### **Internal Service Funds**

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to another department or agency of the City.

The Fleet Maintenance Fund accounts for the cost of maintaining all City vehicles and construction equipment except fire equipment. All costs, including depreciation, are included in establishing the rate to be charged to each department.

The **Insurance Fund** accounts for the payment of all city insurance premiums and claims for which each city department is charged.

The Medical Self Insurance Fund accounts for all revenues, expenses and reserves associated with the City's medical self-insurance program.

The Workman's Compensation Fund accounts for all revenues, expenses, and reserves associated with the City's workers compensation self-insurance program.

The Information Technology Fund accounts for the costs of information technology implementation, management, and support for all City departments.

## COMBINING STATEMENT OF NET ASSETS

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#### INTERNAL SERVICE FUNDS

December 31, 2005

F	eet
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		Maintenance	lı	Insurance		
ASSETS						
Current assets:						
Cash and cash equivalents	\$	412,532	\$	34,604		
Investments		5,003,268		387,218		
Receivables:						
Interest		49,048		3,376		
Inventory		27,037		-		
Prepaid insurance		-		124,387		
Restricted assets:						
Deposits		-		1,576		
Total current assets	-	5,491,885		551,161		
Noncurrent assets:						
Land		584,292		-		
Buildings		510,196		-		
Improvements other than buildings		248,876		-		
Equipment		8,482,573		-		
Less accumulated depreciation		(6,370,406)		-		
Total noncurrent assets	-	3,455,531		-		
Total Assets	\$	8,947,416	\$	551,161		
LIABILITIES						
Current liabilities:						
Accounts payable	\$	40,480	\$	7,090		
Employee wages payable		33,079		10,946		
Compensated absences		25,079		18,482		
Customer deposits payable		-		1,576		
Total current liabilities	-	104,908		42,714		
Noncurrent liabilities:						
Compensated absences		6,270		4,620		
Total noncurrent liabilites	-	6,270		4,620		
Total Liabilities	- -	104,908		42,714		
NET ASSETS						
Invested in capital assets, net						
of related debt		3,455,531		-		
Unrestricted		5,386,977	_	508,447		
Total Net Assets	\$	8,842,508	\$	508,447		

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S	Medical Self-Insurance				nformation echnology		Total
\$	92,119 2,117,831	\$	31,737 -	\$	488,097 -	\$	1,059,089 7,508,317
	20,499		-		-		72,923
	-		-		-		27,037 124,387
	195 2,230,644		31,737		488,097		1,771 8,793,524
	<u>-</u>		<u>-</u>		- 109,298		584,292 619,494
	- - -		- - -		109,298 - 89,451		248,876 8,572,024
	<u>-</u>		<u>-</u>		(48,628) 150,121		(6,419,034) 3,605,652
\$	2,230,644	\$	31,737	\$	638,218	\$	12,399,176
\$	908,106	\$	96,978	\$	41,094	\$	1,093,748
·	-	·	- -	·	70,694 84,892	·	114,719 128,453
	195 908,301		96,978		196,680		1,771 1,338,691
	<u>-</u>		<u>-</u>		21,223		32,113
	908,301		96,978		21,223 217,903	_	32,113 1,370,804
	_		_		150,121		3,605,652
	1,322,343		(65,241)		270,194		7,422,720
\$	1,322,343	\$	(65,241)	\$	420,315	\$	11,028,372

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# COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS INTERNAL SERVICE FUNDS

For the year ended December 31, 2005

	Fleet		
		Maintenance	Insurance
Operating revenues:			
Charges for services	\$	249,072 \$	-
Charges for replacement		1,631,286	-
Charges for insurance		<u>-</u>	1,076,871
Total Operating Revenues	_	1,880,358	1,076,871
Operating expenses:			
Administrative and general		-	884,250
Maintenance and operations		870,786	-
Supplies		381,798	483
Depreciation and amortization		927,889	<u> </u>
Total Operating Expenses		2,180,473	884,733
Operating income (loss)	_	(300,115)	192,138
Nonoperating revenues (expenses):			
Interest and investment revenue		138,359	9,831
Gain on sale of capital assets		17,906	-
Miscellaneous		<u>-</u>	<u> </u>
Total nonoperating revenues (expenses)	_	156,265	9,831
Income (loss) before contributions and transfers	_	(143,850)	201,969
Transfers in		28,494	-
Transfers out		<u>-</u>	<u> </u>
Change in net assets	_	(115,356)	201,969
Total net assets - beginning		8,957,864	306,478
Total net assets - ending	\$	8,842,508 \$	508,447

	Medical Self-Insurance			Information Technology		Total	
				•			
\$	-	\$	-	\$ 2,596,446	\$	2,845,518	
	-		=	· · ·		1,631,286	
	5,308,148		444,317	-		6,829,336	
	5,308,148		444,317	2,596,446		11,306,140	
	5,764,536		663,963	2,409,440		9,722,189	
	-		-	-		870,786	
	2,891		-	45,114		430,286	
	-		-	12,324		940,213	
	5,767,427	' <u>-</u>	663,963	 2,466,878		11,963,474	
	(459,279)		(219,646)	129,568		(657,334)	
	58,492		401	-		207,083	
	-		-	-		17,906	
	563,788		<u>-</u> _	 		563,788	
	622,280		401	 <u>-</u>		788,777	
	163,001		(219,245)	129,568		131,443	
	-		_	<u>-</u>		28,494	
	(98,252)		_	-		(98,252)	
-	64,749		(219,245)	 129,568		61,685	
	1,257,594		154,004	290,747		10,966,687	
\$	1,322,343	\$	(65,241)	\$ 420,315	\$	11,028,372	

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# COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2005

Fleet

	Maintenance			Insurance	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$	249,072	\$	1,075,295	
Cash received for replacement		1,631,286		-	
Cash payments to suppliers		(428,120)		(642,791)	
Cash payments to employees		(573,685)		(215,048)	
Internal activity - payments to other funds		(287,639)		(21,856)	
Other operating receipts and payments		<u> </u>		(124,387)	
Net cash provided (used) by operating activities		590,914		71,213	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers out					
Net cash used by noncapital financing activities		-		-	
CASH FLOWS FROM CAPITAL AND RELATED					
FINANCING ACTIVITIES					
Acquisition and construction of capital assets		(309,533)		-	
Proceeds from sale of capital assets	·	25,133			
Net cash used for capital and related					
financing activities		(284,400)		<u>-</u>	
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment purchases		(436,116)		(72,819)	
Interest on investments		124,278		8,530	
Net cash provided (used) in investing activities		(311,838)		(64,289)	
Net increase (decrease) in cash and cash equivalents		(5,324)		6,924	
Cash and cash equivalents-beginning of year		417,856		29,256	
Cash and cash equivalents-end of year	\$	412,532	\$ <u></u>	36,180	
Cash at the end of the year consists of:					
Operating fund cash		412,532		34,604	
Customer deposits		-		1,576	
Total cash at end of year	\$	412,532	\$	36,180	

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Medical			Workman's		Information			
Se	elf-Insurance	(	Compensation		Technology		Total	
\$	5,308,398	\$	444,317	\$	2,596,446	\$	9,673,528	
•	-	*	-	•	_,,	*	1,631,286	
	(5,484,113)		(587,460)		(556,349)		(7,698,833)	
	-		` · ·		(1,719,883)		(2,508,616)	
	-		-		(193,399)		(502,894)	
	563,788		-		-		439,401	
	388,073		(143,143)		126,815		1,033,872	
	(98,252)		_		_		(98,252)	
	(98,252)		-		-		(98,252)	
						•		
	-		-		(13,779)		(323,312)	
	-		<del>-</del>		<u> </u>		25,133	
	-				(13,779)		(298,179)	
	(332,271)		158,820		-		(682,386)	
	51,447		1,273		<u> </u>		185,528	
	(280,824)		160,093		<u> </u>		(496,858)	
	8,997		16,950		113,036		140,583	
	83,317		14,787		375,061		920,277	
\$	92,314	\$	31,737	\$	488,097	\$	1,060,860	
	92,119		31,737		488,097		1,059,089	
	195		- ,		-		1,771	
\$	92,314	\$	31,737	\$	488,097	\$	1,060,860	

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### COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2005

#### Fleet

	Maintenance	Insurance
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ (300,115)	\$ 192,138
Adjustments to reconcile operating		
income to net cash provided by		
Operating activities:		
Depreciation	927,889	-
Decrease in inventory	3,948	-
Increase in prepaid expenses	-	(124,387)
Increase (decrease) in accounts payable	(50,270)	835
Decrease in employee wages payable	16,610	2,142
Increase (decrease) in employee vacations payable	(7,148)	(1,091)
Increase (decrease) in customer deposits payable	-	1,576
Reclassify other income	 -	 -
Net cash provided (used) by operating activities	\$ 590,914	\$ 71,213

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	Medical Workman's			Information				
Se	elf-Insurance	f-Insurance Compensation			Technology		Total	
\$	(459,279)	\$	(219,646)	\$	129,568	\$	(657,334)	
	-		-		12,324		940,213	
	-		-		-		3,948	
	-		-		-		(124,387)	
	283,814		76,503		(48,741)		262,141	
	-		-		9,898		28,650	
	-		-		23,766		15,527	
	(250)		-		=		1,326	
	563,788		-		-		563,788	
\$	388,073	\$	(143,143)	\$	126,815	\$	1,033,872	
	ash investing, cap		J			\$	28,494	
	Other funds of the city transferred vehicles valued at  The fair value of investments in the Fleet Maintenance Fund decreased by						(2,857)	
			Insurance Fund decre		•		(221)	
				•				
i ne i	iaii value oi inves	unents in the	Medical Self-Insurance	e runa (	decreased by		(1,209)	