



Second Quarter 2022 Financial Status Report

Finance & Property Services Department
September 6, 2022

City of Minneapolis
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for the Second Quarter of 2022

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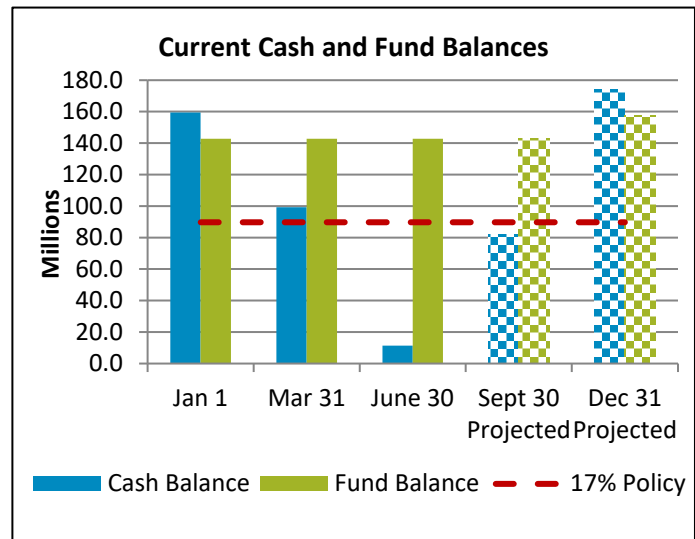
Overview

While the City continues to see the impacts of the COVID-19 pandemic, the financial position continues to improve with planful spending and revenue recovery. The City received the second half of its \$271.2 million allocation of Federal funding through the American Rescue Plan Act (ARPA) in June 2022. The first half of our allocation was received in 2021 and the Council approved spending plans for all allocated funds through 2024. Revenue losses continue to impact the Parking Fund where collections aren't expected to return to pre-pandemic rates until 2025. Using ARPA funds, the City's General Fund will replace a portion of reduced local sales tax transfers with federal funding with a plan to cease reliance on that funding after 2024. The Sanitary Sewer and Parking funds are projected to fall below minimum cash balance amounts as required by financial policy. The cash shortfall in Parking is due to significant revenue reductions with both on-street and off-street parking revenue. For the 2022 Budget, the transfer to the General Fund is reduced from the 2021 amount of \$7.6 million to \$4.0 million to preserve cash in the Parking Fund. Sanitary Sewer spent down cash on capital projects with planned spending over the past few years but intends to replenish cash reserves back to compliance with policy by 2024.

General Fund

The General Fund is used to account for all financial resources except those required to be accounted for or reported in another fund. The original 2022 budget included a planned use of fund balance of \$17.0 million. Subsequent adjustments for rollovers increased the planned use of fund balance to \$20.6 million. At year end, actual fund balance is projected to increase by \$14.5 million.

The 2021 ending fund balance was \$142.9 million and the General Fund cash balance at year-end 2021 was \$159.4 million. Over one-half of the revenue in the General Fund comes from sources received only two or three times per year. Because of this, there can be a large variation in the cash balance between the beginning of the year and the end of the second quarter. As the chart above shows, the cash balance at mid-year fell to \$11.4 million while the year-end projected cash balance is \$173.9 million.



As shown in the Financial Strength Analysis on pages A-2 and A-3 of this report, from 2018 through 2021, the General Fund's cash balance and fund balance have increased with a cumulative cash increase of \$38.1 million and an increase in fund balance of \$38.6 million. The strong fund balance and cash position were made possible by rising revenues and strategic use of funds helping maintain sustainable operations even considering the losses experienced from 2020 to 2021. The General Fund continues to exceed the minimum fund balance requirements as required by financial policies.

The City's financial policy for the General Fund balance is to maintain 17.0% of the following year's expenditure budget less transfers. Based on the current 2022 budget less transfers of \$543.1 million, the required fund balance would be \$92.3 million. Considering projected amounts, the General Fund should finish the year with a fund balance of \$157.3 million which is \$65.0 million over the minimum balance. This equates to 29.0% of the current 2022 budget.

Special Revenue Funds

The Special Revenue Funds (SRF) are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes and include the Convention Center, Arena (Target Center) Fund, Downtown Assets Fund, Police, the Neighborhood and Community Relations (NCR), Regulatory Services, Grant Funds, Employee Retirement Funds, and the Community Planning & Economic Development (CPED)s funds.

Projected year-end cash for 2022 is \$517.4 million which is an increase of \$71.3 million over the year-end 2021 cash balance of \$446.1 million. The fund balance for the Special Revenue Funds is projected to end at \$357.9 million, a slight decrease of \$1.3 million compared to year-end 2021. The increase in cash is due primarily to an infusion of federal grant money. As previously mentioned, the City received the second half of the ARPA funding totaling \$135.6 million in the second quarter of 2022. There are budget plans in place to spend all ARPA funds by the end of 2024, however, the large prepayment means there will be a substantial cash balance on hand at the end of 2022. Revenue losses from local taxes deposited into the Downtown Assets Funds aren't expected to continue at the same rate as 2020 or 2021, however, they will continue to be less than pre-pandemic collections. These funds are not expected to see growth before the end of 2022 but will maintain balances as transfers out will increase to offset increased revenues as budgeted.

Internal Service Funds

Internal Service Funds are used to account for goods and services provided internally to other government divisions. The Internal Service Funds include Engineering Materials and Testing Lab; Equipment (Fleet) Services; Property Services; Public Works Stores, Intergovernmental Services (primarily IT), and Self-Insurance Funds.

The total cash balance for the Internal Service Funds at year-end 2022 is projected to be \$158.9, a decrease of \$7.9 million from the 2021 ending balance of \$166.8. At the same time, the total net position for all the Internal Service Funds is projected to decrease by \$2.5 million from \$57.7 million to \$55.2 million. Because these funds have no debt burden and spending is tied to demand from other City funds, spending can be influenced by the needs of other funds. In 2022, it is expected that the Fleet Services fund will increase spending on new vehicle purchases that were delayed due to supply chain issues in 2020 and 2021. The Self-Insurance funds may see a decrease in medical and litigation costs, resulting in slight cash growth. The net position of the Self-Insurance funds continues to be negative with a 2021 ending balance of negative \$100.0 million. This negative net position is reflective of the actuarially accrued liabilities for long-term settlements and is not reflective of a lack of resources for short term operations of the funds.

Enterprise Funds

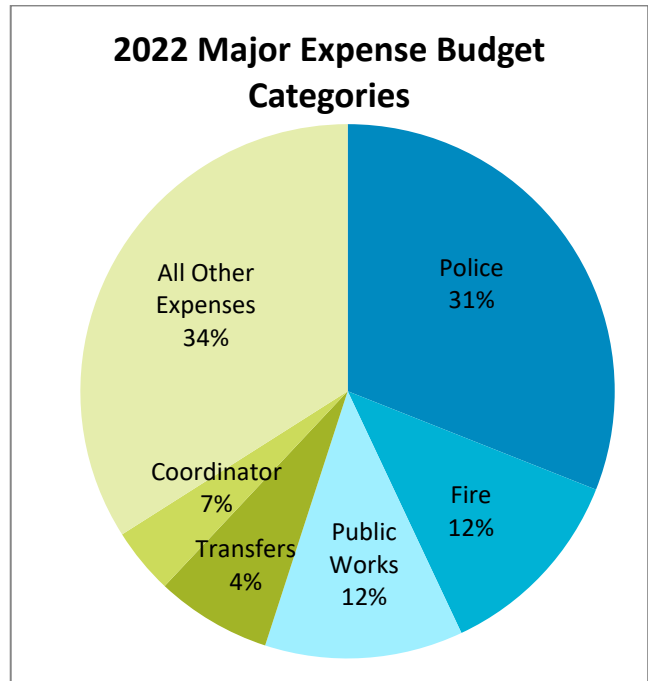
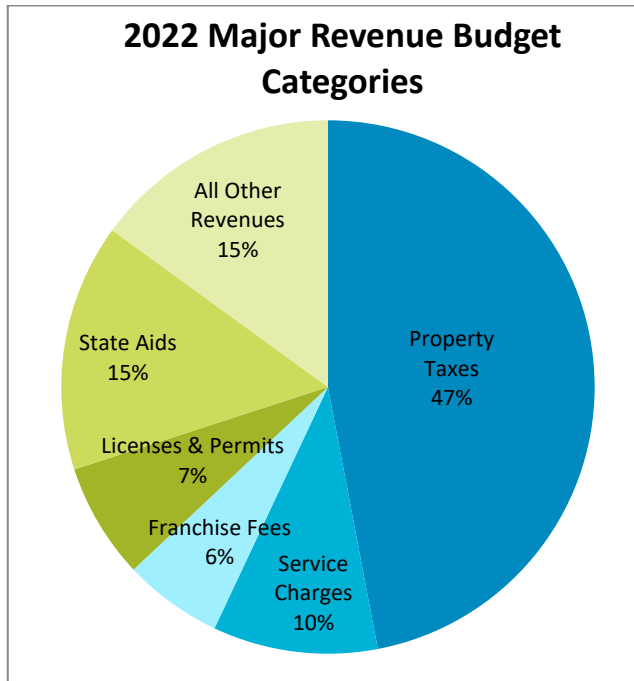
The Enterprise Funds are used to account for operations that sell goods and services to external third parties. Enterprise Funds include the Utility Operations – Sanitary Sewer, Stormwater, and Water Utilities; Solid Waste & Recycling; the Parking Fund; and the CPED Enterprise Funds.

The total cash balance for the Enterprise Funds is projected to be \$111.2 million which is an increase of \$8.4 million over the 2021 ending balance of \$102.8 million. Total net position for the Enterprise Funds is projected to increase by \$8.3 million from \$1,063.5 million at year end 2021 to \$1,071.8 at year end 2022. The Parking and Sanitary sewer funds' cash positions are both under financial policy targets at this point. The Parking fund is seeing an increase in revenue in 2022, but activity has not returned to pre-pandemic levels and further monitoring will be required. The Sanitary sewer fund is projecting to return to compliance with cash policies by 2024.

**City of Minneapolis
General Fund
For the Second Quarter Ending June 30, 2022**

Fund Description

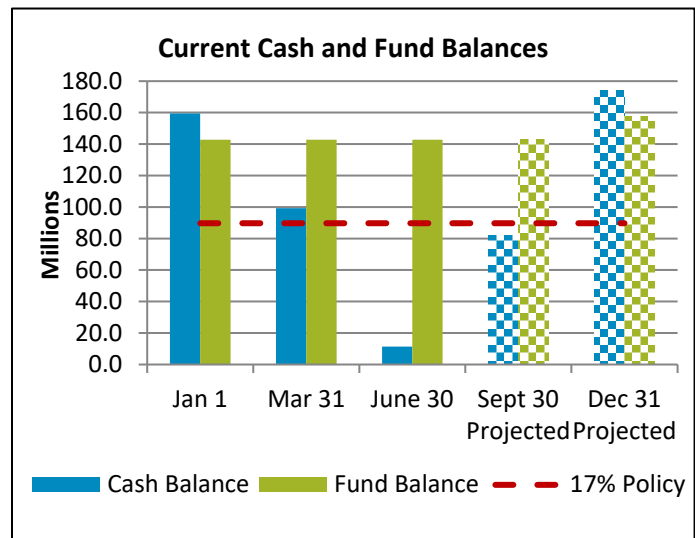
The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required by law or administrative action to be accounted for in another fund. The Fund's 2022 current revenue budget is \$574.6 million, while the Fund's 2022 current expense budget is \$595.1 million, including transfers.



Cash and Fund Balance

The 2021 year-end audited fund balance for the General Fund was \$142.9 million, while the cash balance was \$159.4. Over one-half of the revenue in the General Fund comes from sources received only two times per year, such as property taxes, special assessments, and certain state aids. As such, the cash balance fluctuates significantly during the year. As of June 30, 2022, the cash balance was \$11.4 million. This will increase significantly with the allocation of the first half property tax settlement in early July.

The 2022 original budget included a planned use of fund balance of \$17.0 million. Rollover of unspent 2021 appropriations increased the budgeted use of fund balance by \$3.6 million to \$20.6 million. In contrast to the budgeted use of fund balance, the year-end fund balance is currently projected to increase by \$14.5 million to \$157.3 million due to variances in revenues and expenditures as compared to budget

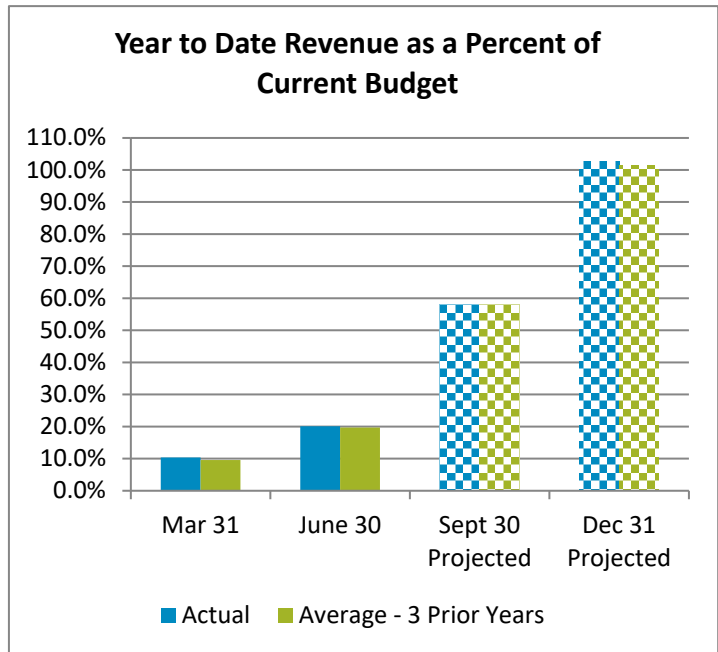


The City's financial policies require a minimum fund balance equal to 17% of the next year's General Fund expenditure budget, less transfers. The current 2022 budget less transfers equals \$543.1 million, resulting in a minimum fund balance target of \$92.3 million. The projected year-end fund balance, \$157.3 million, is \$65.0 million above the fund balance target.

Revenue

As noted above, more than one-half of General Fund revenue is related to property taxes, special assessments, and state aids. The first installments of these payments are recorded in July with the remainder recorded in December. Since such a large portion of General Fund revenue is received after the second quarter of the year, the average revenue through the first half of the past three years is only 19.7% of the budget. Actual revenue through the second quarter of 2022 totals \$115.6 million or 20.1% of the total budget.

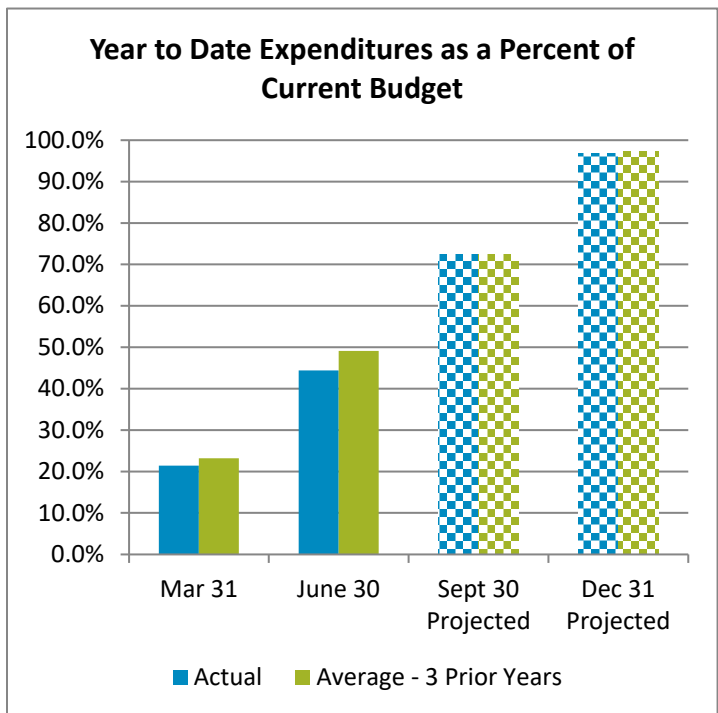
Although the negative economic impacts of COVID-19 continue to effect some categories of revenue such as business licenses and permits, overall General Fund revenues in 2022 are projected to exceed budget by \$15.5 million, or 2.7%. The following revenue categories are projected to exceed the budgeted amount: Charges for Services, \$4.0 million; Franchise Fees at \$6.0 million; Non-business Licenses and Permits, \$9.4 million.



Expenditures

Six departments comprise 76.2% of the General Fund’s total current budget: Police, Fire, Public Works, the City Coordinator, Community Planning and Economic Development (CPED), and Regulatory Services. Small percentage variances in any of these large departments can have a significant effect on the amount of surplus or deficit in the General Fund expenditure budget.

Public Works expects to be over budget by \$3.7 million, with \$2.6 million in Transportation Maintenance and Repair, primarily due to revenue backed work for other funds and snow events. In addition, Traffic and Parking Services is expected to be \$0.8 million over budget mainly due to increased utility costs. Public Works revenue collections are expected to exceed the revenue budget by \$4.5 million, which offsets these expenditure overages. In addition, the Fire department is experiencing overtime costs beyond what was budgeted and projects to end the year \$2.5 million over budget.



Several departments are projected to be under budget at year end. The primary reasons for underspending are personnel savings and the delay of current year projects and initiative. In addition, contingency funding of \$13.4 million is planned to be unspent at year end. Overall, General Fund spending is projected to be \$19.5 million less than budgeted.

**City of Minneapolis
General Fund Report
June 30, 2022**

	Original Budget	Current Budget	Year-to-Date Actual	Percent of Revised Budget Remaining	Year End Projection	Surplus (Deficit) Budget Versus Projected	Percent of Projected to Revised Budget
Revenues							
Business Licenses And Permits	\$ 11,475,000	\$ 11,475,000	\$ 6,127,943	46.6%	\$ 9,373,000	\$ (2,102,000)	81.7%
Charges For Sales	12,350	12,350	22,426	-81.6%	30,852	18,502	249.8%
Charges For Services	55,464,199	55,464,199	27,114,707	51.1%	59,429,992	3,965,794	107.2%
Contributions	-	-	478	0.0%	478	478	0.0%
Fines And Forfeits	5,026,550	5,026,550	2,263,767	55.0%	4,923,567	(102,983)	98.0%
Franchise Fees	33,875,300	33,875,300	19,060,659	43.7%	39,860,551	5,985,251	117.7%
Interest Revenue	4,100,000	4,100,000	1,751,221	57.3%	3,598,067	(501,933)	87.8%
Local Grants & Aids	1,014,384	1,014,384	205,498	79.7%	941,626	(72,758)	92.8%
Miscellaneous	1,585,000	1,585,000	1,096,480	30.8%	2,554,685	969,685	161.2%
Non-Business Licenses And Permits	31,280,348	31,280,348	23,008,201	26.4%	40,634,846	9,354,498	129.9%
Property Taxes	268,110,275	268,110,275	9,048	100.0%	264,598,288	(3,511,987)	98.7%
Rents	767,000	767,000	724,691	5.5%	1,173,485	406,485	153.0%
Sales and Other Taxes	-	-	-	0.0%	11,441	11,441	0.0%
Special Assessments	4,730,980	4,730,980	94,691	98.0%	4,572,228	(158,752)	96.6%
State Grants & Aids	86,008,234	86,008,234	2,942,426	96.6%	87,248,929	1,240,695	101.4%
Total Revenues	503,449,620	503,449,620	84,422,234	83.2%	518,952,035	15,502,416	103.1%
Transfers In	62,310,242	71,110,242	31,155,121	56.2%	71,110,242	-	100.0%
Revenues and Other Sources	\$ 565,759,862	\$ 574,559,862	\$ 115,577,355	79.9%	\$ 590,062,277	\$ 15,502,416	102.7%
Expenditures							
Police	186,979,596	187,285,219	81,761,526	56.3%	184,285,219	3,000,000	98.4%
Fire	72,066,346	72,066,346	37,086,384	48.5%	74,566,346	(2,500,000)	103.5%
Human Resources	8,671,604	9,051,604	4,226,610	53.3%	8,349,077	702,527	92.2%
Finance and Property Services	26,156,101	27,250,476	12,598,821	53.8%	25,118,249	2,132,228	92.2%
911	9,751,782	9,751,782	4,502,958	53.8%	9,314,782	437,000	95.5%
311	5,040,264	5,040,264	1,966,533	61.0%	4,540,264	500,000	90.1%
City Coordinator	12,125,344	11,048,877	3,458,936	68.7%	10,396,371	652,506	94.1%
Intergovernmental Relations	1,379,501	1,379,501	631,982	54.2%	1,279,501	100,000	92.8%
Communications	2,709,863	2,709,863	1,330,589	50.9%	2,709,863	-	100.0%
Emergency Management	992,037	1,215,037	455,513	62.5%	1,127,371	87,666	92.8%
Neighborhood & Community Relations	4,477,021	4,477,021	1,334,619	70.2%	4,477,021	-	100.0%
City Coordinator - Total	71,303,517	71,924,425	30,506,562	57.6%	67,312,499	4,611,926	93.6%
Transportation Planning & Design	1,885,431	1,885,431	923,978	51.0%	1,985,431	(100,000)	105.3%
Transportation Plan Programming	2,886,492	2,886,492	1,181,939	59.1%	2,886,000	492	100.0%
Transportation Maintenance & Repair	33,349,236	33,349,236	17,723,877	46.9%	36,020,110	(2,670,874)	108.0%
Public Works Administration	3,030,540	3,030,540	1,740,068	42.6%	3,161,926	(131,386)	104.3%
Traffic & Parking Services	16,414,939	16,414,939	8,602,295	47.6%	17,237,171	(822,232)	105.0%
Public Works - Total	57,566,638	57,566,638	30,172,157	47.6%	61,290,638	(3,724,000)	106.5%
Regulatory Services	24,812,866	24,882,302	10,788,582	56.6%	22,127,046	2,755,256	88.9%
Attorney	18,751,183	18,751,183	9,025,534	51.9%	17,644,656	1,106,527	94.1%
City Council & City Clerk	10,238,137	10,578,137	5,093,092	51.9%	10,074,382	503,755	95.2%
City Clerk Elections	7,408,940	7,208,940	1,201,587	83.3%	6,891,704	317,237	95.6%
Contingency	13,828,608	13,373,608	-	100.0%	-	13,373,608	0.0%
Assessor	8,127,843	8,162,843	2,751,089	66.3%	8,162,843	-	100.0%
Information Technology	-	2,000,000	-	100.0%	2,000,000	-	100.0%
CPED	32,031,959	39,956,877	13,957,498	65.1%	39,956,877	-	100.0%
Health	18,811,396	20,455,396	7,106,552	65.3%	20,455,396	-	100.0%
Civil Rights	5,580,449	5,580,449	2,370,283	57.5%	5,491,062	89,387	98.4%
Mayor	2,366,997	2,366,997	1,084,276	54.2%	2,366,997	-	100.0%
Internal Audit	875,957	950,957	386,965	59.3%	950,957	-	100.0%
Total Expenditures	530,750,433	543,110,318	233,292,087	57.0%	523,576,621	19,533,696	96.4%
Transfers Out Total	52,019,428	52,019,428	26,009,714	50.0%	52,019,428	-	100.0%
Expenditures and Other Uses	\$ 582,769,861	\$ 595,129,746	\$ 259,301,801	56.4%	\$ 575,596,049	\$ 19,533,696	96.7%
Change in Fund Balance					14,466,228		
Fund Balance - January 1					142,828,350		
Fund Balance - December 31 (Projected)					157,294,578		

City of Minneapolis
Convention Center Special Revenue Fund Report
For the Second Quarter Ending June 30, 2022

Fund Description:

The Convention Center Special Revenue Fund is used to account for the maintenance, operation, and marketing of the City-owned Convention Center and related facilities. The Convention Center was created to foster and generate economic growth and vitality by providing facilities and services for conventions, trade shows, exhibits, meetings, and cultural, religious, and sporting events, all of which benefit and showcase the City of Minneapolis, the metropolitan region, and the State of Minnesota.

The Convention Center Special Revenue Fund activity was historically funded from local sales and hospitality tax receipts in addition to Convention Center operating revenue. Beginning in 2014, the local taxes were receipted directly to the General Fund, and a transfer was made from the General Fund to the Convention Center to fully fund Convention Center operating and non-operating expenditures. Beginning in 2018, the Convention Center Special Revenue Fund is being managed as part of the Downtown Assets umbrella fund. The Downtown Assets Fund is intended to help the City provide a coordinated management and funding structure for the physical infrastructure assets in Downtown Minneapolis which help generate sales, liquor, lodging, restaurant, and entertainment taxes that support City spending. The Downtown Assets “umbrella” Fund includes the Minneapolis Convention Center, the Arena Special Revenue Fund (Target Center), Peavey Plaza, and the Commons. Beginning in 2018, as part of the new Downtown Assets funding structure, the local taxes were receipted directly to the Downtown Assets Fund, and a transfer is being made from the Downtown Assets Fund to the Convention Center Fund to fund Convention Center operations, capital, and building debt service.

Revenue:

Through the June 30, 2022, Convention Center operating revenue ended at nearly \$9.2 million or 57.9% of the \$15.8 million budget. Rents and Commissions had the strongest finish at \$4.6 million or 61.0% of budget followed by Charges for Services and Sales at \$3.5 million or 67.0% of budget, and finally Catering Commissions which finished at \$1.1 million or 33.2% of budget. With the strong impact of the pandemic, the Kelber Catering commission structure was changed in 2021 to a tiered revenue structure where specific amounts of revenue need to be realized before the MCC receives a commission. The new structure was implemented to take financial pressure off Kelber.

Through June 30, 2022, the Convention Center had operating revenue of \$9.2 million, and finished \$6 million over June 30, 2021 operating revenue of \$3.2 million. The reason for the increase was that in 2021 the Convention Center was being heavily impacted by event cancellations related to the COVID-19 pandemic. In 2022, the Convention Center is seeing a strong recovery, as events in the building increase. The Convention Center projects 2022 operating revenue to finish at nearly \$14.7 million which is \$1.2 million under budget, but \$7.9 million over 2021. The Convention Center also receives revenue from interest on cash balances, and the 2022 budget is \$68,000. The 2022 interest revenue is projected to finish significantly better than budget at \$190,000 which is \$122,000 over budget based on current trends. Interest revenue is based on cash balances within City funds and investment return rates.

Through June 2022, the Convention Center also received miscellaneous revenue of \$14,000 for scrap sales, breakage related to building damage related to events, and cell phone reimbursements. Most of that revenue is unpredictable and is dependent on if the building has scrap to sell and had building damage which can vary greatly dependent on the extent of the damages.

Expenses:

Through the second quarter of 2022, Convention Center operating expenditures not including Ongoing Equipment and Improvements and Meet Minneapolis finished at \$11.2 million or 43.1% of budget which was \$2.4 million over the second quarter 2021 results. Operating expenses are based on event levels and normal day-to-day operations.

The Convention Center had been heavily impacted by the pandemic and social unrest within the City in 2020 and 2021. In 2022, the Convention Center is seeing a solid rebound. The Convention Center continues to work on its 'no waste' initiative as well as further enhancements to the energy efficiency practices that were put in place in 2009. The ongoing management of operating expenses includes a variety of cost containment activities:

- Reduction in energy and water consumption
- Identifying and implementing operating efficiencies
- Recycling "waste" initiative

The Convention Center expects 2022 operating expenses to finish the year \$1.2 million under the 2022 budget. The reduction is related to operational efficiencies and cost saving initiatives, in addition to historically soft early 2022 revenue. When building revenue is down, so are operating expenses.

In Ongoing Equipment and Improvements, the Convention Center finished the second quarter of 2022 at \$1.6 million or 14.5% of the \$11.0 million 2022 budget which was \$1.2 million higher than the \$0.4 million spent through the second quarter of 2021. The Convention Center projects 2022 ongoing equipment and improvements to finish 2022 close to budget. With the impacts of the pandemic, the Convention Center sharply curtailed building projects through cancellations, scope reductions, and deferrals. In 2022, the Convention Center is working on some catch up of deferred projects. The Convention Center needs to continually improve the building to remain competitive with other venues around the country.

The 2022 Meet Minneapolis budget is \$11.0 million which is \$2.3 million over the 2021 budget and actual. Through the second quarter of 2022, Meet Minneapolis expenditures were \$5.3 million or 47.7% of the 2022 budget. It is expected that Meet Minneapolis will finish 2022 at their 2022 budget.

Transfers:

The Convention Center Fund annually transfers funds for debt service (see below), in addition to receiving a transfer from the Downtown Assets Fund. The Convention Center's 2022 transfer from the Downtown Assets Fund is budgeted at \$31.2 million, and it is expected that this 2022 transfer will finish at the 2022 budget. To take pressure off the fund, the final 2020 debt service payment was refinanced.

Debt Service:

Under the previous debt service schedule prior to the refinancing, 2020 would have been the final year of debt service. In 2022, transfers to debt service for debt issued on the building is budgeted at \$6.5 million. To take some pressure off the fund, debt service was refinanced in 2020 through 2025, and the 2021 – 2025 debt service will be interest only with principal due in 2025.

Fund and Cash Balance:

The June 30, 2022, fund and cash balances were \$27.7 and \$23.6 million respectively, and the 2022 ending fund and cash balances are projected to be \$14.6 and \$17.5 million which are decreases of \$6.4 million for both fund and cash balances from 2021. The decreases can be attributed to the projected increases in 2022 spending, including the 2022 addition to debt service where revenues aren't being projected to be high enough to offset the increases.

City of Minneapolis
Second Quarter ending June 30, 2022
Financial Status Report (in thousands of dollars)

Minneapolis Convention Center Special Revenue Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Charges for Services	2,553	1,996	5,743	3,501	5,275
Rents and Commissions	2,898	4,799	6,847	4,585	6,155
Catering Commissions	1,449	1	3,231	1,074	3,224
MN Depart. of Trade & Economic Development	500	500	-	-	-
Interest on Cash Investments	196	190	68	105	190
Other Misc Non Operating	-	381	-	14	20
Transfer from Downtown Assets	28,734	28,734	31,159	15,579	31,159
Total	36,330	36,600	47,048	24,857	46,023
Use of Funds:					
Convention Center Operations	24,446	17,927	26,000	11,215	23,980
Ongoing Equipment/Improvement (a)	4,333	1,288	11,045	1,606	11,045
Meet Minneapolis	8,785	8,785	11,038	5,269	11,038
Transfer to Debt Service	-	99	6,465	-	6,465
Total	37,564	28,099	54,548	18,090	52,528
Net Change in Fund Balance	(1,234)	8,501	(7,500)	6,767	(6,505)
Ending Fund Balance	11,195	20,930	13,430	27,697	14,425
Ending Cash Balance	13,253	23,863	16,363	23,617	17,358

City of Minneapolis
Arena Special Revenue Fund
For the Second Quarter Ending June 30, 2022

Fund Description:

The Arena Special Revenue Fund is used to account for the revenues and on-going equipment and improvements, maintenance, operating support, and other specific expenditures of the Target Center. The Target Center is home to the Minnesota Timberwolves, the Minnesota Lynx, and hosts a wide variety of events such as concerts; high school, college, and professional athletic events; and motor sports and ice-skating events. These activities showcase the City of Minneapolis, the metropolitan region, and the State of Minnesota. The operator of the Target Center is AEG Management TWN, LLC (AEG). AEG is the world's leading sports and live entertainment company with over 300 venues owned/operated.

Revenue:

The Arena Special Revenue Fund activity was historically funded from entertainment tax, and a transfer from the Parking Fund. The 2022 budgeted transfer from the parking Fund is \$5.0 million. In 2014, rent from the Timberwolves organization was added as a new revenue source. The rent payments are based on a rent schedule, and the 2022 rent payment is \$1.6 million. Beginning in 2018, entertainment tax was removed as a revenue source with the Arena Fund now being managed as part of the Downtown Assets Funds "umbrella". The Downtown Assets Funds are intended to help the City provide coordinated management and funding structure for the physical infrastructure assets in downtown Minneapolis which help to generate sales, liquor, lodging, restaurant, and entertainment taxes that support City spending. The Arena Special Revenue Fund also receives interest revenue from City investments on cash balances within the fund. The 2022 interest revenue budget is \$45,000, and 2022 interest revenue is expected to finish over budget at \$50,000 as the result investment rates and cash balances within the fund.

Expenses:

The Arena Special Revenue Fund has a 2022 ongoing equipment and improvements budget of nearly \$6.2 million which includes nearly \$0.5 million in unspent 2021 funds that were rolled over to 2022 to continue work on projects that were in process but unfinished at year end. Through the second quarter of 2022, \$463,000 or 7.5% of the \$6.2 million budget has been expended. The 2022 projection is \$3.7 million which is \$2.5 million under budget. In 2021, ongoing equipment and improvements were budgeted at \$3 million and \$1.5 million was expended which was \$1.5 million under budget. With the 2020 pandemic, there was a deliberate effort taken to reduce expenses in 2020 and 2021. There is also a \$1.8 million budget for AEG, the Target Center's operator, and as of June 30, 2022, \$907,000 or 50% of the budget is spent. It is expected the full \$1.8 million budget will be expended by year-end. AEG has often requested payment close to year end, or even after the calendar year end but before the year City closes the year. In 2022, AEG intends to spread out the payments throughout the year. The City pays required reimbursements to AEG to support Target Center operating the expenses and invoice at regular intervals. 2022 administration is budgeted at \$306,000, and includes salaries, special assessments/DID fees, and a \$1,000 operating budget. It is expected that administration will finish 2022 near the 2022 budget.

Transfers:

The Arena Special Revenue Fund receives an annual transfer from the Parking Fund. The 2022 budgeted transfer is \$5.0 million, and the transfer is expected to finish at budget. Through the second quarter of 2022, \$2.5 million or 50.0% of the \$5.0 million Parking Fund revenue budget has been transferred. The 2021 budgeted transfer was \$3.9 million which was \$1.1 million lower than 2022. The Parking Fund has been impacted by the pandemic and revenue has been less than budgeted. The 2020 and 2021 transfer was deliberately reduced to take pressure off the Parking Fund. In a planned effort to reduce fund balance while maintaining the Arena Special Revenue Fund

as part of the Downtown Assets funds, a 2021 and 2022 transfer was added to transfer funds from the Arena Special Revenue Fund to the Downtown Assets Fund to further reduce fund and cash balances. The 2022 budgeted transfer was \$1.5 million. Transfers are underway, and it is expected that the 2022 transfers will meet the 2022 budget. The 2021 transfer from the Arena Fund to the DT Assets Fund was \$1.2 million which was \$312,000 lower than 2022. This transfer is adjusted annually to help maintain targeted fund and cash balances.

Fund and Cash Balances:

The June 30, 2022, ending fund and cash balances were \$5.4 and \$9.3 million respectively, and are projected to decrease in 2022 to \$3.7 and \$4.3 million respectively. This is a decrease of \$635,000 for both the fund and cash balances from 2021. The primary reason for the decreases is the 2022 sources of funds projection of \$6.7 million finishing \$635,000 under the use of funds projection of \$7.3 million. This is primarily due to a \$2.2 million 2022 increase in ongoing equipment and improvements from \$1.5 million in 2021 to a projected \$3.7 million in 2022 which was partially offset by projected 2022 revenue increases of \$1.2 million over 2021.

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City of Minneapolis
For the Second Quarter Ending June 30, 2022
Financial Status Report (in thousands of dollars)

Arena Special Revenue Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Rent	1,551	1,551	1,582	1,582	1,582
Transfer from Municipal Parking Fund	3,853	3,853	5,000	2,500	5,000
Other Misc Revenue	-	33	-	-	33
Interest Earnings	24	56	45	34	50
Total	5,428	5,493	6,627	4,116	6,665
Use of Funds:					
Operator Reimbursement	1,765	1,765	1,814	907	1,814
Ongoing Equipment/Improvements	3,000	1,487	6,183	463	3,700
Administration	303	260	306	182	306
Transfer to Downtown Assets Fund	1,168	1,168	1,480	1,480	1,480
Total	6,236	4,679	9,783	3,031	7,300
Net Change in Fund Balance	(808)	814	(3,156)	1,085	(635)
Ending Fund Balance	2,723	4,345	1,189	5,430	3,710
Ending Cash Balance	3,230	4,971	1,815	9,348	4,336

**Downtown Assets Special Revenue
Including the Downtown Assets, Peavey Plaza, and Commons Funds
For the Second Quarter Ending June 30, 2022**

Fund Description:

The Downtown Assets Special Revenue Fund was created in 2018. The purpose of this fund is to:

- clearly delineate the uses of local sales, liquor, lodging, restaurant, and entertainment taxes;
- provide stable, predictable ongoing support from these taxes to the General Fund; and,
- support the comprehensive management of the City's four primary downtown revenue-generating capital assets.

This collection of funds holds the operating and capital funds which support the Minneapolis Convention Center, the Arena Special Revenue Fund (Target Center), the Downtown Commons, and Peavey Plaza. In 2020, the \$820,000 Downtown Commons operating budget was transferred to the Minneapolis Parks & Recreation Board, and in 2021 and 2022 the City didn't budget for the Downtown Commons as it is managed/operated by the Minneapolis Parks & Recreation Board. Though each of these funds holds a cash balance to its own, all cash balances are available to support any expense within the funds. Receipts to the fund are largely made up of local taxes, but may also include contributions from private donations or State funding to support capital improvements. The Convention Center department is responsible for management of operations within the fund. Revenues and expenditures for the Convention Center and Target Center are discussed the those funds' respective quarterly reports.

Revenue:

The 2022 Downtown Assets Special Revenue Fund revenues are budgeted at approximately \$45.2 million. The overwhelming majority of revenues come from local taxes (including sales, liquor, lodging, restaurant and entertainment). Minneapolis local taxes are projected to finish at \$45.4 million which is \$2.5 million over the 2022 budget based on 2022 collection trends, consumer spending habits, and impacts from the COVID-19 pandemic which had a severely negative impact on the local tax collections in 2020, 2021, and to a lesser extent 2022. The \$45.4 million 2022 local tax projection is \$12.3 million over the actual 2021 collections. Interest revenue which is based on City investments of cash balances within the City funds, and is budgeting in 2022 at \$818,000 and is projected to finish 2022 over budget at \$280,000 which is \$538,000 under budget.

Expenses:

The 2022 Downtown Assets Special Revenue Fund expenses are budgeted at \$48.4 million, and are primarily all transfers out of the fund. Transfers make up \$48.0 million of the \$48.4 million 2022 budget. Of the \$48.4 million, \$0.4 million is allocated for Peavey Plaza Operating expenses which include payments to Green Minneapolis to maintain Peavey Plaza, Peavey Plaza Special Assessments/DID Fees, and electricity. There is also a small \$54,000 2022 Peavey Plaza capital budget to help upkeep the Plaza. Expenditures are projected to finish close to budget, which is \$2.4 million more than 2021 due to a \$2.4 million increase in the 2022 transfers out of the Downtown Assets Special Revenue Fund to the Convention Center Fund.

Transfers:

In 2022, there are \$48.0 million in budgeted transfers out of the DT Assets Fund. Transfers include \$11.1 million to the General Fund, \$31.2 million to the Convention Center to fund debt service, capital, and operating expenses; and nearly \$5.7 million to the Arena Special Revenue Fund (Target Center) building debt service. In addition, there was a 2022 budgeted transfer of \$1.5 million from the Arena Special Revenue Fund to the Downtown Assets Fund. This transfer was made to reduce fund and cash balances within the Arena Special Revenue Fund with the Arena Special Revenue Fund being managed under the Downtown Assets funds umbrella. As of June 30, 2022, all transfers were on schedule and are expected to finish at budget.

Fund/Cash Balances:

At the end of 2021, the Downtown Assets Funds had a fund balance of \$35.1 million, and a cash balance of \$29.6 million. The 2022 Downtown Assets Funds, fund and cash balances are projected to finish at \$33.8 and \$28.4 million respectively which is a \$1.3 million decrease to both fund and cash balances from 2021. The decreases in both fund and cash balances are due to the 2022 Sources of Funds projected to finish \$1.3 million under the Use of Funds due to normal projected cash inflows and outflows within the funds, including the \$2.4 million 2022 budgeted increase in the transfer from the DT Assets to the Convention Center which was partially offset by projected increases in 2022 revenue.

City of Minneapolis
For the Second Quarter Ending June 30, 2022
Financial Status Report (in thousands of dollars)

Downtown Assets Fund (including the Downtown Assets & Peavey Plaza) Special Revenue Funds

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Local Taxes	11,850	33,133	42,917	20,040	45,408
Transfer from Arena Special Revenue Fund	1,168	1,168	1,480	1,480	1,480
Downtown Assets, Peavey Plaza, and Commons Funds Interest Earnings	429	349	818	143	280
Total	13,447	34,650	45,215	21,663	47,168
Use of Funds:					
Transfer out to City General Fund	11,136	11,136	11,136	5,568	11,136
Transfer out to Arena Fund Debt Service	5,697	5,697	5,695	1,118	5,695
Transfer out to Convention Center	28,734	28,734	31,159	15,579	31,159
Downtown Assets - Operating	-	-	-	-	-
Commons - Operating	-	-	-	-	-
Peavey Plaza - Capital	-	119	54	-	54
Peavey Plaza - Operating	437	348	395	231	386
Total	46,004	46,034	48,439	22,496	48,430
Net Change in Fund Balance	(32,557)	(11,384)	(3,224)	(833)	(1,262)
Downtown Assets Fund - Ending Fund Balance	13,895	35,066	31,842	34,233	33,804
Downtown Assets Fund - Ending Cash Balance	7,355	29,642	26,418	34,212	28,380

City of Minneapolis
Police Special Revenue Fund
For the Second Quarter Ending June 30, 2022

Fund Description:

The Police Special Revenue Fund accounts for revenues and expenses related to federal and state administrative forfeitures, lawful gambling, and non-emergency service contracts. Historically, the Police Special Revenue Fund had also been used to account for revenues and expenses related to the Automated Property System (APS) and the Workforce Director scheduling and payroll system (WFD). These programs were phased out over the last several years.

The fund revenues and expenses are associated with the following purposes:

- Federal and state administrative forfeiture programs are restricted to law enforcement and are designed to supplement and enhance, not supplant, agency resources. Revenue is used to account for a variety of law-enforcement needs, including some types of equipment, investigative expenditures, DWI-related enforcement, training, and others.
- The Automated Property (APS) and Workforce Director (WFD) systems are proprietary software systems owned and managed by the Police department. APS and WFD previously recovered expenses from user agreements with other governmental and non-governmental entities. They were decommissioned for external use in 2020 due to outdated technology and the inability to upgrade the software cost-effectively. Minimal activity with other entities continued into the first quarter of 2021. WFD consultant work continued through June 30, 2021. WFD, currently supported by the City's IT Department, continues to be used internally, and expenses have been transferred to the General Fund as of December 31, 2021.
- The non-emergency service contracts are typically entered by the City of Minneapolis Police Department and an external entity usually located within Minneapolis. The Police provide non-emergency services for sporting events, concerts, or extra presence at designated facilities or geographic areas. City departments (Public Works, others) periodically contract with Police to provide additional services at the desired location(s). The Police Special Revenue Fund is also used to account for revenues and expenses associated with these types of contracts.
- Lawful Gambling regulatory tax revenue and expenses are restricted to regulating lawful gambling, including site inspections, compliance reviews, and corrective action.

Revenues:

Revenue for the Police Special Revenue Fund earned through the second quarter ending June 30, 2022, is \$0.5 million, or 44.1% of the budgeted amount of \$1.2 million. The revenue earned through the second quarter ending June 30, 2022, is consistent with the revenue earned through the same period in 2021. Year-end revenue is expected to be \$1.5 million which is \$0.3 million or 20% over the budget of \$1.2 million. The increase is expected due to several factors; including the \$0.03 million forfeiture revenue is unpredictable and depends on the amount forfeited and the number of cases settled each year; the \$0.04 million charitable gambling activity, the \$0.18 million Minneapolis Safety Initiative contract which was added as a new revenue source which results from the revenues aren't being projected to be high enough to offset the increases.

Expenditures:

Overall expenditures for the Police Special Revenue Fund through the second quarter of 2022 totaled \$0.3 million, or 26.2% of the budget of \$1.2 million. The expense through the second quarter of 2022 decreased by \$0.33 million or 51.2% over the total expenditures through the same period in 2021. The decrease is primarily due to a \$0.49 million reduction in the decommissioned APS and WFD programs which are currently supported by the City's IT Department and continues to be used internally, and expenses have been transferred to the General Fund as of December 31, 2021; and no costs incurred to the forfeiture fund offset by additional costs of non-emergency service contracts, \$0.16 million.

Cash and Fund Balances:

The ending fund and cash balances are projected an increase slightly in 2022 compared with 2021, which is associated with the forfeiture revenue being unpredictable and depends on the amount forfeited and the number of cases settled each year.

The fund has maintained a positive cash balance with the second quarter of 2022 ending balance of \$2.7 million, an increase of \$0.2 million or 6.2% from the 2021 second quarter ending balance of \$2.5 million. The growth is predominately due to excess revenue over expenditures in 2022 of almost \$0.2 million.

The fund balance for the second quarter of 2022 is \$3.6 million, an increase of \$0.9 million, or 31% over the second quarter of 2021, ending a balance of \$2.7 million. The increase in fund balance was primarily due to excess revenue over expenditures from the second quarter of 2021, \$0.58 million, and excess revenue over spending through the second quarter of 2022 is \$0.22 million.

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City of Minneapolis
Second Quarter Ending June 30, 2022
Financial Status Report (in thousands of dollars)

Police Special Revenue Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Charges for Services and Sales	466	509	560	250	738
Fines and Forfeits	243	432	400	301	432
Taxes	204	314	270	(9)	310
Total	913	1,255	1,230	542	1,480
Use of Funds:					
Personnel Services	530	490	745	220	963
Fringes	137	102	85	51	85
Contractual Services	57	39	25	-	25
Materials/Other	189	39	375	51	375
Total	913	670	1,230	322	1,448
Change in Fund Balance	-	585	-	220	32
Fund Balance	2,760	3,344	3,344	3,564	3,376
Ending Cash Balance	2,564	2,466	2,466	2,686	2,498

City of Minneapolis
Neighborhood and Community Relations Special Revenue Fund
For the Second Quarter Ended June 30, 2022

Program Description:

The Neighborhood & Community Relations (NCR) Special Revenue Fund accounts for neighborhood revitalization efforts within the City and is funded by the revenues of the Consolidated Redevelopment Tax Increment Financing District, which was decertified on December 31, 2020. The tax increment revenue generated by the district, for neighborhood revitalization purposes, may be spent anywhere within the City of Minneapolis. The Fund is used primarily for community engagement and neighborhood-based initiatives, as well as a portion of the NCR administrative costs.

Revenues:

Through the second quarter of 2022, \$2.4 million has been transferred from the Consolidated Redevelopment Tax Increment Financing District Fund to the NCR Special Revenue Fund. An additional \$2.8 million is projected for the second half of 2022.

Expenditures:

The expenditures from this fund through the second quarter of 2022 is \$2.4 million for the community engagement and neighborhood-based activities and total projected expenditures are expected to be \$5.2 million in 2022.

Fund Balance:

The Fund balance projection for 2022 year-end is \$3.0 million based on the current activities.

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City of Minneapolis
Second Quarter ending June 30, 2022
Financial Status Report (in thousands of dollars)

Neighborhood and Community Relations Special Revenue Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Transfer from other Spec Rev funds	8,221	8,221	5,534	2,400	5,200
Loan recapture					
Total	8,221	8,221	5,534	2,400	5,200
Use of Funds					
Personal Services	1,574	1,520	500	225	500
Fringes	543	474	250	85	250
Contractual services	8,972	6,280	8,184	1,988	4,450
Materials/Other	133	70	-	62	-
Total	11,222	8,344	8,934	2,360	5,200
Change in Fund balance	(3,001)	(123)	(3,400)	40	-
Fund Balance		2,956		2,996	2,956
Total Cash Balance		3,301		3,017	2,977

City of Minneapolis
Regulatory Services Special Revenue Fund
For the Second Quarter Ending June 30, 2022

Fund Description:

The Regulatory Services Special Revenue fund manages the Renter Relocation funds, and special projects related to downtown traffic management for years 2020-2022, now extended through mid-2023 due to a project delay. Renter relocation funds are used to assist renters with moving costs if a rental license is revoked. The fund also holds project funds for traffic management for downtown traffic projects. In years 2020-2022, the State and City sought additional traffic management services for major construction projects in downtown Minneapolis. Regulatory Services did not have staff capacity for these projects, so hired staff for the duration of the projects. The project will now extend into 2023.

Revenue:

Operating revenue earned through second quarter 2022 is \$0.2 million.

Expenses:

Operating expense through second quarter 2022 totaled \$0.1 million.

Debt Service:

This fund has no debt obligations in 2022.

Cash and Fund Balance:

The fund has maintained a positive cash balance and net position with a second quarter 2022 ending balance of \$0.3 million.

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City of Minneapolis
Second Quarter ending June 30, 2022
Financial Status Report in thousands of dollars

Regulatory Services Special Revenue Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Project revenue	-	722		175	351
Transfer In	100	100	-	-	-
Total	100	822	-	175	351
Use of Funds Traffic related					
Personnel Services	-	536	-	134	712
Fringes	-	129	-	-	171
Contractual Services	-	33	-	3	33
Materials/Other	-	39	-	6	39
Traffic related total	-	737	-	143	955
Change in Fund Balance	100.00	85	-	32	(604)
Fund Balance	289	274	274	306	(330)
Total Cash Balance		274	274	306	(330)

SPECIAL REVENUE FUNDS
Federal, CDBG, and Other State and Local Grants
For the Second Quarter Ending June 30, 2022

Fund Description:

The City receives a number of federal and state grants that are recorded in the Federal (01300), HUD Consolidated Plan (01400 & 01500), and Grants Other (01600) funds. These grants have varying grant periods and are used for a broad 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 throughout the year. For annual reporting purposes, cash deficits are eliminated through inter-fund borrowing. Beginning in 2021, the City established a new special revenue fund to account for the American Rescue Plan Act State and Local Fiscal Recovery Funds.

Grants are received both on a cost reimbursement and an advance basis. For the City's audited financial statements advanced but not yet expended grant awards are shown in the financial statements as unearned revenue and respectively, amounts that are due to the City are recorded as intergovernmental receivables. Some amounts are earned and reserved for a restricted purpose and those amounts remain as restricted fund balance.

Federal Grants Fund:

The City accounts for its federal grant activity in Fund 01300. As of June 30, 2022, expenditures were \$11.9 million compared to the 2021 expenditures through June of \$6.8 million. The increase in federal expenditures of \$5.1 million is primarily a result of spending within the Community Planning and Economic Development (CPED) Department. The U.S. Treasury Emergency Rental Assistance (ERA) grant accounts for \$3.7 million of the increase. In addition, various jobs and training grants have seen an increase of approximately \$1.3 million over 2021.

The ERA funds are part of the Consolidated Appropriations Act, 2021 which was enacted on December 27, 2020. The U.S. Treasury is responsible for administering the program. The City received its allocation of \$12.9 million in January 2021. The American Rescue Plan Act of 2021 enacted on March 11, 2021, also managed through the U.S. Treasury, provided the City with an additional allocation of \$10.2 million in ERA2 funding of which \$4.1 million has been released by U.S. Treasury. ERA funds are used to help eligible households through existing or newly created rental assistance programs.

The federal grants fund includes other sources of federal revenue in support of the Police Department task force activities. Police receive reimbursement from the Alcohol Tobacco and Firearms (ATF), Drug Enforcement Administration (DEA), Federal Bureau of Investigations (FBI), and other task forces to reimburse the City for some of the overtime costs associated with officers that work on specific task forces.

American Rescue Plan Act (ARPA)

On May 19, 2021, the City received \$135.6 million of the U.S. Treasury ARPA funds and in June 2022, the City received the second half allocation to that the total allocation of \$271.2 million has been received. ARPA funds are available to cover costs incurred between March 3, 2021 and December 31, 2024 at which time all funds must be obligated. Department project proposals for 2021 totaling \$90.2 million were approved by the Council on July 2. An additional \$8.0 million of funding was approved by City Council on November 17 2021. In April 2022, a final round of budget proposals were approved which obligated the remaining ARPA funds through 2024.

As of June 30, 2022, a total of \$46.6 million of the City's ARPA funding has been spent. This includes \$40.8 million spent in 2022.

HUD Consolidated Plan Funds:

The Community Development Block Grant (CDBG) is the City’s largest single grant and is accounted for in fund 01400 along with two other Housing and Urban Development (HUD) Programs, the Emergency Solutions Grant Program (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). HOME Investment Partnerships Program, HOME program is accounted for in fund 01500 and the combined amounts are presented in the schedule. The HUD Consolidated Plan program year is from June 1 to May 31. The CDBG awards have ranged between \$10.0 to \$11.0 million in recent years, pre-pandemic. HUD grant expenditures as of June 30, 2022 total \$18.0 million compared to \$9.7 million through June 2021 which reflects an increase of \$8.3 million.

During 2020 the City was awarded approximately \$22.9 million in HUD COVID-19 Supplemental fund for the CDBG, ESG, and HOPWA programs which continue to be expended in 2022 and future years which will result in higher than usual expenditures in the fund. The Community Planning and Economic Development (CPED) Department spending increased \$7.9 million because of the new funding and is the major contributor to the change in expenditures between 2021 and 2022.

Grants Other Fund:

The fund is used to account for non-federal grants and other restricted revenue sources. The expenditures as of June 30, 2022 are \$11.2 million compared to the 2021 expenditures through June of \$14.1 million. The \$2.9 million decrease in expenditures is due to a variety of spending variations, but one significant difference is a decrease of \$3.3 million for a Minnesota Department of Health Family Partnership grant.

Cash and Fund Balance:

The grant funds typically carry a small cash and fund balance position. Due to the accounting treatment of both reimbursement and prepaid grants, the funds typically match expenditures and revenues in the same period and prepaid grants result in unearned revenue. The ARPA funding resulted in a large cash balance for year end 2021 and continues to be a large amount through June 2022. However, accounting principles dictate that we don’t recognize revenue until we incur expenditures, so the fund balance remains relatively small in comparison to the fund balance.

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City of Minneapolis
Financial Status Report (in thousands of dollars)
For the Second Quarter Ending June 30, 2022

Grants Fund - Federal, State and Local

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Grants - Federal	58,452	27,302	18,913	16,028	31,750
APR Local Fiscal Recovery	135,596	6,315	135,000	136,214	60,500
CDBG & UDAG Funds	14,870	17,283	15,817	8,529	15,250
HOME Grants	6,860	6,969	4,465	8,059	12,500
Grants - Other	38,860	30,916	26,229	15,093	30,275
Total	254,639	88,785	200,424	183,923	150,275
Use of Funds:					
Grants - Federal	60,336	23,558	19,200	11,928	24,250
APR Local Fiscal Recovery	98,493	5,775	180,415	30,884	60,500
CDBG & UDAG Funds	23,312	21,306	15,817	12,609	
HOME Grants	7,158	4,883	4,465	5,360	
Grants - Other	40,911	29,384	28,092	11,180	
Total	230,211	84,905	247,989	71,961	84,750
Net Change in Fund Balance		(1,117)			1,000
Ending Fund Balance		9,022		9,022	10,022
Ending Cash Balance		141,823		246,218	216,218

City of Minneapolis
Community Planning & Economic Development (CPED)
Special Revenue Funds
For the Second Quarter Ending June 30, 2022

Operating Snapshot (in thousands of dollars):

<i>Programs</i>	<i>Original Budget</i>	<i>Current Budget</i>	<i>Expended</i>	<i>Budget v. Exp</i>	<i>Cash</i>	<i>Fund Balance</i>
Tax Increment Financing	33,389	80,180	12,535	67,645	116,747	142,179
Housing & Econ Dev	13,246	29,936	1,929	28,007	24,284	26,054
General Development	5,378	19,408	3,594	15,814	31,673	38,566
Neighborhood Revitalization	6,334	6,334	1,489	4,845	29,539	29,813
CPED Operating	1,612	1,612	838	774	879	503
Total	59,959	137,470	20,385	117,085	203,122	237,116

CPED Special Revenue Funds account for governmental funds that are legally restricted to expenditures for specific purposes in a number of housing and economic development programs. The programs that are operated within these funds were established to increase the City’s economic competitiveness, ensure an array of attractive housing choices, support strong and diverse neighborhoods, and preserve historic structures. These programs are funded primarily through state and local grants, tax increment financing (TIF), and administrative fees collected from the issuance of housing and economic development revenue bonds. All special revenue funds are restricted to the legal purposes of the special revenue they contain.

Fund Balance. The combined fund balance of CPED Special Revenue Funds at the end of the second quarter 2022 was \$237.1 million. Fund balances are considered either “restricted” or “assigned.” The combined fund balance of the NRP and TIF programs was \$172.0 million, and all of this fund balance is considered restricted. The combined fund balance of the Housing & Economic Development, General Development, and CPED Operating programs was \$65.1 million.

Cash Balance. The combined cash balance of CPED Special Revenue Funds at the end of the second quarter 2022 was \$203.1 million. This was \$6.0 million more than at the end of second quarter 2021. The combined cash balance in the TIF and NRP programs at the end of second quarter 2022 was \$146.3 million (72.0% of the total).

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

The primary source of revenue for this program is tax increment, which is comprised of property taxes generated from the new incremental value of specific development. Generally, this revenue is used to pay outstanding TIF bonds, notes and loans. Tax increment revenues of the program are segregated by TIF district and must be spent according to the provisions of the TIF Act.

Cash at the end of second quarter 2022 was \$116.7 million, which was \$3.3 million less than cash at the end of second quarter 2021. Second quarter 2022 revenues were \$0.9 million, which were \$0.3 million less than in 2021. Second quarter 2022 expenditures were \$6.5 million, which was \$0.8 million more than in 2021. In the second quarter of 2022, total expenditures exceeded revenues by \$5.6 million. With the additional net transfer out of \$4.1 million, overall fund balance decreased by \$9.7 million from \$151.9 million to \$142.2 million.

Housing & Economic Development. Prior to 2014, Housing and Economic Development program activities were generally funded by administrative fees generated through the City's issuance of conduit debt (e.g. housing revenue bonds, industrial development revenue bonds, etc.). Since 2014, these activities have been largely funded through the City's General Fund where these administrative fees are now deposited.

Cash at the end of second quarter 2022 was \$24.3 million, which was \$12.1 million more than cash at the end of second quarter 2021. Second quarter 2022 revenue was \$0.6 million, which was approximately \$0.3 million more than 2021. Second quarter 2022 expenditures were \$1.9 million, which was \$1.4 million less than in 2021. With the additional net transfer from other funds, overall fund balance increased by \$5.4 million from \$20.7 million to \$26.1 million in second quarter 2022.

General Development. This program provides loans and grants to outside organizations to assist with housing and economic development activities within the City, as well as providing interim loans to specific CPED projects. This program is capitalized with land sale proceeds, parking revenues, rental income from development projects, and loan payments that are not part of the Housing and Economic Development program.

Cash at the end of second quarter 2022 was \$31.7 million, which was \$1.0 million higher than cash at the end of second quarter 2021. Second quarter 2022 revenues were \$3.8 million, which was \$3.0 million higher than in 2021. Second quarter 2022 expenditures were \$3.6 million, which was \$1.9 million higher than in 2021.

Neighborhood Revitalization Program. This program was established in 1990 and focuses on the delivery of City services, including housing and economic development loans and grants to individual neighborhoods based on the priorities set by the people who live and work in those neighborhoods.

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

Cash at the end of second quarter 2022 was \$29.5 million, which was \$2.7 million less than cash in the second quarter 2021. Second quarter 2022 revenues were \$1.1 million, which was \$0.2 million less than in 2021. Second quarter 2022 expenditures were \$1.5 million, which was \$0.9 million higher than in 2021. With no transfers, the net impact on current fund balance reduced by \$0.5 million from \$30.3 million to \$29.8 million in second quarter 2022.

CPED Operating. This program provides the working capital for CPED's administrative costs. The program also provides financing for projects that are not eligible for CPED's restrictive revenue sources.

At the end of second quarter 2022, this program had a fund balance of \$0.5 million and cash balance of \$0.9 million. Expenditures during this period exceeded revenues by \$0.7 million.

City of Minneapolis
Second Quarter ending June 30, 2022
Financial Status Report (in thousands of dollars)

CPED Special Revenue Funds

	TIF	Housing & Econ Development	General Development	NRP	CPED Operating	Spec Rev Fund Comparison	
						Q2 2022 Total	Q2 2021 Total
Assets							
Cash	116,747	24,284	31,673	29,539	879	203,122	197,111
Misc receivables	632	49	114	100	10	905	532
Loans receivable	-	4,805	-	-	-	4,805	5,800
Advances to other funds	389	-	-	-	-	389	389
Properties held for resale	25,338	2,138	7,162	226	-	34,864	34,886
Total Assets	143,106	31,276	38,949	29,865	889	244,086	238,718
Liabilities							
Payables	538	87	63	52	14	754	883
Advances from other funds	389	-	-	-	-	389	389
Deposits held for others	-	330	320	-	372	1,022	947
Deferred inflow of resources	-	4,805	-	-	-	4,805	5,800
Total Liabilities	927	5,222	383	52	386	6,970	8,019
Total Fund Balance	142,179	26,054	38,566	29,813	503	237,116	230,699
Total Liabilities & Fund Balance	143,106	31,276	38,949	29,865	889	244,086	238,718
Revenue							
Property tax increment	-	-	-	-	-	-	-
Fees & charges for services	-	445	82	-	126	653	1,277
Inclusionary Zoning - in Lieu	-	-	3,238	-	-	3,238	0
Interest revenue	488	89	135	140	8	861	556
Rent	184	-	40	-	-	224	8
Sale of land & buildings	13	36	(11)	-	1	39	179
Loan recapture	232	18	286	923	-	1,460	1,626
Total revenue	917	589	3,771	1,063	135	6,475	3,647
Expenditures							
Personal services	117	8	501	-	-	626	699
Contractual services	2,653	110	886	1,477	838	5,964	5,533
Other operating costs	-	44	158	13	-	215	149
Program capital outlay	3,732	1,766	2,049	25	-	7,572	5,662
Total expenditures	6,502	1,928	3,594	1,515	838	14,377	12,043
Transfers							
Transfers from other funds	1,931	6,723	-	-	-	8,654	4,252
Transfers to other funds(-)	(6,033)	-	-	-	-	(6,033)	(9,992)
Total transfers	(4,102)	6,723	-	-	-	2,621	(5,740)
Change in fund balance	(9,687)	5,384	176	(452)	(703)	(5,281)	(14,136)
Beginning fund balance	151,866	20,670	38,390	30,265	1,206	242,397	244,836
Ending fund balance	142,179	26,054	38,566	29,813	503	237,116	230,700

City of Minneapolis
Engineering, Materials, and Testing
For the Second Quarter Ending June 30, 2022

Operating Snapshot (in thousands of dollars):

Fund 06000	2022 Budget	06/30/2022 Actual	Projected YE 2022	2021 Actual
Operating Revenue	8,783	2,830	7,828	8,563
Operating Expense	8,783	2,994	7,806	8,542
Operating Margin	-	(164)	22	21
Change in Net Position	-	(164)	22	21
Net Position		440	627	605
Cash Balance		2,171	2,048	2,027

Program Description:

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

This fund generates revenue from testing and inspection services provided by the Engineering Laboratory and the sale of concrete and asphalt from outside vendors to other City departments. A cost allocation model determines product costs to allow the fund to generate revenues that match operating expenses. The Engineering Laboratory continually compares its rates with those of the private sector that provides comparable services. Historically, the Laboratory's hourly rate has been significantly lower than that of the private sector and generates adequate revenue to cover the fund's direct and indirect expenses.

Revenue:

Operating revenue earned through second quarter 2022 is \$2.8 million, or 32.2% of the budgeted amount of \$8.8 million. The 2022 second quarter revenue of \$2.8 million represents a decrease of 8.7% over the second quarter 2021 revenue of \$3.1 million. Revenue (and expenses) for the first half of the year is dependent upon several factors such as weather as well as the timing of construction projects. These variables can result in substantial variances in the amount of revenue (and expenses) recorded through second quarter from year to year.

Expense:

Operating expense through second quarter 2022 is \$3.0 million, or 34.1% of the budgeted amount of \$8.8 million. The 2022 second Quarter expense reflects an increase of 1.6% over the 2021 expense of \$2.9 million incurred through the same period. As noted above, expenses for the first half of the year are dependent upon several factors such as weather as well as the timing of construction projects.

Transfers:

This fund does not have any transfers in or out in 2022.

Debt Service:

This fund does not have any debt obligations.

Forecast:

The 2022 Operating revenue is projected to be \$7.8 million or 89.1% of the budgeted amount of \$8.8 million. Operating expense is projected to be \$7.8 million or 88.9% of the budgeted amount of \$8.8 million. The Projected amounts are expected to be lower than the budgeted amounts due to lower project activities, which in turn is expected to lower the Revenue and Expense for the 2022. These projections result in a slight increase of \$22,000 from the 2021 ending net position of \$0.6 million. The 2022 year-end cash balance is projected to be \$2.1 million, which is slightly higher than the 2021 ending balance of \$2.0 million due to the expected increase in the Operating Margin.

Cash and Net Position

The 2022 second quarter cash balance is \$2.2 million, an increase of \$0.1 million from the 2021 year-end balance of \$2.1 million. The increase in cash through second quarter is due to timing differences between the receipt and payment of invoices for asphalt and concrete and billing these purchases to other City departments. At June 30, 2022, the fund had an accrual of \$0.3 million for June invoices for asphalt and concrete that was paid in July; and the cash balance has been adjusted to reflect this amount. Financial policies for the cash reserve for the Engineering, Materials, and Testing Fund determine that the cash balance should not be less than 15.0% of the operating budget excluding materials and related costs or \$0.4 million.

The 2021 year-end net position was \$0.6 million, which is slightly higher than the 2020 ending balance of \$0.5 million. The slight increase is due to a positive net margin in 2022. The financial policy for the net position for this fund determines that net position should not be less than 15.0% of the annual operating budget excluding materials and related costs, or \$0.4 million for the 2021.

City of Minneapolis
Second Quarter ending June 30, 2022
Financial Status Report in thousands of dollars

Engineering, Materials and Testing Fund 06000 - Internal Service fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Asphalt / Concrete	6,489	6,356	6,309	2,006	5,429
Inspection revenue	2,557	2,207	2,475	824	2,400
Total	9,046	8,563	8,783	2,830	7,828
Use of Funds:					
Personnel Services	1,062	989	1,104	462	1,008
Fringes	383	337	401	158	357
Contractual services	1,313	1,100	1,155	426	1,156
Materials/Other	6,256	6,085	6,091	1,948	5,253
Rent	32	32	32	-	32
Total	9,046	8,542	8,783	2,994	7,806
Change in Net Position	0	21	0	(164)	22
Net Position	515	605	605	440	627
Total Cash Balance	1,955	2,027	2,027	2,171	2,049

City of Minneapolis
Fleet Services Internal Service Fund
For the Second Quarter Ending June 30, 2022

Operating Snapshot (in thousands of dollars):

Fund 06100	2022 Budget	06/30/2022 Actual	Projected Year Ending 2022	2021 Actual
Operating Revenue	28,064	13,500	27,992	38,459
Operating Expense	44,023	15,375	37,101	30,546
Change in Net Position	(15,959)	(1,875)	(9,109)	7,913
Net Position		96,738	89,504	98,613
Cash Balance		31,748	18,596	34,701

Program Description:

The Fleet Services Internal Service Fund manages the acquisition, maintenance, and disposal of approximately 1,700 units of equipment, primarily the City’s fleet of vehicles, including police cars, fire trucks, snowplows, sedans, and pickup trucks along with off-road equipment. This fund provides the services of technicians to maintain the equipment. In addition, the fund manages the field coordination of City-owned and contractual equipment and operators as well as the procurement and sale of fuel for these vehicles. The Public Works Department is responsible for management of the operations within the fund.

The Fleet Services Division develops fleet replacement programs for all vehicles and equipment to meet the needs of City departments. The City departments are allocated a rental rate for these units that is calculated through an activity-based cost allocation model and designed to capture the replacement cost of the vehicle. Fleet Management also monitors and reports on fleet utilization, and registers and licenses all City vehicles. The City’s fleet of vehicles and equipment has an acquisition value of \$100.1 million and accounts for 64.2% of the net value of the long-term assets in this fund.

Revenue:

Operating revenue earned through second quarter 2022 is \$13.5 million or 48.1% of the budgeted amount of \$28.1 million. The revenue earned through second quarter 2022 decreased by \$5.5 million, or 29.1%, from the revenue earned through second quarter 2021. This decrease is mostly due to less revenue collected on rental of equipment.

Expenses:

Operating expense through second quarter 2022 totaled \$15.4 million representing 34.9% of the annual budget of \$44.0 million. Expenses through the second quarter of 2022 decreased \$2.4 million or 13.4% from the total expense of \$17.7 million through the same period in 2021. The difference is mostly due to the decrease of operational spending. Capital spending is trending even to the same period in 2021 and is down from prior years due to shortage of parts needed for vehicles.

Transfers:

For 2022 there are no transfers in or out of the fund.

Debt Service:

This fund has no debt obligations in 2022.

Cash and Net Position:

The fund has maintained a positive cash balance with a second quarter 2022 ending balance of \$31.7 million an increase of \$1.6 million from the 2021 second quarter ending balance of \$30.1 million. Reserve policies for internal service funds determine that the minimum cash balance should be 15.0% of the fund's operating budget plus 1.5 times next year's capital or \$21.3 million.

The net position for year ending in 2021 was \$98.6 million, a decrease of \$4.8 million, or 5% over the 2020 ending balance of \$93.8 million. The increase in net position is due to timing differences between the receipt of revenue collected to pay for replacement vehicles and the delivery and subsequent payment for the vehicles.

Financial reserve policies for the internal service funds determine that the minimum net position for the Fleet Services Division Fund should be twice the depreciation amount or \$19.5 million.

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City of Minneapolis
Second Quarter ending June 30, 2022
Financial Status Report (in thousands of dollars)

Fleet Services Internal Services Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Charges for Services	9,378	7,910	9,999	4,404	8,742
Charges for Sales	7,628	6,166	8,458	4,006	9,189
Gains	500	832	500	401	500
Rent	20,705	23,448	9,107	4,534	9,250
Other Misc Revenue	-	103	-	155	311
Total	38,211	38,459	28,064	13,500	27,992
Use of Funds:					
Transfers out	-	-	2,920	-	2,920
PW Equipment Operations	24,917	25,087	26,592	12,432	25,351
PW Equipment Capital	13,949	5,459	14,511	2,943	8,830
Total	38,866	30,546	44,023	15,375	37,101
Change in Net Position	(655)	7,913	(15,959)	(1,875)	(9,109)
Net Position		98,613	82,654	96,738	89,504
Cash Balance		34,701	25,592	31,748	18,595

**City of Minneapolis
Property Services – Internal Service Fund
For the Second Quarter Ending June 30, 2022**

Operating Snapshot (in thousands of dollars):

Fund 06200	2022 Budget	06/30/2022 Actual	Projected YE 2022	2021 Actual
Operating Revenue	29,616	13,826	29,196	26,226
Operating Expense	30,365	13,229	29,954	23,879
Operating Margin	(749)	597	(758)	2,347
Change in Net Position		597	(758)	2,347
Net Position		40,602	39,247	40,005
Cash Balance		9,211	8,168	8,926

Program Description:

The Property Services Fund is responsible for the maintenance and upkeep of City-owned buildings including police precinct structures, fire stations, and public works buildings. The fund does not include the Convention Center, Water facilities, or Park Board buildings. The fund is also responsible for the Radio Shop which maintains the City’s emergency communications network. The Cell Phone activity, which was part of the Radio Shop transferred to the IT Department starting from 2022. Beginning in 2009, the Council approved a City-wide charge for City Hall rent. The Property Service fund collects the rental charge and remits it to the Municipal Building Commission (MBC) to reimburse MBC for maintenance and property management services. The 2022 revenue and expense budgets for the fund were increased by \$5.6 million to account for this flow-through rental charge. The City departments located in City Hall receive a General Fund appropriation to fund the charge for the rent.

Included in the Property Services Division is the Property Disposition Fund (06210) and Asset Preservation Fund (06220). The Property Disposition Fund was created in section 14.120 of City Ordinance for the purpose of recording proceeds from the sale of City property. The ordinance did not specify the use of proceeds. Some of the proceeds were expended on capital projects upon City Council approval. The Asset Preservation Fund was created in 2020 for the purpose of recording the activities related to the capital repairs, maintenance, and upgrades.

Revenue:

Property Services earns revenue through rent charged to departments housed in City owned buildings for property maintenance and by performing facility repairs and upgrades. Beginning in 2016, funding for City building capital repairs and upgrades is also managed through the rent allocation model. City departments that occupy City buildings are charged additional rent to fund these projects. Previously, capital repairs and upgrades were funded through net debt bonds. The amount allocated annually for this purpose is \$4.0 million.

Operating revenue recorded through second quarter 2022 is \$13.8 million, or 46.7% of the budgeted amount of \$29.6 million. The 2022 second quarter revenue is increased by \$0.8 million, or 6.3%, from the revenue earned through second quarter 2021. This is mainly because through the second quarter of 2022, the fund collected \$11.0 million in rent, which is \$0.8 million higher than the 2021 \$10.2 million rent collected through Second quarter. Revenue received from charges for services, including operating repairs and upgrades, also fluctuates based on the amount of discretionary spending available to departments and the timing of work done.

Expenses:

Operating expense through second quarter of 2022 is \$13.2 million, or 43.6% of the total budgeted amount of \$30.4 million. The 2022 second quarter expense increased \$1.7 million, or 14.8%, from the operating expense recorded through second quarter 2021. The variance is primarily due to the \$2 million MBC Rent added back to the 2022 budget year that was reduced in 2021. Expenses also fluctuate based on the amount of discretionary spending available to other departments and the timing of work done.

Transfers:

For 2022, this fund receives a transfer in from the General Fund totaling \$1.1 million to support the City Hall rent expense. The fund will not have any transfer out in 2022.

Debt Service:

There is no outstanding debt service for 2022.

Forecast:

2022 Operating revenue is projected to be \$29.2 million or 1.4% less than the budgeted amount of \$29.6 million. The operating expense is projected to be \$30.0 million or 1.4% less than the budgeted amount of \$30.4 million. The projected expenses are slightly less than the budgeted expenses due to the expected delay in capital repairs and upgrades. The result is a projected operating margin loss of \$0.8 million, compared to the budgeted operating margin loss of \$0.7 million. The 2022 projected operating loss is mainly due to the City Council approved \$1.5 rent revenue reduction in 2022 to finance the Self Insurance Fund, which is offset by the project delays in 2022.

The 2022 ending cash balance is projected to be \$8.2 million, a decrease of \$0.8 million from the 2021 year-end balance of \$8.9 million. The decrease in cash is due to the \$1.5 million rent revenue reduction and the timing and some of the capital repairs and upgrade projects.

Cash and Net Position:

The cash balance at the end of second quarter 2022 was \$9.2 million compared to a cash balance of \$7.5 million at the end of second quarter 2021. The cash through the second quarter of 2022 consists of a balance of \$1.9 million in the Property Disposition fund and a balance of \$7.3 million in the Property Services operating fund. Financial reserve policies for the internal service funds determine that the minimum cash balance should be 15.0% of the fund's operating budget or \$4.6 million for the Property Services fund in 2022.

The net position for the year ending 2021 was \$40.0 million, an increase of \$3.7 million from the net position of \$36.3 million for year ending 2020. This increase is due to the delay of the capital improvement projects in 2021, which are planned to be completed in 2022. The financial policy for the net position for the Property Services Fund determines that net position should not fall below two times the annual depreciation. The depreciation in 2021 was \$0.8 million and the projected net position in 2022 is \$37.6 million greater than the benchmark, which is \$1.6 million.

City of Minneapolis
Second Quarter ending June 30, 2022
Financial Status Report (in thousands of dollars)

Property Services Internal Service fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Charges for Services and Sales	3,066	2,983	4,580	1,296	4,091
Rents Public Works and Other	22,450	22,301	23,928	11,975	23,995
Miscellaneous Revenue	3	170	3	3	6
Transfer-In from other funds	772	772	1,104	552	1,104
Total	26,291	26,226	29,616	13,826	29,196
Use of Funds					
Personnel Services	6,530	6,381	6,562	3,313	6,369
Fringes	2,541	2,704	2,563	1,416	2,544
Contractual services	18,202	11,717	17,976	6,591	17,693
Materials/Other	1,632	1,889	1,886	1,220	1,969
Rent	977	976	1,379	689	1,379
Transfer-Out to other funds	212	212	-	-	-
Total	30,094	23,879	30,365	13,229	29,954
Change in Net Position	(3,803)	2,347	(749)	597	(758)
Net Position	32,474	40,005	39,256	40,602	39,247
Total Cash Balance	2,520	8,926	8,177	9,211	8,168

**City of Minneapolis
Public Works Stores
For the Second Quarter Ending June 30, 2022**

Operating snapshot (in thousands of dollars):

Fund 06300	2022 Budget	06/30/2022 Actual	Year Ending Projected 2022	Year Ending Actual 2021
Operating Revenue	1,614	795	1,785	2,378
Operating Expense	1,614	843	1,748	1,617
Operating Margin	0	(48)	37	879
Change in Net Position		(48)	37	879
Net Position		6,746	6,830	6,794
Cash Balance		775	1,256	1,219

Fund 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. In 2016, Central Stores added a new storeroom located at the Royalston Maintenance Facility. The Royalston storeroom provides the same services as the Hiawatha location.

Revenue:

Operating revenue through the second quarter of 2022 is \$0.8 million, or 49.3% of the budgeted amount of \$1.6 million. The revenue earned through second quarter of 2022 decreased by \$0.1 million, or 14.0%, from the revenue earned through second quarter of 2021. Revenue for this fund is earned by applying overhead charges to inventory sales and transaction processing. The decrease in revenue is due to a \$53,417 decrease in Central stores overhead charges, and a \$75,512 decrease in overhead charges and selling scrap to outside customer in Traffic stores. The decreases on overhead charges resulted from delay in requisition processing and issuing purchases.

Expenses:

Operating expense through the second quarter of 2022 is \$0.8 million, or 52.2% of the budgeted amount of \$1.6 million. The amount expended through second quarter of 2022 decreased by \$18,979, or 2.2%, from the \$0.8 million expended through the same period in 2021. The decrease is due to decrease in contractual services of \$14,767 and a \$12,275 in materials. This expense decrease is partially offset by an increase in personnel of \$14,347 and a decrease in fringe of \$6,284.

Transfers:

There are no transfers in or out of this fund in 2021.

Debt Service:

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

Forecast:

Operating revenue is projected to total \$1.8 million at year-end, exceeding the budgeted revenue of \$1.6 million by \$0.2 million, or 10.6%. This increase is mostly due to increased overhead charges to inventory sales and transaction processing. Operating expense is projected to be \$1.7 million, representing an 8.3%, or \$0.1 million increase from the budgeted amount of \$1.6 million. The cost of inventory that is resold to City departments is excluded from the total expense of the Public Works Stores Fund. As a result, increased inventory purchases do not increase the overall expense of the fund. These year-end projections result in an increase to net position of \$36,768 compared to a budgeted increase of \$0, and a projected ending net position of \$6.8 million.

Cash and Net Position:

The fund has maintained a positive cash balance at the end of second quarter 2022 is \$0.8 million, a decrease \$0.2 million from 2021 year-end balance of \$1.0 million. The decrease in cash is primarily due to a 14.0% increase in inventory purchases. The financial policy for the cash balance for the Public Works Stores Fund determines that the cash balance should be maintained equal to 15.0% of the annual operating budget, or \$0.2 million. The cash balance is \$0.8 million more than its target.

The fund continues to maintain a positive net position with a 2021 ending balance of \$6.8 million, an increase of \$0.9 million from the 2020 ending balance of \$5.9 million. The financial policy for the net position for the Public Works Stores Fund determines that a net position should be maintained equal to 15% of the annual operating budget, or \$0.2 million.

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City of Minneapolis
Second Quarter ending June 30, 2022
Financial Status Report (in thousands of dollars)

Public Works Stores Internal Service Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Charges for Services	1,558	1,909	1,564	786	1,764
Charges for Sales on merchandise	25	38	20	9	21
Charges for Sales on scrap (Recycling)	25	50	30	-	-
Other Misc rev (Inventory adjustments)		381	-	-	-
Total	1,608	2,378	1,614	795	1,785
Use of Funds					
Personal Services	873	821	876	409	910
Fringes	381	378	380	178	393
Contractual services	275	366	274	197	372
Materials/Other	79	53	85	59	74
Total	1,608	1,617	1,614	843	1,748
Change in Net Position	0	879	-	(48)	37
Net Position	5,916	6,794	6,794	6,746	6,830
Total Cash Balance	1,126	1,219	1,219	775	1,256
Target Cash Reserve	241	241	242	242	242
Variance Operating Cash to Target Cash Reserve	885	978	977	533	1,014

**City of Minneapolis
Intergovernmental Services Fund
For the Second Quarter Ending June 30, 2022**

Operating Snapshot (in thousands of dollars):

Fund 06400	2022 Budget	06/30/2022 Actual	Projected Year Ending 2022	2021 Actual
Operating Revenue	37,986	21,860	42,802	42,696
Operating Expense	40,996	21,677	43,806	44,949
Change in Net Position		183	(1,004)	(2,253)
Net Position		22,462	10,667	11,671
Cash Balance		9,083	8,079	9,163

Program Description:

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

Revenue:

Operating revenue through the second quarter of 2022 is \$21.9 million, or 57.5% of the annual budgeted amount of \$37.9 million. This is an increase of \$1.3 million, or 6.4%, compared to revenue of \$20.5 million earned through second quarter of 2021. This is due to increases to the allocation model for IT services.

Expenses:

Operating expenses through the second quarter are \$21.7 million or 52.9% of the annual budgeted amount of \$40.9 million. The operating expense through second quarter increased \$819 thousand, or 3.9%, from the 2021 expense of \$20.9 million.

Administration expenses of \$8.5 million through the second quarter decreased 7.0% over the 2021 amount of \$7.9 million through the same period. The increase is for license and maintenance agreements.

PMO- Work for others department expenses of \$3.2 million increased by \$1.4 million through the second quarter or 75.0% over the 2021 amount of \$1.8 million through the same period. There was an increase in work for others and project work.

Infrastructure Services expenses of \$3 million increased by \$0.4 million, or 14.0% through the second quarter over the 2021 amount of \$2.6 million through the same period. The increase is immaterial and aligns with increases in budget.

Debt:

The fund does not have any outstanding debt service obligations.

Transfers:

In 2022 this fund will receive transfers in from the general fund totaling \$0.3 million. The General Fund transfer is for City Hall rent.

In 2022, the fund will have no transfers out.

Forecast:

Operating revenue is projected to be \$42.8 million or \$4.8 million more than the budgeted amount of \$37.9 million. Operating expenses are expected to be \$43.8 million or \$2.8 million more than the budgeted amount of \$40.9 million. These projections result in an expected operating margin deficit of \$1.0 million as compared to a budgeted operating margin deficit of \$3.0 million. The projected deficit is due mainly to expected projects and work for others that are not budgeted.

The year-end cash balance is projected to be \$9.7 million which represents an increase of 5.9% from the cash balance at year-end 2021 of \$9.2 million. The increase is mostly due to revenue being collected is closer to expenses than in 2021. Also, expenses for 2022 are expected to be less than expenses in 2021.

Cash and Net Position:

The cash balance at the end of second quarter is \$9.1 million, representing a decrease of \$2.5 million, from prior year same period and is a decrease of \$80,000 from 2021 year-end balance of \$9.2 million. Financial reserve policies for the internal service funds determine that the minimum cash balance for the Intergovernmental Services Fund should be 15% of the fund's total budget or \$6.1 million.

The net position at year-end 2022 is projected to be \$10.7 million, a decrease of \$1.0 million from the year-end 2021 net position of \$11.7 million. This decrease to net position is partly due to efforts to contain costs and to limit projects for others. These efforts are to recover from losses due to the pandemic in 2020.

Financial reserve policies for the internal service funds determine that the minimum net position for the Intergovernmental Services Fund should be twice the depreciation amount or \$11.4 million. The cost allocation model for this fund does not recover depreciation related to capital assets. This fund records the acquisition value of customer funded IT project assets and it is expected that the fund will meet the target net position in future years.

City of Minneapolis
Second Quarter ending June 30, 2022
Financial Status Report (in thousands of dollars)

Intergovernmental Services Internal Service Fund

	2021 Year End Budget	2021 Year End Actual	2022 Beginning Budget	2022 Year to Date Actual	2022 Year End Projection
Source of Funds:					
Charges for Service - IT	36,942	37,222	35,574	18,408	35,788
Charges for Service - City Clerk	1,385	1,596	1,655	622	1,655
Work for Others	4,306	3,764	457	207	5,059
Operating Transfers In	114	114	300	2,623	300
Total	42,747	42,696	37,986	21,860	42,802
Use of Funds:					
City Clerk	1,470	1,450	1,518	825	1,518
Information Technology	41,612	38,206	37,398	17,653	37,799
Work for Others	4,583	5,293	2,080	3,199	4,489
Total	47,665	44,949	40,996	21,677	43,806
Change in Net Position		(2,253)	(3,010)	183	(1,004)
Net Position		11,671	8,661	22,462	10,667
Total Cash Balance		9,163	6,153	9,083	9,700

City of Minneapolis
Self-Insurance Fund Internal Service Funds
For the Second Quarter Ending June 30, 2022

Operating snapshot (in thousands of dollars):

Fund 06900-06950	2022 Budget	06/30/2022 Actual	Projected YE 2022	Actual YE 2021
Operating Revenue	143,247	74,672	143,514	132,184
Operating Expense	118,499	61,705	135,149	134,310
Operating Margin	24,748	12,967	8,365	(2,126)
Change in Net Position		12,967	8,365	(2,126)
Net Position		(86,999)	(91,601)	(99,966)
Cash Balance		121,830	119,119	110,754

Program Description:

The Self-Insurance Fund accounts for accrued sick leave benefit, tort liability, workers' compensation, civil attorney, risk management services, and the administrative functions to support these activities. An activity-based cost allocation model determines the charge allocated to City departments to provide for self-insurance related to tort liability and workers' compensation. The annual charges are calculated using data determined by an actuarial study based on each City department's responsibility for liability and worker compensation expense.

Revenue:

Operating revenue through the second quarter of 2022 is \$74.7 million or 52.2% of the annual budgeted amount of \$143.2 million. This is a decrease of \$6.9 million, or 8.5%, compared to \$81.6 million earned through the second quarter of 2021. The primary reason for the decrease is due to a transfer of \$27.0 million from the General fund to support the Floyd settlement payment in 2021 which was partially offset by a transfer of \$12.0 million from the General fund to assist with most ongoing spending increases of the Self Insurance Fund at the end of second quarter of 2022. This revenue decrease is also offset by few other factors: a \$2.5 million increase in Cost Allocation and Employment Services and a \$1.5 million increase in Medical Premium and Sick Leave at Retirement, and by an unexpected revenue \$3.9 million received from the Workers' Compensation Reinsurance Association as surplus distribution for recalculated share of 2022.

Expenses:

Operating expenses through the second quarter of 2022 are \$61.7 million or 52.1% of the annual budgeted amount of \$118.5 million. This is an increase of \$15.1 million, or 32.4%, compared to \$46.6 million expended through the second quarter of 2021. The increase in operating expense is due to a \$1.8 million increase in medical insurance claims and a \$7.7 million increase in General Liability for Litigation Settlements. The expenses increase also related to a \$10.2 million increase in funds paid out for workers' compensation claims that is offset by a \$0.3 million decrease for workers' compensation legal consulting services and further offset by a decrease in City Attorney of \$3.7 million and a \$1.1 million decrease in the employee sick leave payout at retirement.

Debt Service:

The Self-Insurance Fund does not have outstanding debt obligations.

Transfers:

In 2022, the fund receives a transfer in from the general fund totaling \$24.0 million to both Workers Compensation Fund and the General Liability Fund to assist with most ongoing spending increases.

Forecast:

Operating revenue is projected to be \$143.5 million or \$0.3 million more than the budgeted amount of \$143.2 million. The source of this increase is due to \$0.7 million projected increase in payments received for duty disabled officers and Medical Insurance Premiums and a projected increase of \$0.3 million in Cost Allocations and Employment Services. The projected revenue increases are offset by a decrease in dental insurance premiums of \$0.7 million. Operating expense is projected to be \$135.2 million, or \$16.7 million more than the budgeted amount of \$118.5 million. The primary reason that operating expense is projected to be more than budgeted is due to projected \$19.8 million paid out for workers' compensation claims and a \$2.9 million increase in General Liability. The increase in projected expenses which is offset by a decrease in Medical Claims and Admin Fees of \$4.3 million and a decrease in Dental claims of \$1.8 million. The projections will result in a projected operating margin gain of \$8.4 million as compared to the budgeted operating margin gain of \$24.7 million.

These year-end projections result in an increase to net position of \$13.0 million, compared to the budgeted \$24.7 million, and a projected ending net position amount of negative \$91.6 million. The projected ending cash balance for 2022 is \$119.1 million compared to \$110.8 million at year-end 2021. The increase in cash and net position in 2022 primarily the result of an increase in medical insurance premiums compared to the medical claims payout.

Cash Balance and Net Position:

The cash balance at end of second quarter is \$121.8 million, or an 13.9% decrease, compared to a cash balance of \$141.4 million at end of second quarter 2021. Financial reserve policies for the internal service funds determine the minimum cash balance for the Self-Insurance Fund should be equal to the unpaid claims liability plus 10.0% of the fund's operating budget and 35.0% of medical self-insurance claims or \$203.9 million. The unpaid claims liability at year-end 2022 is \$177.5 million, a decrease of \$1.0 million from the year-end 2021 unpaid claims liability of \$178.5 million. The cash balance is \$82.0 million less than its target.

The net position at year-end 2021 is a negative amount of \$99.9 million, an increase of \$2.1 million from the 2020 year-end net position a negative amount of \$97.8 million. The financial reserve policy relating to the internal service funds states that the net position for the Self Insurance Fund should not fall below zero.

City of Minneapolis
Second Quarter ending June 30, 2022
Financial Status Report (in thousands of dollars)

Self-Insurance Internal Service Funds

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Charges for Service	31,591	31,524	36,110	18,213	36,426
Other Misc Revenues	1,000	1,117	1,000	5,073	1,000
Medical Ins Premiums	71,172	65,971	74,731	35,296	75,437
Dental Premiums	4,271	3,186	4,399	1,753	3,643
Health and Welfare	2,934	3,018	3,008	2,338	3,008
Operating Transfers In	27,368	27,368	24,000	12,000	24,000
Total	138,336	132,184	143,247	74,672	143,514
Use of Funds:					
Attorney	7,376	5,771	-	(157)	-
Human Resources	-	(32)	-	-	-
Finance Dept - Risk Mgmt/Financial Accounting	2,586	2,027	2,568	1,827	2,692
Liability	9,211	24,571	15,351	9,134	18,204
Workers Compensation	12,756	31,841	18,320	17,345	38,121
Medical Claims and Admin Fees	71,172	65,183	74,854	31,434	70,519
Delta Dental payments	4,271	3,223	4,399	1,346	2,606
Health and Welfare	2,934	1,727	3,008	777	3,008
Total	110,306	134,310	118,499	61,705	135,149
Change in Net Position	28,030	(2,126)	24,748	12,967	8,365
Net Position	(69,809)	(99,966)	(75,218)	(86,999)	(91,601)
Total Cash Balance	136,162	110,754	135,503	121,830	119,119
Target Cash Reserve	203,204	203,204	203,862	203,862	203,862
Variance Operating Cash to Target					
Cash Reserve	(67,043)	(92,450)	(68,359)	(82,032)	(84,743)

**City of Minneapolis
Sanitary Sewer Fund
For the Second Quarter Ending June 30, 2022**

Operating Snapshot (in thousands of dollars):

Fund 07100	2022 Budget	06/30/22 Actual	Projected Year End 2022	2021 Actual
Operating Revenue	93,947	46,743	94,507	86,723
Operating Expense	75,418	38,347	76,469	73,773
Operating Margin	18,529	8,396	18,038	12,950
Change in Net Position		1,729	140	1,995
Net Position		143,092	141,503	141,363
Cash Balance		13,541	15,178	15,038

Program Description:

The Sanitary Sewer Fund accounts for the enterprise activity of wastewater collection and treatment. The Fund pays 95.0% of the contractual payments to Metropolitan Council Environmental Services (MCES) for wastewater collection and treatment services. The fund also accounts for City services, operation, maintenance, design work, capital programs, transfers, and long-term debt services associated with the sanitary sewer system.

Revenues:

Monthly utility billing for sewer services is the main source of revenue. With sewer operating revenue of \$46.7 million through the end of the second quarter, the Sanitary Sewer Fund earned 49.8% of the 2022 operating revenue budget. This is an overall increase of \$6.1 million, or 14.9%, compared to \$40.7 million earned through June 2021. The utility service revenues accounted for \$0.7 million of the increase compared to 2021 due to increase in rates. SAC fees, which fluctuate based on overall economic activities outside of City operations, increased by \$4.9 million. This increase is offset by an equivalent increase in sewer availability charges (or SAC expenses).

The variable rate for utility charges was set at \$5.01 per unit, an increase of \$0.17 over 2021. The fixed rate, which is based on meter size, was increased by \$0.50, from \$6.80 to \$7.30.

Expenses:

The Sanitary Sewer Fund's total operating expenses through the second quarter were \$38.3 million compared to \$34.3 million through June 2021. This is an increase of \$4.1 million, or 11.9%. The increase is due to SAC charges increasing by \$4.9 million due to more activity in the first six months.

The Met Council rate decreased by 2.9% for 2022 services. The Met Council charges are the largest expense of the fund and the monthly expense is \$3.9 million. These municipal wastewater discharge rates are set by the Metropolitan Council on a yearly basis and are based on an allocation of overall costs incurred by MCES for waste processing for customer communities.

Transfers:

A transfer is made from this fund to the Water Enterprise Fund to cover shared costs for meter shop expenses. For the current budget year, this cost was estimated at \$1.0 million and, through the end of the second quarter, \$0.5 million has been transferred to Water Treatment and Distribution Services.

Debt Service:

For 2022, the debt service cost was budgeted at \$11.1 million. Through the second quarter, no principal and \$0.8 million in interest payments were made. These debt service payments are primarily for bonds sold to fund capital programs as an alternative to cash financing. The Fund's long-term debt totals \$42.1 million on June 30, 2022.

Cash and Net Position:

The current cash balance is \$13.5 million and the Fund's net position stands at \$143.1 million. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Therefore, the targeted cash balance for 2022 is \$18.9 million. The projected year end \$3.7 million Cash Reserve shortage is in part due to lower revenues during the COVID-19 pandemic. The Department is constantly monitoring and revising the financial position to bring the fund back into compliance. The Fund's cash balance has doubled since 2019 and is projected to be back in compliance by 2024.

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City of Minneapolis
Second Quarter ending June 30, 2022
Financial Status Report (in thousands of dollars)

Sanitary Sewer Enterprise Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Charges for Service	81,505	76,251	83,547	39,507	82,382
SAC Revenues	10,000	8,966	10,000	7,156	12,000
Other Misc Revenues	207	1,506	400	80	125
Charges for Service - Capital	1,000	1,000	1,000	8	1,000
Proceeds from Long Term Liabilities	13,000	15,381	11,500		18,927
Total	105,711	103,104	106,447	46,752	114,434
Use of Funds:					
PW-Sewer Design	1,053	991	1,219	346	1,097
PW-Sewer Maintenance	9,119	7,596	8,159	2,792	7,434
MERF			310		310
Met Council Environment Svcs	58,137	57,106	56,808	30,604	58,808
Payment for City Services	6,824	6,245	7,086	3,698	7,086
PW - Sewer Admin	1,700	1,834	1,836	907	1,733
Debt Service	7,597	7,214	11,075	795	11,075
Future Debt Service					537
Transfers					
To Water Fund	1,072	1,072	1,017	509	1,017
PW - Capital Programs	17,000	19,050	17,000	5,372	25,195
Total	102,502	101,109	104,510	45,023	114,294
Change in Net Position	3,209	1,995	1,937	1,729	140
Net Position Balance	142,577	141,363	143,300	143,092	141,503
Total Cash Balance	16,715	15,038	16,975	13,541	15,178
Target Cash Reserve	19,208	19,208	18,855	18,855	18,855
Variance Cash Balance to Target	(2,493)	(4,170)	(1,879)	(5,313)	(3,676)

**City Of Minneapolis
Storm Water Fund
For the Second Quarter Ending June 30, 2022**

Operating Snapshot (in thousands of dollars):

Fund 07300	2022 Budget	06/30/2022 Actual	Projected Year End 2022	2021 Actual
Operating Revenue	46,699	22,903	46,180	45,117
Operating Expense	32,733	12,592	29,112	28,276
Operating Margin	13,966	10,311	17,068	16,841
Change in Net Position		(113)	8,294	(3,471)
Net Position		351,834	360,242	351,947
Cash Balance		24,475	37,475	29,180

Program Description:

The Storm Water Fund is responsible for the design, construction and maintenance of City’s storm drain system, and street cleaning activities. A portion of the fund is used for sanitary water interceptor and treatment services and pays 5.0% of the contractual payments to Met Council Environmental Services (MCES). This fund also accounts for the combined sewer overflow (CSO) program, capital programs and debt service payments. Fund resources include: monthly utility billing for storm drainage services, reimbursement for maintenance services provided to State and County, reimbursement for services provided to other City departments, outside parties and design activities, and proceeds from long term liabilities and grants.

Revenue:

The \$22.9 million in operating revenues earned through second quarter of 2022 reflects 49.0% of the budgeted amount of \$46.7 million. This is an increase of 3.0%, or \$0.7 million, compared to \$22.2 million earned for the same period in 2021. Storm utility revenues increased by 2.3% to \$22.1 million, up from \$21.6 million for the same period in 2021. This is mainly due to a 3.0% increase in rates.

Expenses:

Operating expenses through the second quarter were \$12.6 million, or 38.5% of the 2022 budget. The expenses were \$0.02 million, or 0.2% higher than the \$12.6 million reported in 2021. The 2022 actual expenses were under budget primarily due to \$0.4 million less spent on Street Cleaning contractual services and Maintenance and Design having less activity in the first six months of 2022.

Transfers:

A transfer from this fund is made to the General Fund to support two environmental service FTE’s relating to the Clean Water Act of \$110,000 for 2022. An additional amount of \$1.6 million will be

transferred to the Capital Paving program as a contribution to help fund the 20-year additional paving plan.

Debt Service:

The debt service payments are primarily for bonds sold to finance the combined sewer overflow, flood mitigation, and storm tunnel programs. The fund completed paying off all its debt service obligations by the end of 2016. In 2019, new debt started to be issued on a regular basis due to additional capital programs needing financing. In 2022, payment of interest was \$270,000 for the first six months and \$4.2 million in debt service payments are expected to be paid out of the fund by year end.

Cash and Net Positions:

The ending cash balance at the end of the second quarter is \$24.5 million and net position is \$351.8 million. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Therefore, the target amount for 2022 is \$8.2 million. The projected \$37.5 million cash balance at year end will leave \$29.3 million as an unrestricted amount to fund capital programs for 2023 and beyond as the department aims to use its excess cash reserve as a major source of funds for upcoming projects.

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City of Minneapolis
Second Quarter ending June 30, 2022
Financial Status Report (in thousands of dollars)

Storm Water Enterprise Fund

	2021 Current Budget	2021 Year End Actual	2022 Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
State Government	1,160	1,250	1,307	673	1,390
Local Government	356	255	356	64	255
Charges for Service-Operating	42,549	42,616	44,160	22,063	44,160
Design & Misc Revenues	626	288	801	104	300
Special Assessments	75	709	75	-	75
Grants Proceeds/Others - Capital	-	-	8,810	596	8,810
Charges for Service-Capital	1,000	218	1,000	312	1,000
Proceeds of Long Term Liabilities	13,000	6,144	40,600	-	40,600
Total	58,767	51,479	97,109	23,811	96,590
Use of Funds:					
PW-Storm Design	5,606	4,137	6,047	1,700	4,484
PW-Field Services	9,811	9,307	9,488	4,001	9,236
PW-Storm Maintenance	6,772	6,135	7,234	2,107	5,882
Metropolitan Council	2,525	2,525	2,454	1,227	2,454
Payment for City Services	5,579	5,038	5,870	2,921	5,870
PW-Admin	1,585	1,135	1,640	636	1,185
Debt Service	1,931	1,860	4,197	270	4,197
Transfers	1,671	1,671	1,687	55	1,687
PW- Capital	26,500	23,143	53,300	11,007	53,300
Total	61,981	54,950	91,917	23,924	88,296
Change in Net Position	(3,214)	(3,471)	5,192	(113)	8,294
Net Position	352,201	351,947	357,139	351,834	360,242
Total Cash Balance	25,453	29,180	34,372	24,475	37,475
Target Cash Reserve	7,970	7,970	8,183	8,183	8,183
Variance Cash Balance to Target	17,484	21,211	26,189	16,291	29,291

**City of Minneapolis
Water Enterprise Fund
For the Second Quarter Ending June 30, 2022**

Operating Snapshot (in thousands of dollars):

Fund 07400	2022 Budget	06/30/2022 Actual	Projected Year End 2022	2021 Actual
Operating Revenue	88,568	39,534	85,296	86,486
Operating Expense	62,186	27,762	57,452	55,851
Operating Margin	26,382	11,772	27,844	30,635
Change in Net Position		6,304	(381)	6,248
Net Position		319,515	309,118	309,499
Cash Balance		35,860	33,834	34,215

Program Description:

This Fund accounts for the administration, operation, maintenance, and capital investments of the Public Works Water Treatment and Distribution Services Division of the City. The Water Treatment and Distribution Services Division sources, treats, and distributes drinking water to retail customers in the City and provides water for fire protection and other City uses. In addition, the Division sells water to the wholesale customers of the Cities of Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal, and Edina, along with the Metropolitan Airports Commission. Monthly billing for water sales is the main source of revenue for this fund.

Revenue:

Operating revenues for 2022 are projected to total \$85.3 million or 96.3% of the 2022 budgeted amount of \$88.6 million. Through the second quarter, the Water Fund earned \$39.5 million compared to \$39.1 for the same period in 2021. This is less than 50% of the budgeted amount but is not unexpected due to the seasonality of water sales. Revenues are expected to increase in the second half of the year.

Expense:

Operating expenses for the year are projected to total \$57.5 million or 92.4% of the 2022 budget of \$62.2 million. For the six months ending in June, the Fund spent \$27.8 million compared to \$26.1 for the same period in 2021. The difference is due to: (i) an increase in salaries and fringes by \$0.5 million; (ii) an increase in City provided services by \$0.5 million; (iii) an increase in delivery services, energy and utility bills by \$0.4 million; (iv) an increase in chemical usage and water line repairs by \$0.3 million; (v) an increase in contractual and professional services relating to repairs, maintenance, upgrades, and construction works by \$0.3 million; and (vi) a decrease in fleet and capital outlay by \$0.3 million.

The expenses through June are less than 50% of the budgeted amount which was expected and in line with previous years. However, these expenses will increase in the third and fourth quarters.

Transfers:

For 2022, the transfer amount of \$1.1 million consists primarily of a \$1.0 million operating transfer from the Sanitary Sewer Fund for its share of the cost of metering. The Fund will also receive \$41,000 from the General Fund towards the cost of City Hall rent. Through the end of the second quarter, \$0.5 million has been realized.

Debt Service:

Debt service payments relate to the bonds and notes sold to finance the Water Division's capital improvement program. The amount of debt service for 2022, which includes both principal and interest payments, is expected to total \$20.6 million. Through the second quarter, \$1.6 million in interest has been paid. In the second half of 2022, an additional \$17.9 million in bonds will be issued to help finance capital projects. This additional debt issuance will increase debt service payments in future years.

Cash Balance and Net Position:

As of June 30, 2022, the ending cash balance was \$35.9 million and net position was \$319.5 million. By comparison, on June 30, 2021, the cash balance was \$30.4 million and net position was \$304.1 million. City policy requires an operating cash reserve equal to or greater than three months of operating expenses. Based on the current budget, the targeted amount is \$15.5 million. With a projected year end cash balance of \$33.8 million, an adequate amount of cash will be available to maintain operating cash reserves, fund capital programs, and make debt service payments.

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City of Minneapolis
Second Quarter ending June 30, 2022
Financial Status Report (in thousands of dollars)

Water Enterprise Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Water Sales - Retail					
Volume Rate	60,291	57,049	58,359	25,563	55,252
Fixed Rate	9,038	9,401	10,973	5,804	11,090
Water Sales - Wholesale	14,919	15,645	14,998	6,857	15,187
Other Operating & Misc Revenues	4,365	4,391	4,239	1,310	3,767
Proceeds from Long Term Liabilities	15,525	22,303	19,025	4,972	22,861
Transfers	1,325	1,325	1,058	529	1,058
Proceeds from Capital	2,000	707	2,000	194	2,000
Total	107,464	110,820	110,651	45,228	111,215
Use of Funds:					
Payments for City Services	12,116	11,489	12,447	6,222	11,668
Administration	3,460	3,317	3,735	1,513	3,407
Engineering	1,619	1,408	2,341	693	1,390
Operations	29,942	27,294	29,884	13,158	28,743
Distribution	10,260	9,456	9,816	4,609	9,114
Meter Shop	1,444	1,078	1,393	471	936
Reimbursables	2,825	1,809	2,570	1,096	2,193
Debt Services					
Principal	16,570	16,570	17,315	0	17,315
Interest	3,240	2,492	3,330	1,629	3,668
Capital	24,941	29,659	27,025	9,533	33,161
Total	106,416	104,572	109,856	38,924	111,596
Change in Net Position	1,047	6,248	795	6,304	(381)
Net Position	304,298	309,499	310,294	319,515	309,118
Total Cash Balance		34,215	35,010	35,860	33,834

**City of Minneapolis
Municipal Parking Fund
For the Second Quarter Ended June 30, 2022**

Operating Snapshot (in thousands of dollars):

Fund 07500	2022 Budget	6/30/2022 Actuals	Projected Year End 2022	2021 Actuals
Operating Revenue	60,957	25,275	56,151	43,221
Operating Expense	42,051	18,581	38,210	34,822
Operating Margin	18,906	6,694	17,941	8,399
Change in Net Position		2,145	(786)	(1,268)
Net Position		192,378	189,447	190,233
Cash Balance		1,391	448	1,233

Program Description:

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

Revenues:

The 2022 operating revenues are up in comparison to the same period in 2021 by 42.6%. Actual operating revenues for the first six months were only 83.0% of the expected budget for that timeframe. The increase from 2021 is from:

- On-street parking is up 24.4% compared to 2021.
- Off-street ramps and lots are up 66.1% compared to 2021.
- Impound Lot revenues increased 21.4% compared to 2021.

Overall, revenues were up in 2022 mainly due to reduced restrictions related to the COVID-19 pandemic, which allowed an increase in both business and employment activity downtown. Assuming these reduced restrictions continue the remainder of the year, On-Street and Off-Street parking revenues are expected to continue to increase the last half of 2022.

Expenses:

The 2022 operating expenses are up in comparison to 2021 expenses by 13.2%. Actual operating expenses for the first six months were only 88.4% of the expected budget for that timeframe. The increase from 2021 is from:

- On-street parking was up by 4.9% compared to 2021.
- Off-street ramps and lots were up 20.2% compared to 2021.
- Impound Lot expenses were down by 7.3% compared to 2021.

Overall, expenses were up as compared to 2021 mainly due to the increased activity in 2022 which causes certain variable expenses to be higher such as credit card fees.

Transfers to and from other funds:

The 2022 transfers into and out of the Parking Fund are programmed and planned according to the 2022 budget. During the year of 2022, \$1.2 million will be transferred in from Tax Increment Funding and \$9.1 million of funds will be transferred out (\$4.0 million to the General Fund, \$5.0 million to the Target Center and \$146,000 to Solid Waste).

Debt Service:

For 2022, the debt service budget is \$8.6 million. The outstanding balance of bond principal as of June 30, 2022 is \$38.1 million and the outstanding balance of note principal is \$26.9 million. The Convention Center has loaned the Parking Fund \$4.5 million to reduce the debt service being paid by the Parking Fund.

Other Financial Items:

The June 30, 2022 cash balance is \$1.4 million which is an increase of \$0.2 million from the 2021 year-end balance. The City's policy is to have a targeted cash balance equal to 25% of the operating budget (excluding non-city owned ramps). Therefore, the target cash balance, excluding the Off-Street Parking: State Owned Expense Budget is \$7.4 million. The targeted cash reserve balance deficit is \$6.0 million, which is primarily a result of revenues being under budget since 2020 due to the continued impacts of the COVID-19 pandemic and a slow return of employees downtown which affects city economic activity. This causes the fund to be under financial policy. The Department is constantly monitoring and revising the financial position to bring the fund back into compliance. Continued economic recovery from the pandemic will help increase Fund revenues in 2022 and beyond.

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City of Minneapolis
Second Quarter ending June 30, 2022
Financial Status Report (in thousands of dollars)

Municipal Parking Enterprise Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Charges for Service, Sales/Permits:					
<i>Off-Street Parking: City Owned</i>	20,004	11,461	22,385	7,746	17,900
<i>Off-Street Parking: State Owned</i>	14,441	9,706	13,680	5,513	11,680
<i>Towing</i>	5,434	6,933	5,539	3,711	7,771
<i>On-Street Meters</i>	15,738	15,121	19,353	8,305	18,800
Tax Increment Transfers In	879	879	1,175	1,096	1,175
Proceeds of Long Term Liabilities**	7,400	10,814	-	-	-
Total	63,896	54,914	62,132	26,371	57,326
Use of Funds:					
Debt Service	4,484	951	8,620	685	8,320
Future Debt Service	300	-	-	-	-
General Fund Transfer Out	7,640	7,640	4,000	2,000	4,000
Target Arena Transfer Out	3,853	3,853	5,000	2,500	5,000
Sanitation Transfer Out	146	146	146	73	146
PW-Traffic & Parking:					
<i>Off-Street Parking: City Owned</i>	20,702	16,131	19,852	9,052	17,400
<i>Off-Street Parking: State Owned</i>	13,134	8,125	12,496	4,610	10,496
<i>Towing</i>	5,344	5,925	5,273	2,835	5,814
<i>On-Street Meters</i>	3,896	4,641	4,430	2,084	4,500
PW-Traffic & Parking Capital	10,805	8,770	1,383	388	2,436
Total	70,304	56,182	61,200	24,227	58,112
Change in Net Position	(6,408)	(1,268)	932	2,145	(786)
Net Position	185,093	190,233	191,165	192,378	189,447
Total Cash Balance	(255)	1,233	2,165	1,391	448
Target Cash Reserve	7,485	7,485	7,389	7,389	7,389
Variance Total Cash to Target Cash Reserve	(7,740)	(6,252)	(5,224)	(5,998)	(6,941)

City of Minneapolis
Solid Waste and Recycling Fund
For the Second Quarter Ending June 30, 2022

Operating Snapshot (in thousands of dollars):

Fund 07700	2022 Budget	06/30/22 Actual	Projected Year End 2022	2021 Actual
Operating Revenue	43,573	21,736	44,712	44,274
Operating Expense	45,711	21,122	42,741	42,248
Operating Margin	(2,138)	(614)	1,971	2,026
Change in Net Position		428	1,088	8,737
Net Position		44,073	44,733	43,645
Cash Balance		23,513	24,315	23,227

Fund Description

The Solid Waste and Recycling Fund accounts for the City's solid waste and recycling collection, disposal, graffiti removal, and a solid waste transfer station that serves over 107,000 dwelling units. Pick-up services for trash, yard waste, and recyclables are provided on a weekly and a biweekly basis. City crews provide approximately one-half of the solid waste collection services and the other half of the services are provided through a consortium of companies specializing in waste collections. Also accounted for in this fund are various initiatives such as Clean City neighborhood clean sweeps, city-wide litter and graffiti abatement and removals, and an organics program.

Funding for Solid Waste and Recycling activities is primarily generated from solid waste collection fees through the monthly utility bills. The fund also receives yearly grants from Hennepin County. Additional revenue is generated through sales of recyclable materials, graffiti abatement, and miscellaneous services.

Revenue

Operating revenues earned through second quarter of 2022 were \$21.7 million, or 49.9% of the budgeted amount of \$43.6 million. The revenue earned through the second quarter of 2022 increased by \$1.4 million, or 6.8%, from the revenue earned through second quarter of 2021. This increase is mainly due to increased rates from previous year and also because of increased market prices for recycling material. Sale of recycling material has increased by \$0.3 million compared to the same period last year. The Hennepin County recycling grant of \$1.4 million will be received in the fourth quarter.

Expenses:

Operating expenses through second quarter of 2022 were \$21.1 million, or 46.2% of the budgeted amount of \$45.7 million. Expenses through the second quarter of 2022 increased \$0.2 million, or 0.9%, over the expenses through the same period in 2021. The Clean City division saw the largest increase from 2021 of \$0.3 million due to encampment cleanup efforts. Recycle and Customer Service areas had smaller increases in expenses compared to last year. Equipment expenses decreased by \$0.1 million compared to 2021 due to the timing of vehicle replacements. Some other areas were lower than budget and 2021 due to open positions and less contractual services.

Transfers:

Transfers of \$330,000 into the Solid Waste and Recycling fund the first six months of 2022 included \$73,000 from the Parking Fund for the Litter Container Program, \$163,000 from the General Fund for graffiti removal and zero waste studies, and a General Fund transfer of \$94,000 to cover a portion of the Debt Service payments related to the new facility.

Debt Service:

Bonds were sold for the new facility prior to 2020 and an additional \$6.8 million in bonds were sold the second half of 2021. The facility was occupied at the end of May of 2020. There were no bond principal payments through the second quarter of 2022, although \$4.2 million of principal is expected to be paid by the end of the year. Interest payments were \$0.5 million through the second quarter and another \$0.5 million of interest will be paid before the end of the year.

Cash and Net Positions:

The fund's cash balance as of the end of the second quarter was \$23.5 million and the net position amounted to \$44.1 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Based on the projection, the 2022 targeted amount is \$11.4 million, leaving unrestricted cash of \$12.9 million.

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City of Minneapolis
Second Quarter ending June 30,2022
Financial Status Report in thousands of dollars

Solid Waste & Recycling Enterprise Fund

	2021 Current Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Local Government & Other Grants	1,671	1,842	1,422	2	1,422
Charges for Service	39,424	38,992	41,202	20,742	41,307
Charges for Sales	150	1,652	225	773	1,200
Special Assessments	-	983	-	-	-
Other Misc Revenues, Rents	724	804	724	219	783
Long Term Proceeds - Capital	-	6,779	-	-	-
Operating Transfers In:					
Parking Fund	146	146	146	73	146
General Fund - Graffiti	325	325	325	162	325
Bond Redemption Fund	4,136	4,136	3,953	94	3,953
Total	46,576	55,660	47,997	22,066	49,135
Use of Funds:					
Collection	8,051	8,156	8,380	4,160	8,180
Disposal	5,758	5,784	6,256	2,977	5,970
Recycle	4,322	3,745	4,197	2,052	3,980
Yard Waste	3,540	3,066	4,379	1,434	3,150
Problem Material	2,500	2,400	2,666	962	1,950
Transfer Stations	560	627	571	221	460
Admin	7,784	7,641	8,187	3,899	7,810
Customer Service	690	648	713	398	820
Clean City	1,424	1,218	1,274	883	1,750
Graffiti	691	689	750	279	580
Equipment	3,510	3,561	3,441	1,615	3,441
Organics	4,872	4,713	4,898	2,242	4,650
Capital Program	-	197	-	15	-
Debt Service	4,830	4,478	5,307	502	5,307
Total	48,532	46,923	51,019	21,638	48,048
Change in Net Position	(1,956)	8,737	(3,022)	428	1,088
Net Position Balance	32,952	43,645	40,623	44,073	44,733
Cash Balance	14,125	23,227	20,206	23,513	24,315
Target Cash Reserve	10,926	10,926	11,428	11,428	11,428
Variance Cash Balance to Target	3,199	12,302	8,778	12,085	12,887

City of Minneapolis
CPED Enterprise Fund Component Programs
For the Second Quarter Ending June 30, 2022

The **CPED Enterprise Fund** operated a series of business-type activities designed to enhance housing options and economic development within the City.

The **General Agency Reserve Fund System** (GARFS) is a program in which revenue bonds are issued to finance economic development. The program obtains lease or loan agreements from developers to meet the debt service requirements of the financing. The funds are restricted by bond covenants and the need of the City to minimize risk in its support of the GARFS. The funds are critical in maintaining the “A+” rating of the fund. Most of the transactions of the fund are maintained in a series of bank trustee accounts. Only the administrative operations portion of the fund is presented. Other information is maintained by a trustee and not available for inclusion for fourth quarter. The net position of the fund at the end of second quarter 2022 was \$2.0 million.

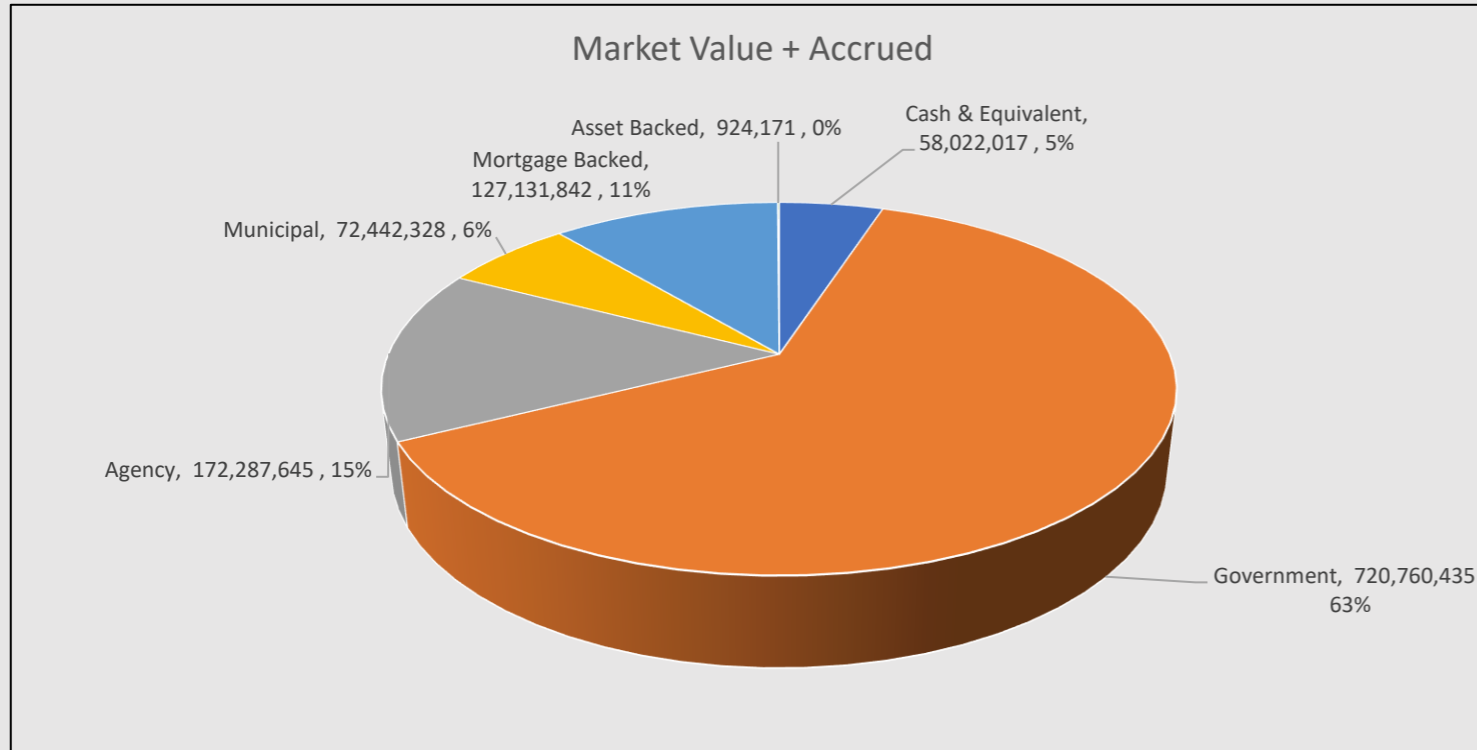
The **River Terminal** component operates a public terminal facility located on the Mississippi River in north Minneapolis. The barge related activities of the terminal have ended. The facility is currently used primarily as leased space for commodity storage. The City intends to redevelop the site for park and jobs-intensive business uses.

City of Minneapolis
Second Quarter ending June 30, 2022
Financial Status Report (in thousands of dollars)

CPED Enterprise Funds				
	General Agency Reserve Fund System 2021	General Agency Reserve Fund System 2022	River Terminal 2021	River Terminal 2022
Operating revenues				
Charges for sales and services	15	81	354	13
Total operating revenues	15	81	354	13
Operating expenses:				
Personal services	74	73	-	-
Contractual services	(48)	13	274	305
Total operating expenses	26	86	274	305
Operating income	(11)	(5)	80	(292)
Income (loss) before transfers	(11)	(5)	80	(292)
Net transfers from (to) other funds	-	-	-	-
Change in net position	(11)	(5)	80	(292)
Total net position - January 1	1,950	1,954	1,860	1,818
Total net position - December 31	1,939	1,949	1,940	1,526

Cash and Investment Report
6/30/2022

Portfolio	Book Yield %	Book Value	Unrlzd G/(L)	Market Value	Accrued	Mkt Value + Accrued
Internal Managed	1.8	\$ 291,594,857	\$ (756,632)	\$ 290,838,225	\$ 326,875	\$ 291,165,100
Core COM	2.8	472,645,024	(5,159,831)	467,485,193	1,698,390	469,183,583
Core RBC	1.8	242,761,759	(16,417,531)	226,344,228	618,514	226,962,743
Core GPA	0.7	107,939,081	(3,661,520)	104,277,561	170,781	104,448,342
Core T. Rose	0.8	25,512,831	(1,947,831)	23,565,000	43,559	23,608,558
Bond Proceeds	1.1	12,843,235	(0)	12,843,235	-	12,843,235
General Agency Reserve Funds System	1.5	23,522,465	(354,338)	23,168,127	188,752	23,356,879
Total Portfolio	2.0	\$ 1,176,819,252	\$ (28,297,684)	\$ 1,148,521,568	\$ 3,046,872	\$ 1,151,568,440
Development Debt Reserves		1,058,481		1,058,481		1,058,481
Cash on hand net of outstanding checks		(1,919,131)		(1,919,131)		(1,919,131)
Total All Portfolios		\$ 1,175,958,601	\$ (28,297,684)	\$ 1,147,660,918	\$ 3,046,872	\$ 1,150,707,790



Market Sector	Market Value + Accrued	% of Portfolio
Cash & Equivalent	58,022,017	5.0%
Government	720,760,435	62.6%
Agency	172,287,645	15.0%
Municipal	72,442,328	6.3%
Mortgage Backed	127,131,842	11.0%
Asset Backed	924,171	0.1%
Commercial Paper	-	0.0%
	\$ 1,151,568,440	100.0%

Risk Metric	Value
Duration	2.6
Convexity	0.22
WAL	2.9
Years to Avg Final Maturity*	4.4
Years to Avg Effective Maturity*	2.9
Book Yield	2.0
Yield to Worst	2.9
Avg Credit Rating	AAA/Aaa/AA+

* Weighted by Market Value at period end.

City of Minneapolis
Financial Strength Analysis - Second Quarter 2022

FINANCIAL STRENGTH ANALYSIS - (in millions)					Change Compared to 2020		Total Increase (Decrease) 2018 - 2021		Average Annual Increase (Decrease)		2022
	2018	2019	2020	2021	\$	%	\$	%	\$	%	
General Fund Cash Balance	121.3	146.3	184.5	159.4	(25.1)	-13.6%	38.1	31.4%	12.7	10.5%	173.9
General Fund Total Fund Balance	104.2	128.0	167.7	142.8	(24.9)	-14.8%	38.6	37.0%	12.9	12.3%	157.3
Overall City Cash Position*	876.6	967.8	891.1	1,029.8	138.7	15.6%	153.2	17.5%	51.1	5.8%	
Overall City Net Assets/Position	2,257.8	2,424.0	2,491.3	2,589.0	97.7	3.9%	331.2	14.7%	110.4	4.9%	
Overall Unrestricted Net Assets/Position	(314.9)	(130.5)	(201.7)	(141.0)	60.7	-30.1%	173.9	-55.2%	58.0	-18.4%	
SPECIAL REVENUE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)											
Convention Center - Cash	35.6	20.0	14.5	23.9	9.4	64.8%	(11.7)	-32.9%	(3.9)	-11.0%	17.4
Convention Center - Fund Balance	29.6	33.4	12.4	20.9	8.5	68.5%	(8.7)	-29.4%	(2.9)	-9.8%	14.4
Arena Fund (Target Center) - Cash	12.2	9.5	4.0	5.0	1.0	25.0%	(7.2)	-59.0%	(2.4)	-19.7%	4.3
Arena Reserve (Target Center) - Fund Balance	10.5	7.5	3.5	4.3	0.8	22.9%	(6.2)	-59.0%	(2.1)	-19.7%	3.7
Downtown Assets Fund - Cash	16.2	8.8	39.9	29.6	(10.3)	-25.8%	13.4	82.7%	4.5	27.6%	29.6
Downtown Assets Fund - Fund Balance	26.0	16.2	46.5	35.1	(11.4)	-24.5%	9.1	35.0%	3.0	11.7%	35.1
Police SRF - Cash	2.2	2.8	2.6	2.5	(0.1)	-3.8%	0.3	13.6%	0.1	4.5%	2.5
Police SRF - Fund Balance	2.4	2.9	2.8	3.3	0.5	17.9%	0.9	37.5%	0.3	12.5%	3.4
NCR SRF - Cash	3.6	3.5	3.5	3.3	(0.2)	-5.7%	(0.3)	-8.3%	(0.1)	-2.8%	3.0
NCR SRF - Fund Balance	3.3	3.1	3.1	3.0	(0.1)	-3.2%	(0.3)	-9.1%	(0.1)	-3.0%	3.0
Regulatory Services SRF - Cash	2.0	1.2	0.2	0.3	0.1	50.0%	(1.7)	-85.0%	(0.6)	-28.3%	0.3
Regulatory Services SRF - Fund Balance	2.0	1.1	0.2	0.3	0.1	50.0%	(1.7)	-85.0%	(0.6)	-28.3%	0.3
Grant Funds - Cash	0.4	6.0	7.5	141.8	134.3	1790.7%	141.4	35350.0%	47.1	11783.3%	216.2
Grant Funds - Fund Balance	4.9	4.4	10.1	9.0	(1.1)	-10.9%	4.1	83.7%	1.4	27.9%	10.0
Comm Planng & Econ Dev (CPED) - Cash Total	210.4	199.9	212.8	209.7	(3.1)	-1.5%	(0.7)	-0.3%	(0.2)	-0.1%	210.0
Comm Planng & Econ Dev (CPED) - Fund Bal Total	245.7	230.5	245.0	242.4	(2.6)	-1.1%	(3.3)	-1.3%	(1.1)	-0.4%	243.0
Employee Retirement Funds - Cash	31.1	36.5	23.1	28.1	5.0	21.6%	(3.0)	-9.6%	(1.0)	-3.2%	32.1
Employee Retirement Funds - Fund Balance	31.3	36.7	36.6	39.0	2.4	6.6%	7.7	24.6%	2.6	8.2%	43.0
Other Special Revenue Funds - Cash	0.5	0.6	0.6	1.9	1.3	216.7%	1.4	280.0%	0.5	93.3%	2.0
Other Special Revenue Funds - Fund Balance	0.5	6.9	0.6	1.9	1.3	216.7%	1.4	280.0%	0.5	93.3%	2.0
Total Special Revenue Funds - Cash	314.2	288.8	308.7	446.1	137.4	44.5%	131.9	42.0%	44.0	14.0%	517.4
Total Special Revenue Funds - Fund Balance	356.2	342.7	360.8	359.2	(1.6)	-0.4%	3.0	0.8%	1.0	0.3%	357.9

* 2018-2021 Overall City Cash Position is the Market Value of cash and cash equivalents as reported in the City of Minneapolis Annual Comprehensive Financial Report (ACFR); does not include approximately \$26.8M invested for General Agency Reserve Fund Systems (GARFS) and \$87.9M invested for Park Board and MBC.

FINANCIAL STRENGTH ANALYSIS - (in millions)					Change Compared to 2020		Total Increase (Decrease) 2018 - 2021		Average Annual Increase (Decrease)		
	2018	2019	2020	2021	\$	%	\$	%	\$	%	2022
INTERNAL SERVICE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)											
Engr. Materials & Testing - Cash	1.6	2.1	1.9	2.0	0.1	5.3%	0.4	25.0%	0.1	8.3%	2.0
Engr. Materials & Testing - Net Position	0.4	0.5	0.5	0.6	0.1	20.0%	0.2	50.0%	0.1	16.7%	0.6
Equipment Services - Cash	26.0	33.7	26.7	34.7	8.0	30.0%	8.7	33.5%	2.9	11.2%	18.6
Equipment Services - Net Position	86.2	93.8	93.6	98.6	5.0	5.3%	12.4	14.4%	4.1	4.8%	89.5
Property Services - Cash	9.6	8.2	6.3	8.9	2.6	41.3%	(0.7)	-7.3%	(0.2)	-2.4%	8.2
Property Services - Net Position	32.0	33.9	36.3	40.0	3.7	10.2%	8.0	25.0%	2.7	8.3%	39.2
PW Stores - Cash	3.1	2.5	1.1	1.2	0.1	9.1%	(1.9)	-61.3%	(0.6)	-20.4%	1.3
PW Stores - Net Position	5.6	5.6	5.9	6.8	0.9	15.3%	1.2	21.4%	0.4	7.1%	6.8
Intergovernmental Services - Cash	22.0	15.1	10.7	9.2	(1.5)	-14.0%	(12.8)	-58.2%	(4.3)	-19.4%	9.7
Intergovernmental Services - Net Position	41.2	30.7	22.6	11.7	(10.9)	-48.2%	(29.5)	-71.6%	(9.8)	-23.9%	10.7
Self Insurance Fund - Cash	102.9	93.6	108.1	110.8	2.7	2.5%	7.9	7.7%	2.6	2.6%	119.1
Self Insurance Fund - Net Position	12.4	(20.3)	(97.8)	(100.0)	(2.2)	2.2%	(112.4)	-906.5%	(37.5)	-302.2%	(91.6)
Total Internal Service Funds - Cash	165.2	155.2	154.8	166.8	12.0	7.8%	1.6	1.0%	0.5	0.3%	158.9
Total Internal Service Funds - Net Position	177.8	144.2	61.1	57.7	(3.4)	-5.6%	(120.1)	-67.5%	(40.0)	-22.5%	55.2
ENTERPRISE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)											
Sanitary Sewer - Cash	4.5	7.4	13.5	15.0	1.5	11.1%	10.5	233.3%	3.5	77.8%	15.2
Sanitary Sewer - Net Position	122.4	129.4	139.4	141.4	2.0	1.4%	19.0	15.5%	6.3	5.2%	141.5
Stormwater - Cash	26.6	33.1	28.7	29.2	0.5	1.7%	2.6	9.8%	0.9	3.3%	37.5
Stormwater - Net Position	339.4	347.2	355.4	351.9	(3.5)	-1.0%	12.5	3.7%	4.2	1.2%	360.2
Water Enterprise - Cash	48.4	46.1	40.8	34.2	(6.6)	-16.2%	(14.2)	-29.3%	(4.7)	-9.8%	33.8
Water Enterprise - Net Position	271.4	283.3	303.3	309.5	6.2	2.0%	38.1	14.0%	12.7	4.7%	309.1
Municipal Parking - Cash	13.8	21.5	6.1	1.2	(4.9)	-80.3%	(12.6)	-91.3%	(4.2)	-30.4%	0.4
Municipal Parking - Net Position	199.9	206.0	191.5	190.2	(1.3)	-0.7%	(9.7)	-4.9%	(3.2)	-1.6%	189.4
Solid Waste & Recycling - Cash	30.5	26.7	16.1	23.2	7.1	44.1%	(7.3)	-23.9%	(2.4)	-8.0%	24.3
Solid Waste & Recycling - Net Position	26.9	30.7	34.9	43.6	8.7	24.9%	16.7	62.1%	5.6	20.7%	44.7
Comm Plannng & Econ Dev (CPED) - Cash**	0.1	-	-	-	-	0.0%	(0)	-100.0%	(0.0)	-33.3%	-
Comm Plannng & Econ Dev (CPED) - Net Position	39.1	32.6	27.0	26.9	(0.1)	-0.4%	(12.2)	-31.2%	(4.1)	-10.4%	26.9
Total Enterprise Funds - Cash	123.9	134.8	105.2	102.8	(2.4)	-2.3%	(21.1)	-17.0%	(7.0)	-5.7%	111.2
Total Enterprise Funds - Net Position	999.1	1,029.2	1,051.5	1,063.5	12.0	1.1%	64.4	6.4%	21.5	2.1%	1,071.8
**Cash in CPED Enterprise Funds does not include the amount invested with trustees through GARFS and reported in the CPED Enterprise Funds.											