

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, 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, 2005

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 419,052	121,016	3,060,337	133,858
Investments	1,128,493	325,832	8,509,787	362,389
Accounts Receivable	69,611	224,910	796	217
Accrued Interest Receivable	10,066	3,973	80,484	495
Due from Other Funds	287,198	46,413	966,590	98,094
Due from Other Governments	214,001	209,302	-	7,698
Inventories	-	-	-	369,323
Prepaid Expenses	171,103	-	-	-
Total Current Assets	2,299,524	931,446	12,617,994	972,074
Noncurrent Assets:				
Capital Assets:				
Land	-	-	-	-
Buildings	26,485	-	-	-
Improvements Other Than Buildings	-	693,733	-	420,192
Machinery and Equipment	1,492,903	445,380	28,936	14,530,782
Less Accumulated Depreciation	(1,077,498)	(824,471)	(15,859)	(8,376,599)
Total Capital Assets, Net	441,890	314,642	13,077	6,574,375
Total Assets	2,741,414	1,246,088	12,631,071	7,546,449
LIABILITIES				
Current Liabilities:				
Accounts Payable	72,080	55,832	98,438	256,202
Accrued Liabilities	147,126	259,862	21,167	62,861
Accrued Compensated Absences	149,212	279,724	10,666	67,728
Due to Other Funds	1,743	10,655	7,091	3,886
Due to Other Governments	595	994	225	-
Unearned Revenue	-	705,726	-	-
Claims	-	-	2,377,583	-
Accrued Interest	763	-	-	-
Current Portion of Capital Lease	55,085	-	-	-
Total Current Liabilities	426,604	1,312,793	2,515,170	390,677
Noncurrent Liabilities:				
Accrued Compensated Absences	78,596	178,998	16,077	52,607
Claims	-	-	2,748,848	-
Capital Lease Payable	223,738	-	-	-
Total Noncurrent Liabilities	302,334	178,998	2,764,925	52,607
Total Liabilities	728,938	1,491,791	5,280,095	443,284
NET ASSETS				
Invested in Capital Assets	163,067	314,642	13,077	6,574,375
Unrestricted	1,849,409	(560,345)	7,337,899	528,790
Total Net Assets	\$ 2,012,476	(245,703)	7,350,976	7,103,165

<u>Police Garage</u>	<u>Communication Services</u>	<u>Copy Services</u>	<u>Total</u>
401,559	28,361	82,324	4,246,507
1,083,988	77,882	222,520	11,710,891
60	816	849	297,259
7,818	608	1,951	105,395
346,079	12,206	38,433	1,795,013
217	4,127	16,736	452,081
89,481	-	-	458,804
-	-	-	171,103
<u>1,929,202</u>	<u>124,000</u>	<u>362,813</u>	<u>19,237,053</u>
48,250	-	-	48,250
346,661	-	-	373,146
49,234	-	-	1,163,159
4,860,699	61,820	-	21,420,520
(3,266,583)	(54,934)	-	(13,615,944)
<u>2,038,261</u>	<u>6,886</u>	<u>-</u>	<u>9,389,131</u>
<u>3,967,463</u>	<u>130,886</u>	<u>362,813</u>	<u>28,626,184</u>
92,093	2,622	30,051	607,318
31,015	4,459	1,250	527,740
26,562	2,523	325	536,740
15,790	-	-	39,165
-	-	-	1,814
-	-	-	705,726
-	-	-	2,377,583
-	-	-	763
-	-	-	55,085
<u>165,460</u>	<u>9,604</u>	<u>31,626</u>	<u>4,851,934</u>
33,522	6,578	-	366,378
-	-	-	2,748,848
-	-	-	223,738
<u>33,522</u>	<u>6,578</u>	<u>-</u>	<u>3,338,964</u>
<u>198,982</u>	<u>16,182</u>	<u>31,626</u>	<u>8,190,898</u>
2,038,261	6,886	-	9,110,308
1,730,220	107,818	331,187	11,324,978
<u>3,768,481</u>	<u>114,704</u>	<u>331,187</u>	<u>20,435,286</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, 2005

	<u>Information Services</u>	<u>Engineering Revolving</u>	<u>Insurance Revolving</u>	<u>Fleet Services</u>
Operating Revenues				
Charges for Services	\$ 6,106,048	7,004,113	6,189,498	5,595,906
Operating Expenses				
Personal Services	3,308,582	5,732,358	455,955	1,437,632
Materials and Supplies	124,914	49,584	7,708	1,648,588
Other Services and Charges	2,634,832	1,250,771	5,238,999	1,540,420
Depreciation	140,555	65,122	1,725	1,299,259
Total Operating Expenses	<u>6,208,883</u>	<u>7,097,835</u>	<u>5,704,387</u>	<u>5,925,899</u>
Operating Income (Loss)	<u>(102,835)</u>	<u>(93,722)</u>	<u>485,111</u>	<u>(329,993)</u>
Nonoperating Revenues (Expenses)				
Investment Earnings	28,656	19,466	278,868	1,168
Gain (Loss) on Disposal of Capital Assets	-	-	-	126,578
Interest Expense and Fiscal Charges	<u>(3,103)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>25,553</u>	<u>19,466</u>	<u>278,868</u>	<u>127,746</u>
Income (Loss) Before Contributions and Transfers	<u>(77,282)</u>	<u>(74,256)</u>	<u>763,979</u>	<u>(202,247)</u>
Capital Contributions	-	-	-	257,025
Transfers In	-	11,483	-	33,334
Transfers Out	<u>(33,175)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>(110,457)</u>	<u>(62,773)</u>	<u>763,979</u>	<u>88,112</u>
Net Assets - Beginning	<u>2,122,933</u>	<u>(182,930)</u>	<u>6,586,997</u>	<u>7,015,053</u>
Net Assets - Ending	<u>\$ 2,012,476</u>	<u>(245,703)</u>	<u>7,350,976</u>	<u>7,103,165</u>

<u>Police Garage</u>	<u>Communication Services</u>	<u>Copy Services</u>	<u>Total</u>
<u>2,758,538</u>	<u>238,563</u>	<u>337,758</u>	<u>28,230,424</u>
769,593	101,159	35,888	11,841,167
1,007,987	5,865	-	2,844,646
414,875	93,291	329,023	11,502,211
636,047	1,629	-	2,144,337
<u>2,828,502</u>	<u>201,944</u>	<u>364,911</u>	<u>28,332,361</u>
<u>(69,964)</u>	<u>36,619</u>	<u>(27,153)</u>	<u>(101,937)</u>
25,281	1,639	6,515	361,593
(12,477)	-	-	114,101
-	-	-	(3,103)
<u>12,804</u>	<u>1,639</u>	<u>6,515</u>	<u>472,591</u>
(57,160)	38,258	(20,638)	370,654
21,555	-	-	278,580
33,333	-	-	78,150
-	-	-	(33,175)
<u>(2,272)</u>	<u>38,258</u>	<u>(20,638)</u>	<u>694,209</u>
<u>3,770,753</u>	<u>76,446</u>	<u>351,825</u>	<u>19,741,077</u>
<u>3,768,481</u>	<u>114,704</u>	<u>331,187</u>	<u>20,435,286</u>

CITY OF LINCOLN, NEBRASKA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2005

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 2,681,272	1,457,798	2,070,575	762,861
Receipts from Interfund Services Provided	3,634,739	5,165,396	4,118,923	5,105,271
Payments to Suppliers for Goods and Services	(2,648,573)	(714,227)	(4,992,100)	(2,889,528)
Payments to Employees	(3,253,033)	(5,624,797)	(442,419)	(1,426,274)
Payments for Interfund Services Provided	(134,808)	(603,098)	(95,902)	(209,828)
Net Cash Provided (Used) by Operating Activities	<u>279,597</u>	<u>(318,928)</u>	<u>659,077</u>	<u>1,342,502</u>
Cash Flows from Noncapital Financing Activities				
Transfers from Other Funds	-	11,483	-	33,334
Transfers to Other Funds	(33,175)	-	-	-
Advances to Other Funds	(115,380)	(58,708)	(1,112,699)	(46,072)
Payments from Other Funds	-	25,394	146,109	9,020
Net Cash Used by Noncapital Financing Activities	<u>(148,555)</u>	<u>(21,831)</u>	<u>(966,590)</u>	<u>(3,718)</u>
Cash Flows from Capital and Related Financing Activities				
Additions to Capital Assets	(338,405)	(4,564)	-	(1,582,250)
Proceeds from Sale of Capital Assets	-	-	-	206,544
Proceeds from Long-Term Debt	292,417	-	-	-
Principal Payments of Capital Lease	(13,594)	-	-	-
Interest and Fiscal Charges Paid	(2,340)	-	-	-
Net Cash Used by Capital and Related Financing Activities	<u>(61,922)</u>	<u>(4,564)</u>	<u>-</u>	<u>(1,375,706)</u>
Cash Flows from Investing Activities				
Proceeds from Sale and Maturities of Investments	237,153	354,081	2,314,111	127,762
Purchases of Investments	(213,050)	(61,514)	(1,606,575)	(68,417)
Interest and Other Receipts	38,238	20,429	361,962	6,257
Net Cash Provided (Used) by Investing Activities	<u>62,341</u>	<u>312,996</u>	<u>1,069,498</u>	<u>65,602</u>
Net Increase (Decrease) in Cash and Cash Equivalents	131,461	(32,327)	761,985	28,680
Cash and Cash Equivalents - Beginning	287,591	153,343	2,298,352	105,178
Cash and Cash Equivalents - Ending	<u>\$ 419,052</u>	<u>121,016</u>	<u>3,060,337</u>	<u>133,858</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ (102,835)	(93,722)	485,111	(329,993)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	140,555	65,122	1,725	1,299,259
Changes in Assets and Liabilities:				
Accounts Receivable	(25,806)	(18,210)	-	42,943
Due from Other Funds	15,283	12,662	-	230,266
Due from Other Governments	220,486	(134,501)	-	(983)
Inventories	-	-	-	675
Prepaid Expenses	3,412	-	-	-
Accounts Payable	(26,522)	(10,616)	23,116	89,192
Accrued Liabilities	5,830	21,582	1,283	7,069
Accrued Compensated Absences	49,719	85,979	12,253	4,289
Due to Other Funds	(1,107)	(5,272)	6,325	(212)
Due to Other Governments	582	(1,082)	(2,046)	(3)
Unearned Revenue	-	(240,870)	-	-
Claims	-	-	131,310	-
Total Adjustments	<u>382,432</u>	<u>(225,206)</u>	<u>173,966</u>	<u>1,672,495</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 279,597</u>	<u>(318,928)</u>	<u>659,077</u>	<u>1,342,502</u>
Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:				
Contribution of Capital Assets	\$ -	-	-	257,025
Change in Fair Value of Investments	<u>(13,414)</u>	<u>(3,337)</u>	<u>(100,165)</u>	<u>(4,211)</u>

<u>Police Garage</u>	<u>Communication Services</u>	<u>Copy Services</u>	<u>Total</u>
13,039	68,732	151,715	7,205,992
2,772,408	171,421	197,976	21,166,134
(773,742)	(91,736)	(313,350)	(12,423,256)
(771,072)	(101,125)	(36,155)	(11,654,875)
(580,991)	(7,593)	(13,653)	(1,645,873)
<u>659,642</u>	<u>39,699</u>	<u>(13,467)</u>	<u>2,648,122</u>
33,333	-	-	78,150
-	-	-	(33,175)
(121,665)	(7,962)	(25,351)	(1,487,837)
10,835	-	2,600	193,958
<u>(77,497)</u>	<u>(7,962)</u>	<u>(22,751)</u>	<u>(1,248,904)</u>
(787,411)	-	-	(2,712,630)
59,823	-	-	266,367
-	-	-	292,417
-	-	-	(13,594)
-	-	-	(2,340)
<u>(727,588)</u>	<u>-</u>	<u>-</u>	<u>(2,169,780)</u>
396,516	-	85,525	3,515,148
(204,647)	(20,149)	(42,010)	(2,216,362)
37,399	2,350	8,849	475,484
<u>229,268</u>	<u>(17,799)</u>	<u>52,364</u>	<u>1,774,270</u>
83,825	13,938	16,146	1,003,708
317,734	14,423	66,178	3,242,799
<u>401,559</u>	<u>28,361</u>	<u>82,324</u>	<u>4,246,507</u>
<u>(69,964)</u>	<u>36,619</u>	<u>(27,153)</u>	<u>(101,937)</u>
636,047	1,629	-	2,144,337
28,021	772	381	28,101
(1,119)	1,823	6,079	264,994
7	(1,005)	5,473	89,477
(7,707)	-	-	(7,032)
-	-	-	3,412
72,756	(173)	2,020	149,773
(667)	89	(225)	34,961
(812)	(55)	(42)	151,331
3,080	-	-	2,814
-	-	-	(2,549)
-	-	-	(240,870)
-	-	-	131,310
<u>729,606</u>	<u>3,080</u>	<u>13,686</u>	<u>2,750,059</u>
<u>659,642</u>	<u>39,699</u>	<u>(13,467)</u>	<u>2,648,122</u>
21,555	-	-	278,580
<u>(12,568)</u>	<u>(967)</u>	<u>(2,572)</u>	<u>(137,234)</u>