NOTE 4 - RECEIVABLES

Receivables at year-end for the City's major individual governmental and enterprise funds and non-major and internal service funds in aggregate, including the applicable allowance for uncollectable amounts are as follows:

Governmental Activities	General Fund	Community Development Agency	Convention Center	Permanent Improvement	Nonmajor Funds	Internal Service Funds	Total Governmental Activities
Accounts	$ 6,298	$ 1,537	$ 5,374	$ 3,123	$ 129	$ 317	$ 16,778
Taxes	976	472	-	40	550	-	2,038
Special Assessments	820	-	-	2,725	19,443	-	22,988
Loans	-	5,008	-	-	140	-	5,148
Interest	3	-	-	-	-	-	3
Gross Receivables	8,097	7,017	5,374	5,888	20,262	317	46,955
Add: Interest receivable on loans	-	-	-	-	328	-	328
Less: Allowance for uncollectibles	(229)	-	(200)	(150)	-	(88)	(667)
Total receivables (due within 1 year)	7,868	7,017	5,174	5,738	20,590	229	46,616
Long-term portion of loans and notes receivable	$ -	$ -	$ -	$ -	$ 6,370	$ -	$ 6,370

Business-type Activities	Sewer Rental	Solid Waste and Recycling	Water Works	Community Development Agency	Municipal Parking	Total Business-type Activities
Accounts	$ 5,685	$ 2,588	$ 5,511	$ 1,002	$ 843	$ 15,629
Special Assessments	58	73	141	-	2	274
Loans	1	1	905	4,678	-	5,585
Notes	-	-	-	625	-	625
Interest	-	-	-	293	-	293
Gross Receivables	5,744	2,662	6,557	6,598	845	22,406
Less: Allowance for uncollectibles	(14)	-	(61)	-	(26)	(101)
Total receivables (due within 1 year)	5,730	2,662	6,496	6,598	819	22,305
Long-term portion of loans and notes receivable	$ -	$ -	$ -	$ 13,837	$ -	$ 13,837

According to the Basic Resolution and Indenture of the General Agency Reserve Fund System (GARFS) within the Community Development Agency Enterprise Fund, agreements are to be formed with developers receiving funds for construction. Such agreements are in the form of capitalized leases or notes receivable.

The annual lease and loan payments approximate the principal and interest requirements on the outstanding bonds. The leases are capitalized in an amount equal to the principal of the related bonds, net of any unexpended construction fund proceeds. Each lease agreement includes a bargain purchase option exercisable at the end of the lease term. In addition, the leased property may be purchased at various anniversaries during the lease term at amounts at least equal to the outstanding principal amount of the underlying bonds. In the event developers are unable to continue with lease and loan payments, the MCDA takes possession of the developed property.

The future payment requirements for these agreements are as follows:

	Capitalized Leases	Notes Receivable
Scheduled Lease Payments:		
2003	$ 5,279	$ 1,076
2004	5,157	1,072
2005	4,955	1,071
2006	4,746	1,073
2007	4,314	1,066
2008 and thereafter	38,294	5,721
Subtotal	62,745	11,079
Less: Interest over lease term	(22,590)	(3,019)
Total Principal	40,155	8,060
Less: Unexpended construction funds	(1,090)	-
Net Capitalized Leases and Notes receivable	39,065	8,060
Less: Current Portion	(2,720)	(625)
Noncurrent Portion	$ 36,345	$ 7,435

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2002 was as follows:

	Balance January 1, 2002 (restated)	Additions	Retirements	Transfers & Adjustments	Balance December 31, 200
Governmental activities					
Capital assets, not being depreciated					
Land and easements	$ 112,259	$ 95	$ (898)	$ -	$ 111,456
Construction in progress	186,391	42,194	-	(166,449)	62,136
Total capital assets, not being depreciated	298,650	42,289	(898)	(166,449)	173,592
Capital assets, being depreciated					
Infrastructure	383,668	3,218	-	-	386,886
Structures and improvements	342,825	19,213	-	166,449	528,487
Equipment	119,966	10,612	(5,364)	-	125,214
Total capital assets, being depreciated	846,459	33,043	(5,364)	166,449	1,040,587
Less accumulated depreciation for:					
Infrastructure	(230,882)	(12,089)	-	-	(242,971)
Structures and improvements	(84,337)	(14,164)	-	-	(98,501)
Equipment	(69,976)	(13,867)	4,841	-	(79,002)
Total accumulated depreciation	(385,195)	(40,120)	4,841	-	(420,474)
Total capital assets, being depreciated, net	461,264	(7,077)	(523)	166,449	620,113
Governmental activities capital assets, net	$ 759,914	$ 35,212	$ (1,421)	$ -	$ 793,705
Business-type Activities					
Capital assets, not being depreciated					
Land and easements	$ 132,084	$ -	$ (229)	$ -	$ 131,855
Construction in progress	88,418	20,509	-	(12,984)	95,943
Total capital assets, not being depreciated	220,502	20,509	(229)	(12,984)	227,798
Capital assets, being depreciated					
Infrastructure	362,329	16,502	-	3,716	382,547
Structures and improvements	476,389	22,953	-	9,268	508,610
Equipment	21,609	2,684	(1,158)	-	23,135
Total capital assets, being depreciated	860,327	42,139	(1,158)	12,984	914,292
Less accumulated depreciation for:					
Infrastructure	(100,240)	(4,524)	-	-	(104,764)
Structures and improvements	(159,330)	(9,667)	25	-	(168,972)
Equipment	(11,470)	(2,132)	1,118	-	(12,484)
Total accumulated depreciation	(271,040)	(16,323)	1,143	-	(286,220)
Total capital assets, being depreciated, net	589,287	25,816	(15)	12,984	628,072
Business-type activities capital assets, net	$ 809,789	$ 46,325	$ (244)	$ -	$ 855,870

NOTE 5 – CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental functions as follows:

General government	$ 10,497
Public Safety	929
Pubic Works	12,403
Health and Welfare	13
Community Development	2,211
Depreciation on capital assets held in the City's internal service fund is charged to the various functions based on their usage of assets.	14,067
Total depreciation expense – governmental functions	$ 40,120

Depreciation expense was charged to the business-type functions as follows:

Sewer	$ 5,005
Solid Waste and Recycling	882
Water Works	3,986
Economic Development	1,198
Municipal Parking	5,252
Total depreciation expense – business-type functions	$16,323

Construction in Progress

Construction in progress for a governmental activity represents work being performed on City's Convention Center and ongoing infrastructure projects related to streets, street lighting, and traffic signals.

Capital Project Commitments

As of December 31, 2002, the City of Minneapolis had active construction projects including various infrastructure improvements but no other significant capital project commitments.

NOTE 6 - LONG-TERM DEBT

The City's full faith, credit and taxing power has been pledged to the payment of general obligation debt principal and interest.

General Obligation Bonds (Property Tax Supported)
Various issues of general obligation (GO) bonds are recorded in the Governmental Funds and are backed by the full faith and credit of the City.

General Obligation Bonds (self-supporting)
General obligation self-supporting bonds issued by the City are recorded in the Enterprise Funds, Internal Service Funds or Governmental Funds. While these bonds are backed by the full faith and credit of the City, they are payable from revenue derived from the function for which they were issued.

General Obligation Special Assessment Bonds
General obligation special assessment bonds are recorded in the Governmental Funds and are payable from special assessments levied and collected for local improvements and are backed by the full faith and credit of the City. The general credit of the City is obligated only to the extent that liens foreclosed against properties involved in special assessment districts are insufficient to retire outstanding bonds.