

**CPED Special Revenue Fund Component Programs  
Budget and Actual Expenditures  
Cash and Fund Balance  
2nd Quarter 2011**

	Original Budget	Current Budget	Expended	Remaining Budget	Cash	Fund Balance
Tax Increment Financing Program	56,232,988	56,232,988	22,165,462	34,067,526	68,325,537	97,733,144
Housing & Economic Development	9,831,567	10,076,567	4,435,953	5,640,614	14,872,260	18,828,873
Development Accounts	12,025,543	12,029,263	2,893,104	9,136,159	25,387,181	36,438,560
Neighborhood Revitalization Program	1,106,012	4,044,646	2,583,472	1,461,174	46,873,994	47,547,076
Preliminary Planning	2,743,968	3,645,828	441,987	3,203,841	(4,305,566)	(4,100,740)
CPED Operating	6,963,120	6,963,120	3,409,345	3,553,775	(5,883,529)	(7,389,058)
<b>Total</b>	<b>88,903,198</b>	<b>92,992,412</b>	<b>35,929,323</b>	<b>57,063,089</b>	<b>145,269,877</b>	<b>189,057,855</b>

**Fund Balance.** The fund balance of the CPED Special Revenue Fund is reserved for land held for development (\$38,548,263,) for encumbrances (\$15,159,514,) for prepaid items, loans and advances (\$15,071,584,) and for special development projects (\$116,190,629.) **The remaining \$4,087,865 of fund balance is unreserved but restricted to the legal purposes of the special revenue.**

**Tax Increment Financing.** This program accounts for financial resources to be used for the acquisition and betterment of land and facilities in designated areas of the City. A major financing tool and the primary source of revenue for this program is property tax increment. Generally used to pay outstanding bonds and notes, **tax increment revenues are restricted revenues under State law.**

**Housing and Economic Development.** Small business loans, housing rehabilitation, and mortgage assistance are the major activities in this program. This program also accounts for the collection of administration fees and the related expenditures for the issuance of housing and economic revenue bonds.

**Development Account.** This program provides interim loans to CPED projects. The program may also provide loans and grants to organizations within the City. Program assistance is directed to commercial, job-creation, and housing activities. The Program includes activities of the Legacy Fund, the Neighborhood Development Account and the Development Account. **The fund balance includes reserves for prior commitments made by Council action, including \$5 million for the Planetarium and \$15.8 million in 2011 through 2013 for the Accelerated Infrastructure Program.**

**Neighborhood Revitalization Program.** This program focuses on the delivery of City services, including housing and commercial development, to individual neighborhoods based on the priorities set by the people who live and work in those neighborhoods. **Revenues held in this program are restricted in their use by State law.**

**Preliminary Planning.** The Preliminary Planning program was established to account for the early costs of planning and assessing the feasibility of development activities. Preliminary Planning allocations and appropriations lapse at year end. **A plan to address the deficit in this program has been developed as part of the 2012 budget process.**

**CPED Operating.** This program provides the working capital to finance CPED's administrative costs. The program also provides financing for projects not eligible for CPED's restrictive revenue sources. The program has experienced the pressure from the combination of dwindling development resources and increasing charges from various City rate models in recent years. **A plan to address the deficit in this program has been developed as part of the 2012 budget process.**

**CPED Enterprise Fund Component Programs**  
**Statement of Revenues, Expenses, and Changes in Program Net Assets**  
**For the Year Ended 12/31/10, and the Six Months Ended 6/30/11**

	Housing Development Fund	Housing Development Fund	General Agency Reserve Fund System	General Agency Reserve Fund System	Theatres	Theatres	River Terminal	River Terminal	Economic Development Program	Economic Development Program
	1/1-12/31/10	1/1-6/30/11	1/1-12/31/10	1/1-6/30/11	1/1-12/31/10	1/1-6/30/11	1/1-12/31/10	1/1-6/30/11	1/1-12/31/10	1/1-6/30/11
<b>Operating revenues</b>										
Charges for sales and services	\$ -	\$ -	\$ 317,324	\$ 143,853	\$ -	\$ -	\$ 1,825,794	\$ 587,805	\$ 285,623	\$ 209,775
Interest on program activities	47,136	-	3,949,899	-	-	-	-	-	-	-
Other	-	-	235	-	-	-	-	-	-	-
<b>Total operating revenues</b>	<b>47,136</b>	<b>-</b>	<b>4,267,458</b>	<b>143,853</b>	<b>-</b>	<b>-</b>	<b>1,825,794</b>	<b>587,805</b>	<b>285,623</b>	<b>209,775</b>
<b>Operating expenses:</b>										
Personal services	-	-	-	-	-	-	(955)	2,842	11,859	671
Contractual services	195,095	-	276,357	167,655	-	-	1,633,977	944,777	37,352	7,751
Other	-	-	-	-	-	-	500	500	-	-
Depreciation expense	-	-	-	-	-	-	347,526	173,763	-	-
<b>Total operating expenses</b>	<b>195,095</b>	<b>-</b>	<b>276,357</b>	<b>167,655</b>	<b>-</b>	<b>-</b>	<b>1,981,048</b>	<b>1,121,882</b>	<b>49,211</b>	<b>8,422</b>
<b>Operating income</b>	<b>(147,959)</b>	<b>-</b>	<b>3,991,101</b>	<b>(23,802)</b>	<b>-</b>	<b>-</b>	<b>(155,254)</b>	<b>(534,077)</b>	<b>236,412</b>	<b>201,353</b>
<b>Nonoperating revenues (expenses)</b>										
Interest on investments	5,457	1,762	286,658	4,199	(21,005)	(6,778)	(2,993)	(795)	2,637	3,909
Interest expense	-	-	(3,937,677)	-	-	-	-	-	(33,332)	-
<b>Total nonoperating revenue (expenses)</b>	<b>5,457</b>	<b>1,762</b>	<b>(3,651,019)</b>	<b>4,199</b>	<b>(21,005)</b>	<b>(6,778)</b>	<b>(2,993)</b>	<b>(795)</b>	<b>(30,695)</b>	<b>3,909</b>
<b>Income (loss) before transfers</b>	<b>(142,502)</b>	<b>1,762</b>	<b>340,082</b>	<b>(19,603)</b>	<b>(21,005)</b>	<b>(6,778)</b>	<b>(158,247)</b>	<b>(534,872)</b>	<b>205,717</b>	<b>205,262</b>
<b>Net transfers from (to) other funds</b>	<b>-</b>	<b>-</b>	<b>(129,768)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(67,834)</b>	<b>(243,074)</b>
<b>Change in net assets</b>	<b>(142,502)</b>	<b>1,762</b>	<b>210,314</b>	<b>(19,603)</b>	<b>(21,005)</b>	<b>(6,778)</b>	<b>(158,247)</b>	<b>(534,872)</b>	<b>137,883</b>	<b>(37,812)</b>
<b>Total net assets - January 1</b>	<b>1,459,627</b>	<b>1,317,125</b>	<b>34,463,918</b>	<b>1,293,350</b>	<b>(2,074,527)</b>	<b>(2,095,532)</b>	<b>6,486,443</b>	<b>6,328,196</b>	<b>(118,313)</b>	<b>19,570</b>
<b>Total net assets - December 31</b>	<b>\$ 1,317,125</b>	<b>\$ 1,318,887</b>	<b>\$ 34,674,232</b>	<b>\$ 1,273,747</b>	<b>\$ (2,095,532)</b>	<b>\$ (2,102,310)</b>	<b>\$ 6,328,196</b>	<b>\$ 5,793,324</b>	<b>\$ 19,570</b>	<b>\$ (18,242)</b>

**Housing Development** - This fund accounts for various home ownership and home improvement programs. These are mature programs. The residual balances are committed to the operations of the Minneapolis-St Paul Housing Finance Board.

**General Agency Reserve Fund System** - This fund accounts for 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 to maintaining the "A+" rating of the fund. Only the administrative operations portion of the fund is presented at 6/30/11. Other information for the fund is maintained by a trustee and not available for inclusion at 6/30.

**Theatres** - This fund accounted for the operations of the State, Orpheum and the Pantages theatres. The City no longer operates these theatres. The fund accounts for residual balances and activity.

**River Terminal** - This fund is used to account for the operations of the public terminal facility located on the Mississippi River

**Economic Development Program** - This fund accounts for the Capital Investment Fund Program with the Federal Home Loan Bank, which provides loans to businesses for economic development and the creation of jobs, as well as for certain defaulted properties.