



# Second Quarter 2023 Financial Status Report

Finance & Property Services Department  
September 5, 2023

**City of Minneapolis**  
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**for the Second Quarter of 2023**

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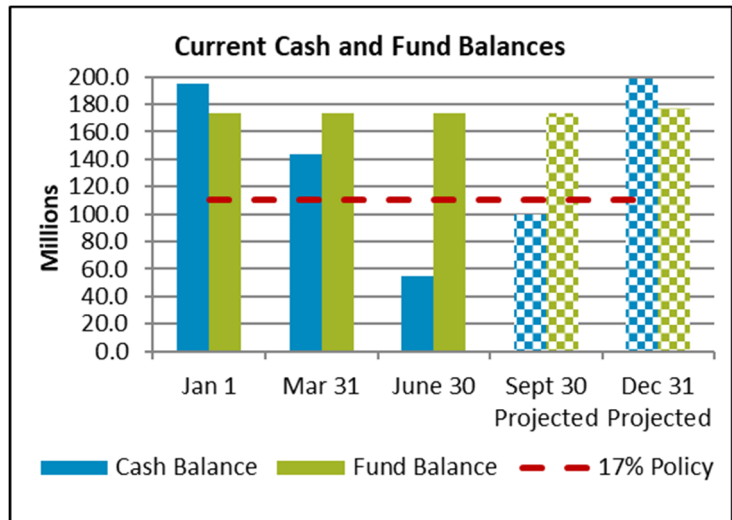
## Overview

The City’s recovery from the economic impacts of the pandemic is ongoing and 2023 is projected to be a year of continued growth. In August 2023 Fitch upgraded the City’s credit rating to AAA while Standard and Poor confirmed their AAA rating. This is the first time the City has earned top ratings from both agencies since 2016. The \$271.2 million of Federal funding through the American Rescue Plan Act the City received in 2021 and 2022 is being spent as planned on projects addressing the economic and public health impacts of the pandemic. Using ARPA funds, the City’s General Fund will replace a portion of reduced revenue again in 2023 with a plan to cease reliance on that funding after 2024. Nearly all funds are meeting or exceeding target balances for cash and fund balance or net position with only the Parking enterprise fund and Property Services internal service fund projected to fall below the targeted amount. Local taxes deposited into the Downtown Assets fund are projected to exceed budget for the second year in a row and are exceeding collection rates from 2022.

## General Fund

The General Fund is used to account for all financial resources except those required to be accounted for or reported in another fund. The original 2023 budget included a planned use of fund balance of \$4.8 million. Subsequent adjustments for rollovers increased the planned use of fund balance to \$37.5 million. At year end, actual fund balance is projected to increase by \$3.5 million.

The 2022 ending fund balance was \$173.7 million and the General Fund cash balance at year-end 2022 was \$195.4 million. Over one-half of the revenue in the General Fund comes from sources received only two or three times per year. Because of this, there can be a large variation in the cash balance between the beginning of the year and the end of the second quarter. As the chart above shows, the cash balance at mid-year fell to \$54.7 million while the year-end projected cash balance is \$198.9 million.



As shown in the Financial Strength Analysis on pages A-2 and A-3 of this report, from 2019 through 2022, the General Fund’s cash balance and fund balance have increased with a cumulative cash increase of \$49.1 million and an increase in fund balance of \$45.7 million. The strong fund balance and cash position were made possible in large part by strategic use of federal funds available through the pandemic including CARES and ARPA. These Federal funding sources were used to help maintain sustainable operations even considering the losses experienced from 2020 to 2021. The General Fund continues to exceed the minimum fund balance requirements as required by financial policies.

The City’s financial policy for the General Fund balance is to maintain 17.0% of the following year’s expenditure budget less transfers. Based on the Mayor’s proposed 2024 budget less transfers of \$647.3 million, the required fund balance would be \$110.0 million. Considering projected amounts, the General Fund should finish the year with a fund balance of \$177.2 million which is \$67.2 million over the minimum balance. This equates to 27.4% of the Mayor’s proposed 2024 budget.

## 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, Downtown Assets Fund, Police, the Neighborhood and Community Relations (NCR), Regulatory Services, Grant Funds, Employee Retirement Funds, and the Community Planning & Economic Development (CPED)s funds.

Projected 2023 year-end cash for special revenue funds in total is \$416.6 million which is a decrease of \$69.6 million from the year-end 2022 cash balance of \$486.2 million. The cumulative fund balance for the Special Revenue Funds is projected to end at \$370.5 million, an increase of \$5.0 million compared to year-end 2022. The decrease in cash is due primarily to a planned spend down of the ARPA federal funding. As mentioned in the Overview section above, the City received all ARPA funding totaling \$271.2 million in 2021 and 2022 with a plan to spend it down over the next few years. Local taxes are rebounding with 2023 collections budgeted at \$51.4 million and projected to come in at \$70.1 million. Fund balances in special revenue funds are generally restricted or committed for uses consistent with the source of revenue for each fund.

## Internal Service Funds

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

The total cash balance for the Internal Service Funds at year-end 2023 is projected to be \$165.6 million, a decrease of \$11.9 million from the 2022 ending balance of \$177.5 million. At the same time, the total net position for all the Internal Service Funds is projected to decrease by \$6.2 million from \$76.8 million to \$70.6 million. Because these funds have no debt burden and spending is tied to demand from other City funds, spending can be influenced by the needs of other funds. In 2023, it is expected that the Fleet Services fund will increase spending on new vehicle purchases that were delayed due to supply chain issues in prior years. The Self-Insurance funds may see a decrease in cash because the 2022 budget for those funds included a total transfer in of \$24.0 million from the General Fund resulting in cash growth last year but a projected decrease in 2023. The net position of the Self-Insurance funds continues to be negative even considering the \$130.6 million projected cash balance. This negative net position is reflective of the actuarially accrued liabilities for long-term settlements and is not reflective of a lack of resources for short term operations of the funds.

## Enterprise Funds

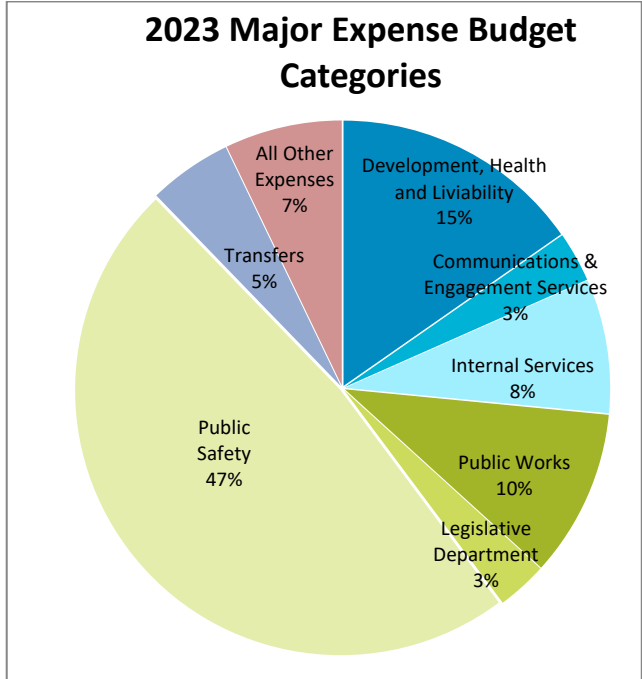
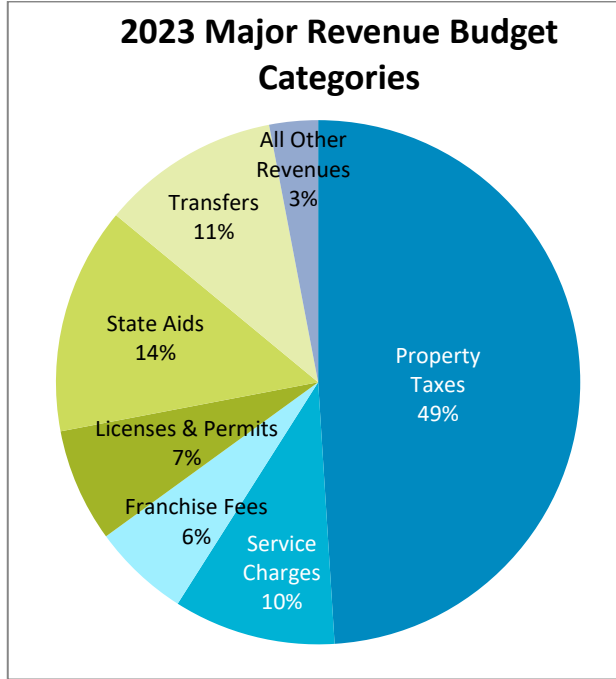
The Enterprise Funds are used to account for operations that sell goods and services to external third parties. Enterprise Funds include the Utility Operations – Sanitary Sewer, Stormwater, and Water Utilities; Solid Waste & Recycling; the Parking Fund; and the CPED Enterprise Funds.

The total cash balance for the Enterprise Funds is projected to be \$111.5 million which is a decrease of \$19.7 million from the 2022 ending balance of \$131.2 million. Total net position for the Enterprise Funds is projected to increase by \$5.5 million from \$1,128.0 million at year end 2022 to \$1,133.5 at year end 2023. The Stormwater and Water funds are both planning to spend down cash balances in 2023 on projects and debt service costs while still maintaining sufficient cash to meet financial targets.

**City of Minneapolis  
General Fund  
For the Second Quarter Ending June 30, 2023**

**Fund Description**

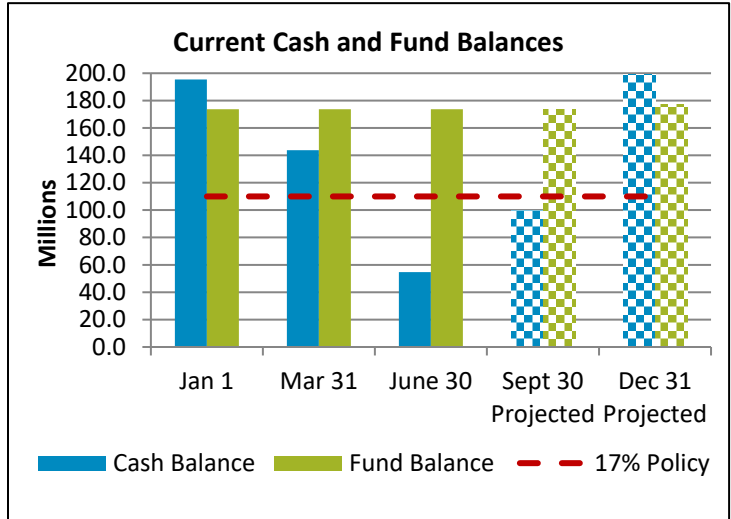
The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required by law or administrative action to be accounted for in another fund. The Fund's 2023 current revenue budget is \$594.1 million, while the Fund's 2023 current expense budget is \$631.6 million, including transfers.



**Cash and Fund Balance**

The 2022 year-end audited cash balance for the General Fund was \$195.4 million, while the fund balance was \$173.7 million. Over one-half of the revenue in the General Fund comes from sources received only two times per year, such as property taxes, special assessments, and state aids. As such, the cash balance fluctuates significantly during the year. As of June 30, 2023, the cash balance was \$54.7 million. This increased significantly with the allocation of the first half property tax settlement in early July.

The 2023 original budget included a planned use of fund balance of \$4.8 million. The 2023 revised budget's planned use of fund balance is \$37.5 million, an increase of \$32.7 million. The increased budgeted use of fund balance is primarily a result of rollovers of prior year unspent appropriations and the transfer in of APRA Funds to the General Fund. The 2023 projected year-end fund balance is \$177.2 million, an increase of \$3.5 million. The difference between the budgeted use of fund balance and the projected growth of fund balance is due to variations in revenue and expense explained in the next two sections.

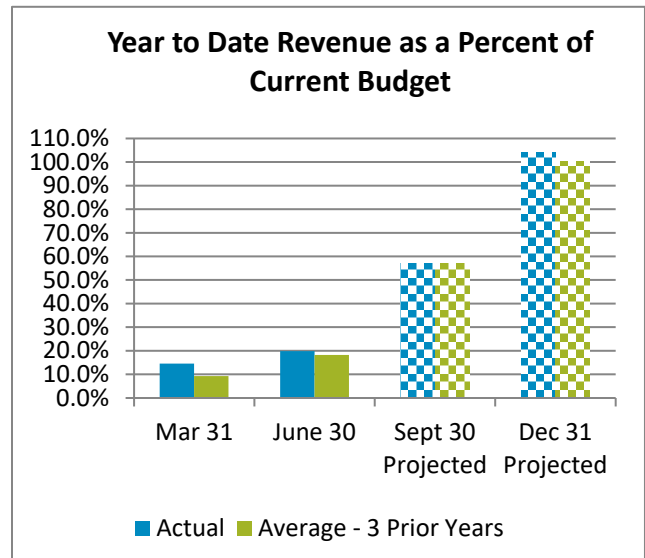


The City’s financial policies require a minimum fund balance equal to 17% of the next year’s General Fund expenditure budget, less transfers out. The 2024 Mayor’s proposed budget less transfers out equals \$647.3 million, resulting in a minimum fund balance target of \$110.0 million. The projected year-end und balance, \$196.4 million, is \$94.6 million above the fund balance target.

**Revenue**

As noted above, more than one-half of General fund revenue is related to property taxes, special assessments, and state aids. The first installments of these payments are recognized in July with the remainder received in December. Since such a large portion of General Fund revenue is received after the second quarter of the year, the average revenue through the first half of the past three years is only 18.2% of the budget. Actual revenue through the second quarter of 2023 totals \$117.7 million or 19.8% of the total budget.

Although the negative economic impacts of COVID-19 continue to effect Business Licenses and Permits, which are projected to be short of budget by \$2.7 million, year-end general fund revenues in 2023, are projected exceed budget by \$23.5 million, or 4.0%. This includes a one-time unbudgeted Public Safety Aid of \$19.0 million related to legislation passed by the State during the 2023 session. Two other categories projected to exceed budget are Franchise Fees, at \$3.4 million, and Non-Business Licenses and Permits, at \$2.9 million. Property taxes are projected to have a 98.2% collection rate which is consistent with prior years.

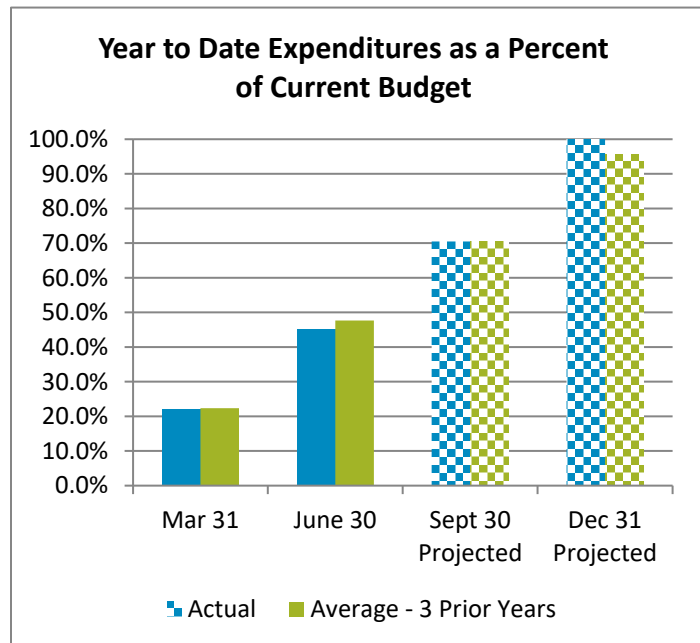


**Expenditures**

The City’s four largest divisions comprise 81.2% of the General Fund’s total current budget: Public Safety; Development, Health, and Livability; Public Works; and Internal Services. Small percentage variances in any of these large divisions can have a significant effect on the amount of surplus or deficit in the General Fund expenditure budget.

The Public Safety Division is projected to be over budget by \$2.1 million or 0.7% mainly due to staff and overtime issues. The Public Works Division is projected to be overbudget by \$4.3 million, or 6.7%. The two main reasons for the overage are the result of \$2.0 million reimbursed work for others, and \$2.1 million in snow and ice removal.

Several departments are projected to be under budget at year end. The primary reasons for underspending are personnel savings and the delay of current year projects and initiatives. In addition, contingency funding of \$14.1 million is planned to be unspent at year end. Overall, General Fund underspending is projected to be \$17.4 million.



**City of Minneapolis  
General Fund Report  
June 30, 2023**

	Original Budget	Current Budget	Year-to-Date Actual	Percent of Revised Budget Remaining	Year End Projection	Surplus (Deficit) Budgt Versus Projected	Percent of Revised Budget Remaining
<b>Revenues</b>							
Business Licenses And Permits	\$ 12,121,111	\$ 12,121,111	\$ 6,091,686	49.7%	\$ 9,393,660	\$ (2,727,451)	-22.5%
Charges For Sales	12,350	12,350	91,122	-637.8%	103,661	91,311	739.4%
Charges For Services	56,839,029	56,839,029	26,669,220	53.1%	57,692,930	853,901	1.5%
Contributions	-	-	20,346	0.0%	24,815	24,815	0.0%
Fines And Forfeits	5,382,000	5,382,000	2,690,065	50.0%	5,187,728	(194,272)	-3.6%
Franchise Fees	33,939,704	33,939,704	19,468,393	42.6%	37,383,510	3,443,806	10.1%
Interest Revenue	6,837,270	6,837,270	6,241,961	8.7%	12,770,995	5,933,725	86.8%
Local Grants & Aids	978,675	978,675	585,485	40.2%	991,502	12,827	1.3%
Miscellaneous	1,837,000	1,837,000	844,946	54.0%	1,749,343	(87,657)	-4.8%
Non-Business Licenses And Permits	30,296,042	30,296,042	18,690,906	38.3%	33,178,557	2,882,515	9.5%
Property Taxes	291,963,777	291,963,777	-	100.0%	286,593,003	(5,370,774)	-1.8%
Rents	767,000	767,000	1,082,146	-41.1%	1,271,196	504,196	65.7%
Sales and Other Taxes	-	-	-	0.0%	13,366	13,366	0.0%
Special Assessments	4,785,980	4,785,980	142,142	97.0%	4,393,403	(392,578)	-8.2%
State Grants & Aids	83,905,982	83,905,982	2,869,462	96.6%	102,464,896	18,558,914	22.1%
<b>Total Revenues</b>	<b>529,665,920</b>	<b>529,665,920</b>	<b>85,487,881</b>	<b>83.9%</b>	<b>553,212,565</b>	<b>23,546,645</b>	<b>4.4%</b>
Transfers In	64,469,828	64,469,828	32,234,914	50.0%	64,469,828	-	0.0%
<b>Revenues and Other Sources</b>	<b>\$ 594,135,748</b>	<b>\$ 594,135,748</b>	<b>\$ 117,722,795</b>	<b>80.2%</b>	<b>\$ 617,682,393</b>	<b>\$ 23,546,645</b>	<b>4.0%</b>
<b>Expenditures</b>							
Arts & Cultural Affairs	979,397	979,397	363,826	62.9%	979,397	-	100.0%
Attorney	19,426,764	19,426,764	8,594,536	55.8%	19,284,474	142,290	99.3%
Civil Rights	6,073,916	6,433,916	2,453,261	61.9%	5,515,249	918,668	85.7%
Communications & Engagement Services:							
Communications	2,654,124	2,654,124	1,192,067	55.1%	2,701,010	(46,886)	101.8%
Intergovernmental Relations	1,416,116	1,416,116	659,883	53.4%	1,350,321	65,796	95.4%
Neighborhood & Community Relations	8,156,031	8,750,377	2,478,176	71.7%	8,250,000	500,377	94.3%
311	5,858,994	6,202,967	3,002,412	51.6%	6,461,967	(259,000)	104.2%
Contingency	14,758,673	14,613,673	-	100.0%	-	14,613,673	0.0%
Development, Health and Livability							
CPED	43,897,406	53,621,061	16,735,490	68.8%	52,800,000	821,061	98.5%
Health	16,055,846	16,742,415	5,406,421	67.7%	16,446,189	296,225	98.2%
Regulatory Services	26,275,998	26,531,488	11,465,142	56.8%	24,437,386	2,094,103	92.1%
Internal Services:							
Assessing	7,991,301	9,389,438	4,070,397	56.6%	7,520,416	1,869,021	80.1%
Office of Public Service	3,086,212	3,133,689	1,071,635	65.8%	3,133,689	0	100.0%
Finance and Property Services	27,188,814	27,856,903	13,020,164	53.3%	25,940,258	1,916,645	93.1%
Human Resources	8,929,769	9,280,376	4,125,783	55.5%	9,667,857	(387,481)	104.2%
Information Technology	-	2,000,000	49,657	97.5%	2,000,000	-	100.0%
Performance Management & Innovatio	1,201,618	1,201,618	313,764	73.9%	764,186	437,432	63.6%
Legislative Department:							
City Auditor	1,785,179	1,868,717	584,057	68.7%	1,868,717	0	100.0%
City Council & City Clerk	16,919,828	18,803,012	7,148,811	62.0%	17,999,197	803,814	95.7%
Mayor	2,701,022	2,722,022	1,236,703	54.6%	2,610,212	111,810	95.9%
Public Safety:							
Emergency Management	1,090,103	1,090,103	916,205	16.0%	1,590,479	(500,376)	145.9%
Fire	73,118,620	73,118,620	36,513,490	50.1%	74,618,620	(1,500,000)	102.1%
Neighborhood Safety	12,428,714	13,269,451	3,339,619	74.8%	10,689,920	2,579,531	80.6%
Office of Community Safety	1,398,248	1,398,248	580,745	58.5%	1,398,248	-	100.0%
Police	194,345,830	199,121,830	96,054,177	51.8%	201,421,830	(2,300,000)	101.2%
911	10,369,449	10,369,449	5,189,485	50.0%	10,817,449	(448,000)	104.3%
Public Works							
Transportation Planning & Design	1,981,466	2,010,066	935,792	53.4%	2,110,066	(100,000)	105.0%
Transportation Plan Programming	3,049,720	3,200,024	1,275,966	60.1%	3,000,000	200,024	93.7%
Transportation Maintenance & Repair	38,097,604	36,647,604	21,778,405	40.6%	41,529,196	(4,881,592)	113.3%
Public Works Administration	3,366,068	3,566,068	1,804,369	49.4%	3,366,068	200,000	94.4%
Traffic & Parking Services	18,228,590	19,478,590	8,721,622	55.2%	19,214,929	263,661	98.6%
Racial Equity Inc Bel	1,720,767	1,835,767	994,929	45.8%	1,835,767	-	100.0%
<b>Total Expenditures</b>	<b>574,552,187</b>	<b>598,733,893</b>	<b>262,076,991</b>	<b>56.2%</b>	<b>581,323,097</b>	<b>17,410,796</b>	<b>97.1%</b>
Transfers Out Total	24,397,274	32,884,672	16,442,337	50.0%	32,884,672	0	100.0%
<b>Expenditures and Other Uses</b>	<b>\$ 598,949,461</b>	<b>\$ 631,618,565</b>	<b>\$ 278,519,327</b>	<b>55.9%</b>	<b>\$ 614,207,769</b>	<b>\$ 17,410,796</b>	<b>97.2%</b>
<b>Change in Fund Balance</b>					<b>3,474,625</b>		
<b>Fund Balance - January 1</b>					<b>173,717,330</b>		
<b>Fund Balance - December 31 (Projected)</b>					<b>177,191,955</b>		

**City of Minneapolis**  
**Convention Center Special Revenue Fund Report**  
**For the Second Quarter Ending June 30, 2023**

**Fund Description:**

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 of Minneapolis, the metropolitan region, and the State of Minnesota.

The Convention Center Special Revenue Fund activity was historically funded from local sales and hospitality tax receipts in addition to Convention Center operating revenue. Beginning in 2014, the local taxes were receipted directly to the General Fund, and a transfer was made from the General Fund to the Convention Center to fully fund Convention Center operating and non-operating expenditures. Beginning in 2018, the Convention Center Special Revenue Fund is being managed as part of the Downtown Assets umbrella fund. The Downtown Assets Fund is intended to help the City provide a coordinated management and funding structure for the physical infrastructure assets in Downtown Minneapolis which help generate sales, liquor, lodging, restaurant, and entertainment taxes that support City spending. The Downtown Assets “umbrella” Fund includes the Minneapolis Convention Center, the Arena Special Revenue Fund (Target Center), Peavey Plaza, and the Commons. Beginning in 2018, as part of the new Downtown Assets funding structure, the local taxes were receipted directly to the Downtown Assets Fund, and a transfer is being made from the Downtown Assets Fund to the Convention Center Fund to fund Convention Center operations, capital, and building debt service.

**Revenue:**

Through the June 30, 2023, Convention Center operating revenue ended at nearly \$9.8 million or 53.0% of the \$15.0 million operating revenue budget. Rents and Commissions had the strongest finish at \$4.0 million or 26.9% of the operating budget followed by Charges for Services and Sales at \$4.0 million or 26.0% of budget, and finally Catering Commissions which finished at \$1.9 million or 12.4% of operating budget. With the strong impact of the pandemic on catering, the Kelber Catering commission structure was changed in 2021 to a tiered revenue structure where specific amounts of revenue need to be realized before the MCC receives a commission. The new structure was implemented to take financial pressure off Kelber.

Through June 30, 2023, the Convention Center had operating revenue of \$9.8 million, and finished \$0.7 million over June 30, 2022, operating revenue of \$9.1 million. The reason for the increase was that in early 2022 the Convention Center was still recovering from the COVID-19 pandemic. Throughout 2022, the Convention Center saw a strong recovery which continued in 2023, as events in the building increased. The Convention Center projects 2023 operating revenue to finish at \$17.0 million which is \$2.0 million over budget, and \$0.7 million over 2022. The Convention Center also receives revenue from interest on cash balances, and the 2023 budget is \$0.2 million. The 2023 interest revenue is projected to finish at budget and \$0.5 million greater than 2022 in part because of a year-end market adjustment to adjust City investments to their year-end marker value, in addition to current trends as projected by the City of Minneapolis investment staff. Interest revenue is based on cash balances within City funds and investment rates.

Through June 2023, the Convention Center also received miscellaneous revenue of \$27,000 for HVAC rebates scrap sales, breakage related to building damage related to events, and cell phone reimbursements. Most of that revenue is unpredictable and is dependent on if the building has scrap to sell and had building damage which can vary greatly dependent on the extent of the damages.



**Expenses:**

Through the second quarter of 2023, Convention Center operating expenditures not including Ongoing Equipment and Improvements and Meet Minneapolis finished at \$12.8 million or 47.0% of budget which was \$1.6 million over the second quarter 2022 results. Operating expenses are based on event levels and normal day-to-day operations as operations continue to rebound toward pre-pandemic levels. 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
- Recycling "waste" initiative

The Convention Center expects the 2023 operating expenses to finish the year close to the 2023 budget of \$27.2 million. That represents a \$3.3 million increase from 2022 which is related to an overall increase in event activity as the building is getting back to a normal. As event levels increase, so does revenue and corresponding expenses needed to support the events.

In Ongoing Equipment and Improvements, the Convention Center finished the second quarter of 2023 at \$2.5 million or 17.8% of the \$13.9 million 2023 budget which was \$0.9 million higher than the second quarter of 2022. The Convention Center projects 2023 ongoing equipment and improvements to finish 2023 close to the budget of \$13.9 million. With the impacts of the pandemic and social unrest within the City, the Convention Center sharply curtailed building projects through cancellations, scope reductions, and deferments. In 2022 and 2023, the Convention Center began work catching up on badly needed projects. The Convention Center needs to continually improve the building to remain competitive with other venues.

The 2023 Meet Minneapolis budget is \$11.2 million which is \$0.7 million over the 2022 actual. Through the second quarter of 2023, Meet Minneapolis expenditures were \$5.8 million or 51.4% of the 2023 budget. It is expected that Meet Minneapolis will finish 2023 at budget.

**Transfers:**

The Convention Center Fund annually transfers funds for debt service (see below), in addition to receiving a transfer from the Downtown Assets Fund. The Convention Center's 2023 transfer in from the Downtown Assets Fund is budgeted at \$37.0 million, which is \$5.9 million over the 2022 actual. It is expected that this 2023 transfer will finish at budget.

**Debt Service:**

Under the previous debt service schedule prior to the refinancing, 2020 would have been the final year of debt service however, to take pressure off the fund at the height of the pandemic losses, the final debt service payment was refinanced over five additional years. In 2023, transfers to debt service for debt issued on the building is budgeted at \$6.3 million. The 2024 and 2025 debt service are projected to be \$6.6 million and \$6.5 million respectively.

**Fund and Cash Balance:**

The June 30<sup>th</sup>, 2023, fund and cash balances were \$26.0 million and \$22.4 million respectively, and the 2023 ending fund and cash balances are projected to be \$13.2 million and \$18.4 million respectively. The projected fund and cash balances are both decreases of \$4.5 million from 2022. The decreases can be attributed to the projected increases in 2023 spending which includes increases to all expense categories. Those increases were partially offset by increased revenues.

**City of Minneapolis**  
**Second Quarter ending June 30, 2023**  
**Financial Srtatus Report (in thousands of Dollars)**

**Minneapolis Convention Center - Special Revenue Fund**

	<b>2022 Final Budget</b>	<b>2022 Year End Actual</b>	<b>2023 Current Budget</b>	<b>2023 Year to Date Actual</b>	<b>2023 Projected Year End</b>
<b>Source of Funds:</b>					
Charges for Services	\$ 5,743	\$ 6,330	\$ 5,405	\$ 3,907	\$ 6,400
Rents and Commissions	6,847	7,184	6,306	4,045	7,100
Privileges	3,231	2,737	3,303	1,858	3,500
Interest on Cash Investments	68	(367)	151	1,066	151
Other Misc Non Operating	-	64	-	27	40
Transfer from Downtown Assets	31,159	31,159	37,021	18,511	37,021
<b>Total</b>	<b>\$ 47,048</b>	<b>\$ 47,107</b>	<b>\$ 52,186</b>	<b>\$ 29,412</b>	<b>\$ 54,212</b>
<b>Use of Funds:</b>					
Convention Center Operations	\$ 26,000	\$ 23,933	\$ 27,219	\$ 12,785	\$ 27,219
Ongoing Equipment/Improvement (a)	11,045	9,051	13,948	2,476	13,948
Meet Minneapolis	11,038	10,538	11,245	5,775	11,245
Transfer to Debt Service	6,465	6,448	6,252	-	6,252
<b>Total</b>	<b>\$ 54,548</b>	<b>\$ 49,970</b>	<b>\$ 58,664</b>	<b>\$ 21,036</b>	<b>\$ 58,664</b>
<b>Net Change in Fund Balance</b>	<b>\$ (7,500)</b>	<b>\$ (2,863)</b>	<b>\$ (6,478)</b>	<b>\$ 8,376</b>	<b>\$ (4,452)</b>
<b>Ending Fund Balance</b>	<b>\$ 12,982</b>	<b>\$ 17,619</b>	<b>\$ 11,141</b>	<b>\$ 25,995</b>	<b>\$ 13,167</b>
<b>Ending Cash Balance</b>	<b>\$ 15,915</b>	<b>\$ 22,817</b>	<b>\$ 16,339</b>	<b>\$ 22,369</b>	<b>\$ 18,365</b>

**City of Minneapolis**  
**Arena Special Revenue Fund**  
**For the Second Quarter Ending June 30, 2023**

**Fund Description:**

The Arena Special Revenue Fund is used to account for the revenues and on-going equipment and improvements, maintenance, operating support, and other specific expenditures of the Target Center. The Target Center is home to the Minnesota Timberwolves, the Minnesota Lynx, and also hosts a wide variety of events such as concerts; high school, college and professional athletic events; and motor sports and ice skating events. These activities showcase the City of Minneapolis, the metropolitan region, and the State of Minnesota. The operator of the Target Center is AEG Management TWN, LLC (AEG). AEG is the world's leading sports and live entertainment company with over 300 venues owned/operated.

**Revenue:**

The Arena Special Revenue Fund activity was historically funded from entertainment tax, and a transfer from the Parking Fund. The 2023 budgeted transfer from the Parking Fund is \$5.0 million which is the same amount budgeted and received from the fund in 2022. Beginning in 2014, the Timberwolves organization started paying rent at the Target Center. The rent payments are based on a rent schedule, and the 2023 rent payment is \$1.6 million. Beginning in 2018, entertainment tax was removed as a revenue source with the Arena Fund now being managed as part of the Downtown Assets Funds "umbrella". The Downtown Assets Funds are intended to help the City provide coordinated management and funding structure for the physical infrastructure assets in downtown Minneapolis which help to generate sales, liquor, lodging, restaurant, and entertainment taxes that support City spending. The Arena Special Revenue Fund also receives interest revenue from City investments on cash balances within the fund. The 2023 interest revenue budget is \$37,000, and 2023 interest revenue is projected to finish close to budget as projected by the City's investment staff.

**Expenses:**

The Arena Special Revenue Fund has a 2023 ongoing equipment and improvements budget of \$7.0 million which includes nearly \$2.0 million in unspent 2022 funds that were rolled over to 2023 to continue work on projects that were in process but unfinished at year end. Through the second quarter of 2023, \$0.6 million or 8.3% of the \$7.0 million budget has been expended. The 2023 projection is \$7.0 million which assumes ongoing equipment and improvements finishes at budget. In 2022, ongoing equipment and improvements were budgeted at \$6.2 million and \$1.2 million was expended. Beginning in 2022 and continuing into 2023 the building is catching up on projects that were delayed, deferred, or postponed during the prior years in a deliberate effort to reduce expenses.

There is also a \$1.9 million 2023 budget for AEG (the Target Center's operator) under the category Operator Reimbursement, and as of June 30, 2023, there has been \$0.9 million or 50% of the budget expended. It is expected the full \$1.9 million budget will be expended by year-end. In 2023, administration is budgeted at \$0.3 million, and includes salaries, special assessments/DID fees, and a \$1,000 operating budget. It is expected that administration will finish 2023 approximately \$64,000 over budget as the result of DID fees and special assessments finishing higher than expected and to a lesser extent salaries/fringes finishing higher than expected. In 2023, Target Center DID fees/special assessments saw significant increases of 10.3% and 11.5% above 2022 for two Target Center related parcels. For Target Center salary and fringe expenses, the executive director's salary and fringes are expensed for the amount of time he actually spends working on items for that facility.

**Transfers:**

The Arena Special Revenue Fund receives an annual transfer from the Parking Fund. The 2023 budgeted transfer is \$5.0 million, and the transfer is expected to finish at budget. Through the second quarter of 2023, \$2.9 million or 58.3% of the \$5.0 million Parking Fund revenue budget has been transferred. The 2022 budgeted transfer was also \$5.0 million which was \$1.1 million higher than 2021. In a planned effort to reduce fund and cash balances while maintaining the Arena Special Revenue Fund as part of the Downtown Assets funds, a 2019 - 2023 transfer was added to transfer funds from the Arena Special Revenue Fund to the Downtown Assets Fund to further reduce fund and cash balances. The 2023 budgeted transfer out was \$1.9 million which is \$0.4 million more than the 2022 transfer of \$1.5 million. Transfers are underway, and it is expected that the 2023 transfers will meet the budget. This transfer is adjusted annually to assist in maintaining fund and cash balances.

**Fund and Cash Balances:**

The June 30, 2023 ending fund and cash balances were \$8.0 million and \$11.0 million respectively, and are projected to decrease by year end to \$2.2 million and \$2.1 million respectively. This is a decrease of \$4.3 million for both the fund and cash balances from 2022. The primary reason for the decreases is the projected spending to budget on improvements along with the transfer out which will result in a planned use of fund balance.

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**City of Minneapolis**  
**Second Quarter Ending June 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Arena (Target Center) - Special Revenue Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Rent	\$ 1,582	\$ 1,582	\$ 1,613	\$ 1,613	\$ 1,613
Transfer from Municipal Parking Fund	5,000	5,000	5,000	2,917	5,000
Other Misc Revenue	-	33	33	64	97
Interest Earnings	45	(409)	37	564	37
<b>Total</b>	<b>\$ 6,628</b>	<b>\$ 6,206</b>	<b>\$ 6,684</b>	<b>\$ 5,158</b>	<b>\$ 6,747</b>
<b>Use of Funds:</b>					
Operator Reimbursement	\$ 1,814	\$ 1,814	\$ 1,864	\$ 932	\$ 1,814
Ongoing Equipment/Improvements	6,183	1,240	6,969	576	6,969
Administration	306	267	311	192	375
Transfer to Downtown Assets Fund	1,480	1,480	1,924	1,924	1,924
<b>Total</b>	<b>\$ 9,783</b>	<b>\$ 4,800</b>	<b>\$ 11,067</b>	<b>\$ 3,624</b>	<b>\$ 11,082</b>
<b>Net Change in Fund Balance</b>	<b>\$ (3,155)</b>	<b>\$ 1,406</b>	<b>\$ (4,383)</b>	<b>\$ 1,534</b>	<b>\$ (4,335)</b>
<b>Ending Fund Balance</b>	<b>\$ 1,190</b>	<b>\$ 6,488</b>	<b>\$ 2,105</b>	<b>\$ 8,022</b>	<b>\$ 2,153</b>
<b>Ending Cash Balance</b>	<b>\$ 1,816</b>	<b>\$ 6,402</b>	<b>\$ 2,019</b>	<b>\$ 11,954</b>	<b>\$ 2,067</b>

**Downtown Assets Special Revenue  
Including the Downtown Assets, Peavey Plaza, and Commons Funds  
For the Second Quarter Ending June 30, 2023**

**Fund Description:**

The Downtown Assets Special Revenue Fund was created in 2018. The purpose of this fund is to:

- clearly delineate the uses of local sales, liquor, lodging, restaurant, and entertainment taxes;
- provide stable, predictable ongoing support from these taxes to the General Fund; and,
- support the comprehensive management of the City's four primary downtown revenue-generating capital assets.

This collection of funds holds the operating and capital funds which support the Minneapolis Convention Center, the Arena Special Revenue Fund (Target Center), the Downtown Commons, and Peavey Plaza. In 2020, the \$0.8 million Downtown Commons operating budget was transferred to the Minneapolis Parks & Recreation Board, and in 2021 and 2022 the City didn't budget for the Downtown Commons as it is managed/operated by the Minneapolis Parks & Recreation Board. Though each of these funds holds a cash balance to its own, all cash balances are available to support any expense within the funds. Receipts to the fund are largely made up of local taxes, but may also include contributions from private donations or State funding to support capital improvements. The Convention Center department is responsible for management of operations within the fund. Revenues and expenditures for the Convention Center and Target Center are discussed the those funds' respective quarterly reports.

**Revenue:**

The 2023 Downtown Assets Special Revenue Fund revenues are budgeted at approximately \$54.0 million. The overwhelming majority of revenues come from local taxes (including sales, liquor, lodging, restaurant and entertainment). Minneapolis local taxes are projected to finish at \$70.1 million which is \$18.7 million over the \$51.4 million 2023 budget. The local taxes are based on collection trends, consumer spending habits, and more recently, the impacts from the COVID-19 pandemic and social unrest within the City which had a severely negative impact on the local tax collections in 2020, 2021, and to a lesser extent, 2022. The \$70.1 million 2023 local tax projection is \$3.4 million over the actual 2022 collections as a result of an increasing number of events downtown.

Interest revenue is based on City investments of cash balances within the City funds. Fo the Downtown Assets Fund, the 2023 budget is \$0.7 million and actual revenue is projected to finish near budget as projected by City investment staff.

**Expenses:**

The 2023 Downtown Assets Special Revenue Fund expenses are budgeted at \$56.4 million, and are primarily all transfers out of the fund. Transfers make up \$56.0 million of the \$56.4 million 2023 budget. Of the \$56.4 million, \$0.5 million is allocated for Peavey Plaza Operating expenses which include payments to Green Minneapolis to maintain Peavey Plaza, Peavey Plaza Special Assessments/DID Fees, and electricity. There is also a small \$57,000 2023 Peavey Plaza capital budget to help with upkeeping the Plaza. Expenses are projected to finish close to budget, which is \$8.0 million over 2022 actual year end totals primarily due to an \$8.0 million increase in the 2023 transfers out of the Downtown Assets Special Revenue Fund to the General Fund and the Convention Center Fund.

**Transfers:**

In 2023, transfers out were budgeted at \$56.0 milllon. Transfers include \$13.3 million to the General Fund, \$37.0 million to the Convention Center to fund debt service, capital, and operating expenses; and nearly \$5.7 million to the Arena Special Revenue Fund (Target Center) building debt service. In addition, there is a 2023 budgeted

transfer of \$1.9 million from the Arena Special Revenue Fund to the Downtown Assets Fund. This transfer was made to reduce fund and cash balances within the Arena Special Revenue Fund with the Arena Special Revenue Fund being managed under the Downtown Assets funds umbrella. As of June 30, 2023, all transfers were on schedule and are expected to finish at budget.

**Fund and Cash Balances:**

At the end of 2022, the Downtown Assets Funds had a fund balance of \$53.5 million, and a cash balance of \$45.6 million. The 2023 Downtown Assets Funds, fund and cash balances are projected to finish at \$69.8 million and \$61.9 million respectively which is a \$16.3 million increase to both fund and cash balances from 2022. The increases in both fund and cash balances are due to the 2023 Sources of Funds projected to finish \$16.3 million over the Use Funds primarily due to increases in projected local tax revenue and interest earnings coupled with normal projected cash inflows and outflows within the funds related as projected for the 2023 business activity.

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**City of Minneapolis**  
**Second Quarter Ending June 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Downtown Assets Fund (including the Downtown Assets & Peavey Plaza) - Special Revenue Funds**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Local Taxes	\$ 42,917	\$ 66,666	\$ 51,433	\$ 24,960	\$ 70,100
Transfer from Arena Fund	1,480	1,480	1,924	1,924	1,924
Downtown Assets, Peavey Plaza, and Commons Funds Interest Earnings	818	(1,310)	666	2,627	666
<b>Total</b>	\$ 45,215	\$ 66,836	\$ 54,023	\$ 29,511	\$ 72,690
<b>Use of Funds:</b>					
Transfer out to City General Fund	\$ 11,136	\$ 11,136	\$ 13,253	\$ 6,627	\$ 13,253
Transfer out to Arena Fund Debt Service	5,695	5,695	5,696	1,038	5,696
Transfer out to Convention Center	31,159	31,159	37,021	18,511	37,021
Peavey Plaza - Capital	54	-	57	-	-
Peavey Plaza - Operating	395	416	398	208	399
<b>Total</b>	\$ 48,439	\$ 48,406	\$ 56,425	\$ 26,384	\$ 56,369
<b>Net Change in Fund Balance</b>	\$ (3,224)	\$ 18,430	\$ (2,402)	\$ 3,127	\$ 16,321
<b>Downtown Assets Fund - Ending Fund Balance</b>	\$ 31,842	\$ 53,527	\$ 51,125	\$ 56,654	\$ 69,848
<b>Downtown Assets Fund - Ending Cash Balance</b>	\$ 26,418	\$ 45,550	\$ 43,148	\$ 56,624	\$ 61,871



**City of Minneapolis**  
**Police Department – Special Revenue Fund**  
**For the Second Quarter Ending June 30, 2023**

**Program Description:**

The Police Special Revenue Fund accounts for revenues and expenses related to federal and state administrative forfeitures, lawful gambling, and non-emergency service contracts. Historically, the Police Special Revenue Fund had also been used to account for revenues and expenses related to the Automated Property System (APS), and the Workforce Director scheduling and payroll system (WFD). These programs were phased out over the last several years.

The fund revenues and expenses are associated with the following purposes:

- Federal and state administrative forfeiture programs are restricted to law enforcement and are designed to supplement and enhance, not supplant, agency resources. Revenue is used to account for a variety of law-enforcement needs, including some types of equipment, investigative expenditures, DWI-related enforcement, training, and others.
- The Automated Property (APS) and Workforce Director (WFD) systems are proprietary software systems owned and managed by the Police department. APS and WFD previously recovered expenses from user agreements with other governmental and non-governmental entities. They were decommissioned for external use in 2020 due to outdated technology and the inability to upgrade the software cost-effectively. Minimal activity with other entities continued into the first quarter of 2021. WFD consultant work continued through June 30, 2021. WFD, currently supported by the City's IT Department, continues to be used internally, and expenses have been transferred to the General Fund as of December 31, 2021.
- The non-emergency service contracts are typically entered by the City of Minneapolis Police Department and an external entity usually located within Minneapolis. The Police provide non-emergency services for sporting events, concerts, or extra presence at designated facilities or geographic areas. City departments (Public Works, others) periodically contract with Police to provide additional services at the desired location(s). The Police Special Revenue Fund is also used to account for revenues and expenses associated with these types of contracts.
- Lawful Gambling regulatory tax revenue and expenses are restricted to regulating lawful gambling, including site inspections, compliance reviews, and corrective action.

**Revenues:**

Revenue for the Police Special Revenue Fund earned through the second quarter ending June 30, 2023, is \$0.4 million, or 29.1% of the budgeted \$1.2 million. The 2023 second quarter revenue decreased by \$0.2 million, or 34.8% from the revenue earned through second quarter of 2022. The decrease in the second quarter 2023 is expected due to several factors; including \$0.2 million in forfeiture revenue that is unpredictable and depends on the amount forfeited and the number of cases settled each year. The decrease in forfeiture will be offset by the increase in gambling of \$63,000. The gambling increase is due to the loosening up of restrictions and people are getting back out after the pandemic.

**Expenditures:**

Expenditure for the Police Special Revenue through the second quarter ending June 30, 2023, is \$0.4 million, or 30.5% of the budgeted \$1.2 million. Expenses through the second quarter of 2023 increased by \$48,000 or 15.2% over the total expenditures through the same period in 2022. The increase in expenditures is expected due to several factors; including \$21,000 in forfeiture expenditures that is unpredictable and depends on the amount of forfeited and the number of cases settled each year. This amount doesn't include the increase in renewed contracts of \$24,000 including \$15,000 new sporting event contract with Uptown Special Service District.

**Cash and Fund Balances:**

The ending fund and cash balances are projected an increase slightly in 2023 compared with 2022, which is associated with the forfeiture revenue being unpredictable and depends on the amount forfeited and the number of cases settled each year.

The fund has maintained a positive cash balance with the second quarter of 2023 ending balance of \$3.6 million, an increase of \$0.9 million or 25.1% from the 2022 second quarter ending balance of \$2.7 million.

The fund balance for the second quarter of 2023 is \$3.7 million, an increase of \$0.2 million, or 4.3% over the second quarter of 2022, ending a balance of \$3.6 million. Fund balance is consistent between the two years and reflects slight variances in revenue and expenditures in both years.

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**City of Minneapolis**  
**Second Quarter ending June 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Police Special Revenue Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Charges for Services and Sales	\$ 1,074	\$ 725	\$ 656	\$ 229	\$ 656
Fines and Forfeits	400	427	400	70	400
Miscellaneous					
Taxes	270	191	161	55	161
<b>Total</b>	\$ 1,744	\$ 1,343	\$ 1,217	\$ 354	\$ 1,217
<b>Use of Funds:</b>					
Personnel Services	\$ 1,259	\$ 555	\$ 772	\$ 243	\$ 772
Fringes	85	134	43	54	43
Contractual Services	25	1	14	3	14
Materials/Other	375	183	387	71	387
<b>Total</b>	\$ 1,744	\$ 873	\$ 1,217	\$ 371	\$ 1,217
<b>Change in Fund Balance</b>	\$ (0)	\$ 400	\$ (0)	\$ (18)	\$ (0)
<b>Fund Balance</b>	\$ 3,346	\$ 3,744	\$ 3,744	\$ 3,726	\$ 3,744
<b>Total Cash Balance</b>	\$ 3,223	\$ 3,603	\$ 3,603	\$ 3,585	\$ 3,603

**City of Minneapolis**  
**NCR Special Revenue Fund: 01800**  
**For the Second Quarter Ended June 30, 2023**

**Neighborhood and Community Relations Special Revenue Fund**

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**Program Fund Description:**

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, which was decertified on 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.

**Revenues:**

From 2023, no new revenue dollars will be transferred from the Consolidated Redevelopment Tax Increment Financing District Fund to the NCR Special Revenue Fund.

**Expenditures:**

The 2023 expenditures from this fund through the second quarter of FY 2023 are \$1.0 million for the community engagement and neighborhood-based activities and the total projected expenditures are expected to be \$1.5 million in FY 2023. Source for these expenditures is from the available Fund balance.

**Fund Balance:**

The Fund balance projection for 2023 year-end is \$0.2 million based on the current commitments.

**City of Minneapolis**  
**Second Quarter ending June 30, 2023**  
**Financial Status Report in thousands of dollars**

**Neighborhood Special Revenue Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Transfer from other Spec Rev funds Loan recapture	\$ 5,534	\$ 5,134	\$ -	\$ -	\$ -
<b>Total</b>	\$ 5,534	\$ 5,134	\$ -	\$ -	\$ -
<b>Use of Funds:</b>					
Personal Services	\$ 500	\$ 541	\$ -	\$ -	\$ -
Fringes	250	209	-	-	-
Contractual services	8,184	5,461	1,700	919	1,500
Materials/Other	-	116	-	39	50
<b>Total</b>	\$ 8,934	\$ 6,327	\$ 1,700	\$ 958	\$ 1,550
<b>Change in Fund Balance</b>	\$ (3,400)	\$ (1,193)	\$ (1,700)	\$ (958)	\$ (1,550)
<b>Fund Balance</b>		\$ 1,763		\$ 805	\$ 213
<b>Total Cash Balance</b>		\$ 2,184		\$ 804	\$ 213

**City of Minneapolis**  
**Regulatory Services Special Revenue Fund**  
**For the Second Quarter Ending June 30, 2023**

**Fund Description:**

The Regulatory Services Special Revenue fund manages renter relocation funds and special projects related to downtown traffic management intended to last from 2020 through 2022. A project delay extended traffic management through at least Q3 2023. Renter relocation funds are used to assist renters with moving costs if a rental license is revoked. The fund also holds project funds for traffic management for downtown traffic projects. In years 2020-2022, the State and City sought additional traffic management services for major construction projects in downtown Minneapolis. Regulatory Services did not have staff capacity for these projects, so hired staff for the duration of the projects. The project will now extend through Q3 2023.

**Revenue:**

Operating revenue earned through second quarter 2023 is \$0.1 million.

**Expenses:**

Operating expense through second quarter 2023 totaled \$0.3 million.

**Debt Service:**

This fund has no debt obligations in 2023.

**Cash and Fund Balance:**

The fund has maintained a positive cash balance and net position with a second quarter 2023 ending balance of \$0.1 million. Yearend projected cash and fund balance are both \$0.2 million.

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**City of Minneapolis**  
**Second Quarter ending June 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Fund 01900 Regulatory Services Special Revenue**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Project revenue	-	313		112	191
<b>Total</b>	-	313	-	112	191
<b>Use of Funds Housing related</b>					
Contractual services	-	13	-	87	87
Housing Related total	-	13	-	87	87
<b>Use of Funds Traffic related</b>					
Personnel Services	-	150	-	149	149
Fringes	-	83	-	42	42
Contractual Services	-	13	-	-	-
Materials/Other	-	52	-	-	-
Traffic related total	-	298	-	191	191
<b>Change in Net Position</b>	-	2	-	(166)	(87)
<b>Net Position</b> FB	189	329	329	163	242
<b>Total Cash Balance</b>	289	329	329	163	242

**SPECIAL REVENUE FUNDS**  
**Federal, CDBG, and Other State and Local Grants**  
**For the Second Quarter Ending June 30, 2023**

**Fund Description:**

The City receives a number of federal and state grants that are recorded in the Federal (01300), HUD Consolidated Plan (01400 & 01500), and Grants Other (01600) funds. These grants have varying grant periods and are used for a broad 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 throughout the year. For annual reporting purposes, cash deficits are eliminated through inter-fund borrowing. Beginning in 2021, the City established a new special revenue fund to account for the American Rescue Plan Act State and Local Fiscal Recovery Funds.

Grants are received both on a cost reimbursement and an advance basis. For the City's audited financial statements advanced but not yet expended grant awards are shown in the financial statements as unearned revenue and respectively, amounts that are due to the City are recorded as intergovernmental receivables. Some amounts are earned and reserved for a restricted purpose and those amounts remain as restricted fund balance.

**Federal Grants Fund:**

The City accounts for its federal grant activity in Fund 01300. As of June 30, 2023, expenditures were \$6.6 million compared to the 2022 expenditures through June of \$11.9 million. The decrease in federal expenditures of \$5.3 million is primarily a result of spending within the Community Planning and Economic Development (CPED) Department. The decrease of U.S. Treasury Emergency Rental Assistance (ERA) grant accounts for \$5.2 million of the decrease.

The ERA funds were part of the Consolidated Appropriations Act, 2021 which was enacted on December 27, 2020. The U.S. Treasury is responsible for administering the program. The City received its allocation of \$12.9 million in January 2021. The American Rescue Plan Act of 2021 enacted on March 11, 2021, also managed through the U.S. Treasury, provided the City with an additional allocation of \$10.2 million in ERA2 funding. A significant majority of those funds were expended in 2022 and will result in continued lower levels of spending in 2023. The ERA funds were used to help eligible households through existing or newly created rental assistance programs.

The federal grants fund includes other sources of federal revenue in support of the Police Department task force activities. Police receive reimbursement from the Alcohol Tobacco and Firearms (ATF), Drug Enforcement Administration (DEA), Federal Bureau of Investigations (FBI), and other task forces to reimburse the City for some of the overtime costs associated with officers that work on specific task forces.

**American Rescue Plan Act (ARPA)**

On May 19, 2021, the City received \$135.6 million of the U.S. Treasury ARPA funds and in June 2022, the City received the second half allocation to that the total allocation of \$271.2 million has been received. ARPA funds are available to cover costs incurred between March 3, 2021 and December 31, 2024 at which time all funds must be obligated. Department project proposals for 2021 totaling \$90.2 million were approved by the Council on July 2. An additional \$8.0 million of funding was approved by City Council on November 17 2021. In April 2022, a final round of budget proposals were approved which obligated the remaining ARPA funds through 2024.

As of June 30, 2023, a total of \$159.0 million of the City's ARPA funding has been spent. This includes \$38.8 million spent in 2023.



**HUD Consolidated Plan Funds:**

The Community Development Block Grant (CDBG) is the City’s largest single grant and is accounted for in fund 01400 along with two other Housing and Urban Development (HUD) Programs, the Emergency Solutions Grant Program (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). HOME Investment Partnerships Program, 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 ranged between \$10.0 to \$11.0 million in recent years, pre-pandemic. HUD grant expenditures as of June 30, 2023 total \$9.2 million compared to \$18.0 million through June 2022 which reflects a decrease of \$8.7 million.

During 2020 the City was awarded approximately \$22.9 million in HUD COVID-19 Supplemental fund for the CDBG, ESG, and HOPWA programs which continue to be expended in 2023 although significantly more was spent in 2022. Major projects that saw significant decreases year over year were the emergency shelter program and multi-family affordable housing. Much of this funding will be spent before the end of 2023.

**Grants Other Fund:**

The fund is used to account for non-federal grants and other restricted revenue sources. The expenditures as of June 30, 2023 are \$10.1 million compared to the 2022 expenditures through June of \$11.2 million. The \$1.1 million decrease in expenditures is due to a variety of spending variations across numerous projects.

**Cash and Fund Balance:**

The grant funds typically carry a small cash and fund balance position. Due to the accounting treatment of both reimbursement and prepaid grants, the funds typically match expenditures and revenues in the same period and prepaid grants result in unearned revenue. The ARPA funding resulted in a large cash balance for year end 2022 and continues to be a larger than usual amount through June 2023. However, accounting principles dictate that we don’t recognize revenue until we incur expenditures, so the fund balance remains relatively small in comparison to the fund balance.

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**City of Minneapolis**  
**Financial Status Report (in thousands of dollars)**  
**For the Second Quarter Ending June 30, 2023**

**Grants Fund - Federal, State and Local**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Grants - Federal	\$ 38,089	\$ 33,065	\$ 23,988	\$ 4,156	\$ 23,988
APR Local Fiscal Recovery	135,000	98,475	-	38,832	65,900
CDBG & UDAG Funds	28,017	27,576	16,114	7,096	16,114
HOME Grants	5,825	5,897	10,761	3,678	10,761
Grants - Other	31,424	29,784	21,497	15,029	21,497
<b>Total</b>	<b>\$ 238,356</b>	<b>\$ 194,797</b>	<b>\$ 72,361</b>	<b>\$ 68,790</b>	<b>\$ 138,260</b>
<b>Use of Funds:</b>					
Grants - Federal	\$ 13,382	\$ 38,376	\$ 23,902	\$ 6,643	\$ 23,988
APR Local Fiscal Recovery	55,510	180,415	115,162	38,832	65,900
CDBG & UDAG Funds	15,769	28,068	17,189	8,150	16,114
HOME Grants	2,656	6,018	13,417	1,095	10,761
Grants - Other	10,041	33,287	23,782	10,099	21,497
<b>Total</b>	<b>\$ 97,359</b>	<b>\$ 286,164</b>	<b>\$ 193,452</b>	<b>\$ 64,819</b>	<b>\$ 138,260</b>
<b>Net Change in Fund Balance</b>		<b>\$ (91,366)</b>		<b>\$ 3,971</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>		<b>\$ 13,505</b>		<b>\$ 17,476</b>	<b>\$ 13,505</b>
<b>Ending Cash Balance</b>		<b>\$ 176,952</b>		<b>\$ 152,857</b>	<b>\$ 102,857</b>

**City of Minneapolis**  
**Community Planning & Economic Development (CPED)**  
**Special Revenue Funds**  
**For the Second Quarter Ending June 30, 2023**

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

**Fund Balance:** The combined fund balance of CPED Special Revenue Funds at the end of the second quarter 2023 was \$232.3 million. Fund balances are considered either “restricted” or “assigned.” The combined fund balance of the TIF and NRP programs was \$159.9 million, and all this fund balance is considered restricted. The combined fund balance of the Housing & Economic Development, General Development, and CPED Operating programs was \$72.4 million.

**Cash Balance:** The combined cash balance of CPED Special Revenue Funds at the end of the second quarter 2023 was \$198.9 million. This was \$4.2 million less than at the end of second quarter 2022. The combined cash balance in the TIF and NRP programs at the end of second quarter 2023 was \$134.4 million (67.6% of the total).

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

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

Cash at the end of second quarter 2023 was \$105.3 million, which was \$11.5 million less than cash at the end of second quarter 2022. Second quarter 2023 revenues were \$6.1 million, which were \$5.2 million higher than in 2022. Second quarter 2023 expenditures were \$7.4 million, which was \$0.9 million higher than in 2022. In the second quarter of 2023, total expenditures exceeded revenues by \$1.3 million. With additional net transfer out of \$5.6 million, overall fund balance decreased by \$6.8 million from \$137.4 million to \$130.6 million.

**Housing & Economic Development:** Prior to 2014, Housing and Economic Development program activities were generally funded by administrative fees generated through the City’s issuance of conduit debt (e.g., housing revenue bonds, industrial development revenue bonds, etc.). Since 2014, these activities have been largely funded through the City’s General Fund where these administrative fees are now deposited.

Cash at the end of second quarter 2023 was \$35.2 million, which was \$10.9 million more than cash at the end of second quarter 2022. Second quarter 2023 revenue was \$2.0 million, which was \$1.4 million more than 2022. Second quarter 2023 expenditures were \$3.8 million, which was \$1.9 million higher than in 2022. In the second quarter 2023, total expenditures exceeded revenues by \$1.8 million. With the additional net transfer from other funds, overall fund balance increased by \$8.5 million from \$27.7 million to \$36.2 million in second quarter 2023.

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

Cash at the end of second quarter 2023 was \$28.9 million, which was \$2.8 million lower than cash at the end of second quarter 2022. Second quarter 2023 revenues were \$2.0 million, which was \$1.8 million lower than in 2022. Second quarter 2023 expenditures were \$2.0 million, which was \$1.6 million less than 2022. In second quarter 2023, revenues exceeded expenditures by \$43,000. With no net transfers, overall fund balance increased from \$35.6 million to \$35.7 million in second quarter 2023.

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

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

Cash at the end of second quarter 2023 was \$29.1 million, which was \$0.4 million less than cash in the second quarter 2022. Second quarter 2023 revenues were \$2.1 million, which was \$1.0 million higher than in 2022. Second quarter 2023 expenditures were \$1.0 million, which was \$0.5 million lower than in 2022. In second quarter 2023, revenues exceeded expenditures by \$1.1 million. With no transfers, the net impact on current fund balance increased from \$28.2 million to \$29.4 million in second quarter 2023.

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

At the end of second quarter 2023, this program had a fund balance of \$0.5 million and cash balance of \$0.5 million.

**City of Minneapolis**  
**Second Quarter ending June 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**CPED Special Revenue Funds**

	TIF	Housing & Econ Development	General Development	NRP	CPED Operating	Spec Rev Fund Comparison	
						Q2 2023 Total	Q2 2022 Total
<b>Assets</b>							
Cash	105,251	35,153	28,876	29,142	494	198,916	203,122
Misc receivables	565	-	12	-	2	579	905
Loans receivable	-	5,112	-	-	-	5,112	4,805
Advances to other funds	389	-	-	-	-	389	389
Properties held for resale	25,330	2,127	7,137	226	-	34,820	34,864
<b>Total Assets</b>	<b>131,535</b>	<b>42,392</b>	<b>36,025</b>	<b>29,368</b>	<b>496</b>	<b>239,816</b>	<b>244,086</b>
<b>Liabilities</b>							
Payables	588	66	18	-	11	683	754
Advances from other funds	389	-	-	-	-	389	389
Deposits held for others	-	993	319	-	(2)	1,310	1,022
Deferred inflow of resources	-	5,112	-	-	-	5,112	4,805
<b>Total Liabilities</b>	<b>977</b>	<b>6,171</b>	<b>337</b>	<b>-</b>	<b>9</b>	<b>7,494</b>	<b>6,970</b>
<b>Total Fund Balance</b>	<b>130,558</b>	<b>36,221</b>	<b>35,688</b>	<b>29,368</b>	<b>487</b>	<b>232,322</b>	<b>237,116</b>
<b>Total Liabilities &amp; Fund Balance</b>	<b>131,535</b>	<b>42,392</b>	<b>36,025</b>	<b>29,368</b>	<b>496</b>	<b>239,816</b>	<b>244,086</b>
<b>Revenue</b>							
Fees & charges for services	-	583	53	-	43	679	653
Inclusionary Zoning - in Lieu	-	-	-	-	-	-	3,238
Interest revenue	5,951	1,398	1,578	1,537	111	10,575	861
Rent	31	-	197	-	-	228	224
Sale of land & buildings	56	49	-	-	-	105	39
Loan recapture	65	-	165	612	-	842	1,460
<b>Total revenue</b>	<b>6,103</b>	<b>2,030</b>	<b>1,993</b>	<b>2,149</b>	<b>154</b>	<b>12,429</b>	<b>6,475</b>
<b>Expenditures</b>							
Personal services	136	5	464	-	-	605	626
Contractual services	2,924	766	1,045	970	301	6,006	5,964
Other operating costs	4	23	179	-	-	206	215
Program capital outlay	4,334	2,998	262	-	-	7,594	7,572
<b>Total expenditures</b>	<b>7,398</b>	<b>3,792</b>	<b>1,950</b>	<b>970</b>	<b>301</b>	<b>14,411</b>	<b>14,377</b>
<b>Transfers</b>							
Transfers from other funds	1,672	10,267	-	-	-	11,939	8,654
Transfers to other funds(-)	(7,225)	-	-	-	-	(7,225)	(6,033)
<b>Total transfers</b>	<b>(5,553)</b>	<b>10,267</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,714</b>	<b>2,621</b>
<b>Change in fund balance</b>	<b>(6,848)</b>	<b>8,505</b>	<b>43</b>	<b>1,179</b>	<b>(147)</b>	<b>2,732</b>	<b>(5,281)</b>
Beginning fund balance	137,406	27,716	35,645	28,189	634	229,590	242,397
<b>Ending fund balance</b>	<b>130,558</b>	<b>36,221</b>	<b>35,688</b>	<b>29,368</b>	<b>487</b>	<b>232,322</b>	<b>237,116</b>

**City of Minneapolis**  
**Engineering, Materials, and Testing – Internal Service Fund**  
**For the Second Quarter Ending June 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 06000	2023 Budget	2023 Actual	2023 Year Ending Projected	2022 Year Ending Actual
<b>Operating Revenue</b>	8,417	3,286	8,417	10,107
<b>Operating Expense</b>	8,417	3,515	8,417	10,071
<b>Operating Margin</b>	-	(229)	-	35
<b>Change in Net Position</b>		(229)	-	35
<b>Net Position</b>		477	706	706
<b>Cash Balance</b>		2,483	2,102	2,102

**Fund 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.

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 Engineering Laboratory continually compares its rates with those of the private sector that provides similar 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.

**Revenue:**

Operating Revenue earned through second quarter 2023 is \$3.3 million, or 39.3% of the budgeted amount of \$8.4 million. Operating revenues earned through second quarter 2023 increase by \$0.5 million or 18.0% over the second quarter 2022 revenue of \$2.8 million. This increase is mainly due to higher Asphalt Projects through the second quarter of 2023 compared to the same period in 2022. Generally, revenue (and expenses) for the first half of the year is dependent upon several factors such as weather as well as the timing of construction projects. These variables can result in substantial variances in the amount of revenue (and expenses) recorded through second quarter from year to year.

**Expense:**

Operating expense through second quarter 2023 is \$3.5 million, or 41.7% of the budgeted amount of \$8.4 million. Operating expenses incurred through second quarter 2023 increase by \$0.5 million or 16.7% over the 2022 expense of \$3.0 million incurred through the same period. As noted above, the increase is mainly due to higher Asphalt Projects through the second quarter of 2023 compared to the same period in 2022. Generally, expenses for the first half of the year are dependent upon several factors such as weather as well as the timing of construction projects.

**Transfers:**

This fund does not have any transfers in or out in 2023.

**Debt Service:**

This fund does not have any debt obligations.

**Forecast:**

The 2023 Operating Revenue and Expense budget is projected to be \$8.4 million. Based on the planned projects for 2023, we expect the fund to finish at budget. While it is projected that the fund will finish the year at budget, the current operating cost is \$0.5 million higher than at the same point last year. This is mainly due to more billable projects and less vacancies through the second quarter 2023 compared to this period last year. However, the 2023 Revenue and Expense is projected to be less compared to 2022 actuals due to ease of inflation on construction materials and backlog of projects because of COVID 19.

The projected amounts are expected to be lower than the budgeted amounts due to lower project activities, which in turn is expected to lower the revenue and expense for the 2022. These projections result in a slight increase of \$22,000 from the 2021 ending net position of \$0.6 million. The 2023 year-end Net Position and Cash Balance are projected to be \$0.7 million and \$2.1 million respectively. There will not be difference from 2022 since the fund is expected to finish at break even margin.

**Cash and Net Position:**

The 2023 second quarter cash balance is \$2.5 million, an increase of \$0.4 million from the 2022 year-end balance of \$2.1 million. The increase in cash through second quarter is due to timing differences between the receipt and payment of invoices for asphalt and concrete and billing these purchases to other City departments. On June 30, 2023, the fund had an accrual of \$0.5 million for June invoices for asphalt and concrete that was paid in July; the cash balance has been adjusted to reflect this amount. Financial policies for Cash Reserve are that the cash balance should not be less than 15.0% of the operating budget excluding materials and related costs or \$0.4 million.

The 2022 year-end net position was \$0.7 million, which is slightly higher than the 2021 ending balance of \$0.6 million. The slight increase is due to a positive net margin in 2022. The financial policy for the net position for this fund determines that net position should not be less than 15.0% of the annual operating budget excluding materials and related costs, or \$0.4 million for the 2023.

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**City of Minneapolis**  
**Second Quarter ending June 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Engineering, Materials and Testing Internal Service Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Asphalt / Concrete	\$ 6,309	\$ 7,883	\$ 5,735	\$ 2,373	\$ 5,735
Inspection Revenue	2,475	2,224	2,682	914	2,682
<b>Total Source of Funds</b>	<b>\$ 8,783</b>	<b>\$ 10,107</b>	<b>\$ 8,417</b>	<b>\$ 3,286</b>	<b>\$ 8,417</b>
<b>Use of Funds:</b>					
Personnel Services	\$ 1,104	\$ 1,071	\$ 1,106	\$ 511	\$ 1,106
Fringes	401	354	415	168	415
Contractual Services	1,155	1,029	1,305	534	1,305
Materials/Other	6,091	7,593	5,567	2,301	5,567
Rent	32	24	24	-	24
<b>Total Use of Funds</b>	<b>\$ 8,783</b>	<b>\$ 10,071</b>	<b>\$ 8,417</b>	<b>\$ 3,515</b>	<b>\$ 8,417</b>
<b>Change in Net Position</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>(229)</b>	<b>-</b>
<b>Net Position</b>	<b>\$ 605</b>	<b>\$ 706</b>	<b>\$ 706</b>	<b>\$ 477</b>	<b>\$ 706</b>
<b>Total Cash Balance</b>	<b>\$ 2,027</b>	<b>\$ 2,102</b>	<b>\$ 2,102</b>	<b>\$ 2,483</b>	<b>\$ 2,102</b>
<b>Target Cash Reserve</b>	<b>404</b>	<b>404</b>	<b>428</b>	<b>428</b>	<b>428</b>
<b>Variance Total Cash to Target Cash Reserve</b>	<b>1,623</b>	<b>1,698</b>	<b>1,674</b>	<b>2,055</b>	<b>1,674</b>



**City of Minneapolis**  
**Fleet Services - Internal Service Fund**  
**For the Second Quarter Ending June 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 06100	2023 Budget	2023 Actual	2023 Year Ending Projected	2022 Year Ending Actual
<b>Operating Revenue</b>	38,840	17,536	35,722	26,544
<b>Operating Expense</b>	41,456	16,151	38,904	37,044
<b>Change in Net Position</b>	(2,616)	1,385	(3,182)	(10,500)
<b>Net Position</b>		87,017	82,450	85,632
<b>Cash Balance</b>		22,300	18,770	21,952

**Fund Description:**

The Fleet Services Internal Service Fund manages the acquisition, maintenance, and disposal of approximately 1,700 units of equipment, primarily the city's fleet of vehicles, including police cars, fire trucks, snowplows, sedans, and pickup trucks along with off-road equipment. This fund provides the services of technicians to maintain the equipment. 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. The Public Works Department is responsible for management of the operations within the fund.

The Fleet Services Division develops fleet replacement programs for all vehicles and equipment to meet the needs of city departments. The city departments are allocated 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. Fleet Management also monitors and reports on fleet utilization, and registers licenses all city vehicles. The city's fleet of vehicles and equipment has an acquisition value of \$126.7 million and accounts for 77.4% of the net value of the long-term assets in this fund.

**Revenue:**

Operating revenue earned through second quarter 2023 is \$17.5 million or 45.1% of the budgeted amount of \$38.8 million. The revenue earned through second quarter 2023 increased \$4.0 million, or 29.9%, from the \$13.5 million in revenue earned through second quarter 2022. This increase is mostly due to revenue collected on rental of equipment that the fund had to reduce in 2022; the fund used cash reserves to cover expenses. For 2023, the fund will be collecting one half or \$7.5 million in rental costs for the replacement of vehicles.

**Expenses:**

Operating expense through second quarter 2023 totaled \$16.2 million representing 39.0% of the annual budget of \$41.5 million. Expenses through the second quarter of 2023 increase \$0.8 million or 5.1% from the total expense of \$15.4 million through the same period in 2022. The difference is mostly due to the increase of operational spending. A scheduled transfer of \$2.9 million is planned to move from this fund to the Water Capital fund.

Capital spending for the fund for the second quarter 2023 is \$0.5 million more than the \$2.9 million spent at the end of second quarter 2022.

Fleet Maintenance Department (6750100) expense for 2023 of \$7.7 million is up from expense of \$7.0 million for the same period in 2022; this is mostly due to an expected increase in salaries and fringes.

Fleet Field Coordination Department (6750300) expense for 2023 of \$2.4 million is up from expense of \$2.1 million for the same period in 2022. This is mostly due to an increase in the external contract rental of equipment that departments require to complete their projects and the Fleet department does not own.

**Transfers:**

For 2023 there are no transfers in or out of this fund. There is going to be a transfer out of the fund to the Water fund for a capital project of \$2.9 million for 2023 as mentioned above in Expenses.

**Debt Service:**

This fund has no debt obligations in 2023.

**Forecast:**

Operating revenue for 2023 is projected to be \$35.7 million which is \$3.1 million or 8.0% less than the budgeted amount of \$38.8 million. Projected revenue is less than budgeted primarily due to a decrease in work orders which will cause labor, parts, and fuel revenues to be reduced. Operating expense is projected to be \$39.0 million or 6.0% less than the budgeted amount of \$41.5 million. After non-operating revenue is recorded, a decrease to net position of \$3.2 million is projected compared to the budgeted decrease of \$2.6 million, resulting in a projected ending net position of \$82.5 million. Ending cash is projected to be \$18.8 million a decrease of \$3.2 million from the 2022 ending cash balance of \$22 million. The decrease in cash is due to the timing of capital purchases, which vary from year to year based on a long-term replacement schedule which requires higher amounts of replacement in some years compared to others.

**Cash and Net Position:**

The fund has maintained a positive cash balance with a second quarter 2023 ending balance of \$22.3 million a decrease of \$9.4 million from the 2022 second quarter ending balance of \$31.7 million. Reserve policies for Internal Service Funds determine that the minimum cash balance should be 15.0% of the fund's total budget or \$6.2 million.

The net position for year ending in 2022 was \$85.6 million, a decrease of \$13.0 million, or 13.2% under the 2021 ending balance of \$98.6 million. The decrease in net position is due to timing differences between the receipt of revenue collected to pay for replacement vehicles and the delivery and subsequent payment for the vehicles. The net position is projected to be \$82.5 million for 2023.

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 \$18.3 million.

**City of Minneapolis**  
**Second Quarter ending June 30, 2023**  
**Financial Status Report in (thousands of dollars)**

**Fleet Services Fund - Internal Service Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End <sup>3</sup>
<b>Source of Funds:</b>					
Charges for Services	\$ 9,999	\$ 8,870	\$ 10,603	\$ 4,460	\$ 10,050
Charges for Sales	8,458	8,153	10,250	4,256	8,013
Gains	500	521	500	430	500
Rent	9,107	8,696	17,487	8,228	16,845
Other Misc Revenue	-	304	-	162	314
<b>Total Source of Funds</b>	<b>\$ 28,064</b>	<b>\$ 26,544</b>	<b>\$ 38,840</b>	<b>\$ 17,536</b>	<b>\$ 35,722</b>
<b>Use of Funds:</b>					
Transfers Out	\$ 2,920	\$ 2,920	\$ 2,920	\$ -	\$ 2,920
PW Equipment Operations	27,818	23,735	28,239	12,664	25,627
PW Equipment Capital	13,285	10,389	10,297	3,487	10,357
<b>Total Use of Funds</b>	<b>\$ 44,023</b>	<b>\$ 37,044</b>	<b>\$ 41,456</b>	<b>\$ 16,151</b>	<b>\$ 38,904</b>
<b>Change in Net Position</b>	<b>(15,959)</b>	<b>(10,500)</b>	<b>(2,616)</b>	<b>1,385</b>	<b>(3,182)</b>
<b>Net Position</b>	<b>\$ 82,654</b>	<b>\$ 85,632</b>	<b>\$ 83,016</b>	<b>\$ 87,017</b>	<b>\$ 82,450</b>
<b>Total Cash Balance</b>	<b>\$ 25,592</b>	<b>\$ 21,952</b>	<b>\$ 19,336</b>	<b>\$ 22,300</b>	<b>\$ 18,770</b>
<b>Target Cash Reserve</b>	<b>6,603</b>	<b>6,603</b>	<b>6,218</b>	<b>6,218</b>	<b>6,218</b>
<b>Variance Total Cash to Target</b>	<b>57,062</b>	<b>63,680</b>	<b>63,680</b>	<b>64,717</b>	<b>63,680</b>
<b>Cash Reserve</b>	<b>18,989</b>	<b>15,349</b>	<b>13,118</b>	<b>16,082</b>	<b>12,552</b>

**City of Minneapolis**  
**Property Services – Internal Service Fund**  
**For the Second Quarter Ending June 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 06200	2023 Budget	06/30/2023 Actual	Year Ending Projected 2023	Year Ending Actual 2022
Operating Revenue	29,265	14,291	29,490	28,493
Operating Expense	30,622	14,783	36,848	27,682
Operating Margin	(1,357)	(492)	(7,359)	811
Change in Net Position		(492)	(7,359)	811
Net Position		40,190	33,323	40,682
Cash Balance		9,120	2,477	9,836

**Fund 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. The Cell Phone activity, which was part of the Radio Shop, transferred to the IT Department starting from 2022. 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 2023 revenue and expense budgets for the fund include \$5.2 million 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 (06210) and Asset Preservation Fund (06220). The Property Disposition 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. The Asset Preservation Fund was created in 2020 for the purpose of recording the activities related to the capital repairs, maintenance, and upgrades.

**Revenue:**

Property Services earns revenue through rent charged to departments housed in City owned buildings for property maintenance and by performing facility repairs and upgrades. Funding for City building capital repairs and upgrades is also managed through the rent allocation model since 2016. City departments that occupy City buildings are charged additional rent to fund these projects. Previously, capital repairs and upgrades were funded through net debt bonds. The amount allocated annually for this purpose is \$4.0 million.

Operating revenue recorded through second quarter 2023 is \$14.3 million, or 48.8% of the budgeted amount of \$29.3 million. Operating revenues earned through second quarter 2023 increase by \$0.5 million, or 3.4%, from the revenues earned through the same period in 2022. This is mainly because through the second quarter of 2023, the fund collected \$12.3 million in rent, which is \$0.3 million higher than the \$12.0 million rent collected through second quarter 2022. Rent is determined by an allocation model and generally the amount budgeted is the amount collected by year end. Revenues received from charges for services, including operating repairs and upgrades. Charges also fluctuate based on the amount of discretionary spending available to departments and the timing of work completed.

**Expenses:**

Operating expense through second quarter of 2023 is \$14.8 million, or 48.3% of the total budgeted amount of \$30.6 million. Operating expenses through the second quarter of 2023 increase \$1.6 million, or 11.7%, from the operating expenses through the same period in 2022. The variance is primarily due to an increase of Asset Preservation Projects predicted for 2023 that have been delayed in the previous years. This variance is expected to grow throughout 2023. Expenses also fluctuate based on the amount of discretionary spending available to other departments and the timing of work completed.

**Transfers:**

For 2023, this fund receives a transfer in from the General Fund totaling \$0.7 million to support the City Hall rent expense. The fund will not have any transfer out in 2023.

**Debt Service:**

There is no outstanding debt service for 2023.

**Forecast:**

Operating revenue for 2023 is projected to be \$29.5 million or 0.8% higher than the budgeted amount of \$29.3 million. The operating expense is projected to be \$36.8 million which would be \$6.2 million or 20.3% higher than the budgeted amount of \$30.6 million. The projected expenses are higher than the budgeted expenses due to the expected Asset Preservation Projects to be completed in 2023 that were delayed in prior years. The result is a projected operating margin loss of \$7.4 million, compared to the budgeted operating margin loss of \$1.4 million.

The ending cash balance for 2023 is projected to be \$2.5 million, a decrease of \$7.4 million from the 2022 year-end balance of \$9.8 million. The projected cash decrease in 2023 is mainly due to the expected increase in the capital repairs and upgrade projects that were delayed in the prior years.

**Cash and Net Position:**

The cash balance at the end of second quarter 2023 was \$9.1 million compared to a cash balance of \$9.2 million at the end of second quarter 2022. The cash through the second quarter of 2023 consists of a balance of \$1.9 million in the Property Disposition fund and a balance of \$7.2 million in the Property Services operating fund. Financial reserve policies for the internal service funds determine that the minimum cash balance should be 15.0% of the fund's operating budget or \$4.6 million for the Property Services fund in 2023.

The net position for the year ending 2022 was \$40.7 million, an increase of \$0.7 million from the net position of \$40.0 million for year ending 2021. This increase is due to the delay of the capital improvement projects in 2022, which are planned to be completed in 2023. 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 2022 was \$1.8 million and the projected net position in 2023 is \$29.7 million greater than the benchmark, which is \$3.6 million.

**City of Minneapolis**  
**Second Quarter ending June 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Property Services Internal Service Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Charges for Services and Sales	\$ 4,580	\$ 3,333	\$ 4,034	\$ 1,621	\$ 4,155
Rents Public Works and Other	23,928	24,048	24,544	12,326	24,647
Miscellaneous Revenue	3	8	3	2	3
Transfer-In from other Funds	1,104	1,104	684	342	684
<b>Total Source of Funds:</b>	\$ 29,616	\$ 28,493	\$ 29,265	\$ 14,291	\$ 29,490
<b>Use of Funds:</b>					
Personnel Services	\$ 6,562	\$ 6,838	\$ 7,497	\$ 3,720	\$ 7,724
Fringes	2,563	2,950	2,597	1,423	2,719
Contractual services	17,976	13,885	17,663	7,588	23,264
Materials/Other	1,886	2,631	1,913	1,576	2,189
Rent	1,379	1,379	951	476	951
<b>Total Use of Funds:</b>	\$ 30,365	\$ 27,682	\$ 30,622	\$ 14,783	\$ 36,848
<b>Change in Net Position</b>	(749)	811	(1,357)	(492)	(7,359)
<b>Net Position</b>	\$ 39,256	\$ 40,682	\$ 39,325	\$ 40,190	\$ 33,323
<b>Total Cash Balance</b>	\$ 8,177	\$ 9,836	\$ 8,479	\$ 9,120	\$ 2,477
<b>Target Cash Reserve</b>	4,555	4,555	4,593	4,593	4,593
<b>Variance Total Cash to Target Cash Reserve</b>	3,622	5,281	3,885	4,527	(2,116)

**City of Minneapolis**  
**Public Works Stores – Internal Service Funds**  
**For the Second Quarter Ending June 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 06300	2023 Budget	06/30/2023 Actual	2023 Year Ending Projected	Year Ending Actual 2022
Operating Revenue	1,598	1,149	2,271	2,076
Operating Expense	1,598	754	1,709	1,710
Operating Margin	0	394	562	365
Change in Net Position		394	562	365
Net Position		7,552	7,720	7,157
Cash Balance		690	1,383	820

**Fund Description:**

The Public Works Stores Fund, established in 1965, accounts for the centralized procurement, receiving, warehousing and distribution of stocked inventory items and the purchase of special goods and services. The fund’s mission is to provide goods in a cost-effective manner to City departments through the Central Stores and Traffic Stores. In 2016, Central Stores added a new storeroom located at the Royalston Maintenance Facility. The Royalston storeroom will provide the same services as the Hiawatha location.

**Revenue:**

Operating revenue through the second quarter of 2023 is \$1.1 million, or 71.9% of the budgeted amount of \$1.6 million. The revenue earned through second quarter of 2023 increased by \$0.3 million, or 44.4%, from the revenue earned through second quarter of 2022 of \$0.8 million. Revenue for this fund is earned by applying overhead charges to inventory sales and transaction processing. The increase in revenue is due to a \$0.2 million increase in Central Stores overhead charges and a \$0.1 million increase in Traffic Stores overhead charges. The increase in Traffic Stores charges is primarily due to two reasons, increased overhead rate from 11.0% to 12.0%, and by charging overhead fees to non-inventory items as of January 2023.

**Expenses:**

Operating expense through the second quarter of 2023 is \$0.8 million, or 47.2% of the budgeted amount of \$1.6 million. The amount expended through second quarter of 2023 decreased by \$89,000, or 10.5%, from the \$0.8 million expended through the same period in 2022. The reduction is due to a decrease in of \$66,000 in contractual services, \$19,000 in materials, and \$12,000 in Workers’ Compensation fringe, but partially offset by an increase of \$8,000 in personnel.

**Transfers:**

There are no transfers in or out of this fund in 2023.

**Debt Service:**

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

**Forecast:**

Operating revenue is projected to total \$2.3 million at year-end, exceeding the budgeted revenue of \$1.6 million by \$0.7 million, or 42.1%. This increase is mostly due to increased overhead charges to inventory sales and processing transactions. Operating expense is projected to be \$1.7 million, representing a 6.9%, or \$0.1 million increase from the budgeted amount of \$1.6 million. The cost of inventory that is resold to City departments is excluded from the total expense of the Public Works Stores Fund. As a result, increased inventory purchases do not increase the overall expense of the fund. These year-end projections result in an increase to net position of \$0.6 million compared to a budgeted increase of \$0, and a projected ending net position of \$7.7 million.

**Cash and Net Position:**

The fund has maintained a positive cash balance at the end of second quarter 2023 of \$0.7 million, a decrease \$0.1 million from 2022 year-end balance of \$0.8 million. The decrease in cash is primarily due to a \$0.1 million increase in inventory purchases. 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 \$0.2 million. The cash balance of \$0.7 million is more than its target.

The fund continues to maintain a positive net position with a 2022 ending balance of \$7.2 million, an increase of \$0.4 million from the 2021 ending balance of \$6.8 million. The financial policy for the net position for the Public Works Stores Fund determines that a net position should be maintained equal to 15% of the annual operating budget, or \$0.2 million.

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**City of Minneapolis**  
**Second Quarter ending June 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**06300 PW Stores Funds - Internal Service Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Charges for Services	\$ 1,564	\$ 1,974	\$ 1,548	\$ 1,120	\$ 2,237
Charges for Sales on Merchandise	20	69	20	28	34
Charges for Sales on Scrap (Recycling)	30	(1)	30		
Other Aid		6			
Other Misc Revenue (Inventory adjustments)		28			
<b>Total Source of Funds:</b>	\$ 1,614	\$ 2,076	\$ 1,598	\$ 1,149	\$ 2,271
<b>Use of Funds:</b>					
Personal Services	\$ 876	\$ 836	\$ 890	\$ 417	\$ 988
Fringes	380	248	389	166	363
Contractual Services	274	385	237	131	263
Materials/Other	85	242	82	40	95
<b>Total</b>	\$ 1,614	\$ 1,710	\$ 1,598	\$ 754	\$ 1,709
<b>Change in Net Position</b>	0	\$ 365	-	394	562
<b>Net Position</b>	\$ 6,795	\$ 7,157	\$ 7,157	\$ 7,552	\$ 7,720
<b>Total Cash Balance</b>	\$ 1,219	\$ 820	\$ 820	\$ 690	\$ 1,383
<b>Target Cash Reserve</b>	242	242	240	240	240
<b>Variance Operating Cash to Target Cash Reserve</b>	977	578	581	451	1,143

**City of Minneapolis**  
**Intergovernmental Services (IT) – Internal Service Fund**  
**For the Second Quarter Ending June 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 06400	2023 Budget	6/30/2023 Actual	Year Ending Projected 2023	Year Ending Actual 2022
Operating Revenue	48,753	25,947	51,437	45,709
Operating Expense	47,172	24,394	48,774	47,687
Change in Net Position		1,553	2,663	(1,978)
Net Position		12,078	13,188	10,525
Cash Balance		9,930	10,053	7,390

**Program Description:**

The Intergovernmental Services Fund accounts for operations of Information Technology (IT) and the City Clerk’s printing and central mailing 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.

IT collects its revenue using an allocation model that distributes costs to City Departments using full time equivalent staffing counts as the driver for a bulk of revenues, based on the expense budget. There are also charges for any projects or new software and systems that a department may find a need for. These charges are normally paid for by IT and then billed to customer.

**Revenue:**

Operating revenue through the second quarter of 2023 is \$25.9 million, or 53.3% of the annual budgeted amount of \$48.8 million. This is an increase of \$4.0 million, or 18.7%, compared to revenue of \$21.9 million earned through second quarter of 2022. This is due to increases to the allocation model of 3.2% for IT services and transfers of fund. There is also an increase work for others of \$1.4 million from the second quarter of 2022.

**Expenses:**

Operating expenses through the second quarter of 2023 are \$24.4 million or 51.7% of the annual budgeted amount of \$47.2 million. The operating expense through second quarter increased \$2.7 million, from the 2022 expense of \$21.7 million.

PMO- Work for others department expenses of \$5.0 million increased by \$1.8 million through the second quarter compared to \$3.2 million through the same period in 2022. There was an increase in work for others and project work.

Service Desk expenses of \$1.0 million for second quarter 2023 increased slightly compared to \$0.8 million for the same period in 2022. The increase is due to personnel movement from Infrastructure Services to Service Desk.

Infrastructure Services expenses of \$1.2 million through the second quarter 2023 decreased slightly compared to the 2022 expenditures of \$1.4 million. There were some savings in personnel because of staff movement, but the decrease is immaterial and aligns with changes in budget.

The remaining departments have no significant changes other than personnel movement between departments, causing over and under expenditures in salaries and fringes. The fund continues to fluctuate as normal course of business change and personnel move and/or promoted based on the needs and skills of employees.

**Debt:**

The fund does not have any outstanding debt service obligations.

**Transfers:**

In 2023 this fund will receive transfers in from the general fund totaling \$3.8 million. The general fund transfer is to cover shortage of revenues collected to cover expenses.

In 2023 the fund will have no transfers out.

**Forecast:**

Operating revenue is projected to be \$51.4 million or \$2.7 million more than the budgeted amount of \$48.8 million. Operating expenses are expected to be \$48.8 million or \$1.6 million more than the budgeted amount of \$47.2 million. These projections resulted in an increase of \$2.7 million in operating revenue as compared to a budgeted increase of \$1.6 million in operating expense. The projection is due mainly to expected projects and work for others that are not budgeted and because of the transfer into revenue of \$3.8 million.

**Cash and Net Position:**

The cash balance at the end of second quarter 2023 is \$9.9 million compared to \$9.1 million for the same period 2022. This is an increase of \$2.5 million from 2022 year-end balance of \$7.4 million. 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 \$6.8 million.

The 2023 year-end cash balance is projected to be \$10.1 million which represents an increase of \$2.7 million from the cash balance at year-end 2022 of \$7.4 million. The increase is mostly due to the transfer of \$3.8 million into revenue which will help to cover expenses.

Financial reserve policies for the internal service funds determine that the minimum net position for the Intergovernmental Services Fund should be twice the depreciation amount or \$12.1 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 fund will continue to meet or exceed the target net position in future years.

The net position at year-end 2023 is projected to be \$13.2 million compared to \$10.5 million for 2022. This increase to net position is partly due to collecting enough revenue to cover expenses and the transfer to the fund.

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**City of Minneapolis**  
**Second Quarter ending June 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Intergovernmental Services (IT) Fund Internal Service Fund**

	2022 Final Budget	2022 Year End Actual	2023 Original Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Charges for Service - IT	\$ 35,574	\$ 36,383	\$ 39,451	\$ 19,365	\$ 38,732
Charges for Service - City Clerk	1,655	1,602	1,721	675	1,349
Work for Others	457	7,310	3,775	4,004	7,550
Operating Transfers In	300	414	3,806	1,903	3,806
<b>Total Source of Funds:</b>	\$ 37,986	\$ 45,709	\$ 48,753	\$ 25,947	\$ 51,437
<b>Use of Funds:</b>					
Transfers	-	-			
City Clerk	\$ 1,518	\$ 1,900	\$ 1,446	\$ 593	\$ 1,181
Information Technology	37,398	38,708	43,174	18,849	39,804
Work for Others	2,080	7,079	2,552	4,952	7,789
<b>Total Use of Funds:</b>	\$ 40,996	\$ 47,687	\$ 47,172	\$ 24,394	\$ 48,774
<b>Change in Net Position</b>	(3,010)	(1,978)	1,581	1,553	2,663
<b>Net Position</b>	\$ 8,661	\$ 10,525	\$ 12,106	\$ 12,078	\$ 13,188
<b>Total Cash Balance</b>	\$ 6,153	\$ 7,390	\$ 8,971	\$ 9,930	\$ 10,053
<b>Target Cash Reserve</b>	5,880	5,880	6,825	6,825	6,825
<b>Variance Total Cash to Target Cash Reserve</b>	273	1,510	2,146	3,105	3,228

**City of Minneapolis**  
**Self-Insurance Fund (06900-06950) – Internal Service Fund**  
**For the Second Quarter Ending June 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 06900-06950	2023 Budget	06/30/2023 Actual	Year Ending Projected 2023	Year Ending Actual 2022
Operating Revenue	125,969	55,501	120,584	144,423
Operating Expense	125,088	59,079	125,515	119,671
Operating Margin	881	(3,579)	(4,931)	24,753
Change in Net Position		(3,579)	(4,931)	24,753
Net Position		(65,439)	(66,791)	(61,860)
Cash Balance		130,099	130,573	135,503

**Fund Description:**

The Self-Insurance Fund accounts for accrued sick leave benefit, tort liability, workers’ compensation, and risk management services, and the administrative functions to support these activities. An activity-based cost allocation model determines the charge allocated to City departments to provide for self-insurance related to tort liability and workers’ compensation. The annual charges are calculated using data determined by an actuarial study based on each City department’s responsibility for liability and workers’ compensation expense. The cost allocation model also assigns a charge for risk management services. Beginning in 2021, HR Employee Benefit Administration moved to the General Fund, and in 2022, Attorney’s Office moved to the General Fund.

**Revenue:**

Operating revenue through the second quarter of 2023 is \$55.5 million or 44.1% of the annual budgeted amount of \$126.0 million. This is a decrease of \$19.2 million, or 25.7%, compared to \$74.7 million earned through the second quarter of 2022. The primary reason for the decrease is due to two main factors that occurred in 2022, but not in 2023: a transfer of \$12.0 million from the General Fund to assist with the spending increase of the Self Insurance Fund, and an unexpected revenue of \$3.9 million received from the Workers’ Compensation Reinsurance Association as a surplus distribution for a recalculated share in 2022. Additional factors included a decrease of \$4.3 million in premium collections for Medical and Dental, a decrease of \$1.3 million in Sick Leave at Retirement, and additional adjustments of \$1.0 million. This decrease in revenue was partially offset by a \$3.3 million increase in Cost Allocation and Employment Services.

**Expenses:**

Operating expenses through the second quarter of 2023 are \$59.1 million or 47.2% of the annual budgeted amount of \$125.1 million. This is a decrease of \$2.6 million, or 4.3%, compared to \$61.7 million expended through the second quarter of 2022. The decrease in operating expense is due to a \$6.4 million decrease in funds paid out for workers’ compensation claims which was offset by few increasing factors, a \$2.3 million increase in medical and dental insurance claims, a \$1.2 million increase in General Liability for Litigation Settlements, a \$0.1 million increase in the employee sick leave payout at retirement, and \$0.2 million in payroll accrual for Attorney in 2022.

**Debt Service:**

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

**Transfers:**

There are no transfers in or out for this fund in 2023. In 2022, \$24 million was transferred in from Workers' Compensation Fund and the General Liability Fund to assist with most ongoing spending increases from general fund.

**Forecast:**

Operating revenue is projected to be \$120.6 million or \$5.4 million less than the budgeted amount of \$126.0 million. The intentional projected decrease is due to under collecting \$3.7 million in Cost Allocations and Employment Services involving allocation charges for Police and Convention Center that was not initially reflected in the 2023 Budget. The projected revenue decreases are also related to a \$0.8 million decrease in dental insurance premiums and \$0.9 million decrease in medical insurance premiums. Operating expense is projected to be \$125.5 million, or \$0.4 million more than the budgeted amount of \$125.1 million. The primary reason the projected operating expense is more than budgeted is due to increase in projected expenses in \$2.0 million paid out for workers' compensation claims and a \$0.3 million increase in General Liability. This is offset by projected decrease in Risk Management of \$0.2 million, Medical Claims and Administrative Fees of \$0.6 million, and a decrease in Dental claims of \$1.1 million. The projections will result in an expected operating margin loss of \$4.9 million compared to the budgeted operating margin gain of \$0.9 million and a projected ending net position amount of negative \$66.8 million.

Based on current projection, cash balance for 2023 will be \$130.6 million compared to \$135.5 million at year-end 2022. The decrease in cash and net position in 2023 is primarily the result of an increase in medical insurance premiums compared to the medical claims payout, and the under collection of Cost Allocation funds from Police and Convention Center.

**Cash Balance and Net Position:**

The cash balance at end of second quarter is \$130.1 million, or an 6.8% increase, compared to a cash balance of \$121.8 million at end of second quarter 2022. Financial reserve policies for the Internal Service Funds determine that 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 and 35.0% of medical self-insurance claims or \$201.6 million. The unpaid claims liability at year-end 2023 is \$176.0 million, a decrease of \$1.5 million from the year-end 2022 unpaid claims liability of \$177.5 million. The cash balance is \$68.1 million less than its target.

The net position at the year-end of 2022 is a negative amount of \$61.9 million, an increase of \$38.1 million from the 2021 year-end net position a negative amount of \$100.0 million. The financial reserve policy relating to the internal service funds states that the net position for the Self Insurance Fund should not fall below zero.

**City of Minneapolis**  
**Second Quarter ending June 30, 2023**  
**Financial Status Report in (thousands of dollars)**

**Fund 06900-06950 Self-Insurance Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Charges for Service(Cost allocations)	\$ 36,110	\$ 36,265	\$ 46,634	\$ 21,475	\$ 42,950
Other Misc. Revenues (Refund from State and Other misc.)	1,000	5,788	1,000	255	1,000
Medical Insurance Premiums	74,731	71,626	72,298	31,146	71,504
Dental Premiums	4,399	3,381	4,334	1,564	3,428
Health and Welfare (Severance-Sick leave at retirement)	3,008	3,364	1,702	1,062	1,702
Operating Transfers In	24,000	24,000	-	-	-
<b>Total</b>	<b>\$ 143,247</b>	<b>\$ 144,423</b>	<b>\$ 125,969</b>	<b>\$ 55,501</b>	<b>\$ 120,584</b>
<b>Use of Funds:</b>					
Attorney (06900)	\$ -	\$ (157)	\$ -	\$ -	\$ -
Risk Management (06900)	2,568	2,072	2,681	1,778	2,491
Liability (06940)	15,351	14,646	23,650	10,339	23,995
Workers Compensation (06930)	18,320	28,253	20,297	10,960	22,253
Medical Claims and Administrative Fees (06910)	74,854	70,412	72,423	33,577	71,837
Delta Dental Payments (06920)	4,399	3,111	4,334	1,527	3,237
Health and Welfare (06950-Severance-Sick leave at retirement)	3,008	1,333	1,702	899	1,702
Transfers	-	-	-	-	-
<b>Total</b>	<b>\$ 118,499</b>	<b>\$ 119,671</b>	<b>\$ 125,088</b>	<b>\$ 59,079</b>	<b>\$ 125,515</b>
<b>Change in Net Position</b>	<b>24,748</b>	<b>24,753</b>	<b>881</b>	<b>(3,579)</b>	<b>(4,931)</b>
<b>Net Position</b>	<b>\$ (75,218)</b>	<b>\$ (61,860)</b>	<b>\$ (60,979)</b>	<b>\$ (65,439)</b>	<b>\$ (66,791)</b>
<b>Total Cash Balance</b>	<b>\$ 135,503</b>	<b>\$ 135,503</b>	<b>\$ 136,384</b>	<b>\$ 130,099</b>	<b>\$ 130,573</b>
<b>Target Cash Reserve</b>	<b>203,862</b>	<b>203,862</b>	<b>201,564</b>	<b>201,564</b>	<b>201,564</b>
<b>Variance Operating Cash to Target Cash Reserve</b>	<b>(68,359)</b>	<b>(68,359)</b>	<b>(65,180)</b>	<b>(71,465)</b>	<b>(70,992)</b>

**City of Minneapolis**  
**Sanitary Sewer Enterprise Fund**  
**For the Second Quarter Ending June 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 07100	2023 Budget	06/30/2023 Actual	Projected Year End 2023	2022 Actual
Operating Revenue	100,758	44,574	97,808	95,694
Operating Expense	83,450	35,387	79,662	77,277
Operating Margin	17,308	9,187	18,146	18,417
Change in Net Position		6,317	7,087	4,897
Net Position		167,666	168,436	161,349
Cash Balance		16,280	22,821	15,734

**Program Description:**

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

**Revenues:**

Monthly utility billing for sewer services is the main source of revenue. With sewer operating revenue of \$44.6 million through the end of the second quarter, the Sanitary Sewer Fund has earned 44.2% of the 2023 operating revenue budget. This is an overall decrease of \$2.2 million, or -4.6%, compared to \$46.7 million earned through June 2022. The utility service revenues accounted for \$1.9 million of the increase compared to 2022 due to increase in rates. SAC fees, which fluctuate based on overall economic activities outside of City operations, decreased by \$4.1 million. This decrease is offset by an equivalent decrease in sewer availability charges (or SAC expenses).

The variable rate for utility charges was set at \$5.17 per unit, an increase of \$0.16 over 2022. The fixed rate, which is based on meter size, was increased by \$0.50, from \$7.30 to \$7.80.

**Expenses:**

The Sanitary Sewer Fund's total operating expenses through the second quarter were \$35.4 million compared to \$38.3 million through June 2022. This is a decrease of \$3.0 million, or -7.7%. The decrease is due to SAC charges decreasing by \$4.1 million due to less activity.

The Met Council rate increased by 2.9% for 2023 services. The Met Council charges are the largest expense of the fund with a monthly expense of \$4.0 million. These municipal wastewater discharge rates are set by the Metropolitan Council on a yearly basis and are based on an allocation of overall costs incurred by MCES for waste processing for customer communities.



**Transfers:**

A transfer is made from this fund to the Water Enterprise Fund to cover shared costs for meter shop expenses. For the current budget year, this cost was estimated at \$1.0 million and, through the end of the second quarter, \$0.5 million has been transferred to Water Treatment and Distribution Services.

**Debt Service:**

For 2023, the debt service cost was budgeted at \$11.6 million. Through the second quarter, no principal and \$0.9 million in interest payments were made. These debt service payments are primarily for bonds sold to fund capital programs as an alternative to cash financing. The Fund's bonds payable total \$52.9 million on June 30, 2023.

**Cash and Net Position:**

The current cash balance is \$16.3 million and the Fund's net position stands at \$167.7 million. The City's policy is to have a cash balance equal to or greater than three months of operating expenses, excluding SAC expenses which are just a pass through. Therefore, the targeted cash balance for 2023 is \$17.1 million. The \$22.8 million projected year end cash balance is \$5.7 million over the cash reserve requirement. This will provide an adequate amount of cash to maintain operating cash reserves, fund capital programs, and make future debt service payments.

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**City of Minneapolis**  
**Second Quarter ending June 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Sanitary Sewer Enterprise Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Charges for Service	\$ 83,547	\$ 80,859	\$ 85,318	\$ 41,135	\$ 85,408
SAC Revenues	15,000	12,885	15,000	3,096	12,000
Other Misc Revenues	400	1,950	440	343	400
Charges for Service - Capital	1,000	9	1,000	0	1,000
Proceeds from Long Term Liabilities	16,123	11,034	10,323	1,495	17,785
<b>Total</b>	\$ 116,070	\$ 106,738	\$ 112,081	\$ 46,069	\$ 116,593
<b>Use of Funds:</b>					
PW-Sewer Design	\$ 1,219	\$ 1,056	\$ 1,144	\$ 507	\$ 1,142
PW-Sewer Maintenance	8,159	7,461	8,788	3,107	8,001
MERF	310				
Met Council Environment Svcs	61,808	59,572	63,170	26,761	60,170
Payment for City Services	7,086	7,110	8,303	4,151	8,303
PW - Sewer Admin	1,836	2,079	2,046	860	2,046
Debt Service	11,075	10,586	11,636	867	11,636
Future Debt Service					
Transfers					
To Water Fund	1,017	1,017	1,041	520	1,041
PW - Capital Programs	21,623	12,960	14,323	2,978	17,167
<b>Total</b>	\$ 114,133	\$ 101,841	\$ 110,450	\$ 39,751	\$ 109,506
<b>Change in Net Position</b>	\$ 1,937	\$ 4,897	\$ 1,631	\$ 6,317	\$ 7,087
<b>Net Position Balance</b>	\$ 149,489	\$ 161,349	\$ 162,980	\$ 167,666	\$ 168,436
<b>Total Cash Balance</b>	\$ 16,975	\$ 15,734	\$ 17,365	\$ 16,280	\$ 22,821
<b>Target Cash Reserve</b>	20,105	20,105	17,113	17,113	17,113
<b>Variance Cash Balance to Target</b>	(3,130)	(4,370)	253	(832)	5,708

**City Of Minneapolis**  
**Storm Water Enterprise Fund**  
**For the Second Quarter Ending June 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 07300	2023 Budget	06/30/2023 Actual	Projected Year End 2023	2022 Actual
<b>Operating Revenue</b>	48,032	23,623	47,451	46,477
<b>Operating Expense</b>	34,618	14,398	32,245	28,960
<b>Operating Margin</b>	13,414	9,225	15,206	17,517
<b>Change in Net Position</b>		3,636	1,086	4,106
<b>Net Position</b>		383,685	381,135	380,049
<b>Cash Balance</b>		37,497	32,166	31,080

**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. Fund resources include: monthly utility billing for storm drainage services, reimbursement for maintenance services provided to State and County, reimbursement for services provided to other City departments, outside parties and design activities, and proceeds from long term liabilities and grants.

**Revenue:**

The \$23.6 million in operating revenues earned through second quarter of 2023 reflects 49.2% of the budgeted amount of \$48.0 million. This is an increase of 3.1%, or \$0.7 million, compared to \$22.9 million earned for the same period in 2022. Storm utility revenues increased by 3.3% to \$22.8 million, up from \$22.1 million for the same period in 2022. This is mainly due to a 3.0% increase in rates.

**Expenses:**

Operating expenses through the second quarter were \$14.4 million, or 41.6% of the 2023 budget. The expenses were \$1.8 million, or 14.3% higher than the \$12.6 million reported for the same period in 2022. The 2023 actual expenses were under budget primarily due to \$1.0 million less spent on storm maintenance costs and \$1.2 million less spent on storm design costs due to less activity in the first six months of 2023.

**Transfers:**

A transfer from this fund is made to the General Fund to support two environmental service FTE's relating to the Clean Water Act of \$0.1 million for 2023. An additional amount of \$1.6 million will be transferred to the Capital Paving program as a contribution to help fund the 20-year additional paving plan.

**Debt Service:**

The debt service payments are primarily for bonds sold to finance the combined sewer overflow, flood mitigation, and storm tunnel programs. The fund completed paying off all its debt service obligations by the end of 2016. In 2019, new debt started to be issued on a regular basis due to additional capital programs needing financing. In 2023, payment of interest was \$0.5 million for the first six months and \$6.4 million in debt service payments are expected to be paid out of the fund by year end.

**Cash and Net Positions:**

The ending cash balance at the end of the second quarter is \$37.5 million and the net position is \$383.7 million. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Therefore, the target amount for 2023 is \$8.7 million. The projected \$32.2 million cash balance at year end will leave \$23.5 million as an unrestricted amount to fund capital programs for 2024 and beyond as the department aims to use its excess cash reserve as a major source of funds for upcoming projects.

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**City of Minneapolis**  
**Second Quarter ending June 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Storm Water Enterprise Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
State Government	\$ 1,307	\$ 1,390	\$ 1,424	\$ 656	\$ 1,356
Local Government	356	243	255	61	243
Charges for Service-Operating	44,160	44,092	45,226	22,637	45,476
Design & Misc Revenues	801	172	1,051	270	301
Special Assessments	75	580	75	-	75
Grants Proceeds/Others - Capital		1,174			1,323
Charges for Service-Capital	1,000	703	1,000	38	1,000
Proceeds of Long Term Liabilities	44,623	18,240	10,022	10,547	26,734
<b>Total</b>	<b>\$ 92,322</b>	<b>\$ 66,594</b>	<b>\$ 59,054</b>	<b>\$ 34,209</b>	<b>\$ 76,508</b>
<b>Use of Funds:</b>					
PW-Storm Design	\$ 6,047	\$ 4,788	\$ 6,058	\$ 1,784	\$ 4,957
PW-Field Services	9,488	8,903	9,739	4,387	9,360
PW-Storm Maintenance	7,234	6,549	7,366	2,733	6,705
Metropolitan Council	2,454	2,454	2,526	1,263	2,526
Payment for City Services	5,870	4,990	7,275	3,638	7,275
PW-Admin	1,640	1,277	1,654	593	1,422
Debt Service	4,197	4,345	5,971	546	6,430
Future Debt Service	-	-			
Transfers	1,687	1,687	1,703	55	1,703
PW- Capital	57,323	27,495	16,522	15,574	35,043
<b>Total</b>	<b>\$ 95,940</b>	<b>\$ 62,487</b>	<b>\$ 58,815</b>	<b>\$ 30,572</b>	<b>\$ 75,422</b>
<b>Change in Net Position</b>	<b>(3,618)</b>	<b>4,106</b>	<b>239</b>	<b>3,636</b>	<b>1,086</b>
<b>Net Position</b>	<b>\$ 364,197</b>	<b>\$ 380,049</b>	<b>\$ 380,288</b>	<b>\$ 383,685</b>	<b>\$ 381,135</b>
<b>Total Cash Balance</b>	<b>\$ 33,622</b>	<b>\$ 31,080</b>	<b>\$ 31,318</b>	<b>\$ 37,497</b>	<b>\$ 32,166</b>
<b>Target Cash Reserve</b>	<b>8,183</b>	<b>8,183</b>	<b>8,655</b>	<b>8,655</b>	<b>8,655</b>
<b>Variance Cash Balance to Target</b>	<b>25,439</b>	<b>22,896</b>	<b>22,664</b>	<b>28,842</b>	<b>23,511</b>

**City of Minneapolis  
Water Enterprise Fund  
For the Second Quarter Ending June 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 07400	2023 Budget	06/30/2023 Actual	Projected Year End 2023	2022 Actual
<b>Operating Revenue</b>	91,048	42,151	90,279	88,770
<b>Operating Expense</b>	66,012	29,202	62,825	59,197
<b>Operating Margin</b>	25,036	12,949	27,454	29,573
<b>Change in Net Position</b>		5,501	974	5,405
<b>Net Position</b>		342,108	337,852	336,608
<b>Cash Balance</b>		36,155	36,604	35,630

**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 Water Treatment and Distribution Services Division sources, treats, and distributes drinking water to retail customers in the City and to City of Minneapolis hydrants for fire protection. In addition, the Division sells water to the wholesale customers of the Cities of Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal, Edina, and the Metropolitan Airports Commission. Monthly billing for water sales is the main source of revenue for this fund.

**Revenue:**

Operating revenues for 2023 are projected to total \$90.3 million or 99.2% of the 2023 budgeted amount of \$91.0 million. Through the second quarter, the Water Fund earned \$42.2 million compared to \$39.5 million for the same period in 2022. The increase in revenue of \$2.6 million was due to an increase in water usage and increased rates. As expected, operating revenues are still less than 50% of the budget due to the seasonality of water sales and water line repairs. Revenue is expected to increase in the second half of the year.

**Expense:**

Operating expenses for the year are projected to total \$62.8 million or 95.2% of the 2023 budget of \$66.0 million. For the six months ending in June, the Fund spent \$29.2 million compared to \$27.8 million for the same period in 2022. This is an increase of \$1.4 million, or 5.2%, of which \$1.1 million is due to the increasing cost of chemicals. Additional increases in: City provided services of \$46,000; fleet and capital outlay of \$0.3 million; delivery services, energy and utility bills of \$0.2 million; contractual and professional services relating to repairs, maintenance, upgrades, and construction works of \$0.3 million were offset, in part, by decreases in salaries and fringes of \$0.2 million and water line repairs of \$0.3 million.

The expenses through June are less than 50% of the budgeted amount but are in line with previous years. Some expenses are seasonal or were deferred to future dates; therefore, operating expenses are expected to increase in the third and fourth quarters.

**Transfers:**

For 2023, the transfer amount of \$1.1 million consists primarily of a \$1.0 million operating transfer from the Sanitary Sewer Fund for its share of the cost of metering. The Fund will also receive \$41,000 from the

General Fund towards the cost of City Hall rent. Through the end of the second quarter, \$0.5 million has been transferred into the Water Fund.

**Debt Service:**

Debt service payments relate to the bonds and notes sold to finance the Water Division's capital improvement program. The amount of debt service for 2023, which includes both principal and interest payments, is expected to total \$22.5 million. Through the second quarter, \$1.8 million in interest has been paid. In the second half of 2023, additional bonds will be issued to help finance capital projects. This additional debt issuance will increase debt service payments in future years.

**Cash Balance and Net Position:**

As of June 30, 2023 the ending cash balance was \$36.2 million and net position was \$342.1 million. By comparison, on June 30, 2022, the cash balance was \$35.9 million and net position was \$319.5 million. City policy requires an operating cash reserve equal to or greater than three months of operating expenses. Based on the current budget, the targeted amount is \$16.5 million. With a projected year end cash balance of \$36.6 million, an adequate amount of cash will be available to maintain operating cash reserves, fund capital programs, and make future debt service payments.

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**City of Minneapolis**  
**Second Quarter ending June 30, 2023**  
**Financial Status Report (in thousands of dollars)**  
**Water Enterprise Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Water Sales - Retail					
Volume Rate	\$ 58,359	\$ 57,026	\$ 58,765	\$ 26,506	\$ 57,538
Fixed Rate	10,973	11,103	12,729	6,305	12,647
Water Sales - Wholesale	14,998	15,749	15,727	8,261	16,521
Other Operating & Misc Revenues	4,239	4,892	3,827	1,079	3,573
Proceeds from Long Term Liabilities	21,995	21,548	30,760	3,603	20,590
Transfers	1,058	1,058	1,082	541	1,082
Proceeds from Capital	2,000	788	2,000	625	1,000
<b>Total</b>	<b>\$ 113,621</b>	<b>\$ 112,164</b>	<b>\$ 124,889</b>	<b>\$ 46,920</b>	<b>\$ 112,950</b>
<b>Use of Funds:</b>					
Payments for City Services	\$ 12,447	\$ 11,737	\$ 12,454	\$ 6,225	\$ 11,603
Administration	3,735	3,275	4,165	1,552	3,649
Engineering	2,341	1,838	2,177	807	1,630
Operations	29,887	29,900	32,333	14,751	32,352
Distribution	9,816	9,171	11,183	4,540	10,562
Meter Shop	1,393	941	1,483	557	1,140
Reimbursables	2,570	2,335	2,217	770	1,889
<b>Debt Services</b>					
Principal	17,315	17,315	18,936	0	17,160
Interest	3,330	2,770	3,572	1,784	3,601
Capital	29,995	27,477	38,760	10,433	28,390
<b>Total</b>	<b>\$ 112,828</b>	<b>\$ 106,759</b>	<b>\$ 127,280</b>	<b>\$ 41,419</b>	<b>\$ 111,976</b>
<b>Change in Net Position</b>	<b>792</b>	<b>5,405</b>	<b>(2,391)</b>	<b>5,501</b>	<b>974</b>
<b>Net Position</b>	<b>\$ 310,291</b>	<b>\$ 336,608</b>	<b>\$ 334,217</b>	<b>\$ 342,108</b>	<b>\$ 337,582</b>
<b>Total Cash Balance</b>	<b>\$ 35,007</b>	<b>\$ 35,630</b>	<b>\$ 33,239</b>	<b>\$ 36,155</b>	<b>\$ 36,604</b>
<b>Target Cash Reserve</b>	<b>15,334</b>	<b>14,597</b>	<b>16,503</b>	<b>16,503</b>	<b>16,503</b>
<b>Variance Total Cash to Target Cash Reserve</b>	<b>19,673</b>	<b>21,033</b>	<b>16,736</b>	<b>19,652</b>	<b>20,101</b>



**City of Minneapolis**  
**Municipal Parking Enterprise Fund**  
**For the Second Quarter Ended June 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 07500	2023 Budget	6/30/2023 Actuals	Projected Year End 2023	2022 Actuals
Operating Revenue	61,923	31,891	62,965	55,326
Operating Expense	41,365	23,134	46,881	42,799
Operating Margin	20,558	8,757	16,084	12,527
Change in Net Position		7,193	(3,367)	(809)
Net Position		186,206	175,646	179,013
Cash Balance		(2,013)	(3,313)	54

**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 2023 operating revenues are up in comparison to 2022 by 26.2%. Actual operating revenues were 1.5% over the budgeted totals. The increase is from:

- On-street parking is up 17.6% compared to 2022.
- Off-street ramps and lots are up 36.8% compared to 2022.
- Impound Lot revenues increased 7.5% compared to 2022.

Overall, revenues have continued to increase since 2022 mainly due to reduced restrictions related to the COVID-19 pandemic, which allowed an increase in both business and employment activity downtown. These much lower restrictions since 2022 have allowed On-Street and Off-Street parking revenues to increase and the fund expects 2023 economic activity to continue to increase.

**Expenses:**

The 2023 operating expenses are up in comparison to 2022 expenses by 24.5%. Total actual expenses are currently 5.9% over the 2023 budget. The variance is from:

- On-street parking was up by 0.8% compared to 2022.
- Off-street ramps and lots were up 24.8% compared to 2022.
- Impound Lot expenses are up by 40.5% compared to 2022.

Overall, expenses were up as compared to 2022 mainly due to the increased activity in 2023 which causes certain variable expenses to be higher such as credit card fees, utilities and maintenance. This is especially true with off-street expenses. Impound lot expenses are up in 2023 in part because of higher contracted security services but are only expected to be 6.8% higher than 2022 by the end of the year.

**Transfers to and from other funds:**

The 2023 transfers into and out of the Parking Fund are programmed and planned according to the 2023 budget. During the year of 2023, \$4.6 million will be transferred in from Tax Increment Funding and other special revenue funds. During 2023, \$9.1 million of funds will be transferred out (\$4.0 million to the General Fund, \$5.0 million to the Target Center and \$0.1 million to the Solid Waste Fund).

**Debt Service:**

For 2023, the debt service budget is \$13.5 million. The outstanding balance of bond principal as of June 30, 2023 is \$33.0 million and the outstanding balance of note principal is \$26.6 million. The Police Relief Pension Reserve Fund had loaned the Parking Fund \$4.5 million coming into 2023 which has been paid back in full during 2023.

**Other Financial Items:**

The June 30, 2023 cash balance is negative \$(2.0) million which is a decrease of \$2.0 million from the 2022 year-end balance. The City's policy is to have a targeted cash balance equal to 25% of the operating budget (excluding non-city owned ramps). Therefore, the target cash balance, excluding the Off-Street Parking: State Owned-Direct Expense Budget is \$7.2 million. The targeted cash reserve balance deficit is \$9.2 million, this causes the fund to be under financial policy. The Department is constantly monitoring and revising the financial position to bring the fund back into compliance. Continued economic recovery from restoration of near pre-pandemic activity will help increase Fund revenues in 2023 and beyond.

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**City of Minneapolis**  
**Second Quarter ending June 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Municipal Parking Enterprise Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Charges for Service, Sales/Permits:					
<i>Off-Street Parking: City Owned</i>	\$ 22,385	\$ 16,749	\$ 21,441	\$ 10,364	\$ 20,650
<i>Off-Street Parking: State Owned</i>	13,680	13,125	13,500	7,776	14,000
<i>Towing</i>	5,539	6,901	5,717	3,988	7,200
<i>On-Street Meters</i>	19,353	18,552	21,265	9,763	21,115
Tax Increment Transfers In	879	1,175	4,579	4,579	4,579
<b>Total</b>	<b>\$ 61,836</b>	<b>\$ 56,501</b>	<b>\$ 66,502</b>	<b>\$ 36,470</b>	<b>\$ 67,544</b>
<b>Use of Funds:</b>					
Debt Service	\$ 8,320	\$ 6,534	\$ 13,492	\$ 944	\$ 13,492
Future Debt Service	300	-	-	-	-
General Fund Transfer Out	4,000	1,400	4,000	2,000	4,000
Target Arena Transfer Out	5,000	5,000	5,000	2,917	5,000
Sanitation Transfer Out	146	146	146	73	146
PW-Traffic & Parking:					
<i>Off-Street Parking: City Owned</i>	19,852	19,875	18,071	11,042	22,081
<i>Off-Street Parking: State Owned</i>	12,496	10,453	12,480	6,011	12,000
<i>Towing</i>	5,273	7,117	5,618	3,982	7,600
<i>On-Street Meters</i>	4,430	5,354	5,196	2,100	5,200
PW-Traffic & Parking Capital	1,383	1,432	1,392	209	1,392
<b>Total</b>	<b>\$ 61,200</b>	<b>\$ 57,311</b>	<b>\$ 65,395</b>	<b>\$ 29,277</b>	<b>\$ 70,911</b>
<b>Change in Net Position</b>	<b>636</b>	<b>(809)</b>	<b>1,106</b>	<b>7,193</b>	<b>(3,367)</b>
<b>Net Position</b>	<b>\$ 190,869</b>	<b>\$ 179,013</b>	<b>\$ 180,119</b>	<b>\$ 186,206</b>	<b>\$ 175,646</b>
<b>Total Cash Balance</b>		\$ 54	\$ 1,161	\$ (2,013)	\$ (3,313)
<b>Target Cash Reserve</b>	7,389	7,389	7,221	7,221	7,221
<b>Variance Total Cash to Target Cash Reserve</b>	<b>(7,389)</b>	<b>(7,335)</b>	<b>(6,060)</b>	<b>(9,234)</b>	<b>(10,534)</b>

**City of Minneapolis**  
**Solid Waste and Recycling Enterprise Fund**  
**For the Second Quarter Ending June 30, 2023**

**Operating Snapshot (in thousands of dollars):**

Fund 07700	2023 Budget	06/30/2023 Actual	Projected Year End 2023	2022 Actual
Operating Revenue	46,475	21,835	46,183	45,237
Operating Expense	48,728	21,515	45,825	43,173
Operating Margin	(2,253)	320	358	2,064
Change in Net Position		166	(519)	1,479
Net Position		45,238	44,553	45,072
Cash Balance		23,508	23,203	23,722

**Fund Description:**

The Solid Waste and Recycling Fund accounts for the City's solid waste and recycling collection, disposal, graffiti removal, and a solid waste transfer station that serves over 107,000 dwelling units. Pick-up services for trash, yard waste, and recyclables are provided on a weekly and a biweekly basis. City crews provide approximately one-half of the solid waste collection services and the other half of the services are provided through a consortium of companies specializing in waste collections. Also accounted for in this fund are various initiatives such as Clean City neighborhood clean sweeps, city-wide litter and graffiti abatement and removals, and an organics program.

Funding for Solid Waste and Recycling activities is primarily generated from solid waste collection fees through the monthly utility bills. The fund also receives yearly grants from Hennepin County. Additional revenue is generated through sales of recyclable materials, graffiti abatement, and miscellaneous services.

**Revenue:**

Operating revenues earned through second quarter of 2023 were \$21.8 million, or 47.0% of the budgeted amount of \$46.5 million. The revenue earned through the second quarter of 2023 increased by \$99,000, or 0.5%, from the revenue earned through second quarter of 2022. This increase is mainly due to increased utility rates from the previous year.

**Expenses:**

Operating expenses through second quarter of 2023 were \$21.5 million, or 44.2% of the budgeted amount of \$48.7 million. Expenses through the second quarter of 2023 increased \$0.4 million, or 1.9%, over the expenses through the same period in 2022. The Clean City division increased in expenses by \$0.1 million from 2022 due to increased encampment cleanup efforts. Problem materials increased in expenses by \$0.1 million compared to last year due to higher processing fees. Admin division expenses increased from 2022 by \$0.3 million due to increased uses of contractual services. Transfer Station and Organics have smaller increases in expenses compared to last year. Graffiti along with other areas were lower than budget due to open positions and less contractual services. The full Equipment budget is expected to be spent in 2023 as compared to 2022 when it wasn't due to manufacturing delays.

**Transfers:**

Transfers of \$0.5 million into the Solid Waste and Recycling fund for 2023 include \$.2 million from the Parking Fund for the Litter Container Program, and \$.3 million from the General Fund for graffiti removal.

**Debt Service:**

Bonds were sold for the new facility prior to 2020 and an additional \$6.8 million in bonds were sold the second half of 2021. The facility was occupied at the end of May of 2020. There were no bond principal payments through the second quarter of 2023. Interest payments were \$0.4 million through the second quarter and another \$1.0 million of debt service payments will be paid before the end of the year.

**Cash and Net Positions:**

The fund's cash balance as of the end of the second quarter was \$23.5 million and the net position was \$45.2 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Based on the 2023 budget, the targeted amount is \$12.2 million, leaving an unrestricted cash balance of \$11.3 million. This amount will provide adequate coverage of future operating cash reserve requirements and debt service payments.

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**City of Minneapolis**  
**Second Quarter ending June 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**Solid Waste & Recycling Enterprise Fund**

	2022 Final Budget	2022 Year End Actual	2023 Current Budget	2023 Year to Date Actual	2023 Projected Year End
<b>Source of Funds:</b>					
Local Government & Other Grants	\$ 1,422	\$ 1,516	\$ 2,040	\$ 2	\$ 1,790
Charges for Service	41,202	40,725	43,192	21,447	43,354
Charges for Sales	225	1,161	404	85	200
Special Assessments	-	1,228	-	-	-
Other Misc Revenues, Rents	724	608	838	301	839
Long Term Proceeds - Capital	-	-	-	-	-
Operating Transfers In:					
From Capital					
Parking Fund	146	146	146	73	146
General Fund - Graffiti	325	325	325	163	325
Bond Redemption Fund	3,953	3,953			
<b>Total</b>	<b>\$ 47,997</b>	<b>\$ 49,661</b>	<b>\$ 46,946</b>	<b>\$ 22,070</b>	<b>\$ 46,654</b>
<b>Use of Funds:</b>					
Collection	\$ 8,380	\$ 8,203	\$ 8,942	\$ 4,106	\$ 8,485
Disposal	6,256	5,982	6,517	2,867	5,970
Recycle	4,197	4,038	4,395	2,111	4,367
Yard Waste	4,379	3,369	4,455	1,446	3,504
Problem Material	2,666	2,112	2,618	1,076	2,182
Transfer Stations	571	546	785	280	570
Admin	8,187	8,078	8,929	4,261	8,610
Customer Service	713	678	761	309	665
Clean City	1,274	1,874	1,510	985	2,005
Graffiti	750	590	634	189	634
Equipment	3,441	3,112	4,077	1,520	4,077
Organics	4,898	4,592	5,103	2,365	4,757
Capital Program	-	8	-	-	-
Debt Service	5,307	5,001	1,348	389	1,348
<b>Total</b>	<b>\$ 51,019</b>	<b>\$ 48,183</b>	<b>\$ 50,076</b>	<b>\$ 21,904</b>	<b>\$ 47,173</b>
<b>Change in Net Position</b>	<b>\$ (3,022)</b>	<b>\$ 1,479</b>	<b>\$ (3,130)</b>	<b>\$ 166</b>	<b>\$ (519)</b>
<b>Net Position Balance</b>	<b>\$ 40,623</b>	<b>\$ 45,072</b>	<b>\$ 41,942</b>	<b>\$ 45,238</b>	<b>\$ 44,553</b>
<b>Cash Balance</b>	<b>\$ 20,206</b>	<b>\$ 23,722</b>	<b>\$ 20,592</b>	<b>\$ 23,508</b>	<b>\$ 23,203</b>
<b>Target Cash Reserve</b>	<b>11,428</b>	<b>11,428</b>	<b>12,182</b>	<b>12,182</b>	<b>12,182</b>
<b>Variance Cash Balance to Target</b>	<b>8,778</b>	<b>12,294</b>	<b>8,410</b>	<b>11,326</b>	<b>11,021</b>

**CPED Enterprise Fund Component Programs  
For the Second Quarter Ending June 30, 2023**

The **CPED Enterprise Fund** operated a series of business-type activities designed to enhance housing options and economic development within the City.

The **General Agency Reserve Fund System** (GARFS) is a program in which revenue bonds are issued to finance economic development. The program obtains lease or loan agreements from developers to meet the debt service requirements of the financing. The funds are restricted by bond covenants and the need of the City to minimize risk in its support of the GARFS. The funds are critical in maintaining the "A+" rating of the fund. Most of the transactions of the fund are maintained in a series of bank trustee accounts. Only the administrative operations portion of the fund is presented. Other information is maintained by a trustee and not available for inclusion for second quarter. The net position of the fund at the end of second quarter 2023 was \$1.9 million.

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 ended. 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.

**City of Minneapolis**  
**Second Quarter ending June 30, 2023**  
**Financial Status Report (in thousands of dollars)**

**CPED Enterprise Funds**

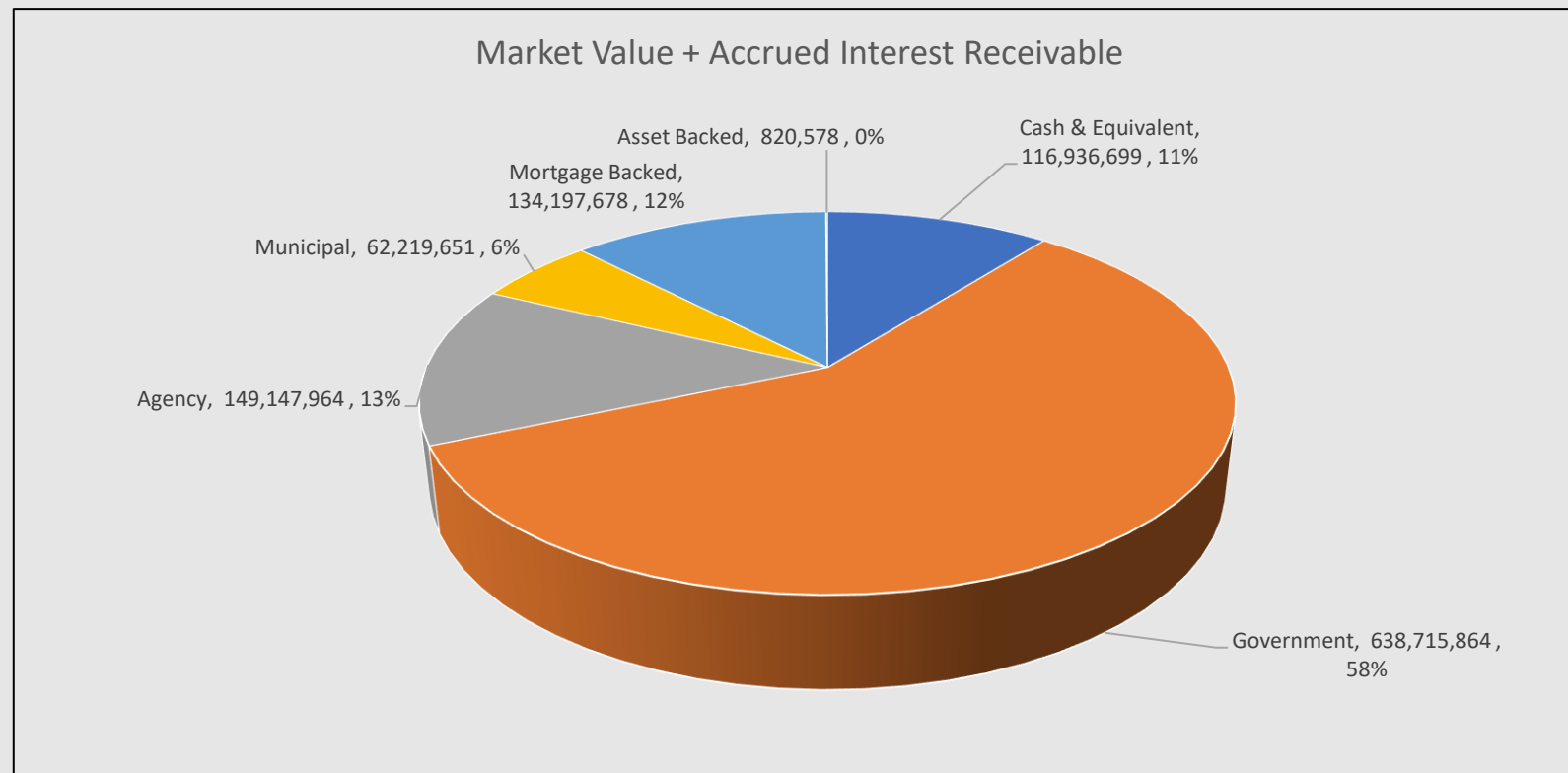
	General Agency Reserve Fund System 2022	General Agency Reserve Fund System 2023	River Terminal 2022	River Terminal 2023
<b>Operating revenues</b>				
Charges for sales and services	81	129	13	(140)
<b>Total operating revenues</b>	<b>81</b>	<b>129</b>	<b>13</b>	<b>(140)</b>
<b>Operating expenses:</b>				
Personal services	73	73	-	-
Contractual services	13	2	305	199
<b>Total operating expenses</b>	<b>86</b>	<b>75</b>	<b>305</b>	<b>199</b>
<b>Operating income</b>	<b>(5)</b>	<b>54</b>	<b>(292)</b>	<b>(338)</b>
<b>Nonoperating revenues (expenses)</b>				
Interest on investments	-	-	-	-
<b>Total nonoperating revenue (expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income (loss) before transfers</b>	<b>(5)</b>	<b>54</b>	<b>(292)</b>	<b>(338)</b>
<b>Net transfers from (to) other funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>(5)</b>	<b>54</b>	<b>(292)</b>	<b>(338)</b>
<b>Total net position - January 1</b>	<b>1,954</b>	<b>1,845</b>	<b>1,818</b>	<b>1,218</b>
<b>Total net position - December 31</b>	<b>1,949</b>	<b>1,899</b>	<b>1,526</b>	<b>880</b>



**Cash and Investment Report**  
6/30/2023

Portfolio	Book Yield %	Book Value	Unrlzd G/(L)	Market Value	Accrued Interest Receivable	Market Value + Accrued Interest Receivable
Operating Account*	5.1	\$ 240,990,835	\$ (160,446)	\$ 240,830,390	\$ -	\$ 240,830,390
Core City of Minneapolis*	3.1	488,341,226	(19,228,540)	469,112,686	1,655,799	470,768,485
Core Royal Bank of Canada**	2.3	247,726,128	(23,037,097)	224,689,031	674,653	225,363,684
Core Government Portfolio Advisors**	1.8	108,528,942	(3,356,264)	105,172,679	379,020	105,551,699
Core T. Rose**	0.9	25,695,608	(2,367,703)	23,327,905	51,140	23,379,045
Yield Restricted Bond Proceeds*	3.5	6,228,151	-	6,228,151	-	6,228,151
Convention Center Debt Service*	4.0	6,649,043	(104,925)	6,544,118	2,295	6,546,413
General Agency Reserve Funds System**	2.6	23,498,386	(322,146)	23,176,241	194,327	23,370,567
<b>Total Portfolio</b>	<b>3.2</b>	<b>\$ 1,147,658,320</b>	<b>\$ (48,577,120)</b>	<b>\$ 1,099,081,200</b>	<b>\$ 2,957,233</b>	<b>\$ 1,102,038,433</b>
Development Debt Reserves		1,446,267		1,446,267		1,446,267
Cash on hand net of outstanding checks		(2,649,772)		(2,649,772)		(2,649,772)
<b>Total All Portfolios</b>		<b>\$ 1,146,454,815</b>	<b>\$ (48,577,120)</b>	<b>\$ 1,097,877,695</b>	<b>\$ 2,957,233</b>	<b>\$ 1,100,834,928</b>

\* Internally managed; \*\* Externally managed



Market Sector	Market Value + Accrued Interest Receivable	% of Portfolio
Cash & Equivalent	116,936,699	10.6%
Government	638,715,864	58.0%
Agency	149,147,964	13.5%
Municipal	62,219,651	5.6%
Mortgage Backed	134,197,678	12.2%
Asset Backed	820,578	0.1%
Commercial Paper	-	0.0%
	<b>\$ 1,102,038,433</b>	<b>100.0%</b>

Metric	Value
Duration	2.9
Convexity	0.24
WAL	3.1
Years to Avg Final Maturity*	4.7
Years to Avg Effective Maturity*	4.6
Book Yield	3.2
Yield to Worst	5.0
Average Credit Rating	AAA/Aaa/AA+

\* Weighted by Market Value at period end.

**City of Minneapolis**  
**Financial Strength Analysis - Second Quarter 2023**

FINANCIAL STRENGTH ANALYSIS - (in millions)					Change 2022 Compared to 2021		Total Increase (Decrease) 2019 - 2022		Average Annual Increase (Decrease)		Projected
	2019	2020	2021	2022	\$	%	\$	%	\$	%	2023
General Fund Cash Balance	146.3	184.5	159.4	195.4	36.0	22.6%	49.1	33.6%	16.4	11.2%	198.9
General Fund Total Fund Balance	128.0	167.7	142.8	173.7	30.9	21.6%	45.7	35.7%	15.2	11.9%	177.2
Overall City Cash Position*	967.8	891.1	1,029.8	1,124.0	94.2	9.1%	156.2	16.1%	52.1	5.4%	
Overall City Net Assets/Position	2,424.0	2,491.3	2,589.0	2,768.9	179.9	6.9%	344.9	14.2%	115.0	4.7%	
Overall Unrestricted Net Assets/Position	(130.5)	(201.7)	(141.0)	(15.0)	126.0	-89.4%	115.5	-88.5%	38.5	-29.5%	
<b>SPECIAL REVENUE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)</b>											
Convention Center - Cash	20.0	14.5	23.9	22.8	(1.1)	-4.6%	2.8	14.0%	0.9	4.7%	18.4
Convention Center - Fund Balance	33.4	12.4	20.9	17.6	(3.3)	-15.8%	(15.8)	-47.3%	(5.3)	-15.8%	13.2
Arena Fund (Target Center) - Cash	9.5	4.0	5.0	6.4	1.4	28.0%	(3.1)	-32.6%	(1.0)	-10.9%	2.0
Arena Reserve (Target Center) - Fund Balance	7.5	3.5	4.3	6.5	2.2	51.2%	(1.0)	-13.3%	(0.3)	-4.4%	2.2
Downtown Assets Fund - Cash	8.8	39.9	29.6	45.6	16.0	54.1%	36.8	418.2%	12.3	139.4%	61.9
Downtown Assets Fund - Fund Balance	16.2	46.5	35.1	53.5	18.4	52.4%	37.3	230.2%	12.4	76.7%	69.8
Police SRF - Cash	2.8	2.6	2.5	3.6	1.1	44.0%	0.8	28.6%	0.3	9.5%	3.6
Police SRF - Fund Balance	2.9	2.8	3.3	3.7	0.4	12.1%	0.8	27.6%	0.3	9.2%	3.7
NCR SRF - Cash	3.5	3.5	3.3	2.2	(1.1)	-33.3%	(1.3)	-37.1%	(0.4)	-12.4%	0.2
NCR SRF - Fund Balance	3.1	3.1	3.0	1.8	(1.2)	-40.0%	(1.3)	-41.9%	(0.4)	-14.0%	0.2
Regulatory Services SRF - Cash	1.2	0.2	0.3	0.3	0.0	0.0%	(0.9)	-75.0%	(0.3)	-25.0%	0.2
Regulatory Services SRF - Fund Balance	1.1	0.2	0.3	0.3	0.0	0.0%	(0.8)	-72.7%	(0.3)	-24.2%	0.2
Grant Funds - Cash	6.0	7.5	141.8	177.0	35.2	24.8%	171.0	2850.0%	57.0	950.0%	102.9
Grant Funds - Fund Balance	4.4	10.1	9.0	13.5	4.5	50.0%	9.1	206.8%	3.0	68.9%	13.5
Comm Planng & Econ Dev (CPED) - Cash Total	199.9	212.8	209.7	197.3	(12.4)	-5.9%	(2.6)	-1.3%	(0.9)	-0.4%	196.8
Comm Planng & Econ Dev (CPED) - Fund Bal Total	230.5	245.0	242.4	229.6	(12.8)	-5.3%	(0.9)	-0.4%	(0.3)	-0.1%	229.1
Employee Retirement Funds - Cash	36.5	23.1	28.1	31.0	2.9	10.3%	(5.5)	-15.1%	(1.8)	-5.0%	30.6
Employee Retirement Funds - Fund Balance	36.7	36.6	39.0	39.0	0.0	0.0%	2.3	6.3%	0.8	2.1%	38.6
<b>Total Special Revenue Funds - Cash</b>	<b>288.2</b>	<b>308.1</b>	<b>444.2</b>	<b>486.2</b>	<b>42.0</b>	<b>9.5%</b>	<b>198.0</b>	<b>68.7%</b>	<b>66.0</b>	<b>22.9%</b>	<b>416.6</b>
<b>Total Special Revenue Funds - Fund Balance</b>	<b>335.8</b>	<b>360.2</b>	<b>357.3</b>	<b>365.5</b>	<b>8.2</b>	<b>2.3%</b>	<b>29.7</b>	<b>8.8%</b>	<b>9.9</b>	<b>2.9%</b>	<b>370.5</b>

\* 2019-2022 Overall City Cash Position is the Market Value of cash and cash equivalents as reported in the City of Minneapolis Annual Comprehensive Financial Report (ACFR); does not include approximately \$22.9M invested for General Agency Reserve Fund Systems (GARFS) and \$80.0M invested for Park Board and MBC.

FINANCIAL STRENGTH ANALYSIS - (in millions)					Change 2022 Compared to 2021		Total Increase (Decrease) 2019 - 2022		Average Annual Increase (Decrease)		Projected
	2019	2020	2021	2022	\$	%	\$	%	\$	%	2023
<b>INTERNAL SERVICE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)</b>											
Engr. Materials & Testing - Cash	2.1	1.9	2.0	2.1	0.1	5.0%	0.0	0.0%	0.0	0.0%	2.1
Engr. Materials & Testing - Net Position	0.5	0.5	0.6	0.7	0.1	16.7%	0.2	40.0%	0.1	13.3%	0.7
Equipment Services - Cash	33.7	26.7	34.7	21.9	(12.8)	-36.9%	(11.8)	-35.0%	(3.9)	-11.7%	18.9
Equipment Services - Net Position	93.8	93.6	98.6	85.6	(13.0)	-13.2%	(8.2)	-8.7%	(2.7)	-2.9%	82.5
Property Services - Cash	8.2	6.3	8.9	9.8	0.9	10.1%	1.6	19.5%	0.5	6.5%	2.5
Property Services - Net Position	33.9	36.3	40.0	40.7	0.7	1.8%	6.8	20.1%	2.3	6.7%	33.3
PW Stores - Cash	2.5	1.1	1.2	0.8	(0.4)	-33.3%	(1.7)	-68.0%	(0.6)	-22.7%	1.4
PW Stores - Net Position	5.6	5.9	6.8	1.2	(5.6)	-82.4%	(4.4)	-78.6%	(1.5)	-26.2%	7.7
Intergovernmental Services - Cash	15.1	10.7	9.2	7.4	(1.8)	-19.6%	(7.7)	-51.0%	(2.6)	-17.0%	10.1
Intergovernmental Services - Net Position	30.7	22.6	11.7	10.5	(1.2)	-10.3%	(20.2)	-65.8%	(6.7)	-21.9%	13.2
Self Insurance Fund - Cash	93.6	108.1	110.8	135.5	24.7	22.3%	41.9	44.8%	14.0	14.9%	130.6
Self Insurance Fund - Net Position	(20.3)	(97.8)	(100.0)	(61.9)	38.1	-38.1%	(41.6)	204.9%	(13.9)	68.3%	(66.8)
<b>Total Internal Service Funds - Cash</b>	<b>155.2</b>	<b>154.8</b>	<b>166.8</b>	<b>177.5</b>	<b>10.7</b>	<b>6.4%</b>	<b>22.3</b>	<b>14.4%</b>	<b>7.4</b>	<b>4.8%</b>	<b>165.6</b>
<b>Total Internal Service Funds - Net Position</b>	<b>144.2</b>	<b>61.1</b>	<b>57.7</b>	<b>76.8</b>	<b>19.1</b>	<b>33.1%</b>	<b>(67.4)</b>	<b>-46.7%</b>	<b>(22.5)</b>	<b>-15.6%</b>	<b>70.6</b>
<b>ENTERPRISE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)</b>											
Sanitary Sewer - Cash	7.4	13.5	15.0	17.9	2.9	19.3%	10.5	141.9%	3.5	47.3%	22.8
Sanitary Sewer - Net Position	129.4	139.4	147.6	161.4	13.8	9.3%	32.0	24.7%	10.7	8.2%	168.4
Stormwater - Cash	33.1	28.7	29.2	43.0	13.8	47.3%	9.9	29.9%	3.3	10.0%	32.2
Stormwater - Net Position	347.2	355.4	351.9	380.0	28.1	8.0%	32.8	9.4%	10.9	3.1%	381.1
Water Enterprise - Cash	46.1	40.8	34.2	46.5	12.3	36.0%	0.4	0.9%	0.1	0.3%	36.6
Water Enterprise - Net Position	283.3	303.3	309.5	336.6	27.1	8.8%	53.3	18.8%	17.8	6.3%	337.6
Municipal Parking - Cash	21.5	6.1	1.2	0.1	(1.1)	-91.7%	(21.4)	-99.5%	(7.1)	-33.2%	(3.3)
Municipal Parking - Net Position	206.0	191.5	190.2	179.0	(11.2)	-5.9%	(27.0)	-13.1%	(9.0)	-4.4%	175.6
Solid Waste & Recycling - Cash	26.7	16.1	23.2	23.7	0.5	2.2%	(3.0)	-11.2%	(1.0)	-3.7%	23.2
Solid Waste & Recycling - Net Position	30.7	34.9	43.6	45.0	1.4	3.2%	14.3	46.6%	4.8	15.5%	44.6
Comm Planng & Econ Dev (CPED) - Cash**	-	-	-	-	-	#DIV/0!	-	#DIV/0!	0.0	0.0%	-
Comm Planng & Econ Dev (CPED) - Net Position	32.6	27.0	26.9	26.0	(0.9)	-3.3%	(6.6)	-20.2%	(2.2)	-6.7%	26.2
<b>Total Enterprise Funds - Cash</b>	<b>134.8</b>	<b>105.2</b>	<b>102.8</b>	<b>131.2</b>	<b>28.4</b>	<b>27.6%</b>	<b>(3.6)</b>	<b>-2.7%</b>	<b>(1.2)</b>	<b>-0.9%</b>	<b>111.5</b>
<b>Total Enterprise Funds - Net Position</b>	<b>1,029.2</b>	<b>1,051.5</b>	<b>1,069.7</b>	<b>1,128.0</b>	<b>58.3</b>	<b>5.5%</b>	<b>98.8</b>	<b>9.6%</b>	<b>32.9</b>	<b>3.2%</b>	<b>1,133.5</b>
<b>**Cash in CPED Enterprise Funds does not include the amount invested with trustees through GARFS and reported in the CPED Enterprise Funds.</b>											