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, 2012

(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	$ 2,632	$ 29,387	$ 34,998	$ —	$ 2,123
Investments	—	28,413	—	—	—
Securities lending collateral	—	4,720	—	—	—
Receivables:					
Accounts receivable, net	2,468	—	2,123	123	1,862
Interest receivable	—	13	—	—	—
Premiums receivable	—	12	—	—	—
Due from other funds	3,771	—	3,129	17	96
Due from component units	—	—	339	—	—
Inventories	—	—	146	275	—
Prepaid items	—	—	—	—	—
Total current assets	8,871	62,545	40,735	415	4,081
Noncurrent Assets:					
Capital assets-nondepreciable	—	—	288	—	—
Capital assets-depreciable, net	—	—	26,454	343	—
Total noncurrent assets	—	—	26,742	343	—
Total Assets	8,871	62,545	67,477	758	4,081
Liabilities					
Current Liabilities:					
Accounts payable and accrued liabilities:					
Accounts payable	—	6,626	1,574	18	1
Accrued payroll	—	—	2	6	1,386
Intergovernmental payable	—	—	—	—	—
Claims payable	—	1,553	—	—	—
Obligations under securities lending	—	4,929	—	—	—
Due to other funds	—	—	29	455	4
Unearned revenue	—	8,957	—	—	—
Capital leases payable	—	—	—	—	—
Compensated absences	—	19	10	13	5
Total current liabilities	—	22,084	1,615	492	1,396
Noncurrent Liabilities:					
Capital leases payable	—	—	—	—	—
Compensated absences	—	252	139	169	49
Total noncurrent liabilities	—	252	139	169	49
Total Liabilities	—	22,336	1,754	661	1,445
Net Assets					
Invested in capital assets, net of related debt	—	—	26,742	343	—
Unrestricted	8,871	40,209	38,981	(246)	2,636
Total Net Assets	$ 8,871	$ 40,209	$ 65,723	$ 97	$ 2,636

Exhibit E-1

Computing Services	State Telecommu-nications Services	Surplus Property	Totals
$ 22,975	$ 9,685	$ 429	$ 102,229
—	—	—	28,413
—	—	—	4,720
966	6,901	138	14,581
—	—	—	13
—	—	—	12
5,904	3,186	4	16,107
18	311	—	668
12	—	—	433
685	124	—	809
30,560	20,207	571	167,985
3,089	—	19	3,396
49,999	4,942	85	81,823
53,088	4,942	104	85,219
83,648	25,149	675	253,204
792	17	782	9,810
1	3	—	1,398
—	—	3	3
—	—	—	1,553
—	—	—	4,929
50	318	72	928
227	180	—	9,364
—	810	—	810
311	119	6	483
1,381	1,447	863	29,278
—	447	—	447
3,454	1,318	85	5,466
3,454	1,765	85	5,913
4,835	3,212	948	35,191
53,088	3,685	104	83,962
25,725	18,252	(377)	134,051
$ 78,813	$ 21,937	$ (273)	$ 218,013

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

For the Fiscal Year Ended June 30, 2012

(Dollars in Thousands)

	Workers' Compensation Program	State Property Fire Insurance	Motor Fleet Management	Mail Service Center	Temporary Solutions
Operating Revenues:					
Federal funds	$ —	$ —	$ —	$ —	$ —
Sales and services	75,474	—	43,761	3,356	24,671
Rental and lease earnings	—	—	—	—	—
Fees, licenses, and fines	—	—	—	—	—
Insurance premiums	—	19,606	—	—	—
Miscellaneous	—	—	47	—	—
Total operating revenues	75,474	19,606	43,808	3,356	24,671
Operating Expenses:					
Personal services	—	1,794	2,123	2,833	23,666
Supplies and materials	—	3	19,923	51	21
Services	75,055	117	2,748	957	80
Cost of goods sold	—	—	481	—	—
Depreciation	—	—	11,843	68	—
Claims	—	2,351	—	—	—
Insurance and bonding	—	18,962	1,442	1	—
Other	—	97	3	64	26
Total operating expenses	75,055	23,324	38,563	3,974	23,793
Operating income (loss)	419	(3,718)	5,245	(618)	878
Nonoperating Revenues (Expenses):					
Noncapital grants	—	—	—	—	—
Investment earnings	—	3,299	—	—	—
Interest and fees	—	—	—	—	—
Insurance recoveries	—	—	128	—	—
Gain (loss) on sale of equipment	—	—	1,204	(24)	—
Miscellaneous	—	(9)	8	—	—
Total nonoperating revenues (expenses)	—	3,290	1,340	(24)	—
Income (loss) before contributions and transfers	419	(428)	6,585	(642)	878
Capital contributions	—	—	179	—	—
Transfers in	1,347	—	—	429	—
Transfers out	—	—	(429)	—	—
Change in net assets	1,766	(428)	6,335	(213)	878
Net assets — July 1, as restated	7,105	40,637	59,388	310	1,758
Net assets — June 30	$ 8,871	$ 40,209	$ 65,723	$ 97	$ 2,636

Exhibit E-2

Computing Services	State Telecommu-nications Services	Surplus Property	Totals
$ 102	$ —	$ —	$ 102
81,668	84,102	2,061	315,093
—	—	28	28
—	—	30	30
—	—	—	19,606
—	75	90	212
81,770	84,177	2,209	335,071
30,441	16,531	1,543	78,931
192	48	83	20,321
14,146	54,804	323	148,230
—	—	152	633
9,041	2,513	14	23,479
—	—	—	2,351
133	49	22	20,609
41,660	10,992	40	52,882
95,613	84,937	2,177	347,436
(13,843)	(760)	32	(12,365)
467	—	—	467
—	—	—	3,299
(27)	(73)	—	(100)
—	—	—	128
(14)	—	—	1,166
(1,845)	—	—	(1,846)
(1,419)	(73)	—	3,114
(15,262)	(833)	32	(9,251)
—	6	—	185
33	—	—	1,809
(28)	(27)	—	(484)
(15,257)	(854)	32	(7,741)
94,070	22,791	(305)	225,754
$ 78,813	$ 21,937	$ (273)	$ 218,013

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2012

(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	$ 11,532	$ 10,596	$ 4,342	$ 615	$ —
Receipts from federal agencies	—	—	—	—	—
Receipts from other funds	62,200	10,575	39,214	3,000	24,755
Payments to suppliers	(75,055)	(18,366)	(17,667)	(301)	(39)
Payments to employees	—	(1,785)	(2,114)	(2,850)	(23,408)
Payments for benefits and claims	—	(1,714)	—	—	—
Payments to other funds	—	(568)	(6,419)	(892)	(61)
Other receipts	—	—	55	—	—
Other payments	—	—	(1)	(1)	(25)
Net cash flows provided (used) by operating activities	(1,323)	(1,262)	17,410	(429)	1,222
Cash Provided From (Used For) Noncapital Financing Activities:					
Grant receipts	—	—	—	—	—
Interest expense and issuance cost	—	—	—	—	—
Transfers from other funds	1,347	—	—	429	—
Transfers to other funds	—	—	(429)	—	—
Total cash provided from (used for) noncapital financing activities	1,347	—	(429)	429	—
Cash Provided From (Used For) Capital and Related Financing Activities:					
Acquisition and construction of capital assets	—	—	(2,255)	—	—
Proceeds from the sale of capital assets	—	—	1,945	—	—
Principal paid on capital debt	—	—	—	—	—
Interest paid on capital debt	—	—	—	—	—
Insurance recoveries	—	—	128	—	—
Total cash provided from (used for) capital and related financing activities	—	—	(182)	—	—
Cash Provided From (Used For) Investment Activities:					
Investment earnings	—	251	—	—	—
Total cash provided from (used for) investment activities	—	251	—	—	—
Net increase (decrease) in cash and cash equivalents	24	(1,011)	16,799	—	1,222
Cash and cash equivalents at July 1	2,608	30,398	18,199	—	901
Cash and cash equivalents at June 30	$ 2,632	$ 29,387	$ 34,998	$ —	$ 2,123
Reconciliation of Operating Income to Net Cash Provided From (Used For) Operating Activities:					
Operating income (loss)	$ 419	$ (3,718)	$ 5,245	$ (618)	$ 878
Adjustments to reconcile operating income to net cash flows from operating activities:					
Depreciation	—	—	11,843	68	—
Nonoperating miscellaneous income (expense)	—	—	8	—	—
(Increases) decreases in assets:					
Receivables	(1,060)	42	(709)	259	117
Due from other funds	(682)	—	467	—	(32)
Due from component units	—	—	38	—	—
Inventories	—	—	(18)	(69)	—
Prepaid items	—	—	—	—	—
Increases (decreases) in liabilities:					
Accounts payable and accrued liabilities	—	881	521	(21)	248
Due to other funds	—	—	7	(34)	2
Compensated absences	—	10	8	(14)	9
Unearned revenue	—	1,523	—	—	—
Total cash provided from (used for) operations	$ (1,323)	$ (1,262)	$ 17,410	$ (429)	$ 1,222
Noncash Investing, Capital, and Financing Activities:					
Noncash distributions from the State Treasurer Long-Term Investment Portfolio and/or other agents	$ —	$ 1,692	$ —	$ —	$ —
Donated or transferred assets	—	—	179	—	—
Assets acquired through the assumption of a liability	—	—	—	—	—
Change in fair value of investments	—	1,360	—	—	—
Change in securities lending collateral	—	(111)	—	—	—

Exhibit E-3

Computing Services	State Telecommu-nications Services	Surplus Property	Totals
$ 750	$ 19,083	$ 681	$ 47,599
102	—	—	102
88,544	64,969	1,316	294,573
(41,887)	(64,913)	(311)	(218,539)
(31,098)	(16,116)	(1,573)	(78,944)
—	—	—	(1,714)
(12,855)	(883)	(291)	(21,969)
5	75	90	225
(2,241)	(451)	(7)	(2,726)
1,320	1,764	(95)	18,607
467	—	—	467
(27)	(16)	—	(43)
33	—	—	1,809
(28)	(27)	—	(484)
445	(43)	—	1,749
(554)	(1,106)	—	(3,915)
—	—	—	1,945
—	(1,086)	—	(1,086)
—	(57)	—	(57)
—	—	—	128
(554)	(2,249)	—	(2,985)
—	—	—	251
—	—	—	251
1,211	(528)	(95)	17,622
21,764	10,213	524	84,607
$ 22,975	$ 9,685	$ 429	$ 102,229
$ (13,843)	$ (760)	$ 32	$ (12,365)
9,041	2,513	14	23,479
(1,845)	—	—	(1,837)
2,403	(796)	(121)	135
5,454	643	(2)	5,848
(4)	(78)	—	(44)
1	—	—	(86)
591	(123)	—	468
442	(442)	4	1,633
(35)	216	7	163
(658)	411	(29)	(263)
(227)	180	—	1,476
$ 1,320	$ 1,764	$ (95)	$ 18,607
$ —	$ —	$ —	$ 1,692
—	6	—	185
—	984	—	984
—	—	—	1,360
—	—	—	(111)