

## **Fund Descriptions – Internal Service Funds**

### *Internal Service Funds*

Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

#### **Garage Fund**

This fund accounts for charges to various departments of the City for maintenance on vehicles and equipment and other related costs used to defray the operating costs and purchases of the garage.

#### **Hospitalization Fund**

This fund accounts for the hospital/medical, prescription drug, vision, and dental benefits for its employees on a self-insured basis.

**City of Lorain, Ohio**  
*Combining Statement of Fund Net Assets*  
*Internal Service Funds*  
*December 31, 2003*

	<u>Garage</u>	<u>Hospitalization</u>	<u>Totals</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$44,549	\$276,085	\$320,634
Materials and Supplies Inventory	87,883	0	87,883
Interfund Receivable	26,002	0	26,002
Prepaid Items	31	0	31
	<u>158,465</u>	<u>276,085</u>	<u>434,550</u>
<i>Total Assets</i>			
 <b>Liabilities</b>			
<i>Current Liabilities</i>			
Accounts Payable	19,424	48,264	67,688
Accrued Wages	4,034	167	4,201
Compensated Absences Payable	32,418	0	32,418
Intergovernmental Payable	24,199	996	25,195
Claims Payable	0	500,158	500,158
	<u>80,075</u>	<u>549,585</u>	<u>629,660</u>
<i>Total Current Liabilities</i>			
 <i>Long-Term Liabilities (Net of Current Portion)</i>			
Compensated Absences Payable	68,806	4,207	73,013
	<u>148,881</u>	<u>553,792</u>	<u>702,673</u>
<i>Total Liabilities</i>			
 <b>Net Assets</b>			
Unrestricted (Deficit)	<u>\$9,584</u>	<u>(\$277,707)</u>	<u>(\$268,123)</u>

**City of Lorain, Ohio**  
*Combining Statement of Revenues, Expenses and Changes in Fund Net Assets*  
*Internal Service Funds*  
*For the Year Ended December 31, 2003*

	<u>Garage</u>	<u>Hospitalization</u>	<u>Totals</u>
<b>Operating Revenues</b>			
Charges for Services	\$1,070,462	\$4,116,395	\$5,186,857
Miscellaneous	0	20,510	20,510
<i>Total Operating Revenues</i>	<u>1,070,462</u>	<u>4,136,905</u>	<u>5,207,367</u>
<b>Operating Expenses</b>			
Personal Services	458,806	19,271	478,077
Materials and Supplies	551,128	0	551,128
Contractual Services	1,438	46,731	48,169
Claims	0	3,888,989	3,888,989
Other Operating Expenses	1,800	232	2,032
Depreciation	201	0	201
<i>Total Operating Expenses</i>	<u>1,013,373</u>	<u>3,955,223</u>	<u>4,968,596</u>
<i>Operating Income</i>	<u>57,089</u>	<u>181,682</u>	<u>238,771</u>
<b>Non-Operating Revenues (Expenses)</b>			
Loss on Sale of Capital Assets	(1,413)	0	(1,413)
Interest	0	405	405
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(1,413)</u>	<u>405</u>	<u>(1,008)</u>
<i>Change in Net Assets</i>	55,676	182,087	237,763
<i>Net Assets (Deficit) Beginning of Year</i>	<u>(46,092)</u>	<u>(459,794)</u>	<u>(505,886)</u>
<i>Net Assets (Deficit) End of Year</i>	<u><u>\$9,584</u></u>	<u><u>(\$277,707)</u></u>	<u><u>(\$268,123)</u></u>

**City of Lorain, Ohio**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2003**

	<u>Garage</u>	<u>Hospitalization</u>	<u>Totals</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Transactions with Other Funds	\$1,073,222	\$4,116,395	\$5,189,617
Cash Payments for Goods and Services	(537,650)	0	(537,650)
Cash Payments for Employee Services and Benefits	(445,357)	(18,826)	(464,183)
Cash Payments for Claims	0	(3,607,211)	(3,607,211)
Cash Payments for Other	0	(232)	(232)
Other Operating Revenues	0	20,510	20,510
<i>Net Cash Provided by Operating Activities</i>	90,215	510,636	600,851
<b>Cash Flows from Noncapital Financing Activities</b>			
Advances Out	(76,965)	(234,956)	(311,921)
<b>Cash Flows from Investing Activities</b>			
Interest	0	405	405
<i>Net Increase in Cash and Cash Equivalents</i>	13,250	276,085	289,335
<i>Cash and Cash Equivalents Beginning of Year</i>	31,299	0	31,299
<i>Cash and Cash Equivalents End of Year</i>	<u>\$44,549</u>	<u>\$276,085</u>	<u>\$320,634</u>

(continued)

**City of Lorain, Ohio**  
**Combining Statement of Cash Flows**  
**Internal Service Funds (continued)**  
**For the Year Ended December 31, 2003**

	<u>Garage</u>	<u>Hospitalization</u>	<u>Totals</u>
<b>Reconciliation of Operating Income to Net Cash Provided By Operating Activities</b>			
Operating Income	\$57,089	\$181,682	\$238,771
<b>Adjustments</b>			
Depreciation	201	0	201
<b>(Increase) Decrease in Assets:</b>			
Interfund Receivables	2,760	0	2,760
Materials Inventory	12,451	0	12,451
Prepaid Items	(31)	0	(31)
<b>Increase in Liabilities:</b>			
Accounts Payable	4,296	46,731	51,027
Accrued Wages	2,106	56	2,162
Claims Payable	0	281,778	281,778
Compensated Absences Payable	6,945	218	7,163
Intergovernmental Payable	4,398	171	4,569
<i>Total Adjustments</i>	<u>33,126</u>	<u>328,954</u>	<u>362,080</u>
<i>Net Cash Provided By Operating Activities</i>	<u><u>\$90,215</u></u>	<u><u>\$510,636</u></u>	<u><u>\$600,851</u></u>