

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, 2007

(In Thousands)

	Fleets and Facilities	Information Technology	Engineering Services	Comparative Totals	
				2007	2006
ASSETS					
<i>Current Assets</i>					
Cash and Equity in Pooled Investments	\$ 19,970	\$ 26,976	\$ 964	\$ 47,910	\$ 39,883
Receivables, Net of Allowances					
Accounts	164	1,193	2	1,359	990
Interest and Dividends	97	124	-	221	174
Unbilled	-	79	-	79	17
Due from Other Funds	5,716	3,009	405	9,130	6,519
Due from Other Governments	454	976	-	1,430	2,697
Materials and Supplies Inventory	1,920	611	-	2,531	2,324
Total Current Assets	28,321	32,968	1,371	62,660	52,604
<i>Noncurrent Assets</i>					
Restricted Cash and Equity in Pooled Investments	198	-	-	198	83
Capital Assets					
Land and Land Rights	39	-	-	39	81
Buildings and Improvements	2,890	-	-	2,890	2,575
Less Accumulated Depreciation	(853)	-	-	(853)	(718)
Machinery and Equipment	132,206	29,054	-	161,260	155,388
Less Accumulated Depreciation	(63,632)	(18,290)	-	(81,922)	(84,435)
Construction in Progress	-	3,176	-	3,176	5,333
Total Noncurrent Assets	70,848	13,940	-	84,788	78,307
Total Assets	99,169	46,908	1,371	147,448	130,911
LIABILITIES					
<i>Current Liabilities</i>					
Accounts Payable	4,404	4,864	166	9,434	4,567
Salaries, Benefits, and Payroll Taxes Payable	1,111	1,031	342	2,484	2,221
Due to Other Funds	449	430	863	1,742	1,125
Interest Payable	-	76	-	76	146
Taxes Payable	36	-	-	36	40
Current Portion of Long-Term Debt					
General Obligation Bonds Due Within One Year	-	860	-	860	815
Contracts Payable	-	-	-	-	383
Claims Payable	405	16	-	421	407
Compensated Absences Payable	108	163	-	271	324
Other Current Liabilities	65	-	-	65	2
Total Current Liabilities	6,578	7,440	1,371	15,389	10,030
<i>Noncurrent Liabilities</i>					
Advances from Other Funds	-	-	-	-	2,500
Compensated Absences Payable	1,623	1,362	-	2,985	3,148
Claims Payable	762	31	-	793	818
Vendor and Other Deposits Payable	199	-	-	199	83
General Obligation Bonds, Due Serially	-	860	-	860	1,675
Less Bonds Due Within One Year	-	(860)	-	(860)	(815)
Bond Discount and Premium	-	18	-	18	49
Contracts Payable	-	-	-	-	1
Unfunded Other Post Employment Benefits	214	146	-	360	-
Other Noncurrent Liabilities	98	712	-	810	852
Total Noncurrent Liabilities	2,896	2,269	-	5,165	8,311
Total Liabilities	9,474	9,709	1,371	20,554	18,341
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	70,650	13,062	-	83,712	76,500
Unrestricted	19,045	24,137	-	43,182	36,070
Total Net Assets	\$ 89,695	\$ 37,199	\$ -	\$ 126,894	\$ 112,570

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**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2007
(In Thousands)**

	Fleets and Facilities	Information Technology	Engineering Services	Comparative Totals	
				2007	2006
OPERATING REVENUES					
Charges for Services	\$ 27,948	\$ 44,112	\$ 11,472	\$ 83,532	\$ 68,869
Rents, Parking, and Concessions	87,651	-	-	87,651	51,474
Total Operating Revenues	115,599	44,112	11,472	171,183	120,343
OPERATING EXPENSES					
Operations and Maintenance	57,799	36,750	-	94,549	84,983
Utility Systems Management	-	-	123	123	110
Engineering Services	-	-	7,583	7,583	7,531
General and Administrative	9,139	4,486	782	14,407	9,567
City Business and Occupation Taxes	5	-	-	5	5
Other Taxes	262	(3)	-	259	379
Depreciation and Amortization	11,039	3,482	17	14,538	13,258
Total Operating Expenses	78,244	44,715	8,505	131,464	115,833
Operating Income (Loss)	37,355	(603)	2,967	39,719	4,510
NONOPERATING REVENUES (EXPENSES)					
Investment and Interest Income	1,130	1,542	-	2,672	2,279
Interest Expense	-	14	-	14	(70)
Gain (Loss) on Sale of Capital Assets	193	(80)	18	131	102
Contributions and Grants	57	910	-	967	3,104
Others, Net	3	26	147	176	2
Total Nonoperating Revenues (Expenses)	1,383	2,412	165	3,960	5,417
Income (Loss) Before Contributions, Grants, and Transfers	38,738	1,809	3,132	43,679	9,927
Capital Contributions and Grants	85	-	-	85	-
Transfers In	-	-	-	-	893
Transfers Out	(28,354)	(1,086)	-	(29,440)	(5,200)
Change in Net Assets	10,469	723	3,132	14,324	5,620
Total Net Assets -Beginning of Year	79,226	36,476	(3,132)	112,570	106,950
Total Net Assets - End of Year	\$ 89,695	\$ 37,199	\$ -	\$ 126,894	\$ 112,570

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2007

(In Thousands)

	Fleets and Facilities	Information Technology	Engineering Services	Comparative Totals	
				2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 114,097	\$ 43,732	\$ 11,643	\$ 169,472	\$ 120,319
Cash Paid to Suppliers	(42,009)	(17,278)	(7,600)	(66,887)	(57,022)
Cash Paid to Employees	(22,941)	(20,228)	(1,115)	(44,284)	(48,246)
Cash Paid for Taxes	(265)	(5)	-	(270)	(426)
Net Cash from Operating Activities	48,882	6,221	2,928	58,031	14,625
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payment of Interfund Advances	-	-	(2,500)	(2,500)	(1,000)
Operating Grants and Contributions Received	58	910	-	968	3,104
Transfers In	-	-	-	-	893
Transfers Out	(28,354)	(1,086)	-	(29,440)	(5,200)
Net Cash from Noncapital Financing Activities	(28,296)	(176)	(2,500)	(30,972)	(2,203)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal Payments on Long-Term Debt	-	(815)	-	(815)	(780)
Capital Expenditures and Deferred Charges Paid	(16,865)	(3,989)	-	(20,854)	(17,109)
Interest Paid on Long-Term Debt	-	(86)	-	(86)	(152)
Proceeds from Sale of Capital Assets	192	(80)	55	167	102
Net Cash from Capital and Related Financing Activities	(16,673)	(4,970)	55	(21,588)	(17,939)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and Investment Income Received	1,130	1,542	-	2,672	2,279
Net Increase (Decrease) in Cash and Equity in Pooled Investments	5,043	2,617	483	8,143	(3,238)
CASH AND EQUITY IN POOLED INVESTMENTS					
Beginning of Year	15,125	24,359	481	39,965	43,204
End of Year	\$ 20,168	\$ 26,976	\$ 964	\$ 48,108	\$ 39,966
CASH AT THE END OF THE YEAR CONSISTS OF					
Current Assets Cash and Equity in Pooled Investments	\$ 19,970	\$ 26,976	\$ 964	\$ 47,910	\$ 39,883
Noncurrent Restricted Cash and Equity in Pooled Investments	198	-	-	198	83
Total Cash at the End of the Year	\$ 20,168	\$ 26,976	\$ 964	\$ 48,108	\$ 39,966

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COMBINING STATEMENT OF CASH FLOWS

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INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2007

(In Thousands)

		<u>Fleets and Facilities</u>	<u>Information Technology</u>	<u>Engineering Services</u>	<u>Comparative Totals</u>	
					<u>2007</u>	<u>2006</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES						
Operating Income (Loss)	\$	37,355	\$ (603)	\$ 2,967	\$ 39,719	\$ 4,511
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities						
Depreciation and Amortization		11,039	3,482	17	14,538	13,258
Changes in Operating Assets and Liabilities						
Accounts Receivable		186	(681)	-	(495)	(481)
Unbilled Receivables		-	-	17	17	(13)
Due from Other Funds		(1,791)	(864)	6	(2,649)	625
Due from Other Governments		101	1,165	-	1,266	643
Materials and Supplies Inventory		(166)	(40)	-	(206)	(117)
Accounts Payable		1,167	3,690	10	4,867	(1,108)
Salaries, Benefits, and Payroll Taxes Payable		124	181	(42)	263	179
Compensated Absences Payable		157	208	(581)	(216)	22
Due to Other Funds		165	(36)	526	655	(2,212)
Claims Payable		130	1	(142)	(11)	(200)
Contracts Payable		-	-	-	-	-
Taxes Payable		2	(8)	3	(3)	9
Deferred Credits		-	-	-	-	-
Other Assets and Liabilities		413	(274)	147	286	(491)
Total Adjustments		<u>11,527</u>	<u>6,824</u>	<u>(39)</u>	<u>18,312</u>	<u>10,114</u>
Net Cash from Operating Activities	\$	<u>48,882</u>	\$ <u>6,221</u>	\$ <u>2,928</u>	\$ <u>58,031</u>	\$ <u>14,625</u>

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