



Third Quarter 2022 Financial Status Report

Finance & Property Services Department
December 5, 2022

City of Minneapolis
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for the Third Quarter of 2022

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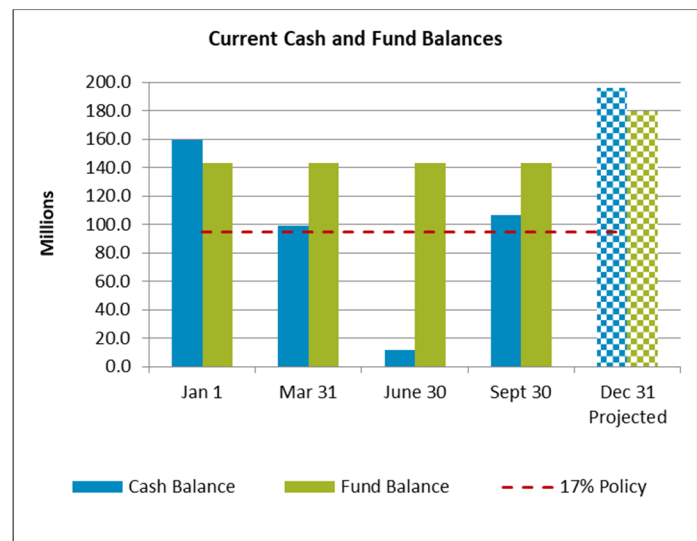
Overview

While the City continues to see the impacts of the COVID-19 pandemic, the financial position continues to improve with planful spending and revenue recovery. The City received the second half of its \$271.2 million allocation of Federal funding through the American Rescue Plan Act (ARPA) in June 2022. The first half of our allocation was received in 2021 and the Council approved spending plans for all allocated funds through 2024. Revenue losses continue to impact the Parking Fund where collections aren't expected to return to pre-pandemic rates until 2025. Using ARPA funds, the City's General Fund will replace a portion of reduced local sales tax transfers with federal funding with a plan to cease reliance on that funding after 2024. The Sanitary Sewer and Parking funds are projected to fall below minimum cash balance amounts required by financial policy. The cash shortfall in Parking is due to significant revenue reductions with both on-street and off-street parking revenue. For the 2022 Budget, the transfer to the General Fund is reduced from the 2021 amount of \$7.6 million to \$4.0 million to preserve cash in the Parking Fund. Sanitary Sewer spent down cash on capital projects with planned spending over the past few years but intends to replenish cash reserves back to compliance with policy by 2025.

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 2022 budget included a planned use of fund balance of \$17.0 million. Subsequent adjustments for rollovers increased the planned use of fund balance to \$20.6 million. At year end, actual fund balance is projected to increase by \$36.7 million.

The 2021 ending fund balance was \$142.9 million and the General Fund cash balance at year-end 2021 was \$159.4 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 \$11.4 million while the year-end projected cash balance is \$196.1 million.



As shown in the Financial Strength Analysis on pages A-2 and A-3 of this report, from 2018 through 2021, the General Fund's cash balance and fund balance have increased with a cumulative cash increase of \$38.1 million and an increase in fund balance of \$38.6 million. The strong fund balance and cash position were made possible by rising revenues and strategic use of funds helping 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 current 2022 budget less transfers of \$556.0 million, the required fund balance would be \$94.5 million. Considering projected amounts, the General Fund should finish the year with a fund balance of \$179.5 million which is \$85.0 million over the minimum balance. This equates to 32.2% of the current 2022 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 year-end cash for 2022 is \$525.2 million which is an increase of \$79.1 million over the year-end 2021 cash balance of \$446.1 million. The fund balance for the Special Revenue Funds is projected to end at \$360.0 million, a slight increase of \$0.8 million compared to year-end 2021. The increase in cash is due primarily to an infusion of federal grant money. As previously mentioned, the City received the second half of the ARPA funding totaling \$135.6 million in the second quarter of 2022. There are budgets in place to spend all ARPA funds by the end of 2024, however, the large prepayment means there will be a substantial cash balance on hand at the end of 2022. Revenue losses from local taxes deposited into the Downtown Assets Funds aren't expected to continue at the same rate as 2020 or 2021, however, they will continue to be less than pre-pandemic collections. These funds are not expected to see growth before the end of 2022 but will maintain balances as transfers out will increase to offset increased revenues as budgeted.

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 IT), and Self-Insurance Funds.

The total cash balance for the Internal Service Funds at year-end 2022 is projected to be \$175.3, an increase of \$8.5 million from the 2021 ending balance of \$166.8. At the same time, the total net position for all the Internal Service Funds is projected to increase by \$7.5 million from \$57.7 million to \$65.2 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 2022, it is expected that the Fleet Services fund will increase spending on new vehicle purchases that were delayed due to supply chain issues in 2020 and 2021. The Self-Insurance funds may see a decrease in medical and litigation costs, resulting in cash growth. The net position of the Self-Insurance funds is projected to increase by \$25.6 million but continues to be negative with a 2022 projected ending balance of negative \$74.4 million. 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

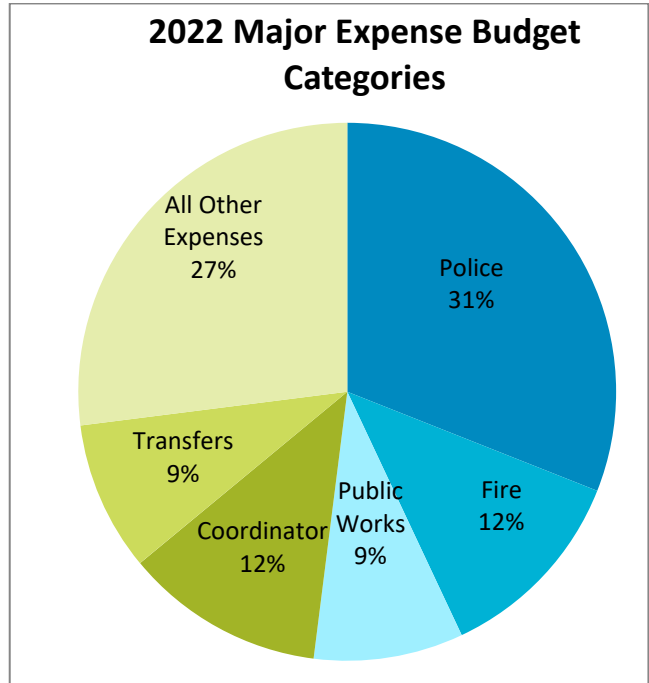
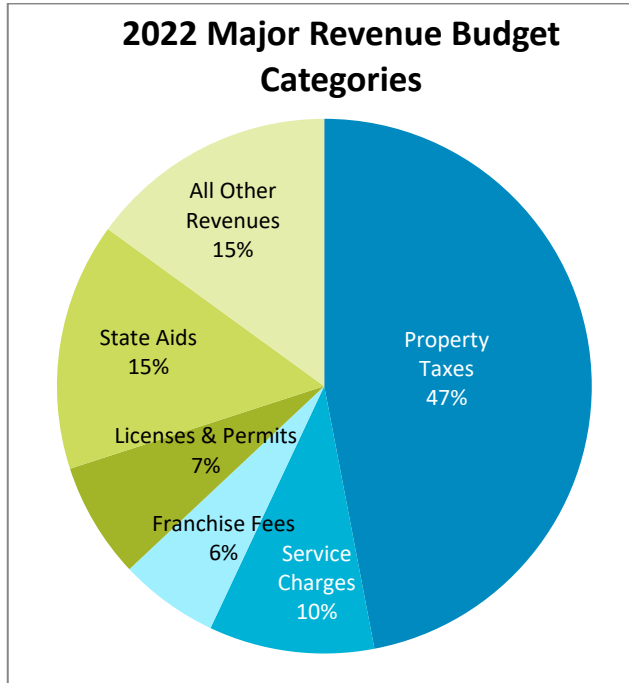
The Enterprise Funds are used to account for operations that sell goods and services to external third parties. Enterprise Funds include the Utility Operations – Sanitary Sewer, Stormwater, and Water Utilities; Solid Waste & Recycling; the Parking Fund; and the CPED Enterprise Funds.

The total cash balance for the Enterprise Funds is projected to be \$108.4 million which is an increase of \$5.6 million over the 2021 ending balance of \$102.8 million. Total net position for the Enterprise Funds is projected to increase by \$4.9 million from \$1,069.7 million at year end 2021 to \$1,074.8 at year end 2022. The Parking and Sanitary sewer funds' cash positions are both under financial policy targets at this point. The Parking fund is seeing an increase in revenue in 2022, but activity has not returned to pre-pandemic levels and further monitoring will be required. The Sanitary sewer fund is projecting to return to compliance with cash policies by 2025.

**City of Minneapolis
General Fund
For the Third Quarter Ending September 30, 2022**

Fund Description

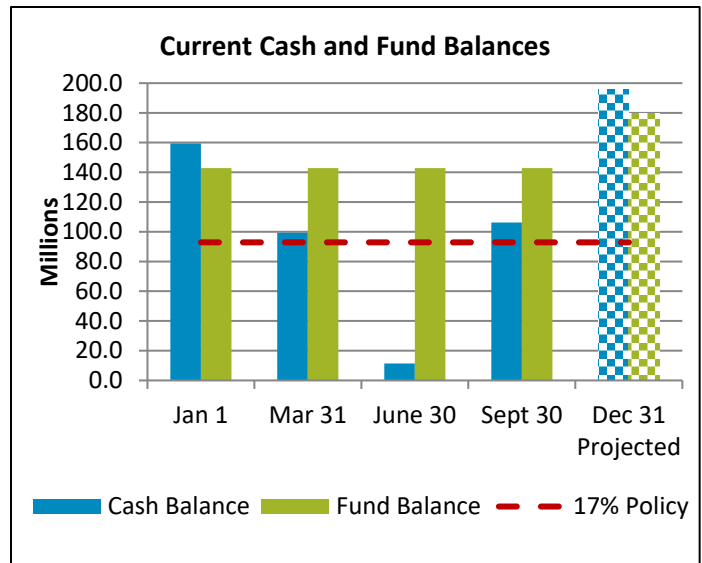
The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required by law or administrative action to be accounted for in another fund. The Fund's 2022 current revenue budget is \$587.5 million, while the Fund's 2022 current expense budget is \$608.1 million, including transfers.



Cash and Fund Balance

The 2021 year-end audited fund balance for the General Fund was \$149.4 million while the cash balance was \$159.4 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 September 30, 2022, the cash balance was \$106.2 million. This is expected to increase significantly with the allocation of the second half property tax settlement in early December.

The 2022 original budget included a planned use of fund balance of \$17.0 million. The 2022 revised budget increased the use of fund balance by \$3.6 million to \$20.6 million. The increased use of fund balance is primarily a result of rollovers of prior year unspent appropriations. The actual fund balance is expected to increase by \$36.7 million and end 2022 at \$179.5 million.

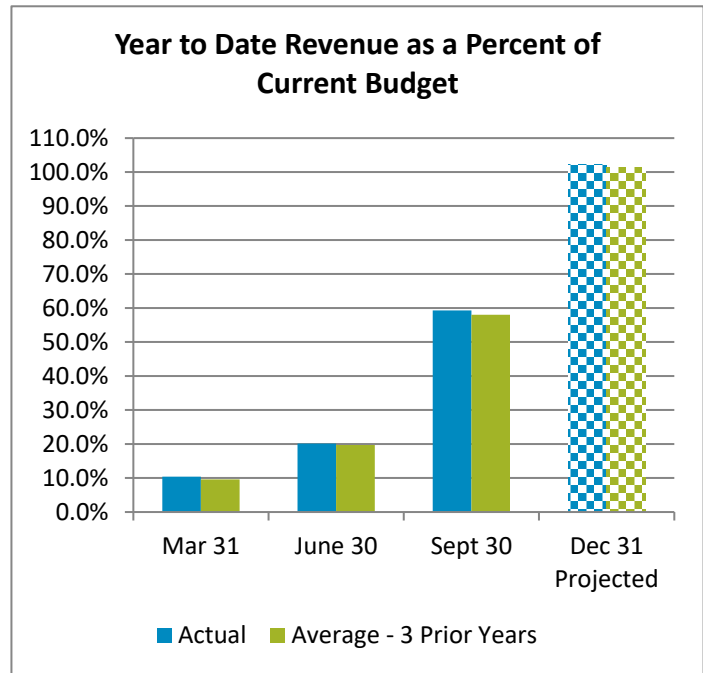


The City's financial policies require a minimum fund balance equal to 17% of the next year's General Fund expenditure budget, less transfers. The 2022 budget less transfers equals \$556.0 million, resulting in a minimum fund balance target of \$94.5 million. The projected year-end fund balance, \$179.5 million, is \$85.0 million above the minimum fund balance policy amount.

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 were received in July with the remainder received in December. Although the negative economic impacts of COVID-19 continue, the replacement of lost revenue with ARPA funds has brought revenue in line with previous years. Actual revenue through the third quarter of 2022 totals \$348.2 million, or 59.3% of the total budget. The average revenue through the first half of the past three years is 58.0% of the budget.

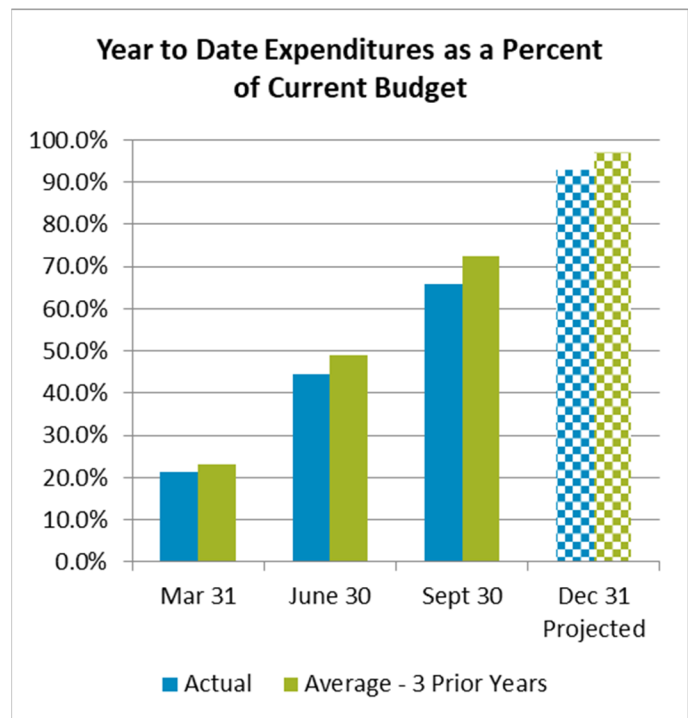
Year-end revenue of \$601.1 million is projected to exceed budget by \$13.6 million, or 2.3%. Charges for Services are expected to exceed budget by \$2.9 million due to excess revenue from work performed by Public Works for other funds. Franchise Fees are expected to finish the year \$6.5 million over budget. These fees are a percentage of revenue collected by utility and cable television companies, so as the cost of those services increases so does the City’s portion of franchise fee revenue. Non-business Licenses and Permits are projected to end the year \$8.1 million over budget due to continued development activity throughout the City.



Expenditures

Six departments comprise 76.7% of the General Fund’s total current budget: Police, Fire, Public Works, the City Coordinator, Community Planning and Economic Development (CPED), and Regulatory Services. Small percentage variances in any of these large departments can have a significant effect on the amount of surplus or deficit in the General Fund expenditure budget.

Public Works expects to be over budget by \$3.4 million, with \$2.4 million in Transportation Maintenance and Repair, primarily due to revenue backed work for other funds and snow events. In addition, Traffic and Parking Services is expected to be \$1.0 million over budget mainly due to increased utility costs. In addition, the Fire department is experiencing overtime costs beyond what was budgeted and projects to end the year at \$3.5 million over budget.



Overall, General Fund underspending is projected to be \$43.6 million. Roughly one-half of that underspending is attributed to long-term projects in CPED that will be completed over the next several years. In other cases, departments are projected to be under budget for vacancy savings and delayed projects and initiatives. In addition, contingency funding of \$13.2 million is planned to be unspent at year end.

**City of Minneapolis
General Fund Report
September 30, 2022**

	Original Budget	Current Budget	Year-to-Date Actual	Percent of Revised Budget Remaining	Year End Projection	Surplus (Deficit) Budget Versus Projected	Percent of Projected to Revised Budget
Revenues							
Business Licenses And Permits	\$ 11,475,000	\$ 11,475,000	\$ 7,140,156	37.8%	\$ 11,835,911	\$ 360,911	103.1%
Charges For Sales	12,350	12,350	41,279	0.0%	43,878	31,528	355.3%
Charges For Services	55,464,199	55,464,199	42,929,051	22.6%	58,406,397	2,942,198	105.3%
Contributions	-	2,250	632	71.9%	2,882	632	128.1%
Fines And Forfeits	5,026,550	5,026,550	3,381,638	32.7%	4,865,009	(161,541)	96.8%
Franchise Fees	33,875,300	33,875,300	29,640,455	12.5%	40,402,213	6,526,913	119.3%
Interest Revenue	4,100,000	4,100,000	2,943,508	28.2%	3,598,067	(501,933)	87.8%
Local Grants & Aids	1,014,384	1,014,384	410,995	59.5%	880,255	(134,129)	86.8%
Miscellaneous	1,585,000	1,585,000	1,602,049	1.1%	1,864,103	279,103	117.6%
Non-Business Licenses And Permits	31,280,348	31,280,348	32,800,802	4.9%	39,397,611	8,117,263	126.0%
Property Taxes	268,110,275	268,110,275	136,896,766	48.9%	264,598,288	(3,511,987)	98.7%
Rents	767,000	767,000	769,914	0.4%	816,500	49,500	106.5%
Sales and Other Taxes	-	-	6,349	0.0%	11,441	11,441	0.0%
Special Assessments	4,730,980	4,730,980	2,598,652	45.1%	4,681,092	(49,888)	98.9%
State Grants & Aids	86,008,234	86,008,234	40,325,157	53.1%	85,679,829	(328,405)	99.6%
Total Revenues	503,449,620	503,451,870	301,487,404	40.1%	517,083,477	13,631,607	102.7%
Transfers In	62,310,242	84,038,358	46,747,682	44.4%	84,053,358	15,000	100.0%
Revenues and Other Sources	\$ 565,759,862	\$ 587,490,228	\$ 348,235,086	40.7%	\$ 601,136,835	\$ 13,646,607	102.3%
Expenditures							
Police	186,979,596	187,285,219	124,839,676	33.3%	182,285,219	5,000,000	97.3%
Fire	72,066,346	72,066,346	56,808,284	21.2%	75,566,346	(3,500,000)	104.9%
Human Resources	8,671,604	9,051,604	6,340,826	29.9%	8,464,801	586,802	93.5%
Finance and Property Services	26,156,101	27,175,476	19,055,005	29.9%	25,485,421	1,690,055	93.8%
911	9,751,782	9,751,782	6,756,668	30.7%	9,102,782	649,000	93.3%
311	5,040,264	5,040,264	3,029,970	39.9%	4,864,264	176,000	96.5%
City Coordinator	12,125,344	11,123,877	6,038,391	45.7%	11,123,877	-	100.0%
Intergovernmental Relations	1,379,501	1,379,501	821,339	40.5%	1,229,501	150,000	89.1%
Communications	2,709,863	2,709,863	2,005,899	26.0%	2,709,863	-	100.0%
Emergency Management	992,037	1,215,037	703,043	42.1%	1,165,074	49,963	95.9%
Neighborhood & Community Relations	4,477,021	4,477,021	2,241,297	49.9%	4,477,021	-	100.0%
City Coordinator - Total	71,303,517	71,924,425	46,992,436	34.7%	68,622,605	3,301,820	95.4%
Transportation Planning & Design	1,885,431	1,885,431	1,405,786	25.4%	1,939,500	(54,069)	102.9%
Transportation Plan Programming	2,886,492	2,886,492	1,816,795	37.1%	2,620,000	266,492	90.8%
Transportation Maintenance & Repair	33,349,236	33,349,236	27,165,900	18.5%	35,715,675	(2,366,439)	107.1%
Public Works Administration	3,030,540	3,030,540	2,467,354	18.6%	3,181,762	(151,222)	105.0%
Traffic & Parking Services	16,414,939	16,414,939	13,203,733	19.6%	17,464,543	(1,049,604)	106.4%
Public Works - Total	57,566,638	57,566,638	46,059,568	20.0%	60,921,480	(3,354,842)	105.8%
Regulatory Services	24,812,866	24,882,302	17,323,561	30.4%	23,127,141	1,755,162	92.9%
Attorney	18,751,183	18,751,183	13,362,546	28.7%	17,867,137	884,046	95.3%
City Council & City Clerk	10,238,137	10,580,387	9,286,916	12.2%	10,050,003	530,384	95.0%
City Clerk Elections	7,408,940	7,208,940	1,201,587	83.3%	6,316,606	892,334	87.6%
Contingency	13,828,608	13,223,608	-	100.0%	-	13,223,608	0.0%
Assessor	8,127,843	8,162,843	4,185,945	48.7%	8,162,843	-	100.0%
Information Technology	-	2,000,000	-	100.0%	-	2,000,000	0.0%
CPED	32,031,959	52,934,993	22,081,874	58.3%	31,000,000	21,934,993	58.6%
Health	18,811,396	20,555,396	11,282,484	45.1%	19,905,414	649,982	96.8%
Civil Rights	5,580,449	5,580,449	3,979,113	28.7%	5,345,831	234,618	95.8%
Mayor	2,366,997	2,366,997	1,651,932	30.2%	2,306,997	60,000	97.5%
Internal Audit	875,957	950,957	590,345	37.9%	950,957	-	100.0%
Total Expenditures	530,750,433	556,040,684	359,646,267	35.3%	512,428,578	43,612,105	92.2%
Transfers Out Total	52,019,428	52,019,428	39,014,571	25.0%	52,019,428	-	100.0%
Expenditures and Other Uses	\$ 582,769,861	\$ 608,060,112	\$ 398,660,839	34.4%	\$ 564,448,007	\$ 43,612,105	92.8%
Change in Fund Balance					36,688,828		
Fund Balance - January 1					142,828,350		
Fund Balance - December 31 (Projected)					179,517,178		

City of Minneapolis
Convention Center Special Revenue Fund Report
For the Third Quarter Ending September 30, 2022

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 is funded from local sales and hospitality tax receipts in addition to Convention Center operating revenue. From 2014 through 2017, 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. Since 2018, the Convention Center Special Revenue Fund is being managed as part of the Downtown Assets group of funds. The Downtown Assets Funds are 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 Funds 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 funds are transferred from the Downtown Assets Fund to the Convention Center Fund to fund Convention Center operations, capital, and building debt service.

Revenue:

Through September 30, 2022, Convention Center operating revenue ended at \$12.7 million or 80.5% of the \$15.8 million budget. Rents and Commissions had the strongest finish at \$6.0 million or 87.3% of budget followed by Charges for Services and Sales at \$4.8 million or 84.4% of budget, and finally Catering Commissions which finished at \$1.9 million or 59.1% of budget. 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 experienced during the pandemic. Third quarter 2022 Convention Center operating revenue of \$12.7 million is \$8.1 million over September 30, 2021, operating revenue of \$4.6 million. The 2021 revenue was low because of event cancellations related to the COVID-19 pandemic. In 2022, the Convention Center is seeing a strong recovery, as events in the building increase. The Convention Center projects 2022 operating revenue to finish at nearly \$15.4 million which is \$466,000 under budget, but \$7.9 million over 2021. The Convention Center also receives revenue from interest on investment balances, and the 2022 budget is \$68,000. The 2022 interest revenue is projected to finish significantly higher than budget at \$210,000 which is \$142,000 over budget based on current trends, cash balances within City funds, and investment rates.

Through September 2022, the Convention Center also received miscellaneous revenue of \$14,000 for 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.

Expenses:

Through the third quarter of 2022, Convention Center operating expenditures not including Ongoing Equipment and Improvements and Meet Minneapolis finished at \$17.6 million or 67.8% of budget which was \$4.6 million over the third quarter 2021 results. Operating expenses are based on event levels and day-to-day operations. The Convention Center had been heavily impacted by the pandemic in 2020 and 2021, and accordingly, the Convention Center had a planned effort to reduce expenses during those years. In 2022, the Convention Center is seeing a positive recovery. 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 also started a “Green Team” which is a group of Convention Center employees who work on the reduction and disposal of building waste, in addition to recycling initiatives.

The Convention Center expects 2022 operating expenses to finish the year at \$24.1 million which is \$1.8 million under the 2022 budget. The reduction is related to operational efficiencies and cost saving initiatives, in addition to historically soft early 2022 revenue. When building revenue is down, so are operating expenses.

In Ongoing Equipment and Improvements, the Convention Center finished the third quarter of 2022 at \$4.6 million or 41.5% of the \$11 million 2022 budget which was \$3.9 million higher than the \$702,000 spent through the third quarter of 2021. The Convention Center projects 2022 ongoing equipment and improvements to finish 2022 at \$6.5 million which is \$4.5 million under budget and \$5.2 million over last year. With the 2020 and 2021 impacts of the pandemic, the Convention Center sharply curtailed building projects through cancellations, scope reductions, and deferments. In 2022, the Convention Center is working complete additional projects previously put on hold. The Convention Center needs to continually improve the building to remain competitive with other venues. Much of the unspent 2022 funds will be requested to be rolled over to finish working on projects that were in process but unfinished at year end.

The 2022 Meet Minneapolis budget is \$11 million which is \$2.3 million over the 2021 budget and actual. Through the third quarter of 2022, Meet Minneapolis expenditures were \$7.9 million or 71.6% of the 2022 budget. It is expected that Meet Minneapolis will finish 2022 at their 2022 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 2022 transfer from the Downtown Assets Fund is budgeted at \$6.5 million, and it is expected that this 2022 transfer will finish at the 2022 budget. To take pressure off the fund, the final 2020 debt service payment was refinanced.

Debt Service:

Under the previous debt service schedule prior to the refinancing, 2020 would have been the final year of debt service. To alleviate some financial pressure in 2020, the remaining debt service was refinanced to be paid off from 2022 – 2025. The refinancing resulted in four annual payments of approximately 25.0% of the \$25.0 million which will be interest only with principal due in 2025. In 2022, transfers to debt service for debt issued on the building is budgeted at \$6.5 million.

Fund and Cash Balance:

The September 30th, 2022, fund and cash balances were \$27.1 and \$24.3 million respectively, and the 2022 ending fund and cash balances are projected to be \$19.1 and \$22.1 million respectively which are decreases of \$1.8 million for both fund and cash balances from 2021. The decreases can be attributed to projected increases in 2022 spending associated with the recovery, including the 2022 increase of debt service to \$6.5 million coupled with revenues not projected to be high enough to offset the expense increases.

City of Minneapolis
Third Quarter ending September 30, 2022
Financial Status Report (in thousands of dollars)

Minneapolis Convention Center Special Revenue Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Charges for Services	2,553	1,996	5,743	4,845	5,275
Rents and Commissions	2,898	4,799	6,847	5,977	7,028
Privileges	1,449	1	3,231	1,908	2,650
MN Depart. of Trade & Economic Development	500	500	-	-	-
Interest on Cash Investments	196	190	68	167	210
Other Misc Non Operating	-	381	-	18	20
Transfer from Downtown Assets	28,734	28,734	31,159	23,369	31,159
Total	36,330	36,600	47,048	36,283	46,342
Use of Funds:					
Convention Center Operations	24,446	17,927	26,000	17,626	24,120
Ongoing Equipment/Improvement (a)	4,333	1,288	11,045	4,585	6,500
Meet Minneapolis	8,785	8,785	11,038	7,904	11,038
Transfer to Debt Service	-	99	6,465	-	6,465
Total	37,564	28,099	54,548	30,115	48,123
Net Change in Fund Balance	(1,234)	8,501	(7,500)	6,168	(1,781)
Ending Fund Balance	11,195	20,930	13,430	27,098	19,149
Ending Cash Balance	13,253	23,863	16,363	24,311	22,082

City of Minneapolis
Arena Special Revenue Fund
For the Third Quarter Ending September 30, 2022

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 2022 budgeted transfer from the parking Fund is \$5.0 million. In 2014, rent from the Timberwolves organization was added as a new revenue source. The rent payments are based on a rent schedule, and the 2022 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 2022 interest revenue budget is \$45,000, and 2022 interest revenue is expected to finish over budget at \$79,000 as the result of recent trends, investment rates, and cash balances within the fund.

Expenses:

The Arena Special Revenue Fund has a 2022 ongoing equipment and improvements budget of nearly \$6.2 million which includes nearly \$500,000 in unspent 2021 funds that were rolled over to 2022 to continue work on projects that were in process but unfinished at year end. Through the third quarter of 2022, \$893,000 or 14.4% of the \$6.2 million budget has been expended. The 2022 projection is \$1.1 million which is \$5.1 million under budget. While 2022 ongoing capital and equipment is projected to finish \$5.1 million under budget, it is expected that most of the 2022 budget will be encumbered for projects in process at year end. In 2021, ongoing equipment and improvements were budgeted at \$3 million and \$1.5 million was expended which was \$1.5 million under budget. With the 2020 pandemic and social unrest within the City, there was a deliberate effort taken to reduce expenses in 2020 and 2021. There is also a \$1.8 million 2022 budget for AEG, (the Target Center's operator), and as of September 30, 2022, there has been \$1.4 million or 75% of the budget expended. It is expected their full \$1.8 million budget will be expended by year-end. AEG has historically often requested payment close to year end, or even after the calendar year end but before the City closes the year. In 2022, AEG intends to spread out the payments throughout the year. The City pays required reimbursements to AEG to support Target Center operating expenses and invoice at regular intervals. For 2022 administration is budgeted at \$306,000, and includes salaries, special assessments/DID fees, and a \$1,000 operating budget. It is expected that administration will finish 2022 near budget.

Transfers:

The Arena Special Revenue Fund receives an annual transfer from the Parking Fund. The 2022 budgeted transfer is \$5 million, and the transfer is expected to finish at budget. Through the third quarter of 2022, \$3.8 million or 75.0% of the \$5 million Parking Fund revenue budget has been transferred. The 2021 budgeted transfer was \$3.9

million which was \$1.1 million lower than 2022. The Parking Fund has been impacted by the pandemic and 2022 revenue is still recovering. The 2020 and 2021 transfer was deliberately reduced to take pressure off the Parking Fund. 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 2021 and 2022 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 2022 budgeted transfer was \$1.5 million. The 2021 transfer from the Arena Fund to the DT Assets Fund was \$1.2 million which was \$312,000 lower than 2022. Transfers are underway, and it is expected that the 2022 transfers will meet the 2022 budget. This transfer is adjusted annually to help maintain targeted fund and cash balances.

Fund and Cash Balances:

The September 30, 2022 ending fund and cash balances were \$5.8 and \$9.7 million respectively, and are projected to finish 2022 at \$6.3 and \$7.0 million respectively. This is a increase of \$2 million for both the fund and cash balances from 2021. That is primarily due to a \$1.1 million increase in the 2022 transfer from the Parking Fund to the Arena Fund, and a \$387,000 2022 projected decrease in capital spending from 2021.

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City of Minneapolis
For the Third Quarter Ending September 30, 2022
Financial Status Report (in thousands of dollars)

Arena (Target Center) - Special Revenue Fund

Fund 01260	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Rent	1,551	1,551	1,582	1,582	1,582
Transfer from Municipal Parking Fund	3,853	3,853	5,000	3,750	5,000
Other Misc Revenue	-	33	-	-	33
Interest Earnings	24	56	45	59	79
Total	5,428	5,493	6,627	5,391	6,694
Use of Funds:					
Operator Reimbursement	1,765	1,765	1,814	1,360	1,814
Ongoing Equipment/Improvements	3,000	1,487	6,183	893	1,100
Administration	303	260	306	222	298
Transfer to Downtown Assets Fund	1,168	1,168	1,480	1,480	1,480
Total	6,236	4,679	9,783	3,954	4,692
Net Change in Fund Balance	(808)	814	(3,156)	1,437	2,002
Ending Fund Balance	2,723	4,345	1,189	5,782	6,347
Ending Cash Balance	3,230	4,971	1,815	9,697	6,973

Downtown Assets Special Revenue
Including the Downtown Assets, Peavey Plaza, and Commons Funds
For the Third Quarter Ending September 30, 2022

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 \$820,000 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 being 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 2022 Downtown Assets Special Revenue Fund revenues are budgeted at approximately \$45.2 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 \$45.4 million which is \$2.5 million over the 2022 budget based on 2022 collection trends and consumer spending habits. The COVID-19 pandemic had a severely negative impact on the local tax collections in 2020, 2021, and to a much lesser extent 2022. The \$45.4 million 2022 local tax projection is \$12.3 million over the actual 2021 collections. Interest revenue which is based on City investments of cash balances within the City funds, and is budgeting in 2022 at \$818,000 and is projected to finish 2022 at \$310,000 which is \$508,000 under budget.

Expenses:

The 2022 Downtown Assets Special Revenue Fund expenses are budgeted at \$48.4 million, and are primarily made up of transfers out of the fund. Transfers make up \$48 million of the \$48.4 million 2022 budget which includes a \$449,822 thousand transfer from the DT Assets Fund to Peavey Plaza. Of the \$48.4 million, the \$449,822 transfer to Peavey Plaza is allocated to 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 \$54,000 2022 Peavey Plaza capital budget to help upkeep the Plaza. Expenses (Use of Funds) are projected to finish close to budget, which is \$2.4 million over 2021 primarily due to a \$2.4 million increase in the 2022 transfers out of the Downtown Assets Special Revenue Fund to the Convention Center Fund.

Transfers:

In 2022, there are \$48.4 million in budgeted transfers out of the DT Assets Fund. Transfers include \$11.1 million to the General Fund, \$31.2 million to the Convention Center to fund debt service, capital, and operating expenses; nearly \$5.7 million to the Arena Special Revenue Fund (Target Center) building debt service, and \$449,822 to Peavey Plaza to fund operations. In addition, there was a 2022 budgeted transfer of \$1.5 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 September 30, 2022, all transfers were on schedule and are expected to finish at budget.

Fund/Cash Balances:

At the end of 2021, the Downtown Assets Funds had a fund balance of \$35.1 million, and a cash balance of \$29.6 million. The 2022 Downtown Assets Funds, fund and cash balances are projected to finish at \$33.8 and \$28.4 million respectively which is a \$1.2 million decrease to both fund and cash balances from 2021. The decreases in both fund and cash balances are due to the 2022 Sources of Funds projected to finish \$1.3 million under the Use of Funds due to normal projected cash inflows and outflows within the funds, including the \$2.4 million 2022 budgeted increase in the transfer from the DT Assets Fund to the Convention Center Fund which is projected to be partially offset by increases in projected 2022 revenue.

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City of Minneapolis
For the Third Quarter Ending September 30, 2022
Financial Status Report (in thousands of dollars)

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

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Local Taxes	11,850	33,133	42,917	38,466	45,408
Transfer from Arena Special Revenue Fund	1,168	1,168	1,480	1,480	1,480
Interest Earnings	429	349	818	240	310
Total	13,447	34,650	45,215	40,186	47,198
Use of Funds:					
Transfer out to City General Fund	11,136	11,136	11,136	8,352	11,136
Transfer out to Arena Fund Debt Service	5,697	5,697	5,695	1,118	5,695
Transfer out to Convention Center	28,734	28,734	31,159	23,369	31,159
Peavey Plaza - Capital	-	119	54	-	54
Peavey Plaza - Operating	437	348	395	324	386
Total	46,004	46,034	48,439	33,163	48,430
Net Change in Fund Balance	(32,557)	(11,384)	(3,224)	7,023	(1,232)
Downtown Assets Fund - Ending Fund Balance	13,895	35,066	31,842	42,089	33,834
Downtown Assets Fund - Ending Cash Balance	7,355	29,642	26,418	42,068	28,410

City of Minneapolis
Police Special Revenue Fund
For the Third Quarter Ending September 30, 2022

Fund 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 third quarter ending September 30, 2022, is \$0.9 million, or 56.4% of the budgeted amount of \$1.7 million. The revenue earned through the third quarter ending September 30, 2022, slightly increased with the revenue earned through the same period in 2021. Year-end revenue is expected to be \$1.4 million, which is \$0.4 million or 21.3% under the budget of \$1.7 million. The budget through the third quarter of 2022 increased by \$0.5 million over the original budget for non-emergency service contracts. The forfeiture revenue estimate increased by \$32,000 over the original budget amount of \$0.4 million, which is based on revenue received from last year and depends on the unpredictable nature of the amount forfeited and the number of cases settled each year.

Expenditures:

Overall expenditures for the Police Special Revenue Fund through the third quarter of 2022 totaled \$0.5 million, or 31.0% of the budget of \$1.7 million. The expense through the third quarter of 2022 decreased by \$0.4 million or 34.0% under the total expenditures through the same period in 2021. The decrease is primarily due to a \$0.1 million reduction in the decommissioned APS and WFD programs which are currently supported by the City's IT Department and continues to be used internally, and expenses have been transferred to the General Fund as of December 31, 2021; and no costs incurred to the forfeiture fund offset by additional costs of non-emergency service contracts, \$0.1 million.

Cash and Fund Balances:

The ending fund and cash balances are projected an increase slightly in 2022 compared with 2021, 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 third quarter of 2022 ending balance of \$2.9 million, an increase of \$0.3 million or 13% from the 2021 third quarter ending balance of \$2.6 million. The growth is predominately due to excess revenue over expenditures in 2022 of almost \$0.4 million.

The fund balance for the third quarter of 2022 is \$3.8 million, an increase of \$1.2 million, or 36% over the third quarter of 2021, ending with a balance of \$2.8 million. The increase in fund balance was primarily due to excess revenue over expenditures from the third quarter of 2021, \$19,000, and excess revenue over spending through the third quarter of 2022 is \$0.4 million.

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City of Minneapolis
Third Quarter Ending September 30, 2022
Financial Status Report (in thousands of dollars)

Police Special Revenue Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Charges for Services and Sales	466	509	1,074	458	671
Fines and Forfeits	243	432	400	425	432
Taxes	204	314	270	100	270
Total	913	1,255	1,744	983	1,373
Use of Funds:					
Personnel Services	530	490	1,259	368	867
Fringes	137	102	85	88	74
Contractual Services	57	39	25	1	25
Materials/Other	189	39	375	84	375
Total	913	670	1,744	541	1,341
Change in Fund Balance	-	585	-	442	32
Fund Balance	2,760	3,344	3,344	3,786	3,376
Ending Cash Balance	2,564	2,466	2,466	2,908	2,498

City of Minneapolis
NCR Special Revenue Fund: 01800
For the Third Quarter Ended September 30, 2022

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, as well as a portion of the NCR administrative costs.

Revenues:

Through the third quarter of 2022, there have been transfers totaling \$4.8 million from the Consolidated Redevelopment Tax Increment Financing District Fund to the NCR Special Revenue Fund. An additional \$0.4 million is projected through the rest of 2022.

Expenditures:

The expenditures from this fund through the third quarter of 2022 are \$3.5 million for the community engagement and neighborhood-based activities and total projected expenditures are expected to be \$5.1 million by year end.

Fund Balance:

The Fund balance projection for 2022 year-end is \$3.0 million based on the current activities.

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City of Minneapolis
Third Quarter ending September 30, 2022
Financial Status Report (in thousands of dollars)

Neighborhood and Community Relations Special Revenue Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Transfer from other Spec Rev funds	8,221	8,221	5,534	4,800	5,200
Total	8,221	8,221	5,534	4,800	5,200
Use of Funds					
Personal Services	1,574	1,520	500	256	500
Fringes	543	474	250	96	250
Contractual services	8,972	6,280	8,184	3,106	4,390
Materials/Other	133	70	-	80	-
Total	11,222	8,344	8,934	3,538	5,140
Change in Fund Balance	(3,001)	(123)	(3,400)	1,262	60
Fund Balance		2,956		4,218	3,016
Total Cash Balance		3,301		3,017	3,040

City of Minneapolis
Regulatory Services Special Revenue Fund
For the Third Quarter Ending September 30, 2022

Fund Description:

The Regulatory Services Special Revenue fund manages the Renter Relocation funds, and special projects related to downtown traffic management for years 2020-2022, now extended through mid-2023 due to a project delay. Renter relocation funds are used to assist renters with moving costs if a rental license is revoked due to a property owner who is unable or unwilling to make life-safety repairs. 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 into 2023.

Revenue:

Operating revenue earned through third quarter 2022 is \$0.3 million.

Expenses:

Operating expense through third quarter 2022 totaled \$0.3 million.

Debt Service:

This fund has no debt obligations in 2022.

Cash and Fund Balance:

The fund has maintained a positive cash balance and net position with a third quarter 2022 ending balance of \$0.3 million.

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City of Minneapolis
Third Quarter ending September 30, 2022
Financial Status Report in thousands of dollars

Regulatory Services Special Revenue Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Project revenue	-	722		254	351
Transfer In	100	100	-	-	-
Total	100	822	-	254	351
Use of Funds Housing related					
Contractual services			-	13	17
Housing Related total	-	-	-	13	17
Use of Funds Traffic related					
Personnel Services	-	536	-	189	712
Fringes	-	129	-	55	171
Contractual Services	-	33	-	3	33
Materials/Other	-	39	-	7	39
Traffic related total	-	737	-	254	955
Change in Fund Balance	100.00	85	-	(13)	(621)
Fund Balance	289	274	274	261	(347)
Total Cash Balance		274	274	261	(347)

SPECIAL REVENUE FUNDS
Federal, CDBG, and Other State and Local Grants
For the Third Quarter Ending September 30, 2022

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. In 2022, the City established a separate special revenue fund to account for payments received from the national opioid lawsuit settlements. This new fund is separate for accounting purposes, but reports as part of the Grants Other (01600) fund group.

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 September 30, 2022, expenditures were \$18.4 million compared to the 2021 expenditures through September of \$14.7 million. The increase in federal expenditures of \$3.7 million is primarily a result of spending within the Community Planning and Economic Development (CPED) Department. The U.S. Treasury Emergency Rental Assistance (ERA) grant accounts for \$2.9 million of the increase. In addition, various jobs and training grants have seen an increase over 2021.

The ERA funds are 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 of which \$4.1 million has been released by U.S. Treasury. ERA funds are 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 for a total of \$271.2 million. 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 September 30, 2022, a total of \$50.2 million of the City’s ARPA funding has been spent. This includes \$49.4 million spent in 2022.

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 a separate fund 01500. 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 September 30, 2022 total \$19.4 million compared to \$13.6 million through June 2021 which reflects an increase of \$5.8 million.

During 2020 the City was awarded approximately \$22.9 million in HUD COVID-19 Supplemental funds for the CDBG, ESG, and HOPWA programs which continue to be expended in 2022 and future years which will result in higher than usual expenditures in the fund. The Community Planning and Economic Development (CPED) Department spending increased \$5.4 million through the third quarter of 2022 because of the new funding and is the major contributor to the increase in expenditures.

Grants Other Fund:

The fund is used to account for non-federal grants and other restricted revenue sources. The expenditures as of September 30, 2022 are \$18.2 million compared to the 2021 expenditures through September of \$20.8 million. The \$2.6 million decrease in expenditures is due to a variety of spending variations, but one significant difference is a decrease of \$2.4 million for CPED Affordable Family Housing 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 2021 and continues to be a large amount through June 2022. 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, 2022

Grants Special Revenue Funds - Federal, State and Local

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Grants - Federal	58,452	27,302	22,131	19,765	31,750
APR Local Fiscal Recovery	135,596	6,315	135,000	135,000	60,500
CDBG & UDAG Funds	14,870	17,283	15,817	14,805	15,250
HOME Grants	6,860	6,969	4,465	8,334	12,500
Grants - Other	38,860	30,916	31,154	21,143	30,275
Total	254,639	88,785	208,567	199,047	150,275
Use of Funds:					
Grants - Federal	60,336	23,558	22,417	18,399	24,250
APR Local Fiscal Recovery	98,493	5,775	180,415	49,446	60,500
CDBG & UDAG Funds	23,312	21,306	15,475	19,445	24,300
HOME Grants	7,158	4,883	4,658	5,740	6,800
Grants - Other	40,911	29,384	33,017	18,213	24,350
Total	230,211	84,905	255,982	111,244	140,200
Net Change in Fund Balance		(1,117)		87,803	10,075
Ending Fund Balance		9,022		9,022	19,097
Ending Cash Balance		141,823		224,159	220,500

City of Minneapolis
Community Planning & Economic Development (CPED)
Special Revenue Funds
For the Third Quarter Ending September 30, 2022

Operating Snapshot (in thousands of dollars):

<i>Programs</i>	<i>Original Budget</i>	<i>Current Budget</i>	<i>Expended</i>	<i>Budget v. Exp</i>	<i>Cash</i>	<i>Fund Balance</i>
Tax Increment Financing	33,389	81,066	35,758	45,308	112,361	137,919
Housing & Econ Dev	13,246	29,936	6,073	23,863	24,667	25,927
General Development	5,378	19,408	4,351	15,057	31,282	38,184
Neighborhood Revitalization	6,334	6,334	2,118	4,216	29,798	30,060
CPED Operating	1,612	1,612	1,257	355	455	95
Total	59,959	138,356	49,557	88,798	198,563	232,185

CPED Special Revenue Funds account for governmental funds that are legally restricted to expenditures for specific purposes in a number of housing and economic development programs. The programs that are operated within these funds were established to increase the City’s economic competitiveness, ensure an array of attractive housing choices, support strong and diverse neighborhoods, and preserve historic structures. These programs are funded primarily through state and local grants, tax increment financing (TIF), and administrative fees collected from the issuance of housing and economic development revenue bonds. 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 third quarter 2022 was \$232.2 million. Fund balances are considered either “restricted” or “assigned.” The combined fund balance of the NRP and TIF programs was \$168.0 million, and all of this fund balance is considered restricted. The combined fund balance of the Housing & Economic Development, General Development, and CPED Operating programs was \$64.2 million.

Cash Balance. The combined cash balance of CPED Special Revenue Funds at the end of the third quarter 2022 was \$198.6 million. This was \$4.3 million less than at the end of third quarter 2021. The combined cash balance in the TIF and NRP programs at the end of third quarter 2022 was \$142.2 million (72.0% 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 third quarter 2022 was \$112.4 million, which was \$8.7 million less than cash at the end of third quarter 2021. Third quarter 2022 revenues were \$11.8 million, which were \$3.4 million less than in 2021. Third quarter 2022 expenditures were \$17.7 million, which was \$6.6 million more than in 2021. In the third quarter of 2022, total expenditures exceeded revenues by \$5.9 million. With the additional net transfer out of \$9.5 million, overall fund balance decreased by \$15.4 million from \$153.3 million to \$137.9 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 third quarter 2022 was \$24.7 million, which was \$6.9 million more than cash at the end of third quarter 2021. Third quarter 2022 revenue was \$1.1 million, which was approximately \$0.7 million more than 2021. Third quarter 2022 expenditures were \$6.1 million, which was \$.5 million more than in 2021. With the additional net transfer from other funds, overall fund balance increased by \$5.1 million from \$20.8 million to \$25.9 million in third quarter 2022.

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 third quarter 2022 was \$31.3 million, which was \$0.1 million higher than cash at the end of third quarter 2021. Third quarter 2022 revenues were \$3.8 million, which was \$1.0 million higher than in 2021. Third quarter 2022 expenditures were \$4.4 million, which was \$1.3 million higher than in 2021.

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 third quarter 2022 was \$29.8 million, which was \$2.0 million less than cash in the third quarter 2021. Third quarter 2022 revenues were \$1.6 million, which was \$0.3 million less than in 2021. Third quarter 2022 expenditures were \$2.1 million, which was \$0.7 million higher than in 2021. With no transfers, the net impact on current fund balance reduced by \$0.6 million from \$30.6 million to \$30.0 million in third quarter 2022.

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 third quarter 2022, this program had a fund balance of \$95,000 thousand and cash balance of \$455,000 thousand. During this period revenue exceeded expenditures by \$1.1 million. However, this was due to adjustments made to Investment Gain/Loss.

City of Minneapolis
Third Quarter ending September 30, 2022
Financial Status Report (in thousands of dollars)

CPED Special Revenue Funds

	TIF	Housing & Econ Development	General Development	NRP	CPED Operating	Spec Rev Fund Comparison	
						Q3 2022 Total	Q3 2021 Total
Assets							
Cash	112,361	24,667	31,282	29,798	455	198,563	202,861
Misc receivables	662	49	118	92	10	931	523
Loans receivable	-	4,805	-	-	-	4,805	5,800
Advances to other funds	389	-	-	-	-	389	389
Properties held for resale	25,338	2,138	7,163	226	-	34,865	34,886
Total Assets	138,750	31,659	38,563	30,116	465	239,553	244,459
Liabilities							
Payables	442	559	60	56	14	1,131	327
Advances from other funds	389	-	-	-	-	389	390
Deposits held for others	-	368	319	-	356	1,043	971
Deferred inflow of resources	-	4,805	-	-	-	4,805	5,800
Total Liabilities	831	5,732	379	56	370	7,368	7,488
Total Fund Balance	137,919	25,927	38,184	30,060	95	232,185	236,971
Total Liabilities & Fund Balance	138,750	31,659	38,563	30,116	465	239,553	244,459
Revenue							
Property tax increment	10,945	-	-	-	-	10,945	13,457
Fees & charges for services	24	1,060	36	-	133	1,253	2,249
Inclusionary Zoning - in Lieu	-	-	3,312	-	-	3,312	-
Interest revenue	(429)	34	(142)	(145)	2,288	1,606	1,649
Rent	194	-	141	-	-	335	320
Sale of land & buildings	-	-	-	-	-	-	305
Loan recapture	1,096	37	444	1,701	-	3,278	2,580
Total revenue	11,830	1,131	3,791	1,556	2,421	20,729	20,560
Expenditures							
Personal services	119	9	728	-	-	856	1,025
Contractual services	11,204	776	1,403	2,080	1,256	16,719	13,536
Other operating costs	-	46	350	13	-	409	231
Program capital outlay	6,403	5,242	1,870	25	-	13,540	7,880
Total expenditures	17,726	6,073	4,351	2,118	1,256	31,524	22,672
Transfers							
Transfers from other funds	8,531	10,084	-	-	-	18,615	12,851
Transfers to other funds(-)	(18,032)	-	-	-	-	(18,032)	(18,603)
Total transfers	(9,501)	10,084	-	-	-	583	(5,752)
Change in fund balance	(15,397)	5,142	(560)	(562)	1,165	(10,212)	(7,864)
Beginning fund balance	153,316	20,785	38,744	30,622	(1,070)	242,397	244,836
Ending fund balance	137,919	25,927	38,184	30,060	95	232,185	236,972

City of Minneapolis
Engineering, Materials, and Testing
For the Third Quarter Ending September 30, 2022

Operating Snapshot (in thousands of dollars):

Fund 06000	2022 Budget	09/30/2022 Actual	Projected YE 2022	2021 Actual
Operating Revenue	8,783	7,363	8,566	8,563
Operating Expense	8,783	7,193	8,557	8,542
Operating Margin	-	169	9	21
Change in Net Position		169	9	21
Net Position		773	614	605
Cash Balance		2,770	2,036	2,027

Program Description:

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

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 comparable services. Historically, the Laboratory's hourly rate has been significantly lower than that of the private sector and generates adequate revenue to cover the fund's direct and indirect expenses.

Revenue:

Operating revenue earned through third quarter 2022 is \$7.4 million, or 83.8% of the budgeted amount of \$8.8 million. The 2022 third quarter revenue of \$7.4 million represents an increase of 15.3% over the third quarter 2021 revenue of \$6.4 million. Revenue (and expenses) throughout 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 third quarter from year to year.

Expense:

Operating expense through third quarter 2022 is \$7.2 million, or 81.9% of the budgeted amount of \$8.8 million. The 2022 third quarter expense reflects an increase of 12.7% over the 2021 expense of \$6.4 million incurred through the same period. As noted above, expenses throughout 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 2022.

Debt Service:

This fund does not have any debt obligations.

Forecast:

The 2022 Operating revenue is projected to be \$8.6 million or 97.5% of the budgeted amount of \$8.8 million. Operating expense is projected to be \$8.6 million or 97.4% of the budgeted amount of \$8.8 million. The Projected amounts are expected to be slightly lower than the budgeted amounts due to lower project activities, which in turn is expected to slightly lower the Revenue and Expense for the 2022. The 2022 net margin projection result in a slight increase of \$9,041 from the 2021 ending net position of \$0.6 million. The 2022 year-end cash balance is projected to be \$2.0 million, which is slightly higher than the 2021 ending cash balance due to the expected increase in the Operating Margin.

Cash and Net Position:

The 2022 third quarter cash balance is \$2.8 million, an increase of \$0.8 million from the 2021 year-end balance of \$2.0 million. The increase in cash through third quarter is due to timing differences between the receipt and payment of invoices for asphalt and concrete and billing these purchases to other City departments. As of September 30, 2022, the fund had an accrual of \$0.8 million for September invoices for asphalt and concrete that was paid in October; and the cash balance has been adjusted to reflect this amount. Financial policies for the cash reserve for the Engineering, Materials, and Testing Fund determine that the cash balance should not be less than 15.0% of the operating budget excluding materials and related costs or \$0.4 million.

The 2021 year-end net position was \$0.6 million, which is slightly higher than the 2020 ending balance of \$0.5 million. The slight increase is due to a positive net margin in 2021 as a result of more concrete and asphalt sales. 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 2021.

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City of Minneapolis
Third Quarter Ending September 30, 2022
Financial Status Report in thousands of dollars

Engineering, Materials and Testing Fund 06000 - Internal Service Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Asphalt / Concrete	6,489	6,356	6,309	5,681	6,309
Inspection revenue	2,557	2,207	2,475	1,681	2,257
Total	9,046	8,563	8,783	7,363	8,566
Use of Funds					
Personnel Services	1,062	989	1,104	777	1,008
Fringes	383	337	401	257	357
Contractual services	1,313	1,100	1,164	677	1,076
Materials/Other	6,256	6,085	6,091	5,465	6,091
Rent	32	32	24	18	24
Total	9,046	8,542	8,783	7,193	8,557
Change in Net Position	0	21	(0)	169	9
Net Position	515	605	605	773	614
Total Cash Balance	1,955	2,027	2,027	2,770	2,036

City of Minneapolis
Fleet Services Internal Service Fund
For the Third Quarter Ending September 30, 2022

Operating Snapshot (in thousands of dollars):

Fund 06100	2022 Budget	09/30/2022 Actual	Projected Year Ending 2022	2021 Actual
Operating Revenue	28,064	19,705	26,993	38,459
Operating Expense	44,123	28,128	43,351	30,546
Change in Net Position	(16,059)	(8,423)	(16,358)	7,913
Net Position		92,194	82,255	98,613
Cash Balance		31,290	18,343	34,701

Program 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 \$100.1 million and accounts for 64.2% of the net value of the long-term assets in this fund.

Revenue:

Operating revenue earned through third quarter 2022 is \$19.7 million or 70.2% of the budgeted amount of \$28.1 million. The revenue earned through third quarter 2022 decreased by \$8.7 million, or 30.6%, from the revenue earned through second quarter 2021. This decrease is mostly due to less revenue collected on rental of equipment.

Expenses:

Operating expense through third quarter 2022 totaled \$28.1 million representing 63.7% of the annual budget of \$44.1 million. Expenses through the third quarter of 2022 increased \$6.5 million or 30.1% from the total expense of \$21.6 million through the same period in 2021. The difference is mostly due to a transfer of \$2.9 million out of the fund. Capital spending is trending higher than the same period in 2021. Operation spending is higher than last year.

Transfers:

For 2022 there is a transfer out of the fund in the amount of \$2.9 million to the capital project fund for the Hiawatha Campus project.

Debt Service:

This fund has no debt obligations in 2022.

Forecast:

Operating revenue is projected to be \$27.0 million which is \$1.1 million or 3.8% less than the budgeted amount of \$28.1 million. Projected revenue is less than budgeted primarily due to a decrease in charges for services to other departments. Operating expense is projected to be \$39.5 million which is \$4.7 million or 10.6% less than the budgeted amount of \$44.1 million. After non-operating revenue is recorded, a decrease to net position of \$12.5 million is projected compared to the budgeted loss of \$16.1 million. Ending cash is projected to be \$22.2 million, a decrease of \$12.5 million from the 2021 ending cash balance of \$34.7 million. The decrease in cash is intentional and due the fund not collecting rent on vehicles used by other departments. The rent collection is used to purchase new vehicles in the future, but the strong cash position of the fund in recent years meant the fund was able to pause collection on those replacement costs for the past two years.

Cash and Net Position:

The fund has maintained a positive cash balance with a third quarter 2022 ending balance of \$31.3 million a decrease of \$1.2 million from the 2021 third quarter ending balance of \$32.5 million. Reserve policies for internal service funds determine that the minimum cash balance should be 15.0% of the fund's total budget or \$6.6 million.

The net position for year ending in 2021 was \$98.6 million, a decrease of \$4.8 million, or 5% over the 2020 ending balance of \$93.8 million. The increase in net position is due to timing differences between the receipt of revenue collected to pay for replacement vehicles and the delivery and subsequent payment for the vehicles.

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 \$19.5 million.

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City of Minneapolis
Third Quarter ending September 30, 2022
Financial Status Report (in thousands of dollars)

Fleet Services Internal Services Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Charges for Services	9,378	7,910	9,999	6,624	8,529
Charges for Sales	7,628	6,166	8,458	6,057	8,403
Gains	500	832	500	400	500
Rent	20,705	23,448	9,107	6,384	9,250
Other Misc Revenue	-	103	-	240	311
Total	38,211	38,459	28,064	19,705	26,993
Use of Funds:					
Transfers out	-	-	2,920	2,920	2,920
PW Equipment Operations	24,917	25,087	27,818	19,257	27,046
PW Equipment Capital	13,949	5,459	13,385	5,951	13,385
Total	38,866	30,546	44,123	28,128	43,351
Change in Net Position		7,913	(16,059)	(8,423)	(16,358)
Net Position		98,613	82,554	92,194	82,255
Cash Balance		34,701	25,592	31,290	18,343

City of Minneapolis
Property Services – Internal Service Fund
For the Third Quarter Ending September 30, 2022

Operating Snapshot (in thousands of dollars):

Fund 06200	2022 Budget	09/30/2022 Actual	Projected YE 2022	2021 Actual
Operating Revenue	29,994	21,031	29,515	26,226
Operating Expense	30,835	20,315	32,110	23,879
Operating Margin	(841)	717	(2,596)	2,347
Change in Net Position		717	(2,596)	2,347
Net Position		40,722	37,409	40,005
Cash Balance		9,256	6,330	8,926

Program Description:

The Property Services Fund is responsible for the maintenance and upkeep of City-owned buildings including police precinct structures, fire stations, and public works buildings. The fund does not include the Convention Center, Water facilities, or Park Board buildings. The fund is also responsible for the Radio Shop which maintains the City’s emergency communications network. Certain mobile device (phones, tablets, and hotspots), which were part of the Radio Shop transferred to the IT Department starting in 2022. For City Hall, Property Service fund collects a rental charge and remits it to the Municipal Building Commission (MBC) to reimburse MBC for maintenance and property management services. The 2022 revenue and expense budgets for the fund were increased by \$5.6 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 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. Beginning in 2016, funding for City building capital repairs and upgrades is also managed through the rent allocation model. 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 third quarter 2022 is \$21.0 million, or 70.1% of the budgeted amount of \$30.0 million. The 2022 third quarter revenue is increased by \$1.6 million, or 8.1%, from the revenue earned through third quarter 2021. This is mainly because through the third quarter of 2022, the fund collected \$18.0 million in rent, which is \$1.3 million higher than the 2021 \$16.7

million rent collected through the third quarter. Revenue received from charges for services, including operating repairs and upgrades, also fluctuates based on the amount of discretionary spending available to departments and the timing of work done.

Expenses:

Operating expense through third quarter of 2022 is \$20.3 million, or 65.9% of the total budgeted amount of \$30.8 million. The 2022 third quarter expense increased \$2.9 million, or 16.9%, from the operating expense recorded through third quarter 2021. The variance is primarily due to the \$2 million MBC Rent added back to the 2022 budget year that was reduced in 2021. Expenses also fluctuate based on the amount of discretionary spending available to other departments and the timing of work done.

Transfers:

For 2022, this fund receives a transfer in from the General Fund totaling \$1.1 million to support the City Hall rent expense. The fund will not have any transfer out in 2022.

Debt Service:

There is no outstanding debt service for 2022.

Forecast:

Operating revenue is projected to be \$29.5 million or 1.6% less than the budgeted amount of \$30.0 million. The 2022 Operating expense is projected to be \$32.1 million or 4.1% higher than the budgeted expense amount of 30.8 million. The increase is due to the 2021 delayed capital repairs and upgrades planned to be done in 2022. This resulted in a projected operating margin loss of \$2.6 million, compared to the budgeted operating margin loss of \$0.8 million. The 2022 projected operating loss is mainly due to the rolled over capital repairs and upgrade projects from prior year; and the City Council approved \$1.5 rent revenue reduction in 2022 to finance the Self Insurance Fund.

The 2022 ending cash balance is projected to be \$6.3 million, a decrease of \$2.6 million from the 2021 year-end balance of \$8.9 million. The decrease in cash is due to the \$1.5 million rent revenue reduction and the timing and some of the capital repairs and upgrade projects.

Cash and Net Position:

The cash balance at the end of third quarter 2022 was \$9.3 million compared to a cash balance of \$8.2 million at the end of third quarter 2021. The cash through the third quarter of 2022 consists of a balance of \$1.9 million in the Property Disposition fund and a balance of \$7.4 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 2022.

The net position for the year ending 2021 was \$40.0 million, an increase of \$3.7 million from the net position of \$36.3 million for year ending 2020. This increase is due to the delay of the capital improvement projects in 2021, which are planned to be completed in 2022. 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 2021 was \$0.8 million and the projected net position in 2022 is \$35.8 million greater than the benchmark, which is \$1.6 million.

City of Minneapolis
Third Quarter ending September 30, 2022
Financial Status Report (in thousands of dollars)

Property Services Internal Service Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Charges for Services and Sales	3,066	2,983	4,580	2,216	4,011
Rents Public Works and Other	22,450	22,301	23,928	17,983	24,016
Miscellaneous Revenue	3	170	381	4	383
Transfer-In from other funds	772	772	1,104	828	1,104
Total	26,291	26,226	29,994	21,031	29,515
Use of Funds					
Personnel Services	6,530	6,381	6,562	5,097	6,434
Fringes	2,541	2,704	2,563	2,205	2,866
Contractual services	18,202	11,717	18,445	10,135	19,372
Materials/Other	1,632	1,889	1,886	1,843	2,060
Rent	977	976	1,379	1,034	1,379
Transfer-Out to other funds	212	212	-	-	-
Total	30,094	23,879	30,835	20,315	32,110
Change in Net Position	(3,803)	2,347	(841)	717	(2,596)
Net Position	32,474	40,005	39,164	40,722	37,409
Total Cash Balance	2,520	8,926	8,085	9,256	6,330

**City of Minneapolis
Public Works Stores
For the Third Quarter Ending September 30, 2022**

Operating snapshot (in thousands of dollars):

Fund 06300	2022 Budget	09/30/2022 Actual	Year Ending Projected 2022	Year Ending Actual 2021
Operating Revenue	1,614	1,384	1,869	2,378
Operating Expense	1,614	1,192	1,653	1,617
Operating Margin	0	192	216	879
Change in Net Position		192	216	879
Net Position		6,986	7,010	6,794
Cash Balance		693	1,435	1,219

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 third quarter of 2022 is \$1.4 million, or 85.7% of the budgeted amount of \$1.6 million. The revenue earned through third quarter of 2022 decreased by \$0.1 million, or 7.3%, from the \$1.5 million revenue earned through third quarter of 2021. Revenue for this fund is earned by applying overhead charges to inventory sales and transaction processing. The decrease in revenue is due to a \$24,677 decrease in Central stores overhead charges, a \$83,997 decrease in overhead charges, and selling scrap to outside customer in Traffic stores. The decreases on overhead charges resulted from delay in requisition processing and issuing purchases.

Expenses:

Operating expense through the third quarter of 2022 is \$1.2 million, or 73.8% of the budgeted amount of \$1.6 million. The amount expended through third quarter of 2022 decreased by \$12,756, or 1.1%, from the \$1.2 million expended through the same period in 2021. The decrease is due to decrease in fringe of \$20,117. This expense decrease is partially offset by an increase in personnel of \$3,885, and an increase in fringe of \$3,825.

Transfers:

There are no transfers in or out of this fund in 2022.

Debt Service:

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

Forecast:

Operating revenue is projected to total \$1.9 million at year-end, exceeding the budgeted revenue of \$1.6 million by \$0.3 million, or 15.8%. This increase is mostly due to increased overhead charges to inventory sales and transaction processing. Operating expense is projected to be \$1.7 million, representing a 2.4%, or \$38,421 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 \$0.2 million compared to a budgeted increase of \$0, and a projected ending net position of \$7.0 million.

Cash and Net Position:

The fund has maintained a positive cash balance at the end of third quarter 2022 is \$0.7 million, a decrease \$0.5 million from 2021 year-end balance of \$1.2 million. The decrease in cash is primarily due to a \$1.1 million, or 13% 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 is \$0.5 million more than its target.

The fund continues to maintain a positive net position with a 2021 ending balance of \$6.8 million, an increase of \$0.9 million from the 2020 ending balance of \$5.9 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
Third Quarter ending September 30, 2022
Financial Status Report (in thousands of dollars)

Public Works Stores Internal Services Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Charges for Services	1,558	1,909	1,564	1,353	1,832
Charges for Sales on merchandise	25	38	20	31	37
Charges for Sales on scrap (Recycling)	25	50	30		
Other Misc rev (Inventory adjustments)		381			
Total	1,608	2,378	1,614	1,384	1,869
Use of Funds					
Personal Services	873	821	876	616	866
Fringes	381	378	380	265	373
Contractual services	275	366	274	284	372
Materials/Other	79	53	85	26	41
Total	1,608	1,617	1,614	1,192	1,653
Change in Net Position	0	879	0	192	216
Net Position	5,916	6,794	6,794	6,986	7,010
Total Cash Balance	1,126	1,219	1,219	693	1,435
Target Cash Reserve	241	241	242	242	242
Variance Operating Cash to Target Cash Reserve	885	978	977	451	1,193

**City of Minneapolis
Intergovernmental Services Fund
For the Third Quarter Ending September 30, 2022**

Operating Snapshot (in thousands of dollars):

Fund 06400	2022 Budget	09/30/2022 Actual	Projected Year Ending 2022	2021 Actual
Operating Revenue	37,986	31,678	42,347	42,696
Operating Expense	40,996	31,137	41,506	44,949
Change in Net Position		541	841	(2,253)
Net Position		23,053	12,512	11,671
Cash Balance		9,807	10,874	10,033

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.

Revenue:

Operating revenue through the third quarter of 2022 is \$31.7 million, or 83.4% of the annual budgeted amount of \$38.0 million. This is an increase of \$933,000, or 3.0%, compared to revenue of \$30.7 million earned through third quarter of 2021. This is due to increases to the allocation model for IT services.

Expenses:

Operating expenses through the third quarter are \$31.1 million or 76.0% of the annual budgeted amount of \$41.0 million. The operating expense through third quarter increased \$314,000, or 1.0%, from the 2021 expense of \$30.8 million.

Administration expenses of \$8.2 million through the third quarter decreased 9.0% over the 2021 amount of \$9.0 million through the same period. The increase is for license and maintenance agreements.

PMO- Work for others department expenses stayed flat to previous year with \$1.5 million for both years.

Infrastructure Services expenses of \$4.1 million increased by \$487,000, or 10.0% through the third quarter over the 2021 amount of \$4.6 million through the same period. The increase aligns with increases in budget.

Debt:

The fund does not have any outstanding debt service obligations.

Transfers:

In 2022 this fund will receive transfers in from the General Fund totaling \$310,000 to cover City Hall rent costs. In 2022, the fund will have no transfers out.

Forecast:

Operating revenue is projected to be \$42.3 million or \$4.3 million more than the budgeted amount of \$37.9 million. Operating expenses are expected to be \$41.5 million or \$0.5 million more than the budgeted amount of \$41.0 million. These projections result in an expected operating margin increase of \$0.8 million as compared to a budgeted operating margin deficit of \$3.0 million. The projected increase is due mainly to expected projects and work for others that are not budgeted.

The year-end cash balance is projected to be \$10.9 million which represents an increase of 8.4% from the cash balance at year-end 2021 of \$10.0 million. The increase is mostly due to revenue being collected is closer to expenses than in 2021. Also, expenses for 2022 are expected to be less than expenses in 2021.

Cash and Net Position:

The cash balance at the end of third quarter is \$9.8 million, representing a decrease of \$4.2 million from prior year same period and is a decrease of \$226 thousand from 2021 year-end balance of \$10 million. Financial reserve policies for the internal service funds determine that the minimum cash balance for the Intergovernmental Services Fund should be 15% of the fund's total budget or \$6 million.

The net position at year-end 2022 is projected to be \$12.5 million, a decrease of \$0.8 million from the year-end 2021 net position of \$11.7 million. This decrease to net position is partly due to efforts to contain costs and to limit projects for others. These efforts are to recover from losses due to the pandemic in 2020.

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 \$18.9 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 exceed the target net position in future years.

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City of Minneapolis
Third Quarter ending September 30, 2022
Financial Status Report (in thousands of dollars)

Intergovernmental Services Internal Services Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Charges for Service - IT	36,942	37,222	35,574	26,322	35,172
Charges for Service - City Clerk	1,385	1,596	1,655	1,003	1,655
Work for Others	4,306	3,764	457	4,043	5,220
Operating Transfers In	114	114	300	310	300
Total	42,747	42,696	37,986	31,678	42,347
Use of Funds:					
City Clerk	1,470	1,450	1,518	1,197	1,518
Information Technology	41,612	38,106	37,398	25,547	34,768
Work for Others	4,583	5,293	2,080	4,393	5,220
COVID	-	100	-	-	-
Total	47,665	44,949	40,996	31,137	41,506
Change in Net Position		(2,253)	(3,010)	541	841
Net Position		11,671		12,212	12,512
Total Cash Balance	16,205	10,033	10,033	9,807	10,874

**City of Minneapolis
Self-Insurance Funds
For the Third Quarter Ending September 30, 2022**

Operating snapshot (in thousands of dollars):

Fund 06900-06950	2022 Budget	09/30/2022 Actual	Projected YE 2022	Actual YE 2021
Operating Revenue	143,247	112,296	147,132	132,184
Operating Expense	118,499	88,676	121,529	134,310
Operating Margin	24,748	23,620	25,603	(2,126)
Change in Net Position		23,620	25,603	(2,126)
Net Position		(76,345)	(74,363)	(99,966)
Cash Balance		132,412	136,357	110,754

Program Description:

The Self-Insurance Fund accounts for accrued sick leave benefit, tort liability, workers' compensation, civil attorney, risk management services, and the administrative functions to support these activities. An activity-based cost allocation model determines the charge allocated to City departments to provide for self-insurance related to tort liability and workers' compensation. The annual charges are calculated using data determined by an actuarial study based on each City department's responsibility for liability and worker compensation expense. The cost allocation model also assigns a charge for HR employee benefit administration and attorney and risk management services. Beginning in 2021, HR employee benefit administration is recorded to the General Fund instead of the Self-insurance fund.

Revenue:

Operating revenue through the third quarter of 2022 is \$112.3 million or 78.4% of the annual budgeted amount of \$143.2 million. This is an increase of \$3.9 million, or 3.6%, compared to \$108.4 million earned through the third quarter of 2021. The primary reason for the increase is due to few factors: a \$3.7 million increase in Cost Allocation and Employment Services, \$5.0 million increase in Medical Premium and Sick Leave at Retirement, and an unexpected revenue \$4.5 million received from the Workers' Compensation Reinsurance Association as surplus distribution for the recalculated share of 2022 and other revenues. This revenue increase is offset by a \$9.3 million decrease in Operating Transfers In.

Expenses:

Operating expenses through the third quarter of 2022 are \$88.7 million or 74.8% of the annual budgeted amount of \$118.5 million. This is an increase of \$16.8 million, or 23.4%, compared to \$71.9 million expended through the third quarter of 2021. The increase in operating expense is due to a \$4.0 million increase in medical insurance claims and a \$9.3 million increase in General Liability for Litigation Settlements. The expenses increase also related to a \$10.2 million increase in funds paid out for workers' compensation claims that is offset by a decrease in City Attorney of \$5.5 million and a \$1.1 million decrease in the employee sick leave payout at retirement.

Debt Service:

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

Transfers:

In 2022, the fund receives a transfer in from the General Fund totaling \$24 million to both Workers' Compensation Fund and the General Liability Fund to assist with most ongoing spending increases.

Forecast:

Operating revenue is projected to be \$147.1 million or \$3.9 million more than the budgeted amount of \$143.2 million. The source of this increase is due to \$4.5 million projected increase in payments received from Reinsurance Association, other revenue, and a projected increase of \$3.5 million in Sick Leave at Retirement. The projected revenue increases are offset by a decrease in dental insurance premiums of \$1.0 million, and a decrease of \$3.1 million in medical premium and admin fees. Operating expense is projected to be \$121.5 million, or \$3.0 million more than the budgeted amount of \$118.5 million. The primary reason that operating expense is projected to be more than budgeted is due to projected \$14.7 million paid out for workers' compensation claims. The increase in projected expenses is offset by a decrease in Medical Claims and Admin Fees of \$9.2 million, a decrease in Dental claims of \$1.4 million, and a decrease of \$1.1 million in Risk Management and General Liability. The projections will result in a projected operating margin gain of \$25.6 million as compared to the budgeted operating margin gain of \$24.7 million.

These year-end projections result in an increase to net position of \$0.8 million, compared to the budgeted amount of a negative \$75.2 million, and a projected ending net position amount of negative \$74.4 million. The projected ending cash balance result in an increase \$25.6 million compared the amount of \$136.4 million at year-end 2022, and \$110.8 million at year-end 2021. The increase in cash and net position in 2022 primarily the result of an increase in medical insurance premiums compared to the medical claims payout.

Cash Balance and Net Position:

Cash balance policies for the Self-Insurance fund vary be individual fund. Below is a summary of cash policy compared to projected balance by fund.

Fund	Policy Minimum Cash Balance	Projected Ending Cash Balance	Over/(Under) Policy
06900 - Self Insurance ¹	\$ 257	\$ 6,750	\$ 6,493
06910 – Medical ²	23,589	36,358	12,769
06920 – Dental ³	880	2,998	2,118
06930/06940 - Work Comp & Liability ⁴	177,450	65,922	(111,528)
06950 - Severance/Sick Leave ⁵	15,601	24,329	8,728
Total	\$ 217,777	\$ 136,357	\$ (81,420)

¹Self Insurance admin shall maintain a minimum cash balance of 10% of the operating budget of participating departments.

²Medical Self Insurance fund shall maintain a minimum cash balance of 35% of total annual claims.

³Dental Self Insurance fund shall maintain a minimum cash balance of 20% of annual claims.

⁴Workers' Compensation fund shall maintain a cash balance equal to or greater than the current year projected total losses as defined by the most recent annual independent actuarial study.

⁵Sick Leave severance shall maintain a minimum cash balance equal to the combined short and long-term liability set at the end of the most recent audited period.

The net position at year-end 2021 was a negative amount of \$99.9 million, an increase of \$2.1 million from the 2020 year-end net position a negative amount of \$97.8 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
Third Quarter ending September 30, 2022
Financial Status Report (in thousands of dollars)

Self-Insurance Fund Internal Services Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Charges for Service(Cost allocations+Employment Serv)	31,591	31,524	36,110	27,319	36,346
Other Misc Revenues (Refund from State+Other misc)	1,000	1,117	1,000	5,292	5,292
Medical Ins Premiums	71,172	65,971	74,731	54,259	71,591
Dental Premiums	4,271	3,186	4,399	2,562	3,416
Health and Welfare (Severence-Sick leave retirees)	2,934	3,018	3,008	4,865	6,486
Operating Transfers In	27,368	27,368	24,000	18,000	24,000
Total	138,336	132,184	143,247	112,296	147,132
Use of Funds:					
Attorney (06900)	7,376	5,771	-	(157)	-
Human Resources (06900)	-	(32)	-	-	-
Finance Dept - Risk Mgmt/Financial Accounting (06900)	2,586	2,027	2,568	1,618	1,948
Liability (06940)	9,211	24,571	15,351	11,164	14,862
Workers Compensation (06930)	12,756	31,841	18,320	22,861	33,053
Medical Claims and Admin Fees (06910)	71,172	65,183	74,854	49,986	65,662
Delta Dental payments (06920)	4,271	3,223	4,399	2,246	2,996
Health and Welfare (Severence-Sick leave retirees) Transfers	2,934	1,727	3,008	958	3,008
Total	110,306	134,310	118,499	88,676	121,529
Change in Net Position	28,030	(2,126)	24,748	23,620	25,603
Net Position	(69,809)	(99,966)	(75,218)	(76,345)	(74,363)
Total Cash Balance	136,162	110,754	135,503	132,412	136,357
Target Cash Reserve	203,204	203,204	217,777	217,777	217,777
Variance Operating Cash to Target Cash Reserve	(67,043)	(92,450)	(82,274)	(85,365)	(81,419)

**City of Minneapolis
Sanitary Sewer Fund
For the Third Quarter Ending September 30, 2022**

Operating Snapshot (in thousands of dollars):

Fund 07100	2022 Budget	09/30/22 Actual	Projected Year End 2022	2021 Actual
Operating Revenue	93,947	71,895	96,352	86,723
Operating Expense	75,418	57,939	79,621	73,773
Operating Margin	18,529	13,956	16,731	12,950
Change in Net Position		4,566	1,321	1,995
Net Position		152,118	148,873	147,552
Cash Balance		24,758	16,371	15,050

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 \$71.9 million through the end of the third quarter, the Sanitary Sewer Fund has earned 76.5% of the 2022 operating revenue budget. This is an overall increase of \$8.1 million, or 12.6%, compared to \$63.8 million earned through September 2021. The utility service revenues accounted for \$2.1 million of the increase compared to 2021 due mainly to an increase in rates. SAC fees, which fluctuate based on overall economic activities outside of City operations, increased by \$5.4 million. This increase is offset by an equivalent increase in sewer availability charges (or SAC expenses).

The variable rate for utility charges was set at \$5.01 per unit, an increase of \$0.17 over 2021. The fixed rate, which is based on meter size, was increased by \$0.50, from \$6.80 to \$7.30.

Expenses:

The Sanitary Sewer Fund's total operating expenses through the third quarter were \$57.9 million compared to \$52.2 million through September 2021. This is an increase of \$5.7 million, or 11.0%. The increase is due to SAC charges increasing by \$5.2 million due to more activity in the first nine months.

The Met Council rate decreased by 2.9% for 2022 services. The Met Council charges are the largest expense of the fund and the monthly expense is \$3.9 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 third quarter, \$0.8 million has been transferred to Water Treatment and Distribution Services.

Debt Service:

For 2022, the debt service cost was budgeted at \$11.1 million. Through the third quarter, no principal and \$0.8 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 long-term debt totals \$42.1 million on September 30, 2022.

Cash and Net Position:

The current cash balance is \$24.8 million and the Fund's net position stands at \$152.1 million. The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Therefore, the targeted cash balance for 2022 is \$18.9 million. The projected year end \$16.4 million cash balance will leave a \$2.5 million Cash Reserve shortage due in part to lower revenues during the COVID-19 pandemic. The Department is constantly monitoring and revising the financial position to bring the fund back into compliance. The Fund's cash balance has doubled since 2019 and is projected to be back in compliance by 2025.

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City of Minneapolis
Third Quarter ending September 30, 2022
Financial Status Report (in thousands of dollars)

Sanitary Sewer Enterprise Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Charges for Service	81,505	76,251	83,547	61,594	80,802
SAC Revenues	10,000	8,966	10,000	10,282	15,000
Other Misc Revenues	207	1,506	400	19	550
Charges for Service - Capital	1,000	1,000	1,000	9	1,000
Proceeds from Long Term Liabilities	13,000	15,381	11,500		12,138
Total	105,711	103,104	106,447	71,904	109,490
Use of Funds:					
PW-Sewer Design	1,053	991	1,219	647	1,095
PW-Sewer Maintenance	9,119	7,596	8,159	5,129	7,683
MERF			310		310
Met Council Environment Svcs	58,137	57,106	56,808	45,174	61,808
Payment for City Services	6,824	6,245	7,086	5,547	6,836
PW - Sewer Admin	1,700	1,834	1,836	1,441	1,888
Debt Service	7,597	7,214	11,075	849	11,075
Future Debt Service					497
Transfers					
To Water Fund	1,072	1,072	1,017	763	1,017
PW - Capital Programs	17,000	19,050	7,787	7,787	15,958
Total	102,502	101,109	95,297	67,338	108,169
Change in Net Position	3,209	1,995	11,150	4,566	1,321
Net Position Balance	142,577	147,552	158,702	152,118	148,873
Total Cash Balance	16,715	15,050	26,200	24,758	16,371
Target Cash Reserve	19,208	19,208	18,855	18,855	18,855
Variance Cash Balance to Target	(2,493)	(4,170)	7,346	5,903	(2,483)

City Of Minneapolis
Storm Water Fund
For the Third Quarter Ending September 30, 2022

Operating Snapshot (in thousands of dollars):

Fund 07300	2022 Budget	09/30/2022 Actual	Projected Year End 2022	2021 Actual
Operating Revenue	46,699	34,639	46,180	45,117
Operating Expense	32,733	19,547	28,658	28,276
Operating Margin	13,966	15,092	17,522	16,841
Change in Net Position		7,947	3,530	(3,471)
Net Position		359,894	355,478	351,947
Cash Balance		31,957	32,736	29,206

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 \$34.6 million in operating revenues earned through third quarter of 2022 reflects 74.2% of the budgeted amount of \$46.7 million. This is an increase of 3.1%, or \$1.0 million, compared to \$33.6 million earned for the same period in 2021. Storm utility revenues increased by 2.5% to \$33.2 million, up from \$32.4 million for the same period in 2021. This is mainly due to a 3.0% increase in rates.

Expenses:

Operating expenses through the third quarter were \$19.5 million, or 59.7% of the 2022 budget. The expenses were \$0.3 million, or 1.7% higher than the \$19.2 million reported for the same period in 2021. The 2022 actual expenses were under budget primarily due to \$0.6 million less spent in Street Cleaning contractual services and \$0.5 million less spent in Maintenance contractual services. There are several vacant positions, causing Maintenance and Design to have less activity in the first nine months of 2022.

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 \$110,000 for 2022. 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 2022, payment of interest was \$270,000 for the first nine months and \$4.2 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 third quarter is \$32.0 million and net position is \$359.9 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 2022 is \$8.2 million. The projected \$32.7 million cash balance at year end will leave \$24.5 million as an unrestricted amount to fund capital programs for 2023 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
Third Quarter ending September 30, 2022
Financial Status Report (in thousands of dollars)

Storm Water Enterprise Fund

	2021 Current Budget	2021 Year End Actual	2022 Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
State Government	1,160	1,250	1,307	1,216	1,390
Local Government	356	255	356	128	255
Charges for Service-Operating	42,549	42,616	44,160	33,174	44,160
Design & Misc Revenues	626	288	801	122	300
Special Assessments	75	709	75	-	75
Grants Proceeds/Others - Capital	-	-	8,810	596	8,810
Charges for Service-Capital	1,000	218	1,000	639	1,000
Proceeds of Long Term Liabilities	13,000	6,144	40,600	10,821	10,549
Total	58,767	51,479	97,109	46,695	66,539
Use of Funds:					
PW-Storm Design	5,606	4,137	6,047	2,907	4,844
PW-Field Services	9,811	9,307	9,488	6,109	9,309
PW-Storm Maintenance	6,772	6,135	7,234	3,375	5,473
Metropolitan Council	2,525	2,525	2,454	1,841	2,454
Payment for City Services	5,579	5,038	5,870	4,382	5,370
PW-Admin	1,585	1,135	1,640	933	1,207
Debt Service	1,931	1,860	4,197	390	4,197
Future Debt Service	-	-	750	-	750
Transfers	1,671	1,671	1,687	83	1,687
PW- Capital	26,500	23,143	53,300	18,728	27,716
Total	61,981	54,950	92,667	38,748	63,009
Change in Net Position	(3,214)	(3,471)	4,442	7,947	3,530
Net Position	352,201	351,947	356,389	359,894	355,478
Total Cash Balance	25,453	29,206	33,622	31,957	32,736
Target Cash Reserve	7,970	7,970	8,183	8,183	8,183
Variance Cash Balance to Target	17,484	21,211	25,439	23,774	24,553

City of Minneapolis
Water Enterprise Fund
For the Third Quarter Ending September 30, 2022

Operating Snapshot (in thousands of dollars):

Fund 07400	2022 Budget	09/30/2022 Actual	Projected Year End 2022	2021 Actual
Operating Revenue	88,568	66,519	88,219	86,486
Operating Expense	62,189	44,086	58,926	55,851
Operating Margin	26,379	22,433	29,293	30,635
Change in Net Position		10,078	1,974	6,248
Net Position		330,659	311,473	309,499
Cash Balance		38,681	36,189	34,215

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 provides water for fire protection and other City uses. In addition, the Division sells water to the wholesale customers of the Cities of Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal, and Edina, along with the Metropolitan Airports Commission. Monthly billing for water sales is the main source of revenue for this fund.

Revenue:

Operating revenues for 2022 are projected to total \$88.2 million or 99.6% of the 2022 budgeted amount of \$88.6 million. Through the third quarter, the Water Fund earned \$66.5 million compared to \$65.6 million for the same period in 2021. After the first nine months, or 75.0% of the year, revenues are at 75.1% of the budgeted amount. With continued strong water sales and increases in revenue from expected design and water line repair work, the Fund is on pace to almost meet the budgeted revenue for the year.

Expense:

Operating expenses for the year are projected to total \$58.9 million or 94.8% of the 2022 budget of \$62.2 million. For the nine months ending in September, the Fund spent \$44.1 million compared to \$40.4 million for the same period in 2021. The difference is due to: (i) an increase in salaries and fringes of \$0.8 million; (ii) an increase in City-provided services of \$0.2 million; (iii) an increase in delivery services, energy and utility bills of \$0.9 million; (iv) an increase in chemical usage and water line repairs of \$0.9 million; (v) an increase in contractual and professional services relating to repairs, maintenance, upgrades, and construction works of \$1.3 million; and (vi) a decrease in fleet and capital outlay of \$0.4 million. The expenses through September are less than 75.0% of the budgeted amount but higher than the previous three years. Expenses will continue to increase in the fourth quarter as seasonal expenses such as snow removals and capital purchases increase.

Transfers:

For 2022, 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 third quarter, \$0.8 million has been realized.

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 2022, which includes both principal and interest payments, is expected to total \$20.9 million. Through the third quarter, \$2.4 million in interest and \$10.3 million in principal have been paid. In the third quarter, an additional \$17.9 million in bonds were sold to finance capital projects. This additional debt issuance will increase debt service payments in future years.

Cash Balance and Net Position:

As of September 30, 2022, the ending cash balance was \$38.7 million and net position was \$330.7 million. By comparison, on September 30, 2021, the cash balance was \$25.9 million and net position was \$305.5 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 cash reserve is \$15.5 million. With a projected year end cash balance of \$36.2 million, an adequate amount of cash will be available to maintain operating cash reserves, fund capital programs, and make debt service payments.

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City of Minneapolis
Third Quarter ending September 30, 2022
Financial Status Report (in thousands of dollars)

Water Enterprise Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Water Sales - Retail					
Volume Rate	60,291	57,049	58,359	44,068	57,429
Fixed Rate	9,038	9,401	10,973	8,241	11,096
Water Sales - Wholesale	14,919	15,645	14,998	12,106	15,475
Other Operating & Misc Revenues	4,365	4,391	4,239	2,104	4,218
Proceeds from Long Term Liabilities	15,525	22,303	19,025	17,158	21,040
Transfers	1,325	1,325	1,058	794	1,058
Proceeds from Capital	2,000	707	2,000	253	1,100
Total	107,464	110,820	110,651	84,724	111,417
Use of Funds:					
Payments for City Services	12,116	11,489	12,447	9,332	11,561
Administration	3,460	3,317	3,735	2,291	3,320
Engineering	1,619	1,408	2,341	1,272	1,691
Operations	29,942	27,294	29,887	21,687	29,766
Distribution	10,260	9,456	9,816	6,991	9,352
Meter Shop	1,444	1,078	1,393	722	962
Reimbursables	2,825	1,809	2,570	1,791	2,274
Debt Services					
Principal	16,570	16,570	17,315	10,295	17,315
Interest	3,240	2,492	3,330	2,428	3,668
Capital	24,941	29,659	27,025	17,837	29,534
Total	106,416	104,572	109,858	74,646	109,443
Change in Net Position	1,047	6,248	792	10,078	1,974
Net Position	304,298	309,499	310,291	330,659	311,473
Total Cash Balance		34,215	35,007	38,681	36,189

**City of Minneapolis
Municipal Parking Fund
For the Third Quarter Ended September 30, 2022**

Operating Snapshot (in thousands of dollars):

Fund 07500	2022 Budget	9/30/2022 Actuals	Projected Year End 2022	2021 Actuals
Operating Revenue	60,957	41,067	56,123	43,221
Operating Expense	42,051	30,094	40,114	34,822
Operating Margin	18,906	10,973	16,009	8,399
Change in Net Position		3,348	(1,818)	(1,268)
Net Position		193,581	188,415	190,233
Cash Balance		1,970	(584)	1,233

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 2022 operating revenues are up in comparison to 2021 by 39.5%. Actual operating revenues for the first nine months were 89.8% of the expected budget for that timeframe. The increase is from:

- On-street parking is up 35.5% compared to 2021.
- Off-street ramps and lots are up 53.7% compared to 2021.
- Impound Lot revenues increased 5.3% compared to 2021.

Overall, revenues are up in 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 over the whole year of 2022 have allowed On-Street and Off-Street parking revenues to increase and the fund expects 2022 economic activity to continue to increase.

Expenses:

The 2022 operating expenses are up in comparison to 2021 expenses by 21.2%. Overall, expenses were up in 2022 mainly due to reduced restrictions related to the COVID-19 pandemic, which allowed an increase in both business and employment activity downtown. The increase is from:

- On-street parking was up by 11.0% compared to 2021.
- Off-street ramps and lots were up 24.4% compared to 2021.
- Impound Lot expenses are up by 15.2% compared to 2021.

Overall, expenses were up as compared to 2021 mainly due to the increased activity in 2022 which causes certain variable expenses to be higher such as credit card fees.

Transfers to and from other funds:

The 2022 transfers into and out of the Parking Fund are programmed and planned according to the 2022 budget. During 2022, \$1.2 million will be transferred in from Tax Increment Funding and \$9.1 million of funds will be transferred out (\$4.0 million to the General Fund, \$5.0 million to the Target Center and \$146,000 to Solid Waste Fund).

Debt Service:

For 2022, the debt service budget is \$8.3 million. The outstanding balance of bond principal as of September 30, 2022 is \$38.1 million and the outstanding balance of note principal is \$26.9 million. The Police Relief Pension Reserve Fund has loaned the Parking Fund \$4.5 million to reduce the debt service being paid by the Parking Fund.

Other Financial Items:

The September 30, 2022 cash balance is \$2.0 million which is an increase of \$0.7 million from the 2021 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 \$7.4 million. The targeted cash reserve balance deficit is \$5.4 million, which is primarily a result of revenues being under budget due to the continued impacts of the COVID-19 pandemic and a slow return of employees downtown which affects city economic activity. 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 the pandemic will help increase Fund revenues in 2023 and beyond.

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City of Minneapolis
Third Quarter ending September 30, 2022
Financial Status Report (in thousands of dollars)

Municipal Parking Enterprise Fund

	2021 Final Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Charges for Service, Sales/Permits:					
<i>Off-Street Parking: City Owned</i>	20,004	11,461	22,385	12,488	17,250
<i>Off-Street Parking: State Owned</i>	14,441	9,706	13,680	9,493	12,180
<i>Towing</i>	5,434	6,933	5,539	5,033	7,521
<i>On-Street Meters</i>	15,738	15,121	19,353	14,053	19,172
Tax Increment Transfers In	879	879	1,175	1,175	1,175
Proceeds of Long Term Liabilities**	7,400	10,814		-	-
Total	63,896	54,914	62,132	42,242	57,298
Use of Funds:					
Debt Service	4,484	951	8,320	863	8,320
Future Debt Service	300	-	300	-	-
General Fund Transfer Out	7,640	7,640	4,000	3,000	4,000
Target Arena Transfer Out	3,853	3,853	5,000	3,750	5,000
Sanitation Transfer Out	146	146	146	110	146
PW-Traffic & Parking:					
<i>Off-Street Parking: City Owned</i>	20,702	16,131	19,852	14,403	18,800
<i>Off-Street Parking: State Owned</i>	13,134	8,125	12,496	7,571	10,500
<i>Towing</i>	5,344	5,925	5,273	4,630	6,114
<i>On-Street Meters</i>	3,896	4,641	4,430	3,490	4,700
PW-Traffic & Parking Capital**	10,805	8,770	1,383	1,078	1,536
Total	70,304	56,182	61,200	38,894	59,116
Change in Net Position	(6,408)	(1,268)	932	3,348	(1,818)
Net Position*	185,093	190,233	191,165	193,581	188,415
Total Cash Balance	(255)	1,233	2,164	1,970	(584)
Target Cash Reserve	7,485	7,485	7,389	7,389	7,389
Variance Total Cash to Target Cash Reserve	(7,740)	(6,252)	(5,225)	(5,419)	(7,973)

Notes:

*Change in Net Position does not include any changes in Balance Sheet items

**2021 totals include \$3M bond and capital appropriation rollovers

City of Minneapolis
Solid Waste and Recycling Fund
For the Third Quarter Ending September 30, 2022

Operating Snapshot (in thousands of dollars):

Fund 07700	2022 Budget	09/30/22 Actual	Projected Year End 2022	2021 Actual
Operating Revenue	43,573	33,352	44,687	44,273
Operating Expense	45,711	32,225	43,367	42,248
Operating Margin	(2,138)	1,127	1,320	2,025
Change in Net Position		1,065	437	8,737
Net Position		44,710	44,082	43,645
Cash Balance		23,923	23,665	23,227

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 third quarter of 2022 were \$33.4 million, or 76.5% of the budgeted amount of \$43.6 million. The revenue earned through the third quarter of 2022 increased by \$2.0 million, or 6.5%, from the revenue earned through third quarter of 2021. This increase is mainly due to increased rates from previous year and because of increased market prices for recycling material. Sale of recycling material has increased by \$0.2 million compared to the same period last year. The second half of the Hennepin County recycling grant of \$1.4 million will be received in the fourth quarter.

Expenses:

Operating expenses through third quarter of 2022 were \$32.2 million, or 70.5% of the budgeted amount of \$45.7 million. Expenses through the third quarter of 2022 increased \$0.9 million, or 2.8%, over the expenses through the same period in 2021. The Clean City division saw the largest increase from 2021 of \$0.6 million due to encampment cleanup efforts. Problem materials had a decrease in expenses compared to last year due to lower processing fees. Graffiti along with other areas were lower than budget and 2021 due to open positions and less contractual services.

Transfers:

Transfers of \$447,000 into the Solid Waste and Recycling fund the first nine months of 2022 included \$110,000 from the Parking Fund for the Litter Container Program, \$244,000 from the General Fund for graffiti removal, and a General Debt Service Fund transfer of \$94,000 to cover a portion of the Debt Service payments related to the new facility.

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 third quarter of 2022, although \$4.3 million of principal is expected to be paid by the end of the year. Interest payments were \$0.5 million through the third quarter and another \$0.5 million of interest will be paid before the end of the year.

Cash and Net Positions:

The fund's cash balance as of the end of the third quarter was \$23.9 million and the net position amounted to \$44.7 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Based on the \$23.7 million year end cash balance projection and the 2022 targeted amount of \$11.4 million, there would be an unrestricted cash balance of \$12.3 million. This amount will provide adequate coverage of future operating cash reserve requirements and debt service payments.

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City of Minneapolis
Third Quarter ending September 30,2022
Financial Status Report in thousands of dollars

Solid Waste & Recycling Enterprise Fund

	2021 Current Budget	2021 Year End Actual	2022 Current Budget	2022 Year to Date Actual	2022 Projected Year End
Source of Funds:					
Local Government & Other Grants	1,671	1,842	1,422	757	1,422
Charges for Service	39,424	38,992	41,202	31,251	41,382
Charges for Sales	150	1,652	225	1,038	1,100
Special Assessments	-	983	-	-	-
Other Misc Revenues, Rents	724	804	724	306	783
Long Term Proceeds - Capital	-	6,779	-	-	-
Operating Transfers In:					
From Capital					
Parking Fund	146	146	146	110	146
General Fund - Graffiti	325	325	325	244	325
Bond Redemption Fund	4,136	4,136	3,953	94	3,953
Total	46,576	55,660	47,997	33,800	49,111
Use of Funds:					
Collection	8,051	8,156	8,380	6,244	8,300
Disposal	5,758	5,784	6,256	4,555	6,140
Recycle	4,322	3,745	4,197	3,018	4,000
Yard Waste	3,540	3,066	4,379	2,277	3,240
Problem Material	2,500	2,400	2,666	1,547	2,070
Transfer Stations	560	627	571	370	520
Admin	7,784	7,641	8,187	5,894	7,890
Customer Service	690	648	713	580	718
Clean City	1,424	1,218	1,274	1,365	1,830
Graffiti	691	689	750	425	568
Equipment	3,510	3,561	3,441	2,555	3,441
Organics	4,872	4,713	4,898	3,395	4,650
Capital Program	-	197	-	8	-
Debt Service	4,830	4,478	5,307	502	5,307
Total	48,532	46,923	51,019	32,735	48,674
Change in Net Position	(1,956)	8,737	(3,022)	1,065	437
Net Position Balance	32,952	43,645	40,623	44,710	44,082
Cash Balance	14,125	23,227	20,206	23,923	23,665
Target Cash Reserve	10,926	10,926	11,428	11,428	11,428
Variance Cash Balance to Target	3,199	12,302	8,778	12,495	12,237

**CPED Enterprise Fund Component Programs
For the Third Quarter Ending September 30, 2022**

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 fourth quarter. The net position of the fund at the end of third quarter 2022 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.

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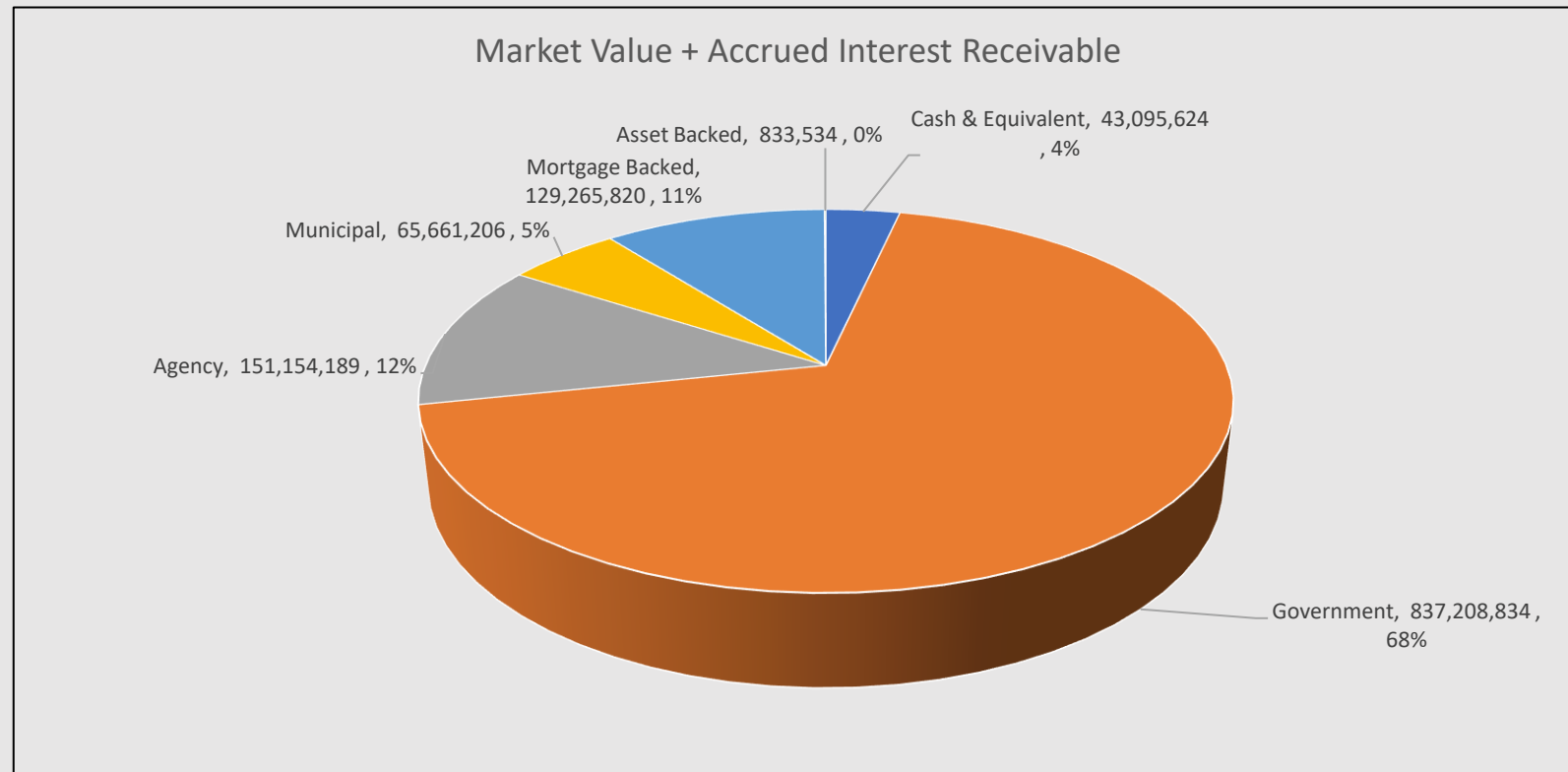
City of Minneapolis
Third Quarter ending September 30, 2022
Financial Status Report (in thousands of dollars)

CPED Enterprise Funds				
	General Agency Reserve Fund System 2021	General Agency Reserve Fund System 2022	River Terminal 2021	River Terminal 2022
Operating revenues				
Charges for sales and services	61	110	406	7
Total operating revenues	<u>61</u>	<u>110</u>	<u>406</u>	<u>7</u>
Operating expenses:				
Personal services	111	111	-	-
Contractual services	(48)	13	377	534
Total operating expenses	<u>63</u>	<u>124</u>	<u>377</u>	<u>534</u>
Operating income	<u>(2)</u>	<u>(14)</u>	<u>29</u>	<u>(527)</u>
Change in net position	(2)	(14)	29	(527)
Total net position - January 1	1,950	1,954	1,860	1,818
Total net position - December 31	<u><u>1,948</u></u>	<u><u>1,940</u></u>	<u><u>1,889</u></u>	<u><u>1,291</u></u>

Cash and Investment Report
9/30/2022

Portfolio	Book Yield %	Book Value	Unrlzd G/(L)	Market Value	Accrued Interest Receivable	Market Value + Accrued Interest Receivable
Operating Account*	2.4	\$ 392,158,552	\$ (1,615,366)	\$ 390,543,186	\$ 679,110	\$ 391,222,296
Core City of Minneapolis*	2.6	476,232,058	(20,339,255)	455,892,802	1,142,815	457,035,618
Core Royal Bank of Canada**	2.0	243,833,448	(25,636,666)	218,196,782	637,532	218,834,314
Core Government Portfolio Advisors**	0.7	108,051,988	(4,886,116)	103,165,871	229,448	103,395,319
Core T. Rose**	0.8	25,560,302	(2,634,112)	22,926,190	37,922	22,964,111
Bond Proceeds*	1.3	10,084,318	(0)	10,084,318	-	10,084,318
General Agency Reserve Funds System**	1.7	24,223,145	(717,335)	23,505,809	177,421	23,683,230
Total Portfolio	2.2	\$ 1,280,143,810	\$ (55,828,851)	\$ 1,224,314,959	\$ 2,904,248	\$ 1,227,219,206
Development Debt Reserves		3,068,167		3,068,167		3,068,167
Cash on hand net of outstanding checks		6,931,605		6,931,605		6,931,605
Total All Portfolios		\$ 1,290,143,581	\$ (55,828,851)	\$ 1,234,314,730	\$ 2,904,248	\$ 1,237,218,978

* Internally managed; ** Externally managed



Market Sector	Market Value + Accrued Interest Receivable	% of Portfolio
Cash & Equivalent	43,095,624	3.5%
Government	837,208,834	68.2%
Agency	151,154,189	12.3%
Municipal	65,661,206	5.4%
Mortgage Backed	129,265,820	10.5%
Asset Backed	833,534	0.1%
Commercial Paper	-	0.0%
Total	\$ 1,227,219,206	100.0%

Metric	Value
Duration	2.3
Convexity	0.19
WAL	2.7
Years to Avg Final Maturity*	4.1
Years to Avg Effective Maturity*	2.7
Book Yield	2.2
Yield to Worst	3.8
Average Credit Rating	AAA/Aaa/AA+

* Weighted by Market Value at period end.

City of Minneapolis
Financial Strength Analysis - Third Quarter 2022

FINANCIAL STRENGTH ANALYSIS - (in millions)					Change Compared to 2020		Total Increase (Decrease) 2018 - 2021		Average Annual Increase (Decrease)		2022
	2018	2019	2020	2021	\$	%	\$	%	\$	%	
General Fund Cash Balance	121.3	146.3	184.5	159.4	(25.1)	-13.6%	38.1	31.4%	12.7	10.5%	196.1
General Fund Total Fund Balance	104.2	128.0	167.7	142.8	(24.9)	-14.8%	38.6	37.0%	12.9	12.3%	179.5
Overall City Cash Position*	876.6	967.8	891.1	1,029.8	138.7	15.6%	153.2	17.5%	51.1	5.8%	
Overall City Net Assets/Position	2,257.8	2,424.0	2,491.3	2,589.0	97.7	3.9%	331.2	14.7%	110.4	4.9%	
Overall Unrestricted Net Assets/Position	(314.9)	(130.5)	(201.7)	(141.0)	60.7	-30.1%	173.9	-55.2%	58.0	-18.4%	
SPECIAL REVENUE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)											
Convention Center - Cash	35.6	20.0	14.5	23.9	9.4	64.8%	(11.7)	-32.9%	(3.9)	-11.0%	22.1
Convention Center - Fund Balance	29.6	33.4	12.4	20.9	8.5	68.5%	(8.7)	-29.4%	(2.9)	-9.8%	19.1
Arena Fund (Target Center) - Cash	12.2	9.5	4.0	5.0	1.0	25.0%	(7.2)	-59.0%	(2.4)	-19.7%	7.0
Arena Reserve (Target Center) - Fund Balance	10.5	7.5	3.5	4.3	0.8	22.9%	(6.2)	-59.0%	(2.1)	-19.7%	6.3
Downtown Assets Fund - Cash	16.2	8.8	39.9	29.6	(10.3)	-25.8%	13.4	82.7%	4.5	27.6%	28.4
Downtown Assets Fund - Fund Balance	26.0	16.2	46.5	35.1	(11.4)	-24.5%	9.1	35.0%	3.0	11.7%	33.8
Police SRF - Cash	2.2	2.8	2.6	2.5	(0.1)	-3.8%	0.3	13.6%	0.1	4.5%	0.3
Police SRF - Fund Balance	2.4	2.9	2.8	3.3	0.5	17.9%	0.9	37.5%	0.3	12.5%	0.3
NCR SRF - Cash	3.6	3.5	3.5	3.3	(0.2)	-5.7%	(0.3)	-8.3%	(0.1)	-2.8%	3.0
NCR SRF - Fund Balance	3.3	3.1	3.1	3.0	(0.1)	-3.2%	(0.3)	-9.1%	(0.1)	-3.0%	3.0
Regulatory Services SRF - Cash	2.0	1.2	0.2	0.3	0.1	50.0%	(1.7)	-85.0%	(0.6)	-28.3%	(0.3)
Regulatory Services SRF - Fund Balance	2.0	1.1	0.2	0.3	0.1	50.0%	(1.7)	-85.0%	(0.6)	-28.3%	(0.3)
Grant Funds - Cash	0.4	6.0	7.5	141.8	134.3	1790.7%	141.4	35350.0%	47.1	11783.3%	220.5
Grant Funds - Fund Balance	4.9	4.4	10.1	9.0	(1.1)	-10.9%	4.1	83.7%	1.4	27.9%	10.0
Comm Planng & Econ Dev (CPED) - Cash Total	210.4	199.9	212.8	209.7	(3.1)	-1.5%	(0.7)	-0.3%	(0.2)	-0.1%	210.1
Comm Planng & Econ Dev (CPED) - Fund Bal Total	245.7	230.5	245.0	242.4	(2.6)	-1.1%	(3.3)	-1.3%	(1.1)	-0.4%	242.8
Employee Retirement Funds - Cash	31.1	36.5	23.1	28.1	5.0	21.6%	(3.0)	-9.6%	(1.0)	-3.2%	32.1
Employee Retirement Funds - Fund Balance	31.3	36.7	36.6	39.0	2.4	6.6%	7.7	24.6%	2.6	8.2%	43.0
Other Special Revenue Funds - Cash	0.5	0.6	0.6	1.9	1.3	216.7%	1.4	280.0%	0.5	93.3%	2.0
Other Special Revenue Funds - Fund Balance	0.5	6.9	0.6	1.9	1.3	216.7%	1.4	280.0%	0.5	93.3%	2.0
Total Special Revenue Funds - Cash	314.2	288.8	308.7	446.1	137.4	44.5%	131.9	42.0%	44.0	14.0%	525.2
Total Special Revenue Funds - Fund Balance	356.2	342.7	360.8	359.2	(1.6)	-0.4%	3.0	0.8%	1.0	0.3%	360.0

* 2018-2021 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 \$26.8M invested for General Agency Reserve Fund Systems (GARFS) and \$87.9M invested for Park Board and MBC.

FINANCIAL STRENGTH ANALYSIS - (in millions)					Change Compared to 2020		Total Increase (Decrease) 2018 - 2021		Average Annual Increase (Decrease)		2022
	2018	2019	2020	2021	\$	%	\$	%	\$	%	2022
INTERNAL SERVICE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)											
Engr. Materials & Testing - Cash	1.6	2.1	1.9	2.0	0.1	5.3%	0.4	25.0%	0.1	8.3%	2.0
Engr. Materials & Testing - Net Position	0.4	0.5	0.5	0.6	0.1	20.0%	0.2	50.0%	0.1	16.7%	0.6
Equipment Services - Cash	26.0	33.7	26.7	34.7	8.0	30.0%	8.7	33.5%	2.9	11.2%	18.3
Equipment Services - Net Position	86.2	93.8	93.6	98.6	5.0	5.3%	12.4	14.4%	4.1	4.8%	82.3
Property Services - Cash	9.6	8.2	6.3	8.9	2.6	41.3%	(0.7)	-7.3%	(0.2)	-2.4%	6.3
Property Services - Net Position	32.0	33.9	36.3	40.0	3.7	10.2%	8.0	25.0%	2.7	8.3%	37.4
PW Stores - Cash	3.1	2.5	1.1	1.2	0.1	9.1%	(1.9)	-61.3%	(0.6)	-20.4%	1.4
PW Stores - Net Position	5.6	5.6	5.9	6.8	0.9	15.3%	1.2	21.4%	0.4	7.1%	6.8
Intergovernmental Services - Cash	22.0	15.1	10.7	9.2	(1.5)	-14.0%	(12.8)	-58.2%	(4.3)	-19.4%	10.9
Intergovernmental Services - Net Position	41.2	30.7	22.6	11.7	(10.9)	-48.2%	(29.5)	-71.6%	(9.8)	-23.9%	12.5
Self Insurance Fund - Cash	102.9	93.6	108.1	110.8	2.7	2.5%	7.9	7.7%	2.6	2.6%	136.4
Self Insurance Fund - Net Position	12.4	(20.3)	(97.8)	(100.0)	(2.2)	2.2%	(112.4)	-906.5%	(37.5)	-302.2%	(74.4)
Total Internal Service Funds - Cash	165.2	155.2	154.8	166.8	12.0	7.8%	1.6	1.0%	0.5	0.3%	175.3
Total Internal Service Funds - Net Position	177.8	144.2	61.1	57.7	(3.4)	-5.6%	(120.1)	-67.5%	(40.0)	-22.5%	65.2
ENTERPRISE FUNDS FINANCIAL STRENGTH ANALYSIS - (in millions)											
Sanitary Sewer - Cash	4.5	7.4	13.5	15.0	1.5	11.1%	10.5	233.3%	3.5	77.8%	16.4
Sanitary Sewer - Net Position	122.4	129.4	139.4	147.6	8.2	5.9%	25.2	20.6%	8.4	6.9%	148.9
Stormwater - Cash	26.6	33.1	28.7	29.2	0.5	1.7%	2.6	9.8%	0.9	3.3%	32.7
Stormwater - Net Position	339.4	347.2	355.4	351.9	(3.5)	-1.0%	12.5	3.7%	4.2	1.2%	355.5
Water Enterprise - Cash	48.4	46.1	40.8	34.2	(6.6)	-16.2%	(14.2)	-29.3%	(4.7)	-9.8%	36.2
Water Enterprise - Net Position	271.4	283.3	303.3	309.5	6.2	2.0%	38.1	14.0%	12.7	4.7%	311.5
Municipal Parking - Cash	13.8	21.5	6.1	1.2	(4.9)	-80.3%	(12.6)	-91.3%	(4.2)	-30.4%	(0.6)
Municipal Parking - Net Position	199.9	206.0	191.5	190.2	(1.3)	-0.7%	(9.7)	-4.9%	(3.2)	-1.6%	188.4
Solid Waste & Recycling - Cash	30.5	26.7	16.1	23.2	7.1	44.1%	(7.3)	-23.9%	(2.4)	-8.0%	23.7
Solid Waste & Recycling - Net Position	26.9	30.7	34.9	43.6	8.7	24.9%	16.7	62.1%	5.6	20.7%	44.2
Comm Plannng & Econ Dev (CPED) - Cash**	0.1	-	-	-	-	0.0%	(0)	-100.0%	(0.0)	-33.3%	-
Comm Plannng & Econ Dev (CPED) - Net Position	39.1	32.6	27.0	26.9	(0.1)	-0.4%	(12.2)	-31.2%	(4.1)	-10.4%	26.1
Total Enterprise Funds - Cash	123.9	134.8	105.2	102.8	(2.4)	-2.3%	(21.1)	-17.0%	(7.0)	-5.7%	108.4
Total Enterprise Funds - Net Position	999.1	1,029.2	1,051.5	1,069.7	18.2	1.7%	70.6	7.1%	23.5	2.4%	1,074.6
**Cash in CPED Enterprise Funds does not include the amount invested with trustees through GARFS and reported in the CPED Enterprise Funds.											