Minneapolis
City of Lakes

4th Quarter 2015 Financial Status Report

Finance & Property Services Dept.
March 28, 2015

City of Minneapolis
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Executive Summary

Minneapolis
City of Lakes

The Fourth Quarter Report consists of two sections. The first section of the report includes an Executive Summary along with a summary Financial Strength Analysis Schedule, for your reference. The Financial Strength Analysis Schedule provides historical, as well as projected, cash and fund balance/net position information for all the major operating funds of the City. The second section includes detailed schedules and analysis of the results of individual funds through December 31, 2015.

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

Overview

The financial status of the City continues to remain positive and stable. As indicated in the summary Financial Strength Analysis Schedule that follows, the overall cash position for the City at year- end 2015 was $706.9 million, an increase of $10.4 million or 1.5% compared to 2014 year end. The increase is reflective of growth in non-property-tax revenues, effective management of department expense budgets, and short-term borrowing to provide interim funding of capital and infrastructure project costs.

Fund balances and net positions for all funds also reflect continued investment in the growth and economic stability of the City and its infrastructure. The City continues to meet the minimum fund balance/net position reserve requirements in all funds, while at the same time increasing its investment in the City including its infrastructure, development, and technology capital assets. Most of the balances in the various funds within the City are classified as non-spendable, restricted, committed or assigned.

General Fund

The General Fund of the City is used to account for all financial resources except those required to be accounted for or reported in another fund. The fund balance at year-end 2015 was $106.3 million, an increase of $3.9 million or 3.8% over the 2014 ending fund balance of $102.4 million. At the same time, the General Fund cash balance was $117.6 million at year-end 2015, an increase of $17.6 million or 17.6% over the ending balance for 2014 of $100.0 million.

The increase in fund balance is significantly less than the $8.1 million or 11.6% average increase that has been experienced over the previous four years and is reflective of the rightsizing of the City's revenue and expenditure budgets. The budget for 2015 included a planned use of fund balance totaling $17.7 million. However, actual revenues came in 2.4% or $10.6 million over budget due primarily to the higher than expected collections of non-tax revenues (licenses and permits, charges for services) and local tax revenues reflecting continued elevated development activity and projects along with increased economic activity in the downtown business district, as well as throughout the City. At the same time, actual expense came in 2.3% or $10.9 million under budget reflecting budgetary savings in most departments due to a variety of factors including a relatively mild snow year, delayed ability to fully spend appropriations on ongoing CARS projects and position vacancies. *Many of these costs are anticipated to be incurred or return to normal, higher levels in the coming years as circumstances change. At the same time, the City continues to minimize increases in its tax levies while funding ongoing operational and infrastructure costs as well as technology and capital projects incurred through such planning tools as the CARS process.*

The City's financial policy for the General Fund balance is to maintain 17% of the following year's expenditure budget. The 2016 budgeted expenditures in the General Fund total $488.2 million. Application of the policy results in a requirement for an unrestricted fund balance in the General Fund of $83.0 million. Because the Fourth Quarter Report reflects a snapshot in time, the fund balance does not reflect the impact of known obligations against those resources. For example, of the $106.3 million 2015 fund balance in the General Fund, $24.0 million in fund balance use is included in the 2016 Council Adopted Budget. Additionally, due to delayed completion of capital projects as well as CARS funding, $4.2 million of the 2015 budget appropriation is being requested as "rollover" budget authority, which becomes an additional obligation on the fund balance. *With these two factors taken into consideration, the amount of un-obligated fund balance for the General Fund at year-end is $78.1 million which is slightly less than the 17% policy amount. However, historical performance indicates that other budgetary savings during 2016 are likely to offset any depletion of fund balance below the policy.*

The relatively high cash balance at year end 2015 is primarily due to the receipt of the second half of the City's property tax, special assessments and state aids revenues which together provide over half of the General Fund revenues. *The cash collected at year-end will be used to fund the first six months of general fund operations in 2016 as well as ongoing technology project activities.*

Special Revenue Funds

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

At year-end 2015, the total cash balance for the Special Revenue Funds is $283.1 million, an increase of $21.6 million or 8.7% compared to 2014. The fund balance for the Special Revenue Funds also increased in 2015 to $327.9 million, an increase of $10.0 million or 3.3%, compared to 2014. The increases in both cash and fund balance are reflective of positive performance in both the Convention Center and Target Center as well as deferred capital project expenditures. Generally, fund balances in the Special Revenue Funds are assigned, and in some cases, non-spendable, restricted or committed.

Internal Service Funds

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

The total cash balance for the Internal Service Funds at year-end 2015 is $144.4 million, a decrease of $4.8 million or 4.0% versus 2014. The decrease in cash balance can primarily be attributed to the use of existing resources to fund the one-time expenses related to IT insourcing the help desk and desk side support functions and contracting with a new provider for managed services along with the amount of work done during 2015 to upgrade, develop and implement significant technology assets including the City's PeopleSoft COMET Financial and Human Services systems, the Enterprise Land Management System (ELMS) and the MAXIMO Asset Management System. The total net position for all the Internal Service Funds also decreased in 2015 by $4.4 million or 3.4% to $175.0 million from a total fund balance of $179.4 million for 2014. The decrease in net position is due primarily to the increase in the book value of the City's long-term technology assets offset by the recognition of long-term pension obligations per new financial reporting standards. The cash and fund balances for the internal service funds have improved significantly over the last four years which is reflective of work that has been done to stabilize these funds.

Enterprise Funds

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

The total cash balance for the Enterprise Funds is $115.7 million, an increase of $6.7 million or 6.1% compared to 2014. At the same time, the total net position for the Enterprise Funds increased by $14.3 million or 1.6% to $907.4 million at year-end 2015. These numbers reflect the continued use of cash rather than borrowing for planned major maintenance of and additions to infrastructure assets offset by the recognition of long-term pension obligations per new financial reporting standards.

City of Minneapolis

Financial Strength Analysis - 4th Quarter 2015

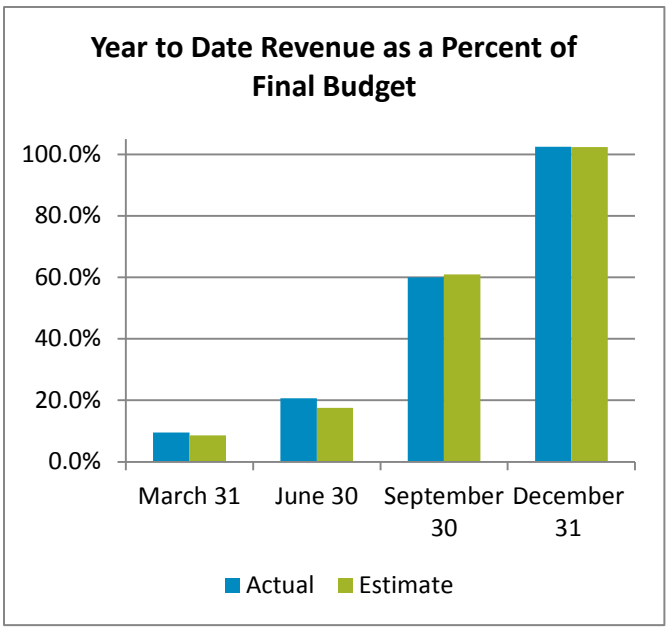
FINANCIAL STRENGTH ANALYSIS - 2015 (in millions)					Increase Over 2014		Total Incr 2012 - 2015		Avg Annual Incr	
	2012	2013	2014	2015	$	%	$	%	$	%
General Fund Cash Balance	87.8	102.1	100.0	117.6	17.6	17.6%	29.8	33.9%	9.9	11.3%
General Fund Total Fund Balance	86.3	97.0	102.4	106.3	3.9	3.8%	20.0	23.2%	6.7	7.7%
Overall City Cash Position*	561.6	656.1	696.5	706.9	10.4	1.5%	145.3	25.9%	48.4	8.6%
Overall City Net Assets/Position	1,947.3	2,087.9	2,183.2							
Overall Unrestricted Net Assets/Position	227.6	279.2	302.7							
SPECIAL REVENUE FUNDS FINANCIAL STRENGTH ANALYSIS - 2015 (in millions)										
Convention Center - Cash	31.1	44.4	54.9	66.2	11.3		35.1		11.7	
Convention Center - Fund Balance	49.7	58.6	65.5	67.2	1.7		17.5		5.8	
Arena Fund (Target Center) - Cash	2.6	5.8	7.6	16.3	8.7		13.7		4.6	
Arena Reserve (Target Center) - Fund Balance	2.6	5.6	6.7	15.2	8.5		12.6		4.2	
Grant Funds - Cash	0.7	1.5	2.7	2.0	1.2		1.3		0.4	
Grant Funds - Fund Balance	16.7	10.8	10.0	11.2	1.2		(5.5)		(1.8)	
Police SRF - Cash		1.1	1.5	1.7	0.2					
Police SRF - Fund Balance		1.0	1.1	1.6	0.5					
NCR SRF - Cash		0.7	3.1	4.1	1.0					
NCR SRF - Fund Balance		0.6	3.0	3.9	0.9					
Regulatory Services SRF - Cash	5.1	5.5	5.1	4.5	(0.6)					
Regulatory Services SRF - Fund Balance	5.2	5.5	5.0	4.5	(0.5)					
Comm Planng & Econ Dev (CPED) - Cash Total	169.7	171.9	164.1	165.6	1.5		(4.1)		(1.4)	
Comm Planng & Econ Dev (CPED) - Fund Bal Total	207.9	205.7	203.8	201.2	(2.6)		(6.7)		(2.2)	
Employee Retirement Funds - Cash	12.1	16.6	22.0	23.9	1.9		11.8		3.9	
Employee Retirement Funds - Fund Balance	12.6	16.7	22.3	24.2	1.9		11.6		3.9	
Other Special Revenue Funds - Cash	1.1	1.4	2.0	0.5	(1.5)		(0.6)		(0.2)	
Other Special Revenue Funds - Fund Balance	1.2	1.2	1.6	0.5	(1.1)		(0.7)		(0.2)	
Total Special Revenue Funds - Cash	**222.4**	**247.8**	**261.5**	**283.1**	**21.6**	**8.7%**	**60.7**	**27.3%**	**20.2**	**9.1%**
Total Special Revenue Funds - Fund Balance	**295.9**	**304.7**	**317.9**	**327.9**	**10.0**	**3.3%**	**32.0**	**10.8%**	**10.7**	**3.6%**

*** 2015 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 $39.8 M invested for General Agency Reserve Fund Systems (GARFS) and $25.0 M invested for Park Board, MBC and Youth Coordinating Board.**

FINANCIAL STRENGTH ANALYSIS - 2015 (in millions)					Increase Over 2014		Total Incr 2012 - 2015		Avg Annual Incr	
	2012	2013	2014	2015	$	%	$	%	$	%
INTERNAL SERVICE FUNDS FINANCIAL STRENGTH ANALYSIS - 2015 (in millions)										
Engr. Materials & Testing - Cash	1.7	2.1	1.9	1.6	(0.3)		(0.1)		(0.0)	
Engr. Materials & Testing - Net Assets/Position	1.6	2.0	1.8	0.8	(1.0)		(0.8)		(0.3)	
Intergovernmental Services - Cash	15.8	34.2	49.9	38.4	(11.5)		22.6		7.5	
Intergovernmental Services - Net Assets/Positn.	27.4	37.4	62.1	62.3	0.2		34.9		11.6	
Property Services - Cash	0.8	4.2	3.8	5.0	(0.4)		4.2		1.4	
Property Services - Net Assets/Position	25.6	32.9	32.8	29.3	(3.5)		3.7		1.2	
Equipment Services - Cash	10.2	18.9	23.2	23.7	0.5		13.5		4.5	
Equipment Services - Net Assets/Position	37.2	49.8	59.8	61.7	1.9		24.5		8.2	
PW Stores - Cash	(0.2)	(0.2)	(0.2)	0.0	0.2		0.0		0.0	
PW Stores - Net Assets/Position	3.7	4.1	4.6	4.4	(0.2)		0.7		0.2	
Self Insurance Fund - Cash	56.4	61.2	70.6	75.7	5.1		19.3		6.4	
Self Insurance Fund - Net Assets/Position	1.7	4.5	18.3	16.5	(1.8)		14.8		4.9	
Total ISF - Cash	**84.7**	**120.4**	**149.2**	**144.4**	**(4.8)**	**-4.0%**	**59.7**	**70.5%**	**19.9**	**23.5%**
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%**
ENTERPRISE FUNDS FINANCIAL STRENGTH ANALYSIS - 2015 (in millions)										
Sanitary Sewer - Cash	20.0	23.6	18.7	12.3	(6.4)		(7.7)		(2.6)	
Sanitary Sewer - Net Assets/Position	107.5	114.4	118.6	117.3	(1.3)		9.8		3.3	
Stormwater - Cash	37.4	36.4	35.0	35.9	0.9		(1.5)		(0.5)	
Stormwater - Net Assets/Position	299.6	311.5	308.8	323.5	14.7		23.9		8.0	
Water Enterprise - Cash	19.1	19.0	25.1	30.1	5.0		11.0		3.7	
Water Enterprise - Net Assets/Position	197.2	210.2	221.5	219.7	(1.8)		22.5		7.5	
Solid Waste & Recycling - Cash	23.9	17.8	19.7	22.6	2.9		(1.3)		(0.4)	
Solid Waste & Recycling - Net Assets/Position	30.3	26.8	27.3	26.4	(0.9)		(3.9)		(1.3)	
Municipal Parking - Cash	7.7	17.8	10.5	14.0	3.5		6.3		2.1	
Municipal Parking - Net Assets/Position	162.8	172.5	177.9	180.6	2.7		17.8		5.9	
Comm Planng & Econ Dev (CPED) - Cash***	0.0	0.1	0.0	0.8	0.8		0.8		0.3	
Comm Planng & Econ Dev (CPED) - Fund Balance	38.5	33.4	39.0	39.9	0.9		1.4		0.5	
Total ESF - Cash	**108.1**	**114.7**	**109.0**	**115.7**	**6.7**	**6.1%**	7.6	**7.0%**	**2.5**	**2.3%**
Total ESF - Net Assets/Position	**835.8**	**868.8**	**893.1**	**907.4**	**14.3**	**1.6%**	71.6	**8.6%**	**23.9**	**2.9%**

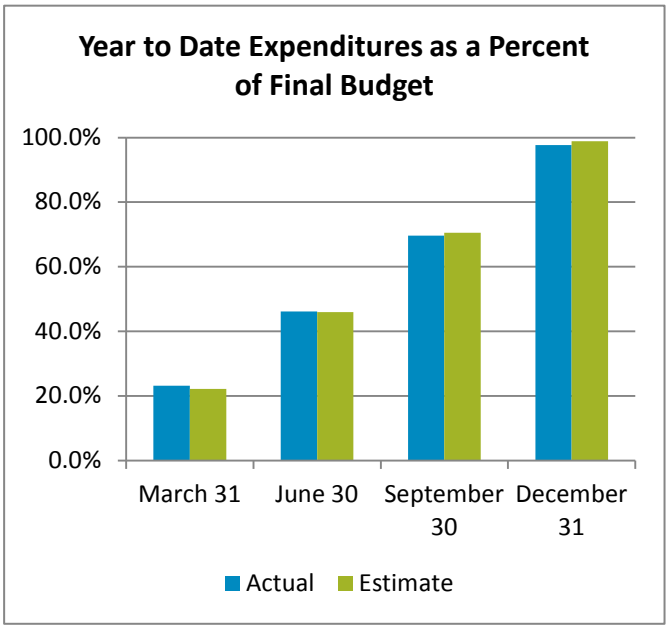
***Cash in CPED Enterprise Funds does not include the amount invested with trustees through GARFS and reported in the CPED Enterprise Funds.

Revenues



Year-end revenues exceeded budget by 2.4% or $10.6 million. Revenue exceeded budget from a variety of sources. Property and local taxes make up 51.8% of the General Fund revenue budget. During 2015, revenue from these taxes exceeded budget by a combined 4.8% or $4.1 million. The higher than expected local tax revenue indicates increased economic activity in the downtown business district which drives revenue from sales, entertainment, food, liquor, and lodging taxes. Revenue from licenses and permits points to the City's continued elevated development activity. This category of revenue exceeded budget by the widest margin of any category at 13.5%, or $5.3 million. Charges for services exceeded budget by 6.7% or $3.1 million due in large part to revenue collected by Public Works for performing work for outside entities in connection with development projects. Revenue from fines and forfeitures is under budget slightly due to an increase in compliance that has led to fewer citations issued. Investment income was also under budget as a result of the performance of the City's investment portfolio.

Expenditures



Six departments comprise 78.0% 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. For the year ended December 31, 2015, General Fund expenditures were 2.3% or $10.9 million under budget.

Nearly every department in the General Fund was under budget for the year with several departments exceeding 3.0% budgetary savings. Contingency funds budgeted at $4.0 million remained unspent at year-end. Both Police and Fire finished the year with a minimal budget surplus of less than 1.0% combined. The City Coordinator departments finished with $1.4 million in remaining budget partly due to savings from personnel vacancies across departments. A milder winter with less snow removal expense helped Public Works finish the year 1.4% or $0.8 million under budget. Reorganization and other cost savings in the Regulatory Services department resulted in budgetary savings of $1.2 million. Community Planning and Economic Development realized a budgetary surplus of $1.9 million as a result of initiatives that were in process but incomplete at year-end.

City of Minneapolis
General Fund
December 31, 2015

Revenues	Original Budget	Revised Budget	Year End	Variance Budget to Actual	Percent of Actual to Revised Budget
Property Taxes	159,478,620	159,478,620	160,509,905	1,031,285	101%
Local Taxes	73,625,186	73,625,186	76,722,142	3,096,956	104%
State Aids	82,419,010	82,419,010	81,986,697	(432,314)	99%
Charges for Services	46,227,580	46,407,580	49,494,802	3,087,222	107%
Franchise Fees	28,977,500	29,927,500	30,118,463	190,963	101%
Licenses & Permits	39,045,226	39,045,226	44,316,671	5,271,445	114%
Fines & Forfeits	7,248,000	7,248,000	6,539,031	(708,969)	90%
Special Assessments	3,569,492	3,469,346	3,201,518	(267,828)	92%
Investment Income	2,300,000	2,300,000	1,612,918	(687,082)	70%
Other Intergovernmental	698,860	698,860	962,046	263,186	138%
Other Miscellaneous	728,770	548,770	754,066	205,296	137%
Contributions	960,000	10,000	-	(10,000)	0%
Total Revenues	445,278,244	445,178,098	456,218,258	11,040,160	102%
Transfers In	4,682,200	4,682,200	4,258,200	(424,000)	91%
Revenues and Other Sources	**449,960,444**	**449,860,298**	**460,476,458**	**10,616,160**	**102%**
Expenditures					
Police	148,340,932	148,637,855	147,884,333	753,522	99%
Fire	60,230,520	61,444,858	61,314,629	130,230	100%
Human Resources	7,230,994	7,270,994	6,846,865	424,129	94%
Finance & Property Services	22,170,168	22,170,168	22,153,993	16,175	100%
911	9,052,193	9,052,193	8,759,610	292,583	97%
311	3,683,465	3,758,465	3,646,020	112,445	97%
City Coordinator	3,249,011	3,161,511	3,159,157	2,354	100%
Intergovernmental Relations	1,512,574	1,497,074	1,364,660	132,415	91%
Communications	2,211,514	2,211,514	2,090,834	120,680	95%
Emergency Management	767,969	767,969	767,233	736	100%
Neighborhood & Community Relations	425,415	508,415	358,041	150,374	70%
Information Technology	-	125,000	-	125,000	0%
City Coordinator - Total	50,303,303	50,523,303	49,146,413	1,376,890	97%
Transportation Planning & Design	3,275,805	2,733,699	3,924,085	(1,190,385)	144%
Transportation Plan Programming	-	817,202	836,365	(19,163)	102%
Transportation Maintenance & Repair	31,344,848	31,244,702	30,195,670	1,049,031	97%
Public Works Administration	3,120,420	3,120,420	3,005,253	115,167	96%
Traffic & Parking Services	16,114,961	15,874,865	15,057,941	816,923	95%
Public Works - Total	53,856,034	53,790,889	53,019,315	771,573	99%
Regulatory Services	17,572,410	17,607,410	16,366,436	1,240,974	93%
Attorney	9,001,847	9,001,847	8,513,667	488,180	95%
City Council & City Clerk	9,231,429	9,270,054	9,193,805	76,249	99%
Culture & Recreation - Library	2,363,000	2,363,000	2,363,131	(131)	100%
Contingency	4,007,139	4,007,139	-	4,007,139	0%
Assessor	4,869,380	4,869,380	4,612,972	256,408	95%
CPED	32,481,988	32,681,988	30,808,646	1,873,343	94%
Health	8,438,782	8,438,782	8,288,752	150,030	98%
Civil Rights	3,167,684	3,257,184	3,107,184	150,001	95%
Mayor	1,917,292	1,932,792	1,932,480	312	100%
Internal Audit	507,236	507,236	538,452	(31,216)	106%
Total Expenditures	406,288,977	408,333,719	397,090,215	11,243,503	97%
Transfers Out	57,192,812	59,192,812	59,499,686	(306,874)	101%
Expenditures and Other Uses	**463,481,789**	**467,526,531**	**456,589,901**	**10,936,629**	**98%**
Change in Fund Balance			**3,886,557**		
Fund Balance - January 1, 2015			102,439,346		
Fund Balance - December 31, 2015			**106,325,903**		

Convention Center Special Revenue Fund Report
For the 4th Quarter Ending December 31, 2015

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

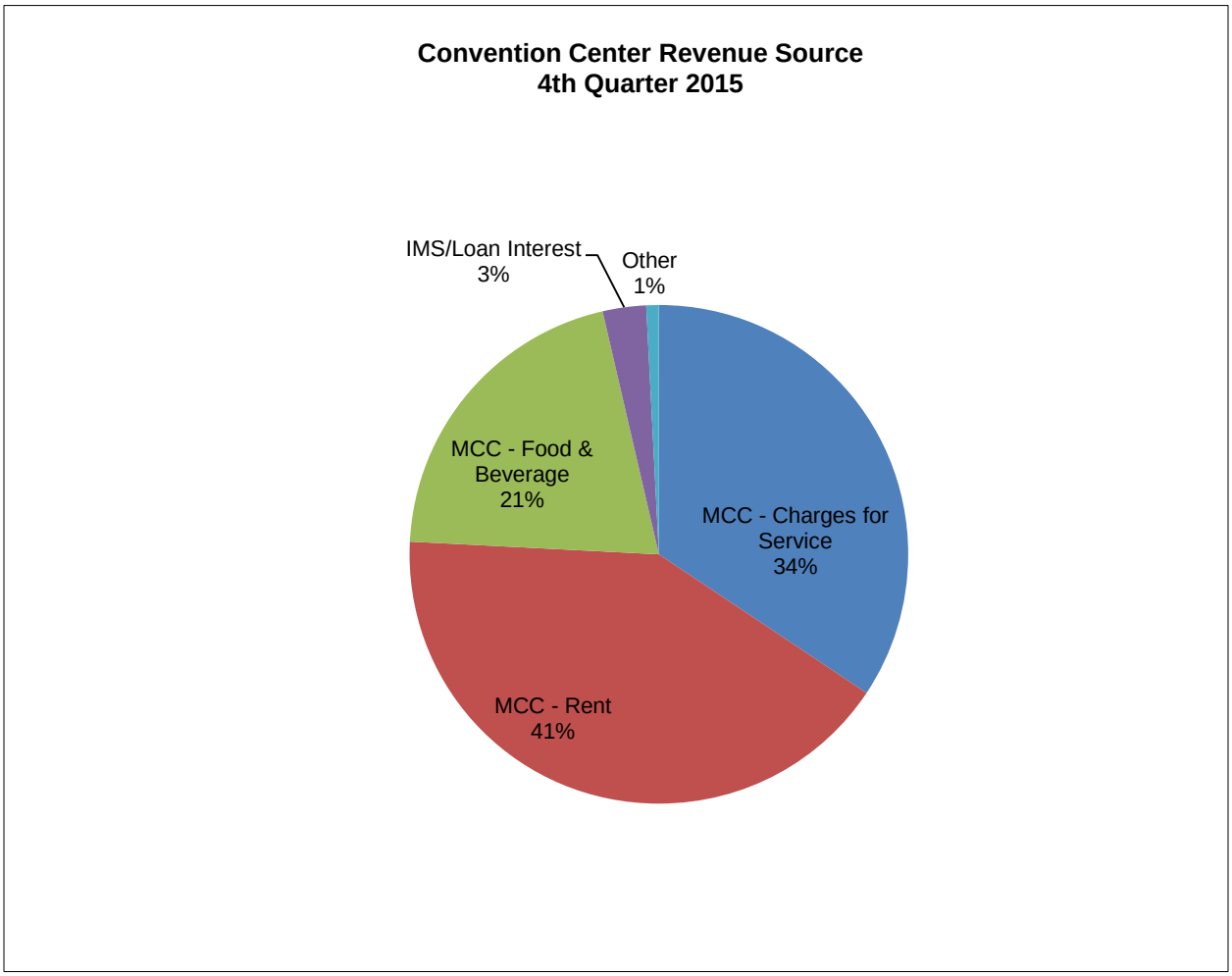
Revenue

Tax Revenue

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

Operating Revenue

Through the 4th quarter of 2015, operating revenue ended at nearly $18.3 million or 105% of the $17.4 million budget. Rents and Commissions had the strongest finish at nearly $7.9 million or 104% of budget followed by Charges for Services and Sales at approximately $6.5 million or 105% of budget, and finally Catering Commissions which came in at $3.9 million or 107% of budget.



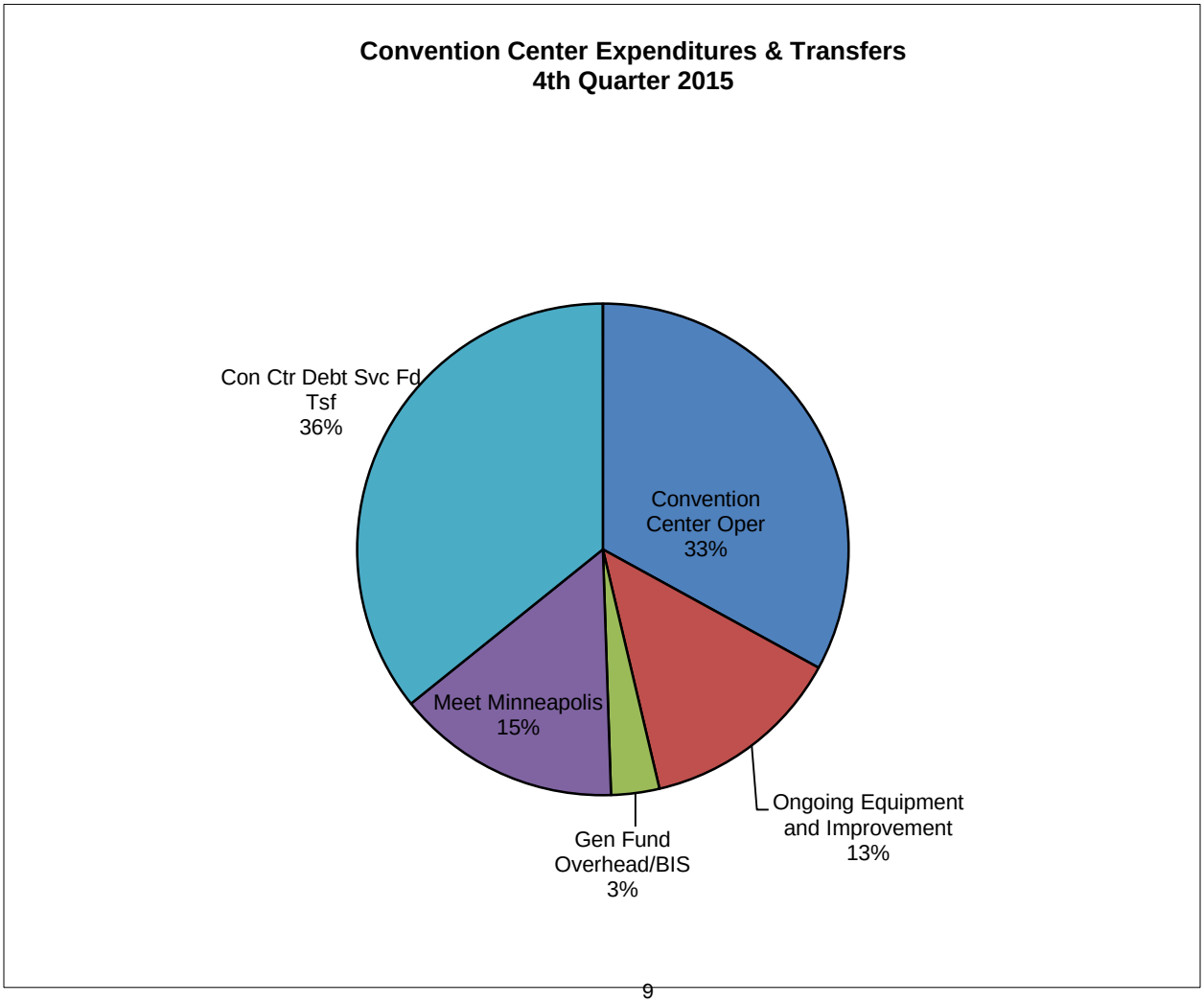
The Convention Center continues to discount rents to be competitive. Through December 31, 2015, the Convention Center hosted 384 events with close to 787,000 attendees, and operating revenues set an all-time record surpassing 2014 by nearly $1.7 million. Economic impact to the community as a result of events in 2015 is estimated to be approximately $331 million.

Operating Expenditures

Through the 4th quarter of 2015, Convention Center operating expenses, not including Ongoing Equipment and Improvement, IT, and General Fund Overhead, finished at approximately $22.4 million or 92% 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 4th quarter at approximately $9.1 million or 65% of the nearly $13.9 million budget which includes a nearly $4.4 million 2015 rollover of obligated and unspent 2014 funds. In 2015, the Convention Center worked on much needed projects such as lobby railing replacement/enhancement, exhibit hall fronts video boards/wood cladding, Terrazzo floor repair, interior painting of public spaces, exterior doors, LED lighting upgrade, Hall B – E color dome lights, Hall A concession stand remodel, AV equipment, building lighting controls, and auditorium sound. These projects allow the Convention Center to remain competitive in national market. The Convention Center will request a rollover of unspent 2015 funds.



Transfers

The Convention Center Fund annually transfers funds for debt service, in addition to receiving a transfer from the General Fund. In 2015, transfers for debt service for debt issued for the building and building domes were budgeted in total at $24.5 million. The debt service transfer finished 2015 slightly over $181 thousand under budget due to 2015 Kelber Catering contributions which reduced interest expense. The building debt is expected to be paid off in 2020. The transfer from the General Fund was budgeted at slightly over $50.3 million to fund Convention Center operating and non-operating expenditures. In addition, the Convention Center received a $1.5 million transfer from the IT Department for a capital advance. The IT transfer is being accounted for on the balance sheet. The fund balance of the Facility Reserve Fund was transferred to the Convention Center Fund to match the financial reporting of the City's CAFR (Comprehensive Annual Financial Report).

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 was budgeted at nearly $10.1 million for 2015, and finished the year $40 thousand under budget as the result of a new Meet Minneapolis contract being executed in 2015.

Fund/Cash Balance

Beginning in 2015, the Facility Reserve Fund cash and fund balance of $5.4 million are being reported under the Convention Center Fund to reflect the current reporting in the Comprehensive Annual Financial Report (CAFR). 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 revenue coupled with decreased 2015 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 December 31, 2015

	2015			
	Budget	Actual	Percent of Total	2014 Actual
REVENUE				
Operating Revenue:				
Charges for Services and Sales	6,200,000	6,523,029	105%	6,048,042
Rents and Commissions	7,597,000	7,863,203	104%	6,852,829
Catering Commissions	3,650,000	3,902,897	107%	3,726,471
Total Operating Revenue	17,447,000	18,289,129	105%	16,627,342
Other Non Operating Revenue:				
Investment Management Services Interest	396,000	369,572	93%	345,080
Meet Minneapolis (iDSS) Loan Interest	164,130	164,130	100%	214,631
Other	-	154,441	-	246,929
Total Other Non Operating Revenue	560,130	688,143	123%	806,640
Total Non Operating Revenue	560,130	688,143	123%	806,640
Total Revenue	18,007,130	18,977,272	105%	17,433,982
EXPENDITURES				
Convention Center Operations	24,348,402	22,423,147	92%	23,262,470
Ongoing Equipment and Improvement	13,894,021	9,054,844	65%	10,095,303
General Fund Overhead/IT Operating	2,154,543	2,156,543	100%	2,202,535
Meet Minneapolis	10,071,000	10,031,000	100%	9,460,573
Total Expenditures	50,467,966	43,665,534	87%	45,020,881
Excess of Revenues Over (Under) Expenditures	(32,460,836)	(24,688,261)	76%	(27,586,899)
OTHER FINANCING SOURCES (USES)				
General Fund Transfer - Operating Subsidy	50,340,000	50,340,000	100%	46,593,000
Facility Reserve Fund Transfer to Convention Ctr	-	5,400,450	-	-
Convention Ctr Debt Service Transfer	(24,502,125)	(24,320,713)	99%	(18,679,741)
Total Other Financing Sources (Uses)	25,837,875	31,419,738	122%	27,913,259
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(6,622,961)	6,731,476		326,360
Fund Balance - January 1	65,854,528	60,454,078		60,127,716
Ending Fund Balance	59,231,567	67,185,554		60,454,078
Ending Cash Balance		66,209,881		57,618,218

Arena Special Revenue Fund Q4 2015 Report

The Arena Special Revenue Fund (Target Center) is used to account for the on-going equipment and improvements, maintenance, operating support, and other specific expenditures related to the facility. The Target Center is home to the Minnesota Timberwolves and the Minnesota Lynx, and also hosts a wide variety of events such as concerts 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 2015 rent payment was $1.35 million. The entertainment taxes are received directly into the Arena Special Revenue Fund (Target Center) to fully credit the Target Center for the entertainment taxes generated from its events. In 2015 the actual entertainment taxes were $1.58 million, which was 22% greater than the amount estimated in the 2015 budget.

Expenditures

The Arena Special Revenue Fund had an ongoing equipment and improvements budget of nearly $8.9 million which included a 2014 to 2015 rollover of obligated but unspent funds of $3.9 million. In 2015 work was undertaken on much needed projects including movable floor controls, elevator modernization, catering kitchen remodeling, building automation system, ice floor concrete, and domestic water and waste lines. 2015 capital expenses finished under budget due to delays to the renovation project, project specifications, and contract additions. A 2015 to 2016 rollover request will be submitted for unspent capital funds. In addition, the Arena Special Revenue Fund pays any required reimbursement to AEG to support Arena operating costs. The maximum operator reimbursement for 2015 was $1.44 million. As of the end of the fourth quarter, an operating support payment had been made in the amount of $1.25 million.

Transfers

The Arena Special Revenue Fund receives an annual transfer from the Parking Fund. The 2015 budgeted transfer was $3.5 million. The transfer was made on schedule and met the 2015 budget.

Debt Service

As of December 31, 2015, $45.8 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 2015 ending fund balance was $15.2 million. It was greater than projected in 2015 because the level of expenditures for capital improvements was less and actual revenues were greater than expected.

ARENA SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the fiscal quarter ending December 31, 2015

	2015		
	Budget	**Actual**	**2014 Actual**
REVENUES:			
Entertainment Tax	1,300,000	1,580,438	1,976,384
Rents & Commissions	1,350,000	1,350,000	1,350,000
Interest	40,800	57,239	33,872
Miscellaneous Revenue	-	1,800	-
Total revenues	2,690,800	2,989,477	3,360,256
OTHER FINANCING SOURCES (USES):			
Target Center Operations	(3,759,620)	(1,507,634)	(1,344,603)
Target Center Capital	(8,886,572)	(1,859,644)	(1,953,639)
Municipal Parking Enterprise Fund	3,522,696	3,522,696	3,323,206
Transfer from the General Fund	2,000,000	2,000,000	-
Total other financing sources (uses)	(7,123,496)	2,155,419	24,964
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(4,432,696)	5,144,895	3,385,220
Fund Balance - January 1	10,076,177	10,076,177	6,690,957
Ending Fund Balance	5,643,481	15,221,072	10,076,177
Ending Cash Balance		16,317,013	10,742,308

City of Minneapolis
Police Special Revenue Fund

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 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
Revenues for the Police Special Revenue Fund remained consistent between 2014 and 2015. For 2014 and 2015, actual revenue was $2.2 Million.

Expenditures
Expenditures for the Police Special Revenue Fund decreased from $2.1 million in 2014 to $1.6 million in 2015. Decrease was primarily due to decrease in 2015 personnel service expenditures and one-time $250 thousand Workforce Director expenditures charged to the general fund.

Fund Balance
Fund Balance is $1.6 Million in 2015 compare to $1.1 Million in 2014. The increase was primarily due to decrease in personnel service expenditures and Workforce Director expenditures explained above.

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

	Budget Year 2015	For Year Ending 2015	For Year Ending 2014	For Year Ending 2013
Revenue				
Charges for Services and Sales	1,595,441	1,523,620	1,660,104	1,478,693
Fines and Forfeits	400,000	502,885	463,645	362,011
Miscellaneous	-	-	-	
Taxes	177,438	186,863	131,216	155,610
Total Revenue	2,172,879	2,213,368	2,254,966	1,996,313
Expenditures				
Contractual Services	879,861	672,037	814,639	740,083
Fringes	194,411	144,804	212,783	201,018
Materials / Other	331,839	238,558	352,049	154,517
Personnel Services	767,128	604,386	781,591	739,776
Total Expenditures	2,173,239	1,659,784	2,161,062	1,835,395
Excess of Revenues Over (Under) Expenditures	(360)	553,583	93,903	160,918
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	(360)	553,583	93,903	160,918
Significant Balance Sheet Items:				
Cash Balance		1,662,819	977,648	1,073,701
Fund Balance		1,649,110	1,095,527	1,001,623

City of Minneapolis
NCR Special Revenue Fund: 01800
For the 4th Quarter Ended Dec 31, 2015

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

$6.2 million has been transferred from the Consolidated Redevelopment Tax Increment Financing District Fund to the NCR Special Revenue Fund in FY 2015.

Expenditures

$5.3 million of expenditures occurred from this fund for the community engagement and neighborhood based activities within the city in FY 2015.

Fund/Cash Balance

The Cash balance at year-end 2015 is $4.1 million compared to $3.1 million at year-end 2014.
The Fund balance at year-end 2015 is $3.9 million compared to $3.0 million at year-end 2014.

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

	Budget Year 2015	Actual Year 2015	Actual Year 2014	Actual Year 2013
Revenue				
Special Assessments				
Loan Recapture			2,175	-
Other			3,400	18,814
Total Revenue	-		5,575	18,814
Expenditures				
Neighborhood Community Relations	6,225,384	5,351,616	3,138,045	1,517,155
Total Expenditures	6,225,384	5,351,616	3,138,045	1,517,155
Excess of Revenues Over (Under) Expenditures	(6,225,384)	(5,351,616)	(3,132,470)	(1,498,341)
Other Financing Sources (Uses)				
Net transfers in from other funds	6,225,384	6,225,384	5,520,516	1,200,000
Net transfers out to other funds				-
Total Other Financing Sources (Uses)	6,225,384	6,225,384	5,520,516	1,200,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	873,768	2,388,046	(298,341)
Significant Balance Sheet Items:				
Cash Balance		4,105,282	3,064,234	680,738
Fund Balance		3,910,480	3,036,712	648,666

2/1/2016

City of Minneapolis
Regulatory Services Special Revenue Fund
For the Fourth Quarter Ending December 31, 2015

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

Historical Financial Performance

The City established this fund in 2008, and through 2013, it accumulated a fund balance of $5.5 million. This balance is the result of various initiatives in previous years and the availability of grant funds to pay for certain eligible expenses. Both of these revenue sources are not projected to continue, leaving special assessments and direct property owner charges as the only sources of revenue for this fund.

Revenues

Revenues for the Regulatory Services Special Revenue Fund had been declining since 2011, but rebounded in 2015. The increase in revenue is due to an increase in Special Assessment revenues. The increase is due to an improved economy and housing market, resulting in a greater proportion of assessments being paid. The total revenue budgeted for 2015 is $ 3.8 million; $3.7 million of this is from special assessments. Through the 4th quarter of 2015, $ 4.17 million in revenue had been received compared to $3.4 million through December of 2014. Year-end figures show that recognized revenue is $345,000 over budget, resulting in an 18% increase from the previous year. Revenue in future years had been projected to decline by 5 to 10% annually. However with a continued strong housing market, assessment collections should continue to be strong. That will be mitigated by an anticipated reduction in citations written resulting in a smaller than anticipated decline in revenue.

Expenditures

Expenditures for the Regulatory Services Special Revenue Fund include services such as demolitions, board-ups, nuisance grass cutting, nuisance tree removals, and nuisance rubbish removal. Through the 4th quarter of 2015, $ 4.7 million had been expended, which is roughly $858,000 more than in 2014. The 2015 year end expenditures are approximately $ 628,000 under budget, due to savings realized by not performing demolitions that were budgeted for but were determined to not be necessary.

Fund Balance

Based on the 2015 actual figures, the Fund Balance at year end is $ 4.5 million, a $539,415 decrease from 2014 year end. Considering revenue projections and some new initiatives going forward, the Fund Balance is expected to continue to decline in future years. It should be noted however, that Fund Balance did not decline as much as was anticipated ($539,415 decline versus an expected decrease of $1,512,988). Recognized revenues were greater than budgeted and there was a reduction in expenses (from budgeted figures), resulting in a lower than expected decrease in Fund Balance.

City of Minneapolis
Regulatory Services Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For 4th Quarter/Years 2015, 2014, and 2013

	Budget Year 2015	For Year Ending 2015	For Year Ending 2014	For Year Ending 2013
Revenue				
Permits and Charges for Services	97,000	267,419	334,698	328,497
Special Assessments	3,719,000	3,850,181	3,044,421	3,570,577
Other	5,000	48,559	34,789	6,992
Total Revenue	3,821,000	4,166,159	3,413,908	3,906,066
Expenditures				
Regulatory Services	5,033,988	4,432,875	3,579,206	3,373,538
Community & Economic Development	300,000	272,699	268,083	268,835
Total Expenditures	5,333,988	4,705,574	3,847,289	3,642,373
Excess of Revenues Over (Under) Expenditures	(1,512,988)	(539,415)	(433,380)	263,693
Other Financing Sources (Uses)				
Net transfers in from other funds		-	-	-
Net transfers out to other funds		-	-	(168)
Total Other Financing Sources (Uses)		-	-	(168)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,512,988)	(539,415)	(433,380)	263,525
Significant Balance Sheet Items:				
Cash Balance		4,531,834	5,135,177	5,494,985
Fund Balance	3,524,537	4,498,110	5,037,525	5,470,905

SPECIAL REVENUE FUNDS
Federal, CDBG, and Other State and Local Grants
Year Ending December 31, 2015

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

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

Federal Grants Fund (01300)

The City accounts for its federal grant activity in fund 01300. As of December 31, 2015 expenditures were $14,660,586 compared to the 2014 expenditures of $15,131,089. The expenditure levels are fairly consistent between 2015 and 2014 unlike prior years that were impacted by remaining Recovery grants winding down.

HUD Consolidated Plan Funds (01400 & 01500)

The Community Development Block Grant (CDBG) is the City's largest single grant and is accounted for in fund 01400 along with three other Housing and Urban Development (HUD) Programs. The programs are the Emergency Solutions Grant Program (ESG), HOME Investment Partnerships Program, and Housing Opportunities for Persons with AIDS (HOPWA). The HOME program is accounted for in fund 01500 and the combined amounts are presented in the schedule. The HUD Consolidated Plan program year is from June 1 to May 31. The CDBG awards have declined until 2012. Beginning June 1, 2012 the award was $3.1 million less than the prior year. Since that time the allocation has remained around $10 million. HUD grant expenditures as of December 31 were $20,754,357 compared to $14,301,543 for 2014. The higher expenditures in 2015 are primarily due to an increase in Affordable Housing Trust Fund and other housing project activities in both the HOME and CDBG grants.

In 1990, the Council committed $7,791,856 of CDBG funds for the redevelopment of Block E. As this commitment was not offset with reductions in other CDBG funded projects, the City over-committed its CDBG Allocation. The City has been able to remain within its cumulative allocation because it continues to receive CDBG funding each year. However, should the CDBG funding cease, the over-commitment of funds will become apparent and other sources will be required to cover the funding shortfall. The City has previously reprogrammed unspent CDBG project balances to offset the Block E deficit. Since November 2001, the City Council approved the reprogramming of $1,624,299. Since 2008, in accordance with the reprogramming policy, an additional $1,930,104 has been reprogrammed resulting in a current deficit balance of $4,237,453. During the 2014 budget process, eligible tax increment revenues were identified to pay down this remaining deficit in 2015 and future years.

Grants Other Fund (01600)

The fund is used to account for non-federal grants and other restricted revenue sources. The expenditures as of December 31, 2015 are $23,056,755 compared to the 2014 expenditures of $20,824,326. The revenue in the fund as of December 31, 2015 and 2014 is $23,680,121 and $21,135,693, respectively. The revenue in 2015 is higher primarily as a result of an increase in private grants and intergovernmental revenues from 2014. In 2015, the City received a three year $2.7 million 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. In 2015 $371,130 was recognized as revenue related to this initiative. Grants from the Metropolitan Council increased approximately $3.5 million for Community Planning and Economic Development for environmental clean-up and site development.

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
Year Ending December 31, 2015

	Federal Grants 01300	HUD Grants 01400 & 01500	Grants Other 01600	Total
Assets				
Cash and Cash Equivalents	$ 71,284	$ 457,231	$ 1,421,929	$ 1,950,444
Accounts - net	11,417	1,022,715	103,404	1,137,536
Special Assessments Receivable		14,112	1,590	15,702
Intergovernmental Receivables	4,018,977	227,446	2,722,058	6,968,481
Loans Receivable		21,225,306		21,225,306
Prepaid Items				-
Due from Other Funds			2,500,000	2,500,000
Deposits with Fiscal Agents				-
Properties Held for Resale	1,251,040	6,370,920	1,199,750	8,821,710
Total Assets	**$ 5,352,718**	**$ 29,317,730**	**$ 7,948,731**	**$ 42,619,179**
Liabilities				
Salaries Payable	$ 57,963	$ 90,851	$ 75,416	$ 224,230
Accounts Payable	1,118,357	716,541	1,250,885	3,085,783
Inter Governmental Payables	14,063		(135)	13,928
Due to Other Funds	1,600,000	900,000		2,500,000
Use Taxes Payable				-
Unclaimed Property				-
Deposits Held for Others				-
Deferred Revenue and Contracts	1,211,295	21,225,306	3,113,925	25,550,526
Deferred Special Assessments		14,112	1,590	15,702
Total Liabilites	$ 4,001,678	$ 22,946,810	$ 4,441,681	$ 31,390,169
Fund Balance	$ 1,351,040	$ 6,370,920	$ 3,507,050	$ 11,229,010
Total Liabilities and Fund Balance	**$ 5,352,718**	**$ 29,317,730**	**$ 7,948,731**	**$ 42,619,179**
Revenue				
Taxes-Charitable Gambling			$ 114,895	$ 114,895
Grants and Shared Revenues	$ 14,200,012	$ 18,273,108	21,453,188	53,926,308
Loan Origination Fees		5,300		5,300
Special Assessments		1,130		1,130
Private Contributions			1,167,827	1,167,827
Charges for Services	47,064	30,340	940,629	1,018,033
Licenses & Permits				-
Fines and forfeits				-
Interest		347,832	1,795	349,627
Rent & Commisions		10,081		10,081
Sale of Lands & Buildings	76,212	1,383,705		1,459,917
Loan Recapture	336,516	1,069,878		1,406,394
Sale of Equipment				-
Refund of Prior Years Expended				-
Miscellaneous Revenue	35,118	10,084	1,787	46,989
Transfer within Special Revenue Fund				-
Total Revenue	**$ 14,694,922**	**$ 21,131,458**	**$ 23,680,121**	**$ 59,506,501**
Expenditures	**$ 14,660,586**	**$ 20,754,357**	**$ 23,056,755**	**$ 58,471,698**
Revenues Over (Under) Expenditures	**$ 34,336**	**$ 377,101**	**$ 623,366**	**$ 1,034,803**

CDBG Program Year 41
Beginning June 1, 2015
December 31, 2015

Project	Adopted Budget 2014R-519	Adjustment Amount Council	Final HUD Allocation Council	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2015 Current Expenditures	2015 Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:											
Lead Reduction	$ 61,000	$ (1,500)	$ 59,500	$ -	$ -	$ -	$ -	$ 59,500	$ 1,149	$ 1,149	$ 58,352
Adult Training, Placement and Retention	1,247,500	(31,900)	1,215,600	-	-	-	-	1,215,600	529,623	529,623	685,977
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	37,189	37,189	82,711
Multi-Family/Affordable Housing	3,277,540	(83,700)	3,193,840	-	-	-	-	3,193,840	-	-	3,193,840
Owner Occupied Rehab	-	-	-	-	-	-	-	-	-	-	-
Vacant & Boarded Housing	1,753,000	(44,800)	1,708,200	-	-	-	-	1,708,200	-	-	1,708,200
Subtotal Capital Grants	$ 7,041,040	$ (179,800)	$ 6,861,240	$ -	$ -	$ -	$ -	$ 6,861,240	$ 567,961	$ 567,961	$ 6,293,279
Public Service Grants:											
Community Crime Prevention Specialists	$ 897,000	$ (22,900)	$ 874,100	$ -	$ -	$ -	$ -	$ 874,100	$ 500,303	$ 500,303	$ 373,797
Domestic Abuse Project	75,000	(1,900)	73,100	-	-	-	-	73,100	13,131	13,131	59,969
Juvenile Supervisor Center	100,000	-	100,000	-	-	-	-	100,000	75,375	75,375	24,625
Way to Grow	212,000	(5,400)	206,600	-	-	-	-	206,600	131,473	131,473	75,127
Youth Employment & Training	253,000	(5,697)	247,303	-	-	-	-	247,303	247,303	247,303	-
Subtotal Public Service Grants	$ 1,537,000	$ (35,897)	$ 1,501,103	$ -	$ -	$ -	$ -	$ 1,501,103	$ 967,585	$ 967,585	$ 533,518
Administrative Grants:											
YCB Administration	$ 64,803	$ -	$ 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	42,997	42,997	42,803
Grants & Special Projects	175,000	(4,700)	170,300	-	-	-	-	170,300		-	170,300
Housing Discrimination Law Project-Legal Aid	40,100	(1,100)	39,000	-	-	-	-	39,000	13,000	13,000	26,000
Access & Outreach (Multicultural Affairs)	102,000	(2,600)	99,400	-	-	-	-	99,400	43,529	43,529	55,871
Grant Administration	62,000	(1,600)	60,400	-	-	-	-	60,400	688	688	59,712
Legal Aid Mid-Minnesota	24,700	(700)	24,000	-	-	-	-	24,000	10,000	10,000	14,000
Way to Grow Administration	15,000	(400)	14,600	-	-	-	-	14,600	5,929	5,929	8,671
YCB Youth Violence Prevention	158,000	(4,000)	154,000	-	-	-	-	154,000	38,385	38,385	115,615
CDBG Planning Admin	899,807	(23,000)	876,807	-	-	-	-	876,807	462,106	462,106	414,701
Subtotal Administrative Grants	$ 2,144,510	$ (54,000)	$ 2,090,510	$ -	$ -	$ -	$ -	$ 2,090,510	$ 681,436	$ 681,436	$ 1,409,074
			$ -					$ -	$ -		$ -
	-	-	-	-	-	-	-	-	-	-	-
Subtotal Reprogrammed	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
GRAND TOTAL	$ 10,722,550	$ (269,697)	$ 10,452,853	$ -	$ -	$ -	$ -	$ 10,452,853	$ 2,216,982	$ 2,216,982	$ 8,235,871

CDBG Program Year 40
Beginning June 1, 2014
December 31, 2015

Project	Adopted Budget 2013R-572	Adjustment Amount Council 5/9/14	Final HUD Allocation Council 5/9/14	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2015 Current Expenditures	2015 Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:											
Lead Reduction	$ 52,300	$ 8,700	$ 61,000	$ -	$ -	$ -	$ -	$ 61,000	$ 35,280	$ 35,280	$ 25,720
Adult Training, Placement and Retention	1,247,500	-	1,247,500	-	-	-	-	1,247,500	804,649	904,349	343,151
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	75,703	123,000	-
Multi-Family/Affordable Housing	2,467,000	810,540	3,277,540	-	-	-	-	3,277,540	51,268	51,268	3,226,272
Owner Occupied Rehab	-	-	-	1,115,000	-	-	-	1,115,000	334,265	334,265	780,735
Vacant & Boarded Housing	1,433,400	319,600	1,753,000	856,000	-	-	-	2,609,000	2,038,934	2,413,067	195,933
Subtotal Capital Grants	$ 5,815,300	$ 1,225,740	$ 7,041,040	$ 1,971,000	$ -	$ -	$ -	$ 9,012,040	$ 3,340,098	$ 3,861,229	$ 5,150,811
Public Service Grants:											
Community Crime Prevention Specialists	$ 746,300	$ 150,700	$ 897,000	$ -	$ -	$ -	$ -	$ 897,000	$ 378,121	$ 897,000	$ -
Domestic Abuse Project	50,000	25,000	75,000	-	-	-	-	75,000	75,000	75,000	-
Juvenile Supervisor Center	100,000	-	100,000	-	-	-	-	100,000	1,334	94,334	5,666
Way to Grow	155,000	57,000	212,000	-	-	-	-	212,000	156,733	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	$ 611,188	$ 1,531,334	$ 5,666
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	44,855	44,855	290,145
Finance Administration	165,300	14,700	180,000	-	-	-	-	180,000	-	-	180,000
Problem Properties Board Bldg	88,100	-	88,100	-	-	-	-	88,100	53,313	88,100	-
Grants & Special Projects	160,100	14,900	175,000	-	-	-	-	175,000	67,738	68,455	106,545
Housing Discrimination Law Project-Legal Aid	40,100	-	40,100	-	-	-	-	40,100	26,733	40,100	-
Access & Outreach (Multicultural Affairs)	102,000	-	102,000	-	-	-	-	102,000	102,000	102,000	0
Grant Administration	57,000	5,000	62,000	-	-	-	-	62,000	61,044	61,044	956
Legal Aid Mid-Minnesota	24,700	-	24,700	-	-	-	-	24,700	12,350	24,700	-
Way to Grow Administration	14,000	1,000	15,000	-	-	-	-	15,000	10,593	15,000	-
YCB Youth Violence Prevention	145,000	13,000	158,000	-	-	-	-	158,000	146,913	168,293	(10,293)
CDBG Planning Admin	836,500	63,307	899,807	147,000	-	-	-	1,046,807	621,700	1,046,807	-
Subtotal Administrative Grants	$ 2,006,400	$ 138,110	$ 2,144,510	$ 147,000	$ -	$ -	$ -	$ 2,291,510	$ 1,147,240	$ 1,724,157	$ 567,353
			$ -					$ -	$ -		$ -
	-	-	-	-	-	-	-	-	-	-	-
Subtotal Reprogrammed	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
GRAND TOTAL	$ 9,082,000	$ 1,640,550	$ 10,722,550	$ 2,118,000	$ -	$ -	$ -	$ 12,840,550	$ 5,098,526	$ 7,116,721	$ 5,723,829

CDBG Program Year 39
Beginning June 1, 2013
December 31, 2015

Project	Adopted Budget 2012R-654	Adjustment Amount Final HUD	Amended Budget	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2015 Current Year Expenditures	2015 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	61,500	-
Adult Training, Placement and Retention	1,467,600	237,898	1,705,498	-	-	-	-	1,705,498	-	1,705,498	-
High density corridor housing	578,769	-	578,769	-	-	-	-	578,769	-	-	578,769
NEDF/CEDF (Great Streets)	10,726	-	10,726	-	-	-	-	10,726	-	10,726	-
Multi-Family/Affordable Housing	2,966,776	-	2,966,776	-	-	-	-	2,966,776	1,931,333	2,201,581	765,195
Vacant & Boarded Housing	1,753,430	-	1,753,430	-	-	-	-	1,753,430	(49,389)	1,753,430	-
Subtotal Capital Grants	$ 6,942,501	$ 237,898	$ 7,180,399	$ -	$ -	$ -	$ -	$ 7,180,399	$ 1,943,444	$ 5,836,435	$ 1,343,964
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	7,750	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	$ 7,750	$ 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	221,605	365,000	-
Finance Administration	194,400	1,600	196,000	-	-	-	-	196,000	153,062	164,578	31,422
Grants & Special Projects	188,400	1,600	190,000	-	-	-	-	190,000	76,253	190,174	(174)
Housing Discrimination Law Project-Legal Aid	47,229	6,771	54,000	-	-	-	-	54,000	-	54,000	-
Access & Outreach (Multicultural Affairs)	120,000	-	120,000	-	-	-	-	120,000	22,833	120,000	-
Grant Administration	67,400	-	67,400	-	-	-	-	67,400	14,835	67,400	-
Legal Aid Mid-Minnesota	29,060	4,940	34,000	-	-	-	-	34,000	-	34,000	-
Neighborhood Services	71,400	-	71,400	-	-	-	-	71,400	-	71,400	-
Way to Grow Administration	15,900	1,600	17,500	-	-	-	-	17,500	-	17,500	-
YCB Youth Violence Prevention	100,200	10,500	110,700	-	-	-	-	110,700	-	110,700	-
CDBG Planning Admin	984,060	53,293	1,037,353	-	-	-	-	1,037,353	-	1,037,353	-
Subtotal Administrative Grants	$ 2,245,349	$ 84,004	$ 2,329,353	$ -	$ -	$ -	$ (1,197)	$ 2,328,156	$ 488,589	$ 2,296,908	$ 31,248
G4123YCBA39-YCB Administration			$ -				$ 1,197	$ 1,197	$ -		$ 1,197
	-	-	-	-	-	-	-	-	-	-	-
Subtotal Reprogrammed	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,197	$ 1,197	$ -	$ -	$ 1,197
GRAND TOTAL	$ 10,667,450	$ 379,317	$ 11,046,767	$ -	$ -	$ -	$ -	$ 11,046,767	$ 2,439,783	$ 9,670,358	$ 1,376,409

CDBG Program Year 38
Beginning June 1, 2012
December 31, 2015

Project	Adopted Budget 2011R-659	Reduction Amount Final HUD	Amended Budget	Department Actions	Reprogrammed Amounts	Revised Budget	2015 Current Year Expenditures	2015 Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:									
Lead Reduction	$ 62,000	$ (500)	$ 61,500	$ -	$ -	$ 61,500	$ 48,217	$ 61,500	$ -
Problem Properties Board Bldg	104,600	(900)	103,700	-	-	103,700	-	103,700	-
Adult Training, Placement and Retention	1,480,000	(12,400)	1,467,600	137,800		1,605,400	137,800	1,605,400	-
High density corridor housing	583,669	(4,900)	578,769	-		578,769	117,804	117,804	460,965
Commercial Property Investment	139,000	(1,200)	137,800	(137,800)		-	-	-	-
NEDF/CEDF (Great Streets)	41,000	(300)	40,700	-	-	40,700	-	40,700	-
Multi-Family/Affordable Housing	2,991,876	(25,100)	2,966,776	-	-	2,966,776	681,686	2,966,776	-
Vacant & Boarded Housing	1,599,056	(13,400)	1,585,656	-	-	1,585,656	-	1,585,656	-
Subtotal Capital Grants	$ 7,001,201	$ (58,700)	$ 6,942,501	$ -	$ -	$ 6,942,501	$ 985,506	$ 6,481,536	$ 460,965
Public Service Grants:									
Community Crime Prevention Specialists	$ 884,000	$ (7,400)	$ 876,600	$ -	$ -	$ 876,600	$ -	$ 876,600	$ -
Domestic Abuse Project	60,000	(500)	59,500	-	-	59,500	-	59,500	-
Juvenile Supervisor Center	100,000	-	100,000	-	-	100,000	-	100,000	-
Way to Grow	195,000	(2,400)	192,600	-	-	192,600	-	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	195,733	(1,333)
Grants & Special Projects	190,000	(1,600)	188,400	-	-	188,400	-	188,400	-
Housing Discrimination Law Project-Legal Aid	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	$ 2,246,085	$ (1,333)
G4123YCBA38-YCB Administration	$ -	$ -	$ -	$ -	$ 597	$ 597	$ -	$ -	$ 597
	-	-	-	-	-	-	-	-	-
Subtotal Reprogrammed	$ -	$ -	$ -	$ -	$ 597	$ 597	$ -	$ -	$ 597
GRAND TOTAL	$ 10,757,561	$ (90,111)	$ 10,667,450	$ -	$ -	$ 10,667,450	$ 986,839	$ 10,207,220	$ 460,230

CDBG Program Year 37
Beginning June 1, 2011
December 31, 2015

Project	Adopted Budget 2010R-598	Reduction Amount 2011R-301	Amended Budget 2011R-301	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2015 Current Year Expenditures	2015 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	36,449	99,943	-
Problem Properties Board Bldg	348,000	(186,823)	161,177	-	-	-	-	161,177	-	161,177	-
Adult Training, Placement and Retention	1,255,000	(141,570)	1,113,430	-	-	-	-	1,113,430	-	1,113,430	-
High density corridor housing	730,000	(146,331)	583,669	-	-	-	-	583,669	279,779	583,669	-
NonProfit MF Rental Development Assistance	166,000	(33,275)	132,725	-	-	(38,727)	-	93,998	-	-	93,998
NEDF/CEDF (Great Streets)	1,127,000	(225,912)	901,088	-	-	-	-	901,088	-	-	901,088
Homeownership Program (GMMHC)	34,000	(6,815)	27,185	-	-	-	-	27,185	-	-	27,185
Multi-Family/Affordable Housing	3,411,189	(683,786)	2,727,403	-	-	38,727	-	2,766,130	-	2,727,403	38,727
Vacant & Boarded Housing	1,782,000	(357,209)	1,424,791	-	-	-	-	1,424,791	-	1,424,791	-
Subtotal Capital Grants	$ 9,763,189	$ (1,935,019)	$ 7,828,170	$ -	$ -	$ -	$ -	$ 7,828,170	$ 316,229	$ 6,767,172	$ 1,060,998
Public Service Grants:											
Restorative Justice Programs	$ 20,000	$ -	$ 20,000	$ -	$ -	$ -	$ -	$ 20,000	$ -	$ 20,000	$ -
Community Crime Prevention Specialists	934,386	(50,000)	884,386	-	-	-	-	884,386	-	884,386	-
Access & Outreach (Multicultural Affairs)	121,000	-	121,000	-	-	-	-	121,000	-	121,000	-
PHAC: Living at Home Block Nurse Program DHFS	75,000	-	75,000	-	-	(75,000)	-	-	-	-	-
Curfew/Truancy Center	100,000	-	100,000	-	-	-	-	100,000	-	100,000	-
Domestic Abuse Project	75,000		75,000	-	-	-	-	75,000	-	75,000	-
	250,000	*(259,563)*	*(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 & Pregnancy Program	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)	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	$ -	$ -	$ 0	$ -	$ 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)	195,972	28
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-Legal Aid	54,000	-	54,000	-	-	-	-	54,000	-	54,000	-
Homeless Initiative	77,000	-	77,000	-	-	-	-	77,000	-	77,000	-
Grant Administration	68,000	-	68,000	-	-	-	-	68,000	-	68,000	-
Neighborhood Services	72,000	-	72,000	-	-	-	-	72,000	-	72,000	-
Way to Grow Administration	26,000	-	26,000	-	-	-	-	26,000	-	26,000	-
YCB Youth Violence Prevention	121,000	(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)	991,498	-	-	-	-	991,498	-	991,498	-
Subtotal Administrative Grants	$ 2,511,000	$ (102,502)	$ 2,408,498	$ -	$ -	$ -	$ (1,197)	$ 2,407,301	$ (28)	$ 2,407,273	$ 28
G4123YCBA37-YCB Administration	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,197	$ 1,197	$ -	$ -	$ 1,197
	-	-	-	-	-	-	-	-	-	-	-
Subtotal Reprogrammed	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,197	$ 1,197	$ -	$ -	$ 1,197
GRAND TOTAL	$ 14,439,575	$ (2,397,084)	$ 12,042,491	$ -	$ -	$ 0	$ -	$ 12,042,491	$ 316,200	$ 10,980,268	$ 1,062,223

CDBG Program Year 36
Beginning June 1, 2010
December 31, 2015

Project	Adopted Budget 2009R-586	Reduction Amount	Amended Budget	Department Actions	Reprogrammed Amounts	Revised Budget	2015 Current Year Expenditures	2015 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	47	730,000	-
NonProfit MF Rental Development Assistance	166,000		166,000	(99,000)	-	67,000	30,000	30,000	37,000
NEDF/CEDF	1,500,000		1,500,000	-	-	1,500,000	124,143	478,920	1,021,080
Homeownership Program (GMMHC)	334,000		334,000	-	-	334,000	24,803	209,437	124,563
Multi-Family/Affordable Housing	3,703,000	308,189	4,011,189	99,000	-	4,110,189	-	4,011,189	99,000
Vacant & Boarded Housing	782,000		782,000	-	-	782,000	-	782,000	-
Subtotal Capital Grants	$ 9,455,000	$ 308,189	$ 9,763,189	$ -	$ -	$ 9,763,189	$ 178,993	$ 8,481,546	$ 1,281,643
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 Volunteers	49,000		49,000	(5,237)	-	43,763	-	43,763	-
MPS Teenage Parenting & Pregnancy Program	49,000		49,000	(8,928)	-	40,072	-	40,072	-
MPS Teenage Parenting & Pregnancy Program	-		-	42,801	-	42,801	-	42,801	-
Minneapolis Urban League	49,000		49,000	(134)	-	48,866	-	48,866	-
Southside Community Health Ser	47,000		47,000	(15,772)	-	31,228	-	31,228	-
Way to Grow	262,000		262,000	-	-	262,000	-	262,000	-
Youth Employment & Training	328,000		328,000	-	-	328,000	-	328,000	-
Subtotal Public Service Grants	$ 2,111,000	$ 54,386	$ 2,165,386	$ -	$ -	$ 2,165,386	$ -	$ 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-Legal Aid	54,000		54,000	-	-	54,000	-	54,000	-
Homeless Initiative	77,000		77,000	-	-	77,000	-	77,000	-
Grant Administration	68,000		68,000	-	-	68,000	-	68,000	-
Neighborhood Services	72,000		72,000	-	-	72,000	-	72,000	-
Way to Grow Administration	26,000		26,000	-	-	26,000	-	26,000	-
YCB Youth Violence Prevention	121,000		121,000	-	-	121,000	-	121,000	-
Citizen Participation	233,000		233,000	-	(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 Grants	$ 2,511,000	$ -	$ 2,511,000	$ -	$ (141,343)	$ 2,369,657	$ -	$ 2,369,657	$ -
G4890CP36-Citizen Participation			$ -		$ 74,050	$ 74,050	$ -		$ 74,050
G4123YCBA36-YCB Administration	-	-	-	-	1,197	1,197	-	-	1,197
G4890CP36-Citizen Participation	-	-	-	-	66,095	66,095	-	-	66,095
Subtotal Reprogrammed	$ -	$ -	$ -	$ -	$ 141,343	$ 141,343	$ -	$ -	$ 141,343
GRAND TOTAL	$ 14,077,000	$ 362,575	$ 14,439,575	$ -	$ -	$ 14,439,575	$ 178,993	$ 13,016,590	$ 1,422,985

CDBG Program Year 35
Beginning June 1, 2009
December 31, 2015

Project	Adopted Budget	Reduction Amount	Amended Budget	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2015 Current Year Expenditures	2015 Grant to Date Expenditures	2015 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	50,762	64,425	160,575
Adult Training, Placement and Retention	511,000		511,000	-	-	-	-	511,000	-	511,000	-
High density corridor housing	730,000		730,000	-	-	-	-	730,000	81,246	730,000	-
NonProfit MF Rental Development Assistance	166,000		166,000	-	-	(12,273)	-	153,727	30,000	143,727	10,000
Homeownership Program (GMMHC)	334,000		334,000	1,472,000	-	-	-	1,806,000	832,751	1,805,195	805
Multi-Family/Affordable Housing	5,715,000		5,715,000	2,014,000	-	12,273	-	7,741,273	-	7,729,000	12,273
Vacant & Boarded Housing	569,000		569,000	500,000	-	-	-	1,069,000	-	1,069,000	-
Subtotal Capital Grants	$ 9,033,000	$ -	$ 9,033,000	$ 3,986,000	$ -	$ -	$ -	$ 13,019,000	$ 994,759	$ 12,835,347	$ 183,653
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)	66,473	-	66,473	-
Living at Home Block Nurse Program	69,000		69,000	-	-	20,000	-	89,000	-	89,000	-
Catholic Charities	69,000		69,000	-	-	(3,562)	-	65,438	-	65,438	-
Centro Cultural Chicano Inc	47,000		47,000	-	-	-	-	47,000	-	47,000	-
Greater Minneapolis Council of Churches	36,000		36,000	-	-	(23,518)	-	12,482	-	12,482	-
Juvenile Supervision Center	100,000		100,000	-	-	-	-	100,000	-	100,000	-
Lao Family Community	69,000		69,000	-	-	(22,815)	-	46,185	-	46,185	-
Minnesota International Health Volunteers	69,000		69,000	-	-	(2,180)	-	66,820	-	66,820	-
MPS Teenage Parenting & Pregnancy Program	69,000		69,000	-	-	16,075	-	85,075	-	85,075	-
Minneapolis Urban League	69,000		69,000	-	-	16,000	-	85,000	-	85,000	-
Southside Community Health Services	66,000		66,000	-	-	-	-	66,000	-	66,000	-
Way to Grow	262,000		262,000	-	-	-	-	262,000	-	262,000	-
Youth are Here Busses	51,000		51,000	-	-	-	(51,000)	-	-	-	-
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)	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	$ -
G4607PWGR35-Graffiti Removal on Public Property	$ -	$ -	$ -	$ -	$ -	$ -	$ 19,527	$ 19,527	$ -	$ -	$ 19,527
G4123YCBA35-YCB Administration	-	-	-	-	-	-	1,197	1,197	-	-	1,197
G4860YAH35-Youth are Here Busses							51,000	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	$ 994,759	$ 17,137,332	$ 255,378

CDBG Program Year 34
Beginning June 1, 2008
December 31, 2015

Project	Adopted Budget	Reduction Amount	Amended Budget	Program Income	Council Actions	Department Actions	Reprogrammed Amounts	Revised Budget	2015 Current Year Expenditures	2015 Grant to Date Expenditures	2015 Remaining Grant Budget
Capital Grants:											
General Housing Rehabilitation-MPHA	$ 218,000		$ 218,000	$ -	$ -	$ -		$ 218,000	$ -	$ 218,000	$ -
Problem Properties Attorneys	38,300		38,300	-	-	-		38,300	-	38,300	-
Problem Properties Police	52,700		52,700	-	-	-		52,700	-	52,700	-
Lead Reduction	125,000		125,000	-	-	-		125,000	-	125,000	-
Problem Properties Board Bldg	348,000		348,000	-	-	-		348,000	-	348,000	-
Childcare Facilities Loan/Grant	224,000		224,000	-	-	-		224,000	89,128	226,997	(2,997)
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	534,741	1,655,522	12,478
Homeownership Program (GMMHC)	319,000		319,000	-	-	-		319,000	-	319,000	-
Industry Cluster Program (Living Wage Jobs)	65,100		65,100	-	-	-		65,100	-	65,100	-
Multi-Family/Affordable Housing	4,270,000		4,270,000	-	-	-		4,270,000	-	4,270,000	-
Vacant & Boarded Housing	569,000		569,000	-	-	-		569,000	-	569,000	-
Subtotal Capital Grants	$ 9,021,100	$ -	$ 9,021,100	$ 1,150,000	$ -	$ -	$ -	$ 10,171,100	$ 623,869	$ 10,161,619	$ 9,481
Public Service Grants:											
Multi Cultural & Native American Indian	$ 119,000		$ 119,000	$ -	$ -	$ -		$ 119,000	$ -	$ 119,000	$ -
Graffiti Removal on Public Property	86,200		86,200	-	-	-		86,200	-	86,200	-
Advocacy (Housing)	82,300		82,300	-	-	-		82,300	-	82,300	-
Asian Media Access	26,800		26,800	-	-	-		26,800	-	26,800	-
Living at Home Block Nurse Program	64,100		64,100	-	-	-		64,100	-	64,100	-
Child Dental Services	10,500		10,500	-	-	-		10,500	-	10,500	-
Curfew/Truancy Center	98,000		98,000	-	-	-		98,000	-	98,000	-
Domestic Abuse Project	34,500		34,500	-	-	(34,500)		-	-	-	-
Resource Inc, Employment Action Center	44,000		44,000	-	-	-	(6,000)	38,000	-	38,000	-
Fremont Community Health Services	44,000		44,000	-	-	-		44,000	-	44,000	-
Greater Minneapolis Council of Churches	44,000		44,000	-	-	-		44,000	-	44,000	-
Lao Assistance Center of MN	48,800		48,800	-	-	-		48,800	-	48,800	-
MITZGI Communications	42,100		42,100	-	-	-		42,100	-	42,100	-
MPS Teenage Parenting & Pregnancy Program	65,100		65,100	-	-	-		65,100	-	65,100	-
Minneapolis Urban League	64,100		64,100	-	-	-		64,100	-	64,100	-
St Marys Health Clinics	18,200		18,200	-	-	-		18,200	-	18,200	-
St Stephens Human Services	44,000		44,000	-	-	-		44,000	-	44,000	-
Southside Family Nurturing Center	44,000		44,000	-	-	-	(20,727)	23,273	-	23,273	-
348TOTS	-		-	-	-	34,500		34,500	-	34,500	-
Way to Grow	261,000		261,000	-	-	-	(1)	260,999	-	260,999	-
Youth are Here Busses	71,800		71,800	-	-	-	(71,800)	-	-	-	-
Mortgage Foreclosure Prevention Program	196,000		196,000	-	-	-		196,000	-	196,000	-
Youth Employment & Training	457,000		457,000	-	-	-		457,000	-	457,000	-
Subtotal Public Service Grants	$ 1,965,500	$ -	$ 1,965,500	$ -	$ -	$ -	$ (98,528)	$ 1,866,972	$ -	$ 1,866,972	$ -
Administrative Grants:											
MPH Citizen Participation	$ 68,000		$ 68,000	$ -	$ -	$ -	$ -	$ 68,000	$ -	$ 68,000	$ -
YCB Administration	65,000		65,000	-	-	-	(197)	64,803	-	64,803	-
Civil Rights Dept Fair Housing	196,000		196,000	-	-	-		196,000	-	196,000	-
Grants & Special Projects	235,000		235,000	-	-	-		235,000	-	235,000	-
Homeless Initiative	-		-	-	-	-		-	-	-	-
Housing Discrimination Law Project-Legal Aid	54,600		54,600	-	-	-		54,600	-	54,600	-
Finance Administration	196,000		196,000	-	-	-		196,000	-	196,000	-
Grant Administration	67,972		67,972	-	-	-		67,972	-	67,972	-
Legal Aid Society	33,500		33,500	-	-	-		33,500	-	33,500	-
Neighborhood Services	71,800		71,800	-	-	-		71,800	-	71,800	-
Way to Grow Administration	25,800		25,800	-	-	-		25,800	-	25,800	-
YCB Youth Violence Prevention	120,000		120,000	-	-	-		120,000	-	120,000	-
Citizen Participation	233,000		233,000	-	-	-		233,000	-	233,000	-
Program Admin	62,000		62,000	-	-	-		62,000	-	62,000	-
Planning - Administration	878,000		878,000	-	-	-		878,000	-	878,000	-
Subtotal Administrative Grants	$ 2,306,672	$ -	$ 2,306,672	$ -	$ -	$ -	$ (197)	$ 2,306,475	$ -	$ 2,306,475	$ -
G4860EAC34-Resource Inc, Employment Action Center			-				$ 6,000	$ 6,000		$ -	$ 6,000
G4860SSF34-Southside Family Nurturing Center			-				20,727	20,727		-	20,727
G4860WTG34-Way to Grow			-				1	1		-	1
G4123YCBA34-YCB Administration	-		-	-	-	-	197	197	-	-	197
G4860YAH34-Youth are Here Busses							71,800	71,800		-	71,800
								-			-
Subtotal Reprogrammed	$ -	$ -	$ -	$ -	$ -	$ -	$ 98,725	$ 98,725	$ -	$ -	$ 98,725
GRAND TOTAL	$ 13,293,272	$ -	$ 13,293,272	$ 1,150,000	$ -	$ -	$ -	$ 14,443,272	$ 623,869	$ 14,335,066	$ 108,206

City of Minneapolis
Community Planning & Economic Development (CPED)
Special Revenue Funds
For the Fourth Quarter Ending December 31, 2015

Programs	Original Budget	Current Budget	Expended	Bud vs Act	Cash	Fund Balance
Tax Increment Financing	43,168,963	52,949,343	53,482,596	(533,253)	99,901,576	125,074,639
Housing & Economic Develpmnt	1,846,199	5,576,580	2,343,749	3,232,831	9,548,580	13,365,071
Development Account	7,176,030	25,746,166	9,475,414	16,270,752	24,572,701	31,649,533
Neighborhood Revitalization	28,800	5,778,313	4,141,558	1,636,755	31,466,237	31,500,279
CPED Operating	1,780,854	1,780,854	1,332,650	448,204	184,905	(403,953)
Total	**$ 54,000,846**	**$ 91,831,256**	**$ 70,775,967**	**$ 21,055,289**	**$ 165,673,999**	**$ 201,185,569**

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

Fund Balance. The fund balance in the combined CPED Special Revenue Fund as of the fourth quarter 2015 is $201,185,569. A portion of that fund balance, the property held for development, is in a non-spendable form in the amount of $33,109,299. Fund balance in the NRP and TIF programs ($131,672,909) are restricted by State law. The remaining fund balance ($36,403,361) has been assigned for use in specific purposes. All special revenue funds are restricted to the legal purposes of the special revenue.

A comparison of the current year to 2014 indicates that the fund balance is lower in 2015 than 2014 by $2.6 million and the available cash is $1.6 million higher than in 2014. When the fourth quarter cash balances of the NRP and TIF programs are deducted, the remaining cash balance in 2015 is $2.4 million higher than 2014, which is driven by a $2.9 million increase of cash in the General Development program and the near elimination of $4.8 million in negative cash balances in the Preliminary Planning and CPED Operating funds, from 2014.

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

The primary source of revenue for this program is the property tax increment, which represents the

taxes generated from the new, incremental value of specific development. Generally this revenue is used to pay outstanding bonds and notes. Tax increment revenues of the program are segregated by district and are restricted in how they may be used under State law.
Cash held in tax increment funds in the fourth quarter 2015 was $150,000 less than cash held during that same period in 2014. Second half tax increment collections are received in the fourth quarter of each year. Second half collections in 2015 were $300,000 more than second half collections in 2014; while rent received through the fourth quarter 2015 was $2.4 million less than rent received during the same period in 2014. Expenditures increased from fourth quarter 2014 to 2015 by $12.2 million as a result of the prepayment of certain debt and the acquisition of property at Nicollet and Lake. It is projected that sufficient tax increment revenues will be available to pay future obligations. The revenues in this program are restricted in their use by State law.

Housing and Economic Development. Beginning in 2014, that portion of the Housing and Economic Development program activities previously funded through administrative fees generated by the City through the issuance of conduit debt, specifically housing revenue and industrial revenue bonds, are financed through the City's General Fund. Simultaneously, those administrative fees are deposited to the City's General Fund. This assures a continuing revenue source for the program without fluctuations due to economic conditions that impact the City's housing or business climate and further aligns the revenues with their appropriate accounting designations. The level of revenues and expenditures in this program has correspondingly reduced from the prior year. The Preliminary Planning fund which had previously been reported separately, is now included in this category of special revenue funds.

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

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

Revenues increased by $2.6 million over the prior year. This increase in revenues was attributable to various impacts, including loan repayments, land sales and rent collections. Expenditures increased by $1.8 million from the fourth quarter of 2014. Approximately $1.2 million of the increase in expenditures was for personnel and other operating costs.

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

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

Fourth quarter revenues generated from the receipt of loan repayments increased by $2.1 million and expenditures decreased by $890,000 from the prior year. The fourth quarter 2015 fund balance decreased $1.1 million from the same period in 2014.

CPED Operating. This program provides the working capital for CPED's administrative costs. The program also provides financing for projects not eligible for CPED's restrictive revenue sources. At the end of 2014, a deficit fund balance existed in the program in the amount of $(5.6 million). As of the fourth quarter 2015, that deficit has been reduced to ($404,000), a reduction of $5.2 million. The deficit between current revenues and current expenditures in fourth quarter 2014 was $(664,000) while during the same period in 2015 there was an increase of $280,000. While current revenues have decreased approximately $825,000, expenditures have been reduced by $1.8 million between fourth quarter 2014 and fourth quarter 2015. Any ongoing structural deficit is being addressed as discussed below by adjusting the General Fund appropriation.

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

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

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

CPED Special Revenue Fund	TIF	Housing & Econ Development	General Development	NRP	CPED Operating	Spec Rev Fund 2015 Total	Spec Rev Fund 2014 Total
Assets							
Cash	99,901,576	9,548,580	24,572,701	31,466,237	184,905	165,673,999	164,100,260
Misc receivables	847,953	42,978	275,107	70,628	656,797	1,893,463	1,386,290
Loans receivable	-	7,250,813	-	-	-	7,250,813	7,377,163
Advances to other funds	6,293,000	-	2,750,000	-	-	9,043,000	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	**131,648,836**	**20,847,463**	**31,800,006**	**31,832,567**	**841,702**	**216,970,574**	**220,346,362**
Liabilities							
Payables	66,274	4,604	139,130	310,361	633,483	1,153,852	1,189,115
Advances from other funds	6,293,000	-	-	-	-	6,293,000	7,538,000
Deferred inflow of resources	214,923	7,477,788	11,343	21,927	612,172	8,338,153	7,812,011
Total Liabilities	**6,574,197**	**7,482,392**	**150,473**	**332,288**	**1,245,655**	**15,785,005**	**16,539,126**
Total Fund Balance	**125,074,639**	**13,365,071**	**31,649,533**	**31,500,279**	**(403,953)**	**201,185,569**	**203,807,236**
Total Liabilities & FB	**131,648,836**	**20,847,463**	**31,800,006**	**31,832,567**	**841,702**	**216,970,574**	**220,346,362**
Revenue							
General property taxes	-	1,019,089	-	-	-	1,019,089	1,016,103
Property tax increment	43,409,832	-	-	-	-	43,409,832	42,286,248
Fees & charges for services	118,752	423,019	283,009	57,529	1,530,121	2,412,430	3,141,873
Interest revenue	504,764	36,693	132,553	181,942	80,140	936,092	1,032,021
Rent	1,446,928	1	1,588,363	-	575	3,035,867	4,123,242
Sale of land & buildings	50,587	156	2,911,241	4,812	-	2,966,796	169,706
Loan recapture	664,121	306,609	1,859,271	2,784,189	-	5,614,190	5,272,330
Total revenue	**46,194,984**	**1,785,567**	**6,774,437**	**3,028,472**	**1,610,836**	**59,394,296**	**57,041,523**
Expenditures							
Personal services	104,883	326,327	1,012,016	-	413	1,443,639	1,284,162
Contractual services	1,238,608	428,195	1,340,107	3,780,122	1,332,237	8,119,269	10,369,707
Other operating costs	434	75,086	971,385	49,900	-	1,096,805	1,075,560
Program capital outlay	27,297,940	1,099,055	1,503,341	311,536	-	30,211,872	18,905,054
Total expenditures	**28,641,865**	**1,928,663**	**4,826,849**	**4,141,558**	**1,332,650**	**40,871,585**	**31,634,483**
Transfers							
Transfers from other funds	2,422,865	891,500	2,257,139	-	3,188,500	8,760,004	10,404,217
Transfers to other funds	(24,840,731)	(415,086)	(4,648,565)	-	-	(29,904,382)	(37,666,579)
Total transfers	**(22,417,866)**	**476,414**	**(2,391,426)**	**-**	**3,188,500**	**(21,144,378)**	**(27,262,362)**
Change in fund balance	**(4,864,747)**	**333,318**	**(443,838)**	**(1,113,086)**	**3,466,686**	**(2,621,667)**	**(1,855,322)**
Beginning fund balance	129,939,386	13,031,753	32,093,371	32,613,365	(3,870,639)	203,807,236	205,662,558
Ending fund balance	**125,074,639**	**13,365,071**	**31,649,533**	**31,500,279**	**(403,953)**	**201,185,569**	**203,807,236**

City of Minneapolis
Engineering, Materials, and Testing
For the Fourth Quarter ending December 31, 2015

Fund 06000	2015 Budget	2015 Actual	2014 Actual	2013 Actual
Operating Revenue	1,781,126	1,539,105	1,297,117	1,865,267
Operating Expense	2,067,400	1,881,731	1,517,834	1,449,151
Operating Margin	(286,274)	(342,626)	(220,717)	416,116
Change in Net Position		(341,761)	(220,717)	412,458
Net Position		758,228	1,782,163	1,974,511
Cash Balance		1,552,947	1,935,522	2,125,050

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 fourth quarter 2015 is $1,539,105, or 86.4%, of the budgeted amount of $1,781,126. The 2015 revenue represents an increase of 18.7% over the fourth quarter 2014 revenue of $1,297,117. Revenue is dependent upon several factors such as weather as well as the timing of construction projects. This fund generates revenue from testing and inspection services provided by the Engineering Laboratory and the sale of concrete and asphalt from outside vendors to other City departments. A cost allocation model determines product costs to allow the fund to generate revenues that match operating expenses. The rates charged for inspection services 2015 are less than the rates charged for the same services in 2014. The Engineering Laboratory continually compares its rates with those of the private sector that provides comparable services. Historically, the Laboratory's hourly rate has been significantly lower than that of the private sector and generates adequate revenue to cover the fund's direct and indirect expenses.

Expense:
Operating expense through fourth quarter 2015 is $1,881,731, or 91.0% of the budgeted amount of $2,067,400. The 2015 expense reflects an increase of 24.0% over the 2014 expense of $1,517,834 incurred through the same period. Included in the 2015 budget is the purchase of two new vehicles through the Capital Asset Request System (CARS) at a cost of $49,000 and the purchase of a drill rig for $176,000. At year-end, $175,855 was expensed for the drill rig. The use of net position, or equity in the fund, provided the source of financing for this purchase. Professional service expense increased significantly in 2015 over the same period in 2014 due to an increase in construction projects and to drill rig services provided by an external contractor until a new drill rig was purchased.

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

Debt Service:
This fund does not have any debt obligations.

Cash and Net Position
The 2015 year-end cash balance is $1,552,947, a decrease of $0.4 million from the 2014 year-end balance of $1,935,522. The decrease in cash is due to a planned operating loss of $100,000 and the use of net position to fund the purchase of the drill rig at a cost of $175,855. 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 $277,000.

The 2015 year-end net position is $758,228 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 $(873,302) 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 decrease in rates charged for laboratory services and to the overhead applied to asphalt and concrete sales. These decreases began in 2013 and were adjusted again in 2014 and 2015. The financial policy for the net position for this fund determines that net position not be less than 15.0% of the annual operating budget or $277,000.

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

	Budget Year 2015	For Year Ending 2015	For Year Ending 2014	For Year Ending 2013
Operating Revenues:				
Asphalt / Concrete	400,000	295,777	290,153	484,086
Inspection revenue	1,381,126	1,243,328	1,006,964	1,381,181
Total Operating Revenues	1,781,126	1,539,105	1,297,117	1,865,267
Operating Expenses:				
Personnel	1,273,691	1,137,996	1,067,161	950,073
Contractual	465,055	481,753	369,913	397,066
Materials, Supplies, Services, Other[1]	311,439	245,493	67,662	88,914
Rent	17,215	16,488	13,098	13,098
Total Operating Expenses	2,067,400	1,881,731	1,517,834	1,449,151
Operating Margin	(286,274)	(342,626)	(220,717)	416,116
Non-Operating Revenues/(Expenses):				
Other revenue	-	865	-	20
Depreciation	-	-		(3,678)
Total Non-Operating Revenues(Expenses)	-	865	-	(3,658)
Operating Transfers In (Out):				
Net transfers in from other funds	-	-	-	-
Net Transfers out to other funds	-	-	-	-
Total Operating Transfers	-	-	-	-
Change in Net Position	(286,274)	(341,761)	(220,717)	412,458
Significant Balance Sheet Items				
Cash Balance		1,552,947	1,935,522	2,125,050
Net Position[2]		758,228	1,782,163	1,974,511

[1] Included in the Materials, Supplies, Services, Other expense is $175,855 for the purchase of a drill rig. Net position is the funding source for the drill rig.

[2] The Net Position at year-end 2015 includes an adjustment of $(873,302) 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 positon was not restated.

City of Minneapolis
Fleet Services Division
For the Fourth Quarter Ending December 31, 2015

Fund 06100	2015 Budget	2015 Actual	2014 Actual	2013 Actual
Operating Revenue	33,498,957	30,360,604	39,281,281	43,312,683
Operating Expense	22,609,025	19,890,672	25,818,202	34,198,858
Operating Margin	10,889,932	10,469,932	13,463,079	9,113,825
Change in Net Position		5,785,938	8,468,927	12,657,695
Net Position		61,695,193	59,822,207	50,061,874
Cash Balance		23,701,747	23,186,971	18,893,919

Program Description:
The Fleet Services Fund manages the acquisition, maintenance and disposal of 1800 units of equipment; primarily the City's fleet of vehicles, including police cars, fire trucks, snow plows, sedans and pickup trucks along with off road equipment. This fund provides technicians to maintain the equipment. Through the end of October 2013, the fund also provided the drivers and operators for the equipment that is used in construction and snow removal. Starting in November 2013, these employees were transitioned out of Fleet Services Fund and reallocated to various Public Works departments. In addition, the fund manages the field coordination of City-owned and contractual equipment and operators as well as the procurement and sale of fuel for these vehicles.

Revenue:
Operating revenue earned through fourth quarter 2015 is $30,360,604 or 90.6% of the budgeted amount of $33,498,957. The revenue earned through fourth quarter 2015 decreased by $8.5 million, or 22.7%, from the revenue earned through fourth quarter 2014. The primary reason for the decrease is the loss of revenue earned through the hourly (task) rental of vehicles. In 2015, these vehicles were transferred from the Fleet division to the PW divisions where they are utilized. The revenue earned through fourth quarter 2014 for task rental was $7,796,732. In addition, the drivers and operators of these vehicles were reassigned to other PW divisions in 2013 resulting in a loss of revenue earned for rental rates of personnel. In order to capture the revenue earned from the overheads applied to these services, the Fleet Services Division allocated charges to Public Works and other City departments that were assigned the vehicles. Revenue earned from these overhead charges through fourth quarter 2014 was $2,380,983 and overhead revenue earned through fourth quarter 2015 was $2,993,969. This loss of revenue from task unit and task labor rents is also offset by a decrease in the related expense as noted below.

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

Charges for service and sales decreased 9.1% from fourth quarter 2014 to fourth quarter 2015. The decrease is due to a decline in maintenance performed on vehicles including labor and parts. Maintenance on fleet vehicles fluctuates with usage and a driving factor is the annual snowfall. Snowfall and related plowing was significantly increased in 2014.

Expenses:
Operating expense through fourth quarter 2015 totaled $19,890,672, representing 88.0% of the annual budget of $22,609,025. Expenses through the fourth quarter of 2015 decreased $5.9 million or 23.0%, over the total expense through the same period in 2014. The primary reason for this decline is the assignment of Fleet vehicles to City departments in 2015 that were previously assigned to Fleet Services Division. When the vehicles were assigned to Fleet, one Fleet department would charge another for rental of vehicles, repairs, and fuel, creating internal charges (expense) from one department to the other. In 2015, these vehicles are assigned to City departments and these departments are charged directly for repairs, fuel, and rental fees for the units assigned. This change in process accounts largely for the decrease of $2.8 million of contractual expense from 2014 to 2015 and $2.6 million of Materials and Supplies expense. The amount expended on fuel purchases through fourth quarter 2015 declined $0.8 million, or 17.1%, from the amount expended through the same period in 2014. This decrease is related to the decline in vehicle usage in 2015. Personnel cost decreased by 5.4% from 2014 to 2015 through fourth quarter following the decrease in FTE from 78.0 to 75.0.

Transfers:
In 2015 this fund received a transfer in of $1,595,603 from the General Fund to fund vehicle purchases as part of the Capital Asset Request System (CARS). This transfer is intended to bridge the gap created by the purchase of new vehicles that, due to changes in technology or needs, are more expensive than the vehicles they are replacing. In addition, Fleet Services Division received a transfer of $316,216 from the Property Services Fund to assist with the payment of debt bonds related to the Currie Maintenance Facility.

Debt Service:
Principal payments related to the general obligation bonds sold to finance the upgrade of fleet vehicles and the new maintenance facility totaled $2,100,000 in 2015. Interest payments related to the 2015 debt were $343,971. After the 2015 payments, the remaining debt will be $1,953,600 for the equipment bonds and $12,598,350 for the facility bonds. The final payment occurs in 2018, at a total of $9,259,700.

Cash and Net Position:
The fund has maintained a positive cash balance with a fourth quarter 2015 ending balance of $23,701,747, an increase of $0.5 million from the 2014 fourth quarter ending balance of $23,186,971. Reserve policies for internal service funds determine that the minimum cash balance should be 15.0% of the fund's operating budget or $2,400,000. While cash reserves at the end of fourth quarter 2015 are significantly higher than the minimum target, there are no future scheduled transfers in to assist with the payment of the remaining principal and interest on debt totaling $14,551,950 after the 2015 payment.

The net position for year ending 2015 is $61,695,193, an increase of $1.9 million, or 3.1% over the 2014 ending balance of $59,822,207. The net position at year-end 2015 includes an adjustment of $(4,784,972) 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 $44,246,063 along with $17,449,130 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 $13,200,000.

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

	Budget Year 2015	For Year Ending 2015	For Year Ending 2014	For Year Ending 2013
Operating Revenues:				
Charges for Services and Sales	20,211,813	16,453,593	18,105,932	18,402,815
Rent Public Works and Other	13,287,144	13,907,011	21,175,349	24,909,868
Total Operating Revenue	33,498,957	30,360,604	39,281,281	43,312,683
Operating Expenses:				
Personnel Services	7,361,607	6,839,149	7,233,185	12,932,221
Contractual Services	4,851,646	5,050,607	7,859,404	9,385,741
Materials, supplies, services and other	9,574,136	7,179,276	9,801,016	10,913,325
Rent	821,636	821,640	924,597	967,571
Total Operating Expenses	22,609,025	19,890,672	25,818,202	34,198,858
Operating Margin	10,889,932	10,469,932	13,463,079	9,113,825
Non-Operating Revenues/(Expenses):				
Interest on Bonds	(460,350)	(343,971)	(345,090)	(595,507)
Gains/Losses on disposal of fixed assets	500,000	356,741	214,329	340,385
Other revenue	10,000	7,557	6,891	32,920
Depreciation	(6,270,000)	(6,616,141)	(6,158,862)	(6,150,969)
Total Non-Operating Revenues(Exp)	(6,220,350)	(6,595,813)	(6,282,732)	(6,373,171)
Operating Transfers in (out)				
Net transfer in from other funds	1,911,819	1,911,819	1,288,580	8,315,000
Net transfers out to other funds	-	-	-	-
Total Operating Transfers	1,911,819	1,911,819	1,288,580	8,315,000
Capital Contribution[1]	-	-	-	1,602,041
Change in Net Position	6,581,401	5,785,938	8,468,927	12,657,695
Significant Balance Sheet Items				
Cash Balance		23,701,747	23,186,971	18,893,919
Net Building Value		20,371,517	20,973,940	21,576,363
Net Fleet Value		31,273,631	28,764,885	26,050,280
Bonds Payable		(13,545,000)	(15,645,000)	(17,635,000)
Net Position[2]		61,695,193	59,822,207	50,061,873
Significant Cash Flow Items				
Principal on Equipment Bonds	(730,000)	(730,000)	(730,000)	(2,585,000)
Principal on Facilities Bonds	(1,370,000)	(1,370,000)	(1,260,000)	(1,070,000)
Fleet Purchases	17,418,552	10,151,707	7,539,842	6,435,269

[1]Capital contributions in 2013 consist of $227,732 for vehicles purchased with grant funds and $1,374,306 for building improvements paid by capital programs.

[2]The Net Position at year-end 2015 includes an adjustment of $(4,784,972) 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 Fourth Quarter ending December 31, 2015

Fund 06200	2015 Budget	2015 Actual	2014 Actual	2013 Actual
Operating Revenue	21,187,527	21,418,319	19,152,488	18,397,506
Operating Expense	21,319,568	20,155,437	19,185,118	17,549,479
Operating Margin	(132,041)	1,262,882	(32,630)	848,027
Change in Net Position		676,402	(442,050)	7,508,937
Net Position		29,273,454	32,801,370	33,058,446
Cash Balance		4,958,223	3,757,757	4,248,459

Program Description:
The Property Services Fund is responsible for the maintenance and upkeep of City-owned buildings including police precinct structures, fire stations, and public works buildings. The fund does not include the Convention Center, Water facilities, or Park Board buildings. The fund is also responsible for the Radio Shop which maintains the City's emergency communications network. Beginning in 2009, the Council approved a City-wide charge for City Hall rent. The Property Service fund collects the rental charge and remits it to the Municipal Building Commission (MBC) to reimburse MBC for maintenance and property management services. The 2015 revenue and expense budgets for the fund were increased by $4,994,000 to account for this flow-through rental charge. The City departments located in City Hall receive a general fund appropriation to fund the charge for the rent.

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

Revenue:
Operating revenue recorded through fourth quarter 2015 is $21,418,319 or 1.1% over the budgeted amount of $21,187,527. The 2015 fourth quarter revenue increased $2.3 million, or 11.8%, from the revenue earned through fourth quarter 2014. Property Services earns revenue through rent charged to departments housed in City owned buildings for property maintenance and by performing facility repairs and upgrades. Revenue received from rents through fourth quarter 2015 increased by 11.5% when compared to the same period in 2014. Approximately 30.1% of this increase, or $0.5 million, is due to an increase in City Hall rent. The remaining increase is related to increasing costs for building maintenance. Revenue received from charges for services, including repairs and upgrades, fluctuates based on the amount of discretionary spending available to departments. Through fourth quarter 2015, the revenue earned from charges for services is $5,371,262, up 12.7% from the $4,764,338 earned in 2014 through the same period. The Property Disposition Fund recorded revenue of $1,566,650 from the sale of land to the Minnesota Sports Facility Authority.

Expenses:
Operating expense through fourth quarter 2015 is $20,155,437 or 5.5% under the total budgeted amount of $21,319,568. The 2015 fourth quarter expense increased $1.0 million, or 5.1%, from the operating expense recorded through fourth quarter 2014. Personnel expense increased by 11.9% through fourth quarter 2015 compared to fourth quarter 2014 primarily due to filling vacant positions. Materials and Supplies expense increased 30.0% through fourth quarter 2015 from fourth quarter 2014. The increase is related to a CARS (Capital Asset Request System) approved purchase of radio communication equipment at a cost of $348,644 to support the 800 MHZ communication system. Upon City Council approval, $1,298,144 of the Property Disposition Fund was expended on capital improvements of a City maintenance facility.

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

Debt Service:
The debt service for 2015 is related to the sale of net debt bonds to purchase the 800 MHZ radio system. In 2015, the debt consists of an interest payment of $60,378 and a principal payment of $820,000. The remaining debt is $2,607,600 with the final payment scheduled for 2018. In 2013, the Property Services Fund received a final transfer of $3,185,000 from the General Fund to assist with the remaining debt payments for the 800 MHZ radio communication system.

Cash and Net Position:
The cash balance at the end of fourth quarter 2015 was $4,958,223 compared to a cash balance of $3,757,757 at the end of fourth quarter 2014. The cash consists of a balance of $1,687,575 in the Property Disposition Fund and a balance of $3,270,648 in the Property Services operating fund. A net increase in cash of $268,506 occurred in the Property Disposition Fund resulting from $1,566,650 of revenue received from the sale of land and a total of $1,298,144 expended for approved capital project cost. 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 $2,300,000 for the Property Services Fund.

The net position for the year ending 2015 is $29,273,454 a decrease of $3.5 million from the net position of $32,801,370 for year ending 2014. The net position at year-end 2015 includes an adjustment of $(4,293,737) 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 cost allocation model for this fund does not recover the depreciation costs related to capital assets. It is expected that the net asset position will decrease due to recognizing the depreciation of capital assets. In 2015, the decrease in net position due to recognizing depreciation was partially offset by a gain in the net position of the Property Disposition Fund and an increase in the operating

margin resulting from an increase in work completed for other City departments. The financial policy for the net position for the Property Services Fund determines that net position should not fall below two times the annual depreciation. The depreciation in 2015 was $1,340,935 and the net position was $26.6 million greater than the benchmark. Net position consists of a net investment in capital assets of $29,663,474 along with $(390,020) of unrestricted net position.

City of Minneapolis
Property Services Fund
Statement of Revenues and Expenses
For Fourth Quarter / Years Ending 2015, 2014, and 2013

	Budget Current Year 2015	For Year Ending 2015	For Year Ending 2014	For Year Ending 2013
Operating Revenues:				
Charges for Services And Sales	5,236,066	5,371,262	4,764,338	4,337,175
Rents Public Works and Other	15,951,461	16,047,057	14,388,150	14,060,331
Total Operating Revenue	21,187,527	21,418,319	19,152,488	18,397,506
Operating Expenses:				
Personnel Services	6,653,247	6,656,970	5,948,082	5,510,168
Contractual Services	11,231,064	11,169,617	11,352,721	10,364,061
Materials, Supplies, and Other[1]	2,893,646	1,787,242	1,379,103	1,155,654
Rent	541,611	541,608	505,212	519,596
Total Operating Expenses	21,319,568	20,155,437	19,185,118	17,549,479
Operating Margin	(132,041)	1,262,882	(32,630)	848,027
Non-Operating Revenues (Expenses):				
Interest on Bonds	(98,400)	(60,378)	(83,465)	(129,764)
Misc Revenues	3,000	5,225	2,819	11,067
Sale of land[2]	-	1,566,650	-	-
Gain/(loss) on disposal of fixed asset[2]		14,927		
Contractual services [3]	-	(1,298,144)	-	-
Depreciation	(1,340,000)	(1,340,935)	(1,340,894)	(1,347,356)
Total Non-Operating Revenues(Expenses)	(1,435,400)	(1,112,656)	(1,421,540)	(1,466,053)
Operating Transfers In (Out)				
Net transfers in from other funds	818,727	818,727	646,206	3,282,231
Net transfers out to other funds	(316,216)	(316,216)	-	-
Transfers from capital projects	(97,000)			
Total Operating Transfers	502,511	502,511	646,206	3,282,231
Capital Contribution[4]	-	23,665	365,914	4,844,732
Change in Net Position	(1,064,930)	676,402	(442,050)	7,508,937
Significant Balance Sheet Items:				
Cash Balance		4,958,223	3,757,757	4,248,459
Property Disposition Fund cash balance		1,687,575	1,380,477	1,380,477
Operating cash balance		3,270,648	2,377,280	2,867,982
Bonds Payable		(2,460,000)	(3,280,000)	(4,045,000)
Net Position[5]		29,273,454	32,801,370	33,058,446
Significant Cash Flow Items				
Principal Payments on Debt	(820,000)	(820,000)	(765,000)	(730,000)

[1] Included in the 2015 budget for Materials, Supplies, Other is the CARS appropriation of $465,540. At year-end, $348,644 was expended to replace radios included in the 800 MHZ communication system.

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

[3] 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.

[4] 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.

[5] The Net Position at year-end 2015 includes an adjustment of $(4,293,737) 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 positon was not restated.

City of Minneapolis
Public Works Stores
For the Fourth Quarter ending December 31, 2015

Fund 06300	2015 Budget	2015 Actual	2014 Actual	2013 Actual
Operating Revenue	1,190,000	1,357,384	1,384,025	1,515,490
Operating Expense	1,054,085	1,096,628	1,112,140	1,100,031
Operating Margin	135,915	260,756	271,885	415,459
Change in Net Position		338,787	530,632	415,459
Net Position		4,353,527	4,638,124	4,088,748
Cash Balance		(368,680)	(200,801)	(178,640)

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

Revenue:
Operating revenue earned through fourth quarter 2015 is $1,357,384 or 14.1% over the budgeted amount of $1,190,000. The amount earned through fourth quarter represents a decrease of $26,641, or 1.9%, over the $1,384,025 in revenue earned through fourth quarter 2014. Revenue for this fund is earned by applying overhead charges to inventory sales and transaction processing. The decrease in revenue corresponds to a decreased level of inventory purchases related to City projects and is offset by a slight increase to revenue earned by processing requisition transactions.

Expenses:
Operating expense recorded through fourth quarter 2015 is $1,096,628 or 4.0% over the budgeted amount of $1,054,085. The amount expended through fourth quarter 2015 decreased by $15,512, or 1.4%, from the $1,112,140 expended through the same period in 2014. Contractual Services decreased by 28.6% when compared to 2014 primarily due to a reduction of $60,000, or 34.1% in the amount allocated for general fund overhead charges. Increases in the 2015 rent and personnel services were offset by decreases in contractual services and materials.

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

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

Cash and Net Position:
The cash balance at the end of fourth quarter 2015 is a deficit of $(368,680), a decrease of $0.2 million from the deficit of $(200,801) at year-end 2014. The cash balance, as stated in the 2015

CAFR, is $16,320 which is the sum of current cash deficit 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 $200,000.

The fund continues to maintain a positive net position with a 2015 ending balance of $4,353,527 a decrease of 6.1% from the 2014 ending balance of $4,638,124. The net position at year-end 2015 includes an adjustment of $(636,783) 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 asset balance should be maintained equal to 15.0% of the annual operating budget, or $200,000.

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

	Budget Year 2015	For Year Ending 2015	For Year Ending 2014	For Year Ending 2013
Operating Revenues:				
Central Stores	625,000	804,211	761,497	749,377
Traffic Stores	565,000	553,173	622,528	766,113
Total Operating Revenues	1,190,000	1,357,384	1,384,025	1,515,490
Operating Expenses:				
Personnel	743,644	823,804	774,865	770,867
Contractual	188,416	194,788	271,004	279,840
Materials, Supplies, Other	70,471	26,484	30,885	15,767
Rent	51,554	51,552	35,387	33,557
Total Operating Expenses	1,054,085	1,096,628	1,112,140	1,100,031
Operating Margin	135,915	260,756	271,885	415,459
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	135,915	338,787	530,632	415,459
Significant Balance Sheet Items				
Cash Balance[1]		16,320	1,199	2,360
Due to Other Funds		385,000	202,000	181,000
Inventories		5,703,165	5,242,640	4,581,136
Net Position[2]		4,353,527	4,638,124	4,088,748

[1] The year-end cash balances for 2015, 2014 and 2013 are the cash balances as stated in the CAFR. The actual year-end balances for 2015, 2014 and 2013 are cash deficits of $(368,680), $(200,801), and $(178,640) respectively. The Public Works Stores Fund receives an interfund loan at year-end to bring a deficit cash balance to a positive balance.

[2] The Net Position at year-end 2015 includes an adjustment of $(636,783) 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 Fourth Quarter Ending December 31, 2015

Fund 06400	2015 Budget	2015 Actual	2014 Actual	2013 Actual
Operating Revenue	55,416,211	42,860,711	44,380,298	33,523,719
Operating Expense	70,267,676	53,315,971	44,298,415	34,494,915
Operating Margin	(14,851,465)	(10,455,260)	81,883	(971,196)
Change in Net Position		(7,341,740)	8,978,857	4,422,026
Net Position		62,329,551	62,084,185	37,403,733
Cash Balance		38,359,566	49,887,640	35,263,865

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

Revenue:
Operating revenue through the fourth quarter of 2015 is $42,860,711, or 77.3% of the annual budgeted amount of $55,416,211. This is a decrease of $1.5 million, or 3.4%, compared to revenue of $44,380,298 earned through fourth quarter of 2014. The decrease in revenue is primarily due to a decrease of $2.8 million in revenue earned through PMO (Project Management Office) projects for enterprise wide initiatives, primarily the Enterprise Resource Planning (ERP) program. In 2015, the funding for the ERP program was included in the operating transfers while in 2014 the funding for the ERP program was included in the operating revenues.

Expenses:
Operating expenses through the fourth quarter are $53,315,971 or 75.9% of the annual budgeted amount of $70,267,676. The operating expense through fourth quarter increased $9.0 million, or 20.4%, from the 2014 expense of $44,298,415. One-time costs associated with insourcing the IT helpdesk and desk side support functions and expenses related to contracting with a new provider for managed services are primarily responsible for this increase. The Council approved the use of $10,000,000 of net position to cover these one-time costs and, through fourth quarter, the fund has expenses of $6,389,575 for the transition. Operating expenses recorded to the Project Management Office department also increased from 2014, specifically the expenses related to the Enterprise Resource Planning projects. These enterprise wide projects are funded through City department operating expense savings, cost allocation model charges, and by transfers from the general fund as determined by the Capital Asset Request System (CARS). The expenses in PMO include the cost of purchasing technology, creating enhancements, and implementation of the products. The PMO department charges the costs of these products and services to City user departments and includes an overhead amount that is calculated to generate enough revenue to cover the overhead expense of the department.

Administration expenses of $12,580,987 increased 31.1% over 2014 amount of $9,593,639. This increase is primarily due to one-time costs related to insourcing the helpdesk and desk side support functions and expenses related to contracting with a new provider for managed services.

Debt:
The debt service for 2015 is related to the sale of net debt bonds for IT projects. In 2015, the debt consists of a principal payment of $2,705,000 and net interest expense of $(15,129). The interest expense includes interest payments of $42,344 and amortization of bond premiums/discounts of $(57,473). Beginning 2013, the principal payment was significantly reduced to $1,955,000 from $9,215,000 paid in 2012 and $10,025,000 paid in 2011. Existing bond debt obligations were repaid by year-end 2015 with a final payment of $2,705,000. Future sales of net debt bonds to support capital projects are expected to be $3,300,000 in 2016, $1,500,000 in 2017, and $200,000 in 2018. The fund makes an annual payment of $1,500,000 to the Minneapolis Convention Center, related to monies advanced from this fund, with a final payment scheduled in 2016 of $1,750,000.

Transfers:
In 2015, this fund receives transfers in totaling $7,659,029. The annual transfers consist of a General Fund transfer totaling $3,792,482, $1,000,000 from the Self Insurance Fund, $2,751,189 from the Debt Service Fund, and $115,358 from Capital Arbitrage. The General Fund transfer includes $192,482 for City Hall rent, and $3,600,000 of approved CARS funding for the Enterprise Resource Planning project. The transfer from the Self Insurance Fund is in accordance with the long-term financial plans for both funds and will end in 2015. The 2014 transfer to other funds includes transfers of $522,770 for debt service.

Cash and Net Position:
The cash balance at the end of fourth quarter is $38,359,566, representing a decrease of $11.5 million from the 2014 year-end balance of $49,887,640. The primary reason for the decrease to cash in 2015 is the use of net position to fund one-time expenses related to insourcing the help desk and desk side support functions and contracting with a new provider for managed services. Also, cash decreased in 2015 due to the use of unearned revenue to fund PMO projects. Included in the cash balance are prepayments of $6,953,196 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 $5.6 million.

The net position at year-end 2015 is $62,329,551, an increase of $0.2 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 $10,852,473, which is offset by the recognition of pension liabilities. The net position at year end 2015 includes an adjustment of $(6,840,870) 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 $9.1 million. The cost allocation model for this fund does not recover depreciation related to capital assets. This fund records the acquisition value of customer funded IT project assets and it is expected that the net position will continue to increase.

City of Minneapolis
Intergovernmental Services Fund
Statement of Revenue and Expenses
For Fourth Quarter/Years, 2015, 2014, and 2013

	Budget Current Year 2015	For Year Ending 2015	For Year Ending 2014	For Year Ending 2013
Operating Revenues:				
Charges for Service:				
IT - PMO	22,740,722	10,398,459	13,211,244	5,417,060
IT - Telecom	2,153,246	2,888,499	2,900,134	3,020,539
IT - Operating-other	29,411,477	28,393,951	26,818,599	23,878,779
CC-Mailing Services/Data Center	418,580	487,113	599,988	586,206
CC-Copy Services	692,186	692,689	850,333	621,135
Total Operating Revenues	55,416,211	42,860,711	44,380,298	33,523,719
Operating Expenses:				
IT - PMO	26,340,724	15,937,076	13,798,410	6,497,679
IT - Telecom	2,362,147	2,361,587	1,529,540	1,797,176
IT - Operating-other	39,608,447	33,048,361	27,231,026	24,544,795
CC-Mailing Services/Data Center[1]	907,441	953,022	732,621	684,032
CC-Copy Services	748,203	812,196	750,124	669,344
Human Resources	300,714	203,729	256,694	301,889
Total Operating Expenses	70,267,676	53,315,971	44,298,415	34,494,915
Operating Margin	(14,851,465)	(10,455,260)	81,883	(971,196)
Non-Operating Revenues (Expenses):				
Interest on bonded debt	(46,188)	15,129	(193)	(27,802)
Other non-operating income (expense)	-	-	42,843	34,615
Depreciation	(5,000,000)	(4,560,638)	(6,812,314)	(11,838,204)
Total Non-Operating Revenues (Expenses)	(5,046,188)	(4,545,509)	(6,769,664)	(11,831,391)
Operating Transfers In (Out):				
Net transfers in from other funds[2]	7,543,670	7,659,029	16,139,408	17,239,500
Net transfers out to other funds	-	-	(522,770)	(14,887)
Total Operating Transfers	7,543,670	7,659,029	15,616,638	17,224,613
Capital Contribution[3]	-	-	50,000	-
Change in Net Position	(12,353,983)	(7,341,740)	8,978,857	4,422,026
Significant Balance Sheet Items:				
Cash Balance		38,359,566	49,887,640	35,263,865
Notes Payable		(1,750,000)	(3,250,000)	(4,750,000)
Bonds Payable		-	(2,705,000)	(2,125,000)
Unearned Revenue		(6,953,196)	(9,630,256)	(12,919,353)
Net position[4]		62,329,551	62,084,185	37,403,733
Significant Cash Flow Items				
Capital Outlay		(15,453,332)	(13,353,622)	(5,900,065)
Bond & Note Principle Payments		(4,205,000)	(3,145,000)	(3,455,000)

[1]The 2015 City Clerk Mailing/Data Center budget and expense includes the budget and expense of the City Clerk Legislative Information Management System Project department. The budget and actual expense through fourth quarter is $306,446.

[2]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.

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

[4]The net position at year end 2015 includes an adjustment of $(6,840,870) 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 Fourth Quarter ending December 31, 2015

Fund 06900	2015 Budget	2015 Actual	2014 Actual	2013 Actual
Operating Revenue	31,013,934	31,293,524	30,611,971	30,507,329
Operating Expense	30,145,079	25,139,525	25,167,649	28,717,835
Operating Margin	868,855	6,153,999	5,444,322	1,789,494
Change in Net Position		5,447,979	8,677,156	4,652,117
Net Position		16,499,630	18,309,335	4,553,708
Cash Balance		75,650,099	70,583,378	61,237,640

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

Revenue:
Operating revenue through the fourth quarter of 2015 is $31,293,524, or 100.9% of the annual budgeted amount of $31,013,934. This is an increase of $0.7 million, or 2.2% compared to $30,611,971 earned through the fourth quarter of 2014. The primary reason for the increase is a 6.6% increase in the 2015 liability premium related to the expected payout of tort settlements and related litigation services. The actuarial study conducted in 2012, predicted an increase of 2.5% expected payout for tort settlements and an increase of 5.2% in the expected payout for worker compensation claims in 2015. Through fourth quarter 2015, the City received $1,118,153 in revenue from WCRA (Workers Compensation Reinsurance) and State refunds for medical and indemnity payments and subrogation claims. In comparison, the total refund received by year-end 2014 from was 5.6% less than the 2015 amount.

Expenses:
Operating expenses through the fourth quarter 2015 are $25,139,525 or 83.4% of the annual budgeted amount of $30,145,079. The 2015 amount represents a decrease of 0.1% from the total 2014 total expense of $25,167,649. For years 2015 and 2014, operating expense is approximately 84.0% of the budgeted amount. The primary reason is a significant decrease in actual payout for tort settlements compared to the amount budgeted. In 2015, the amount paid for tort settlements was $2,203,075 compared to a budgeted amount of $8,789,677 as determined by an actuarial study. The City's expense for employee sick leave payout at retirement through fourth quarter is $989,728, or 39.1% of the amount budgeted.

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

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

The 2015 budget includes a transfer out of $1,000,000 to the Intergovernmental Services Fund as part of its long term financial plan. This annual transfer will end with the 2015 transfer. In 2012, this fund made a final transfer of $485,000 to the pension fund debt service to retire bonds related to the unfunded pension liability of the former Minneapolis Employees Retirement Fund. The fund's net position is the source of funding for this payment and the fund recovered the cost of this payment through the cost allocation model in years 2012 through 2014.

Cash Balance and Net Position:
The cash balance at end of fourth quarter is $75,650,099, or a 7.2% increase, compared to a cash balance of $70,583,378 at end of fourth quarter 2014. Financial reserve policies for the internal service funds determine the minimum cash balance for the Self-Insurance Fund should be equal to the unpaid claims liability plus 10.0% of the fund's operating budget or $53,045,015. The unpaid claims liability at year-end 2015 is $51,973,117, an increase of $2.1 million from the 2014 year-end liability of $49,850,597. The cash balance is $22,605,083 above its target.

Net position at year-end 2015 is $16,499,630 as compared to the 2014 year-end net position of $18,309,335. The net position at year-end 2015 includes an adjustment of $(6,058,535) 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 GASB adjustment and the actuarial year-end adjustment are not reflected in the change to net position as shown in the fourth quarter statement. The financial policy for the net position of the Self-Insurance Fund determines that the net position should not fall below zero. The fund's net position reached a positive balance in 2012 and has continued to increase.

City of Minneapolis
Self Insurance Fund
Statement of Revenue and Expenses
For Fourth Quarter/Years, 2015, 2014, and 2013

	Budget Year 2015	For Year Ending 2015	For Year Ending 2014	For Year Ending 2013
Operating Revenues:				
Health & Welfare (employee benefits)	2,530,110	2,436,045	2,446,747	2,315,642
Workers Compensation	9,705,150	9,823,301	10,119,654	10,098,955
Liability - Subrogation	16,998,638	17,054,070	15,930,673	15,375,715
Attorney Office Services	10,000	2,796	13,122	21,995
Human Resources Services	1,570,036	1,527,624	1,433,235	2,247,530
Risk Management-Employment Services	200,000	449,687	668,540	447,492
Total Operating Revenues	31,013,934	31,293,524	30,611,971	30,507,329
Operating Expenses:				
Health & Welfare (employee benefits)	2,530,110	989,728	1,243,924	1,097,227
Workers Compensation	7,469,045	10,526,254	9,771,442	10,460,552
Liability & Settlements	8,789,677	2,904,560	3,286,197	6,025,633
City Attorney/Civil Division-Litigation	7,238,495	6,768,777	6,452,389	6,132,119
Risk Management - WC/Risk	2,459,371	2,416,571	2,859,022	2,534,754
Human Resource - Employee Benefits	1,658,381	1,533,635	1,554,675	2,467,550
Total Operating Expenses	30,145,079	25,139,525	25,167,649	28,717,835
Operating Margin	868,855	6,153,999	5,444,322	1,789,494
Non-Operating Revenues (Expenses):				
Other Non Operating Income (Expense)[1]	-	1,980	1,147,334	7,123
Total Non-Operating Revenues (Expenses)	-	1,980	1,147,334	7,123
Operating Transfers In (Out):				
Net transfers in from other funds	292,000	292,000	3,085,500	3,855,500
Net transfers out to other funds	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Total Operting Transfers	(708,000)	(708,000)	2,085,500	2,855,500
Change in Net Position[2]	160,855	5,447,979	8,677,156	4,652,117
Significant Balance Sheet Items:				
Cash Balance[3]		75,650,099	70,583,378	61,237,640
Due from Other Funds		385,000	202,000	181,000
Unpaid Claims Payable		(51,973,117)	(49,850,597)	(54,667,934)
Net Position[4]		16,499,630	$18,309,335	$4,553,708

[1]Non-operating revenue in 2014 includes a settlement of $1.1 million paid to the City.

[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]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.

[4]The Net Position at year end 2015 includes an adjustment of $(6,058,535) 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 Fourth Quarter Ending December 31, 2015

Fund 07100	2015 Budget	2015 Actual	2014 Actual	2013 Actual
Operating Revenue	62,633,714	60,306,164	59,578,957	60,752,396
Operating Expense	56,833,381	53,361,060	53,195,007	52,152,322
Operating Margin	5,800,333	4,945,104	6,383,950	8,600,074
Change in Net Position		(5,619,303)	(375,549)	8,075,799
Net Position		117,275,938	118,582,169	114,438,065
Cash Balance		12,421,795	19,119,626	25,319,246

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 $60,306,164 recognized through the end of fourth quarter, the Sanitary Sewer Fund earned 96.3% of the 2015 revenue budget. This is an increase of $0.7 million, or 1.2%, compared to $59,578,957 earned in 2014. The utility service revenues account for $1.5 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 $1.1 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 $3.21 per unit, an increase of $0.07 over 2014. The fixed rate, which is based on meter size, was increased by $0.40, from $3.40 to $3.80

Expenses:
The Sanitary Sewer Fund's total operating expenses through the fourth quarter were $55,361,060 compared to $53,195,007 for 2014. This is an increase of $2.2 million, or 4.1%, and is mainly due to combined increases in design, maintenance, and Met Council departments.

Maintenance, design, and City service related expense increased by $0.8 million due to work on Nicollet Mall and Hennepin/Lyndale projects, fleet charges, tunnel televising, cleaning and maintenance work. Met Council payments through the quarter totaled $35,372,065 which is $2.6 million more than the 2014 total of $32,773,080 due to 7.9% rate increase for 2015 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. These increases were off-set by decrease of $1.2 million in SAC charges.

Transfers:
A transfer is made from this fund to the Water Enterprise Fund to cover shared costs for meter shop expenses. For the current budget year, this cost was estimated at $1,285,170 and, through the end of the quarter, this total amount has been transferred to Water Treatment and Distribution Services.

Debt Service:
For 2015, the debt service cost was estimated at $3,761,000. Through fourth quarter, $3,500,000 in principal and $113,709 in interest payments were made. These debt service payments are primarily for bonds sold to fund capital programs as an alternative to cash financing.

Cash and Net Position:
The current cash balance is $12,324,053 and the Fund's net position is $117,275,938. 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 is $14,208,000. With projected revenues of $5,219,000 per month, $3,335,000 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 Years Ending 2015, 2014, 2013

	Budget Year 2015	For Year Ending 2015	For Year Ending 2014	For Year Ending 2013
Operating Revenues:				
Sanitary Utility Charges	53,754,464	52,158,785	50,643,781	51,420,220
Other Services Provided	879,250	1,191,073	862,324	563,001
SAC Revenues	8,000,000	6,956,305	8,072,852	8,769,175
Interest				
Total Operating Revenues	62,633,714	60,306,164	59,578,957	60,752,396
Operating Expenses:				
Sewer Design	708,635	1,141,027	586,433	323,056
Sewer Maintenance	7,093,853	7,192,093	7,022,507	5,665,656
Met Council Env. Svcs.	43,515,065	42,037,429	40,713,037	41,768,521
City Services	5,174,030	4,882,708	4,792,418	4,316,883
Administrations	341,798	107,802	80,611	78,206
Total Operating Expenses	56,833,381	55,361,060	53,195,007	52,152,322
Operating Margin	5,800,333	4,945,104	6,383,950	8,600,074
Non-Operating Revenues (Expenses):				
Depreciation	(1,522,421)	(1,522,421)	(1,446,306)	(1,378,768)
Net Interest Income (Exp)	(261,000)	(55,059)	(413,571)	(349,733)
Other Non-Oper Income	6,200,000	52,527	1,940,736	7,399,610
Other Non-Oper Expense	(7,425,000)	(7,754,284)	(5,683,678)	(4,937,288)
Total Non-Operating Revenues (Expenses)	(3,008,421)	(9,279,237)	(5,602,818)	733,821
Operating Transfers In (Out):				
Net Transfers In from Other Funds	-	-	-	-
Net Transfers Out to Other Funds	(1,285,170)	(1,285,170)	(1,156,681)	(1,258,096)
Total Operating Transfers	(1,285,170)	(1,285,170)	(1,156,681)	(1,258,096)
Capital contribution	-	-	-	-
Change in Net Position	1,506,742	(5,619,303)	(375,549)	8,075,799
Significant Balance Sheet Items:				
Cash Balance		12,324,053	18,719,110	23,640,433
Construction Cash		97,742	1,435,998	1,678,814
Accounts Receivable		4,069,689	4,273,719	4,883,097
Notes Payable		-	-	-
Bonds Payable		5,923,114	9,300,000	14,450,000
Net Position*		117,275,938	118,582,169	114,438,065
*The prior year net position was not restated.				
Significant Cash Flow Items:				
Capital Outlay	7,425,000	7,615,666	5,645,625	4,368,033
Bond & Note Principal payments	3,500,000	3,500,000	5,150,000	4,150,000

City Of Minneapolis
Storm Water Fund
For the Fourth Quarter Ending December 31, 2015

Fund 07300	2015 Budget	2015 Actual	2014 Actual	2013 Actual
Operating Revenue	42,586,256	39,427,100	41,526,807	39,322,059
Operating Expense	29,036,046	25,784,599	23,228,061	23,460,885
Operating Margin	13,550,210	13,642,500	18,298,745	15,861,174
Change in Net Position		(7,335,475)	(2,871,959)	5,323,252
Net Position		323,458,124	326,721,091	311,520,891
Cash Balance		35,903,676	34,960,817	36,360,015

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 $39,427,100 in revenues earned through fourth quarter reflects 92.6% of the operating revenue budget. This is a decrease of $2.1 million compared to $41,526,807 earned for the same period in 2014. Storm utility revenues increased 0.8% to $37,205,629, up from $36,895,472 in fourth quarter, 2014 even though the utility rate for 2015 remained the same as 2014 which was $11.94/ESU (Equivalent Storm Units). The decrease of $2.6 million in miscellaneous revenues is due to decrease in design activities and capital project close outs. Reimbursements, with a total of $1,719,513, based on maintenance agreement with the State and County, make up for the rest of the operating revenue which in 2015 came in $240 thousand higher than the fourth quarter, 2014.

Expenses:
Operating expenses in the fourth quarter were $25,784,599, or 88.8%, compared to $29,036,046 budgeted for 2015. The expenses were $2.6 million, or 11.0%, more than the $23,228,061 reported for the fourth quarter of 2014. A combined increase of $2.0 million was recorded in maintenance and design divisions where resources were spent on cleaning work on storm lines and Linden Yard, along with water quality education and management. Payments to Met Council increased by $0.1 million due to an increase in rates. Expenditures in Street Cleaning cost center also increased by $1.4 million due to increase in personnel, fleet, and general fund overhead charges. This was off-set by a $1.0 million decrease in City services due to a decrease in overhead and government contracted service budgets for the year.

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

Debt Service:
The debt service budget for 2015 totals $3,029,677 of which $2,235,910 is set aside for principal and $793,767 for interest payments. Through the fourth quarter, $135,740 in interest and all of principal were paid. The debt service payments are primarily for bonds sold to finance the combined sewer overflow, flood mitigation, and storm tunnel programs.

Cash and Net Positions:
The ending cash balance for the year stands at $35,903,676 and net position is $323,458,124. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Therefore the targeted amount is $7,259,000. This will leave $28,645,000 million as unrestricted amount to fund capital programs and debts services for 2016 and beyond. More importantly, it will enable the Storm Water Fund to use its fund balance and rely less on bond sales.

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 Fourth Quarter/Years Ending 2015, 2014 and 2013

	Budget Year 2015	For Year Ending 2015	For Year Ending 2014	For Year Ending 2013
Operating Revenues:				
State Grants	1,426,927	1,383,427	1,167,812	1,149,665
County Grants	361,663	336,086	311,663	291,220
Storm Utility Charges	38,478,466	37,205,629	36,895,472	36,830,078
Other Services Provided	2,319,200	501,958	3,151,859	1,051,096
Total Operating Revenues	42,586,256	39,427,100	41,526,807	39,322,059
Operating Expenses:				
Sewer Design	4,859,405	3,776,039	3,147,511	3,081,416
Stormwater Management CSO	537,797	295,902	375,207	464,055
Street Cleaning	9,190,184	8,678,126	7,280,806	7,804,686
Sewer Maintenance	6,965,211	6,426,686	5,061,770	5,004,003
Met Council Env. Svcs.	1,843,917	1,861,685	1,724,899	1,745,827
Payment for City Services	5,297,735	4,631,428	5,557,259	5,282,692
Storm Admin	341,798	114,734	80,610	78,206
Total Operating Expenses	29,036,046	25,784,599	23,228,061	23,460,885
Operating Margin	13,550,210	13,642,500	18,298,745	15,861,174
Non-Operating Revenues (Expenses):				
Depreciation	(4,339,326)	(4,339,326)	(4,486,441)	(4,114,734)
Special Assessments	-	235,264.43	287,243	144,004
Net Interest Income (Exp)	(793,767)	-	(850,047)	(789,965)
Other Non-operating Income	4,735,000	707,584.44	499,213	4,462,735
Other Non Operating Expense	(10,920,000)	(17,471,500)	(16,614,752)	(10,239,961)
Total Non-Operating Revenues (Expenses)	(11,318,093)	(20,867,977)	(21,164,785)	(10,537,921)
Operating Transfers In (Out):				
Net Transfers In from Other Funds	-	-	-	-
Net Transfers Out to Other Funds	(110,000)	(110,000)	(5,920)	-
Total Operating Transfers	(110,000)	(110,000)	(5,920)	-
Capital Contribution	-	-	-	-
Change in Net Postion	2,122,117	(7,335,475)	(2,871,959)	5,323,253
Significant Balance Sheet Items:				
Cash Balance		35,903,676	34,960,817	36,354,095
Construction Cash		-	-	5,920
Accounts Receivable		3,892,888	4,086,655	4,213,411
Notes Payable		-	-	-
Bonds Payable		2,553,649	4,735,910	7,970,910
Net Position*		323,458,124	326,721,091	311,520,891
*The prior year net position was not restated.				
Significant Cash Flow Items:				
Capital Outlay	10,920,000	10,452,419	16,798,141	9,308,751
Bond & Note Principle Payments	2,235,910	2,182,262	3,235,000	6,811,786
Refunding Principle Payments	-	-	-	-

City of Minneapolis
Water Enterprise Fund
For Fourth Quarter Ending December 31, 2015

Fund 07400	2015 Budget	2015 Actual	2014 Actual	2013 Actual
Operating Revenue	78,620,743	72,927,562	72,652,306	74,824,116
Operating Expense	55,962,426	51,631,896	50,868,670	51,205,913
Operating Margin	22,658,317	21,295,666	21,783,636	23,618,203
Change in Net Position		10,727,672	10,920,486	12,172,686
Net Position		219,678,128	21,479,793	210,449,862
Cash Balance		30,083,933	25,132,631	18,963,284

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

Revenue:
At the end of 2015, the total operating revenue was $72,927,562 or 92.8% of the 2015 budgeted amount. Overall, water volume sales have suffered as a result of the wet weather and lower summer temperatures. Although revenue from water sales is down from budget, the fixed rate revenue helped to stabilize the overall sales revenue. Higher than anticipated revenues associated with capital design and fee based revenue as well as an increase in the volume of reimbursable work for the year helped offset lower than budgeted water sales.

Expense:
Operating expenses for the year totaled $51,631,896 or 92.3% of the 2015 budget, and were 1.5% higher than the 2014 amount of $50,868,670. Expenses were slightly lower than budgeted due to staff vacancies during the first half of the year and decreased chemical, energy and other variable operating costs related to lower water production caused by decreased water demand.

Transfers:
For 2015, the transfer amount of $1,390,205 is mainly made up of a $1,285,170 operating transfer from the Sanitary Sewer Fund for their share of the cost of the meter shop.

Debt Services:
Debt service payments are related to the bonds and notes sold to finance the Water Division's capital improvement program. The amount of debt service for 2015, including both principle and interest payments, was $11,189,566. During 2015, an additional $9,000,000 in bonds was appropriated to help finance the Fridley Filter Rehabilitation Capital project and Recarbonation System replacement. The whole amount of rehabilitation expenses and bond issuance was deferred to 2016 to correspond with construction start up.

Cash Balance and Net Position:
The ending cash balance as of December 31, 2015 was $30,083,933 compared to $25,132,631 at the end of 2014. The objective is to have a cash balance equal to or greater than 3 months of operating expense. Based on the current budget, the target amount would be $14,438,503. In addition to the operating cash reserve, the Water Fund is also reserving $1,286,000 per year for membrane and valve replacement at the Columbia Heights water treatment facility. The budgeted 2015 balance in the reserve for membrane and valve replacement is $6,430,000. The two reserves total $20,868,503, so the current cash balance is adequate to cover the reserves. The cash balance at year end also includes the deferral of approximately $5,000,000 in water revenue funded capital projects to 2016.

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 Fourth Quarter/Years Ending 2015, 2014, 2013

	Budget Current Year 2015	For Year Ending 2015	For Year Ending 2014	For Year Ending 2013
Operating Revenues:				
Water Sales - Retail				
Volume Rate	57,922,085	52,744,486	53,916,478	55,738,712
Fixed Rate	4,930,038	4,907,178	4,052,437	3,230,251
Water Sales - Wholesale	12,245,215	11,833,122	10,995,907	11,607,219
Other Operating Revenues	3,523,405	3,442,776	3,687,483	4,247,934
Total Operating Revenues	78,620,743	72,927,562	72,652,306	74,824,116
Operating Expenses:				
Payments for City Services	10,681,667	10,410,711	10,273,039	10,216,139
Administration	1,179,600	1,015,155	697,481	1,358,672
Engineering	1,295,092	1,192,351	1,911,967	2,479,887
Operations	29,647,930	26,333,885	25,164,329	25,116,372
Distribution	8,376,243	7,914,063	8,939,876	8,667,609
Meter Shop	2,191,278	1,765,949	1,969,292	1,886,076
Reimbursables	2,590,616	2,999,782	1,912,686	1,481,159
Total Operating Expenses	55,962,426	51,631,896	50,868,670	51,205,913
Operating Margin	22,658,317	21,295,666	21,783,636	23,618,203
Non-Operating Revenues/(Expenses)				
Depreciation	(10,615,357)	(10,615,357)	(10,037,891)	(10,628,275)
Special Assessments		1,087,192	775,575	395,099
Net Interest Income (Exp)	(3,121,318)	(2,535,443)	(2,622,000)	(2,971,360)
Capital Revenue	2,000,000	105,409	144,222	494,886
Other Non-Operating Income				92,794
Other Non Operating (Expense)				
Total Non-Operating Revenues (Expenses)	(11,736,675)	(11,958,199)	(11,740,093)	(12,616,856)
Operating Transfers In (Out):				
Net transfers in from other funds	1,310,170	1,390,205	1,183,681	1,171,339
Net transfers out to other funds			(306,738)	
Total Operating Transfers	1,310,170	1,390,205	876,943	1,171,339
Capital Contribution				
Change in Net Position	12,231,812	10,727,672	10,920,486	12,172,686
Significant Balance Sheet Items				
Operating Cash		30,083,933	25,132,631	18,963,284
Accounts Receivable		4,646,057	4,751,349	4,778,155
Assessments Receivable		2,609,509	2,405,113	2,513,145
Bonds & Notes Payable		97,344,999	105,999,121	106,144,659
Net Position*		219,678,128	221,479,793	210,449,862
*The prior year net position was not restated.				
Significant Cash Flow Items				
Capital Outlay	22,495,000	9,067,244	14,102,414	16,456,344
Bond & Note Principle Payments	8,654,122	8,654,123	6,145,539	5,982,025
Bond & Note Principle Proceeds	9,000,000	-	6,000,000	

City of Minneapolis
Municipal Parking Fund
For the 4th Quarter Ended Dec 31, 2015

Fund 07500*	2015 Budget	2015 Actual	2014 Actual	2013 Actual
Revenue	60,424,981	61,111,139	57,821,710	58,147,790
Expenses	39,031,755	39,505,195	37,447,691	37,745,472
Operating Margin	21,393,226	21,605,944	20,374,019	20,402,318
Change in Net Position		3,604,101	10,765,445	9,871,034
Net Position		180,587,562	177,861,839	172,627,536
Cash Balance		13,956,740	10,497,414	13,303,623

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

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

Revenues:
The 2015 fourth quarter actual revenues are up in comparison to 2014 by 5.7%. The increase is from:

- Impound Lot revenues are down 22.2% compared to 2014.
- On-street parking is up 17.0% compared to 2014.
- Off-street ramps and lots are up 5.8% compared to 2014.

Impound Lot revenues are lower than 2014 due to decreased number of snow emergencies during 2015. On-street meter revenues were up during 2015. The 2015 off-street revenues were higher due to increased efforts with the state owned ABC Ramps.

Expenses:
The 2015 operating expenses are higher than the 2014 expenses by 4.7%. The variance is from:

- Impound Lot expenses are down 4.8% compared to 2014.
- On-street meters are up by 11.4% compared to 2014.
- Off-street ramps and lots are up 5.7% compared to 2014.

Impound Lot expenses are lower than 2014 due to less snow emergencies in 2015 and decreased related operational activities, including towing, security, lot maintenance and personnel. On-street meter expenses are higher than 2014 due to the additional meters deployed and increased use fees. Off-street ramps and lots show higher than 2014 expenses due primarily to increased ABC Ramp efforts.

Transfers to and from other funds:
The 2015 transfers into and out of the Parking Fund were programmed and planned according to the 2015 budget. During the year of 2015, $525,443 of funds were transferred in ($525,443 from Tax Increment Funding) and $7,862,821 million of funds were transferred out ($4,148,200 to the General Fund, $3,522,696 to the Target Center, $146,000 to Solid Waste and 45,925 to General Fund Debt Service).

Debt Service:
For 2015, the debt service budget is $10,628,043 and $5,439,542 in debt payments were made. The outstanding balance of bond principal as of December 31, 2015 is $67,487,300 and the outstanding balance of note principal is $38,545,000.

Other Financial Items:
The end of the fourth quarter 2015 cash balance is $13,956,740 which increased by $0.7 million from 2014. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is $9,876,299, which results in a surplus of $4,080,441, 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 Fourth Quarter/Years Ending 2015, 2014, and 2013

	Budget Year 2015	For Year Ending 2015	For Year Ending 2014	For Year Ending 2013
Operating Revenues:				
Off-Street Parking: City Owned	31,419,981	31,582,790	30,753,860	30,347,976
Off-Street Parking: State Owned	11,005,000	11,420,735	9,876,255	10,378,784
Towing	6,000,000	4,661,269	5,695,346	5,754,958
On-Street Meters	12,000,000	13,446,346	11,496,249	12,182,072
Total Operating Revenues	60,424,981	61,111,139	57,821,710	58,663,790
Operating Expenses:				
Off-Street Parking: City Owned-Direct Expenses	22,141,348	21,145,170	20,787,023	20,701,318
Off-Street Parking: State Owned-Direct Expenses	8,339,008	10,260,170	8,921,760	9,366,786
Towing	5,292,485	4,924,231	5,162,568	4,702,750
On-Street Meters	3,258,914	3,171,986	2,848,077	2,974,618
Other Operating Expenses	-	3,638	-	-
Total Operating Expenses	39,031,755	39,505,195	37,719,428	37,745,472
Operating Margin	21,393,226	21,605,944	20,102,282	20,918,318
Non-Operating Revenues/(Expenses)				
Depreciation	(6,550,566)	(6,456,043)	(6,559,826)	(6,955,004)
Special Assessments	-	114,277	-	25,018
Interest	(5,188,501)	(2,416,211)	(2,520,026)	(4,001,605)
Other Non Operating Expenses	(1,700,000)	(1,906,489)	(415,298)	
Other Non-Operating Income	-	-	31,198	11,990
Total Non-Operating Revenues (Expenses)	(13,439,067)	(10,664,466)	(9,463,952)	(10,919,601)
Operating Transfers In (Out):				
General Fund Transfer Out	(4,148,200)	(4,148,200)	(2,323,200)	(7,918,024)
Arena Reserve Transfer Out	(3,522,696)	(3,522,696)	(3,323,206)	(3,129,132)
Debt Service Transfer Out	-	(45,925)	-	(40,957)
General Debt Service Transfer Out	-	-		-
Sanitation Transfer Out	(146,000)	(146,000)	(146,000)	(146,000)
Convention Center related facility Transfer	-	-	-	4,729,200
TI and MCDA Transfers In	423,585	525,443	372,660	6,893,230
Other Transfers In	-	-	15,719	-
Total Operating Transfers	(7,393,311)	(7,337,378)	(5,404,027)	388,317
Capital Contributions				
Change in Net Position	560,848	3,604,101	5,234,303	10,387,034
Significant Balance Sheet Items				
Operating Cash		13,956,740	8,770,347	11,339,477
Cash Balance - Arbitrage		-	1,727,247	1,964,146
Notes Payable		38,545,000	38,650,000	38,650,000
Bonds Payable		67,487,300	72,821,842	83,705,942
Net Position*	182,848,410	180,587,562	177,861,839	172,627,536
* The prior year net position was not restated				
Significant Cash Flow Items				
Bond & Note Principle Proceeds	-	-	-	2,655,000
Bond & Note Principle Payments	5,439,542	2,416,211	10,884,100	14,629,100
Refunding Principle Payments		-	-	-

City Of Minneapolis
Solid Waste and Recycling Fund
For the Fourth Quarter Ending December 31, 2015

Fund 07700	2015 Budget	2015 Actual	2014 Actual	2013 Actual
Operating Revenue	36,731,000	36,613,518	31,820,969	31,425,594
Operating Expense	40,451,491	33,459,231	31,656,139	35,205,122
Operating Margin	(3,810,491)	3,154,288	164,830	(3,779,528)
Change in Net Position		2,897,178	393,990	(4,896,120)
Net Position		26,395,590	28,857,369	26,844,115
Cash Balance		22,572,647	19,729,474	17,793,800

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 fourth quarter totaling $36,613,518, 99.7% of the budgeted revenue has been realized. This is an increase of $4.8 million or 15.1%, compared to $31.8 million earned through fourth quarter of 2014. Utility revenues were $37,753,628 compared to $29,486,130 for 2014 for a gain of $5.3 million as a result of increase in base rate of $4.00 per dwelling unit. Rates were increased in order to support implementation of city-wide organics program. There was a decrease of $0.6 million in miscellaneous service revenues due to decrease in graffiti, snow and debris cleaning, and sale of recyclable materials. 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 collected and the amount received was $1,002,790.

Expenses:
Operating expenses through the end of 2015 were $33,459,231 compared to $31,656,139 in 2014. This is an increase of $1.8 million or 5.7%. Expenditures in Collection and Problem Material divisions decreased by $0.4 million which has been off-set by increase in Recycling and Yard Waste division by $0.7 million due to modifications on MRI expenditure splits. Expenses also decreased in Disposal, Transfer Station, Administration, Clean City, and Equipment divisions by sum total of $1.3 million. Expenses in Equipment division were lower by $0.6 million as fewer vehicles, crane carries, chassis, and refuse bodies were purchased during the year. Additional reductions of $0.7 million in expense are due to lower expense in Disposal division

resulting from one-sort program and lower appropriation for City services in Admin division.

Expenses increased by a combined total of $2.5 million for Customer Service, Graffiti and Organics divisions. $2.3 million of the increase is in Organics where the implementation of this program at a City-wide level required purchases of vehicles, trucks, carts, and other operating expenses. The rest, $0.2 million, comes from Graffiti and Customer Service divisions due to increase in personnel and contractual services.

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

Debt Service:
This fund has no debt service.

Cash and Net Positions:
The Fund's cash balance as of the end of the fourth quarter was $22,572,647 and the net position amounted to $26,395,590. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the targeted cash balance is $10,135,373 leaving unrestricted cash reserve equivalent to $12,437,274. With a continued implementation of City-wide Organic program and facility improvement in the next budget year, the Solid Waste is estimated to incur over $9.7 million in additional costs. Therefore going into 2016, the projected year-end cash reserve is necessary to fund these programs.

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 Fourth Quarter/Years Ending 2015, 2014, and 2013

	Budget Year 2015	For Year Ending 2015	For Year Ending 2014	For Year Ending 2013
Operating Revenues:				
County Grants	894,000	1,002,790	871,608	864,545
Solid Waste Fees	34,617,000	34,753,628	29,486,130	28,801,926
Recyclable Sales	226,000	297,363	337,695	790,163
Charges for Other Services	994,000	559,737	1,125,536	968,960
Total Operating Revenues	36,731,000	36,613,518	31,820,969	31,425,594
Operating Expenses:				
Collection	8,271,864	7,247,699	7,552,965	8,091,536
Disposal	4,516,333	4,219,802	4,538,343	4,544,751
Recycling	3,799,120	3,535,804	3,284,022	7,968,641
Yard Waste	3,195,279	3,058,194	2,371,116	2,624,703
Large Item/Problem Material	1,842,449	1,611,799	1,705,729	1,676,994
Transfer Stations	521,063	413,053	438,339	356,751
Administration	5,845,843	5,621,821	5,906,028	4,429,665
Customer Service	677,949	549,212	482,385	577,913
Clean City	1,090,358	1,004,170	1,074,347	975,820
Graffiti	1,072,189	795,311	702,744	766,716
Equipment	3,397,472	2,783,500	3,375,282	2,936,967
Organics	6,311,573	2,618,865	224,839	254,665
Total Operating Expenses	40,541,491	33,459,231	31,656,139	35,205,122
Operating Margin	(3,810,491)	3,154,288	164,830	(3,779,528)
Non-Operating Revenues (Expenses):				
Depreciation	(869,126)	(869,126)	(840,404)	(855,039)
Capital Adjustments	-	-	-	-
Other non-operating Expense	(3,000,000)	-	(2,778)	-
Special Assessments	-	141,017	106,342	142,471
Total Non-Operating Revenues (Expenses)	(3,869,126)	(728,109)	(736,840)	(712,568)
Operating Transfers In (Out):				
Net Transfers In from Other Funds	471,000	471,000	966,000	296,000
Net Transfers Out to Other Funds	-	-	-	(700,024)
Total Operating Transfers	471,000	471,000	966,000	(404,024)
Contributed Capital	-	-	-	-
Change in Net Position	(7,208,618)	2,897,178	393,990	(4,896,120)
Significant Balance Sheet Items:				
Operating Cash		22,572,647	19,729,474	17,793,800
Accounts Receivable		3,449,051	3,267,951	3,254,086
Net Position*		26,395,590	28,857,369	26,844,115
*The prior year net position was not restated.				
Significant Cash Flow Items:				
Capital Outaly	2,500,000	-	-	-

CPED Enterprise Fund Component Programs
For the Fourth Quarter Ending December 31, 2015

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

The **Housing Development** component accounts for various home ownership and home improvement loan programs. These are mature programs. All issued debt has been retired and no new loans are being issued. The residual balances are committed to the operations of the Minneapolis-St Paul Housing Finance Board. The Board is a joint venture created for the benefit of the Cities of Minneapolis and Saint Paul to cooperatively operate various housing loan programs. The committed balances will be used to pay for the Minneapolis share of bond issuance costs. The residual activity of the Housing Development component is accounted for by trustees, reviewed by management throughout the year, and recorded in City accounting records at year end. $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. 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. Four years of the workout plan have been successfully implemented. At December 31, 2015 the cash deficit was $(265,501).

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 12/31/2014	Housing Development Fund 12/31/2015	General Agency Reserve Fund System 12/31/2014	General Agency Reserve Fund System 12/31/2015	Theatres 12/31/2014	Theatres 12/31/2015	River Terminal 12/31/2014	River Terminal 12/31/2015	Economic Development Program 12/31/2014	Economic Development Program 12/31/2015
ASSETS										
Current assets:										
Cash and cash equivalents	$ 138,355	$ 143,068	$ 919,514	$ 950,324	$ (954,400)	$ (265,501)	$ (585,519)	$ (806,969)	$ 796,675	$ 799,160
Deposits with fiscal agents	-	-	41,980,235	39,556,255	-	-	-	-	-	-
Loans and notes receivable	50,000	50,000	-	-	-	-	-	-	-	-
Capital leases	-	-	3,770,000	4,035,000	-	-	-	-	-	-
Other current assets	337	310	287,396	254,335	(2,342)	(1,064)	55,113	74,008	2,020	1,782
Total current assets	188,692	193,378	46,957,145	44,795,914	(956,742)	(266,565)	(530,406)	(732,961)	798,695	800,942
Noncurrent assets:										
Loans and notes receivable	382,567	330,243	-	-	-	-	-	-	-	-
Capital leases	-	-	86,325,100	80,750,100	-	-	-	-	-	-
Capital assets (net of accumulated depreciation)	-	-	-	-	-	-	5,092,911	4,745,384	-	-
Total noncurrent assets	382,567	330,243	86,325,100	80,750,100	-	-	5,092,911	4,745,384	-	-
Total assets	$ 571,259	$ 523,621	$ 133,282,245	$ 125,546,014	$ (956,742)	$ (266,565)	$4,562,505	$ 4,012,423	$ 798,695	$ 800,942
LIABILITIES										
Current liabilities:										
Deposits held for others	-	-	7,225,952	4,220,510	-	-	-	-	-	-
Unearned revenue	-	-	1,058,101	1,267,288	-	-	-	-	-	-
Bonds payable - current portion	-	-	3,770,000	4,035,000	-	-	-	-	-	-
Other current liabilities	130	96	431,590	410,381	(905)	(330)	87,635	73,483	843	553
Total current liabilities	130	96	12,485,643	9,933,179	(905)	(330)	87,635	73,483	843	553
Noncurrent liabilities:										
Bonds Payable	-	-	86,330,000	80,755,000	-	-	-	-	-	-
Compensated absences payable	-	-	9,584	1,873	-	-	1,847	47	-	-
Total noncurrent liabilities	-	-	86,339,584	80,756,873	-	-	1,847	47	-	-
Total liabilities	130	96	98,825,227	90,690,052	(905)	(330)	89,482	73,530	843	553
NET POSITION										
Invested in capital assets, net of related debt	-	-	-	-	-	-	5,092,911	4,745,384	-	-
Restricted	-	-	34,457,018	34,855,962	-	-	-	-	-	-
Unrestricted	571,129	523,525	-	-	(955,837)	(266,235)	(919,888)	(806,491)	797,852	800,389
Total net position	571,129	523,525	34,457,018	34,855,962	(955,837)	(266,235)	4,173,023	3,938,893	797,852	800,389
Total liabilities & net position	$ 571,259	$ 523,621	$ 133,282,245	$ 125,546,014	$ (956,742)	$ (266,565)	$4,262,505	$ 4,012,423	$ 798,695	$ 800,942

	Housing Development Fund 1/1-12/31/14	Housing Development Fund 1/1-12/31/15	General Agency Reserve Fund System 1/1-12/31/14	General Agency Reserve Fund System 1/1-12/31/15	Theatres 1/1-12/31/14	Theatres 1/1-12/31/15	River Terminal 1/1-12/31/14	River Terminal 1/1-12/31/15	Economic Development Program 1/1-12/31/14	Economic Development Program 1/1-12/31/15
Operating revenues										
Charges for sales and services		$ -	$ 407,597	$ 389,831	$ -	$ -	$ 1,417,167	$ 1,132,240	$ -	$ -
Interest on program activities	27,826	24,129	5,234,412	4,947,613	-	-	-	-	-	-
Other	-	-	-	-	-	-	17,217	-	-	-
Total operating revenues	27,826	24,129	5,642,009	5,337,444	-	-	1,434,384	1,132,240	-	-
Operating expenses:										
Personal services	-	-	122,931	127,383	-	-	38,427	653	-	-
Contractual services	60,085	56,218	197,362	139,609	-	-	1,797,379	1,013,123	6,864	-
Other	1,694	17,626	1,843	64	-	-	500	-	-	1,667
Depreciation expense	-	-	-	-	-	-	347,526	347,526	-	-
Total operating expenses	61,779	73,844	322,136	267,056	-	-	2,183,832	1,361,302	6,864	1,667
Operating income	(33,953)	(49,715)	5,319,873	5,070,388	-	-	(749,448)	(229,062)	(6,864)	(1,667)
Nonoperating revenues (expenses)										
Interest on investments	763	2,111	792,550	308,556	2,954	(2,984)	587	(5,068)	5,002	4,204
Interest expense	-	-	(5,183,930)	(4,980,000)	-	-	-	-	(473)	-
Gain (loss) on disp of cap assets	-	-	-	-	-	-	75,675	-	-	-
Total nonoperating revenue (expenses)	763	2,111	(4,391,380)	(4,671,444)	2,954	(2,984)	76,262	(5,068)	4,529	4,204
Income (loss) before transfers	(33,190)	(47,604)	928,493	398,944	2,954	(2,984)	(673,186)	(234,130)	(2,335)	2,537
Net transfers from (to) other funds	-	-	-	-	402,190	692,586	-	-	-	-
Change in net position	(33,190)	(47,604)	928,493	398,944	405,144	689,602	(673,186)	(234,130)	- (2,335)	2,537
Total net position - January 1	604,319	571,129	33,528,525	34,457,018	(1,360,981)	(955,837)	4,846,209	4,173,023	800,187	797,852
Total net position - Dec 31	$ 571,129	$ 523,525	$ 34,457,018	$ 34,855,962	$ (955,837)	$ (266,235)	$ 4,173,023	$ 3,938,893	$ 797,852	$ 800,389

City of Minneapolis
Fourth Quarter, 2015 Cash and Investments Report

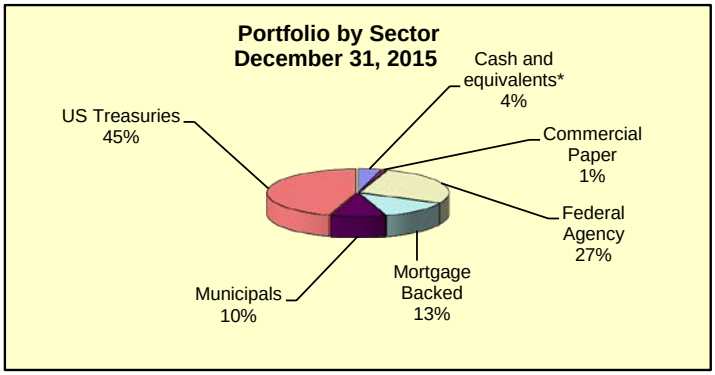
In accordance with the City's cash management procedures, revenue not immediately required for payment of obligations shall be placed in authorized investments. The objectives of the City's investment strategy, in order of priority, are safety of principal, liquidity, diversification and yield. As of December 31, 2015, the City's current investment portfolio was valued at $773.9 million. The sector holdings and fund distributions are shown below. For the twelve months ended December 31, 2015, the portfolio has outperformed its benchmark.

Investment Performance period ended December 31, 2015	*City Portfolio*	*Custom Benchmark**
3 month Total Return	*-0.33%*	*-0.40%*
12 months Total Return	*0.57%*	*0.42%*
3 year Total Return	*0.43%*	*0.40%*
Credit Quality	*TSY*	*TSY*
Weighted Average Maturity	*1.6 Years*	*1.7 Years*

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

Portfolio Holdings By Sector

Market Value in millions

		Dec. 31 2015	% of port.		Dec. 31 2014	% of port.
Cash and equivalents*	$	31.6	4%	$	51.7	7%
Commercial Paper		7.8	1%		5.9	1%
Federal Agency		210.6	27%		235.7	30%
Mortgage Backed		98.5	13%		69.0	9%
Municipals		76.7	10%		69.5	9%
US Treasuries		348.7	45%		343.1	44%
Total Cash & Investments	$	773.9	100%	$	774.9	100%

**Net of checks outstanding*