

## 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 on a full costs recovery basis.

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, 2009**

	<u>Information Services</u>	<u>Engineering Revolving</u>	<u>Insurance Revolving</u>	<u>Fleet Services</u>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 382,196	71,773	6,913,711	-
Investments	858,550	170,251	17,746,087	-
Accounts Receivable	61,749	231,047	131	155
Accrued Interest Receivable	7,424	1,861	151,299	730
Due from Other Funds	262,627	16,665	1,380,770	450,704
Due from Other Governments	103,193	2,364	-	2,499
Inventories	-	-	-	591,556
Prepaid Expenses	218,279	40,847	-	-
Total Current Assets	<u>1,894,018</u>	<u>534,808</u>	<u>26,191,998</u>	<u>1,045,644</u>
Noncurrent Assets:				
Capital Assets:				
Land	-	-	-	-
Buildings	26,485	-	-	-
Improvements Other Than Buildings	-	693,733	-	427,382
Machinery and Equipment	2,278,231	467,491	28,936	18,020,853
Less Accumulated Depreciation	<u>(1,780,105)</u>	<u>(997,224)</u>	<u>(22,757)</u>	<u>(11,739,082)</u>
Total Capital Assets, Net	<u>524,611</u>	<u>164,000</u>	<u>6,179</u>	<u>6,709,153</u>
Total Assets	<u>2,418,629</u>	<u>698,808</u>	<u>26,198,177</u>	<u>7,754,797</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	59,758	11,006	24,754	307,734
Accrued Liabilities	85,730	141,696	16,746	34,939
Accrued Compensated Absences	193,156	317,439	21,855	88,801
Due to Other Funds	3,861	16,552	405	1,309,201
Due to Other Governments	14	92	11,906	-
Unearned Revenue	-	129,554	-	-
Claims	-	-	4,683,839	-
Accrued Interest	131	-	-	-
Current Portion of Capital Lease	47,014	-	-	-
Total Current Liabilities	<u>389,664</u>	<u>616,339</u>	<u>4,759,505</u>	<u>1,740,675</u>
Noncurrent Liabilities:				
Accrued Compensated Absences	138,271	395,978	28,188	76,207
Claims	-	-	3,879,638	-
Accrued Liabilities	13,129	22,000	2,129	7,097
Total Noncurrent Liabilities	<u>151,400</u>	<u>417,978</u>	<u>3,909,955</u>	<u>83,304</u>
Total Liabilities	<u>541,064</u>	<u>1,034,317</u>	<u>8,669,460</u>	<u>1,823,979</u>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	477,597	164,000	6,179	6,709,153
Unrestricted	1,399,968	(499,509)	17,522,538	(778,335)
Total Net Assets (Deficits)	<u>\$ 1,877,565</u>	<u>(335,509)</u>	<u>17,528,717</u>	<u>5,930,818</u>

<u>Police Garage</u>	<u>Communication Services</u>	<u>Copy Services</u>	<u>Total</u>
397,565	37,666	76,146	7,879,057
953,404	89,990	153,226	19,971,508
39,872	3,001	1,049	337,004
5,717	822	1,388	169,241
543,224	11,709	29,341	2,695,040
117	660	15,854	124,687
67,792	-	-	659,348
-	-	-	259,126
<u>2,007,691</u>	<u>143,848</u>	<u>277,004</u>	<u>32,095,011</u>
48,250	-	-	48,250
346,661	-	-	373,146
45,500	-	-	1,166,615
5,708,480	28,349	-	26,532,340
(4,086,178)	(25,219)	-	(18,650,565)
<u>2,062,713</u>	<u>3,130</u>	<u>-</u>	<u>9,469,786</u>
<u>4,070,404</u>	<u>146,978</u>	<u>277,004</u>	<u>41,564,797</u>
27,043	742	26,697	457,734
21,387	3,118	1,242	304,858
39,354	5,566	1,033	667,204
15,577	438	-	1,346,034
-	-	-	12,012
-	-	-	129,554
-	-	-	4,683,839
-	-	-	131
-	-	-	47,014
<u>103,361</u>	<u>9,864</u>	<u>28,972</u>	<u>7,648,380</u>
64,730	-	588	703,962
-	-	-	3,879,638
5,323	710	355	50,743
<u>70,053</u>	<u>710</u>	<u>943</u>	<u>4,634,343</u>
<u>173,414</u>	<u>10,574</u>	<u>29,915</u>	<u>12,282,723</u>
2,062,713	3,130	-	9,422,772
<u>1,834,277</u>	<u>133,274</u>	<u>247,089</u>	<u>19,859,302</u>
<u>3,896,990</u>	<u>136,404</u>	<u>247,089</u>	<u>29,282,074</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, 2009**

	<u>Information Services</u>	<u>Engineering Revolving</u>	<u>Insurance Revolving</u>	<u>Fleet Services</u>
<b>Operating Revenues</b>				
Charges for Services	\$ 5,750,734	6,768,233	27,362,758	4,849,269
<b>Operating Expenses</b>				
Personal Services	3,663,416	5,779,376	517,650	1,476,210
Materials and Supplies	195,894	29,816	9,736	1,738,510
Other Services and Charges	2,279,181	1,072,154	25,185,651	1,288,355
Depreciation	217,338	33,520	1,725	1,726,410
Total Operating Expenses	<u>6,355,829</u>	<u>6,914,866</u>	<u>25,714,762</u>	<u>6,229,485</u>
Operating Income (Loss)	<u>(605,095)</u>	<u>(146,633)</u>	<u>1,647,996</u>	<u>(1,380,216)</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment Earnings	56,773	14,264	1,206,494	8,618
Gain (Loss) on Disposal of Capital Assets	-	(429)	-	23,472
Interest Expense and Fiscal Charges	(2,685)	-	-	-
Total Nonoperating Revenues (Expenses)	<u>54,088</u>	<u>13,835</u>	<u>1,206,494</u>	<u>32,090</u>
Income (Loss) Before Contributions and Transfers	(551,007)	(132,798)	2,854,490	(1,348,126)
Capital Contributions	-	-	-	220,692
Transfers In	10,000	-	-	-
Transfers Out	-	(10,000)	(425)	-
Change in Net Assets	<u>(541,007)</u>	<u>(142,798)</u>	<u>2,854,065</u>	<u>(1,127,434)</u>
Net Assets (Deficits) - Beginning	<u>2,418,572</u>	<u>(192,711)</u>	<u>14,674,652</u>	<u>7,058,252</u>
Net Assets (Deficits) - Ending	<u>\$ 1,877,565</u>	<u>(335,509)</u>	<u>17,528,717</u>	<u>5,930,818</u>

<u>Police Garage</u>	<u>Communication Services</u>	<u>Copy Services</u>	<u>Total</u>
<u>3,711,238</u>	<u>193,353</u>	<u>333,896</u>	<u>48,969,481</u>
920,572	141,071	49,405	12,547,700
1,109,519	3,478	-	3,086,953
768,342	82,412	313,719	30,989,814
629,636	939	-	2,609,568
<u>3,428,069</u>	<u>227,900</u>	<u>363,124</u>	<u>49,234,035</u>
<u>283,169</u>	<u>(34,547)</u>	<u>(29,228)</u>	<u>(264,554)</u>
54,412	6,102	10,573	1,357,236
(18,203)	-	-	4,840
-	-	-	(2,685)
<u>36,209</u>	<u>6,102</u>	<u>10,573</u>	<u>1,359,391</u>
319,378	(28,445)	(18,655)	1,094,837
-	-	-	220,692
-	-	-	10,000
-	-	-	(10,425)
<u>319,378</u>	<u>(28,445)</u>	<u>(18,655)</u>	<u>1,315,104</u>
<u>3,577,612</u>	<u>164,849</u>	<u>265,744</u>	<u>27,966,970</u>
<u><u>3,896,990</u></u>	<u><u>136,404</u></u>	<u><u>247,089</u></u>	<u><u>29,282,074</u></u>

**CITY OF LINCOLN, NEBRASKA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2009**

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers and Users	\$ 2,416,501	1,284,992	7,380,323	259,662
Receipts from Interfund Services Provided	3,379,049	5,313,091	19,986,703	4,181,072
Payments to Suppliers for Goods and Services	(2,323,112)	(540,632)	(23,108,331)	(2,494,470)
Payments to Employees	(3,656,080)	(5,895,582)	(508,651)	(1,457,499)
Payments for Interfund Services Provided	(154,398)	(565,924)	(198,912)	(294,365)
Net Cash Provided (Used) by Operating Activities	<u>(338,040)</u>	<u>(404,055)</u>	<u>3,551,132</u>	<u>194,400</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers from Other Funds	10,000	-	-	-
Transfers to Other Funds	-	(10,000)	(425)	-
Advance from General Fund	-	-	-	1,391,947
Repayment of Advances from General Fund	-	-	-	(726,253)
Advances to Other Funds	-	-	(105,251)	-
Payments from Other Funds	45,924	28,011	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>55,924</u>	<u>18,011</u>	<u>(105,676)</u>	<u>665,694</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Additions to Capital Assets	(205,727)	(6,954)	-	(896,379)
Proceeds from Sale of Capital Assets	-	-	-	26,314
Principal Payments of Capital Lease	(60,884)	-	-	-
Interest and Fiscal Charges Paid	(2,855)	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(269,466)</u>	<u>(6,954)</u>	<u>-</u>	<u>(870,065)</u>
<b>Cash Flows from Investing Activities</b>				
Proceeds from Sale and Maturities of Investments	694,291	348,577	2,419,548	-
Purchases of Investments	(224,266)	(44,472)	(4,333,806)	-
Interest and Other Receipts	54,913	13,672	937,992	9,971
Net Cash Provided (Used) by Investing Activities	<u>524,938</u>	<u>317,777</u>	<u>(976,266)</u>	<u>9,971</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(26,644)	(75,221)	2,469,190	-
Cash and Cash Equivalents - Beginning	408,840	146,994	4,444,521	-
Cash and Cash Equivalents - Ending	<u>\$ 382,196</u>	<u>71,773</u>	<u>6,913,711</u>	<u>-</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	\$ (605,095)	(146,633)	1,647,996	(1,380,216)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	217,338	33,520	1,725	1,726,410
Changes in Assets and Liabilities:				
Accounts Receivable	(19,420)	30,818	4,268	2,111
Due from Other Funds	(34,274)	(994)	-	(409,012)
Due from Other Governments	98,510	2,927	-	(1,634)
Inventories	-	-	-	166,642
Prepaid Expenses	8,566	(1,709)	-	-
Accounts Payable	(10,414)	(2,364)	(14,581)	74,927
Accrued Liabilities	(17,909)	(155,754)	7,113	9,797
Accrued Compensated Absences	25,245	39,548	1,886	8,914
Due to Other Funds	(561)	(310)	144	(3,539)
Due to Other Governments	(26)	(203)	-	-
Unearned Revenue	-	(202,901)	11,906	-
Claims	-	-	1,890,675	-
Total Adjustments	<u>267,055</u>	<u>(257,422)</u>	<u>1,903,136</u>	<u>1,574,616</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (338,040)</u>	<u>(404,055)</u>	<u>3,551,132</u>	<u>194,400</u>
<b>Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:</b>				
Contribution of Capital Assets	\$ -	-	-	220,692
Purchase of Capital Assets on Account	3,736	-	-	30,360
Change in Fair Value of Investments	6,999	(994)	260,172	-

Police Garage	Communication Services	Copy Services	Total
71,852	61,723	122,504	11,597,557
3,474,432	134,661	215,138	36,684,146
(1,201,504)	(77,270)	(303,573)	(30,048,892)
(917,396)	(138,770)	(49,175)	(12,623,153)
(649,977)	(7,922)	(10,151)	(1,881,649)
<u>777,407</u>	<u>(27,578)</u>	<u>(25,257)</u>	<u>3,728,009</u>

-	-	-	10,000
-	-	-	(10,425)
-	-	-	1,391,947
-	-	-	(726,253)
-	-	-	(105,251)
12,663	2,349	3,597	92,544
<u>12,663</u>	<u>2,349</u>	<u>3,597</u>	<u>652,562</u>

(862,867)	-	-	(1,971,927)
11,087	-	-	37,401
-	-	-	(60,884)
-	-	-	(2,855)
<u>(851,780)</u>	<u>-</u>	<u>-</u>	<u>(1,998,265)</u>

343,818	46,851	71,467	3,924,552
(249,044)	(23,507)	(40,025)	(4,915,120)
44,026	5,237	9,021	1,074,832
<u>138,800</u>	<u>28,581</u>	<u>40,463</u>	<u>84,264</u>

77,090	3,352	18,803	2,466,570
320,475	34,314	57,343	5,412,487
<u>397,565</u>	<u>37,666</u>	<u>76,146</u>	<u>7,879,057</u>

<u>283,169</u>	<u>(34,547)</u>	<u>(29,228)</u>	<u>(264,554)</u>
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629,636	939	-	2,609,568
(340)	1,559	(257)	18,739
(165,773)	517	(278)	(609,814)
1,159	955	4,281	106,198
22,612	-	-	189,254
-	-	-	6,857
(11,801)	451	(5)	36,213
5,698	563	417	(150,075)
(2,522)	1,738	(187)	74,622
15,569	247	-	11,550
-	-	-	(229)
-	-	-	(190,995)
-	-	-	1,890,675
<u>494,238</u>	<u>6,969</u>	<u>3,971</u>	<u>3,992,563</u>
<u>777,407</u>	<u>(27,578)</u>	<u>(25,257)</u>	<u>3,728,009</u>

-	-	-	220,692
-	-	-	34,096
12,595	1,026	1,841	281,639

