



City of Minneapolis
Financial Status Report as of 3rd Quarter 2011
Prepared by the
City of Minneapolis Finance Department
November 14, 2011

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 September 30, 2011.

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. Governmental Funds included in this report are the General fund, and selected Special Revenue 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 2011 with a fund balance of \$61.4 million and an operating budget of \$335 million (before transfers).

In July of 2011, City's General Fund annual Local Government Aid (LGA) allocation from the State was reduced by \$22.4 million. The City had anticipated LGA cuts and reduced appropriations to meet the LGA reduction culminating in the revised budget for 2011.

Through third quarter of this year, the General Fund has spent 71% of its operating budget. Based on General Fund operating results through September 30, 2011 combined with the planned appropriation reductions to meet the LGA cuts, it is anticipated that the City's General Fund balance will end the year at about \$63.8 million in fund balance.

General Fund Departmental Highlights

The Police Department is projected to be \$900,000 under budget by year-end. This is primarily due to an anticipated FEMA reimbursement, a contingency fund inflow in July to meet the mid-year LGA cuts, higher than forecast attrition rates, and strong overtime expense management in the second half of the year.

The Fire Department currently anticipates coming in about \$550,000 under budget by year-end. Strong overtime expense management has occurred in the fire department as well. In addition, the department received an inflow from the contingency fund in July to meet the mid-year LGA cuts and an additional appropriation in September to prevent the layoff of four firefighters through the end of 2012. Appropriation savings this year of about \$320,000 will need to be rolled forward into 2012 to fund the four firefighters.

The Public Works Department is anticipating being \$0.8 million or about 2% over budget. This is because of higher than normal snow plowing at the beginning of the year. The department is currently anticipating that all of the higher than budgeted spending in the first nine months will not be able to be made up with lower than budgeted spending in the remaining quarter of the year.

All other City departments have plans in place to meet their revised budgets by the end of the year.

Selected Special Revenue Funds

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 budgeted for a loss of \$6.1 million in 2011. However, the fund is currently projected to experience a loss of only \$2.6 million loss, which is \$3.4 million better than the loss anticipated at the start of the year. Strong year-to-date operating revenue (notably the strongest third quarter showing since 2005), combined with continued overtime and general expense management, resulted in the better than budgeted net income performance. Accordingly, fund balance is projected to end the year \$3.5 million above budget and cash is anticipated to end the year just under \$21 million, which is close to 2010 ending cash balance.

The **CPED Special Revenue Funds** are all performing within budget, although the Preliminary Planning Fund and the Operating Fund continue to carry negative cash and fund balances. A plan to address the deficits in these programs is being developed as part of the 2012 budget process.

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)						
2011 Budget to Actual through 9-30-11 (Incl. Depreciation)						
Fund	Revenue Budget	Revenue Actual	% of Actual To Budget	Expense Budget	Expense Actual	% of Actual To Budget
Sanitary Sewer	49,296	35,833	73%	42,297	30,956	73%
Stormwater	36,821	28,700	78%	21,740	14,234	65%
Solid Waste	29,905	24,692	83%	33,758	20,940	62%
Water Utility	75,313	51,023	68%	48,377	33,334	69%
Parking	41,016	31,589	77%	34,298	23,046	67%

The **Sewer Utility Funds** account for sewage interceptor and treatment services and the storm management activities including the Combined Sewer Overflow program. The Stormwater fund is projecting a net income of \$3.3 million over budget, and the Sanitary Sewer fund is projecting net income of \$0.5 million under budget. The cash balances in the Stormwater and Sanitary Sewer funds are forecast to be \$16.6 million and \$11 million respectively. Both funds' cash balances are anticipated to be above their target cash balances of \$5 million and \$ 10 million, respectively. Much of the excess cash in the Stormwater Fund will be directed towards debt service and capital outlays.

The **Solid Waste Fund** accounts for the City's solid waste collection, disposal, and recycling operations. This fund is projected to exceed its net income target by \$6.2 million. Higher operating revenue and lower operating expenses relative to budget are both expected to contribute to a relatively strong fund performance for the year. Projected cash balance at the end of the year is \$20.7 million which exceeds the target by \$13.7 million. The excess cash will be used to fund capital purchases and help in the construction of a new Transfer station.

The **Water Utility Fund** accounts for the operation and maintenance of a water delivery system for the City and several suburban city customers. The fund is projected to have a net income of \$7.5 million, which is \$5.2 million less than budgeted. Operating revenues are projected to be under budget by approximately \$7.6 million, despite a 4.9% rate increase in 2011. Wet weather in the first half of 2011 and the resulting reduction in water consumption combined with rising commercial and industrial vacancies contributed to the lower than anticipated revenues and underperformance of the fund. Despite the operating underperformance year-to-date 2011, the cash balance of \$13.9 million at quarter end was still about \$1.9 million above target.

The **Parking Fund** accounts for the operation and maintenance of parking ramps, lots, on-street parking meters, and the municipal impound lot. The Parking fund's net loss is projected to be about \$3.2 million or \$1.1 million less than the budgeted net loss of \$4.3 million. These amounts do not include revenue and expense related to the State owned parking facilities. Higher operating revenue and lower operating expenses relative to budget are both expected to contribute to fund performance for the year. The cash balance at quarter end was \$11.3 million which is about \$2.7 above target.

CPED operates five Enterprise Funds: Housing Development, General Agency Reserve, Theatres, River Terminal, and Economic Development Program. The River Terminal fund is projected to lose money this year. In addition, two of these funds, Theatres and River Terminal,

have cash deficits, and the Economic Development Program has a small net asset deficit.

Internal Service Funds

Internal Service funds, sell goods and services internally to other government units. The internal service funds remain a challenge for the City, although significant progress has been made improving the financial status of these funds. An overview of the Internal Service Funds follows:

Internal Service Funds (In Thousands)						
2011 Budget to Actual through 9-30-11 (Incl. Depreciation)						
Fund	Revenue Budget	Revenue Actual	% of Actual to Budget	Expense Budget	Expense Actual	% of Actual to Budget
Engineering, Mat, and Testing	1,613	1,441	89%	1,472	950	65%
Fleet Services	40,487	30,902	76%	41,727	29,188	70%
Property Services	20,457	14,795	72%	21,356	15,196	71%
Public Works Stores	1,107	656	59%	1,018	753	74%
Intergovernmental Fund	33,150	23,628	71%	33,338	23,633	71%
Self Insurance	26,129	19,847	76%	25,427	20,892	82%

The Engineering Materials and Testing Fund is projecting a net income of almost \$415,000 compared to a budget of about \$53,000 for the year. The fund continues to maintain a positive and improved cash balance. The net asset balance at quarter end was about \$700,000.

The Fleet Services Fund net income is projected to be about \$4.9 million or \$3.4 million more than the budgeted net income of \$1.5 million. Higher operating revenue and lower operating expenses relative to budget are both expected to contribute to a strong fund performance for the year. The net asset balance at September 30 stood at \$31 million; this level is consistent with the long-term financial plan. Cash balance at \$12.5 million is above the target of \$4.3 million.

The Property Services Fund is projected to end the year with a lower than budgeted loss in net income. The projected loss for the year in net income is \$126,000 which compares to a budgeted loss of \$490,900. The net asset balance stood at \$25.9 million at September 30, similar to 2010. The operating cash balance is slightly below the target of \$2.5 million. The cash balance in the property disposition fund is not included in the target cash balance.

The Public Works Stores Fund is projecting a net loss of (\$57,500) for year-end which compares to a budgeted income of \$38,379. Underperformance in revenue accounts for this loss. The net asset balance stood at \$3.2 million on September 30, a similar level to 2010. Cash balance at (\$1.1 million) is below the target of \$200,000.

The Intergovernmental Service Fund is projected to end the year with a net income of \$1.8 million, just slightly above the budgeted net income of \$1.4 million. Operating income is projected to end the year at \$223,000 which is better than the current budget operating income of \$ (188,241) for the year. However, due to the reduction in Local Government Aid, the Intergovernmental Services fund will not receive funding for a number of security projects totaling \$465,000 when the State deficiency budget plan is implemented. The 2011 projection for revenue received from the transfer from the general fund accounts for this reduction.

The net asset balance stood at \$16.9 million on September 30, in line with the 2010 year-end balance. Cash balance at \$6.9 million is above the target of \$4.9 million.

The Self-Insurance Fund is projecting net income of \$ 3.6 million compared to the budgeted net income of \$ 6.8 million for the year. Underperformance in operating income, largely driven by higher than budgeted expenditures is forecast to account for the budget underperformance for the year. The improvement in the negative net asset balance of (\$6.2) million is a result of the continued transfers from the general fund as noted in the long-term financial plan. The cash balance at the end of September of almost \$45 million represents an increase of more than \$8 million over 2010 levels at the end of the third quarter. The cash position of the fund is now only \$4.9 million from its target level.

Respectfully Submitted,

Kevin Carpenter
Finance Officer

LeaAnn Stagg
Interim 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

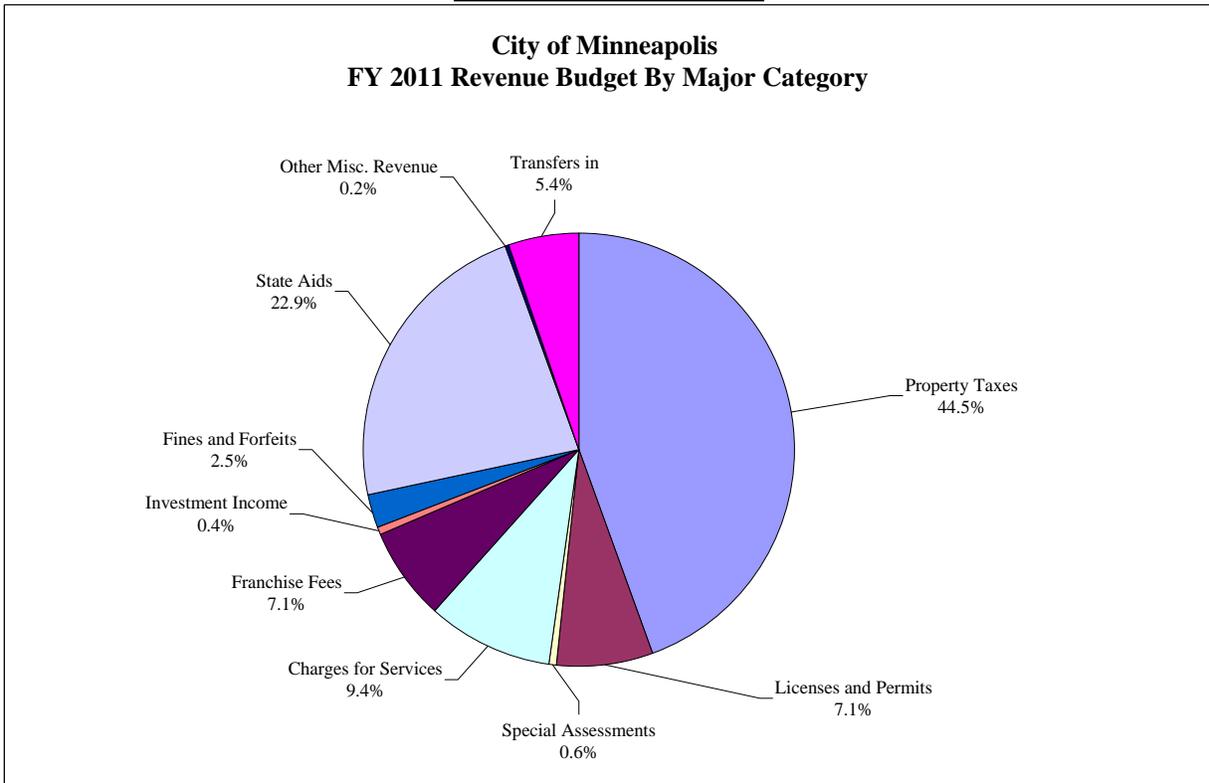
The fund balance for the General Fund at fiscal year-end 2010 was \$ 61.4 million. Based on current revenue and expenditure results and the implementation of the State deficiency budget plan to reduce appropriations to meet the \$22.4 million in LGA cuts, we are expecting the fund balance at year-end to be \$63.8 million. This is well within the City's stated reserve policy.

Preliminary 2011 Fund Balance

Fund Balance January 1, 2011	\$ 61.4 million
Revenue in excess of Expense	<u>2.4 million</u>
Fund Balance, December 31, 2011	<u>\$ 63.8 million</u>

The excess of revenue over expense of \$2.4 million includes the \$2.5 million in fund balance rollovers from 2010, appropriation savings of \$4.0 million, and excess revenue of \$1.4 million.

General Fund Revenues:



The five largest revenue sources account for 91% of total budgeted revenues: property taxes, state aids, charges for services, franchise fees, and licenses and permits.

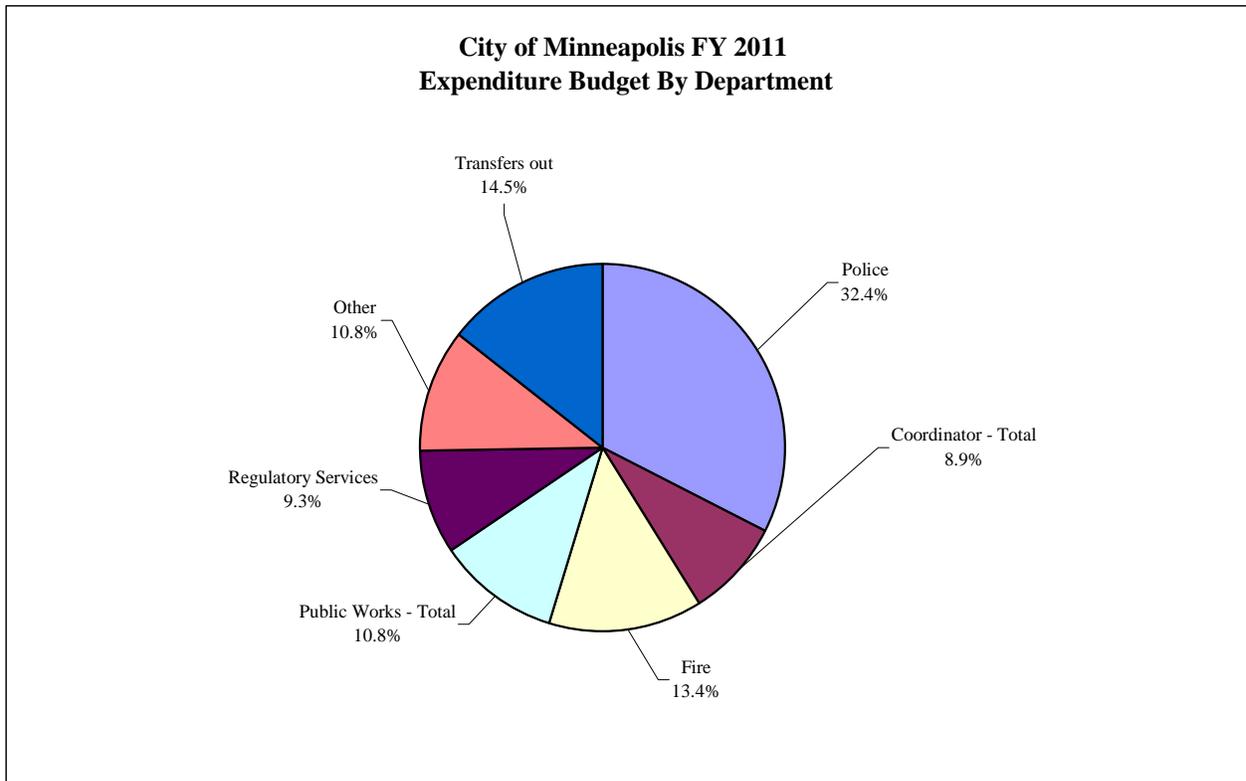
Property taxes, the major source of General Fund revenue (44.5%), are received from Hennepin County in July and December, and are expected to come in very close budgeted amounts for 2011.

State aids, the second major source of fund revenue, have typically accounted for about 23% of the City's General Fund revenue. State Aids are received in two equal payments - one in July, and one at the end of December. In response to the LGA cuts in July, the General Fund revenue estimate for State Aids was reduced, in addition to corresponding appropriation adjustments.

Charges for services, the third major source of fund revenue (9.4%) is expected to come in \$650,000 over revenue estimates in the charges related to Public Works. Franchise Fees (7.1%), the fourth major revenue source is expected to come in as planned.

License and permit fees the fifth largest source of revenue to the City (7.1%) are projected to exceed revenue estimates by \$1.5 million.

Fines and Forfeits is the one revenue source that is expected to come in below budget. Based on the current collection rate, we now anticipate that Fine and forfeiture revenue will come in about \$700,000, or about 7% below the budgeted amount. The Police Department has just implemented an electronic ticketing system which should provide better tracking and forecasting of Fine and Forfeiture revenues in the future



General Fund Expenditures:

Five departments make up 74.8% of the total General Fund expenditures: Police, Fire, Public Works, Regulatory Services, and the Coordinator. Small percentage variances in any of these large departments can have a significant effect on the amount of General Fund expenditures.

The Police Department is projected to be \$900,000 under budget by year-end. This is primarily due to an anticipated FEMA reimbursement, attrition, and reduced overtime.

The Fire Department currently anticipates coming in about \$550,000 under budget by year-end. One reason for the savings is that the department has been reducing overtime costs. They received \$400,000 in additional appropriation in September that prevented the layoff of 4 Firefighters. This additional appropriation is to fund the four positions through the end of 2012. This means that \$320,000 of the appropriation savings is needed to roll forward to 2012.

The City Coordinator is projected to be on budget by year end, even with the State Aid cuts.

The Public Works Department is anticipating being \$0.8 million or about 2% over budget. This is because of higher than normal snow plowing at the beginning of the year. The department is currently anticipating that all of the higher than budgeted spending in the first nine months will not be able to be made up with lower than budgeted spending in the remaining quarter of the year.

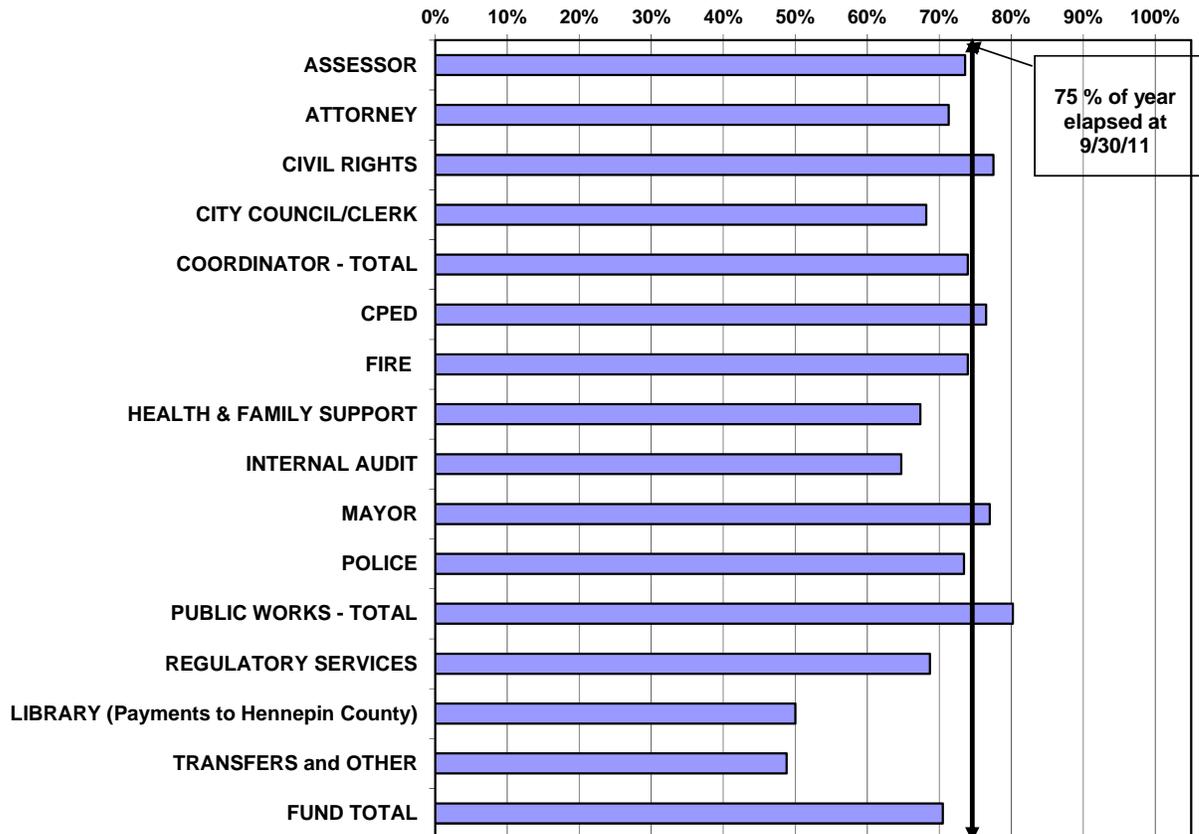
Regulatory Services is anticipating ending the year at budget.

Expenditures for all of the remaining departments are projected to be at or near the current budget.

City of Minneapolis
General Fund
September 30, 2011

	Original Budget	Revised Budget	YTD Actual	Percent of Revised Budget Remaining	Projected YE	Projected YE as Percent
					Totals	of Revised Budget
Revenues:						
Property Taxes	169,611,800	174,085,408	87,556,995	50%	174,085,408	100%
State Aids	89,507,509	67,138,509	38,353,576	43%	67,138,509	100%
Charges for Services	36,306,306	36,706,306	26,803,117	27%	37,356,306	102%
Franchise Fees	27,810,000	27,810,000	20,976,232	25%	27,810,000	100%
Licenses and Permits	27,865,167	27,865,167	23,638,038	15%	29,365,167	105%
Fines and Forfeits	9,638,287	9,638,287	5,793,071	40%	8,938,287	93%
Special Assessments	2,589,574	2,189,574	1,660,316	24%	2,189,574	100%
Investment Income	1,500,000	1,500,000	1,083,619	28%	1,500,000	100%
Other Shared Taxes	753,614	753,614	350,687	53%	753,614	100%
Other Miscellaneous	5,151,767	678,159	369,138	46%	678,159	100%
Contributions	450,000	450,000	444,089	1%	450,000	100%
Total Revenues	371,184,024	348,815,024	207,028,880	41%	350,265,024	100%
Transfers In	21,152,976	21,766,271	16,515,377	24%	21,766,271	100%
Revenues and Other Sources	392,337,000	370,581,295	223,544,257	40%	372,031,295	100%
Expenditures :						
Police	128,000,000	127,303,000	93,487,280	27%	126,403,000	99%
Fire	52,266,883	52,936,001	39,161,472	26%	52,386,001	99%
Coordinator - Total	34,219,551	34,450,202	25,620,067	26%	34,450,202	100%
Public Works - Total	41,839,899	42,332,093	33,962,107	20%	43,132,093	102%
Regulatory Services	36,934,488	36,533,444	25,381,676	31%	36,533,444	100%
Attorney	7,665,695	7,882,176	5,622,206	29%	7,882,176	100%
City Council & City Clerk	7,031,706	7,447,361	5,078,345	32%	7,447,361	100%
Culture and Recreation -Library	5,853,000	5,853,000	2,927,751	50%	5,853,000	100%
Contingency	6,736,291	2,779,000	245,984	91%	300,000	11%
Assessor	4,040,184	4,010,376	2,950,801	26%	4,010,376	100%
CPED	3,328,580	3,257,110	2,492,716	23%	3,257,110	100%
Health & Family Support	3,323,934	3,300,280	2,223,993	33%	3,300,280	100%
Civil Rights	2,087,692	2,049,249	1,588,965	22%	2,049,249	100%
Mayor	1,466,420	1,496,286	1,152,449	23%	1,496,286	100%
Internal Audit	382,769	487,338	317,416	35%	487,338	100%
Total Expenditures	335,177,092	332,116,916	242,213,226	27%	328,987,916	99%
Transfers Out	57,159,907	40,592,960	20,925,477	48%	40,592,960	100%
Expenditures and Other Uses	392,336,999	372,709,876	263,138,703	29%	369,580,876	99%
Change in Fund Balance					2,450,419	
Fund Balance - January 1, 2011					61,362,101	
Fund Balance - December 31, 2011					63,812,520	

City of Minneapolis - FY2011 General Fund Expense by Department



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, up to 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 revenues 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 costs associated with citywide entertainment activities. A portion of the tax is redirected to the (Target Center) Arena Reserve Fund to credit the fund for entertainment tax proceeds generated from Target Center activities, as required by the (Target Center) Arena Reserve 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. In addition to a portion of the entertainment tax, the General Fund receives \$250,000 of the sales tax for mounted patrol related to convention public safety activities.

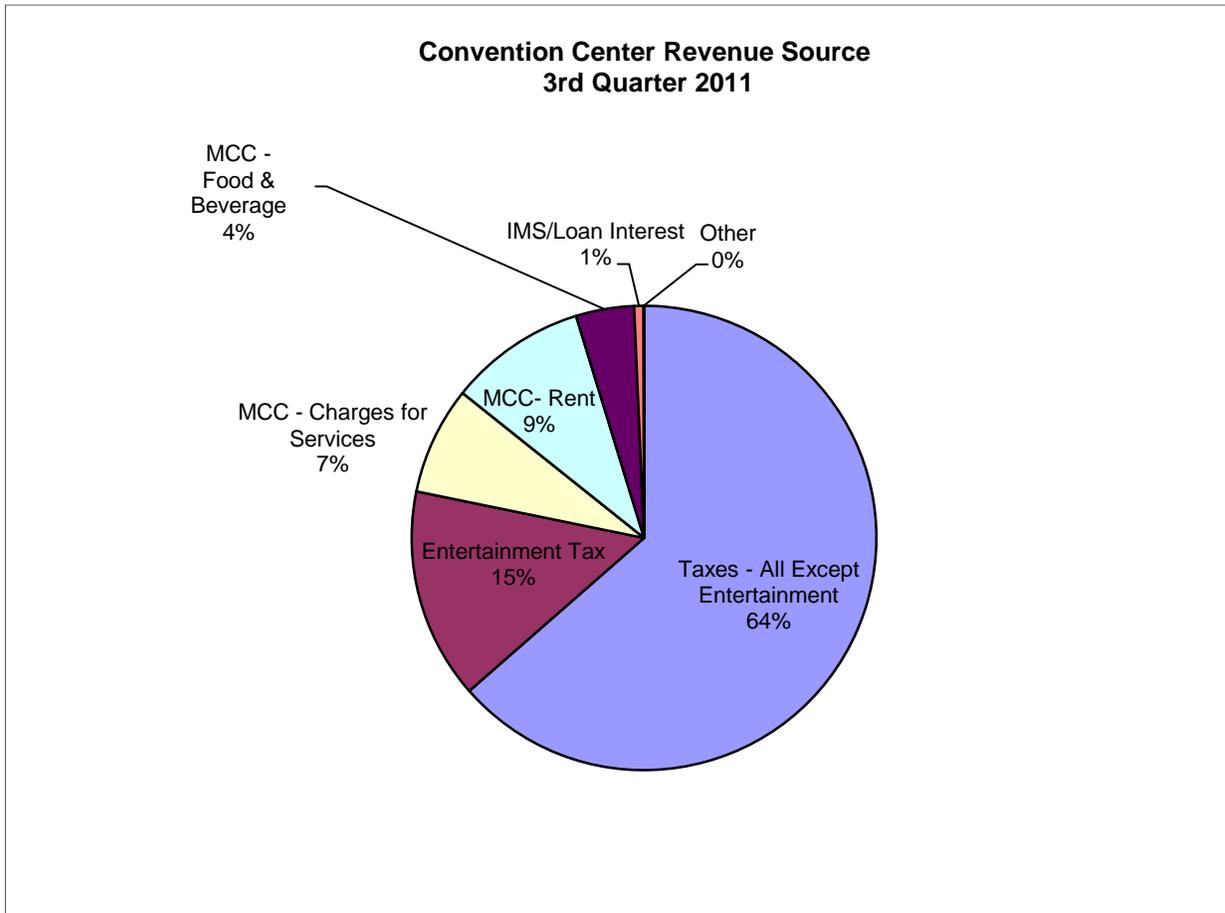
Through the 3rd quarter ending September 30, 2011, tax proceeds were above 2010 levels by 7.5% for the same period. All the local tax categories are ahead of 2010; particularly the sales and entertainment taxes. The entertainment tax can be largely attributed to the Twins Ballpark (Target Field) and consumer spending in the City of Minneapolis. Tax revenue is receipted into the month it is received from the State of Minnesota and is variable from month to month. Tax revenue is consumer driven and based on consumer spending habits.

Tax	September 2010	September 2011	Variance	% Change
Sales	\$21,030,989	\$22,916,769	\$1,885,780	9.0%
Entertainment	7,624,848	8,311,331	686,483	9.0%
Food	6,533,793	6,693,233	159,440	2.4%
Liquor	2,827,695	2,839,591	11,896	0.4%
Lodging	3,227,501	3,556,691	329,190	10.2%
Total	\$41,244,826	\$44,317,615	\$3,072,789	7.5%

Operating Revenue

Through the 3rd quarter of 2011, operating revenue finished at \$12 million or 84% of budget. Catering Commissions had the strongest finish at \$2.3 million or 92% of budget followed by Rents and Commissions at 85% and Charges for Services and Sales at 81% of budget. The Convention Center continues to discount rents heavily to be competitive and operational changes made in the beginning of 2011 are beginning to see results, particularly in charges for services and sales. The third quarter was strong with the highest operating revenue since 2005 and August Convention Center related tax receipts were at an all-time high of \$8 million, over a million dollars higher than the previous high. Consistent with previous years, the Convention Center anticipates a moderately busy fourth quarter until Thanksgiving at which time the building has very few events. National and International conventions this summer and fall brought over 100,000 attendees and over 125,000 room nights to Minneapolis. During the slow period in December, the Convention Center will be working on several much

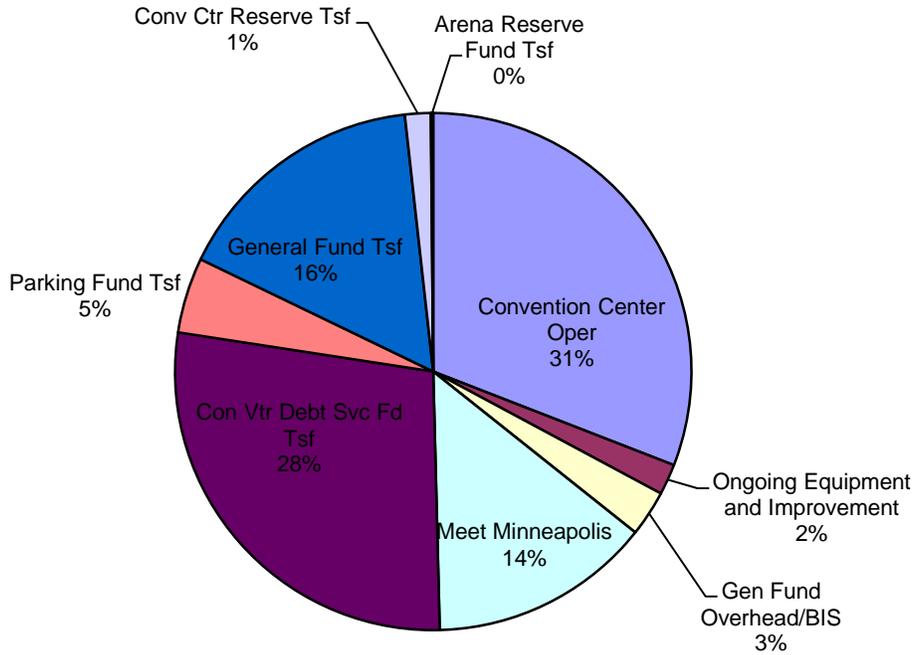
needed capital improvement projects, such as replacing the fabric on the air walls in several exhibition halls. Investments such as this allow us to continue to sell the facility and charge rents consistent with the competition. The expectation is that budgeted revenue will be achieved in 2011.



Operating Expenditures

Through the 3rd quarter of 2011, Convention Center operating expenses not including Ongoing Equipment and Improvement, BIS, and General Fund Overhead were at \$16.5 million or 67% of budget. Overall, 2011 operating expenses are relatively flat when compared to 2010 expenses. The Convention Center expects to meet budget, and continues to work on their ‘no waste’ initiative which includes goals to increase recycling, reduce energy usage, and reduce water use. The restructuring of debt service, which is up 11% compared to 2010, will provide savings in future years. The Convention Center anticipates being below their budget target in ongoing equipment and improvements and the Convention Center’s smaller event load in the fourth quarter will allow them to continue to work on large projects such as replacing the fabric on the air walls in the exhibition halls. Further, personnel expenses are down 2% due to tight staffing practices and low overtime.

**Convention Center Expenditures & Transfers
3rd Quarter 2011**



Transfers

The Convention Center Fund annually transfers a portion of its tax revenue to several other funds, in addition to receiving transfers from other funds. In 2011, transfers are budgeted to the General Fund - \$11.5 million for entertainment tax and mounted patrol. The entertainment tax revenue is projected to be better than expected, so the General Fund is expected to receive more than the budgeted transfer. Transfers are also budgeted from the Convention Center Facility Reserve Fund - \$1.5 million; a transfer to the Facility Reserve Fund - \$1.2 million; a transfer to the Arena Reserve Fund - 80,000; a transfer to debt service - \$22.2 million, a transfer to other debt service for MERF - \$153,000, and a transfer to the Municipal Parking Enterprise Fund for \$6.6 million. In addition, the Convention Center is receiving a \$1.5 million transfer from BIS for a capital advance. The BIS transfer is being accounting for on the balance sheet. All 2011 transfers are underway.

Debt Service

At year end 2011, outstanding Convention Center debt will total \$173.5 million. During 2011, the Convention Center is projected to make \$22.2 million in debt service payments (\$16.2 million principal and \$6.0 million interest), and through the 3rd quarter of 2011 the Convention Center has made \$14.9 million in payments.

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, as well as profit from the iDSS. The total of the loan was 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 principle is accounted for on the balance sheet as a loan receivable while the interest received is classified as revenue in the period in which it is due.

Forecast

The 2011 ending fund balance is projected to be \$37.4 million, which is approximately \$3.4 million above budget. The increase for the most part can be attributed to better than expected tax revenue and lower than expected expense; particularly ongoing equipment and improvement. At year end, the fund is projected to have a cash balance of \$20.7 million and have \$39.6 million more revenue than expense, an improvement over the budgeted amount of \$34.1 million. Net income for the fund is projected at (\$2.6 million), better than the budgeted amount of (\$6.1 million).

CONVENTION CENTER SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the fiscal quarter ending September 30, 2011

CITY OF MINNEAPOLIS, MINNESOTA

	2011				
	Budget	Actual	Percent of Total	Year End Projection	2010 Actual
REVENUE					
Operating Revenue:					
Charges for Services and Sales	5,280,000	4,258,708	81%	5,280,000	4,499,809
Rents and Commissions	6,400,000	5,408,521	85%	6,400,000	6,203,352
Catering Commissions	2,500,000	2,288,144	92%	2,500,000	2,162,574
Total Operating Revenue	14,180,000	11,955,373	84%	14,180,000	12,865,735
Tax Revenue:					
Sales and Use Tax	27,593,121	22,916,769	83%	28,000,000	27,265,504
Entertainment Tax	11,298,776	8,311,331	74%	13,500,000	13,174,564
Food Tax	10,306,402	6,693,233	65%	10,500,000	10,490,808
Liquor Tax	3,929,434	2,839,591	72%	4,600,000	4,585,688
Lodging Tax	5,911,264	3,556,691	60%	5,900,000	5,790,390
Total Tax Revenue	59,038,997	44,317,615	75%	62,500,000	61,306,954
Other Non Operating Revenue:					
Investment Management Services Interest	400,000	101,930	25%	183,930	341,632
Contributions Private Donations	250,000	-	0%	250,000	-
Meet Minneapolis (iDSS) Loan Interest	359,760	272,657	76%	359,760	402,611
Damage Claims	-	-	-	-	282,028
Other	20,000	14,428	72%	15,000	46,360
Total Other Non Operating Revenue	1,029,760	389,015	38%	808,690	1,072,631
Total Non Operating Revenue	60,068,757	44,706,630	74%	63,308,690	62,379,585
Total Revenue	74,248,757	56,662,004	76%	77,488,690	75,245,320
EXPENDITURES					
Convention Center Operations	24,763,108	16,517,345	67%	24,600,000	22,426,941
Ongoing Equipment and Improvement	5,376,000	1,028,615	19%	3,200,000	7,989,708
General Fund Overhead/BIS Operating	2,039,623	1,533,002	75%	2,039,623	2,240,319
Meet Minneapolis	8,004,911	7,437,538	93%	8,004,911	6,975,675
Total Expenditures	40,183,642	26,516,500	66%	37,844,534	39,632,643
Excess of Revenues Over (Under) Expenditures	34,065,115	30,145,504	88%	39,644,156	35,612,677
OTHER FINANCING SOURCES (USES)					
General Fund Transfer - Ent Tax/Mounted Patrol	(11,468,776)	(8,601,582)	75%	(13,670,000)	(12,718,709)
Arena Reserve Fund Transfer	(80,000)	(80,000)	100%	(80,000)	(705,855)
Facility Reserve Fund Transfer to Convention Ctr	1,500,000	1,125,000	75%	1,500,000	1,000,000
Convention Center Facility Reserve Fund Transfer	(1,150,000)	(862,500)	75%	(1,150,000)	(1,150,000)
Convention Ctr Debt Service Transfer	(22,220,957)	(14,876,219)	67%	(22,150,266)	(19,036,648)
Other Debt Service Transfer	(153,000)	(153,000)	100%	(153,000)	(73,000)
Municipal Parking Enterprise Fund Transfer	(6,589,231)	(2,523,525)	38%	(6,589,231)	(11,543,915)
Total Other Financing Sources (Uses)	(40,161,964)	(25,971,826)	65%	(42,292,497)	(44,228,127)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(6,096,849)	4,173,678		(2,648,341)	(8,615,450)
Fund Balance - January 1	40,008,910	40,008,910		40,008,910	48,624,360
Ending Fund Balance	33,912,061	44,182,588		37,360,569	40,008,910
Ending Cash Balance		24,079,512		20,722,336	21,078,511

SPECIAL REVENUE FUNDS
Federal, CDBG, and Other State and Local Grants
Quarter Ending September 30, 2011

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 annual reporting purposes, cash deficits are eliminated through inter fund borrowing.

Federal Grants Fund (01300)

The City accounts for its federal grant activity in fund 01300. As of September 30, expenditures were \$23,470,664 as compared to the 2010 expenditures of \$29,667,629. The 2009 expenditures are higher compared to the current year due to the Recovery grants that were awarded in 2009 and 2010 and are now expiring.

American Recovery and Reinvestment Act (ARRA)

On February 17, 2009, the President signed the American Recovery and Reinvestment Act into law. In 2009 and 2010 the City applied for \$144.4 million. The City received recovery funding from the Departments of Labor, Health and Human Services, Housing and Urban Development, Energy, Justice, and Transportation as well as the State of Minnesota totaling approximately \$64.9 million to be used for employment and training, prenatal services, community development, homelessness prevention and housing, public safety, energy, and environmental projects. The majority of the activity is recorded in fund 01300, however some activity related to the HUD Consolidated Plan is recorded in fund 01400. Many of these grants are expiring in 2011 and early 2012.

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 September 30 were \$14,498,208 as compared to \$21,339,602 for 2010. In 2009 there were three amendments to the existing 2008 HUD Consolidated Plan awarding an additional \$14.7 million in Neighborhood Stabilization Program (NSP) and ARRA funds resulting in higher spending levels in 2010. The current years CDBG award was \$2.4 million less than the anticipated amount of \$14.4 million. In March 2011, the 2011 Consolidated Plan was amended to add \$2.67 million of NSP3 funds for to be expended between March 16, 2011 and March 15, 2014. With the addition of the NSP funding along with the reduction in CDBG allocation the spending level in the fund should return to the normal level prior to the Stimulus funding.

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 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. Since 2008, in accordance with the reprogramming policy, an additional \$1,362,067 has been reprogrammed resulting in a current deficit balance of \$4,805,490.

Grants Other Fund (01600)

The fund is used to account for non-federal grants and other restricted revenue sources. The year to date expenditures as of September 30, 2011 and 2010 are \$21,905,604 and \$15,501,457, respectively. The year to date revenue in the fund as of September 30, 2011 and 2010 is \$22,102,407 and \$20,638,843, respectively. The increase in expenditures is primarily due to an increase in Revolving Fund activity and costs related to the Shubert Theater.

Regulatory Services Revolving Fund

In 2008, Regulatory Services established a revolving fund and began accounting for the activities in fund 01600. Thus far in 2011, the following non-grant revenue has been recognized in fund 01600:

Special Assessments	\$ 2,505,580
Licenses & Permits	\$ 673,308
False Burglar Alarm Fees	\$ 336,990
Re Inspection Fees	\$ 20,000
Truth-in-Housing Fees	\$ 96,225
Water Shut Off Inspection Fees	\$ 57,950
Electrical & Other Services	\$ 1,434
Forfeited Deposits	\$ 16,500
Penalties	\$ 120,267
Citations	<u>\$ 103,133</u>
	<u>\$ 3,934,387</u>

The excess revenue over expenditures for this program from inception in 2008 is approximately \$5,558,490 as of September 30, 2011.

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.

Special Revenue Funds
Grant Funds
Quarter Ending September 30, 2011

	Federal Grants 01300	HUD Grants 01400&01500	Grants Other 01600	Total
Assets				
Cash and cash equivalents	\$ (5,587,011)	\$ (447,724)	\$ 8,607,783	\$ 2,573,048
Accounts - net		19,168	254,868	274,036
Special Assessments Receivable			(95,425)	(95,425)
Intergovernmental Receivables	1,164,812		66,703	1,231,515
Loans receivable-net				0
Due from Other Funds		27,399		27,399
Deposits with Fiscal Agents			242,544	242,544
Properties held for resale	906,138	6,433,642	2,196,750	9,536,530
Total Assets	<u>\$ (3,516,061)</u>	<u>\$ 6,032,485</u>	<u>\$ 11,273,223</u>	<u>\$ 13,789,647</u>
Liabilities				
Salaries payable	\$ 141,384	\$ 104,484	\$ 184,705	\$ 430,573
Accounts payable	238,060	134,374	116,780	489,214
Inter Governmental Payables	19,861	1,599	34,257	55,717
Due to Other Funds	215,934	198,585	141,747	556,266
Use Taxes Payable				0
Unclaimed Property	(313)		313	0
Deposits held for others			100	100
Deferred revenue & Contracts	5,828		713,246	719,074
Deferred Special Assessments	-			0
Total Liabilities	<u>\$ 620,754</u>	<u>\$ 439,042</u>	<u>\$ 1,191,148</u>	<u>\$ 2,250,944</u>
Fund Balance	<u>\$ (4,136,814)</u>	<u>\$ 5,593,443</u>	<u>\$ 10,082,075</u>	<u>\$ 11,538,704</u>
Total Liabilities and Fund Balance	<u>\$ (3,516,060)</u>	<u>\$ 6,032,485</u>	<u>\$ 11,273,223</u>	<u>\$ 13,789,648</u>
Revenue				
Taxes-Charitable Gambling			\$ 56,135	\$ 56,135
Grants and Shared Revenues	\$ 17,728,958	\$ 13,220,574	16,192,340	47,141,872
Loan Origination Fees				0
Special Assessments		121,372	2,505,580	2,626,952
Private Contributions			703,642	703,642
Charges for Services	12,000	1,650	846,497	860,147
Licenses & Permits			1,130,565	1,130,565
Fines and forfeits			119,633	119,633
Interest	251	127,195		127,446
Rent & Commissions		9,809		9,809
Sale of Lands & Buildings	137,370			137,370
Loan Recapture	171,284	177,411	538,937	887,632
Sale of Equipment				0
Miscellaneous Revenue			9,147	9,147
Transfer within Special Revenue Fund	377,851		(69)	377,782
Total Revenue	<u>\$ 18,427,714</u>	<u>\$ 13,658,011</u>	<u>\$ 22,102,407</u>	<u>\$ 54,188,132</u>
Expenditures	<u>\$ 23,470,664</u>	<u>\$ 14,498,208</u>	<u>\$ 21,905,604</u>	<u>\$ 59,874,476</u>
Revenues Over (Under) Expenditures	<u>\$ (5,042,950)</u>	<u>\$ (840,197)</u>	<u>\$ 196,803</u>	<u>\$ (5,686,344)</u>

CDBG Program Year 33
Beginning June 1, 2007
September 30, 2011

Project	Budget	Reduction Amount PHAC Recom	Program Income	Council Actions	Department Reallocation	Revised Budget	2011		Remaining Grant Budget
							Current Expenditures	Grant to Date Expenditures	
Capital Grants:									
General Housing Rehabilitation-MPHA	\$ 227,700					\$ 227,700	\$ -	\$ 138,358	\$ 89,342
Problem Properties Attorneys	38,915					38,915	-	38,915	-
Problem Properties Fire ⁴	15,965			(15,965)		53,880	-	1,012	52,868
Problem Properties Police	53,880					130,800	-	130,800	-
Lead Reduction	130,800					738,534	1,189	740,241	(1,707)
Problem Properties Board Bldg ^{1,4}	346,240		376,329	15,965		233,700	-	-	233,700
Childcare Facilities Loan/Grant	233,700					844,000	-	844,000	-
Adult Training, Placement and Retention	844,000					801,000	-	801,000	-
High density corridor housing	801,000					180,700	-	108,344	72,356
NonProfit MF Rental Development Assistance	180,700					1,167,000	-	1,167,000	-
NEDF/CEDF	1,167,000					2,074	-	2,074	-
Homeownership Program (GMMHC) ⁶	350,500				(348,426)	71,900	-	71,900	-
Industry Cluster Program (Living Wage Jobs)	71,900		104,267			4,492,267	-	4,492,267	-
Multi-Family/Affordable Housing	4,388,000		470,733		348,426	1,444,159	(1)	1,444,159	-
Vacant & Boarded Housing ⁶	625,000					\$ 10,426,629	\$ 1,188	\$ 9,980,070	\$ 446,559
Subtotal Capital Grants	\$ 9,475,300	\$ -	\$ 951,329	\$ -	\$ -	\$ 10,426,629	\$ 1,188	\$ 9,980,070	\$ 446,559
Public Service Grants:									
Multi Cultural & Native American Indian	\$ 132,800					\$ 132,800	\$ -	\$ 132,800	\$ -
Graffiti Removal on Public Property	91,400					91,400	-	91,400	-
Advocacy (Housing)	94,300	(1,700)				92,600	-	92,600	-
Asian Media Access	29,900	100				30,000	-	30,000	-
Living at Home Block Nurse Program	74,900	100				75,000	-	75,000	-
Child Dental Services	11,000					11,000	-	11,000	-
Curfew/Tuancy Center	97,900	100				98,000	-	98,000	-
Resource Inc. Employment Action Center	49,900	100				50,000	-	49,999	1
Fremont Community Health Services	49,900	100				50,000	-	50,000	-
Greater Minneapolis Council of Churches	49,900	100				50,000	-	50,000	-
Lao Assistance Center of MN	54,900	100				55,000	-	55,000	-
Domestic Abuse Project	39,900	100				40,000	-	40,000	-
MITZGI Communications	47,900	100				48,000	-	48,000	-
MPS Teenage Parenting & Pregnancy Program	75,900	100				76,000	-	76,000	-
Minneapolis Urban League	74,900	100				75,000	-	75,000	-
St. Mary's Health Clinics/Cardonduet Life Care	21,000					21,000	-	21,000	-
Southside Family Nurturing Center	49,900	100				50,000	-	50,000	-
St Stephens Human Services	49,900	100				50,000	-	50,000	-
Way to Grow	295,600	400				296,000	-	296,000	-
Mortgage Foreclosure Prevention Program ³	204,700		100,000	95,300		400,000	-	400,000	-
Youth Employment & Training	476,133					476,133	-	476,133	-
Subtotal Public Service Grants	\$ 2,072,633	\$ -	\$ 100,000	\$ 95,300	\$ -	\$ 2,267,933	\$ -	\$ 2,267,932	\$ 1
Administrative Grants:									
MPH Citizen Participation	\$ 70,900					\$ 70,900	\$ -	\$ 50,900	\$ 20,000
YCB Administration	64,900					64,900	-	64,803	97
Civil Rights Dept Fair Housing	205,000					205,000	-	205,000	-
Office Grants & Special Projects	244,900					244,900	-	244,900	-
Homeless Initiative	-					-	-	-	-
Housing Discrimination Law Project-Legal Aid	56,900					56,900	-	56,900	-
GEN ADM Finance (Administration)	205,000					205,000	-	205,000	-
Grant Administration	71,900					71,900	-	71,900	-
Legal Aid Society (Services)	35,000					35,000	-	35,000	-
Neighborhood Services	74,900					74,900	-	74,900	-
Way to Grow Administration	27,000					27,000	-	27,000	-
YCB Youth Violence Prevention	-					-	-	-	-
Citizen Participation	242,700					242,700	-	242,700	-
Program Admin	103,000					103,000	-	103,000	-
Planning - Administration	878,000					878,000	-	878,000	-
Subtotal Administrative Grants	\$ 2,280,100	\$ -	\$ -	\$ -	\$ -	\$ 2,280,100	\$ -	\$ 2,260,003	\$ 20,097
Block E Deficit Reduction									
GRAND TOTAL	\$ 13,828,033	\$ -	\$ 1,051,329	\$ 95,300	\$ -	\$ 14,974,662	\$ 1,188	\$ 14,508,005	\$ 466,657

¹ Council Action 2007R-529 Increase budget up to \$376,329 based on actual program income received.

⁴ Council Action 2008R-060.

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

⁶ Department Reallocation Request 2/5/2010

⁷ Per Schedule 6 and 7 in Budget Year 2007 and Council Action 2009R-567 (processed in Compass on 5/7/2010)

CDBG Program Year 34
Beginning June 1, 2008
September 30, 2011

Project	Budget	Reduction Amount	Program Income	Department Actions	Revised Budget	2011		
						Current Expenditures	Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:								
General Housing Rehabilitation-MPHA	\$ 218,000	-	\$ -	\$ -	\$ 218,000	\$ 3,281	\$ 345,497	\$ (127,497)
Problem Properties Attorneys	38,300	-	-	-	38,300	-	38,300	-
Problem Properties Police	52,700	-	-	-	52,700	-	-	52,700
Lead Reduction	125,000	-	-	-	125,000	6,884	145,830	(20,830)
Problem Properties Board Bldg	348,000	-	-	-	348,000	8,478	370,139	(22,139)
Childcare Facilities Loan/Grant	224,000	-	-	-	224,000	-	-	224,000
Adult Training, Placement and Retention	1,380,000	-	-	-	1,380,000	-	1,381,068	(1,068)
High density corridor housing	729,000	-	-	-	729,000	-	729,000	-
NonProfit MF Rental Development Assistance	165,000	-	-	-	165,000	-	-	165,000
NEDF/CEDF	518,000	-	1,150,000 ¹	-	1,668,000	10,785	447,914	1,220,086
Homeownership Program (GMMHC)	319,000	-	-	-	319,000	-	319,000	-
Industry Cluster Program (Living Wage Jobs)	65,100	-	-	-	65,100	-	65,100	-
Multi-Family/Affordable Housing	4,270,000	-	-	-	4,270,000	(6,710)	4,270,000	-
Vacant & Boarded Housing	569,000	-	-	-	569,000	-	569,000	-
Subtotal Capital Grants	\$ 9,021,100	\$ -	\$ 1,150,000	\$ -	\$ 10,171,100	\$ 22,718	\$ 8,680,848	\$ 1,490,252
Public Service Grants:								
Multi Cultural & Native American Indian	\$ 119,000	-	\$ -	\$ -	\$ 119,000	-	\$ 119,000	\$ -
Graffiti Removal on Public Property	86,200	-	-	-	86,200	-	86,200	-
Advocacy (Housing)	82,300	-	-	-	82,300	-	82,300	-
Asian Media Access	26,800	-	-	-	26,800	-	26,800	-
Living at Home Block Nurse Program	64,100	-	-	-	64,100	-	64,100	-
Child Dental Services	10,500	-	-	-	10,500	-	10,500	-
Curfew/Traucany Center	98,000	-	-	-	98,000	-	98,000	-
Domestic Abuse Project	34,500	-	-	(34,500)	-	-	-	6,000
Resource Inc. Employment Action Center	44,000	-	-	-	44,000	-	44,000	-
Fremont Community Health Services	44,000	-	-	-	44,000	-	44,000	-
Greater Minneapolis Council of Churches	44,000	-	-	-	44,000	-	44,000	-
Lao Assistance Center of MN	48,800	-	-	-	48,800	-	48,800	-
MITZGI Communications	42,100	-	-	-	42,100	-	42,100	-
MPS Teenage Parenting & Pregnancy Program	65,100	-	-	-	65,100	-	65,100	-
Minneapolis Urban League	64,100	-	-	-	64,100	-	63,918	182
St Marys Health Clinics	18,200	-	-	-	18,200	-	18,200	-
St Stephens Human Services	44,000	-	-	-	44,000	-	44,000	-
Southside Family Nurturing Center	44,000	-	-	-	44,000	-	23,273	20,727
348TOTS	-	-	-	34,500	34,500	-	34,500	-
Way to Grow	261,000	-	-	-	261,000	-	260,999	1
Youth are Here Buses	71,800	-	-	-	71,800	-	-	71,800
Mortgage Foreclosure Prevention Program	196,000	-	-	-	196,000	-	196,000	-
Youth Employment & Training	457,000	-	-	-	457,000	-	457,000	-
Subtotal Public Service Grants	\$ 1,965,500	\$ -	\$ -	\$ -	\$ 1,965,500	\$ -	\$ 1,866,790	\$ 98,710
Administrative Grants:								
MPH Citizen Participation	\$ 68,000	-	\$ -	\$ -	\$ 68,000	-	\$ 68,000	\$ -
YCB Administration	65,000	-	-	-	65,000	-	64,803	197
Civil Rights Dept Fair Housing	196,000	-	-	-	196,000	-	196,000	-
Grants & Special Projects	235,000	-	-	-	235,000	504	235,791	(791)
Homeless Initiative	-	-	-	-	-	-	-	-
Housing Discrimination Law Project-Legal Aid	54,600	-	-	-	54,600	-	54,600	-
Finance Administration	196,000	-	-	-	196,000	-	202,675	(6,675)
Grant Administration	67,972	-	-	-	67,972	-	67,972	-
Legal Aid Society	33,500	-	-	-	33,500	-	33,500	-
Neighborhood Services	71,800	-	-	-	71,800	-	71,800	-
Way to Grow Administration	25,800	-	-	-	25,800	-	25,800	-
YCB Youth Violence Prevention	120,000	-	-	-	120,000	-	120,000	-
Citizen Participation	233,000	-	-	-	233,000	-	233,000	-
Program Admin	62,000	-	-	-	62,000	-	62,000	-
Planning - Administration	878,000	-	-	-	878,000	-	878,000	-
Subtotal Administrative Grants	\$ 2,306,672	\$ -	\$ -	\$ -	\$ 2,306,672	\$ 504	\$ 2,313,941	\$ (7,269)
Block E Deficit Reduction	\$ 13,293,272	\$ -	\$ 1,150,000	\$ -	\$ 14,443,272	\$ 23,222	\$ 12,861,579	\$ 1,581,693
GRAND TOTAL								

CDBG Program Year 35
Beginning June 1, 2009
September 30, 2011

Project	Budget	Program Income	Department Actions	2011			Remaining Grant Budget
				Revised Budget	Current Expenditures	Grant to Date Expenditures	
Capital Grants:							
General Housing Rehabilitation-MPHA	\$ 219,000	\$ -	\$ -	\$ 219,000	\$ 58,746	\$ 200,541	\$ 18,459
Problem Properties Attorneys	38,000	-	-	38,000	-	38,000	-
Problem Properties Police	53,000	-	-	53,000	-	53,000	53,000
Lead Reduction	125,000	-	-	125,000	32,777	39,923	85,077
Problem Properties Board Bldg	348,000	-	-	348,000	(87,644)	355,885	(7,885)
Childcare Facilities Loan/Grant	225,000	-	-	225,000	-	225,000	225,000
Adult Training, Placement and Retention	511,000	-	-	511,000	-	511,000	-
High density corridor housing	730,000	-	-	730,000	104,224	598,920	131,080
NonProfit MF Rental Development Assistance	166,000	-	-	166,000	20,083	62,083	103,917
Homeownership Program (GMM/MHC)	334,000	1,472,000 ¹	-	1,806,000	-	972,444	833,556
Multi-Family/Affordable Housing	5,715,000	2,014,000 ¹	-	7,729,000	620,448	3,626,032	4,102,968
Vacant & Boarded Housing	569,000	500,000	-	1,069,000	(140,309)	952,212	116,788
Subtotal Capital Grants	\$ 9,033,000	\$ 3,986,000	\$ -	\$ 13,019,000	\$ 608,325	\$ 7,357,040	\$ 5,661,960
Public Service Grants:							
Multi Cultural & Native American Indian	\$ 121,000	\$ -	\$ -	\$ 121,000	\$ -	\$ 121,000	\$ -
Graffiti Removal on Public Property	86,000	-	-	86,000	-	66,473	19,527
Living at Home Block Nurse Program	69,000	-	20,000 ²	89,000	8,230	89,000	-
Catholic Charities	69,000	-	(3,562) ²	65,438	21,141	65,438	(0)
Centro Cultural Chicano Inc	47,000	-	-	47,000	(7,664)	47,000	-
Greater Minneapolis Council of Churches	36,000	-	(23,518) ²	12,482	-	12,482	0
Juvenile Supervision Center	100,000	-	-	100,000	135	100,000	-
Lao Family Community	69,000	-	(22,815) ²	46,185	-	46,185	0
Minnesota International Health Volunteers	69,000	-	(2,180) ²	66,820	25,237	66,820	(0)
MPS Teenage Parenting & Pregnancy Program	69,000	-	16,075 ²	85,075	5,269	85,075	(0)
Minneapolis Urban League	69,000	-	-	69,000	(4,372)	85,000	-
Southside Community Health Services	66,000	-	16,000 ²	82,000	2,938	66,000	-
Way to Grow	262,000	-	-	262,000	-	262,000	-
Youth are Here Busses	51,000	-	-	51,000	-	-	51,000
Advocacy (Housing)	82,000	-	-	82,000	821	81,999	1
Mortgage Foreclosure Prevention Program	140,000	-	-	140,000	-	137,000	3,000
Youth Employment & Training	458,000	-	-	458,000	-	458,000	-
Subtotal Public Service Grants	\$ 1,863,000	\$ -	\$ -	\$ 1,863,000	\$ 51,735	\$ 1,789,472	\$ 73,528
Administrative Grants:							
MPH Citizen Participation	\$ 68,000	\$ -	\$ -	\$ 68,000	\$ 3,956	\$ 88,261	\$ (20,261)
YCB Administration	66,000	-	-	66,000	-	64,803	1,197
Civil Rights Dept Fair Housing	365,000	-	-	365,000	439	365,000	-
Grants & Special Projects	189,710	-	-	189,710	(7,022)	178,108	11,602
Housing Discrimination Law Project-Legal Aid	54,000	-	-	54,000	-	54,000	-
Homeless Initiative	77,000	-	-	77,000	-	77,000	-
Finance Administration	196,000	-	-	196,000	92,936	133,781	62,219
Grant Administration	68,000	-	-	68,000	(1,541)	68,000	-
Neighborhood Services	72,000	-	-	72,000	(3,770)	72,000	-
Way to Grow Administration	26,000	-	-	26,000	-	26,000	-
YCB Youth Violence Prevention	121,000	-	-	121,000	-	121,000	-
Citizen Participation	233,000	-	-	233,000	34,761	229,655	3,345
Legal Aid Society	34,000	-	-	34,000	-	-	34,000
Program Admin	62,000	-	-	62,000	-	62,000	-
Planning - Administration	879,000	-	-	879,000	-	879,000	-
Subtotal Administrative Grants	\$ 2,510,710	\$ -	\$ -	\$ 2,510,710	\$ 119,759	\$ 2,418,608	\$ 92,102
Block E Deficit Reduction							
GRAND TOTAL	\$ 13,406,710	\$ 3,986,000	\$ -	\$ 17,392,710	\$ 779,819	\$ 11,565,120	\$ 5,827,590

¹ Per Schedule 6 and 7 in Budget Year 2007-2010 (processed in Compass on 5/7/2010)

² Department Reallocation Request 5/28/2010 and 4/18/2011

CDBG Program Year 36
Beginning June 1, 2010
September 30, 2011

Project	Adopted Budget 2009R-586	Adjustment Amount	Program Income	Department Actions	Revised Budget	2011		Remaining Grant Budget
						Current Expenditures	Grant to Date Expenditures	
Capital Grants:								
Problem Properties Attorneys	\$ 38,000	\$ -	\$ -	-	\$ 38,000	\$ 28,509	\$ 38,000	\$ -
Personal Protective Equipment	694,000	-	-	-	694,000	472,225	598,464	95,536
Problem Properties Police	53,000	-	-	-	53,000	-	-	53,000
Lead Reduction	125,000	-	-	-	125,000	-	-	125,000
Problem Properties Board Bldg	348,000	-	-	-	348,000	328,940	328,940	19,060
Adult Training, Placement and Retention	982,000	-	-	-	982,000	543,291	599,133	382,867
High density corridor housing	730,000	-	-	-	730,000	-	-	730,000
NonProfit MF Rental Development Assist.	166,000	-	-	-	166,000	-	-	166,000
NEDF/CEDF	1,500,000	-	-	-	1,500,000	25,271	284,686	1,215,314
Homeownership Program (GMMHC)	334,000	308,189	-	-	334,000	7,243	179,553	154,447
Multi-Family/Affordable Housing	3,703,000	-	-	-	4,011,189	1,396,629	2,025,360	1,985,829
Vacant & Boarded Housing	782,000	-	-	-	782,000	187,902	856,484	(74,484)
Subtotal Capital Grants	\$ 9,455,000	\$ 308,189	\$ -	\$ -	\$ 9,763,189	\$ 2,990,010	\$ 4,910,620	\$ 4,852,569
Public Service Grants:								
Restorative Justice Programs	\$ 20,000	\$ -	\$ -	-	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Community Crime Prevention Specialists	880,000	54,386	-	-	934,386	341,232	928,444	5,942
Access & Outreach (Multicultural Affairs)	121,000	-	-	-	121,000	25,382	33,205	87,795
Living at Home Block Nurse Program	49,000	-	20,000	1	69,000	47,156	49,000	20,000
Catholic Charities	49,000	-	-	-	49,000	10,020	10,020	38,980
Centro Cultural Chicano Inc	33,000	-	-	14,000	47,000	47,000	47,000	-
Curfew/Truancy Center	100,000	-	-	-	100,000	757	100,000	-
Greater Minneapolis Council of Churches	26,000	-	-	(26,000)	-	-	-	-
Lao Assistance Center of MN	49,000	-	-	(49,000)	-	-	-	-
Minnesota International Health Volunteer	49,000	-	-	20,000	69,000	43,763	43,763	25,237
MPS Teenage Parenting & Pregnancy Pr	49,000	-	1,000	1	50,000	39,973	30,973	10,027
Minneapolis Urban League	49,000	-	-	20,000	69,000	35,523	48,866	20,134
Southside Community Health Ser	47,000	-	-	-	47,000	31,228	31,228	15,772
Way to Grow	262,000	-	-	-	262,000	152,716	262,000	-
Youth Employment & Training	328,000	-	-	-	328,000	194,853	328,000	-
Subtotal Public Service Grants	\$ 2,111,000	\$ 54,386	\$ -	\$ -	\$ 2,165,386	\$ 989,603	\$ 1,941,499	\$ 223,887
Administrative Grants:								
YCB Administration	\$ 66,000	\$ -	\$ -	-	\$ 66,000	\$ -	\$ 64,803	\$ 1,197
Civil Rights Dept Fair Housing	365,000	-	-	-	365,000	171,988	190,608	174,392
Finance Administration	196,000	-	-	-	196,000	-	-	196,000
MPH Citizen Participation	68,000	-	-	-	68,000	42,468	42,468	25,532
Grants & Special Projects	190,000	-	-	-	190,000	112,514	161,497	28,503
Housing Discrimination Law Project-Lega	54,000	-	-	-	54,000	22,500	54,000	-
Homeless Initiative	77,000	-	-	-	77,000	40,445	67,622	9,378
Grant Administration	68,000	-	-	-	68,000	40,063	68,334	(334)
Neighborhood Services	72,000	-	-	-	72,000	41,184	57,206	14,794
Way to Grow Administration	26,000	-	-	-	26,000	15,170	26,000	-
YCB Youth Violence Prevention	121,000	-	-	-	121,000	64,807	116,028	4,972
Citizen Participation	233,000	-	-	-	233,000	27,896	57,964	175,036
Legal Aid Society	34,000	-	-	-	34,000	-	-	34,000
Planning - Administration	941,000	-	-	-	941,000	411,760	941,000	-
Subtotal Administrative Grants	\$ 2,511,000	\$ -	\$ -	\$ -	\$ 2,511,000	\$ 990,795	\$ 1,847,530	\$ 663,470
Block E Deficit Reduction	-	-	-	-	-	-	-	-
GRAND TC	\$ 14,077,000	\$ 362,575	\$ -	\$ -	\$ 14,439,575	\$ 4,970,408	\$ 8,699,649	\$ 5,739,926

¹ Department Reallocation Request 5/28/2010 and 4/18/2011

CDBG Program Year 37
Beginning June 1, 2011
September 30, 2011

Project	Adopted Budget 2010R-598	Amended Budget 2011R-301	Program Income	Department Actions	Revised Budget	2011		Remaining Grant Budget
						Current Expenditures	Grant to Date Expenditures	
Capital Grants:								
General Housing Rehabilitation-MPHA	\$ 110,000	\$ (110,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Problem Properties Attorneys	38,000	(7,617)	-	-	30,383	-	-	30,383
Personal Protective Equipment	584,000	-	-	-	584,000	57,500	57,500	526,500
Problem Properties Police	53,000	(10,624)	-	-	42,376	-	-	42,376
Lead Reduction	125,000	(25,057)	-	-	99,943	-	-	99,943
Problem Properties Board Bldg	348,000	(186,823)	-	-	161,177	-	-	161,177
Adult Training, Placement and Retentio	1,255,000	(141,570)	-	-	1,113,430	-	-	1,113,430
High density corridor housing	730,000	(146,331)	-	-	583,669	-	-	583,669
NonProfit MF Rental Development Assis	166,000	(33,275)	-	-	132,725	-	-	132,725
NEDF/CEDF (Great Streets)	1,127,000	(225,912)	-	-	901,088	-	-	901,088
Homeownership Program (GMMHC)	34,000	(6,815)	-	-	27,185	-	-	27,185
Multi-Family/Affordable Housing	3,411,189	(683,786)	-	-	2,727,403	-	-	2,727,403
Vacant & Boarded Housing	1,782,000	(357,209)	-	-	1,424,791	149,852	149,852	1,274,939
Subtotal Capital Grants	\$ 9,763,189	\$ (1,935,019)	\$ -	\$ -	\$ 7,828,170	\$ 207,352	\$ 207,352	\$ 7,620,818

Public Service Grants:								
Restorative Justice Programs	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ 20,000
Community Crime Prevention Specialist:	934,386	(50,000)	-	-	884,386	349,668	349,668	534,718
Access & Outreach (Multicultural Affairs	121,000	-	-	-	121,000	-	-	121,000
PHAC Living at Home Block Nurse Progr	75,000	-	-	(54,563)	20,437	-	-	20,437
Curfew/Truancy Center	100,000	-	-	-	100,000	17,922	17,922	82,078
Domestic Abuse Project	75,000	-	-	-	75,000	-	-	75,000
PHAC-MPS Teenage Parenting & Pregnanc	250,000	(259,563)	-	9,563	-	-	-	-
PHAC-Holy Rosary Church	75,000	-	-	(5,000)	70,000	-	-	70,000
Way to Grow	-	-	-	50,000	50,000	-	-	50,000
Youth Employment & Training	262,000	(50,000)	-	-	212,000	38,216	38,216	173,784
Subtotal Public Service Grants	\$ 2,165,386	\$ (359,563)	\$ -	\$ -	\$ 1,805,823	\$ 493,367	\$ 493,367	\$ 1,310,161

Administrative Grants:								
YCB Administration	\$ 66,000	\$ -	\$ -	\$ -	\$ 66,000	\$ -	\$ -	\$ 66,000
Civil Rights Dept Fair Housing	365,000	-	-	-	365,000	-	-	365,000
Finance Administration	196,000	-	-	-	196,000	-	-	196,000
Director of Arts-City Coordinator Adm	28,146	(28,146)	-	-	-	-	-	-
MPH Citizen Participation	68,000	-	-	-	68,000	-	-	68,000
Grants & Special Projects	190,000	-	-	-	190,000	-	-	190,000
Housing Discrimination Law Project-Leg	54,000	-	-	-	54,000	-	-	54,000
Homeless Initiative	77,000	-	-	-	77,000	-	-	77,000
Grant Administration	68,000	-	-	-	68,000	13,608	13,608	54,392
Neighborhood Services	72,000	-	-	-	72,000	799	799	71,201
Way to Grow Administration	26,000	-	-	-	26,000	4,728	4,728	21,272
YCB Youth Violence Prevention	121,000	(20,000)	-	-	101,000	6,385	6,385	94,615
Program Admin	100,000	-	-	-	100,000	1,796	1,796	98,204
Legal Aid Society	34,000	-	-	-	34,000	-	-	34,000
Planning - Administration	1,045,854	(54,356)	-	-	991,498	342,348	342,348	649,150
Subtotal Administrative Grants	\$ 2,511,000	\$ (102,502)	\$ -	\$ -	\$ 2,408,498	\$ 369,664	\$ 369,664	\$ 2,038,834

Block E Deficit Reduction								
GRAND TOTAL	\$ 14,439,575	\$ (2,397,084)	\$ -	\$ -	\$ 12,042,491	\$ 1,070,383	\$ 1,070,383	\$ 10,969,813

**CPED Special Revenue Fund Component Programs
Budget and Actual Expenditures
Cash and Fund Balance
3rd Quarter 2011**

	Original Budget	Current Budget	Expended	Remaining Budget	Cash	Fund Balance
Tax Increment Financing Program	56,232,988	57,132,988	39,348,471	17,784,517	78,647,371	108,134,950
Housing & Economic Development	9,831,567	10,076,567	7,532,453	2,544,114	13,012,938	17,101,305
Development Accounts	12,025,543	12,029,263	9,885,143	2,144,120	18,925,421	30,122,325
Neighborhood Revitalization Program	1,106,012	4,656,082	4,230,245	425,837	45,393,893	46,061,621
Preliminary Planning	2,743,968	3,645,828	808,094	2,837,734	(4,669,206)	(4,450,352)
CPED Operating	6,963,120	6,963,120	5,135,588	1,827,532	(5,292,803)	(6,538,790)
Total	88,903,198	94,503,848	66,939,994	27,563,854	146,017,614	190,431,059

Fund Balance. The fund balance of the CPED Special Revenue Fund is reserved for land held for development (\$38,548,263,) for encumbrances (\$16,358,252,) for prepaid items, loans and advances (\$15,071,584,) and for special development projects (\$118,975,817.) **The remaining \$1,477,143 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 the Planetarium and 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. **A plan to address the deficit in this program has been developed as part of the 2012 budget process.**

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. **A plan to address the deficit in this program has been developed by CPED management as part of the 2012 budget process.**

**City Of Minneapolis
Sanitary Sewer Fund
For the Third Quarter Ending September 30, 2011**

Fund 07100	2011 Budget	09-30-2011 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	49,296,031	35,833,123	13,462,908	73%
Operating Expense	42,297,322	30,955,590	11,341,732	73%
Operating Margin	6,998,709	4,877,532		
Net Income	3,236,845	1,847,614		

Program Description:

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

Revenue:

With sewer revenue of \$35.8 million through the end of the third quarter, 73% of the budgeted revenue has been realized compared to \$35.9 million or 79% for the same period in 2010. This is a decrease of \$67K, or 0.2%, compared to revenues through third quarter of 2010. Water consumption which is the basis for sanitary flow has continued to decrease compared to previous years as a result of declining number of accounts due to commercial and industrial vacancies within the City.

Expenses:

The Sanitary Sewer Fund's operating expense of \$30.9 million through third quarter equates to 73% of 2011 budget compared to \$29.6 million, or 71%, for the 2010 expenditure budget through the third quarter. This is an increase of \$1.3 million, or 5%, over the same period in prior year. Increase in expenditures is mainly due to increase in monthly payments to Met Council. Design cost center also shows an increase in expenditures compared to 2010 due to increased design work and due to reassignment of some personnel between cost centers and funds.

Transfers:

The transfer from this Fund goes to the pension fund to cover MERF unfunded liability. The transfer budget for the year is \$478,000 and through this quarter all of this transfer has been made.

Debt Service:

For 2011, the debt service budget totals \$5.2 million which includes \$3.1 million set aside for principal and \$2.1 million for interests. For the year, it is estimated that debt service payout will total \$6.3 million with additional \$1.1 million payment towards principal. For the quarter, \$1.6 million in interest on its outstanding debts generated from past bond sales have been recognized even though only a payment totaling \$328K has been made.

Forecast:

Cash balance is estimated to remain at about \$11 million for the year end. This estimate includes cash balance at the end of the present quarter along with cash inflows from operating and bond revenues less cash outflows for operations, debt service, and capital programs. The Fund expects to receive higher design revenues in the coming months from capital programs as completed programs close out. SAC revenues are at a pace to meet the year's budget of \$2 million. The adopted utility charges are \$46.4 million and we are currently projected to collect \$45.2 million.

Operating revenue is projected to be \$1.2 less than budgeted and operating expense is projected to be \$662,000 less than the budgeted amount. These projections result in an expected operating margin of \$6.4 million compared to the budgeted margin of \$7.0 million. Net income is projected to be \$2.7 million, \$0.5 million less than the budgeted amount of \$3.2 million.

Other Financial Items:

The current operating cash balance is \$15.5 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$10.3 million. The cash position through the quarter remains at \$5.2 million above its target.

City of Minneapolis, Minnesota
Sanitary Sewer Fund
Statement of Revenues and Expenses
For Third Quarter/Years Ending 2011, 2010, 2009

	Budget Year 2011	Projected Year 2011	Period Ending 09/30/2011	Year Ending 2010	For Period Ending 09/30/2010	Year Ending 2009	For Period Ending 09/30/2009
Operating Revenues:							
Sanitary Utility Charges	46,367,163	45,153,676	33,944,644	45,108,976	34,105,885	40,230,065	30,507,545
Other Services Provided	928,868	928,868	296,437	1,175,845	432,650	1,418,181	220,579
SAC Revenues	2,000,000	2,000,000	1,592,042	2,983,629	1,362,044	2,305,130	1,269,730
Interest							
Total Operating Revenues	49,296,031	48,082,544	35,833,123	49,268,450	35,900,579	43,953,376	31,997,854
Operating Expenses:							
Sewer Design	426,903	562,925	430,608	297,849	199,033	230,253	184,183
Sewer Maintenance	6,488,380	5,986,069	3,993,293	5,427,064	4,038,629	5,922,731	4,604,109
Met Council Env. Svcs.	35,382,039	35,086,176	26,531,689	34,896,837	25,365,544	32,234,678	26,371,760
Total Operating Expenses	42,297,322	41,635,170	30,955,590	40,621,750	29,603,206	38,387,662	31,160,052
Operating Margin	6,998,709	6,447,374	4,877,533	8,646,700	6,297,373	5,565,714	837,802
Non-Operating Revenues/(Expenses)							
Net Transfers (out)	(478,000)	(478,000)	(576,827)	(574,793)	(228,750)	(1,791,003)	(555,003)
Non-Oper Expenses				6,433			
Depreciation	(1,187,654)	(1,187,654)	(890,741)	(1,151,791)	(1,411,265)	(1,159,640)	(914,941)
Special Assessments			9,806			9,691	
Net Interest Income (Exp)	(2,096,210)	(2,096,210)	(1,572,158)	(547,042)	(1,037,359)	(500,094)	(1,262,250)
Total Non-Operating Revenues (Expenses)	(3,761,864)	(3,761,864)	(3,029,919)	(2,267,193)	(2,677,374)	(3,441,046)	(2,732,194)
Net Income	3,236,845	2,685,510	1,847,614	6,379,507	3,619,999	2,124,668	(1,894,392)
Significant Balance Sheet Items							
Operating Cash	-	10,992,024	15,492,024	12,473,870	17,069,328	9,639,595	11,461,020
Accounts Receivable	-	3,485,807	3,842,608	3,659,013	3,739,107	3,312,601	3,555,361
Significant Cash Flow Items							
Capital Outlay	5,000,000	5,000,000	1,608,547	5,709,012	3,873,332	7,904,063	5,055,599
Bond Principle payments	3,100,000	4,200,000	-	2,850,000	2,012,250	2,436,000	1,266,750

**City Of Minneapolis
Stormwater Fund
For the Third Quarter Ending September 30, 2011**

Fund 07300	2011 Budget	09/30/2011 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	36,821,275	28,699,818	8,121,457	78%
Operating Expense	21,739,539	14,235,104	7,504,435	65%
Operating Margin	15,081,736	14,464,714		
Net Income	4,727,325	6,012,824		

Program Description:

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

Revenue:

With Storm Water revenue of \$28.7 million through third quarter, 78% of the operating revenue budget has been realized compared to \$27.2 million, or 80%, for the same period in 2010. The revenue increased by \$1.5 million over third quarter of 2010. Increase in revenues of \$1.2 million is mainly due to increase in utility rates/ESU which was \$11.09 in 2010 and is \$11.42 in 2011. Additional increase comes from State grants for maintenance work done by Street Cleaning and Storm Maintenance departments and reimbursed by the State.

Expenses:

Through third quarter, 2011, Storm Water Fund's operating expenses ended at 65% of the budget. Expenses through the quarter totaled \$14.2 million compared to \$13.6 million through third quarter 2010. This is an increase of \$600K, or 4%. Increases are mainly due to higher expenditures in Street department due to North Side storm clean up. Increase in Storm Design expenses have been off set by decrease in Storm Maintenance expenditures. Street Cleaning expenses are mostly due to contractual services related to hauling of the spring sweep and storm debris.

Transfers:

Transfer out of the Storm Water Fund includes a transfer to MERF pension fund. For 2011, this transfer estimate was \$478,000, and through third quarter, all of the transfer has been made to the Pension Fund.

Debt Service:

The debt service budget for 2011 totals \$10.9 million of which \$6.1 million is set aside for interest and \$4.8 million for the principal. Through third quarter, \$4.6 million has been recognized as interest expense. It is projected that the Fund will contribute an additional \$7 million towards principal and thereby raising the debt service total for the year to \$17.9 million. These payments are primarily for bonds sold to finance the Combined Sewer Overflow, Flood Mitigation Program, and the Storm Tunnel Program.

Forecast:

For the year end, cash balance is projected at \$16.6 million. In the next three months, it is estimated that this fund will incur cash outflow of \$6 million in operations, \$18 million for debt

service and an additional \$8 million for capital outlays. These outflows will be off set by current fund balance and by additional cash inflow from operating revenues currently projected to earn \$11 million and \$5 million in bond revenues.

Operating revenue is projected to be \$1.5 million more than budgeted and operating expense is projected to be \$1.2 million less or more than the budgeted amount. These projections result in an expected operating margin of \$17.8 million compared to the budgeted margin of \$15.1 million. Net income is projected to be \$8.0 million compared to a budgeted amount of \$4.7 million.

Other Financial Items:

For the quarter, the operating cash balance stands at \$34 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the required cash balance is \$5 million leaving \$29 million in an unrestricted reserve which will be used to pay previously listed operating and non-operating expenses in the coming months.

City of Minneapolis, Minnesota
Stormwater Fund

Statement of Revenues and Expenses

For Third Quarter/Years Ending 2011, 2010 and 2009

	Budget Year 2011	Projected Year 2011	For Period Ending 09/30/2011	For Year Ending 12/31/2010	For Period Ending 09/30/2010	For Year Ending 12/31/2009	For Period Ending 09/30/2009
Operating Revenues:							
State Grants	1,022,182	1,022,182	971,136	1,226,880	822,451	730,788	710,221
County Grants	441,654	441,654	199,779	265,772	98,836	296,509	205,052
Storm Utility Charges	33,981,932	35,457,710	26,756,613	34,577,924	25,483,861	33,032,352	24,419,743
Other Services Provided	1,375,507	1,375,507	772,290	1,650,027	837,139	3,775,313	2,937,823
Total Operating Revenues	36,821,275	38,297,053	28,699,818	37,720,603	27,242,287	37,834,962	28,272,839
Operating Expenses:							
Sewer Design	3,628,960	3,517,284	2,354,853	3,204,406	2,137,955	2,815,491	1,980,864
Stormwater Management CSO	1,556,054	1,097,278	727,363	1,230,104	702,719	1,058,277	763,226
Street Cleaning	8,040,487	7,779,025	5,138,255	6,993,187	4,628,946	7,244,448	4,624,401
Sewer Maintenance	2,932,849	2,841,668	1,991,701	3,651,432	2,257,584	2,263,404	1,646,333
Met Council Env. Svcs.	5,581,189	5,284,792	4,022,933	5,120,920	3,898,969	4,576,971	3,530,107
Total Operating Expenses	21,739,539	20,520,047	14,235,104	20,200,049	13,626,173	17,958,591	12,544,931
Operating Margin	15,081,736	17,777,006	14,464,714	17,520,554	13,616,114	19,876,371	15,727,908
Non-Operating Revenues/(Expenses)							
Net Transfers in (out)	(478,000)	(478,000)	(700,064)	(469,093)	(603,750)	(1,087,777)	(764,137)
Depreciation	(3,807,753)	(3,807,753)	(2,855,815)	(3,826,152)	(4,616,533)	(3,894,930)	(2,414,630)
Special Assessments	60,000	633,973	67,689	493,111	146,285	497,879	111,069
Net Interest Income (Exp)	(6,128,658)	(6,128,658)	(4,596,494)	(862,914)	(1,849,262)	(1,752,825)	(1,639,269)
Other Non Operating Income (Exp)			(367,208)	95,629	(1,119,098)	(272,200)	(1,096,256)
Total Non-Operating Revenues (Expenses)	(10,354,411)	(9,780,438)	(8,451,890)	(4,569,419)	(8,042,358)	(6,509,853)	(5,803,223)
Net Income	4,727,325	7,996,568	6,012,824	12,951,135	5,573,756	13,366,518	9,924,685
Significant Balance Sheet Items							
Operating Cash		16,610,883	33,710,822	22,676,018	26,910,549	14,445,473	18,785,257
Accounts Receivable			3,489,988	3,430,183	4,085,112	4,375,813	4,482,149
Bonds Payable			27,258,910	18,270,910	21,175,910	21,175,910	31,134,910
Significant Cash Flow Items							
Capital Outlay	17,270,000	18,525,423	10,242,405	7,094,312	3,177,796	4,915,306	2,620,956
Bond principle payments	4,785,000	11,773,000	-	5,345,000	3,991,500	9,959,000	5,404,500

**City Of Minneapolis
Solid Waste and Recycling Fund
For the Third Quarter Ending September 30, 2011**

Fund 07700	2011 Budget	09/30/11 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	29,905,399	24,691,583	5,213,544	83%
Operating Expense	33,758,273	20,940,141	12,818,132	62%
Operating Margin	(3,852,874)	3,751,714		
Net Income/(Loss)	(5,427,801)	2,528,363		

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 105,000 dwelling units. The division also provides "clean city" activities such as neighborhood clean sweeps and city wide litter/graffiti controls and removals. 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:

With operating revenues totaling \$24.7 million, 83% of the budgeted revenue has been realized compared to \$23.2 million, or 80%, through third quarter of 2010. This is an increase of \$1.5 million, or 6.6%, over 2010 operating revenues. Over \$700 K of this increase comes from scrap metal sales while the other \$800K can be attributed to increased rates in monthly utility fees. Grant revenue received in the amount of \$953K from Hennepin County is \$150K more than initially anticipated amount of \$880K.

Expenses:

The operating expenses through the third quarter ended at \$20.9 million compared to \$21.3 million in third quarter 2010. These expenditures equate to 62% and 63% of 2011 and 2010 operating budgets. The decrease in expenditures of \$400K, or 2%, over 2010 are primarily in the areas of collection and disposal cost centers. In 2010, there were more purchases made compared 2011 which included garbage carts, lids, and trucks.

Transfers:

Estimated transfers into the Solid Waste and Recycling fund include \$146,000 from the Parking fund for litter containers and \$50,000 from the General fund for graffiti removal. Transfers in the amount of \$38k have been received for graffiti related work. Transfers out of the Fund include \$700,000 for alley plowing and \$236,000 for MERF Unfunded Liability. These are transferred out to General Fund when payments for these activities occur. For the quarter ending September 30th, \$525,000 in alley plowing and all \$236,000 in MERF transfer have been made.

Debt Service: This fund has no debt service.

Forecast:

For the next three months, it is estimated that cash outflow will be around \$9.5 million which would include all operations, equipment purchases, and capital outlays for Transfer Station. The Fund also anticipates additional \$7.6 million in revenues from its operations in the same period thereby holding the fund balance for the year end at \$20.7 million which would be \$1.4 million below its current fund balance of \$22.1 million.

Operating revenue is projected to be \$2.3 million more than budgeted and operating expense is projected to be \$3.3 million less than the budgeted amount. These projections result in an expected operating margin of \$1.8 million compared to the budgeted margin of (\$3.9 million). Net income is projected to be \$0.8 million compared to a budgeted amount of (\$5.4 million).

Other Financial Items:

The fund's cash balance for the second quarter ended at \$22.1 million. The accounts receivable balance stands at \$2.9 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$7 million, which results in an excess of \$15 million. It is the goal of the Fund to maintain this level of cash reserve in order to fund capital purchases and construction of a new Transfer station through 2012.

City of Minneapolis, Minnesota
Solid Waste and Recycling Fund
Statement of Revenues and Expenses
For Third Quarter/Years Ending 2011, 2010, 2009

	Budget	Projection	For Period	For Year	For Period	For Year	For Period	For Year
	Year	Year	Ending	Ending	Ending	Ending	Ending	Ending
	2011	2011	9/30/2011	12/31/2010	9/30/2010	12/31/2009	9/30/2009	12/31/2009
Operating Revenues:								
County Grants	800,000	953,168	953,168	888,467	888,467	861,090	600,000	
Solid Waste Fees	28,145,049	28,562,016	21,751,261	27,944,773	20,972,828	27,740,005	20,720,021	
Recyclable Sales	600,000	2,200,000	1,634,083	1,444,859	965,830	1,095,426	769,537	
Charges for Other Services	360,350	500,000	353,343	515,121	338,164	493,513	444,373	
Total Operating Revenues	29,905,399	32,215,183	24,691,855	30,793,220	23,165,289	30,190,034	22,533,931	
Operating Expenses:								
Collection	7,673,266	7,419,015	5,211,840	8,081,953	5,935,735	6,539,878	4,827,376	
Disposal	5,803,859	5,394,218	3,436,766	5,730,222	3,909,105	5,201,125	3,704,293	
Recycling	3,263,526	3,245,867	2,684,011	3,538,068	2,520,289	3,170,643	2,348,471	
Yard Waste	2,239,955	2,024,400	1,518,307	1,537,517	1,094,639	1,260,484	875,869	
Large Item/Problem Material	1,573,117	1,221,112	768,474	1,196,922	876,413	1,085,656	807,541	
Transfer Stations	319,545	623,500	467,624	691,945	300,488	285,917	214,714	
Administration	4,097,082	4,180,646	3,036,937	3,971,051	3,068,223	4,757,839	3,465,485	
Customer Service	677,715	624,746	502,602	545,427	415,495	452,765	342,574	
Clean City	2,256,088	1,665,000	1,248,607	1,525,832	1,193,619	1,806,533	1,369,281	
Equipment	4,875,121	3,841,931	1,925,715	2,690,547	1,867,201	3,460,215	2,203,827	
Organics	978,999	200,000	139,258	143,515	108,038			
Total Operating Expenses	33,758,273	30,440,435	20,940,141	29,652,999	21,289,245	28,021,055	20,159,431	
Operating Margin	(3,852,874)	1,774,748	3,751,714	1,140,221	1,876,044	2,168,979	2,374,499	
Non-Operating Revenues/(Expenses)								
Net Transfers In	196,000	196,000	37,500	196,000	147,000	196,000	147,000	
Net Transfers Out	(936,000)	(936,000)	(761,000)	(850,999)	(638,250)	(821,000)	(615,750)	
Depreciation	(834,927)	(675,966)	(506,974)	(834,927)	(580,189)	(804,741)	(644,273)	
Special Assessments	-	460,000	7,124	244,316	-	221,307	135,464	
Total Non-Operating Revenues (Expenses)	(1,574,927)	(955,966)	(1,223,351)	(1,245,610)	(1,071,439)	(1,208,434)	(977,559)	
Net Income	(5,427,801)	818,782	2,528,363	(105,389)	804,605	960,545	1,396,941	
Significant Balance Sheet Items								
Operating Cash		20,717,036	22,143,491	21,924,108	22,635,364	20,560,355	19,636,087	
Accounts Receivable		2,600,000	2,953,148	2,867,993	2,681,486	2,783,698	2,958,083	
Capital Outlay		1,988,000	1,767,252	166,688				

**City of Minneapolis
Water Fund
For the Third Quarter Ending September 30, 2011**

Fund 7400	2011 Budget	09/30/11 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	75,312,986	51,022,876	24,290,110	68%
Operating Expense	48,377,390	33,333,907	15,043,483	69%
Operating Margin	26,935,596	17,688,969		
Net Income (Loss)	12,740,547	6,433,607		

Program Description:

This Fund accounts for the operation, maintenance and capital investments of the water treatment and delivery system for the City and several suburban wholesale customers. The City sells water directly to seven cities including Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal, Metropolitan Airport Commission, and Edina.

Revenue:

The 3rd quarter 2011 operating revenue of \$51,022,876, or 68% of the 2011 budgeted amount of \$75,312,986. Revenue earned through third quarter 2011 represents an increase of 3.7% over the 2010 revenue of \$49,207,254 earned through the same period. With a rate increase of 4.9% in 2011, a similar increase in revenues would be expected. Contributing to the smaller increase in revenue was the wet summer weather which leads to reduced consumption and a declining number of accounts due to commercial and industrial vacancies within the City.

Expense:

Through the 3rd quarter of 2011, operating expense totaled \$33,333,907 or 69% of the 2011 budgeted amount of \$48,377,390. Expenses through third quarter 2011 represent a decrease of 2.6% over the 2010 expenses of \$34,220,487 spent through the same period. Expenses for the year are expected to remain within budget.

Transfers:

For 2011, the transfers are expected to be \$2,042,000 which represents the former MERF (Minneapolis Employee Retirement Fund) pension debt service payment.

Debt Services:

Debt service payments are primarily for bonds sold to finance the Water Works capital improvement program. Current year debt funded capital projects include dewatering plant improvements, water treatment infrastructure improvements, and cleaning and lining of the distribution mains. 2011 debt service will total \$10,063,074. 64%, or \$6,467,435, has been incurred through third quarter 2011.

Forecast:

The projection for the year ended 2011 indicates that operating revenues will be under budget by approximately \$7.6 million. The chief reason was a wet spring and summer resulting in reduced consumption. Operating expenses are projected to be under budget by approximately \$2.3 million. Reduced consumption results in reduced expenses. Examples are less electricity used and less chemicals purchased. These projections will result in an operating margin of \$21.7

million, compared to the budgeted margin of \$26.9 million, or \$5.3 million less than the amount budgeted. Net income is projected to be \$7.5 million compared to a budgeted amount of \$12.7 million.

Other Financial Items:

The ending cash balance as of 9/30/2011 is \$13,858,496 compared to \$4,212,207 as of 9/30/2010. The objective is to have a cash balance equal to or greater than 3 months of operating expense. Based on the current budget the target amount would be \$12 million. In addition to Debt Funded Capital projects, \$7 million of Water Revenue funded capital projects is expected to be spent in 2011.

City of Minneapolis, Minnesota
Water Fund
Statement of Revenues and Expenses
For Third Quarter/Years Ending 2011, 2010, 2009

	Budget Current Year 2011	Projected Ending 2011	For Period Ending 30-Sep-11	For Year Ending 2010	For Period Ending 30-Sep-10	For Year Ending 2009	For Period Ending 30-Sep-09
Operating Revenues:							
Licenses & Permits	1,000	7,849	5,102	1,076	938	1,966	600
Charges For Services	2,715,360	2,113,388	1,337,393	64,399,395	47,911,896	64,237,365	50,323,759
Charges For Sales	72,595,801	65,612,002	49,674,301	1,211,094	966,208	2,293,169	
Rents							
Interest	315					1,746	
Other Misc Revenues	510	9,354	6,080	50,383	328,212	33,709	28,587
Total Operating Revenues	75,312,986	67,742,593	51,022,876	65,661,948	49,207,254	66,567,955	50,354,692
Operating Expenses:							
Engineering	1,627,176	1,605,744	1,134,260	1,368,413	1,006,820	1,062,591	777,594
Payments for City Services	7,747,114	7,747,114	5,757,838	8,137,262	6,102,240	8,255,969	6,925,384
Administration	1,197,443	1,056,728	750,513	2,238,132	1,635,304	1,734,359	1,179,322
Operations	17,836,515	16,000,000	11,392,578	16,885,255	11,954,365	18,270,976	13,306,093
Maintenance	6,546,530	5,787,713	4,480,138	6,932,572	4,974,095	6,396,083	4,654,415
Distribution	8,987,384	9,129,182	6,079,713	8,361,990	5,583,833	7,076,581	5,032,315
Major Repairs & Replacement	2,092,385	2,517,642	1,905,685	1,552,332	1,038,408	1,341,420	1,213,196
Meter Shop	2,342,843	2,215,432	1,833,182	2,440,401	1,925,423	2,113,849	1,681,577
Total Operating Expenses	48,377,390	46,059,555	33,333,907	47,916,357	34,220,488	46,251,828	34,769,896
Operating Margin	26,935,596	21,683,038	17,688,969	17,745,591	14,986,766	20,316,127	15,584,796
Non-Operating Revenues/(Expenses)							
Net Transfers in (out)	(2,042,000)	(2,042,000)	(2,042,000)	(1,506,801)	(943,500)	(1,071,000)	(962,534)
Federal ARRA Grant				1,214,486		1,825,606	
Depreciation	(7,995,493)	(7,995,493)	(6,400,927)	(7,992,504)	(5,994,997)	(7,567,604)	(5,354,250)
Special Assessments				97,850	(395,993)	766,299	
Net Interest Income (Exp)	(4,157,556)	(4,157,556)	(2,812,435)	(3,423,892)	(2,580,735)	(3,655,735)	(2,564,680)
Other Non-Operating Income				124,058	125,421	239,913	199,995
Other Non Operating (Expense)				(81,166)	(184,292)	(760,842)	(429,128)
Total Non-Operating Revenues (Expenses)	(14,195,049)	(14,195,049)	(11,255,362)	(11,567,969)	(9,974,096)	(10,223,363)	(9,110,597)
Net Income	12,740,547	7,487,989	6,433,607	6,177,622	5,012,670	10,092,764	6,474,199
Significant Balance Sheet Items							
Operating Cash			13,858,496	11,635,283	4,212,207	(2,007,396)	3,209,663
Construction Cash 011261			1,846,019	1,846,019	5,719,970	2,105,169	16,615,000
Accounts Receivable			6,268,757	5,855,841	6,056,123	5,140,449	2,922,677
Bonds & Notes Payable			119,910,375	114,840,545	109,072,420	100,371,398	92,719,918
Significant Cash Flow Items							
Capital Outlay	9,000,000		11,177,499	19,680,417	13,217,940	25,148,297	17,426,391
Bond & Note Principle payments	10,063,074			3,404,908	3,404,908	6,075,868	
Refunding Principal Payments							12,615,000
Total Cash Flow Items	19,063,074	-	11,177,499	23,085,325	16,622,848	31,224,165	30,041,391

**City of Minneapolis
Municipal Parking Fund
For the Period Ended September 30, 2011**

Fund 7500*	2011 Original Budget	Sept 30,2011 Period End Actual	Remaining Budget	% of Actual To Budget
Revenue	41,015,500	31,589,322	9,426,178	77%
Expenses	34,298,103	23,045,617	11,252,486	67%
Operating Margin	6,717,397	8,543,705		
Net Income (Loss)	(4,271,551)	1,960,184		

* Figures in the table do not include State-owned ABC parking facilities. Net Income (Loss) includes all non-operating expenditures & revenues such as depreciation expense, bond interest expense and transfers between funds

Program Description:

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

Revenues:

The 2011 nine month actual revenues are up in comparison to the first nine months of the 2011 budget by 2%. This is a \$1.3 million increase over the 2010 third quarter figures. For 2011 the 2% is from:

- On-street meters are up 2.5% compared to budget.
- Off-street ramps and lots are up 3.1% compared to budget.
- Impound Lot revenues are down 2.9% compared to budget.

Revenues are down due to the cyclical nature of the Impound Lot for the first nine month of 2011 despite 5 snow emergencies and the increased price of junk metal. In the fourth quarter the Impound Lot revenues should be enough to end the year exceeding the budget. The newly installed On-street meters with credit card capability, increased enforcement hours and additional meter coverage around the ballpark have contributed to the increase in On-street revenues. Off-street revenues, throughout this year, have been consistently higher than the year before.

Expenses:

The 2011 nine month expenses are below the first nine months of the 2011 budget by 7.8%. This is an increase in expenses of \$3.8 million over the 2010 third quarter expenses. For 2011 the 7.8% is from:

- On-street meters are over 40% compared to budget. This is due to the new Multi-space meters being implemented.
- Off-street ramps and lots are down 12% compared to budget.
- Impound Lot expenses are down 20% compared to budget.

Transfers to and from other funds:

The 2011 transfers into and out of the Parking Fund are programmed and planned according to the 2011 budget. During the first nine months of 2011 \$9.6 million of funds were transferred in and \$8.2 million of funds were transferred out.

Debt Service:

For 2011, the debt service budget totals \$22.3 million. For the nine months ended, \$8.1 million in principal and \$2.8 million in interest was paid on the outstanding balance. The outstanding balance of bond principal as of Sept 30, 2011 is \$162.3 million. The Parking System has an annual \$1.7 million capital program.

Forecast:

Operating revenue is projected to be \$1.1 million more than budgeted and operating expense is projected to be \$0.1 million less than the budgeted amount. These projections result in an expected operating margin of \$7.9 million compared to the budgeted margin of \$6.7 million. Net income is projected to be (\$3.2 million) compared to a budgeted amount of (\$4.3 million).

Other Financial Items:

The current operating cash balance is \$11.3 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 \$8.6 million, which results in \$2.7 million remaining. The \$2.7 million is reserved for future debt service payments and the remaining cost for installing the On-street meters.

**City Of Minneapolis
Municipal Parking Fund
Financial Report
As of September 30, 2011**

Fund 7500	2011 Current Budget	2011 Projected	For Period Ending 30-Sep-11	Remaining Budget	% of Actual To Budget	Actual 30-Sep-10
Revenue	41,015,500	42,093,206	31,589,322	9,426,178	77%	30,284,738
Expenditures	34,298,103	34,153,032	23,045,617	11,252,486	67%	19,197,773
Operating Margin	6,717,397	7,940,174	8,543,705			11,086,965
Net Income (Loss)	(4,271,551)	(3,153,596)	1,960,184			5,824,441

NOTE* Figures do not include State-owned Garages

The following table represents a summary of the various business line actual and projected amounts for the 3rd Qrt of 2010.

	Original Budget 2011	Projection 2011 Based on Actual	Actual For Period Ending 30-Sep-11	Variance Budget vs Projection	Actual 30-Sep-10
Off Street Parking	27,415,500	28,211,851	21,411,199	(796,351)	20,907,736
On-Street Parking	7,000,000	7,032,097	5,421,790	(32,097)	5,099,316
Impound Lot	6,600,000	6,849,258	4,756,333	(249,258)	4,277,686
Total Revenues	41,015,500	42,093,206	31,589,322	(1,077,706)	30,284,738
Off Street Parking	24,567,677	23,827,589	15,526,566	740,088	15,034,165
On-Street Parking	3,592,993	4,643,198	4,126,369	(1,050,205)	1,006,816
Impound Lot	6,137,433	5,682,245	3,392,682	455,188	3,156,792
Total Expenditures	34,298,103	34,153,032	23,045,617	145,071	19,197,773
Operating Margin	6,717,397	7,940,174	8,543,705	(1,222,777)	11,086,965
Variance		1,222,777		(1,222,777)	

Note 1: Revenues and expenditures in the table do not include State-owned facilities.

CPED Enterprise Fund Component Programs
Statement of Net Assets
12/31/10 and 9/30/11

	Housing Development Fund	Housing Development Fund	General Agency Reserve Fund System	General Agency Reserve Fund System Operations	Theatres	Theatres	River Terminal	River Terminal	Economic Development Program	Economic Development Program
	12/31/2010	9/30/2011	12/31/2010	9/30/2011	12/31/2010	9/30/2011	12/31/2010	9/30/2011	12/31/2010	9/30/2011
ASSETS										
Current assets:										
Cash and cash equivalents	\$ 542,874	\$ 545,828	\$ 1,298,583	\$ 1,128,975	\$ (2,088,900)	\$ (2,100,271)	\$ (177,416)	\$ (507,610)	\$ 578,566	\$ 480,056
Deposits with fiscal agents	-	-	53,090,532	-	-	-	-	-	(95,143)	54,857
Loans and notes receivable	150,000	150,000	405,000	-	-	-	-	-	-	-
Capital leases	-	-	3,535,000	-	-	-	-	-	-	-
Other current assets	14,173	14,173	50,138	4,676	(6,636)	(6,636)	35,226	35,226	1,652	1,652
Total current assets	707,047	710,001	58,379,253	1,133,651	(2,095,536)	(2,106,907)	(142,190)	(472,384)	485,075	536,565
Noncurrent assets:										
Loans and notes receivable	610,078	610,079	-	-	-	-	-	-	-	-
Capital leases	-	-	79,197,763	-	-	-	-	-	-	-
Capital assets (net of accumulated depreciation)	-	-	-	-	-	-	6,483,015	6,222,371	-	-
Total noncurrent assets	610,078	610,079	79,197,763	-	-	-	6,483,015	6,222,371	-	-
Total assets	\$ 1,317,125	\$ 1,320,080	\$ 137,577,016	\$ 1,133,651	\$ (2,095,536)	\$ (2,106,907)	\$ 6,340,825	\$ 5,749,987	\$ 485,075	\$ 536,565
LIABILITIES										
Current liabilities:										
Due to other funds	-	-	-	-	-	-	-	-	-	-
Deposits held for others	-	-	5,668,165	-	-	-	-	-	-	-
Unearned revenue	-	-	860,495	-	-	-	-	-	-	-
Bonds payable - current portion	-	-	3,490,000	-	-	-	-	-	-	-
Notes payable - current portion	-	-	-	-	(4)	(4)	-	-	144,256	144,256
Other current liabilities	-	-	444,866	11,166	(4)	(4)	12,625	1,015	10,274	10,309
Total current liabilities	-	-	10,463,526	11,166	(4)	(4)	12,625	1,015	154,530	154,565
Noncurrent liabilities:										
Bonds payable	-	-	92,435,000	-	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-	-	-	310,611	310,611
Compensated absences payable	-	-	4,258	4,258	-	-	4	4	364	364
Total noncurrent liabilities	-	-	92,439,258	4,258	-	-	4	4	310,975	310,975
Total liabilities	-	-	102,902,784	15,424	(4)	(4)	12,629	1,019	465,505	465,540
NET ASSETS										
Invested in capital assets, net of related debt	-	-	-	-	-	-	6,483,015	6,222,371	-	-
Restricted	-	-	34,674,232	1,118,227	-	-	-	-	-	-
Unrestricted	1,317,125	1,320,080	-	-	(2,095,532)	(2,106,903)	(154,819)	(473,403)	19,570	71,025
Total net assets	1,317,125	1,320,080	34,674,232	1,118,227	(2,095,532)	(2,106,903)	6,328,196	5,748,968	19,570	71,025
Total liabilities & net assets	\$ 1,317,125	\$ 1,320,080	\$ 137,577,016	\$ 1,133,651	\$ (2,095,536)	\$ (2,106,907)	\$ 6,340,825	\$ 5,749,987	\$ 485,075	\$ 536,565

**CPED Enterprise Fund Component Programs
Statement of Revenues, Expenses, and Changes in Program Net Assets
For the Year Ended 12/31/10, and the Nine Months Ended 9/30/11**

	Housing Development Fund		General Agency Reserve Fund System		General Agency Reserve Fund System Operations		Theatres		River Terminal		Economic Development Program	
	1/1-12/31/10	1/1-9/30/11	1/1-12/31/10	1/1-9/30/11	1/1-12/31/10	1/1-9/30/11	1/1-12/31/10	1/1-9/30/11	1/1-12/31/10	1/1-9/30/11	1/1-12/31/10	1/1-9/30/11
Operating revenues												
Charges for sales and services	\$ -	\$ -	\$ 317,324	\$ 143,853	\$ -	\$ -	\$ 1,825,794	\$ 1,129,882	\$ 285,623	\$ 301,441		
Interest on program activities	47,136	-	3,949,899	-	-	-	-	-	-	-		
Other	-	-	235	-	-	-	-	-	-	-		
Total operating revenues	47,136	-	4,267,458	143,853	-	-	1,825,794	1,129,882	285,623	301,441		
Operating expenses:												
Personal services	-	-	-	167,373	-	-	(955)	8,578	11,859	2,002		
Contractual services	195,095	-	276,357	150,846	-	-	1,633,977	1,437,515	37,352	9,889		
Other	-	-	-	7,708	-	-	500	500	-	-		
Depreciation expense	-	-	-	-	-	-	347,526	260,645	-	-		
Total operating expenses	195,095	-	276,357	325,927	-	-	1,981,048	1,707,238	49,211	11,891		
Operating income	(147,959)	-	3,991,101	(182,074)	-	-	(155,254)	(577,356)	236,412	289,550		
Nonoperating revenues (expenses)												
Interest on investments	5,457	2,955	286,658	6,951	(21,005)	(11,371)	(2,993)	(1,872)	2,637	4,979		
Interest expense	-	-	(3,937,677)	-	-	-	-	-	(33,332)	-		
Total nonoperating revenue (expenses)	5,457	2,955	(3,651,019)	6,951	(21,005)	(11,371)	(2,993)	(1,872)	(30,695)	4,979		
Income (loss) before transfers	(142,502)	2,955	340,082	(175,123)	(21,005)	(11,371)	(158,247)	(579,228)	205,717	294,529		
Net transfers from (to) other funds	-	-	(129,768)	-	-	-	-	-	(67,834)	(243,074)		
Change in net assets	(142,502)	2,955	210,314	(175,123)	(21,005)	(11,371)	(158,247)	(579,228)	137,883	51,455		
Total net assets - January 1	1,459,627	1,317,125	34,463,918	1,293,350	(2,074,527)	(2,095,532)	6,486,443	6,328,196	(118,313)	19,570		
Total net assets - December 31	\$ 1,317,125	\$ 1,320,080	\$ 34,674,232	\$ 1,118,227	\$ (2,095,532)	\$ (2,106,903)	\$ 6,328,196	\$ 5,748,968	\$ 19,570	\$ 71,025		

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

General Agency Reserve Fund System - This fund accounts for a program in which revenue bonds are issued to finance economic development. The program obtains lease or loan agreements from developers to meet the debt service requirements of the financing. The funds are restricted by bond covenants and the need of the City to minimize risk in its support of the GARFS. The funds are critical to maintaining the "A+" rating of the fund. Only the administrative operations portion of the fund is presented at 9/30/11. Other information for the fund is maintained by a trustee and not available for inclusion at 9/30.

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

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

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

**City of Minneapolis
Engineering, Materials, and Testing
For the Third Quarter ending September 30, 2011**

Fund 6000	2011 Budget	09-30-11 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	1,612,678	1,440,939	171,739	89.4%
Operating Expense	1,471,759	949,533	522,226	64.5%
Operating Margin	140,919	491,406		
Net Income	52,919	425,406		

Program Description:

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

Revenue:

Operating revenue earned through third quarter 2011 is \$1,440,939, or 89.4% of the budgeted amount of \$1,612,678. The revenue earned through third quarter 2011 represents an increase of 21.4% over the 2010 revenue of \$1,186,535 earned through the same period. Revenue for asphalt and concrete is recorded as the overhead charged on the products, or the difference between the cost of the product and the sale price charged to the customer. The demand for products is seasonal beginning in April and concluding in late November.

Expense:

Operating expense through the third quarter 2011 is \$949,533 or 64.5% of the budgeted amount of \$1,471,759. The expense recorded through third quarter 2011 is 1.2% higher than the expense through the same period in 2010 of \$933,837.

Transfers:

The fund has an annual transfer out of \$88,000 related to debt service for the former Minneapolis Employees Retirement Fund's unfunded pension liability, and through third quarter, \$66,000 is recognized.

Debt Service:

This fund does not have any debt obligations.

Forecast:

Operating revenue is projected to be \$1.7 million and is tracking close to the budgeted amount of \$1.6 million. Operating expense is projected to be \$1.2 million or approximately \$250,000 less than the projected amount of \$1.5 million. These projections would result in a 2011 operating margin of \$503,000 which is an increase of \$362,000 over the budgeted amount of \$141,000. Net income is projected to be \$415,000.

Other Financial Items:

The 2011 third quarter ending cash balance is \$1,460,449, a decrease of \$205,069 from the 2010 third quarter cash balance of \$1,665,518. With the exception of 2008, the fund has maintained a positive cash balance. Third quarter net assets are \$735,000, an increase from 2010 third quarter net assets of \$490,000.

City of Minneapolis, Minnesota
Engineering, Materials and Testing Fund
Statement of Revenues and Expenses
For Third Quarter/Years Ending 2011, 2010, and 2009

	Budget Year 2011	Projected Year Ending 2011	For Period Ending 30-Sep-11	For Year Ending 2010	For Period Ending 30-Sep-10	For Year Ending 2009	For Period Ending 30-Sep-09
Operating Revenues:							
Asphalt / Concrete	352,000	380,000	297,942	370,882	315,279	625,109	482,852
Inspection revenue	1,260,678	1,350,000	1,142,997	1,194,104	871,256	830,165	642,829
Total Operating Revenues	1,612,678	1,730,000	1,440,939	1,564,986	1,186,535	1,455,274	1,125,682
Operating Expenses:							
Personnel	900,161	820,000	620,365	764,025	564,632	747,388	548,537
Contractual	427,934	350,000	281,005	383,285	276,851	211,541	176,551
Materials, Supplies, Other	133,550	45,000	37,118	102,317	78,068	36,188	25,611
Rent	6,102	8,036	8,036	6,276	4,707	61,273	45,955
Depreciation	4,012	4,012	3,009	10,582	9,579	13,283	11,418
Total Operating Expenses	1,471,759	1,227,048	949,533	1,266,485	933,837	1,069,673	808,072
Operating Margin	140,919	502,952	491,406	298,501	252,698	385,602	317,610
Non-Operating Revenues/(Expenses):							
Other revenue	-	-	-	500	500	373	108
Total Non-Operating Revenues(Expenses)	-	-	-	500	500	373	108
Operating Transfers in(out)							
Transfers to other fund	(88,000)	(88,000)	(66,000)	(57,000)	(42,750)	(58,000)	(43,500)
Total Non-Operating Revenues (Expenses)	(88,000)	(88,000)	(66,000)	(57,000)	(42,750)	(58,000)	(43,500)
Net Income¹	52,919	414,952	425,406	242,001	210,448	327,975	274,218

Significant Balance Sheet Items

Cash Balance	1,460,449	801,699	1,665,518	560,148	1,039,855
Net assets	735,382	735,382	490,398	490,398	27,758

¹Net Income for 2010 is understated and 2009 is overstated due to timing differences in recording a payment in 2010 of \$57,023 for asphalt received in 2009.

**City of Minneapolis
Fleet Services Division
For the Third Quarter Ending September 30, 2011**

	2011 Budget	09-30-2011 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	40,487,458	30,902,436	9,585,022	76.3%
Operating Expense	41,726,642	29,188,384	12,538,258	69.9%
Operating Margin	(1,219,184)	1,714,052		
Net Income	1,526,166	3,653,820		

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 maintenance operations. In addition, the fund manages the dispatch of City-owned and contractual equipment.

Revenue:

Operating revenue earned through third quarter 2011 is \$30,902,426 or 76.3% of the budgeted amount of \$40,487,458. The revenue earned through third quarter 2011 increased by \$1,677,219, or 5.7%, from the revenue earned through third quarter 2010. The increase in revenue can be attributed to additional equipment and labor services provided during tornado clean-up efforts. The rental rates for equipment and operators are calculated through an activity based allocation model and are adjusted at the beginning of the current year to account for any changes in fuel prices or expected utilization of equipment.

Expenses:

Operating expense through third quarter 2011 totaled \$29,188,384, representing 69.9% of the annual budgeted amount of \$41,726,642. Expenses through the third quarter of 2011 are increased by \$1,204,155, or 4.3%, over the total expense through the same period in 2010.

Transfers:

In 2011, this fund receives a transfer of \$4,299,000 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 \$923,000 to cover pension debt service related to the former Minneapolis Employees Retirement Fund's unfunded pension liability, and through third quarter, \$692,250 is recognized.

Debt Service:

Principle payments related to the general obligation bonds sold to finance the upgrade of fleet vehicles and the new maintenance facility total \$2,155,000 in 2011. Interest payments related to the 2011 debt total \$840,650 of which \$630,488 is accrued through September 30, 2011. Beginning in 2007, the financial plan eliminated the sale of bonds to finance equipment purchases. Refunding bonds totaling \$22,230,000 were issued in 2010 lowering variable interest rates ranging from 3.0% to 5.0% to a fixed rate of 3.0%. The fund will receive savings in interest expense of approximately \$350,000 in years 2011 and 2012 due to the refunding and additional savings of interest expense for the remaining life of the bonds.

Forecast:

Operating revenue is projected to be \$42.1 million which is an increase of 4.0% over the budgeted amount of \$40.5 million. Operating expense is projected to be \$39.9 million or 4.4% less than the budgeted amount of \$41.7 million. Operating margin is projected to be \$2.2 million versus (\$1.2 million) budgeted. After transfers are complete and non-operating revenue is recorded, the net income is projected to be \$4.9 million

or \$3.4 million more than the budgeted net income of \$1.5 million. Capital expense related to the purchase of equipment is not included in the calculation of net income.

Other Financial Items:

The third quarter net asset balance of \$30.6 million is tracking close to the amount calculated in the updated long term financial plan. Financial reserve policies for internal service funds determine that the net asset balance for the Fleet Services Division fund should not fall below two times the fund's annual depreciation amount or \$12.6 million.

The fund maintains a positive cash balance with a 2011 third quarter ending balance of \$12,501,586, an increase of \$5,327,218 from the 2010 ending cash balance at September 30 of \$7,174,368. Reserve policies for internal service funds determine that the minimum cash balance should be 15% of the fund's operating budget or \$4.3 million for Fleet Services Division.

The net assets of this plan are on track with the long term financial plan.

City of Minneapolis
Fleet Services Division Fund
Statement of Revenue and Expenses
For Third Quarter Years, 2011, 2010, and 2009

	Budget Current Year 2011	Projected Year Ending 2011	For Period Ending 30-Sep-11	For Year Ending 2010	For Period Ending 30-Sep-10	For Year Ending 2009	For Period Ending 10-Sep-09
Operating Revenues:							
Charges for Services and Sales	15,698,058	16,100,000	12,148,646	15,106,288	11,240,292	14,476,005	10,156,492
Rent Public Works and Other	24,789,400	26,000,000	18,753,790	25,675,886	17,984,925	23,977,769	17,827,496
Total Operating Revenue	40,487,458	42,100,000	30,902,436	40,782,174	29,225,217	38,453,774	27,983,988
Operating Expenses:							
Personnel Services	14,922,685	14,300,000	10,369,426	14,618,988	10,545,388	14,644,932	11,098,696
Contractual Services	10,036,957	9,000,000	6,640,816	8,417,045	5,997,751	8,824,734	6,623,050
Materials, supplies, services and other	9,377,008	9,200,000	6,607,184	8,608,665	5,866,509	7,560,878	5,361,937
Rent	1,089,672	1,089,672	817,254	1,103,052	827,289	1,072,367	804,275
Depreciation	6,300,320	6,300,320	4,753,704	6,470,684	4,747,292	6,164,506	4,068,591
Total Operating Expenses	41,726,642	39,889,992	29,188,384	39,218,434	27,984,229	38,267,417	27,956,549
Operating Margin	(1,239,184)	2,210,008	1,714,052	1,563,740	1,240,988	186,357	27,439
Non-Operating Revenues/(Expenses):							
Interest Revenue	-	-	-	-	-	22	22
Interest on Bonds	(840,650)	(840,650)	(630,488)	(1,500,119)	(1,898,052)	(1,311,648)	(1,055,175)
Gains/Losses on disposal of fixed assets	200,000	100,000	13,565	169,302	-	59,322	-
Damages/Losses recovered	-	-	-	210	210	12,270	8,942
Revenue from grants ¹	-	-	-	247,420	-	-	-
Other revenue	30,000	75,000	24,690	135,703	22,343	226,444	113,926
Total Non-Operating Revenues(Expenses)	(610,650)	(665,650)	(592,233)	(947,484)	(1,875,499)	(1,013,590)	(932,284)
Operating Transfers in (out)							
Transfers from other fund	4,299,000	4,299,000	3,224,250	4,180,000	3,135,000	4,180,000	3,135,000
Transfers to other fund	(923,000)	(923,000)	(692,250)	(581,000)	(435,750)	(502,000)	(376,500)
Transfers from component units							
Total Operating Transfers	3,376,000	3,376,000	2,532,000	3,599,000	2,699,250	3,678,000	2,758,500
Net Income	1,526,166	4,920,358	3,653,820	4,215,256	2,064,739	2,850,766	1,853,655
Significant Balance Sheet Items							
Cash Balance			12,501,586	8,234,786	7,174,368	1,377,330	2,104,911
Fleet Purchases	7,781,159	5,500,000	3,779,252	2,223,883	1,674,866	5,454,374	5,200,816
Net Building Value			23,425,414	23,425,414	24,027,837	24,027,837	24,630,247
Net Fleet Value			22,571,899	24,395,416	28,068,642	28,068,642	28,818,735
Bonds Payable			(25,690,000)	(25,690,000)	(27,780,000)	(27,780,000)	(29,835,000)
Net Assets			30,608,101	30,608,101	26,547,685	26,547,685	23,784,096
Significant Cash Flow Items							
Principal on Equipment Bonds	(1,870,000)	(1,870,000)	-	(2,090,000)	-	(2,055,000)	-
Principal on Facilities Bonds	(285,000)	(285,000)	-	-	-	-	-

**City of Minneapolis
Property Services Division
For the Third Quarter ending September 30, 2011**

Fund 6200	2011 Budget	09-30-2011 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	20,457,137	14,795,385	5,661,752	72.3%
Operating Expense	21,356,038	15,195,746	6,160,292	71.2%
Operating Margin	(898,901)	(400,361)		
Net Income (Loss)	(490,901)	(53,794)		

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 the Convention Center, 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 to reimburse for maintenance and property management services. The revenue and expense budgets for the fund are increased by \$4,519,000 to account for this flow-through rental charge. The City departments located in City Hall receive a general fund appropriation to fund the charge for the rent.

Revenue:

Operating revenue recorded through third quarter 2011 is \$14,795,385, or 72.3% of the budgeted amount of \$20,457,137. The 2011 third quarter revenue increased \$112,356, or 0.8%, from the revenue earned through third quarter 2010.

Expenses:

Operating expense through third quarter 2011 is \$15,195,746, or 71.2% of the total budgeted amount of \$21,256,038. The 2011 third quarter expense decreased \$295,063, or 1.9%, from the operating expense recorded third quarter 2010.

Transfers:

In 2011, the transfer to the debt service fund related to the purchase of the 800 MHZ radio system is \$880,100. Property Services is responsible for \$350,000 per year of this debt and receives a transfer from the general fund for the remaining amount or \$530,100 in 2011. The fund receives an additional transfer from the general fund of \$291,000 for City Hall rent. Property Services transfers out \$228,000 for debt service related to the former Minneapolis Employees Retirement Fund's unfunded pension liability, and through third quarter, \$171,000 is recognized.

Debt Service:

The debt service for 2011 is related to the sale of net debt bonds to purchase the 800 MHZ radio system. In 2011, the debt consists of an interest payment of \$185,100 and a principle payment of \$695,000. At the end of the third quarter, \$138,825 of interest has been accrued for payment. The total principle payment of \$695,000 is paid in fourth quarter.

Forecast:

Operating revenue is projected to be \$0.7 million less than budgeted and operating expense is projected to be \$1.0 million less the budgeted amount. These projections result in an expected

operating margin loss of (\$584,122) compared to the budgeted margin loss of (\$898,901). The operating margin loss at third quarter 2010 was (\$807,780).

Other Financial Items:

The allocation model for this fund does not recover the depreciation costs related to capital assets. Third quarter net assets are \$26.0 million. It is expected that the net asset position will continue to decrease primarily due to recognizing the depreciation of capital assets. Financial reserve policies for internal service funds determine that the net assets for the Property Service fund should not fall below two times the fund's annual depreciation amount or \$2.3 million.

The cash balance at end of third quarter 2011 is \$1,983,769 compared to a cash balance of \$827,758 at September 30, 2010. The cash consists of a balance of \$1,838,094 in the Property Disposition fund and \$145,675 in the Property Services operating fund. Financial reserve policies for the internal service funds determine that the minimum cash balance for the Property Services fund should be 15.0% of the fund's operating budget or \$2.5 million.

City of Minneapolis, Minnesota
Property Services Fund
Statement of Revenues and Expenses
For Third Quarter / Years Ending 2011, 2010, and 2009

	Budget Current Year 2011	Projected Year 2011	For Period Ending 30-Sep-11	For Year Ending 2010	For Period Ending 30-Sep-10	For Year Ending 2009	For Period Ending 30-Sep-09
Operating Revenues:							
Charges for Services And Sales	6,848,283	6,500,000	4,777,236	6,500,131	4,646,195	8,280,795	5,912,473
Rents Public Works and Other	13,608,854	13,300,000	10,018,149	13,104,165	10,036,834	13,032,606	9,885,334
Total Operating Revenue	20,457,137	19,800,000	14,795,385	19,604,296	14,683,029	21,313,401	15,797,807
Operating Expenses:							
Personnel Services	7,475,926	7,600,000	5,717,994	7,794,578	5,873,635	8,053,178	6,041,039
Contractual Services ¹	10,688,213	9,900,000	7,355,209	10,085,878	7,430,151	10,866,099	7,874,833
Materials, Supplies, Other	1,467,834	1,200,000	859,627	1,170,301	785,191	1,510,368	1,058,135
Rent	591,129	551,186	413,213	684,677	546,095	358,312	268,734
Depreciation	1,132,936	1,132,936	849,703	1,139,501	855,737	1,155,886	915,796
Total Operating Expenses	21,356,038	20,384,122	15,195,746	20,874,935	15,490,809	21,943,843	16,158,537
Operating Margin	(898,901)	(584,122)	(400,361)	(1,270,639)	(807,780)	(630,442)	(360,730)
Non-Operating Revenues/(Expenses):							
Interest Revenue	-	-	-	-	-	11	11
Interest on Bonds	(185,100)	(185,100)	(138,825)	(182,745)	(267,101)	(286,912)	(229,922)
Misc Revenues	-	50,000	40,567	141,795	62,303	85,181	357
Total Non-Operating Revenues(Expenses)	(185,100)	(135,100)	(98,258)	(40,950)	(204,798)	(201,720)	(229,554)
Operating Transfers in(out)							
Transfers from other fund	821,100	821,100	615,825	950,630	724,406	654,750	491,063
Transfers to other fund ²	(228,000)	(228,000)	(171,000)	(925,118)	(88,500)	(97,000)	(72,750)
Total Operating Transfers	593,100	593,100	444,825	25,512	635,906	557,750	418,313
Net Income (Loss)	(490,901)	(126,122)	(53,794)	(1,286,077)	(376,671)	(274,412)	(171,971)
Significant Balance Sheet Items							
Cash Balance			1,983,769	125,575	827,758	352,982	430,344
Property Dispositon Fund cash balance			1,838,094	1,070,350	1,281,325	1,908,697	1,908,697
Operating cash balance			145,675	(944,775)	(453,567)	(1,555,715)	(1,478,353)
Bonds Payable			(6,170,000)	(6,170,000)	(6,825,000)	(6,825,000)	(7,415,000)
Net Assets			25,991,332	25,991,332	27,210,179	27,210,179	27,436,073
Significant Cash Flow Items							
Principal Payments on Debt			-	(655,000)	-	(590,000)	-

¹ Contractual services budget is increased by \$100,000 per Council resolution 2011R-326 to authorize use of the Property Disposition fund for the expense to provide improvements to Currie and Aldrich municipal locations.

² The entire transfer of \$228,000 was transferred out in May 2011 and \$171,000 is the prorated amount expensed through third quarter.

**City of Minneapolis
Public Works Stores
For the Third Quarter ending September 30, 2011**

Fund 6300	2011 Budget	09-30-2011 Actual	Remaining Budget	% Actual To Budget
Operating Revenue	1,107,000	655,842	451,158	59.2%
Operating Expense	1,017,624	752,566	265,058	74.0%
Operating Margin	89,376	(96,724)		
Net Income	38,379	(134,974)		

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:

Operating revenue earned through third quarter 2011 is \$655,842, or 59.2% of the budgeted amount of \$1,107,000. The amount earned through third quarter represents an increase of \$8,121, or 1.3%, over the amount earned through September 30, 2010 that totaled \$647,721.

Expenses:

Operating expense recorded through third quarter 2011 is \$752,566, or 74.0% of the budgeted amount of \$1,017,624. The amount expended through third quarter 2011 decreased by 11.1% from the amount expended through the same period in 2010 which totaled \$846,127.

Transfers:

The Public Works Stores fund transfers out \$51,000 for debt service related to the former Minneapolis Employees Retirement Fund's unfunded pension liability, and through third quarter, \$38,250 is recognized.

Debt Service:

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

Forecast:

Operating revenue is projected to total \$1,000,000 at year-end or 90.3% of the budgeted amount of \$1,107,000. Operating expense is projected to total \$1,006,700 at year-end or 98.9% of the budgeted amount of \$1,017,624. These year-end projections result in an operating margin loss of (\$6,700) as compared to a budgeted operating margin profit of \$89,376. Net income is projected to be (\$57,500) compared to budgeted net income of \$38,000.

Other Financial Items:

The cash balance at the end of third quarter 2011 is a deficit of (\$1,110,740), an improvement of \$121,973 from the third quarter 2010 deficit cash balance of (\$1,232,713). The fund has not had a positive cash balance since 2005 when the ending balance was \$91,610. The target cash balance is \$200,000. Third quarter net assets are \$3.2 million, similar to net assets in third quarter 2010.

City of Minneapolis, Minnesota
Public Works Stores
Statement of Revenues and Expenses
For the Third Quarter/Years Ending 2011, 2010, and 2009

	Current Budget Year 2011	Projected Year Ending 2011	For Period Ending 30-Sep-11	For Year Ending 2010	For Period Ending 30-Sep-10	For Year Ending 2009	For Period Ending 30-Sep-09
Operating Revenues:							
Central Stores	500,000	450,000	288,788	432,836	348,139	934,156	363,635
Traffic Stores	607,000	550,000	367,054	777,835	299,582	626,041	408,925
Total Operating Revenues	1,107,000	1,000,000	655,842	1,210,671	647,721	1,560,197	772,559
Operating Expenses:							
Personnel	674,537	680,000	508,174	738,309	547,715	802,289	613,134
Contractual	260,053	260,000	193,816	332,730	249,171	308,301	224,634
Materials, Supplies, Other	41,334	25,000	19,301	51,697	16,674	54,630	47,033
Rent	41,700	41,700	31,275	43,423	32,567	34,054	25,540
Total Operating Expenses	1,017,624	1,006,700	752,566	1,166,159	846,127	1,199,274	910,341
Operating Margin	89,376	(6,700)	(96,724)	44,512	(198,406)	360,923	(137,782)
Non-Operating Revenues/(Expenses)							
Interest Income (Expense)	-	-	-	-	-	44	44
Other revenue	-	-	-	545	1,126	-	-
Total Non-Operating Revenues (Expense)	-	-	-	545	1,126	44	44
Operating Transfer In (Out)							
Transfers from other fund	-	-	-	-	-	-	-
Transfers to other fund	(51,000)	(51,000)	(38,250)	(33,000)	(24,750)	(34,000)	(25,500)
Total Operating Transfers	(51,000)	(51,000)	(38,250)	(33,000)	(24,750)	(34,000)	(25,500)
Net Income	38,376	(57,700)	(134,974)	12,057	(222,030)	326,967	(163,238)
Significant Balance Sheet Items							
Cash Balance			(1,110,740)	(825,802)	(1,232,713)	(1,566,085)	(2,433,146)
Inventories			4,741,622	4,547,877	4,485,140	4,845,852	5,706,930
Net Assets			3,223,693	3,223,693	3,203,361	3,203,361	2,885,268

**City of Minneapolis
Intergovernmental Service Fund
For the Third Quarter ending September 30, 2011**

Fund 6400	2011 Budget	9-30-2011 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	33,150,214	23,628,117	9,522,097	71.3%
Operating Expenses	33,338,455	23,632,551	9,705,904	70.9%
Operating Margin	(188,241)	(4,434)		
Net Income	1,399,239	1,186,177		

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 internal services. BIS is comprised of telecommunications services, network services, application support, internet and intranet services, convenience copier function, broadband wireless, and deployment of software and hardware.

Revenue:

Operating revenue through the third quarter of 2011 is \$23,628,117 or 71.3% of the annual budgeted amount of \$33,150,214. This is a decrease of \$1,294,126, or 5.2%, compared to revenue of \$24,922,243 that was earned through third quarter of 2010.

Expenses:

Operating expenses through the third quarter are \$23,632,551, or 70.9% of the annual budgeted amount of \$33,338,455. This is a decrease of \$3,132,997, or 11.7%, when compared to \$26,765,548 recorded expense through the third quarter of 2010.

Debt:

The debt service for 2011 is related to the sale of net debt bonds for BIS projects. In 2011 the debt consists of an interest payment of \$678,200 and a principle payment of \$10,025,000. At the end of third quarter, \$226,067 of interest has been paid and \$508,650 recognized. The total principle payment of \$10,025,000 is paid in fourth quarter.

Transfers:

In 2011, this fund will receive transfers totaling \$13,507,518. The transfers consist of a general fund transfer totaling \$11 million, \$1.0 million from the Self Insurance Fund, and \$1.5 million from the debt service fund. The transfer from the Self Insurance fund is in accordance with the long-term financial plans for both funds. As of third quarter, \$10.1 million is recognized. Due to a reduction in Local Government Aid that was confirmed by the Minnesota Legislature in July 2011, this fund will not receive funding of \$465,000 for one time spending for security projects as the City's waterfall budget reduction plan will be enacted. The general fund transfer is reduced accordingly by \$465,000.

The 2011 budget includes a transfer out of \$423,000 for debt service related to the former Minneapolis Employees Retirement Fund's unfunded pension liability. Through third quarter 2011, \$317,250 is recognized.

Forecast:

Operating revenue is projected to be \$1,877,774 less than budgeted amount of \$33,150,214. Operating expenses are expected to be \$2,288,630 less than the budgeted amount of \$33,338,455. These projections result in an expected operating margin of \$222,615 compared to a budgeted margin of (\$188,241). The operating margin loss at third quarter 2010 was (\$1,843,305). The revenue source for a portion of the wireless payment and rent expense are included in the transfer in budget rather than in the operating budget resulting in a budgeted operating margin loss. The fund is projected to earn net income of \$1,810,096 which is \$411,000 over the budgeted amount of \$1,399,239.

Other Financial Items:

The cash balance at the end of third quarter 2011 is \$6,891,261 compared to a cash balance deficit of (\$909,068) at September 30, 2010. The fund has a debt payment of \$10.0 million due in the fourth quarter and expects to receive an additional \$11.9 million from the general fund and debt service fund in the fourth quarters in accordance to the long term financial plan. Financial reserve policies for the internal service funds determine that the minimum cash balance should be 15% of the fund's total budget or \$4.9 million.

Third quarter net assets of \$16.9 million are on track with the long-term financial plan. Financial reserve policies for the internal service funds determine that the minimum net asset balance for the Intergovernmental Services fund should be twice the depreciation amount or \$21.6 million. The rate model for this fund does not recover the depreciation costs related to capital assets. This fund records customer funded BIS project assets and it is expected that the net asset position will continue to increase.

City of Minneapolis, Minnesota
Intergovernmental Services Fund
Statement of Revenues and Expenses
For Third Quarter/Years Ending 2011, 2010 and 2009

	Budget Current Year 2011	Projected Year 2011	For Period Ending 30-Sep-11	For Year Ending 2010	For Period Ending 30-Sep-10	For Year Ending 2009	For Period Ending 30-Sep-09
Operating Revenues:							
Charges for Service:							
BIS - PMO	7,223,986	4,954,072	3,886,073	8,933,386	6,399,955	8,621,649	6,050,345
BIS-Telecom	3,081,004	2,973,591	2,230,193	2,888,803	2,207,183	2,928,582	2,239,640
BIS - Operating-other	21,891,032	22,387,909	16,790,932	20,814,107	15,530,280	21,548,278	16,163,921
CC-Mailing Services	445,941	504,637	379,683	550,138	342,393	529,749	253,135
CC-Copy Services	500,000	443,981	332,986	539,972	437,682	490,657	312,889
Human resources	8,250	8,250	8,250	4,750	4,750	0	-
Total Operating Revenues	33,150,214	31,272,440	23,628,117	33,731,156	24,922,243	34,118,915	25,019,930
Operating Expenses:							
BIS - PMO	7,223,986	4,654,072	3,490,554	8,339,278	5,816,943	8,902,881	6,161,274
BIS - Telecom	1,844,836	1,754,659	1,334,838	1,632,585	1,267,298	1,787,581	1,338,552
BIS - Operating-other	22,790,500	23,180,677	17,682,808	24,299,349	18,481,466	23,496,912	16,923,200
CC-Mailing Services/Data Center	581,689	624,087	468,035	641,227	471,640	578,052	409,607
CC-Copy Services	551,807	496,330	453,442	751,196	554,279	615,446	481,848
Human resources	345,637	340,000	202,874	236,777	173,922	230,073	156,233
Total Operating Expenses	33,338,455	31,049,825	23,632,551	35,900,412	26,765,548	35,610,945	25,470,714
Operating Margin	(188,241)	222,615	(4,434)	(2,169,256)	(1,843,305)	(1,492,030)	(450,784)
Non-Operating Revenues/(Expenses)							
Depreciation	(10,818,837)	(10,818,837)	(8,114,128)	(10,813,184)	(8,037,019)	(8,380,433)	(6,285,325)
Interest on Bonded Debt	(678,200)	(678,200)	(508,650)	(878,504)	(703,569)	(1,526,507)	(1,234,988)
Gains/(Losses) on disposal of fixed assets	-	-	-	(77,524)	(84,805)	-	-
Other Non Operating Income (Expense)	-	-	-	40	-	-	-
Total Non-Operating Revenues (Expenses)	(11,497,037)	(11,497,037)	(8,622,778)	(11,769,172)	(8,825,393)	(9,906,940)	(7,520,313)
Operating Transfer In (Out)							
Transfers from other fund	13,507,518	13,507,518	10,130,639	12,245,447	9,123,020	16,114,693	11,564,401
Transfers to other fund	(423,000)	(423,000)	(317,250)	(395,915)	(163,500)	(276,594)	(159,000)
Total Operating Transfers	13,084,518	13,084,518	9,813,389	11,849,532	8,959,520	15,838,099	11,405,401
Net Income	1,399,239	1,810,096	1,186,177	(2,088,896)	(1,709,177)	4,439,129	3,434,304
Significant Balance Sheet Items							
Cash balance			6,891,261	8,438,279	(909,068)	783,066.00	(5,591,702)
Work-in-progress			12,141,072	12,141,072	6,444,741	7,115,554	21,070,901
Interfund Receivable			2,018,781	1,018,781	1,187,000	1,697,588	-
Interfund Loans			(8,125,000)	(10,114,051)	(10,114,051)	(10,114,051)	(10,114,051)
Bonds Payable			(20,080,000)	(20,080,000)	(26,240,000)	(26,240,000)	(34,415,000)
Deferred Income			(12,771,952)	(11,739,321)	(5,818,693)	(5,696,858)	(4,180,765)
Net Assets			16,903,143	16,903,143	13,678,110	13,678,110	4,867,680
Significant Cash Flow Items							
Principal on Bonds	(10,025,000)	(10,025,000)		(8,567,000)		(9,290,000)	

**City of Minneapolis
Self Insurance Fund
For the Third Quarter ending September 30, 2011**

Fund 6900	2011 Budget	9-30-2011 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	26,129,031	19,847,130	6,281,901	76.0%
Operating Expenses	25,426,699	20,892,303	4,534,396	82.2%
Operating Margin	702,332	(1,045,173)		
Net Income	6,815,332	3,539,577		

Program Description:

The Self Insurance Fund accounts for accrued sick leave benefit, tort liability, workers compensation, civil attorney services and the administrative functions to support these activities. An activity-based allocation model determines the rates charged to City departments to provide self insurance for liability and workers compensation costs using data determined by an actuarial study based on a department's responsibility. The allocation model also assigns a charge for employee benefit administration and attorney services.

Revenue:

Operating revenue through the third quarter of 2011 is \$19,847,130 or 76.0% of the annual budgeted amount of \$26,129,031. This is a decrease of \$2,901,916, or 12.8%, compared to \$22,749,046 earned through the third quarter of 2010. Revenue through third quarter 2010 is \$2.9 million greater than 2011 primarily due to recording employee payments for COBRA medical insurance in the Self Insurance fund in 2010. In 2011, all COBRA transactions are recorded in the Minneapolis Agency fund.

Expenses:

Operating expenses through the third quarter are \$20,892,303, or 82.2% of the annual budgeted amount of \$25,426,699. This is an increase of \$1,376,958, or 7.1%, compared to \$19,515,345 expended through the third quarter of 2010. The increase is primarily due to an increase of \$4.3 million in liability settlement payments which is offset by a decrease in the amount paid for employee sick leave payout at retirement.

Debt Service:

There are no outstanding debt obligations in 2011.

Transfers:

In 2011, this fund will receive an interfund transfer of \$7,330,000 from the general fund as determined in the long term financial plan, and through this quarter, \$5,497,500 is recognized.

The 2011 budget includes a transfer out of \$1,000,000 to the Intergovernmental Services Fund as part of its long term financial plan. This fund also transfers \$217,000 to pension fund debt service for unfunded pension liability related to the former Minneapolis Employees Retirement Fund. As of third quarter, \$912,750 has been recognized.

Forecast:

Operating revenue is projected to be \$26,189,082 or \$60,051 more than budgeted amount of \$26,129,031. Operating expense is projected to be \$28,736,862 or \$3.3 million more than the budgeted amount of \$25,426,699. These projections will result in a projected operating margin loss of (\$2,547,862) compared to the budgeted operating margin gain of \$702,332. The operating margin gain at third quarter 2010 was \$3,233,701. Net income is projected to be \$3.6 million compared to budgeted net income of \$6.8 million.

Other Financial Items:

The cash balance at the end of third quarter is \$44,861,589, compared to a cash balance of \$36,729,096 at September 30, 2010. Financial reserve policies for the internal service funds determine the minimum cash balance for the Self Insurance fund should be equal to the unpaid claims liability plus 10% of the fund's

operating budget or \$49.8 million for the Self Insurance fund. The unpaid claims liability at year-end 2010 is \$47.3 million, an increase of \$4.8 million from year end 2009 of \$42.5 million. The cash position is \$4.9 million below its target.

Third quarter net assets of (\$6.6 million) are improved over third quarter 2010. It is expected that the net asset position will continue to increase primarily due to transfers from the general fund as planned in the long term financial plan.

City of Minneapolis, Minnesota
Self Insurance Fund
Statement of Revenues and Expenses
For Third Quarter/Years Ending 2011, 2010 and 2009

	Budget Current Year 2011	Projection Year 2011	For Period Ending 30-Sep-11	For Year Ending 2010	For Period Ending 30-Sep-10	For Year Ending 2009	For Period Ending 30-Sep-09
Operating Revenues:							
Health & Welfare	2,163,636	2,390,219	1,792,664	6,495,441	4,849,240	12,745,507	8,139,314
Workers Compensation	8,358,724	8,312,000	6,472,318	9,082,557	6,945,041	8,565,960	6,503,863
Liability & Settlements	13,949,472	13,923,924	10,442,943	13,184,758	9,879,172	12,914,035	9,683,719
City Attorney/Civil Division-Litigation	20,000	3,001	2,251	4,237	3,942	13,875	8,859
Human Resources Services	1,437,199	1,396,565	1,014,424	1,354,182	983,065	1,221,745	940,172
Finance - Risk Management	200,000	163,373	122,530	134,764	88,586	205,711	108,971
Total Operating Revenues	26,129,031	26,189,082	19,847,130	30,255,939	22,749,046	35,666,833	25,384,898
Operating Expenses:							
Health & Welfare (employee benefits)	2,163,636	787,579	590,684	5,315,570	3,752,640	9,924,021	8,738,867
Workers Compensation	6,064,867	7,309,895	5,482,421	8,313,999	5,907,621	6,919,286	5,203,623
Liability & Settlements	6,450,102	9,891,295	7,418,471	4,423,756	3,073,510	6,223,035	5,416,996
City Attorney/Civil Division-Litigation	6,511,082	6,511,082	4,573,215	5,715,756	4,288,277	5,541,319	4,102,890
Finance - Risk Management	2,420,420	2,420,420	1,661,937	2,458,968	1,580,942	2,222,448	1,365,550
Human Resources Services	1,816,592	1,816,592	1,165,575	1,287,159	912,355	1,133,176	840,179
Total Operating Expenses	25,426,699	28,736,862	20,892,303	27,515,208	19,515,345	31,963,285	25,668,105
Operating Margin	702,332	(2,547,780)	(1,045,173)	2,740,731	3,233,701	3,703,548	(283,207)
Non-Operating Revenues/(Expenses)							
Other Non Operating Income (Exp)				1,454	-	-	-
Total Non-Operating Revenues (Expenses)	-	-	-	1,454	-	-	-
Operating Transfer In (Out)							
Transfers from other fund	7,330,000	7,330,000	5,497,500	10,810,000	8,107,500	6,915,000	5,186,250
Transfers to other fund	(1,217,000)	(1,217,000)	(912,750)	(140,000)	(105,000)	(145,000)	(108,750)
Total Operating Transfers	6,113,000	6,113,000	4,584,750	10,670,000	8,002,500	6,770,000	5,077,500
Net Income	6,815,332	3,565,220	3,539,577	8,632,437	11,236,201	(266,137)	4,794,293
Significant Balance Sheet Items							
Cash Balance			44,861,589	42,080,593	36,729,096	28,995,366	18,969,313
Intergovernmental receivable			181,930	181,930	223,378	223,378	181,930
Unpaid Claims			(47,292,497)	(47,292,497)	(42,512,749)	(42,512,749)	(31,773,064)
Net Assets			(6,587,951)	(6,587,951)	(15,432,743)	(15,432,743)	(15,493,087)

Net income in 2010 and 2009 is decreased by \$4,779,748 and \$10,739,685, respectively, to account for the equal increase to unpaid claims liability. The increase to unpaid claims liability is determined by actuarial studies dated 12/31/2010 and 12/31/2009.

2011 Third Quarter Investment Report

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

As of September 30, 2011, the City's current investment portfolio was valued at \$545 million. The sector holdings and fund distributions are shown below. For the twelve months ended September 30, 2011, the portfolio has outperformed its benchmark.

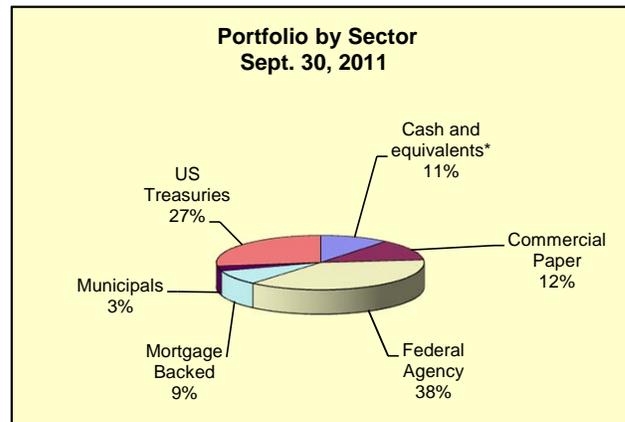
Investment Performance period ended September 30, 2011	City Portfolio	Custom Benchmark*
3 month Total Return	0.3%	0.3%
12 months Total Return	1.0%	0.8%
3 year Total Return	1.6%	1.1%
Credit Quality	AGY	TSY

* 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	Sept. 30 2011	% of port.	Sept. 30 2010	% of port.
Cash and equivalents*	\$ 59.0	11%	\$ 61.0	12%
Commercial Paper	68.7	13%	58.9	12%
Federal Agency	206.1	38%	186.5	38%
Mortgage Backed	47.6	9%	39.3	8%
Municipals	15.9	3%	19.6	4%
US Treasuries	148.0	27%	127.6	26%
Total Market Value	\$ 545.3	100%	\$ 492.9	100%

*Net of checks outstanding



Funds	Sept. 30 2011	% of funds	Sept. 30 2010	% of funds
Debt Service	\$ 86.9	16%	\$ 58.2	12%
Development	20.4	4%	30.4	6%
Enterprise Fund	96.1	18%	91.5	19%
General	35.7	7%	18.3	4%
Internal Service	66.6	12%	44.3	9%
Hilton Trust	7.4	1%	20.3	4%
NRP	45.3	8%	50.7	10%
Park Board	7.8	1%	1.7	0%
TIF	83.3	15%	67.3	14%
Convention Center	24.0	4%	40.8	8%
Other	14.3	3%	17.8	4%
Sub Total City Op. Port.	\$ 487.8	90%	\$ 441.3	90%
Bond Proceeds/Const.	54.1	10%	47.5	10%
TOTAL Book Value	541.9	100%	488.8	100%
Unrealized G/L & Acc int	3.4		4.1	
All Funds Mkt Value	\$ 545.3		\$ 492.9	

