

## Internal Service Funds

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Internal Service Funds account for state activities that provide goods and services to other state departments or agencies on a cost-reimbursement basis. The Internal Service Funds are described below:

**The General Services Fund** accounts for the cost of providing the following services to state agencies: (1) legal services; (2) operation and management of real estate; (3) facilities and related services; (4) central stores; (5) operations of the motor pool; (6) auditing of state and local governmental units; (7) administration of the state civil service law; (8) administrative hearings; and (9) archives and records management.

**The Data Processing Revolving Fund** accounts for distribution and apportionment of the full cost of data processing and data communication services to other state agencies, and for the payment of other costs incidental to the acquisition, operation, and administration of acquired data processing services, supplies, and equipment.

**The Printing Services Fund** accounts for the operation of the state printing plant.

**The Higher Education Revolving Fund** accounts for stores, data processing, educational, operational printing and duplication, motor pool, and other support service activities at colleges and universities.

**The Risk Management Fund** accounts for the administration of liability, property, and vehicle claims, including investigation, claim processing, negotiation and settlement, and other expenses relating to settlements and judgments against the state not otherwise budgeted.

**The Health Insurance Fund** accounts for premiums collected and payments for employees' insurance benefits.

## Combining Statement of Fund Net Assets

### Internal Service Funds

June 30, 2007

(expressed in thousands)

	General Services	Data Processing Revolving	Printing Services	Higher Education Revolving
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and pooled investments	\$ 33,500	\$ 37,769	\$ 1,950	\$ 104,632
Investments	213	-	-	547
Other receivables (net of allowance)	2,694	94	-	3,189
Due from other funds	30,086	45,693	3,870	7,473
Due from other governments	1,778	3,460	95	14
Inventories	6,505	493	596	11,073
Prepaid expenses	7	3,231	204	41
<b>Total Current Assets</b>	<b>74,783</b>	<b>90,740</b>	<b>6,715</b>	<b>126,969</b>
<b>Noncurrent Assets:</b>				
Investments, noncurrent	-	-	-	1,127
Other noncurrent assets	183	-	-	-
<b>Capital Assets:</b>				
Land	3,797	-	-	30
Buildings	117,172	-	-	5,455
Other improvements	12,915	5,282	-	97
Furnishings, equipment, and collections	395,245	211,235	9,574	89,196
Infrastructure	478	-	-	-
Accumulated depreciation	(216,822)	(129,743)	(6,345)	(72,480)
Construction in progress	15,989	1,665	27	-
<b>Total Noncurrent Assets</b>	<b>328,957</b>	<b>88,439</b>	<b>3,256</b>	<b>23,425</b>
<b>Total Assets</b>	<b>\$ 403,740</b>	<b>\$ 179,179</b>	<b>\$ 9,971</b>	<b>\$ 150,394</b>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$ 8,692	\$ 16,682	\$ 3,537	\$ 6,758
Contracts and retainages payable	934	-	-	5
Accrued liabilities	7,960	1,768	316	12,754
Obligations under security lending agreements	222	-	-	-
Bonds and notes payable	6,705	7,411	184	644
Due to other funds	7,307	29,333	76	23,589
Due to other governments	31	7	-	5
Unearned revenues	1,878	2,173	-	86
Claims and judgments payable	-	-	-	7,000
<b>Total Current Liabilities</b>	<b>33,729</b>	<b>57,374</b>	<b>4,113</b>	<b>50,841</b>
<b>Noncurrent Liabilities:</b>				
Claims and judgments payable	-	-	-	40,133
Bonds and notes payable	119,937	33,985	1,384	2,681
Other long-term liabilities	14,036	4,706	473	4,697
<b>Total Noncurrent Liabilities</b>	<b>133,973</b>	<b>38,691</b>	<b>1,857</b>	<b>47,511</b>
<b>Total Liabilities</b>	<b>167,702</b>	<b>96,065</b>	<b>5,970</b>	<b>98,352</b>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	202,133	47,043	1,688	18,974
Unrestricted	33,905	36,071	2,313	33,068
<b>Total Net Assets (Deficit)</b>	<b>\$ 236,038</b>	<b>\$ 83,114</b>	<b>\$ 4,001</b>	<b>\$ 52,042</b>

Risk Management	Health Insurance	Total
\$ 132,538	\$ 273,547	\$ 583,936
-	14,082	14,842
9	441	6,427
1,133	36,273	124,528
4	1,579	6,930
-	-	18,667
-	-	3,483
133,684	325,922	758,813
-	64,579	65,706
-	-	183
-	-	3,827
-	-	122,627
-	-	18,294
14	4,079	709,343
-	-	478
(4)	(1,459)	(426,853)
-	-	17,681
10	67,199	511,286
\$ 133,694	\$ 393,121	\$ 1,270,099
\$ 360	\$ 26,445	\$ 62,474
-	15,259	16,198
153	-	22,951
-	14,082	14,304
-	15	14,959
3,311	36,591	100,207
-	-	43
80	263	4,480
76,728	56,318	140,046
80,632	148,973	375,662
499,835	-	539,968
-	67	158,054
98	444	24,454
499,933	511	722,476
580,565	149,484	1,098,138
10	2,538	272,386
(446,881)	241,099	(100,425)
\$ (446,871)	\$ 243,637	\$ 171,961

## Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

### Internal Service Funds

For the Fiscal Year Ended June 30, 2007

(expressed in thousands)

	General Services	Data Processing Revolving	Printing Services	Higher Education Revolving
<b>Operating Revenues:</b>				
Sales	\$ 23,428	\$ 42,868	\$ 34,322	\$ 47,001
Less: Cost of goods sold	19,507	40,834	28,272	36,015
Gross profit	3,921	2,034	6,050	10,986
Charges for services	277,476	137,726	-	190,895
Premiums and assessments	-	-	-	-
Miscellaneous revenue	35,344	3,759	20	7,507
<b>Total Operating Revenues</b>	<b>316,741</b>	<b>143,519</b>	<b>6,070</b>	<b>209,388</b>
<b>Operating Expenses:</b>				
Salaries and wages	129,343	34,005	2,304	93,643
Employee benefits	35,371	8,715	708	25,512
Personal services	9,917	8,117	36	3,746
Goods and services	113,979	79,670	1,621	82,015
Travel	2,639	336	27	1,638
Premiums and claims	-	-	-	-
Depreciation and amortization	30,843	22,833	420	7,837
Miscellaneous expenses	100	1,266	-	648
<b>Total Operating Expenses</b>	<b>322,192</b>	<b>154,942</b>	<b>5,116</b>	<b>215,039</b>
<b>Operating Income (Loss)</b>	<b>(5,451)</b>	<b>(11,423)</b>	<b>954</b>	<b>(5,651)</b>
<b>Nonoperating Revenues (Expenses):</b>				
Earnings (loss) on investments	487	-	61	6,473
Interest expense	(5,496)	(1,584)	(67)	(1,075)
Other revenue (expenses)	(100)	1	(137)	(1,207)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(5,109)</b>	<b>(1,583)</b>	<b>(143)</b>	<b>4,191</b>
<b>Income (Loss) Before</b>				
<b>Contributions and Transfers</b>	<b>(10,560)</b>	<b>(13,006)</b>	<b>811</b>	<b>(1,460)</b>
Capital contributions	5,339	-	-	-
Transfers in	2,724	36,477	-	18,762
Transfers (out)	(7,312)	(57)	-	(18,517)
<b>Net Contributions and Transfers</b>	<b>751</b>	<b>36,420</b>	<b>-</b>	<b>245</b>
<b>Change in Net Assets</b>	<b>(9,809)</b>	<b>23,414</b>	<b>811</b>	<b>(1,215)</b>
<b>Net Assets (Deficit) - Beginning, as restated</b>	<b>245,847</b>	<b>59,700</b>	<b>3,190</b>	<b>53,257</b>
<b>Net Assets (Deficit) - Ending</b>	<b>\$ 236,038</b>	<b>\$ 83,114</b>	<b>\$ 4,001</b>	<b>\$ 52,042</b>

Risk Management	Health Insurance	Total
\$ -	\$ -	\$ 147,619
-	-	124,628
-	-	22,991
2,466	-	608,563
84,716	1,062,037	1,146,753
3	12	46,645
87,185	1,062,049	1,824,952
1,444	6,212	266,951
353	1,591	72,250
335	2,135	24,286
32,560	8,257	318,102
26	116	4,782
85,377	961,336	1,046,713
4	168	62,105
-	-	2,014
120,099	979,815	1,797,203
(32,914)	82,234	27,749
-	15,996	23,017
-	-	(8,222)
-	-	(1,443)
-	15,996	13,352
(32,914)	98,230	41,101
-	-	5,339
-	46,559	104,522
-	(96,581)	(122,467)
-	(50,022)	(12,606)
(32,914)	48,208	28,495
(413,957)	195,429	143,466
\$ (446,871)	\$ 243,637	\$ 171,961

## Combining Statement of Cash Flows

### Internal Service Funds

For the Fiscal Year Ended June 30, 2007  
(expressed in thousands)

	General Services	Data Processing Revolving	Printing Services	Higher Education Revolving
<b>Cash Flows from Operating Activities:</b>				
Receipts from customers	\$ 314,578	\$ 150,610	\$ 34,018	\$ 236,858
Payments to suppliers	(149,332)	(101,829)	(29,602)	(115,681)
Payments to employees	(163,325)	(42,239)	(2,971)	(117,325)
Other receipts (payments)	35,344	3,743	20	7,507
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>37,265</b>	<b>10,285</b>	<b>1,465</b>	<b>11,359</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers in	2,724	36,477	-	18,762
Transfers out	(7,312)	(57)	-	(18,517)
Operating grants and donations received	7	-	-	319
Other noncapital financing sources	(4)	-	-	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(4,585)</b>	<b>36,420</b>	<b>-</b>	<b>564</b>
<b>Cash Flows from Capital and</b>				
Interest paid	(5,505)	(1,584)	(67)	(1,075)
Principal payments on long-term capital financing	(16,962)	(8,701)	(177)	(1,971)
Proceeds from long-term capital financing	22,514	12,145	-	1,207
Proceeds from sale of capital assets	4,276	179	15	4,311
Acquisitions of capital assets	(42,390)	(27,531)	(138)	(13,068)
<b>Net Cash or Pooled Investments Provided by (Used in) Capital and Related Financing Activities</b>	<b>(38,067)</b>	<b>(25,492)</b>	<b>(367)</b>	<b>(10,596)</b>
<b>Cash Flows from Investing Activities:</b>				
Receipt of interest	486	-	61	6,455
Proceeds from sale of investment securities	-	-	-	2,148
Purchases of investment securities	-	-	-	(1,675)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>486</b>	<b>-</b>	<b>61</b>	<b>6,928</b>
<b>Net Increase (Decrease) in Cash</b>	<b>(4,901)</b>	<b>21,213</b>	<b>1,159</b>	<b>8,255</b>
Cash and Pooled Investments, July 1	38,401	16,556	791	96,377
Cash and Pooled Investments, June 30	<b>\$ 33,500</b>	<b>\$ 37,769</b>	<b>\$ 1,950</b>	<b>\$ 104,632</b>
<b>Cash Flows from Operating Activities:</b>				
Operating Income (Loss)	\$ (5,451)	\$ (11,423)	\$ 954	\$ (5,651)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:</b>				
Depreciation	30,843	22,833	420	7,837
<b>Change in Assets: Decrease (Increase)</b>				
Receivables (net of allowance)	14,003	(28,820)	(304)	(1,040)
Inventories	941	(132)	(125)	2,153
Prepaid expenses	16	(1,248)	(82)	(18)
<b>Change in Liabilities: Increase (Decrease)</b>				
Payables	(3,087)	29,075	602	8,078
<b>Net Cash or Cash Equivalents Provided by (Used in) Operating Activities</b>	<b>\$ 37,265</b>	<b>\$ 10,285</b>	<b>\$ 1,465</b>	<b>\$ 11,359</b>
<b>Noncash Investing, Capital, and Financing Activities:</b>				
Contributions of capital assets	\$ 5,339	\$ -	\$ -	\$ -
Increase (decrease) in fair value of investments	1	-	-	13

Risk Management	Health Insurance	Total
\$ 87,088	\$ 1,054,813	\$ 1,877,965
(68,505)	(947,375)	(1,412,324)
(1,745)	(7,691)	(335,296)
3	12	46,629
16,841	99,759	176,974
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-	46,559	104,522
-	(96,581)	(122,467)
-	-	326
-	-	(4)
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-	(50,022)	(17,623)
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-	-	(8,231)
-	-	(27,811)
-	82	35,948
-	-	8,781
-	(2,628)	(85,755)
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-	(2,546)	(77,068)
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-	16,079	23,081
-	445	2,593
-	(4,136)	(5,811)
-	12,388	19,863
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16,841	59,579	102,146
115,697	213,968	481,790
\$ 132,538	\$ 273,547	\$ 583,936
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\$ (32,914)	\$ 82,234	\$ 27,749
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4	168	62,105
(158)	(7,227)	(23,546)
-	-	2,837
-	-	(1,332)
49,909	24,584	109,161
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\$ 16,841	\$ 99,759	\$ 176,974
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\$ -	\$ -	\$ 5,339
-	(115)	(101)
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