

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, 2007

	<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	\$ -	\$ 1,800	\$ -	\$ -	\$ 1,800
Equity in pooled cash and investments	3,673,744	4,876,518	820,240	34,528,289	43,898,791
Other receivables	-	-	-	135,000	135,000
Due from other funds	-	-	-	91,654	91,654
Inventories, at cost	331,143	-	-	-	331,143
Prepaid expenses and other assets	-	-	-	1,370,240	1,370,240
Total current assets	<u>4,004,887</u>	<u>4,878,318</u>	<u>820,240</u>	<u>36,125,183</u>	<u>45,828,628</u>
Noncurrent assets:					
Interest receivable	-	-	-	-	-
Advances to other funds	-	-	-	2,824,881	2,824,881
Net pension asset	307,210	615,354	200,804	51,839	1,175,207
Capital assets:					
Land and other nondepreciable assets	1,100,712	-	103,691	-	1,204,403
Capital assets, net of accumulated depreciation	<u>12,178,321</u>	<u>3,350,977</u>	<u>134,689</u>	<u>14,277</u>	<u>15,678,264</u>
Total noncurrent assets	<u>13,586,243</u>	<u>3,966,331</u>	<u>439,184</u>	<u>2,890,997</u>	<u>20,882,755</u>
Total assets	<u>17,591,130</u>	<u>8,844,649</u>	<u>1,259,424</u>	<u>39,016,180</u>	<u>66,711,383</u>
LIABILITIES					
Current liabilities:					
Accounts and contracts payable	285,806	189,702	26,480	198,809	700,797
Accrued payroll	71,956	123,236	57,140	14,764	267,096
Accrued interest payable	-	135,000	-	-	135,000
Due to other funds	-	91,654	-	-	91,654
Unearned revenue	957,083	-	-	-	957,083
Current portion of long-term liabilities:					
Compensated absences	14,945	32,704	15,207	4,599	67,455
Notes, loan pool agreement and acquisition contracts	3,191,672	248,175	32,492	-	3,472,339
Claims payable	-	-	-	2,209,500	2,209,500
Total current liabilities (payable from current assets)	<u>4,521,462</u>	<u>820,471</u>	<u>131,319</u>	<u>2,427,672</u>	<u>7,900,924</u>
Noncurrent liabilities:					
Compensated absences	149,561	327,286	152,183	46,023	675,053
Notes, loan pool agreement and acquisition contracts	5,785,264	252,291	64,018	-	6,101,573
Advances from other funds	-	824,881	-	-	824,881
Claims payable	-	-	-	6,539,500	6,539,500
Total noncurrent liabilities	<u>5,934,825</u>	<u>1,404,458</u>	<u>216,201</u>	<u>6,585,523</u>	<u>14,141,007</u>
Total liabilities	<u>10,456,287</u>	<u>2,224,929</u>	<u>347,520</u>	<u>9,013,195</u>	<u>22,041,931</u>
NET ASSETS					
Invested in capital assets, net of related debt	4,302,097	2,850,511	141,870	14,277	7,308,755
Unrestricted	<u>2,832,746</u>	<u>3,769,209</u>	<u>770,034</u>	<u>29,988,708</u>	<u>37,360,697</u>
Total net assets	<u>\$ 7,134,843</u>	<u>\$ 6,619,720</u>	<u>\$ 911,904</u>	<u>\$ 30,002,985</u>	<u>\$ 44,669,452</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, 2007

	<u>Garage Fund</u>	<u>Administrative Services</u>	<u>General Services</u>	<u>Central Insurance</u>	<u>Total</u>
Operating revenues					
Billings to departments	\$ 11,305,537	\$ 9,150,384	\$ 4,168,025	\$ 19,473,770	\$ 44,097,716
Operating expenses:					
Personal services	2,472,739	4,456,207	2,228,003	475,010	9,631,959
Purchases for resale	3,521,472	-	-	-	3,521,472
Operating materials and supplies	131,881	125,545	244,054	4,349	505,829
Transportation	2,888	102,775	140,524	5,849	252,036
Utility service	124,281	5,678	508,102	-	638,061
Depreciation	4,223,194	723,335	15,978	3,569	4,966,076
Interfund administrative charges	396,500	63,880	-	-	460,380
Other current charges:					
Professional fees	294,318	195,704	-	86,198	576,220
Communications	19,059	1,347,405	48,030	12,464	1,426,958
Printing and binding	-	30,307	-	-	30,307
Insurance					
Premiums	47,210	57,670	18,300	13,556,359	13,679,539
Claims incurred	563,074	-	-	1,651,708	2,214,782
Repairs and maintenance	-	870,286	822,356	14,875	1,707,517
Rentals	2,767	701,002	17,275	1,413	722,457
Miscellaneous	27,495	91,055	23,447	65,603	207,600
Data processing charges	102,740	199,680	74,700	13,130	390,250
Taxes	4,963	-	-	-	4,963
Total other current charges	<u>1,061,626</u>	<u>3,493,109</u>	<u>1,004,108</u>	<u>15,401,750</u>	<u>20,960,593</u>
Total operating expenses	<u>11,934,581</u>	<u>8,970,529</u>	<u>4,140,769</u>	<u>15,890,527</u>	<u>40,936,406</u>
Operating income (loss)	<u>(629,044)</u>	<u>179,855</u>	<u>27,256</u>	<u>3,583,243</u>	<u>3,161,310</u>
Nonoperating revenues (expenses)					
Investment earnings	170,967	215,534	37,936	1,623,842	2,048,279
Interest expense	(340,494)	(64,158)	(5,026)	-	(409,678)
Gain (loss) on exchange of assets	320,058	(55,305)	-	-	264,753
Other	163,779	-	223	-	164,002
Total nonoperating revenue (expenses)	<u>314,310</u>	<u>96,071</u>	<u>33,133</u>	<u>1,623,842</u>	<u>2,067,356</u>
Income (loss) before transfers	<u>(314,734)</u>	<u>275,926</u>	<u>60,389</u>	<u>5,207,085</u>	<u>5,228,666</u>
Capital grants and contributions	-	5,661	-	-	5,661
Transfers in	188,870	52,023	-	139,760	380,653
Transfers out	-	(11,481)	-	(50,000)	(61,481)
	<u>188,870</u>	<u>46,203</u>	<u>-</u>	<u>89,760</u>	<u>324,833</u>
Change in net assets	(125,864)	322,129	60,389	5,296,845	5,553,499
Total net assets - beginning, as restated	7,260,707	6,297,591	851,515	24,706,140	39,115,953
Total net assets - ending	<u>\$ 7,134,843</u>	<u>\$ 6,619,720</u>	<u>\$ 911,904</u>	<u>\$ 30,002,985</u>	<u>\$ 44,669,452</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, 2007

	<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	\$ 11,305,537	\$ 9,150,384	\$ 4,168,025	\$ 19,473,770	\$ 44,097,716
Cash payments to suppliers	(4,420,139)	(2,946,741)	(1,601,512)	(16,095,155)	(25,063,547)
Cash payments to employees	(2,366,839)	(4,277,814)	(2,137,352)	(460,293)	(9,242,298)
Cash payments to other funds	<u>(661,056)</u>	<u>(742,438)</u>	<u>(290,330)</u>	<u>(41,882)</u>	<u>(1,735,706)</u>
Net cash provided by operating activities	<u>3,857,503</u>	<u>1,183,391</u>	<u>138,831</u>	<u>2,876,440</u>	<u>8,056,165</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in from other funds	188,871	52,023	-	139,760	380,654
Transfers out to other funds	-	(11,481)	-	(50,000)	(61,481)
Receipt of cash on loans to/from other funds	-	-	-	2,653,091	2,653,091
Other nonoperating revenues	<u>99,973</u>	<u>-</u>	<u>223</u>	<u>-</u>	<u>100,196</u>
Net cash provided (used) by noncapital financing activities	<u>288,844</u>	<u>40,542</u>	<u>223</u>	<u>2,742,851</u>	<u>3,072,460</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal payments on debt	(3,355,592)	(250,816)	(35,072)	-	(3,641,480)
Interest paid	(340,494)	(19,531)	(5,026)	-	(365,051)
Acquisition of capital assets	(4,174,293)	(655,918)	(10,750)	-	(4,840,961)
Sale of capital assets	320,058	-	-	-	320,058
Proceeds from issuance of debt	<u>3,408,001</u>	<u>280,693</u>	<u>-</u>	<u>-</u>	<u>3,688,694</u>
Net cash provided (used) by capital and related financing activities	<u>(4,142,320)</u>	<u>(645,572)</u>	<u>(50,848)</u>	<u>-</u>	<u>(4,838,740)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	<u>170,967</u>	<u>215,534</u>	<u>37,936</u>	<u>1,623,842</u>	<u>2,048,279</u>
Net cash provided by investing activities	<u>170,967</u>	<u>215,534</u>	<u>37,936</u>	<u>1,623,842</u>	<u>2,048,279</u>
Net increase in cash and cash equivalents	174,994	793,895	126,142	7,243,133	8,338,164
Cash and cash equivalents at beginning of year	<u>3,498,750</u>	<u>4,084,423</u>	<u>694,098</u>	<u>27,285,156</u>	<u>35,562,427</u>
Cash and cash equivalents at end of year	<u>\$ 3,673,744</u>	<u>\$ 4,878,318</u>	<u>\$ 820,240</u>	<u>\$ 34,528,289</u>	<u>\$ 43,900,591</u>
Cash and cash equivalents classified as:					
Cash on hand and in banks	\$ -	\$ 1,800	\$ -	\$ -	\$ 1,800
Equity in pooled cash and investments	<u>3,673,744</u>	<u>4,876,518</u>	<u>820,240</u>	<u>34,528,289</u>	<u>43,898,791</u>
Total cash and cash equivalents	<u>\$ 3,673,744</u>	<u>\$ 4,878,318</u>	<u>\$ 820,240</u>	<u>\$ 34,528,289</u>	<u>\$ 43,900,591</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, 2007

	<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)	\$ (629,044)	\$ 179,855	\$ 27,256	\$ 3,583,243	\$ 3,161,310
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	4,223,194	723,335	15,978	3,569	4,966,076
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	-	233	-	-	233
(Increase) decrease in inventory	(55,812)	-	-	-	(55,812)
(Increase) decrease in prepaid expenses	-	-	-	89,128	89,128
Increase (decrease) in accounts and contracts payable	213,265	101,575	4,946	(814,217)	(494,431)
(Increase) decrease in net pension asset	91,250	151,203	64,101	16,591	323,145
Increase (decrease) in accrued payroll	14,650	27,190	26,550	(1,874)	66,516
Total adjustments	<u>4,486,547</u>	<u>1,003,536</u>	<u>111,575</u>	<u>(706,803)</u>	<u>4,894,855</u>
Net cash provided (used) by operating activities	<u>\$ 3,857,503</u>	<u>\$ 1,183,391</u>	<u>\$ 138,831</u>	<u>\$ 2,876,440</u>	<u>\$ 8,056,165</u>
Noncash investing, capital and financing activities:					
Loss on disposal of capital assets	-	\$ (55,305)	-	-	(55,305)