
Internal Service Funds

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.

Virginia Information Technologies Agency 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; and the development of automated systems.

Virginia Correctional Enterprises accounts for the manufacturing activities of the state'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.

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.

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.

Combining Statement of Net Assets – Internal Service Funds

June 30, 2009

(Dollars in Thousands)

	<u>Virginia Information Technologies Agency</u>	<u>Virginia Correctional Enterprises</u>	<u>Health Care</u>
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 28,501	\$ 7,227	\$ 313,457
Investments	-	-	54,287
Receivables, Net	2,982	3,255	20,687
Due From Other Funds	13,299	2,663	20,716
Inventory	-	11,783	-
Prepaid Items	-	160	-
Other Assets	9,497	3	-
Total Current Assets	54,279	25,091	409,147
Noncurrent Assets:			
Nondepreciable Capital Assets	-	662	-
Depreciable Capital Assets, Net	5,478	7,269	-
Total Noncurrent Assets	5,478	7,931	-
Total Assets	59,757	33,022	409,147
Liabilities			
Current Liabilities:			
Accounts Payable	32,991	904	40,927
Amounts Due to Other Governments	-	-	-
Due to Other Funds	177	71	-
Interfund Payable	-	-	-
Unearned Revenue	13,933	612	-
Obligations Under Securities Lending Program	-	-	99,534
Other Liabilities	-	-	-
Claims Payable Due Within One Year	-	-	104,911
Long-term Liabilities Due within One Year	1,179	9	-
Total Current Liabilities	48,280	1,596	245,372
Noncurrent Liabilities:			
Interfund Payable	-	-	-
Claims Payable Due In More Than One Year	-	-	-
Long-term Liabilities Due in More Than One Year	8,932	3,169	-
Total Noncurrent Liabilities	8,932	3,169	-
Total Liabilities	57,212	4,765	245,372
Net Assets			
Invested in Capital Assets, Net of Related Debt	5,478	7,931	-
Unrestricted	(2,933)	20,326	163,775
Total Net Assets (Deficit)	\$ 2,545	\$ 28,257	\$ 163,775

<u>Fleet Management</u>	<u>Property Management</u>	<u>Risk Management</u>	<u>General Services</u>	<u>Total</u>
\$ 2,367	\$ 14,655	\$ 150,921	\$ 4,913	\$ 522,041
-	-	25,050	-	79,337
173	535	374	1,241	29,247
442	2,498	-	751	40,369
24	351	-	3,849	16,007
-	-	39	272	471
-	-	100	1	9,601
<u>3,006</u>	<u>18,039</u>	<u>176,484</u>	<u>11,027</u>	<u>697,073</u>
-	-	-	150	812
<u>24,569</u>	<u>12,630</u>	<u>-</u>	<u>8,697</u>	<u>58,643</u>
24,569	12,630	-	8,847	59,455
<u>27,575</u>	<u>30,669</u>	<u>176,484</u>	<u>19,874</u>	<u>756,528</u>
877	2,765	1,272	1,066	80,802
-	853	-	-	853
60	560	-	153	1,021
-	220	-	632	852
25	11,112	43,016	29	68,727
-	-	45,929	-	145,463
-	250	5,281	-	5,531
-	-	62,329	-	167,240
<u>1,089</u>	<u>3,396</u>	<u>28</u>	<u>399</u>	<u>6,100</u>
<u>2,051</u>	<u>19,156</u>	<u>157,855</u>	<u>2,279</u>	<u>476,589</u>
-	4,834	-	5,058	9,892
-	-	346,727	-	346,727
<u>1,616</u>	<u>18,818</u>	<u>348</u>	<u>1,793</u>	<u>34,676</u>
1,616	23,652	347,075	6,851	391,295
<u>3,667</u>	<u>42,808</u>	<u>504,930</u>	<u>9,130</u>	<u>867,884</u>
22,181	-	-	8,847	44,437
<u>1,727</u>	<u>(12,139)</u>	<u>(328,446)</u>	<u>1,897</u>	<u>(155,793)</u>
<u>\$ 23,908</u>	<u>\$ (12,139)</u>	<u>\$ (328,446)</u>	<u>\$ 10,744</u>	<u>\$ (111,356)</u>

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

For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

	Virginia Information Technologies Agency	Virginia Correctional Enterprises	Health Care
Operating Revenues			
Charges for Sales and Services	\$ 268,884	\$ 47,328	\$ 945,918
Total Operating Revenues	<u>268,884</u>	<u>47,328</u>	<u>945,918</u>
Operating Expenses			
Cost of Sales and Services	-	33,968	-
Prizes and Claims	-	-	926,369
Personal Services	30,238	4,719	-
Contractual Services	228,613	3,389	65,784
Supplies and Materials	203	480	-
Depreciation and Amortization	5,757	1,007	-
Rent, Insurance, and Other Related Charges	3,276	1,045	-
Interest Expense	-	-	-
Other	3,729	462	-
Total Operating Expenses	<u>271,816</u>	<u>45,070</u>	<u>992,153</u>
Operating Income (Loss)	<u>(2,932)</u>	<u>2,258</u>	<u>(46,235)</u>
Nonoperating Revenues (Expenses)			
Interest, Dividends, Rents, and Other Investment Income	-	-	10,005
Other	245	296	(1,314)
Total Nonoperating Revenues (Expenses)	<u>245</u>	<u>296</u>	<u>8,691</u>
Income (Loss) Before Transfers	(2,687)	2,554	(37,544)
Transfers In	-	-	500
Transfers Out	(31)	(1,160)	(500)
Change in Net Assets	(2,718)	1,394	(37,544)
Total Net Assets (Deficit), July 1	5,263	26,863	201,319
Total Net Assets (Deficit), June 30	<u>\$ 2,545</u>	<u>\$ 28,257</u>	<u>\$ 163,775</u>

<u>Fleet Management</u>	<u>Property Management</u>	<u>Risk Management</u>	<u>General Services</u>	<u>Total</u>
\$ 12,036	\$ 97,373	\$ 89,893	\$ 40,985	\$ 1,502,417
12,036	97,373	89,893	40,985	1,502,417
-	-	-	28,339	62,307
-	-	102,012	-	1,028,381
1,037	10,320	1,412	7,008	54,734
2,551	11,978	8,884	3,000	324,199
4,078	4,039	6	793	9,599
4,802	2,515	-	818	14,899
742	62,887	1,257	1,619	70,826
-	140	-	113	253
305	4,750	6,678	98	16,022
13,515	96,629	120,249	41,788	1,581,220
(1,479)	744	(30,356)	(803)	(78,803)
-	-	4,030	85	14,120
(485)	(6,639)	(541)	(3)	(8,441)
(485)	(6,639)	3,489	82	5,679
(1,964)	(5,895)	(26,867)	(721)	(73,124)
-	231	-	330	1,061
(1,700)	(580)	-	(251)	(4,222)
(3,664)	(6,244)	(26,867)	(642)	(76,285)
27,572	(5,895)	(301,579)	11,386	(35,071)
\$ 23,908	\$ (12,139)	\$ (328,446)	\$ 10,744	\$ (111,356)

Combining Statement of Cash Flows – Internal Service Funds

For the Fiscal Year Ended June 30, 2009

(Dollars in Thousands)

	Virginia Information Technologies Agency	Virginia Correctional Enterprises	Health Care
Cash Flows from Operating Activities			
Receipts for Sales and Services	\$ 14,137	\$ 20,975	\$ 947,527
Internal Activity-Receipts from Other Funds	253,905	24,509	-
Internal Activity-Payments to Other Funds	(1,160)	(1,148)	-
Payments to Suppliers for Goods and Services	(4,465)	(34,151)	-
Payments for Contractual Services	(220,741)	(3,228)	(66,108)
Payments for Prizes, Claims, and Loss Control	-	-	(896,336)
Payments to Employees	(29,928)	(4,281)	-
Other Operating Expense	-	(359)	-
Net Cash Provided by (Used for) Operating Activities	<u>11,748</u>	<u>2,317</u>	<u>(14,917)</u>
Cash Flows from Noncapital Financing Activities			
Transfers In From Other Funds	-	-	500
Transfers Out to Other Funds	(31)	(1,321)	(500)
Other Noncapital Financing Receipt Activities	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(31)</u>	<u>(1,321)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	(1,197)	(1,461)	-
Payment of Principal and Interest on Bonds and Notes	(148)	-	-
Proceeds from Sale of Capital Assets	-	14	-
Other Capital and Related Financing Receipt Activities	-	-	-
Other Capital and Related Financing Disbursement Activities	-	-	-
Net Cash Provided By (Used for) Capital and Related Financing Activities	<u>(1,345)</u>	<u>(1,447)</u>	<u>-</u>
Cash Flows from Investing Activities			
Investment Income on Cash, Cash Equivalents, and Investments	-	-	8,691
Net Cash Provided by (Used for) Investing Activities	<u>-</u>	<u>-</u>	<u>8,691</u>
Net Increase (Decrease) in Cash and Cash Equivalents	10,372	(451)	(6,226)
Cash and Cash Equivalents, July 1	<u>18,129</u>	<u>7,681</u>	<u>274,436</u>
Cash and Cash Equivalents, June 30	<u>\$ 28,501</u>	<u>\$ 7,230</u>	<u>\$ 268,210</u>
Reconciliation of Cash and Cash Equivalents			
Per the Statement of Net Assets:			
Cash and Cash Equivalents	\$ 28,501	\$ 7,227	\$ 313,457
Cash and Travel Advances	-	3	-
Less:			
Securities Lending Cash Equivalents	-	-	(45,247)
Cash and Cash Equivalents per the Statement of Cash Flows	<u>\$ 28,501</u>	<u>\$ 7,230</u>	<u>\$ 268,210</u>

<u>Fleet Management</u>	<u>Property Management</u>	<u>Risk Management</u>	<u>General Services</u>	<u>Total</u>
\$ 1,724	\$ 6,249	\$ 32,793	\$ 12,195	\$ 1,035,600
11,762	89,984	59,687	29,387	469,234
(2,894)	(3,623)	-	(2,748)	(11,573)
(3,456)	(69,154)	(6)	(29,008)	(140,240)
(1,712)	(11,216)	(8,833)	(2,360)	(314,198)
-	-	(68,463)	-	(964,799)
(972)	(9,712)	(1,343)	(6,718)	(52,954)
(268)	(2,056)	(7,974)	-	(10,657)
<u>4,184</u>	<u>472</u>	<u>5,861</u>	<u>748</u>	<u>10,413</u>
-	231	-	330	1,061
(1,700)	(580)	-	(251)	(4,383)
-	800	-	154	954
<u>(1,700)</u>	<u>451</u>	<u>-</u>	<u>233</u>	<u>(2,368)</u>
(2,366)	(40)	-	(72)	(5,136)
(983)	-	-	-	(1,131)
561	-	-	-	575
-	49	-	-	49
-	-	-	(632)	(632)
<u>(2,788)</u>	<u>9</u>	<u>-</u>	<u>(704)</u>	<u>(6,275)</u>
-	-	3,489	-	12,180
-	-	3,489	-	12,180
(304)	932	9,350	277	13,950
<u>2,671</u>	<u>13,723</u>	<u>120,792</u>	<u>4,637</u>	<u>442,069</u>
<u>\$ 2,367</u>	<u>\$ 14,655</u>	<u>\$ 130,142</u>	<u>\$ 4,914</u>	<u>\$ 456,019</u>
\$ 2,367	\$ 14,655	\$ 150,921	\$ 4,913	\$ 522,041
-	-	100	1	104
-	-	(20,879)	-	(66,126)
<u>\$ 2,367</u>	<u>\$ 14,655</u>	<u>\$ 130,142</u>	<u>\$ 4,914</u>	<u>\$ 456,019</u>

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

For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

	Virginia Information Technologies Agency	Virginia Correctional Enterprises	Health Care
Reconciliation of Operating Income			
To Net Cash Provided by (Used for)			
Operating Activities:			
Operating Income (Loss)	\$ (2,932)	\$ 2,258	\$ (46,235)
Adjustments to Reconcile Operating			
Income to Net Cash Provided by (Used for)			
Operating Activities:			
Depreciation and Amortization	5,757	1,007	-
Miscellaneous Nonoperating Income	-	490	-
Other Expenses	-	-	-
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	1,024	(1,288)	8,958
(Increase) Decrease in Due From Other Funds	131	(822)	1,275
(Increase) Decrease in Other Assets	(3,030)	-	-
(Increase) Decrease in Inventory	-	508	-
(Increase) Decrease in Prepaid Items	58	-	-
Increase (Decrease) in Accounts Payable	9,271	(286)	13,805
Increase (Decrease) in Amounts Due to Other Governments	-	-	-
Increase (Decrease) in Due to Other Funds	(50)	(6)	-
Increase (Decrease) in Interfund Payable	-	-	-
Increase (Decrease) in Unearned Revenue	1,032	(11)	-
Increase (Decrease) in Other Liabilities	-	-	-
Increase (Decrease) in Claims Payable: Due Within One Year	-	-	7,280
Increase (Decrease) in Claims Payable: Due in More Than One Year	-	-	-
Increase (Decrease) in Long-term Liabilities: Due Within One Year	(356)	5	-
Increase (Decrease) in Long-term Liabilities: Due in More Than One Year	843	462	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ 11,748</u>	<u>\$ 2,317</u>	<u>\$ (14,917)</u>
Noncash Investing, Capital, and Financing Activities:			
The following transactions occurred prior to the statement of net assets date:			
Capital Assets Transferred from State Agencies	\$ -	\$ -	\$ -
New Capital Leases	-	-	-
Trade-ins of Used Equipment on New Equipment	-	10	-
Capital Asset Addition Included in Accounts Payable	7	-	-
Total Noncash, Investing, Capital, and Financing Activities	<u>\$ 7</u>	<u>\$ 10</u>	<u>\$ -</u>

<u>Fleet Management</u>	<u>Property Management</u>	<u>Risk Management</u>	<u>General Services</u>	<u>Total</u>
\$ (1,479)	\$ 744	\$ (30,356)	\$ (803)	\$ (78,803)
4,802	2,515	-	818	14,899
-	-	-	-	490
-	(3,016)	-	-	(3,016)
188	(498)	197	162	8,743
1,269	(1,211)	-	509	1,151
-	-	-	-	(3,030)
-	(45)	-	30	493
-	-	(39)	228	247
(605)	801	197	(416)	22,767
-	184	-	-	184
(58)	202	-	(49)	39
-	(210)	-	(32)	(242)
1	408	2,389	4	3,823
-	(44)	(116)	-	(160)
-	-	3,929	-	11,209
-	-	29,593	-	29,593
1	69	(14)	(1)	(296)
65	573	81	298	2,322
<u>\$ 4,184</u>	<u>\$ 472</u>	<u>\$ 5,861</u>	<u>\$ 748</u>	<u>\$ 10,413</u>
\$ -	\$ 17,339	\$ -	\$ -	\$ 17,339
-	1,620	-	-	1,620
-	-	-	-	10
605	13	-	-	625
<u>\$ 605</u>	<u>\$ 18,972</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,594</u>