



## INTERNAL SERVICE FUNDS

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*The internal service funds are used to account for and report the operations of state agencies that provide services to other state agencies, component units, or other governments on a cost reimbursement basis.*

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The following activities are included in the internal service funds:

*Department of Administration:*

- Motor Fleet Management
- Mail Service Center
- Temporary Solutions
- Surplus Property

*Department of Information Technology:*

- Computing Services
- State Telecommunications Services

*Department of Insurance:*

- State Property Fire Insurance

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2023

*(Dollars in Thousands)*

	State Property Fire Insurance	Motor Fleet Management	Mail Service Center	Temporary Solutions	Computing Services
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 8,824	\$ 22,692	\$ 1,380	\$ 33,211	\$ 47,174
Investments	25,772	-	-	-	-
Securities lending collateral	167	-	-	-	-
Receivables:					
Accounts receivable, net	-	1,772	983	2,336	12,256
Interest receivable	49	-	-	-	-
Premiums receivable	540	-	-	-	-
Other receivable	207	-	-	-	-
Due from other funds	-	86	-	5,031	2,028
Inventories	-	77	86	-	-
Prepaid items	23,326	-	-	-	-
Total current assets	<u>58,885</u>	<u>24,627</u>	<u>2,449</u>	<u>40,578</u>	<u>61,458</u>
<b>Noncurrent Assets</b>					
Capital assets-nondepreciable	-	-	-	-	3,089
Capital assets-depreciable, net	-	124,388	122	985	78,458
Total noncurrent assets	<u>-</u>	<u>124,388</u>	<u>122</u>	<u>985</u>	<u>81,547</u>
Total Assets	<u>58,885</u>	<u>149,015</u>	<u>2,571</u>	<u>41,563</u>	<u>143,005</u>
<b>Deferred Outflows of Resources:</b>					
Deferred outflows for pensions	832	811	839	1,139	53,154
Deferred outflows for OPEB	597	692	620	1,364	69,700
Total Deferred Outflows of Resources	<u>1,429</u>	<u>1,503</u>	<u>1,459</u>	<u>2,503</u>	<u>122,854</u>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts payable and accrued liabilities:					
Accounts payable	8,734	3,379	46	50	2,584
Accrued payroll	-	-	-	6,680	47
Claims payable	3,345	-	-	-	-
Obligations under securities lending	167	-	-	-	-
Due to other funds	8,951	-	89	-	-
Due to component units	16,942	-	-	-	-
Unearned revenue	9,744	-	-	-	-
Lease liability	-	-	-	131	-
Subscription Liability	-	-	-	-	18,062
Compensated absences	22	15	18	16	1,366
Workers' compensation	102	-	-	-	132
Total current liabilities	<u>48,007</u>	<u>3,394</u>	<u>153</u>	<u>6,877</u>	<u>22,191</u>
<b>Noncurrent Liabilities</b>					
Compensated absences	285	190	228	337	17,000
Lease liability	-	-	-	926	-
Subscription Liability	-	-	-	-	38,723
Workers' compensation	238	-	223	-	1,301
Net pension liability	1,216	1,070	1,145	1,325	72,105
Net OPEB liability	1,690	1,489	1,593	1,843	102,653
Total noncurrent liabilities	<u>3,429</u>	<u>2,749</u>	<u>3,189</u>	<u>4,431</u>	<u>231,782</u>
Total Liabilities	<u>51,436</u>	<u>6,143</u>	<u>3,342</u>	<u>11,308</u>	<u>253,973</u>
<b>Deferred Inflows of Resources:</b>					
Deferred inflows for pensions	20	23	28	24	2,692
Deferred inflows for OPEB	974	823	999	996	55,651
Total Deferred Inflows of Resources	<u>994</u>	<u>846</u>	<u>1,027</u>	<u>1,020</u>	<u>58,343</u>
<b>Net Position</b>					
Net investment in capital assets	-	124,388	122	-	24,762
Unrestricted	7,884	19,141	(461)	31,738	(71,219)
Total Net Position	<u>\$ 7,884</u>	<u>\$ 143,529</u>	<u>\$ (339)</u>	<u>\$ 31,738</u>	<u>\$ (46,457)</u>

## Exhibit E-1

State Telecommunications Services	Surplus Property	Total
\$ 24,827	\$ 3,694	\$ 141,802
-	-	25,772
-	-	167
13,579	625	31,551
-	-	49
-	-	540
-	-	207
1,047	-	8,192
-	-	163
-	-	23,326
<u>39,453</u>	<u>4,319</u>	<u>231,769</u>
-	-	3,089
<u>5,463</u>	<u>182</u>	<u>209,598</u>
<u>5,463</u>	<u>182</u>	<u>212,687</u>
<u>44,916</u>	<u>4,501</u>	<u>444,456</u>
-	644	57,419
-	670	73,643
-	<u>1,314</u>	<u>131,062</u>
1,899	1,428	18,120
-	-	6,727
-	-	3,345
-	-	167
-	1	9,041
-	-	16,942
-	-	9,744
173	-	304
620	67	18,749
-	10	1,447
-	-	234
<u>2,692</u>	<u>1,506</u>	<u>84,820</u>
-	130	18,170
-	-	926
54	23	38,800
-	8	1,770
-	857	77,718
-	<u>1,192</u>	<u>110,460</u>
<u>54</u>	<u>2,210</u>	<u>247,844</u>
<u>2,746</u>	<u>3,716</u>	<u>332,664</u>
-	52	2,839
-	907	60,350
-	<u>959</u>	<u>63,189</u>
4,616	92	153,980
37,554	1,048	25,685
<u>\$ 42,170</u>	<u>\$ 1,140</u>	<u>\$ 179,665</u>

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

For the Fiscal Year Ended June 30, 2023

*(Dollars in Thousands)*

	State Property Fire Insurance	Motor Fleet Management	Mail Service Center	Temporary Solutions	Computing Services
<b>Operating Revenues</b>					
Sales and services	\$ -	\$ 44,558	\$ 3,954	\$ 112,595	\$ 219,695
Fees, licenses, and fines	-	-	-	-	6,056
Insurance premiums	36,987	-	-	-	-
Miscellaneous	-	146	159	-	281
Total operating revenues	<u>36,987</u>	<u>44,704</u>	<u>4,113</u>	<u>112,595</u>	<u>226,032</u>
<b>Operating Expenses</b>					
Personal services	2,088	2,390	2,146	109,287	144,550
Supplies and materials	37	11,631	318	5	6,994
Services	140	8,243	767	1,256	50,515
Cost of goods sold	-	356	11	-	-
Depreciation	-	19,949	44	164	6,174
Claims	14,850	-	-	-	-
Insurance and bonding	33,354	1,288	-	-	179
Other	78	45	793	17	11,672
Total operating expenses	<u>50,547</u>	<u>43,902</u>	<u>4,079</u>	<u>110,729</u>	<u>220,084</u>
Operating income (loss)	<u>(13,560)</u>	<u>802</u>	<u>34</u>	<u>1,866</u>	<u>5,948</u>
<b>Nonoperating Revenues (Expenses)</b>					
Noncapital contributions	13	11	12	14	779
Investment earnings	285	-	-	-	-
Insurance recoveries	-	11	-	-	-
Gain (loss) on sale of equipment	-	2,683	-	-	-
Interest and fees	-	-	-	(37)	(1,440)
Miscellaneous	(26)	2	2	-	-
Total nonoperating revenues (expenses)	<u>272</u>	<u>2,707</u>	<u>14</u>	<u>(23)</u>	<u>(661)</u>
Income (loss) before contributions and transfers	(13,288)	3,509	48	1,843	5,287
Transfers in	14	-	437	-	139
Transfers out	-	-	-	-	(978)
Change in net position	<u>(13,274)</u>	<u>3,509</u>	<u>485</u>	<u>1,843</u>	<u>4,448</u>
Net position — July 1	<u>21,158</u>	<u>140,020</u>	<u>(824)</u>	<u>29,895</u>	<u>(50,905)</u>
Net position — June 30	<u>\$ 7,884</u>	<u>\$ 143,529</u>	<u>\$ (339)</u>	<u>\$ 31,738</u>	<u>\$ (46,457)</u>

Exhibit E-2

State Telecommunications Services	Surplus Property	Total
\$ 88,499	\$ 2,640	\$ 471,941
-	-	6,056
-	-	36,987
-	177	763
<u>88,499</u>	<u>2,817</u>	<u>515,747</u>
-	1,937	262,398
1,685	36	20,706
71,325	246	132,492
-	-	367
2,418	90	28,839
-	-	14,850
50	10	34,881
6,217	14	18,836
<u>81,695</u>	<u>2,333</u>	<u>513,369</u>
<u>6,804</u>	<u>484</u>	<u>2,378</u>
-	9	838
-	-	285
-	-	11
-	(19)	2,664
(54)	-	(1,531)
-	-	(22)
<u>(54)</u>	<u>(10)</u>	<u>2,245</u>
6,750	474	4,623
2,374	-	2,964
-	-	(978)
<u>9,124</u>	<u>474</u>	<u>6,609</u>
<u>33,046</u>	<u>666</u>	<u>173,056</u>
<u>\$ 42,170</u>	<u>\$ 1,140</u>	<u>\$ 179,665</u>

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2023

*(Dollars in Thousands)*

	State Property Fire Insurance	Motor Fleet Management	Mail Service Center	Temporary Solutions	Computing Services
<b>Cash Flows From Operating Activities</b>					
Receipts from customers	\$ -	\$ 5,358	\$ 526	\$ 1,120	\$ 2,307
Receipts from other funds	34,213	39,297	2,982	111,808	226,539
Payments to suppliers	(46,627)	(18,993)	(1,451)	(1,269)	(65,447)
Payments to employees	(2,286)	(2,770)	(2,553)	(108,281)	(137,238)
Payments to other funds	(75)	(1,431)	(403)	-	(3,445)
Other receipts	2,246	148	160	-	14
Net cash provided by (used for) operating activities	<u>(12,529)</u>	<u>21,609</u>	<u>(739)</u>	<u>3,378</u>	<u>22,730</u>
<b>Cash Flows From Noncapital Financing Activities</b>					
Transfers from other funds	14	-	437	-	139
Transfers to other funds	-	-	-	-	(978)
Net cash provided by (used for) noncapital financing activities	<u>14</u>	<u>-</u>	<u>437</u>	<u>-</u>	<u>(839)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Acquisition and construction of capital assets	-	(31,786)	(157)	-	(430)
Proceeds from the sale of capital assets	-	6,780	-	-	-
Principal paid on capital debt	-	-	-	(126)	(2,014)
Interest paid on capital debt	-	-	-	(37)	(1,440)
Insurance Recoveries	-	11	-	-	-
Net cash used for capital and related financing activities	<u>-</u>	<u>(24,995)</u>	<u>(157)</u>	<u>(163)</u>	<u>(3,884)</u>
<b>Cash Flows From Investing Activities</b>					
Investment earnings	518	-	-	-	-
Net cash provided by investment activities	<u>518</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(11,997)	(3,386)	(459)	3,215	18,007
Cash and cash equivalents at July 1	20,821	26,078	1,839	29,996	29,167
Cash and cash equivalents at June 30	<u>\$ 8,824</u>	<u>\$ 22,692</u>	<u>\$ 1,380</u>	<u>\$ 33,211</u>	<u>\$ 47,174</u>
<b>Reconciliation of Operating Income to Net Cash Provided By Operating Activities</b>					
Operating income (loss)	\$ (13,560)	\$ 802	\$ 34	\$ 1,866	\$ 5,948
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	-	19,949	44	164	6,174
Nonoperating miscellaneous and other income (expense)	-	2	2	-	-
Change in assets and deferred outflows:					
Receivables	15,405	88	(446)	(604)	4,905
Due from other funds	-	7	-	936	(1,811)
Inventories	-	3	65	-	-
Prepaid items	(5,826)	-	-	-	-
Net OPEB asset	1	1	1	1	69
Deferred outflows for pensions	(354)	(349)	(344)	(525)	(17,023)
Deferred outflows for OPEB	135	(163)	(124)	(248)	13,196
Change in liabilities and deferred inflows:					
Accounts payable and accrued liabilities	2,185	1,139	(13)	1,005	512
Due to other funds	951	(1)	(19)	-	-
Due to component units	(9,168)	-	-	-	-
Compensated absences	5	2	(11)	84	1,035
Workers' compensation	(26)	(3)	(29)	-	327
Unearned revenue	(2,317)	-	-	-	-
Net pension liability	839	753	794	968	48,671
Net OPEB liability	(447)	(221)	(303)	(84)	(27,211)
Deferred inflows for pensions	(464)	(392)	(441)	(438)	(27,354)
Deferred inflows for OPEB	112	(8)	51	253	15,292
Net cash provided by (used for) operations	<u>\$ (12,529)</u>	<u>\$ 21,609</u>	<u>\$ (739)</u>	<u>\$ 3,378</u>	<u>\$ 22,730</u>

Exhibit E-3

State Telecommunications Services	Surplus Property	Total
\$ 13,189	\$ 1,126	\$ 23,626
73,710	1,506	490,055
(80,451)	(739)	(214,977)
-	(2,119)	(255,247)
(812)	(539)	(6,705)
-	178	2,746
<u>5,636</u>	<u>(587)</u>	<u>39,498</u>
2,374	-	2,964
-	-	(978)
<u>2,374</u>	<u>-</u>	<u>1,986</u>
(3,899)	(25)	(36,297)
-	-	6,780
(819)	(72)	(3,031)
(54)	-	(1,531)
-	-	11
<u>(4,772)</u>	<u>(97)</u>	<u>(34,068)</u>
-	-	518
-	-	518
3,238	(684)	7,934
21,589	4,378	133,868
<u>\$ 24,827</u>	<u>\$ 3,694</u>	<u>\$ 141,802</u>
\$ 6,804	\$ 484	\$ 2,378
2,418	90	28,839
-	-	4
(570)	(6)	18,772
(1,029)	-	(1,897)
-	-	68
-	17	(5,809)
-	1	74
-	(247)	(18,842)
-	34	12,830
(1,987)	(990)	1,851
-	-	931
-	-	(9,168)
-	28	1,143
-	8	277
-	-	(2,317)
-	588	52,613
-	(259)	(28,525)
-	(350)	(29,439)
-	15	15,715
<u>\$ 5,636</u>	<u>\$ (587)</u>	<u>\$ 39,498</u>

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**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS (Continued)**

For the Fiscal Year Ended June 30, 2023

*(Dollars in Thousands)*


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	<u>State Property Fire Insurance</u>	<u>Motor Fleet Management</u>	<u>Mail Service Center</u>	<u>Temporary Solutions</u>	<u>Computing Services</u>
<b>Noncash Investing, Capital, and Financing Activities</b>					
Noncash distributions from the State Treasurer					
Bond Index External Investment Pool and/or other agents	\$ 508	\$ -	\$ -	\$ -	\$ -
Capital asset writeoff	-	288	-	-	-
Change in fair value of investments	(805)	-	-	-	-
Increase in receivables related to nonoperating income	39	-	-	-	-
Change in securities lending collateral	(547)	-	-	-	-
Decrease in net OPEB liability related to noncapital contributions	(13)	(11)	(12)	(14)	(779)



<u>State Telecommunications Services</u>	<u>Surplus Property</u>	<u>Total</u>
\$ -	\$ -	\$ 508
-	19	307
-	-	(805)
-	-	39
-	-	(547)
-	(9)	(838)