



City of Minneapolis
Financial Status Report as of 2nd Quarter 2008
Prepared by the
City of Minneapolis Finance Department
August 18, 2008

City of Minneapolis

Interim Financial Report Index for the 2nd Quarter of 2008

BUSINESS LINE REVIEW	1-3
GENERAL FUND	4-7
SPECIAL REVENUE & GRANT FUNDS	
Convention Center Special Revenue Fund.....	8-11
Federal, CDBG and other State and Local Grants.....	12-17
INTERNAL SERVICE FUNDS	
Engineering Materials & Testing Fund.....	18-19
Fleet Services Fund.....	20-21
Property Services Fund.....	22-23
Public Works Stores	24-25
Intergovernmental Service Fund	26-27
Self-Insurance Fund	28-30
ENTERPRISE FUNDS	
Sanitary & Stormwater Fund.....	31-34
Water Rental Fund.....	35-37
Municipal Parking Fund.....	38-42
Solid Waste Recycling Fund.....	43-44
INVESTMENT REPORT	45

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 June 30, 2008.

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 2008 with a fund balance of \$55.5 million and an operating budget of \$307 million. Subsequent 2007 reappropriation decisions increased fund authorized spending by \$2.5 million. Through the second quarter, the fund has spent 44% of its appropriations but is projected to overspend its appropriations by \$2 million. Items of note are: Franchise Fee revenues tracking well over its \$27 million budget; Fine & Forfeit revenues tracking well below their \$11.3 million budget; Police Department is projected to overspend their budget by \$2 million.

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 second quarter results indicate revenues and expense are on-track with sales & entertainment tax revenue expected to exceed budgeted amounts.

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.

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	2008 Budget to Actual through 6-30-08 (Incl. Depreciation)					
	Revenue Budget	Revenue Actual	% of Actual To Budget	Expense Budget	Expense Actual	% of Actual To Budget
Sanitary Sewer	43,820	18,809	43%	42,283	20,765	49%
Stormwater	34,015	16,078	47%	26,209	11,064	42%
Solid Waste	31,685	15,155	48%	32,894	12,719	39%
Water	70,825	26,573	38%	59,554	28,560	48%
Parking	69,830	37,377	54%	64,948	29,591	46%

Sewer Utility Fund accounts for sewage interceptor and treatment services and the storm management activities including the Combined Sewer Overflow program. Second quarter results for the Stormwater and Sanitary Sewer Fund show they are tracking at or below budget for revenues and expenses. Year-end projections show results very close to budget. Both funds have healthy cash balances slightly under the reserve requirement.

Solid Waste Fund accounts for the City’s solid waste collection, disposal, and recycling operations. Second quarter results indicate the fund is meeting its revenue goals and is spending less than budgeted; it is projected to meet or exceed its financial goals for year-end. The fund has a healthy cash balance in excess of the reserve requirement.

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 \$.08 rate increase in 2008. Despite the rate increase, water consumption through June of this year is down resulting in lower than expected revenue. Operating expenses have increased 8.3% over the same period last year. The combination of decreased revenue and increased expenses results in a projection of net income being \$3 million lower than expected. This may cause the funds cash balance to also decrease, possibly to a negative position. The required cash balance in this fund is \$11.2 million.

Parking Fund accounts for the operation and maintenance of parking ramps, lots, on street parking meters, a municipal impound lot, and traffic/parking control. In June 2004, the City Council adopted a financial and operational financial plan for the Parking Services Fund that is expected to restore the funds’ solvency by 2010. For 2008, the fund is tracking ahead of its revenue projections and is spending less than budgeted. It is projected to end the year well ahead of its financial plan goals. The fund has a cash balance greater than required. This is a result of the numerous ramp sales that have occurred in the last year. The excess cash is reserved for debt payments related to the remaining ramps.

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)						
2008 Budget to Actual through 6-30-08 (Incl. Depreciation)						
Fund	Revenue Budget	Revenue Actual	% of Actual to Budget	Expense Budget	Expense Actual	% of Actual to Budget
Engineering, Mat, and Testing	4,381	1,138	26%	4,399	1,223	28%
Fleet Services	47,055	20,896	44%	44,044	19,173	44%
Property Services	17,438	8,634	50%	17,976	9,261	52%
Public Works Stores	3,690	1,590	43%	3,687	1,599	43%
Intergovernmental Fund	46,234	22,830	49%	35,111	18,202	52%
Self Insurance	96,286	46,881	49%	90,222	41,529	46%

The **Intergovernmental Service Fund's** second quarter results show it is performing very close to expectations with revenue and expenses at 49% and 51% of budget respectively. Depreciation expense continues to pose a challenge for the fund because it is not recovered through the rate model.

The **Fleet Services Fund** also operates under a Council-adopted financial plan. Second quarter results show that revenues and expenses are both well below budget albeit proportionately. Year-end projections indicate the fund will meet its financial plan goals.

The **Self-Insurance Fund** is tracking close to its budgeted revenue and expense through second quarter. It is projected to meet or exceed its financial goals.

The **Property Services Fund** is also tracking very close to budget with revenue and expense at 49% and 46% respectively. This fund's 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** is well behind its revenue and expense budget through second quarter. This is consistent with previous years because the majority of operational and financial activity occurs in the last half of the year.

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.

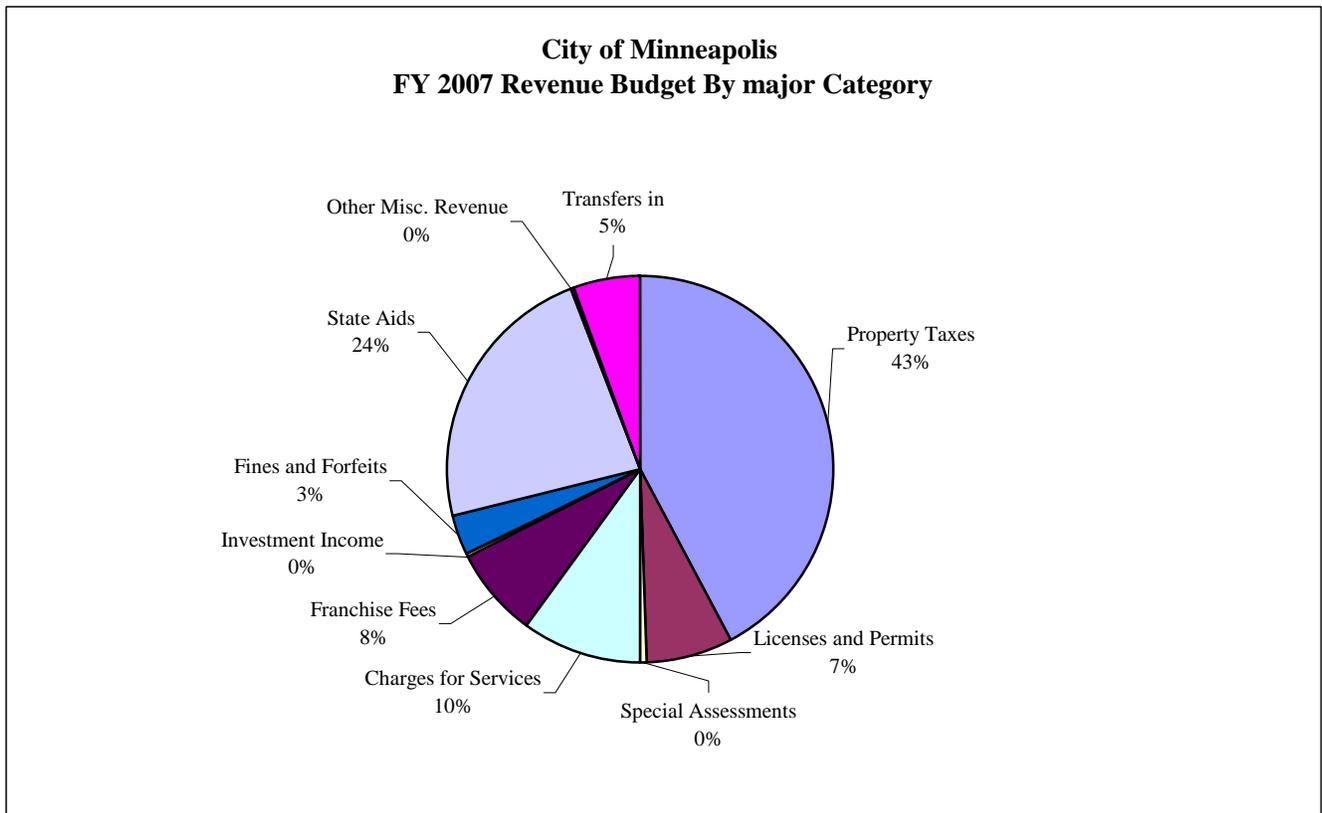
Financial Performance

The fund balance for the General Fund at fiscal year-end 2007 was \$55.5 million. Based on the current revenue and expenditure results, we are expecting the fund balance at year-end to be \$ 51.2 million.

The City's practice is to maintain a minimum fund balance of 15% of the following year's revenue budget. Fifteen percent of the 2009 revenue budget is \$ 56.1 million.

<u>Preliminary 2008 Fund Balance</u>	
Fund Balance January 1, 2008	\$ 55.5 million
Re-appropriation of Fund Balance	(2.5) million
2008 Projected Decrease in Fund Balance	<u>(1.8) million</u>
Fund Balance Projected, December 31, 2008	<u>\$ 51.2 million</u>

General Fund Revenues:



The five largest revenue sources account for 92% of total budgeted revenues: property taxes, state aids, charges for services, licenses and permits, and franchise fees.

Property taxes, the major source of General Fund revenue are received in July and December, and are expected to be within budgeted amounts.

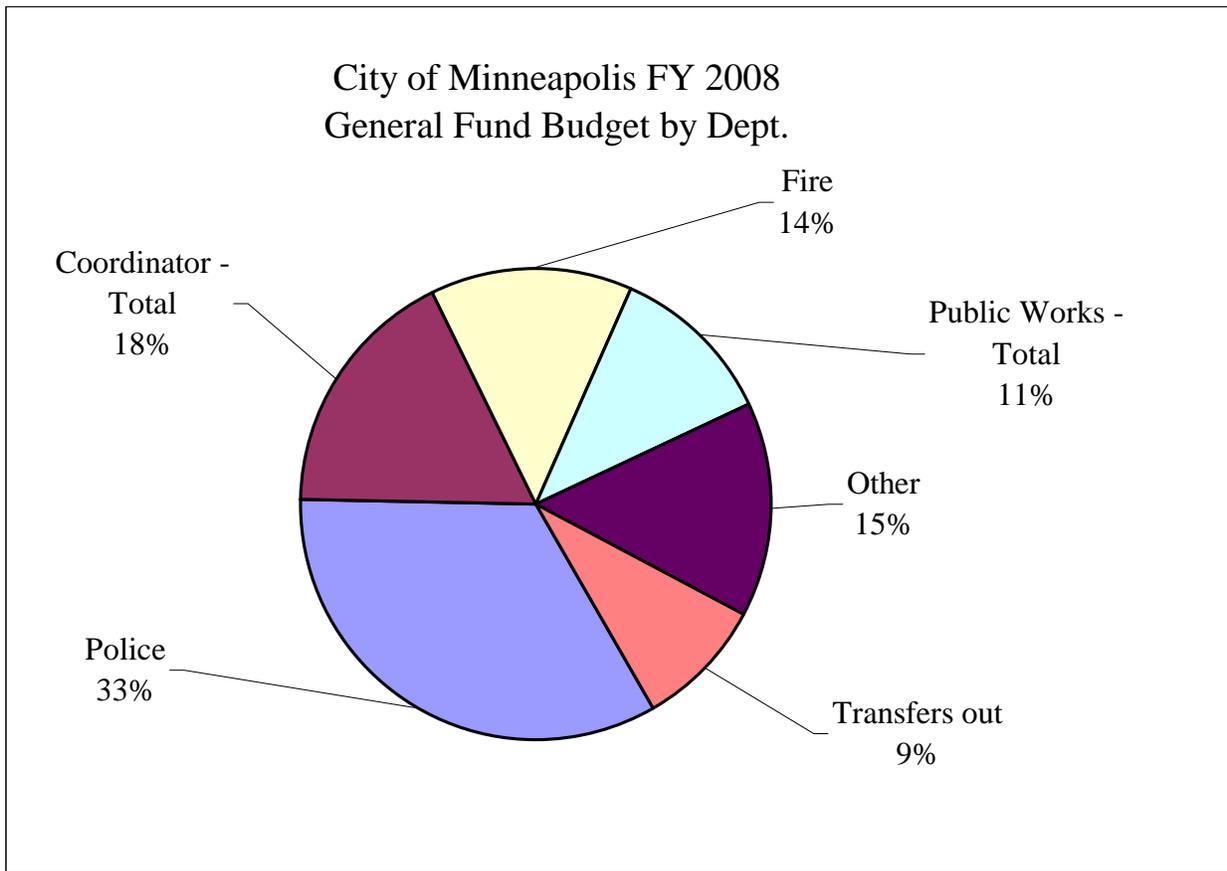
State aids, the second major source of fund revenue (24%), are received in July, October, and December, and are anticipated to be within budgeted amounts

Charges for services, the first major source of fund revenue (10%), are expected to be about equal to the current budget of \$36.1 million.

Franchise fees, the fourth major source of revenue (9%), are expected to be about 9%, or \$ 2.4 million, over the current budget of \$ 27.1 million, primarily due to increased revenue from natural gas franchise fees.

License and permit fees (7% of fund revenue) are expected to be about equal to the current budget.

Fine and Forfeit revenues are expected to be less than the estimated revenue budget by about 25% (or about \$2.9 million), primarily due to a continued decrease in collections in police department fine revenues. The decrease in revenues is particularly evident in the area of citations issued by traffic enforcement officers.



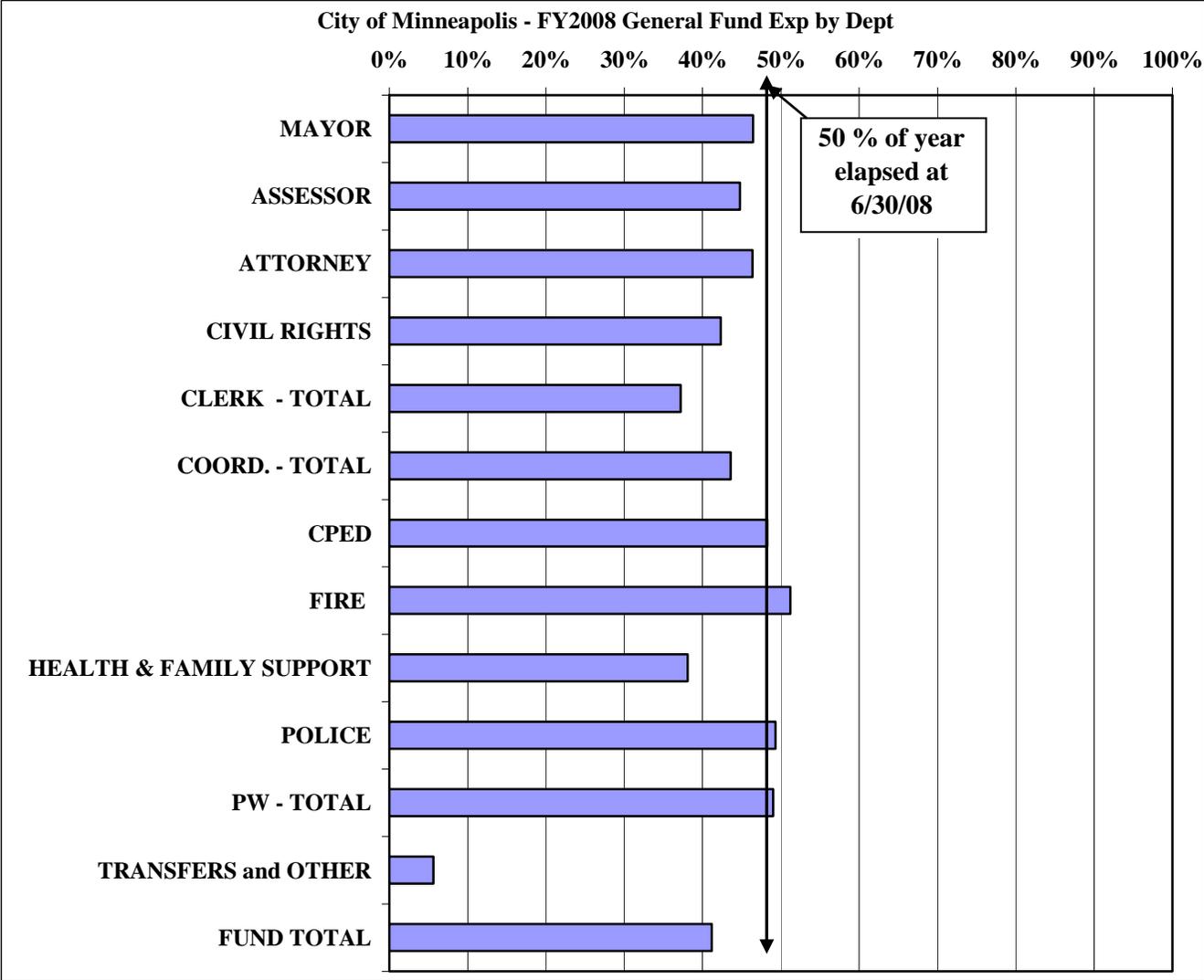
General Fund Expenditures:

Four departments make up 76% 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.

At the end of June, the Police Department's expenditures incurred to date are about \$60 million (50% of current budget); their projected expenditures could exceed their budget by \$2 million. This is due to overtime related to the Republican National Convention and Cedar Rapids Iowa, of which the City expects some reimbursement and attrition levels not at the expected rate.

The projected expenditures of the City Coordinator, the Fire Department and the Public Works Department are expected to be within their budget at the end of the year.

Expenditures for the remaining departments are running below the current budget through the end of the second quarter.



A detailed financial schedule of the General Fund is shown below:

**City of Minneapolis
General Fund
June 30, 2008**

					Variance
					Original/Actual
	Original Budget	Revised Budget	Actual	Projected YE Totals	Projected YE Actual as Percent of Revised Budget
Revenues:					
Property Taxes	152,233,726	152,233,726	14,285	152,233,726	100%
State Aids	82,789,646	82,789,646	1,644,600	82,789,646	100%
Charges for Services	36,124,165	36,124,165	11,957,584	36,124,165	100%
Franchise Fees	27,110,000	27,110,000	16,667,131	29,500,000	109%
Licenses and Permits	26,448,598	26,448,598	11,957,584	26,448,598	100%
Fines and Forfeits	11,358,197	11,358,197	2,715,620	8,500,000	75%
Special Assessments	1,752,926	1,752,926	392,239	1,752,926	100%
Investment Income	1,202,673	1,202,673	1,880,636	2,000,000	166%
Other Shared Taxes	655,794	655,794	8,466	655,794	100%
Other Miscellaneous	1,035,217	1,035,217	319,822	1,035,217	100%
Contributions	400,000	400,000	83,851	400,000	100%
Total Revenues	341,110,942	341,110,942	47,641,818	341,440,072	100%
Transfers In	19,635,738	19,635,738	-	19,635,738	100%
Revenues and Other Sources	360,746,680	360,746,680	47,641,818	361,075,810	100%
Expenditures :					
Police	121,247,539	121,247,539	59,792,161	123,247,539	102%
Coordinator - Total	63,297,505	64,409,298	28,072,231	64,409,298	100%
Fire	50,348,533	50,348,533	25,772,424	50,348,533	100%
Public Works - Total	40,180,049	40,945,391	20,073,178	40,945,391	100%
Attorney	7,094,924	7,094,924	3,291,299	7,094,924	100%
Health & Family Support	4,081,000	4,081,000	1,555,830	4,081,000	100%
CPED	3,474,100	3,474,100	1,676,516	3,474,100	100%
City Council & City Clerk	6,822,000	7,017,659	2,611,980	7,017,659	100%
Assessor	3,766,000	3,766,000	1,686,793	3,766,000	100%
Civil Rights	2,492,000	2,931,950	1,240,988	2,931,950	100%
Contingency	2,733,341	2,733,341	15,550	2,733,341	100%
Mayor	1,374,000	1,402,500	651,754	1,402,500	100%
Culture and Recreation -Library	22,100,000	22,100,000	360	22,100,000	100%
Total Expenditures	329,010,991	331,552,235	146,441,065	333,552,235	101%
Transfers Out	31,735,689	31,735,689	3,174,444	31,735,689	100%
Expenditures and Other Uses	360,746,680	363,287,924	149,615,509	365,287,924	101%
Change in Fund Balance	-	(2,541,244)	(101,973,692)	(4,212,114)	
Fund Balance - January 1, 2008				\$ 55,467,000	
Fund Balance - December 31, 2008				\$ 51,254,886	

Convention Center Special Revenue Fund Report

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

Revenue

Tax Revenue

The Convention Center Special Revenue Fund activity is funded from local tax receipts and Convention Center operating revenue. Tax receipts are made up of a .5% citywide sales tax; a 3% food and liquor tax applied to core downtown establishments; 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 Meet Minneapolis.

With the exception of entertainment tax, all of the other tax revenue received by the Convention Center is used to support the Convention Center's capital and operating activities. The entertainment tax, established in 1969, is a revenue source for the General Fund to offset additional police and fire department costs associated with citywide entertainment activities. A portion of the tax is redirected to the (Target Center) Arena Reserve Fund to fully credit the fund for entertainment tax proceeds generated from Target Center activities, as required by the (Target Center) Arena finance plan. The entertainment tax is not deposited directly into the General Fund because it is pledged revenue on the outstanding Convention Center bonds in the event other revenue sources pledged to meet the Convention Center debt service are insufficient.

For the month ending June 2008, tax proceeds came in above 2007 levels by 2%. Tax revenue is receipted into the month it is received from the State of Minnesota, and is variable from month to month. Tax revenue is consumer driven and based on consumer spending habits.

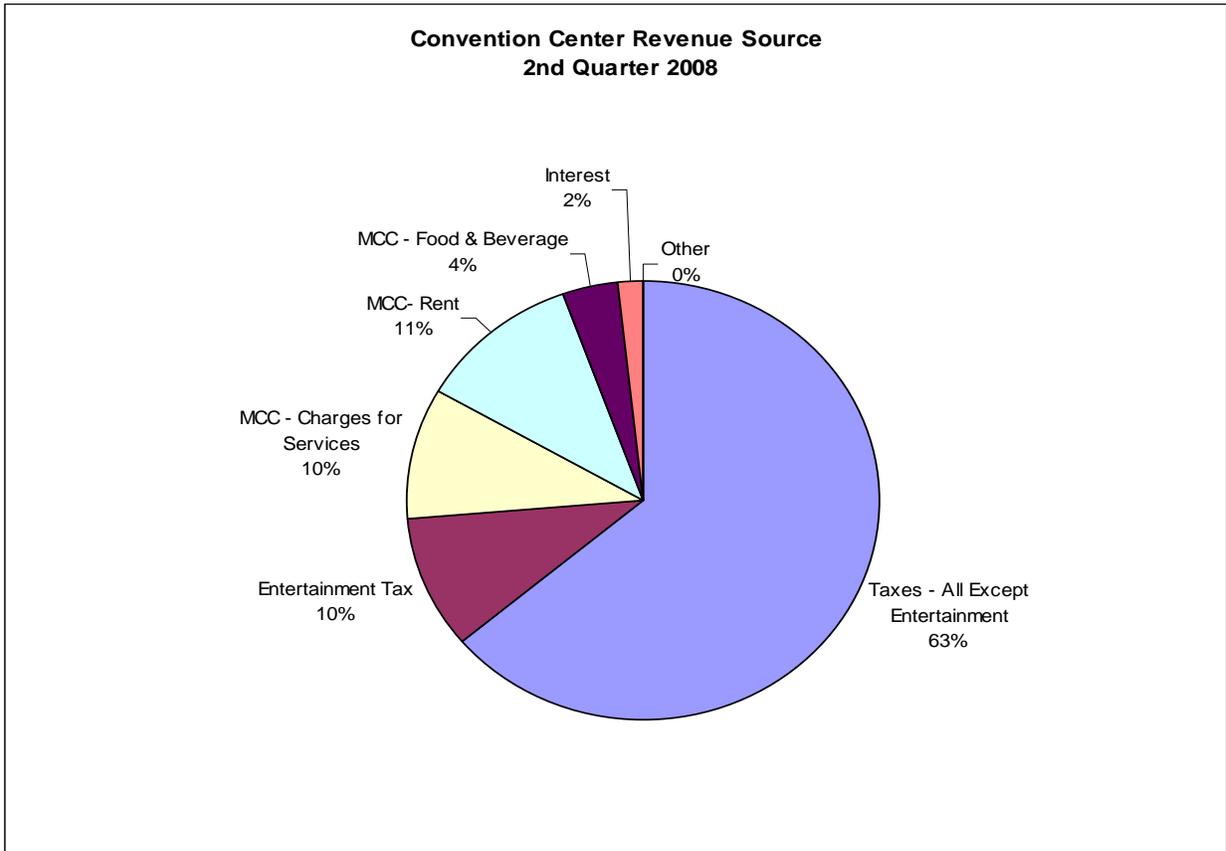
Tax	June 2007	June 2008	Variance	% Change
Sales	15,438,790	15,546,725	107,935	1%
Entertainment	3,740,704	3,670,694	-70,010	-2%
Food	3,852,424	4,140,005	287,581	7%
Liquor	1,433,134	1,531,423	98,289	7%
Lodging	2,182,700	2,297,866	115,166	5%
Total	\$26,674,752	\$27,186,713	\$511,961	2%

Operating Revenue

Through the 2nd quarter of 2008, operating revenue has achieved 59% of the 2008 budget. Overall, the Convention Center expects to finish the year approximately \$260,000 under budget. The Convention Center did not pick up the sponsorship revenue that was anticipated. In addition, the Dunn Brothers coffee shop was expected to open in the early summer of 2008, and is not opening until late August. Furthermore, the Convention Center has a slower than normal schedule for July events.

Interest Revenue

Interest revenue is based on cash balances and the return on investments. Interest rates, return on investments, and cash balances have contributed to a better than expected return. Through the 2nd quarter of 2008 interest revenue; including investment income came in at 74% of the 2008 budget.

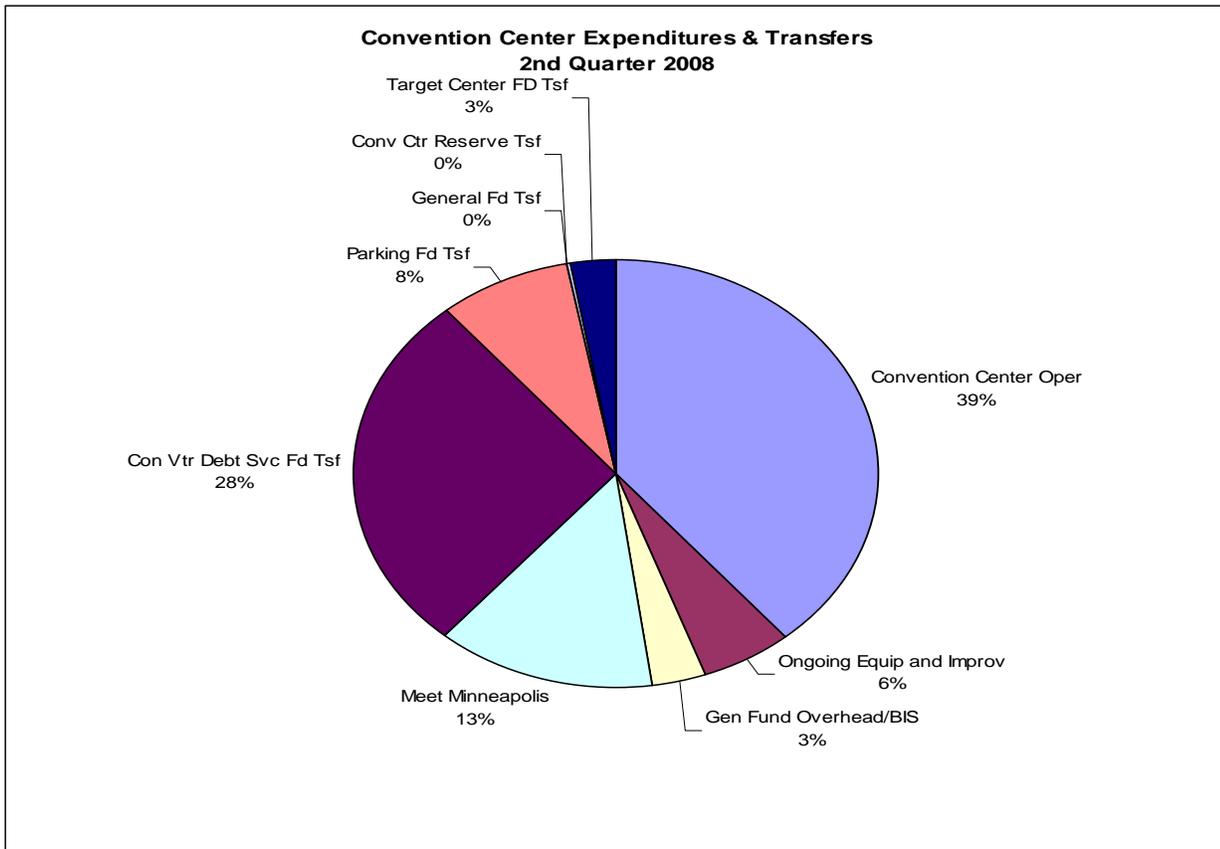


Operating Expenditures

Through the second quarter of 2008, Convention Center operating expenses not including ongoing equipment and improvement, BIS, and General Fund overhead were nearly \$11 million or 43% of budget. During 2008, the Convention Center has numerous capital improvements and additions budgeted. Some of the significant capital items are lobby signage, public space furniture, a radio system and handsets, ballroom carpeting, marquees, monitors and counters, and an auditorium transfer panel. The Terrazzo floor restoration and repair was the most significant improvement budgeted in 2008. Work is underway and is expected to be nearly completed in 2008.

Transfers

The Convention Center Fund annually transfers a share of its tax revenue to several other funds. In 2008, transfers are budgeted for the General Fund, the Convention Center Facilities Reserve Fund, the Arena Reserve Fund, the Parking Fund, City Capital, and debt service. Budgeted 2008 transfers include \$1.5 million to the Target Center, \$8.2 million to the General Fund, \$150,000 to the Convention Center Facility Reserve Fund, \$18.7 million to debt service, \$750,000 to City Capital, and nearly \$9.9 million to parking.



Meet Minneapolis

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

Fund Balance

Based on the current revenue and expenditure trends, the 2008 fund balance is expected to be about \$40.5 million, which is approximately a \$5.4 million decrease from the 2008 beginning fund balance.

CONVENTION CENTER SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the fiscal quarter ending June 30, 2008

CITY OF MINNEAPOLIS, MINNESOTA

	2008		Percent of Total	Year End Projection	2007 Actual
	Budget	Actual			
REVENUE					
Operating Revenue:					
Charges for Services and Sales	6,215,000	3,518,979	57%	6,125,000	5,250,866
Rents and Commissions	6,689,250	4,167,179	62%	6,519,000	6,508,640
Catering Commissions	2,700,000	1,446,107	54%	2,700,000	2,554,579
Total Operating Revenue	15,604,250	9,132,265	59%	15,344,000	14,314,084
Tax Revenue:					
Sales and Use Tax	29,103,000	15,546,725	53%	29,500,000	29,535,001
Entertainment Tax	9,664,000	3,670,694	38%	9,800,000	9,880,036
Food Tax	9,811,000	4,140,005	42%	10,000,000	10,319,180
Liquor Tax	3,826,000	1,531,423	40%	3,850,000	3,757,352
Lodging Tax	5,460,000	2,297,866	42%	6,000,000	6,573,633
Total Tax Revenue	57,864,000	27,186,713	47%	59,150,000	60,065,202
Other Non Operating Revenue:					
Interest	730,000	558,437	76%	1,230,000	1,449,045
Investment Income	20,000	-	0%	20,000	95,298
Meet Minneapolis Private Donations	147,000	147,000	100%	147,000	391,900
Meet Minneapolis (iDSS) Loan Interest	454,000	227,006	50%	454,000	
Other	14,000	5,741	41%	14,000	26,985
Total Other Non Operating Revenue	1,365,000	938,184	69%	1,865,000	1,963,228
Total Non Operating Revenue	59,229,000	28,124,897	47%	61,015,000	62,028,431
Total Revenue	74,833,250	37,257,162	50%	76,359,000	76,342,515
EXPENDITURES					
Convention Center Operations	25,666,080	10,977,318	43%	25,666,453	22,735,727
Ongoing Equipment and Improvement	8,872,000	1,574,142	18%	7,150,000	1,008,475
General Fund Overhead/BIS Operating	1,888,547	944,273	50%	1,888,547	2,002,759
Human Resources	-	-		-	65,611
Meet Minneapolis	7,684,000	3,805,116	50%	7,684,000	7,872,919
Total Expenditures	44,110,627	17,300,849	39%	42,389,000	33,685,491
Excess of Revenues Over (Under) Expenditures	30,722,623	19,956,313	65%	33,970,000	42,657,024
OTHER FINANCING SOURCES (USES)					
General Fund Transfer	(8,163,738)	-	0%	(8,300,000)	(8,762,231)
Arena Reserve Fund Transfer	(1,500,000)	(750,000)	50%	(1,500,000)	(1,117,805)
Convention Center Reserve Fund Transfer	(150,000)	(75,000)	50%	(150,000)	(650,000)
Convention Ctr Debt Service Transfer	(18,796,000)	(7,789,942)	41%	(18,796,000)	(17,538,641)
Other Debt Service Transfer	(68,000)	-	0%	(68,000)	(36,000)
Municipal Parking Enterprise Fund Transfer	(9,832,000)	(2,321,233)	24%	(9,832,000)	(9,856,000)
Transfer to City Capital	(750,000)	-	0%	(750,000)	
Total Other Financing Sources (Uses)	(39,259,738)	(10,936,175)	28%	(39,396,000)	(37,960,677)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(8,537,115)	9,020,138		(5,426,000)	4,696,348
Fund Balance - January 1	45,917,683	45,917,683		45,917,683	41,221,335
Ending Fund Balance	37,380,568	54,937,820		40,491,683	45,917,683
Ending Cash Balance		40,223,364		NA	27,225,807

SPECIAL REVENUE FUNDS
Federal, CDBG, and Other State and Local Grants
Quarter Ending June 30, 2008

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

Since the City records its financial information on a modified accrual basis the timing of cash receipts can result in grant funds reflecting a deficit cash balance. The deficit in fund 01400 is a result of the timing of cash flows. This cash will be fully reimbursed when the grant revenue is received.

Federal Grants Fund (01300)

The City accounts for its federal grant activity in fund 01300. As of June 30, expenditures were \$6,158,652 as compared to the same period last year expenditures of \$9,604,657. Empowerment Zone program loans receivable totaled \$3,171,852 on June 30, 2008 and this amount was offset by a corresponding amount of deferred revenue. The loans and related deferred revenue are adjusted annually as part of the year end reporting.

CDBG Fund (01400)

The Community Development Block Grant (CDBG) is the City's largest single grant and is accounted for in fund 01400 along with three other Housing and Urban Development (HUD) Programs. These programs are the Emergency Shelter Grant Program (ESG), HOME Investment Partnerships Program and Housing Opportunities for Persons with AIDS (HOPWA). The expenditures on June 30, 2008 were \$6,294,254 and \$9,748,131 on June 30, 2007.

In 1990, the Council committed \$7,791,856 of CDBG funds for the redevelopment of Block E. As this commitment was not offset with reductions in other CDBG funded projects, the City over-committed its CDBG Allocation. The City has been able to remain within its cumulative allocation because it continues to receive additional CDBG funding each year. However, should the CDBG funding ever cease, the over commitment of funds will become apparent and other sources will be required to cover the funding shortfall. The City's intent is to reprogram unspent CDBG projects balances from to offset the Block E deficit. Since November 2001, the City Council approved the reprogramming of \$1,624,299. In 2008 in accordance with the reprogramming policy an additional approximate \$950,000 was reprogrammed resulting in a new deficit balance of \$5,171,444.

Grants Other Fund (01600)

The fund is used to account for non-federal grants and other restricted revenue sources. There were year to date expenditures of \$5,395,113 and \$5,794,383 on June 30, 2008 and 2007, respectively. Deferred revenue is primarily comprised of the \$2,800,000 Comcast Cable Settlement and deferred State Recapture Loans.

Special Revenue Funds
Grant Funds
Quarter Ending June 30, 2008

	Federal Grants 01300	CDBG Grants 01400	Grants Other 01600	Total
Assets				
Cash and cash equivalents	\$2,596,117	\$2,919,826	\$2,775,453	\$8,291,396
Accounts - net	37,383	16,026	556,440	609,849
Intergovernmental Receivables	2,525,417	5,637,929	531,126	8,694,472
Loans receivable-net	3,171,852			3,171,852
Deposits with Fiscal Agents				0
Prepaid Expense		71,087	(141)	70,946
Due From Other Funds			3,900,930	3,900,930
Total Assets	\$8,330,769	\$8,644,868	\$7,763,808	\$24,739,445
Liabilities				
Salaries payable	\$1,028,386	\$1,099,165	\$935,730	\$3,063,281
Accounts payable	605,426	227,069	583,614	1,416,109
Use Taxes Payable	6,622		604	7,226
Due to Other Funds	2,354	5,385,556	56,266	5,444,176
Inter Governmental Payables	1,409		11,459	12,868
Deferred revenue & Contracts	6,945,542		5,919,426	12,864,968
Total Liabilities	8,589,739	6,711,790	7,507,099	22,808,628
Fund Balance	(\$258,970)	\$1,933,078 ¹	\$256,709	\$1,930,817
Total Liabilities and Fund Balance	\$8,330,769	\$8,644,868	\$7,763,808	\$24,739,445
Revenue				
Taxes-Charitable Gambling			\$7,310	\$7,310
Grants and Shared Revenues	\$ 5,741,055	\$7,915,441	4,296,101	17,952,597
Private Contributions			284,233	284,233
Charges for Services		63,499	140,647	204,146
Interest	12,080	8,857	1,024	21,961
Development Fees				
Rent & Commissions		1,450		
Loan Recapture	144,847	228,019	114,744	487,610
Lands & Buildings				0
Equipment				0
Miscellaneous Revenue	1,700	10,066	73,616	85,382
Transfer within Special Revenue Fund				0
Total Revenue	\$5,899,682	\$8,227,332	\$4,917,675	\$19,043,239
Expenditures	\$6,158,652	\$6,294,254	\$5,395,113	\$17,848,019
Revenues Over (Under) Expenditures	(\$258,970)	\$1,933,078 ¹	(\$477,438)	\$1,195,220

¹ These amounts include the 12/31/07 accrued revenue that will be reversed in period 8

CDBG Program Year 33
Beginning June 1, 2007
June 30, 2008

Department	Agy	Project	Budget	Program Income	Revised Budget	2008 Expenditures	Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:								
CPED	890	Adult Training, Placement and Retention	844,000		844,000	313,476	500,984	\$ 343,016
CPED	890	High density corridor housing	801,000		801,000	-	-	801,000
CPED	890	Homeownership Program (GMMHC)	350,500		350,500	-	-	350,500
CPED	890	Industry Cluster Program (Living Wage Jobs)	71,900		71,900	-	-	71,900
CPED	890	Multi-Family/Affordable Housing	4,388,000		4,388,000	-	-	4,388,000
CPED	890	NEDF/CEDF	1,167,000		1,167,000	-	-	1,167,000
CPED	890	NonProfit MF Rental Development Assistance	180,700		180,700	-	-	180,700
CPED	890	Vacant & Boarded Housing	625,000		625,000	772,630	1,132,781	(507,781)
Health & Family Support	860	Childcare Facilities Loan/Grant	233,700		233,700	-	-	233,700
Regulatory Services	835	Lead Reduction	130,800		130,800	145,422	236,707	(105,907)
Regulatory Services	835	Problem Properties Board Bldg	346,240	187,500 ¹	533,740	-	7,612	526,128
Police	400	Problem Properties Police	53,880		53,880	1,012	1,012	52,868
Fire	280	Problem Properties Fire	15,965		15,965	-	-	15,965
City Attorney	140	Problem Properties Attorneys	38,915		38,915	1,948	5,280	33,635
Non-Departmental	123	General Housing Rehabilitation-MPHA	227,700		227,700	-	-	227,700
		Subtotal Capital Grants	<u>9,475,300</u>	<u>187,500</u>	<u>9,662,800</u>	<u>1,234,488</u>	<u>1,884,375</u>	<u>7,778,425</u>
Public Service Grants:								
CPED	890	Mortgage Foreclosure Prevention Program	204,700	100,000 ²	304,700	100,000	400,000	(95,300)
CPED	890	Youth Employment & Training	476,133		476,133	1,700	55,680	420,453
Health & Family Support	860	Advocacy (Housing)	92,600		92,600	38,038	117,974	(25,374)
Health & Family Support	860	Asian Media Access	30,000		30,000	-	2,850	27,150
Health & Family Support	860	Cardondelet Life Care	21,000		21,000	4,810	14,314	6,686
Health & Family Support	860	Child Dental Services	11,000		11,000	-	9,427	1,573
Health & Family Support	860	Curfew/Truancy Center	98,000		98,000	-	98,000	0
Health & Family Support	860	Domestic Abuse Project	40,000		40,000	-	-	40,000
Health & Family Support	860	Fremont Community Health Services	50,000		50,000	35,416	63,454	(13,454)
Health & Family Support	860	Greater Minneapolis Council of Churches	50,000		50,000	8,547	42,595	7,405
Health & Family Support	860	Lao Assistance Center of MN	55,000		55,000	16,500	38,500	16,500
Health & Family Support	860	Living at Home Block Nurse Program	75,000		75,000	38,497	66,041	8,959
Health & Family Support	860	MIGIZI Communications	48,000		48,000	23,108	40,199	7,801
Health & Family Support	860	Minneapolis Urban League	75,000		75,000	23,490	63,317	11,683
Health & Family Support	860	MPS Teenage Parenting & Pregnancy Program	76,000		76,000	36,499	41,367	34,633
Health & Family Support	860	Resource Inc, Employment Action Center	50,000		50,000	21,747	46,041	3,959
Health & Family Support	860	Southside Family Nurturing Center	50,000		50,000	10,000	24,997	25,003
Health & Family Support	860	St Stephens Human Services	50,000		50,000	11,175	28,500	21,500
Health & Family Support	860	Way to Grow	296,000		296,000	72,216	256,962	39,038
Public Works	607	Graffiti Removal on Public Property	91,400		91,400	-	79,622	11,778
Civil Rights	300	Multi Cultural & Native American Indian	132,800		132,800	-	2,948	129,852
		Subtotal Public Service Grants	<u>2,072,633</u>	<u>100,000</u>	<u>2,172,633</u>	<u>441,744</u>	<u>1,492,787</u>	<u>679,846</u>
Administrative Grants:								
CPED	890	Citizen Participation	242,700		242,700	124,853	148,153	94,547
CPED	890	Planning - Administration	878,000		878,000	401,524	815,614	62,386
CPED	890	Program Admin	103,000		103,000	-	35,943	67,057
Health & Family Support	860	Grant Administration	71,900		71,900	30,565	76,755	(4,855)
Health & Family Support	860	Legal Aid Society	35,000		35,000	23,333	43,750	(8,750)
Health & Family Support	860	Neighborhood Services	74,900		74,900	51,340	51,340	23,560
Health & Family Support	860	Way to Grow Administration	27,000		27,000	7,185	21,999	5,001
Finance	820	Finance Administration	205,000		205,000	14,098	14,098	190,902
Grants & Special Projects	800	Grants & Special Projects	244,900		244,900	61,198	168,904	75,996
Grants & Special Projects	800	Housing Discrimination Law Project-Legal Aid	56,900		56,900	14,225	33,202	23,698
Civil Rights	300	Civil Rights Dept Fair Housing	205,000		205,000	-	-	205,000
Non-Departmental	123	MPH Citizen Participation	70,900		70,900	-	-	70,900
Non-Departmental	123	YCB Administration	64,900		64,900	-	64,803	97
		Subtotal Administrative Grants	<u>2,280,100</u>	<u>-</u>	<u>2,280,100</u>	<u>728,320</u>	<u>1,474,560</u>	<u>805,540</u>
	123	Block E Deficit Reduction	0		0			0
		GRAND TOTAL	<u>\$ 13,828,033</u>	<u>\$ 287,500</u>	<u>\$ 14,115,533</u>	<u>2,404,552</u>	<u>4,851,722</u>	<u>\$ 9,263,811</u>

¹ Council Action 2007R-528

² Approved by Finance Officer

Source : Period 12, February 2, 2008 G101M

**CDBG Program Year 32
Beginning June 1, 2006
June 30, 2008**

Department	Agy	Project	Council			Revised Budget	2008 Expenditures	Grant to Date Expenditures	Remaining Grant Budget
			Adopted Budget	Action 2006R-093	Program Income ¹				
Capital Grants:									
CPED	890	Adult Training, Placement and Retention	\$ 580,000	\$ (32,500)		547,500		547,500	\$ -
CPED	890	High density corridor housing	1,000,000	(56,100)		943,900	247,927	249,527	694,373
CPED	890	Homeownership Program (GMMHC)	437,000	(24,600)		412,400		0	412,400
CPED	890	Industry Cluster Program (Living Wage Jobs)	90,000	(5,050)		84,950	8,137	63,657	21,293
CPED	890	Multi-Family/Affordable Housing	4,999,000	(299,000)		4,700,000	1,518,078	2,688,584	2,011,416
CPED	890	NEDF/CEDF	136,000	(7,630)		128,370		0	128,370
CPED	890	NonProfit MF Rental Development Assistance	226,000	(12,679)		213,321	40,000	70,000	143,321
CPED	890	Vacant & Boarded Housing ³	1,154,000	(64,725)	2,000,000	3,089,275		2,351,363	737,912
Health & Family Support	860	Childcare Facilities Loan/Grant	292,000	(16,381)		275,619		0	275,619
Regulatory Services	835	Lead Reduction	163,000	(9,144)		153,856		153,856	0
Regulatory Services	835	Vacant & Boarded Housing-249 List ³	-	-		-		0	-
Regulatory Services	835	Problem Properties Board Bldg	54,900	0		54,900		54,900	0
Police	400	Problem Properties Police	64,050	0		64,050		0	64,050
Fire	280	Problem Properties Fire	18,300	0		18,300		0	18,300
City Attorney	140	Problem Properties Attorneys	45,750	0		45,750	2,912	46,472	(722)
Non-Departmental	123	General Housing Rehabilitation-MPHA	282,000	(15,820)		266,180	82,067	271,182	(5,002)
		Subtotal Capital Grants	<u>9,542,000</u>	<u>(543,629)</u>	<u>2,000,000</u>	<u>10,998,371</u>	<u>1,899,120</u>	<u>6,497,041</u>	<u>4,501,330</u>
Public Service Grants:									
CPED	890	Mortgage Foreclosure Prevention Program	218,000	(13,000)	44,224	249,224		249,224	0
CPED	890	Youth Employment & Training	506,000	(29,000)		477,000		477,000	0
Health & Family Support	860	Advocacy (Housing)	100,000	(5,610)		94,390		94,390	0
Health & Family Support	860	Block Nurse Program	62,000	(3,478)		58,522		56,207	2,315
Health & Family Support	860	Minneapolis Urban League	24,000	(1,346)		22,654		22,318	336
Health & Family Support	860	Curfew/Tuancy Center	98,000	0		98,000		98,000	0
Health & Family Support	860	Early Childhood School Rediness	19,000	(1,066)		17,934		17,934	0
Health & Family Support	860	GMDCA Child Care	135,000	(7,573)		127,427		0	127,427
Health & Family Support	860	Lao Advancement Organization of America	47,000	(2,637)		44,363		44,363	0
Health & Family Support	860	Minneapolis Medical Research Foundation	43,000	(2,412)		40,588		30,601	9,987
Health & Family Support	860	MPS Teenage Parenting & Pregnancy Program	80,000	(4,488)		75,512		75,512	0
Health & Family Support	860	Native American Community Clinic	26,000	(1,459)		24,541		24,540	1
Health & Family Support	860	MELD	38,000	(2,132)		35,868		29,592	6,276
Health & Family Support	860	Child Dental Services	10,000	(561)		9,439		9,439	0
Health & Family Support	860	Cardondelet Life Care	71,000	(3,983)		67,017		67,017	0
Health & Family Support	860	New American Community Services	47,000	(2,637)		44,363		44,349	14
Health & Family Support	860	Southside Community Health Services	47,000	(2,637)		44,363		44,363	0
Health & Family Support	860	Westside Community Health Services	38,000	(2,132)		35,868		32,940	2,928
Health & Family Support	860	YWCA Day Care Scholarships	28,000	(1,571)		26,429		26,429	0
Health & Family Support	860	Neighborhood Healthcare Services	135,000	(7,573)		127,427		127,427	0
Health & Family Support	860	Little Earth Residents Association	33,000	(1,851)		31,149		31,149	0
Health & Family Support	860	Way to Grow	296,000			296,000		296,000	0
Public Works	607	Graffiti Removal on Public Property	97,000	(5,500)		91,500		91,500	0
Civil Rights	300	Multi Cultural & Native American Indian	165,300	(9,320)		155,980		155,914	66
		Subtotal Public Service Grants	<u>2,363,300</u>	<u>(111,966)</u>	<u>44,224</u>	<u>2,295,558</u>	<u>0</u>	<u>2,146,207</u>	<u>149,351</u>
Administrative Grants:									
CPED	890	Citizen Participation	303,000	(17,000)		286,000	11,307	286,857	(857)
CPED	890	Planning - Administration	1,146,800	(105,907)		1,040,893		1,040,893	0
CPED	890	Program Admin	8,900	41,100		50,000		50,000	0
Health & Family Support	860	Grant Administration	90,000	(5,005)		84,995		84,995	0
Health & Family Support	860	Legal Aid Society	44,000	(2,903)		41,097		41,097	0
Health & Family Support	860	Neighborhood Services	94,000	(5,269)		88,731		88,731	0
Health & Family Support	860	Way to Grow Administration	34,000	(2,244)		31,756		31,756	0
Finance	820	Finance Administration	255,000	(14,025)		240,975	99,802	201,847	39,128
Grants & Special Projects	800	Grants & Special Projects	206,000	(17,335)		188,665		188,665	0
Grants & Special Projects	800	Homeless Initiative	100,000			100,000	35,783	80,010	19,990
Grants & Special Projects	800	Housing Discrimination Law Project-Legal Aid	71,000	(3,751)		67,249		67,249	0
Grants & Special Projects	800	Metro Fair Housing-Multi Jurisdictional	16,000	(16,000)		0		0	0
Civil Rights	300	Civil Rights Dept Fair Housing	255,000	(14,025)		240,975		106,816	134,159
Non-Departmental	123	Administration YCB	57,000	0		57,000		57,000	0
Non-Departmental	123	Citizen Participation MPHA	88,000	(4,895)		83,105		29,314	53,791
		Subtotal Administrative Grants	<u>2,768,700</u>	<u>(167,259)</u>	<u>0</u>	<u>2,601,441</u>	<u>146,892</u>	<u>2,355,231</u>	<u>246,210</u>
	123	Block E Deficit Reduction	0	0	0	0		0	0
		GRAND TOTAL	<u>\$ 14,674,000</u>	<u>\$ (822,854)</u>	<u>#####</u>	<u>#####</u>	<u>\$ 2,046,013</u>	<u>\$ 10,998,480</u>	<u>\$ 4,896,890</u>

¹ Council Action 2006R-146

² Council Action 2006R-355

³ Council Action 2006R-356, 2006R-047 authorized and later rescinded Agency 835 \$125,000 249 List program spending that was to be funded from reduction in Agency 890 Boarded Building spending.

**CDBG Program Year 31
Beginning June 1, 2005
June 30, 2008**

Department	Agy	Project	Adopted Budget	Council Agency Actions	Revised Budget	2008 Expenditures	Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:								
CPED	890	Adult Training, Placement and Retention	\$ 610,878		\$ 610,878		\$ 610,878	\$ -
CPED	890	High density corridor housing	953,008		953,008	102,826	1,016,819	(63,811)
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	0
CPED	890	Multi-Family/Affordable Housing	4,898,461		4,898,461	283,671	4,889,434	9,027
CPED	890	NEDF/CEDF	142,951		142,951	15,275	15,275	127,676
CPED	890	NonProfit MF Rental Development Assistance	238,252		238,252	54,527	140,000	98,252
CPED	890	Residential Loan/Grant	571,805		571,805	155,550	373,363	198,442
CPED	890	Vacant & Boarded Housing	1,200,000		1,200,000		1,201,330	(1,330)
Health & Family Support	860	Childcare Facilities Loan/Grant	306,869		306,869	1,306	24,750	282,119
Regulatory Services	835	Lead Reduction	171,541		171,541		171,541	0
Regulatory Services	835	Problem Properties Board Bldg	49,557	23,825	73,382		44,966	28,416
Police	400	Problem Properties Police	71,476		71,476		30,246	41,230
Fire	280	Problem Properties Fire	23,825	(23,825)	0		-	0
City Attorney	140	Problem Properties Attorneys	47,650		47,650		47,650	0
Non-Departmental	123	General Housing Rehabilitation-MPHA	297,338		297,338		297,338	0
		Subtotal Capital Grants	<u>10,117,133</u>	<u>0</u>	<u>10,117,133</u>	<u>613,156</u>	<u>8,957,939</u>	<u>1,159,194</u>
Public Service Grants:								
CPED	890	Mortgage Foreclosure Prevention Program	238,252		238,252		238,252	0
CPED	890	Youth Employment & Training	541,309		541,309		541,309	0
Health & Family Support	860	Advocacy (Housing)	104,831		104,831		104,831	0
Health & Family Support	860	Block Nurse Program	66,000		66,000		66,000	0
Health & Family Support	860	Child Dental Services	11,000		11,000		11,000	0
Health & Family Support	860	Curfew/Truancy Center	99,113		99,113		99,113	0
Health & Family Support	860	Early Childhood School Rediness	90,412	(15,247)	75,165		75,165	0
Health & Family Support	860	GMDCA Child Care	142,500	14,568	157,068		157,068	0
Health & Family Support	860	HIV/AIDS	45,000	(1,939)	43,061		43,061	0
Health & Family Support	860	Lao Advancement Organization of America	50,000	(41)	49,959		49,959	(0)
Health & Family Support	860	Minneapolis Community Clinics	335,561	5,455	341,016		341,016	0
Health & Family Support	860	MPS Teenage Parenting & Pregnancy Program	85,000		85,000		85,000	0
Health & Family Support	860	MUL-Mental Health	25,000	(2,623)	22,377		22,377	0
Health & Family Support	860	New American Community Services	50,000	(173)	49,827		49,827	0
Health & Family Support	860	School Success Programs	35,000		35,000		35,000	0
Health & Family Support	860	Way to Grow	295,432		295,432		295,432	0
Public Works	607	Graffiti Removal on Public Property	101,972		101,972		101,972	0
Civil Rights	300	Multi Cultural & Native American Indian	166,776		166,776		166,776	0
		Subtotal Public Service Grants	<u>2,483,158</u>	<u>(0)</u>	<u>2,483,158</u>	<u>0</u>	<u>2,483,157</u>	<u>1</u>
Administrative Grants:								
CPED	890	Citizen Participation	328,788		328,788		314,253	14,535
CPED	890	Planning - Administration	1,230,400		1,230,400		963,913	266,487
CPED	890	Program Admin	13,657		13,657		13,657	0
Health & Family Support	860	Grant Administration	95,301		95,301		95,301	0
Health & Family Support	860	Legal Aid Society	46,697		46,697		46,697	0
Health & Family Support	860	Neighborhood Services	101,972	(54,989)	46,983		46,983	0
Health & Family Support	860	Way to Grow Administration	34,308		34,308		34,308	0
Finance	820	Finance Administration	271,607	(22,193)	249,414		249,414	0
Grants & Special Projects	800	Grants & Special Projects	219,192	(46,005)	173,187		173,187	0
Grants & Special Projects	800	Housing Discrimination Law Project-Legal Aid	76,241		76,241		76,241	0
Grants & Special Projects	800	Metro Fair Housing-Multi Jurisdictional	17,154		17,154		0	17,154
Civil Rights	300	Fair Housing Initiative/Davis Bacon Compliance	257,312		257,312		256,788	524
Non-Departmental	123	Administration YCB	56,227		56,227		56,227	0
Non-Departmental	123	Citizen Participation MPHA	93,395		93,395		53,395	40,000
		Subtotal Administrative Grants	<u>2,842,251</u>	<u>(123,187)</u>	<u>2,719,064</u>	<u>0</u>	<u>2,380,365</u>	<u>338,700</u>
	123	Block E Deficit Reduction	<u>0</u>	<u>123,187</u>	<u>123,187</u>	<u>0</u>	<u>0</u>	<u>123,187</u>
		GRAND TOTAL	<u>\$ 15,442,542</u>	<u>\$ (0)</u>	<u>\$ 15,442,542</u>	<u>\$ 613,156</u>	<u>\$ 13,821,461</u>	<u>\$ 1,621,081</u>

¹ Council Action 2007R-266

² Agency Change in CDBG Program Funding

³ 2005R-618 Council Action Reprograming CDBG funds for Block E Reduction.

CDBG Program Year 30
Beginning June 1, 2004
June 30, 2008

Department	Agy	Project	Adopted 2003R-610	Amended Budget	Council Action 2005R-618	Revised Budget	2008 Expenditures	Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:									
CPED	890	Adult Training, Placement & Retention	\$ 641,000	\$ 639,823		\$ 639,823		\$ 639,823	\$ -
CPED	890	High Density Corridor Housing	1,000,000	998,164		998,164		998,164	0
CPED	890	Home Ownership Program (GMMHC)	465,000	464,146		464,146	11,036	43,959	420,187
CPED	890	Industrial Cluster Training (Living Wage Jobs)	99,000	98,818		98,818		98,818	0
CPED	890	Multi Family Affordable Housing	5,390,000	5,380,106		5,380,106		5,286,081	94,025
CPED	890	Neighborhood/Commercial Economic Dev Fd	150,000	149,725		149,725	170,949	170,949	(21,224)
CPED	890	Residential Loan / Grant	444,000	443,185		443,185		443,185	0
CPED	890	Vacant/Boarded Housing Program	1,000,000	998,164		998,164		998,164	0
CPED	890	VHR Distressed	393,000	392,279		392,279		220,374	171,905
Health & Family Support	860	GMDCA- Child care facilities	323,000	322,407		322,407		322,407	0
Inspections Department	850	Hud Lead Program	180,000	34,353		34,353		34,353	0
Licenses & Consumer Services	835	Boarded Building Demolition	202,000	201,629		201,629		198,608	3,021
Regulatory Services	835	Hud Lead Program		145,317		145,317		132,373	12,944
Non Departmental	123	General Housing Rehabilitation-MPHA	313,000	312,425		312,425		312,425	0
		Subtotal Capital Grants	<u>10,600,000</u>	<u>10,580,541</u>	<u>-</u>	<u>10,580,541</u>	<u>181,985</u>	<u>9,899,684</u>	<u>680,857</u>
Public Service Grants:									
CPED	890	Mortgage Foreclosure Program	250,000	249,541		249,541		249,541	0
CPED	890	Youth Employment & Training	568,000	566,957		566,957		566,957	0
Health & Family Support	860	Advocacy	110,000	86,033		86,033		86,033	0
Health & Family Support	860	Block Nurse prg	66,000	65,879		65,879		65,879	0
Health & Family Support	860	Child Dental Services	11,000	10,980		10,980		10,980	0
Health & Family Support	860	Curfew Truancy Center	104,000	103,809		103,809		103,809	0
Health & Family Support	860	Domestic Abuse Prevention	58,000	57,894		57,894		57,894	0
Health & Family Support	860	GMDCA- Child care sliding fee	301,000	300,447		300,447		300,447	0
Health & Family Support	860	Head Start	66,000	65,879		65,879		65,879	0
Health & Family Support	860	Minnesota Aids Project	23,000	22,958		22,958		22,958	0
Health & Family Support	860	MPLS Community Clinics	261,000	260,521		260,521		256,951	3,570
Health & Family Support	860	Senior Services	61,000	60,888		60,888		56,178	4,710
Health & Family Support	860	Tubman Family Alliance	41,000	40,925		40,925		40,925	0
Health & Family Support	860	Volunteers of America	80,000	79,853		79,853		79,853	0
Health & Family Support	860	Way To Grow	311,000	310,429		310,429		310,428	1
Regulatory Services	835	Groundworks	17,000	16,969		16,969		16,969	0
Public Works	607	Graffiti Removal	107,000	106,804		106,804		106,804	0
Civil Rights	300	Multicultural Services	101,749	101,529		101,529		101,529	0
Civil Rights	300	American Indian Advocacy	0	23,765		23,765		23,765	0
Park & Recreation Board	127	Teamworks	15,000	14,972		14,972		14,972	0
		Subtotal Public Service Grants	<u>2,551,749</u>	<u>2,547,032</u>	<u>0</u>	<u>2,547,032</u>	<u>0</u>	<u>2,538,751</u>	<u>8,281</u>
Administrative Grants:									
CPED	890	Citizen (Resident) Participation	346,000	345,365		345,365		345,365	0
CPED	890	Neighborhood Business Association	174,000	173,681		173,681		173,681	0
CPED	890	Planning Administration	1,213,000	1,210,773		1,210,773		976,128	234,645
CPED	890	Program Administration	75,000	74,862		74,862		74,862	0
Health & Family Support	860	Grant Administration	100,000	99,816		99,816		99,816	0
Health & Family Support	860	Legal Aid Services	49,000	48,910		48,910		48,910	0
Health & Family Support	860	Neighborhood Services Administration	162,000	161,703	(79,096)	82,607		82,607	0
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	0
Finance Department	820	General Administration Finance	343,000	342,370	(89,801)	252,569		252,569	0
Grants and Special Projects	800	Administration	230,000	229,579	(25,237)	204,342		204,342	0
Grants and Special Projects	800	Metro Fair Housing-Multi Jurisdictional	18,000	17,967		17,967		10,655	7,312
Grants and Special Projects	800	Housing Discrimination Law Project-Legal Aid	80,000	79,853		79,853		79,853	0
Civil Rights	300	Fair Housing Initiative	190,000	189,651		189,651		189,651	0
Non Departmental	123	Citizen (Resident) Participation-MPHA	98,000	97,820		97,820		93,608	4,212
Non Departmental	123	Youth Coordinating Board (YCB)	59,000	58,892		58,892		58,892	0
		Subtotal Administrative Grants	<u>3,191,251</u>	<u>3,185,427</u>	<u>(194,135)</u>	<u>2,991,292</u>	<u>0</u>	<u>2,745,123</u>	<u>246,169</u>
	123	Block E Deficit Reduction	0	0	194,135	194,135	0	0	194,135
		GRAND TOTAL	<u>\$ 16,343,000</u>	<u>\$ 16,313,000</u>	<u>\$ -</u>	<u>\$ 16,313,000</u>	<u>\$ 181,985</u>	<u>\$ 15,183,559</u>	<u>\$ 1,129,441</u>

**City of Minneapolis
Engineering, Materials, and Testing
For the Second Quarter ending June 30, 2008**

Fund 6000	2008 Budget	2008 2nd Quarter	Remaining Budget	% of Actual To Budget
Revenue including Transfers	4,381,000	1,138,240	3,242,760	30.0%
Expenses including Transfers	4,450,307	1,222,266	3,228,041	27.5%
Revenue over(under) Expenses	(69,307)	(84,025)		

Program Description:

The Engineering, Materials and Testing Fund accounts for the City purchases of Hot-Mix Asphalt and Ready-Mix Concrete. This fund monitors quality control for the placement of these materials and assures compliance with State and Federal standards and specifications. The Engineering Laboratory is a component of this fund and provides 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 reviewing various options for supplying asphalt. In 2006, the City decided to permanently close the City of Minneapolis Asphalt Plant. Currently, an asphalt storage silo distribution facility is used to distribute asphalt to City departments. The demand for asphalt has decreased due to a decrease in capital expenditures.

Revenue:

The revenue sources for this fund include the sale of procured Hot-Mix Asphalt and Ready-Mix Concrete materials and inspection and testing services. Paving construction is the fund's primary customer. The demand for products is seasonal beginning in April and concluding in late November. Operating revenues through the second quarter are \$1,138,240, or 26.0% of the budgeted amount of \$4,381,000. Revenues are primarily dependent on the construction season which begins in late spring. The fund incurred a \$84,025 loss for the six months ending June 30, 2008. This loss is primarily due to timing differences of recording revenue and expenditures related to services and supplies provided for construction.

Expenses:

Total expenditures for period ending second quarter are \$1,222,266 or 30.0% of the \$4,450,307 budget. The spending levels fluctuate due to the customer's seasonal requirements for products and services. For the second quarter, procurement of Hot-Mix Asphalt and Ready-Mix Concrete materials accounted for 50.9% of the total expenditures.

Transfers:

The fund has a 2008 non-operating budget transfer of \$53,000 related to debt service for the Minneapolis Employees Retirement Funds' unfunded pension liability.

Net Assets:

This fund maintained a favorable position related 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, significant fluctuations for products and services occurred. The 2007 year end net asset balance was \$196,192 which represented a decrease of \$70,854 from the 2006 ending balance of \$267,046.

City of Minneapolis, Minnesota
Engineering, Materials and Testing Fund
Statement of Revenues and Expenses
For Second Quarter/Years Ending 2008, 2007, and 2006

	Budget Current Year 2008	Projected Year Ending 2008	For Period Ending 30-Jun-08	For Year Ending 2007	For Period Ending 30-Jun-07	For Year Ending 2006	For Period Ending 30-Jun-06
Operating Revenues:							
Asphalt / Concrete ¹	3,381,000	3,381,000	699,935	3,251,259	455,936	3,179,554	288,960
Inspection revenue	1,000,000	1,000,000	438,305	846,122	196,748	828,035	297,406
Total Operating Revenues	4,381,000	4,381,000	1,138,240	4,097,381	652,684	4,007,589	586,366
Operating Expenses:							
Personnel	957,707	957,707	337,796	774,687	361,683	781,657	397,468
Contractual	531,685	531,685	202,466	321,108	114,684	330,072	149,672
Materials/Other ¹	2,792,545	2,792,545	623,631	2,901,513	271,073	2,903,923	146,142
Rent	46,007	46,007	23,004	96,378	48,189	55,160	27,580
Depreciation	17,737	17,737	8,869	17,349	8,869	19,352	9,629
Total Operating Expenses	4,345,681	4,345,681	1,195,766	4,111,034	804,497	4,090,164	730,491
Operating Margin	35,319	35,319	(57,525)	(13,653)	(151,813)	(82,575)	(144,125)
Non-Operating Revenues/(Expenses)							
Transfer from other fund	-	-	-	-	-	-	-
Transfers to other fund	(53,000)	(53,000)	(26,500)	(42,000)	(21,000)	(22,123)	-
Gains (Losses)	-	-	-	-	-	-	-
Total Non-Operating Revenues (Expenses)	(53,000)	(53,000)	(26,500)	(42,000)	(21,000)	(22,123)	-
Net Income	(17,681)	(17,681)	(84,025)	(55,653)	(172,813)	(104,698)	(144,125)

**City of Minneapolis
Fleet Services Division
For the Second Quarter ending June 30, 2008**

Fund 6100	2008 Budget	2008 2nd Quarter	Remaining Budget	% of Actual To Budget
Revenue including transfers	47,054,500	20,896,042	26,158,458	44.4%
Expenses including transfers	44,043,211	19,172,551	24,870,660	43.5%
Revenue Over (Under) Expenses	3,011,289	1,723,491		

Program Description:

The Fleet Services Fund manages 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. This fund also provides drivers and operators for equipment and manages the dispatch of City-owned and contractual equipment.

Revenue:

The revenue for this fund is earned from charges to City departments (customers) for rental of equipment, maintenance of equipment and the sale of fuel. The rates charged are set at the beginning of the year to match the corresponding expenses, including overheads that are required to be recovered. In 2008, the revenue through the second quarter is \$20,896,042 and closely matches the expenses of \$19,172,551. Revenue earned through the first two quarters of 2008 did not significantly increase over that earned in same period of 2007. The revenue earned from yearly and monthly rental of equipment increased due to an increase in rates. Revenue earned from charges for services and sales is decreased due to a decrease in City construction and the resulting decrease in equipment use.

Expenses:

Personnel expenditures through the second quarter 2008 are 35.9% of the total expenditures. This fund provides mechanics to maintain the equipment and also drivers and operators for the machinery that is used in construction and snow plowing. Expenses are following revenues and are tracking slightly increased over the same period in 2007 due to an increase in contractual services.

Transfers:

This fund receives a transfer in of \$4.18 million in 2008 from the general fund in accordance with the accepted workout plan. An equal transfer amount occurred in 2007. The fund has a transfer out of \$453,000 to cover debt service related to the Minneapolis Employees Retirement Fund's unfunded pension liability.

Net Assets:

Net assets for the year ended 2007 are \$21.7 million which is an increase of \$3.3 million from 2006 net asset balance of \$18.4 million. The fund has a long-term financial plan in place since 2001. The increase in net assets is consistent with the plan and is expected to increase over the next decade as the fund continues to replace old equipment and pay off the \$32.2 million in bonds that are currently outstanding. The financial plan for this fund eliminated the sale of bonds to support the equipment purchases.

City of Minneapolis
Fleet Services Fund
Statement of Revenue and Expenses
For Second Quarter / Years Ending 2008, 2007, and 2006

	Budget Current Year 2008	Projected Year Ending 2008	For Period Ending 30-Jun-08	For Year Ending 2007	For Period Ending 30-Jun-07	For Year Ending 2006	For Period Ending 30-Jun-06
Operating Revenues:							
Charges for Services and Sales	15,670,000	14,140,666	7,070,333	16,859,053	7,838,005	14,757,349	5,982,442
Rent Public Works and Other	27,004,000	23,201,174	11,600,587	22,360,887	10,804,673	23,137,121	11,229,514
Total Operating Revenue	42,674,000	37,341,840	18,670,920	39,219,940	18,642,679	37,894,470	17,211,956
Operating Expenditures:							
Personal Services	18,338,879	13,774,224	6,887,112	15,333,808	7,612,854	14,726,580	7,767,002
Contractual Services	9,052,696	8,518,531	4,259,265	8,499,738	3,446,669	8,931,206	3,291,187
Materials, supplies, services and other	4,618,579	8,419,291	4,209,645	5,086,495	2,057,491	3,017,217	1,508,572
Rent	997,955	997,955	498,978	980,092	490,046	964,030	482,015
Cost of Stores Issuance ¹	4,400,000	-	-	4,418,735	2,032,914	4,166,254	2,028,958
Depreciation ²	4,669,452	4,669,452	2,334,726	5,148,715	2,334,726	5,517,018	2,402,450
Total Operating Expenses	42,077,561	36,379,453	18,189,726	39,467,583	17,974,699	37,322,305	17,480,184
Operating Margin	596,439	962,387	481,194	(247,642)	667,980	572,165	(268,228)
Non-Operating Revenues/(Expenses):							
Interest Revenue	500	-	(171)	791	117	1,384	899
Interest on Bonds	(1,512,650)	(1,512,650)	(756,325)	(1,732,900)	(866,450)	(1,949,950)	(974,975)
Gains/Losses on disposal of fixed assets	200,000	-	-	281,943	408,681	100,151	117,036
Damages/Losses recovered	-	632	316	4,338	3,107	45,958	39,706
Other Revenue	-	269,955	134,977	-	-	-	-
Total Non-Operating Revenues(Expenses)	(1,312,150)	(1,242,063)	(621,203)	(1,445,828)	(454,545)	(1,802,457)	(817,334)
Operating Transfers in (out)							
Transfers from other fund	4,180,000	4,180,000	2,090,000	4,180,000	2,090,000	4,180,000	2,090,000
Transfers to other fund	(453,000)	(453,000)	(226,500)	(332,000)	(166,000)	(130,669)	(65,335)
Total Operating Transfers	3,727,000	3,727,000	1,863,500	3,848,000	1,924,000	4,049,331	2,024,665
Net Income	3,011,289	3,447,324	1,723,491	2,154,530	2,137,435	2,819,039	939,103
Significant Balance Sheet Items							
Fleet Purchases			3,481,339	4,356,604	1,927,020	6,646,400	2,491,885
Operating Cash				200,262	4,211,406	2,036,301	4,047,680
Net Building Value				25,221,580	25,524,147	25,821,732	26,124,550
Net Fleet Value				27,721,241	25,788,108	27,859,227	24,811,220
Bonds Payable			32,245,000	33,415,028	39,136,041	39,136,041	44,967,054
Significant Cash Flow Items							
Principal on Work out Bonds	(1,885,000)	(1,885,000)	(942,500)	(5,235,000)	(2,617,500)	(6,377,700)	(3,188,850)
Principal on Facilities Bonds	(525,000)	(525,000)	(262,500)	(395,000)	(197,500)	(1,312,250)	(656,125)

²Depreciation has not been recorded in 2008. The 2007 2nd quarter depreciation is used as an estimate.

**City of Minneapolis
Property Services Division
For the Second Quarter ending June 30, 2008**

Fund 6200	2008 Budget	2008 2nd Quarter	Remaining Budget	% of Actual To Budget
Revenue including Transfers	17,438,000	8,634,087	8,803,913	49.5%
Expenses	17,975,634	9,260,891	8,714,743	51.5%
Revenue over(under) Expenses	(537,634)	(628,804)		

Program Description:

The Property Services Fund is responsible for the maintenance and upkeep of City owned buildings including police precinct structures, fire stations, public works buildings and parking structures. The fund does not manage City Hall or Water and Park Board buildings. The fund is also responsible for 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 configured to enable the fund to charge the correct amount for its goods and services to match its expenses. Operating revenue for second quarter 2008 is \$8,300,087 a decrease of less than 0.1% compared to the same period in 2007. Rate increases for 2008 property service rents increased an average of 5.0%. The revenue earned from providing services is slightly decreased from the same period in 2007.

Expenses:

The operating expenditures through the second quarter are \$9,050,510, a slight decrease of 1.6% as compared to the expenditure of \$9,194,071 through second quarter of 2007. Personnel expenses provide labor used to maintain property and account for approximately 44.1% of operating expenditures.

Transfers:

Property Services is responsible for paying \$350,000 per year in debt service. In 2008 the debt service consists of \$655,000 in principal payment and \$332,763 of interest. Each year, the general fund transfers an amount to cover the difference between the \$350,000 and the total debt payment for the year. In 2008, the transfer amount is \$668,000. There is also a transfer out of \$88,000 related to the debt service for the Minneapolis Employees Retirement Fund's unfunded pension liability.

Net Assets:

In 2002 the City began capitalizing all of its assets, including buildings that are included in this fund. The rate model for this fund does not recover the depreciation costs related to these assets. At year end 2007, the fund has a net asset position of \$27.9 million a decrease of \$0.7 million from the 2006 balance of \$28.6 million. The depreciation of capital assets will continue to decrease the net asset position.

City of Minneapolis, Minnesota
Property Services Fund
Statement of Revenues and Expenses
For Second Quarter / Years Ending 2008, 2007, and 2006

	Budget Current Year 2008	Projected Year Ending 2008	For Period Ending 30-Jun-08	For Year Ending 2007	For Period Ending 30-Jun-07	For Year Ending 2006	For Period Ending 30-Jun-06
Operating Revenues:							
Charges for Services And Sales	8,335,500	8,859,646	4,429,823	11,614,196	4,594,692	8,428,660	3,285,128
Rents Public Works and Other	8,434,500	7,740,527	3,870,264	7,306,214	3,752,223	7,266,776	3,523,818
Total Operating Revenue	16,770,000	16,600,173	8,300,087	18,920,410	8,346,915	15,695,436	6,808,946
Operating Expenses:							
Personal Services	8,185,105	7,990,000	3,995,000	8,086,044	3,785,848	7,561,286	3,744,820
Contractual Services	5,637,849	7,608,876	3,804,438	8,250,828	3,873,078	6,561,024	2,797,456
Materials, Supplies, Services and Other	2,287,877	1,058,104	529,052	1,888,872	824,988	1,593,335	682,266
Rent	221,430	221,430	110,715	197,703	98,852	194,038	97,019
Depreciation ¹	1,222,610	1,222,610	611,305	1,226,033	611,305	1,243,378	619,829
Total Operating Expenses	17,554,871	18,101,019	9,050,510	19,649,480	9,194,071	17,153,061	7,941,390
Operating Margin	(784,871)	(1,500,846)	(750,423)	(729,069)	(847,156)	(1,457,625)	(1,132,444)
Non-Operating Revenues/(Expenses):							
Interest Revenue	-	(61)	(30)	83	3	20	4
Interest on Bonds	(332,763)	(332,763)	(166,381)	(357,363)	(178,681)	(383,563)	(191,781)
Total Non-Operating Revenues(Expenses)	(332,763)	(332,823)	(166,412)	(357,280)	(178,678)	(383,543)	(191,777)
Operating Transfers in(out)							
Transfers from other fund	668,000	668,000	334,000	653,000	326,500	843,600	421,800
Transfers to other fund	(88,000)	(88,000)	(44,000)	(69,000)	(284,500)	(31,089)	(15,545)
Total Operating Transfers	580,000	580,000	290,000	584,000	42,000	812,511	406,255
Net Income	(537,634)	(1,253,669)	(626,835)	(502,349)	(983,835)	(1,028,657)	(917,966)
Significant Balance Sheet Items							
Operating Cash				829,006	(1,494,507)	37,714	284,121
Bonds Payable			8,070,000	(8,262,505)	(8,896,144)	(8,896,144)	(9,569,783)
Significant Cash Flow Items							
Bond Principle payments	(655,000)	(655,000)	(327,500)	(615,000)	(307,500)	(655,000)	(163,750)

¹Depreciation has not been posted in 2008. The 2007 depreciation amounts are recorded as 2008 estimates.

**City of Minneapolis
Public Works Stores
For the Second Quarter ending June 30, 2008**

Fund 6300	2008 Budget	2008 2nd Quarter	Remaining Budget	% of Actual To Budget
Revenue including transfers	3,689,500	1,590,000	2,099,500	43.1%
Expenditures including transfers	3,687,330	1,599,419	2,087,911	43.4%
Revenue over(under) Expenses	2,170	(9,419)		

Program Description:

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

Revenue:

Revenues through the second quarter 2008 were not posted correctly for this fund due to an implementation problem with the inventory module of the new financial system. For the first two quarters of 2008, revenues are based on the expenditures of that period with the addition of applicable overheads and totaled \$1,590,000 or 43.1% of the \$3,689,500 annual budget. The 2008 revenue projection is based on historic and 2008 budgeted amounts.

Expenses:

The total expenditures through the first two quarters are \$1,599,419, which is 43.4% of the annual budget. An implementation problem with the inventory module of the financial system resulted in expenditures for inventory to be recorded in materials/other and did not record the cost of stores issuance. The 2008 projection for materials/other and cost of stores issuance is based on historical and budgeted amounts. Because the current budget amount for cost of stores issuance includes only traffic stores, the projection was increased by \$750,000 to include the additional cost of goods that are sold through central stores.

Transfers:

The 2008 non-operating transfer of \$31,000 is for payment of debt related to the Minneapolis Employees Retirement Fund's unfunded pension liability.

Net Assets:

The Public Works Stores Fund has been successful and profitable in recent years. The fund continues to maintain positive equity with a net asset balance at year-end 2007 of \$3.5 million, an increase of \$0.1 million from the 2006 ending balance of \$3.4 million.

City of Minneapolis, Minnesota
Public Works Stores
Statement of Revenues and Expenses
For the Second Quarter/Years Ending 2008, 2007, and 2006

	Budget Current Year 2008	Projected Year End 2008	For Period Ending 30-Jun-08	For Year Ending 2007	For Period Ending 30-Jun-07	For Year Ending 2006	For Period Ending 30-Jun-06
Operating Revenues:							
Central Stores ¹	1,729,500	1,635,000	640,000	1,302,372	378,556	1,507,113	637,708
Traffic Stores ¹	1,960,000	2,800,000	950,000	3,032,600	2,034,073	2,890,375	1,336,620
Total Operating Revenues	3,689,500	4,435,000	1,590,000	4,334,972	2,412,629	4,397,488	1,974,328
Operating Expenses:							
Personnel	678,587	735,101	367,551	713,774	337,657	618,339	299,553
Contractual	280,604	239,595	119,797	248,872	88,028	229,538	115,927
Materials/Other ²	246,611	150,000	1,082,308	61,138	3,276	92,184	28,512
Rent	28,528	28,527	14,264	25,154	12,577	68,376	34,188
Cost of Stores Issuance ³	2,422,000	3,172,000	-	3,095,634	1,781,186	3,061,633	1,360,504
Total Operating Expenses	3,656,330	4,325,223	1,583,919	4,144,572	2,222,724	4,070,070	1,838,684
Operating Margin	33,170	109,777	6,081	190,400	189,905	327,418	135,644
Non-Operating Revenues/(Expenses)							
Interest Income (Expense)	-	-	-	-	-	757	-
Total Non-Operating Revenues (Expenses)	-	-	-	-	-	757	-
Operating Transfer In (Out)							
Transfers from other fund	-	-	-	-	-	-	-
Transfers to other fund	(31,000)	(31,000)	(15,500)	(11,000)	(5,500)	-	-
Total Operating Transfers	(31,000)	(31,000)	(15,500)	(11,000)	(5,500)	-	-
Net Income	2,170	78,777	(9,419)	179,400	184,405	328,174	135,644
Significant Balance Sheet Items							
Operating Cash				(561,054)	(846,860)	(877,261)	(55,925)
Accounts Receivable				16,162	9,421	24,384	15,331
Inventories				4,364,386	4,441,857	5,009,908	3,272,387
Accounts Payable				(204,535)	(3,536)	(722,112)	(3,709)
Salaries Payable				(53,032)	(37,273)	(45,705)	(40,913)

¹Revenues have not been posted to this fund for 2008. Revenues for period ending June 2008 are based on expenditures for the same period. Revenue projections for 2008 are based on historic and budgeted amounts.

²In 2008, the Cost of Store Issuance was recorded in Materials/Other due to a problem with the implementation of the inventory financial system. The 2008 projection for Materials and Cost of Stores Issuance is based on historical and budgeted amounts.

³The 2008 projection for Cost of Stores Issuance is increased by \$750,000 over the budgeted current amount to include the cost of goods sold through central stores. The budgeted amount includes only traffic stores.

**City of Minneapolis
Intergovernmental Service Fund
For the Second Quarter ending June 30, 2008**

Fund 6400	2008 Budget	2008 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue including Transfers	46,234,207	22,830,370	23,403,837	49.4%
Operating Expenditures including Transfers	35,111,417	18,201,568	16,221,412	51.8%
Operating Revenue Over (Under) Expenditures	11,122,790	3,628,802		

Program Description:

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

Revenue:

Operating revenue through the second quarter of 2008 is \$22,830,370 or 49.4% of the annual budgeted amount of \$46,234,207. Revenue sources include mailing and copying services, telecom charges, Project Management Operations (PMO) projects, and BIS charges based on the rate model. The revenue for BIS is driven by rates charged for services and customers' technology needs. The BIS rate model uses the expense budget, depreciation, and overhead to determine technology rates. Second quarter revenues include a transfer from the general fund of \$5.8 million. The fund also receives debt service transfers based on the deficit reduction plan for the fund.

Expenses:

Operating expenses through the second quarter are \$18,201,568, or 51.8% of the annual budget. Expenses typically exceed revenue in the PMO area in the project initiation phase until a proposal is signed by the customer department and funding has been identified. As projects are added to the BIS-PMD cost center, the revenue and expenditure budgets increase as funding for projects is provided by the customer. Expenditures are recorded throughout the duration of the project. Interest payments on bonded debt will total \$1.6 million for the fiscal year.

Financial:

The Intergovernmental Services Fund is tracking positively to increase its net asset position. The net asset balance for 2007 was a deficit of \$13.6 million which is an increase in net assets of \$10.2 million from the deficit of \$23.8 million in 2006. Net assets have increased due to use of a rate model to determine charges for service, a transfer from the general fund that is provided through the workout plan, and an increased level of activity in the Project Management Operations area.

City of Minneapolis, Minnesota
Intergovernmental Services Fund
Statement of Revenues and Expenses
For Second Quarter/Years Ending 2008, 2007 and 2006

	Budget Current Year 2008	Projected Year 2008	For Period Ending 30-Jun-08	For Year Ending 2007	For Period Ending 30-Jun-07	For Year Ending 2006	For Period Ending 30-Jun-06
Operating Revenues:							
Charges for Service:							
BIS - PMO	11,319,026	11,053,829	5,526,914	14,786,540	7,706,422	14,523,182	7,310,274
BIS-Telecom	2,949,544	3,083,338	1,541,669	5,774,633	2,396,593	6,382,488	3,115,827
BIS - Operating-other	19,183,931	19,131,771	9,565,885	14,113,515	6,326,685	12,836,673	6,082,016
CC-Mailing Services	495,400	187,504	93,752	592,115	256,527	461,425	180,526
CC-Copy Services	515,306	432,998	216,499	623,486	364,703	914,431	289,563
Human resources	-	300	150	-	-	-	-
Total Operating Revenues	34,463,207	33,889,741	16,944,870	35,890,289	17,050,930	35,118,198	16,978,206
Operating Expenses:							
BIS - PMO	11,044,000	14,221,748	7,110,874	17,414,577	9,453,188	15,206,006	7,233,450
BIS - Telecom	2,008,257	1,801,922	900,961	1,641,475	777,359	1,628,910	811,153
BIS - Operating-other	20,453,895	18,951,018	9,475,509	19,558,478	7,719,054	17,742,917	8,441,688
CC-Mailing Services/Data Center	559,532	590,030	295,015	677,378	301,215	455,598	204,124
CC-Copy Services	607,036	525,702	262,851	670,010	331,372	790,217	373,671
Human resources	246,697	120,716	60,358	198,123	44,280	195,437	106,041
Total Operating Expenses	34,919,417	36,211,136	18,105,568	40,160,041	18,626,468	36,019,085	17,170,127
Operating Margin	(456,210)	(2,321,395)	(1,160,698)	(4,269,752)	(1,575,538)	(900,887)	(191,921)
Non-Operating Revenues/(Expenses)							
Gains (Losses)	-	-	-	-	-	(31,852)	(44,707)
Depreciation	(2,393,160)	(2,393,160)	(1,196,580)	(2,441,971)	(1,196,580)	(3,962,907)	(1,922,958)
Interest on Bonded Debt	(1,624,763)	(1,624,763)	(812,382)	(1,672,782)	(833,482)	(2,038,485)	(1,017,209)
Other Non Operating Income (Expense)	-	-	-	-	-	(4,041)	-
Total Non-Operating Revenues (Expenses)	(4,017,923)	(4,017,923)	(2,008,962)	(4,114,753)	(2,030,062)	(6,037,285)	(2,984,874)
Operating Transfer In (Out)							
Transfers from other fund	11,771,000	11,771,000	5,885,500	15,036,269	9,482,015	10,570,193	5,356,476
Transfers to other fund	(192,000)	(192,000)	(96,000)	(177,030)	(88,515)	(57,349)	(28,675)
Total Operating Transfers	11,579,000	11,579,000	5,789,500	14,859,239	9,393,500	10,512,844	5,327,801
Net Income	7,104,867	5,239,682	2,619,841	6,474,734	5,787,900	3,574,672	2,151,006
Significant Balance Sheet Items							
Cash				(1,885,745)	(7,794,028)	(1,661,324)	(2,814,565)
Prepaid expense			1,100,000	-	-	-	-
Work-in-progress			25,826,000	24,913,697	21,127,142	13,040,241	15,197,314
Interfund Loans			(10,114,051)	(10,114,051)	(10,921,467)	(14,548,952)	(12,372,059)
Bonds Payable			(34,660,000)	(34,759,138)	(35,888,877)	(35,775,000)	(39,969,843)
Deferred Income			(3,601,739)	(4,182,529)	(4,202,901)	(5,755,117)	(5,694,843)
Significant Cash Flow Items							
Principal on Bonds	(1,745,000)	(1,745,000)	(872,500)	(2,565,000)	(1,282,500)	(8,325,000)	(2,081,250)

**City of Minneapolis
Self-Insurance Fund
For the Second Quarter Ending June 30, 2008**

Fund 6900	2008 Budget	2008 2nd Quarter	Remaining Budget	% of Actual To Budget
Revenue including transfers	94,236,101	46,880,919	47,355,182	49.7%
Expenditures including transfers	88,171,802	41,528,513	46,643,289	47.1%
Revenue Over (Under) Expenses	6,064,299	5,352,406		

Program Description:

The Self-Insurance Fund records employee benefit accounting, workers compensation, tort liability, and the administrative functions to support these activities.

Revenue:

Revenues vary by activity. Employee benefits collect revenue from payroll withholding and 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. Deferred revenue is increased to reflect additional reserves for the Metro Pass program.

For second quarter 2008, total revenues are \$46,880,919, an increase of 10.2% over the revenue earned through second quarter 2007. An increase in the cost of health care premiums and an increase to the rates charged to departments for the self insurance liability and workers compensation premiums account for the additional revenue. The Finance-Employment Services cost center receives revenue from City departments as reimbursement for services related to employment screenings. The projected revenue received for these services in 2008 is \$332,777. The remaining budgeted revenue for this cost center is provided through premiums for workers compensation and liability received from City departments.

Expenses:

The primary expenditure of this fund, approximately 72.3% is payment of employee fringe benefits included in the Health and Welfare account. Worker's Compensation and Tort Liability expenditures include the payments for settlements related to tort litigation and workers compensation claims. The costs of administering the plans are funded through the City Attorney and Risk Management cost centers. In addition, the fund is required to set aside resources annually to cover the future cost of compensated absences based on benefit accrual.

Total expenditures through the second quarter 2008 are \$41,528,513, an increase of 10.0% over the operating expenditures for the same period in 2007. Expenditures related to Health and Welfare (employee benefits) increased 13.2% over the same period in 2007. Health and Welfare expenses are related to employee participation in various plans. These expenses are recovered through payroll deductions and do not affect the fund performance. The budget for health and welfare was over projected by \$2.05 million to include expenditure for the Library Board who, in 2008, was separated from the City. The 2008 budget current year and the 2008 projections for revenue and expenditures are adjusted for this over projection. The expenditures related to liability and settlements through second quarter decreased 41.9% from the same period in 2007. The timing of settlement payments fluctuates during the fiscal year and the amount paid in one quarter does not provide a reliable projection for the annual amount paid for settlements. The total projected expenditures are less than budgeted due to decreased actual payments for tort liability and for sick leave retirement payouts.

Transfers:

In 2008, this fund will receive an interfund transfer of \$2,821,345 from the general fund to assist with payment of bond principal and interest. In 2007, the City Council approved a one-time use of general fund reserve to reduce the bond debt in this fund by \$3.08 million.

Net Assets:

This fund's net asset position at year end 2007 was a deficit of \$26.4 million which is an increase of \$3.7 million from the net asset ending balance deficit of \$30.1 million in 2006. The deficit is primarily due to the large liability for unpaid claims for the City's General Liability and Workers Compensation. The liability was determined to be \$33.5 million at the end of 2007. The net asset deficit is tracking close to the deficit reduction plan.

City of Minneapolis, Minnesota
Self Insurance Fund
Statement of Revenues and Expenses
For Second Quarter/Years Ending 2008, 2007 and 2006

	Budget Current Year 2008	Projection Year 2008	For Period Ending 30-Jun-08	For Year Ending 2007	For Period Ending 30-Jun-07	For Year Ending 2006	For Period Ending 30-Jun-06
Operating Revenues:							
Health & Welfare (employee benefits)	67,517,738	67,221,135	33,610,567	59,993,307	29,681,529	54,719,946	27,372,586
Workers Compensation	8,130,956	8,348,396	4,174,198	8,252,076	4,052,138	8,786,419	3,990,545
Liability - Subrogation	9,523,946	11,330,264	5,665,132	13,319,374	5,721,507	8,590,318	4,311,160
Attorney Office Services	30,000	10,561	5,280	11,863	1,504	43,668	17,278
Human Resources Services	1,218,772	876,015	438,008	1,116,895	521,973	857,723	428,862
Finance-Employment Services	2,172,000	332,777	166,388	338,616	177,116	559,295	201,075
Total Operating Revenues	88,593,412	88,119,147	44,059,574	83,032,131	40,155,767	73,557,369	36,321,506
Operating Expenses:							
Health & Welfare (employee benefits)	67,540,716	65,230,446	32,615,223	58,700,370	29,511,167	53,987,035	27,279,748
Workers Compensation	7,721,613	8,186,168	4,093,084	6,340,188	2,990,937	6,041,860	2,856,723
Liability & Settlements	4,035,711	1,873,318	936,659	9,866,643	1,600,877	6,350,799	2,233,339
City Attorney/Civil Division-Litigation	5,364,393	4,992,576	2,496,288	5,405,857	2,305,282	4,845,994	2,481,792
Risk Management - WC/Risk	2,162,685	1,696,688	848,344	2,463,967	801,320	1,963,442	935,725
Human Resource - Employee Benefits	1,215,684	946,830	473,415	1,115,857	496,203	1,089,526	460,517
Total Operating Expenses	88,040,802	82,926,026	41,463,013	83,892,882	37,705,786	74,278,656	36,247,844
Operating Margin	552,610	5,193,121	2,596,561	(860,751)	2,449,981	(721,287)	73,662
Non-Operating Revenues/(Expenses)							
Interest on Bonded Debt	(53,000)	(53,000)	(26,500)	(52,420)	(34,500)	(114,061)	(57,031)
Other Non Operating Income (Exp)	-	-	-	(839)	-	(166,930)	(4,669)
Total Non-Operating Revenues (Expenses)	(53,000)	(53,000)	(26,500)	(53,259)	(34,500)	(280,991)	(61,700)
Operating Transfer In (Out)							
Transfers from other fund	5,642,689	5,642,689	2,821,345	4,750,000	2,375,000	8,745,047	4,372,524
Transfers to other fund	(131,000)	(131,000)	(65,500)	(97,000)	(48,500)	(45,349)	(22,675)
Total Operating Transfers	5,511,689	5,511,689	2,755,845	4,653,000	2,326,500	8,699,698	4,349,849
Net Income	6,011,299	10,651,810	5,325,905	3,738,990	4,741,981	7,697,420	4,361,811
Significant Balance Sheet Items							
Cash Balance over (under)				11,001,677	7,744,244	5,541,017	3,063,244
Due from Other Funds				181,930	-	2,823,000	704,201
Bonds Payable			(1,060,000)	(1,060,000)	(1,380,000)	(1,380,000)	(2,315,000)
Due to other funds			-	-	-	-	-
Unpaid Claims			(33,467,000)	(33,467,000)	(32,245,631)	(32,245,631)	(31,101,030)
Net Assets				(24,927,102)		(29,314,935)	
Significant Cash Flow Items							
Paid Principal on Debt			(167,500)	(320,000)	(160,000)	(890,000)	(2,007,500)

**City Of Minneapolis
Stormwater Fund
For the Second Quarter Ending June 30, 2008**

Fund 07300	2008 Budget	30-June-08 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	33,899,578	16,019,531	17,880,047	47%
Operating Expenditures	20,402,678	7,720,487	12,682,191	38%
Operating Margin	13,496,900	8,299,044		
Net Income	7,805,725	5,012,182		

Program Description:

The Stormwater fund accounts for 15% of the treatment work done through Met Council Environmental Services. Other storm water activities within the Fund include Combined Sewer Overflow (CSO) program, Street Cleaning, Sewer Design and Sewer Maintenance. While, Stormwater is the custodian of the Street Cleaning finances, the operations remain within PW Transportation department.

Revenue:

The Stormwater revenue of \$16 million realized through second quarter stands at 49% of the budget. It is an increase of \$500,000, or 3%, over \$15.5 million revenue through second quarter of 2007. The increase in revenues comes from Stormwater disposal fees, and this is due to rate increase from \$9.77 to \$10.26. Almost half of the estimated State and County revenues have been recognized. Engineering Services revenue is at 18% of the budget but, as design expenses are charged to capital projects, revenues are projected to meet the estimated amount for the year.

Expenses:

Stormwater fund expenses ended at 38% of the budget through the second quarter. Expenses through the second quarter totaled \$7.7 million compared \$7.8 million for 2007. This is a decrease of \$100,000, or 1%. The decrease comes from Combined Sewer Overflow segment of the Fund where costs are being allocated to Capital projects.

Transfers:

The transfer of \$171,000 is for the MERF pension's unfunded liability and \$86,000 has been recognized through the quarter.

Debt Service:

The debt service payments through the quarter totaled \$5.7 million of which \$4.6 million went towards the principal and \$1.1 million were paid out to cover interests. These payments are primarily for bonds sold to finance the Combined Sewer Overflow and Flood Mitigation programs.

Other Financial Items:

The operating cash balance for quarter ended was \$3.9 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$3.8 million, which results in a surplus of \$100,000.

City of Minneapolis, Minnesota
Stormwater Fund
Statement of Revenues and Expenses
For Second Quarter/Years Ending 2008, 2007 and 2006

	Budget Year 2008	Projected Year 2008	For Period Ending 06/30/2008	For Year Ending 2007	For Period Ending 06/30/07	For Year Ending 2006	For Period Ending 06/30/06
Operating Revenues:							
State Grants	746,775	746,775	306,179	831,690	738,536	671,526	677,562
County Grants	332,920	332,920	166,460	332,920	166,460	205,934	160,147
Sewage Disposal	30,995,483	30,458,629	15,217,754	28,868,760	14,363,291	27,869,040	13,212,991
Other Services Provided	1,824,400	1,112,349	329,138	1,398,805	234,952	1,031,806	223,276
Total Operating Revenues	33,899,578	32,650,673	16,019,531	31,432,175	15,503,238	29,778,306	14,273,977
Operating Expenses:							
Sewer Design	3,138,000	3,005,773	1,364,572	3,073,732	1,244,929	2,634,627	1,073,520
Stormwater Management CSO	1,304,759	1,171,364	466,319	1,096,967	560,023	1,206,966	557,227
Street Cleaning	7,615,000	7,425,959	3,327,288	6,764,484	3,400,738	7,211,034	3,439,508
Sewer Maintenance	3,169,000	2,312,776	888,395	2,004,579	826,570	2,100,924	655,864
Met Council Env. Svcs.	5,175,919	4,557,996	1,673,913	4,453,234	1,728,101	4,480,344	4,148,911
Total Operating Expenses	20,402,678	18,473,868	7,720,487	17,392,996	7,760,360	17,633,895	9,875,030
Operating Margin	13,496,900	14,176,805	8,299,044	14,039,179	7,742,879	12,144,411	4,398,947
Non-Operating Revenues/(Expenses)							
Net Transfers in (out)	(264,000)	(264,000)	(132,000)	(49,379)	(132,000)	(147,696)	(36,924)
Depreciation	(3,228,022)	(3,228,022)	(1,614,011)	(3,228,022)	(1,651,767)	(3,651,631)	(1,815,384)
Special Assessments	115,000	115,000	57,500	501,911	57,500	157,622	3,810
Net Interest Income (Exp)	(2,314,153)	(2,314,153)	(1,157,077)	(2,563,467)	(1,272,237)	(2,482,657)	(735,919)
Other Non Operating Income (Exp)			(441,274)	(1,265,313)	409,130	(1,529,659)	-
Total Non-Operating Revenues (Expenses)	(5,691,175)	(5,691,175)	(3,286,862)	(6,604,270)	(2,589,373)	(7,654,021)	(2,584,417)
Net Income	7,805,725	8,485,630	5,012,182	7,434,909	5,153,505	4,490,390	1,814,530
Significant Balance Sheet Items							
Operating Cash			3,979,732	596,907	3,832,937	(1,316,044)	4,211,473
Construction Cash				213,246	1,245,875	1,209,787	1,572,700
Accounts Receivable			3,735,664	4,484,745	335,096	6,697,637	2,955,611
Bonds Payable			11,583,044	11,583,044	15,045,426	15,045,426	20,067,483
Significant Cash Flow Items							
Capital Outlay	11,193,000	5,596,500	1,205,120	5,793,504	2,227,521	7,669,863	3,405,724
Bond principle payments	9,268,891	4,634,446	4,634,446	7,796,999	4,634,446	8,360,000	-

**City Of Minneapolis
Sanitary Sewer Fund
For the Second Quarter Ending June 30, 2008**

Fund 07100	2008 Budget	30-June-08 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	43,819,895	18,793,194	25,026,701	43%
Operating Expenditures	40,516,860	19,884,860	20,632,000	49%
Operating Margin	3,303,035	(1,091,665)		
Net Income	1,537,707	(1,955,867)		

Program Description:

Sanitary Sewer Fund accounts for 85% of the contractual payments to the Metropolitan Council Environmental Services (MCES) for sewage interceptor and treatment services. The Fund also accounts for the sanitary sewer maintenance and design works.

Revenue:

Sanitary sewer revenue of \$18.8 million at the end of the second quarter is at 43% of the budget compared to \$18.4 million for the second quarter of 2007. This has exceeded the second quarter revenue of 2007 by \$400,000, or 2%. At this rate, it is projected that 98% of the estimated revenue will be realized in 2008. The increase in revenue for through the quarter is primarily due to increased revenues from Utility Charges. Inspection Services revenues for SAC charges are lower than the second quarter of 2007 by \$300,000, but it should meet the estimate during the second half of the year.

Expenses:

The Sanitary Sewer fund's operating expenditures of \$19.8 million through the second quarter is at 49% of the budget. This is consistent with expenditures in second quarter of 2007 which totaled \$19.8 million. The increase in payments to Met Council was offset by a decrease in expenditures in Sewer Maintenance.

Transfers:

The transfer from this Fund is for MERF unfunded liability and \$132,000 of the budgeted \$264,000 is accounted for through the quarter.

Debt Service:

This fund did not have any debt service in the past, but, starting from 2007, there were capital projects which were bond-funded. For 2008, debt service schedule estimates \$2.2 million in principal and interest. Through second quarter 2008, \$1.1 million has been recognized regarding debt service payments.

Other Financial Items:

The current operating cash balance is \$10 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$9.9 million, which results in a surplus of \$100,000.

City of Minneapolis, Minnesota
Sanitary Sewer Fund
Statement of Revenues and Expenses
For Second Quarter/Years Ending 2008, 2007, 2006

	Budget Year 2008	Projected Year 2008	For Period Ending 6/30/2008	Year Ending 2007	For Period Ending 06/30/07	Year Ending 2006	For Period Ending 06/30/06
Operating Revenues:							
Sewage Disposal	40,326,212	40,307,854	18,370,986	38,050,432	17,722,267	34,483,121	15,680,783
Other Services Provided	1,108,841	210,392	5,383	296,688	(6,540)	147,604	60,566
Inspection Services	2,384,842	2,384,842	416,826	3,659,793	695,965	3,856,433	1,368,508
Interest						121,336	32,817
Total Operating Revenues	43,819,895	42,903,088	18,793,194	42,006,913	18,411,691	38,608,494	17,142,674
Operating Expenses:							
Sewer Design	311,731	199,336	82,426	258,052	24,645	91,742	39,236
Sewer Maintenance	6,773,000	4,163,096	2,004,220	5,591,157	2,599,017	5,470,737	2,831,379
Met Council Env. Svcs.	33,432,129	35,596,429	17,798,215	33,215,685	17,206,298	32,927,301	14,427,380
Total Operating Expenses	40,516,860	39,958,861	19,884,860	39,064,893	19,829,959	38,489,780	17,297,996
Operating Margin	3,303,035	2,944,227	(1,091,665)	2,942,019	(1,418,268)	118,714	(155,322)
Non-Operating Revenues/(Expenses)							
Net Transfers (out)	(264,000)	(264,000)	(132,000)	(347,851)	(132,000)		36,924
Non-Oper Expenses						(42,752)	-
Depreciation	(1,199,528)	(1,199,528)	(597,013)	(1,194,026)	(597,013)	(1,216,303)	(602,921)
Special Assessments			15,711	11,136	(875)	3,934	-
Net Interest Income (Exp)	(301,800)	(301,800)	(150,900)	(137,239)	(9,713)	(9,116)	-
Total Non-Operating Revenues (Expenses)	(1,765,328)	(1,765,328)	(864,202)	(1,667,980)	(739,601)	(1,264,236)	(565,997)
Net Income	1,537,707	1,178,899	(1,955,867)	1,274,039	(2,157,869)	(1,145,522)	(721,319)
Significant Balance Sheet Items							
Operating Cash	-		10,032,756	8,482,571	6,002,495	7,591,344	5,892,090
Accounts Receivable	-		2,654,557	3,393,086	2,451,173	2,706,241	2,148,854
Significant Cash Flow Items							
Capital Outlay	5,625,000	5,625,000	410,629	3,023,251	403,184	185,449	35,017
Bond Principle payments	1,912,875	1,912,875	956,438	904,239	-	72,000	-

**City of Minneapolis
Water Fund
For the Second Quarter Ending June 30, 2008**

Fund 7400	2008 Budget	30-June-08 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	68,825,031	26,553,486	42,271,545	39%
Operating Expenditures	44,757,877	19,911,120	24,846,757	44%
Operating Margin	24,067,154	6,642,366		
Net Income (Loss)	11,270,675	814,362		

Program Description:

This Fund accounts for operation, maintenance and new construction of the water treatment and 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.

In 2008, the Water Fund received appropriations to continue ongoing capital projects. The projects include the Minneapolis Water Works Facilities Security Improvement in the amount of \$500,000, the Ultrafiltration Program in the amount of \$4.5 million and Pump Station #4 Rehabilitation in the amount of \$6 million. In addition, each year, capital funding of \$4.5 million provides for water distribution improvements including cleaning and lining of 10 miles of pipeline with replacement of valves and hydrants to provide holistic system rehabilitation in project areas. Distribution improvements also include replacement of watermain where conductive soils have caused a number of watermain breaks.

The Ultrafiltration Membrane Program is being accomplished in two phases. Phase one is the newly constructed the Columbia Heights Membrane Filtration Plant. Completed at a cost of \$63.3 million, the new plant is currently operating in a testing and confirmation phase. Full plant operation is expected in the early summer of 2009. This plant began distributing water into the Minneapolis system in the fall of 2005. Phase two is the Fridley Membrane Filtration Plant. This plant has a projected cost of \$88 million and is currently in the design phase. It is expected to begin construction in 2009 with full operational startup in 2012.

Pump Station #4 renovations begin this year and be completed in 2009. This project completely refurbishes the 100+ year old pump station that supplies softened water to the new Columbia Heights Membrane Filtration Plant.

Revenue:

For the year 2008, there was a 3% increase in the water rate raising the cost of 100 cubic feet from \$2.67 to \$2.75 per unit. The 2008 operating revenue of \$26,553,486 represents a 1.1% decrease over the same period in 2007. Even though the rates have increased 3% for 2008, the water demand for January 1 through June 30 has decreased causing water revenue to decrease by 1.85% compared to the same time period in 2007.

The second quarter 2008 operating margin is \$6,642,366 or 22.7% less than the same period of 2007. The net income for the second quarter 2008 decreased from \$3,047,128 in 2007 to \$814,362 in 2008 due to a decrease in operating revenue of \$308,779 from the same period in 2007 and an increase in operating expenses of \$1.6 million from the same period in 2007.

Expenditures:

Through the second quarter of 2008, operating expenditures are \$19.9 million or 8.3%, greater than for the same period in 2007. This increase is primarily due to an increase in operational cost of chemicals for treatment of water for distribution into the Minneapolis water works system. Chemical costs have continued to increase in cost, following dramatic cost increases in 2007. This year, costs have increased between 40 to 90%, depending on the chemical. We have completed improvements at the plant that have decreased the amount of coagulant used at the plant, but this reduction in use is more than offset by the increase in the cost per pound of chemical. Energy costs for pumping have also increased by approximately 10%.

Capital construction and Distribution costs have been rising primarily due to increases in construction materials, mainly iron costs and rising fuel costs. Over the last year, metal costs have risen dramatically. Total construction cost increases have been tempered somewhat by a competitive bidding market but are still on the rise and difficult to predict.

Transfers:

The transfers out of \$680,864 have been made, which includes the MERF (Minneapolis Employee Retirement Fund) pension debt service payments.

Debt Services:

The debt service payments are primarily for bonds sold to finance the Water Works capital improvement program. Current capital projects include SCADA, the membrane ultrafiltration programs, the Minneapolis Water Works facilities security improvement, and the rehabilitation of Pump Station #4.

Other Financial Items:

The Ultrafiltration Membrane Project 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 \$78.4 million at interest rates of 2.82%, 2.80% and 2.53%. The ending cash balance for the second quarter of 2008 is \$1.01 million compared to \$2.7 million for the same period in 2007. The objective is to have a cash balance equal to or greater than 3 months of operating expenses. The cash balance for the second quarter ended June 30, 2008 should be \$11,189,469.

City of Minneapolis, Minnesota
Water Fund
Statement of Revenues and Expenses
For Second Quarter/Years Ending 2008, 2007, 2006

	Budget Current	Projected	For Period	For Year	For Period	For Year	For Period
	Year	Ending	Ending	Ending	Ending	Ending	Ending
	2008	2008	30-Jun-08	2007	30-Jun-07	2006	30-Jun-06
Operating Revenues:							
Federal Grants	-	-	-	-	-	36,036	-
Licenses & Permits	1,000	815	406	871	406	728	388
Charges For Services	67,488,931	64,558,046	26,456,294	65,234,205	26,644,526	63,223,867	25,995,662
Charges For Sales	1,315,000	1,315,000	2,988	920,450	216,730	1,702,574	346,569
Special Assessments	-	-	72,171	-	-	-	-
Interest	-	10,637	4,798	938	343	289	155
Other Misc Revenues	20,100	20,100	16,829	346	260	27,918	27,888
Total Operating Revenues	68,825,031	65,904,599	26,553,486	66,156,810	26,862,265	64,991,412	26,370,662
Operating Expenses:							
Security	-	-	-	-	-	642,091	309,614
Water Design	1,171,415	552,476	222,802	937,199	355,867	675,654	288,399
Contribution To Other Funds	8,918,655	8,918,655	3,600,205	7,674,082	2,236,531	5,760,399	1,844,139
Administration & Permits	1,289,423	1,227,777	517,502	1,593,561	599,239	1,152,765	538,287
Operations	13,905,084	16,025,293	7,005,719	13,604,953	5,708,689	14,607,515	6,642,460
Treatment Maintenance	7,635,924	7,291,969	3,365,017	7,679,260	3,560,968	7,261,963	3,334,878
Distribution	7,959,232	7,959,232	4,027,992	8,065,826	3,684,529	8,184,004	3,743,273
Major Repairs & Replacement	3,878,144	2,868,528	1,171,883	3,552,154	2,121,542	7,656,719	1,683,003
Total Operating Expenses	44,757,877	44,843,930	19,911,120	43,107,035	18,267,365	45,941,111	18,384,053
Operating Margin	24,067,154	21,060,669	6,642,366	23,049,775	8,594,900	19,050,301	7,986,610
Non-Operating Revenues/(Expenses)							
Net Transfers in (out)	(968,000)	(968,000)	(680,864)	(760,405)	(332,000)	(274,517)	(137,259)
Depreciation	(7,196,443)	(7,196,443)	(3,598,222)	(7,196,443)	(3,568,046)	(6,846,284)	(2,800,215)
Special Assessments	-	-	20,363	834,398	33,859	628,894	46,930
Net Interest Income (Exp)	(4,632,036)	(4,632,036)	(1,369,554)	(4,481,093)	(1,342,432)	(4,371,899)	(1,387,664)
Other Non-Operating Income	2,000,000	2,000,000	-	383,889	127,027	603,376	147,698
Other Non Operating (Expense)	(2,000,000)	(2,000,000)	(199,727)	(911,354)	(466,180)	(1,000,818)	(401,115)
Total Non-Operating Revenues (Expenses)	(12,796,479)	(12,796,479)	(5,828,004)	(12,131,008)	(5,547,772)	(11,261,248)	(4,531,624)
Net Income	11,270,675	8,264,190	814,362	10,918,767	3,047,128	7,789,053	3,454,986
Significant Balance Sheet Items							
Operating Cash			1,009,506	1,965,367	2,777,052	2,541,860	4,037,393
Construction Cash			-	-	-	-	396,123
Accounts Receivable			7,993,634	7,559,328	5,290,002	4,876,827	4,621,844
Bonds & Notes Payable			78,970,048	87,075,610	92,066,920	92,028,999	-
Significant Cash Flow Items							
Capital Outlay	25,714,545	25,714,545	2,688,239	12,375,804	2,747,124	13,486,869	5,541,659
Bond & Note Principle payments	11,460,152	11,460,152	-	8,419,436	-	8,658,552	-
Total Cash Flow Items	37,174,697	37,174,697	2,688,239	20,795,240	2,747,124	22,145,421	5,541,659

**City of Minneapolis
Municipal Parking Fund
For the Quarter Ending June 30, 2008**

Fund 7500*	2008 Original Budget	June 30, 2008 Qtr End Actual	Remaining Budget	% of Actual To Budget
Revenue	43,470,492	24,525,655	18,944,837	56%
Expenditures	27,715,551	11,191,020	16,524,531	40%
Operating Margin	15,754,941	13,334,635		
Net Income (Loss)	4,802,587	7,614,449		

* Figures in the table do not include State-owned ABC parking facilities.
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, and the municipal impound lot. Major parking-related capital construction and development activities occur in this fund. The parking system has seventeen ramps with the sale of the St. Anthony ramp on February 28, 2008. The City has 5 lots. The City Council has approved the sale of two additional ramps. Negotiations continue on the potential sale of the Federal Courts and the Riverfront ramps.

Revenues:

The revenues for the first half of the year of 2008 decreased by \$2.2 million, or 8.2%, \$24.5 million compared to \$26.7 million for 2007. Off-street parking revenue accounts for \$2.6 million of decrease due to the sale of 7 ramps. The Impound Lot revenue accounts for \$0.3 million of the increase and On-street Parking accounts for \$0.1 million of increase.

Expenditures:

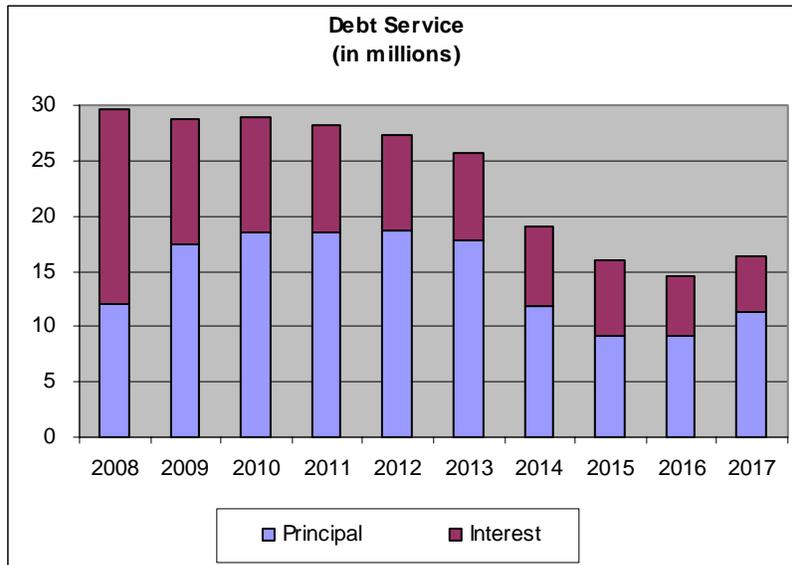
The expenditures, at \$11.2 million for 2008 decreased by \$2.8 million, or 20.3%, compared to \$14.0 million in 2007. Expenditures for off-street parking decreased by \$2.3 million, towing decreased by \$0.4 million and on-street parking decreased by \$0.1 million.

Transfers to and from other funds:

The 2008 transfers into the Parking Fund include \$8.8 million from the Convention Center for debt, \$1.0 million from the Convention Center for operations and \$8.1 million from CPED Tax Increment. Transfers out to other funds for the year are budgeted for a total of \$11.1 million with \$8.6 million to the General Fund, \$2.2 million to the Target Center Arena and \$0.3 million to other funds. The 2008 Target Center Arena transfer is \$2.4 million and is projected to reach \$5.8 million by 2014, based on the updated payment schedule. There were \$11.9 million in transfers out during 2007.

Debt Service:

The total budgeted debt service from 2008 is \$29.6 million. These payments cover the costs 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 service will continue to grow. According to the current schedule, debt service payments will reach \$29.0 million by 2010.



The total amount of outstanding bonds in the Parking Fund increased by \$1.7 million in 2007 with the sale of additional bonds to fund facilities repairs and improvements. There is currently \$234 million in outstanding bonds.

Other Financial Items:

The current operating cash balance is \$44.1 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$5.6 million, which results in an excess of \$38.5 million. The excess is reserved for future debt service payments.

Parking Fund Workout Plan:

A long-term financial plan, as adopted by the City Council, approved parking initiatives to cut costs and increase revenues. The Workout Plan is in the process of being revised due to the sale of 6 ramps in 2007 and 1 in February of 2008. An updated Workout Plan and financial projections should be available before the end of 2008. Based on actual figures through the second quarter of 2008, the current update to the plan and specific performance include:

Revenues:

- **Off-Street Parking and Enhanced Parking Ramp Marketing Activities:** Figures for the second quarter indicate that revenue has increased from last year's overall performance by \$705,000 even after accounting for the sale of 7 ramps which represents an improvement of 5.2%. The offering of credit payment in our newly automated facilities is a primary factor contributing to the increase in overall revenues as we are attracting daily customers by offering this as an option.

- **On-Street Parking and Parking Meter Management Plan:** A request for proposals for new meter technology was developed and is currently out for solicitation. This will involve a pilot program for testing new meter technologies during the 4th quarter of 2008 and 1st quarter of 2009. Possibilities for new equipment features include offering multiple payment options, adjustable rate technology, improved enforcement capabilities and electronic reporting using the City's WiFi network. 93 total additional meters have been installed along Washington Avenue and are now being utilized.
- **Impound Lot and Collection of Unpaid Tow and Storage Fees:** The initiative for collection of unpaid tow and storage fee did not meet its revenue estimates of an additional \$1.2 million. However, the impound lot exceeded the revenue target by \$300,000 through the second quarter. This is due to the higher prices received from the auction of abandoned vehicles and contents. Public Works is currently working with the City of St. Paul to further improve the auction process and maintain this increased revenue stream.

Expenditures:

The status of the various expense reduction initiatives:

- **Off-street parking 2008 expenses** are 86% of the 2007 expenses or below the 2007 by \$1.36 million after factoring in the sale of 7 ramps. This is primarily a result of savings due to conversion to automation, as well as the sale of 1 facility in 2008. Savings from executing new janitorial contracts has also contributed to overall savings.
- **Salaries and wages** have been reduced due to continuing efforts toward reorganization and centralization resulting from the sale of the facilities mentioned above.
- **Enhance Wayfinding Program:** Two new installations are in process and will become operational in 2008 at Haaf and Government Center facilities.
- **Repair & Maintenance Program:** estimated expenditure of \$204,000 in debt service; Major projects for 2008 includes completion of automation of the revenue control equipment and systems upgrades at the Haaf, LaSalle and Hawthorne Ramps as well as building automation and fire alarm system conversion of the Haaf Ramp and refurbishing elevator equipment at the 11th and Marquette Ramp.
- **Impound Lot expenditures** decreased by \$400,000 due to the fact that no snow emergencies occurred so far in 2008 as well as the adjustment of operating hours which has reduced labor costs.
- **On-Street Parking expenditures** were less than budgeted by \$100,000.

The following table presents a summary of the various business line actual figures and variances for the year of 2007.

Revenue* And Expense Categories	2008 Original Budget	2008 Year End Projection	Variance Budget Vs Projection
Off-Street Parking	29,198,823	28,746,949	(451,874)
On-Street Parking	7,155,532	7,216,341	60,809
Impound Lot	7,116,137	8,483,326	1,367,189
Total Revenue	43,470,492	44,446,616	976,124
Off-Street Parking	21,289,120	21,272,273	(16,847)
On-Street Parking	1,130,160	1,106,541	(23,619)
Impound Lot	5,296,271	5,291,588	(4,683)
Total Expenditures	27,715,551	27,670,402	(45,149)
Operating Margin	15,754,941	16,776,214	1,021,273

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

Summary:

Based on the annual data, revenues will exceed the amount budgeted by \$976,124 or 2.2% and expenditures are under budget by \$45,149 or 0.2% thereby resulting in an overall excess profit of \$1,021,273 or 6.5% more than the annual budget.

City of Minneapolis, Minnesota
Municipal Parking Fund
Statement of Revenues and Expenditures
For Second Quarter/Years Ending 2008, 2007, and 2006

	Current Budget Year 2008	Projected Year Ending 2008	For Period Ending 30-Jun-08	For Year Ending 2007	For Period Ending 30-Jun-07	For Year Ending 2006	For Period Ending 30-Jun-06
Operating Revenues:							
Off-Street Parking: City Owned	29,198,823	28,746,949	14,215,359	36,244,898	17,851,115	35,052,251	18,180,696
Off-Street Parking: State Owned	8,257,843	8,722,162	3,598,034	8,845,687	2,791,432	8,232,233	2,905,236
Towing	7,116,137	8,483,326	4,241,663	7,923,461	3,907,490	7,554,067	3,814,311
On-Street Meters	7,155,532	7,216,341	3,608,171	7,296,020	3,520,656	7,235,050	3,551,711
Total Operating Revenues	51,728,335	53,168,778	25,663,227	60,310,066	28,070,693	58,073,601	28,451,954
Operating Expenses:							
Off-Street Parking: City Owned-Direct Expenses	14,650,343	14,648,327	7,064,165	20,669,121	8,748,980	22,481,314	9,564,179
Off-Street Parking: State Owned-Direct Expenses	8,178,577	8,170,835	3,425,418	8,180,916	3,904,182	7,540,909	3,547,881
Towing	5,296,271	5,291,588	2,470,794	6,059,294	2,900,390	5,474,639	2,734,215
On-Street Meters	1,130,160	1,106,541	393,270	907,832	459,484	795,003	445,041
Other Operating Expenses	6,638,777	6,623,946	1,065,705	3,410,618	1,244,737	3,261,349	1,601,040
Total Operating Expenses	35,894,128	35,841,237	14,419,352	39,227,781	17,257,773	39,553,214	17,892,356
Operating Margin	15,834,207	17,327,541	11,243,875	21,082,285	10,812,920	18,520,387	10,559,598
Non-Operating Revenues/(Expenses)							
General Fund Transfer Out	(8,618,000)	(8,618,000)	(4,809,000)	(1,618,000)	0	(10,618,000)	(5,309,000)
Arena Reserve Transfer Out	(2,241,000)	(2,241,000)	(1,120,500)	(2,078,000)	(1,039,000)	(1,921,000)	(960,500)
Debt Service Transfer Out	(104,000)	(104,000)	(52,000)	(73,000)	(36,500)	(38,500)	(19,250)
Internal Service Fund Transfer Out	-	-	-	(8,000,000)	-	0	-
Sanitation Transfer Out	(146,000)	(146,000)	(73,000)	(146,000)	(73,000)	(146,000)	(73,000)
Total Transfers Out	(11,109,000)	(11,109,000)	(6,054,500)	(11,915,000)	(1,148,500)	(12,723,500)	(6,361,750)
Convention Center related facility Transfer	9,832,000	9,832,000	4,916,000	9,856,000	2,459,954	9,565,097	4,782,549
TI and MCDA Transfers In	8,137,000	8,137,000	4,068,500	8,564,522	6,189,519	7,251,086	3,625,543
Arbitrage Fund and Other Transfers In	-	-	-	-	-	2,467,107	1,233,554
Total Transfers In	17,969,000	17,969,000	8,984,500	18,420,522	8,649,473	19,283,290	9,641,646
Depreciation	(6,137,044)	(7,014,000)	(3,068,522)	(6,818,937)	(3,493,470)	(6,551,682)	(3,275,841)
Special Assessments*	132,500	135,500	268,940	72,921	72,921	12,556,838	66,250
Interest	(11,807,810)	(11,247,000)	(5,850,604)	(12,881,548)	(6,148,788)	(12,623,203)	(6,458,822)
Other Non Operating Expenses	0	(35,000)	(197,086)	(33,353)	(681,528)	(32,980)	(32,980)
Other Non-Operating Income **	0	2,582,000	2,460,462	30,879,318	1,376,104	136,897	136,897
Total Non-Operating Revenues (Expenses)	(10,952,354)	(8,718,500)	(3,456,810)	17,723,923	(1,373,788)	45,660	(6,284,600)
Net Income+/(-) 	4,881,853	8,609,041	7,787,065	38,806,208	9,439,132	18,566,047	4,274,998

* - In 2006 the Council passes a special assessment levy for the Vineland Ramp.

** - In 2007 6 ramps were sold with a gain on sale of \$30,660,844 and in 2008 1 ramp was sold with a gain on sale of \$2,458,363.

**City Of Minneapolis
Solid Waste and Recycling Fund
For the Second Quarter Ending June 30, 2008**

Fund 07700	2008 Budget	06/30/08 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	31,488,710	14,993,216	16,495,494	48%
Operating Expenditures	31,153,451	11,847,529	16,797,954	38%
Operating Margin	335,259	3,145,687		
Net Income/(Loss)	(1,209,820)	2,437,482		

Program Description:

The Solid Waste Fund accounts for City's solid waste collection, disposal and recycling operations. Activities include trash-yard waste pickups on a weekly basis; and, on a biweekly basis, pickups are made for recycling and problem materials, such as appliances. The operations of a solid waste transfer station which covers over 105,000 households, is included in this Fund, as well. The division also provides "clean city" activities such as neighborhood clean sweeps, litter-graffiti controls and removals in business districts. It has initiated "organics" pilot program in few of the school 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 operating revenues for the Fund through the quarter totaled \$15 million compared to \$14.7 million through the second quarter of 2007. This is an increase of \$300,000 or 2%, which can be attributed to increase in recyclable sales revenue. The revenue for recyclable sales is variable and is tied to economic indicators in the market place. The grant revenue from Hennepin County has not yet been received but is recognized in this report.

Expenses:

The operating expenses through the second quarter ended at \$11.8 million compared to \$11.6 million in 2007. The increase in expenditures of \$200,000 or 2.5%, over the same period in 2007, is mainly due to increase in solid waste collection, yard waste, and transfer activities.

Transfers:

Estimated 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. Half of these transfers have been recognized through second quarter. Transfers out of the Fund include \$700,000 for alley plowing and \$78,000 for MERF Unfunded Liability. These are transferred out to General Fund when payments for these activities occur. For the quarter ending June 30th, half of the General Fund transfers have been recognized.

Debt Service: This fund has no debt service.

Other Financial Items:

The fund's cash balance for the second quarter ended at \$23 million. The accounts receivable balance is \$3.2 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$6 million, which results in an excess of \$17 million.

City of Minneapolis, Minnesota
Solid Waste and Recycling Fund
Statement of Revenues and Expenses
For Second Quarter/Years Ending 2008, 2007, 2006

	Budget Year 2008	Projection Year 2008	For Period Ending 6/30/2008	For Year Ending 12/31/2007	For Period Ending 06/30/2007	For Year Ending 2006	For Period Ending 06/30/06
Operating Revenues:							
County Grants	800,000	799,702	400,000	783,762	400,000	802,623	-
Solid Waste Fees	28,989,310	27,035,016	13,414,775	26,853,386	13,412,559	26,300,313	13,212,173
Recyclable Sales	1,699,400	1,743,627	1,163,878	1,875,837	903,656	1,497,204	685,488
Charges for Other Services	-	20,933	14,563	31,976	-	14,877	1,904
Total Operating Revenues	31,488,710	29,599,279	14,993,216	29,544,961	14,716,215	28,615,018	13,899,565
Operating Expenses:							
Collection	7,629,285	7,302,124	3,448,056	6,465,493	3,040,849	6,667,334	3,019,355
Recycling	3,711,542	3,139,274	1,512,057	3,144,651	1,544,080	3,264,125	1,486,406
Disposal	6,385,054	4,177,063	1,699,837	4,901,091	1,840,436	5,180,850	2,137,216
Yard Waste	2,150,025	1,879,956	850,648	1,440,611	682,018	1,381,365	575,909
Large Item/Problem Material	825,788	1,078,832	503,839	1,080,192	502,239	1,125,980	521,081
Transfer Stations	212,634	433,392	240,302	125,542	82,699	173,753	79,633
Administration	4,690,406	2,716,497	1,421,287	4,228,996	1,623,724	4,186,945	2,024,370
Customer Service	381,256	593,452	213,233	437,592	210,016	540,547	272,795
Clean City	2,012,478	1,759,293	746,070	1,609,132	769,969	1,412,747	570,714
Equipment	3,154,983	3,201,932	1,212,199	2,340,266	1,263,544	4,212,945	1,240,455
Human resources							
Total Operating Expenses	31,153,451	26,281,814	11,847,529	25,773,566	11,559,573	28,146,591	11,927,933
Operating Margin	335,259	3,317,465	3,145,687	3,771,395	3,156,642	468,426	1,971,632
Non-Operating Revenues/(Expenses)							
Net Transfers In	196,000	196,000	98,000	196,000	98,000	506,000	91,364
Net Transfers Out	(809,000)	(809,000)	(404,500)	(778,000)	(404,500)	(735,221)	(350,000)
Gains (Losses)							
Depreciation	(932,079)	(932,079)	(466,040)	(932,079)	(473,086)	(1,034,312)	(502,086)
Special Assessments	-	128,670	64,335	119,614	17,047	15,281	-
Total Non-Operating Revenues (Expenses)	(1,545,079)	(1,416,409)	(708,204)	(1,394,465)	(762,539)	(1,248,252)	(760,722)
Net Income	(1,209,820)	1,901,056	2,437,482	2,376,931	2,394,103	(779,826)	1,210,910
Significant Balance Sheet Items							
Operating Cash			22,815,153	17,635,380	17,113,373	15,497,282	15,717,389
Accounts Receivable			3,174,964	3,133,296	3,220,523	2,824,168	2,923,261

2008 Second Quarter Investment Report

In accordance with the City's investment policy, revenue not immediately required for payment of obligations shall be placed in authorized investments. The objectives of the City's investment strategy, in order of priority, are safety of principal, liquidity and yield.

As of June 30, 2008, the City's current investment portfolio was valued at approximately \$431 million. The sector holdings and fund distributions are shown below. For the year ended June 30, 2008, the portfolio has just slightly underperformed its benchmark.

Investment Performance period ended June 30, 2008	City Portfolio	Custom Benchmark*
3 month Total Return	0.15%	-0.11%
12 months ended June 30, 2008	4.30%	4.71%
Credit Quality	AGY	AGY

* Custom Benchmark is a combination of the Merrill Lynch 1-3 year Treasury Index, the Merrill Lynch 3 month US T-Bill Index and the Citigroup 1 month T-Bill Index. The custom benchmark more appropriately aligns with the City's current investment strategy.

Portfolio Holdings By Sector

Sector	June 30 2008	% of port.	June 30 2007	% of port.
<i>Cash and equivalents*</i>	\$ 74.6	17%	\$ 135.4	44%
<i>Commercial Paper</i>	\$ 26.6	6%	\$ -	0%
<i>Federal Agency</i>	\$ 143.1	33%	\$ 107.5	35%
<i>Mortgage Backed</i>	\$ 33.0	8%	\$ 16.0	5%
<i>Municipals</i>	\$ 31.3	7%	\$ 13.7	4%
<i>Asset Backed Securities</i>	\$ 0.4	0%	\$ 0.4	0%
<i>US Treasuries</i>	\$ 122.5	28%	\$ 25.4	8%
<i>Bond - Mutual Funds</i>	\$ -	0%	\$ 7.5	2%
Total Market Value	\$ 431.5	100%	\$ 305.9	100%

*Net of checks outstanding

