

Proprietary Funds - Internal Service Funds

Internal Service Funds are a sub-classification of the Proprietary Fund Types and are used to account for the operations of enterprises established to provide services primarily to other City functions. The financial statement of the Internal Service Fund represents the revenues and expenses related to the City's healthcare, worker's compensation and general liabilities insurance.

Insurance Fund - Insurance Fund is used to account for the operations of the City's self-insurance activities which provide the overall insurance coverage for all City departments.

**CITY OF ASHEVILLE
INTERNAL SERVICES FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2008**

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Charges for services	\$ 12,129,210	\$ 11,883,059	\$ (246,151)
Insurance recovery	<u>1,515,055</u>	<u>1,539,114</u>	<u>24,059</u>
Total operating revenues	<u>13,644,265</u>	<u>13,422,173</u>	<u>(222,092)</u>
 OPERATING EXPENDITURES			
Insurance Claims	13,792,823	13,784,009	(8,814)
Administrative costs	1,471,847	1,480,870	9,023
Legal & professional services	<u>289,540</u>	<u>282,693</u>	<u>(6,847)</u>
Total operating expenditures	<u>15,554,210</u>	<u>15,547,572</u>	<u>(6,638)</u>
Operating income (loss)	<u>(1,909,945)</u>	<u>(2,125,399)</u>	<u>(215,454)</u>
 NONOPERATING REVENUES			
Investment earnings	<u>100,000</u>	<u>396,899</u>	<u>296,899</u>
Total nonoperating revenues	<u>100,000</u>	<u>396,899</u>	<u>296,899</u>
Revenues under expenditures before other financing sources	(1,809,945)	(1,728,500)	81,445
 OTHER FINANCING SOURCES			
Transfers from the general fund	-	9,363,700	9,363,700
Transfers to the general fund	(240,055)	(240,055)	-
Appropriated fund balance	<u>2,050,000</u>	<u>-</u>	<u>(2,050,000)</u>
Total other financing sources (expenditures)	<u>1,809,945</u>	<u>9,123,645</u>	<u>7,313,700</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>7,395,145</u>	<u>\$ 7,395,145</u>
Reconciling Items:			
Change in estimate for claims incurred but not reported		<u>(2,564,692)</u>	
Change in net assets		<u>\$ 4,830,453</u>	