



## **INTERNAL SERVICE FUNDS**

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Primary Government and to other government units, on a cost-reimbursement basis.

*Self-Insurance Funds* - to provide insurance protection to the Primary Government and the participating Component Unit Entities - Board of Education, Library, and Community College. The Life and Health Benefits Fund provides coverage for the Primary Government and Library employees. The Unemployment Compensation Fund covers required payments to the State of Maryland Unemployment Compensation Fund.

*Vehicle Maintenance Fund* - to account for the activities which provide the maintenance and repair services for County-owned vehicles.

*Computer Services Fund* - to provide for computer and office automation services to County departments and agencies.

PRINCE GEORGE'S COUNTY, MARYLAND  
 Combining Statement of Net Assets  
 Internal Service Funds  
 June 30, 2006

Assets	Self-Insurance Funds								Total
	Unemployment Compensation	Property Loss	Automobile Liability	Worker's Compensation	General Liability	Life and Health Benefits	Vehicle Maintenance Fund	Computer Services Fund	
Current assets:									
Cash and investments	\$ 100,498	-	-	-	-	23,917,340	9,759,970	13,982,547	47,760,355
Accounts receivable	-	182,151	8,898	213,499	75,060	-	3,148	692,314	1,175,070
Less allowance for uncollectible accounts	-	-	-	-	(549)	-	-	-	(549)
Accrued interest receivable	-	105,654	5,978	43,044	111,443	22,491	-	-	288,610
Due from (to) other internal service funds	-	(1,072,633)	(183,900)	(12,893,573)	14,150,106	-	-	-	-
Due from component units	-	797,864	1,794,583	29,880,117	376,495	-	-	-	32,849,059
Inventories, at cost	-	-	-	-	-	-	193,959	497,720	691,679
Prepaid costs and deposits	-	-	-	-	5,827	1,248,297	-	-	1,254,124
Total current assets	<u>100,498</u>	<u>13,036</u>	<u>1,625,559</u>	<u>17,243,087</u>	<u>14,718,382</u>	<u>25,188,128</u>	<u>9,957,077</u>	<u>15,172,581</u>	<u>84,018,348</u>
Noncurrent assets:									
Restricted cash and investments	-	1,171,967	1,356,948	11,765,496	1,774,421	-	174,797	-	16,243,629
Capital assets:									
Land	-	-	-	-	-	-	1,000,000	-	1,000,000
Buildings	-	-	-	-	-	-	2,640,889	-	2,640,889
Accumulated depreciation	-	-	-	-	-	-	(1,544,068)	-	(1,544,068)
Improvements other than buildings	-	-	-	-	-	-	328,014	-	328,014
Accumulated depreciation	-	-	-	-	-	-	(310,847)	-	(310,847)
Equipment	-	-	-	-	-	-	4,436,361	183,838	4,620,199
Accumulated depreciation	-	-	-	-	-	-	(2,367,934)	(135,135)	(2,503,069)
Net capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,182,415</u>	<u>48,703</u>	<u>4,231,118</u>
Deferred debt issue costs	-	-	-	-	-	-	161,490	-	161,490
Total noncurrent assets	<u>-</u>	<u>1,171,967</u>	<u>1,356,948</u>	<u>11,765,496</u>	<u>1,774,421</u>	<u>-</u>	<u>4,518,702</u>	<u>48,703</u>	<u>20,636,237</u>
Total assets	<u>\$ 100,498</u>	<u>1,185,003</u>	<u>2,982,507</u>	<u>29,008,583</u>	<u>16,492,803</u>	<u>25,188,128</u>	<u>14,475,779</u>	<u>15,221,284</u>	<u>104,654,585</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2006

<u>Liabilities</u>	<u>Unemployment Compensation</u>	<u>Property Loss</u>	<u>Automobile Liability</u>	<u>Worker's Compensation</u>	<u>General Liability</u>	<u>Life and Health Benefits</u>	<u>Vehicle Maintenance Fund</u>	<u>Computer Services Fund</u>	<u>Total</u>
Current liabilities:									
Current portion of compensated absences and termination benefits payable	\$ -	-	-	-	-	-	541,104	408,177	949,281
Current portion of notes payable	-	-	-	-	-	-	220,000	-	220,000
Accounts payable	35,408	3,003	55,507	363,433	425,685	2,196,796	421,461	1,705,551	5,206,844
Accrued costs	-	-	-	6	118	-	237,869	331,128	569,121
Deferred revenue	-	-	-	147,574	-	53,116	-	-	200,690
Due to other funds	-	-	-	9,501,264	-	-	-	-	9,501,264
Current portion of estimated liability on pending claims	<u>60,501</u>	<u>531,900</u>	<u>1,112,260</u>	<u>18,731,700</u>	<u>4,016,750</u>	<u>10,834,525</u>	<u>-</u>	<u>-</u>	<u>35,287,636</u>
Total current liabilities	<u>95,909</u>	<u>534,903</u>	<u>1,167,767</u>	<u>28,743,977</u>	<u>4,442,553</u>	<u>13,084,437</u>	<u>1,420,434</u>	<u>2,444,856</u>	<u>51,934,836</u>
Noncurrent liabilities:									
Unamortized premium (discount)	-	-	-	-	-	-	21,846	-	21,846
Compensated absences and termination benefits payable, less current portion	-	-	-	-	-	-	257,087	191,945	449,032
Estimated liability on pending claims, less current portion	-	650,100	1,814,740	53,313,300	12,050,250	-	-	-	67,828,390
Notes payable, less current portion	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,055,000</u>	<u>-</u>	<u>2,055,000</u>
Total long-term liabilities	<u>-</u>	<u>650,100</u>	<u>1,814,740</u>	<u>53,313,300</u>	<u>12,050,250</u>	<u>-</u>	<u>2,333,933</u>	<u>191,945</u>	<u>70,354,268</u>
Total liabilities	<u>95,909</u>	<u>1,185,003</u>	<u>2,982,507</u>	<u>82,057,277</u>	<u>16,492,803</u>	<u>13,084,437</u>	<u>3,754,367</u>	<u>2,636,801</u>	<u>122,289,104</u>
<u>Net Assets</u>									
Invested in net assets, net of related debt	-	-	-	-	-	-	2,047,059	48,703	2,095,762
Restricted	-	-	-	-	-	-	-	9,217,419	9,217,419
Unrestricted	<u>4,589</u>	<u>-</u>	<u>-</u>	<u>(53,048,694)</u>	<u>-</u>	<u>12,103,691</u>	<u>8,674,353</u>	<u>3,318,361</u>	<u>(28,947,700)</u>
Total net assets	<u>\$ 4,589</u>	<u>-</u>	<u>-</u>	<u>(53,048,694)</u>	<u>-</u>	<u>12,103,691</u>	<u>10,721,412</u>	<u>12,584,483</u>	<u>(17,634,519)</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
 Combining Statement of Revenue, Expenses and Changes in Fund Net Assets  
 Internal Service Funds  
 For the year ended June 30, 2006

	Self-Insurance Funds								
	Unemployment Compensation	Property Loss	Automobile Liability	Worker's Compensation	General Liability	Life and Health Benefits	Vehicle Maintenance Fund	Computer Services Fund	Total
Operating revenue:									
Premium contributions	\$ 130,000	1,290,608	2,917,442	37,596,824	5,855,408	63,179,581	-	-	110,969,863
Sales									
Fuel sales	-	-	-	-	-	-	12,892	-	12,892
Office automation sales	-	-	-	-	-	-	-	16,217,176	16,217,176
Charges for services:									
Maintenance and repair charges	-	-	-	-	-	-	9,910,694	-	9,910,694
Use of money and property - rentals	-	-	-	-	-	-	166,488	165,405	331,893
Miscellaneous - subrogations and other	-	322,784	122,070	233,968	24,457	758,604	7,833	7,335	1,477,051
Total operating revenue	<u>130,000</u>	<u>1,613,392</u>	<u>3,039,512</u>	<u>37,830,792</u>	<u>5,879,865</u>	<u>63,938,185</u>	<u>10,097,907</u>	<u>16,389,916</u>	<u>138,919,569</u>
Operating expenses:									
Salaries	-	-	-	-	-	-	3,685,799	4,886,648	8,572,447
Fringe benefits	-	-	-	-	-	-	1,072,117	1,209,846	2,281,963
Contractual services	-	-	-	-	-	-	142,581	6,848,552	6,991,133
Materials	-	-	-	-	-	-	109,752	9,667,925	9,777,677
Facility and equipment rental	-	-	-	-	-	-	82,054	122,577	204,631
General and administrative:									
Administrative expenses	16,158	512,471	575,241	1,707,153	927,557	3,162,622	144,953	588,841	7,634,996
State worker's compensation tax	-	-	-	258,123	-	-	-	-	258,123
Depreciation	-	-	-	-	-	-	787,361	10,101	797,462
Insurance claims	112,842	(19,430,285)	22,261,222	36,754,432	217,445	44,351,133	-	-	84,266,789
Insurance premiums	-	937,065	-	1,859,827	94,408	13,910,642	-	-	16,801,942
Other:									
Repair and maintenance	-	-	-	-	-	-	3,454,867	174,644	3,629,511
Other operating expenses	-	-	-	-	-	-	26,517	-	26,517
Total operating expenses	<u>129,000</u>	<u>(17,980,749)</u>	<u>22,836,463</u>	<u>40,579,535</u>	<u>1,239,410</u>	<u>61,424,397</u>	<u>9,506,001</u>	<u>23,509,134</u>	<u>141,243,191</u>
Operating income (loss)	<u>1,000</u>	<u>19,594,141</u>	<u>(19,796,951)</u>	<u>(2,748,743)</u>	<u>4,640,455</u>	<u>2,513,788</u>	<u>591,906</u>	<u>(7,119,218)</u>	<u>(2,323,622)</u>
Nonoperating revenue (expenses):									
Interest income	-	310,704	68,005	428,605	672,356	-	-	-	1,479,670
Interest expense	-	-	-	-	-	-	(86,612)	-	(86,612)
Debt issuance costs	-	-	-	-	-	-	(4,615)	-	(4,615)
Gain (loss) on sale of capital assets	-	-	-	-	-	-	(30,350)	(24,353)	(54,703)
Total nonoperating revenue (expenses)	<u>-</u>	<u>310,704</u>	<u>68,005</u>	<u>428,605</u>	<u>672,356</u>	<u>-</u>	<u>(121,577)</u>	<u>(24,353)</u>	<u>1,333,740</u>
Income (loss) before transfers	1,000	19,904,845	(19,728,946)	(2,320,138)	5,312,811	2,513,788	470,329	(7,143,571)	(989,882)
Interfund transfer in	-	-	-	-	-	-	7,375,000	8,800,000	16,175,000
Intrafund transfers in (out)	-	(19,904,845)	19,728,946	5,488,710	(5,312,811)	-	-	-	-
Change in net assets	1,000	-	-	3,168,572	-	2,513,788	7,845,329	1,656,429	15,185,118
Total net assets (deficit) - beginning	3,589	-	-	(56,217,266)	-	9,589,903	2,876,083	10,928,054	(32,819,637)
Total net assets (deficit) - end	<u>\$ 4,589</u>	<u>-</u>	<u>-</u>	<u>(53,048,694)</u>	<u>-</u>	<u>12,103,691</u>	<u>10,721,412</u>	<u>12,584,483</u>	<u>(17,634,519)</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Cash Flows  
Internal Service Funds  
For the year ended June 30, 2006

	Self-Insurance Funds							Total	
	Unemployment Compensation	Property Loss	Automobile Liability	Worker's Compensation	General Liability	Life and Health Benefits	Vehicle Maintenance Fund		Computer Services Fund
Cash flows from operating activities:									
Cash received from customers	\$ 130,000	3,341,990	1,368,981	29,622,561	11,633,882	62,978,933	10,098,616	15,724,478	134,899,441
Cash payments to suppliers for goods and services	(156,628)	(1,282,006)	(349,117)	(4,074,129)	(541,103)	(2,904,520)	(3,865,967)	(17,993,047)	(31,166,517)
Cash payments to employees for services	-	-	-	-	-	-	(4,744,779)	(5,842,846)	(10,587,625)
Premium and claim payments	-	17,665,220	(20,779,823)	(31,172,259)	(6,371,831)	(57,253,903)	-	-	(97,912,596)
Other cash receipts	-	-	-	-	-	758,604	7,833	-	766,437
Net cash and cash equivalents provided (used) by operating activities	(26,628)	19,725,204	(19,759,959)	(5,623,827)	4,720,948	3,579,114	1,495,703	(8,111,415)	(4,000,860)
Cash flows from noncapital financing activities:									
Interfund transfers in	-	-	-	-	-	-	7,375,000	8,800,000	16,175,000
Intrafund transfers in (out)	-	(19,904,845)	19,728,946	5,488,710	(5,312,811)	-	-	-	-
Net cash and cash equivalents provided (used) by noncapital financing activities	-	(19,904,845)	19,728,946	5,488,710	(5,312,811)	-	7,375,000	8,800,000	16,175,000
Cash flows from capital and related financing activities:									
Acquisition and construction of capital assets	-	-	-	-	-	-	(451,139)	-	(451,139)
Principal payments on notes payable	-	-	-	-	-	-	(215,000)	-	(215,000)
Interest payments	-	-	-	-	-	-	(75,794)	-	(75,794)
Net cash and cash equivalents used in capital and related financing activities	-	-	-	-	-	-	(741,933)	-	(741,933)
Cash flows from investing activities:									
Interest on investments	-	208,359	72,038	419,599	636,990	-	-	-	1,336,986
Net cash and cash equivalents provided by investing activities	-	208,359	72,038	419,599	636,990	-	-	-	1,336,986
Net increase (decrease) in cash and cash equivalents	(26,628)	28,718	41,025	284,482	45,127	3,579,114	8,128,770	688,585	12,769,193
Cash and cash equivalents, beginning of year	127,126	1,143,249	1,315,923	11,481,014	1,729,294	20,338,226	1,805,997	13,293,962	51,234,791
Cash and cash equivalents, end of year	\$ 100,498	1,171,967	1,356,948	11,765,496	1,774,421	23,917,340	9,934,767	13,982,547	64,003,984

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Cash Flows  
Internal Service Funds  
For the year ended June 30, 2006

	Self-Insurance Funds							Total	
	Unemployment Compensation	Property Loss	Automobile Liability	Worker's Compensation	General Liability	Life and Health Benefits	Vehicle Maintenance Fund		Computer Services Fund
Reconciliation of operating income to net cash provided (used) by operating activities									
Operating income (loss)	\$ 1,000	19,594,141	(19,796,951)	(2,748,743)	4,640,455	2,513,788	591,906	(7,119,218)	(2,323,622)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities									
Depreciation - equipment	-	-	-	-	-	-	787,361	10,101	797,462
Changes in assets and liabilities:									
Decrease (increase) in:									
Accounts receivable	-	(96,387)	(8,898)	308,496	(74,149)	(22,491)	8,542	(665,438)	(550,325)
Inventories	-	-	-	-	-	(5,158)	(3,743)	(348,968)	(357,869)
Prepaid costs	-	-	-	-	106	-	-	-	106
Increase (decrease) in:									
Compensated absences and termination benefits payable	-	-	-	-	-	-	(10,447)	117,098	106,651
Accounts payable	(1,482)	(13,740)	42,224	18,049	386,323	258,102	98,500	(241,540)	546,436
Accrued costs	-	-	-	(24)	25	-	23,584	136,550	160,135
Due to other funds	-	(755,795)	327,269	(2,126,878)	4,806,668	-	-	-	2,251,264
Deferred revenue	-	-	(10,419)	103,076	-	(178,157)	-	-	(85,500)
Due from component units	-	1,824,985	(1,794,583)	(8,619,803)	1,021,498	-	-	-	(7,567,903)
Estimated liability on pending claims	(26,146)	(828,000)	1,481,399	7,442,000	(6,059,978)	1,013,030	-	-	3,022,305
Total adjustments	(27,628)	131,063	36,992	(2,875,084)	80,493	1,065,326	903,797	(992,197)	(1,677,238)
Net cash and cash equivalents provided (used) by operating activities	\$ (26,628)	19,725,204	(19,759,959)	(5,623,827)	4,720,948	3,579,114	1,495,703	(8,111,415)	(4,000,860)
Non-cash investing, capital and related financing activities:									
Decrease (increase) in accrued interest receivable	\$ -	(102,345)	4,033	(9,006)	(35,366)	-	-	-	(142,684)

- THIS PAGE NOT USED -