

INTERNAL SERVICE FUND

Internal Service Funds are a subclassification of the Proprietary Fund Types and are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

The Vehicle and Equipment Renewal and Replacement Fund

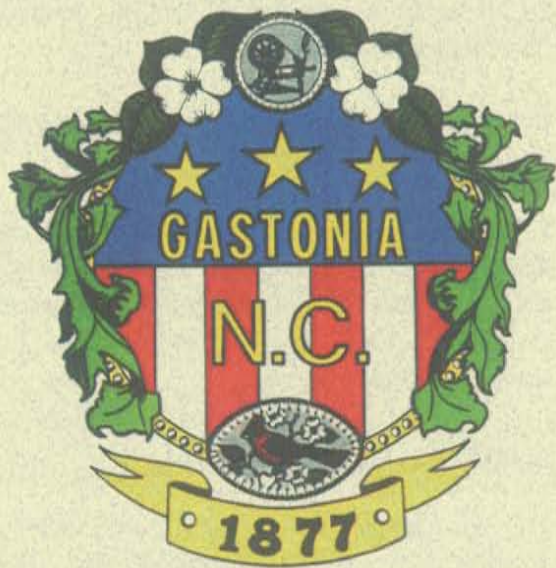
The Vehicle and Equipment Renewal and Replacement Fund is used to account for the accumulation and allocation of costs associated with the City's vehicle and equipment replacement.

Information Technology Fund

The Information Technology Fund is used to account for computer support and other technology services.

Medical Self-Insurance Fund

The Medical Self-Insurance Fund provides medical coverage to the City's employees and their dependents.



CITY OF GASTONIA, NORTH CAROLINA

INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2007

	<u>Vehicle Replacement Fund</u>	<u>Information Technology Fund</u>	<u>Medical Self-Insurance Fund</u>	<u>Total</u>
Assets:				
Current assets:				
Cash, cash equivalents, and investments	\$ 519,634	\$ 37,309	\$ 672,654	\$ 1,229,597
Accounts receivable, net	-	139,349	-	139,349
Interest receivable	2,915	198	-	3,113
Due from other funds	-	-	653,848	653,848
Cash and cash equivalents, restricted	2,468,078	-	-	2,468,078
Noncurrent assets:				
Depreciable capital assets, net	9,918,966	-	-	9,918,966
Total assets	\$ 12,909,593	\$ 176,856	\$ 1,326,502	\$ 14,412,951
Liabilities:				
Current liabilities:				
Accounts payable	\$ 216,735	\$ 17,041	\$ 233,357	\$ 467,133
Accrued salaries and benefits	-	15,136	-	15,136
Accrued interest	202,116	-	-	202,116
Due to other funds	-	-	104,759	104,759
Current portion of long-term debt	130,000	-	-	130,000
Noncurrent liabilities:				
Noncurrent portion of long-term debt	7,617,196	-	-	7,617,196
Total liabilities	8,166,047	32,177	338,116	8,536,340
Net Assets:				
Invested in capital assets, net of related debt	2,171,770	-	-	2,171,770
Unrestricted	2,571,776	144,679	988,386	3,704,841
Total net assets	4,743,546	144,679	988,386	5,876,611
Total liabilities and net assets	\$ 12,909,593	\$ 176,856	\$ 1,326,502	\$ 14,412,951

CITY OF GASTONIA, NORTH CAROLINA

**INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Vehicle Replacement Fund</u>	<u>Information Technology Fund</u>	<u>Medical Self-Insurance Fund</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$ 2,666,762	\$ 1,980,952	\$ 6,925,780	\$ 11,573,494
Other operating revenues	-	18,413	-	18,413
Total	<u>2,666,762</u>	<u>1,999,365</u>	<u>6,925,780</u>	<u>11,591,907</u>
Operating Expenses:				
Operations area	401,026	1,903,510	5,961,271	8,265,807
Depreciation and amortization	<u>1,922,825</u>	-	-	<u>1,922,825</u>
Total	<u>2,323,851</u>	<u>1,903,510</u>	<u>5,961,271</u>	<u>10,188,632</u>
Operating income (loss)	<u>342,911</u>	<u>95,855</u>	<u>964,509</u>	<u>1,403,275</u>
Nonoperating Revenues (Expenses):				
Investment earnings	161,087	1,690	23,877	186,654
Gain (loss) on disposal of fixed assets	30,433	-	-	30,433
Interest on long-term debt	<u>(257,387)</u>	-	-	<u>(257,387)</u>
Total nonoperating revenues (expenses)	<u>(65,867)</u>	<u>1,690</u>	<u>23,877</u>	<u>(40,300)</u>
Change in net assets	277,044	97,545	988,386	1,362,975
Net Assets:				
Beginning of year - July 1	<u>4,466,502</u>	<u>47,134</u>	-	<u>4,513,636</u>
End of year - June 30	<u>\$ 4,743,546</u>	<u>\$ 144,679</u>	<u>\$ 988,386</u>	<u>\$ 5,876,611</u>

CITY OF GASTONIA, NORTH CAROLINA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2007

	Vehicle Replacement Fund	Information Technology Fund	Medical Self-Insurance Fund	Total
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 2,666,762	\$ 1,876,013	\$ 6,925,780	\$ 11,468,555
Cash paid to suppliers	(201,622)	(999,541)	(5,727,914)	(6,929,077)
Cash paid to employees	-	(871,792)	-	(871,792)
Net cash provided by operating activities	<u>2,465,140</u>	<u>4,680</u>	<u>1,197,866</u>	<u>3,667,686</u>
Cash Flows from Noncapital Financing Activities:				
Change in due from other funds	-	-	(549,089)	(549,089)
Cash Flows from Capital and Related Financing Activities:				
Principal paid on long-term debt	322,908	-	-	322,908
Proceeds from sale of capital assets	95,941	-	-	95,941
Acquisition and construction of capital assets	(2,971,638)	-	-	(2,971,638)
Interest paid on long-term debt	(231,935)	-	-	(231,935)
Net cash provided (used) by capital and related financing activities	<u>(2,784,724)</u>	<u>-</u>	<u>-</u>	<u>(2,784,724)</u>
Cash Flows from Investing Activities:				
Interest on investments	<u>164,553</u>	<u>1,669</u>	<u>23,877</u>	<u>190,099</u>
Net increase (decrease) in cash and cash equivalents	(155,031)	6,349	672,654	523,972
Cash and Cash Equivalents:				
Beginning of year - July 1	<u>3,142,743</u>	<u>30,960</u>	<u>-</u>	<u>3,173,703</u>
End of year - June 30	<u>\$ 2,987,712</u>	<u>\$ 37,309</u>	<u>\$ 672,654</u>	<u>\$ 3,697,675</u>
Reconciliation of Operating Income to Cash Flows from Operating Activities:				
Operating income (loss)	\$ 342,911	\$ 95,855	\$ 964,509	\$ 1,403,275
Depreciation and amortization	1,922,825	-	-	1,922,825
Change in Assets and Liabilities:				
(Increase) decrease in accounts receivables	-	(123,352)	-	(123,352)
Increase (decrease) in accounts payable	<u>199,404</u>	<u>32,177</u>	<u>233,357</u>	<u>464,938</u>
Net cash provided by operating activities	<u>\$ 2,465,140</u>	<u>\$ 4,680</u>	<u>\$ 1,197,866</u>	<u>\$ 3,667,686</u>

CITY OF GASTONIA, NORTH CAROLINA

VEHICLE AND EQUIPMENT RENEWAL AND REPLACEMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2007

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007			2006
	Budget	Actual	Variance Over/Under	Actual
Operating Revenues:				
Vehicle and equipment rentals	\$ 2,739,918	\$ 2,666,762	\$ (73,156)	\$ 3,217,975
Nonoperating Revenues:				
Proceeds from sale of capital assets	-	114,304	114,304	31,590
Investment earnings	30,000	161,087	131,087	102,036
Total	30,000	275,391	245,391	133,626
Total revenues	2,769,918	2,942,153	172,235	3,351,601
Expenditures:				
Operating expenditures:				
Equipment manager:				
Other operating expenditures	10,019	10,019	-	7,519
Capital outlay	3,167,641	2,713,714	453,927	1,551,047
Total	3,177,660	2,723,733	453,927	1,558,566
Computer systems:				
Other operating expenditures	457,732	395,880	61,852	111,903
Capital outlay	370,284	210,374	159,910	116,456
Total	828,016	606,254	221,762	228,359
Mobile data system:				
Other operating expenditures	-	-	-	295,179
Capital outlay	-	-	-	459,217
Total	-	-	-	754,396
Engineering:				
Other operating expenditures	58,550	45,780	12,770	-
Total operating expenditures	4,064,226	3,375,767	688,459	2,541,321

CITY OF GASTONIA, NORTH CAROLINA

VEHICLE AND EQUIPMENT RENEWAL AND REPLACEMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007		Variance Over/Under	2006
	Budget	Actual		Actual
Debt service:				
Principal repayments	2,440,208	2,440,208	-	2,512,550
Interest and fees	232,092	231,935	157	224,367
Debt issuance costs	9,000	8,795	205	8,419
Other debt service costs	11,765	6,465	5,300	3,690
Total	<u>2,693,065</u>	<u>2,687,403</u>	<u>5,662</u>	<u>2,749,026</u>
Total expenditures	<u>6,757,291</u>	<u>6,063,170</u>	<u>694,121</u>	<u>5,290,347</u>
Revenues over (under) expenditures	<u>(3,987,373)</u>	<u>(3,121,017)</u>	<u>866,356</u>	<u>(1,938,746)</u>
Other Financing Sources (Uses):				
Operating transfers from other funds	-	-	-	18,366
Issuance of long-term debt	2,760,516	2,763,116	2,600	3,191,783
Appropriated fund balance	1,226,857	-	(1,226,857)	-
Total other financing sources (uses)	<u>3,987,373</u>	<u>2,763,116</u>	<u>(1,224,257)</u>	<u>3,210,149</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (357,901)</u>	<u>\$ (357,901)</u>	<u>\$ 1,271,403</u>

**Reconciliation from Budgetary Basis
to Full Accrual Basis:**

Net change in fund balances \$ (357,901)

Reconciling Items:

Depreciation and amortization (1,922,825)
Gain/(loss) on sale of fixed assets (83,871)
Proceeds from issuance of long-term debt (2,763,116)
Long-term debt principal repayments 2,440,208
Capital outlay, capitalized 2,990,001
Change in accrued interest (25,452)

Change in net assets - GAAP basis \$ 277,044

CITY OF GASTONIA, NORTH CAROLINA

INFORMATION TECHNOLOGY FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007		Variance Over/Under	2006
	Budget	Actual		Actual
Operating Revenues:				
Technology services	\$ 2,022,567	\$ 1,980,952	\$ (41,615)	\$ 117,040
Miscellaneous	-	18,413	18,413	8,130
Total	<u>2,022,567</u>	<u>1,999,365</u>	<u>(23,202)</u>	<u>125,170</u>
Nonoperating Revenues:				
Investment earnings	-	1,690	1,690	819
Total revenues	<u>2,022,567</u>	<u>2,001,055</u>	<u>(21,512)</u>	<u>125,989</u>
Expenditures:				
Operating expenditures:				
Network access:				
Other operating expenditures	100,174	71,009	29,165	70,585
Capital outlay	9,500	-	9,500	8,270
Total	<u>109,674</u>	<u>71,009</u>	<u>38,665</u>	<u>78,855</u>
Technology services-administration				
Salaries and employee benefits	313,108	308,881	4,227	-
Other operating expenditures	207,154	195,118	12,036	-
Capital outlay	30	27	3	-
Total	<u>520,292</u>	<u>504,026</u>	<u>16,266</u>	<u>-</u>
Technology services-public safety				
Salaries and employee benefits	158,440	128,450	29,990	-
Other operating expenditures	115,339	109,974	5,365	-
Capital outlay	5,633	5,633	-	-
Total	<u>279,412</u>	<u>244,057</u>	<u>35,355</u>	<u>-</u>
Technology services-computer support				
Salaries and employee benefits	248,299	246,956	1,343	-
Other operating expenditures	183,064	178,031	5,033	-
Total	<u>431,363</u>	<u>424,987</u>	<u>6,376</u>	<u>-</u>

CITY OF GASTONIA, NORTH CAROLINA

INFORMATION TECHNOLOGY FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007		Variance Over/Under	2006
	Budget	Actual		Actual
Technology-city equipment				
Other operating expenditures	465,389	450,884	14,505	-
Technology services-support administration				
Salaries and employee benefits	208,369	202,641	5,728	-
Other operating expenditures	9,255	5,906	3,349	-
Total	217,624	208,547	9,077	-
Total expenditures	2,023,754	1,903,510	120,244	78,855
Revenues over (under) expenditures	(1,187)	97,545	98,732	47,134
Other Financing Sources (Uses):				
Appropriated fund balance	1,187	-	(1,187)	-
Net change in fund balances	\$ -	\$ 97,545	\$ 97,545	\$ 47,134

Reconciliation from budgetary basis to full
accrual basis:

Change in net assets - GAAP basis \$ 97,545

CITY OF GASTONIA, NORTH CAROLINA

MEDICAL SELF-INSURANCE FUND

SCHEDULE OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2007

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2006

	2007			2006
	Budget	Actual	Variance Over/Under	Actual
Operating Revenues:				
Charges for services	\$ 7,247,717	\$ 6,925,780	\$ (321,937)	\$ -
Nonoperating Revenues:				
Investment earnings	-	23,877	23,877	-
Total revenues	7,247,717	6,949,657	(298,060)	-
Expenditures:				
Operating expenditures:				
Administration:				
Operating expenditures	7,247,717	5,961,271	1,286,446	-
Net change in fund balances	\$ -	\$ 988,386	\$ 988,386	\$ -
Reconciliation from budgetary basis to full accrual basis:				
Change in net assets - GAAP basis		\$ 988,386		