

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, liability, property insurance, long-term disability and Blue Cross/Blue Shield Health Insurance Plan. 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, and miscellaneous other equipment. 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, NE
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
AUGUST 31, 2002

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 1,987,779	659,619	1,960,234	369,227
Investments	-	-	9,331,396	-
Accounts Receivable	44,579	325,454	3,997	4,798
Accrued Interest Receivable	6,920	2,694	93,774	2,083
Due from Other Funds	162,395	34,170	-	15,975
Due from Other Governments	192,628	75,761	-	9,133
Inventories	-	-	-	330,316
Prepaid Expenses	231,160	-	-	-
Total Current Assets	<u>2,625,461</u>	<u>1,097,698</u>	<u>11,389,401</u>	<u>731,532</u>
Noncurrent Assets:				
Capital Assets:				
Land	-	-	-	-
Buildings	12,335	-	-	-
Improvements Other Than Buildings	-	693,733	-	420,192
Machinery and Equipment	1,950,827	509,258	38,400	12,969,197
Less Accumulated Depreciation	<u>(1,653,397)</u>	<u>(601,548)</u>	<u>(17,863)</u>	<u>(8,191,186)</u>
Total Capital Assets, Net	<u>309,765</u>	<u>601,443</u>	<u>20,537</u>	<u>5,198,203</u>
Total Assets	<u>2,935,226</u>	<u>1,699,141</u>	<u>11,409,938</u>	<u>5,929,735</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	103,676	27,131	127,022	173,411
Accrued Liabilities	116,168	172,900	13,585	45,824
Accrued Compensated Absences	143,866	243,773	14,273	52,710
Due to Other Funds	136	13,321	1,346	4,664
Due to Other Governments	2,770	419	135	161
Unearned Revenue	-	652,296	-	-
Claims	-	-	2,692,407	-
Total Current Liabilities	<u>366,616</u>	<u>1,109,840</u>	<u>2,848,768</u>	<u>276,770</u>
Noncurrent Liabilities:				
Accrued Compensated Absences	5,761	64,632	-	46,031
Claims	-	-	2,814,937	-
Total Noncurrent Liabilities	<u>5,761</u>	<u>64,632</u>	<u>2,814,937</u>	<u>46,031</u>
Total Liabilities	<u>372,377</u>	<u>1,174,472</u>	<u>5,663,705</u>	<u>322,801</u>
NET ASSETS				
Invested in Capital Assets	309,765	601,443	20,537	5,198,203
Unrestricted	2,253,084	(76,774)	5,725,696	408,731
Total Net Assets	<u>\$ 2,562,849</u>	<u>524,669</u>	<u>5,746,233</u>	<u>5,606,934</u>

See accompanying Independent Auditors' Report

Police Garage	Communication Services	Copy Services	Total
983,814	121,799	378,929	6,461,401
500,000	-	-	9,831,396
20,703	245	1,010	400,786
5,037	409	1,394	112,311
222,340	9,810	15,332	460,022
1,235	1,596	19,346	299,699
80,359	-	-	410,675
-	-	-	231,160
<u>1,813,488</u>	<u>133,859</u>	<u>416,011</u>	<u>18,207,450</u>

48,250	-	-	48,250
338,746	-	-	351,081
49,234	-	-	1,163,159
4,254,211	78,802	-	19,800,695
<u>(2,699,086)</u>	<u>(62,724)</u>	<u>-</u>	<u>(13,225,804)</u>
<u>1,991,355</u>	<u>16,078</u>	<u>-</u>	<u>8,137,381</u>
<u>3,804,843</u>	<u>149,937</u>	<u>416,011</u>	<u>26,344,831</u>

37,782	7,058	25,833	501,913
25,642	5,984	735	380,838
29,445	4,989	1,017	490,073
13	-	-	19,480
-	-	-	3,485
-	-	-	652,296
-	-	-	2,692,407
<u>92,882</u>	<u>18,031</u>	<u>27,585</u>	<u>4,740,492</u>

19,673	5,761	-	141,858
-	-	-	2,814,937
<u>19,673</u>	<u>5,761</u>	<u>-</u>	<u>2,956,795</u>
<u>112,555</u>	<u>23,792</u>	<u>27,585</u>	<u>7,697,287</u>

1,991,355	16,078	-	8,137,381
<u>1,700,933</u>	<u>110,067</u>	<u>388,426</u>	<u>10,510,163</u>
<u>3,692,288</u>	<u>126,145</u>	<u>388,426</u>	<u>18,647,544</u>

CITY OF LINCOLN, NE
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2002

	<u>Information Services</u>	<u>Engineering Revolving</u>	<u>Insurance Revolving</u>	<u>Fleet Services</u>
Operating Revenues				
Charges for Services	\$ 5,749,233	6,204,017	3,555,294	4,188,983
Operating Expenses				
Personal Services	3,029,234	4,382,014	335,926	1,185,830
Materials and Supplies	193,823	56,136	11,085	1,123,337
Other Services and Charges	2,035,844	1,287,570	4,339,128	985,122
Depreciation	255,725	189,675	5,619	964,604
Total Operating Expenses	<u>5,514,626</u>	<u>5,915,395</u>	<u>4,691,758</u>	<u>4,258,893</u>
Operating Income (Loss)	<u>234,607</u>	<u>288,622</u>	<u>(1,136,464)</u>	<u>(69,910)</u>
Nonoperating Revenues (Expenses)				
Investment Earnings	35,154	7,234	353,905	2,965
Gain (Loss) on Disposal of Assets	(5,531)	1,119	-	57,995
Interest Expense and Fiscal Charges	(197)	-	-	-
Total Nonoperating Revenues (Expenses)	<u>29,426</u>	<u>8,353</u>	<u>353,905</u>	<u>60,960</u>
Income (Loss) Before Contributions and Transfers	264,033	296,975	(782,559)	(8,950)
Capital Contributions	12,324	-	-	271,830
Transfers In	-	9,660	2,939	-
Change in Net Assets	<u>276,357</u>	<u>306,635</u>	<u>(779,620)</u>	<u>262,880</u>
Total Net Assets Beginning of Year	<u>2,286,492</u>	<u>218,034</u>	<u>6,525,853</u>	<u>5,344,054</u>
Total Net Assets End of Year	<u>\$ 2,562,849</u>	<u>524,669</u>	<u>5,746,233</u>	<u>5,606,934</u>

See accompanying Independent Auditors' Report

<u>Police Garage</u>	<u>Communication Services</u>	<u>Copy Services</u>	<u>Totals</u>
<u>2,479,414</u>	<u>203,620</u>	<u>397,991</u>	<u>22,778,552</u>
695,789	137,114	20,171	9,786,078
735,021	3,977	27,908	2,151,287
321,984	76,034	308,150	9,353,832
606,415	16,373	-	2,038,411
<u>2,359,209</u>	<u>233,498</u>	<u>356,229</u>	<u>23,329,608</u>
<u>120,205</u>	<u>(29,878)</u>	<u>41,762</u>	<u>(551,056)</u>
25,606	2,114	10,275	437,253
1,427	(1,013)	-	53,997
-	-	-	(197)
<u>27,033</u>	<u>1,101</u>	<u>10,275</u>	<u>491,053</u>
147,238	(28,777)	52,037	(60,003)
20,964	-	-	305,118
-	30,000	-	42,599
<u>168,202</u>	<u>1,223</u>	<u>52,037</u>	<u>287,714</u>
<u>3,524,086</u>	<u>124,922</u>	<u>336,389</u>	<u>18,359,830</u>
<u>3,692,288</u>	<u>126,145</u>	<u>388,426</u>	<u>18,647,544</u>

CITY OF LINCOLN, NE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2002

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 2,976,996	1,985,894	683,450	303,293
Receipts from Interfund Services Provided	2,871,047	4,604,230	2,868,367	3,958,988
Payments to Suppliers for Goods and Services	(2,315,768)	(1,105,391)	(3,473,404)	(2,023,801)
Payments to Employees	(3,036,912)	(4,389,755)	(334,309)	(1,179,626)
Payments for Interfund Services Provided	(93,551)	(257,583)	(32,956)	(175,542)
Net Cash Provided (Used) by Operating Activities	401,812	837,395	(288,852)	883,312
Cash Flows from Noncapital Financing Activities				
Transfers from Other Funds	-	9,660	2,939	-
Payment to General Fund	-	(181,334)	-	-
Interest Paid	(197)	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	(197)	(171,674)	2,939	-
Cash Flows from Capital and Related Financing Activities				
Additions to Capital Assets	(110,664)	(14,515)	(12,712)	(1,294,763)
Proceeds from Sale of Capital Assets	-	2,856	-	119,107
Net Cash Used by Capital and Related Financing Activities	(110,664)	(11,659)	(12,712)	(1,175,656)
Cash Flows from Investing Activities				
Proceeds from Sale and Maturities of Investments	-	-	10,914,533	-
Purchases of Investments	-	-	(9,898,228)	-
Interest and Other Receipts	42,927	4,540	586,770	6,690
Net Cash Provided (Used) by Investing Activities	42,927	4,540	1,603,075	6,690
Net Increase (Decrease) in Cash	333,878	658,602	1,304,450	(285,654)
Balances -- Beginning of Year	1,653,901	1,017	655,784	654,881
Balances -- End of Year	\$ 1,987,779	659,619	1,960,234	369,227
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 234,607	288,622	(1,136,464)	(69,910)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	255,725	189,675	5,619	964,604
Changes in Assets and Liabilities:				
Accounts Receivable	13,985	159,269	(3,477)	(4,352)
Due from Other Funds	26,067	(15,223)	-	(5,647)
Due from Other Governments	58,758	(46,466)	-	83,297
Inventories	-	-	-	(26,546)
Prepaid Expenses	(231,160)	-	-	-
Accounts Payable	60,113	(19,333)	108,536	(55,636)
Accrued Liabilities	4,830	8,554	1,502	4,934
Accrued Compensated Absences	18,580	27,932	3,634	12,468
Due to Other Funds	(31,512)	(44,581)	(13,347)	(19,303)
Due to Other Governments	(8,181)	419	135	(597)
Unearned Revenue	-	288,527	-	-
Claims	-	-	745,010	-
Total Adjustments	167,205	548,773	847,612	953,222
Net Cash Provided (Used) by Operating Activities	\$ 401,812	837,395	(288,852)	883,312
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:				
Contribution of Capital Assets	\$ 12,324	-	-	271,830
Capital Asset Trade-Ins	1,888	-	-	-
Change in Fair Value of Investments	-	-	(11,036)	-
	-	-	(11,036)	-

See accompanying Independent Auditors' Report

Police Garage	Communication Services	Copy Services	Total
42,225	34,756	210,753	6,237,367
2,432,327	170,052	203,387	17,108,398
(561,798)	(67,956)	(332,095)	(9,880,213)
(697,558)	(134,153)	(19,970)	(9,792,283)
(480,017)	(7,826)	(8,139)	(1,055,614)
<u>735,179</u>	<u>(5,127)</u>	<u>53,936</u>	<u>2,617,655</u>
-	30,000	-	42,599
-	-	-	(181,334)
-	-	-	(197)
<u>-</u>	<u>30,000</u>	<u>-</u>	<u>(138,932)</u>
(556,028)	-	-	(1,988,682)
40,318	-	-	162,281
<u>(515,710)</u>	<u>-</u>	<u>-</u>	<u>(1,826,401)</u>
1,329,576	-	175,102	12,419,211
(1,500,571)	-	-	(11,398,799)
49,295	2,664	11,447	704,333
<u>(121,700)</u>	<u>2,664</u>	<u>186,549</u>	<u>1,724,745</u>
97,769	27,537	240,485	2,377,067
886,045	94,262	138,444	4,084,334
<u>983,814</u>	<u>121,799</u>	<u>378,929</u>	<u>6,461,401</u>
120,205	(29,878)	41,762	(551,056)
606,415	16,373	-	2,038,411
19,097	66	247	184,835
(23,533)	1,299	10,724	(6,313)
(426)	(177)	5,178	100,164
10,987	-	-	(15,559)
-	-	-	(231,160)
4,205	4,229	(4,176)	97,938
1,870	1,552	43	23,285
2,768	2,342	360	68,084
(6,409)	(933)	(202)	(116,287)
-	-	-	(8,224)
-	-	-	288,527
-	-	-	745,010
<u>614,974</u>	<u>24,751</u>	<u>12,174</u>	<u>3,168,711</u>
<u>735,179</u>	<u>(5,127)</u>	<u>53,936</u>	<u>2,617,655</u>
20,964	-	-	305,118
-	-	-	1,888
<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,036)</u>

(THIS PAGE LEFT BLANK INTENTIONALLY)