

## **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, 2017  
 (In Thousands)

	Total	Public Works Services	Heavy Equipment	Transportation
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 250,350	\$ 13,456	\$ 7,733	\$ 2,131
Receivables, net	4,072	239	50	258
Due from other funds	5,807	196	348	1,184
Inventories and other assets	4,452	-	-	629
Restricted cash and investments	418	-	-	-
Total current assets	<u>265,099</u>	<u>13,891</u>	<u>8,131</u>	<u>4,202</u>
Noncurrent assets:				
Long-term receivables	97	-	-	-
Capital assets:				
Nondepreciable:				
Land	770	-	-	-
Construction in progress	77	-	5	2
Depreciable:				
Land improvements	1,208	-	-	-
Structures and improvements	18,221	722	9	869
Equipment/Vehicles	102,690	663	17,788	52,072
Software	14,263	1,389	-	438
Less accumulated depreciation	(68,993)	(1,500)	(10,107)	(24,196)
Total noncurrent assets	<u>68,333</u>	<u>1,274</u>	<u>7,695</u>	<u>29,185</u>
Total assets	<u>333,432</u>	<u>15,165</u>	<u>15,826</u>	<u>33,387</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflow related to pensions	34,839	15,295	331	1,174
Total deferred outflows of resources	<u>34,839</u>	<u>15,295</u>	<u>331</u>	<u>1,174</u>
Total assets and deferred outflows of resources	<u>\$ 368,271</u>	<u>\$ 30,460</u>	<u>\$ 16,157</u>	<u>\$ 34,561</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 8,500	\$ 119	\$ 1	\$ 1,156
Due to other funds	2,201	220	203	929
Due to other governmental agencies	19	-	-	-
Accrued liabilities	5,265	1,389	35	133
Compensated absences, current	4,643	2,098	56	168
Claims liabilities, current	39,822	-	-	-
Certificates of participation, tax-exempt commercial paper, and loans payable, current	1,223	-	-	19
Total current liabilities	<u>61,673</u>	<u>3,826</u>	<u>295</u>	<u>2,405</u>
Noncurrent liabilities:				
Unearned revenue	799	189	-	-
Compensated absences, noncurrent	3,233	1,703	37	90
Net pension liability	65,093	28,595	618	2,202
Claims liabilities, noncurrent	138,570	-	-	-
Certificates of participation, tax-exempt commercial paper, and loans payable, noncurrent	8,320	-	-	122
Total noncurrent liabilities	<u>216,015</u>	<u>30,487</u>	<u>655</u>	<u>2,414</u>
Total liabilities	<u>277,688</u>	<u>34,313</u>	<u>950</u>	<u>4,819</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow related to pensions	7,058	3,096	67	236
Total deferred inflows of resources	<u>7,058</u>	<u>3,096</u>	<u>67</u>	<u>236</u>
<b>NET POSITION</b>				
Net investment in capital assets	58,693	1,274	7,696	29,045
Restricted for:				
Debt service	418	-	-	-
Unrestricted (deficit)	24,414	(8,223)	7,444	461
Total net position	<u>83,525</u>	<u>(6,949)</u>	<u>15,140</u>	<u>29,506</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 368,271</u>	<u>\$ 30,460</u>	<u>\$ 16,157</u>	<u>\$ 34,561</u>

COUNTY OF VENTURA  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 JUNE 30, 2017  
 (In Thousands)

<u>General Insurance</u>	<u>Information Technology Services</u>	<u>General Services</u>	<u>Employee Benefits Insurance</u>	<u>Personnel Services</u>
\$ 189,702	\$ 19,212	\$ 13,079	\$ 4,681	\$ 356
1,583	201	1,382	358	1
117	852	3,107	3	-
789	1,801	1,233	-	-
-	418	-	-	-
<u>192,191</u>	<u>22,484</u>	<u>18,801</u>	<u>5,042</u>	<u>357</u>
97	-	-	-	-
770	-	-	-	-
-	-	70	-	-
-	1,208	-	-	-
-	2,312	14,309	-	-
-	25,066	7,093	8	-
-	11,504	848	84	-
-	(25,279)	(7,876)	(35)	-
<u>867</u>	<u>14,811</u>	<u>14,444</u>	<u>57</u>	<u>-</u>
<u>193,058</u>	<u>37,295</u>	<u>33,245</u>	<u>5,099</u>	<u>357</u>
577	9,536	7,104	721	101
<u>577</u>	<u>9,536</u>	<u>7,104</u>	<u>721</u>	<u>101</u>
<u>\$ 193,635</u>	<u>\$ 46,831</u>	<u>\$ 40,349</u>	<u>\$ 5,820</u>	<u>\$ 458</u>
\$ 755	\$ 1,972	\$ 4,219	\$ 278	\$ -
573	55	194	23	4
-	19	-	-	-
54	2,328	773	544	9
95	1,221	880	113	12
39,658	-	-	164	-
-	1,032	172	-	-
<u>41,135</u>	<u>6,627</u>	<u>6,238</u>	<u>1,122</u>	<u>25</u>
-	317	293	-	-
57	630	667	49	-
1,076	17,787	13,277	1,353	185
138,570	-	-	-	-
-	6,329	1,869	-	-
<u>139,703</u>	<u>25,063</u>	<u>16,106</u>	<u>1,402</u>	<u>185</u>
<u>180,838</u>	<u>31,690</u>	<u>22,344</u>	<u>2,524</u>	<u>210</u>
117	1,937	1,439	145	21
<u>117</u>	<u>1,937</u>	<u>1,439</u>	<u>145</u>	<u>21</u>
770	7,449	12,402	57	-
-	418	-	-	-
<u>11,910</u>	<u>5,337</u>	<u>4,164</u>	<u>3,094</u>	<u>227</u>
<u>12,680</u>	<u>13,204</u>	<u>16,566</u>	<u>3,151</u>	<u>227</u>
<u>\$ 193,635</u>	<u>\$ 46,831</u>	<u>\$ 40,349</u>	<u>\$ 5,820</u>	<u>\$ 458</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  
 Due to other governmental agencies  
 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, 2017  
 (In Thousands)

	<u>Total</u>	<u>Public Works Services</u>	<u>Heavy Equipment</u>	<u>Transportation</u>
<b>Operating Revenues:</b>				
Charges for services	\$ 236,358	\$ 49,001	\$ 5,046	\$ 13,827
Rents and royalties	34	34	-	-
Miscellaneous	456	36	8	-
Total operating revenues	<u>236,848</u>	<u>49,071</u>	<u>5,054</u>	<u>13,827</u>
<b>Operating Expenses:</b>				
Salaries and benefits	87,881	38,536	983	2,663
Services and supplies	94,612	7,485	2,403	6,642
Insurance premiums	6,063	231	32	28
Provision for claims	40,296	-	-	-
Depreciation and amortization	11,008	196	1,169	4,721
Total operating expenses	<u>239,860</u>	<u>46,448</u>	<u>4,587</u>	<u>14,054</u>
Operating income (loss)	<u>(3,012)</u>	<u>2,623</u>	<u>467</u>	<u>(227)</u>
<b>Nonoperating revenues (expenses):</b>				
Gain from insurance recovery	766	-	51	525
Gain (loss) from sale (disposal) of capital assets	(379)	-	(232)	116
Interest and investment income	1,579	80	46	17
Interest expense	(215)	-	-	(2)
Total nonoperating revenues (expenses)	<u>1,751</u>	<u>80</u>	<u>(135)</u>	<u>656</u>
Income (loss) before capital contributions and transfers	(1,261)	2,703	332	429
Capital grants and contributions	465	-	-	-
Transfers in	1,370	22	-	330
Transfers out	(1,173)	-	-	-
<b>Change in net position</b>	(599)	2,725	332	759
Net position - beginning	<u>84,124</u>	<u>(9,674)</u>	<u>14,808</u>	<u>28,747</u>
Net position - ending	<u>\$ 83,525</u>	<u>\$ (6,949)</u>	<u>\$ 15,140</u>	<u>\$ 29,506</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, 2017  
(In Thousands)

General Insurance	Information Technology Services	General Services	Employee Benefits Insurance	Personnel Services	
\$ 42,675	\$ 42,193	\$ 72,427	\$ 10,724	\$ 465	<b>Operating Revenues:</b>
-	-	-	-	-	Charges for services
-	-	322	90	-	Rents and royalties
42,675	42,193	72,749	10,814	465	Miscellaneous
					Total operating revenues
1,510	23,456	18,470	1,994	269	<b>Operating Expenses:</b>
3,898	14,912	51,004	8,026	242	Salaries and benefits
5,437	151	174	8	2	Services and supplies
39,658	-	-	638	-	Insurance premiums
-	3,889	1,027	6	-	Provision for claims
50,503	42,408	70,675	10,672	513	Depreciation and amortization
					Total operating expenses
(7,828)	(215)	2,074	142	(48)	Operating income (loss)
-	-	190	-	-	<b>Nonoperating revenues (expenses):</b>
-	(265)	2	-	-	Gain from insurance recovery
1,221	107	77	29	2	Gain (loss) from sale (disposal) of capital assets
-	(191)	(22)	-	-	Interest and investment income
1,221	(349)	247	29	2	Interest expense
					Total nonoperating revenues (expenses)
(6,607)	(564)	2,321	171	(46)	Income (loss) before capital contributions and transfers
-	-	465	-	-	Capital grants and contributions
-	988	-	30	-	Transfers in
-	-	(1,173)	-	-	Transfers out
(6,607)	424	1,613	201	(46)	<b>Change in net position</b>
19,287	12,780	14,953	2,950	273	Net position - beginning
\$ 12,680	\$ 13,204	\$ 16,566	\$ 3,151	\$ 227	Net position - ending

COUNTY OF VENTURA  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (In Thousands)

	Total	Public Works Services	Heavy Equipment	Transportation
<b>Cash flows from operating activities:</b>				
Cash receipts from customers	\$ 16,385	\$ 45	\$ 37	\$ 368
Cash receipts from other funds	224,397	49,143	5,695	13,609
Cash receipts from other sources	355	20	8	-
Cash paid to suppliers for goods and services	(76,233)	(1,562)	(1,101)	(4,781)
Cash paid to employees for services	(89,041)	(39,338)	(956)	(2,694)
Cash paid to other funds	(21,501)	(6,184)	(1,329)	(898)
Cash paid for insurance premiums	(5,292)	-	-	-
Cash paid for judgments and claims	(23,636)	-	-	-
Net cash provided by (used in) operating activities	<u>25,434</u>	<u>2,124</u>	<u>2,354</u>	<u>5,604</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers received	1,369	21	-	330
Transfers paid	(1,173)	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>196</u>	<u>21</u>	<u>-</u>	<u>330</u>
<b>Cash flows from capital and related financing activities:</b>				
Proceeds from capital grants and contributions	465	-	-	-
Proceeds from insurance recovery	766	-	51	525
Acquisition and construction of capital assets	(12,410)	(27)	(311)	(10,283)
Principal paid on capital lease obligations	(20)	-	-	(20)
Principal paid on capital debt	(1,345)	-	-	-
Interest paid on capital debt	(337)	-	-	(2)
Proceeds from sales of capital assets	900	-	50	848
Proceeds from maturity of restricted assets	174	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>(11,807)</u>	<u>(27)</u>	<u>(210)</u>	<u>(8,932)</u>
<b>Cash flows from investing activities:</b>				
Interest and investment income received	1,368	69	35	24
Net cash provided by investing activities	<u>1,368</u>	<u>69</u>	<u>35</u>	<u>24</u>
Net increase (decrease) in cash and cash equivalents	15,191	2,187	2,179	(2,974)
Total cash and cash equivalents, beginning of the year	<u>235,159</u>	<u>11,269</u>	<u>5,554</u>	<u>5,105</u>
Total cash and cash equivalents, end of the year	<u>\$ 250,350</u>	<u>\$ 13,456</u>	<u>\$ 7,733</u>	<u>\$ 2,131</u>

COUNTY OF VENTURA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(In Thousands)

<u>General Insurance</u>	<u>Information Technology Services</u>	<u>General Services</u>	<u>Employee Benefits Insurance</u>	<u>Personnel Services</u>	
\$ 63	\$ 1,340	\$ 4,232	\$ 9,891	\$ 409	<b>Cash flows from operating activities:</b>
43,133	41,209	70,622	922	64	Cash receipts from customers
-	-	322	5	-	Cash receipts from other funds
(4,141)	(13,113)	(49,143)	(2,298)	(94)	Cash receipts from other sources
(1,513)	(23,671)	(18,693)	(1,908)	(268)	Cash paid to suppliers for goods and services
(961)	(1,975)	(4,283)	(5,724)	(147)	Cash paid to employees for services
(5,292)	-	-	-	-	Cash paid to other funds
(23,009)	-	-	(627)	-	Cash paid for insurance premiums
<u>8,280</u>	<u>3,790</u>	<u>3,057</u>	<u>261</u>	<u>(36)</u>	Cash paid for judgments and claims
					Net cash provided by (used in) operating activities
					<b>Cash flows from noncapital financing activities:</b>
-	988	-	30	-	Transfers received
<u>-</u>	<u>-</u>	<u>(1,173)</u>	<u>-</u>	<u>-</u>	Transfers paid
					Net cash provided by (used in) noncapital financing activities
<u>-</u>	<u>988</u>	<u>(1,173)</u>	<u>30</u>	<u>-</u>	
					<b>Cash flows from capital and related financing activities:</b>
-	-	465	-	-	Proceeds from capital grants and contributions
-	-	190	-	-	Proceeds from insurance recovery
-	(1,209)	(580)	-	-	Acquisition and construction of capital assets
-	-	-	-	-	Principal paid on capital lease obligations
-	(880)	(465)	-	-	Principal paid on capital debt
-	(313)	(22)	-	-	Interest paid on capital debt
-	-	2	-	-	Proceeds from sales of capital assets
-	-	174	-	-	Proceeds from maturity of restricted assets
<u>-</u>	<u>(2,402)</u>	<u>(236)</u>	<u>-</u>	<u>-</u>	Net cash provided by (used in) capital and related financing activities
<u>1,056</u>	<u>96</u>	<u>61</u>	<u>25</u>	<u>2</u>	<b>Cash flows from investing activities:</b>
<u>1,056</u>	<u>96</u>	<u>61</u>	<u>25</u>	<u>2</u>	Interest and investment income received
					Net cash provided by investing activities
9,336	2,472	1,709	316	(34)	Net increase (decrease) in cash and cash equivalents
<u>180,366</u>	<u>16,740</u>	<u>11,370</u>	<u>4,365</u>	<u>390</u>	Total cash and cash equivalents, beginning of the year
<u>\$ 189,702</u>	<u>\$ 19,212</u>	<u>\$ 13,079</u>	<u>\$ 4,681</u>	<u>\$ 356</u>	Total cash and cash equivalents, end of the year

(Continued)

COUNTY OF VENTURA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(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)	\$ (3,012)	\$ 2,623	\$ 467	\$ (227)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation and amortization	11,008	196	1,169	4,721
Decrease (increase) in:				
Accounts receivable	39	30	(19)	85
Due from other funds	3,856	142	705	64
Due from other governmental agencies	(18)	(8)	-	-
Inventories and other assets	(510)	76	-	(84)
Deferred outflow pension	(12,160)	(5,149)	(134)	(427)
Increase (decrease) in:				
Accounts payable	(1,077)	(45)	(8)	315
Accrued liabilities	(497)	147	6	26
Due to other funds	53	(65)	13	757
Unearned revenue	549	(27)	-	-
Claims liabilities	16,621	-	-	-
Compensated absences	356	222	8	(15)
Net pension liability	12,117	4,889	158	446
Deferred inflow pension	(1,891)	(907)	(11)	(57)
Net cash provided by (used in) operating activities	<u>\$ 25,434</u>	<u>\$ 2,124</u>	<u>\$ 2,354</u>	<u>\$ 5,604</u>
 <b>Noncash financing, capital, and investing activities:</b>				
Increase (decrease) in capital assets related to accounts payable	\$ 299	\$ -	\$ (1)	\$ -
Noncash retirement of capital assets	(1,278)	-	(281)	(732)
Increase (decrease) in fair value of investments	(212)	(12)	(11)	7
Increase in capital debt	170	-	-	-
Increase in noncash interest	122	-	-	-

COUNTY OF VENTURA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(In Thousands)

<u>General Insurance</u>	<u>Information Technology Services</u>	<u>General Services</u>	<u>Employee Benefits Insurance</u>	<u>Personnel Services</u>	
\$ (7,828)	\$ (215)	\$ 2,074	\$ 142	\$ (48)	<b>Reconciliation of operating income (loss) to net cash</b>
					<b>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
					Compensated absences
					Net pension liability
					Deferred inflow pension
					Net cash provided by (used in) operating activities
<u>\$ 8,280</u>	<u>\$ 3,790</u>	<u>\$ 3,057</u>	<u>\$ 261</u>	<u>\$ (36)</u>	
					<b>Noncash financing, capital, and investing activities:</b>
					Increase (decrease) in capital assets related accounts payable
					Noncash retirement of capital assets
					Increase (decrease) in fair value of investments
					Increase in capital debt
					Increase in noncash interest