



Information Technology Investment Board Finance and Audit Committee July 2008

This Finance Report covers the following topics:

- Fiscal Year 2008 To Date VITA Financial Results (thru May 31, 2008)
 - Cash Flow – Internal Service Fund
 - Northrop Grumman payments
 - Accounts Receivable
- 2008-09 Budget
- Virginia Enterprise Applications Project Office Financial Results
- Appendix – Combining Balance Sheets and Combining Statement of Revenues, Expenses and Changes in Net Assets

FY 2008 Financial Results

Financial Results All Funds

<u>All Funds</u>	<i>FY 2008 Budget</i>	<i>May-08 YTD Actual</i>	<i>Actual as a % of Budget</i>
Revenues, including transfers in	\$313,386,434	\$291,623,459	93.1%
Expenses, including transfers out	310,527,175	279,691,883	90.1%
Net Change	\$2,859,259	11,931,576	
Retained Earnings, July 1		46,742,886	
Ending Retained Earnings		\$58,674,462	

Combined financial activity in all funds in fiscal year 2008 through eleven (11) months is running about on target. Revenue and Expense details for various programs are described following the fund tables below.

**YTD Financial Results
Internal Services Funds**

<u>ISF</u>	<i>FY 2008 Budget</i>	<i>May-08 YTD Actual</i>	<i>Actual as a % of Budget</i>
Revenues, including transfers in	\$252,788,000	\$237,214,401	93.8%
Expenses, including transfers out	<u>\$252,788,000</u>	<u>233,403,404</u>	92.3%
Net Change	<u><u>\$0</u></u>	3,810,998	
Retained Earnings, July 1		<u>27,719,008</u>	
Ending Retained Earnings		<u><u>\$31,530,006</u></u>	

The Internal Service Fund program represents the core of VITA's business, and accounts for the majority of revenues and expenses, including telecommunications, computer services, and shared rate (agency-based) services. Revenues and expenses are basically in line with budget. The timing of Northrop Grumman milestone and other payments may distort the revenues and expenditure picture at any given time. Through May we paid \$44.3 million in milestone payments (fiscal year to date); an additional \$27.2 million are likely to be paid in June

**YTD Financial Results
Enterprise Funds**

	<i>FY 2008 Budget</i>	<i>May-08 YTD Actual</i>	<i>Actual as a % of Budget</i>
<u>Enterprise</u>			
Revenues, including transfers in	\$52,061,701	\$47,073,956	90.4%
Expenses, including transfers out	<u>49,202,442</u>	<u>40,498,694</u>	82.3%
Net Change	<u>\$2,859,259</u>	6,575,262	
Retained Earnings, July 1		<u>17,064,268</u>	
Ending Retained Earnings		<u>\$23,639,530</u>	

VITA's Enterprise Fund is comprised of the Wireless E-911 activity. Revenue receipts from the E-911 carriers run 30-60 days behind. We have accrued any estimated uncollected receipts through May. Expenses reported through May include actual payments for localities and other vendors for FY08 services as well as estimated expenses for months not yet billed

**YTD Financial Results
General Fund**

	<i>FY 2008 Budget</i>	<i>May-08 YTD Actual</i>	<i>Actual as a % of Budget</i>
<u>GF</u>			
Revenues, including transfers in	\$2,586,920	\$2,586,920	100.0%
Expenses, including transfers out	<u>2,586,920</u>	<u>1,473,636</u>	57.0%
Net Change	<u>\$0</u>	1,113,284	
Retained Earnings, July 1		<u>0</u>	
Ending Retained Earnings		<u>\$1,113,284</u>	

The General Fund program is comprised of overhead costs not allocable for indirect cost charge-back. This amount (@ \$2.5 million) was not available to VITA until late in the fiscal year because of amendments in the 2008 session Budget. The shortfall in this appropriation presented operational challenges for VITA. Those expenditures that would otherwise have been charged to GF had to be borne by the Internal Service Fund or other programs. The Governor's 2008 Budget Bill restored this appropriation, and the General Assembly adopted that amendment. These funds are now available and the expenditures originally charged to the Internal Service Fund are being moved back to the General Fund. VITA anticipates spending the entire amount.

**YTD Financial Results
Special Revenue Funds**

<u>Special</u>	<i>FY 2008 Budget</i>	<i>May-08 YTD Actual</i>	<i>Actual as a % of Budget</i>
Revenues, including transfers in	\$4,821,609	\$4,748,182	98.5%
Expenses, including transfers out	<u>4,821,609</u>	<u>4,316,150</u>	89.5%
Net Change	<u><u>\$0</u></u>	432,032	
Retained Earnings, July 1		<u>1,325,940</u>	
Ending Retained Earnings		<u><u>\$1,757,972</u></u>	

The current activity is almost exclusively related to the Industrial Funding Adjustment fund (vendor surcharges) which pays for procurement and general government activities, including support to the Governor's Office, that would not normally be included as overhead billed to state agencies and other customers.

**YTD Financial Results
Federal Funds**

	<i>FY 2008 Budget</i>	<i>May-08 YTD Actual</i>	<i>Actual as a % of Budget</i>
<u>Federal</u>			
Revenues, including transfers in	\$1,128,204	\$0	0.0%
Expenses, including transfers out	<u>1,128,204</u>	<u>0</u>	0.0%
Net Change	<u><u>\$0</u></u>	<u>0</u>	
Retained Earnings, July 1		<u>633,670</u>	
Ending Retained Earnings		<u><u>\$633,670</u></u>	

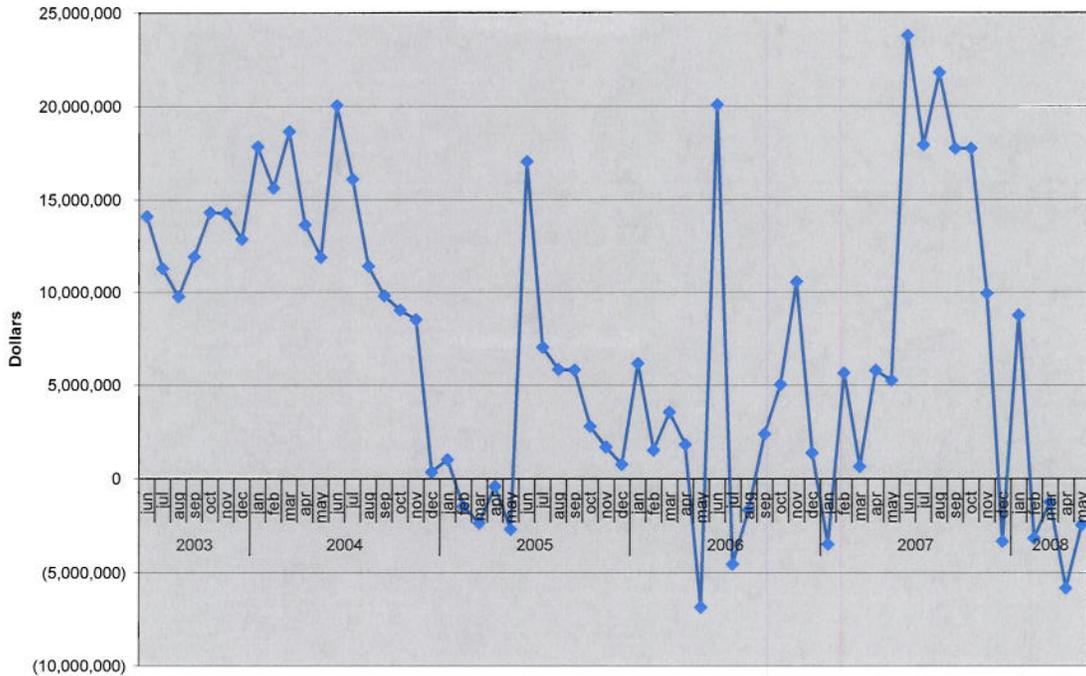
In June 2007, VITA received an approximately \$630,000 grant for the Virginia Base Mapping Project. An additional grant was received in FY 2008 for VGIN equipment. The fund balance above should be expended in June in accordance with the grant requirements.

Cash Flow – Internal Service Fund (ISF)

ISF Cash with Treasurer of Virginia

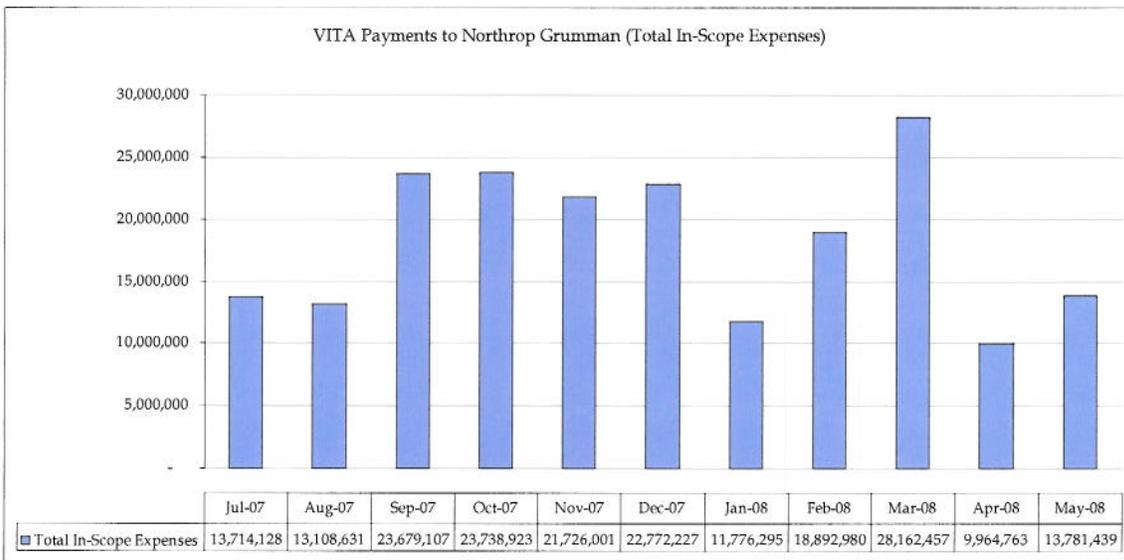
Cash with Treasurer of Virginia	
30-Jun-07	\$ 23,737,479
31-May-08	\$ (2,456,138)

VITA - ISF Cash On-Hand (end of month)



The chart above reflects revenue collections net of expenditures at the end of each month, and **DOES NOT include working capital cash advances/treasury loans** (which totaled \$10.0-15.0 million for much of the first half of fiscal 2008).

VITA Payments to Northrop Grumman (Total In-Scope Expenses)



Accounts Receivable (as of May 31, 2008)				
	Total	Current	1-30 Days	> 30 Days
Telecommunications	12,116,865.79	11,346,872.97	524,083.37	245,909.45
Computer Services	7,229,338.71	3,868,000.00	3,273,662.08	87,676.63
Decentralized Services	20,167,221.50	3,642,541.37	7,849,401.36	8,675,278.77
T&M	1,501,111.22	321,836.06	171,335.09	1,007,940.07
Other	89,046.85	5,000.00	3,403.40	80,643.45
Total Internal Svc Funds	<u>41,103,584.07</u>	19,184,250.40	11,821,885.30	10,097,448.37

Since our April report (2/29/08 receivables balance), accounts receivable balances have decreased \$3.4 million. This is primarily due to resolution of inventory issues and funding issues and aggressive collection efforts by VITA staff.

Due to timing on invoices and a 10-day payment requirement, past due receivables appear higher than they normally might. The May decentralized services invoices were due on May 30, making any outstanding invoices at month-end past due. Decentralized services invoices for May charges outstanding at May 31st totaled \$7.1 million. Of this balance, \$2.8 million was paid in the first 15 days of June. In addition, \$3.2 million in May computer services invoices were past due at May 31st. This was all paid in the first half of June.

Five customers account for 61% of the total past due amounts:

- Department of Social Services with \$4.6 million past due (\$2.4 million paid in June);
- Department of Health with \$3.8 million;
- Department of Motor Vehicles with \$2.2 million (\$1.2 million paid in June);
- Department of Taxation with \$1.5 million (\$600K paid in June); and
- Virginia Employment Commission with \$1.0 million.

We expect to collect most of these outstanding amounts prior to June 30th.

2008 - 2009 BUDGET

VITA's budget for FY 2009 (July 1, 2008 – June 30, 2009) is presented below in summary form. For comparison purposes the amounts of revenues and expenses budgeted, by fund, are also provided for FY 2008.

<u>VITA FY 2009 BUDGET SUMMARY</u>					
I. PROJECTED REVENUES AND COMPARISON TO FY 2008 BUDGET					
	<u>GENERAL</u>	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>IFA</u>	<u>TOTAL</u>
2008 Budget	\$2,541,295	\$52,061,701	\$252,788,000	\$4,821,609	\$312,212,605
2009 Budget	<u>\$2,283,715</u>	<u>\$52,424,697</u>	<u>\$261,769,414</u>	<u>\$5,179,835</u>	<u>\$321,657,661</u>
Difference					
\$ Total	-\$257,580	\$362,996	\$8,981,414	\$358,226	\$9,445,056
% Total	-10.14%	0.70%	3.55%	7.43%	3.03%
II. PROJECTED EXPENSES AND COMPARISON TO FY 2008 BUDGET					
	<u>GENERAL</u>	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>IFA</u>	<u>TOTAL</u>
2008 Budget	\$2,541,295	\$49,202,442	\$252,788,000	\$4,145,544	\$308,677,281
2009 Budget	<u>\$2,283,715</u>	<u>\$51,121,904</u>	<u>\$261,769,414</u>	<u>\$5,179,835</u>	<u>\$320,354,868</u>
Difference					
\$ Total	-\$257,580	\$1,919,462	\$8,981,414	\$1,034,291	\$11,677,587
% Total	-10.14%	3.90%	3.55%	24.95%	3.78%

Projected expenses for the retained organization (all activities other than the IT partnership) remain steady overall and in fact decline significantly for the overhead organization (by about \$2.25 million, or 8.5%, in the Internal Service Fund (ISF) between the current year and FY 2009.

The primary financial challenge we face is fully funding contractual obligations to Northrop Grumman (NG). The base contractual cap on VITA spending on the IT partnership is set at \$236 million per year; a contractual provision will likely add approximately \$700,000 to that total for cost of living salary adjustments for NG partnership employees. Using current ISF revenue projections for FY 2009 the total available for base cap spending is about \$224.5 million, approximately the same level as in the FY 2008 VITA budget.

In spite of anticipated increases in ISF revenue in FY 2009, compared to FY 2008, of about \$9 million, a significant portion of the increase comes from incremental revenues (i.e. for services VITA or NG provide that are outside the scope or above the base of the contractual agreement). For the most part, these revenues are a “wash”, with the increased revenue roughly equaling the actual cost of services.

In FY 2008 estimates of ISF revenue available to meet IT partnership obligations will end up being overstated somewhat, as some estimated agency charge-back turned out to be out-of-scope to the base contract with NG. Our experience in FY 2007 and 2008 suggests that we will ultimately be able to fully fund the base partnership agreement as the new fiscal year progresses. This conclusion is based on ongoing transformation activities, inventory reconciliation, and other factors. VITA’s Cost Allocation Plan will be revised in the fall and be presented to federal officials and JLARC, along with any proposed rate (charge-back) adjustments.

To support both service delivery and management/administrative activities, careful management of expenses in both areas is a necessity. Our expense projections assume that there will be savings from staff turnover and hiring lags in the retained organization. Consistent with continuing state guidance to reduce spending for contracts, travel, training, and equipment, the VITA budget is quite austere in these areas. The following table depicts projected expenses for VITA activities (direct services and indirect costs) other than the IT partnership:

PROJECTED EXPENSES -- Retained Organization					
	<u>GENERAL</u>	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>IFA</u>	<u>TOTAL</u>
2008 Budget	\$2,541,295	\$49,202,442	\$26,511,494	\$4,145,544	\$82,400,775
2009 Budget	<u>\$2,283,715</u>	<u>\$51,121,904</u>	<u>\$24,256,963</u>	<u>\$5,179,835</u>	<u>\$82,842,416</u>
Difference					
\$ Total	-\$257,580	\$1,919,462	-\$2,254,532	\$1,034,291	\$441,641
% Total	-10.14%	3.90%	-8.50%	24.95%	0.54%

Compared to the FY 2008 ISF budget for the VITA retained organization, next year’s budget reflects \$1.25 million in cuts we effected over the past year at the direction of the ITIB. The purpose was to demonstrate this agency’s commitment to the Governor’s statewide 5% reductions to general fund appropriations (VITA was also assessed the 5% cut to its general fund). Customers were also provided a commensurate rebate for local telecommunications services. In the FY 2009 base budget over \$1 million in additional administrative expense reductions offset by about a \$200K increase for 2% cost of living salary adjustments for staff are included.

In reviewing the VITA budget, one should bear in mind that the \$82.8 million budget covers a broad range of activities VITA is responsible for, including wireless enhanced 911 (E-911) services, geographical information services (GIS), enterprise security and risk management services, statewide IT procurement management and operations, information technology governance functions such as project management and enterprise architecture, etc. In addition, VITA service management staff are directly responsible for successful implementation and intergration of NG-delivered infrastructure, transition, and transformation services. None of these are “indirect” costs.

Last year consultants from Gartner and VITA staff produced a report that studied all VITA functions outside the scope of the IT partnership. The purpose of this assessment was to establish a baseline for indirect, or general and administrative (G & A), expenses in VITA and compare VITA’s expenses to those of comparable IT organizations in the private and public sectors.

Using the Gartner G & A assessment tool definitions, the retained organization budgets for general and administrative expenses in FY 2008 and 2009 are depicted in the table below:

<u>GENERAL & ADMINISTRATIVE EXPENSES COMPARISON</u>				
<u>Revenue Source</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Difference</u>	<u>% Difference</u>
General Fund	\$2,541,295	\$2,283,715	-\$257,580	-10.14%
Internal Service Fund	\$21,009,262	\$19,757,744	-\$1,251,518	-5.96%
Special Fund (IFA)	\$3,166,787	\$3,556,248	\$389,461	12.30%
<u>TOTAL:</u>	<u>\$26,717,344</u>	<u>\$25,597,707</u>	<u>-\$1,119,637</u>	<u>-4.19%</u>

In the new budget, G & A expenses (including management and the standard overhead activities) comprise less than 31% of the retained organization expenses, and less than 8% of total expenses. Overall FY 2009 G & A expenses are declining compared to FY 2008.

Details on the budget by funding category include:

- *General Fund:* The FY 2009 appropriation is reduced based on this year’s state mandated 5% reduction of \$127,000 carried forward into the next biennium, another mandated reduction of \$35,000 beginning in FY 2009, and the elimination of \$344,000 previously earmarked for VGIN staffing (that will be covered beginning next year by GIS rates revenue). No adverse effects on IT governance services are expected from these adjustments, which are off-set in part by charge-back revenues.

- *Enterprise Fund:* The FY 2009 appropriation is increased based on VITA's projections of Wireless E-911 revenue from cell phone providers and new revenue from state agency and other consumers of geographical information services (GIS). Expenses reflect what the Integrated Services Program requires to operate.
- *Internal Service Fund:* The FY 2009 appropriation represents a net increase over the current year revenues. In the legacy services area, telecommunications services revenues are declining due to equipment leases ending, while growth is expected in all areas of computer services revenue (mainframe, servers, backup and storage). The continued shift of federal funded agencies from service option 2 (equipment acquisition costs excluded from rates) to service option 1 (full service and the highest rate) drives the net growth in decentralized services revenue.

On the other hand, there is a significant revenue stream (over \$17 million) outside the scope of the Comprehensive Infrastructure Agreement for incremental purchased services; this revenue doesn't contribute to the IT partnership base financial obligations.

- *Acquisition Services Special Fund (Industrial Funding Adjustment or IFA):* The FY 2009 appropriation for IFA special funds reflects modest growth in anticipated revenue earned from a small surcharge on vendor information technology contracts. VITA uses this revenue to fund contracting activities and federally unallowable costs (e.g. supporting purely state-operated activities such as the Governor's Office).
- *Federal Trust Fund:* VITA has no new appropriations for federal funding at the time of budget development. If grants are received during FY 2009 the budget will be adjusted accordingly.

Virginia Enterprise Applications Project Office

	Phase I Planning Budget	Actual (5/31/08)	Remaining Budget	Explanation
Personnel	2,178,393	1,925,253	253,140	
<i>EA Project Management Office</i>	578,471	491,327	87,144	
<i>CoVA Project Team</i>	1,599,922	1,433,926	165,996	
Office Space	0	5,239	-5,239	Space free originally; now lease from VITA
Operational Costs	20,375	24,897	-4,522	VITA PMD, phones, etc
Other	34,177	49,360	-15,183	eVA fees, Forrester seat, advertising
Contracts	8,752,224	8,359,618	392,606	
<i>CGI Fixed Fee</i>	1,200,000	1,200,000	0	
<i>CGI and Strategic Consultants T&M</i>	5,182,913	5,012,391	170,522	
<i>Planning Support</i>	46,561	46,561	0	Gartner - Implementation Planning
<i>Executive Recruiter</i>	55,102	55,102	0	Korn Ferry Christopher
<i>Change Management</i>	151,046	109,749	41,297	Technology
<i>RFP Requirements Development</i>	65,000	65,000	0	Gartner
<i>Procurement Assessment</i>	67,479	67,479	0	Forrester Technical, Data Mgmt, Conversion, Admin
<i>Supplemental Project SMEs</i>	1,448,664	1,300,955	147,709	Salvaggio and Teal, includes PB BCA
<i>Business Case Development</i>	191,080	274,065	-82,985	
<i>Performance Budgeting Due Diligence</i>	228,600	137,537	91,063	EEI
<i>Independent Verification & Validation</i>	115,779	90,779	25,000	North Highland
Office Supplies	10,487	8,412	2,075	
Travel/Business Meals	4,344	4,819	-475	
Total:	11,000,000	10,377,597	622,403	

The CIO/CAO Operational Plan has three workgroups executing deliverables. The groups are working in the areas of Applications Business Strategy, application portfolio of Operations and Maintenance applications and data standards. Numerous agencies have been responding and volunteering for the agency positions required to execute the ITIB-approved CIO/CAO Operation Plan.

The Financial Management project team is working with VITA Supply Chain Management on issuing a RFP and working with an independent consultant on an RFP cost analysis.

VITA Supply Chain Management (SCM) cancelled the Performance Budgeting software RFP in early June. The Performance Budgeting Team developed a “lessons learned” document that is being consolidated with VITA SCM, and has crafted an options paper for moving forward. The DPB Director notified the Performance Budgeting Steering Committee of the procurement cancellation and the decision to delay the start of monthly Steering Committee meetings.

The Business Intelligence (BI) Team began the evaluation of process of BI RFP and is entering the negotiation phase with vendors. Department of General Services (DGS) and Department of Motor Vehicles have volunteered to be pilot agency users of the BI tool. In an effort to establish a system environment suitable for agency BI deployments, the project team received a Request For Service (RFS) commitment from VITA that a sandbox development environment will be delivered in July. The BI team conducted a very successful BI Summit in June. This summit, attended by 56 participants across 21 agencies, discussed the high level requirements for establishing a “best practices” Business Intelligence Competency Center (BICC) for the Commonwealth. The BICC will be staffed by a virtual consortium of personnel within the agencies to provide training, services, best practices, and implementation support state and non-state entities.

VEAP is coordinating numerous initiatives within the Executive branch to include digital signature, electronic forms, and a shared service environment for electronic content management. VEAP continues to provide project management guidance for the Department of Business Assistance’s Business One Stop project and support of Productivity Investment Fund (PIF) projects.

VEAP assumes the management of the Virginia Election and Registration Information System (VERIS) Program Office from DGS on July 1.

Appendix



Virginia Information Technologies Agency
Combining Balance Sheet
Internal Service Funds
May 31, 2008

Program (Layout): RPT8001

	<u>Totals</u>
	<u>2008</u>
Assets	
Current Assets:	
Cash with Treasurer of Virginia	\$ 12,543,861.77
Petty Cash and Travel Advances	8,000.00
Accounts Receivable	41,103,584.44
Due From Other Funds	-
Due from Commonwealth of Virginia	-
Investments	-
Prepaid Expenses	86,614.12
Total Current Assets	<u>53,742,060.33</u>
Noncurrent Assets	
Depreciable Capital Assets, Net	15,236,497.17
Total Assets	<u>\$ 68,978,557.50</u>
Liabilities	
Current Liabilities:	
Accounts payable	\$ 7,039,019.31
Interest Payable	66,829.95
Capital Lease Obligations	1,146,929.83
Due to Other Funds	-
Due to Other Agencies	-
Notes Payable	165,681.57
Advances from Treasurer of Virginia	15,000,000.00
Accrued Compensated Absences	1,736,108.21
Deferred Contract Revenue	-
Other Deferred Revenue	6,644,374.41
Due to Federal Government	-
Other Liabilities	-
Total Current Liabilities	<u>31,798,943.28</u>
Noncurrent Liabilities:	
Notes Payable	-
Accrued Compensated Absences	1,791,690.63
Capital Lease Obligations	3,857,917.83
Deferred Contract Revenue	-
Total Noncurrent Liabilities	<u>5,649,608.46</u>
Total Liabilities	<u>37,448,551.74</u>
Net Assets	
Investment in Capital Assets, Net of Related Debt	10,065,967.94
Unrestricted	21,464,037.82
Total Net Assets	<u>31,530,005.76</u>
Total Liabilities and Net Assets	<u>\$ 68,978,557.50</u>

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**Virginia Information Technologies Agency
Combining Statement of Revenues, Expenses,
and Changes in Net Assets
Internal Service Funds
For the Period Ended: May 31, 2008**

Program (Layout): RPT8039

	<u>Totals</u>
	<u>2008</u>
Operating Revenues	
Charges for Services	\$ 235,248,463.92
Total Operating Revenues	<u>235,248,463.92</u>
Operating Expenses	
Personal Expenses	29,375,877.13
Contractual Services	181,241,346.40
Supplies and Materials	550,816.65
Educational Assistance and Transfer Payments	7,033.44
Rent, Insurance & Other Related Charges	8,292,679.98
Depreciation	9,503,694.67
Expendable Equipment/Improvements	2,458,536.49
Total Operating Expenses	<u>231,429,984.76</u>
Operating Income (Loss)	<u>3,818,479.16</u>
Nonoperating Revenues(Expenses)	
Interest	(7,506.59)
Depreciation	(1,965,912.26)
Reimbursement to Federal Government	-
Revenue from the Sale of Recyclable Materials	24.18
Realized Gain -- Assets	1,965,913.14
Proceed from Insurance Recoveries	-
Sale of Surplus Property	-
Loss on Fixed Asset Disposal	-
Total Nonoperating Expenses	<u>(7,481.53)</u>
Income (Loss) Before Transfers	<u>3,810,997.63</u>
Transfers	
Transfers from Other Funds	-
Transfers to the General Fund of the Commonwealth	-
Transfers from the General Fund of the Commonwealth	-
Total Transfers	<u>-</u>
Increase (Decrease) in Net Assets	3,810,997.63
Total Net Assets, July 1	<u>27,719,008.13</u>
Total Net Assets, May 31	<u>\$ 31,530,005.76</u>

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Virginia Information Technologies Agency
Combining Balance Sheet
Governmental Funds
May 31, 2008

Program (Layout): RPT8034

	General Fund	Total Special Revenue Funds	Federal Funds	2008 Totals
Assets				
Cash with Treasurer of Virginia	\$ 1,113,284.26	\$ 1,739,510.88	\$ 633,670.24	\$ 3,486,465.38
Petty Cash and Travel Advances	-	-	-	-
Accounts Receivable	-	18,461.00	-	18,461.00
Prepaid Expenses	-	-	-	-
Fixed Assets	-	-	-	-
Investments	-	-	-	-
Due From Other Funds	-	-	-	-
Total Assets	<u>\$ 1,113,284.26</u>	<u>\$ 1,757,971.88</u>	<u>\$ 633,670.24</u>	<u>\$ 3,504,926.38</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to Other Agencies	-	-	-	-
Other Liabilities	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Unreserved	<u>1,113,284.26</u>	<u>1,757,971.88</u>	<u>633,670.24</u>	<u>3,504,926.38</u>
Total Liabilities and Fund Balances	<u>\$ 1,113,284.26</u>	<u>\$ 1,757,971.88</u>	<u>\$ 633,670.24</u>	<u>\$ 3,504,926.38</u>

Note: This statement is presented on the cash basis of accounting.

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Virginia Information Technologies Agency
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Period Ended: May 31, 2008

Program (Layout): RPT8052

	General Fund	Total Special Revenue Funds	Federal Funds	Totals
Revenues				
Appropriations	\$ 2,586,920.00	\$ -	\$ -	\$ 2,586,920.00
Sale of Geographic Data	-	57,776.00	-	57,776.00
Interest	-	21,569.59	-	21,569.59
Federal Grants	-	-	-	-
Other	-	4,668,836.19	-	4,668,836.19
Total Revenues	2,586,920.00	4,748,181.78	-	7,335,101.78
Expenditures				
Personal Expenses	1,185,547.78	2,909,232.96	-	4,094,780.74
Contractual Services	284,815.09	1,247,145.61	-	1,531,960.70
Supplies and Materials	450.92	4,694.65	-	5,145.57
Non-recurring Cost Estimate Payments to Providers	-	-	-	-
Rent, Insurance & Other Related Charges	660.00	73,053.38	-	73,713.38
Depreciation	-	-	-	-
Expendable Equipment/Improvements	2,161.95	600.22	-	2,762.17
Total Expenditures	1,473,635.74	4,234,726.82	-	5,708,362.56
Excess (deficiency) of Revenues over (under) Expenditures	1,113,284.26	513,454.96	-	1,626,739.22
Other Financing Sources (Uses)				
Cash Transfers In (Pass Thru)	-	-	-	-
Transfers from Other Funds	-	(48,533.00)	-	(48,533.00)
Transfers Out	-	(32,890.50)	-	(32,890.50)
Transfers from the General Fund of the Commonwealth	-	-	-	-
Transfers to the General Fund of the Commonwealth	-	-	-	-
Total Other Financing Sources (Uses)	-	(81,423.50)	-	(81,423.50)
Net Change in Fund Balances	1,113,284.26	432,031.46	-	1,545,315.72
Fund Balances, July 1	-	1,325,940.42	633,670.24	1,959,610.66
Fund Balances, May 31	\$ 1,113,284.26	\$ 1,757,971.88	\$ 633,670.24	\$ 3,504,926.38

Note: This statement is presented on the cash basis of accounting.

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Virginia Information Technologies Agency
Combining Balance Sheet
Enterprise Funds
May 31, 2008

Program (Layout): RPT8024

	<u>E-911 Wireless</u>
Assets	
Current Assets:	
Cash with Treasurer of Virginia	\$ 23,081,855.17
Petty Cash and Travel Advances	-
Accounts Receivable	6,294,655.15
Due From Other Funds	-
Due from Commonwealth of Virginia	-
Investments	-
Prepaid Expenses	-
Total Current Assets	<u>29,376,510.32</u>
Noncurrent Assets	
Depreciable Capital Assets, Net	<u>65,031.65</u>
Total Assets	<u>\$ 29,441,541.97</u>
Liabilities	
Current Liabilities:	
Accounts payable	\$ 5,757,100.00
Interest Payable	-
Capital Lease Obligations	-
Due to Other Funds	-
Due to Other Agencies	-
Notes Payable	-
Advances from Treasurer of Virginia	-
Accrued Compensated Absences	22,014.00
Deferred Contract Revenue	-
Other Deferred Revenue	-
Due to Federal Government	-
Other Liabilities	-
Total Current Liabilities	<u>5,779,114.00</u>
Noncurrent Liabilities:	
Notes Payable	-
Accrued Compensated Absences	22,898.14
Capital Lease Obligations	-
Deferred Contract Revenue	-
Total Noncurrent Liabilities	<u>22,898.14</u>
Total Liabilities	<u>5,802,012.14</u>
Net Assets	
Investment in Capital Assets, Net of Related Debt	65,031.65
Unrestricted	<u>23,574,498.18</u>
Total Net Assets	<u>23,639,529.83</u>
Total Liabilities and Net Assets	<u>\$ 29,441,541.97</u>

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**Virginia Information Technologies Agency
Combining Statement of Revenues, Expenses,
and Changes in Net Assets
Enterprise Funds
For the Period Ended: May 31, 2008**

Program (Layout): RPT8029

	<u>E-911 Wireless</u>
Operating Revenues	
Charges for Services	\$ 46,587,325.51
 Total Operating Revenues	 <u>46,587,325.51</u>
Operating Expenses	
Payments to Virginia Interactive	-
Personal Expenses	1,155,370.64
Contractual Services	4,517,496.34
Supplies and Materials	17,299.56
Rent, Insurance & Other Related Charges	2,610.75
Depreciation	6,601.22
Expendable Equipment/Improvements	26,312.51
Non-recurring Cost Estimate Payments to Providers	34,773,002.84
 Total Operating Expenses	 <u>40,498,693.86</u>
 Operating Income (Loss)	 <u>6,088,631.65</u>
Nonoperating Revenues(Expenses)	
Interest	486,630.45
Revenue from the Sale of Recyclable Materials	-
Receipts on Behalf of Others	-
Payments for Receipts Collected on Behalf of Others	-
Loss on Fixed Asset Disposal	-
 Total Nonoperating Revenues (Expenses)	 <u>486,630.45</u>
 Income (Loss) Before Transfers	 <u>6,575,262.10</u>
Transfers	
Transfers to Other State Agencies	-
Transfers to the General Fund of the Commonwealth	-
Transfers from the General Fund of the Commonwealth	-
 Total Transfers	 <u>-</u>
 Increase (Decrease) in Net Assets	 <u>6,575,262.10</u>
 Total Net Assets, July 1	 <u>17,064,267.73</u>
 Total Net Assets, May 31	 <u>\$ 23,639,529.83</u>

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