

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, 2008

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 408,840	146,994	4,444,521	-
Investments	1,321,576	475,350	15,571,657	-
Accounts Receivable	42,329	261,865	4,399	2,266
Accrued Interest Receivable	12,563	275	142,969	2,083
Due from Other Funds	274,277	43,682	1,275,519	41,692
Due from Other Governments	201,703	5,291	-	865
Inventories	-	-	-	758,198
Prepaid Expenses	226,845	39,138	-	-
Total Current Assets	2,488,133	972,595	21,439,065	805,104
Noncurrent Assets:				
Capital Assets:				
Land	-	-	-	-
Buildings	26,485	-	-	-
Improvements Other Than Buildings	-	693,733	-	420,192
Machinery and Equipment	2,072,504	474,757	28,936	17,081,107
Less Accumulated Depreciation	(1,562,768)	(977,495)	(21,032)	(10,210,325)
Total Capital Assets, Net	536,221	190,995	7,904	7,290,974
Total Assets	3,024,354	1,163,590	21,446,969	8,096,078
LIABILITIES				
Current Liabilities:				
Accounts Payable	70,172	13,370	39,335	202,447
Accrued Liabilities	111,251	310,205	10,867	29,257
Accrued Compensated Absences	177,189	315,300	20,077	74,689
Due to Other Funds	4,422	16,862	261	647,046
Due to Other Governments	40	295	-	-
Unearned Revenue	-	332,455	-	-
Claims	-	-	4,414,594	-
Accrued Interest	301	-	-	-
Current Portion of Capital Lease	60,883	-	-	-
Total Current Liabilities	424,258	988,487	4,485,134	953,439
Noncurrent Liabilities:				
Accrued Compensated Absences	128,993	358,569	28,080	81,405
Claims	-	-	2,258,208	-
Capital Lease Payable	47,014	-	-	-
Accrued Liabilities	5,517	9,245	895	2,982
Total Noncurrent Liabilities	181,524	367,814	2,287,183	84,387
Total Liabilities	605,782	1,356,301	6,772,317	1,037,826
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	428,324	190,995	7,904	7,290,974
Unrestricted	1,990,248	(383,706)	14,666,748	(232,722)
Total Net Assets (Deficits)	\$ 2,418,572	(192,711)	14,674,652	7,058,252

<u>Police Garage</u>	<u>Communication Services</u>	<u>Copy Services</u>	<u>Total</u>
320,475	34,314	57,343	5,412,487
1,035,583	112,308	182,827	18,699,301
39,532	4,560	792	355,743
7,926	983	1,677	168,476
390,114	14,575	32,660	2,072,519
1,276	1,615	20,135	230,885
90,404	-	-	848,602
-	-	-	265,983
<u>1,885,310</u>	<u>168,355</u>	<u>295,434</u>	<u>28,053,996</u>
48,250	-	-	48,250
346,661	-	-	373,146
45,500	-	-	1,159,425
4,987,445	60,349	-	24,705,098
(3,569,084)	(56,280)	-	(16,396,984)
<u>1,858,772</u>	<u>4,069</u>	<u>-</u>	<u>9,888,935</u>
<u>3,744,082</u>	<u>172,424</u>	<u>295,434</u>	<u>37,942,931</u>
38,844	291	26,702	391,161
18,776	2,967	1,031	484,354
37,440	3,828	1,255	629,778
8	191	-	668,790
-	-	-	335
-	-	-	332,455
-	-	-	4,414,594
-	-	-	301
-	-	-	60,883
<u>95,068</u>	<u>7,277</u>	<u>28,988</u>	<u>6,982,651</u>
69,166	-	553	666,766
-	-	-	2,258,208
-	-	-	47,014
2,236	298	149	21,322
<u>71,402</u>	<u>298</u>	<u>702</u>	<u>2,993,310</u>
<u>166,470</u>	<u>7,575</u>	<u>29,690</u>	<u>9,975,961</u>
1,858,772	4,069	-	9,781,038
1,718,840	160,780	265,744	18,185,932
<u>3,577,612</u>	<u>164,849</u>	<u>265,744</u>	<u>27,966,970</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, 2008

	<u>Information Services</u>	<u>Engineering Revolving</u>	<u>Insurance Revolving</u>	<u>Fleet Services</u>
Operating Revenues				
Charges for Services	\$ 5,559,613	7,526,055	27,803,331	5,634,912
Operating Expenses				
Personal Services	3,584,092	6,014,194	491,067	1,457,761
Materials and Supplies	178,094	35,049	7,207	1,992,656
Other Services and Charges	1,991,102	1,169,784	24,150,535	1,374,270
Depreciation	237,077	65,345	1,724	1,675,185
Total Operating Expenses	<u>5,990,365</u>	<u>7,284,372</u>	<u>24,650,533</u>	<u>6,499,872</u>
Operating Income (Loss)	<u>(430,752)</u>	<u>241,683</u>	<u>3,152,798</u>	<u>(864,960)</u>
Nonoperating Revenues (Expenses)				
Investment Earnings	111,763	6,531	1,051,909	8,256
Gain (Loss) on Disposal of Capital Assets	-	2,050	-	20,449
Interest Expense and Fiscal Charges	(4,688)	-	-	-
Total Nonoperating Revenues (Expenses)	<u>107,075</u>	<u>8,581</u>	<u>1,051,909</u>	<u>28,705</u>
Income (Loss) Before Contributions and Transfers	(323,677)	250,264	4,204,707	(836,255)
Capital Contributions	-	-	-	327,664
Transfers In	-	418,217	-	-
Transfers Out	-	(45,491)	-	-
Change in Net Assets	<u>(323,677)</u>	<u>622,990</u>	<u>4,204,707</u>	<u>(508,591)</u>
Net Assets (Deficits) - Beginning	<u>2,742,249</u>	<u>(815,701)</u>	<u>10,469,945</u>	<u>7,566,843</u>
Net Assets (Deficits) - Ending	<u>\$ 2,418,572</u>	<u>(192,711)</u>	<u>14,674,652</u>	<u>7,058,252</u>

<u>Police Garage</u>	<u>Communication Services</u>	<u>Copy Services</u>	<u>Total</u>
<u>3,362,657</u>	<u>199,111</u>	<u>339,999</u>	<u>50,425,678</u>
844,870	132,397	47,358	12,571,739
1,353,145	2,916	-	3,569,067
644,094	71,855	322,280	29,723,920
587,716	939	-	2,567,986
<u>3,429,825</u>	<u>208,107</u>	<u>369,638</u>	<u>48,432,712</u>
<u>(67,168)</u>	<u>(8,996)</u>	<u>(29,639)</u>	<u>1,992,966</u>
63,332	7,746	13,348	1,262,885
(10,468)	-	-	12,031
-	-	-	(4,688)
<u>52,864</u>	<u>7,746</u>	<u>13,348</u>	<u>1,270,228</u>
(14,304)	(1,250)	(16,291)	3,263,194
10,000	-	-	337,664
-	-	-	418,217
-	-	-	(45,491)
<u>(4,304)</u>	<u>(1,250)</u>	<u>(16,291)</u>	<u>3,973,584</u>
<u>3,581,916</u>	<u>166,099</u>	<u>282,035</u>	<u>23,993,386</u>
<u><u>3,577,612</u></u>	<u><u>164,849</u></u>	<u><u>265,744</u></u>	<u><u>27,966,970</u></u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2008

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 2,281,621	1,977,183	7,417,738	646,166
Receipts from Interfund Services Provided	3,226,026	5,387,323	20,381,194	5,796,849
Payments to Suppliers for Goods and Services	(1,930,906)	(654,806)	(23,645,570)	(3,204,037)
Payments to Employees	(3,527,853)	(5,952,460)	(493,604)	(1,483,822)
Payments for Interfund Services Provided	(150,318)	(578,561)	(213,818)	(344,313)
Net Cash Provided (Used) by Operating Activities	<u>(101,430)</u>	<u>178,679</u>	<u>3,445,940</u>	<u>1,410,843</u>
Cash Flows from Noncapital Financing Activities				
Transfers from Other Funds	-	418,217	-	-
Transfers to Other Funds	-	(45,491)	-	-
Advance from General Fund	-	-	-	1,797,819
Repayment of Advances from General Fund	-	-	-	(2,122,063)
Advances to Other Funds	-	(36,040)	(293,125)	-
Payments from Other Funds	8,355	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>8,355</u>	<u>336,686</u>	<u>(293,125)</u>	<u>(324,244)</u>
Cash Flows from Capital and Related Financing Activities				
Additions to Capital Assets	(252,816)	-	-	(1,164,838)
Proceeds from Sale of Capital Assets	-	2,050	-	72,066
Principal Payments of Capital Lease	(58,886)	-	-	-
Interest and Fiscal Charges Paid	(4,852)	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(316,554)</u>	<u>2,050</u>	<u>-</u>	<u>(1,092,772)</u>
Cash Flows from Investing Activities				
Proceeds from Sale and Maturities of Investments	919,654	-	5,096,257	-
Purchases of Investments	(627,648)	(392,707)	(8,036,503)	-
Interest and Other Receipts	94,819	879	857,986	6,173
Net Cash Provided (Used) by Investing Activities	<u>386,825</u>	<u>(391,828)</u>	<u>(2,082,260)</u>	<u>6,173</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(22,804)	125,587	1,070,555	-
Cash and Cash Equivalents - Beginning	431,644	21,407	3,373,966	-
Cash and Cash Equivalents - Ending	<u>\$ 408,840</u>	<u>146,994</u>	<u>4,444,521</u>	<u>-</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ (430,752)	241,683	3,152,798	(864,960)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	237,077	65,345	1,724	1,675,185
Changes in Assets and Liabilities:				
Accounts Receivable	(1,455)	97,292	(4,399)	29,859
Due from Other Funds	11,455	917	-	778,774
Due from Other Governments	(61,966)	2,846	-	(530)
Inventories	-	-	-	(266,731)
Prepaid Expenses	87,780	(39,138)	-	-
Accounts Payable	1,196	7,176	(18,943)	92,956
Accrued Liabilities	41,379	57,107	1,177	(33,832)
Accrued Compensated Absences	14,860	4,627	(3,714)	7,771
Due to Other Funds	(1,014)	3,254	1	(6,818)
Due to Other Governments	10	174	-	(831)
Unearned Revenue	-	(262,604)	-	-
Claims	-	-	317,296	-
Total Adjustments	<u>329,322</u>	<u>(63,004)</u>	<u>293,142</u>	<u>2,275,803</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (101,430)</u>	<u>178,679</u>	<u>3,445,940</u>	<u>1,410,843</u>
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:				
Contribution of Capital Assets	\$ -	-	-	327,664
Purchase of Capital Assets on Account	3,736	-	-	-
Change in Fair Value of Investments	19,388	5,532	196,365	-

Police Garage	Communication Services	Copy Services	Total
202,589	58,316	139,562	12,723,175
3,055,595	139,406	199,046	38,185,439
(1,179,906)	(67,055)	(313,941)	(30,996,221)
(855,404)	(130,861)	(47,005)	(12,491,009)
(799,613)	(7,581)	(9,700)	(2,103,904)
<u>423,261</u>	<u>(7,775)</u>	<u>(32,038)</u>	<u>5,317,480</u>

-	-	-	418,217
-	-	-	(45,491)
-	-	-	1,797,819
-	-	-	(2,122,063)
(2,111)	(691)	(297)	(332,264)
-	-	-	8,355
<u>(2,111)</u>	<u>(691)</u>	<u>(297)</u>	<u>(275,427)</u>

(634,734)	-	-	(2,052,388)
56,949	-	-	131,065
-	-	-	(58,886)
-	-	-	(4,852)
<u>(577,785)</u>	<u>-</u>	<u>-</u>	<u>(1,985,061)</u>

609,341	58,287	109,469	6,793,008
(491,823)	(53,338)	(86,829)	(9,688,848)
50,476	6,391	11,245	1,027,969
<u>167,994</u>	<u>11,340</u>	<u>33,885</u>	<u>(1,867,871)</u>

11,359	2,874	1,550	1,189,121
309,116	31,440	55,793	4,223,366
<u>320,475</u>	<u>34,314</u>	<u>57,343</u>	<u>5,412,487</u>

<u>(67,168)</u>	<u>(8,996)</u>	<u>(29,639)</u>	<u>1,992,966</u>
-----------------	----------------	-----------------	------------------

587,716	939	-	2,567,986
(11,894)	(197)	658	109,864
(91,588)	(872)	(58)	698,628
(991)	(320)	(1,991)	(62,952)
21,555	-	-	(245,176)
-	-	-	48,642
(3,835)	21	(1,361)	77,210
3,275	488	194	69,788
(13,809)	1,048	159	10,942
-	114	-	(4,463)
-	-	-	(647)
-	-	-	(262,604)
-	-	-	317,296
<u>490,429</u>	<u>1,221</u>	<u>(2,399)</u>	<u>3,324,514</u>
<u>423,261</u>	<u>(7,775)</u>	<u>(32,038)</u>	<u>5,317,480</u>

10,000	-	-	337,664
-	-	-	3,736
14,870	1,590	2,631	240,376