

3rd Quarter 2016 Financial Status Report

Finance & Property Services Dept.
November 14, 2016

City of Minneapolis
Interim Financial Report Index for the 3rd Quarter of 2016

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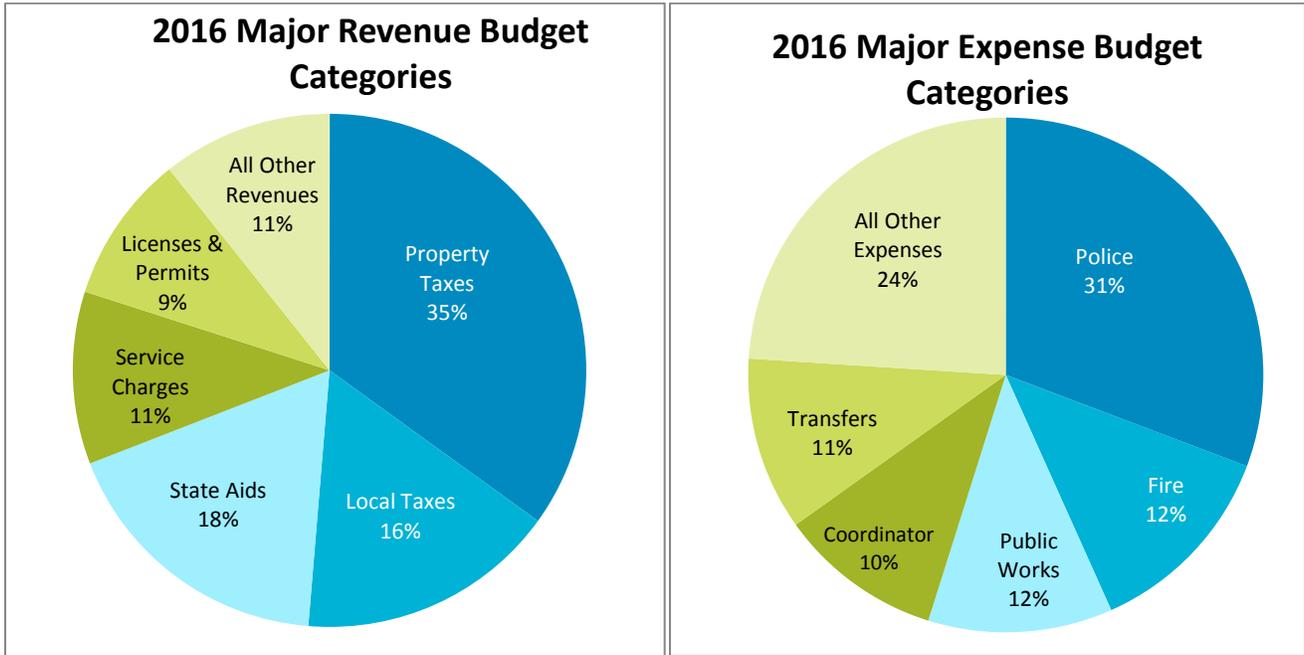
**INDIVIDUAL FUNDS
Schedules and Analysis**

**City of Minneapolis
Financial Status Report – 3rd Quarter 2016**

General Fund

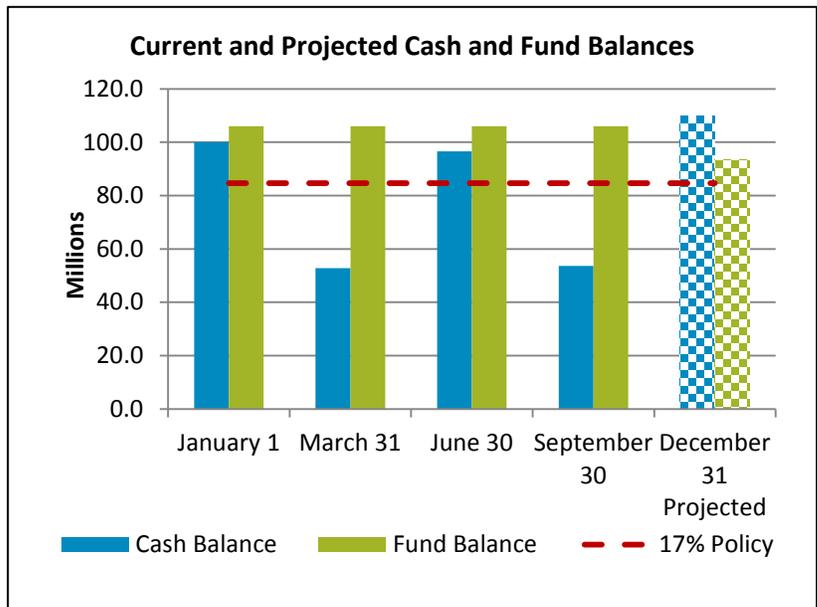
Fund Description

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required by law or administrative action to be accounted for in another fund. The Fund's 2016 current revenue budget is \$464.4 million, while the Fund's 2016 current expense budget is \$492.7 million, including transfers.



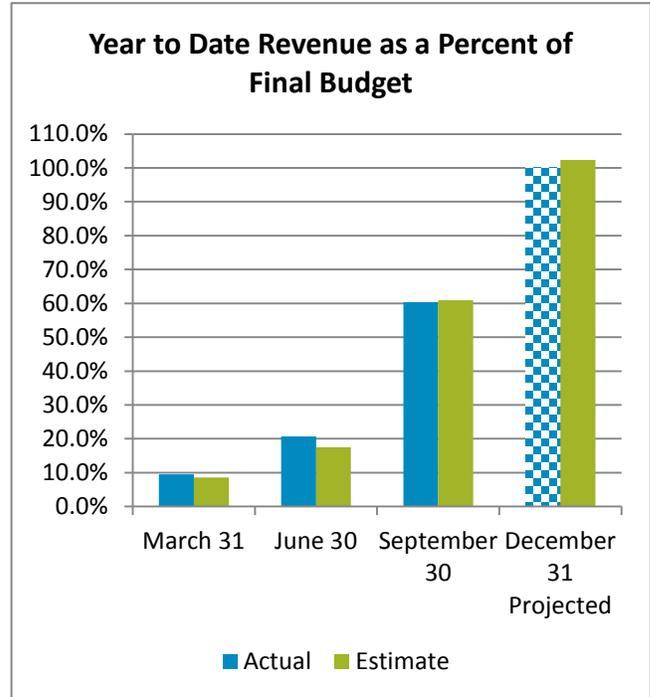
Cash and Fund Balance

The fund balance for the General Fund at year-end 2015 was \$106.0 million. This is an increase of \$3.6 million over the 2014 ending fund balance of \$102.4 million. The current budget for 2016 includes a planned use of fund balance totaling \$28.5 million. Current projections for year-end forecast a reduction in fund balance of \$12.1 million. Current revenue projections come in slightly over budget by approximately \$0.5 million and expenditure projections come in \$15.6 million under budget. The City's financial policy for General Fund balance is to maintain 17.0% of the following year's expenditure budget. For 2016, this is equivalent to \$84.6 million which is 17.0% of the 2017 General Fund budget of \$497.8 million, including transfers. Fund balance is projected to be \$93.9 million at year end. The year-end cash balance is projected to be approximately \$110.5 million which is \$7.1 million less than the 2015 ending cash balance due to planned spending on operations and projects.



Revenues

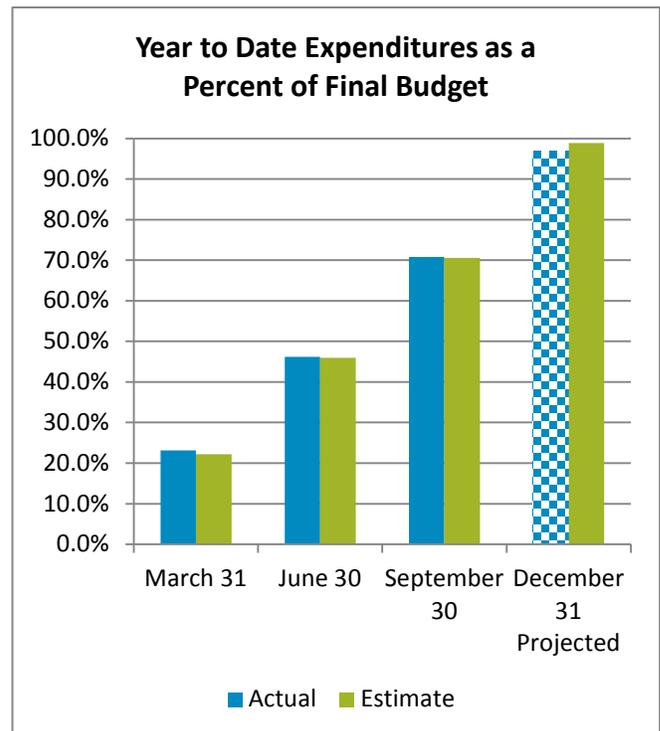
Year-end revenues are projected to be \$465.0 million, slightly over the budgeted amount of \$464.4 million. In the past two years, revenues have exceeded budget by \$10 to \$15 million. In an effort to more closely align the General Fund revenue budget with actual results from prior years, the 2016 revenue budget was increased by \$15.2 million over the 2015 budget, excluding transfers. The budget for property taxes increased \$2.6 million while the remainder of the increase is in multiple categories including charges for services, licenses and permits, and local taxes. Property and local taxes make up 51.4% of the General Fund revenue budget. One half of each of these revenue sources was received between the second and third quarters while the final half is received in the fourth quarter. Licenses and permits, investment income, and miscellaneous receipts are all surpassing year-to-date expectations and are projected to exceed budget by year end. Charges for services, franchise fees, and fines and forfeits are projected to come in under budget. Milder weather is driving down franchise fees collected from utilities, while fines are down due to changes in technology and ticketing procedures. Approximately 60.2% of the General Fund revenue has been collected through the third quarter. Major fourth quarter revenues include the second half of the property tax and special assessments as well as the second half of Local Government Aid. Both of these revenues are expected to be at or near budget. Due to favorable market conditions, investment income is expected to exceed budget by approximately \$1.1 million.



Expenditures

The total expense budget for 2016 is \$492.7 million. Six departments comprise 77.3% of the total General Fund budget: Police, Fire, Public Works, the City Coordinator, Community Planning and Economic Development (CPED), and Regulatory Services. Small percentage variances in any of these large departments can have a significant effect on the amount of surplus or deficit in the General Fund expenditure budget. Expenditures through the end of 2016 are projected to be under budget by 3.2% or \$15.6 million for total expenditures of \$477.1 million.

Most departments in the General Fund are projecting expenditures below budget with a few exceptions. Most significantly, the Police department is projected to exceed budget by \$3.6 million due to a variety of factors surrounding personnel costs. Overtime and regular wages as a result of hiring and training staff will drive costs over budget. Contingency funds of \$4.0 million could be used to offset this overage. The City Clerk department is projecting to be over budget by almost \$1.5 million due to costs related to the general election. Other departments are projected to come in at or under budget generally due to personnel savings and the delayed start of projects related to the CARS process. CPED is projecting to be under budget by \$4.1 million due to ongoing, multiyear projects that have not been completed.



**City of Minneapolis
General Fund
September 30, 2016**

	Original Budget	Revised Budget	Year-to-Date	Percent of		Projected Year End Totals	Surplus (Deficit) Budget vs Projected	Projected Year End as a Percent of Revised Budget
				Revised Budget	Remaining			
Revenues								
Property Taxes	\$ 162,081,200	\$ 162,081,200	\$ 84,200,357	48%	\$ 162,081,200	\$ -	100%	
Local Taxes	76,000,000	76,000,000	49,155,047	35%	76,250,000	250,000	100%	
State Aids	82,674,393	82,674,393	41,843,899	49%	82,950,000	275,607	100%	
Charges for Services	50,317,003	50,350,003	35,200,896	30%	49,500,000	(850,003)	98%	
Franchise Fees	31,450,000	31,450,000	20,584,595	35%	30,000,000	(1,450,000)	95%	
Licenses & Permits	43,536,474	43,536,474	36,112,650	17%	45,500,000	1,963,526	105%	
Fines & Forfeits	7,312,500	7,312,500	4,212,767	42%	6,400,000	(912,500)	88%	
Special Assessments	3,347,601	3,347,601	1,957,628	42%	3,347,601	-	100%	
Investment Income	2,200,000	2,200,000	2,662,007	-21%	3,273,259	1,073,259	149%	
Other Intergovernmental	698,860	878,860	593,672	32%	900,000	21,140	102%	
Other Miscellaneous	579,000	579,000	660,275	-14%	750,000	171,000	130%	
Contributions	-	-	5,000	0%	5,000	5,000	0%	
Total Revenues	460,197,031	460,410,031	277,188,790	40%	460,957,060	547,029	100%	
Transfers In - Parking Fund	4,029,000	4,029,000	3,021,775	25%	4,029,000	-	100%	
Revenues and Other Sources	\$ 464,226,031	\$ 464,439,031	\$ 280,210,565	40%	\$ 464,986,060	\$ 547,029	100%	
Expenditures								
Police	152,773,308	152,883,308	111,669,560	27%	156,461,572	(3,578,264)	102%	
Fire	62,323,551	62,356,551	45,094,531	28%	62,356,551	-	100%	
Human Resources	6,692,288	6,752,288	4,863,702	28%	6,563,430	188,858	97%	
Finance & Property Services	21,576,983	21,472,947	15,969,299	26%	21,338,300	134,647	99%	
911	9,212,137	9,432,137	6,440,075	32%	9,182,137	250,000	97%	
311	3,772,825	3,884,825	2,825,545	27%	3,884,825	-	100%	
City Coordinator	4,270,552	4,333,088	2,205,373	49%	4,259,500	73,588	98%	
Intergovernmental Relations	1,541,315	1,541,315	1,030,831	33%	1,444,600	96,715	94%	
Communications	2,236,818	2,244,529	1,572,908	30%	2,200,000	44,529	98%	
Emergency Management	812,740	812,740	622,022	23%	848,000	(35,260)	104%	
Neighborhood & Community Relations	220,000	385,000	316,328	18%	385,000	-	100%	
City Coordinator - Total	50,335,659	50,858,870	35,846,084	30%	50,105,792	753,077	99%	
Transportation Planning & Design	2,005,055	2,005,055	1,300,503	35%	1,957,000	48,055	98%	
Transportation Plan Programming	2,443,428	2,443,428	1,418,138	42%	2,250,000	193,428	92%	
Transportation Maintenance & Repair	32,572,339	32,572,339	23,697,856	27%	31,571,572	1,000,767	97%	
Public Works Administration	3,282,491	3,532,491	2,654,093	25%	3,482,491	50,000	99%	
Traffic & Parking Services	16,727,820	16,907,820	11,421,254	32%	16,983,048	(75,228)	100%	
Public Works - Total	57,031,134	57,461,134	40,491,844	30%	56,244,111	1,217,023	98%	
Regulatory Services	18,717,164	19,721,964	12,768,072	35%	19,608,550	113,414	99%	
Attorney	9,575,487	9,575,487	6,760,675	29%	9,425,000	150,487	98%	
City Council & City Clerk	9,905,055	9,977,081	7,976,266	20%	11,426,298	(1,449,217)	115%	
Culture & Recreation - Library	1,560,000	1,560,000	780,000	50%	1,560,000	-	100%	
Contingency	4,000,000	4,000,000	-	100%	-	4,000,000	0%	
Assessor	5,027,275	5,162,275	3,783,309	27%	5,162,275	-	100%	
CPED	35,783,506	37,690,245	22,786,860	40%	33,600,000	4,090,245	89%	
Health	8,913,842	9,063,842	5,983,068	34%	9,053,947	9,895	100%	
Civil Rights	3,310,246	3,560,246	2,495,076	30%	3,310,247	249,999	93%	
Mayor	1,987,715	2,027,715	1,523,799	25%	2,027,715	-	100%	
Internal Audit	592,261	617,261	480,712	22%	617,261	-	100%	
Total Expenditures	421,836,204	426,515,980	298,439,858	30%	420,959,320	5,556,660	99%	
Transfers Out	66,412,211	66,162,211	50,705,596	23%	56,162,211	10,000,000	85%	
Expenditures and Other Uses	\$ 488,248,415	\$ 492,678,191	\$ 349,145,453	29%	\$ 477,121,531	\$ 15,556,660	96.84%	
Change in Fund Balance					(12,135,471)			
Fund Balance - January 1, 2016					105,990,798			
Fund Balance - December 31, 2016 (Projected)					\$ 93,855,327			

Convention Center Special Revenue Fund Report For the 3rd Quarter Ending September 30, 2016

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

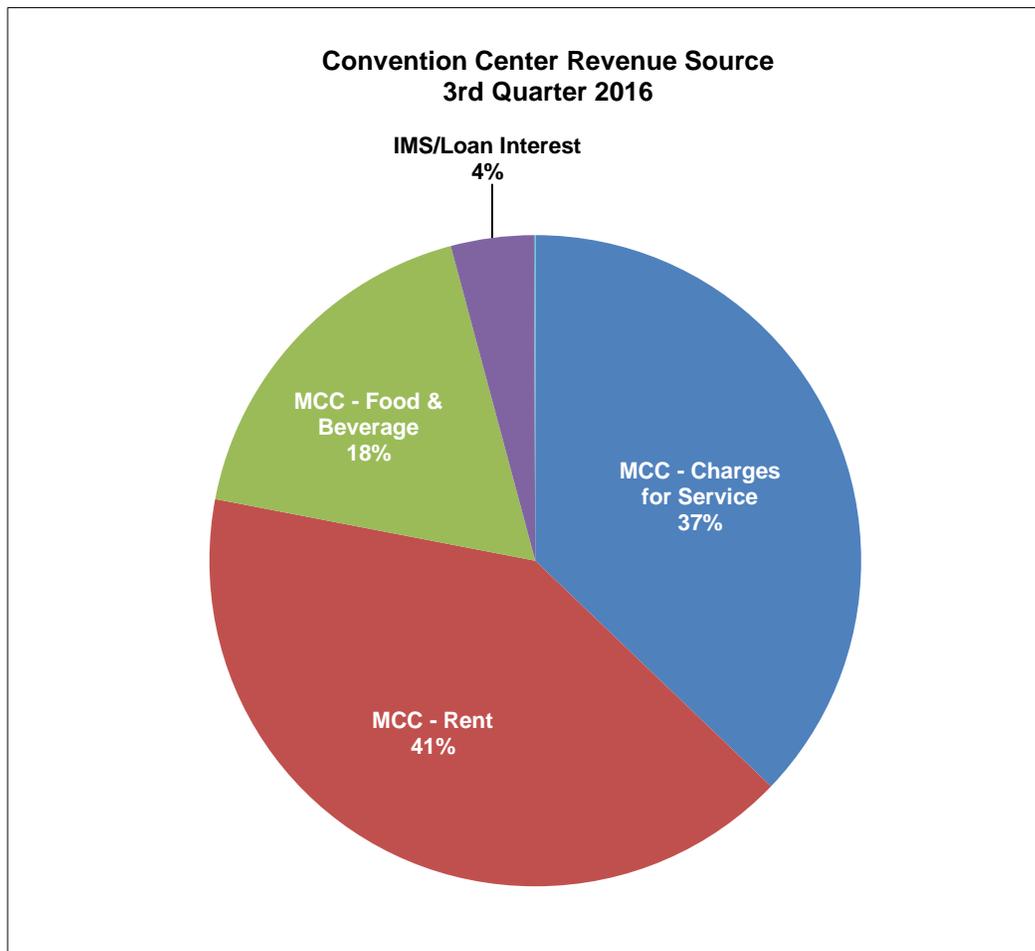
Revenue

Tax Revenue

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

Operating Revenue

Through the 3rd quarter of 2016, operating revenue ended at nearly \$14.8 million or 89% of the \$16.7 million budget. Rents and Commissions had the strongest finish at \$6.3 million or 88% of budget followed by Charges for Services and Sales at approximately \$5.7 million or 96% of budget, and finally Catering Commissions which finished at \$2.7 million or 78% of budget.



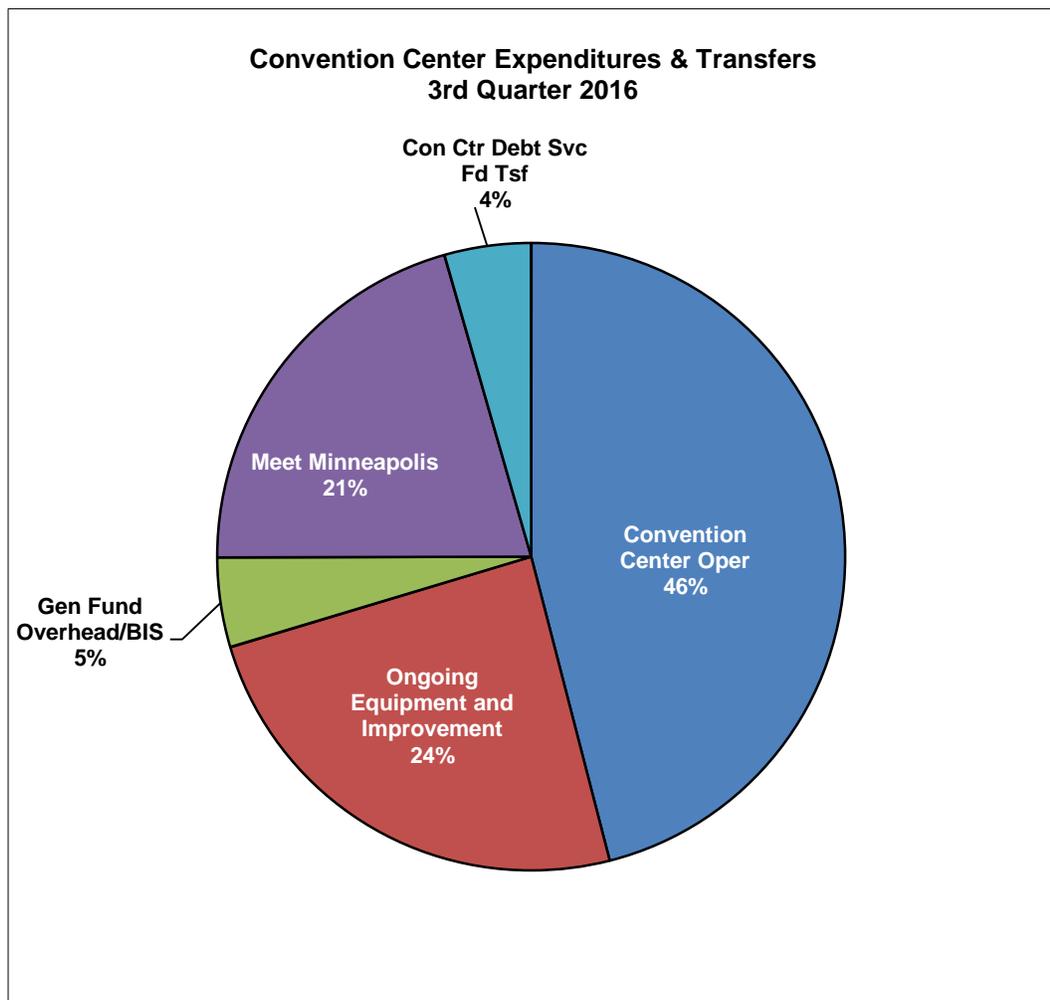
Through September 30, 2016, the Convention Center hosted 258 events with just over 608,000 attendees, and year-to-date operating revenues are currently 9% ahead of 2015, our record-setting year. Economic impact to the community as a result of events in 2016 is estimated to be approximately \$198 million.

Operating Expenditures

Through the 3rd quarter of 2016, Convention Center operating expenses, not including Ongoing Equipment and Improvement, IT, and General Fund Overhead, finished at approximately \$16.9 million or 71% of budget. The Convention Center continues to work on its 'no waste' initiative as well as further enhancements to the energy efficiency practices that were put in place in 2009. The ongoing management of operating expenses includes a variety of cost containment activities:

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

In Ongoing Equipment and Improvements, the Convention Center finished the 3rd quarter at nearly \$9.0 million or 58% of the nearly \$15.5 million budget which includes a \$4.8 million 2016 rollover of obligated and unspent 2015 funds. In 2016, the Convention Center has worked on much needed projects such as operable walls, rainwater harvesting system, HVAC system upgrade, lobby railing enhancement/replacement, exhibit hall fronts video boards/wood cladding, Terrazzo floor repair, interior painting of public spaces, LED lighting upgrades, Hall A concession stand remodel, AV equipment, pantry door upgrades, west entrance landscape renovation, building lighting controls, and auditorium sound. These projects allow the Convention Center to remain competitive in the national market.



Transfers

The Convention Center Fund annually transfers funds for debt service, in addition to receiving a transfer from the General Fund. In 2016, transfers for debt service for debt issued for the building and building domes are budgeted in total at \$24.6 million. The building debt is expected to be paid off in 2020. The transfer from the General Fund is budgeted at nearly \$50.1 million to fund Convention Center operating and non-operating expenditures. In addition, the Convention Center is receiving a nearly \$1.8 million transfer from the IT Department for a capital advance. The IT transfer is being accounted for on the balance sheet.

Meet Minneapolis

Beginning In 2004, Meet Minneapolis entered into a series of loan agreements with the City for its joint venture, Internet Destination Sales System (iDSS). A total of three loans were consolidated into one \$10 million loan in 2007. The consolidated loan has a 10 year amortization of principle (2008-2017) repaid in full in 2017 at a 5% interest rate. Meet Minneapolis's quarterly sales and marketing payment from the City is reduced by the amount of the interest and principal payments due for that particular period. In November 2014, Meet Minneapolis sold iDSS, but the principal and interest payments to the City will continue. Meet Minneapolis is budgeted at approximately \$9.9 million in 2016.

Fund/Cash Balance

The 2015 ending fund balance was \$66.2 million which was an increase of over \$3.2 million from 2014. The increase can be attributed to increased 2015 operating revenue coupled with decreased 2015 operating expense. The 2016 ending fund balance is projected to be nearly \$59.1 million which is a decrease of \$7.1 million from 2015. The decrease is primarily related to the projected increase in ongoing expenditures for equipment and improvements.

**CONVENTION CENTER SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the fiscal quarter ending September 30, 2016**

CITY OF MINNEAPOLIS, MINNESOTA

	2016				2015 Actual
	Budget	Actual	Percent of Total	Year End Projection	
REVENUE					
Operating Revenue:					
Charges for Services and Sales	6,000,000	5,730,335	96%	6,226,000	6,523,029
Rents and Commissions	7,197,000	6,302,890	88%	7,526,378	7,863,203
Catering Commissions	3,500,000	2,745,596	78%	4,144,000	3,902,897
Total Operating Revenue	16,697,000	14,778,821	89%	17,896,378	18,289,129
Other Non Operating Revenue:					
Investment Management Services Interest	183,600	544,543	297%	726,000	369,572
Meet Minneapolis (iDSS) Loan Interest	113,628	88,377	78%	113,628	164,130
Other	-	9,143	-	10,000	154,441
Total Other Non Operating Revenue	297,228	642,063	216%	849,628	688,143
Total Non Operating Revenue	297,228	642,063	216%	849,628	688,143
Total Revenue	16,994,228	15,420,884	91%	18,746,006	18,977,272
EXPENDITURES					
Convention Center Operations	23,658,986	16,907,338	71%	23,682,400	22,423,147
Ongoing Equipment and Improvement	15,467,177	8,963,909	58%	15,467,000	9,054,844
General Fund Overhead/IT Operating	2,265,297	1,698,977	75%	2,265,297	2,156,543
Meet Minneapolis	9,905,000	7,566,250	76%	9,905,000	10,031,000
Total Expenditures	51,296,460	35,136,474	68%	51,319,697	43,665,534
Excess of Revenues Over (Under) Expenditures	(34,302,232)	(19,715,589)	57%	(32,573,691)	(24,688,262)
OTHER FINANCING SOURCES (USES)					
General Fund Transfer - Operating Subsidy	50,050,000	37,537,500	75%	50,050,000	50,340,000
Facility Reserve Fund Transfer to Convention Ctr	-	-	-	-	5,400,450
Convention Ctr Debt Service Transfer	(24,612,125)	(1,640,372)	7%	(24,612,125)	(24,320,713)
Total Other Financing Sources (Uses)	25,437,875	35,897,128	141%	25,437,875	31,419,738
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(8,864,357)	16,181,539		(7,135,816)	6,731,476
Fund Balance - January 1	67,185,554	72,586,004		67,185,554	60,454,078
Ending Fund Balance	58,321,197	88,767,543		60,049,738	67,185,554
Ending Cash Balance		82,339,977		59,074,065	66,209,881

Arena Special Revenue Fund Q3 2016 Report

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

Revenue

Arena Special Revenue Fund activity was historically funded from entertainment tax and a transfer from the Parking Fund. In 2014, rent from the Timberwolves organization was added as a new revenue source. The 2016 rent payment was \$1.35 million. Entertainment taxes generated from activities in the Arena are received directly into the Arena Special Revenue Fund (Target Center). Currently the estimated 2016 entertainment taxes are \$1.66 million, which are 19% greater than the amount estimated in the 2016 budget.

Expenditures

The Arena Special Revenue Fund has an ongoing equipment and improvements budget of nearly \$10.6 million which includes a 2015 to 2016 rollover of obligated but unspent funds of \$5.9 million. In 2016 work is being undertaken on much needed projects including lighting upgrades, elevator modernization, building automation system, domestic water and waste lines, and the realignment of Seventh Street. It is expected that a request will be made for the unspent appropriation to be rolled over into 2017 for anticipated upgrades to the ice floor and the LAN (Local Area Network) projects. In addition, the Fund pays any required reimbursement to AEG to support Arena operating costs. The estimated operator reimbursement for 2016 will be \$1.9 million.

Transfers

The Arena Special Revenue Fund receives an annual transfer from the Parking Fund. The 2016 budgeted transfer is \$3.7 million. This transfer is made on a periodic schedule and will meet the 2016 budget.

Debt Service

As of September 30, 2016, \$43.1 million of general obligation tax increment bonds issued to fund the acquisition of the Target Center remained outstanding. This debt is payable from tax increment generated by the City's Consolidated TIF District and is expected to be paid in full by 2022. The tax increment and debt payments on these bonds are accounted for within CPED funds and are included in the quarterly report for the CPED Special Revenue Funds.

Fund Balance

The 2016 ending fund balance is projected to be \$10.5 million, which is approximately \$4.8 million less than 2015. The primary reason for the decrease is the result of a projected increase in 2016 capital expenditures coupled with an increase in operating expenses.

**ARENA SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the fiscal quarter ending September 30, 2016**

	2016			
	Budget	Actual	Year End Projection	2015 Actual
REVENUES:				
Entertainment Tax	1,394,000	1,394,000	1,657,463	1,580,438
Rents & Commissions	1,350,000	1,350,000	1,350,000	1,350,000
Interest	33,660	124,358	186,000	57,239
Miscellaneous Revenue	-	-	-	1,800
Total revenues	2,777,660	2,868,358	3,193,463	2,989,477
OTHER FINANCING SOURCES (USES):				
Target Center Operations	(5,531,392)	(2,540,085)	(3,350,000)	(1,507,634)
Target Center Capital	(10,553,295)	(2,197,845)	(8,281,000)	(1,859,644)
Municipal Parking Enterprise Fund	3,728,377	2,796,283	3,728,377	3,522,696
Transfer from the General Fund	-	-	-	2,000,000
Bond Interest	-	(55,550)	(55,550)	-
Total other financing sources (uses)	(12,356,310)	(1,997,197)	(7,958,173)	2,155,418
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(9,578,650)	871,162	(4,764,710)	5,144,895
Fund Balance - January 1	15,221,072	15,221,072	15,221,072	10,076,177
Ending Fund Balance	5,642,422	16,092,234	10,456,362	15,221,072
Ending Cash Balance		16,073,117	11,552,303	16,317,013

City of Minneapolis
2016 Quarterly Financials
Police Special Revenue Fund

Background

The Police Special Revenue Fund accounts for the City's revenues and expenses related to federal and state administrative forfeitures, lawful gambling, non-emergency service contracts, Automated Property System, and the Workforce Director scheduling and payroll system. The Automated Property and Workforce Director systems are proprietary software systems that are owned and managed by the City of Minneapolis and recovers expenses from user agreements with other governmental and non-governmental entities.

The non-emergency service contracts are typically entered into by the City of Minneapolis Police Department and an external entity usually located within the City of Minneapolis. The Police provide non-emergency services for sporting events, concerts, or extra presence at designated facilities or geographic areas.

Periodically, City departments (frequently Public Works) contract with Police to provide additional services at a desired location(s). The Police Special Revenue Fund is also used to account for revenues and expenses associated with these types of contracts.

Historical Financial Performance

The accumulated fund balance for year ending 2015 is \$1.6 Million compared to 2014 fund balance of \$1.1 million. Increase of \$500 thousand in fund balance was primarily due to a decrease in 2015 personnel service cost due to vacancies and one-time \$250 thousand Workforce Director expenditures charged to the general fund.

Revenues

Actual revenues for the Police Special Revenue Fund remained consistent between 2014 and 2015. For 2014 and 2015, actual revenue was \$2.2 Million. The total revenue budgeted for 2016 is \$3.7 million. Through 3rd Quarter of 2016, \$1.8 Million in revenues has been received compared to \$1.6 million through 3rd quarter of 2015. The projected 2016 year-end revenues are expected to be \$500 thousand under budget or \$3.2 million, primarily due to decrease in revenues associated with major events/sports at US Bank and TCF Bank stadiums (actual hours worked are expected to be less than budgeted hours).

Expenditures

Expenditures for the Police Special Revenue Fund decreased from \$2.1 million in 2014 to \$1.6 million in 2015. Through the 3rd quarter of 2016, \$1.5 million has been expended compared to \$1.2 million in 2015. The projected 2016 year end expenditures are expected to be at \$500 thousand under budget or \$3.2 million, primarily due to decrease in payroll cost associated with major events/sports at US Bank and TCF bank stadiums (actual hours worked are expected to be less than budgeted hours).

Fund Balance

Based on the 2016 Projections, no significant change from 2015 fund balance is anticipated and the Fund Balance at year end is expected to be \$1.6 million.

City of Minneapolis
Police Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For Third Quarter/Years 2016, 2015, 2014, and 2013

	Budget Current Year 2016	Projected Year Ending 2016	For Period Ending 9/30/2016	For Year Ending 2015	For Period Ending 9/30/2015	For Year Ending 2014	For Period Ending 9/30/2014
Revenue							
Charges for Services and Sales	3,098,217	2,598,217	1,304,761	1,523,619	1,018,842	1,660,104	911,642
Fines and Forfeits	400,000	400,000	382,539	502,885	450,636	463,645	351,053
Miscellaneous	-	-	-		1,500	-	1,500
Taxes	182,250	182,250	138,127	186,863	144,987	131,216	104,172
		-					
Total Revenue	3,680,467	3,180,467	1,825,427	2,213,367	1,615,965	2,254,966	1,368,367
Expenditures							
Contractual Services	715,729	715,729	610,584	672,037	441,979	814,639	500,861
Fringes	222,968	222,968	163,153	144,804	103,244	212,783	152,502
Materials / Other	379,933	379,933	117,365	238,558	263,596	352,049	272,192
Personal Services	2,361,837	1,861,837	650,149	604,386	421,636	781,591	531,248
Total Expenditures	3,680,467	3,180,467	1,541,251	1,659,784	1,230,455	2,161,062	1,456,803
Excess of Revenues Over (Under) Expenditures	(0)	(0)	284,176	553,583	385,510	93,903	(88,436)
Other Financing Sources (Uses)							
Net transfers in from other funds							
Net transfers out to other funds							
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(0)	(0)	284,176	553,583	385,510	93,903	(88,436)
Significant Balance Sheet Items:							
Cash Balance	1,429,238	1,429,238	1,778,108	1,429,238	1,398,569	1,496,279	886,407
Fund Balance	1,649,109	1,649,109	1,933,285	1,649,110	1,481,036	1,095,527	913,187

City of Minneapolis
NCR Special Revenue Fund: 01800
For the 3rd Quarter Ended September 30, 2016

Neighborhood and Community Relations Special Revenue Fund

The Neighborhood & Community Relations (NCR) Special Revenue Fund accounts for neighborhood revitalization efforts within the City and is funded by the revenues of the Consolidated Redevelopment Tax Increment Financing District. The district was established pursuant to special legislation adopted in 2008, and must be decertified no later than December 31, 2020.

The tax increment revenue generated by the district, for neighborhood revitalization purposes, may be spent anywhere within the City of Minneapolis. The Fund is used primarily for community engagement and neighborhood-based initiatives, as well as a portion of the NCR administrative costs.

Historical Financial Performance

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

Revenues

In FY2016, \$3.1 million has been transferred from the Consolidated Redevelopment Tax Increment Financing District Fund to the NCR Special Revenue Fund for the first half of the year and \$3.1 million more will be transferred for the second half of FY 2016. In FY 2015, \$6.2 million of revenue and in FY 2014 \$5.5 million of revenue were transferred to Neighborhood and community relation special revenue fund.

Expenditures

The Neighborhood and Community services expenditures from this fund through the third quarter of FY 2016 are \$4.4 million. Total projected expenditures are expected to be \$6.1 million in FY 2016. These expenditures are for Access and Outreach support, coordinated engagement services and Neighborhood engagement activities. This fund also serves as the primary source for NCR operating expenditures.

Fund Balance

The Fund balance projection for 2016 year-end is \$4 million based on the current activities. This is similar to the fund balance amount in FY 2015.

City of Minneapolis
NCR Special Revenue Fund : 01800
Statement of Revenues, Expenditures and Changes in Fund Balance
For Years, 2016, 2015, and 2014

	Budget Current Year 2016	Projected Year Ending 2016	For Period Ending 9/30/2016	For Year Ending 2015	For Period Ending 9/30/2015	For Year Ending 2014
Revenue						
Special Assessments						
Loan Recapture		5,575	5,575	-		2,175
Other			-	-		3,400
Total Revenue	-	5,575	5,575	-	-	5,575
Expenditures						
Neighborhood Community Relations	6,127,000	6,037,858	4,438,664	5,351,616	3,856,006	3,138,045
Total Expenditures	6,127,000	6,037,858	4,438,664	5,351,616	3,856,006	3,138,045
Excess of Revenues Over (Under) Expenditures	(6,127,000)	(6,032,283)	(4,433,089)	(5,351,616)	(3,856,006)	(3,132,470)
Other Financing Sources (Uses)						
Net transfers in from other funds	6,127,000	6,127,000	3,063,500	6,225,384	3,409,368	5,520,516
Net transfers out to other funds						
Total Other Financing Sources (Uses)	6,127,000	6,127,000	3,063,500	6,225,384	3,409,368	5,520,516
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	94,717	(1,369,589)	873,768	(446,638)	2,388,046
Significant Balance Sheet Items:						
Cash Balance		4,200,000	2,600,250	4,105,282	2,633,957	3,064,234
Fund Balance		4,005,200	2,540,890	3,910,480	2,590,074	3,036,712

10-25-16/hf

City of Minneapolis
Regulatory Services Special Revenue Fund

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

Historical Financial Performance

The City established this fund in 2008, and through 2013, it accumulated a fund balance of \$5.5 million. This balance is the result of various initiatives in previous years and the availability of grant funds to pay for certain eligible expenses. These two revenue sources were not ongoing, leaving special assessments and direct property owner charges as the only sources of revenue for this fund. These resources will face challenges in 2017 and beyond as assessments and property charges have been declining due an improved economy where residents have the resources to make necessary property repairs.

Revenues

Revenues for the Regulatory Services Special Revenue Fund have been declining since 2011. The total revenue budgeted for 2016 is \$3.10 million; \$3.0 million of this is from special assessments. Through the 3rd quarter of 2016, \$2.6 million in revenue had been received compared to \$2.1 million in September of 2015. 2016 year end revenue projections are \$3.5 million, or approximately \$392,000 over budget. Revenue in future years is projected to remain flat at current levels.

Expenditures

Expenditures for the Regulatory Services Special Revenue Fund include services such as demolitions, board-ups, nuisance grass cutting, nuisance tree removals, and nuisance rubbish removal. Through the 3rd quarter of 2016, \$3.4 million had been expended as compared to \$3.5 million in 2015. The projected 2016 year end expenditures are expected to be \$4.5 million, or approximately \$626,155 under the 2016 budget.

Fund Balance

Based on the 2016 Projections, the Fund Balance at year end is expected to be \$3.5 million, a \$1.0 million decrease from 2015 year end. Based on dropping revenue projections and some new initiatives going forward, the Fund Balance is expected to drop further in future years.

City of Minneapolis
Regulatory Services Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For Third Quarter/Years 2016, 2015, and 2014

	Budget Current Year 2016	Projected Year Ending 2016	For Period Ending 9/30/2016	For Year Ending 2015	For Period Ending 9/30/2015	For Year Ending 2014
Revenue						
Permits and Charges for Services	96,000	270,000	163,513	279,418	199,843	334,698
Special Assessments	2,987,000	3,100,000	2,386,333	3,838,151	1,866,358	3,044,421
Other	-	105,000	80,417	71,920	3,692	34,789
Total Revenue	3,083,000	3,475,000	2,630,263	4,189,490	2,069,893	3,413,908
Expenditures						
Regulatory Services	4,885,507	4,222,000	3,168,048	4,432,875	3,291,796	3,579,206
Community & Economic Development	217,648	255,000	190,160	272,699	204,683	268,083
Total Expenditures	5,103,155	4,477,000	3,358,208	4,705,574	3,496,480	3,847,289
Excess of Revenues Over (Under) Expenditures	(2,020,155)	(1,002,000)	(727,945)	(516,084)	(1,426,586)	(433,381)
Other Financing Sources (Uses)						
Net transfers in from other funds						
Net transfers out to other funds						
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,020,155)	(1,002,000)	(727,945)	(516,084)	(1,426,586)	(433,381)
Significant Balance Sheet Items:						
Cash Balance	2,598,938	3,617,093	3,862,206	4,619,093	3,742,747	5,135,177
Fund Balance	2,501,286	3,519,441	3,793,496	4,521,441	3,610,939	5,037,525

SPECIAL REVENUE FUNDS
Federal, CDBG, and Other State and Local Grants
Quarter Ending September 30, 2016

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

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

Federal Grants Fund (01300)

The City accounts for its federal grant activity in fund 01300. As of September 30, 2016 expenditures were \$9,748,359 compared to the 2015 expenditures of \$9,732,027. The expenditure levels are fairly consistent between 2016 and 2015 unlike prior years that were impacted by remaining Recovery grants winding down. The City recently received an award for \$5 million over 5 years from the U.S. Department of Health and Human Services, Mental Health Branch, for Resiliency in Communities after Stress and Trauma (ReCAST). The grant is provided through the Substance Abuse and Mental Health Services Administration (SAMHSA). The City was one of 8 cities that received the award. Expenditures for this grant program will begin in November 2016 for the first award year ending on September 29, 2017.

HUD Consolidated Plan Funds (01400 & 01500)

The Community Development Block Grant (CDBG) is the City's largest single grant and is accounted for in fund 01400 along with three other Housing and Urban Development (HUD) Programs. The programs are the Emergency Solutions Grant Program (ESG), HOME Investment Partnerships Program, and Housing Opportunities for Persons with AIDS (HOPWA). The HOME program is accounted for in fund 01500 and the combined amounts are presented in the schedule. The HUD Consolidated Plan program year is from June 1 to May 31. The CDBG awards have declined until 2012. Beginning June 1, 2012 the award was \$3.1 million less than the prior year. Since that time the allocation has remained around \$10 million. HUD grant expenditures as of September 30 were \$17,890,493 compared to \$17,079,744 for 2015. The 2016 expenditures are slightly higher through the third quarter 2016 due to an increase in building rehabilitation expenditures from 2015.

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

an additional \$1,930,104 has been reprogrammed resulting in a current deficit balance of \$4,237,453. During the 2014 budget process, eligible tax increment revenues were identified to pay down this remaining deficit in 2015 and future years.

Grants Other Fund (01600)

The fund is used to account for non-federal grants and other restricted revenue sources. The expenditures as of September 30, 2016 are \$15,962,106 compared to the 2015 expenditures of \$15,604,032 and are only slightly higher. The revenue in the fund as of September 30, 2016 and 2015 is \$18,835,062 and \$16,761,594, respectively. The revenue in 2016 is higher primarily as a result of an increase in private grants and in intergovernmental revenues from 2015. In late 2015, the City received a three year grant from the Bloomberg Foundation for the development of an innovation team that will function as an in-house innovation consultancy, moving from one City priority to the next. As of September 30, 2016, current year revenue of \$890,970 had been recorded related to this initiative.

Capital Grants

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

**Special Revenue Funds
Grant Funds
Quarter Ending September 30, 2016**

	Federal Grants 01300	HUD Grants 01400 & 01500	Grants Other 01600	Total
Assets				
Cash and Cash Equivalents	\$ (2,159,537)	\$ (1,298,303)	\$ 5,341,327	\$ 1,883,487
Accounts - net	15,223	17,589	115,431	148,243
Special Assessments Receivable				-
Intergovernmental Receivables	54,725		580	55,305
Loans Receivable				-
Prepaid Items				-
Due from Other Funds				-
Deposits with Fiscal Agents				-
Properties Held for Resale	1,251,040	6,370,920	1,199,750	8,821,710
Total Assets	\$ (838,549)	\$ 5,090,206	\$ 6,657,088	\$ 10,908,745
Liabilities				
Salaries Payable	\$ 84,875	\$ 62,689	\$ 91,976	\$ 239,540
Accounts Payable	155,373	145,681	109,178	410,232
Inter Governmental Payables	11			11
Due to Other Funds				-
Use Taxes Payable			(148)	(148)
Unclaimed Property				-
Deposits Held for Others				-
Deferred Revenue and Contracts	5,708		76,076	81,784
Deferred Special Assessments				-
Total Liabilities	\$ 245,967	\$ 208,370	\$ 277,082	\$ 731,419
Fund Balance	\$ (1,084,516)	\$ 4,881,836	\$ 6,380,006	\$ 10,177,326
Total Liabilities and Fund Balance	\$ (838,549)	\$ 5,090,206	\$ 6,657,088	\$ 10,908,745
Revenue				
Taxes-Charitable Gambling			\$ 44,538	\$ 44,538
Grants and Shared Revenues	\$ 7,215,376	\$ 14,023,852	16,191,015	37,430,243
Loan Origination Fees				-
Special Assessments		10,085		10,085
Private Grants and Contributions			1,777,821	1,777,821
Charges for Services	20,954	155,078	794,584	970,616
Licenses & Permits				-
Fines and forfeits				-
Interest		95,410		95,410
Rent & Commisions		5,669		5,669
Sale of Lands & Buildings	74,871	1,075,357		1,150,228
Loan Recapture	1,602	871,666		873,268
Sale of Equipment				-
Refund of Prior Years Expended				-
Miscellaneous Revenue		25,497	25,875	51,372
Transfer within Special Revenue Fund		138,797	1,229	140,026
Total Revenue	\$ 7,312,803	\$ 16,401,411	\$ 18,835,062	\$ 42,549,276
Expenditures	\$ 9,748,359	\$ 17,890,493	\$ 15,962,106	\$ 43,600,958
Revenues Over (Under) Expenditures	\$ (2,435,556)	\$ (1,489,082)	\$ 2,872,956	\$ (1,051,682)

CDBG Program Year 34
Beginning June 1, 2008
September 30, 2016

Project	Adopted Budget	Reduction Amount	Amended Budget	Reprogramming				Revised Budget	2016		
				Program Income	Council Actions	Department Actions	Reprogrammed Amounts		Current Year Expenditures	Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:											
General Housing Rehabilitation-MPHA	\$ 218,000		\$ 218,000	\$ -	\$ -	\$ -		\$ 218,000	\$ -	\$ 218,000	\$ -
Problem Properties Attorneys	38,300		38,300	-	-	-		38,300	-	38,300	-
Problem Properties Police	52,700		52,700	-	-	-		52,700	-	52,700	-
Lead Reduction	125,000		125,000	-	-	-		125,000	-	125,000	-
Problem Properties Board Bldg	348,000		348,000	-	-	-		348,000	-	348,000	-
Childcare Facilities Loan/Grant	224,000		224,000	200,611 ³	-	-		424,611	106,344	333,341	91,270
Adult Training, Placement and Retention	1,380,000		1,380,000	-	-	-		1,380,000	-	1,380,000	-
High density corridor housing	729,000		729,000	-	-	-		729,000	-	729,000	-
NonProfit MF Rental Development Assistance	165,000		165,000	-	-	-		165,000	-	165,000	-
NEDF/CEDF	518,000		518,000	1,150,000 ¹	-	1		1,668,000	12,478	1,668,000	-
Homeownership Program (GMMHC)	319,000		319,000	-	-	-		319,000	-	319,000	-
Industry Cluster Program (Living Wage Jobs)	65,100		65,100	-	-	-		65,100	-	65,100	-
Multi-Family/Affordable Housing	4,270,000		4,270,000	-	-	-		4,270,000	-	4,270,000	-
Vacant & Boarded Housing	569,000		569,000	-	-	-		569,000	-	569,000	-
Subtotal Capital Grants	\$ 9,021,100	\$ -	\$ 9,021,100	\$ 1,350,611	\$ -	\$ -	\$ -	\$ 10,371,711	\$ 118,822	\$ 10,280,441	\$ 91,270
Public Service Grants:											
Multi Cultural & Native American Indian	\$ 119,000		\$ 119,000	\$ -	\$ -	\$ -		\$ 119,000	\$ -	\$ 119,000	\$ -
Graffiti Removal on Public Property	86,200		86,200	-	-	-		86,200	-	86,200	-
Advocacy (Housing)	82,300		82,300	-	-	-		82,300	-	82,300	-
Asian Media Access	26,800		26,800	-	-	-		26,800	-	26,800	-
Living at Home Block Nurse Program	64,100		64,100	-	-	-		64,100	-	64,100	-
Child Dental Services	10,500		10,500	-	-	-		10,500	-	10,500	-
Curfew/Truancy Center	98,000		98,000	-	-	-		98,000	-	98,000	-
Domestic Abuse Project	34,500		34,500	-	-	(34,500)		-	-	-	-
Resource Inc, Employment Action Center	44,000		44,000	-	-	-	(6,000) ²	38,000	-	38,000	-
Fremont Community Health Services	44,000		44,000	-	-	-		44,000	-	44,000	-
Greater Minneapolis Council of Churches	44,000		44,000	-	-	-		44,000	-	44,000	-
Lao Assistance Center of MN	48,800		48,800	-	-	-		48,800	-	48,800	-
MITZI Communications	42,100		42,100	-	-	-		42,100	-	42,100	-
MPS Teenage Parenting & Pregnancy Program	65,100		65,100	-	-	-		65,100	-	65,100	-
Minneapolis Urban League	64,100		64,100	-	-	-		64,100	-	64,100	-
St Marys Health Clinics	18,200		18,200	-	-	-		18,200	-	18,200	-
St Stephens Human Services	44,000		44,000	-	-	-		44,000	-	44,000	-
Southside Family Nurturing Center	44,000		44,000	-	-	-	(20,727) ²	23,273	-	23,273	-
348TOTS	-		-	-	-	34,500		34,500	-	34,500	-
Way to Grow	261,000		261,000	-	-	-	(1) ²	260,999	-	260,999	-
Youth are Here Busses	71,800		71,800	-	-	-	(71,800) ²	-	-	-	-
Mortgage Foreclosure Prevention Program	196,000		196,000	-	-	-		196,000	-	196,000	-
Youth Employment & Training	457,000		457,000	-	-	-		457,000	-	457,000	-
Subtotal Public Service Grants	\$ 1,965,500	\$ -	\$ 1,965,500	\$ -	\$ -	\$ -	\$ (98,528)	\$ 1,866,972	\$ -	\$ 1,866,972	\$ -
Administrative Grants:											
MPH Citizen Participation	\$ 68,000		\$ 68,000	\$ -	\$ -	\$ -		\$ 68,000	\$ -	\$ 68,000	\$ -
YCB Administration	65,000		65,000	-	-	-	(197) ²	64,803	-	64,803	-
Civil Rights Dept Fair Housing	196,000		196,000	-	-	-		196,000	-	196,000	-
Grants & Special Projects	235,000		235,000	-	-	-		235,000	-	235,000	-
Homeless Initiative	-		-	-	-	-		-	-	-	-
Housing Discrimination Law Project-Legal Aid	54,600		54,600	-	-	-		54,600	-	54,600	-
Finance Administration	196,000		196,000	-	-	-		196,000	-	196,000	-
Grant Administration	67,972		67,972	-	-	-		67,972	-	67,972	-
Legal Aid Society	33,500		33,500	-	-	-		33,500	-	33,500	-
Neighborhood Services	71,800		71,800	-	-	-		71,800	-	71,800	-
Way to Grow Administration	25,800		25,800	-	-	-		25,800	-	25,800	-
YCB Youth Violence Prevention	120,000		120,000	-	-	-		120,000	-	120,000	-
Citizen Participation	233,000		233,000	-	-	-		233,000	-	233,000	-
Program Admin	62,000		62,000	-	-	-		62,000	-	62,000	-
Planning - Administration	878,000		878,000	-	-	-		878,000	-	878,000	-
Subtotal Administrative Grants	\$ 2,306,672	\$ -	\$ 2,306,672	\$ -	\$ -	\$ -	\$ (197)	\$ 2,306,475	\$ -	\$ 2,306,475	\$ -
Block E Deficit Reduction:											
Resource Inc, Employment Action Center			\$ -					\$ 6,000 ²	\$ 6,000	\$ -	\$ 6,000
Southside Family Nurturing Center			-					20,727 ²	20,727	-	20,727
Way to Grow			-					1 ²	1	-	1
YCB Administration			-					197 ²	197	-	197
Youth are Here Busses			-					71,800 ²	71,800	-	71,800
Subtotal Reprogrammed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,725	\$ 98,725	\$ -	\$ 98,725
GRAND TOTAL	\$ 13,293,272	\$ -	\$ 13,293,272	\$ 1,350,611	\$ -	\$ -	\$ -	\$ 14,643,883	\$ 118,822	\$ 14,453,888	\$ 189,995

CDBG Program Year 41
Beginning June 1, 2016
September 30, 2016

City Council Official Proceedings: September 2, 2016

Project	Adopted Budget 2015R-496	Adjustment Amount Council	Final HUD Allocation Council	Reprogramming Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2016			
									Current Expenditures	Grant to Date Expenditures	Remaining Grant Budget	
Capital Grants:												
Lead Reduction	\$ 50,575	\$ 6,685	\$ 57,260	\$ -	\$ -	\$ -	\$ -	\$ 57,260	\$ -	\$ -	\$ 57,260	
Adult Training, Placement and Retention	1,033,260	136,581	1,169,841	191,569	-	-	-	1,361,410	163,329	163,329	1,198,081	
High density corridor housing	479,570	63,392	542,962	24,721	-	-	-	567,683	-	-	567,683	
NEDF/CEDF (Great Streets)	101,915	13,471	115,386	36,091	-	-	-	151,477	-	-	151,477	
Homeownership Support & Development	-	-	-	500,000	-	300,000	-	800,000	-	-	800,000	
Multi-Family/Affordable Housing	2,714,764	358,849	3,073,613	1,257,188	-	(300,000)	-	4,030,801	-	-	4,030,801	
Vacant & Boarded Housing	1,451,970	191,927	1,643,897	(51,219)	-	-	-	1,592,678	76,632	76,632	1,516,046	
Subtotal Capital Grants	\$ 5,832,054	\$ 770,905	\$ 6,602,959	\$ 1,958,350	\$ -	\$ -	\$ -	\$ 8,561,309	\$ 239,961	\$ 239,961	\$ 8,321,348	
Public Service Grants:												
Community Crime Prevention Specialists	\$ 742,985	\$ -	\$ 742,985	\$ -	\$ -	\$ -	\$ -	\$ 742,985	\$ 214,941	\$ 214,941	\$ 528,044	
Domestic Abuse Project	59,527	-	59,527	-	-	-	-	59,527	-	-	59,527	
Juvenile Supervisor Center	100,000	-	100,000	-	-	-	-	100,000	9,724	9,724	90,276	
Way to Grow	163,218	-	163,218	-	-	-	-	163,218	-	-	163,218	
Build Leaders	320,000	-	320,000	-	-	-	-	320,000	23,044	23,044	296,956	
Youth Employment & Training	210,208	-	210,208	37,095	-	-	-	247,303	248,259	248,259	(956)	
Subtotal Public Service Grants	\$ 1,595,938	\$ -	\$ 1,595,938	\$ 37,095	\$ -	\$ -	\$ -	\$ 1,633,033	\$ 495,968	\$ 495,968	\$ 1,137,065	
Administrative Grants:												
YCB Administration	\$ 64,803	\$ -	\$ 64,803	\$ -	\$ -	\$ -	\$ -	\$ 64,803	\$ -	\$ -	\$ 64,803	
Civil Rights Dept Fair Housing	277,440	44,204	321,644	-	-	-	-	321,644	-	-	321,644	
Finance Administration	139,030	22,151	161,181	-	-	-	-	161,181	-	-	161,181	
Problem Properties Board Bldg	72,930	11,620	84,550	-	-	-	-	84,550	31,069	31,069	53,481	
Grants & Special Projects	144,755	23,063	167,818	-	-	-	-	167,818	-	-	167,818	
Housing Discrimination Law Project-Mid-Min	33,150	5,282	38,432	-	-	-	-	38,432	-	-	38,432	
Access & Outreach (Multicultural Affairs)	84,490	13,461	97,951	-	-	-	-	97,951	61,695	61,695	36,256	
Grant Administration	51,340	8,180	59,520	-	-	-	-	59,520	-	-	59,520	
Legal Aid Mid-Minnesota	20,400	3,250	23,650	-	-	-	-	23,650	8,000	8,000	15,650	
Way to Grow Administration	12,410	1,978	14,388	-	-	-	-	14,388	-	-	14,388	
YCB Youth Violence Prevention	130,900	20,856	151,756	-	-	-	-	151,756	27,753	27,753	124,003	
CDBG Planning	745,286	118,745	864,031	(41,204)	-	-	-	822,827	236,686	236,686	586,141	
CDBG Planning Admin	-	-	-	411,121	-	-	-	411,121	-	-	411,121	
Subtotal Administrative Grants	\$ 1,776,934	\$ 272,790	\$ 2,049,724	\$ 369,917	\$ -	\$ -	\$ -	\$ 2,419,641	\$ 365,203	\$ 365,203	\$ 2,054,438	
Subtotal Administrative Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
GRAND TOTAL	\$ 9,204,926	\$ 1,043,695	\$ 10,248,621	\$ 2,365,362	\$ -	\$ -	\$ -	\$ 12,613,983	\$ 1,101,132	\$ 1,101,132	\$ 11,512,851	

CDBG Program Year 41
Beginning June 1, 2015
September 30, 2016

City Council Official Proceedings: April 17, 2015

Project	Adopted Budget 2014R-519	Adjustment Amount Council	Final HUD Allocation Council	Reprogramming					2016		
				Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	Current Expenditures	Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:											
Lead Reduction	\$ 61,000	\$ (1,500)	\$ 59,500	\$ -	\$ -	\$ -	\$ -	\$ 59,500	\$ 24,633	\$ 25,781	\$ 33,719
Adult Training, Placement and Retention	1,247,500	(31,900)	1,215,600	-	-	-	-	1,215,600	498,724	1,028,347	187,253
High density corridor housing	579,000	(14,800)	564,200	-	-	-	-	564,200	-	-	564,200
NEDF/CEDF (Great Streets)	123,000	(3,100)	119,900	-	-	-	-	119,900	58,660	95,849	24,051
Multi-Family/Affordable Housing	3,277,540	(83,700)	3,193,840	-	-	-	-	3,193,840	2,673,376	2,673,376	520,464
Vacant & Boarded Housing	1,753,000	(44,800)	1,708,200	-	-	-	-	1,708,200	1,644,132	1,644,132	64,068
Subtotal Capital Grants	\$ 7,041,040	\$ (179,800)	\$ 6,861,240	\$ -	\$ -	\$ -	\$ -	\$ 6,861,240	\$ 4,899,525	\$ 5,467,485	\$ 1,393,755
Public Service Grants:											
Community Crime Prevention Specialists	\$ 897,000	\$ (22,900)	\$ 874,100	\$ -	\$ -	\$ -	\$ -	\$ 874,100	\$ 373,797	\$ 874,100	\$ -
Domestic Abuse Project	75,000	(1,900)	73,100	-	-	-	-	73,100	24,441	37,572	35,528
Juvenile Supervisor Center	100,000	-	100,000	-	-	-	-	100,000	23,707	99,082	918
Way to Grow	212,000	(5,400)	206,600	-	-	-	-	206,600	75,127	206,600	-
Youth Employment & Training	253,000	(5,697)	247,303	-	-	-	-	247,303	-	247,303	-
Subtotal Public Service Grants	\$ 1,537,000	\$ (35,897)	\$ 1,501,103	\$ -	\$ -	\$ -	\$ -	\$ 1,501,103	\$ 497,072	\$ 1,464,657	\$ 36,446
Administrative Grants:											
YCB Administration	\$ 64,803	\$ -	\$ 64,803	\$ -	\$ -	\$ -	\$ -	\$ 64,803	\$ -	\$ 64,803	\$ -
Civil Rights Dept Fair Housing	335,000	(8,600)	326,400	-	-	-	-	326,400	23,215	23,215	303,185
Finance Administration	180,000	(5,000)	175,000	-	-	-	-	175,000	-	-	175,000
Problem Properties Board Bldg	88,100	(2,300)	85,800	-	-	-	-	85,800	42,803	85,800	-
Grants & Special Projects	175,000	(4,700)	170,300	-	-	-	-	170,300	157	157	170,143
Housing Discrimination Law Project-Mid-	40,100	(1,100)	39,000	-	-	-	-	39,000	26,000	39,000	-
Access & Outreach (Multicultural Affairs)	102,000	(2,600)	99,400	-	-	-	-	99,400	55,872	99,400	-
Grant Administration	62,000	(1,600)	60,400	-	-	-	-	60,400	43,040	43,728	16,672
Legal Aid Mid-Minnesota	24,700	(700)	24,000	-	-	-	-	24,000	10,000	20,000	4,000
Way to Grow Administration	15,000	(400)	14,600	-	-	-	-	14,600	8,671	14,600	-
YCB Youth Violence Prevention	158,000	(4,000)	154,000	-	-	-	-	154,000	115,615	154,000	-
CDBG Planning Admin	899,807	(23,000)	876,807	160,550	-	-	-	1,037,357	575,251	1,037,357	-
Subtotal Administrative Grants	\$ 2,144,510	\$ (54,000)	\$ 2,090,510	\$ 160,550	\$ -	\$ -	\$ -	\$ 2,251,060	\$ 900,624	\$ 1,582,060	\$ 669,000
Subtotal Administrative Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GRAND TOTAL	\$ 10,722,550	\$ (269,697)	\$ 10,452,853	\$ 160,550	\$ -	\$ -	\$ -	\$ 10,613,403	\$ 6,297,221	\$ 8,514,202	\$ 2,099,201

CDBG Program Year 40
Beginning June 1, 2014
September 30, 2016

City Council Official Proceedings: May 9, 2014

Project	Adopted Budget 2013R-572	Adjustment Amount Council 5/9/14	Final HUD Allocation Council 5/9/14	Reprogramming Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2016			
									Current Expenditures	Grant to Date Expenditures	Remaining Grant Budget	
Capital Grants:												
Lead Reduction	\$ 52,300	\$ 8,700	\$ 61,000	\$ -	\$ -	\$ -	\$ -	\$ 61,000	\$ 22,457	\$ 57,737	\$ 3,263	
Adult Training, Placement and Retention	1,247,500	-	1,247,500	-	-	-	-	1,247,500	323,433	1,227,781	19,719	
High density corridor housing	492,000	87,000	579,000	-	-	-	-	579,000	-	-	579,000	
NEDF/CEDF (Great Streets)	123,100	(100)	123,000	-	-	-	-	123,000	-	123,000	-	
Multi-Family/Affordable Housing	2,467,000	810,540	3,277,540	-	-	-	-	3,277,540	3,226,272	3,277,540	-	
Owner Occupied Rehab	-	-	-	1,115,000	1	-	-	1,115,000	452,302	786,568	328,432	
Vacant & Boarded Housing	1,433,400	319,600	1,753,000	856,000	1	-	-	2,609,000	195,932	2,609,000	-	
Subtotal Capital Grants	\$ 5,815,300	\$ 1,225,740	\$ 7,041,040	\$ 1,971,000	\$ -	\$ -	\$ -	\$ 9,012,040	\$ 4,220,396	\$ 8,081,626	\$ 930,414	
Public Service Grants:												
Community Crime Prevention Specialists	\$ 746,300	\$ 150,700	\$ 897,000	\$ -	\$ -	\$ -	\$ -	\$ 897,000	\$ -	\$ 897,000	\$ -	
Domestic Abuse Project	50,000	25,000	75,000	-	-	-	-	75,000	-	75,000	-	
Juvenile Supervisor Center	100,000	-	100,000	-	-	-	-	100,000	5,666	100,000	-	
Way to Grow	155,000	57,000	212,000	-	-	-	-	212,000	-	212,000	-	
Youth Employment & Training	209,000	44,000	253,000	-	-	-	-	253,000	-	253,000	-	
Subtotal Public Service Grants	\$ 1,260,300	\$ 276,700	\$ 1,537,000	\$ -	\$ -	\$ -	\$ -	\$ 1,537,000	\$ 5,666	\$ 1,537,000	\$ -	
Administrative Grants:												
YCB Administration	\$ 66,000	\$ (1,197)	\$ 64,803	\$ -	\$ -	\$ -	\$ -	\$ 64,803	\$ -	\$ 64,803	\$ -	
Civil Rights Dept Fair Housing	307,600	27,400	335,000	-	-	-	-	335,000	201,164	246,020	88,980	
Finance Administration	165,300	14,700	180,000	-	-	-	-	180,000	81,269	81,269	98,731	
Problem Properties Board Bldg	88,100	-	88,100	-	-	-	-	88,100	-	88,100	-	
Grants & Special Projects	160,100	14,900	175,000	-	-	-	-	175,000	106,545	175,000	-	
Housing Discrimination Law Project-Lega	40,100	-	40,100	-	-	-	-	40,100	-	40,100	-	
Access & Outreach (Multicultural Affairs)	102,000	-	102,000	-	-	-	-	102,000	-	102,000	-	
Grant Administration	57,000	5,000	62,000	-	-	-	-	62,000	956	62,000	-	
Legal Aid Mid-Minnesota	24,700	-	24,700	-	-	-	-	24,700	-	24,700	-	
Way to Grow Administration	14,000	1,000	15,000	-	-	-	-	15,000	-	15,000	-	
YCB Youth Violence Prevention	145,000	13,000	158,000	-	-	-	-	158,000	(10,293)	158,000	-	
CDBG Planning Admin	836,500	63,307	899,807	147,000	1	-	-	1,046,807	-	1,046,807	-	
Subtotal Administrative Grants	\$ 2,006,400	\$ 138,110	\$ 2,144,510	\$ 147,000	\$ -	\$ -	\$ -	\$ 2,291,510	\$ 379,641	\$ 2,103,799	\$ 187,711	
Subtotal Administrative Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
GRAND TOTAL	\$ 9,082,000	\$ 1,640,550	\$ 10,722,550	\$ 2,118,000	\$ -	\$ -	\$ -	\$ 12,840,550	\$ 4,605,703	\$ 11,722,425	\$ 1,118,125	

CDBG Program Year 39
Beginning June 1, 2013
September 30, 2016

Project	Adopted Budget 2012R-654	Adjusted Amount Final HUD	Amended Budget	Reprogramming			Reprogrammed Amounts	Revised Budget	2016		
				Program Income	Council Actions	Department Actions			Current Expenditures	Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:											
Problem Properties Board Bldg	\$ 103,700	\$ -	\$ 103,700	\$ -	\$ -	\$ -	\$ -	\$ 103,700	\$ -	\$ 103,700	\$ -
Lead Reduction	61,500	-	61,500	-	-	-	-	61,500	-	61,500	-
Adult Training, Placement and Retentior	1,467,600	237,898	1,705,498	-	-	-	-	1,705,498	-	1,705,498	-
High density corridor housing	578,769	-	578,769	-	-	-	-	578,769	-	-	578,769
NEDF/CEDF (Great Streets)	10,726	-	10,726	-	-	-	-	10,726	-	10,726	-
Multi-Family/Affordable Housing	2,966,776	-	2,966,776	-	-	-	-	2,966,776	750,228	2,951,809	14,967
Vacant & Boarded Housing	1,753,430	-	1,753,430	-	-	-	-	1,753,430	-	1,753,430	-
Subtotal Capital Grants	\$ 6,942,501	\$ 237,898	\$ 7,180,399	\$ -	\$ -	\$ -	\$ -	\$ 7,180,399	\$ 750,228	\$ 6,586,663	\$ 593,736
Public Service Grants:											
Community Crime Prevention Specialists	\$ 876,600	\$ 20,415	\$ 897,015	\$ -	\$ -	\$ -	\$ -	\$ 897,015	\$ -	\$ 897,015	\$ -
Domestic Abuse Project	59,500	15,500	75,000	-	-	-	-	75,000	-	75,000	-
Juvenile Supervisor Center	100,000	-	100,000	-	-	-	-	100,000	-	100,000	-
Way to Grow	192,600	19,400	212,000	-	-	-	-	212,000	-	212,000	-
Youth Employment & Training	250,900	2,100	253,000	-	-	-	-	253,000	-	253,000	-
Subtotal Public Service Grants	\$ 1,479,600	\$ 57,415	\$ 1,537,015	\$ -	\$ -	\$ -	\$ -	\$ 1,537,015	\$ -	\$ 1,537,015	\$ -
Administrative Grants:											
YCB Administration	\$ 65,400	\$ 600	\$ 66,000	\$ -	\$ -	\$ -	\$ (1,197)	\$ 64,803	\$ -	\$ 64,803	\$ -
Civil Rights Dept Fair Housing	361,900	3,100	365,000	-	-	-	-	365,000	-	365,000	-
Finance Administration	194,400	1,600	196,000	-	-	-	-	196,000	31,422	196,000	-
Grants & Special Projects	188,400	1,600	190,000	-	-	-	-	190,000	(174)	190,000	-
Housing Discrimination Law Project-Leg:	47,229	6,771	54,000	-	-	-	-	54,000	-	54,000	-
Access & Outreach (Multicultural Affairs)	120,000	-	120,000	-	-	-	-	120,000	-	120,000	-
Grant Administration	67,400	-	67,400	-	-	-	-	67,400	-	67,400	-
Legal Aid Mid-Minnesota	29,060	4,940	34,000	-	-	-	-	34,000	-	34,000	-
Neighborhood Services	71,400	-	71,400	-	-	-	-	71,400	-	71,400	-
Way to Grow Administration	15,900	1,600	17,500	-	-	-	-	17,500	-	17,500	-
YCB Youth Violence Prevention	100,200	10,500	110,700	-	-	-	-	110,700	-	110,700	-
CDBG Planning Admin	984,060	53,293	1,037,353	-	-	-	-	1,037,353	-	1,037,353	-
Subtotal Administrative Grants	\$ 2,245,349	\$ 84,004	\$ 2,329,353	\$ -	\$ -	\$ -	\$ (1,197)	\$ 2,328,156	\$ 31,248	\$ 2,328,156	\$ -
YCB Administration	-	-	-	-	-	-	\$ 1,197	1,197.00	-	-	\$ 1,197
Subtotal Administrative Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ 1,197
GRAND TOTAL	\$ 10,667,450	\$ 379,317.00	\$ 11,046,767	\$ -	\$ -	\$ -	\$ -	\$ 11,046,767	\$ 781,476	\$ 10,451,834	\$ 594,933

CDBG Program Year 38
Beginning June 1, 2012
September 30, 2016

Project	Adopted Budget 2011R-659	Reduction Amount Final HUD	Amended Budget	Reprogramming			Reprogrammed Amounts	Revised Budget	2016			
				Program Income	Council Actions	Department Actions			Current Year Expenditures	Grant to Date Expenditures	Remaining Grant Budget	
Capital Grants:												
Lead Reduction	\$ 62,000	\$ (500)	\$ 61,500	\$ -	\$ -	\$ -	\$ -	\$ 61,500	\$ -	\$ 61,500	\$ -	
Problem Properties Board Bldg	104,600	(900)	103,700	-	-	-	-	103,700	-	103,700	-	
Adult Training, Placement and Retention	1,480,000	(12,400)	1,467,600	-	-	137,800.00	1	1,605,400	-	1,605,400	-	
High density corridor housing	583,669	(4,900)	578,769	-	-	-	-	578,769	427,089	544,893	33,876	
Commercial Property Investment	139,000	(1,200)	137,800	-	-	(137,800.00)	1	-	-	-	-	
NEDF/CEDF (Great Streets)	41,000	(300)	40,700	-	-	-	-	40,700	-	40,700	-	
Multi-Family/Affordable Housing	2,991,876	(25,100)	2,966,776	-	-	-	-	2,966,776	-	2,966,776	-	
Vacant & Boarded Housing	1,599,056	(13,400)	1,585,656	-	-	-	-	1,585,656	-	1,585,656	-	
Subtotal Capital Grants	\$ 7,001,201	\$ (58,700)	\$ 6,942,501	\$ -	\$ -	\$ -		\$ 6,942,501	\$ 427,089	\$ 6,908,625	\$ 33,876	
Public Service Grants:												
Community Crime Prevention Specialist	\$ 884,000	\$ (7,400)	\$ 876,600	\$ -	\$ -	\$ -		\$ 876,600	\$ -	\$ 876,600	\$ -	
Domestic Abuse Project	60,000	(500)	59,500	-	-	-		59,500	-	59,500	-	
Juvenile Supervisor Center	100,000	-	100,000	-	-	-		100,000	-	100,000	-	
Way to Grow	195,000	(2,400)	192,600	-	-	-		192,600	-	192,600	-	
Youth Employment & Training	253,000	(2,100)	250,900	-	-	-		250,900	-	250,900	-	
Subtotal Public Service Grants	\$ 1,492,000	\$ (12,400)	\$ 1,479,600	\$ -	\$ -	\$ -		\$ 1,479,600	\$ -	\$ 1,479,600	\$ -	
Administrative Grants:												
YCB Administration	\$ 66,000	\$ (600)	\$ 65,400	\$ -	\$ -	\$ -		\$ (597)	\$ 64,803	\$ -	\$ 64,803	\$ -
Civil Rights Dept Fair Housing	365,000	(3,100)	361,900	-	-	-		-	361,900	-	361,900	-
Finance Administration	196,000	(1,600)	194,400	-	-	-		-	194,400	(1,333)	194,400	-
Grants & Special Projects	190,000	(1,600)	188,400	-	-	-		-	188,400	-	188,400	-
Housing Discrimination Law Project-Leg	47,740	(511)	47,229	-	-	-		-	47,229	-	47,229	-
Access & Outreach (Multicultural Affairs	121,000	(1,000)	120,000	-	-	-		-	120,000	-	120,000	-
Grant Administration	68,000	(600)	67,400	-	-	-		-	67,400	-	67,400	-
Legal Aid Mid-Minnesota	-	-	-	-	-	29,060		-	29,060	-	29,060	-
Neighborhood Services	72,000	(600)	71,400	-	-	-		-	71,400	-	71,400	-
Way to Grow Administration	16,000	(100)	15,900	-	-	-		-	15,900	-	15,900	-
YCB Youth Violence Prevention	101,000	(800)	100,200	-	-	-		-	100,200	-	100,200	-
Legal Aid Society	29,260	(200)	29,060	-	-	(29,060)		-	-	-	-	
CDBG Planning Program Admin	992,360	(8,300)	984,060	-	-	-		-	984,060	-	984,060	-
Subtotal Administrative Grants	\$ 2,264,360	\$ (19,011)	\$ 2,245,349	\$ -	\$ -	\$ -		\$ (597)	\$ 2,244,752	\$ (1,333)	\$ 2,244,752	\$ -
Block E Deficit Reduction:												
YCB Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 597.00	\$ 597.00	\$ -	\$ -	\$ 597
Subtotal Administrative Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 597	\$ 597	\$ -	\$ -	\$ 597
GRAND TOTAL	\$ 10,757,561	\$ (90,111)	\$ 10,667,450	\$ -	\$ -	\$ -		\$ -	\$ 10,667,450	\$ 425,756	\$ 10,632,977	\$ 34,473

CDBG Program Year 37
Beginning June 1, 2011
September 30, 2016

Project	Adopted Budget 2010R-598	Reduction Amount 2011R-301	Amended Budget 2011R-301	Reprogramming			Reprogrammed Amounts	Revised Budget	2016			
				Program Income	Council Actions	Department Actions			Current Year Expenditures	Grant to Date Expenditures	Remaining Grant Budget	
Capital Grants:												
General Housing Rehabilitation-MPHA	\$ 110,000	\$ (110,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Problem Properties Attorneys	38,000	(7,617)	30,383	-	-	-	-	30,383	-	-	30,383	-
Personal Protective Equipment	584,000	-	584,000	-	-	-	-	584,000	-	-	584,000	-
Problem Properties Police	53,000	(10,624)	42,376	-	-	-	-	42,376	-	-	42,376	-
Lead Reduction	125,000	(25,057)	99,943	-	-	-	-	99,943	-	-	99,943	-
Problem Properties Board Bldg	348,000	(186,823)	161,177	-	-	-	-	161,177	-	-	161,177	-
Adult Training, Placement and Retention	1,255,000	(141,570)	1,113,430	-	-	-	-	1,113,430	-	-	1,113,430	-
High density corridor housing	730,000	(146,331)	583,669	-	-	-	-	583,669	-	-	583,669	-
NonProfit MF Rental Development Assis	166,000	(33,275)	132,725	-	-	(38,727) ¹	-	93,998	53,000	-	53,000	40,998
NEDF/CEDF (Great Streets)	1,127,000	(225,912)	901,088	-	-	-	-	901,088	-	-	-	901,088
Homeownership Program (GMMHC)	34,000	(6,815)	27,185	-	-	-	-	27,185	-	-	-	27,185
Multi-Family/Affordable Housing	3,411,189	(683,786)	2,727,403	-	-	38,727 ¹	-	2,766,130	38,727	-	2,766,130	-
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	\$ 91,727	\$ -	\$ 6,858,899	\$ 969,271
Public Service Grants:												
Restorative Justice Programs	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ 20,000	\$ -
Community Crime Prevention Specialist:	934,386	(50,000.00)	884,386	-	-	-	-	884,386	-	-	884,386	-
Access & Outreach (Multicultural Affairs)	121,000	-	121,000	-	-	-	-	121,000	-	-	121,000	-
PHAC: Living at Home Block Nurse Prog	75,000	-	75,000	-	-	(75,000)	-	-	-	-	-	-
Curfew/Truancy Center	100,000	-	100,000	-	-	-	-	100,000	-	-	100,000	-
Domestic Abuse Project	75,000	-	75,000	-	-	-	-	75,000	-	-	75,000	-
	250,000	(259,563.00)	(9,563)	-	-	9,563	-	-	-	-	-	-
PHAC: Hennepin Healthcare	-	-	-	-	-	30,000	-	30,000	-	-	30,000	-
PHAC: Holy Rosary Church	-	-	-	-	-	50,000	-	50,000	-	-	50,000	-
PHAC: MPLS American Indian	-	-	-	-	-	30,000	-	30,000	-	-	30,000	-
PHAC: MPS Teenage Parenting & Pregn	75,000	-	75,000	-	-	(66,762)	-	8,238	-	-	8,238	-
PHAC: SE Asian Community Council	-	-	-	-	-	22,199	-	22,199	-	-	22,199	-
Way to Grow	262,000	(50,000.00)	212,000	-	-	-	-	212,000	-	-	212,000	-
Youth Employment & Training	253,000	\$ -	253,000	-	-	-	-	253,000	-	-	253,000	-
Subtotal Public Service Grants	\$ 2,165,386	\$ (359,563)	\$ 1,805,823	\$ -	\$ -	\$ -	\$ -	\$ 1,805,823	\$ -	\$ -	\$ 1,805,823	\$ -
Administrative Grants:												
YCB Administration	\$ 66,000	\$ -	\$ 66,000	\$ -	\$ -	\$ -	\$ (1,197)	\$ 64,803	\$ -	\$ -	\$ 64,803	\$ -
Civil Rights Dept Fair Housing	365,000	-	365,000	-	-	-	-	365,000	-	-	365,000	-
Finance Administration	196,000	-	196,000	-	-	-	-	196,000	28	-	196,000	-
Director of Arts-City Coordinator Adm	28,146	(28,146)	-	-	-	-	-	-	-	-	-	-
MPH Citizen Participation	68,000	-	68,000	-	-	-	-	68,000	-	-	68,000	-
Grants & Special Projects	190,000	-	190,000	-	-	-	-	190,000	-	-	190,000	-
Housing Discrimination Law Project-Leg	54,000	-	54,000	-	-	-	-	54,000	-	-	54,000	-
Homeless Initiative	77,000	-	77,000	-	-	-	-	77,000	-	-	77,000	-
Grant Administration	68,000	-	68,000	-	-	-	-	68,000	-	-	68,000	-
Neighborhood Services	72,000	-	72,000	-	-	-	-	72,000	-	-	72,000	-
Way to Grow Administration	26,000	-	26,000	-	-	-	-	26,000	-	-	26,000	-
YCB Youth Violence Prevention	121,000	(20,000)	101,000	-	-	-	-	101,000	-	-	101,000	-
Legal Aid Society	34,000	-	34,000	-	-	-	-	34,000	-	-	34,000	-
Program Admin	100,000	-	100,000	-	-	-	-	100,000	-	-	100,000	-
Planning - Administration	1,045,854	\$ (54,356.00)	991,498	-	-	-	-	991,498	-	-	991,498	-
Subtotal Administrative Grants	\$ 2,511,000	\$ (102,502)	\$ 2,408,498	\$ -	\$ -	\$ -	\$ (1,197)	\$ 2,407,301	\$ 28	\$ -	\$ 2,407,301	\$ -
Block E Deficit Reduction:												
YCB Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ -	\$ 1,197
Subtotal Administrative Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ -	\$ 1,197
GRAND TOTAL	\$ 14,439,575	\$ (2,397,084)	\$ 12,042,491	\$ -	\$ -	\$ -	\$ -	\$ 12,042,491	\$ 91,755	\$ -	\$ 11,072,023	\$ 970,468

CDBG Program Year 36
Beginning June 1, 2010
September 30, 2016

Project	Adopted Budget 2009R-586	Reduction Amount	Amended Budget	Reprogramming Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2016			
									Current Year Expenditures	Grant to Date Expenditures	Remaining Grant Budget	
Capital Grants:												
Problem Properties Attorneys	\$ 38,000		\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ 38,000	\$ -	\$ 38,000	\$ -	
Personal Protective Equipment	694,000		694,000	-	-	-	-	694,000	-	694,000	-	
Problem Properties Police	53,000		53,000	-	-	-	-	53,000	-	53,000	-	
Lead Reduction	125,000		125,000	-	-	-	-	125,000	-	125,000	-	
Problem Properties Board Bldg	348,000		348,000	-	-	-	-	348,000	-	348,000	-	
Adult Training, Placement and Retentior	982,000		982,000	-	-	-	-	982,000	-	982,000	-	
High density corridor housing	730,000		730,000	-	-	-	-	730,000	-	730,000	-	
NonProfit MF Rental Development Assist	166,000		166,000	-	-	(99,000) ²	-	67,000	37,000	67,000	-	
NEDF/CEDF	1,500,000		1,500,000	-	-	-	-	1,500,000	516,796	995,716	504,284	
Homeownership Program (GMMHC)	334,000		334,000	443,950	-	-	-	777,950	-	209,437	568,513	
Multi-Family/Affordable Housing	3,703,000	308,189	4,011,189	-	-	99,000 ²	-	4,110,189	99,000	4,110,189	-	
Vacant & Boarded Housing	782,000		782,000	-	-	-	-	782,000	-	782,000	-	
Subtotal Capital Grants	\$ 9,455,000	\$ 308,189	\$ 9,763,189	\$ 443,950	\$ -	\$ -	\$ -	\$ 10,207,139	\$ 652,796	\$ 9,134,342	\$ 1,072,797	
Public Service Grants:												
Restorative Justice Programs	\$ 20,000		\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ 20,000	\$ -	
Community Crime Prevention Specialists	880,000	54,386	934,386	-	-	-	-	934,386	-	934,386	-	
Access & Outreach (Multicultural Affairs)	121,000		121,000	-	-	-	-	121,000	-	121,000	-	
Living at Home Block Nurse Program	49,000		49,000	-	-	87,250	-	136,250	-	136,250	-	
Catholic Charities	49,000		49,000	-	-	(38,980)	-	10,020	-	10,020	-	
Centro Cultural Chicano Inc	33,000		33,000	-	-	14,000	-	47,000	-	47,000	-	
Curfew/Truancy Center	100,000		100,000	-	-	-	-	100,000	-	100,000	-	
Greater Minneapolis Council of Churches	26,000		26,000	-	-	(26,000)	-	-	-	-	-	
Lao Assistance Center of MN	49,000		49,000	-	-	(49,000)	-	-	-	-	-	
Minnesota International Health Volunteer	49,000		49,000	-	-	(5,237)	-	43,763	-	43,763	-	
MPS Teenage Parenting & Pregnancy Pr	49,000		49,000	-	-	(8,928)	-	40,072	-	40,072	-	
MPS Teenage Parenting & Pregnancy Pr	-		-	-	-	42,801	-	42,801	-	42,801	-	
Minneapolis Urban League	49,000		49,000	-	-	(134)	-	48,866	-	48,866	-	
Southside Community Health Ser	47,000		47,000	-	-	(15,772)	-	31,228	-	31,228	-	
Way to Grow	262,000		262,000	-	-	-	-	262,000	-	262,000	-	
Youth Employment & Training	328,000		328,000	-	-	-	-	328,000	-	328,000	-	
Subtotal Public Service Gr	\$ 2,111,000	\$ 54,386	\$ 2,165,386	\$ -	\$ -	\$ -	\$ -	\$ 2,165,386	\$ -	\$ 2,165,386	\$ -	
Administrative Grants:												
YCB Administration	\$ 66,000		\$ 66,000	\$ -	\$ -	\$ -	\$ (1,197)	\$ 64,803	\$ -	\$ 64,803	\$ -	
Civil Rights Dept Fair Housing	365,000		365,000	-	-	-	-	365,000	-	365,000	-	
Finance Administration	196,000		196,000	-	-	-	-	196,000	-	196,000	-	
MPH Citizen Participation	68,000		68,000	-	-	-	-	68,000	-	68,000	-	
Grants & Special Projects	190,000		190,000	-	-	-	-	190,000	-	190,000	-	
Housing Discrimination Law Project-Leg	54,000		54,000	-	-	-	-	54,000	-	54,000	-	
Homeless Initiative	77,000		77,000	-	-	-	-	77,000	-	77,000	-	
Grant Administration	68,000		68,000	-	-	-	-	68,000	-	68,000	-	
Neighborhood Services	72,000		72,000	-	-	-	-	72,000	-	72,000	-	
Way to Grow Administration	26,000		26,000	-	-	-	-	26,000	-	26,000	-	
YCB Youth Violence Prevention	121,000		121,000	-	-	-	-	121,000	-	121,000	-	
Citizen Participation	233,000		233,000	-	-	-	(140,146)	92,854	-	92,854	-	
Legal Aid Society	34,000		34,000	-	-	-	-	34,000	-	34,000	-	
Planning - Administration	941,000		941,000	-	-	-	-	941,000	-	941,000	-	
Subtotal Administrative Gr	\$ 2,511,000	\$ -	\$ 2,511,000	\$ -	\$ -	\$ -	\$ (141,343)	\$ 2,369,657	\$ -	\$ 2,369,657	\$ -	
Reprogrammed												
G4890CP36-Citizen Participation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,051	\$ 74,051	\$ -	\$ -	\$ 74,051	
Block E Deficit Reduction:												
G4123YCB36-YCB Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,197	\$ -	\$ -	\$ 1,197	
G4890CP36-Citizen Participation	-	-	-	-	-	-	66,095	66,095	-	-	66,095	
Subtotal Administrative Gr	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,343.00	\$ 141,343.00	\$ -	\$ -	\$ 141,343.00	
GRAND T	\$ 14,077,000	\$ 362,575	\$ 14,439,575	\$ 443,950	\$ -	\$ -	\$ -	\$ 14,883,525	\$ 652,796	\$ 13,669,385	\$ 1,214,140	

CDBG Program Year 35
Beginning June 1, 2009
September 30, 2016

Project	Adopted Budget	Reduction Amount	Amended Budget	Reprogramming Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2016			
									Current Year Expenditures	Grant to Date Expenditures	Remaining Grant Budget	
Capital Grants:												
General Housing Rehabilitation-MPHA	\$ 219,000	\$ -	\$ 219,000	\$ -	\$ -	\$ -	\$ -	\$ 219,000	\$ -	\$ 219,000	\$ -	
Problem Properties Attorneys	38,000		38,000	-	-	-	-	38,000	-	38,000	-	
Problem Properties Police	53,000		53,000	-	-	-	-	53,000	-	53,000	-	
Lead Reduction	125,000		125,000	-	-	-	-	125,000	-	125,000	-	
Problem Properties Board Bldg	348,000		348,000	-	-	-	-	348,000	-	348,000	-	
Childcare Facilities Loan/Grant	225,000	-	225,000	-	-	-	-	225,000	14,867	79,292	145,708	
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	-	-	(12,273) ⁴	-	153,727	10,000	153,727	-	
Homeownership Program (GMMHC)	334,000		334,000	1,472,000	-	-	-	1,806,000	-	1,805,195	805	
Multi-Family/Affordable Housing	5,715,000		5,715,000	2,014,000	-	12,273 ⁴	-	7,741,273	12,273	7,741,273	-	
Vacant & Boarded Housing	569,000		569,000	500,000	-	-	-	1,069,000	-	1,069,000	-	
Subtotal Capital Grants	\$ 9,033,000	\$ -	\$ 9,033,000	\$ 3,986,000	\$ -	\$ -	\$ -	\$ 13,019,000	\$ 37,140	\$ 12,872,487	\$ 146,513	
Public Service Grants:												
Multi Cultural & Native American Indian	\$ 121,000		\$ 121,000	\$ -	\$ -	\$ -	\$ -	\$ 121,000	\$ -	\$ 121,000	\$ -	
Graffiti Removal on Public Property	86,000		86,000	-	-	-	(19,527) ³	66,473	-	66,473	-	
Living at Home Block Nurse Program	69,000		69,000	-	-	20,000 ²	-	89,000	-	89,000	-	
Catholic Charities	69,000		69,000	-	-	(3,562) ²	-	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) ²	-	12,482	-	12,482	-	
Juvenile Supervision Center	100,000		100,000	-	-	-	-	100,000	-	100,000	-	
Lao Family Community	69,000		69,000	-	-	(22,815) ²	-	46,185	-	46,185	-	
Minnesota International Health Volunteers	69,000		69,000	-	-	(2,180) ²	-	66,820	-	66,820	-	
MPS Teenage Parenting & Pregnancy Program	69,000		69,000	-	-	16,075 ²	-	85,075	-	85,075	-	
Minneapolis Urban League	69,000		69,000	-	-	16,000 ²	-	85,000	-	85,000	-	
Southside Community Health Services	66,000		66,000	-	-	-	-	66,000	-	66,000	-	
Way to Grow	262,000		262,000	-	-	-	-	262,000	-	262,000	-	
Youth are Here Busses	51,000		51,000	-	-	-	(51,000) ³	-	-	-	-	
Advocacy (Housing)	82,000		82,000	-	-	-	-	82,000	-	81,999	1	
Mortgage Foreclosure Prevention Program	140,000		140,000	-	-	-	-	140,000	-	140,000	-	
Youth Employment & Training	458,000		458,000	-	-	-	-	458,000	-	458,000	-	
Subtotal Public Service Grants	\$ 1,863,000	\$ -	\$ 1,863,000	\$ -	\$ -	\$ -	\$ (70,527)	\$ 1,792,473	\$ -	\$ 1,792,472	\$ 1	
Administrative Grants:												
MPH Citizen Participation	\$ 68,000	\$ -	\$ 68,000	\$ -	\$ -	\$ -	\$ -	\$ 68,000	\$ -	\$ 68,000	\$ -	
YCB Administration	66,000		66,000	-	-	-	(1,197) ³	64,803	-	64,803	-	
Civil Rights Dept Fair Housing	365,000		365,000	-	-	-	-	365,000	-	365,000	-	
Grants & Special Projects	189,710		189,710	-	-	-	-	189,710	-	189,710	-	
Housing Discrimination Law Project-Legal Aid	54,000		54,000	-	-	-	-	54,000	-	54,000	-	
Homeless Initiative	77,000		77,000	-	-	-	-	77,000	-	77,000	-	
Finance Administration	196,000		196,000	-	-	-	-	196,000	-	196,000	-	
Grant Administration	68,000		68,000	-	-	-	-	68,000	-	68,000	-	
Neighborhood Services	72,000		72,000	-	-	-	-	72,000	-	72,000	-	
Way to Grow Administration	26,000		26,000	-	-	-	-	26,000	-	26,000	-	
YCB Youth Violence Prevention	121,000		121,000	-	-	-	-	121,000	-	121,000	-	
Citizen Participation	233,000		233,000	-	-	-	-	233,000	-	233,000	-	
Legal Aid Society	34,000		34,000	-	-	-	-	34,000	-	34,000	-	
Program Admin	62,000		62,000	-	-	-	-	62,000	-	62,000	-	
Planning - Administration	879,000		879,000	-	-	-	-	879,000	-	879,000	-	
Subtotal Administrative Grants	\$ 2,510,710	\$ -	\$ 2,510,710	\$ -	\$ -	\$ -	\$ (1,197)	\$ 2,509,513	\$ -	\$ 2,509,513	\$ -	
Block E Deficit Reduction:												
Graffiti Removal on Public Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,527 ³	\$ 19,527	\$ -	\$ -	\$ 19,527	
YCB Administration	-	-	-	-	-	-	1,197 ³	1,197	-	-	1,197	
Youth are Here Busses	-	-	-	-	-	-	51,000 ³	51,000	-	-	51,000	
Subtotal Reprogrammed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,724	\$ 71,724	\$ -	\$ -	\$ 71,724	
GRAND TOTAL	\$ 13,406,710	\$ -	\$ 13,406,710	\$ 3,986,000	\$ -	\$ -	\$ -	\$ 17,392,710	\$ 37,140	\$ 17,174,472	\$ 218,238	

**City of Minneapolis
Community Planning & Economic Development (CPED)
Special Revenue Funds
For the Third Quarter Ending September 30, 2016**

Programs	Original Budget	Current Budget	Expended	Bud vs Exp	Cash	Fund Balance
Tax Increment Financing	41,395,508	57,717,396	42,336,609	15,380,787	92,310,743	117,143,126
Housing & Economic Development	1,108,551	3,523,212	647,665	2,875,547	10,189,312	14,197,012
General Development	5,776,593	16,099,536	6,409,564	9,689,972	24,009,507	30,998,356
Neighborhood Revitalization	7,103,061	7,103,061	2,849,271	4,253,790	30,537,747	30,905,198
CPED Operating	1,756,364	1,756,364	1,249,461	506,903	(24,304)	(710,899)
Total	\$ 57,140,077	\$ 86,199,569	\$ 53,492,570	\$ 32,706,999	\$ 157,023,005	\$ 192,532,793

CPED Special Revenue Funds account for governmental funds that are legally restricted to expenditures for specific purposes in a number of housing and economic development programs. The programs that are operated within these funds were established to increase the City’s economic competitiveness, ensure an array of attractive housing choices, support strong and diverse neighborhoods, and preserve historic structures. These programs are funded primarily through state and local grants, tax increment financing (TIF), and administrative fees collected from the issuance of housing and economic development revenue bonds.

Fund Balance. The fund balance in the combined CPED Special Revenue Fund as of the third quarter 2016 is \$192,532,793. A portion of that fund balance, the property held for development, is in a non-spendable form in the amount of \$33,109,299. Fund balance in the NRP and TIF programs (\$123,146,315) are restricted by State law. The remaining fund balance (\$36,277,179) has been assigned for use in specific purposes. All special revenue funds are restricted to the legal purposes of the special revenue.

The combined fund balance at the end of the third quarter 2016 was \$7.8 million lower than at the end of third quarter 2015, and available cash was lower by \$3.9 million. When the third quarter cash balances of the TIF and NRP programs are deducted, the remaining cash balance at the end of third quarter 2016 was \$499,690 higher than in 2015.

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

The primary source of revenue for this program is tax increment, which is comprised of property taxes generated from the new incremental value of specific development. Generally, this revenue is used to pay outstanding TIF bonds, notes and loans. Tax increment revenues of the program are segregated by TIF district and must be spent according to the provisions of the TIF Act.

Cash at the end of the third quarter 2016 was \$2.1 million lower than cash at the end of third quarter 2015. Third quarter 2016 revenues were \$2.9 million higher than in 2015, and third quarter 2016 expenditures were \$4.2 million higher than in 2015.

Housing & Economic Development. Prior to 2014, Housing and Economic Development program activities were generally funded by administrative fees generated through the City's issuance of conduit debt (e.g. housing revenue bonds, industrial development revenue bonds, etc.). Since 2014, these activities have been largely funded through the City's General Fund where these administrative fees are now deposited. The Preliminary Planning Fund, which had previously been reported separately, is now included in this category.

Cash at the end of the third quarter 2016 was \$543,560 lower than cash at the end of third quarter 2015. Third quarter 2016 revenues were \$272,305 lower than in 2015, and third quarter 2016 expenditures were \$658,522 lower than in 2015.

General Development. This program provides loans and grants to outside organizations to assist with housing and economic development activities within the City, as well as providing interim loans to specific CPED projects. This program is capitalized with land sale proceeds, parking revenues, rental income from development projects, and loan payments that are not part of the Housing and Economic Development program.

Cash at the end of the third quarter 2016 was \$898,862 higher than cash at the end of third quarter 2015. Third quarter 2016 revenues were \$949,856 lower than in 2015, and third quarter 2016 expenditures were \$1.5 million higher than in 2015.

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

The program is funded from tax increment and other revenues of the City's Common Project. From 1990 through 2011 this program was administered by the NRP Policy Board. This board was established under State law, and operated pursuant to a joint powers agreement between the City, County, School District, Park Board and Library Board. After the joint powers agreement expired in 2012 the program came under the management of the City's Neighborhood and Community Relations (NCR) Department. The revenues remaining in this program are restricted in their use by State law.

Cash at the end of the third quarter 2016 was \$2.3 million less than cash at the end of third quarter 2015. Third quarter 2016 revenues were \$309,115 lower than in 2015, and third quarter 2016 expenditures were \$835,244 higher than in 2015.

CPED Operating. This program provides the working capital for CPED's administrative costs. The program also provides financing for projects that are not eligible for CPED's restrictive revenue sources.

At the end of 2011, a large negative fund balance existed in this program. As part of the 2012 budget process, CPED directors developed and approved a five-year Deficit Work-out Plan. The negative fund balance was to be eliminated over a five-year work-out period (2012-2016). In each year, available unrestricted CPED revenues are used to pay 20 percent of the original negative fund balance plus the actual deficit (expenditures over revenues) from the prior year.

As an example, a \$5.0 million negative fund balance in the program would be eliminated by paying \$1.0 million (20%) each year plus the actual deficit from the prior year. So if the prior year deficit was \$350,000, the annual deficit reduction payment would be \$1,350,000. After the five-year period, the only deficits remaining would be from the current year. In the fourth quarter of 2016 the final payment will be made under this work-out plan.

At the end of the third quarter 2016, this program had a negative fund balance of \$710,899 and a negative cash balance of \$24,304. Expenditures during this period exceeded revenues by \$849,176 which was funded in part with \$542,230 in transfers from other funds.

CPED Special Revenue Fund	TIF	Housing & Econ Development	General Development	NRP	CPED Operating	Spec Rev Fund	
						2016 Total	2015 Total
Assets							
Cash	92,310,743	10,189,312	24,009,507	30,537,747	(24,304)	157,023,005	160,962,821
Misc receivables	441,644	9,840	68,285	103,382	60,277	683,428	704,322
Loans receivable	-	7,250,813	-	-	-	7,250,813	7,377,163
Advances to other funds	670,000	-	2,750,000	-	-	3,420,000	10,288,000
Properties held for resale	24,606,307	4,005,092	4,202,198	295,702	-	33,109,299	37,194,649
Total Assets	118,028,694	21,455,057	31,029,990	30,936,831	35,973	201,486,545	216,526,955
Liabilities							
Payables	645	677	20,291	9,706	142	31,461	141,830
Advances from other funds	670,000	-	-	-	-	670,000	7,538,000
Deposits held for others	-	-	-	-	731,078	731,078	740,065
Deferred inflow of resources	214,923	7,257,368	11,343	21,927	15,652	7,521,213	7,812,012
Total Liabilities	885,568	7,258,045	31,634	31,633	746,872	8,953,752	16,231,907
Total Fund Balance	117,143,126	14,197,012	30,998,356	30,905,198	(710,899)	192,532,793	200,295,048
Total Liabilities & FB	118,028,694	21,455,057	31,029,990	30,936,831	35,973	201,486,545	216,526,955
Revenue							
General property taxes	-	68,714	-	-	59,859	128,573	516,796
Property tax increment	25,126,055	-	-	-	-	25,126,055	22,856,563
Fees & charges for services	4,844	282,796	254,751	-	241,889	784,280	1,643,569
Interest revenue	619,383	36,368	1,736,412	292,677	98,537	2,783,377	290,442
Rent	1,540,307	1	60,137	-	-	1,600,445	2,468,180
Sale of land & buildings	87,396	78,780	48,606	-	-	214,782	2,927,266
Loan recapture	153,608	279,918	3,374,540	1,961,513	-	5,769,579	5,167,409
Total revenue	27,531,593	746,577	5,474,446	2,254,190	400,285	36,407,091	35,870,225
Expenditures							
Personal services	-	79,344	689,474	-	-	768,818	1,414,439
Contractual services	216,272	25,057	708,863	2,523,761	1,249,453	4,723,406	4,751,138
Other operating costs	11,423	34,692	946,037	-	8	992,160	782,186
Program capital outlay	15,582,154	451,527	2,676,547	144,526	-	18,854,754	12,747,557
Total expenditures	15,809,849	590,620	5,020,921	2,668,287	1,249,461	25,339,138	19,695,320
Transfers							
Transfers from other funds	6,873,503	733,029	283,941	-	542,230	8,432,703	4,134,663
Transfers to other funds	(26,526,760)	(57,045)	(1,388,643)	(180,984)	-	(28,153,432)	(23,821,756)
Total transfers	(19,653,257)	675,984	(1,104,702)	(180,984)	542,230	(19,720,729)	(19,687,093)
Change in fund balance	(7,931,513)	831,941	(651,177)	(595,081)	(306,946)	(8,652,776)	(3,512,188)
Beginning fund balance	125,074,639	13,365,071	31,649,533	31,500,279	(403,953)	201,185,569	203,807,236
Ending fund balance	117,143,126	14,197,012	30,998,356	30,905,198	(710,899)	192,532,793	200,295,048

City of Minneapolis
Engineering, Materials, and Testing Fund
For the Third Quarter Ending September 30, 2016

Fund 06000	2016 Budget	09/30/2016 Actual	Projected YE 2016	2015 Actual
Operating Revenue	1,772,064	1,369,227	1,925,817	1,539,105
Operating Expense	1,929,276	1,386,291	1,939,297	1,881,730
Operating Margin	(157,212)	(17,063)	(13,480)	(342,626)
Change in Net Position		(16,518)	(12,935)	(341,761)
Net Position		785,657	786,240	802,175
Cash Balance		2,113,314	2,100,379	1,552,947

Program Description:

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

Revenue:

Operating revenue earned through third quarter 2016 is \$1,369,227, or 77.3% of the budgeted amount of \$1,772,064. The 2016 revenue represents an increase of 24.9% over the third quarter 2015 revenue of \$1,095,948. Revenue for the first three quarters of the year is dependent upon several factors such as weather as well as the timing of construction projects. These variables can result in substantial variances in the amount of revenue recorded through third quarter from year to year. This fund generates revenue from testing and inspection services provided by the Engineering Laboratory and the sale of concrete and asphalt from outside vendors to other City departments. A cost allocation model determines product costs to allow the fund to generate revenues that match operating expenses. The rates charged for inspection services in 2016 closely matched the rates charged in 2015. The Engineering Laboratory continually compares its rates with those of the private sector that provides comparable services. Historically, the Laboratory's hourly rate has been significantly lower than that of the private sector while still generating adequate revenue to cover the fund's direct and indirect expenses.

Expense:

Operating expense through third quarter 2016 is \$1,386,291, or 71.9% of the budgeted amount of \$1,929,276. The 2016 expense reflects an increase of 0.7% over the 2015 expense of \$1,376,280 incurred through the same period. Personnel expense through third quarter 2016 increased by 13.0% compared to the same time period in 2015. Contractual service expense increased by 14.0% primarily resulting from an increase in the cost of internal services provided by other City departments. Personal increased by 13.0% due to FTE's being filled. Materials, Supplies, Services & Other decreased by 77.0%, total variance for all is \$10,011 or 0.7%.

Transfers:

This fund does not have any transfers in or out in 2016.

Debt Service:

This fund does not have any debt obligations.

Forecast:

Operating revenue is projected to be \$1,925,817 or \$273,279 more than the budgeted amount of \$1,772,064. The increase in revenue is due to better weather conditions going into the later part of the year, so additional lab services can be performed. Operating expense is projected to be \$1,939,297 which is \$10,021 more than the budgeted amount of \$1,929,276. These projections result in a 2016 decrease to net position of \$(12,935) and a projected ending net position of \$789,240. The year-end cash balance is projected to be \$2,100,379 representing an increase of \$547,432 from the 2015 year-end balance of \$1,552,947.

Cash and Net Position

The 2016 third quarter cash balance is \$2,113,314, an increase of \$560,367 from the 2015 year-end balance of \$1,552,947. The increase in cash through third quarter is due to timing differences between the receipt and payment of invoices for asphalt and concrete and billing these purchases to other City departments. Financial policies for the cash reserve for the Engineering, Materials, and Testing Fund determine that the cash balance should not be less than 15.0% of the operating budget or \$289,391.

The 2015 year-end net position was \$802,175 which represents a decrease of \$979,988 million from the 2014 ending balance of \$1,782,163. The net position at year-end 2015 includes an adjustment of \$(829,355) due to recognition of long-term pension liabilities in accordance with GASB Statement No. 68. Of the total adjustment amount, \$(529,908) is reflected in the financial reports as a decrease to the beginning net position at January 1, 2015. The net position also decreased due to the planned reduction in rates charged for laboratory services and due to the purchase of a drill rig that was funded through use of net position. The financial policy for the net position for this fund determines that net position not be less than 15.0% of the annual operating budget or \$289,391.

City of Minneapolis
Engineering, Materials and Testing Fund
Statement of Revenues and Expenses
For Third Quarter/Years, 2016, 2015, and 2014

	Budget Year 2016	Projected Year Ending 2016	For Period Ending 30-Sep-16	For Year Ending 2015	For Period Ending 30-Sep-15	For Year Ending 2014	For Period Ending 30-Sep-14
Operating Revenues:							
Asphalt / Concrete	150,000	277,947	207,916	295,777	256,251	290,153	258,392
Inspection revenue	1,622,064	1,647,870	1,161,311	1,243,328	839,697	1,006,964	829,937
Total Operating Revenues	1,772,064	1,925,817	1,369,227	1,539,105	1,095,948	1,297,117	1,088,329
Operating Expenses:							
Personnel	1,272,880	1,375,605	967,757	1,137,996	856,420	1,067,161	806,071
Contractual	522,617	441,796	331,347	481,026	290,606	366,060	256,835
Materials, Supplies, Services, Other	84,305	72,422	50,081	245,493	216,888	71,515	46,206
Rent	49,474	49,474	37,105	17,215	12,366	13,098	9,824
Total Operating Expenses	1,929,276	1,939,297	1,386,291	1,881,730	1,376,280	1,517,834	1,118,936
Operating Margin	(157,212)	(13,480)	(17,063)	(342,626)	(280,332)	(220,717)	(30,607)
Non-Operating Revenues/(Expenses):							
Other revenue	-	545	545	865	865	-	-
Depreciation	-	-	-	-	-	-	-
Total Non-Operating Revenues(Expenses)	-	545	545	865	865	-	-
Operating Transfers In (Out):							
Net transfers in from other funds	-	-	-	-	-	-	-
Net Transfers out to other funds	-	-	-	-	-	-	-
Total Operating Transfers	-	-	-	-	-	-	-
Change in Net Position	(157,212)	(12,935)	(16,518)	(341,761)	(279,467)	(220,717)	(30,607)
Significant Balance Sheet Items							
Cash Balance		2,100,379	2,113,314	1,552,947	1,995,978	1,935,522	2,698,206
Net Position ¹		789,240	785,657	802,175	1,678,551	1,782,163	1,943,905

¹ The net position at year end 2015 includes an adjustment of (\$829,355) due to recognition of long-term pension liabilities in accordance with GASB Statement No.68. Of the total adjustment amount, (\$529,908) is reflected in the financial reports as a decrease to the beginning net position at January 1, 2015. The prior year net position was not restated.

**City of Minneapolis
Fleet Services Division
For the Third Quarter Ending September 30, 2016**

Fund 06100	2016 Budget	09/30/2016 Actual	Projected YE 2016	2015 Actual
Operating Revenue	33,040,703	22,079,947	29,527,877	30,360,604
Operating Expense	22,594,505	14,025,295	19,681,534	19,890,672
Operating Margin	10,446,198	8,054,652	9,846,343	10,469,932
Change in Net Position		5,037,040	5,712,905	5,785,937
Net Position		66,955,616	67,631,481	61,918,576
Cash Balance		27,906,837	21,986,440	23,701,747

Program Description:

The Fleet Services Fund manages the acquisition, maintenance and disposal of approximately 1700 units of equipment; primarily the City's fleet of vehicles, including police cars, fire trucks, snow plows, sedans and pickup trucks along with off road equipment. This fund provides technicians to maintain the equipment. Through the end of October 2013, the fund also provided the drivers and operators for the equipment that is used in construction and snow removal. Starting in November 2013, these employees were transitioned out of Fleet Services Fund and reallocated to various Public Works departments. In addition, the fund manages the field coordination of City-owned and contractual equipment and operators as well as the procurement and sale of fuel for these vehicles.

Revenue:

Operating revenue earned through third quarter 2016 is \$22,079,947 or 66.8% of the budgeted amount of \$33,040,703. The revenue earned through third quarter 2016 increased by \$136,230, or 0.6%, from the revenue earned through third quarter 2015. This increase is due to rental income which increased by \$1.4 million or 14.9% from third quarter 2015 to third quarter 2016, primarily due to an increase in the administrative overhead charges related to rental of fleet vehicles as determined by the cost allocation model. This increase in rental income was offset by a decrease of \$1.3 million in charges for services and sales income, mostly due to a decrease in fuel costs which result in lower revenue from the sale of fuel.

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

Expenses:

Operating expense through third quarter 2016 totaled \$14,025,295, representing 62.1% of the annual budget of \$22,594,505. Expenses through the third quarter of 2016 decreased \$327,195 or 2.3%, over the total expense through the same period in 2015. The primary reason for this decrease is lower fuel costs. The amount expended on fuel purchases through third quarter 2016

declined \$902,326, or 30.0%, from the amount expended through the same period in 2015. The decrease in fuel costs was offset by contractual services, which increased \$216,638 or 6.2% from 2015 to 2016 through third quarter, primarily due to increased external equipment rental charges. Property Services rent expense also increased \$284,655 or 46.2% through the third quarter of 2016 over the same period in 2015 due to allocation of capital improvement costs in the Property Services allocation model. Personnel services expense also increased by \$259,739 through the third quarter of 2016, which is primarily due to an addition of one FTE position in 2016.

Transfers:

In 2016 this fund received a transfer in of \$2,275,750 from the General Fund to fund vehicle purchases as part of the Capital Asset Request System (CARS). This transfer is intended to bridge the gap created by the purchase of new vehicles that, due to changes in technology or needs, are more expensive than the vehicles they are replacing. In addition, the fund received \$110,000 from the General Fund to fund an automatic vehicle locating system and an upgrade to the fuel dispenser system, which were also approved as part of the CARS program. Fleet Services Division also received a transfer of \$326,162 from the Property Services Fund to assist with the payment of debt bonds related to the Currie Maintenance Facility.

Debt Service:

Principal payments related to the general obligation bonds sold to finance the upgrade of fleet vehicles and the new maintenance facility will total \$2,215,000 in 2016. Interest payments related to the 2016 debt will be \$400,350. After the 2016 payments, the remaining debt will be \$1,183,800 for the equipment bonds and \$10,752,800 for the facility bonds. The final payment occurs in 2018, at a total of \$9,259,700.

Forecast:

Operating revenue is projected to be \$29.5 million which is 10.6% less than the budgeted amount of \$33,040,703. Projected revenue is less than budgeted primarily due to a decrease in the price of fuel compared to the original cost budgeted. The sale price of fuel is determined by the cost of fuel per gallon plus the addition of a fixed overhead rate of 10 cents per gallon. Because the cost of fuel was budgeted at a higher rate, the revenue budget was also increased. Operating expense is projected to be \$19.7 million or 12.9% less than the budgeted amount of \$22,594,505. Materials expense is expected to be less than budgeted due to a decline in the price of fuel when compared to the cost that was budgeted. After transfers are complete and non-operating revenue is recorded, an increase to net position of \$5.7 million is projected compared to the budgeted of \$6,317,760, resulting in a projected ending net position of \$67.6 million. Ending cash is projected to be \$22.0 million, a decrease of \$1.7 million from the 2015 ending cash balance of \$23,701,747. The decrease is due to the use of cash balance as the revenue source for the payment of debt.

Cash and Net Position:

The fund has maintained a positive cash balance with a third quarter 2016 ending balance of \$27,906,837, an increase of \$3.2 million from the 2015 third quarter ending balance of \$24,692,511. Reserve policies for internal service funds determine that the minimum cash balance should be 15.0% of the fund's operating budget or \$3,239,000. While cash reserves at

the end of third quarter 2016 are significantly higher than the minimum target, there are no future scheduled transfers in to assist with the payment of the remaining principal and interest on debt totaling \$10,752,800 after the 2016 payment.

The net position for year ending 2015 was \$61,918,576, an increase of \$2.1 million, or 3.5% over the 2014 ending balance of \$59,822,207. The increase in net position is due to timing differences between the receipt of revenue collected to pay for replacement vehicles and the delivery and subsequent payment for the vehicles. The net position at year-end 2015 includes an adjustment of \$(4,544,177) due to recognition of long-term pension liabilities in accordance with GASB Statement No. 68. Of the total adjustment amount, \$(2,903,456) is reflected in the financial reports as a decrease to the beginning net position at January 1, 2015. Net position consists of a net investment in capital assets of \$44.2 million along with \$17.7 million of unrestricted net position. Financial reserve policies for the internal service funds determine that the minimum net position for the Fleet Services Division Fund should be twice the depreciation amount or \$13,600,000.

City of Minneapolis
Fleet Services Division Fund
Statement of Revenue and Expenses
For Third Quarter Years, 2016, 2015, and 2014

	Budget Year 2016	Projected Year Ending 2016	For Period Ending 30-Sep-2016	For Year Ending 2015	For Period Ending 30-Sep-2015	For Year Ending 2014	For Period Ending 30-Sep-2014
Operating Revenues:							
Charges for Services and Sales	18,864,426	14,620,000	10,985,140	16,453,593	12,283,673	18,105,932	13,108,502
Rent Public Works and Other	14,176,277	14,907,877	11,094,807	13,907,011	9,660,044	21,175,349	14,847,169
Total Operating Revenue	33,040,703	29,527,877	22,079,947	30,360,604	21,943,717	39,281,281	27,955,671
Operating Expenses:							
Personnel Services	7,574,806	7,133,117	5,331,088	6,839,149	5,071,349	7,233,185	5,364,244
Contractual Services	4,341,572	5,160,409	3,720,307	5,050,607	3,503,669	7,859,404	5,467,806
Materials, supplies, services and other	9,476,947	6,186,828	4,073,015	7,179,276	5,161,242	9,801,016	7,297,996
Rent	1,201,180	1,201,180	900,885	821,640	616,230	924,597	693,448
Total Operating Expenses	22,594,505	19,681,534	14,025,295	19,890,672	14,352,490	25,818,202	18,823,494
Operating Margin	10,446,198	9,846,343	8,054,652	10,469,932	7,591,227	13,463,079	9,132,177
Non-Operating Revenues/(Expenses):							
Interest on Bonds	(400,350)	(400,350)	(300,263)	(343,971)	(345,263)	(345,090)	(387,788)
Gains/Losses on disposal of fixed assets	350,000	350,000	240,015	356,741	363,941	214,329	180,800
Other revenue	10,000	5,000	1,490	7,557	5,219	6,891	6,809
Depreciation	(6,800,000)	(6,800,000)	(4,992,789)	(6,616,141)	(4,671,149)	(6,158,862)	(4,382,993)
Total Non-Operating Revenues(Exp)	(6,840,350)	(6,845,350)	(5,051,547)	(6,595,814)	(4,647,252)	(6,282,732)	(4,583,172)
Operating Transfers in (out)							
Net transfer in from other funds	2,711,912	2,711,912	2,033,934	1,911,819	1,433,864	1,288,580	966,438
Net transfers out to other funds	-	-	-	-	-	-	-
Total Operating Transfers	2,711,912	2,711,912	2,033,934	1,911,819	1,433,864	1,288,580	966,438
Change in Net Position	6,317,760	5,712,905	5,037,040	5,785,937	4,377,839	8,468,927	5,515,443
Significant Balance Sheet Items							
Cash Balance		21,986,440	27,906,837	23,701,747	24,692,511	23,186,971	23,539,859
Net Building Value				20,371,517		20,973,940	
Net Fleet Value				31,256,219		28,764,885	
Bonds Payable			(13,545,000)	(13,545,000)	(15,645,000)	(15,645,000)	(17,635,000)
Net Position ¹		67,631,481	66,955,616	61,918,576	64,200,048	59,822,207	55,577,317
Significant Cash Flow Items							
Principal on Equipment Bonds	(720,000)	(720,000)	-	(730,000)		(730,000)	
Principal on Facilities Bonds	(1,495,000)	(1,495,000)	-	(1,370,000)		(1,260,000)	
Fleet Purchases	16,013,211	12,013,212	5,057,989	10,151,707	7,079,023	7,539,842	3,930,836

¹The Net Position at year-end 2015 includes an adjustment of \$(4,544,177) due to recognition of long-term pension liabilities in accordance with GASB Statement No. 68. Of the total adjustment amount, \$(2,903,456) is reflected in the financial reports as a decrease to the beginning Net Position at January 1, 2015. The prior year net position was not restated.

**City of Minneapolis
Property Services Fund
For the Third Quarter Ending September 30, 2016**

Fund 06200	2016 Budget	09/30/2016 Actual	Projected YE 2016	2015 Actual
Operating Revenue	22,247,714	17,642,709	23,949,310	21,418,319
Operating Expense	22,833,473	14,585,030	20,439,883	20,155,438
Operating Margin	(585,759)	3,057,679	3,509,427	1,262,882
Change in Net Position		4,417,890	4,629,159	676,402
Net Position		33,907,418	34,118,687	29,489,528
Cash Balance		9,943,559	10,192,658	4,958,223

Program Description:

The Property Services Fund is responsible for the maintenance and upkeep of City-owned buildings including police precinct structures, fire stations, and public works buildings. The fund does not include the Convention Center, Water facilities, or Park Board buildings. The fund is also responsible for the Radio Shop which maintains the City's emergency communications network. Beginning in 2009, the Council approved a City-wide charge for City Hall rent. The Property Service fund collects the rental charge and remits it to the Municipal Building Commission (MBC) to reimburse MBC for maintenance and property management services. The 2016 revenue and expense budgets for the fund were increased by \$4,800,000 to account for this flow-through rental charge. The City departments located in City Hall receive a General Fund appropriation to fund the charge for the rent.

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

Revenue:

Operating revenue recorded through third quarter 2016 is \$17,642,709, or 79.3% of the budgeted amount of \$22,247,714. The 2016 third quarter revenue increased \$1,641,970, or 10.3%, from the revenue earned through third quarter 2015. The primary reason for the increase is, that beginning in 2016, funding for City building capital repairs and upgrades is managed through the rent allocation model. City departments that occupy City buildings are charged an additional rent to fund these projects. Previously, capital repairs and upgrades were funded through net debt bonds. The amount allocated for this purpose in 2016 is \$4,000,000.

Property Services earns revenue through rent charged to departments housed in City owned buildings for property maintenance and by performing facility repairs and upgrades. Revenue received from rents through third quarter 2016 increased by \$2,655,299, or 22.1%, compared to the same period in 2015. The increase is attributable to the collection of revenue for capital repairs and maintenance through the rent model. Revenue received from charges for services, including operating repairs and upgrades, fluctuates based on the

amount of discretionary spending available to departments. Through third quarter 2016, the revenue earned from charges for services is \$2,986,892, down 25.3% from the \$4,000,220 earned in 2015 through the same period. The Property Disposition Fund recorded revenue of \$1,670,290 for the sale of 15 acres of vacant land in the vicinity of 40th St. West and France Avenue to the City of Edina.

Expenses:

Operating expense through third quarter 2016 is \$14,585,030, or 63.9% of the total budgeted amount of \$22,833,473. The 2016 third quarter expense decreased \$574,743, or 3.8%, from the operating expense recorded through third quarter 2015. This decrease is primarily due to recording \$1,297,477 of capital expense to the Property Disposition Fund in 2015. In addition, Materials, Supplies, and Other decreased \$380,887, or 28.1%, as the result of a one-time purchase of replacement radios for the 800 MHZ radio system for \$348,644 in 2015. Personnel expense increased by 4.4% through third quarter 2016 compared to third quarter 2015. The increase is due to increased salaries as a result of wage increases as a normal part of operations.

Transfers:

In 2016, this fund receives a transfer in from the General Fund totaling \$799,322 of which \$279,322 supports City Hall rent expense and \$520,000 funds approved CARS projects. These CARS projects are related to security enhancements at various locations throughout the City. The fund will transfer out \$326,162 to the Fleet Services Division fund to assist with the debt related to the Currie Maintenance Facility. Property Services collects this payment through the rent allocation model from City departments housed in Currie.

Debt Service:

The debt service for 2016 is related to the sale of net debt bonds to purchase the 800 MHZ radio system. In 2016, the debt consists of an interest payment of \$73,800 and a principal payment of \$820,000. The remaining debt after the 2016 payment is \$1,713,800 with the final payment scheduled for 2018. The fund received a final transfer in of \$3,185,600 from the General Fund in 2013 to assist with payment of debt.

Forecast:

Operating revenue is projected to be \$23,949,310 or 7.6% more than budgeted amount of \$22,247,714. Increased revenue from projects for other departments, as charges for services, is driving the overall revenue projection up. The net gain from project work is not included in the revenue budget and, as the total amount of project work increases, the gap between the revenue earned and the amount budgeted widens. The operating expense is projected to be \$20,439,883 or 10.5% less than the budget of \$22,833,473. Of the \$3.8 million budgeted for capital repairs and upgrades, it is projected that \$1.0 million will be expended by year-end. This decrease in the capital expense projection is offset by an increase in expense related to project work completed for other City departments and subsequently billed back to the departments. Property Services is projected to spend \$341,318 of the \$520,000 CARS funding, leaving a balance of \$178,681. These projections result in a projected operating margin gain of 3,509,427 compared to the budgeted operating margin loss of \$585,759.

The 2016 ending cash balance is projected to increase to \$10,192,658 from 2015 year-end balance of \$4,958,223. A contributing factor to this increase is that, of the \$4,000,000 collected for capital repairs and upgrades, only \$1,193,595 is projected to be expended by year-end. In addition, the revenue earned from the sale of land added \$1,670,270 to the cash balance in the Property Disposition Fund.

Cash and Net Position:

The cash balance at the end of third quarter 2016 was \$9,943,559 compared to a cash balance of \$4,958,223 at the end of third quarter 2015. The cash consists of a balance of \$3,365,222 in the Property Disposition fund and a balance of \$6,578,337 in the Property Services operating fund. Primary factors for the increase in cash are revenue of \$1,670,290 received from the sale of land and revenue of \$3,000,000 received through the allocation model for capital repairs and upgrades to City buildings and remaining CARS funding. At the end of third quarter, there was approximately \$81,318 expense recorded for capital repairs and upgrades. Financial reserve policies for the internal service funds determine that the minimum cash balance should be 15.0% of the fund's operating budget or \$2,426,000 for the Property Services fund.

The net position for the year ending 2015 was \$29,489,528, a decrease of \$3,311,842 from the net position of \$32,801,370 for year ending 2014. The net position at year-end 2015 includes an adjustment of \$(4,077,663) due to recognition of long-term pension liabilities in accordance with GASB Statement No. 68. Of the total adjustment amount, \$(2,605,382) is reflected in the financial reports as a decrease to the beginning net position at January 1, 2015. 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 2015 was \$1,340,935 and the net position was \$26,807,658 greater than the benchmark. Net position at the end of 2015 consists of an investment in capital assets, net of related debt, of \$29,663,474 along with (\$173,946) of unrestricted net position.

City of Minneapolis
Property Services Fund
Statement of Revenues and Expenses
For Third Quarter / Years, 2016, 2015, and 2014

	Budget Current Year 2016	Projected Year 2016	For Period Ending 30-Sep-16	For Year Ending 2015	For Period Ending 30-Sep-15	For Year Ending 2014	For Period Ending 30-Sep-14
Operating Revenues:							
Charges for Services And Sales	3,117,576	4,049,607	2,986,892	5,371,262	4,000,220	4,764,338	3,039,077
Rents Public Works and Other	19,130,138	19,899,703	14,655,817	16,047,057	12,000,519	14,388,150	10,769,108
Total Operating Revenue	<u>22,247,714</u>	<u>23,949,310</u>	<u>17,642,709</u>	<u>21,418,319</u>	<u>16,000,739</u>	<u>19,152,488</u>	<u>13,808,185</u>
Operating Expenses:							
Personnel Services	6,570,513	6,850,059	5,137,545	6,656,970	4,919,460	5,948,082	4,347,884
Contractual Services	10,014,246	10,727,842	8,045,882	11,169,617	8,477,672	11,352,721	7,784,750
Materials, Supplies, and Other	5,680,639	2,293,907	975,547	1,787,242	1,356,434	1,379,103	875,612
Rent	568,075	568,075	426,057	541,608	406,206	505,212	378,909
Total Operating Expenses	<u>22,833,473</u>	<u>20,439,883</u>	<u>14,585,030</u>	<u>20,155,438</u>	<u>15,159,773</u>	<u>19,185,118</u>	<u>13,387,155</u>
Operating Margin	<u>(585,759)</u>	<u>3,509,427</u>	<u>3,057,679</u>	<u>1,262,882</u>	<u>840,966</u>	<u>(32,630)</u>	<u>421,030</u>
Non-Operating Revenues (Expenses):							
Interest on Bonds	(73,800)	(73,800)	(36,900)	(60,378)	(45,284)	(83,465)	(91,013)
Misc Revenues	329,162	334,486	332,451	5,225	4,658	2,819	2,419
Sale of Land ¹	-	1,681,497	1,681,497	1,566,650	1,566,630	-	-
Gain/(loss) on disposal of fixed asset	-	-	-	14,927	-	-	-
Contractual services ²	-	-	-	(1,298,144)	(1,297,477)	-	-
Depreciation	(1,295,611)	(1,295,611)	(971,708)	(1,340,935)	(1,005,942)	(1,340,894)	(998,568)
Total Non-Operating Revenues(Expenses)	<u>(1,040,249)</u>	<u>646,572</u>	<u>1,005,340</u>	<u>(1,112,656)</u>	<u>(777,415)</u>	<u>(1,421,540)</u>	<u>(1,087,162)</u>
Operating Transfers In (Out)							
Net transfers in from other funds	799,322	799,322	599,492	818,727	614,045	646,206	484,655
Net transfers out to other funds	(326,162)	(326,162)	(244,622)	(316,216)	(237,162)	-	-
Total Operating Transfers	<u>473,160</u>	<u>473,160</u>	<u>354,870</u>	<u>502,511</u>	<u>376,883</u>	<u>646,206</u>	<u>484,655</u>
Capital Contribution³	-	-	-	23,665	-	365,914	-
Change in Net Position	<u>(1,152,847)</u>	<u>4,629,159</u>	<u>4,417,890</u>	<u>676,402</u>	<u>440,434</u>	<u>(442,050)</u>	<u>(181,477)</u>
Significant Balance Sheet Items							
Cash Balance		10,192,658	9,943,559	4,958,223	4,345,345	3,757,757	3,865,290
Property Disposition Fund cash balance			3,365,222	1,687,575	1,649,650	1,380,477	1,380,477
Operating cash balance			6,578,337	3,270,648	2,695,695	2,377,280	2,484,813
Bonds Payable			(2,460,000)	(2,460,000)	(3,280,000)	(3,280,000)	(4,045,000)
Net Position ⁴		34,118,687	33,907,418	29,489,528	33,241,804	32,801,370	32,874,750
Significant Cash Flow Items							
Principal Payments on Debt	(820,000)	(820,000)	-	(820,000)	-	(765,000)	-

¹ The revenues from the sale of land and the gain from fixed assets are recorded in the Property Disposition fund.

² Non - operating contractual service expense in 2015 includes \$1,297,477 expended from the Property Disposition Fund for capital improvements at a City maintenance facility.

³ Capital contribution in 2015 is partial proceeds from the sale of an old fire station. In 2014 and 2013, capital contribution is building improvements paid by the Capital Improvement Fund and capitalized in the Property Services Fund.

⁴ The net position at year-end 2015 includes an adjustment of \$(4,077,663) due to recognition of long-term pension liabilities in accordance with GASB Statement No. 68. Of the total adjustment amount, \$(2,605,382) is reflected in the financial reports as a decrease to the beginning net position at January 1, 2015. The prior year net position is not restated.

**City of Minneapolis
Public Works Stores
For the Third Quarter Ending September 30, 2016**

Fund 06300	2016 Budget	09/30/2016 Actual	Projected YE 2016	2015 Actual
Operating Revenue	1,210,000	1,201,454	1,603,454	1,357,384
Operating Expense	1,070,678	915,777	1,241,805	1,096,628
Operating Margin	139,322	285,677	361,649	260,756
Change in Net Position		285,677	361,649	338,787
Net Position		4,671,249	4,747,221	4,385,572
Cash Balance		875,116	451,088	16,320

Note: The 2015 cash balance of \$16,320 is the amount stated in the CAFR which is the total of the actual cash balance deficit of \$(368,680) and the amount due to other funds of \$385,000.

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. In 2016, Central Stores added a new storeroom located at the Royalston Maintenance Facility. The Royalston storeroom will provide the same services as the Hiawatha location.

Revenue:

Operating revenue earned through third quarter 2016 is \$1,201,454, or 99.3% of the budgeted amount of \$1,210,000. The amount earned through third quarter represents an increase of \$228,862, or 23.5%, over revenue of \$972,592 earned through third quarter 2015. Revenue for this fund is earned by applying overhead charges to inventory sales and transaction processing. The increase in revenue is primarily related to a 70.2% increase in the amount of inventory purchased by City departments from the Traffic Stores compared to the same period in 2015. There is a slightly 5.0% decline in revenue earned from processing requisition transactions through third quarter 2016 as compared to the revenue earned in 2015 through third quarter.

Expenses:

Operating expense recorded through third quarter 2016 is \$915,777, or 85.5% of the budgeted amount of \$1,070,678. The amount expended through third quarter 2016 increased by \$135,466, or 17.4%, from the \$780,311 expended through the same period in 2015. The increase in expense is partially due to the addition of two FTEs to the Central Stores department. These FTEs are funded with existing and ongoing revenues. In addition, Traffic Stores experienced an increase in the cost of materials for goods sold to external customers. Contractual services are increased in 2016 through the third quarter as compared to the 2015 expense due to internal charges from other City departments for work done for Traffic Stores.

Transfers:

There are no transfers in or out of this fund in 2016.

Debt Service:

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

Forecast:

Operating revenue is projected to total \$1.6 million at year-end, exceeding the budgeted revenue of \$1,210,000 by \$393,454, or 32.5%. Increases in inventory issued to City departments, related to an increase in construction projects, is driving the projection. Operating expense is projected to total \$1.2 million, representing an 16.0% increase over the budgeted expense of \$1,070,678. The projection is driven by an expected increase in the cost of personnel related to additional staffing at Central Stores. The cost of inventory that is resold to City departments is excluded from the total expense of the Public Works Stores Fund. As a result, increased inventory purchases do not increase the overall expense of the fund. These year-end projections result in an increase to net position of \$361,649 compared to a budgeted increase of \$139,322, and a projected ending net position of \$4.7 million.

Cash and Net Position:

The cash balance at the end of third quarter 2016 was a positive of \$875,116, an increase in cash of \$506,436 from the deficit of \$(368,680) at year-end 2015. The cash balance, as stated in the 2015 CAFR, is \$16,320 which is the sum of current cash and the amount due to other funds of \$385,000. The financial policy for the cash balance for the Public Works Stores Fund determines that the cash balance should be maintained equal to 15.0% of the annual operating budget, or \$180,000.

The fund continues to maintain a positive net position with a 2015 ending balance of \$4,385,572, a decrease of 5.4% from the 2014 ending balance of \$4,638,124. The net position at year-end 2015 includes an adjustment of \$(604,738) due to recognition of long-term pension liabilities in accordance with GASB Statement No. 68. Of the total adjustment amount, \$(386,391) is reflected in the financial reports as a decrease to the beginning net position at January 1, 2015. The financial policy for the net position for the Public Works Stores Fund determines that a net position should be maintained equal to 15.0% of the annual operating budget, or \$180,000.

City of Minneapolis
Public Works Stores
Statement of Revenues and Expenses
For the Third Quarter/Years, 2016, 2015, and 2014

	Budget Year 2016	Projected Year Ending 2016	For Period Ending 30-Sep-16	For Year Ending 2015	For Period Ending 30-Sep-15	For Year Ending 2014	For Period Ending 30-Sep-14
Operating Revenues:							
Central Stores	740,000	798,037	598,037	804,211	618,059	761,497	524,513
Traffic Stores	470,000	805,417	603,417	553,173	354,533	622,528	403,180
Total Operating Revenues	1,210,000	1,603,454	1,201,454	1,357,384	972,592	1,384,025	927,693
Operating Expenses:							
Personnel	759,790	892,093	648,535	823,804	591,267	774,865	568,222
Contractual	184,590	232,407	179,021	194,788	146,049	271,004	204,431
Materials, Supplies, Other	70,896	61,903	46,668	26,484	4,331	30,885	30,235
Rent	55,402	55,402	41,553	51,552	38,664	35,387	26,540
Total Operating Expenses	1,070,678	1,241,805	915,777	1,096,628	780,311	1,112,141	829,428
Operating Margin	139,322	361,649	285,677	260,756	192,281	271,884	98,265
Non-Operating Revenues (Expenses):							
Other revenue	-	-	-	78,031	-	258,747	-
Total Non-Operating Revenues (Expenses)	-	-	-	78,031	-	258,747	-
Operating Transfer In (Out)							
Net transfers out to other funds	-	-	-	-	-	-	-
Total Operating Transfers	-	-	-	-	-	-	-
Change in Net Position	139,322	361,649	285,677	338,787	192,281	530,631	98,265
Significant Balance Sheet Items							
Cash Balance ¹		451,088	875,116	16,320	(208,597)	1,199	(159,205)
Due to Other Funds				385,000		202,000	
Inventories			4,772,994	5,703,165	5,639,177	5,242,640	4,956,490
Net Position ²		4,747,221	4,671,249	4,385,572	4,830,406	4,638,124	4,187,013

¹ The year-end cash balances for 2015 and 2014 are the cash balances as stated in the CAFR. The actual year-end balances for 2015 and 2014 are cash deficits of \$(368,680) and \$(200,801) respectively. The Public Works Stores Fund receives an interfund loan at year-end to bring a deficit cash balance to a positive balance.

² The net position at year-end 2015 includes an adjustment of \$(604,738) due to recognition of long-term pension liabilities in accordance with GASB Statement No. 68. Of the total adjustment amount, \$(386,391) is reflected in the financial reports as a decrease to the beginning net position at January 1, 2015. The prior year net position was not restated.

**City of Minneapolis
Intergovernmental Services Fund
For the Third Quarter Ending September 30, 2016**

Fund 06400	2016 Budget	09/30/2016 Actual	Projected YE 2016	2015 Actual
Operating Revenue	42,219,051	31,259,457	41,717,454	42,860,711
Operating Expense	47,745,900	31,889,365	46,130,019	53,315,971
Operating Margin	(5,526,849)	(629,908)	(4,412,565)	(10,455,260)
Change in Net Position		(4,031,741)	(9,047,426)	(7,341,740)
Net Position		65,163,747	62,247,640	62,651,290
Cash Balance		31,705,601	28,547,623	38,359,566

Program Description:

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

Revenue:

Operating revenue through the third quarter of 2016 is \$31,259,457, or 74.0% of the annual budgeted amount of \$42,219,051. This is a decrease of \$0.3 million, or 1.0%, compared to revenue of \$31,583,208 earned through third quarter of 2015. The decrease in revenue is primarily due to a decrease of \$0.2 million in revenue earned through PMO (Project Management Office) projects for enterprise wide initiatives, primarily the Enterprise Resource Planning (ERP) program. The ERP program was completed in August, 2015.

Expenses:

Operating expenses through the third quarter are \$31,889,365 or 66.8% of the annual budgeted amount of \$47,745,900. The operating expense through third quarter decreased \$4.3 million, or 12.0%, from the 2015 expense of \$36,231,785. The decrease in expense is primarily due to a decrease of \$4.6 million in PMO expense. As noted above in the revenue section, this is mostly due to the completion of the ERP project in August, 2015. PMO projects are funded through City department operating expense savings, cost allocation model charges, and by transfers from the general fund as determined by the Capital Asset Request System (CARS). The expenses in PMO include the cost of purchasing technology, creating enhancements, and implementation of the products. The PMO department charges the costs of these products and services to City user departments and includes an overhead amount that is calculated to generate enough revenue to cover the overhead expense of the department.

In 2016, the IT Department insourced the help desk and desk side support functions. As a result, the former telecommunications function within IT was expanded to include desk side support services. Together the telecommunications and desk side support functions are now referred to as infrastructure services.

Administration expenses of \$9,703,861 increased 11.5% over 2015 amount of \$8,699,952. This increase is primarily due to ongoing one-time transition costs related to insourcing the helpdesk and desk side support functions and expenses related to contracting with a new provider for managed services. Net position is being used to fund the transition expenses.

Debt:

The fund does not have any debt service payments due in 2016 as the fund repaid all existing bond debt obligations with a final payment of \$2,705,000 in 2015. Net debt bonds of \$3,300,000 to support capital projects were approved for 2016. In 2011, the fund began to pay \$1,500,000 annually as loan repayment to the Convention Center, with a final payment of \$1,750,000 due in 2016.

Transfers:

In 2016, this fund receives transfers in from the general fund totaling \$1,665,139. The general fund transfer includes \$185,139 for City Hall rent, \$1,430,000 of approved CARS funding, and \$50,000 for Service Now infrastructure services. The 2016 approved budget also included transfers in of \$2,000,000 from the debt service fund. This transfer is not expected to occur as the fund does not have any debt service payments due in 2016. If it is determined that net debt bonds will finance capital projects in the future, it is expected that the fund will receive a transfer to assist with the debt payments. The 2014 transfer to other funds includes transfers of \$522,770 for debt service.

Forecast:

Operating revenue is projected to be \$41.7 million or \$0.5 million less than the budgeted amount of \$42,219,051. Operating expenses are expected to be \$46.1 million or \$1.6 million less than the budgeted amount of \$47,745,900. The variance in both the projected revenue and expenses is partly due to PMO activity as capital projects included in the 2016 budget will be completed in future years. Operating expenses are also expected to be less than budget due to insourcing contract expense being less than expected. These projections result in an expected operating margin deficit of \$4.4 million as compared to a budgeted operating margin deficit of \$5,526,849. The operating margin deficit is primarily due to using net position to fund the ongoing transition expenses for insourcing the help desk and desk side support functions and contracting for a new managed services provider. These ongoing transition expenses are estimated at \$3.3 million and are a Council approved rollover from 2015.

The fund is projecting a decrease to net position of \$9.0 million compared to a budgeted decrease of \$8,211,710. The projected decrease to net position is more than budgeted primarily due to a \$2,000,000 transfer in for debt service that was budgeted but is not expected to be received in 2016. Including an estimated \$8.6 million in expenses which are expected to be capitalized, these transactions result in a 2016 projected year-end net position of \$62.2 million which represents a decrease of 0.6% from the 2015 net position of \$62,651,290.

The year-end cash balance is projected to be \$28.5 million which represents a decrease of 25.6% over the cash balance at year-end 2015 of \$38,359,566. The primary reason for the decrease to cash balance is an estimated \$5.3 million in deferred revenue will be used in 2016 to fund the Enterprise Land Management and other PMO projects. In addition, net position is being used to fund the ongoing transition expenses related to insourcing the help desk and desk side support functions and contracting for a new managed services provider.

Cash and Net Position:

The cash balance at the end of third quarter is \$31,705,601, representing a decrease of \$6.7 million from the 2015 year-end balance of \$38,359,566. Included in the cash balance at the end of the third quarter are prepayments of \$3,538,679 for technology projects from other City departments. Financial reserve policies for the internal service funds determine that the minimum cash balance for the Intergovernmental Services Fund should be 15.0% of the fund's total budget or \$5.3 million.

The net position at year-end 2015 is \$62,651,290, an increase of \$0.6 million from the year-end 2014 net position of \$62,084,185. The increase to net position is primarily due to an increase in the book value of long term assets of \$10,829,958, which is offset by the recognition of pension liabilities. The net position at year end 2015 includes an adjustment of \$(6,496,616) due to recognition of long-term pension liabilities in accordance with GASB Statement No. 68. Of the total adjustment amount, \$(4,150,948) is reflected in the financial reports as a decrease to the beginning net position at January 1, 2015. 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 \$12.6 million. The cost allocation model for this fund does not recover depreciation related to capital assets. This fund records the acquisition value of customer funded IT project assets and it is expected that the net position will continue to increase.

City of Minneapolis
Intergovernmental Services Fund
Statement of Revenue and Expenses
For Third Quarter/Years, 2016, 2015, and 2014

	Budget Year 2016	Projected Year Ending 2016	For Period Ending 30-Sep-2016	For Year Ending 2015	For Period Ending 30-Sep-2015	For Year Ending 2014	For Period Ending 30-Sep-2014
Operating Revenues:							
Charges for Service:							
IT - PMO	10,225,284	9,394,040	7,045,530	10,398,459	7,222,003	13,211,244	7,702,826
IT - Infrastructure Services	2,141,409	2,454,468	1,840,851	2,888,499	2,156,190	2,900,134	2,153,533
IT - Operating-other	28,713,097	28,279,279	21,209,459	28,393,951	21,364,270	26,818,599	20,052,291
CC-Mailing Services/Data Center	433,231	546,567	400,117	487,113	328,844	599,988	402,260
CC-Copy Services	706,030	1,043,100	763,500	692,689	511,901	850,333	656,416
Total Operating Revenues	42,219,051	41,717,454	31,259,457	42,860,711	31,583,208	44,380,298	30,967,326
Operating Expenses:							
IT - PMO	10,326,730	9,784,776	7,338,582	15,937,076	11,965,180	13,798,410	7,507,819
IT - Infrastructure Services	4,486,145	4,592,595	3,113,535	2,361,587	1,543,232	1,529,540	1,088,072
IT - Operating-other	31,241,084	29,760,733	20,109,741	33,048,361	21,509,101	27,231,026	20,047,775
CC-Mailing Services/Data Center	619,342	704,357	493,639	953,022	492,542	732,621	572,988
CC-Copy Services	764,550	994,623	694,126	812,196	569,481	750,124	539,021
Human Resources	308,049	292,935	139,742	203,729	152,249	256,694	157,856
Total Operating Expenses	47,745,900	46,130,019	31,889,365	53,315,971	36,231,785	44,298,415	29,913,531
Operating Margin	(5,526,849)	(4,412,565)	(629,908)	(10,455,260)	(4,648,577)	81,883	1,053,795
Non-Operating Revenues (Expenses):							
Interest on bonded debt	(50,000)	-	-	15,129	(34,641)	(193)	(45,596)
Other non-operating income (expense)	-	-	-	-	-	42,843	-
Depreciation	(6,300,000)	(6,300,000)	(4,650,687)	(4,560,638)	(3,324,592)	(6,812,314)	(4,998,038)
Total Non-Operating Revenues (Expenses)	(6,350,000)	(6,300,000)	(4,650,687)	(4,545,509)	(3,359,233)	(6,769,664)	(5,043,634)
Operating Transfers In (Out):							
Net transfers in from other funds ¹	3,665,139	1,665,139	1,248,854	7,659,029	5,657,753	16,139,408	11,147,372
Net transfers out to other funds	-	-	-	-	-	(522,770)	-
Total Operating Transfers	3,665,139	1,665,139	1,248,854	7,659,029	5,657,753	15,616,638	11,147,372
Capital Contribution²	-	-	-	-	-	50,000	-
Change in Net Position	(8,211,710)	(9,047,426)	(4,031,741)	(7,341,740)	(2,350,057)	8,978,857	7,157,533
Significant Balance Sheet Items:							
Cash Balance	-	28,547,623	31,705,601	38,359,566	41,616,941	49,887,640	33,729,366
Notes Payable	-	-	(437,500)	(1,750,000)	(2,125,000)	(3,250,000)	(3,625,000)
Bonds Payable	-	-	-	-	(2,705,000)	(2,705,000)	(2,125,000)
Unearned Revenue	-	(1,638,679)	(3,538,679)	(6,953,196)	(6,030,645)	(9,630,256)	(13,734,007)
Net position ³	-	62,247,640	65,163,747	62,651,290	59,734,128	62,084,185	44,561,266
Significant Cash Flow Items							
Capital Outlay	-	(8,643,776)	(6,544,198)	(15,453,332)	(10,448,357)	(13,353,622)	(449,579)
Bond & Note Principle Payments	-	(1,750,000)	(1,312,500)	(4,205,000)	(1,125,000)	(3,145,000)	-

¹In 2014, \$5,907,491 of the General Fund transfer-in reimbursed the fund for operational expenses. The revenue budgets and revenues for these services are recorded in the Operating Revenues section. In 2015, \$3,600,000 of the General Fund transfer-in reimbursed the fund for operational expenses. These transfers are recorded in the Operating Transfers section.

²Capital Contribution in 2014 consists of \$50,000 from the General Fund related to wireless LAN access.

³The net position at year end 2015 includes an adjustment of \$(6,496,616) due to recognition of long-term liabilities in accordance with GASB Statement No. 68. Of the total adjustment amount, \$(4,150,948) is reflected in the financial reports as a decrease to the beginning net position at January 1, 2015. The prior year net position was not restated.

**City of Minneapolis
Self-Insurance Fund
For the Third Quarter Ending September 30, 2016**

Fund 06900	2016 Budget	09/30/2016 Actual	Projected YE 2016	Actual YE 2015
Operating Revenue	31,156,660	23,787,024	31,376,979	31,293,524
Operating Expense	30,456,236	18,356,242	25,917,000	25,139,525
Operating Margin	700,424	5,430,782	5,459,979	6,153,999
Change in Net Position		5,626,963	5,720,979	5,447,979
Net Position		22,431,477	22,525,493	16,804,514
Cash Balance		80,810,472	80,904,488	75,650,099

Program Description:

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

Revenue:

Operating revenue through the third quarter of 2016 is \$23,787,024, or 76.3% of the annual budgeted amount of \$31,156,660. This is an increase of \$407,747, or 1.7%, compared to \$23,379,277 earned through the third quarter of 2015. The primary reason for the increase is a 17.7% increase in the revenue received from City departments to fund the Unused Sick Leave program for qualified employees upon separation from the City. Payments are funded by 0.7% of gross salary contributions for City and Park Board employees with the exception of 1.1% contributed for police officers and firefighters. The increase in revenue through third quarter 2016 is also related to an increase in payments received from the WCRA (Workers Compensation Reinsurance) and the State as refunds for medical and indemnity payments and subrogation claims. The amount refunded through third quarter 2016 is \$949,072 compared to \$736,795 through the same time period in 2015. These revenue increases are offset by a 6.4% decrease in the 2016 liability premium charged to City departments related to the expected payout for tort settlements and the related litigation services. The decrease is driven by an actuarial study that predicted that the tort settlement payout for 2016 would be \$7.5 million compared to \$8.7 million in 2015.

Expenses:

Operating expenses through the third quarter 2016 are \$18,356,242 or 60.3% of the annual budgeted amount of \$30,456,236. This is an increase of \$749,798, or 4.3%, compared to \$17,606,444 expended through the third quarter of 2015. The increase in operating expense is due primarily to the amount paid for Workers' Compensation claims, \$8,242,598 in 2016 as compared to \$7,165,727 in 2015. The City's expense for employee sick leave payout at retirement through third quarter is \$640,308 or 24.7% of the amount budgeted.

Debt Service:

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

Transfers:

In 2016, this fund receives an interfund transfer of \$261,000 from the General Fund to assist with the cost of City Hall rent. In 2015, the fund transferred a final payment of \$1,000,000 to the Intergovernmental Services Fund in accordance with the long-term financial plans of both funds.

Forecast:

Operating revenue is projected to be \$31.4 million or \$0.2 million more than the budgeted amount of \$31,156,660. The source of this increase is an increase in the revenue received from City departments to fund the Unused Sick Leave program for qualified employees upon separation from the City. Operating expense is projected to be \$25.9 million or \$4.5 million less than the budgeted amount of \$30,456,236. The primary reason that operating expense is projected to be less than budgeted is a 66.9% projected decrease in the amount paid for tort settlements. Payment for workers' compensation claims is expected to increase by 30.7% over the budgeted amount. These projections will result in a projected operating margin gain of \$5.5 million as compared to the budgeted operating margin gain of \$0.7 million. The fund experienced an operating margin gain of \$5,772,833 at third quarter 2015 primarily due to a decrease in tort settlements.

The net position in 2016 is projected to increase by \$5.7 million compared to the budgeted increase of \$1.0 million resulting in a projected year-end net position of \$22.5 million. The projected ending cash balance for 2016 is \$80.9 million compared to \$75,650,009 at year-end 2015. The increase in cash and net position in 2016 is primarily the result of a decrease in actual tort settlement payments compared to the predicted payout as determined by the actuarial study.

Cash Balance and Net Position:

The cash balance at end of third quarter is \$80,810,472, or a 7.9% increase, compared to a cash balance of \$74,899,730 at end of third quarter 2015. 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 10.0% of the fund's operating budget or \$53,143,581. The unpaid claims liability at year-end 2015 is \$51,973,117, an increase of \$2,122,520 from year-end 2014 liability of \$49,850,597. The cash balance is \$27,666,891 above its target.

Net position at year-end 2015 is \$16,804,514 as compared to the 2014 year-end net position of \$18,309,335. The net position at year-end 2015 includes an adjustment of (\$5,753,651) due to recognition of long-term pension liabilities in accordance with GASB Statement No. 68. Of the total adjustment amount, (\$3,676,238) is reflected in the financial reports as a decrease to the beginning net position at January 1, 2015. The financial policy for the net position of the Self-Insurance Fund determines that the net position should not fall below zero. The fund's net position reached a positive balance in 2012 and has continued to increase.

City of Minneapolis, Minnesota
Self Insurance Fund
Statement of Revenues and Expenses

For Third Quarter/Years, 2016, 2015, and 2014

	Budget Year 2016	Projection Year Ending 2016	For Period Ending 30-Sep-16	For Year Ending 2015	For Period Ending 30-Sep-15	For Year Ending 2014	For Period Ending 30-Sep-14
Operating Revenues:							
Health & Welfare (employee benefits)	2,593,363	2,780,000	2,081,871	2,436,045	1,768,302	2,446,747	1,792,672
Workers Compensation	10,533,548	10,532,624	8,099,236	9,823,301	7,265,656	10,119,654	7,348,785
Liability - Subrogation	15,982,355	15,982,355	11,986,765	17,054,070	12,804,411	15,930,673	11,945,824
Attorney Office Services	10,000	1,000	-	2,796	2,796	13,122	10,299
Human Resources Services	1,587,394	1,613,999	1,217,151	1,527,624	1,150,765	1,433,235	1,042,799
Risk Management-Employment Services	450,000	467,001	402,001	449,687	387,347	668,540	459,460
Total Operating Revenues	31,156,660	31,376,979	23,787,024	31,293,524	23,379,277	30,611,971	22,599,840
Operating Expenses:							
Health & Welfare (employee benefits)	2,593,363	1,100,000	640,308	989,728	749,277	1,243,924	1,189,522
Workers Compensation	8,607,208	11,250,000	8,242,598	10,526,254	7,165,727	9,771,442	7,180,468
Liability & Settlements	7,551,027	2,500,000	1,282,980	2,904,560	1,701,669	3,286,197	2,662,730
City Attorney/Civil Division-Litigation	7,440,639	7,040,000	5,204,288	6,768,777	5,010,125	6,452,389	4,745,625
Human Resource - Employee Benefits	1,767,829	1,732,000	1,293,370	1,533,635	1,863,752	1,554,675	2,048,418
Risk Management - WC/Risk	2,496,169	2,295,000	1,692,697	2,416,571	1,115,893	2,859,022	1,011,039
Total Operating Expenses	30,456,236	25,917,000	18,356,242	25,139,525	17,606,444	25,167,649	18,837,801
Operating Margin	700,424	5,459,979	5,430,782	6,153,999	5,772,833	5,444,322	3,762,039
Non-Operating Revenues (Expenses)							
Other Non Operating Income (Expense)	-	-	431	1,980	3,697	1,147,334	11,357
Total Non-Operating Revenues (Expenses)	-	-	431	1,980	3,697	1,147,334	11,357
Operating Transfers In (Out):							
Net transfers in from other funds	261,000	261,000	195,750	292,000	219,006	3,085,500	2,314,125
Net transfers out to other funds	-	-	-	(1,000,000)	(750,000)	(1,000,000)	(750,000)
Total Operating Transfers	261,000	261,000	195,750	(708,000)	(530,994)	2,085,500	1,564,125
Change in Net Position	961,424	5,720,979	5,626,963	5,447,979	5,245,536	8,677,156	5,337,521
Significant Balance Sheet Items:							
Cash Balance ¹		80,904,488	80,810,472	75,650,099	74,899,730	70,583,378	66,563,337
Due from Other Funds				385,000		202,000	
Unpaid Claims Payable ²				(51,973,117)	(49,850,597)	(49,850,597)	(54,667,934)
Net Position ³		22,525,493	22,431,477	16,804,514	23,554,871	18,309,335	9,891,229

¹Cash balance is the cash balance as stated in the CAFR. The actual year-end cash is the CAFR cash balance plus the amount that is Due from Other Funds, \$76,035,099 in 2015 and \$70,785,378 in 2014.

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

³The net position at year end 2015 includes an adjustment of (\$5,753,651) due to recognition of long-term pension liabilities in accordance with GASB Statement No.68. Of the total adjustment amount, (\$3,676,238) is reflected in the financial reports as a decrease to the beginning net position at January 1, 2015. The prior year net position was not restated.

**City Of Minneapolis
Sanitary Sewer Fund
For the Third Quarter Ending September 30, 2016**

Fund 07100	2016 Budget	09/30/16 Actual	Projected Year End 2016	2015 Actual
Operating Revenue	65,749,950	50,452,237	69,606,260	60,306,164
Operating Expense	59,929,909	44,896,746	60,634,446	55,361,060
Operating Margin	5,820,041	5,555,491	8,971,814	4,945,104
Change in Net Position		(6,405,670)	10,798,004	(5,619,303)
Net Position		111,061,622	128,265,296	117,467,292
Cash Balance		3,016,844	18,608,487	12,421,795

Program Description:

The Sanitary Sewer Fund pays 95.0% of the contractual payments to Metropolitan Council Environmental Services (MCES) for waste water collection and treatment services. The fund also accounts for the operation, maintenance and design work, capital programs, transfers and long term debt services associated with the sanitary sewer system.

Revenue:

With sewer revenue of \$50,452,237 recognized through the end of third quarter, the Sanitary Sewer Fund earned 76.7% of the 2016 revenue budget. This is an increase of \$5.9 million, or 13.1%, compared to \$44,596,275 earned in 2015. The utility service revenues account for \$4.0 million of the increase due to increase in rates and service units. Miscellaneous revenues related to design work increased by \$400 thousand due to increased capital and infrastructure improvement activities. These increases were further inflated by \$1.5 million increase in sewer availability charges, or SAC revenues, which fluctuate based on overall economic activities outside of City's operations. Increase in SAC revenues is off-set by equivalent increase in SAC expenses.

The variable rate for utility charges was set at \$3.39 per unit, an increase of \$0.18 over 2015. The fixed rate, which is based on meter size, was increased by \$0.50, from \$3.80 to \$4.30.

Expenses:

The Sanitary Sewer Fund's total operating expenses through the third quarter were \$44,896,746 compared to \$39,449,321 for 2015. This is an increase of \$5.4 million, or 13.8%, and reflects the following changes from 2015: (i) increase in salaries and fringes by \$363 thousand due to new hires and increase in sanitary sewer related maintenance and repair work being done by City crews; (ii) increase in contractual and professional services by \$706 thousand due to work on the Nicollet Mall project, Hennepin/ Lyndale project, software training, sewer cleaning, and manhole rehab work ; (iii) increase in City services by \$453 thousand as set by 2016 allocation model; (iv) increase in Met Council

charges by \$1.4 million due to the rate increase; and (v) increase in SAC charges by \$2.5 million.

The Met Council rate increased by 5.3% for 2016, these municipal wastewater discharge rates are set by the Metropolitan Council on a yearly basis and are based on an allocation of overall costs incurred by MCES for waste processing for customer communities.

Transfers:

A transfer is made from this fund to the Water Enterprise Fund to cover the shared costs for the meter shop expenses. For the current budget year, this cost was estimated at \$1,101,466, and through the end of the quarter \$826,101 has been transferred to Water Enterprise Fund.

Debt Service:

For 2016, the debt service cost was estimated at \$3,238,597. Through third quarter, \$68,000 in interest payments have been made. These debt service payments are primarily for bonds sold to fund capital programs as an alternative to cash financing.

Forecast:

For the next three months, it is estimated that cash outflow will amount to \$24,312,380. This would include operating expenditures, debt services, transfers, and capital programs which include Nicollet Avenue. The fund also anticipates \$19,154,023 in revenues from operations and \$20,750,000 from capital related bond proceeds thereby maintaining the fund balance for the year end above \$18 million.

Cash and Net Position:

The current cash balance is \$3,016,844 and the Fund's net position is \$111,061,622. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Therefore, the targeted cash balance, based on the projection, is \$15,737,700. With anticipated operating revenues of \$19,154,023 by the end of the year, \$3.4 million will be available as an unrestricted amount to fund capital programs, transfers, and debt service payments.

The Net Position at year end 2015 includes an adjustment of \$(3,802,505) due to recognition of long-term pension liabilities in accordance with GASB Statement No. 68. Of the total adjustment amount, \$(2,307,309) is reflected in the financial reports as a decrease to the beginning Net Position at January 1, 2015.

City of Minneapolis, Minnesota
Sanitary Sewer Fund
Statement of Revenues and Expenses
For Third Quarters/ 2016, 2015, 2014

	Budget Current Year 2016	Projected Year Ending 2016	For Period Ending 30-Sep-16	For Year Ending 2015	For Period Ending 30-Sep-15	For Year Ending 2014	For Period Ending 30-Sep-14
Operating Revenues:							
Sanitary Utility Charges	56,821,950	60,048,720	43,733,057	52,158,785	39,735,107	50,643,781	38,052,218
Other Services Provided	928,000	1,557,540	1,136,132	1,191,073	730,738	862,324	632,101
SAC Revenues	8,000,000	8,000,000	5,583,047	6,956,305	4,130,430	8,072,852	6,069,981
Interest							
Total Operating Revenues	65,749,950	69,606,260	50,452,237	60,306,164	44,596,275	59,578,957	44,754,300
Operating Expenses:							
Sewer Design	790,519	1,366,547	899,785	1,141,027	690,189	586,432	412,673
Sewer Maintenance	7,797,790	8,177,803	5,875,854	7,192,093	4,908,136	7,022,507	4,493,604
Met Council Env. Svcs.	45,445,343	45,439,795	33,912,209	42,037,429	29,886,906	40,713,039	29,644,230
City Services	5,352,226	5,341,156	4,008,640	4,882,708	3,881,872	4,792,418	3,719,971
Administrations	544,032	309,145	200,258	107,802	82,217	80,611	58,430
Total Operating Expenses	59,929,909	60,634,446	44,896,746	55,361,060	39,449,321	53,195,007	38,328,908
Operating Margin	5,820,041	8,971,814	5,555,491	4,945,104	5,146,954	6,383,950	6,425,392
Non-Operating Revenues (Expenses):							
Depreciation	(1,454,562)	(1,454,562)	(1,090,921)	(1,522,421)	(1,092,834)	(1,446,306)	(1,625,595)
Net Interest Income (Exp)	(168,597)	(168,597)	(68,000)	(55,059)	(130,500)	(413,571)	(206,446)
Other Non-Oper Income	9,550,000	20,750,815	815	52,527	344,930	1,940,736	976,561
Other Non-Oper Expense	(10,550,000)	(16,200,000)	(9,976,954)	(7,754,284)	(4,147,666)	(5,683,678)	(4,344,449)
Total Non-Operating Revenues (Expenses)	(2,623,159)	2,927,656	(11,135,060)	(9,279,237)	(5,026,070)	(5,602,818)	(5,199,929)
Operating Transfers In (Out):							
Net Transfers In from Other Funds	-	-	-	-	-	-	-
Net Transfers Out to Other Funds	(1,328,400)	(1,101,466)	(826,101)	(1,285,170)	(963,878)	(1,156,681)	(867,511)
Total Operating Transfers	(1,328,400)	(1,101,466)	(826,101)	(1,285,170)	(963,878)	(1,156,681)	(867,511)
Capital contribution	-	-	-	-	-	-	-
Change in Net Position	1,868,483	10,798,004	(6,405,670)	(5,619,303)	(842,994)	(375,549)	357,952
Significant Balance Sheet Items:							
Cash Balance		18,608,487	2,919,102	12,324,053	15,514,216	18,719,110	21,584,462
Construction Cash		-	97,742	97,742	400,516	1,435,998	1,678,814
Accounts Receivable		4,171,704	5,096,425	4,069,689	4,538,316	4,273,719	4,423,087
Notes Payable		-	-	-	-	-	-
Bonds Payable		24,550,000	5,800,000	5,923,114	9,300,000	9,300,000	14,450,000
Net Position		128,265,296	111,061,622	117,467,292	117,739,176	118,582,169	114,796,017
Significant Cash Flow Items:							
Capital Outlay	10,550,000	16,200,000	9,968,685	7,615,666	4,043,245	5,645,625	4,294,503
Bond & Note Principal payments	3,070,000	1,967,403	-	3,500,000	-	5,150,000	-

**City Of Minneapolis
Storm Water Fund
For the Third Quarter Ending September 30, 2016**

Fund 07300	2016 Budget	09/30/2016 Actual	Projected Year End End 2016	2015 Actual
Operating Revenue	41,161,923	29,520,298	39,871,583	39,427,100
Operating Expense	29,113,072	18,599,700	28,333,394	25,784,599
Operating Margin	12,048,851	10,920,598	11,538,189	13,642,500
Change in Net Position		1,932,349	566,796	(7,335,475)
Net Position		325,710,007	324,344,454	323,777,658
Cash Balance		40,599,022	37,786,107	35,903,676

Program Description:

The Storm Water Fund is responsible for the design, construction, and maintenance of City's storm drain system, and street cleaning activities. A portion of the Fund is used for sanitary water interceptor and treatment services, and pays 5.0% of the contractual payments to Met Council Environmental Services (MCES). This fund also accounts for the combined sewer overflow (CSO) program, capital programs, and debt service payments.

Revenue:

The \$29,520,298 in revenues earned through third quarter reflects 71.7% of the operating revenue budget. This is a decrease of \$307 thousand compared to \$29,827,375 earned for the same period in 2015. Storm utility revenues decreased 1.0% , down \$276 thousand from the third quarter of 2015, even though the utility rate for 2016 remains the same as 2015 which is \$11.94/ESU (Equivalent Storm Units). The decrease of \$153 thousand in miscellaneous revenues is due to decrease in design activities relating to capital projects. Maintenance revenues, with a total of \$1,282,480, are based on a maintenance agreement with the State and County; and this makes up for the rest of the operating revenue which came in \$123 thousand higher than the third quarter, 2015.

Expenses:

Operating expenses in the third quarter were \$18,599,700, or 63.9%, compared to \$29,113,072 budgeted for 2016. The expenses were \$1.3 million, or 7.3%, more than the \$17,333,661 reported for 2015 and reflects following changes: (i) an increase in salaries and fringes of \$743 thousand due to decrease in construction work, and increase in operations repair, maintenance, and storm line cleaning work; (ii) an increase in Met Council payments of \$73 thousand due to the rate increase; (iii) an increase in City services of \$44 thousand as set by the 2016 allocation model; and (iv) an increase in vendor and consultant payments by \$406 thousand due to the increase in equipment purchases, software training, modeling, catch basin and vegetation maintenance work.

Transfers:

A transfer from this fund is made to the General Fund to support two environmental service related FTE's relating to the Clean Water Act. For 2016, this is estimated at \$110,000, and through the third quarter \$83 thousand has been transferred.

Debt Service:

The debt service budget for 2016 totals \$2,600,000 of which \$2,500,000 is set aside for principal and \$100,000 for interest payments. Through the third quarter, \$50,000 in interest payment has been made. The debt service payments are primarily for bonds sold to finance the combined sewer overflow, flood mitigation, and storm tunnel programs.

Forecast:

For the next three months, it is estimated the cash outflow will total \$15,411,000 which includes operating expenses, debt service payments, transfers, and capital programs. Transfers and debt service amounts are expected to be spent as budgeted. Operating expenses are estimated to be higher than 2015 due to an increase in personnel, consultant, modelling, pond dredging, and storm line repair and cleaning work. The fund also anticipates \$12,598,000 in utility revenues, and capital program reimbursement thereby maintaining the cash balance for the year end above \$37,000,000.

Cash and Net Positions:

The ending cash balance for the quarter stands at \$40,599,022, and net position remains at \$325,710,007. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Based on the projection, the target amount is \$9,733,000. This will leave \$30,865,000 million as unrestricted amount to fund capital programs for 2016 and beyond as the department aims to use its cash reserve and rely less on other source of funds.

The Net Position at year end 2015 includes an adjustment of \$(6,349,637) due to recognition of long-term pension liabilities in accordance with GASB Statement No. 68. Of the total adjustment amount, \$(3,852,874) is reflected in the financial reports as a decrease to the beginning Net Position at January 1, 2015.

City of Minneapolis, Minnesota
Storm Water Fund
Statement of Revenues and Expenses
For Third Quarter/Years 2016, 2015, and 2014

	Budget Current Year 2016	Projected Year Ending 2016	For Period Ending 30-Sep-16	For Year Ending 2015	For Period Ending 30-Sep-15	For Year Ending 2014	For Period Ending 30-Sep-14
Operating Revenues:							
State Maint Revenues	1,384,778	1,384,778	1,109,208	1,383,427	991,509	1,167,812	984,907
County Maint Revenues	373,275	373,275	173,272	336,086	168,043	311,663	155,832
Storm Utility Charges	37,256,530	37,009,530	27,830,518	37,205,629	28,107,119	36,895,473	27,839,923
Other Services Provided	2,147,340	1,104,000	407,299	501,958	560,704	3,151,859	2,176,112
Total Operating Revenues	41,161,923	39,871,583	29,520,298	39,427,100	29,827,375	41,526,807	31,156,774
Operating Expenses:							
Sewer Design	4,920,492	4,919,288	2,817,160	3,776,039	2,072,188	3,147,511	1,784,061
Stormwater Management CSO	349,746	375,535	277,958	295,902	221,175	375,207	283,072
Street Cleaning	8,562,781	8,300,000	5,685,573	8,678,126	5,928,822	7,280,807	4,529,705
Sewer Maintenance	7,229,314	7,110,583	4,235,260	6,426,686	3,736,478	5,061,769	3,463,040
Met Council Env. Svcs.	1,992,006	1,959,514	1,469,635	1,861,685	1,396,263	1,724,899	1,295,333
City Services	5,172,845	5,171,068	3,878,304	4,631,428	3,892,324	5,557,259	4,466,244
Storm Admin	885,889	497,407	235,809	114,734	86,411	80,610	58,429
Total Operating Expenses	29,113,072	28,333,394	18,599,700	25,784,599	17,333,661	23,228,061	15,879,884
Operating Margin	12,048,851	11,538,189	10,920,598	13,642,500	12,493,714	18,298,745	15,276,890
Non-Operating Revenues (Expenses):							
Depreciation	(4,210,553)	(4,210,553)	(3,157,915)	(4,339,326)	(3,775,435)	(4,486,441)	(4,840,477)
Special Assessments	-	247,000	-	235,264	-	287,243	(207,683)
Net Interest Income (Exp)	(100,000)	(100,000)	(50,000)	-	(92,500)	(850,047)	(145,000)
Other Non-operating Income	2,000,000	2,002,198	2,198	707,584	27,178	499,213	470,075
Other Non Operating Expense	(14,500,000)	(8,800,038)	(5,700,029)	(17,471,500)	(7,111,031)	(16,614,752)	(12,875,648)
Total Non-Operating Revenues (Expenses)	(16,810,553)	(10,861,393)	(8,905,745)	(20,867,977)	(10,951,787)	(21,164,785)	(17,598,733)
Operating Transfers In (Out):							
Net Transfers In from Other Funds	-	-	-	-	-	-	-
Net Transfers Out to Other Funds	(110,000)	(110,000)	(82,503)	(110,000)	(82,503)	(5,920)	-
Total Operating Transfers	(110,000)	(110,000)	(82,503)	(110,000)	(82,503)	(5,920)	-
Capital Contribution	-	-	-	-	-	-	-
Change in Net Position	(4,871,702)	566,796	1,932,349	(7,335,475)	1,459,424	(2,871,959)	(2,321,842)
Significant Balance Sheet Items:							
Cash Balance		37,786,107	40,599,022	35,903,676	39,247,721	34,960,817	38,218,187
Construction Cash		-	-	-	-	-	5,920
Accounts Receivable		3,989,771.37	3,507,970	3,892,888	3,868,707	4,086,655	3,819,279
Notes Payable		-	-	-	-	-	-
Bonds Payable		2,500,000	2,500,000	2,553,649	4,735,910	4,735,910	7,970,910
Net Position		324,344,454	325,710,007	323,777,658	327,920,514	326,461,091	309,199,049
Significant Cash Flow Items:							
Capital Outlay	14,500,000	8,600,038	5,699,180	10,452,419	6,466,668	16,798,141	12,040,245
Bond & Note Principle Payments	2,500,000	2,500,000	-	2,182,262	-	3,235,000	-

**City of Minneapolis
Water Enterprise Fund
For Third Quarter Ending September 30, 2016**

Fund 07400	2016 Budget	9/30/2016 Actual	Projected Year End 2016	2015 Actual
Operating Revenue	80,628,308	60,543,003	79,736,395	72,927,562
Operating Expense	57,754,014	37,820,253	55,727,096	51,631,896
Operating Margin	22,874,294	22,722,750	24,009,299	21,295,666
Change in Net Position		186,746	(15,468,872)	10,727,672
Net Position		220,541,671	204,886,053	220,354,925
Cash Balance		30,412,662	25,546,523	30,083,933

Program Description:

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

Revenue:

At the end of 2016, the projected total operating revenue is \$79,736,395 or 98.9% of the 2016 budgeted amount. Projections show higher than anticipated revenues associated with miscellaneous fees and previous years' expense reimbursements which almost offset slightly lower than budgeted water sales.

Expense:

Projected operating expense for the year totals \$55,727,096 or 96.5% of the 2016 budget, which is 7.9% higher than the 2015 amount of \$51,631,896. Expenses are slightly lower than budgeted due to personnel cost savings and lower chemical and delivery service costs related to lower than budgeted water sales.

Transfers:

For 2016, the transfer amount of \$1,125,466 consists primarily of a \$1,101,466 operating transfer from the Sanitary Sewer Fund for their share of the cost of the meter shop.

Debt Service:

Debt service payments relate to the bonds and notes sold to finance the Water Division's capital improvement program. The amount of debt service for 2016, including both principle and interest payments, is expected to be \$12,768,346. During 2016, an additional \$11,500,000 in bonds are expected to be issued to help finance the Fridley Filter Rehabilitation capital project and the purchase and renovation of the Distribution Water Maintenance Facility. This additional debt issuance will increase debt service payments in future years.

Cash Balance and Net Position:

The ending cash balance as of September 30, 2016 was \$30,412,662 compared to \$30,083,933 at the end of 2015. City policy requires an operating cash reserve equal to or greater than 3 months of operating expense. Based on the current budget, the target amount is \$14,438,504. The Water Fund is anticipating significant capital project needs for the next few years that will require the use of cash reserves. The projected year end cash balance of \$25,546,523 is adequate to cover both the operating cash reserve and the capital spending needs.

The Net Position at year end 2015 includes an adjustment of \$(13,408,832) due to recognition of long-term pension liabilities in accordance with GASB Statement No. 68. Of the total adjustment amount, \$(8,136,298) is reflected in the financial reports as a decrease to the beginning Net Position at January 1, 2015.

City of Minneapolis, Minnesota
Water Fund
Statement of Revenues and Expenses
For Third Quarter/Years Ending 2016, 2015, 2014

	Budget Current Year 2016	Projected Year Ending 2016	For Period Ending 9/30/2016	For Year Ending 2015	For Period Ending 9/30/2015	For Year Ending 2014	For Period Ending 9/30/2014
Operating Revenues:							
Water Sales - Retail							
Volume Rate	58,026,210	55,502,406	42,356,222	52,744,486	40,913,266	53,916,478	41,702,888
Fixed Rate	5,751,711	5,731,426	4,282,457	4,907,178	3,652,366	4,052,437	3,018,350
Water Sales - Wholesale	12,674,130	13,482,685	10,449,626	11,833,122	8,872,613	10,995,907	8,523,024
Other Operating Revenues	4,176,257	5,019,878	3,454,698	3,442,776	2,639,725	3,687,483	2,581,595
Total Operating Revenues	80,628,308	79,736,395	60,543,003	72,927,562	56,077,970	72,652,306	55,825,857
Operating Expenses:							
Payments for City Services	11,169,643	11,169,643	8,380,693	10,410,711	8,042,046	10,273,039	8,022,322
Administration	1,089,659	1,124,124	784,529	1,015,155	686,499	697,481	490,604
Engineering	1,201,838	1,145,037	863,289	1,192,351	945,762	1,911,967	1,409,198
Operations	30,092,271	29,402,884	18,908,236	26,333,885	17,611,323	25,164,329	17,544,867
Distribution	8,948,608	8,426,046	5,822,340	7,914,063	5,515,290	8,939,876	6,560,507
Meter Shop	2,064,320	1,661,418	1,097,592	1,765,949	1,377,422	1,969,292	1,452,254
Reimbursables	3,187,675	2,797,946	1,963,574	2,999,782	2,190,716	1,912,686	1,492,672
Total Operating Expenses	57,754,014	55,727,096	37,820,253	51,631,896	36,369,058	50,868,670	36,972,424
Operating Margin	22,874,294	24,009,299	22,722,750	21,295,666	19,708,912	21,783,636	18,853,433
Non-Operating Revenues/(Expenses)							
Depreciation	(9,511,462)	(9,511,462)	(7,003,274)	(10,615,357)	(7,564,971)	(10,037,891)	(7,655,697)
Special Assessments				1,087,192	94,272	775,575	
Net Interest Income (Exp)	(2,688,346)	(2,688,346)	(2,365,696)	(2,535,443)	(2,550,537)	(2,622,000)	(2,655,543)
Capital Revenue	2,000,000	2,000,000	367,036	105,409	749,270	144,222	3,182
Other Non-Operating Income							
Other Non Operating (Expense)	(24,040,000)	(30,403,829)	(14,378,172)		(5,977,953)		(9,198,240)
Total Non-Operating Revenues (Expenses)	(34,239,808)	(40,603,637)	(23,380,105)	(11,958,199)	(15,249,918)	(11,740,093)	(19,506,298)
Operating Transfers In (Out):							
Net transfers in from other funds	1,352,400	1,125,466	844,101	1,390,205	982,634	1,183,681	887,761
Net transfers out to other funds						(306,738)	
Total Operating Transfers	1,352,400	1,125,466	844,101	1,390,205	982,634	876,943	887,761
Capital Contribution							
Change in Net Position	(10,013,114)	(15,468,872)	186,746	10,727,672	5,441,628	10,920,486	234,896
Significant Balance Sheet Items							
Operating Cash		25,546,523	30,412,662	30,083,933	31,187,510	25,132,631	20,453,370
Accounts Receivable			6,085,322	4,646,057	7,909,736	4,751,349	6,858,878
Assessments Receivable			1,861,646	2,609,509	1,016,248	2,405,113	2,095,129
Bonds & Notes Payable		98,764,999	92,994,999	97,344,999	106,836,262	105,999,121	103,261,710
Net Position		204,886,053	220,541,671	220,354,925	226,921,421	221,479,793	210,684,758
Significant Cash Flow Items							
Capital Outlay	24,040,000	30,403,829	14,378,172	9,067,244	5,977,953	14,102,414	9,198,240
Bond & Note Principle Payments	10,080,000	10,080,000	4,350,000	8,654,123	4,360,000	6,145,539	3,845,000
Bond & Note Principle Proceeds	8,200,000	11,500,000				6,000,000	

**City of Minneapolis
Municipal Parking Fund
For the 3rd Quarter Ended September 30, 2016**

Fund 07500	2016 Budget	9/30/2016 Actual	Projected Year End 2016	2015 Actual
Revenue	61,108,807	49,332,336	62,048,618	61,111,139
Expenses	38,888,020	30,392,337	38,315,350	40,760,961
Operating Margin	22,220,787	18,939,999	23,733,268	20,350,178
Change in Net Position		6,256,106	5,400,207	4,416,661
Net Position		187,003,893	186,147,993	180,747,787
Cash Balance		24,049,878	19,894,868	13,956,740

Program Description:

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

Revenues:

The 2016 third quarter actual revenues are up in comparison to 2015 by 6.5%. The increase is from:

- Impound Lot revenues are up by 4.4% compared to 2015.
- On-street parking is up by 17.1% compared to 2015.
- Off-street ramps and lots are up by 3.5% compared to 2015.

Impound Lot revenues are higher than 2015 due to an increase in tow activity, in particular, tows completed to facilitate the Spring Sweep. On-street meter revenues were up during 2016 due to higher usage of the phone app and its additional user fees. Increased meter usage related to the large amount of construction projects downtown (construction worker parking and reduction of surface lots). The 2016 off-street revenues were higher due an increase in ramp utilization in the form of monthly and transient parkers.

Expenses:

The 2016 operating expenses are higher than the 2015 expenses by 9.3%. The variance is from:

- Impound Lot expenses are down by 4.0% compared to 2015.
- On-street meters are up by 43.6% compared to 2015.
- Off-street ramps and lots are up 8.0% compared to 2015.

Impound Lot expenses are lower than 2015 due to decreased related operational activities, including towing, security, and maintenance. On-street meter expenses are higher than 2015 due to the additional transactions and their associated credit card and user fees. Off-street ramps and lots show higher 2016 expenses due to increases in maintenance, sales tax, general operating expenses, and ABC Ramp requested costs. Both on and off street expenses are generally costs which are associated with generating increased revenue.

Transfers to and from other funds:

The 2016 transfers into and out of the Parking Fund are programmed and planned according to the 2016 budget. During the year so far, \$5,845,039 of funds has been transferred out (\$2,939,256 to the General Fund and \$2,796,283 to the Target Center and \$109,500 for Solid Waste & Recycling Litter Collection Containers).

Debt Service:

For 2016, the debt service budget is \$10,171,834. The outstanding balance of bond principal as of September 30, 2016 is \$62,893,200 and the outstanding balance of note principal is \$37,170,000.

Other Financial Items:

The end of the third quarter 2016 cash balance is \$24,049,878 which increased by \$10,093,138 from 2015. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is \$8,016,626, which results in a surplus of \$16,033,252, which is retained for future debt service payments and potential future major parking capital projects.

The Net Position as of December 31, 2015 includes an adjustment of \$(3,183,915) due to recognition of long term liabilities in accordance with GASB Statement No. 68. Of the total adjustment amount, \$(1,931,957) is reflected in the financial reports as a decrease to the beginning Net Position at January 1, 2015.

City of Minneapolis, Minnesota
Municipal Parking Fund
Statement of Revenues and Expenditures
For Third Quarter/Years Ending 2016, 2015, and 2014

	Budget Current Year 2016	Projected Year Ending 2016	For Period Ending 30-Sep-16	For Year Ending 2015	For Period Ending 30-Sep-15	For Year Ending 2014	For Period Ending 30-Sep-14
Operating Revenues:							
Off-Street Parking: City Owned	34,139,807	32,707,918	24,615,546	31,582,790	23,664,141	30,788,389	22,933,541
Off-Street Parking: State Owned	9,533,000	10,642,604	9,517,309	11,420,735	9,301,512	9,876,255	7,553,982
Towing	5,320,000	4,781,227	3,415,617	4,661,269	3,270,217	5,695,346	4,191,293
On-Street Meters	12,116,000	13,916,869	11,783,863	13,446,346	10,063,962	11,496,249	8,452,228
Total Operating Revenues	61,108,807	62,048,618	49,332,336	61,111,139	46,299,831	57,856,239	43,131,044
Operating Expenses:							
Off-Street Parking: City Owned-Direct Expenses	21,674,511	21,025,018	15,649,888	22,404,574	15,197,495	20,655,555	15,183,215
Off-Street Parking: State Owned-Direct Expenses	8,533,000	8,670,085	8,705,768	10,260,170	7,354,851	8,921,760	6,870,674
Towing	5,289,917	4,283,262	3,058,881	4,924,231	3,187,740	5,162,568	3,748,474
On-Street Meters	3,390,592	4,336,985	2,977,763	3,171,986	2,073,291	2,845,666	1,963,622
Other Operating Expenses	-	-	37	0	59	2,411	0
Total Operating Expenses	38,888,020	38,315,350	30,392,337	40,760,961	27,813,436	37,587,960	27,765,985
Operating Margin	22,220,787	23,733,268	18,939,999	20,350,178	18,486,395	20,268,279	15,365,059
Non-Operating Revenues/(Expenses)							
Depreciation	(6,507,021)	(6,507,021)	(4,880,266)	(6,456,043)	(4,828,896)	(6,559,826)	(3,332,550)
Special Assessments	-	-	-	114,277	28,412	25,018	-
Interest	(4,202,734)	(2,431,388)	(1,300,409)	(2,267,940)	(1,325,581)	(4,001,605)	(1,450,596)
Other Non Operating Expenses	(2,200,000)	(2,200,000)	(786,855)	-	108	-	-
Other Non-Operating Income	-	62,775	62,775	13,566	0	11,990	29,468
Total Non-Operating Revenues (Expenses)	(12,909,755)	(11,075,634)	(6,904,754)	(8,596,140)	(6,125,957)	(10,524,423)	(4,753,678)
Operating Transfers In (Out):							
General Fund Transfer Out	(3,919,000)	(3,919,000)	(2,939,256)	(4,148,200)	(3,111,156)	(7,918,024)	-
Arena Reserve Transfer Out	(3,728,377)	(3,728,377)	(2,796,283)	(3,522,696)	(2,542,177)	(3,323,206)	(2,492,354)
Debt Service Transfer Out	-	-	-	(45,925)	-	(40,957)	-
General Debt Service Transfer Out	-	-	-	-	-	0	-
Sanitation Transfer Out	(146,000)	(146,000)	(109,500)	(146,000)	-	(146,000)	(109,500)
Convention Center related facility Transfer	-	-	-	-	-	-	-
TI and MCDA Transfers In	535,950	535,950	-	525,443	-	372,660	7,132
Other Transfers In	-	-	-	-	-	-	-
Total Operating Transfers	(7,257,427)	(7,257,427)	(5,845,039)	(7,337,378)	(5,653,333)	(11,055,527)	(2,594,722)
Capital Contributions							
Bonds Recalled less Bonds Reissued		65,900	65,900				
Net Position Restatement						11,376,788	
Change in Net Position	2,053,605	5,400,207	6,256,106	4,416,661	6,707,105	(1,311,671)	8,016,659
Significant Balance Sheet Items							
Operating Cash		19,894,868	24,049,878	13,956,740	7,869,872	11,339,477	7,869,872
Cash Balance - Arbitrage		-	-	-	1,727,247	1,727,247	375,818
Notes Payable		35,795,000	37,170,000	38,650,000	38,650,000	38,650,000	38,650,000
Bonds Payable		58,299,100	62,893,200	72,821,842	72,821,842	83,705,942	95,680,042
Net Position		186,147,993	187,003,893	180,747,787	166,266,009	176,331,126	166,266,009
Significant Cash Flow Items							
Bond & Note Principle Proceeds	0	6,300,000	6,300,000	0	-	2,655,000	-
Bond & Note Principle Payments	5,969,100	12,203,200	6,234,100	10,884,100	-	14,629,100	-
Refunding Principle Payments			-	-	-	-	-

City Of Minneapolis
Solid Waste and Recycling Fund
For the Third Quarter Ending September 30, 2016

Fund 07700	2016 Budget	09/30/16 Actual	Projected Year End 2016	2015 Actual
Operating Revenue	38,451,770	29,255,977	39,193,004	36,613,518
Operating Expense	41,500,290	27,628,425	37,843,031	33,459,231
Operating Margin	(3,048,520)	1,627,552	1,349,973	3,154,288
Change in Net Position		1,142,207	668,207	2,897,178
Net Position		27,830,687	27,356,688	26,688,480
Cash Balance		24,856,010	24,602,631	22,572,647

Program Description

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

Revenue

With operating revenues through the end of the third quarter totaling \$29,255,977, 76.1% of the budgeted revenue has been realized. This is an increase of \$2.1 million or 7.9%, compared to \$27,123,810 earned through third quarter of 2015. Utility revenues were \$27,311,751 compared to \$26,148,772 for 2015 for a gain of \$1.2 million as a result of combined increase in base rate of \$1.30 per dwelling unit and increase in dwelling units. Rates were increased in order to support implementation of city-wide organics program and the facility improvement project. An increase of \$129 thousand in miscellaneous revenues is due to an increase in graffiti and debris removals, and the sale of equipment. Revenues from the sale of scrap metal increased by \$60 thousand due to an increase in demand. The Hennepin County recycling grant for the year was projected at \$1.3 million and the department has collected \$1.28 million through the third quarter.

Expenses:

Operating expenses through the third quarter were \$27,628,425 compared to \$23,678,997 in 2015. This is an increase of \$3.9 million or 16.7%, and reflects the following changes from 2015: (i) an increase in salaries and fringes by \$733 thousand due to an increase in personnel to support the organics program, and overall step increases for staff; (ii) an increase in purchases of equipment, vehicles, and carts of \$1.5 million as a result of the organics program expansion, and the vehicle replacement

program; (iii) an increase in vendor payments by \$1.4 million due to new contracts with increased rates relating to collection, disposal, recycling, organics, and hauling; and (iv) an increase in City services by \$310 thousand as set by the 2016 allocation model.

Transfers:

Budgeted transfers into the Solid Waste and Recycling fund include \$146,000 from the Parking Fund for the Litter Container Program and \$473,000 from the General Fund for graffiti removal, and zero waste studies. As of the end of the quarter, \$464 thousand in transfer revenues have been received.

Debt Service:

This fund has no debt service but, with a capital program regarding facility improvement in the plans, it will be incurring debt obligation in 2017.

Forecast:

Over the next three months, the cash outflow is estimated at \$10,422,000 which includes \$10.2 million for operations and \$208 thousand for capital. The fund also anticipates \$10,222,000 from its operations and transfers thereby maintaining the funds cash balance for year end to an estimated \$24,603,000.

Cash and Net Positions:

The Fund's cash balance as of the end of the third quarter was \$24,856,010 and the net position amounted to \$27,830,688. The City's policy is to have cash equal to or greater than three months of operating expenses. Based on the total expenses through third quarter, the targeted amount is \$9,209,000 leaving unrestricted cash reserve equivalent to \$15,647,000. With a facility improvement program costing upwards of \$25 million, the Solid Waste Fund will require this cash balance going into 2017.

The Net Position at year end 2015 includes an adjustment of \$(7,950,691) due to recognition of long-term pension liabilities in accordance with GASB Statement No. 68. Of the total adjustment amount, \$(4,824,372) is reflected in the financial reports as a decrease to the beginning Net Position at January 1, 2015.

City of Minneapolis, Minnesota
Solid Waste and Recycling Fund
Statement of Revenues and Expenses
For Third Quarters/2016, 2015, and 2014

	Budget Current Year 2016	Projection Year Ending 2016	For Period Ending 30-Sep-16	For Year Ending 2015	For Period Ending 30-Sep-15	For Year Ending 2014	For Period Ending 30-Sep-14
Operating Revenues:							
County Grants	1,080,000	1,300,000	1,283,542	1,002,790	502,795	871,608	871,608
Solid Waste Fees	36,452,247	36,707,969	27,311,751	34,753,628	26,148,772	29,486,130	22,166,404
Recyclable Sales	-	308,762	205,841	297,363	146,174	337,695	254,694
Charges for Other Services	919,523	876,273	454,842	559,737	326,070	1,125,536	751,684
Total Operating Revenues	38,451,770	39,193,004	29,255,977	36,613,518	27,123,810	31,820,969	24,044,390
Operating Expenses:							
Collection	7,968,841	7,400,332	5,459,685	7,247,699	5,124,897	7,552,965	5,663,474
Disposal	4,435,000	5,200,000	4,033,245	4,219,802	3,298,653	4,538,343	3,429,456
Recycling	4,027,412	3,467,385	2,591,364	3,535,804	2,364,983	3,284,022	2,356,896
Yard Waste	3,284,854	3,154,914	2,057,833	3,058,194	2,167,453	2,371,116	1,704,725
Large Item/Problem Material	1,956,107	1,958,874	1,458,645	1,611,799	1,209,902	1,705,729	1,246,603
Transfer Stations	451,471	451,471	264,103	413,053	396,773	438,339	311,026
Administration	7,440,714	6,499,082	4,590,889	5,621,821	4,159,902	5,906,028	4,407,565
Customer Service	617,060	570,000	407,617	549,212	395,993	482,385	356,527
Clean City	1,207,740	1,052,799	830,255	1,004,170	730,037	1,074,347	831,097
Graffiti	833,129	638,855	456,679	795,311	653,287	702,744	500,265
Equipment	4,230,295	2,975,929	1,984,954	2,783,500	1,679,433	3,375,282	2,099,936
Organics	5,047,665	4,473,390	3,493,155	2,618,865	1,497,679	224,839	148,516
Total Operating Expenses	41,500,290	37,843,031	27,628,425	33,459,231	23,678,994	31,656,139	23,056,086
Operating Margin	(3,048,520)	1,349,973	1,627,552	3,154,288	3,444,817	164,830	988,305
Non-Operating Revenues (Expenses):							
Depreciation	(1,094,266)	(1,094,266)	(820,700)	(869,126)	(670,062)	(840,404)	(595,481)
Capital Adjustments	-	-	-	-	-	-	-
Other non-operating Income	7,000,000	-	-	-	-	-	-
Other non-operating Expense	(7,000,000)	(336,500)	(128,896)	-	(14,356)	(2,778)	(12,501)
Special Assessments	-	130,000	-	141,017	-	106,342	-
Total Non-Operating Revenues (Expenses)	(1,094,266)	(1,300,766)	(949,595)	(728,109)	(684,418)	(736,840)	(607,982)
Operating Transfers In (Out):							
Net Transfers In from Other Funds	619,000	619,000	464,250	471,000	243,756	966,000	724,506
Net Transfers Out to Other Funds	-	-	-	-	-	-	-
Total Operating Transfers	619,000	619,000	464,250	471,000	243,756	966,000	724,506
Contributed Capital	-	-	-	-	-	-	-
Change in Net Position	(3,523,786)	668,207	1,142,207	2,897,178	3,004,155	393,990	1,104,829
Significant Balance Sheet Items:							
Operating Cash		24,602,631	24,856,010	22,572,647	22,949,026	19,729,474	19,172,442
Accounts Receivable		3,358,501	3,413,678	3,449,051	3,486,239	3,267,951	3,761,831
Net Position		27,356,688	27,830,687	26,688,480	31,861,524	28,857,368	27,948,944

**CPED Enterprise Fund Component Programs
For the Third Quarter Ending September 30, 2016**

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

The **Housing Development** component accounts for various home ownership and home improvement loan programs. These are mature programs. All issued debt has been retired and no new loans are being issued. The residual balances are committed to the operations of the Minneapolis-St Paul Housing Finance Board. The Board is a joint venture created for the benefit of the Cities of Minneapolis and Saint Paul to cooperatively operate various housing loan programs. The committed balances will be used to pay for the Minneapolis share of bond issuance costs. The residual activity of the Housing Development component is accounted for by trustees, reviewed by management throughout the year, and recorded in City accounting records at year end. \$55,256 was transferred to the Minneapolis-St Paul Housing Finance Board during 2015.

The **General Agency Reserve Fund System (GARFS)** is a program in which revenue bonds are issued to finance economic development. The program obtains lease or loan agreements from developers to meet the debt service requirements of the financing. The funds are restricted by bond covenants and the need of the City to minimize risk in its support of the GARFS. The funds are critical in maintaining the "A+" rating of the fund. Most of the transactions of the fund are maintained in a series of bank trustee accounts. Only the administrative operations portion of the fund is presented at 9/30/2016. Other information is maintained by a trustee and not available for inclusion at 9/30. The net position of the fund at year end 2015 was \$34,855,962.

The **Theatres** component was created to account for the operations of the State, Orpheum, and Pantages Theatres. The City no longer operates these Theatres. Only residual balances and activity remain. There was a cash deficit of more than \$2 million at the conclusion of the operational period. The City has a workout plan in place to transfer \$400,000 per year into the fund to clear the deficit. Five years of the workout plan have been successfully implemented. At September 30, 2016 the cash deficit has been eliminated.

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

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

	Housing Development Fund 9/30/2015	Housing Development Fund 9/30/2016	General Agency Reserve Fund Operations 9/30/2015	General Agency Reserve Fund Operations 9/30/2016	Theatres 9/30/2015	Theatres 9/30/2016	River Terminal 9/30/2015	River Terminal 9/30/2016	Economic Development Program 9/30/2015	Economic Development Program 9/30/2016
ASSETS										
Current assets:										
Cash and cash equivalents	\$ 138,594	\$ 144,100	\$ 955,991	\$ 1,330,492	\$ (524,273)	\$ 2,465	\$ (771,856)	\$ (1,023,382)	\$ 796,314	\$ 804,979
Deposits with fiscal agents	-	-	-	-	-	-	-	-	-	-
Loans and notes receivable	50,000	50,000	-	-	-	-	-	-	-	-
Other current assets	337	310	2,201	2,184	(2,342)	(1,064)	(1,978)	15,952	2,019	1,781
Total current assets	188,931	194,410	958,192	1,332,676	(526,615)	1,401	(773,834)	(1,007,430)	798,333	806,760
Noncurrent assets:										
Loans and notes receivable	382,567	330,243	-	-	-	-	-	-	-	-
Capital assets (net of accumulated depreciation)	-	-	-	-	-	-	4,832,266	4,484,740	-	-
Total noncurrent assets	382,567	330,243	-	-	-	-	4,832,266	4,484,740	-	-
Total assets	\$ 571,498	\$ 524,653	\$ 958,192	\$ 1,332,676	\$ (526,615)	\$ 1,401	\$ 4,058,432	\$ 3,477,310	\$ 798,333	\$ 806,760
LIABILITIES										
Current liabilities:										
Accounts Payable	-	-	-	2,267	-	-	-	-	-	-
Other current liabilities	130	96	9,969	7,381	(906)	(330)	28	(433)	780	553
Total current liabilities	130	96	9,969	9,648	(906)	(330)	28	(433)	780	553
Noncurrent liabilities:										
Compensated absences payable	-	-	9,584	3,866	-	-	1,847	97	-	-
Total noncurrent liabilities	-	-	9,584	3,866	-	-	1,847	97	-	-
Total liabilities	130	96	19,553	13,514	(906)	(330)	1,875	(336)	780	553
NET POSITION										
Invested in capital assets, net of related debt	-	-	-	-	-	-	4,832,266	4,484,740	-	-
Restricted	-	-	938,639	1,319,162	-	-	-	-	-	-
Unrestricted	571,368	524,557	-	-	(525,709)	1,731	(775,709)	(1,007,094)	797,553	806,207
Total net position	571,368	524,557	938,639	1,319,162	(525,709)	1,731	4,056,557	3,477,646	797,553	806,207
Total liabilities & net position	\$ 571,498	\$ 524,653	\$ 958,192	\$ 1,332,676	\$ (526,615)	\$ 1,401	\$ 4,058,432	\$ 3,477,310	\$ 798,333	\$ 806,760

	Housing Development Fund 1/1-9/30/15	Housing Development Fund 1/1-9/30/16	General Agency Reserve Fund Operations 1/1-9/30/15	General Agency Reserve Fund Operations 1/1-9/30/16	Theatres 1/1-9/30/15	Theatres 1/1-9/30/16	River Terminal 1/1-9/30/15	River Terminal 1/1-9/30/16	Economic Development Program 1/1-9/30/15	Economic Development Program 1/1-9/30/16
Operating revenues										
Charges for sales and services	\$ -	\$ -	\$ 214,484	\$ 489,679	\$ -	\$ -	\$ 834,643	\$ 728,922	\$ -	\$ -
Interest on program activities	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total operating revenues	-	-	214,484	489,679	-	-	834,643	728,922	-	-
Operating expenses:										
Personal services	-	-	97,686	97,618	-	-	2,378	-	-	-
Contractual services	-	-	77,254	17,763	-	-	686,094	922,598	-	-
Other	-	-	64	-	-	-	-	-	1,667	-
Depreciation expense	-	-	-	-	-	-	260,645	260,645	-	-
Total operating expenses	-	-	175,004	115,381	-	-	949,117	1,183,243	1,667	-
Operating income	-	-	39,480	374,298	-	-	(114,474)	(454,321)	(1,667)	-
Nonoperating revenues (expenses)										
Interest on investments	239	1,032	1,656	9,133	128	(34)	(1,992)	(6,926)	1,368	5,818
Interest expense	-	-	-	-	-	-	-	-	-	-
Total nonoperating revenue (expenses)	239	1,032	1,656	9,133	128	(34)	(1,992)	(6,926)	1,368	5,818
Income (loss) before transfers	239	1,032	41,136	383,431	128	(34)	(116,466)	(461,247)	(299)	5,818
Net transfers from (to) other funds	-	-	-	-	430,000	268,000	-	-	-	-
Change in net position	239	1,032	41,136	383,431	430,128	267,966	(116,466)	(461,247)	(299)	5,818
Total net position - January 1	571,129	523,525	897,503	935,731	(955,837)	(266,235)	4,173,023	3,938,893	797,852	800,389
Total net position - June 30	\$ 571,368	\$ 524,557	\$ 938,639	\$ 1,319,162	\$ (525,709)	\$ 1,731	\$ 4,056,557	\$ 3,477,646	\$ 797,553	\$ 806,207

City of Minneapolis

Third Quarter, 2016 Cash and Investments Report

In accordance with the City's cash management procedures, revenue not immediately required for payment of obligations shall be placed in authorized investments. The objectives of the City's investment strategy, in order of priority, are safety of principal, liquidity, diversification and yield. As of September 30, 2016, the City's current investment portfolio was valued at \$731.2 million. The sector holdings and fund distributions are shown below. For the 12 months ended September 30, 2016, the portfolio has outperformed its benchmark.

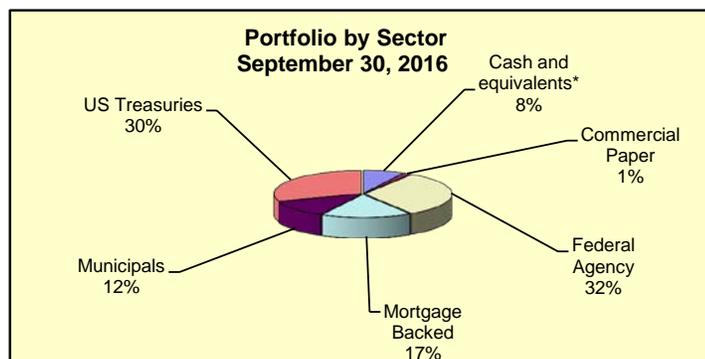
Investment Performance period ended September 30, 2016	City Portfolio	Custom Benchmark*
3 month Total Return	0.02%	-0.07%
12 month Total Return	1.02%	0.84%
3 year Total Return	0.92%	0.76%
Average Credit Quality	AAA	AAA
Weighted Average Maturity	1.7 Years	1.8 Years

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

Portfolio Holdings By

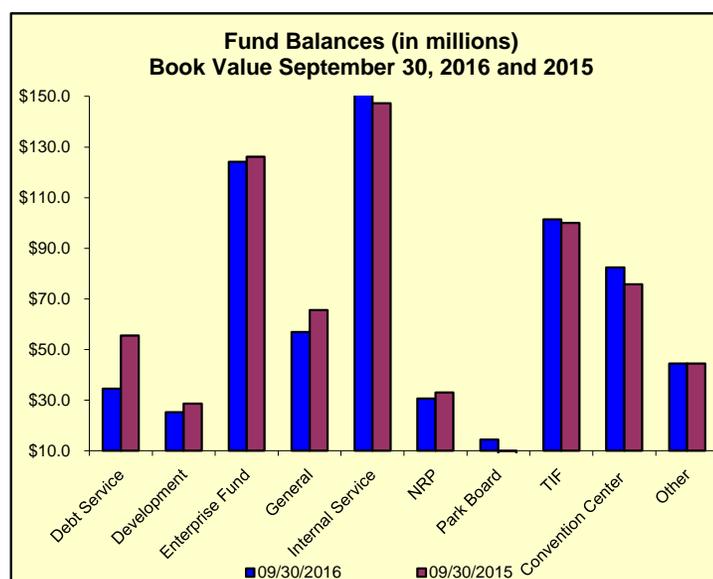
Sector	Sept 30 2016	% of port.	Sept 30 2015	% of port.
<i>Market Value in millions</i>				
Cash and equivalents*	55.4	8%	\$ 64.6	9%
Commercial Paper	11.2	1%	12.7	2%
Federal Agency	233.0	32%	124.8	17%
Mortgage Backed	122.6	17%	119.7	16%
Municipals	88.3	12%	82.5	11%
US Treasuries	220.7	30%	339.5	46%
Total Cash & Investments	\$ 731.2	100%	\$ 743.8	100%

*Net of checks outstanding



Funds Performance

Book Value in millions	Sept 30 2016	% of funds	Sept 30 2015	% of total funds
Debt Service	\$ 34.6	5%	\$ 55.5	8%
Development	25.3	4%	28.7	4%
Enterprise Fund	124.1	18%	126.2	18%
General	56.9	8%	65.6	9%
Internal Service	153.3	22%	147.3	21%
NRP	30.6	4%	33.0	5%
Park Board	14.5	2%	7.6	1%
TIF	101.4	15%	100.0	14%
Convention Center	82.5	12%	75.8	11%
Other	44.5	7%	44.5	6%
Sub Total City Operating	\$ 667.7	98%	\$ 684.2	99%
Bond Proceeds/Construction	16.3	2%	6.6	1%
Total Book Value	\$ 684.0	100%	\$ 690.8	100%
Unrealized gain (loss) & Accrued interest	3.6		2.8	
Total Market Value	\$ 687.6		\$ 693.6	
Debt Service Reserve Funds (GARFS & Development debt)	43.6		50.2	
All Funds & GARFS Market Value	\$ 731.2		\$ 743.8	



ADDENDUM

**City of Minneapolis
Financial Status Report – 3rd Quarter 2016**

City of Minneapolis

Financial Strength Analysis - 3rd Quarter 2016

FINANCIAL STRENGTH ANALYSIS - 2016 (in millions)					Increase Over 2014		Total Incr 2012 - 2015		Avg Annual Incr		2016 ANALYSIS
	2012	2013	2014	2015	\$	%	\$	%	\$	%	PROJECTED YE 2016
General Fund Cash Balance	87.8	102.1	100.0	117.6	17.6	17.6%	29.8	33.9%	9.9	11.3%	110.5
General Fund Total Fund Balance	86.3	97.0	102.4	106.0	3.6	3.5%	19.7	22.8%	6.6	7.6%	93.9
Overall City Cash Position*	561.6	656.1	696.5	703.2	6.7	1.0%	141.6	25.2%	47.2	8.4%	710.3
Overall City Net Assets/Position**	1,947.3	2,087.9	2,183.2	1,882.4	(300.8)	-13.8%	(64.9)	-3.3%	(21.6)	-1.1%	
Overall Unrestricted Net Assets/Position**	227.6	279.2	302.7	(67.8)	(370.5)	-122.4%	(295.4)	-129.8%	(98.5)	-43.3%	
SPECIAL REVENUE FUNDS FINANCIAL STRENGTH ANALYSIS - 2016 (in millions)											
Convention Center - Cash	44.4	54.9	63.0	66.2	3.2		21.8		7.3		59.1
Convention Center - Fund Balance	58.6	65.5	65.9	67.2	1.3		8.6		2.9		60.0
Arena Fund (Target Center) - Cash	5.8	7.6	10.7	16.3	5.6		10.5		3.5		11.6
Arena Reserve (Target Center) - Fund Balance	5.7	6.7	10.1	15.2	5.1		9.5		3.2		10.5
Grant Funds - Cash	1.5	2.7	4.2	2.0	1.5		0.5		0.2		1.9
Grant Funds - Fund Balance	10.8	10.0	10.2	11.2	1.0		0.4		0.1		10.2
Police SRF - Cash		1.1	1.5	1.7	0.2						1.4
Police SRF - Fund Balance		1.0	1.1	1.6	0.5						1.6
NCR SRF - Cash		0.7	3.1	4.1	1.0						4.2
NCR SRF - Fund Balance		0.6	3.0	3.9	0.9						4.0
Regulatory Services SRF - Cash	5.1	5.5	5.1	4.5	(0.6)		(0.6)		(0.2)		3.6
Regulatory Services SRF - Fund Balance	5.2	5.5	5.0	4.5	(0.5)		(0.7)		(0.2)		3.5
Comm Planng & Econ Dev (CPED) - Cash Total	169.7	171.9	164.1	165.7	1.6		(4.0)		(1.3)		157.2
Comm Planng & Econ Dev (CPED) - Fund Bal Total	207.9	205.7	203.8	201.2	(2.6)		(6.7)		(2.2)		195.5
Employee Retirement Funds - Cash	12.1	16.6	22.0	23.9	1.9		11.8		3.9		24.6
Employee Retirement Funds - Fund Balance	12.6	16.7	22.3	24.2	1.9		11.6		3.9		24.0
Other Special Revenue Funds - Cash	1.1	1.4	2.0	0.5	(1.5)		(0.6)		(0.2)		1.1
Other Special Revenue Funds - Fund Balance	1.2	1.2	1.6	0.5	(1.1)		(0.7)		(0.2)		1.0
Total Special Revenue Funds - Cash	239.7	262.4	275.7	284.9	9.2	3.5%	45.2	18.9%	15.1	6.3%	264.7
Total Special Revenue Funds - Fund Balance	302.0	312.9	323.0	329.5	6.0	1.9%	27.5	9.1%	9.2	3.0%	310.3

* 2016 amount is Market Value of cash and cash equivalents as expected to be reported in the City of Minneapolis Comprehensive Annual Financial Report (CAFR); does not include approximately \$40.3 M invested for General Agency Reserve Fund Systems (GARFS) and \$25.0 M invested for Park Board, MBC and Youth Coordinating Board.

** The City's Net Assets/Position balance reflects a decrease of \$(361.5) M due to the City's implementation of GASB 68, which requires booking, for reporting purposes only, the City's portion of the Public Employees Retirement Association (PERA) and Teachers Retirements Association (TRA) unfunded pension liability.

FINANCIAL STRENGTH ANALYSIS - 2016 (in millions)					Increase Over 2014		Total Incr 2012 - 2015		Avg Annual Incr		2016 ANALYSIS
	2012	2013	2014	2015	\$	%	\$	%	\$	%	PROJECTED YE 2016
INTERNAL SERVICE FUNDS FINANCIAL STRENGTH ANALYSIS - 2016 (in millions)											
Engr. Materials & Testing - Cash	1.7	2.1	1.9	1.6	(0.3)		(0.1)		(0.0)		2.1
Engr. Materials & Testing - Net Assets/Position	1.6	2.0	1.8	0.8	(1.0)		(0.8)		(0.3)		0.8
Intergovernmental Services - Cash	15.8	34.2	49.9	38.4	(11.5)		22.6		7.5		28.5
Intergovernmental Services - Net Assets/Positn.	27.4	37.4	62.1	62.3	0.2		34.9		11.6		62.2
Property Services - Cash	0.8	4.2	3.8	5.0	(0.4)		4.2		1.4		10.2
Property Services - Net Assets/Position	25.6	32.9	32.8	29.3	(3.5)		3.7		1.2		34.1
Equipment Services - Cash	10.2	18.9	23.2	23.7	0.5		13.5		4.5		22.0
Equipment Services - Net Assets/Position	37.2	49.8	59.8	61.7	1.9		24.5		8.2		67.6
PW Stores - Cash	(0.2)	(0.2)	(0.2)	0.0	0.2		0.0		0.0		0.5
PW Stores - Net Assets/Position	3.7	4.1	4.6	4.4	(0.2)		0.7		0.2		4.7
Self Insurance Fund - Cash	56.4	61.2	70.6	75.7	5.1		19.3		6.4		80.9
Self Insurance Fund - Net Assets/Position	1.7	4.5	18.3	16.5	(1.8)		14.8		4.9		22.5
Total ISF - Cash	84.7	120.4	149.2	144.4	(4.8)	-4.0%	59.7	70.5%	19.9	23.5%	144.2
Total ISF - Net Assets/Position	97.2	130.7	179.4	175.0	(4.4)	-3.4%	77.8	80.0%	25.9	26.7%	191.9
ENTERPRISE FUNDS FINANCIAL STRENGTH ANALYSIS - 2016 (in millions)											
Sanitary Sewer - Cash	20.0	23.6	18.7	12.4	(6.3)		(7.6)		(2.5)		18.6
Sanitary Sewer - Net Assets/Position	107.5	114.4	118.6	117.5	(1.1)		10.0		3.3		128.3
Stormwater - Cash	37.4	36.4	35.0	35.9	0.9		(1.5)		(0.5)		37.8
Stormwater - Net Assets/Position	299.6	311.5	308.8	323.8	15.0		24.2		8.1		324.3
Water Enterprise - Cash	19.1	19.0	25.1	30.1	5.0		11.0		3.7		25.5
Water Enterprise - Net Assets/Position	197.2	210.2	221.5	220.4	(1.1)		23.2		7.7		204.9
Solid Waste & Recycling - Cash	23.9	17.8	19.7	22.6	2.9		(1.3)		(0.4)		26.6
Solid Waste & Recycling - Net Assets/Position	30.3	26.8	27.3	26.7	(0.6)		(3.6)		(1.2)		28.0
Municipal Parking - Cash	7.7	17.8	10.5	14.0	3.5		6.3		2.1		19.9
Municipal Parking - Net Assets/Position	162.8	172.5	177.9	180.7	2.8		17.9		6.0		186.1
Comm Planng & Econ Dev (CPED) - Cash***	0.0	0.1	0.0	0.8	0.8		0.8		0.3		24.6
Comm Planng & Econ Dev (CPED) - Net Assets/Position	38.5	33.4	39.0	39.9	0.9		1.4		0.5		27.4
Total ESF - Cash	108.1	114.7	109.0	115.8	6.8	6.2%	7.7	7.1%	2.6	2.4%	153.0
Total ESF - Net Assets/Position	835.8	868.8	893.1	909.0	15.9	1.8%	73.2	8.8%	24.4	2.9%	899.0

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

GENERAL FUND HISTORICAL ANALYSIS WORKSHEET

Revenues:	2012 Actual	2013 Actual	2014 Actual	2015 Actual	Incr (Decr) From 2014		Total Incr (Decr) 2012-2015		Average Yearly Change		2016			
					\$	%	\$	%	\$	%	Original Budget	Revised Budget	2016 Projected Totals	Surplus (Deficit) Actual vs Proj.
Property Taxes	181,479,925	175,485,461	163,648,202	160,509,905	(3,138,296)	-1.9%	(20,970,020)	-11.6%	(6,990,007)	-3.9%	162,081,200	162,081,200	162,081,200	-
Local Tax*	12,927,957	13,109,952	74,320,785	76,722,142	2,401,357	3.2%	63,794,185	493.5%	21,264,728	164.5%	76,000,000	76,000,000	76,250,000	250,000
State Aids	68,129,037	69,817,368	80,653,654	81,833,963	1,180,310	1.5%	13,704,927	20.1%	4,568,309	6.7%	82,674,393	82,674,393	82,950,000	275,607
Charges for Services	44,613,127	42,530,059	49,040,898	49,494,802	453,904	0.9%	4,881,674	10.9%	1,627,225	3.6%	50,317,003	50,350,003	49,500,000	(850,003)
Franchise Fees	26,119,558	29,619,985	33,530,799	30,118,463	(3,412,336)	-10.2%	3,998,905	15.3%	1,332,968	5.1%	31,450,000	31,450,000	30,000,000	(1,450,000)
Licenses and Permits	36,089,034	39,227,495	49,267,609	44,316,671	(4,950,938)	-10.0%	8,227,637	22.8%	2,742,546	7.6%	43,536,474	43,536,474	45,500,000	1,963,526
Fines and Forfeits	8,242,551	7,667,948	7,178,961	6,539,031	(639,930)	-8.9%	(1,703,521)	-20.7%	(567,840)	-6.9%	7,312,500	7,312,500	6,400,000	(912,500)
Special Assessments	3,009,242	3,481,950	3,084,571	3,201,518	116,946	3.8%	192,276	6.4%	64,092	2.1%	3,347,601	3,347,601	3,347,601	-
Investment Income	1,649,258	(607,375)	1,862,388	1,612,918	(249,469)	-13.4%	(36,340)	-2.2%	(12,113)	-0.7%	2,200,000	2,200,000	3,273,259	1,073,259
Other Shared Taxes	568,813	713,640	623,305	779,673	156,368	25.1%	210,860	37.1%	70,287	12.4%	698,860	878,860	900,000	21,140
Other Miscellaneous	519,898	551,954	796,030	754,066	(41,964)	-5.3%	234,168	45.0%	78,056	15.0%	579,000	579,000	750,000	171,000
Contributions	806,721	944,831	215	-	(215)	-100.0%	(806,721)	-100.0%	(268,907)	-33.3%	-	-	5,000	5,000
Total Revenues	384,155,122	382,543,267	464,007,417	455,883,152	(8,124,265)	-1.8%	71,728,030	18.7%	23,909,343	6.2%	460,197,031	460,410,031	460,957,060	547,029
Transfers In	8,768,000	13,868,048	2,323,200	4,258,200	1,935,000	83.3%	(4,509,800)	-51.4%	(1,503,267)	-17.1%	4,029,000	4,029,000	4,029,000	-
Revenues and Other Sources	392,923,122	396,411,315	466,330,617	460,141,352	(6,189,265)	-1.3%	67,218,230	17.1%	22,406,077	5.7%	464,226,031	464,439,031	464,986,060	547,029
Expenditures :														
Police	128,484,712	131,955,439	140,864,221	147,884,333	7,020,112	5.0%	19,399,622	15.1%	6,466,541	5.0%	152,773,308	152,883,308	156,461,572	(3,578,264)
Fire	52,617,402	54,019,341	57,801,515	61,314,629	3,513,114	6.1%	8,697,227	16.5%	2,899,076	5.5%	62,323,551	62,356,551	62,356,551	0
Human Resources	5,187,960	6,649,341	7,793,323	6,846,865	(946,458)	-12.1%	1,658,905	32.0%	552,968	10.7%	6,692,288	6,752,288	6,563,430	188,858
Finance and Property Services	19,242,817	23,133,219	22,037,482	22,153,993	116,511	0.5%	2,911,176	15.1%	970,392	5.0%	21,576,983	21,512,947	21,338,300	174,647
911	7,282,423	7,711,272	8,132,153	8,759,610	627,457	7.7%	1,477,187	20.3%	492,396	6.8%	9,212,137	9,432,137	9,182,137	250,000
311	3,112,540	3,048,027	3,488,399	3,646,020	157,621	4.5%	533,480	17.1%	177,827	5.7%	3,772,825	3,884,825	3,884,825	-
City Coordinator	1,558,558	2,655,672	2,386,008	3,159,157	773,149	32.4%	1,600,599	102.7%	533,533	34.2%	4,270,552	4,333,088	4,259,500	73,588
Intergov Relations	1,341,172	1,302,479	1,518,397	1,364,660	(153,738)	-10.1%	23,488	1.8%	7,829	0.6%	1,541,315	1,501,315	1,444,600	56,715
Communications	2,103,836	2,170,614	2,165,970	2,090,834	(75,136)	-3.5%	(13,002)	-0.6%	(4,334)	-0.2%	2,236,818	2,244,529	2,200,000	44,529
Emergency Management	610,218	875,688	864,025	767,233	(96,792)	-11.2%	157,015	25.7%	52,338	8.6%	812,740	812,740	848,000	(35,260)
Neighbrhd and Comm Rel	1,029,081	933,813	1,039,032	358,041	(680,991)	-65.5%	(671,040)	-65.2%	(223,680)	-21.7%	220,000	385,000	385,000	-
Information Technology	50,000	100,406	647,458	-	(647,458)	-100.0%	(50,000)	-100.0%	(16,667)	-33.3%	-	-	-	-
Coordinator - Total	41,518,606	48,580,530	50,072,248	49,146,413	(925,835)	-1.8%	7,627,807	18.4%	2,542,602	6.1%	50,335,659	50,858,870	50,105,792	753,077
Trans Plan and Design**	2,438,966	2,313,275	2,596,205	3,924,085	1,327,880	51.1%	1,485,119	60.9%	495,040	20.3%	2,005,055	2,005,055	1,957,000	48,055
Transportation Plan Programming**	-	-	-	836,365	836,365	100.0%	836,365	100.0%	278,788	33.3%	2,443,428	2,443,428	2,250,000	193,428
Trans Maint and Repair	28,826,567	32,548,507	34,212,771	30,195,670	(4,017,100)	-11.7%	1,369,104	4.7%	456,368	1.6%	32,572,339	32,572,339	31,571,572	1,000,767
Administration	2,539,688	2,651,922	2,743,067	3,005,253	262,186	9.6%	465,566	18.3%	155,189	6.1%	3,282,491	3,532,491	3,482,491	50,000
Traf and Parkng Svcs	13,515,492	13,850,069	15,350,967	15,057,941	(293,025)	-1.9%	1,542,450	11.4%	514,150	3.8%	16,727,820	16,907,820	16,983,048	(75,228)
Public Works - Total	47,320,712	51,363,772	54,903,009	53,019,315	(1,883,694)	-3.4%	5,698,603	12.0%	1,899,534	4.0%	57,031,134	57,461,134	56,244,111	1,217,023
Regulatory Services***	31,392,171	13,319,973	15,737,337	16,366,436	629,099	4.0%	(15,025,735)	-47.9%	(5,008,578)	-16.0%	18,717,164	19,721,964	19,608,550	113,414
Attorney	7,852,044	7,960,888	8,213,096	8,513,667	300,570	3.7%	661,622	8.4%	220,541	2.8%	9,575,487	9,575,487	9,425,000	150,487
City Council & City Clerk	7,592,735	8,178,717	9,499,407	9,193,805	(305,602)	-3.2%	1,601,070	21.1%	533,690	7.0%	9,905,055	9,977,081	11,426,298	(1,449,217)
Culture and Recreation -Library	4,981,940	4,105,736	3,238,244	2,363,131	(875,113)	-27.0%	(2,618,809)	-52.6%	(872,936)	-17.5%	1,560,000	1,560,000	1,560,000	-
Contingency	11,324	540	-	-	-	100.0%	(11,324)	-100.0%	(3,775)	-33.3%	4,000,000	4,000,000	-	4,000,000
Assessor	3,920,114	3,780,182	4,499,647	4,612,972	113,325	2.5%	692,859	17.7%	230,953	5.9%	5,027,275	5,162,275	5,162,275	-
CPED***	3,556,791	19,644,732	28,919,658	30,808,646	1,888,988	6.5%	27,251,854	766.2%	9,083,951	255.4%	35,783,506	37,690,245	33,600,000	4,090,245
Health ***	2,431,602	6,974,608	7,520,666	8,288,752	768,086	10.2%	5,857,150	240.9%	1,952,383	80.3%	8,913,842	9,063,842	9,053,947	9,895
Civil Rights	2,151,720	2,289,542	2,774,956	3,107,184	332,228	12.0%	955,463	44.4%	318,488	14.8%	3,310,246	3,560,246	3,310,247	249,999
Mayor	1,448,755	1,586,143	1,827,368	1,932,480	105,112	5.8%	483,725	33.4%	161,242	11.1%	1,987,715	2,027,715	2,027,715	-
Internal Audit****	398,070	421,754	144,666	538,452	393,786	272.2%	140,382	35.3%	46,794	11.8%	592,261	617,261	617,261	-
Total Expenditures	335,678,697	354,181,896	386,016,038	397,090,215	11,074,178	2.9%	61,411,518	18.3%	20,470,506	6.1%	421,836,204	426,515,980	420,959,320	5,556,661
Transfers Out*	41,648,164	30,616,383	74,845,386	59,499,686	(15,345,700)	-20.5%	17,851,522	42.9%	5,950,507	14.3%	66,412,211	66,162,211	56,162,211	10,000,000
Expenditures and Other Uses	377,326,861	384,798,279	460,861,423	456,589,901	(4,271,522)	-0.9%	79,263,040	21.0%	26,421,013	7.0%	488,248,415	492,678,191	477,121,531	15,556,661
Change in Fund Balance	15,596,261	11,613,035	5,469,194	3,551,451	(1,917,742)	-35.1%	(12,044,810)	-77.2%	(4,014,937)	-25.7%	(24,022,384)	(28,239,160)	(12,135,471)	16,103,690
Fund Balance - January 1	72,370,668	86,304,124	96,970,153	102,439,347							105,990,798	105,990,798	105,990,798	
Fund Balance - December 31	87,966,929	97,917,159	102,439,347	105,990,798	7,020,112	6.9%	18,023,869	20.5%	6,007,956	6.8%	81,968,414	77,751,638	93,855,327	16,103,690

*In 2012 and 2013 only Entertainment Tax was deposited directly into the General Fund. Starting in 2014, all Local Tax were deposited directly into the General Fund and the General Fund increased transfers out to the Convention Center to cover the difference between the costs of operations/capital and its operating revenues.

**Transportation Planning & Programming came into existence in 2015. For comparisons over the four years, Transportation Planning & Programming and Transportation Planning & Design should be added together.

***In 2013 the City reorganized Regulatory Services and transferred its Construction Licensing and Permitting function to CPED and several programs/functions to Health. As a result, comparisons for those three departments should be looked at together. For each department individually, the comparison should be from 2013 to 2015

****In 2014, the Internal Audit department was transitioning from one internal auditor to the next and its operation costs for that year are significantly less than a normal operational year.