

Internal Service Funds

Internal Service Funds Summary

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies throughout the City on a cost reimbursement basis. The City and County of Denver has four internal service funds.

The **Central Services Internal Service Fund** provides office production services, including printing, bindery functions, copy center services, mail processing, and copy machine acquisition to other City departments and agencies. The fund is managed by the Manager of General Services.

The **Worker's Compensation Internal Service Fund** manages worker's compensation claims and liabilities for other City departments and agencies. The fund is managed by the Chief Financial Officer.

The **Fleet Maintenance Internal Service Fund** maintains approximately 1,900 vehicles and pieces of equipment, along with required inventories of parts, tools and supplies, procures vehicles and equipment, and purchases fuel for other City departments and agencies. The fund is managed by the Manager of Public Works.

The **Asphalt Plant Internal Service Fund** produces asphalt for resurfacing and maintaining the City's streets and alleys. The fund is managed by the Manager of Public Works.

Information on the programs provided by these internal service funds can be found in the program section of this document.

Central Services Internal Service Fund

Financial Statements

61010-3060000

Statement of Changes in Net Assets

(\$ in thousands)

	2010	2011	2012
	Actual	Estimated	Recommended
Assets			
Current Assets			
Cash and cash equivalents	\$0	\$0	\$0
Accounts Receivable	10	5	0
Due from other funds	871	1,118	1,229
Inventory of supplies	73	73	73
Total Current Assets	<u>\$954</u>	<u>\$1,196</u>	<u>\$1,302</u>
Fixed Assets			
Buildings	\$715	\$715	\$715
Machinery and Equipment	792	135	135
Accumulated Depreciation	(893)	(380)	(380)
Net Capital Assets	<u>\$614</u>	<u>\$470</u>	<u>\$470</u>
Total Assets	<u><u>\$1,568</u></u>	<u><u>\$1,666</u></u>	<u><u>\$1,772</u></u>
Liabilities			
Current Liabilities			
Vouchers payable	\$311	\$200	\$200
Accrued Liabilities	6	0	0
Due to other funds	1,697	1,785	1,785
Capital Lease Obligations	0	0	0
Special incentive payments	7	7	7
Total Current Liabilities	<u>\$2,021</u>	<u>\$1,992</u>	<u>\$1,992</u>
Noncurrent Liabilities			
Capital lease obligations	\$0	\$0	\$0
Compensated absences	6	6	6
Other accrued liabilities	3	3	3
Total Liabilities	<u><u>\$2,030</u></u>	<u><u>\$2,001</u></u>	<u><u>\$2,001</u></u>
Net Assets			
Invested in capital assets, net of related debt	\$614	\$470	\$470
Unrestricted	(1,076)	(805)	(699)
Total Net Assets	<u><u>(\$462)</u></u>	<u><u>(\$335)</u></u>	<u><u>(\$229)</u></u>

Central Services Internal Service Fund

Financial Statements

61010-3060000

Statement of Revenues, Expenses and Changes in Fund Net Assets

(\$ in thousands)

	2010 Actual	2011 Estimated	2012 Recommended
Operating Revenues			
Charges for services	\$3,831	\$3,150	\$3,150
Other revenue	0	24	3
Total Operating Revenues	\$3,831	\$3,174	\$3,153
Operating Expenses			
Personnel services	\$272	\$168	\$168
Contractual services	116	10	10
Supplies and materials	879	699	699
Depreciation and amortization	134	28	28
Other operating expenses	2,607	2,142	2,142
Net Operating Expenses	\$4,008	\$3,047	\$3,047
Operating Income (Loss)	(\$177)	\$127	\$106
Nonoperating Revenues (Expenses)			
Gain/Loss on disposal of assets	\$0	\$0	\$0
Other expense	(13)	0	0
Total Nonoperating Revenues (Expenses)	(\$13)	\$0	\$0
Income (Loss) Before Transfers	(\$190)	\$127	\$106
Change in Net Assets	(\$190)	\$127	\$106
Net Assets - January 1	(\$272)	(\$462)	(\$335)
Net Assets - December 31	(\$462)	(\$335)	(\$229)

Central Services Internal Service Fund

Financial Statements

61010-3060000

Statement of Cash Flows

(\$ in thousands)

	2010 Actual	2011 Estimated	2012 Recommended
Cash Flows From Operating Activities			
Receipts from customers	\$4,082	\$3,175	\$3,200
Payments to suppliers	(3,539)	(3,109)	(3,024)
Payments to employees	(287)	(176)	(176)
Net cash provided (used) by operating activities	\$256	(\$110)	\$0
Cash Flows From Capital and Related Financing Activities			
Proceeds from capital debt			
Principal payments	(\$243)	\$0	\$0
Acquisition of capital assets	0	0	0
Gain (loss) on disposal of assets	0	0	0
Interest paid	(13)	0	0
Net cash provided (used) by capital and related financing activities	(\$256)	\$0	\$0
Net increase in cash and cash equivalents	\$0	\$0	\$0
Cash and cash equivalents - January 1	0	0	0
Cash and cash equivalents - December 31	\$0	\$0	\$0

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities

Operating Income (loss)	(\$177)	\$127	\$106
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	\$134	\$28	\$0
Decrease (increase) in receivables, net	(\$5)	5	5
Decrease (increase) in due from other funds	\$255	(247)	(111)
Decrease (increase) in inventories	\$63	0	0
Increase (decrease) in vouchers payable	\$88	(111)	0
Increase (decrease) in due to other funds	(\$88)	88	0
Accrued liabilities	(\$14)	0	0
Net cash provided (used) by operating activities	\$256	(\$110)	\$0

Workers' Compensation Internal Service Fund

Financial Statements

65100-0128000

Statement of Changes in Net Assets

(\$ in thousands)

	2010	2011	2012
	Actual	Estimated	Recommended
Assets			
Current Assets			
Cash and cash equivalents	\$33,907	\$37,370	\$40,101
Accounts Receivable	161	221	225
Accrued interest	263	223	183
Total Current Assets	\$34,331	\$37,814	\$40,509
Total Assets	\$34,331	\$37,814	\$40,509
Liabilities			
Current Liabilities			
Vouchers payable	\$281	\$345	\$409
Accrued liabilities	81	85	90
Due to other funds	49	50	51
Claims reserve	10,386	10,534	10,484
Compensated Absences	18	20	21
Total Current Liabilities	\$10,815	\$11,034	\$11,055
Other accrued liabilities			
Compensated Absences	\$89	\$90	\$93
Claims reserve	25,324	25,078	25,028
Total NonCurrent Liabilities	\$25,413	\$25,168	\$25,121
Total Liabilities	\$36,228	\$36,202	\$36,176
Net Assets			
Unrestricted	(\$1,897)	\$1,612	\$4,333
Total Net Assets	(\$1,897)	\$1,612	\$4,333

Workers' Compensation Internal Service Fund

Financial Statements

65100-0128000

Statement of Revenues, Expenses and Changes in Fund Net Assets

(\$ in thousands)

	2010 Actual	2011 Estimated	2012 Recommended
Operating Revenues			
Charges for services	\$11,924	\$12,000	\$12,000
Other revenue	484	1,000	600
Total Operating Revenues	12,408	\$13,000	\$12,600
Operating Expenses			
Personnel services	\$1,117	\$1,092	\$1,114
Contractual services	278	417	429
Services & Supplies	438	381	388
Claims payments	8,843	7,872	8,179
Other operating expenses	1,591	\$1,452	1,465
Change in claims reserve	1,489	(98)	(100)
Net Operating Expenses	\$13,756	\$11,116	\$11,475
Operating Income (Loss)	(\$1,348)	\$1,884	\$1,125
Nonoperating Revenues (Expenses)			
Investment and interest income	\$1,729	\$1,625	\$1,596
Total Nonoperating Revenues	\$1,729	\$1,625	\$1,596
Income (Loss) Before Transfers	\$381	\$3,509	\$2,721
Transfers in	\$0	\$0	\$0
Transfers Out	0	0	0
Change in Net Assets	\$381	\$3,509	\$2,721
Net Assets - January 1	(\$2,278)	(\$1,897)	\$1,612
Net Assets - December 31	(\$1,897)	\$1,612	\$4,333

Workers' Compensation Internal Service Fund

Financial Statements

65100-0128000

Statement of Cash Flows

(\$ in thousands)

	2010	2011	2012
	Actual	Estimated	Recommended
Cash Flows From Operating Activities			
Receipts from customers	\$11,864	\$10,488	\$10,531
Payments to suppliers	(2,325)	(733)	(752)
Payments to employees	(1,070)	(1,085)	(1,105)
Claims Paid	(8,843)	(7,872)	(8,179)
Other Receipts	484	1,000	600
Net cash provided (used) by operating activities	\$110	\$1,798	\$1,095
Cash Flows From Investing Activities			
Interest received	\$1,647	\$1,665	\$1,636
Net cash provided (used) by investing activities	\$1,647	\$1,665	\$1,636
Net increase in cash and cash equivalents	\$1,757	\$3,463	\$2,731
Cash and cash equivalents - January 1	32,150	33,907	37,370
Cash and cash equivalents - December 31	\$33,907	\$37,370	\$40,101

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities

Operating Income (loss)	(\$1,348)	\$1,884	\$1,125
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Accounts receivable	(\$60)	(\$60)	(\$4)
Due from other funds			
Vouchers payable	64	64	64
Accrued liabilities	47	7	9
Due to other funds	(82)	1	1
Claim Reserve	1,489	(98)	(100)
Net cash provided (used) by operating activities	\$110	\$1,798	\$1,095

Fleet Maintenance Internal Service Fund

Financial Statements

63001-5053000

Statement of Changes in Net Assets

(\$ in thousands)

	2010	2011	2012
	Actual	Estimated	Recommended
Assets			
Current Assets			
Cash and cash equivalents	\$4,881	\$4,976	\$6,026
Accounts Receivable	61	83	100
Due from other funds	2,345	2,441	2,386
Restricted Cash	25	0	0
Inventory of supplies	2,022	2,155	2,204
Total Current Assets	<u>\$9,334</u>	<u>\$9,655</u>	<u>\$10,716</u>
Fixed Assets			
Buildings	\$5,653	\$5,653	\$5,653
Buildings and Improvements	14,472	14,472	14,472
Improvements other than buildings	79	79	79
Machinery and Equipment	5,307	5,379	5,477
Accumulated Depreciation	(4,649)	(5,079)	(5,509)
Net Capital Assets	<u>\$20,862</u>	<u>\$20,504</u>	<u>\$20,172</u>
Total Assets	<u><u>\$30,196</u></u>	<u><u>\$30,159</u></u>	<u><u>\$30,888</u></u>
Liabilities			
Current Liabilities			
Vouchers payable	\$572	\$472	\$667
Accrued Liabilities	254	218	300
Due to other funds	21	10	8
Capital Lease Obligations	666	696	701
Compensated Absences - Current	471	492	613
Special incentive payments	13	0	0
Advances - capital replacement	0	0	0
Total Current Liabilities	<u>\$1,997</u>	<u>\$1,888</u>	<u>\$2,289</u>
Noncurrent Liabilities			0
Capital lease obligations	\$19,544	\$18,848	\$18,147
Other accrued liabilities	6	18	18
Compensated Absences - Noncurrent	636	636	636
Total Liabilities	<u><u>\$22,183</u></u>	<u><u>\$21,390</u></u>	<u><u>\$20,436</u></u>
Net Assets			
Invested in capital assets, net of related debt	\$652	\$960	\$1,324
Unrestricted	7,361	(11,081)	(9,720)
Total Net Assets	<u><u>\$8,013</u></u>	<u><u>\$8,769</u></u>	<u><u>\$10,452</u></u>

Fleet Maintenance Internal Service Fund

Financial Statements

63001-5053000

Statement of Revenues, Expenses and Changes in Fund Net Assets

(\$ in thousands)

	2010 <u>Actual</u>	2011 <u>Estimated</u>	2012 <u>Recommended</u>
Operating Revenues			
Charges for services	\$19,272	\$20,553	\$23,160
Other revenue	52	0	0
Total Operating Revenues	<u>\$19,324</u>	<u>\$20,553</u>	<u>\$23,160</u>
Operating Expenses			
Personnel services	\$7,068	\$6,929	\$6,691
Contractual services	124	119	198
Supplies and materials	11,017	11,883	13,588
Depreciation and amortization	399	430	437
Other operating expenses	678	399	499
Net Operating Expenses	<u>\$19,286</u>	<u>\$19,760</u>	<u>\$21,413</u>
Operating Income (Loss)	\$38	\$793	\$1,747
Nonoperating Revenues (Expenses)			
Interest expense	\$0	\$659	\$637
Other expense			
Total Nonoperating Revenues (Expenses)	<u>\$0</u>	<u>\$659</u>	<u>\$637</u>
Income (Loss) Before Transfers	\$38	\$1,452	\$2,384
Transfers in	0	629	633
Transfers Out	0	(1,325)	(1,334)
Change in Net Assets	<u>\$38</u>	<u>\$756</u>	<u>\$1,683</u>
Net Assets - January 1	<u>\$7,975</u>	<u>\$8,013</u>	<u>\$8,769</u>
Net Assets - December 31	<u><u>\$8,013</u></u>	<u><u>\$8,769</u></u>	<u><u>\$10,452</u></u>

Fleet Maintenance Internal Service Fund

Financial Statements

63001-5053000

Statement of Cash Flows

(\$ in thousands)

	2010 Actual	2011 Estimated	2012 Recommended
Cash Flows From Operating Activities			
Receipts from customers	\$19,858	\$18,907	\$22,727
Payments to suppliers	(11,505)	(11,212)	(14,285)
Payments to employees	(6,953)	(6,929)	(6,691)
Other receipts (payments)	52	0	0
Sale of Salvage	0	0	0
Net cash provided (used) by operating activities	\$1,452	\$766	\$1,751
Cash Flow From Noncapital Financing Activities			
Operating transfers in	\$0	\$629	\$633
Operating transfers out	0	(1,325)	(1,334)
Net cash provided (used) by noncapital financing activities	\$0	(\$696)	(\$701)
Cash Flow From Capital and Related Financing Activities			
Proceeds from capital debt	\$20,210	\$0	\$0
Principala payments	0	0	0
Acquisition of capital assets	(20,283)	0	0
Interest paid	0	0	0
Net cash provided (used) by capital and related financing activities	(\$73)	\$0	\$0
Net increase in cash and cash equivalents	\$1,379	\$70	\$1,050
Cash and cash equivalents - January 1	3,527	4,906	4,976
Cash and cash equivalents - December 31	\$4,906	\$4,976	\$6,026

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities

Operating Income (loss)	\$38	\$793	\$1,747
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	\$399	\$430	\$437
Decrease (increase) in receivables, net	(59)	(22)	(17)
Decrease (increase) in due from other funds	645	(96)	(55)
Decrease (increase) in inventories	175	(133)	(98)
Increase (decrease) in vouchers payable	281	(20)	(5)
Increase(decrease) in payroll liabilities	0	(139)	(238)
Increase(decrease) in accrued liabilities	(41)	(36)	(18)
Increase (decrease) in due to other funds	14	(11)	(2)
Net cash provided (used) by operating activities	\$1,452	\$766	\$1,751

Asphalt Plant Internal Service Fund

Financial Statements

67100-5054000

Statement of Changes in Net Assets

(\$ in thousands)

	2010	2011	2012
Assets	Actual	Estimated	Recommended
Current Assets			
Cash and cash equivalents	\$3,789	\$3,712	\$4,198
Receivables (net of allowances)			
Accounts Receivable	1	0	0
Interfund receivables	40	25	20
Inventory of supplies	103	100	105
Total Current Assets	\$3,933	\$3,837	\$4,323
Fixed Assets			
Buildings	\$3,392	\$3,392	\$3,392
Improvements other than buildings	67	235	235
Machinery and Equipment	1,301	1,841	1,841
Accumulated Depreciation	(3,999)	(4,282)	(4,685)
Net Capital Assets	\$761	\$1,186	\$783
Total Assets	\$4,694	\$5,023	\$5,106
Liabilities			
Current Liabilities			
Vouchers payable	\$154	\$100	\$100
Accrued Liabilities	21	27	28
Compensated Absences	15	10	10
Due to other funds	6	5	5
Total Current Liabilities	\$196	\$142	\$143
Compensated absences	46	46	46
Total Liabilities	\$242	\$188	\$189
Net Assets			
Invested in capital assets, net of related debt	\$761	\$1,186	\$783
Unrestricted	3,691	3,649	4,134
Total Net Assets	\$4,452	\$4,835	\$4,917

Asphalt Plant Internal Service Fund

Financial Statements

67100-5054000

Statement of Revenues, Expenses and Changes in Fund Net Assets

(\$ in thousands)

	2010	2011	2012
	Actual	Estimated	Recommended
Operating Revenues			
Charges for services	\$7,419	\$8,700	\$8,900
Total Operating Revenues	<u>\$7,419</u>	<u>\$8,700</u>	<u>\$8,900</u>
Operating Expenses			
Personnel services	\$571	\$695	\$707
Contractual services	24	22	20
Supplies and materials	5,695	6,355	6,810
Depreciation and amortization	302	364	403
Other operating expenses	511	881	878
Net Operating Expenses	<u>\$7,103</u>	<u>\$8,317</u>	<u>\$8,818</u>
Operating Income (Loss)	\$316	\$383	\$82
Income (Loss) Before Transfers	\$316	\$383	\$82
Change in Net Assets	\$316	\$383	\$82
Net Assets - January 1	<u>\$4,136</u>	<u>\$4,452</u>	<u>\$4,835</u>
Net Assets - December 31	<u><u>\$4,452</u></u>	<u><u>\$4,835</u></u>	<u><u>\$4,917</u></u>

Asphalt Plant Internal Service Fund

Financial Statements

67100-5054000

Statement of Cash Flows

(\$ in thousands)

	2010	2011	2012
	Actual	Estimated	Recommended
Cash Flows From Operating Activities			
Receipts from customers	\$7,401	\$8,716	\$8,900
Payments to suppliers	(6,126)	(7,310)	(7,708)
Payments to employees	(560)	(694)	(706)
Net cash provided (used) by operating activities	\$715	\$712	\$486
 Cash Flow From Noncapital Financing Activities			
Acquisition of capital assets	(\$28)	(\$789)	\$0
Net cash provided (used) by capital and	(\$28)	(\$789)	\$0
 Net increase in cash and cash equivalents	\$687	(\$77)	\$486
Cash and cash equivalents - January 1	3,102	3,789	3,712
Cash and cash equivalents - December 31	\$3,789	\$3,712	\$4,198

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities

Operating Income (loss)	\$316	\$383	\$82
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	302	364	403
Decrease (increase) in receivables, net	(1)	1	
Decrease (increase) in due from other funds	(17)	15	5
Decrease (increase) in inventories	49	3	(5)
Increase (decrease) in vouchers payable	70	(54)	
Accrued liabilities	3	1	1
Increase (decrease) in due to other funds	(7)	(1)	
Net cash provided (used) by operating activities	\$715	\$712	\$486

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