

INTERNAL SERVICE FUNDS

Equipment Operations Fund was established as an internal service fund through which City departments are charged for the use of vehicles and other equipment, based on actual operating costs. In addition, rates for vehicles and heavy equipment include a depreciation contribution factor to establish a reserve for future replacement.

Risk Management Fund is used to account for the City's workers' compensation program, general liability and property insurance program, and group health program. In March, 1993 the City joined the Redwood Empire Municipal Insurance Fund for its workers' compensation and liability insurance programs, changing from self-insurance to a municipal insurance pool. The City will continue to administer worker's compensation claims from prior to March 1993, and existing liability claims. In August 2002, the City changed from its group health self-insurance program and joined three separate municipal insurance pools that are dependent on the respective employees' bargaining unit. Prior claims were paid through May 2003.

Information Technology Operations Fund was established to develop a reserve account for information technology equipment and software and will be used to fund future equipment and major software replacements based on an analysis of future needs. Each department is assessed an annual amount that will provide adequate funds to replace current computer and related equipment. In addition, the fund provides City-wide support for all office automation equipment.

Redevelopment Administration Fund was established to account for administrative services provided by the City to the Redevelopment Agency.

City of Eureka
Combining Statement of Net Assets
All Internal Service Funds
June 30, 2010

	Equipment Operations	Risk Management	Information Technology Operations	Redevelopment Administration	Total
ASSETS					
Current assets:					
Cash and investments	\$ 1,377,493	\$ 480,538	\$ 156,478	\$ 54,070	\$ 2,068,579
Accounts receivable-net	18,090	3,131	-	-	21,221
Prepaid items	-	20,000	-	-	20,000
Total current assets	1,395,583	503,669	156,478	54,070	2,109,800
Capital assets:					
Buildings	429,246	-	-	-	429,246
Improvements	42,399	-	-	-	42,399
Equipment	7,047,070	-	1,570,323	-	8,617,393
Total depreciable capital assets	7,518,715	-	1,570,323	-	9,089,038
Less accumulated depreciation	(5,441,078)	-	(1,409,761)	-	(6,850,839)
Total capital assets, net	2,077,637	-	160,562	-	2,238,199
Total assets	3,473,220	503,669	317,040	54,070	4,347,999
LIABILITIES					
Liabilities:					
Current liabilities:					
Accounts payable	46,349	193,532	53,220	23,437	316,538
Claims and judgments payable, due within one year	-	121,987	-	-	121,987
Compensated absenses	29,973	-	8,047	15,774	53,794
Payroll and related liabilities	12,185	-	6,048	5,413	23,646
Total current liabilities	88,507	315,519	67,315	44,624	515,965
Noncurrent liabilities:					
Claims and judgments payable, due in more than one year	-	109,790	-	-	109,790
Total noncurrent liabilities	-	109,790	-	-	109,790
Total liabilities	88,507	425,309	67,315	44,624	625,755
NET ASSETS					
Invested in capital assets, net of related debt	2,077,637	-	160,562	-	2,238,199
Restricted for :					
Special projects	136,212	-	-	-	136,212
Unrestricted	1,170,864	78,360	89,163	9,446	1,347,833
Total net assets	\$ 3,384,713	\$ 78,360	\$ 249,725	\$ 9,446	\$ 3,722,244

City of Eureka
Combining Statement of Revenues, Expenses and Changes in Net Assets
All Internal Service Funds
For the year ended June 30, 2010

	Equipment Operations	Risk Management	Information Technology Operations	Redevelopment Administration	Total
OPERATING REVENUES:					
Charges for services	\$ 1,421,631	\$ 1,715,382	\$ 759,878	\$ 11,797	\$ 3,908,688
Total operating revenues	1,421,631	1,715,382	759,878	11,797	3,908,688
OPERATING EXPENSES:					
Maintenance and operation	1,104,370	211,617	692,535	957,426	2,965,948
Administration	91,508	28,269	5,277	66,140	191,194
Insurance costs and claims	50,294	1,346,467	-	6,618	1,403,379
Depreciation and amortization	385,862	-	114,461	-	500,323
Total operating expenses	1,632,034	1,586,353	812,273	1,030,184	5,060,844
OPERATING INCOME (LOSS)	(210,403)	129,029	(52,395)	(1,018,387)	(1,152,156)
NONOPERATING REVENUES (EXPENSES):					
Investment income (loss)	28,302	(678)	4,564	(1,861)	30,327
Miscellaneous revenue	55,977	-	-	21,760	77,737
Capital grants and contribution	16,697	-	-	-	16,697
Total nonoperating revenues(expenses)	100,976	(678)	4,564	19,899	124,761
INCOME (LOSS) BEFORE TRANSFERS	(109,427)	128,351	(47,831)	(998,488)	(1,027,395)
Transfers in	-	-	-	1,004,802	1,004,802
Total transfers in (out)	-	-	-	1,004,802	1,004,802
Change in net assets	(109,427)	128,351	(47,831)	6,314	(22,593)
NET ASSETS:					
Beginning of year	3,494,140	(49,991)	297,556	3,132	3,744,837
End of year	\$ 3,384,713	\$ 78,360	\$ 249,725	\$ 9,446	\$ 3,722,244

City of Eureka
Combining Statement of Cash Flows
All Internal Service Funds
For the year ended June 30, 2010

	Equipment Operations	Risk Management	Information Technology Operations	Redevelopment Administration	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 1,408,193	\$ 1,713,985	\$ 760,270	\$ 11,797	\$ 3,894,245
Cash payments to suppliers for goods and services	(1,204,150)	(322,561)	(663,387)	(947,134)	(3,137,232)
Cash paid to employees	(101,547)	(28,269)	(14,987)	(68,270)	(213,073)
Insurance premiums and claims paid	(50,294)	(1,404,616)	-	(6,618)	(1,461,528)
Net cash provided (used) by operating activities	52,202	(41,461)	81,896	(1,010,225)	(917,588)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in/(out)	-	-	-	1,004,802	1,004,802
Net cash provided by noncapital financing activities	-	-	-	1,004,802	1,004,802
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(179,326)	-	-	-	(179,326)
Other non operating revenue	72,674	-	-	21,760	94,434
Net cash provided by capital and related financing activities	(106,652)	-	-	21,760	(84,892)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income received	38,951	2,787	4,564	(1,861)	44,441
Net cash provided (used) by investing activities	38,951	2,787	4,564	(1,861)	44,441
Net increase (decrease) in cash and cash equivalents	(15,499)	(38,674)	86,460	14,476	46,763
CASH AND CASH EQUIVALENTS:					
Beginning of year	1,392,992	519,212	70,018	39,594	2,021,816
End of year	\$ 1,377,493	\$ 480,538	\$ 156,478	\$ 54,070	2,068,579
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ (210,403)	\$ 129,029	\$ (52,395)	\$ (1,018,387)	\$ (1,152,156)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	385,862	-	114,461	-	500,323
Changes in assets and liabilities:					
Accounts receivable	(13,438)	(1,397)	392	-	(14,443)
Accounts payable	(99,780)	(110,944)	29,148	10,292	(171,284)
Accrued salaries and wages payable	(11,543)	-	(5,800)	(3,298)	(20,641)
Claims and judgments payable	-	(58,149)	-	-	(58,149)
Compensated absences	1,504	-	(3,910)	1,168	(1,238)
Total adjustments	262,605	(170,490)	134,291	8,162	235,806
Net cash provided (used) by operating activities	\$ 52,202	\$ (41,461)	\$ 81,896	\$ (1,010,225)	\$ (917,588)