 94,749,237 | 95,899,237 | 95,977,007 | (77,770) | 0% |
| Coordinator | 54,951,569 | 55,185,619 | 54,266,897 | 918,722 | 2% |
| Fire | 45,230,977 | 47,930,977 | 47,208,924 | 722,053 | 2% |
| Public Works | 36,135,797 | 38,778,786 | 38,752,325 | 26,461 | 0% |
| Attorney | 5,602,482 | 5,602,482 | 5,553,914 | 48,568 | 1% |
| Health | 3,652,728 | 3,652,728 | 3,649,351 | 3,377 | 0% |
| City Council | 2,606,932 | 2,799,312 | 2,715,328 | 83,984 | 3% |
| Non-Department- Other | 1,428,143 | 28,143 | 0 | 28,143 | 100% |
| Non-Department-Corrections | 820,000 | 820,000 | 686,329 | 133,671 | 16% |
| Assessor | 3,101,062 | 3,101,062 | 2,967,344 | 133,718 | 4% |
| Contingency | 1,983,000 | 933,000 | 165,000 | 768,000 | 82% |
| CPED | 3,075,229 | 3,367,117 | 3,366,350 | 767 | 0% |
| City Clerk | 2,985,137 | 2,969,642 | 2,947,081 | 22,561 | 1% |
| Civil Rights | 2,338,040 | 2,348,040 | 2,124,614 | 223,426 | 10% |
| Mayor | 1,053,899 | 1,101,899 | 1,076,105 | 25,794 | 2% |
| Unfunded Pension Liabilities | -1,200,000 | -1,200,000 | -1,207,618 | 7,618 | -1% |
| Total Expenditures | 258,514,232 | 263,318,044 | 260,248,953 | 3,069,091 | 1% |
| Transfer out | 32,791,670 | 44,791,670 | 44,776,826 | (14,844) | 0% |
| Expenditures and Other Uses | 291,305,902 | 308,109,714 | 305,025,779 | 3,054,247 | 1% |
| Change in Fund Balance | (5,482,168) | (20,574,943) | (8,349,826) | 6,086,935 | |
| Fund Balance - Jan. 1, 2005 | | | <u>61,352,000</u> | | |
| Fund Balance - December 31, 2005 | | | <u><u>53,002,174</u></u> | | |

Convention Center Special Revenue Fund and Reserve Report

Convention Center Fund

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

Although the 2005 original budget had a deficit of \$3.6 million, due to the increase in the sales tax and other operating income, the fund balance is expected to be over by \$4.8 million and higher than the 2004 level by nearly \$6.3 million for an approximate fund balance total of \$36.2 million.

With the exception of entertainment tax, all of the tax revenue received by the Convention Center is used to support the Convention Center's capital and operating activities.

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; a 3% citywide entertainment tax; and a 3% citywide lodging tax for motels and hotels with 50 units or more. Presently, one-third of all lodging tax proceeds received by the City are paid directly to the Greater Minneapolis Convention and Visitors Association. For 2005, tax proceeds exceeded 2004 levels by nearly \$2.9 million or 5.6%. Lodging tax had the most significant percentage increase in 2005. Improved economic conditions and larger Convention Center events attracting national and international visitors to the City of Minneapolis can be attributed to this increase.

| Tax | December 2005 | December 2004 | Variance | % Change |
|---------------|----------------------|----------------------|--------------------|-----------------|
| Sales | 27,404,343 | 26,366,164 | 1,038,179 | 4% |
| Entertainment | 9,193,151 | 8,669,749 | 523,402 | 6% |
| Food | 9,474,456 | 8,801,805 | 672,651 | 7% |
| Liquor | 3,486,477 | 3,432,394 | 54,083 | 2% |
| Lodging | 5,505,791 | 4,899,194 | 606,597 | 11% |
| Total | \$55,064,219 | \$52,169,306 | \$2,894,913 | 5% |

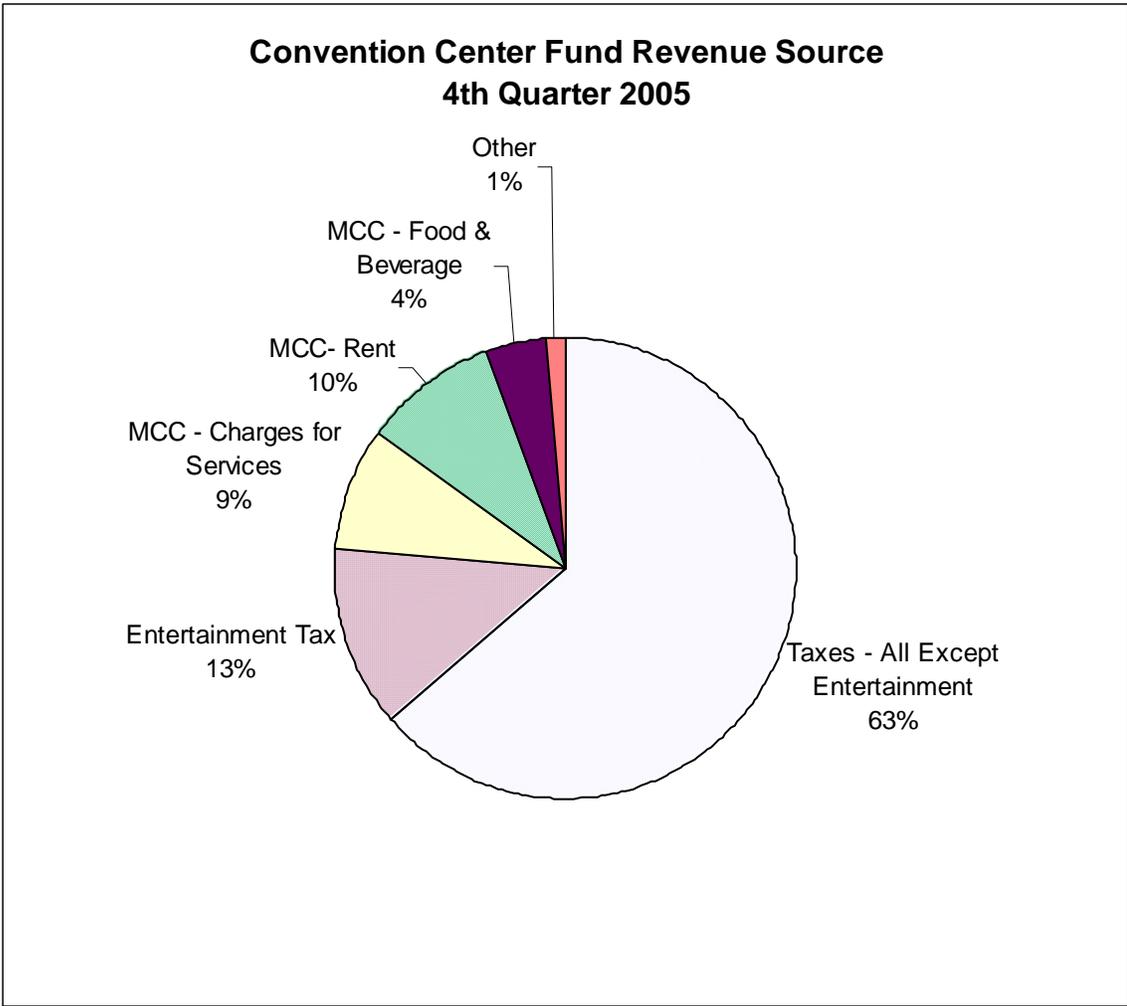
Interest Revenue

Total interest revenue of \$927,757, credited to the fund in 2005 has exceeded the 2005 budget by \$713,757 or 332%.

Operating Revenue

Operational revenue is derived directly from the Convention Center. Cash deposits for space rental are required in advance of the actual event. Equipment rental and the Tallmadge Building (a Class C multi-story office building managed by the Convention Center due to its proximity) space rental, account for the other sources of rental income. Charges for services to exhibitors or shows include audio visual service to clients, labor charges, cleaning services, coat check fees, parking proceeds, security services, fire marshalling services, and medical related services. In 2005, wireless and internet services began, and the FedEx Kinkos business center opened. Wireless and internet services came in \$176,033 or 235% over budget as a result of larger conventions, and visitors taking advantage of the new

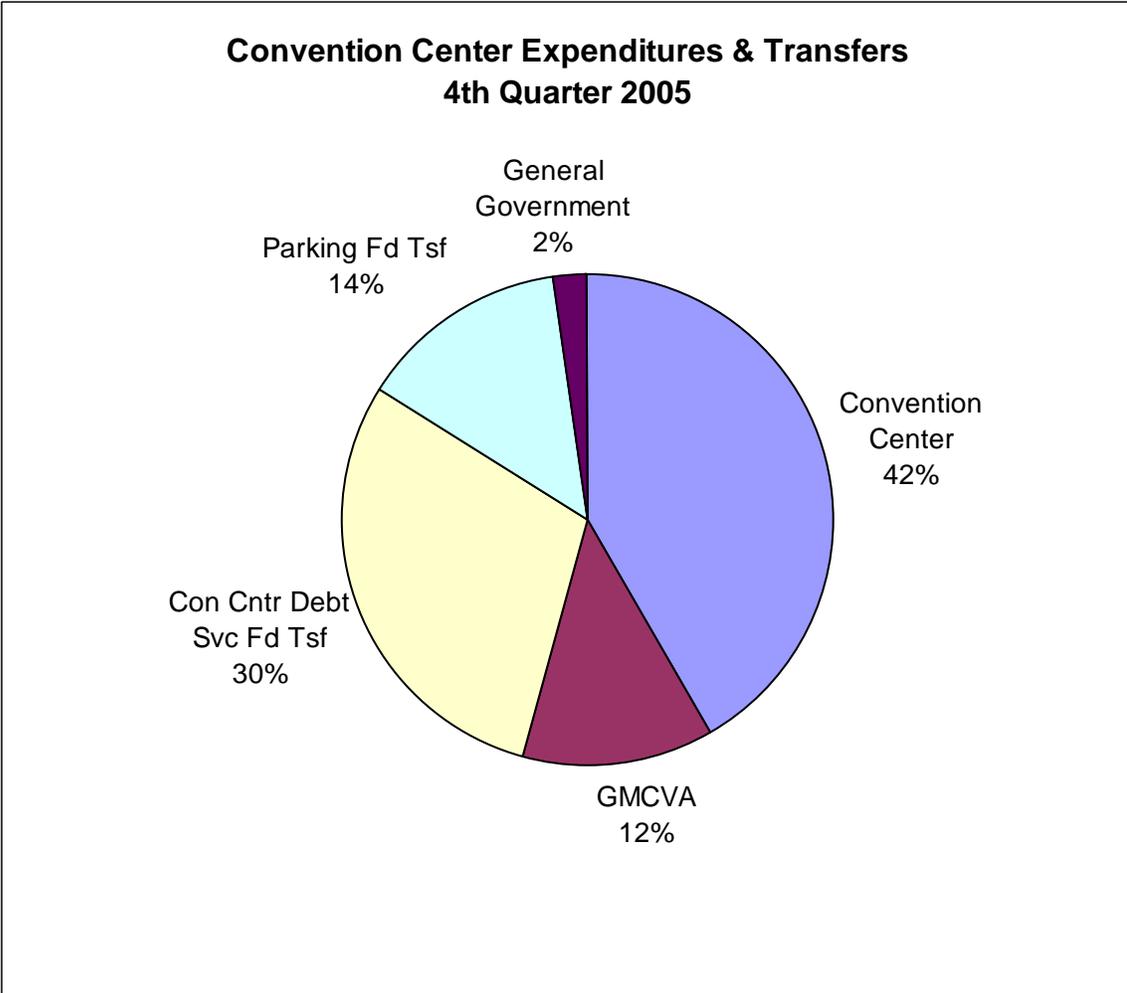
business services. Convention Center operating revenues in 2005 exceeded 2004 levels by 9% and exceeded the 2005 budget by 4%.



Taxes include sales and use, restaurant, liquor, and lodging taxes. Entertainment tax revenue is transferred to the City's General Fund and the Arena Reserve Fund.

Operating Expenditures

In past years, Convention Center operating shortfalls were offset in part by expenditure savings. The Convention Center originally budgeted \$100,000 for event security for the Minneapolis Police Department. The Minneapolis Police Department could not come up with sufficient Convention Center related expenses, so no charges were made to the Convention Center. For 2005, Convention Center operating expenditures came in 5% below budget.



Transfers

The Convention Center Fund annually transfers a share of its tax revenue to several other funds. Due to the extremely low interest rates on variable rate bonds and debt service refinancing, substantial savings were realized in 2005. Variable bond interest rates are expected to be closer to normal levels in 2006.

Fund Balance

The 2005 budget had a deficit of \$3.6 million, reducing the fund balance to \$26.3 million. In 2005, tax and operating revenues came in \$6.3 million over budget. In addition, 2005 expenditures came in at \$32.9 million or \$1.3 million below budget. Thus, the ending fund balance is expected to be \$36.2 million or \$6.3 million more than the 2004 level of \$29.9 million.

Convention Facilities Reserve Fund

The Convention Facilities Reserve Fund was established as a holding fund for future capital needs of the existing Convention Center. Approximately \$1 million is transferred annually from the Convention Center Fund for this purpose. In 2005, a transfer to the Convention Center of \$2.5 million was completed. Fund balances held in the Reserve Fund at year end for Convention Center activities are \$6.9 million.

Arena Reserve

As with the Convention Facilities Reserve Fund, the Arena Reserve fund was established as a holding fund for the acquisition and capital maintenance costs of the Target Center as determined by the Target Center Finance plan. Transfers to debt service are made annually from the fund. Fund revenues are generated by transfers from other City funds for Target Center related activities. In 2005, \$91,500 was transferred from the General Fund. In addition, \$1.8 million was transferred from the Municipal Parking Enterprise Fund, and \$1.2 million was transferred from Convention Center Operations. A transfer from the fund was completed in 2005 for \$5 million to service debt associated with the operation.

CONVENTION CENTER SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the fiscal quarter ending December 31, 2005

CITY OF MINNEAPOLIS, MINNESOTA

| | 2005 | | Variance Favorable (Unfavorable) | 2004 |
|---|--------------|--------------|--|--------------|
| | Budget | Actual | | Actual |
| REVENUES: | | | | |
| Taxes: | | | | |
| Sales and use tax | 26,698,175 | 27,404,343 | 706,168 | 26,366,164 |
| Entertainment tax | 8,681,750 | 9,193,151 | 511,401 | 8,669,749 |
| Food tax | 7,947,850 | 9,474,456 | 1,526,606 | 8,801,805 |
| Liquor tax | 2,914,075 | 3,486,477 | 572,402 | 3,432,394 |
| Lodging tax | 4,658,625 | 5,505,791 | 847,166 | 4,899,194 |
| Total taxes | 50,900,475 | 55,064,219 | 4,163,744 | 52,169,306 |
| Charges for services and sales | 5,230,000 | 6,219,718 | 989,718 | 4,999,515 |
| Interest | 215,000 | 927,757 | 712,757 | 132,413 |
| Miscellaneous revenues: | | | | |
| Rents and commissions | 6,763,000 | 6,560,555 | (202,445) | 6,134,688 |
| Tallmadge | 300,000 | 306,676 | 6,676 | 332,925 |
| Catering Commissions | 2,500,000 | 3,106,215 | 606,215 | 2,563,769 |
| Other | 5,000 | 14,932 | 9,932 | 130,407 |
| Total miscellaneous revenues | 9,568,000 | 9,988,378 | 420,378 | 9,161,789 |
| Total revenues | 65,913,475 | 72,200,071 | 6,286,596 | 66,463,023 |
| CURRENT EXPENDITURES: | | | | |
| General government: | | | | |
| Coordinator-Finance | - | - | - | 302,465 |
| Police Department | 100,000 | - | 100,000 | - |
| General Fund Overhead | 1,177,360 | 1,177,360 | - | - |
| Coordinator-Human resources: | 61,867 | 61,069 | 798 | 57,661 |
| Total general government | 1,339,227 | 1,238,429 | 100,798 | 360,126 |
| Economic development: | | | | |
| Convention and visitors association: | 7,238,614 | 7,238,614 | 0 | 6,654,788 |
| Convention center: | 25,653,799 | 24,441,003 | 1,212,796 | 21,940,114 |
| Bad Debt Expense | - | - | - | 26,857 |
| Total economic development | 32,892,413 | 31,679,616 | 1,212,797 | 28,621,759 |
| Total expenditures | 34,231,640 | 32,918,045 | 1,313,595 | 28,981,885 |
| Excess of revenues over (under) expenditures | 31,681,835 | 39,282,026 | 4,973,001 | 37,481,139 |
| OTHER FINANCING SOURCES (USES): | | | | |
| General Fund Transfer | (7,481,750) | (7,481,750) | - | (7,469,749) |
| Arena Reserve Fund Transfer | (1,200,000) | (1,200,000) | - | (1,200,000) |
| Convention Center Reserve Fund Transfer | 1,381,000 | 1,381,000 | - | (1,150,000) |
| Convention Ctr Debt Service Transfer | (19,724,675) | (17,440,938) | 2,283,737 | (13,647,677) |
| Other Debt Service Transfer | (14,945) | (14,945) | - | (38,846) |
| Info Tech Internal Svs Fund Transfer | - | - | - | (66,000) |
| Self-Insurance Internal Svsc Fund Transfer | - | - | - | (19,000) |
| Municipal Parking Enterprise Fund Transfer | (8,243,573) | (8,243,573) | - | (8,364,656) |
| Total other financing sources (uses) | (35,283,943) | (33,000,206) | 2,283,737 | (31,955,928) |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (3,602,108) | 6,281,820 | 9,883,928 | 5,525,211 |
| Fund balance - January 1 | 29,924,479 | 29,924,479 | | 24,399,268 |
| Ending Fund balance | 26,322,371 | 36,206,299 | 9,883,928 | 29,924,479 |
| Ending Cash balance | NA | 16,504,122 | NA | 12,491,039 |

| ARENA RESERVE SPECIAL REVENUE FUND | | | | |
|---|---------------------|--------------------|----------------------|------------------|
| STATEMENT OF REVENUES, EXPENDITURES, AND | | | | |
| CHANGES IN FUND BALANCE - BUDGET AND ACTUAL | | | | |
| For the fiscal quarter ending December 31, 2005 | | | | |
| | 2005 | | | |
| | | | Variance | |
| | Budget | Actual | Favorable | 2004 |
| | | | (Unfavorable) | Actual |
| REVENUES: | | | | |
| Interest | \$ - | - | - | 8,868 |
| Total revenues | - | - | - | 8,868 |
| OTHER FINANCING SOURCES (USES): | | | | |
| General Fund Transfer | 91,500 | 91,500 | - | 91,500 |
| Transfer to Debt Service | - | (5,030,516) | (5,030,516) | - |
| Muni Parking Enterprise Fund | 1,768,000 | 1,768,000 | - | 1,620,000 |
| Convention Ctr Opers Transfer | 1,200,000 | 1,200,000 | - | 1,505,914 |
| Total other financing sources (uses) | 3,059,500 | (1,971,016) | (5,030,516) | 3,217,414 |
| Excess of revenues and other financing sources over (under) expenditures and other financing uses | 3,059,500 | (1,971,016) | (5,030,516) | 3,226,282 |
| Fund balance - January 1 | 5,218,207 | 5,218,207 | N/A | 1,991,925 |
| Ending Fund balance | \$ 8,277,707 | 3,247,191 | N/A | 5,218,207 |

CONVENTION FACILITIES RESERVE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the fiscal quarter ending December 31, 2005

| | 2005 | | | 2004 Actual |
|--|---------------------|------------------|--|------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | |
| REVENUES: | | | | |
| Interest | - | - | - | - |
| Total revenues | - | - | - | - |
| Excess of revenues over (under) expenditures | - | - | - | - |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers to capital projects funds | - | - | - | - |
| Transfers within special revenue funds | \$ (1,381,000) | (1,381,000) | - | 1,150,000 |
| Total other financing sources (uses) | (1,381,000) | (1,381,000) | - | 1,150,000 |
| Excess of revenues and other financing sources over (under) expenditures and other financing uses | (1,381,000) | (1,381,000) | - | 1,150,000 |
| Fund balance - January 1 | 8,262,450 | 8,262,450 | N/A | 7,112,450 |
| Ending Fund balance | \$ 6,881,450 | 6,881,450 | N/A | 8,262,450 |

SPECIAL REVENUE FUNDS
Federal, CDBG, and Other State and Local Grants
Quarter Ending December 31, 2005

The City receives a number of state and federal grants that are recorded in the Federal (0300), Community Development Block Grant (CDBG) (0400), and Grants Other (0600) 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. The deficit in fund 0400 is a result of the timing of cash flows. This cash will be fully reimbursed when the grant revenue is received.

Federal Grants Fund (0300)

The City accounts of its federal grant activity in fund 0300. As of December 31, 2005, total expenditures were \$19,042,185. As of the 2004 fourth quarter the total expenditures were \$16,625,472. There was an approximate 14% increase which is primarily attributable to an increase in Homeland Security grants.

CDBG Fund (0400)

The Community Development Block Grant (CDBG) is the City's largest single grant and is accounted for in fund 0400 with three other Housing and Urban Development (HUD) Programs. These programs are the Emergency Shelter Grant Program (ESG), HOME Investment Partnerships Program and Housing Opportunities for Persons with AIDS (HOPWA). As of December 31, 2005 and 2004, expenditures were \$22,581,534 and \$15,443,723, respectively.

In 1990, the Council committed \$7 million of CDBG funds for the redevelopment of Block E. The commitment was not balanced with reductions in other CDBG funded projects. Consequently, the city has over-committed its total Federal Allocation. Because the CDBG year differs from the City's fiscal year end, it appears that the City has remained within its total cumulative allocation. This can continue only as long as there is a steady flow of CDBG funds. Should the CDBG program cease, the over commitment of funds would become apparent and other funds would need to be made available to cover the shortfall. The intent is to reprogram unspent balances from prior projects to offset the Block E deficit. On November 21, 2001 the City Council approved the reprogramming of \$410,620 of unspent balances from projects through CDBG Year 23 to address this shortfall. On April 2, 2004, the City Council approved the reprogramming of an additional \$846,218 bringing the remaining deficit down to \$6,535,018. An additional \$367,461 was reprogrammed in 2005. The current remaining deficit is \$6,167,557.

Grants Other Fund (0600)

The fund is used to account for non-federal grants and other restricted revenue sources. The fund activity declined about 13% in 2005 with total expenditures of \$6,810,752 as compared to \$7,681,306 in 2004.

**Special Revenue Funds
Grant Funds
Quarter Ending December 31, 2005**

| | Federal Grants 0300 | CDBG Grants 0400 | Grants Other 0600 | Total |
|---|------------------------------------|-----------------------------------|----------------------------------|---------------------|
| Assets | | | | |
| Cash and cash equivalents | \$477,372 | (\$1,276,180) | \$4,356,842 | \$3,558,034 |
| Accounts - net | 60,593 | | 201,103 | \$261,696 |
| Intergovernmental Receivables | 578,906 | | 132,602 | \$711,508 |
| Loans receivable | 2,336,022 | | 6,264,174 | \$8,600,196 |
| Prepaid Expense | | | 1,031 | \$1,031 |
| Total Assets | <u>\$3,452,893</u> | <u>(\$1,276,180)</u> | <u>\$10,955,752</u> | <u>\$13,132,465</u> |
| Liabilities | | | | |
| Salaries payable | \$177,586 | \$171,743 | \$156,313 | \$505,642 |
| Accounts payable | 1,315,041 | 407,704 | 371,312 | \$2,094,057 |
| Use Taxes Payable | 62 | | 35 | \$97 |
| Deferred revenue & Contracts | 2,336,022 | 395,841 | 6,337,381 | \$9,069,244 |
| Total Liabilities | <u>3,828,711</u> | <u>975,288</u> | <u>6,865,041</u> | <u>\$11,669,040</u> |
| Fund Balance | <u>(\$375,818)</u> ¹ | <u>(\$2,251,468)</u> ¹ | <u>\$4,090,711</u> | <u>\$1,463,427</u> |
| Total Liabilities and Fund Balance | <u>\$3,452,893</u> | <u>(\$1,276,180)</u> | <u>\$10,955,752</u> | <u>\$13,132,465</u> |
| Revenue | | | | |
| Taxes | | | \$121,071 | \$121,071 |
| Grants and Shared Revenues | \$ 16,208,456 | \$20,330,066 | 7,928,598 | \$44,467,120 |
| Private Contributions | | | 881,424 | \$881,424 |
| Charges for Services | | | 189,432 | \$189,432 |
| Interest | 75,146 | | 346,281 | \$421,427 |
| Loan Recapture | 2,382,628 | | 668,749 | \$3,051,377 |
| Equipment | | | 3,528 | \$3,528 |
| Miscellaneous Revenue | 139 | | 122,665 | \$122,804 |
| Transfer within Special Revenue Fund | | | 86,584 | \$86,584 |
| Total Revenue | <u>\$18,666,369</u> | <u>\$20,330,066</u> | <u>\$10,348,332</u> | <u>\$49,344,767</u> |
| Expenditures | <u>\$19,042,185</u> | <u>\$22,581,534</u> | <u>\$6,810,752</u> | <u>\$48,434,471</u> |
| Revenues Over (Under) Expenditures | <u>(\$375,816)</u> | <u>(\$2,251,468)</u> ¹ | <u>\$3,537,580</u> | <u>\$910,296</u> |

¹ This report is on a modified accrual basis. Under full accrual, these amounts would be presented as grants receivable and the fund balance would be zero

CDBG Program Year 31
(June 1, 2005 to May 31, 2007)
December 31, 2005

| Department | Agy | Project | Adopted Budget | Council Action 2005R-618 | Revised Budget | 2005 Expenditures | Grant to Date Expenditures | Remaining Grant Budget |
|-------------------------------------|-----|--|----------------------|--------------------------|----------------------|---------------------|----------------------------|------------------------|
| Capital Grants: | | | | | | | | |
| CPED | 890 | Adult Training, Placement and Retention | \$ 610,878 | | \$ 610,878 | \$ 344,195 | \$ 344,195 | \$ 266,683 |
| CPED | 890 | High density corridor housing | 953,008 | | 953,008 | - | - | 953,008 |
| CPED | 890 | Homeownership Program (GMMHC) | 439,174 | | 439,174 | - | - | 439,174 |
| CPED | 890 | Industry Cluster Program (Living Wage Jobs) | 94,348 | | 94,348 | - | - | 94,348 |
| CPED | 890 | Multi-Family/Affordable Housing | 4,898,461 | | 4,898,461 | - | - | 4,898,461 |
| CPED | 890 | NEDF/CEDF | 142,951 | | 142,951 | - | - | 142,951 |
| CPED | 890 | NonProfit MF Rental Development Assistance | 238,252 | | 238,252 | - | - | 238,252 |
| CPED | 890 | Residential Loan/Grant | 571,805 | | 571,805 | - | - | 571,805 |
| CPED | 890 | Vacant & Boarded Housing | 1,200,000 | | 1,200,000 | 148,968 | 148,968 | 1,051,032 |
| Health & Family Support | 860 | Childcare Facilities Loan/Grant | 306,869 | | 306,869 | - | - | 306,869 |
| Regulatory Services | 835 | Lead Reduction | 171,541 | | 171,541 | 32,348 | 32,348 | 139,193 |
| Regulatory Services | 835 | Problem Properties Board Bldg | 49,557 | | 49,557 | (10,992) | (10,992) | 60,549 |
| Police | 400 | Problem Properties Police | 71,476 | | 71,476 | - | - | 71,476 |
| Fire | 280 | Problem Properties Fire | 23,825 | | 23,825 | - | - | 23,825 |
| City Attorney | 140 | Problem Properties Attorneys | 47,650 | | 47,650 | - | - | 47,650 |
| Non-Departmental | 123 | General Housing Rehabilitation-MPHA | 297,338 | | 297,338 | - | - | 297,338 |
| | | Subtotal Capital Grants | <u>\$ 10,117,133</u> | <u>\$ -</u> | <u>\$ 10,117,133</u> | <u>\$ 514,519</u> | <u>\$ 514,519</u> | <u>\$ 9,602,614</u> |
| Public Service Grants: | | | | | | | | |
| CPED | 890 | Mortgage Foreclosure Prevention Program | 238,252 | | 238,252 | \$ 238,252 | \$ 238,252 | \$ - |
| CPED | 890 | Youth Employment & Training | 541,309 | | 541,309 | 486,357 | 486,357 | 54,952 |
| Health & Family Support | 860 | Advocacy (Housing) | 104,831 | | 104,831 | 26,235 | 26,235 | 78,596 |
| Health & Family Support | 860 | Block Nurse Program | 66,000 | | 66,000 | 28,429 | 28,429 | 37,571 |
| Health & Family Support | 860 | Child Dental Services | 11,000 | | 11,000 | 9,428 | 9,428 | 1,572 |
| Health & Family Support | 860 | Curfew/Truancy Center | 99,113 | | 99,113 | 99,113 | 99,113 | - |
| Health & Family Support | 860 | Early Childhood School Rediness | 90,412 | | 90,412 | 39,337 | 39,337 | 51,075 |
| Health & Family Support | 860 | GMDCA Child Care | 142,500 | | 142,500 | - | - | 142,500 |
| Health & Family Support | 860 | HIV/AIDS | 45,000 | | 45,000 | 15,726 | 15,726 | 29,274 |
| Health & Family Support | 860 | Lao Advancement Organization of America | 50,000 | | 50,000 | 24,667 | 24,667 | 25,333 |
| Health & Family Support | 860 | Minneapolis Community Clinics | 335,561 | | 335,561 | 166,751 | 166,751 | 168,811 |
| Health & Family Support | 860 | MPS Teenage Parenting & Pregnancy Program | 85,000 | | 85,000 | - | - | 85,000 |
| Health & Family Support | 860 | MUL-Mental Health | 25,000 | | 25,000 | - | - | 25,000 |
| Health & Family Support | 860 | New American Community Services | 50,000 | | 50,000 | 27,466 | 27,466 | 22,534 |
| Health & Family Support | 860 | School Success Programs | 35,000 | | 35,000 | 7,819 | 7,819 | 27,181 |
| Health & Family Support | 860 | Way to Grow | 295,432 | | 295,432 | 90,994 | 90,994 | 204,438 |
| Public Works | 607 | Graffiti Removal on Public Property | 101,972 | | 101,972 | 63,954 | 63,954 | 38,018 |
| | | Subtotal Public Service Grants | <u>\$ 2,316,382</u> | <u>\$ -</u> | <u>\$ 2,316,382</u> | <u>\$ 1,324,527</u> | <u>\$ 1,324,527</u> | <u>\$ 991,855</u> |
| Administrative Grants: | | | | | | | | |
| CPED | 890 | Citizen Participation | 328,788 | | 328,788 | \$ 160,675 | \$ 160,675 | \$ 168,113 |
| CPED | 890 | Planning - Administration | 1,230,400 | | 1,230,400 | 496,934 | 496,934 | 733,466 |
| CPED | 890 | Program Admin | 13,657 | | 13,657 | 13,657 | 13,657 | - |
| Health & Family Support | 860 | Grant Administration | 95,301 | | 95,301 | 7,946 | 7,946 | 87,355 |
| Health & Family Support | 860 | Legal Aid Society | 46,697 | | 46,697 | 26,280 | 26,280 | 20,417 |
| Health & Family Support | 860 | Neighborhood Services | 101,972 | (54,989) | 46,983 | 8,278 | 8,278 | 38,705 |
| Health & Family Support | 860 | Way to Grow Administration | 34,308 | | 34,308 | 15,000 | 15,000 | 19,308 |
| Finance | 820 | Finance Administration | 271,607 | (22,193) | 249,414 | - | - | 249,414 |
| Grants & Special Projects | 800 | Grants & Special Projects | 219,192 | (46,005) | 173,187 | - | - | 173,187 |
| Grants & Special Projects | 800 | Housing Discrimination Law Project | 76,241 | | 76,241 | 15,920 | 15,920 | 60,321 |
| Grants & Special Projects | 800 | Metro Fair Housing | 17,154 | | 17,154 | - | - | 17,154 |
| Civil Rights | 300 | Fair Housing Initiative/Davis Bacon Compliance | 257,312 | | 257,312 | - | - | 257,312 |
| Civil Rights | 300 | Multi Cultural & Native American Indian | 166,776 | | 166,776 | 32,805 | 32,805 | 133,971 |
| Non-Departmental | 123 | Administration YCB | 56,227 | | 56,227 | 51,000 | 51,000 | 5,227 |
| Non-Departmental | 123 | Citizen Participation MPHA | 93,395 | | 93,395 | 28,582 | 28,582 | 64,813 |
| | | Subtotal Administrative Grants | <u>\$ 3,009,027</u> | <u>\$ (123,187)</u> | <u>\$ 2,885,840</u> | <u>\$ 857,078</u> | <u>\$ 857,078</u> | <u>\$ 2,028,762</u> |
| Office of Grants & Special Projects | | Block E Deficit Reduction | \$ - | \$ 123,187 | 123,187 | \$ - | \$ - | 123,187 |
| | | GRAND TOTAL | <u>\$ 15,442,542</u> | <u>\$ -</u> | <u>\$ 15,442,542</u> | <u>\$ 2,696,125</u> | <u>\$ 2,696,125</u> | <u>\$ 12,746,417</u> |

Source : Period 12, February 4, 2006 G101M

CDBG Program Year 30
(June 1, 2004 to May 31, 2006)
December 31, 2005

| Department | Agy | Project | Adopted 2003R-610 | Amended Budget | Council Action 2005R-618 | Revised Budget | 2005 Expenditures | Grant to Date Expenditures | Remaining Grant Budget |
|-------------------------------------|-----|---|----------------------|----------------------|--------------------------------|----------------------|----------------------|-------------------------------|---------------------------|
| Capital Grants: | | | | | | | | | |
| CPED | 890 | Adult Training, Placement & Retention | \$ 641,000 | \$ 639,823 | \$ - | 639,823 | \$ 318,070 | \$ 584,340 | \$ 55,483 |
| CPED | 890 | High Density Corridor Housing | 1,000,000 | 998,164 | | 998,164 | 119,098 | 119,098 | 879,066 |
| CPED | 890 | Home Ownership Program GMMHC | 465,000 | 464,146 | | 464,146 | - | - | 464,146 |
| CPED | 890 | Industrial Cluster Training | 99,000 | 98,818 | | 98,818 | 65,922 | 65,922 | 32,896 |
| CPED | 890 | Multi Family Affordable Housing | 5,390,000 | 5,380,106 | | 5,380,106 | 1,104,242 | 1,587,127 | 3,792,979 |
| CPED | 890 | Neighborhood/Commercial Economic Dev Fd | 150,000 | 149,725 | | 149,725 | | | 149,725 |
| CPED | 890 | Residential Loan / Grant | 444,000 | 443,185 | | 443,185 | 134,318 | 222,039 | 221,146 |
| CPED | 890 | Vacant/Boarded Housing Program | 1,000,000 | 998,164 | | 998,164 | 360,467 | 993,459 | 4,705 |
| CPED | 890 | VHR Distressed | 393,000 | 392,279 | | 392,279 | - | - | 392,279 |
| Health & Family Support | 860 | GMDCA- Child care facilities | 323,000 | 322,407 | | 322,407 | 110,027 | 110,027 | 212,380 |
| Inspections Department | 850 | Hud Lead Program | 180,000 | 34,353 | | 34,353 | 34,353 | 34,353 | - |
| Licenses & Consumer Services | 835 | Boarded Building Demolition | 202,000 | 201,629 | | 201,629 | 146,702 | 146,702 | 54,927 |
| Regulatory Services | 835 | Hud Lead Program | | 145,317 | | 145,317 | 75,915 | 110,268 | 35,049 |
| Non Departmental | 123 | General Housing Rehabilitation-MPHA | 313,000 | 312,425 | | 312,425 | 93,536 | 93,536 | 218,889 |
| | | Subtotal Capital Grants | <u>\$ 10,600,000</u> | <u>\$ 10,580,541</u> | <u>\$ -</u> | <u>\$ 10,580,541</u> | <u>\$ 2,562,652</u> | <u>\$ 4,066,873</u> | <u>\$ 6,513,668</u> |
| Public Service Grants: | | | | | | | | | |
| CPED | 890 | Mortgage Foreclosure Program | \$ 250,000 | \$ 249,541 | \$ - | 249,541 | \$ - | \$ 249,541 | \$ - |
| CPED | 890 | Youth Employment & Training | 568,000 | 566,957 | | 566,957 | 54,638 | 564,162 | 2,795 |
| Health & Family Support | 860 | Advocacy | 110,000 | 86,033 | | 86,033 | 48,683 | 86,033 | - |
| Health & Family Support | 860 | Block Nurse prg | 66,000 | 65,879 | | 65,879 | 45,233 | 65,879 | - |
| Health & Family Support | 860 | Child Dental Services | 11,000 | 10,980 | | 10,980 | - | 10,980 | - |
| Health & Family Support | 860 | Curfew Truancy Center | 104,000 | 103,809 | | 103,809 | 54,963 | 103,809 | - |
| Health & Family Support | 860 | Domestic Abuse Prevention | 58,000 | 57,894 | | 57,894 | 23,694 | 57,894 | - |
| Health & Family Support | 860 | GMDCA- Child care sliding fee | 301,000 | 300,447 | | 300,447 | 220,105 | 237,768 | 62,679 |
| Health & Family Support | 860 | Head Start | 66,000 | 65,879 | | 65,879 | 27,404 | 65,879 | - |
| Health & Family Support | 860 | Minnesota Aids Project | 23,000 | 22,958 | | 22,958 | 12,450 | 22,958 | - |
| Health & Family Support | 860 | MPLS Community Clinics | 261,000 | 260,521 | | 260,521 | 112,215 | 256,951 | 3,570 |
| Health & Family Support | 860 | Senior Services | 61,000 | 60,888 | | 60,888 | 25,209 | 56,178 | 4,710 |
| Health & Family Support | 860 | Tubman Family Alliance | 41,000 | 40,925 | | 40,925 | 40,925 | 40,925 | - |
| Health & Family Support | 860 | Volunteers of America | 80,000 | 79,853 | | 79,853 | 39,926 | 79,853 | - |
| Health & Family Support | 860 | Way To Grow | 311,000 | 310,429 | | 310,429 | 205,677 | 310,428 | 1 |
| Regulatory Services | 835 | Groundworks | 17,000 | 16,969 | | 16,969 | 16,608 | 16,969 | - |
| Public Works | 607 | Graffiti Removal | 107,000 | 106,804 | | 106,804 | 84,608 | 106,804 | - |
| Civil Rights | 300 | American Indian Advocacy | - | 23,765 | | 23,765 | 23,765 | 23,765 | - |
| Park & Recreation Board | 127 | Teamworks | 15,000 | 14,972 | | 14,972 | - | 14,972 | - |
| | | Subtotal Public Service Grants | <u>\$ 2,450,000</u> | <u>\$ 2,445,503</u> | <u>\$ -</u> | <u>\$ 2,445,503</u> | <u>\$ 1,036,103</u> | <u>\$ 2,371,748</u> | <u>\$ 73,755</u> |
| Administrative Grants: | | | | | | | | | |
| CPED | 890 | Citizen (Resident) Participation | \$ 346,000 | \$ 345,365 | \$ - | \$ 345,365 | \$ 238,842 | \$ 330,713 | \$ 14,652 |
| CPED | 890 | Neighborhood Business Association | 174,000 | 173,681 | | 173,681 | - | 173,681 | - |
| CPED | 890 | Planning Administration | 1,213,000 | 1,210,773 | | 1,210,773 | 416,727 | 974,660 | 236,113 |
| CPED | 890 | Program Administration | 75,000 | 74,862 | | 74,862 | 30,073 | 74,862 | - |
| Health & Family Support | 860 | Grant Administration | 100,000 | 99,816 | | 99,816 | 99,623 | 99,623 | 193 |
| Health & Family Support | 860 | Legal Aid Services | 49,000 | 48,910 | | 48,910 | 20,379 | 48,910 | - |
| Health & Family Support | 860 | Neighborhood Services Administration | 162,000 | 161,703 | (79,096) | 82,607 | 76,772 | 76,772 | 5,835 |
| Health & Family Support | 860 | New Arrivals | 18,251 | 18,251 | | 18,251 | - | 18,251 | 0 |
| Health & Family Support | 860 | Way To Grow Administration | 36,000 | 35,934 | | 35,934 | - | 35,934 | - |
| Finance Department | 820 | General Administration Finance | 343,000 | 342,370 | (89,801) | 252,569 | 158,053 | 158,053 | 94,516 |
| Grants and Special Projects | 800 | Administration | 230,000 | 229,579 | (25,238) | 204,341 | 154,382 | 154,382 | 49,959 |
| Grants and Special Projects | 800 | Fair Housing Initiatives Council | 18,000 | 17,967 | | 17,967 | - | - | 17,967 |
| Grants and Special Projects | 800 | Legal Aid Housing Disparities | 80,000 | 79,853 | | 79,853 | 33,273 | 79,853 | - |
| Civil Rights | 300 | Fair Housing Initiative | 190,000 | 189,651 | | 189,651 | 149,752 | 161,282 | 28,369 |
| Civil Rights | 300 | Multicultural Services | 101,749 | 101,529 | | 101,529 | 101,221 | 101,221 | 308 |
| Non Departmental | 123 | Citizen (Resident) Participation-MPHA | 98,000 | 97,820 | | 97,820 | 33,081 | 33,081 | 64,739 |
| Non Departmental | 123 | Youth Coordinating Board (YCB) | 59,000 | 58,892 | | 58,892 | - | 49,000 | 9,892 |
| | | Subtotal Administrative Grants | <u>\$ 3,293,000</u> | <u>\$ 3,286,956</u> | <u>\$ (194,135)</u> | <u>\$ 3,092,821</u> | <u>\$ 1,512,176</u> | <u>\$ 2,570,277</u> | <u>\$ 522,544</u> |
| Office of Grants & Special Projects | | Block E Deficit Reduction | \$ - | \$ - | \$ 194,135 | \$ 194,135 | \$ - | \$ - | \$ 194,135 |
| | | GRAND TOTAL | <u>\$ 16,343,000</u> | <u>\$ 16,313,000</u> | <u>\$ (0)</u> | <u>\$ 16,313,000</u> | <u>\$ 5,110,932</u> | <u>\$ 9,008,897</u> | <u>\$ 7,304,103</u> |

Source : Period 12, February 4, 2006 G101M

CDBG Program Year 29
(June 1, 2003 to May 31, 2005)
December 31, 2005

| Department | Agy | Grant | Budget | Reprogram Reduction | Council Action 2005R-618 | Revised Budget | 2005 Expenditures | Grant To Date Expenditures | Remaining Grant Budget |
|-------------------------------------|---------|--|----------------------|---------------------|--------------------------|----------------------|---------------------|----------------------------|------------------------|
| Capital Grants: | | | | | | | | | |
| Regulatory Services | 835 | Hud Lead Program | \$ 180,000 | | | \$ 180,000 | \$ 8,550 | \$ 180,000 | \$ - |
| Regulatory Services | 835 | Boarded Building Demolition | - | 175,990 | | 175,990 | 175,990 | 175,990 | - |
| Inspections Department | 850 | Boarded Building Demolition | 202,000 | (175,990) | | 26,010 | - | 26,010 | - |
| Health & Family Support | 860 | GMDCA- Child care facilities | 323,000 | | | 323,000 | 10,372 | 323,000 | - |
| Health & Family Support/CPED | 860/890 | Adult Training, Placement & Retention | 641,000 | | | 641,000 | 85,695 | 631,091 | 9,909 |
| Health & Family Support/CPED | 860/890 | Industrial Cluster Training | 99,000 | | | 99,000 | 88,708 | 98,731 | 269 |
| MCDA/CPED | 340/890 | Multi Family Affordable Housing | 5,056,241 | | | 5,056,241 | 4,208,866 | 4,777,166 | 279,075 |
| MCDA/CPED | 340/890 | Neighborhood/Commercial Economic Dev Fd | 300,000 | | | 300,000 | - | - | 300,000 |
| MCDA/CPED | 340/890 | Vacant/Boarded Housing Program | 5,354,859 | | | 5,354,859 | 1,913,099 | 5,192,423 | 162,436 |
| Non Departmental | 123 | General Housing Rehabilitation MPHA | 313,000 | | | 313,000 | 137,401 | 313,000 | - |
| Public Works | 607 | Graffiti Removal | 107,000 | | | 107,000 | - | 107,000 | 0 |
| Public Works | 680 | Minneapolis American Indian Center | 118,000 | | | 118,000 | - | 118,000 | - |
| Public Works | 680 | Public Works Community Center Operations | 42,000 | | | 42,000 | 595 | 11,235 | 30,765 |
| | | Subtotal Capital Grants | <u>\$ 12,736,100</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 12,736,100</u> | <u>\$ 6,629,276</u> | <u>\$ 11,953,646</u> | <u>\$ 782,454</u> |
| Public Service Grants: | | | | | | | | | |
| Regulatory Services | 835 | Groundworks | \$ 25,000 | | | \$ 25,000 | \$ - | \$ 25,000 | \$ - |
| Health & Family Support | 860 | Block Nurse prg | 66,000 | | (1,874) | 64,126 | - | 64,126 | - |
| Health & Family Support | 860 | Child Dental Services | 17,000 | | | 17,000 | - | 17,000 | - |
| Health & Family Support | 860 | Curfew Truancy Center | 104,000 | | | 104,000 | - | 104,000 | - |
| Health & Family Support | 860 | Domestic Abuse Prevention | 87,000 | | | 87,000 | - | 87,000 | - |
| Health & Family Support | 860 | GMDCA- Child care sliding fee | 486,000 | | | 486,000 | - | 486,000 | - |
| Health & Family Support | 860 | Head Start | 99,000 | | | 99,000 | - | 99,000 | - |
| Health & Family Support | 860 | Minnesota Aids Project | 35,000 | | (2) | 34,998 | - | 34,998 | - |
| Health & Family Support | 860 | MPLS Community Clinics | 394,000 | | | 394,000 | - | 394,000 | - |
| Health & Family Support | 860 | Senior Services | 92,000 | | | 92,000 | 17,470 | 92,000 | - |
| Health & Family Support | 860 | Tubman Family Alliance | 62,000 | | (1) | 61,999 | - | 61,999 | - |
| Health & Family Support | 860 | Volunteers of America | 121,000 | | | 121,000 | - | 121,000 | - |
| Health & Family Support | 860 | Way To Grow | 331,000 | | | 331,000 | - | 331,000 | - |
| Health & Family Support/CPED | 860/890 | Youth Employment & Training | 568,000 | | | 568,000 | - | 568,000 | - |
| Park & Recreation Board | 127 | Teamworks | 23,000 | | | 23,000 | - | 23,000 | - |
| | | Subtotal Public Service Grants | <u>\$ 2,510,000</u> | <u>\$ -</u> | <u>\$ (1,877)</u> | <u>\$ 2,508,123</u> | <u>\$ 17,470</u> | <u>\$ 2,508,123</u> | <u>\$ -</u> |
| Administrative Grants: | | | | | | | | | |
| Civil Rights | 300 | Fair Housing Initiative | \$ 349,502 | (7,774) | | \$ 341,728 | \$ 192 | \$ 341,728 | \$ - |
| Finance Department | 820 | General Administration Finance | 342,928 | (125,210) | (48,262) | 169,456 | 113,555 | 169,456 | - |
| Grants and Special Projects | 800 | Grants Administration | 229,339 | | | 229,339 | 63,556 | 229,339 | - |
| Health & Family Support | 860 | Advocacy | 210,000 | | | 210,000 | - | 210,000 | - |
| Health & Family Support | 860 | Legal Aid Services | 49,000 | | | 49,000 | - | 49,000 | - |
| Health & Family Support | 860 | Multicultural Services | 120,000 | | | 120,000 | - | 120,000 | - |
| Health & Family Support | 860 | Neighborhood Services Administration | 161,500 | | | 161,500 | 37,963 | 161,500 | - |
| Health & Family Support | 860 | Way To Grow Administration | 46,000 | | | 46,000 | - | 46,000 | - |
| MCDA/CPED | 340/890 | Citizen (Resident) Participation | 345,510 | | | 345,510 | 9,118 | 289,623 | 55,887 |
| MCDA/CPED | 340/890 | General Administration | 80,000 | (36,435) | | 43,565 | 8,486 | 43,565 | - |
| MCDA/CPED | 340/890 | Neighborhood Business Association | 174,000 | | | 174,000 | - | 174,000 | - |
| Planning/CPED | 380/890 | Planning Administration | 1,282,980 | (104,517) | | 1,178,463 | - | 1,178,463 | - |
| Non Departmental | 123 | Citizen (Resident) Participation MPHA | 98,000 | | | 98,000 | 11,554 | 98,000 | - |
| Non Departmental | 123 | Youth Coordinating Board (YCB) | 48,000 | | | 48,000 | - | 48,000 | - |
| | | Subtotal Administrative Grants | <u>\$ 3,536,759</u> | <u>\$(273,936)</u> | <u>\$(48,262)</u> | <u>\$ 3,214,561</u> | <u>\$ 244,424</u> | <u>\$ 3,158,674</u> | <u>\$ 55,887</u> |
| Office of Grants & Special Projects | | Block E Deficit Reduction | | \$ 273,936 | \$ 50,139 | 324,075 | | | 324,075 |
| | | GRAND TOTAL | <u>\$ 18,782,859</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 18,782,859</u> | <u>\$ 6,891,170</u> | <u>\$ 17,620,443</u> | <u>\$ 1,162,416</u> |

Note: MCDA/CPED Grants identified above are accounted for in fund FBG0

Source : Period 12, February 4, 2006 G101M

CDBG Program Year 28
(June 1, 2002 to May 31, 2004)
December 31, 2005

| Department | Agy | Grant | Budget | Revised Budget | 2005 Expenditures | Grant To Date Expenditures | Remaining Grant Budget |
|--------------------------------|---------|--|----------------------------|----------------------------|--------------------------|-------------------------------|----------------------------|
| Capital Grants: | | | | | | | |
| Regulatory Services | 835 | Boarded Building Demolition | \$ 62,635 | \$ 62,635 | \$ 62,635 | \$ 62,635 | \$ - |
| Inspections Department | 850 | Boarded Building Demolition | 139,165 | 139,165 | - | 139,165 | - |
| Public Works | 680 | Public Works Community Center Operations | 42,000 | 42,000 | - | 4,600 | 37,400 |
| Health & Family Support/CPED | 860/890 | Industrial Cluster Training | 83,000 | 83,000 | 27,465 | 80,200 | 2,800 |
| MCDA/CPED | 340/890 | Asst NHS | 50,000 | 183,091 | - | - | 183,091 |
| MCDA/CPED | 340/890 | GMMHC-Homeownership Recycling Program | 628,000 | 628,000 | - | - | 628,000 |
| MCDA/CPED | 340/890 | Last Resort | 400,000 | 400,000 | - | - | 400,000 |
| MCDA/CPED | 340/890 | Multi Family Rental/Housing Program | 3,308,000 | 3,308,000 | 535,036 | 3,018,481 | 289,519 |
| MCDA/CPED | 340/890 | Neighborhood/Commercial Economic Dev Fd | 398,000 | 398,000 | (5,270) | 75,175 | 322,825 |
| MCDA/CPED | 340/890 | Regular Deferred Loan & Grant Program | 764,000 | 764,000 | 60,145 | 303,825 | 460,175 |
| MCDA/CPED | 340/890 | Rehabilitation Incentive Fund | 190,000 | 190,000 | - | 3,024 | 186,976 |
| Subtotal Capital Grants | | | <u>\$ 6,002,165</u> | <u>\$ 6,135,256</u> | <u>\$ 680,011</u> | <u>\$ 3,624,470</u> | <u>\$ 2,510,786</u> |
| Public Service Grants: | | | | | | | |
| MCDA/CPED | 340/890 | Mortgage Foreclosure | \$ 250,000 | \$ 250,000 | \$ - | \$ - | \$ 250,000 |
| Subtotal Public Service Grants | | | <u>\$ 250,000</u> | <u>\$ 250,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 250,000</u> |
| Administrative Grants: | | | | | | | |
| MCDA/CPED | 340/890 | Administration | 49,000 | 49,000 | 319 | 49,000 | - |
| Subtotal Administrative Grants | | | <u>\$ 49,000</u> | <u>\$ 49,000</u> | <u>\$ 319</u> | <u>\$ 49,000</u> | <u>\$ -</u> |
| GRAND TOTAL | | | <u><u>\$ 6,301,165</u></u> | <u><u>\$ 6,434,256</u></u> | <u><u>\$ 680,330</u></u> | <u><u>\$ 3,673,470</u></u> | <u><u>\$ 2,760,786</u></u> |

Note: MCDA/CPED Grants identified above are accounted for in fund FBG0

Source : Period 12, February 4, 2006 G101M

**CDBG Programs Year 27 and Prior
(Beginning 6/1/1996-2001)
December 31, 2005**

| Department | Agy | Grant | Budget | 2005 Expenditures | Grant To Date Expenditures | Remaining Grant Budget |
|-------------------------------|---------|--------------------------------|---------------------|----------------------|-------------------------------|---------------------------|
| Capital Grants: | | | | | | |
| Park & Recreation Board | 127 | Mill Ruins Park | \$ 447,902 | \$ 42,432 | \$ 447,902 | \$ - |
| Park & Recreation Board | 127 | Hosmer | 33,537 | - | 32,807 | 730 |
| Park & Recreation Board | 127 | Discovery Gardens | 25,000 | - | - | 25,000 |
| Non Departmental | 123 | Relocation | 325,000 | 9,054 | 252,128 | 72,872 |
| MCDA/CPED ¹ | | | - | - | - | - |
| | | Subtotal Capital Grants | <u>\$ 831,439</u> | <u>\$ 51,485</u> | <u>\$ 732,837</u> | <u>\$ 98,602</u> |
| Administrative Grants: | | | | | | |
| Planning/CPED ² | 380/890 | Planning Corridor | \$ 172,762 | \$ 153,965 | \$ 156,515 | \$ 16,247 |
| | | Subtotal Administrative Grants | <u>\$ 172,762</u> | <u>\$ 153,965</u> | <u>\$ 156,515</u> | <u>\$ 16,247</u> |
| | | GRAND TOTAL | <u>\$ 1,004,201</u> | <u>\$ 205,450</u> | <u>\$ 889,352</u> | <u>\$ 114,849</u> |

¹ Current MCDA information for the CDBG 96/97 was not available at the time of this report and therefore not included in the schedule above

² This amount was reprogrammed in October of 2001 as part of the Year 23 reprogramming process

Source : Period 12, February 4, 2006 G101M

**City of Minneapolis
Engineering, Materials, and Testing
For the Fourth Quarter ending December 31, 2005**

| Fund 6000 | 2005 Budget | 2005 4th Quarter | Remaining Budget | % of Actual To Budget |
|-------------------------------------|----------------|---------------------|---------------------|--------------------------|
| Revenue including Transfers | 3,600,000 | 4,180,544 | (580,544) | 116% |
| Expenditures | 4,614,255 | 4,412,228 | 202,027 | 96% |
| Revenue over(under) Expenses | (1,014,255) | (231,684) | | |

Program Description:

This Fund accounts for the City purchases of Hot-Mix Asphalt and Ready-Mix Concrete to ensure quality control for their placement and assure compliance with State and Federal standards and specifications. The Engineering Laboratory is a component of this Fund, and they provide Inspection and Testing services along with maintaining a laboratory for testing construction materials, performing geotechnical evaluations, and coordinating related environmental field services.

Public Works is currently reviewing various options for supplying Asphalt, which included the 2005 purchase of an asphalt storage silo distribution facility for Street Maintenance that became operational the last week of September. The Fund incurred a \$231,684 loss for the twelve months ending December 31, 2005.

Revenue:

The revenue sources for this Fund include the procurement of Hot-Mix Asphalt and Ready-Mix Concrete materials along with Inspection and Testing Services. Paving Construction is the primary customer and their work is seasonal starting in April and concluding in late November. They exceeded their 2005 projected tonnage requirements for Hot-Mix Asphalt, which resulted in revenues exceeding the \$3,600,000 budget by \$580,544 or 16%. 2005 revenues were \$4,180,544, which is a 9% increase over the \$3,821,063 revenues for 2004.

Expenses:

Total expenditures are \$4,412,228 or 96% of the \$4,614,516 Budget. The spending levels fluctuate due to the customer's seasonal requirements for products and services. Procurement of Hot-Mix Asphalt and Ready-Mix Concrete materials amounted to \$3,050,266.16 or 69% of the total expenditures.

Transfers:

The Non-Operating 2005 budgeted \$61,182 transfer is for pension debt services due to the MERF under funded liability.

Net Assets:

This Fund has maintained a favorable position in regards to Net Assets for many years. The equity was stable throughout the City Council's Adopted Thirty Year Paving Program. Once this program concluded in the mid 1990's, there were significant fluctuations for their products and services. The Fund incurred an extraordinary loss for the 2003 "write-down" of Fixed Assets as a result of the City Council's decision to suspend operations of the Asphalt Plant indefinitely effective December 31, 2003. The Net Asset balance declined \$231,684 in 2005, which compares to an \$180,000 decline in 2004.

City of Minneapolis, Minnesota
Engineering, Materials and Testing Fund
Statement of Revenues and Expenses
For the Fourth Quarter/Years Ending 2005, 2004 and 2003

| | Budget Year 2005 | For Period Ending 12/31/2005 | For Period Ending 12/31/2004 | For Period Ending 12/31/2003 |
|--|------------------------|------------------------------------|------------------------------------|------------------------------------|
| Operating Revenues: | | | | |
| Asphalt / Ready-Mix Concrete | 2,650,000 | 3,312,419 | 2,796,929 | 3,968,442 |
| Inspection and Testing Services | 950,000 | 868,124 | 1,024,134 | 809,551 |
| <hr/> | | | | |
| Total Operating Revenues | 3,600,000 | 4,180,544 | 3,821,063 | 4,777,993 |
| Operating Expenses: | | | | |
| Personnel | 1,005,934 | 799,845 | 846,000 | 1,113,167 |
| Contractual | 724,737 | 384,768 | 299,000 | 472,557 |
| Materials/Other | 2,767,442 | 3,110,509 | 2,793,000 | 2,711,928 |
| Rent | 40,041 | 40,472 | 98,000 | 138,306 |
| Depreciation | 14,919 | 14,919 | 14,000 | 177,183 |
| Total Operating Expenses | 4,553,073 | 4,350,512 | 4,050,000 | 4,613,139 |
| <hr/> | | | | |
| Operating Margin | (953,073) | (169,969) | (228,937) | 164,854 |
| Non-Operating Revenues/(Expenses) | | | | |
| Net Transfers in (out) | (61,182) | (61,182) | (10,000) | (9,876) |
| Gains (Losses) | | (534) | 58,931 | |
| <hr/> | | | | |
| Total Non-Operating Revenues (Expenses) | (61,182) | (61,716) | 48,931 | (9,876) |
| <hr/> | | | | |
| Change in Net Assets | (1,014,255) | (231,684) | (180,006) | 154,978 |
| <hr/> | | | | |
| Significant Balance Sheet Items | | | | |
| Cash | | 652,042 | 633,000 | 790,978 |
| Accounts Receivable | | 1,133 | 1,000 | 1,167 |
| Interfund receivable | | - | | - |
| Reserve for renewal | | 639,673 | 639,673 | 639,673 |
| Unearned Revenue | | | - | 139,896 |
| Significant Cash Flow Items | | | | |
| Capital Outlay | | (43,633) | | (119,289) |
| Inter fund loans and payments | | | | |
| Accounts Payable | | (307,244) | | |

City of Minneapolis
Equipment Services Division
For the Fourth Quarter ending December 31, 2005

| Fund 6100 | 2005 Budget | 2005 4th Quarter | Remaining Budget | % of Actual To Budget |
|--|----------------|---------------------|---------------------|--------------------------|
| Revenue | 45,781,771 | 40,210,617 | 5,571,154 | 88% |
| Expenditures | 41,398,414 | 37,950,132 | 3,448,282 | 92% |
| Revenue Over (Under) Expenses | 4,383,357 | 2,260,485 | | |

Program Description:

Fund 6100, Equipment Services, handles the acquisition, maintenance and disposal of over 1300 pieces of equipment. Primarily the City's fleet of vehicles, including police cars, fire trucks and snow plows.

Revenue:

The revenues for this fund are charged to city departments (customers) for rental of equipment, maintenance of equipment and the sale of fuel. The rates that are charged are set to match the corresponding expenses. There is a decrease in revenue this year compared to Budget, however, when compared to last year the revenues are almost identical. The General Fund was billed nearly 11% more than 2004, whereas the Capital projects Fund (4100) and Water were charged 24% and 21% respectively less than the previous year.

Expenses:

The expenses for this fund are nearly half personnel cost. That is because this fund not only pays for the mechanics who maintain the equipment, but also the drivers who drive the trucks that are used for construction and snow plowing. Expenses are following revenues as they are tracking close to last year.

Transfers:

This fund is receiving a transfer in of \$4.18 million in 2005 in accordance with the accepted workout plan which is \$2 million more than 2004

Net Assets:

Current Net Assets for this fund are \$14 Million. This should increase over the next decade as the fund continues to replace old equipment and pays off the \$45 Million of bonds that are currently outstanding. The additional \$2 million received in transfers from the General fund has given the fund its \$2 million increase in Net Assets in 2005 and the like amount of increase over 2004.

Workout Plan:

This fund has a workout plan that has been in place since 2001. In 2005 this fund is about \$2 Million in Revenue and cash flow less than the plan calls for, at the moment it appears that the workout plan may be too optimistic unless the Capital Projects area can get to the level of equipment usage previously projected.

City of Minneapolis
Equipment Fund
Statement of Revenue and Expenses
For Fourth Quarter / Years Ending 2005, 2004 and 2003

| | Current Budget Year 2005 | For Period Ending 12/31/2005 | For Period Ending 12/31/2004 | For Period Ending 12/31/2003 |
|---|--------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Operating Revenues: | | | | |
| Charges for Services and Sales | 14,133,923 | 13,050,734 | 11,598,134 | 3,318,989 |
| Rents Public Works and Other | 27,267,348 | 22,575,697 | 23,011,983 | 28,771,508 |
| Total Operating Revenue | 41,401,271 | 35,626,431 | 34,610,117 | 32,090,497 |
| Operating Expenditures: | | | | |
| Personal Services | 18,726,284 | 15,677,189 | 15,220,114 | 15,564,603 |
| Contractual Services | 9,586,112 | 7,561,635 | 7,607,142 | 4,202,765 |
| Materials, supplies, services and other | 6,208,949 | 3,422,441 | 3,906,643 | 4,087,358 |
| Rent | 580,520 | 580,520 | 668,301 | 526,516 |
| Cost of Stores Issuance | 3,625,261 | 3,625,261 | 2,746,219 | 2,143,580 |
| Depreciation | 4,877,186 | 4,877,186 | 4,760,047 | 4,272,401 |
| Total Operating Expenses | 43,604,313 | 35,744,233 | 34,908,466 | 30,797,223 |
| Operating Margin | (2,203,042) | (117,803) | (298,349) | 1,293,274 |
| Non-Operating Revenues/(Expenses): | | | | |
| Interest Revenue | 500 | 1,375 | - | 782 |
| Interest on Bonds | (1,942,962) | (1,942,962) | (1,853,104) | (1,628,939) |
| Gains/Losses on disposal of fixed assets | 200,000 | 402,812 | 110,025 | 11,521 |
| Damages/Losses recovered | | | 141,231 | 404,323 |
| Other Rev | | | 11,146 | 5,124 |
| Total Non-Operating Revenues(Expenses) | (1,742,462) | (1,538,775) | (1,590,702) | (1,207,189) |
| Operating Transfers in (out) | | | | |
| Transfers from other fund | 4,180,000 | 4,180,000 | 2,542,709 | 1,819,000 |
| Transfers to other fund | (375,564) | (375,564) | (71,232) | (482,363) |
| Transfers from component units | | | | |
| Total operating transfers | 3,804,436 | 3,804,436 | 2,471,477 | 1,336,637 |
| Change in Net Assets | (141,068) | 2,147,858 | 582,426 | 1,422,722 |
| Significant Balance Sheet Items | | | | |
| Fleet Purchases | | 3,991,512 | 9,173,036 | 5,789,174 |
| Operating Cash | | 1,250,860 | 1,752,082 | 4,181,467 |
| Net Building Value | | 26,422,039 | 27,022,182 | 27,356,443 |
| Net Fleet Value | | 27,125,003 | 26,486,386 | 21,866,628 |
| Bonds Payable | | (44,967,054) | (42,490,000) | (40,160,000) |
| Significant Cash Flow Items | | | | |
| Bond Proceeds | | 5,540,000 | 5,450,000 | 9,630,000 |
| Debt Service Work out Bonds | | (2,472,300) | (1,687,237) | (340,724) |
| Debt Service (Bond Facilities & Equip) | | (3,875,250) | (3,346,500) | (2,927,750) |
| Total Cash Flow Items | | (807,550) | 416,263 | 6,361,526 |

Cash balance decreased from 2003 to 2004 due to a change in accounting practices. Previously it included unspent bonds.

City of Minneapolis
Property Services Division
For the Fourth Quarter ending December 31, 2005

| Fund 6200 | 2005 Budget | 2005 4th Quarter | Remaining Budget | % of Actual To Budget |
|-------------------------------------|------------------------|-----------------------------|-----------------------------|----------------------------------|
| Revenue including Transfers | 16,338,706 | 17,709,763 | (1,371,057) | 108% |
| Expenditures | 17,251,357 | 17,054,592 | 196,765 | 99% |
| Revenue over(under) Expenses | (912,651) | 655,171 | | |

Program Description:

This fund handles the maintenance and upkeep of City owned building with the exception of City Hall and Water and Park Board buildings. This includes Police precincts, Fire stations, Public Works buildings and Parking structures.

This fund also includes the Radio Shop which maintains the City's emergency communications network.

Revenue:

This fund collects revenue from the City departments that use its goods and services (building space, ramp maintenance, janitorial and Radio services)

The rate structure is set up so that the fund will charge the correct amount for its goods and services to match its expenses. In 2005 other City department's requests for services increased \$3.5 million over last year and \$1.5 million over projected.

Expenses:

About half of the expenses for this fund are personnel costs. The rest of the costs are primarily contractual costs.

Transfers:

Property Services is responsible for paying \$350,000 per year in debt service.

In 2005 the debt service consists of \$640,000 in principal payment, and the \$409,163 in interest.

There is a transfer into this fund for the gap between the \$350,000 and the total debt payment for the year. In 2005 the transfer in to cover this gap is \$699,163.

Net Assets:

In 2002 the City began capitalizing all of its assets, including buildings that are held in this fund. The rate model for this fund does not recover these depreciation costs. Currently this fund has a Net Asset position of about \$40 Million; normally this will decrease because of the depreciation of the assets, however in 2005 the increased business posted a profit thus also increasing it's cash position.

City of Minneapolis, Minnesota
Property Services Fund
Statement of Revenues and Expenses
For Fourth Quarter / Years Ending 2005, 2004 and 2003

| | Current Budget Year 2005 | For Period Ending 12/31/2005 | For Period Ending 12/31/2004 | For Period Ending 12/31/2003 |
|---|--------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Operating Revenues: | | | | |
| Charges for Services And Sales | 8,879,593 | 10,355,991 | 6,805,243 | 5,471,461 |
| Rents Public Works and Other | 6,647,500 | 6,542,120 | 6,468,067 | 6,214,108 |
| Total Operating Revenue | 15,527,093 | 16,898,111 | 13,273,310 | 11,685,569 |
| Operating Expenses: | | | | |
| Personal Services | 7,760,017 | 7,323,047 | 6,389,176 | 6,195,051 |
| Contractual Services | 5,335,286 | 6,213,645 | 4,689,975 | 3,594,888 |
| Materials, Supplies, Services and Other | 2,137,924 | 1,499,770 | 1,420,289 | 1,234,429 |
| Rent | 174,261 | 174,261 | 193,689 | 184,971 |
| Depreciation | 1,348,730 | 1,348,730 | 770,071 | 1,301,122 |
| Total Operating Expenses | 16,756,218 | 16,559,454 | 13,463,200 | 12,510,461 |
| Operating margin | (1,229,125) | 338,658 | (189,890) | (824,892) |
| Non-Operating Revenues/(Expenses): | | | | |
| Interest Revenue | | 39 | 18 | (24) |
| Interest on Bonds | (409,163) | (409,163) | (412,058) | (336,541) |
| Gains/Losses on disposal of fixed assets | | | (2,742) | (165,000) |
| Damages/Losses recovered | | | | |
| Other rev | | | | |
| Total Non-Operating Revenues(Expenses) | (409,163) | (409,124) | (414,782) | (501,565) |
| Income(loss) before operating trfrs | (1,638,288) | (70,466) | (604,672) | (1,326,457) |
| Operating transfers in(out) | | | | |
| Transfers from other fund | 811,613 | 811,613 | 841,613 | 388,009 |
| Transfers to other fund | (85,976) | (85,976) | (34,728) | (32,685) |
| Transfers from capital projects | | | | 0 |
| Total operating transfers | 725,637 | 725,637 | 806,885 | 355,324 |
| Change in Net Assets | (912,651) | 655,171 | 202,213 | (971,133) |
| Significant Balance Sheet Items | | | | |
| Operating Cash | | 1,689,344 | (6,063) | (1,040,659) |
| Bonds Payable | | (9,569,783) | (10,228,422) | (10,711,000) |

**City of Minneapolis
Public Works Stores
For the Fourth Quarter ending December 31, 2005**

| Fund 6300 | 2005 Budget | 2005 4th Quarter | Remaining Budget | % of Actual To Budget |
|-------------------------------------|----------------|---------------------|---------------------|--------------------------|
| Revenue including Transfers | 3,422,500 | 4,906,139 | 1,483,639 | 143% |
| Expenditures | 3,358,053 | 4,478,097 | 1,120,044 | 133% |
| Revenue over(under) Expenses | 64,447 | 428,042 | | |

Program Description:

This Fund, which was 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 mission is having both Central Stores and Traffic Stores provide these items in a cost effective manner.

Revenue:

As of December 31, revenues totaled \$4,906,139 and exceeded the 2005 budgeted \$3,422,500 by \$1,483,639. Traffic Stores account for 65% of this total, yet, their 2005 revenue budget is 54% of the \$3,422,500 total. We attribute this to increased assembly of traffic signal controllers for future transportation projects. Central Stores revenues total \$1,717,815 and exceeded the 2005 budgeted \$1,562,500 revenues by \$155,315.

Expenses:

All expenditure categories are under budget except for the Cost of Stores Issuance, which has exceeded budget due to the increased business at Traffic Stores.

Transfers:

The 2005 Non-Operating \$6,726 transfer is for pension debt service due to the MERF under funded liability.

Net Assets:

The Public Works Stores Fund has been successful and profitable in recent years. The Fund continues to maintain positive equity, and has a \$91,610 cash balance December 31, 2005, whereas, it had to borrow cash to maintain a positive cash balance in previous years. The approximate Inventory value was \$3,104,057 on December 31, 2005, which represents a \$555,528 decline from the \$3,659,585 valuation December 31, 2004.

City of Minneapolis, Minnesota
Public Works Stores
Statement of Revenues and Expenses
For the Fourth Quarter/Years Ending 2005, 2004 and 2003

| | Budget Year 2005 | For Period Ending 12/31/2005 | For Period Ending 12/31/2004 | For Period Ending 12/31/2003 |
|--|------------------------|------------------------------------|------------------------------------|------------------------------------|
| Operating Revenues: | | | | |
| Central Stores | 1,562,500 | 1,717,815 | 1,712,835 | 2,125,950 |
| Traffic Stores | 1,860,000 | 3,188,324 | 2,207,208 | 2,579,449 |
| Total Operating Revenues | 3,422,500 | 4,906,139 | 3,920,043 | 4,705,399 |
| Operating Expenses: | | | | |
| Personnel | 575,735 | 577,077 | 627,578 | 554,958 |
| Contractual | 261,758 | 216,583 | 34,177 | 84,915 |
| Materials/Other | 243,385 | 98,870 | 199,707 | 204,549 |
| Rent | 70,133 | 65,112 | 61,615 | 63,288 |
| Cost of Stores Issuance | 2,200,000 | 3,520,139 | 2,848,429 | 3,496,790 |
| Total Operating Expenses | 3,351,011 | 4,477,782 | 3,771,506 | 4,404,500 |
| Operating Margin | 71,489 | 428,358 | 148,537 | 300,899 |
| Non-Operating Revenues/(Expenses) | | | | |
| Net Transfers in (out) | (6,726) | | (14,000) | (13,648) |
| Depreciation | (316) | (316) | (678) | (4,744) |
| Net Interest Income (Exp) | | | 54 | 163 |
| Other Non Operating Income (Exp) | | | | (1,927) |
| Total Non-Operating Revenues (Expenses) | (7,042) | (316) | (14,624) | (20,156) |
| Change in Net Assets | 64,447 | 428,042 | 133,913 | 280,743 |
| Significant Balance Sheet Items | | | | |
| Operating Cash | | 91,610 | 17 | 3,102 |
| Accounts Receivable | | 16,928 | 7,076 | 18,052 |
| Inventories | | 3,104,057 | 3,659,585 | 2,894,543 |
| Significant Cash Flow Items | | | | |
| Inter fund loans and payments | | | | (525,000) |
| Accounts Payable | | (111,631) | | |
| Salaries Payable | | (37,630) | | |
| Transfers | | | (14,000) | (13,648) |

**City of Minneapolis
Intergovernmental Service Fund
For the Fourth Quarter ending December 31, 2005**

| Fund 6400 | 2005 Budget | 2005 Actual | Remaining Budget | % of Actual To Budget |
|----------------------------------|------------------------|------------------------|-----------------------------|----------------------------------|
| Revenue including Transfers | 39,744,147 | 43,497,506 | (3,753,359) | 109% |
| Expenditures | 41,985,866 | 41,026,520 | 959,346 | 98% |
| Revenue Over (Under) Expenses | (2,241,719) | 2,470,986 | | |

Program Description: Accounts for operations of Business Information Services (BIS) and the City Clerk's printing and central mailing services. BIS comprises telecommunications services, network services, application support, internet and intranet services, and deployment of software and hardware.

Revenue:

Revenue including transfers is \$43.5 million as of fourth quarter close, 9 % more than the latest projected budget for 2005. Revenue sources include mailing and copying services, telecom charges, PMD projects, BIS charges based on the rate model and debt service transfers based on the deficit reduction plan for the fund.

Expenses:

Expenses are tracking at \$1.0 million less than the latest projected budget or 98 % as of fourth quarter close. Expenses are expected to track very close to the projected results.

Financial:

BIS made \$2.2 million in 2005 versus a budget showing a loss of \$1.5 million. The Deficit Reduction Plan shows BIS losing nearly \$2.3 million in 2005. Budget has been adjusted in this statement to include depreciation and the expenditure for principal on bonds is treated as a reduction in a liability. The efforts on the rate model and the ability for BIS to effectively charge for their services attributes positively to their position. The Project Management Office has become a service that other departments are utilizing more than previous years causing the fee for service area to charge \$13 million for their services in 2005 whereby previous years this area has less than a \$2 million dollar budget. With the advent of the rate model, the fund recognizes the majority of its revenues as operating revenue that it charges for its services versus being supported by transfers from various departments. This change will allow the BIS management and its customers better financial information for both current periods and in the future any trends that might develop.

City of Minneapolis, Minnesota
Intergovernmental Services Fund
Statement of Revenues and Expenses
For Fourth Quarter/Years Ending 2005, 2004 and 2003

| | Current Budget Year 2005 | For Year Ending 31-Dec-05 | For Year Ending 2004 | For Year Ending 2003 |
|--|--------------------------------|---------------------------------|----------------------------|----------------------------|
| Operating Revenues: | | | | |
| Charges for Service: | | | | |
| BIS - PMD | 12,764,747 | 14,101,016 | 1,318,871 | 1,222,373 |
| BIS-Telecom | 2,619,857 | 3,021,721 | 1,668,311 | 1,407,383 |
| BIS - Operating-other | 15,154,646 | 14,437,083 | 1,569,159 | 356,992 |
| CC-Mailing Services | 420,378 | 57,840 | 465,745 | 453,398 |
| CC-Copy Services | 692,541 | 803,649 | 817,880 | 657,919 |
| Total Operating Revenues | 31,652,169 | 32,421,309 | 5,839,966 | 4,098,065 |
| Operating Expenses: | | | | |
| BIS - PMD | 13,808,556 | 13,162,684 | 4,445,321 | 1,731,995 |
| BIS - Telecom | 1,664,747 | 1,740,151 | 1,416,995 | 1,428,842 |
| BIS - Operating-other | 16,777,865 | 16,245,487 | 10,095,561 | 12,071,543 |
| CC-Mailing Services | 420,378 | 173,308 | 448,678 | 478,063 |
| CC-Copy Services | 692,541 | 659,611 | 648,681 | 616,868 |
| Human resources | 191,605 | 166,065 | 175,718 | 148,343 |
| Total Operating Expenses | 33,555,692 | 32,147,306 | 17,230,954 | 16,475,654 |
| Operating Margin | (1,903,523) | 274,003 | (11,390,988) | (12,377,589) |
| Non-Operating Revenues/(Expenses) | | | | |
| Net Transfers in (out) | 8,091,978 | 10,562,122 | 23,215,610 | 18,658,351 |
| Gains (Losses) | 0 | (304,473) | (152,000) | (2,027,000) |
| Depreciation | (6,319,190) | (6,510,263) | (7,314,000) | (8,932,000) |
| Interest on Bonded Debt | (2,110,984) | (2,064,478) | (2,129,000) | (2,215,000) |
| Other Non Operating Income (Exp) | 0 | 514,075 | 77,000 | 83,000 |
| Total Non-Operating Revenues (Expenses) | (338,196) | 2,196,982 | 13,697,610 | 5,567,351 |
| Change in Net Assets | (2,241,719) | 2,470,986 | 2,306,622 | (6,810,238) |
| Significant Balance Sheet Items | | | | |
| Cash | | 338,775 | (2,259,856) | (3,810,026) |
| Accounts Receivable | | 63,622 | 65,424 | 1,121 |
| Prepaid Expenses | | 178,829 | 88,334 | 88,452 |
| Work-in-progress | | 13,040,241 | 4,421,383 | 6,803,658 |
| Interfund Loans | | (14,548,952) | (12,800,000) | (12,800,000) |
| Bonds Payable | | (34,275,000) | (42,400,000) | (43,556,288) |
| Deferred Income | | (5,949,886) | (3,421,243) | (3,030,661) |
| Significant Cash Flow Items | | | | |
| Principal on Bonds | (6,670,000) | (6,670,000) | (5,740,000) | (1,730,000) |

**City of Minneapolis
Self-Insurance Fund
For the Fourth Quarter ending 2005**

| Fund 6900 | 2005 Budget | 2005 Actual | Remaining Budget | % of Actual To Budget |
|-----------------------------------|------------------------|------------------------|-----------------------------|----------------------------------|
| Revenue including Transfers | 67,592,694 | 69,886,156 | (2,293,462) | 103% |
| Expenditures | 70,298,130 | 66,141,167 | 4,156,963 | 94% |
| Revenue Over Net Income (Loss) | (2,705,436) | 3,744,989 | | |

Program Description: This fund contains employee benefit accounting, workers compensation, tort liability, and administrative functions to support these activities.

Revenue: Revenues vary by activity. Employee benefits collect revenue from payroll withholding or employee contribution enabling revenues to match expenditures. Workers Compensation, with related administrative services in Risk Management and Human Resources for the return-to-work program, recognizes revenues from direct billing of users. Tort Liability including administrative services of the City Attorney’s Civil division earns revenue by billing departments participating in Self-Insurance.

At the fourth quarter close, the revenues recognized are at 103% of the budget. This additional revenue is due to the variance in health care plan participation by the employees as the budget is set before the enrollment is done.

Expenses: Principal expenditures for Health and Welfare are to account for employee fringe benefits, Workers Compensation and Tort Liability. Worker’s Compensation and Tort Liability are required to be reported based on future payout of existing claims. The fund is required to set aside resources annually to cover the future cost of compensated absences based on benefit accruing.

Expenses are at 94% of the budget at the end of fourth quarter close and all areas operating in this Fund stayed closer to the budget. Health and Welfare expenses are high and the variance is due to the various plan participation – these expenses are recovered through payroll deductions and do not affect the Fund performance.

Transfers: A small part of this fund’s revenues are generated by interfund transfers primarily from General Fund to assist with payment of bond principal and interest.

City of Minneapolis, Minnesota
Self Insurance Fund
Statement of Revenues and Expenses
For Fourth Quarter/Years Ending 2005, 2004 and 2003

| | Budget Year 2005 | For Year Ending 31-Dec-05 | For Year Ending 2004 | For Year Ending 2003 |
|--|------------------------|---------------------------------|----------------------------|----------------------------|
| Operating Revenues: | | | | |
| Health & Welfare (employee benefits) | 46,451,110 | 48,255,288 | 44,257,786 | 43,813,110 |
| Workers Compensation | 7,901,243 | 8,521,189 | 8,306,149 | 8,234,505 |
| Liability - Subrogation | 7,807,000 | 8,291,921 | 7,853,879 | 11,680,807 |
| Attorney Office Services | 300,278 | 16,633 | 89,164 | 298,228 |
| Human Resources Services | 1,031,860 | 785,576 | 98,943 | 40,427 |
| Finance-Employment Services | 342,068 | 271,258 | 278,127 | 269,937 |
| Total Operating Revenues | 63,833,559 | 66,141,865 | 60,884,048 | 64,337,013 |
| Operating Expenses: | | | | |
| Health & Welfare (employee benefits) | 49,574,283 | 47,309,404 | 45,259,849 | 43,874,768 |
| Workers Compensation | 8,082,973 | 6,519,557 | (3,456,915) | 6,046,646 |
| Liability & Settlements | 4,788,880 | 4,728,586 | 13,538,828 | 12,538,276 |
| City Attorney's Office/Civil Division-Litigation | 4,986,364 | 4,986,364 | 4,355,829 | 4,249,911 |
| Risk Management - WC/Risk | 1,547,313 | 1,476,400 | 1,275,218 | 1,725,695 |
| Human Resource - Employee Benefits | 1,004,067 | 961,133 | 575,092 | 440,868 |
| Total Operating Expenses | 69,983,880 | 65,981,444 | 61,547,902 | 68,876,163 |
| Operating Margin | (6,150,321) | 160,421 | (663,854) | (4,539,150) |
| Non-Operating Revenues/(Expenses) | | | | |
| Net Transfers in (out) | 3,759,135 | 3,744,291 | 3,765,313 | 6,905,514 |
| Interest on Bonded Debt | (314,250) | (159,723) | (97,703) | (94,424) |
| Interest on Interfund Loan | - | - | - | - |
| Gains (Losses) | - | - | - | - |
| Depreciation | - | - | - | - |
| Other Non Operating Income (Exp) | - | - | - | - |
| Total Non-Operating Revenues (Expenses) | 3,444,885 | 3,584,568 | 3,667,609 | 6,811,090 |
| Net Change in Assets | (2,705,436) | 3,744,989 | 3,003,755 | 2,271,940 |
| Significant Balance Sheet Items | | | | |
| Cash Balance over (under) | - | 1,797,175 | (2,446,758) | (4,783,285) |
| Accounts Receivable | - | 61,892 | 71,259 | 31,917 |
| Due from other funds/Int Gov Rec | - | 181,930 | 181,930 | 181,930 |
| Bonds-Long Term | - | (4,460,000) | (5,395,000) | (7,145,000) |
| Due to other funds | - | - | - | (713,250) |
| Comp Absences/Unpaid Claims | - | (28,938,187) | (28,347,206) | (27,269,466) |
| Net Assets | (43,688,745) | (37,979,554) | (40,983,309) | (43,255,250) |
| Significant Cash Flow Items | | | | |
| Capital Outlay | - | - | - | - |
| Principal on Debt | (890,000) | (890,000) | (860,000) | (860,000) |

**City Of Minneapolis
Sanitary Sewer Fund
For the Fourth Quarter Ending December 31, 2005**

| Fund 7100 | 2005 Budget | 31-Dec-05 Actual | Remaining Budget | % of Actual To Budget |
|------------------------|--------------------|-------------------------|-------------------------|------------------------------|
| Operating Revenue | 36,105,500 | 36,913,562 | (808,062) | 102% |
| Operating Expenditures | 36,255,387 | 36,174,652 | 80,735 | 99% |
| Operating Margin | (149,887) | 738,911 | | |
| Net Income | (1,718,328) | (693,105) | | |

Program Description:

The Sewer fund was split in 2005 into two funds, Storm Water and Sanitary Sewer. This fund accounts for 85% of the contractual payments to the Metropolitan Council Environmental Services (MCES) for sewage interceptor and treatment services. It also accounts for the sanitary sewer maintenance and design.

Revenue:

Sanitary sewer revenue from user charges at year end is 102% of the budget. The separate sanitary sewer and stormwater fees began billing in March of 2005. The sewer revenue for the first two months of the year, have been allocated between stormwater and sanitary sewer based on an estimated allocation of current charges. Sanitary Sewer revenue has been adjusted to more appropriately align with the original budget.

The Sewer Availability Charge (SAC) revenues are 79% higher than budgeted which is due to an active construction market in the 2005.

Other revenue from services provided is low due to a decrease in work for others.

Expenses:

Operating expenditures are at 99% of the current budget at year end. Sewer Maintenance and Engineering Design cost center expenditures are both under budget at the end of the year. Sewer Maintenance cost center has experienced a low activity year. Also, some of the efficiencies this area has gained are due to management initiatives undertaken by Public Works.

Transfers:

MERF unfunded liability transfer of \$203,236.

Debt Service:

This fund does not have any debt service. The capital items are paid from the Sanitary Sewer revenues.

City of Minneapolis, Minnesota
Sanitary Sewer Fund
Statement of Revenues and Expenses
For the Fourth Quarter/Years Ending 2005, 2004, 2003

| | Budget Year 2005 | Year Ending 2005 |
|---|------------------------|------------------------|
| Operating Revenues: | | |
| Sewage Disposal | 34,247,200 | 34,030,332 |
| Other Services Provided | 358,300 | 186,884 |
| Inspection Services | 1,500,000 | 2,685,275 |
| Interest | - | 11,071 |
| | | |
| Total Operating Revenues | 36,105,500 | 36,913,562 |
| Operating Expenses: | | |
| Sewer Design | 393,525 | 248,215 |
| Sewer Maintenance | 6,387,818 | 5,140,759 |
| Met Council Env. Svcs., Govt. Svc. Fee, G.F/O.H | 29,474,044 | 30,785,678 |
| Retirement Incentive | | |
| Total Operating Expenses | 36,255,387 | 36,174,652 |
| | | |
| Operating Margin | (149,887) | 738,911 |
| | | |
| Non-Operating Revenues/(Expenses) | | |
| Net Transfers out | (203,236) | (203,236) |
| Depreciation | (1,220,276) | (1,228,780) |
| Net Interest Income (Exp) | (144,929) | - |
| Other Non Operating Income (Exp) | | |
| | | |
| Total Non-Operating Revenues (Expenses) | (1,568,441) | (1,432,016) |
| | | |
| Net Income | (1,718,328) | (693,105) |
| | | |
| Significant Balance Sheet Items | | |
| Operating Cash | | 4,858,839 |
| Construction Cash | | |
| Accounts Receivable | | 2,827,233 |
| Bonds Payable | | |
| Significant Cash Flow Items | | |
| Capital Outlay | | - |
| Bond Principle payments | 683,390 | - |

* Prior to 2005 the Stormwater and the Sanitary Sewer funds were combined into one fund

**City Of Minneapolis
Stormwater Fund
For the Fourth Quarter Ending December 31, 2005**

| Fund 7300 | 2005 Budget | 31-Dec-05 Actual | Remaining Budget | % of Actual To Budget |
|------------------------|------------------------|-----------------------------|-----------------------------|----------------------------------|
| Operating Revenue | 32,394,034 | 27,849,681 | 4,544,353 | 87% |
| Operating Expenditures | 18,584,334 | 16,934,496 | 1,649,838 | 91% |
| Operating Margin | 13,694,700 | 10,915,185 | | |
| Net Income | 7,462,533 | 4,898,866 | | |

Program Description:

The Sewer fund was split in 2005 into two funds, Storm Water and Sanitary Sewer, which did not fully go into effect until the second quarter. This fund accounts for 15% of the Met Council Environmental Services for storm water interceptor and treatment services. The fund also accounts for storm water activities including the Combined Sewer Overflow (CSO) program, which separates the remaining storm sewer lines that are connected to sanitary sewer lines. This fund accounts for the \$6.5 million city wide street cleaning.

Revenue:

Stormwater revenue at year end is 87% of the budget. The new stormwater fee started billing in March of 2005. The sewer revenue for the first two months of the year, have been allocate between stormwater and sanitary sewer based on an estimated allocation of current charges. The original stormwater revenue estimate of \$30 million was made prior to the establishment of the current credit program. An estimate of \$2.1 million in credits has been applied to the actual revenues for duplex, railroads, U of M and Park Board adjustments. Engineering Services revenues were less than budgeted due to a smaller capital improvement program budget and the elimination of the flood mitigation program.

Expenses:

Stormwater fund expenses are currently at 91% of budget. This is partially due to the Sewer Maintenance cost center experiencing a low activity year. Also, some of the efficiencies this area has gained are due to management initiatives undertaken by the department of Public Works. Stormwater management CSO expenses were at 55% of the budget due to a Stormwater study that has been delayed until 2006. Street cleaning expenses at year end are at 95% of the budget. Street cleaning expenses were lower than anticipated due to a cool wet summer.

Transfers:

MERF unfunded liability transfer of \$138,590.

Debt Service:

The debt service payments are primarily for bonds sold to finance the Combined Sewer Overflow (CSO) and Flood Mitigation programs.

City of Minneapolis, Minnesota
Stormwater Fund
Statement of Revenues and Expenses
For the Fourth Quarter/Years Ending 2005, 2004, 2003

| | Budget Year 2005 | For Year Ending 2005 |
|---|------------------------|----------------------------|
| Operating Revenues: | | |
| State Grants | 919,681 | 569,414 |
| County Grants | 166,985 | 160,147 |
| Sewage Disposal | 30,000,000 | 26,081,247 |
| Other Services Provided | 1,192,368 | 1,038,718 |
| Interest Charges | | 155 |
| Total Operating Revenues | 32,279,034 | 27,849,681 |
| Operating Expenses: | | |
| Sewer Design | 2,383,358 | 2,424,051 |
| Stormwater Management CSO | 2,068,722 | 1,210,158 |
| Street Cleaning | 6,681,393 | 6,354,645 |
| Sewer Maintenance | 2,244,367 | 2,205,230 |
| Met Council Env. Svcs., Govt. Svc. Fee, G.F/O.H | 5,206,494 | 4,740,411 |
| Total Operating Expenses | 18,584,334 | 16,934,496 |
| Operating Margin | 13,694,700 | 10,915,185 |
| Non-Operating Revenues/(Expenses) | | |
| Net Transfers in | | |
| Net Transfers out | (261,845) | (261,845) |
| Gains (Losses) | | |
| Depreciation | (3,664,187) | (3,665,814) |
| Special Assessments | 115,000 | 263,484 |
| Net Interest Income (Exp) | (2,421,135) | (2,352,144) |
| Other Non Operating Income (Exp) | | |
| Total Non-Operating Revenues (Expenses) | (6,232,167) | (6,016,319) |
| Net Income | 7,462,533 | 4,898,866 |
| Significant Balance Sheet Items | | |
| Operating Cash | | 4,858,839 |
| Construction Cash | | 7,383,600 |
| Accounts Receivable | | 2,827,233 |
| Bonds Payable | | 41,060,909 |
| Significant Cash Flow Items | | |
| Capital Outlay | 13,383,537 | 12,960,277 |
| Bond Principle payments | 10,329,000 | 10,329,000 |
| Sale of Bonds | | |

* Prior to 2005 the Stormwater and the Sanitary Sewer funds were combined into one fund

**City of Minneapolis
Water Fund
For the Fourth Quarter Ending December 31, 2005**

| Fund 7400 | 2005 Budget | 2005 Actual | Remaining Budget | % of Actual To Budget | 2004 Actual |
|------------------------|------------------------|------------------------|-----------------------------|----------------------------------|------------------------|
| Operating Revenue | 65,473,053 | 60,759,626 | 4,713,427 | 93% | 62,038,166 |
| Operating Expenditures | 45,324,223 | 42,426,971 | 2,897,252 | 94% | 43,282,257 |
| Operating Margin | 20,148,830 | 18,332,602 | | | 18,755,909 |
| Net Income (Loss) | 8,824,881 | 7,548,574 | | | 6,817,870 |

Program Description:

This Fund accounts for the operation and maintenance of a water delivery system for the City and several suburban city customers. The City sells water directly to seven cities including Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal, and Edina. Currently, the City is constructing three, multi-year capital projects including the Supervisor Control and Data Acquisition (SCADA), the Hilltop Reservoir, and the Ultrafiltration Membrane Plant. The SCADA program monitors and partially automates the water treatment process and is projected to be completed in 2006 at a projected total cost of \$17.0 million. The new 34 MG Hilltop Reservoir, at a cost of \$20.0 million, was completed in 2005 and put into operation. The Ultrafiltration Membrane Plant will be accomplished in two phases. Phase one is a newly constructed 70 MGD Columbia Heights Membrane Filtration Plant that is completed at a cost of \$63.3 million. The new plant is operating in a testing and confirmation phase and expected to be distributing water in spring 2006. The second phase, a 95-MGD Fridley Membrane Filtration Plant, is in the equipment procurement phase with additional performance testing scheduled from December 2005 through spring 2006. The projected cost of the Fridley Plant is \$88 million. In addition, each year, capital funding of \$4.5 million provides for water distribution improvements including cleaning and lining nine to ten miles of pipeline with replacement of valves and hydrants.

Revenue:

For the year 2005, there was a 5% increase in the water rate raising the cost of 100 cubic feet from \$2.38 to \$2.50 per unit. A refund of \$3.6 million to the Joint Water Commission for the period January 1, 2004 through November 30, 2005 resulting from new contract negotiations. Beginning fiscal year 2005, the Water Fund does not receive revenue of approximately \$4.0 million from the Sewer and Refuse Funds to reimburse the Water Fund for utility billing costs attributed to all three funds. These utility billing expenditures are now paid from the General Fund and billed to the respective user fund. After adjusting operating revenue for loss of revenue from reimbursement of utility billing costs, the 2005 operating revenue of \$60,759,626 represents a 5.4% increase over the same period in 2004.

Although the revenue from water sales, as charges for services, increased, the 2005 operating margin is decreased by \$423,307 from 2004 due to the JWC refund and the loss of income from utility billing reimbursement. The revenue from charges for sales is down from 2004 due to a \$772,000 decrease in sales of water meters sold from the Water Stores for a meter replacement project that ended in 2004.

Expenditures:

For fiscal year 2005, operating expenditures are \$855,286, or 2.0% less than for the same period in 2004. The decrease is largely due a decrease of \$2.1 million for major repair and replacement expenditures of the water system infrastructure. Increased operating costs for water treatment and facility maintenance partially offset this decrease. The total operating expenditures are under the budgeted amount by 5.2%. Prior to 2005, expenditures for finance, human resources, and utility billing were budgeted within the finance and human resource cost centers of the Water Fund. Beginning January 2005, these expenditures are included in general fund overhead and paid from the Contribution to Other Funds cost center of the Water Fund operating budget. The 2005 budget for the operating fund increased to allow for payment of

these expenditures from the operating fund. Other expenditures paid from the Contribution to Other Funds include the government service fee and the self insurance liability premium.

Transfers:

The MERF (Minneapolis Employee Retirement Fund) pension debt service payment of \$583,603 has been transferred.

Debt Services:

The debt service payments are primarily for bonds sold to finance the Water Works capital improvement program. Current capital projects include SCADA, membrane ultrafiltration, and reservoir programs.

Other Financial Items:

The Ultrafiltration Membrane Plant is financed through loans from the Drinking Water State Revolving Fund managed by the Minnesota Public Facilities Authority. Beginning December 2002, the City has borrowed a total of \$64.9 million at interest rates of 2.80%, 2.82% and 2.53%.

The year end cash balance has dropped to -\$1.3 million primarily due to the refund to the Joint Water Commission from the new rates that were retroactively credited back to January 1st, 2004.

City of Minneapolis, Minnesota
Water Fund
Statement of Revenues and Expenses
For the Fourth Quarter/Years Ending 2005, 2004, 2003

| | Budget Current Year 2005 | For Year Ending 2005 | For Year Ending 2004 | For Year Ending 2003 |
|--|--------------------------------|----------------------------|----------------------------|----------------------------|
| Operating Revenues: | | | | |
| Licenses & Permits | 1,000 | 1,009 | 782 | 1,069 |
| Charges For Services | 63,671,953 | 59,926,626 | 60,416,909 | 61,441,843 |
| Charges For Sales | 1,780,000 | 829,696 | 1,617,164 | 678,996 |
| Rents | 1,000 | - | - | - |
| Interest | - | 990 | 2,950 | 1,542 |
| Other Misc Revenues | 19,100 | 1,251 | 361 | 39,329 |
| Total Operating Revenues (1) | 65,473,053 | 60,759,573 | 62,038,166 | 62,162,779 |
| Operating Expenses: | | | | |
| Security | 1,149,816 | 961,694 | 1,138,129 | - |
| Water Design | 1,098,114 | 657,732 | 794,184 | 726,040 |
| Contribution To Other Funds (2) | 5,621,535 | 6,300,932 | 2,059,453 | 1,011,552 |
| Administration & Permits | 1,283,764 | 1,202,302 | 813,989 | 770,591 |
| Treatment | 14,342,302 | 13,134,777 | 11,956,169 | 12,510,888 |
| Treatment Maintenance | 7,407,604 | 7,477,241 | 6,391,285 | 5,851,712 |
| Distribution | 7,644,143 | 7,762,956 | 7,708,540 | 7,103,292 |
| Major Repairs & Replacement | 6,776,945 | 4,929,336 | 7,024,416 | 5,260,162 |
| Human Resources | - | - | 227,970 | 225,000 |
| Finance | - | - | 547,024 | 622,098 |
| Utility Billing | - | - | 4,621,098 | 3,710,325 |
| Total Operating Expenses | 45,324,223 | 42,426,971 | 43,282,257 | 37,791,660 |
| Operating Margin | 20,148,830 | 18,332,602 | 18,755,909 | 24,371,119 |
| Non-Operating Revenues/(Expenses) | | | | |
| Transfers in | - | - | - | 13,903 |
| Transfers (out) | (689,005) | (689,005) | (3,619,262) | (2,517,500) |
| Depreciation | (6,450,504) | (6,450,504) | (4,493,503) | (3,835,539) |
| Special Assessments | - | 888,018 | (205,202) | 1,031,895 |
| Net Interest Income (Exp) | (4,184,440) | (4,077,976) | (3,221,196) | (2,826,748) |
| Other Non Operating Income | 2,000,000 | 336,960 | 373,727 | 291,933 |
| Other Non Operating (Expenses) | (2,000,000) | (791,522) | (772,602) | (828,820) |
| Total Non-Operating Revenues (Expenses) | (11,323,949) | (10,784,028) | (11,938,038) | (8,684,779) |
| Net Income | 8,824,881 | 7,548,574 | 6,817,870 | 15,686,339 |
| Significant Balance Sheet Items | | | | |
| Operating Cash | | (1,339,465) | 1,980,486 | 9,501,615 |
| Construction Cash | | 452,337 | 3,693,566 | 4,971,307 |
| Accounts Receivable | | 8,382,482 | 5,217,290 | 2,477,878 |
| Bonds & Notes Payable | | 84,407,486 | 89,793,175 | 60,057,000 |
| Significant Cash Flow Items | | | | |
| Capital Outlay | 29,906,811 | 18,549,576 | 51,350,875 | 18,694,675 |
| Bond & Note Principle payments | 10,829,467 | 10,829,467 | 11,430,461 | 12,758,794 |
| Total Cash Flow Items | 40,736,278 | 29,379,043 | 62,781,336 | 31,453,469 |

(1) The year ending 2004 was decreased by \$1,902,443 for the amount accrued for the Joint Water Commission refer

(2) Includes previous expenditures for Human Resources, Finance, and Utility Billing.

**City of Minneapolis
Municipal Parking Fund
For the Fourth Quarter Ending December 31, 2005**

| Fund 7500* | 2005 Original Budget | 2005 Workout Plan Target | 2005 4th Quarter Actual | Remaining Budget | % of Actual To WOP Target | 2004 4th Quarter Actual |
|----------------------|-------------------------------------|---|---|-----------------------------|--|---|
| Revenue | 46,393,366 | 48,985,667 | 47,295,222 | (901,856) | 97% | 46,162,797 |
| Expenditures | 35,989,222 | 31,356,338 | 31,499,042 | 4,490,180 | 100% | 31,983,233 |
| Operating Margin | 10,404,144 | 17,629,329 | 15,796,181 | | | 14,179,564 |
| Net Income (Loss) | (5,898,149) | | 1,538,180 | | | 4,086,837 |

* (i) Figures in the table do not include State-owned TAD parking facilities.

(ii) Net Income (Loss) includes all non-operating expenditures & revenues.

Program Description:

This fund accounts for operation and maintenance of parking ramps, lots, on-street parking meters, a municipal impound lot, and traffic control system. The major parking related capital construction and development activities occur in this fund. The Riverfront parking ramp and the Mill Quarter ramp were two active 2005 capital projects. With the completion of Mill Quarter and Riverfront parking ramps, total number of ramps in the parking system has increased to twenty four.

Revenues:

Year-to-date fourth quarter revenues for 2005 increased by \$1.1million, or 3%, to just over \$47.1 million compared to fourth quarter revenue of \$46 million in 2004. This was due to increase in on-street, off-street, and impound lot revenues. On-street parking registered increase of \$600,000 while off-street parking and impound lot showed increases of \$300,000 and \$200,000 respectively. With State-owned facilities, the City's share of revenue is now limited only to the reimbursement for its direct expenses and overheads.

Expenditures:

Expenditures through the fourth quarter for 2005 decreased by \$400,000, to \$31.5 million compared to \$31.9 million through the fourth quarter of 2004. Increase in expenditures pertaining to impound lot and on-street parking has been off set by a decrease in operating expenditures. Operating expenditures in the amount of \$650,000 has been allocated to State-owned facilities as overheads, thereby reducing the net increase in expenditures through the fourth quarter of 2005.

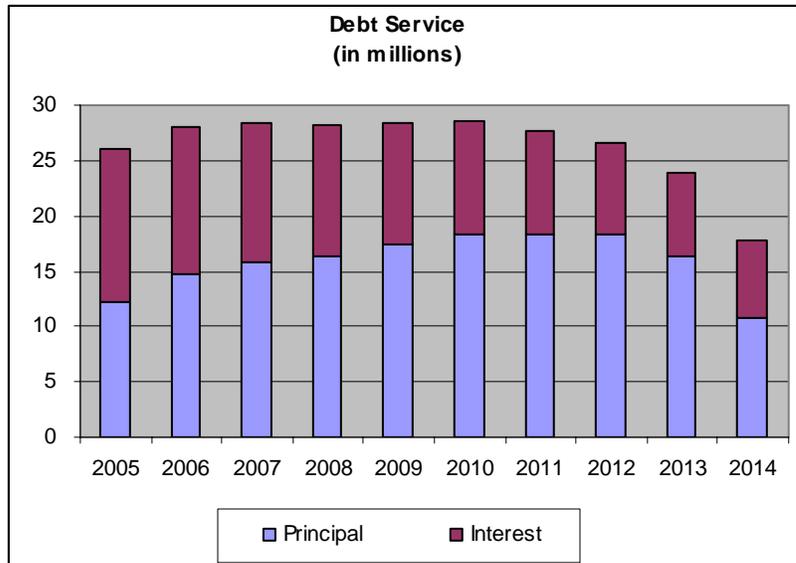
Transfers to and from other funds:

The 2005 revenue transfers in the Parking Fund, through fourth quarter, include \$8.2 million from sales tax revenue for Convention Center parking facility debt and \$5.3 million from CPED for Tax Increment and Abatement. Transfers out to other funds through the quarter total \$11.1 million with \$8.8 million to General Fund and \$1.8 million to Target Center Arena. The General Fund transfer, through fourth quarter, 2005, increased by \$5.4 million compared to fourth quarter of 2004. This increase was due to one-time reduction of \$6.4 million in General Fund transfers for 2004. With savings on transfers out, net income, through fourth quarter of 2004, was higher than 2005 by \$2.5 million.

As budgeted, the transfer to General Fund has been reduced by a \$1 million in 2005. Target Center Arena transfer will continue to grow in future years and it is projected to reach \$5.8 million by 2014, based on the revised schedule.

Debt Service:

The debt service payment through the quarter totaled \$24 million, \$12 million in principal and \$12 million in interest. These are the repayment of bonds that were sold to fund capital projects for construction of municipal parking ramps and lots. As new facilities are added to the system, debt services will continue to grow. According to the schedule, debt service payment will reach \$28.5 million by 2010.



The outstanding bonds to the parking fund increased by \$20.7 million in 2005 with the sale of additional bonds for Riverfront in the amount of \$16.4 million and Mill Quarter ramp for \$4.3 million.

Parking Fund Workout Plan:

The City Council adopted a financial workout plan in 2004 and approved parking initiatives to cut costs and increase revenues. An annual update on the performance of the Workout Plan was submitted in July, 2005, for the year 2004 that included projection for years 2005 through 2010. Based on actual figures through the fourth quarter of 2005, the current update to the Workout Plan and specific performance includes:

Revenues:

- **Off-Street Parking and Enhanced Parking Ramp Marketing Activities:** An initiative to develop a logo and branding of the Municipal Parking system is underway and new signage will be installed in several facilities. In addition, the development of web-based solution for customer payment is being implemented and will be active shortly. The revenue estimates have not yet materialized, resulting in a shortfall of \$700,000 compared to the workout plan target.
- **On-Street Parking and Parking Meter Management Plan:** Additional meter installations and rate adjustments, as part of new meter management plan, have generated a \$600,000 increase in revenue over 2004. However with \$6.7 million in actual revenue generated to date, it falls short of target of \$7.2 million by \$500,000.
- **Impound Lot and Collection of Unpaid Tow and Storage Fees:** The collection activity has generated \$80,000 in additional revenue through the ACS collection agency and Public Works is continuing to work to raise this amount. Overall, \$6.9

million in total revenue has been generated through fourth quarter. Compared to year-end workout plan target of \$7.4 million, this results in a shortfall of \$500,000.

Expenditures:

The status of the various expense reduction initiatives have remained the same as reported in previous quarters:

- Enhanced Wayfinding Program: estimated expenditure of \$205,000 for the year; \$100,000 was estimated to be spent by the year end with 3 new installations in progress.
- Repair & Replacement Program: estimated expenditure of \$204,000 in debt service; the program will not be implemented in the current year, but it will be implemented in 2006 and will include revenue control equipment and systems upgrade.
- Greater Oversight through Increased Staffing Level: estimated expenditure of \$254,000; there has been no increase in staffing level as of December 31, 2005, but the interviews have been completed and hiring of at least 2 additional Parking Systems Analysts will occur on or around first of the year.

The following table presents a summary of the various business line actual and variance amounts for 2005.

| Revenue* And Expense Categories | 2005 Original Budget | 2005 Workout Plan Target | 2005 4th Quarter Actual | Variance Workout Plan Target Vs Actual |
|--|-------------------------------------|---|---|---|
| Off-Street Parking | 34,734,366 | 34,355,183 | 33,679,277 | (675,906) |
| On-Street Parking | 5,959,000 | 7,226,170 | 6,702,950 | (523,219) |
| Impound Lot | 5,700,000 | 7,404,314 | 6,912,995 | (491,319) |
| Total Revenue | 46,393,366 | 48,985,667 | 47,295,222 | (1,690,445) |
| Off-Street Parking | 26,445,607 | 22,441,570 | 22,251,369 | (190,200) |
| On-Street Parking | 4,548,621 | 3,669,787 | 3,674,292 | 4,505 |
| Impound Lot | 4,994,994 | 5,244,981 | 5,573,381 | 328,399 |
| Total Expenditures | 35,989,222 | 31,356,338 | 31,499,042 | 142,704 |
| Operating Margin | 10,404,144 | 17,629,329 | 15,796,181 | (1,833,148) |
| Variance | | 7,225,185 | 5,392,037 | (1,833,148) |

*Figures in the table do not include State-owned TAD parking facilities.

Summary:

On the original budget, the workout plan target aims to increase revenue by \$2.6 million and reduce costs by \$4.6 million by the end of 2005 for a \$7.2 million overall impact. Based on actual figures through fourth quarter, the revenues increased by \$900,000 and costs decreased by \$4.4 million compared to the original budget. The year-end total falls short of workout plan target by \$1.6 million, or 3%, on the revenue side. However, the year-end expenditure surpasses the workout plan target by \$142,000, or 0.5%, in cost savings resulting in a total shortfall of \$1.8 million. This results in achieving \$5.4 million of the \$7.2 million target, or 75% of the goal.

City of Minneapolis, Minnesota
Municipal Parking Fund
Statement of Revenues and Expenditures
For the Fourth Quarter/Years Ending 2005, 2004, 2003

| | Budget Year 2005 | For Year Ending 2005 | For Year Ending 2004 | For Year Ending 2003 |
|---|------------------------|----------------------------|----------------------------|----------------------------|
| Operating Revenues: | | | | |
| Off-Street Parking: City Owned | 34,734,366 | 33,542,380 | 33,238,394 | 32,721,988 |
| Off-Street Parking: State Owned | 9,195,000 | 8,039,838 | 9,134,795 | 9,134,781 |
| Towing | 5,700,000 | 6,912,995 | 6,736,945 | 5,637,450 |
| On-Street Meters | 5,959,000 | 6,702,950 | 6,080,563 | 5,912,936 |
| Total Operating Revenues | 55,588,366 | 55,198,164 | 55,190,697 | 53,407,154 |
| Operating Expenses: | | | | |
| Off-Street Parking: City Owned-Direct Expenses | 21,017,547 | 20,232,560 | 20,545,451 | 19,796,634 |
| Off-Street Parking: State Owned-Direct Expenses | 7,954,023 | 7,365,075 | 15,178,955 | 14,126,851 |
| Towing | 4,994,994 | 5,573,381 | 5,142,139 | 4,861,583 |
| On-Street Meters | 4,227,815 | 3,462,187 | 3,386,379 | 3,298,560 |
| Other Operating Expenses | 5,748,866 | 2,197,933 | 2,811,070 | 2,470,655 |
| Total Operating Expenses | 43,943,245 | 38,831,136 | 47,063,994 | 44,554,283 |
| Operating Margin | 11,645,121 | 16,367,027 | 8,126,703 | 8,852,871 |
| Non-Operating Revenues/(Expenses) | | | | |
| General Fund Transfer Out | (8,800,000) | (8,800,000) | (3,400,000) | (10,890,203) |
| Arena Reserve Transfer Out | (1,768,000) | (1,768,000) | (1,620,000) | (1,470,000) |
| Debt Service Transfer Out | (345,500) | (390,704) | (430,424) | (287,000) |
| Internal Service Fund Transfer Out | - | - | (77,000) | (76,165) |
| Sanitation Transfer Out | (146,000) | (146,000) | (146,000) | (146,000) |
| Parkboard & Other Transfer Out | | | | |
| Total Transfers Out | (11,059,500) | (11,104,704) | (5,673,424) | (12,869,368) |
| Convention Center related facility Transfer | 8,243,573 | 8,243,573 | 8,364,656 | 8,598,392 |
| TI and MCDA Transfers In | 6,915,456 | 5,293,266 | 5,628,358 | 4,840,325 |
| Arbitrage Fund and Other Transfers In | | 1,658,383 | 1,781,184 | 66,469 |
| Total Transfers In | 15,159,029 | 15,195,222 | 15,774,198 | 13,505,186 |
| Depreciation | (6,551,682) | (6,551,682) | (6,709,378) | (5,473,869) |
| Special Assessments | 132,500 | 109,181 | 164,928 | 153,124 |
| Interest | (14,086,866) | (11,802,102) | (13,225,970) | (12,618,188) |
| Other Non Operating Expenses | (30,000) | (32,980) | (98,197) | (24,084,951) |
| Other Non-Operating Income | 30,000 | 136,897 | 106,896 | 23,581,117 |
| Total Non-Operating Revenues (Expenses) | (16,406,519) | (14,050,168) | (9,669,646) | (17,303,114) |
| Net Income+/- | (4,761,398) | 2,316,859 | (1,542,943) | (8,450,243) |
| Significant Balance Sheet Items | | | | |
| Operating Cash | | (13,509,757) | (7,856,688) | (1,218,294) |
| Construction Cash | | 6,963,710 | 4,590,503 | 16,748,535 |
| Bonds Payable | | 294,592,842 | 273,942,842 | 285,732,842 |
| Total Balance Sheet Items | | 288,046,796 | 270,676,657 | 301,263,082 |
| Significant Cash Flow Items | | | | |
| Principal on debt | | 12,154,000 | 11,394,100 | 10,104,100 |
| Capital Outlay | | 18,773,811 | 14,011,306 | 24,078,228 |
| Total Cash Flow Items | | 30,927,811 | 25,405,406 | 34,182,328 |

**City Of Minneapolis
Solid Waste and Recycling Fund
For the Fourth Quarter Ending December 31, 2005**

| Fund 7700 | 2005 Budget | 31-Dec-05 Actual | Remaining Budget | % of Actual To Budget | 31-Dec-04 Actual |
|------------------------|------------------------|-----------------------------|-----------------------------|----------------------------------|-----------------------------|
| Operating Revenue | 27,542,800 | 29,501,041 | (1,958,241) | 107% | 28,234,772 |
| Operating Expenditures | 26,547,630 | 26,410,939 | 136,691 | 99% | 25,907,257 |
| Operating Margin | 995,170 | 3,090,102 | | | 3,409,308 |
| Net Income/(Loss) | (518,944) | 1,643,886 | | | 686,897 |

Program Description:

This Fund accounts for the City's solid waste collection, disposal and recycling operations. This includes weekly trash and yard waste pickup, biweekly recycling and problem material (appliance) pickup and the operation of a solid waste transfer station for over 108,000 households. The Public Works Department also provides "clean city" activities such as neighborhood clean sweeps, litter and graffiti removal and litter control in business districts. City crews provide approximately one-half of the solid waste collection services and the other half of the services are provided through a contract with a consortium of companies specializing in waste collection.

Revenue:

The Solid Waste & Recycling Fund had total revenues of \$29,501,041 at year end. That is 7% more revenue than was budgeted. The reason primary for the increase in revenue is due to a new recycling contract that based revenue on current market conditions, which saw significant increases in the price of aluminum. The revenue from recyclable sales was \$1,857,841 or 106% higher than budgeted. Revenue from Hennepin County was also a factor for the increase, due to the reductions being less than anticipated. The county grant was expected to total \$544,000, but \$809,722 was actually recognized. The last rate increase of .75 cent occurred in 2003.

Expenses:

The Solid Waste and Recycling fund expenses total \$26,501,041, an increase of about 2% over 2004. The increase is due to increases in costs for services provided by outside parties and contractors. Also, an increase in costs of some contractual services, such as liability insurance, property services rent, and other miscellaneous charges. Even with these increases, the fund is within budget.

Transfers:

Transfers into the Solid Waste and Recycling fund include \$146,000 from the Parking fund for litter containers and \$50,000 from the General fund for graffiti removal. Transfers of \$700,000 to the General fund for alley plowing, and \$58,000 for MERF Unfunded Liability are transferred out of the fund.

Debt Service:

This fund has no debt service.

Other Financial Items:

The fund's cash balance at year end is \$15 million. The accounts receivable balance is \$2.47 million.

City of Minneapolis, Minnesota
Solid Waste and Recycling Fund
Statement of Revenues and Expenses
For the Fourth Quarter/Years Ending 2005, 2004, 2003

| | Budget Year 2005 | For Year Ending 2005 | For Year Ending 2004 | For Year Ending 2003 |
|---|------------------------|----------------------------|----------------------------|----------------------------|
| Operating Revenues: | | | | |
| County Grants | 544,000 | 809,722 | 828,162 | 844,405 |
| Solid Waste Fees | 26,098,800 | 26,817,531 | 25,797,483 | 26,240,595 |
| Recyclable Sales | 900,000 | 1,857,841 | 1,605,400 | 940,994 |
| Charges for Other Services | - | 15,947 | 3,727 | 2,033 |
| Total Operating Revenues | 27,542,800 | 29,501,041 | 28,234,772 | 28,028,027 |
| Operating Expenses: | | | | |
| Collection | 6,412,269 | 5,923,018 | 6,343,818 | 6,333,156 |
| Disposal | 6,417,548 | 5,625,608 | 5,878,846 | 5,507,841 |
| Recycling | 3,254,574 | 3,018,837 | 2,872,743 | 2,828,515 |
| Yard Waste | 1,357,587 | 1,293,060 | 1,330,074 | 1,361,272 |
| Large Item/Problem Material | 1,054,532 | 1,107,764 | 1,117,425 | 1,107,209 |
| Transfer Stations | 364,102 | 227,042 | 219,844 | 168,534 |
| Administration | 3,359,326 | 2,535,621 | 3,780,299 | 3,222,012 |
| Customer Service | 521,948 | 2,796,270 | 448,310 | 408,525 |
| Clean City | 857,490 | 1,006,259 | 771,670 | 833,269 |
| Equipment | 2,948,254 | 2,877,461 | 2,720,157 | 2,428,898 |
| Human resources | - | - | 227,970 | 225,000 |
| Finance | - | - | 196,101 | 194,490 |
| Liability Premium | - | - | - | - |
| Total Operating Expenses | 26,547,630 | 26,410,939 | 25,907,257 | 24,618,720 |
| Operating Margin | 995,170 | 3,090,102 | 2,327,515 | 3,409,308 |
| Non-Operating Revenues/(Expenses) | | | | |
| Net Transfers in | 196,000 | 196,000 | 196,000 | 146,000 |
| Net Transfers out | (757,934) | (757,934) | (883,671) | (843,261) |
| Gains (Losses) | - | - | (4,159) | (12,715) |
| Depreciation | (952,180) | (963,241) | (997,721) | (970,360) |
| Special Assessments | - | 78,959 | 48,933 | 92,960 |
| Net Interest Income (Exp) | - | - | - | 1 |
| Other Non Operating Income (Exp) | - | - | - | - |
| Total Non-Operating Revenues (Exp) | (1,514,114) | (1,446,216) | (1,640,618) | (1,587,374) |
| Net Income | (518,944) | 1,643,886 | 686,897 | 1,821,933 |
| Significant Balance Sheet Items | | | | |
| Operating Cash | - | 14,956,440 | 12,784,722 | 10,675,039 |
| Accounts Receivable | - | 2,471,657 | 2,280,251 | 2,565,554 |
| Significant Cash Flow Items | | | | |
| Capital Outlay | - | - | - | 73,024 |