

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of services, provided by one department to other departments of the County, on a cost reimbursement basis.

The **Health Insurance Fund** is a self-insured fund used to account for health care costs.

The **Dental Insurance Fund** is a fully insured fund used to account for dental care costs.

The **Risk Management Fund** is a self-insured fund used to account for workers' compensation costs for employees injured on the job.



COUNTY OF ROANOKE, VIRGINIA
Combining Statement of Net Assets
Internal Service Funds
June 30, 2007

	Internal Service Funds			Total Internal Service Funds
	Health Insurance	Dental Insurance	Risk Management	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,136,335	\$ 27,890	\$ 1,695,789	\$ 3,860,014
Investments	4,755,163	62,079	3,774,575	8,591,817
Accounts receivable	34,119	616	50,231	84,966
Interfund receivable	-	-	466,580	466,580
Total current assets	<u>\$ 6,925,617</u>	<u>\$ 90,585</u>	<u>\$ 5,987,175</u>	<u>\$ 13,003,377</u>
Noncurrent assets:				
Interfund receivable	-	-	213,559	213,559
Total noncurrent assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213,559</u>	<u>\$ 213,559</u>
Total assets	<u>\$ 6,925,617</u>	<u>\$ 90,585</u>	<u>\$ 6,200,734</u>	<u>\$ 13,216,936</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 184,117	\$ -	\$ 35,389	\$ 219,506
Claims payable	471,379	-	780,841	1,252,220
Deferred revenue	520,211	36,495	-	556,706
Total current liabilities	<u>\$ 1,175,707</u>	<u>\$ 36,495</u>	<u>\$ 816,230</u>	<u>\$ 2,028,432</u>
Noncurrent liabilities:				
Claims payable	-	-	1,911,715	1,911,715
Total noncurrent liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,911,715</u>	<u>\$ 1,911,715</u>
Total liabilities	<u>\$ 1,175,707</u>	<u>\$ 36,495</u>	<u>\$ 2,727,945</u>	<u>\$ 3,940,147</u>
NET ASSETS				
Unrestricted	5,749,910	54,090	3,472,789	9,276,789
Total net assets	<u>\$ 5,749,910</u>	<u>\$ 54,090</u>	<u>\$ 3,472,789</u>	<u>\$ 9,276,789</u>

See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2007

	Internal Service Funds			Total Internal Service Funds
	Health Insurance	Dental Insurance	Risk Management	
OPERATING REVENUES				
Charges for services	\$ 5,941,472	\$ 417,476	\$ 971,706	\$ 7,330,654
Miscellaneous	-	-	8,357	8,357
Total operating revenues	<u>\$ 5,941,472</u>	<u>\$ 417,476</u>	<u>\$ 980,063</u>	<u>\$ 7,339,011</u>
OPERATING EXPENSES				
Purchased services	\$ -	\$ -	\$ 421,570	\$ 421,570
Personal services	-	-	151,154	151,154
Claims	5,711,824	422,907	1,541,042	7,675,773
Administrative charges	31,170	-	43,482	74,652
Total operating expenses	<u>\$ 5,742,994</u>	<u>\$ 422,907</u>	<u>\$ 2,157,248</u>	<u>\$ 8,323,149</u>
Operating income (loss)	<u>\$ 198,478</u>	<u>\$ (5,431)</u>	<u>\$ (1,177,185)</u>	<u>\$ (984,138)</u>
NONOPERATING REVENUES				
Investment income	\$ 255,443	\$ 4,786	\$ 243,275	\$ 503,504
Total nonoperating revenues	<u>\$ 255,443</u>	<u>\$ 4,786</u>	<u>\$ 243,275</u>	<u>\$ 503,504</u>
Net income (loss) before transfers	453,921	(645)	(933,910)	(480,634)
Transfers in	700,365	-	31,125	731,490
Change in net assets	<u>\$ 1,154,286</u>	<u>\$ (645)</u>	<u>\$ (902,785)</u>	<u>\$ 250,856</u>
Total net assets at beginning of year	4,595,624	54,735	4,375,574	9,025,933
Total net assets at end of year	<u><u>\$ 5,749,910</u></u>	<u><u>\$ 54,090</u></u>	<u><u>\$ 3,472,789</u></u>	<u><u>\$ 9,276,789</u></u>

See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2007

	Internal Service Funds			
	Health Insurance	Dental Insurance	Risk Management	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from interfund services provided	\$ 5,941,472	\$ 417,476	\$ 971,706	7,330,654
Payments to suppliers	152,347	-	(443,408)	(291,061)
Payments to employees	-	-	(151,154)	(151,154)
Claims paid	(5,956,192)	(422,907)	(621,745)	(7,000,844)
Other receipts (payments)	122,122	2,438	(4,027)	120,533
Net cash provided by (used in) operating activities	<u>\$ 259,749</u>	<u>\$ (2,993)</u>	<u>\$ (248,628)</u>	<u>\$ 8,128</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	700,365	-	31,125	731,490
Interfund loan-proceeds and collections	-	-	360,000	360,000
Net cash provided by noncapital financing activities	<u>700,365</u>	<u>-</u>	<u>391,125</u>	<u>1,091,490</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments	-	3,457	4,525	7,982
Purchase of investments	(536,545)	-	-	(536,545)
Interest and dividends	255,443	4,786	243,275	503,504
Net cash provided by (used in) investing activities	<u>(281,102)</u>	<u>8,243</u>	<u>247,800</u>	<u>(25,059)</u>
Net increase in cash and cash equivalents	679,012	5,250	390,297	1,074,559
Cash and cash equivalents at beginning of the year	1,457,323	22,640	1,305,492	2,785,455
Cash and cash equivalents at end of the year	<u>\$ 2,136,335</u>	<u>\$ 27,890</u>	<u>\$ 1,695,789</u>	<u>\$ 3,860,014</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 198,478	\$ (5,431)	\$ (1,177,185)	\$ (984,138)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Change in assets and liabilities:				
Accounts receivable	82,412	(80)	(12,384)	69,948
Accounts payable	183,517	-	21,644	205,161
Claims payable	(244,368)	-	919,297	674,929
Deferred revenue	39,710	2,518	-	42,228
Net cash provided by (used in) operating activities	<u>\$ 259,749</u>	<u>\$ (2,993)</u>	<u>\$ (248,628)</u>	<u>\$ 8,128</u>

See accompanying independent auditors' report.