

## INTERNAL SERVICE FUNDS

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

Administrative Services Fund - Provides professional services to the management of the City, its employees and the public through the administration of a comprehensive Human Resources Program.

Central Communications Fund - Oversees operations related to all City telephones, telephone leases, and long-distance carriers.

Health and Benefit Fund - Accounts for payroll deductions made to the City's self-insured group health insurance plan and processes and pays health insurance claims.

Insurance and Safety Fund - Accounts for central insurance and safety program costs of the City, which includes centralized handling of premium payments, claims processing, and general insurance administration.

Fiscal Services Fund - Provides centralized services for accounting, cash investments, utility billing and customer service, debt issuance, and fixed asset tracking.

Information Tech Fund - Provides budgeting, management studies, centralized and personal computer operations services support.

Central Garage Fund - Responsible for fleet operations for the City. Functions include maintenance, fuel dispensing, replacement services for all major vehicles and motor equipment owned by the City and the Great Falls Housing Authority.

Craft Services Fund - Provides for painter, carpenter, and electrician services to all City departments.

Engineering Fund - Provides technical support for the Utilities and Operation branches of Public Works and other departments within the City. A primary focus is support of the Utilities operation. Other departments receive engineering support as agreed upon or projected during the budget process. Public service is also rendered through providing information on City ordinances, assisting in the creation of special improvement districts and providing technical advice to various advisory boards appointed by the City Commission.

Public Works Fund - Responsible for the overall planning, organizing, and coordination of the three branches of Public Works: utilities, operations, and engineering.

Park and Rec Admin Fund - Accounts for the Park and Recreation Director, the Director's immediate support staff, and those overhead expenditures which generally support Park and Recreation operations as a whole.

Facility Services Fund - Accounts for the costs of maintaining and operating the Civic Center and the City departments located there.

**CITY OF GREAT FALLS, MONTANA**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2003**

	<u>Admin- istrative Services</u>	<u>Central Communi- cations</u>	<u>Health and Benefit</u>	<u>Insurance and Safety</u>	<u>Fiscal Services</u>
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 80,033	\$ 44,439	\$ -	\$ 71,751	\$ 104,361
Receivables					
Accounts	-	-	11,582	-	105
Accrued interest	497	249	-	612	578
Interfund loans receivable	-	-	-	-	-
Inventories	-	-	-	-	-
Prepaid items	-	-	-	-	451
	<u>80,530</u>	<u>44,688</u>	<u>11,582</u>	<u>72,363</u>	<u>105,495</u>
Total current assets					
Long-term assets					
Restricted cash and investments	-	-	-	-	-
Advance to other funds	-	-	-	70,000	-
Capital assets	5,269	36,696	-	-	55,459
Less accumulated depreciation	(420)	(36,696)	-	-	(44,763)
Net capital assets	<u>4,849</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,696</u>
	<u>4,849</u>	<u>-</u>	<u>-</u>	<u>70,000</u>	<u>10,696</u>
Total long-term assets	<u>4,849</u>	<u>-</u>	<u>-</u>	<u>70,000</u>	<u>10,696</u>
Total assets	<u>85,379</u>	<u>44,688</u>	<u>11,582</u>	<u>142,363</u>	<u>116,191</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	5,230	-	482,191	11,652	1,194
Due to other City funds	-	-	746,015	-	-
Capital lease obligations	-	-	-	-	5,192
Compensated absences payable	<u>32,218</u>	<u>1,080</u>	<u>-</u>	<u>2,558</u>	<u>45,120</u>
	<u>37,448</u>	<u>1,080</u>	<u>1,228,206</u>	<u>14,210</u>	<u>51,506</u>
Total current liabilities	<u>37,448</u>	<u>1,080</u>	<u>1,228,206</u>	<u>14,210</u>	<u>51,506</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	4,849	-	-	-	5,504
Restricted for:					
Equipment replacement reserves	-	-	-	-	-
Unrestricted	<u>43,082</u>	<u>43,608</u>	<u>(1,216,624)</u>	<u>128,153</u>	<u>59,181</u>
Total net assets	<u>\$ 47,931</u>	<u>\$ 43,608</u>	<u>\$ (1,216,624)</u>	<u>\$ 128,153</u>	<u>\$ 64,685</u>

<u>Information Tech</u>	<u>Central Garage</u>	<u>Craft Services</u>	<u>Engineering</u>	<u>Public Works</u>	<u>Park and Rec Admin</u>	<u>Facility Services</u>	<u>Totals</u>
\$ 2,341	\$ 865,690	\$ 2,535	\$ 133,060	\$ 39,251	\$ 49,713	\$ 120,086	\$ 1,513,260
-	1,917	-	924	-	-	-	14,528
1,975	13,412	-	914	207	291	1,301	20,036
-	130,057	-	-	-	-	-	130,057
-	82,847	-	-	-	-	-	82,847
-	-	-	-	-	-	-	451
<u>4,316</u>	<u>1,093,923</u>	<u>2,535</u>	<u>134,898</u>	<u>39,458</u>	<u>50,004</u>	<u>121,387</u>	<u>1,761,179</u>
359,132	1,035,935	-	63,380	1,000	-	97,116	1,556,563
-	2,355,211	-	-	-	-	-	2,425,211
1,080,548	7,323,202	-	163,920	83,063	-	25,947	8,774,104
<u>(783,273)</u>	<u>(4,858,606)</u>	<u>-</u>	<u>(108,515)</u>	<u>(30,559)</u>	<u>-</u>	<u>(11,574)</u>	<u>(5,874,406)</u>
<u>297,275</u>	<u>2,464,596</u>	<u>-</u>	<u>55,405</u>	<u>52,504</u>	<u>-</u>	<u>14,373</u>	<u>2,899,698</u>
<u>656,407</u>	<u>5,855,742</u>	<u>-</u>	<u>118,785</u>	<u>53,504</u>	<u>-</u>	<u>111,489</u>	<u>6,881,472</u>
<u>660,723</u>	<u>6,949,665</u>	<u>2,535</u>	<u>253,683</u>	<u>92,962</u>	<u>50,004</u>	<u>232,876</u>	<u>8,642,651</u>
9,471	23,471	460	3,954	5,786	1,748	6,847	552,004
-	-	-	-	-	-	-	746,015
-	-	-	-	-	-	-	5,192
<u>49,794</u>	<u>68,561</u>	<u>9,431</u>	<u>91,010</u>	<u>22,495</u>	<u>30,411</u>	<u>13,443</u>	<u>366,121</u>
<u>59,265</u>	<u>92,032</u>	<u>9,891</u>	<u>94,964</u>	<u>28,281</u>	<u>32,159</u>	<u>20,290</u>	<u>1,669,332</u>
297,275	2,464,596	-	55,405	52,504	-	14,373	2,894,506
359,132	3,801,701	-	63,380	-	-	97,116	4,321,329
<u>(54,949)</u>	<u>591,336</u>	<u>(7,356)</u>	<u>39,934</u>	<u>12,177</u>	<u>17,845</u>	<u>101,097</u>	<u>(242,516)</u>
<u>\$ 601,458</u>	<u>\$ 6,857,633</u>	<u>\$ (7,356)</u>	<u>\$ 158,719</u>	<u>\$ 64,681</u>	<u>\$ 17,845</u>	<u>\$ 212,586</u>	<u>\$ 6,973,319</u>

**CITY OF GREAT FALLS, MONTANA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**Year Ended June 30, 2003**

	<b>Admin- istrative Services</b>	<b>Central Communi- cations</b>	<b>Health and Benefit</b>	<b>Insurance and Safety</b>	<b>Fiscal Services</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 354,087	\$ 86,570	\$ -	\$ 932,040	\$ 1,251,149
<b>OPERATING EXPENSES</b>					
Personal services	288,906	44,428	-	57,790	679,962
Supplies and materials	12,799	-	-	794	25,687
Purchased services	17,236	23,271	354,122	53,065	147,124
Internal services	36,908	2,084	-	3,365	365,682
Other	366	-	2,860,630	862,865	8,692
Depreciation	313	3,670	-	-	17,642
Total operating expenses	<u>356,528</u>	<u>73,453</u>	<u>3,214,752</u>	<u>977,879</u>	<u>1,244,789</u>
Operating income (loss)	<u>(2,441)</u>	<u>13,117</u>	<u>(3,214,752)</u>	<u>(45,839)</u>	<u>6,360</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	2,173	869	-	7,368	2,202
Interest expense	-	-	(2,088)	-	(269)
Gain (loss) on disposal of assets	-	-	-	-	-
Other	-	-	2,848,208	-	500
Total nonoperating revenues	<u>2,173</u>	<u>869</u>	<u>2,846,120</u>	<u>7,368</u>	<u>2,433</u>
Income (loss) before transfers	(268)	13,986	(368,632)	(38,471)	8,793
<b>Transfers in</b>	-	-	-	-	-
<b>Transfers out</b>	<u>(12,960)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	(13,228)	13,986	(368,632)	(38,471)	8,793
<b>Net assets, beginning of year</b>	<u>61,159</u>	<u>29,622</u>	<u>(847,992)</u>	<u>166,624</u>	<u>55,892</u>
<b>Net assets, end of year</b>	<u>\$ 47,931</u>	<u>\$ 43,608</u>	<u>\$ (1,216,624)</u>	<u>\$ 128,153</u>	<u>\$ 64,685</u>

<b>Information Tech</b>	<b>Central Garage</b>	<b>Craft Services</b>	<b>Engineering</b>	<b>Public Works</b>	<b>Park and Rec Admin</b>	<b>Facility Services</b>	<b>Totals</b>
\$ 793,894	\$ 1,394,571	\$ 268,086	\$ 596,287	\$ 323,652	\$ 237,352	\$ 312,690	\$ 6,550,378
293,364	491,430	223,804	551,149	175,346	180,004	121,848	3,108,031
67,042	319,185	18,197	9,870	5,144	4,351	17,118	480,187
326,843	69,998	1,675	82,393	87,563	28,028	104,772	1,296,090
32,033	90,949	29,290	98,996	23,435	19,568	52,206	754,516
-	4,622	-	-	-	4,229	-	3,741,404
305,975	505,000	-	16,723	9,613	-	2,572	861,508
1,025,257	1,481,184	272,966	759,131	301,101	236,180	298,516	10,241,736
(231,363)	(86,613)	(4,880)	(162,844)	22,551	1,172	14,174	(3,691,358)
7,555	127,920	-	3,819	847	1,123	5,212	159,088
-	-	(82)	-	-	-	-	(2,439)
(24,179)	10,375	-	-	-	-	-	(13,804)
2,813	2,031	56	-	-	-	189	2,853,797
(13,811)	140,326	(26)	3,819	847	1,123	5,401	2,996,642
(245,174)	53,713	(4,906)	(159,025)	23,398	2,295	19,575	(694,716)
12,960	31,592	3,300	125,075	-	-	-	172,927
-	(120,963)	-	-	-	-	-	(133,923)
(232,214)	(35,658)	(1,606)	(33,950)	23,398	2,295	19,575	(655,712)
833,672	6,893,291	(5,750)	192,669	41,283	15,550	193,011	7,629,031
\$ 601,458	\$ 6,857,633	\$ (7,356)	\$ 158,719	\$ 64,681	\$ 17,845	\$ 212,586	\$ 6,973,319

**CITY OF GREAT FALLS, MONTANA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**Year Ended June 30, 2003**

	<u>Admin- istrative Services</u>	<u>Central Communi- cations</u>	<u>Health and Benefit</u>	<u>Insurance and Safety</u>	<u>Fiscal Services</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 353,827	\$ 86,404	\$ 2,844,706	\$ 931,786	\$ 1,251,283
Receipts from interfund services provided	-	-	239,943	-	-
Payments to suppliers	(26,011)	(23,282)	(3,082,561)	(929,900)	(182,280)
Payments to employees	(285,771)	(43,737)	-	(57,364)	(675,667)
Payments for interfund services used	-	-	-	-	-
Payments to Internal Service Funds	<u>(36,908)</u>	<u>(2,084)</u>	<u>-</u>	<u>(3,365)</u>	<u>(365,682)</u>
Net cash provided (used) by operating activities	<u>5,137</u>	<u>17,301</u>	<u>2,088</u>	<u>(58,843)</u>	<u>27,654</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	-	-	-	-	-
Transfers out	<u>(12,960)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>(12,960)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from sale of assets	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Principal payments- advances	-	-	-	-	-
Principal payments - capital leases	-	-	-	-	(2,660)
Interest paid	-	-	(2,088)	-	(269)
Acquisition/construction of capital assets	<u>(999)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,144)</u>
Net cash used by capital and related financing activities	<u>(999)</u>	<u>-</u>	<u>(2,088)</u>	<u>-</u>	<u>(7,073)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends on investments	<u>2,173</u>	<u>869</u>	<u>-</u>	<u>7,368</u>	<u>2,202</u>
Net increase (decrease) in cash	(6,649)	18,170	-	(51,475)	22,783
<b>Cash, beginning of year</b>	<u>86,682</u>	<u>26,269</u>	<u>-</u>	<u>123,226</u>	<u>81,578</u>
<b>Cash, end of year (a)</b>	<u><u>\$ 80,033</u></u>	<u><u>\$ 44,439</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 71,751</u></u>	<u><u>\$ 104,361</u></u>
(a) Shown on the combining statement of net assets as:					
Cash and cash equivalents	\$ 80,033	\$ 44,439	\$ -	\$ 71,751	\$ 104,361
Restricted cash and investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>\$ 80,033</u></u>	<u><u>\$ 44,439</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 71,751</u></u>	<u><u>\$ 104,361</u></u>

<u>Information Tech</u>	<u>Central Garage</u>	<u>Craft Services</u>	<u>Engineering</u>	<u>Public Works</u>	<u>Park and Rec Admin</u>	<u>Facility Services</u>	<u>Totals</u>
\$ 795,767	\$ 1,389,955	\$ 268,142	\$ 781,054	\$ 323,543	\$ 237,186	\$ 312,196	\$ 9,575,849
-	-	-	-	-	-	-	239,943
(389,981)	(405,096)	(19,525)	(270,359)	(96,729)	(36,021)	(117,563)	(5,579,308)
(286,206)	(494,080)	(220,744)	(536,832)	(172,224)	(174,337)	(123,151)	(3,070,113)
-	-	(2,437)	-	-	-	-	(2,437)
<u>(32,033)</u>	<u>(90,949)</u>	<u>(29,290)</u>	<u>(98,996)</u>	<u>(23,435)</u>	<u>(19,568)</u>	<u>(52,206)</u>	<u>(754,516)</u>
<u>87,547</u>	<u>399,830</u>	<u>(3,854)</u>	<u>(125,133)</u>	<u>31,155</u>	<u>7,260</u>	<u>19,276</u>	<u>409,418</u>
12,960	31,592	3,300	125,075	-	-	-	172,927
-	(120,963)	-	-	-	-	-	(133,923)
<u>12,960</u>	<u>(89,371)</u>	<u>3,300</u>	<u>125,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,004</u>
-	77,913	-	-	-	-	-	77,913
-	(436,300)	-	-	-	-	-	(436,300)
-	126,335	-	-	-	-	-	126,335
-	-	-	-	-	-	-	(2,660)
-	-	(82)	-	-	-	-	(2,439)
<u>(98,712)</u>	<u>(616,722)</u>	<u>-</u>	<u>-</u>	<u>(23,648)</u>	<u>-</u>	<u>-</u>	<u>(744,225)</u>
<u>(98,712)</u>	<u>(848,774)</u>	<u>(82)</u>	<u>-</u>	<u>(23,648)</u>	<u>-</u>	<u>-</u>	<u>(981,376)</u>
<u>7,555</u>	<u>127,920</u>	<u>-</u>	<u>3,819</u>	<u>847</u>	<u>1,123</u>	<u>5,212</u>	<u>159,088</u>
9,350	(410,395)	(636)	3,761	8,354	8,383	24,488	(373,866)
<u>352,123</u>	<u>2,312,020</u>	<u>3,171</u>	<u>192,679</u>	<u>31,897</u>	<u>41,330</u>	<u>192,714</u>	<u>3,443,689</u>
<u>\$ 361,473</u>	<u>\$ 1,901,625</u>	<u>\$ 2,535</u>	<u>\$ 196,440</u>	<u>\$ 40,251</u>	<u>\$ 49,713</u>	<u>\$ 217,202</u>	<u>\$ 3,069,823</u>
2,341	\$ 865,690	\$ 2,535	\$ 133,060	\$ 39,251	49,713	\$ 120,086	\$ 1,513,260
359,132	1,035,935	-	63,380	1,000	-	97,116	1,556,563
<u>\$ 361,473</u>	<u>\$ 1,901,625</u>	<u>\$ 2,535</u>	<u>\$ 196,440</u>	<u>\$ 40,251</u>	<u>\$ 49,713</u>	<u>\$ 217,202</u>	<u>\$ 3,069,823</u>

(Continued)

**CITY OF GREAT FALLS, MONTANA**  
**COMBINING STATEMENT OF CASH FLOWS (Concluded)**  
**INTERNAL SERVICE FUNDS**  
**Year Ended June 30, 2003**

	<b>Admin- istrative Services</b>	<b>Central Communi- cations</b>	<b>Health and Benefit</b>	<b>Insurance and Safety</b>	<b>Fiscal Services</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (2,441)	\$ 13,117	\$ (3,214,752)	\$ (45,839)	\$ 6,360
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	313	3,670	-	-	17,642
Cash provided (used) by changes in operating assets and liabilities					
Accounts receivable	-	-	(3,502)	-	(105)
Other receivables	(260)	(166)	-	(254)	(261)
Prepaid expenses	-	-	-	-	(451)
Inventories	-	-	-	-	-
Accounts payable	4,905	(11)	132,191	(13,176)	(326)
Due to other City funds	-	-	239,943	-	-
Other liabilities	(515)	-	-	-	-
Compensated absences payable	3,135	691	-	426	4,295
Other nonoperating revenue	-	-	2,848,208	-	500
Total adjustments	7,578	4,184	3,216,840	(13,004)	21,294
Net cash provided (used) by operating activities	\$ 5,137	\$ 17,301	\$ 2,088	\$ (58,843)	\$ 27,654

**NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES**

During the year, a copy machine and its related capital lease was sold by the Fairgrounds enterprise fund to the Fiscal Services internal service fund. As a result, the Fiscal Services fund obtained capital assets of \$9,000 and related capital lease obligations of \$7,852 for a net cash outlay of \$1,148.

<u>Information Tech</u>	<u>Central Garage</u>	<u>Craft Services</u>	<u>Engineering</u>	<u>Public Works</u>	<u>Park and Rec Admin</u>	<u>Facility Services</u>	<u>Totals</u>
\$ (231,363)	\$ (86,613)	\$ (4,880)	\$ (162,844)	\$ 22,551	\$ 1,172	\$ 14,174	\$ (3,691,358)
305,975	505,000	-	16,723	9,613	-	2,572	861,508
-	(322)	-	185,028	-	-	-	181,099
(940)	(6,325)	-	(261)	(109)	(166)	(683)	(9,425)
-	-	-	-	-	-	-	(451)
-	(12,563)	-	-	-	-	-	(12,563)
3,904	1,272	347	(178,096)	(4,022)	587	4,327	(48,098)
-	-	(2,437)	-	-	-	-	237,506
-	-	-	-	-	-	-	(515)
7,158	(2,650)	3,060	14,317	3,122	5,667	(1,303)	37,918
<u>2,813</u>	<u>2,031</u>	<u>56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>189</u>	<u>2,853,797</u>
<u>318,910</u>	<u>486,443</u>	<u>1,026</u>	<u>37,711</u>	<u>8,604</u>	<u>6,088</u>	<u>5,102</u>	<u>4,100,776</u>
<u>\$ 87,547</u>	<u>\$ 399,830</u>	<u>\$ (3,854)</u>	<u>\$ (125,133)</u>	<u>\$ 31,155</u>	<u>\$ 7,260</u>	<u>\$ 19,276</u>	<u>\$ 409,418</u>