

Internal Service Funds

Internal service funds are used to account for services and commodities furnished by a designated department to other departments within the City or to other governments on a cost reimbursement basis.

Garage Fund - to account for the cost of automotive and other motorized equipment of the City. The acquisition cost of new or upgraded equipment is financed through user departments and the asset value is simultaneously contributed to the Garage Fund. The cost of replacement of existing equipment is financed by the Garage Fund.

Administrative Services Fund - to account for various support activities including information technology, printing, mailing, and telephone services. The cost for these services is charged to user departments based on the cost of providing units of service.

General Services Fund - to account for various support activities including building maintenance and custodial services for all City departments and facilities. The cost for these services is charged to user departments based on the cost of providing units of service.

Central Insurance Fund - to account for the City's limited self-insurance program wherein all funds are assessed charges based on damage claims incurred and on management's assessment of individual funds' risk exposure. All claims and premiums are paid out of this fund, together with other costs necessary to administer the program. Medical insurance premiums are also paid from this fund.

City of Clearwater, Florida
Combining Statement of Net Assets
Internal Service Funds
September 30, 2003

	<u>Garage Fund</u>	<u>Administrative Services</u>	<u>General Services</u>	<u>Central Insurance</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash on hand and in banks	\$ -	\$ 1,900	\$ -	\$ -	\$ 1,900
Equity in pooled cash and investments	4,081,388	1,243,155	491,704	21,505,812	27,322,059
Due from other funds	-	1,050,696	194,980	650,127	1,895,803
Inventories, at cost	220,491	-	-	-	220,491
Prepaid expenses and other assets	-	-	-	618,058	618,058
Total current assets	<u>4,301,879</u>	<u>2,295,751</u>	<u>686,684</u>	<u>22,773,997</u>	<u>30,058,311</u>
Noncurrent assets:					
Interest receivable	5,793	-	-	-	5,793
Advances to other funds	-	-	-	4,012,876	4,012,876
Net pension asset	566,548	1,050,405	376,608	99,331	2,092,892
Capital assets:					
Land and other nondepreciable assets	696,681	-	-	-	696,681
Capital assets, net of accumulated depreciation	<u>13,868,106</u>	<u>2,583,256</u>	<u>141,688</u>	<u>34,554</u>	<u>16,627,604</u>
Total noncurrent assets	<u>15,137,128</u>	<u>3,633,661</u>	<u>518,296</u>	<u>4,146,761</u>	<u>23,435,846</u>
Total assets	<u>19,439,007</u>	<u>5,929,412</u>	<u>1,204,980</u>	<u>26,920,758</u>	<u>53,494,157</u>
LIABILITIES					
Current liabilities:					
Accounts and contracts payable	5,000	6,250	5,000	233,845	250,095
Accrued payroll	47,709	86,856	32,730	9,413	176,708
Due to other funds	2,088	362,724	-	-	364,812
Deferred revenue	1,212,306	-	-	-	1,212,306
Current portion of long-term liabilities:					
Compensated absences	10,105	29,146	7,531	2,817	49,599
Notes, loan pool agreement and acquisition contracts	2,446,495	252,692	4,759	-	2,703,946
Claims payable	-	-	-	3,678,100	3,678,100
Total current liabilities (payable from current assets)	<u>3,723,703</u>	<u>737,668</u>	<u>50,020</u>	<u>3,924,175</u>	<u>8,435,566</u>
Noncurrent liabilities:					
Compensated absences	91,968	265,263	68,541	25,635	451,407
Notes, loan pool agreement and acquisition contracts	5,388,354	322,945	16,413	-	5,727,712
Advances from other funds	-	824,882	-	-	824,882
Claims payable	-	-	-	9,278,382	9,278,382
Total noncurrent liabilities	<u>5,480,322</u>	<u>1,413,090</u>	<u>84,954</u>	<u>9,304,017</u>	<u>16,282,383</u>
Total liabilities	<u>9,204,025</u>	<u>2,150,758</u>	<u>134,974</u>	<u>13,228,192</u>	<u>24,717,949</u>
NET ASSETS					
Invested in capital assets, net of related debt	6,729,938	2,007,619	120,516	34,554	8,892,627
Restricted for employees' pension benefits	566,548	1,050,405	376,608	99,331	2,092,892
Unrestricted	<u>2,938,496</u>	<u>720,630</u>	<u>572,882</u>	<u>13,558,681</u>	<u>17,790,689</u>
Total net assets	<u>\$ 10,234,982</u>	<u>\$ 3,778,654</u>	<u>\$ 1,070,006</u>	<u>\$ 13,692,566</u>	<u>\$ 28,776,208</u>

The notes to the financial statements are an integral part of this statement.

City of Clearwater, Florida
Combining Statement of Revenue, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended September 30, 2003

	<u>Garage Fund</u>	<u>Administrative Services</u>	<u>General Services</u>	<u>Central Insurance</u>	<u>Total</u>
Operating revenues					
Billings to departments	\$ 8,633,526	\$ 8,025,826	\$ 2,994,265	\$ 13,071,556	\$ 32,725,173
Operating expenses:					
Personal services	1,791,982	3,576,373	1,465,770	390,953	7,225,078
Purchases for resale	2,025,601	-	-	-	2,025,601
Operating materials and supplies	280,350	196,452	229,328	4,170	710,300
Transportation	7,200	83,403	80,611	4,571	175,785
Utility service	86,946	4,887	348,307	-	440,140
Depreciation	3,087,902	537,343	12,551	6,569	3,644,365
Interfund administrative charges	174,810	50,780	-	-	225,590
Other current charges:					
Professional fees	292,539	147,085	17,000	72,632	529,256
Advertising	-	-	-	100	100
Communications	25,335	1,222,636	43,453	14,212	1,305,636
Printing and binding	246	49,216	-	-	49,462
Insurance					
Premiums	283,980	61,340	39,130	10,378,941	10,763,391
Claims incurred	629,014	-	-	3,528,861	4,157,875
Repairs and maintenance	-	570,668	906,459	9,435	1,486,562
Rentals	2,776	303,709	10,358	1,934	318,777
Miscellaneous	32,950	100,142	30,918	29,332	193,342
Data processing charges	128,360	264,720	43,940	18,830	455,850
Taxes	5,707	-	-	-	5,707
Total other current charges	<u>1,400,907</u>	<u>2,719,516</u>	<u>1,091,258</u>	<u>14,054,277</u>	<u>19,265,958</u>
Total operating expenses	<u>8,855,698</u>	<u>7,168,754</u>	<u>3,227,825</u>	<u>14,460,540</u>	<u>33,712,817</u>
Operating income (loss)	<u>(222,172)</u>	<u>857,072</u>	<u>(233,560)</u>	<u>(1,388,984)</u>	<u>(987,644)</u>
Nonoperating revenues (expenses)					
Earnings on investments	84,347	46,848	23,396	690,461	845,052
Interest expense	(270,346)	(43,184)	(634)	-	(314,164)
Gain (loss) on exchange of assets	234,329	(150,671)	(4,080)	-	79,578
Other	231,132	7,467	-	-	238,599
Total nonoperating revenue (expenses)	<u>279,462</u>	<u>(139,540)</u>	<u>18,682</u>	<u>690,461</u>	<u>849,065</u>
Income (loss) before transfers	<u>57,290</u>	<u>717,532</u>	<u>(214,878)</u>	<u>(698,523)</u>	<u>(138,579)</u>
Capital grants and contributions	7,722	60,000	-	-	67,722
Transfers in	549,577	-	-	238,477	788,054
	<u>557,299</u>	<u>60,000</u>	<u>-</u>	<u>238,477</u>	<u>855,776</u>
Change in net assets	614,589	777,532	(214,878)	(460,046)	717,197
Total net assets - beginning	9,620,393	3,001,122	1,284,884	14,152,612	28,059,011
Total net assets - ending	<u>\$ 10,234,982</u>	<u>\$ 3,778,654</u>	<u>\$ 1,070,006</u>	<u>\$ 13,692,566</u>	<u>\$ 28,776,208</u>

The notes to the financial statements are an integral part of this statement.

City of Clearwater, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2003

	<u>Garage Fund</u>	<u>Administrative Services</u>	<u>General Services</u>	<u>Central Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from other funds	\$ 8,633,526	\$ 8,025,826	\$ 2,994,265	\$ 13,071,556	\$ 32,725,173
Cash payments to suppliers	(3,924,369)	(2,389,993)	(1,515,825)	(11,489,779)	(19,319,966)
Cash payments to employees	(1,877,375)	(3,722,861)	(1,518,245)	(406,243)	(7,524,724)
Cash payments to other funds	(198,807)	(691,897)	(229,019)	(44,511)	(1,164,234)
Other revenues	231,132	7,467	-	-	238,599
Net cash provided (used) by operating activities	<u>2,864,107</u>	<u>1,228,542</u>	<u>(268,824)</u>	<u>1,131,023</u>	<u>4,954,848</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in from other funds	549,577	60,000	-	238,477	848,054
Receipt of cash on loans to/from other funds	181,614	-	109,587	1,083,465	1,374,666
Payment of cash on loans to/from other funds	-	(138,839)	-	(1,361,488)	(1,500,327)
Net cash provided (used) by noncapital financing activities	<u>731,191</u>	<u>(78,839)</u>	<u>109,587</u>	<u>(39,546)</u>	<u>722,393</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal payments on debt	(2,379,382)	(241,910)	-	-	(2,621,292)
Interest paid	(270,346)	(43,184)	(634)	-	(314,164)
Acquisition of fixed assets	(3,684,198)	(712,077)	(21,824)	-	(4,418,099)
Sale of fixed assets	242,462	-	-	-	242,462
Proceeds from issuance of debt	2,618,833	112,905	(4,510)	-	2,727,228
Net cash (used) by capital and related financing activities	<u>(3,472,631)</u>	<u>(884,266)</u>	<u>(26,968)</u>	<u>-</u>	<u>(4,383,865)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	84,347	46,848	23,396	690,461	845,052
Net cash provided by investing activities	<u>84,347</u>	<u>46,848</u>	<u>23,396</u>	<u>690,461</u>	<u>845,052</u>
Net increase (decrease) in cash and cash equivalents	207,014	312,285	(162,809)	1,781,938	2,138,428
Cash and cash equivalents at beginning of year	<u>3,874,374</u>	<u>932,770</u>	<u>654,513</u>	<u>19,723,874</u>	<u>25,185,531</u>
Cash and cash equivalents at end of year	<u>\$ 4,081,388</u>	<u>\$ 1,245,055</u>	<u>\$ 491,704</u>	<u>\$ 21,505,812</u>	<u>\$ 27,323,959</u>
Cash and cash equivalents classified as:					
Cash on hand and in banks	\$ -	\$ 1,900	\$ -	\$ -	\$ 1,900
Equity in pooled cash and investments	<u>4,081,388</u>	<u>1,243,155</u>	<u>491,704</u>	<u>21,505,812</u>	<u>27,322,059</u>
Total cash and cash equivalents	<u>\$ 4,081,388</u>	<u>\$ 1,245,055</u>	<u>\$ 491,704</u>	<u>\$ 21,505,812</u>	<u>\$ 27,323,959</u>

The notes to the financial statements are an integral part of this statement.

City of Clearwater, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2003

	Garage Fund	Administrative Services	General Services	Central Insurance	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (222,172)	\$ 857,072	\$ (233,560)	\$ (1,388,984)	\$ (987,644)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Other revenue from nonoperating section of income statement	231,132	7,467	-	-	238,599
Depreciation	3,087,902	537,343	12,551	6,569	3,644,365
Change in assets and liabilities:					
(Increase) in inventory	(34,916)	-	-	-	(34,916)
Decrease in prepaid expenses	-	-	-	921,027	921,027
Increase (decrease) in accounts and contracts payable	(112,446)	(26,852)	4,660	1,607,701	1,473,063
(Increase) in net pension asset	(91,240)	(183,358)	(61,849)	(19,739)	(356,186)
Increase in accrued payroll	5,847	36,870	9,374	4,449	56,540
Total adjustments	<u>3,086,279</u>	<u>371,470</u>	<u>(35,264)</u>	<u>2,520,007</u>	<u>5,942,492</u>
Net cash provided (used) by operating activities	<u>\$ 2,864,107</u>	<u>\$ 1,228,542</u>	<u>\$ (268,824)</u>	<u>\$ 1,131,023</u>	<u>\$ 4,954,848</u>
Noncash investing, capital and financing activities:					
Gain (loss) on exchange of assets	\$ 234,329	\$ (143,681)	\$ (4,080)	\$ -	\$ 86,568
Asset contributions from general government	\$ 7,722	\$ -	\$ -	\$ -	\$ 7,722
Asset contributions to general government	\$ -	\$ (6,990)	\$ -	\$ -	\$ (6,990)
Contributed assets per radio lease agreement	\$ 1,101,825	\$ -	\$ -	\$ -	\$ 1,101,825
Increase in net pension asset	\$ 91,240	183,358	\$ 61,850	\$ 19,738	\$ 356,186

The notes to the financial statements are an integral part of this statement.