

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for special activities and services performed by a designated City department for other departments on a cost reimbursement basis.

GENERAL SERVICES FUND

This fund accounts for the financial activity of the City's centralized duplicating and postal operation, its central garage and vehicle maintenance services, central data processing and telecommunications services and the central stores inventory service.

BUILDING MAINTENANCE FUND

This fund accumulates the costs for the City's building and electrical maintenance services.

CITY SELF-INSURANCE FUND

This fund accumulates costs of the City's insurance and risk management programs to permit a cost recovery insurance fee to be charged against City operating programs.

CITY OF DAVIS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2004

	<u>General Services</u>	<u>Building Maintenance</u>	<u>City Self Insurance</u>	<u>Total</u>
ASSETS				
Cash and investments	\$2,540,541	\$772,053		\$3,312,594
Accrued interest	20,500	9,030	\$693	30,223
Receivables:				
General accounts	11,116		8,534	19,650
Grants	1,683			1,683
Inventory	165,358			165,358
Advances to other funds	3,980,222			3,980,222
Capital assets:				
Depreciable assets	11,783,734			11,783,734
Accumulated Depreciation	<u>(7,633,340)</u>			<u>(7,633,340)</u>
Total Assets	<u>10,869,814</u>	<u>781,083</u>	<u>9,227</u>	<u>11,660,124</u>
LIABILITIES				
Payables:				
Accounts	314,391	69,645	87,234	471,270
Leave benefits	107,858	30,587		138,445
Deposits	32,160			32,160
Claims payable			674,476	674,476
Due to other funds			<u>781,423</u>	<u>781,423</u>
Total Liabilities	<u>454,409</u>	<u>100,232</u>	<u>1,543,133</u>	<u>2,097,774</u>
NET ASSETS				
Restricted for self-insurance programs			153,000	153,000
Unrestricted	<u>10,415,405</u>	<u>680,851</u>	<u>(1,686,906)</u>	<u>9,409,350</u>
Total Net Assets	<u>\$10,415,405</u>	<u>\$680,851</u>	<u>(\$1,533,906)</u>	<u>\$9,562,350</u>

CITY OF DAVIS
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	General Services	Building Maintenance	City Self Insurance	Total
OPERATING REVENUES				
Charges for current services	\$4,565,489	\$1,117,060	\$5,214,013	\$10,896,562
Total Operating Revenues	<u>4,565,489</u>	<u>1,117,060</u>	<u>5,214,013</u>	<u>10,896,562</u>
OPERATING EXPENSES				
Central stores	261,639			261,639
Central equipment	2,059,738			2,059,738
Duplication - postal	283,071			283,071
City administrative facility maintenance		1,092,889		1,092,889
City electrical maintenance		151,106		151,106
Insurance administration			145,966	145,966
Insurance premiums			5,198,607	5,198,607
Litigation			191,492	191,492
MIS services	1,270,865			1,270,865
Depreciation	709,483			709,483
Total Operating Expenses	<u>4,584,796</u>	<u>1,243,995</u>	<u>5,536,065</u>	<u>11,364,856</u>
Operating Income (Loss)	<u>(19,307)</u>	<u>(126,935)</u>	<u>(322,052)</u>	<u>(468,294)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	116,416	8,407	645	125,468
Gain (loss) on disposal of capital assets	(39,430)			(39,430)
Other	47,618		5,805	53,423
Total Nonoperating Revenues (Expenses)	<u>124,604</u>	<u>8,407</u>	<u>6,450</u>	<u>139,461</u>
Income Before Transfers	105,297	(118,528)	(315,602)	(328,833)
Transfers in	<u>50,924</u>			<u>50,924</u>
Change in Net Assets	156,221	(118,528)	(315,602)	(277,909)
BEGINNING NET ASSETS	<u>10,259,184</u>	<u>799,379</u>	<u>(1,218,304)</u>	<u>9,840,259</u>
ENDING NET ASSETS	<u>\$10,415,405</u>	<u>\$680,851</u>	<u>(\$1,533,906)</u>	<u>\$9,562,350</u>

CITY OF DAVIS
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004

	General Services	Building Maintenance	City Self Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$4,585,323	\$1,117,060	\$5,211,609	\$10,913,992
Payments to suppliers	(3,681,586)	(1,213,269)	(5,571,067)	(10,465,922)
Payments to employees	17,984	4,693		22,677
Claims paid			(59,580)	(59,580)
Other revenues	47,618		5,805	53,423
	<u>969,339</u>	<u>(91,516)</u>	<u>(413,233)</u>	<u>464,590</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grants and contributions	6,317			6,317
Transfer in	50,924			50,924
Due from other funds	86,944			86,944
Due to other funds			411,369	411,369
	<u>144,185</u>		<u>411,369</u>	<u>555,554</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Fixed asset additions, net	(732,406)			(732,406)
Gain (loss) on sale of fixed assets	(39,430)			(39,430)
	<u>(771,836)</u>			<u>(771,836)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	120,727	6,103	1,864	128,694
	<u>120,727</u>	<u>6,103</u>	<u>1,864</u>	<u>128,694</u>
Net Cash Flows	462,415	(85,413)		377,002
Cash and investments at beginning of period	2,078,126	857,466		2,935,592
Cash and investments at end of period	<u>\$2,540,541</u>	<u>\$772,053</u>		<u>\$3,312,594</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	(\$19,307)	(\$126,935)	(\$322,052)	(\$468,294)
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation	709,483			709,483
Other revenues	47,618		5,805	53,423
Change in assets and liabilities:				
General accounts receivable	11,834		(2,404)	9,430
Inventory	(6,303)			(6,303)
Accounts payable	200,030	30,726	(35,002)	195,754
Leave benefits payable	17,984	4,693		22,677
Claims payable			(59,580)	(59,580)
Deposits payable	8,000			8,000
	<u>\$969,339</u>	<u>(91,516)</u>	<u>(413,233)</u>	<u>\$464,590</u>
Cash Flows from Operating Activities	<u>\$969,339</u>	<u>(91,516)</u>	<u>(413,233)</u>	<u>\$464,590</u>