



# 3rd Quarter 2015 Financial Status Report

Finance & Property Services Dept.  
December 7, 2015

**City of Minneapolis  
Interim Financial Report Index for the 3rd Quarter of 2015**

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# Executive Summary

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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 September 30, 2015 projected to year end 2015.

## Overview

The financial picture for the City as a whole continues to remain positive and stable. As indicated in the summary Financial Strength Analysis Schedule that follows, the overall cash position for the City at year-end 2015 is projected to be \$717.9 million, an increase of \$21.4 million or 3.1% compared to 2014 year end. The increase is reflective of better than expected non-tax revenue collections, effective management of department expense budgets, and short-term borrowing to provide interim funding of capital and infrastructure project costs.

Fund balances and net positions for all funds also reflect continued investment in the growth and economic stability of the City and its infrastructure. 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 City including its infrastructure, development, and technology capital assets. Most of the balances in the various funds within the City are classified as non-spendable, restricted, committed or assigned.

## 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 2015 budget included a planned use of fund balance in the General Fund of \$15.7 million, the fund balance at year-end 2015 is currently projected to increase by \$1.9 million or 1.8% over 2014 to \$104.3 million. At the same time, the General Fund cash balance is projected to be \$118.3 million at year-end 2015, an increase of \$18.3 million or 18.3% over the ending balance for 2014 of \$100.0 million.

The projected increase in fund balance is significantly less than the \$8.1 million or 11.6% average increase that has been experienced over the last four years and is reflective of the rightsizing of the City's revenues and expenditure budgets while continuing to experience higher than expected collections of non-tax revenues (licenses and permits, franchise fees, and charges for services) as a result of the continued high level of development activity throughout the City. Year-end expense projections reflect budgetary savings in most departments due to a variety of factors including a relatively mild snow year, delayed ability to fully spend appropriations on ongoing CARS projects, position vacancies, and un-tapped contingency funding. Many of these costs will be incurred or significantly higher in the coming years as circumstances change and the City continues to stabilize its tax levies while funding ongoing operational and associated infrastructure costs as well as technology and capital projects incurred through such planning tools as the CARS process.

The City's financial policy for the General Fund balance is to maintain 17% of the following year's expenditure budget. Of the \$104.3 million projected 2015 fund balance in the General Fund, approximately \$24.0 million is recommended for use in the Mayor's 2016 Recommended budget. Additionally, due to delayed software implementation and other capital projects, it is anticipated that approximately \$2.0 million of 2015 budget appropriation will be requested as "rollover" budget authority, which becomes an additional obligation on the fund balance. With these two factors taken

into consideration, the projected amount of un-obligated fund balance for year-end for the General Fund is approximately \$80.0 million, which reflects 17% of the recommended 2016 budgeted expenditures.

The relatively high cash balance projected at year end compared to where the City's General Fund cash balance is at the end of the third quarter is primarily due to the receipt of the second half of the City's property tax, special assessments and state aids revenues which together provide over half of the General Fund revenues. The cash collected at year end will be used to fund the first six months of general fund operations in 2016 as well as ongoing technology project activities.

## **Special Revenue Funds**

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

At year-end 2015, the total cash balance for the Special Revenue Funds is projected to be \$264.9 million, a decrease of \$10.2 million or 3.7% compared to 2014. The fund balance for the Special Revenue Funds is also expected to decrease to \$310.5 million, a decrease of \$10.8 million or 3.4%, compared to 2014. These decreases in both cash and fund balance are due primarily to increases in planned capital and development spending at the Convention Center, Target Center, and by the Community Planning and Economic Development (CPED) Department. 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 2015 is projected to be \$137.1 million, a decrease of \$12.1 million or 8.1% versus 2014. At the same time, the total fund balance for all the Internal Service Funds is projected to be \$191.0 million, an increase of \$11.6 million or 6.5% over 2014. This is reflective of work that has been done to stabilize these funds along with the amount of work done during 2015 to upgrade, develop and implement significant technology assets including the City's PeopleSoft COMET Financial and Human Services systems, the Enterprise Land Management System (ELMS) and the MAXIMO Asset Management System. 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. Transfers from the General Fund are no longer necessary to insure the financial stability of these funds.

## **Enterprise Funds**

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

The total cash balance for the Enterprise Funds is projected to be \$104.6 million, a decrease of \$4.4 million or 4.0% compared to 2014. At the same time, the total net position for the Enterprise Funds is projected to increase by \$10.4 million or 1.2% to \$903.5 million at year-end 2015. These numbers reflect the continued use of cash rather than borrowing for planned major maintenance of and additions to infrastructure assets.

City of Minneapolis

Financial Strength Analysis - 3rd Quarter 2015

FINANCIAL STRENGTH ANALYSIS - 2015 (in millions)					Increase Over 2013		Total 4 Year Incr		4 Year Avg Incr		2015 ANALYSIS	
	2011	2012	2013	2014	\$	%	\$	%	\$	%	YTD 9/30/15	Proj YE 2015
General Fund Cash Balance	76.3	87.8	102.1	100.0	(2.1)	-2.1%	23.7	31.1%	5.9	7.8%	62.1	118.3
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%	43.6	104.3
Overall City Cash Position*	525.4	561.6	656.1	696.5	40.4	6.2%	171.1	32.6%	42.8	8.1%	672.5	717.9
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%		
<b>SPECIAL REVENUE FUNDS FINANCIAL STRENGTH ANALYSIS - 2015 (in millions)</b>												
Convention Center - Cash	31.1	44.4	54.9	63.0	8.1		31.9		8.0		81.0	65.4
Convention Center - Fund Balance	49.7	58.6	65.5	65.9	0.4		16.2		4.1		84.8	62.6
Arena Fund (Target Center) - Cash	2.6	5.8	7.6	10.1	2.5		7.5		1.9		13.7	13.1
Arena Reserve (Target Center) - Fund Balance	2.6	5.6	6.7	8.4	1.7		5.8		1.5		13.7	12.4
Grant Funds - Cash	0.7	1.5	2.7	4.2	1.5		3.5		0.9		1.4	5.1
Grant Funds - Fund Balance	16.7	10.8	10.0	10.2	0.2		(6.5)		(1.6)		10.8	10.4
Police SRF - Cash			1.1	1.5	0.4						1.4	1.6
Police SRF - Fund Balance			1.0	1.1	0.1						1.5	1.2
NCR SRF - Cash			0.7	3.1	2.4						2.6	3.8
NCR SRF - Fund Balance			0.6	3.0	2.4						2.6	3.7
Regulatory Services SRF - Cash		5.1	5.5	5.1	(0.4)						3.7	3.5
Regulatory Services SRF - Fund Balance		5.2	5.5	5.0	(0.5)						3.6	3.4
Comm Planng & Econ Dev (CPED) - Cash Total	167.6	169.7	171.9	164.1	(7.8)		(3.5)		(0.9)		160.9	157.9
Comm Planng & Econ Dev (CPED) - Fund Bal Total	209.6	207.9	205.7	203.8	(1.9)		(5.8)		(1.5)		200.3	202.4
Employee Retirement Funds - Cash	17.2	12.1	16.6	22.0	5.4		4.8		1.2		7.0	12.4
Employee Retirement Funds - Fund Balance	16.8	12.6	16.7	22.3	5.6		5.5		1.4		7.2	12.8
Other Special Revenue Funds - Cash	1.6	1.1	1.4	2.0	0.6		0.4		0.1		(0.3)	2.1
Other Special Revenue Funds - Fund Balance	1.7	1.2	1.2	1.6	0.4		(0.1)		(0.0)		(0.3)	1.6
Total Special Revenue Funds - Cash	220.8	239.7	262.4	275.1	12.7	5.3%	54.3	24.6%	13.6	6.1%	271.4	264.9
Total Special Revenue Funds - Fund Balance	297.1	301.9	312.9	321.3	8.4	2.8%	24.2	8.1%	6.1	2.0%	324.2	310.5

\* 2015 amount at 09/30 is the Market Value of cash and cash equivalents for the City of Minneapolis and does not include approximately \$50.2 M invested for General Agency Reserve Fund Systems (GARFS) and Development Debt, and \$10.7 M invested for Park Board, MBC and Youth Coordinating Board.

FINANCIAL STRENGTH ANALYSIS - 2015 (in millions)					Increase Over 2013		Total 4 Year Incr		4 Year Avg Incr		2015 ANALYSIS	
	2011	2012	2013	2014	\$	%	\$	%	\$	%	YTD 9/30/15	Proj YE 2015
<b>INTERNAL SERVICE FUNDS FINANCIAL STRENGTH ANALYSIS - 2015 (in millions)</b>												
Engr. Materials & Testing - Cash	1.2	1.7	2.1	1.9	(0.2)		0.7		0.2		2.0	1.5
Engr. Materials & Testing - Net Assets/Position	1.1	1.6	2.0	1.8	(0.2)		0.7		0.2		1.7	1.5
Intergovernmental Services - Cash	11.9	15.8	34.2	49.9	15.7		38.0		9.5		41.6	34.7
Intergovernmental Services - Net Assets/Positn.	22.2	27.4	37.4	62.1	24.7		39.9		10.0		59.7	60.8
Property Services - Cash	0.7	0.8	4.2	3.8	3.4		3.1		0.8		4.3	3.8
Property Services - Net Assets/Position	26.1	25.6	32.9	32.8	(0.1)		6.7		1.7		33.2	33.3
Equipment Services - Cash	12.3	10.2	18.9	23.2	4.3		10.9		2.7		24.7	20.0
Equipment Services - Net Assets/Position	35.2	37.2	49.8	59.8	10.0		24.6		6.2		64.2	65.7
PW Stores - Cash	(0.2)	(0.2)	(0.2)	(0.2)	0.0		0.0		0.0		(0.2)	(0.2)
PW Stores - Net Assets/Position	3.0	3.7	4.1	4.6	0.5		1.6		0.4		4.8	4.9
Self Insurance Fund - Cash	47.5	56.4	61.2	70.6	9.4		23.1		5.8		74.9	77.3
Self Insurance Fund - Net Assets/Position	(4.1)	1.7	4.5	18.3	13.8		22.4		5.6		23.6	24.8
<b>Total ISF - Cash</b>	<b>73.4</b>	<b>84.7</b>	<b>120.4</b>	<b>149.2</b>	<b>28.8</b>	<b>34.0%</b>	<b>75.8</b>	<b>103.3%</b>	<b>19.0</b>	<b>25.8%</b>	<b>147.3</b>	<b>137.1</b>
<b>Total ISF - Net Assets/Position</b>	<b>83.5</b>	<b>97.2</b>	<b>130.7</b>	<b>179.4</b>	<b>48.7</b>	<b>50.1%</b>	<b>95.9</b>	<b>114.9%</b>	<b>24.0</b>	<b>28.7%</b>	<b>187.2</b>	<b>191.0</b>
<b>ENTERPRISE FUNDS FINANCIAL STRENGTH ANALYSIS - 2015 (in millions)</b>												
Sanitary Sewer - Cash	20.8	20.0	23.6	18.7	(4.9)		(2.1)		(0.5)		15.9	13.4
Sanitary Sewer - Net Assets/Position	100.8	107.5	114.4	118.6	4.2		17.8		4.5		117.7	118.4
Stormwater - Cash	26.6	37.4	36.4	35.0	(1.4)		8.4		2.1		39.2	30.5
Stormwater - Net Assets/Position	284.9	299.6	311.5	308.8	(2.7)		23.9		6.0		327.9	318.2
Water Enterprise - Cash	15.2	19.1	19.0	25.1	6.1		9.9		2.5		31.2	25.9
Water Enterprise - Net Assets/Position	186.0	197.2	210.2	221.5	11.3		35.5		8.9		226.9	220.8
Solid Waste & Recycling - Cash	22.4	23.9	17.8	19.7	1.9		(2.7)		(0.7)		22.9	21.1
Solid Waste & Recycling - Net Assets/Position	30.5	30.3	26.8	27.3	0.5		(3.2)		(0.8)		31.9	30.8
Municipal Parking - Cash	11.6	7.7	17.8	10.5	(7.3)		(1.1)		(0.3)		16.7	13.6
Municipal Parking - Net Assets/Position	157.2	162.8	172.5	177.9	5.4		20.7		5.2		185.0	180.3
Comm Planng & Econ Dev (CPED) - Cash***	0.0	0.0	0.1	0.0	(0.1)		0.0		0.0		0.6	0.1
Comm Planng & Econ Dev (CPED) - Fund Balance	39.8	38.5	33.4	39.0	5.6		(0.8)		(0.2)		5.8	35.0
<b>Total ESF - Cash</b>	<b>96.6</b>	<b>108.1</b>	<b>114.7</b>	<b>109.0</b>	<b>(5.7)</b>	<b>-5.0%</b>	<b>12.4</b>	<b>12.8%</b>	<b>3.1</b>	<b>3.2%</b>	<b>126.5</b>	<b>104.6</b>
<b>Total ESF - Net Assets/Position</b>	<b>799.2</b>	<b>835.8</b>	<b>868.8</b>	<b>893.1</b>	<b>24.3</b>	<b>2.8%</b>	<b>93.9</b>	<b>11.7%</b>	<b>23.5</b>	<b>2.9%</b>	<b>895.2</b>	<b>903.5</b>
***Cash in CPED Enterprise Funds does not include the amount invested with trustees through GARFS and reported in the CPED Enterprise Funds.												

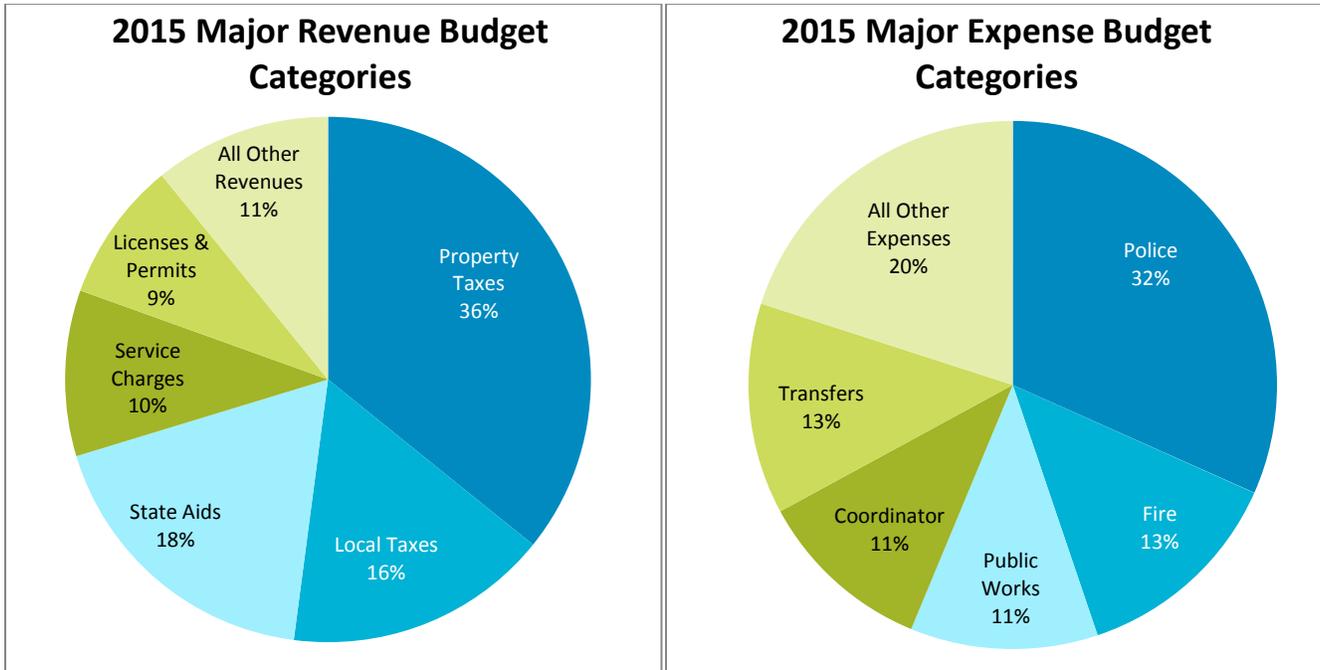
**INDIVIDUAL FUNDS  
Schedules and Analysis**

**City of Minneapolis  
Financial Status Report – 3<sup>rd</sup> Quarter 2015**

## General Fund

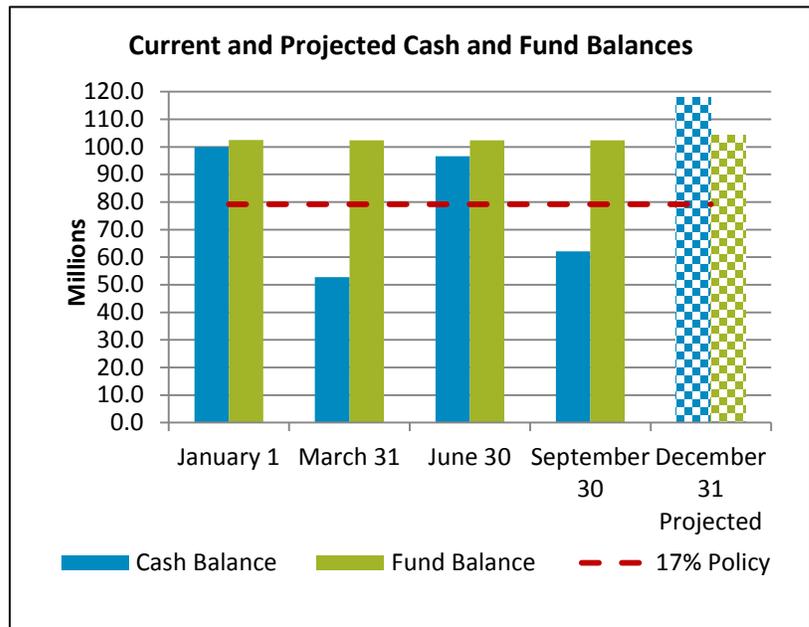
### Fund Description

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 2015 final revenue budget is \$450.0 million, while the Fund's 2015 final expense budget is \$465.6 million, including transfers.



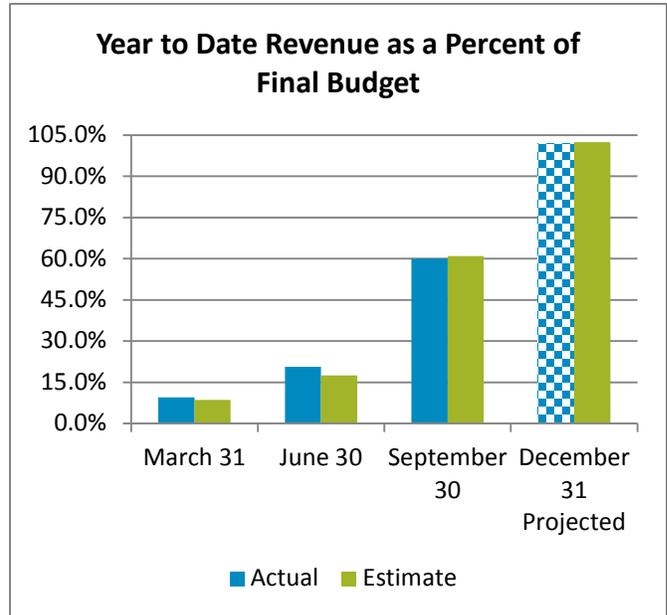
### Cash and Fund Balance

The fund balance for the General Fund at fiscal year-end 2014 was \$102.4 million. The budget for 2015 includes a planned use of fund balance totaling \$15.7 million. However, current projections for year-end forecast an excess of revenue over expenditures of \$1.9 million. Current revenue projections come in over budget by approximately \$9.3 million and expenditure projections come in \$8.2 million under budget. The City's financial policy for General Fund balance is to maintain 17% of the following year's expenditure budget. For 2015, fund balance is projected to be well within the policy guidelines. A portion of current year budgetary savings will be used in future years to fund ongoing CARS expenditures as well as upgrades to and implementations of a number of technology infrastructure systems. The cash balance at year-end 2014 was \$100.0 million, while the 2015 final cash balance is projected to be \$118.3 million.



**Revenues**

More than one-half of General fund revenue is related to property taxes, special assessments, and state aids. The first installments of these payments are received in July with the remainder received in November. Since such a large portion of General Fund revenue is received in the last quarter of the year, the estimated revenue through three quarters of the year is only 61.0%. Revenue through the third quarter 2015 totals \$270.1 million or 60.0% of the total budget, slightly behind estimates. Year-end revenue is projected to be \$9.3 million, or 2.0%, more than budgeted. The largest budget variance is predicted to be license and permit revenue with actual revenue forecasted to exceed budget by nearly \$4.0 million. This overage is caused by a continued high level of development activity throughout the City and especially in the downtown area. Charges for services are also projected to be over budget due to an increase in revenue generated from services related to construction projects and loan fees related to development.

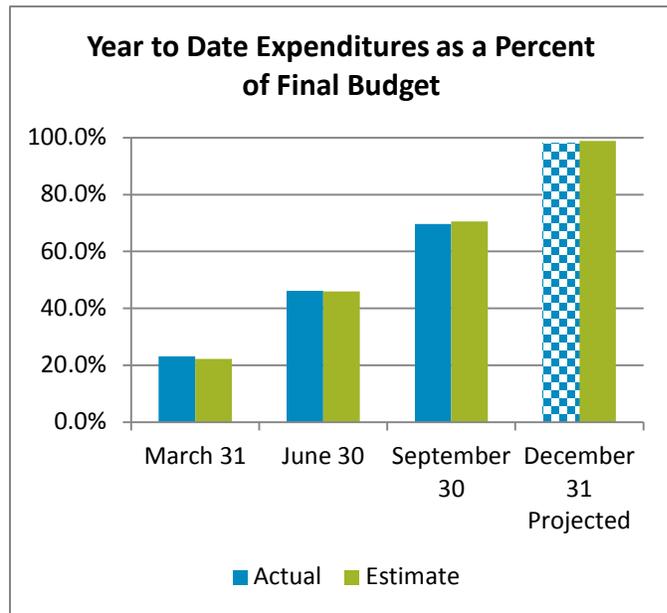


**Expenditures**

Six departments comprise 74.6% 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.

The Police department expects to come in \$0.5 million under budget due to lower than expected vehicle and equipment costs and fewer capital equipment purchases than budgeted. The Fire department is projecting to be under budget by \$0.9 million related to material and services for equipment maintenance and operation.

A milder winter with less snow removal expense is leading Public Works to a projected budgetary savings of \$1.3 million by year end. The City Attorney department projects savings of around \$0.4 million, which is driven by a combination of position vacancies and lower than expected fringe benefit costs. The City Coordinator departments are projecting a combined budgetary savings of \$1.0 million, generally due to savings realized by staffing vacancies.



Other departments within the General Fund expect to be within a few percentage points of the current budget by year end. The \$4.0 million contingency funding is not expected to be spent. Overall, expenditures are projected to be approximately \$9.5 million less than budgeted for year-end 2015.

**City of Minneapolis  
General Fund  
September 30, 2015**

	Original Budget	Revised	Year-to-Date	Percent of Revised Budget	Projected Year End Totals	Surplus (Deficit) Budget vs Projected	Projected Year End as a Percent of Revised Budget
<b>Revenues</b>							
Property Taxes	159,478,620	159,478,620	81,508,165	49%	160,478,620	1,000,000	101%
Local Taxes	73,625,186	73,625,186	49,334,828	33%	75,350,000	1,724,814	102%
State Aids	82,419,010	82,419,010	38,785,005	53%	82,419,010	-	100%
Charges for Services	46,227,580	46,407,580	34,185,156	26%	48,750,000	2,342,420	105%
Franchise Fees	28,977,500	29,927,500	21,339,231	29%	31,350,000	1,422,500	105%
Licenses & Permits	39,045,226	39,045,226	34,011,081	13%	43,000,000	3,954,774	110%
Fines & Forfeits	7,248,000	7,248,000	4,648,364	36%	7,000,000	(248,000)	97%
Special Assessments	3,569,492	3,569,492	1,629,174	54%	3,100,000	(469,492)	87%
Investment Income	2,300,000	2,300,000	518,352	77%	1,650,000	(650,000)	72%
Other Intergovernmental	698,860	698,860	443,801	36%	698,860	-	100%
Other Miscellaneous	728,770	548,770	531,217	3%	775,000	226,230	141%
Contributions	960,000	10,000	-	100%	10,000	-	100%
<b>Total Revenues</b>	<b>445,278,244</b>	<b>445,278,244</b>	<b>266,934,374</b>	<b>40%</b>	<b>454,581,490</b>	<b>9,303,246</b>	<b>102%</b>
Transfers In	4,682,200	4,682,200	3,193,659	32%	4,682,200	-	100%
<b>Revenues and Other Sources</b>	<b>449,960,444</b>	<b>449,960,444</b>	<b>270,128,033</b>	<b>40%</b>	<b>459,263,690</b>	<b>9,303,246</b>	<b>102%</b>
<b>Expenditures</b>							
Police	148,340,932	148,637,855	103,169,637	31%	148,171,000	466,855	100%
Fire	60,230,520	61,444,858	44,673,780	27%	61,005,000	439,858	99%
Human Resources	7,230,994	7,230,994	5,116,329	29%	6,905,265	325,729	95%
Finance & Property Services	22,170,168	22,170,168	15,773,777	29%	22,170,168	-	100%
911	9,052,193	9,052,193	6,379,929	30%	9,052,193	-	100%
311	3,683,465	3,758,465	2,729,934	27%	3,758,465	-	100%
City Coordinator	3,249,011	3,209,011	1,787,063	44%	2,995,000	214,011	93%
Intergovernmental Relations	1,512,574	1,512,574	986,409	35%	1,370,000	142,574	91%
Communications	2,211,514	2,211,514	1,575,676	29%	2,040,000	171,514	92%
Emergency Management	767,969	767,969	554,407	28%	760,000	7,969	99%
Neighborhood & Community Relations	425,415	508,415	184,288	64%	508,415	-	100%
Information Technology	-	125,000	(191)	100%	-	125,000	0%
City Coordinator - Total	50,303,303	50,546,303	35,087,621	31%	49,559,506	986,797	98%
Transportation Planning & Design	3,275,805	2,733,699	1,953,723	29%	2,675,000	58,699	98%
Transportation Plan Programming	-	817,202	335,098	59%	800,000	17,202	98%
Transportation Maintenance & Repair	31,344,848	31,344,848	22,544,553	28%	30,975,000	369,848	99%
Public Works Administration	3,120,420	3,120,420	2,218,859	29%	3,120,420	-	100%
Traffic & Parking Services	16,114,961	15,874,865	10,519,732	34%	15,800,000	74,865	100%
Public Works - Total	53,856,034	53,891,035	37,571,965	30%	53,370,420	520,614	99%
Regulatory Services	17,572,410	17,607,410	11,880,394	33%	16,750,000	857,410	95%
Attorney	9,001,847	9,001,847	6,028,568	33%	8,616,647	385,200	96%
City Council & City Clerk	9,231,429	9,270,054	6,126,783	34%	8,750,307	519,747	94%
Culture & Recreation - Library	2,363,000	2,363,000	1,193,131.00	50%	2,363,000	-	100%
Contingency	4,007,139	4,007,139	-	100%	-	4,007,139	0%
Assessor	4,869,380	4,869,380	3,362,106	31%	4,765,424	103,956	98%
CPED	32,481,988	32,674,488	21,443,795	34%	32,600,000	74,488	100%
Health	8,438,782	8,438,782	5,408,658	36%	8,509,995	(71,213)	101%
Civil Rights	3,167,684	3,257,184	2,258,317	31%	3,254,776	2,408	100%
Mayor	1,917,292	1,917,292	1,397,281	27%	1,917,292	-	100%
Internal Audit	507,236	507,236	431,911	15%	581,000	(73,764)	115%
<b>Total Expenditures</b>	<b>406,288,977</b>	<b>408,433,864</b>	<b>280,033,946</b>	<b>31%</b>	<b>400,214,368</b>	<b>8,219,496</b>	<b>98%</b>
Transfers Out	57,192,812	57,192,812	44,309,937	23%	57,192,812	-	100%
<b>Expenditures and Other Uses</b>	<b>463,481,789</b>	<b>465,626,676</b>	<b>324,343,882</b>	<b>30%</b>	<b>457,407,180</b>	<b>8,219,496</b>	<b>98%</b>
<b>Change in Fund Balance</b>					<b>1,856,510</b>		
<b>Fund Balance - January 1, 2015</b>					<b>102,439,346</b>		
<b>Fund Balance - December 31, 2015</b>					<b>104,295,856</b>		

**Convention Center Special Revenue Fund Report  
For the 3rd Quarter Ending September 30, 2015**

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.

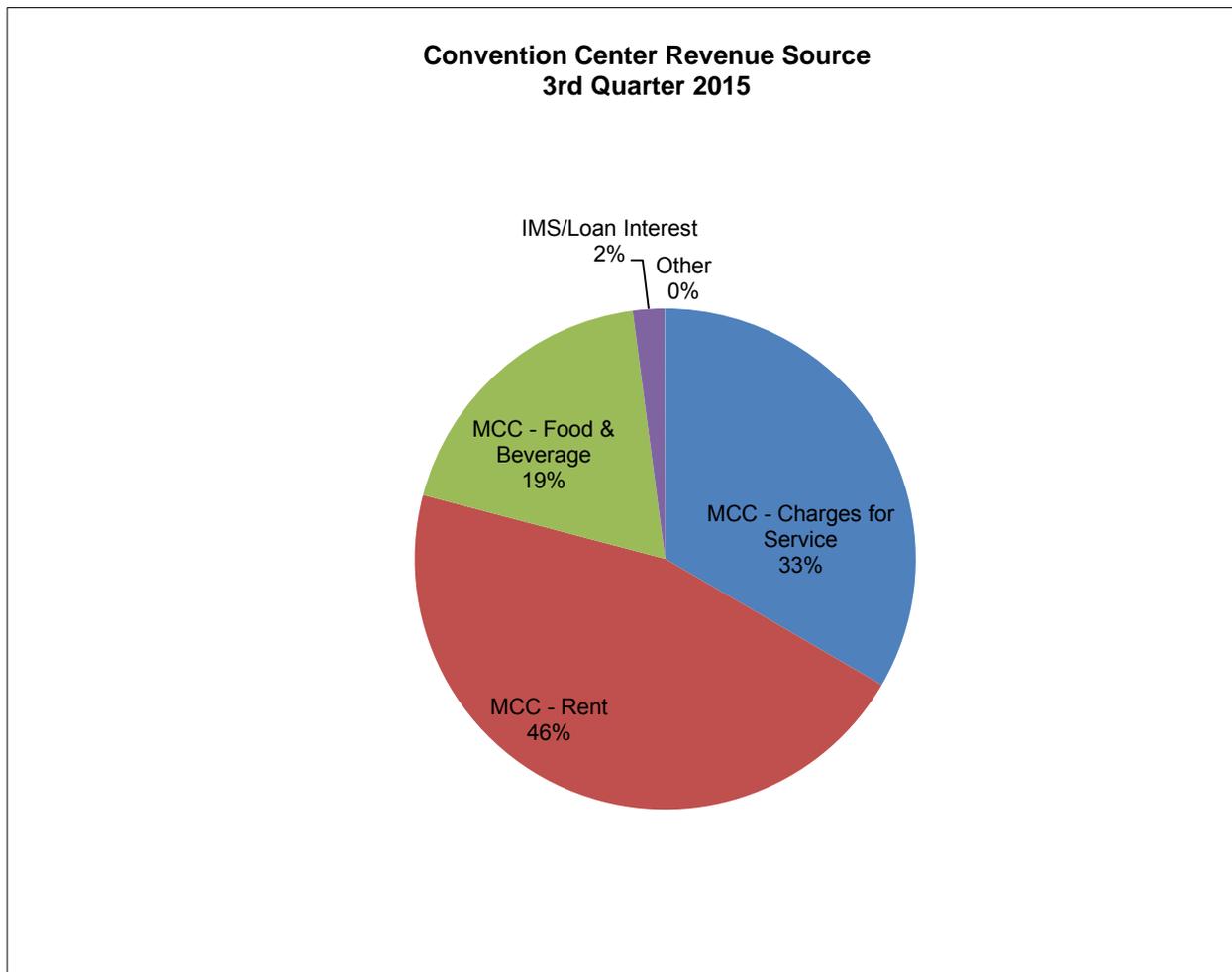
**Revenue**

**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 3rd quarter of 2015, operating revenue ended at approximately \$13.6 million or 78% of the \$17.4 million budget. Rent and Commissions had the strongest finish at approximately \$6.4 million or 84% of budget followed by Charges for Services and Sales at approximately \$4.6 million or 75% of budget, and finally Catering Commissions which came in at \$2.6 million or 72% of budget.



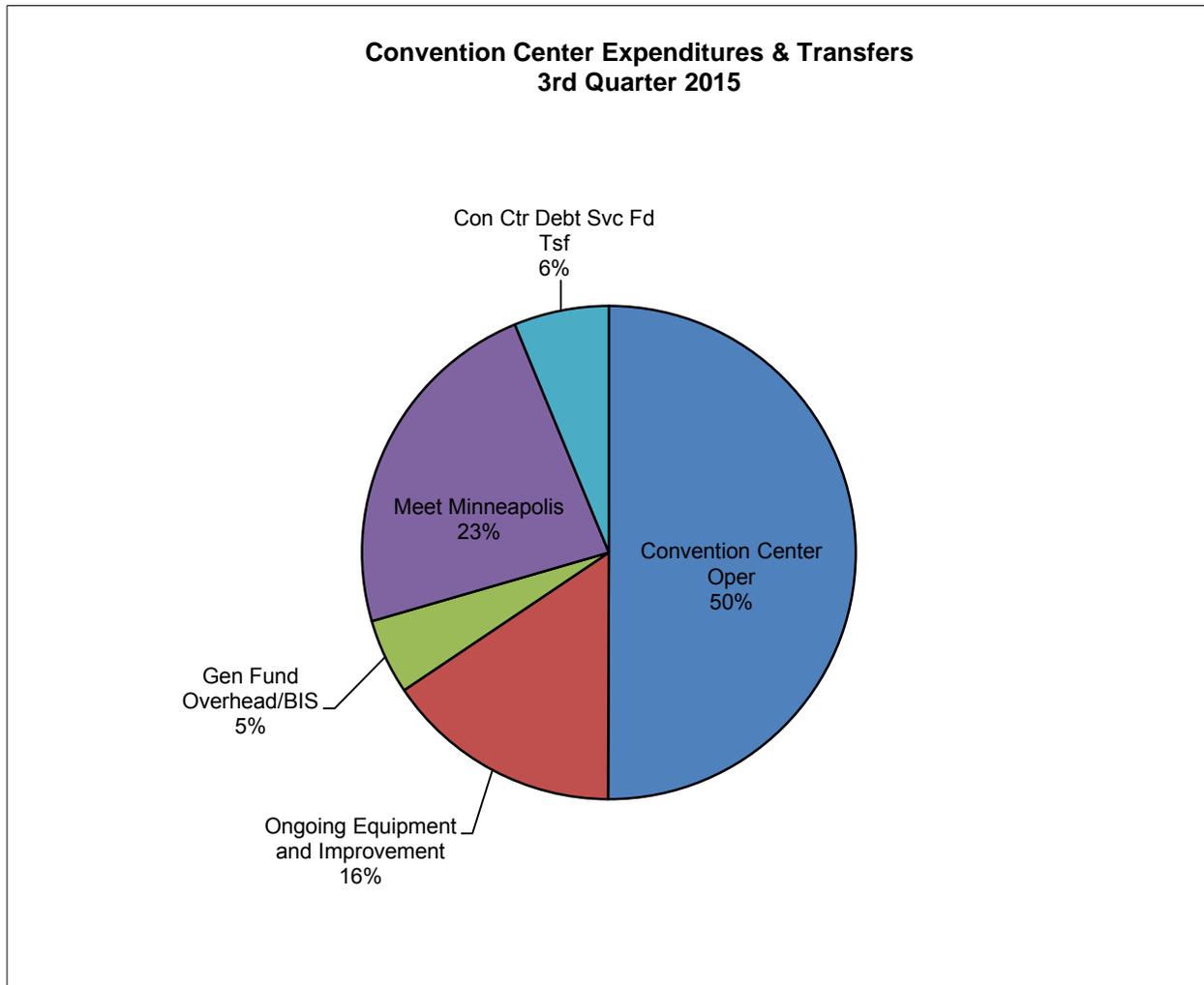
The Convention Center continues to discount rents to be competitive. Through September 30, 2015, the Convention Center hosted 276 events with close to 670,000 attendees. Operating revenues are projected to slightly exceed budget. Economic impact to the community as a result of events in 2015 is estimated to be approximately \$331 million.

**Operating Expenditures**

Through the 3rd quarter of 2015, Convention Center operating expenses, not including Ongoing Equipment and Improvement, IT, and General Fund Overhead, finished at nearly \$16.4 million or 67% 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 the 3rd quarter at approximately \$5.1 million or 37% of the nearly \$13.9 million budget which includes a nearly \$4.4 million 2015 rollover of obligated and unspent 2014 funds. In 2015, the Convention Center is working on much needed projects such as lobby railing replacement/enhancement, exhibit hall fronts video boards/wood cladding, HVAC coil replacement, interior painting of public spaces, exterior doors, LED lighting upgrade, Hall B – E color dome lights, Hall A concession stand remodel, AV equipment, building lighting controls, and auditorium sound. These projects allow the Convention Center to remain competitive in national market. The Convention Center will request a rollover of unspent 2015 funds.



**Transfers**

The Convention Center Fund annually transfers funds for debt service, in addition to receiving a transfer from the General Fund. In 2015, transfers for debt service for debt issued for the building and building domes are budgeted in total at \$24.5 million. The building debt is expected to be paid off in 2020. The transfer from the General Fund is budgeted at \$50.3 million to fund 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. In November 2014, Meet Minneapolis sold iDSS, but the principal and interest payments to the City will continue. Meet Minneapolis is budgeted at nearly \$10.1 million for 2015, and is expected to finish the year \$40 thousand under budget as the result of a new Meet Minneapolis contract being executed in 2015.

**Fund/Cash Balance**

Beginning in 2015, the Facility Reserve Fund cash and fund balance of \$5.4 million are being reported under the Convention Center Fund to reflect the current reporting in the Comprehensive Annual Financial Report (CAFR). The 2014 ending fund balance was nearly \$60.5 million, and is projected to increase nearly \$5 million to \$65.4 million in 2015. The increase can be largely attributed to the addition of the \$5.4 million Facility Reserve Fund Balance.

**CONVENTION CENTER SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the fiscal quarter ending September 30, 2015**

**CITY OF MINNEAPOLIS, MINNESOTA**

	2015				
	Budget	Actual	Percent of Total	Year End Projection	2014 Actual
<b>REVENUE</b>					
Operating Revenue:					
Charges for Services and Sales	6,200,000	4,643,501	75%	6,200,000	6,048,042
Rents and Commissions	7,597,000	6,355,137	84%	7,601,622	6,852,829
Catering Commissions	3,650,000	2,617,458	72%	3,650,000	3,726,471
Total Operating Revenue	17,447,000	13,616,096	78%	17,451,622	16,627,342
Other Non Operating Revenue:					
Investment Management Services Interest	396,000	156,689	40%	235,000	345,080
Meet Minneapolis (iDSS) Loan Interest	164,130	126,253	77%	164,130	214,631
Other	-	5,401	-	-	246,929
Total Other Non Operating Revenue	560,130	288,343	51%	399,130	806,640
Total Non Operating Revenue	560,130	288,343	51%	399,130	806,640
<b>Total Revenue</b>	<b>18,007,130</b>	<b>13,904,439</b>	<b>77%</b>	<b>17,850,752</b>	<b>17,433,982</b>
<b>EXPENDITURES</b>					
Convention Center Operations	24,348,402	16,373,180	67%	24,083,645	23,262,470
Ongoing Equipment and Improvement	13,894,021	5,074,225	37%	7,867,812	10,095,303
General Fund Overhead/IT Operating	2,154,543	1,615,911	75%	2,154,543	2,202,535
Meet Minneapolis	10,071,000	7,611,000	76%	10,031,000	9,460,573
<b>Total Expenditures</b>	<b>50,467,966</b>	<b>30,674,316</b>	<b>61%</b>	<b>44,137,000</b>	<b>45,020,881</b>
Excess of Revenues Over (Under) Expenditures	(32,460,836)	(16,769,876)	52%	(26,286,248)	(27,586,899)
<b>OTHER FINANCING SOURCES (USES)</b>					
General Fund Transfer - Operating Subsidy	50,340,000	37,755,000	75%	50,340,000	46,593,000
Convention Ctr Debt Service Transfer	(24,502,125)	(2,035,342)	8%	(24,502,125)	(18,679,741)
<b>Total Other Financing Sources (Uses)</b>	<b>25,837,875</b>	<b>35,719,658</b>	<b>138%</b>	<b>25,837,875</b>	<b>27,913,259</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(6,622,961)	18,949,782		(448,373)	326,360
Fund Balance - January 1	65,854,526	65,854,526		65,854,526	60,127,716
<b>Ending Fund Balance</b>	<b>59,231,565</b>	<b>84,804,308</b>		<b>65,406,153</b>	<b>60,454,076</b>
<b>Ending Cash Balance</b>		<b>80,983,647</b>		<b>62,570,295</b>	<b>57,618,218</b>

## **Arena Special Revenue Fund Q3 2015 Report**

The Arena Special Revenue 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 Special Revenue 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 where the Timberwolves organization is paying rent. The 2015 rent payment was \$1.35 million. The entertainment taxes are being receipted directly to the Arena Special Revenue Fund (Target Center) to fully credit the Target Center for the entertainment taxes generated from its events.

### **Expenditures**

The Arena Special Revenue Fund has an ongoing equipment and improvements budget of nearly \$8.9 million which includes a 2014 to 2015 rollover of obligated but unspent funds of \$3.9 million. Work is currently underway on much needed projects including movable floor controls, elevator modernization, catering kitchen remodeling, building automation system, ice floor concrete, and domestic water and waste lines. 2015 capital expenses are expected to finish under budget due to delays to the renovation project, project specifications, and contract additions. A 2015 to 2016 rollover request will be submitted for unspent capital funds. In addition, the Arena Special Revenue Fund pays any required reimbursement to AEG to support Arena operating costs. The current maximum operator reimbursement for 2015 is \$1.5 million. As of the end of the third quarter, an operating support payment has been made in the amount of \$.5 million. It is anticipated that additional funding requests will be made in the fourth quarter.

### **Transfers**

The Arena Special Revenue Fund receives an annual transfer from the Parking Fund. The 2015 budgeted transfer is \$3.5 million. The transfers are on schedule, and it is expected that the transfer will meet the 2015 budget.

### **Debt Service**

As of September 30, 2015, \$45.9 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 within CPED Funds and are included in the quarterly report for the CPED Special Revenue Funds.

### **Fund Balance**

The 2015 ending fund balance is projected to be approximately \$12.4 million, which assumes projected revenue, operating expenses, and capital expenditures meet year-end projections in 2015.

**ARENA SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the fiscal quarter ending September 30, 2015**

	<b>2015</b>			
	<b>Budget</b>	<b>Actual</b>	<b>Year End Projection</b>	<b>2014 Actual</b>
<b>REVENUES:</b>				
Entertainment Tax	1,300,000	1,300,000	1,367,200	1,976,384
Rents & Commissions	1,350,000	1,350,000	1,350,000	1,350,000
Interest	40,800	24,090	36,130	33,872
<b>Total revenues</b>	<b>2,690,800</b>	<b>2,674,090</b>	<b>2,753,330</b>	<b>3,360,256</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Target Center Operations	(1,759,620)	(710,944)	(1,757,320)	(1,344,603)
Target Center Capital	(8,886,572)	(850,255)	(2,157,960)	(1,953,639)
Municipal Parking Enterprise Fund	3,522,696	2,542,177	3,522,696	3,323,206
<b>Total other financing sources (uses)</b>	<b>(7,123,496)</b>	<b>980,978</b>	<b>(392,584)</b>	<b>24,964</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(4,432,696)	3,655,067	2,360,746	3,385,220
<b>Fund Balance - January 1</b>	<b>10,076,177</b>	<b>10,076,177</b>	<b>10,076,177</b>	<b>6,690,957</b>
<b>Ending Fund Balance</b>	<b>5,643,481</b>	<b>13,731,244</b>	<b>12,436,923</b>	<b>10,076,177</b>
<b>Ending Cash Balance</b>		<b>13,723,022</b>	<b>13,103,054</b>	<b>10,742,308</b>

**City of Minneapolis**  
**Police Special Revenue Fund**

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The Police Special Revenue Fund accounts for the City's revenues and expenses related to federal and state administrative forfeitures, lawful gambling, automated pawn system, and the Workforce Director scheduling and payroll system. The automated pawn and Workforce Director system are proprietary software systems that are owned and managed by the City of Minneapolis and recovers expenses from use agreements with other governmental entities.

**Historical Financial Performance**

The accumulated fund balance for year ending 2014 was \$1.1 million. This was an increase from the 2013 fund balance of \$1.0 million. Prior to 2013 fund balance had been decreasing primarily due to expenses exceeding revenues related to the automated pawn system and the Workforce Director. The rates related to the automated pawn system have since been increased to cover the costs. This has helped to stabilize the cash balance at \$1.1 million.

**Revenues**

Revenues for the Police Special Revenue Fund have increased from \$2.0 million in 2013 to \$2.3 million in 2014. The total revenue budgeted for 2015 is \$2.1 million. Through the 3<sup>rd</sup> quarter of 2015, \$1.6 million in revenue had been received compared to \$1.4 million in September of 2014. The projected 2015 year-end revenues are expected to be \$100,000 over budget or \$2.2 million, primarily due to an increase in forfeitures.

**Expenditures**

Expenditures for the Police Special Revenue Fund increased from \$1.8 million in 2013 to \$2.1 million in 2014. Through the 3<sup>rd</sup> quarter of 2015, \$1.2 million has been expended compared to \$1.5 million in 2014. The projected 2015 year end expenditures are expected to be at budget or \$2.1 million.

**Fund Balance**

Based on the 2015 Projections, the Fund Balance at year end is expected to be \$1.2 million, an increase of \$100,000 primarily due to the increase in forfeitures.

**City of Minneapolis**  
**Police Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For Third Quarter/Years 2015, 2014, and 2013**

	Budget Current Year 2015	Projected Year Ending 2015	For Period Ending 9/30/2015	For Year Ending 2014	For Period Ending 9/30/2014	For Year Ending 2013
<b>Revenue</b>						
Charges for Services and Sales	1,555,000	1,555,000	1,018,842	1,660,104	911,642	1,478,693
Fines and Forfeits	400,000	500,000	450,636	463,645	351,053	362,011
Miscellaneous	-	-	1,500	-	1,500	
Taxes	177,438	177,438	144,987	131,216	104,172	156,686
<b>Total Revenue</b>	<b>2,132,438</b>	<b>2,232,438</b>	<b>1,615,965</b>	<b>2,254,966</b>	<b>1,368,367</b>	<b>1,997,389</b>
<b>Expenditures</b>						
Contractual Services	879,861	879,861	441,979	814,639	500,861	740,083
Fringes	194,411	194,411	103,244	212,783	152,502	201,018
Materials / Other	331,839	331,839	263,596	352,049	272,192	154,517
Personal Services	726,327	726,327	421,636	781,591	531,248	740,852
<b>Total Expenditures</b>	<b>2,132,438</b>	<b>2,132,438</b>	<b>1,230,455</b>	<b>2,161,062</b>	<b>1,456,803</b>	<b>1,836,471</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>100,000</b>	<b>385,510</b>	<b>93,903</b>	<b>(88,436)</b>	<b>160,918</b>
<b>Other Financing Sources (Uses)</b>						
Net transfers in from other funds						
Net transfers out to other funds						
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>-</b>	<b>100,000</b>	<b>385,510</b>	<b>93,903</b>	<b>(88,436)</b>	<b>160,918</b>
<b>Significant Balance Sheet Items:</b>						
Cash Balance		1,596,279	1,261,957	1,496,279	886,407	1,073,701
Fund Balance		1,195,527	1,481,036	1,095,527	1,001,623	1,001,623

**City of Minneapolis**  
**NCR Special Revenue Fund: 01800**  
**Quarter Ending September 30, 2015**

**Neighborhood and Community Relations Special Revenue Fund**

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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**

\$3.4 million has been transferred from the Consolidated Redevelopment Tax Increment Financing District Fund to the NCR Special Revenue Fund for the first half of FY 2015; another \$2.8 million is projected to be transferred for the second half of the year.

**Expenditures**

The expenditures from this fund through the third quarter of 2015 are \$3.9 million. The total projected expenditures for 2015 are \$5.5 million for community engagement and neighborhood based activities within the city.

**Fund/Cash Balance**

The Cash balance at year-end 2015 is projected to be \$3.8 million compared to \$3.1 million at year-end 2014. Based on current activities, the Fund balance at year-end 2015 is projected to be \$3.7 million compared to \$3.0 million at year-end 2014.

**City of Minneapolis**  
**NCR Special Revenue Fund : 01800**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For Years, 2015, 2014, and 2013**

	Budget Current Year 2015	Projected Year Ending 2015	For Period Ending 9/30/2015	For Year Ending 2014	For Period Ending 9/30/2014	For Year Ending 2013
<b>Revenue</b>						
Loan Recapture	-	-	-	2,175	1,715	-
Other	-	-	-	3,400	3,400	18,814
<b>Total Revenue</b>	-	-	-	5,575	5,115	18,814
<b>Expenditures</b>						
Neighborhood Community Relations	6,225,384	5,500,000	3,856,006	3,138,045	2,283,410	1,517,155
<b>Total Expenditures</b>	6,225,384	5,500,000	3,856,006	3,138,045	2,283,410	1,517,155
<b>Excess of Revenues Over (Under) Expenditures</b>	(6,225,384)	(5,500,000)	(3,856,006)	(3,132,470)	(2,278,295)	(1,498,341)
<b>Other Financing Sources (Uses)</b>						
Net transfers in from other funds	6,225,384	6,200,000	3,409,368	5,520,516	3,092,712	1,200,000
Net transfers out to other funds						-
<b>Total Other Financing Sources (Uses)</b>	6,225,384	6,200,000	3,409,368	5,520,516	3,092,712	1,200,000
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	-	700,000	(446,638)	2,388,046	814,417	(298,341)
<b>Significant Balance Sheet Items:</b>						
Cash Balance		3,776,712	2,633,957	3,064,234	1,489,089	680,738
Fund Balance		3,736,712	2,590,074	3,036,712	1,463,083	648,666

11/3/2015

**City of Minneapolis**  
**Regulatory Services Special Revenue Fund**  
**For the Third Quarter ending September 30, 2015**

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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 nuisance condition pursuant to Chapter 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 2015 is \$3.8 million; \$3.7 million of this is from special assessments. Through the 3rd quarter of 2015, \$2.1 million in revenue had been received compared to \$2.3 in September of 2015. 2015 year-end revenue projections are \$3.0 million, or approximately \$776,000 under budget. Revenue in future years is projected to decline by 5 to 10 per cent annually.

**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 3rd quarter of 2015, \$3.5 million had been expended compared to \$2.6 million in 2014. The projected 2015 year-end expenditures are expected to be \$4.7 million, which is 12.5% under budget.

**Fund/Cash Balance**

Based on the 2015 Projections, the Fund Balance at year end is expected to be \$3.4 million, a \$1.6 million decrease from 2014 year end. The Cash balance is projected to show a similar decline to \$3.5 million at year-end 2015. It has been requested that this fund be spent down; it is anticipated that it will be fully spent down some time in 2017.

**City of Minneapolis**  
**Regulatory Services Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For Third Quarter/Years 2015, 2014, and 2013**

	Budget Current Year 2015	Projected Year Ending 2015	For Period Ending 9/30/2015	For Year Ending 2014	For Period Ending 9/30/2014	For Year Ending 2013
<b>Revenue</b>						
Permits and Charges for Services	97,000	272,847	204,635	334,698	403,499	328,497
Special Assessments	3,724,000	2,772,000	1,866,358	3,044,421	1,856,050	3,570,577
Other			(1,100)	34,789	24,627	6,992
Total Revenue	3,821,000	3,044,847	2,069,893	3,413,908	2,284,176	3,906,066
<b>Expenditures</b>						
Regulatory Services	5,033,988	4,389,000	3,291,796	3,579,206	2,420,210	3,373,538
Community & Economic Development	300,000	273,000	204,683	268,083	182,240	268,835
Total Expenditures	5,333,988	4,662,000	3,496,480	3,847,289	2,602,450	3,642,373
<b>Excess of Revenues Over (Under) Expenditures</b>	(1,512,988)	(1,617,153)	(1,426,586)	(433,380)	(318,274)	263,693
<b>Other Financing Sources (Uses)</b>						
Net transfers in from other funds						
Net transfers out to other funds						(168)
Total Other Financing Sources (Uses)	-	-	-	-	-	(168)
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	(1,512,988)	(1,617,153)	(1,426,586)	(433,380)	(318,274)	263,525
<b>Significant Balance Sheet Items:</b>						
Cash Balance		3,518,024	3,742,747	5,135,177	5,267,998	5,494,985
Fund Balance		3,420,372	3,610,939	5,037,525	5,152,631	5,470,905

**SPECIAL REVENUE FUNDS**  
**Federal, CDBG, and Other State and Local Grants**  
**Quarter Ending September 30, 2015**

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 September 30, 2015 expenditures were \$9,732,027 compared to the 2014 expenditures of \$10,640,073. The expenditure levels are fairly consistent between 2015 and 2014 unlike prior years that were impacted by remaining Recovery grants winding down.

**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. 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. HUD grant expenditures as of September 30 were \$17,079,744 compared to \$9,929,887 for 2014. The higher expenditures in 2015 are primarily due to an increase in Affordable Housing Trust Fund and other housing project activities in both the HOME and CDBG grants.

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 and future years.

**Grants Other Fund (01600)**

The fund is used to account for non-federal grants and other restricted revenue sources. The expenditures as of September 30, 2015 are \$15,604,032 compared to the 2014 expenditures of \$16,446,681. The revenue in the fund as of September 30, 2015 and 2014 is \$16,671,594 and \$17,017,244, respectively. The decline in revenue is primarily a result of fewer County grants and State pollution grants through the third quarter of 2015.

**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 Federal Government, Minnesota Department of Transportation, Metropolitan Council, and Hennepin County. These grants are generally recorded in Fund 04100, the Permanent Improvement Capital Projects fund.

**Special Revenue Funds**  
**Grant Funds**  
**Quarter Ending September 30, 2015**

	<b>Federal Grants 01300</b>	<b>HUD Grants 01400 &amp; 01500</b>	<b>Grants Other 01600</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ (730,148)	\$ (1,114,722)	\$ 3,145,975	\$ 1,301,105
Accounts - net	14,238	14,643	7,511	36,392
Special Assessments Receivable				-
Intergovernmental Receivables	48,050		(34,591)	13,459
Loans Receivable				-
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
<b>Total Assets</b>	<b>\$ 648,844</b>	<b>\$ 4,893,740</b>	<b>\$ 4,318,645</b>	<b>\$ 9,861,229</b>
<b>Liabilities</b>				
Salaries payable	\$ 47,255	\$ 45,076	\$ 89,436	\$ 181,767
Accounts payable	724,152	145,387	112,035	981,574
Inter Governmental Payables				-
Due to Other Funds				-
Use Taxes Payable			(148)	(148)
Unclaimed Property				-
Deposits held for others				-
Deferred revenue & Contracts	5,708		76,076	81,784
Deferred Special Assessments				-
<b>Total Liabilities</b>	<b>\$ 777,115</b>	<b>\$ 190,463</b>	<b>\$ 277,399</b>	<b>\$ 1,244,977</b>
<b>Fund Balance</b>	<b>\$ (128,271)</b>	<b>\$ 4,703,277</b>	<b>\$ 4,041,246</b>	<b>\$ 8,616,252</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 648,844</b>	<b>\$ 4,893,740</b>	<b>\$ 4,318,645</b>	<b>\$ 9,861,229</b>
<b>Revenue</b>				
Taxes-Charitable Gambling			\$ 106,457	\$ 106,457
Grants and Shared Revenues	\$ 7,803,692	\$ 14,350,538	14,053,596	36,207,826
Loan Origination Fees		770,974		770,974
Special Assessments		1,130		1,130
Private Contributions			1,767,682	1,767,682
Charges for Services	16,074	14,750	805,235	836,059
Licenses & Permits				-
Fines and forfeits				-
Interest		22,800	78	22,878
Rent & Commissions		7,680		7,680
Sale of Lands & Buildings	76,211	346,432		422,643
Loan Recapture	356,697	264,816		621,513
Sale of Equipment				-
Refund of Prior Years Expended				-
Miscellaneous Revenue	34,377	10,084	28,546	73,007
Transfer within Special Revenue Fund				-
<b>Total Revenue</b>	<b>\$ 8,287,051</b>	<b>\$ 15,789,204</b>	<b>\$ 16,761,594</b>	<b>\$ 40,837,849</b>
<b>Expenditures</b>	<b>\$ 9,732,027</b>	<b>\$ 17,079,744</b>	<b>\$ 15,604,032</b>	<b>\$ 42,415,803</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$ (1,444,976)</b>	<b>\$ (1,290,540)</b>	<b>\$ 1,157,562</b>	<b>\$ (1,577,954)</b>

**CDBG Program Year 41  
Beginning June 1, 2015  
September 30, 2015**

City Council Official Proceedings: April 17, 2015

Project	Adopted Budget 2014R-519	Adjustment Amount Council	Final HUD Allocation Council	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2015			
									Current Expenditures	Grant to Date Expenditures	Remaining Grant Budget	
<b>Capital Grants:</b>												
Lead Reduction	\$ 61,000	\$ (1,500)	\$ 59,500	\$ -	\$ -	\$ -	\$ -	\$ 59,500	\$ -	\$ -	\$ 59,500	
Adult Training, Placement and Retention	1,247,500	(31,900)	1,215,600	-	-	-	-	1,215,600	-	-	1,215,600	
High density corridor housing	579,000	(14,800)	564,200	-	-	-	-	564,200	-	-	564,200	
NEDF/CEDF (Great Streets)	123,000	(3,100)	119,900	-	-	-	-	119,900	28,298	28,298	91,602	
Multi-Family/Affordable Housing	3,277,540	(83,700)	3,193,840	-	-	-	-	3,193,840	-	-	3,193,840	
Vacant & Boarded Housing	1,753,000	(44,800)	1,708,200	-	-	-	-	1,708,200	-	-	1,708,200	
Subtotal Capital Grants	\$ 7,041,040	\$ (179,800)	\$ 6,861,240	\$ -	\$ -	\$ -	\$ -	\$ 6,861,240	\$ 28,298	\$ 28,298	\$ 6,832,942	
<b>Public Service Grants:</b>												
Community Crime Prevention Specialists	\$ 897,000	\$ (22,900)	\$ 874,100	\$ -	\$ -	\$ -	\$ -	\$ 874,100	\$ 250,140	\$ 250,140	\$ 623,960	
Domestic Abuse Project	75,000	(1,900)	73,100	-	-	-	-	73,100	-	-	73,100	
Juvenile Supervisor Center	100,000	-	100,000	-	-	-	-	100,000	4,602	4,602	95,398	
Way to Grow	212,000	(5,400)	206,600	-	-	-	-	206,600	58,675	58,675	147,925	
Youth Employment & Training	253,000	(5,697)	247,303	-	-	-	-	247,303	161,840	161,840	85,463	
Subtotal Public Service Grants	\$ 1,537,000	\$ (35,897)	\$ 1,501,103	\$ -	\$ -	\$ -	\$ -	\$ 1,501,103	\$ 475,257	\$ 475,257	\$ 1,025,846	
<b>Administrative Grants:</b>												
YCB Administration	\$ 64,803	\$ -	\$ 64,803	\$ -	\$ -	\$ -	\$ -	\$ 64,803	\$ -	\$ -	\$ 64,803	
Civil Rights Dept Fair Housing	335,000	(8,600)	326,400	-	-	-	-	326,400	-	-	326,400	
Finance Administration	180,000	(5,000)	175,000	-	-	-	-	175,000	-	-	175,000	
Problem Properties Board Bldg	88,100	(2,300)	85,800	-	-	-	-	85,800	10,672	10,672	75,128	
Grants & Special Projects	175,000	(4,700)	170,300	-	-	-	-	170,300	-	-	170,300	
Housing Discrimination Law Project-Leg:	40,100	(1,100)	39,000	-	-	-	-	39,000	-	-	39,000	
Access & Outreach (Multicultural Affairs)	102,000	(2,600)	99,400	-	-	-	-	99,400	-	-	99,400	
Grant Administration	62,000	(1,600)	60,400	-	-	-	-	60,400	688	688	59,712	
Legal Aid Mid-Minnesota	24,700	(700)	24,000	-	-	-	-	24,000	6,000	6,000	18,000	
Way to Grow Administration	15,000	(400)	14,600	-	-	-	-	14,600	2,400	2,400	12,200	
YCB Youth Violence Prevention	158,000	(4,000)	154,000	-	-	-	-	154,000	-	-	154,000	
CDBG Planning Admin	899,807	(23,000)	876,807	-	-	-	-	876,807	174,340	174,340	702,467	
Subtotal Administrative Grants	\$ 2,144,510	\$ (54,000)	\$ 2,090,510	\$ -	\$ -	\$ -	\$ -	\$ 2,090,510	\$ 194,100	\$ 194,100	\$ 1,896,410	
Subtotal Administrative Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
GRAND TOTAL	\$ 10,722,550	\$ (269,697)	\$ 10,452,853	\$ -	\$ -	\$ -	\$ -	\$ 10,452,853	\$ 697,655	\$ 697,655	\$ 9,755,198	

**CDBG Program Year 40**  
**Beginning June 1, 2014**  
**September 30, 2015**

**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	2015			
									Current Expenditures	Grant to Date Expenditures	Remaining Grant Budget	
<b>Capital Grants:</b>												
Lead Reduction	\$ 52,300	\$ 8,700	\$ 61,000	\$ -	\$ -	\$ -	\$ -	\$ 61,000	\$ 20,786	\$ 20,786	\$ 40,214	
Adult Training, Placement and Retention	1,247,500	-	1,247,500	-	-	-	-	1,247,500	927,413	1,027,113	220,387	
High density corridor housing	492,000	87,000	579,000	-	-	-	-	579,000	-	-	579,000	
NEDF/CEDF (Great Streets)	123,100	(100)	123,000	-	-	-	-	123,000	80,422	127,719	(4,719)	
Multi-Family/Affordable Housing	2,467,000	810,540	3,277,540	-	-	-	-	3,277,540	14,028	14,028	3,263,512	
Owner Occupied Rehab	-	-	-	1,115,000	1	-	-	1,115,000	31,571	31,571	1,083,429	
Vacant & Boarded Housing	1,433,400	319,600	1,753,000	856,000	1	-	-	2,609,000	1,658,875	2,033,009	575,991	
Subtotal Capital Grants	\$ 5,815,300	\$ 1,225,740	\$ 7,041,040	\$ 1,971,000	\$ -	\$ -	\$ -	\$ 9,012,040	\$ 2,733,095	\$ 3,254,226	\$ 5,757,814	
<b>Public Service Grants:</b>												
Community Crime Prevention Specialists	\$ 746,300	\$ 150,700	\$ 897,000	\$ -	\$ -	\$ -	\$ -	\$ 897,000	\$ 378,121	\$ 897,000	\$ -	
Domestic Abuse Project	50,000	25,000	75,000	-	-	-	-	75,000	75,000	75,000	-	
Juvenile Supervisor Center	100,000	-	100,000	-	-	-	-	100,000	1,334	94,334	5,666	
Way to Grow	155,000	57,000	212,000	-	-	-	-	212,000	132,697	187,964	24,036	
Youth Employment & Training	209,000	44,000	253,000	-	-	-	-	253,000	-	253,000	-	
Subtotal Public Service Grants	\$ 1,260,300	\$ 276,700	\$ 1,537,000	\$ -	\$ -	\$ -	\$ -	\$ 1,537,000	\$ 587,152	\$ 1,507,298	\$ 29,702	
<b>Administrative Grants:</b>												
YCB Administration	\$ 66,000	\$ (1,197)	\$ 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	56,079	90,866	(2,766)	
Grants & Special Projects	160,100	14,900	175,000	-	-	-	-	175,000	26,258	26,975	148,025	
Housing Discrimination Law Project-Lega	40,100	-	40,100	-	-	-	-	40,100	26,733	40,100	-	
Access & Outreach (Multicultural Affairs)	102,000	-	102,000	-	-	-	-	102,000	94,874	94,874	7,126	
Grant Administration	57,000	5,000	62,000	-	-	-	-	62,000	44,768	44,768	17,232	
Legal Aid Mid-Minnesota	24,700	-	24,700	-	-	-	-	24,700	10,292	22,642	2,058	
Way to Grow Administration	14,000	1,000	15,000	-	-	-	-	15,000	7,769	12,176	2,824	
YCB Youth Violence Prevention	145,000	13,000	158,000	-	-	-	-	158,000	138,104	159,484	(1,484)	
CDBG Planning Admin	836,500	63,307	899,807	147,000	1	-	-	1,046,807	621,700	1,046,807	-	
Subtotal Administrative Grants	\$ 2,006,400	\$ 138,110	\$ 2,144,510	\$ 147,000	\$ -	\$ -	\$ -	\$ 2,291,510	\$ 1,026,577	\$ 1,603,495	\$ 688,015	
Subtotal Administrative Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>GRAND TOTAL</b>	<b>\$ 9,082,000</b>	<b>\$ 1,640,550</b>	<b>\$ 10,722,550</b>	<b>\$ 2,118,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,840,550</b>	<b>\$ 4,346,824</b>	<b>\$ 6,365,019</b>	<b>\$ 6,475,531</b>	

**CDBG Program Year 39  
Beginning June 1, 2013  
September 30, 2015**

Project	Adopted Budget 2012R-654	Adjusted Amount Final HUD	Amended Budget	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2015			
									Current Expenditures	Grant to Date Expenditures	Remaining Grant Budget	
<b>Capital Grants:</b>												
Problem Properties Board Bldg	\$ 103,700	\$ -	\$ 103,700	\$ -	\$ -	\$ -	\$ -	\$ 103,700	\$ -	\$ 103,700	\$ -	
Lead Reduction	61,500	-	61,500	-	-	-	-	61,500	61,500	61,500	-	
Adult Training, Placement and Retention	1,467,600	237,898	1,705,498	-	-	-	-	1,705,498	-	1,705,498	-	
High density corridor housing	578,769	-	578,769	-	-	-	-	578,769	-	-	578,769	
NEDF/CEDF (Great Streets)	10,726	-	10,726	-	-	-	-	10,726	-	10,726	-	
Multi-Family/Affordable Housing	2,966,776	-	2,966,776	-	-	-	-	2,966,776	1,697,250	1,967,498	999,278	
Vacant & Boarded Housing	1,753,430	-	1,753,430	-	-	-	-	1,753,430	(49,389)	1,753,430	-	
Subtotal Capital Grants	\$ 6,942,501	\$ 237,898	\$ 7,180,399	\$ -	\$ -	\$ -	\$ -	\$ 7,180,399	\$ 1,709,361	\$ 5,602,352	\$ 1,578,047	
<b>Public Service Grants:</b>												
Community Crime Prevention Specialists	\$ 876,600	\$ 20,415	\$ 897,015	\$ -	\$ -	\$ -	\$ -	\$ 897,015	\$ -	\$ 897,015	\$ -	
Domestic Abuse Project	59,500	15,500	75,000	-	-	-	-	75,000	-	67,250	7,750	
Juvenile Supervisor Center	100,000	-	100,000	-	-	-	-	100,000	-	100,000	-	
Way to Grow	192,600	19,400	212,000	-	-	-	-	212,000	-	212,000	-	
Youth Employment & Training	250,900	2,100	253,000	-	-	-	-	253,000	-	253,000	-	
Subtotal Public Service Grants	\$ 1,479,600	\$ 57,415	\$ 1,537,015	\$ -	\$ -	\$ -	\$ -	\$ 1,537,015	\$ -	\$ 1,529,265	\$ 7,750	
<b>Administrative Grants:</b>												
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	235,762	379,156	(14,156)	
Finance Administration	194,400	1,600	196,000	-	-	-	-	196,000	114,549	126,065	69,935	
Grants & Special Projects	188,400	1,600	190,000	-	-	-	-	190,000	84,064	197,985	(7,985)	
Housing Discrimination Law Project-Legz	47,229	6,771	54,000	-	-	-	-	54,000	-	54,000	-	
Access & Outreach (Multicultural Affairs)	120,000	-	120,000	-	-	-	-	120,000	22,833	120,000	-	
Grant Administration	67,400	-	67,400	-	-	-	-	67,400	14,835	67,400	-	
Legal Aid Mid-Minnesota	29,060	4,940	34,000	-	-	-	-	34,000	-	34,000	-	
Neighborhood Services	71,400	-	71,400	-	-	-	-	71,400	-	71,400	-	
Way to Grow Administration	15,900	1,600	17,500	-	-	-	-	17,500	-	17,500	-	
YCB Youth Violence Prevention	100,200	10,500	110,700	-	-	-	-	110,700	-	110,700	-	
CDBG Planning Admin	984,060	53,293	1,037,353	-	-	-	-	1,037,353	-	1,037,353	-	
Subtotal Administrative Grants	\$ 2,245,349	\$ 84,004	\$ 2,329,353	\$ -	\$ -	\$ -	\$ (1,197)	\$ 2,328,156	\$ 472,043	\$ 2,280,362	\$ 47,794	
YCB Administration	-	-	-	-	-	-	\$ 1,197	1,197.00	-	-	\$ 1,197	
Subtotal Administrative Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ 1,197	
<b>GRAND TOTAL</b>	<b>\$ 10,667,450</b>	<b>\$ 379,317.00</b>	<b>\$ 11,046,767</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,046,767</b>	<b>\$ 2,181,404</b>	<b>\$ 9,411,979</b>	<b>\$ 1,634,788</b>	

**CDBG Program Year 38  
Beginning June 1, 2012  
September 30, 2015**

Project	Adopted Budget 2011R-659	Reduction Amount Final HUD	Amended Budget	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2015			
									Current Year Expenditures	Grant to Date Expenditures	Remaining Grant Budget	
<b>Capital Grants:</b>												
Lead Reduction	\$ 62,000	\$ (500)	\$ 61,500	\$ -	\$ -	\$ -	\$ -	\$ 61,500	\$ 51,432	\$ 64,715	\$ (3,215)	
Problem Properties Board Bldg	104,600	(900)	103,700	-	-	-	-	103,700	-	103,700	-	
Adult Training, Placement and Retention	1,480,000	(12,400)	1,467,600	-	-	137,800.00	1	1,605,400	137,800	1,605,400	-	
High density corridor housing	583,669	(4,900)	578,769	-	-	-	-	578,769	109,181	109,181	469,588	
Commercial Property Investment	139,000	(1,200)	137,800	-	-	(137,800.00)	1	-	-	-	-	
NEDF/CEDF (Great Streets)	41,000	(300)	40,700	-	-	-	-	40,700	-	40,700	-	
Multi-Family/Affordable Housing	2,991,876	(25,100)	2,966,776	-	-	-	-	2,966,776	681,686	2,966,776	-	
Vacant & Boarded Housing	1,599,056	(13,400)	1,585,656	-	-	-	-	1,585,656	-	1,585,656	-	
Subtotal Capital Grants	\$ 7,001,201	\$ (58,700)	\$ 6,942,501	\$ -	\$ -	\$ -	\$ -	\$ 6,942,501	\$ 980,099	\$ 6,476,128	\$ 466,373	
<b>Public Service Grants:</b>												
Community Crime Prevention Specialist	\$ 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	-	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	\$ -	\$ 1,479,600	\$ -	
<b>Administrative Grants:</b>												
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	-	361,900	-	
Finance Administration	196,000	(1,600)	194,400	-	-	-	-	194,400	-	194,400	-	
Grants & Special Projects	190,000	(1,600)	188,400	-	-	-	-	188,400	-	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	-	120,000	-	
Grant Administration	68,000	(600)	67,400	-	-	-	-	67,400	-	67,400	-	
Legal Aid Mid-Minnesota	-	-	-	-	-	29,060	-	29,060	-	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	-	100,200	-	
Legal Aid Society	29,260	(200)	29,060	-	-	(29,060)	-	-	-	-	-	
CDBG Planning Program Admin	992,360	(8,300)	984,060	-	-	-	-	984,060	-	984,060	-	
Subtotal Administrative Grants	\$ 2,264,360	\$ (19,011)	\$ 2,245,349	\$ -	\$ -	\$ -	\$ (597)	\$ 2,244,752	\$ -	\$ 2,244,752	\$ -	
<b>Block E Deficit Reduction:</b>												
YCB Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 597.00	\$ 597.00	\$ -	\$ -	\$ 597	
Subtotal Administrative Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 597	\$ 597	\$ -	\$ -	\$ 597	
<b>GRAND TOTAL</b>	<b>\$ 10,757,561</b>	<b>\$ (90,111)</b>	<b>\$ 10,667,450</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,667,450</b>	<b>\$ 980,099</b>	<b>\$ 10,200,480</b>	<b>\$ 466,970</b>	

**CDBG Program Year 37  
Beginning June 1, 2011  
September 30, 2015**

Project	Adopted Budget 2010R-598	Reduction Amount 2011R-301	Amended Budget 2011R-301	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2015			
									Current Year Expenditures	Grant to Date Expenditures	Remaining Grant Budget	
<b>Capital Grants:</b>												
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	36,449	-	99,943	-
Problem Properties Board Bldg	348,000	(186,823)	161,177	-	-	-	-	161,177	-	-	161,177	-
Adult Training, Placement and Retention	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	279,779	-	583,669	-
NonProfit MF Rental Development Assis	166,000	(33,275)	132,725	-	-	(38,727) <sup>1</sup>	-	93,998	-	-	-	93,998
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	-	-	38,727 <sup>1</sup>	-	2,766,130	-	-	2,727,403	38,727
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	\$ 316,228	\$ -	\$ 6,767,172	\$ 1,060,998
<b>Public Service Grants:</b>												
Restorative Justice Programs	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ 20,000	\$ -
Community Crime Prevention Specialists	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 Prog	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 & Pregn	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	\$ -
<b>Administrative Grants:</b>												
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	-
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	\$ -	\$ -	\$ 2,407,301	\$ -
<b>Block E Deficit Reduction:</b>												
YCB Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ -	\$ 1,197
Subtotal Administrative Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ -	\$ 1,197
<b>GRAND TOTAL</b>	<b>\$ 14,439,575</b>	<b>\$ (2,397,084)</b>	<b>\$ 12,042,491</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,042,491</b>	<b>\$ 316,228</b>	<b>\$ -</b>	<b>\$ 10,980,296</b>	<b>\$ 1,062,195</b>

**CDBG Program Year 36**  
**Beginning June 1, 2010**  
**September 30, 2015**

Project	Adopted Budget 2009R-586	Reduction Amount	Amended Budget	Department Actions	Reprogrammed Amounts	Revised Budget	2015		
							Current Year Expenditures	Grant to Date Expenditures	Remaining Grant Budget
<b>Capital Grants:</b>									
Problem Properties Attorneys	\$ 38,000		\$ 38,000	\$ -	\$ -	\$ 38,000	\$ -	\$ 38,000	\$ -
Personal Protective Equipment	694,000		694,000	-	-	694,000	-	694,000	-
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	-
Adult Training, Placement and Retention	982,000		982,000	-	-	982,000	-	982,000	-
High density corridor housing	730,000		730,000	-	-	730,000	47	730,000	-
NonProfit MF Rental Development Assist	166,000		166,000	(99,000) <sup>2</sup>	-	67,000	-	-	67,000
NEDF/CEDF	1,500,000		1,500,000	-	-	1,500,000	57,250	412,027	1,087,973
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	99,000 <sup>2</sup>	-	4,110,189	-	4,011,189	99,000
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	\$ 57,297	\$ 8,359,850	\$ 1,403,339
<b>Public Service Grants:</b>									
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	\$ -
<b>Administrative Grants:</b>									
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	-	(140,146)	92,854	-	92,854	-
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	\$ -	\$ (141,343)	\$ 2,369,657	\$ -	\$ 2,369,657	\$ -
<b>Reprogrammed</b>									
G4890CP36-Citizen Participation	\$ -	\$ -	\$ -	\$ -	\$ 74,051	\$ 74,051	\$ -	\$ -	\$ 74,051
<b>Block E Deficit Reduction:</b>									
G4123YCB36-YCB Administration	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ 1,197
G4890CP36-Citizen Participation	-	-	-	-	66,095	66,095	-	-	66,095
Subtotal Administrative Gr	\$ -	\$ -	\$ -	\$ -	\$ 141,343.00	\$ 67,292	\$ -	\$ -	\$ 67,292
<b>GRAND TOTAL</b>	<b>\$ 14,077,000</b>	<b>\$ 362,575</b>	<b>\$ 14,439,575</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,365,524</b>	<b>\$ 57,297</b>	<b>\$ 12,894,893</b>	<b>\$ 1,470,631</b>

**CDBG Program Year 35  
Beginning June 1, 2009  
September 30, 2015**

Project	Adopted Budget	Reduction Amount	Amended Budget	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2015		
									Current Year Expenditures	Grant to Date Expenditures	Remaining Grant Budget
<b>Capital Grants:</b>											
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	41,929	55,592	169,408
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	730,000	-
NonProfit MF Rental Development Assistance	166,000		166,000	-	-	(12,273) <sup>4</sup>	-	153,727	10,000	123,727	30,000
Homeownership Program (GMMHC)	334,000		334,000	1,472,000	-	-	-	1,806,000	534,616	1,507,060	298,940
Multi-Family/Affordable Housing	5,715,000		5,715,000	2,014,000	-	12,273 <sup>4</sup>	-	7,741,273	-	7,729,000	12,273
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	\$ 667,791	\$ 12,508,379	\$ 510,621
<b>Public Service Grants:</b>											
Multi Cultural & Native American Indian	\$ 121,000		\$ 121,000	\$ -	\$ -	\$ -	\$ -	\$ 121,000	\$ -	\$ 121,000	\$ -
Graffiti Removal on Public Property	86,000		86,000	-	-	-	(19,527) <sup>3</sup>	66,473	-	66,473	-
Living at Home Block Nurse Program	69,000		69,000	-	-	20,000 <sup>2</sup>	-	89,000	-	89,000	-
Catholic Charities	69,000		69,000	-	-	(3,562) <sup>2</sup>	-	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) <sup>2</sup>	-	12,482	-	12,482	-
Juvenile Supervision Center	100,000		100,000	-	-	-	-	100,000	-	100,000	-
Lao Family Community	69,000		69,000	-	-	(22,815) <sup>2</sup>	-	46,185	-	46,185	-
Minnesota International Health Volunteers	69,000		69,000	-	-	(2,180) <sup>2</sup>	-	66,820	-	66,820	-
MPS Teenage Parenting & Pregnancy Program	69,000		69,000	-	-	16,075 <sup>2</sup>	-	85,075	-	85,075	-
Minneapolis Urban League	69,000		69,000	-	-	16,000 <sup>2</sup>	-	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) <sup>3</sup>	-	-	-	-
Advocacy (Housing)	82,000		82,000	-	-	-	-	82,000	-	81,999	1
Mortgage Foreclosure Prevention Program	140,000		140,000	-	-	-	-	140,000	-	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	\$ -	\$ 1,792,472	\$ 1
<b>Administrative Grants:</b>											
MPH Citizen Participation	\$ 68,000	\$ -	\$ 68,000	\$ -	\$ -	\$ -	\$ -	\$ 68,000	\$ -	\$ 68,000	\$ -
YCB Administration	66,000		66,000	-	-	-	(1,197) <sup>3</sup>	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	-	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	\$ -	\$ 2,509,513	\$ -
<b>Block E Deficit Reduction:</b>											
Graffiti Removal on Public Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,527 <sup>3</sup>	\$ 19,527	\$ -	\$ -	\$ 19,527
YCB Administration	-	-	-	-	-	-	1,197 <sup>3</sup>	1,197	-	-	1,197
Youth are Here Busses	-	-	-	-	-	-	51,000 <sup>3</sup>	51,000	-	-	51,000
Subtotal Reprogrammed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,724	\$ 71,724	\$ -	\$ -	\$ 71,724
<b>GRAND TOTAL</b>	<b>\$ 13,406,710</b>	<b>\$ -</b>	<b>\$ 13,406,710</b>	<b>\$ 3,986,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,392,710</b>	<b>\$ 667,791</b>	<b>\$ 16,810,364</b>	<b>\$ 582,346</b>

**CDBG Program Year 34  
Beginning June 1, 2008  
September 30, 2015**

Agy	Project	Adopted Budget	Reduction Amount	Amended Budget	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2015		
										Current Year Expenditures	Grant to Date Expenditures	Remaining Grant Budget
<b>Capital Grants:</b>												
123	General Housing Rehabilitation-MPHA	\$ 218,000		\$ 218,000	\$ -	\$ -	\$ -		\$ 218,000	\$ -	\$ 218,000	\$ -
140	Problem Properties Attorneys	38,300		38,300	-	-	-		38,300	-	38,300	-
400	Problem Properties Police	52,700		52,700	-	-	-		52,700	-	52,700	-
835	Lead Reduction	125,000		125,000	-	-	-		125,000	-	125,000	-
835	Problem Properties Board Bldg	348,000		348,000	-	-	-		348,000	-	348,000	-
860	Childcare Facilities Loan/Grant	224,000		224,000	-	-	-		224,000	56,184	194,053	29,947
890	Adult Training, Placement and Retention	1,380,000		1,380,000	-	-	-		1,380,000	-	1,380,000	-
890	High density corridor housing	729,000		729,000	-	-	-		729,000	-	729,000	-
890	NonProfit MF Rental Development Assistance	165,000		165,000	-	-	-		165,000	-	165,000	-
890	NEDF/CEDF	518,000		518,000	1,150,000	1	-	1	1,668,000	377,208	1,497,989	170,011
890	Homeownership Program (GMMHC)	319,000		319,000	-	-	-		319,000	-	319,000	-
890	Industry Cluster Program (Living Wage Jobs)	65,100		65,100	-	-	-		65,100	-	65,100	-
890	Multi-Family/Affordable Housing	4,270,000		4,270,000	-	-	-		4,270,000	-	4,270,000	-
890	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	\$ 433,392	\$ 9,971,142	\$ 199,958
<b>Public Service Grants:</b>												
300	Multi Cultural & Native American Indian	\$ 119,000		\$ 119,000	\$ -	\$ -	\$ -		\$ 119,000	\$ -	\$ 119,000	\$ -
607	Graffiti Removal on Public Property	86,200		86,200	-	-	-		86,200	-	86,200	-
860	Advocacy (Housing)	82,300		82,300	-	-	-		82,300	-	82,300	-
860	Asian Media Access	26,800		26,800	-	-	-		26,800	-	26,800	-
860	Living at Home Block Nurse Program	64,100		64,100	-	-	-		64,100	-	64,100	-
860	Child Dental Services	10,500		10,500	-	-	-		10,500	-	10,500	-
860	Curfew/Truancy Center	98,000		98,000	-	-	-		98,000	-	98,000	-
860	Domestic Abuse Project	34,500		34,500	-	-	(34,500)		-	-	-	-
860	Resource Inc, Employment Action Center	44,000		44,000	-	-	-	(6,000)	38,000	-	38,000	-
860	Fremont Community Health Services	44,000		44,000	-	-	-		44,000	-	44,000	-
860	Greater Minneapolis Council of Churches	44,000		44,000	-	-	-		44,000	-	44,000	-
860	Lao Assistance Center of MN	48,800		48,800	-	-	-		48,800	-	48,800	-
860	MITZGI Communications	42,100		42,100	-	-	-		42,100	-	42,100	-
860	MPS Teenage Parenting & Pregnancy Program	65,100		65,100	-	-	-		65,100	-	65,100	-
860	Minneapolis Urban League	64,100		64,100	-	-	-		64,100	-	64,100	-
860	St Marys Health Clinics	18,200		18,200	-	-	-		18,200	-	18,200	-
860	St Stephens Human Services	44,000		44,000	-	-	-		44,000	-	44,000	-
860	Southside Family Nurturing Center	44,000		44,000	-	-	-	(20,727)	23,273	-	23,273	-
860	348TOTS	-		-	-	-	34,500		34,500	-	34,500	-
860	Way to Grow	261,000		261,000	-	-	-	(1)	260,999	-	260,999	-
860	Youth are Here Busses	71,800		71,800	-	-	-	(71,800)	-	-	-	-
890	Mortgage Foreclosure Prevention Program	196,000		196,000	-	-	-		196,000	-	196,000	-
890	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	\$ -
<b>Administrative Grants:</b>												
123	MPH Citizen Participation	\$ 68,000		\$ 68,000	\$ -	\$ -	\$ -		\$ 68,000	\$ -	\$ 68,000	\$ -
123	YCB Administration	65,000		65,000	-	-	-	(197)	64,803	-	64,803	-
300	Civil Rights Dept Fair Housing	196,000		196,000	-	-	-		196,000	-	196,000	-
800	Grants & Special Projects	235,000		235,000	-	-	-		235,000	-	235,000	-
800	Homeless Initiative	-		-	-	-	-		-	-	-	-
800	Housing Discrimination Law Project-Legal Aid	54,600		54,600	-	-	-		54,600	-	54,600	-
820	Finance Administration	196,000		196,000	-	-	-		196,000	-	196,000	-
860	Grant Administration	67,972		67,972	-	-	-		67,972	-	67,972	-
860	Legal Aid Society	33,500		33,500	-	-	-		33,500	-	33,500	-
860	Neighborhood Services	71,800		71,800	-	-	-		71,800	-	71,800	-
860	Way to Grow Administration	25,800		25,800	-	-	-		25,800	-	25,800	-
860	YCB Youth Violence Prevention	120,000		120,000	-	-	-		120,000	-	120,000	-
890	Citizen Participation	233,000		233,000	-	-	-		233,000	-	233,000	-
890	Program Admin	62,000		62,000	-	-	-		62,000	-	62,000	-
890	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	\$ -
<b>Block E Deficit Reduction:</b>												
123	Resource Inc, Employment Action Center			\$ -				\$ 6,000	\$ 6,000	\$ -	\$ -	\$ 6,000
123	Southside Family Nurturing Center			-				20,727	20,727	-	-	20,727
123	Way to Grow			-				1	1	-	-	1
123	YCB Administration			-				197	197	-	-	197
123	Youth are Here Busses			-				71,800	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	\$ 433,392	\$ 14,144,589	\$ 298,683

**City of Minneapolis**  
**Community Planning & Economic Development (CPED)**  
**Special Revenue Funds**  
**For the Third Quarter Ending September 30, 2015**

Programs	Original Budget	Current Budget	Expended	Bud vs Exp	Cash	Fund Balance
Tax Increment Financing	43,168,963	52,949,343	30,943,816	22,005,527	94,412,540	123,702,293
Housing & Economic Development	1,846,199	5,576,580	1,249,142	4,327,438	10,732,872	13,692,993
General Development	7,176,030	12,854,545	8,080,231	4,774,314	23,110,645	30,437,442
Neighborhood Revitalization	28,800	5,778,313	1,833,043	3,945,270	32,875,456	33,424,627
CPED Operating	1,780,854	1,780,854	1,410,844	370,010	(168,692)	(962,307)
<b>Total</b>	<b>\$ 54,000,846</b>	<b>\$ 78,939,635</b>	<b>\$ 43,517,076</b>	<b>\$ 35,422,559</b>	<b>\$160,962,821</b>	<b>\$ 200,295,048</b>

**CPED Special Revenue Funds** account for governmental fund proceeds that are 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 third quarter 2015 is \$200,295,048. A portion of that fund balance, including prepaid expenses, advances, and property held for development, is in a non-spendable form in the amount of \$39,944,649. Fund balance in the NRP and TIF programs (\$128,468,516) are restricted by State law. The remaining fund balance (\$31,881,883) 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 2014 indicates that the fund balance is higher in 2015 than 2014 by \$8.4 million and the available cash is \$8.4 million higher than in 2014. When the third quarter cash balances of the NRP and TIF programs are deducted, the remaining cash balance in 2015 is \$10 million higher than 2014, which is driven by a \$5 million increase of cash in the General Development program and the near elimination of \$4.6 million in negative cash balances in the Preliminary Planning and CPED Operating funds, from 2014.

**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 in the third quarter 2015 was \$1 million less than cash held during that same period in 2014. First half tax increment collections are received in the third quarter of each year. First half collections in 2015 were \$900,000 less than first half collections in 2014; while rent received through the third quarter 2015 was \$1.5 million less than rent received during the same period in 2014. Expenditures decreased from third quarter 2014 to 2015 by \$600,000. 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 revenue and industrial revenue bonds, are financed through the City's General Fund. Simultaneously, those administrative fees are deposited to the City's General Fund. This assures 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 has correspondingly reduced from the prior year. The Preliminary Planning fund which had previously been reported separately, is now included in this category of special revenue funds.

**General Development.** The General Development 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. 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. These revenues are available for the City's development activities.

Revenues increased by \$5 million over the prior year. This increase in revenues was attributable to various impacts, including loan repayments, land sales and rent collections. Expenditures increased by \$2.1 million from the third quarter of 2014. Approximately \$1.4 million of the increase in expenditures was for personnel and other operating costs.

**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.

Third quarter revenues generated from the receipt of loan repayments increased by \$1.9 million and expenditures decreased by \$1.6 million from the prior year. The third quarter 2015 fund balance decreased \$635,000 from the same period in 2014.

**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 2014, a deficit fund balance existed in the program in the amount of \$(5,629,614). As of the third quarter 2015, that deficit has been reduced to (\$962,207), a reduction of \$4.7 million. The deficit between current revenues and current expenditures in third quarter 2014 was \$(969,000) while the deficit for the same period in 2015 is (\$280,000). While current revenues have decreased approximately \$200,000, expenditures have been reduced by \$928,000 between third quarter 2014 and third quarter 2015. The ongoing structural deficit from prior years is being addressed as discussed below by adjusting the General Fund appropriation.

**Deficit Work-out Plan.** A multi-year Work-out Plan for the deficit balance in the CPED Operating program was developed and approved by CPED directors as part of the 2012 budget process.

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 immediate prior year and available, unrestricted revenues would be used to pay that current deficit.

In 2012, 2013 and 2014, portions of the 5-year deficit reduction plan for the program, along with the prior year's current deficit were successfully implemented. The 2015 budget included the fourth year payment of this work-out plan and as of the third quarter, has been applied. The 2016 budget will include the final payment on this plan.

**CPED Special Revenue Fund Component Programs**  
**Financial Statement Summaries**  
**3rd Quarter 2015**

CPED Special Revenue Fund	TIF	Housing & Econ Development	General Development	NRP	CPED Operating	Spec Rev Fund	
						2015 Total	2014 Total
<b>Assets</b>							
Cash	94,412,540	10,732,872	23,110,645	32,875,456	(168,692)	160,962,821	152,594,878
Misc receivables	426,598	32,061	126,786	85,187	33,690	704,322	595,991
Loans receivable	-	7,377,163	-	-	-	7,377,163	7,929,228
Advances to other funds	7,288,000	-	3,000,000	-	-	10,288,000	11,018,000
Properties held for resale	28,162,702	4,316,047	4,220,198	495,702	-	37,194,649	37,257,851
<b>Total Assets</b>	<b>130,289,840</b>	<b>22,458,143</b>	<b>30,457,629</b>	<b>33,456,345</b>	<b>(135,002)</b>	<b>216,526,955</b>	<b>209,395,948</b>
<b>Liabilities</b>							
Payables	61,289	217	2,298	-	818,091	881,895	776,320
Advances from other funds	6,318,000	1,220,000	-	-	-	7,538,000	8,258,000
Deferred inflow of resources	208,258	7,544,933	17,889	31,718	9,214	7,812,012	8,484,119
<b>Total Liabilities</b>	<b>6,587,547</b>	<b>8,765,150</b>	<b>20,187</b>	<b>31,718</b>	<b>827,305</b>	<b>16,231,907</b>	<b>17,518,439</b>
<b>Total Fund Balance</b>	<b>123,702,293</b>	<b>13,692,993</b>	<b>30,437,442</b>	<b>33,424,627</b>	<b>(962,307)</b>	<b>200,295,048</b>	<b>191,877,509</b>
<b>Total Liabilities &amp; FB</b>	<b>130,289,840</b>	<b>22,458,143</b>	<b>30,457,629</b>	<b>33,456,345</b>	<b>(135,002)</b>	<b>216,526,955</b>	<b>209,395,948</b>
<b>Revenue</b>							
General property taxes	-	516,796	-	-	-	516,796	-
Property tax increment	22,856,563	-	-	-	-	22,856,563	21,956,861
Fees & charges for services	26,967	229,850	234,168	57,529	1,095,055	1,643,569	1,908,150
Interest revenue	148,944	23,082	40,553	66,333	11,530	290,442	606,310
Rent	912,705	1	1,554,899	-	575	2,468,180	2,398,291
Sale of land & buildings	34,760	156	2,887,538	4,812	-	2,927,266	153,504
Loan recapture	672,121	248,997	1,707,144	2,515,631	23,516	5,167,409	2,237,967
<b>Total revenue</b>	<b>24,652,060</b>	<b>1,018,882</b>	<b>6,424,302</b>	<b>2,644,305</b>	<b>1,130,676</b>	<b>35,870,225</b>	<b>29,261,083</b>
<b>Expenditures</b>							
Personal services	120,041	166,204	1,120,062	-	8,132	1,414,439	709,449
Contractual services	448,444	317,284	841,556	1,741,307	1,402,547	4,751,138	6,961,245
Other operating costs	434	64,083	669,804	47,700	165	782,186	698,229
Program capital outlay	11,063,141	701,571	938,809	44,036	-	12,747,557	12,059,756
<b>Total expenditures</b>	<b>11,632,060</b>	<b>1,249,142</b>	<b>3,570,231</b>	<b>1,833,043</b>	<b>1,410,844</b>	<b>19,695,320</b>	<b>20,428,679</b>
<b>Transfers</b>							
Transfers from other funds	54,663	891,500	-	-	3,188,500	4,134,663	4,039,880
Transfers to other funds	(19,311,756)	-	(4,510,000)	-	-	(23,821,756)	(26,657,333)
<b>Total transfers</b>	<b>(19,257,093)</b>	<b>891,500</b>	<b>(4,510,000)</b>	<b>-</b>	<b>3,188,500</b>	<b>(19,687,093)</b>	<b>(22,617,453)</b>
<b>Change in fund balance</b>	<b>(6,237,093)</b>	<b>661,240</b>	<b>(1,655,929)</b>	<b>811,262</b>	<b>2,908,332</b>	<b>(3,512,188)</b>	<b>(13,785,049)</b>
Beginning fund balance	129,939,386	13,031,753	32,093,371	32,613,365	(3,870,639)	203,807,236	205,662,558
<b>Ending fund balance</b>	<b>123,702,293</b>	<b>13,692,993</b>	<b>30,437,442</b>	<b>33,424,627</b>	<b>(962,307)</b>	<b>200,295,048</b>	<b>191,877,509</b>

**City of Minneapolis**  
**Engineering, Materials, and Testing**  
**For the Third Quarter ending September 30, 2015**

Fund 06000	2015 Budget	09/30/2015 Actual	Projected YE 2015	2014 Actual
<b>Operating Revenue</b>	1,781,126	1,095,948	1,420,000	1,297,117
<b>Operating Expense</b>	2,067,400	1,376,280	1,835,070	1,517,834
<b>Operating Margin</b>	(286,274)	(415,070)	(280,332)	(220,717)
<b>Change in Net Position</b>		(279,467)	(414,070)	(220,717)
<b>Net Position</b>		1,678,551	1,543,948	1,782,163
<b>Cash Balance</b>		1,995,978	1,535,064	1,935,522

**Program Description:**

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

**Revenue:**

Operating revenue earned through third quarter 2015 is \$1,095,948 or 61% of the budgeted amount of \$1,781,126. The 2015 revenue represents a decrease of 0.7% over the third quarter 2014 revenue of \$1,088,328. Revenue is dependent upon several factors such as weather as well as the timing of construction projects. This fund generates revenue from testing and inspection services provided by the Engineering Laboratory and the sale of concrete and asphalt from outside vendors to other City departments. A cost allocation model determines product costs to allow the fund to generate revenues that match operating expenses. The rates charged for inspection services 2015 are less than the rates charged for the same services in 2014. The Engineering Laboratory continually compares its rates with those of the private sector that provides comparable services. Historically, the Laboratory's hourly rate has been significantly lower than that of the private sector and generates adequate revenue to cover the fund's direct and indirect expenses.

**Expense:**

Operating expense through third quarter 2015 is \$1,376,280, or 66.6% of the budgeted amount of \$2,067,400. The 2015 expense reflects an increase of 23.0% over the 2014 expense of \$1,118,936 incurred through the same period. Included in the 2015 budget is the purchase of two new vehicles through the Capital Asset Request System (CARS) at a cost of \$49,000 and the purchase of a drill rig for \$176,000. As of September 30, 2015, \$175,855 was expensed for the drill rig. The use of net position, or equity in the fund, will provide the source of financing for these purchases. Professional service expense increased significantly in third quarter 2015 over the same period in 2014 due to an increase in construction projects and to drill rig services provided by an external contractor until a new drill rig could be purchased.

**Transfers:**

This fund does not have any transfers in or out in 2015.

**Debt Service:**

This fund does not have any debt obligations.

**Forecast:**

Operating revenue is projected to be \$1,420,000 or \$360,000 less than the budgeted amount of \$1,781,126. The decrease in revenue is due to a reduction in laboratory rates that was not initially reflected in the budget. Operating expense is projected to be \$1,835,070 which is 11.2% less than the budgeted amount of \$2,067,400. Included in the operating expense is the purchase of a drill rig and two vehicles totaling \$226,000. Net position is the funding source for this equipment and the drill rig will be capitalized in this fund. These projections result in a 2015 decrease to net position of \$238,000 and a projected ending net position of \$1,543,948. The year-end cash balance is projected to be \$1,535,064 representing a decrease of \$400,000 from the 2014 year-end balance of \$1,935,522.

**Cash and Net Position**

The 2015 third quarter cash balance is \$1,995,978, an increase of \$60,456 from the 2014 year-end balance of \$1,935,522. The increase in cash through third quarter is due to timing differences between the receipt and payment of invoices for asphalt and concrete and billing these purchases to other City departments. 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 from the 2013 ending balance of \$1,974,511. The decrease in net position is primarily due to the decrease in the rates charged for laboratory services and to the overhead applied to asphalt and concrete sales. These decreases began in 2013 and were adjusted again in 2014 and 2015. The financial policy for the net position for this fund determines that net position not be less than 15% of the annual operating budget or \$0.2 million.

**City of Minneapolis**  
**Engineering, Materials and Testing Fund**  
**Statement of Revenues and Expenses**  
**For Third Quarter/Years, Ending 2015, 2014, and 2013**

	Budget Year 2015	Projected Year Ending 2015	For Period Ending 30-Sep-15	For Year Ending 2014	For Period Ending 30-Sep-14	For Year Ending 2013	For Period Ending 30-Sep-13
<b>Operating Revenues:</b>							
Asphalt / Concrete	400,000	300,000	256,251	290,153	258,392	484,086	430,635
Inspection revenue	1,381,126	1,120,000	839,697	1,006,964	829,936	1,381,181	1,087,802
Total Operating Revenues	1,781,126	1,420,000	1,095,948	1,297,117	1,088,328	1,865,267	1,518,437
<b>Operating Expenses:</b>							
Personnel	1,273,691	1,160,000	856,420	1,067,161	806,071	950,073	714,875
Contractual	465,055	373,000	290,606	369,913	256,835	397,066	280,604
Materials, Supplies, Services, Other <sup>1</sup>	311,439	284,855	216,888	67,662	46,206	88,914	65,884
Rent	17,215	17,215	12,366	13,098	9,824	13,098	9,824
Total Operating Expenses	2,067,400	1,835,070	1,376,280	1,517,834	1,118,936	1,449,151	1,071,187
<b>Operating Margin</b>	<b>(286,274)</b>	<b>(415,070)</b>	<b>(280,332)</b>	<b>(220,717)</b>	<b>(30,608)</b>	<b>416,116</b>	<b>447,250</b>
<b>Non-Operating Revenues/(Expenses):</b>							
Other revenue	-	1,000	865	-	-	20	-
Depreciation	-	-	-	-	-	(3,678)	(3,009)
Total Non-Operating Revenues(Expenses)	-	1,000	865	-	-	(3,658)	(3,009)
<b>Operating Transfers In (Out):</b>							
Net transfers in from other funds	-	-	-	-	-	-	-
Net Transfers out to other funds	-	-	-	-	-	-	-
Total Operating Transfers	-	-	-	-	-	-	-
<b>Change in Net Position</b>	<b>(286,274)</b>	<b>(414,070)</b>	<b>(279,467)</b>	<b>(220,717)</b>	<b>(30,608)</b>	<b>412,458</b>	<b>444,241</b>
<b>Significant Balance Sheet Items</b>							
Cash Balance		1,535,064	1,995,978	1,935,522	2,698,206	2,125,050	2,776,225
Net Position		1,543,948	1,678,551	1,782,163	1,943,903	1,974,511	2,028,607

<sup>1</sup> The 2015 period ending 09/30/2015 and 2015 projection for Materials, Supplies, Services, Other include a capital expense of \$175,855 for a drilling rig. The 2015 projection also includes an expense of \$49,000 for the purchase of two vehicles. The fund's net position is the funding source. The drill rig will be capitalized as a fixed asset of the fund.

**City of Minneapolis  
Fleet Services Division  
For the Third Quarter Ending September 30, 2015**

Fund 06100	2015 Budget	09/30/2015 Actual	Projected YE 2015	2014 Actual
<b>Operating Revenue</b>	33,498,957	21,943,717	29,700,000	39,281,281
<b>Operating Expense</b>	22,432,603	14,352,489	19,321,636	25,818,202
<b>Operating Margin</b>	11,066,354	7,591,229	10,378,364	13,463,079
<b>Change in Net Position</b>		4,377,841	6,066,833	8,468,927
<b>Net Position</b>		64,200,048	65,689,040	59,822,207
<b>Cash Balance</b>		24,692,511	19,966,933	23,186,971

**Program Description:**

The Fleet Services Fund manages the acquisition, maintenance and disposal of 1800 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 field coordination of City-owned and contractual equipment and operators as well as the procurement and sale of fuel for these vehicles.

**Revenue:**

Operating revenue earned through third quarter 2015 is \$21.9 million or 65.5% of the budgeted amount of \$33.5 million. The revenue earned through third quarter 2015 decreased by \$6.0 million, or 21.5%, from the revenue earned through third quarter 2014. The primary reason for the decrease is the loss of revenue earned through the hourly (task) rental of vehicles. In 2015, these vehicles were transferred from the Fleet division to the PW divisions where they are utilized. The revenue earned through third quarter 2014 for task rental was \$5.6 million. In addition, the drivers and operators of these vehicles were reassigned to other PW divisions in 2013 resulting in a loss of revenue earned for rental rates of personnel. In order to capture the revenue earned from the overheads applied to these services, the Fleet Services Division allocated charges to Public Works and other City departments that were assigned the vehicles. Revenue earned from these overhead charges through third quarter 2014 was \$1.6 million and overhead revenue earned through third quarter 2015 was \$2.2 million. This loss of revenue from task unit and task labor rents is also offset by a decrease in the related expense as noted below.

In 2015, the Fleet Services Division assigned nearly all of its fleet (base units) to City departments. The City departments are assigned a rental rate for these units that is calculated through an activity based cost allocation model and designed to capture the replacement cost of the vehicle. Rates charged for the purchase of fuel can be adjusted at the beginning of the current year to account for any changes in fuel prices.

Charges for service and sales decreased 6.3% from third quarter 2014 to third quarter 2015. The decrease is due to a decline in maintenance performed on vehicles including labor and parts. Maintenance on fleet vehicles fluctuates with usage and a driving factor is the annual snowfall. Snowfall and related plowing was significantly increased in 2014.

**Expenses:**

Operating expense through third quarter 2015 totaled \$14.4 million, representing 64.0% of the annual budget of \$22.4 million. Expenses through the third quarter of 2015 decreased \$4.5 million or 23.8%, over the total expense through the same period in 2014. The primary reason for this decline is the assignment of Fleet vehicles to City departments in 2015 that were previously assigned to Fleet Services Division. When the vehicles were assigned to Fleet, one Fleet department would charge another for rental of vehicles, repairs, and fuel, creating internal charges (expense) from one department to the other. In 2015, these vehicles are assigned to City departments and these departments are charged directly for repairs, fuel, and rental fees for the units assigned. This change in process accounts largely for the decrease of \$2.0 million of contractual expense from 2014 to 2015 and \$2.1 million of Materials and Supplies expense. The amount expended on fuel purchases through third quarter 2015 declined \$646,087, or 17.8%, from the amount expended through the same period in 2014. This decrease is related to the decline in vehicle usage in 2015. Personnel cost decreased by 5.5% from 2014 to 2015 through third quarter following the decrease in FTE from 78.0 to 74.0.

**Transfers:**

In 2015 this fund receives a transfer in of \$1.6 million from the General Fund 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 addition, Fleet Services Division receives a transfer of \$316,216 from the Property Services fund to assist with the payment of debt bonds related to the Currie Maintenance Facility.

**Debt Service:**

Principal payments related to the general obligation bonds sold to finance the upgrade of fleet vehicles and the new maintenance facility will total \$2.1 million in 2015. Interest payments related to the 2015 debt will total \$460,350. After the 2015 payments, the remaining debt will be \$1.95 million for the equipment bonds and \$12.60 million for the facility bonds. The final payment occurs in 2018, at a total of \$9.26 million.

**Forecast:**

Operating revenue is projected to be \$29.7 million which is 11.3% less than the budgeted amount of \$33.5 million. Projected revenue is less than budgeted due to a decline in sale of parts for maintenance and also a decline in fuel sales. Operating expense is projected to be \$19.3 million or 13.9% less than the budgeted amount of \$22.4 million. Materials expense is expected to be less than budgeted due to a decline in both the purchase of fuel and repair parts and supplies. Fuel is no longer sold to one external customer and the purchase and sale of that fuel was included in the budget. After transfers are complete and non-operating revenue is recorded, an increase to net position of \$6.1 million is projected compared to the budgeted of \$6.8 million, resulting in a projected ending net position of \$65.7 million. Ending cash is projected to be \$20.0

million, a decrease of \$3.2 million from the 2014 ending cash balance of \$23.2 million. The decrease is due to the use of cash balance as the revenue source for the payment of debt. In 2013, the fund received a transfer in from the General Fund of \$8.3 million to assist with future debt obligations.

**Cash and Net Position:**

The fund has maintained a positive cash balance with a third quarter 2015 ending balance of \$24.7 million, an increase of \$1.2 million from the 2014 third quarter ending balance of \$23.5 million. Reserve policies for internal service funds determine that the minimum cash balance should be 15% of the fund's operating budget or \$2.4 million. While cash reserves at the end of third quarter 2015 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 \$14.55 million after the 2015 payment.

The net position for year ending 2014 was \$59.8 million, an increase of \$9.7 million, or 19.5% over the 2013 ending balance of \$50.1 million. The increase in net position is due to timing differences between the receipt of revenue collected to pay for replacement vehicles and the delivery and subsequent payment for the vehicle. Net position consists of a net investment in capital assets of \$37.9 million along with \$21.9 million of unrestricted net position.

**City of Minneapolis**  
**Fleet Services Division Fund**  
**Statement of Revenue and Expenses**  
**For Third Quarter Years, 2015, 2014, and 2013**

	Budget Current Year 2015	Projected Year Ending 2015	For Period Ending 30-Sep-15	For Year Ending 2014	For Period Ending 30-Sep-14	For Year Ending 2013	For Period Ending 30-Sep-13
<b>Operating Revenues:</b>							
Charges for Services and Sales	20,211,813	16,400,000	12,283,673	18,105,932	13,108,502	18,402,815	13,456,028
Rent Public Works and Other	13,287,144	12,850,000	9,660,044	21,175,349	14,847,169	24,909,868	19,068,866
Total Operating Revenue	33,498,957	29,700,000	21,943,717	39,281,281	27,955,671	43,312,683	32,524,894
<b>Operating Expenses:</b>							
Personnel Services	7,361,607	6,800,000	5,071,349	7,233,185	5,364,244	12,932,221	10,490,838
Contractual Services	4,689,100	4,700,000	3,503,669	7,859,404	5,467,806	9,385,741	6,978,472
Materials, supplies, services and other	9,560,260	7,000,000	5,161,242	9,801,016	7,297,996	10,913,325	7,781,502
Rent	821,636	821,636	616,230	924,597	693,448	967,571	725,678
Total Operating Expenses	22,432,603	19,321,636	14,352,489	25,818,202	18,823,494	34,198,858	25,976,490
<b>Operating Margin</b>	<b>11,066,354</b>	<b>10,378,364</b>	<b>7,591,229</b>	<b>13,463,079</b>	<b>9,132,177</b>	<b>9,113,825</b>	<b>6,548,404</b>
<b>Non-Operating Revenues/(Expenses):</b>							
Interest on Bonds	(460,350)	(460,350)	(345,263)	(345,090)	(387,788)	(595,507)	(480,431)
Gains/Losses on disposal of fixed assets	500,000	500,000	363,941	214,329	180,800	340,385	181,740
Reimbursements for vehicle purchases	-	-	-	-	-	-	97,454
Other revenue	10,000	7,000	5,219	6,891	6,809	32,920	28,552
Depreciation	(6,270,000)	(6,270,000)	(4,671,149)	(6,158,862)	(4,382,993)	(6,150,969)	(4,545,969)
Total Non-Operating Revenues(Exp)	(6,220,350)	(6,223,350)	(4,647,252)	(6,282,732)	(4,583,171)	(6,373,171)	(4,718,654)
<b>Operating Transfers in (out)</b>							
Net transfer in from other funds	1,911,819	1,911,819	1,433,864	1,288,580	966,438	8,315,000	6,236,250
Net transfers out to other funds	-	-	-	-	-	-	-
Total Operating Transfers	1,911,819	1,911,819	1,433,864	1,288,580	966,438	8,315,000	6,236,250
<b>Capital Contribution<sup>1</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,602,041</b>	<b>-</b>
<b>Change in Net Position</b>	<b>6,757,823</b>	<b>6,066,833</b>	<b>4,377,841</b>	<b>8,468,927</b>	<b>5,515,444</b>	<b>12,657,695</b>	<b>8,066,000</b>
<b>Significant Balance Sheet Items</b>							
Cash Balance		19,966,933	24,692,511	23,186,971	23,539,859	18,893,919	20,096,943
Net Building Value				20,973,940		21,576,363	
Net Fleet Value				28,764,885		26,050,280	
Bonds Payable			(15,645,000)	(15,645,000)	(17,635,000)	(17,635,000)	(21,290,000)
Net Position		65,689,040	64,200,048	59,822,207	55,577,317	50,061,873	45,168,052
<b>Significant Cash Flow Items</b>							
Principal on Equipment Bonds	(730,000)	(730,000)	-	(730,000)	-	(2,585,000)	-
Principal on Facilities Bonds	(1,370,000)	(1,370,000)	-	(1,260,000)	-	(1,070,000)	-
Fleet Purchases	17,594,974	12,220,730	7,079,023	7,539,842	3,930,836	6,435,269	4,535,191

<sup>1</sup>Capital contributions in 2013 consist of \$227,735 for vehicles purchased with grant funds and \$1,374,306 for building improvements paid by capital programs.

**City of Minneapolis**  
**Property Services Division**  
**For the Third Quarter ending September 30, 2015**

Fund 06200	2015 Budget	09/30/2015 Actual	Projected YE 2015	2014 Actual
<b>Operating Revenue</b>	20,005,230	16,000,739	21,350,000	19,152,488
<b>Operating Expense</b>	20,137,270	15,159,773	20,141,611	19,185,118
<b>Operating Margin</b>	(132,040)	840,966	1,208,389	(32,630)
<b>Change in Net Position</b>		411,918	547,863	(442,050)
<b>Net Position</b>		33,213,288	33,349,233	32,801,370
<b>Cash Balance</b>		4,345,345	3,844,757	3,757,757

**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 2015 revenue and expense budgets for the fund were increased by \$4,994,000 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.

Included in the Property Services Division is the Property Disposition fund. This fund was created in section 14.120 of City Ordinance for the purpose of recording proceeds from the sale of City property. The ordinance did not specify the use of proceeds. Some of the proceeds were expended on capital projects upon City Council approval.

**Revenue:**

Operating revenue recorded through third quarter 2015 is \$16,000,739, or 80.0% of the budgeted amount of \$20,005,230. The 2015 third quarter revenue increased \$2,192,554, or 15.9%, from the revenue earned through third quarter 2014. 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 received from rents through third quarter 2015 increased by 11.4% when compared to the same period in 2014. Approximately 40% of this increase, or \$500,000, is due to an increase in City Hall rent. The remaining increase is related to increasing costs for building maintenance. Revenue received from charges for services, including repairs and upgrades, fluctuates based on the amount of discretionary spending available to departments. Through third quarter 2015, the revenue earned from charges for services is \$4.0 million, up 31.6% from the \$3.0 million earned in 2014 through the same period. The Property Disposition fund recorded revenue of \$1.6 million from the sale of land to the Minnesota Sports Facility Authority.

**Expenses:**

Operating expense through third quarter 2015 is \$15,159,773, or 75.3% of the total budgeted amount of \$20,137,270. The 2015 third quarter expense increased \$1,772,618, or 13.2%, from the operating expense recorded through third quarter 2014. Personnel expense increased by 13.1% through third quarter 2015 compared to third quarter 2014 primarily due to filling vacant positions. Materials and Supplies expense increased 54.9% through third quarter 2015 from third quarter 2014. The increase is related to a CARS (Capital Asset Request System) approved purchase of radio communication equipment at a cost of \$348,644 to support the 800 MHZ communication system. Upon City Council approval, \$1.3 million of the Property Disposition fund was expended on capital improvements of a City maintenance facility.

**Transfers:**

In 2015, this fund receives a transfer in from the general fund totaling \$818,727 of which \$353,187 supports City Hall rent expense and \$465,540 funds approved CARS projects. These CARS projects are related to security enhancements at various locations throughout the City, replacement radios for the 800 MHZ communication system, and relocation of a City department. The fund will transfer out \$316,216 to the Fleet Services Division fund to assist with the debt related to the Currie Maintenance Facility. Property Services collects this payment through the rent allocation model from City departments housed in Currie.

**Debt Service:**

The debt service for 2015 is related to the sale of net debt bonds to purchase the 800 MHZ radio system. In 2015, the debt consists of an interest payment of \$98,400 and a principal payment of \$820,000. The remaining debt is \$2,607,600 with the final payment scheduled for 2018. In 2013, the Property Services Fund received a final transfer of \$3,185,000 from the General Fund to assist with the remaining debt payments for the 800 MHZ radio communication system.

**Forecast:**

Operating revenue is projected to be \$21,350,000 or 6.7% more than budgeted amount of \$20,005,230. Increased revenue from projects for other departments, as charges for services, is driving the overall revenue projection up. Operating expenses are projected to be \$20,141,611 million or slightly higher than the budgeted amount of \$20,137,270. Contractual services and Materials, Supplies, and Other are projected to be 5.3% and 6.6% respectively more than budgeted as these expenses are related to increased project work and are billed back to the departments requesting the work. These projections result in a projected operating margin gain of \$1,208,389 compared to the budgeted operating margin loss of \$(132,041). The net gain from project work is not included in the budget and, as the total amount of project work increases, the gain of revenue over expense widens.

The 2015 ending cash balance is projected to decrease from \$4,345,345 at third quarter to \$3,844,757. A contributing factor to a decrease in cash at year-end is the payment of \$820,000 in bond principle. The source of funding for this payment is net position as the fund received a final transfer in of \$3,282,231 from the General Fund in 2013 to assist with debt payments.

**Cash and Net Position:**

The cash balance at the end of third quarter 2015 was \$4,345,345 compared to a cash balance of \$3,865,290 at the end of third quarter 2014. The cash consists of a balance of \$1,649,650 in the Property Disposition fund and a balance of \$2,695,695 in the Property Services operating fund. A net increase in cash of \$270,000 occurred in the Property Disposition fund as the result of revenue received from the sale of land of \$1.6 million and \$1.3 million of approved capital project expense. 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 \$2.3 million for the Property Services fund.

The net position for the year ending 2014 was \$32,801,370, a decrease of \$257,076 from the net position of \$33,058,446 for year ending 2013. The cost allocation model for this fund does not recover the depreciation costs related to capital assets. It is expected that the net asset position will decrease primarily due to recognizing the depreciation of capital assets. In 2015, the decrease in net position due to recognizing depreciation will be partially offset by a gain in the net position of the Property Disposition Fund and an increase in the operating margin resulting from an increase in work completed for other City departments. 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 was \$1.3 million and the net position was \$30.1 million greater than the benchmark. Net position consists of an investment in capital assets, net of related debt, of \$30,156,598 along with \$2,644,771 of unrestricted net position.

**City of Minneapolis**  
**Property Services Fund**  
**Statement of Revenues and Expenses**  
**For Third Quarter / Years Ending 2015, 2013, and 2012**

	Budget Current Year 2015	Projected Year 2015	For Period Ending 30-Sep-15	For Year Ending 2014	For Period Ending 30-Sep-14	For Year Ending 2013	For Period Ending 30-Sep-13
<b>Operating Revenues:</b>							
Charges for Services And Sales	4,053,769	5,350,000	4,000,220	4,764,338	3,039,077	4,337,175	2,774,423
Rents Public Works and Other	15,951,461	16,000,000	12,000,519	14,388,150	10,769,108	14,060,331	10,330,831
Total Operating Revenue	20,005,230	21,350,000	16,000,739	19,152,488	13,808,185	18,397,506	13,105,254
<b>Operating Expenses:</b>							
Personnel Services	7,268,036	6,600,000	4,919,460	5,948,082	4,347,884	5,510,168	4,034,321
Contractual Services	10,733,576	11,300,000	8,477,672	11,352,721	7,784,750	10,364,061	7,294,656
Materials, Supplies, and Other <sup>1</sup>	1,594,047	1,700,000	1,356,434	1,379,103	875,612	1,155,654	891,756
Rent	541,611	541,611	406,206	505,212	378,909	519,596	389,697
Total Operating Expenses	20,137,270	20,141,611	15,159,773	19,185,118	13,387,155	17,549,479	12,610,430
<b>Operating Margin</b>	(132,040)	1,208,389	840,966	(32,630)	421,030	848,027	494,824
<b>Non-Operating Revenues (Expenses):</b>							
Interest on Bonds	(98,400)	(98,400)	(73,800)	(83,465)	(91,013)	(129,764)	(107,438)
Misc Revenues	3,000	6,210	4,658	2,819	2,419	11,067	3,842
Sale of Land <sup>2</sup>	-	1,566,630	1,566,630	-	-	-	-
Contractual services Property Disposition Fund <sup>3</sup>	-	(1,297,477)	(1,297,477)	-	-	-	-
Depreciation	(1,340,000)	(1,340,000)	(1,005,942)	(1,340,894)	(998,568)	(1,347,356)	(832,920)
Total Non-Operating Revenues(Expenses)	(1,435,400)	(1,163,037)	(805,932)	(1,421,540)	(1,087,161)	(1,466,053)	(936,516)
<b>Operating Transfers In (Out)</b>							
Net transfers in from other funds	818,727	818,727	614,045	646,206	484,655	3,282,231	2,620,376
Net transfers out to other funds	(316,216)	(316,216)	(237,162)	-	-	-	-
Total Operating Transfers	502,511	502,511	376,883	646,206	484,655	3,282,231	2,620,376
<b>Capital Contribution<sup>4</sup></b>	-	-	-	365,914	-	4,844,732	-
<b>Change in Net Position</b>	(1,064,929)	547,863	411,918	(442,050)	(181,477)	7,508,937	2,178,684
<b>Significant Balance Sheet Items:</b>							
Cash Balance		3,844,757	4,345,345	3,757,757	3,865,290	4,248,459	3,849,793
Property Disposition Fund cash balance			1,649,650	1,380,477	1,380,477	1,380,477	1,380,477
Operating cash balance			2,695,695	2,377,280	2,484,813	2,867,982	2,469,316
Bonds Payable			(3,280,000)	(3,280,000)	(4,045,000)	(4,045,000)	(4,775,000)
Net Position		33,349,233	33,213,288	32,801,370	32,876,969	33,058,446	27,749,935
<b>Significant Cash Flow Items</b>							
Principal Payments on Debt	(820,000)	(820,000)	-	(765,000)	-	(730,000)	-

<sup>1</sup> Included in the 2015 budget for Materials, Supplies, Other is the CARS appropriation of \$465,540. In third quarter, \$348,644 was expended to replace radios included in the 800 MHZ communication system.

<sup>2</sup> The revenue from the sale of land is recorded in the Property Disposition fund.

<sup>3</sup> Contractual service expense in 2015 includes \$1,297,477 expended from the Property Disposition fund for capital improvements at a City maintenance facility.

<sup>4</sup> Capital contribution consists of various building improvements paid for by the Capital Improvement Fund 04100 and capitalized in Property Services Fund 06200.

**City of Minneapolis  
Public Works Stores  
For the Third Quarter ending September 30, 2015**

Fund 06300	2015 Budget	09/30/2015 Actual	Projected YE 2015	2014 Actual
Operating Revenue	1,190,000	972,592	1,370,000	1,384,025
Operating Expense	1,054,085	780,311	1,066,554	1,112,140
Operating Margin	135,915	192,282	303,446	271,885
Change in Net Position		192,282	303,446	530,632
Net Position		4,830,406	4,941,570	4,638,124
Cash Balance		(208,597)	(197,433)	(200,801)

**Program Description:**

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

**Revenue:**

Operating revenue earned through third quarter 2015 is \$972,592, or % of the budgeted amount of \$1,190,000. The amount earned through third quarter represents an increase of \$44,899, or 4.8%, over the \$927,693 in revenue earned through third quarter 2014. Revenue for this fund is earned by applying overhead charges to inventory sales and transaction processing. The increase in revenue corresponds to the increased level of inventory purchases and requisition processing transactions related to City projects.

**Expenses:**

Operating expense recorded through third quarter 2015 is \$780,311 or 74.0% of the budgeted amount of \$1,054,085. The amount expended through third quarter 2015 decreased by \$49,117 or 5.9% from the \$829,428 expended through the same period in 2014. Contractual Services decreased by 29.9% when compared to 2014 due to a reduction of \$60,000, or 34.1%, in the amount allocated for general fund overhead charges. Increases in the 2015 rent and personnel services were offset by decreases in contractual services and materials.

**Transfers:**

There are no transfers in or out of this fund in 2015.

**Debt Service:**

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

**Forecast:**

Operating revenue is projected to total \$1,370,000 at year-end, exceeding the budgeted revenue of \$1,190,000 by \$180,000, or 15.1%. Increases in inventory issued to City departments and processing of requisitions are driving the projection. Operating expense is projected to total

\$1,066,554 which is \$12,469 or 1.2% more than the budgeted expense of \$1,054,085. The projection is driven by an expected increase in the cost of personnel as additional temporary staff to Central Stores is utilized. The cost of inventory that is resold to City departments is excluded from the total expense of the Stores Fund. As a result, increased inventory purchases do not increase the overall expense of the Fund. These year-end projections result in an increase to net position of \$303,446 compared to a budgeted increase of \$135,915, and a projected ending net position of \$4,941,570.

**Cash and Net Position:**

The cash balance at the end of third quarter 2015 is a deficit of \$(208,597), a slight decrease in cash from the deficit of \$(200,801) at year-end 2014. The cash balance, as stated in the 2014 CAFR, is \$1,199 which is the sum of current cash and the amount due to other funds of \$202,000. 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 ending balance of \$4,088,748. The financial policy for the net position for the Public Works Stores Fund determines that a net asset balance should be maintained equal to 15% of the annual operating budget, or \$0.2 million.

**City of Minneapolis**  
**Public Works Stores**  
**Statement of Revenues and Expenses**  
**For the Third Quarter/Years Ending 2015, 2014, and 2013**

	Budget Year 2015	Projected Year Ending 2015	For Period Ending 30-Sep-15	For Year Ending 2014	For Period Ending 30-Sep-14	For Year Ending 2013	For Period Ending 30-Sep-13
<b>Operating Revenues:</b>							
Central Stores	625,000	850,000	618,059	761,497	524,513	749,377	546,572
Traffic Stores	565,000	520,000	354,533	622,528	403,180	766,113	454,467
Total Operating Revenues	1,190,000	1,370,000	972,592	1,384,025	927,693	1,515,490	1,001,039
<b>Operating Expenses:</b>							
Personnel	743,644	790,000	591,267	774,865	568,222	770,867	548,572
Contractual	188,416	195,000	146,049	271,004	204,431	279,840	208,313
Materials, Supplies, Other	70,471	30,000	4,331	30,885	30,235	15,767	18,643
Rent	51,554	51,554	38,664	35,387	26,540	33,557	25,168
Total Operating Expenses	1,054,085	1,066,554	780,311	1,112,140	829,428	1,100,031	800,696
<b>Operating Margin</b>	<b>135,915</b>	<b>303,446</b>	<b>192,282</b>	<b>271,885</b>	<b>98,265</b>	<b>415,459</b>	<b>200,343</b>
<b>Non-Operating Revenues (Expenses):</b>							
Other revenue	-	-	-	258,747	-	-	4,282
Total Non-Operating Revenues (Expenses)	-	-	-	258,747	-	-	4,282
<b>Operating Transfer In (Out)</b>							
Net transfers out to other funds	-	-	-	-	-	-	-
Total Operating Transfers	-	-	-	-	-	-	-
<b>Change in Net Position</b>	<b>135,915</b>	<b>303,446</b>	<b>192,282</b>	<b>530,632</b>	<b>98,265</b>	<b>415,459</b>	<b>204,625</b>
<b>Significant Balance Sheet Items</b>							
Cash Balance <sup>1</sup>		(197,433)	(208,597)	1,199	(159,205)	2,360	(533,646)
Due to Other Funds				(202,000)		(181,000)	
Inventories			5,639,177	5,242,640	4,956,490	4,581,136	5,166,210
Net Position		4,941,570	4,830,406	4,638,124	4,187,013	4,088,748	3,896,870

<sup>1</sup> The year-end cash balances for 2014 and 2013 are the cash balances as stated in the CAFR. The actual year-end balances for 2014 and 2013 are cash deficits of \$(200,801) and \$(178,640) 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 Third Quarter Ending September 30, 2015**

Fund 06400	2015 Budget	9/30/2015 Actual	Projected YE 2015	2014 Actual
Operating Revenue	51,934,302	31,583,208	42,283,441	44,380,298
Operating Expense	64,316,382	36,231,785	56,339,996	44,298,415
Operating Margin	(12,382,080)	(4,648,577)	(14,056,555)	81,883
Change in Net Position		(2,350,058)	(11,559,073)	8,978,857
Net Position		59,734,128	60,775,899	62,084,185
Cash Balance		41,616,941	34,723,567	49,887,640

**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 third quarter of 2015 is \$31.6 million, or 60.8% of the annual budgeted amount of \$51.9 million. This is an increase of \$0.6 million, or 2.0%, compared to revenue of \$31.0 million earned through third quarter of 2014. The increase in revenue is primarily due to an increase in 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 third quarter are \$36.2 million or 56.3% of the annual budgeted amount of \$64.3 million. The operating expense through third quarter increased \$6.3 million, or 21.1%, from the 2014 expense of \$29.9 million. Operating expenses recorded to the Project Management Office department are primarily responsible for this increase, specifically the expenses related to the Enterprise Resource Planning (ERP) 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. Expenses in 2015 also include one-time costs associated with insourcing the IT helpdesk and desk side support functions and expenses related to contracting with a new provider for managed services. The Council approved the use of \$10.0 million of net position to cover these one-time costs and, through third quarter, the fund has expenses of \$2.4 million for the transition.

Administration expenses of \$8.7 million increased 13.9% over 2014 amount of \$7.6 million. This increase is primarily due to one-time costs related to insourcing the helpdesk and desk side support functions and expenses related to contracting with a new provider for managed services.

**Debt:**

The debt service for 2015 is related to the sale of net debt bonds for IT projects. In 2015, the debt consists of an interest expense of \$46,188 and a principal payment of \$2.7 million. Beginning 2013, the principal payment was significantly reduced to \$2.0 million 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 \$2.7 million. Future sales of net debt bonds to support capital projects are expected to be between \$0.3 million and \$3.6 million from 2016 through 2018. 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 2015, this fund receives transfers in totaling \$7.5 million. The annual transfers consist of a General Fund transfer totaling \$3.8 million, \$1.0 million from the Self Insurance Fund, and \$2.7 million from the Debt Service Fund. The General Fund transfer includes \$0.2 for City Hall rent, and \$3.6 million of approved CARS funding for the Enterprise Resource Planning project. The transfer from the Self Insurance Fund is in accordance with the long-term financial plans for both funds and will end in 2015.

The 2014 transfer to other funds includes transfers of \$522,770 for debt service.

**Forecast:**

Operating revenue is projected to be \$42.3 million or \$9.7 million less than the budgeted amount of \$51.9 million. The fund's PMO budget increases as new projects are approved by City departments. Expenses for some of these projects, along with the billing to customer departments, may occur in years subsequent to the addition of the appropriation to the budget. The current revenue and expense budgets include the funding and the subsequent revenue earned related to the ELMS, ERP, and IOP projects. It is expected that these projects will be completed in 2015 and 2016. Operating expenses are expected to be \$56.3 million or \$8.0 million less than the budgeted amount of \$64.3 million. These projections result in an expected operating margin deficit of (\$14.1) million as compared to a budgeted operating margin deficit of (\$12.4) million.

The fund is projecting a decrease to net position of \$11.6 million compared to a budgeted decrease of \$9.9 million. The projected decrease to net position is more than budgeted primarily because transfers received in 2014 will be used for 2015 expenses related to the ERP project. Including an estimated \$12.6 million in expenses which are expected to be capitalized, these transactions result in a 2015 projected year-end net position of \$60.8 million which represents a decrease of 2.1% from the 2014 net position of \$62.1 million. The projected decrease in net position is primarily due to using net position to fund the transition expenses for insourcing the help desk and desk side support functions and contracting for a new managed services provider, which is estimated at \$8.0 million.

The year-end cash balance is projected to be \$34.7 million which represents a decrease of 30.4% over the cash balance at year-end 2014 of \$49.9 million. The primary reason for the decrease to cash balance is the planned use of funds for insourcing the help desk and desk side support functions and contracting for a new managed services provider. In addition, an estimated \$4.4 million in deferred revenue will be used in 2015 to fund the ERP and the Enterprise Land Management projects.

**Cash and Net Position:**

The cash balance at the end of third quarter is \$41.6 million, representing a decrease of \$8.3 million from the 2014 year-end balance of \$49.9 million. The primary reasons for the decrease to cash in 2015 is the use of deferred revenue to fund PMO projects, and expenses related to insourcing the help desk and desk side support functions and contracting with a new provider for managed services. Included in the cash balance are prepayments of \$6.0 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 \$5.6 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 a net transfer of \$15.6 million) and an increase in the 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 \$10.0 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 Third Quarter/Years, 2015, 2014, and 2013**

	Budget Current Year 2015	Projected Year Ending 2015	For Period Ending 30-Sep-15	For Year Ending 2014	For Period Ending 30-Sep-14	For Year Ending 2013	For Period Ending 30-Sep-13
<b>Operating Revenues:</b>							
Charges for Service:							
IT - PMO	19,663,538	9,629,337	7,222,003	13,211,244	7,702,826	5,417,060	3,593,873
IT - Telecom	2,114,857	2,874,920	2,156,190	2,900,134	2,153,533	3,020,539	2,270,752
IT - Operating-other	29,045,141	28,485,693	21,364,270	26,818,599	20,052,291	23,878,779	17,888,941
CC-Mailing Services/Data Center	418,580	521,244	328,844	599,988	402,260	586,206	350,401
CC-Copy Services	692,186	772,246	511,901	850,333	656,416	621,135	464,390
Total Operating Revenues	51,934,302	42,283,441	31,583,208	44,380,298	30,967,326	33,523,719	24,568,357
<b>Operating Expenses:</b>							
IT - PMO	23,263,540	14,623,275	11,965,180	13,798,410	7,507,819	6,497,679	3,556,273
IT - Telecom	1,897,393	2,079,059	1,543,232	1,529,540	1,088,072	1,797,176	1,310,944
IT - Operating-other	37,199,092	37,629,272	21,509,101	27,231,026	20,047,775	24,544,795	17,760,230
CC-Mailing Services/Data Center <sup>1</sup>	907,440	1,023,520	492,542	732,621	572,988	684,032	459,769
CC-Copy Services	748,203	728,157	569,481	750,124	539,021	669,344	474,956
Human Resources	300,714	256,713	152,249	256,694	157,856	301,889	222,612
Total Operating Expenses	64,316,382	56,339,996	36,231,785	44,298,415	29,913,531	34,494,915	23,784,784
<b>Operating Margin</b>	<b>(12,382,080)</b>	<b>(14,056,555)</b>	<b>(4,648,577)</b>	<b>81,883</b>	<b>1,053,795</b>	<b>(971,196)</b>	<b>783,573</b>
<b>Non-Operating Revenues (Expenses):</b>							
Interest on bonded debt	(46,188)	(46,188)	(34,641)	(193)	(45,596)	(27,802)	(76,386)
Other non-operating income (expense)	-	-	-	42,843	-	34,615	-
Depreciation	(5,000,000)	(5,000,000)	(3,324,592)	(6,812,314)	(4,998,038)	(11,838,204)	(8,939,251)
Total Non-Operating Revenues (Expense)	(5,046,188)	(5,046,188)	(3,359,233)	(6,769,664)	(5,043,634)	(11,831,391)	(9,015,637)
<b>Operating Transfers In (Out):</b>							
Net transfers in from other funds <sup>2</sup>	7,543,670	7,543,670	5,657,753	16,139,408	11,147,372	17,239,500	12,929,625
Net transfers out to other funds	-	-	-	(522,770)	-	(14,887)	-
Total Operating Transfers	7,543,670	7,543,670	5,657,753	15,616,638	11,147,372	17,224,613	12,929,625
<b>Capital Contribution</b>	-	-	-	50,000	-	-	-
<b>Change in Net Position</b>	<b>(9,884,598)</b>	<b>(11,559,073)</b>	<b>(2,350,058)</b>	<b>8,978,857</b>	<b>7,157,533</b>	<b>4,422,026</b>	<b>4,697,561</b>
<b>Significant Balance Sheet Items:</b>							
Cash Balance		34,723,567	41,616,941	49,887,640	33,729,366	35,263,865	14,810,628
Notes Payable		(1,750,000)	(2,125,000)	(3,250,000)	(3,625,000)	(4,750,000)	(5,125,000)
Bonds Payable		(2,000,000)	(2,705,000)	(2,705,000)	(2,125,000)	(2,125,000)	(3,115,000)
Unearned Revenue		(5,230,645)	(6,030,645)	(9,630,256)	(13,734,007)	(12,919,353)	(13,314,181)
Net Position		60,775,899	59,734,128	62,084,185	44,561,266	37,403,733	32,107,639
<b>Significant Cash Flow Items</b>							
Capital Outlay		(12,600,844)	(10,448,357)	(13,353,622)	(449,579)	(5,900,065)	-
Bond & Note Principle Payments		(4,205,000)	(1,125,000)	(3,145,000)	-	(3,455,000)	-

<sup>1</sup>The 2015 City Clerk Mailing/Data Center budget and third quarter expense includes the budget and expense of the City Clerk Legislative Information Management System Project department. The budget is \$306,446 and expense through third quarter is \$30,486.

<sup>2</sup>In 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. In 2015, \$3,600,000 of the General Fund transfer-in reimbursed the fund for operational expenses. These transfers are recorded in the Operating Transfers section.

Note: Capital Contribution in 2014 consists of \$50,000 from the General Fund related to wireless LAN access.

**City of Minneapolis  
Self-Insurance Fund  
For the Third Quarter ending September 30, 2015**

Fund 06900	2015 Budget	09/30/2015 Actual	Projected YE 2015	Actual YE 2014
<b>Operating Revenue</b>	31,013,934	23,379,277	31,194,000	30,611,971
<b>Operating Expense</b>	30,145,079	17,606,444	23,960,000	25,167,649
<b>Operating Margin</b>	868,855	5,772,833	7,234,000	5,444,322
<b>Change in Net Position</b>		5,245,536	6,526,000	8,677,156
<b>Net Position</b>		23,554,871	24,835,335	18,309,335
<b>Cash Balance</b>		74,899,730	77,311,378	70,583,378

**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 third quarter of 2015 is \$23.4 million, or 75.4% of the annual budgeted amount of \$31.0 million. This is an increase of \$0.8 million, or 3.4% compared to \$22.6 million earned through the third quarter of 2014. The primary reason for the increase is a 6.6% increase in the 2015 liability premium related to the expected payout of tort settlements and related litigation services. The actuarial study conducted in 2012, predicted an increase of 2.5% expected payout for tort settlements and an increase of 5.2% in the expected payout for worker compensation claims in 2015. Through third quarter 2015, the City received \$736,795 in revenue from WCRA (Workers Compensation Reinsurance) and State refunds for medical and indemnity payments and subrogation claims. In comparison, the City received \$550,358 from WCRA through third quarter 2014.

**Expenses:**

Operating expenses through the third quarter 2015 are \$17.6 million or 58.4% of the annual budgeted amount of \$30.1 million. This is a decrease of \$1.2 million, or 6.5%, compared to \$18.8 million expended through the third quarter of 2014. The decrease in operating expense is due primarily to the amount paid for tort settlements, \$1.7 million in 2015 as compared to \$2.7 million in 2014. The City's expense for employee sick leave payout at retirement through third quarter is \$0.7 million or 29.6% of the amount budgeted.

**Debt Service:**

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

**Transfers:**

In 2015, this fund receives an interfund transfer of \$292,006 from the General Fund to assist with the cost of City Hall rent.

The 2015 budget includes a transfer out of \$1.0 million to the Intergovernmental Services Fund as part of its long term financial plan. This annual transfer will end with the 2015 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 recovered the cost of this payment through the cost allocation model in years 2012 through 2014.

**Forecast:**

Operating revenue is projected to be \$31.2 million or \$0.2 million more than the budgeted amount of \$31.0 million. The sources of this increase over budgeted amounts are reimbursements from City departments for employment services and refunds from the WCRA for workers compensation claims. Operating expense is projected to be \$24.0 million or \$6.1 million less than the budgeted amount of \$30.1 million. The primary reason that operating expense is projected to be less than budgeted is a 73.8% projected decrease in the amount paid for tort settlements when compared to the budgeted amount. Payment for workers compensation claims is expected to increase by 30.5% over the budgeted amount. These projections will result in a projected operating margin gain of \$7.2 million as compared to the budgeted operating margin gain of \$0.9 million. The fund experienced an operating margin gain of \$3.8 million at third quarter 2014 primarily due to a decrease in tort settlement payments.

The net position in 2015 is projected to increase by \$6.5 million compared to the budgeted increase of \$0.2 million, resulting in a projected year-end net position of \$24.8 million. The projected ending cash balance for 2015 is \$77.3 million as compared to \$70.6 million at year-end 2014. The increase in cash in 2015 is primarily the result of a decrease in actual tort settlement payments compared to the predicted payout as determined by the actuarial study.

**Cash Balance and Net Position:**

The cash balance at end of third quarter is \$74.9 million, or a 12.5% increase, compared to a cash balance of \$66.6 million at end of third quarter 2014. 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 \$52.9 million. The unpaid claims liability at year-end 2014 is \$49.9 million, a decrease of \$4.8 million from the 2013 year-end liability of \$54.7 million. The cash balance is \$22.0 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 and has continued to increase.

**City of Minneapolis, Minnesota**  
**Self Insurance Fund**  
**Statement of Revenues and Expenses**  
**For Third Quarter/Years Ending 2015, 2014, and 2013**

	Budget Current Year 2015	Projection Year 2015	For Period Ending 30-Sep-15	For Year Ending 2014	For Period Ending 30-Sep-14	For Year Ending 2013	For Period Ending 30-Sep-13
<b>Operating Revenues:</b>							
Health & Welfare (employee benefits)	2,530,110	2,400,000	1,768,302	2,446,747	1,792,672	2,315,642	1,755,434
Workers Compensation	9,705,150	9,690,000	7,265,656	10,119,654	7,348,785	10,098,955	6,964,588
Liability - Subrogation	16,998,638	17,054,000	12,804,411	15,930,673	11,945,824	15,375,715	11,536,638
Attorney Office Services	10,000	5,000	2,796	13,122	10,299	21,995	14,543
Human Resources Services	1,570,036	1,525,000	1,150,765	1,433,235	1,042,799	2,247,530	1,983,066
Risk Management-Employment Services	200,000	520,000	387,347	668,540	459,460	447,492	294,483
<b>Total Operating Revenues</b>	<b>31,013,934</b>	<b>31,194,000</b>	<b>23,379,277</b>	<b>30,611,971</b>	<b>22,599,840</b>	<b>30,507,329</b>	<b>22,548,752</b>
<b>Operating Expenses:</b>							
Health & Welfare (employee benefits)	2,530,110	1,030,000	749,277	1,243,924	1,189,522	1,097,227	879,361
Workers Compensation	7,469,045	9,750,000	7,165,727	9,771,442	7,180,468	10,460,552	7,898,533
Liability & Settlements	8,789,677	2,300,000	1,701,669	3,286,197	2,662,730	6,025,633	4,811,469
City Attorney/Civil Division-Litigation	7,238,495	6,880,000	5,010,125	6,452,389	4,745,625	6,132,119	4,553,884
Risk Management - WC/Risk	2,459,371	2,450,000	1,863,752	2,859,022	2,048,418	2,534,754	1,899,455
Human Resource - Employee Benefits	1,658,381	1,550,000	1,115,893	1,554,675	1,011,039	2,467,550	2,032,147
<b>Total Operating Expenses</b>	<b>30,145,079</b>	<b>23,960,000</b>	<b>17,606,444</b>	<b>25,167,649</b>	<b>18,837,801</b>	<b>28,717,835</b>	<b>22,074,849</b>
<b>Operating Margin</b>	<b>868,855</b>	<b>7,234,000</b>	<b>5,772,833</b>	<b>5,444,322</b>	<b>3,762,039</b>	<b>1,789,494</b>	<b>473,903</b>
<b>Non-Operating Revenues (Expenses)</b>							
Other Non Operating Income (Expense) <sup>1</sup>	-	-	3,697	1,147,334	11,357	7,123	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>-</b>	<b>-</b>	<b>3,697</b>	<b>1,147,334</b>	<b>11,357</b>	<b>7,123</b>	<b>-</b>
<b>Operating Transfers In (Out):</b>							
Net transfers in from other funds	292,000	292,000	219,006	3,085,500	2,314,125	3,855,500	2,891,625
Net transfers out to other funds	(1,000,000)	(1,000,000)	(750,000)	(1,000,000)	(750,000)	(1,000,000)	(750,000)
<b>Total Operating Transfers</b>	<b>(708,000)</b>	<b>(708,000)</b>	<b>(530,994)</b>	<b>2,085,500</b>	<b>1,564,125</b>	<b>2,855,500</b>	<b>2,141,625</b>
<b>Change in Net Position<sup>2</sup></b>	<b>160,855</b>	<b>6,526,000</b>	<b>5,245,536</b>	<b>8,677,156</b>	<b>5,337,521</b>	<b>4,652,117</b>	<b>2,615,528</b>
<b>Significant Balance Sheet Items:</b>							
Cash Balance <sup>3</sup>		77,311,378	74,899,730	70,583,378	66,563,337	61,237,640	58,307,765
Due from Other Funds				202,000		181,000	
Unpaid Claims Payable			(49,850,597)	(49,850,597)	(54,667,934)	(54,667,934)	(53,030,025)
<b>Net Position</b>		<b>24,835,335</b>	<b>23,554,871</b>	<b>18,309,335</b>	<b>9,891,229</b>	<b>4,553,708</b>	<b>4,316,042</b>

<sup>1</sup> Non-operating revenue in 2014 includes a settlement of \$1.1 million paid to the City.

<sup>2</sup> Each year the fund's unpaid claims liability account is adjusted by an actuarial calculation which flows through to the change in net position.

<sup>3</sup> Cash balance for years ending 2013 and 2014 is the cash balance as stated in the CAFR. The actual year-end cash is the CAFR cash balance plus the amount that is Due from Other Funds.

**City Of Minneapolis  
Sanitary Sewer Fund  
For the Third Quarter Ending September 30, 2015**

<b>Fund 07100</b>	<b>2015 Budget</b>	<b>09/30/15 Actual</b>	<b>Projected Year End 2015</b>	<b>2014 Actual</b>
<b>Operating Revenue</b>	62,633,714	44,596,275	60,404,464	59,578,957
<b>Operating Expense</b>	56,833,381	39,449,321	54,560,387	53,195,007
<b>Operating Margin</b>	5,800,333	5,146,954	5,844,077	6,383,950
<b>Change in Net Position</b>		(842,993)	(215,525)	(375,549)
<b>Net Position</b>		117,739,176	118,366,644	118,582,169
<b>Cash Balance</b>		15,914,732	13,406,478	20,155,108

**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 \$44.6 million recognized through the end of third quarter, the Sanitary Sewer Fund has earned 71% of the revenue budget budgeted for 2015. This is a decrease of \$200,000 compared to \$44.8 million earned in 2014. The sewer availability charges, or SAC revenues, which fluctuate based on overall economic activities outside of City's operations, account for \$1.9 million of the decrease. This was off-set by an increase of \$1.7 million in utility service revenue and \$100,000 in design revenues. Increase in utility revenues is due to increase in rates.

The variable rate for utility charges was set at \$3.21 per unit, an increase of \$0.07 over 2014. The fixed rate, which is based on meter size, was increased by \$0.40, from \$3.40 to \$3.80.

**Expenses:**

The Sanitary Sewer Fund's total operating expenses in third quarter were \$39.4 million compared to \$38.3 million for 2014. This is an increase of \$1.1 million, or 3%, and is mainly due to combined increases in design, maintenance, met council, and city service departments.

Met Council payments through the quarter totaled \$29.5 million which is \$1.9 more than 2014 total of \$24.6 million due to 8% rate increase for 2015 services. 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. Maintenance, design, and City service related expense increased by \$900,000 due to increase in Nicollet Avenue projects, fleet charges, tunnel televising,

cleaning and maintenance work. These increases were off-set by decrease of \$1.5 million in SAC charges.

**Transfers:**

A transfer is made from this fund to the water fund to cover shared costs for meter shop expenses. For the current budget year, this cost has been estimated at \$1.3 million and, through the end of the quarter, \$964,000 has been transferred to Water Department.

**Debt Service:**

For 2015, the debt service cost is estimated at \$3.8 million which includes \$3.5 million for principal and \$300,000 in interests. Through the third quarter, \$131,000 in interest payment has been made. These debt service payments are primarily for bonds sold to fund capital programs as an alternative to cash financing.

**Forecast:**

For the next six months, it is estimated that cash outflow will amount to \$28.6 million. This would include operating expenditures, debt services, capital programs which include Nicollet Avenue, and transfers. The Fund also anticipates \$15.8 million in revenues from operations and \$10.3 million from capital programs thereby maintaining the fund balance for the year end above \$13 million.

**Cash and Net Position:**

The current cash balance is \$15.9 million and the Fund's net position is \$117.7 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 \$15.1 million. With projected operating revenues of \$5.3 million per month, \$13.4 million will be available for the start of 2016 as an unrestricted amount to fund capital programs, transfers, and debt service payments.

**City of Minneapolis, Minnesota**  
**Sanitary Sewer Fund**  
**Statement of Revenues and Expenses**  
**For Third Quarters/ 2015, 2014, 2013**

	Budget Current Year 2015	Projected Year Ending 2015	For Period Ending 30-Sep-15	For Year Ending 2014	For Period Ending 30-Sep-14	For Year Ending 2013	For Period Ending 30-Sep-13
<b>Operating Revenues:</b>							
Sanitary Utility Charges	53,754,464	53,754,464	39,735,107	50,643,781	38,052,218	51,420,220	38,882,505
Other Services Provided	879,250	1,150,000	730,738	862,324	632,101	563,001	289,965
SAC Revenues	8,000,000	5,500,000	4,130,430	8,072,852	6,069,981	8,769,175	5,626,212
Interest							
<b>Total Operating Revenues</b>	<b>62,633,714</b>	<b>60,404,464</b>	<b>44,596,275</b>	<b>59,578,957</b>	<b>44,754,300</b>	<b>60,752,396</b>	<b>44,798,682</b>
<b>Operating Expenses:</b>							
Sewer Design	708,635	1,003,130	690,189	586,432	412,673	323,056	227,791
Sewer Maintenance	7,093,853	7,346,065	4,908,136	7,022,507	4,493,604	5,665,656	3,913,599
Met Council Env. Svcs.	43,515,065	41,018,065	29,886,906	40,713,039	29,644,230	41,768,521	29,218,428
City Services	5,174,030	5,034,934	3,881,872	4,792,418	3,719,971	4,316,883	3,446,839
Administrations	341,798	158,193	82,217	80,611	58,430	78,206	57,707
<b>Total Operating Expenses</b>	<b>56,833,381</b>	<b>54,560,387</b>	<b>39,449,321</b>	<b>53,195,007</b>	<b>38,328,908</b>	<b>52,152,322</b>	<b>36,864,364</b>
<b>Operating Margin</b>	<b>5,800,333</b>	<b>5,844,077</b>	<b>5,146,954</b>	<b>6,383,950</b>	<b>6,425,392</b>	<b>8,600,074</b>	<b>7,934,318</b>
<b>Non-Operating Revenues (Expenses):</b>							
Depreciation	(1,457,112)	(1,457,112)	(1,092,834)	(1,446,306)	(1,625,595)	(1,378,768)	(1,560,491)
Net Interest Income (Exp)	(261,000)	(261,000)	(130,500)	(413,571)	(206,446)	(349,733)	(223,118)
Other Non-Oper Income	6,200,000	10,650,000	344,930	1,940,736	976,561	7,399,610	1,169,100
Other Non-Oper Expense	(7,425,000)	(13,706,320)	(4,147,666)	(5,683,678)	(4,344,449)	(4,937,288)	(2,108,255)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(2,943,112)</b>	<b>(4,774,432)</b>	<b>(5,026,070)</b>	<b>(5,602,818)</b>	<b>(5,199,929)</b>	<b>733,821</b>	<b>(2,722,764)</b>
<b>Operating Transfers In (Out):</b>							
Net Transfers In from Other Funds	-	-	-	-	-	-	-
Net Transfers Out to Other Funds	(1,285,170)	(1,285,170)	(963,878)	(1,156,681)	(867,511)	(1,258,096)	(862,004)
<b>Total Operating Transfers</b>	<b>(1,285,170)</b>	<b>(1,285,170)</b>	<b>(963,878)</b>	<b>(1,156,681)</b>	<b>(867,511)</b>	<b>(1,258,096)</b>	<b>(862,004)</b>
<b>Capital contribution</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>1,572,051</b>	<b>(215,525)</b>	<b>(842,993)</b>	<b>(375,549)</b>	<b>357,952</b>	<b>8,075,799</b>	<b>4,349,550</b>
<b>Significant Balance Sheet Items:</b>							
Cash Balance		13,406,478	15,514,216	18,719,110	21,584,462	23,640,433	19,635,609
Construction Cash		-	400,516	1,435,998	1,678,814	1,678,814	836,882
Accounts Receivable		4,578,408	4,538,316	4,273,719	4,423,087	4,883,097	4,937,737
Notes Payable		-	-	-	-	-	-
Bonds Payable		13,150,000	9,300,000	9,300,000	14,450,000	14,450,000	11,550,000
<b>Net Position</b>		<b>118,366,644</b>	<b>117,739,176</b>	<b>118,582,169</b>	<b>114,796,017</b>	<b>114,438,065</b>	<b>111,811,533</b>
<b>Significant Cash Flow Items:</b>							
Capital Outlay	7,425,000	13,706,320	4,043,245	5,645,625	4,294,503	4,368,033	2,059,937
Bond & Note Principal payments	3,500,000	3,500,000	-	5,150,000	-	4,150,000	-

**City Of Minneapolis  
Storm Water Fund  
For the Third Quarter Ending September 30, 2015**

Fund 07300	2015 Budget	09/30/2015 Actual	Projected Year End 2015	2014 Actual
<b>Operating Revenue</b>	42,586,256	29,827,375	40,692,087	41,526,807
<b>Operating Expense</b>	29,036,046	17,333,661	25,887,927	23,228,061
<b>Operating Margin</b>	13,550,210	12,493,714	14,804,160	18,298,745
<b>Change in Net Position</b>		1,459,424	(8,284,897)	(2,871,959)
<b>Net Position</b>		327,920,514	318,176,194	326,461,091
<b>Cash Balance</b>		39,247,721	30,525,968	34,960,817

**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 \$29.8 million in revenues earned through third quarter amounts to 70% of the operating revenue budget. This is a decrease of \$1.3 million compared to \$31.1 million earned for the same period in 2014. Storm utility revenues increased 1% to \$28.1 million, up from \$27.8 million in third quarter, 2014. The utility rate for 2015 remained the same as 2014 rate which was \$11.94/ESU (Equivalent Storm Units). The decrease of \$1.6 million in miscellaneous revenues is due to decrease in design activities related to capital programs. Reimbursements, based on maintenance agreement with the State and the County, make up for the rest of the operating revenue which in 2015 came in \$19,000 higher than the third quarter, 2014.

**Expenses:**

Operating expense in third quarter were \$17.3 million, compared to \$29.0 million budgeted for 2015, leaving 40% of the budget available for the next three months. The expenses were \$1.5 million, or 9.2%, more than the \$15.8 million reported for the third quarter of 2014. A combined increase of \$600,000 was recorded in maintenance and design divisions where resources were spent on Linden Yard and storm line cleanings, water quality educations, and regulation management. Payments to Met Council increased by \$100,000 due to increase in 2015 rates. Expenditures in Street Cleaning cost center increased by \$1.4 million due to increase in personnel, fleet, and general fund overhead charges compared to 2014. This was off-set by a \$600,000 decrease in City services due to decrease in overhead and government contracted service budgets for the year.

**Transfers:**

A transfer from this fund is made to General Fund to support two environmental service related FTE's relating to Clean Water Act. For 2015, this is estimated at \$110,000, and through the third quarter \$83,000 has been transferred.

**Debt Service:**

The debt service budget for 2015 totals \$3.0 million of which \$2.2 million is set aside for principal and \$800,000 for interest payments. Through third quarter, \$93,000 in interest payment has been made. The debt service payments are primarily for bonds sold to finance the combined sewer overflow, flood mitigation, and storm tunnel programs.

**Forecast:**

For the next three months, it is estimated that the cash outflow will total \$24.5 million which include operating expenses, debt service payments, transfers, and capital programs. The Fund also anticipates \$10.9 million in revenues from operations and \$4.7 million from capital programs thereby maintaining the fund balance for the year end above \$30.5 million.

**Cash and Net Positions:**

The ending cash balance for the quarter stands at \$39.2 million and net position is just over \$327 million. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Based on the projection, the target amount is \$8.5 million. This will leave \$22.0 million as unrestricted amount to fund capital programs and debts services for 2016 and beyond. As planned, it will enable the Storm Water Fund to rely more on its fund balance and resort less on bond sales for future programs.

**City of Minneapolis, Minnesota**  
**Storm Water Fund**  
**Statement of Revenues and Expenses**  
**For Third Quarter/Years 2015, 2014, and 2013**

	Budget Current Year 2015	Projected Year Ending 2015	For Period Ending 30-Sep-15	For Year Ending 2014	For Period Ending 30-Sep-14	For Year Ending 2013	For Period Ending 30-Sep-13
<b>Operating Revenues:</b>							
State Grants	1,167,812	1,471,155	991,509	1,167,812	984,907	1,149,665	963,928
County Grants	361,663	247,413	168,043	311,663	155,832	291,220	-
Storm Utility Charges	38,313,156	37,623,519	28,107,119	36,895,473	27,839,923	36,830,078	27,768,958
Other Services Provided	2,743,625	1,350,000	560,704	3,151,859	2,176,112	1,051,096	742,275
Total Operating Revenues	42,586,256	40,692,087	29,827,375	41,526,807	31,156,774	39,322,059	29,475,161
<b>Operating Expenses:</b>							
Sewer Design	4,859,405	3,565,006	2,072,188	3,147,511	1,784,061	3,081,416	1,791,568
Stormwater Management CSO	537,797	393,430	221,175	375,207	283,072	454,940	354,478
Street Cleaning	9,190,184	8,800,000	5,928,822	7,280,807	4,529,705	7,804,686	4,831,834
Sewer Maintenance	6,965,211	5,882,869	3,736,478	5,061,769	3,463,040	4,538,790	3,414,879
Met Council Env. Svcs.	1,843,917	1,861,688	1,396,263	1,724,899	1,295,333	1,745,827	1,309,371
City Services	5,297,735	5,156,083	3,892,324	5,557,259	4,466,244	5,757,020	4,354,811
Storm Admin	341,798	228,851	86,411	80,610	58,429	78,206	57,707
Total Operating Expenses	29,036,046	25,887,927	17,333,661	23,228,061	15,879,884	23,460,885	16,114,648
<b>Operating Margin</b>	<b>13,550,210</b>	<b>14,804,160</b>	<b>12,493,714</b>	<b>18,298,745</b>	<b>15,276,890</b>	<b>15,861,174</b>	<b>13,360,513</b>
<b>Non-Operating Revenues (Expenses):</b>							
Depreciation	(5,033,913)	(5,033,913)	(3,775,435)	(4,486,441)	(4,840,477)	(4,114,734)	(4,805,608)
Special Assessments	-	215,623	-	287,243	(207,683)	144,004	-
Net Interest Income (Exp)	(793,767)	(793,767)	(92,500)	(850,047)	(145,000)	(789,965)	(479,362)
Other Non-operating Income	4,735,000	4,735,000	27,178	499,213	470,075	4,462,735	4,041,732
Other Non Operating Expense	(10,920,000)	(22,102,000)	(7,111,031)	(16,614,752)	(12,875,648)	(10,239,961)	(6,133,402)
Total Non-Operating Revenues (Expenses)	(12,012,680)	(22,979,057)	(10,951,787)	(21,164,785)	(17,598,733)	(10,537,921)	(7,376,640)
<b>Operating Transfers In (Out):</b>							
Net Transfers In from Other Funds	-	-	-	-	-	-	-
Net Transfers Out to Other Funds	(110,000)	(110,000)	(82,503)	(5,920)	-	-	-
Total Operating Transfers	(110,000)	(110,000)	(82,503)	(5,920)	-	-	-
<b>Capital Contribution</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>1,427,530</b>	<b>(8,284,897)</b>	<b>1,459,424</b>	<b>(2,871,959)</b>	<b>(2,321,842)</b>	<b>5,323,253</b>	<b>5,983,873</b>
<b>Significant Balance Sheet Items:</b>							
Cash Balance		30,525,968	39,247,721	34,960,817	38,218,187	36,354,095	43,391,700
Construction Cash		-	-	-	5,920	5,920	4,185,461
Accounts Receivable		4,150,033	3,868,707	4,086,655	3,819,279	4,213,411	3,913,107
Notes Payable		-	-	-	-	-	161,786
Bonds Payable		2,500,000	4,735,910	4,735,910	7,970,910	7,970,910	14,620,910
Net Position		318,176,194	327,920,514	326,461,091	309,199,049	311,520,891	305,579,289
<b>Significant Cash Flow Items:</b>							
Capital Outlay	8,920,000	20,102,000	6,466,668	16,798,141	12,040,245	9,308,751	5,494,411
Bond & Note Principle Payments	2,235,910	2,235,910	-	3,235,000	-	6,811,786	262,796

**City of Minneapolis  
Water Enterprise Fund  
For Third Quarter Ending September 30, 2015**

Fund 07400	2015 Budget	9/30/2015 Actual	Projected Year End 2015	2014 Actual
<b>Operating Revenue</b>	78,620,743	56,077,970	74,653,274	72,652,306
<b>Operating Expense</b>	55,962,426	36,369,058	52,898,357	50,868,670
<b>Operating Margin</b>	22,658,317	19,708,912	21,754,917	21,783,636
<b>Change in Net Position</b>		5,441,628	(643,752)	(3,181,928)
<b>Net Position</b>		226,921,421	220,836,042	221,479,793
<b>Cash Balance</b>		31,187,510	25,908,842	25,132,631

**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 2015, the projected total operating revenue will be \$74,653,274 or 95% of the 2015 budgeted amount of \$78,620,743. Overall, water volume sales have suffered as a result of wet weather and lower temperatures during the first nine months of the year. Although revenue from water sales is expected to be down from budget, the fixed rate revenue helps 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 is expected to help offset lower than budgeted water sales.

**Expense:**

Projected operating expenses for the year total \$52,898,357 or 94.5% of the 2015 budget, and are 4% higher than the 2014 amount of \$50,868,670. Expenses are expected to be slightly lower than budgeted due to staff vacancies during the first half of the year and decreased chemical, energy and other variable operating costs related to lower water production caused by decreased water demand.

**Transfers:**

For 2015, the transfer amount of \$1,310,170 represents a \$1,285,170 operating transfer from the Sanitary Sewer Fund for their share of the cost of the meter shop and a \$25,000 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 for 2015, including both principle and interest payments, is expected to be \$11,775,440. During 2015, an additional \$9,000,000 in bonds have been appropriated to help finance the Fridley Filter Rehabilitation Capital project and Recarbonation System replacement. It is expected that the majority of the rehabilitation expenses and bond issuance will be deferred to 2016 to correspond with construction start up.

**Other Financial Items:**

The ending cash balance as of September 30, 2015 was \$31,187,510 compared to \$25,132,631 at the end of 2014. 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 2015 balance in the reserve for membrane and valve replacement is \$6.4 million. The two reserves total \$20.4 million, so the projected year end cash balance of \$25.9 million is adequate to cover the reserves.

City of Minneapolis, Minnesota  
Water Fund  
Statement of Revenues and Expenses  
For Third Quarter/Years Ending 2015, 2014, 2013

	Budget Current Year 2015	Projected Year Ending 2015	For Period Ending 9/30/2015	For Year Ending 2014	For Period Ending 9/30/2014	For Year Ending 2013	For Period Ending 9/30/2013
<b>Operating Revenues:</b>							
Water Sales - City							
Volume Rate	57,922,085	53,942,210	40,913,266	53,916,478	41,702,888	55,738,712	42,774,913
Fixed Rate	4,930,038	4,881,832	3,652,366	4,052,437	3,018,350	3,230,251	2,420,020
Water Sales - Suburbs	12,245,215	11,455,111	8,872,613	10,995,907	8,523,024	11,607,219	8,458,828
Other Operating Revenues	3,523,405	4,374,121	2,639,725	3,687,483	2,581,595	4,247,934	3,803,890
Total Operating Revenues	78,620,743	74,653,274	56,077,970	72,652,306	55,825,857	74,824,116	57,457,651
<b>Operating Expenses:</b>							
Payments for City Services	10,681,667	10,681,667	8,042,046	10,273,039	8,022,322	10,216,139	8,473,939
Administration	1,179,600	1,216,994	686,499	697,481	490,604	1,358,672	988,003
Engineering	1,295,092	1,278,300	945,762	1,911,967	1,409,198	2,479,887	1,814,256
Operations	29,647,930	26,362,724	17,611,323	25,164,329	17,544,867	25,116,372	18,533,971
Distribution	8,376,243	8,307,950	5,515,290	8,939,876	6,560,507	8,667,609	6,275,946
Meter Shop	2,191,278	1,894,341	1,377,422	1,969,292	1,452,254	1,886,076	1,387,583
Reimbursables	2,590,616	3,156,380	2,190,716	1,912,686	1,492,672	1,481,159	996,394
Total Operating Expenses	55,962,426	52,898,357	36,369,058	50,868,670	36,972,424	51,205,913	38,470,092
<b>Operating Margin</b>	<b>22,658,317</b>	<b>21,754,917</b>	<b>19,708,912</b>	<b>21,783,636</b>	<b>18,853,433</b>	<b>23,618,203</b>	<b>18,987,559</b>
<b>Non-Operating Revenues/(Expenses)</b>							
Depreciation	(10,087,520)	(10,087,520)	(7,564,971)	(10,037,891)	(7,655,697)	(10,628,275)	(7,311,236)
Special Assessments			94,272	775,575		395,099	
Net Interest Income (Exp)	(3,121,318)	(3,121,318)	(2,550,537)	(2,622,000)	(2,655,543)	(2,971,360)	(2,798,613)
Capital Revenue	2,000,000	1,000,000	749,270	144,222	3,182	494,886	
Other Non-Operating Income						92,794	
Other Non Operating (Expense)	(22,495,000)	(11,500,000)	(5,977,953)	(14,102,414)	(9,198,240)	(16,456,344)	(7,558,229)
Total Non-Operating Revenues (Expenses)	(33,703,838)	(23,708,838)	(15,249,918)	(25,842,507)	(19,506,298)	(29,073,200)	(17,668,078)
<b>Operating Transfers In (Out):</b>							
Net transfers in from other funds	1,310,170	1,310,170	982,634	1,183,681	887,761	1,171,339	18,334
Net transfers out to other funds				(306,738)			
Total Operating Transfers	1,310,170	1,310,170	982,634	876,943	887,761	1,171,339	18,334
<b>Capital Contribution</b>							
<b>Change in Net Position</b>	<b>(9,735,351)</b>	<b>(643,752)</b>	<b>5,441,628</b>	<b>(3,181,928)</b>	<b>234,896</b>	<b>(4,283,658)</b>	<b>1,337,815</b>
<b>Significant Balance Sheet Items</b>							
Operating Cash		25,908,842	31,187,510	25,132,631	20,453,370	18,963,284	20,321,170
Accounts Receivable			7,909,736	4,751,349	6,858,878	4,778,155	7,240,213
Assessments Receivable			1,016,248	2,405,113	2,095,129	2,513,145	1,892,614
Bonds & Notes Payable		97,344,999	106,836,262	105,999,121	103,261,710	106,144,659	109,503,120
Net Position		220,836,042	226,921,421	221,479,793	210,684,758	210,449,862	198,523,701
<b>Significant Cash Flow Items</b>							
Capital Outlay	22,495,000	11,500,000	5,977,953	14,102,414	9,198,240	16,456,344	7,558,229
Bond & Note Principle Payments	8,654,122	8,654,122	4,360,000	6,145,539	3,845,000	5,982,025	3,781,000
Bond & Note Principle Proceeds	9,000,000	-	-	6,000,000			

**City of Minneapolis  
Municipal Parking Fund  
For the Third Quarter Ending September 30, 2015**

Fund 7500*	2015 Original Budget	3 <sup>rd</sup> Qtr Period End Actuals 2015	Projected YE 2015	Actual YTD 2014
Revenue	60,424,981	46,296,120	59,440,523	57,821,710
Expenses	39,031,755	27,813,436	36,597,906	37,719,428
Operating Margin	21,393,226	18,482,684	22,842,617	20,102,282
Change in Net Position		6,688,422	2,010,239	5,234,303
Net Position		184,951,504	180,301,733	177,861,839
Cash Balance		16,684,791	13,591,610	10,497,589

\* 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 also occur in this fund.

**Revenues:**

The 2015 operating revenues are up in comparison to 2014 by 7.4%. The variance is from:

- Impound Lot revenues are down 21.9% compared to 2014.
- On-street parking revenues are up 19.1% compared to 2014.
- City off-street ramps and lots revenues are up 3.2% compared to 2014.
- State off-street ramps are up 23.1% compared to 2014.

Off-street revenue increases reflects the general increase in demand for both transient and monthly parking, in addition state owned off-street ramps experienced an increase in event revenue due to the relative success of the Twins and Timberwolves. On-street revenues realized an increase due to increased usage (more transactions) and car share payments.

**Expenses:**

The 2015 operating expenses are higher than the 2014 expenses by .2%. The variance is from:

- Impound Lot expenses are down 15% compared to 2014.
- On-street meters expenses are up by 5.6% compared to 2014.
- City off-street ramps and lots expenses are up .1% compared to 2014.
- State off-street ramps are up by 7% compared to 2014.

Impound Lot expenses are lower than 2014 due to less snow emergencies in early 2015 which decreased related operational activities, such as towing, security, lot maintenance and personnel. On-street meter expenses were higher in 2015, as compared to 2014, due to increased credit card charges paralleling the increase in transactions. Off-street ramps and lots operating expenses were higher than in 2014 in tandem with the increase in revenues. However, the increase in expenditures was proportionally lower than the increase in revenues reflecting an economy of scale.

**Transfers to and from other funds:**

The 2015 transfers into and out of the Parking Fund are programmed and planned according to the 2015 budget. During the year so far in 2015, \$5.6 million of funds were transferred out (\$3.1 million to the General Fund, \$2.5 million and to the Target Center).

**Debt Service:**

For 2015, the debt service budget is \$10.6 million. As of September 30, 2015, the outstanding balance of bond principal was \$67.5 million and the outstanding balance of note principal was \$38.6 million. The Parking Fund is looking at taking advantage of a buyout option in December 2015 of \$6.2 million.

**Other Financial Items:**

The end of 3<sup>rd</sup> quarter for the year 2015 cash balance is \$16.6 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$9.3 million, which results in a \$5.7 million surplus which is retained for future debt service payments, Impound lot improvements and potential future major parking capital projects.

**City of Minneapolis, Minnesota**  
**Municipal Parking Fund**  
**Statement of Revenues and Expenditures**  
**For Third Quarter/Years Ending 2015, 2014, and 2013**

	Budget Current Year 2015	Projected Year Ending 2015	For Period Ending 30-Sep-15	For Year Ending 2014	For Period Ending 30-Sep-14	For Year Ending 2013	For Period Ending 30-Sep-13
<b>Operating Revenues:</b>							
Off-Street Parking: City Owned	31,419,981	31,903,851	23,660,429	30,764,670	22,911,552	30,347,976	22,326,470
Off-Street Parking: State Owned	11,005,000	9,339,000	9,301,512	9,876,255	7,553,982	10,378,784	8,013,257
Towing	6,000,000	4,735,833	3,270,217	5,695,346	4,191,293	5,754,958	3,978,291
On-Street Meters	12,000,000	13,461,839	10,063,962	11,496,249	8,452,228	12,182,072	9,318,569
Total Operating Revenues	60,424,981	59,440,523	46,296,120	57,832,520	43,109,055	58,663,790	43,636,587
<b>Operating Expenses:</b>							
Off-Street Parking: City Owned-Direct Expenses	22,141,348	20,720,002	15,197,495	20,655,555	15,183,215	20,639,214	15,593,078
Off-Street Parking: State Owned-Direct Expenses	8,339,008	8,339,008	7,354,851	8,921,760	6,870,674	9,366,786	7,288,328
Towing	5,292,485	4,599,435	3,187,740	5,162,568	3,748,474	4,747,502	3,145,395
On-Street Meters	3,258,914	2,939,461	2,073,291	2,845,666	1,963,622	3,003,328	2,141,557
Other Operating Expenses	-	-	59	2,411	0	0	0
Total Operating Expenses	39,031,755	36,597,906	27,813,436	37,587,960	27,765,985	37,756,830	28,168,358
<b>Operating Margin</b>	<b>21,393,226</b>	<b>22,842,617</b>	<b>18,482,684</b>	<b>20,244,560</b>	<b>15,343,070</b>	<b>20,906,960</b>	<b>15,468,229</b>
<b>Non-Operating Revenues/(Expenses)</b>							
Depreciation	(6,550,566)	(6,550,566)	(4,828,896)	(6,627,050)	0	(6,955,004)	0
Special Assessments	0	28,412	28,412	0	0	25,018	0
Interest	(5,188,501)	(5,188,501)	(1,450,574)	(2,595,900)	(1,450,596)	(4,001,605)	(1,803,302)
Other Non Operating Expenses	(1,700,000)	(1,700,000)	(735,874)	-	-	-	-
Other Non-Operating Income	0	0	846,004	33,682	29,468	11,990	21,110
Total Non-Operating Revenues (Expenses)	(13,439,067)	(13,410,655)	(6,140,929)	(9,189,268)	(1,421,128)	(10,919,601)	(1,782,192)
<b>Operating Transfers In (Out):</b>							
General Fund Transfer Out	(4,148,200)	(4,148,200)	(3,111,156)	(2,323,200)	0	(7,918,024)	0
Arena Reserve Transfer Out	(3,522,696)	(3,522,696)	(2,542,177)	(3,323,206)	(2,492,354)	(3,129,132)	(2,346,849)
Debt Service Transfer Out	0	-	-	0	0	(40,957)	0
General Debt Service Transfer Out	-	-	-	-	-	0	0
Sanitation Transfer Out	(146,000)	(146,000)	-	(146,000)	(109,500)	(146,000)	0
Convention Center related facility Transfer	0	-	-	-	-	4,729,200	159,600
TI and MCDA Transfers In	423,585	423,585	-	372,660	7,132	6,893,230	67,531
Other Transfers In	-	-	-	-	-	-	-
Total Operating Transfers	(7,393,311)	(7,393,311)	(5,653,333)	(5,419,746)	(2,594,722)	388,317	(2,119,718)
Capital Contributions							
<b>Change in Net Position</b>	<b>560,848</b>	<b>2,038,651</b>	<b>6,688,422</b>	<b>5,635,546</b>	<b>11,327,220</b>	<b>10,375,676</b>	<b>11,566,319</b>
<b>Significant Balance Sheet Items</b>							
Operating Cash		13,591,610	16,684,791	8,770,347	7,869,872	11,339,477	7,869,872
Cash Balance - Arbitrage		1,727,247	1,727,247	1,727,247	375,818	1,964,146	375,818
Notes Payable		38,545,000	38,650,000	38,650,000	38,650,000	38,650,000	38,650,000
Bonds Payable		67,487,300	72,821,842	72,821,842	95,680,042	83,705,942	95,680,042
Net Position		180,301,733	184,951,504	178,263,082	166,266,009	172,627,536	166,266,009
<b>Significant Cash Flow Items</b>							
Bond & Note Principle Proceeds	0		-	0	-	2,655,000	-
Bond & Note Principle Payments	5,439,542	5,439,542	1,450,574	10,884,100	-	14,629,100	-
Refunding Principle Payments			-	-	-	-	-

**City Of Minneapolis  
Solid Waste and Recycling Fund  
For the Third Quarter Ending September, 30, 2015**

Fund 07700	2015 Budget	09/30/15 Actual	Projected Year End 2015	2014 Actual
Operating Revenue	36,731,000	27,123,810	37,624,000	31,820,969
Operating Expense	40,451,492	23,678,994	35,341,634	31,656,139
Operating Margin	(3,810,492)	3,444,817	2,282,366	164,830
Change in Net Position		3,004,155	1,951,977	393,990
Net Position		31,861,524	30,809,345	28,857,368
Cash Balance		22,949,026	21,133,433	19,729,474

**Program Description**

The Solid Waste and Recycling Fund account for the City's solid waste and recycling collection, disposal, graffiti removal, and a solid waste transfer station that serves 106,000 dwelling units. Pick-up services for trash, yard waste, and recyclables are provided on a weekly and a biweekly basis. City crews provide approximately one-half of the solid waste collection services and the other half of the services are provided through a consortium of companies specializing in waste collections. Also accounted for in this fund are various initiatives such as Clean City neighborhood clean sweeps; city-wide litter and graffiti abatement and removal; and an organics program.

**Revenue**

With operating revenues through the end of the third quarter totaling \$27.1 million, 74% of the budgeted revenue has been realized. This is an increase of \$3.1 million, or 13%, compared to \$24.0 million earned through third quarter of 2014. Utility revenues totaled \$26.1 million through the third quarter of 2015, compared to \$22.2 million for 2014 for a gain of \$3.9 million as a result of increase in base rate of \$4.00 per dwelling unit. Rates were increased in order to support implementation of city-wide organics program. Revenues from sale of scrap metals decreased by \$100,000 due to declining demand. The Hennepin County recycling grant for the year has been estimated at \$1.3 million and the department received \$500,000 through the third quarter.

**Expenses:**

Operating expenses through the third quarter were \$23.7 million compared to \$23.1 million in 2014. This is an overall increase of \$600,000, or 3%. Expenditures in Equipment divisions decreased by \$400,000 since fewer vehicles, trucks, and equipment have been purchased compared to third quarter of prior year. Expenses also decreased in Collection, Problem Materials, and Clean City divisions by \$700,000 which was off-set by an increase of \$500,000 in Recycling and Yard Waste. As anticipated, one-sort program helped reduce Disposal expenditures by \$100,000. Additional reductions of \$200,000 in Admin division are expenses related to various City services such as general fund overheads, liability insurance, worker's comp, BIS charges, rents and fleet charges due to reduced budget for current year compared to 2015 budget.

Expenses increased by combined total of \$1.6 million in Transfer Stations, Customer Service, Graffiti, and Organic divisions thereby reducing the Fund's overall expenditure through the third quarter.

**Transfers:**

Budgeted transfers into the Solid Waste and Recycling fund include \$146,000 from the Parking Fund for the Litter Container Program and \$325,000 from the General Fund for graffiti removal and micro-grants. As of the end of the quarter, \$244,000 in transfer revenues has been received.

**Debt Service:**

This fund has no debt service.

**Forecast:**

Over the next three months, the estimated cash outflow will total \$11.7 million for operating expenses. The Fund also anticipates an additional \$10.6 million in revenue from its operations and \$200,000 in transfers resulting in a deficit of \$0.8 million and bringing the fund balance for year end to an estimated \$22.1 million.

**Cash and Net Positions:**

The Fund's cash balance as of the end of the third quarter was \$22.9 million and the net position totaled \$31.9 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 \$11.7 million leaving unrestricted cash reserve equivalent to \$11.2 million. This projected year-end cash reserve is necessary to fund the planned facility improvement estimated at \$7 million scheduled in the next budget year.

**City of Minneapolis, Minnesota**  
**Solid Waste and Recycling Fund**  
**Statement of Revenues and Expenses**  
**For Third Quarters/ 2015, 2014, and 2013**

	Budget Current Year 2015	Projection Year Ending 2015	For Period Ending 30-Sep-15	For Year Ending 2014	For Period Ending 30-Sep-14	For Year Ending 2013	For Period Ending 30-Sep-13
<b>Operating Revenues:</b>							
County Grants	894,000	1,315,000	502,795	871,608	871,608	864,545	-
Solid Waste Fees	34,617,000	35,223,000	26,148,772	29,486,130	22,166,404	28,801,926	21,669,183
Recyclable Sales	226,000	226,000	146,174	337,695	254,694	790,163	626,026
Charges for Other Services	994,000	860,000	326,070	1,125,536	751,684	968,960	383,969
<b>Total Operating Revenues</b>	<b>36,731,000</b>	<b>37,624,000</b>	<b>27,123,810</b>	<b>31,820,969</b>	<b>24,044,390</b>	<b>31,425,594</b>	<b>22,679,178</b>
<b>Operating Expenses:</b>							
Collection	8,341,864	7,825,236	5,124,897	7,552,965	5,663,474	8,091,536	6,028,236
Disposal	4,516,333	4,451,128	3,298,653	4,538,343	3,429,456	4,544,751	3,465,990
Recycling	3,799,120	3,531,044	2,364,983	3,284,022	2,356,896	7,968,641	7,119,222
Yard Waste	3,195,279	3,003,352	2,167,453	2,371,116	1,704,725	2,624,703	1,760,850
Large Item/Problem Material	1,842,449	1,730,146	1,209,902	1,705,729	1,246,603	1,676,994	1,246,009
Transfer Stations	381,063	429,014	396,773	438,339	311,026	356,751	265,532
Administration	5,845,843	5,595,488	4,159,902	5,906,028	4,407,565	4,429,665	3,388,088
Customer Service	677,949	553,634	395,993	482,385	356,527	577,913	432,484
Clean City	1,160,358	1,063,110	730,037	1,074,347	831,097	975,820	402,485
Graffiti	1,072,189	969,291	653,287	702,744	500,265	766,716	880,817
Equipment	3,397,472	3,020,068	1,679,433	3,375,282	2,099,936	2,936,967	2,248,169
Organics	6,311,573	3,170,123	1,497,679	224,839	148,516	254,665	183,110
<b>Total Operating Expenses</b>	<b>40,541,492</b>	<b>35,341,634</b>	<b>23,678,994</b>	<b>31,656,139</b>	<b>23,056,086</b>	<b>35,205,122</b>	<b>27,420,992</b>
<b>Operating Margin</b>	<b>(3,810,492)</b>	<b>2,282,366</b>	<b>3,444,817</b>	<b>164,830</b>	<b>988,305</b>	<b>(3,779,528)</b>	<b>(4,741,814)</b>
<b>Non-Operating Revenues (Expenses):</b>							
Depreciation	(906,648)	(906,648)	(670,062)	(840,404)	(595,481)	(855,039)	(524,198)
Capital Adjustments	-	-	-	-	-	-	-
Other non-operating Expense	(3,000,000)	(19,141)	(14,356)	(2,778)	(12,501)	-	-
Special Assessments	-	124,400	-	106,342	-	142,471	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(3,906,648)</b>	<b>(801,389)</b>	<b>(684,418)</b>	<b>(736,840)</b>	<b>(607,982)</b>	<b>(712,568)</b>	<b>(524,198)</b>
<b>Operating Transfers In (Out):</b>							
Net Transfers In from Other Funds	471,000	471,000	243,756	966,000	724,506	296,000	125,000
Net Transfers Out to Other Funds	-	-	-	-	-	(700,024)	(583,358)
<b>Total Operating Transfers</b>	<b>471,000</b>	<b>471,000</b>	<b>243,756</b>	<b>966,000</b>	<b>724,506</b>	<b>(404,024)</b>	<b>(458,358)</b>
<b>Contributed Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>(7,246,140)</b>	<b>1,951,977</b>	<b>3,004,155</b>	<b>393,990</b>	<b>1,104,829</b>	<b>(4,896,120)</b>	<b>(5,724,370)</b>
<b>Significant Balance Sheet Items:</b>							
Operating Cash		22,133,433	22,949,026	19,729,474	19,172,442	17,793,800	16,555,422
Accounts Receivable		3,372,599	3,486,239	3,267,951	3,761,831	3,477,247	3,095,922
Notes Payable		-	-	-	-	-	-
Bonds Payable		-	-	-	-	-	-
<b>Net Position</b>		<b>30,809,345</b>	<b>31,861,524</b>	<b>28,857,368</b>	<b>27,948,944</b>	<b>26,844,115</b>	<b>24,594,922</b>

**CPED Enterprise Fund Component Programs  
For the Second Quarter Ending September 30, 2015**

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. Only the administrative operations portion of the fund is presented at 9/30/2015. Other information is maintained by a trustee and not available for inclusion at 9/30. 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. Four years of the workout plan have been successfully implemented. At September 30, 2015 the cash deficit was \$(524,273).

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 9/30/2014	Housing Development Fund 9/30/2015	General Agency Reserve Fund Operations 9/30/2014	General Agency Reserve Fund Operations 9/30/2015	Theatres 9/30/2014	Theatres 9/30/2015	River Terminal 9/30/2014	River Terminal 9/30/2015	Economic Development Program 9/30/2014	Economic Development Program 9/30/2015
<b>ASSETS</b>										
<b>Current assets:</b>										
Cash and cash equivalents	\$ 138,150	\$ 138,594	\$ 751,835	\$ 955,991	\$ (961,170)	\$ (524,273)	\$ (787,111)	\$ (771,856)	\$ 872,151	\$ 796,314
Deposits with fiscal agents	-	-	-	-	-	-	-	-	-	-
Loans and notes receivable	120,000	50,000	-	-	-	-	-	-	-	-
Other current assets	271	337	1,913	2,201	(2,656)	(2,342)	(1,086)	(1,978)	1,733	2,019
<b>Total current assets</b>	<b>258,421</b>	<b>188,931</b>	<b>753,748</b>	<b>958,192</b>	<b>(963,826)</b>	<b>(526,615)</b>	<b>(788,197)</b>	<b>(773,834)</b>	<b>873,884</b>	<b>798,333</b>
<b>Noncurrent assets:</b>										
Loans and notes receivable	346,521	382,567	-	-	-	-	-	-	-	-
Capital assets (net of accumulated depreciation)	-	-	-	-	-	-	5,179,792	4,832,266	-	-
<b>Total noncurrent assets</b>	<b>346,521</b>	<b>382,567</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,179,792</b>	<b>4,832,266</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 604,942</b>	<b>\$ 571,498</b>	<b>\$ 753,748</b>	<b>\$ 958,192</b>	<b>\$ (963,826)</b>	<b>\$ (526,615)</b>	<b>\$4,391,595</b>	<b>\$ 4,058,432</b>	<b>\$ 873,884</b>	<b>\$ 798,333</b>
<b>LIABILITIES</b>										
<b>Current liabilities:</b>										
Accounts Payable	-	-	2,934	-	-	-	-	-	67,171	-
Other current liabilities	116	130	15,155	9,969	(1,135)	(906)	2,163	28	10,980	780
<b>Total current liabilities</b>	<b>116</b>	<b>130</b>	<b>18,089</b>	<b>9,969</b>	<b>(1,135)</b>	<b>(906)</b>	<b>2,163</b>	<b>28</b>	<b>78,151</b>	<b>780</b>
<b>Noncurrent liabilities:</b>										
Compensated absences payable	-	-	13,777	9,584	-	-	2,818	1,847	560	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>13,777</b>	<b>9,584</b>	<b>-</b>	<b>-</b>	<b>2,818</b>	<b>1,847</b>	<b>560</b>	<b>-</b>
<b>Total liabilities</b>	<b>116</b>	<b>130</b>	<b>31,866</b>	<b>19,553</b>	<b>(1,135)</b>	<b>(906)</b>	<b>4,981</b>	<b>1,875</b>	<b>78,711</b>	<b>780</b>
<b>NET POSITION</b>										
Invested in capital assets, net of related debt	-	-	-	-	-	-	5,179,792	4,832,266	-	-
Restricted	-	-	721,882	938,639	-	-	-	-	-	-
Unrestricted	604,826	571,368	-	-	(962,691)	(525,709)	(793,178)	(775,709)	795,173	797,553
<b>Total net position</b>	<b>604,826</b>	<b>571,368</b>	<b>721,882</b>	<b>938,639</b>	<b>(962,691)</b>	<b>(525,709)</b>	<b>4,386,614</b>	<b>4,056,557</b>	<b>795,173</b>	<b>797,553</b>
<b>Total liabilities &amp; net position</b>	<b>\$ 604,942</b>	<b>\$ 571,498</b>	<b>\$ 753,748</b>	<b>\$ 958,192</b>	<b>\$ (963,826)</b>	<b>\$ (526,615)</b>	<b>\$4,391,595</b>	<b>\$ 4,058,432</b>	<b>\$ 873,884</b>	<b>\$ 798,333</b>

	Housing Development Fund 1/1-9/30/14	Housing Development Fund 1/1-9/30/15	General Agency Reserve Fund Operations 1/1-9/30/14	General Agency Reserve Fund Operations 1/1-9/30/15	Theatres 1/1-9/30/14	Theatres 1/1-9/30/15	River Terminal 1/1-9/30/14	River Terminal 1/1-9/30/15	Economic Development Program 1/1-9/30/14	Economic Development Program 1/1-9/30/15
<b>Operating revenues</b>										
Charges for sales and services	\$ -	\$ -	\$ 154,892	\$ 214,484	\$ -	\$ -	\$ 1,124,342	\$ 834,643	\$ -	\$ -
Interest on program activities	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total operating revenues</b>	<b>-</b>	<b>-</b>	<b>154,892</b>	<b>214,484</b>	<b>-</b>	<b>-</b>	<b>1,124,342</b>	<b>834,643</b>	<b>-</b>	<b>-</b>
<b>Operating expenses:</b>										
Personal services	-	-	192,303	97,686	-	-	31,192	2,378	-	-
Contractual services	-	-	153,052	77,254	-	-	1,288,960	686,094	7,663	-
Other	-	-	1,174	64	-	-	500	-	-	1,667
Depreciation expense	-	-	-	-	-	-	260,645	260,645	-	-
<b>Total operating expenses</b>	<b>-</b>	<b>-</b>	<b>346,529</b>	<b>175,004</b>	<b>-</b>	<b>-</b>	<b>1,581,297</b>	<b>949,117</b>	<b>7,663</b>	<b>1,667</b>
<b>Operating income</b>	<b>-</b>	<b>-</b>	<b>(191,637)</b>	<b>39,480</b>	<b>-</b>	<b>-</b>	<b>(456,955)</b>	<b>(114,474)</b>	<b>(7,663)</b>	<b>(1,667)</b>
<b>Nonoperating revenues (expenses)</b>										
Interest on investments	507	239	3,340	1,656	(3,899)	128	(2,639)	(1,992)	3,123	1,368
Interest expense	-	-	-	-	-	-	-	-	(474)	-
<b>Total nonoperating revenue (expenses)</b>	<b>507</b>	<b>239</b>	<b>3,340</b>	<b>1,656</b>	<b>(3,899)</b>	<b>128</b>	<b>(2,639)</b>	<b>(1,992)</b>	<b>2,649</b>	<b>1,368</b>
<b>Income (loss) before transfers</b>	<b>507</b>	<b>239</b>	<b>(188,297)</b>	<b>41,136</b>	<b>(3,899)</b>	<b>128</b>	<b>(459,594)</b>	<b>(116,466)</b>	<b>(5,014)</b>	<b>(299)</b>
<b>Net transfers from (to) other funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>402,190</b>	<b>430,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>507</b>	<b>239</b>	<b>(188,297)</b>	<b>41,136</b>	<b>398,291</b>	<b>430,128</b>	<b>(459,594)</b>	<b>(116,466)</b>	<b>(5,014)</b>	<b>(299)</b>
<b>Total net position - January 1</b>	<b>604,319</b>	<b>571,129</b>	<b>910,179</b>	<b>897,503</b>	<b>(1,360,982)</b>	<b>(955,837)</b>	<b>4,846,208</b>	<b>4,173,023</b>	<b>800,187</b>	<b>797,852</b>
<b>Total net position - June 30</b>	<b>\$ 604,826</b>	<b>\$ 571,368</b>	<b>\$ 721,882</b>	<b>\$ 938,639</b>	<b>\$ (962,691)</b>	<b>\$ (525,709)</b>	<b>\$ 4,386,614</b>	<b>\$ 4,056,557</b>	<b>\$ 795,173</b>	<b>\$ 797,553</b>

# City of Minneapolis

## Third Quarter, 2015 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 September 30, 2015, the City's current investment portfolio was valued at \$743.8 million. The sector holdings and fund distributions are shown below. For the twelve months ended September 30, 2015, the portfolio has outperformed its benchmark.

Investment Performance period ended September 30, 2015	City Portfolio	Custom Benchmark*
3 month Total Return	0.31%	0.27%
12 months Total Return	1.03%	0.96%
3 year Total Return	0.57%	0.56%
Credit Quality	AGY	TSY
Weighted Average Maturity	1.6 Years	1.7 Years

\* Custom Benchmark is a combination of the Merrill Lynch 1 year Treasury Index and the Merrill Lynch 1-3 year Treasury Index. The custom benchmark more appropriately aligns with the City's current investment strategy.

### Portfolio Holdings By

Sector	Sept. 30 2015		Sept. 30 2014	
<i>Market Value in millions</i>		% of port.		% of port.
<b>Cash and equivalents*</b>	\$ 64.6	9%	\$ 155.5	21%
<b>Commercial Paper</b>	12.7	2%	0.2	0%
<b>Federal Agency</b>	124.8	17%	191.4	26%
<b>Mortgage Backed</b>	119.7	16%	92.0	12%
<b>Municipals</b>	82.5	11%	63.4	9%
<b>US Treasuries</b>	339.5	45%	240.2	32%
<b>Total Cash &amp; Investments</b>	\$ 743.8	100%	\$ 742.7	100%

\*Net of checks outstanding

