

**INTERNAL SERVICE FUNDS**

The **Fleets and Facilities Fund** accounts for support services to other City departments in the areas of vehicle purchases and motor pool maintenance and repairs; building and related facility operations and maintenance; architecture, engineering, and space planning; and real estate management.

The **Information Technology Fund** accounts for support services provided by the Department of Information Technology to other City departments. The services include managing the City's information technology resources, including Citywide telecommunications, data communications, and the physical infrastructure that supports them; the City's telephone system, radio system, and fiber optic network; Citywide application infrastructure; and interactive media services.

The **Engineering Services Fund** accounts for the design, construction, and management services performed for capital improvement projects of other City departments and other entities.

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## COMBINING STATEMENT OF NET ASSETS

### INTERNAL SERVICE FUNDS

December 31, 2006

(In Thousands)

	Fleets and Facilities	Information Technology	Engineering Services	Comparative Totals	
				2006	2005
<b>ASSETS</b>					
<i>Current Assets</i>					
Cash and Equity in Pooled Investments	\$ 15,095	\$ 24,359	\$ 481	\$ 39,935	\$ 43,121
Receivables, Net of Allowances					
Accounts	369	621	3	993	617
Interest and Dividends	78	96	-	174	127
Unbilled	-	-	17	17	6
Due from Other Funds	3,926	2,144	449	6,519	7,081
Due from Other Governments	555	2,141	-	2,696	3,340
Materials and Supplies Inventory	1,754	570	-	2,324	2,207
Total Current Assets	21,777	29,931	950	52,658	56,499
<i>Noncurrent Assets</i>					
Restricted Cash and Equity in Pooled Investments	31	-	-	31	83
Capital Assets					
Land and Land Rights	81	-	-	81	81
Buildings and Improvements	2,574	-	-	2,574	2,574
Less Accumulated Depreciation	(718)	-	-	(718)	(482)
Machinery and Equipment	125,535	28,397	1,456	155,388	146,019
Less Accumulated Depreciation	(62,740)	(20,293)	(1,402)	(84,435)	(79,153)
Construction in Progress	5	5,328	-	5,333	5,333
Total Noncurrent Assets	64,768	13,432	54	78,254	74,455
Total Assets	86,545	43,363	1,004	130,912	130,954
<b>LIABILITIES</b>					
<i>Current Liabilities</i>					
Accounts Payable	3,237	1,174	156	4,567	5,675
Salaries, Benefits, and Payroll Taxes Payable	987	850	383	2,220	2,041
Contracts Payable	53	-	-	53	105
Due to Other Funds	284	465	376	1,125	3,337
Interest Payable	-	146	-	146	196
Taxes Payable	34	8	(2)	40	31
Current Portion of Long-Term Debt					
General Obligation Bonds Due Within One Year	-	815	-	815	780
Contracts Payable	-	383	-	383	361
Claims Payable	351	16	40	407	456
Compensated Absences Payable	117	150	58	325	320
Other Current Liabilities	2	-	-	2	-
Total Current Liabilities	5,065	4,007	1,011	10,083	13,302
<i>Noncurrent Liabilities</i>					
Advances from Other Funds	-	-	2,500	2,500	3,500
Compensated Absences Payable	1,458	1,167	523	3,148	3,130
Claims Payable	686	30	102	818	969
Vendor and Other Deposits Payable	31	-	-	31	83
General Obligation Bonds, Due Serially	-	1,675	-	1,675	2,455
Less Bonds Due Within One Year	-	(815)	-	(815)	(780)
Bond Discount and Premium	-	49	-	49	79
Contracts Payable	-	1	-	1	381
Other Noncurrent Liabilities	79	773	-	852	886
Total Noncurrent Liabilities	2,254	2,880	3,125	8,259	10,703
Total Liabilities	7,319	6,887	4,136	18,342	24,005
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	64,738	11,709	54	76,501	71,097
Unrestricted	14,488	24,767	(3,186)	36,069	35,852
Total Net Assets	\$ 79,226	\$ 36,476	\$ (3,132)	\$ 112,570	\$ 106,949

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**COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2006  
(In Thousands)**

	<b>Fleets and Facilities</b>	<b>Information Technology</b>	<b>Engineering Services</b>	<b>Comparative Totals</b>	
				<b>2006</b>	<b>2005</b>
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 22,209	\$ 37,391	\$ 9,269	\$ 68,869	\$ 64,701
Rents, Parking, and Concessions	50,529	-	-	50,529	50,833
Total Operating Revenues	72,738	37,391	9,269	119,398	115,534
<b>OPERATING EXPENSES</b>					
Operations and Maintenance	53,142	31,841	-	84,983	79,912
Utility Systems Management	-	-	110	110	-
Engineering Services	-	-	7,531	7,531	6,817
General and Administrative	5,109	3,750	708	9,567	7,845
City Business and Occupation Taxes	5	-	-	5	5
Other Taxes	374	5	-	379	252
Depreciation and Amortization	10,841	2,385	32	13,258	13,261
Total Operating Expenses	69,471	37,981	8,381	115,833	108,092
Operating Income (Loss)	3,267	(590)	888	3,565	7,442
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment and Interest Income	1,129	1,150	-	2,279	1,307
Interest Expense	-	(70)	-	(70)	(287)
Gain (Loss) on Sale of Capital Assets	102	-	-	102	(154)
Contributions and Grants	334	2,770	-	3,104	3,846
Others, Net	948	-	-	948	-
Total Nonoperating Revenues (Expenses)	2,513	3,850	-	6,363	4,712
Income (Loss) Before Transfers	5,780	3,260	888	9,928	12,154
Transfers In	-	893	-	893	1,447
Transfers Out	(5,200)	-	-	(5,200)	(10,115)
Change in Net Assets	580	4,153	888	5,621	3,486
Total Net Assets -Beginning of Year	78,646	32,323	(4,020)	106,949	103,463
Total Net Assets - End of Year	\$ 79,226	\$ 36,476	\$ (3,132)	\$ 112,570	\$ 106,949

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2006

(In Thousands)

	Fleets and Facilities	Information Technology	Engineering Services	Comparative Totals	
				2006	2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers	\$ 73,528	\$ 37,544	\$ 9,247	\$ 120,319	\$ 113,021
Cash Paid to Suppliers	(39,969)	(17,454)	(461)	(57,884)	(46,090)
Cash Paid to Employees	(21,129)	(18,739)	(7,516)	(47,384)	(45,341)
Cash Paid for Taxes	(426)	-	-	(426)	(247)
Net Cash from Operating Activities	12,004	1,351	1,270	14,625	21,343
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Payment of Interfund Advances	-	-	(1,000)	(1,000)	(1,100)
Operating Grants and Contributions Received	334	2,770	-	3,104	3,846
Transfers In	-	893	-	893	1,447
Transfers Out	(5,200)	-	-	(5,200)	(10,115)
Net Cash from Noncapital Financing Activities	(4,866)	3,663	(1,000)	(2,203)	(5,922)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal Payments on Long-Term Debt	-	(780)	-	(780)	(950)
Capital Expenditures and Deferred Charges Paid	(14,402)	(2,682)	(26)	(17,110)	(15,209)
Interest Paid on Long-Term Debt	-	(152)	-	(152)	(201)
Proceeds from Sale of Capital Assets	102	-	-	102	(154)
Net Cash from Capital and Related Financing Activities	(14,300)	(3,614)	(26)	(17,940)	(16,514)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and Investment Income Received	1,129	1,150	-	2,279	1,308
Net Increase (Decrease) in Cash and Equity in Pooled Investments	(6,033)	2,550	244	(3,239)	215
<b>CASH AND EQUITY IN POOLED INVESTMENTS</b>					
Beginning of Year	21,158	21,809	237	43,204	42,989
End of Year	\$ 15,125	\$ 24,359	\$ 481	\$ 39,965	\$ 43,204
<b>CASH AT THE END OF THE YEAR CONSISTS OF</b>					
Current Assets Cash and Equity in Pooled Investments	\$ 15,095	\$ 24,359	\$ 481	\$ 39,935	\$ 43,121
Restricted Cash and Equity in Pooled Investments	30	-	-	30	83
Total Cash at the End of the Year	\$ 15,125	\$ 24,359	\$ 481	\$ 39,965	\$ 43,204

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**COMBINING STATEMENT OF CASH FLOWS**

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**INTERNAL SERVICE FUNDS**

**For the Year Ended December 31, 2006**

*(In Thousands)*

	Fleets and Facilities	Information Technology	Engineering Services	Comparative Totals	
				2006	2005
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 3,267	\$ (590)	\$ 888	\$ 3,565	\$ 7,442
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities</b>					
Depreciation and Amortization	10,841	2,385	32	13,258	13,261
Changes in Operating Assets and Liabilities					
Accounts Receivable	140	(686)	-	(546)	(533)
Unbilled Receivables	-	-	(12)	(12)	(1)
Due from Other Funds	(302)	248	(7)	(61)	(1,558)
Due from Other Governments	51	591	1	643	(509)
Materials and Supplies Inventory	(149)	33	-	(116)	(145)
Accounts Payable	(679)	(546)	118	(1,107)	1,709
Salaries, Benefits, and Payroll Taxes Payable	125	42	12	179	80
Compensated Absences Payable	(34)	27	30	23	151
Due to Other Funds	(2,018)	235	321	(1,462)	1,687
Claims Payable	(82)	(6)	(113)	(201)	(87)
Taxes Payable	4	4	-	8	11
Deferred Credits	(46)	-	-	(46)	88
Other Assets and Liabilities	886	(386)	-	500	(253)
Total Adjustments	8,737	1,941	382	11,060	13,901
Net Cash from Operating Activities	\$ 12,004	\$ 1,351	\$ 1,270	\$ 14,625	\$ 21,343

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