



Information Technology Investment Board Finance and Audit Committee July 2009

This Finance Report covers the following topics:

- Fiscal Year 2009 VITA Financial Results
 - VITA Financial Results (thru May, 2009)
 - VEAP Financial Results (thru June, 2009)
 - Cash Flow – Internal Service Fund
 - Accounts Receivable
 - Northrop Grumman payments and withheld amounts
- Proposed Fiscal 2010 Budget
 - General & Administrative Expenses
 - Budget Reduction Plans
- Appendix – Combining Balance Sheets and Combining Statement of Revenues, Expenses and Changes in Net Assets

FY 2009 Financial Results Financial Results Summary

	<i>FY2009 Budget</i>	<i>May-09 YTD Actual</i>	<i>Actual as a % of Budget</i>
<u>All Funds</u>			
Revenues, including transfers in	\$321,274,466	\$300,356,636	93.5%
Expenses, including transfers out	<u>319,971,673</u>	<u>308,670,481</u>	96.5%
Net Change	<u>\$1,302,793</u>	(8,313,845)	
Retained Earnings, July 1 (revised)		<u>29,451,307</u>	
Ending Retained Earnings		<u>\$21,137,462</u>	

Overall, revenues continue to lag expenses in fiscal year 2009 through eleven (11) months. Revenue and Expense details for various programs are described following the fund tables below.

**YTD Financial Results
Internal Services Funds**

<u>ISF</u>	<i>FY2009 Budget</i>	<i>May-09 YTD Actual</i>	<i>Actual as a % of Budget</i>
Revenues, including transfers in	\$261,769,414	\$244,930,139	93.6%
Expenses, including transfers out	<u>\$261,769,414</u>	<u>251,111,644</u>	95.9%
Net Change	<u><u>\$0</u></u>	(6,181,505)	
Retained Earnings, July 1 (revised)		<u>11,135,549</u>	
Ending Retained Earnings		<u><u>\$4,954,044</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.

As was reported previously, VITA has not generated sufficient revenue to cover its expenses. The revenue shortfall is due to the lack of a fully reconciled inventory and key billing data to VITA.

At fiscal year end, absent any other remedial action, we project our retained earnings to total around \$4.0 million, a net loss for the year approaching \$7.0 million. However, there are significant decisions to be made that could have a material impact on the reported ending balance.

**YTD Financial Results
Enterprise**

	<i>FY2009 Budget</i>	<i>May-09 YTD Actual</i>	<i>Actual as a % of Budget</i>
<u>Enterprise</u>			
Revenues, including transfers in	\$51,121,838	\$46,718,813	91.4%
Expenses, including transfers out	<u>49,819,045</u>	<u>50,415,083</u>	101.2%
Net Change	<u><u>\$1,302,793</u></u>	(3,696,270)	
Retained Earnings, July 1 (revised)		<u>16,790,004</u>	
Ending Retained Earnings		<u><u>\$13,093,734</u></u>	

Year to date revenues for the E911 program are right on target. Expenses however are running ahead of the approved budget based on actions by the 2009 General Assembly in the Budget Bill. The program is now expected to end the fiscal year with approximately a \$5.0 million loss, as the General Assembly directed the transfer of approximately \$6.0 million of the program's fund balance to the Compensation Board as one of the statewide strategies to deal with the economic downturn of the past year. This issue will arise also for FY 2010, and will be addressed in the current year budget going forward.

**YTD Financial Results
General Fund**

	<i>FY2009 Budget</i>	<i>May-09 YTD Actual</i>	<i>Actual as a % of Budget</i>
<u>GF</u>			
Appropriations and transfers in	\$1,900,520	\$1,900,593	100.0%
Expenses, including transfers out	<u>1,900,520</u>	<u>1,477,465</u>	77.7%
Net Change	<u><u>\$0</u></u>	423,128	
Fund Balance, July 1		<u>0</u>	
Ending Fund Balance		<u><u>\$423,128</u></u>	

The General Fund appropriation supports statewide IT governance and oversight. VITA staff collaborate with key stakeholders in formulating a strategic vision and direction for IT in the Commonwealth, and then in translating that vision and direction into practical guidance in planning and implementing specific technology initiatives.

For most of the fiscal year, we took a very conservative approach to general fund spending, due to the potential for additional budget reductions. Ultimately, the most all of our general fund appropriation was spent by year end.

**YTD Financial Results
Special Revenue Funds**

<u>Special Revenue and Dedicated Special Revenue</u>	<i>FY2009 Budget</i>	<i>May-09 YTD Actual</i>	<i>Actual as a % of Budget</i>
Revenues, including transfers in	\$6,482,694	\$6,807,091	105.0%
Expenses, including transfers out	<u>6,482,694</u>	<u>5,666,289</u>	87.4%
Net Change	<u><u>\$0</u></u>	1,140,802	
Fund Balance, July 1 (revised)		<u>1,525,754</u>	
Ending Fund Balance		<u><u>\$2,666,556</u></u>	

While VITA does have several distinct special revenue and dedicated special revenue funds, the current activity is primarily related to the IFA fund (which pays for acquisition 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) and the GIS (VGIN) fund (which accounts for activities of the Virginia Base Mapping Program and similar activities).

By year end, the majority of the available appropriation in the IFA fund had been spent. In contrast, the GIS fund ended the year with a rather large fund balance due primarily to low expenses related to the digital aerial imagery project. This project, part of the Virginia Base Mapping Program, is a 4 year project in its 1st year and has costs concentrated more heavily in years 2 and 4. We therefore expect much larger expenses in FY10 for this project.

**YTD Financial Results
Federal Funds**

	<i>FY2009 Budget</i>	<i>May-09 YTD Actual</i>	<i>Actual as a % of Budget</i>
<u>Federal</u>			
Revenues, including transfers in	\$0	\$0	
Expenses, including transfers out	<u>0</u>	<u>0</u>	
Net Change	<u>\$0</u>	0	
Retained Earnings, July 1		<u>0</u>	
Ending Retained Earnings		<u>\$0</u>	

VGIN has a federal grant that began in FY2009 and will continue into FY2010. A small portion of the grant funds were received and expenditures recorded in June 2009; both activities will be reflected in the final June balances.

**YTD Financial Results
Virginia Enterprise Applications Program**

	<i>June 2009 YTD Actual (preliminary) General Fund</i>	<i>June 2009 YTD Actual (preliminary) Special Revenue Fund (VERIS)</i>	<i>June 2009 YTD Actual (preliminary) Working Capital Advance</i>
<u>All Funds</u>			
Resources Available to Spend	\$1,628,727	\$691,750	\$11,683,436
Expenses	<u>1,628,252</u>	<u>542,488</u>	<u>2,613,952</u>
Remaining Balances 6/30	<u>\$475</u>	<u>\$149,262</u>	<u>\$9,069,484</u>

As planned, general fund dollars were used almost in their entirety prior to fiscal year end.

For FY09, the special revenue fund operated largely on a reimbursement basis. Funds were spent by VEAP on behalf of the State Board of Elections (SBE) and then reimbursed in total by SBE. The remaining balance represents an overpayment by SBE that will be credited to FY10 billings.

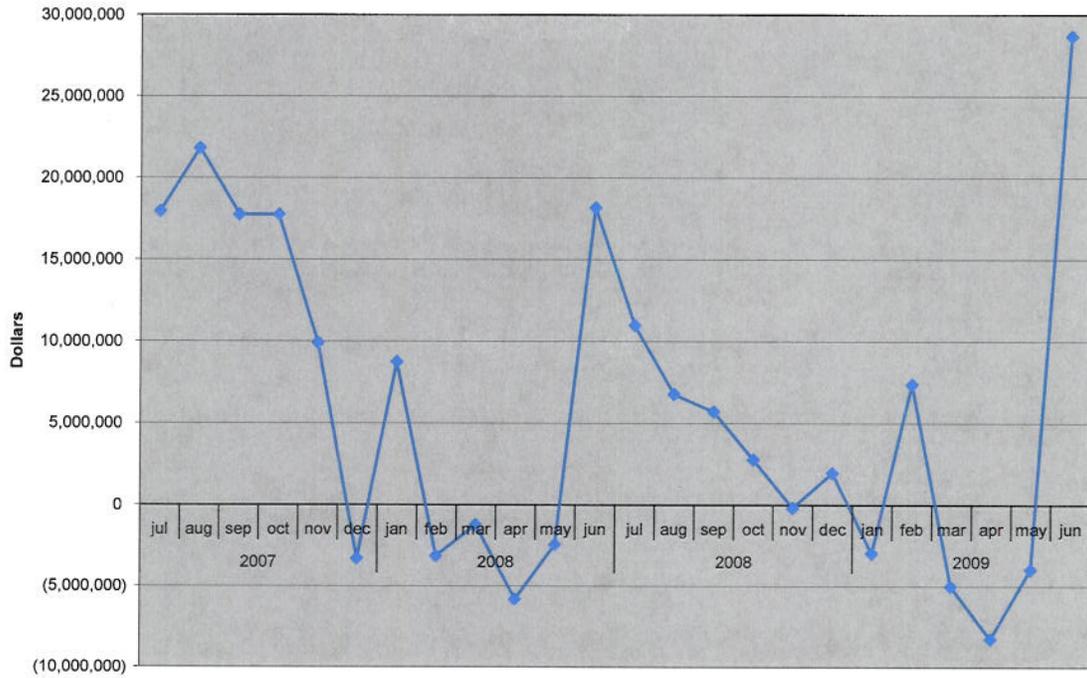
The Working Capital Advance "Resources Available to Spend" of \$11.7 million represents the amount of spending authority approved by the ITIB against the available \$30 million line of credit. However, for spending in fiscal year 2009, only \$5.5 million of that total was authorized to be spent by the Department of Planning and Budget (DPB) from the Working Capital funds plus approximately \$.07 million in prior year carry over funds. With \$2.6 million in expenditures last year from this account versus the amount authorized for expenditure by DPB, an unspent total \$2.9 million remained at year end. A request has been made and approved to reappropriate, or carry that balance forward into FY110.

Cash Flow – Internal Service Fund (ISF)

ISF Cash with Treasurer of Virginia

Cash with Treasurer of Virginia	
30-Jun-08	\$ 18,120,580
30-Jun-09 (preliminary)	\$ 28,653,305

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 about \$15.0 million for much of the fiscal year to date).

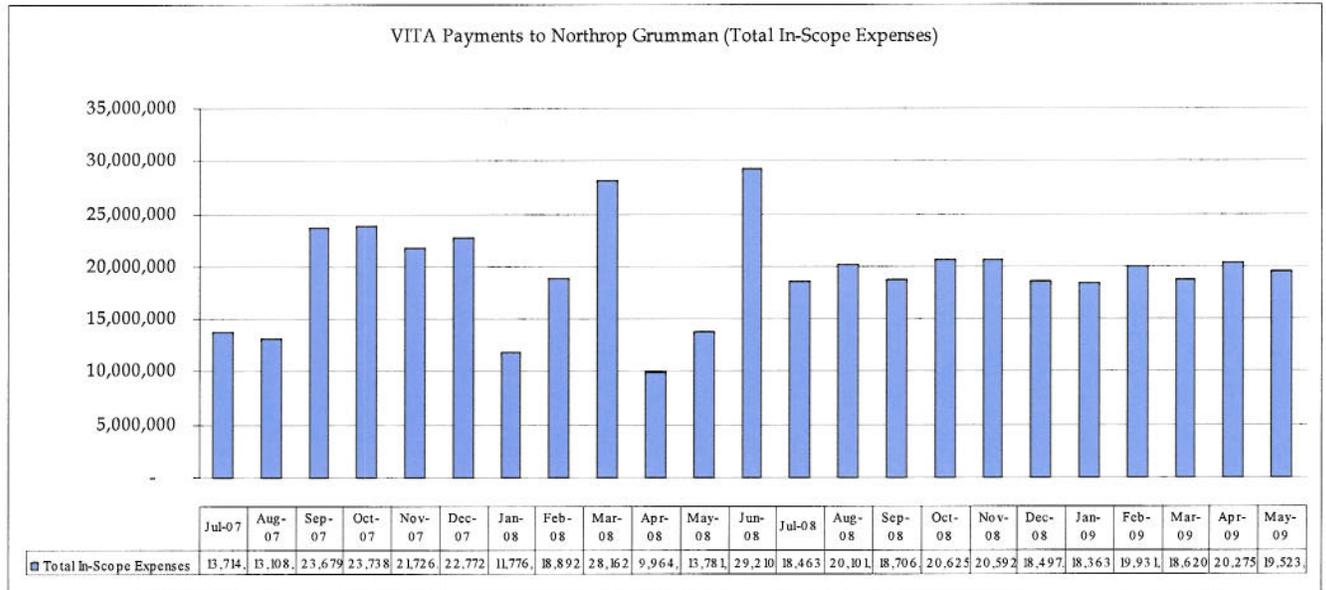
Accounts Receivable (as of June 30, 2009 - PRELIMINARY)				
	Total	Current	1-30 Days	> 30 Days
Telecommunications	10,127,610	9,704,886	266,076	156,648
Computer Svcs	4,677,452	4,392,460	183,016	101,976
Dec. Services	10,957,203	131,347	3,871,765	6,954,091
T&M	243,692	182,222	11,475	49,995
Other	188,674	3,766	177,829	7,079
Total Internal Svc Funds	26,194,631	14,414,681	4,510,161	7,269,789

Total receivables have decreased 46% (\$22.0 million) since April 30, 2009. More importantly, receivables greater than 30 days past due decreased by almost half during this time frame, due to diligent collection efforts by the Finance staff and typical year end spending patterns by agencies. Agencies with the largest balances greater than 30 days past due include:

- Social Services
- Health
- Central Virginia Training Center
- Rehabilitative Services
- Employment Commission
- Tax
- Education
- Environmental Quality

With the exception of Central Virginia Training Center, most past due amounts are related to inventory and other billing disputes. We estimate that \$3.3 million in inventory disputes and at least \$1.3 million in service delivery disputes may ultimately be uncollectible.

Payments to Northrop Grumman



Payment Withholding

Over the past two years the amounts set forth below have to date been withheld from payment to Northrop Grumman for the reasons stated, pending resolution of the issues involved.

<u>Issue</u>	<u>Withheld Amount</u>
Virginia Enterprise Application Program Equipment - Delay in reporting of assets prevented timely invoicing of agency	\$3,600
Department of Motor Vehicles Inventory - Agency servers and other assets understated in inventory	\$360,095
Commonwealth Enterprise Solution Center (CESC) Servers - Physical server tracking and virtual server conversion inaccurate	\$170,478
Inventory Server Purchase Price - Inaccurate purchase prices	\$335,694
Inventory Service Category 1 & 2 - Update of asset tiering not done upon refresh	\$237,969
Server Disc Storage - Data available underrecovers server storage in use	\$2,224,673
Enterprise Printing - Data available underrecovers enterprise print in use	\$3,520,352
Financial and Operational Audits - Incomplete or inaccurate audits from CY 1 and 2	\$237,500
Procedures Manual - Not delivered when promised	\$600,000
ITIL Optimization - Not delivered when promised	\$1,100,000
TOTAL	\$8,790,361

PROPOSED FISCAL YEAR 2010 BUDGET

Executive Summary

VITA's proposed budget for FY 2010 (July 1, 2009 – June 30, 2010) is presented below:

<i>(Fund Source:</i>	<u>GENERAL</u>	<u>E-911</u>	<u>INTERNAL</u> <u>SERVICE</u>	<u>SPECIAL</u>	<u>TOTAL</u>
<i>Approp Act</i>	<i>Approp Act</i>	<i>Approp Act</i>	<i>Forecast</i>	<i>Approp Act)</i>	
REVENUE	\$2,877,180	\$42,113,801	\$274,740,345	\$8,090,331	\$327,821,658
EXPENSES	\$2,877,180	\$42,113,801	\$274,377,730	\$8,090,331	\$327,459,042
<i>Difference</i>	<i>\$0</i>	<i>\$0</i>	<i>\$362,616</i>	<i>\$0</i>	<i>\$362,616</i>

For comparison purposes the amounts of revenues and expenses budgeted, by fund, are also provided for FY 2009.

I. PROJECTED REVENUES AND COMPARISON TO FY 2009 BUDGET					
	<u>GENERAL</u>	<u>E-911</u>	<u>INTERNAL SVC</u>	<u>SPECIAL</u>	<u>TOTAL</u>
2009 Budget	\$2,283,715	\$51,121,838	\$261,769,414	\$6,482,694	\$321,657,661
2010 Budget	\$2,877,180	\$42,113,801	\$274,740,345	\$8,090,331	\$327,821,658
Difference					
\$ Total	\$593,465	-\$9,008,037	\$12,970,932	\$1,607,637	\$6,163,997
% Total	25.99%	-17.62%	4.96%	24.80%	1.92%
II. PROJECTED EXPENSES AND COMPARISON TO FY 2009 BUDGET					
	<u>GENERAL</u>	<u>E-911</u>	<u>INTERNAL SVC</u>	<u>SPECIAL</u>	<u>TOTAL</u>
<i>A. <u>RETAINED ORGANIZATION ONLY:</u></i>					
2009 Budget	\$2,283,715	\$49,819,045	\$24,256,963	\$6,482,694	\$82,842,416
2010 Budget	\$2,877,180	\$42,113,801	\$20,022,682	\$8,090,331	\$73,103,995
Difference					
\$ Total	\$593,465	-\$7,705,244	-\$4,234,281	\$1,607,637	-\$9,738,422
% Total	25.99%	-15.47%	-17.46%	24.80%	-11.76%
<i>B. <u>ALL VITA (IT PARTNERSHIP + RETAINED ORGANIZATION):</u></i>					
2009 Budget	\$2,283,715	\$49,819,045	\$261,769,414	\$6,482,694	\$320,354,868
2010 Budget	\$2,877,180	\$42,113,801	\$274,377,730	\$8,090,331	\$327,459,042
Difference					
\$ Total	\$593,465	-\$7,705,244	\$12,608,316	\$1,607,637	\$7,104,175
% Total	25.99%	-15.47%	4.82%	24.80%	2.22%

Enterprise Applications Division

A separate budget is presented below for the Enterprise Applications Division (formerly VEAP), including an estimate of working capital advance funding proposed. Appropriated funds for EAD (general and special funds only) are included in the FY 2010 VITA budget proposal – proposed expenditures from Working Capital Advance funding sources are not, considering further specific ITIB action. (Please note that for FY 2010 the unexpended balance of the Working Capital Advance funds allotted to VEAP last year is re-appropriated to VITA. This balance will partially offset the requirement for any additional advance).

<u>Activity/Project</u>	<u>FUNDING SOURCE</u>			<u>TOTALS</u>
	<u>General Fund</u>	<u>Special Fund</u>	<u>Workg Cap Adv</u>	
Admin & Initiatives	\$941,051			\$941,051
Business Intelligence			\$375,000	\$375,000
Financial Management System			\$1,475,000	\$1,475,000
Performance Budgeting System			\$6,400,000	\$6,400,000
VA Election & Registration Info Sys		\$1,770,000		\$1,770,000
Enterprise Content Management			\$50,000	\$50,000
Agency Outreach		\$450,000		\$450,000
Human Resources			\$25,000	\$25,000
Enterprise Data Management			\$700,000	\$700,000
Applications Contract Management (VI)		\$330,000		\$330,000
TOTALS:	<u>\$941,051</u>	<u>\$2,550,000</u>	<u>\$9,025,000</u>	<u>\$12,516,051</u>
FUNDING SOURCES SUMMARY:				
General Fund Appropriation:	\$941,051			
Special Fund (VERIS) Appropriation:	\$1,770,000			
Special Fund Appropriation (Other):	\$780,000			
WCA FY 2009 Balance Reappropriatic	\$2,751,126			
Additional WCA Authorization:	<u>\$6,273,874</u>			
Potential Sources of WCA Repayment:				
Revenue from VI for contract admin:	\$330,000			
Revenue from shared services projects:	\$450,000			

VITA Budget (continued)

Overall the VITA anticipated increase in ISF revenue in FY 2010, compared to FY 2009, is about \$13 million. Most of this increase relates directly to the revenue applied to the

contractual cap. It is primarily attributable to the capture of revenue for several services provided to customers for which, heretofore, they have not been charged due to incomplete information on current agency asset inventories.

The ISF revenue forecast assumes that rates for the Enterprise Recovery and Backup System (EBARS) service are reduced by 20% across the board. This interim rate adjustment was approved by JLARC at its June 8, 2009, meeting. However, the expectation is that ultimately EBARS rates will be reduced even more; otherwise, backup and recovery services will continue to place a financial burden on many of VITA's customers. Should further adjustments downward to this rate and others occur during FY 2010, revenue would be expected to decrease and create a gap between revenues and expenses. This would potentially require changes in VITA's operations to align spending with reduced available resources.

In addition to formal rates adjustments, there is another variable that affects revenue projections. That is the billing process – the timeliness and accuracy of statements from Northrop Grumman directly impact the charge-backs that VITA can reasonably and defensibly assess its customer agencies. Inadequate information on the levels of service that NG provides can ultimately limit or misstate the chargeback revenue potential. In FY 2010, as we move to fully service-based bills from NG, obtaining adequate statements takes on even more prominence.

Projected expenses for the retained organization (all activities other than the IT partnership) decline significantly in FY 2010 as compared to FY 2009 – even taking into account the addition of resources for the transfer in of the former Virginia Enterprise Applications Program (VEAP, now known within VITA as Enterprise Applications Division or EAD). The most marked difference in expenses between the two years is in the Internal Service Fund (ISF), which is reduced by about \$4.2 million, or 17.5%, between FY 2009 and FY 2010.

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. Growth of in-scope services and cost of living adjustments are among several expense elements that could, potentially, increase the cap amount.

All partnership costs are borne by the internal service fund. VITA's retained organization is also largely supported by the ISF, so this revenue source must be sufficient to cover direct service provision (the IT partnership, i.e. the \$236 million) and the management and administration of the agency. As noted above, any diminution in ISF revenue would adversely affect the ability to fully fund the IT partnership and/or the retained organization. It's also important to recognize that revenue projections are based on *amounts billed*, not on *payments received*. VITA's recent history of cash flow problems suggests that receipts may fall short of billings again in FY 2010, should individual customer agencies not pay their VITA bills in full.

To support both service delivery and management/administrative activities, careful management of expenses in both areas is critical. VITA management has been meeting these challenges. Over the past fiscal year hiring activity has been extremely constrained. Some vacated positions have been eliminated with restructuring of the customer relations functions intended to improve service while operating more efficiently. Consistent with ongoing state guidance to reduce spending for contracts, travel, training, and equipment, the VITA budget is quite austere in these areas. All of these actions contribute to the significant reduction in ISF spending for the retained organization.

In reviewing the FY 2010 budget, please bear in mind that the \$73.1 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, and now statewide enterprise applications. In addition, VITA service management staff are directly responsible for successful implementation and integration of NG-delivered infrastructure, transition, and transformation services.

General & Administrative Expenses

Several years ago consultants from Gartner and VITA staff, at the request of the ITIB, prepared 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 FYs 2008, 2009, and 2010 are depicted in the table below:

GENERAL & ADMINISTRATIVE EXPENSES COMPARISON BY YEARS

	<i>REVENUE SOURCE</i>			TOTAL
	General	Internal Service	Special	
<i>FY 2008</i>	\$2,541,295	\$21,009,262	\$3,166,787	\$26,717,344
<i>FY 2009</i>	\$2,283,715	\$19,757,744	\$3,556,248	\$25,597,707
<i>\$ Delta</i>	-\$257,580	-\$1,251,518	\$389,461	-\$1,119,637
<i>% Delta</i>	-10.14%	-5.96%	12.30%	-4.19%
<i>FY 2010</i>	\$1,766,422	\$16,727,620	\$3,872,211	<u>\$22,366,253</u>
<i>\$ Delta</i>	-\$517,293	-\$3,030,124	\$315,963	<u>-\$3,231,454</u>
<i>% Delta</i>	-22.65%	-15.34%	8.88%	<u>-12.62%</u>

Note: For comparison purposes, FY 2010 EAD expenses are omitted

In the FY 2010 proposed budget, G & A expenses (including management and the standard overhead activities) comprise less than 31% of the retained organization expenses, and less than 7% of total expenses. Overall FY 2010 G & A expenses decline considerably compared to FYs 2009 and 2008.

Budget Reduction Plans

On June 30, on behalf of the Governor, the Department of Planning and Budget (DPB) directed state agencies to develop 5%, 10%, and 15% budget reduction scenarios for general fund appropriations. Also, DPB tasked VITA with preparing similar reduction plans for our internal service fund (ISF) budget. Plans are to cover the remainder of this biennium as well as the next – fiscal years 2010, 2011, and 2012.

<u>BUDGET REDUCTION SCENARIO AMOUNTS AND IMPACTS</u>			
	<u>Required Reduction Scenarios</u>		
	5%	10%	15%
<i>GENERAL FUND:</i>			
Available Appropriation	\$2,877,180	\$2,877,180	\$2,877,180
Cut Plan Target Amount	-\$139,736	-\$279,471	-\$419,207
Revised Available	\$2,737,444	\$2,597,709	\$2,457,973
<i>[Pro-rata share VITA less EAD]</i>	<i>-\$96,806</i>	<i>-\$193,613</i>	<i>-\$290,419</i>
<i>[Pro-rata share EAD]</i>	<i>-\$47,053</i>	<i>-\$94,105</i>	<i>-\$141,158</i>
<i>INTERNAL SERVICE FUND:</i>			
Projected Expenses*	\$20,022,682	\$20,022,682	\$20,022,682
Cut Plan Target Amount	-\$1,001,134	-\$2,002,268	-\$3,003,402
Revised Available	\$19,021,548	\$18,020,414	\$17,019,280

VITA's proposed reductions focus on decreasing or eliminating any discretionary expenses that remain – most were carved out in budget development – and then turning to downsizing lower-priority activities.

We also expect some state agencies to submit spending reduction strategies based on decreased usage of IT services. As in past rounds of budget reductions, DPB will provide VITA, for review and comment, all the reduction strategies related to our responsibilities. Our customers' limiting IT services consumption could lead to reduced revenue for VITA in FY 2010 and beyond. As we review the reduction submissions, we will assess their potential impact on revenue generation and implications for VITA and IT partnership operations.

Appendix



Virginia Information Technologies Agency
Combining Statement of Revenues, Expenses,
and Changes in Net Assets
Enterprise Funds
For the Period Ended: May 31, 2009

Program (Layout): RPT8029

	<u>E-911 Wireless</u>
Operating Revenues	
Charges for Services	\$ 46,718,813.40
 Total Operating Revenues	 <u>46,718,813.40</u>
Operating Expenses	
Payments to Virginia Interactive	-
Personal Expenses	1,017,917.61
Contractual Services	375,151.60
Supplies and Materials	11,302.18
Rent, Insurance & Other Related Charges	4,880.00
Depreciation	-
Expendable Equipment/Improvements	748.80
Non-recurring Cost Estimate Payments to Providers	<u>47,255,083.29</u>
 Total Operating Expenses	 <u>48,665,083.48</u>
Operating Income (Loss)	<u>(1,946,270.08)</u>
Nonoperating Revenues(Expenses)	
Interest	-
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	<u>-</u>
 Total Nonoperating Revenues (Expenses)	 <u>-</u>
Income (Loss) Before Transfers	<u>(1,946,270.08)</u>
Transfers	
Transfers to Other State Agencies	(1,750,000.00)
Transfers to the General Fund of the Commonwealth	-
Transfers from the General Fund of the Commonwealth	<u>-</u>
 Total Transfers	 <u>(1,750,000.00)</u>
Increase (Decrease) in Net Assets	<u>(3,696,270.08)</u>
Total Net Assets, July 1	<u>16,790,003.87</u>
Total Net Assets, May 31	<u>\$ 13,093,733.79</u>

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Virginia Enterprise Applications Program Financial Activity

	2007	2008	2009 preliminary (through 6/30/09)
General (Fund 0100)			
Resources			
Appropriations	\$ 5,500,000.00	\$ 5,500,000.00	\$ 1,104,196.00
Budget Reduction	-	-	(180,884.00)
Carryforward	-	589,827.51	705,415.85
Total	5,500,000.00	6,089,827.51	1,628,727.85
Expenses			
Personal Services	718,891.61	1,296,076.50	1,016,432.82
Contractual Services	4,169,914.79	4,058,907.02	482,078.27
Supplies and Materials	1,647.46	1,593.60	2,325.83
Continuous Charges	13,715.43	27,038.72	125,913.17
Equipment	6,003.20	795.82	1,502.05
Total	4,910,172.49	5,384,411.66	1,628,252.14
Remaining Appropriation	\$ 589,827.51	\$ 705,415.85	\$ 475.71
Dedicated Special Revenue (Fund 0931)			
Resources			
Working Capital Advance	-	-	\$ 11,683,436.00
Total	-	-	11,683,436.00
Expenses			
VEAP Personal Services	-	-	-
Other Agencies Personal Services	-	-	-
Contractual Services	-	-	2,613,951.65
Supplies and Materials	-	-	-
Continuous Charges	-	-	-
Equipment	-	-	-
Total	-	-	2,613,951.65
Remaining Working Capital			\$ 9,069,484.35
Special Revenue (Fund 0200)- VERIS			
Resources:			
Advance from State Board of Elections	-	-	\$ 250,000.00
Money returned to State Board of Elections	-	-	(62,104.75)
Elections Reimbursement (Exp Refunds)	-	-	503,855.21
Total	-	-	691,750.46
Expenses			
Personal Services	-	-	516,693.39
Contractual Services	-	-	25,767.77
Supplies and Materials	-	-	27.00
Continuous Charges	-	-	-
Equipment	-	-	-
Total	-	-	542,488.16
Amount Remaining	-	-	\$ 149,262.30



**Virginia Information Technologies Agency
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds**

Program (Layout): RPT8052

	General Fund	Total Special Revenue Funds	Federal Funds	Totals
Revenues				
Appropriations	\$ 1,900,593.00	\$ -	\$ -	\$ 1,900,593.00
Sale of Geographic Data	-	333,586.00	-	333,586.00
Interest	-	-	-	-
Federal Grants	-	-	-	-
Other	-	4,723,505.10	-	4,723,505.10
Total Revenues	1,900,593.00	5,057,091.10	-	6,957,684.10
Expenditures				
Personal Expenses	1,241,867.82	4,236,541.03	-	5,478,408.85
Contractual Services	234,938.42	1,342,328.04	-	1,577,266.46
Supplies and Materials	237.90	465.78	-	703.68
Non-recurring Cost Estimate Payments to Providers	-	49,883.74	-	49,883.74
Rent, Insurance & Other Related Charges	360.96	15,216.00	-	15,576.96
Depreciation	-	-	-	-
Expendable Equipment/Improvements	59.98	21,854.72	-	21,914.70
Total Expenditures	1,477,465.08	5,666,289.31	-	7,143,754.39
Excess (deficiency) of Revenues over (under) Expenditures	423,127.92	(609,198.21)	-	(186,070.29)
Other Financing Sources (Uses)				
Payments to the Federal Government	-	-	-	-
Cash Transfers In (Pass Thru)	-	-	-	-
Transfers from Other Funds	-	-	-	-
Transfers from Other Agencies	-	1,750,000.00	-	1,750,000.00
Transfers Out	-	-	-	-
Transfers from the General Fund of the Commonwealth	-	-	-	-
Transfers to the General Fund of the Commonwealth	-	-	-	-
Total Other Financing Sources (Uses)	-	1,750,000.00	-	1,750,000.00
Net Change in Fund Balances	423,127.92	1,140,801.79	-	1,563,929.71
Fund Balances, July 1	-	1,525,753.93	-	1,525,753.93
Fund Balances, May 31	\$ 423,127.92	\$ 2,666,555.72	\$ -	\$ 3,089,683.64

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

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Virginia Information Technologies Agency
Combining Balance Sheet
Internal Service Funds
May 31, 2009

Program (Layout): RPT8001

	<u>Totals</u>
	<u>2009</u>
Assets	
Current Assets:	
Cash with Treasurer of Virginia	\$ 10,996,029.79
Petty Cash and Travel Advances	-
Accounts Receivable	44,214,913.94
Due From Other Funds	-
Due from Commonwealth of Virginia	-
Investments	-
Prepaid Expenses	(0.00)
Total Current Assets	<u>55,210,943.73</u>
Noncurrent Assets	
Depreciable Capital Assets, Net	<u>5,663,386.43</u>
Total Assets	<u>\$ 60,874,330.16</u>
Liabilities	
Current Liabilities:	
Accounts payable	\$ 34,379,099.53
Interest Payable	-
Capital Lease Obligations	-
Due to Other Funds	-
Due to Other Agencies	-
Notes Payable	(0.00)
Advances from Treasurer of Virginia	15,000,000.00
Accrued Compensated Absences	1,535,178.32
Deferred Contract Revenue	-
Other Deferred Revenue	2,930,518.54
Due to Federal Government	-
Other Liabilities	-
Total Current Liabilities	<u>53,844,796.39</u>
Noncurrent Liabilities:	
Notes Payable	-
Accrued Compensated Absences	2,075,489.86
Capital Lease Obligations	-
Deferred Contract Revenue	-
Total Noncurrent Liabilities	<u>2,075,489.86</u>
Total Liabilities	<u>55,920,286.25</u>
Net Assets	
Investment in Capital Assets, Net of Related Debt	5,663,386.43
Unrestricted	(709,342.52)
Total Net Assets	<u>4,954,043.91</u>
Total Liabilities and Net Assets	<u>\$ 60,874,330.16</u>

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**Virginia Information Technologies Agency
Combining Balance Sheet
Governmental Funds
May 31, 2009**

Program (Layout): RPT8034A

	General Fund	Total Special Revenue Funds	Federal Funds	2009 Totals
Current Assets				
Cash with Treasurer of Virginia	\$ 424,063.72	\$ 2,730,651.63	\$ -	\$ 3,154,715.35
Petty Cash and Travel Advances	-	-	-	-
Accounts Receivable	-	2,825.00	-	2,825.00
Prepaid Expenses	-	-	-	-
Investments	-	-	-	-
Due From Other Funds	-	-	-	-
Total Current Assets	424,063.72	\$ 2,733,476.63	\$ -	\$ 3,157,540.35
Noncurrent Assets				
Depreciable Capital Assets, Net	-	-	-	-
Total Assets	\$ 424,063.72	\$ 2,733,476.63	\$ -	\$ 3,157,540.35
Current Liabilities:				
Accounts payable	\$ 935.80	\$ 2,025.60	\$ -	\$ 2,961.40
Accrued Compensated Absences	-	27,696.74	-	27,696.74
Other Deferred Revenue	-	4,800.00	-	4,800.00
Due to Other Funds	-	-	-	-
Other Liabilities	-	-	-	-
Total Current Liabilities	935.80	34,522.34	-	35,458.14
Noncurrent Liabilities:				
Accrued Compensated Absences	-	32,398.57	-	32,398.57
Total Liabilities	935.80	66,920.91	-	67,856.71
Fund Balances				
Unreserved	423,127.92	2,666,555.72	-	3,089,683.64
Total Liabilities and Fund Balances	\$ 424,063.72	\$ 2,733,476.63	\$ -	\$ 3,157,540.35

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Virginia Information Technologies Agency
Combining Balance Sheet
Enterprise Funds
May 31, 2009

Program (Layout): RPT8024

	<u>E-911 Wireless</u>
Assets	
Current Assets:	
Cash with Treasurer of Virginia	\$ 21,635,540.90
Petty Cash and Travel Advances	-
Accounts Receivable	4,808,957.56
Due From Other Funds	-
Due from Commonwealth of Virginia	-
Investments	-
Prepaid Expenses	-
Total Current Assets	<u>26,444,498.46</u>
Noncurrent Assets	
Depreciable Capital Assets, Net	-
Total Assets	<u>\$ 26,444,498.46</u>
Liabilities	
Current Liabilities:	
Accounts payable	\$ 13,271,966.19
Interest Payable	-
Capital Lease Obligations	-
Due to Other Funds	-
Due to Other Agencies	-
Notes Payable	-
Advances from Treasurer of Virginia	-
Accrued Compensated Absences	27,808.50
Deferred Contract Revenue	-
Other Deferred Revenue	-
Due to Federal Government	-
Other Liabilities	-
Total Current Liabilities	<u>13,299,774.69</u>
Noncurrent Liabilities:	
Notes Payable	-
Accrued Compensated Absences	50,989.98
Capital Lease Obligations	-
Deferred Contract Revenue	-
Total Noncurrent Liabilities	<u>50,989.98</u>
Total Liabilities	<u>13,350,764.67</u>
Net Assets	
Investment in Capital Assets, Net of Related Debt	-
Unrestricted	13,093,733.79
Total Net Assets	<u>13,093,733.79</u>
Total Liabilities and Net Assets	<u>\$ 26,444,498.46</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, 2009**

Program (Layout): RPT8039

	Totals
	2009
Operating Revenues	
Charges for Services	\$ 244,683,940.54
Total Operating Revenues	244,683,940.54
Operating Expenses	
Personal Expenses	27,554,703.98
Contractual Services	214,316,925.05
Supplies and Materials	123,506.23
Educational Assistance and Transfer Payments	12,296.05
Rent, Insurance & Other Related Charges	470,833.61
Depreciation	5,190,676.12
Expendable Equipment/Improvements	3,195,062.86
Total Operating Expenses	250,864,003.90
Operating Income (Loss)	(6,180,063.36)
Nonoperating Revenues(Expenses)	
Interest	(1,441.56)
Depreciation	(246,198.89)
Reimbursement to Federal Government	-
Revenue from the Sale of Recyclable Materials	-
Realized Gain -- Assets	246,198.55
Proceed from Insurance Recoveries	-
Sale of Surplus Property	-
Loss on Fixed Asset Disposal	-
Total Nonoperating Expenses	(1,441.90)
Income (Loss) Before Transfers	(6,181,505.26)
Transfers	
Transfers from Other Funds	-
Transfers to the General Fund of the Commonwealth	-
Transfers from the General Fund of the Commonwealth	-
Total Transfers	-
Increase (Decrease) in Net Assets	(6,181,505.26)
Total Net Assets, July 1	11,135,549.17
Total Net Assets, May 31	\$ 4,954,043.91

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