

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, 2004

	<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	4,226,666	1,811,331	663,919	24,221,814	30,923,730
Other receivables	-	-	-	25,121	25,121
Due from other funds	58,787	896,854	214,727	379,056	1,549,424
Inventories, at cost	201,345	-	-	-	201,345
Prepaid expenses and other assets	-	-	-	103,574	103,574
Total current assets	<u>4,486,798</u>	<u>2,710,085</u>	<u>878,646</u>	<u>24,729,565</u>	<u>32,805,094</u>
Noncurrent assets:					
Interest receivable	5,793	-	-	-	5,793
Advances to other funds	-	-	-	3,725,474	3,725,474
Net pension asset	558,125	1,034,491	370,906	97,543	2,061,065
Capital assets:					
Land and other nondepreciable assets	696,681	-	-	-	696,681
Capital assets, net of accumulated depreciation	<u>13,724,088</u>	<u>3,623,844</u>	<u>128,520</u>	<u>27,985</u>	<u>17,504,437</u>
Total noncurrent assets	<u>14,984,687</u>	<u>4,658,335</u>	<u>499,426</u>	<u>3,851,002</u>	<u>23,993,450</u>
Total assets	<u>19,471,485</u>	<u>7,368,420</u>	<u>1,378,072</u>	<u>28,580,567</u>	<u>56,798,544</u>
LIABILITIES					
Current liabilities:					
Accounts and contracts payable	5,598	4,881	34,892	243,793	289,164
Accrued payroll	60,643	108,919	50,429	12,018	232,009
Accrued interest payable	-	25,121	-	-	25,121
Due to other funds	-	91,654	-	-	91,654
Unearned revenue	1,148,500	-	-	-	1,148,500
Current portion of long-term liabilities:					
Compensated absences	16,356	33,676	10,528	3,828	64,388
Notes, loan pool agreement and acquisition contracts	2,847,922	242,418	14,965	-	3,105,305
Claims payable	-	-	-	2,785,300	2,785,300
Total current liabilities (payable from current assets)	<u>4,079,019</u>	<u>506,669</u>	<u>110,814</u>	<u>3,044,939</u>	<u>7,741,441</u>
Noncurrent liabilities:					
Compensated absences	129,339	266,304	83,258	30,271	509,172
Notes, loan pool agreement and acquisition contracts	5,213,412	277,169	52,812	-	5,543,393
Advances from other funds	-	824,881	-	-	824,881
Claims payable	-	-	-	7,674,511	7,674,511
Total noncurrent liabilities	<u>5,342,751</u>	<u>1,368,354</u>	<u>136,070</u>	<u>7,704,782</u>	<u>14,551,957</u>
Total liabilities	<u>9,421,770</u>	<u>1,875,023</u>	<u>246,884</u>	<u>10,749,721</u>	<u>22,293,398</u>
NET ASSETS					
Invested in capital assets, net of related debt	6,359,435	3,104,257	60,743	27,985	9,552,420
Restricted for employees' pension benefits	558,125	1,034,491	370,906	97,543	2,061,065
Unrestricted	<u>3,132,155</u>	<u>1,354,649</u>	<u>699,539</u>	<u>17,705,318</u>	<u>22,891,661</u>
Total net assets	<u>\$ 10,049,715</u>	<u>\$ 5,493,397</u>	<u>\$ 1,131,188</u>	<u>\$ 17,830,846</u>	<u>\$ 34,505,146</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, 2004

	<u>Garage Fund</u>	<u>Administrative Services</u>	<u>General Services</u>	<u>Central Insurance</u>	<u>Total</u>
Operating revenues					
Billings to departments	\$ 8,979,446	\$ 8,272,464	\$ 3,415,744	\$ 15,556,177	\$ 36,223,831
Operating expenses:					
Personal services	2,091,514	3,972,561	1,797,861	405,223	8,267,159
Purchases for resale	2,455,284	-	-	-	2,455,284
Operating materials and supplies	110,644	207,810	240,840	6,234	565,528
Transportation	6,212	85,801	116,360	5,189	213,562
Utility service	96,312	5,649	394,388	-	496,349
Depreciation	3,511,177	579,351	13,168	6,569	4,110,265
Interfund administrative charges	302,320	43,570	-	-	345,890
Other current charges:					
Professional fees	268,911	145,449	3,000	58,304	475,664
Communications	26,017	1,338,513	47,229	11,563	1,423,322
Printing and binding	-	20,006	-	-	20,006
Insurance					
Premiums	296,640	83,750	49,120	11,459,713	11,889,223
Claims incurred	662,741	-	-	2,194,118	2,856,859
Repairs and maintenance	-	604,151	598,171	13,540	1,215,862
Rentals	2,904	448,597	6,573	1,705	459,779
Miscellaneous	16,880	79,519	23,231	26,566	146,196
Data processing charges	128,590	224,920	42,900	17,990	414,400
Taxes	4,377	-	-	-	4,377
Total other current charges	<u>1,407,060</u>	<u>2,944,905</u>	<u>770,224</u>	<u>13,783,499</u>	<u>18,905,688</u>
Total operating expenses	<u>9,980,523</u>	<u>7,839,647</u>	<u>3,332,841</u>	<u>14,206,714</u>	<u>35,359,725</u>
Operating income (loss)	<u>(1,001,077)</u>	<u>432,817</u>	<u>82,903</u>	<u>1,349,463</u>	<u>864,106</u>
Nonoperating revenues (expenses)					
Earnings on investments	86,733	58,998	16,759	597,790	760,280
Interest expense	(252,549)	(48,934)	(910)	-	(302,393)
Gain (loss) on exchange of assets	324,250	34,556	-	-	358,806
Other	202,254	4,430	16,388	-	223,072
Total nonoperating revenue (expenses)	<u>360,688</u>	<u>49,050</u>	<u>32,237</u>	<u>597,790</u>	<u>1,039,765</u>
Income (loss) before transfers	<u>(640,389)</u>	<u>481,867</u>	<u>115,140</u>	<u>1,947,253</u>	<u>1,903,871</u>
Transfers in	455,122	1,232,876	-	277,189	1,965,187
Transfers out	-	-	(53,958)	(500,000)	(553,958)
	<u>455,122</u>	<u>1,232,876</u>	<u>(53,958)</u>	<u>(222,811)</u>	<u>1,411,229</u>
Change in net assets	(185,267)	1,714,743	61,182	1,724,442	3,315,100
Total net assets - beginning	10,234,982	3,778,654	1,070,006	16,106,404	31,190,046
Total net assets - ending	<u>\$ 10,049,715</u>	<u>\$ 5,493,397</u>	<u>\$ 1,131,188</u>	<u>\$ 17,830,846</u>	<u>\$ 34,505,146</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, 2004

	<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	\$ 8,979,446	\$ 8,272,464	\$ 3,415,744	\$ 15,556,177	\$ 36,223,831
Cash payments to suppliers	(4,044,813)	(2,574,706)	(1,217,419)	(13,308,525)	(21,145,463)
Cash payments to employees	(2,026,535)	(3,929,013)	(1,756,745)	(395,183)	(8,107,476)
Cash payments to other funds	(313,275)	(714,398)	(274,502)	(44,798)	(1,346,973)
Other revenues	138,448	4,430	16,388	-	159,266
Net cash provided (used) by operating activities	<u>2,733,271</u>	<u>1,058,777</u>	<u>183,466</u>	<u>1,807,671</u>	<u>5,783,185</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in from other funds	455,122	-	-	277,189	732,311
Transfers out to other funds	-	-	(53,958)	(500,000)	(553,958)
Receipt of cash on loans to/from other funds	-	-	-	558,473	558,473
Payment of cash on loans to/from other funds	(60,875)	(117,228)	(19,747)	-	(197,850)
Net cash provided (used) by noncapital financing activities	<u>394,247</u>	<u>(117,228)</u>	<u>(73,705)</u>	<u>335,662</u>	<u>538,976</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal payments on debt	(2,589,372)	(253,894)	(7,353)	-	(2,850,619)
Interest paid	(252,549)	(23,813)	(910)	-	(277,272)
Acquisition of fixed assets	(3,367,159)	(352,508)	-	-	(3,719,667)
Sale of fixed assets	324,250	-	-	-	324,250
Proceeds from issuance of debt	2,815,857	197,844	53,958	-	3,067,659
Net cash (used) by capital and related financing activities	<u>(3,068,973)</u>	<u>(432,371)</u>	<u>45,695</u>	<u>-</u>	<u>(3,455,649)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	86,733	58,998	16,759	597,790	760,280
Net cash provided by investing activities	<u>86,733</u>	<u>58,998</u>	<u>16,759</u>	<u>597,790</u>	<u>760,280</u>
Net increase (decrease) in cash and cash equivalents	145,278	568,176	172,215	2,741,123	3,626,792
Cash and cash equivalents at beginning of year	4,081,388	1,245,055	491,704	21,505,812	27,323,959
Cash and cash equivalents at end of year	<u>\$ 4,226,666</u>	<u>\$ 1,813,231</u>	<u>\$ 663,919</u>	<u>\$ 24,246,935</u>	<u>\$ 30,950,751</u>
Cash and cash equivalents classified as:					
Cash on hand and in banks	\$ -	\$ 1,900	\$ -	\$ -	\$ 1,900
Equity in pooled cash and investments	4,226,666	1,811,331	663,919	24,246,935	30,948,851
Total cash and cash equivalents	<u>\$ 4,226,666</u>	<u>\$ 1,813,231</u>	<u>\$ 663,919</u>	<u>\$ 24,246,935</u>	<u>\$ 30,950,751</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, 2004

	<u>Garage Fund</u>	<u>Administrative Services</u>	<u>General Services</u>	<u>Central Insurance</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (1,001,077)	\$ 432,817	\$ 82,903	\$ 1,349,463	\$ 864,106
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Other revenue from nonoperating section of income statement	202,254	4,430	16,388	-	223,072
Depreciation	3,511,177	579,351	13,168	6,569	4,110,265
Change in assets and liabilities:					
(Increase) decrease in inventory	19,146	-	-	-	19,146
(Increase) decrease in prepaid expenses	-	-	-	514,485	514,485
Increase (decrease) in accounts and contracts payable	598	(1,369)	29,892	(72,886)	(43,765)
Increase (decrease) in unearned revenue	(63,806)	-	-	-	(63,806)
(Increase) decrease in net pension asset	8,423	15,914	5,702	1,788	31,827
Increase (decrease) in accrued payroll	56,556	27,634	35,413	8,252	127,855
Total adjustments	<u>3,734,348</u>	<u>625,960</u>	<u>100,563</u>	<u>458,208</u>	<u>4,919,079</u>
Net cash provided (used) by operating activities	<u>\$ 2,733,271</u>	<u>\$ 1,058,777</u>	<u>\$ 183,466</u>	<u>\$ 1,807,671</u>	<u>\$ 5,783,185</u>
Noncash investing, capital and financing activities:					
Asset contributions from general government	\$ -	\$ 35,430	\$ -	\$ -	\$ 35,430
Decrease in net pension asset	\$ (8,423)	\$ (15,914)	\$ (5,702)	\$ (1,789)	\$ (31,828)