

## **INTERNAL SERVICE FUNDS**

Internal service funds are one of two types of proprietary funds used to centralize and allocate the cost of certain services provided on a cost-reimbursement basis primarily to County departments as well as to other government agencies. User charges are based upon standard rates calculated on an estimated cost recovery basis.

### **PUBLIC WORKS SERVICES**

This fund coordinates the County's property management activities and provides administrative, engineering, construction, and maintenance services to various County departments as well as other governmental units.

### **HEAVY EQUIPMENT**

This fund maintains the County's fleet of machinery and construction equipment and rents such equipment to County departments and other governmental units.

### **TRANSPORTATION**

This fund provides for the acquisition, maintenance, and replacement of County automobiles and light trucks, which it rents to various County departments and non-County entities.

### **GENERAL INSURANCE**

This fund administers certain commercial and County self-insurance programs, principally worker's compensation, medical malpractice, and general insurance. It also administers the hazardous materials program which provides for waste handling, disposal, and reporting.

### **INFORMATION TECHNOLOGY SERVICES**

This fund is responsible for the design, implementation, and maintenance of the telecommunication network as well as the computer-assisted systems which support the information processing requirements of the County departments and certain non-County entities.

### **GENERAL SERVICES**

This fund's services include graphics, mailroom, stores, purchasing, security, maintenance, custodial, and landscaping provided to all County departments and certain non-County entities. The fund also administers the utilities program and the job order contract program, which contracts with outside vendors to provide maintenance projects for County departments.

### **EMPLOYEE BENEFITS INSURANCE**

This fund administers the County's commercial employees' group medical plan and disability income protection plan and the self-insured, wage-supplement, and unemployment insurance programs. The fund, operated by the Human Resources Department, collects premiums from County agencies, departments and employees, and makes benefit payments through outside settlement agents.

### **PERSONNEL SERVICES**

This fund administers the training services offered to County and non-County entities. Services include assessment of the requesting entity's needs as well as the development and delivery of comprehensive programs. This fund, operated by the Human Resources Department, provides these services at cost to both County departments and outside entities.

COUNTY OF VENTURA  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 JUNE 30, 2016  
 (In Thousands)

	Total	Public Works Services	Heavy Equipment	Transportation
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 235,159	\$ 11,269	\$ 5,554	\$ 5,105
Receivables, net	4,110	248	21	347
Due from other funds	9,109	339	1,052	1,251
Inventories and other assets	3,943	76	-	545
Restricted cash and investments	592	-	-	-
Total current assets	<u>252,913</u>	<u>11,932</u>	<u>6,627</u>	<u>7,248</u>
Noncurrent assets:				
Long-term receivables	97	-	-	-
Capital assets:				
Nondepreciable:				
Land	770	-	-	-
Construction in progress	4,804	-	6	282
Depreciable:				
Land improvements	1,208	-	-	-
Structures and improvements	13,679	722	9	869
Equipment/Vehicles	98,231	648	18,222	46,244
Software	13,931	1,383	-	388
Less accumulated depreciation	<u>(64,809)</u>	<u>(1,310)</u>	<u>(9,402)</u>	<u>(23,427)</u>
Total noncurrent assets	<u>67,911</u>	<u>1,443</u>	<u>8,835</u>	<u>24,356</u>
Total assets	<u>320,824</u>	<u>13,375</u>	<u>15,462</u>	<u>31,604</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflow related to pensions	22,679	10,146	197	747
Total deferred outflows of resources	<u>22,679</u>	<u>10,146</u>	<u>197</u>	<u>747</u>
Total assets and deferred outflows of resources	<u>\$ 343,503</u>	<u>\$ 23,521</u>	<u>\$ 15,659</u>	<u>\$ 32,351</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 9,575	\$ 164	\$ 9	\$ 842
Due to other funds	1,845	285	190	172
Accrued liabilities	5,465	1,242	29	106
Compensated absences, current	4,267	1,972	40	147
Claims liabilities, current	35,167	-	-	-
Certificates of participation, tax-exempt commercial paper, and loans payable, current	1,477	-	-	19
Total current liabilities	<u>57,796</u>	<u>3,663</u>	<u>268</u>	<u>1,286</u>
Noncurrent liabilities:				
Unearned revenue	249	216	-	-
Compensated absences, noncurrent	3,253	1,607	45	126
Net pension liability	52,976	23,706	460	1,756
Claims liabilities, noncurrent	126,603	-	-	-
Certificates of participation, tax-exempt commercial paper, and loans payable, noncurrent	9,553	-	-	142
Total noncurrent liabilities	<u>192,634</u>	<u>25,529</u>	<u>505</u>	<u>2,024</u>
Total liabilities	<u>250,430</u>	<u>29,192</u>	<u>773</u>	<u>3,310</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow related to pensions	8,949	4,003	78	294
Total deferred inflows of resources	<u>8,949</u>	<u>4,003</u>	<u>78</u>	<u>294</u>
<b>NET POSITION</b>				
Net investment in capital assets	56,958	1,443	8,835	24,195
Restricted for:				
Debt service	418	-	-	-
Unrestricted (deficit)	<u>26,748</u>	<u>(11,117)</u>	<u>5,973</u>	<u>4,552</u>
Total net position	<u>84,124</u>	<u>(9,674)</u>	<u>14,808</u>	<u>28,747</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 343,503</u>	<u>\$ 23,521</u>	<u>\$ 15,659</u>	<u>\$ 32,351</u>

COUNTY OF VENTURA  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 JUNE 30, 2016  
 (In Thousands)

General Insurance	Information Technology Services	General Services	Employee Benefits Insurance	Personnel Services
\$ 180,366	\$ 16,740	\$ 11,370	\$ 4,365	\$ 390
1,595	120	1,485	293	1
298	937	5,162	62	8
672	1,929	721	-	-
-	418	174	-	-
<u>182,931</u>	<u>20,144</u>	<u>18,912</u>	<u>4,720</u>	<u>399</u>
97	-	-	-	-
770	-	-	-	-
-	105	4,411	-	-
-	1,208	-	-	-
-	2,312	9,767	-	-
-	26,198	6,911	8	-
-	11,193	883	84	-
-	(23,559)	(7,082)	(29)	-
<u>867</u>	<u>17,457</u>	<u>14,890</u>	<u>63</u>	<u>-</u>
<u>183,798</u>	<u>37,601</u>	<u>33,802</u>	<u>4,783</u>	<u>399</u>
372	6,121	4,615	420	61
<u>372</u>	<u>6,121</u>	<u>4,615</u>	<u>420</u>	<u>61</u>
<u>\$ 184,170</u>	<u>\$ 43,722</u>	<u>\$ 38,417</u>	<u>\$ 5,203</u>	<u>\$ 460</u>
\$ 1,240	\$ 1,040	\$ 6,010	\$ 270	\$ -
830	116	240	10	2
45	2,954	580	501	8
84	1,112	804	97	11
35,013	-	-	154	-
-	1,002	456	-	-
<u>37,212</u>	<u>6,224</u>	<u>8,090</u>	<u>1,032</u>	<u>21</u>
-	-	33	-	-
56	678	673	68	-
865	14,259	10,800	988	142
126,603	-	-	-	-
-	7,362	2,049	-	-
<u>127,524</u>	<u>22,299</u>	<u>13,555</u>	<u>1,056</u>	<u>142</u>
<u>164,736</u>	<u>28,523</u>	<u>21,645</u>	<u>2,088</u>	<u>163</u>
147	2,419	1,819	165	24
<u>147</u>	<u>2,419</u>	<u>1,819</u>	<u>165</u>	<u>24</u>
770	9,093	12,559	63	-
-	418	-	-	-
<u>18,517</u>	<u>3,269</u>	<u>2,394</u>	<u>2,887</u>	<u>273</u>
<u>19,287</u>	<u>12,780</u>	<u>14,953</u>	<u>2,950</u>	<u>273</u>
<u>\$ 184,170</u>	<u>\$ 43,722</u>	<u>\$ 38,417</u>	<u>\$ 5,203</u>	<u>\$ 460</u>

**ASSETS**

Current assets:

Cash and investments  
 Receivables, net  
 Due from other funds  
 Inventories and other assets  
 Restricted cash and investments  
 Total current assets

Noncurrent assets:

Long-term receivables

Capital assets:

Nondepreciable:

Land  
 Construction in progress

Depreciable:

Land improvements  
 Structures and improvements  
 Equipment/Vehicles  
 Software

Less accumulated depreciation

Total noncurrent assets

Total assets

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflow related to pensions

Total deferred outflows of resources

Total assets and deferred outflows of resources

**LIABILITIES**

Current liabilities:

Accounts payable  
 Due to other funds  
 Accrued liabilities  
 Compensated absences, current  
 Claims liabilities, current  
 Certificates of participation, tax-exempt commercial paper, and loans payable, current

Total current liabilities

Noncurrent liabilities:

Unearned revenue  
 Compensated absences, noncurrent  
 Net pension liability  
 Claims liabilities, noncurrent  
 Certificates of participation, tax-exempt commercial paper, and loans payable, noncurrent

Total noncurrent liabilities

Total liabilities

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflow related to pensions

Total deferred inflows of resources

**NET POSITION**

Net investment in capital assets

Restricted for:

Debt service

Unrestricted (deficit)

Total net position

Total liabilities, deferred inflows of resources, and net position

COUNTY OF VENTURA  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 INTERNAL SERVICE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
 (In Thousands)

	<u>Total</u>	<u>Public Works Services</u>	<u>Heavy Equipment</u>	<u>Transportation</u>
<b>Operating Revenues:</b>				
Charges for services	\$ 224,508	\$ 47,081	\$ 4,778	\$ 13,387
Rents and royalties	256	189	-	-
Miscellaneous	931	253	1	-
Total operating revenues	<u>225,695</u>	<u>47,523</u>	<u>4,779</u>	<u>13,387</u>
<b>Operating Expenses:</b>				
Salaries and benefits	82,650	37,611	697	2,557
Services and supplies	90,113	6,994	2,482	7,472
Insurance premiums	5,611	192	31	29
Provision for claims	35,688	-	-	-
Depreciation and amortization	9,929	179	1,173	4,021
Total operating expenses	<u>223,991</u>	<u>44,976</u>	<u>4,383</u>	<u>14,079</u>
Operating income (loss)	<u>1,704</u>	<u>2,547</u>	<u>396</u>	<u>(692)</u>
<b>Nonoperating revenues (expenses):</b>				
Gain from insurance recovery	605	-	60	538
Loss from disposal of capital assets	(221)	-	(91)	(8)
Interest and investment income	1,758	66	41	47
Interest expense	(243)	-	-	-
Total nonoperating revenues (expenses)	<u>1,899</u>	<u>66</u>	<u>10</u>	<u>577</u>
Income (loss) before transfers	3,603	2,613	406	(115)
Capital grants and contributions	326	-	-	-
Transfers in	<u>8,715</u>	<u>-</u>	<u>586</u>	<u>984</u>
<b>Change in net position</b>	12,644	2,613	992	869
Net position - beginning	<u>71,480</u>	<u>(12,287)</u>	<u>13,816</u>	<u>27,878</u>
Net position - ending	<u>\$ 84,124</u>	<u>\$ (9,674)</u>	<u>\$ 14,808</u>	<u>\$ 28,747</u>

COUNTY OF VENTURA  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(In Thousands)

General Insurance	Information Technology Services	General Services	Employee Benefits Insurance	Personnel Services	
\$ 41,962	\$ 42,334	\$ 64,632	\$ 9,836	\$ 498	<b>Operating Revenues:</b>
-	9	58	-	-	Charges for services
308	-	289	80	-	Rents and royalties
42,270	42,343	64,979	9,916	498	Miscellaneous
					Total operating revenues
1,399	21,854	16,803	1,542	187	<b>Operating Expenses:</b>
3,770	15,159	45,776	8,063	397	Salaries and benefits
5,008	152	189	9	1	Services and supplies
35,013	-	-	675	-	Insurance premiums
-	3,702	849	5	-	Provision for claims
45,190	40,867	63,617	10,294	585	Depreciation and amortization
					Total operating expenses
(2,920)	1,476	1,362	(378)	(87)	Operating income (loss)
-	7	-	-	-	<b>Nonoperating revenues (expenses):</b>
-	(101)	(20)	(1)	-	Gain from insurance recovery
1,362	122	86	30	4	Loss from disposal of capital assets
-	(217)	(26)	-	-	Interest and investment income
1,362	(189)	40	29	4	Interest expense
					Total nonoperating revenues (expenses)
(1,558)	1,287	1,402	(349)	(83)	Income (loss) before transfers
-	-	326	-	-	Capital grants and contributions
-	1,113	5,080	952	-	Transfers in
(1,558)	2,400	6,808	603	(83)	<b>Change in net position</b>
20,845	10,380	8,145	2,347	356	Net position - beginning
\$ 19,287	\$ 12,780	\$ 14,953	\$ 2,950	\$ 273	Net position - ending

COUNTY OF VENTURA  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
 (In Thousands)

	Total	Public Works Services	Heavy Equipment	Transportation
<b>Cash flows from operating activities:</b>				
Cash receipts from customers	\$ 13,732	\$ 109	\$ 494	\$ 42
Cash receipts from other funds	223,889	50,480	3,622	13,206
Cash receipts from other sources	395	226	-	-
Cash paid to suppliers for goods and services	(67,183)	(1,567)	(1,135)	(5,740)
Cash paid to employees for services	(85,935)	(39,025)	(748)	(2,566)
Cash paid to other funds	(21,563)	(5,517)	(1,362)	(1,290)
Cash paid for insurance premiums	(4,945)	-	-	-
Cash paid for judgments and claims	(22,793)	-	-	-
Net cash provided by (used in) operating activities	<u>35,597</u>	<u>4,706</u>	<u>871</u>	<u>3,652</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers received	8,715	-	586	984
Interest paid on noncapital debt	(2)	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>8,713</u>	<u>-</u>	<u>586</u>	<u>984</u>
<b>Cash flows from capital and related financing activities:</b>				
Proceeds from capital grants and contributions	326	-	-	-
Proceeds from insurance recovery	605	-	60	538
Acquisition and construction of capital assets	(16,743)	(70)	(1,474)	(6,983)
Principal paid on capital lease obligations	(875)	-	-	(20)
Principal paid on capital debt	(456)	-	-	-
Interest paid on capital debt	(363)	-	-	-
Proceeds from sales of capital assets	467	-	39	414
Net cash provided by (used in) capital and related financing activities	<u>(17,039)</u>	<u>(70)</u>	<u>(1,375)</u>	<u>(6,051)</u>
<b>Cash flows from investing activities:</b>				
Interest and investment income received	<u>1,387</u>	<u>52</u>	<u>34</u>	<u>38</u>
Net cash provided by investing activities	<u>1,387</u>	<u>52</u>	<u>34</u>	<u>38</u>
Net increase (decrease) in cash and cash equivalents	28,658	4,688	116	(1,377)
Total cash and cash equivalents, beginning of the year	206,501	6,581	5,438	6,482
Total cash and cash equivalents, end of the year	<u>\$ 235,159</u>	<u>\$ 11,269</u>	<u>\$ 5,554</u>	<u>\$ 5,105</u>

COUNTY OF VENTURA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(In Thousands)

General Insurance	Information Technology Services	General Services	Employee Benefits Insurance	Personnel Services	
\$ 71	\$ 63	\$ 3,565	\$ 8,911	\$ 477	<b>Cash flows from operating activities:</b>
55,777	42,529	57,343	882	50	Cash receipts from customers
1	-	168	-	-	Cash receipts from other funds
(3,568)	(13,859)	(38,865)	(2,322)	(127)	Cash receipts from other sources
(1,461)	(22,710)	(17,599)	(1,594)	(232)	Cash paid to suppliers for goods and services
(974)	(2,861)	(3,623)	(5,663)	(273)	Cash paid to employees for services
(4,945)	-	-	-	-	Cash paid to other funds
(22,110)	-	-	(683)	-	Cash paid for insurance premiums
22,791	3,162	989	(469)	(105)	Cash paid for judgments and claims
					Net cash provided by (used in) operating activities
-	1,113	5,080	952	-	<b>Cash flows from noncapital financing activities:</b>
-	-	(2)	-	-	Transfers received
-	-	-	-	-	Interest paid on noncapital debt
-	1,113	5,078	952	-	Net cash provided by (used in) noncapital financing activities
-	-	326	-	-	<b>Cash flows from capital and related financing activities:</b>
-	7	-	-	-	Proceeds from capital grants
-	(616)	(7,600)	-	-	Proceeds from insurance recovery
-	(855)	-	-	-	Acquisition and construction of capital assets
-	-	(456)	-	-	Principal paid on capital lease obligations
-	(339)	(24)	-	-	Principal paid on capital debt
-	-	14	-	-	Interest paid on capital debt
-	-	14	-	-	Proceeds from sales of capital assets
-	(1,803)	(7,740)	-	-	Net cash provided by (used in) capital and related financing activities
1,069	94	73	24	3	<b>Cash flows from investing activities:</b>
1,069	94	73	24	3	Interest and investment income received
23,860	2,566	(1,600)	507	(102)	Net increase (decrease) in cash and cash equivalents
156,506	14,174	12,970	3,858	492	Total cash and cash equivalents, beginning of the year
\$ 180,366	\$ 16,740	\$ 11,370	\$ 4,365	\$ 390	Total cash and cash equivalents, end of the year

COUNTY OF VENTURA  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
 (In Thousands)

	<u>Total</u>	<u>Public Works Services</u>	<u>Heavy Equipment</u>	<u>Transportation</u>
<b>Reconciliation of operating income (loss) to net cash</b>				
<b>Provided (used) by operating activities:</b>				
Operating income (loss)	\$ 1,704	\$ 2,547	\$ 396	\$ (692)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation and amortization	9,929	179	1,173	4,021
Decrease (increase) in:				
Accounts receivable	(879)	(136)	(11)	(259)
Due from other funds	15,116	3,426	(652)	118
Due from other governmental agencies	85	74	-	1
Inventories and other assets	(1,472)	(2)	-	(87)
Deferred outflow pension	(12,140)	(5,460)	(95)	(406)
Increase (decrease) in:				
Accounts payable	4,050	54	1	572
Accrued liabilities	679	255	8	35
Due to other funds	(1,793)	50	15	(13)
Unearned revenue	12,652	(72)	-	-
Claims liabilities	(9)	-	-	-
Deposits and other liabilities	(503)	-	-	-
Compensated absences	387	153	22	62
Net pension liability	19,478	8,807	137	674
Deferred inflow pension	(11,687)	(5,169)	(123)	(374)
Net cash provided by (used in) operating activities	<u>\$ 35,597</u>	<u>\$ 4,706</u>	<u>\$ 871</u>	<u>\$ 3,652</u>
 <b>Noncash financing, capital, and investing activities:</b>				
Increase (decrease) in capital assets related to accounts payable	\$ 291	\$ (1)	\$ 1	\$ (1)
Noncash donation of capital assets	121	-	-	-
Noncash retirement of capital assets	(1,933)	-	(130)	(422)
Decrease in fair value of investments	(373)	(15)	(7)	(9)
Increase in noncash interest	122	-	-	-

COUNTY OF VENTURA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(In Thousands)

General Insurance	Information Technology Services	General Services	Employee Benefits Insurance	Personnel Services	
\$ (2,920)	\$ 1,476	\$ 1,362	\$ (378)	\$ (87)	<b>Reconciliation of operating income (loss) to net cash Provided (used) by operating activities:</b>
					Operating income (loss)
					Adjustments to reconcile operating income (loss) to cash flows from operating activities:
					Depreciation and amortization
					Decrease (increase) in:
					Accounts receivable
					Due from other funds
					Due from other governmental agencies
					Inventories and other assets
					Deferred outflow pension
					Increase (decrease) in:
					Accounts payable
					Accrued liabilities
					Due to other funds
					Unearned revenue
					Claims liabilities
					Deposits and other liabilities
					Compensated absences
					Net pension liability
					Deferred inflow pension
					Net cash provided by (used in) operating activities
\$ 22,791	\$ 3,162	\$ 989	\$ (469)	\$ (105)	
\$ -	\$ 292	\$ 1	\$ (1)	\$ -	<b>Noncash financing, capital, and investing activities:</b>
					Increase (decrease) in capital assets related accounts payable
					Noncash retirement of capital assets
					Noncash retirement of capital assets
					Decrease in fair value of investments
					Increase in noncash interest

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