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:
- Workers' 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, 2009

(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	$ 727	$ 30,156	$ 38,498	$ 1	$ 191
Investments	—	21,152	—	—	—
Securities lending collateral	—	19,135	—	—	—
Receivables:					
Accounts receivable, net	1,474	—	1,882	294	1,508
Interest receivable	—	41	—	—	—
Premiums receivable	—	2,797	—	—	—
Due from fiduciary funds	—	—	—	—	—
Due from other funds	2,008	—	7,396	14	280
Due from component units	—	—	479	—	—
Inventories	—	—	103	30	—
Prepaid items	—	—	—	—	—
Total current assets	4,209	73,281	48,358	339	1,979
Noncurrent Assets:					
Capital assets-nondepreciable	—	—	288	—	—
Capital assets-depreciable, net	—	—	48,269	523	—
Total noncurrent assets	—	—	48,557	523	—
Total Assets	4,209	73,281	96,915	862	1,979
Liabilities					
Current Liabilities:					
Accounts payable and accrued liabilities:					
Accounts payable	—	5,187	1,588	21	—
Accrued payroll	—	—	1	14	496
Claims payable	—	2,090	—	—	—
Obligations under securities lending	—	19,135	—	—	—
Due to other funds	—	—	19	861	—
Unearned revenue	—	3,799	—	—	—
Compensated absences	—	22	12	17	4
Total current liabilities	—	30,233	1,620	913	500
Noncurrent Liabilities:					
Compensated absences	—	288	142	194	32
Total noncurrent liabilities	—	288	142	194	32
Total Liabilities	—	30,521	1,762	1,107	532
Net Assets					
Invested in capital assets	—	—	48,557	523	—
Unrestricted	4,209	42,760	46,596	(768)	1,447
Total Net Assets	$ 4,209	$ 42,760	$ 95,153	$ (245)	$ 1,447

Exhibit E-1

Computing Services	State Telecommu-nications Services	Surplus Property	Totals
$ 19,872	$ 12,986	$ 667	$ 103,098
—	—	—	21,152
—	—	—	19,135
1,914	4,296	19	11,387
—	—	—	41
—	—	—	2,797
1	2	—	3
11,882	6,276	584	28,440
3	493	—	975
20	—	—	153
1,988	82	—	2,070
35,680	24,135	1,270	189,251
6,217	—	19	6,524
48,990	4,841	80	102,703
55,207	4,841	99	109,227
90,887	28,976	1,369	298,478
911	352	864	8,923
—	6	—	517
—	—	—	2,090
—	—	—	19,135
525	104	47	1,556
—	—	—	3,799
276	99	11	441
1,712	561	922	36,461
3,395	1,217	122	5,390
3,395	1,217	122	5,390
5,107	1,778	1,044	41,851
55,207	4,841	99	109,227
30,573	22,357	226	147,400
$ 85,780	$ 27,198	$ 325	$ 256,627

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

For the Fiscal Year Ended June 30, 2009

(Dollars in Thousands)

	Workers' Compensation Program	State Property Fire Insurance	Motor Fleet Management	Mail Service Center	Temporary Solutions
Operating Revenues:					
Sales and services	$ 50,496	$ —	$ 56,520	$ 3,941	$ 12,326
Rental and lease earnings	—	—	—	—	—
Fees, licenses, and fines	—	—	—	—	—
Insurance premiums	—	20,547	—	—	—
Miscellaneous	—	—	60	4	1
Total operating revenues	50,496	20,547	56,580	3,945	12,327
Operating Expenses:					
Personal services	—	1,934	2,169	2,948	12,578
Supplies and materials	—	2	17,784	66	4
Services	52,562	214	2,329	876	109
Cost of goods sold	—	—	402	—	—
Depreciation/amortization	—	—	17,417	83	—
Claims	—	1,785	—	—	—
Insurance and bonding	—	15,167	1,584	—	—
Other	—	71	11	66	44
Total operating expenses	52,562	19,173	41,696	4,039	12,735
Operating income (loss)	(2,066)	1,374	14,884	(94)	(408)
Nonoperating Revenues (Expenses):					
Investment earnings	—	3,190	—	—	—
Insurance recoveries	—	—	137	—	—
Gain (loss) on sale of equipment	—	—	475	—	—
Miscellaneous	—	(327)	—	—	—
Total nonoperating revenues (expenses)	—	2,863	612	—	—
Income (loss) before contributions and transfers	(2,066)	4,237	15,496	(94)	(408)
Capital contributions	—	—	63	—	—
Transfers in	928	—	—	426	—
Transfers out	—	—	—	—	—
Change in net assets	(1,138)	4,237	15,559	332	(408)
Net assets — July 1, as restated	5,347	38,523	79,594	(577)	1,855
Net assets — June 30	$ 4,209	$ 42,760	$ 95,153	$ (245)	$ 1,447

Exhibit E-2

Computing Services	State Telecommu-nications Services	Surplus Property	Totals
$ 91,803	$ 89,028	$ 1,957	$ 306,071
—	—	23	23
—	—	42	42
—	—	—	20,547
1	105	159	330
91,804	89,133	2,181	327,013
31,662	15,117	1,582	67,990
534	47	58	18,495
13,859	56,423	415	126,787
—	—	241	643
6,959	2,078	16	26,553
—	—	—	1,785
135	52	20	16,958
42,421	11,724	42	54,379
95,570	85,441	2,374	313,590
(3,766)	3,692	(193)	13,423
—	—	—	3,190
—	—	21	158
(34)	(48)	—	393
1	—	—	(326)
(33)	(48)	21	3,415
(3,799)	3,644	(172)	16,838
305	—	—	368
4,121	—	—	5,475
(36)	(500)	—	(536)
591	3,144	(172)	22,145
85,189	24,054	497	234,482
$ 85,780	$ 27,198	$ 325	$ 256,627

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2009

(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	$ 9,354	$ 4,649	$ 5,223	$ 668	$ 135
Receipts from other funds	41,811	13,276	47,015	3,246	13,112
Payments to suppliers	(52,739)	(10,267)	(14,360)	(392)	(34)
Payments to employees	—	(1,940)	(2,198)	(2,934)	(12,802)
Payments for benefits and claims	—	(6,392)	—	—	—
Payments to other funds	—	(1,509)	(6,761)	(698)	(178)
Other receipts (payments)	—	—	55	(14)	(42)
Net cash flows provided (used) by operating activities	(1,574)	(2,183)	28,974	(124)	191
Cash Provided From (Used For) Noncapital Financing Activities:					
Transfers from other funds	928	—	—	426	—
Transfers to other funds	—	—	—	—	—
Total cash provided from (used for) noncapital financing activities	928	—	—	426	—
Cash Provided From (Used For) Capital and Related Financing Activities:					
Acquisition and construction of capital assets	—	—	(8,780)	(301)	—
Proceeds from the sale of capital assets	—	—	1,889	—	—
Insurance recoveries	—	—	137	—	—
Total cash provided from (used for) capital and related financing activities	—	—	(6,754)	(301)	—
Cash Provided From (Used For) Investment Activities:					
Investment earnings	—	1,421	—	—	—
Total cash provided from (used for) investment activities	—	1,421	—	—	—
Net increase (decrease) in cash and cash equivalents	(646)	(762)	22,220	1	191
Cash and cash equivalents at July 1	1,373	30,918	16,278	—	—
Cash and cash equivalents at June 30	$ 727	$ 30,156	$ 38,498	$ 1	$ 191
Reconciliation of Operating Income to Net Cash Provided From (Used For) Operating Activities:					
Operating income (loss)	$ (2,066)	$ 1,374	$ 14,884	$ (94)	$ (408)
Adjustments to reconcile operating income to net cash flows from operating activities:					
Depreciation/amortization	—	—	17,417	83	—
Restatements and adjustments	—	(112)	—	—	—
Nonoperating miscellaneous income (expense)	—	—	—	—	—
(Increases) decreases in assets:					
Receivables	886	(1,460)	(431)	(14)	1,201
Due from other funds	(394)	—	(3,909)	(14)	(280)
Due from fiduciary funds	—	—	1	—	—
Due from component units	—	—	57	—	—
Inventories	—	—	74	(11)	—
Prepaid items	—	—	—	—	—
Increases (decreases) in liabilities:					
Accounts payable and accrued liabilities	—	(930)	904	(7)	(227)
Due to other funds	—	—	6	(85)	(98)
Compensated absences	—	106	(29)	18	3
Unearned revenue	—	(1,161)	—	—	—
Total cash provided from (used for) operations	$ (1,574)	$ (2,183)	$ 28,974	$ (124)	$ 191
Noncash Investing, Capital, and Financing Activities:					
Noncash distributions from the State Treasurer Long-Term Investment Portfolio and/or other agents	$ —	$ 1,303	$ —	$ —	$ —
Donated or transferred assets (fair market value)	—	—	63	—	—
Assets acquired through the assumption of a liability	—	19,135	—	—	—
Change in fair value of investments	—	209	—	—	—

Exhibit E-3

Computing Services	State Telecommu-nications Services	Surplus Property	Totals
$ 1,796	$ 20,853	$ 819	$ 43,497
88,022	68,000	1,582	276,064
(40,985)	(66,135)	(625)	(185,537)
(30,921)	(15,015)	(1,617)	(67,427)
—	—	—	(6,392)
(9,766)	(1,838)	(615)	(21,365)
(1,343)	(266)	142	(1,468)
6,803	5,599	(314)	37,372
4,121	—	—	5,475
(36)	(500)	—	(536)
4,085	(500)	—	4,939
(10,022)	(1,788)	(6)	(20,897)
—	—	—	1,889
—	—	21	158
(10,022)	(1,788)	15	(18,850)
—	—	—	1,421
—	—	—	1,421
866	3,311	(299)	24,882
19,006	9,675	966	78,216
$ 19,872	$ 12,986	$ 667	$ 103,098
$ (3,766)	$ 3,692	$ (193)	$ 13,423
6,959	2,078	16	26,553
—	—	—	(112)
1	—	—	1
3,660	(2,373)	20	1,489
(5,647)	2,117	358	(7,769)
1	2	—	4
1	78	—	136
(1)	—	—	62
4,084	19	—	4,103
582	(142)	(386)	(206)
184	31	(95)	(57)
745	97	(34)	906
—	—	—	(1,161)
$ 6,803	$ 5,599	$ (314)	$ 37,372
$ —	$ —	$ —	$ 1,303
305	—	—	368
—	—	—	19,135
—	—	—	209