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:

Office of the State Controller:
Worker's Compensation Program

Department of Administration:
Motor Fleet Management
Mail Service Center
Temporary Solutions
Surplus Property

Office of the Governor:
Computing Services
State Telecommunications Services

Department of Insurance:
State Property Fire Insurance

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS

June 30, 2005

(Dollars in Thousands)

	Workers' Compensation Program	State Property Fire Insurance	Motor Fleet Management	Mail Service Center	Temporary Solutions
Assets					
Current Assets:					
Cash and cash equivalents	$ 1,356	$ 20,066	$ 9,349	$ —	$ 1,556
Investments	—	21,482	—	—	—
Securities lending collateral	—	25,977	—	—	—
Receivables:					
Accounts receivable, net	2,862	—	2,346	694	914
Interest receivable	—	47	—	—	—
Premiums receivable	—	126	—	—	—
Due from fiduciary funds	—	—	—	—	—
Due from other funds	—	—	4,605	—	3
Due from component units	—	—	716	—	—
Inventories	—	—	176	14	—
Prepaid items	—	—	—	—	—
Total current assets	4,218	67,698	17,192	708	2,473
Noncurrent Assets:					
Capital assets-nondepreciable	—	—	418	—	—
Capital assets-depreciable, net	—	—	63,426	382	—
Total noncurrent assets	—	—	63,844	382	—
Total Assets	4,218	67,698	81,036	1,090	2,473
Liabilities					
Current Liabilities:					
Accounts payable and accrued liabilities:					
Accounts payable	—	—	3,502	24	11
Accrued payroll	—	—	11	35	456
Intergovernmental payable	—	—	—	—	—
Claims payable	—	1,681	—	—	—
Obligations under securities lending	—	25,977	—	—	—
Due to other funds	—	—	3	756	1
Unearned revenue	—	3,121	—	—	—
Compensated absences - current	—	26	13	14	1
Total current liabilities	—	30,805	3,529	829	469
Noncurrent Liabilities:					
Compensated absences	—	198	125	136	13
Total noncurrent liabilities	—	198	125	136	13
Total Liabilities	—	31,003	3,654	965	482
Net Assets					
Invested in capital assets, net of related debt	—	—	63,844	382	—
Unrestricted	4,218	36,695	13,538	(257)	1,991
Total Net Assets	$ 4,218	$ 36,695	$ 77,382	$ 125	$ 1,991

Exhibit E-1

Computing Services	State Telecommu-nications Services	Surplus Property	*Totals*
$ 13,227	$ 8,938	$ 2,227	$ 56,719
—	—	—	21,482
—	—	—	25,977
2,697	7,704	19	17,236
—	—	—	47
—	—	—	126
1	3	—	4
5,259	4,940	713	15,520
31	385	—	1,132
—	—	—	190
11,099	4,093	—	15,192
32,314	26,063	2,959	153,625
3,868	—	19	4,305
20,593	3,722	108	88,231
24,461	3,722	127	92,536
56,775	29,785	3,086	246,161
2,188	105	1,192	7,022
40	8	—	550
4,501	108	1	4,610
—	—	—	1,681
—	—	—	25,977
441	53	316	1,570
—	—	—	3,121
154	72	10	290
7,324	346	1,519	44,821
1,685	790	92	3,039
1,685	790	92	3,039
9,009	1,136	1,611	47,860
24,461	3,722	127	92,536
23,305	24,927	1,348	105,765
$ 47,766	$ 28,649	$ 1,475	$ 198,301

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

For the Fiscal Year Ended June 30, 2005

(Dollars in Thousands)

	Workers' Compensation Program	State Property Fire Insurance	Motor Fleet Management	Mail Service Center	Temporary Solutions
Operating Revenues:					
Sales and services	$ 40,246	$ —	$ 36,352	$ 3,831	$ 9,931
Fees, licenses and fines	—	—	—	—	—
Insurance premiums	—	16,927	—	—	—
Miscellaneous	—	—	45	1	—
Total operating revenues	40,246	16,927	36,397	3,832	9,931
Operating Expenses:					
Personal services	—	1,625	1,978	2,666	9,784
Supplies and materials	—	8	10,263	87	11
Services	40,095	166	2,296	802	53
Cost of goods sold	—	—	1,629	—	—
Depreciation/amortization	—	—	17,824	81	1
Claims	—	1,451	—	—	—
Insurance and bonding	—	9,841	2,201	—	—
Other	—	70	14	95	31
Total operating expenses	40,095	13,161	36,205	3,731	9,880
Operating income (loss)	151	3,766	192	101	51
Nonoperating Revenues (Expenses):					
Investment earnings	—	3,257	—	—	—
Insurance recoveries	—	—	159	—	—
Gain (loss) on sale of equipment	—	—	(1,222)	—	—
Miscellaneous	—	(610)	—	—	—
Total nonoperating revenues (expenses)	—	2,647	(1,063)	—	—
Income (loss) before contributions and transfers	151	6,413	(871)	101	51
Transfers in	106	—	—	—	—
Transfers out	(31)	(1)	—	(30)	—
Change in net assets	226	6,412	(871)	71	51
Net assets — July 1, as restated	3,992	30,283	78,253	54	1,940
Net assets — June 30	$ 4,218	$ 36,695	$ 77,382	$ 125	$ 1,991

Exhibit E-2

Computing Services	State Telecommu-nications Services	Surplus Property	*Totals*
$ 63,977	$ 77,871	$ 1,955	$ 234,163
—	—	20	20
—	—	—	16,927
—	208	190	444
63,977	78,079	2,165	251,554
17,971	10,300	1,337	45,661
1,510	79	76	12,034
8,167	50,377	512	102,468
7	—	91	1,727
7,273	2,768	44	27,991
—	—	—	1,451
87	44	17	12,190
31,734	7,999	66	40,009
66,749	71,567	2,143	243,531
(2,772)	6,512	22	8,023
—	—	—	3,257
—	—	—	159
(3)	(474)	7	(1,692)
2	—	—	(608)
(1)	(474)	7	1,116
(2,773)	6,038	29	9,139
510	13	—	629
(5,738)	(95)	(1)	(5,896)
(8,001)	5,956	28	3,872
55,767	22,693	1,447	194,429
$ 47,766	$ 28,649	$ 1,475	$ 198,301

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2005

(Dollars in Thousands)

	Workers' Compensation Program	State Property Fire Insurance	Motor Fleet Management	Mail Service Center	Temporary Solutions
Cash Flows From Operating Activities:					
Receipts from customers	$ 8,631	$ 7,429	$ 4,996	$ 1,033	$ —
Receipts from other funds	32,300	10,379	30,692	2,657	10,146
Payments to suppliers	(40,095)	(10,086)	(11,888)	(276)	(19)
Payments to employees	—	(1,605)	(1,987)	(2,699)	(9,808)
Payments for benefits and claims	—	(497)	—	—	—
Payments to other funds	—	(500)	(3,963)	(588)	(33)
Other receipts (payments)	—	—	39	(94)	(32)
Net cash flows provided (used) by operating activities	836	5,120	17,889	33	254
Cash Provided From (Used For) Noncapital Financing Activities:					
Transfers from other funds	106	—	—	—	—
Transfers to other funds	(31)	(1)	—	(30)	—
Total cash provided from (used for) noncapital financing activities	75	(1)	—	(30)	—
Cash Provided From (Used For) Capital Financing Activities:					
Acquisition and construction of capital assets	—	—	(19,471)	(5)	—
Proceeds from the sale of capital assets	—	—	3,038	—	1
Insurance recoveries	—	—	159	—	—
Total cash provided from (used for) capital financing activities	—	—	(16,274)	(5)	1
Cash Provided From (Used For) Investment Activities:					
Investment earnings	—	644	—	—	—
Total cash provided from (used for) investment activities	—	644	—	—	—
Net increase (decrease) in cash and cash equivalents	911	5,763	1,615	(2)	255
Cash and cash equivalents at July 1	445	14,303	7,734	2	1,301
Cash and cash equivalents at June 30	$ 1,356	$ 20,066	$ 9,349	$ —	$ 1,556
Reconciliation of Operating Income to Net Cash Provided From (Used For) Operating Activities:					
Operating income (loss)	$ 151	$ 3,766	$ 192	$ 101	$ 51
Adjustments to reconcile operating income to net cash flows from operating activities:					
Depreciation/amortization	—	—	17,824	81	1
Nonoperating miscellaneous income (expense)	—	—	—	—	—
(Increases) decreases in assets:					
Receivables	(454)	15	(1,272)	(145)	190
Due from other funds	1,139	—	743	6	25
Due from fiduciary funds	—	—	—	—	—
Due from component units	—	—	(134)	—	—
Inventories	—	—	(9)	67	—
Prepaid items	—	—	—	—	—
Increases (decreases) in liabilities:					
Accounts payable and accrued liabilities	—	454	559	(1)	(13)
Due to other funds	—	—	(7)	(42)	—
Compensated absences	—	20	(7)	(34)	—
Unearned revenue	—	865	—	—	—
Total cash provided from (used for) operations	$ 836	$ 5,120	$ 17,889	$ 33	$ 254
Noncash Investing, Capital, and Financing Activities:					
Noncash distributions from the State Treasurer Long-Term Investment Portfolio and/or other agents	$ —	$ 1,289	$ —	$ —	$ —
Assets acquired through the assumption of a liability	—	25,977	—	—	—
Change in fair value of investments	—	709	—	—	—

Exhibit E-3

Computing Services	State Telecommu-nications Services	Surplus Property	*Totals*
$ 1,294	$ 23,777	$ 507	$ 47,667
63,411	53,735	1,445	204,765
(26,188)	(61,479)	(225)	(150,256)
(18,047)	(10,220)	(1,321)	(45,687)
—	—	—	(497)
(3,075)	(550)	(621)	(9,330)
(4,613)	25	144	(4,531)
12,782	5,288	(71)	42,131
510	13	(1)	628
(5,738)	(95)	—	(5,895)
(5,228)	(82)	(1)	(5,267)
(13,711)	(1,759)	(32)	(34,978)
—	—	7	3,046
—	—	—	159
(13,711)	(1,759)	(25)	(31,773)
—	—	—	644
—	—	—	644
(6,157)	3,447	(97)	5,735
19,384	5,491	2,324	50,984
$ 13,227	$ 8,938	$ 2,227	$ 56,719
$ (2,772)	$ 6,512	$ 22	$ 8,023
7,273	2,768	44	27,991
2	—	—	2
419	(1,996)	1	(3,242)
338	1,562	82	3,895
(1)	(1)	—	(2)
(28)	76	—	(86)
15	—	—	73
809	(3,796)	—	(2,987)
6,509	89	(171)	7,426
278	(6)	(66)	157
(60)	80	17	16
—	—	—	865
$ 12,782	$ 5,288	$ (71)	$ 42,131
$ —	$ —	$ —	$ 1,289
—	—	—	25,977
—	—	—	709