Minneapolis
City of Lakes

2nd Quarter 2016 Financial Status Report

Finance & Property Services Dept.
August 15, 2016

City of Minneapolis
Interim Financial Report Index for the 2nd Quarter of 2016

GENERAL FUND..... 2-4

SPECIAL REVENUE & GRANT FUNDS

Convention Center Special Revenue Fund..... 5-8
Arena Special Revenue Fund..... 9-10
Police Special Revenue Fund..... 11-12
NCR Special Revenue Fund..... 13-14
Regulatory Services Special Revenue Fund..... 15-16
Federal, CDBG and other State and Local Grants..... 17-28
CPED Special Revenue Funds..... 29-32

INTERNAL SERVICE FUNDS

Engineering Materials and Testing Fund..... 33-35
Fleet Services Fund..... 36-39
Property Services Fund..... 40-43
Public Works Stores Fund..... 44-46
Intergovernmental Service Fund..... 47-50
Self-Insurance Fund..... 51-53

ENTERPRISE FUNDS

Sanitary Sewer Fund..... 54-56
Storm Water Fund..... 57-59
Water Enterprise Fund..... 60-62
Municipal Parking Fund..... 63-65
Solid Waste and Recycling..... 66-68
CPED Enterprise Fund..... 69-71

CASH AND INVESTMENTS REPORT..... 72

ADDENDUM

Financial Strength Analysis..... 74-75
General Fund Historical Analysis..... 76

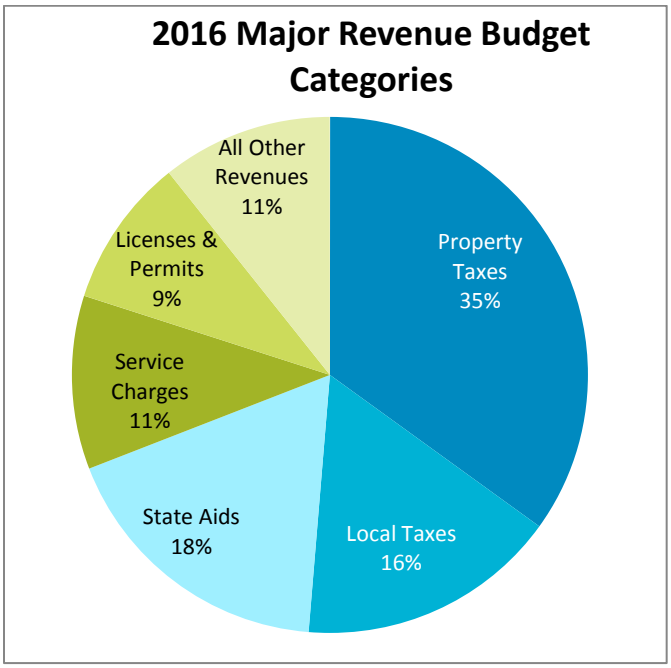
INDIVIDUAL FUNDS
Schedules and Analysis

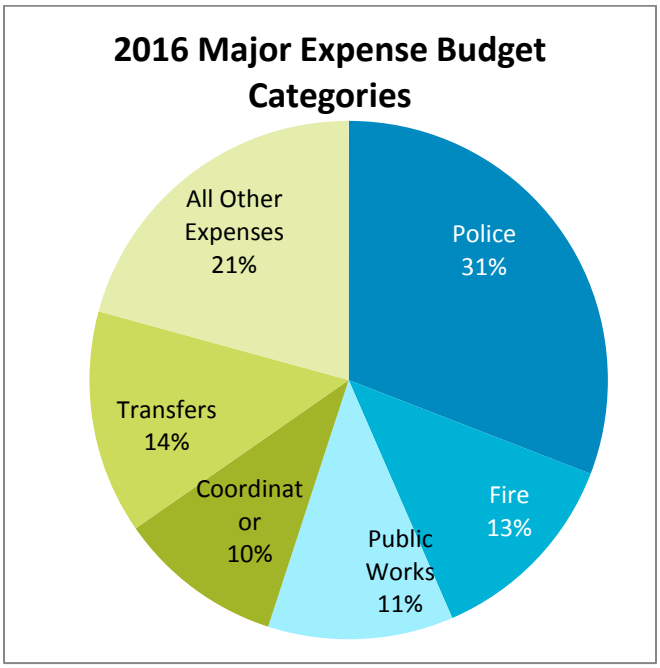
City of Minneapolis
Financial Status Report – 2nd Quarter 2016

General Fund

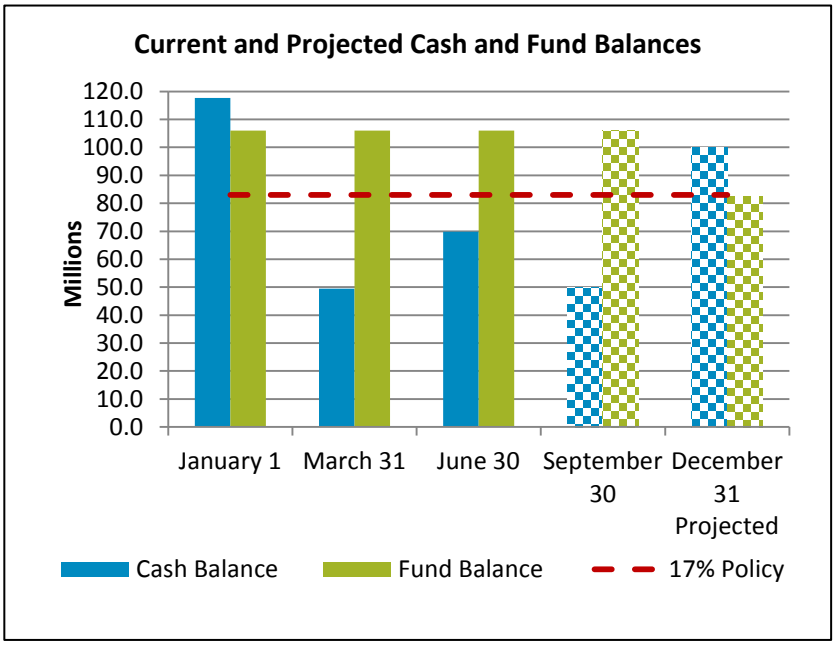
Fund Description

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund by law or administrative action. The Fund's 2016 current revenue budget is $464.4 million, while the Fund's 2016 current expense budget is $492.6 million, including transfers.





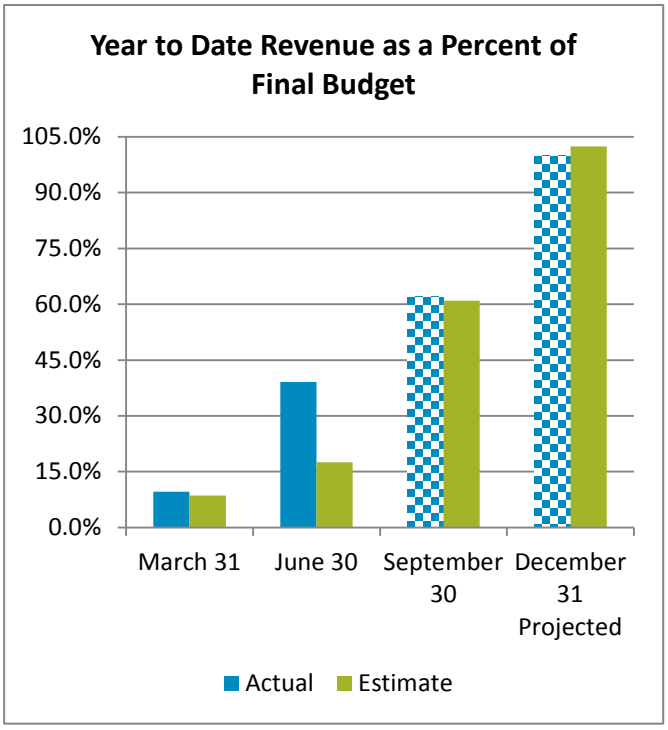
Cash and Fund Balance



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 budget for 2016 includes a planned use of fund balance totaling $28.2 million. However, current projections for year-end forecast an excess of expenditures over revenues of only $0.4 million. Current revenue projections come in slightly under budget by approximately $0.2 million and expenditure projections come in $5.0 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 $83.0 million which is 17.0% of the 2016 General Fund budget of $488.2 million, including transfers. Of the $5.1 million in projected expense savings, $4.0 million is attributable to the unspent contingency budget. The cash balance at year-end 2015 was $117.6 million, while the current cash balance is $69.8 million.

Revenues

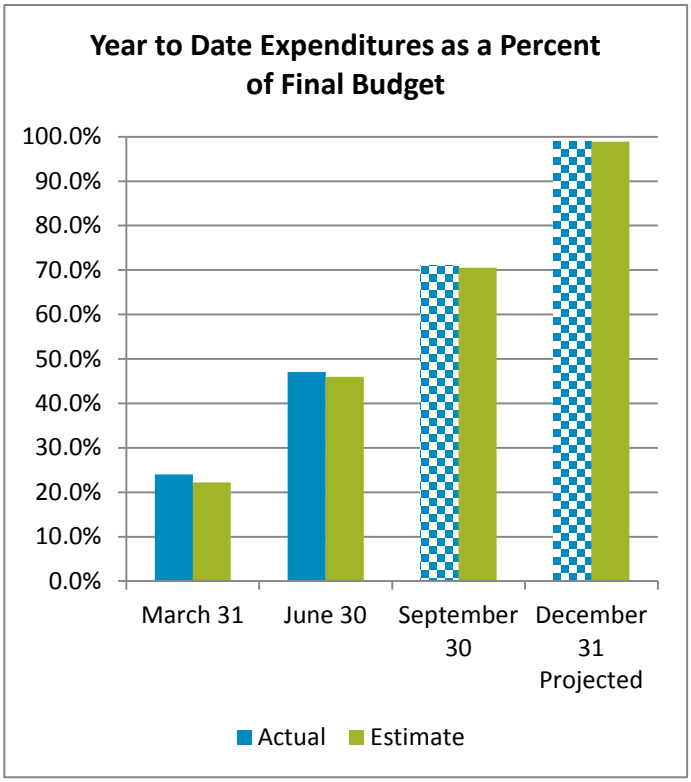
Year-end revenues are projected to be slightly under budget. In an effort to more closely align the General Fund revenue budget with actual results from prior years, the 2016 revenue budget was increased $15.2 million over 2015, excluding transfers. The budget for property taxes increased $2.6 million 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. Due to the timing of receipts from these two main revenue sources, the amount collected through the second quarter is usually significantly less than 50%. Unlike prior years when the first property tax settlement isn't recorded until July, the first-half 2016 property tax settlement was received prior to the end of June. Licenses and permits, investment income, and other intergovernmental receipts are all surpassing year-to-date expectations as well. The result is that 39.1% of total revenue was collected through June 30, 2016 compared to the typical collection of 17.5%.



Expenditures

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 $5.1 million under budget.

Most departments in the General Fund are projecting expenditures below budget with a couple exceptions. Most significantly, the Police department is projected to exceed budget by $3.3 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 are expected to remain unspent through the end of 2016. Other departments are projected to come in at or under budget due to personnel savings and the delayed start of projects related to the CARS process.



City of Minneapolis
General Fund
June 30, 2016

	Original Budget	Revised Budget	Year-to-Date Actual	Percent of Revised Budget Remaining	Projected Year End Totals	Surplus (Deficit) Budget vs Projected	Projected Year End as a Percent of Revised Budget
Revenues:							
Property Taxes	162,081,200	162,081,200	84,199,876	48%	162,081,200	-	100%
Local Taxes	76,000,000	76,000,000	27,571,583	64%	76,250,000	250,000	100%
State Aids	82,674,393	82,674,393	2,785,019	97%	82,674,393	-	100%
Charges for Services	50,317,003	50,497,003	22,241,213	56%	49,500,000	(997,003)	98%
Franchise Fees	31,450,000	31,450,000	13,261,521	58%	30,000,000	(1,450,000)	95%
Licenses and Permits	43,411,474	43,411,474	22,804,818	47%	45,000,000	1,588,526	104%
Fines and Forfeits	7,312,500	7,312,500	2,485,647	66%	6,400,000	(912,500)	88%
Special Assessments	3,347,601	3,347,601	1,811,272	46%	3,347,601	-	100%
Investment Income	2,200,000	2,200,000	1,703,138	23%	3,273,259	1,073,259	149%
Other Intergovernmental	698,860	698,860	412,136	41%	900,000	201,140	129%
Other Miscellaneous	704,000	704,000	467,429	34%	750,000	46,000	107%
Total Revenues	460,197,031	460,377,031	179,743,653	61%	460,176,453	(200,578)	100%
Transfers In - Parking Fund	4,029,000	4,029,000	2,014,506	50%	4,029,000	-	100%
Revenues and Other Sources	**464,226,031**	**464,406,031**	**181,758,159**	**61%**	**464,205,453**	**(200,578)**	**100%**
Expenditures:							
Police	152,773,308	152,883,308	74,823,632	51%	156,174,306	(3,290,998)	102%
Fire	62,323,551	62,323,551	29,784,747	52%	62,323,551	-	100%
Human Resources	6,692,288	6,752,288	3,143,779	53%	6,529,295	222,993	97%
Finance and Property Services	21,576,983	21,576,983	10,357,084	52%	21,012,000	564,983	97%
911	9,212,137	9,432,137	4,260,365	55%	8,521,000	911,137	90%
311	3,772,825	3,884,825	1,900,186	51%	3,800,000	84,825	98%
City Coordinator	4,270,552	4,382,245	1,295,858	70%	4,382,200	45	100%
Intergovernmental Relations	1,541,315	1,541,315	719,429	53%	1,460,000	81,315	95%
Communications	2,236,818	2,244,529	1,123,948	50%	2,234,000	10,529	100%
Emergency Management	812,740	812,740	450,656	45%	848,000	(35,260)	104%
Neighborhood and Community Relations	220,000	385,000	178,061	54%	385,000	-	100%
City Coordinator - Total	50,335,659	51,012,063	23,429,366	54%	49,171,495	1,840,568	96%
Transportation Planning and Design	2,005,055	2,005,055	933,767	53%	2,005,055	-	100%
Transportation Plan Programming	2,443,428	2,443,428	864,327	65%	2,400,000	43,428	98%
Transportation Maintenance and Repair	32,572,339	32,572,339	15,434,667	53%	31,499,745	1,072,594	97%
Public Works Administration	3,282,491	3,282,491	1,614,237	51%	3,232,491	50,000	98%
Traffic and Parking Services	16,727,820	16,907,820	7,710,903	54%	16,994,952	(87,132)	101%
Public Works - Total	57,031,134	57,211,134	26,557,901	54%	56,132,243	1,078,891	98%
Regulatory Services	18,717,164	19,665,631	8,398,915	57%	18,400,631	1,265,000	94%
Attorney	9,575,487	9,575,487	4,461,265	53%	9,483,182	92,305	99%
City Council and City Clerk	9,905,055	9,977,081	4,663,682	53%	9,977,081	-	100%
Culture and Recreation - Library	1,560,000	1,560,000	-	100%	1,560,000	-	100%
Contingency	4,000,000	4,000,000	-	100%	-	4,000,000	0%
Assessor	5,027,275	5,162,275	2,483,745	52%	5,090,549	71,726	99%
CPED	35,783,506	37,650,245	15,183,675	60%	37,600,000	50,245	100%
Health	8,913,842	9,063,842	3,586,073	60%	9,060,913	2,929	100%
Civil Rights	3,310,246	3,460,246	1,695,947	51%	3,460,246	-	100%
Mayor	1,987,715	1,987,715	1,018,952	49%	1,987,700	15	100%
Internal Audit	592,261	617,261	395,919	36%	595,000	22,261	96%
Total Expenditures	421,836,204	426,149,840	196,483,822	54%	421,016,898	5,132,942	99%
Transfers Out	66,412,211	66,412,211	35,373,981	47%	66,412,211	-	100%
Expenditures and Other Uses	**488,248,415**	**492,562,051**	**231,857,802**	**53%**	**487,429,109**	**5,132,942**	**99%**
Change in Fund Balance					**(23,223,656)**		
Fund Balance - January 1, 2016					105,990,798		
Fund Balance - December 31, 2016 (Projected)					**82,767,142**		

Convention Center Special Revenue Fund Report
For the 2nd Quarter Ending June 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.

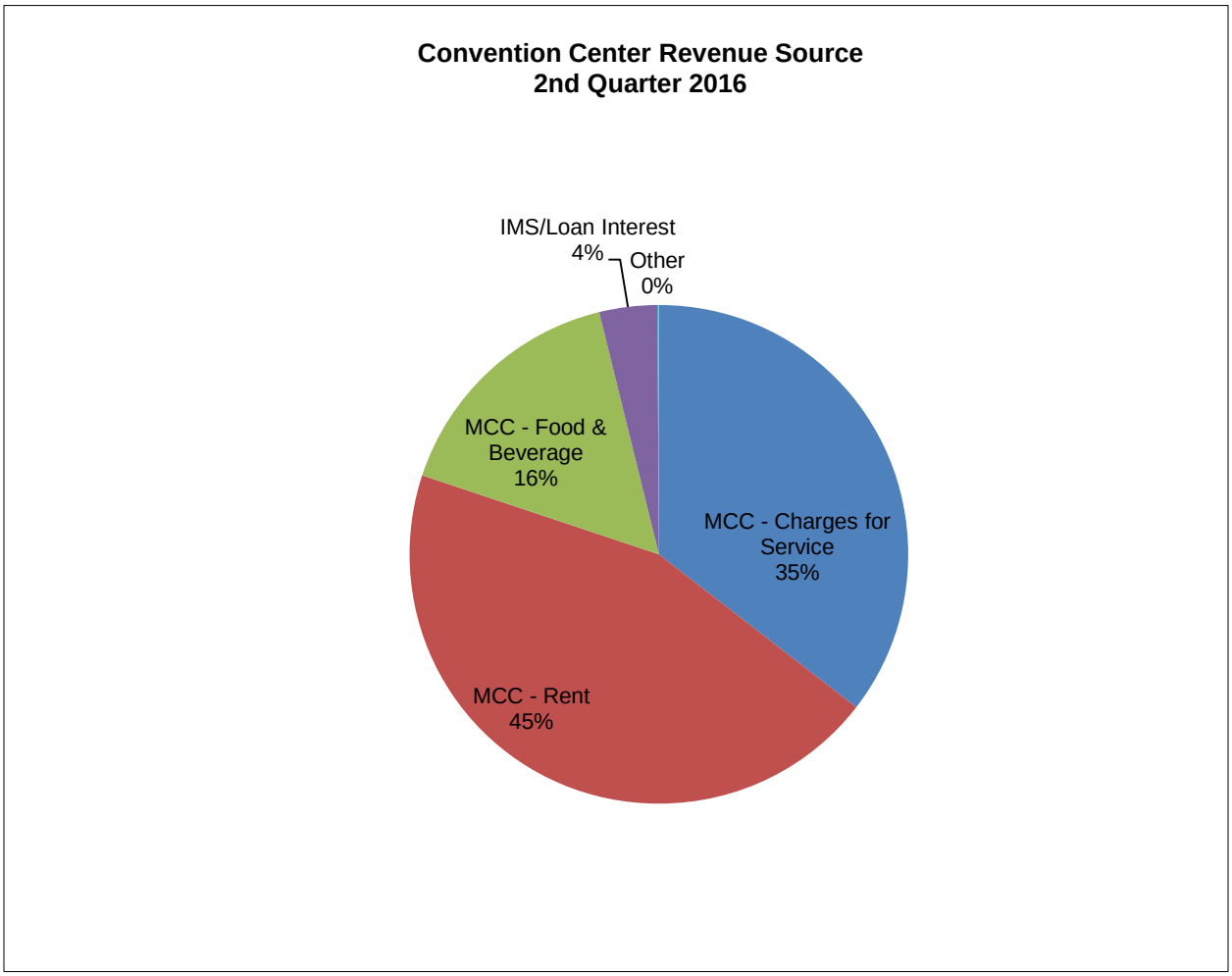
Revenue

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 2nd quarter of 2016, operating revenue ended at nearly $10.3 million or 62% of the $16.7 million budget. Rents and Commissions had the strongest finish at nearly $4.8 million or 66% of budget followed by Charges for Services and Sales at approximately $3.8 million or 63% of budget, and finally Catering Commissions which came in at $1.7 million or 49% of budget.



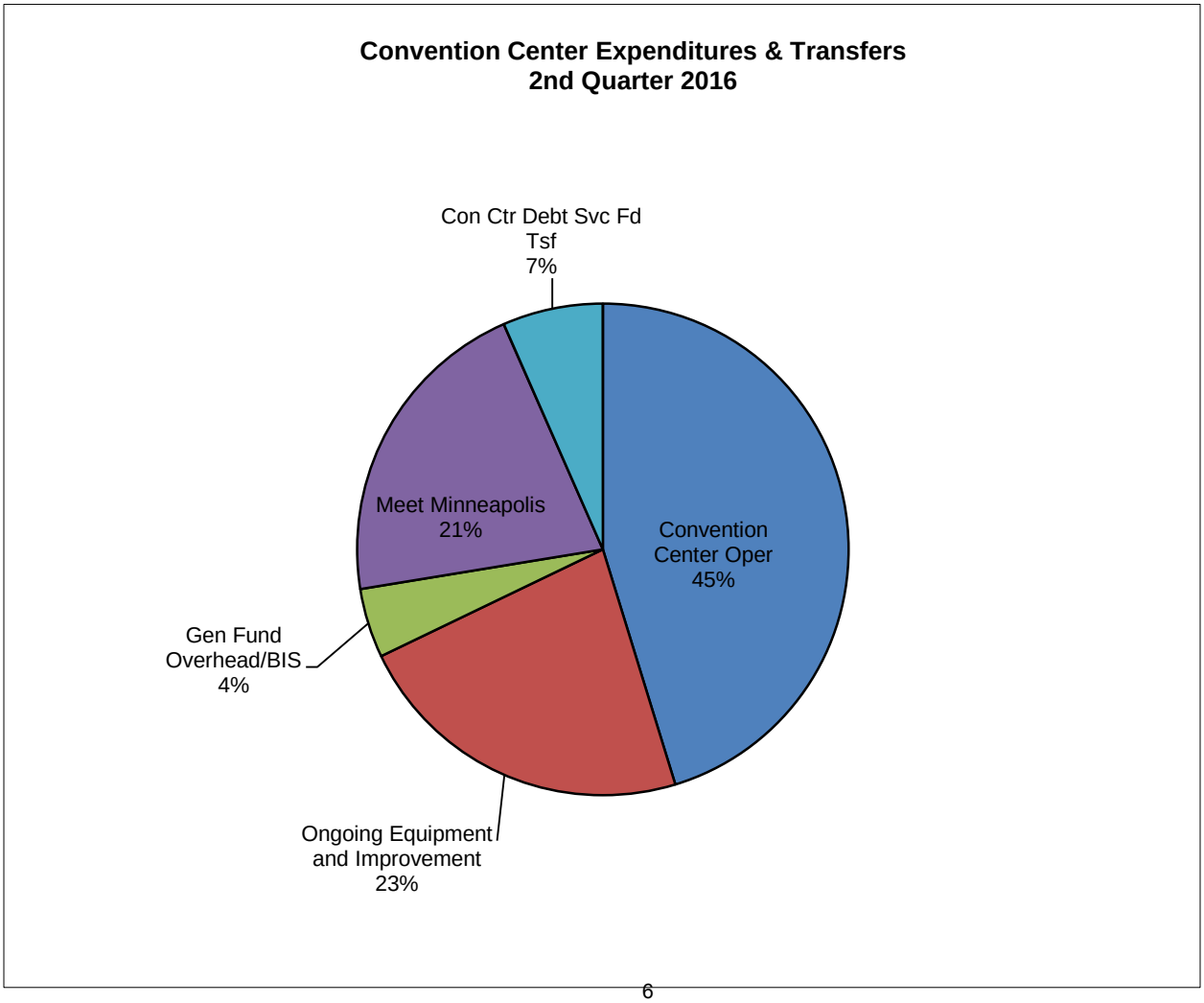
The Convention Center continues to discount rents to be competitive. Through June 30, 2016, the Convention Center hosted 384 events with close to 787,000 attendees, and operating revenues set an all-time record surpassing 2014 by nearly $1.7 million. Economic impact to the community as a result of events in 2016 is estimated to be approximately $331 million.

Operating Expenditures

Through the 2nd quarter of 2016, Convention Center operating expenses, not including Ongoing Equipment and Improvement, IT, and General Fund Overhead, finished at approximately $11.2 million or 48% 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 2nd quarter at approximately $5.6 million or 36% 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 is worked on much needed projects such as operable walls, rainwater harvesting system, HVAC system upgrade, lobby railing replacement/enhancement, 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, building lighting controls, and auditorium sound. These projects allow the Convention Center to remain competitive in 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

In 2004, Meet Minneapolis entered into a $2.5 million loan agreement with the City for its joint venture Internet Destination Sales System (iDSS). Meet Minneapolis requested that the Council advance an additional $2.5 million for the project in 2005. In August 2005, the loans were rolled together and a promissory note was issued for $5 million. The City entered into a 3rd loan agreement for $5 million for additional iDSS start-up capital in April 2006. The three loans were consolidated for a total of $10 million. The loan draws were capped in May 2007. The consolidated loan has a 10 year amortization of principle (2008-2017) repaid in full in 2017 at a 5% interest rate. The note repayment for the loan is pledged against assets, future appropriations from the City funding, as well as profit from the iDSS. The total of the loan was nearly $9.1 million. Quarterly interest payments began on 03/31/08, and annual principal payments began on 12/31/08. Interest and principal payments coincide with Meet Minneapolis's quarterly sales and marketing payments from the City. Meet Minneapolis's quarterly sales and marketing payment from the City is reduced by the amount of the interest and principal payments due for that particular period. The principle is accounted for on the balance sheet as a loan receivable while the interest received is classified as revenue in the period in which it is due. In November 2014, Meet Minneapolis sold iDSS, but the principal and interest payments to the City will continue. Meet Minneapolis is budgeted at approximately $9.9 million in 2016.

Fund/Cash Balance

Beginning in 2015, the Facility Reserve Fund cash and fund balance of $5.4 million are being reported under the Convention Center Fund to reflect the current reporting in the Comprehensive Annual Financial Report (CAFR). In 2015, the Facility Reserve Fund cash and fund balance were transferred to the Convention Center Fund to match the City's reporting. The 2015 ending fund balance was nearly $67.2 million which was an increase over $6.7 million from 2014. The increase can be primarily attributed to the addition of the $5.4 million Facility Reserve Fund Balance transferred to the Convention Center Fund, and to a lesser extent, increased 2015 operating revenue coupled with decreased 2015 operating expense.

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

	2016				
	Budget	Actual	Percent of Total	Year End Projection	2015 Actual
REVENUE					
Operating Revenue:					
Charges for Services and Sales	6,000,000	3,792,869	63%	6,179,000	6,523,029
Rents and Commissions	7,197,000	4,773,506	66%	7,324,000	7,863,203
Catering Commissions	3,500,000	1,711,469	49%	3,894,000	3,902,897
Total Operating Revenue	16,697,000	10,277,845	62%	17,397,000	18,289,129
Other Non Operating Revenue:					
Investment Management Services Interest	183,600	338,566	184%	630,000	369,572
Meet Minneapolis (iDSS) Loan Interest	113,628	63,127	56%	113,628	164,130
Other	-	10,947	-	10,947	154,441
Total Other Non Operating Revenue	297,228	412,640	139%	754,575	688,143
Total Non Operating Revenue	297,228	412,640	139%	754,575	688,143
Total Revenue	16,994,228	10,690,484	63%	18,151,575	18,977,272
EXPENDITURES					
Convention Center Operations	23,658,986	11,245,039	48%	23,634,703	22,423,147
Ongoing Equipment and Improvement	15,467,177	5,625,563	36%	13,000,000	9,054,844
General Fund Overhead/IT Operating	2,265,297	1,132,651	50%	2,265,297	2,156,543
Meet Minneapolis	9,905,000	5,215,000	53%	9,905,000	10,031,000
Total Expenditures	51,296,460	23,218,253	45%	48,805,000	43,665,534
Excess of Revenues Over (Under) Expenditures	(34,302,232)	(12,527,768)	37%	(30,653,425)	(24,688,262)
OTHER FINANCING SOURCES (USES)					
General Fund Transfer - Operating Subsidy	50,050,000	25,025,000	50%	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	23,384,628	92%	25,437,875	31,419,738
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(8,864,357)	10,856,860		(5,215,550)	6,731,476
Fund Balance - January 1	67,185,554	72,586,004		72,586,004	60,454,078
Ending Fund Balance	58,321,197	83,442,864		67,370,454	67,185,554
Ending Cash Balance		75,988,616		66,394,781	66,209,881

Arena Special Revenue Fund Q2 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 $2.9 million in appropriation to be rolled over into 2017 for anticipated upgrades to the ice floor. As part of the renovation agreement with AEG, a payment of the unamortized amount of the prior capital investment by AEG was made in the amount of $1.6 million was paid from the Arena Special Revenue Fund. In addition, the Fund pays any required reimbursement to AEG to support Arena operating costs. The estimated operator reimbursement for 2016 will be $1.5 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 June 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 revenue generated from eligible tax increment districts and is expected to be paid in full by 2025. Based on current revenue projections, there will be sufficient tax increment to pay all debt service on the bonds. The tax increment and debt payments are accounted for within CPED funds and are included in the quarterly report for the CPED Special Revenue Funds.

Fund Balance

The 2016 ending fund balance is projected to be $7.4 million, which is nearly $7.9 million less than 2015. The reason for this decrease is the result of a significant increase in 2016 capital expenditures.

ARENA SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the fiscal quarter ending June 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	82,627	162,700	57,239
Miscellaneous Revenue	-	-	-	1,800
Total revenues	2,777,660	2,826,627	3,170,163	2,989,477
OTHER FINANCING SOURCES (USES):				
Target Center Operations	(5,531,392)	(1,703,012)	(5,531,392)	(1,507,634)
Target Center Capital	(10,553,295)	(680,013)	(9,231,807)	(1,859,644)
Municipal Parking Enterprise Fund	3,728,377	1,864,189	3,728,377	3,522,696
Transfer from the General Fund	-	-	-	2,000,000
Bond Interest	-	(21,751)	-	-
Total other financing sources (uses)	(12,356,310)	(540,587)	(11,034,822)	2,155,418
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(9,578,650)	2,286,040	(7,864,659)	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	17,507,112	7,356,413	15,221,072
Ending Cash Balance		17,485,178	8,452,354	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 $2.1 million. Through 2nd Quarter of 2016, $950 thousand in revenues has been received compared to $1.0 million through 2nd quarter of 2015. The projected 2016 year-end revenues are expected to be $200 thousand over budget or $2.3 million, primarily due to an increase in revenues associated with major events/sports at US Bank stadium.

Expenditures

Expenditures for the Police Special Revenue Fund decreased from $2.1 million in 2014 to $1.6 million in 2015. Through the 2nd quarter of 2016, $900 thousand has been expended compared to $700 thousand in 2015. The projected 2016 year end expenditures are expected to be at $200 thousand over budget or $2.3 million, primarily due to an increase in payroll cost associated with major events/sports at US Bank stadium.

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 Second Quarter/Years 2016, 2015 and 2014

	Budget Current Year 2016	Projected Year Ending 2016	For Period Ending 6/30/2016	For Year Ending 2015	For Period Ending 6/30/2015	For Year Ending 2014
Revenue						
Charges for Services and Sales	1,564,932	1,761,217	605,970	1,523,619	702,568	1,660,104
Fines and Forfeits	400,000	400,000	259,322	502,885	243,566	463,645
Miscellaneous	-	-	-		1,500	-
Taxes	182,250	182,250	85,115	186,863	90,493	131,216
		-				
Total Revenue	2,147,182	2,343,467	950,407	2,213,367	1,038,126	2,254,966
Expenditures						
Contractual Services	715,729	715,729	327,433	672,037	200,742	814,639
Fringes	222,968	222,968	96,376	144,804	53,771	212,783
Materials / Other	379,933	379,933	93,408	238,558	179,175	352,049
Personal Services	828,552	1,024,837	365,057	604,386	238,898	781,591
Total Expenditures	2,147,182	2,343,467	882,274	1,659,784	672,586	2,161,062
Excess of Revenues Over (Under) Expenditures	-	-	68,133	553,583	365,541	93,903
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	-	-	68,133	553,583	365,541	93,903
Significant Balance Sheet Items:						
Cash Balance	1,429,238	1,429,238	1,497,371	1,429,238	1,400,551	1,496,279
Fund Balance	1,649,110	1,649,110	1,717,243	1,649,110	1,461,067	1,095,527

City of Minneapolis
NCR Special Revenue Fund: 01800
For the 2nd Quarter Ended June 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

$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 FY 2016, and $3.1 million more is projected for the second half of FY 2016.

Expenditures

The expenditures from this fund through the first half of FY 2016 are $3.1 million for the community engagement and neighborhood based activities. Total projected expenditures are expected to be $6.2 million in FY 2016.

Fund Balance

The Fund balance projection for 2016 year-end is $3.8 million based on the current activities.

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 6/30/2016	For Year Ending 2015	For Period Ending 6/30/2015	For Year Ending 2014
Revenue						
Special Assessments						
Loan Recapture				-		2,175
Other				-		3,400
Total Revenue	-		-	-	-	5,575
Expenditures						
Neighborhood Community Relations	6,127,000	6,200,240	3,100,120	5,351,616	2,448,566	3,138,045
Total Expenditures	6,127,000	6,200,240	3,100,120	5,351,616	2,448,566	3,138,045
Excess of Revenues Over (Under) Expenditures	(6,127,000)	(6,200,240)	(3,100,120)	(5,351,616)	(2,448,566)	(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	-	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	-	5,520,516
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	(73,240)	(36,620)	873,768	(2,448,566)	2,388,046
Significant Balance Sheet Items:						
Cash Balance		3,830,526	3,903,766	4,105,282	619,710	3,064,234
Fund Balance		3,837,240	3,873,858	3,910,480	588,146	3,036,712

07-21-16/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 2nd quarter of 2016, $1.5 million in revenue had been received compared to $1.0 million in June of 2015. 2016 year end revenue projections are $3.13 million, or approximately $42,000 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 2nd quarter of 2016, $2.10 million had been expended as compared to $2.14 million in 2015. The projected 2016 year end expenditures are expected to be $3.9 million, significantly under the 2016 budget.

Fund Balance

Based on the 2016 Projections, the Fund Balance at year end is expected to be $3.7 million, a $792 thousand 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 Second Quarter/Years 2016, 2015, and 2014

	Budget Current Year 2016	Projected Year Ending 2016	For Period Ending 6/30/2016	For Year Ending 2015	For Period Ending 6/30/2015	For Year Ending 2014
Revenue						
Permits and Charges for Services	96,000	220,000	110,131	279,418	121,887	334,698
Special Assessments	2,987,000	2,850,058	1,305,352	3,838,151	890,378	3,044,421
Other	-	54,942	54,942	71,920	(5,584)	34,789
Total Revenue	3,083,000	3,125,000	1,470,426	4,189,490	1,006,681	3,413,908
Expenditures						
Regulatory Services	4,885,507	3,680,736	1,960,499	4,432,875	2,006,912	3,579,206
Community & Economic Development	217,648	236,264	129,131	272,699	135,843	268,083
Total Expenditures	5,103,155	3,917,000	2,089,630	4,705,574	2,142,755	3,847,289
Excess of Revenues Over (Under) Expenditures	(2,020,155)	(792,000)	(619,204)	(516,084)	(1,136,074)	(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)	(792,000)	(619,204)	(516,084)	(1,136,074)	(433,381)
Significant Balance Sheet Items:						
Cash Balance	2,598,938	3,827,093	3,999,889	4,619,093	3,992,176	5,135,177
Fund Balance	2,501,286	3,729,441	3,902,237	4,521,441	3,901,450	5,037,525

SPECIAL REVENUE FUNDS
Federal, CDBG, and Other State and Local Grants
Quarter Ending June 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 June 30, 2016 expenditures were $6,188,679 compared to the 2015 expenditures of $6,280,041. The expenditure levels are fairly consistent between 2016 and 2015 unlike prior years that were impacted by remaining Recovery grants winding down.

HUD Consolidated Plan Funds (01400 & 01500)

The Community Development Block Grant (CDBG) is the City's largest single grant and is accounted for in fund 01400 along with three other Housing and Urban Development (HUD) Programs. The programs are the Emergency Solutions Grant Program (ESG), HOME Investment Partnerships Program, and Housing Opportunities for Persons with AIDS (HOPWA). The HOME program is accounted for in fund 01500 and the combined amounts are presented in the schedule. The HUD Consolidated Plan program year is from June 1 to May 31. The CDBG awards have declined until 2012. Beginning June 1, 2012 the award was $3.1 million less than the prior year. Since that time the allocation has remained around $10 million. HUD grant expenditures as of June 30 were $14,149,259 compared to $13,100,242 for 2015. The 2016 expenditures are slightly higher through the second 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 June 30, 2016 are $8,769,425 compared to the 2015 expenditures of $9,152,501 which were only slightly higher. The revenue in the fund as of June 30, 2016 and 2015 is $10,838,847 and $9,934,329, 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 June 30, 2016, revenue of $890,970 had been recorded related to this initiative. The City was awarded a grant of $1,445,000 from the Metropolitan Council in late 2014 for the Aeon Prospect Park Project. The majority of the award was expended and received in the first half of 2016 resulting in an increase in intergovernmental revenues and expenses as compared to the same period in 2015.

Capital Grants

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

Special Revenue Funds
Grant Funds
Quarter Ending June 30, 2016

	Federal Grants 01300	HUD Grants 01400 & 01500	Grants Other 01600	Total
Assets				
Cash and Cash Equivalents	$ (2,632,231)	$ (2,117,536)	$ 4,588,851	$ (160,916)
Accounts - net	36,524	16,032	18,750	71,306
Special Assessments Receivable				-
Intergovernmental Receivables	54,725			54,725
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	**$ (1,289,942)**	**$ 4,269,416**	**$ 5,807,351**	**$ 8,786,825**
Liabilities				
Salaries Payable	$ 31,500	$ 619	$ 83,612	$ 115,731
Accounts Payable	140,288	88,194	71,192	299,674
Inter Governmental Payables				-
Due to Other Funds				-
Use Taxes Payable	11		-	11
Unclaimed Property				-
Deposits Held for Others				-
Deferred Revenue and Contracts	5,708		76,076	81,784
Deferred Special Assessments				-
Total Liabilites	$ 177,507	$ 88,813	$ 230,880	$ 497,200
Fund Balance	$ (1,267,449)	$ 4,180,603	$ 5,576,471	$ 8,489,625
Total Liabilities and Fund Balance	**$ (1,089,942)**	**$ 4,269,416**	**$ 5,807,351**	**$ 8,986,825**
Revenue				
Taxes-Charitable Gambling			$ 31,218	$ 31,218
Grants and Shared Revenues	$ 3,345,681	$ 10,565,430	8,571,098	22,482,209
Loan Origination Fees				-
Special Assessments		1,597	45,125	46,722
Private Grants and Contributions			1,528,540	1,528,540
Charges for Services	14,446	152,638	632,257	799,341
Licenses & Permits				-
Fines and forfeits				-
Interest		78,290		78,290
Rent & Commisions		5,209		5,209
Sale of Lands & Buildings	29,988	626,442		656,430
Loan Recapture	(19,925)	390,294		370,369
Sale of Equipment			125	125
Refund of Prior Years Expended				-
Miscellaneous Revenue		247	29,255	29,502
Transfer within Special Revenue Fund		138,797	1,229	140,026
Total Revenue	**$ 3,370,190**	**$ 11,958,944**	**$ 10,838,847**	**$ 26,167,981**
Expenditures	**$ 6,188,679**	**$ 14,149,259**	**$ 8,769,425**	**$ 29,107,363**
Revenues Over (Under) Expenditures	**$ (2,818,489)**	**$ (2,190,315)**	**$ 2,069,422**	**$ (2,939,382)**

CDBG Program Year 42
Beginning June 1, 2016
June 30, 2016

City Council Official Proceedings:

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	2016 Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:											
Lead Reduction	$ 50,575	$ -	$ 50,575	$ -	$ -	$ -	$ -	$ 50,575	$ -	$ -	$ 50,575
Adult Training, Placement and Retention	1,033,260	-	1,033,260	191,569	-	-	-	1,224,829	-	-	1,224,829
High density corridor housing	479,570	-	479,570	24,721	-	-	-	504,291	-	-	504,291
NEDF/CEDF (Great Streets)	101,915	-	101,915	36,091	-	-	-	138,006	-	-	138,006
Homeownership Support & Development	-	-	-	500,000	-	-	-	500,000	-	-	500,000
Multi-Family/Affordable Housing	2,714,764	-	2,714,764	1,257,188	-	-	-	3,971,952	-	-	3,971,952
Vacant & Boarded Housing	1,451,970	-	1,451,970	(51,219)	-	-	-	1,400,751	-	-	1,400,751
Subtotal Capital Grants	$ 5,832,054	$ -	$ 5,832,054	$ 1,958,350	$ -	$ -	$ -	$ 7,790,404	$ -	$ -	$ 7,790,404
Public Service Grants:											
Community Crime Prevention Specialists	$ 742,985	$ -	$ 742,985	$ -	$ -	$ -	$ -	$ 742,985	$ 54,735	$ 54,735	$ 688,250
Domestic Abuse Project	59,527	-	59,527	-	-	-	-	59,527	-	-	59,527
Juvenile Supervisor Center	100,000	-	100,000	-	-	-	-	100,000	-	-	100,000
Way to Grow	163,218	-	163,218	-	-	-	-	163,218	-	-	163,218
Build Leaders	320,000	-	320,000	-	-	-	-	320,000	597	597	319,403
Youth Employment & Training	210,208	-	210,208	37,095	-	-	-	247,303	21,753	21,753	225,550
Subtotal Public Service Grants	$ 1,595,938	$ -	$ 1,595,938	$ 37,095	$ -	$ -	$ -	$ 1,633,033	$ 77,085	$ 77,085	$ 1,555,948
Administrative Grants:											
YCB Administration	$ 64,803	$ -	$ 64,803	$ -	$ -	$ -	$ -	$ 64,803	$ -	$ -	$ 64,803
Civil Rights Dept Fair Housing	277,440	-	277,440	-	-	-	-	277,440	-	-	277,440
Finance Administration	139,030	-	139,030	-	-	-	-	139,030	-	-	139,030
Problem Properties Board Bldg	72,930	-	72,930	-	-	-	-	72,930	2,938	2,938	69,992
Grants & Special Projects	144,755	-	144,755	-	-	-	-	144,755	-	-	144,755
Housing Discrimination Law Project-Mid-Min	33,150	-	33,150	-	-	-	-	33,150	-	-	33,150
Access & Outreach (Multicultural Affairs)	84,490	-	84,490	-	-	-	-	84,490	16,191	16,191	68,299
Grant Administration	51,340	-	51,340	-	-	-	-	51,340	-	-	51,340
Legal Aid Mid-Minnesota	20,400	-	20,400	-	-	-	-	20,400	-	-	20,400
Way to Grow Administration	12,410	-	12,410	-	-	-	-	12,410	-	-	12,410
YCB Youth Violence Prevention	130,900	-	130,900	-	-	-	-	130,900	-	-	130,900
CDBG Planning	745,286	-	745,286	(41,204)	-	-	-	704,082	-	-	704,082
CDBG Planning Admin	-	-	-	411,121	-	-	-	411,121	-	-	411,121
Subtotal Administrative Grants	$ 1,776,934	$ -	$ 1,776,934	$ 369,917	$ -	$ -	$ -	$ 2,146,851	$ 19,129	$ 19,129	$ 2,127,722
			-					-	-		-
	-	-	-	-	-	-	-	-	-	-	-
Subtotal Administrative Grants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
GRAND TOTAL	$ 9,204,926	$ -	$ 9,204,926	$ 2,365,362	$ -	$ -	$ -	$ 11,570,288	$ 96,214	$ 96,214	$ 11,474,074

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

City Council Official Proceedings: April 17, 2015

Project	Adopted Budget 2014R-519	Adjustment Amount Council	Final HUD Allocation Council	Reprogramming Program Income	Reprogramming Council Actions	Reprogramming Department Actions	Reprogrammed Amounts	Revised Budget	2016 Current Expenditures	2016 Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:											
Lead Reduction	$ 61,000	$ (1,500)	$ 59,500	$ -	$ -	$ -	$ -	$ 59,500	$ 6,926	$ 8,074	$ 51,426
Adult Training, Placement and Retention	1,247,500	(31,900)	1,215,600	-	-	-	-	1,215,600	347,071	876,694	338,906
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	46,202	83,391	36,509
Multi-Family/Affordable Housing	3,277,540	(83,700)	3,193,840	-	-	-	-	3,193,840	2,576,455	2,576,455	617,385
Vacant & Boarded Housing	1,753,000	(44,800)	1,708,200	-	-	-	-	1,708,200	966,686	966,686	741,514
Subtotal Capital Grants	$ 7,041,040	$ (179,800)	$ 6,861,240	$ -	$ -	$ -	$ -	$ 6,861,240	$ 3,943,340	$ 4,511,300	$ 2,349,940
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	18,235	93,610	6,390
Way to Grow	212,000	(5,400)	206,600	-	-	-	-	206,600	88,844	220,317	(13,717)
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	$ 505,317	$ 1,472,902	$ 28,201
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	-	-	326,400
Finance Administration	180,000	(5,000)	175,000	-	-	-	-	175,000	-	-	175,000
Problem Properties Board Bldg	88,100	(2,300)	85,800	-	-	-	-	85,800	47,608	90,605	(4,805)
Grants & Special Projects	175,000	(4,700)	170,300	-	-	-	-	170,300	-	-	170,300
Housing Discrimination Law Project-Mid-	40,100	(1,100)	39,000	-	-	-	-	39,000	19,500	32,500	6,500
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	20,675	21,362	39,038
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	7,896	13,825	775
YCB Youth Violence Prevention	158,000	(4,000)	154,000	-	-	-	-	154,000	116,601	154,986	(986)
CDBG Planning Admin	899,807	(23,000)	876,807	160,550	-	-	-	1,037,357	573,960	1,036,066	1,291
Subtotal Administrative Grants	$ 2,144,510	$ (54,000)	$ 2,090,510	$ 160,550	$ -	$ -	$ -	$ 2,251,060	$ 852,112	$ 1,533,547	$ 717,513
			-					-	-		-
	-	-	-	-	-	-	-	-	-	-	-
Subtotal Administrative Grants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
GRAND TOTAL	$ 10,722,550	$ (269,697)	$ 10,452,853	$ 160,550	$ -	$ -	$ -	$ 10,613,403	$ 5,300,769	$ 7,517,749	$ 3,095,654

CDBG Program Year 40
Beginning June 1, 2014
June 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	2016 Grant to Date Expenditures	2016 Remaining Grant Budget
Capital Grants:												
Lead Reduction	$ 52,300	$ 8,700	$ 61,000	$ -		$ -	$ -	$ -	$ 61,000	$ 15,597	$ 50,877	$ 10,123
Adult Training, Placement and Retention	1,247,500	-	1,247,500	-		-	-	-	1,247,500	243,676	1,148,024	99,476
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	306,572	640,838	474,162
Vacant & Boarded Housing	1,433,400	319,600	1,753,000	856,000	1	-	-	-	2,609,000	248,628	2,661,696	(52,696)
Subtotal Capital Grants	$ 5,815,300	$ 1,225,740	$ 7,041,040	$ 1,971,000		$ -	$ -	$ -	$ 9,012,040	$ 4,040,745	$ 7,901,975	$ 1,110,065
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	9,405	103,739	(3,739)
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	$ 9,405	$ 1,540,739	$ (3,739)
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	64,530	109,385	225,615
Finance Administration	165,300	14,700	180,000	-		-	-	-	180,000	49,275	49,275	130,725
Problem Properties Board Bldg	88,100	-	88,100	-		-	-	-	88,100	-	88,100	-
Grants & Special Projects	160,100	14,900	175,000	-		-	-	-	175,000	51,852	120,307	54,693
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	$ 156,320	$ 1,880,477	$ 411,033
			-						-	-		-
	-	-	-	-		-	-	-	-	-	-	-
Subtotal Administrative Grants	$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -
GRAND TOTAL	$ 9,082,000	$ 1,640,550	$ 10,722,550	$ 2,118,000		$ -	$ -	$ -	$ 12,840,550	$ 4,206,470	$ 11,323,191	$ 1,517,359

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

Project	Adopted Budget 2012R-654	Adjusted Amount Final HUD	Amended Budget	Reprogramming Program Income	Reprogramming Council Actions	Reprogramming Department Actions	Reprogrammed Amounts	Revised Budget	2016 Current Expenditures	2016 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-Lega	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
June 30, 2016

Project	Adopted Budget 2011R-659	Reduction Amount Final HUD	Amended Budget	Reprogramming Program Income	Reprogramming Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2016 Current Year Expenditures	2016 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 Retentio	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	388,594	506,398	72,371
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	$ 388,594	$ 6,870,130	$ 72,371
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	$ 387,261	$ 10,594,482	$ 72,968

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

Project	Adopted Budget 2010R-598	Reduction Amount 2011R-301	Amended Budget 2011R-301	Reprogramming Program Income	Reprogramming Council Actions	Reprogramming Department Actions	Reprogrammed Amounts	Revised Budget	2016 Current Year Expenditures	2016 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 Retentio	1,255,000	(141,570)	1,113,430	-	-	-	-	1,113,430	-	1,113,430	-
High density corridor housing	730,000	(146,331)	583,669	-	-	-	-	583,669	-	583,669	-
NonProfit MF Rental Development Assis	166,000	(33,275)	132,725	-	-	(38,727) [1]	-	93,998	3,000	3,000	90,998
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	$ 41,727	$ 6,808,899	$ 1,019,271
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	$ 41,755	$ 11,022,023	$ 1,020,468

CDBG Program Year 36
Beginning June 1, 2010
June 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	2016 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 Retention	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	461,746	940,666	559,334
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	$ 597,746	$ 9,079,292	$ 1,127,847
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 Voluntee	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-Lega	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 G	$ 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:											
G4123YCBA36-YCB Administration	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,197	$ 1,197	$ -	$ -	$ 1,197
G4890CP36-Citizen Participation	-	-	-	-	-	-	66,095	66,095	-	-	66,095
Subtotal Administrative G	$ -	$ -	$ -	$ -	$ -	$ -	$ 141,343.00	$ 141,343.00	$ -	$ -	$ 141,343.00
GRAND T	$ 14,077,000	$ 362,575	$ 14,439,575	$ 443,950	$ -	$ -	$ -	$ 14,883,525	$ 597,746	$ 13,614,335	$ 1,269,190

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

Project	Adopted Budget	Reduction Amount	Amended Budget	Reprogramming Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2016 Current Year Expenditures	2016 Grant to Date Expenditures	2016 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	14,804	79,229	145,771
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	$ 37,077	$ 12,872,424	$ 146,576
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	$ 37,077	$ 17,174,409	$ 218,301

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

Project	Adopted Budget	Reduction Amount	Amended Budget	Reprogramming Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2016 Current Year Expenditures	2016 Grant to Date Expenditures	2016 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	-	-		424,611	6,541	233,538	191,073
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	$ 19,019	$ 10,180,638	$ 191,073
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	-
MITZGI Communications	42,100		42,100	-	-	-		42,100	-	42,100	-
MPS Teenage Parenting & Pregnancy Program	65,100		65,100	-	-	-		65,100	-	65,100	-
Minneapolis Urban League	64,100		64,100	-	-	-		64,100	-	64,100	-
St Marys Health Clinics	18,200		18,200	-	-	-		18,200	-	18,200	-
St Stephens Human Services	44,000		44,000	-	-	-		44,000	-	44,000	-
Southside Family Nurturing Center	44,000		44,000	-	-	-	(20,727) [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	$ 19,019	$ 14,354,085	$ 289,798

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

Programs	Original Budget	Current Budget	Expended	Bud vs Exp	Cash	Fund Balance
Tax Increment Financing	41,395,508	57,717,396	29,597,686	28,119,710	78,467,391	103,297,969
Housing & Economic Development	1,108,551	3,523,212	215,307	3,307,905	10,528,124	14,569,723
General Development	5,776,593	16,099,536	3,304,230	12,795,306	26,807,502	33,809,986
Neighborhood Revitalization	7,103,061	7,103,061	1,979,267	5,123,794	30,275,968	30,616,429
CPED Operating	1,756,364	1,756,364	792,623	963,741	281,189	(373,611)
Total	$ 57,140,077	**$ 86,199,569**	**$ 35,889,113**	**$ 50,310,456**	**$ 146,360,174**	**$ 181,920,496**

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 combined fund balance of the CPED Special Revenue Funds as of the second quarter ending June 30, 2016 is $181,920,496. A portion of that fund balance is "property held for development", which is in a non-spendable form in the amount of $33,109,299. The combined fund balance in the TIF and NRP programs (excluding $24,902,009 in property held for development) is $109,012,389 and its use is restricted by State law. The remaining fund balance of $39,798,808 ($181,920,496 - $33,109,299 - $109,012,389) has been allocated for specific purposes. All special revenue funds are restricted to the legal purposes of the special revenue they contain.

The combined fund balance at the end of the second quarter 2016 was $11.7 million lower than at the end of second quarter 2015, and available cash was lower by $8.0 million. When the second quarter cash balances of the TIF and NRP programs are deducted, the remaining cash balance at the end of second quarter 2016 was $3.5 million higher than in 2015, which is predominantly due to a $3.3 million increase in cash in the General Development program (see below).

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 second quarter 2016 was $9.1 million lower than cash at the end of second quarter 2015. First half tax increment collections are received in the third quarter of each year, so there was no tax increment revenue received this quarter. Second quarter 2016 revenues were $518,713 higher than in 2015, and second quarter 2016 expenditures were $2.9 million higher than in 2015. This large increase in expenditures was primarily due to the prepayment of large TIF note and a land option payment that was made for the Lake and Nicollet Project.

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 second quarter 2016 was $62,984 higher than cash at the end of second quarter 2015. Second quarter 2016 revenues were $271,875 higher than in 2015, and second quarter 2016 expenditures were $756,828 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 second quarter 2016 was $3.3 million higher than cash at the end of second quarter 2015, which was primarily due to the payoff of a note for the Seward Towers Project. Second quarter 2016 revenues were $163,568 higher than in 2015, and second quarter 2016 expenditures were $321,341 lower 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 second quarter 2016 was $2.4 million less than cash at the end of second quarter 2015. Second quarter 2016 revenues were $709,044 lower than in 2015, and second quarter 2016 expenditures were $628,735 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 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 second quarter 2016, this program had a negative fund balance of $373,611 and a positive cash balance of $281,189. Expenditures during this period exceeded revenues by $511,888, which was funded 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	Spec Rev Fund 2015 Total
Assets							
Cash	78,467,391	10,528,124	26,807,502	30,275,968	281,189	146,360,174	154,348,601
Misc receivables	439,839	38,838	73,161	70,628	60,277	682,743	704,816
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	**104,183,537**	**21,822,867**	**33,832,861**	**30,642,298**	**341,466**	**190,823,029**	**209,913,229**
Liabilities							
Payables	645	(724)	11,533	3,942	699,425	714,821	935,367
Advances from other funds	670,000	-	-	-	-	670,000	7,538,000
Deferred inflow of resources	214,923	7,253,868	11,342	21,927	15,652	7,517,712	7,812,012
Total Liabilities	**885,568**	**7,253,144**	**22,875**	**25,869**	**715,077**	**8,902,533**	**16,285,379**
Total Fund Balance	**103,297,969**	**14,569,723**	**33,809,986**	**30,616,429**	**(373,611)**	**181,920,496**	**193,627,850**
Total Liabilities & FB	**104,183,537**	**21,822,867**	**33,832,861**	**30,642,298**	**341,466**	**190,823,029**	**209,913,229**
Revenue							
General property taxes	-	68,714	-	-	-	68,714	730
Property tax increment	-	-	-	-	-	-	91,250
Fees & charges for services	319	271,636	113,082	-	262,564	647,601	1,451,542
Interest revenue	416,591	25,874	1,627,935	183,930	18,171	2,272,501	(110,633)
Rent	1,480,582	1	37,575	-	-	1,518,158	2,410,265
Sale of land & buildings	37,271	78,780	32,404	-	-	148,455	2,859,595
Loan recapture	116,296	241,925	3,369,746	911,487	-	4,639,454	3,429,136
Total revenue	**2,051,059**	**686,930**	**5,180,742**	**1,095,417**	**280,735**	**9,294,883**	**10,131,885**
Expenditures							
Personal services	-	53,565	306,979	-	-	360,544	817,579
Contractual services	197,111	20,563	347,090	1,705,457	792,623	3,062,844	3,083,884
Other operating costs	11,423	4,405	577,478	-	-	593,306	406,577
Program capital outlay	6,425,312	79,729	684,040	92,826	-	7,281,907	4,694,953
Total expenditures	**6,633,846**	**158,262**	**1,915,587**	**1,798,283**	**792,623**	**11,298,601**	**9,002,993**
Transfers							
Transfers from other funds	5,769,957	733,029	283,941	-	542,230	7,329,157	4,080,000
Transfers to other funds	(22,963,840)	(57,045)	(1,388,643)	(180,984)	-	(24,590,512)	(15,388,278)
Total transfers	**(17,193,883)**	**675,984**	**(1,104,702)**	**(180,984)**	**542,230**	**(17,261,355)**	**(11,308,278)**
Change in fund balance	**(21,776,670)**	**1,204,652**	**2,160,453**	**(883,850)**	**30,342**	**(19,265,073)**	**(10,179,386)**
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	**103,297,969**	**14,569,723**	**33,809,986**	**30,616,429**	**(373,611)**	**181,920,496**	**193,627,850**

City of Minneapolis
Engineering, Materials, and Testing
For the Second Quarter Ending June 30, 2016

Fund 06000	2016 Budget	06/30/2016 Actual	Projected YE 2016	2015 Actual
Operating Revenue	1,772,064	769,143	1,555,286	1,539,105
Operating Expense	1,929,276	868,464	1,719,920	1,881,730
Operating Margin	(157,212)	(99,321)	(164,634)	(342,626)
Change in Net Position		(99,321)	(164,634)	(341,761)
Net Position		702,854	637,541	802,175
Cash Balance		1,940,478	1,388,313	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 second quarter 2016 is $769,143, or 43.4% of the budgeted amount of $1,777,064. The 2016 revenue represents an increase of 91.9% over the second quarter 2015 revenue of $400,846. Revenue for the first half 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 second 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 and generates adequate revenue to cover the fund's direct and indirect expenses.

Expense:
Operating expense through second quarter 2016 is $868,464, or 45.0% of the budgeted amount of $1,929,276. The 2016 expense reflects an increase of 4.6% over the 2015 expense of $830,049 incurred through the same period. Personnel expense through second quarter 2016 is increased by 8.1% compared to the same time period in 2015 due to two additional technicians hired to perform test work. Contractual service expense increased 5.9% primarily resulting from an increase in the cost of internal services provided by other City departments.

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 $1.6 million or $0.2 million less than the budgeted amount of $1,772,064. The decrease in revenue is due to a reduction in laboratory rates that was not initially reflected in the budget. Operating expense is projected to be $1.7 million which is 10.9% less than the budgeted amount of $1,929,276. These projections result in a 2016 decrease to net position of $0.2 million and a projected ending net position of $0.6 million. The year-end cash balance is projected to be $1.4 million representing a decrease of $0.2 million from the 2015 year-end balance of $1,552,947.

Cash and Net Position
The 2016 second quarter cash balance is $1,940,478, an increase of $0.4 million from the 2015 year-end balance of $1,552,947. The increase in cash through second 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. At June 30, 2016, the fund had an accrual of $512,000 for June invoices for asphalt and concrete that was paid in July. Had these invoices been paid in June, the cash balance would be reduced to $1,428,478. 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 $1.0 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 Second Quarter/Years, 2016, 2015, and 2014

	Budget Year 2016	Projected Year Ending 2016	For Period Ending 30-Jun-16	For Year Ending 2015	For Period Ending 30-Jun-15	For Year Ending 2014	For Period Ending 30-Jun-14
Operating Revenues:							
Asphalt / Concrete	150,000	203,564	101,782	295,777	113,827	290,153	101,016
Inspection revenue	1,622,064	1,351,722	667,361	1,243,328	287,019	1,006,964	367,292
Total Operating Revenues	1,772,064	1,555,286	769,143	1,539,105	400,846	1,297,117	468,308
Operating Expenses:							
Personnel	1,272,880	1,129,484	594,657	1,137,996	550,349	1,067,161	512,689
Contractual	522,617	473,804	217,726	481,753	205,669	366,060	161,638
Materials, Supplies, Services, Other	84,305	67,158	31,343	245,493	65,787	71,515	28,435
Rent	49,474	49,474	24,737	16,488	8,244	13,098	6,549
Total Operating Expenses	1,929,276	1,719,920	868,464	1,881,730	830,049	1,517,834	709,311
Operating Margin	(157,212)	(164,634)	(99,321)	(342,626)	(429,203)	(220,717)	(241,003)
Non-Operating Revenues/(Expenses):							
Other revenue	-	-	-	865	-	-	-
Depreciation	-	-	-		-	-	-
Total Non-Operating Revenues(Expenses)	-	-	-	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)	(164,634)	(99,321)	(341,761)	(429,203)	(220,717)	(241,003)
Significant Balance Sheet Items							
Cash Balance[1]		1,388,313	1,940,478	1,552,947	2,060,646	1,935,522	2,019,719
Net Position		637,541	702,854	802,175	1,352,960	1,782,163	1,733,508

[1]At June 30, 2016, the Engineering, Material and Testing Fund had an accrual of $512,000 for June asphalt and concrete invoices that were paid in July. Had these invoices been paid in June, the cash balance would have decreased to $1,428,478.

[2]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 Second Quarter Ending June 30, 2016

Fund 06100	2016 Budget	06/30/2016 Actual	Projected YE 2016	2015 Actual
Operating Revenue	33,040,703	14,255,590	29,757,877	30,360,604
Operating Expense	22,594,505	9,043,762	19,564,132	19,890,672
Operating Margin	10,446,198	5,211,828	10,193,745	10,469,932
Change in Net Position		3,154,367	6,090,359	5,785,937
Net Position		65,072,943	68,008,935	61,918,576
Cash Balance		26,256,295	22,333,842	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 second quarter 2016 is $14,255,590 or 43.1% of the budgeted amount of $33,040,703. The revenue earned through second quarter 2016 decreased by $194,154, or 1.3%, from the revenue earned through second quarter 2015. This decrease is due to charges for services and sales which decreased by $1.2 million or 14.1% from second quarter 2015 to second quarter 2016. The decrease in charges for services and sales is mostly due to a decrease in fuel costs which result in lower revenue from the sale of fuel. This decrease in charges for services and sales was offset by an increase of $1.0 million in rental income, primarily due to an increase in the administrative overhead charges related to rental of fleet vehicles as determined by the cost allocation model.

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 second quarter 2016 totaled $9,043,762, representing 40.0% of the annual budget of $22,594,505. Expenses through the second quarter of 2016 decreased $85,112 or 0.9%, 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 second quarter 2016 declined $711,620, or 37.8%, from the amount expended through the same period in 2015. The decrease in fuel costs was offset by contractual services, which increased $251,592 or 12.0% from 2015 to 2016 through second quarter, primarily due to increased external equipment rental charges. Property Services rent expense also increased $189,770 or 46.2% through the second 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 $158,114 through the second 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 $29.8 million which is 9.9% 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 $19.6 million or 13.4% 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 $6.1 million is projected compared to the budgeted of $6,317,760, resulting in a projected ending net position of $68.0 million. Ending cash is projected to be $22.3 million, a decrease of $1.4 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 second quarter 2016 ending balance of $26,256,295, an increase of $1.5 million from the 2015 second quarter ending balance of $24,782,478. 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 second 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 Second Quarter Years, 2016, 2015, and 2014

	Budget Year 2016	Projected Year Ending 2016	For Period Ending 30-Jun-2016	For Year Ending 2015	For Period Ending 30-Jun-2015	For Year Ending 2014	For Period Ending 30-Jun-2014
Operating Revenues:							
Charges for Services and Sales	18,864,426	15,170,000	7,144,346	16,453,593	8,316,633	18,105,932	9,041,145
Rent Public Works and Other	14,176,277	14,587,877	7,111,244	13,907,011	6,133,111	21,175,349	9,765,468
Total Operating Revenue	33,040,703	29,757,877	14,255,590	30,360,604	14,449,744	39,281,281	18,806,613
Operating Expenses:							
Personnel Services	7,574,806	7,273,042	3,586,521	6,839,149	3,428,407	7,233,185	3,709,272
Contractual Services	4,341,572	4,849,252	2,345,072	5,050,607	2,093,480	7,859,404	3,650,233
Materials, supplies, services and other	9,476,947	6,240,658	2,511,579	7,179,276	3,196,167	9,801,016	4,845,598
Rent	1,201,180	1,201,180	600,590	821,640	410,820	924,597	462,299
Total Operating Expenses	22,594,505	19,564,132	9,043,762	19,890,672	9,128,874	25,818,202	12,667,402
Operating Margin	10,446,198	10,193,745	5,211,828	10,469,932	5,320,870	13,463,079	6,139,211
Non-Operating Revenues/(Expenses):							
Interest on Bonds	(400,350)	(400,350)	(200,175)	(343,971)	(230,175)	(345,090)	(258,525)
Gains/Losses on disposal of fixed assets	350,000	350,000	170,672	356,741	219,915	214,329	-
Other revenue	10,000	5,000	1,060	7,557	4,150	6,891	349
Depreciation	(6,800,000)	(6,769,948)	(3,384,974)	(6,616,141)	(3,138,934)	(6,158,862)	(2,988,937)
Total Non-Operating Revenues(Exp)	(6,840,350)	(6,815,298)	(3,413,417)	(6,595,814)	(3,145,044)	(6,282,732)	(3,247,113)
Operating Transfers in (out)							
Net transfer in from other funds	2,711,912	2,711,912	1,355,956	1,911,819	955,910	1,288,580	644,290
Net transfers out to other funds	-		-		-	-	-
Total Operating Transfers	2,711,912	2,711,912	1,355,956	1,911,819	955,910	1,288,580	644,290
Change in Net Position	6,317,760	6,090,359	3,154,367	5,785,937	3,131,736	8,468,927	3,536,388
Significant Balance Sheet Items							
Cash Balance		22,333,842	26,256,295	23,701,747	24,782,478	23,186,971	21,024,522
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]		68,008,935	65,072,943	61,918,576	62,953,943	59,822,207	53,598,261
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	3,742,358	10,151,707	4,291,581	7,539,842	3,025,616

[1]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. The prior year net positon was not restated.

City of Minneapolis
Property Services Division
For the Second Quarter Ending June 30, 2016

Fund 06200	2016 Budget	06/30/2016 Actual	Projected YE 2016	2015 Actual
Operating Revenue	21,741,615	11,504,540	23,371,000	21,418,319
Operating Expense	22,001,211	9,356,403	21,408,075	20,155,438
Operating Margin	(259,596)	2,148,137	1,962,925	1,262,882
Change in Net Position		3,537,879	3,085,781	676,402
Net Position		33,027,407	32,575,309	29,489,528
Cash Balance		8,881,361	8,259,264	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 second quarter 2016 is $11,504,540, or 52.9% of the budgeted amount of $21,741,615. The 2016 second quarter revenue increased $1,054,935, or 10.1%, from the revenue earned through second 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 second quarter 2016 increased by $1,938,847, compared to the same period in 2015. Of the total increase, $2,000,000 is attributed to the collection of revenue for capital repairs and improvements. Revenue received from charges for services, including operating repairs and upgrades, fluctuates based on the amount of

discretionary spending available to departments. Through second quarter 2016, the revenue earned from charges for services is $1,763,942, down 33.4% from the $2,647,854 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 second quarter 2016 is $9,356,403, or 42.5% of the total budgeted amount of $22,001,211. The 2016 second quarter expense decreased $712,304, or 7.1%, from the operating expense recorded through second 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 $356,025, or 36.9%, 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 5.5% through second quarter 2016 compared to second quarter 2015.

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 $23.4 million or 7.5% more than budgeted amount of $21,741,615. 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 $21.4 million or 2.7% less than the budget of $22,001,211. Of the $3.8 million budgeted for capital repairs and upgrades, it is projected that $1.9 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. These projections result in a projected operating margin gain of $2.0 million, compared to the budgeted operating margin loss of $259,596.

The 2016 ending cash balance is projected to increase to $8.3 million 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 $1.9 million 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 second quarter 2016 was $8,881,361 compared to a cash balance of $3,930,738 at the end of second quarter 2015. The cash consists of a balance of $3,354,608 in the Property Disposition fund and a balance of $5,526,753 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 $2,000,000 received through the allocation model for capital repairs and upgrades to City buildings. At the end of second quarter, there was approximately $100,000 of 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 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 Second Quarter / Years, 2016, 2015, and 2014

	Budget Current Year 2016	Projected Year 2016	For Period Ending 30-Jun-16	For Year Ending 2015	For Period Ending 30-Jun-15	For Year Ending 2014	For Period Ending 30-Jun-14
Operating Revenues:							
Charges for Services And Sales	2,285,314	3,625,000	1,763,942	5,371,262	2,647,854	4,764,338	2,198,570
Rents Public Works and Other	19,456,301	19,746,000	9,740,598	16,047,057	7,801,751	14,388,150	7,034,523
Total Operating Revenue	21,741,615	23,371,000	11,504,540	21,418,319	10,449,605	19,152,488	9,233,093
Operating Expenses:							
Personnel Services	6,570,513	6,950,000	3,432,494	6,656,970	3,254,151	5,948,082	2,880,527
Contractual Services	9,466,984	10,250,000	5,030,527	11,169,617	5,578,382	11,352,721	5,260,801
Materials, Supplies, and Other	5,395,639	3,640,000	609,345	1,787,242	965,370	1,379,103	618,010
Rent	568,075	568,075	284,038	541,608	270,804	505,212	252,606
Total Operating Expenses	22,001,211	21,408,075	9,356,403	20,155,438	10,068,707	19,185,118	9,011,944
Operating Margin	(259,596)	1,962,925	2,148,137	1,262,882	380,898	(32,630)	221,149
Non-Operating Revenues (Expenses):							
Interest on Bonds	(73,800)	(73,800)	(36,900)	(60,378)	(49,200)	(83,465)	(60,675)
Misc Revenues	329,162	342,000	170,833	5,225	1,290	2,819	1,919
Sale of Land[1]	-	1,681,497	1,670,290	1,566,650	1,566,630	-	-
Gain/(loss) on disposal of fixed asset	-	-	-	14,927	-	-	-
Contractual services[2]	-	-	(3,256)	(1,298,144)	(1,297,477)	-	-
Depreciation	(1,300,000)	(1,300,000)	(647,805)	(1,340,935)	(670,949)	(1,340,894)	(669,192)
Total Non-Operating Revenues(Expenses)	(1,044,638)	649,696	1,153,162	(1,112,656)	(449,706)	(1,421,540)	(727,948)
Operating Transfers In (Out)							
Net transfers in from other funds	799,322	799,322	399,661	818,727	409,364	646,206	323,103
Net transfers out to other funds	(326,162)	(326,162)	(163,081)	(316,216)	(158,108)	-	-
Total Operating Transfers	473,160	473,160	236,580	502,511	251,256	646,206	323,103
Capital Contribution[3]	-		-	23,665	-	365,914	-
Change in Net Position	(831,074)	3,085,781	3,537,879	676,402	182,448	(442,050)	(183,696)
Significant Balance Sheet Items							
Cash Balance		8,259,264	8,881,361	4,958,223	3,930,738	3,757,757	3,521,303
Property Disposition Fund cash balance			3,354,608	1,687,575	1,649,630	1,380,477	1,380,477
Operating cash balance			5,526,753	3,270,648	2,281,108	2,377,280	2,140,826
Bonds Payable			(2,460,000)	(2,460,000)	(3,280,000)	(3,280,000)	(4,045,000)
Net Position[4]		32,575,309	33,027,407	29,489,528	32,983,818	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 Second Quarter Ending June 30, 2016

Fund 06300	2016 Budget	06/30/2016 Actual	Projected YE 2016	2015 Actual
Operating Revenue	1,210,000	679,456	1,370,149	1,357,384
Operating Expense	1,070,678	586,355	1,197,710	1,096,628
Operating Margin	139,322	93,100	172,438	260,756
Change in Net Position		93,100	172,438	338,787
Net Position		4,478,672	4,558,010	4,385,572
Cash Balance		(40,127)	(160,789)	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 second quarter 2016 is $679,456, or 56.2% of the budgeted amount of $1,210,000. The amount earned through second quarter represents an increase of $136,921, or 25.2%, over revenue of $542,535 earned through second 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 94.1% increase in the amount of inventory purchased by City departments from the Traffic Stores compared to the same period in 2015. There is an 18.4% decline in revenue earned from processing requisition transactions through second quarter 2016 as compared to the revenue earned in 2015 through second quarter.

Expenses:
Operating expense recorded through second quarter 2016 is $586,355, or 54.8% of the budgeted amount of $1,070,678. The amount expended through second quarter 2016 increased by $66,315, or 12.8%, from the $520,040 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 second 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 $1.4 million at year-end, exceeding the budgeted revenue of $1,210,000 by $160,149, or 13.2%. 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 11.9% 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 $172,438 compared to a budgeted increase of $139,322, and a projected ending net position of $4.6 million.

Cash and Net Position:
The cash balance at the end of second quarter 2016 was a deficit of $(40,127), an increase in cash of $328,554 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 Second Quarter/Years, 2016, 2015, and 2014

	Budget Year 2016	Projected Year Ending 2016	For Period Ending 30-Jun-16	For Year Ending 2015	For Period Ending 30-Jun-15	For Year Ending 2014	For Period Ending 30-Jun-14
Operating Revenues:							
Central Stores	740,000	680,000	327,527	804,211	361,178	761,497	283,384
Traffic Stores	470,000	690,149	351,929	553,173	181,357	622,528	214,891
Total Operating Revenues	1,210,000	1,370,149	679,456	1,357,384	542,535	1,384,025	498,275
Operating Expenses:							
Personnel	759,790	847,239	411,119	823,804	389,803	774,865	374,719
Contractual	184,590	232,509	116,254	194,788	98,731	271,004	123,916
Materials, Supplies, Other	70,896	62,558	31,279	26,484	5,930	30,885	22,786
Rent	55,402	55,404	27,702	51,552	25,576	35,387	17,694
Total Operating Expenses	1,070,678	1,197,710	586,355	1,096,628	520,040	1,112,141	539,115
Operating Margin	139,322	172,438	93,100	260,756	22,495	271,884	(40,840)
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	172,438	93,100	338,787	22,495	530,631	(40,840)
Significant Balance Sheet Items							
Cash Balance[1]		(160,789)	(40,127)	16,320	(108,540)	1,199	77,769
Due to Other Funds				385,000		202,000	
Inventories			5,518,851	5,703,165	5,463,266	5,242,640	4,434,665
Net Position[2]		4,558,010	4,478,672	4,385,572	4,660,619	4,638,124	4,047,908

[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 positon was not restated.

City of Minneapolis
Intergovernmental Services Fund
For the Second Quarter Ending June 30, 2016

Fund 06400	2016 Budget	06/30/2016 Actual	Projected YE 2016	2015 Actual
Operating Revenue	39,509,051	20,509,575	41,140,714	42,860,711
Operating Expense	45,035,901	20,391,064	47,184,965	53,315,971
Operating Margin	(5,526,850)	118,511	(6,044,251)	(10,455,260)
Change in Net Position		(2,192,962)	(10,679,112)	(7,341,740)
Net Position		60,458,329	60,390,540	62,651,290
Cash Balance		34,869,926	28,230,454	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 second quarter of 2016 is $20,509,575, or 51.9% of the annual budgeted amount of $39,509,051. This is a decrease of $0.9 million, or 4.2%, compared to revenue of $21,401,984 earned through second quarter of 2015. The decrease in revenue is primarily due to a decrease of $0.8 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 second quarter are $20,391,064 or 45.3% of the annual budgeted amount of $45,035,901. The operating expense through second quarter decreased $1.1 million, or 5.0%, from the 2015 expense of $21,459,450. The decrease in expense is primarily due to a decrease of $1.5 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 $6,248,536 increased 15.7% over 2015 amount of $5,399,674. 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 $41.1 million or $1.6 million more than the budgeted amount of $39,509,051. Operating expenses are expected to be $47.2 million or $2.1 million more than the budgeted amount of $45,035,901. The variance in both the projected revenue and expenses is primarily due to PMO activity. The fund's PMO revenue and expense budgets increase as new projects are approved by City departments. These projections result in an expected operating margin deficit of $6.0 million as compared to a budgeted operating margin deficit of $5,526,850. 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 $10.7 million compared to a budgeted decrease of $8,211,711. 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 $8.4 million in expenses which are expected to be capitalized, these transactions result in a 2016 projected year-end net position of $60.4 million which represents a decrease of 3.6% from the 2015 net position of $62,651,290.

The year-end cash balance is projected to be $28.2 million which represents a decrease of 26.4% over the cash balance at year-end 2015 of $38,359,566. The primary reason for the decrease to cash balance is an estimated $4.0 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 second quarter is $34,869,926, representing a decrease of $3.5 million from the 2015 year-end balance of $38,359,566. Included in the cash balance at the end of the second quarter are prepayments of $4,571,937 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 Second Quarter/Years, 2016, 2015, and 2014

	Budget Year 2016	Projected Year Ending 2016	For Period Ending 30-Jun-2016	For Year Ending 2015	For Period Ending 30-Jun-2015	For Year Ending 2014	For Period Ending 30-Jun-2014
Operating Revenues:							
Charges for Service:							
IT - PMO	7,943,310	9,230,474	4,515,237	10,398,459	5,321,917	13,211,244	5,388,727
IT - Infrastructure Services	1,911,101	2,225,302	1,112,651	2,888,499	1,436,660	2,900,134	1,434,009
IT - Operating-other	28,515,379	28,319,178	14,159,589	28,393,951	14,086,926	26,818,599	13,477,451
CC-Mailing Services/Data Center	433,231	484,420	235,258	487,113	197,054	599,988	201,521
CC-Copy Services	706,030	881,340	486,840	692,689	359,427	850,333	401,307
Total Operating Revenues	39,509,051	41,140,714	20,509,575	42,860,711	21,401,984	44,380,298	20,903,015
Operating Expenses:							
IT - PMO	8,044,757	9,559,362	4,779,681	15,937,076	6,240,616	13,798,410	5,093,370
IT - Infrastructure Services	4,255,838	4,392,902	2,014,391	2,361,587	919,727	1,529,540	522,573
IT - Operating-other	31,043,365	31,491,700	12,803,961	33,048,361	13,495,201	27,231,026	13,921,007
CC-Mailing Services/Data Center	619,342	598,201	273,230	953,022	310,418	732,621	309,471
CC-Copy Services	764,550	878,925	426,744	812,196	387,139	750,124	346,793
Human Resources	308,049	263,875	93,057	203,729	106,349	256,694	109,334
Total Operating Expenses	45,035,901	47,184,965	20,391,064	53,315,971	21,459,450	44,298,415	20,302,548
Operating Margin	(5,526,850)	(6,044,251)	118,511	(10,455,260)	(57,466)	81,883	600,467
Non-Operating Revenues (Expenses):							
Interest on bonded debt	(50,000)	-	-	15,129	(23,094)	(193)	(30,386)
Other non-operating income (expense)	-	-	-	-	-	42,843	-
Depreciation	(6,300,000)	(6,300,000)	(3,144,042)	(4,560,638)	(2,238,185)	(6,812,314)	(3,319,385)
Total Non-Operating Revenues (Expenses)	(6,350,000)	(6,300,000)	(3,144,042)	(4,545,509)	(2,261,279)	(6,769,664)	(3,349,771)
Operating Transfers In (Out):							
Net transfers in from other funds[1]	3,665,139	1,665,139	832,570	7,659,029	3,771,835	16,139,408	7,431,582
Net transfers out to other funds	-	-	-	-	-	(522,770)	-
Total Operating Transfers	3,665,139	1,665,139	832,570	7,659,029	3,771,835	15,616,638	7,431,582
Capital Contribution[2]	-	-	-	-	-	50,000	-
Change in Net Position	(8,211,711)	(10,679,112)	(2,192,962)	(7,341,740)	1,453,090	8,978,857	4,682,278
Significant Balance Sheet Items:							
Cash Balance		28,230,454	34,869,926	38,359,566	44,192,194	49,887,640	31,764,331
Notes Payable		-	(875,000)	(1,750,000)	(2,500,000)	(3,250,000)	(4,000,000)
Bonds Payable		-	-	-	(2,705,000)	(2,705,000)	(2,125,000)
Unearned Revenue		(2,953,196)	(4,571,937)	(6,953,196)	(6,330,282)	(9,630,256)	(12,347,598)
Net position[3]		60,390,540	60,458,329	62,651,290	63,484,781	62,084,185	42,086,011
Significant Cash Flow Items							
Capital Outlay		(8,418,362)	(4,209,172)	(15,453,332)	(303,868)	(13,353,622)	(238,447)
Bond & Note Principle Payments		(1,750,000)	(875,000)	(4,205,000)		(3,145,000)	

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

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

[3]The 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 Second Quarter Ending June 30, 2016

Fund 06900	2016 Budget	06/30/2016 Actual	Projected YE 2016	Actual YE 2015
Operating Revenue	31,156,660	15,412,129	30,878,297	31,293,524
Operating Expense	30,031,925	11,713,922	25,755,142	25,139,525
Operating Margin	1,124,735	3,698,207	5,123,155	6,153,999
Change in Net Position		3,828,707	5,384,155	5,447,979
Net Position		20,633,221	22,188,669	16,804,514
Cash Balance		79,253,877	80,809,325	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 second quarter of 2016 is $15,412,129, or 49.5% of the annual budgeted amount of $31,156,660. This is a decrease of $428,571, or 2.7%, compared to $15,840,700 earned through the second quarter of 2015. The primary reason for the decrease is a 6.0% 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. The decrease in revenue through second quarter 2016 is also related to a decrease 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 second quarter 2016 is $122,694 compared to $677,593 through the same time period in 2015. These revenue decreases are offset by a 13.9% 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

Expenses:
Operating expenses through the second quarter 2016 are $11,713,922 or 39.0% of the annual budgeted amount of $30,031,925. This is a decrease of $154,401, or 1.3%, compared to $11,868,323 expended through the second quarter of 2015. The decrease in operating expense is due primarily to the amount paid for tort settlements, $599,439 in 2016 as compared to $1,251,233 in 2015. Offsetting the decrease in tort payments is an increase of 9.8% in the amount paid for workers' compensation claims. The City's expense for employee sick leave payout at retirement through second quarter is $355,641 or 13.7% 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 $297,000 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 $30.9 million or $0.3 million less than the budgeted amount of $31,156,660. The source of this decrease is a reduction in the refunds from the State Special Assessment Fund related to workers' compensation claims. Operating expense is projected to be $25.8 million or $4.3 million less than the budgeted amount of $30,031,925. 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 27.4% over the budgeted amount. These projections will result in a projected operating margin gain of $5.1 million as compared to the budgeted operating margin gain of $1.1 million. The fund experienced an operating margin gain of $3,972,378 at second quarter 2015 primarily due to a decrease in tort settlements.

The net position in 2016 is projected to increase by $5.4 million compared to the budgeted increase of $1.4 million resulting in a projected year-end net position of $22.2 million. The projected ending cash balance for 2016 is $80.8 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 second quarter is $79,253,877, or a 7.3% increase, compared to a cash balance of $73,881,681 at end of second 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 $53,101,150. 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 $26,152,727 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 Second Quarter/Years, 2016, 2015, and 2014

	Budget Year 2016	Projection Year Ending 2016	For Period Ending 30-Jun-16	For Year Ending 2015	For Period Ending 30-Jun-15	For Year Ending 2014	For Period Ending 30-Jun-14
Operating Revenues:							
Health & Welfare (employee benefits)	2,593,363	2,800,000	1,397,749	2,436,045	1,227,437	2,446,747	1,180,732
Workers Compensation	10,533,548	9,883,548	4,889,468	9,823,301	5,031,521	10,119,654	4,737,526
Liability - Subrogation	15,982,355	15,982,355	7,991,177	17,054,070	8,554,752	15,930,673	7,963,883
Attorney Office Services	10,000	5,000	-	2,796	2,773	13,122	9,168
Human Resources Services	1,587,394	1,607,394	795,661	1,527,624	748,428	1,433,235	694,704
Risk Management-Employment Services	450,000	600,000	338,075	449,687	275,789	668,540	306,886
Total Operating Revenues	31,156,660	30,878,297	15,412,129	31,293,524	15,840,700	30,611,971	14,892,898
Operating Expenses:							
Health & Welfare (employee benefits)	2,593,363	1,100,000	355,641	989,728	482,510	1,243,924	906,028
Workers Compensation	8,607,208	10,965,736	5,241,658	10,526,254	4,775,768	9,771,442	4,324,920
Liability & Settlements	7,551,027	2,500,000	599,439	2,904,560	1,251,233	3,286,197	1,595,947
City Attorney/Civil Division-Litigation	7,440,639	7,000,000	3,480,385	6,768,777	3,368,339	6,452,389	3,169,386
Human Resource - Employee Benefits	1,743,186	1,706,000	846,071	1,533,635	742,735	1,554,675	636,429
Risk Management - WC/Risk	2,096,502	2,483,406	1,190,729	2,416,571	1,247,738	2,859,022	1,445,759
Total Operating Expenses	30,031,925	25,755,142	11,713,922	25,139,525	11,868,323	25,167,649	12,078,469
Operating Margin	1,124,735	5,123,155	3,698,207	6,153,999	3,972,378	5,444,322	2,814,430
Non-Operating Revenues (Expenses)							
Other Non Operating Income (Expense)	-	-	-	1,980	1,202	1,147,334	11,357
Total Non-Operating Revenues (Expenses)	-	-	-	1,980	1,202	1,147,334	11,357
Operating Transfers In (Out):							
Net transfers in from other funds	261,000	261,000	130,500	292,000	146,004	3,085,500	1,542,750
Net transfers out to other funds	-	-	-	(1,000,000)	(500,000)	(1,000,000)	(500,000)
Total Operating Transfers	261,000	261,000	130,500	(708,000)	(353,996)	2,085,500	1,042,750
Change in Net Position	1,385,735	5,384,155	3,828,707	5,447,979	3,619,584	8,677,156	3,868,537
Significant Balance Sheet Items:							
Cash Balance[1]		80,809,325	79,253,877	75,650,099	73,881,681	70,583,378	63,868,364
Due from Other Funds				385,000		202,000	
Unpaid Claims Payable[2]				(51,973,117)		(49,850,597)	
Net Position[3]		22,188,669	20,633,221	16,804,514	21,928,919	18,309,335	8,422,245

[1]Cash 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.

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

[3]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 prior year net position was not restated.

City Of Minneapolis
Sanitary Sewer Fund
For the Second Quarter Ending June 30, 2016

Fund 07100	2016 Budget	06/30/16 Actual	Projected Year End 2016	2015 Actual
Operating Revenue	65,749,950	31,361,278	66,571,950	60,306,164
Operating Expense	59,929,909	28,764,669	59,697,088	53,361,060
Operating Margin	5,820,041	2,596,609	6,874,862	4,945,104
Change in Net Position		(6,627,342)	3,363,939	(5,619,303)
Net Position		110,648,596	120,639,877	117,275,938
Cash Balance		2,291,465	15,272,893	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 $31,361,278 recognized through the end of second quarter, the Sanitary Sewer Fund earned 47.7% of the 2016 revenue budget. This is an increase of $2.3 million, or 7.9%, compared to $29,063,649 earned in 2015. The utility service revenues account for $2.3 million of the increase due to increase in rates. Design revenues also increased by $0.3 million due to increased capital related activities. These increases were off-set by $0.3 million decrease in sewer availability charges, or SAC revenues, which fluctuate based on overall economic activities outside of City's operations. Decrease in SAC revenues is off-set by equivalent decrease 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 second quarter were $28,764,669 compared to $26,002,479 for 2015. This is an increase of $2.8 million, or 10.6%, and reflects the following changes from 2015: (i) increase in salaries and fringes by $244 thousand due to new hires and realignment of personnel between Sanitary and Stormwater Funds; (ii) increase in contractual and professional services by $420 thousand due to work on Nicollet Mall and Hennepin/ Lyndale projects, software training, and repairs ; (iii) increase in City services by $270 thousand as set by 2016 allocation model; and (iv) increase in Met Council and SAC related charges by $1.9 million.

Met Council rate increased by 5.3% for 2016 services. 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 shared costs for meter shop expenses. For the current budget year, this cost was estimated at $1,101,466 and, through the end of the quarter, $664,200 has been transferred to Water Treatment and Distribution Services.

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

Forecast:
For the next six months, it is estimated that cash outflow will amount to $48,216,000. This would include operating expenditures, debt services, transfers, and capital programs which include Nicollet Avenue. The fund also anticipates $35,210,000 in revenues from operations and $21,750,000 from capital related bond proceeds thereby maintaining the fund balance for the year end above $15,000,000.

Cash and Net Position:
The current cash balance is $2,291,465 and the Fund's net position is $110,648,596. 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 $15,466,000. With projected operating revenues of $5,868,000 per month, $2,139,000 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 Second Quarters/ 2016, 2015, 2014

	Budget Current Year 2016	Projected Year Ending 2016	For Period Ending 30-Jun-16	For Year Ending 2015	For Period Ending 30-Jun-15	For Year Ending 2014	For Period Ending 30-Jun-14
Operating Revenues:							
Sanitary Utility Charges	56,821,950	56,821,950	28,203,228	52,158,785	25,829,273	50,643,781	24,742,088
Other Services Provided	928,000	1,750,000	897,905	1,191,073	637,505	862,324	428,846
SAC Revenues	8,000,000	8,000,000	2,260,146	6,956,305	2,596,872	8,072,852	4,498,005
Interest							
Total Operating Revenues	65,749,950	66,571,950	31,361,278	60,306,164	29,063,649	59,578,957	29,668,939
Operating Expenses:							
Sewer Design	790,519	790,519	750,341	1,141,027	565,301	586,432	240,427
Sewer Maintenance	7,797,790	7,748,000	3,711,851	7,192,093	3,125,170	7,022,507	2,663,195
Met Council Env. Svcs.	45,445,343	45,445,343	21,533,464	42,037,429	19,665,821	40,713,039	19,844,318
City Services	5,352,226	5,352,226	2,672,426	4,882,708	2,587,915	4,972,418	2,479,981
Administrations	544,032	361,000	96,587	107,802	58,272	80,611	39,806
Total Operating Expenses	59,929,909	59,697,088	28,764,669	55,361,060	26,002,479	53,375,007	25,267,727
Operating Margin	5,820,041	6,874,862	2,596,609	4,945,104	3,061,170	6,203,950	4,401,212
Non-Operating Revenues (Expenses):							
Depreciation	(1,454,562)	(1,454,562)	(727,281)	(1,522,421)	(728,766)	(1,446,306)	(987,777)
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	21,750,000	815	52,527	344,323	1,940,736	134,890
Other Non-Oper Expense	(10,550,000)	(22,536,298)	(7,765,285)	(7,754,284)	(2,147,698)	(5,683,678)	(2,657,334)
Total Non-Operating Revenues (Expenses)	(2,623,159)	(2,409,457)	(8,559,751)	(9,279,237)	(2,662,641)	(5,602,818)	(3,716,667)
Operating Transfers In (Out):							
Net Transfers In from Other Funds	-	-	-	-	-	-	-
Net Transfers Out to Other Funds	(1,328,400)	(1,101,466)	(664,200)	(1,285,170)	(642,585)	(1,156,681)	(578,340)
Total Operating Transfers	(1,328,400)	(1,101,466)	(664,200)	(1,285,170)	(642,585)	(1,156,681)	(578,340)
Capital contribution	-	-	-	-	-	-	-
Change in Net Position	1,868,483	3,363,939	(6,627,342)	(5,619,303)	(244,056)	(555,549)	106,205
Significant Balance Sheet Items:							
Cash Balance		15,272,893	2,193,723	12,324,053	15,744,796	18,719,110	21,187,428
Construction Cash		-	97,742	97,742	400,516	1,435,998	1,577,185
Accounts Receivable		4,171,704	4,469,982	4,069,689	4,397,875	4,273,719	4,249,280
Notes Payable		-		-	-	-	-
Bonds Payable		24,550,000	5,800,000	5,923,114	9,300,000	9,300,000	14,450,000
Net Position		120,639,877	110,648,596	117,275,938	118,338,113	118,582,169	114,544,269
Significant Cash Flow Items:							
Capital Outlay	10,550,000	22,536,298	7,757,016	7,615,666	2,127,215	5,645,625	2,635,156
Bond & Note Principal payments	3,070,000	1,967,403	-	3,500,000	-	5,150,000	-

City Of Minneapolis
Storm Water Fund
For the Second Quarter Ending June 30, 2016

Fund 07300	2016 Budget	06/30/2016 Actual	Projected Year End End 2016	2015 Actual
Operating Revenue	41,161,923	19,604,690	41,161,923	39,427,100
Operating Expense	29,113,072	12,299,472	28,179,089	25,784,599
Operating Margin	12,048,851	7,305,218	12,982,834	13,642,500
Change in Net Position		2,028,699	3,124,450	(7,335,475)
Net Position		325,806,358	326,582,574	323,458,124
Cash Balance		39,710,260	40,696,679	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 $19,604,690 in revenues earned through second quarter reflects 47.6% of the operating revenue budget. This is an increase of $449 thousand compared to $19,156,186 earned for the same period in 2015. Storm utility revenues increased 1.3% to $18,652,935, up from $18,178,801 in second quarter, 2015 based on the billing cycle even though the utility rate for 2016 remained the same as 2015 which was $11.94/ESU (Equivalent Storm Units). The decrease of $129 thousand in miscellaneous revenues is due to decrease in design activities relating to capital projects. Reimbursements, with a total of $697,089, based on maintenance agreement with the State and County, make up for the rest of the operating revenue which came in $103 thousand higher than the second quarter, 2015.

Expenses:
Operating expenses in the second quarter were $12,299,472, or 42.3%, compared to $29,113,072 budgeted for 2016. The expenses were $956 thousand, or 8.4%, more than the $11,343,025 reported for 2015 and reflects following changes: (i) increase in salaries and fringes by $545 thousand due to decrease in construction and increase in repair, maintenance, and cleaning work; (ii) increase in Met Council payments by $49 thousand due to an increase in rates; (iii) increase in City services by $74 thousand as set by the 2016 allocation model; and (iv) increase in vendor and consultant payments by $288 thousand due to increase in equipment purchases, software training, modeling, cleaning, and maintenance works.

Transfers:
A transfer from this fund is made to General Fund to support two environmental service related FTE's relating to Clean Water Act. For 2016, this is estimated at $110,000, and through the second quarter $55 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 second 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 six months, it is estimated the cash outflow will total $25,911,000 which include 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 increase in personnel, consultant, modelling, pond dredging, and storm line repair and cleaning works.
The fund also anticipates $21,557,000 in utility revenues and $5,055,000 from capital programs as reimbursement from various funding sources thereby maintaining the fund balance for the year end above $40,000,000.

Cash and Net Positions:
The ending cash balance for the quarter stands at $39,710,260 and net position remains at $325,806,358. 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 $7,940,000. This will leave $31,769,000 million as unrestricted amount to fund capital programs for 2016 and beyond as the department aims to use it 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 Second Quarter/Years 2016, 2015, and 2014

	Budget Current Year 2016	Projected Year Ending 2016	For Period Ending 30-Jun-16	For Year Ending 2015	For Period Ending 30-Jun-15	For Year Ending 2014	For Period Ending 30-Jun-14
Operating Revenues:							
State Grants	1,384,778	1,384,778	613,453	1,383,427	593,821	1,167,812	542,579
County Grants	373,275	373,275	83,636	336,086	-	311,663	199,780
Storm Utility Charges	37,256,530	37,256,530	18,652,935	37,205,629	18,178,801	36,895,473	18,521,636
Other Services Provided	2,147,340	2,147,340	254,666	501,958	383,564	3,151,859	917,077
Total Operating Revenues	41,161,923	41,161,923	19,604,690	39,427,100	19,156,186	41,526,807	20,181,072
Operating Expenses:							
Sewer Design	4,920,492	4,920,492	1,920,289	3,776,039	1,299,984	3,147,511	1,185,321
Stormwater Management CSO	349,746	349,746	180,407	295,902	153,318	375,207	203,442
Street Cleaning	8,562,781	8,410,000	4,182,194	8,678,126	4,236,113	7,280,807	3,196,595
Sewer Maintenance	7,229,314	6,709,000	2,318,726	6,426,686	2,070,221	5,061,769	1,776,104
Met Council Env. Svcs.	1,992,006	1,992,006	979,757	1,861,685	930,844	1,724,899	863,767
City Services	5,172,845	5,172,845	2,585,536	4,631,428	2,594,883	5,557,259	2,977,496
Storm Admin	885,889	625,000	132,564	114,734	57,661	80,610	39,805
Total Operating Expenses	29,113,072	28,179,089	12,299,472	25,784,599	11,343,025	23,228,061	10,242,530
Operating Margin	12,048,851	12,982,834	7,305,218	13,642,500	7,813,161	18,298,745	9,938,542
Non-Operating Revenues (Expenses):							
Depreciation	(4,210,553)	(4,210,553)	(2,105,276)	(4,339,326)	(2,569,971)	(4,486,441)	(3,226,985)
Special Assessments	-	-	-	235,264	-	287,243	(209,876)
Net Interest Income (Exp)	(100,000)	(100,000)	(50,000)	-	(92,500)	(850,047)	(145,000)
Other Non-operating Income	2,000,000	5,055,000	745	707,584	25,034	499,213	645
Other Non Operating Expense	(14,500,000)	(10,492,831)	(3,066,985)	(17,471,500)	(4,612,953)	(16,614,752)	(6,105,032)
Total Non-Operating Revenues (Expenses)	(16,810,553)	(9,748,384)	(5,221,516)	(20,867,977)	(7,250,391)	(21,164,785)	(9,686,248)
Operating Transfers In (Out):							
Net Transfers In from Other Funds	-	-	-	-	-	-	-
Net Transfers Out to Other Funds	(110,000)	(110,000)	(55,002)	(110,000)	(55,002)	(5,920)	-
Total Operating Transfers	(110,000)	(110,000)	(55,002)	(110,000)	(55,002)	(5,920)	-
Capital Contribution	-					-	-
Change in Net Postion	(4,871,702)	3,124,450	2,028,699	(7,335,475)	507,769	(2,871,959)	252,295
Significant Balance Sheet Items:							
Cash Balance		40,697,679	39,710,260	35,903,676	37,593,168	34,960,817	38,845,062
Construction Cash		-	-	-	-	-	5,920
Accounts Receivable		3,989,771.37	3,520,912	3,892,888	3,270,817	4,086,655	3,755,561
Notes Payable		-	-	-	-	-	-
Bonds Payable		2,500,000	2,500,000	2,553,649	4,735,910	4,735,910	7,970,910
Net Position		326,582,574	325,806,358	323,458,124	326,968,861	326,461,091	311,773,183
Significant Cash Flow Items:							
Capital Outlay	14,500,000	10,492,831	2,203,180	10,452,419	4,102,827	16,798,141	5,688,086
Bond & Note Principle Payments	2,500,000	2,500,000	-	2,182,262	-	3,235,000	-

City of Minneapolis
Water Enterprise Fund
For Second Quarter Ending June 30, 2016

Fund 07400	2016 Budget	6/30/2016 Actual	Projected Year End 2016	2015 Actual
Operating Revenue	80,628,308	37,026,076	80,780,894	72,927,562
Operating Expense	57,754,014	23,907,632	56,094,079	51,631,896
Operating Margin	22,874,294	13,118,444	24,686,816	21,295,666
Change in Net Position		(3,024,749)	(14,564,421)	10,727,672
Net Position		217,330,176	205,790,504	220,354,925
Cash Balance		28,106,858	26,450,974	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.

Revenue:
At the end of 2016, the projected total operating revenue is $80,780,894 or 100.2% of the 2016 budgeted amount. Projections show higher than anticipated revenues associated with miscellaneous fees and previous years expense reimbursements which offset slightly lower than budgeted water sales.

Expense:
Projected operating expense for the year totals $56,094,079 or 97.1% of the 2016 budget, which is 8.6% higher than the 2015 amount of $51,631,896. Expenses are slightly lower than budgeted due to personnel cost savings and lower chemical and electrical costs.

Transfers:
For 2016, the transfer amount of $1,352,400 consists primarily of a $1,328,400 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 a 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 June 30, 2016 was $28,106,858 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 $14,023,520. 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 $29,450,974 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 Second Quarter/Years Ending 2016, 2015, 2014

	Budget Current Year 2016	Projected Year Ending 2016	For Period Ending 6/30/2016	For Year Ending 2015	For Period Ending 6/30/2015	For Year Ending 2014	For Period Ending 6/30/2014
Operating Revenues:							
Water Sales - Retail							
Volume Rate	58,026,210	56,392,246	25,804,378	52,744,486	25,168,592	53,916,478	24,940,850
Fixed Rate	5,751,711	5,710,928	2,820,024	4,907,178	2,380,630	4,052,437	2,003,748
Water Sales - Wholesale	12,674,130	13,784,340	6,040,054	11,833,122	5,325,399	10,995,907	5,134,386
Other Operating Revenues	4,176,257	4,893,380	2,361,620	3,442,776	1,577,046	3,687,483	1,536,828
Total Operating Revenues	80,628,308	80,780,894	37,026,076	72,927,562	34,451,667	72,652,306	33,615,812
Operating Expenses:							
Payments for City Services	11,169,643	11,169,643	5,587,129	10,410,711	5,361,364	10,273,039	5,361,131
Administration	1,089,659	1,131,281	522,063	1,015,155	435,741	697,481	317,466
Engineering	1,201,838	1,062,928	534,449	1,192,351	617,115	1,911,967	939,260
Operations	30,092,271	29,778,093	11,590,336	26,333,885	11,387,974	25,164,329	11,198,327
Distribution	8,948,608	8,579,140	3,772,815	7,914,063	3,696,215	8,939,876	4,299,306
Meter Shop	2,064,320	1,564,393	696,943	1,765,949	916,772	1,969,292	1,009,112
Reimbursables	3,187,675	2,808,600	1,203,897	2,999,782	1,382,177	1,912,686	714,686
Total Operating Expenses	57,754,014	56,094,079	23,907,632	51,631,896	23,797,358	50,868,670	23,839,288
Operating Margin	22,874,294	24,686,816	13,118,444	21,295,666	10,654,309	21,783,636	9,776,524
Non-Operating Revenues/(Expenses)							
Depreciation	(9,511,462)	(9,511,462)	(4,755,731)	(10,615,357)	(5,043,760)	(10,037,891)	(5,104,104)
Special Assessments				1,087,192	27,579	775,575	
Net Interest Income (Exp)	(2,688,346)	(2,688,346)	(1,371,938)	(2,535,443)	(1,503,614)	(2,622,000)	(1,557,584)
Capital Revenue	2,000,000	2,000,000	311,841	105,409	808,190	144,222	486
Other Non-Operating Income							
Other Non Operating (Expense)	(24,040,000)	(30,403,829)	(11,003,566)		(3,356,354)		(5,711,089)
Total Non-Operating Revenues (Expenses)	(34,239,808)	(40,603,637)	(16,819,393)	(11,958,199)	(9,067,958)	(11,740,093)	(12,372,291)
Operating Transfers In (Out):							
Net transfers in from other funds	1,352,400	1,352,400	676,200	1,390,205	655,089	1,183,681	591,840
Net transfers out to other funds						(306,738)	
Total Operating Transfers	1,352,400	1,352,400	676,200	1,390,205	655,089	876,943	591,840
Capital Contribution							
Change in Net Position	(10,013,114)	(14,564,421)	(3,024,749)	10,727,672	2,241,440	10,920,486	(2,003,927)
Significant Balance Sheet Items							
Operating Cash		26,450,974	28,106,858	30,083,933	28,886,079	25,132,631	18,991,703
Accounts Receivable			6,625,200	4,646,057	6,371,133	4,751,349	6,360,677
Assessments Receivable			2,205,732	2,609,509	2,279,940	2,405,113	2,457,582
Bonds & Notes Payable		98,764,999	97,344,999	97,344,999	106,836,262	105,999,121	107,106,710
Net Position		205,790,504	217,330,176	220,354,925	223,721,233	221,479,793	208,445,935
Significant Cash Flow Items							
Capital Outlay	24,040,000	30,403,829	11,003,566	9,067,244	3,356,354	14,102,414	5,711,089
Bond & Note Principle Payments	10,080,000	10,080,000		8,654,123		6,145,539	
Bond & Note Principle Proceeds	8,200,000	11,500,000				6,000,000	

City of Minneapolis
Municipal Parking Fund
For the 2nd Quarter Ended June 30, 2016

Fund 07500*	2016 Original Budget	2016 2rd Qtr Period End Actuals	2016 YE Projected	2015 YE Actuals
Revenue	61,108,807	33,935,895	63,001,760	61,111,139
Expenses	38,888,020	21,269,159	41,222,856	40,760,961
Operating Margin	22,220,787	12,666,737	21,778,904	20,350,178
Change in Net Position		3,943,414	3,445,843	4,416,661
Net Position		184,691,201	184,193,630	180,747,787
Cash Balance		19,263,903	17,940,504	13,956,740

* Change in Net Position includes all non-operating expenditures and revenues such as depreciation expense, bond interest expense and transfers between funds.

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

Revenues:
The 2016 second quarter actual revenues are up in comparison to 2015 by 15.7%. The increase is from:

- Impound Lot revenues are up by 16.6% compared to 2015.
- On-street parking is up by 22.6% compared to 2015.
- Off-street ramps and lots are up by 13.5% 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 11.1%. The variance is from:

- Impound Lot expenses are up by 3.9% compared to 2015.
- On-street meters are up by 39.3% compared to 2015.
- Off-street ramps and lots are up 9.8% compared to 2015.

Impound Lot expenses are higher than 2015 due to increased 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 an increase in maintenance, increased sales tax, and general operating expenses. 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 in 2016, $3,823,693 of funds has been transferred out ($1,959,504 to the General Fund and $1,864,189 to the Target Center).

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

Other Financial Items:
The end of the second quarter 2016 cash balance is $19,263,903 which increased by $5,307,163 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 $9,631,952, which results in a surplus of $9,631,952, 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 Second Quarter/Years Ending 2016, 2015, and 2014

	Budget Current Year 2016	Projected Year Ending 2016	For Period Ending 30-Jun-16	For Year Ending 2015	For Period Ending 30-Jun-15	For Year Ending 2014	For Period Ending 30-Jun-14
Operating Revenues:							
Off-Street Parking: City Owned	34,139,807	33,856,686	17,222,567	31,582,790	16,128,147	30,788,389	15,327,007
Off-Street Parking: State Owned	9,533,000	10,719,558	6,180,833	11,420,735	4,498,224	9,876,255	4,784,977
Towing	5,320,000	4,927,157	2,507,718	4,661,269	2,150,391	5,695,346	3,198,304
On-Street Meters	12,116,000	13,498,359	8,024,778	13,446,346	6,543,558	11,496,249	5,585,036
Total Operating Revenues	61,108,807	63,001,760	33,935,895	61,111,139	29,320,320	57,856,239	28,895,324
Operating Expenses:							
Off-Street Parking: City Owned-Direct Expenses	21,674,511	23,489,612	11,250,809	22,404,574	10,515,004	20,655,555	9,282,771
Off-Street Parking: State Owned-Direct Expenses	8,533,000	8,921,829	5,907,447	10,260,170	5,113,776	8,921,760	3,747,753
Towing	5,289,917	4,956,647	2,300,540	4,924,231	2,213,248	5,162,568	2,836,945
On-Street Meters	3,390,592	3,854,768	1,810,362	3,171,986	1,299,754	2,845,666	1,255,237
Other Operating Expenses	-	-	-	0	0	2,411	1,568
Total Operating Expenses	38,888,020	41,222,856	21,269,159	40,760,961	19,141,782	37,587,960	17,124,274
Operating Margin	22,220,787	21,778,904	12,666,737	20,350,178	10,178,538	20,268,279	11,771,050
Non-Operating Revenues/(Expenses)							
Depreciation	(6,507,021)	(6,507,021)	(3,253,510)	(6,456,043)	(3,219,596)	(6,559,826)	(3,332,550)
Special Assessments	-	-	-	114,277	-	25,018	-
Interest	(4,202,734)	(2,431,388)	(1,146,439)	(2,267,940)	(1,325,581)	(4,001,605)	(1,383,064)
Other Non Operating Expenses	(2,200,000)	(2,200,000)	(628,355)		(484,308)		-
Other Non-Operating Income	-	62,775	62,775	13,566	497,760	11,990	4,053
Total Non-Operating Revenues (Expenses)	(12,909,755)	(11,075,634)	(4,965,529)	(8,596,140)	(4,531,725)	(10,524,423)	(4,711,561)
Operating Transfers In (Out):							
General Fund Transfer Out	(3,919,000)	(3,919,000)	(1,959,504)	(4,148,200)	(2,074,104)	(7,918,024)	-
Arena Reserve Transfer Out	(3,728,377)	(3,728,377)	(1,864,189)	(3,522,696)	(1,711,426)	(3,323,206)	(1,661,503)
Debt Service Transfer Out	-	-	-	(45,925)	-	(40,957)	-
General Debt Service Transfer Out	-	-	-	-	-	0	-
Sanitation Transfer Out	(146,000)	(146,000)	-	(146,000)	-	(146,000)	-
Convention Center related facility Transfer	-	-	-	-	-	-	-
TI and MCDA Transfers In	535,950	535,950	-	525,443	-	372,660	-
Other Transfers In	-	-	-		-	-	-
Total Operating Transfers	(7,257,427)	(7,257,427)	(3,823,693)	(7,337,378)	(3,785,530)	(11,055,527)	(1,661,503)
Capital Contributions							
Bonds Recalled less Bonds Reissued		65,900	65,900				
Net Position Restatement						11,376,788	
Change in Net Position	2,053,605	3,445,843	3,943,414	4,416,661	1,861,283	(1,311,671)	5,397,986
Significant Balance Sheet Items							
Operating Cash		17,940,504	19,263,903	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		184,193,630	184,691,201	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 Second Quarter Ending June 30, 2016

Fund 07700	2016 Budget	06/30/16 Actual	Projected Year End 2016	2015 Actual
Operating Revenue	38,451,770	19,234,352	38,717,142	36,613,518
Operating Expense	41,500,290	18,008,932	38,276,235	33,459,231
Operating Margin	(3,048,520)	1,225,420	440,907	3,154,288
Change in Net Position		972,563	(846,611)	2,897,178
Net Position		27,661,044	26,814,434	26,395,590
Cash Balance		24,174,397	22,657,554	22,572,647

Program Description
The Solid Waste and Recycling Fund account for the City's solid waste and recycling collection, disposal, graffiti removal, and a solid waste transfer station that serves 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 and graffiti abatement and removals; and an organics program.

Revenue
With operating revenues through the end of the second quarter totaling $19,234,352, 50.0% of the budgeted revenue has been realized. This is an increase of $1.3 million or 7.0%, compared to $17,974,350 earned through second quarter of 2015. Utility revenues were $18,010,706 compared to $17,095,217 for 2015 for a gain of $915 thousand as a result of increase in base rate of $1.30 per dwelling unit. Rates were increased in order to support implementation of city-wide organics program and facility improvement project. An increase of $79 thousand in miscellaneous revenues is due to increase in graffiti and debris removals, and sale of equipment. Revenue from the sale of scrap metal continued to decrease due to a reduction in demand. The Hennepin County recycling grant for the year was projected at $1.3 million and the department has collected $798 thousand through the second quarter.

Expenses:
Operating expenses through the second quarter were $18,008,932 compared to $14,958,464 in 2015. This is an increase of $3.1 million or 20.4% and reflects the following changes from 2015: (i) increase in salaries and fringes by $440 thousand due to increase in personnel to support organics program; (ii) increase in purchase of equipment, vehicles, and carts by $1.3 million as a result of organics program; (iii) increase in vendor payments by $974 thousand due to new contracts and increased rates relating to collection, disposal, recycling and hauling; (iv) increase in contractual

services due to zero waste studies, step-up and TV recycling programs by $163 thousand; and (v) increase in City services by $107 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, $237 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 six months, the cash outflow is estimated at $21,367,000 which includes $20.2 million for operations and $1.1 million for capital. The fund also anticipates $19,995,000 from its operations and transfers thereby maintaining the fund balance for year end to an estimated $22,657,000.

Cash and Net Positions:
The Fund's cash balance as of the end of the second quarter was $24,174,397 and the net position amounted to $27,661,044. The City's policy is to have cash equal to or greater than three months of operating expenses. Based on the projection, the targeted amount is $10,133,000 leaving unrestricted cash reserve equivalent to $12,523,000. With a facility improvement program costing upwards of $25 million, the Solid Waste will require this fund 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 Second Quarters/2016, 2015, and 2014

	Budget Current Year 2016	Projection Year Ending 2016	For Period Ending 30-Jun-16	For Year Ending 2015	For Period Ending 30-Jun-15	For Year Ending 2014	For Period Ending 30-Jun-14
Operating Revenues:							
County Grants	1,080,000	1,300,000	798,166	1,002,790	495,795	871,608	-
Solid Waste Fees	36,452,247	36,577,969	18,010,706	34,753,628	17,095,217	29,486,130	14,757,138
Recyclable Sales	-	-	75,830	297,363	113,002	337,695	148,934
Charges for Other Services	919,523	839,173	349,650	559,737	270,336	1,125,536	483,880
Total Operating Revenues	38,451,770	38,717,142	19,234,352	36,613,518	17,974,350	31,820,969	15,389,952
Operating Expenses:							
Collection	7,968,841	7,400,332	3,728,049	7,247,699	3,409,002	7,552,965	3,711,743
Disposal	4,435,000	4,800,000	2,713,980	4,219,802	2,098,070	4,538,343	2,159,851
Recycling	4,027,412	3,900,000	1,693,903	3,535,804	1,575,761	3,284,022	1,586,302
Yard Waste	3,284,854	3,154,914	1,287,150	3,058,194	1,365,885	2,371,116	1,067,052
Large Item/Problem Material	1,956,107	1,849,840	917,965	1,611,799	769,755	1,705,729	782,713
Transfer Stations	451,471	451,471	189,674	413,053	245,951	438,339	203,229
Administration	7,440,714	7,143,085	3,000,538	5,621,821	2,709,877	5,906,028	2,992,929
Customer Service	617,060	617,060	282,821	549,212	254,825	482,385	245,925
Clean City	1,207,740	1,039,258	548,661	1,004,170	447,481	1,074,347	622,096
Graffiti	833,129	749,027	323,396	795,311	479,634	702,744	310,014
Equipment	4,230,295	3,449,284	1,145,778	2,783,500	1,241,480	3,375,282	1,524,683
Organics	5,047,665	3,721,964	2,177,015	2,618,865	360,743	224,839	102,664
Total Operating Expenses	41,500,290	38,276,235	18,008,932	33,459,231	14,958,464	31,656,139	15,309,201
Operating Margin	(3,048,520)	440,907	1,225,420	3,154,288	3,015,886	164,830	80,751
Non-Operating Revenues (Expenses):							
Depreciation	(936,518)	(936,518)	(468,259)	(869,126)	(447,927)	(840,404)	(398,332)
Capital Adjustments	-		-	-		-	849,105
Other non-operating Income	7,000,000	-	-	-	-	-	-
Other non-operating Expense	(7,000,000)	(1,100,000)	(21,099)	-	(9,571)	(2,778)	(8,334)
Special Assessments	-	130,000	-	141,017	-	106,342	-
Total Non-Operating Revenues (Expenses)	(936,518)	(1,906,518)	(489,357)	(728,109)	(457,498)	(736,840)	442,439
Operating Transfers In (Out):							
Net Transfers In from Other Funds	619,000	619,000	236,500	471,000	162,504	966,000	410,004
Net Transfers Out to Other Funds	-	-	-	-	-	-	-
Total Operating Transfers	619,000	619,000	236,500	471,000	162,504	966,000	410,004
Contributed Capital	-					-	-
Change in Net Position	(3,366,038)	(846,611)	972,563	2,897,178	2,720,892	393,990	933,194
Significant Balance Sheet Items:							
Operating Cash		22,657,554	24,174,397	22,572,647	22,335,160	19,729,474	18,360,149
Accounts Receivable		3,358,501	3,246,827	3,449,051	3,250,666	3,267,951	3,015,384
Net Position		26,814,434	27,661,044	26,395,590	31,578,260	28,857,368	27,777,310

CPED Enterprise Fund Component Programs
For the Second Quarter Ending June 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 6/30/2016. Other information is maintained by a trustee and not available for inclusion at 6/30. 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 June 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 6/30/2015	Housing Development Fund 6/30/2016	General Agency Reserve Fund Operations 6/30/2015	General Agency Reserve Fund Operations 6/30/2016	Theatres 6/30/2015	Theatres 6/30/2016	River Terminal 6/30/2015	River Terminal 6/30/2016	Economic Development Program 6/30/2015	Economic Development Program 6/30/2016
ASSETS										
Current assets:										
Cash and cash equivalents	$ 138,258	$ 143,733	$ 913,294	$ 1,296,004	$ (522,997)	$ 2,460	$(1,078,692)	$ (984,834)	$ 794,383	$ 802,928
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)	15,239	15,953	2,020	1,782
Total current assets	188,595	194,043	915,495	1,298,188	(525,339)	1,396	(1,063,453)	(968,881)	796,403	804,710
Noncurrent assets:										
Loans and notes receivable	382,567	330,243	-	-	-	-	-	-	-	-
Capital assets (net of accumulated depreciation)	-	-	-	-	-	-	4,919,147	4,571,621	-	-
Total noncurrent assets	382,567	330,243	-	-	-	-	4,919,147	4,571,621	-	-
Total assets	$ 571,162	$ 524,286	$ 915,495	$ 1,298,188	$ (525,339)	$ 1,396	$ 3,855,694	$ 3,602,740	$ 796,403	$ 804,710
LIABILITIES										
Current liabilities:										
Accounts Payable	-	-	-	1,427	-	-	-	-	-	-
Other current liabilities	130	96	8,155	6,332	(905)	(331)	27	(433)	781	553
Total current liabilities	130	96	8,155	7,759	(905)	(331)	27	(433)	781	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	17,739	11,625	(905)	(331)	1,874	(336)	781	553
NET POSITION										
Invested in capital assets, net of related debt	-	-	-	-	-	-	4,919,147	4,571,621	-	-
Restricted	-	-	897,756	1,286,563	-	-	-	-	-	-
Unrestricted	571,032	524,190	-	-	(524,434)	1,727	(1,065,327)	(968,545)	795,622	804,157
Total net position	571,032	524,190	897,756	1,286,563	(524,434)	1,727	3,853,820	3,603,076	795,622	804,157
Total liabilities & net position	$ 571,162	$ 524,286	$ 915,495	$ 1,298,188	$ (525,339)	$ 1,396	$ 3,855,694	$ 3,602,740	$ 796,403	$ 804,710

	Housing Development Fund 1/1-6/30/15	Housing Development Fund 1/1-6/30/16	General Agency Reserve Fund Operations 1/1-6/30/15	General Agency Reserve Fund Operations 1/1-6/30/16	Theatres 1/1-6/30/15	Theatres 1/1-6/30/16	River Terminal 1/1-6/30/15	River Terminal 1/1-6/30/16	Economic Development Program 1/1-6/30/15	Economic Development Program 1/1-6/30/16
Operating revenues										
Charges for sales and services	$ -	$ -	$ 140,648	$ 425,859	$ -	$ -	$ 313,358	$ 443,024	$ -	$ -
Interest on program activities	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total operating revenues	-	-	140,648	425,859	-	-	313,358	443,024	-	-
Operating expenses:										
Personal services	-	-	65,877	65,023	-	-	2,378	-	-	-
Contractual services	-	-	73,838	15,768	-	-	456,719	600,798	-	-
Other	-	-	64	-	-	-	-	-	1,667	-
Depreciation expense	-	-	-	-	-	-	173,763	173,763	-	-
Total operating expenses	-	-	139,779	80,791	-	-	632,860	774,561	1,667	-
Operating income	-	-	869	345,068	-	-	(319,502)	(331,537)	(1,667)	-
Nonoperating revenues (expenses)										
Interest on investments	(97)	665	(616)	5,764	1,403	(38)	299	(4,280)	(563)	3,768
Interest expense	-	-	-	-	-	-	-	-	-	-
Total nonoperating revenue (expenses)	(97)	665	(616)	5,764	1,403	(38)	299	(4,280)	(563)	3,768
Income (loss) before transfers	(97)	665	253	350,832	1,403	(38)	(319,203)	(335,817)	(2,230)	3,768
Net transfers from (to) other funds	-	-	-	-	430,000	268,000	-	-	-	-
Change in net position	(97)	665	253	350,832	431,403	267,962	(319,203)	(335,817)	- (2,230)	3,768
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	$ 571,032	$ 524,190	$ 897,756	$ 1,286,563	$ (524,434)	$ 1,727	$ 3,853,820	$ 3,603,076	$ 795,622	$ 804,157

City of Minneapolis
Second 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 June 30, 2016, the City's current investment portfolio was valued at $734.3 million. The sector holdings and fund distributions are shown below. For the 12 months ended June 30, 2016, the portfolio has outperformed its benchmark.

Investment Performance period ended June 30, 2016	City Portfolio	Custom Benchmark*
3 month Total Return	0.51%	0.52%
12 month Total Return	1.31%	1.19%
3 year Total Return	0.98%	0.87%
Average Credit Quality	AAA	AAA
Weighted Average Maturity	1.6 Years	1.8 Years

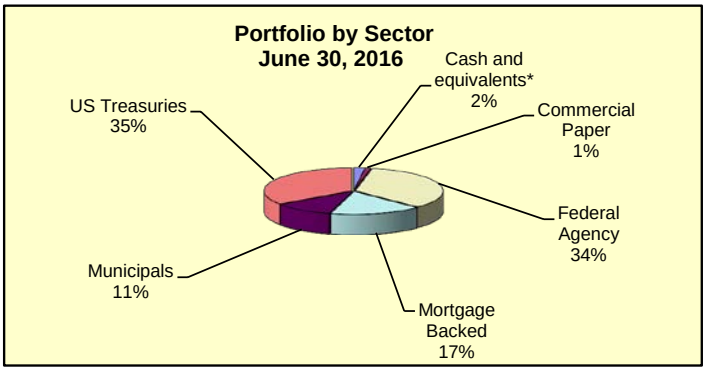
** Custom Benchmark is a combination of the Merrill Lynch 1 year Treasury Index and the Merrill Lynch 1-3 year Treasury Index. The custom benchmark more appropriately aligns with the City's current investment strategy.*

Portfolio Holdings By Sector

Market Value in millions

		June 30 2016	% of port.		June 30 2015	% of port.
Cash and equivalents*	$	15.3	2%	$	36.2	5%
Commercial Paper		7.5	1%		7.5	1%
Federal Agency		252.3	34%		158.4	22%
Mortgage Backed		123.2	17%		103.7	14%
Municipals		80.3	11%		83.1	12%
US Treasuries		255.7	35%		333.9	46%
Total Cash & Investments	$	734.3	100%	$	722.8	100%

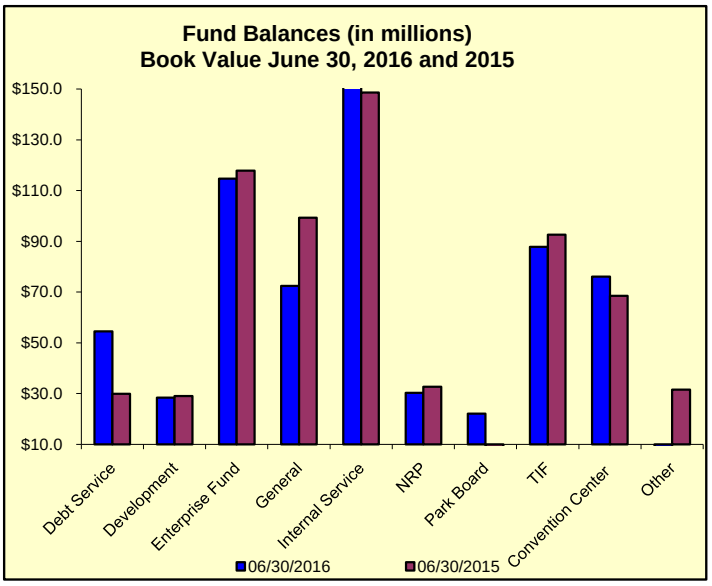
**Net of checks outstanding*



Funds Performance

Book Value in millions

		June 30 2016	% of funds		June 30 2015	% of total funds
Debt Service	$	54.5	8%	$	29.9	4%
Development		28.4	4%		29.0	4%
Enterprise Fund		114.7	17%		117.8	17%
General		72.5	11%		99.3	15%
Internal Service		151.2	22%		148.7	22%
NRP		30.3	4%		32.7	5%
Park Board		22.1	3%		(3.8)	-1%
TIF		87.9	13%		92.7	14%
Convention Center		76.1	11%		68.5	10%
Other		(3.1)	0%		31.6	5%
Sub Total City Operating	$	634.6	92%	$	646.3	95%
Bond Proceeds/Construction		53.8	8%		33.6	5%
Total Book Value	$	688.4	100%	$	679.9	100%
Unrealized gain (loss) & Accrued interest		5.6			1.5	
Total Market Value	$	694.0		$	681.4	
Debt Service Reserve Funds (GARFS & Development debt)		40.3			41.4	
All Funds & Debt Service Reserves at Market Value	$	734.3		$	722.8	



ADDENDUM

City of Minneapolis
Financial Status Report – 2nd Quarter 2016

City of Minneapolis
Financial Strength Analysis - 2nd 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%	93.6
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%	82.8
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	31.1	44.4	54.9	66.2	11.3		35.1		11.7		66.4
Convention Center - Fund Balance	49.7	58.6	65.5	67.2	1.7		17.5		5.8		67.4
Arena Fund (Target Center) - Cash	2.6	5.8	7.6	16.3	8.7		13.7		4.6		8.5
Arena Reserve (Target Center) - Fund Balance	2.6	5.6	6.7	15.2	8.5		12.6		4.2		7.4
Grant Funds - Cash	0.7	1.5	2.7	2.0	1.2		1.3		0.4		2.0
Grant Funds - Fund Balance	16.7	10.8	10.0	11.2	1.2		(5.5)		(1.8)		10.7
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						3.8
NCR SRF - Fund Balance		0.6	3.0	3.9	0.9						3.8
Regulatory Services SRF - Cash	5.1	5.5	5.1	4.5	(0.6)						3.8
Regulatory Services SRF - Fund Balance	5.2	5.5	5.0	4.5	(0.5)						3.7
Comm Planng & Econ Dev (CPED) - Cash Total	169.7	171.9	164.1	165.7	1.6		(4.0)		(1.3)		166.2
Comm Planng & Econ Dev (CPED) - Fund Bal Total	207.9	205.7	203.8	201.2	(2.6)		(6.7)		(2.2)		200.6
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	**222.4**	**248.9**	**263.0**	**284.9**	**21.9**	**8.8%**	**62.5**	**28.1%**	**20.8**	**9.4%**	**277.8**
Total Special Revenue Funds - Fund Balance	**295.9**	**305.7**	**319.0**	**329.5**	**10.0**	**3.3%**	**33.6**	**11.4%**	**11.2**	**3.8%**	**320.2**

*** 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)		1.4
Engr. Materials & Testing - Net Assets/Position	1.6	2.0	1.8	0.8	(1.0)		(0.8)		(0.3)		0.6
Intergovernmental Services - Cash	15.8	34.2	49.9	38.4	(11.5)		22.6		7.5		28.2
Intergovernmental Services - Net Assets/Positn.	27.4	37.4	62.1	62.3	0.2		34.9		11.6		60.4
Property Services - Cash	0.8	4.2	3.8	5.0	(0.4)		4.2		1.4		8.3
Property Services - Net Assets/Position	25.6	32.9	32.8	29.3	(3.5)		3.7		1.2		32.6
Equipment Services - Cash	10.2	18.9	23.2	23.7	0.5		13.5		4.5		22.3
Equipment Services - Net Assets/Position	37.2	49.8	59.8	61.7	1.9		24.5		8.2		68.0
PW Stores - Cash	(0.2)	(0.2)	(0.2)	0.0	0.2		0.0		0.0		(0.2)
PW Stores - Net Assets/Position	3.7	4.1	4.6	4.4	(0.2)		0.7		0.2		4.6
Self Insurance Fund - Cash	56.4	61.2	70.6	75.7	5.1		19.3		6.4		80.8
Self Insurance Fund - Net Assets/Position	1.7	4.5	18.3	16.5	(1.8)		14.8		4.9		22.2
Total ISF - Cash	**84.7**	**120.4**	**149.2**	**144.4**	**(4.8)**	**-4.0%**	**59.7**	**70.5%**	**19.9**	**23.5%**	**140.8**
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%**	**188.4**
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)		15.3
Sanitary Sewer - Net Assets/Position	107.5	114.4	118.6	117.5	(1.1)		10.0		3.3		120.6
Stormwater - Cash	37.4	36.4	35.0	35.9	0.9		(1.5)		(0.5)		40.7
Stormwater - Net Assets/Position	299.6	311.5	308.8	323.8	15.0		24.2		8.1		326.6
Water Enterprise - Cash	19.1	19.0	25.1	30.1	5.0		11.0		3.7		26.5
Water Enterprise - Net Assets/Position	197.2	210.2	221.5	220.4	(1.1)		23.2		7.7		205.8
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)		205.8
Municipal Parking - Cash	7.7	17.8	10.5	14.0	3.5		6.3		2.1		17.9
Municipal Parking - Net Assets/Position	162.8	172.5	177.9	180.7	2.8		17.9		6.0		184.2
Comm Planng & Econ Dev (CPED) - Cash***	0.0	0.1	0.0	0.8	0.8		0.8		0.3		0.8
Comm Planng & Econ Dev (CPED) - Net Assets/Position	38.5	33.4	39.0	39.9	0.9		1.4		0.5		39.7
Total ESF - Cash	**108.1**	**114.7**	**109.0**	**115.8**	**6.8**	**6.2%**	**7.7**	**7.1%**	**2.6**	**2.4%**	**127.8**
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%**	**1,082.7**

***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 $	Incr (Decr) From 2014 %	Total Incr (Decr) 2012-2015 $	Total Incr (Decr) 2012-2015 %	Average Yearly Change $	Average Yearly Change %	2016 Original Budget	2016 Revised Budget	2016 Projected Totals	2016 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	82,674,393	-
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	50,497,003	49,500,000	(997,003)
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%	43,411,474	43,411,474	45,000,000	1,588,526
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	698,860	900,000	201,140
Other Miscellaneous	519,898	551,954	796,030	754,066	(41,964)	-5.3%	234,168	45.0%	78,056	15.0%	704,000	704,000	750,000	46,000
Contributions	806,721	944,831	215	-	(215)	-100.0%	(806,721)	-100.0%	(268,907)	-33.3%	-	-	-	-
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**	**460,377,031**	**460,176,453**	**(200,578)**
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**	**464,406,031**	**464,205,453**	**(200,578)**
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	156,174,306	(3,290,998)
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	62,323,551	62,323,551	-
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	6,529,295	222,993
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	21,576,983	21,012,000	564,983
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	8,521,000	911,137
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	3,800,000	84,825
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	4,382,245	4,382,200	45
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	1,541,315	1,460,000	81,315
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	2,234,000	10,529
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**	**51,012,063**	**49,171,495**	**1,840,568**
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	2,005,055	-
Transportation Plan Programming**	-	-	-	836,365	836,365	100.0%	836,365	100.0%	278,788	33.3%	2,443,428	2,443,428	2,400,000	43,428
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	31,499,745	1,072,594
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	3,282,491	3,232,491	50,000
Traf and Parkng Srvcs	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	16,994,952	(87,132)
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**	**57,211,134**	**56,132,243**	**1,078,891**
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	19,665,631	18,400,631	1,265,000
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	9,483,182	92,305
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	9,977,081	-
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	5,090,549	71,726
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	37,650,245	37,600,000	50,245
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	9,060,913	2,929
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	3,460,246	3,460,246	-
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	1,987,715	1,987,700	15
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	595,000	22,261
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**	**426,149,840**	**421,016,898**	**5,132,942**
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	66,412,211	66,412,211	-
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**	**492,562,051**	**487,429,109**	**5,132,942**
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)**	**(28,156,020)**	**(23,223,656)**	**4,932,364**
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**	**77,834,778**	**82,767,142**	**4,932,364**

*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. The amounts and % reported in the Total Increase From 2012 -2015 column and the Average Annual Increase only reflect the change from 2014 to 2015.

**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.