



## INTERNAL SERVICE FUNDS

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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, 2004

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	
<b>Current assets:</b>									
Cash and Investments	\$ 145,535	-	636,581	-	3,543,944	16,525,888	2,144,554	4,887,898	27,884,400
Accounts receivable	-	77,300	-	8,679	911	-	682	7,560	95,132
Less allowance for uncollectible accounts	-	-	-	-	(549)	-	-	-	(549)
Accrued Interest receivable	-	4,538	7,545	46,674	41,636	-	-	-	100,393
Due from (to) other funds	-	(1,191,197)	-	(11,904,099)	13,095,296	-	-	-	-
Due from component units	-	2,149,780	-	14,982,759	1,021,499	-	-	-	18,154,038
Inventories, at cost	-	-	-	-	-	-	215,131	306,299	521,430
Prepaid costs and deposits	-	189,555	-	383,420	26,231	1,243,139	-	-	1,842,345
<b>Total current assets</b>	<b>145,535</b>	<b>1,229,976</b>	<b>644,126</b>	<b>3,517,433</b>	<b>17,728,968</b>	<b>17,769,027</b>	<b>2,360,367</b>	<b>5,201,757</b>	<b>48,597,189</b>
<b>Noncurrent assets:</b>									
Restricted cash and investments	-	1,130,538	1,297,764	11,341,895	1,709,319	-	236,454	-	15,715,970
<b>Capital assets:</b>									
Land	-	-	-	-	-	-	1,000,000	-	1,000,000
Buildings	-	-	-	-	-	-	2,640,889	-	2,640,889
Accumulated depreciation	-	-	-	-	-	-	(1,279,979)	-	(1,279,979)
Improvements other than buildings	-	-	-	-	-	-	328,014	-	328,014
Accumulated depreciation	-	-	-	-	-	-	(305,581)	-	(305,581)
Equipment	-	-	-	-	-	-	3,062,324	549,440	3,611,764
Accumulated depreciation	-	-	-	-	-	-	(1,323,910)	(458,797)	(1,782,707)
<b>Net capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,121,757</b>	<b>90,643</b>	<b>4,212,400</b>
Deferred debt issue costs	-	-	-	-	-	-	42,626	-	42,626
<b>Total noncurrent assets</b>	<b>-</b>	<b>1,130,538</b>	<b>1,297,764</b>	<b>11,341,895</b>	<b>1,709,319</b>	<b>-</b>	<b>4,400,837</b>	<b>90,643</b>	<b>19,970,996</b>
<b>Total assets</b>	<b>\$ 145,535</b>	<b>2,360,514</b>	<b>1,941,890</b>	<b>14,859,328</b>	<b>19,438,287</b>	<b>17,769,027</b>	<b>6,761,204</b>	<b>5,292,400</b>	<b>68,568,185</b>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2004

<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	\$ -	-	-	-	-	-	457,831	319,213	777,044
Current portion of notes payable	-	-	-	-	-	-	215,075	-	215,075
Accounts payable	25,413	77,014	32,744	789,963	71,097	2,500,398	534,562	1,619,511	5,650,702
Accrued costs	-	-	-	21	898	-	211,888	149,028	361,835
Deferred revenue	-	-	10,419	44,498	-	211,569	-	-	266,486
Current portion of estimated liability on pending claims	<u>116,683</u>	<u>1,096,080</u>	<u>892,402</u>	<u>11,619,600</u>	<u>7,099,785</u>	<u>7,552,015</u>	<u>-</u>	<u>-</u>	<u>28,376,565</u>
Total current liabilities	<u>142,096</u>	<u>1,173,094</u>	<u>935,565</u>	<u>12,454,082</u>	<u>7,171,780</u>	<u>10,263,982</u>	<u>1,419,356</u>	<u>2,087,752</u>	<u>35,647,707</u>
Noncurrent liabilities:									
Unamortized discount	-	-	-	-	-	-	(17,887)	-	(17,887)
Compensated absences and termination benefits payable, less current portion	-	-	-	-	-	-	325,552	118,657	444,209
Estimated liability on pending claims, less current portion	-	1,187,420	1,006,325	34,858,803	12,266,507	-	-	-	49,319,055
Notes payable, less current portion	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,428,214</u>	<u>-</u>	<u>2,428,214</u>
Total long-term liabilities	<u>-</u>	<u>1,187,420</u>	<u>1,006,325</u>	<u>34,858,803</u>	<u>12,266,507</u>	<u>-</u>	<u>2,735,879</u>	<u>118,657</u>	<u>52,173,591</u>
Total liabilities	<u>142,096</u>	<u>2,360,514</u>	<u>1,941,890</u>	<u>47,312,885</u>	<u>19,438,287</u>	<u>10,263,982</u>	<u>4,155,235</u>	<u>2,206,409</u>	<u>87,821,298</u>
<u>Net Assets</u>									
Invested in net assets, net of related debt	-	-	-	-	-	-	1,651,998	90,643	1,742,641
Unrestricted	<u>3,439</u>	<u>-</u>	<u>-</u>	<u>(32,453,557)</u>	<u>-</u>	<u>7,505,045</u>	<u>953,971</u>	<u>2,995,348</u>	<u>(20,995,754)</u>
Total net assets	\$ <u>3,439</u>	<u>-</u>	<u>-</u>	<u>(32,453,557)</u>	<u>-</u>	<u>7,505,045</u>	<u>2,605,969</u>	<u>3,085,991</u>	<u>(19,253,113)</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, 2004

	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	
Operating revenue:									
Premium contributions	\$ 238,000	2,431,412	1,189,023	15,610,821	4,827,956	56,971,881	-	-	81,269,093
Sales									
Fuel sales	-	-	-	-	-	-	3,754	-	3,754
Office automation sales	-	-	-	-	-	-	-	13,005,398	13,005,398
Charges for services:									
Maintenance and repair charges	-	-	-	-	-	-	8,386,733	-	8,386,733
Use of money and property - rentals	-	-	-	-	-	-	118,758	182,020	300,778
Miscellaneous - subrogations and other	-	321,674	-	375,512	6,292	747,336	1,429	9,829	1,462,072
Total operating revenue	<u>238,000</u>	<u>2,753,086</u>	<u>1,189,023</u>	<u>15,986,333</u>	<u>4,834,248</u>	<u>57,719,217</u>	<u>8,510,674</u>	<u>13,197,247</u>	<u>104,427,828</u>
Operating expenses:									
Salaries	-	-	-	-	-	-	3,458,756	3,235,780	6,694,536
Fringe benefits	-	-	-	-	-	-	1,002,078	753,718	1,755,796
Contractual services	-	-	-	-	-	-	146,445	10,222,055	10,368,500
Materials	-	-	-	-	-	-	223,607	3,390,915	3,614,522
Facility and equipment rental	-	-	-	-	-	-	85,229	115,472	200,701
General and administrative:									
Administrative expenses	17,600	253,036	320,624	2,070,277	945,617	2,786,581	110,008	795,671	7,299,414
State worker's compensation tax	-	-	-	278,960	-	-	-	-	278,960
Depreciation	-	-	-	-	-	-	395,339	6,097	401,436
Insurance claims	220,365	973,050	1,290,350	31,465,002	8,820,090	37,229,126	-	-	79,997,983
Insurance premiums	-	803,533	-	951,018	84,573	14,983,225	-	-	16,822,349
Other:									
Repair and maintenance	-	-	-	-	-	-	3,014,843	557,505	3,572,348
Other operating expenses	-	-	-	-	-	-	28,529	-	28,529
Total operating expenses	<u>237,965</u>	<u>2,029,619</u>	<u>1,610,974</u>	<u>34,765,257</u>	<u>9,850,280</u>	<u>54,998,932</u>	<u>8,464,834</u>	<u>19,077,213</u>	<u>131,035,074</u>
Operating income (loss)	<u>35</u>	<u>723,467</u>	<u>(421,951)</u>	<u>(18,778,924)</u>	<u>(5,016,032)</u>	<u>2,720,285</u>	<u>45,840</u>	<u>(5,879,966)</u>	<u>(26,607,246)</u>
Nonoperating revenue (expenses):									
Interest income	-	26,612	49,976	281,290	258,181	-	-	-	616,059
Interest expense	-	-	-	-	-	-	(158,871)	-	(158,871)
Debt issuance costs	-	-	-	-	-	-	(4,854)	-	(4,854)
Loss on sale of capital assets	-	-	-	-	-	-	(9,034)	(940,304)	(949,338)
Total nonoperating revenue (expenses)	<u>-</u>	<u>26,612</u>	<u>49,976</u>	<u>281,290</u>	<u>258,181</u>	<u>-</u>	<u>(172,759)</u>	<u>(940,304)</u>	<u>(497,004)</u>
Income (loss) before transfers	<u>35</u>	<u>750,079</u>	<u>(371,975)</u>	<u>(18,497,634)</u>	<u>(4,757,851)</u>	<u>2,720,285</u>	<u>(126,919)</u>	<u>(6,820,270)</u>	<u>(27,104,250)</u>
Capital contributions	-	-	-	-	-	-	-	-	-
Interfund transfer in	-	-	-	-	-	-	-	6,732,092	6,732,092
Intrafund transfers in (out)	-	(750,079)	371,975	(4,379,747)	4,757,851	-	-	-	-
Change in net assets	<u>35</u>	<u>-</u>	<u>-</u>	<u>(22,877,381)</u>	<u>-</u>	<u>2,720,285</u>	<u>(126,919)</u>	<u>(88,178)</u>	<u>(20,372,158)</u>
Total net assets (deficit) - beginning	<u>3,404</u>	<u>-</u>	<u>-</u>	<u>(9,576,176)</u>	<u>-</u>	<u>4,784,760</u>	<u>2,732,888</u>	<u>3,174,169</u>	<u>1,119,045</u>
Total net assets (deficit) - end	<u>\$ 3,439</u>	<u>-</u>	<u>-</u>	<u>(32,453,557)</u>	<u>-</u>	<u>7,505,045</u>	<u>2,605,969</u>	<u>3,085,991</u>	<u>(19,253,113)</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
 Combining Statement of Cash Flows  
 Internal Service Funds  
 For the year ended June 30, 2004

	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
<b>Cash flows from operating activities:</b>									
Cash received from customers	\$ 238,000	1,818,602	1,197,610	13,369,886	(8,684,101)	57,315,877	8,523,775	13,225,834	87,005,483
Cash payments to suppliers for goods and services	(224,349)	877,373	(360,215)	8,848,970	(977,795)	(1,783,667)	(3,545,653)	(16,103,549)	(13,268,885)
Cash payments to employees for services	-	-	-	-	-	-	(4,437,278)	(3,963,052)	(8,400,330)
Premium and claim payments	-	(1,946,607)	(1,094,728)	(21,855,330)	(2,389,793)	(51,232,895)	-	-	(78,519,353)
Other cash receipts	-	-	-	-	-	747,336	1,429	-	748,765
Net cash and cash equivalents provided (used) by operating activities	13,651	749,368	(257,333)	363,526	(12,051,689)	5,046,651	542,273	(6,840,767)	(12,434,320)
<b>Cash flows from noncapital financing activities:</b>									
Interfund transfers in	-	-	-	-	-	-	-	6,732,092	6,732,092
Intrafund transfers in (out)	-	(750,079)	371,975	(4,379,747)	4,757,851	-	-	-	-
Net cash and cash equivalents provided (used) by noncapital financing activities	-	(750,079)	371,975	(4,379,747)	4,757,851	-	-	6,732,092	6,732,092
<b>Cash flows from capital and related financing activities:</b>									
Acquisition and construction of capital assets	-	-	-	-	-	-	(1,037,593)	-	(1,037,593)
Principal payments on notes payable	-	-	-	-	-	-	(219,333)	-	(219,333)
Interest payments	-	-	-	-	-	-	(160,432)	-	(160,432)
Net cash and cash equivalents used in capital and related financing activities	-	-	-	-	-	-	(1,417,358)	-	(1,417,358)
<b>Cash flows from investing activities:</b>									
Interest on investments	-	29,135	52,810	307,640	229,666	-	-	-	619,251
Net cash and cash equivalents provided by investing activities	-	29,135	52,810	307,640	229,666	-	-	-	619,251
Net increase (decrease) in cash and cash equivalents	13,651	28,424	167,452	(3,708,581)	(7,064,172)	5,046,651	(875,085)	(108,675)	(6,500,335)
Cash and cash equivalents, beginning of year	131,884	1,102,114	1,766,893	15,050,476	12,317,435	11,479,237	3,256,093	4,996,573	50,100,705
Cash and cash equivalents, end of year	\$ 145,535	1,130,538	1,934,345	11,341,895	5,253,263	16,525,888	2,381,008	4,887,898	43,600,370

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PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Cash Flows  
Internal Service Funds  
For the year ended June 30, 2004

	Self-Insurance Funds						Vehicle Maintenance Fund	Computer Services Fund	Total
	Unemployment Compensation	Property Loss	Automobile Liability	Worker's Compensation	General Liability	Life and Health Benefits			
Reconciliation of operating income to net cash provided (used) by operating activities									
Operating income (loss)	\$ 35	723,467	(421,951)	(18,778,924)	(5,016,032)	2,720,285	45,840	(5,879,966)	(26,607,246)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities									
Depreciation - equipment	-	-	-	-	-	-	395,339	6,097	401,436
Changes in assets and liabilities:									
Decrease (increase) in:									
Accounts receivable	-	(33,320)	2,008	794	50	313,412	14,530	28,587	326,061
Inventories	-	-	-	-	-	-	(48,176)	229,765	181,589
Prepaid costs	-	41,688	-	(383,420)	(2,347)	(1,839)	-	-	(345,918)
Increase (decrease) in:									
Compensated absences and termination benefits payable	-	-	-	-	-	-	(1,224)	18,794	17,570
Accounts payable	(32,225)	(76,476)	(39,591)	(236,444)	(30,636)	1,004,753	111,184	(1,251,696)	(551,131)
Accrued costs	-	-	-	(28)	805	-	24,780	7,652	33,209
Due to other funds	-	1,165,197	-	11,818,099	-	-	-	-	12,983,296
Deferred revenue	-	(10,504)	6,579	(51,043)	(643)	30,584	-	-	(25,027)
Deposits	-	(4,126)	-	(130,450)	(18,121)	-	-	-	(152,697)
Due from other funds	-	-	-	-	(12,983,296)	-	-	-	(12,983,296)
Due from component units	-	(886,534)	-	(2,435,748)	(516,339)	-	-	-	(3,838,621)
Estimated liability on pending claims	45,841	(170,024)	195,622	10,560,690	6,514,870	979,456	-	-	18,126,455
Total adjustments	13,616	25,901	164,618	19,142,450	(7,035,657)	2,326,366	496,433	(960,801)	14,172,926
Net cash and cash equivalents provided (used) by operating activities	\$ 13,651	749,368	(257,333)	363,526	(12,051,689)	5,046,651	542,273	(6,840,767)	(12,434,320)
Non-cash investing, capital and related financing activities:									
Decrease (increase) in accrued interest receivable	-	2,523	2,834	26,350	(28,515)	-	-	-	3,192
	-	2,523	2,834	26,350	(28,515)	-	-	-	3,192

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