



4th Quarter 2014 Financial Status Report

Finance & Property Services Dept.
June 15, 2015

Executive Summary

This report consists of two sections. The first section of the report includes an Executive Summary along with a summary Financial Strength Analysis Schedule, for your reference. The Financial Strength Analysis Schedule provides historical as well as projected cash and fund balance/net position information for all the funds of the City. The second section includes detailed schedules and analysis of the results of individual funds through December 31, 2014.

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

Overview

The City as a whole continues to experience positive and stable financial growth. As indicated in the summary Financial Strength Analysis Schedule that follows, the overall cash position for the City at year end 2014 was \$696.5 million, a \$40.4 million or 6.2% increase over 2013. Most of the balance is nonspendable, restricted, committed or assigned.

Fund balances and net positions for all funds also reflect continued growth and economic stability and investment in the City's infrastructure. The total fund balance/net position for the City was \$2,183.2 million at year-end 2014, an increase of \$95.3 million or 4.6% over 2013. Of this total, \$302.7 million was unrestricted, an increase of \$23.5 million or 8.4% over 2013. The City continues to meet the minimum fund balance/net position reserve requirements in all funds while at the same time increasing its investment in the development of the City and its infrastructure capital assets.

General Fund

The General Fund is used to account for all financial resources except those required to be accounted for or reported in another fund. Though the 2014 budget included a planned use of fund balance in the General Fund of \$24.0 million, the actual fund balance at year-end 2014 was \$102.4 million, an increase of \$5.4 million or 5.6% over last year. At the same time, the General Fund cash balance remained relatively unchanged decreasing by \$2.1 million to an ending balance for 2014 of \$100.0 million.

The increase in fund balance and relatively unchanged cash balance was due primarily to non-tax revenues (licenses and permits, franchise fees, and charges for services) coming in significantly over budget. In addition, sales and other local tax revenues were deposited directly into the General Fund rather than through a transfer from the Convention Center. The General Fund Historical Analysis Worksheet included at the end of this section, compares the actual General Fund revenues and expenditures over the last four years. The worksheet and analysis reflect the need to be more accurate in our estimate of revenues, i.e., right-sizing revenue projections, in particular.

Special Revenue Funds

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

At year-end 2014, the total cash balance for the Special Revenue Funds was \$273.6 million, an increase of \$12.3 million or 5.1% over 2013. The total fund balance for the Special Revenue Funds also increased to \$320.2 million, an increase of \$8.3 million or 2.7% over 2013. The increases in both cash and fund balance are due primarily to increases in contributions to the Employee Retirement Funds, increases in operating revenues at the Target Center and increases in NCR SRF operating revenues. Generally fund balances in the Special Revenue Funds are assigned, and in some cases, non-spendable, restricted or committed.

Internal Service Funds

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

The total cash balance for the Internal Service Funds at year-end 2014 was \$149.2 million, an increase of \$28.8 million or 34.0% over 2013. The total fund balance for all the Internal Service Funds also increased in 2014. At year-end 2014, the total fund balance was \$179.4 million or an increase of \$48.7 million or 50.1% over 2013. The cash and fund balances for the internal service funds have improved significantly over the last four years and as a result, the work out plans for all of the Internal Service Funds ended in 2014.

Enterprise Funds

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

At year-end 2014, the total cash balance for the Enterprise Funds was \$109.0 million, a decrease of \$5.7 million or 5.0%. At the same time, the total net position for the Enterprise Funds increased by \$24.3 million or 2.8% to \$893.1 million at year-end 2014. These numbers reflect the use of cash rather than borrowing for planned major maintenance of and additions to infrastructure assets.

City of Minneapolis

Financial Strength Analysis - 4th Quarter 2014

FINANCIAL STRENGTH ANALYSIS - 2014 (in millions)					Increase Over 2013		Total 4 Year Incr		4 Year Avg Incr	
	2011	2012	2013	2014	\$	%	\$	%	\$	%
General Fund Cash Balance	76.3	87.8	102.1	100.0	(2.1)	-2.1%	23.7	31.1%	5.9	7.8%
General Fund Total Fund Balance	69.9	86.3	97.0	102.4	5.4	5.6%	32.5	46.5%	8.1	11.6%
General Fund Unassigned/Unreserved Fund Balance	69.9	85.4	97.0	102.4	5.4	5.6%	32.5	46.5%	8.1	11.6%
Overall City Cash Position*	525.4	561.6	656.1	696.5	40.4	6.2%	171.1	32.6%	42.8	8.1%
Overall City Net Assets/Position	1,757.2	1,947.3	2,087.9	2,183.2	95.3	4.6%	426.0	24.2%	106.5	6.1%
Overall Unrestricted Net Assets/Position	171.3	227.6	279.2	302.7	23.5	8.4%	131.4	76.7%	32.9	19.2%
SPECIAL REVENUE FUNDS FINANCIAL STRENGTH ANALYSIS - 2014 (in millions)										
Convention Center - Cash	31.1	44.4	54.9	63.0	8.1		31.9		8.0	
Convention Center - Fund Balance	49.7	58.6	65.5	65.9	0.4		16.2		4.1	
Arena Fund (Target Center) - Cash	2.6	5.8	7.6	10.1	2.5		7.5		1.9	
Arena Reserve (Target Center) - Fund Balance	2.6	5.6	6.7	8.4	1.7		5.8		1.5	
Grant Funds - Cash	0.7	1.5	2.7	4.2	1.2		3.5		0.9	
Grant Funds - Fund Balance	16.7	10.8	10.0	10.2	0.2		(6.5)		(1.6)	
NCR SRF - Cash			0.7	3.1	2.4					
NCR SRF - Fund Balance			0.6	3.0	2.4					
Regulatory Services SRF - Cash		5.1	5.5	5.1	(0.4)					
Regulatory Services SRF - Fund Balance		5.2	5.5	5.0	(0.5)					
Comm Planng & Econ Dev (CPED) - Cash Total	167.6	169.7	171.9	164.1	(7.8)		(3.5)		(0.9)	
Comm Planng & Econ Dev (CPED) - Fund Bal Total	209.6	207.9	205.7	203.8	(1.9)		(5.8)		(1.5)	
Employee Retirement Funds - Cash	17.2	12.1	16.6	22.0	5.4		4.8		1.2	
Employee Retirement Funds - Fund Balance	16.8	12.6	16.7	22.3	5.6		5.5		1.4	
Other Special Revenue Funds - Cash	1.6	1.1	1.4	2.0	0.6		0.4		0.1	
Other Special Revenue Funds - Fund Balance	1.7	1.2	1.2	1.6	0.4		(0.1)		(0.0)	
Total Special Revenue Funds - Cash	220.8	239.7	261.3	273.6	12.3	5.1%	52.8	23.9%	13.2	6.0%
Total Special Revenue Funds - Fund Balance	297.1	301.9	311.9	320.2	8.3	2.7%	23.1	7.8%	5.8	1.9%

* 2014 amount is Market Value of cash and cash equivalents as expected to be reported in the City of Minneapolis Comprehensive Annual Financial Report (CAFR); does not include approximately \$41.8 M invested for General Agency Reserve Fund Systems (GARFS) and \$29.5 M invested for Park Board, MBC and Youth Coordinating Board.

FINANCIAL STRENGTH ANALYSIS - 2014 (in millions)					Increase Over 2013		Total 4 Year Incr		4 Year Avg Incr	
	2011	2012	2013	2014	\$	%	\$	%	\$	%
INTERNAL SERVICE FUNDS FINANCIAL STRENGTH ANALYSIS - 2014 (in millions)										
Engr. Materials & Testing - Cash	1.2	1.7	2.1	1.9	(0.2)		0.7		0.2	
Engr. Materials & Testing - Net Assets/Position	1.1	1.6	2.0	1.8	(0.2)		0.7		0.2	
Intergovernmental Services - Cash	11.9	15.8	34.2	49.9	15.7		38.0		9.5	
Intergovernmental Services - Net Assets/Positn.	22.2	27.4	37.4	62.1	24.7		39.9		10.0	
Property Services - Cash	0.7	0.8	4.2	3.8	3.4		3.1		0.8	
Property Services - Net Assets/Position	26.1	25.6	32.9	32.8	(0.1)		6.7		1.7	
Equipment Services - Cash	12.3	10.2	18.9	23.2	4.3		10.9		2.7	
Equipment Services - Net Assets/Position	35.2	37.2	49.8	59.8	10.0		24.6		6.2	
PW Stores - Cash	(0.2)	(0.2)	(0.2)	(0.2)	0.0		0.0		0.0	
PW Stores - Net Assets/Position	3.0	3.7	4.1	4.6	0.5		1.6		0.4	
Self Insurance Fund - Cash	47.5	56.4	61.2	70.6	9.4		23.1		5.8	
Self Insurance Fund - Net Assets/Position	(4.1)	1.7	4.5	18.3	13.8		22.4		5.6	
Total ISF - Cash	73.4	84.7	120.4	149.2	28.8	34.0%	75.8	103.3%	19.0	25.8%
Total ISF - Net Assets/Position	83.5	97.2	130.7	179.4	48.7	50.1%	95.9	114.9%	24.0	28.7%
ENTERPRISE FUNDS FINANCIAL STRENGTH ANALYSIS - 2014 (in millions)										
Sanitary Sewer - Cash	20.8	20.0	23.6	18.7	(4.9)		(2.1)		(0.5)	
Sanitary Sewer - Net Assets/Position	100.8	107.5	114.4	118.6	4.2		17.8		4.5	
Stormwater - Cash	26.6	37.4	36.4	35.0	(1.4)		8.4		2.1	
Stormwater - Net Assets/Position	284.9	299.6	311.5	308.8	(2.7)		23.9		6.0	
Water Enterprise - Cash	15.2	19.1	19.0	25.1	6.1		9.9		2.5	
Water Enterprise - Net Assets/Position	186.0	197.2	210.2	221.5	11.3		35.5		8.9	
Solid Waste & Recycling - Cash	22.4	23.9	17.8	19.7	1.9		(2.7)		(0.7)	
Solid Waste & Recycling - Net Assets/Position	30.5	30.3	26.8	27.3	0.5		(3.2)		(0.8)	
Municipal Parking - Cash	11.6	7.7	17.8	10.5	(7.3)		(1.1)		(0.3)	
Municipal Parking - Net Assets/Position	157.2	162.8	172.5	177.9	5.4		20.7		5.2	
Comm Plannng & Econ Dev (CPED) - Cash***	0.0	0.0	0.1	0.0	(0.1)		0.0		0.0	
Comm Plannng & Econ Dev (CPED) - Fund Balance	39.8	38.5	33.4	39.0	5.6		(0.8)		(0.2)	
Total ESF - Cash	96.6	108.1	114.7	109.0	(5.7)	-5.0%	12.4	12.8%	3.1	3.2%
Total ESF - Net Assets/Position	799.2	835.8	868.8	893.1	24.3	2.8%	93.9	11.7%	23.5	2.9%

***Cash in CPED Enterprise Funds does not include the amount invested with trustees through GARFS and reported in the CPED Enterprise Funds.

City of Minneapolis
General Fund Historical Analysis Worksheet
December 31, 2014

	2011 Actual	2012 Actual	2013 Actual	2014 Original Budget	2014 Revised Budget	2014 Actual	Variance Budget vs Actual	Percent of Actual to Revised Budget
Revenues:								
Property Taxes	169,611,800	181,502,614	175,494,300	159,526,000	162,264,000	163,648,202	1,384,202	101%
Local Taxes		12,905,268	13,101,113	72,212,000	72,212,000	74,320,785	2,108,785	103%
State Aids	67,784,615	68,129,037	69,817,368	80,760,425	80,822,425	80,653,654	(168,771)	100%
Charges for Services	37,947,556	44,613,127	42,530,059	44,042,834	46,092,834	49,040,898	2,948,064	106%
Franchise Fees	29,128,371	26,119,558	29,619,985	26,900,000	27,740,000	33,530,799	5,790,799	121%
Licenses and Permits	30,384,076	36,089,034	39,227,495	36,349,558	36,551,558	49,267,609	12,716,051	135%
Fines and Forfeits	9,499,798	8,242,551	7,667,948	7,893,000	7,893,000	7,178,961	(714,039)	91%
Special Assessments	3,165,645	3,009,242	3,481,950	3,254,250	3,254,250	3,084,571	(169,679)	95%
Investment Income	1,968,459	1,649,258	(607,375)	1,600,000	1,600,000	1,862,388	262,388	116%
Other Shared Taxes	647,559	568,813	713,640	538,244	538,244	623,305	85,061	116%
Other Miscellaneous	938,102	519,898	551,954	5,487,770	757,387	796,030	38,643	105%
Contributions	556,918	806,721	944,831	840,000	-	215	215	0%
Total Revenues	351,632,899	384,155,122	382,543,268	439,404,081	439,725,698	464,007,417	24,281,719	106%
Transfers In	24,865,943	8,768,000	13,868,048	2,323,200	2,323,200	2,323,200	-	100%
Revenues and Other Sources	376,498,842	392,923,122	396,411,316	441,727,281	442,048,898	466,330,617	24,281,719	105%
Expenditures :								
Police	126,133,109	128,484,712	131,955,439	143,292,615	143,292,615	140,864,221	2,428,394	98%
Fire	52,616,998	52,617,402	54,019,341	59,015,853	59,015,853	57,801,515	1,214,338	98%
Human Resources		5,187,960	6,649,341	6,986,224	7,807,552	7,793,323	14,229	100%
Finance and Property Services		19,242,817	23,133,218	21,876,679	22,039,679	22,037,482	2,197	100%
911		7,282,423	7,711,273	8,131,838	8,131,838	8,132,153	(315)	100%
311		3,112,540	3,048,027	3,540,223	3,602,223	3,488,399	113,824	97%
City Coordinator		1,558,558	2,655,672	2,191,677	2,151,677	2,386,008	(234,331)	111%
Intergov Relations		1,341,172	1,302,480	1,633,658	1,519,658	1,518,397	1,261	100%
Communications		2,103,836	2,170,615	2,189,887	2,189,887	2,165,970	23,917	99%
Emergency Management		610,218	875,688	717,039	883,999	864,025	19,974	98%
Neighbrhd and Comm Rel		1,029,081	933,814	1,039,000	1,079,000	1,039,032	39,968	96%
Information Technology		50,000	100,406	725,000	824,594	647,458	177,136	79%
Coordinator - Total	34,071,668	41,518,605	48,580,534	49,031,225	50,230,107	50,072,248	157,859	100%
Trans Plan and Design		2,438,966	2,313,275	4,930,931	2,805,931	2,596,205	209,727	93%
Trans Maint and Repair		28,826,567	32,548,507	30,253,386	31,253,386	34,212,771	(2,959,385)	109%
Administration		2,539,688	2,651,922	2,975,098	2,975,098	2,743,067	232,031	92%
Traf and Parkng Srvc		13,515,492	14,495,971	15,448,184	15,483,184	15,350,967	132,217	99%
Public Works - Total	44,204,650	47,320,713	52,009,675	53,607,599	52,517,599	54,903,009	(2,385,410)	105%
Regulatory Services	35,810,323	31,392,171	13,319,972	15,783,805	15,819,063	15,737,337	81,726	99%
Attorney	7,718,605	7,852,044	7,960,888	8,675,256	8,743,676	8,213,096	530,580	94%
City Council & City Clerk	6,903,922	7,592,734	8,178,717	8,541,168	8,979,032	9,499,407	(520,375)	106%
Culture and Recreation -Library	5,872,847	4,981,940	4,105,736	3,238,000	3,238,000	3,238,244	(244)	100%
Contingency	373,591	11,324	540	4,000,000	3,000,000	-	3,000,000	0%
Assessor	4,008,562	3,920,114	3,780,182	4,628,603	4,628,603	4,499,647	128,956	97%
CPED	3,257,106	3,556,791	19,644,733	30,111,442	29,112,442	28,919,659	192,783	99%
Health	3,299,890	2,431,602	6,974,609	7,402,549	7,402,549	7,520,666	(118,117)	102%
Civil Rights	2,055,497	2,151,720	2,289,542	2,879,506	3,019,506	2,774,956	244,550	92%
Mayor	1,496,254	1,448,755	1,586,143	1,696,755	1,827,755	1,827,368	387	100%
Internal Audit	450,726	398,070	421,754	491,487	491,487	144,666	346,821	29%
General Revenues				200,000	-	-	-	0%
Total Expenditures	328,273,748	335,678,697	354,827,805	392,595,863	391,318,287	386,016,038	5,302,249	99%
Transfers Out	40,624,907	41,648,164	30,616,383	73,698,940	74,845,386	74,845,386	-	100%
Expenditures and Other Uses	368,898,655	377,326,861	385,444,188	466,294,803	466,163,673	460,861,424	5,302,249	99%
Change in Fund Balance						5,469,193		
Fund Balance - January 1, 2014						96,970,153		
Fund Balance - December 31, 2014						102,439,346		

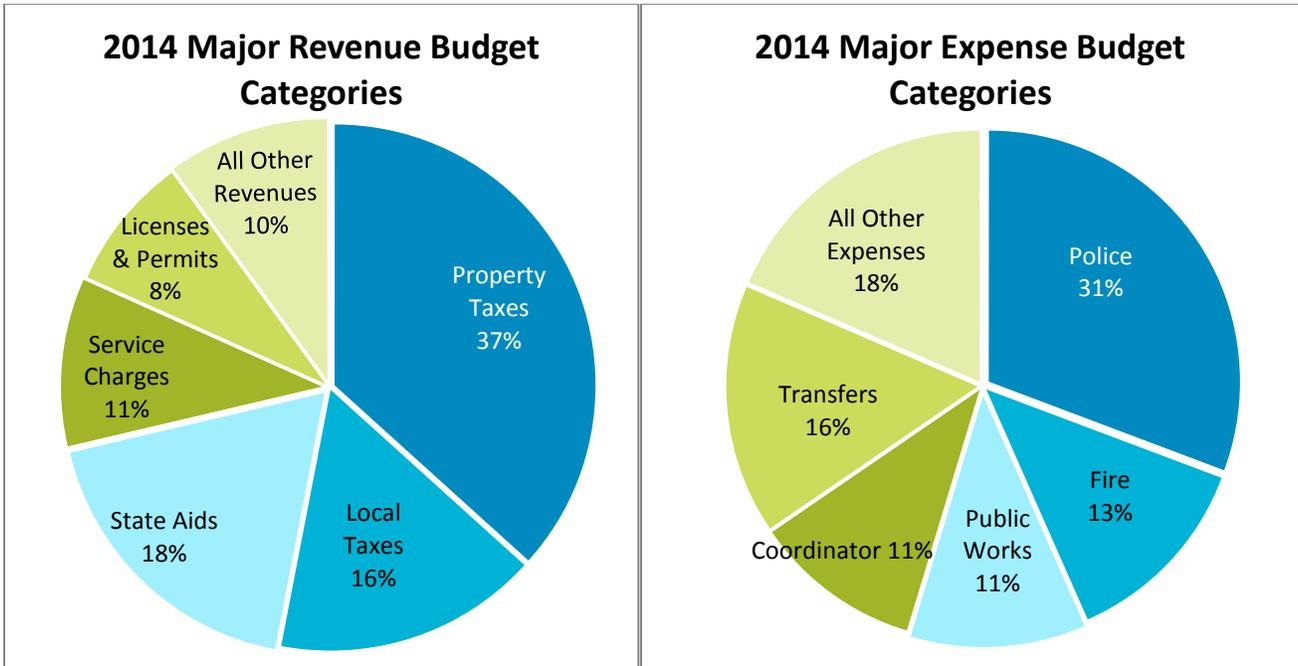
**INDIVIDUAL FUNDS
Schedules and Analysis**

**City of Minneapolis
Financial Status Report – 4th Quarter 2014**

General Fund

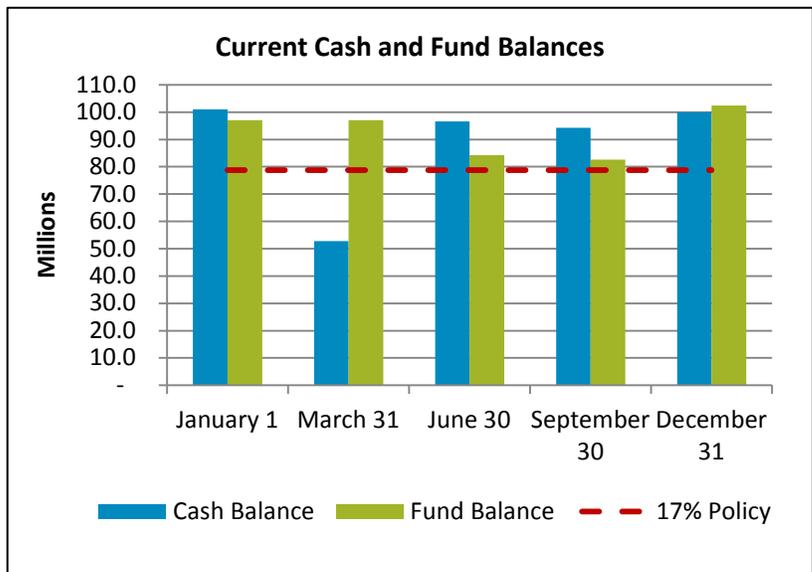
Fund Description

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 by law or administrative action. The Fund's 2014 final revenue budget is \$442.0 million, while the Fund's 2014 final expense budget is \$466.2 million, including transfers.



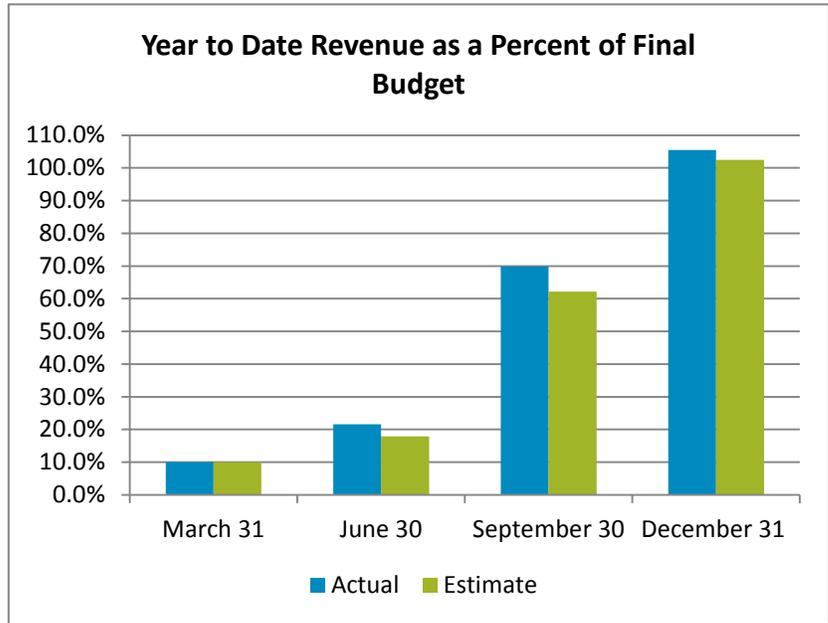
Cash and Fund Balance

The fund balance for the General Fund at fiscal year-end 2014 is \$102.4 million. The budget for 2014 included a planned use of fund balance totaling \$24 million. However, actual revenue came in 5.5% over budget and actual expense came in 1.1% under budget resulting in an increase to fund balance of \$5.5 million. The City's financial policy for General Fund balance is to maintain 17% of the following year's expenditure budget. For 2014 this is equivalent to \$78.8 million which is 17% of the 2015 Council Adopted General Fund expenditure budget of \$463.5 million, including transfers. The ending cash balance is \$100.0 million.



Revenues

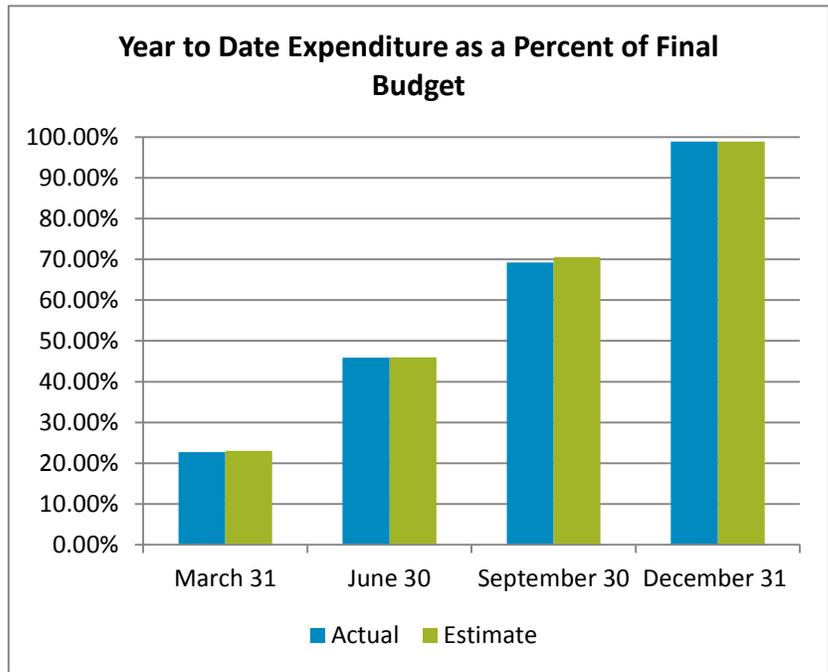
Year-end revenues exceeded budget by 5.5% or \$24.3 million. Revenue exceeded budget in part due to the large amount of building and development activity in the Downtown area. License and permit revenue, generally associated with building permits and inspection fees, was nearly \$12.7 million over budget. Franchise fees collected from companies providing natural gas, electricity, and cable television services were also nearly \$5.8 million over budget at year end. Some of this overage is due to the longer than normal winter in early 2014. Historically, actual revenues have averaged 2.5% more than budgete.



Expenditures

Year-end expenditures exceeded budget by 1.1% or \$5.3 million. Historically, expenditures have been approximately 1.1% less than budgeted.

Six departments comprise 75.1% of the total General Fund budget: Police, Fire, Public Works, the City Coordinator, Community Planning and Economic Development (CPED), and Regulatory Services. Small percentage variances in any of these large departments can have a significant effect on the amount of surplus or deficit in the General Fund expenditure budget.



Police and Fire ended the year under budget by \$2.4 million and \$1.2 million respectively. This was primarily due to salary savings as a result of attrition that is outpacing the hiring of new officers and fire fighters despite an increased use of overtime to cover the vacant positions.

Public Works finished the year approximately \$2.4 million over budget due to cost overruns associated with snow plowing during the snow emergency events in the first several months of 2014. Other departments within the General Fund expect to be within a few percentage points of the current budget by year end with \$3.0 million left in the contingency after transferring \$1.0 million to Public Works for pothole repairs in early 2014.

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**City of Minneapolis
General Fund
December 31, 2014**

	Original Budget	Revised Budget	YTD Actual	Variance Budget vs Actual	Percent of Actual to Revised Budget
Revenues:					
Property Taxes	159,526,000	162,264,000	163,648,202	1,384,202	101%
Local Taxes	72,212,000	72,212,000	74,320,785	2,108,785	103%
State Aids	80,760,425	80,822,425	80,653,654	(168,771)	100%
Charges for Services	44,042,834	46,092,834	49,040,898	2,948,064	106%
Franchise Fees	26,900,000	27,740,000	33,530,799	5,790,799	121%
Licenses and Permits	36,349,558	36,551,558	49,267,609	12,716,051	135%
Fines and Forfeits	7,893,000	7,893,000	7,178,961	(714,039)	91%
Special Assessments	3,254,250	3,254,250	3,084,571	(169,679)	95%
Investment Income	1,600,000	1,600,000	1,862,388	262,388	116%
Other Shared Taxes	538,244	538,244	623,305	85,061	116%
Other Miscellaneous	5,487,770	757,387	796,030	38,643	105%
Contributions	840,000	-	215	215	0%
Total Revenues	439,404,081	439,725,698	464,007,417	24,281,719	106%
Transfers In	2,323,200	2,323,200	2,323,200	-	100%
Revenues and Other Sources	441,727,281	442,048,898	466,330,617	24,281,719	105%
Expenditures :					
Police	143,292,615	143,292,615	140,864,221	2,428,394	98%
Fire	59,015,853	59,015,853	57,801,515	1,214,338	98%
Human Resources	6,986,224	7,807,552	7,793,323	14,229	100%
Finance and Property Services	21,876,679	22,039,679	22,037,482	2,197	100%
911	8,131,838	8,131,838	8,132,153	(315)	100%
311	3,540,223	3,602,223	3,488,399	113,824	97%
City Coordinator	2,191,677	2,151,677	2,386,008	(234,331)	111%
Intergov Relations	1,633,658	1,519,658	1,518,397	1,261	100%
Communications	2,189,887	2,189,887	2,165,970	23,917	99%
Emergency Management	717,039	883,999	864,025	19,974	98%
Neighbrhd and Comm Rel	1,039,000	1,079,000	1,039,032	39,968	96%
Information Technology Coordinator - Total	725,000	824,594	647,458	177,136	79%
	49,031,225	50,230,107	50,072,248	157,859	100%
Trans Plan and Design	4,930,931	2,805,931	2,596,205	209,727	93%
Trans Maint and Repair	30,253,386	31,253,386	34,212,771	(2,959,385)	109%
Administration	2,975,098	2,975,098	2,743,067	232,031	92%
Traf and Parking Srvcs	15,448,184	15,483,184	15,350,967	132,217	99%
Public Works - Total	53,607,599	52,517,599	54,903,009	(2,385,410)	105%
Regulatory Services	15,783,805	15,819,063	15,737,337	81,726	99%
Attorney	8,675,256	8,743,676	8,213,096	530,580	94%
City Council & City Clerk	8,541,168	8,979,032	9,499,407	(520,375)	106%
Culture and Recreation -Library	3,238,000	3,238,000	3,238,244	(244)	100%
Contingency	4,000,000	3,000,000	-	3,000,000	0%
Assessor	4,628,603	4,628,603	4,499,647	128,956	97%
CPED	30,111,442	29,112,442	28,919,659	192,783	99%
Health	7,402,549	7,402,549	7,520,666	(118,117)	102%
Civil Rights	2,879,506	3,019,506	2,774,956	244,550	92%
Mayor	1,696,755	1,827,755	1,827,368	387	100%
Internal Audit	491,487	491,487	144,666	346,821	29%
General Revenues	200,000	-	-	-	0%
Total Expenditures	392,595,863	391,318,287	386,016,038	5,302,249	99%
Transfers Out	73,698,940	74,845,386	74,845,386	-	100%
Expenditures and Other Uses	466,294,803	466,163,673	460,861,424	5,302,249	99%
Change in Fund Balance			5,469,193		
Fund Balance - January 1, 2014			96,970,153		
Fund Balance - December 31, 2014			102,439,346		

**Convention Center Special Revenue Fund Report
For the Fourth Quarter Ending December 31, 2014**

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

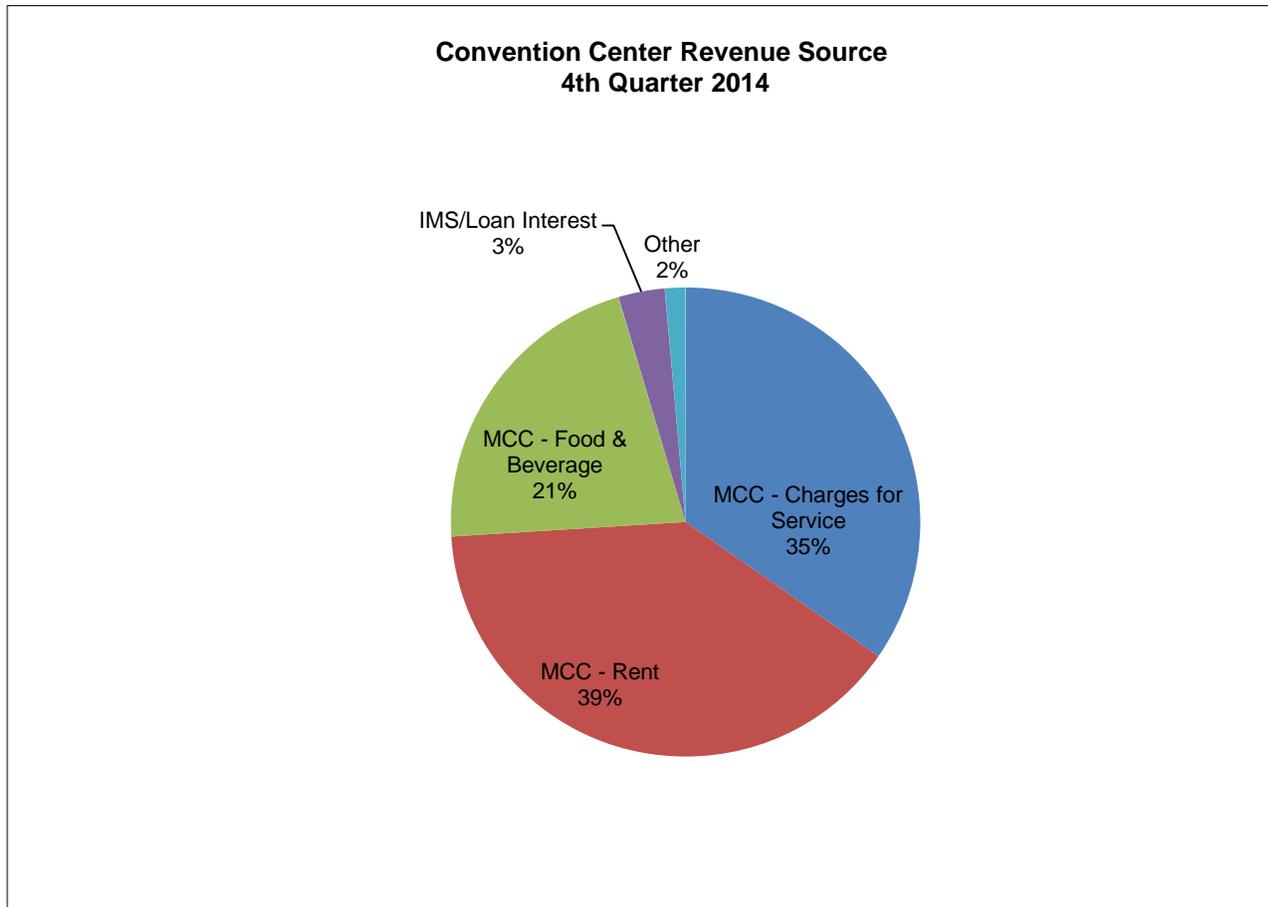
Revenue

Tax Revenue

The Convention Center Special Revenue Fund activity was historically funded from local sales and hospitality tax receipts and Convention Center operating revenue. Beginning in 2014, the local sales taxes are receipted directly to the General Fund, and a transfer is made from the General Fund to the Convention Center to fully fund Convention Center operating and non-operating expenditures. In addition, a portion of the entertainment tax is receipted directly to the Arena Fund (Target Center) to fully credit the Target Center for the entertainment taxes generated from its events.

Operating Revenue

Through the 4th quarter of 2014, operating revenue ended at approximately \$16.6 million or 104% of the \$16.0 million budget. Rent and Commissions had the strongest finish at nearly \$6.9 million or 98% of budget followed by Charges for Services and Sales at approximately \$6 million or 106% of budget. Finally Catering Commissions came in at over \$3.7 million or 113% of budget.



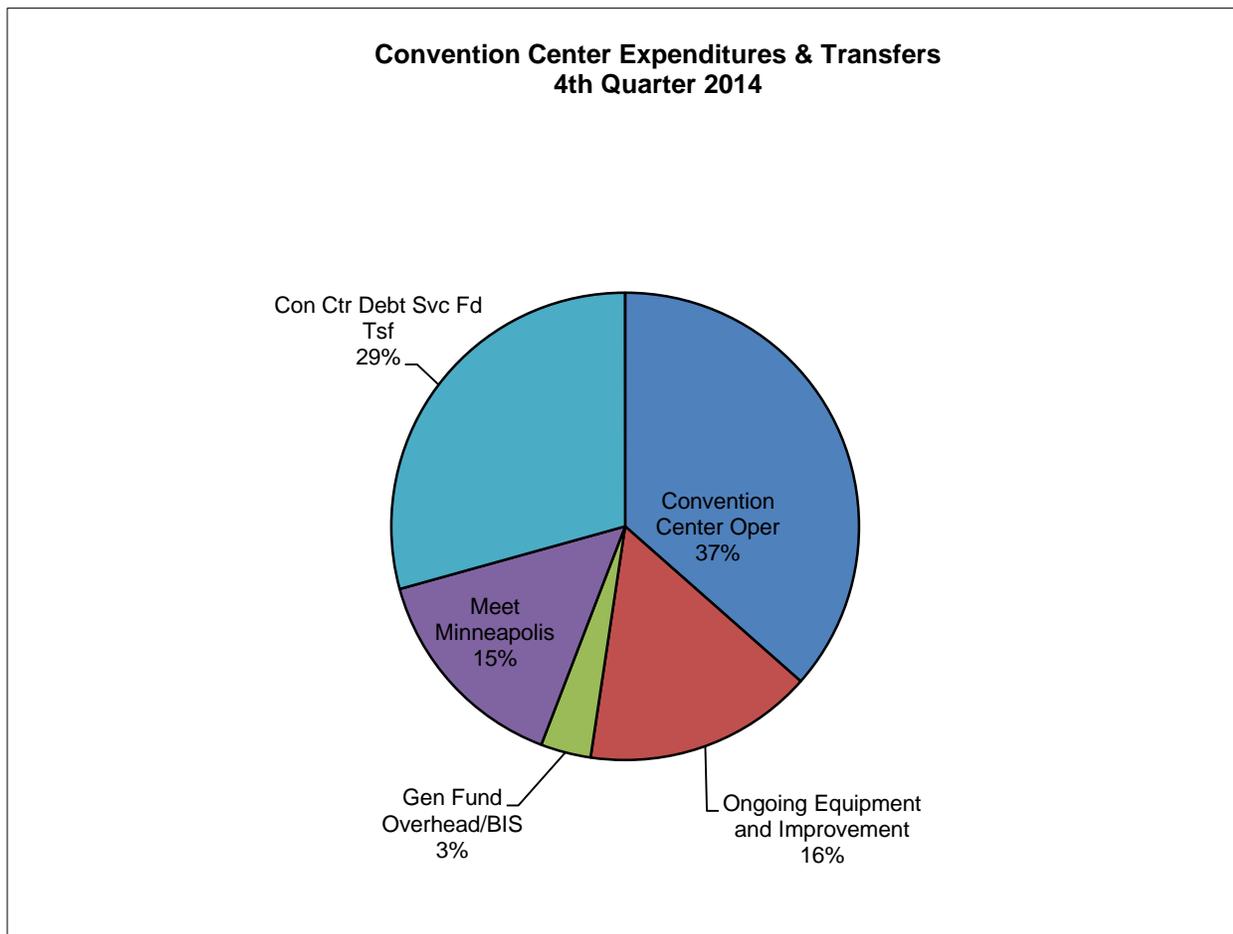
The Convention Center continues to discount rents to be competitive. Through December 31, 2014, the Convention Center hosted 388 events with close to 1 million attendees. Operating revenues for 2014 reached a new record of \$16.6 million. Economic impact to the community as a result of events in 2014 is estimated to be approximately \$500 million.

Operating Expenditures

Through the 4th quarter of 2014, Convention Center operating expenses, not including Ongoing Equipment and Improvement, IT, and General Fund Overhead, finished at approximately \$23.3 million or 98% of budget. The Convention Center continues to work on its ‘no waste’ initiative as well as further enhancements to the energy efficiency practices that were put in place in 2009. The ongoing management of operating expenses includes a variety of cost containment activities:

- Reduction in energy and water consumption
- Identifying and implementing operating efficiencies
- Managing overtime

In ongoing equipment and improvements, the Convention Center finished at approximately \$10.1 million of the nearly \$14.5 million budget, and currently has a 2014 to 2015 appropriation rollover request for the obligated and unspent funds. In 2014, the Convention Center worked on much needed projects such as an interior refresh, building a new Visitor Information Center, escalator replacement, carpet replacement, and restroom/locker room remodeling. The LED lighting in Halls B, C, D, and E has been completed, and the Convention Center received a \$244,188 rebate from Xcel Energy which was recorded in July.



Transfers

The Convention Center Fund annually transfers funds for debt service, in addition to receiving a transfer from the General Fund. In 2014, transfers for debt service for debt issued for the building and building domes were budgeted in total at nearly \$18.9 million and finished at nearly \$18.7 million. The building debt is expected to be paid off in 2020. The transfer from the General Fund was budgeted and finished the year at nearly \$46.6 million, and fully funded the Convention Center operating and non-operating expenditures. In addition, the Convention Center is receiving a \$1.5 million transfer from the IT Department for a capital advance. The IT transfer is being accounted for on the balance sheet.

Meet Minneapolis

In 2004, Meet Minneapolis entered into a \$2.5 million loan agreement with the City for its joint venture Internet Destination Sales System (iDSS). Meet Minneapolis requested that the Council advance an additional \$2.5 million for the project in 2005. In August 2005, the loans were rolled together and a promissory note was issued for \$5 million. The City entered into a 3rd loan agreement for \$5 million for additional iDSS start-up capital in April 2006. The three loans were consolidated for a total of \$10 million. The loan draws were capped in May 2007. The consolidated loan has a 10 year amortization of principle (2008-2017) repaid in full in 2017 at a 5% interest rate. The note repayment for the loan is pledged against assets, future appropriations from the City funding, as well as profit from the iDSS. The total of the loan was nearly \$9.1 million. Quarterly interest payments began on 03/31/08, and annual principal payments began on 12/31/08. Interest and principal payments coincide with Meet Minneapolis's quarterly sales and marketing payments from the City. Meet Minneapolis's quarterly sales and marketing payment from the City is reduced by the amount of the interest and principal payments due for that particular period. The principle is accounted for on the balance sheet as a loan receivable while the interest received is classified as revenue in the period in which it is due. Meet Minneapolis finished 2014 at nearly \$9.5 million or \$125 thousand under budget largely due to Meet Minneapolis receiving \$375,000 of their \$500,000 budgeted incentive.

Fund Balance

The 2014 ending fund balance finished the year at nearly \$60.5 million, which is \$6 million over budget and an increase of \$326,000 from 2013. The increase from budget can be largely attributed to better than expected revenue coupled with lower than expected expenses primarily in ongoing equipment and improvement.

**CONVENTION CENTER SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the fiscal quarter ending December 31, 2014**

CITY OF MINNEAPOLIS, MINNESOTA

	2014			2013 Actual
	Budget	Actual	Percent of Total	
REVENUE				
Operating Revenue:				
Charges for Services and Sales	5,720,000	6,048,042	106%	5,788,479
Rents and Commissions	6,980,000	6,852,829	98%	7,238,370
Catering Commissions	3,300,000	3,726,471	113%	3,223,301
Total Operating Revenue	16,000,000	16,627,342	104%	16,250,150
Tax Revenue:				
Sales and Use Tax	-	-	-	32,597,593
Food Tax	-	-	-	11,873,549
Liquor Tax	-	-	-	5,087,224
Lodging Tax	-	-	-	6,749,003
Total Tax Revenue	-	-	-	56,307,369
Other Non Operating Revenue:				
Investment Management Services Interest	360,671	345,080	96%	(63,530)
Meet Minneapolis (iDSS) Loan Interest	214,631	214,631	100%	265,132
Other	-	246,929	-	193,075
Total Other Non Operating Revenue	575,302	806,640	140%	394,677
Total Non Operating Revenue	575,302	806,640	140%	56,702,046
Total Revenue	16,575,302	17,433,982	105%	72,952,196
EXPENDITURES				
Convention Center Operations	23,702,960	23,262,471	98%	21,916,626
Ongoing Equipment and Improvement	14,468,436	10,095,303	70%	5,719,781
General Fund Overhead/IT Operating	2,201,459	2,202,534	100%	1,939,054
Meet Minneapolis	9,585,573	9,460,573	99%	8,767,258
Capital Improvements - Domes	-	-	-	375,804
Total Expenditures	49,958,428	45,020,881	90%	38,718,523
Excess of Revenues Over (Under) Expenditures	(33,383,126)	(27,586,899)	83%	34,233,673
OTHER FINANCING SOURCES (USES)				
General Fund Transfer - Operating Subsidy	46,593,000	46,593,000	100%	-
General Fund Transfer - Mounted Patrol, Econ Dev	-	-	-	(5,250,000)
Convention Ctr Debt Service Transfer	(18,861,125)	(18,679,741)	99%	(17,351,543)
Municipal Parking Enterprise Fund Transfer	-	-	-	(4,729,200)
Total Other Financing Sources (Uses)	27,731,875	27,913,259	101%	(27,330,743)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(5,651,251)	326,360		6,902,930
Fund Balance - January 1	65,528,166	65,528,166		58,625,236
Ending Fund Balance	59,878,915	65,854,528		65,528,166
Ending Cash Balance		63,018,668		54,916,003

Arena Fund Q4 2014 Report

The Arena Fund (Target Center) is used to account for the on-going equipment and improvements, maintenance, operating support, and other specific expenditures related to the facility. The Target Center is home to the Minnesota Timberwolves and the Minnesota Lynx, and also hosts a wide variety of events such as concerts, circuses, and motor sport and ice events which showcase the City of Minneapolis, the metropolitan region, and the State of Minnesota. The Arena operator is AEG Management MN, LLC (AEG).

Revenue

Arena Fund activity was historically funded from entertainment tax, a transfer from the Parking Fund, and a reimbursement from tax increment revenues for eligible capital improvements. In 2014, a new revenue source was added in which the tenant is paying rent. The 2014 rent payment was \$1.35 million. The entertainment taxes generated exclusively from activities at the Target Center are also deposited into this fund. Record ticket sales for a series of Garth Brooks concerts held in November and other events at the Target Center resulted in an increase in entertainment taxes of \$700,000 over the 2014 budgeted amount and \$750,000 more than the actual amount in 2013.

Expenditures

The Arena Fund has an ongoing equipment and improvements budget of nearly \$5.6 million which includes a 2013 to 2014 rollover of obligated but unspent funds of \$437,000. Work is currently underway on projects such as movable floor controls, concession stand remodeling, elevator modernization, catering kitchen remodeling, and domestic water and waste lines. Capital expenditures through the fourth quarter were \$2.0 million. It is anticipated that the unexpended balance of \$3.9 million will be rolled into 2015. The Arena Fund is the source for the Arena operating support payment to AEG. The maximum operator reimbursement for 2014 was \$1.45 million. As of the end of the fourth quarter, the total operating support requested by AEG was \$1.1 million.

Transfers

The Arena Fund receives an annual transfer from the Parking Fund. The 2014 budgeted transfer was \$3.3 million. This transfer occurred in the fourth quarter.

Debt Service

As of December 31, 2014, \$48.3 million of the general obligation tax increment bonds issued to fund the acquisition of the Target Center, and subsequently refunded, remains outstanding. It is anticipated that the debt will be retired in full in 2025. This debt is payable from tax increment revenue generated from eligible tax increment districts. Based on current revenue projections, there will be sufficient tax increment to pay all debt service on the bonds. The tax increment and debt payments are accounted for in CPED Funds and included in the quarterly report for the CPED Special Revenue Funds.

Fund Balance

The 2014 ending fund balance was \$8.4 million, which is an increase of \$3.3 million from 2013. The increase in fund balance can be largely attributed to a combination of new rental income and a reduction in capital improvement costs.

**ARENA SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the fiscal quarter ending December 31, 2014**

	<u>2014</u>		<u>2013</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
REVENUES:			
Entertainment Tax	1,275,000	1,976,384	1,225,788
Rents & Commissions	-	1,350,000	-
Sales - Equipment	-	-	3,240
Interest	-	33,872	1,562
Total revenues	<u>1,275,000</u>	<u>3,360,256</u>	<u>1,230,590</u>
 OTHER FINANCING SOURCES (USES):			
Target Center Operations	(1,540,072)	(1,344,603)	(1,782,907)
Target Center Capital	(5,841,335)	(1,953,639)	(5,308,520)
General Fund Transfer	-	-	89,000
Municipal Parking Enterprise Fund	3,323,006	3,323,206	3,129,132
Transfer from Tax Incremental Funds	-	-	3,766,000
Total other financing sources (uses)	<u>(4,058,401)</u>	<u>24,964</u>	<u>(107,295)</u>
excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(2,783,401)</u>	<u>3,385,220</u>	<u>1,123,295</u>
 Fund Balance - January 1	<u>6,690,957</u>	<u>6,690,957</u>	<u>5,567,662</u>
 Ending Fund Balance	<u>3,907,556</u>	<u>10,076,177</u>	<u>6,690,957</u>
Ending Cash Balance	<u>8,418,500</u>	<u>7,642,912</u>	

City of Minneapolis
Neighborhood and Community Relations Special Revenue Fund
For the Fourth Quarter Ending December 31, 2014

The Neighborhood & Community Relations (NCR) Special Revenue Fund accounts for neighborhood revitalization efforts within the City and is funded by the revenues of the Consolidated Redevelopment Tax Increment Financing District. The district was established pursuant to special legislation adopted in 2008, and must be decertified no later than December 31, 2020. The tax increment revenue generated by the district, for neighborhood revitalization purposes, may be spent anywhere within the City of Minneapolis. The Fund is used primarily for community engagement and neighborhood-based initiatives, as well as a portion of the NCR administrative costs.

Historical Financial Performance

This fund was established in 2011. Growth in the fund was impacted by the two year hiatus on tax increment collection. The City decided to reduce property tax levies in 2012-2013 by using reprogrammed NRP resources to fund neighborhood revitalization services for these two years and reduce the captured value of the Consolidated TIF District. As of 2014, the captured value of the district was restored to the amount provided in the original plan.

Revenues

The total revenue transferred to the NCR Special Revenue Fund in FY 2014 was 5.5 million. \$5.3 million was from the Consolidated Redevelopment Tax Increment Financing District Fund and \$200K of revenue was from other CPED Special Revenue Funds. It is projected that revenues to the NCR Special Revenue Fund will remain relatively constant for the next few years.

Expenditures

The total expenditures from the fund through the fourth quarter 2014 were \$3.1 million and were used to fund community engagement and neighborhood based activities within the city.

Fund Balance

Fund balance as of December 31, 2014 was \$3.0 million.

City of Minneapolis
NCR Special Revenue Fund : 01800
Statement of Revenues, Expenditures and Changes in Fund Balance
For Years, 2014, 2013, and 2012

	Budget Year 2014	For Period Ending 2014	For Year Ending 2013	For Year Ending 2012
Revenue				
Special Assessments				
Loan Recapture		2,175	-	
Other		3,400	18,814	39,713
Total Revenue	-	5,575	18,814	39,713
Expenditures				
Neighborhood Community Relations	5,149,480	3,138,045	1,517,155	3,036,377
Total Expenditures	5,149,480	3,138,045	1,517,155	3,036,377
Excess of Revenues Over (Under) Expenditures	(5,149,480)	(3,132,470)	(1,498,341)	(2,996,664)
Other Financing Sources (Uses)				
Net transfers in from other funds	5,149,480	5,520,516	1,200,000	1,500,000
Net transfers out to other funds			-	
Total Other Financing Sources (Uses)	5,149,480	5,520,516	1,200,000	1,500,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	2,388,046	(298,341)	(1,496,664)
Significant Balance Sheet Items:				
Cash Balance		3,064,234	680,738	961,847
Fund Balance		3,036,712	648,666	947,007

02-22-15

City of Minneapolis
Regulatory Services Special Revenue Fund
For the Fourth Quarter Ending December 31, 2014

The Regulatory Services Special Revenue Fund accounts for the City's nuisance building abatement efforts and is primarily managed by the Regulatory Services Department with the assistance of the Finance & Property Services Department. The Fund is used not only for the abatement of buildings that have been deemed to be in a nuisance condition pursuant to Minn. Stat. Ch 249 but also for removal of nuisance conditions. Property owners are charged to recover the costs of these activities and all recovered costs are credited back to this fund. In 2013, the Construction Code Services department of Regulatory Services was transferred to Community Planning and Economic Development (CPED). A portion of the activities in the Regulatory Services Special Revenue Fund are now managed by CPED.

Historical Financial Performance

The City established this fund in 2008, and through 2013, it accumulated a fund balance of \$5.5 million. This balance is the result of various initiatives in previous years and the availability of grant funds to pay for certain eligible expenses. Both of these revenue sources are not projected to continue, leaving special assessments and direct property owner charges as the only sources of revenue for this fund. These resources will face challenges in 2015 and beyond, including lower than expected assessment collections.

Revenues

Revenues for the Regulatory Services Special Revenue Fund have been declining since 2011. The total revenue budgeted for 2014 is \$ 4.2 million; \$3.7 million of this is from special assessments. Through the 4th quarter of 2014, \$3.4 million in revenue had been received compared to \$3.9 million through December of 2013. Year-end figures show that recognized revenue is \$821,000 under budget, a 20% decrease from the previous year. Revenue in future years is projected to decline by 5 to 10% annually. The department has planned for this anticipated decline.

Expenditures

Expenditures for the Regulatory Services Special Revenue Fund include services such as demolitions, board-ups, nuisance grass cutting, nuisance tree removals, and nuisance rubbish removal. Through the 4th quarter of 2014, \$3.8 million had been expended, which is roughly \$205,000 more than in 2013. The 2014 year end expenditures are approximately \$1.2 million under budget, due to savings realized by not performing demolitions that were budgeted for but were determined to not be necessary.

Fund Balance

Based on the 2014 actual figures, the Fund Balance at year end is just over \$5.0 million, a \$433,000 decrease from 2013 year end. Based on declining revenue projections and some new initiatives going forward, the Fund Balance is expected to continue to decline in future years. It should be noted however, that Fund Balance did not decline as much as was anticipated (\$433,380 decline versus an expected decrease of \$869,319). Even though recognized revenues were less than budgeted, the reduction in expenses (from budgeted figures) was greater, resulting in a lower than expected decrease in Fund Balance.

City of Minneapolis
Regulatory Services Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For 4th Quarter/Years 2014, 2013, and 2012

	Budget Year 2014	For Year Ending 2014	For Year Ending 2013	For Year Ending 2012
Revenue				
Permits and Charges for Services	538,000	334,698	328,497	631,385
Special Assessments	3,697,000	3,044,421	3,570,577	3,942,360
Other		34,789	6,992	
Total Revenue	4,235,000	3,413,908	3,906,066	4,573,745
Expenditures				
Regulatory Services	4,604,319	3,579,206	3,373,538	4,844,357
Community & Economic Development	500,000	268,083	268,835	
Total Expenditures	5,104,319	3,847,289	3,642,373	4,844,357
Excess of Revenues Over (Under) Expenditures	(869,319)	(433,380)	263,693	(270,612)
Other Financing Sources (Uses)				
Net transfers in from other funds				5,477,991
Net transfers out to other funds			(168)	
Total Other Financing Sources (Uses)	-	-	(168)	5,477,991
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(869,319)	(433,380)	263,525	5,207,379
Significant Balance Sheet Items:				
Cash Balance		5,135,177	5,494,985	5,141,091
Fund Balance		5,037,525	5,470,905	5,207,379

SPECIAL REVENUE FUNDS
Federal, CDBG, and Other State and Local Grants
Year Ending December 31, 2014

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

Since the City records its financial information on a modified accrual basis, the timing of cash receipts can result in grant funds reflecting a deficit cash balance. For annual reporting purposes, cash deficits are eliminated through inter-fund borrowing.

Federal Grants Fund (01300)

The City accounts for its federal grant activity in fund 01300. As of December 31, 2014 expenditures were \$15,131,089 compared to the 2013 expenditures of \$22,922,059. The 2013 expenditures are higher compared to the current year due to the Recovery grants that were awarded in 2009 and 2010 that ended in 2013. Community Planning and Economic Development expenditures declined significantly from 2013 due to the end of the Neighborhood Stabilization grant funds from prior years. Emergency Management has also experienced a decline in the number and amount of Homeland Security grants. The Police Department has received fewer Bomb Disposal Grants and the amount of the Justice Assistance Grants (JAG) has decreased from prior years.

HUD Consolidated Plan Funds (01400 & 01500)

The Community Development Block Grant (CDBG) is the City's largest single grant and is accounted for in fund 01400 along with three other Housing and Urban Development (HUD) Programs. The programs are the Emergency Solutions Grant Program (ESG), HOME Investment Partnerships Program, and Housing Opportunities for Persons with AIDS (HOPWA). The HOME program is accounted for in fund 01500 and the combined amounts are presented in the schedule. HUD grant expenditures as of December 31 were \$14,301,543 compared to \$17,312,065 for 2013. The HUD Consolidated Plan program year is from June 1 to May 31. The CDBG awards have declined until 2012. Beginning June 1, 2012 the award was \$3.1 million less than the prior year. Since that time the allocation has remained around \$10 million.

In 1990, the Council committed \$7,791,856 of CDBG funds for the redevelopment of Block E. As this commitment was not offset with reductions in other CDBG funded projects, the City over-committed its CDBG Allocation. The City has been able to remain within its cumulative allocation because it continues to receive CDBG funding each year. However, should the CDBG funding cease, the over-commitment of funds will become apparent and other sources will be required to cover the funding shortfall. The City has previously reprogrammed unspent CDBG project balances to offset the Block E deficit. Since November 2001, the City Council approved the reprogramming of \$1,624,299. Since 2008, in accordance with the reprogramming policy, an additional \$1,930,104 has been reprogrammed resulting in a current deficit balance of

\$4,237,453. During the 2014 budget process, eligible tax increment revenues were identified to pay down this remaining deficit in 2015.

Grants Other Fund (01600)

The fund is used to account for non-federal grants and other restricted revenue sources. The expenditures as of December 31, 2014 are \$20,824,326 compared to the 2013 expenditures of \$27,165,489. The revenue in the fund as of December 31, 2014 and 2013 is \$21,135,693 and \$26,696,013, respectively. The 2010 Minnesota State Legislature approved a \$14M grant to the City of Minneapolis to fund the renovation of Orchestra Hall. The grant was expended in 2012 and 2013 contributing to the higher revenues and expenditures in 2013

Capital Grants

In addition to the grants that are recorded in the funds reflected above, the City's Department of Public Works receives various grants through the Minnesota Department of Transportation, Metropolitan Council, and Housing and Urban Development. These grants are generally recorded in Fund 04100, the Permanent Improvement Capital Projects fund.

Special Revenue Funds
Grant Funds
Year Ending December 31, 2014

	Federal Grants 01300	HUD Grants 01400 & 01500	Grants Other 01600	Total
Assets				
Cash and cash equivalents	\$ 360,323	\$ 1,029,762	\$ 2,791,894	\$ 4,181,979
Accounts - net	6,617	201,040	6,906	214,563
Special Assessments Receivable		39,545	1,590	41,135
Intergovernmental Receivables	6,446,415		2,822,025	9,268,440
Loans Receivable		18,590,268		18,590,268
Prepaid Expense				-
Due from Other Funds				-
Deposits with Fiscal Agents				-
Properties held for resale	1,316,704	5,993,819	1,199,750	8,510,273
Total Assets	\$ 8,130,059	\$ 25,854,434	\$ 6,822,165	\$ 40,806,658
Liabilities				
Salaries payable	\$ 81,364	\$ 71,654	\$ 100,415	\$ 253,433
Accounts payable	1,452,626	284,245	717,818	2,454,689
Inter Governmental Payables				-
Due to Other Funds	4,500,000			4,500,000
Use Taxes Payable				-
Unclaimed Property				-
Deposits held for others				-
Deferred revenue & Contracts	779,365	874,903	3,118,658	4,772,926
Deferred Special Assessments		18,629,813	1,590	18,631,403
Total Liabilities	\$ 6,813,355	\$ 19,860,615	\$ 3,938,481	\$ 30,612,451
Fund Balance	\$ 1,316,704	\$ 5,993,819	\$ 2,883,684	\$ 10,194,207
Total Liabilities and Fund Balance	\$ 8,130,059	\$ 25,854,434	\$ 6,822,165	\$ 40,806,658
Revenue				
Taxes-Charitable Gambling			\$ 44,371	\$ 44,371
Grants and Shared Revenues	\$ 14,336,685	\$ 10,391,426	19,466,191	44,194,302
Loan Origination Fees		2,000		2,000
Special Assessments		12,959	545	13,504
Private Contributions			715,289	715,289
Charges for Services		34,567	752,166	786,733
Licenses & Permits			156,801	156,801
Fines and forfeits				-
Interest		73,382		73,382
Rent & Commissions		7,118		7,118
Sale of Lands & Buildings	34,920	967,239		1,002,159
Loan Recapture	603,898	2,504,303	(631)	3,107,570
Sale of Equipment				-
Refund of Prior Years Expended				-
Miscellaneous Revenue	96,735	15,548	961	113,244
Transfer within Special Revenue Fund		250,000		250,000
Total Revenue	\$ 15,072,238	\$ 14,258,542	\$ 21,135,693	\$ 50,466,473
Expenditures	\$ 15,131,089	\$ 14,301,543	\$ 20,824,326	\$ 50,256,958
Revenues Over (Under) Expenditures	\$ (58,851)	\$ (43,001)	\$ 311,367	\$ 209,515

CDBG Program Year 40
Beginning June 1, 2014
December 31, 2014

City Council Official Proceedings: May 9, 2014

Project	Adopted Budget 2013R-572	Adjustment Amount Council 5/9/14	Final HUD Allocation Council 5/9/14	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2014			
									Current Expenditures	Grant to Date Expenditures	Remaining Grant Budget	
Capital Grants:												
Lead Reduction	\$ 52,300	\$ 8,700	\$ 61,000	\$ -	\$ -	\$ -	\$ -	\$ 61,000	\$ -	\$ -	\$ 61,000	
Adult Training, Placement and Retention	1,247,500	-	1,247,500.00	-	-	-	-	1,247,500	99,700	99,700	1,147,800	
High density corridor housing	492,000	87,000.00	579,000.00	-	-	-	-	579,000	-	-	579,000	
NEDF/CEDF (Great Streets)	123,100	(100.00)	123,000.00	-	-	-	-	123,000	47,297	47,297	75,703	
Multi-Family/Affordable Housing	2,467,000	810,540.00	3,277,540.00	-	-	-	-	3,277,540	-	-	3,277,540	
Owner Occupied Rehab	-	-	-	1,115,000.00	1	-	-	1,115,000	-	-	1,115,000	
Vacant & Boarded Housing	1,433,400	319,600.00	1,753,000.00	856,000.00	1	-	-	2,609,000	374,134	374,134	2,234,866	
Subtotal Capital Grants	<u>\$ 5,815,300</u>	<u>\$ 1,225,740</u>	<u>\$ 7,041,040</u>	<u>\$ 1,971,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,012,040.00</u>	<u>\$ 521,131.00</u>	<u>\$ 521,131.00</u>	<u>\$ 8,490,909.00</u>	
Public Service Grants:												
Community Crime Prevention Specialists	\$ 746,300	\$ 150,700	\$ 897,000	\$ -	\$ -	\$ -	\$ -	\$ 897,000	\$ 518,879	\$ 518,879	\$ 378,121	
Domestic Abuse Project	50,000	25,000	75,000	-	-	-	-	75,000	-	-	75,000	
Juvenile Supervisor Center	100,000	-	100,000	-	-	-	-	100,000	93,000	93,000	7,000	
Way to Grow	155,000	57,000	212,000	-	-	-	-	212,000	55,267	55,267	156,733	
Youth Employment & Training	209,000	44,000	253,000	-	-	-	-	253,000	253,000	253,000	-	
Subtotal Public Service Grants	<u>\$ 1,260,300</u>	<u>\$ 276,700</u>	<u>\$ 1,537,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,537,000</u>	<u>\$ 920,146</u>	<u>\$ 920,146</u>	<u>\$ 616,854</u>	
Administrative Grants:												
YCB Administration	\$ 66,000	\$ (1,197)	\$ 64,803	\$ -	\$ -	\$ -	\$ -	\$ 64,803	\$ 64,803	\$ 64,803	\$ -	
Civil Rights Dept Fair Housing	307,600	27,400	335,000	-	-	-	-	335,000	-	-	335,000	
Finance Administration	165,300	14,700	180,000	-	-	-	-	180,000	-	-	180,000	
Problem Properties Board Bldg	88,100	-	88,100	-	-	-	-	88,100	34,787	34,787	53,313	
Grants & Special Projects	160,100	14,900	175,000	-	-	-	-	175,000	717	717	174,283	
Housing Discrimination Law Project-Leg:	40,100	-	40,100	-	-	-	-	40,100	13,367	13,367	26,733	
Access & Outreach (Multicultural Affairs)	102,000	-	102,000	-	-	-	-	102,000	-	-	102,000	
Grant Administration	57,000	5,000	62,000	-	-	-	-	62,000	-	-	62,000	
Legal Aid Mid-Minnesota	24,700	-	24,700	-	-	-	-	24,700	12,350	12,350	12,350	
Way to Grow Administration	14,000	1,000	15,000	-	-	-	-	15,000	4,407	4,407	10,593	
YCB Youth Violence Prevention	145,000	13,000	158,000	-	-	-	-	158,000	21,380	21,380	136,620	
CDBG Planning Admin	836,500	63,307	899,807	147,000	1	-	-	1,046,807	425,107	425,107	621,700	
Subtotal Administrative Grants	<u>\$ 2,006,400</u>	<u>\$ 138,110</u>	<u>\$ 2,144,510</u>	<u>\$ 147,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,291,510</u>	<u>\$ 576,918</u>	<u>\$ 576,918</u>	<u>\$ 1,714,592</u>	
Subtotal Administrative Grants	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
GRAND TOTAL	<u>\$ 9,082,000</u>	<u>\$ 1,640,550</u>	<u>\$ 10,722,550</u>	<u>\$ 2,118,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,840,550</u>	<u>\$ 2,018,195</u>	<u>\$ 2,018,195</u>	<u>\$ 10,822,355</u>	

CDBG Program Year 39
Beginning June 1, 2013
December 31, 2014

Project	Adopted Budget 2012R-654	Adjusted Amount Final HUD	Amended Budget	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2014			
									Current Expenditures	Grant to Date Expenditures	Remaining Grant Budget	
Capital Grants:												
Problem Properties Board Bldg	\$ 103,700	\$ -	\$ 103,700	\$ -	\$ -	\$ -	\$ -	\$ 103,700	\$ 64,934	\$ 103,700	\$ -	
Lead Reduction	61,500	-	61,500	-	-	-	-	61,500	-	-	61,500	
Adult Training, Placement and Retention	1,467,600	237,898	1,705,498	-	-	-	-	1,705,498	1,302,819	1,705,498	-	
High density corridor housing	578,769	-	578,769	-	-	-	-	578,769	-	-	578,769	
NEDF/CEDF (Great Streets)	10,726	-	10,726	-	-	-	-	10,726	10,726	10,726	-	
Multi-Family/Affordable Housing	2,966,776	-	2,966,776	-	-	-	-	2,966,776	270,248	270,248	2,696,528	
Vacant & Boarded Housing	1,753,430	-	1,753,430	-	-	-	-	1,753,430	1,018,116	1,802,819	(49,389)	
Subtotal Capital Grants	\$ 6,942,501	\$ 237,898.00	\$ 7,180,399	\$ -	\$ -	\$ -	\$ -	\$ 7,180,399	\$ 2,666,843	\$ 3,892,991	\$ 3,287,408	
Public Service Grants:												
Community Crime Prevention Specialists	\$ 876,600	\$ 20,415	\$ 897,015	\$ -	\$ -	\$ -	\$ -	\$ 897,015	\$ 440,899	\$ 897,015	\$ -	
Access & Outreach (Multicultural Affairs)	120,000	-	120,000	-	-	-	-	120,000	97,167	97,167	22,833	
Domestic Abuse Project	59,500	15,500	75,000	-	-	-	-	75,000	67,250	67,250	7,750	
Juvenile Supervisor Center	100,000	-	100,000	-	-	-	-	100,000	48,271	100,000	-	
Way to Grow	192,600	19,400	212,000	-	-	-	-	212,000	149,090	212,000	-	
Youth Employment & Training	250,900	2,100	253,000	-	-	-	-	253,000	246,705	253,000	-	
Subtotal Public Service Grants	\$ 1,599,600	\$ 57,415	\$ 1,657,015	\$ -	\$ -	\$ -	\$ -	\$ 1,657,015	\$ 1,049,382	\$ 1,626,432	\$ 30,583	
Administrative Grants:												
YCB Administration	\$ 65,400	\$ 600	\$ 66,000	\$ -	\$ -	\$ -	\$ (1,197)	\$ 64,803	\$ -	\$ 64,803	\$ -	
Civil Rights Dept Fair Housing	361,900	3,100	365,000	-	-	-	-	365,000	143,395	143,395	221,605	
Finance Administration	194,400	1,600	196,000	-	-	-	-	196,000	11,516	11,516	184,484	
Grants & Special Projects	188,400	1,600	190,000	-	-	-	-	190,000	113,921	113,921	76,079	
Housing Discrimination Law Project-Leg:	47,229	6,771	54,000	-	-	-	-	54,000	22,500	54,000	-	
Grant Administration	67,400	-	67,400	-	-	-	-	67,400	52,565	52,565	14,835	
Legal Aid Mid-Minnesota	29,060	4,940	34,000	-	-	-	-	34,000	17,824	34,000	-	
Neighborhood Services	71,400	-	71,400	-	-	-	-	71,400	32,256	71,400	-	
Way to Grow Administration	15,900	1,600	17,500	-	-	-	-	17,500	14,316	17,500	-	
YCB Youth Violence Prevention	100,200	10,500	110,700	-	-	-	-	110,700	109,768	110,700	-	
CDBG Planning Admin	984,060	53,293	1,037,353	-	-	-	-	1,037,353	604,859	1,037,353	-	
Subtotal Administrative Grants	\$ 2,125,349	\$ 84,004	\$ 2,209,353	\$ -	\$ -	\$ -	\$ (1,197)	\$ 2,208,156	\$ 1,122,920	\$ 1,711,153	\$ 497,003	
YCB Administration	-	-	-	-	-	-	\$ 1,197	1,197.00	-	-	\$ 1,197	
Subtotal Administrative Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ 1,197.00	
GRAND TOTAL	\$ 10,667,450	\$ 379,317.00	\$ 11,046,767	\$ -	\$ -	\$ -	\$ -	\$ 11,046,767	\$ 4,839,145	\$ 7,230,576	\$ 3,816,191	

CDBG Program Year 38
Beginning June 1, 2012
December 31, 2014

Project	Adopted Budget 2011R-659	Reduction Amount Final HUD	Amended Budget	Department Actions	Reprogrammed Amounts	Revised Budget	2014		Remaining Grant Budget
							Current Year Expenditures	Grant to Date Expenditures	
Capital Grants:									
Lead Reduction	\$ 62,000	\$ (500)	\$ 61,500	\$ -	\$ -	\$ 61,500	\$ 3,306	\$ 13,283	\$ 48,217
Problem Properties Board Bldg	104,600	(900)	103,700	-	-	103,700	-	103,700	-
Adult Training, Placement and Retentior	1,480,000	(12,400)	1,467,600	-	-	1,467,600	-	1,467,600	-
High density corridor housing	583,669	(4,900)	578,769	-	-	578,769	-	-	578,769
Commercial Property Investment	139,000	(1,200)	137,800	-	-	137,800	-	-	137,800
NEDF/CEDF (Great Streets)	41,000	(300)	40,700	-	-	40,700	40,533	40,700	-
Multi-Family/Affordable Housing	2,991,876	(25,100)	2,966,776	-	-	2,966,776	705,778	2,285,090	681,686
Vacant & Boarded Housing	1,599,056	(13,400)	1,585,656	-	-	1,585,656	(6,189)	1,585,656	-
Subtotal Capital Grants	\$ 7,001,201	\$ (58,700)	\$ 6,942,501	\$ -	\$ -	\$ 6,942,501	\$ 743,428	\$ 5,496,029	\$ 1,446,472
Public Service Grants:									
Community Crime Prevention Specialists	\$ 884,000	\$ (7,400)	\$ 876,600	\$ -	\$ -	\$ 876,600	\$ -	\$ 876,600	\$ -
Domestic Abuse Project	60,000	(500)	59,500	-	-	59,500	-	59,500	-
Juvenile Supervisor Center	100,000	-	100,000	-	-	100,000	-	100,000	-
Way to Grow	195,000	(2,400)	192,600	-	-	192,600	100	192,600	-
Youth Employment & Training	253,000	(2,100)	250,900	-	-	250,900	-	250,900	-
Subtotal Public Service Grants	\$ 1,492,000	\$ (12,400)	\$ 1,479,600	\$ -	\$ -	\$ 1,479,600	\$ 100	\$ 1,479,600	\$ -
Administrative Grants:									
YCB Administration	\$ 66,000	\$ (600)	\$ 65,400	\$ -	\$ (597)	\$ 64,803	\$ -	\$ 64,803	\$ -
Civil Rights Dept Fair Housing	365,000	(3,100)	361,900	-	-	361,900	147,998	361,900	-
Finance Administration	196,000	(1,600)	194,400	-	-	194,400	165,400	194,400	-
Grants & Special Projects	190,000	(1,600)	188,400	-	-	188,400	35,726	188,400	-
Housing Discrimination Law Project-Leg;	47,740	(511)	47,229	-	-	47,229	-	47,229	-
Access & Outreach (Multicultural Affairs)	121,000	(1,000)	120,000	-	-	120,000	46,914	120,000	-
Grant Administration	68,000	(600)	67,400	-	-	67,400	19,689	67,400	-
Legal Aid Mid-Minnesota	-	-	-	29,060	-	29,060	4,843	29,060	-
Neighborhood Services	72,000	(600)	71,400	-	-	71,400	-	71,400	-
Way to Grow Administration	16,000	(100)	15,900	-	-	15,900	-	15,900	-
YCB Youth Violence Prevention	101,000	(800)	100,200	-	-	100,200	(52)	100,200	-
Legal Aid Society	29,260	(200)	29,060	(29,060)	-	-	-	-	-
CDBG Planning Program Admin	992,360	(8,300)	984,060	-	-	984,060	272	984,060	-
Subtotal Administrative Grants	\$ 2,264,360	\$ (19,011)	\$ 2,245,349	\$ -	\$ (597)	\$ 2,244,752	\$ 420,790	\$ 2,244,752	\$ -
Block E Deficit Reduction:									
YCB Administration	\$ -	\$ -	\$ -	\$ -	\$ 597.00	\$ 597.00	\$ -	\$ -	\$ 597
Subtotal Administrative Grants	\$ -	\$ -	\$ -	\$ -	\$ 597	\$ 597	\$ -	\$ -	\$ 597
GRAND TOTAL	\$ 10,757,561	\$ (90,111)	\$ 10,667,450	\$ -	\$ -	\$ 10,667,450	\$ 1,164,318	\$ 9,220,381	\$ 1,447,069

CDBG Program Year 37
Beginning June 1, 2011
December 31, 2014

Project	Adopted Budget 2010R-598	Reduction Amount 2011R-301	Amended Budget 2011R-301	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2014			
									Current Year Expenditures	Grant to Date Expenditures	Remaining Grant Budget	
Capital Grants:												
General Housing Rehabilitation-MPHA	\$ 110,000	\$ (110,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Problem Properties Attorneys	38,000	(7,617)	30,383	-	-	-	-	30,383	-	-	30,383	-
Personal Protective Equipment	584,000	-	584,000	-	-	-	-	584,000	-	-	584,000	-
Problem Properties Police	53,000	(10,624)	42,376	-	-	-	-	42,376	-	-	42,376	-
Lead Reduction	125,000	(25,057)	99,943	-	-	-	-	99,943	56,589	-	63,494	36,449
Problem Properties Board Bldg	348,000	(186,823)	161,177	-	-	-	-	161,177	-	-	161,177	-
Adult Training, Placement and Retentio	1,255,000	(141,570)	1,113,430	-	-	-	-	1,113,430	-	-	1,113,430	-
High density corridor housing	730,000	(146,331)	583,669	-	-	-	-	583,669	225,697	-	303,890	279,779
NonProfit MF Rental Development Assis	166,000	(33,275)	132,725	-	-	-	-	132,725	-	-	-	132,725
NEDF/CEDF (Great Streets)	1,127,000	(225,912)	901,088	-	-	-	-	901,088	-	-	-	901,088
Homeownership Program (GMMHC)	34,000	(6,815)	27,185	-	-	-	-	27,185	-	-	-	27,185
Multi-Family/Affordable Housing	3,411,189	(683,786)	2,727,403	-	-	-	-	2,727,403	400,248	-	2,727,403	-
Vacant & Boarded Housing	1,782,000	(357,209)	1,424,791	-	-	-	-	1,424,791	-	-	1,424,791	-
Subtotal Capital Grants	\$ 9,763,189	\$ (1,935,019)	\$ 7,828,170	\$ -	\$ -	\$ -	\$ -	\$ 7,828,170	\$ 682,534	\$ -	\$ 6,450,944	\$ 1,377,226
Public Service Grants:												
Restorative Justice Programs	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ 20,000	\$ -
Community Crime Prevention Specialist	934,386	(50,000.00)	884,386	-	-	-	-	884,386	-	-	884,386	-
Access & Outreach (Multicultural Affairs)	121,000	-	121,000	-	-	-	-	121,000	-	-	121,000	-
PHAC: Living at Home Block Nurse Proj	75,000	-	75,000	-	-	(75,000)	-	-	-	-	-	-
Curfew/Truancy Center	100,000	-	100,000	-	-	-	-	100,000	-	-	100,000	-
Domestic Abuse Project	75,000	-	75,000	-	-	-	-	75,000	-	-	75,000	-
	250,000	(259,563.00)	(9,563)	-	-	9,563	-	-	-	-	-	-
PHAC: Hennepin Healthcare	-	-	-	-	-	30,000	-	30,000	-	-	30,000	-
PHAC: Holy Rosary Church	-	-	-	-	-	50,000	-	50,000	-	-	50,000	-
PHAC: MPLS American Indian	-	-	-	-	-	30,000	-	30,000	-	-	30,000	-
PHAC: MPS Teenage Parenting & Pregr	75,000	-	75,000	-	-	(66,762)	-	8,238	-	-	8,238	-
PHAC: SE Asian Community Council	-	-	-	-	-	22,199	-	22,199	-	-	22,199	-
Way to Grow	262,000	(50,000.00)	212,000	-	-	-	-	212,000	-	-	212,000	-
Youth Employment & Training	253,000	\$ -	253,000	-	-	-	-	253,000	-	-	253,000	-
Subtotal Public Service Grants	\$ 2,165,386	\$ (359,563)	\$ 1,805,823	\$ -	\$ -	\$ -	\$ -	\$ 1,805,823	\$ -	\$ -	\$ 1,805,823	\$ -
Administrative Grants:												
YCB Administration	\$ 66,000	\$ -	\$ 66,000	\$ -	\$ -	\$ -	\$ (1,197)	\$ 64,803	\$ -	\$ -	\$ 64,803	\$ -
Civil Rights Dept Fair Housing	365,000	-	365,000	-	-	-	-	365,000	-	-	365,000	-
Finance Administration	196,000	-	196,000	-	-	-	-	196,000	3,966	-	196,000	-
Director of Arts-City Coordinator Adm	28,146	(28,146)	-	-	-	-	-	-	-	-	-	-
MPH Citizen Participation	68,000	-	68,000	-	-	-	-	68,000	-	-	68,000	-
Grants & Special Projects	190,000	-	190,000	-	-	-	-	190,000	-	-	190,000	-
Housing Discrimination Law Project-Leg	54,000	-	54,000	-	-	-	-	54,000	-	-	54,000	-
Homeless Initiative	77,000	-	77,000	-	-	-	-	77,000	-	-	77,000	-
Grant Administration	68,000	-	68,000	-	-	-	-	68,000	-	-	68,000	-
Neighborhood Services	72,000	-	72,000	-	-	-	-	72,000	-	-	72,000	-
Way to Grow Administration	26,000	-	26,000	-	-	-	-	26,000	-	-	26,000	-
YCB Youth Violence Prevention	121,000	(20,000)	101,000	-	-	-	-	101,000	-	-	101,000	-
Legal Aid Society	34,000	-	34,000	-	-	-	-	34,000	-	-	34,000	-
Program Admin	100,000	-	100,000	-	-	-	-	100,000	-	-	100,000	-
Planning - Administration	1,045,854	\$ (54,356.00)	991,498	-	-	-	-	991,498	-	-	991,498	-
Subtotal Administrative Grants	\$ 2,511,000	\$ (102,502)	\$ 2,408,498	\$ -	\$ -	\$ -	\$ (1,197)	\$ 2,407,301	\$ 3,966	\$ -	\$ 2,407,301	\$ -
Block E Deficit Reduction:												
YCB Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ -	\$ 1,197
Subtotal Administrative Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ -	\$ 1,197
GRAND TOTAL	\$ 14,439,575	\$ (2,397,084)	\$ 12,042,491	\$ -	\$ -	\$ -	\$ -	\$ 12,042,491	\$ 686,500	\$ -	\$ 10,664,068	\$ 1,378,423

CDBG Program Year 36
Beginning June 1, 2010
December 31, 2014

Project	Adopted Budget 2009R-586	Reduction Amount	Amended Budget	Department Actions	Reprogrammed Amounts	Revised Budget	2014		
							Current Year Expenditures	Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:									
Problem Properties Attorneys	\$ 38,000		\$ 38,000	\$ -	\$ -	\$ 38,000	\$ -	\$ 38,000	\$ -
Personal Protective Equipment	694,000		694,000	-	-	694,000	2,905	694,000	-
Problem Properties Police	53,000		53,000	-	-	53,000	-	53,000	-
Lead Reduction	125,000		125,000	-	-	125,000	4,229	125,000	-
Problem Properties Board Bldg	348,000		348,000	-	-	348,000	-	348,000	-
Adult Training, Placement and Retention	982,000		982,000	-	-	982,000	-	982,000	-
High density corridor housing	730,000		730,000	-	-	730,000	(47)	729,953	47
NonProfit MF Rental Development Assist	166,000		166,000	-	-	166,000	-	-	166,000
NEDF/CEDF	1,500,000		1,500,000	-	-	1,500,000	31,143	354,777	1,145,223
Homeownership Program (GMMHC)	334,000		334,000	-	-	334,000	-	184,634	149,366
Multi-Family/Affordable Housing	3,703,000	308,189	4,011,189	-	-	4,011,189	-	4,011,189	-
Vacant & Boarded Housing	782,000		782,000	-	-	782,000	-	782,000	-
Subtotal Capital Grants	\$ 9,455,000	\$ 308,189	\$ 9,763,189	\$ -	\$ -	\$ 9,763,189	\$ 38,230	\$ 8,302,553	\$ 1,460,636
Public Service Grants:									
Restorative Justice Programs	\$ 20,000		\$ 20,000	\$ -	\$ -	\$ 20,000	\$ -	\$ 20,000	\$ -
Community Crime Prevention Specialists	880,000	54,386	934,386	-	-	934,386	-	934,386	-
Access & Outreach (Multicultural Affairs)	121,000		121,000	-	-	121,000	-	121,000	-
Living at Home Block Nurse Program	49,000		49,000	87,250	-	136,250	-	136,250	-
Catholic Charities	49,000		49,000	(38,980)	-	10,020	-	10,020	-
Centro Cultural Chicano Inc	33,000		33,000	14,000	-	47,000	-	47,000	-
Curfew/Truancy Center	100,000		100,000	-	-	100,000	-	100,000	-
Greater Minneapolis Council of Churches	26,000		26,000	(26,000)	-	-	-	-	-
Lao Assistance Center of MN	49,000		49,000	(49,000)	-	-	-	-	-
Minnesota International Health Volunteer	49,000		49,000	(5,237)	-	43,763	-	43,763	-
MPS Teenage Parenting & Pregnancy Pr	49,000		49,000	(8,928)	-	40,072	-	40,072	-
MPS Teenage Parenting & Pregnancy Pr	-		-	42,801	-	42,801	-	42,801	-
Minneapolis Urban League	49,000		49,000	(134)	-	48,866	-	48,866	-
Southside Community Health Ser	47,000		47,000	(15,772)	-	31,228	-	31,228	-
Way to Grow	262,000		262,000	-	-	262,000	-	262,000	-
Youth Employment & Training	328,000		328,000	-	-	328,000	-	328,000	-
Subtotal Public Service Gr	\$ 2,111,000	\$ 54,386	\$ 2,165,386	\$ -	\$ -	\$ 2,165,386	\$ -	\$ 2,165,386	\$ -
Administrative Grants:									
YCB Administration	\$ 66,000		\$ 66,000	\$ -	\$ (1,197)	\$ 64,803	\$ -	\$ 64,803	\$ -
Civil Rights Dept Fair Housing	365,000		365,000	-	-	365,000	-	365,000	-
Finance Administration	196,000		196,000	-	-	196,000	-	196,000	-
MPH Citizen Participation	68,000		68,000	-	-	68,000	-	68,000	-
Grants & Special Projects	190,000		190,000	-	-	190,000	-	190,000	-
Housing Discrimination Law Project-Leg	54,000		54,000	-	-	54,000	-	54,000	-
Homeless Initiative	77,000		77,000	-	-	77,000	-	77,000	-
Grant Administration	68,000		68,000	-	-	68,000	-	68,000	-
Neighborhood Services	72,000		72,000	-	-	72,000	-	72,000	-
Way to Grow Administration	26,000		26,000	-	-	26,000	-	26,000	-
YCB Youth Violence Prevention	121,000		121,000	-	-	121,000	-	121,000	-
Citizen Participation	233,000		233,000	-	(66,095)	166,905	-	92,854	74,051
Legal Aid Society	34,000		34,000	-	-	34,000	-	34,000	-
Planning - Administration	941,000		941,000	-	-	941,000	-	941,000	-
Subtotal Administrative Gr	\$ 2,511,000	\$ -	\$ 2,511,000	\$ -	\$ (67,292)	\$ 2,443,708	\$ -	\$ 2,369,657	\$ 74,051
Block E Deficit Reduction:									
G4123YCB36-YCB Administration	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ 1,197
G4890CP36-Citizen Participation	\$ -	\$ -	\$ -	\$ -	\$ 66,095	\$ 66,095	\$ -	\$ -	\$ 66,095
Subtotal Administrative Gr	\$ -	\$ -	\$ -	\$ -	\$ 67,292	\$ 67,292	\$ -	\$ -	\$ 67,292
GRAND TOTAL	\$ 14,077,000	\$ 362,575	\$ 14,439,575	\$ -	\$ -	\$ 14,439,575	\$ 38,230	\$ 12,837,596	\$ 1,601,979

CDBG Program Year 35
Beginning June 1, 2009
December 31, 2014

Project	Adopted Budget	Reduction Amount	Amended Budget	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2014			
									Current Year Expenditures	Grant to Date Expenditures	Remaining Grant Budget	
Capital Grants:												
General Housing Rehabilitation-MPHA	\$ 219,000	\$ -	\$ 219,000	\$ -	\$ -	\$ -	\$ -	\$ 219,000	\$ -	\$ 219,000	\$ -	
Problem Properties Attorneys	38,000	-	38,000	-	-	-	-	38,000	-	38,000	-	
Problem Properties Police	53,000	-	53,000	-	-	-	-	53,000	-	53,000	-	
Lead Reduction	125,000	-	125,000	-	-	-	-	125,000	-	125,000	-	
Problem Properties Board Bldg	348,000	-	348,000	-	-	-	-	348,000	-	348,000	-	
Childcare Facilities Loan/Grant	225,000	-	225,000	-	-	-	-	225,000	1,093	13,663	211,337	
Adult Training, Placement and Retention	511,000	-	511,000	-	-	-	-	511,000	-	511,000	-	
High density corridor housing	730,000	-	730,000	-	-	-	-	730,000	(81,246)	648,754	81,246	
NonProfit MF Rental Development Assistance	166,000	-	166,000	-	-	-	-	166,000	10,000	113,727	52,273	
Homeownership Program (GMMHC)	334,000	-	334,000	1,472,000	-	-	-	1,806,000	-	972,444	833,556	
Multi-Family/Affordable Housing	5,715,000	-	5,715,000	2,014,000	-	-	-	7,729,000	-	7,729,000	-	
Vacant & Boarded Housing	569,000	-	569,000	500,000	-	-	-	1,069,000	-	1,069,000	-	
Subtotal Capital Grants	\$ 9,033,000	\$ -	\$ 9,033,000	\$ 3,986,000	\$ -	\$ -	\$ -	\$ 13,019,000	\$ (70,153)	\$ 11,840,588	\$ 1,178,412	
Public Service Grants:												
Multi Cultural & Native American Indian	\$ 121,000	-	\$ 121,000	\$ -	\$ -	\$ -	\$ -	\$ 121,000	\$ -	\$ 121,000	\$ -	
Graffiti Removal on Public Property	86,000	-	86,000	-	-	-	(19,527) ³	66,473	-	66,473	-	
Living at Home Block Nurse Program	69,000	-	69,000	-	-	20,000	-	89,000	-	89,000	-	
Catholic Charities	69,000	-	69,000	-	-	(3,562)	-	65,438	-	65,438	-	
Centro Cultural Chicano Inc	47,000	-	47,000	-	-	-	-	47,000	-	47,000	-	
Greater Minneapolis Council of Churches	36,000	-	36,000	-	-	(23,518)	-	12,482	-	12,482	-	
Juvenile Supervision Center	100,000	-	100,000	-	-	-	-	100,000	-	100,000	-	
Lao Family Community	69,000	-	69,000	-	-	(22,815)	-	46,185	-	46,185	-	
Minnesota International Health Volunteers	69,000	-	69,000	-	-	(2,180)	-	66,820	-	66,820	-	
MPS Teenage Parenting & Pregnancy Program	69,000	-	69,000	-	-	16,075	-	85,075	-	85,075	-	
Minneapolis Urban League	69,000	-	69,000	-	-	16,000	-	85,000	-	85,000	-	
Southside Community Health Services	66,000	-	66,000	-	-	-	-	66,000	-	66,000	-	
Way to Grow	262,000	-	262,000	-	-	-	-	262,000	-	262,000	-	
Youth are Here Busses	51,000	-	51,000	-	-	-	(51,000) ³	-	-	-	-	
Advocacy (Housing)	82,000	-	82,000	-	-	-	-	82,000	-	81,999	1	
Mortgage Foreclosure Prevention Program	140,000	-	140,000	-	-	-	-	140,000	3,000	140,000	-	
Youth Employment & Training	458,000	-	458,000	-	-	-	-	458,000	-	458,000	-	
Subtotal Public Service Grants	\$ 1,863,000	\$ -	\$ 1,863,000	\$ -	\$ -	\$ -	\$ (70,527)	\$ 1,792,473	\$ 3,000	\$ 1,792,472	\$ 1	
Administrative Grants:												
MPH Citizen Participation	\$ 68,000	\$ -	\$ 68,000	\$ -	\$ -	\$ -	\$ -	\$ 68,000	\$ -	\$ 68,000	\$ -	
YCB Administration	66,000	-	66,000	-	-	-	(1,197) ³	64,803	-	64,803	-	
Civil Rights Dept Fair Housing	365,000	-	365,000	-	-	-	-	365,000	-	365,000	-	
Grants & Special Projects	189,710	-	189,710	-	-	-	-	189,710	(3,280)	189,710	-	
Housing Discrimination Law Project-Legal Aid	54,000	-	54,000	-	-	-	-	54,000	-	54,000	-	
Homeless Initiative	77,000	-	77,000	-	-	-	-	77,000	-	77,000	-	
Finance Administration	196,000	-	196,000	-	-	-	-	196,000	-	196,000	-	
Grant Administration	68,000	-	68,000	-	-	-	-	68,000	-	68,000	-	
Neighborhood Services	72,000	-	72,000	-	-	-	-	72,000	-	72,000	-	
Way to Grow Administration	26,000	-	26,000	-	-	-	-	26,000	-	26,000	-	
YCB Youth Violence Prevention	121,000	-	121,000	-	-	-	-	121,000	-	121,000	-	
Citizen Participation	233,000	-	233,000	-	-	-	-	233,000	-	233,000	-	
Legal Aid Society	34,000	-	34,000	-	-	-	-	34,000	-	34,000	-	
Program Admin	62,000	-	62,000	-	-	-	-	62,000	-	62,000	-	
Planning - Administration	879,000	-	879,000	-	-	-	-	879,000	-	879,000	-	
Subtotal Administrative Grants	\$ 2,510,710	\$ -	\$ 2,510,710	\$ -	\$ -	\$ -	\$ (1,197)	\$ 2,509,513	\$ (3,280)	\$ 2,509,513	\$ -	
Block E Deficit Reduction:												
Graffiti Removal on Public Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,527 ³	\$ 19,527	\$ -	\$ -	\$ 19,527	
YCB Administration	-	-	-	-	-	-	1,197 ³	1,197	-	-	1,197	
Youth are Here Busses	-	-	-	-	-	-	51,000 ³	51,000	-	-	51,000	
Subtotal Reprogrammed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,724	\$ 71,724	\$ -	\$ -	\$ 71,724	
GRAND TOTAL	\$ 13,406,710	\$ -	\$ 13,406,710	\$ 3,986,000	\$ -	\$ -	\$ -	\$ 17,392,710	\$ (70,433)	\$ 16,142,573	\$ 1,250,137	

CDBG Program Year 34
Beginning June 1, 2008
December 31, 2014

Project	Adopted Budget	Reduction Amount	Amended Budget	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2014			
									Current Year Expenditures	Grant to Date Expenditures	Remaining Grant Budget	
Capital Grants:												
General Housing Rehabilitation-MPHA	\$ 218,000		\$ 218,000	\$ -	\$ -	\$ -		\$ 218,000	\$ -	\$ 218,000	\$ -	
Problem Properties Attorneys	38,300		38,300	-	-	-		38,300	-	38,300	-	
Problem Properties Police	52,700		52,700	-	-	-		52,700	-	52,700	-	
Lead Reduction	125,000		125,000	-	-	-		125,000	-	125,000	-	
Problem Properties Board Bldg	348,000		348,000	-	-	-		348,000	-	348,000	-	
Childcare Facilities Loan/Grant	224,000		224,000	-	-	-		224,000	136,281	137,867	86,133	
Adult Training, Placement and Retention	1,380,000		1,380,000	-	-	-		1,380,000	-	1,380,000	-	
High density corridor housing	729,000		729,000	-	-	-		729,000	-	729,000	-	
NonProfit MF Rental Development Assistance	165,000		165,000	-	-	-		165,000	-	165,000	-	
NEDF/CEDF	518,000		518,000	1,150,000	1		1	1,668,000	554,255	1,120,781	547,219	
Homeownership Program (GMMHC)	319,000		319,000	-	-	-		319,000	-	319,000	-	
Industry Cluster Program (Living Wage Jobs)	65,100		65,100	-	-	-		65,100	-	65,100	-	
Multi-Family/Affordable Housing	4,270,000		4,270,000	-	-	-		4,270,000	-	4,270,000	-	
Vacant & Boarded Housing	569,000		569,000	-	-	-		569,000	-	569,000	-	
Subtotal Capital Grants	\$ 9,021,100	\$ -	\$ 9,021,100	\$ 1,150,000	\$ -	\$ -	\$ -	\$ 10,171,100	\$ 690,536	\$ 9,537,748	\$ 633,352	
Public Service Grants:												
Multi Cultural & Native American Indian	\$ 119,000		\$ 119,000	\$ -	\$ -	\$ -		\$ 119,000	\$ -	\$ 119,000	\$ -	
Graffiti Removal on Public Property	86,200		86,200	-	-	-		86,200	-	86,200	-	
Advocacy (Housing)	82,300		82,300	-	-	-		82,300	-	82,300	-	
Asian Media Access	26,800		26,800	-	-	-		26,800	-	26,800	-	
Living at Home Block Nurse Program	64,100		64,100	-	-	-		64,100	-	64,100	-	
Child Dental Services	10,500		10,500	-	-	-		10,500	-	10,500	-	
Curfew/Truancy Center	98,000		98,000	-	-	-		98,000	-	98,000	-	
Domestic Abuse Project	34,500		34,500	-		(34,500)		-	-	-		
Resource Inc, Employment Action Center	44,000		44,000	-	-		(6,000)	38,000	-	38,000	-	
Fremont Community Health Services	44,000		44,000	-	-	-		44,000	-	44,000	-	
Greater Minneapolis Council of Churches	44,000		44,000	-	-	-		44,000	-	44,000	-	
Lao Assistance Center of MN	48,800		48,800	-	-	-		48,800	-	48,800	-	
MITZGI Communications	42,100		42,100	-	-	-		42,100	-	42,100	-	
MPS Teenage Parenting & Pregnancy Program	65,100		65,100	-	-	-		65,100	-	65,100	-	
Minneapolis Urban League	64,100		64,100	-	-	-		64,100	-	64,100	-	
St Marys Health Clinics	18,200		18,200	-	-	-		18,200	-	18,200	-	
St Stephens Human Services	44,000		44,000	-	-	-		44,000	-	44,000	-	
Southside Family Nurturing Center	44,000		44,000	-	-		(20,727)	23,273	-	23,273	-	
348TOTS	-		-	-		34,500		34,500	-	34,500	-	
Way to Grow	261,000		261,000	-	-	-		260,999	-	260,999	-	
Youth are Here Busses	71,800		71,800	-	-	-		(71,800)	-	-	-	
Mortgage Foreclosure Prevention Program	196,000		196,000	-	-	-		196,000	-	196,000	-	
Youth Employment & Training	457,000		457,000	-	-	-		457,000	-	457,000	-	
Subtotal Public Service Grants	\$ 1,965,500	\$ -	\$ 1,965,500	\$ -	\$ -	\$ -	\$ (98,528)	\$ 1,866,972	\$ -	\$ 1,866,972	\$ -	
Administrative Grants:												
MPH Citizen Participation	\$ 68,000		\$ 68,000	\$ -	\$ -	\$ -		\$ 68,000	\$ -	\$ 68,000	\$ -	
YCB Administration	65,000		65,000	-	-	-	(197)	64,803	-	64,803	-	
Civil Rights Dept Fair Housing	196,000		196,000	-	-	-		196,000	-	196,000	-	
Grants & Special Projects	235,000		235,000	-	-	-		235,000	-	235,000	-	
Homeless Initiative	-		-	-	-	-		-	-	-	-	
Housing Discrimination Law Project-Legal Aid	54,600		54,600	-	-	-		54,600	-	54,600	-	
Finance Administration	196,000		196,000	-	-	-		196,000	-	196,000	-	
Grant Administration	67,972		67,972	-	-	-		67,972	-	67,972	-	
Legal Aid Society	33,500		33,500	-	-	-		33,500	-	33,500	-	
Neighborhood Services	71,800		71,800	-	-	-		71,800	-	71,800	-	
Way to Grow Administration	25,800		25,800	-	-	-		25,800	-	25,800	-	
YCB Youth Violence Prevention	120,000		120,000	-	-	-		120,000	-	120,000	-	
Citizen Participation	233,000		233,000	-	-	-		233,000	-	233,000	-	
Program Admin	62,000		62,000	-	-	-		62,000	-	62,000	-	
Planning - Administration	878,000		878,000	-	-	-		878,000	-	878,000	-	
Subtotal Administrative Grants	\$ 2,306,672	\$ -	\$ 2,306,672	\$ -	\$ -	\$ -	\$ (197)	\$ 2,306,475	\$ -	\$ 2,306,475	\$ -	
Block E Deficit Reduction:												
Resource Inc, Employment Action Center			\$ -					\$ 6,000	\$ -	\$ -	\$ 6,000	
Southside Family Nurturing Center			-					20,727	-	-	20,727	
Way to Grow			-					1	-	-	1	
YCB Administration			-					197	-	-	197	
Youth are Here Busses			-					71,800	-	-	71,800	
Subtotal Reprogrammed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,725	\$ 98,725	\$ -	\$ -	\$ 98,725	
GRAND TOTAL	\$ 13,293,272	\$ -	\$ 13,293,272	\$ 1,150,000	\$ -	\$ -	\$ -	\$ 14,443,272	\$ 690,536	\$ 13,711,195	\$ 732,077	

City of Minneapolis
Community Planning & Economic Development (CPED)
Special Revenue Fund
For the Fourth Quarter Ending December 31, 2014

Programs	Original Budget	Current Budget	Expended	Variance	Cash	Fund Balance
Tax Increment Financing	49,837,156	58,544,485	49,346,069	9,158,105	100,049,630	129,939,386
Housing & Economic Development	2,831,280	11,988,832	4,071,489	8,020,857	14,752,553	17,699,377
Development Account	9,471,378	13,969,678	7,559,090	6,410,587	21,682,457	28,567,858
Neighborhood Revitalization	2,055,912	10,804,428	5,224,573	5,579,855	32,192,290	32,613,365
Preliminary Planning	-	-	(895)	895	(1,379,166)	(1,142,111)
CPED Operating	2,875,162	2,875,162	3,100,736	(225,575)	(3,197,504)	(3,870,639)
Total	\$ 67,070,888	\$ 98,182,586	\$69,301,062	\$28,944,724	\$164,100,260	\$203,807,236

The **CPED Special Revenue Fund** accounts for governmental fund proceeds that are typically legally restricted to expenditures for specific purposes in a series of housing and economic development programs. The range of programs operated within this fund was created to increase the City's economic competitiveness, to ensure an array of attractive housing choices, to support strong and diverse neighborhoods and to preserve our historic structures. These programs are financed primarily through state and local grants, tax increment financing, and administrative fees collected from the issuance of housing and economic revenue bonds.

Fund Balance: The fund balance in the combined CPED Special Revenue Fund as of the fourth quarter 2014 is \$203,807,236. A portion of that fund balance, including advances and property held for development, is in a non-spendable form in the amount of \$37,194,649. Fund balances in the NRP and TIF programs (\$133,894,347) are restricted by State law. The remaining fund balance (\$32,718,240) has been assigned for use in specific purposes. All special revenue funds are restricted to the legal purposes of the special revenue.

A comparison of the current year to 2013 indicates that the fund balance was higher in 2013 than 2014 by \$1.9 million and the available cash was \$7.8 million higher in 2013. When the fourth quarter cash balances of the NRP and TIF programs are deducted, the remaining cash balance in 2014 is \$4.2 million higher than 2013, which is driven in part by reduced deficits in the Preliminary Planning and CPED Operating funds due to shifts to the General Fund, and increased cash in the Development Account.

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

The primary source of revenue for this program is the property tax increment, which represents the taxes generated from the new, incremental value of specific development. Generally this revenue is used to pay outstanding bonds and notes. Tax increment revenues of the program are segregated by district and are restricted in how they may be used under State law.

Cash held in tax increment funds was reduced in fourth quarter 2014 compared to fourth quarter 2013 by \$7.2 million as a result, in part, of the prepayment of certain tax increment debt from fund balances. Second half tax increment collections are received in the fourth quarter of each year. Revenues increased from the fourth quarter 2013 to 2014 primarily as a result of Consolidated TIF District being restored to its original size. Expenditures increased from fourth quarter 2013 to 2014 by \$1.9 million, primarily as a result of transfers of Consolidated TIF revenue from CPED to NCR funds. It is projected that sufficient tax increment revenues will be available to pay future obligations. The revenues in this program are restricted in their use by State law.

Housing and Economic Development: Beginning in 2014, that portion of the Housing and Economic Development program activities previously funded through administrative fees generated by the City through the issuance of conduit debt, specifically housing and industrial revenue bonds, is financed through the City's General Fund. Simultaneously, those administrative fees are deposited to the City's General Fund. This will ensure a continuing revenue source for the program without fluctuations due to economic conditions that impact the City's housing or business climate, and further aligns the revenues with their appropriate accounting designations. The level of revenues and expenditures in this program was correspondingly reduced from the prior year.

Development Account: The Development Account program provides loans and grants to outside organizations within the City to assist commercial and housing development as well as interim loans to CPED projects and other City purposes. Program assistance is directed to commercial, job-creation, and housing activities.

The program is capitalized with residual equities such as land sale proceeds, parking revenues and rental income from development projects and UDAG and other loan payments not part of the Housing and Economic Development program.

Revenues decreased by \$4.9 million over the prior year. This decrease in revenues was attributable to various impacts that occurred in 2013, including a significant land sale, loan repayments and transfers. Expenditures stayed consistent from the prior year. A capital advance in the amount of \$2.75 million was made to fund preliminary planning activities relating to the streetcar, to be repaid from revenues generated from the Streetcar Value Capture fund.

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

The program is funded from tax increment and other revenues of the City's Common Project. From 1990 through 2011, the program was administered by the NRP Policy Board, a board established under State law and a joint powers agreement between the City, County, School District, Park Board and Library Board. In 2012 after the joint powers agreement expired, the program came under the

management of the City's Neighborhood and Community Relations Department. The revenues remaining in this program are restricted in their use by State law.

Fourth quarter revenues generated from the receipt of loan repayments decreased by \$4.1 million and expenditures decreased by \$1.8 million from the prior year.

Preliminary Planning: The Preliminary Planning program was established to account for and finance preliminary expenditures relating to new projects, whether those projects will eventually be established as TI districts, will be funded through another mechanism, or it is determined it is not feasible to undertake.

Beginning in 2014, the Preliminary Planning program is funded from the City's General Fund. This will eliminate future deficits in the program.

At the end of 2013 a deficit existed in the program in the amount of \$(1,982,453). As of the fourth quarter 2014, the deficit has been reduced by \$840,000, leaving a remaining deficit of \$(1,142,114) that continues to be paid down through transfers from other funds.

CPED Operating: This program provides the working capital for CPED's administrative costs. The program also provides financing for projects not eligible for CPED's restrictive revenue sources. At the end of 2013, a deficit fund balance existed in the program in the amount of \$(6,534,555). As of the fourth quarter 2014, that deficit has been reduced to \$(3,870,639), a reduction of \$2.7 million. The difference in the deficit between current revenues and current expenditures decreased approximately \$1.5 million from fourth quarter 2013 to 2014. This ongoing structural deficit is addressed by increasing the General Fund appropriation in 2015.

Deficit Work-out Plans. Multi-year Workout Plans for deficit balances in the Preliminary Planning and CPED Operating programs were developed and approved by CPED directors as part of the 2012 budget process.

For both programs, the deficit in 2011 was spread over a 5-year period. In each year, the available, unrestricted CPED revenues were to be used to pay 20 percent of the original deficit plus the actual deficit from the prior year-end. As an example, a \$5 million deficit in a program would be paid down each year by \$1 million. In addition to the \$1 million payment, any current deficit from the immediate prior year would also be paid in the subsequent year. Therefore if the current year deficit was \$350,000, the total deficit reduction payment would be \$1,350,000. After the 5-year period, the only deficits remaining would be from the immediately prior year and available, unrestricted revenues would be used to pay that then current deficit.

In 2012 and 2013, portions of the 5-year deficit reduction plan for the two programs, along with the prior year's current deficit were successfully implemented. The 2014 budget included the third year payments of these work-out plans and, as of the fourth quarter, the payments have been applied.

CPED Special Revenue Fund	TIF	Housing & Econ	Development	NRP	Preliminary	CPED	Spec Rev Fund	
		Development	Account		Planning	Operating	2014 Total	2013 Total
Assets								
Cash	100,049,630	14,752,553	21,682,457	32,192,290	(1,379,166)	(3,197,504)	164,100,260	171,895,602
Misc receivables	1,116,061	43,636	110,563	84,233	(3,393)	35,190	1,386,290	721,873
Loans receivable	-	7,377,163	-	-	-	-	7,377,163	7,929,228
Advances to other funds	7,288,000	-	3,000,000	-	-	-	10,288,000	8,268,000
Properties held for resale	28,162,702	4,363,083	3,930,698	495,702	242,464	-	37,194,649	37,257,851
Total Assets	136,616,393	26,536,435	28,723,718	32,772,225	(1,140,095)	(3,162,314)	220,346,362	226,072,554
Liabilities								
Payables	150,749	67,723	141,062	127,142	3,328	699,111	1,189,115	3,917,878
Advances from other funds	6,318,000	1,220,000	-	-	-	-	7,538,000	8,258,000
Deferred inflow of resources	208,258	7,549,335	14,798	31,718	(1,312)	9,214	7,812,011	8,234,118
Total Liabilities	6,677,007	8,837,058	155,860	158,860	2,016	708,325	16,539,126	20,409,996
Total Fund Balance	129,939,386	17,699,377	28,567,858	32,613,365	(1,142,111)	(3,870,639)	203,807,236	205,662,558
Total Liabilities & FB	136,616,393	26,536,435	28,723,718	32,772,225	(1,140,095)	(3,162,314)	220,346,362	226,072,554
Revenue								
General property taxes	-	1,016,103	-	-	-	-	1,016,103	1,001,197
Property tax increment	42,286,248	-	-	-	-	-	42,286,248	36,246,008
Fees & charges for services	71,232	579,932	76,492	-	15,000	2,399,217	3,141,873	7,258,261
Interest revenue	610,632	67,591	101,194	213,057	4,767	34,780	1,032,021	(83,319)
Rent	3,870,316	250,401	-	-	-	2,525	4,123,242	3,941,541
Sale of land & buildings	17,041	3,857	148,808	-	-	-	169,706	10,821,540
Loan recapture	140,578	624,581	3,835,267	671,904	-	-	5,272,330	8,238,448
Total revenue	46,996,047	2,542,465	4,161,761	884,961	19,767	2,436,522	57,041,523	67,423,676
Expenditures								
Personal services	234,891	520,929	297,423	628	(895)	231,186	1,284,162	3,451,941
Contractual services	795,864	1,016,653	1,625,955	4,067,182	-	2,864,053	10,369,707	15,808,708
Other operating costs	14,502	610,338	445,223	-	-	5,497	1,075,560	2,244,077
Program capital outlay	15,380,492	1,923,569	640,489	960,504	-	-	18,905,054	16,585,182
Total expenditures	16,425,749	4,071,489	3,009,090	5,028,314	(895)	3,100,736	31,634,483	38,089,908
Transfers								
Transfers from other funds	2,121,589	1,766,995	2,367,823	-	819,680	3,328,130	10,404,217	7,033,224
Transfers to other funds	(32,920,320)	-	(4,550,000)	(196,259)	-	-	(37,666,579)	(37,597,344)
Total transfers	(30,798,731)	1,766,995	(2,182,177)	(196,259)	819,680	3,328,130	(27,262,362)	(30,564,120)
Change in fund balance	(228,433)	237,971	(1,029,506)	(4,339,612)	840,342	2,663,916	(1,855,322)	(1,230,352)
Beginning fund balance	130,167,819	17,461,406	29,597,364	36,952,977	(1,982,453)	(6,534,555)	205,662,558	206,892,910
Ending fund balance	129,939,386	17,699,377	28,567,858	32,613,365	(1,142,111)	(3,870,639)	203,807,236	205,662,558

City of Minneapolis
Engineering, Materials, and Testing
For the Fourth Quarter Ending December 31, 2014

Fund 06000	2014 Budget	2014 Actual	2013 Actual	2012 Actual
Operating Revenue	1,802,927	1,297,117	1,865,267	1,988,868
Operating Expense	1,944,107	1,517,834	1,449,151	1,320,506
Operating Margin	(141,180)	(220,717)	416,116	668,362
Change in Net Position		(220,717)	412,458	469,350
Net Position		1,782,163	1,974,511	1,584,366
Cash Balance		1,935,522	2,125,050	1,745,678

Program Description:

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

Revenue:

Operating revenue earned through fourth quarter 2014 is \$1,297,117 or 71.9% of the budgeted amount of \$1,802,927 and represents a decrease of 30.5% over the revenue earned through fourth quarter 2013 of \$1,865,267. Revenue for asphalt and concrete is recorded as overhead charged on the products, or the difference between the cost of the product and the sale price charged to the customer. The revenue earned through fourth quarter 2014 is less than the amount earned through fourth quarter 2013 due to a decrease of 37.5% in the overhead rate applied to the procurement and sale of asphalt and concrete. In addition, the fund decreased the rates charged for inspection services and laboratory testing in 2014.

Expense:

Operating expense through fourth quarter 2014 is \$1,517,834, or 78.1% of the budgeted amount of \$1,944,107. The expense budget received an appropriation increase of \$180,000 for the purchase of a drill rig. Net position is the source of funding for the rig. The 2014 expense through fourth quarter reflects an increase of 4.7% over the 2013 expense of \$1,449,151 incurred through the same period. The increase is primarily due to an increase in personnel expense resulting from additional staff hired to perform test work.

Transfers:

This fund does not have any transfers in or out in 2014.

Debt Service:

This fund does not have any debt obligations.

Cash and Net Position:

The 2014 ending cash balance is \$1,935,522, a decrease of \$189,528, 8.9% from the 2013 ending cash balance of \$2,125,050. The decrease in cash is due to the reduction in the overhead rates charged on asphalt, concrete and engineering lab services. Financial policies for the cash reserve for the Engineering, Materials, and Testing Fund determine that the cash balance should not be less than 15% of the operating budget or \$0.2 million.

The 2014 year-end net position is \$1,782,163 which represents a decrease of \$192,348 or 9.7% from the 2013 ending net position of \$1,974,511. The decrease in net position is due to an operating loss resulting from the planned decrease to overhead rates charged on services and products. The financial policy for the net position for this fund determines that net position should not be less than 15% of the annual operating budget or \$0.2 million.

City of Minneapolis, Minnesota
Engineering, Materials and Testing Fund
Statement of Revenues and Expenses
For Fourth Quarter/Years Ending 2014, 2013, and 2012

	Budget Year 2014	For Year Ending 2014	For Year Ending 2013	For Year Ending 2012
Operating Revenues:				
Asphalt / Concrete	400,000	290,153	484,086	520,855
Inspection revenue	1,402,927	1,006,964	1,381,181	1,468,013
Total Operating Revenues	<u>1,802,927</u>	<u>1,297,117</u>	<u>1,865,267</u>	<u>1,988,868</u>
Operating Expenses:				
Personnel	1,208,533	1,067,161	950,073	811,234
Contractual	458,050	369,913	397,066	446,859
Materials, Supplies, Services, Other ¹	264,426	67,662	88,914	55,504
Rent	13,098	13,098	13,098	6,909
Total Operating Expenses	<u>1,944,107</u>	<u>1,517,834</u>	<u>1,449,151</u>	<u>1,320,506</u>
Operating Margin	<u>(141,180)</u>	<u>(220,717)</u>	416,116	668,362
Non-Operating Revenues (Expenses):				
Other revenue	-	-	20	-
Depreciation	-	-	(3,678)	(4,012)
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>(3,658)</u>	<u>(4,012)</u>
Operating Transfers In (Out):				
Net transfers in from other funds	-	-	-	-
Net transfers out to other funds	-	-	-	(195,000)
Total Operating Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>(195,000)</u>
Change in Net Position	<u>(141,180)</u>	<u>(220,717)</u>	412,458	469,350
Significant Balance Sheet Items				
Cash Balance		1,935,522	2,125,050	1,745,678
Net position		1,782,163	1,974,511	1,584,366

¹ The 2014 budget for Materials, Supplies, Services, Other includes a Council approved appropriation of \$180,000 for the purchase of a drilling rig that will be capitalized as a fixed asset. The source of funding is net position.

**City of Minneapolis
Fleet Services Division
For the Fourth Quarter Ending December 31, 2014**

Fund 06100	2014 Budget	2014 Actual	2013 Actual	2012 Actual
Operating Revenue	38,502,908	39,281,281	43,312,683	42,228,785
Operating Expense	27,525,422	25,818,202	34,198,858	34,039,397
Operating Margin	10,977,486	13,463,079	9,113,825	8,189,388
Change in Net Position		8,468,927	12,657,695	2,934,897
Net Position		59,822,207	50,061,874	37,199,506
Cash Balance		23,186,971	18,893,919	10,236,821

Program Description:

The Fleet Services Fund manages the acquisition, maintenance and disposal of 2,100 units of equipment; primarily the City's fleet of vehicles, including police cars, fire trucks, snow plows, sedans and pickup trucks along with off road equipment. This fund provides technicians to maintain the equipment. Through the end of October 2013, the fund also provided the drivers and operators for the equipment that is used in construction and snow removal. Starting in November 2013, these employees were transitioned out of Fleet Services Fund and reallocated to various Public Works departments. In addition, the fund manages the distribution of City-owned and contractual equipment to City departments along with managing the procurement and sale of fuel for these vehicles.

Revenues:

Operating revenue earned through fourth quarter 2014 is \$39,281,281, or 102.0% of the budgeted amount of \$38,502,908. The revenue earned through fourth quarter 2014 decreased by \$4,031,402, or 9.3%, over the revenue earned through fourth quarter 2013. The equipment rental rates along with charges for maintenance and fuel are calculated through an activity based cost allocation model and are adjusted at the beginning of the current year to account for any changes in fuel prices or expected utilization of equipment. In 2013, the division charged an hourly rate for equipment drivers and operators as part of the allocation model. In 2014 those employees are budgeted directly in the departments utilizing them, resulting in decreased rent revenue. This decrease is offset by a decrease in expense as noted below.

Expenses:

Operating expense through fourth quarter 2014 totaled \$25,818,202, representing 93.8% of the budgeted amount of \$27,525,422. Expenses through the fourth quarter of 2014 decreased by \$8,380,656 or 24.6% from the total expense recorded through the same period in 2013. This decrease is largely attributed to the decrease in employees assigned to the fund. The number of FTEs budgeted and paid from Fleet Services decreased from 156 in 2013 to 78 in 2014. This

decrease is due to the transfer of drivers and operators out of Fleet and directly into the other Public Works departments that use the drivers and operators.

Transfers:

In 2014, this fund received a transfer in of \$1,288,580 to fund vehicle purchases as part of the Capital Asset Request System (CARS). This transfer is intended to bridge the gap created by the purchase of new vehicles that, due to changes in technology or needs, are more expensive than the vehicles they are replacing. In 2013, this fund received a transfer of \$8,315,000 from the general fund in accordance with the accepted long-term financial plan to assist with debt payments related to fleet upgrades and a new maintenance facility.

Debt Service:

The debt service is related to the general obligation bonds sold to finance the upgrade of fleet vehicles and the new maintenance facility. In 2014, the principle payments for the vehicle and facility debt were \$730,000 and \$1,260,000 respectively. A total of \$345,000 of interest was paid. Beginning in 2007, the financial plan eliminated the sale of bonds to finance equipment purchases. The fund is scheduled for a final payment of a \$9.3 million in 2018.

Cash and Net Position:

The fund has maintained a positive cash balance with a 2014 ending balance \$23,186,971, an increase of \$4,293,052 over the 2013 ending balance of \$18,893,919. Reserve policies for internal service funds determine that the minimum cash balance should be 15% of the fund's operating budget or \$4.0 million for 2014 for the Fleet Services Division. While cash reserves at the end of 2014 are significantly higher than the minimum target, there are no future scheduled transfers in to assist with the payment of the remaining principal and interest on debt totaling \$17,112,300 through 2018. Additionally, the fund pays cash for all equipment purchases and recovers the cost over the life of the vehicle.

The net position for the year ending 2014 is \$59,822,207, an increase of \$9,760,333, or 26.2% over the 2013 ending net position of \$50,061,874. The increase in net position is primarily due to timing differences between the collection of revenue to replace vehicles and the delay in the delivery and payment of those vehicles. In addition, the fund received a payment of \$1.3 million from the General Fund and reimbursements totaling \$0.8 million from other City departments to assist with the acquisition of new fleet vehicles. Net position consists of a net investment in capital assets of \$37,902,363 along with \$ 21,919,845 of unrestricted net position. The net position is tracking close to the amount calculated in the updated long term financial plan.

City of Minneapolis
Fleet Services Division Fund
Statement of Revenue and Expenses
For Fourth Quarter/Years, 2014, 2013, and 2012

	Budget Year 2014	For Year Ending 2014	For Year Ending 2013	For Year Ending 2012
Operating Revenues:				
Charges for Services and Sales	20,484,862	18,105,932	18,402,815	17,089,648
Rent Public Works and Other ¹	18,018,046	21,175,349	24,909,868	25,139,137
Total Operating Revenues	38,502,908	39,281,281	43,312,683	42,228,785
Operating Expenses:				
Personnel Services	7,580,105	7,233,185	12,932,221	13,856,783
Contractual Services	7,731,680	7,859,404	9,385,741	9,545,442
Materials, supplies, services and other	11,289,040	9,801,016	10,913,325	9,671,822
Rent	924,597	924,597	967,571	965,350
Total Operating Expenses	27,525,422	25,818,202	34,198,858	34,039,397
Operating Margin	10,977,486	13,463,079	9,113,825	8,189,388
Non-Operating Revenues (Expenses):				
Interest on Bonds	(517,050)	(345,090)	(595,507)	(522,632)
Gains/Losses on disposal of fixed assets	300,000	214,329	340,385	232,662
Other revenue	-	6,891	32,920	124,825
Depreciation	(6,500,000)	(6,158,862)	(6,150,969)	(6,423,656)
Total Non-Operating Revenues (Expenses)	(6,717,050)	(6,282,732)	(6,373,171)	(6,588,801)
Operating Transfers In (Out)				
Net transfers in from other funds	1,288,580	1,288,580	8,315,000	1,926,000
Net transfers out to other funds	-	-	-	(2,283,728)
Total Operating Transfers	1,288,580	1,288,580	8,315,000	(357,728)
Capital Contribution²	-	-	1,602,041	1,692,038
Change in Net Position	5,549,016	8,468,927	12,657,695	2,934,897
Significant Balance Sheet Items:				
Cash Balance		23,186,971	18,893,919	10,236,821
Net Building Value		20,973,940	21,576,363	22,178,787
Net Fleet Value		28,764,885	26,050,280	24,814,450
Bonds Payable		(15,645,000)	(17,635,000)	(21,290,000)
Net Position		59,822,207	50,061,874	37,199,506
Significant Cash Flow Items				
Principal on Equipment Bonds	(730,000)	(730,000)	(2,585,000)	(1,275,000)
Principal on Facilities Bonds	(1,260,000)	(1,260,000)	(1,070,000)	(970,000)
Fleet Purchases	15,424,867	7,539,842	6,435,269	7,388,837

¹Reimbursements for vehicle purchases, previously classified as non-operating revenue, are included in operating. The amounts received in 2012, 2013, 2014 totaled \$554,741, \$491,917, and \$803,757 respectively.

²Capital contribution in 2013 consists of public improvements valued at \$1,374,306 paid for by the Capital Improv along with \$184,525 in vehicles purchased with various grants and \$43,211 contributed by Solid Waste.

City of Minneapolis
Property Services Division
For the Fourth Quarter Ending December 31, 2014

Fund 06200	2014 Budget	2014 Actual	2013 Actual	2012 Actual
Operating Revenue	18,743,765	19,152,508	18,397,506	16,575,275
Operating Expense	19,382,061	19,185,118	17,549,479	16,208,427
Operating Margin	(638,296)	(32,610)	848,027	366,848
Change in Net Position		(442,050)	7,508,937	(525,059)
Net Position		32,801,370	33,058,446	25,571,251
Cash Balance		3,757,757	4,248,459	762,026

Program Description:

The Property Services Fund is responsible for the maintenance and upkeep of City-owned buildings including police precinct structures, fire stations, and public works buildings. The fund does not include the Convention Center, Water facilities, or Park Board buildings. The fund is also responsible for the Radio Shop which maintains the City's emergency communications network. Beginning in 2009, the Council approved a City-wide charge for City Hall rent. The Property Service fund collects the rental charge and remits it to the Municipal Building Commission (MBC) to reimburse MBC for maintenance and property management services. The 2014 revenue and expense budgets for the fund were increased by \$4,502,000 to account for this flow-through rental charge. The City departments located in City Hall receive a general fund appropriation to fund the charge for the rent.

In April 2011, the Property Services fund was transitioned from the Public Works department to the Finance department within the City Coordinator's Office. The activities in this fund were determined to be an internal service function that should report to the Chief Financial Officer as part of the City Coordinator's Office.

Revenue:

Operating revenue recorded through fourth quarter 2014 is \$19,152,508, or 102.2% of the budgeted amount of \$18,743,765. The 2014 fourth quarter revenue increased \$755,002, or 4.1%, from the revenue earned through fourth quarter 2013. Property Services earns revenue through rent charged to departments housed in City owned buildings for property maintenance and by performing facility repairs and upgrades. Revenue from repairs and upgrades fluctuates based on the amount of discretionary spending available to departments. Revenue earned through fourth quarter 2014 from both discretionary project work and City building rents experienced an increase from the amounts earned from these activities through fourth quarter 2013.

Expenses:

Operating expense through fourth quarter 2014 is \$19,185,118, or 99% of the total budgeted amount of \$19,382,061. The 2014 fourth quarter expense increased \$1,635,639,

or 9.3%, over the operating expense recorded through fourth quarter 2013. Compared to 2013, expenses increased in all categories except Rent. Personnel expense increased as vacant positions were filled within project management and as labor was supplied for discretionary projects. Contractual services and materials expense increased following a rise in the demand for discretionary projects for other City departments.

Transfers:

In 2014, this fund received a transfer in from the General Fund of \$301,206 for City Hall rent expense and \$345,000 for Capital Asset Request System (CARS) projects. These CARS projects are related to security enhancements at various locations throughout the City.

Debt Service:

The debt service for 2014 is related to the sale of net debt bonds to purchase the 800 MHz radio system. In 2014, the debt consisted of an interest payment of \$83,465 and a principal payment of \$765,000. The remaining debt is \$3,526,000 with the final payment scheduled for 2018.

Cash and Net Position:

The cash balance at the end of 2014 was \$3,757,757 compared to a cash balance of \$4,248,459 at the end of 2013. The cash consists of a balance of \$1,380,477 in the Property Disposition Fund and a balance of \$2,377,280 in the Property Services operating fund. Financial reserve policies for the internal service funds determine that the minimum cash balance should be 15.0% of the fund's operating budget or \$1.8 million for the Property Services Fund. While the current cash balance is higher than the minimum target, the fund will use this cash reserve to pay future years' debt service of \$3,526,000 related to the bonds sold to purchase the 800 MHz radio system.

The net position for year-end 2014 is \$32,801,370, a decrease of \$257,076 from the net position of \$33,058,446 for year-end 2013. The decrease in net position is primarily due to the use of net position to fund the MAXIMO project in 2014 and an increase in operational and maintenance expense for City owned buildings. The cost allocation model for this fund does not recover the depreciation costs related to capital assets. It is expected that the net position will decrease, in subsequent years, primarily due to recognizing the depreciation of capital assets. The financial policy for the net position for the Property Services Fund determines that net position should not fall below two times the annual depreciation. The depreciation in 2014 is \$1.3 million and the net position is \$31.5 million greater than the benchmark. Net position consists of net investment in capital assets of \$30,156,598 along with \$2,644,771 of unrestricted net position.

City of Minneapolis, Minnesota
Property Services Fund
Statement of Revenues and Expenses
For the Fourth Quarter / Years Ending 2014, 2013, and 2012

	Budget Current Year 2014	For Year Ending 2014	For Year Ending 2013	For Year Ending 2012
Operating Revenues:				
Charges for Services And Sales	4,392,935	4,764,338	4,337,175	3,334,978
Rents Public Works and Other	14,350,830	14,388,150	14,060,331	13,240,297
Total Operating Revenue	18,743,765	19,152,488	18,397,506	16,575,275
Operating Expenses:				
Personnel Services	6,271,863	5,948,082	5,510,168	5,476,677
Contractual Services	11,005,456	11,352,721	10,364,061	9,083,368
Materials, Supplies, Services and Other	1,599,530	1,379,103	1,155,654	1,054,864
Rent	505,212	505,212	519,596	593,518
Total Operating Expenses	19,382,061	19,185,118	17,549,479	16,208,427
Operating Margin	(638,296)	(32,630)	848,027	366,848
Non-Operating Revenues (Expenses):				
Interest on Bonds	(121,350)	(83,465)	(129,764)	(130,637)
Gains/Losses on disposal of fixed assets			-	-
Revenue from grants			-	-
Misc Revenues	3,000	2,819	11,067	23,140
Depreciation	(1,340,894)	(1,340,894)	(1,347,356)	(1,127,235)
Total Non-Operating Revenues (Expenses)	(1,459,244)	(1,421,540)	(1,466,053)	(1,234,732)
Operating Transfers In (Out):				
Net transfers in from other funds	646,206	646,206	3,282,231	894,000
Net transfers out to other funds	-	-	-	(598,000)
Transfers from capital projects	(97,000)			
Total Operating Transfers	646,206	646,206	3,282,231	296,000
Capital Contribution¹	-	365,914	4,844,732	46,825
Change in Net Position	(1,451,334)	(442,050)	7,508,937	(525,059)
Significant Balance Sheet Items				
Cash Balance		3,757,757	4,248,459	762,026
Property Dispositon Fund cash balance		1,380,477	1,380,477	1,380,477
Operating cash balance		2,377,280	2,867,982	(618,451)
Bonds Payable		(3,280,000)	(4,045,000)	(4,775,000)
Net Position		32,801,370	33,058,446	25,571,251
Significant Cash Flow Items				
Principal Payments on Debt	(765,000)	(765,000)	(730,000)	(700,000)

¹Capital contribution consists of various building improvements paid for by the 04100 Capital Improvement Fund and capitalized in the Property Services Fund.

**City of Minneapolis
Public Works Stores
For the Fourth Quarter ending December 31, 2014**

Fund 6300	2014 Budget	2014 Actual	2013 Actual	2012 Actual
Operating Revenue	1,115,000	1,384,025	1,515,490	1,929,689
Operating Expense	1,059,265	1,112,140	1,100,031	1,142,797
Operating Margin	55,735	271,885	415,459	786,892
Change in Net Position		530,632	415,459	669,892
Net Position		4,638,124	4,088,748	3,692,245
Cash Balance		(200,801)	(178,640)	(163,313)

Program Description:

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

Revenue:

Operating revenue earned through fourth quarter 2014 was \$1,384,025, or 124.1% of the budgeted amount of \$1,115,000. The amount earned through fourth quarter represents a decrease of \$131,465, or 8.7%, over the \$1,515,490 in revenue earned through fourth quarter 2013. Revenue for this fund is earned by applying overhead charges to inventory sales and transaction processing. The decrease in operating revenue from 2013 to 2014 corresponds to a decrease in Traffic Stores inventory sales to Public Works divisions related to construction projects. Non-operating revenue in 2014 includes an adjustment of \$258,747 to reclassify a refund of a prior year expense for inventory.

Expenses:

Operating expense recorded through fourth quarter 2014 is \$1,112,140, or 105.0% of the budgeted amount of \$1,059,265. The amount expended through fourth quarter 2014 increased by \$12,109 or 1.1% from the \$1,100,031 expended through the same period in 2013. The operating expense for 2014 includes an adjustment of \$258,747 related to a refund of prior year expense for inventory.

Transfers:

There were no transfers in or out of this fund in 2014.

Debt Service:

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

Cash and Net Position:

The cash balance at year-end 2014 is \$1,199 representing a decrease of \$1,161 or 49.2% from the year-end balance in 2013 of \$2,360. This fund typically records a deficit cash balance at the end of fourth quarter and processes an interfund transfer of cash to bring the cash balance to a positive amount for CAFR purposes. The actual cash balance at the end of fourth quarter was a deficit of (\$200,801), a decrease of \$22,161 from the 2013 year-end deficit balance of \$178,640). The fund has not had a positive cash balance since 2005 when the ending balance was \$91,610. The financial policy for the cash balance for the Public Works Stores Fund determines that the cash balance should be maintained equal to 15% of the annual operating budget, or \$0.2 million.

The fund continues to maintain a positive net position with a 2014 ending balance of \$4,638,124, an increase of 13.4% from the 2013 net position of \$4,086,723. An inventory value of \$5.2 million is the primary factor contributing to the positive net position. The financial policy for the net position for the Public Works Stores Fund determines that a net position should be maintained equal to 15% of the annual operating budget, or \$0.2 million.

City of Minneapolis, Minnesota
Public Works Stores
Statement of Revenues and Expenses
For the Fourth Quarter/Years Ending 2014, 2013, and 2012

	Current Budget Year 2014	For Year Ending 2014	For Year Ending 2013	For Year Ending 2012
Operating Revenues:				
Central Stores	565,000	761,497	749,377	825,836
Traffic Stores	550,000	622,528	766,113	1,103,853
Total Operating Revenues	1,115,000	1,384,025	1,515,490	1,929,689
Operating Expenses:				
Personnel	715,253	774,865	770,867	712,498
Contractual	237,808	271,004	279,840	271,777
Materials, Supplies, Other	70,818	30,885	15,767	120,717
Rent	35,387	35,387	33,557	37,805
Total Operating Expenses	1,059,266	1,112,140	1,100,031	1,142,797
Operating Margin	55,734	271,885	415,459	786,892
Non-Operating Revenues (Expenses):				
Other revenue	-	258,747	-	-
Total Non-Operating Revenues (Expenses)	-	258,747	-	-
Operating Transfer In (Out):				
Net transfers out to other funds	-	-	-	(117,000)
Total Operating Transfers	-	-	-	(117,000)
Change in Net Position	55,734	530,632	415,459	669,892
Significant Balance Sheet Items				
Cash Balance ¹		1,199	2,360	1,687
Due to Other Funds		202,000	181,000	165,000
Inventories		5,242,640	4,581,136	4,287,662
Net Position		4,638,124	4,088,748	3,692,245

1 The cash balances represented on the fourth quarter statement are cash balances as stated in the CAFR.

The actual year-end balances for 2014, 2013, and 2012 are cash deficits of \$(200,801), (\$178,640), and (\$163,313) respectively.

The Public Works Stores Fund receives an interfund loan at year-end to bring a deficit cash balance to a positive balance.

**City of Minneapolis
Intergovernmental Services Fund
For the Fourth Quarter Ending December 31, 2014**

Fund 06400	2014 Budget	2014 Actual	2013 Actual	2012 Actual
Operating Revenue	54,148,445	44,380,298	33,523,719	32,608,512
Operating Expense	52,269,244	44,298,415	34,494,915	33,075,161
Operating Margin	1,879,201	81,883	(971,196)	(466,649)
Change in Net Position		8,978,857	4,422,026	(1,690,168)
Net Position		62,084,185	37,403,733	27,410,079
Cash Balance		49,887,640	35,263,865	15,804,900

Program Description:

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

Revenue:

Operating revenue through the fourth quarter of 2014 is \$44,380,298, or 82.0% of the annual budgeted amount of \$54,148,445. This is an increase of \$10.9 million, or 32.4%, compared to revenue of \$33,523,719 earned through fourth quarter of 2013. The increase in revenue is primarily due to a significant increase of \$7.8 million in revenue earned through PMO (Project Management Office) projects for enterprise wide initiatives specifically the Enterprise Land Management System (ELMS) and the Enterprise Resource Planning program (ERP). The remaining increase results from revenue earned from charges to City departments related to managing and providing technology and communication services as determined by the cost allocation model.

Expenses:

Operating expenses through the fourth quarter are \$44,298,415, or 84.8% of the annual budgeted amount of \$52,269,244. The operating expense through fourth quarter increased \$9.8 million, or 28.4%, from the 2013 expense of \$34,494,915. Operating expenses recorded to the Project Management Office department are primarily responsible for this increase, specifically the expenses related to the ELMS, ERP, and the Intelligent Operations Platform projects. These enterprise wide projects are funded through City department operating expense savings, cost allocation model charges, and by transfers from the general fund as determined by the Capital Asset Request System (CARS). The expenses in PMO include the cost of purchasing technology, creating enhancements, and implementation of the products. The PMO department charges the costs of these products and services to City user departments and includes an overhead amount that is calculated to generate enough revenue to cover the overhead expense of the department.

Administration expenses of \$9.6 million increased 19.7% over 2013 amount of \$8.0 million. This increase is primarily due to additional software license purchases and the related cost of application support that can be attributed to new technology initiatives and upgrades.

Debt:

The debt service for 2014 is related to the sale of net debt bonds for IT projects. In 2014, the debt consists of an interest expense of \$193 and a principal payment of \$1,645,000. Beginning 2013, the principal payment was significantly reduced to \$1,955,000 from \$9.2 million paid in 2012 and \$10.0 million paid in 2011. Existing bond debt obligations will be repaid by year-end 2015 with a final payment of \$2,751,188. In 2014, net debt bonds of \$2,225,000 were sold. Future sales of net debt bonds to support capital projects are expected to be between \$0.5 million and \$3.0 million from 2015 through 2019. The fund makes an annual payment of \$1.5 million to the Minneapolis Convention Center, related to monies advanced from this fund, with a final payment scheduled in 2016 of \$1.75 million.

Transfers:

In 2014, this fund received transfers in totaling \$22.0 million. The annual transfers consist of a General Fund transfer totaling \$19.3 million, \$1.0 million from the Self Insurance Fund, and \$1.7 million from the debt service fund. The general fund transfer includes \$13.1 million in accordance with the long term financial plan, \$0.5 million for WIFI expense, \$0.2 for City Hall rent, \$0.3 million for the City Clerk LIMS project, and \$5.3 million of approved CARS funding for the Enterprise Resource Planning project. In 2014, \$5.9 million of the general fund transfer was budgeted and recorded as revenue to IT operating departments to match the operational expense that was funded by the transfer. This reduced the transfer in budget to \$15.2 million. The actual revenue recorded as a transfer in was \$16.1 million due to an increase of \$1.0 million in the amount received from the debt service fund. In 2014, \$5.3 million of the transfer in for ERP was recorded to IT deferred revenue until the project expense occurred. Of this amount, \$3.0 million was recognized as PMO revenue to match the related project expense. The transfer from the Self Insurance fund is in accordance with the long-term financial plans for both funds and will end in 2016.

The 2012 transfer to other funds includes a transfer out of \$1,072,000 for debt service related to the retirement of bonds sold to fund the former Minneapolis Employees Retirement Fund's unfunded pension liability. The Intergovernmental Services fund used net position as a revenue source for the payment and recovers the expense through the cost allocation model in years 2013 through 2015. The 2014 transfer to other funds includes transfers of \$522,770 for debt service.

Cash and Net Position:

The cash balance at the end of fourth quarter is \$49.9 million, representing an increase of \$14.6 million from the 2013 year-end balance of \$35.3 million. The primary reason for the increase to cash in 2014 is the general fund transfer of \$13.1 million in accordance with the long term financial plan. Included in the cash balance are prepayments of \$9.6 million for technology projects from other City departments. Financial reserve policies for the internal service funds determine that the minimum cash balance for the Intergovernmental Services fund should be 15% of the fund's total budget or \$5.0 million.

The net position at year-end 2014 is \$62.1 million, an increase of \$24.7 million from the year-end 2013 net position of \$37.4 million. The increase to net position is primarily due to an increase in cash of \$14.6 million (related to general fund transfer of \$13.1 million) and an increase in book value of long term assets of \$6.6 million. Financial reserve policies for the internal service funds determine that the minimum net position for the Intergovernmental Services fund should be twice the depreciation amount or \$13.6 million. The cost allocation model for this fund does not recover depreciation related to capital assets. This fund records the acquisition value of customer funded IT project assets and it is expected that the net position will continue to increase.

City of Minneapolis
Intergovernmental Services Fund
Statement of Revenue and Expenses
For Fourth Quarter/Years, 2014, 2013, and 2012

	Budget Current Year 2014	For Year Ending 2014	For Year Ending 2013	For Year Ending 2012
Operating Revenues:				
Charges for Service:				
IT - PMO	23,307,598	13,211,244	5,417,060	5,225,188
IT - Telecom	3,688,276	2,900,134	3,020,539	3,066,530
IT - Operating-other	25,876,987	26,818,599	23,878,779	23,147,764
CC-Mailing Services/Data Center	495,439	599,988	586,206	602,624
CC-Copy Services	780,145	850,333	621,135	566,406
Total Operating Revenues	<u>54,148,445</u>	<u>44,380,298</u>	<u>33,523,719</u>	<u>32,608,512</u>
Operating Expenses:				
IT - PMO	20,670,337	13,798,410	6,497,679	5,955,908
IT - Telecom	1,579,283	1,529,540	1,797,176	1,949,045
IT - Operating-other	27,994,815	27,231,026	24,544,795	23,636,620
CC-Mailing Services/Data Center	971,437	732,621	684,032	675,912
CC-Copy Services	750,173	750,124	669,344	585,482
Human Resources	303,199	256,694	301,889	272,194
Total Operating Expenses	<u>52,269,244</u>	<u>44,298,415</u>	<u>34,494,915</u>	<u>33,075,161</u>
Operating Margin	<u>1,879,201</u>	<u>81,883</u>	<u>(971,196)</u>	<u>(466,649)</u>
Non-Operating Revenues (Expenses):				
Interest on bonded debt	(60,795)	(193)	(27,802)	(26,027)
Revenue from grants	-	-	-	11,631
Other non-operating income (expense)	42,843	42,843	34,615	-
Depreciation	(6,664,051)	(6,812,314)	(11,838,204)	(12,313,813)
Total Non-Operating Revenues (Expenses)	<u>(6,682,003)</u>	<u>(6,769,664)</u>	<u>(11,831,391)</u>	<u>(12,328,209)</u>
Operating Transfers In (Out):				
Net transfers in from other funds ¹	15,169,609	16,139,408	17,239,500	12,185,444
Net transfers out to other funds	-	(522,770)	(14,887)	(1,103,473)
Total Operating Transfers	<u>15,169,609</u>	<u>15,616,638</u>	<u>17,224,613</u>	<u>11,081,971</u>
Capital Contribution	-	50,000	-	22,719
Change in Net Position	<u>10,366,807</u>	<u>8,978,857</u>	<u>4,422,026</u>	<u>(1,690,168)</u>
Significant Balance Sheet Items:				
Cash Balance		49,887,640	35,263,865	15,804,900
Notes Payable		(3,250,000)	(4,750,000)	(6,250,000)
Bonds Payable		(2,705,000)	(2,125,000)	(3,115,000)
Unearned Revenue		(9,630,256)	(12,919,353)	(12,235,400)
Net Position		62,084,185	37,403,733	27,410,079
Significant Cash Flow Items				
Capital Outlay		(13,353,622)	(5,900,065)	(4,680,503)
Bond & Note Principle Payments		(3,145,000)	(3,455,000)	(10,715,000)
Refunding Principle Payments		-	-	-

¹In 2014, \$5,907,491 of the General Fund transfer-in reimbursed the fund for operational expenses. The revenue budgets and revenues for these services are recorded in the Operating Revenues section.

Note: Capital Contribution in 2012 consists of \$22,719 from the General Fund related to the purchase of a paper shredder for the City Clerk Copy Center. Capital Contribution in 2014 consists of \$50,000 from the General Fund related to wireless LAN access.

Note: Expense budget for Clerk Mailing/Data center increased by \$306,446 due to a transfer of appropriation from the General Fund for the LIMS (Legislative Information Management System) project. The transfer-in budget increased by the same amount.

**City of Minneapolis
Self Insurance Fund
For the Fourth Quarter Ending December 31, 2014**

Fund 06900	2014 Budget	2014 Actual	2013 Actual	2012 Actual
Operating Revenue	30,322,779	30,611,971	30,507,329	27,405,201
Operating Expense	29,673,020	25,167,649	28,717,835	21,152,025
Operating Margin	649,759	5,444,322	1,789,494	6,253,176
Change in Net Position		8,677,156	4,652,117	8,841,470
Net Position		18,309,335	4,553,708	1,700,514
Cash Balance		70,583,378	61,237,640	56,563,931

Program Description:

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

Revenue:

Operating revenue through the fourth quarter of 2014 is \$30,611,971 or 101.0% of the annual budgeted amount of \$30,322,779. This is an increase of \$104,642, or 0.3% compared to \$30,507,329 earned through the fourth quarter of 2013. In 2014, the charges to City departments to provide self insurance for tort liability increased by 3.2% and the charges to provide workers compensation increased by 4.0% as determined by the actuarial study that supports the cost allocation model. The revenue earned through fourth quarter 2014 does not reflect this increase when compared to the revenue earned through the same period 2013 due to a 2013 pass-through revenue and expense amount of \$834,162 that was recorded in the Human Resources department. This pass-through was related to a refund from the Minnesota State Retirement System to certain employees from their Health Care Savings Plan.

The City received \$1,055,084 in revenue from WCRA (Workers Compensation Reinsurance) and State refunds for medical and indemnity payments and subrogation claims. Revenue received through fourth quarter 2013 from WCRA was \$1,754,167. In addition, the City received \$1,124,198 in settlements related to litigation initiated by the City Attorney Office.

Expenses:

Operating expenses through the fourth quarter 2014 are \$25,167,649 or 84.8% of the annual budgeted amount of \$29,673,020. This is a decrease of \$3.6 million, or 12.4 %,

compared to \$28,717,835 expended through the fourth quarter of 2013. The decrease in operating expense is primarily due to the amount paid for tort settlements and related litigation expense, \$3.3 million in 2014 as compared to \$6.0 million in 2013. In addition, the amount paid for workers compensation decreased by \$0.7 million, or 6.6%, from \$10.5 million in 2013 to \$9.8 million through fourth quarter 2014. The City's expense for employee sick leave payout at retirement through fourth quarter is \$1.2 million or 50.4% of the amount budgeted. Although the payout is less than budgeted, the amount paid through fourth quarter 2014 represents an increase of 13.4% over the sick leave payout through the same period in 2013.

Debt Service:

The Self Insurance Fund does not have outstanding debt obligations.

Transfers:

In 2014, this fund receives an interfund transfer of \$3,085,500 from the general fund as determined in the long term financial plan. The transfer includes \$246,500 to support the cost of City Hall rent.

The 2014 budget includes a transfer out of \$1,000,000 to the Intergovernmental Services fund as part of its long term financial plan. This annual transfer will end with the 2016 transfer. In 2012, this fund made a final transfer of \$485,000 to the pension fund debt service to retire bonds related to the unfunded pension liability of the former Minneapolis Employees Retirement Fund. The fund's net position is the source of funding for this payment and the fund will recover the cost of this payment through the cost allocation model in years 2012 through 2014.

Cash Balance and Net Position:

The cash balance at end of fourth quarter is \$70,583,378 or a 15.3% increase, compared to a cash balance of \$61,237,640 at end of fourth quarter 2013. Financial reserve policies for the internal service funds determine the minimum cash balance for the Self Insurance fund should be equal to the unpaid claims liability plus 10% of the fund's operating budget or \$52.8 million for the Self Insurance fund. The unpaid claims liability at year-end 2014 is \$49.9 million, a decrease of \$4.8 million from year-end 2013 liability of \$54.7 million. The cash balance is \$18.0 million above its target.

Net position at year-end 2014 is \$18.3 million as compared to the 2013 year-end net position of \$4.6 million. The increase to net position in 2014 is due to a positive operating margin of \$5.4 million, a net transfer in of \$2.1 million, and a litigation settlement of 1.1 million. In addition, a 2014 actuarial adjustment reduced the City's unpaid claims liability by \$4.8 million which flowed through to increase net position. The actuarial year-end adjustment is not reflected in the change to net position as shown in the fourth quarter statement. The financial policy for the net position of the Self Insurance fund determines that the net position should not fall below zero. The fund's net position reached a positive balance in 2012.

City of Minneapolis
Self Insurance Fund
Statement of Revenue and Expenses
For Fourth Quarter/Years, 2014, 2013, and 2012

	Budget Year 2014	For Year Ending 2014	For Year Ending 2013	For Year Ending 2012
Operating Revenues:				
Health & Welfare (employee benefits)	2,468,400	2,446,747	2,315,642	2,291,023
Workers Compensation	10,064,569	10,119,654	10,098,955	9,030,201
Liability - Subrogation	15,927,767	15,930,673	15,375,715	14,577,377
Attorney Office Services	10,000	13,122	21,995	9,377
Human Resources Services	1,452,043	1,433,235	2,247,530	1,326,173
Risk Management-Employment Services	400,000	668,540	447,492	171,050
Total Operating Revenues	30,322,779	30,611,971	30,507,329	27,405,201
Operating Expenses:				
Health & Welfare (employee benefits)	2,468,400	1,243,924	1,097,227	784,178
Workers Compensation	7,364,487	9,771,442	10,460,552	8,062,472
Liability & Settlements	8,574,185	3,286,197	6,025,633	2,577,805
City Attorney/Civil Division-Litigation	6,959,117	6,452,389	6,132,119	6,130,345
Risk Management - WC/Risk	2,734,563	2,859,022	2,534,754	2,167,183
Human Resource - Employee Benefits	1,572,268	1,554,675	2,467,550	1,430,042
Total Operating Expenses	29,673,020	25,167,649	28,717,835	21,152,025
Operating Margin	649,759	5,444,322	1,789,494	6,253,176
Non-Operating Revenues (Expenses):				
Other Non Operating Income (Expense)	-	1,147,334	7,123	1,794
Total Non-Operating Revenues (Expenses)	-	1,147,334	7,123	1,794
Operating Transfers In (Out):				
Net transfers in from other funds	3,085,500	3,085,500	3,855,500	4,071,500
Net transfers out to other funds	(1,000,000)	(1,000,000)	(1,000,000)	(1,485,000)
Total Operating Transfers	2,085,500	2,085,500	2,855,500	2,586,500
Capital Contribution		-	-	-
Change in Net Position¹	2,735,259	8,677,156	4,652,117	8,841,470
Significant Balance Sheet Items:				
Cash Balance ²		70,583,378	61,237,640	56,563,931
Due from Other Funds		202,000	181,000	165,000
Unpaid Claims Payable		(49,850,597)	(54,667,934)	(53,030,025)
Net Position		18,309,335	\$4,553,708	1,700,514

¹Changes in net position as recorded in the CAFR for 2014, 2013, and 2012 are \$13,755,627, \$2,853,194, and \$5,981,568 respectively.

Each year the fund's unpaid claims liability account is adjusted by an actuarial calculation and flows through the change in net position.

²Cash balance is the cash balance as stated in the CAFR. The CAFR cash balance is the actual cash less the amount that is Due from Other Funds.

**City Of Minneapolis
Sanitary Sewer Fund
For the Fourth Quarter Ending December 31, 2014**

Fund 07100	2014 Budget	2014 Actual	2013 Actual	2012 Actual
Operating Revenue	54,263,522	59,578,957	60,752,396	62,324,490
Operating Expense	48,002,789	53,195,007	52,152,322	51,872,132
Operating Margin	6,260,733	6,383,950	8,600,074	10,452,358
Change in Net Position		(375,549)	8,075,799	7,871,079
Net Position		114,016,501	114,438,065	107,461,983
Cash Balance		20,155,108	25,319,246	20,018,105

Program Description:

The Sanitary Sewer Fund pays 95% of the contractual payments to Metropolitan Council Environmental Services (MCES) for waste water collection and treatment services. The fund also accounts for the operation, maintenance and design work, capital programs, transfers and long term debt services associated with the sanitary sewer system.

Revenue:

With sewer revenue of \$59.6 million recognized through the end of fourth quarter, the Sanitary Sewer Fund has surpassed the 2014 revenue budget by \$5.3 million. This is due to sewer availability charges, or SAC revenues, which fluctuate based on overall economic activities outside of City's operations. Increase in SAC revenues is off-set by equivalent increase in SAC expenses.

Compared to the fourth quarter revenue of 2013, which totaled \$60.8 million, revenues for 2014 reflect a decrease of \$1.2 million, or 1.9%. Even though SAC revenues for 2014 totaled \$8.1 million, it is \$700,000 less than \$8.8 million recorded for 2013. Sanitary utility revenue decreased \$800,000 to \$50.6 million compared to \$51.4 million in the fourth quarter, 2013. This was due to decrease in usage even though the fixed rate was increased by \$0.40 over 2014. The design revenue was \$900,000, increase of \$300,000 from the fourth quarter 2013 due to capital project close outs.

Expenses:

The Sanitary Sewer Fund's total operating expense through the fourth quarter of \$53.2 million has exceeded the year's expense budget by \$5.2 million due to SAC expenses which was off-set by SAC revenues as previously noted.

Compared to the fourth quarter expense of 2013, which totaled \$52.2 million, 2014 reflects a net increase of \$1.0 million, or 2.0%. Maintenance and design related expense increased by \$1.9 million due to increase in City services, professional services, fleet expenses, overheads, supplies, repair and maintenance work.

This increase was off-set by a decrease of \$900,000 in Met Council division. Payments to Met Council through the fourth quarter were \$32.8 million, which is \$400,000 less than the \$33.2 million paid through twelve months in 2013. Met Council rates are set by the Metropolitan Council on a yearly basis and are based on an allocation of overall costs incurred by MCES for waste processing for customer communities. Met Council set its 2014 rates lower than 2013. Additional decrease of \$500,000 in expenses in this division is due to the net result of increases in City services which was off-set by decreases in SAC charges.

Transfers:

A transfer is made from this fund to the Water Enterprise Fund to cover shared costs for meter shop expenses. For the current budget year, this cost was estimated at \$1.2 million and this total amount has been transferred to Water Treatment and Distribution Services.

Debt Service:

For 2014, the debt service cost was estimated at \$5.6 million. Through fourth quarter, \$5.2 million in principal and \$400,000 in interest payments were made. These debt service payments are primarily for bonds sold to fund capital programs as an alternative to cash financing.

Cash and Net Position:

The current cash balance is \$20.2 million and the Fund's net position is \$114.0 million. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Based on the projected operating expenditures, the targeted cash balance is \$13.3 million. For the start of 2015, \$5.8 million will be available as an unrestricted amount to fund asset management software, Hiawatha facility expansion, sewer system maintenance and rehab work, capital programs, debt service payments, and transfers.

City of Minneapolis, Minnesota
Sanitary Sewer Fund
Statement of Revenues and Expenses
For Years Ending 2014, 2013, 2012

	Budget Year 2014	For Year Ending 2014	For Year Ending 2013	For Year Ending 2012
Operating Revenues:				
Sanitary Utility Charges	51,383,522	50,643,781	51,420,220	50,779,368
Other Services Provided	820,000	862,324	563,001	732,578
SAC Revenues	2,060,000	8,072,852	8,769,175	10,812,544
Interest				
Total Operating Revenues	54,263,522	59,578,957	60,752,396	62,324,490
Operating Expenses:				
Sewer Design	894,670	758,919	443,867	452,654
Sewer Maintenance	8,682,893	8,283,500	6,639,509	5,956,525
Met Council Env. Svcs.	38,425,226	44,152,587	45,068,946	45,462,953
Total Operating Expenses	48,002,789	53,195,007	52,152,322	51,872,132
Operating Margin	6,260,733	6,383,950	8,600,074	10,452,358
Non-Operating Revenues (Expenses):				
Depreciation	(1,446,306)	(1,446,306)	(1,378,768)	(1,358,359)
Net Interest Income (Exp)	(413,571)	(413,571)	(349,733)	(513,830)
Other Non-Oper Income	7,000,000	1,940,736	7,399,610	6,251,747
Other Non-Oper Expense	(8,000,000)	(5,683,678)	(4,937,288)	(4,811,751)
Total Non-Operating Revenues (Expenses)	(2,859,877)	(5,602,818)	733,821	(432,193)
Operating Transfers In (Out):				
Net Transfers In from Other Funds	-	-	-	-
Net Transfers Out to Other Funds	(1,156,681)	(1,156,681)	(1,258,096)	(2,149,086)
Total Operating Transfers	(1,156,681)	(1,156,681)	(1,258,096)	(2,149,086)
Capital contribution	-	-	-	-
Change in Net Position	2,244,175	(375,549)	8,075,799	7,871,079
Significant Balance Sheet Items:				
Cash Balance		18,719,110	23,640,433	19,181,223
Construction Cash		1,435,998	1,678,814	836,882
Accounts Receivable		4,273,719	4,883,097	4,056,659
Notes Payable		-	-	-
Bonds Payable		9,300,000	14,450,000	11,550,000
Net Position		114,016,501	114,438,065	107,461,983
Significant Cash Flow Items:				
Capital Outlay	8,000,000	5,645,625	4,368,033	4,811,751
Bond & Note Principal payments	5,150,000	5,150,000	4,150,000	4,600,000

City of Minneapolis, Minnesota
Storm Water Fund
Statement of Revenues and Expenses
For Fourth Quarter/Years Ending 2014, 2013 and 2012

	Budget Year 2014	For Year Ending 2014	For Year Ending 2013	For Year Ending 2012
Operating Revenues:				
State Grants	1,158,154	1,167,812	1,149,665	1,114,709
County Grants	399,559	311,663	291,220	399,558
Storm Utility Charges	38,319,261	36,895,472	36,830,078	36,694,339
Other Services Provided	1,229,650	3,151,859	1,051,096	1,654,616
Total Operating Revenues	41,106,624	41,526,807	39,322,059	39,863,222
Operating Expenses:				
Sewer Design	4,837,292	3,664,148	3,592,005	3,427,270
Stormwater Management CSO	1,021,942	520,924	592,537	648,483
Street Cleaning	9,264,226	7,280,806	7,804,686	7,993,832
Sewer Maintenance	7,009,132	5,720,927	5,642,320	4,169,738
Met Council Env. Svcs.	6,536,192	6,041,256	5,829,337	5,328,870
Total Operating Expenses	28,668,784	23,228,061	23,460,885	21,568,193
Operating Margin	12,437,840	18,298,745	15,861,174	18,295,029
Non-Operating Revenues (Expenses):				
Depreciation	(4,486,441)	(4,486,441)	(4,114,734)	(4,078,992)
Special Assessments	-	287,243	144,004	830,245
Net Interest Income (Exp)	(850,047)	(850,047)	(789,965)	(469,981)
Other Non-operating Income	9,700,000	499,213	4,462,735	4,418,795
Other Non Operating Expense	(17,505,000)	(16,614,752)	(10,239,961)	(6,968,374)
Total Non-Operating Revenues (Expenses)	(13,141,488)	(21,164,785)	(10,537,921)	(6,268,307)
Operating Transfers In (Out):				
Net Transfers In from Other Funds	-	-	-	-
Net Transfers Out to Other Funds	-	(5,920)	-	(1,245,296)
Total Operating Transfers	-	(5,920)	-	(1,245,296)
Capital Contribution	-	-	-	-
Change in Net Position	(703,648)	(2,871,959)	5,323,253	10,781,426
Significant Balance Sheet Items:				
Cash Balance		34,960,817	36,354,095	33,223,043
Construction Cash		-	5,920	4,185,461
Accounts Receivable		4,086,655	4,213,411	4,223,747
Notes Payable		-	-	161,786
Bonds Payable		4,735,910	7,970,910	14,620,910
Net Position		308,847,273	311,520,891	299,595,415
Significant Cash Flow Items:				
Capital Outlay	15,505,000	16,798,141	9,308,751	6,338,748
Bond & Note Principle Payments	3,235,000	3,235,000	6,811,786	6,265,000

**City Of Minneapolis
Storm Water Fund
For the Fourth Quarter Ending December 31, 2014**

Fund 07300	2014 Budget	2014 Actual	2013 Actual	2012 Actual
Operating Revenue	41,106,624	41,526,837	39,322,059	39,863,222
Operating Expense	28,668,784	23,228,061	23,460,885	21,568,193
Operating Margin	12,437,840	18,298,745	15,861,174	18,295,029
Change in Net Position		(2,871,959)	5,323,252	10,781,426
Net Position		308,847,273	311,520,891	299,595,415
Cash Balance		34,960,817	36,360,015	37,408,504

Program Description:

The Storm Water Fund is responsible for the design, construction, and maintenance of City's storm drain system, and street cleaning activities. A portion of the Fund is used for sanitary water interceptor and treatment services and pays 5% of the contractual payments to Met Council Environmental Services (MCES). This fund also accounts for the combined sewer overflow (CSO) program, capital programs and debt service payments.

Revenue:

The \$41.5 million in revenues received through the end of the fourth quarter reflects 101% of the operating revenue budget. This is an increase of \$2.2 million compared to \$39.3 million earned for the same period in 2013. While the utility revenues through fourth quarter totaled \$36.9 million, it was only \$100,000 more than the prior-year quarter total of \$36.8 million even though the utility rate was increased by \$0.12, from \$11.82/ESU to \$11.94/ESU (Equivalent Storm Units) for 2014. The increase of \$2.1 million in miscellaneous revenues is due to increase in design activities and capital project close outs. Reimbursements from the State of Minnesota and the County make up for the rest of the operating revenue which in 2014 was similar to 2013 since these reimbursements are based on maintenance agreements.

Expenses:

Through the fourth quarter of 2014, the operating expenses in the Storm Water Fund were \$23.2 million, or 81% of the budgeted amount. This is \$200,000 less than the operating revenues reported for the fourth quarter, 2013. A combined decrease of \$600,000 was recorded in storm management and street cleaning activities. This was off-set by a \$400,000 increase in design, storm maintenance, and Met Council cost centers due to increase in contractual, overhead, and government contracted services.

Transfers:

There was a one-time transfer out from this fund to arbitrage fund as an adjustment of \$6,000.

Debt Service:

The debt service budget for 2014 totals \$4.1 million of which \$3.2 million is set aside for principal and \$0.9 million for interest payments. Through the fourth quarter, all of the payments were made. The debt service payments are primarily for bonds sold to finance the combined sewer overflow, flood mitigation, and storm tunnel programs.

Cash and Net Positions:

The ending cash balance for the year stands at \$34.9 million and net position is just under \$309.0 million. The City's policy is to have a cash balance equal to or greater than three months of operating expenses which for the Fund the target amount is \$5.9 million. This will leave \$29.0 million as unrestricted amount to fund capital programs and debts services for 2014 and beyond. More importantly, it will enable the Storm Water Fund to use its fund balance and rely less on bond sales.

**City of Minneapolis
Water Enterprise Fund
For Fourth Quarter Ending December 31, 2014**

Fund 07400	2014 Budget	2014 Actual	2013 Actual	2012 Actual
Operating Revenue	76,698,771	72,652,306	74,824,116	79,091,418
Operating Expense	52,424,039	50,868,670	51,205,913	51,301,862
Operating Margin	24,274,732	21,783,636	23,618,203	27,789,557
Change in Net Position		10,920,486	12,172,686	11,536,635
Net Position		221,479,793	210,449,862	197,185,886
Cash Balance		25,132,631	18,963,284	19,066,539

Program Description:

This Fund accounts for the administration, operation, maintenance, and capital investments of the Public Works Water Treatment and Distribution Services Division of the City. The City sells water directly to seven wholesale customers – the cities of Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal, and Edina, as well as the Metropolitan Airport.

Revenue:

At the end of 2014, the total operating revenue was \$72,652,306 or 94.7% of the 2014 budgeted amount of \$76,698,771. Overall, water volume sales have suffered as a result of the wet weather during the first half of the year and lower summer temperatures. Although revenue from water sales is down from last year, the fixed rate revenue helped to stabilize the overall sales revenue. Higher than anticipated revenues associated with capital design and fee based revenue as well as an increase in the volume of reimbursable work for the year helped offset lower than budgeted water sales.

Expense:

Operating expenses for the year totaled \$50,868,670 or 97% of the 2014 budget, and were less than 1% lower than the 2013 amount of \$51,205,913. Expenses were slightly lower due to decreased chemical and other variable operating costs related to the lower production of water caused by lagging sales due to the wet weather and lower temperatures.

Transfers:

For 2014, the transfer amount of \$1,183,681 represents a \$1,156,681 operating transfer from the Sanitary Sewer Fund for their share of the cost of the meter shop and a \$27,000 transfer from the City's general fund to offset rent expense at city hall.

Debt Services:

Debt service payments are related to the bonds and notes sold to finance the Water Division's capital improvement program. The amount of debt service, including both principle and interest payments, for 2014 was \$8,767,539. During 2014, an additional \$6,000,000 in bonds were issued to help finance the Fridley Filter Rehabilitation Capital project.

Other Financial Items:

The ending cash balance as of December 31, 2014 was \$25,132,631 compared to \$18,963,284 at the end of 2013. The objective is to have a cash balance equal to or greater than 3 months of operating expense. Based on the current budget, the target amount would be \$14 million. In addition to the operating cash reserve, the Water Fund is also reserving approximately \$1.3 million per year for membrane and valve replacement at the Columbia Heights water treatment facility. The budgeted 2014 balance in the reserve for membrane and valve replacement is \$5.1 million. The two reserves total \$19.1 million, so the current cash balance is adequate to cover the reserves. The cash balance at year end also includes the deferral of approximately \$5.1 million in capital projects to 2015.

City of Minneapolis, Minnesota
Water Fund
Statement of Revenues and Expenses
For Fourth Quarter/Years Ending 2014, 2013, 2012

	Budget Current Year 2014	For Year Ending 2014	For Year Ending 2013	For Year Ending 2012
Operating Revenues:				
Water Sales - City				
Volume Rate	56,365,647	53,916,478	55,738,712	56,440,374
Fixed Rate	4,108,365	4,052,437	3,230,251	3,216,611
Water Sales - Suburbs	12,778,872	10,995,907	11,607,219	12,976,941
Other Operating Revenues	3,445,887	3,687,483	4,247,934	6,457,492
Total Operating Revenues	76,698,771	72,652,306	74,824,116	79,091,418
Operating Expenses:				
Payments for City Services	10,654,596	10,273,039	10,216,139	9,645,669
Administration	854,546	697,481	1,358,672	1,215,322
Engineering	1,982,066	1,911,967	2,479,887	1,923,249
Operations	26,543,153	25,164,329	25,116,372	25,537,030
Distribution	8,960,634	8,939,876	8,667,609	9,628,717
Meter Shop	1,941,657	1,969,292	1,886,076	1,996,339
Reimbursables	1,487,387	1,912,686	1,481,159	1,355,535
Total Operating Expenses	52,424,039	50,868,670	51,205,913	51,301,862
Operating Margin	24,274,732	21,783,636	23,618,203	27,789,557
Non-Operating Revenues/(Expenses)				
Depreciation	(10,037,891)	(10,037,891)	(10,628,275)	(10,551,351)
Special Assessments		775,575	395,099	1,204,006
Net Interest Income (Exp)	(4,308,040)	(2,622,000)	(2,971,360)	(3,303,893)
Federal Emergency Management Assistance				10,455
State of Minnesota				3,136
Capital Revenue	2,000,000	144,222	494,886	249,225
Other Non-Operating Income			92,794	134,443
Other Non Operating (Expense)				(831)
Total Non-Operating Revenues (Expenses)	(12,345,931)	(11,740,093)	(12,616,856)	(12,254,809)
Operating Transfers In (Out):				
Net transfers in from other funds	1,183,681	1,183,681	1,171,339	993,888
Net transfers out to other funds		(306,738)		(4,992,000)
Total Operating Transfers	1,183,681	876,943	1,171,339	(3,998,112)
Capital Contribution				
Change in Net Position	13,112,482	10,920,486	12,172,686	11,536,635
Significant Balance Sheet Items				
Operating Cash		25,132,631	18,963,284	19,066,539
Accounts Receivable		4,751,349	4,778,155	4,559,012
Assessments Receivable		2,405,113	2,513,145	2,302,230
Bonds & Notes Payable		105,999,121	106,144,659	113,284,120
Net Position		221,479,793	210,449,862	197,185,886
Significant Cash Flow Items				
Capital Outlay	22,100,000	14,102,414	16,456,344	11,708,710
Bond & Note Principle Payments	6,145,538	6,145,539	5,982,025	5,796,108
Bond & Note Principle Proceeds		6,000,000		

**City of Minneapolis
Municipal Parking Fund
For the Fourth Quarter Ending Dec 31, 2014**

Fund 7500*	2014 Original Budget	Actual YE 2014	Actual YE 2013	Actual YE 2012
Revenue	58,575,057	57,821,710	58,147,790	54,949,329
Expenses	37,883,423	37,719,428	37,745,472	36,587,515
Operating Margin	20,691,634	20,102,282	20,402,318	18,361,814
Change in Net Position		5,234,303	9,871,034	9,384,185
Net Position		177,861,839	172,627,536	162,756,502
Cash Balance		10,497,414	13,303,623	7,729,075

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

Program Description:

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

Revenues:

The 2014 operating revenues are down in comparison to 2013 by 0.6%. The variance is from:

- Impound Lot revenues are down 1.0% compared to 2013.
- On-street parking revenues are down 5.6% compared to 2013.
- Off-street ramps and lots revenues are up 1.0% compared to 2013.

Impound Lot revenues are lower than 2013 due to less tows in 2014. On-street revenues are down during 2014 due to delayed payment for car-sharing pilot which will occur in 2015. The year of 2014 off-street revenues were slightly higher due both market demand increases and supply decreases.

Expenses:

The 2014 operating expenses are lower than the 2013 expenses by 0.1%. The variance is from:

- Impound Lot expenses are up 9.8% compared to 2013.
- On-street meters expenses are down by 4.3% compared to 2013.
- Off-street ramps and lots expenses are down 1.2% compared to 2013.

Impound Lot expenses are higher than 2013 due to more snow emergencies in early 2014 which increased related operational activities, such as towing, security, lot maintenance and personnel. On-street meter expenses were lower in 2014 due to the fewer new meters deployed than in 2013. Off-street ramps and lots expenses were lower than in 2013 due to operational efficiencies.

Transfers to and from other funds:

The 2014 transfers into and out of the Parking Fund are programmed and planned according to the 2014 budget. During the year of 2014, \$0.4 million of funds were transferred in (\$0.4 million from Tax Increment Funding) and \$5.8 million of funds was transferred out (\$2.3 million to the General Fund, \$3.3 million to the Target Center, \$0.2 million to Solid Waste).

Debt Service:

For 2014, the debt service budget is \$16.2 million. As of December 31, 2014, the outstanding balance of bond principal was \$72.8 million and the outstanding balance of note principal was \$38.7 million.

Other Financial Items:

The end of the year 2014 cash balance is \$10.5 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$9.5 million, which results in a \$1.0 million surplus which is retained for future debt service payments and potential future major parking capital projects.

City of Minneapolis, Minnesota
Municipal Parking Fund
Statement of Revenues and Expenditures
For Fourth Quarter/Years Ending 2014, 2013, and 2012

	Budget Current Year 2014	For Year Ending 2014	For Year Ending 2013	For Year Ending 2012
Operating Revenues:				
Off-Street Parking: City Owned	30,875,057	30,753,860	29,831,976	28,628,141
Off-Street Parking: State Owned	10,925,000	9,876,255	10,378,784	9,657,497
Towing	6,500,000	5,695,346	5,754,958	5,575,586
On-Street Meters	10,275,000	11,496,249	12,182,072	10,153,881
Total Operating Revenues	<u>58,575,057</u>	<u>57,821,710</u>	<u>58,147,790</u>	<u>54,015,105</u>
Operating Expenses:				
Off-Street Parking: City Owned-Direct Expenses	21,425,071	20,787,023	20,701,318	22,310,908
Off-Street Parking: State Owned-Direct Expenses	8,364,391	8,921,760	9,366,786	8,802,796
Towing	5,147,285	5,162,568	4,702,750	4,294,098
On-Street Meters	2,946,676	2,848,077	2,974,618	4,451,961
Other Operating Expenses	-	-	0	816
Total Operating Expenses	<u>37,883,423</u>	<u>37,719,428</u>	<u>37,745,472</u>	<u>39,860,579</u>
Operating Margin	<u>20,691,634</u>	<u>20,102,282</u>	<u>20,402,318</u>	<u>14,154,526</u>
Non-Operating Revenues/(Expenses)				
Depreciation	(6,665,100)	(6,559,826)	(6,955,004)	(6,905,352)
Special Assessments	0	0	25,018	57,405
Interest	(5,330,287)	(2,520,026)	(4,001,605)	(4,497,741)
Other Non Operating Expenses	(1,700,000)	(415,298)		
Other Non-Operating Income	0	31,198	11,990	9,664
Total Non-Operating Revenues (Expenses)	<u>(13,695,387)</u>	<u>(9,463,952)</u>	<u>(10,919,601)</u>	<u>(11,336,024)</u>
Operating Transfers In (Out):				
General Fund Transfer Out	(2,323,200)	(2,323,200)	(7,918,024)	(7,864,901)
Arena Reserve Transfer Out	(3,323,006)	(3,323,206)	(3,129,132)	(2,940,905)
Debt Service Transfer Out	0	-	(40,957)	(477,000)
General Debt Service Transfer Out	-	-		0
Sanitation Transfer Out	(146,000)	(146,000)	(146,000)	(146,000)
Convention Center related facility Transfer	0	-	4,729,200	5,580,100
TI and MCDA Transfers In	423,583	372,660	6,893,230	8,219,301
Other Transfers In	-	15,719		-
Total Operating Transfers	<u>(5,368,623)</u>	<u>(5,404,027)</u>	<u>388,317</u>	<u>2,370,595</u>
Capital Contributions				369,776
Change in Net Position	<u>1,627,624</u>	<u>5,234,303</u>	<u>9,871,034</u>	<u>5,558,873</u>
Significant Balance Sheet Items				
Operating Cash		8,770,167	11,339,477	7,353,257
Cash Balance - Arbitrage		1,727,247	1,964,146	375,818
Notes Payable		38,650,000	38,650,000	38,650,000
Bonds Payable		72,821,842	83,705,942	95,680,042
Net Position	181,189,463	177,861,839	172,627,536	162,756,502
Significant Cash Flow Items				
Bond & Note Principal Proceeds		-	2,655,000	23,960,001
Bond & Note Principal Payments	10,884,100	10,884,100	14,629,100	16,770,000
Refunding Principle Payments		-	-	60,710,000

City Of Minneapolis
Solid Waste and Recycling Fund
For the Fourth Quarter Ending December 31, 2014

Fund 07700	2014 Budget	2014 Actual	2013 Actual	2012 Actual
Operating Revenue	31,372,751	31,820,969	31,425,594	32,061,276
Operating Expense	33,378,046	31,656,139	35,205,122	32,376,821
Operating Margin	(2,005,295)	164,830	(3,779,528)	(315,545)
Change in Net Position		393,990	(4,896,120)	(1,857,045)
Net Position		27,268,187	26,844,115	30,319,292
Cash Balance		19,729,474	17,793,800	23,856,133

Program Description

The Solid Waste and Recycling Fund accounts for the City's solid waste, recycling collection and disposal, graffiti removal, and a solid waste transfer station that serves the 106,400 dwelling units that are serviced by the City. Pick-up services for trash, yard waste, and recyclables are provided on a weekly and a biweekly basis. City crews provide approximately one-half of the solid waste collection services and the other half of the services are provided through a consortium of companies specializing in waste collections. Also accounted for in this fund are various initiatives such as Clean City neighborhood clean sweeps; citywide litter and graffiti abatement and removal; and an Organics Pilot Program.

Revenue

Operating revenues through the end of the fourth quarter total \$31.8 million, or 101% of the budgeted revenue. This is an increase of \$400,000 or 1.3%, compared to \$31.4 million earned through fourth quarter of 2014. Utility revenues were \$29.5 million compared to \$28.8 million for 2013 as a result of increase in base rate of \$0.60 per dwelling unit. There was an increase of \$200,000 in miscellaneous services revenues, which was offset by a \$500,000 decrease in revenues from the sale of scrap metals. Revenue from the sale of scrap metal decreased due to a reduction in demand. The Hennepin County recycling grant for the year was collected and the amount received was \$871,000.

Expenses:

Operating expenses through the end of 2014 were \$31.7 million compared to \$35.2 million in 2013. This is a decrease of \$3.5 million or 10.1%. Expenditures in Recycling Division decreased by \$4.7 million due to one-time expenditures spent on capital purchases of equipment and carts relating to of One-Sort Program which was completed in 2013. Expenses also decreased in Collection, Disposal, Yard Waste, Customer Service, Graffiti, and Organics divisions by sum total of \$1.0 million. Expenses for these divisions

were lower by \$200,000 since fewer carts, hinges, and lids were purchased. Additional reductions of \$800,000 in expense are due to lower vendor contract for collection services, reduction in yard waste, and due to redistribution of City services to Admin division.

Expenses increased by a combined total of \$2.1 million for Problem Material, Transfer Stations, Administration, Clean City, and Equipment divisions. \$1.5 million of the increase is in Administration where City services such as overheads, liability insurance, worker's comp, BIS charges, and rents were removed from other divisions and budgeted in this department. Clean City is up by \$100,000 and this is offset by a reduction in Graffiti by an equal amount. As additional vehicle, crane carriers, chassis, and refuse bodies were purchased, expense for Equipment division increased by \$400,000.

Transfers:

Transfers into the Solid Waste and Recycling fund include \$146,000 from the Parking Fund for the Litter Container Program and \$820,000 from the General Fund for graffiti removal and micro-grants. There is no transfer out from the Fund to other City departments.

Debt Service:

This fund has no debt service.

Cash and Net Positions:

The Fund's cash balance as of the end of the fourth quarter was \$19.7 million and the net position amounted to \$27.3 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the targeted cash balance is \$8.0 million leaving unrestricted cash reserve equivalent to \$11.7 million. With a planned implementation of City-wide Organic program and facility improvement in the next budget year, the Solid Waste is estimated to incur over \$8.0 million in additional costs. Therefore going into 2015, the projected year-end cash reserve is necessary to fund these programs.

City of Minneapolis, Minnesota
Solid Waste and Recycling Fund
Statement of Revenues and Expenses
For Fourth Quarter/Years Ending 2014, 2013, and 2012

	Budget Year 2014	For Year Ending 2014	For Year Ending 2013	For Year Ending 2012
Operating Revenues:				
County Grants	880,000	871,608	864,545	864,448
Solid Waste Fees	28,890,458	29,486,130	28,801,926	29,250,660
Recyclable Sales	750,000	337,695	790,163	1,611,178
Charges for Other Services	852,293	1,125,536	968,960	334,990
Total Operating Revenues	<u>31,372,751</u>	<u>31,820,969</u>	<u>31,425,594</u>	<u>32,061,276</u>
Operating Expenses:				
Collection	8,002,940	7,552,965	8,091,536	7,535,591
Disposal	4,569,086	4,538,343	4,544,751	5,056,654
Recycling	3,634,709	3,284,022	7,968,641	5,510,041
Yard Waste	3,058,237	2,371,116	2,624,703	2,549,112
Large Item/Problem Material	1,797,313	1,705,729	1,676,994	1,298,656
Transfer Stations	352,150	438,339	356,751	385,757
Administration	5,727,143	5,906,028	4,429,665	3,931,544
Customer Service	666,814	482,385	577,913	605,386
Clean City	1,120,740	1,074,347	975,820	1,030,056
Graffiti	1,097,309	702,744	766,716	809,329
Equipment	3,070,583	3,375,282	2,936,967	3,416,485
Organics	281,022	224,839	254,665	248,210
Total Operating Expenses	<u>33,378,046</u>	<u>31,656,139</u>	<u>35,205,122</u>	<u>32,376,821</u>
Operating Margin	<u>(2,005,295)</u>	<u>164,830</u>	<u>(3,779,528)</u>	<u>(315,545)</u>
Non-Operating Revenues (Expenses):				
Depreciation	(840,404)	(840,404)	(855,039)	(664,537)
Capital Adjustments	-	-	-	-
Other non-operating Expense	(2,500,000)	(2,778)	-	-
Special Assessments	-	106,342	142,471	98,037
Total Non-Operating Revenues (Expenses)	<u>(3,340,404)</u>	<u>(736,840)</u>	<u>(712,568)</u>	<u>(566,500)</u>
Operating Transfers In (Out):				
Net Transfers In from Other Funds	966,000	966,000	296,000	296,000
Net Transfers Out to Other Funds	-	-	(700,024)	(1,271,000)
Total Operating Transfers	<u>966,000</u>	<u>966,000</u>	<u>(404,024)</u>	<u>(975,000)</u>
Contributed Capital	-	-	-	-
Change in Net Position	<u>(4,379,699)</u>	<u>393,990</u>	<u>(4,896,120)</u>	<u>(1,857,045)</u>
Significant Balance Sheet Items:				
Operating Cash		19,729,474	17,793,800	23,856,133
Accounts Receivable		3,267,951	3,254,086	2,873,172
Notes Payable		-	-	-
Bonds Payable		-	-	-
Net Position		27,268,187	26,844,115	30,319,292

**CPED Enterprise Fund Component Programs
For the Fourth Quarter Ending December 31, 2014**

The **CPED Enterprise Fund** operates a series of business-type activities designed to enhance housing options and economic development within the City. There are five component operations within this fund.

The **Housing Development** component accounts for various home ownership and home improvement loan programs. These are mature programs. All issued debt has been retired and no new loans are being issued. The residual balances are committed to the operations of the Minneapolis-St Paul Housing Finance Board. The Board is a joint venture created for the benefit of the Cities of Minneapolis and Saint Paul to cooperatively operate various housing loan programs. The committed balances will be used to pay for the Minneapolis share of bond issuance costs. The residual activity of the Housing Development component is accounted for by trustees, reviewed by management throughout the year, and recorded in City accounting records at year end. \$59,036 was transferred to the Minneapolis-St Paul Housing Finance Board during 2014.

The **General Agency Reserve Fund System (GARFS)** is a program in which revenue bonds are issued to finance economic development. The program obtains lease or loan agreements from developers to meet the debt service requirements of the financing. The funds are restricted by bond covenants and the need of the City to minimize risk in its support of the GARFS. The funds are critical in maintaining the "A+" rating of the fund. Most of the transactions of the fund are maintained in a series of bank trustee accounts. The net position of the fund at year end 2014 was \$34,457,018.

The **Theatres** component was created to account for the operations of the State, Orpheum, and Pantages Theatres. The City no longer operates these Theatres. Only residual balances and activity remain. There was a cash deficit of more than \$2 million at the conclusion of the operational period. The City has a workout plan in place to transfer \$400,000 per year into the fund to clear the deficit. Three years of the workout plan have been successfully implemented. At December 31, 2014 the cash deficit was \$954,400.

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

The **Economic Development Program** component accounts certain defaulted properties, and for the Capital Investment Fund Program with the Federal Home Loan Bank, which provided loans to businesses for economic development and the creation of jobs. The City's note with the FHLB has been repaid. The current activities of this fund are residual in nature to complete the existing projects. These activities are minimal and comparable to the prior year.

	Housing Development Fund	Housing Development Fund	General Agency Reserve Fund System	General Agency Reserve Fund System	Theatres	Theatres	River Terminal	River Terminal	Economic Development Program	Economic Development Program
	1/1-12/31/13	1/1-12/31/14	1/1-12/31/13	1/1-12/31/14	1/1-12/31/13	1/1-12/31/14	1/1-12/31/13	1/1-12/31/14	1/1-12/31/13	1/1-12/31/14
Operating revenues										
Charges for sales and services	\$ -	\$ -	\$ 362,806	\$ 407,597	\$ -	\$ -	\$ 1,780,578	\$ 1,417,167	\$ 206,250	\$ -
Interest on program activities	27,306	27,826	4,899,033	5,234,412	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	17,217	-	-
Total operating revenues	27,306	27,826	5,261,839	5,642,009	-	-	1,780,578	1,434,384	206,250	-
Operating expenses:										
Personal services	-	-	336,374	122,931	-	-	73,224	38,427	12,338	-
Contractual services	55,771	60,085	261,254	197,362	30,000	-	1,789,417	1,797,379	37,714	6,864
Other	-	1,694	7,980	1,843	-	-	500	500	-	-
Depreciation expense	-	-	-	-	-	-	347,526	347,526	-	-
Total operating expenses	55,771	61,779	605,608	322,136	30,000	-	2,210,667	2,183,832	50,052	6,864
Operating income	(28,465)	(33,953)	4,656,231	5,319,873	(30,000)	-	(430,089)	(749,448)	156,198	(6,864)
Nonoperating revenues (expenses)										
Interest on investments	(153)	763	159,575	792,550	(8,368)	2,954	(3,048)	587	(1,467)	5,002
Interest expense	-	-	(4,903,874)	(5,183,930)	-	-	-	-	(6,538)	(473)
Gain (loss) on disp of cap assets	-	-	-	-	-	-	-	75,675	-	-
Total nonoperating revenue (expenses)	(153)	763	(4,744,299)	(4,391,380)	(8,368)	2,954	(3,048)	76,262	(8,005)	4,529
Income (loss) before transfers	(28,618)	(33,190)	(88,068)	928,493	(38,368)	2,954	(433,137)	(673,186)	148,193	(2,335)
Net transfers from (to) other funds	-	-	-	-	400,000	402,190	-	-	-	-
Change in net position	(28,618)	(33,190)	(88,068)	928,493	361,632	405,144	(433,137)	(673,186)	148,193	(2,335)
Total net position - January 1	632,937	604,319	33,616,593	33,528,525	(1,722,613)	(1,360,981)	5,279,346	4,846,209	651,994	800,187
Total net position - December 31	\$ 604,319	\$ 571,129	\$ 33,528,525	\$ 34,457,018	\$ (1,360,981)	\$ (955,837)	\$ 4,846,209	\$ 4,173,023	\$ 800,187	\$ 797,852

City of Minneapolis

Fourth Quarter, 2014 Cash and Investments Report

In accordance with the City's cash management procedures, 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, diversification and yield. As of December 31, 2014, the City's current investment portfolio was valued at \$774.9 million. The sector holdings are shown below. For the twelve months ended December 31, 2014, the portfolio has outperformed its benchmark.

Investment Performance period ended December 31, 2014	City Portfolio	Custom Benchmark*
3 month Total Return	0.13%	0.13%
12 months Total Return	0.78%	0.56%
3 year Total Return	0.52%	0.36%
Credit Quality	AGY	TSY
Weighted Average Maturity	1.6 Years	1.5 Years

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

Portfolio Holdings

By Sector

Market Value in millions

	Dec. 31 2014	% of port.	Dec. 31 2013	% of port.
Cash and equivalents*	\$ 51.7	7%	\$ 62.3	8%
Commercial Paper	5.9	1%	44.8	6%
Federal Agency	235.7	30%	231.6	31%
Mortgage Backed	69.0	9%	89.6	12%
Municipals	69.5	9%	59.8	8%
US Treasuries	343.1	44%	261.5	35%
Total Cash & Investments	\$ 774.9	100%	\$ 749.6	100%

*Net of checks outstanding

