



INTERNAL SERVICE FUNDS

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.

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, 2025

(Dollars in Thousands)

	State Property Fire Insurance	Motor Fleet Management	Mail Service Center	Temporary Solutions	Computing Services
Assets					
Current Assets					
Cash and cash equivalents	\$ 64,593	\$ 7,168	\$ 1,057	\$ 24,108	\$ 22,838
Investments	3,177	-	-	-	-
Securities lending collateral	1,281	-	-	-	-
Receivables:					
Accounts receivable, net	-	2,353	930	5,616	7,214
Premiums receivable	19	-	-	-	-
Due from other funds	-	4,398	-	7,395	17,061
Inventories	-	92	109	-	-
Prepaid items	23,204	-	-	-	-
Total current assets	92,274	14,011	2,096	37,119	47,113
Noncurrent Assets					
Net OPEB asset	2	2	2	3	139
Capital assets-nondepreciable	-	-	-	-	3,089
Capital assets-depreciable, net	-	135,013	336	695	61,002
Total noncurrent assets	2	135,015	338	698	64,230
Total Assets	92,276	149,026	2,434	37,817	111,343
Deferred Outflows of Resources:					
Deferred outflows for pensions	935	752	743	1,324	43,073
Deferred outflows for OPEB	920	1,207	1,159	2,270	70,393
Total Deferred Outflows of Resources	1,855	1,959	1,902	3,594	113,466
Liabilities					
Current Liabilities					
Accounts payable and accrued liabilities:					
Accounts payable	7,965	1,688	77	100	3,835
Accrued payroll	-	-	-	9,305	76
Claims payable	1,154	-	-	-	-
Intergovernmental payable	-	12	23	-	2
Obligations under securities lending	1,281	-	-	-	-
Due to other funds	2,815	-	83	-	-
Due to component units	4,933	-	-	-	-
Unearned revenue	19,005	-	-	-	-
Lease liability	-	-	-	179	-
Subscription Liability	-	-	-	38	8,566
Compensated absences	41	34	40	51	2,414
Workers' compensation	102	16	-	-	170
Total current liabilities	37,296	1,750	223	9,673	15,063
Noncurrent Liabilities					
Compensated absences	316	203	204	469	19,415
Lease liability	-	-	-	574	-
Subscription Liability	-	-	-	-	25,360
Workers' compensation	11	-	-	-	1,003
Net pension liability	1,180	1,238	1,280	1,830	74,151
Net OPEB liability	2,255	2,484	2,568	3,672	157,613
Total noncurrent liabilities	3,762	3,925	4,052	6,545	277,542
Total Liabilities	41,058	5,675	4,275	16,218	292,605
Deferred Inflows of Resources:					
Deferred inflows for pensions	20	4	4	5	1,525
Deferred inflows for OPEB	416	354	379	510	25,973
Total Deferred Inflows of Resources	436	358	383	515	27,498
Net Position					
Net investment in capital assets	-	135,013	336	(96)	30,165
Unrestricted	52,637	9,939	(658)	24,774	(125,459)
Total Net Position	\$ 52,637	\$ 144,952	\$ (322)	\$ 24,678	\$ (95,294)

Exhibit E-1

State Telecommunications Services	Surplus Property	Total
\$ 38,612	\$ 3,182	\$ 161,558
-	-	3,177
-	-	1,281
8,199	35	24,347
-	-	19
11,322	-	40,176
-	-	201
-	-	23,204
<u>58,133</u>	<u>3,217</u>	<u>253,963</u>
-	2	150
-	-	3,089
<u>3,289</u>	<u>112</u>	<u>200,447</u>
<u>3,289</u>	<u>114</u>	<u>203,686</u>
<u>61,422</u>	<u>3,331</u>	<u>457,649</u>
-	561	47,388
-	875	76,824
-	<u>1,436</u>	<u>124,212</u>
1,440	1,157	16,262
-	-	9,381
-	-	1,154
-	-	37
-	-	1,281
-	1	2,899
-	-	4,933
-	-	19,005
-	-	179
-	-	8,604
-	23	2,603
-	-	288
<u>1,440</u>	<u>1,181</u>	<u>66,626</u>
-	149	20,756
-	-	574
-	-	25,360
-	-	1,014
-	954	80,633
-	<u>1,915</u>	<u>170,507</u>
-	<u>3,018</u>	<u>298,844</u>
<u>1,440</u>	<u>4,199</u>	<u>365,470</u>
-	6	1,564
-	376	28,008
-	<u>382</u>	<u>29,572</u>
3,289	112	168,819
56,693	74	18,000
<u>\$ 59,982</u>	<u>\$ 186</u>	<u>\$ 186,819</u>

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

For the Fiscal Year Ended June 30, 2025

(Dollars in Thousands)

	State Property Fire Insurance	Motor Fleet Management	Mail Service Center	Temporary Solutions	Computing Services
Operating Revenues					
Sales and services	\$ -	\$ 41,543	\$ 10,117	\$ 151,387	\$ 273,230
Fees, licenses, and fines	-	-	-	-	7,032
Insurance premiums	64,314	-	-	-	-
Miscellaneous	-	247	216	-	13
Total operating revenues	<u>64,314</u>	<u>41,790</u>	<u>10,333</u>	<u>151,387</u>	<u>280,275</u>
Operating Expenses					
Personal services	1,925	3,583	3,047	155,461	178,006
Supplies and materials	50	9,834	41	34	9,672
Services	130	11,350	897	2,812	60,435
Cost of goods sold	-	301	4,356	-	-
Depreciation	-	23,311	54	214	18,088
Claims	8,281	-	-	-	-
Insurance and bonding	45,405	1,681	1	-	241
Other	76	31	893	11	34,486
Total operating expenses	<u>55,867</u>	<u>50,091</u>	<u>9,289</u>	<u>158,532</u>	<u>300,928</u>
Operating income (loss)	<u>8,447</u>	<u>(8,301)</u>	<u>1,044</u>	<u>(7,145)</u>	<u>(20,653)</u>
Nonoperating Revenues (Expenses)					
Noncapital contributions	1	1	1	1	47
Investment earnings	3,526	-	-	-	-
Noncapital grants	32	-	-	-	-
Insurance recoveries	-	19	-	-	-
Gain (loss) on sale of equipment	-	2,205	(16)	-	(894)
Interest and fees	-	-	-	(28)	(1,960)
Miscellaneous	(128)	64	7	-	-
Total nonoperating revenues (expenses)	<u>3,431</u>	<u>2,289</u>	<u>(8)</u>	<u>(27)</u>	<u>(2,807)</u>
Income (loss) before contributions and transfers	11,878	(6,012)	1,036	(7,172)	(23,460)
Transfers in	-	-	-	-	109
Transfers out	-	-	-	-	(9,842)
Change in net position	<u>11,878</u>	<u>(6,012)</u>	<u>1,036</u>	<u>(7,172)</u>	<u>(33,193)</u>
Net position — July 1, as previously reported	40,776	151,042	(1,501)	31,862	(41,197)
Adjustments to July 1 balances	(17)	(78)	143	(12)	(20,904)
Net position — July 1, as restated	<u>40,759</u>	<u>150,964</u>	<u>(1,358)</u>	<u>31,850</u>	<u>(62,101)</u>
Net position — June 30	<u>\$ 52,637</u>	<u>\$ 144,952</u>	<u>\$ (322)</u>	<u>\$ 24,678</u>	<u>\$ (95,294)</u>

Exhibit E-2

State Telecommunications Services	Surplus Property	Total
\$ 98,768	\$ 2,546	\$ 577,591
-	-	7,032
-	-	64,314
-	109	585
98,768	2,655	649,522
-	2,490	344,512
5,482	49	25,162
76,124	474	152,222
-	-	4,657
992	37	42,696
-	-	8,281
68	14	47,410
9,260	15	44,772
91,926	3,079	669,712
6,842	(424)	(20,190)
-	-	51
-	-	3,526
-	-	32
-	-	19
(2)	-	1,293
-	(1)	(1,989)
-	-	(57)
(2)	(1)	2,875
6,840	(425)	(17,315)
9,720	-	9,829
-	-	(9,842)
16,560	(425)	(17,328)
50,511	630	232,123
(7,089)	(19)	(27,976)
43,422	611	204,147
\$ 59,982	\$ 186	\$ 186,819

COMBINING STATEMENT OF CASH FLOWS **INTERNAL SERVICE FUNDS**

For the Fiscal Year Ended June 30, 2025

(Dollars in Thousands)

	State Property Fire Insurance	Motor Fleet Management	Mail Service Center	Temporary Solutions	Computing Services
Cash Flows From Operating Activities					
Receipts from customers	\$ -	\$ -	\$ 1,482	\$ 1,511	\$ 2,788
Receipts from other funds	75,084	42,932	8,400	147,068	274,046
Payments to suppliers	(39,729)	(24,073)	(4,387)	(2,903)	(101,730)
Payments to employees	(2,453)	(3,336)	(3,107)	(153,851)	(154,601)
Payments to other funds	(20,036)	(2,385)	(1,770)	-	(3,146)
Other receipts	11,656	330	223	-	(92)
Net cash provided by (used for) operating activities	24,522	13,468	841	(8,175)	17,265
Cash Flows From Noncapital Financing Activities					
Grant receipts	32	-	-	-	-
Transfers from other funds	-	-	-	668	109
Transfers to other funds	-	-	-	(668)	(9,842)
Net cash provided by (used for) noncapital financing activities	32	-	-	-	(9,733)
Cash Flows From Capital and Related Financing Activities					
Acquisition and construction of capital assets	-	(20,614)	-	-	(2,144)
Proceeds from the sale of capital assets	-	6,385	-	-	(657)
Capital gifts	-	(63)	(6)	-	-
Principal paid on capital debt	-	-	-	(223)	(13,877)
Interest paid on capital debt	-	-	-	(28)	(1,960)
Net cash used for capital and related financing activities	-	(14,292)	(6)	(251)	(18,638)
Cash Flows From Investing Activities					
Redemptions from State Treasurer investment pool	24,381	-	-	-	-
Investment earnings	2,541	-	-	-	-
Net cash provided by investment activities	26,922	-	-	-	-
Net increase (decrease) in cash and cash equivalents	51,476	(824)	835	(8,426)	(11,106)
Cash and cash equivalents at July 1	13,117	7,992	222	32,534	33,944
Cash and cash equivalents at June 30	\$ 64,593	\$ 7,168	\$ 1,057	\$ 24,108	\$ 22,838
Reconciliation of Operating Income to Net Cash Provided By Operating Activities					
Operating income (loss)	\$ 8,447	\$ (8,301)	\$ 1,044	\$ (7,145)	\$ (20,653)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	-	23,311	54	214	18,088
Nonoperating miscellaneous and other income (expense)	-	83	7	-	-
Change in assets and deferred outflows:					
Receivables	892	2,752	(235)	(241)	(1,434)
Due from other funds	-	(1,363)	-	(2,567)	(1,995)
Inventories	-	(16)	32	-	-
Prepaid items	6,443	-	-	-	-
Net OPEB asset	(2)	(2)	(2)	(3)	(139)
Deferred outflows for pensions	(78)	196	213	224	13,334
Deferred outflows for OPEB	(446)	(362)	(406)	(378)	(9,125)
Change in liabilities and deferred inflows:					
Accounts payable and accrued liabilities	2,725	(3,244)	59	1,025	(22)
Due to other funds	(195)	(4)	(64)	-	-
Due to component units	(3,142)	-	-	-	-
Compensated absences	27	8	(16)	95	2,003
Workers' compensation	(194)	16	(229)	-	(142)
Unearned revenue	9,878	-	-	-	-
Net pension liability	(101)	(60)	(62)	(89)	(6,923)
Net OPEB liability	505	653	676	966	39,729
Deferred inflows for pensions	(14)	(10)	(10)	(9)	(1,336)
Deferred inflows for OPEB	(223)	(189)	(220)	(267)	(14,120)
Net cash provided by (used for) operations	\$ 24,522	\$ 13,468	\$ 841	\$ (8,175)	\$ 17,265

Exhibit E-3

State Telecommunications Services	Surplus Property	Total
\$ 15,382	\$ 1,022	\$ 22,185
82,553	1,550	631,633
(92,198)	(353)	(265,373)
-	(2,371)	(319,719)
(931)	(619)	(28,887)
-	109	12,226
4,806	(662)	52,065
-	-	32
9,720	-	10,497
-	-	(10,510)
9,720	-	19
(813)	-	(23,571)
325	-	6,053
-	-	(69)
-	(23)	(14,123)
-	(1)	(1,989)
(488)	(24)	(33,699)
-	-	24,381
-	-	2,541
-	-	26,922
14,038	(686)	45,307
24,574	3,868	116,251
<u>\$ 38,612</u>	<u>\$ 3,182</u>	<u>\$ 161,558</u>
\$ 6,842	\$ (424)	\$ (20,190)
992	37	42,696
-	-	90
3,781	27	5,542
(4,613)	-	(10,538)
-	-	16
-	-	6,443
-	(2)	(150)
-	154	14,043
-	(230)	(10,947)
(2,196)	(425)	(2,078)
-	-	(263)
-	-	(3,142)
-	10	2,127
-	(31)	(580)
-	-	9,878
-	(46)	(7,281)
-	504	43,033
-	(13)	(1,392)
-	(223)	(15,242)
<u>\$ 4,806</u>	<u>\$ (662)</u>	<u>\$ 52,065</u>

Continued

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

For the Fiscal Year Ended June 30, 2025

(Dollars in Thousands)

	<u>State Property Fire Insurance</u>	<u>Motor Fleet Management</u>	<u>Mail Service Center</u>	<u>Temporary Solutions</u>	<u>Computing Services</u>
Noncash Investing, Capital, and Financing Activities					
Noncash distributions from the State Treasurer					
Bond Index External Investment Pool and/or other agents	\$ 416	\$ -	\$ -	\$ -	\$ -
Donated or transferred assets	-	63	6	-	-
Capital asset writeoff	-	-	16	-	237
Assets acquired through the assumption of a liability	-	-	-	88	13,721
Change in fair value of investments	642	-	-	-	-
Change in securities lending collateral	157	-	-	-	-
Decrease in net OPEB liability related to noncapital contributions	(1)	(1)	(1)	(1)	(48)

State Telecommunications Services		Surplus Property	Total
\$	-	\$ -	\$ 416
	-	-	69
	327	-	580
	-	-	13,809
	-	-	642
	-	-	157
	-	(1)	(53)