

**PERMANENT IMPROVEMENT EQUIPMENT
INTERNAL SERVICE FUND
BALANCE SHEET
December 31, 2000**

**CITY OF MINNEAPOLIS, MINNESOTA
Statement F-13**

(In Thousands)

	2000		1999
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 8	\$	92
Receivables:			
Accounts - net	338		411
Interfund loans receivable	-		-
Inventories	613		671
Total current assets	959		1,174
Fixed assets:			
Land, leaseholds and easements	3,085		3,085
Buildings and structures	24,002		12,218
Less accumulated depreciation	(780)		(1,442)
Public improvements	-		-
Less accumulated depreciation	-		-
Machinery and equipment	41,844		41,695
Less accumulated depreciation	(23,829)		(23,055)
Computer equipment	1,106		1,496
Less accumulated depreciation	(722)		(982)
Software	5		-
Less accumulated depreciation	(1)		-
Other capital outlay	32		32
Less accumulated depreciation	(24)		(23)
Construction in progress			9,025
Net fixed assets	44,718		42,049
Total assets	\$ 45,677	\$	43,223
LIABILITIES AND FUND EQUITY			
Current liabilities:			
Salaries payable	\$ 811	\$	503
Accounts payable	949		791
Intergovernmental payable	-		-
Interfund loans payable	16,700		15,800
Interest payable	71		57
Deferred revenue	571		-
Bonds payable-current portion	-		-
Total current liabilities	19,102		17,151
Long-term liabilities:			
Bonds payable	20,150		20,150
Compensated absences payable	714		715
Unpaid claims payable	-		-
Total long-term liabilities	20,864		20,865
Total liabilities	39,966		38,016
Fund equity:			
Contributed capital	11,949		7,140
Retained earnings:			
Reserved for future contingencies	-		-
Reserved for renewal and replacement	-		-
Reserved for severance pay	-		-
Unreserved	(6,238)		(1,933)
Total fund equity	5,711		5,207
Total liabilities and fund equity	\$ 45,677	\$	43,223

**PERMANENT IMPROVEMENT EQUIPMENT
INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
For the fiscal year ended December 31, 2000**

**CITY OF MINNEAPOLIS, MINNESOTA
Statement F-14**

(In Thousands)

	2000	1999
Operating revenues:		
Charges for services and sales	\$ 10,324	\$ 11,240
Rents and commissions	17,950	13,646
Total operating revenues	28,274	24,886
Operating expenses:		
Personal services	15,253	15,000
Contractual services	2,723	2,348
Materials, supplies, services and other	4,331	4,096
Rent	2,479	1,757
Cost of stores issuance	1,891	1,519
Depreciation	3,836	4,120
Total operating expenses	30,513	28,840
Operating income (loss)	(2,239)	(3,954)
Non-operating revenues (expenses):		
Interest revenue	24	78
Interest expense	(1,566)	(982)
Gain (loss) on disposal of fixed assets	(887)	257
Damages/losses recovered	233	88
Other revenues	50	49
Total non-operating revenues (expenses)	(2,146)	(510)
Income (loss) before operating transfers	(4,385)	(4,464)
Operating transfers in (out):		
Operating transfers from other funds	351	220
Operating transfers to other funds	(271)	(149)
Total operating transfers	80	71
Net income (loss)	(4,305)	(4,393)
Retained earnings - January 1	(1,933)	2,460
Retained earnings - December 31	\$ (6,238)	\$ (1,933)

PERMANENT IMPROVEMENT EQUIPMENT
INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
For the fiscal year ended December 31, 2000

CITY OF MINNEAPOLIS, MINNESOTA
Statement F-15

(In Thousands)

	2000	1999
Cash flows from operating activities:		
Operating income (loss)	\$ (2,239)	\$ (3,954)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	3,836	4,120
(Increase) decrease in accounts receivable	73	88
(Increase) decrease in due from other funds	-	-
(Increase) decrease in inventories	58	148
(Increase) decrease in prepaid items	-	-
Increase (decrease) in salaries payable	308	(13)
Increase (decrease) in accounts payable	158	(319)
Increase (decrease) in due to other funds	-	-
Increase (decrease) in deferred revenue	571	-
Increase (decrease) in compensated absences payable	(1)	43
Increase (decrease) in unpaid claims payable	-	-
Damages/losses recovered	233	88
Other non-operating revenues	50	49
Total adjustments	<u>5,286</u>	<u>4,204</u>
Net cash provided (used) by operating activities	<u>3,047</u>	<u>250</u>
Cash flows from non-capital financing activities:		
Interfund loans received	16,700	15,800
Operating transfers from other funds	351	220
Operating transfers from component units	-	-
Principal paid on bonds	-	-
Interest paid on bonds	-	-
Operating transfers to other funds	(271)	(149)
Interfund loans paid	(15,800)	(11,160)
Interest paid on interfund loans	(747)	(786)
Net cash provided (used) by non-capital financing activities	<u>233</u>	<u>3,925</u>
Cash flows from capital and related financing activities:		
Proceeds from bonds	-	8,600
Interest paid on bonds	(819)	(481)
Proceeds from sale of fixed assets	356	565
Acquisition and construction of fixed assets	(2,925)	(14,349)
Net cash provided (used) by capital and related financing activities	<u>(3,388)</u>	<u>(5,665)</u>
Cash flows from investing activities:		
Interest	24	78
Net cash provided (used) by investing activities	<u>24</u>	<u>78</u>
Net increase (decrease) in cash and cash equivalents	(84)	(1,412)
Cash and cash equivalents, beginning of year	92	1,504
Cash and cash equivalents, end of year	<u>\$ 8</u>	<u>\$ 92</u>
Non-cash capital and financing activities:		
(Loss) on disposal of fixed assets	\$ (887)	-
Fixed assets constructed in capital projects funds	-	4,617