

## 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.

Municipal Services Center Fund – To account for the purchase of, improvements to, and operation of a facility to provide a consolidated location for various functions of city government. Revenues are derived from the issue of certificates of participation and rental payments from user departments and other occupying agencies.

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 POSITION**  
**INTERNAL SERVICE FUNDS**  
**AUGUST 31, 2013**

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 196,702	8,922	2,581,782	-
Investments	786,546	35,573	11,310,089	-
Accounts Receivable	61,380	74,685	2,571	579
Accrued Interest Receivable	2,989	239	53,892	725
Lease Receivable	785,000	-	-	-
Due from Other Funds	392,553	355,399	203,158	22,131
Due from Other Governments	270,779	1,430	12,507	444
Inventories	-	-	-	612,496
Prepaid Expenses	298,172	29,699	-	-
<b>Total Current Assets</b>	<b>2,794,121</b>	<b>505,947</b>	<b>14,163,999</b>	<b>636,375</b>
Noncurrent Assets:				
Investments	836,752	37,843	10,975,888	-
Restricted Cash and Cash Equivalents	-	-	-	-
Capital Assets:				
Land	-	-	-	-
Buildings	26,486	-	-	-
Improvements Other Than Buildings	-	-	-	420,192
Machinery and Equipment	3,923,856	421,073	28,936	19,512,868
Construction in Progress	-	-	-	-
Less Accumulated Depreciation	(2,286,615)	(389,797)	(28,936)	(14,639,088)
<b>Total Capital Assets, Net</b>	<b>1,663,727</b>	<b>31,276</b>	<b>-</b>	<b>5,293,972</b>
<b>Total Noncurrent Assets</b>	<b>2,500,479</b>	<b>69,119</b>	<b>10,975,888</b>	<b>5,293,972</b>
<b>Total Assets</b>	<b>5,294,600</b>	<b>575,066</b>	<b>25,139,887</b>	<b>5,930,347</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	217,515	111,431	977,200	157,995
Accrued Liabilities	154,790	226,539	28,885	54,913
Accrued Compensated Absences	252,712	353,171	29,302	99,790
Due to Other Funds	8,375	45,051	1,869	533,056
Due to Other Governments	52	543	15,531	296
Unearned Revenue	-	62,663	-	-
Claims	-	-	3,733,880	-
Accrued Interest	12,262	-	-	12,478
Current Portion of Capital Lease	615,000	-	-	220,593
<b>Total Current Liabilities</b>	<b>1,260,706</b>	<b>799,398</b>	<b>4,786,667</b>	<b>1,079,121</b>
Noncurrent Liabilities:				
Accrued Compensated Absences	184,848	464,880	35,863	112,529
Claims	-	-	6,046,204	-
Capital Lease Payable	1,100,394	-	-	463,012
Accrued Liabilities	106,183	169,892	24,270	54,608
<b>Total Noncurrent Liabilities</b>	<b>1,391,425</b>	<b>634,772</b>	<b>6,106,337</b>	<b>630,149</b>
<b>Total Liabilities</b>	<b>2,652,131</b>	<b>1,434,170</b>	<b>10,893,004</b>	<b>1,709,270</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	(51,667)	31,276	-	4,610,367
Unrestricted	2,694,136	(890,380)	14,246,883	(389,290)
<b>Total Net Position</b>	<b>\$ 2,642,469</b>	<b>(859,104)</b>	<b>14,246,883</b>	<b>4,221,077</b>

<u>Police Garage</u>	<u>Municipal Services Center</u>	<u>Communication Services</u>	<u>Copy Services</u>	<u>Total</u>
252,712	25,344	-	480	3,065,942
1,013,156	101,447	-	6,587	13,253,398
54,267	11,395	13,802	1,448	220,127
4,189	-	-	47	62,081
-	-	-	-	785,000
350,591	2,008	5,101	18,269	1,349,210
5,358	-	1,713	13,632	305,863
134,010	-	-	-	746,506
-	-	-	-	327,871
<u>1,814,283</u>	<u>140,194</u>	<u>20,616</u>	<u>40,463</u>	<u>20,115,998</u>
1,077,826	107,923	-	7,008	13,043,240
-	1,183,744	-	-	1,183,744
48,250	1,258,700	-	-	1,306,950
356,072	7,009,457	-	-	7,392,015
45,500	-	-	-	465,692
7,450,487	86,330	28,349	-	31,451,899
-	5,367,422	-	-	5,367,422
<u>(4,063,378)</u>	<u>(628,642)</u>	<u>(28,349)</u>	<u>-</u>	<u>(22,064,805)</u>
<u>3,836,931</u>	<u>13,093,267</u>	<u>-</u>	<u>-</u>	<u>23,919,173</u>
<u>4,914,757</u>	<u>14,384,934</u>	<u>-</u>	<u>7,008</u>	<u>38,146,157</u>
<u>6,729,040</u>	<u>14,525,128</u>	<u>20,616</u>	<u>47,471</u>	<u>58,262,155</u>
124,413	733,226	3,676	-	2,325,456
36,821	-	3,225	3,185	508,358
56,829	-	6,080	4,182	802,066
376	-	14,237	-	602,964
-	-	-	-	16,422
-	27,078	-	-	89,741
-	-	-	-	3,733,880
-	109,352	-	-	134,092
-	500,000	-	-	1,335,593
<u>218,439</u>	<u>1,369,656</u>	<u>27,218</u>	<u>7,367</u>	<u>9,548,572</u>
114,349	-	-	634	913,103
-	-	-	-	6,046,204
-	12,904,537	-	-	14,467,943
<u>42,473</u>	<u>-</u>	<u>9,101</u>	<u>3,034</u>	<u>409,561</u>
<u>156,822</u>	<u>12,904,537</u>	<u>9,101</u>	<u>3,668</u>	<u>21,836,811</u>
<u>375,261</u>	<u>14,274,193</u>	<u>36,319</u>	<u>11,035</u>	<u>31,385,383</u>
3,766,926	407,044	-	-	8,763,946
<u>2,586,853</u>	<u>(156,109)</u>	<u>(15,703)</u>	<u>36,436</u>	<u>18,112,826</u>
<u>6,353,779</u>	<u>250,935</u>	<u>(15,703)</u>	<u>36,436</u>	<u>26,876,772</u>

**CITY OF LINCOLN, NEBRASKA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services
<b>Operating Revenues</b>				
Charges for Services	\$ 7,754,927	7,302,872	33,816,149	5,719,425
<b>Operating Expenses</b>				
Personal Services	4,118,041	6,193,817	779,228	1,688,358
Materials and Supplies	190,109	34,228	6,862	2,285,988
Other Services and Charges	2,914,458	1,459,407	31,101,999	812,647
Depreciation	303,580	11,984	1,006	1,477,573
Total Operating Expenses	7,526,188	7,699,436	31,889,095	6,264,566
Operating Income (Loss)	228,739	(396,564)	1,927,054	(545,141)
<b>Nonoperating Revenues (Expenses)</b>				
Investment Earnings (Loss)	(12,080)	998	(74,544)	888
Gain on Disposal of Capital Assets	-	-	-	165,290
Debt Issuance Expense	(31,943)	-	-	-
Interest Expense and Fiscal Charges	(21,527)	-	-	(25,393)
Total Nonoperating Revenues (Expenses)	(65,550)	998	(74,544)	140,785
Income (Loss) Before Contributions and Transfers	163,189	(395,566)	1,852,510	(404,356)
Capital Contributions	-	-	-	59,553
Transfers In	-	-	-	-
Transfers Out	-	(13,799)	-	-
Change in Net Position	163,189	(409,365)	1,852,510	(344,803)
Net Position - Beginning of Year, Before Restatement	2,479,280	(449,739)	12,394,373	4,565,880
Adjustment for Implementation of GASB 65	-	-	-	-
Net Position - Beginning of Year, After Restatement	2,479,280	(449,739)	12,394,373	4,565,880
Net Position - Ending	\$ 2,642,469	(859,104)	14,246,883	4,221,077

<u>Police Garage</u>	<u>Municipal Services Center</u>	<u>Communication Services</u>	<u>Copy Services</u>	<u>Total</u>
<u>4,365,757</u>	<u>1,486,652</u>	<u>135,777</u>	<u>309,357</u>	<u>60,890,916</u>
1,109,263	-	92,111	89,154	14,069,972
1,516,549	-	1,908	248,075	4,283,719
638,195	665,561	44,235	12,625	37,649,127
661,734	252,965	313	-	2,709,155
<u>3,925,741</u>	<u>918,526</u>	<u>138,567</u>	<u>349,854</u>	<u>58,711,973</u>
<u>440,016</u>	<u>568,126</u>	<u>(2,790)</u>	<u>(40,497)</u>	<u>2,178,943</u>
(9,608)	(1,952)	-	124	(96,174)
19,652	278	-	-	185,220
-	(94,372)	-	-	(126,315)
-	(350,537)	-	-	(397,457)
<u>10,044</u>	<u>(446,583)</u>	<u>-</u>	<u>124</u>	<u>(434,726)</u>
450,060	121,543	(2,790)	(40,373)	1,744,217
-	10,272	-	-	69,825
-	79,992	-	-	79,992
-	(154,810)	-	-	(168,609)
<u>450,060</u>	<u>56,997</u>	<u>(2,790)</u>	<u>(40,373)</u>	<u>1,725,425</u>
5,903,719	329,514	(12,913)	76,809	25,286,923
-	(135,576)	-	-	(135,576)
<u>5,903,719</u>	<u>193,938</u>	<u>(12,913)</u>	<u>76,809</u>	<u>25,151,347</u>
<u>6,353,779</u>	<u>250,935</u>	<u>(15,703)</u>	<u>36,436</u>	<u>26,876,772</u>

**CITY OF LINCOLN, NEBRASKA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers and Users	\$ 2,570,833	1,962,971	9,435,909	429,278
Receipts from Interfund Services Provided	5,141,807	5,262,797	24,376,992	5,296,795
Payments to Suppliers for Goods and Services	(3,620,484)	(312,473)	(30,435,645)	(2,629,925)
Payments to Employees	(4,006,024)	(6,076,054)	(765,919)	(1,622,663)
Payments for Interfund Services Provided	(189,689)	(1,076,505)	(245,995)	(345,801)
Net Cash Provided (Used) by Operating Activities	<u>(103,557)</u>	<u>(239,264)</u>	<u>2,365,342</u>	<u>1,127,684</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	-	(13,799)	-	-
Advance from General Fund	-	-	-	1,657,405
Repayment of Advances from General Fund	-	-	-	(1,855,905)
Payments from Other Funds	9,796	5,597	205,658	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>9,796</u>	<u>(8,202)</u>	<u>205,658</u>	<u>(198,500)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Additions to Capital Assets	(1,063,873)	-	-	(1,100,105)
Proceeds from Sale of Capital Assets	-	-	-	183,817
Proceeds from Long-Term Debt	2,021,876	-	-	-
Cost of Debt Issuance	(31,943)	-	-	-
Principal Payments of Capital Lease	(280,000)	-	-	(213,626)
Interest and Fiscal Charges Paid	(35,746)	-	-	(29,274)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>610,314</u>	<u>-</u>	<u>-</u>	<u>(1,159,188)</u>
<b>Cash Flows from Investing Activities</b>				
Proceeds from Sale and Maturities of Investments	1,502,858	319,905	23,606,108	-
Purchases of Investments	(1,904,185)	(86,119)	(24,977,671)	-
Interest and Other Receipts	2,956	3,394	112,660	1,190
Net Cash Provided (Used) by Investing Activities	<u>(398,371)</u>	<u>237,180</u>	<u>(1,258,903)</u>	<u>1,190</u>
Net Increase (Decrease) in Cash and Cash Equivalents	118,182	(10,286)	1,312,097	(228,814)
Cash and Cash Equivalents - Beginning	78,520	19,208	1,269,685	228,814
Cash and Cash Equivalents - Ending	<u>\$ 196,702</u>	<u>8,922</u>	<u>2,581,782</u>	<u>-</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	\$ 228,739	(396,564)	1,927,054	(545,141)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	303,580	11,984	1,006	1,477,573
Changes in Assets and Liabilities:				
Accounts Receivable	(3,745)	67,252	(2,571)	234
Lease Receivable	(785,000)	-	-	-
Due from Other Funds	5,898	(41,464)	-	1,553
Due from Other Governments	(44,441)	2,888	(677)	4,862
Inventories	-	-	-	60,357
Prepaid Expenses	(113,691)	8,685	-	-
Accounts Payable	189,682	103,211	946,469	64,318
Accrued Liabilities	41,757	46,805	7,353	13,348
Accrued Compensated Absences	70,260	70,958	5,956	52,347
Due to Other Funds	3,398	(7,389)	40	(2,063)
Due to Other Governments	6	151	3,666	296
Unearned Revenue	-	(105,781)	-	-
Claims	-	-	(522,954)	-
Total Adjustments	<u>(332,296)</u>	<u>157,300</u>	<u>438,288</u>	<u>1,672,825</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (103,557)</u>	<u>(239,264)</u>	<u>2,365,342</u>	<u>1,127,684</u>
<b>Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:</b>				
Contribution of Capital Assets	\$ -	-	-	59,553
Purchase of Capital Assets on Account	-	-	-	-
Change in Fair Value of Investments	(14,227)	226	(173,606)	-

Police Garage	Municipal Services Center	Communication Services	Copy Services	Total
(60,990)	774,938	49,386	126,538	15,288,863
4,474,490	727,713	74,380	181,549	45,536,523
(1,328,550)	(122,763)	(27,048)	(272,552)	(38,749,440)
(1,086,333)	-	(91,829)	(87,588)	(13,736,410)
(828,452)	(434,395)	(4,889)	(12,625)	(3,138,351)
<u>1,170,165</u>	<u>945,493</u>	<u>-</u>	<u>(64,678)</u>	<u>5,201,185</u>
-	79,992	-	-	79,992
-	(154,810)	-	-	(168,609)
-	-	-	-	1,657,405
-	-	-	-	(1,855,905)
23,161	1,623	-	1,349	247,184
<u>23,161</u>	<u>(73,195)</u>	<u>-</u>	<u>1,349</u>	<u>(39,933)</u>
(1,170,950)	(4,836,676)	-	-	(8,171,604)
89,691	278	-	-	273,786
-	6,098,663	-	-	8,120,539
-	(94,372)	-	-	(126,315)
-	(495,000)	-	-	(988,626)
-	(312,843)	-	-	(377,863)
<u>(1,081,259)</u>	<u>360,050</u>	<u>-</u>	<u>-</u>	<u>(1,270,083)</u>
2,452,615	210,755	-	75,044	28,167,285
(2,452,794)	(245,598)	-	(15,947)	(29,682,314)
8,093	136	-	175	128,604
<u>7,914</u>	<u>(34,707)</u>	<u>-</u>	<u>59,272</u>	<u>(1,386,425)</u>
119,981	1,197,641	-	(4,057)	2,504,744
132,731	11,447	-	4,537	1,744,942
<u>252,712</u>	<u>1,209,088</u>	<u>-</u>	<u>480</u>	<u>4,249,686</u>
<u>440,016</u>	<u>568,126</u>	<u>(2,790)</u>	<u>(40,497)</u>	<u>2,178,943</u>
661,734	252,965	313	-	2,709,155
7,899	(11,080)	(7,467)	677	51,199
-	-	-	-	(785,000)
29,455	-	(3,601)	(3,169)	(11,328)
10,389	-	(943)	1,221	(26,701)
(3,682)	-	-	-	56,675
-	-	-	-	(105,006)
1,236	108,404	3,274	(24,477)	1,392,117
12,652	-	2,602	917	125,434
10,278	-	(2,320)	650	208,129
188	-	10,997	-	5,171
-	-	(65)	-	4,054
-	27,078	-	-	(78,703)
-	-	-	-	(522,954)
<u>730,149</u>	<u>377,367</u>	<u>2,790</u>	<u>(24,181)</u>	<u>3,022,242</u>
<u>1,170,165</u>	<u>945,493</u>	<u>-</u>	<u>(64,678)</u>	<u>5,201,185</u>
-	10,272	-	-	69,825
70,005	465,430	-	-	535,435
(16,542)	(1,777)	-	96	(205,830)