Request for City Council Committee Action from the Finance Department

Date: June 22, 2010

To: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: 4th Quarter 2009 Financial Status Report
(Information on CPED Funds can be found on Pages 23 and 52–54)

Recommendation: Receive and file informational report; no action required.

Previous Directives: None.

Prepared by:	Charles Elliot, Controller, 673-2621
Submitted by:	Jeff Streder, Director, Development Finance, 673-5130
Approved by:	Patrick Born, Finance Officer
	Steven Bosacker, City Coordinator

Presenter in Committee: Jeff Streder, Director, Development Finance

Financial Impact

No financial impact.

Community Impact

Not applicable.

Supporting Information

None.

City of Minneapolis
Financial Status Report as of 4th Quarter 2009
Prepared by the
City of Minneapolis Finance Department
March 29, 2010

City of Minneapolis

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THE REPORT

The report consists of two sections. The first section of the report includes the Business line review. The second section includes detailed schedules and analysis of the results of individual funds through December 31, 2009.

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

BUSINESS LINE REVIEW

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

Governmental Funds

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

The **General Fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund began 2009 with a fund balance of $49.7 million and an operating budget of $334 million; since the beginning of the year the City Council has taken major steps to reflect State-level decisions and deal with ongoing financial challenges:

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

Through fourth quarter of this year, the fund has spent 100% of its appropriations and realized 101% of its budgeted revenues. Preliminary year-end results indicate the fund balance will be $67.8 million, $12 million over the reserve requirement. Items of note on the spending side are overspending by the Police & Fire Department of $4.3 million and $.75 million respectively. In regards to revenue, the City collected an additional $5.1 million in tax revenue because of decertification of several TIF districts and under-realized $2.3 million in revenue in the fines and forfeits area.

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

The Convention Center ended 2009 with net income of $.3 million which is $8.2 million ahead of budget for the year which had planned for a significant loss. Despite experiencing a significant decline in tax and sales revenue this year, management offset that by matching it with

reduced expenses. Management responsiveness, coupled with lower than expected bond interest costs accounts for the majority of the favorable results.

Grant Funds are used to record grant related activities. Fund 0300 represents all of the federal grant activity. Fund 0400 captures the Housing and Urban Development grants for community development and housing related programs. This fund includes the Community Development Block Grant, Emergency Shelter Program, HOME Investment Partnership Program, and Housing Opportunities for People with Aids. Fund 0600 is used to record all of the non-federal sources of restricted revenue.

Proprietary Funds

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

Enterprise Funds are City owned businesses that sell goods and services to third parties. A snapshot of these funds follows:

Enterprise Funds
(In Thousands)

		Preliminary Year -End 2009			
Fund	Beg. Net Assets	Revenue	Expense	Net Income	12/31/2009 Net Assets
Sanitary Sewer	87,513	43,963	41,839	2,124	89,637
Stormwater	243,691	38,333	24,967	13,366	257,057
Solid Waste	26,032	30,607	29,647	960	26,992
Water Utility	159,640	69,400	59,308	10,092	169,732
Parking	131,040	78,636	65,791	12,844	143,884
Housing Development	1,577	66	184	(117)	1,460
General Agency Reserve	34,456	4,375	4,367	8	34,464
Theatres	(2,038)		36	(36)	(2,074)
River Terminal	6,612	1,811	1,936	(125)	6,487
Economic Development	273	29,733	30,124	(391)	(118)

Sewer Utility Funds account for sewage interceptor and treatment services and the storm management activities including the Combined Sewer Overflow program. The Sewer Fund was split into two funds in 2005: Stormwater and Sanitary; both funds performed well in 2009 experiencing net income greater than expected. Additionally, their cash balances are in excess of the reserve requirement.

Solid Waste Fund accounts for the City's solid waste collection, disposal, and recycling operations. This financially healthy fund had net income greater than expected in 2009 and its cash balance is in excess of the reserve requirement.

Water Utility Fund accounts for the operation and maintenance of a water delivery system for the City and several suburban city customers. The Water Fund had a $0.16/unit rate increase in 2009. For 2009, it had net income that equaled expectations. As stated earlier, the fund has experienced declining revenues despite annual rate increases and costs have increased despite declining water consumption. Much of the cost increases can be attributed to rapidly escalating prices for electricity and chemicals used in the water treatment and distribution process as well as internal costs rising at an annual rate higher than the inflationary increases inherent in the budget. For 2009, the department aggressively reduced expenses which served to mitigate the effects of lower than expected revenue. The funds current cash reserve requirement is $12 million with the actual balance being ($2 million).

Parking Fund accounts for the operation and maintenance of parking ramps, lots, on street parking meters, and a municipal impound lot. The fund had net income of $12.8 million in 2009 but its cash balance dropped by $34 million to a year-end balance of $14.6 million, $8 million over its reserve requirement. This fund will be watched closely by Public Works and Finance as cash flow remains a concern because of the large debt service.

CPED operates five Enterprise Funds:

- *Housing Development* accounts for various home ownership and home improvement programs. This fund has positive cash and net assets.
- *General Agency Reserve* accounts for a program in which revenue bonds are issued to finance economic development. The debt service is financed by lease or loan agreements from developers. This fund has positive cash and net assets.
- *Theatres fund* accounted for the operations of the State, Orpheum and Pantages. The City no longer operates these theatres but residual expenses of $36,000 in 2009 lowered the net assets and cash to ($2 million.)
- *River Terminal* fund accounts for the operation of the public terminal facility located on the Mississippi River; the fund had a net loss of $126,000 in 2009. It also has a small negative cash balance.
- *Economic Development Program* accounts for the Capital Investment Fund Program with the Federal Home Loan Bank, which provides loans to businesses for economic development and the creation of jobs, as well as for certain defaulted properties. It experienced a loss of $391,000 in 2009 but has a positive cash balance.

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

Internal Service Funds (In Thousands)
Preliminary Year-End 2009

Fund	Beg. Net Assets	Revenue	Expense	Net Income	12/31/2009 Net Assets
Engineering, Mat, and Testing	28	1,456	1,121	335	363
Fleet Services	23,784	42,931	40,257	2,675	26,459
Property Services	27,436	22,053	22,328	(275)	27,161
Public Works Stores	2,885	1,560	1,233	327	3,212
Intergovernmental Service Fund	4,868	50,234	45,795	4,439	9,307
Self Insurance	(15,493)	42,582	32,108	(266)	(15,759)

The **Intergovernmental Service Fund** had net income of $4.4 million which was very close to expectations; its cash balance at year-end is ($.9 million).

The **Fleet Services Fund** had net income of $2.6 million and positive cash at year-end.

The **Self-Insurance Fund** had a near breakeven year and a cash balance of $29 million. The fund would have seen a net income of $10.7 million but a one-time adjustment of the same amount was made to comply with accounting requirements regarding the actuarial estimate of all future paid claims for tort and workers compensation.

The **Property Services Fund** had a small loss and corresponding cash balance in 2009. It has positive net assets but its cash reserves are well below the stated requirement. This fund's financial performance is hindered by the mismatch between construction of capital assets which occurs in the Capital Projects fund and the depreciation expense from those assets which occurs in this fund. Similar to BIS, it is not recovering for depreciation in its rental rates and this will continue to adversely affect the fund.

The **Engineering Materials and Testing Fund** had a net income of $.3 million and a cash balance of $.6 million at year-end.

Respectfully Submitted,

Patrick P. Born
Finance Officer

Charles J. Elliott
Controller

Appendix

Detailed Fund Information

General Fund

Fund Description

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

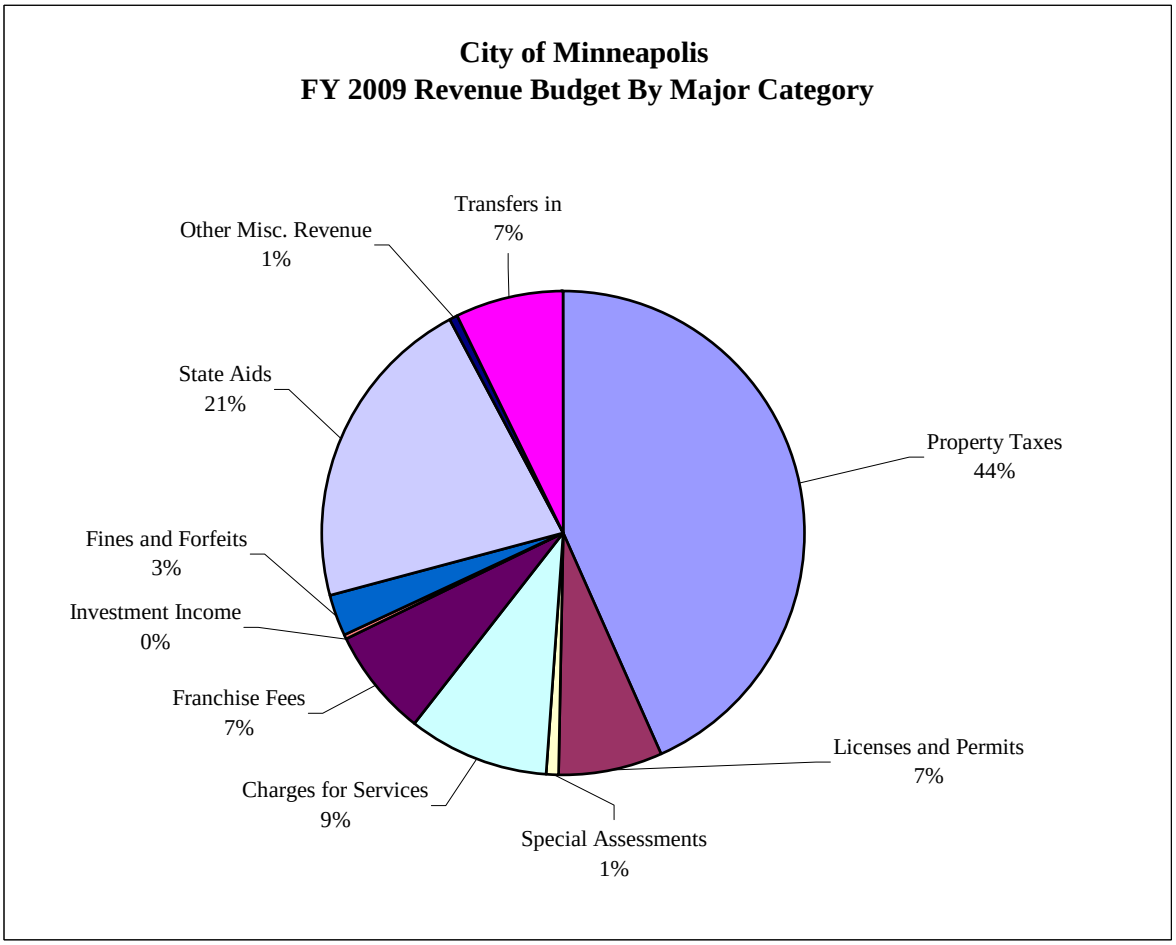
Financial Performance

The fund balance for the General Fund at fiscal year-end 2008 was $49.7 million. Based on current revenue and expenditure results, fund balance at year-end is $67.8 million. The City's practice is to maintain a minimum fund balance of 15% of the following year's revenue budget. Fifteen percent of the 2010 Adopted revenue budget is $55.8 million.

2009 Fund Balance

Fund Balance January 1, 2009	$ 49.7 million
Restoration of Fund Balance (Hilton Funds transfer)	9.9 million
Re-appropriation of Fund Balance	(1.3) million
2009 Increase in Fund Balance	9.5 million
Fund Balance, December 31, 2009	$ 67.8 million

General Fund Revenues:



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

Property taxes, the major source of General Fund revenue are received from Hennepin County in July and December. In 2009 several TIF districts were decertified resulting in additional tax revenue to the General Fund in the December tax settlement. Revenues exceeded estimates by $5.1 million.

State aids, the second major source of fund revenue (21%), are slightly less than estimated, due to lower amounts of Fire Aid received from the State.

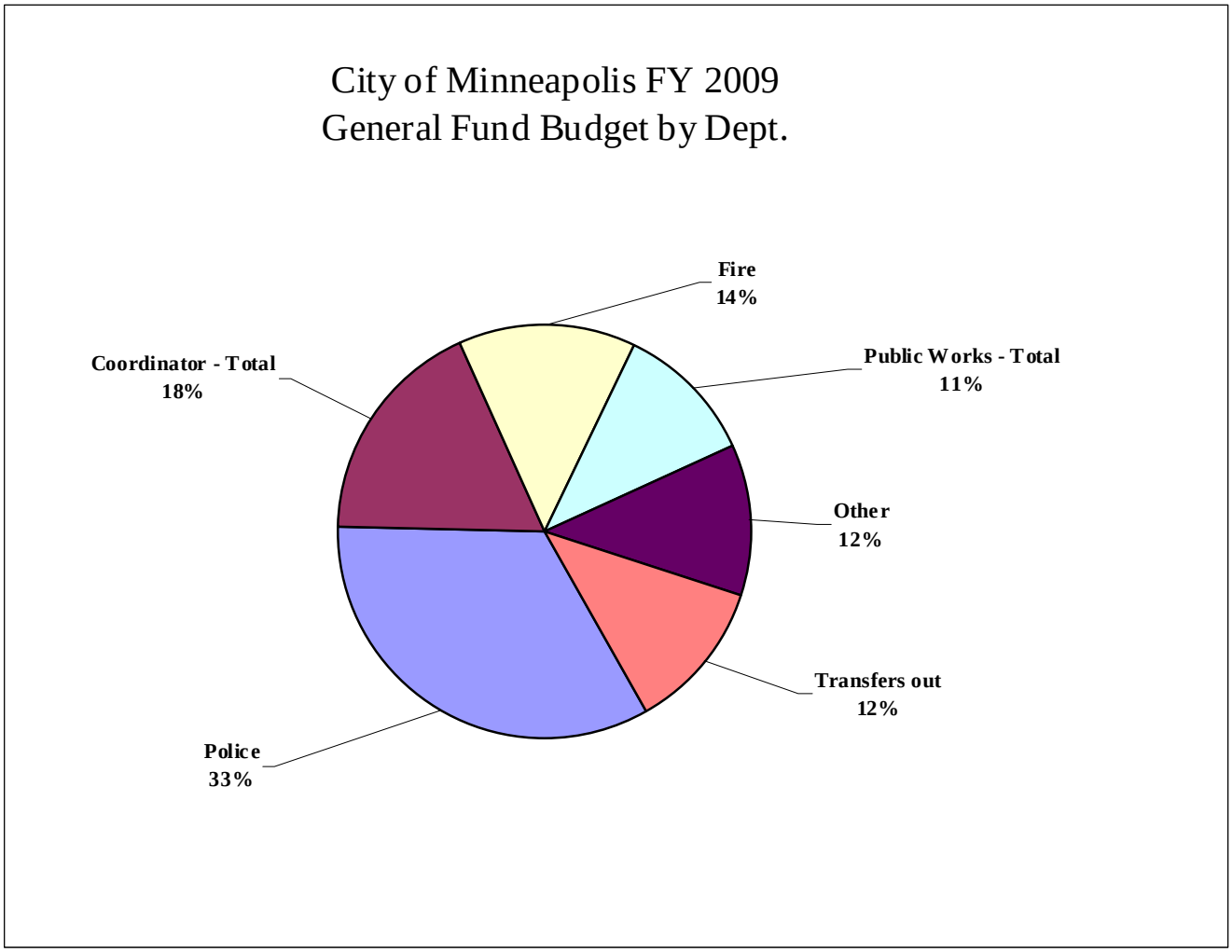
Charges for services, the third major source of fund revenue (9%), are $1.6 million over revenue estimates which are mainly due to increased revenue in utility cuts and overhead charges in Public Works.

Franchise fees, the fourth major source of revenue (7%), are slightly below the expected level due to reduced fees from natural gas.

License and permit fees (7% of fund revenue) were $480,000 greater than estimates, due to new licenses for the new baseball stadium.

Transfers in are under budget because entertainment tax collections were lower than expected.

Fines and Forfeits collections are $2.3 million less than budgeted. The decrease in revenues is particularly evident in the area of citations issued by traffic enforcement officers in the Police Department.



General Fund Expenditures:

Four departments make up 76% of the total General Fund expenditures: Police, Coordinator, Fire, and Public Works. Small percentage variances in any of these large departments can have a significant effect on the amount of General Fund expenditures.

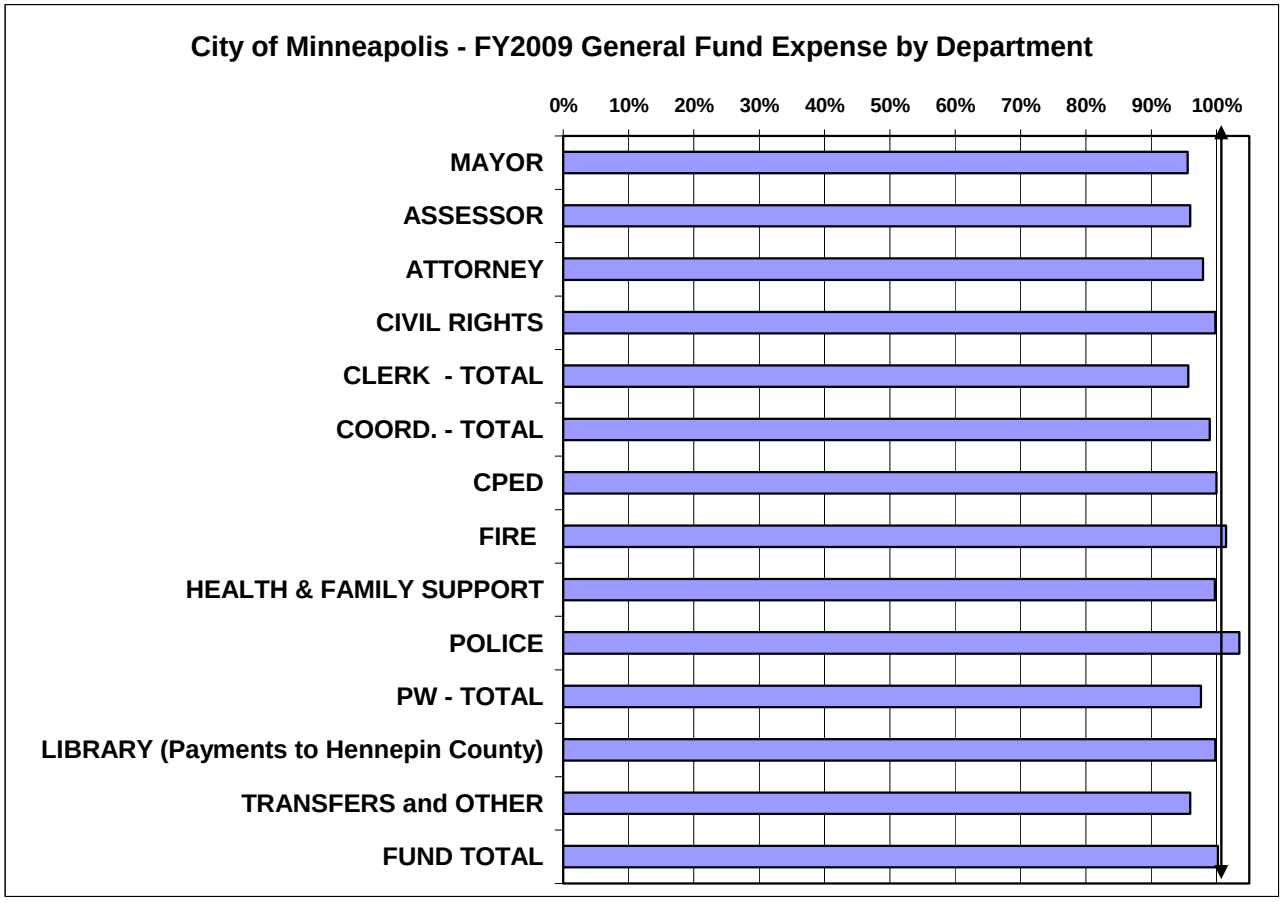
The Police Department ended the year $4.3 million over budget. In 2009, there were reductions of $1.3 and $6 million in salaries to achieve financial direction and for the supplemental budget respectively. Some of the reduction strategies related to both personnel and non-personnel have not been fully realized. In July, 87 officers were transferred to a grant resulting in $3.7 million in savings. Although the department has been under authorized FTE for part of the year, it has not been enough to offset the overstaffing that occurred the first half of the year.

The Fire Department‘s projected expenditures exceeded the budgeted amount by over $750,000. The deficit is due to a higher than anticipated vacation pay-off, an increase in out of grade pay , higher overtime costs, especially for FLSA related overtime, lower than expected military leave, and an unexpected overage in health insurance fringe costs.

The expenditures of the City Coordinator are $695,000 under budget.

The Public works department ended 2009 $1.0 million under budget.

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



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

City of Minneapolis
General Fund
December 31, 2009

				Variance	
Revenues:	**Original Budget**	**Revised Budget**	**Actual**	**Revised Budget to Actual**	**Actual as Percent of Revised Budget**
Property Taxes	165,373,960	161,448,197	166,568,883	5,120,686	103%
State Aids	88,242,122	84,667,018	84,506,323	(160,695)	100%
Charges for Services	35,519,718	36,102,718	37,717,353	1,614,635	104%
Franchise Fees	28,110,000	28,110,000	28,053,256	(56,744)	100%
Licenses and Permits	25,555,834	26,989,134	27,469,493	480,359	102%
Fines and Forfeits	10,972,924	10,866,624	8,528,637	(2,337,987)	78%
Special Assessments	3,252,926	3,252,926	3,247,493	(5,433)	100%
Investment Income	1,200,000	1,200,000	1,086,604	(113,396)	91%
Other Shared Taxes	731,823	731,823	500,381	(231,442)	68%
Other Miscellaneous	1,042,529	1,041,273	713,383	(327,890)	69%
Contributions	400,000	400,000	461,434	61,434	115%
Total Revenues	**360,401,836**	**354,809,713**	**358,853,240**	**4,043,527**	**101%**
Transfers In	17,726,000	27,902,703	28,035,811	133,108	100%
Revenues and Other Sources	**378,127,836**	**382,712,416**	**386,889,051**	**4,176,635**	**101%**
Expenditures :					
Police	128,882,712	122,619,597	126,892,261	(4,272,664)	103%
Coordinator - Total	67,372,901	66,596,968	65,902,045	694,923	99%
Fire	53,102,021	51,535,719	52,286,367	(750,648)	101%
Public Works - Total	41,914,730	42,016,040	41,082,023	934,017	98%
Attorney	7,851,901	7,680,261	7,521,331	158,930	98%
Health & Family Support	4,712,342	4,475,542	4,463,334	12,208	100%
CPED	4,146,034	3,879,034	3,878,913	121	100%
City Council & City Clerk	7,995,798	8,017,798	7,671,210	346,588	96%
Assessor	3,913,208	3,986,447	3,825,980	160,467	96%
Civil Rights	2,558,246	2,720,054	2,714,743	5,311	100%
Contingency	2,744,004	2,568,004	440,920	2,127,084	17%
Mayor	1,558,905	1,568,787	1,499,348	69,439	96%
Culture and Recreation -Library	7,500,000	7,762,963	7,749,781	13,182	100%
Total Expenditures	**334,252,802**	**325,427,214**	**325,928,256**	**(501,042)**	**100%**
Transfers Out	43,875,034	42,675,030	42,825,488	(150,458)	100%
Expenditures and Other Uses	**378,127,836**	**368,102,244**	**368,753,744**	**(651,500)**	**100%**
Change in Fund Balance			**18,135,307**		
Fund Balance - January 1, 2009			49,688,028		
Fund Balance - December 31, 2009			**67,823,335**		

Convention Center Special Revenue Fund Report

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

Revenue

Tax Revenue
The Convention Center Special Revenue Fund activity is funded from local tax receipts and Convention Center operating revenue. Tax receipts are made up of a .5% citywide sales tax; a 3% food and liquor tax applied to core downtown establishments; a 3% citywide entertainment tax; and a 2.625% citywide lodging tax for motels and hotels with 50 units or more. With the new state tax of .375% effective July 1, 2009, the lodging tax was reduced from 3% to 2.625%. The law provides that when the general sales tax rate is combined with any other taxes on lodging within the city of Minneapolis, the total tax amount may not exceed 13%. Presently, 1% of all lodging tax proceeds received by the City are paid directly to Meet Minneapolis.

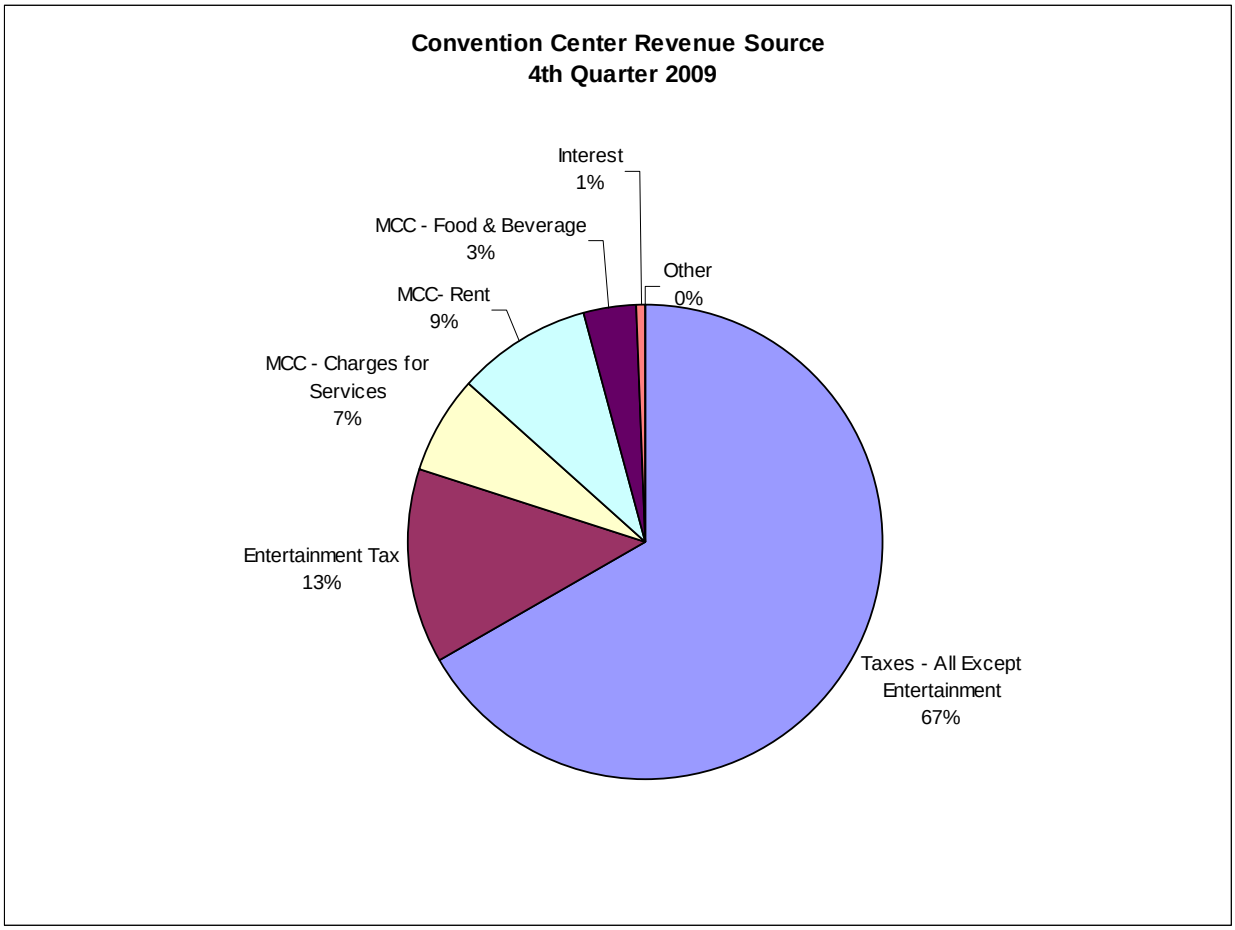
With the exception of entertainment tax, all of the other tax revenue received by the Convention Center are used to support the Convention Center's capital and operating activities. The entertainment tax, established in 1969, is a revenue source for the General Fund used to offset additional police and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

For the 4th quarter ending December 2009 tax proceeds were 9.3% below 2008 levels through the same period. Tax revenue is receipted into the month it is received from the State of Minnesota, and is variable from month to month. Tax revenue is consumer driven and based on consumer spending habits.

Tax	December 2008	December 2009	Variance	% Change
Sales	29,502,258	26,469,720	-3,032,538	-10.3%
Entertainment	9,630,576	9,071,654	-558,922	-5.8%
Food	10,789,012	9,886,796	-902,216	-8.4%
Liquor	3,939,477	3,769,455	-170,022	-4.3%
Lodging	6,619,181	5,670,601	-948,580	-14.3%
Total	**$60,480,504**	**$54,868,226**	**-5,612,278**	**-9.3%**

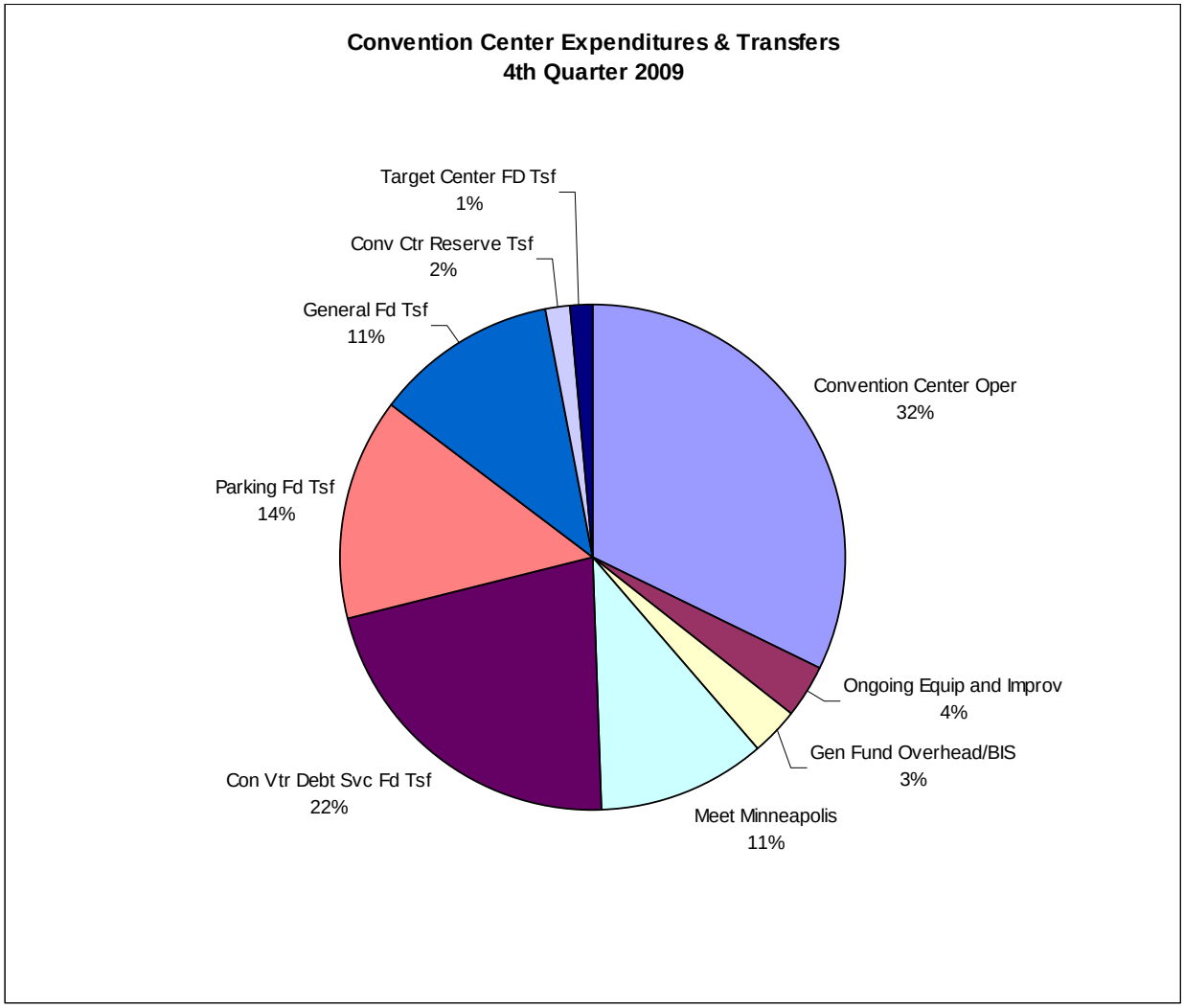
Operating Revenue
Through the 4th quarter of 2009, operating revenue has achieved 90% of budget or $1.5 million under the 2009 budget. To off-set these reductions, a close inspection of expenses combined with creative means of attracting new business were deployed.

Other Non Operating Revenue
In the 2nd half of 2009, the Convention Center assumed responsibility from CPED for managing Target Center related expenditures, which were expensed through the Convention Center’s budget. These expenses were reimbursable through a custodial agreement with Wells Fargo, and a new line – Revenue from Trusts was added to the Q4 statement to show the reimbursement from Wells Fargo. The net affect to Convention Center revenue and expenditures was zero.



Operating Expenditures

Through the 4th quarter of 2009, Convention Center operating expenses not including ongoing equipment and improvement, BIS, and General Fund Overhead were at $22.5 million or 81% of budget compared to $24.1 million last year. Convention Center expenditures as a whole finished 2009 at $34.6 million, which was $11.2 million under budget or 76% of the 2009 budget compared to $39.3 million for the year ending 2008. As the Convention Center anticipated smaller revenues for 2009, management closely watched all expenditures and applied a ROI analysis on potential new services. Cost saving mechanisms such as energy conservation, a hiring freeze, reorganization of staff, and a reduction in overtime are some of the cost containment tools that were applied. As a result of project delays, the Convention Center spent $2.4 million in 2009 on ongoing equipment and improvement, which was 30% of budget or $2.9 million less than 2008 through the same period.



Transfers

The Convention Center Fund annually transfers a share of its tax revenue to several other funds. In 2009, transfers were budgeted for the General Fund, the Convention Center Facilities Reserve Fund, the Arena Reserve Fund, the Parking Fund, and debt service. Budgeted 2009 transfers include $1.5 million to the Target Center, $8.5 million to the General Fund, a $150,000 net transfer to the Convention Center Facility Reserve Fund, $18.8 million to debt service, and $9.9 million to parking. As a result of lower than expected 2009 Entertainment Tax revenue, the transfers to the General and Arena Reserve Funds were slightly over $8 and $1 million respectively. Convention Center variable rate bonds were refinanced in 2009, and the 2009 transfer to Debt Service was $15.2 million, which was $3.6 million under budget.

Meet Minneapolis

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

City. Meet Minneapolis's quarterly Sales and Marketing payment from the City of Minneapolis is being reduced by the amount of the interest and principal payments due for that particular period. The iDSS loan is accounted for on the balance sheet as a Loan Receivable and is not reflected as an expenditure line item on the Statement of Revenues, Expenditures, and Changes in Fund Balance Budget to Actual Report.

Fund Balance

The 2009 fund balance finished the year at $48.6 million, which is an increase of $318,000 over 2008. The savings in these areas were greater than the reduction in revenue.

CONVENTION CENTER SPECIAL REVENUE FUND **CITY OF MINNEAPOLIS, MINNESOTA**
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the fiscal quarter ending December 31, 2009

	2009			
	Budget	Actual	Percent of Total	2008 Actual
REVENUE				
Operating Revenue:				
Charges for Services and Sales	5,475,000	4,583,253	84%	6,062,364
Rents and Commissions	6,435,000	6,410,144	100%	6,705,067
Catering Commissions	3,000,000	2,367,179	79%	2,801,451
Total Operating Revenue	14,910,000	13,360,576	90%	15,568,882
Tax Revenue:				
Sales and Use Tax	29,500,000	26,469,720	90%	29,502,258
Entertainment Tax	9,954,000	9,071,654	91%	9,630,576
Food Tax	10,000,000	9,886,796	99%	10,789,012
Liquor Tax	3,850,000	3,769,455	98%	3,939,477
Lodging Tax	6,000,000	5,670,601	95%	6,619,181
Total Tax Revenue	59,304,000	54,868,226	93%	60,480,504
Other Non Operating Revenue:				
Investment Management Services Interest	1,280,000	400,675	31%	835,847
Investment Income	20,000	-	0%	-
Meet Minneapolis Private Donations	75,000	75,000	0%	509,500
Meet Minneapolis (iDSS) Loan Interest	429,011	435,261	101%	1,277,715
Revenue from Trusts	-	159,573	0%	-
Other	25,000	31,804	127%	7,952
Total Other Non Operating Revenue	1,829,011	1,102,313	60%	2,631,014
Total Non Operating Revenue	61,133,011	55,970,539	92%	63,111,518
Total Revenue	76,043,011	69,331,115	91%	78,680,400
EXPENDITURES				
Convention Center Operations	27,796,293	22,476,668	81%	24,050,025
Ongoing Equipment and Improvement	8,128,997	2,449,811	30%	5,315,676
General Fund Overhead/BIS Operating	2,140,000	2,140,000	100%	1,888,547
Human Resources	-	-	-	-
Meet Minneapolis	7,665,414	7,507,236	98%	8,046,118
Total Expenditures	45,730,704	34,573,715	76%	39,300,367
Excess of Revenues Over (Under) Expenditures	30,312,307	34,757,400	115%	39,380,033
OTHER FINANCING SOURCES (USES)				
General Fund Transfer	(8,454,000)	(8,033,963)	95%	(8,365,588)
Arena Reserve Fund Transfer	(1,500,000)	(1,037,691)	69%	(1,264,988)
Facility Reserve Fund Transfer	1,000,000	1,000,000	100%	1,000,000
Convention Center Reserve Fund Transfer	(1,150,000)	(1,150,000)	100%	(1,150,000)
Convention Ctr Debt Service Transfer	(18,728,000)	(15,174,216)	81%	(16,560,311)
Other Debt Service Transfer	(75,000)	(75,000)	100%	(68,000)
Muncipal Parking Enterprise Fund Transfer	(9,969,000)	(9,969,000)	100%	(9,832,000)
Transfer to City Capital	-	-	-	(750,000)
Total Other Financing Sources (Uses)	(38,876,000)	(34,439,870)	89%	(36,990,886)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(8,563,693)	317,530		2,389,147
Fund Balance - January 1	48,306,828	48,306,828		45,917,682
Ending Fund Balance	39,743,135	48,624,358		48,306,828
Ending Cash Balance		27,776,550		27,417,674

ARENA RESERVE SPECIAL REVENUE FUND			
STATEMENT OF REVENUES, EXPENDITURES, AND			
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL			
For the fiscal quarter ending December 31, 2009			
	2009		
			2008
	Budget	**Actual**	**Actual**
REVENUES:			
Interest	-	(9,210)	73,350
Investment Income	-	-	-
Total revenues	-	(9,210)	73,350
OTHER FINANCING SOURCES (USES):			
General Fund Transfer	92,000	92,000	92,000
Transfer to Tax Incr Funds	-		-
Transfer from Tax Incr Funds		325,000	
Transfer to Debt Service	-	-	-
Muni Parking Enterprise Fund	2,241,000	2,241,000	2,241,000
Convention Ctr Opers Transfer	1,500,000	1,037,691	1,264,988
CPED Trustee Activity		(5,325,152)	
Total other financing sources (uses)	3,833,000	(1,629,461)	3,597,988
Excess of revenues and other financing sources over (under) expenditures and other financing uses	3,833,000	(1,638,671)	3,671,338
Fund balance - January 1	$1,648,562	$1,648,562	$1,674,321
Ending Fund balance	$5,481,562	$9,891	$1,648,562

CONVENTION FACILITIES RESERVE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the fiscal quarter ending December 31, 2009

	2009		
	Budget	**Actual**	**2008 Actual**
REVENUES:			
Interest	-	-	-
Total revenues	-	-	-
Excess of revenues over (under) expenditures	-	-	-
OTHER FINANCING SOURCES (USES):			
Transfer from Convention Center	1,150,000	1,150,000	1,150,000
Transfer to Convention Center	(1,000,000)	(1,000,000)	(1,000,000)
Total other financing sources (uses)	150,000	150,000	150,000
Excess of revenues and other financing sources over (under) expenditures and other financing uses	150,000	150,000	150,000
Fund balance - January 1	$5,800,450	$5,800,450	$5,650,450
Ending Fund balance	$5,950,450	$5,950,450	$5,800,450

SPECIAL REVENUE FUNDS
Federal, CDBG, and Other State and Local Grants
Quarter Ending December 31, 2009

The City receives a number of state and federal grants that are recorded in the Federal (01300), Community Development Block Grant (CDBG) (01400), HOME (01500) and Grants Other (01600) funds. These grants have varying grant periods and are used for a range of purposes.

Since the City records its financial information on a modified accrual basis the timing of cash receipts can result in grant funds reflecting a deficit cash balance. For year end reporting purposes cash deficits within funds are eliminated through short term borrowing between the funds resulting in amounts due to and due from other funds.

Federal Grants Fund (01300)

The City accounts for its federal grant activity in fund 01300. As of December 31, expenditures were $23,930,463 as compared to the same period last year expenditures of $23,830,277, representing only a slight increase.

Empowerment Zone program loans receivable totaled $4,765,424 on December 31, 2009 compared to $4,885,265 in 2008. These amounts are offset by a corresponding amount of deferred revenue. The loans and related deferred revenue are adjusted annually as part of the year end reporting.

American Recovery and Reinvestment Act (ARRA)

On February 17, 2009, the President signed the American Recovery and Reinvestment Act into law. The City has to date applied for or partnered with other organizations for recovery funding opportunities in excess of $134 million. The City has received recovery funding from the Departments of Labor, Health and Human Services, and Housing and Urban Development totaling approximately $36 million to be used for employment and training, prenatal services, community development, homelessness prevention and housing, public safety, energy, and environment projects. The majority of the activity will be recorded in fund 01300, however some related to the HUD Consolidated Plan will be recorded in fund 01400. In addition, Public Works has been awarded $10 million Federal Highway Administration funds to refurbish the Camden Bridge. As of December 31, 2009 approximately $710,922 had been expended.

CDBG Fund (01400)

The Community Development Block Grant (CDBG) is the City's largest single grant and is accounted for in fund 01400 along with three other Housing and Urban Development (HUD) Programs. The programs are the Emergency Shelter Grant Program (ESG), HOME Investment Partnerships Program and Housing Opportunities for Persons with AIDS (HOPWA). The HOME program is accounted for in fund 01500 and the combined amounts are presented in the schedule. HUD grant expenditures as of December 31, 2009 were $18,128,407 as compared to $16,500,898 for 2008. The increase is primarily due to the inclusion of the HOME program in the schedule in 2009 in the amount of $2,397,790. In 2009 there were two amendments to an existing HUD Consolidated Plan adding two new programs. The City received a $3.6 million of CDBG Recovery funds that was awarded to nine capital projects including $2 million to the Shubert Theater. The second amendment awarded $5.6 million of Neighborhood Stabilization Program (NSP) funds to address the effects of abandoned and foreclosed homes in our communities.

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

Grants Other Fund (01600)

The fund is used to account for non-federal grants and other restricted revenue sources. There were year to date expenditures of $18,308,227 and $18,078,949 on December 31, 2009 and 2008, respectively. The year to date revenue in the fund as of December 31, 2009 and 2008 is $22,437,865 and $20,654,804, respectively. This increase is primarily due to Revolving Fund revenues.

Regulatory Services Revolving Fund

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

Special Assessments	$6,349,121
Wrecking Permits	$ 78,554
Inspection Fees	$ 265,423
Re Inspection Fees	$ 53,100
Water Shut Off	$ 130,750
Forfeited Deposits	$ 165,941
Penalties	$ 119,932
Citations	$ 10,900
	$7,173,721

The excess revenue over expenditures for this program from inception in 2008 is approximately $6,656,556 and comprises 90% of the unrestricted fund balance as of December 31, 2009.

Capital Grants

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

Special Revenue Funds
Grant Funds
Quarter Ending December 31, 2009

	Federal Grants 01300	HUD Grants 01400&01500	Grants Other 01600	Total
Assets				
Cash and cash equivalents	$ 16,324	$ 242,379	$ 3,734,494	$ 3,993,197
Accounts - net	230,157	30,899		261,056
Special Assessments Receivable	4,765,424		794,742	5,560,166
Intergovernmental Receivables	7,461,231	6,946,464	763,140	15,170,835
Loans receivable-net	3,510	-	438,228	441,738
Deposits with Fiscal Agents	-	-	341,716	341,716
Due From Other Funds	-	-	8,606,605	8,606,605
Properties held for resale	304,291	6,049,846	1,147,000	7,501,137
Total Assets	$ 12,780,937	$ 13,269,588	$ 15,825,925	$ 41,876,450
Liabilities				
Salaries payable	$ 103,424	$ 37,883	$ 113,516	$ 254,823
Accounts payable	1,012,297	754,809	549,055	2,316,161
Use Taxes Payable	3,470	-	5,953	9,423
Due to Other Funds	2,714,498	6,017,380	-	8,731,878
Inter Governmental Payables	11,493		22,336	33,829
Deposits held for others			500	
Deferred revenue & Contracts	8,631,464	409,670	5,919,796	14,960,930
Deferred Special Assessments	-	-	628,230	628,230
Total Liabilites	$ 12,476,646	$ 7,219,742	$ 7,239,386	$ 26,935,274
Fund Balance	$ 304,291	$ 6,049,846	$ 8,586,539	$ 14,940,676
Total Liabilities and Fund Balance	$ 12,780,937	$ 13,269,588	$ 15,825,925	$ 41,875,950
Revenue				
Taxes-Charitable Gambling			$ 61,220	$ 61,220
Grants and Shared Revenues	$ 23,528,953	$ 16,615,613	13,647,477	53,792,043
Special Assessments	307,600		6,349,121	6,656,721
Private Contributions			1,074,064	1,074,064
Charges for Services		57,943	445,182	503,125
Wrecking Permit			78,554	78,554
Fees			265,423	265,423
Penalties			119,932	119,932
Citations		376,329	10,900	387,229
Reinspection fees			53,100	53,100
Water Shut Off Inspection			130,750	130,750
Forfeited deposits			165,941	165,941
Interest	9,946	34,198	2,847	46,991
Rent & Commisions				0
Loan Recapture	50,616	233,331		283,947
Sale of Equipment		3,743		3,743
Lands & Buildings		809,861		809,861
Miscellaneous Revenue	33,348	(2,611)	33,354	64,091
Transfer within Special Revenue Fund	-			0
Total Revenue	$ 23,930,463	$ 18,128,407	$ 22,437,865	$ 64,496,735
Expenditures	$ 23,930,463	$ 18,128,407	$ 18,308,227	$ 60,367,097
Revenues Over (Under) Expenditures	$ -	$ -	$ 4,129,638	$ 4,129,638

CDBG Program Year 35
Beginning June 1, 2008
December 31, 2009

Department	Agy	Project	Budget	Program Income	Revised Budget	2009 Current Expenditures	2009 Current Expenditures	Remaining Grant Budget
Capital Grants:								
Non-Departmental	123	General Housing Rehabilitation-MPHA	$ 219,000	$ -	$ 219,000	$ -	$ -	$ 219,000
City Attorney	140	Problem Properties Attorneys	38,000	-	38,000	12,674	12,674	25,326
Police	400	Problem Properties Police	53,000	-	53,000	-	-	53,000
Regulatory Services	835	Lead Reduction	125,000	-	125,000	-	-	125,000
Regulatory Services	835	Problem Properties Board Bldg	348,000	-	348,000	72,330	72,330	275,670
Health & Family Support	860	Childcare Facilities Loan/Grant	225,000	-	225,000	-	-	225,000
CPED	890	Adult Training, Placement and Retention	511,000	-	511,000	122,801	122,801	388,199
CPED	890	High density corridor housing	730,000	-	730,000	-	-	730,000
CPED	890	NonProfit MF Rental Development Assistance	166,000	-	166,000	-	-	166,000
CPED	890	Homeownership Program (GMMHC)	334,000	-	334,000	-	-	334,000
CPED	890	Multi-Family/Affordable Housing	5,715,000	-	5,715,000	-	-	5,715,000
CPED	890	Vacant & Boarded Housing	569,000	-	569,000	566,944	566,944	2,056
		Subtotal Capital Grants	$ 9,033,000	$ -	$ 9,033,000	$ 774,749	$ 774,749	$ 8,258,251
Public Service Grants:								
Civil Rights	300	Multi Cultural & Native American Indian	$ 121,000	$ -	$ 121,000	$ 7,823	$ 7,823	$ 113,177
Public Works	607	Graffiti Removal on Public Property	86,000	-	86,000	-	-	86,000
Health & Family Support	860	Catholic Charities	69,000	-	69,000	-	-	69,000
Health & Family Support	860	Centro Cultural Chicano Inc	47,000	-	47,000	13,313	13,313	33,687
Health & Family Support	860	Greater Minneapolis Council of Churches	36,000	-	36,000	9,121	9,121	26,879
Health & Family Support	860	Juvenile Supervision Center	100,000	-	100,000	30,357	30,357	69,643
Health & Family Support	860	Lao Family Community	69,000	-	69,000	7,134	7,134	61,866
Health & Family Support	860	Living at Home Block Nurse Program	69,000	-	69,000	17,039	17,039	51,961
Health & Family Support	860	Minneapolis Urban League	69,000	-	69,000	7,453	7,453	61,547
Health & Family Support	860	Minnesota International Health Volunteers	69,000	-	69,000	8,059	8,059	60,941
Health & Family Support	860	MPS Teenage Parenting & Pregnancy Program	69,000	-	69,000	-	-	69,000
Health & Family Support	860	Southside Community Health Services	66,000	-	66,000	-	-	66,000
Health & Family Support	860	Youth are Here Busses	51,000	-	51,000	-	-	51,000
Health & Family Support	860	Way to Grow	262,000	-	262,000	85,623	85,623	176,377
CPED	890	Advocacy (Housing)	82,000	-	82,000	65,591	65,591	16,409
CPED	890	Mortgage Foreclosure Prevention Program	140,000	-	140,000	137,000	137,000	3,000
CPED	890	Youth Employment & Training	458,000	-	458,000	127,856	127,856	330,144
		Subtotal Public Service Grants	$ 1,863,000	$ -	$ 1,863,000	$ 516,369	$ 516,369	$ 1,346,631
Administrative Grants:								
Non-Departmental	123	MPH Citizen Participation	$ 68,000	$ -	$ 68,000	$ 20,261	$ 20,261	$ 47,739
Non-Departmental	123	YCB Administration	66,000	-	66,000	64,803	64,803	1,197
Civil Rights	300	Civil Rights Dept Fair Housing	365,000	-	365,000	8,441	8,441	356,559
Grants & Special Projects	800	Grants & Special Projects	189,710	-	189,710	46,328	46,328	143,382
Grants & Special Projects	800	Homeless Initiative	77,000	-	77,000	27,177	27,177	49,823
Grants & Special Projects	800	Housing Discrimination Law Project-Legal Aid	54,000	-	54,000	31,500	31,500	22,500
Finance	820	Finance Administration	196,000	-	196,000	-	-	196,000
Health & Family Support	860	Grant Administration	68,000	-	68,000	12,113	12,113	55,887
Health & Family Support	860	Neighborhood Services	72,000	-	72,000	52,372	52,372	19,628
Health & Family Support	860	Way to Grow Administration	26,000	-	26,000	8,668	8,668	17,332
Health & Family Support	860	YCB Youth Violence Prevention	121,000	-	121,000	53,894	53,894	67,106
CPED	890	Citizen Participation	233,000	-	233,000	-	-	233,000
Health & Family Support	890	Legal Aid Society	34,000	-	34,000	-	-	34,000
CPED	890	Program Admin	62,000	-	62,000	-	-	62,000
CPED	890	Planning - Administration	879,000	-	879,000	433,255	433,255	445,745
		Subtotal Administrative Grants	$ 2,510,710	$ -	$ 2,510,710	$ 758,812	$ 758,812	$ 1,751,898
		GRAND TOTAL	$ 13,406,710	$ -	$ 13,406,710	$ 2,049,930	$ 2,049,930	$ 11,356,780

Source : GP01, GP06, & GP13 Compass Report 12/31/07 - 12/31/09 run date 3/9/2010

CDBG Program Year 34
Beginning June 1, 2008
December 31, 2009

Department	Agy	Project	Budget	Program Income	Department Actions	Revised Budget	2009 Current Expenditures	2009 Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:									
Non-Departmental	123	General Housing Rehabilitation-MPHA	$ 218,000	$ -	$ -	$ 218,000	$ 141,023	$ 141,023	$ 76,977
City Attorney	140	Problem Properties Attorneys	38,300	-	-	38,300	20,618	36,890	1,410
Police	400	Problem Properties Police	52,700	-	-	52,700	-	-	52,700
Regulatory Services	835	Lead Reduction	125,000	-	-	125,000	86,509	115,420	9,580
Regulatory Services	835	Problem Properties Board Bldg	348,000	-	-	348,000	348,000	348,000	-
Health & Family Support	860	Childcare Facilities Loan/Grant	224,000	-	-	224,000	-	-	224,000
CPED	890	Adult Training, Placement and Retention	1,380,000	-	-	1,380,000	930,182	1,261,265	118,735
CPED	890	High density corridor housing	729,000	-	-	729,000	645,413	645,413	83,587
CPED	890	NonProfit MF Rental Development Assistance	165,000	-	-	165,000	-	-	165,000
CPED	890	Homeownership Program (GMMHC)	319,000	-	-	319,000	-	-	319,000
CPED	890	Industry Cluster Program (Living Wage Jobs)	65,100	-	-	65,100	34,407	43,807	21,293
CPED	890	Multi-Family/Affordable Housing	4,270,000	-	-	4,270,000	630,925	630,925	3,639,075
CPED	890	NEDF/CEDF	518,000	-	-	518,000	95,400	95,400	422,600
CPED	890	Vacant & Boarded Housing	569,000	-	-	569,000	569,000	569,000	-
		Subtotal Capital Grants	$ 9,021,100	$ -	$ -	$ 9,021,100	$ 3,501,477	$ 3,887,143	$ 5,133,957
Public Service Grants:									
Civil Rights	300	Multi Cultural & Native American Indian	$ 119,000	$ -	$ -	$ 119,000	$ 119,000	$ 119,000	$ -
Public Works	607	Graffiti Removal on Public Property	86,200	-	-	86,200	59,697	59,697	26,503
Health & Family Support	860	Advocacy (Housing)	82,300	-	-	82,300	5,120	82,195	105
Health & Family Support	860	Curfew/Truancy Center	98,000	-	-	98,000	6,709	59,350	38,650
Health & Family Support	860	Way to Grow	261,000	-	-	261,000	125,028	260,999	1
Health & Family Support	860	Asian Media Access	26,800	-	-	26,800	18,026	18,026	8,774
Health & Family Support	860	Living at Home Block Nurse Program	64,100	-	-	64,100	54,482	64,100	-
Health & Family Support	860	Child Dental Services	10,500	-	-	10,500	2,000	10,500	-
Health & Family Support	860	Domestic Abuse Project	34,500	-	(34,500)	-	-	-	-
Health & Family Support	860	Resource Inc, Employment Action Center	44,000	-	-	44,000	18,040	38,000	6,000
Health & Family Support	860	Fremont Community Health Services	44,000	-	-	44,000	31,015	44,000	-
Health & Family Support	860	Greater Minneapolis Council of Churches	44,000	-	-	44,000	26,877	43,994	6
Health & Family Support	860	Lao Assistance Center of MN	48,800	-	-	48,800	36,624	48,800	-
Health & Family Support	860	MIGIZI Communications	42,100	-	-	42,100	34,014	42,098	2
Health & Family Support	860	MPS Teenage Parenting & Pregnancy Program	65,100	-	-	65,100	64,296	65,100	-
Health & Family Support	860	Minneapolis Urban League	64,100	-	-	64,100	42,697	63,918	182
Health & Family Support	860	St Marys Health Clinics	18,200	-	-	18,200	11,923	18,200	-
Health & Family Support	860	St Stephens Human Services	44,000	-	-	44,000	44,000	44,000	-
Health & Family Support	860	Southside Family Nurturing Center	44,000	-	-	44,000	14,964	23,273	20,727
Health & Family Support	860	348TOTS	-	-	34,500	34,500	-	-	34,500
Health & Family Support	860	Youth are Here Busses	71,800	-	-	71,800	-	-	71,800
CPED	890	Mortgage Foreclosure Prevention Program	196,000	-	-	196,000	48,915	196,000	-
CPED	890	Youth Employment & Training	457,000	-	-	457,000	452,344	456,942	58
		Subtotal Public Service Grants	$ 1,965,500	$ -	$ -	$ 1,965,500	$ 1,215,771	$ 1,758,192	$ 207,308
Administrative Grants:									
Non-Departmental	123	MPH Citizen Participation	$ 68,000	$ -	$ -	$ 68,000	$ 10,000	$ 10,000	$ 58,000
Non-Departmental	123	YCB Administration	65,000	-	-	65,000	-	64,803	197
Civil Rights	300	Civil Rights Dept Fair Housing	196,000	-	-	196,000	196,000	196,000	-
Grants & Special Projects	800	Homeless Initiative	-	-	-	-	-	-	-
Grants & Special Projects	800	Grants & Special Projects	235,000	-	-	235,000	154,649	235,000	-
Grants & Special Projects	800	Housing Discrimination Law Project-Legal Aid	54,600	-	-	54,600	22,750	54,600	-
Finance	820	Finance Administration	196,000	-	-	196,000	48,245	48,245	147,755
Health & Family Support	860	Grant Administration	67,972	-	-	67,972	16,902	67,972	-
Health & Family Support	860	Legal Aid Society	33,500	-	-	33,500	13,958	33,500	-
Health & Family Support	860	Neighborhood Services	71,800	-	-	71,800	48,325	71,800	-
Health & Family Support	860	Way to Grow Administration	25,800	-	-	25,800	15,049	25,800	-
Health & Family Support	860	YCB Youth Violence Prevention	120,000	-	-	120,000	62,758	120,000	-
CPED	890	Citizen Participation	233,000	-	-	233,000	215,924	215,924	17,076
CPED	890	Program Admin	62,000	-	-	62,000	62,000	62,000	-
CPED	890	Planning - Administration	878,000	-	-	878,000	549,997	877,793	207
		Subtotal Administrative Grants	$ 2,306,672	$ -	$ -	$ 2,306,672	$ 1,416,557	$ 2,083,437	$ 223,235
		GRAND TOTAL	$ 13,293,272	$ -	$ -	$ 13,293,272	$ 6,133,805	$ 7,728,772	$ 5,564,500

Source : GP01, GP06, & GP13 Compass Report 12/31/07 - 12/31/09 run date 3/9/2010

CDBG Program Year 33
Beginning June 1, 2007
December 31, 2009

Department	Agy	Project	Budget	Reduction Amount PHAC Recom	Program Income	Council Actions	Department Reallocation	Revised Budget	2009 Current Expenditures	2009 Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:											
Non-Departmental	123	General Housing Rehabilitation-MPHA	$ 227,700	$ -	$ -	$ -	$ -	$ 227,700	$ 40,832	$ 115,488	$ 112,212
City Attorney	140	Problem Properties Attorneys	38,915	-	-	-	-	38,915	-	38,915	-
Fire	280	Problem Properties Fire	15,965	-	-	(15,965)	-	-	-	-	-
Police	400	Problem Properties Police	53,880	-	-	-	-	53,880	-	1,012	52,868
Regulatory Services	835	Lead Reduction	130,800	-	-	-	-	130,800	-	91,789	39,011
Regulatory Services	835	Problem Properties Board Bldg	346,240	-	376,329	15,965	-	738,534	249,237	738,534	-
Health & Family Support	860	Childcare Facilities Loan/Grant	233,700	-	-	-	-	233,700	-	-	233,700
CPED	890	Adult Training, Placement and Retention	844,000	-	-	-	-	844,000	4,316	844,000	-
CPED	890	High density corridor housing	801,000	-	-	-	-	801,000	767,101	792,606	8,394
CPED	890	Homeownership Program (GMMHC)	350,500	-	-	-	(348,426)	2,074	-	-	2,074
CPED	890	Industry Cluster Program (Living Wage Jobs)	71,900	-	-	-	-	71,900	60,900	71,900	-
CPED	890	Multi-Family/Affordable Housing	4,388,000	-	-	-	-	4,388,000	3,137,746	3,267,868	1,120,132
CPED	890	NEDF/CEDF	1,167,000	-	-	-	-	1,167,000	706,313	930,333	236,667
CPED	890	NonProfit MF Rental Development Assistance	180,700	-	-	-	-	180,700	103,627	103,627	77,073
CPED	890	Vacant & Boarded Housing	625,000	-	-	-	348,426	973,426	(1,955,247)	1,556,525	(583,099)
		Subtotal Capital Grants	$ 9,475,300	$ -	$ 376,329	$ -	$ -	$ 9,851,629	$ 3,114,825	$ 8,552,597	$ 1,299,032
Public Service Grants:											
Civil Rights	300	Multi Cultural & Native American Indian	$ 132,800	$ -	$ -	$ -	$ -	$ 132,800	$ 10,852	$ 132,800	$ -
Public Works	607	Graffiti Removal on Public Property	91,400	-	-	-	-	91,400	-	91,400	-
Health & Family Support	860	Advocacy (Housing)	94,300	(1,700)	-	-	-	92,600	-	92,600	-
Health & Family Support	860	Asian Media Access	29,900	100	-	-	-	30,000	-	30,000	-
Health & Family Support	860	Child Dental Services	11,000	-	-	-	-	11,000	(1)	11,000	-
Health & Family Support	860	Curfew/Truancy Center	97,900	100	-	-	-	98,000	-	98,000	-
Health & Family Support	860	Domestic Abuse Project	39,900	100	-	-	-	40,000	27,500	40,000	-
Health & Family Support	860	Fremont Community Health Services	49,900	100	-	-	-	50,000	-	50,000	-
Health & Family Support	860	Greater Minneapolis Council of Churches	49,900	100	-	-	6,261.00	56,261	300	50,000	6,261
Health & Family Support	860	Lao Assistance Center of MN	54,900	100	-	-	-	55,000	-	55,000	-
Health & Family Support	860	Living at Home Block Nurse Program	74,900	100	-	-	(40.00)	74,960	-	74,960	-
Health & Family Support	860	MIGIZI Communications	47,900	100	-	-	-	48,000	-	48,000	-
Health & Family Support	860	MPS Teenage Parenting & Pregnancy Program	75,900	100	-	-	-	76,000	-	76,000	-
Health & Family Support	860	Minneapolis Urban League	74,900	100	-	-	-	75,000	-	75,000	-
Health & Family Support	860	Resource Inc, Employment Action Center	49,900	100	-	-	-	50,000	-	49,999	1
Health & Family Support	860	St. Mary's Health Clinics/Cardondelet Life Care	21,000	-	-	-	-	21,000	-	21,000	-
Health & Family Support	860	St Stephens Human Services	49,900	100	-	-	-	50,000	-	50,000	-
Health & Family Support	860	Southside Family Nurturing Center	49,900	100	-	-	(6,221.00)	43,779	6,221	50,000	(6,221)
Health & Family Support	860	Way to Grow	295,600	400	-	-	-	296,000	-	296,000	-
CPED	890	Mortgage Foreclosure Prevention Program	204,700	-	100,000	95,300	-	400,000	-	400,000	-
CPED	890	Youth Employment & Training	476,133	-	-	-	-	476,133	23,932	476,133	-
		Subtotal Public Service Grants	$ 2,072,633	$ -	$ 100,000	$ 95,300	$ -	$ 2,267,933	$ 68,804	$ 2,267,892	$ 41
Non-Departmental	123	MPH Citizen Participation	$ 70,900	$ -	$ -	$ -	$ -	$ 70,900	$ 10,000	$ 10,000	$ 60,900
Non-Departmental	123	YCB Administration	64,900	-	-	-	-	64,900	-	64,803	97
Civil Rights	300	Civil Rights Dept Fair Housing	205,000	-	-	-	-	205,000	143,832	205,000	-
Grants & Special Projects	800	Homeless Initiative	-	-	-	-	-	-	-	-	
Grants & Special Projects	800	Grants & Special Projects	244,900	-	-	-	-	244,900	4,940	244,900	-
Grants & Special Projects	800	Housing Discrimination Law Project-Legal Aid	56,900	-	-	-	-	56,900	-	56,900	-
Finance	820	Finance Administration	205,000	-	-	-	-	205,000	146,865	205,000	-
Health & Family Support	860	Grant Administration	71,900	-	-	-	-	71,900	-	70,354	1,546
Health & Family Support	860	Neighborhood Services	74,900	-	-	-	-	74,900	-	74,900	-
Health & Family Support	860	Way to Grow Administration	27,000	-	-	-	-	27,000	-	27,000	-
Health & Family Support	860	YCB Youth Violence Prevention	-	-	-	-	-	-	-	-	-
Health & Family Support	860	Legal Aid Society	35,000	-	-	-	-	35,000	-	35,000	-
CPED	890	Citizen Participation	242,700	-	-	-	-	242,700	(28,645)	223,513	19,187
CPED	890	Planning - Administration	878,000	-	-	-	-	878,000	(67,419)	844,290	33,710
CPED	890	Program Admin	103,000	-	-	-	-	103,000	67,057	103,000	-
		Subtotal Administrative Grants	$ 2,280,100	$ -	$ -	$ -	$ -	$ 2,280,100	$ 276,630	$ 2,164,660	$ 115,440
	123	Block E Deficit Reduction	0					-	-	-	-
		GRAND TOTAL	$ 13,828,033	$ -	$ 476,329	$ 95,300	$ -	$ 14,399,662	$ 3,460,259	$ 12,985,149	$ 1,414,513

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

[2] Approved by Finance Officer

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

[4] Council Action 2008R-060.

[5] Vacant & Boarded for Yr 33 has an unresolved over expended amount of 583,099 as of December 31, 2009 that will be addressed in 2010

[6] Department Reallocation Request 2/5/2010

Source : GP01, GP06, & GP13 Compass Report 12/31/07 - 12/31/09 run date 3/9/2010

CDBG Program Year 32
Beginning June 1, 2006

Agy	Project	Adopted Budget	Revised Budget	2009 Current Expenditures	2009 Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:						
400	Problem Properties Police	$ 64,050	$ 64,050	$ -	$ -	$ 64,050
835	Problem Properties Board Bldg	54,900	73,200	-	54,900	18,300
860	Childcare Facilities Loan/Grant	292,000	148,192	1,046	12,379	135,813
890	Multi-Family/Affordable Housing	4,999,000	4,700,000	113,995	4,398,234	301,766
890	NonProfit MF Rental Development Assistance	226,000	213,321	(51,027)	90,721	122,600
890	Residential Loan/Grant	-	206,026	-	-	206,026
890	Vacant & Boarded Housing	1,154,000	3,295,649	944,463	3,295,681	(32)
	Subtotal Capital Grants	6,789,950	8,700,438	1,008,477	7,851,915	848,523
Public Service Grants:						
860	GMDCA Child Care	135,000	127,427	-	-	127,427
	Subtotal Public Service Grants	135,000	127,427	-	-	127,427
Administrative Grants:						
123	Citizen Participation MPHA	88,000	83,105	14,586	43,900	39,205
890	Planning - Administration	1,146,800	1,040,893	103	1,041,101	(208)
	Subtotal Administrative Grants	1,234,800	1,123,998	14,689	1,085,001	38,997
	GRAND TOTAL	$ 8,159,750	$ 9,951,863	$ 1,023,166	$ 8,936,916	$ 1,014,947

CDBG Program Year 31
Beginning June 1, 2005

Agy	Project	Adopted Budget	Revised Budget	2009 Current Expenditures	2009 Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:						
400	Problem Properties Police	$ 71,476	$ 71,476	$ 6,617	$ 36,863	$ 34,613
835	Problem Properties Board Bldg	49,557	73,382	-	44,966	28,416
860	Childcare Facilities Loan/Grant	306,869	306,869	9,397	115,540	191,329
890	High density corridor housing	953,008	953,008	(61,759)	953,096	(88)
890	NonProfit MF Rental Development Assistance	238,252	238,252	(2,600)	235,652	2,600
890	Residential Loan/Grant	571,805	810,979	56,101	571,805	239,174
	Subtotal Capital Grants	2,190,967	2,453,966	7,755.88	1,957,922.50	496,043.50
Administrative Grants:						
123	Citizen Participation MPHA	93,395	93,395	-	53,395	40,000
800	Metro Fair Housing-Multi Jurisdictional	17,154	17,154	-	16,154	1,000
	Subtotal Administrative Grants	110,549	110,549	-	69,549	41,000
	GRAND TOTAL	$ 2,301,516	$ 2,564,515	$ 7,756	$ 2,027,472	$ 537,044

CDBG Program Year 30
Beginning June 1, 2004

Agy	Project	Adopted Budget	Revised Budget	2009 Current Expenditures	2009 Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:						
835	Boarded Building Demolition	$ 202,000	$ 201,629	$ -	$ 198,608	$ 3,021
835	Hud Lead Program		145,317	-	132,373	12,944
850	Hud Lead Program	180,000	34,353	-	34,353	-
890	Home Ownership Program (GMMHC)	465,000	464,146	311,113	355,072	109,074
	Subtotal Capital Grants	847,000	845,445	311,113	720,407	125,038
Administrative Grants:						
123	Citizen (Resident) Participation-MPHA	$ 98,000	$ 97,820	$ -	$ 93,608	$ 4,212
	Subtotal Administrative Grants	$ 98,000	$ 97,820	$ -	$ 93,608	$ 4,212
	GRAND TOTAL	$ 945,000	$ 943,265	$ 311,113	$ 814,015	$ 129,250

CPED Special Revenue Fund Component Programs
Budget and Actual Expenditures
Cash and Fund Balance
4th Quarter 2009

	Original Budget	Current Budget	Expended	Remaining Budget	Cash	Fund Balance
Tax Increment Financing Program	51,846,156	125,135,333	97,526,855	27,608,478	76,954,532	107,950,130
Housing & Economic Development	9,834,894	30,752,427	10,166,321	20,586,106	21,426,712	26,972,440
Development Accounts	12,287,738	34,977,219	29,184,332	5,792,887	23,418,742	48,981,670
Neighborhood Revitalization Program	-	28,659,104	7,531,096	21,128,008	52,547,415	52,974,062
Preliminary Planning	2,372,311	2,372,311	1,384,958	987,353	(3,069,971)	(2,871,973)
CPED Operating	7,866,034	7,843,034	7,195,474	647,560	(3,585,843)	(4,779,966)
Total	84,207,133	229,739,428	152,989,036	76,750,392	167,691,587	229,226,363

Fund Balance. The fund balance of the CPED Special Revenue Fund is reserved for land held for development ($37,831,177,) for encumbrances ($8,697,261,) for prepaid items, loans and advances ($6,389,708,) and for special development projects ($111,089,542.) **The remaining $65,218,675 of fund balance is unreserved but restricted to the legal purposes of the special revenue.**

Tax Increment Financing. This program accounts for financial resources to be used for the acquisition and betterment of land and facilities in designated areas of the City. A major financing tool and the primary source of revenue for this program is property tax increment. Generally used to pay outstanding bonds and notes, **tax increment revenues are restricted revenues under State law.**

Housing and Economic Development. Small business loans, housing rehabilitation, and mortgage assistance are the major activities in this program. This program also accounts for the collection of administration fees and the related expenditures for the issuance of housing and economic revenue bonds.

Development Account. This program provides interim loans to CPED projects. The program may also provide loans and grants to organizations within the City. Program assistance is directed to commercial, job-creation, and housing activities. The Program includes activities of the Legacy Fund, the Neighborhood Development Account and the Development Account.
The fund balance includes reserves for prior commitments made by Council action, including $5 million for the Planetarium and $21.3 million in 2010 through 2013 for the Accelerated Infrastructure Program.

Neighborhood Revitalization Program. This program focuses on the delivery of City services, including housing and commercial development, to individual neighborhoods based on the priorities set by the people who live and work in those neighborhoods.
Revenues held in this Program are restricted in their use by State law.

Preliminary Planning. The Preliminary Planning program was established to account for the early costs of planning and assessing the feasibility of development activities. Preliminary Planning allocations and appropriations lapse at year end.
Additional resources eligible to capitalize this program will be identified in 2010.

CPED Operating. This program provides the working capital to finance CPED's administrative costs. The program also provides financing for projects not eligible for CPED's restrictive revenue sources. The program has experienced the pressure from the combination of dwindling development resources and increasing charges from various City rate models in recent years. **A plan to address the deficit in this fund will be developed as part of the 2011 budget.**

City of Minneapolis
Engineering, Materials, and Testing
For the Fourth Quarter ending December 31, 2009

Fund 6000	2009 Budget	2009 Actual	Remaining Budget	% of Actual To Budget
Revenue including Transfers	1,430,000	1,456,600	(26,600)	101.9%
Expenses including Transfers	1,830,017	1,121,125	708,892	61.3%
Revenue over(under) Expenses	(400,017)	335,475		

Program Description:
The Engineering, Materials and Testing Fund records transactions related to City purchases of Hot-Mix Asphalt and Ready-Mix Concrete. This fund monitors quality control for the placement of these materials and assures compliance with State and Federal standards and specifications. The Engineering Laboratory is a component of this fund and provides inspection and testing services along with maintaining a laboratory for testing construction materials, performing geotechnical evaluations, and coordinating related environmental field services.

Revenue:
The revenue sources for this fund include the sale of procured Hot-Mix Asphalt and Ready-Mix Concrete materials and inspection and testing services. Paving construction is the fund's primary customer. The demand for products is seasonal beginning in April and concluding in late November. The seasonal demand has recorded $1,456,600 or 101.9% of the budgeted amount of $1,430,000 earned through the fourth quarter of 2009.

The revenue recorded through fourth quarter 2008 and 2009 for asphalt and concrete cannot be compared with fourth quarter 2007 due to differences in recording sales revenue as the result of implementing a new financial reporting system in 2008. Revenue for asphalt and concrete is recorded equal to the overhead charged or the difference between the cost of the product and the sale price charged to the customer. As the cost of goods sold is not recorded against the budget, the amount budgeted for 2009, $2,772,964, is removed from both the revenue and expense budgets. The revenue earned for year ending 2007 for asphalt and concrete is based on the sales price to the customer which is the total of the cost of goods and the overhead charge. The operating revenue through the fourth quarter is $1,456,227 and consists of inspection fees of $830,165 and mark up to the cost of asphalt and concrete of $626,063. The overhead charged on asphalt and concrete is calculated to cover the cost of the department expenses.

Expenses:
Total expenses through the fourth quarter are $1,121,125 which is 61.3% of the budgeted amount of $1,830,017. The amount budgeted for Materials/Other, $481,053, includes $379,355 that was previously budgeted in Personnel. The Personnel budget was decreased due to a reduction of FTE caused by the elimination of vacant positions and the amount reallocated to Materials/Other. Expenses recorded through fourth quarter 2008 and 2009 related to Materials/Other cannot be compared to the expenses for materials in 2007 due to differences in methods to record the cost of purchases of asphalt and concrete. In 2008 and 2009, the cost of asphalt and concrete is decreased as these products are sold to the customers.

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

Net Assets and Cash Balance:
Changes in demand for products and services affect the net asset balance. The 2009 year end net asset balance is $490,398 which represents a increase of $327,974 from the 2008 ending balance of $162,425. The 2009 ending cash balance is $560,148, an increase of $423,202 from the ending balance of $136,949 in 2008.

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

	Budget Year 2009	For Year Ending 2009	For Year Ending 2008	For Year Ending 2007
Operating Revenues:				
Asphalt / Concrete[1]	400,000	626,063	208,621	3,251,259
Inspection revenue	1,030,000	830,165	1,069,484	846,122
Total Operating Revenues	1,430,000	1,456,227	1,278,105	4,097,381
Operating Expenses:				
Personnel	766,925	739,886	718,936	774,687
Contractual	423,052	211,541	498,215	321,108
Materials/Other[1]	481,053	37,141	67,190	2,901,513
Rent	85,763	61,273	61,002	96,378
Depreciation	15,224	13,283	15,224	17,349
Total Operating Expenses	1,772,017	1,063,125	1,360,567	4,111,034
Operating Margin	(342,017)	393,103	(82,462)	(13,653)
Non-Operating Revenues/(Expenses)				
Transfer from other fund	-	-	-	-
Transfers to other fund	(58,000)	(58,000)	(53,000)	(42,000)
Other revenue	-	373	-	-
Total Non-Operating Revenues (Expenses)	(58,000)	(57,627)	(53,000)	(42,000)
Net Income	(400,017)	335,476	(135,462)	(55,653)
Significant Balance Sheet Items				
Cash balance		560,148	136,946	243,364
Accounts receivable		-	214,332	-
Reserve for renewal		(639,673)	(639,673)	(639,673)
Net assets		490,398	162,424	196,191

[1]The 2009 revenue budget for apshalt and concrete is reduced by the cost of goods sold, $2,772,964, to account for only overhead charged. The operating budget is reduced by the same amount.

The 2009 budget for Materials includes $379,355 of personnel budget that was moved from Personnel to Materials to account for vacant positions.

City of Minneapolis
Fleet Services Division
For the Fourth Quarter Ending December 31, 2009

Fund 6100	2009 Budget	2009 Actual	Remaining Budget	% of Actual To Budget
Revenue including transfers	47,054,500	42,931,832	4,122,668	91.2%
Expenses including transfers	46,823,948	40,256,253	6,567,695	86.0%
Revenue Over (Under) Expenses	230,552	2,675,579		

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

Revenue:
The revenue for this fund is earned from charges to City departments for rental of equipment and drivers, maintenance of equipment, and the sale of fuel. The rental rates are calculated through an activity based rate model and are adjusted at the beginning of the current year to account for any changes in fuel prices or expected utilization of equipment. In 2009, the fourth quarter revenue is $42,931,832 which represents a margin of 6.6% over total expenses of $40,256,253. Operating revenue earned through fourth quarter of 2009 is decreased by 7.7% from the revenue earned through the same period in 2008. The decrease in revenue is primarily due to a decrease in the demand for equipment labor services and a decrease of $1.5 million in revenue from the sale of fuel compared to 2008.

Expenses:
Expenses through fourth quarter 2009 are $40,256,253 and represent 86.0% of the annual budgeted amount of $46,823,948. Personnel expenses represent 38.1% of the total fourth quarter operating expenses and increased 1.4% over the amount expended in 2008. The cost of health care benefits is the primary reason for the increase. For the period ending fourth quarter 2009, the cost of Materials, Supplies and Services decreased 26.1% over the amount expended through the same period in 2008. The primary reason for the decrease is a drop in the fixed price paid for fuel resulting in a $1.7 million decrease in fuel purchases for resale to other City departments. The fund also experienced a decrease in the use of fuel which contributed the drop of material cost. The budget for materials and supplies increased by $3.7 million due to a transfer of budget from personnel that resulted when vacant positions were eliminated. Beginning in 2008, the cost of fuel inventory is recorded in Materials, Supplies, and Services rather than as a calculated cost of stores issuance due to implementation of new financial recording software in 2008.

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

Net Assets and Cash Balance:
The net asset balance for year ending 2009 is $26,457,801 an increase of $2,673,705 or 11.2% over the 2008 ending balance of $23,784,096. Net asset balance for 2009 is tracking close to the net asset balance calculated in the long range financial plan. Since the long-range financial plan was determined in 2001, the fund has consistently recorded increases in net assets. The net assets are expected to increase over the next decade as the fund continues to replace old equipment and pay off the $27.8 million in bonds that are currently outstanding. The financial plan for this fund eliminated the sale of bonds to finance equipment purchases.

The fund maintains a positive cash balance with a 2009 ending balance of $1,377,330, an increase of $1,426,037 over the cash balance deficit of $48,707 at year end 2008. The cash balance is generally inversely proportional to the amount expended for equipment purchases.

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

	Budget Current Year 2009	For Year Ending 2009	For Year Ending 2008	For Year Ending 2007
Operating Revenues:				
Charges for Services and Sales	15,660,000	14,476,005	17,181,991	16,859,053
Rent Public Works and Other	27,004,000	23,977,769	24,478,068	22,360,887
Total Operating Revenue	42,664,000	38,453,774	41,660,059	39,219,940
Operating Expenses:				
Personnel Services	14,622,689	14,644,932	14,438,819	15,333,808
Contractual Services	9,330,775	8,824,734	10,001,880	8,499,738
Materials, supplies, services and other[1]	14,464,429	7,560,878	10,234,140	5,086,495
Rent	1,072,367	1,072,367	997,955	980,092
Cost of Stores Issuance[2]	-		-	4,418,735
Depreciation	5,424,788	6,339,694	5,424,788	5,148,715
Total Operating Expenses	44,915,048	38,442,605	41,097,582	39,467,583
Operating Margin	(2,251,048)	11,169	562,477	(247,642)
Non-Operating Revenues/(Expenses):				
Interest Revenue	500	22	-	791
Interest on Bonds	(1,406,900)	(1,311,648)	(1,416,391)	(1,732,900)
Gains/Losses on disposal of fixed assets	200,000	59,322	164,042	281,943
Damages/Losses recovered	-	12,270	453	4,338
Other Revenue	10,000	226,444	29,647	-
Total Non-Operating Revenues(Expenses)	(1,196,400)	(1,013,590)	(1,222,249)	(1,445,828)
Operating Transfers in (out)				
Transfers from other fund	4,180,000	4,180,000	4,180,000	4,180,000
Transfers to other fund	(502,000)	(502,000)	(453,000)	(332,000)
Total Operating Transfers	3,678,000	3,678,000	3,727,000	3,848,000
Net Income	230,552	2,675,578	3,067,228	2,154,529
Significant Balance Sheet Items				
Cash balance		1,377,330	(48,707)	199,937
Fleet Purchases		5,454,374	6,996,372	4,356,604
Net Building Value		24,027,837	24,630,247	25,221,580
Net Fleet Value		27,893,454	28,818,735	27,721,241
Bonds Payable		27,780,000	30,914,014	33,415,028
Significant Cash Flow Items				
Principal on Work out Bonds	(1,525,000)	(1,525,000)	(1,885,000)	(5,235,000)
Principal on Facilities Bonds	(530,000)	(530,000)	(525,000)	(395,000)

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

[2] Cost of Stores Issuance is included in Materials due to functionality of inventory system implemented in 2008.

City of Minneapolis
Property Services Division
For the Fourth Quarter ending December 31, 2009

Fund 06200	2009 Budget	2009 Actual	Remaining Budget	% of Actual to Budget
Revenues including transfers	22,789,833	22,053,342	736,491	96.8%
Expenses including transfers	23,323,378	22,040,843	1,282,535	94.5%
Revenue Over (Under) Expenses	(533,545)	12,499		

Program Description:
The Property Services Fund is responsible for the maintenance and upkeep of City owned buildings including police precinct structures, fire stations, public works buildings and parking structures. The fund does not include City Hall, the Convention Center, Parking Facilities, or Water and Park Board buildings. The fund is also responsible for the Radio Shop which maintains the City's emergency communications network. Beginning in 2009, the Council approved a City-wide charge for City Hall rent. The Property Service fund collects the rental charge and remits to the Municipal Building Commission. The revenue and expenditure budgets for the fund were increased by $4,253,000 to account for this flow through rental charge. The City departments located in City Hall received an appropriation increase to fund the rent.

Revenue:
This fund collects revenue from the City departments that use its goods and services (building space, operational maintenance, security, space and asset management, energy management, janitorial and radio services). The rate structure is configured to enable the fund to charge the amount required to recover the cost of the goods and services provided to City departments and the cost of the fund's overhead. Operating revenue through fourth quarter 2009 is $21,313,400 or 96.3% of the budgeted amount of $22,135,083. Revenue earned in the fourth quarter of 2009 is 14.3% higher than the amount earned through the same period in 2008 due to the addition of the City Hall rent collected by Property Services from City departments with offices in City Hall and remitted to Municipal Building Commission.

Expenses:
The operating expenses through the fourth quarter are $21,943,843 or 94.5% of the total budgeted amount of $23,226,378. Personnel expenses of $8,053,178 accounted for 36.7% of total operating costs. Operating expenses for fourth quarter 2009 increased 13.0% over the expenses through the same period in 2008 due to the payment to MBC for the maintenance services provided to City Hall. The payment to MBC is considered a contractual service expense and accounts for the increase in these expenses from 2008 to 2009.

Transfers:
Property Services is responsible for paying $350,000 per year in debt service. In 2009, the debt service consists of $590,000 in principal payment and $286,912 of interest. Each year, the general fund transfers an amount to cover the difference between the $350,000 and the total debt payment for the year. In 2009, the transfer amount for debt service is $547,000 with an additional amount of $107,750 as an appropriation increase for City Hall rent. There is also a transfer out of $97,000 related to the debt service for the Minneapolis Employees Retirement Fund's unfunded pension liability.

Net Assets and Cash Balance:
The net asset balance for the year ending 2009 is $27,122,603 a decrease of $313,470 from the net asset balance of $27,436,073 for year ending 2008. In 2002 the City began capitalizing all of its assets, including buildings that are included in this fund. The rate model for this fund does not recover the depreciation costs related to these assets. The depreciation of capital assets will continue to decrease the net asset position. The ending cash balance for 2009 is $352,982 a decrease of $239,032 from the ending cash balance of $592,014 at year end 2008.

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

	Budget Current Year 2009	For Year Ending 2009	For Year Ending 2008	For Year Ending 2007
Operating Revenues:				
Charges for Services And Sales	9,109,500	8,280,795	10,331,776	11,614,196
Rents Public Works and Other[1]	13,025,583	13,032,606	8,310,079	7,306,214
Total Operating Revenue	22,135,083	21,313,400	18,641,855	18,920,410
Operating Expenses:				
Personnel Services	7,633,881	8,053,178	8,425,687	8,086,044
Contractual Services[1]	11,718,381	10,866,099	7,884,805	8,250,828
Materials, Supplies, Services and Other	2,294,743	1,510,368	1,659,998	1,888,872
Rent	358,312	358,312	221,430	197,703
Depreciation	1,221,061	1,155,886	1,221,061	1,226,033
Total Operating Expenses	23,226,378	21,943,843	19,412,980	19,649,480
Operating Margin	(1,091,295)	(630,443)	(771,126)	(729,069)
Non-Operating Revenues/(Expenses):				
Interest Revenue	-	11	8	83
Interest on Bonds	(306,563)	(286,912)	(312,896)	(357,363)
Other rev	-	85,181		
Total Non-Operating Revenues(Expenses)	(306,563)	(201,720)	(312,888)	(357,280)
Operating Transfers in(out)				
Transfers from other fund	654,750	654,750	668,000	653,000
Transfers to other fund	(97,000)	(97,000)	(88,000)	(69,000)
Total Operating Transfers	557,750	557,750	580,000	584,000
Net Income	(840,108)	(274,412)	(504,014)	(502,349)
Significant Balance Sheet Items				
Operating Cash		352,982	592,014	829,006
Bonds Payable	(6,825,000)	(6,825,000)	(7,415,000)	(8,262,505)
Net Assets		27,122,603	27,436,043	27,908,327
Significant Cash Flow Items				
Bond Principle payments	590,000	590,000	655,000	615,000

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

City of Minneapolis
Public Works Stores
For the Fourth Quarter ending December 31, 2009

Fund 6300	2009 Budget	2009 4th Quarter	Remaining Budget	% of Actual To Budget
Revenue including Transfers	1,022,624	1,560,241	(537,617)	152.6%
Expenses including Transfers	1,369,268	1,233,274	135,994	90.1%
Revenue over(under) Expenses	(346,644)	326,967		

Note: In 2008 $218000 of inventory materials was expensed but not recorded to inventory until 2009. Recording materials to inventory decreases the expense account resulting in an increase to net income. This increase in net income is recorded in 2009.

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

Revenue:
With the implementation of the new financial system, the recording of revenue is changed. Previously, goods were priced for sale at cost plus calculated overheads to cover the cost of the fund's expenses for personnel, contractual services, materials and rent. The current system records only the overheads charged and does not calculate a cost of goods sold. As the system does not record cost of goods sold, this amount is removed from the revenue and expense budgets for this fund. The revenue earned through fourth quarter 2009 is $1,560,241. Revenue is significantly increased over the budgeted amount due to an expense of $218,000 for inventory materials recorded in 2008 and the recording of these materials to inventory occurring in 2009. When materials are recorded to inventory, the cost of the materials is removed from the expense account. Removing this expense in 2009 resulted in an increase to net income to correct the understated net income in 2008. Revenue through fourth quarter 2008 and 2009 does not include an amount for cost of goods sold and cannot be compared to fourth quarter 2007.

Expenses:
The total expense through the fourth quarter 2009 is $1,233,274. This total does not include the cost of stores issuance in 2008 and 2009. The expense for materials in 2009 is significantly decreased from 2008 due to an inventory expense of $218,000 recorded in 2008 but not removed from the account until 2009. The expenses recorded through fourth quarter of 2009 represent 90.1% of the adjusted budgeted amount of $1,369,268.

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

Net Assets and Cash Balance:
The fund continues to maintain a positive equity with a net asset balance at year end 2009 of $3,203,361 and a balance of $2,885,267 at year end 2008. The 2009 ending cash balance is a deficit of $1,566,088. The cash balances for 2007 and 2008 were also deficits of $561,054 and $2,284,118 respectively.

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

	Budget Current Year 2009	For Year Ending 2009	For Year Ending 2008	For Year Ending 2007
Operating Revenues:				
Central Stores[1]	609,008	934,156	748,427	1,302,372
Traffic Stores[1]	413,616	626,041	312,466	3,032,600
Total Operating Revenues	1,022,624	1,560,197	1,060,893	4,334,972
Operating Expenses:				
Personnel	716,699	802,289	800,857	713,774
Contractual	342,802	308,301	238,801	248,872
Materials/Other	241,713	54,630	591,101	61,138
Rent	34,054	34,054	28,527	25,154
Cost of Stores Issuance2		-	-	3,095,634
Depreciation	-	-	16,254	-
Total Operating Expenses	1,335,268	1,199,274	1,675,540	4,144,572
Operating Margin	(312,644)	360,924	(614,647)	190,400
Non-Operating Revenues/(Expenses)				
Interest Income (Expense)	-	44	104	312
Total Non-Operating Revenues (Expenses)	-	44	104	312
Operating Transfer In (Out)				
Transfers from other fund	-	-	-	-
Transfers to other fund	(34,000)	(34,000)	(31,000)	(11,000)
Total Operating Transfers	(34,000)	(34,000)	(31,000)	(11,000)
Net Income	(346,644)	326,968	(645,543)	179,712
Significant Balance Sheet Items				
Cash balance		(1,566,088)	(2,284,118)	(561,054)
Accounts receivable		30,954	12,261	16,162
Inventory		4,845,852	5,421,516	4,364,386
Net assets		3,203,361	2,885,267	3,530,810

[1] Revenues for 2009 and 2008 do not include the cost of goods sold and represent overheads only.

[2] The current inventory system does not record a cost of goods sold. The operating cost of materials purchased for inventory is reversed when the materials are recorded as inventory.

City of Minneapolis
Intergovernmental Service Fund
For the Fourth Quarter ending December 31, 2009

Fund 6400	2009 Budget	2009 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue including Transfers	49,821,107	50,233,608	(412,501)	100.8%
Operating Expenses including Transfers	35,970,757	35,887,539	83,218	99.8%
Operating Revenue Over (Under) Expenses	13,850,350	14,346,069		

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

Revenue:
Operating revenue through the fourth quarter of 2009 is $50,233,608 or 100.8% of the annual budgeted amount of $49,821,107. Revenue sources include mailing and copying services, telecom charges, Project Management Operations (PMO) projects, and BIS charges based on the allocation model. The revenue for BIS is driven by rates charged for services and customers' technology needs. The BIS allocation model uses the expense budget, depreciation, and overhead to determine technology rates. Revenue earned through PMO projects for fiscal year 2009 is $281,232 less than PMO expenditures for the same period. Revenues include a $682,000 interfund receivable related to the COMPASS project. PMO expenditures exceeded revenue due to a delay in bond revenue of $400,000 and non-billable resource work in PMO area. Fourth quarter revenues include a transfer from the general fund of $13.6 million and a debt service transfer of $2.5 million. The Intergovernmental Services Fund receives transfers based on the long term financial plan for the fund

Expenses:
Operating expenses through the fourth quarter are $35,887,539, or 99.8% of the annual budget. Expenses include $358,690 paid on the annual service commitment for wireless services and an additional $1,238,000 for implementation and on-going support related to wireless. Expenses typically exceed revenue in the PMO area in the project idea phase until a proposal is signed by the customer department and funding has been identified As projects are added to the BIS-PMO cost center, the revenue and expenditure budgets increase as funding for projects is provided by the customer. Expenditures are recorded throughout the duration of the project. Interest payments on bonded debt total $1.5 million for the fiscal year.

Debt:
In 2009, $16.8 million of refunding bonds were issued for outstanding debt with maturities from 2010 to 2012. Debt principal payments totaled $9,290,000.

Net Assets and Cash Balance:
The Intergovernmental Services Fund is tracking positively to increase its net asset position. The unaudited net asset balance for 2009 is $13,678,110 which is an increase of $8,810,430 from the net asset position of $4,867,681 in 2008. Net assets have increased due to use of an allocation model to determine charges for service, a transfer from the general fund that is provided through the long-range financial plan, and an increased level of activity in the Project Management Operations area.

The ending cash balance for year 2009 is a deficit of $914,522, a decrease of $1,008,387 from the ending cash balance of $93,785 at year end 2008.

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

	Budget Current Year 2009	For Period Ending 31-Dec-09	For Year Ending 2008	For Year Ending 2007
Operating Revenues:				
Charges for Service:				
BIS - PMO	9,017,432	8,621,649	13,110,193	14,786,540
BIS-Telecom	3,172,482	2,928,582	3,014,661	5,774,633
BIS - Operating-other	21,070,586	21,548,278	19,895,809	14,113,515
CC-Mailing Services	515,930	529,749	573,987	592,115
CC-Copy Services	625,475	490,657	504,543	623,486
Human resources	-	-	150	-
Total Operating Revenues	34,401,906	34,118,915	37,099,343	35,890,289
Operating Expenses:				
BIS - PMO	9,017,432	8,902,881	13,351,795	17,414,577
BIS - Telecom	1,941,915	1,787,581	2,153,173	1,641,475
BIS - Operating-other	23,196,009	23,496,912	24,691,613	19,558,478
CC-Mailing Services/Data Center	676,527	578,052	627,318	677,378
CC-Copy Services	624,975	615,446	547,795	670,010
Human resources	301,899	230,073	190,173	198,123
Total Operating Expenses	35,758,757	35,610,945	41,561,867	40,160,041
Operating Margin	(1,356,851)	(1,492,030)	(4,462,524)	(4,269,752)
Non-Operating Revenues/(Expenses)				
Depreciation	(8,380,433)	(8,380,433)	(2,412,783)	(2,441,971)
Interest on Bonded Debt	(1,526,507)	(1,526,507)	(1,593,997)	(1,672,782)
Total Non-Operating Revenues (Expenses)	(9,906,940)	(9,906,940)	(4,006,780)	(4,114,753)
Operating Transfer In (Out)				
Transfers from other fund	15,419,201	16,114,693	11,762,368	15,036,269
Transfers to other fund	(212,000)	(276,594)	(295,624)	(177,030)
Total Operating Transfers	15,207,201	15,838,099	11,466,744	14,859,239
Net Income	3,943,410	4,439,129	2,997,440	6,474,734
Significant Balance Sheet Items				
Cash balance		(914,522)	93,865	(1,885,745)
Work-in-progress		7,115,554	21,070,901	24,913,697
Interfund Receivable		1,697,588	1,080,622	-
Interfund Loans		(10,114,051)	(10,114,051)	(10,114,051)
Bonds Payable		(26,240,000)	(34,574,725)	(34,759,138)
Deferred Income		(5,696,858)	(4,608,536)	(4,223,242)
Significant Cash Flow Items				
Principal on Bonds	(9,290,000)	(9,290,000)	(1,805,000)	(2,565,000)

City of Minneapolis
Self-Insurance Fund
For the Fourth Quarter Ending December 31, 2009

Fund 6900	2009 Budget	2009 Actual	Remaining Budget	% of Actual To Budget
Revenue including transfers	44,883,018	42,581,833	N/A	N/A
Expenditures including transfers	37,384,747	32,108,285	N/A	N/A
Revenue Over (Under) Expenses	7,498,271	10,473,548		

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

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

Revenue:
Revenues vary by activity. Employee benefits collect revenue from payroll withholding and employee contribution enabling revenues to match expenditures. Workers Compensation, with related administrative services in Risk Management and Human Resources for the return-to-work program, recognizes revenues from direct billing of users. Tort Liability including administrative services of the City Attorney's Civil Division earns revenue by billing departments participating in Self-Insurance. Deferred revenue for 2009 decreased to reflect a reduction in reserves for the Metro Pass program due to increased ridership and an increase in contractual payments.

For fiscal year end 2009, total revenues, including a transfer from the general fund of $6.91 million, are $42,581,833. Operating revenue decreased 35.8% from the revenue earned through year-end 2008 due to a business process change for the payment of employee medical and life insurance. Payments for these benefits flowed through the self insurance fund as revenue transferred from the City departments as payment for fringe benefits. Beginning August 2008, these payments were made directly to the providers, bypassing the self insurance fund. A loss of revenue to the fund with a corresponding decrease in expense for employee health benefits, did not impact the operating margin.

An activity based rate model determines the rates charged to City departments to provide self insurance for liability and workers compensation costs. In 2009, the rates charged to departments for liability premiums increased and the rates charged for workers compensation decreased. The rate model uses data determined by an actuarial study that assigns responsibility to City departments for liability and worker compensation settlements. Revenues from attorney office services decreased in 2009 due to a decrease in law clerk services. The Finance-Employment Services cost center receives revenue from City departments as reimbursement for services related to employment screenings. The revenue received for these services in 2009 is $205,711.

Expenses:
Health and Welfare payments, primarily for dental and COBRA medical insurance and flexible spending reimbursement, account for 31.1% of the fund's 2009 budget. Beginning August 2008, the payment for employee health and life insurance occurred directly from payroll and did not pass through the self insurance fund. Total operating expenditures for 2009 including transfers to other debt service funds are $32,108,285, a decrease of 42.4% from the total expenditures in 2008 primarily due to medical premiums paid directly from payroll transactions.

Worker's Compensation and Tort Liability expenditures include the payments for settlements related to tort litigation and workers compensation claims. The costs of administering the plans are funded through the City Attorney and Risk Management cost centers. The expenditures related to liability settlements through year end 2009 are $6,223,035 or 101.2% of the budgeted amount of $6,147,485. In addition, the fund is required to set aside resources annually to cover the future cost of compensated absences based on benefit accrual.

Transfers:
In 2009, this fund received an interfund transfer of $6,915,000 from the general fund as determined in the long range financial plan to reduce the net asset negative balance.

Net Assets:
The unaudited net asset balance for 2009, a deficit of $15,432,743, increased slightly from the 2008 balance of a deficit of $15,493,087. The liability for unpaid claims increased $10.7 million from $31.8 million in 2008 to $42.5 million in 2009 as determined by the 2009 actuarial study. The increase in liability decreased the net income by an equal amount resulting in little change in net assets. The net income reported in the fourth quarter report, a loss of $266,137, is adjusted for the resulting decrease to net assets. The cash balance for the fund increased from $18,766,917 in 2008 to $28,995,365 in 2009. The primary goal of the long range financial plan is to attain a cash balance equal to the unpaid claims liability plus 10% of the annual operating budget.

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

	Budget Current Year 2009	For Year Ending 2009	For Year Ending 2008	For Year Ending 2007
Operating Revenues:				
Health & Welfare (employee benefits)	15,333,265	12,745,507	33,356,887	59,993,307
Workers Compensation	8,136,326	8,565,960	9,524,961	8,252,076
Liability - Subrogation	12,907,564	12,914,035	11,353,987	13,319,374
Attorney Office Services	30,000	13,875	30,089	11,863
Human Resources Services	1,260,863	1,221,745	1,037,375	1,116,895
Finance-Employment Services[1]	300,000	205,711	293,549	338,616
Total Operating Revenues	37,968,018	35,666,833	55,596,848	83,032,131
Operating Expenses:				
Health & Welfare (employee benefits)	15,716,196	9,924,021	33,175,852	58,700,370
Workers Compensation	5,931,510	6,919,286	7,844,078	6,340,188
Liability & Settlements	6,147,485	6,223,035	2,526,225	9,866,643
City Attorney/Civil Division-Litigation	5,788,849	5,541,319	5,123,884	5,405,857
Risk Management - WC/Risk	2,284,100	2,222,448	2,183,613	2,463,967
Human Resource - Employee Benefits	1,371,607	1,133,176	1,069,738	1,115,857
Total Operating Expenses	37,239,747	31,963,285	51,923,390	83,892,882
Operating Margin	728,271	3,703,548	3,673,458	(860,751)
Non-Operating Revenues/(Expenses)				
Interest on Bonded Debt	-	-	(21,178)	(52,420)
Other Non Operating Income (Expense)	-	-	-	(839)
Total Non-Operating Revenues (Expenses)	-	-	(21,178)	(53,259)
Operating Transfer In (Out)				
Transfers from other fund	6,915,000	6,915,000	5,642,689	4,750,000
Transfers to other fund	(145,000)	(145,000)	(131,000)	(97,000)
Total Operating Transfers	6,770,000	6,770,000	5,511,689	4,653,000
Net Income (loss)[2]	7,498,271	(266,137)	9,163,969	3,738,990
Significant Balance Sheet Items				
Cash Balance		28,995,365	18,766,917	11,001,677
Bonds Payable		-	-	(1,060,000)
Unpaid Claims		(42,512,749)	(31,773,064)	(33,467,000)
Net Assets		(15,432,743)	(15,493,087)	(26,370,500)
Significant Cash Flow Items				
Paid Principal on Debt		-	(1,060,000)	(320,000)

[1]Finance revenue budget 2009 was reduced by $1,985,901 as this amount is budgeted in the Liability and Workers Compensation Budgets

[2] Net income (loss) is reduced by $10,739,685 to account for the equal increase to unpaid claims liability which reduced net assests. The increase to unpaid claims liability was determined by an actuarial study dated 12/31/2009.

City Of Minneapolis
Sanitary Sewer Fund
For Fourth Quarter Ending December 31, 2009

Fund 07100	2009 Budget	12-31-2009 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	45,996,435	43,953,376	2,043,059	96%
Operating Expenditures	41,639,975	38,387,663	3,252,312	92%
Operating Margin	4,356,460	5,565,713		
Net Income	1,221,820	2,124,665		

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

Revenue:
With sewer revenue of $44 million through the end of the fourth quarter, 96% of the budgeted revenue has been realized. This is an increase of $2 million, or 6%, compared to $42 million through fourth quarter of 2008. $1.5 million of the increase is in disposal fee revenue. The increase is primarily due to an increase in the disposal fee rate from $2.45 to $2.61. Design revenue for the capital programs decreased by $600,000; however this has been off set by increase in SAC revenues for inspection services which has remained higher than 2008 by $700,00.

Expenses:
The Sanitary Sewer Fund's operating expenditures of $38.4 million through fourth quarter is at 92% of the budget. This is an increase of $400,000, or 1%, compared to $38 million through fourth quarter of 2008. The increase in expenditures of $700,000 in Sewer Maintenance area was offset by decrease in expenditures in Design and Met Council Service fees. The decrease in Met Council Service fees is due to existing credit balance in SAC payments.

Transfers:
The transfer from this Fund goes to the pension fund to cover MERF unfunded liability. The transfer budget for the year was $292,000, and all of this has been recognized in this quarter.
There were two more transfers made out of the Fund: (i) a transfer to debt service fund, in the amount of $336,000, to account for bond premiums; and (ii) a transfer to City capital fund in the amount of $1.2 million to finance Public Works Hiawatha facility as approved by Council resolution 2009R-092.

Debt Service:
For 2009, through fourth quarter, $2.4 million in principal and $500,000 in interest were paid to meet the Fund's obligation regarding its outstanding debts generated from past bond sales to finance capital programs.

Other Financial Items:
The current operating cash balance is $9.6 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is $9.5 million. The cash position at the end quarter stands at $100,000 above its goal.

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

	Budget Year 2009	For Period Ending 2009	Year Ending 2008	Year Ending 2007
Operating Revenues:				
Sewage Disposal	43,157,752	40,600,868	39,123,470	38,050,432
Other Services Provided	453,841	969,717	826,484	296,688
Inspection Services	2,384,842	2,382,791	1,659,756	3,659,793
Interest				
Total Operating Revenues	45,996,435	43,953,376	41,609,710	42,006,913
Operating Expenses:				
Sewer Design	358,552	230,253	312,433	258,052
Sewer Maintenance	6,932,483	5,922,731	5,172,261	5,591,157
Met Council Env. Svcs.	34,348,940	32,234,678	32,532,857	33,215,685
Total Operating Expenses	41,639,975	38,387,663	38,017,551	39,064,894
Operating Margin	4,356,460	5,565,713	3,592,159	2,942,019
Non-Operating Revenues/(Expenses)				
Net Transfers (out)	(292,000)	(1,791,003)	(629,341)	(347,851)
Non-Oper Expenses				
Depreciation	(1,159,640)	(1,159,640)	(1,219,922)	(1,202,643)
Special Assessments		9,691	5,774	11,136
Net Interest Income (Exp)	(1,683,000)	(500,094)	(377,573)	(137,239)
Total Non-Operating Revenues (Expenses)	(3,134,640)	(3,441,047)	(2,221,062)	(1,676,597)
Net Income	1,221,820	2,124,665	1,371,097	1,265,422
Significant Balance Sheet Items				
Operating Cash	-	9,639,595	10,585,202	8,482,571
Accounts Receivable	-	3,312,601	3,012,039	3,393,086
Significant Cash Flow Items				
Capital Outlay	8,976,000	7,904,063	4,817,586	3,023,251
Bond Principle payments	1,689,000	2,436,000	1,200,000	904,239

City Of Minneapolis
Stormwater Fund
For the Fourth Quarter Ending December 31, 2009

Fund 07300	2009 Budget	12/31/2009 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	34,252,679	37,834,961	-	110%
Operating Expenditures	21,188,130	17,958,591	3,229,539	85%
Operating Margin	13,064,549	19,876,370		
Net Income	7,482.351	13,366,517		

Program Description:
The Storm Water Fund provides for 5% of the expenditures related to Met Council Environmental Services (MCES). Combined Sewer Overflow (CSO) program, Street Cleaning, Storm Design and Storm Water Maintenance are other operating activities covered by this Fund along with its yearly capital programs and associated debt service.

Revenue:
The Storm Water revenue of $37.8 million through fourth quarter equates to over 100% of the operating revenue budget. It is an increase of $4.3 million, or 13%, compared to $33.5 million, over fourth quarter of 2008. The increase is due to revenues from storm water utility fees and from design work related to capital activities. Rate increase, from $10.26 to $10.77 per ESU, accounts for $2.1 increase in utility revenues. Design revenues account for the remaining $2.2 million increase.

Expenses:
With expenditures of $17.9 million through fourth quarter of 2009, Storm Water Fund utilized 85% of its yearly budget. This is a decrease of $100,000, or 1%, compared to expenditures of $18 million through fourth quarter of 2008. Decreases are due to lower expenditures incurred in Sewer Design and Street Cleaning cost centers which, however, were offset by increases in three other remaining cost centers – Met Council, CSO, and Maintenance.

Transfers:
Net transfer out of the Storm Water Fund amounts to $1.1 million through the quarter. Storm Water Fund transferred $300,000 to MERF pension fund as budgeted. Additional transfers were made to debt service fund and to City capital fund in the amounts of $545,000 and $300,000, respectively.

Debt Service:
The debt service payments amounting to $11.7 million have been recognized through fourth quarter of which $10 million has been applied towards principal leaving $1.7 million for interest. These payments are primarily for bonds sold to finance the Combined Sewer Overflow and Flood Mitigation programs.

Other Financial Items:
The operating cash balance for the quarter was $14.4 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is $4.5 million, leaving a surplus of $9.9 million in an unrestricted reserve. Some of this surplus has been appropriated for previously approved capital projects.

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

	Budget Year 2009	For Year Ending 12/31/2009	For Year Ending 12/31/2008	For Year Ending 12/31/2007
Operating Revenues:				
State Grants	749,469	730,788	886,787	831,690
County Grants	273,403	296,509	344,680	332,920
Sewage Disposal	31,830,439	33,032,352	30,944,907	28,868,760
Other Services Provided	1,399,368	3,775,313	1,313,241	1,398,805
Total Operating Revenues	34,252,679	37,834,961	33,489,615	31,432,175
Operating Expenses:				
Sewer Design	3,126,128	2,815,491	3,072,685	3,073,732
Stormwater Management CSO	1,710,828	1,058,277	982,357	1,096,967
Street Cleaning	7,644,295	7,244,448	7,366,166	6,764,484
Sewer Maintenance	3,499,869	2,263,404	2,121,236	2,004,579
Met Council Env. Svcs.	5,207,010	4,576,971	4,491,102	4,453,234
Total Operating Expenses	21,188,130	17,958,591	18,033,546	17,392,996
Operating Margin	13,064,549	19,876,370	15,456,069	14,039,179
Non-Operating Revenues/(Expenses)				
Net Transfers in (out)	(292,000)	(1,087,777)	(512,767)	(49,379)
Depreciation	(3,894,930)	(3,894,930)	(3,894,930)	(3,228,022)
Special Assessments	115,000	497,879	714,324	501,911
Net Interest Income (Exp)	(2,185,692)	(1,752,825)	(1,563,549)	(2,563,467)
Other Non Operating Income (Exp)		(272,200)	1,557,047	(1,265,313)
Total Non-Operating Revenues (Expenses)	(6,257,622)	(6,509,853)	(3,699,875)	(6,604,270)
Net Income	6,806,927	13,366,517	11,756,194	7,434,909
Significant Balance Sheet Items				
Operating Cash		14,445,473	3,850,076	596,907
Construction Cash		7,163,862	11,924,351	213,246
Accounts Receivable		4,375,813	4,134,950	4,484,745
Bonds Payable		21,175,910	28,634,910	11,583,044
Significant Cash Flow Items				
Capital Outlay	9,633,000	4,915,306	5,788,311	5,793,504
Bond principle payments	7,096,000	9,959,000	8,620,000	7,796,999

City of Minneapolis
Water Fund
For the Fourth Quarter Ending December 31, 2009

Fund 7400	2009 Budget	31-December-09 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	70,722,156	66,567,955	4,154,201	94%
Operating Expenditures	47,908,188	46,251,828	1,656,360	97%
Operating Margin	22,813,968	20,316,127		
Net Income (Loss)	9,665,998	10,092,764		

Program Description:
This Fund accounts for operation, maintenance and new construction of the water treatment and delivery system for the City and several suburban city customers. The City sells water directly to seven cities including Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal, and Edina.

In 2009, the Water Fund received appropriations to begin a capital project for the New Filter Presses in the amount of $25m and to continue ongoing capital projects which include the Minneapolis Water Works Facilities Security Improvement in the amount of $250,000 and the Ultrafiltration Program in the amount of $4.5 million. In addition, this year, capital funding of $4.75 million provides for water distribution improvements including cleaning and lining of 10 miles of pipeline with replacement of valves and hydrants to provide holistic system rehabilitation in project areas. Distribution improvements also include replacement of watermain where conductive soils have caused a number of watermain breaks.

The Ultrafiltration Membrane Program was originally going to be built in two phases. Phase one is the newly constructed Columbia Heights Membrane Filtration Plant. Completed at a cost of $63.3 million, the new plant is currently operating in a testing and confirmation phase. The membranes will be replaced over the winter of 2010 and the plant is expected to be back in service by June of 2010. This plant began distributing water into the Minneapolis system in the fall of 2005. Phase two is the Fridley Membrane Filtration Plant which was cancelled in 2008.

Pump Station #4 renovations began in 2008 and expect to be completed in the spring of 2010. This project completely refurbishes the 100+ year old pump station that supplies softened water to the new Columbia Heights Membrane Filtration Plant.

Revenue:
For the year 2009, there was a 6% increase in the water rate raising the cost of 100 cubic feet from $2.75 to $2.91 per unit. The 2009 operating revenue of $66,567,955 represents a 5.1% increase over the same period in 2008.

The fourth quarter 2009 operating margin is $20.3 million or 17.4% more than the same period of 2008. This is due to a decrease of operating expenses of 1.5% from the same period in 2008.

Expenditures:
For the 4th quarter ending 2009, operating expenditures totaled $46.3 million or 1.5% less than for the same period in 2008. This decrease is primarily due to a stoppage of sludge hauling costs.

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

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

Other Financial Items:
The Ultrafiltration Membrane Project is financed through loans from the Drinking Water State Revolving Fund managed by the Minnesota Public Facilities Authority. Beginning December 2002, the City has borrowed a total of $78.4 million at interest rates of 2.82%, 2.80% and 2.53%. At the end of 2009 there are $3.9m in expenses for the Ultra filtration Project that are expected to be covered when the new note will be in place early in 2010. This caused the ending cash balance for the fourth quarter of 2009 to be $(2,007,396) compared to $449,896 for the same period in 2008. The objective is to have a cash balance equal to or greater than 3 months of operating expenses. Based on the current budget this would be $12 million in cash.

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

	Budget Year 2009	For Year Ending 2009	For Year Ending 2008	For Year Ending 2007
Operating Revenues:				
Federal Grants			-	-
Licenses & Permits	1,000	1,966	1,219	871
Charges For Services	69,920,816	64,237,365	63,202,724	65,234,205
Charges For Sales	800,000	2,293,169	4,991	920,450
Rents				
Interest		1,746	-	938
Other Misc Revenues	340	33,709	332	346
Total Operating Revenues	70,722,156	66,567,955	63,209,266	66,156,810
Operating Expenses:				
Security	0		-	-
Water Design	1,189,009	1,062,591	618,400	937,199
Contribution To Other Funds	9,498,249	8,255,969	8,487,693	7,674,082
Administration & Permits	1,740,064	1,734,359	1,871,679	1,593,561
Operations Treatment	17,632,382	18,270,976	15,853,766	13,604,953
Treatment Maintenance	7,480,160	6,396,083	6,197,802	7,679,260
Distribution	7,183,548	7,076,581	8,181,366	6,575,257
Major Repairs & Replacement	1,025,923	1,341,420	4,061,783	3,552,154
Meter Shop	2,158,853	2,113,849	1,629,450	1,490,569
Total Operating Expenses	47,908,188	46,251,828	46,901,939	43,107,035
Operating Margin	22,813,968	20,316,127	16,307,327	23,049,775
		-		
Non-Operating Revenues/(Expenses)				
				-
Net Transfers in (out)	(1,071,000)	(1,071,000)	(1,648,864)	(760,405)
Federal ARRA Grant		1,825,606		
Depreciation	(7,139,000)	(7,567,604)	(7,139,000)	(7,196,443)
Special Assessments		766,299	1,234,068	834,398
Net Interest Income (Exp)	(4,937,970)	(3,655,735)	(3,405,967)	(4,481,093)
Other Non Operating Income	2,000,000	239,913	344,653	383,889
Other Non Operating (Expenses)	(2,000,000)	(760,842)	(919,308)	(911,354)
Total Non-Operating Revenues (Expenses)	(13,147,970)	(10,223,363)	(11,534,418)	(12,131,008)
Net Income	9,665,998	10,092,764	4,772,909	10,918,767
Significant Balance Sheet Items				
Operating Cash		(2,007,396)	473,025	1,965,367
Construction Cash		2,105,169	8,118,608	-
Accounts Receivable		5,140,449	3,668,667	7,559,328
Bonds & Notes Payable		100,371,398	97,701,909	87,004,292
Significant Cash Flow Items				
Capital Outlay	24,031,642	25,148,297	15,087,425	12,375,804
Bond & Note Principle payments	11,788,838	6,075,868	6,926,791	8,419,436
Total Cash Flow Items	35,820,480	31,224,165	22,014,216	20,795,240

City of Minneapolis
Municipal Parking Fund
For the Year Ended December 31, 2009

Fund 7500*	2009 Current Budget	Dec 31, 2009 Qtr End Actual	Remaining Budget	% of Actual To Budget
Revenue	43,497,346	40,660,914	2,836,432	93%
Expenditures	29,136,494	26,391,621	2,744,873	91%
Operating Margin	14,360,852	14,269,293		
Net Income (Loss)	5,741,463	11,757,164		

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

Net Income (Loss) includes all non-operating expenditures & revenues such as depreciation expense, bond interest expense and transfers between funds. For 2009 the actual is $6.0 million greater that budget. See Transfers & Debt Service below for details.

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

Revenues:
The 2009 year end revenues are down in comparison to the 2009 budget by 7%.

Impound Lot revenues are down 7% compared to budget.
On-street meters are down 5% compared to budget.
Off-street ramps and lots are down 7% compared to budget.

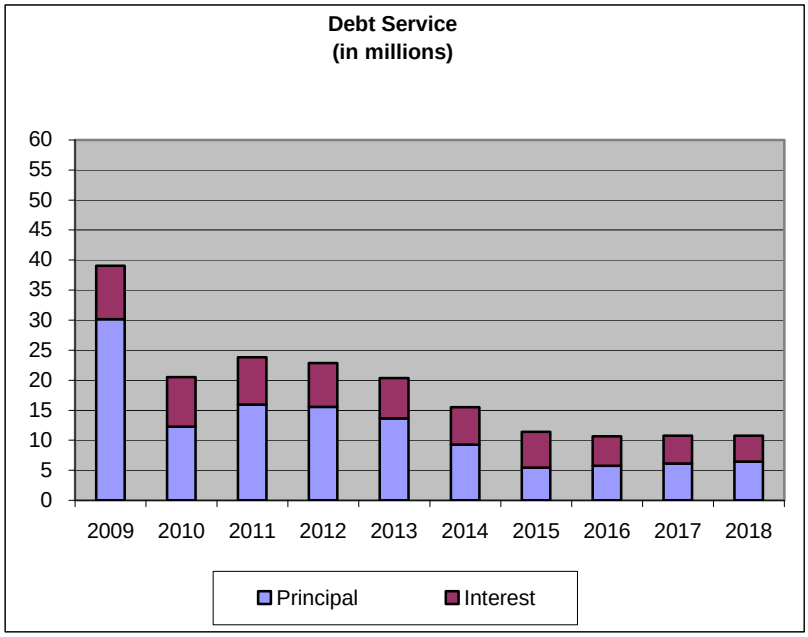
Expenditures:
The 2009 year end expenses are below the 2009 budget by 9 %.

Impound Lot expenses are down 12% compared to budget.
On-street meters are down 15% compared to budget.
Off-street ramps and lots are down 9% compared to budget.

Transfers to and from other funds:
The 2009 transfers into and out of the Parking Fund are programmed and planned according to the 2009 budget. During 2009 an additional $4.9 million of funds were transferred in and $1.7 million of funds were transferred out to cover debt service bonds that were called and refinanced. An additional $1.4 million was transferred in to cover facilities repairs and improvements as noted in Debt Service below.

Debt Service:

There is currently $175 million in outstanding bonds. For 2009 $85 million of bonds were paid but that amount included $55 million that was refunded. These payments cover the costs of bonds that were sold to fund capital projects for construction of municipal parking ramps and lots. The Parking System for 2009 saved $1.4 million in bond interest expense by calling some debt service bonds early



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

Other Financial Items:

The current operating cash balance is $14.6 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is $6.6 million, which results in $8.0 million remaining. The $8.0 million is reserved for future debt service payments.

Parking Fund Workout Plan:

A financial workout plan, as adopted in 2004 by the City Council, approved Parking Fund initiatives to cut costs and increase revenues. The Workout Plan is in the process of being revised due to the successful parking initiatives and financial efforts that include the sale of 6 ramps in 2007 and 1 in February of 2008, the refinancing of debt at better rates, and the parking system initiatives geared to increase revenues and decrease expenses. An updated financial plan and projections should be available in 2010 based on actual figures through the year of 2009.

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

Revenues:

- Off-Street Parking and Enhanced Parking Ramp Marketing Activities: Figures for 2009 indicate that revenue was negatively impacted by office vacancy rates, the economic downturn and the Marquette and 2nd Avenue street projects. The offering of credit payment and on-line payments for monthly customers in our newly automated facilities plus ongoing initiatives are contributing factors to 4th quarter upward trend in overall revenues as we are attracting more daily customers.

- On-Street Parking and Parking Meter Management Plan: A request for proposals (RFP) for new meter technology was developed. The pilot program for field testing the new meter technologies ended on July 2009. The RFP vendor selection will be presented for Council Action in 2010. New meter equipment features include offering multiple payment options, adjustable rate technology, improved enforcement capabilities, and electronic monitoring and reporting using the City's WiFi network. Also, Public Works continues to examine opportunities for deploying meters in new locations.

- On-Street meter revenues are down due to Marquette and 2nd Avenues and other street construction.

- Impound Lot and Collection of Unpaid Tow and Storage Fees: The impound lot revenue is below target for the year of 2009 about half was due to reduced towing and the other half due to less sales.

Expenditures:

- Off-street parking expenses are below budget. Budget savings are primarily a result of savings due to conversion to automation and executing new janitorial contracts has also contributed to overall savings.

- Ramp operating costs continue to be reduced due to continuing efforts toward automation and reorganization/centralization resulting from the sale of the facilities mentioned above.

- Enhance Wayfinding Program: Twenty one (21) additional Dynamic Display Signs were added to our existing Wayfinding Program as part of the Marquette and 2nd Avenue Projects. Plans for additional signs on 1st Avenue North, outlining arterial inbound roadways for the new ballpark and addition congestion areas have also been proposed.

- Repair & Maintenance Program: Major 2009 projects include ongoing automation of the revenue control equipment and systems upgrades at the Plaza Ramp, the building automation and fire alarm system conversion of the Haaf Ramp, and the refurbishing elevator equipment at the 11th and Marquette Ramp.

- Impound Lot expenditures are under budget approximately $650,000 primarily due to reduced towing. We upgraded the tow software, auction and other processes to be more efficient and improve customer service.

- On-Street Parking meter expenditures were less than budgeted by $182,000 due to reduced equipment costs.

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

Revenue* And Expense Categories	**2009 Current Budget**	**2009 Year End Actuals**		**Variance Budget Vs Actual**
Off-Street Parking	29,082,566	27,089,153		(1,993,413)
On-Street Parking	7,298,643	6,971,681		(326,962)
Impound Lot	7,116,137	6,600,080		(516,057)
Total Revenue	**43,497,346**	**40,660,914**		**(2,836,432)**
Off-Street Parking	22,287,617	20,375,220		(1,912,397)
On-Street Parking	1,249,499	1,067,909		(181,590)
Impound Lot	5,599,378	4,948,492		(650,886)
Total Expenditures	**29,136,494**	**26,391,621**		**(2,744,873)**
Operating Margin	**14,360,852**	**14,269,293**		**(91,559)**

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

Summary:
Based on the data, revenues is short of the amount budgeted by 6.5% and expenditures are under budget by 9.4% thereby resulting in an overall decrease in the operating margin of $91,559 or 0.6% less than the annual budget. With the uncertain and difficult 2009 economic conditions, the Parking System performed well and met its operating margin.

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

	Current Budget Year 2009	For Period Ending 31-Dec-09	For Period Ending 31-Dec-08	For Period Ending 31-Dec-07
Operating Revenues:				
Off-Street Parking: City Owned	29,082,566	27,089,153	28,485,621	36,244,898
Off-Street Parking: State Owned	8,133,479	12,206,025	9,695,494	8,845,687
Towing	7,116,137	6,600,080	7,326,364	7,923,461
On-Street Meters	7,298,643	6,971,681	6,976,669	7,296,020
Total Operating Revenues	51,630,825	52,866,939	52,484,148	60,310,066
Operating Expenses:				
Off-Street Parking: City Owned-Direct Expenses	14,776,147	16,377,012	15,889,943	20,669,121
Off-Street Parking: State Owned-Direct Expenses	7,128,278	11,118,635	7,859,934	8,180,916
Towing	5,599,378	4,948,492	4,906,788	6,059,294
On-Street Meters	1,249,499	1,067,909	857,476	907,832
Other Operating Expenses	7,511,470	3,998,208	3,726,078	3,410,618
Total Operating Expenses	36,264,772	37,510,256	33,240,219	39,227,781
Operating Margin	15,366,053	15,356,683	19,243,929	21,082,285
Non-Operating Revenues/(Expenses)				
General Fund Transfer Out	(7,818,000)	(7,818,000)	(618,000)	(8,618,000)
Arena Reserve Transfer Out	(2,241,000)	(2,241,000)	(2,241,000)	(2,078,000)
Debt Service Transfer Out	(115,000)	(1,676,257)	(104,000)	(73,000)
Internal Service Fund Transfer Out	-		(8,000,000)	
Sanitation Transfer Out	(146,000)	(146,000)	(146,000)	(146,000)
Total Transfers Out	(10,320,000)	(11,881,257)	(11,109,000)	(10,915,000)
General Fund Transfer In		38,527		
Convention Center related facility Transfer	9,858,000	9,969,000	9,832,000	9,856,000
TI and MCDA Transfers In	8,252,292	12,954,336	7,386,506	8,564,522
Total Transfers In	18,110,292	22,961,863	17,218,506	18,420,522
Depreciation	(6,137,044)	(6,137,044)	(6,821,129)	(6,821,129)
Special Assessments	0	-	113,846	72,921
Interest	(10,272,637)	(8,869,503)	(10,047,006)	(12,881,548)
Other Non Operating Expenses	0	(1,393,364)	0	0
Other Non-Operating Income *	0	2,807,176	2,297,651	30,719,737
Total Non-Operating Revenues (Expenses)	(8,619,389)	(2,512,129)	(8,347,132)	18,595,503
Net Income+/(-)	6,746,664	12,844,554	10,896,797	39,677,788

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

Significant Balance Sheet Items			
Operating Cash	14,632,272	47,083,685	(7,715,100)
Construction Cash	931,907	256	2,092,101
Bonds Payable	175,360,042	231,180,542	261,789,642
Total Balance Sheet Items	190,924,221	278,264,483	256,166,643
Significant Cash Flow Items			
Principal on debt	30,165,000	36,025,500	31,924,100
Capital Outlay	1,393,364	193,482	935,925
Total Cash Flow Items	31,558,364	36,218,982	32,860,025

City Of Minneapolis
Solid Waste and Recycling Fund
For the Fourth Quarter Ending December 31, 2009

Fund 07700	2009 Budget	12/31/09 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	30,578,400	30,190,034	388,366	99%
Operating Expenditures	32,425,418	28,021,055	4,404,363	86%
Operating Margin	(1,847,018)	2,168,979		
Net Income/(Loss)	(3,276,759)	960,545		

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

Revenue:
The operating revenues for the Fund through the quarter totaled $30.2 million compared to $29.6 million through the fourth quarter of 2008. This is an increase of $600,000, or 2%, which can be attributed to increase in monthly solid waste collection revenues due to rate increase. The revenue for recyclable sales declined by $1.2 million compared to 2008. Revenues from recyclable sales are tied to economic indicators in the market place and therefore can vary from year to year. The grant revenue from Hennepin County for the year has been fully received.

Expenses:
The operating expenses through fourth quarter ended at $28 million compared to $27.6 million in 2008. The increase in expenditures of $400,000, or 1%, over the same period in 2008, is mainly due to increase in expenditures in disposal, administration, equipment, and recycling cost centers. Increases in these cost centers were offset by decreases in collection, yard waste, customer service, and clean city cost center activities.

Transfers:
Transfers into the Solid Waste and Recycling fund include $146,000 from the Parking fund for litter containers and $50,000 from the General fund for graffiti removal. Transfers amounting to $147,000 have been fully recognized through fourth quarter. Transfers out of the Fund include $700,000 for alley plowing and $121,000 for MERF Unfunded. For the quarter ending December 31st, General Fund transfers amounting to $821,000, have been made.

Debt Service: This fund has no debt service.

Other Financial Items:
The fund's cash balance for the fourth quarter ended at $18.5 million. The accounts receivable balance remained at $2.8 million. The City’s policy is to have cash equal to or greater than three

months of operating expenses. Therefore, the target cash balance is $7 million, which leaves the Fund with $11.5 million in unrestricted cash reserves.

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

	Budget Year 2009	For Year Ending 12/31/2009	For Year Ending 12/31/2008	For Year Ending 12/31/2007
Operating Revenues:				
County Grants	800,000	861,090	871,639	783,762
Solid Waste Fees	28,079,000	27,740,005	26,385,324	26,853,386
Recyclable Sales	1,699,400	1,095,426	2,284,278	1,875,837
Charges for Other Services	-	493,513	85,338	31,976
Total Operating Revenues	30,578,400	30,190,034	29,626,579	29,544,961
Operating Expenses:				
Collection	7,497,826	6,539,878	6,894,417	6,465,493
Recycling	3,776,328	3,170,643	3,063,915	3,144,651
Disposal	6,441,625	5,201,125	4,892,029	4,901,091
Yard Waste	2,241,569	1,260,484	1,607,817	1,440,611
Large Item/Problem Material	1,438,576	1,085,656	1,027,048	1,080,192
Transfer Stations	218,618	285,917	206,433	125,542
Administration	4,767,538	4,757,839	4,360,989	4,228,996
Customer Service	499,389	452,765	580,176	437,592
Clean City	2,128,943	1,806,533	1,855,486	1,609,132
Equipment	3,415,006	3,460,215	3,136,464	2,340,266
Human resources				
Total Operating Expenses	32,425,418	28,021,055	27,624,774	25,773,566
Operating Margin	(1,847,018)	2,168,979	2,001,805	3,771,395
Non-Operating Revenues/(Expenses)				
Net Transfers In	196,000	196,000	346,000	196,000
Net Transfers Out	(821,000)	(821,000)	(809,000)	(778,000)
Gains (Losses)				
Depreciation	(804,741)	(804,741)	(704,188)	(932,079)
Special Assessments	-	221,307	572,827	119,614
Total Non-Operating Revenues (Expenses)	(1,429,741)	(1,208,434)	(594,361)	(1,394,465)
Net Income	(3,276,759)	960,545	2,191,072	2,376,930
Significant Balance Sheet Items				
Operating Cash		18,460,355	20,667,205	17,635,380
Accounts Receivable		2,783,698	2,882,587	3,133,296

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

	Housing Development Fund 12/31/2008	Housing Development Fund 12/31/2009	General Agency Reserve Fund System 12/31/2008	General Agency Reserve Fund System 12/31/2009	Theatres 12/31/2008	Theatres 12/31/2009	River Terminal 12/31/2008	River Terminal 12/31/2009	Economic Development Program 12/31/2008	Economic Development Program 12/31/2009
ASSETS										
Current assets:										
Cash and cash equivalents	$ 529,834	$ 537,228	$ 1,219,622	$ 1,209,519	$ (2,032,700)	$ (2,067,175)	$ (513,349)	$ (367,894)	$ 840,112	$ 711,935
Deposits with fiscal agents	-	-	37,961,775	37,899,894	-	-	-	-	(131,626)	(150,990)
Loans and notes receivable	465,000	70,000	735,000	780,000	-	-	-	-	-	-
Capital leases	-	-	2,455,000	2,590,000	-	-	-	-	-	-
Other current assets	13,780	14,361	131,755	108,513	(5,111)	(7,356)	58,348	37,478	6,748	2,332
Total current assets	1,008,614	621,589	42,503,152	42,587,926	(2,037,811)	(2,074,531)	(455,001)	(330,416)	715,234	563,277
Noncurrent assets:										
Loans and notes receivable	568,464	838,038	1,185,000	405,000	-	-	-	-	985,710	-
Capital leases	-	-	56,286,404	53,585,085	-	-	-	-	-	-
Capital assets (net of accumulated depreciation)	-	-	-	-	-	-	7,190,260	6,830,542	-	-
Total noncurrent assets	568,464	838,038	57,471,404	53,990,085	-	-	7,190,260	6,830,542	985,710	-
Total assets	$ 1,577,078	$ 1,459,627	$ 99,974,556	$ 96,578,011	$ (2,037,811)	$ (2,074,531)	$ 6,735,259	$ 6,500,126	$ 1,700,944	$ 563,277
LIABILITIES										
Current liabilities:										
Due to other funds	-	-	-	-	-	-	-	-	700,000	80,000
Deposits held for others	-	-	3,528,608	3,704,823	-	-	-	-	-	-
Unearned revenue	-	-	827,503	760,839	-	-	-	-	-	-
Bonds payable - current portion	-	-	3,190,000	3,370,000	-	-	-	-	-	-
Notes payable - current portion	-	-	-	-	-	-	-	-	127,408	135,571
Other current liabilities	-	-	307,390	277,978	223	(4)	122,527	12,905	10,372	10,996
Total current liabilities	-	-	7,853,501	8,113,640	223	(4)	122,527	12,905	837,780	226,567
Noncurrent liabilities:										
Bonds payable	-	-	57,660,000	53,995,000	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-	-	-	590,438	454,866
Compensated absences payable	-	-	5,258	5,453	-	-	291	778	192	157
Total noncurrent liabilities	-	-	57,665,258	54,000,453	-	-	291	778	590,630	455,023
Total liabilities	-	-	65,518,759	62,114,093	223	(4)	122,818	13,683	1,428,410	681,590
NET ASSETS										
Invested in capital assets, net of related debt	-	-	-	-	-	-	7,190,260	6,830,542	-	-
Restricted	-	-	34,455,797	34,463,918	-	-	-	-	-	-
Unrestricted	1,577,078	1,459,627	-	-	(2,038,034)	(2,074,527)	(577,819)	(344,099)	272,534	(118,313)
Total net assets	1,577,078	1,459,627	34,455,797	34,463,918	(2,038,034)	(2,074,527)	6,612,441	6,486,443	272,534	(118,313)
Total liabilities & net assets	$ 1,577,078	$ 1,459,627	$ 99,974,556	$ 96,578,011	$ (2,037,811)	$ (2,074,531)	$ 6,735,259	$ 6,500,126	$ 1,700,944	$ 563,277

CPED Enterprise Fund Component Programs
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Years Ended 12/31/08, and 12/31/09

	Housing Development Fund 1/1-12/31/08	Housing Development Fund 1/1-12/31/09	General Agency Reserve Fund System 1/1-12/31/08	General Agency Reserve Fund System Operations 1/1-12/31/09	Theatres 1/1-12/31/08	Theatres 1/1-12/31/09	River Terminal 1/1-12/31/08	River Terminal 1/1-12/31/09	Economic Development Program 1/1-12/31/08	Economic Development Program 1/1-12/31/09
Operating revenues										
Charges for sales and services	$ -	$ -	$ 269,568	$ 270,318	$ -	$ -	$ 1,672,284	$ 1,810,975	$ 2,152,926	$ 29,732,592
Interest on program activities	80,377	58,350	3,508,432	3,394,208	-	-	-	-	-	-
Other	-	-	14,555	6,591	-	-	-	-	-	-
Total operating revenues	80,377	58,350	3,792,555	3,671,117	-	-	1,672,284	1,810,975	2,152,926	29,732,592
Operating expenses:										
Personal services	-	-	-	-	2,844	3,077	7,142	20,838	4,150	4,050
Contractual services	561,165	183,776	222,198	285,468	2,786	2,754	1,588,278	1,549,943	8,348	19,210
Other	-	-	-	-	-	-	1,000	-	-	985,710
Depreciation expense	-	-	-	-	-	-	350,135	359,718	-	-
Total operating expenses	561,165	183,776	222,198	285,468	5,630	5,831	1,946,555	1,930,499	12,498	1,008,970
Operating income	(480,788)	(125,426)	3,570,357	3,385,649	(5,630)	(5,831)	(274,271)	(119,524)	2,140,428	28,723,622
Nonoperating revenues (expenses)										
Interest on investments	11,312	7,975	1,442,612	704,141	(41,072)	(30,662)	(14,080)	(6,474)	41,718	(2,360)
Interest expense	-	-	(3,571,598)	(3,401,627)	-	-	-	-	(49,530)	(41,609)
Total nonoperating revenue (expenses)	11,312	7,975	(2,128,986)	(2,697,486)	(41,072)	(30,662)	(14,080)	(6,474)	(7,812)	(43,969)
Income (loss) before transfers	(469,476)	(117,451)	1,441,371	688,163	(46,702)	(36,493)	(288,351)	(125,998)	2,132,616	28,679,653
Net transfers from (to) other funds	-	-	-	(680,042)	-	-	-	-	(4,009,509)	(29,070,500)
Change in net assets	(469,476)	(117,451)	1,441,371	8,121	(46,702)	(36,493)	(288,351)	(125,998)	(1,876,893)	(390,847)
Total net assets - January 1	2,046,554	1,577,078	33,014,426	34,455,797	(1,991,332)	(2,038,034)	6,900,792	6,612,441	2,149,427	272,534
Total net assets - December 31	$ 1,577,078	$ 1,459,627	$ 34,455,797	$ 34,463,918	$ (2,038,034)	$ (2,074,527)	$ 6,612,441	$ 6,486,443	$ 272,534	$ (118,313)

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

General Agency Reserve Fund System - This fund accounts for a program in which revenue bonds are issued to finance economic development. The program obtains lease or loan agreements from developers to meet the debt service requirements of the financing. The funds are restricted by bond covenants and the need of the City to minimize risk in its support of the GARFS. The funds are critical to maintaining the "A+" rating of the fund.

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

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

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

CPED Enterprise Fund Component Programs
Summary Statement of Revenues, Expenses, and Changes in Fund Net assets
2004-2009

Housing Development fund

	2004	2005	2006	2007	2008	2009
Operating revenues	$ 290,496	$ 202,748	$ 99,025	$ 119,577	$ 80,377	$ 58,350
Operating expenses	77,185	365,925	1,075,410	581,374	561,164	183,776
Nonoperating revenues (expenses)	(148,383)	(28,336)	71,276	27,819	11,312	7,975
Net transfers	(193,829)	-	-	-	-	-
Change in net assets	(128,901)	(191,513)	(905,109)	(433,978)	(469,475)	(117,451)
Total net assets - January 1	3,706,055	3,577,154	3,385,641	2,480,532	2,046,554	1,577,078
Total net assets - December 31	$ 3,577,154	$ 3,385,641	$ 2,480,532	$ 2,046,554	$ 1,577,079	$ 1,459,627

General Agency Reserve Fund System

	2004	2005	2006	2007	2008	2009
Operating revenues	$ 2,620,110	$ 4,637,245	$ 3,969,837	$ 4,126,258	$ 3,792,555	$ 3,671,117
Operating expenses	356,297	349,531	226,041	229,858	222,198	285,468
Nonoperating revenues (expenses)	(3,681,327)	(3,620,167)	(2,441,034)	(2,010,722)	(2,128,986)	(2,697,486)
Net transfers	1,724,376	-	(2,097,097)	(2,093,092)	-	(680,042)
Change in net assets	306,862	667,547	(794,335)	(207,414)	1,441,371	8,121
Total net assets - January 1	33,041,766	33,348,628	34,016,175	33,221,840	33,014,426	33,455,797
Total net assets - December 31	$ 33,348,628	$ 34,016,175	$ 33,221,840	$ 33,014,426	$ 34,455,797	$ 33,463,918

Theatres

	2004	2005	2006	2007	2008	2009
Operating revenues	$ 3,365,051	$ 3,903,921	$ -	$ 513,816	$ -	$ -
Operating expenses	3,815,458	5,403,144	819,960	(208)	5,630	5,831
Nonoperating revenues (expenses)	67,456	(9,449,573)	(1,334,996)	(113,243)	(41,072)	(30,662)
Net transfers	(1,651,016)	-	1,497,097	-	-	-
Change in net assets	(2,033,967)	(10,948,796)	(657,859)	400,781	(46,702)	(36,493)
Total net assets - January 1	11,248,509	9,214,542	(1,734,254)	(2,392,113)	(1,991,332)	(2,038,034)
Total net assets - December 31	$ 9,214,542	$ (1,734,254)	$ (2,392,113)	$ (1,991,332)	$ (2,038,034)	$ (2,074,527)

River Terminal

	2004	2005	2006	2007	2008	2009
Operating revenues	$ 1,862,869	$ 1,942,017	$ 1,889,902	$ 1,286,819	$ 1,672,284	$ 1,810,975
Operating expenses	2,458,440	2,230,736	2,092,052	1,904,881	1,946,555	1,930,499
Nonoperating revenues (expenses)	(3,101)	(12,799)	(12,471)	(27,769)	(14,080)	(6,474)
Net transfers	-	-	-	-	-	-
Change in net assets	(598,672)	(301,518)	(214,621)	(645,831)	(288,351)	(125,998)
Total net assets - January 1	8,661,434	8,062,762	7,761,244	7,546,623	6,900,792	6,612,441
Total net assets - December 31	$ 8,062,762	$ 7,761,244	$ 7,546,623	$ 6,900,792	$ 6,612,441	$ 6,486,443

Economic Development Program

	2004	2005	2006	2007	2008	2009
Operating revenues	$ 5,782,934	$ 2,870,438	$ 1,848,080	$ 1,870,294	$ 2,152,926	$ 29,732,592
Operating expenses	7,215,900	3,573,883	54,549	27,246	12,498	1,008,970
Nonoperating revenues (expenses)	(36,670)	66,627	61,474	130,400	(7,812)	(43,969)
Net transfers	(179,999)	(2,151,739)	-	(3,643,039)	(4,009,509)	(29,070,500)
Change in net assets	(1,649,635)	(2,788,557)	1,855,005	(1,669,591)	(1,876,893)	(390,847)
Total net assets - January 1	6,402,205	4,752,570	1,964,013	3,819,018	2,149,427	272,534
Total net assets - December 31	$ 4,752,570	$ 1,964,013	$ 3,819,018	$ 2,149,427	$ 272,534	$ (118,313)

2009 Fourth Quarter Investment Report

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

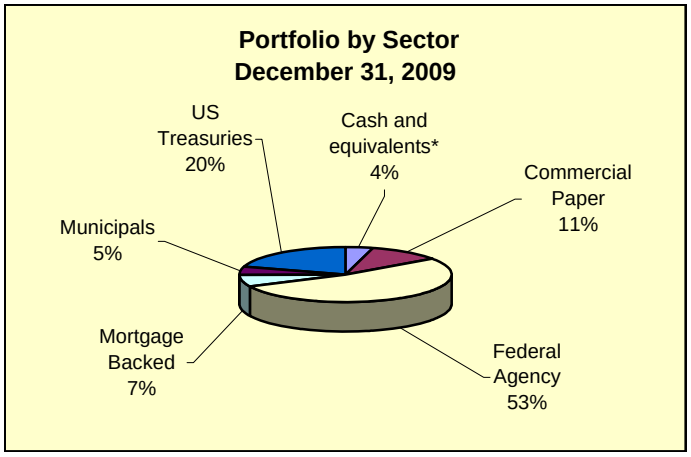
As of December 31, 2009, the City's current investment portfolio was valued at approximately $502 million. The sector holdings and fund distributions are shown below. For the twelve months ended December 31, 2009, the portfolio has outperformed its benchmark.

Investment Performance period ended December 31, 2009	City Portfolio	Custom Benchmark*
3 month Total Return	0.2%	-0.1%
12 months Total Return	1.7%	0.3%
3 year Total Return	3.3%	3.0%
Credit Quality	AGY	TSY

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

Portfolio Holdings By Sector

Market Value in millions

	Dec. 31 2009	% of port.	Dec. 31 2008	% of port.
Cash and equivalents*	$ 21.6	4%	$ 85.0	18%
Commercial Paper	55.7	11%	48.1	10%
Federal Agency	263.2	52%	192.7	41%
Mortgage Backed	35.4	7%	28.7	6%
Municipals	25.3	5%	32.7	7%
Asset Backed Securities	-	0%	0.3	0%
US Treasuries	101.2	20%	81.2	17%
Total Market Value	$ 502.4	100%	$ 468.7	100%

*Net of checks outstanding