
INTERNAL SERVICE FUNDS

Internal Service Funds are established to account for the financing of goods or services provided by one department for other departments within the City. Goods and services, except for self-insurance services are billed at cost plus a fixed factor which is designed to cover all expenses of the funds including depreciation and administrative overhead. Self-insurance services are billed to user departments based upon their proportional share of the total required premiums. Such proportional share is based upon payroll statistics, vehicle accessibility and similar criteria as applicable.

CENTRAL STORES AND DUPLICATING - To account for the costs of operating a stores facility used by other City departments. The goods are purchased and held in inventory until used.

EQUIPMENT MAINTENANCE - To account for the costs of operating a maintenance facility used to service all City motor vehicles except Fire Department vehicles.

INFORMATION SYSTEMS - To account for the costs of operating a data processing center used by other City departments.

SELF-INSURANCE - To account for the costs of the self-insurance programs.

EQUIPMENT REPLACEMENT - To account for the capital funding and costs for replacing motor vehicles and other equipment.

CITY OF SARASOTA, FLORIDA
Internal Service Funds
Combining Balance Sheet
September 30, 2001
With Comparative Totals for September 30, 2000

ASSETS	<u>Central Stores and Duplicating</u>	<u>Equipment Maintenance</u>	<u>Information Systems</u>
Current assets			
Cash	\$ --	\$ 100	\$ --
Equity in pooled cash and investments	405,695	130,174	1,027,614
Accounts receivable	295	1,673	--
Due from other funds	--	--	--
Accrued interest receivable	--	--	--
Inventories	197,403	11,899	--
Investments	3,075	935	9,659
Prepaid items	--	--	7,749
Advance to other funds	--	--	--
Loan to other fund	--	--	--
	<u>606,468</u>	<u>144,781</u>	<u>1,045,022</u>
 Total current assets			
Property, plant and equipment			
Equipment	180,592	180,289	1,302,552
Improvements	15,321	168,842	67,762
Construction in progress	--	--	41,462
	<u>195,913</u>	<u>349,131</u>	<u>1,411,776</u>
 Less accumulated depreciation	<u>(116,441)</u>	<u>(192,199)</u>	<u>(873,548)</u>
 Net property, plant and equipment	<u>79,472</u>	<u>156,932</u>	<u>538,228</u>
Other assets			
Loan to other fund (net of current)	<u>--</u>	<u>--</u>	<u>--</u>
 Total assets	<u>\$ 685,940</u>	<u>\$ 301,713</u>	<u>\$ 1,583,250</u>

Self- Insurance	Equipment Replacement	Totals	
		2001	2000
\$ 30,250	\$ --	\$ 30,350	\$ 30,350
7,059,402	--	8,622,885	9,410,860
90,000	--	91,968	132,447
134,677	--	134,677	117,866
--	--	--	2,000
--	--	209,302	235,804
73,674	3,905,915	3,993,258	3,506,341
68,390	--	76,139	14,278
--	--	--	250,000
24,343	--	24,343	23,847
<u>7,480,736</u>	<u>3,905,915</u>	<u>13,182,922</u>	<u>13,723,793</u>
--	7,368,954	9,032,387	8,615,752
--	--	251,925	210,318
--	--	41,462	1,740
<u>--</u>	<u>7,368,954</u>	<u>9,325,774</u>	<u>8,827,810</u>
<u>--</u>	<u>(4,767,391)</u>	<u>(5,949,579)</u>	<u>(4,751,789)</u>
<u>--</u>	<u>2,601,563</u>	<u>3,376,195</u>	<u>4,076,021</u>
<u>115,647</u>	<u>--</u>	<u>115,647</u>	<u>146,314</u>
<u>\$ 7,596,383</u>	<u>\$ 6,507,478</u>	<u>\$ 16,674,764</u>	<u>\$ 17,946,128</u>

CITY OF SARASOTA, FLORIDA
Internal Service Funds
Combining Balance Sheet
September 30, 2001
With Comparative Totals for September 30, 2000
(Continued)

LIABILITIES AND FUND EQUITY	<u>Central Stores and Duplicating</u>	<u>Equipment Maintenance</u>	<u>Information Systems</u>
Current liabilities			
Accounts payable	\$ 85,277	\$ 38,573	\$ 119,025
Liability for unpaid claims	--	--	--
Due to other funds	1,364	1,821	3,594
Interfund payable	--	--	--
Accrued wages and unpaid vacation	18,414	18,069	70,128
Capital lease payable-current	<u>15,773</u>	<u>--</u>	<u>--</u>
Total current liabilities	<u>120,828</u>	<u>58,463</u>	<u>192,747</u>
Long term liabilities			
Capital lease payable	<u>4,131</u>	<u>--</u>	<u>--</u>
Total liabilities	<u>124,959</u>	<u>58,463</u>	<u>192,747</u>
Fund equity			
Contributed capital			
From other governmental units	--	--	--
Government	<u>103,582</u>	<u>94,887</u>	<u>53,052</u>
Total contributed capital	<u>103,582</u>	<u>94,887</u>	<u>53,052</u>
Retained earnings			
Unreserved	<u>457,399</u>	<u>148,363</u>	<u>1,337,451</u>
Total fund equity	<u>560,981</u>	<u>243,250</u>	<u>1,390,503</u>
Total liabilities and fund equity	<u>\$ 685,940</u>	<u>\$ 301,713</u>	<u>\$ 1,583,250</u>

Self- Insurance	Equipment Replacement	Totals	
		2001	2000
\$ 378,602	\$ 15,180	\$ 636,657	\$ 558,308
2,487,319	--	2,487,319	2,384,837
--	--	6,779	6,246
--	15,582	15,582	--
--	--	106,611	100,927
--	--	15,773	14,636
<u>2,865,921</u>	<u>30,762</u>	<u>3,268,721</u>	<u>3,064,954</u>
--	--	4,131	19,904
<u>2,865,921</u>	<u>30,762</u>	<u>3,272,852</u>	<u>3,084,858</u>
--	78,892	78,892	78,892
--	444,286	695,807	661,690
--	523,178	774,699	740,582
<u>4,730,462</u>	<u>5,953,538</u>	<u>12,627,213</u>	<u>14,120,688</u>
<u>4,730,462</u>	<u>6,476,716</u>	<u>13,401,912</u>	<u>14,861,270</u>
<u>\$ 7,596,383</u>	<u>\$ 6,507,478</u>	<u>\$ 16,674,764</u>	<u>\$ 17,946,128</u>

CITY OF SARASOTA, FLORIDA
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Retained Earnings
Year Ended September 30, 2001
With Comparative Totals for the Year Ended September 30, 2000

	<u>Central Stores and Duplicating</u>	<u>Equipment Maintenance</u>	<u>Information Systems</u>
Operating revenues			
Charges for services	\$ 1,264,044	\$ 955,880	\$ 1,350,990
Miscellaneous	<u> --</u>	<u> --</u>	<u> 20</u>
Total operating revenues	<u>1,264,044</u>	<u>955,880</u>	<u>1,351,010</u>
Operating expenses			
Personal services	225,313	352,538	747,827
Contractual services	105,581	67,377	377,996
Contractual maintenance	10,664	23,498	100,445
Supplies and materials	917,408	511,587	57,122
Depreciation	<u>27,098</u>	<u>29,227</u>	<u>269,984</u>
Total operating expenses	<u>1,286,064</u>	<u>984,227</u>	<u>1,553,374</u>
Operating loss	<u>(22,020)</u>	<u>(28,347)</u>	<u>(202,364)</u>
Nonoperating revenues (expenses)			
Investment income	30,702	9,644	93,138
Interest expense	(2,094)	--	--
Loan expense	--	--	--
Gain (loss) on disposition of fixed assets	<u>1,030</u>	<u>886</u>	<u>(1,446)</u>
Total nonoperating revenues (expenses)	<u>29,638</u>	<u>10,530</u>	<u>91,692</u>
Net income (loss)	7,618	(17,817)	(110,672)
Retained earnings at beginning of year	<u>449,781</u>	<u>166,180</u>	<u>1,448,123</u>
Retained earnings at end of year	<u>\$ 457,399</u>	<u>\$ 148,363</u>	<u>\$ 1,337,451</u>

Self- Insurance	Equipment Replacement	Totals	
		2001	2000
\$ 6,824,208	\$ 903,656	\$ 11,298,778	\$ 10,940,683
--	--	20	891,541
<u>6,824,208</u>	<u>903,656</u>	<u>11,298,798</u>	<u>11,832,224</u>
--	--	1,325,678	1,179,557
8,704,956	102,849	9,358,759	8,712,709
--	--	134,607	119,002
--	--	1,486,117	1,683,944
<u>--</u>	<u>1,280,956</u>	<u>1,607,265</u>	<u>1,243,100</u>
<u>8,704,956</u>	<u>1,383,805</u>	<u>13,912,426</u>	<u>12,938,312</u>
<u>(1,880,748)</u>	<u>(480,149)</u>	<u>(2,613,628)</u>	<u>(1,106,088)</u>
770,893	215,816	1,120,193	854,285
--	--	(2,094)	(3,148)
--	(4,741)	(4,741)	(3,756)
<u>--</u>	<u>6,325</u>	<u>6,795</u>	<u>11,476</u>
<u>770,893</u>	<u>217,400</u>	<u>1,120,153</u>	<u>858,857</u>
(1,109,855)	(262,749)	(1,493,475)	(247,231)
<u>5,840,317</u>	<u>6,216,287</u>	<u>14,120,688</u>	<u>14,367,919</u>
<u>\$ 4,730,462</u>	<u>\$ 5,953,538</u>	<u>\$ 12,627,213</u>	<u>\$ 14,120,688</u>

CITY OF SARASOTA, FLORIDA
Internal Service Funds
Combining Statement of Cash Flows
Year Ended September 30, 2001
With Comparative Totals for the Year Ended September 30, 2000

	Central Stores and Duplicating	Equipment Maintenance	Information Systems
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (22,020)	\$ (28,347)	\$ (202,364)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation	27,098	29,227	269,984
Net (increase) decrease in:			
Accounts receivable	(295)	(637)	--
Due from other funds	--	--	--
Inventories	22,642	3,860	--
Prepaid items	144	--	6,385
Net increase (decrease) in:			
Accounts payable	7,460	3,450	54,138
Liability for unpaid claims	--	--	--
Due to other funds	132	(207)	608
Accrued wages and unpaid vacation	330	(9,809)	15,163
Net cash provided by (used in) operating activities	<u>35,491</u>	<u>(2,463)</u>	<u>143,914</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund loan borrowings	--	--	--
Advance to other funds	--	--	--
Net cash provided by (used in) noncapital financing activities	<u>--</u>	<u>--</u>	<u>--</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of property, plant and equipment	(15,120)	(50,354)	(157,931)
Principal payments - capital leases	(14,636)	--	--
Interest and fiscal charges paid	(2,094)	--	--
Proceeds from sale of fixed assets	1,030	886	1,141
Net cash used in capital and related financing activities	<u>(30,820)</u>	<u>(49,468)</u>	<u>(156,790)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	30,702	9,644	93,138
Purchase of investments	--	--	--
Proceeds from sale and maturities of investments	--	--	--
Repayment of loan to other fund	--	--	--
Interest on loan to other fund	--	--	--
Net cash provided by (used in) investing activities	<u>30,702</u>	<u>9,644</u>	<u>93,138</u>
Net increase (decrease) in cash and cash equivalents	35,373	(42,287)	80,262
Cash and cash equivalents at beginning of year	373,397	173,496	957,011
Cash and cash equivalents at end of year	<u>\$ 408,770</u>	<u>\$ 131,209</u>	<u>\$ 1,037,273</u>

Self- Insurance	Equipment Replacement	Totals	
		2001	2000
<u>\$ (1,880,748)</u>	<u>\$ (480,149)</u>	<u>\$ (2,613,628)</u>	<u>\$ (1,106,088)</u>
--	1,280,956	1,607,265	1,243,100
41,411	--	40,479	(130,647)
(16,811)	--	(16,811)	56,402
--	--	26,502	(3,175)
(68,390)	--	(61,861)	32,192
60,156	(46,855)	78,349	(6,843)
102,482	--	102,482	235,671
--	--	533	(2,090)
--	--	5,684	(18,259)
<u>(1,761,900)</u>	<u>753,952</u>	<u>(831,006)</u>	<u>300,263</u>
--	15,582	15,582	--
<u>250,000</u>	<u>--</u>	<u>250,000</u>	<u>(250,000)</u>
<u>250,000</u>	<u>15,582</u>	<u>265,582</u>	<u>(250,000)</u>
--	(652,504)	(875,909)	(1,889,750)
--	--	(14,636)	(13,582)
--	(4,741)	(6,835)	(6,904)
--	6,325	9,382	25,108
<u>--</u>	<u>(650,920)</u>	<u>(887,998)</u>	<u>(1,885,128)</u>
770,893	177,586	1,081,963	790,530
--	(988,285)	(988,285)	(5,981,429)
--	3,750,000	3,750,000	4,038,668
30,171	--	30,171	23,507
--	--	--	13,557
<u>801,064</u>	<u>2,939,301</u>	<u>3,873,849</u>	<u>(1,115,167)</u>
(710,836)	3,057,915	2,420,427	(2,950,032)
<u>7,874,162</u>	<u>848,000</u>	<u>10,226,066</u>	<u>13,176,098</u>
<u>\$ 7,163,326</u>	<u>\$ 3,905,915</u>	<u>\$ 12,646,493</u>	<u>\$ 10,226,066</u>

CITY OF SARASOTA, FLORIDA
Internal Service Funds
Combining Statement of Cash Flows
Year Ended September 30, 2001
With Comparative Totals for the Year Ended September 30, 2000
(Continued)

	<u>Central Stores and Duplicating</u>	<u>Equipment Maintenance</u>	<u>Information Systems</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR CONSIST OF:			
Cash	\$ --	\$ 100	\$ --
Equity in pooled cash and investments	405,695	130,174	1,027,614
Investments	<u>3,075</u>	<u>935</u>	<u>9,659</u>
 Cash and investments per Combining Balance Sheet	 408,770	 131,209	 1,037,273
 Less: Investments not considered cash equivalents	 <u>--</u>	 <u>--</u>	 <u>--</u>
 Total cash and cash equivalents at end of year	 <u><u>\$ 408,770</u></u>	 <u><u>\$ 131,209</u></u>	 <u><u>\$ 1,037,273</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Property, plant and equipment transferred from other funds	\$ --	\$ --	\$ 32,878
Property, plant and equipment transferred to other funds	--	--	--
Increase in fair value of investments	--	--	--

Self- Insurance	Equipment Replacement	Totals	
		2001	2000
\$ 30,250	\$ --	\$ 30,350	\$ 30,350
7,059,402	--	8,622,885	9,410,860
<u>73,674</u>	<u>3,905,915</u>	<u>3,993,258</u>	<u>3,506,341</u>
7,163,326	3,905,915	12,646,493	12,947,551
<u>--</u>	<u>--</u>	<u>--</u>	<u>(2,721,485)</u>
<u><u>\$ 7,163,326</u></u>	<u><u>\$ 3,905,915</u></u>	<u><u>\$ 12,646,493</u></u>	<u><u>\$ 10,226,066</u></u>
\$ --	\$ 1,239	\$ 34,117	\$ 545,959
--	--	--	307,120
--	20,391	20,391	938

CITY OF SARASOTA, FLORIDA
Central Stores and Duplicating Internal Service Fund
Comparative Statement of Revenues, Expenses and
Changes in Retained Earnings
Years Ended September 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Operating revenues		
Charges for services		
Merchandise and services	<u>\$ 1,264,044</u>	<u>\$ 1,477,249</u>
 Operating expenses		
Personal services	225,313	204,542
Contractual services	105,581	98,258
Contractual maintenance	10,664	23,507
Supplies and materials	917,408	1,117,361
Depreciation	<u>27,098</u>	<u>22,322</u>
 Total operating expenses	<u>1,286,064</u>	<u>1,465,990</u>
 Operating income (loss)	<u>(22,020)</u>	<u>11,259</u>
 Nonoperating revenues (expenses)		
Investment income	30,702	16,019
Interest expense	(2,094)	(3,148)
Gain on disposition of fixed assets	<u>1,030</u>	<u>--</u>
 Total nonoperating revenues (expenses)	<u>29,638</u>	<u>12,871</u>
 Net income	7,618	24,130
 Retained earnings at beginning of year	<u>449,781</u>	<u>425,651</u>
 Retained earnings at end of year	<u><u>\$ 457,399</u></u>	<u><u>\$ 449,781</u></u>

CITY OF SARASOTA, FLORIDA
Equipment Maintenance Internal Service Fund
Comparative Statement of Revenues, Expenses and
Changes in Retained Earnings
Years Ended September 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Operating revenues		
Charges for services		
Merchandise and services	\$ 955,880	\$ 948,103
Operating expenses		
Personal services	352,538	348,665
Contractual services	67,377	68,941
Contractual maintenance	23,498	25,100
Supplies and materials	511,587	473,995
Depreciation	29,227	23,393
Total operating expenses	<u>984,227</u>	<u>940,094</u>
Operating income (loss)	<u>(28,347)</u>	<u>8,009</u>
Nonoperating revenues		
Investment income	9,644	8,366
Gain on disposition of fixed assets	886	--
Total nonoperating revenues	<u>10,530</u>	<u>8,366</u>
Net income (loss)	(17,817)	16,375
Retained earnings at beginning of year	<u>166,180</u>	<u>149,805</u>
Retained earnings at end of year	<u>\$ 148,363</u>	<u>\$ 166,180</u>

CITY OF SARASOTA, FLORIDA
Information Systems Internal Service Fund
Comparative Statement of Revenues, Expenses and
Changes in Retained Earnings
Years Ended September 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Operating revenues		
Charges for services		
Merchandise and services	\$ 1,350,990	\$ 1,300,990
Miscellaneous	<u>20</u>	<u>--</u>
Total operating revenues	<u>1,351,010</u>	<u>1,300,990</u>
Operating expenses		
Personal services	747,827	626,350
Contractual services	377,996	215,578
Contractual maintenance	100,445	69,626
Supplies and materials	57,122	31,966
Depreciation	<u>269,984</u>	<u>150,590</u>
Total operating expenses	<u>1,553,374</u>	<u>1,094,110</u>
Operating income (loss)	<u>(202,364)</u>	<u>206,880</u>
Nonoperating revenues (expenses)		
Investment income	93,138	44,254
Loss on disposition of fixed assets	<u>(1,446)</u>	<u>(3,952)</u>
Total nonoperating revenues (expenses)	<u>91,692</u>	<u>40,302</u>
Net income (loss)	(110,672)	247,182
Retained earnings at beginning of year	<u>1,448,123</u>	<u>1,200,941</u>
Retained earnings at end of year	<u><u>\$ 1,337,451</u></u>	<u><u>\$ 1,448,123</u></u>

CITY OF SARASOTA, FLORIDA
Self-Insurance Internal Service Fund
Comparative Statement of Revenues, Expenses and
Changes in Retained Earnings
Years Ended September 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Operating revenues		
Charges for services		
Insurance	\$ 6,824,208	\$ 6,310,445
Miscellaneous		
Reimbursements	<u> --</u>	<u>891,541</u>
Total operating revenues	<u>6,824,208</u>	<u>7,201,986</u>
Operating expenses		
Contractual services	8,704,956	8,199,178
Supplies and materials	<u> --</u>	<u>934</u>
Total operating expenses	<u>8,704,956</u>	<u>8,200,112</u>
Operating loss	(1,880,748)	(998,126)
Nonoperating revenues		
Investment income	<u>770,893</u>	<u>531,844</u>
Net loss	(1,109,855)	(466,282)
Retained earnings at beginning of year	<u>5,840,317</u>	<u>6,306,599</u>
Retained earnings at end of year	<u>\$ 4,730,462</u>	<u>\$ 5,840,317</u>

CITY OF SARASOTA, FLORIDA
Equipment Replacement Internal Service Fund
Comparative Statement of Revenues, Expenses and
Changes in Retained Earnings
Years Ended September 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Operating revenues		
Charges for services		
Equipment charges	<u>\$ 903,656</u>	<u>\$ 903,896</u>
Operating expenses		
Contractual services	102,849	130,754
Contractual maintenance	--	769
Supplies and materials	--	59,688
Depreciation	<u>1,280,956</u>	<u>1,046,795</u>
Total operating expenses	<u>1,383,805</u>	<u>1,238,006</u>
Operating loss	<u>(480,149)</u>	<u>(334,110)</u>
Nonoperating revenues (expenses)		
Investment income	215,816	253,802
Loan expense	(4,741)	(3,756)
Gain on disposition of fixed assets	<u>6,325</u>	<u>15,428</u>
Total nonoperating revenues (expenses)	<u>217,400</u>	<u>265,474</u>
Net loss	(262,749)	(68,636)
Retained earnings at beginning of year	<u>6,216,287</u>	<u>6,284,923</u>
Retained earnings at end of year	<u><u>\$ 5,953,538</u></u>	<u><u>\$ 6,216,287</u></u>