

**SEWER RENTAL
ENTERPRISE FUND
BALANCE SHEET
December 31, 2001**

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

(In Thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 18,887	\$ 7,576
Investments with trustees	-	-
Receivables:		
Accounts - net	7,116	7,208
Special assessments:		
Current	13	6
Delinquent	79	57
Deferred	-	-
Loans	-	-
Notes	-	-
Interest	-	-
Capital leases	-	-
Due from other funds	227	475
Interfund loans receivable	-	4,750
Advances to other funds	-	-
Inventories	-	-
Prepaid items	81	82
Total current assets	<u>26,403</u>	<u>20,154</u>
Receivables:		
Loans	-	-
Notes	-	-
Capital leases	-	-
Deferred charges	54	59
Properties held for resale	-	-
Fixed assets:		
Land, leaseholds and easements	-	-
Buildings and structures	-	-
Less accumulated depreciation	-	-
Public improvements	79,608	79,608
Less accumulated depreciation	(6,671)	(5,812)
Machinery and equipment	1,747	1,772
Less accumulated depreciation	(750)	(609)
Computer equipment	253	293
Less accumulated depreciation	(73)	(90)
Software	1,494	13
Less accumulated depreciation	(11)	(3)
Other capital outlay	22	22
Less accumulated depreciation	(9)	(7)
Construction in progress	43,705	33,373
Net fixed assets	<u>119,315</u>	<u>108,560</u>
Total assets	<u>\$ 145,772</u>	<u>\$ 128,773</u>

(Continued)

**SEWER RENTAL
ENTERPRISE FUND
BALANCE SHEET
December 31, 2001**

**CITY OF MINNEAPOLIS, MINNESOTA
Statement E-13
(Continued)
(In Thousands)**

	<u>2001</u>	<u>2000</u>
LIABILITIES AND FUND EQUITY		
Current liabilities (payable from current assets):		
Salaries payable	\$ 244	\$ 230
Accounts payable	666	632
Intergovernmental payable	-	-
Due to other funds	438	-
Deposits held for others	-	10
Advances from other funds	-	-
Interest payable	155	158
Deferred revenue	79	57
Bonds payable-current portion	6,690	9,585
Notes payable-current portion	-	-
Total current liabilities (payable from current assets)	<u>8,272</u>	<u>10,672</u>
Long-term liabilities:		
Interest payable	3,612	3,080
Bonds payable	40,901	37,091
Unamortized discounts	(828)	(1,142)
Notes payable	-	-
Compensated absences payable	350	345
Total long-term liabilities	<u>44,035</u>	<u>39,374</u>
Total liabilities	<u>52,307</u>	<u>50,046</u>
Fund equity:		
Contributed capital	36,415	36,745
Retained earnings:		
Reserved for debt service	-	-
Reserved for renewal and replacement	-	-
Unreserved	57,050	41,982
Total fund equity	<u>93,465</u>	<u>78,727</u>
Total liabilities and fund equity	<u>\$ 145,772</u>	<u>\$ 128,773</u>

**SEWER RENTAL
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-14**

(In Thousands)

	2001	2000
Operating revenues:		
Charges for services and sales	\$ 58,723	\$ 57,991
Interest	1	1
Other	18	-
Total operating revenues	58,742	57,992
Operating expenses:		
Personal services	5,875	6,026
Contractual services	34,803	34,107
Materials, supplies, services and other	1,751	1,287
Depreciation	1,058	974
Total operating expenses	43,487	42,394
Operating income (loss)	15,255	15,598
Non-operating revenues (expenses):		
Interest revenue	491	784
Interest expense	(2,547)	(2,612)
Gain (loss) on disposal of fixed assets	(8)	(2)
Special assessments	310	223
Other revenues	3,758	-
Total non-operating revenues (expenses)	2,004	(1,607)
Income (loss) before operating transfers	17,259	13,991
Operating transfers in (out):		
Operating transfers to other funds	(2,521)	(2,778)
Total operating transfers	(2,521)	(2,778)
Net income (loss)	14,738	11,213
Other changes in retained earnings:		
Credit arising from transfer of depreciation to contributed capital	330	332
Increase (decrease) in retained earnings	15,068	11,545
Retained earnings - January 1	41,982	30,437
Retained earnings - December 31	\$ 57,050	\$ 41,982

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

**CITY OF MINNEAPOLIS, MINNESOTA
Statement E-15**

(In Thousands)

	2001	2000
Cash flows from operating activities:		
Operating income (loss)	\$ 15,255	\$ 15,598
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	1,058	974
(Increase) decrease in accounts receivable	92	(117)
(Increase) decrease in special assessments receivable	(29)	(36)
(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	248	-
(Increase) decrease in deferred charges	-	-
(Increase) decrease in inventories	-	-
(Increase) decrease in prepaid items	-	(81)
(Increase) decrease in contracts receivable	-	1,372
(Increase) decrease in properties held for resale	-	-
Increase (decrease) in salaries payable	14	19
Increase (decrease) in accounts payable	34	(145)
Increase (decrease) in intergovernmental payable	-	-
Increase (decrease) in due to other funds	438	-
Increase (decrease) in deposits held for others	(10)	(58)
Increase (decrease) in deferred revenue	22	51
Increase (decrease) in compensated absences payable	5	96
Special assessments	310	223
Other non-operating revenues	3,758	-
Other non-operating expenses	-	-
Total adjustments	5,940	2,298
Net cash provided (used) by operating activities	21,195	17,896
Cash flows from non-capital financing activities:		
Proceeds from revenue bonds	-	-
Interfund loans received	4,750	3,000
Operating transfers from other funds	-	-
Interfund loans paid	-	(4,750)
Principal paid on bonds and notes	-	-
Interest paid on bonds and notes	-	-
Operating transfers to other funds	(2,521)	(2,778)
Interest paid on interfund loans	-	-
Net cash provided (used) by non-capital financing activities	2,229	(4,528)

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

**CITY OF MINNEAPOLIS, MINNESOTA
Statement E-15
(Continued)
(In Thousands)**

	2001	2000
Cash flows from capital and related financing activities:		
Proceeds from bonds	11,421	10,953
Contributions	-	3,467
Principal paid on bonds	(10,187)	(11,070)
Interest paid on bonds	(2,017)	(2,038)
Principal paid on notes	-	-
Interest paid on notes	-	-
Acquisition and construction of fixed assets	(11,821)	(16,513)
Bond issuance costs	-	-
Net cash provided (used) by capital and related financing activities	(12,604)	(15,201)
Cash flows from investing activities:		
Purchase of investments	-	-
Sale of investments	-	-
Interest	491	784
Net cash provided (used) by investing activities	491	784
Net increase (decrease) in cash and cash equivalents	11,311	(1,049)
Cash and cash equivalents, beginning of year	7,576	8,625
Cash and cash equivalents, end of year	\$ 18,887	\$ 7,576
Non-cash investing, capital and financing activities:		
(Loss) on disposal of fixed assets	\$ (8)	\$ (2)
Fixed assets constructed in capital projects funds	\$ -	\$ -