

Internal Service Funds

Internal Service Funds account for the financing of goods and services provided by an agency on a cost-reimbursement basis to another governmental unit.

Central Services Fund

This fund accounts for activities to provide various services to State agencies. These services include accounting, budgeting, personnel, mail and shuttle, contract and plant printing, copy center, data center, property development, telecommunications, parking space management, motor pool, and an insurance fund.

Legal Services Fund

This fund accounts for activities of the Department of Justice Attorney General's office to represent and advise the State's elected and appointed officials, agencies, boards and commissions.

Banking Services Fund

This fund accounts for activities of the Oregon State Treasury to provide banking, investment, and debt management services to State agencies.

Audit Services Fund

This fund accounts for activities of the Secretary of State, Audits Division, to provide independent auditing services to State agencies.

Forestry Fund

This fund accounts for activities of the Department of Forestry to operate an equipment and maintenance pool that provides transportation, heavy equipment and aircraft support for operating programs and other State agencies.

Inmate Work Fund

This fund accounts for activities relating to the Department of Corrections Inmate Work Program. In this program, inmates gain on-the-job experience in furniture construction, upholstery, laundry, metal work, garment manufacturing, and telephone answering service.

Other Internal Service Funds

This fund accounts for the sale of goods and services to other governmental units through activities not specifically accounted for in another internal service fund.

State of Oregon

**COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
JUNE 30, 1999
(In Thousands)**

	<u>Central Services</u>	<u>Legal Services</u>	<u>Banking Services</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 101,106	\$ 651	\$ 2,630
Investments	80,947	-	-
Accounts and Interest Receivable	50,372	3,889	1,226
Due from Other Funds	491	5	-
Inventories	2,479	108	12
Prepaid Items	684	-	-
Total Current Assets	<u>236,079</u>	<u>4,653</u>	<u>3,868</u>
Net Fixed Assets	<u>179,038</u>	<u>705</u>	<u>217</u>
Other Assets:			
Net Contracts, Mortgages and Notes Receivable	34	80	-
Deferred Charges	1,101	-	-
Total Other Assets	<u>1,135</u>	<u>80</u>	<u>-</u>
Total Assets	<u><u>\$ 416,252</u></u>	<u><u>\$ 5,438</u></u>	<u><u>\$ 4,085</u></u>
LIABILITIES AND FUND EQUITY			
Current Liabilities:			
Accounts and Interest Payable	\$ 13,409	\$ 748	\$ 700
Due to Other Funds	33,742	2,002	-
Due to Other Governments	2	-	-
Trust Funds Payable	4,714	49	-
Bonds/COPs Payable	7,612	-	-
Deferred Revenue	100	-	-
Compensated Absences Payable	473	410	104
Total Current Liabilities	<u>60,052</u>	<u>3,209</u>	<u>804</u>
Long-Term Liabilities:			
Obligations Under Capital Lease	-	59	-
Contracts, Mortgages and Notes Payable	1,657	-	-
Advances from Other Funds	60	-	-
Bonds/COPs Payable	109,101	-	-
Compensated Absences Payable	1,420	1,229	313
Arbitrage Rebate Payable	173	-	-
Claim Loss Liability	47,154	-	-
Total Long-Term Liabilities	<u>159,565</u>	<u>1,288</u>	<u>313</u>
Total Liabilities	<u>219,617</u>	<u>4,497</u>	<u>1,117</u>
Fund Equity:			
Contributed Capital	88,390	-	-
Retained Earnings - Unreserved	108,245	941	2,968
Total Fund Equity	<u>196,635</u>	<u>941</u>	<u>2,968</u>
Total Liabilities and Fund Equity	<u><u>\$ 416,252</u></u>	<u><u>\$ 5,438</u></u>	<u><u>\$ 4,085</u></u>

State of Oregon

<u>Audit Services</u>	<u>Forestry</u>	<u>Inmate Work</u>	<u>Other</u>	<u>Total</u>
\$ 430	\$ 3,307	\$ 1,293	\$ 1,257	\$ 110,674
-	-	-	-	80,947
482	86	1,484	806	58,345
15	-	-	-	511
-	543	2,047	166	5,355
-	-	-	8	692
927	3,936	4,824	2,237	256,524
23	5,539	6,617	2,864	195,003
-	-	-	37	151
-	-	-	-	1,101
-	-	-	37	1,252
\$ 950	\$ 9,475	\$ 11,441	\$ 5,138	\$ 452,779
\$ 163	\$ 176	\$ 1,675	\$ 1,583	\$ 18,454
-	-	-	-	35,744
-	-	-	-	2
-	26	-	-	4,789
-	-	-	-	7,612
-	-	-	-	100
45	25	108	227	1,392
208	227	1,783	1,810	68,093
-	-	2	-	61
-	-	-	-	1,657
-	-	2,557	-	2,617
-	-	-	-	109,101
135	100	324	680	4,201
-	-	-	-	173
-	-	-	-	47,154
135	100	2,883	680	164,964
343	327	4,666	2,490	233,057
80	4,677	6,406	3,381	102,934
527	4,471	369	(733)	116,788
607	9,148	6,775	2,648	219,722
\$ 950	\$ 9,475	\$ 11,441	\$ 5,138	\$ 452,779

State of Oregon

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1999
(In Thousands)**

	<u>Central Services</u>	<u>Legal Services</u>	<u>Banking Services</u>
Operating Revenues:			
Taxes	\$ 5,631	\$ -	\$ -
Licenses and Fees	2	-	-
Charges for Services	91,492	28,372	8,903
Fines and Forfeitures	28	-	-
Rents and Royalties	18,173	2	-
Investment Income	10,824	-	-
Sales	11,488	71	-
Other	9,388	70	-
Total Operating Revenues	<u>147,026</u>	<u>28,515</u>	<u>8,903</u>
Operating Expenses:			
Salaries and Wages	28,216	25,688	5,584
Services and Supplies	69,610	6,328	4,582
Cost of Goods Sold	5,829	-	-
Distribution to Other Governments	1	-	-
Interest	7,128	-	-
Depreciation and Amortization	13,620	164	289
Bad Debt	-	20	-
Total Operating Expenses	<u>124,404</u>	<u>32,200</u>	<u>10,455</u>
Operating Income (Loss)	<u>22,622</u>	<u>(3,685)</u>	<u>(1,552)</u>
Nonoperating Revenues (Expenses):			
Gain (Loss) on Disposition of Equipment	(4)	-	(20)
Total Nonoperating Revenues (Expenses)	<u>(4)</u>	<u>-</u>	<u>(20)</u>
Income (Loss) Before Operating Transfers	22,618	(3,685)	(1,572)
Operating Transfers In	31,111	23,829	-
Operating Transfers Out	(38,520)	(23,778)	-
Net Income (Loss)	<u>15,209</u>	<u>(3,634)</u>	<u>(1,572)</u>
Fund Equity:			
Fund Equity - Beginning	187,909	4,575	4,781
Prior Period Adjustments	(6,483)	-	(241)
Fund Equity - Beginning - As Restated	181,426	4,575	4,540
Residual Equity Transfers In	-	-	-
Fund Equity - Ending	<u>\$ 196,635</u>	<u>\$ 941</u>	<u>\$ 2,968</u>

State of Oregon

	<u>Audit Services</u>		<u>Forestry</u>		<u>Inmate Work</u>		<u>Other</u>		<u>Total</u>
\$	-	\$	-	\$	-	\$	-	\$	5,631
	-		-		-		-		2
	5,099		2,864		8,905		25,634		171,269
	-		-		1		-		29
	-		1,743		71		-		19,989
	-		-		106		120		11,050
	11		166		10,344		84		22,164
	-		1		48		965		10,472
	5,110		4,774		19,475		26,803		240,606
	3,462		1,268		7,437		20,632		92,287
	1,702		1,617		7,203		10,424		101,466
	-		-		3,455		-		9,284
	-		-		-		-		1
	-		-		228		-		7,356
	49		1,614		1,720		226		17,682
	-		3		57		5		85
	5,213		4,502		20,100		31,287		228,161
	(103)		272		(625)		(4,484)		12,445
	(18)		(31)		(84)		(78)		(235)
	(18)		(31)		(84)		(78)		(235)
	(121)		241		(709)		(4,562)		12,210
	-		-		-		326		55,266
	(972)		(351)		-		(90)		(63,711)
	(1,093)		(110)		(709)		(4,326)		3,765
	1,700		8,584		7,336		6,915		221,800
	-		101		148		59		(6,416)
	1,700		8,685		7,484		6,974		215,384
	-		573		-		-		573
\$	607	\$	9,148	\$	6,775	\$	2,648	\$	219,722

State of Oregon

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1999
(In Thousands)**

	<u>Central Services</u>	<u>Legal Services</u>	<u>Banking Services</u>
Operating Income (Loss)	\$ 22,622	\$ (3,685)	\$ (1,552)
Adjustments to Reconcile Operating Income to Net Cash and Cash Equivalents Provided by Operating Activities			
Depreciation and Amortization	13,620	164	289
Amortization of Bond Premium	183	-	-
Net Change in Fair Value of Investments	457	-	-
Bad Debt Expense	-	20	-
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts and Interest Receivable	(13,946)	1,295	(89)
(Increase) Decrease in Due from Other Funds	1,679	(5)	-
(Increase) Decrease in Inventories	(571)	91	(1)
(Increase) Decrease in Prepaid Items	-	-	-
(Increase) Decrease in Net Contracts, Mortgages, and Notes Receivable	-	(80)	-
(Increase) Decrease in Deferred Charges	80	-	-
Increase (Decrease) in Accounts and Interest Payable	6,510	(51)	238
Increase (Decrease) in Due to Other Funds	13,736	2,001	-
Increase (Decrease) in Claim Loss Liability	(17,482)	-	-
Increase (Decrease) in Compensated Absences Payable	209	155	135
Increase (Decrease) in Deferred Revenue	(1,108)	-	-
Total Adjustments	3,367	3,590	572
Net Cash and Cash Equivalents Provided (Used) in Operating Activities	25,989	(95)	(980)
Cash Flows from Noncapital Financing Activities:			
Operating Transfers In	31,111	23,829	-
Operating Transfers Out	(38,520)	(23,778)	-
Advances From Other Funds	(20)	-	-
Residual Equity Transfers	-	-	-
Net Cash and Cash Equivalents Provided (Used) in Noncapital Financing Activities	(7,429)	51	-
Cash Flows from Capital and Related Financing Activities:			
Proceeds From Bond/COP Sales	3,588	-	-
Principal Payments on Bonds/COPs	(9,604)	-	-
Acquisition of Capital Assets	(18,959)	(190)	(290)
Proceeds from Disposition of Capital Assets	-	-	-
Payments on Capital Leases	(402)	(35)	-
Net Cash and Cash Equivalents Provided (Used) in Capital and Related Financing Activities	(25,377)	(225)	(290)
Cash Flows from Investing Activities:			
Purchases of Investments	(6,675)	-	-
Proceeds from Sales and Maturities of Investments	50,921	-	-
Net Cash and Cash Equivalents Provided (Used) in Investing Activities	44,246	-	-
Net Increase (Decrease) in Cash	37,429	(269)	(1,270)
Cash and Cash Equivalents Balance - Beginning	63,677	920	3,900
Cash and Cash Equivalents Balance - Ending	<u>\$ 101,106</u>	<u>\$ 651</u>	<u>\$ 2,630</u>
Noncash Investing, Capital and Financing Activities:			
Fixed Assets Transferred from General Fixed Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

State of Oregon

<u>Audit Services</u>	<u>Forestry</u>	<u>Inmate Work</u>	<u>Other</u>	<u>Total</u>
\$ (103)	\$ 272	\$ (625)	\$ (4,484)	\$ 12,445
49	1,614	1,720	226	17,682
-	-	-	-	183
-	-	-	-	457
-	3	57	5	85
(27)	116	435	(269)	(12,485)
-	-	-	317	1,991
-	(109)	(430)	(115)	(1,135)
-	-	1	(2)	(1)
-	-	-	(37)	(117)
-	-	-	-	80
46	15	800	931	8,489
-	(4)	(5)	(68)	15,660
-	-	-	-	(17,482)
-	16	71	356	942
-	-	-	-	(1,108)
68	1,651	2,649	1,344	13,241
(35)	1,923	2,024	(3,140)	25,686
-	-	-	326	55,266
(972)	(351)	-	(90)	(63,711)
-	-	(208)	-	(228)
-	562	-	-	562
(972)	211	(208)	236	(8,111)
-	-	-	-	3,588
-	-	-	-	(9,604)
-	(1,547)	(2,984)	(860)	(24,830)
-	84	-	-	84
-	-	(9)	-	(446)
-	(1,463)	(2,993)	(860)	(31,208)
-	-	-	-	(6,675)
-	-	-	-	50,921
-	-	-	-	44,246
(1,007)	671	(1,177)	(3,764)	30,613
1,437	2,636	2,470	5,021	80,061
\$ 430	\$ 3,307	\$ 1,293	\$ 1,257	\$ 110,674
\$ -	\$ 12	\$ -	\$ -	\$ 12