

Internal Service Funds

Internal Service Funds account for the operations of state agencies that render services to other state agencies, institutions, or other governmental units of the Commonwealth on a cost-reimbursement basis.

Technology and Data Services accounts for the installation and maintenance of the state government's telephone system; the development, use and maintenance of the Commonwealth's data processing systems; the development of automated systems, and the activities of the Chief Data Officer to create a Commonwealth data inventory, enterprise data dictionary, and catalog.

Enterprise Application accounts for the development and operation of the Commonwealth's Performance Budgeting System, Cardinal Financial System, and Human Capital Management System. Funding is derived from charges to agencies for the ongoing costs of the Commonwealth's enterprise applications, including recovery of the development and implementation costs initially funded through working capital advances.

Virginia Correctional Enterprises accounts for the manufacturing activities of the Commonwealth's correctional facilities.

Health Care accounts for the health insurance programs provided to state employees and for retirees who are not yet eligible to participate in Medicare.

Line of Duty accounts for the disability, death, and health benefits provided to eligible state employees and their family members.

Fleet Management accounts for the Commonwealth's motor vehicle pool.

Property Management accounts for real estate services, non-routine facility maintenance, and the disposal of state-owned property.

Personnel Management Information accounts for the personnel, compensation and health benefits database.

Risk Management accounts for the insurance programs provided to state agencies and institutions.

General Services accounts for a variety of services, including the purchase of supplies, the sale of surplus property, water testing, graphic design and engineering.

Payroll Service Bureau accounts for the payroll and leave accounting services provided to state agencies and institutions.

Combining Statement of Fund Net Position – Internal Service Funds

June 30, 2022

(Dollars in Thousands)

	Technology and Data Services	Enterprise Application	Virginia Correctional Enterprises	Health Care
Assets and Deferred Outflows of Resources				
Current Assets:				
Cash and Cash Equivalents	\$ 152,854	\$ 7,780	\$ 6,718	\$ 580,827
Receivables, Net	1,865	—	4,262	18,116
Due From Other Funds	19,777	—	792	33,643
Due From External Parties (Fiduciary Funds)	—	—	—	250
Due From Component Units	—	—	—	27,943
Inventory	—	—	15,759	—
Prepaid Items	20,323	8	—	—
Other Assets	41,818	—	1,536	—
Total Current Assets	236,637	7,788	29,067	660,779
Noncurrent Assets:				
Receivables, Net	—	—	—	—
Other Assets	1,270	185	625	197
Nondepreciable Capital Assets	—	97,899	228	—
Other Capital Assets, Net	114,594	31,487	7,129	—
Total Noncurrent Assets	115,864	129,571	7,982	197
Total Assets	352,501	137,359	37,049	660,976
Deferred Outflows of Resources	6,045	744	2,767	931
Total Assets and Deferred Outflows of Resources	358,546	138,103	39,816	661,907
Liabilities and Deferred Inflows of Resources				
Current Liabilities:				
Accounts Payable	55,223	3,799	3,939	20,847
Due to Other Funds	111	381	171	3
Due to External Parties (Fiduciary Funds)	199	20	78	26
Interfund Payable	—	7,246	—	—
Unearned Revenue	72,976	—	6,215	—
Obligations Under Securities Lending Program	—	—	—	55,351
Other Liabilities	275	—	—	—
Claims Payable Due Within One Year	—	—	—	117,657
Long-term Liabilities Due within One Year	27,589	47	232	328
Total Current Liabilities	156,373	11,493	10,635	194,212
Noncurrent Liabilities:				
Interfund Payable	—	156,815	—	—
Claims Payable Due In More Than One Year	—	—	—	—
Long-term Liabilities Due in More Than One Year	105,800	2,800	10,743	2,272
Total Noncurrent Liabilities	105,800	159,615	10,743	2,272
Total Liabilities	262,173	171,108	21,378	196,484
Deferred Inflows of Resources	13,325	1,693	8,964	2,129
Total Liabilities and Deferred Inflows of Resources	275,498	172,801	30,342	198,613
Net Position				
Net Investment in Capital Assets	(1,655)	129,386	6,645	—
Restricted for Net Other Postemployment Benefit - Virginia Sickness and Disability Program	953	145	514	140
Unrestricted	83,750	(164,229)	2,315	463,154
Total Net Position (Deficit)	\$ 83,048	\$ (34,698)	\$ 9,474	\$ 463,294

Line of Duty	Fleet Management	Property Management	Personnel Management Information	Risk Management	General Services	Payroll Service Bureau	Total
\$ 1,935	\$ 4,729	\$ 41,089	\$ 263	\$ 329,682	\$ 5,261	\$ 288	\$ 1,131,426
115	2,717	68	—	—	1,400	—	28,543
35	4,816	2,104	—	—	2,250	—	63,417
—	—	—	—	—	—	—	250
—	—	—	—	—	—	—	27,943
—	41	235	—	—	7,604	—	23,639
—	—	502	—	984	—	142	21,959
—	—	—	—	—	—	—	43,354
2,085	12,303	43,998	263	330,666	16,515	430	1,340,531
—	—	255	—	—	—	—	255
—	60	645	50	131	383	121	3,667
—	—	—	—	—	150	—	98,277
—	34,536	295,609	—	102	1,220	60	484,737
—	34,596	296,509	50	233	1,753	181	586,936
2,085	46,899	340,507	313	330,899	18,268	611	1,927,467
—	243	2,658	218	646	1,575	572	16,399
2,085	47,142	343,165	531	331,545	19,843	1,183	1,943,866
323	1,084	1,303	50	2,140	1,841	132	90,681
—	83	737	5	15	4,414	12	5,932
—	8	85	7	6	47	18	494
—	—	—	—	2,867	—	—	10,113
—	116	31,270	—	42,767	—	—	153,344
184	—	—	—	31,227	—	—	86,762
—	—	230	—	—	120	—	625
407	—	—	—	59,871	—	—	177,935
—	4,489	17,387	89	202	572	27	50,962
914	5,780	51,012	151	139,095	6,994	189	576,848
—	—	—	—	13,438	—	—	170,253
—	—	—	—	391,277	—	—	391,277
—	18,033	309,429	686	1,584	6,637	2,211	460,195
—	18,033	309,429	686	406,299	6,637	2,211	1,021,725
914	23,813	360,441	837	545,394	13,631	2,400	1,598,573
—	600	7,041	496	1,417	3,954	1,331	40,950
914	24,413	367,482	1,333	546,811	17,585	3,731	1,639,523
—	13,147	(11,259)	—	102	1,013	60	137,439
—	47	501	36	93	297	90	2,816
1,171	9,535	(13,559)	(838)	(215,461)	948	(2,698)	164,088
\$ 1,171	\$ 22,729	\$ (24,317)	\$ (802)	\$ (215,266)	\$ 2,258	\$ (2,548)	\$ 304,343

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position –
Internal Service Funds**

For the Fiscal Year Ended June 30, 2022

(Dollars in Thousands)

	Technology and Data Services	Enterprise Application	Virginia Correctional Enterprises	Health Care
Operating Revenues				
Charges for Sales and Services	\$ 401,008	\$ 21,065	\$ 43,538	\$ 1,628,393
Other	—	—	—	—
Total Operating Revenues	401,008	21,065	43,538	1,628,393
Operating Expenses				
Cost of Sales and Services	—	—	31,807	—
Prizes and Claims	—	—	—	1,529,261
Personal Services	25,473	2,258	5,061	3,883
Contractual Services	275,019	29,384	2,399	62,738
Supplies and Materials	35	25	492	—
Depreciation and Amortization	29,470	8,177	812	—
Rent, Insurance, and Other Related Charges	41,221	720	133	—
Other	1,264	33	25	1,019
Total Operating Expenses	372,482	40,597	40,729	1,596,901
Operating Income (Loss)	28,526	(19,532)	2,809	31,492
Nonoperating Revenues (Expenses)				
Interest, Dividends, Rents, and Other Investment Income	—	—	—	1,256
Other	(9,117)	12	27	(147)
Total Nonoperating Revenues (Expenses)	(9,117)	12	27	1,109
Income (Loss) Before Transfers	19,409	(19,520)	2,836	32,601
Transfers In	—	—	—	—
Transfers Out	(15,087)	(27)	—	—
Change in Net Position	4,322	(19,547)	2,836	32,601
Total Net Position (Deficit), July 1, as restated	78,726	(15,151)	6,638	430,693
Total Net Position (Deficit), June 30	\$ 83,048	\$ (34,698)	\$ 9,474	\$ 463,294

Line of Duty	Fleet Management	Property Management	Personnel Management Information	Risk Management	General Services	Payroll Service Bureau	Total
\$ 7,710	\$ 20,779	\$ 115,753	\$ 1,194	\$ 111,101	\$ 39,943	\$ 2,728	\$ 2,393,212
—	—	—	—	339,821	—	—	339,821
7,710	20,779	115,753	1,194	450,922	39,943	2,728	2,733,033
—	—	—	—	—	26,970	—	58,777
6,738	—	—	—	46,136	—	—	1,582,135
—	989	10,544	1,046	2,572	6,385	2,938	61,149
418	4,277	16,947	217	11,985	3,271	113	406,768
—	3,044	2,707	23	2	919	—	7,247
—	9,837	26,757	—	21	362	4	75,440
—	993	40,971	—	2,751	1,472	136	88,397
—	185	1,991	—	16,572	161	9	21,259
7,156	19,325	99,917	1,286	80,039	39,540	3,200	2,301,172
554	1,454	15,836	(92)	370,883	403	(472)	431,861
2	—	5	—	628	114	—	2,005
—	562	(24,686)	3	(70)	18	9	(33,389)
2	562	(24,681)	3	558	132	9	(31,384)
556	2,016	(8,845)	(89)	371,441	535	(463)	400,477
—	—	—	—	—	388	—	388
—	(383)	—	—	—	—	—	(15,497)
556	1,633	(8,845)	(89)	371,441	923	(463)	385,368
615	21,096	(15,472)	(713)	(586,707)	1,335	(2,085)	(81,025)
\$ 1,171	\$ 22,729	\$ (24,317)	\$ (802)	\$ (215,266)	\$ 2,258	\$ (2,548)	\$ 304,343

Combining Statement of Cash Flows – Internal Service Funds

For the Fiscal Year Ended June 30, 2022

(Dollars in Thousands)

	Technology and Data Services	Enterprise Application	Virginia Correctional Enterprises	Health Care
Cash Flows from Operating Activities				
Receipts for Sales and Services	\$ 9,738	\$ 2,132	\$ 10,754	\$ 818,744
Internal Activity-Receipts from Other Funds	407,308	18,933	34,510	803,428
Internal Activity-Payments to Other Funds	—	—	(386)	—
Payments to Suppliers for Goods and Services	(13,327)	(25)	(36,675)	—
Payments for Contractual Services	(299,563)	(31,473)	(2,257)	(70,512)
Payments for Prizes, Claims, and Loss Control	—	—	—	(1,527,581)
Payments to Employees	(27,573)	(2,583)	(6,982)	(4,210)
Other Operating Revenue	—	—	—	—
Other Operating Expense	—	(757)	—	(493)
Net Cash Provided by (Used for) Operating Activities	76,583	(13,773)	(1,036)	19,376
Cash Flows from Noncapital Financing Activities				
Transfers In from Other Funds	—	—	—	—
Transfers Out to Other Funds	(15,087)	(27)	—	—
Other Noncapital Financing Receipt Activities	—	31,832	—	—
Other Noncapital Financing Disbursement Activities	—	(8,719)	—	—
Net Cash Provided by (Used for) Noncapital Financing Activities	(15,087)	23,086	—	—
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(62)	(15,572)	(416)	—
Payment of Principal and Interest on Bonds and Notes	(34,234)	—	(152)	—
Proceeds from Sale of Capital Assets	—	—	9	—
Other Capital and Related Financing Receipt Activities	1	—	—	—
Net Cash Used for Capital and Related Financing Activities	(34,295)	(15,572)	(559)	—
Cash Flows from Investing Activities				
Investment Income on Cash, Cash Equivalents, and Investments	—	—	—	1,093
Net Cash Provided by Investing Activities	—	—	—	1,093
Net Increase (Decrease) in Cash and Cash Equivalents	27,201	(6,259)	(1,595)	20,469
Cash and Cash Equivalents, July 1	125,653	14,039	8,313	505,007
Cash and Cash Equivalents, June 30	<u>\$ 152,854</u>	<u>\$ 7,780</u>	<u>\$ 6,718</u>	<u>\$ 525,476</u>
Reconciliation of Cash and Cash Equivalents				
Per the Statement of Net Position:				
Cash and Cash Equivalents	\$ 152,854	\$ 7,780	\$ 6,718	\$ 580,827
Less:				
Securities Lending Cash Equivalents	—	—	—	(55,351)
Cash and Cash Equivalents per the Statement of Cash Flows	<u>\$ 152,854</u>	<u>\$ 7,780</u>	<u>\$ 6,718</u>	<u>\$ 525,476</u>

Line of Duty	Fleet Management	Property Management	Personnel Management Information	Risk Management	General Services	Payroll Service Bureau	Total
\$ 6,562	\$ 1,636	\$ 1,091	\$ 489	\$ 39,416	\$ 7,709	\$ 49	\$ 898,320
1,484	15,597	118,962	704	71,549	33,506	2,677	1,508,658
—	(1,038)	(3,771)	—	—	(3,203)	—	(8,398)
—	(3,109)	(33,906)	(29)	(2)	(26,576)	—	(113,649)
(391)	(4,485)	(16,657)	(216)	(13,091)	(3,986)	(113)	(442,744)
(6,810)	—	—	—	(54,117)	—	—	(1,588,508)
—	(1,112)	(11,983)	(1,042)	(2,754)	(7,122)	(3,194)	(68,555)
—	—	—	—	58	—	—	58
—	(24)	—	—	(17,320)	—	(156)	(18,750)
845	7,465	53,736	(94)	23,739	328	(737)	166,432
—	—	—	—	—	388	—	388
—	(383)	—	—	—	—	—	(15,497)
—	—	—	—	1,702	114	—	33,648
—	—	—	—	(2,311)	—	—	(11,030)
—	(383)	—	—	(609)	502	—	7,509
—	(2,037)	—	—	—	(11)	—	(18,098)
—	(6,871)	(52,725)	—	—	(223)	—	(94,205)
—	1,526	—	—	—	—	—	1,535
—	—	—	—	—	—	—	1
—	(7,382)	(52,725)	—	—	(234)	—	(110,767)
3	—	—	—	547	—	—	1,643
3	—	—	—	547	—	—	1,643
848	(300)	1,011	(94)	23,677	596	(737)	64,817
903	5,029	40,078	357	274,778	4,665	1,025	979,847
\$ 1,751	\$ 4,729	\$ 41,089	\$ 263	\$ 298,455	\$ 5,261	\$ 288	\$ 1,044,664
\$ 1,935	\$ 4,729	\$ 41,089	\$ 263	\$ 329,682	\$ 5,261	\$ 288	\$ 1,131,426
(184)	—	—	—	(31,227)	—	—	(86,762)
\$ 1,751	\$ 4,729	\$ 41,089	\$ 263	\$ 298,455	\$ 5,261	\$ 288	\$ 1,044,664

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Combining Statement of Cash Flows – Internal Service Funds (Continued from previous page)

For the Fiscal Year Ended June 30, 2022

(Dollars in Thousands)

	Technology and Data Services	Enterprise Application	Virginia Correctional Enterprises	Health Care
Reconciliation of Operating Income				
To Net Cash Provided by (Used for)				
Operating Activities:				
Operating Income (Loss)	\$ 28,526	\$ (19,532)	\$ 2,809	\$ 31,492
Adjustments to Reconcile Operating				
Income to Net Cash Provided by (Used for)				
Operating Activities:				
Depreciation and Amortization	29,470	8,177	812	—
Miscellaneous Nonoperating Income	95	12	78	—
Other	—	—	—	15
Change in Assets, Deferred Outflows of Resources, Liabilities, and				
Deferred Inflows of Resources				
(Increase) Decrease in Accounts Receivable	169	—	(3,466)	(2,039)
(Increase) Decrease in Due from Other Funds	4,237	—	461	(427)
(Increase) Decrease in Due from External Parties (Fiduciary Funds)	—	—	—	(5)
(Increase) Decrease in Due from Component Units	—	—	—	(3,748)
(Increase) Decrease in Other Assets: Due Within One Year	(7,720)	—	37	—
(Increase) Decrease in Other Assets: Due in More Than One Year	(524)	(61)	(213)	(76)
(Increase) Decrease in Inventory	—	—	(5,064)	—
(Increase) Decrease in Prepaid Items	(2,607)	(4)	—	—
(Increase) Decrease in Deferred Outflows of Resources	970	399	1,444	447
Increase (Decrease) in Accounts Payable	6,369	(2,458)	807	(6,781)
Increase (Decrease) in Due to Other Funds	12	359	(154)	3
Increase (Decrease) in Due to External Parties (Fiduciary Funds)	25	(2)	2	(1)
Increase (Decrease) in Unearned Revenue	20,401	—	4,641	—
Increase (Decrease) in Other Liabilities	—	—	—	—
Increase (Decrease) in Claims Payable: Due Within One Year	—	—	—	1,200
Increase (Decrease) in Claims Payable: Due in More Than One Year	—	—	—	—
Increase (Decrease) in Long-term Liabilities: Due Within One Year	188	(161)	(7)	5
Increase (Decrease) in Long-term Liabilities: Due in More Than One Year	(14,062)	(1,887)	(8,082)	(2,421)
Increase (Decrease) in Deferred Inflows of Resources	11,034	1,385	4,859	1,712
Net Cash Provided by (Used for) Operating Activities	<u>\$ 76,583</u>	<u>\$ (13,773)</u>	<u>\$ (1,036)</u>	<u>\$ 19,376</u>
Noncash Investing, Capital, and Financing Activities:				
The following transactions occurred prior to the Statement of Net Position date:				
Long-term Leases Used to Finance Capital Assets	\$ 20,919	\$ —	\$ 844	\$ —
Installment Purchases Used to Finance Capital Assets	—	—	—	—
Accounts Payable Increase (Decrease) related to Capital Assets	—	(858)	—	—
Total Noncash, Investing, Capital, and Financing Activities	<u>\$ 20,919</u>	<u>\$ (858)</u>	<u>\$ 844</u>	<u>\$ —</u>

Line of Duty	Fleet Management	Property Management	Personnel Management Information	Risk Management	General Services	Payroll Service Bureau	Total
\$ 554	\$ 1,454	\$ 15,836	\$ (92)	\$ 370,883	\$ 403	\$ (472)	\$ 431,861
—	9,837	26,757	—	21	362	4	75,440
—	4	43	3	10	26	9	280
—	—	9,946	—	—	—	—	9,961
342	(890)	(234)	—	46	(346)	—	(6,418)
(6)	(2,664)	2,358	—	7	(259)	—	3,707
—	—	—	—	—	—	—	(5)
—	—	—	—	—	—	—	(3,748)
—	—	—	—	—	—	—	(7,683)
—	(20)	(215)	(18)	(53)	(126)	(48)	(1,354)
—	(1)	188	—	—	76	—	(4,801)
—	—	11	—	13	—	(12)	(2,599)
—	73	878	119	179	754	119	5,382
149	(226)	(1,950)	(2)	(723)	(1,060)	15	(5,860)
—	(30)	42	2	1	1,939	—	2,174
—	1	—	1	(10)	—	2	18
—	116	2,866	—	1,813	(15)	—	29,822
—	—	(960)	—	—	(22)	—	(982)
(194)	—	—	—	(6,834)	—	—	(5,828)
—	—	—	—	(341,274)	—	—	(341,274)
—	(2)	(20)	68	44	(15)	(89)	11
—	(679)	(7,300)	(582)	(1,520)	(4,392)	(1,336)	(42,261)
—	492	5,490	407	1,136	3,003	1,071	30,589
<u>\$ 845</u>	<u>\$ 7,465</u>	<u>\$ 53,736</u>	<u>\$ (94)</u>	<u>\$ 23,739</u>	<u>\$ 328</u>	<u>\$ (737)</u>	<u>\$ 166,432</u>
\$ —	\$ —	\$ 44,926	\$ —	\$ —	\$ —	\$ —	\$ 66,689
—	3,647	—	—	—	—	—	3,647
—	—	—	—	—	—	—	(858)
<u>\$ —</u>	<u>\$ 3,647</u>	<u>\$ 44,926</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 69,478</u>