



City of Minneapolis  
Financial Status Report as of 1st Quarter 2007  
Prepared by the  
City of Minneapolis Finance Department  
May 21, 2007

# City of Minneapolis

## Interim Financial Report Index for the 1st Quarter of 2007

<b>BUSINESS LINE REVIEW</b> .....	1-4
<b>GENERAL FUND</b> .....	5-8
<b>SPECIAL REVENUE &amp; GRANT FUNDS</b>	
Convention Center Special Revenue Fund.....	9-12
Federal, CDBG and other State and Local Grants.....	13-21
<b>INTERNAL SERVICE FUNDS</b>	
Engineering Materials & Testing Fund.....	22-23
Permanent Improvement Equipment Fund.....	24-25
Property Services Fund.....	26-27
Public Works Stores ....	28-29
Intergovernmental Service Fund .....	30-31
Self-Insurance Fund .....	32-33
<b>ENTERPRISE FUNDS</b>	
Sanitary & Stormwater Fund.....	34-37
Water Rental Fund.....	38-40
Municipal Parking Fund.....	41-46
Solid Waste Recycling Fund.....	47-48
<b>INVESTMENT REPORT</b>	49

## 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 March 31, 2007.

### BUSINESS LINE REVIEW

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

#### Governmental Funds

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

The **General Fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund began 2007 with a fund balance of \$55.1 million and an operating budget of \$292 million. Through March of this year, the fund has spent slightly less than 25% of its appropriations with the same percentage of the year elapsed. If the fund continues on this same trajectory, it will end the year within its spending authority. One item of note is the Police Department; although spending is on track as of March 31st, the department is projected to overspend its budget at year-end by \$4.9 million. This is attributable to expenses that will impact the department later in the year. Some of the major expenses are: Jail Fees, one-time & permanent technology costs and overtime.

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

The Convention Center's 2007 operating budget plans for a loss of \$3.4 million and first quarter results show the fund is tracking very close to plan with revenues and expenses at 26% and 27% of budget respectively.

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

#### Proprietary Funds

Proprietary funds operate, more or less, like a business and are assumed to be self-supporting. Proprietary funds are normally grouped into two subsets: Internal Service funds, which sell goods and services internally to other government units; and, Enterprise funds which sell goods

and services to third parties. The rates charged by these businesses are supposed to cover the full cost of providing the good or service sold by the fund- including the cost of maintaining, replacing, and expanding the fund’s capital assets; Proprietary funds use full accrual accounting.

**Enterprise Funds** are City owned businesses that sell goods and services to third parties. Excluding the CPED enterprise activities and the River Terminal, the City operates five enterprise funds. A snapshot of these funds follows:

Fund	2007 Budget to Actual through 3-31-07 (Incl. Depreciation)					
	Revenue Budget	Revenue Actual	% of Actual To Budget	Expense Budget	Expense Actual	% of Actual To Budget
Sanitary Sewer	39,114	8,981	23%	38,857	11,322	29%
Stormwater	34,600	7,441	22%	25,520	4,337	17%
Solid Waste	29,701	7,382	25%	30,422	5,222	17%
Water Utility	67,422	12,224	18%	60,146	13,216	22%
Parking	76,826	23,222	30%	73,575	14,537	20%

With the exception of the Parking fund, the City’s enterprise activities are in good condition. All of these funds had positive net assets at the beginning of 2007 and their financial plans call for a continuation of positive financial activity. There is an area of concern within the “Utility” Funds as far as cash position is concerned. Water, Storm Water and Sanitary Sewer all have positive cash balances but their average cash balances have declined over the last several years and are well below the financial policy calling for cash reserves equaling three months of operating expenses.

**Sewer Utility Fund** accounts for sewage interceptor and treatment services and the storm management activities including the Combined Sewer Overflow program. The Sewer Fund was split into two funds in 2005: Stormwater and Sanitary. The Stormwater Fund through first quarter has received 22% of its annual revenues and has spent 17% of its annual expense budget. The Sanitary Sewer fund has received 23% of its revenue and spent 29% of its budgeted expenses so far. Both funds have positive net assets but the cash balances will continue dwindling because of the permanent effect of stormwater credits, lower water consumption and outstanding debt. The funds combined cash reserve is \$4.2 million less than the stated requirement.

**Solid Waste Fund** accounts for the City’s solid waste collection, disposal, and recycling operations. Currently the fund has received 24% of its annual revenues and spent 18% of its annual expense budget. The fund has positive net assets and cash reserves in excess of the stated requirement.

**Water Utility Fund** accounts for the operation and maintenance of a water delivery system for the City and several suburban city customers. The Water Fund had a \$.05 rate increase in 2007.

It has received 18% of its annual revenues and spent 22% of its annual expense budget. Like the Sewer Funds, it has a cash problem. The funds current cash reserve is at 21% of the stated requirement. The erosion of the funds' cash balance can be attributed to several factors: 1) large annual debt service commitments; 2) a decline in water consumption over the last several years.

**Parking Fund** accounts for the operation and maintenance of parking ramps, lots, on street parking meters, a municipal impound lot, and traffic/parking control. Prior to 2001, revenue performance had been better than budgeted, but since September 2002, revenue has dropped. This is primarily due to economic conditions, high office vacancy rates, and increasing transfers to other funds. In June 2004, the City Council adopted a financial and operational workout plan for the Parking Services Fund that is expected to restore the funds' solvency by 2010. For 2007, the fund is on target to meet its revenue requirements and spend below budget. Readers are cautioned to remember the parking business is quite volatile and should not assume this activity will continue through the end of the year.

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

<b>Internal Service Funds (In Thousands)</b>						
<b>2007 Budget to Actual through 3-31-07 (Incl. Depreciation)</b>						
<b>Fund</b>	<b>Revenue Budget</b>	<b>Revenue Actual</b>	<b>% of Actual to Budget</b>	<b>Expense Budget</b>	<b>Expense Actual</b>	<b>% of Actual to Budget</b>
<b>Engineering, Mat, and Testing</b>	3,650	77	2%	4,439	317	7%
<b>Equipment Fund</b>	46,141	9,718	21%	43,314	9,289	21%
<b>Property Services</b>	16,154	3,934	24%	16,860	4,532	27%
<b>Public Works Stores</b>	3,590	1,339	37%	3,608	1,253	35%
<b>Intergovernmental Fund</b>	38,513	11,727	30%	31,409	9,636	31%
<b>Self Insurance</b>	88,657	21,466	24%	83,894	20,321	24%

The **Intergovernmental Service Fund** is operating at a level called for in its financial workout plan. The City instituted an Activity Based Costing rate model in 2004. Customers are charged a rate based on services consumed. This rate model replaces the arbitrary "fund-transfer" method that existed previously. Through first quarter, the fund is on track with both its revenue and expense goals. Depreciation expense continues to pose a challenge for the fund because it is not recovered through the rate model.

The **Equipment Fund** also operates under a Council-adopted financial workout plan. The fund has positive cash and net assets and continues to make good progress toward solvency and a pay-as-you-go approach to replacing its capital assets. Revenues and expenses are lower than expected due to a decreased level of equipment usage in the Capital Projects area, but the funds operating margin remains positive (excluding depreciation). Because the fund has missed its revenue targets for the last two years, its cash position has slipped behind the workout plan target. The Finance and Public Works departments are monitoring the equipment usage and financial results in this fund closely.

The **Self-Insurance Fund** is at 24% and 22% of revenue and expense targets for the year.

The **Property Services Fund** has received 24% of annual revenues and has spent 27% of budgeted expenses through first quarter. It has positive net assets but its cash reserves are well below the stated requirement. This fund's financial performance is hindered by depreciation expense. Similar to BIS, it is not recovering for depreciation in its rental rates and this will continue to adversely affect the fund.

The **Engineering Materials and Testing Fund** is budgeted at a loss of \$.058 million for 2007. This fund has consistently lost money for the last eight years and if the trend continues will be in need of a financial workout plan. The fund has a very small amount of cash and positive net assets but one more year of losses could reverse that situation. Public Works management has decided to continue buying, rather than making, asphalt which will improve the financial results in this fund. In addition, management has increased its overhead rates to more fully recover fixed costs.

**Respectfully Submitted,**

Patrick P. Born  
Finance Officer

Charles J. Elliott  
Controller

## Appendix

### Detailed Fund Information

## General Fund

### Fund Description

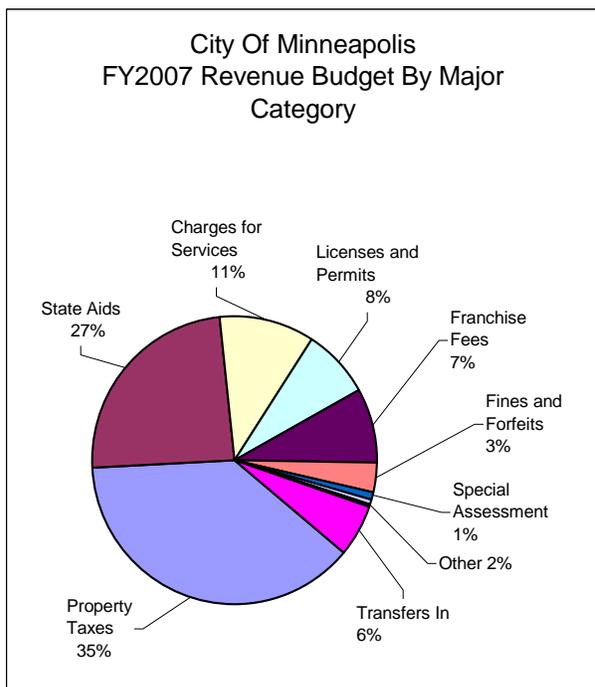
The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

### Financial Performance

The fund balance for the General Fund at fiscal year-end 2006 was \$55.1 million. On April 13, 2007 Council approved the reappropriation of \$6.3 million of the 2006 year-end fund balance. The City's practice is to maintain a minimum fund balance of 15% of the revenue budget; the projected fund balance of \$48.8 million is well above the \$46.2 million requirement. Spending patterns, especially for a 3-month period cannot be used to accurately forecast final results; therefore there are no year-end expenditure projections in this report.

<u>2007 Fund Balance</u>	
Fund Balance January 1, 2007	\$ 55.1 million
Re-appropriation of Fund Balance	(6.3) million
Fund Balance after re-appropriation, December 31, 2007	<u>\$ 48.8 million</u>

### General Fund Revenues:



The five largest revenue sources account for 88% of total budgeted revenues: property taxes, state aids, charges for services, licenses and permits, and franchise fees.

Property taxes, the major source of General Fund revenue (35%). There are no actual receipts, as they are received in June and December.

State aids, the second major source of fund revenue (27%), are also expected to meet the current estimated revenue of \$78.1 million (received in July and December).

Charges for services, the first major source of fund revenue (11%), are expected to be about equal to the current budget of \$35.6 million.

License and permit fees (8% of fund revenue) are also expected to be about equal to the current budget (\$26.0 million).

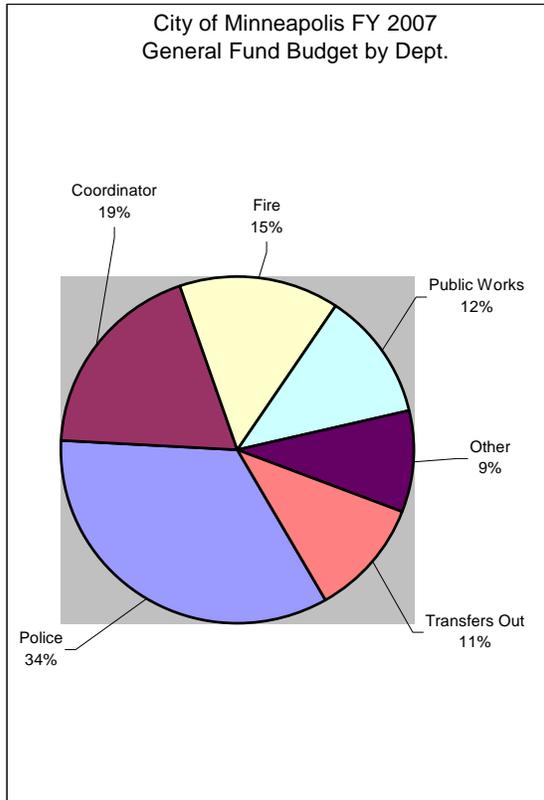
Franchise fees, the fifth major source of revenue (7%), are current budgeted at \$27.1 million.

Fine and Forfeit revenues have an estimated revenue budget of \$10.1 million.

Actual investment income is ahead of current budget (1.9 million) by 15%.

All other General Fund revenues and transfers are expected to meet the estimated revenue budget at the end of the year with no significant variances.

## General Fund Expenditures:



Four departments make up about 80% of the total General Fund expenditures: Police, Coordinator, Fire, and Public Works. Small percentage variances in any of these large departments can have a significant effect on the amount of General Fund expenditures.

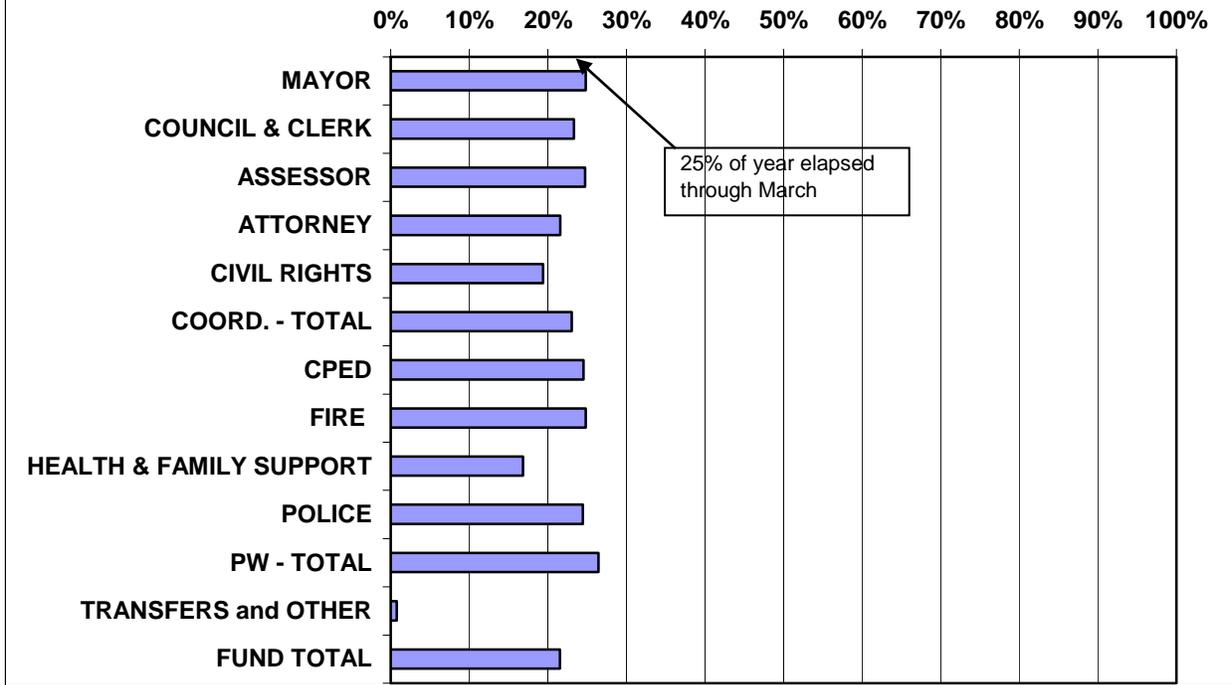
At the end of March, the Police Department's expenditures incurred to date are about \$27.4 million (25% of current budget); however at the current level of spending Police department could go over the budget by about \$4.9 million. This is due to additional contractual services expenses related to technology and jail fees which are not reflected in the expenditures to date. The Police Chief has instituted several cost-cutting measures that may reduce the deficit projection by year-end.

The expenditures of the next major department, Coordinator, are currently running about 7% under budget as of the end of the first quarter.

The expenditures for the next two major departments, Fire and Public Works have spent 25% and 26.5% respectively, of their current budgets at the end of the quarter. At the current spending level both of these two departments could also go over their budget.

The expenditures for the remaining departments are running at or below the current budget through the end of the first quarter.

### City of Minneapolis FY2006 General Fund Exp by Dept



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

City of Minneapolis				
General Fund				
March 31, 2007				
	Original Budget	Revised Budget	Actuals Thru Mar.	% of Revised Budget
<b>Revenues:</b>				
Property Taxes*	123,909,458	123,909,458	-	0.0%
State Aids**	78,118,684	78,118,684	1,576,544	2.0%
Charges for Services	35,581,566	35,581,566	7,075,818	19.9%
Licenses and Permits	25,999,355	25,999,355	5,077,657	19.5%
Franchise Fees	27,110,000	27,110,000	7,060,761	26.0%
Fines and Forfeits	10,172,877	10,172,877	1,603,691	15.8%
Special Assessments*	2,782,926	2,782,926	57,364	2.1%
Investment Income	1,860,202	1,860,202	735,950	39.6%
Other Shared Taxes	750,608	750,608	52,675	7.0%
Other Miscellaneous	1,060,637	1,160,637	234,435	20.2%
Contributions	297,500	297,500	20	0.0%
Charges for Sales	49,195	49,195	98,557	200.3%
<b>Total Revenues</b>	<b>307,693,008</b>	<b>307,793,008</b>	<b>23,573,472</b>	<b>7.7%</b>
Transfers In	20,241,000	20,241,000	46,440	0.2%
<b>Revenues and Other Sources</b>	<b>327,934,008</b>	<b>328,034,008</b>	<b>23,619,912</b>	<b>7.2%</b>
<b>Expenditures :</b>				
Police	112,096,069	112,096,069	27,398,549	24.4%
Coordinator - Total	62,493,357	62,493,357	14,383,698	23.0%
Fire	48,380,463	48,380,463	12,002,759	24.8%
Public Works - Total	39,539,415	39,639,415	10,485,767	26.5%
Attorney	6,170,417	6,170,417	1,332,756	21.6%
Health & Family Support	4,076,117	4,076,117	686,788	16.8%
CPED	3,708,388	3,708,388	909,459	24.5%
City Council & City Clerk - ***	6,170,256	6,316,558	1,472,571	23.3%
Assessor	3,574,398	3,574,398	884,174	24.7%
Civil Rights	2,460,739	2,460,739	552,085	22.4%
Contingency	2,058,226	2,058,226	105,000	5.1%
Mayor	1,329,489	1,329,489	330,070	24.8%
Non-Department	865,674	865,674	262,140	30.3%
Unfunded Pension Liabilities	-	-	(231,050)	N/A
<b>Total Expenditures</b>	<b>292,923,008</b>	<b>293,169,310</b>	<b>70,574,766</b>	<b>24.1%</b>
Transfers Out	35,011,000	35,011,000	11,792	0.0%
<b>Expenditures and Other Uses</b>	<b>327,934,008</b>	<b>328,180,310</b>	<b>70,586,558</b>	
<b>Change in Fund Balance</b>	<b>-</b>	<b>(146,302)</b>	<b>(46,966,646)</b>	
<b>Fund Balance - January 1, 2007</b>			<b>55,112,475</b>	
<b>Reappropriation - April 13, 2007</b>			<b>(6,299,241)</b>	
<b>Fund Balance - December 31, 2007</b>			<b>48,813,234</b>	

\* Special assessment and property tax revenues are received at the end of May, November, and December.

\*\* State aid revenues are received in July and December.

\*\*\* For the City council, the 2006 appropriation balances were carried over automatically to 2007

Even though most of the departments are on track with their budgets at the end of the first quarter, three months of expenditures are not enough to project year-end balances.

## **Convention Center Special Revenue Fund**

### **Convention Center Fund**

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

### **Revenue**

#### **Tax Revenue**

The Convention Center Special Revenue Fund activity is funded from local tax receipts and Convention Center operating revenue. Tax receipts are made up of a .5% citywide sales tax; a 3% food and liquor tax applied to core downtown establishments; a 3% citywide entertainment tax; and a 3% citywide lodging tax for motels and hotels with 50 units or more. Presently, one-third of all lodging tax proceeds received by the City are paid directly to Meet Minneapolis. With the exception of entertainment tax, all of the tax revenue received by the Convention Center is used to support the Convention Center's capital and operating activities.

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

For the 1st quarter of 2007, tax proceeds came in higher than 1st quarter 2006 levels by 4% overall. Cumulative tax revenue through March 2006 is based on actual numbers. Tax revenue is driven by consumer spending habits, and is expected to be slightly above 2006 levels.

<b>Tax</b>	<b>March 2007</b>	<b>March 2006</b>	<b>Variance</b>	<b>% Change</b>
Sales	6,981,091	6,794,112	186,980	3%
Entertainment	2,175,595	2,107,830	67,764	3%
Food	2,358,382	2,203,243	155,139	7%
Liquor	884,529	829,474	55,054	7%
Lodging	1,145,899	1,083,440	62,459	6%
<b>Total</b>	<b>\$13,545,496</b>	<b>\$13,018,100</b>	<b>\$527,396</b>	<b>4%</b>

#### **Interest Revenue**

Through the 1st quarter of 2007, interest revenue came in at \$296,175 or 70% of budget. Interest revenue is expected to achieve very good 2007 returns since in 2006 interest revenue came in much higher than expected. Interest revenue was budgeted at \$422,371 and finished the year at \$729,682.

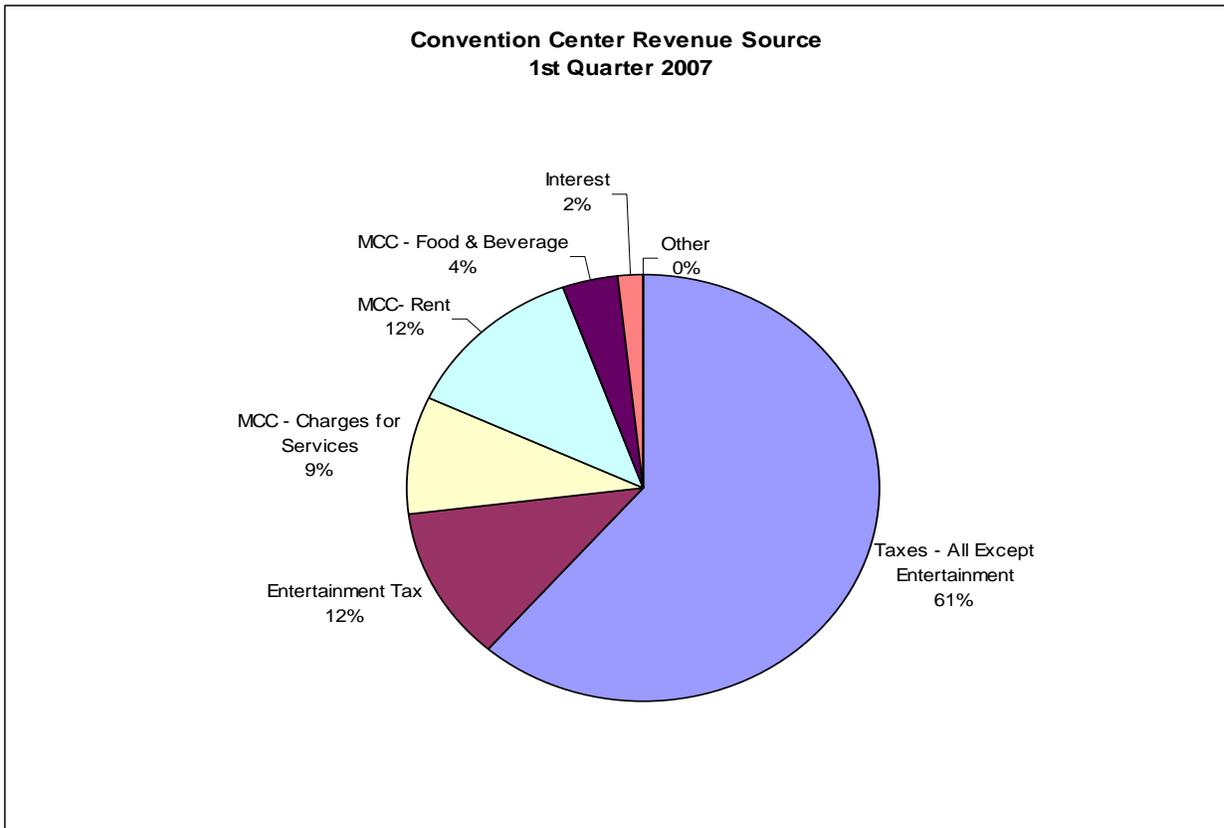
#### **Operating Revenue**

In the 1st quarter of 2007, operating revenue achieved slightly over \$4.7 million or 32% of budget. The Convention Center hosted several large consumer shows in the 1st quarter, which accounts for the performance. Also in the 1st quarter of 2007, a Request for Proposal (RFP) was developed to bring electronic ticketing to the Convention Center as an exclusive service. The Convention Center will either handle the ticket process exclusively or pay a third-party vendor, and the implementation goal is 2008.

Operating revenue is derived directly from Convention Center operating activities. Cash deposits for space rental are required in advance of the actual event. Equipment rental and the Tallmadge Building (a Class C multi-story office building managed by the Convention Center due to its proximity) space rental account for

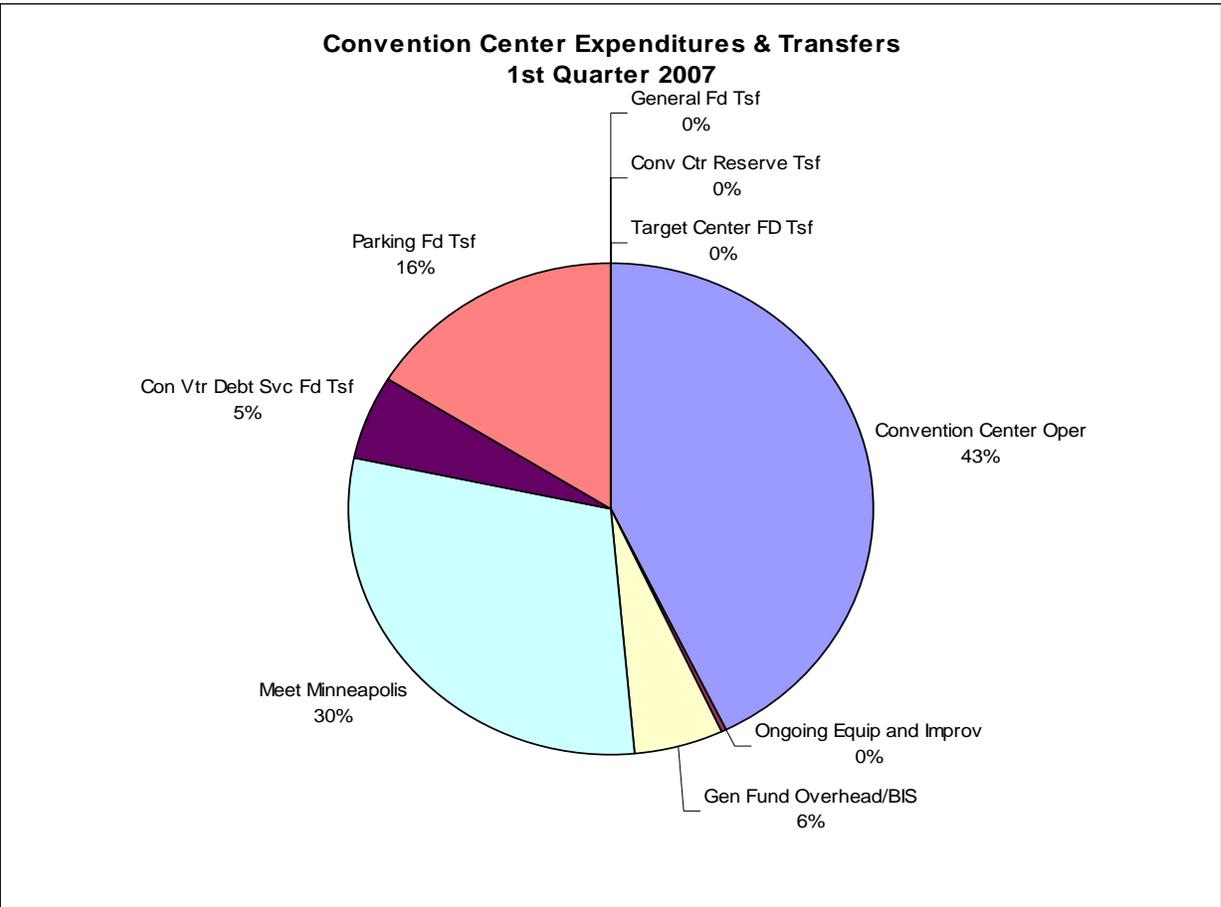
the other sources of rental income. Charges for services to exhibitors or shows include audio visual service to clients, labor charges, cleaning services, coat check fees, parking proceeds, security services, fire marshalling services, medical related services, utilities, and commissions on wireless internet services.

The Convention Center is currently working with Meet Minneapolis on a revenue producing initiative to package all sponsorship opportunities for clients. The sponsorship opportunities include: video signage, wireless internet, website advertising, and alternative advertising (floor stickers, window stickers, banners, and column wraps).



### Operating Expenditures

In the 1st quarter of 2007, Convention Center operating expenses were slightly over \$5.3 million or 22% of budget. The Convention Center operating expenses are expected to be close to budget. During 2007, the Convention Center has numerous capital improvements and additions budgeted. Some of the more significant capital items are new ballroom flooring, restroom rebuilds, wall fabric, video monitors, and a new time and labor management system. The time and labor management system will replace the current Timetrak system, and will greatly improve labor tracking, in addition to, giving the Convention Center the ability to cost labor to specific events. BIS is currently reviewing a proposal submitted by the Convention Center and are researching vendors and an enterprise wide solution. The Terrazzo floor restoration and repair is the most significant improvement budgeted in 2007. The Convention Center rolled \$3 million of 2006 capital funds to 2007 for this important project. A Request for Proposal (RFP) is being drafted, and the project is estimated to begin June 2007 with a completion date of July of 2008.



**Transfers**

The Convention Center Fund annually transfers a share of its tax revenue to several other funds. In 2007, transfers are scheduled to the General Fund, the Convention Center Facilities Reserve Fund, the Arena Reserve Fund, the Parking Fund, and to debt service. Budgeted transfers for 2007 are underway with \$1.5 million budgeted for the Target Center, \$8.3 million to the General Fund, \$650 thousand to the Convention Center Facility Reserve Fund, \$18.8 million to debt service, and nearly \$9.6 million to parking. The General Fund, Arena Reserve and Reserve Fund transfers have not been executed yet this year which explains the lack of activity so far.

**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 \$10 million consolidated loan will have a 10 year amortization of principle (2008-2017) repaid in full in 2017 at a 5% interest rate. The note repayment for the loan is pledged against assets, future appropriations from the City funding, and profit from the iDSS. The balance of the loan through the 1st quarter of 2007 was nearly \$8.5 million and accrued interest of nearly \$92 thousand. The iDSS loan is accounted for on the balance sheet as a Loan Receivable and is not reflected as an expenditure line item on the Statement of Revenues, Expenditures, and Changes in Fund Balance Budget to Actual Report.

**CONVENTION CENTER SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the fiscal quarter ending March 31, 2007**

**CITY OF MINNEAPOLIS, MINNESOTA**

	2007		Percent of Total	Year End Projection	2006 Actual
	Budget	Actual			
<b>REVENUE</b>					
Operating Revenue:					
Charges for Services and Sales	5,925,000	1,658,765	28%	6,000,000	5,155,200
Rents and Commissions	6,290,000	2,317,164	37%	6,290,000	6,768,181
Catering Commissions	2,446,500	738,542	30%	2,500,000	2,602,625
<b>Total Operating Revenue</b>	<b>14,661,500</b>	<b>4,714,471</b>	<b>32%</b>	<b>14,790,000</b>	<b>14,526,006</b>
Tax Revenue:					
Sales and Use Tax	28,393,525	6,981,091	25%	28,400,000	27,866,693
Entertainment Tax	9,382,270	2,175,595	23%	9,390,000	9,248,272
Food Tax	9,525,440	2,358,382	25%	9,526,000	9,992,743
Liquor Tax	3,714,180	884,529	24%	3,715,000	3,626,911
Lodging Tax	5,301,410	1,145,899	22%	5,320,000	5,989,941
<b>Total Tax Revenue</b>	<b>56,316,825</b>	<b>13,545,496</b>	<b>24%</b>	<b>56,351,000</b>	<b>56,724,560</b>
Other Non Operating Revenue:					
Interest	422,371	296,175	70%	800,000	729,682
Investment Income	-	-	-	-	22,293
Meet Minneapolis Private Donations	-	-	-	-	537,500
Other	14,000	1,780	13%	6,000	21,927
<b>Total Other Non Operating Revenue</b>	<b>436,371</b>	<b>297,955</b>	<b>68%</b>	<b>806,000</b>	<b>1,311,402</b>
<b>Total Non Operating Revenue</b>	<b>56,753,196</b>	<b>13,843,451</b>	<b>24%</b>	<b>57,157,000</b>	<b>58,035,962</b>
<b>Total Revenue</b>	<b>71,414,696</b>	<b>18,557,922</b>	<b>26%</b>	<b>71,947,000</b>	<b>72,561,968</b>
<b>EXPENDITURES</b>					
Convention Center Operations	23,902,309	5,322,196	22%	23,800,000	21,261,850
Ongoing Equipment and Improvement	2,260,000	28,206	1%	2,260,000	1,135,054
General Fund Overhead/BIS Operating	2,001,007	691,512	35%	2,001,007	1,950,227
Human Resources	65,810	15,924	24%	65,810	67,309
Meet Minneapolis	7,380,000	3,690,000	50%	7,380,000	7,663,401
<b>Total Expenditures</b>	<b>35,609,126</b>	<b>9,747,837</b>	<b>27%</b>	<b>35,506,817</b>	<b>32,077,841</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>35,805,570</b>	<b>8,810,085</b>	<b>25%</b>	<b>36,440,183</b>	<b>40,484,127</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
General Fund Transfer	(8,319,000)	-	0%	(8,319,000)	(8,657,247)
Arena Reserve Fund Transfer	(1,500,000)	-	0%	(1,500,000)	(1,102,427)
Convention Center Reserve Fund Transfer	(650,000)	-	0%	(650,000)	1,881,000
Convention Ctr Debt Service Transfer	(18,810,000)	(678,432)	4%	(18,810,000)	(17,655,000)
Other Debt Service Transfer	(36,000)	-	0%	(36,000)	(13,913)
Municipal Parking Enterprise Fund Transfer	(9,856,000)	(1,999,061)	20%	(9,856,000)	(9,565,097)
<b>Total Other Financing Sources (Uses)</b>	<b>(39,171,000)</b>	<b>(2,677,493)</b>	<b>7%</b>	<b>(39,171,000)</b>	<b>(35,112,684)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(3,365,430)</b>			<b>(2,730,817)</b>	<b>5,371,443</b>
<b>Fund Balance - January 1</b>	<b>41,221,335</b>			<b>41,221,335</b>	<b>35,849,892</b>
<b>Ending Fund Balance</b>	<b>37,855,905</b>			<b>38,490,518</b>	<b>41,221,335</b>
<b>Ending Cash Balance</b>		<b>22,950,555</b>			<b>19,843,606</b>

In 2000, the Convention Center Fund, as part of the Intergovernmental Services Fund financial workout plan, advanced \$12.8 million to the fund as a long-term loan; while it does not impact the fund balance, the cash balance is reduced. This year, City Council authorized repayment of \$3.9 million reducing the loan balance to \$8.9 million.

**SPECIAL REVENUE FUNDS**  
**Federal, CDBG, and Other State and Local Grants**  
**Quarter Ending March 31, 2007**

The City receives a number of state and federal grants that are recorded in the Federal (0300), Community Development Block Grant (CDBG) (0400), and Grants Other (0600) funds. These grants have varying grant periods and are used for a range of purposes.

Since the City records its financial information on a modified accrual basis the timing of cash receipts can result in grant funds reflecting a deficit cash balance. The deficit in fund 0400 is a result of the timing of cash flows. This cash will be fully reimbursed when the grant revenue is received.

**Federal Grants Fund (0300)**

The City accounts of its federal grant activity in fund 0300. As of March 31, 2007, total expenditures were \$4,717,217. As of the 2006 first quarter the total expenditures were \$3,143,183. The majority of the increase is due to homeland security initiatives as well as economic development.

**CDBG Fund (0400)**

The Community Development Block Grant (CDBG) is the City's largest single grant and is accounted for in fund 0400 with three other Housing and Urban Development (HUD) Programs. These programs are the Emergency Shelter Grant Program (ESG), HOME Investment Partnerships Program and Housing Opportunities for Persons with AIDS (HOPWA). As of March 31, 2007 and 2006, expenditures were \$5,275,611 and \$3,267,999, respectively. Although the City as a whole, has experienced a continual decline in CDBG over the past several years the activity in fund 0400 has increased due to a change in accounting practices resulting from the creation of CPED.

In 1990, the Council committed \$7,791,856 million of CDBG funds for the redevelopment of Block E. The commitment was not balanced with reductions in other CDBG funded projects. Consequently, the city has over-committed its total Federal Allocation. Because the CDBG year differs from the City's fiscal year end, it appears that the City has remained within its total cumulative allocation. This can continue only as long as there is a steady flow of CDBG funds. Should the CDBG program cease, the over commitment of funds would become apparent and other funds would need to be made available to cover the shortfall. The intent is to reprogram unspent balances from prior projects to offset the Block E deficit. Since November 2001, the City Council has approved the reprogramming of \$1,624,299 of unspent balances from projects bringing the remaining deficit down to \$6,167,557.

**Grants Other Fund (0600)**

The fund is used to account for non-federal grants and other restricted revenue sources. There were total expenditures of \$2,096,704 and \$1,320,460 as of March 31, 2007 and 2006, respectively. The increase in expenditures is primarily due to the migration of Community Planning and Economic Development grants previously recorded in fund SMN0, State Grants, to fund 0600 beginning in 2006. These are grants from Hennepin County, Minnesota Department of Employment and Economic Development, and the Metropolitan Council primarily for pollution treatment, business development and affordable housing initiatives.

**Special Revenue Funds**  
**Grant Funds**  
**Quarter Ending March 31, 2007**

	<b>Federal Grants 0300</b>	<b>CDBG Grants 0400</b>	<b>Grants Other 0600</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$752,168	(\$3,341,279)	\$7,122,075	\$4,532,964
Accounts - net	140,125	303,815		443,940
Intergovernmental Receivables	37,508	3,118,822	(3,705)	3,152,625
Loans receivable-net	3,228,889		594,116	3,823,005
Deposits with Fiscal Agents				0
Prepaid Expense			259	259
Due From Other Funds				0
<b>Total Assets</b>	<u>\$4,158,690</u>	<u>\$81,358</u>	<u>\$7,712,745</u>	<u>\$11,952,793</u>
<b>Liabilities</b>				
Salaries payable	\$107,307	\$44,847	\$121,678	\$273,832
Accounts payable	189,885	51,163	16,046	257,094
Use Taxes Payable	2,363		(11,876)	(9,513)
Due to Other Funds			600	600
Inter Governmental Payables				0
Deferred revenue & Contracts	3,228,889	287,392	4,303,754	7,820,035
<b>Total Liabilities</b>	<u>3,528,444</u>	<u>383,402</u>	<u>4,430,202</u>	<u>8,342,048</u>
<b>Fund Balance</b>	<u>\$630,246</u> <sup>1</sup>	<u>(\$302,044)</u> <sup>1</sup>	<u>\$3,282,543</u>	<u>\$3,610,745</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$4,158,690</u>	<u>\$81,358</u>	<u>\$7,712,745</u>	<u>\$11,952,793</u>
<b>Revenue</b>				
Taxes			\$124,638	\$124,638
Grants and Shared Revenues	\$ 5,222,591	\$4,847,846	3,489,173	13,559,610
Private Contributions			785,170	785,170
Charges for Services			134,252	134,252
Interest	10,309	5,891	12,155	28,355
Loan Recapture	113,351	81,882	10,043	205,276
Lands & Buildings		37,948		37,948
Equipment				0
Miscellaneous Revenue	1,215		137,677	138,892
Transfer within Special Revenue Fund			9,635	9,635
<b>Total Revenue</b>	<u>\$5,347,466</u>	<u>\$4,973,567</u>	<u>\$4,702,743</u>	<u>\$15,023,776</u>
<b>Expenditures</b>	<u>\$4,717,217</u>	<u>\$5,275,611</u>	<u>\$2,096,704</u>	<u>\$12,089,532</u>
<b>Revenues Over (Under) Expenditures</b>	<u>\$630,249</u> <sup>1</sup>	<u>(\$302,044)</u> <sup>1</sup>	<u>\$2,606,039</u>	<u>\$2,934,244</u>

<sup>1</sup> This report is on a modified accrual basis. Under full accrual, these amounts would be presented as grants receivable and the fund balance would be zero.

**CDBG Program Year 32**  
**Beginning June 1, 2006**  
**March 31, 2007**

Department	Agy	Project	Adopted Budget	Council Action 2006R-093	Council Action 2006R-356	Program Income <sup>1</sup>	Revised Budget	2007 Expenditures	Grant to Date Expenditures	Remaining Grant Budget
<b>Capital Grants:</b>										
CPED	890	Adult Training, Placement and Retention	\$ 580,000	\$ (32,500)			547,500	\$ 97,410	\$ 381,282	\$ 166,218
CPED	890	High density corridor housing	1,000,000	(56,100)			943,900			943,900
CPED	890	Homeownership Program (GMMHC)	437,000	(24,600)			412,400			412,400
CPED	890	Industry Cluster Program (Living Wage Jobs)	90,000	(5,050)			84,950	10,663	45,150	39,800
CPED	890	Multi-Family/Affordable Housing	4,999,000	(299,000)			4,700,000	2,047	2,047	4,697,953
CPED	890	NEDF/CEDF	136,000	(7,630)			128,370			128,370
CPED	890	NonProfit MF Rental Development Assistance	226,000	(12,679)			213,321			213,321
CPED	890	Vacant & Boarded Housing	1,154,000	(64,725)	(125,000)		964,275	211,005	953,304	10,971
Health & Family Support	860	Childcare Facilities Loan/Grant	292,000	(16,381)			275,619			275,619
Regulatory Services	835	Lead Reduction	163,000	(9,144)			153,856	45,262	128,451	25,405
Regulatory Services	835	Vacant & Boarded Housing-249 List	0	0	125,000	300,000	425,000	26,192	33,804	391,196
Regulatory Services	835	Problem Properties Board Bldg	54,900	0			54,900		54,900	0
Police	400	Problem Properties Police	64,050	0			64,050			64,050
Fire	280	Problem Properties Fire	18,300	0			18,300			18,300
City Attorney	140	Problem Properties Attorneys	45,750	0			45,750	1,454	1,454	44,296
Non-Departmental	123	General Housing Rehabilitation-MPHA	282,000	(15,820)			266,180	103,542	103,542	162,638
		Subtotal Capital Grants	9,542,000	(543,629)	0	300,000	9,298,371	497,574	1,703,933	7,594,438
<b>Public Service Grants:</b>										
CPED	890	Mortgage Foreclosure Prevention Program	218,000	(13,000)		44,224	249,224		249,224	0
CPED	890	Youth Employment & Training	506,000	(29,000)			477,000	3,520	14,693	462,307
Health & Family Support	860	Advocacy (Housing)	100,000	(5,610)			94,390	32,537	81,874	12,516
Health & Family Support	860	Block Nurse Program	62,000	(3,478)			58,522	9,628	43,012	15,510
Health & Family Support	860	Minneapolis Urban League	24,000	(1,346)			22,654	13,466	22,318	336
Health & Family Support	860	Curfew/Truancy Center	98,000	0			98,000		98,000	0
Health & Family Support	860	Early Childhood School Rediness	19,000	(1,066)			17,934		8,970	8,964
Health & Family Support	860	GMDCA Child Care	135,000	(7,573)			127,427		15,004	112,423
Health & Family Support	860	Lao Advancement Organization of America	47,000	(2,637)			44,363		21,731	22,632
Health & Family Support	860	Minneapolis Medical Research Foundation	43,000	(2,412)			40,588	5,304	20,461	20,127
Health & Family Support	860	MPS Teenage Parenting & Pregnancy Program	80,000	(4,488)			75,512	23,424	23,424	52,088
Health & Family Support	860	Native American Community Clinic	26,000	(1,459)			24,541		10,635	13,906
Health & Family Support	860	MELD	38,000	(2,132)			35,868			35,868
Health & Family Support	860	Child Dental Services	10,000	(561)			9,439		9,439	0
Health & Family Support	860	Cardondelet Life Care	71,000	(3,983)			67,017		33,468	33,549
Health & Family Support	860	New American Community Services	47,000	(2,637)			44,363		23,752	20,611
Health & Family Support	860	Southside Community Health Services	47,000	(2,637)			44,363	11,091	33,271	11,092
Health & Family Support	860	Westside Community Health Services	38,000	(2,132)			35,868		19,176	16,692
Health & Family Support	860	YWCA Day Care Scholarships	28,000	(1,571)			26,429		16,915	9,514
Health & Family Support	860	Neighborhood Healthcare Services	135,000	(7,573)			127,427	16,236	94,959	32,468
Health & Family Support	860	Little Earth Residents Association	33,000	(1,851)			31,149		16,586	14,563
Health & Family Support	860	Way to Grow	296,000				296,000	48,612	231,973	64,027
Public Works	607	Graffiti Removal on Public Property	97,000	(5,500)			91,500		39,663	51,837
		Subtotal Public Service Grants	2,198,000	(102,646)	0	44,224	2,139,578	163,819	1,128,548	1,011,030
<b>Administrative Grants:</b>										
CPED	890	Citizen Participation	303,000	(17,000)			286,000	73,964	94,815	191,185
CPED	890	Planning - Administration	1,146,800	(105,907)			1,040,893	266,886	822,846	218,047
CPED	890	Program Admin	8,900	41,100			50,000	7,382	7,524	42,476
Health & Family Support	860	Grant Administration	90,000	(5,005)			84,995	17,745	84,995	0
Health & Family Support	860	Legal Aid Society	44,000	(2,903)			41,097		23,973	17,124
Health & Family Support	860	Neighborhood Services	94,000	(5,269)			88,731	17,582	42,273	46,458
Health & Family Support	860	Way to Grow Administration	34,000	(2,244)			31,756	6,500	25,025	6,731
Finance	820	Finance Administration	255,000	(14,025)			240,975		59	240,975
Grants & Special Projects	800	Grants & Special Projects	206,000	(17,335)			188,665	79,058	130,528	58,137
Grants & Special Projects	800	Homeless Initiative	100,000				100,000			100,000
Grants & Special Projects	800	Housing Discrimination Law Project-Legal Aid	71,000	(3,751)			67,249		39,228	28,021
Grants & Special Projects	800	Metro Fair Housing-Multi Jurisdictional	16,000	(16,000)			0			0
Civil Rights	300	----	255,000	(14,025)			240,975		59	240,916
Civil Rights	300	Multi Cultural & Native American Indian	165,300	(9,320)			155,980	42,330	137,584	18,396
Non-Departmental	123	Administration YCB	57,000	0			57,000		56,350	650
Non-Departmental	123	-	88,000	(4,895)			83,105			83,105
		Subtotal Administrative Grants	2,934,000	(176,579)	0	0	2,757,421	511,446	1,465,200	1,292,221
	123	Block E Deficit Reduction	0	0	0	0	0	0	0	0
		<b>GRAND TOTAL</b>	<b>\$ 14,674,000</b>	<b>\$ (822,854)</b>	<b>\$ -</b>	<b>\$ 344,224</b>	<b>\$ 14,195,370</b>	<b>\$ 1,172,839</b>	<b>\$ 4,297,682</b>	<b>\$ 9,897,688</b>

<sup>1</sup> Council Action 2006R-146, 2006R-355  
Source : Period 3, April 21, 2007 G101M

**CDBG Program Year 31**  
**Beginning June 1, 2005**  
**March 31, 2007**

Department	Agy	Project	Adopted Budget	Council Action 2005R-618	Revised Budget	2007 Expenditures	Grant to Date Expenditures	Remaining Grant Budget
<b>Capital Grants:</b>								
CPED	890	Adult Training, Placement and Retention	\$ 610,878		\$ 610,878	\$ 43,756	\$ 245,618	\$ 365,260
CPED	890	High density corridor housing	953,008		953,008	617	894	952,114
CPED	890	Homeownership Program (GMMHC)	439,174		439,174		0	439,174
CPED	890	Industry Cluster Program (Living Wage Jobs)	94,348		94,348	10,835	39,247	55,101
CPED	890	Multi-Family/Affordable Housing	4,898,461		4,898,461	1,659,706	3,789,689	1,108,772
CPED	890	NEDF/CEDF	142,951		142,951		0	142,951
CPED	890	NonProfit MF Rental Development Assistance	238,252		238,252	20,000	20,000	218,252
CPED	890	Residential Loan/Grant	571,805		571,805		139,771	432,034
CPED	890	Vacant & Boarded Housing	1,200,000		1,200,000	8,580	1,199,196	804
Health & Family Support	860	Childcare Facilities Loan/Grant	306,869		306,869		23,444	283,425
Regulatory Services	835	Lead Reduction	171,541		171,541		171,541	0
Regulatory Services	835	Problem Properties Board Bldg	49,557		49,557		44,966	4,591
Police	400	Problem Properties Police	71,476		71,476			71,476
Fire	280	Problem Properties Fire	23,825		23,825		0	23,825
City Attorney	140	Problem Properties Attorneys	47,650		47,650	10,468	47,493	157
Non-Departmental	123	General Housing Rehabilitation-MPHA	297,338		297,338	141,263	248,979	48,359
		Subtotal Capital Grants	10,117,133	0	10,117,133	1,895,225	5,970,837	4,146,296
<b>Public Service Grants:</b>								
CPED	890	Mortgage Foreclosure Prevention Program	238,252		238,252		238,252	0
CPED	890	Youth Employment & Training	541,309		541,309		525,101	16,208
Health & Family Support	860	Advocacy (Housing)	104,831		104,831		104,831	0
Health & Family Support	860	Block Nurse Program	66,000		66,000		66,000	0
Health & Family Support	860	Child Dental Services	11,000		11,000		11,000	0
Health & Family Support	860	Curfew/Truancy Center	99,113		99,113		99,113	0
Health & Family Support	860	Early Childhood School Rediness	90,412		90,412		75,165	15,247
Health & Family Support	860	GMDCA Child Care	142,500		142,500		120,469	22,031
Health & Family Support	860	HIV/AIDS	45,000		45,000		43,061	1,939
Health & Family Support	860	Lao Advancement Organization of America	50,000		50,000		49,959	41
Health & Family Support	860	Minneapolis Community Clinics	335,561		335,561		326,016	9,545
Health & Family Support	860	MPS Teenage Parenting & Pregnancy Program	85,000		85,000	25,445	85,000	0
Health & Family Support	860	MUL-Mental Health	25,000		25,000		22,377	2,623
Health & Family Support	860	New American Community Services	50,000		50,000		49,827	173
Health & Family Support	860	School Success Programs	35,000		35,000		35,000	0
Health & Family Support	860	Way to Grow	295,432		295,432		295,432	0
Public Works	607	Graffiti Removal on Public Property	101,972		101,972		101,972	0
		Subtotal Public Service Grants	2,316,382	0	2,316,382	25,445	2,248,575	67,807
<b>Administrative Grants:</b>								
CPED	890	Citizen Participation	328,788		328,788	5,333	308,748	20,040
CPED	890	Planning - Administration	1,230,400		1,230,400		950,423	279,977
CPED	890	Program Admin	13,657		13,657		13,657	0
Health & Family Support	860	Grant Administration	95,301		95,301	926	94,169	1,133
Health & Family Support	860	Legal Aid Society	46,697		46,697		46,697	0
Health & Family Support	860	Neighborhood Services	101,972	(54,989)	46,983	18,186	44,843	2,140
Health & Family Support	860	Way to Grow Administration	34,308		34,308		34,308	0
Finance	820	Finance Administration	271,607	(22,193)	249,414	64,963	211,421	37,993
Grants & Special Projects	800	Grants & Special Projects	219,192	(46,005)	173,187		173,187	0
Grants & Special Projects	800	Housing Discrimination Law Project-Legal Aid	76,241		76,241		76,241	0
Grants & Special Projects	800	Metro Fair Housing-Multi Jurisdictional	17,154		17,154		0	17,154
Civil Rights	300	Fair Housing Initiative/Davis Bacon Compliance	257,312		257,312	33,589	201,241	56,071
Civil Rights	300	Multi Cultural & Native American Indian	166,776		166,776		166,776	0
Non-Departmental	123	Administration YCB	56,227		56,227		51,000	5,227
Non-Departmental	123	Citizen Participation MPHA	93,395		93,395		28,582	64,813
		Subtotal Administrative Grants	3,009,027	(123,187)	2,885,840	122,996	2,401,294	484,546
	123	Block E Deficit Reduction	0	123,187	123,187	0	0	123,187
		GRAND TOTAL	\$ 15,442,542	\$ -	\$ 15,442,542	\$ 2,043,665	\$ 10,620,706	\$ 4,821,836

Source : Period 3, April 21, 2007 G101M

**CDBG Program Year 30**  
**Beginning June 1, 2004**  
**March 31, 2007**

Department	Agy	Project	Adopted 2003R-610	Amended Budget	Council Action 2005R-618	Revised Budget	2007 Expenditures	Grant to Date Expenditures	Remaining Grant Budget
<b>Capital Grants:</b>									
CPED	890	Adult Training, Placement & Retention	\$ 641,000	\$ 639,823	\$ -	\$ 639,823		\$ 639,823	\$ -
CPED	890	High Density Corridor Housing	1,000,000	998,164		998,164	(127,193)	291,804	706,360
CPED	890	Home Ownership Program (GMMHC)	465,000	464,146		464,146			464,146
CPED	890	Industrial Cluster Training (Living Wage Jobs)	99,000	98,818		98,818		98,818	0
CPED	890	Multi Family Affordable Housing	5,390,000	5,380,106		5,380,106	26,766	4,724,963	655,143
CPED	890	Neighborhood/Commercial Economic Dev Fd	150,000	149,725		149,725			149,725
CPED	890	Residential Loan / Grant	444,000	443,185		443,185	19,652	399,628	43,557
CPED	890	Vacant/Boarded Housing Program	1,000,000	998,164		998,164		998,164	0
CPED	890	VHR Distressed	393,000	392,279		392,279	38,144	38,500	353,779
Health & Family Support	860	GMDCA- Child care facilities	323,000	322,407		322,407		322,407	0
Inspections Department	850	Hud Lead Program	180,000	34,353		34,353		34,353	0
Licenses & Consumer Services	835	Boarded Building Demolition	202,000	201,629		201,629		198,608	3,021
Regulatory Services	835	Hud Lead Program	145,317	145,317		145,317	1,259	132,373	12,944
Non Departmental	123	General Housing Rehabilitation-MPHA	313,000	312,425		312,425		312,425	0
		Subtotal Capital Grants	<u>10,600,000</u>	<u>10,580,541</u>	<u>0</u>	<u>10,580,541</u>	<u>(41,372)</u>	<u>8,191,867</u>	<u>2,388,674</u>
<b>Public Service Grants:</b>									
CPED	890	Mortgage Foreclosure Program	250,000	249,541	0	249,541		249,541	0
CPED	890	Youth Employment & Training	568,000	566,957		566,957		566,957	0
Health & Family Support	860	Advocacy	110,000	86,033		86,033		86,033	0
Health & Family Support	860	Block Nurse prg	66,000	65,879		65,879		65,879	0
Health & Family Support	860	Child Dental Services	11,000	10,980		10,980		10,980	0
Health & Family Support	860	Curfew Truancy Center	104,000	103,809		103,809		103,809	0
Health & Family Support	860	Domestic Abuse Prevention	58,000	57,894		57,894		57,894	0
Health & Family Support	860	GMDCA- Child care sliding fee	301,000	300,447		300,447		300,447	0
Health & Family Support	860	Head Start	66,000	65,879		65,879		65,879	0
Health & Family Support	860	Minnesota Aids Project	23,000	22,958		22,958		22,958	0
Health & Family Support	860	MPLS Community Clinics	261,000	260,521		260,521		256,951	3,570
Health & Family Support	860	Senior Services	61,000	60,888		60,888		56,178	4,710
Health & Family Support	860	Tubman Family Alliance	41,000	40,925		40,925		40,925	0
Health & Family Support	860	Volunteers of America	80,000	79,853		79,853		79,853	0
Health & Family Support	860	Way To Grow	311,000	310,429		310,429		310,428	1
Regulatory Services	835	Groundworks	17,000	16,969		16,969		16,969	0
Public Works	607	Graffiti Removal	107,000	106,804		106,804		106,804	0
Civil Rights	300	American Indian Advocacy	0	23,765		23,765		23,765	0
Park & Recreation Board	127	Teamworks	15,000	14,972		14,972		14,972	0
		Subtotal Public Service Grants	<u>2,450,000</u>	<u>2,445,503</u>	<u>0</u>	<u>2,445,503</u>	<u>0</u>	<u>2,437,222</u>	<u>8,281</u>
<b>Administrative Grants:</b>									
CPED	890	Citizen (Resident) Participation	346,000	345,365	0	345,365		345,365	0
CPED	890	Neighborhood Business Association	174,000	173,681		173,681		173,681	0
CPED	890	Planning Administration	1,213,000	1,210,773		1,210,773		975,344	235,429
CPED	890	Program Administration	75,000	74,862		74,862		74,862	0
Health & Family Support	860	Grant Administration	100,000	99,816		99,816		99,816	0
Health & Family Support	860	Legal Aid Services	49,000	48,910		48,910		48,910	0
Health & Family Support	860	Neighborhood Services Administration	162,000	161,703	(79,096)	82,607		82,607	0
Health & Family Support	860	New Arrivals	18,251	18,251		18,251		18,251	0
Health & Family Support	860	Way To Grow Administration	36,000	35,934		35,934		35,934	0
Finance Department	820	General Administration Finance	343,000	342,370	(89,801)	252,569		252,569	0
Grants and Special Projects	800	Administration	230,000	229,579	(25,237)	204,342		204,342	0
Grants and Special Projects	800	Metro Fair Housing-Multi Jurisdictional	18,000	17,967		17,967		10,655	7,312
Grants and Special Projects	800	Housing Discrimination Law Project-Legal Aid	80,000	79,853		79,853		79,853	0
Civil Rights	300	Fair Housing Initiative	190,000	189,651		189,651		189,651	0
Civil Rights	300	Multicultural Services	101,749	101,529		101,529		101,529	0
Non Departmental	123	Citizen (Resident) Participation-MPHA	98,000	97,820		97,820		71,020	26,800
Non Departmental	123	Youth Coordinating Board (YCB)	59,000	58,892		58,892		49,000	9,892
		Subtotal Administrative Grants	<u>3,293,000</u>	<u>3,286,956</u>	<u>(194,135)</u>	<u>3,092,821</u>	<u>0</u>	<u>2,813,389</u>	<u>279,432</u>
	123	Block E Deficit Reduction	0	0	194,135	194,135	0	0	194,135
		<b>GRAND TOTAL</b>	<u>\$ 16,343,000</u>	<u>\$ 16,313,000</u>	<u>\$ -</u>	<u>\$ 16,313,000</u>	<u>\$ (41,372)</u>	<u>\$ 13,442,478</u>	<u>\$ 2,870,522</u>

Source : Period 3, April 21, 2007 G101M

**CDBG Program Year 29**  
**Beginning June 1, 2003**  
**March 31, 2007**

Department	Agy	Project	Budget	Reprogram Reduction	Council Action 2005R-618	Program Income	Revised Budget	2007 Expenditures	Grant To Date Expenditures	Remaining Grant Budget
<b>Capital Grants:</b>										
Health & Family Support/CPED	860/890	Adult Training, Placement & Retention	\$ 641,000				\$ 641,000	\$ -	\$ 641,000	\$ -
Health & Family Support/CPED	860/890	Industrial Cluster Training	99,000				99,000		99,000	0
MCDA/CPED	340/890	Multi Family Affordable Housing	5,056,241				5,056,241	5,620	5,016,489	39,752
MCDA/CPED	340/890	Neighborhood/Commercial Economic Dev Fd	300,000				300,000		300,000	0
MCDA/CPED	340/890	Vacant/Boarded Housing Program	3,035,000			2,319,859	5,354,859	29,709	5,352,336	2,523
Public Works	680	Public Works Community Center Operations	42,000				42,000		11,235	30,765
		Subtotal Capital Grants	<u>9,173,241</u>	<u>0</u>	<u>0</u>	<u>2,319,859</u>	<u>11,493,100</u>	<u>35,329</u>	<u>11,420,060</u>	<u>73,040</u>
<b>Public Service Grants:</b>										
MCDA/CPED	340/890	Citizen (Resident) Participation	345,510				345,510	0	345,510	0
		Subtotal Administrative Grants	<u>345,510</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>345,510</u>	<u>0</u>	<u>345,510</u>	<u>0</u>
	123	Block E Deficit Reduction		273,936	50,139		324,075			324,075
		GRAND TOTAL	<u>\$ 9,518,751</u>	<u>\$ 273,936</u>	<u>\$ 50,139</u>	<u>\$ 2,319,859</u>	<u>\$ 12,162,685</u>	<u>\$ 35,329</u>	<u>\$ 11,765,570</u>	<u>\$ 397,115</u>

Note: MCDA/CPED Grants identified above are accounted for in fund FBG0

Source : Period 3, April 21, 2007 G101M

**CDBG Program Year 28**  
**Beginning June 1, 2002**  
**March 31, 2007**

Department	Agy	Project	Budget	2006R-477		Other Changes	Program Income	Revised Budget	2007	Grant To Date	Remaining
				5/17/2002	2002R-328				Expenditures	Expenditures	Grant Budget
<b>Capital Grants:</b>											
Public Works	680	Public Works Community Center Operations	\$ 42,000					\$ 42,000	\$ -	\$ 4,600	\$ 37,400
Health & Family Support/CPED	860/890	Industrial Cluster Training	83,000					83,000		83,000	0
CPED	890	Adult Training, Placement & Retention	441,000	124,185				565,185		441,000	124,185
MCDA/CPED	340/890	Asst NHS	0			50,000	133,091	183,091			183,091
MCDA/CPED	340/890	GMMHC-Homeownership Recycling Program	628,000					628,000	382,078	427,072	200,928
MCDA/CPED	340/890	Last Resort	250,000		(250,000)	400,000		400,000		386,213	13,788
MCDA/CPED	340/890	Multi Family Rental/Housing Program	3,308,000		250,000			3,558,000	5,000	3,558,000	0
MCDA/CPED	340/890	Neighborhood/Commercial Economic Dev Fd	398,000	(124,185)				273,815	3,104	182,968	90,847
MCDA/CPED	340/890	Regular Deferred Loan & Grant Program	1,214,000			550,000		1,764,000	100,298	1,457,258	306,742
MCDA/CPED	340/890	Vacant/Boarded Housing Program	2,640,000	200,000			713,138	3,553,138	104	3,553,138	0
MCDA/CPED	340/890	Rehabilitation Incentive Fund	390,000	(200,000)				190,000		3,024	186,976
		Subtotal Capital Grants	<u>\$ 9,394,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>#####</u>	<u>#####</u>	<u>\$11,240,229</u>	<u>\$ 490,584</u>	<u>\$ 10,096,272</u>	<u>\$ 1,143,957</u>

Note: MCDA/CPED Grants identified above are accounted for in fund FBG0

Source : Period 3, April 21, 2007 G101M

**CDBG Programs Year 27 and Prior**  
**Program Years Beginning on June 1, 1996 through 2001**  
**March 31, 2007**

Department	Agy	Grant	Budget	Reprogram 2006-R477	Revised Budget	2007 Expenditures	Grant To Date Expenditures	Remaining Grant Budget
<b>Capital Grants:</b>								
Park & Recreation Board	127	Hosmer	\$ 33,537		\$ 33,537		\$ 32,807	\$ 730
Park & Recreation Board	127	Discovery Gardens	25,000		25,000			25,000
Non Departmental	123	Relocation	325,000		325,000	17,192	305,498	19,502
MCDA/CPED	890	Adult Training, Placement & Retention		275,815	275,815		275,815	0
MCDA/CPED	380/890	Plan 96/97	1,167,049		1,167,049		1,167,022	26
MCDA/CPED	380/890	Planning Commission Corridor	172,762		172,762		172,762	0
MCDA/CPED	340/890	Lead Abatement	11,695		11,695			11,695
MCDA/CPED	340/890	Multifamily Housing	6,318,836		6,318,836		6,273,947	44,889
MCDA/CPED	340/890	NHBD Assc 96	174,343		174,343		174,201	142
MCDA/CPED	340/890	Rehab Incent	525,376		525,376		221,392	303,984
MCDA/CPED	340/890	Vacant 96/97	5,476,312		5,476,312		5,473,944	2,368
MCDA/CPED	340/890	YWCA	1,760		1,760			1,760
MCDA/CPED	340/890	Hi Lead	450,000		450,000		416,214	33,787
MCDA/CPED	340/890	GMMHC 96/97	2,187,967		2,187,967		2,187,967	(0)
MCDA/CPED	340/890	Eil Pk NRSP96	66,000		66,000		66,000	0
MCDA/CPED	340/890	H/Own SF 96	16,887		16,887		0	16,887
MCDA/CPED	340/890	Last Resort 96	681,672		681,672		681,672	0
MCDA/CPED	340/890	Jordan NRP	337,612		337,612		337,612	(0)
MCDA/CPED	340/890	CAMDEN 96/97	130,233		130,233			130,233
MCDA/CPED	340/890	NEDF/CEDF 96	2,300,944	(275,815)	2,025,129		2,025,129	(0)
MCDA/CPED	340/890	Non-Prof ADM	41,450		41,450		28,783	12,668
MCDA/CPED	340/890	ASST NHS 96	306,163		306,163		184,450	121,713
MCDA/CPED	340/890	38 & Cedar 96	52		52		0	52
Subtotal Capital Grants			<u>\$ 20,750,650</u>	<u>\$ (0)</u>	<u>\$ 20,750,650</u>	<u>\$ 17,192</u>	<u>\$ 20,025,214</u>	<u>\$ 725,435</u>

Note: MCDA/CPED Grants identified above are accounted for in fund FBG0  
Source : Period 3, April 21, 2007 G101M

**City of Minneapolis**  
**2007 CDBG Administration Appropriation Analysis**  
**March 31, 2007**

	Agy	Original Appropriation	Yr 32 Spent	Yr 31 Spent	Yr 30 Spent	Yr 29 Spent	2006 Spent	Remaining Appropriation
<b>Administrative Grants:</b>								
<b>Various Departments</b>								
Civil Rights	300	\$ 205,000	\$ -	\$ 33,589	\$ -	\$ -	\$ 33,589	\$ 171,411
Multicultural Affairs	300	133,000	42,330	0	0		42,330	90,670
Subtotal Civil Rights		<u>\$ 338,000</u>	<u>\$ 42,330</u>	<u>\$ 33,589</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,919</u>	<u>\$ 262,081</u>
Grants and Special Projects	800	160,000	79,058	0	0		79,058	80,942
Homelessness	800	85,000	0				0	85,000
Subtotal Grants & Special Projects		<u>\$ 245,000</u>	<u>\$ 79,058</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,058</u>	<u>\$ 165,942</u>
Finance Department	820	205,000	0	64,963	0		64,963	140,037
Subtotal Finance		<u>\$ 205,000</u>	<u>\$ -</u>	<u>\$ 64,963</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,963</u>	<u>\$ 140,037</u>
<b>Health &amp; Family Support</b>								
Grant Administration	860	72,000	17,745	926	0	0	18,671	53,329
Neighborhood Services	860	75,000	17,582	18,186	0		35,768	39,232
Subtotal Health & Family Support		<u>\$ 147,000</u>	<u>\$ 35,327</u>	<u>\$ 19,112</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,438</u>	<u>\$ 92,562</u>
<b>CPEd</b>								
Program Administration	890	43,000	7,382	0	0		7,382	35,618
Planning Administration	890	879,000	266,886	0	0		266,886	612,114
Subtotal CPEd		<u>\$ 922,000</u>	<u>\$ 274,268</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,268</u>	<u>\$ 647,732</u>
<b>External Contracts (Administrative Grants not Subject to Reprogramming)</b>								
<b>Non-departmental</b>								
Youth Coordinating Board (YCB)	123	65,000	0	0	0	0	0	65,000
Citizen (Resident) Participation-MPHA	123	71,000	0	0	0		0	71,000
<b>Health &amp; Family Support</b>								
Way To Grow Administration	860	27,000	6,500	0	0		6,500	20,500
Legal Aid Services	860	35,000	0	0	0		0	35,000
<b>Office of Grants &amp; Special Projects</b>								
Housing Discrimination Law Project	800	57,000	0	0	0	0	0	57,000
<b>CPEd</b>								
Citizen (Resident) Participation	890	243,000	73,964	5,333	0	0	79,296	163,704
Subtotal Outside Administrative Grants		<u>\$ 498,000</u>	<u>\$ 80,464</u>	<u>\$ 5,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,796</u>	<u>\$ 412,204</u>
Total Administrative Grants		<u>\$ 2,355,000</u>	<u>\$ 511,446</u>	<u>\$ 122,996</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 634,442</u>	<u>\$ 1,720,558</u>

Source : Period 3, April 21, 2007 G101M

**City of Minneapolis  
Engineering, Materials, and Testing  
For the First Quarter ending March 31, 2007**

Fund 6000	2007 Budget	2007 1 <sup>st</sup> Quarter	Remaining Budget	% of Actual To Budget
<b>Revenue including Transfers</b>	4,381,000	76,959	4,304,041	2%
<b>Expenses</b>	4,439,209	316,585	4,122,624	7%
<b>Revenue over(under) Expenses</b>	(58,209)	(239,626)		

**Program Description:**

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

Public Works is reviewing various options for supplying asphalt. In 2006, the City decided to permanently close the City of Minneapolis Asphalt Plant. Currently, an asphalt storage silo distribution facility is used to distribute asphalt to City departments. The demand for asphalt has decreased due to a decrease in capital expenditures.

**Revenue:**

The revenue sources for this Fund include the sale of procured Hot-Mix Asphalt and Ready-Mix Concrete materials and Inspection and Testing Services. Paving Construction is the primary customer and the demand for products is seasonal beginning in April and concluding in late November. First quarter revenues of \$76,959 were only 2% of the budgeted amount of \$4,381,000 as 2007 construction season has not yet commenced. The fund incurred a \$239,626 loss for the three months ending March 31, 2007.

**Expenses:**

Total expenditures are \$306,085 or 7% of the \$4,439,209 budget. The spending levels fluctuate due to the customer's seasonal requirements for products and services. For the first quarter, procurement of Hot-Mix Asphalt and Ready-Mix Concrete materials accounted for 11% of the total expenditures compared to 69% of the total expenditures by year end 2006.

**Transfers:**

The fund has a 2007 non-operating budget transfer of \$42,000 related to debt service for the MERF unfunded liability.

**Net Assets:**

This fund maintained a favorable position related to net assets for many years. The equity was stable throughout the City Council's Adopted Thirty Year Paving Program. Once this program concluded in the mid 1990's, significant fluctuations for products and services occurred. The fund incurred an extraordinary loss for the 2003 "write-down" of fixed assets as a result of the City Council's decision to suspend operations of the Asphalt Plant indefinitely effective December 31, 2003. The 2006 net asset balance is \$267,046 which represents a decrease of \$103,811 from the 2005 ending balance of \$370,857.

City of Minneapolis, Minnesota  
 Engineering, Materials and Testing Fund  
 Statement of Revenues and Expenses  
 For First Quarter/Years Ending 2007, 2006, and 2005

	Budget Current Year 2007	Projected Year Ending 2007	For Period Ending 31-Mar-07	For Year Ending 2006	For Period Ending 31-Mar-06	For Year Ending 2005	For Period Ending 31-Mar-05
<b>Operating Revenues:</b>							
Asphalt / Cement	3,381,000	3,381,000	37,966	3,179,554	24,668	3,312,419	18,222
Inspection revenue	1,000,000	1,000,000	38,993	828,035	51,088	868,124	93,283
Total Operating Revenues	4,381,000	4,381,000	76,959	4,007,589	75,756	4,180,543	111,505
<b>Operating Expenses:</b>							
Personnel	962,386	962,386	171,590	781,657	197,597	799,845	200,724
Contractual	518,195	518,195	64,261	330,072	76,038	384,768	41,931
Materials/Other	2,802,611	2,802,611	41,729	2,903,923	27,891	3,110,509	19,957
Rent	96,378	96,378	24,095	55,160	13,790	40,472	10,118
Depreciation	17,639	17,639	4,410	19,352	4,788	14,919	4,541
Total Operating Expenses	4,397,209	4,397,209	306,085	4,090,164	320,104	4,350,513	272,730
<b>Operating Margin</b>	(16,209)	(16,209)	(229,126)	(82,575)	(244,348)	(169,970)	(161,225)
<b>Non-Operating Revenues/(Expenses)</b>							
Net Transfers in (out)	(42,000)	(42,000)	(10,500)	(22,123)	-	(61,182)	-
Gains (Losses)			-	-	-	(534)	-
Total Non-Operating Revenues (Expenses)	(42,000)	(42,000)	(10,500)	(22,123)	-	(61,716)	(4,541)
<b>Net Income</b>	(58,209)	(58,209)	(239,626)	(104,698)	(244,348)	(231,686)	(165,766)
<b>Significant Balance Sheet Items</b>							
Cash			15,908	293,940	116,088	652,042	428,086
Accounts Receivable			-	-	1,133	1,133	2,690
Reserve for renewal			639,673	639,673	639,673	639,673	639,673
<b>Significant Cash Flow Items</b>							
Capital Outlay			-	-	-	43,633	-
Accounts Payable			797	36,949	152	307,244	-

**City of Minneapolis  
Equipment Services Division  
For the First Quarter ending March 31, 2007**

<b>Fund 6100</b>	<b>2007 Budget</b>	<b>2006 1st Quarter</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
<b>Revenue including Transfers</b>	46,140,500	9,727,225	36,413,275	21%
<b>Expenses</b>	43,313,700	9,277,088	34,036,612	21%
<b>Revenue Over (Under) Expenses</b>	2,826,800	450,137		

**Program Description:**

The Equipment Services Fund manages the acquisition, maintenance and disposal of over 1300 pieces of equipment; primarily the City's fleet of vehicles, including police cars, fire trucks and snow plows. This fund also provides drivers and operators for equipment and manages the dispatch of City-owned and contractual equipment.

**Revenue:**

The revenue for this fund is earned from charges to City departments (customers) for rental of equipment, maintenance of equipment and the sale of fuel. The rates that are charged are set at the beginning of the year to match the corresponding expenses, including overheads that are required to be recovered. In 2007, the first quarter revenue of \$9,727,225 closely matched the expenses of \$9,277,088. Revenue earned during the first quarter of 2007 increased 4.6% over the revenue earned in 2006 during the same period. This increase is primarily due to an increase in rates for equipment and operators. An increase in usage of snow equipment in 2007 increased the revenue for services and sales over 2006.

**Expenses:**

Personnel expenditures for first quarter 2007 are 46.0% of the total expenditures. This fund provides mechanics to maintain the equipment and also drivers and operators for the machinery that is used in construction and snow plowing. Expenses are following revenues and are tracking 5.5% higher than the same period in 2006. The increase in expenditures is primarily due to timing differences in the recording of expenditures for labor and materials for the repair of equipment.

**Transfers:**

This fund receives a transfer in of \$4.18 million in 2007 from the general fund in accordance with the accepted workout plan. An equal transfer amount occurred in 2006.

**Net Assets:**

Net assets for 2006 are \$18.4 million which is an increase of \$3.0 million from 2005 net asset balance of \$15.4. The fund has a workout plan in place since 2001. The increase in net assets is consistent with the plan and is expected to increase over the next decade as the fund continues to replace old equipment and pay off the \$39.1 million in bonds that are currently outstanding. The workout plan for this fund eliminates the sale of bonds to support the equipment purchases.

City of Minneapolis  
Equipment Fund  
Statement of Revenue and Expenses  
For First Quarter / Years Ending 2007, 2006, and 2005

	Budget Current Year 2007	Projected Year Ending 2007	For Period Ending 31-Mar-07	For Year Ending 2006	For Period Ending 31-Mar-06	For Year Ending 2005	For Period Ending 31-Mar-05
<b>Operating Revenues:</b>							
Charges for Services and Sales	15,260,000	20,618,590	4,504,058	14,757,349	3,184,484	13,050,734	2,885,559
Rent Public Works and Other	26,500,000	19,143,494	4,167,512	23,137,121	5,070,514	22,575,697	4,881,919
<b>Total Operating Revenue</b>	<b>41,760,000</b>	<b>39,762,084</b>	<b>8,671,570</b>	<b>37,894,470</b>	<b>8,254,998</b>	<b>35,626,431</b>	<b>7,767,478</b>
<b>Operating Expenditures:</b>							
Personal Services	18,644,587	15,900,554	4,069,637	14,726,580	3,919,804	15,677,189	3,852,107
Contractual Services	9,148,007	10,252,205	1,590,606	8,931,206	1,442,084	7,561,635	1,125,396
Materials, supplies, services and other	4,833,444	4,608,804	944,929	3,017,217	658,723	3,422,441	656,194
Rent	980,092	980,092	245,023	964,030	241,008	580,520	145,130
Cost of Stores Issuance	3,912,577	4,615,238	978,144	4,166,254	899,051	3,625,261	754,353
Depreciation	4,062,092	4,062,092	1,015,523	5,517,018	1,220,693	4,877,186	1,161,261
<b>Total Operating Expenses</b>	<b>41,580,800</b>	<b>40,418,985</b>	<b>8,843,863</b>	<b>37,322,305</b>	<b>8,381,363</b>	<b>35,744,232</b>	<b>7,694,441</b>
<b>Operating Margin</b>	<b>179,200</b>	<b>(656,901)</b>	<b>(172,293)</b>	<b>572,165</b>	<b>(126,365)</b>	<b>(117,801)</b>	<b>73,037</b>
<b>Non-Operating Revenues/(Expenses):</b>							
Interest Revenue	500	-	-	1,384	407	1,375	393
Interest on Bonds	(1,732,900)	(1,732,900)	(433,225)	(1,949,950)	(487,488)	(1,942,962)	(483,138)
Gains/Losses on disposal of fixed assets	200,000	(48,151)	(12,038)	100,151	-	402,812	4,185
Damages/Losses recovered	-	3,666	916	45,958	-	-	-
Other Revenue	-	87,104	21,776	-	-	-	0
<b>Total Non-Operating Revenues(Expenses)</b>	<b>(1,532,400)</b>	<b>(1,690,281)</b>	<b>(422,570)</b>	<b>(1,802,457)</b>	<b>(487,081)</b>	<b>(1,538,775)</b>	<b>(478,560)</b>
<b>Operating Transfers in (out)</b>							
Transfers from other fund	4,180,000	4,180,000	1,045,000	4,180,000	1,045,000	4,180,000	1,045,000
Transfers to other fund	-	-	-	(130,669)	(32,667)	(375,564)	(65,734)
<b>Total Operating Transfers</b>	<b>4,180,000</b>	<b>4,180,000</b>	<b>1,045,000</b>	<b>4,049,331</b>	<b>1,012,333</b>	<b>3,804,436</b>	<b>979,266</b>
<b>Net Income</b>	<b>2,826,800</b>	<b>1,832,819</b>	<b>450,137</b>	<b>2,819,039</b>	<b>398,887</b>	<b>2,147,860</b>	<b>573,743</b>
<b>Significant Balance Sheet Items</b>							
Fleet Purchases			785,397	6,646,400	984,799	3,991,512	746,026
Operating Cash			1,494,450	2,036,301	1,492,189	1,250,860	(64,398)
Net Building Value			25,673,700	25,821,732	26,274,128	26,422,039	26,874,215
Net Fleet Value			20,825,505	27,859,227	25,123,998	27,125,003	25,473,745
Bonds Payable			39,136,041	39,136,041	44,967,054	44,967,054	43,805,398
<b>Significant Cash Flow Items</b>							
Bond Proceeds			-	-	-	5,540,000	5,540,000
Principal on Work out Bonds	(5,235,000)		(1,308,750)	(5,405,000)	(1,351,250)	(1,665,000)	(416,250)
Principal on Facilities Bonds	(395,000)		(98,750)	(335,000)	(83,750)	(2,760,000)	(690,000)
<b>Total Cash Flow Items</b>			<b>(1,407,500)</b>	<b>(5,740,000)</b>	<b>(1,435,000)</b>	<b>1,115,000</b>	<b>4,433,750</b>

**City of Minneapolis  
Property Services Division  
For the First Quarter ending March 31, 2007**

<b>Fund 6200</b>	<b>2007 Budget</b>	<b>2007 1st Quarter</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
<b>Revenue including Transfers</b>	16,154,000	3,937,407	12,216,593	24.4%
<b>Expenses</b>	16,860,170	4,531,576	12,328,594	26.9%
<b>Revenue over(under) Expenses</b>	(706,170)	(594,169)		

**Program Description:**

The Property Services Fund is responsible for the maintenance and upkeep of City owned buildings including police precinct structures, fire stations, public works buildings and parking structures. The fund does not manage City Hall or Water and Park Board buildings. The fund is also responsible for the Radio Shop which maintains the City's emergency communications network.

**Revenue:**

This fund collects revenue from the City departments that use its goods and services (building space, ramp maintenance, janitorial and Radio services). The rate structure is set up so that the fund will charge the correct amount for its goods and services to match its expenses. Operating revenue for first quarter 2007 is \$3,774,154, an increase of 26.9 % over the same period in 2006. This increase is primarily due to fluctuations in demand for maintenance services provided to other departments. In addition, rate increases for 2007 property service rents increased an average of 2%. Some property service rents included the addition of utility service costs in 2007.

**Expenses:**

The first quarter operating expenditures are \$4,299,985, an increase of 21.4% over the same period in 2006. Personnel expenses provide labor used to maintain property and account for approximately 50% of operating expenditures. Contractual expenditures increased 66.2% in the first quarter as compared to the same period in 2006. This is primarily due to an increase in demand for services provided to other departments.

**Transfers:**

Property Services is responsible for paying \$350,000 per year in debt service. In 2007 the debt service consists of \$615,000 in principal payment and \$357,363 of interest. Each year, the General Fund transfers an amount to cover the difference between the \$350,000 and the total debt payment for the year. In 2007, the transfer amount is \$622,363.

**Net Assets:**

In 2002 the City began capitalizing all of its assets, including buildings that are included in this fund. The rate model for this fund does not recover the depreciation costs related to these assets. At year end 2006, the fund has a net asset position of \$28.6 million a decrease of \$1.0 million from the 2005 balance of \$29.6 million. The depreciation of capital assets will continue to increase and influence the net asset position.

City of Minneapolis, Minnesota  
Property Services Fund  
Statement of Revenues and Expenses  
For First Quarter / Years Ending 2007, 2006, and 2005

	Budget Current Year 2007	Projected Year Ending 2007	For Period Ending 31-Mar-07	For Year Ending 2006	For Period Ending 31-Mar-06	For Year Ending 2005	For Period Ending 31-Mar-05
<b>Operating Revenues:</b>							
Charges for Services And Sales	7,647,500	7,771,085	1,942,771	8,428,660	1,283,522	10,355,991	1,609,593
Rents Public Works and Other	7,853,500	7,325,529	1,831,382	7,266,776	1,689,539	6,542,120	1,530,400
<b>Total Operating Revenue</b>	<b>15,501,000</b>	<b>15,096,614</b>	<b>3,774,154</b>	<b>15,695,436</b>	<b>2,973,061</b>	<b>16,898,111</b>	<b>3,139,993</b>
<b>Operating Expenses:</b>							
Personal Services	7,518,512	6,929,705	1,732,426	7,561,286	1,735,223	7,323,047	1,531,273
Contractual Services	4,672,731	7,704,531	1,926,133	6,561,024	1,158,665	6,213,645	842,821
Materials, Supplies, Services and Other	2,328,436	1,151,574	287,894	1,593,335	292,849	1,499,770	405,666
Rent	197,703	197,703	49,426	194,038	48,510	174,261	44,297
Depreciation	1,216,425	1,216,425	304,106	1,243,378	308,203	1,348,730	245,774
<b>Total Operating Expenses</b>	<b>15,933,807</b>	<b>17,199,939</b>	<b>4,299,985</b>	<b>17,153,061</b>	<b>3,543,450</b>	<b>16,559,453</b>	<b>3,069,831</b>
<b>Operating Margin</b>	<b>(432,807)</b>	<b>(2,103,325)</b>	<b>(525,831)</b>	<b>(1,457,625)</b>	<b>(570,389)</b>	<b>338,658</b>	<b>70,162</b>
<b>Non-Operating Revenues/(Expenses):</b>							
Interest Revenue	-	11	3	20	1	39	-
Interest on Bonds	(357,363)	(357,363)	(89,341)	(383,563)	(95,891)	(409,163)	(102,291)
<b>Total Non-Operating Revenues(Expenses)</b>	<b>(357,363)</b>	<b>(357,352)</b>	<b>(89,338)</b>	<b>(383,543)</b>	<b>(95,890)</b>	<b>(409,124)</b>	<b>(102,291)</b>
<b>Operating Transfers in(out)</b>							
Transfers from other fund	653,000	653,000	163,250	843,600	210,900	811,613	202,903
Transfers to other fund	(569,000)	(569,000)	(142,250)	(31,089)	(7,772)	(85,976)	(21,494)
<b>Total Operating Transfers</b>	<b>84,000</b>	<b>84,000</b>	<b>21,000</b>	<b>812,511</b>	<b>203,128</b>	<b>725,637</b>	<b>181,409</b>
<b>Net Income</b>	<b>(706,170)</b>	<b>(2,376,677)</b>	<b>(594,169)</b>	<b>(1,028,657)</b>	<b>(463,151)</b>	<b>655,171</b>	<b>149,280</b>
<b>Significant Balance Sheet Items</b>							
Operating Cash			(1,439,240)	37,714	298,078	1,689,344	(744,038)
Bonds Payable			(8,896,144)	(8,896,144)	(9,569,783)	(9,569,783)	#####
<b>Significant Cash Flow Items</b>							
Bond Principle payments	(615,000)	(615,000)	(153,750)	(655,000)	(163,750)	(640,000)	(160,000)

**City of Minneapolis  
Public Works Stores  
For the First Quarter ending March 31, 2007**

Fund 6300	2007 Budget	2007 1st Quarter	Remaining Budget	% of Actual To Budget
<b>Revenue including Transfers</b>	3,589,500	1,339,270	2,250,230	37%
<b>Expenditures</b>	3,608,007	1,253,062	2,354,945	35%
<b>Revenue over(under) Expenses</b>	(18,507)	86,208		

**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:**

For first quarter 2007, revenues totaled \$1,339,270 or 37% of the \$3,589,500 annual budget for 2007. Traffic Stores account for 83% of the total quarter's revenue although the 2007 budgeted amount is 52% of the \$3,589,500 total. This increase in revenue for the first quarter is attributed to the sale of traffic signal controller components for assembly for future transportation projects. Central Stores revenues total \$227,676 or 17% of their \$1,729,500 budget.

**Expenses:**

The total of personnel, contractual, material, and rent expenditure, \$225,928, is approximately 24% under the budgeted quarterly amount of \$306,212. Cost of Stores Issuance at \$1,024,385, exceeded the quarterly budget amount due to the increased sales at Traffic Stores.

**Transfers:**

The 2007 non-operating transfers total \$11,000 for payment of debt related to the MERF unfunded liability.

**Net Assets:**

The Public Works Stores Fund has been successful and profitable in recent years. The fund continues to maintain positive equity with a net asset balance at year end 2006 of \$3,369,575, an increase of \$325,896 from the 2005 ending balance of \$3,043,679.

The fund has a negative cash balance of (\$1,108,578) for first quarter. The value of the inventory is \$4,600,465 which is a 43% increase over the same period in 2006. An inverse relationship exists between the cash balance and the inventory balance. As the value of the inventory decreases, the cash balance increases. The cash balance is close to zero when the inventory has an approximate value of \$3.2 million.

City of Minneapolis, Minnesota  
Public Works Stores  
Statement of Revenues and Expenses  
For the First Quarter/Years Ending 2007, 2006, and 2005

	Budget Current Year 2007	Projected Year End 2007	For Period Ending 31-Mar-07	For Year Ending 2006	For Period Ending 31-Mar-06	For Year Ending 2005	For Period Ending 31-Mar-05
<b>Operating Revenues:</b>							
Central Stores	1,729,500	1,729,500	226,120	1,507,113	297,329	1,717,815	256,055
Traffic Stores	1,860,000	1,860,000	1,113,071	2,890,375	787,569	3,188,324	655,873
<b>Total Operating Revenues</b>	<b>3,589,500</b>	<b>3,589,500</b>	<b>1,339,191</b>	<b>4,397,488</b>	<b>1,084,898</b>	<b>4,906,139</b>	<b>911,928</b>
<b>Operating Expenses:</b>							
Personnel	669,553	669,553	162,748	618,339	137,867	577,077	138,712
Contractual	288,645	288,645	56,007	229,538	55,965	216,583	7,179
Materials/Other	241,497	241,497	884	92,184	13,510	98,870	20,032
Rent	25,154	25,154	6,289	68,376	17,094	65,112	16,278
Cost of Stores Issuance	2,372,158	2,372,158	1,024,385	3,061,633	749,815	3,520,139	645,825
Depreciation	-	-	-	-	-	316	156
<b>Total Operating Expenses</b>	<b>3,597,007</b>	<b>3,597,007</b>	<b>1,250,312</b>	<b>4,070,070</b>	<b>974,251</b>	<b>4,478,097</b>	<b>828,026</b>
<b>Operating Margin</b>	<b>(7,507)</b>	<b>(7,507)</b>	<b>88,879</b>	<b>327,418</b>	<b>110,647</b>	<b>428,042</b>	<b>83,902</b>
<b>Non-Operating Revenues/(Expenses)</b>							
Net Transfers in (out)	(11,000)	(11,000)	(2,750)	-	-	-	-
Net Interest Income (Expense)	-	-	79	757	244	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(11,000)</b>	<b>(11,000)</b>	<b>(2,671)</b>	<b>757</b>	<b>244</b>	<b>-</b>	<b>-</b>
<b>Net Income</b>	<b>(18,507)</b>	<b>(18,507)</b>	<b>86,208</b>	<b>328,174</b>	<b>110,891</b>	<b>428,042</b>	<b>83,902</b>
<b>Significant Balance Sheet Items</b>							
Operating Cash			(1,108,578)	(877,261)	(10,543)	91,610	(160,539)
Accounts Receivable			9,143	24,384	15,683	16,928	561
Inventories			4,600,465	5,009,908	3,206,949	3,104,057	3,586,424
Accounts Payable			(541)	(722,112)	(4,181)	(111,631)	(5,311)
Salaries Payable			(31,817)	(45,705)	(24,424)	(37,630)	(20,962)

**City of Minneapolis  
Intergovernmental Service Fund  
For the First Quarter ending March 31, 2007**

<b>Fund 6400</b>	<b>2007 Budget</b>	<b>2007 Actual</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
Revenue including Transfers	38,649,499	11,761,115	26,888,384	30%
Expenditures	27,368,872	8,626,047	18,742,825	32%
Revenue Over (Under) Expenditures	11,280,627	3,135,068		

**Program Description:**

The Intergovernmental Service Fund accounts for operations of Business Information Services (BIS) and the City Clerk's printing and central mailing services. BIS comprises telecommunications services, network services, application support, internet and intranet services, and deployment of software and hardware.

**Revenue:**

Operating revenue through the first quarter of 2007 is \$8.8 million, or 33% of the annual 2007 budget. Revenue earned from PMD (Property Management Operation) increased 46% over the same period in 2006. The increase is primarily due to revenue received from a grant for reimbursement of expenditures related to the MECC CADD (computer aided dispatch system) project. Other revenue sources include mailing and copying services, telecom charges, Property Management Operation (PMO) projects, and BIS charges based on the rate model. The revenue for BIS-Telecom is driven by rates charged for services and customers' technology needs. The BIS-Telecom rate model uses the expense budget, depreciation, and overhead to determine technology rates. The fund also receives debt service transfers based on the deficit reduction plan for the fund.

**Expenses:**

Operating expenses through the first quarter are \$8.6 million, or 32% of the annual budget. The actual expenditures were close to budgeted expenditures for all cost centers except BIS-PMD. The increase in expenditures for BIS-PMD is primarily due to the expenditures related to the MECC CADD project. As projects are added to the BIS-PMD cost center, the budget increases as funding for projects is provided by the customer. Interest payments on bonded debt will total \$1.7 million for the fiscal year.

**Financial:**

The Intergovernmental Services Fund is tracking positively to increase its net asset position. The net asset balance for 2006 is a deficit of \$23.8million which is an increase in net assets of \$10.4 million from the deficit of \$34.2 million in 2005. Net assets have increased due to use of a rate model to determine charges for service, a transfer from the General Fund provided through the workout plan, and an increased level of activity in the Project Management area.

City of Minneapolis, Minnesota  
Intergovernmental Services Fund  
Statement of Revenues and Expenses  
For First Quarter/Years Ending 2007, 2006 and 2005

	Budget Current Year 2007	Projected Year 2007	For Period Ending 31-Mar-07	For Year Ending 2006	For Period Ending 31-Mar-06	For Year Ending 2005	For Period Ending 31-Mar-05
<b>Operating Revenues:</b>							
Charges for Service:							
BIS - PMD	4,607,641	16,351,756	4,087,939	14,523,182	2,452,973	14,101,016	1,648,466
BIS-Telecom	5,223,572	4,760,528	1,190,132	6,382,488	690,899	3,021,721	668,671
BIS - Operating-other	15,820,926	12,683,924	3,170,981	12,836,673	3,954,109	14,437,083	3,676,157
CC-Mailing Services	395,860	554,340	138,585	461,425	38,914	57,840	24,783
CC-Copy Services	778,500	870,912	217,728	914,431	98,863	803,649	113,642
<b>Total Operating Revenues</b>	<b>26,826,499</b>	<b>35,221,460</b>	<b>8,805,365</b>	<b>35,118,198</b>	<b>7,235,758</b>	<b>32,421,309</b>	<b>6,131,719</b>
<b>Operating Expenses:</b>							
BIS - PMD	4,666,504	17,211,260	4,302,815	15,206,006	2,235,941	13,162,684	1,632,609
BIS - Telecom	2,120,671	1,614,992	403,748	1,628,910	454,658	1,740,151	461,596
BIS - Operating-other	18,936,964	14,496,076	3,624,019	17,742,917	4,494,353	16,245,487	3,527,661
CC-Mailing Services	530,548	475,540	118,885	455,598	80,483	173,308	67,681
CC-Copy Services	775,908	528,644	132,161	790,217	157,942	659,611	98,089
Human resources	202,277	41,676	10,419	195,437	20,141	166,065	40,500
<b>Total Operating Expenses</b>	<b>27,232,872</b>	<b>34,368,188</b>	<b>8,592,047</b>	<b>36,019,085</b>	<b>7,443,518</b>	<b>32,147,306</b>	<b>5,828,136</b>
<b>Operating Margin</b>	<b>(406,373)</b>	<b>853,272</b>	<b>213,318</b>	<b>(900,887)</b>	<b>(207,760)</b>	<b>274,003</b>	<b>303,583</b>
<b>Non-Operating Revenues/(Expenses)</b>							
Net Transfers in (out)	11,687,000	11,687,000	2,921,750	10,512,844	2,616,400	10,562,122	1,956,074
Gains (Losses)	-	-	-	(31,852)	-	(304,473)	-
Depreciation	(2,509,607)	(2,509,607)	(627,402)	(3,962,907)	(935,078)	(6,510,263)	(1,579,798)
Interest on Bonded Debt	(1,666,963)	(1,666,964)	(416,741)	(2,038,485)	(504,060)	2,064,478	(517,863)
Other Non Operating Income (Expense)	-	-	-	(4,041)	-	514,075	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>7,510,430</b>	<b>7,510,429</b>	<b>1,877,607</b>	<b>4,475,559</b>	<b>1,177,262</b>	<b>6,325,939</b>	<b>(141,586)</b>
<b>Net Income</b>	<b>7,104,057</b>	<b>8,363,701</b>	<b>2,090,925</b>	<b>3,574,672</b>	<b>969,502</b>	<b>6,599,942</b>	<b>161,997</b>
<b>Significant Balance Sheet Items</b>							
Cash			(3,763,993)	(1,661,324)	(2,814,565)	338,775	(1,970,415)
Accounts Receivable			440	1,658	6,975	63,622	29,419
Work-in-progress			21,553,880	13,040,241	15,197,314	13,040,241	5,286,769
Interfund Loans			(14,347,098)	(14,548,952)	(12,372,059)	(14,548,952)	(172,160)
Bonds Payable			(35,888,877)	(35,775,000)	(39,969,843)	(34,275,000)	(36,205,000)
Deferred Income			(5,523,558)	(5,755,117)	(5,694,843)	(5,949,886)	(3,115,200)
<b>Significant Cash Flow Items</b>							
Principal on Bonds	(2,565,000)	(2,565,000)	(641,250)	(8,325,000)	(2,081,250)	(6,670,000)	(1,667,500)

**City of Minneapolis  
Self-Insurance Fund  
For the First Quarter Ending March 31, 2007**

<b>Fund 6900</b>	<b>2007 Budget</b>	<b>2007 1st Quarter</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
Revenue including Transfers	88,656,640	21,490,289	67,166,351	24%
Expenditures	83,894,933	18,222,598	65,672,335	22%
Revenue Over (Under) Expenses	4,761,707	3,267,691		

**Program Description:**

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

**Revenue:**

Revenues vary by activity. Employee benefits collect revenue from payroll withholding and employee contribution enabling revenues to match expenditures. Workers Compensation, with related administrative services in Risk Management and Human Resources for the return-to-work program, recognize revenues from direct billing of users. Tort Liability including administrative services of the City Attorney's Civil Division earns revenue by billing departments participating in Self-Insurance. Deferred revenue is increased to reflect additional reserves for the Metro Pass program.

For first quarter 2007, total revenues are \$21,490,289, an increase of 14.1% over the revenue earned first quarter 2006. This is due to an increase in the cost of health care premiums and an increase to the rates charged to departments for the self insurance liability premium.

**Expenses:**

The primary expenditure of this fund, approximately 76%, is payment of employee fringe benefits included in the Health and Welfare account. Worker's Compensation and Tort Liability expenditures include the payments for liability and the costs of administering the plans. In addition, the fund is required to set aside resources annually to cover the future cost of compensated absences based on benefit accrual.

Total operating expenditures for first quarter 2007 are \$18,180,444, an increase of 1.2% over the operating expenditures for first quarter 2006. Expenditures related to Health and Welfare (employee benefits) increased 8.3% over the same period in 2006. Health and Welfare expenses are related to employee participation in various plans. These expenses are recovered through payroll deductions and do not affect the fund performance. The increase in expenditures for employee benefits was offset by 68.4 % decrease in payments related to liability and settlements. The timing of settlement payments fluctuate during the fiscal year and the amount paid in one quarter does not provide a reliable projection for the annual amount paid for settlements.

**Transfers:**

In 2007, this fund receives an interfund transfer of \$4,750,000 from the General Fund to assist with payment of bond principal and interest. In 2006, the City Council approved a one-time use of General Fund reserve to reduce the bond debt in this fund by \$3.08 million.

**Net Assets:**

This fund's net asset position at year end 2006 is a deficit of \$29.3 million and is a reduction of \$6.7 million from the net asset ending balance of \$36.0 million in 2005. The deficit is primarily due to the large liability for unpaid claims for the City's General Liability and Workers Compensation. The liability was determined to be \$32.2 million at the end of 2006. The net asset deficit is tracking close to the Deficit Reduction Plan.

The ending cash balance for first quarter 2007 is \$7.1 million and the 2006 balance of \$2.8 million due from other funds was received by this fund.

City of Minneapolis, Minnesota  
Self Insurance Fund  
Statement of Revenues and Expenses  
For First Quarter/Years Ending 2007, 2006 and 2005

	Budget Current Year 2007	Projection Year 2007	For Period Ending 31-Mar-07	For Year Ending 2006	For Period Ending 31-Mar-06	For Year Ending 2005	For Period Ending 31-Mar-05
<b>Operating Revenues:</b>							
Health & Welfare (employee benefits)	63,780,431	60,551,583	15,140,990	54,719,946	13,398,924	48,255,288	12,316,612
Workers Compensation	7,562,803	8,549,092	1,898,786	8,786,419	1,906,609	8,521,189	1,936,122
Liability - Subrogation	9,370,060	11,650,331	2,918,252	8,590,318	2,164,850	8,291,921	2,064,379
Attorney Office Services	30,000	30,000	-	43,668	252	16,633	-
Human Resources Services	1,110,538	1,108,773	261,203	857,723	214,431	785,576	173,735
Finance-Employment Services	2,052,808	630,514	83,558	559,295	108,213	271,258	19,413
<b>Total Operating Revenues</b>	<b>83,906,640</b>	<b>82,520,292</b>	<b>20,302,789</b>	<b>73,557,369</b>	<b>17,793,279</b>	<b>66,141,865</b>	<b>16,510,261</b>
<b>Operating Expenses:</b>							
Health & Welfare (employee benefits)	63,533,567	60,345,115	14,529,466	53,987,035	13,412,070	47,309,404	11,028,504
Workers Compensation	7,562,803	6,256,178	1,433,092	6,041,860	1,410,279	6,519,557	1,465,066
Liability & Settlements	3,978,312	2,006,563	432,285	6,350,799	1,371,035	4,728,586	1,016,588
City Attorney/Civil Division-Litigation	5,463,479	4,924,564	1,149,440	4,845,994	1,176,639	4,986,364	1,117,008
Risk Management - WC/Risk	2,053,620	1,907,194	394,554	1,963,442	415,234	1,476,400	298,633
Human Resource - Employee Benefits	1,137,152	1,649,771	241,605	1,089,526	176,578	961,133	125,742
<b>Total Operating Expenses</b>	<b>83,728,933</b>	<b>77,089,385</b>	<b>18,180,444</b>	<b>74,278,656</b>	<b>17,961,835</b>	<b>65,981,444</b>	<b>15,051,541</b>
<b>Operating Margin</b>	<b>177,707</b>	<b>5,430,908</b>	<b>2,122,345</b>	<b>(721,287)</b>	<b>(168,556)</b>	<b>160,421</b>	<b>1,458,720</b>
<b>Non-Operating Revenues/(Expenses)</b>							
Net Transfers in (out)	4,653,000	4,653,000	1,163,250	8,699,698	1,404,925	3,744,291	939,784
Interest on Bonded Debt	(69,000)	(69,000)	(17,250)	(123,212)	(67,438)	(159,723)	(78,563)
Other Non Operating Income (Exp)	-	(2,617)	(654)	(166,930)	(2,558)	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>4,584,000</b>	<b>4,581,383</b>	<b>1,145,346</b>	<b>8,409,556</b>	<b>1,334,929</b>	<b>3,584,568</b>	<b>861,221</b>
<b>Net Income</b>	<b>4,761,707</b>	<b>10,012,291</b>	<b>3,267,691</b>	<b>7,688,269</b>	<b>1,166,373</b>	<b>3,744,989</b>	<b>2,319,941</b>
<b>Significant Balance Sheet Items</b>							
Cash Balance over (under)			7,123,369	5,541,017	1,913,437	1,797,175	628,405
Due from Other Funds			-	2,823,000	522,271	181,930	84,554
Bonds-Long Term			(1,060,000)	(1,060,000)	(4,460,000)	(4,460,000)	(5,395,000)
Unpaid Claims			(32,245,631)	(32,245,631)	-	(28,938,187)	-
<b>Significant Cash Flow Items</b>							
Paid Principal on Debt			(80,000)	(4,015,000)	(935,000)	(890,000)	(890,000)

**City Of Minneapolis  
Sanitary Sewer Fund  
For the First Quarter Ending March 31, 2007**

<b>Fund 7100</b>	<b>2007 Budget</b>	<b>31-Mar-07 Actual</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
Operating Revenue	38,915,254	8,975,912	29,939,342	23%
Operating Expenditures	37,657,284	11,024,773	26,632,511	29%
Operating Margin	1,257,970	(2,048,860)		
Net Income	257,092	(2,341,326)		

**Program Description:**

The Sewer fund was split in 2005 into two funds, Storm Water and Sanitary Sewer. This fund accounts for 85% of the contractual payments to the Metropolitan Council Environmental Services (MCES) for sewage interceptor and treatment services. It also accounts for the sanitary sewer maintenance and design.

**Revenue:**

Sanitary sewer revenue at the end of the first quarter is at 23% of the budget. This is exceeded the first quarter of 2006 and is inline with the budget. Inspection Services revenues for SAC charges are lower that the first quarter of last year due to the slowing of new construction.

**Expenses:**

The Sanitary Sewer fund operating expenditures at the end of the first quarter are 29% of the budget. The primary reason for the increase is due to increases in the Met Council Payments.

**Transfers:**

There were no transfers within this fund.

**Debt Service:**

This fund does not have any debt service. The capital items are paid from the Sanitary Sewer revenues.

**Other Financial Items:**

The current operating cash balance is \$7.6 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$9.1 million, which results in a shortfall of \$1.5 million.

City of Minneapolis, Minnesota  
Sanitary Sewer Fund  
Statement of Revenues and Expenses  
For First Quarter/Years Ending 2007, 2006, 2005

	Budget Year 2007	For Period Ending 03/31/07	Year Ending 2006	For Period Ending 03/31/06	Year Ending 2005	For Period Ending 03/31/05
<b>Operating Revenues:</b>						
Sewage Disposal	35,924,571	8,787,573	34,483,121	7,073,440	34,030,332	7,660,058
Other Services Provided	605,841	-	147,604	8,766	186,884	60
Inspection Services	2,384,842	188,340	3,856,433	255,030	2,685,275	
Interest			121,336		11,071	
<b>Total Operating Revenues</b>	<b>38,915,254</b>	<b>8,975,912</b>	<b>38,608,494</b>	<b>7,337,236</b>	<b>36,913,562</b>	<b>7,660,118</b>
<b>Operating Expenses:</b>						
Sewer Design	397,297	11,626	91,742	11,440	248,215	26,978
Sewer Maintenance	6,057,982	1,077,618	5,470,737	1,333,049	5,140,759	980,087
Met Council Env. Svcs.	31,202,005	9,935,529	32,927,301	9,022,575	30,785,678	8,966,867
<b>Total Operating Expenses</b>	<b>37,657,284</b>	<b>11,024,773</b>	<b>38,489,780</b>	<b>10,367,064</b>	<b>36,174,652</b>	<b>9,973,932</b>
<b>Operating Margin</b>	<b>1,257,970</b>	<b>(2,048,860)</b>	<b>118,714</b>	<b>(3,029,828)</b>	<b>738,910</b>	<b>(2,313,814)</b>
<b>Non-Operating Revenues/(Expenses)</b>						
Net Transfers (out)	171,000	-	-		(203,236)	
Non-Oper Expenses			(42,752)			
Depreciation	(1,199,528)	(297,191)	(1,216,303)	(299,882)	(1,228,780)	(303,698)
Special Assessments			3,934			
Net Interest Income (Exp)	27,650	4,725	(9,116)			
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(1,000,878)</b>	<b>(292,466)</b>	<b>(1,264,236)</b>	<b>(299,882)</b>	<b>(1,432,016)</b>	<b>(303,698)</b>
<b>Net Income</b>	<b>257,092</b>	<b>(2,341,326)</b>	<b>(1,145,522)</b>	<b>(3,329,710)</b>	<b>(693,106)</b>	<b>(2,617,512)</b>
<b>Significant Balance Sheet Items</b>						
Operating Cash	-	(2,448,656)	7,591,344	4,645,448	6,180,902	2,886,989
Accounts Receivable	-	(69,180)	2,706,241	2,370,787	2,827,233	1,173,273
<b>Significant Cash Flow Items</b>						
Capital Outlay	6,250,000	136,240	185,449	19,927		2,138
Bond Principle payments	17,000		72,000			

**City Of Minneapolis  
Stormwater Fund  
For the First Quarter Ending March 31, 2007**

<b>Fund 7300</b>	<b>2007 Budget</b>	<b>31-Dec-07 Actual</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
Operating Revenue	31,485,253	7,411,398	24,073,855	24%
Operating Expenditures	19,193,832	3,412,658	15,781,174	18%
Operating Margin	12,291,421	3,998,741		
Net Income	14,168,911	3,223,626		

**Program Description:**

The Sewer fund was split in 2005 into two funds, Stormwater and Sanitary Sewer. This fund accounts for 15% of the Met Council Environmental Services for treatment services. The fund also accounts for storm water activities including Combined Sewer Overflow (CSO) program, which identify the remaining storm sewer lines that are connected to sanitary sewer lines. The fund accounts for the city wide street cleaning program.

**Revenue:**

The Stormwater fund revenue ended the first quarter at 24% of the budget. Stormwater revenues from fees are on track to meeting the 2007 budget.

**Expenses:**

Stormwater fund expenses ended the first quarter at 18% of the budget. Expenses for all cost centers seem to be on track for staying within budget. The Sewer Design, Stormwater Management CSO and Sewer Maintenance cost centers are slightly above last years levels, while the street cleaning cost center is less than last year.

**Transfers:**

The transfer of \$171,000 is for the MERF pension's unfunded liability.

**Debt Service:**

The debt service payments are primarily for bonds sold to finance the (CSO) and Flood Mitigation programs.

**Other Financial Items:**

The current operating cash balance is at \$1.7 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$4.4 million, which results in a shortfall of \$2.7 million.

City of Minneapolis, Minnesota  
Stormwater Fund  
Statement of Revenues and Expenses  
For First Quarter/Years Ending 2007, 2006 and 2005

	Budget Year 2007	For Period Ending 03/31/07	For Year Ending 2006	For Period Ending 03/31/06	For Year Ending 2005	For Period Ending 03/31/05
<b>Operating Revenues:</b>						
State Grants	671,441	410,298	671,526	578,215	569,414	309,167
County Grants	288,165	72,041	205,934	160,147	160,147	-
Sewage Disposal	29,441,279	6,703,045	27,869,040	5,803,826	26,081,247	6,297,380
Other Services Provided	1,084,368	226,014	1,031,806	6,294	1,038,718	228,855
<b>Total Operating Revenues</b>	<b>31,485,253</b>	<b>7,411,398</b>	<b>29,778,306</b>	<b>6,548,482</b>	<b>27,849,526</b>	<b>6,835,402</b>
<b>Operating Expenses:</b>						
Sewer Design	3,007,338	604,689	2,634,627	561,167	2,424,051	823,512
Stormwater Management CSO	1,172,591	290,256	1,206,966	255,184	1,210,158	306,243
Street Cleaning	6,796,011	1,061,696	7,211,034	1,376,628	6,354,645	441,841
Sewer Maintenance	3,204,576	366,601	2,100,924	275,955	2,205,230	464,279
Met Council Env. Svcs.	5,013,316	1,089,416	4,480,344	1,357,873	4,740,411	67,182
<b>Total Operating Expenses</b>	<b>19,193,832</b>	<b>3,412,658</b>	<b>17,633,895</b>	<b>3,826,807</b>	<b>16,934,496</b>	<b>2,103,057</b>
<b>Operating Margin</b>	<b>12,291,421</b>	<b>3,998,741</b>	<b>12,144,411</b>	<b>2,721,675</b>	<b>10,915,030</b>	<b>4,732,345</b>
<b>Non-Operating Revenues/(Expenses)</b>						
Net Transfers in (out)	(171,000)	(42,750)	(147,696)		(261,845)	
Depreciation	(3,610,984)	(821,653)	(3,651,631)	(902,746)	(3,665,814)	(905,423)
Special Assessments	115,000	28,750	157,622	1,034	263,484	22,544
Net Interest Income (Exp)	(2,544,474)	59,360	(2,482,657)		(2,352,144)	6,010
Other Non Operating Income (Exp)	3,000,000	1,178	(1,529,659)			
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(3,211,458)</b>	<b>(775,115)</b>	<b>(7,654,021)</b>	<b>(901,712)</b>	<b>(6,016,319)</b>	<b>(876,869)</b>
<b>Net Income</b>	<b>9,079,963</b>	<b>3,223,626</b>	<b>4,490,390</b>	<b>1,819,963</b>	<b>4,898,711</b>	<b>3,855,476</b>
<b>Significant Balance Sheet Items</b>						
Operating Cash		1,705,647	(1,316,044)	1,988,329	4,858,839	1,866,775
Construction Cash	-	1,400,000	1,209,787	1,912,212	7,383,600	
Accounts Receivable	-	(73,312)	6,697,637	2,969,079	2,827,233	5,067,199
Bonds Payable	20,067,483	15,045,426	15,045,426	20,067,483	41,060,909	
<b>Significant Cash Flow Items</b>						
Capital Outlay	10,418,000	953,485	7,669,863	1,822,292	12,960,277	3,857,548
Bond principle payments	7,793,000		8,360,000		9,609,000	2,174,437

**City of Minneapolis  
Water Fund  
For the First Quarter Ending March 31, 2007**

<b>Fund 7400</b>	<b>2007 Budget</b>	<b>31-Mar-07 Actual</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
Operating Revenue	65,421,544	12,150,896	53,270,648	19%
Operating Expenditures	43,306,735	9,598,991	33,777,299	22%
Operating Margin	22,114,809	2,551,905		
Net Income (Loss)	7,276,197	(990,891)		

**Program Description:**

This Fund accounts for the operation and maintenance of a water delivery system for the City and several suburban city customers. The City sells water directly to seven cities including Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal, and Edina. Currently, the City is constructing two, multi-year capital projects including the Supervisor Control and Data Acquisition (SCADA) and the Ultrafiltration Membrane Plant. The SCADA program monitors and partially automates the water treatment process and is expected to be completed in 2007 at a projected total cost of \$17.0 million. The Ultrafiltration Membrane Plant will be accomplished in two phases. Phase one is a newly constructed 70 MGD Columbia Heights Membrane Filtration Plant that was completed at a cost of \$63.3 million. The new plant is currently operating in a testing and confirmation phase and began distributing water into the Minneapolis system in the fall of 2005. The plant has full time operation as testing was completed in spring 2006. The second phase, a 95-MGD Fridley Membrane Filtration Plant, is in the equipment procurement phase with additional performance testing scheduled through spring 2006. The projected cost of the Fridley Plant is \$88 million. The new 34 MG Hilltop Reservoir, at a cost of \$20.0 million, was completed in 2005.

In 2007, the Water Fund received appropriations to continue ongoing capital projects. The projects include the Minneapolis Water Works Facilities Security Improvement in the amount of \$500,000, the Ultrafiltration Program in the amount of \$4.5 million and Pump Station #4 Rehabilitation in the amount of \$6 million. In addition, each year, capital funding of \$4.5 million provides for water distribution improvements including cleaning and lining of 15 miles of pipeline with replacement of valves and hydrants.

**Revenue:**

For the year 2007, there was a 4.9% increase in the water rate raising the cost of 100 cubic feet from \$2.62 to \$2.67 per unit. The 2007 operating revenue of \$12,150,896 represents a 4.5% increase over the same period in 2006.

The first quarter 2007 operating margin is \$2,551,905 or 15.7% greater than the same period of 2006. The net loss for the first quarter 2007 is \$990,891 due to an increase in depreciation expense from \$1,669,253 for the first quarter of 2006 to \$2,385,644 for the same period in 2007. This increase of 42.9% in depreciation expense results from the addition of \$84.6 million in completed capital projects to the fixed asset accounts in 2005. The primary addition is the capitalization of the new Columbia Heights Membrane Filtration Plant at \$63.3 million.

**Expenditures:**

For fiscal year 2007, operating expenditures are \$9,598,991 or 2%, greater than for the same period in 2006. This increase is primarily due to an increase in operational cost of electricity and chemicals for treatment of water for distribution into the Minneapolis water works system. In addition, the government service fee, included in the Contribution to Other Funds, increased from \$2.07 million in

2006 to \$2.18 million in 2007. The government service fee is predominantly based on the fund's asset value.

**Transfers:**

The MERF (Minneapolis Employee Retirement Fund) pension debt service payment is budgeted at \$278,219.

**Debt Services:**

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

**Other Financial Items:**

The Ultrafiltration Membrane Plant is financed through loans from the Drinking Water State Revolving Fund managed by the Minnesota Public Facilities Authority. Beginning December 2002, the City has borrowed a total of \$78.4 million at interest rates of 2.82%, 2.80% and 2.53%. The ending cash balance for the first quarter of 2007 is \$2.30 million compared to \$2.96 million for the same period in 2006.

City of Minneapolis, Minnesota  
Water Fund  
Statement of Revenues and Expenses  
For First Quarter/Years Ending 2007, 2006, 2005

	Budget Current Year 2007	For Period Ending 31-Mar-07	For Year Ending 2006	For Period Ending 31-Mar-06	For Year Ending 2005	For Period Ending 31-Mar-05
<b>Operating Revenues:</b>						
Federal Grants	-	-	36,036	-	-	-
Licenses & Permits	1,000	146	728	170	1,009	176
Charges For Services	64,085,444	12,080,765	63,223,867	11,412,460	59,897,682	11,137,036
Charges For Sales	1,315,000	69,480	1,702,574	176,998	829,696	44,063
Rents	-	-	-	-	-	-
Interest	-	245	289	122	990	(320)
Other Misc Revenues	20,100	260	27,918	27,813	1,251	1,147
<b>Total Operating Revenues</b>	<b>65,421,544</b>	<b>12,150,896</b>	<b>64,991,411</b>	<b>11,617,564</b>	<b>60,730,628</b>	<b>11,182,101</b>
<b>Operating Expenses:</b>						
Security	-	-	642,091	151,377	911,559	291,474
Water Design	1,178,044	213,517	675,654	150,069	657,732	164,582
Contribution To Other Funds	8,486,330	2,121,583	5,760,399	1,539,830	6,300,932	1,405,386
Administration & Permits	1,055,175	226,984	1,152,765	263,706	1,202,302	256,653
Treatment	13,458,090	2,646,447	14,607,515	2,951,849	13,134,777	2,858,602
Treatment Maintenance	7,472,824	1,728,804	7,261,963	1,631,564	7,477,241	1,653,225
Distribution	7,906,604	1,881,784	8,184,004	1,866,749	7,762,956	1,719,749
Major Repairs & Replacement	3,749,668	779,872	7,656,719	856,168	4,929,336	738,114
<b>Total Operating Expenses</b>	<b>43,306,735</b>	<b>9,598,991</b>	<b>45,941,111</b>	<b>9,411,311</b>	<b>42,376,835</b>	<b>9,087,785</b>
<b>Operating Margin</b>	<b>22,114,809</b>	<b>2,551,905</b>	<b>19,050,301</b>	<b>2,206,253</b>	<b>18,353,793</b>	<b>2,094,316</b>
<b>Non-Operating Revenues/(Expenses)</b>						
Net Transfers in (out)	(664,000)	(166,000)	(274,517)	(68,629)	(689,005)	(145,901)
Depreciation	(9,542,576)	(2,385,644)	(6,846,284)	(1,669,253)	(6,450,504)	(1,034,009)
Special Assessments	-	22,483	628,894	18,845	825,321	52,815
Net Interest Income (Exp)	(4,632,036)	(866,554)	(4,371,899)	(803,754)	(4,077,976)	(602,602)
Other Non-Operating Income	2,000,000	50,719	603,376	29,724	336,960	22,495
Other Non Operating (Expense)	(2,000,000)	(197,800)	(1,000,818)	(169,319)	(791,522)	(208,687)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(14,838,612)</b>	<b>(3,542,796)</b>	<b>(11,261,248)</b>	<b>(2,662,386)</b>	<b>(10,846,725)</b>	<b>(1,915,890)</b>
<b>Net Income</b>	<b>7,276,197</b>	<b>(990,891)</b>	<b>7,789,052</b>	<b>(456,133)</b>	<b>7,507,068</b>	<b>178,426</b>
<b>Significant Balance Sheet Items</b>						
Operating Cash		2,305,439	2,541,860	2,960,692	1,555,548	4,391,789
Construction Cash		-	-	-	452,337	2,128,145
Accounts Receivable		2,316,323	4,876,827	3,695,573	8,382,482	4,523,426
Bonds & Notes Payable		92,016,728	92,028,999	-	84,407,486	90,986,953
<b>Significant Cash Flow Items</b>						
Capital Outlay	40,531,642	654,032	13,486,869	2,460,073	18,549,576	2,731,575
Bond & Note Principle payments	7,927,436	-	8,658,552	-	10,829,467	-
<b>Total Cash Flow Items</b>	<b>48,459,078</b>	<b>654,032</b>	<b>22,145,421</b>	<b>2,460,073</b>	<b>29,379,043</b>	<b>2,731,575</b>

**City of Minneapolis  
Municipal Parking Fund  
For the First Quarter Ending March 31, 2007**

<b>Fund 7500*</b>	<b>2007 Original Budget</b>	<b>2007 1<sup>st</sup> Quarter Actual</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
Revenue	50,631,428	13,614,177	37,017,251	27%
Expenditures	33,200,346	6,270,216	26,930,130	19%
Operating Margin	17,431,082	7,343,962		
Net Income (Loss)	2,951,839	8,516,819		

\* Figures in the table do not include State-owned ABC parking facilities.  
Net Income (Loss) includes all non-operating expenditures & revenues.

**Program Description:**

This fund accounts for operation and maintenance of parking ramps, lots, on-street parking meters, and the municipal impound lot. Major parking-related capital construction and development activities occur in this fund. The parking system has twenty-four ramps and with the expiration of the Ritz Lot lease on December 31, 2006 the City has 5 lots.

**Revenues:**

The first quarter revenues for 2007 increased by \$.8 million, or 5.8%, \$13.6 million compared to \$12.8 million for 2006. Off-street parking revenue accounts for \$1.0 million of increase, while on-street parking revenue accounts for \$.1 million and the Impound Lot accounts for \$.1 million of a decrease. The increase is despite the expiration of the Ritz Lot lease. This lease accounts for a decrease of \$.2 million in off-street revenue.

**Expenditures:**

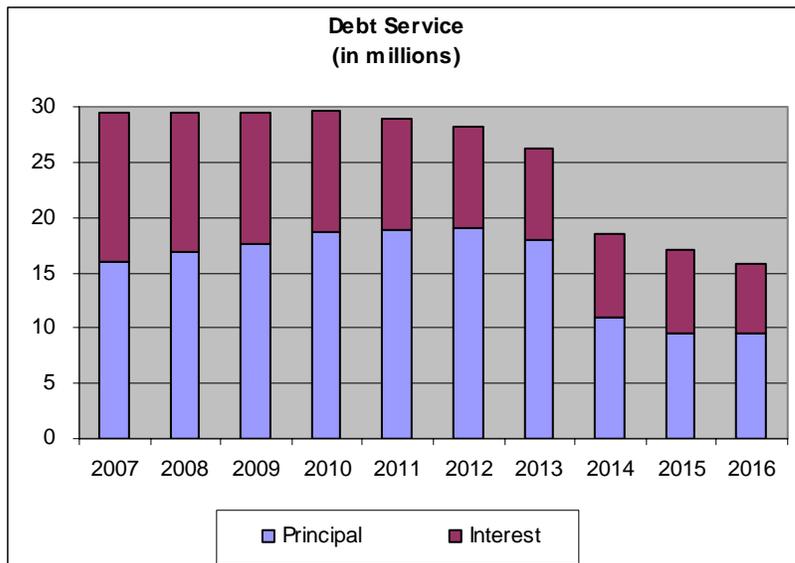
The expenditures, at \$6.3 million for 2007 increased by \$800,000, or 13.8%, compared to \$5.5 million in 2006. Expenditures for off-street parking increased by \$700,000, towing increased by \$100,000 and on-street parking remained the same.

**Transfers to and from other funds:**

The 2007 transfers into the Parking Fund include \$2.0 million from sales tax revenue for Convention Center debt, \$5.6 million from CPED Tax Increment. Transfers out to other funds for the year are budgeted for a total of \$11.9 million with \$9.6 million to the General Fund, \$2.1 million to the Target Center Arena and \$.2 million to other funds. The 2007 Target Center Arena transfer is \$2.1 million and it is projected to reach \$5.8 million by 2014, based on the updated payment schedule. There were \$2,978,750 in transfers out during the first quarter of 2007.

**Debt Service:**

The debt service payments through the first quarter totaled \$8.3 million, with \$6.6 million of principal payments and another \$1.7 million in interest. The total budgeted debt service from 2007 is \$29.4 million. These payments cover the costs of bonds that were sold to fund capital projects for construction of municipal parking ramps and lots. As new facilities are added to the system, debt service will continue to grow. According to the current schedule, debt service payments will reach \$29.7 million by 2010.



The total amount of outstanding bonds in the Parking Fund increased by \$1.7 million in 2006 with the sale of additional bonds to fund facilities repairs and improvements. There is currently \$268 million in outstanding bonds.

**Other Financial Items:**

The current operating cash balance is \$(9.8) million. The City’s policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$6.3 million, which results in a shortfall of \$16.1 million. Due to increased transfers into the Fund, the net income for the first quarter has increased by \$5.5 million over the same period in 2006; however, it is still not sufficient to cover the debt service thereby resulting in negative cash flow.

## **Parking Fund Workout Plan:**

A financial workout plan, as adopted by the City Council, approved parking initiatives to cut costs and increase revenues. Based on actual figures through the year end of 2007, the current update to the Workout Plan and specific performance include:

### **Revenues:**

- **Off-Street Parking and Enhanced Parking Ramp Marketing Activities:** In spite of the off-street parking system eliminating the Ritz Lot beginning in January, which represents a revenue loss of \$188,760 in the 1<sup>st</sup> quarter, the rumor of lower attendance of several Convention Center events in 2007 and the declining attendance for the Timberwolves and other Target Center events over the last several months we are exceeding last year's overall performance by nearly \$500,000 which represents a 4.25% improvement.

Projections indicate that we will likely experience \$2 million in additional revenues associated with the Early Bird and Rate Adjustment strategies during the remaining three quarters of FY 2007. This assumption is based on our performance tracking of the Early Bird program through April 27<sup>th</sup> and an analysis of the first thirty days of implementing our rate adjustments.

And finally, we should be mindful of 1<sup>st</sup> quarter receivables in excess of \$175,000 which have primarily been paid in April and are not yet reflected in these figures.

- **On-Street Parking and Parking Meter Management Plan:** Additional meter installations and rate adjustments, as part of new meter management plan, have continued to be implemented and generate revenues approaching 98% of budgeted. However, 2007 revenues exceeded the 1<sup>st</sup> quarter 2006 revenue by \$125,000 or 11%. The back-to-back snowfalls in late February early March impacted meter revenues due to the large amount of snow along metered areas. With \$6.9 million in projected revenue, On-Street Parking is projected to fall short of the budget of \$7.2 million by \$167,000 based upon the first quarter of 2007 results
- **Impound Lot and Collection of Unpaid Tow and Storage Fees:** The initiative for collection of unpaid tow and storage fee did not meet its revenue estimates of an additional \$1.2 million. The City is currently reviewing a pilot program for additional collection activities for unpaid towing and storage fees that could be in place in the next several months. The auction of abandoned vehicles process is currently being evaluated and refined. The tow management software is in the process of being upgraded to allow for some additional automated processing of bill of sale and auction information. At \$6.9 million in projected revenue, total revenue generated from the Impound lot operations through the year is projected to reach 98% of budgeted figures.

## **Expenditures:**

The status of the various expense reduction initiatives:

- Compared to 2006, expenses are down nine percent (9%). Compared to our overall budget, expenses are up \$565,000. This is not unusual and consistent with 2006 when considering the cost of utilities paid during the 1<sup>st</sup> quarter. For the year we have expended 44% (\$1.25 mil) of our annual utilities budget of \$2.86 million. This represents approximately \$537,000 more than what is projected to be spent per quarter for the remainder of 2007. With the 1<sup>st</sup> quarter being the darkest and colder period of the year this is not uncommon. Although the utility expense appears high it is nearly \$50,000 less than the 1<sup>st</sup> Quarter of 2006.

Our greatest line item to control, which is payroll, is currently under budget even with the addition of approximately \$30,000 in payroll by replacing carpool monitors and security officers with Ampco employees.

The other highlight of the 1<sup>st</sup> quarter is our Supplies & Tools cost of \$183,000 which represents 96% of our 2007 annual budget. We are currently investigating this expense line.

Finally, with the increased revenues, sales tax expenses have increased, as well as the new County Ballpark tax took effect late in 2006.

- Enhanced Wayfinding Program: estimated expenditure of \$205,000; currently three new installations completed in 2006; three more currently in progress for 2007 (Hilton, Hennepin @ 10<sup>th</sup> and Leamington).
- Repair & Maintenance Program: estimated expenditure of \$204,000 in debt service; the program is being implemented in the current year and includes revenue control equipment and systems upgrade at two facilities (Hilton and Hennepin @ 10<sup>th</sup>)
- Greater Oversight through Increased Staffing Level: estimated expenditure of \$254,000; Parking Services has submitted requisitions for 4 additional positions which will assist in achieving the realignment of activities and will help to improve the oversight of three business areas.

Off-Street Parking projected expenditures exceeded budget by \$3,467,908 or 13.2%. Impound Lot projected expenditures exceeded budget by \$700,000 or 13.9%, due to an increase in tow contract rates. On-Street Parking expenditures were less than budget by \$900,000 or 56.3% of budget.

The following table presents a summary of the various business line actual figures, projections and variances for the first quarter of 2007.

<b>Revenue* And Expense Categories</b>	<b>2007 Original Budget</b>	<b>2007 1<sup>st</sup> Quarter Actual</b>	<b>Projection 2007 Based on Actual</b>	<b>Variance Budget Vs Projection</b>
Off-Street Parking	36,359,759	10,047,327	38,954,587	2,594,828
On-Street Parking	7,155,532	1,679,892	6,988,440	(167,092)
Impound Lot	7,116,137	1,886,958	6,960,508	(155,629)
<b>Total Revenue</b>	<b>50,631,428</b>	<b>13,614,177</b>	<b>52,903,535</b>	<b>2,272,107</b>
Off-Street Parking	26,303,028	4,621,412	29,770,936	3,467,908
On-Street Parking	1,590,627	187,026	695,244	(895,383)
Impound Lot	5,306,691	1,461,778	6,045,329	738,638
<b>Total Expenditures</b>	<b>33,200,346</b>	<b>6,270,216</b>	<b>36,511,509</b>	<b>3,311,163</b>
<b>Operating Margin</b>	<b>17,431,082</b>	<b>7,343,962</b>	<b>16,392,026</b>	<b>(1,039,056)</b>

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

**Summary:**

Based on the annual data, revenue projections exceed the budget by \$2,272,107 or 4.5% and expenditure projections exceed the budget by \$3,311,163 or 10.0% thereby resulting in an overall projected short fall of \$1,039,056 or 5.5% of the annual budget.

City of Minneapolis, Minnesota  
Municipal Parking Fund  
Statement of Revenues and Expenditures  
For First Quarter/Years Ending 2007, 2006, and 2005

	Current Budget Year 2007	For Period Ending 31-Mar-07	For Year Ending 2006	For Period Ending 31-Mar-06	For Year Ending 2005	For Period Ending 31-Mar-05
<b>Operating Revenues:</b>						
Off-Street Parking: City Owned	36,359,759	10,040,958	35,052,251	9,074,766	33,542,380	8,607,937
Off-Street Parking: State Owned	8,454,052	1,965,670	8,232,233	2,090,177	8,039,838	1,705,357
Towing	7,116,137	1,886,958	7,554,067	2,033,478	6,912,995	1,887,247
On-Street Meters	7,155,532	1,679,892	7,235,050	1,748,275	6,702,950	1,602,833
Total Operating Revenues	59,085,480	15,573,478	58,073,601	14,946,696	55,198,164	13,803,374
<b>Operating Expenses:</b>						
Off-Street Parking: City Owned-Direct Expenses	20,014,346	3,883,446	22,481,314	3,249,875	20,232,560	3,143,062
Off-Street Parking: State Owned-Direct Expenses	8,154,885	1,796,788	7,540,909	1,892,156	7,365,075	1,081,474
Towing	5,306,691	1,461,778	5,474,639	1,304,212	5,573,381	1,367,584
On-Street Meters	1,266,089	159,896	795,003	193,098	3,462,187	816,244
Other Operating Expenses	6,613,220	765,096	3,261,349	759,508	2,847,773	454,068
Total Operating Expenses	41,355,231	8,067,004	39,553,214	7,398,849	39,480,976	6,862,433
<b>Operating Margin</b>	17,730,249	7,506,475	18,520,387	7,547,847	15,717,187	6,940,941
<b>Non-Operating Revenues/(Expenses)</b>						
General Fund Transfer Out	(9,618,000)	(2,404,500)	(10,618,000)	(2,654,500)	(8,800,000)	(2,200,000)
Arena Reserve Transfer Out	(2,078,000)	(519,500)	(1,921,000)	(480,250)	(1,768,000)	(442,000)
Debt Service Transfer Out	(73,000)	(18,250)	(38,500)	(9,638)	(390,704)	(86,375)
Internal Service Fund Transfer Out	-	-	-	-	(95,355)	-
Sanitation Transfer Out	(146,000)	(36,500)	(146,000)	(36,500)	(146,000)	(36,500)
Total Transfers Out	(11,915,000)	(2,978,750)	(12,723,500)	(3,180,888)	(11,200,058)	(2,764,875)
Convention Center related facility Transfer	9,856,000	1,999,061	9,565,097	2,391,274	8,243,573	2,060,893
TI and MCDA Transfers In	7,751,769	5,610,471	8,642,369	1,728,864	5,230,159	1,728,864
Arbitrage Fund and Other Transfers In	-	-	1,376,314	-	2,467,107	-
Total Transfers In	17,607,769	7,609,532	19,583,780	4,120,138	15,940,839	3,789,757
Depreciation	(6,947,856)	(1,736,964)	(7,045,340)	(1,753,820)	(6,551,682)	(1,596,837)
Special Assessments	132,500	33,125	12,556,838	33,125	107,773	33,125
Interest	(13,356,656)	(1,754,086)	(12,623,204)	(3,539,712)	(12,058,392)	(3,521,717)
Other Non Operating Expenses	0	0	(33,353)	(2,357)	(32,980)	0
Other Non-Operating Income	0	6,369	150,032	1,134	136,897	1,690
Total Non-Operating Revenues (Expenses)	(14,479,243)	1,179,227	(134,747)	(4,322,379)	(13,657,603)	(4,058,856)
<b>Net Income+/( -)</b>	3,251,006	8,685,701	18,385,640	3,225,468	2,059,584	2,882,084
<b>Significant Balance Sheet Items</b>						
Operating Cash		(9,786,635)	(12,306,289)	(16,196,692)	(13,509,757)	(6,283,213)
Construction Cash		2,876,293	3,420,289	5,550,043	6,963,710	25,095,764
Bonds Payable		267,630,035	268,374,642	280,848,742	280,848,742	294,592,842
Total Balance Sheet Items		260,719,693	259,488,642	270,202,093	274,302,696	313,405,393
<b>Significant Cash Flow Items</b>						
Principal on debt		6,585,000	14,174,100	6,095,000	12,834,100	5,060,000
Capital Outlay		519,651	1,753,949	290,716	18,773,811	3,929,815
Total Cash Flow Items		7,104,651	15,928,049	6,385,716	31,607,911	8,989,815

**City Of Minneapolis  
Solid Waste and Recycling Fund  
For the First Quarter Ending March 31, 2007**

<b>Fund 7700</b>	<b>2007 Budget</b>	<b>03/31/07 Actual</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
Operating Revenue	29,505,200	7,332,731	22,172,469	25%
Operating Expenditures	28,645,483	4,790,757	23,854,726	17%
Operating Margin	859,717	2,541,974		
Net Income/(Loss)	(720,892)	2,161,203		

**Program Description:**

This Fund accounts for the City's solid waste collection, disposal and recycling operations. This includes weekly trash and yard waste pickup, biweekly recycling and problem material (appliance) pickup and the operation of a solid waste transfer station for over 108,000 households. The Public Works Department also provides "clean city" activities such as neighborhood clean sweeps, litter and graffiti removal and litter control in business districts. City crews provide approximately one-half of the solid waste collection services and the other half of the services are provided through a contract with a consortium of companies specializing in waste collection.

**Revenue:**

The Solid Waste & Recycling Fund had operating revenues of \$7,332,731 at end of the first quarter. The revenue from recyclable sales is \$420,164, which is more than the first quarter of 2006 when the revenue was at \$276,144. The revenue for recyclable sales is variable and is tied to economic indicators in the market place. The grant revenue from Hennepin County has not yet been received.

**Expenses:**

The Solid Waste and Recycling fund operating expenses ended the first quarter at \$4,790,757. The cost per ton at the CHERC burner plant was reduced from \$41.85 per ton to \$34 per ton in April 2006.

**Transfers:**

Transfers into the Solid Waste and Recycling fund include \$146,000 from the Parking fund for litter containers, \$50,000 from the General fund for graffiti removal. Transfers of \$700,000 to the General fund for alley plowing, and \$78,000 for MERF Unfunded Liability are transferred out of the fund.

**Debt Service:**

This fund has no debt service.

**Other Financial Items:**

The fund's cash balance for the first quarter ended at \$13.5 million. The accounts receivable balance is \$515,000. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$6.9 million, which results in a surplus of \$6.6 million.

City of Minneapolis, Minnesota  
Solid Waste and Recycling Fund  
Statement of Revenues and Expenses  
For First Quarter/Years Ending 2007, 2006, 2005

	Budget Year 2007	For Period Ending 03/31/07	For Year Ending 2006	For Period Ending 03/31/06	For Year Ending 2005	For Period Ending 03/31/05
<b>Operating Revenues:</b>						
County Grants	544,000	136,000	802,623		812,722	
Solid Waste Fees	27,261,800	6,776,566	26,300,313	6,453,226	26,817,625	6,445,089
Recyclable Sales	1,699,400	420,164	1,497,204	276,144	1,857,841	400,889
Charges for Other Services	-		14,877		15,947	22,507
<b>Total Operating Revenues</b>	<b>29,505,200</b>	<b>7,332,731</b>	<b>28,615,018</b>	<b>6,729,370</b>	<b>29,504,135</b>	<b>6,868,485</b>
<b>Operating Expenses:</b>						
Collection	6,906,325	1,258,211	6,667,334	1,346,724	5,923,018	1,211,865
Recycling	3,332,166	654,397	3,264,125	698,265	3,018,837	646,331
Disposal	6,221,467	594,143	5,180,850	743,362	5,625,608	739,305
Yard Waste	1,890,441	162,393	1,381,365	166,200	1,293,060	163,631
Large Item/Problem Material	1,246,847	230,451	1,125,980	227,793	1,107,764	215,731
Transfer Stations	272,314	46,428	173,753	56,713	227,042	66,870
Administration	3,885,261	968,055	4,186,945	1,001,342	2,535,621	1,009,551
Customer Service	438,140	102,243	540,547	129,971	2,796,270	131,969
Clean City	1,407,160	328,238	1,412,747	216,772	1,006,259	162,560
Equipment	3,045,362	446,198	4,212,945	435,466	2,877,461	379,823
Human resources					-	
<b>Total Operating Expenses</b>	<b>28,645,483</b>	<b>4,790,757</b>	<b>28,146,591</b>	<b>5,022,608</b>	<b>26,410,939</b>	<b>4,727,638</b>
<b>Operating Margin</b>	<b>859,717</b>	<b>2,541,974</b>	<b>468,426</b>	<b>1,706,762</b>	<b>3,093,196</b>	<b>2,140,847</b>
<b>Non-Operating Revenues/(Expenses)</b>						
Net Transfers In	196,000	49,000	506,000	39,045	196,000	3,000
Net Transfers Out	(778,000)	(194,500)	(735,221)	(175,000)	(757,934)	
Gains (Losses)					-	(1,544)
Depreciation	(998,609)	(235,271)	(1,034,312)	(249,652)	-	(236,905)
Special Assessments	-		15,281		75,528	2,170
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(1,580,609)</b>	<b>(380,771)</b>	<b>(1,248,252)</b>	<b>(385,607)</b>	<b>(486,406)</b>	<b>(233,279)</b>
<b>Net Income</b>	<b>(720,892)</b>	<b>2,161,203</b>	<b>(779,826)</b>	<b>1,321,155</b>	<b>2,606,790</b>	<b>1,904,568</b>
<b>Significant Balance Sheet Items</b>						
Operating Cash		13,483,021	15,497,282	14,935,863	14,956,440	14,068,007
Accounts Receivable		515,968	2,824,168	3,011	2,471,657	2,591,207
<b>Significant Cash Flow Items</b>						
Capital Outlay	8,390,000					

# 2007 First 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.

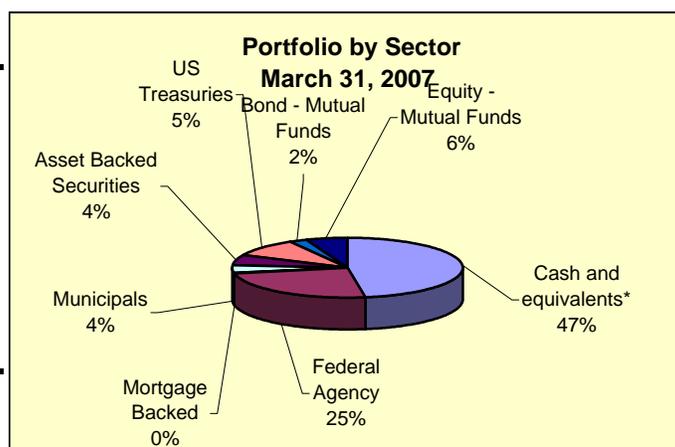
As of March 31, 2006, the City's current investment portfolio is valued at approximately \$300 million. The sector holdings and fund distributions are shown below. For the quarter ended March 31, 2007, the portfolio has outperformed its benchmark.

Investment Performance period ending Mar 31, 2007	City Portfolio	Custom Benchmark*
3 month Total Return	1.34%	1.30%
Credit Quality	AGY	AGY

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

## Portfolio Holdings By Sector

Sector Market Value in millions	Mar 31 2007	% of port.	Mar 31 2006	% of port.
Cash and equivalents*	\$ 141.9	47%	\$ 52.4	16%
Federal Agency	\$ 73.7	25%	\$ 110.2	34%
Mortgage Backed	\$ 0.5	0%	\$ 37.4	12%
Municipals	\$ 12.5	4%	\$ 15.9	5%
Asset Backed Securities	\$ 17.0	6%	\$ 0.6	0%
US Treasuries	\$ 28.9	10%	\$ 49.6	15%
Bond - Mutual Funds	\$ 7.4	2%	\$ 7.0	2%
Investment Contracts	\$ -	0%	\$ 19.2	6%
Equity - Mutual Funds	\$ 17.6	6%	\$ 28.3	9%
<b>Total Market Value</b>	<b>\$ 299.5</b>	<b>100%</b>	<b>\$ 320.6</b>	<b>100%</b>



## Funds

Performance Book Value in millions	Mar 31 2007	% of total funds	Mar 31 2006	% of total funds
Debt Service	\$ 41.5	14%	\$ 9.7	3%
Development	\$ 41.6	14%	\$ 43.0	13%
Enterprise Fund	\$ 22.0	7%	\$ 12.9	4%
General	\$ 19.3	6%	\$ 17.0	5%
Internal Service	\$ (11.2)	-4%	\$ (10.2)	-3%
Library	\$ 3.8	1%	\$ 6.0	2%
Hilton Trust	\$ 28.1	9%	\$ 38.5	12%
NRP	\$ 35.9	12%	\$ 42.3	13%
Park Board	\$ (0.3)	0%	\$ 0.8	0%
TIF	\$ 37.6	13%	\$ 68.4	21%
Convention Center	\$ 23.3	8%	\$ 23.5	7%
Other	\$ 27.2	9%	\$ 25.9	8%
<b>Sub Total City Op. Port.</b>	<b>\$ 268.8</b>	<b>90%</b>	<b>\$ 277.8</b>	<b>85%</b>
Bond Proceeds/Const.	\$ 31.4	10%	\$ 47.9	15%
<b>TOTAL Book Value</b>	<b>\$ 300.1</b>	<b>100%</b>	<b>\$ 325.7</b>	<b>100%</b>
Unrealized G/L & Acc int	\$ (0.6)		\$ (5.1)	
<b>All Funds Mkt Value</b>	<b>\$ 299.5</b>		<b>\$ 320.6</b>	

