



City of Minneapolis  
Financial Status Report as of 2nd Quarter 2013  
Prepared by the  
City of Minneapolis Finance Department  
September 17, 2013

# City of Minneapolis

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## General Fund

### Fund Description

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

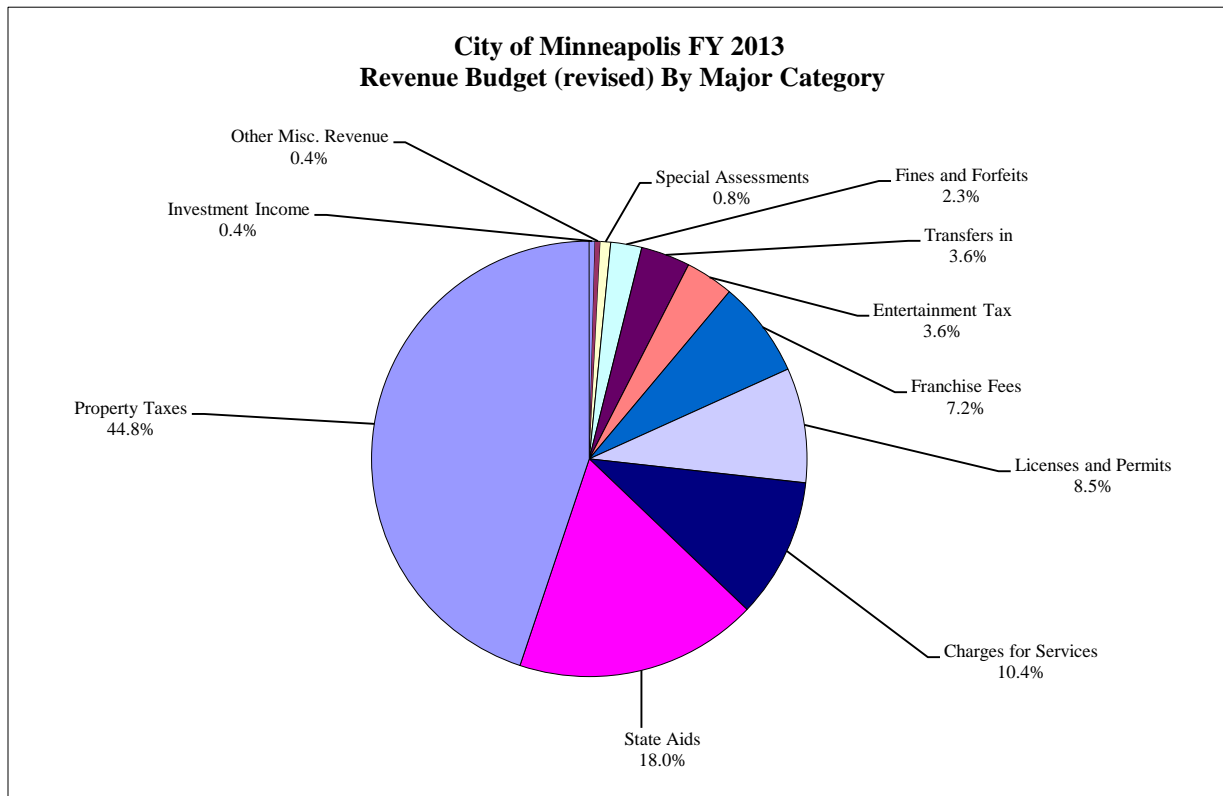
### Financial Performance

The fund balance for the General Fund at fiscal year-end 2012 was \$ 85.3 million. The projected fund balance at year-end 2013 is \$89.8 million which is well within the City's stated reserve policy.

### Preliminary 2013 Fund Balance

<b>Fund Balance January 1, 2013</b>	<b>\$ 85.3 million</b>
<b>Excess of Revenue over Expense:</b>	
2013 Projected Revenue in Excess of Budget	2.8 million
2013 Projected Expense Appropriation Savings	3.9 million
2012 Fund Balance Rollovers to 2013	<u>(2.2) million</u>
<b>Total – Excess Revenue Over Expense</b>	<b><u>4.5 million</u></b>
<b>Projected Fund Balance, December 31, 2013</b>	<b><u>\$ 89.8 million</u></b>

### General Fund Revenues:



The five largest revenue sources account for 88.9% of total budgeted revenues: property taxes, state aids, charges for services, licenses and permits, and franchise fees.

Property taxes, the major source of General Fund revenue (44.8%), are received from Hennepin County in July and December, and are expected to be at budgeted amounts.

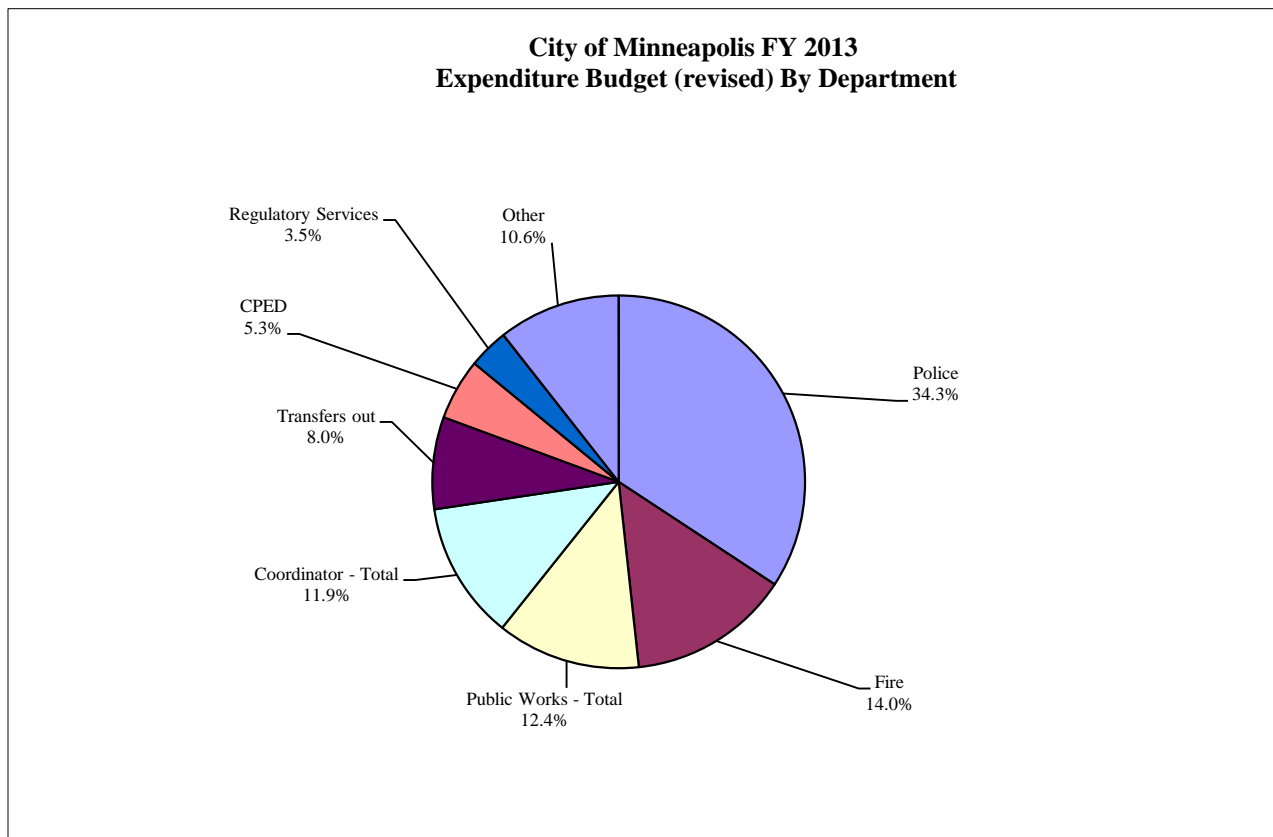
State aids, the second major source of fund revenue (17.6%), are expected to be at budgeted levels. Local Government Aid is received in two equal payments - one in July, and one at the end of December.

Charges for services, the third major source of fund revenue (10.4%), are anticipated to end the year at budgeted levels.

License and permit fees, the fourth largest source of revenue to the City (8.5%), are projected to be \$3.2 million in excess of budget, due to the ongoing activity related to construction.

Franchise Fees (7.2%), are projected to be at or slightly under budget. The natural gas franchise fees are much higher than 2012 at this time. This is due to the extended cool weather this year, and last year's early spring. The franchise fees from electricity are at expected levels.

**General Fund Expenditures:**



Six departments make up 81.4% of the total General Fund expenditures: 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 General Fund expenditures.

The Police Department anticipates exceeding their budget by \$350,000. This is due to unexpected equipment and fuel costs of \$560,000.

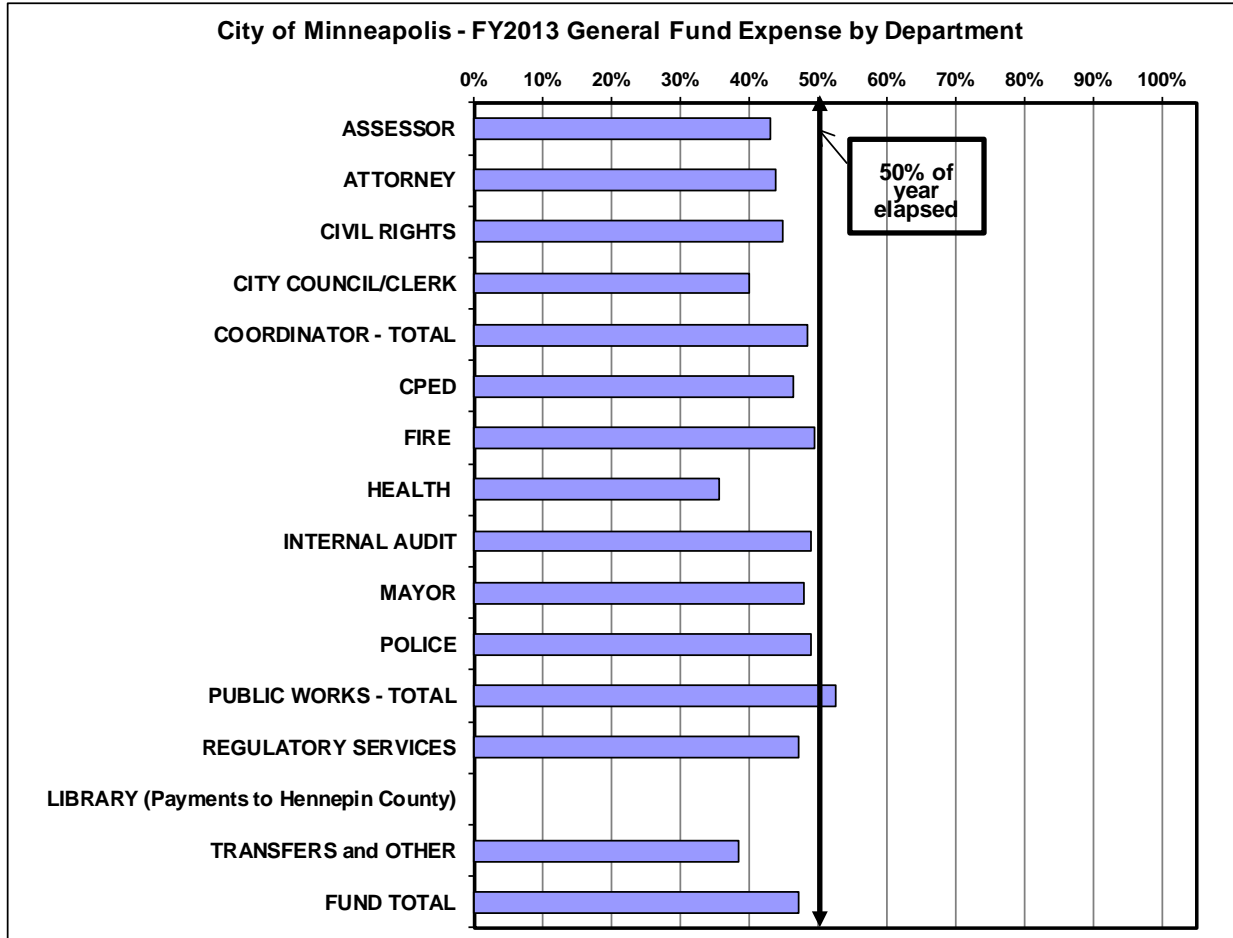
The Fire Department is projecting ending the year at \$500,000 over budget. This is due to equipment costs exceeding budgeted amounts.

The City Coordinator anticipates budget savings of \$200,000, primarily due to vacant positions.

The Public Works Department as well as CPED anticipate ending the year at or near budget.

Regulatory Services is projecting a savings of \$300,000.

Expenditures for all of the remaining departments are expected to end the year at or near the current budget.



**City of Minneapolis  
General Fund  
June 30, 2013**

	<b>Original Budget</b>	<b>Revised Budget</b>	<b>YTD Actual</b>	<b>Percent of Revised Budget Remaining</b>	<b>Projected YE Totals</b>	<b>Projected YE as Percent of Revised Budget</b>
<b>Revenues:</b>						
Property Taxes	170,933,820	171,733,820	822	100%	171,734,000	100%
Entertainment Tax	13,700,000	13,700,000	4,563,888	67%	13,700,000	100%
State Aids	69,008,791	69,008,791	2,049,791	97%	69,090,000	100%
Charges for Services	39,757,549	39,757,549	18,266,600	54%	39,800,000	100%
Franchise Fees	27,400,000	27,400,000	14,289,716	48%	27,400,000	100%
Licenses and Permits	32,575,423	32,575,423	19,081,389	41%	35,775,423	110%
Fines and Forfeits	8,848,000	8,848,000	3,653,173	59%	8,448,000	95%
Special Assessments	2,462,080	2,891,750	111,997	96%	2,628,750	91%
Investment Income	1,600,000	1,600,000	720,895	55%	1,442,000	90%
Other Shared Taxes	531,405	531,405	-	100%	531,000	100%
Other Miscellaneous	1,014,570	214,570	283,451	-32%	500,000	233%
Contributions	800,000	800,000	477,306	40%	800,000	100%
<b>Total Revenues</b>	<b>368,631,638</b>	<b>369,061,308</b>	<b>63,499,028</b>	<b>83%</b>	<b>371,849,173</b>	<b>101%</b>
Transfers In	13,933,000	13,933,000	6,934,070	50%	13,933,000	100%
<b>Revenues and Other Sources</b>	<b>382,564,638</b>	<b>382,994,308</b>	<b>70,433,098</b>	<b>82%</b>	<b>385,782,173</b>	<b>101%</b>
<b>Expenditures :</b>						
Police	131,564,103	131,978,579	64,539,598	51%	132,328,579	100%
Fire	53,790,399	54,014,248	26,687,329	51%	54,514,248	101%
Human Resources	7,129,275	7,477,772	3,753,213	50%	7,477,000	100%
Finance and Property Services	20,322,781	20,322,781	9,848,483	52%	20,072,000	99%
911	7,725,519	7,725,519	3,598,378	53%	7,725,000	100%
311	3,121,905	3,121,905	1,516,121	51%	3,121,000	100%
City Coordinator	1,628,113	1,578,113	665,414	58%	1,778,113	113%
Intergov Relations	1,509,561	1,509,561	606,989	60%	1,469,561	97%
Communications	2,135,305	2,185,305	1,132,137	48%	2,150,000	98%
Emergency Management	692,647	1,042,647	374,059	64%	1,038,000	100%
Neighbrhd and Comm Rel	933,611	933,611	786,508	16%	933,611	100%
Coordinator - Total	45,198,717	45,897,214	22,281,302	51%	45,764,285	100%
Trans Plan and Design	2,739,596	2,739,596	1,097,527	60%	2,739,596	100%
Trans Maint and Repair	27,684,769	28,114,439	15,919,887	43%	28,114,439	100%
Administration	2,870,539	2,870,539	1,285,376	55%	2,870,539	100%
Traf and Parkng Srvc	14,234,248	14,234,248	6,912,919	51%	14,234,248	100%
Public Works - Total	47,529,152	47,958,822	25,215,710	47%	47,958,822	100%
Regulatory Services	13,336,111	13,355,231	6,286,367	53%	13,005,231	97%
Attorney	8,074,265	8,434,415	3,698,413	56%	8,434,415	100%
City Council & City Clerk	8,316,615	8,490,410	3,403,326	60%	8,490,410	100%
Culture and Recreation -Library	4,106,000	4,106,000	-	100%	4,105,736	100%
Contingency	3,883,246	3,883,246	540	100%	1,000	0%
Assessor	4,314,925	4,314,925	1,860,295	57%	4,014,925	93%
CPED	20,034,403	20,434,403	9,497,503	54%	20,400,000	100%
Health	6,945,827	6,974,927	2,481,653	64%	6,974,900	100%
Civil Rights	2,462,504	2,462,504	1,104,512	55%	2,392,504	97%
Mayor	1,598,248	1,709,682	819,716	52%	1,709,682	100%
Internal Audit	382,137	435,137	213,166	51%	420,137	97%
<b>Total Expenditures</b>	<b>351,536,652</b>	<b>354,449,743</b>	<b>168,089,428</b>	<b>53%</b>	<b>350,514,874</b>	<b>99%</b>
Transfers Out	30,827,986	30,827,986	13,353,550	57%	30,827,986	100%
<b>Expenditures and Other Uses</b>	<b>382,364,638</b>	<b>385,277,729</b>	<b>181,442,978</b>	<b>53%</b>	<b>381,342,860</b>	<b>99%</b>
<b>Change in Fund Balance</b>					<b>4,439,313</b>	
<b>Fund Balance - January 1, 2013</b>					85,345,223	
<b>Fund Balance - December 31, 2013</b>					<b>89,784,536</b>	

## Convention Center Special Revenue Fund Report

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

### Revenue

#### **Tax Revenue**

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

With the exception of a portion of the sales tax, all of the other tax revenues received by the Convention Center are used to support the Convention Center's capital and operating activities. The General Fund receives \$5,250,000 of the sales tax for economic development and mounted patrol related to convention public safety activities.

Through the 2nd quarter ending June 30, 2013, tax proceeds overall were above 2012 levels by 1.4% for the same period indicating slow growth. The liquor tax declined significantly when comparing June 2013 year to date to June 2012 year to date in part because of the cold, wet, spring as fewer people took advantage of local drinking opportunities. Tax revenues are receipted into the month they are received from the State of Minnesota. The local taxes are driven by consumer spending habits and as a result, are highly variable from month to month. The tax revenues reported on the statement include a monthly accrual entry.

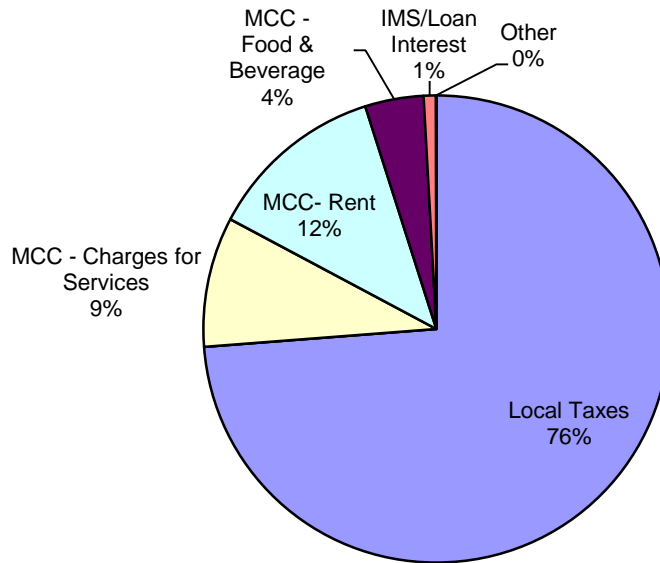
<b>Tax</b>	<b>June 2012</b>	<b>June 2013</b>	<b>Variance</b>	<b>% Change</b>
Sales	\$15,090,502	\$15,710,325	\$619,823	4.1%
Food	5,337,421	5,335,745	(1,676)	0.0%
Liquor	2,698,221	2,342,913	(355,308)	-13.2%
Lodging	2,645,638	2,751,271	105,633	4.0%
<b>Total</b>	<b>\$25,771,781</b>	<b>\$26,140,254</b>	<b>\$368,472</b>	<b>1.4%</b>

#### **Operating Revenue**

Through the 2nd quarter of 2013, operating revenue finished at nearly \$9 million or 61% of budget. Rents and Commissions had the strongest finish at nearly \$4.4 million or 68% of budget followed by Charges for Services and Sales at nearly \$3.2 million or 60% and Catering Commissions at \$1.4 million or 47% of budget.

The Convention Center continues to discount rents to be competitive, and through June 30, 2013 the Convention Center had 216 events with 554,000 attendees. Space is being filled with regional, state, and local events, and the Convention Center projects 400 events with 785,000 attendees for 2013.

### Convention Center Revenue Source 2nd Quarter 2013



### Operating Expenditures

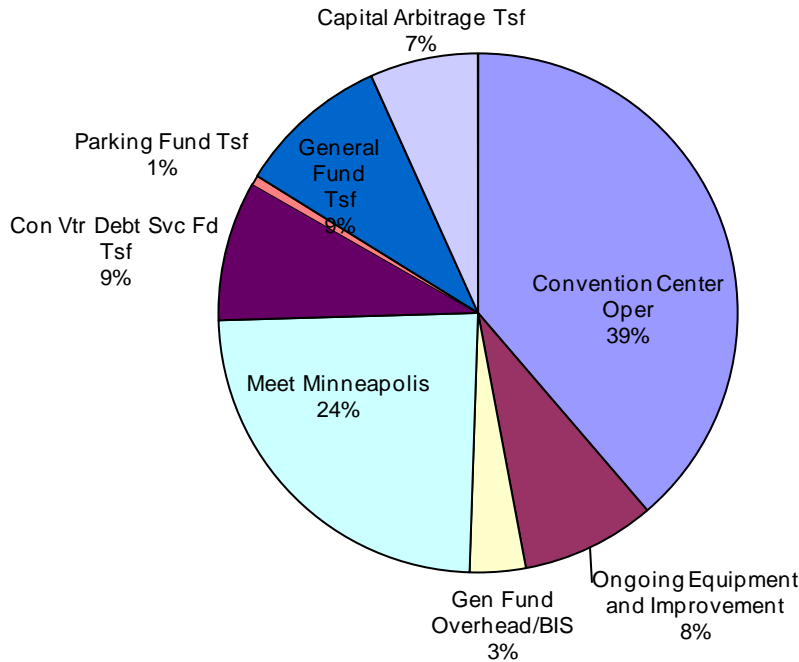
Through the 2nd quarter of 2013, Convention Center operating expenses not including Ongoing Equipment and Improvement, IT, and General Fund Overhead were at \$10.8 million or 47% of budget. Initial projections indicate the Convention Center will come in below budget by approximately 3% considering the mix and volume of event activity, energy savings, and as a direct result of the staff model changes made beginning in 2012. The Convention Center continues to work on its 'no waste' initiative which includes a large waste program, 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
- Realignment of the workforce
- Managing overtime

The Convention Center anticipates meeting its budget target in ongoing equipment and improvements, and is currently working on much needed projects such as design work on interior refresh, build a new Visitor Information Center, skyway escalator projects, parking ramp restoration, waste handling areas & organics, LED lighting in Halls, B, C, D, and E, and HVAC controls. The replacement of three of the four existing domes has been completed.



**Convention Center Expenditures & Transfers  
2nd Quarter 2013**



**Transfers**

The Convention Center Fund annually transfers a portion of its tax revenue to several other funds, in addition to receiving transfers from other funds. In 2013, transfers are budgeted for the General Fund - \$5.3 million for economic development and mounted patrol, \$17.5 million for debt service, and \$4.7 million to the Municipal Parking Enterprise Fund. In addition, the Convention Center is receiving a \$1.5 million transfer from IT 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 of Minneapolis is being reduced by the amount of the interest and principal payments due for that particular period. The principle is accounted for on the balance sheet as a loan receivable while the interest received is classified as revenue in

the period in which it is due. Meet Minneapolis is projected to finish 2013 at \$8.8 million which is \$250 thousand under budget as the result of receiving \$250 thousand of their \$500,000 incentive budget.

**Fund Balance**

The 2013 ending fund balance is projected to be \$53.5 million, which is approximately \$1.8 million over budget and an increase of \$305 thousand over last year.

CONVENTION CENTER SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the fiscal quarter ending June 30, 2013

CITY OF MINNEAPOLIS, MINNESOTA

	2013				
	Budget	Actual	Percent of Total	Year End Projection	2012 Actual
<b>REVENUE</b>					
Operating Revenue:					
Charges for Services and Sales	5,339,000	3,189,955	60%	5,400,000	5,405,038
Rents and Commissions	6,400,000	4,362,671	68%	6,900,000	7,005,147
Catering Commissions	3,044,000	1,436,159	47%	2,950,000	2,688,849
Total Operating Revenue	14,783,000	8,988,785	61%	15,250,000	15,099,034
Tax Revenue:					
Sales and Use Tax	31,500,000	15,710,325	50%	32,000,000	31,731,154
Food Tax	12,000,000	5,355,745	45%	11,900,000	11,464,597
Liquor Tax	5,700,000	2,342,813	41%	5,600,000	5,426,548
Lodging Tax	6,800,000	2,751,271	40%	6,600,000	6,431,736
Total Tax Revenue	56,000,000	26,160,154	47%	56,100,000	55,054,035
Other Non Operating Revenue:					
Investment Management Services Interest	200,000	156,614	78%	355,000	259,937
Meet Minneapolis (iDSS) Loan Interest	265,132	138,879	52%	265,132	314,359
Bonds Issued - Domes	-	-	-	-	4,200,000
Premiums and Accrued Interest - Bonds	-	-	-	-	111,067
Copper Scrap Sales - Domes	-	-	-	-	552,337
Other	-	13,115	-	187,472	13,387
Total Other Non Operating Revenue	465,132	308,608	66%	807,604	5,451,087
Total Non Operating Revenue	56,465,132	26,468,762	47%	56,907,604	60,505,122
<b>Total Revenue</b>	<b>71,248,132</b>	<b>35,457,548</b>	<b>50%</b>	<b>72,157,604</b>	<b>75,604,156</b>
<b>EXPENDITURES</b>					
Convention Center Operations	23,152,836	10,794,319	47%	22,560,946	21,342,376
Ongoing Equipment and Improvement	11,072,796	2,320,153	21%	11,072,796	5,099,234
General Fund Overhead/IT Operating	1,939,054	969,527	50%	1,939,054	2,002,888
Meet Minneapolis	9,017,258	6,694,725	74%	8,767,257	8,138,127
Capital Improvements - Domes	-	-	-	-	3,905,033
Other Fiscal Charges (Bonds)	-	-	-	-	7,392
<b>Total Expenditures</b>	<b>45,181,944</b>	<b>20,778,724</b>	<b>46%</b>	<b>44,340,053</b>	<b>40,495,050</b>
Excess of Revenues Over (Under) Expenditures	26,066,188	14,678,824	56%	27,817,551	35,109,106
<b>OTHER FINANCING SOURCES (USES)</b>					
General Fund Transfer - Mounted Patrol, Econ Dev	(5,250,000)	(2,625,000)	50%	(5,250,000)	(250,000)
Facility Reserve Fund Transfer to Convention Ctr	-	-	-	-	1,500,000
Convention Center Facility Reserve Fund Transfer	-	-	-	-	(1,150,000)
Convention Ctr Debt Service Transfer	(17,545,125)	(2,429,173)	14%	(17,532,928)	(19,833,806)
Transfer to General Debt Service	-	-	-	-	(103,675)
Other Debt Service Transfer	-	-	-	-	(400,000)
Municipal Parking Enterprise Fund Transfer	(4,729,200)	(159,600)	3%	(4,729,200)	(5,580,100)
Transfer from Capital Arbitrage	-	1,880,077	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(27,524,325)</b>	<b>(3,333,696)</b>	<b>12%</b>	<b>(27,512,128)</b>	<b>(25,817,581)</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,458,137)	11,345,128		305,423	9,291,525
Fund Balance - January 1	53,224,786	53,224,786		53,224,786	43,933,262
<b>Ending Fund Balance</b>	<b>51,766,649</b>	<b>64,569,914</b>		<b>53,530,209</b>	<b>53,224,786</b>
<b>Ending Cash Balance</b>		<b>47,609,363</b>		<b>37,151,200</b>	<b>36,845,777</b>

**SPECIAL REVENUE FUNDS**  
**Federal, CDBG, and Other State and Local Grants**  
**Quarter Ending June 30, 2013**

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 June 30, expenditures were \$10,415,444 compared to the 2012 expenditures of \$15,543,123. The 2012 expenditures are higher compared to the current year due to the Recovery grants that were awarded in 2009 and 2010 that have ended. There were new grants for the Neighborhood Stabilization Program (NSP) in 2011 that will continue in 2013. These new grants help offset the loss of revenue from the expiring Recovery grants at the fund level.

**HUD Consolidated Plan Funds (01400 & 01500)**

The Community Development Block Grant (CDBG) is the City's largest single grant and is accounted for in fund 01400 along with three other Housing and Urban Development (HUD) Programs. The programs are the Emergency Solutions Grant Program (ESG), HOME Investment Partnerships Program, and Housing Opportunities for Persons with AIDS (HOPWA). The HOME program is accounted for in fund 01500 and the combined amounts are presented in the schedule. HUD grant expenditures as of June 30 were \$9,304,769 compared to \$11,403,912 for 2012. The HUD Consolidated Plan program year is from June 1 to May 31. The CDBG award beginning June 1, 2012 was \$3.1 million less than the prior CDBG award beginning in 2011. The impact of that reduction will be reflected in reduced spending in the current year. At the fund level, the reduction in CDBG expenditures is offset by the additional NSP3 funds awarded in 2011 to be expended between March 16, 2011 and March 15, 2014.

In 1990, the Council committed \$7,791,856 of CDBG funds for the redevelopment of Block E. As this commitment was not offset with reductions in other CDBG funded projects, the City over-committed its CDBG Allocation. The City has been able to remain within its cumulative allocation because it continues to receive CDBG funding each year. However, should the CDBG funding ever cease, the over commitment of funds will become apparent and other sources will be required to cover the funding shortfall. The City's intent is to reprogram unspent CDBG projects balances to offset the Block E deficit. Since November 2001, the City Council approved the reprogramming of \$1,624,299. Since 2008, in accordance with the reprogramming policy, an additional \$1,930,104 has been reprogrammed resulting in a current deficit balance of \$4,237,453.

**Grants Other Fund (01600)**

The fund is used to account for non-federal grants and other restricted revenue sources. The year-to-date expenditures as of June 30, 2013 are \$14,060,654 compared to the 2012

expenditures of \$7,020,719. The revenue in the fund as of June 30, 2013 and 2012 is \$15,104,669 and \$11,480,794, respectively. The 2010 Minnesota State Legislature approved a \$14M grant to the City of Minneapolis to fund the renovation of Orchestra Hall. The total grant expended to date is \$11,324,448 of which \$6,795,069 was expended in 2013. This accounts for the majority of the increase in expenditures and revenues in the fund.

### **Capital Grants**

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

**Special Revenue Funds**  
**Grant Funds**  
**Quarter Ending June 30, 2013**

	<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	\$ 1,699,090	\$ 17,468	\$ (275,897)	\$ 1,440,661
Accounts - net	51,977	15,408	6,265	73,650
Special Assessments Receivable				-
Intergovernmental Receivables	784,037		580	784,617
Prepaid Expense		2,264		2,264
Due from Other Funds			2,700,000	2,700,000
Deposits with Fiscal Agents			43,224	43,224
Properties held for resale	1,511,967	6,244,241	2,035,029	9,791,237
<b>Total Assets</b>	<b>\$ 4,047,071</b>	<b>\$ 6,279,381</b>	<b>\$ 4,509,201</b>	<b>\$ 14,835,653</b>
<b>Liabilities</b>				
Salaries payable	\$ 136,623	\$ 205,619	\$ 256,628	\$ 598,870
Accounts payable	117,602	109,381	34,079	261,062
Inter Governmental Payables				-
Due to Other Funds	4,550,000	2,700,000		7,250,000
Use Taxes Payable	156	-	12	168
Unclaimed Property				-
Deposits held for others				-
Deferred revenue & Contracts	5,828		132,675	138,503
Deferred Special Assessments				-
<b>Total Liabilities</b>	<b>\$ 4,810,209</b>	<b>\$ 3,015,000</b>	<b>\$ 423,394</b>	<b>\$ 8,248,603</b>
<b>Fund Balance</b>	<b>\$ (763,138)</b>	<b>\$ 3,264,381</b>	<b>\$ 4,085,807</b>	<b>\$ 6,587,050</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 4,047,071</b>	<b>\$ 6,279,381</b>	<b>\$ 4,509,201</b>	<b>\$ 14,835,653</b>
<b>Revenue</b>				
Taxes-Charitable Gambling			\$ 81,609	\$ 81,609
Grants and Shared Revenues	\$ 6,935,955	5,944,181	13,775,938	26,656,074
Loan Origination Fees				-
Special Assessments			3,908	3,908
Private Contributions			786,138	786,138
Charges for Services		1,920	502,975	504,895
Licenses & Permits				-
Fines and forfeits				-
Interest		41,033	1,725	42,758
Rent & Commissions		2,616		2,616
Sale of Lands & Buildings	291,737	192,675		484,412
Loan Recapture	897,250	136,461		1,033,711
Sale of Equipment				-
Miscellaneous Revenue	15,497	6,025	9,797	31,319
Transfer within Special Revenue Fund			(57,421)	(57,421)
<b>Total Revenue</b>	<b>\$ 8,140,439</b>	<b>\$ 6,324,911</b>	<b>\$ 15,104,669</b>	<b>\$ 29,570,019</b>
<b>Expenditures</b>	<b>\$ 10,415,544</b>	<b>\$ 9,304,769</b>	<b>\$ 14,060,654</b>	<b>\$ 33,780,967</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$ (2,275,105)</b>	<b>\$ (2,979,858)</b>	<b>\$ 1,044,015</b>	<b>\$ (4,210,948)</b>

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

Project	Adopted Budget 2012R-654	Reduction Amount Final HUD	Amended Budget	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2013			
									Current Expenditures	Grant to Date Expenditures	Remaining Grant Budget	
<b>Capital Grants:</b>												
Lead Reduction	\$ 61,500	\$ -	\$ 61,500	\$ -	\$ -	\$ -	\$ -	\$ 61,500	\$ -	\$ -	\$ 61,500	
Problem Properties Board Bldg	103,700	-	103,700	-	-	-	-	103,700	1,905	1,905	101,795	
Adult Training, Placement and Retention	1,467,600	-	1,467,600	-	-	-	-	1,467,600	-	-	1,467,600	
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	-	-	2,966,776	
Vacant & Boarded Housing	1,753,430	-	1,753,430	-	-	-	-	1,753,430	-	-	1,753,430	
Subtotal Capital Grants	<u>\$ 6,942,501</u>	<u>\$ -</u>	<u>\$ 6,942,501</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,942,501</u>	<u>\$ 1,905</u>	<u>\$ 1,905</u>	<u>\$ 6,940,596</u>	
<b>Public Service Grants:</b>												
Community Crime Prevention Specialists	\$ 876,600	\$ -	\$ 876,600	\$ -	\$ -	\$ -	\$ -	\$ 876,600	\$ 62,102	\$ 62,102	\$ 814,498	
Access & Outreach (Multicultural Affairs)	120,000	-	120,000	-	-	-	-	120,000	-	-	120,000	
Juvenile Supervisor Center	100,000	-	100,000	-	-	-	-	100,000	-	-	100,000	
Domestic Abuse Project	59,500	-	59,500	-	-	-	-	59,500	-	-	59,500	
Way to Grow	192,600	-	192,600	-	-	-	-	192,600	-	-	192,600	
Youth Employment & Training	250,900	-	250,900	-	-	-	-	250,900	503	503	250,397	
Subtotal Public Service Grants	<u>\$ 1,599,600</u>	<u>\$ -</u>	<u>\$ 1,599,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,599,600</u>	<u>\$ 62,605</u>	<u>\$ 62,605</u>	<u>\$ 1,536,995</u>	
<b>Administrative Grants:</b>												
YCB Administration	\$ 65,400	\$ -	\$ 65,400	\$ -	\$ -	\$ -	\$ -	\$ 65,400	\$ -	\$ -	\$ 65,400	
Civil Rights Dept Fair Housing	361,900	-	361,900	-	-	-	-	361,900	-	-	361,900	
Finance Administration	194,400	-	194,400	-	-	-	-	194,400	-	-	194,400	
Grants & Special Projects	188,400	-	188,400	-	-	-	-	188,400	-	-	188,400	
Housing Discrimination Law Project-Legal Aid	47,229	-	47,229	-	-	-	-	47,229	-	-	47,229	
Grant Administration	67,400	-	67,400	-	-	-	-	67,400	-	-	67,400	
Legal Aid Mid-Minnesota	29,060	-	29,060	-	-	-	-	29,060	-	-	29,060	
Neighborhood Services	71,400	-	71,400	-	-	-	-	71,400	-	-	71,400	
Way to Grow Administration	15,900	-	15,900	-	-	-	-	15,900	-	-	15,900	
YCB Youth Violence Prevention	100,200	-	100,200	-	-	-	-	100,200	-	-	100,200	
CDBG Planning Admin	984,060	-	984,060	-	-	-	-	984,060	-	-	984,060	
Subtotal Administrative Grants	<u>\$ 2,125,349</u>	<u>\$ -</u>	<u>\$ 2,125,349</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,125,349</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,125,349</u>	
<b>Block E Deficit Reduction:</b>												
Subtotal Reprogrammed	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
GRAND TOTAL	<u>\$ 10,667,450</u>	<u>\$ -</u>	<u>\$ 10,667,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,667,450</u>	<u>\$ 64,510</u>	<u>\$ 64,510</u>	<u>\$ 10,602,940</u>	

**CDBG Program Year 38  
Beginning June 1, 2012  
June 30, 2013**

Project	Adopted Budget 2011R-659	Reduction Amount Final HUD	Amended Budget	Department Actions	Reprogrammed Amounts	Revised Budget	2013		
							Current Year Expenditures	Grant to Date Expenditures	Remaining Grant Budget
<b>Capital Grants:</b>									
Lead Reduction	\$ 62,000	\$ (500)	\$ 61,500	\$ -	\$ -	\$ 61,500	\$ -	\$ -	\$ 61,500
Problem Properties Board Bldg	104,600	(900)	103,700	-	-	103,700	49,331	106,984	(3,284)
Adult Training, Placement and Retention	1,480,000	(12,400)	1,467,600	-	-	1,467,600	780,536	959,489	508,111
High density corridor housing	583,669	(4,900)	578,769	-	-	578,769	-	-	578,769
Commercial Property Investment	139,000	(1,200)	137,800	-	-	137,800	-	-	137,800
NEDF/CEDF (Great Streets)	41,000	(300)	40,700	-	-	40,700	-	-	40,700
Multi-Family/Affordable Housing	2,991,876	(25,100)	2,966,776	-	-	2,966,776	895,917	1,354,433	1,612,343
Vacant & Boarded Housing	1,599,056	(13,400)	1,585,656	-	-	1,585,656	924,385	1,474,424	111,232
Subtotal Capital Grants	\$ 7,001,201	\$ (58,700)	\$ 6,942,501	\$ -	\$ -	\$ 6,942,501	\$ 2,650,169	\$ 3,895,330	\$ 3,047,171
<b>Public Service Grants:</b>									
Community Crime Prevention Specialists	\$ 884,000	\$ (7,400)	\$ 876,600	\$ -	\$ -	\$ 876,600	\$ 333,348	\$ 876,600	\$ -
Access & Outreach (Multicultural Affairs)	121,000	(1,000)	120,000	-	-	120,000	25,434	25,434	94,566
Domestic Abuse Project	60,000	(500)	59,500	-	-	59,500	59,500	59,500	-
Juvenile Supervisor Center	100,000	-	100,000	-	-	100,000	49,031	100,000	-
Way to Grow	195,000	(2,400)	192,600	-	-	192,600	112,497	192,500	100
Youth Employment & Training	253,000	(2,100)	250,900	-	-	250,900	60,567	60,567.00	190,333
Subtotal Public Service Grants	\$ 1,613,000	\$ (13,400)	\$ 1,599,600	\$ -	\$ -	\$ 1,599,600	\$ 640,377	\$ 1,314,601	\$ 284,999
<b>Administrative Grants:</b>									
YCB Administration	\$ 66,000	\$ (600)	\$ 65,400	\$ -	\$ -	\$ 65,400	\$ -	\$ 64,803	\$ 597
Civil Rights Dept Fair Housing	365,000	(3,100)	361,900	-	-	361,900	122,135	125,651	236,249
Finance Administration	196,000	(1,600)	194,400	-	-	194,400	-	-	194,400
Grants & Special Projects	190,000	(1,600)	188,400	-	-	188,400	32,893	47,005	141,395
Housing Discrimination Law Project-Legal Aid	47,740	(511)	47,229	-	-	47,229	41,667	41,667	5,562
Grant Administration	68,000	(600)	67,400	-	-	67,400	-	-	67,400
Legal Aid Mid-Minnesota	-	-	-	29,060	-	29,060	14,530	24,217	4,843
Neighborhood Services	72,000	(600)	71,400	-	-	71,400	83,851	92,284	(20,884)
Way to Grow Administration	16,000	(100)	15,900	-	-	15,900	9,275	15,900	-
YCB Youth Violence Prevention	101,000	(800)	100,200	-	-	100,200	63,833	89,316	10,884
Legal Aid Society	29,260	(200)	29,060	(29,060)	-	-	-	-	-
CDBG Planning Program Admin	992,360	(8,300)	984,060	-	-	984,060	457,261	980,427	3,633
Subtotal Administrative Grants	\$ 2,143,360	\$ (18,011)	\$ 2,125,349	\$ -	\$ -	\$ 2,125,349	\$ 825,445	\$ 1,481,270	\$ 644,079
<b>Block E Deficit Reduction:</b>									
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-	-	-	-
Subtotal Reprogrammed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>GRAND TOTAL</b>	<b>\$ 10,757,561</b>	<b>\$ (90,111)</b>	<b>\$ 10,667,450</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,667,450</b>	<b>\$ 4,115,991</b>	<b>\$ 6,691,201</b>	<b>\$ 3,976,249</b>



**CDBG Program Year 37**  
**Beginning June 1, 2011**  
**June 30, 2013**

Project	Adopted Budget 2010R-598	Reduction Amount 2011R-301	Amended Budget 2011R-301	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2013			
									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	11,066	30,383	-	-
Personal Protective Equipment	584,000	-	584,000	-	-	-	-	584,000	-	584,000	-	-
Problem Properties Police	53,000	(10,624)	42,376	-	-	-	-	42,376	31,977	42,376	-	-
Lead Reduction	125,000	(25,057)	99,943	-	-	-	-	99,943	4,897	4,897	95,046	-
Problem Properties Board Bldg	348,000	(186,823)	161,177	-	-	-	-	161,177	7,526	161,177	-	-
Adult Training, Placement and Retention	1,255,000	(141,570)	1,113,430	-	-	-	-	1,113,430	31	1,113,430	-	-
High density corridor housing	730,000	(146,331)	583,669	-	-	-	-	583,669	45,507	45,507	538,162	-
NonProfit MF Rental Development Assistance	166,000	(33,275)	132,725	-	-	-	-	132,725	-	-	132,725	-
NEDF/CEDF (Great Streets)	1,127,000	(225,912)	901,088	-	-	-	-	901,088	-	-	901,088	-
Homeownership Program (GMMHC)	34,000	(6,815)	27,185	-	-	-	-	27,185	-	-	27,185	-
Multi-Family/Affordable Housing	3,411,189	(683,786)	2,727,403	-	-	-	-	2,727,403	919,071	1,950,139	777,264	-
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	\$ 1,020,075	\$ 5,356,700	\$ 2,471,470	\$ -
<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	20,004	129,203	(8,203)	-
PHAC: Living at Home Block Nurse Program DHFS	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	-	-
Public Health Advisory Committee	250,000	(259,563.00)	(9,563)	-	-	9,563	-	-	-	-	-	-
Hennepin Healthcare	-	-	-	-	-	30,000	-	30,000	4,544	30,000	-	-
Holy Rosary Church	-	-	-	-	-	50,000	-	50,000	-	50,000	-	-
MPLS American Indian	-	-	-	-	-	30,000	-	30,000	-	30,000	-	-
MPS Teenage Parenting & Pregnancy Program	75,000	-	75,000	-	-	(66,762)	-	8,238	5,228	8,665	(427)	-
SE Asian Community Council	-	-	-	-	-	27,000	-	27,000	-	22,199	4,801	-
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	\$ -	\$ -	\$ 4,801	\$ -	\$ 1,810,624	\$ 29,776	\$ 1,814,453	\$ (3,829)	\$ -
<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	52,160	365,000	-	-
Finance Administration	196,000	-	196,000	-	-	-	-	196,000	77,103	105,629	90,371	-
Director of Arts-City Coordinator Adm	28,146	(28,146)	-	-	-	-	-	-	-	-	-	-
MPH Citizen Participation	68,000	-	68,000	-	-	-	-	68,000	34,000	68,000	-	-
Grants & Special Projects	190,000	-	190,000	-	-	-	-	190,000	38,721	229,133	(39,133)	-
Housing Discrimination Law Project-Legal Aid	54,000	-	54,000	-	-	-	-	54,000	-	54,000	-	-
Homeless Initiative	77,000	-	77,000	-	-	-	-	77,000	(4,339)	77,000	-	-
Grant Administration	68,000	-	68,000	-	-	-	-	68,000	-	68,000	-	-
Neighborhood Services	72,000	-	72,000	-	-	-	-	72,000	(1,938)	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	(5,955)	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	(2,768)	991,498	-	-
Subtotal Administrative Grants	\$ 2,511,000	\$ (102,502)	\$ 2,408,498	\$ -	\$ -	\$ -	\$ (1,197)	\$ 2,407,301	\$ 186,984	\$ 2,356,063	\$ 51,238	\$ -
<b>Block E Deficit Reduction:</b>												
YCB Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ 1,197	\$ -
Subtotal Reprogrammed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 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>\$ 4,801</b>	<b>\$ -</b>	<b>\$ 12,047,292</b>	<b>\$ 1,236,835</b>	<b>\$ 9,527,216</b>	<b>\$ 2,520,076</b>	<b>\$ -</b>

**CDBG Program Year 36  
Beginning June 1, 2010  
June 30, 2013**

Project	Adopted Budget 2009R-586	Reduction Amount	Amended Budget	Department Actions	Reprogrammed Amounts	Revised Budget	2013		
							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	39,725	669,870	24,130
Problem Properties Police	53,000		53,000	-	-	53,000	-	53,000	-
Lead Reduction	125,000		125,000	-	-	125,000	2,229	106,567	18,433
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	223,530	730,000	-
NonProfit MF Rental Development Assistance	166,000		166,000	-	-	166,000	-	-	166,000
NEDF/CEDF	1,500,000		1,500,000	-	-	1,500,000	723	321,886	1,178,114
Homeownership Program (GMMHC)	334,000		334,000	-	-	334,000	-	184,634	149,366
Multi-Family/Affordable Housing	3,703,000	308,189	4,011,189	-	-	4,011,189	-	4,011,189	-
Vacant & Boarded Housing	782,000		782,000	-	-	782,000	-	782,000	-
Subtotal Capital Grants	\$ 9,455,000	\$ 308,189	\$ 9,763,189	\$ -	\$ -	\$ 9,763,189	\$ 266,207	\$ 8,227,146	\$ 1,536,043
<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	56	934,442	(56)
Access & Outreach (Multicultural Affairs)	121,000		121,000	-	-	121,000	2,069	123,069	(2,069)
Living at Home Block Nurse Program	49,000		49,000	87,250	-	136,250	8,986	131,311	4,939
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 Volunteers	49,000		49,000	(5,237)	-	43,763	-	43,763	-
MPS Teenage Parenting & Pregnancy Program	49,000		49,000	(8,928)	-	40,072	-	40,072	-
MPS Teenage Parenting & Pregnancy Program	-		-	42,801	-	42,801	7,521	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 Grants	\$ 2,111,000	\$ 54,386	\$ 2,165,386	\$ -	\$ -	\$ 2,165,386	\$ 18,632	\$ 2,162,572	\$ 2,814
<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	14,903	210,903	(14,903)
MPH Citizen Participation	68,000		68,000	-	-	68,000	-	68,000	-
Grants & Special Projects	190,000		190,000	-	-	190,000	-	182,963	7,037
Housing Discrimination Law Project-Legal Aid	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	-	-	233,000	-	92,854	140,146
Legal Aid Society	34,000		34,000	-	-	34,000	-	34,000	-
Planning - Administration	941,000		941,000	-	-	941,000	-	941,000	-
Subtotal Administrative Grants	\$ 2,511,000	\$ -	\$ 2,511,000	\$ -	\$ (1,197)	\$ 2,509,803	\$ 14,903	\$ 2,377,523	\$ 132,280
<b>Block E Deficit Reduction:</b>									
G4123YCB36-YCB Administration	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ 1,197
Subtotal Reprogrammed	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ 1,197
<b>GRAND TOTAL</b>	<b>\$ 14,077,000</b>	<b>\$ 362,575</b>	<b>\$ 14,439,575</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,439,575</b>	<b>\$ 299,742</b>	<b>\$ 12,767,241</b>	<b>\$ 1,672,334</b>

**CDBG Program Year 35  
Beginning June 1, 2009  
June 30, 2013**

Project	Adopted Budget	Reduction Amount	Amended Budget	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2013			
									#REF! 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	-	125,087	(87)	
Problem Properties Board Bldg	348,000		348,000	-	-	-	-	348,000	-	348,000	-	
Childcare Facilities Loan/Grant	225,000	-	225,000	-	-	-	-	225,000	-	-	225,000	
Adult Training, Placement and Retention	511,000		511,000	-	-	-	-	511,000	-	511,000	-	
High density corridor housing	730,000		730,000	-	-	-	-	730,000	-	730,000	-	
NonProfit MF Rental Development Assistance	166,000		166,000	-	-	-	-	166,000	-	73,727	92,273	
Homeownership Program (GMMHC)	334,000		334,000	1,472,000	-	-	-	1,806,000	-	972,444	833,556	
Multi-Family/Affordable Housing	5,715,000		5,715,000	2,014,000	-	-	-	7,729,000	35,019	7,729,000	-	
Vacant & Boarded Housing	569,000		569,000	500,000	-	-	-	1,069,000	-	1,069,000	-	
Subtotal Capital Grants	\$ 9,033,000	\$ -	\$ 9,033,000	\$ 3,986,000	\$ -	\$ -	\$ -	\$ 13,019,000	\$ 35,019	\$ 11,868,258	\$ 1,150,742	
<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	-	89,000	-	89,000	-	
Catholic Charities	69,000		69,000	-	-	(3,562)	-	65,438	-	65,438	-	
Centro Cultural Chicano Inc	47,000		47,000	-	-	-	-	47,000	-	47,000	-	
Greater Minneapolis Council of Churches	36,000		36,000	-	-	(23,518)	-	12,482	-	12,482	-	
Juvenile Supervision Center	100,000		100,000	-	-	-	-	100,000	-	100,000	-	
Lao Family Community	69,000		69,000	-	-	(22,815)	-	46,185	-	46,185	-	
Minnesota International Health Volunteers	69,000		69,000	-	-	(2,180)	-	66,820	-	66,820	-	
MPS Teenage Parenting & Pregnancy Program	69,000		69,000	-	-	16,075	-	85,075	-	85,075	-	
Minneapolis Urban League	69,000		69,000	-	-	16,000	-	85,000	-	85,000	-	
Southside Community Health Services	66,000		66,000	-	-	-	-	66,000	-	66,000	-	
Way to Grow	262,000		262,000	-	-	-	-	262,000	-	262,000	-	
Youth are Here Busses	51,000		51,000	-	-	-	(51,000) <sup>3</sup>	-	-	-	-	
Advocacy (Housing)	82,000		82,000	-	-	-	-	82,000	-	81,999	1	
Mortgage Foreclosure Prevention Program	140,000		140,000	-	-	-	-	140,000	-	137,000	3,000	
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	\$ -	\$ 1,789,472	\$ 3,001	
<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	1,819	185,657	4,053.00	
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	\$ 1,819	\$ 2,505,460	\$ 4,053	
<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>\$ 36,838</b>	<b>\$ 16,163,190</b>	<b>\$ 1,229,520</b>	

	<u>Original Budget</u>	<u>Current Budget</u>	<u>Expended</u>	<u>Remaining Budget</u>	<u>Cash</u>	<u>Fund Balance</u>
<b>Tax Increment Financing Program</b>	46,255,166	47,605,166	16,046,241	31,558,925	92,611,385	123,265,487
<b>Housing &amp; Economic Development</b>	6,708,608	5,393,608	3,701,023	1,692,585	10,228,116	12,602,208
<b>Development Accounts</b>	5,560,721	5,560,721	3,719,395	1,841,326	17,886,776	22,693,658
<b>Neighborhood Revitalization Progr</b>	2,422,971	2,422,971	2,836,012	(413,041)	37,664,654	38,179,562
<b>Preliminary Planning</b>	2,475,460	2,475,460	310,022	2,165,438	(2,165,112)	(1,938,972)
<b>CPED Operating</b>	6,613,155	6,613,155	3,376,206	3,236,949	(4,525,420)	(5,802,443)
<b>Total</b>	<u><b>70,036,081</b></u>	<u><b>70,071,081</b></u>	<u><b>29,988,899</b></u>	<u><b>40,082,182</b></u>	<u><b>151,700,399</b></u>	<u><b>188,999,500</b></u>

**Fund Balance.** The fund balance of the CPED Special Revenue Fund is \$188,999,500. A portion of that fund balance, including prepaid expenses, advances, and property held for development is in a nonspendable form (\$38,222,308). Fund balance in the NRP and TIF programs are restricted by State law (\$131,385,052). The remaining fund balance (\$19,382,140) has been assigned for use in specific purposes. **All special revenue fund balance is restricted to the legal purposes of the special revenue.**

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

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

**Development Account.** This program provides interim loans to CPED projects. The program may also provide loans and grants to organizations within the City. Program assistance is directed to commercial, job-creation, and housing activities. The Program includes activities of the Legacy Fund, the Neighborhood Development Account and the Development Account.

**The fund balance includes reserves for prior commitments made by Council action, including the Accelerated Infrastructure Program.**

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

**Preliminary Planning.** The Preliminary Planning program was established to account for the early costs of planning and assessing the feasibility of development activities. Preliminary Planning allocations and appropriations lapse at year end.

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

**The 2012 and 2013 portion of the multi-year deficit reduction plan has been successfully implemented.**

**CPED Operating.** This program provides the working capital to finance CPED's administrative costs. The program also provides financing for projects not eligible for CPED's restrictive revenue sources. **A plan to address the deficit in this program has been developed by CPED management as part of the 2012 budget process. The multi-year deficit reduction plan will require careful monitoring. The 2012 and 2013 phase of the plan has been successfully implemented.**

<b>CPED Special Revenue Fund</b>	<b>TIF</b>	<b>Housing &amp; Econ Development</b>	<b>Development Account</b>	<b>NRP</b>	<b>Preliminary Planning</b>	<b>CPED Operating</b>	<b>Spec Rev Fund Total</b>
<b>Assets</b>							
Cash	92,611,385	10,228,116	17,886,776	37,664,654	(2,165,112)	(4,525,420)	151,700,399
Misc receivables	548,648	19,030	96,740	86,546	(5,294)	(1,739)	743,931
Loans receivable	-	8,294,470	-	-	-	-	8,294,470
Capital advances	7,408,000	10,000	850,000	-	-	-	8,268,000
Properties held for resale	29,564,294	3,989,149	3,930,698	495,703	242,464	-	38,222,308
<b>Total Assets</b>	<b>130,132,327</b>	<b>22,540,765</b>	<b>22,764,214</b>	<b>38,246,903</b>	<b>(1,927,942)</b>	<b>(4,527,159)</b>	<b>207,229,108</b>
<b>Liabilities</b>							
Payables	86,096	71,969	61,121	39,258	12,848	664,030	935,322
Advances from other funds	6,438,000	1,220,000	-	-	-	600,000	8,258,000
Deferred revenue	342,744	8,646,588	9,435	28,083	(1,818)	11,254	9,036,286
<b>Total Liabilities</b>	<b>6,866,840</b>	<b>9,938,557</b>	<b>70,556</b>	<b>67,341</b>	<b>11,030</b>	<b>1,275,284</b>	<b>18,229,608</b>
<b>Total Fund Balance</b>	<b>123,265,487</b>	<b>12,602,208</b>	<b>22,693,658</b>	<b>38,179,562</b>	<b>(1,938,972)</b>	<b>(5,802,443)</b>	<b>188,999,500</b>
<b>Total Liabilities &amp; FB</b>	<b>130,132,327</b>	<b>22,540,765</b>	<b>22,764,214</b>	<b>38,246,903</b>	<b>(1,927,942)</b>	<b>(4,527,159)</b>	<b>207,229,108</b>
<b>Revenue</b>							
Property tax increment	-	-	-	-	-	-	-
Fees & charges for services	222,605	1,000,848	750	-	70,525	1,803,882	3,098,610
Sales - lands & buildings	8,456	14,706	32,404	-	-	-	55,566
Interest revenue	359,658	99,693	46,999	140,332	(8,994)	37,992	675,680
Rent	2,336,820	50,000	1,350	-	700	72,642	2,461,512
Loan recapture	120,755	1,146,516	60,244	364,529	-	5,356	1,697,400
<b>Total revenue</b>	<b>3,048,294</b>	<b>2,311,763</b>	<b>141,747</b>	<b>504,861</b>	<b>62,231</b>	<b>1,919,872</b>	<b>7,988,768</b>
<b>Expenditures</b>							
Personal services	95,952	518,898	194,342	-	149,702	451,756	1,410,650
Contractual services	269,218	576,722	357,071	2,751,058	144,551	2,473,354	6,571,974
Other operating costs	299,673	107,566	91,687	-	900	451,096	950,922
Program capital outlay	1,783,794	2,012,558	176,295	81,184	14,869	-	4,068,700
<b>Total expenditures</b>	<b>2,448,637</b>	<b>3,215,744</b>	<b>819,395</b>	<b>2,832,242</b>	<b>310,022</b>	<b>3,376,206</b>	<b>13,002,246</b>
<b>Transfers</b>							
Transfers from other funds	-	910,038	34,568	-	600,000	1,597,056	3,141,662
Transfers to other funds	(13,597,604)	(485,279)	(2,900,000)	(3,770)	-	-	(16,986,653)
<b>Total transfers</b>	<b>(13,597,604)</b>	<b>424,759</b>	<b>(2,865,432)</b>	<b>(3,770)</b>	<b>600,000</b>	<b>1,597,056</b>	<b>(13,844,991)</b>
2013 change in fund balance	(12,997,947)	(479,222)	(3,543,080)	(2,331,151)	352,209	140,722	(18,858,469)
Beginning fund balance	136,263,434	13,081,430	26,236,738	40,510,713	(2,291,181)	(5,943,165)	207,857,969
Ending fund balance	123,265,487	12,602,208	22,693,658	38,179,562	(1,938,972)	(5,802,443)	188,999,500

**City of Minneapolis  
Engineering, Materials, and Testing  
For the Second Quarter ending June 30, 2013**

<b>Fund 6000</b>	<b>2013 Budget</b>	<b>06-30-2013 Actual</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
<b>Operating Revenue</b>	1,500,000	738,661	761,339	49.2%
<b>Operating Expense</b>	1,558,304	678,308	879,996	43.5%
<b>Operating Margin</b>	(58,304)	60,353		
<b>Net Income</b>	(58,304)	60,353		

**Program Description:**

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

**Revenue:**

Operating revenue earned through second quarter 2013 is \$738,661, or 49.2% of the budgeted amount of \$1,500,000 and a decrease of 10.4% over the second quarter 2012 revenue of \$823,946. Revenue for asphalt and concrete is recorded as overhead charged on the products, or the difference between the cost of the product and the sale price charged to the customer. Revenue for the first half of the year is dependent upon a multitude of factors such as weather as well as the timing of construction projects. The decrease in 2013 compared to 2012 is associated with the colder spring in 2013 which delayed construction projects. Additionally, the rates charged for inspection services in 2013 are less than the rates charged for the same services in 2012 through the first two quarters of the year.

**Expense:**

Operating expense through second quarter 2013 is \$678,308, or 43.5% of the budgeted amount of \$1,558,304. The 2013 expense reflects an increase of 19.7% over the 2012 expense of \$566,669 incurred through the same period. Personnel expense is up over the first two quarters of last year due to additional personnel hired to perform test work as well as increased hours coded to the fund.

**Transfers:**

This fund does not have any transfers in or out in 2013.

**Debt Service:**

This fund does not have any debt obligations.

**Forecast:**

Operating revenue is projected to be \$1.9 million or approximately \$400,000 more than the budgeted amount of \$1.5 million. The increase in revenue is due to an increase in project work resulting in additional asphalt and concrete sales as well as increased inspection revenue. Operating expense is projected to be \$1.5 million which is slightly less than the budgeted amount of \$1.5 million. These projections result in a 2013 operating margin of \$392,890 which is an increase of \$451,194 over the budgeted amount of (\$58,304).

**Other Financial Items:**

The 2012 year-end net position is \$1,584,366 which represents an increase of \$455,331 from the 2011 ending balance of \$1,129,035. 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.

The 2013 second quarter cash balance is \$3,018,316, an increase of \$1,273,997 from the 2012 second quarter cash balance of \$1,744,319. 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.

**City of Minneapolis, Minnesota**  
**Engineering, Materials and Testing Fund**  
**Statement of Revenues and Expenses**  
**For Second Quarter/Years Ending 2013, 2012, and 2011**

	Budget Year 2013	Projected Year Ending 2013	For Period Ending 30-Jun-13	For Year Ending 2012	For Period Ending 30-Jun-12	For Year Ending 2011	For Period Ending 30-Jun-11
<b>Operating Revenues:</b>							
Asphalt / Concrete	300,000	450,000	217,367	520,855	185,942	373,353	106,708
Inspection revenue	1,200,000	1,450,000	521,294	1,468,013	638,004	1,438,398	561,935
<b>Total Operating Revenues</b>	<b>1,500,000</b>	<b>1,900,000</b>	<b>738,661</b>	<b>1,988,868</b>	<b>823,946</b>	<b>1,811,751</b>	<b>668,643</b>
<b>Operating Expenses:</b>							
Personnel	916,587	1,010,000	450,148	811,234	370,184	794,112	386,528
Contractual	444,703	400,000	177,610	446,859	167,077	411,793	166,252
Materials, Supplies, Services, Other	179,904	80,000	41,995	55,504	23,948	80,881	21,514
Rent	13,098	13,098	6,549	6,909	3,454	12,257	3,051
Depreciation	4,012	4,012	2,006	4,012	2,006	4,012	2,006
<b>Total Operating Expenses</b>	<b>1,558,304</b>	<b>1,507,110</b>	<b>678,308</b>	<b>1,324,518</b>	<b>566,669</b>	<b>1,303,055</b>	<b>579,351</b>
<b>Operating Margin</b>	<b>(58,304)</b>	<b>392,890</b>	<b>60,353</b>	<b>664,350</b>	<b>257,276</b>	<b>508,696</b>	<b>89,292</b>
<b>Non-Operating Revenues/(Expenses):</b>							
Other revenue	-	-	-	-	-	-	-
<b>Total Non-Operating Revenues(Expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating Transfers in(out)</b>							
Transfer from other fund	-	-	-	-	-	-	-
Transfers to other fund	-	-	-	(195,000)	(97,500)	(88,000)	(44,000)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(195,000)</b>	<b>(97,500)</b>	<b>(88,000)</b>	<b>(44,000)</b>
<b>Net Income<sup>1</sup></b>	<b>(58,304)</b>	<b>392,890</b>	<b>60,353</b>	<b>469,350</b>	<b>159,776</b>	<b>420,696</b>	<b>45,292</b>
<b>Significant Balance Sheet Items</b>							
Cash Balance			3,018,316	1,745,678	1,744,319	1,164,437	1,358,380
Net position				1,584,366		1,129,035	



**City of Minneapolis  
Fleet Services Division  
For the Second Quarter Ending June 30, 2013**

	<b>2013 Budget</b>	<b>06-30-2013 Actual</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
<b>Operating Revenue</b>	39,232,530	21,345,013	17,887,517	54.4%
<b>Operating Expense</b>	41,653,976	19,679,233	21,974,743	47.2%
<b>Operating Margin</b>	(2,421,446)	1,665,780		
<b>Net Income</b>	5,482,979	5,515,445		

**Program Description:**

The Fleet Services Fund manages the acquisition, maintenance and disposal of 1,300 units of equipment; primarily the City's fleet of vehicles, including police cars, fire trucks, snow plows, sedans and pickup trucks along with off road equipment. This fund provides technicians to maintain the equipment as well as the drivers and operators for the equipment that is used in construction and snow removal. In addition, the fund manages the dispatch of City-owned and contractual equipment.

**Revenue:**

Operating revenue earned through second quarter 2013 is \$21,345,013 or 54.4% of the budgeted amount of \$39,232,530. The revenue earned through second quarter 2013 increased by \$1,015,183, or 5.0%, from the revenue earned through second quarter 2012. The rental rates for equipment and operators are calculated through an activity based cost allocation model and are adjusted at the beginning of the current year to account for any changes in fuel prices or expected utilization of equipment. An increase in both fuel sales and repairs has resulted in increased revenue through the second quarter of 2013.

**Expenses:**

Operating expense through second quarter 2013 totaled \$19,679,233, representing 47.2% of the annual budgeted amount of \$41,653,976. Expenses through the second quarter of 2013 decreased \$226,168, or 1.1%, over the total expense through the same period in 2012. Depreciation expense decreased from 2012 due to changes in the age and price of vehicles.

**Transfers:**

In 2013, this fund will receive a transfer of \$8,315,000 from the general fund in accordance with the accepted long-term financial plan to assist with debt payments related to fleet upgrades and a new maintenance facility. The Fleet Services Division had a transfer out of \$2.3 million in 2012 for debt service related to the former Minneapolis Employees Retirement Fund's unfunded pension liability. This transfer was the final payment for this pension debt as the City retired bonds related to the debt in 2012.

**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 \$2,275,000 in 2013. Interest payments related to the 2013 debt will total \$640,575. Beginning in 2007, the financial plan eliminated the sale of bonds to finance equipment purchases. The fund is scheduled for a principal payment of a \$9.3 million in 2018. This debt is expected to be restructured, enabling the principal payments to be completed over four years.

**Forecast:**

Operating revenue is projected to be \$42.6 million which is 8.6% more than the budgeted amount of \$39.2 million. An increase in repair work and rental revenue for both vehicles and operators is causing the increased revenue projection. Operating expense is projected to be \$41.0 million or 0.6% less than the budgeted amount of \$41.7 million. Materials expense is expected to be less than budgeted due to fuel purchases coming in less than the budgeted amount. Total fuel expense was budgeted to increase over prior

years, but will remain consistent. After transfers are complete and non-operating revenue is recorded, a net gain of \$9.0 million is projected compared to the budgeted net gain of \$5.5 million. The net gain is primarily due to the large transfer in from the general fund. Capital expense related to the purchase of equipment is not included in the calculation of net income.

**Other Financial Items:**

The net position for year ending 2012 was \$37,199,506, an increase of \$2,042,608, or 5.8% over the 2011 ending balance of \$35,156,898. Net position is tracking close to the amount calculated in the updated long term financial plan. The fund has maintained a positive cash balance with a second quarter 2013 ending balance of \$16,124,333, an increase of \$5,200,406 from the 2012 second quarter ending balance of \$10,923,927. Reserve policies for internal service funds determine that the minimum cash balance should be 15% of the fund's operating budget or \$4.1 million for Fleet Services Division.

**City of Minneapolis**  
**Fleet Services Division Fund**  
**Statement of Revenue and Expenses**  
**For Second Quarter Years, 2013, 2012, and 2011**

	Budget Current Year 2013	Projected Year Ending 2013	For Period Ending 30-Jun-13	For Year Ending 2012	For Period Ending 30-Jun-12	For Year Ending 2011	For Period Ending 30-Jun-11
<b>Operating Revenues:</b>							
Charges for Services and Sales	16,889,980	18,108,000	9,074,846	17,089,648	8,440,351	16,136,254	7,688,248
Rent Public Works and Other	22,342,550	24,499,000	12,270,167	24,584,396	11,889,479	25,457,256	12,329,905
Total Operating Revenue	39,232,530	42,607,000	21,345,013	41,674,044	20,329,830	41,593,510	20,018,153
<b>Operating Expenses:</b>							
Personnel Services	13,758,539	14,000,000	6,923,255	13,856,783	6,900,643	13,800,893	6,706,980
Contractual Services	9,519,145	9,698,000	4,273,695	9,545,442	4,543,056	9,572,620	4,114,520
Materials, supplies, services and other	10,908,721	10,250,000	5,107,799	9,671,822	4,775,894	9,683,528	4,534,325
Rent	967,571	967,571	483,786	965,350	482,675	1,089,672	544,836
Depreciation	6,500,000	6,500,000	2,890,699	6,423,656	3,203,133	6,475,161	3,109,239
Total Operating Expenses	41,653,976	41,415,571	19,679,233	40,463,053	19,905,401	40,621,874	19,009,900
<b>Operating Margin</b>	(2,421,446)	1,191,429	1,665,780	1,210,991	424,429	971,636	1,008,253
<b>Non-Operating Revenues/(Expenses):</b>							
Interest on Bonds	(640,575)	(640,575)	(320,288)	(522,632)	(382,375)	(723,865)	(420,325)
Gains/Losses on disposal of fixed assets	200,000	150,000	-	232,662	-	35,644	-
Damages/Losses recovered	-	-	-	-	-	-	-
Revenue from grants <sup>1</sup>	-	-	-	-	-	13,399	-
Other revenue	30,000	30,000	12,452	679,566	16,267	165,415	24,954
Total Non-Operating Revenues(Expenses)	(410,575)	(460,575)	(307,836)	389,596	(366,108)	(509,407)	(395,371)
<b>Operating Transfers in (out)</b>							
Transfers from other fund	8,315,000	8,315,000	4,157,500	1,926,000	963,000	4,299,000	2,149,500
Transfers to other fund	-	-	-	(2,283,728)	(1,111,000)	(923,000)	(461,500)
Transfers from component units							
Total Operating Transfers	8,315,000	8,315,000	4,157,500	(357,728)	(148,000)	3,376,000	1,688,000
<b>Capital Contribution<sup>1</sup></b>	-	-	-	1,692,038	-	-	-
<b>Net Income (loss)</b>	5,482,979	9,045,854	5,515,445	2,934,897	(89,679)	3,838,229	2,300,882
<b>Significant Balance Sheet Items</b>							
Cash Balance			16,124,333	10,236,821	10,923,927	12,302,528	10,008,352
Net Building Value				22,178,787		22,781,211	
Net Fleet Value				24,814,450		23,236,366	
Bonds Payable			(21,290,000)	(21,290,000)	(23,535,000)	(23,535,000)	(25,690,000)
Net Position				37,199,506		35,156,898	
<b>Significant Cash Flow Items</b>							
Principal on Equipment Bonds	(1,205,000)	(1,205,000)	-	(1,275,000)	-	(1,870,000)	-
Principal on Facilities Bonds	(1,070,000)	(1,070,000)	-	(970,000)	-	(285,000)	-
Fleet Purchases	10,351,681	8,063,629	2,258,708	7,388,837	3,280,015	4,191,791	2,705,186

<sup>1</sup>Capital contribution in 2012 consists of \$639,038 from the Federal State Energy Program grant for solar panels at Currie and Royalston facilities and \$1,053,000 from the Community Development Block Grant for fire trucks.

**City of Minneapolis  
Property Services Division  
For the Second Quarter ending June 30, 2013**

Fund 6200	2013 Budget	06-30-2013 Actual	Remaining Budget	% of Actual To Budget
<b>Operating Revenue</b>	16,111,056	8,581,334	7,529,722	53.3%
<b>Operating Expense</b>	17,995,841	8,897,321	9,098,520	49.4%
<b>Operating Margin</b>	(1,884,785)	(315,987)		
<b>Net Income</b>	1,468,799	1,360,788		

**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, or Water facilities and Park Board buildings. The fund is also responsible for the Radio Shop which maintains the City's emergency communications network. Beginning in 2009, the Council approved a City-wide charge for City Hall rent. The Property Service fund collects the rental charge and remits it to the Municipal Building Commission (MBC) to reimburse MBC for maintenance and property management services. The revenue and expense budgets for the fund are increased by \$4,533,000 to account for this flow-through rental charge. The City departments located in City Hall receive a general fund appropriation to fund the charge for the rent.

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

**Revenue:**

Operating revenue recorded through second quarter 2013 is \$8,581,334, or 53.3% of the budgeted amount of \$16,111,056. The 2013 second quarter revenue increased \$793,373, or 10.2%, from the revenue earned through second quarter 2012. Property Services earns revenue through rent charged to departments housed in City owned buildings for property maintenance and by performing facility repairs and upgrades. Revenue from repairs and upgrades fluctuates based on the amount of discretionary spending available to departments. Revenue earned through second quarter 2013 from both discretionary projects and rents increased from the amount earned through the same period in 2012.

**Expenses:**

Operating expense through second quarter 2013 is \$8,897,321, or 49.4% of the total budgeted amount of \$17,995,841. The 2013 second quarter expense increased \$737,900, or 9.0%, from the operating expense recorded through second quarter 2012. Expense increased for contractual services and materials due to additional City Hall expense and increased projects compared to 2012.

**Transfers:**

In 2013, this fund receives a transfer in from the general fund of \$3,185,600 to assist with net debt bond payments related to the purchase of the 800 MHZ radio system. The Property Services fund will use this one time transfer to assist with debt payments scheduled through 2018. The fund receives an additional transfer in from the general fund of \$308,234 for City Hall rent in 2013. Property Services had a transfer out of \$598,000 in 2012 for debt service related to the former Minneapolis

Employees Retirement Fund's unfunded pension liability. This transfer is the final payment for this pension debt as the City retired bonds related to this debt in 2012.

**Debt Service:**

The debt service for 2013 is related to the sale of net debt bonds to purchase the 800 MHZ radio system. In 2013, the debt consists of an interest payment of \$143,250 and a principal payment of \$730,000. Property Services is responsible for \$350,000 per year of this debt.

**Forecast:**

Operating revenue is projected to be \$1.1 million, or 6.8% more than budgeted amount of \$16.1 million. Increased revenue from projects for other departments is driving the overall revenue projection up. The operating expense is projected to be slightly ahead of the budgeted amount of \$18.0 million. These projections result in an expected operating margin loss of \$0.8 million compared to the budgeted margin loss of \$1.8 million. The actual operating margin loss through second quarter 2013 is (\$315,987) compared to the operating margin loss of (\$371,460) through second quarter 2012.

**Other Financial Items:**

The net position for the year ending 2012 was \$25,571,251, a decrease of \$490,995 from the net asset balance of \$26,062,246 for year ending 2011. 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. 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 2012 was \$1.1 and the net position was \$23.4 million greater than the benchmark.

The cash balance at the end of second quarter 2013 was \$2,453,380 compared to a cash balance of \$535,099 at the end of second quarter 2012. The cash consists of a balance of \$1,380,477 in the Property Disposition fund and a balance of \$1,072,903 in the Property Services operating fund. Financial reserve policies for the internal service funds determine that the minimum cash balance should be 15.0% of the fund's operating budget or \$1.8 million for the Property Services fund. The reserve policy determined that the target date to attain this balance is year-end 2013.

**City of Minneapolis, Minnesota**  
**Property Services Fund**  
**Statement of Revenues and Expenses**  
**For Second Quarter / Years Ending 2013, 2012, and 2011**

	Budget Current Year 2013	Projected Year 2013	For Period Ending 30-Jun-13	For Year Ending 2012	For Period Ending 30-Jun-12	For Year Ending 2011	For Period Ending 30-Jun-11
<b>Operating Revenues:</b>							
Charges for Services And Sales	2,145,325	3,450,000	1,762,852	3,334,978	1,327,926	3,165,022	1,449,624
Rents Public Works and Other	13,965,731	13,750,000	6,818,482	13,240,297	6,460,035	13,263,508	6,600,321
<b>Total Operating Revenue</b>	<b>16,111,056</b>	<b>17,200,000</b>	<b>8,581,334</b>	<b>16,575,275</b>	<b>7,787,961</b>	<b>16,428,530</b>	<b>8,049,945</b>
<b>Operating Expenses:</b>							
Personnel Services	6,050,825	5,500,000	2,635,580	5,476,677	2,728,350	5,894,653	2,867,663
Contractual Services	9,271,415	9,650,000	4,866,079	9,083,368	4,145,956	9,020,881	4,528,464
Materials, Supplies, Services and Other	1,042,665	1,250,000	580,194	1,054,864	421,887	965,613	437,788
Rent	519,596	519,596	259,798	593,518	296,760	550,468	275,233
Depreciation	1,111,340	1,111,340	555,670	1,127,235	566,468	1,132,937	566,468
<b>Total Operating Expenses</b>	<b>17,995,841</b>	<b>18,030,936</b>	<b>8,897,321</b>	<b>17,335,662</b>	<b>8,159,421</b>	<b>17,564,552</b>	<b>8,675,616</b>
<b>Operating Margin</b>	<b>(1,884,785)</b>	<b>(830,936)</b>	<b>(315,987)</b>	<b>(760,387)</b>	<b>(371,460)</b>	<b>(1,136,022)</b>	<b>(625,671)</b>
<b>Non-Operating Revenues/(Expenses):</b>							
Interest on Bonds	(143,250)	(143,250)	(71,625)	(130,637)	(82,125)	(151,500)	(92,550)
Gains/Losses on disposal of fixed assets	-	-	-	-	-	655,313	-
Revenue from grants	-	-	-	-	-	35,860	-
Misc Revenues	3,000	3,000	1,483	23,140	6,714	79,770	25,712
<b>Total Non-Operating Revenues(Expenses)</b>	<b>(140,250)</b>	<b>(140,250)</b>	<b>(70,142)</b>	<b>(107,497)</b>	<b>(75,411)</b>	<b>619,443</b>	<b>(66,838)</b>
<b>Operating Transfers in(out)</b>							
Transfers from other fund	3,493,834	3,493,834	1,746,917	894,000	447,000	821,100	410,550
Transfers to other fund	-	-	-	(598,000)	(299,000)	(420,882)	(114,000)
<b>Total Operating Transfers</b>	<b>3,493,834</b>	<b>3,493,834</b>	<b>1,746,917</b>	<b>296,000</b>	<b>148,000</b>	<b>400,218</b>	<b>296,550</b>
<b>Capital Contribution<sup>1</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,825</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Income (loss)</b>	<b>1,468,799</b>	<b>2,522,648</b>	<b>1,360,788</b>	<b>(525,059)</b>	<b>(298,871)</b>	<b>(116,361)</b>	<b>(395,959)</b>
<b>Significant Balance Sheet Items</b>							
Cash Balance			2,453,380	762,026	535,099	699,148	1,364,551
Property Dispositon Fund cash balance			1,380,477	1,380,477	1,397,773	1,397,773	2,030,976
Operating cash balance			1,072,903	(618,451)	(862,674)	(698,625)	(666,425)
Bonds Payable			(4,775,000)	(4,775,000)	(5,475,000)	(5,475,000)	(6,170,000)
Net Position				25,571,251		26,062,246	
<b>Significant Cash Flow Items</b>							
Principal Payments on Debt			-	(700,000)	-	(695,000)	-

<sup>1</sup>Capital contribution in 2012 consists of \$46,825 received from the Federal Energy and Efficiency Conservation Block Grant (EECBG). The proceeds partially funded the installation of a building control system in the Public Service Center.

NOTE: Beginning in 2012, the services provided to Development Properties and Parking Facilities, are provided by other City funds. For periods prior to 2012, the activity related to these services is removed to show comparative revenue and expense related to only the current departments in the Property Services. Fund.

**City of Minneapolis  
Public Works Stores  
For the Second Quarter ending June 30, 2013**

<b>Fund 6300</b>	<b>2013 Budget</b>	<b>06-30-13 Actual</b>	<b>Remaining Budget</b>	<b>% Actual To Budget</b>
<b>Operating Revenue</b>	1,035,000	531,664	503,336	51.4%
<b>Operating Expense</b>	1,040,173	521,342	518,831	50.1%
<b>Operating Margin</b>	(5,173)	10,322		
<b>Net Income</b>	(5,173)	14,034		

**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 second quarter 2013 is \$531,664, or 51.4% of the budgeted amount of \$1,035,000. The amount earned through second quarter represents a decrease of \$64,292, or 10.8%, over the \$595,956 in revenue earned through second quarter 2012. Revenue for this fund is earned by applying overhead charges to inventory sales and transaction processing. The decrease in revenue corresponds to a decreased level of inventory purchases and requisition processing transactions related to City projects.

**Expenses:**

Operating expense recorded through second quarter 2013 is \$521,342, or 50.1% of the budgeted amount of \$1,040,173. The amount expended through second quarter 2013 decreased by \$14,163 or 2.6% from the \$535,505 expended through the same period in 2011. The decrease in expense is due to a decrease in inventory purchased to sell to outside entities.

**Transfers:**

There are no transfers in or out of this fund in 2013.

**Debt Service:**

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

**Forecast:**

Operating revenue is projected to total \$1,090,000 at year-end, exceeding the budgeted revenue of \$1,035,000 by \$55,000. For the year, it is expected that inventory issued to City departments will exceed the budgeted amounts. Operating expense is projected to total \$1,073,557, which is \$33,384, or 3.2% more than the budgeted expense of \$1,040,173. 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 operating margin gain of \$16,443 compared to a budgeted operating margin loss of (\$5,173).

**Other Financial Items:**

The fund continues to maintain a positive net position with a 2012 ending balance of \$3,692,245, an increase of 22% from the 2011 ending balance of \$3,025,637. 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.

The cash balance at the end of second quarter 2013 was a deficit of (\$232,464), an increase of \$1,525,640 from the second quarter 2012 deficit cash balance of (\$1,758,104). The increase in cash corresponds to an increase in revenue from overhead charges on inventory sales and requisition processing during 2012. The fund has not had a positive cash balance since 2005 when the ending balance was \$91,610. The financial policy for the cash balance for the Public Works Stores Fund determines that the cash balance should be maintained equal to 15% of the annual operating budget, or \$0.2 million.



**City of Minneapolis, Minnesota**  
**Public Works Stores**  
**Statement of Revenues and Expenses**  
**For the Second Quarter/Years Ending 2013, 2012, and 2011**

	<b>Budget Year 2013</b>	<b>Projected Year Ending 2013</b>	<b>For Period Ending 30-Jun-13</b>	<b>For Year Ending 2012</b>	<b>For Period Ending 30-Jun-12</b>	<b>For Year Ending 2011</b>	<b>For Period Ending 30-Jun-11</b>
<b>Operating Revenues:</b>							
Central Stores	470,000	575,000	293,939	825,836	333,005	427,998	155,121
Traffic Stores	565,000	515,000	237,725	1,103,853	262,951	483,597	228,743
<b>Total Operating Revenues</b>	<b>1,035,000</b>	<b>1,090,000</b>	<b>531,664</b>	<b>1,929,689</b>	<b>595,956</b>	<b>911,595</b>	<b>383,864</b>
<b>Operating Expenses:</b>							
Personnel	662,423	700,000	351,403	712,498	334,126	647,724	347,287
Contractual	273,945	270,000	136,141	271,777	134,778	257,778	127,928
Materials, Supplies, Other <sup>1</sup>	70,248	70,000	17,019	120,717	47,698	93,554	6,291
Rent	33,557	33,557	16,779	37,805	18,903	41,700	20,850
<b>Total Operating Expenses</b>	<b>1,040,173</b>	<b>1,073,557</b>	<b>521,342</b>	<b>1,142,797</b>	<b>535,505</b>	<b>1,040,756</b>	<b>502,356</b>
<b>Operating Margin</b>	<b>(5,173)</b>	<b>16,443</b>	<b>10,322</b>	<b>786,892</b>	<b>60,451</b>	<b>(129,161)</b>	<b>(118,492)</b>
<b>Non-Operating Revenues/(Expenses)</b>							
Other revenue	-	-	3,712	-	-	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>-</b>	<b>-</b>	<b>3,712</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating Transfer In (Out)</b>							
Transfers to other fund	-	-	-	(117,000)	(58,500)	(51,000)	(25,500)
<b>Total Operating Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(117,000)</b>	<b>(58,500)</b>	<b>(51,000)</b>	<b>(25,500)</b>
<b>Net Income</b>	<b>(5,173)</b>	<b>16,443</b>	<b>14,034</b>	<b>669,892</b>	<b>1,951</b>	<b>(180,161)</b>	<b>(143,992)</b>
<b>Significant Balance Sheet Items</b>							
Cash Balance			(232,464)	(163,313)	(1,758,104)	(1,027,215)	(1,085,303)
Inventories			4,455,535	4,287,662	5,255,258	4,367,622	4,616,888
Net Position				3,692,245		3,025,637	

**City of Minneapolis  
Intergovernmental Service Fund  
For the Second Quarter ending June 30, 2013**

<b>Fund 6400</b>	<b>2013 Budget</b>	<b>6-30-2013 Actual</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
Operating Revenue	37,021,722	15,843,875	21,177,847	42.8%
Operating Expenses	49,411,955	21,855,866	27,556,089	44.2%
Operating Margin	(12,390,233)	(6,011,991)		
Net Income	4,763,321	2,564,237		

Note: Operating expense budget includes depreciation expense of \$12,000,000 and 6/30/13 actual expenses include depreciation expense of \$5,997,372.

**Program Description:**

The Intergovernmental Service Fund accounts for operations of Information Technology (IT); the City Clerk's printing and central mailing services; and a small portion of Human Resources internal 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 second quarter of 2013 is \$15,843,875 or 42.8% of the annual budgeted amount of \$37,021,722. This is a decrease of \$240,349, or 1.5%, compared to revenue of \$16,084,223 earned through second quarter of 2012. The decrease in revenue is primarily due to less revenue earned from charges to City departments for project management (PMO) services and technology.

**Expenses:**

Operating expenses through the second quarter are \$21,885,866, or 44.2% of the annual budgeted amount of \$49,411,955. The annual expense budget includes \$12,000,000 of depreciation expense and the depreciation recorded through second quarter is \$5,997,372. The operating expense through second quarter decreased \$15,889 from the 2012 expense of \$21,871,755. PMO experienced a decrease in expense through second quarter 2013 as compared to 2012. 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.

**Debt:**

The debt service for 2013 is related to the sale of net debt bonds for IT projects. In 2013, the debt consists of an interest payment of \$101,848 and a principal payment of \$1,955,000. At the end of second quarter, \$50,924 of interest has been paid. The total principal payment of \$1,955,000 will be paid in fourth quarter. Beginning 2013, the principal payment is significantly reduced to \$1,955,000 as the fund completes payment on net debt bonds sold through 2009. Future sales of net debt bonds to support capital projects are expected to be between \$1.2 million and \$2.9 million from 2013 through 2017.

**Transfers:**

In 2013, this fund will receive transfers totaling \$17,255,402. The transfers consist of a general fund transfer totaling \$14.2 million, \$1.0 million from the Self Insurance Fund, and \$2.1 million from the debt service fund. Beginning in 2015, the transfer from the general fund will be reduced to \$0.6 million and will not include funding for payment of debt service. The transfer from the Self Insurance fund is in accordance with the long-term financial plans for both funds and will end in 2016. As of second quarter, \$8.6 million is recognized.

The 2012 transfer expense includes a transfer out of \$1,072,000 for debt service related to the former Minneapolis Employees Retirement Fund's unfunded pension liability. In 2012, the City retired bonds related to this debt resulting in substantial savings while creating a large one-time increase to this debt

payment for the proprietary funds. The Intergovernmental Services fund used fund balance as a revenue source for the payment and will recover the expense through the cost allocation model in years 2013 through 2015.

**Forecast:**

Operating revenue is projected to be \$32.4 million or \$4.6 million less than the budgeted amount of \$37.0 million. The fund's PMO budget increases as new projects are approved by City departments. Expenses for these projects, along with the billing to customer departments, may occur in years subsequent to the addition of the appropriation to the budget. Operating expenses are expected to be \$44.4 million or \$5.0 million less than the budgeted amount of \$49.4 million. Depreciation expense of \$12.0 million is included in the operating budget. These projections result in an expected operating margin deficit of \$12.0 million as compared to a budgeted operating margin deficit of \$12.4 million. The revenue source for a portion of the wireless payment and rent expense are included in the transfer in budget rather than in the operating budget which contributes to the deficit operating margin. The fund is projecting a net income of \$5.2 million compared to a budgeted net income of \$4.8 million. An increase of \$3.9 million in the transfer from the general fund and the 2012 MERF debt service payment of \$1.1 are the primary factors contributing to the increase in 2013 projected net income when compared to the actual in 2012.

**Other Financial Items:**

The cash balance at the end of second quarter 2013 is \$19.5 million as compared to a cash balance of \$11.5 million at June 30, 2012. The primary reasons for the increase to cash are the increase in the transfer from the general fund and a decrease to the payment for debt service interest. Included in the cash balance are prepayments of \$13.4 million for technology projects from other City departments. Financial reserve policies for the internal service funds determine that the minimum cash balance should be 15% of the fund's total budget or \$4.8 million.

The net position at year-end 2012 was \$27.4 million, an increase of \$5.2 million from the 2011 ending balance of \$22.2 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 \$24.0 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, Minnesota**  
**Intergovernmental Services Fund**  
**Statement of Revenues and Expenses**  
**For Second Quarter/Years Ending 2013, 2012 and 2011**

	Budget Current Year 2013	Projected Year 2013	For Period Ending 30-Jun-13	For Year Ending 2012	For Period Ending 30-Jun-12	For Year Ending 2011	For Period Ending 30-Jun-11
<b>Operating Revenues:</b>							
Charges for Service:							
IT - PMO	9,648,804	4,500,000	1,885,091	6,164,239	2,462,349	5,534,278	2,411,414
IT - Telecom	3,091,997	3,000,000	1,493,840	3,066,530	1,534,701	2,922,005	1,485,143
IT - Operating-other	23,222,971	23,900,000	11,977,086	23,147,764	11,522,970	22,429,235	11,190,847
CC-Mailing Services	437,076	425,000	191,945	602,624	266,409	586,807	268,592
CC-Copy Services	620,874	575,000	295,913	566,406	297,794	445,645	229,351
Human Resources	-	-	-	-	-	8,250	8,250
Total Operating Revenues	37,021,722	32,400,000	15,843,875	33,547,563	16,084,223	31,926,220	15,593,597
<b>Operating Expenses:</b>							
IT - PMO	9,648,804	4,500,000	1,851,762	5,955,908	2,417,342	5,300,595	2,260,851
IT - Telecom	1,826,897	1,800,000	879,421	1,949,045	964,683	1,738,183	931,719
IT - Operating-other <sup>1</sup>	24,322,358	24,500,000	12,381,942	23,636,620	11,698,475	23,452,651	11,688,109
CC-Mailing Services/Data Center	617,073	625,000	275,135	675,912	302,181	666,779	286,753
CC-Copy Services	668,856	615,000	302,644	585,482	284,393	601,344	300,162
Human resources	327,967	327,967	167,590	272,194	143,470	273,938	140,488
Depreciation	12,000,000	12,000,000	5,997,372	12,313,813	6,061,211	12,074,238	5,413,474
Total Operating Expenses	49,411,955	44,367,967	21,855,866	45,388,974	21,871,755	44,107,728	21,021,556
<b>Operating Margin</b>	<b>(12,390,233)</b>	<b>(11,967,967)</b>	<b>(6,011,991)</b>	<b>(11,841,411)</b>	<b>(5,787,532)</b>	<b>(12,181,508)</b>	<b>(5,427,959)</b>
<b>Non-Operating Revenues/(Expenses)</b>							
Interest on Bonded Debt	(101,848)	(101,848)	(51,473)	(26,027)	(194,450)	(276,662)	(339,100)
Gains/(Losses) on disposal of fixed assets	-	-	-	-	-	(6,584)	-
Revenue from grants	-	-	-	11,631	-	201,469	-
Other Non Operating Income (Expense)	-	-	-	-	-	-	-
Total Non-Operating Revenues (Expenses)	(101,848)	(101,848)	(51,473)	(14,396)	(194,450)	(81,777)	(339,100)
<b>Operating Transfer In (Out)</b>							
Transfers from other fund	17,255,402	17,255,402	8,627,701	12,185,444	6,203,472	14,549,293	7,002,008
Transfers to other fund	-	-	-	(1,103,473)	(536,000)	(447,707)	(211,500)
Total Operating Transfers	17,255,402	17,255,402	8,627,701	11,081,971	5,667,472	14,101,586	6,790,508
Capital Contribution	-	-	-	22,719	-	-	-
<b>Net Income</b>	<b>4,763,321</b>	<b>5,185,587</b>	<b>2,564,237</b>	<b>(751,117)</b>	<b>(314,510)</b>	<b>1,838,301</b>	<b>1,023,449</b>
<b>Significant Balance Sheet Items</b>							
Cash balance			19,510,274	14,649,580	11,463,468	11,041,044	7,321,510
Work-in-progress				9,843,681		7,870,919	
Due from other funds (includes Capital Arbitrage)				1,212,832		819,371	
Interfund Loans			(5,500,000)	(6,250,000)	(7,000,000)	(7,750,000)	(9,364,051)
Bonds Payable			(3,115,000)	(3,115,000)	(11,055,000)	(11,055,000)	(20,080,000)
Deferred Revenue			(13,447,759)	(12,235,400)	(14,806,486)	(13,327,259)	(12,181,126)
Net Position				27,410,079		22,238,383	
<b>Significant Cash Flow Items</b>							
Principal on Bonds	(1,955,000)	(1,955,000)		(9,215,000)		(10,025,000)	

**City of Minneapolis  
Self Insurance Fund  
For the Second Quarter ending June 30, 2013**

<b>Fund 6900</b>	<b>2013 Budget</b>	<b>6-30-2013 Actual</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
Operating Revenue	28,680,448	14,162,020	14,518,428	49.4%
Operating Expenses	28,114,789	15,076,596	13,038,193	53.6%
Operating Margin	565,659	(914,576)		
Net Income	3,421,159	513,174		

**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 rates charged to City departments to provide self insurance for liability and workers compensation costs using data determined by an actuarial study based on a department's responsibility. The cost allocation model also assigns a charge for employee benefit administration and attorney services.

**Revenue:**

Operating revenue through the second quarter of 2013 is \$14,162,020, or 49.4% of the annual budgeted amount of \$28,680,448. This is an increase of \$505,473, or 3.7% compared to \$13,656,547 earned through the second quarter of 2012. Revenue received from City departments for payment of the liability premium increased 5.4% from 2012 to 2013 due to an increase in the estimate of the City's liability for tort settlements in 2013 as determined by the 2012 actuarial study.

**Expenses:**

Operating expenses through the second quarter 2013 are \$15,076,596, or 53.6% of the annual budgeted amount of \$28,114,789. This is a significant increase of \$5,679,475, or 60.4%, compared to \$9,397,121 expended through the second quarter of 2012. The increase in operating expense is due primarily to the amount paid out for tort settlements, \$4.3 million through June 30, as compared to \$0.6 million in 2012. In addition, the amount paid for workers compensation increased by 41.9% from \$3.5 million in 2012 to \$4.9 million through second quarter 2013. The City's expense for employee sick leave payout at retirement, \$604,944, is less than budgeted.

**Debt Service:**

The Self Insurance Fund does not have outstanding debt obligations.

**Transfers:**

In 2013, this fund will receive an interfund transfer of \$3,855,500 from the general fund as determined in the long term financial plan.

The 2013 budget includes a transfer out of \$1,000,000 to the Intergovernmental Services Fund as part of its long term financial plan. In 2012, this fund made a final transfer of \$485,000 to the pension fund debt service to retire bonds related to the unfunded pension liability of the former Minneapolis Employees Retirement Fund. The fund's net position is the source of funding for this payment and the fund will recover the cost of this payment through the cost allocation model over three years.

**Forecast:**

Operating revenue is projected to be \$28.3 million or \$0.4 million less than budgeted amount of \$28.7 million. Operating expense is projected to be \$30.3 million or \$2.1 million more than the budgeted amount of \$28.1 million. Operating expenses are projected to be more than budgeted primarily due to an increase in tort liability payments. These projections will result in a projected operating margin loss of \$2.0 million as compared to the budgeted operating margin gain of \$0.6 million. The fund experienced an operating

margin gain of \$4.3 million at second quarter 2012. Net income for 2013 is projected to be \$0.9 million compared to budgeted net income of \$3.4 million.

**Other Financial Items:**

The cash balance at the end of second quarter is \$56,128,322 compared to a cash balance of \$49,685,272 at June 30, 2012. 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 \$55.7 million for the Self Insurance fund. The unpaid claims liability at year-end 2012 is \$53.0 million, an increase of \$3.0 million from year-end 2011 of \$50.0 million. The cash position is \$0.4 million above its target.

Net position at year end 2012 was \$1.7 million, an increase of \$5.8 million from the deficit of \$4.1 million at year end 2011. It is expected that the net position will continue to increase primarily due to transfers from the general fund through 2014 as planned in the long term financial plan. The net position financial policy for the Self Insurance fund determines that net assets should not fall below zero.

**City of Minneapolis, Minnesota**  
**Self Insurance Fund**  
**Statement of Revenues and Expenses**  
**For Second Quarter/Years Ending 2013, 2012, and 2011**

	Budget Current Year 2013	Projection Year 2013	For Period Ending 30-Jun-13	For Year Ending 2012	For Period Ending 30-Jun-12	For Year Ending 2011	For Period Ending 30-Jun-11
<b>Operating Revenues:</b>							
Health & Welfare (employee benefits)	2,420,000	2,255,000	1,127,736	2,291,023	1,131,837	2,472,832	1,296,478
Workers Compensation	9,344,787	8,869,787	4,436,966	9,030,201	4,536,901	8,840,179	4,556,441
Liability - Subrogation	15,360,698	15,375,730	7,687,865	14,577,377	7,288,689	13,925,462	6,962,005
Attorney Office Services	10,000	10,000	5,110	9,377	1,154	2,429	2,251
Human Resources Services	1,394,963	1,315,000	657,364	1,326,173	612,999	1,470,744	698,282
Risk Management-Employment Services	150,000	465,000	246,979	171,050	84,967	147,958	102,267
<b>Total Operating Revenues</b>	<b>28,680,448</b>	<b>28,290,517</b>	<b>14,162,020</b>	<b>27,405,201</b>	<b>13,656,547</b>	<b>26,859,604</b>	<b>13,617,724</b>
<b>Operating Expenses:</b>							
Health & Welfare (employee benefits)	2,420,000	1,210,000	604,944	784,178	518,587	794,353	403,758
Workers Compensation	6,876,465	9,851,000	4,925,239	8,062,472	3,471,623	7,517,126	3,874,293
Liability & Settlements	8,031,025	9,000,000	4,487,151	2,577,805	661,478	9,017,392	4,651,701
City Attorney/Civil Division-Litigation	6,539,095	6,060,000	3,028,891	6,130,345	3,042,462	6,156,353	3,022,667
Risk Management - WC/Risk	2,535,112	2,525,000	1,212,361	2,167,183	1,008,977	2,164,504	1,108,856
Human Resource - Employee Benefits	1,713,092	1,650,000	818,010	1,430,042	693,993	1,572,506	773,000
<b>Total Operating Expenses</b>	<b>28,114,789</b>	<b>30,296,000</b>	<b>15,076,596</b>	<b>21,152,025</b>	<b>9,397,121</b>	<b>27,222,234</b>	<b>13,834,275</b>
<b>Operating Margin</b>	<b>565,659</b>	<b>(2,005,483)</b>	<b>(914,576)</b>	<b>6,253,176</b>	<b>4,259,426</b>	<b>(362,630)</b>	<b>(216,551)</b>
<b>Non-Operating Revenues/(Expenses)</b>							
Other Non Operating Income (Exp)	-	-	-	1,794	-	1,974	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,794</b>	<b>-</b>	<b>1,974</b>	<b>-</b>
<b>Operating Transfer In (Out)</b>							
Transfers from other fund	3,855,500	3,855,500	1,927,750	4,071,500	1,925,000	7,330,000	3,665,000
Transfers to other fund	(1,000,000)	(1,000,000)	(500,000)	(1,485,000)	(742,500)	(1,217,000)	(608,500)
<b>Total Operating Transfers</b>	<b>2,855,500</b>	<b>2,855,500</b>	<b>1,427,750</b>	<b>2,586,500</b>	<b>1,182,500</b>	<b>6,113,000</b>	<b>3,056,500</b>
<b>Net Income (Less Unpaid Claims Liability adj)<sup>1</sup></b>	<b>3,421,159</b>	<b>850,017</b>	<b>513,174</b>	<b>5,861,449</b>	<b>5,441,926</b>	<b>2,994,837</b>	<b>2,839,949</b>
<b>Significant Balance Sheet Items</b>							
Cash balance			56,128,322	56,563,931	49,685,272	48,571,139	43,408,189
Unpaid claims liability				(53,030,025)		(50,050,004)	
Net position				1,700,514		(4,098,990)	

<sup>1</sup>Net income for 2012 includes a reduction of \$2,980,021 resulting from an adjustment increase to unpaid claims liability based on a 2012 actuarial study. A reduction of \$2,757,507 is included in the 2011 net income resulting from an increase in unpaid claims liability for 2011.

**City Of Minneapolis  
Sanitary Sewer Fund  
For the Second Quarter Ending June 30, 2013**

<b>Fund 07100</b>	<b>2013 Budget</b>	<b>06-30-2013 Actual</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
Operating Revenue	53,963,521	28,539,357	25,424,164	53%
Operating Expense	46,516,385	23,598,772	21,917,613	51%
Operating Margin	7,447,136	4,940,585		
Net Income	4,495,570	3,455,218		

**Program Description:**

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

**Revenue:**

With sewer revenue of \$28.5 million through the end of the second quarter, 53% of the budgeted revenue has been realized compared to \$27.4 million or 52% for the same period in 2012. This is an increase of \$1.1 million, or 4%, compared to revenues through second quarter of 2012. The increase of \$22K in sanitary utility revenues has been offset by a decrease of \$44K in design and miscellaneous revenues. SAC permit revenues contributed an extra \$1.2 million compared to second quarter 2012; however, the increase in SAC revenues will be offset by a corresponding increase in SAC expenditures.

**Expenses:**

The Sanitary Sewer Fund's operating expense of \$23.6 million through second quarter amounts to 51% of the 2013 budget compared to \$22.4 million for 2012. This is an increase of \$1.2 million, or 5%, over the same period in the prior year. The increase in expenditures is mainly due to increases in monthly payments to Met Council by \$900K. The increase of \$200K in SAC charges has also contributed to an increase in expenditures over the second period of 2012.

**Transfers:**

There is a transfer made from this Fund to the Water department to cover shared costs for meter expenses. For the quarter, \$575K in funds for meter expense has been transferred out.

**Debt Service:**

For 2013, the debt service cost is estimated at \$4.6 million which includes \$4.2 million set aside for principal and \$400K for interest. For the quarter, \$200K in interest has been paid. These debt service payments are primarily for bonds sold to fund Capital programs.



**Forecast:**

For the next six months, it is estimated that cash outflow will amount to \$38 million which would include operating expenditures, debt services, capital programs, and transfers. The Fund also anticipates \$35 million in revenues from operations and bond sales thereby maintaining the fund balance for the year end at \$15 million.

**Other Financial Items:**

The current operating cash balance is \$18 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 \$12 million. The cash position through the quarter remains at \$6 million above its target.

**City of Minneapolis, Minnesota**  
**Sanitary Sewer Fund**  
**Statement of Revenues and Expenses**  
**For Second Quarter/Years Ending 2013, 2012, 2011**

	Budget Year 2013	Projected Year 2013	Period Ending 06/30/2013	Year Ending 2012	Period Ending 06/30/2012	Year Ending 2011	Period Ending 06/30/2011
<b>Operating Revenues:</b>							
Sanitary Utility Charges	50,584,521	50,584,521	25,203,574	50,779,368	25,181,869	45,477,734	22,067,165
Other Services Provided	1,319,000	1,319,000	210,777	732,578	254,641	956,746	195,510
SAC Revenues	2,060,000	5,000,000	3,125,006	10,812,544	1,969,535	3,592,393	923,600
Interest							
<b>Total Operating Revenues</b>	<b>53,963,521</b>	<b>56,903,521</b>	<b>28,539,357</b>	<b>62,324,490</b>	<b>27,406,045</b>	<b>50,026,873</b>	<b>23,186,275</b>
<b>Operating Expenses:</b>							
Sewer Design	772,904	689,897	225,247	452,654	227,616	365,967	225,469
Sewer Maintenance	7,087,354	7,057,533	3,016,995	5,956,525	2,900,761	5,510,181	2,610,370
Met Council Env. Svcs.	38,656,127	41,360,174	20,356,530	45,462,953	19,253,353	36,788,568	17,507,892
<b>Total Operating Expenses</b>	<b>46,516,385</b>	<b>49,107,604</b>	<b>23,598,772</b>	<b>51,872,132</b>	<b>22,381,730</b>	<b>42,664,716</b>	<b>20,343,731</b>
<b>Operating Margin</b>	<b>7,447,136</b>	<b>7,795,917</b>	<b>4,940,585</b>	<b>10,452,358</b>	<b>5,024,315</b>	<b>7,362,157</b>	<b>2,842,544</b>
<b>Non-Operating Revenues/(Expenses)</b>							
Net Transfers (out)	(1,149,339)	(1,149,339)	(574,670)	(2,149,086)	(1,052,944)	(576,827)	(576,827)
Non-Oper Income ( Expenses)			(8,400)	20,136		181,368	
Depreciation	(1,358,359)	(1,358,359)	(679,180)	(1,358,359)	(679,180)	(1,293,289)	(593,827)
Special Assessments						21,098	
Net Interest Income (Exp)	(443,868)	(443,868)	(223,118)	(513,830)	(308,500)	(517,701)	(221,934)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(2,951,566)</b>	<b>(2,951,566)</b>	<b>(1,485,367)</b>	<b>(4,001,139)</b>	<b>(2,040,624)</b>	<b>(2,185,351)</b>	<b>(1,392,588)</b>
<b>Net Income</b>	<b>4,495,570</b>	<b>4,844,351</b>	<b>3,455,218</b>	<b>6,451,219</b>	<b>2,983,692</b>	<b>5,176,806</b>	<b>1,449,956</b>
<b>Significant Balance Sheet Items</b>							
Operating Cash		15,250,787	18,174,723	19,181,223	19,246,615	14,430,329	13,306,588
Accounts Receivable		3,490,195	4,375,339	3,950,672	3,893,766	3,089,731	3,451,361
<b>Significant Cash Flow Items</b>							
Capital Outlay	8,000,000	8,000,000	846,747	4,811,751	1,295,566	3,309,442	952,843
Capital Revenue	7,000,000	7,000,000	680,595	6,251,747	362,700	2,838,438	48,679
Bond Principle payments	4,150,000	4,150,000	-	4,600,000	-	4,100,000	-

**City Of Minneapolis  
Storm Water Fund  
For the Second Quarter Ending June 30, 2013**

<b>Fund 07300</b>	<b>2013 Budget</b>	<b>06/30/2013 Actual</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
Operating Revenue	40,379,230	19,877,980	20,501,251	49%
Operating Expense	25,510,361	10,508,954	15,001,407	41%
Operating Margin	14,868,869	9,369,026		
Net Income	9,873,184	6,355,200		

**Program Description:**

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

**Revenue:**

With Storm Water revenue of \$19.9 million through the second quarter, 49% of the operating revenue budget has been realized compared to \$19.7 million, or 51%, for the same period in 2012. The revenue increased by \$200K over second quarter 2012. \$100K of the increase in revenues comes from storm utility charges and design work related to Capital projects. The utility rate for 2013 was set at \$11.82/ESU, 12 cents higher than the rate for 2012. The remaining \$100K increase comes from State/County for maintenance work done by Street Cleaning and Storm Maintenance departments and reimbursed by the State.

**Expenses:**

Through second quarter 2013, the Storm Water Fund's operating expenses ended at 41% of the budget. Expenses through the quarter totaled \$10.5 million, which is \$700 K, or 7%, over the \$9.8 million recorded through second quarter 2012. Increases are due to higher expenditures in Storm Maintenance cost centers for contractual services related primarily to storm tunnel rehab work. As a result, expenditures increased by \$1 million. However, these increases have been slightly offset by a decrease of \$400K in Storm Management and Street Cleaning expenditures.

**Transfers:**

Starting in 2013, the transfer out to the MERF pension fund has been discontinued. Pension plan payments are now paid out of the operating budget.

**Debt Service:**

The debt service budget for 2013 totals \$8 million of which \$7 million is set aside for principal and \$1 million goes towards interest. Through second quarter 2013, \$500K in interest expense has been recognized. The debt service payments are primarily for bonds sold to finance the Combined Sewer Overflow, Flood Mitigation, and the Storm Tunnel programs.

**Forecast:**

In the next six months, it is estimated that this fund will incur cash outflow of \$13 million in operations, \$7.5 million for debt service, and an additional \$11.5 million for capital outlays. These outflows will be off-set by cash inflows from operating revenues estimated at \$21 million and capital programs projected to bring in an additional \$4.4 million. At year-end 2013, the cash balance is projected to remain at \$34 million.

**Other Financial Items:**

For the quarter, the operating cash balance ended at \$41 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the required cash balance is \$5 million, leaving \$35 million in an unrestricted reserve which will be used to pay operating and non-operating expenses listed for the coming months.

**City of Minneapolis, Minnesota**  
**Stormwater Fund**  
**Statement of Revenues and Expenses**  
**For Second Quarter/Years Ending 2013, 2012 and 2011**

	<b>Budget Year 2013</b>	<b>Projected Year 2013</b>	<b>For Period Ending 06/30/2013</b>	<b>For Year Ending 12/31/2012</b>	<b>For Period Ending 06/30/2012</b>	<b>For Year Ending 12/31/2011</b>	<b>For Period Ending 06/30/2011</b>
<b>Operating Revenues:</b>							
State Grants	669,614	1,139,799	530,069	1,114,709	508,348	1,209,421	922,129
County Grants	245,517	417,913	208,957	399,558	99,890	399,558	99,890
Storm Utility Charges	37,835,008	37,931,128	18,510,437	36,694,339	18,460,641	35,622,524	17,704,022
Other Services Provided	1,629,091	1,426,099	628,517	1,654,616	593,658	1,863,494	434,220
<b>Total Operating Revenues</b>	<b>40,379,230</b>	<b>40,914,939</b>	<b>19,877,980</b>	<b>39,863,222</b>	<b>19,662,537</b>	<b>39,094,997</b>	<b>19,160,261</b>
<b>Operating Expenses:</b>							
Sewer Design	4,158,348	4,195,816	1,506,093	3,427,270	1,427,652	3,684,851	1,474,472
Stormwater Management CSO	875,394	875,394	340,588	648,483	378,567	929,998	496,029
Street Cleaning	8,158,279	8,158,279	3,240,816	7,993,832	3,608,911	7,797,519	3,173,084
Sewer Maintenance	6,144,012	4,267,462	2,340,768	4,169,738	1,571,442	2,810,772	1,075,893
Met Council Env. Svcs.	6,174,328	6,174,328	3,080,689	5,328,870	2,808,132	4,648,168	2,681,956
<b>Total Operating Expenses</b>	<b>25,510,361</b>	<b>23,671,279</b>	<b>10,508,954</b>	<b>21,568,193</b>	<b>9,794,704</b>	<b>19,871,308</b>	<b>8,901,434</b>
<b>Operating Margin</b>	<b>14,868,869</b>	<b>17,243,660</b>	<b>9,369,026</b>	<b>18,295,029</b>	<b>9,867,833</b>	<b>19,223,689</b>	<b>10,258,827</b>
<b>Non-Operating Revenues/(Expenses)</b>							
Net Transfers in (out)	-	-	-	(1,245,296)	(556,000)	(700,064)	(700,064)
Depreciation	(4,078,992)	(4,078,992)	(2,039,496)	(4,078,992)	(2,039,496)	(3,929,000)	(1,903,876)
Special Assessments	60,000	60,000	2,226	830,245	5,657	744,220	-
Net Interest Income (Exp)	(976,693)	(976,693)	(488,347)	(469,981)	(488,347)	(670,128)	(3,064,329)
Other Non Operating Income (Exp)			(488,209)	511,943	(422,970)	906,887	(650,388)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(4,995,685)</b>	<b>(4,995,685)</b>	<b>(3,013,826)</b>	<b>(4,452,081)</b>	<b>(3,501,155)</b>	<b>(3,648,085)</b>	<b>(6,318,657)</b>
<b>Net Income</b>	<b>9,873,184</b>	<b>12,247,975</b>	<b>6,355,200</b>	<b>13,842,948</b>	<b>6,366,678</b>	<b>15,575,604</b>	<b>3,940,170</b>
<b>Significant Balance Sheet Items</b>							
Operating Cash		33,926,498	40,850,949	33,223,043	30,182,477	24,530,818	31,567,052
Accounts Receivable		3,453,573	3,607,901	3,616,327	3,473,348	3,314,209	3,843,201
Bonds & Notes Payable			14,782,696	14,620,910	15,485,910	15,485,910	18,270,910
<b>Significant Cash Flow Items</b>							
Capital Outlay	17,700,000	17,700,000	4,141,565	6,338,748	3,179,489	16,078,292	4,710,461
Bond principle & note payments	6,950,000	6,950,000	-	6,265,000	-	11,773,000	-

**City Of Minneapolis  
Solid Waste and Recycling Fund  
For the Second Quarter Ending June 30, 2013**

<b>Fund 07700</b>	<b>2013 Budget</b>	<b>06/30/13 Actual</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
Operating Revenue	31,312,436	15,494,669	15,817,767	49%
Operating Expense	37,602,918	17,750,594	19,852,324	47%
Operating Margin	(6,290,482)	(2,255,925)		
Net Income/(Loss)	(7,359,019)	(2,790,220)		

**Program Description**

The Solid Waste Fund accounts for the City's solid waste collection, disposal, recycling, and graffiti removal operations. The division provides pick-up services for trash, yard wastes, and recyclables on a weekly and a biweekly basis. The Fund is responsible for the operations of a solid waste transfer station which serves over 105,000 dwelling units. The division also provides "clean city" activities such as neighborhood clean sweeps, litter-graffiti controls and removals city-wide. It has initiated "organics" pilot program in selected school districts and neighborhoods. City crews provide approximately one-half of the solid waste collection services and the other half of the services are provided through a consortium of companies specializing in waste collections.

**Revenue**

With operating revenues through the quarter totaling \$15.5 million, 49% of the budgeted revenue has been realized compared to \$15.9 million, or 52%, through second quarter of 2012. This is a decrease of \$351K, or 2%, over 2012 operating revenues. The increase in revenues of \$51K in miscellaneous services has been offset by a decrease in revenues from the sale of scrap metals and monthly utility fees. Utility revenues totaled \$14.4 million compared to \$14.6 million for 2012. Revenue from the sale of scrap metal through the quarter was \$520K which is \$221K lower than the 2012 total of \$741K. The Hennepin County grant has been estimated at \$880K for the year and \$440K has been recognized for the period.

**Expenses:**

The operating expenses through the second quarter ended at \$17.8 million compared to \$14.8 million in 2012. This is an increase of \$2.9 million, or 20%, over 2012. The increase in expenditures of \$2.8 million is primarily in the recycling division where capital purchases of equipment and carts are being done for the one-sort program. In order to fund this one-sort program, the recycling division's 2013 budget was increased by \$5.4 million.

**Transfers:**

Estimated transfers into the Solid Waste and Recycling fund for the year include \$146K from the Parking fund for the litter container program and \$150K from the General fund for graffiti and micro-grants. For the quarter, \$148K has been recognized as transfer revenues into the Fund. Transfers out of the Fund include \$700K for alley plowing. For the quarter ending June 30<sup>th</sup>, \$350K in alley plowing transfers has been made.

**Debt Service:** This fund has no debt service.

**Forecast:**

For the next six months, the estimated cash outflow will total \$18 million which would include all operating expenditures, equipment purchases, and other capital outlays for bins, carts and improvements. The Fund also anticipates an additional \$16 million in revenues from its operations in the same period creating a deficit of \$2 million and bringing the fund balance for year end to an estimated \$17 million.

**Other Financial Items:**

The fund's cash balance for the second quarter ended at \$19 million. The accounts receivable balance stands at \$3 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$9 million, which results in an unrestricted reserve in excess of \$10 million.

**City of Minneapolis, Minnesota**  
**Solid Waste and Recycling Fund**  
**Statement of Revenues and Expenses**  
**For Second Quarter/Years Ending 2013, 2012, 2011**

	Budget Year 2013	Projection Year 2013	For Period Ending 6/30/2013	For Year Ending 12/31/2012	For Period Ending 6/30/2012	For Year Ending 12/31/2011	For Period Ending 6/30/2011
<b>Operating Revenues:</b>							
County Grants	880,000	880,000	440,000	864,448	400,000	889,675	400,000
Solid Waste Fees	28,226,436	28,876,901	14,372,325	29,250,660	14,593,029	28,938,271	14,429,671
Recyclable Sales	1,220,500	892,177	520,171	1,611,178	741,057	2,173,123	1,061,379
Charges for Other Services	985,500	661,343	162,173	334,990	111,624	585,217	203,537
<b>Total Operating Revenues</b>	<b>31,312,436</b>	<b>31,310,420</b>	<b>15,494,669</b>	<b>32,061,276</b>	<b>15,845,710</b>	<b>32,586,286</b>	<b>16,094,587</b>
<b>Operating Expenses:</b>							
Collection	7,939,895	7,860,496	4,028,027	7,535,591	3,762,905	7,770,758	3,639,100
Disposal	5,134,662	4,467,156	2,266,510	5,056,654	2,378,761	5,097,762	2,426,412
Recycling	9,117,266	9,260,842	4,547,121	5,510,041	1,748,746	3,571,822	1,696,100
Yard Waste	2,867,608	2,199,738	1,099,207	2,549,112	1,063,080	2,202,595	935,537
Large Item/Problem Material	1,785,880	1,737,917	765,077	1,298,656	530,274	1,036,280	624,950
Transfer Stations	376,080	365,257	177,062	385,757	243,977	408,516	308,019
Administration	4,250,970	4,192,166	2,114,362	3,931,544	1,920,402	3,980,983	1,984,593
Customer Service	714,883	629,758	289,853	605,386	294,026	654,129	338,423
Clean City	1,936,914	1,646,377	814,992	1,839,385	963,121	1,694,552	811,085
Equipment	3,228,302	3,013,987	1,517,912	3,416,485	1,780,703	2,653,277	1,479,710
Organics	250,458	269,898	130,471	248,210	127,525	210,154	80,585
<b>Total Operating Expenses</b>	<b>37,602,918</b>	<b>35,643,592</b>	<b>17,750,594</b>	<b>32,376,821</b>	<b>14,813,520</b>	<b>29,280,828</b>	<b>14,324,514</b>
<b>Operating Margin</b>	<b>(6,290,482)</b>	<b>(4,333,172)</b>	<b>(2,255,925)</b>	<b>(315,545)</b>	<b>1,032,190</b>	<b>3,305,458</b>	<b>1,770,073</b>
<b>Non-Operating Revenues/(Expenses)</b>							
Net Transfers In	296,000	296,000	148,000	296,000	148,000	196,000	25,000
Net Transfers Out	(700,000)	(700,000)	(350,026)	(1,271,000)	(635,500)	(936,000)	(586,000)
Depreciation	(664,537)	(664,537)	(332,269)	(664,537)	(332,269)	(715,708)	(349,900)
Special Assessments	-	-	-	98,037	-	255,881	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(1,068,537)</b>	<b>(1,068,537)</b>	<b>(534,295)</b>	<b>(1,541,500)</b>	<b>(819,769)</b>	<b>(1,199,827)</b>	<b>(910,900)</b>
<b>Net Income</b>	<b>(7,359,019)</b>	<b>(5,401,709)</b>	<b>(2,790,220)</b>	<b>(1,857,045)</b>	<b>212,422</b>	<b>2,105,631</b>	<b>859,173</b>
<b>Significant Balance Sheet Items</b>							
Operating Cash		17,169,873	18,936,094	23,856,133	22,979,900	22,371,818	21,308,547
Accounts Receivable		3,232,874	3,085,664	2,873,172	2,852,875	3,957,458	2,829,567
Capital Outlay			-	-	-	1,905,479	1,767,252



**City of Minneapolis  
Water Enterprise Fund  
For the Second Quarter Ending December 31, 2013**

<b>Fund 7400</b>	<b>2013 Budget</b>	<b>6/30/13 Actual</b>	<b>Over/(Under) Budget</b>	<b>% of Actual To Budget</b>
Operating Revenue	75,338,586	33,257,666	42,080,920	44%
Operating Expense	50,901,021	24,875,629	26,025,392	49%
Operating Margin	24,437,565	8,382,037		
Net Income (Loss)	11,433,391	2,430,257		

**Program Description:**

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

**Revenue:**

The second quarter 2013 operating revenue was \$33,257,666 or 44% of the 2013 budgeted amount of \$75,338,586. Although there was a 2.8% increase in the volume rate, water sales related to volume are down \$975,000 over the same period last year. Suburban sales are also down \$2 million. The decreased sales are the result of the cold wet weather experienced this spring and into early summer. We are also reviewing a possible issue with suburban meter accuracy. Fixed rate revenues for the same period are relatively flat as expected.

**Expense:**

Through the second quarter of 2013, operating expenses totaled \$24,875,629 or 49% of the 2013 budgeted amount of \$50,901,021 indicating that the fund's spending is on track with the budget.

**Transfers:**

For 2013, the transfer amount of \$585,672 represents a \$574,670 transfer in from the sanitary sewer fund to support that fund's share of the water fund's meter shop expenses as well as a \$11,002 transfer from the City's general fund to offset rent expense at city hall.

**Debt Services:**

Debt service payments are primarily for bonds sold to finance the Water Works capital improvement program. Past projects include dewatering plant improvements, water treatment infrastructure improvements, and cleaning and lining of the distribution mains. The amount budgeted for 2013 debt service is \$10,383,375.

**Forecast:**

For the year ended 2013, operating revenues are expected to come in under budget by approximately \$2.3 million or 3%. The chief reason for the decreased revenues is decreased sales. Operating expenses are expected to come in at budget. If realized, this activity will result in an operating margin of \$22 million, compared to the budgeted margin of \$24.4 million, or

\$2.4 million less than the amount budgeted. Net income is projected at \$9.1 million compared to a budgeted amount of \$11.4 million.

**Other Financial Items:**

The ending cash balance as of 6/30/13 is \$21,093,375 compared to \$14,769,529 as of 6/30/12. The objective is to have a cash balance equal to or greater than 3 months of operating expense. Based on the current budget the target amount would be \$12.7 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 12/31/13 balance in this operating reserve will be \$3.9 million.

City of Minneapolis, Minnesota  
Water Fund  
Statement of Revenues and Expenses  
For Years Ending 2013, 2012, 2011

	Budget Current Year 2013	Projected Ending 2013	For Period Ending 30-Jun-13	For Year Ending 2012	For Period Ending 30-Jun-12	For Year Ending 2011	For Period Ending 30-Jun-11
<b>Operating Revenues:</b>							
Water Sales - City							
Volume Rate	56,243,394	55,465,084	25,130,763	56,440,374	25,253,038	53,338,098	23,995,645
Fixed Rate	3,257,556	3,220,848	1,610,424	3,216,611	1,598,802		
Water Sales - Suburbs	12,480,305	11,020,313	4,544,637	12,976,941	5,094,508	12,900,851	5,329,695
Other Operating Revenues	3,357,331	3,331,149	1,971,842	6,706,717.33	3,769,422	3,345,167.79	1,191,412
<b>Total Operating Revenues</b>	<b>75,338,586</b>	<b>73,037,394</b>	<b>33,257,666</b>	<b>79,340,643</b>	<b>35,715,770</b>	<b>69,584,117</b>	<b>30,516,752</b>
<b>Operating Expenses:</b>							
Payments for City Services	10,767,376	10,767,376	5,261,904	9,645,669	5,050,783	7,333,923	3,838,559
Administration	1,317,682	1,335,432	704,668	1,215,322	566,822	1,007,162	525,744
Engineering	2,158,160	2,358,160	1,238,975	1,923,249	962,248	1,549,047	751,889
Operations	17,963,545	17,673,493	8,394,909	16,415,712	6,971,056	15,957,374	7,268,615
Maintenance	6,119,641	6,232,278	3,021,226	7,445,167	3,176,295	5,738,283	3,200,901
Distribution	8,256,384	8,444,749	4,282,153	9,628,717	4,868,233	7,841,971	4,436,695
Major Repairs & Replacement	1,000,000	1,000,000	358,349	1,676,151	925,373	3,438,120	642,106
Meter Shop	1,930,048	1,642,430	944,665	1,996,339	945,140	2,401,283	1,369,868
Reimbursables	1,388,185	1,431,081	668,780	1,355,535	399,609		
<b>Total Operating Expenses</b>	<b>50,901,021</b>	<b>50,884,999</b>	<b>24,875,629</b>	<b>51,301,862</b>	<b>23,865,559</b>	<b>45,267,164</b>	<b>22,034,377</b>
<b>Operating Margin</b>	<b>24,437,565</b>	<b>22,152,395</b>	<b>8,382,037</b>	<b>28,038,782</b>	<b>11,850,211</b>	<b>24,316,953</b>	<b>8,482,375</b>
<b>Non-Operating Revenues/(Expenses)</b>							
Net Transfers in (out)	1,171,339	1,171,339	585,672	(3,998,112)	(1,999,056)	(2,042,000)	(2,042,000)
Depreciation	(9,774,162)	(9,774,162)	(4,887,081)	(10,551,351)	(3,619,570)	(10,016,991)	(3,997,747)
Special Assessments				1,204,006			
Net Interest Income (Exp)	(4,401,351)	(4,401,351)	(1,650,369)	(3,303,893)	(1,726,238)	(3,569,353)	(1,647,287)
Federal Emergency Management Assistance				10,455	10,455	280,128	
State of Minnesota				3,136	3,136	93,376	
Other Non-Operating Income				134,443			
Other Non-Operating (Expense)				(831)			
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(13,004,174)</b>	<b>(13,004,174)</b>	<b>(5,951,779)</b>	<b>(16,502,146)</b>	<b>(7,331,273)</b>	<b>(15,254,840)</b>	<b>(7,687,034)</b>
<b>Net Income</b>	<b>11,433,391</b>	<b>9,148,220</b>	<b>2,430,257</b>	<b>11,536,636</b>	<b>4,518,938</b>	<b>9,062,113</b>	<b>795,341</b>
<b>Significant Balance Sheet Items</b>							
Operating Cash			21,093,375.18	19,066,539	14,769,529	15,055,373	13,771,401
Construction Cash						95,607	1,846,019
Accounts Receivable			5,439,176.16	4,559,012	5,423,832	4,984,301	4,384,333
Assessments Receivable			2,261,471.94	2,302,230	1,029,724	2,065,302	631,080
Bonds & Notes Payable			113,284,120.03	113,284,120	119,124,241	119,124,241	114,840,545
<b>Significant Cash Flow Items</b>							
Capital Outlay			3,015,401.86	11,708,710	5,229,176	15,297,583	6,570,515
Bond & Note Principle Payments				5,796,108		3,655,000	
<b>Total Cash Flow Items</b>				<b>17,504,818</b>	<b>5,229,176</b>	<b>18,952,583</b>	<b>6,570,515</b>

**City of Minneapolis  
Municipal Parking Fund  
For the Second Quarter Ended June 30, 2013**

<b>Fund 7500*</b>	<b>2013 Original Budget</b>	<b>June 30, 13 Period End Actuals</b>	<b>Remaining Budget</b>	<b>% of Actual To Budget</b>
Revenue	45,476,616	23,553,063	21,925,893	52%
Expenses	30,058,287	13,316,291	16,745,036	44%
Operating Margin	15,418,329	10,236,772		
Net Income (Loss)	3,044,247	(448,019)		

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

**Program Description:**

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

**Revenues:**

The 2013 second quarter actual revenues are up in comparison to the 2013 budget by 3.6%. For the second quarter of 2013 the 3.6% is from:

- Impound Lot revenues are down 12.4% compared to budget.
- On-street parking are up 23.7% compared to budget.
- Off-street ramps and lots are up 1.0% compared to budget.

Impound Lot revenues are lower than budgeted due to lower than expected snow emergencies during 2013 and a reduction in the volume. The newly installed On-street meters with credit card capability, additional meter coverage, and event revenues contributed to the increase in On-street revenues. Off-street revenues are consistently stable and perform slightly above projections.

**Expenses:**

The 2013 second quarter operating expenses are below the second quarter 2013 budget by 11.4 %. For the second quarter of 2013, the 11.4% is from:

- Impound Lot expenses are down 10.1% compared to budget.
- On-street meters are down 1.6% compared to budget.
- Off-street ramps and lots are down 13.0% compared to budget.

Impound Lot expenses are lower than expected due to a slower winter with limited snow related operational activities, including towing, security, lot maintenance and personnel. On-street meter expenses are performing as projected. Off-street ramps and lots show lower than budgeted expenses due to reduced costs associated with operational efficiencies attained through ongoing parking initiatives.

**Transfers to and from other funds:**

The 2013 transfers into and out of the Parking Fund are programmed and planned according to the 2013 budget. During the year of 2013, \$11.6 million of funds will be transferred in and \$11.2 million of funds will be transferred out.

**Debt Service:**

For 2013, the debt service budget is \$20.5 million. The outstanding balance of bond principal as of June 30, 2013 is \$95.7 million and the outstanding balance of note principal is 38.7 million.

**Forecast:**

For the year ending 2013 operating revenues are estimated to be greater than budgeted by \$0.6 million. Operating expenses are estimated to be under budget by \$2.9 million resulting in an increase in the Operating margin. The overall increase in the Operating Margin over Budget is estimated to be \$3.5 million.

**Other Financial Items:**

The current operating cash balance is \$7.9 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$7.5 million, which results in \$0.4 million surplus which is retained for future debt service payments.

**City of Minneapolis, Minnesota**  
**Municipal Parking Fund**  
**Statement of Revenues and Expenditures**  
**For Second Quarter/Years Ending 2013, 2012, and 2011**

	Current Budget Year 2013	Projected Year Ending 31-Dec-13	For Period Ending 30-Jun-13	For Year Ending 31-Dec-12	For Period Ending 30-Jun-12	For Year Ending 31-Dec-11	For Period Ending 30-Jun-11
<b>Operating Revenues:</b>							
Off-Street Parking: City Owned	29,976,612	29,756,892	15,139,133	29,546,205	14,956,749	28,268,322	14,629,140
Off-Street Parking: State Owned	10,433,618	10,433,618	3,965,922	9,657,497	3,652,087	10,336,123	7,233,660
Towing	6,500,003	5,459,498	2,847,312	5,575,586	2,806,811	6,410,768	3,542,861
On-Street Meters	9,000,001	10,833,736	5,566,618	10,153,881	4,843,920	7,610,627	3,398,800
Total Operating Revenues	55,910,234	56,483,744	27,518,985	54,933,169	26,259,567	52,625,840	28,804,461
<b>Operating Expenses:</b>							
Off-Street Parking: City Owned-Direct Expenses	22,182,639	18,620,345	9,653,975	20,290,791	9,907,920	21,543,930	10,603,268
Off-Street Parking: State Owned-Direct Expenses	8,684,131	8,684,131	4,185,844	8,802,796	4,207,936	9,966,433	4,810,939
Towing	5,019,445	4,817,838	2,256,498	4,294,098	1,963,869	4,694,310	2,429,498
On-Street Meters	2,856,203	3,726,997	1,405,818	4,451,961	1,167,318	5,065,159	2,646,487
Other Operating Expenses	-	-	-	816	0	237,422	107,658
Total Operating Expenses	38,742,418	35,849,311	17,502,135	37,840,462	17,247,043	41,507,254	20,597,850
<b>Operating Margin</b>	17,167,816	20,634,433	10,016,850	17,092,707	9,012,524	11,118,586	8,206,611
<b>Non-Operating Revenues/(Expenses)</b>							
General Fund Transfer Out	(7,918,000)	(7,918,000)	(3,959,044)	(7,818,000)	0	(8,618,000)	0
Arena Reserve Transfer Out	(3,129,132)	(3,129,132)	(1,564,566)	(2,940,905)	(1,470,453)	(2,758,000)	(1,379,000)
Debt Service Transfer Out	0	-	-	(477,000)	(238,500)	(198,000)	(198,000)
General Debt Service Transfer Out	-	-	-	-	-	0	0
Sanitation Transfer Out	(146,000)	(146,000)	-	(146,000)	0	(146,000)	0
Total Transfers Out	(11,193,132)	(11,193,132)	(5,523,610)	(11,381,905)	(1,708,953)	(11,720,000)	(1,577,000)
Convention Center related facility Transfer	4,729,200	4,729,200	159,600	5,580,100	221,300	7,589,231	-
TI and MCDA Transfers In	6,900,547	6,900,547	67,531	8,219,301	4,157,267	7,607,095	0
Other Transfers In	-	-	-	-	-	-	-
Total Transfers In	11,629,747	11,629,747	227,131	13,799,401	4,378,567	15,196,326	-
Depreciation	(6,901,000)	(6,901,000)	(3,540,520)	(6,703,978)	(3,438,169)	(6,392,796)	(3,351,989)
Special Assessments	0	-	-	58,057	58,057	0	0
Interest	(5,909,697)	(5,909,697)	(1,851,824)	(4,497,741)	(2,448,786)	(4,845,780)	(2,599,189)
Other Non Operating Expenses	0	-	-	(3,188)	(48,417)	(116,668)	(47,875)
Other Non-Operating Income	0	-	4,032	2,385	2,016	2,464,405	0
Total Non-Operating Revenues (Expenses)	(12,374,082)	(12,374,082)	(10,684,791)	(8,726,969)	(3,205,685)	(5,414,513)	(7,576,053)
<b>Net Income+/-</b>	4,793,734	8,260,351	(667,941)	8,365,738	5,806,839	5,704,073	630,558
<b>Significant Balance Sheet Items</b>							
Operating Cash			7,869,872	7,353,257	16,315,925	9,839,553	13,180,196
Notes Payable			38,650,000	38,650,000	38,650,000		
Bonds Payable			95,680,042	95,680,042	106,120,042	149,200,042	162,320,042
Total Balance Sheet Items			142,199,914	141,683,299	161,085,967	159,039,595	175,500,238
<b>Significant Cash Flow Items</b>							
Principal on debt (net of Refunding Bonds)	14,629,100	14,629,100	-	16,770,000	16,615,000	14,820,000	6,960,000
Capital Outlay	0	0	169,782	1,675,135	569,102	2,270,434	143,785
Total Cash Flow Items	14,629,100	14,629,100	169,782	18,445,135	17,184,102	17,090,434	7,103,785

	Housing Development Fund 1/1-12/31/12	Housing Development Fund 1/1-6/30/13	General Agency Reserve Fund System 1/1-12/31/12	General Agency Reserve Fund System Operations 1/1-6/30/13	Theatres 1/1-12/31/12	Theatres 1/1-6/30/13	River Terminal 1/1-12/31/12	River Terminal 1/1-6/30/13	Economic Development Program 1/1-12/31/12	Economic Development Program 1/1-6/30/13
<b>Operating revenues</b>										
Charges for sales and services	\$ -	\$ -	\$ 313,077	\$ 128,082	\$ -	\$ -	\$ 1,651,517	\$ 743,900	\$ 275,000	\$ 114,583
Interest on program activities	45,081	-	5,154,241	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total operating revenues</b>	<b>45,081</b>	<b>-</b>	<b>5,467,318</b>	<b>128,082</b>	<b>-</b>	<b>-</b>	<b>1,651,517</b>	<b>743,900</b>	<b>275,000</b>	<b>114,583</b>
<b>Operating expenses:</b>										
Personal services	-	-	244,525	173,935	1,181	-	5,767	16,703	2,743	4,449
Contractual services	274,397	-	179,327	142,252	1,008	10,000	1,692,817	853,985	5,542	17,407
Other	-	-	6,460	4,242	-	-	500	500	-	-
Depreciation expense	-	-	-	-	-	-	347,526	173,763	-	-
<b>Total operating expenses</b>	<b>274,397</b>	<b>-</b>	<b>430,312</b>	<b>320,429</b>	<b>2,189</b>	<b>10,000</b>	<b>2,046,610</b>	<b>1,044,951</b>	<b>8,285</b>	<b>21,856</b>
<b>Operating income</b>	<b>(229,316)</b>	<b>-</b>	<b>5,037,006</b>	<b>(192,347)</b>	<b>(2,189)</b>	<b>(10,000)</b>	<b>(395,093)</b>	<b>(301,051)</b>	<b>266,715</b>	<b>92,727</b>
<b>Nonoperating revenues (expenses)</b>										
Interest on investments	864	490	93,410	4,367	(8,394)	(6,295)	(3,599)	(1,431)	5,122	2,836
Interest expense	-	-	(5,099,015)	-	-	-	-	-	(15,194)	-
<b>Total nonoperating revenue (expenses)</b>	<b>864</b>	<b>490</b>	<b>(5,005,605)</b>	<b>4,367</b>	<b>(8,394)</b>	<b>(6,295)</b>	<b>(3,599)</b>	<b>(1,431)</b>	<b>(10,072)</b>	<b>2,836</b>
<b>Income (loss) before transfers</b>	<b>(228,452)</b>	<b>490</b>	<b>31,401</b>	<b>(187,980)</b>	<b>(10,583)</b>	<b>(16,295)</b>	<b>(398,692)</b>	<b>(302,482)</b>	<b>256,643</b>	<b>95,563</b>
<b>Net transfers from (to) other funds</b>	<b>(154,516)</b>	<b>-</b>	<b>(1,381,411)</b>	<b>-</b>	<b>400,000</b>	<b>400,000</b>	<b>-</b>	<b>-</b>	<b>154,516</b>	<b>-</b>
<b>Change in net position</b>	<b>(382,968)</b>	<b>490</b>	<b>(1,350,010)</b>	<b>(187,980)</b>	<b>389,417</b>	<b>383,705</b>	<b>(398,692)</b>	<b>(302,482)</b>	<b>411,159</b>	<b>95,563</b>
<b>Total net position - January 1</b>	<b>1,015,905</b>	<b>632,937</b>	<b>34,966,603</b>	<b>1,197,777</b>	<b>(2,112,030)</b>	<b>(1,722,613)</b>	<b>5,678,038</b>	<b>5,279,346</b>	<b>240,835</b>	<b>651,994</b>
<b>Total net position - December 31</b>	<b>\$ 632,937</b>	<b>\$ 633,427</b>	<b>\$ 33,616,593</b>	<b>\$ 1,009,797</b>	<b>\$ (1,722,613)</b>	<b>\$ (1,338,908)</b>	<b>\$ 5,279,346</b>	<b>\$ 4,976,864</b>	<b>\$ 651,994</b>	<b>\$ 747,557</b>

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

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

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

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

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

	Housing Development Fund 12/31/2012	Housing Development Fund 6/30/2013	General Agency Reserve Fund System 12/31/2012	General Agency Reserve Fund System Operations 6/30/2013	Theatres 12/31/2012	Theatres 6/30/2013	River Terminal 12/31/2012	River Terminal 6/30/2013	Economic Development Program 12/31/2012	Economic Development Program 6/30/2013
<b>ASSETS</b>										
<b>Current assets:</b>										
Cash and cash equivalents	\$ 137,821	\$ 138,311	\$ 1,157,820	\$ 1,038,500	\$ (1,720,346)	\$ (1,336,641)	\$ (507,264)	\$ (634,205)	\$ 795,997	\$ 817,125
Deposits with fiscal agents	-	-	39,373,461	-	-	-	-	-	22,277	97,277
Loans and notes receivable	150,000	150,000	-	-	-	-	-	-	-	-
Capital leases	-	-	3,630,000	-	-	-	-	-	-	-
Other current assets	196	196	41,120	2,745	(3,453)	(3,453)	27,924	(960)	1,564	1,564
<b>Total current assets</b>	<b>288,017</b>	<b>288,507</b>	<b>44,202,401</b>	<b>1,041,245</b>	<b>(1,723,799)</b>	<b>(1,340,094)</b>	<b>(479,340)</b>	<b>(635,165)</b>	<b>819,838</b>	<b>915,966</b>
<b>Noncurrent assets:</b>										
Loans and notes receivable	344,987	344,987	-	-	-	-	-	-	-	-
Capital leases	-	-	80,653,137	-	-	-	-	-	-	-
Capital assets (net of accumulated depreciation)	-	-	-	-	-	-	5,787,963	5,614,200	-	-
<b>Total noncurrent assets</b>	<b>344,987</b>	<b>344,987</b>	<b>80,653,137</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,787,963</b>	<b>5,614,200</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 633,004</b>	<b>\$ 633,494</b>	<b>\$ 124,855,538</b>	<b>\$ 1,041,245</b>	<b>\$ (1,723,799)</b>	<b>\$ (1,340,094)</b>	<b>\$ 5,308,623</b>	<b>\$ 4,979,035</b>	<b>\$ 819,838</b>	<b>\$ 915,966</b>
<b>LIABILITIES</b>										
<b>Current liabilities:</b>										
Deposits held for others	-	-	4,469,686	-	-	-	-	-	-	-
Unearned revenue	-	-	1,084,300	-	-	-	-	-	-	-
Bonds payable - current portion	-	-	3,630,000	-	-	-	-	-	-	-
Notes payable - current portion	-	-	-	-	-	-	-	-	116,613	116,613
Other current liabilities	67	67	419,537	20,894	(1,186)	(1,186)	29,277	2,171	10,730	11,295
<b>Total current liabilities</b>	<b>67</b>	<b>67</b>	<b>9,603,523</b>	<b>20,894</b>	<b>(1,186)</b>	<b>(1,186)</b>	<b>29,277</b>	<b>2,171</b>	<b>127,343</b>	<b>127,908</b>
<b>Noncurrent liabilities:</b>										
Bonds payable	-	-	81,625,000	-	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-	-	-	40,501	40,501
Compensated absences payable	-	-	10,422	10,554	-	-	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>81,635,422</b>	<b>10,554</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,501</b>	<b>40,501</b>
<b>Total liabilities</b>	<b>67</b>	<b>67</b>	<b>91,238,945</b>	<b>31,448</b>	<b>(1,186)</b>	<b>(1,186)</b>	<b>29,277</b>	<b>2,171</b>	<b>167,844</b>	<b>168,409</b>
<b>NET ASSETS</b>										
Invested in capital assets, net of related debt	-	-	-	-	-	-	5,787,963	5,614,200	-	-
Restricted	-	-	33,616,593	1,009,797	-	-	-	-	-	-
Unrestricted	632,937	633,427	-	-	(1,722,613)	(1,338,908)	(508,617)	(637,336)	651,994	747,557
<b>Total net assets</b>	<b>632,937</b>	<b>633,427</b>	<b>33,616,593</b>	<b>1,009,797</b>	<b>(1,722,613)</b>	<b>(1,338,908)</b>	<b>5,279,346</b>	<b>4,976,864</b>	<b>651,994</b>	<b>747,557</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 633,004</b>	<b>\$ 633,494</b>	<b>\$ 124,855,538</b>	<b>\$ 1,041,245</b>	<b>\$ (1,723,799)</b>	<b>\$ (1,340,094)</b>	<b>\$ 5,308,623</b>	<b>\$ 4,979,035</b>	<b>\$ 819,838</b>	<b>\$ 915,966</b>



# 2013 Second Quarter Cash and Investments Report

(Presented to Ways and Means, September 17, 2013)

In accordance with the City's investment policy, revenue not immediately required for payment of obligations shall be placed in authorized investments. The objectives of the City's investment strategy, in order of priority, are safety of principal, liquidity and yield. As of June 30, 2013, the City's current investment portfolio was valued at \$561.1 million. The sector holdings and fund distributions are shown below. For the twelve months ended June 30, 2013, the portfolio has underperformed its benchmark.

Investment Performance period ended June 30, 2013	City Portfolio	Custom Benchmark*
3 month Total Return	-0.44%	-0.09%
12 months Total Return	0.08%	0.22%
3 year Total Return	0.66%	0.50%
Credit Quality	AGY	TSY

\*Custom Benchmark is a combination of the Merrill Lynch 1-3 year Treasury Index, the Merrill Lynch 3 month US T-Bill Index and the Citigroup 1 month T-Bill Index, weighted for actual investment balances.

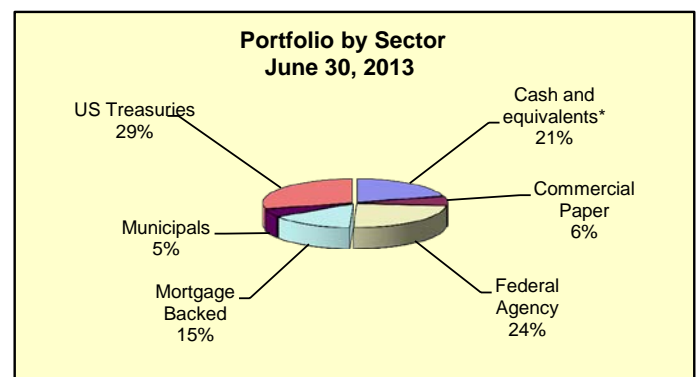
## Portfolio Holdings

### By Sector

Market Value in millions

	June 30 2013	% of port.	June 30 2012	% of port.
<b>Cash and equivalents*</b>	\$ 114.4	20%	\$ 98.7	19%
<b>Commercial Paper</b>	33.9	6%	46.7	9%
<b>Federal Agency</b>	135.7	24%	129.8	25%
<b>Mortgage Backed</b>	84.8	15%	57.1	11%
<b>Municipals</b>	28.3	5%	15.6	3%
<b>US Treasuries</b>	164.0	29%	171.4	33%
<b>Total Cash &amp; Investments</b>	\$ 561.1	100%	\$ 519.3	100%

\*Net of checks outstanding



## Funds Performance

Book Value in millions

	June 30 2013	% of funds	June 30 2012	% of funds
<b>Debt Service</b>	\$ 27.3	5%	\$ 40.4	8%
<b>Development</b>	21.4	4%	25.7	5%
<b>Enterprise Fund</b>	110.4	20%	105.2	20%
<b>General</b>	89.0	16%	69.5	13%
<b>Internal Service</b>	97.1	17%	72.6	14%
<b>NRP</b>	37.6	7%	42.5	8%
<b>Park Board</b>	(3.9)	-1%	(1.2)	0%
<b>TIF</b>	92.5	16%	81.1	16%
<b>Convention Center</b>	50.0	9%	27.5	5%
<b>Other</b>	17.2	3%	17.9	3%
<b>Sub Total City Op. Port.</b>	\$ 538.6	96%	\$ 481.2	93%
<b>Bond Proceeds/Const.</b>	24.1	4%	36.1	7%
<b>TOTAL Book Value</b>	562.7	100%	517.3	100%
<b>Unrealized G/L &amp; Acc int</b>	(1.6)		2.5	
<b>All Funds Mkt Value</b>	\$ 561.1		\$ 519.8	

