
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.

Enterprise Application accounts for the development and operation of the Commonwealth's Performance Budgeting System, Cardinal Financial System, and Human Capital Management Replacement Project. 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, 2019

(Dollars in Thousands)

	Virginia Information Technologies Agency	Enterprise Application	Virginia Correctional Enterprises	Health Care
Assets and Deferred Outflows of Resources				
Current Assets:				
Cash and Cash Equivalents	\$ 87,677	\$ 6,193	\$ 3,800	\$ 497,005
Receivables, Net	1,835	—	1,698	28,916
Due From Other Funds	27,930	—	769	34,026
Due From External Parties (Fiduciary Funds)	—	—	—	247
Due From Component Units	—	—	—	30,391
Inventory	—	—	12,833	—
Prepaid Items	11,119	3	—	—
Other Assets	29,733	—	1,561	—
Total Current Assets	158,294	6,196	20,661	590,585
Noncurrent Assets:				
Other Assets	777	127	495	115
Nondepreciable Capital Assets	—	33,122	382	—
Depreciable Capital Assets, Net	6,367	56,751	7,940	—
Total Noncurrent Assets	7,144	90,000	8,817	115
Total Assets	165,438	96,196	29,478	590,700
Deferred Outflows of Resources	2,991	567	3,342	594
Total Assets and Deferred Outflows of Resources	168,429	96,763	32,820	591,294
Liabilities and Deferred Inflows of Resources				
Current Liabilities:				
Accounts Payable	37,282	6,048	4,267	37,209
Amounts Due to Other Governments	—	—	—	—
Due to Other Funds	104	162	166	57
Due to External Parties (Fiduciary Funds)	134	23	82	24
Interfund Payable	81,774	8,719	—	—
Unearned Revenue	46,602	—	2,477	—
Obligations Under Securities Lending Program	—	—	—	37,440
Other Liabilities	—	—	—	—
Claims Payable Due Within One Year	—	—	—	131,384
Long-term Liabilities Due within One Year	1,199	236	143	286
Total Current Liabilities	167,095	15,188	7,135	206,400
Noncurrent Liabilities:				
Interfund Payable	—	92,772	—	—
Claims Payable Due In More Than One Year	—	—	—	—
Long-term Liabilities Due in More Than One Year	23,319	3,502	17,810	3,475
Total Noncurrent Liabilities	23,319	96,274	17,810	3,475
Total Liabilities	190,414	111,462	24,945	209,875
Deferred Inflows of Resources	4,356	543	2,627	507
Total Liabilities and Deferred Inflows of Resources	194,770	112,005	27,572	210,382
Net Position				
Net Investment in Capital Assets	6,367	89,873	8,322	—
Restricted for Net Other Postemployment Benefit - Virginia Sickness and Disability Program	657	107	385	88
Unrestricted	(33,365)	(105,222)	(3,459)	380,824
Total Net Position (Deficit)	\$ (26,341)	\$ (15,242)	\$ 5,248	\$ 380,912

Line of Duty	Fleet Management	Property Management	Personnel Management Information	Risk Management	General Services	Payroll Service Bureau	Total
\$ 1,102	\$ 5,506	\$ 33,044	\$ 578	\$ 245,319	\$ 7,155	\$ 579	\$ 887,958
252	1,361	51	—	173	1,250	—	35,536
—	2,027	3,922	—	—	1,800	—	70,474
—	—	—	—	—	—	—	247
—	—	—	—	—	—	—	30,391
—	22	413	—	—	3,813	—	17,081
—	—	364	—	462	—	111	12,059
—	—	—	—	—	—	—	31,294
1,354	8,916	37,794	578	245,954	14,018	690	1,085,040
—	40	434	30	75	256	74	2,423
—	—	—	—	127	150	—	33,781
—	40,478	14,546	—	39	2,985	72	129,178
—	40,518	14,980	30	241	3,391	146	165,382
1,354	49,434	52,774	608	246,195	17,409	836	1,250,422
—	117	1,487	137	325	854	325	10,739
1,354	49,551	54,261	745	246,520	18,263	1,161	1,261,161
32	1,106	3,096	60	2,053	2,535	80	93,768
—	—	40	—	—	—	—	40
—	110	774	4	19	845	11	2,252
—	7	80	6	14	49	12	431
—	—	—	—	1,208	—	—	91,701
—	—	25,635	—	30,468	29	—	105,211
83	—	—	—	18,330	—	—	55,853
—	—	—	—	—	23	—	23
618	—	—	—	74,321	—	—	206,323
—	4,824	2,904	16	169	585	83	10,445
733	6,047	32,529	86	126,582	4,066	186	566,047
—	—	—	—	10,129	—	—	102,901
—	—	—	—	677,648	—	—	677,648
—	21,401	39,157	960	2,331	9,089	2,900	123,944
—	21,401	39,157	960	690,108	9,089	2,900	904,493
733	27,448	71,686	1,046	816,690	13,155	3,086	1,470,540
—	176	2,473	111	360	1,369	361	12,883
733	27,624	74,159	1,157	817,050	14,524	3,447	1,483,423
—	15,750	(261)	—	166	2,574	72	122,863
—	35	372	24	61	219	63	2,011
621	6,142	(20,009)	(436)	(570,757)	946	(2,421)	(347,136)
\$ 621	\$ 21,927	\$ (19,898)	\$ (412)	\$ (570,530)	\$ 3,739	\$ (2,286)	\$ (222,262)

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position –

Internal Service Funds

For the Fiscal Year Ended June 30, 2019

(Dollars in Thousands)

	Virginia Information Technologies Agency	Enterprise Application	Virginia Correctional Enterprises	Health Care
Operating Revenues				
Charges for Sales and Services	\$ 441,181	\$ 31,528	\$ 45,103	\$ 1,625,113
Total Operating Revenues	441,181	31,528	45,103	1,625,113
Operating Expenses				
Cost of Sales and Services	—	—	34,162	—
Prizes and Claims	—	—	—	1,433,361
Personal Services	17,426	3,191	7,612	3,179
Contractual Services	351,558	31,224	2,345	81,802
Supplies and Materials	26	20	538	—
Depreciation	3,550	8,805	918	—
Rent, Insurance, and Other Related Charges	22,180	552	521	—
Interest Expense	—	44	—	—
Other	1,550	16	82	436
Total Operating Expenses	396,290	43,852	46,178	1,518,778
Operating Income (Loss)	44,891	(12,324)	(1,075)	106,335
Nonoperating Revenues (Expenses)				
Interest, Dividends, Rents, and Other Investment Income	—	—	—	10,835
Other	7	—	(69)	(1,013)
Total Nonoperating Revenues (Expenses)	7	—	(69)	9,822
Income (Loss) Before Transfers	44,898	(12,324)	(1,144)	116,157
Transfers In	—	—	—	—
Transfers Out	—	(27)	(898)	—
Change in Net Position	44,898	(12,351)	(2,042)	116,157
Total Net Position (Deficit), July 1	(71,239)	(2,891)	7,290	264,755
Total Net Position (Deficit), June 30	\$ (26,341)	\$ (15,242)	\$ 5,248	\$ 380,912

Line of Duty	Fleet Management	Property Management	Personnel Management Information	Risk Management	General Services	Payroll Service Bureau	Total
\$ 7,265	\$ 18,548	\$ 104,028	\$ 1,770	\$ 113,122	\$ 40,139	\$ 1,782	\$ 2,429,579
7,265	18,548	104,028	1,770	113,122	40,139	1,782	2,429,579
—	—	—	—	—	25,045	—	59,207
6,653	—	—	—	32,372	—	—	1,472,386
—	921	10,979	616	2,132	6,620	2,033	54,709
344	4,311	14,125	700	12,199	4,063	90	502,761
—	3,292	2,957	19	6	1,643	8	8,509
—	9,484	1,598	—	8	906	4	25,273
—	1,005	70,214	—	2,080	1,666	122	98,340
—	—	—	—	—	—	—	44
—	83	2,658	—	5,910	98	2	10,835
6,997	19,096	102,531	1,335	54,707	40,041	2,259	2,232,064
268	(548)	1,497	435	58,415	98	(477)	197,515
22	—	—	—	5,212	98	—	16,167
(2)	1,140	(1,103)	—	(483)	—	—	(1,523)
20	1,140	(1,103)	—	4,729	98	—	14,644
288	592	394	435	63,144	196	(477)	212,159
—	—	—	—	—	388	—	388
—	(268)	—	—	(6,437)	—	—	(7,630)
288	324	394	435	56,707	584	(477)	204,917
333	21,603	(20,292)	(847)	(627,237)	3,155	(1,809)	(427,179)
\$ 621	\$ 21,927	\$ (19,898)	\$ (412)	\$ (570,530)	\$ 3,739	\$ (2,286)	\$ (222,262)

Combining Statement of Cash Flows – Internal Service Funds

For the Fiscal Year Ended June 30, 2019

(Dollars in Thousands)

	Virginia Information Technologies Agency	Enterprise Application	Virginia Correctional Enterprises	Health Care
Cash Flows from Operating Activities				
Receipts for Sales and Services	\$ 10,521	\$ 2,674	\$ 10,504	\$ 788,070
Internal Activity-Receipts from Other Funds	410,344	28,855	32,783	823,925
Internal Activity-Payments to Other Funds	(3,847)	—	(669)	—
Payments to Suppliers for Goods and Services	(24,628)	(20)	(35,635)	—
Payments for Contractual Services	(352,783)	(29,497)	(2,281)	(75,482)
Payments for Prizes, Claims, and Loss Control	—	—	—	(1,433,122)
Payments to Employees	(20,076)	(3,164)	(8,067)	(3,243)
Other Operating Expense	—	(612)	—	(436)
Net Cash Provided by (Used for) Operating Activities	<u>19,531</u>	<u>(1,764)</u>	<u>(3,365)</u>	<u>99,712</u>
Cash Flows from Noncapital Financing Activities				
Transfers In from Other Funds	—	—	—	—
Transfers Out to Other Funds	—	(27)	(898)	—
Other Noncapital Financing Receipt Activities	138,657	14,368	18	—
Other Noncapital Financing Disbursement Activities	(88,442)	(8,719)	—	—
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>50,215</u>	<u>5,622</u>	<u>(880)</u>	<u>—</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(157)	(2,331)	(263)	—
Payment of Principal and Interest on Bonds and Notes	—	—	—	—
Proceeds from Sale of Capital Assets	7	—	10	—
Net Cash Used for Capital and Related Financing Activities	<u>(150)</u>	<u>(2,331)</u>	<u>(253)</u>	<u>—</u>
Cash Flows from Investing Activities				
Investment Income on Cash, Cash Equivalents, and Investments	—	—	—	9,822
Net Cash Provided by Investing Activities	<u>—</u>	<u>—</u>	<u>—</u>	<u>9,822</u>
Net Increase (Decrease) in Cash and Cash Equivalents	69,596	1,527	(4,498)	109,534
Cash and Cash Equivalents, July 1	<u>18,081</u>	<u>4,666</u>	<u>8,298</u>	<u>350,031</u>
Cash and Cash Equivalents, June 30	<u>\$ 87,677</u>	<u>\$ 6,193</u>	<u>\$ 3,800</u>	<u>\$ 459,565</u>
Reconciliation of Cash and Cash Equivalents				
Per the Statement of Net Position:				
Cash and Cash Equivalents	\$ 87,677	\$ 6,193	\$ 3,800	\$ 497,005
Less:				
Securities Lending Cash Equivalents	—	—	—	(37,440)
Cash and Cash Equivalents per the Statement of Cash Flows	<u>\$ 87,677</u>	<u>\$ 6,193</u>	<u>\$ 3,800</u>	<u>\$ 459,565</u>

Line of Duty	Fleet Management	Property Management	Personnel Management Information	Risk Management	General Services	Payroll Service Bureau	Total
\$ 5,813	\$ 1,825	\$ 1,714	\$ 866	\$ 36,076	\$ 8,828	\$ 38	\$ 866,929
1,480	16,146	107,943	950	59,758	31,259	1,744	1,515,187
—	(1,142)	(4,269)	—	—	(3,095)	—	(13,022)
—	(4,266)	(73,087)	(43)	(6)	(25,857)	(8)	(163,550)
(346)	(4,168)	(13,775)	(628)	(12,000)	(3,679)	(90)	(494,729)
(6,560)	—	—	—	(73,651)	—	—	(1,513,333)
—	(1,008)	(11,942)	(743)	(2,236)	(7,078)	(2,058)	(59,615)
—	(15)	—	—	(8,829)	—	(119)	(10,011)
387	7,372	6,584	402	(888)	378	(493)	127,856
—	—	—	—	—	388	—	388
—	(268)	—	—	(6,437)	—	—	(7,630)
—	—	3	—	2,786	111	—	155,943
(217)	—	(823)	—	—	—	—	(98,201)
(217)	(268)	(820)	—	(3,651)	499	—	50,500
—	(4,591)	(262)	—	(54)	(169)	—	(7,827)
—	(4,477)	(3,156)	—	—	(133)	—	(7,766)
—	2,042	—	—	—	—	—	2,059
—	(7,026)	(3,418)	—	(54)	(302)	—	(13,534)
19	—	—	—	4,698	—	—	14,539
19	—	—	—	4,698	—	—	14,539
189	78	2,346	402	105	575	(493)	179,361
830	5,428	30,698	176	226,884	6,580	1,072	652,744
\$ 1,019	\$ 5,506	\$ 33,044	\$ 578	\$ 226,989	\$ 7,155	\$ 579	\$ 832,105
\$ 1,102	\$ 5,506	\$ 33,044	\$ 578	\$ 245,319	\$ 7,155	\$ 579	\$ 887,958
(83)	—	—	—	(18,330)	—	—	(55,853)
\$ 1,019	\$ 5,506	\$ 33,044	\$ 578	\$ 226,989	\$ 7,155	\$ 579	\$ 832,105

Continued on next page

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

For the Fiscal Year Ended June 30, 2019

(Dollars in Thousands)

	Virginia Information Technologies Agency	Enterprise Application	Virginia Correctional Enterprises	Health Care
Reconciliation of Operating Income				
To Net Cash Provided by (Used for)				
Operating Activities:				
Operating Income (Loss)	\$ 44,891	\$ (12,324)	\$ (1,075)	\$ 106,335
Adjustments to Reconcile Operating				
Income to Net Cash Provided by (Used for)				
Operating Activities:				
Depreciation	3,550	8,805	918	—
Miscellaneous Nonoperating Income	—	—	22	—
Other	—	—	—	—
Change in Assets, Deferred Outflows of Resources, Liabilities, and				
Deferred Inflows of Resources				
(Increase) Decrease in Accounts Receivable	561	—	(913)	(12,530)
(Increase) Decrease in Due from Other Funds	(9,720)	—	241	(1,399)
(Increase) Decrease in Due from External Parties (Fiduciary Funds)	—	—	—	(15)
(Increase) Decrease in Due from Component Units	—	—	—	844
(Increase) Decrease in Other Assets: Due Within One Year	(16,285)	—	(785)	—
(Increase) Decrease in Other Assets: Due in More Than One Year	(46)	(8)	(67)	(18)
(Increase) Decrease in Inventory	—	—	(175)	—
(Increase) Decrease in Prepaid Items	(1,636)	1	—	—
(Increase) Decrease in Deferred Outflows of Resources	324	212	(671)	(82)
Increase (Decrease) in Accounts Payable	(4,177)	1,611	(649)	(8,717)
Increase (Decrease) in Amounts Due to Other Governments	—	—	—	—
Increase (Decrease) in Due to Other Funds	(3)	132	(57)	40
Increase (Decrease) in Due to External Parties (Fiduciary Funds)	(10)	2	(19)	4
Increase (Decrease) in Unearned Revenue	4,953	—	(409)	—
Increase (Decrease) in Other Liabilities	—	—	—	—
Increase (Decrease) in Claims Payable: Due Within One Year	—	—	—	15,211
Increase (Decrease) in Claims Payable: Due in More Than One Year	—	—	—	—
Increase (Decrease) in Long-term Liabilities: Due Within One Year	134	48	142	70
Increase (Decrease) in Long-term Liabilities: Due in More Than One Year	(2,248)	(404)	(647)	(182)
Increase (Decrease) in Deferred Inflows of Resources	(757)	161	779	151
Net Cash Provided by (Used for) Operating Activities	<u>\$ 19,531</u>	<u>\$ (1,764)</u>	<u>\$ (3,365)</u>	<u>\$ 99,712</u>
Noncash Investing, Capital, and Financing Activities:				
The following transactions occurred prior to the Statement of Net Position date:				
Installment Purchases Used to Finance Capital Assets	\$ —	\$ —	\$ —	\$ —
Accounts Payable Increase (Decrease) related to Capital Assets	—	(578)	10	—
Total Noncash, Investing, Capital, and Financing Activities	<u>\$ —</u>	<u>\$ (578)</u>	<u>\$ 10</u>	<u>\$ —</u>

Line of Duty	Fleet Management	Property Management	Personnel Management Information	Risk Management	General Services	Payroll Service Bureau	Total
\$ 268	\$ (548)	\$ 1,497	\$ 435	\$ 58,415	\$ 98	\$ (477)	\$ 197,515
—	9,484	1,598	—	8	906	4	25,273
—	—	—	—	—	—	—	22
83	—	—	—	—	—	—	83
(100)	(243)	248	47	(77)	(165)	—	(13,172)
22	(267)	(1,257)	—	3	189	—	(12,188)
—	—	—	—	—	—	—	(15)
—	—	—	—	—	—	—	844
—	—	—	—	—	—	—	(17,070)
—	(1)	(30)	(4)	(10)	(16)	(4)	(204)
—	(5)	(58)	—	—	(376)	—	(614)
—	—	5	—	(17)	—	4	(1,643)
—	23	2	2	(25)	21	144	(50)
(19)	(988)	(164)	(19)	(519)	119	(3)	(13,525)
—	—	(89)	—	—	—	—	(89)
—	19	14	1	7	268	—	421
—	(1)	(3)	1	—	1	(1)	(26)
—	—	5,887	—	(17,216)	(104)	—	(6,889)
—	—	(142)	—	—	(58)	—	(200)
133	—	—	—	(2,431)	—	—	12,913
—	—	—	—	(38,959)	—	—	(38,959)
—	1	123	(45)	28	76	—	577
—	(108)	(1,593)	(31)	(204)	(856)	(271)	(6,544)
—	6	546	15	109	275	111	1,396
\$ 387	\$ 7,372	\$ 6,584	\$ 402	\$ (888)	\$ 378	\$ (493)	\$ 127,856
\$ —	\$ 6,697	\$ —	\$ —	\$ —	\$ 35	\$ —	\$ 6,732
—	—	—	—	—	—	—	(568)
\$ —	\$ 6,697	\$ —	\$ —	\$ —	\$ 35	\$ —	\$ 6,164