

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, 2006

	<u>Garage</u>	<u>Hospitalization</u>	<u>Totals</u>
Assets			
<i>Current Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$19,703	\$449,209	\$468,912
Materials and Supplies Inventory	473,988	0	473,988
Interfund Receivable	477	0	477
	<u>494,168</u>	<u>449,209</u>	<u>943,377</u>
<i>Noncurrent Assets</i>			
Depreciable Capital Assets, Net	202,520	0	202,520
	<u>696,688</u>	<u>449,209</u>	<u>1,145,897</u>
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	30,455	0	30,455
Accrued Wages and Benefits	8,752	296	9,048
Intergovernmental Payable	34,748	1,072	35,820
Interfund Payable	175,957	0	175,957
Claims Payable	0	519,412	519,412
Compensated Absences Payable	55,337	0	55,337
Bonds Payable	17,277	0	17,277
	<u>322,526</u>	<u>520,780</u>	<u>843,306</u>
<i>Long-Term Liabilities (Net of Current Portion)</i>			
Compensated Absences Payable	70,765	7,915	78,680
Bonds Payable	169,526	0	169,526
	<u>240,291</u>	<u>7,915</u>	<u>248,206</u>
<i>Total Long-Term Liabilities</i>	<u>240,291</u>	<u>7,915</u>	<u>248,206</u>
<i>Total Liabilities</i>	<u>562,817</u>	<u>528,695</u>	<u>1,091,512</u>
Net Assets			
Invested in capital assets, net of related debt	15,717	0	15,717
Unrestricted (Deficit)	118,154	(79,486)	38,668
	<u>133,871</u>	<u>(79,486)</u>	<u>54,385</u>
<i>Total Net Assets (Deficit)</i>	<u>\$133,871</u>	<u>(\$79,486)</u>	<u>\$54,385</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, 2006

	<u>Garage</u>	<u>Hospitalization</u>	<u>Totals</u>
Operating Revenues			
Charges for Services	\$1,515,163	\$3,724,108	\$5,239,271
Miscellaneous	0	7,730	7,730
<i>Total Operating Revenues</i>	<u>1,515,163</u>	<u>3,731,838</u>	<u>5,247,001</u>
Operating Expenses			
Personal Services	616,612	21,170	637,782
Materials and Supplies	821,457	0	821,457
Contractual Services	11,419	0	11,419
Claims	0	4,258,779	4,258,779
Other Operating Expenses	7,394	157	7,551
Depreciation	4,720	0	4,720
<i>Total Operating Expenses</i>	<u>1,461,602</u>	<u>4,280,106</u>	<u>5,741,708</u>
<i>Operating Income (Loss)</i>	53,561	(548,268)	(494,707)
Non-Operating Revenues (Expenses)			
Interest Expense	<u>(10,311)</u>	<u>0</u>	<u>(10,311)</u>
<i>Change in Net Assets</i>	43,250	(548,268)	(505,018)
<i>Net Assets Beginning of Year</i>	<u>90,621</u>	<u>468,782</u>	<u>559,403</u>
<i>Net Assets (Deficit) End of Year</i>	<u><u>\$133,871</u></u>	<u><u>(\$79,486)</u></u>	<u><u>\$54,385</u></u>

City of Lorain, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2006

	<u>Garage</u>	<u>Hospitalization</u>	<u>Totals</u>
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Transactions with Other Funds	\$1,695,004	\$3,724,108	\$5,419,112
Cash Payments for Goods and Services	(950,644)	0	(950,644)
Cash Payments for Employee Services and Benefits	(610,722)	(20,488)	(631,210)
Cash Payments for Claims	0	(4,078,514)	(4,078,514)
Other Operating Revenues	0	7,730	7,730
Other Cash Payments	0	(157)	(157)
<i>Net Cash Provided By (Used for) Operating Activities</i>	<u>133,638</u>	<u>(367,321)</u>	<u>(233,683)</u>
Cash Flows from Noncapital Financing Activities			
Advances In	175,957	0	175,957
Advances Out	(310,128)	0	(310,128)
<i>Net Cash Used for Noncapital Financing Activities</i>	<u>(134,171)</u>	<u>0</u>	<u>(134,171)</u>
Cash Flows from Capital and Related Financing Activities			
Principal Paid on Bonds	(14,757)	0	(14,757)
Interest Paid on Bonds	(10,311)	0	(10,311)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(25,068)</u>	<u>0</u>	<u>(25,068)</u>
Net Decrease in Cash and Cash Equivalents	(25,601)	(367,321)	(392,922)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>45,304</u>	<u>816,530</u>	<u>861,834</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$19,703</u>	<u>\$449,209</u>	<u>\$468,912</u>

(continued)

City of Lorain, Ohio
Combining Statement of Cash Flows
Internal Service Funds (continued)
For the Year Ended December 31, 2006

	Garage	Hospitalization	Totals
Reconciliation of Operating Income (Loss) to			
Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	\$53,561	(\$548,268)	(\$494,707)
<i>Adjustments:</i>			
Depreciation	4,720	0	4,720
<i>(Increase) Decrease in Assets:</i>			
Interfund Receivable	179,841	0	179,841
Materials and Supplies Inventory	(111,027)	0	(111,027)
Prepaid Items	112	0	112
<i>Increase (Decrease) in Liabilities:</i>			
Accounts Payable	616	0	616
Accrued Wages and Benefits	(129)	8	(121)
Claims Payable	0	180,265	180,265
Compensated Absences Payable	(1,503)	592	(911)
Intergovernmental Payable	7,447	82	7,529
<i>Total Adjustments</i>	80,077	180,947	261,024
<i>Net Cash Provided by (Used for) Operating Activities</i>	\$133,638	(\$367,321)	(\$233,683)