INTERNAL SERVICE FUNDS

The internal service funds are maintained to account for the operations of State agencies that provide services to other State agencies, component units, or other governmental units on a cost reimbursement basis.

The following activities are included in the internal service funds:

Workers' Compensation Program

State Property Fire Insurance Fund
Self-insurance fund for State agencies and certain component units

Department of Administration:
Motor Fleet Management
Courier Service
Temporary Solutions

Office of the Governor:
Centralized Computing Services
State Telecommunications Services

Department of Administration:
Surplus Property

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS

June 30, 2003

(Dollars in Thousands)

	Workers' Compensation Program	State Property Fire Insurance	Motor Fleet Management	Courier Service	Temporary Solutions
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 1,321	$ 13,827	$ 9,084	$ —	$ 1,550
Investments	—	19,632	—	—	—
Securities lending collateral	—	21,694	—	—	—
Receivables:					
Accounts receivable, net	2,480	—	5,780	318	914
Interest receivable	—	54	—	—	—
Due from fiduciary funds	—	—	—	—	—
Due from other funds	—	—	5,578	3	27
Due from component units	—	—	415	—	—
Inventories	—	—	151	—	—
Prepaid items	—	—	—	—	—
Total current assets	3,801	55,207	21,008	321	2,491
Noncurrent Assets:					
Capital assets-nondepreciable	—	—	418	—	—
Capital assets-depreciable, net	—	—	64,397	—	4
Total noncurrent assets	—	—	64,815	—	4
Total Assets	3,801	55,207	85,823	321	2,495
LIABILITIES					
Current Liabilities:					
Accounts payable and accrued liabilities:					
Accounts payable	—	—	1,835	11	—
Accrued payroll	—	—	—	20	489
Claims payable	—	1,196	—	—	—
Obligations under securities lending	—	21,694	—	—	—
Due to other funds	—	—	887	740	1
Deferred revenue	—	2,489	—	—	—
Accrued vacation leave - current	—	16	11	7	4
Total current liabilities	—	25,395	2,733	778	494
Noncurrent Liabilities:					
Accrued vacation leave	—	144	119	81	20
Total noncurrent liabilities	—	144	119	81	20
Total Liabilities	—	25,539	2,852	859	514
NET ASSETS					
Invested in capital assets, net of related debt	—	—	64,815	—	4
Unrestricted	3,801	29,668	18,156	(538)	1,977
Total Net Assets	$ 3,801	$ 29,668	$ 82,971	$ (538)	$ 1,981

Exhibit E-1

Centralized Computing Services	State Telecommu-nications Services	Surplus Property	*Totals*
$ 30,865	$ 4,978	$ 2,185	$ 63,810
—	—	—	19,632
—	—	—	21,694
795	7,549	44	17,880
—	—	—	54
1	2	—	3
6,779	5,537	714	18,638
210	336	—	961
108	—	—	259
7,037	2,163	—	9,200
45,795	20,565	2,943	152,131
2,861	—	19	3,298
16,320	5,830	121	86,672
19,181	5,830	140	89,970
64,976	26,395	3,083	242,101
218	216	978	3,258
44	18	2	573
—	—	—	1,196
—	—	—	21,694
33	51	425	2,137
—	—	—	2,489
100	54	7	199
395	339	1,412	31,546
1,454	629	80	2,527
1,454	629	80	2,527
1,849	968	1,492	34,073
19,181	5,830	140	89,970
43,946	19,597	1,451	118,058
$ 63,127	$ 25,427	$ 1,591	$ 208,028

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2003

(Dollars in Thousands)

	Workers' Compensation Program	State Property Fire Insurance	Motor Fleet Management	Courier Service	Temporary Solutions
Operating Revenues:					
Sales and services	$ 28,923	$ —	$ 37,101	$ 2,126	$ 6,604
Rental and lease earnings	—	—	—	—	—
Insurance premiums	—	15,536	—	—	—
Miscellaneous	—	—	50	2	—
Total operating revenues	28,923	15,536	37,151	2,128	6,604
Operating Expenses:					
Personal services	—	1,417	1,803	1,528	6,588
Supplies and materials	—	5	7,605	48	5
Services	28,848	129	2,183	616	60
Cost of goods sold	—	—	1,178	—	—
Depreciation/amortization	—	—	16,291	—	2
Claims	—	1,619	—	—	—
Insurance and bonding	—	18,858	2,298	—	—
Other	—	74	9	6	24
Total operating expenses	28,848	22,102	31,367	2,198	6,679
Operating income (loss)	75	(6,566)	5,784	(70)	(75)
Nonoperating Revenues (Expenses):					
Investment earnings	—	3,791	—	—	—
Insurance recoveries	—	—	154	—	—
Gain (loss) on sale of equipment	—	—	(799)	—	—
Miscellaneous	—	(352)	3	—	—
Total nonoperating revenues (expenses)	—	3,439	(642)	—	—
Income (loss) before contributions and transfers	75	(3,127)	5,142	(70)	(75)
Capital contributions	—	—	—	—	—
Transfers in	642	—	—	—	—
Transfers out	(54)	—	—	—	—
Change in net assets	663	(3,127)	5,142	(70)	(75)
Net assets — July 1, as restated	3,138	32,795	77,829	(468)	2,056
Net assets — June 30	$ 3,801	$ 29,668	$ 82,971	$ (538)	$ 1,981

Exhibit E-2

Centralized Computing Services	State Telecommu-nications Services	Surplus Property	*Totals*
$ 62,892	$ 69,457	$ 1,473	$ 208,576
910	—	—	910
—	—	—	15,536
—	254	60	366
63,802	69,711	1,533	225,388
16,744	9,642	1,301	39,023
392	85	72	8,212
6,797	49,279	660	88,572
292	—	123	1,593
8,420	2,346	48	27,107
—	—	—	1,619
89	40	19	21,304
36,109	6,362	32	42,616
68,843	67,754	2,255	230,046
(5,041)	1,957	(722)	(4,658)
—	—	—	3,791
—	—	—	154
(1)	(21)	—	(821)
1	—	—	(348)
—	(21)	—	2,776
(5,041)	1,936	(722)	(1,882)
936	—	—	936
35	1	—	678
(12)	(7)	—	(73)
(4,082)	1,930	(722)	(341)
67,209	23,497	2,313	208,369
$ 63,127	$ 25,427	$ 1,591	$ 208,028

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2003

(Dollars in Thousands)

	Workers' Compensation Program	State Property Fire Insurance	Motor Fleet Management	Courier Service	Temporary Solutions
Cash Flows From Operating Activities:					
Receipts from customers	$ 5,648	$ 5,608	$ 4,535	$ 580	$ 6,353
Receipts from other funds	22,679	9,897	27,857	1,579	—
Payments to suppliers	(28,848)	(19,066)	(9,720)	(211)	(25)
Payments to employees	—	(1,369)	(1,770)	(1,500)	(6,472)
Payments for benefits and claims	—	(562)	—	—	—
Payments to other funds	—	(960)	(3,240)	(449)	(43)
Other receipts (payments)	—	—	45	(5)	(24)
Net cash flows provided (used) by operating activities	(521)	(6,452)	17,707	(6)	(211)
Cash Provided From (Used For) Noncapital Financing Activities:					
Transfers from other funds	642	—	—	—	—
Transfers to other funds	(54)	—	—	—	—
Total cash provided from (used for) noncapital financing activities	588	—	—	—	—
Cash Provided From (Used For) Capital Financing Activities:					
Acquisition and construction of capital assets	—	—	(25,748)	—	—
Proceeds from the sale of capital assets	—	—	2,398	—	—
Insurance recoveries	—	—	154	—	—
Total cash provided from (used for) capital financing activities	—	—	(23,196)	—	—
Cash Provided From (Used For) Investment Activities:					
Redemptions from State Treasurer investment pool	—	4,000	—	—	—
Investment earnings	—	845	—	—	—
Total cash provided from (used for) investment activities	—	4,845	—	—	—
Net increase (decrease) in cash and cash equivalents	67	(1,607)	(5,489)	(6)	(211)
Cash and cash equivalents at July 1	1,254	15,434	14,573	6	1,761
Cash and cash equivalents at June 30	$ 1,321	$ 13,827	$ 9,084	$ —	$ 1,550
Reconciliation of Operating Income to Net Cash Provided From (Used For) Operating Activities:					
Operating income (loss)	$ 75	$ (6,566)	$ 5,784	$ (70)	$ (75)
Adjustments to reconcile operating income to net cash flows from operating activities					
Depreciation/amortization	—	—	16,291	—	2
Nonoperating miscellaneous income/expense	—	—	2	—	—
(Increases) decreases in assets:					
Receivables	(1,860)	21	(2,973)	(54)	(384)
Due from other funds	1,264	—	(1,949)	—	134
Due from fiduciary funds	—	—	—	—	—
Due from component units	—	—	213	—	—
Inventories	—	—	5	—	—
Prepaid items	—	—	—	—	—
Increases (decreases) in liabilities:					
Accounts payable and accrued liabilities	—	964	(95)	9	111
Due to other funds	—	(266)	395	85	(3)
Due to component units	—	(601)	—	—	—
Accrued vacation leave	—	47	34	24	4
Deferred revenue	—	(51)	—	—	—
Total cash provided from (used for) operations	$ (521)	$ (6,452)	$ 17,707	$ (6)	$ (211)
Noncash Investing, Capital, and Financing Activities:					
Noncash distributions from the State Treasurer Long-Term Investment Portfolio	$ —	$ 1,596	$ —	$ —	$ —
Donated or transferred assets (fair market value)	—	—	—	—	—
Assets acquired through the assumption of a liability	—	21,694	—	—	—
Change in fair value of investments	—	862	—	—	—

Exhibit E-3

Centralized Computing Services	State Telecommu-nications Services	Surplus Property	*Totals*
$ 8,065	$ 27,667	$ 499	$ 58,955
63,394	45,168	858	171,432
(40,606)	(56,816)	(136)	(155,428)
(16,330)	(9,370)	(1,282)	(38,093)
—	—	—	(562)
(5,116)	(1,339)	(469)	(11,616)
(233)	131	28	(58)
9,174	5,441	(502)	24,630
35	1	—	678
(12)	(7)	—	(73)
23	(6)	—	605
(4,203)	(2,220)	(40)	(32,211)
—	—	17	2,415
—	—	—	154
(4,203)	(2,220)	(23)	(29,642)
—	—	—	4,000
—	—	—	845
—	—	—	4,845
4,994	3,215	(525)	438
25,871	1,763	2,710	63,372
$ 30,865	$ 4,978	$ 2,185	$ 63,810
$ (5,041)	$ 1,957	$ (722)	$ (4,658)
8,420	2,346	48	27,107
1	—	—	3
8,067	3,463	(12)	6,268
(620)	(336)	(103)	(1,610)
—	5	—	5
211	246	—	670
13	—	1	19
(129)	(2,163)	—	(2,292)
(252)	(79)	862	1,520
(1,905)	(285)	(593)	(2,572)
—	—	—	(601)
409	287	17	822
—	—	—	(51)
$ 9,174	$ 5,441	$ (502)	$ 24,630
$ —	$ —	$ —	$ 1,596
936	—	—	936
—	—	—	21,694
—	—	—	862