

**ENGINEERING MATERIALS AND TESTING  
INTERNAL SERVICE FUND  
STATEMENT OF NET ASSETS  
December 31, 2003**

**CITY OF MINNEAPOLIS, MINNESOTA**

**(In Thousands)**

	<u>2003</u>	<u>2002</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 935	\$ 636
Receivables:		
Accounts - net	1	17
Inventories	12	128
Total current assets	<u>948</u>	<u>781</u>
Capital assets:		
Construction in progress	10	-
Buildings and structures	-	3,349
Less accumulated depreciation	-	(2,506)
Machinery and equipment	420	390
Less accumulated depreciation	(273)	(258)
Computer equipment	61	61
Less accumulated depreciation	(55)	(54)
Other capital outlay	15	15
Less accumulated depreciation	(11)	(9)
Total capital assets	<u>167</u>	<u>988</u>
<b>Total assets</b>	<u>\$ 1,115</u>	<u>\$ 1,769</u>
<b>LIABILITIES AND FUND EQUITY</b>		
Current liabilities:		
Salaries payable	\$ 44	\$ 45
Accounts payable	97	47
Unearned revenue	140	140
Total current liabilities	<u>281</u>	<u>232</u>
Long-term liabilities:		
Compensated absences payable	54	48
Total long-term liabilities	<u>54</u>	<u>48</u>
<b>Total liabilities</b>	<u>335</u>	<u>280</u>
<b>Net Assets</b>		
Invested in net assets, net of related deb	167	988
Unrestricted	613	501
<b>Total net assets</b>	<u>780</u>	<u>1,489</u>
<b>Total liabilities and net assets</b>	<u>\$ 1,115</u>	<u>\$ 1,769</u>

ENGINEERING MATERIALS AND TESTING  
INTERNAL SERVICE FUND  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS  
For the fiscal year ended December 31, 2003

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	<u>2003</u>	<u>2002</u>
Operating revenues:		
Charges for services and sales	\$ 5,352	\$ 2,696
Operating expenses:		
Personal services	1,138	1,047
Contractual services	602	377
Materials, supplies, services and other	3,314	1,337
Rent	137	119
Depreciation	83	94
Total operating expenses	5,274	2,974
<b>Operating income (loss)</b>	<u>78</u>	<u>(278)</u>
Non-operating revenues (expenses):		
Gain (loss) on disposal of capital assets	(777)	-
Income (loss) before transfers	(699)	(278)
Transfers to other funds	(10)	(14)
<b>Change in net assets</b>	(709)	(292)
Net assets - January 1	1,489	1,781
<b>Net assets - December 31</b>	<u>\$ 780</u>	<u>\$ 1,489</u>

ENGINEERING MATERIALS AND TESTING  
INTERNAL SERVICE FUND  
STATEMENT OF CASH FLOWS  
For the fiscal year ended December 31, 2002

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	2003	2002
<b>Cash flows from operating activities:</b>		
Cash received from customers and users	\$ 5,368	\$ 2,793
Payments to suppliers	(3,887)	(1,941)
Payments to employees	(1,133)	(1,056)
<b>Net Cash Provided (used) by operating Activities</b>	<u>348</u>	<u>(204)</u>
<b>Cash flows from non-capital financing activities:</b>		
Transfers to other funds	(10)	(14)
<b>Net cash provided (used) by non-capital financing activities</b>	<u>(10)</u>	<u>(14)</u>
<b>Cash Flows from capital and related financing activities</b>		
Acquisition and construction of capital assets	(39)	(120)
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(39)</u>	<u>(120)</u>
Net increase (decrease) in cash and cash equivalents	299	(338)
Cash and cash equivalents, beginning of year	636	974
<b>Cash and cash equivalents, end of year</b>	<u>935</u>	<u>636</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>		
Operating income (loss)	78	(278)
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	83	94
A/R	16	91
Inventories	116	(20)
Due from other funds	-	6
Salaries payable	(1)	(4)
Accounts payable	50	(88)
Intergovernmental payable	1	-
Compensated absences payable	5	(5)
<b>Net cash provided (used) by operating activities</b>	<u>\$ 348</u>	<u>\$ (204)</u>
<b>Non-cash investing, capital and financing activities:</b>		
(Loss) on disposal of capital assets	\$ (777)	\$ -

**INTERGOVERNMENTAL SERVICES  
INTERNAL SERVICE FUND  
STATEMENT OF NET ASSETS  
December 31, 2003**

**CITY OF MINNEAPOLIS, MINNESOTA**

**(In Thousands)**

	<u>2003</u>	<u>2002</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2	\$ 1
Receivables:		
Accounts - net	1	1
Due from other funds	11	-
Prepaid Expenses	89	200
Total current assets	<u>103</u>	<u>202</u>
Deferred charges	2	-
Capital assets:		
Construction in progress	1,138	5,270
Public improvements	297	-
Less accumulated depreciation	(45)	-
Machinery and equipment	1,625	1,742
Less accumulated depreciation	(1,200)	(1,263)
Computer equipment	40,406	51,863
Less accumulated depreciation	(23,940)	(37,391)
Software	9,718	4,395
Less accumulated depreciation	(2,391)	(2,849)
Other capital outlay	94	94
Less accumulated depreciation	(84)	(84)
Total capital assets	<u>25,620</u>	<u>21,777</u>
<b>Total assets</b>	<u>\$ 25,723</u>	<u>\$ 21,979</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Salaries payable	\$ 262	\$ 320
Accounts payable	1,090	919
Due to other funds	3,250	2,258
Interest payable	180	185
Unearned revenue	3,031	762
Bonds payable-current portion	4,600	1,630
Total current liabilities	<u>12,413</u>	<u>6,074</u>
Long-term liabilities:		
Bonds payable	40,000	43,700
Unamortized premium (discounts)	31	-
Advances from other funds	12,800	12,800
Compensated absences payable	273	255
Total long-term liabilities	<u>53,104</u>	<u>56,755</u>
<b>Total liabilities</b>	<u>65,517</u>	<u>62,829</u>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	(18,450)	(23,553)
Unrestricted	<u>(21,344)</u>	<u>(17,297)</u>
<b>Total net assets</b>	<u>(39,794)</u>	<u>(40,850)</u>
<b>Total liabilities and net assets</b>	<u>\$ 25,723</u>	<u>\$ 21,979</u>

**INTERGOVERNMENTAL SERVICES  
INTERNAL SERVICE FUND  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS  
For the fiscal year ended December 31, 2003**

**CITY OF MINNEAPOLIS, MINNESOTA**

**(In Thousands)**

	<u>2003</u>	<u>2002</u>
Operating revenues:		
Charges for services and sales	\$ 4,167	\$ 5,767
Operating expenses:		
Personal services	5,771	5,827
Contractual services	9,067	7,121
Materials, supplies, services and other	1,245	2,390
Rent	418	1,901
Depreciation	8,932	9,109
Total operating expenses	<u>25,433</u>	<u>26,348</u>
<b>Operating income (loss)</b>	<u>(21,266)</u>	<u>(20,581)</u>
Non-operating revenues (expenses):		
Interest revenue	-	(2,486)
Interest expense	(2,215)	-
Gain (loss) on disposal of capital assets	(2,027)	(30)
Other revenues	83	86
Total non-operating revenues (expenses)	<u>(4,159)</u>	<u>(2,430)</u>
Income (loss) before transfers	<u>(25,425)</u>	<u>(23,011)</u>
Transfers in (out):		
Transfers from other funds	18,666	18,840
Transfers to other funds	(51)	(427)
Total transfers	<u>18,615</u>	<u>18,413</u>
<b>Change in net assets</b>	<u>(6,810)</u>	<u>(4,598)</u>
Net assets - January 1 (restated) note 2	<u>(32,984)</u>	<u>(28,386)</u>
<b>Net assets - December 31</b>	<u><u>\$ (39,794)</u></u>	<u><u>\$ (32,984)</u></u>

INTERGOVERNMENTAL SERVICES  
INTERNAL SERVICE FUND  
STATEMENT OF CASH FLOWS  
For the fiscal year ended December 31, 2002

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	2003	2002
<b>Cash flows from operating activities:</b>		
Cash received from customers and users	\$ 4,587	\$ 7,981
Payments to suppliers	(9,455)	(13,186)
Payments to employees	(5,811)	(5,710)
<b>Net Cash Provided (used) by operating Activities</b>	<u>(10,679)</u>	<u>(10,915)</u>
<b>Cash flows from non-capital financing activities:</b>		
Transfers from other funds	18,666	18,840
Transfers to other funds	(51)	(427)
<b>Net cash provided (used) by non-capital financing activities</b>	<u>18,615</u>	<u>18,413</u>
<b>Cash Flows from capital and related financing activities</b>		
Bonds issued	1,000	-
Principal paid on bonds	(1,730)	(1,520)
Interest paid on bonds	(2,235)	(2,541)
Acquisition and construction of capital assets	(5,014)	(3,488)
Premium (discount)	47	-
Bond issuance costs	(3)	-
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(7,935)</u>	<u>(7,549)</u>
Net increase (decrease) in cash and cash equivalents	1	(51)
Cash and cash equivalents, beginning of year	1	52
<b>Cash and cash equivalents, end of year</b>	<u>2</u>	<u>1</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>		
Operating income (loss)	(21,266)	(20,581)
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	8,932	9,109
A/R	-	13
Deferred Changes	-	(200)
Prepays	111	-
Due from other funds	(11)	1,353
Due to other funds	992	(992)
Salaries payable	(58)	94
Accounts payable	171	(582)
Unearned revenue	349	762
Compensated absences payable	18	23
Other non-operating revenues	83	86
<b>Net cash provided (used) by operating activities</b>	<u>\$ (10,679)</u>	<u>\$ (10,915)</u>
<b>Non-cash investing, capital and financing activities:</b>		
(Loss) on disposal of capital assets	\$ (2,027)	\$ (30)

**PROPERTY SERVICES  
INTERNAL SERVICE FUND  
STATEMENT OF NET ASSETS  
December 31, 2003**

**CITY OF MINNEAPOLIS, MINNESOTA**

**(In Thousands)**

	<u>2003</u>	<u>2002</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 228	\$ 5
Receivables:		
Accounts - net	11	2
Due from other funds	155	592
Inventories	373	106
Total current assets	<u>767</u>	<u>705</u>
Deferred charges	13	-
Capital assets:		
Land, leaseholds and easements	21,666	21,831
Construction in progress	10,889	10,099
Buildings and structures	25,817	25,817
Less accumulated depreciation	(17,892)	(17,440)
Public improvements	2,743	2,743
Less accumulated depreciation	(2,045)	(1,922)
Machinery and equipment	545	545
Less accumulated depreciation	(381)	(369)
Computer equipment	162	162
Less accumulated depreciation	(146)	(145)
Software	8	8
Less accumulated depreciation	(6)	(4)
Other capital outlay	21	21
Less accumulated depreciation	(16)	(15)
Total capital assets	<u>41,378</u>	<u>41,331</u>
<b>Total assets</b>	<u>\$ 42,145</u>	<u>\$ 42,036</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Salaries payable	\$ 275	\$ 250
Accounts payable	337	3,742
Intergovernmental payable	2	1
Due to other funds	-	624
Interest payable	36	22
Bonds payable-current portion	730	275
Total current liabilities	<u>1,380</u>	<u>4,914</u>
Long-term liabilities:		
Bonds payable	9,980	6,150
Unamortized premium (discounts)	267	65
Compensated absences payable	290	266
Total long-term liabilities	<u>10,537</u>	<u>6,481</u>
<b>Total liabilities</b>	<u>11,917</u>	<u>11,395</u>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	31,310	34,841
Unrestricted	(1,082)	(4,200)
<b>Total net assets</b>	<u>30,228</u>	<u>30,641</u>
<b>Total liabilities and net assets</b>	<u>\$ 42,145</u>	<u>\$ 42,036</u>

**PROPERTY SERVICES  
INTERNAL SERVICE FUND  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS  
For the fiscal year ended December 31, 2003**

**CITY OF MINNEAPOLIS, MINNESOTA**

**(In Thousands)**

	<u>2003</u>	<u>2002</u>
Operating revenues:		
Charges for services and sales	\$ 5,472	\$ 5,855
Rents and commissions	6,214	5,930
Total operating revenues	<u>11,686</u>	<u>11,785</u>
Operating expenses:		
Personal services	6,148	6,179
Contractual services	3,781	3,651
Materials, supplies, services and other	1,234	1,415
Depreciation	591	684
Total operating expenses	<u>11,754</u>	<u>11,929</u>
<b>Operating income (loss)</b>	<u>(68)</u>	<u>(144)</u>
Non-operating revenues (expenses):		
Interest expense	(337)	(123)
Gain (loss) on disposal of capital assets	(165)	(63)
Total non-operating revenues (expenses)	<u>(502)</u>	<u>(186)</u>
Income (loss) before transfers	<u>(570)</u>	<u>(330)</u>
Transfers in (out):		
Transfers from other funds	389	1,665
Transfers to other funds	(232)	(285)
Total transfers	<u>157</u>	<u>1,380</u>
<b>Change in net assets</b>	<u>(413)</u>	<u>1,050</u>
Net assets - January 1	<u>30,641</u>	<u>29,591</u>
<b>Net assets - December 31</b>	<u><u>\$ 30,228</u></u>	<u><u>\$ 30,641</u></u>

PROPERTY SERVICES  
INTERNAL SERVICE FUND  
STATEMENT OF CASH FLOWS  
For the fiscal year ended December 31, 2002

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	2003	2002
<b>Cash flows from operating activities:</b>		
Cash received from customers and users	\$ 12,114	\$ 11,299
Payments to suppliers	(9,310)	(2,826)
Payments to employees	(6,099)	(5,981)
<b>Net Cash Provided (used) by operating Activities</b>	<u>(3,295)</u>	<u>2,492</u>
<b>Cash flows from non-capital financing activities:</b>		
Transfers from other funds	389	1,665
Transfers to other funds	(232)	(285)
<b>Net cash provided (used) by non-capital financing activities</b>	<u>157</u>	<u>1,380</u>
<b>Cash Flows from capital and related financing activities</b>		
Bonds issued	4,560	6,491
Principal paid on bonds	(275)	-
Interest paid on bonds	(333)	(101)
Acquisition and construction of capital assets	(790)	(10,281)
Premium (discount)	213	-
Bond issuance costs	(14)	-
<b>Net cash provided (used) by capital and related financing activities</b>	<u>3,361</u>	<u>(3,891)</u>
Net increase (decrease) in cash and cash equivalents	223	(19)
Cash and cash equivalents, beginning of year	5	24
<b>Cash and cash equivalents, end of year</b>	<u>228</u>	<u>5</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>		
Operating income (loss)	(69)	(144)
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	591	684
A/R	(9)	103
Inventories	(267)	(106)
Due from other funds	437	(589)
Due to other funds	(624)	(676)
Salaries payable	25	84
Accounts payable	(3,404)	3,022
Intergovernmental payable	1	-
Compensated absences payable	24	114
<b>Net cash provided (used) by operating activities</b>	<u>\$ (3,295)</u>	<u>\$ 2,492</u>
<b>Non-cash investing, capital and financing activities:</b>		
(Loss) on disposal of capital assets	\$ (165)	\$ (63)

**PERMANENT IMPROVEMENT EQUIPMENT  
INTERNAL SERVICE FUND  
STATEMENT OF NET ASSETS  
December 31, 2003**

**CITY OF MINNEAPOLIS, MINNESOTA**

**(In Thousands)**

	<u>2003</u>	<u>2002</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 931	\$ 895
Receivables:		
Accounts - net	213	203
Due from other funds	3,250	61
Inventories	723	717
Total current assets	<u>5,117</u>	<u>1,876</u>
Deferred charges	28	-
Capital assets:		
Land, leaseholds and easements	2,186	2,186
Construction in progress	119	-
Buildings and structures	29,877	29,832
Less accumulated depreciation	(2,406)	(1,928)
Public improvements	330	330
Less accumulated depreciation	(88)	(74)
Machinery and equipment	44,888	43,255
Less accumulated depreciation	(23,068)	(22,732)
Computer equipment	37	151
Less accumulated depreciation	(33)	(117)
Total capital assets	<u>51,870</u>	<u>50,903</u>
<b>Total assets</b>	<u>\$ 56,987</u>	<u>\$ 52,779</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Salaries payable	\$ 746	\$ 688
Accounts payable	772	861
Due to other funds	-	5,890
Interest payable	150	116
Bonds payable-current portion	3,120	1,625
Total current liabilities	<u>4,788</u>	<u>9,180</u>
Long-term liabilities:		
Bonds payable	37,040	30,530
Unamortized premium (discounts)	1,105	704
Compensated absences payable	729	643
Total long-term liabilities	<u>38,874</u>	<u>31,877</u>
<b>Total liabilities</b>	<u>43,662</u>	<u>41,057</u>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	15,499	18,044
Unrestricted	(2,174)	(6,322)
<b>Total net assets</b>	<u>13,325</u>	<u>11,722</u>
<b>Total liabilities and net assets</b>	<u>\$ 56,987</u>	<u>\$ 52,779</u>

**PERMANENT IMPROVEMENT EQUIPMENT  
INTERNAL SERVICE FUND  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS  
For the fiscal year ended December 31, 2003**

**CITY OF MINNEAPOLIS, MINNESOTA**

**(In Thousands)**

	<u>2002</u>	<u>2002</u>
Operating revenues:		
Charges for services and sales	\$ 3,320	\$ 11,371
Rents and commissions	28,771	19,717
Total operating revenues	<u>32,091</u>	<u>31,088</u>
Operating expenses:		
Personal services	15,451	14,528
Contractual services	4,203	1,957
Materials, supplies, services and other	4,087	4,353
Rent	527	3,482
Cost of stores issuance	2,144	2,104
Depreciation	4,206	4,172
Total operating expenses	<u>30,618</u>	<u>30,596</u>
<b>Operating income (loss)</b>	<u>1,473</u>	<u>492</u>
Non-operating revenues (expenses):		
Interest revenue	1	10
Interest expense	(1,629)	(1,278)
Gain (loss) on disposal of capital assets	12	(1,980)
Damages/losses recovered	404	256
Other revenues	5	3
Total non-operating revenues (expenses)	<u>(1,207)</u>	<u>(2,989)</u>
Income (loss) before transfers	<u>266</u>	<u>(2,497)</u>
Transfers in (out):		
Transfers from other funds	1,819	-
Transfers to other funds	(482)	(1,652)
Total transfers	<u>1,337</u>	<u>(1,652)</u>
<b>Change in net assets</b>	<u>1,603</u>	<u>(4,149)</u>
Net assets - January 1	<u>11,722</u>	<u>15,871</u>
<b>Net assets - December 31</b>	<u>\$ 13,325</u>	<u>\$ 11,722</u>

PERMANENT IMPROVEMENT EQUIPMENT  
INTERNAL SERVICE FUND  
STATEMENT OF CASH FLOWS  
For the fiscal year ended December 31, 2003

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	2003	2002
<b>Cash flows from operating activities:</b>		
Cash received from customers and users	\$ 29,301	\$ 31,529
Payments to suppliers	(16,946)	(14,955)
Payments to employees	(15,308)	(14,612)
<b>Net Cash Provided (used) by operating Activities</b>	<u>(2,953)</u>	<u>1,962</u>
<b>Cash flows from non-capital financing activities:</b>		
Transfers from other funds	1,819	-
Transfers to other funds	(482)	(1,652)
<b>Net cash provided (used) by non-capital financing activities</b>	<u>1,337</u>	<u>(1,652)</u>
<b>Cash Flows from capital and related financing activities</b>		
Bonds issued	9,630	6,100
Principal paid on bonds	(1,625)	(75)
Interest paid on bonds	(1,194)	(1,307)
Acquisition and construction of capital assets	(5,794)	(5,673)
Bond issuance costs	(28)	-
Proceeds from sale of capital assets	663	1,488
<b>Net cash provided (used) by capital and related financing activities</b>	<u>1,652</u>	<u>533</u>
<b>Cash flows from investing activities:</b>		
Interest	1	10
<b>Net cash provided (used) by investing activities</b>	<u>1</u>	<u>10</u>
Net increase (decrease) in cash and cash equivalents	37	853
Cash and cash equivalents, beginning of year	895	42
<b>Cash and cash equivalents, end of year</b>	<u>932</u>	<u>895</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>		
Operating income (loss)	1,472	492
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	4,206	4,172
A/R	(10)	220
Inventories	(6)	85
Due from other funds	(3,189)	(37)
Due to other funds	(5,890)	(2,785)
Salaries payable	58	(23)
Accounts payable	(89)	(360)
Compensated absences payable	86	(61)
Damages/Losses recovered	404	256
Other non-operating revenues	5	3
<b>Net cash provided (used) by operating activities</b>	<u>\$ (2,953)</u>	<u>\$ 1,962</u>
<b>Non-cash investing, capital and financing activities:</b>		
(Loss) on disposal of capital assets	\$ -	\$ (1,980)

**PUBLIC WORKS STORES  
INTERNAL SERVICE FUND  
STATEMENT OF NET ASSETS  
December 31, 2003**

**CITY OF MINNEAPOLIS, MINNESOTA**

**(In Thousands)**

	<u>2003</u>	<u>2002</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3	\$ 2
Receivables:		
Accounts - net	18	1
Inventories	2,895	3,096
Total current assets	<u>2,916</u>	<u>3,099</u>
Capital assets:		
Machinery and equipment	132	132
Less accumulated depreciation	(119)	(115)
Computer equipment	7	27
Less accumulated depreciation	(7)	(24)
Software	9	9
Less accumulated depreciation	(8)	(8)
Other capital outlay	14	14
Less accumulated depreciation	(12)	(11)
Total capital assets	<u>16</u>	<u>24</u>
<b>Total assets</b>	<u>\$ 2,932</u>	<u>\$ 3,123</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Salaries payable	\$ 27	\$ 22
Accounts payable	243	197
Due to other funds	155	680
Total current liabilities	<u>425</u>	<u>899</u>
Long-term liabilities:		
Compensated absences payable	<u>26</u>	<u>23</u>
Total long-term liabilities	<u>26</u>	<u>23</u>
<b>Total liabilities</b>	<u>451</u>	<u>922</u>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	17	24
Unrestricted	2,464	2,177
<b>Total net assets</b>	<u>2,481</u>	<u>2,201</u>
<b>Total liabilities and net assets</b>	<u>\$ 2,932</u>	<u>\$ 3,123</u>

**PUBLIC WORKS STORES  
INTERNAL SERVICE FUND  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS  
For the fiscal year ended December 31, 2003**

**CITY OF MINNEAPOLIS, MINNESOTA**

**(In Thousands)**

	<u>2003</u>	<u>2002</u>
Operating revenues:		
Charges for services and sales	\$ 4,705	\$ 3,760
Operating expenses:		
Personal services	555	514
Contractual services	85	25
Materials, supplies, services and other	204	169
Rent	63	61
Cost of stores issuance	3,497	2,677
Depreciation	5	8
Total operating expenses	<u>4,409</u>	<u>3,454</u>
<b>Operating income (loss)</b>	<u>296</u>	<u>306</u>
Non-operating revenues (expenses):		
Gain (loss) on disposal of capital assets	<u>(2)</u>	<u>-</u>
Income (loss) before transfers	<u>294</u>	<u>306</u>
Transfers in (out):		
Transfers to other funds	<u>(14)</u>	<u>(18)</u>
<b>Change in net assets</b>	<u>280</u>	<u>288</u>
Net assets - January 1	<u>2,201</u>	<u>1,913</u>
<b>Net assets - December 31</b>	<u>\$ 2,481</u>	<u>\$ 2,201</u>

**PUBLIC WORK STORES  
INTERNAL SERVICE FUND  
STATEMENT OF CASH FLOWS  
For the fiscal year ended December 31, 2003**

**CITY OF MINNEAPOLIS, MINNESOTA**

**(In Thousands)**

	<u>2003</u>	<u>2002</u>
<b>Cash flows from operating activities:</b>		
Cash received from customers and users	\$ 4,689	\$ 3,775
Payments to suppliers	(4,128)	(3,247)
Payments to employees	(546)	(523)
<b>Net Cash Provided (used) by operating Activities</b>	<u>15</u>	<u>5</u>
<b>Cash flows from non-capital financing activities:</b>		
Interfund loans paid	-	-
Transfers to other funds	(14)	(18)
Interest paid on interfund loans	-	-
<b>Net cash provided (used) by non-capital financing activities</b>	<u>(14)</u>	<u>(18)</u>
Net increase (decrease) in cash and cash equivalents	1	(13)
Cash and cash equivalents, beginning of year	<u>2</u>	<u>15</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>3</u></u>	<u><u>2</u></u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>		
Operating income (loss)	<u>296</u>	<u>306</u>
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	5	8
A/R	(17)	16
Inventories	201	(251)
Due to other funds	(525)	(166)
Salaries payable	6	(4)
Accounts payable	46	101
Compensated absences payable	3	(5)
<b>Net cash provided (used) by operating activities</b>	<u>\$ 15</u>	<u>\$ 5</u>
<b>Non-cash investing, capital and financing activities:</b>		
(Loss) on disposal of capital assets	\$ (2)	\$ -

**SELF-INSURANCE  
INTERNAL SERVICE FUND  
STATEMENT OF NET ASSETS  
December 31, 2003**

**CITY OF MINNEAPOLIS, MINNESOTA**

**(In Thousands)**

	<u>2003</u>	<u>2002</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 12	\$ -
Receivables:		
Accounts - net	358	5
Intergovernmental	182	182
Total current assets	<u>552</u>	<u>187</u>
Capital assets:		
Machinery and equipment	-	17
Less accumulated depreciation	-	(17)
Total capital assets	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 552</u>	<u>\$ 187</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Salaries payable	\$ 321	\$ 314
Accounts payable	1,107	486
Due to other funds	4,610	6,620
Interest payable	5	8
Bonds payable-current portion	860	1,600
Total current liabilities	<u>6,903</u>	<u>9,028</u>
Long-term liabilities:		
Bonds payable	6,285	7,145
Compensated absences payable	500	554
Unpaid claims payable	27,847	26,715
Total long-term liabilities	<u>34,632</u>	<u>34,414</u>
<b>Total liabilities</b>	<u>41,535</u>	<u>43,442</u>
<b>Net Assets:</b>		
Unrestricted	<u>(40,983)</u>	<u>(43,255)</u>
<b>Total net assets</b>	<u>(40,983)</u>	<u>(43,255)</u>
<b>Total liabilities and net assets</b>	<u>\$ 552</u>	<u>\$ 187</u>

**SELF-INSURANCE  
INTERNAL SERVICE FUND  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS  
For the fiscal year ended December 31, 2003**

**CITY OF MINNEAPOLIS, MINNESOTA**

**(In Thousands)**

	<u>2003</u>	<u>2002</u>
Operating revenues:		
Charges for services and sales	\$ 54,817	\$ 49,961
Operating expenses:		
Personal services	10,492	12,645
Contractual services	46,680	40,548
Materials, supplies, services and other	11,317	2,146
Rent	394	401
Total operating expenses	68,883	55,740
<b>Operating income (loss)</b>	<b>(14,066)</b>	<b>(5,779)</b>
Non-operating revenues (expenses):		
Interest expense	(89)	(98)
Damages/losses recovered	-	4
Other revenues	5,653	5,495
Total non-operating revenues (expenses)	5,564	5,401
Income (loss) before transfers	(8,502)	(378)
Transfers in (out):		
Transfers from other funds	10,779	2,244
Transfers to other funds	(5)	(2)
Total transfers	10,774	2,242
<b>Change in net assets</b>	<b>2,272</b>	<b>1,864</b>
Net assets - January 1	(43,255)	(45,119)
<b>Net assets - December 31</b>	<b>\$ (40,983)</b>	<b>\$ (43,255)</b>

SELF-INSURANCE  
INTERNAL SERVICE FUND  
STATEMENT OF CASH FLOWS  
For the fiscal year ended December 31, 2003

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	2003	2002
<b>Cash flows from operating activities:</b>		
Cash received from customers and users	\$ 60,116	\$ 55,722
Payments to suppliers	(58,648)	(43,776)
Payments to employees	(10,538)	(12,546)
<b>Net Cash Provided (used) by operating Activities</b>	<u>(9,070)</u>	<u>(600)</u>
<b>Cash flows from non-capital financing activities:</b>		
Transfers from other funds	10,779	2,244
Principal paid on bonds and notes	(1,600)	(1,530)
Interest paid on bonds and notes	(92)	(133)
Transfers to other funds	(5)	(2)
<b>Net cash provided (used) by non-capital financing activities</b>	<u>9,082</u>	<u>579</u>
Net increase (decrease) in cash and cash equivalents	12	(21)
Cash and cash equivalents, beginning of year	-	21
<b>Cash and cash equivalents, end of year</b>	<u>12</u>	<u>-</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>		
Operating income (loss)	(14,065)	(5,779)
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
A/R	(353)	25
Due from other funds	-	236
Due to other funds	(2,010)	(1,580)
Salaries payable	7	34
Accounts payable	621	(272)
Compensated absences payable	(54)	65
Unpaid claims	1,131	1,172
Damages/Losses Recovered	-	4
Other non-operating revenues	5,653	5,495
<b>Net cash provided (used) by operating activities</b>	<u>\$ (9,070)</u>	<u>\$ (600)</u>