

**WATER WORKS
ENTERPRISE FUND
BALANCE SHEET
December 31, 2001**

**CITY OF MINNEAPOLIS, MINNESOTA
Statement E-19**

(In Thousands)

	2001	2000
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 10,055	\$ 9,261
Investments with trustees	-	-
Receivables:		
Accounts - net	5,835	6,442
Special assessments:		
Current	31	20
Delinquent	140	100
Deferred	1,022	737
Loans	-	-
Notes	-	-
Interest	-	-
Capital leases	-	-
Due from other funds	5,841	-
Interfund loans receivable	-	7,000
Advances to other funds	-	-
Inventories	2,525	2,863
Prepaid items	-	38
Total current assets	25,449	26,461
Receivables:		
Loans	-	-
Notes	-	-
Capital leases	-	-
Deferred charges	92	99
Properties held for resale	-	-
Fixed assets:		
Land, leaseholds and easements	933	933
Buildings and structures	65,161	50,354
Less accumulated depreciation	(28,643)	(27,178)
Public improvements	106,598	102,780
Less accumulated depreciation	(35,239)	(32,849)
Machinery and equipment	3,041	3,022
Less accumulated depreciation	(1,987)	(1,762)
Computer equipment	627	627
Less accumulated depreciation	(421)	(361)
Software	1,597	79
Less accumulated depreciation	(374)	(55)
Other capital outlay	71	71
Less accumulated depreciation	(34)	(26)
Construction in progress	35,445	42,762
Net fixed assets	146,775	138,397
Total assets	\$ 172,316	\$ 164,957

(Continued)

**WATER WORKS
ENTERPRISE FUND
BALANCE SHEET
December 31, 2001**

**CITY OF MINNEAPOLIS, MINNESOTA
Statement E-19
(Continued)
(In Thousands)**

	2001	2000
LIABILITIES AND FUND EQUITY		
Current liabilities (payable from current assets):		
Salaries payable	\$ 917	\$ 755
Accounts payable	2,458	1,421
Intergovernmental payable	96	96
Due to other funds	910	-
Deposits held for others	202	173
Advances from other funds	-	-
Interest payable	160	174
Deferred revenue	1,162	837
Bonds payable-current portion	9,862	7,654
Notes payable-current portion	-	-
Total current liabilities (payable from current assets)	15,767	11,110
Long-term liabilities:		
Interest payable	6,869	5,924
Bonds payable	47,174	53,036
Unamortized discounts	56	(77)
Notes payable	-	-
Compensated absences payable	901	882
Total long-term liabilities	55,000	59,765
Total liabilities	70,767	70,875
Fund equity:		
Contributed capital	23,188	23,314
Retained earnings:		
Reserved for debt service	-	-
Reserved for renewal and replacement	-	-
Unreserved	78,361	70,768
Total fund equity	101,549	94,082
Total liabilities and fund equity	\$ 172,316	\$ 164,957

**WATER WORKS
ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
For the fiscal year ended December 31, 2001**

**CITY OF MINNEAPOLIS, MINNESOTA
Statement E-20**

(In Thousands)

	2001	2000
Operating revenues:		
Charges for services and sales	\$ 51,957	\$ 48,424
Operating expenses:		
Personal services	17,598	16,863
Contractual services	11,226	10,037
Materials, supplies, services and other	6,026	4,716
Cost of stores issuance	2,304	1,812
Depreciation	4,529	3,577
Total operating expenses	41,683	37,005
Operating income (loss)	10,274	11,419
Non-operating revenues (expenses):		
Interest revenue	260	742
Interest expense	(3,285)	(3,247)
Gain (loss) on disposal of fixed assets	62	(37)
Special assessments	713	567
Other revenues	2,455	834
Total non-operating revenues (expenses)	205	(1,141)
Income (loss) before operating transfers	10,479	10,278
Operating transfers in (out):		
Operating transfers to other funds	(3,013)	(3,076)
Net income (loss)	7,466	7,202
Other changes in retained earnings:		
Credit arising from transfer of depreciation to contributed capital	127	71
Increase (decrease) in retained earnings	7,593	7,273
Retained earnings - January 1	70,768	63,495
Retained earnings - December 31	\$ 78,361	\$ 70,768

**WATER WORKS
ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the fiscal year ended December 31, 2001**

**CITY OF MINNEAPOLIS, MINNESOTA
Statement E-21**

(In Thousands)

	2001	2000
Cash flows from operating activities:		
Operating income (loss)	\$ 10,274	\$ 11,419
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	4,529	3,577
(Increase) decrease in accounts receivable	607	125
(Increase) decrease in special assessments receivable	(336)	(158)
(Increase) decrease in loans receivable	-	-
(Increase) decrease in interest receivable	-	-
(Increase) decrease in notes receivable	-	-
(Increase) decrease in capital lease receivable	-	-
(Increase) decrease in due from other funds	(5,841)	-
(Increase) decrease in deferred charges	-	-
(Increase) decrease in inventories	338	232
(Increase) decrease in prepaid items	38	(38)
(Increase) decrease in contracts receivable	-	-
(Increase) decrease in properties held for resale	-	-
Increase (decrease) in salaries payable	162	50
Increase (decrease) in accounts payable	1,037	158
Increase (decrease) in intergovernmental payable	-	(46)
Increase (decrease) in due to other funds	910	-
Increase (decrease) in deposits held for others	29	66
Increase (decrease) in deferred revenue	325	176
Increase (decrease) in compensated absences payable	19	(29)
Special assessments	713	567
Other non-operating revenues	2,455	834
Other non-operating expenses	-	-
Total adjustments	<u>4,985</u>	<u>5,514</u>
Net cash provided (used) by operating activities	<u>15,259</u>	<u>16,933</u>
Cash flows from non-capital financing activities:		
Proceeds from revenue bonds	-	-
Interfund loans received	7,000	-
Operating transfers from other funds	-	-
Interfund loans paid	-	-
Principal paid on bonds and notes	-	-
Interest paid on bonds and notes	-	-
Operating transfers to other funds	(3,013)	(3,076)
Interest paid on interfund loans	-	-
Net cash provided (used) by non-capital financing activities	<u>3,987</u>	<u>(3,076)</u>

(Continued)

**WATER WORKS
ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the fiscal year ended December 31, 2001**

**CITY OF MINNEAPOLIS, MINNESOTA
Statement E-21
(Continued)
(In Thousands)**

	2001	2000
Cash flows from capital and related financing activities:		
Proceeds from bonds	6,404	9,280
Contributions	-	1,229
Principal paid on bonds	(9,879)	(6,091)
Interest paid on bonds	(2,392)	(2,281)
Principal paid on notes	-	-
Interest paid on notes	-	-
Acquisition and construction of fixed assets	(12,845)	(15,498)
Bond issuance costs	-	-
Net cash provided (used) by capital and related financing activities	(18,712)	(13,361)
Cash flows from investing activities:		
Purchase of investments	-	-
Sale of investments	-	-
Interest	260	742
Net cash provided (used) by investing activities	260	742
Net increase (decrease) in cash and cash equivalents	794	1,238
Cash and cash equivalents, beginning of year	9,261	8,023
Cash and cash equivalents, end of year	\$ 10,055	\$ 9,261
Non-cash investing, capital and financing activities:		
(Loss) on disposal of fixed assets	\$ -	\$ (37)
Fixed assets constructed in capital projects funds	\$ -	\$ -