

INTERNAL SERVICE FUNDS

Internal Service Funds are established to account for the financing of goods or services rendered by one department or agency to other departments or agencies or to other governmental units on a cost-reimbursement basis.

Information Services Fund - To account for the cost of operating a central data processing facility for the City of Lincoln and Lancaster County. User City and County departments are charged for the resources used. Resources used are billed at cost plus an administrative overhead.

Engineering Revolving Fund - To account for the cost of operating a central engineering pool. Revenues are derived from billings to various capital improvement projects.

Insurance Revolving Fund - To account for the cost of providing a self-insurance program for workers' compensation, health, dental, liability, property insurance, and long-term disability. Revenues are derived from billings to operating departments.

Fleet Services Fund - To account for the operation of a centralized maintenance facility for equipment used by other City departments, such as trucks, heavy equipment, miscellaneous other equipment and radio maintenance. Revenues are derived from billings to user departments.

Police Garage Fund - To account for the operation of a maintenance facility for the Police fleet and vehicles from various other City departments. Revenues are derived from billings to the Police and other user departments.

Communication Services Fund - To account for the costs of providing graphic arts and telecommunication services. Revenues are derived from billings to user departments.

Copy Services Fund - To account for the cost of providing copy services to the City of Lincoln and Lancaster County. User City and County departments are charged on a per copy basis.

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
AUGUST 31, 2007

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 431,644	21,407	3,373,966	-
Investments	1,594,194	77,111	12,435,046	-
Accounts Receivable	40,874	359,157	-	32,125
Accrued Interest Receivable	15,007	155	145,411	-
Due from Other Funds	294,088	8,560	982,394	820,466
Due from Other Governments	139,737	8,137	-	335
Inventories	-	-	-	491,467
Prepaid Expenses	314,625	-	-	-
Total Current Assets	<u>2,830,169</u>	<u>474,527</u>	<u>16,936,817</u>	<u>1,344,393</u>
Noncurrent Assets:				
Capital Assets:				
Land	-	-	-	-
Buildings	26,485	-	-	-
Improvements Other Than Buildings	-	693,733	-	420,192
Machinery and Equipment	1,815,952	477,130	28,936	16,393,764
Less Accumulated Depreciation	<u>(1,325,691)</u>	<u>(914,524)</u>	<u>(19,308)</u>	<u>(9,288,681)</u>
Total Capital Assets, Net	<u>516,746</u>	<u>256,339</u>	<u>9,628</u>	<u>7,525,275</u>
Total Assets	<u>3,346,915</u>	<u>730,866</u>	<u>16,946,445</u>	<u>8,869,668</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	65,240	6,194	58,278	109,491
Accrued Liabilities	75,389	262,343	10,585	66,071
Accrued Compensated Absences	167,324	347,644	20,761	81,133
Due to Other Funds	5,436	13,608	260	978,109
Due to Other Governments	30	121	-	831
Unearned Revenue	-	595,059	-	-
Claims	-	-	4,051,875	-
Accrued Interest	465	-	-	-
Current Portion of Capital Lease	58,886	-	-	-
Total Current Liabilities	<u>372,770</u>	<u>1,224,969</u>	<u>4,141,759</u>	<u>1,235,635</u>
Noncurrent Liabilities:				
Accrued Compensated Absences	123,998	321,598	31,110	67,190
Claims	-	-	2,303,631	-
Capital Lease Payable	107,898	-	-	-
Total Noncurrent Liabilities	<u>231,896</u>	<u>321,598</u>	<u>2,334,741</u>	<u>67,190</u>
Total Liabilities	<u>604,666</u>	<u>1,546,567</u>	<u>6,476,500</u>	<u>1,302,825</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	349,963	256,339	9,628	7,525,275
Unrestricted	2,392,286	(1,072,040)	10,460,317	41,568
Total Net Assets	<u>\$ 2,742,249</u>	<u>(815,701)</u>	<u>10,469,945</u>	<u>7,566,843</u>

<u>Police Garage</u>	<u>Communication Services</u>	<u>Copy Services</u>	<u>Total</u>
309,116	31,440	55,793	4,223,366
1,138,231	115,667	202,836	15,563,085
27,638	4,363	1,450	465,607
9,940	1,218	2,205	173,936
296,415	13,012	32,305	2,447,240
285	1,295	18,144	167,933
111,959	-	-	603,426
-	-	-	314,625
<u>1,893,584</u>	<u>166,995</u>	<u>312,733</u>	<u>23,959,218</u>
48,250	-	-	48,250
346,661	-	-	373,146
45,500	-	-	1,159,425
4,872,979	60,349	-	23,649,110
(3,444,219)	(55,341)	-	(15,047,764)
<u>1,869,171</u>	<u>5,008</u>	<u>-</u>	<u>10,182,167</u>
<u>3,762,755</u>	<u>172,003</u>	<u>312,733</u>	<u>34,141,385</u>
42,679	270	28,063	310,215
17,737	2,777	986	435,888
36,428	2,780	1,115	657,185
8	77	-	997,498
-	-	-	982
-	-	-	595,059
-	-	-	4,051,875
-	-	-	465
-	-	-	58,886
<u>96,852</u>	<u>5,904</u>	<u>30,164</u>	<u>7,108,053</u>
83,987	-	534	628,417
-	-	-	2,303,631
-	-	-	107,898
<u>83,987</u>	<u>-</u>	<u>534</u>	<u>3,039,946</u>
<u>180,839</u>	<u>5,904</u>	<u>30,698</u>	<u>10,147,999</u>
1,869,171	5,008	-	10,015,384
1,712,745	161,091	282,035	13,978,002
<u>3,581,916</u>	<u>166,099</u>	<u>282,035</u>	<u>23,993,386</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2007

	<u>Information Services</u>	<u>Engineering Revolving</u>	<u>Insurance Revolving</u>	<u>Fleet Services</u>
Operating Revenues				
Charges for Services	\$ 6,130,173	6,584,629	23,364,598	6,481,115
Operating Expenses				
Personal Services	3,482,329	6,052,668	490,193	1,579,363
Materials and Supplies	135,249	44,253	9,052	1,829,271
Other Services and Charges	2,350,515	1,225,792	20,535,993	2,121,524
Depreciation	212,638	60,165	1,725	1,603,846
Total Operating Expenses	<u>6,180,731</u>	<u>7,382,878</u>	<u>21,036,963</u>	<u>7,134,004</u>
Operating Income (Loss)	<u>(50,558)</u>	<u>(798,249)</u>	<u>2,327,635</u>	<u>(652,889)</u>
Nonoperating Revenues (Expenses)				
Investment Earnings	90,896	8,959	837,502	7,983
Gain (Loss) on Disposal of Capital Assets	(835)	751	-	117,733
Grants	-	154,628	-	-
Interest Expense and Fiscal Charges	(6,625)	-	-	-
Total Nonoperating Revenues (Expenses)	<u>83,436</u>	<u>164,338</u>	<u>837,502</u>	<u>125,716</u>
Income (Loss) Before Contributions and Transfers	32,878	(633,911)	3,165,137	(527,173)
Capital Contributions	-	-	-	81,330
Transfers In	-	366,382	-	33,334
Change in Net Assets	<u>32,878</u>	<u>(267,529)</u>	<u>3,165,137</u>	<u>(412,509)</u>
Net Assets - Beginning	<u>2,709,371</u>	<u>(548,172)</u>	<u>7,304,808</u>	<u>7,979,352</u>
Net Assets - Ending	<u>\$ 2,742,249</u>	<u>(815,701)</u>	<u>10,469,945</u>	<u>7,566,843</u>

<u>Police Garage</u>	<u>Communication Services</u>	<u>Copy Services</u>	<u>Total</u>
<u>3,114,940</u>	<u>218,475</u>	<u>333,560</u>	<u>46,227,490</u>
875,904	99,084	45,568	12,625,109
1,114,163	5,362	-	3,137,350
791,255	91,029	324,250	27,440,358
585,170	939	-	2,464,483
<u>3,366,492</u>	<u>196,414</u>	<u>369,818</u>	<u>45,667,300</u>
<u>(251,552)</u>	<u>22,061</u>	<u>(36,258)</u>	<u>560,190</u>
71,451	7,278	14,179	1,038,248
(1,965)	-	-	115,684
-	-	-	154,628
-	-	-	(6,625)
<u>69,486</u>	<u>7,278</u>	<u>14,179</u>	<u>1,301,935</u>
(182,066)	29,339	(22,079)	1,862,125
-	-	-	81,330
33,333	3,688	-	436,737
<u>(148,733)</u>	<u>33,027</u>	<u>(22,079)</u>	<u>2,380,192</u>
<u>3,730,649</u>	<u>133,072</u>	<u>304,114</u>	<u>21,613,194</u>
<u><u>3,581,916</u></u>	<u><u>166,099</u></u>	<u><u>282,035</u></u>	<u><u>23,993,386</u></u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2007

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 2,758,525	1,886,803	6,310,391	371,885
Receipts from Interfund Services Provided	3,473,612	4,407,250	17,076,707	5,372,316
Payments to Suppliers for Goods and Services	(2,294,589)	(706,854)	(20,003,175)	(3,638,842)
Payments to Employees	(3,407,297)	(5,727,744)	(468,477)	(1,517,716)
Payments for Interfund Services Provided	(157,909)	(635,011)	(185,416)	(378,476)
Net Cash Provided (Used) by Operating Activities	<u>372,342</u>	<u>(775,556)</u>	<u>2,730,030</u>	<u>209,167</u>
Cash Flows from Noncapital Financing Activities				
Transfers from Other Funds	-	366,382	-	33,334
Advance from General Fund	-	-	-	963,171
Payments from Other Funds	22,795	18,121	106,853	37,408
Federal Grant Revenue	-	251,394	-	-
Net Cash Provided by Noncapital Financing Activities	<u>22,795</u>	<u>635,897</u>	<u>106,853</u>	<u>1,033,913</u>
Cash Flows from Capital and Related Financing Activities				
Additions to Capital Assets	(56,555)	(46,061)	-	(1,876,690)
Proceeds from Sale of Capital Assets	-	751	-	205,105
Principal Payments of Capital Lease	(56,954)	-	-	-
Interest and Fiscal Charges Paid	(6,784)	-	-	-
Net Cash Used by Capital and Related Financing Activities	<u>(120,293)</u>	<u>(45,310)</u>	<u>-</u>	<u>(1,671,585)</u>
Cash Flows from Investing Activities				
Proceeds from Sale and Maturities of Investments	656,985	194,389	4,460,557	355,942
Purchases of Investments	(847,517)	(40,994)	(6,610,812)	-
Interest and Other Receipts	65,701	6,528	620,287	1,627
Net Cash Provided (Used) by Investing Activities	<u>(124,831)</u>	<u>159,923</u>	<u>(1,529,968)</u>	<u>357,569</u>
Net Increase (Decrease) in Cash and Cash Equivalents	150,013	(25,046)	1,306,915	(70,936)
Cash and Cash Equivalents - Beginning	281,631	46,453	2,067,051	70,936
Cash and Cash Equivalents - Ending	<u>\$ 431,644</u>	<u>21,407</u>	<u>3,373,966</u>	<u>-</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ (50,558)	(798,249)	2,327,635	(652,889)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	212,638	60,165	1,725	1,603,846
Changes in Assets and Liabilities:				
Accounts Receivable	7,986	(330,371)	22,500	(31,843)
Due from Other Funds	(17,066)	12,011	-	(748,478)
Due from Other Governments	111,044	(7,753)	-	43,407
Inventories	-	-	-	2,024
Prepaid Expenses	34,096	-	-	-
Accounts Payable	6,732	(67,670)	(87,335)	(80,062)
Accrued Liabilities	8,648	151,165	1,955	40,402
Accrued Compensated Absences	66,384	173,759	19,761	21,245
Due to Other Funds	(7,574)	(4,179)	(213)	11,520
Due to Other Governments	12	29	(120)	(5)
Unearned Revenue	-	35,537	-	-
Claims	-	-	444,122	-
Total Adjustments	422,900	22,693	402,395	862,056
Net Cash Provided (Used) by Operating Activities	<u>\$ 372,342</u>	<u>(775,556)</u>	<u>2,730,030</u>	<u>209,167</u>
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:				
Contribution of Capital Assets	\$ -	-	-	81,330
Capital Asset Trade-ins	-	-	-	30,510
Change in Fair Value of Investments	<u>23,109</u>	<u>4,321</u>	<u>167,172</u>	<u>7,011</u>

Police Garage	Communication Services	Copy Services	Total
86,202	77,558	153,217	11,644,581
3,026,717	140,377	191,050	33,688,029
(1,082,352)	(87,860)	(317,693)	(28,131,365)
(814,639)	(105,265)	(44,405)	(12,085,543)
(855,173)	(8,650)	(9,583)	(2,230,218)
<u>360,755</u>	<u>16,160</u>	<u>(27,414)</u>	<u>2,885,484</u>
33,333	3,688	-	436,737
-	-	-	963,171
42,630	1,402	7,673	236,882
-	-	-	251,394
<u>75,963</u>	<u>5,090</u>	<u>7,673</u>	<u>1,888,184</u>
(602,937)	-	-	(2,582,243)
59,635	-	-	265,491
-	-	-	(56,954)
-	-	-	(6,784)
<u>(543,302)</u>	<u>-</u>	<u>-</u>	<u>(2,380,490)</u>
719,926	46,784	128,103	6,562,686
(605,115)	(61,491)	(107,833)	(8,273,762)
49,291	5,269	10,188	758,891
<u>164,102</u>	<u>(9,438)</u>	<u>30,458</u>	<u>(952,185)</u>
57,518	11,812	10,717	1,440,993
251,598	19,628	45,076	2,782,373
<u>309,116</u>	<u>31,440</u>	<u>55,793</u>	<u>4,223,366</u>
(251,552)	22,061	(36,258)	560,190
585,170	939	-	2,464,483
(26,807)	(4,145)	290	(362,390)
19,424	3,745	1,718	(728,646)
5,362	(140)	8,699	160,619
(23,156)	-	-	(21,132)
-	-	-	34,096
(8,940)	(196)	(3,026)	(240,497)
3,351	948	313	206,782
57,914	(7,129)	850	332,784
(11)	77	-	(380)
-	-	-	(84)
-	-	-	35,537
-	-	-	444,122
<u>612,307</u>	<u>(5,901)</u>	<u>8,844</u>	<u>2,325,294</u>
<u>360,755</u>	<u>16,160</u>	<u>(27,414)</u>	<u>2,885,484</u>
-	-	-	81,330
-	-	-	30,510
<u>21,440</u>	<u>1,660</u>	<u>3,817</u>	<u>228,530</u>