



City of Minneapolis
Financial Status Report as of 3rd Quarter 2009
Prepared by the
City of Minneapolis Finance Department
November 09, 2009

City of Minneapolis

Interim Financial Report Index for the 3rd Quarter of 2009

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THE REPORT

The report consists of two sections. The first section of the report includes the Business line review. The second section includes detailed schedules and analysis of the results of individual funds through September 30, 2009.

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

BUSINESS LINE REVIEW

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

Governmental Funds

Governmental Funds account for 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 2009 with a fund balance of \$49.7 million and an operating budget of \$334 million; since the beginning of the year the City Council has taken major steps to reflect State-level decisions and deal with ongoing financial challenges:

1. A one-time revenue transfer of \$9.9 million from the Hilton Legacy fund to offset the 2008 Local Government Aid (LGA) reduction and restore fund balance
2. A \$14.8 million permanent reduction to LGA revenue and departmental spending

Through September of this year, the fund has spent 73% of its appropriations with 75% of the year elapsed. The fund is projected to exceed budgeted spending by \$4.2 million, primarily because of overspending by Police and Fire. In addition, revenue is projected to underperform by \$.9 million, primarily because of lower than expected Fine and Forfeiture revenue. Despite projected overspending and under-realization of revenue, the fund balance is projected to increase by \$10.9 million. This is because the estimate of LGA revenue reflects the *final* unallotment action by the Governor in June. The 1st and 2nd quarter report budgeted LGA revenues from the *proposed* action in January. The final action improved the revenue budget by \$7.3 million. The 3rd quarter revenue projection also assumes an increase in property tax revenue over budget of \$2 million because of decertification of several TIF districts.

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.

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The Convention Center's 2009 budget plans for a loss of \$8.5 million and third quarter results show the fund is tracking ahead of plan. Sales & Entertainment tax revenues are tracking slightly below 2008 levels and are projected to end the year 2.8 million shy of expectations. Additionally, operating revenues are tracking behind budget and are projected to end the year in similar fashion. Despite lower-than-expected revenues, the fund is projected to end the year with a smaller than expected loss; mainly because MCC management has cut spending to mitigate lower revenues.

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	2009 Budget to Actual through 9-30-09 (Incl. Depreciation)					
	Revenue Budget	Revenue Actual	% of Actual To Budget	Expense Budget	Expense Actual	% of Actual To Budget
Sanitary Sewer	45,996	31,998	70%	44,834	33,892	76%
Stormwater	34,368	28,384	83%	26,885	18,459	69%
Solid Waste	30,774	22,816	74%	34,105	21,419	63%
Water Utility	72,722	50,555	70%	63,056	44,081	70%
Parking	69,741	52,200	75%	62,995	46,101	73%

With the exception of the Water fund, the City's enterprise activities are in good condition. All of these funds had positive net assets at the beginning of 2009 and their financial plans call for a continuation of positive financial activity. There is an area of concern within the Water Fund as it has missed its revenue targets the last few years while expenses have increased disproportionately. The combination of lower revenues and increased expenses has contributed to a dwindling cash reserve. The Finance and Public Works departments are analyzing the revenue trends to determine causes and more accurately project future revenue. Additionally, Public Works management is aggressively pursuing cost-cutting measures within the fund to

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reduce expenses. Parking, Solid Waste, Storm Water and Sanitary Sewer all have positive cash balances at or near their cash reserve requirements. The negative cash and net assets in the Theatres fund is the cumulative results of operations that existed prior to the Theatres being sold and has remained largely unchanged since their sale in 2006.

Sewer Utility Funds account for sewage interceptor and treatment services and the storm management activities including the Combined Sewer Overflow program. The Sewer Fund was split into two funds in 2005: Stormwater and Sanitary. The Stormwater Fund through third quarter has received 83% of its annual revenues and has spent 69% of its annual expense budget. The Sanitary Sewer fund has received 70% of its revenue and spent 76% of its budgeted expenses so far.

Solid Waste Fund accounts for the City's solid waste collection, disposal, and recycling operations. Currently the fund has received 74% of its annual revenues and spent 63% of its annual expense budget. The fund has positive net assets and cash reserves in excess of the stated 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 \$0.16/unit rate increase in 2009. It has received 70% of its annual revenues and spent 70% of its annual expense budget. As stated earlier, the fund has experienced declining revenues despite annual rate increases and costs have increased despite declining water consumption. Much of the cost increases can be attributed to rapidly escalating prices for electricity and chemicals used in the water treatment and distribution process as well as internal costs rising at an annual rate higher than the inflationary increases inherent in the budget. The funds current cash reserve requirement is \$12 million with the actual balance hovering near zero. Currently, the fund is projected to miss its financial goals by \$3 million.

Parking Fund accounts for the operation and maintenance of parking ramps, lots, on street parking meters, and a municipal impound lot. The fund has significantly improved its annual operating performance and cash balance since a deficit reduction plan was adopted in 2004. The fund is projected to exceed its financial plan goals by \$.4 million.

CPED operates five Enterprise Funds:

- *Housing Development* accounts for various home ownership and home improvement programs. This fund has positive cash and net assets.
- *General Agency Reserve* accounts for a program in which revenue bonds are issued to finance economic development. The debt service is financed by lease or loan agreements from developers. Only the administrative portion of the operation is presented in this report. Overall, the fund has positive cash and net assets.
- *Theatres fund* accounted for the operations of the State, Orpheum and Pantages. The City no longer operates these theatres but this fund accounts for the residual balances and activity.
- *River Terminal* fund accounts for the operation of the public terminal facility located on the Mississippi River; the fund has positive assets but an ongoing negative cash problem.

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

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Internal Service Funds (In Thousands)						
2009 Budget to Actual through 9-30-09 (Incl. Depreciation)						
Fund	Revenue Budget	Revenue Actual	% of Actual to Budget	Expense Budget	Expense Actual	% of Actual to Budget
Engineering, Mat, and Testing	1,430	1,126	79%	1,830	852	47%
Fleet Services	47,055	31,242	66%	46,824	29,389	63%
Property Services	22,787	16,289	71%	23,630	16,462	70%
Public Works Stores	1,023	773	76%	1,369	588	43%
Intergovernmental Fund	47,941	36,583	76%	38,083	28,675	75%
Self Insurance	44,883	30,571	68%	37,384	25,777	69%

The **Intergovernmental Service Fund** is operating at a level called for in its financial plan. Through third quarter, the fund is on track with both its revenue and expense goals. Depreciation expense continues to pose a challenge for the fund because it is not recovered through the rate model.

The **Equipment Fund** has met its revenue and expense goals through third quarter, it is projected to increase net assets by \$2.9 million, \$2.6 million better than expected. The fund has positive net assets with its cash position near zero.

The **Self-Insurance Fund** is at 68% and 69% of revenue and expense targets for the year.

The **Property Services Fund** has received 71% of annual revenues and has spent 70% of budgeted expenses through third quarter. It has positive net assets but its cash reserves are well below the stated requirement. This fund’s financial performance is hindered by the mismatch between construction of capital assets which occurs in the Capital Projects fund and the depreciation expense from those assets which occurs in this fund. 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 budgeted at a loss of \$.4 million for 2009; although it is projected to end the year with a slight profit. This fund has consistently lost money and is in need of a financial workout plan. The fund has a negative cash position and positive net assets but one more year of losses could reverse that situation.

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.

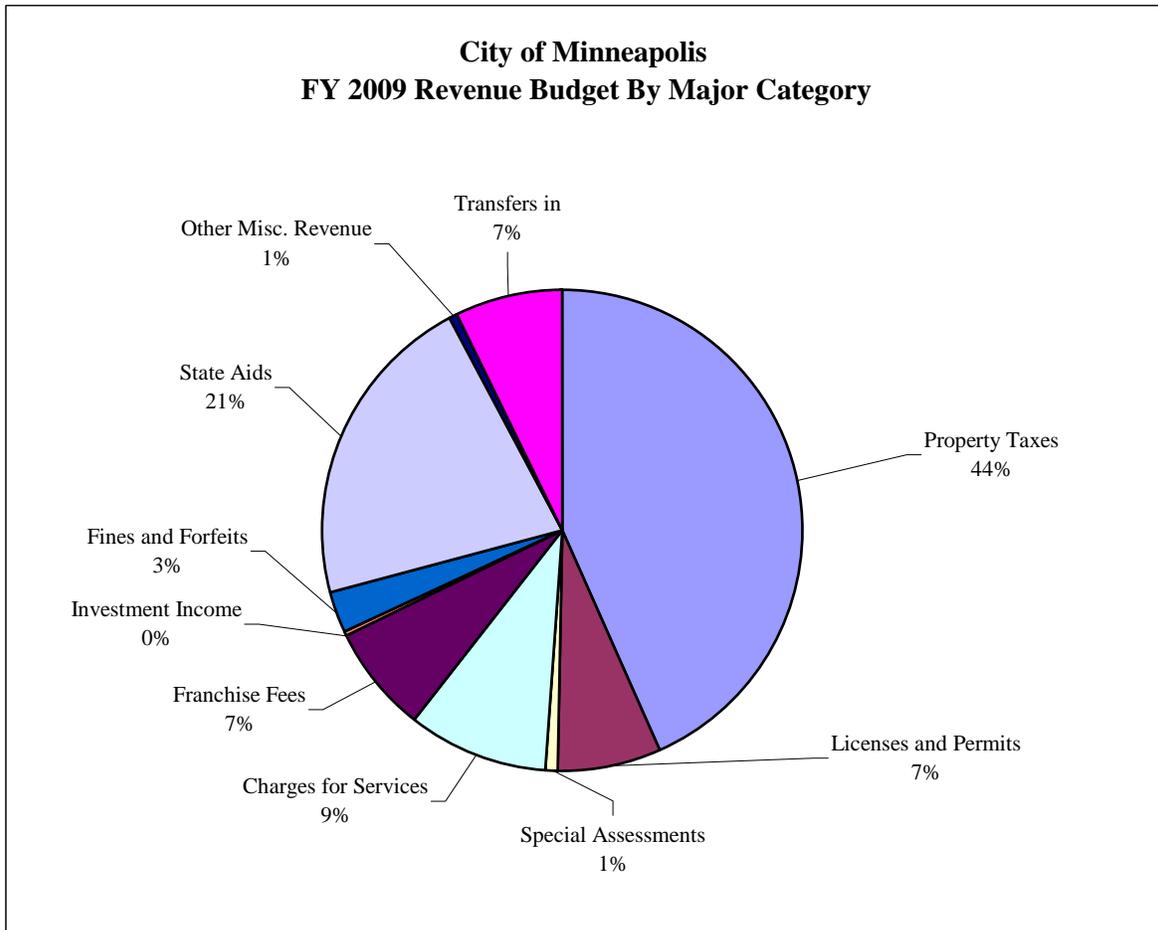
Financial Performance

The fund balance for the General Fund at fiscal year-end 2008 was \$49.7 million. Based on current revenue and expenditure results, we are expecting the fund balance at year-end to be \$ 60.6 million.

Preliminary 2009 Fund Balance

Fund Balance January 1, 2009	\$ 49.7 million
Restoration of Fund Balance (Hilton Funds transfer)	9.9 million
Re-appropriation of Fund Balance	(1.3) million
2009 Projected Increase in Fund Balance	<u>2.3 million</u>
Fund Balance Projected, December 31, 2009	<u>\$ 60.6 million</u>

General Fund Revenues:



The six largest revenue sources account for 95% of total budgeted revenues: property taxes, state aids, charges for services, licenses and permits, franchise fees, and transfers in.

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Property taxes, the major source of General Fund revenue are received from Hennepin County in July and December. In 2009 several TIF districts were decertified resulting in additional tax revenue to the General Fund in the December tax settlement. We are anticipating that revenues will exceed estimates by at least \$2 million.

State aids, the second major source of fund revenue (21%), are expected to be significantly less than last year due to the reduction in Local Government Aid from the State. State aids are received in July, October, and December

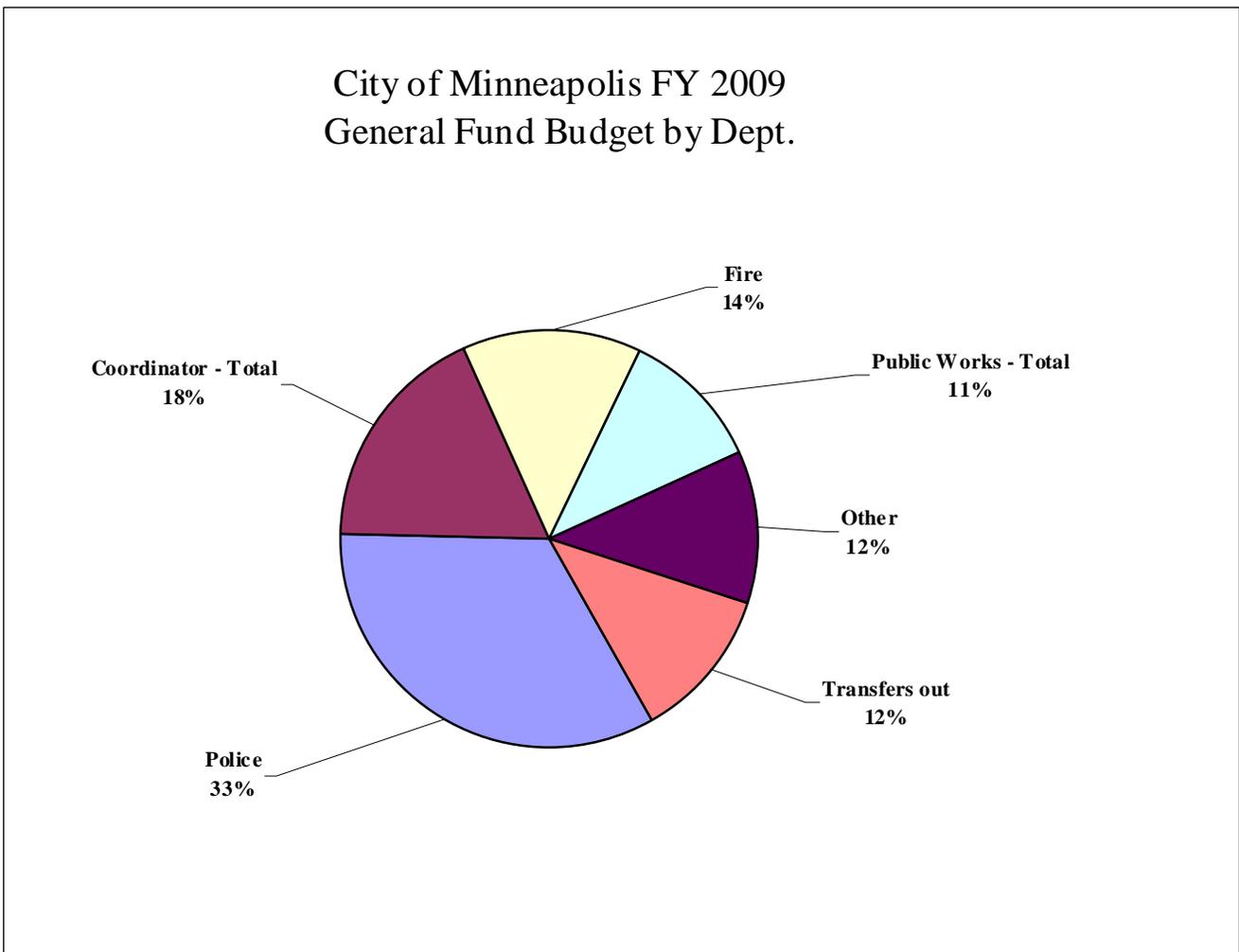
Charges for services, the third major source of fund revenue (9%), are expected to be at or over estimates for 2009.

Franchise fees, the fourth major source of revenue (7%), are at the expected level and are projected to be at or near budget.

License and permit fees (7% of fund revenue) related to Street Use permits are expected to be \$900,000 below revenue estimates at year end. This amount should be offset by an increase in licenses fees in Regulatory Services of \$750,000 to \$1 million. The increase is mainly attributable to the new baseball stadium.

Transfers in was increased by a one time \$9.9 million transfer from the Hilton Legacy fund to restore fund balance by offsetting the reduction in Local Government Aid at the end of 2008.

Fine and Forfeit revenue collections are anticipated to be \$2.88 million less than expected. The decrease in revenues is particularly evident in the area of citations issued by traffic enforcement officers in the Police Department.



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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.

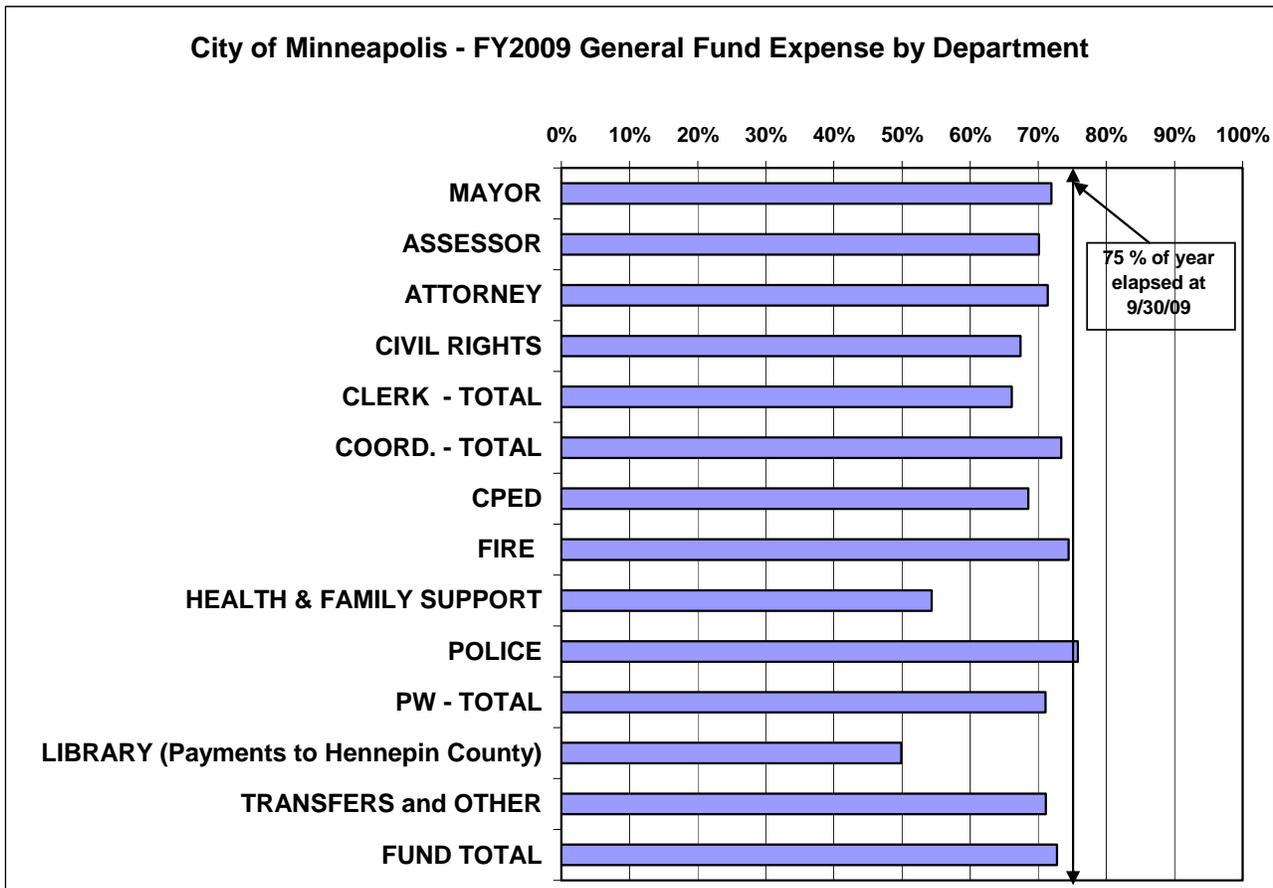
The Police Department is projected to end the year \$3.99 million over budget. In 2009, there were reductions of \$1.3 and \$6 million in salaries to achieve financial direction and for the supplemental budget respectively. Some of the reduction strategies related to both personnel and non-personnel have not been fully realized. In July, 87 officers were transferred to a grant resulting in \$3.7 million in savings. Although the department has been under authorized FTE for part of the year, it has not been enough to offset the overstaffing that occurred the first half of the year.

The Fire Department's projected expenditures are expected to exceed the budgeted amount by less than 1% or approximately \$180,000. The deficit is due to a higher than anticipated vacation pay-off, an increase in out of grade pay, higher overtime costs, especially for FLSA related overtime, and lower than expected military leave.

The expenditures of the City Coordinator are expected to be within budgeted amounts.

The Public works department expects to be within budget by year-end.

Expenditures for the remaining departments are expected to be at or near the current budget.



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

City of Minneapolis General Fund September 30, 2009						Variance Original/Actual
Revenues:	Original Budget	Revised Budget	Actual	Percent of Revised Budget Remaining	Projected YE Totals	Projected YE Actual as Percent of Revised Budget
Property Taxes	165,373,960	165,373,960	78,349,918	53%	167,373,960	101%
State Aids	88,242,122	80,741,255	38,922,268	52%	80,741,255	100%
Charges for Services	35,519,718	35,552,718	28,058,834	21%	35,552,718	100%
Franchise Fees	28,110,000	28,110,000	20,516,744	27%	28,110,000	100%
Licenses and Permits	25,555,834	26,467,134	21,135,736	20%	26,467,134	100%
Fines and Forfeits	10,972,924	10,866,624	6,082,116	44%	7,986,624	73%
Special Assessments	3,252,926	3,252,926	2,316,878	29%	3,252,926	100%
Investment Income	1,200,000	1,200,000	857,955	29%	1,200,000	100%
Other Shared Taxes	731,823	731,823	57,916	92%	731,823	100%
Other Miscellaneous	1,042,529	1,041,273	678,956	35%	1,041,273	100%
Contributions	400,000	400,000	114,069	71%	400,000	100%
Total Revenues	360,401,836	353,737,713	197,091,390	44%	352,857,713	100%
Transfers In	17,726,000	27,902,703	23,200,703	17%	27,902,703	100%
Revenues and Other Sources	378,127,836	381,640,416	220,292,093	42%	380,760,416	100%
Expenditures :						
Police	128,882,712	122,619,597	92,966,586	24%	126,609,597	103%
Coordinator - Total	67,372,901	65,984,968	48,432,918	27%	65,984,968	100%
Fire	53,102,021	51,535,719	38,367,435	26%	51,715,719	100%
Public Works - Total	41,914,730	41,466,040	29,461,541	29%	41,466,040	100%
Attorney	7,851,901	7,427,374	5,303,315	29%	7,427,374	100%
Health & Family Support	4,712,342	4,475,542	2,432,984	46%	4,475,542	100%
CPED	4,146,034	3,879,034	2,658,907	31%	3,879,034	100%
City Council & City Clerk	7,995,798	8,017,798	5,229,801	35%	8,017,798	100%
Assessor	3,913,208	3,986,447	2,795,946	30%	3,986,447	100%
Civil Rights	2,558,246	2,720,054	1,833,271	33%	2,720,054	100%
Contingency	2,744,004	2,568,004	192,000	93%	2,568,004	100%
Mayor	1,558,905	1,568,787	1,128,763	28%	1,568,787	100%
Culture and Recreation -Library	7,500,000	7,500,000	3,741,400	50%	7,500,000	100%
Total Expenditures	334,252,802	323,749,364	234,544,866	28%	327,919,364	101%
Transfers Out	43,875,034	41,921,030	31,440,773	25%	41,921,030	100%
Expenditures and Other Uses	378,127,836	365,670,394	265,985,639	27%	369,840,394	101%
Change in Fund Balance					10,920,022	
Fund Balance - January 1, 2009					49,688,028	
Fund Balance - December 31, 2009					60,608,050	

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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 2.625% citywide lodging tax for motels and hotels with 50 units or more. With the new state tax of .375% effective July 1, 2009, the lodging tax was reduced from 3% to 2.625%. The law provides that when the general sales tax rate is combined with any other taxes on lodging within the city of Minneapolis, the total tax amount may not exceed 13%. Presently, 1% 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 are 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 used 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.

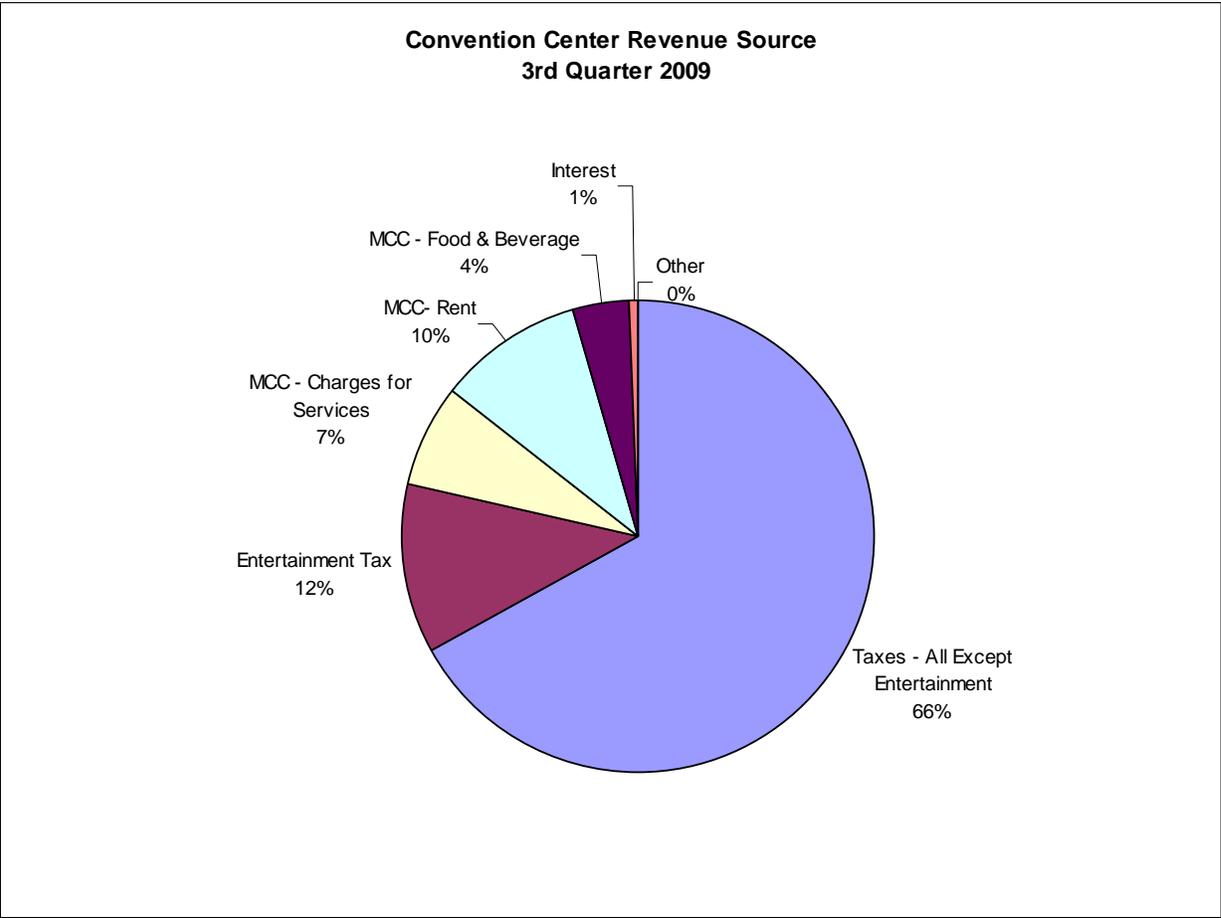
For the 3rd quarter ending September 30, 2009 tax proceeds were slightly below 2008 levels for the same period. Tax revenue is receipted into the month it is received from the State of Minnesota, and is variable from month to month. Tax revenue is consumer driven and based on consumer spending habits.

Tax	September 2008	September 2009	Variance	% Change
Sales	22,514,044	21,597,046	-916,998	-4.1%
Entertainment	6,128,156	5,971,425	-156,731	-2.6%
Food	6,699,472	6,290,520	-408,952	-6.1%
Liquor	2,451,641	2,485,694	34,053	-1.4%
Lodging	3,997,817	3,658,491	-339,326	-8.5%
Total	\$41,791,130	\$40,003,176	-1,787,954	-4.3%

Operating Revenue

Through the 3rd quarter of 2009, operating revenue has achieved 71% of the 2009 budget, but is expected to finish the year approximately \$1.9 million below budget. Although rental revenue held steady in the 1st, 2nd and 3rd quarters, ancillary revenues have declined by more than 10% from 2008. It is anticipated that the 4th quarter will be especially difficult as December bookings are sparse and clients are showing definite signs of reduced spending. To off-set these impacts, a close inspection of expenses combined with creative means of attracting new business has been deployed.

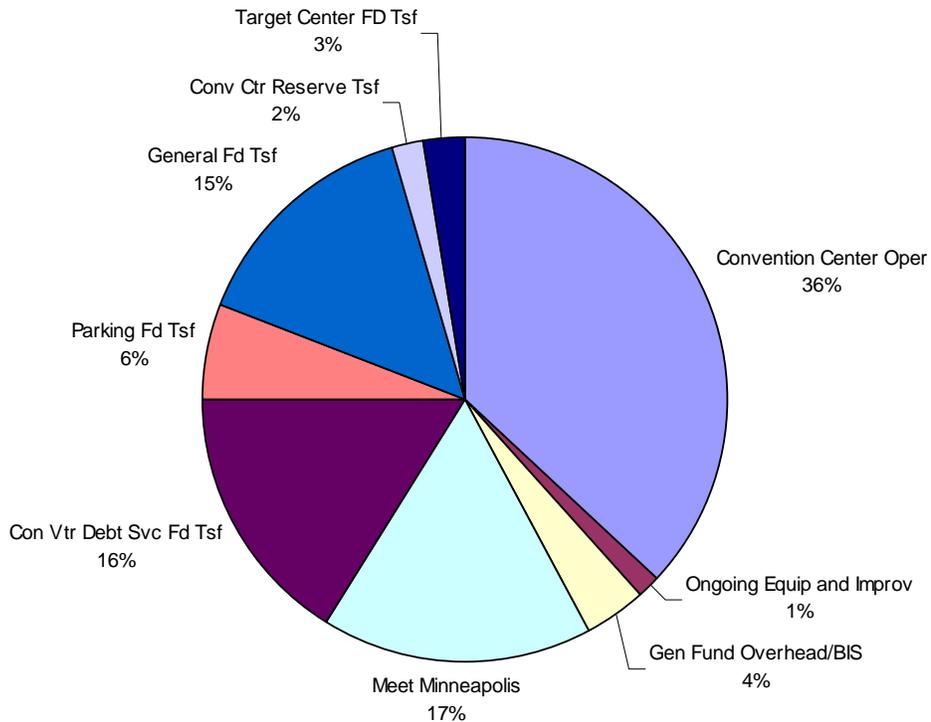
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Operating Expenditures

Through the 3rd quarter of 2009, Convention Center operating expenses not including ongoing equipment and improvement, BIS, and General Fund Overhead were at \$16.1 million or 58% of budget. As the Convention Center anticipates smaller revenues for 2009, management is closely watching all expenditures and applying an ROI analysis on any potential new services. Cost saving mechanisms such as energy conservation, a hiring freeze, reorganization of staff, and a reduction in overtime are some of the cost containment tools being applied. Utilizing these methods, the Convention Center is confident they will end the year under budget.

**Convention Center Expenditures & Transfers
3rd Quarter 2009**



Transfers

The Convention Center Fund annually transfers a share of its tax revenue to several other funds. In 2009, transfers are budgeted for the General Fund, the Convention Center Facilities Reserve Fund, the Arena Reserve Fund, the Parking Fund, and debt service. Budgeted 2009 transfers include \$1.5 million to the Target Center, \$8.5 million to the General Fund, a \$150,000 net transfer to the Convention Center Facility Reserve Fund, \$18.8 million to debt service, and \$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 began on 12/31/08. Interest and principal payments coincide with Meet Minneapolis's quarterly Sales and Marketing payments from the City. Meet Minneapolis's quarterly Sales and Marketing payment from the City of Minneapolis is being reduced by the amount of the interest and principal payments due for that particular period. The iDSS loan is

accounted for on the balance sheet as a Loan Receivable and is not reflected as an expenditure line item on the Statement of Revenues, Expenditures, and Changes in Fund Balance Budget to Actual Report.

Fund Balance

Based on the current revenue and expenditure trends, the 2009 fund balance is expected to be about \$41.7 million, which is approximately a \$1.9 million improvement over the 2009 budget. The increase can be attributed to reduced operating and ongoing equipment and improvement expenses.

**CONVENTION CENTER SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the fiscal quarter ending September 30, 2009**

CITY OF MINNEAPOLIS, MINNESOTA

	2009				2008 Actual
	Budget	Actual	Percent of Budget	Year End Projection	
REVENUE					
Operating Revenue:					
Charges for Services and Sales	5,475,000	3,480,894	64%	4,300,000	6,062,364
Rents and Commissions	6,435,000	5,184,031	81%	6,200,000	6,705,067
Catering Commissions	3,000,000	1,853,846	62%	2,500,000	2,801,451
Total Operating Revenue	14,910,000	10,518,771	71%	13,000,000	15,568,882
Tax Revenue:					
Sales and Use Tax	29,500,000	21,597,046	73%	27,880,000	29,502,258
Entertainment Tax	9,954,000	5,971,425	60%	9,785,000	9,630,576
Food Tax	10,000,000	6,290,520	63%	9,520,000	10,789,012
Liquor Tax	3,850,000	2,485,694	65%	3,750,000	3,939,477
Lodging Tax	6,000,000	3,658,491	61%	5,640,000	6,619,181
Total Tax Revenue	59,304,000	40,003,176	67%	56,575,000	60,480,504
Other Non Operating Revenue:					
Investment Management Services Interest	1,280,000	332,483	26%	500,000	835,847
Investment Income	20,000	-	0%	20,000	-
Meet Minneapolis Private Donations	-	-	0%	-	509,500
Meet Minneapolis (iDSS) Loan Interest	429,011	328,008	76%	435,261	1,277,715
Other	25,000	8,949	36%	14,000	7,952
Total Other Non Operating Revenue	1,754,011	669,440	38%	969,261	2,631,014
Total Non Operating Revenue	61,058,011	40,672,616	67%	57,544,261	63,111,518
Total Revenue	75,968,011	51,191,387	67%	70,544,261	78,680,400
EXPENDITURES					
Convention Center Operations	27,782,293	16,084,163	58%	23,900,000	24,050,025
Ongoing Equipment and Improvement	8,128,997	609,175	7%	4,600,000	5,315,676
General Fund Overhead/BIS Operating	2,154,000	1,605,500	75%	2,154,000	1,888,547
Human Resources	-	-	-	-	-
Meet Minneapolis	7,590,414	7,324,984	97%	7,590,414	8,046,118
Total Expenditures	45,655,704	25,623,822	56%	38,244,414	39,300,367
Excess of Revenues Over (Under) Expenditures	30,312,307	25,567,565	84%	32,299,847	39,380,033
OTHER FINANCING SOURCES (USES)					
General Fund Transfer	(8,454,000)	(6,340,500)	75%	(8,454,000)	(8,365,588)
Arena Reserve Fund Transfer	(1,500,000)	(1,125,000)	75%	(1,500,000)	(1,264,988)
Facility Reserve Fund Transfer	1,000,000	750,000	75%	1,000,000	1,000,000
Convention Center Reserve Fund Transfer	(1,150,000)	(862,500)	75%	(1,150,000)	(1,150,000)
Convention Ctr Debt Service Transfer	(18,728,000)	(7,012,058)	37%	(18,728,000)	(16,560,311)
Other Debt Service Transfer	(75,000)	(61,314)	82%	(75,000)	(68,000)
Municipal Parking Enterprise Fund Transfer	(9,858,000)	(2,480,689)	25%	(9,969,266)	(9,832,000)
Transfer to City Capital	-	-	-	-	(750,000)
Total Other Financing Sources (Uses)	(38,765,000)	(17,132,061)	44%	(38,876,266)	(36,990,886)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(8,452,693)	8,435,504		(6,576,419)	2,389,147
Fund Balance - January 1	48,306,828	48,306,828		48,306,828	45,917,682
Ending Fund Balance	39,854,135	56,742,332		41,730,409	48,306,828
Ending Cash Balance		49,105,056		NA	27,417,674

This is an unaudited, interim financial report

SPECIAL REVENUE FUNDS
Federal, CDBG, and Other State and Local Grants
Quarter Ending September 30, 2009

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. For year end reporting purposes cash deficits within funds are eliminated through short term borrowing between the funds resulting in amounts due to and due from other funds.

Federal Grants Fund (01300)

The City accounts for its federal grant activity in fund 01300. As of September 30, expenditures were \$13,533,707 as compared to the same period last year expenditures of \$10,585,178. The increase is primarily attributable to the increase in Regulatory Services homeland security and lead reduction grants and the Police stimulus grant through Hennepin County.

Empowerment Zone program loans receivable totaled \$4,885,265 on September 30, 2009 compared to \$3,171,852 in 2008. These amounts are offset by a corresponding amount of deferred revenue. The loans and related deferred revenue are adjusted annually as part of the year end reporting.

American Recovery and Reinvestment Act (ARRA)

On February 17, 2009, the President signed the American Recovery and Reinvestment Act into law. The City has to date applied for or partnered with other organizations for recovery funding opportunities in excess of \$134 million. The City has received recovery funding from the Departments of Labor, Health and Human Services, and Housing and Urban Development totaling approximately \$36 million to be used for employment and training, prenatal services, community development, homelessness prevention and housing, public safety, energy, and environment projects. The majority of the activity will be recorded in fund 01300, however some related to the HUD Consolidated Plan will be recorded in fund 01400. In addition, Public Works has been awarded \$10 million Federal Highway Administration funds to refurbish the Camden Bridge. As these grants have only recently been awarded, other than the Police department there has been only a nominal amount expended as of September 30.

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. The programs are the Emergency Shelter Grant Program (ESG), HOME Investment Partnerships Program and Housing Opportunities for Persons with AIDS (HOPWA). The expenditures in fund 01400 on September 30, 2009 were \$11,953,387 as compared to \$11,026,558 for 2008.

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

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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 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 \$13,011,942 and \$8,999,251 on September 30, 2009 and 2008, respectively. The increase in expenditures is primarily attributable to an increased spending in health and public safety activities. The year to date revenue in the fund as of September 30, 2009 and 2008 is \$17,522,123 and \$9,984,723, respectively. This increase is primarily due to Revolving Fund revenues.

Regulatory Services Revolving Fund

In 2008, Regulatory Services established a revolving fund and began accounting for the activities in fund 01600. Thus far in 2009, the following non-grant revenue has recognized in fund 01600:

Special Assessments	\$3,999,772
Wrecking Permits	\$ 241,834
Inspection Fees	\$ 127,900
Penalties	\$ 100,778
Citations	<u>\$ 114,541</u>
	<u>\$4,584,825</u>

The excess revenue over expenditures for this program from inception in 2008 is approximately \$5,772,862 and comprises a substantial portion of the fund balance as of September 30, 2009.

Capital Grants

In addition to the grants that are recorded in the funds reflected above, the City's Department of Public Works receives various grants through the Minnesota Department of Transportation, Metropolitan Council, and Housing and Urban Development. These grants are generally recorded in the Capital Projects fund, 04100. The current work on Marquette and 2nd Avenue is supported by a grant from the Department of Transportation, Federal Transit Capital Investment grant passed through the Metropolitan Council. In 2008 the City expended over \$4.9 million in federal funds on this project.

Special Revenue Funds
Grant Funds
Quarter Ending September 30, 2009

	Federal Grants 01300	CDBG Grants 01400	Grants Other 01600	Total
Assets				
Cash and cash equivalents	\$ (1,371,212)	\$ (4,330,900)	\$ 9,900,860	\$ 4,198,748
Accounts - net	559,857	21,013	-	580,870
Special Assessments Receivable	-	-	-	-
Intergovernmental Receivables	47,543	-	4,230	51,773
Loans receivable-net	4,885,265	-	556,439	5,441,704
Deposits with Fiscal Agents	-	-	443,938	443,938
Due From Other Funds	17,650	-	9,770	27,420
Total Assets	\$ 4,139,103	\$ (4,309,887)	\$ 10,915,237	\$ 10,744,453
Liabilities				
Salaries payable	\$ 115,923	\$ 140,425	\$ 185,956	\$ 442,304
Accounts payable	54,758	(50,723)	31,205	35,240
Use Taxes Payable	15,711	-	2,615	18,326
Due to Other Funds	117,239	44,660	77,153	239,052
Inter Governmental Payables	21,242	64,803	21,451	107,496
Deferred revenue & Contracts	5,262,884	-	2,776,775	8,039,659
Deferred Special Assessments	-	-	-	0
Total Liabilities	\$ 5,587,757	\$ 199,165	\$ 3,095,155	\$ 8,882,077
Fund Balance	\$ (1,448,654)	\$ (4,509,052)	\$ 7,820,082	\$ 1,862,376
Total Liabilities and Fund Balance	\$ 4,139,103	\$ (4,309,887)	\$ 10,915,237	\$ 10,744,453
Revenue				
Taxes-Charitable Gambling	\$ -	\$ -	\$ 115,005	\$ 115,005
Grants and Shared Revenues	11,687,071	6,924,395	11,992,783	30,604,249
Special Assessments	-	271,500	3,999,772	4,271,272
Private Contributions	-	-	441,930	441,930
Charges for Services	328,922	250	397,791	726,963
Wrecking Permit	-	-	241,834	241,834
Fees	-	-	127,900	127,900
Penalties	-	-	100,778	100,778
Citations	-	-	114,541	114,541
Interest	5,577	17,930	-	23,507
Rent & Commissions	-	1	(11,614)	(11,613)
Loan Recapture	43,195	172,267	-	215,462
Sale of Equipment	-	3,743	-	3,743
Lands & Buildings	-	56,861	-	56,861
Miscellaneous Revenue	20,288	-	28,493	48,781
Transfer within Special Revenue Fund	-	(2,612)	(27,090)	(29,702)
Total Revenue	\$ 12,085,053	\$ 7,444,335	\$ 17,522,123	\$ 37,051,511
Expenditures	\$ 13,533,707	\$ 11,953,387	\$ 13,011,942	\$ 38,499,036
Revenues Over (Under) Expenditures	\$ (1,448,654)	\$ (4,509,052)	\$ 4,510,181	\$ (1,447,525)

This is an unaudited, interim financial report

CDBG Program Year 35
Beginning June 1, 2008
September 30, 2009

Department	Agy	Project	Budget	Program Income	Revised Budget	2009		Remaining Grant Budget
						2009 Expenditures	Grant to Date Expenditures	
Capital Grants:								
Non-Departmental	123	General Housing Rehabilitation-MPHA	\$ 219,000	\$ -	\$ 219,000	\$ -	\$ -	\$ 219,000
City Attorney	140	Problem Properties Attorneys	38,000	-	38,000	24,203	24,203	13,797
Police	400	Problem Properties Police	53,000	-	53,000	-	-	53,000
Regulatory Services	835	Lead Reduction	125,000	-	125,000	-	-	125,000
Regulatory Services	835	Problem Properties Board Bldg	348,000	-	348,000	-	-	348,000
Health & Family Support	860	Childcare Facilities Loan/Grant	225,000	-	225,000	-	-	225,000
CPED	890	Adult Training, Placement and Retention	511,000	-	511,000	35,955	35,955	475,045
CPED	890	High density corridor housing	730,000	-	730,000	-	-	730,000
CPED	890	NonProfit MF Rental Development Assistance	166,000	-	166,000	-	-	166,000
CPED	890	Homeownership Program (GMMHC)	334,000	-	334,000	-	-	334,000
CPED	890	Multi-Family/Affordable Housing	5,715,000	-	5,715,000	-	-	5,715,000
CPED	890	Vacant & Boarded Housing	569,000	-	569,000	-	-	569,000
		Subtotal Capital Grants	<u>\$ 9,033,000</u>	<u>\$ -</u>	<u>\$ 9,033,000</u>	<u>\$ 60,158</u>	<u>\$ 60,158</u>	<u>\$ 8,972,842</u>
Public Service Grants:								
Civil Rights	300	Multi Cultural & Native American Indian	\$ 121,000	-	\$ 121,000	\$ -	\$ -	\$ 121,000
Public Works	607	Graffiti Removal on Public Property	86,000	-	86,000	-	-	86,000
Health & Family Support	860	Living at Home Block Nurse Program	69,000	-	69,000	2,500	2,500	66,500
Health & Family Support	860	Catholic Charities	69,000	-	69,000	-	-	69,000
Health & Family Support	860	Juvenile Supervision Center	100,000	-	100,000	4,308	4,308	95,692
Health & Family Support	860	Centro Cultural Chicano Inc	47,000	-	47,000	8,984	8,984	38,016
Health & Family Support	860	Greater Minneapolis Council of Churches	36,000	-	36,000	3,129	3,129	32,871
Health & Family Support	860	Lao Family Community	69,000	-	69,000	1,238	1,238	67,762
Health & Family Support	860	Minnesota International Health Volunteers	69,000	-	69,000	-	-	69,000
Health & Family Support	860	MPS Teenage Parenting & Pregnancy Program	69,000	-	69,000	-	-	69,000
Health & Family Support	860	Minneapolis Urban League	69,000	-	69,000	3,117	3,117	65,883
Health & Family Support	860	Southside Community Health Services	66,000	-	66,000	-	-	66,000
Health & Family Support	860	Way to Grow	262,000	-	262,000	42,549	42,549	219,451
Health & Family Support	860	Youth are Here Busses	51,000	-	51,000	-	-	51,000
CPED	890	Advocacy (Housing)	82,000	-	82,000	31,169	31,169	50,831
CPED	890	Mortgage Foreclosure Prevention Program	140,000	-	140,000	110,294	110,294	29,706
CPED	890	Youth Employment & Training	458,000	-	458,000	96,169	96,169	361,831
		Subtotal Public Service Grants	<u>\$ 1,863,000</u>	<u>\$ -</u>	<u>\$ 1,863,000</u>	<u>\$ 303,456</u>	<u>\$ 303,456</u>	<u>\$ 1,438,544</u>
Administrative Grants:								
Non-Departmental	123	MPH Citizen Participation	\$ 68,000	\$ -	\$ 68,000	\$ 20,261	\$ 20,261	\$ 47,739
Non-Departmental	123	YCB Administration	66,000	-	66,000	-	-	66,000
Civil Rights	300	Civil Rights Dept Fair Housing	365,000	-	365,000	-	-	365,000
Grants & Special Projects	800	Homeless Initiative	77,000	-	77,000	-	-	77,000
Grants & Special Projects	800	Grants & Special Projects	189,710	-	189,710	-	-	189,710
Grants & Special Projects	800	Housing Discrimination Law Project-Legal Aid	54,000	-	54,000	4,417	4,417	49,583
Finance	820	Finance Administration	196,000	-	196,000	-	-	196,000
Health & Family Support	860	Grant Administration	68,000	-	68,000	12,113	12,113	55,887
Health & Family Support	860	Neighborhood Services	72,000	-	72,000	25,045	25,045	46,955
Health & Family Support	860	Way to Grow Administration	26,000	-	26,000	4,334	4,334	21,666
Health & Family Support	860	YCB Youth Violence Prevention	121,000	-	121,000	28,301	28,301	92,699
Health & Family Support	890	Legal Aid Society	34,000	-	34,000	-	-	34,000
CPED	890	Citizen Participation	233,000	-	233,000	-	-	233,000
CPED	890	Program Admin	62,000	-	62,000	-	-	62,000
CPED	890	Planning - Administration	879,000	-	879,000	245,191	245,191	633,809
		Subtotal Administrative Grants	<u>\$ 2,510,710</u>	<u>\$ -</u>	<u>\$ 2,510,710</u>	<u>\$ 339,663</u>	<u>\$ 339,663</u>	<u>\$ 2,171,047</u>
		GRAND TOTAL	<u>\$ 13,406,710</u>	<u>\$ -</u>	<u>\$ 13,406,710</u>	<u>\$ 703,276</u>	<u>\$ 703,276</u>	<u>\$ 12,582,434</u>

Source : GP06 Compass Report 12/31/07 - 09/30/09 run date 10/14/09

**CDBG Program Year 34
Beginning June 1, 2008
September 30, 2009**

Department	Agy	Project	Budget	Program Income	Revised Budget	2009		Remaining Grant Budget
						Expenditures	Grant to Date Expenditures	
Capital Grants:								
Non-Departmental	123	General Housing Rehabilitation-MPHA	\$ 218,000	\$ -	\$ 218,000	\$ 132,598	\$ 132,598	\$ 85,402
City Attorney	140	Problem Properties Attorneys	38,300	-	38,300	19,318	37,000	1,300
Police	400	Problem Properties Police	52,700	-	52,700	-	-	52,700
Regulatory Services	835	Lead Reduction	125,000	-	125,000	66,080	94,991	30,009
Regulatory Services	835	Problem Properties Board Bldg	348,000	-	348,000	384,880	384,880	(36,880)
Health & Family Support	860	Childcare Facilities Loan/Grant	224,000	-	224,000	-	-	224,000
CPED	890	Adult Training, Placement and Retention	1,380,000	-	1,380,000	916,773	1,247,032	132,968
CPED	890	High density corridor housing	729,000	-	729,000	-	-	729,000
CPED	890	NonProfit MF Rental Development Assistance	165,000	-	165,000	-	-	165,000
CPED	890	Homeownership Program (GMMHC)	319,000	-	319,000	-	-	319,000
CPED	890	Industry Cluster Program (Living Wage Jobs)	65,100	-	65,100	34,407	43,807	21,293
CPED	890	Multi-Family/Affordable Housing	4,270,000	-	4,270,000	120,136	120,136	4,149,864
CPED	890	NEDF/CEDF	518,000	-	518,000	54,183	54,183	463,817
CPED	890	Vacant & Boarded Housing	569,000	-	569,000	-	-	569,000
		Subtotal Capital Grants	<u>\$ 9,021,100</u>	<u>\$ -</u>	<u>\$ 9,021,100</u>	<u>\$ 1,728,375</u>	<u>\$ 2,114,628</u>	<u>\$ 6,906,472</u>
Public Service Grants:								
Civil Rights	300	Multi Cultural & Native American Indian	\$ 119,000	\$ -	# \$ 119,000	\$ 106,120	\$ 106,120	\$ 12,880
Public Works	607	Graffiti Removal on Public Property	86,200	-	86,200	55,391	55,391	30,809
Health & Family Support	860	Advocacy (Housing)	82,300	-	82,300	5,179	82,254	47
Health & Family Support	860	Asian Media Access	26,800	-	26,800	18,026	18,026	8,774
Health & Family Support	860	Living at Home Block Nurse Program	64,100	-	64,100	54,483	64,100	-
Health & Family Support	860	Child Dental Services	10,500	-	10,500	500	9,000	1,500
Health & Family Support	860	Curfew/Truancy Center	98,000	-	98,000	6,469	59,110	38,890
Health & Family Support	860	Domestic Abuse Project	34,500	-	34,500	-	-	34,500
Health & Family Support	860	Resource Inc, Employment Action Center	44,000	-	44,000	18,040	38,000	6,000
Health & Family Support	860	Fremont Community Health Services	44,000	-	44,000	31,015	44,000	-
Health & Family Support	860	Greater Minneapolis Council of Churches	44,000	-	44,000	26,877	43,994	6
Health & Family Support	860	Lao Assistance Center of MN	48,800	-	48,800	36,624	48,800	-
Health & Family Support	860	MIGIZI Communications	42,100	-	42,100	34,014	42,098	2
Health & Family Support	860	MPS Teenage Parenting & Pregnancy Program	65,100	-	65,100	36,373	37,178	27,922
Health & Family Support	860	Minneapolis Urban League	64,100	-	64,100	42,697	63,918	182
Health & Family Support	860	St Marys Health Clinics	18,200	-	18,200	11,923	18,200	-
Health & Family Support	860	St Stephens Human Services	44,000	-	44,000	44,000	44,000	-
Health & Family Support	860	Southside Family Nurturing Center	44,000	-	44,000	14,964	23,273	20,727
Health & Family Support	860	Way to Grow	261,000	-	261,000	125,028	260,999	1
Public Works	860	Youth are Here Busses	71,800	-	71,800	-	-	71,800
CPED	890	Mortgage Foreclosure Prevention Program	196,000	-	196,000	48,915	196,000	-
CPED	890	Youth Employment & Training	457,000	-	457,000	452,274	455,361	1,639
		Subtotal Public Service Grants	<u>\$ 1,965,500</u>	<u>\$ -</u>	<u>\$ 1,965,500</u>	<u>\$ 1,168,913</u>	<u>\$ 1,709,821</u>	<u>\$ 255,679</u>
Administrative Grants:								
Non-Departmental	123	MPH Citizen Participation	\$ 68,000	\$ -	\$ 68,000	\$ 10,000	\$ 10,000	\$ 58,000
Non-Departmental	123	YCB Administration	65,000	-	65,000	-	64,803	197
Civil Rights	300	Civil Rights Dept Fair Housing	196,000	-	196,000	11,230	11,230	184,770
Grants & Special Projects	800	Homeless Initiative	-	-	-	-	-	-
Grants & Special Projects	800	Grants & Special Projects	235,000	-	235,000	129,822	210,174	24,826
Grants & Special Projects	800	Housing Discrimination Law Project-Legal Aid	54,600	-	54,600	22,750	54,600	-
Finance	820	Finance Administration	196,000	-	196,000	-	-	196,000
Health & Family Support	860	Grant Administration	67,972	-	67,972	16,902	67,972	-
Health & Family Support	860	Neighborhood Services	71,800	-	71,800	48,324	71,800	-
Health & Family Support	860	Way to Grow Administration	25,800	-	25,800	15,049	25,800	-
Health & Family Support	860	YCB Youth Violence Prevention	120,000	-	120,000	62,758	120,000	-
Health & Family Support	860	Legal Aid Society	33,500	-	33,500	13,958	33,500	-
CPED	890	Citizen Participation	233,000	-	233,000	165,921	165,920	67,080
CPED	890	Program Admin	62,000	-	62,000	-	-	62,000
CPED	890	Planning - Administration	878,000	-	878,000	550,204	878,000	-
		Subtotal Administrative Grants	<u>\$ 2,306,672</u>	<u>\$ -</u>	<u>\$ 2,306,672</u>	<u>\$ 1,046,918</u>	<u>\$ 1,713,799</u>	<u>\$ 592,873</u>
		GRAND TOTAL	<u>\$ 13,293,272</u>	<u>\$ -</u>	<u>\$ 13,293,272</u>	<u>\$ 3,944,206</u>	<u>\$ 5,538,247</u>	<u>\$ 7,755,025</u>

Source : GP06 Compass Report 12/31/07 - 09/30/09 run date 10/14/09

This is an unaudited, interim financial report

**CDBG Program Year 33
Beginning June 1, 2007
September 30, 2009**

Department	Agy	Project	Budget	Program Income	Council Actions	Revised Budget	2009		Remaining Grant Budget
							2009 Expenditures	Grant to Date Expenditures	
Capital Grants:									
CPED	890	Adult Training, Placement and Retention	844,000			844,000	4,316	844,000	-
CPED	890	High density corridor housing	801,000			801,000	779,145	804,651	(3,651)
CPED	890	Homeownership Program (GMMHC)	350,500			350,500	-	-	350,500
CPED	890	Industry Cluster Program (Living Wage Jobs)	71,900			71,900	60,900	71,900	-
CPED	890	Multi-Family/Affordable Housing	4,388,000			4,388,000	1,875,390	2,005,511	2,382,489
CPED	890	NEDF/CEDF	1,167,000			1,167,000	129,588	353,608	813,392
CPED	890	NonProfit MF Rental Development Assistance	180,700			180,700	103,627	103,627	77,073
CPED	890	Vacant & Boarded Housing	625,000			625,000	1,542,199	5,053,970	(4,428,970)
Health & Family Support	860	Childcare Facilities Loan/Grant	233,700			233,700	-	-	233,700
Regulatory Services	835	Lead Reduction	130,800			130,800	-	91,789	39,011
Regulatory Services	835	Problem Properties Board Bldg	346,240	271,500 ¹	15,965 ⁴	633,705	143,875	633,172	533
Police	400	Problem Properties Police	53,880			53,880	-	1,012	52,868
Fire	280	Problem Properties Fire	15,965		(15,965) ⁴	0	-	-	-
City Attorney	140	Problem Properties Attorneys	38,915			38,915	-	38,915	-
Non-Departmental	123	General Housing Rehabilitation-MPHA	227,700			227,700	2,137	76,793	150,907
		Subtotal Capital Grants	<u>9,475,300</u>	<u>271,500</u>	<u>0</u>	<u>9,746,800</u>	<u>4,641,177</u>	<u>10,078,947</u>	<u>(332,147)</u>
Public Service Grants:									
CPED	890	Mortgage Foreclosure Prevention Program	204,700	100,000 ²	95,300 ³	400,000	-	400,000	-
CPED	890	Youth Employment & Training	476,133			476,133	23,932	476,133	-
Health & Family Support	860	Advocacy (Housing)	92,600			92,600	-	92,600	-
Health & Family Support	860	Asian Media Access	30,000			30,000	-	30,000	-
Health & Family Support	860	Cardondelet Life Care	21,000			21,000	-	21,000	-
Health & Family Support	860	Child Dental Services	11,000			11,000	(1)	11,000	-
Health & Family Support	860	Curfew/Tuancy Center	98,000			98,000	-	98,000	-
Health & Family Support	860	Domestic Abuse Project	40,000			40,000	27,500	40,000	-
Health & Family Support	860	Fremont Community Health Services	50,000			50,000	-	50,000	-
Health & Family Support	860	Greater Minneapolis Council of Churches	50,000			50,000	300	50,000	-
Health & Family Support	860	Lao Assistance Center of MN	55,000			55,000	-	55,000	-
Health & Family Support	860	Living at Home Block Nurse Program	75,000			75,000	-	74,960	40
Health & Family Support	860	MIGIZI Communications	48,000			48,000	-	48,000	-
Health & Family Support	860	Minneapolis Urban League	75,000			75,000	-	75,000	-
Health & Family Support	860	MPS Teenage Parenting & Pregnancy Program	76,000			76,000	-	76,000	-
Health & Family Support	860	Resource Inc, Employment Action Center	50,000			50,000	-	50,000	-
Health & Family Support	860	Southside Family Nurturing Center	50,000			50,000	-	43,779	6,221
Health & Family Support	860	St Stephens Human Services	50,000			50,000	-	50,000	-
Health & Family Support	860	Way to Grow	296,000			296,000	-	296,000	-
Public Works	607	Graffiti Removal on Public Property	91,400			91,400	-	91,400	(0)
Civil Rights	300	Multi Cultural & Native American Indian	132,800			132,800	10,852	132,800	-
		Subtotal Public Service Grants	<u>2,072,633</u>	<u>100,000</u>	<u>95,300</u>	<u>2,267,933</u>	<u>62,583</u>	<u>2,261,672</u>	<u>6,261</u>
Administrative Grants:									
Non-Departmental	123	MPH Citizen Participation	70,900			70,900	10,000	10,000	60,900
Non-Departmental	123	YCB Administration	64,900			64,900	-	64,803	97
Civil Rights	300	Civil Rights Dept Fair Housing	205,000			205,000	199,897	261,064	(56,064)
Grants & Special Projects	800	Homeless Initiative	-			-	-	-	-
Grants & Special Projects	800	Grants & Special Projects	244,900			244,900	69,152	309,112	(64,212)
Grants & Special Projects	800	Housing Discrimination Law Project-Legal Aid	56,900			56,900	-	56,900	-
Finance	820	Finance Administration	205,000			205,000	148,577	206,712	(1,712)
Health & Family Support	860	Grant Administration	71,900			71,900	-	70,354	1,546
Health & Family Support	860	Neighborhood Services	74,900			74,900	-	74,900	-
Health & Family Support	860	Way to Grow Administration	27,000			27,000	-	27,000	-
Health & Family Support	860	YCB Youth Violence Prevention	-			0	-	-	-
Health & Family Support	860	Legal Aid Society	35,000			35,000	-	35,000	-
CPED	890	Citizen Participation	242,700			242,700	(28,645)	223,513	19,187
CPED	890	Planning - Administration	878,000			878,000	(33,710)	878,000	-
CPED	890	Program Admin	103,000			103,000	67,057	103,000	-
		Subtotal Administrative Grants	<u>2,280,100</u>	<u>-</u>	<u>-</u>	<u>2,280,100</u>	<u>432,328</u>	<u>2,320,359</u>	<u>(40,259)</u>
	123	Block E Deficit Reduction	0			-	-	-	0
		GRAND TOTAL	<u>\$ 13,828,033</u>	<u>\$ 371,500</u>	<u>\$ 95,300</u>	<u>\$ 14,294,833</u>	<u>\$ 5,136,089</u>	<u>\$ 14,660,978</u>	<u>\$ (366,145)</u>

¹ Council Action 2007R-529 Increase budget up to \$376,329 based on actual program income received.
As of September 30, 2009 \$271,500 has been recorded as program income.

² Approved by Finance Officer

³ 12/21/07 Council adopted admendment to 2007 Consolidated Plan reallocating \$95,300 from Yr28 to Yr33

⁴ Council Action 2008R-060.

⁵ Vacant & Boarded for Yr 33 is \$4,428,970 over budget on September 30, 2009, CPED mgmt needs to address this issue as it continues to expend funds on this overspent grant

This is an unaudited, interim financial report

Department	Agy	Project	Adopted Budget	Council Action 2006R-093	Program Income	Department Actions	Council Action	Revised Budget	2009 Expenditures	Grant to Date Expenditures	Remaining Grant Budget
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	(484,440)	941,210	2,690
CPED	890	Homeownership Program (GMMHC)	437,000	(24,600)				412,400	-	-	412,400
CPED	890	Industry Cluster Program (Living Wage Jobs)	90,000	(5,050)				84,950	21,293	84,950	-
CPED	890	Multi-Family/Affordable Housing	4,999,000	(299,000)				4,700,000	(209,766)	4,070,734	629,266
CPED	890	NEDF/CEDF	136,000	(7,630)				128,370	70,935	128,370	-
CPED	890	NonProfit MF Rental Development Assistance	226,000	(12,679)				213,321	(71,027)	70,721	142,600
CPED	890	Vacant & Boarded Housing ³	1,154,000	(64,725)	2,000,000 ¹			3,089,275	738,089	3,089,307	(32)
Health & Family Support	860	Childcare Facilities Loan/Grant	292,000	(16,381)		(127,427)		148,192	-	11,333	136,859
Regulatory Services	835	Lead Reduction	163,000	(9,144)				153,856	-	153,856	-
Regulatory Services	835	Vacant & Boarded Housing-249 List ³	-	-				-	-	-	-
Regulatory Services	835	Problem Properties Board Bldg	54,900	0			18,300 ³	73,200	-	54,900	18,300
Police	400	Problem Properties Police	64,050	0				64,050	-	-	64,050
Fire	280	Problem Properties Fire	18,300	0			(18,300) ³	0	-	-	-
City Attorney	140	Problem Properties Attorneys	45,750	0				45,750	-	45,750	-
Non-Departmental	123	General Housing Rehabilitation-MPHA	282,000	(15,820)				266,180	-	266,180	-
		Subtotal Capital Grants	9,542,000	(543,629)	2,000,000	(127,427)	0	10,870,944	65,084	9,464,810	1,406,134
Public Service Grants:											
CPED	890	Mortgage Foreclosure Prevention Program	218,000	(13,000)	44,224 ²			249,224	-	249,224	-
CPED	890	Youth Employment & Training	506,000	(29,000)				477,000	-	477,000	-
Health & Family Support	860	Advocacy (Housing)	100,000	(5,610)		20,422		114,812	-	114,812	-
Health & Family Support	860	Block Nurse Program	62,000	(3,478)		(2,315)		56,207	-	56,207	-
Health & Family Support	860	Minneapolis Urban League	24,000	(1,346)		(336)		22,318	-	22,318	-
Health & Family Support	860	Curfew/Traucny Center	98,000	0				98,000	-	98,000	-
Health & Family Support	860	Early Childhood School Rediness	19,000	(1,066)				17,934	-	17,934	-
Health & Family Support	860	GMDCA Child Care	135,000	(7,573)		0		127,427	-	-	127,427
Health & Family Support	860	Lao Advancement Organization of America	47,000	(2,637)				44,363	-	44,363	-
Health & Family Support	860	Minneapolis Medical Research Foundation	43,000	(2,412)		(9,987)		30,601	-	30,601	(0)
Health & Family Support	860	MPS Teenage Parenting & Pregnancy Program	80,000	(4,488)				75,512	-	75,512	-
Health & Family Support	860	Native American Community Clinic	26,000	(1,459)		(1)		24,540	-	24,540	0
Health & Family Support	860	MELD	38,000	(2,132)		(6,276)		29,592	-	29,592	0
Health & Family Support	860	Child Dental Services	10,000	(561)				9,439	-	9,439	-
Health & Family Support	860	Cardondelet Life Care	71,000	(3,983)				67,017	-	67,017	-
Health & Family Support	860	New American Community Services	47,000	(2,637)		(65)		44,298	-	44,298	(0)
Health & Family Support	860	Southside Community Health Services	47,000	(2,637)				44,363	-	44,363	-
Health & Family Support	860	Westside Community Health Services	38,000	(2,132)		(2,928)		32,940	-	32,940	0
Health & Family Support	860	YWCA Day Care Scholarships	28,000	(1,571)				26,429	-	26,429	-
Health & Family Support	860	Neighborhood Healthcare Services	135,000	(7,573)				127,427	-	127,427	-
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	0				296,000	-	296,000	(0)
Health & Family Support	860	Cardondelet Life Care yr33	0	0		2,800		2,800	-	2,800	(0)
Health & Family Support	860	Child Dental Services yr33	0	0		500		500	-	500	-
Health & Family Support	860	Fremont CHS yr33	0	0		6,000		6,000	6,000	6,000	-
Health & Family Support	860	GMCC Division of Indian Works yr33	0	0		6,000		6,000	-	6,000	-
Health & Family Support	860	Migizi Communications yr33	0	0		5,900		5,900	-	5,900	-
Health & Family Support	860	Minneapolis Teenage Pregnancy yr33	0	0		10,900		10,900	-	10,900	-
Health & Family Support	860	Minneapolis Urban League yr33	0	0		10,900		10,900	-	10,900	-
Health & Family Support	860	Resource Inc yr33	0	0		6,000		6,000	-	6,000	-
Health & Family Support	860	Senior Block Nurse yr33	0	0		10,900		10,900	7,267	10,900	-
Health & Family Support	860	St. Stephens Yr33	0	0		6,000		6,000	6,000	6,000	-
Health & Family Support	860	Neighborhood Healthcare Services	0	0		63,012		63,012	63,012	63,012	-
Public Works	607	Graffiti Removal on Public Property	97,000	(5,500)				91,500	-	91,500	-
Civil Rights	300	Multi Cultural & Native American Indian	165,300	(9,386)		0		155,914	-	155,914	0
		Subtotal Public Service Grants	2,363,300	(112,032)	44,224	127,427	0	2,422,919	82,279	2,295,491	127,427
Administrative Grants:											
Non-Departmental	123	Citizen Participation MPHA	88,000	(4,895)				83,105	-	29,314	53,791
Non-Departmental	123	Administration YCB	57,000	0				57,000	-	57,000	-
Civil Rights	300	Civil Rights Dept Fair Housing	255,000	(14,025)				240,975	-	240,975	-
Grants & Special Projects	800	Homeless Initiative	100,000	0				100,000	20,115	117,671	(17,671)
Grants & Special Projects	800	Grants & Special Projects	206,000	(17,335)				188,665	-	188,665	-
Grants & Special Projects	800	Housing Discrimination Law Project-Legal Aid	71,000	(3,751)				67,249	-	67,249	-
Grants & Special Projects	800	Metro Fair Housing-Multi Jurisdictional	16,000	(16,000)				0	-	-	-
Finance	820	Finance Administration	255,000	(14,025)				240,975	6,048	246,429	(5,454)
Health & Family Support	860	Grant Administration	90,000	(5,005)				84,995	-	84,995	-
Health & Family Support	860	Neighborhood Services	94,000	(5,269)				88,731	-	88,731	-
Health & Family Support	860	Way to Grow Administration	34,000	(2,244)				31,756	-	31,756	-
Health & Family Support	860	Legal Aid Society	44,000	(2,903)				41,097	-	41,097	-
CPED	890	Citizen Participation	303,000	(17,000)				286,000	(857)	286,000	-
CPED	890	Program Admin	8,900	41,100				50,000	-	50,000	-
CPED	890	Planning - Administration	1,146,800	(105,907)				1,040,893	-	1,040,893	-
		Subtotal Administrative Grants	2,768,700	(167,259)	0	0	0	2,601,441	25,306	2,570,776	30,665
	123	Block E Deficit Reduction	0	0		0		0	0	0	0
		GRAND TOTAL	\$ 14,674,000	\$ (822,920)	\$ 2,044,224	\$ 0	\$ -	\$ 15,895,304	\$ 172,669	\$ 14,331,077	\$ 1,564,226

¹ Council Action 2007R-195

² Council Action 2006R-145

³ Council Action 2008R-060

Source : GP06 Compass Report 12/31/07 - 09/30/09 run date 10/14/09

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Department	Agy	Project	Adopted Budget	Council Actions	Revised Budget	2009		Remaining Grant Budget
						Expenditures	Grant to Date Expenditures	
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	(61,847)	953,008	0
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	(9,072)	4,898,461	0
CPED	890	NEDF/CEDF	142,951		142,951	127,676	142,951	0
CPED	890	NonProfit MF Rental Development Assistance	238,252		238,252	(12,600)	225,652	12,600
CPED	890	Residential Loan/Grant	571,805		571,805	52,786	568,491	3,314
CPED	890	Vacant & Boarded Housing	1,200,000		1,200,000	(1,330)	1,200,000	0
Health & Family Support	860	Childcare Facilities Loan/Grant	306,869		306,869	2,059	108,202	198,667
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	2,867	33,113	40,269
Police	400	Problem Properties Police	71,476		71,476	-	44,966	26,510
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>100,539</u>	<u>9,396,599</u>	<u>720,534</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/Tuancy 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>2,483,158</u>	<u>(0)</u>
Administrative Grants:								
Non-Departmental	123	Citizen Participation MPHA	93,395		93,395	-	53,395	40,000
Non-Departmental	123	Administration YCB	56,227		56,227	-	56,227	0
Civil Rights	300	Fair Housing Initiative/Davis Bacon Compliance	257,312		257,312	-	257,312	0
Grants & Special Projects	800	Homeless Initiative	-		-	-	-	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	-	16,154	1,000
Finance	820	Finance Administration	271,607	(22,193)	249,414	-	249,414	0
Health & Family Support	860	Grant Administration	95,301		95,301	-	95,301	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
Health & Family Support	860	YCB Youth Violence Prevention	-		-	-	-	0
Health & Family Support	860	Legal Aid Society	46,697		46,697	-	46,697	0
CPED	890	Citizen Participation	328,788		328,788	14,535	328,788	0
CPED	890	Program Admin	13,657		13,657	-	13,657	0
CPED	890	Planning - Administration	1,230,400		1,230,400	-	963,913	266,487
		Subtotal Administrative Grants	<u>2,842,251</u>	<u>(123,187)</u>	<u>2,719,064</u>	<u>14,535</u>	<u>2,411,578</u>	<u>307,487</u>
	123	Block E Deficit Reduction	<u>0</u>	<u>123,187</u>	<u>123,187</u>	<u>0</u>	<u>-</u>	<u>123,187</u>
		GRAND TOTAL	<u>\$ 15,442,542</u>	<u>\$ (0)</u>	<u>\$ 15,442,542</u>	<u>\$ 115,074</u>	<u>\$ 14,291,334</u>	<u>\$ 1,151,208</u>

¹ Council Action 2007R-266

² Department Change in CDBG Program Funding

³ 2005R-618 Council Action Reprograming CDBG funds for Block E Reduction.
Source : GP06 Compass Report 12/31/07 - 09/30/09 run date 10/14/09

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CDBG Program Year 30
Beginning June 1, 2004
September 30, 2009

Department	Agy	Project	Adopted 2003R-610	Amended Budget	Reprogram Amounts	Revised Budget	2009		Remaining Grant Budget
							2009 Expenditures	Grant to Date Expenditures	
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	-
CPED	890	Home Ownership Program (GMMHC)	465,000	464,146		464,146	278,072	322,031	142,115
CPED	890	Industrial Cluster Training (Living Wage Jobs)	99,000	98,818		98,818		98,818	-
CPED	890	Multi Family Affordable Housing	5,390,000	5,380,106		5,380,106	94,025	5,380,106	-
CPED	890	Neighborhood/Commercial Economic Dev Fd	150,000	149,725		149,725	(42,405)	149,725	-
CPED	890	Residential Loan / Grant	444,000	443,185		443,185	-	443,185	-
CPED	890	Vacant/Boarded Housing Program	1,000,000	998,164		998,164	-	998,164	-
CPED	890	VHR Distressed	393,000	392,279		392,279	171,905	392,279	-
Health & Family Support	860	GMDCA- Child care facilities	323,000	322,407		322,407	-	322,407	-
Inspections Department	850	Hud Lead Program	180,000	34,353		34,353	-	34,353	-
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	-
		Subtotal Capital Grants	<u>10,600,000</u>	<u>10,580,541</u>	<u>-</u>	<u>10,580,541</u>	<u>501,597</u>	<u>10,422,462</u>	<u>158,079</u>
Public Service Grants:									
CPED	890	Mortgage Foreclosure Program	250,000	249,541		249,541		249,541	-
CPED	890	Youth Employment & Training	568,000	566,957		566,957		566,957	-
Health & Family Support	860	Advocacy	110,000	86,033		86,033		86,033	-
Health & Family Support	860	Block Nurse prg	66,000	65,879		65,879		65,879	-
Health & Family Support	860	Child Dental Services	11,000	10,980		10,980		10,980	-
Health & Family Support	860	Curfew Truancy Center	104,000	103,809		103,809		103,809	-
Health & Family Support	860	Domestic Abuse Prevention	58,000	57,894		57,894		57,894	-
Health & Family Support	860	GMDCA- Child care sliding fee	301,000	300,447		300,447		300,447	-
Health & Family Support	860	Head Start	66,000	65,879		65,879		65,879	-
Health & Family Support	860	Minnesota Aids Project	23,000	22,958		22,958		22,958	-
Health & Family Support	860	MPLS Community Clinics	261,000	260,521	(3,570)	256,951		256,951	0
Health & Family Support	860	Senior Services	61,000	60,888	(4,710)	56,178		56,178	(0)
Health & Family Support	860	Tubman Family Alliance	41,000	40,925		40,925		40,925	-
Health & Family Support	860	Volunteers of America	80,000	79,853		79,853		79,853	-
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	-
Public Works	607	Graffiti Removal	107,000	106,804		106,804		106,804	-
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	-
Park & Recreation Board	127	Teamworks	15,000	14,972		14,972		14,972	-
		Subtotal Public Service Grants	<u>2,551,749</u>	<u>2,547,032</u>	<u>(8,280)</u>	<u>2,538,752</u>	<u>0</u>	<u>2,538,751</u>	<u>1</u>
Administrative Grants:									
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	-
Civil Rights	300	Fair Housing Initiative	190,000	189,651		189,651		189,651	-
Grants and Special Projects	800	Administration	230,000	229,579	(25,237)	204,342		204,342	-
Grants and Special Projects	800	Housing Discrimination Law Project-Legal Aid	80,000	79,853		79,853		79,853	-
Grants and Special Projects	800	Metro Fair Housing-Multi Jurisdictional	18,000	17,967		17,967	-	17,967	-
Finance Department	820	General Administration Finance	343,000	342,370	(89,801)	252,569		252,569	0
Health & Family Support	860	Grant Administration	100,000	99,816		99,816		99,816	-
Health & Family Support	860	Legal Aid Services	49,000	48,910		48,910		48,910	-
Health & Family Support	860	Neighborhood Services Administration	162,000	161,703	(79,096)	82,607		82,607	-
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	-
CPED	890	Citizen (Resident) Participation	346,000	345,365		345,365		345,365	-
CPED	890	Neighborhood Business Association	174,000	173,681		173,681		173,681	-
CPED	890	Planning Administration	1,213,000	1,210,773		1,210,773	-	976,128	234,645
CPED	890	Program Administration	75,000	74,862		74,862		74,862	-
		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>2,752,435</u>	<u>238,857</u>
	123	Block E Deficit Reduction	0	0	202,415	202,415	0	0	202,415
		GRAND TOTAL	<u>\$ 16,343,000</u>	<u>\$ 16,313,000</u>	<u>\$ -</u>	<u>\$ 16,313,000</u>	<u>\$ 501,597</u>	<u>\$ 15,713,648</u>	<u>\$ 599,352</u>

**City of Minneapolis
Engineering, Materials, and Testing
For the Third Quarter ending September 30, 2009**

Fund 6000	2009 Budget	2009 3rd Quarter	Remaining Budget	% of Actual To Budget
Revenue including Transfers	1,430,000	1,125,790	304,210	78.7%
Expenses including Transfers	1,830,017	851,572	978,445	46.5%
Revenue over(under) Expenses	(400,017)	274,218		

Program Description:

The Engineering, Materials and Testing Fund records transactions related to 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. Due to the Hiawatha Yard Project, the asphalt storage silo distribution facility is not being used in 2009.

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. The seasonal demand has recorded \$1,125,790 or 78.7% of the budgeted amount of \$1,430,000 earned through the third quarter of 2009.

The revenue recorded through third quarter 2008 and 2009 for asphalt and concrete cannot be compared with third quarter 2007 due to differences in recording sales revenue as the result of implementing a new financial reporting system in 2008. Revenue for asphalt and concrete is recorded equal to the overhead charged or the difference between the cost of the product and the sale price charged to the customer. As the cost of goods sold is not recorded against the budget, the amount budgeted for 2009, \$2,772,964, is removed from both the revenue and expense budgets. The revenue earned for year ending 2007 for asphalt and concrete is based on the sales price to the customer which is the total of the cost of goods and the overhead charge. The operating revenue for the third quarter is \$1,125,790 and consists of inspection fees of \$642,938 and mark up to the cost of asphalt and concrete of \$482,852. The overhead charged on asphalt and concrete is calculated to cover the cost of the department expenses.

Expenses:

Total expenses through the third quarter are \$851,572 which is 46.5% of the budgeted amount of \$1,830,017. The amount budgeted for Materials/Other, \$481,053, includes \$379,355 that was previously budgeted in Personnel. The Personnel budget was decreased due to a reduction of FTE caused by the elimination of vacant positions. The budget corresponding to the eliminated positions was reallocated to Materials/Other. Expenses recorded through third quarter 2008 and 2009 related to Materials/Other cannot be compared to the expenses for materials in 2007 due to differences in methods to record the cost of purchases of asphalt and concrete. In 2008 and 2009, the cost of asphalt and concrete is decreased as these products are sold to the customers. The revenue earned from the sale is recorded as overhead only and does not include the cost of goods sold.

Transfers:

The fund 2009 non-operating budget transfer of \$58,000 is related to debt service for the Minneapolis Employees Retirement Funds' unfunded pension liability.

Net Assets and Cash Balance:

Changes in demand for products and services affect the net asset balance. The 2008 year end net asset balance is \$27,759 which represents a decrease of \$168,432 or 85.6% from the 2007 ending balance of \$196,191. The net asset balance has declined each year since 2003 when the net assets were \$780,000. The cash balance at year-end 2008 was a deficit of (\$127,720) as compared to the year-end cash balance for 2007 of \$243,364.

This is an unaudited, interim financial report

City of Minneapolis, Minnesota
Engineering, Materials and Testing Fund
Statement of Revenues and Expenses
For Third Quarter/Years Ending 2009, 2008, and 2007

	Budget Year 2009	Projected Year Ending 2009	For Period Ending 30-Sep-09	For Year Ending 2008	For Period Ending 30-Sep-08	For Year Ending 2007	For Period Ending 30-Sep-07
Operating Revenues:							
Asphalt / Concrete ¹	400,000	643,803	482,852	208,621	270,000	3,251,259	1,845,788
Inspection revenue	1,030,000	1,007,392	642,829	1,069,484	656,879	846,122	560,152
Total Operating Revenues	1,430,000	1,651,196	1,125,682	1,278,105	926,879	4,097,381	2,405,940
Operating Expenses:							
Personnel	766,925	731,383	548,537	718,936	526,098	774,687	559,886
Contractual	423,052	262,545	176,551	498,215	335,812	321,108	215,429
Materials/Other ¹	481,053	40,000	25,611	67,190	54,342	2,901,513	1,518,498
Rent	85,763	61,273	45,955	61,002	34,505	96,378	72,284
Depreciation	15,224	15,224	11,418	15,224	13,012	17,349	13,174
Total Operating Expenses	1,772,017	1,110,425	808,072	1,360,567	963,769	4,111,034	2,379,271
Operating Margin	(342,017)	540,771	317,610	(82,462)	(36,890)	(13,653)	26,669
Non-Operating Revenues/(Expenses)							
Transfer from other fund	-	-	-	-	-	-	-
Transfers to other fund	(58,000)	(58,000)	(43,500)	(53,000)	(39,750)	(42,000)	(31,500)
Other revenue	-	-	108	-	-	-	-
Total Non-Operating Revenues (Expenses)	(58,000)	(58,000)	(43,392)	(53,000)	(39,750)	(42,000)	(31,500)
Net Income	(400,017)	482,771	274,218	(135,462)	(76,640)	(55,653)	(4,831)
Significant Balance Sheet Items							
Cash ²			N/A	(127,720)	N/A	243,364	368,705
Accounts receivable			-	214,332	-	-	-
Reserve for renewal			(639,673)	(639,673)	(639,673)	(639,673)	(639,673)

¹The 2009 revenue budget for asphalt and concrete is reduced by the cost of goods sold, \$2,772,964, to account for only the overhead charged on these products. The operating budget for Materials is reduced by the same amount as cost of goods sold is not recorded. The 2009 budget for Materials includes \$379,355 of personnel budget that was moved from Personnel to Materials to account for vacant positions.

² The 2008 ending cash balance is CAFR cash balance of \$2,280 and due to other funds of (\$130,000)

**City of Minneapolis
Fleet Services Division
For the Quarter Ending September 30, 2009**

Fund 6100	2009 Budget	2009 3rd Quarter	Remaining Budget	% of Actual To Budget
Revenue including transfers	47,054,500	31,241,879	25,089,199	66.4%
Expenses including transfers	46,823,948	29,388,224	17,435,724	62.8%
Revenue Over (Under) Expenses	230,552	1,853,655		

Program Description:

The Fleet Services Fund manages the acquisition, maintenance and disposal of 1300 units of equipment; primarily the City's fleet of vehicles, including police cars, fire trucks, snow plows, sedans and pickup trucks along with off road equipment. This fund provides technicians to maintain the equipment as well as the drivers and operators for the equipment that is used in construction and snow removal. In addition, the fund manages the dispatch of City-owned and contractual equipment.

Revenue:

The revenue for this fund is earned from charges to City departments for rental of equipment and drivers, maintenance of equipment, and the sale of fuel. The rental rates are calculated through an activity based rate model and are adjusted at the beginning of the current year to account for any changes in fuel prices or expected utilization of equipment. In 2009, the third quarter revenue is \$31,241,879 which represents an operating margin of 6.3% over total expenses of \$29,388,224. Revenue earned through third quarter of 2009 is decreased by 4.8% from the revenue earned through the same period in 2008. The decrease in revenue is primarily due to a decrease in the demand for equipment labor services and a decrease of \$1.2 million in revenue from the sale of fuel.

Expenses:

Expenses through third quarter 2009 are \$29,388,224 and represent 62.8% of the annual budgeted amount of \$46,823,948. Personnel expenses represent 39.7% of the total third quarter operating expenses and increased 3.1% over the amount expended in 2008. The cost of health care benefits is the primary reason for the increase. For the period ending third quarter 2009, the cost of Materials, Supplies and Services decreased 29.4% over the amount expended through the same period in 2008. The primary reason for the decrease is a drop in the fixed price paid for fuel resulting in a \$760,000 decrease in fuel purchases for resale to other City departments. A reduction of \$300,000 for the purchase of parts and tires also contributed to the decrease in 2009. The Material, Supplies budget was increased by \$3.7 million due to a transfer of budget from Personnel that resulted when vacant positions were eliminated. Beginning in 2008, the cost of fuel inventory is recorded in Materials, Supplies, and Services rather than as a calculated cost of stores issuance due to implementation of new financial recording software in 2008.

Transfers:

This fund receives an annual transfer in of \$4.18 million from the general fund in accordance with the accepted long-term financial plan to cover assist with debt payments related to fleet upgrades and a new maintenance facility. The fund has a transfer out of \$502,000 to cover debt service related to the Minneapolis Employees Retirement Fund's unfunded pension liability.

Net Assets and Cash Balance:

The audited net asset balance for year ending 2008 is \$23,784,096 an increase of \$2,068,983 or 9.5% over the 2007 ending balance of \$21,715,113. Net asset balance for 2008 is tracking close to the net asset balance calculated in the long range financial plan. Since the long-range financial plan was determined in 2001, the fund has consistently recorded increases in net assets. The net assets are expected to increase over the next decade as the fund continues to replace old equipment and pay off the \$30.6 million in bonds that are currently outstanding. The financial plan for this fund eliminated the sale of bonds to finance equipment purchases.

The 2008 ending cash balance is a deficit of (\$48,707), a decrease of \$248,644 from the ending cash balance in 2007 of \$199,937. The fund maintained a cash balance between \$1.2 million and \$3.1 million for years 2003 through 2006.

This is an unaudited, interim financial report

City of Minneapolis
Fleet Services Fund
Statement of Revenue and Expenses
For Third Quarter / Years Ending 2009, 2008, and 2007

	Budget Current Year 2009	Projected Year Ending 2009	For Period Ending 9/30/2009	For Year Ending 2008	For Period Ending 9/30/2008	For Year Ending 2007	For Period Ending 9/30/2007
Operating Revenues:							
Charges for Services and Sales	15,660,000	14,222,046	10,156,492	17,181,991	12,322,569	16,859,053	11,988,390
Rent Public Works	27,004,000	24,809,324	17,827,496	24,478,068	17,077,843	22,360,887	16,535,464
Total Operating Revenue	42,664,000	39,031,370	27,983,988	41,660,059	29,400,412	39,219,940	28,523,854
Operating Expenditures:							
Personnel Services	14,622,689	14,951,717	11,098,696	14,438,819	10,764,936	15,333,808	11,332,446
Contractual Services	9,330,775	9,401,656	6,623,050	10,001,880	7,025,963	8,499,738	6,004,615
Materials, supplies, services and other ¹	14,464,429	7,923,600	5,361,937	10,234,140	7,600,739	5,086,495	3,106,447
Rent	1,072,367	1,072,367	804,275	997,955	748,466	980,092	735,069
Cost of Stores Issuance ²	-	-	-	-	-	4,418,735	3,197,996
Depreciation ³	5,424,788	5,424,788	4,068,591	5,424,788	3,861,536	5,148,715	3,627,020
Total Operating Expenses	44,915,048	38,774,128	27,956,549	41,097,582	30,001,642	39,467,583	28,003,593
Operating Margin	(2,251,048)	257,241	27,439	562,477	(601,229)	(247,643)	520,261
Non-Operating Revenues/(Expenses):							
Interest Revenue	500	29	22	-	(171)	791	271
Interest on Bonds	(1,406,900)	(1,406,900)	(1,055,175)	(1,416,391)	(1,134,488)	(1,732,900)	(1,299,675)
Gains/Losses on disposal of fixed assets	200,000	200,000	-	164,042	423	281,943	480,843
Damages/Losses recovered	-	11,923	8,942	453	-	4,338	4,297
Other Revenue	10,000	151,901	113,926	29,647	164,935	-	-
Total Non-Operating Revenues(Expenses)	(1,196,400)	(1,043,046)	(932,285)	(1,222,249)	(969,301)	(1,445,828)	(814,264)
Operating Transfers in (out)							
Transfers from other fund	4,180,000	4,180,000	3,135,000	4,180,000	3,135,000	4,180,000	3,135,000
Transfers to other fund	(502,000)	(502,000)	(376,500)	(453,000)	(339,750)	(332,000)	(249,000)
Transfers from component units							
Total Operating Transfers	3,678,000	3,678,000	2,758,500	3,727,000	2,795,250	3,848,000	2,886,000
Net Income	230,552	2,892,195	1,853,655	3,067,228	1,224,720	2,154,529	2,591,997
Significant Balance Sheet Items							
Fleet Purchases			3,151,419	6,996,372	4,354,045	4,356,604	2,934,160
Operating Cash			N/A	(48,707)	N/A	200,262	4,711,885
Net Building Value			24,783,824	24,783,824	25,221,580	25,221,580	25,372,734
Net Fleet Value			29,728,020	29,728,020	27,721,241	27,721,241	24,650,964
Bonds Payable			30,914,014	30,914,014	33,415,028	33,415,028	39,136,041
Significant Cash Flow Items							
Principal on Work out Bonds	(1,525,000)	(1,525,000)	(1,143,750)	(1,885,000)	(1,413,750)	(5,235,000)	(3,926,250)
Principal on Facilities Bonds	(530,000)	(530,000)	(397,500)	(525,000)	(393,750)	(395,000)	(296,250)

¹The 2009 budget for Materials, Supplies, Services includes a \$3.7 million transfer of budget from Personnel to Materials related to elimination of vacant positions in Personnel.

²Cost of Stores Issuance records the cost of fuel inventory for 2007. This expense is recorded in Materials, Supplies, Other for 2008 and 2009.

³Depreciation has not been calculated in 2009. The 2008 depreciation is used as an estimate for 2009.

**City of Minneapolis
Property Services Division
For the Third Quarter ending September 30, 2009**

Fund 06200	2009 Budget	2009 3rd Quarter	Remaining Budget	% of Actual to Budget
Revenues including transfers	22,789,833	16,288,870	6,500,963	71.5%
Expenses including transfers	23,323,378	16,231,287	7,092,091	69.6%
Revenue Over (Under) Expenses	(533,545)	57,583		

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 include City Hall, the Convention Center, Parking Facilities, or Water and Park Board buildings. The fund is also responsible for the Radio Shop which maintains the City's emergency communications network. Beginning in 2009, the Council approved a City-wide charge for City Hall rent. The Property Service fund collects the rental charge and remits to the Municipal Building Commission. The revenue and expenditure budgets for the fund were increased by \$4,253,000 to account for this flow through rental charge. The City departments located in City Hall received an appropriation increase to fund the rent.

Revenue:

This fund collects revenue from the City departments that use its goods and services (building space, operational maintenance, security, space and asset management, energy management, janitorial and radio services). The rate structure is configured to enable the fund to charge the amount required to recover the cost of the goods and services provided to City departments and the cost of the fund's overhead. Operating revenue through third quarter 2009 is \$15,797,807 or 71.4% of the budgeted amount of \$22,135,083. Revenue earned in the third quarter of 2009 is 22.8% higher than the amount earned through the same period in 2008 due to the addition of the City Hall rent that is collected by Property Services from City departments with offices in City Hall and remitted to Municipal Building Commission.

Expenses:

The operating expenses through the third quarter are \$16,158,537 or 69.6% of the total budgeted amount of \$23,226,378. Personnel expenses of \$6,041,039 accounted for 37.4% of total operating costs. Operating expenses for third quarter 2009 increased 16.9% over the expenses through the same period in 2008 due to the payment to MBC for the maintenance services provided to City Hall. The payment to MBC is considered a contractual service expense and accounts for the increase in these expenses from 2008 to 2009.

Transfers:

Property Services is responsible for paying \$350,000 per year in debt service. In 2009, the debt service consists of \$590,000 in principal payment and \$306,563 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 2009, the transfer amount for debt service is \$547,000 with an additional amount of \$107,750 as an appropriation increase for City Hall rent. There is also a transfer out of \$97,000 related to the debt service for the Minneapolis Employees Retirement Fund's unfunded pension liability.

Net Assets and Cash Balance:

The audited net asset balance for the year ending 2008 is \$27,436,073 a decrease of \$472,254 from the net asset balance of \$27,908,327 for year ending 2007. 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. The depreciation of capital assets will continue to decrease the net asset position. The ending cash balance for 2008 is \$652,014, a decrease of \$176,992 from the ending cash balance of \$829,006 at year end 2007.

This is an unaudited, interim financial report

City of Minneapolis, Minnesota
Property Services Fund
Statement of Revenues and Expenses
For Third Quarter / Years Ending 2009, 2008, and 2007

	Budget Current Year 2009	Projected Year 2009	For Period Ending 30-Sep-09	For Year Ending 2008	For Period Ending 30-Sep-08	For Year Ending 2007	For Period Ending 30-Sep-07
Operating Revenues:							
Charges for Services And Sales	9,109,500	8,152,145	5,912,473	10,331,776	7,499,488	11,614,196	8,416,407
Rents Public Works and Other ¹	13,025,583	14,077,215	9,885,334	8,310,079	5,366,703	7,306,214	5,542,772
Total Operating Revenue	22,135,083	22,229,361	15,797,807	18,641,855	12,866,191	18,920,410	13,959,179
Operating Expenses:							
Personnel Services	7,633,881	8,174,678	6,041,039	8,425,687	6,267,895	8,086,044	5,935,845
Contractual Services	11,718,381	11,488,830	7,874,833	7,884,805	5,500,288	8,250,828	5,555,175
Materials, Supplies, Services and Other	2,294,743	1,696,202	1,058,135	1,659,998	969,333	1,888,872	1,253,675
Rent	358,312	358,312	268,734	221,430	166,073	197,703	148,277
Depreciation ²	1,221,061	1,221,061	915,796	1,221,061	915,796	1,226,033	918,721
Total Operating Expenses	23,226,378	22,939,082	16,158,537	19,412,981	13,823,113	19,649,480	13,811,693
Operating Margin	(1,091,295)	(709,722)	(360,730)	(771,126)	(956,922)	(729,069)	147,486
Non-Operating Revenues/(Expenses):							
Interest Revenue	-	23	11	8	(30)	83	53
Interest on Bonds	(306,563)	(306,563)	(229,922)	(312,896)	(234,672)	(357,363)	(268,022)
Misc Revenues	-	-	357	-	-	-	-
Total Non-Operating Revenues(Expenses)	(306,563)	(306,540)	(229,911)	(312,888)	(234,702)	(357,280)	(267,969)
Operating Transfers in(out)							
Transfers from other fund	654,750	654,750	491,063	668,000	501,000	653,000	489,750
Transfers to other fund	(97,000)	(97,000)	(72,750)	(88,000)	(66,000)	(69,000)	(426,750)
Total Operating Transfers	557,750	557,750	418,313	580,000	435,000	584,000	63,000
Net Income	(840,108)	(458,512)	(172,328)	(504,014)	(756,625)	(502,349)	(57,483)
Significant Balance Sheet Items							
Operating Cash			N/A	652,014	N/A	829,006	238,533
Bonds Payable	(7,588,866)	(7,588,866)	(5,691,650)	(7,588,866)	(8,262,505)	(8,262,505)	(8,896,144)
Net Assets				27,436,073		27,908,327	
Significant Cash Flow Items							
Principal Payments on Debt	(590,000)	(590,000)	(442,500)	(655,000)	(491,250)	(615,000)	(461,250)

¹Revenue budget and expense budget for contractual services for 2009 includes pass-through charge for City Hall rent of \$4,253,192.

¹ Depreciation for 2009 is an estimate based on the depreciation for 2008.

**City of Minneapolis
Public Works Stores
For the Third Quarter ending September 30, 2009**

Fund 6300	2009 Budget	2009 3rd Quarter	Remaining Budget	% of Actual To Budget
Revenue including Transfers	1,022,624	772,603	250,021	75.6%
Expenses including Transfers	1,369,268	587,634	691,609	42.9%
Revenue over(under) Expenses	(346,644)	184,969		

Note: Expenses 3rd quarter 2009 include a credit of (\$281,000) for inventory materials expensed in 2008 and recorded to inventory in 2009.

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:

With the implementation of the new financial system, the recording of revenue is changed. Previously, goods were priced for sale at cost plus calculated overheads to cover the cost of the fund's expenses for personnel, contractual services, materials and rent. The current system records only the overheads charged and does not calculate a cost of goods sold. As the system does not record cost of goods sold, this amount is removed from the revenue and expense budgets for this fund. The revenue earned through third quarter 2009 is \$772,603 and consists of \$725,494 in overheads and \$47,109 in direct sales. The revenue recorded through third quarter 2009 is 75.6% of the adjusted budgeted amount of \$1,022,624. Due to the implementation of the financial system in 2008, third quarter revenue for 2008 and 2009 does not include an amount for cost of goods sold and the values cannot be compared to third quarter 2007.

Expenses:

The total of expense through the third quarter 2009 is \$587,634. This total does not include the cost of stores issuance as the inventory system does not record a cost of goods sold and offsets (decreases) the cost of materials as it adds goods to inventory. In addition, the amount expensed for materials includes a credit of (\$281,000) for inventory materials purchased in 2008. These materials were not recorded to inventory until 2009 and the reversal of the cost in materials did not occur until 2009. The expenses recorded through third quarter of 2009, including the credit for inventory, represent 42.9% of the adjusted budgeted amount of \$1,369,268.

Transfers:

The 2009 non-operating transfer of \$34,000 is for payment of debt related to the Minneapolis Employees Retirement Fund's unfunded pension liability.

Net Assets and Cash Balance:

The fund continues to maintain positive equity with an audited net asset balance at year-end 2008 of \$2,885,267, a decrease of 18.3% from the 2007 ending balance of \$3,530,810. The year-cash balance for 2008 is a deficit of (\$2,284,118) which represents a decrease of \$1,723,064 from the deficit cash balance of (\$561,054) at year-end 2007.

City of Minneapolis, Minnesota
Public Works Stores
Statement of Revenues and Expenses
For the Third Quarter/Years Ending 2009, 2008, and 2007

	Budget Current Year 2009	Projected Year Ending 2009	For Period Ending 9/30/2009	For Year Ending 2008	For Period Ending 9/30/2008	For Year Ending 2007	For Period Ending 9/30/2007
Operating Revenues:							
Central Stores ¹	609,008	484,846	363,635	748,427	561,320	1,302,372	978,078
Traffic Stores ¹	413,616	545,233	408,925	312,466	234,350	3,032,600	2,427,994
Total Operating Revenues	1,022,624	1,030,079	772,559	1,060,893	795,670	4,334,972	3,406,072
Operating Expenses:							
Personnel	716,699	817,512	613,134	800,857	572,338	713,774	515,259
Contractual	342,802	299,512	224,634	238,801	178,420	248,872	190,325
Materials/Other ²	241,713	(218,318)	(301,174)	591,101	136,125	61,138	17,016
Rent	34,054	34,054	25,540	28,527	21,395	25,154	18,866
Cost of Stores Issuance ³	-	-	-	-	-	3,095,634	2,480,519
Depreciation	-	-	-	16,254	12,191	-	-
Total Operating Expenses	1,335,268	932,760	562,134	1,675,540	908,278	4,144,572	3,221,985
Operating Margin	(312,644)	97,320	210,425	(614,647)	(112,608)	190,400	184,087
Non-Operating Revenues/(Expenses)							
Interest Income (Expense)	-	-	44	104	78	312	234
Total Non-Operating Revenues (Expenses)	-	-	44	104	78	312	234
Operating Transfer In (Out)							
Transfers from other fund	-	-	-	-	-	-	-
Transfers to other fund	(34,000)	(34,000)	(25,500)	(31,000)	(23,250)	(11,000)	(8,250)
Total Operating Transfers	(34,000)	(34,000)	(25,500)	(31,000)	(23,250)	(11,000)	(8,250)
Net Income	(346,644)	63,320	184,969	(645,543)	(135,780)	179,712	176,071
Significant Balance Sheet Items							
Operating Cash			N/A	(2,284,118)	N/A	(561,054)	(740,408)
Accounts Receivable			34,860	12,261	-	16,162	21,496
Inventories			5,706,929	5,421,516	N/A	4,364,386	4,309,675

¹Revenues were not posted for third quarter 2008. September 2008 revenues are calculated as 75% of the year-end amounts.

Revenues for 2009 and 2008 do not include the cost of goods sold and represent overheads only on inventory goods and direct external sales.

²The negative expense recorded for Materials/Other is a credit amount due to inventory costs of \$281,000 that were recorded in 2008, but were not entered into inventory until 2009. As goods are entered into inventory, the cost is removed from Materials/Other. The projection is a negative amount due to the net of the credit for the cost of the 2008 goods removed from Materials and entered into inventory in 2009 and the 2009 cost of operating materials.

³The current inventory system does not record a cost of goods sold as was previously done in 2007. The operating cost of materials purchased for inventory is reversed when the materials are recorded as inventory. The amount in Materials/Other is the expense of operating materials only.

**City of Minneapolis
Intergovernmental Service Fund
For the Third Quarter ending September 30, 2009**

Fund 6400	2009 Budget	2009 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue including Transfers	47,941,023	36,584,331	11,356,692	76.3%
Operating Expenses including Transfers	34,024,211	25,629,714	8,394,497	75.3%
Operating Revenue Over (Under) Expenses	13,916,812	10,954,617		

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 third quarter of 2009 is \$36,584,331 or 76.3% of the annual budgeted amount of \$47,941,023. Revenue sources include mailing and copying services, telecom charges, Project Management Operations (PMO) projects, and BIS charges based on the allocation model. The revenue for BIS is driven by rates charged for services and customers' technology needs. The BIS allocation model uses the expense budget, depreciation, and overhead to determine technology rates. Third quarter revenues include a transfer from the general fund of \$10.2 million. The fund also receives a quarterly debt service transfer \$450,000 based on the deficit reduction plan for the fund.

Expenses:

Operating expenses through the third quarter are \$25,629,714, or 75.3% of the annual budget. Expenses typically exceed revenue in the PMO area in the project idea phase until a proposal is signed by the customer department and funding has been identified. As projects are added to the BIS-PMO 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 audited net asset balance for 2008 is \$4,867,680 which is an increase of \$18,479,961 from the deficit of net asset position of (\$13,612,281) in 2007. Net assets have increased due to use of an allocation model to determine charges for service, a transfer from the general fund that is provided through the long-range financial plan, and an increased level of activity in the Project Management Operations area.

The ending cash balance for year 2008 is \$93,785, an increase of \$2.0 million from the ending cash balance of a deficit of \$1.98 million at year end 2007. The increase in both the net assets and cash balance is tracking ahead of the long range financial plan established in 2003.

City of Minneapolis, Minnesota
Intergovernmental Services Fund
Statement of Revenues and Expenses
For Third Quarter/Years Ending 2009, 2008 and 2007

	Budget Current Year 2009	Projected Year 2009	For Period Ending 30-Sep-09	For Year Ending 2008	For Period Ending 30-Sep-08	For Year Ending 2007	For Period Ending 30-Sep-07
Operating Revenues:							
Charges for Service:							
BIS - PMO	7,731,662	8,067,127	6,050,345	13,110,193	8,951,779	14,786,540	13,651,791
BIS-Telecom	3,171,109	2,986,187	2,239,640	3,014,661	2,322,393	5,774,633	3,624,577
BIS - Operating-other	20,577,646	21,551,895	16,163,921	19,895,809	13,742,165	14,113,515	10,637,741
CC-Mailing Services	415,930	337,513	253,135	573,987	380,499	592,115	385,043
CC-Copy Services	625,475	417,185	312,889	504,543	360,682	623,486	510,148
Human resources	-	-	-	150	150	-	-
Total Operating Revenues	32,521,822	33,359,907	25,019,930	37,099,343	25,757,668	35,890,289	28,809,300
Operating Expenses:							
BIS - PMO	7,731,662	8,215,032	6,161,274	13,351,795	9,470,674	17,414,577	13,077,471
BIS - Telecom	1,940,542	1,784,736	1,338,552	2,153,173	1,356,856	1,641,475	1,191,464
BIS - Operating-other	22,636,606	22,564,267	16,923,200	24,691,613	15,821,540	19,558,478	12,995,260
CC-Mailing Services/Data Center	576,527	546,143	409,607	627,318	431,802	677,378	476,765
CC-Copy Services	624,975	642,464	481,848	547,795	416,435	670,010	497,422
Human resources	301,899	301,899	156,233	190,173	70,955	198,123	147,704
Total Operating Expenses	33,812,211	34,054,540	25,470,714	41,561,867	27,568,262	40,160,041	28,386,086
Operating Margin	(1,290,389)	(694,634)	(450,784)	(4,462,524)	(1,810,594)	(4,269,752)	423,214
Non-Operating Revenues/(Expenses)							
Depreciation	(2,412,783)	(2,412,783)	(1,809,587)	(2,412,783)	(1,794,870)	(2,441,971)	(1,762,260)
Interest on Bonded Debt	(1,646,651)	(1,646,651)	(1,234,988)	(1,593,997)	(1,218,572)	(1,672,782)	(1,271,217)
Total Non-Operating Revenues (Expenses)	(4,059,434)	(4,059,434)	(3,044,576)	(4,006,780)	(3,013,442)	(4,114,753)	(3,033,477)
Operating Transfer In (Out)							
Transfers from other fund	15,419,201	15,419,201	11,564,401	11,762,368	8,828,250	15,036,269	11,529,750
Transfers to other fund	(212,000)	(212,000)	(159,000)	(295,624)	(144,000)	(177,030)	(132,773)
Total Operating Transfers	15,207,201	15,207,201	11,405,401	11,466,744	8,684,250	14,859,239	11,396,977
Net Income	9,857,378	10,453,133	7,910,041	2,997,440	3,860,213	6,474,734	8,786,714
Significant Balance Sheet Items							
Cash			N/A	93,865	N/A	(1,885,745)	(852,323)
Work-in-progress			21,070,901	21,070,901	25,826,000	24,913,697	20,947,186
Interfund Receivable			1,104,034	1,080,622	3,800,000	-	-
Interfund Loans			(10,114,051)	(10,114,051)	(10,114,051)	(10,114,051)	(10,921,467)
Bonds Payable			(34,574,725)	(34,574,725)	(34,759,138)	(34,759,138)	(35,457,549)
Deferred Income			(4,180,765)	(4,608,536)	(3,565,674)	(4,223,242)	(4,202,901)
Significant Cash Flow Items							
Principal on Bonds	(8,690,000)	(8,690,000)	(6,517,500)	(1,805,000)	(1,308,750)	(2,565,000)	(1,282,500)

This is an unaudited, interim financial report

**City of Minneapolis
Self-Insurance Fund
For the Third Quarter Ending September 30, 2009**

Fund 6900	2009 Budget	2009 Actual	Remaining Budget	% of Actual To Budget
Revenue including transfers	44,883,018	30,571,148	14,311,870	68.1%
Expenditures including transfers	37,384,747	25,776,855	11,607,892	69.0%
Revenue Over (Under) Expenses	7,498,271	4,794,293		

Finance revenue budget 2009 was reduced by \$1,985,901- this amount is budgeted in the Liability and Work Comp budgets.

Program Description:

The Self-Insurance Fund records accounting transactions related to employee benefit programs, severance payments, tort liability costs, workers compensation program, and the administrative functions to support these activities.

Revenue:

Revenues vary by activity. Employee Benefits collects revenue from payroll withholding and from employee contributions to enable revenues match expenses for flexible spending accounts and bus passes. All City departments are charged a fee related to the administrative costs to manage employee benefits. 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.

For third quarter 2009, total revenues are \$30,571,148 or 68.1% of the budgeted amount of \$44,883,018. Revenue earned through the third quarter of 2009 cannot be compared to the actual revenue earned through third quarter 2008 due to health and life insurance payments paid directly to the providers from payroll in 2009, bypassing the self insurance fund. The 2009 budget has been decreased to reflect the reduction in revenue and expense related to these payments. Operating revenues for third quarter 2008 for Health and Welfare are estimates based on a calculation of 75.0% of the 2008 year-end operating revenue due to the payments for medical and life insurance bypassing the self insurance fund beginning in August 2008.

The cost of providing health care benefits increased in 2009 as did the rates charged to departments for the self insurance liability and workers compensation premiums. The Finance-Employment Services cost center receives revenue from City departments as reimbursement for services related to employment screenings. Historically, revenue for these services has averaged \$300,000.

Expenses:

The total expense through third quarter 2009, including transfers to other debt service funds, is \$25,776,855 or 69.0% of the budgeted amount of \$37,384,747. Operating expenses for third quarter 2009 cannot be compared to the same period in 2008 due to payments for health and life being made directly to providers, bypassing the self insurance fund beginning in August 2008. The 2009 budget has been decreased to reflect this reduction in revenue and expense.

The expense related to liability and settlements through third quarter increased significantly from the same period in 2008. 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. Worker's Compensation and Tort Liability expenses 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. The total projected expenditures are less than budgeted due to decreased sick leave retirement payouts and a decrease in Cobra medical participation.

Transfers:

In 2009, this fund will receive an interfund transfer of \$6.9 million from the general fund, as determined in the long range financial plan, to eliminate the deficit in net assets and increase cash balance. The 2009 budget includes a transfer out of \$145,000 for debt service related to the Minneapolis Employees Retirement Fund (MERF) unfunded liability.

Net Assets and Cash Balance:

For year ending 2008, the total net asset balance is a deficit of \$15.5 million which represents an increase of \$10.9 million from the 2007 deficit balance of \$26.4 million. The deficit is primarily due to a liability calculated at \$31.8 million for unpaid claims related to tort settlements and workers compensation claims. The ending cash balance for 2008 is \$18.8 million, an increase of \$7.8 million from the ending cash balance of \$11.0 million in 2007. Compared to the year-end balances determined in the long-range financial plan, both the net asset balance and the cash balance are tracking ahead of the amounts determined in the plan.

City of Minneapolis, Minnesota
Self Insurance Fund
Statement of Revenues and Expenses
For Third Quarter/Years Ending 2009, 2008 and 2007

	Budget Current Year 2009	Projection Year 2009	For Period Ending 30-Sep-09	For Year Ending 2008	For Period Ending 30-Sep-08	For Year Ending 2007	For Period Ending 30-Sep-07
Operating Revenues:							
Health & Welfare (employee benefits)	15,333,265	10,852,419	8,139,314	33,356,887	25,017,665	59,993,307	45,264,458
Workers Compensation	8,136,326	8,671,817	6,503,863	9,524,961	7,101,225	8,252,076	6,192,734
Liability - Subrogation	12,907,564	12,911,625	9,683,719	11,353,987	8,443,119	13,319,374	8,329,505
Attorney Office Services	30,000	11,812	8,859	30,089	8,698	11,863	9,700
Human Resources Services	1,260,863	1,260,863	940,172	1,037,375	657,011	1,116,895	856,063
Finance-Employment Services	300,000	145,295	108,971	293,549	231,061	338,616	196,404
Total Operating Revenues	37,968,018	33,853,831	25,384,898	55,596,848	41,458,779	83,032,131	60,848,864
Operating Expenses:							
Health & Welfare (employee benefits)	15,716,196	11,651,823	8,738,867	33,175,852	24,881,889	58,700,370	44,036,700
Workers Compensation	5,931,510	6,938,164	5,203,623	7,844,078	5,826,863	6,340,188	4,720,541
Liability & Settlements	6,147,485	7,222,661	5,416,996	2,526,225	1,685,136	9,866,643	3,653,086
City Attorney/Civil Division-Litigation	5,788,849	5,470,520	4,102,890	5,123,884	3,579,076	5,405,857	3,494,008
Risk Management - WC/Risk	2,284,100	1,820,733	1,365,550	2,183,613	1,381,598	2,463,967	1,257,436
Human Resource - Employee Benefits	1,371,607	1,371,607	840,179	1,069,738	741,827	1,115,857	748,262
Total Operating Expenses	37,239,747	34,475,508	25,668,105	51,923,390	38,096,389	83,892,882	57,910,033
Operating Margin	728,271	(621,677)	(283,207)	3,673,458	3,362,390	(860,751)	2,938,831
Non-Operating Revenues/(Expenses)							
Interest on Bonded Debt	-	-	-	(21,178)	(39,750)	(52,420)	(51,750)
Other Non Operating Income (Exp)	-	-	-	-	-	(839)	-
Total Non-Operating Revenues (Expenses)	-	-	-	(21,178)	(39,750)	(53,259)	(51,750)
Operating Transfer In (Out)							
Transfers from other fund	6,915,000	6,915,000	5,186,250	5,642,689	4,232,017	4,750,000	3,562,500
Transfers to other fund	(145,000)	(145,000)	(108,750)	(131,000)	(98,250)	(97,000)	(72,750)
Total Operating Transfers	6,770,000	6,770,000	5,077,500	5,511,689	4,133,767	4,653,000	3,489,750
Net Income	7,498,271	6,148,323	4,794,293	9,163,969	7,456,407	3,738,990	6,376,831
Significant Balance Sheet Items							
Cash Balance over (under)			N/A	18,766,917	N/A	11,001,677	8,001,475
Due from Other Funds			181,930	181,930	181,930	181,930	3,590,071
Bonds Payable			-	-	(1,060,000)	(1,060,000)	(1,380,000)
Unpaid Claims			(31,773,064)	(31,773,064)	(33,467,000)	(33,467,000)	(32,245,631)
Net Assets			(15,493,087)	(15,493,087)	(26,370,500)	(26,370,500)	(30,102,435)
Significant Cash Flow Items							
Paid Principal on Debt			-	(1,060,000)	(251,250)	(320,000)	(160,000)

¹Finance revenue budget 2009 was reduced by \$1,985,901 as this amount is budgeted in the Liability and Workers Compensation budgets.

This is an unaudited, interim financial report

**City Of Minneapolis
Sanitary Sewer Fund
For Third Quarter Ending September 30, 2009**

Fund 07100	2009 Budget	09-30-2009 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	45,996,435	31,997,854	13,998,581	70%
Operating Expenditures	41,639,975	31,160,052	10,479,923	75%
Operating Margin	4,356,460	873,802		
Net Income	1,161,538	(1,894,392)		

Program Description:

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

Revenue:

With sewer revenue of \$32 million through the end of the third quarter, 70% of the budgeted revenue has been realized. This is an increase of \$1 million, or 3%, compared to \$32 million in the third quarter of 2008. \$1.3 million of the increase is in disposal fee revenue. The increase is primarily due to an increase in the disposal fee rate from \$2.45 to \$2.61. Design revenue for the capital programs decreased by \$360,000 but SAC revenues for inspection services remained slightly higher than 2008 by \$60,000.

Expenses:

The Sanitary Sewer Fund's operating expenditures of \$31.2 million through third quarter is at 75% of the budget. This is an increase of \$2.9 million, or 10%, compared to \$28.3 million through third quarter of 2008. The increase in expenditures comes from Met Council and Maintenance areas where budgeted fixed costs such as general fund overhead, government services fee, and fleet charges were timely recognized. However, with a credit balance in SAC payments, the overall expenditures for the Fund through 2009 is projected to be less than 2008.

Transfers:

The transfer from this Fund goes to the pension fund to cover MERF unfunded liability. The transfer budget for the year is \$292,000, and through this quarter \$219,000 has been recognized. A transfer to debt service fund, in the amount of \$336,000, was recognized to account for bond premiums.

Debt Service:

For 2009, the debt service budget totals \$3.4 million. Through third quarter, \$1.3 million in principal and \$1.3 in interest on its outstanding debts generated from past bond sales have been recognized.

Other Financial Items:

The current operating cash balance is \$11 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 \$10 million. The cash position at the end quarter stands at \$1 million above its goal.

This is an unaudited, interim financial report

City of Minneapolis, Minnesota
Sanitary Sewer Fund
Statement of Revenues and Expenses
For Third Quarter/Years Ending 2009, 2008, 2007

	Budget Year 2009	Projected Year 2009	For Period Ending 09/30/2009	Year Ending 2008	For Period Ending 9/30/2008	Year Ending 2007	For Period Ending 09/30/2007
Operating Revenues:							
Sewage Disposal	43,157,752	41,379,511	30,507,545	39,123,470	29,176,351	38,050,432	27,936,730
Other Services Provided	453,841	318,614	220,579	826,484	580,505	296,688	113,055
Inspection Services	2,384,842	1,692,973	1,269,730	1,659,756	1,210,111	3,659,793	1,750,955
Interest							
Total Operating Revenues	45,996,435	43,391,098	31,997,854	41,609,710	30,966,967	42,006,913	29,800,740
Operating Expenses:							
Sewer Design	358,552	266,042	184,183	312,433	378,468	258,052	34,938
Sewer Maintenance	6,932,483	5,832,082	4,604,109	5,091,261	3,579,659	5,591,157	3,905,418
Met Council Env. Svcs.	34,348,940	32,421,615	26,371,760	32,532,857	24,317,302	33,215,685	25,901,168
Total Operating Expenses	41,639,975	38,519,739	31,160,052	37,936,551	28,275,429	39,064,893	29,841,524
Operating Margin	4,356,460	4,871,359	837,802	3,673,159	2,691,538	2,942,019	(40,784)
Non-Operating Revenues/(Expenses)							
Net Transfers (out)	(292,000)	(628,003)	(555,003)	(629,341)	(365,341)	(347,851)	(260,889)
Non-Oper Expenses							
Depreciation	(1,219,922)	(1,219,922)	(914,941)	(1,219,922)	(899,646)	(1,799,346)	(899,673)
Special Assessments				5,774	15,711	11,136	(875)
Net Interest Income (Exp)	(1,683,000)	(1,683,000)	(1,262,250)	(388,135)	(226,350)	(137,239)	(14,782)
Total Non-Operating Revenues (Expenses)	(3,194,922)	(3,530,925)	(2,732,194)	(2,231,624)	(1,475,626)	(2,273,300)	(1,176,219)
Net Income	1,161,538	1,340,434	(1,894,392)	1,441,535	1,215,911	668,719	(1,217,003)
Significant Balance Sheet Items							
Operating Cash	-		11,461,020	10,622,178	9,223,786	8,482,571	6,553,019
Accounts Receivable	-		3,555,361	3,103,489	2,953,615	3,393,086	2,778,920
Significant Cash Flow Items							
Capital Outlay	8,976,000	8,976,000	5,055,599	4,817,586	1,679,426	3,023,251	817,487
Bond Principle payments	1,689,000	1,689,000	1,266,750	1,200,000	1,434,656	904,239	575,250

This is an unaudited, interim financial report

**City Of Minneapolis
Stormwater Fund
For the Third Quarter Ending September 30, 2009**

Fund 07300	2009 Budget	09/30/2009 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	34,252,679	28,272,839	5,979,840	83%
Operating Expenditures	21,188,130	12,544,931	8,864,199	59%
Operating Margin	13,064,549	15,727,908		
Net Income	7,482,351	9,924,686		

Program Description:

The Storm Water Fund covers 5% of the expenditures related to Met Council Environmental Services (MCES). Combined Sewer Overflow (CSO) program, Street Cleaning, Storm Design and Storm Water Maintenance are other activities covered by this Fund.

Revenue:

The Storm Water revenue of \$28.3 million through third quarter equates to 83% of the operating revenue budget. It is an increase of \$3.4 million or 14%, compared to \$24.9 million, over third quarter of 2008. The increase is due to revenues from storm water utility fees and from charges to capital activities. Rate increase, from \$10.26 to \$10.77 per ESU, accounts in part for this increase in revenues of \$1.1 million. Design revenues account for the remaining \$2.3 million increase.

Expenses:

Through third quarter, 2009, Storm Water Fund's operating expenses posted at 59% of the budget. Expenses through the quarter totaled \$12.5 million compared to \$12.6 million for 2008. This is a decrease in expenditure of \$104,000 or 1% over 2008. Decreases are due to lower expenditures incurred in Street Cleaning cost center where equipment rental, time and labor, spare parts and fuel costs from Fleet Services were lower by \$300,000 compared to 2008.

Transfers:

Transfer out of the Storm Water Fund amounts to \$764,000 through the quarter. It recognizes a \$219,000 transfer to MERF pension fund and \$545,000 to debt service fund which is recorded as bond premium arising from bond sales in 2009.

Debt Service:

The debt service payments amounting to \$7 million have been recognized through third quarter of which \$5.4 million has been applied towards principal leaving \$1.6 million for interest. 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 the quarter was \$18.8 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 \$4.2 million, leaving a surplus of \$14.6 million in unrestricted reserve.

City of Minneapolis, Minnesota
Stormwater Fund
Statement of Revenues and Expenses
For Third Quarter/Years Ending 2009, 2008 and 2007

	Budget Year 2009	Projected Year 2009	For Period Ending 09/30/2009	For Year Ending 12/31/2008	For Period Ending 09/30/2008	For Year Ending 2007	For Period Ending 09/30/07
Operating Revenues:							
State Grants	749,469	749,469	710,221	886,787	745,411	831,690	749,631
County Grants	273,403	273,403	205,052	344,680	249,690	332,920	247,899
Sewage Disposal	31,830,439	32,559,657	24,419,743	30,944,907	23,287,016	28,868,760	22,154,808
Other Services Provided	1,399,368	3,337,823	2,937,823	1,313,241	610,094	1,398,805	308,775
Total Operating Revenues	34,252,679	36,920,352	28,272,839	33,489,615	24,892,211	31,432,175	23,461,113
Operating Expenses:							
Sewer Design	3,126,128	2,925,368	1,980,864	3,072,685	2,037,740	3,073,732	2,075,980
Stormwater Management CSO	1,710,828	1,102,438	763,226	982,357	743,069	1,096,967	857,131
Street Cleaning	7,644,295	7,414,967	4,624,401	7,366,166	4,900,748	6,764,484	4,482,857
Sewer Maintenance	3,499,869	2,512,809	1,646,333	2,121,236	1,417,247	2,004,579	1,427,284
Met Council Env. Svcs.	5,207,010	4,842,518	3,530,107	4,491,102	3,550,574	4,453,234	3,455,366
Total Operating Expenses	21,188,130	18,798,100	12,544,931	18,033,546	12,649,378	17,392,996	12,298,618
Operating Margin	13,064,549	18,122,252	15,727,908	15,456,069	12,242,833	14,039,179	11,162,495
Non-Operating Revenues/(Expenses)							
Net Transfers in (out)	(292,000)	(837,137)	(764,137)	(512,767)	(241,457)	(49,379)	(262,035)
Depreciation	(3,219,506)	(3,219,506)	(2,414,630)	(3,219,506)	(2,421,017)	(3,228,022)	(2,489,521)
Special Assessments	115,000	394,729	111,069	714,324	91,985	501,911	50,400
Net Interest Income (Exp)	(2,185,692)	(2,185,692)	(1,639,269)	(1,563,549)	(1,735,615)	(2,563,467)	(1,999,621)
Other Non Operating Income (Exp)			(1,096,256)	1,640,047	(384,013)	(1,265,313)	(1,502,843)
Total Non-Operating Revenues (Expenses)	(5,582,198)	(5,847,606)	(5,803,223)	(2,941,451)	(4,690,117)	(6,604,270)	(6,203,620)
Net Income	7,482,351	12,274,646	9,924,686	12,514,618	7,552,716	7,434,909	4,958,875
Significant Balance Sheet Items							
Operating Cash			18,785,257	3,850,076	9,172,096	596,907	6,428,668
Construction Cash			9,410,000	11,924,351	14,176,203	213,246	14,701,203
Accounts Receivable			4,482,149	4,217,773	3,614,060	4,484,745	4,199,430
Bonds Payable			31,134,910	28,634,910	11,583,044	11,583,044	21,349,426
Significant Cash Flow Items							
Capital Outlay	9,633,000	9,633,000	2,620,956	5,545,209	2,946,909	5,793,504	5,903,701
Bond principle payments	7,096,000	7,206,000	5,404,500	8,620,000	6,363,750	7,796,999	5,847,750

This is an unaudited, interim financial report

**City of Minneapolis
Water Fund
For the Third Quarter Ending September 30, 2009**

Fund 7400	2009 Budget	30-September-09 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	70,722,156	50,354,692	20,367,464	71%
Operating Expenditures	47,908,188	34,769,896	13,138,292	73%
Operating Margin	22,813,968	15,584,796		
Net Income (Loss)	7,568,356	6,474,199		

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 2009, the Water Fund received appropriations to begin a capital project for the New Filter Presses in the amount of \$25m and to continue ongoing capital projects which include the Minneapolis Water Works Facilities Security Improvement in the amount of \$250,000 and the Ultrafiltration Program in the amount of \$4.5 million. In addition, this year, capital funding of \$4.75 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 was originally going to be built in two phases. Phase one is the newly constructed 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 which was cancelled in 2008.

Pump Station #4 renovations began in 2008 and expect to be completed this year. 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 2009, there was a 6% increase in the water rate raising the cost of 100 cubic feet from \$2.75 to \$2.91 per unit. The 2009 operating revenue of \$50,354,692 represents a 5.1% increase over the same period in 2008.

The third quarter 2009 operating margin is \$15.6 million or 4.6% more than the same period of 2008. This is due to an increase of operating expenses of 5.3% from the same period in 2008.

Expenditures:

For the 3rd quarter ending 2009, operating expenditures totaled \$34.8 million or 5.3% greater than for the same period in 2008. This increase is primarily due to an increase in operational cost of chemicals and energy for treatment of water for distribution into the Minneapolis water works system. Energy costs for pumping have increased by approximately 10% and chemical costs have increased between 40 to 90%, depending on the chemical.

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:

For 2009 the transfers are expected to be of \$1,071,000, which includes the MERF (Minneapolis Employee Retirement Fund) pension debt service payment.

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 and the new Filter Presses.

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 third quarter of 2009 is \$3,209,663 compared to \$8,433,481 for the same period in 2008. The objective is to have a cash balance equal to or greater than 3 months of operating expenses. Based on the current budget this would be \$12 million in cash.

City of Minneapolis, Minnesota
Water Fund
Statement of Revenues and Expenses
For Third Quarter/Years Ending 2009, 2008, 2007

	Budget Current Year 2009	Projected Ending 2009	For Period Ending 30-Sep-09	For Year Ending 2008	For Period Ending 30-Sep-08	For Year Ending 2007	For Period Ending 30-Sep-07
Operating Revenues:							
Federal Grants	-	-	-	-	-	-	-
State Grants	-	-	-	-	-	-	-
Licenses & Permits	1,000	1,000	600	1,219	445	871	680
Charges For Services	69,920,816	67,561,920	50,323,759	63,202,724	47,891,413	65,234,205	47,413,171
Charges For Sales	800,000	-	-	4,991	4,683	920,450	337,541
Rents	-	-	-	-	-	-	-
Interest	-	788	1,746	-	-	938	712
Other Misc Revenues	340	788	28,587	332	23,836	346	260
Total Operating Revenues	70,722,156	67,564,496	50,354,692	63,209,266	47,920,377	66,156,810	47,752,364
Operating Expenses:							
Water Design	1,189,009	1,099,882	777,594	618,400	391,645	937,199	693,645
Contribution To Other Funds	9,498,249	9,498,249	6,925,384	8,487,693	6,866,647	7,674,082	6,364,748
Administration & Permits	1,740,064	1,695,811	1,179,322	1,871,679	1,347,683	1,593,561	1,075,788
Operations Treatment	17,632,382	18,320,316	13,306,093	15,853,766	11,882,303	13,604,953	9,843,474
Treatment Maintenance	7,480,160	6,434,059	4,654,415	6,197,802	4,795,166	7,679,260	5,407,235
Distribution	7,183,548	7,609,955	5,032,315	8,181,366	5,479,222	6,575,257	5,619,369
Major Repairs & Replacement	1,025,923	1,999,923	1,213,196	4,061,783	2,253,845	3,552,154	2,840,199
Meter Shop	2,158,853	2,158,853	1,681,577	1,629,450		1,490,569	
Total Operating Expenses	47,908,188	48,817,048	34,769,896	46,901,939	33,016,511	43,107,035	31,844,458
Operating Margin	22,813,968	18,747,448	15,584,796	16,307,327	14,903,866	23,049,775	15,907,906
Non-Operating Revenues/(Expenses)							
Net Transfers in (out)	(1,071,000)	(1,071,000)	(962,534)	(1,648,864)	(680,864)	(760,405)	(594,405)
Depreciation	(7,139,000)	(7,139,000)	(5,354,250)	(7,139,000)	-	(7,196,443)	-
Special Assessments	-	-	-	1,234,068		834,398	
Net Interest Income (Exp)	(4,937,970)	(3,848,601)	(2,564,680)	(3,405,967)	(2,288,401)	(4,481,093)	(2,255,407)
Other Non-Operating Income	2,000,000	2,000,000	199,995	344,653	307,053	383,889	327,424
Other Non Operating (Expense)	(2,000,000)	(2,000,000)	(429,128)	(919,308)	(406,460)	(911,354)	(580,072)
Total Non-Operating Revenues (Expenses)	(13,147,970)	(12,058,601)	(9,110,597)	(11,534,418)	(8,466,004)	(12,131,008)	(8,482,100)
Net Income	9,665,998	6,688,847	6,474,199	4,772,909	6,437,862	10,918,767	7,425,806
Significant Balance Sheet Items							
Operating Cash			3,209,663	473,025	8,433,481	1,965,367	6,420,730
Construction Cash			16,615,000	8,118,608	-	-	-
Accounts Receivable			2,922,677	3,668,667	5,167,999	7,559,328	6,261,448
Bonds & Notes Payable			92,719,918	97,701,909	101,542,829	87,004,292	95,423,728
			-				
Significant Cash Flow Items							
Capital Outlay	24,031,642	24,031,642	17,426,391	15,087,425	7,296,947	12,375,804	5,696,446
Bond & Note Principle payments	11,788,838	9,924,469	-	6,926,791	1,300,000	8,419,436	1,000,000
Refunding Principal Payments	-	12,615,000	-	-	-	-	-
Total Cash Flow Items	35,820,480	46,571,111	17,426,391	22,014,216	8,596,947	20,795,240	6,696,446

This is an unaudited, interim financial report

**City of Minneapolis
Municipal Parking Fund
For the Quarter Ended September 30, 2009**

Fund 7500*	2009 Current Budget	Sept 30, 2009 Qtr End Actual	Remaining Budget	% of Actual To Budget
Revenue	43,497,346	30,421,896	13,075,450	70%
Expenditures	29,136,494	19,934,576	9,201,918	68%
Operating Margin	14,360,852	10,487,320		
Net Income (Loss)	5,741,463	3,912,906		

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

Net Income (Loss) includes all non-operating expenditures & revenues such as depreciation expense, bond interest expense and transfers between funds.

Program Description:

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

Revenues:

The 2009 3rd quarter revenues are slightly down in comparison to the 2009 budget by 5% (70% vs. 75%).

Impound Lot revenues are down (67% vs. 75%).

On-street meters are running slightly down (71% vs. 75%).

Off-street ramps and lots are down (70% vs. 75%).

Expenditures:

The 2009 3rd quarter expenses are below the 2009 budget by 9 % (68% vs. 75%).

Impound Lot expenses are down (60% vs. 75%).

On-street is down (66% vs. 75%).

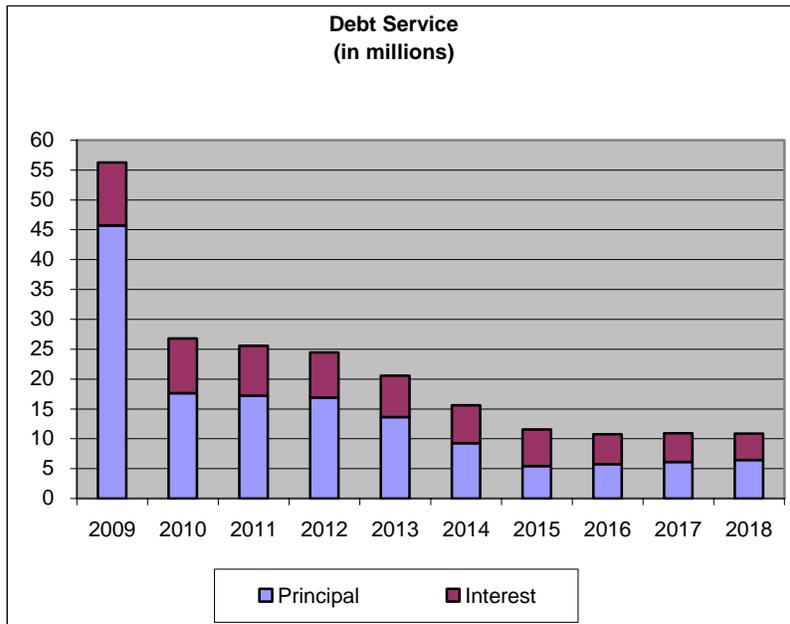
Off-street ramps and lots are down (71% vs. 75%).

Transfers to and from other funds:

The 2009 transfers into and out of the Parking Fund are programmed and planned according to the 2009 budget, some of which have occurred in the 1st three quarters.

Debt Service:

There is currently \$205 million in outstanding bonds. The total debt service for 2009 is \$56.3 million including \$6.0 million in bonds called in Feb. 2009 and an additional \$29.5 million later in 2009 will be called to pay down existing parking ramp debt from the proceeds from the ramps that were sold. These payments cover the costs of bonds that were sold to fund capital projects for construction of municipal parking ramps and lots.



* - \$20.8 million of annual bond retirement will occur during 2009 with \$35.5 million of bonds being called on a one time basis with funding of \$29.5 million coming from refunding bonds for a reduced interest rate and the remaining \$6 million coming from previous ramp sales.

The Parking System has an annual \$1.7 million capital program. However in 2008, there were no Parking Fund bonds issued for capital projects. Thus, the total amount of outstanding bonds in the Parking Fund has increased by \$3.4 million in 2009 with the sale of additional bonds to fund facilities repairs and improvements.

Other Financial Items:

The current operating cash balance is \$22.1 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 \$6.9 million, which results in \$15.2 million remaining. The \$15.2 million is reserved for future debt service payments.

Parking Fund Workout Plan:

A financial workout plan, as adopted by the City Council, approved Parking Fund initiatives to cut costs and increase revenues. The Workout Plan is in the process of being revised due to the successful parking initiatives and financial efforts that include the sale of 6 ramps in 2007 and 1 in February of 2008, the refinancing of debt at better rates, and the parking system initiatives geared to increase revenues and decrease expenses. An updated Workout Plan and financial projections should be available late 2009 based on actual figures through the year of 2008.

The efforts related to the Workout Plan and specific performance include:

Revenues:

- Off-Street Parking and Enhanced Parking Ramp Marketing Activities: Figures for this year indicate that revenue will be on budget despite the economic downturn... The offering of credit payment in our newly automated facilities plus ongoing initiatives are the primary factors contributing to the increase in overall revenues as we are attracting more daily customers.

- On-Street Parking and Parking Meter Management Plan: A request for proposals (RFP) for new meter technology was developed and new meters are currently being tested. The pilot program for testing the new meter technologies ended on July 2009. The RFP vendor selection is proposed to be completed in 2009. Possibilities for new equipment features include offering multiple payment options, adjustable rate technology, improved enforcement capabilities, and electronic monitoring and reporting using the City's WiFi network. Public Works continues to examine opportunities for deploying meters in new locations.
- On-Street meter revenues are down due to Marquette and 2nd Avenues and other street construction.
- Impound Lot and Collection of Unpaid Tow and Storage Fees: The impound lot revenue is below target for the third quarter of 2009 but should rebound in the fourth quarter due to street sweep and late snow emergencies..

Expenditures:

- Off-street parking expenses are below budget. Budget savings are primarily a result of savings due to conversion to automation and executing new janitorial contracts has also contributed to overall savings.
- Salaries and wages continue to be reduced due to continuing efforts toward reorganization and centralization resulting from the sale of the facilities mentioned above.
- Enhance Wayfinding Program: No program activities were performed in the 2009 3rd quarter.
- Repair & Maintenance Program: Major 2009 projects include ongoing automation of the revenue control equipment and systems upgrades at the Plaza Ramp, the building automation and fire alarm system conversion of the Haaf Ramp, and the refurbishing elevator equipment at the 11th and Marquette Ramp.
- Impound Lot expenditures are currently under budget approximately \$800,000 due to the adjustment of operating hours which has reduced labor costs. We are improving the software, auction and other processes to be more efficient and improve customer service. Street sweep and late year snow emergencies will bring Impound closer to budget expenses.
- On-Street Parking expenditures were less than budgeted by \$103,000.

Based on the 2009 3rd quarter information, the following table presents a summary of each business line, actual 2009 budget figures, a 2009 year end projection, and the variances between them.

Revenue* And Expense Categories	2009 Current Budget	2009 Year End Projection based on Actual to date	Variance Budget Vs Actual
Off-Street Parking	29,082,566	29,019,957	(62,609)
On-Street Parking	7,298,643	7,184,346	(114,297)
Impound Lot	7,116,137	7,081,467	(34,670)
Total Revenue	43,497,346	43,285,770	(211,576)
Off-Street Parking	22,287,617	22,025,755	(261,862)
On-Street Parking	1,249,499	1,128,640	(120,859)
Impound Lot	5,599,378	5,539,626	(59,752)
Total Expenditures	29,136,494	28,713,412	(442,473)
Operating Margin	14,360,852	15,242,581	230,897

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

Summary:

Based on the quarterly data to date, revenues will be short of the amount budgeted by 0.05% and expenditures are under budget by 1.5% thereby resulting in an overall improved operating margin of \$230,897 or 1.6% more than the annual budget.

City of Minneapolis, Minnesota
Municipal Parking Fund
Statement of Revenues and Expenditures
For Third Quarter/Years Ending 2009, 2008, and 2007

	Current Budget Year 2009	Projected Year Ending 2009	For Period Ending 30-Sep-09	For Year Ending 2008	For Period Ending 30-Sep-08	For Year Ending 2007	For Period Ending 30-Sep-07
Operating Revenues:							
Off-Street Parking: City Owned	29,082,566	29,019,957	20,459,502	28,485,621	19,213,704	36,244,898	27,852,759
Off-Street Parking: State Owned	8,133,479	8,242,583	8,195,305	9,695,494	5,903,367	8,845,687	4,917,118
Towing	7,116,137	7,081,467	4,765,949	7,326,364	5,571,785	7,923,461	5,599,240
On-Street Meters	7,298,643	7,184,346	5,192,546	6,976,669	5,174,917	7,296,020	5,451,120
Total Operating Revenues	51,630,825	51,528,353	38,613,302	52,484,148	35,863,773	60,310,066	43,820,237
Operating Expenses:							
Off-Street Parking: City Owned-Direct Expenses	14,776,147	15,424,184	12,662,395	15,889,943	13,313,274	20,669,121	14,483,678
Off-Street Parking: State Owned-Direct Expenses	7,128,278	7,128,278	6,119,705	7,859,934	6,412,613	8,180,916	5,542,467
Towing	5,599,378	5,539,626	3,361,224	4,906,788	3,409,626	6,059,294	4,098,497
On-Street Meters	1,249,499	1,128,640	834,022	857,476	633,510	907,832	670,993
Other Operating Expenses	7,511,470	6,601,571	2,963,164	3,726,078	2,672,680	3,410,618	2,564,543
Total Operating Expenses	36,264,772	35,822,299	25,940,510	33,240,219	26,441,703	39,227,781	27,360,178
Operating Margin	15,366,053	15,706,054	12,672,792	19,243,929	9,422,070	21,082,285	16,460,059
Non-Operating Revenues/(Expenses)							
General Fund Transfer Out	(7,818,000)	(7,818,000)	(5,863,500)	(618,000)	(463,500)	(8,618,000)	(6,463,500)
Arena Reserve Transfer Out	(2,241,000)	(2,241,000)	(1,680,750)	(2,241,000)	(1,680,750)	(2,078,000)	(1,558,500)
Debt Service Transfer Out	(115,000)	(115,000)	(86,250)	(104,000)	(78,000)	(73,000)	(54,750)
Internal Service Fund Transfer Out	-	-	-	(8,000,000)	(6,000,000)	0	-
Sanitation Transfer Out	(146,000)	(146,000)	(109,500)	(146,000)	(109,500)	(146,000)	(109,500)
Total Transfers Out	(10,320,000)	(10,320,000)	(7,740,000)	(11,109,000)	(8,331,750)	(10,915,000)	(8,186,250)
Convention Center related facility Transfer	9,858,000	9,858,000	7,393,500	9,832,000	7,374,000	9,856,000	7,392,000
TI and MCDA Transfers In	8,252,292	8,252,292	6,189,219	7,386,506	5,539,880	8,564,522	6,423,392
Arbitrage Fund and Other Transfers In	-	-	-	-	-	-	-
Total Transfers In	18,110,292	18,110,292	13,582,719	17,218,506	12,913,880	18,420,522	13,815,392
Depreciation	(6,137,044)	(6,137,044)	(4,602,783)	(6,821,129)	(5,115,847)	(6,821,129)	(5,115,847)
Special Assessments	0	0	-	113,846	-	72,921	-
Interest	(10,272,637)	(10,272,637)	(7,704,478)	(10,047,006)	(7,535,255)	(12,881,548)	(9,661,161)
Other Non Operating Expenses	0	113,771	(113,771)	0	(193,482)	0	0
Other Non-Operating Income *	0	-	3,899	2,467,651	2,461,384	30,879,318	82,998
Total Non-Operating Revenues (Expenses)	(8,619,389)	(8,505,618)	(6,574,414)	(8,177,132)	(5,801,070)	18,755,084	(9,064,868)
Net Income+/(-)	6,746,664	7,200,436	6,098,378	11,066,797	3,621,000	39,837,369	7,395,191

* - 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.

This is an unaudited, interim financial report

**City Of Minneapolis
Solid Waste and Recycling Fund
For the Third Quarter Ending September 30, 2009**

Fund 07700	2009 Budget	09/30/09 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	30,578,400	22,533,931	8,044,469	74%
Operating Expenditures	32,425,418	20,159,431	12,265,987	62%
Operating Margin	(1,847,018)	2,374,500		
Net Income/(Loss)	(3,331,048)	1,396,941		

Program Description:

The Solid Waste Fund accounts for City's solid waste collection, disposal, recycling, and graffiti removal operations. The division provides pick up services for trash, yard wastes, and recyclables on a weekly and a biweekly basis. The Fund is responsible for the operations of a solid waste transfer station which serves over 100,000 households. The division also provides "clean city" activities such as neighborhood clean sweeps, litter-graffiti controls and removals city-wide. It has initiated "organics" pilot program in selected school districts and neighborhoods. City crews provide approximately one-half of the solid waste collection services and the other half of the services are provided through a consortium of companies specializing in waste collection.

Revenue:

The operating revenues for the Fund through the quarter totaled \$22.5 million compared to \$22.7 million through the third quarter of 2008. This is a decrease of \$200,000 or 1%, which can be attributed to 50% decrease 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 third quarter ended at \$20.2 million compared to \$19.1 million in 2008. The increase in expenditures of \$1 million or 6%, over the same period in 2008, is mainly due to increase in expenditures in disposal, administration, and equipment cost centers.

Transfers:

Transfers into the Solid Waste and Recycling fund include \$146,000 from the Parking fund for litter containers and \$50,000 from the General fund for graffiti removal. Transfers amounting to \$147,000 have been recognized through third 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 September 30th, General Fund transfers amounting to \$616,000 have been recognized.

Debt Service: This fund has no debt service.

Other Financial Items:

The fund's cash balance for the third quarter ended at \$19.6 million. The accounts receivable balance is \$2.9 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$7 million, which leaves the Fund with \$12.6 million in unrestricted cash reserves.

This is an unaudited, interim financial report

City of Minneapolis, Minnesota
Solid Waste and Recycling Fund
Statement of Revenues and Expenses
For Third Quarter/Years Ending 2009, 2008, 2007

	Budget Year 2009	Projection Year 2009	For Period Ending 9/30/2009	For Year Ending 12/31/2008	For Period Ending 9/30/2008	For Year Ending 12/31/2007	For Period Ending 09/30/2007
Operating Revenues:							
County Grants	800,000	800,000	600,000	871,639	600,000	783,762	783,762
Solid Waste Fees	28,079,000	27,644,427	20,720,021	26,385,324	20,276,202	26,853,386	20,125,874
Recyclable Sales	1,699,400	941,000	769,537	2,284,278	1,817,084	1,875,837	1,376,193
Charges for Other Services	-	500,000	444,373	85,338	22,120	31,976	15,888
Total Operating Revenues	30,578,400	29,885,428	22,533,931	29,626,579	22,715,406	29,544,961	22,301,717
Operating Expenses:							
Collection	7,497,826	7,415,073	4,827,376	6,894,417	5,071,858	6,465,493	4,436,939
Recycling	3,776,328	3,528,235	2,348,471	3,063,915	2,065,812	3,144,651	2,213,210
Disposal	6,441,625	5,885,645	3,704,293	4,892,029	2,968,394	4,901,091	3,261,830
Yard Waste	2,241,569	1,551,330	875,869	1,607,817	1,178,910	1,440,611	1,013,647
Large Item/Problem Material	1,438,576	1,092,696	807,541	1,027,048	702,765	1,080,192	772,896
Transfer Stations	218,618	286,286	214,714	206,433	421,493	125,542	98,818
Administration	4,767,538	5,082,647	3,465,485	4,205,374	3,272,804	4,228,996	3,140,425
Customer Service	499,389	494,828	342,574	580,176	448,091	437,592	324,569
Clean City	2,128,943	2,234,851	1,369,281	1,855,486	1,225,769	1,609,132	1,253,319
Equipment	3,415,006	3,660,806	2,203,827	2,352,836	1,729,739	2,340,266	1,821,771
Human resources							
Total Operating Expenses	32,425,418	31,232,397	20,159,431	26,685,531	19,085,635	25,773,566	18,337,424
Operating Margin	(1,847,018)	(1,346,969)	2,374,500	2,941,048	3,629,771	3,771,395	3,964,293
Non-Operating Revenues/(Expenses)							
Net Transfers In	196,000	196,000	147,000	346,000	151,167	196,000	379,500
Net Transfers Out	(821,000)	(821,000)	(615,750)	(809,000)	(606,750)	(778,000)	(583,500)
Gains (Losses)							
Depreciation	(859,030)	(859,030)	(644,273)	(859,030)	(699,059)	(932,079)	(712,645)
Special Assessments	-		135,464	572,827	177,737	119,614	127,562
Total Non-Operating Revenues (Expenses)	(1,484,030)	(1,484,030)	(977,559)	(749,203)	(976,905)	(1,394,465)	(789,083)
Net Income	(3,331,048)	(2,830,999)	1,396,941	2,191,845	2,652,866	2,376,931	3,175,210
Significant Balance Sheet Items							
Operating Cash			19,636,087	20,667,205	19,457,033	17,635,380	17,179,570
Accounts Receivable			2,958,083	2,882,587	3,150,543	3,133,296	3,284,053

This is an unaudited, interim financial report

CPED Enterprise Fund Component Programs
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended 12/31/08, and the nine months ended 9/30/09

	Housing Development Fund 1/1-12/30/08	Housing Development Fund 1/1-9/30/09	General Agency Reserve Fund System 1/1-12/30/08	General Agency Reserve Fund System Operations 1/1-9/30/09	Theatres 1/1-12/30/08	Theatres 1/1-9/30/09	River Terminal 1/1-12/30/08	River Terminal 1/1-9/30/09	Economic Development Program 1/1-12/30/08	Economic Development Program 1/1-9/30/09
Operating revenues										
Charges for sales and services	\$ -	\$ -	\$ 269,568	\$ 189,734	\$ -	\$ -	\$ 1,672,284	\$ 1,191,957	\$ 2,152,926	\$ 243,342
Interest on program activities	80,377	-	3,508,432	-	-	-	-	-	-	-
Other	-	-	14,555	-	-	-	-	-	-	-
Total operating revenues	80,377	-	3,792,555	189,734	-	-	1,672,284	1,191,957	2,152,926	243,342
Operating expenses:										
Personal services	-	-	-	104,256	2,844	2,883	7,142	9,320	4,150	912
Contractual services	561,165	108,326	222,198	63,366	2,786	1,926	1,588,278	1,144,612	8,348	14,205
Other	-	-	-	3,507	-	-	1,000	-	-	-
Depreciation expense	-	-	-	-	-	-	350,135	-	-	-
Total operating expenses	561,165	108,326	222,198	171,129	5,630	4,809	1,946,555	1,153,932	12,498	15,117
Operating income	(480,788)	(108,326)	3,570,357	18,605	(5,630)	(4,809)	(274,271)	38,025	2,140,428	228,225
Nonoperating revenues (expenses)										
Interest on investments	11,312	36,912	1,442,612	15,077	(41,072)	(24,987)	(14,080)	(5,848)	41,718	2,213
Interest expense	-	-	(3,571,598)	-	-	-	-	-	(49,530)	-
Total nonoperating revenue (expenses)	11,312	36,912	(2,128,986)	15,077	(41,072)	(24,987)	(14,080)	(5,848)	(7,812)	2,213
Income (loss) before transfers	(469,476)	(71,414)	1,441,371	33,682	(46,702)	(29,796)	(288,351)	32,177	2,132,616	230,438
Net transfers from (to) other funds	-	-	-	-	-	-	-	-	(4,009,509)	-
Change in net assets	(469,476)	(71,414)	1,441,371	33,682	(46,702)	(29,796)	(288,351)	32,177	(1,876,893)	230,438
Total net assets - January 1	2,046,554	1,577,078	33,014,426	1,196,687	(1,991,332)	(2,038,034)	6,900,792	6,612,441	2,149,427	272,534
Total net assets - September 30	\$ 1,577,078	\$ 1,505,664	\$ 34,455,797	\$ 1,230,369	\$ (2,038,034)	\$ (2,067,830)	\$ 6,612,441	\$ 6,644,618	\$ 272,534	\$ 502,972

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

General Agency Reserve Fund System - This fund accounts for a program in which revenue bonds are issued to finance economic development. The program obtains lease or loan agreements from developers to meet the debt service requirements of the financing. The funds are restricted by bond covenants and the need of the City to minimize risk in its support of the GARFs. The funds are critical to maintaining the "A+" rating of the fund. Only the administrative operations portion of the fund is presented at 9/30/09. Other information for the fund is maintained by a trustee and not available for inclusion at 9/30.

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

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

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

CPED Enterprise Fund Component Programs
Statement of Net Assets
12/31/08 and 9/30/09

	Housing Development Fund 12/31/2008	Housing Development Fund 9/30/2009	General Agency Reserve Fund System 12/31/2008	General Agency Reserve Fund System Operations 9/30/2009	Theatres 12/31/2008	Theatres 9/30/2009	River Terminal 12/31/2008	River Terminal 9/30/2009	Economic Development Program 12/31/2008	Economic Development Program 9/30/2009
ASSETS										
Current assets:										
Cash and cash equivalents	\$ 529,834	\$ 536,340	\$ 1,219,622	\$ 1,231,285	\$ (2,032,700)	\$ (2,062,934)	\$ (513,349)	\$ (531,877)	\$ 840,112	\$ 219,970
Deposits with fiscal agents	-	2,205	37,961,775	-	-	-	-	-	(131,626)	18,374
Loans and notes receivable	465,000	384,875	735,000	-	-	-	-	-	-	-
Capital leases	-	-	2,455,000	-	-	-	-	-	-	-
Other current assets	13,780	13,780	131,755	3,216	(5,111)	(5,111)	58,348	20,698	6,748	6,748
Total current assets	1,008,614	937,200	42,503,152	1,234,501	(2,037,811)	(2,068,045)	(455,001)	(511,179)	715,234	245,092
Noncurrent assets:										
Loans and notes receivable	568,464	468,464	1,185,000	-	-	-	-	-	985,710	985,710
Capital leases	-	-	56,286,404	-	-	-	-	-	-	-
Capital assets (net of accumulated depreciation)	-	-	-	-	-	-	7,190,260	7,190,260	-	-
Total noncurrent assets	568,464	468,464	57,471,404	-	-	-	7,190,260	7,190,260	985,710	985,710
Total assets	\$ 1,577,078	\$ 1,405,664	\$ 99,974,556	\$ 1,234,501	\$ (2,037,811)	\$ (2,068,045)	\$ 6,735,259	\$ 6,679,081	\$ 1,700,944	\$ 1,230,802
LIABILITIES										
Current liabilities:										
Due to other funds	-	-	-	-	-	-	-	-	700,000	-
Deposits held for others	-	-	3,528,608	-	-	-	-	-	-	-
Unearned revenue	-	-	827,503	-	-	-	-	-	-	-
Bonds payable - current portion	-	-	3,190,000	-	-	-	-	-	-	-
Notes payable - current portion	-	-	-	-	-	-	-	-	127,408	127,408
Other current liabilities	-	-	307,390	(1,126)	223	(215)	122,527	34,172	10,372	9,792
Total current liabilities	-	-	7,853,501	(1,126)	223	(215)	122,527	34,172	837,780	137,200
Noncurrent liabilities:										
Bonds payable	-	-	57,660,000	-	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-	-	-	590,438	590,438
Compensated absences payable	-	-	5,258	5,258	-	-	291	291	192	192
Total noncurrent liabilities	-	-	57,665,258	5,258	-	-	291	291	590,630	590,630
Total liabilities	-	-	65,518,759	4,132	223	(215)	122,818	34,463	1,428,410	727,830
NET ASSETS										
Invested in capital assets, net of related debt	-	-	-	-	-	-	7,190,260	7,190,260	-	-
Restricted	-	-	34,455,797	1,230,369	-	-	-	-	-	-
Unrestricted	1,577,078	1,505,664	-	-	(2,038,034)	(2,067,830)	(577,819)	(545,642)	272,534	502,972
Total net assets	1,577,078	1,505,664	34,455,797	1,230,369	(2,038,034)	(2,067,830)	6,612,441	6,644,618	272,534	502,972
Total liabilities & net assets	\$ 1,577,078	\$ 1,505,664	\$ 99,974,556	\$ 1,234,501	\$ (2,037,811)	\$ (2,068,045)	\$ 6,735,259	\$ 6,679,081	\$ 1,700,944	\$ 1,230,802

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CPED Enterprise Fund Component Programs
Summary Statement of Revenues, Expenses, and changes in Fund Net assets
2004-2008

	Housing Development fund				
	2004	2005	2006	2007	2008
Operating revenues	\$ 290,496	\$ 202,748	\$ 99,025	\$ 119,577	\$ 80,377
Operating expenses	77,185	365,925	1,075,410	581,374	561,164
Nonoperating revenues (expenses)	(148,383)	(28,336)	71,276	27,819	11,312
Net transfers	(193,829)	-	-	-	-
Change in net assets	(128,901)	(191,513)	(905,109)	(433,978)	(469,475)
Total net assets - January 1	3,706,055	3,577,154	3,385,641	2,480,532	2,046,554
Total net assets - December 31	\$ 3,577,154	\$ 3,385,641	\$ 2,480,532	\$ 2,046,554	\$ 1,577,079

	General Agency Reserve Fund System				
	2004	2005	2006	2007	2008
Operating revenues	\$ 2,620,110	\$ 4,637,245	\$ 3,969,837	\$ 4,126,258	\$ 3,792,555
Operating expenses	356,297	349,531	226,041	229,858	222,198
Nonoperating revenues (expenses)	(3,681,327)	(3,620,167)	(2,441,034)	(2,010,722)	(2,128,986)
Net transfers	1,724,376	-	(2,097,097)	(2,093,092)	-
Change in net assets	306,862	667,547	(794,335)	(207,414)	1,441,371
Total net assets - January 1	33,041,766	33,348,628	34,016,175	33,221,840	33,014,426
Total net assets - December 31	\$ 33,348,628	\$ 34,016,175	\$ 33,221,840	\$ 33,014,426	\$ 34,455,797

	Theatres				
	2004	2005	2006	2007	2008
Operating revenues	\$ 3,365,051	\$ 3,903,921	\$ -	\$ 513,816	\$ -
Operating expenses	3,815,458	5,403,144	819,960	(208)	5,630
Nonoperating revenues (expenses)	67,456	(9,449,573)	(1,334,996)	(113,243)	(41,072)
Net transfers	(1,651,016)	-	1,497,097	-	-
Change in net assets	(2,033,967)	(10,948,796)	(657,859)	400,781	(46,702)
Total net assets - January 1	11,248,509	9,214,542	(1,734,254)	(2,392,113)	(1,991,332)
Total net assets - December 31	\$ 9,214,542	\$ (1,734,254)	\$ (2,392,113)	\$ (1,991,332)	\$ (2,038,034)

	River Terminal				
	2004	2005	2006	2007	2008
Operating revenues	\$ 1,862,869	\$ 1,942,017	\$ 1,889,902	\$ 1,286,819	\$ 1,672,284
Operating expenses	2,458,440	2,230,736	2,092,052	1,904,881	1,946,555
Nonoperating revenues (expenses)	(3,101)	(12,799)	(12,471)	(27,769)	(14,080)
Net transfers	-	-	-	-	-
Change in net assets	(598,672)	(301,518)	(214,621)	(645,831)	(288,351)
Total net assets - January 1	8,661,434	8,062,762	7,761,244	7,546,623	6,900,792
Total net assets - December 31	\$ 8,062,762	\$ 7,761,244	\$ 7,546,623	\$ 6,900,792	\$ 6,612,441

	Economic Development Program				
	2004	2005	2006	2007	2008
Operating revenues	\$ 5,782,934	\$ 2,870,438	\$ 1,848,080	\$ 1,870,294	\$ 2,152,926
Operating expenses	7,215,900	3,573,883	54,549	27,246	12,498
Nonoperating revenues (expenses)	(36,670)	66,627	61,474	130,400	(7,812)
Net transfers	(179,999)	(2,151,739)	-	(3,643,039)	(4,009,509)
Change in net assets	(1,649,635)	(2,788,557)	1,855,005	(1,669,591)	(1,876,893)
Total net assets - January 1	6,402,205	4,752,570	1,964,013	3,819,018	2,149,427
Total net assets - December 31	\$ 4,752,570	\$ 1,964,013	\$ 3,819,018	\$ 2,149,427	\$ 272,534

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2009 Third 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 September 30, 2009, the City's current investment portfolio was valued at approximately \$430 million. The sector holdings and fund distributions are shown below. For the twelve months ended September 30, 2009, the portfolio has outperformed its benchmark.

Investment Performance period ended September 30, 2009	City Portfolio	Custom Benchmark*
3 month Total Return	0.4%	0.3%
12 months Total Return	2.3%	1.3%
3 year Total Return	3.6%	3.4%
Credit Quality	AGY	TSY

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

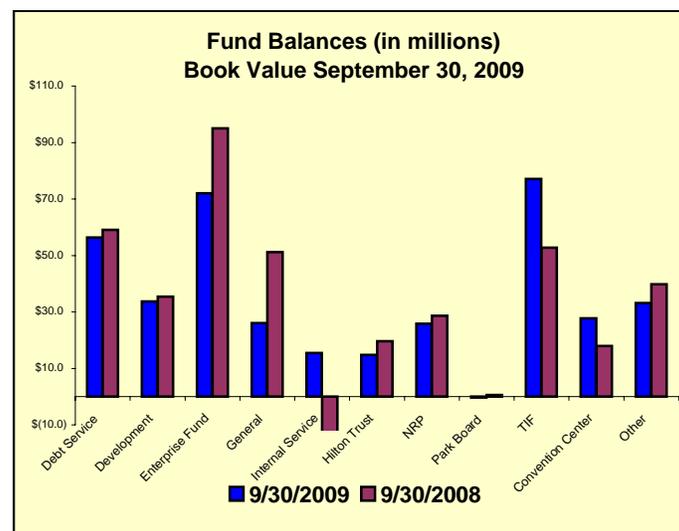
Portfolio Holdings By Sector

Sector	Sept. 30 2009	% of port.	Sept. 30 2008	% of port.
Cash and equivalents*	\$ 4.3	1%	\$ 88.8	20%
Commercial Paper	\$ 68.9	16%	\$ 70.5	16%
Federal Agency	\$ 254.2	59%	\$ 144.8	33%
Mortgage Backed	\$ 34.5	8%	\$ 28.8	7%
Municipals	\$ 30.2	7%	\$ 31.0	7%
Asset Backed Securities	\$ -	0%	\$ 0.4	0%
US Treasuries	\$ 38.8	9%	\$ 75.1	17%
Total Market Value	\$ 430.9	100%	\$ 439.4	100%

*Net of checks outstanding



Funds	Sept. 30 2009	total funds	Sept. 30 2008	total funds
Debt Service	\$ 56.4	13%	\$ 59.1	14%
Development	\$ 33.7	8%	\$ 35.4	8%
Enterprise Fund	\$ 72.0	17%	\$ 95.0	22%
General	\$ 26.1	6%	\$ 51.2	12%
Internal Service	\$ 15.5	4%	\$ (30.2)	-7%
Hilton Trust	\$ 14.8	3%	\$ 19.6	4%
NRP	\$ 25.8	6%	\$ 28.6	7%
Park Board	\$ (0.3)	0%	\$ 0.6	0%
TIF	\$ 77.1	18%	\$ 52.8	12%
Convention Center	\$ 27.8	6%	\$ 17.9	4%
Other	\$ 33.2	8%	\$ 39.8	9%
Sub Total City Op. Port.	\$ 382.1	89%	\$ 369.8	84%
Bond Proceeds/Const.	\$ 46.0	11%	\$ 67.9	16%
TOTAL Book Value	\$ 428.1	100%	\$ 437.7	100%
Unrealized G/L & Acc int	\$ 2.8		\$ 1.7	
All Funds Mkt Value	\$ 430.9		\$ 439.4	



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