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October 15, 2004

The Honorable Mark R. Warner
Governor of the Commonwealth of Virginia
Office of the Governor
State Capitol, 3rd Floor
Capitol Square
Richmond, Virginia 23219

The Honorable Michael J. Schewel
Secretary of Commerce and Trade
Ninth Street Office Building
202 North Ninth Street, Room 723
Richmond, Virginia 23219

The Honorable John H. Chichester
Chairman
Senate Finance Committee
303 Charlotte Street
Fredericksburg, Virginia 22401

The Honorable Vincent F. Callahan, Jr.
Chairman
House Appropriations Committee
P.O. Box 1173
McLean, Virginia 22101

Dear Governor Warner, Secretary Schewel, Chairman Chichester, and Chairman Callahan:

Pursuant to Section 2.2-2312 of the Code of Virginia, the Executive Director of the Virginia Small Business Financing Authority (VSBFA) *"...shall within 120 days of the close of each fiscal year, submit an annual report of its activities for the preceding fiscal year to the Governor and the chairmen of the House Committee on Appropriations and the Senate Committee on Finance. Each report shall set forth, for the preceding fiscal year, a complete operating and financial statement for the Authority and any loan fund or loan guarantee fund the Authority administers or manages."* The activity listed below and the attached financial statement with accompanying notes is in fulfillment of that requirement.

Fiscal year 2004 was a productive year for the VSBFA in helping Virginia's businesses bridge their financing gap to start up or expand. During 2004 the VSBFA committed $7.8 million through its eight direct loan and credit enhancement programs, and enabling an additional $52 million to be privately loaned and invested. These loans provided assistance to 147 small businesses or local Industrial/Economic Development Authorities and assisted in the creation of 1,571 jobs. Of the $7.8 million loaned, $5.6 million (72%) went to businesses in Southside and Southwest Virginia. The $5.6 million leveraged an additional $30.8 million in private investment and created 840 new jobs and retained an additional 35 in those two highly distressed areas of the Commonwealth.

Using the same Return on Investment model used by the Virginia Economic Development Partnership the direct and indirect jobs created through the businesses taking advantage of our financing assistance brought in $4.1 million in combined new income and sales tax revenues for the Commonwealth, a 63% return on investment in the first year and a 190% return on investment after 5 years. This calculation does not consider the fact that most of the dollars the VSBFA loans revolve back into the funds to be used again. Since inception the VSBFA has assisted small businesses in creating and saving 23,081 jobs.

The loan programs of the VSBFA continue to face difficult budgetary challenges. None of the financing programs receive regular appropriations from the General Fund. The increased awareness and usage of the programs, coupled with budget cuts in previous years, have caused the funds to rapidly diminish. Given the tremendous leverage each program commands (direct loan programs leverage $19:1 and indirect loan programs leverage $30:1), the positive return on investment, and the impact on the most highly distressed areas of the Commonwealth; these programs should be continued and expanded.

Please let me know if you have any questions regarding this report or the attached financial statements

Respectfully,

Scott E. Parsons

Scott E. Parsons
Executive Director
Virginia Small Business Financing Authority

Attachments

cc: Mr. Marx Eisenman, Jr., Acting Director, Department of Business Assistance
Mr. Craig Burns, House Appropriations Committee
Mr. Neal Menkes, Senate Finance Committee
Mr. Andrew Brownstein, Chairman, Virginia Small Business Financing Authority
Ms. Hattie Hamlin, Vice Chairman, Virginia Small Business Financing Authority
The Honorable Jody Wagner, Treasurer, Commonwealth of Virginia
Mr. Richard L. Brown, Director, Virginia Small Business Financing Authority
Ms. Jane-Scott Cantus, Director, Virginia Small Business Financing Authority
Mr. James S. Cheng, Director, Virginia Small Business Financing Authority
Ms. Esther M. Corpus, Director, Virginia Small Business Financing Authority
Mr. Jeffrey Jones, Director, Virginia Small Business Financing Authority
Mr. Leon Moore, Director, Virginia Small Business Financing Authority
Ms. Pallabi Saboo, Director, Virginia Small Business Financing Authority

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

Management's Discussion and Analysis,
Basic Financial Statements
and Supplementary Information

June 30, 2004 and 2003

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

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VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

Management's Discussion and Analysis
June 30, 2004 and 2003

This section of the Virginia Small Business Financing Authority's (the "Authority") annual financial report presents management's discussion and analysis of the VSBFA's financial performance during the fiscal years that ended June 30, 2004 and 2003. Please read it in conjunction with the Authority's financial statements, which follow this section. The annual financial report consists of three parts, management's discussion and analysis, the footnotes and the basic financial statements.

FINANCIAL HIGHLIGHTS

Fiscal Year 2004

The following information represents a comparative analysis of key financial aspects of the Authority's operations between the years ended June 30, 2004 and June 30, 2003.

- Total assets decreased $1,004M (2%)
- Total liabilities increased $228M (6%)
- Total net assets decreased $1,232M (3.8%)
- Investments held in the LGIP increased $1,050M (27%)
- Investment income from interest earned on cash balances decreased $516M (56%)
- Loans receivable increased $1,901M (22%)
- Restricted assets associated with the CAP programs increased $299M (18%)
- Interest and other operating income decreased $297M (43%)

Primary factors that contributed to these changes were as follows:

- Total assets decreased 2% due to the charge-off of two large loans receivable ($1,733M) and the associated accrued interest ($227M). This reduction in assets was partially offset by the transfer of $500M from the Tobacco Commission for the initial funding of their new Southside Tobacco Region Capital Access Program administered by the Authority (fund 0900). Investment Income decreased $516M due to the decrease in cash balances (12%) and the Operating Interest Income was decreased due to the write-off of accrued interest as discussed above.
- Total liabilities increased 6% due to the increase in Other Liabilities associated with the increased funding of the Capital Access Programs reserve accounts held at the participating banks to fund their loan loss reserve pools.
- The increase in LGIP holdings was due in part to the collections under the Child Day Care Program which were greater than new loans funded ($335M) and an increase in the VSBFA/Loan Guaranty Program (LGP) balances of $694M, due primarily to the $600M transfer from the State RLF (0921) to the LGP to allow for the increase in activity under the guaranty program.

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY
Management's Discussion and Analysis
June 30, 2004 and 2003

Fiscal Year 2003

The following information represents a comparative analysis of key financial aspects of the Authority's operations between the years ended June 30, 2003 and June 30, 2002.

- Total assets decreased $1,392 (3%)
- Total liabilities decreased $198M (5%)
- Total net assets decreased $1,194M (3%)
- Investment income from interest earned on cash balances decreased $293M (24%)
- Loans receivable increased $1,112M (15%)
- Restricted assets associated with the CAP programs increased $203M (13%)
- Interest and other operating income decreased $48M (6%)
- Transfers due to budgetary cuts were $2,050M

Primary factors that contributed to these changes were as follows:

- Total assets decreased 3% due primarily to the $2,841M (13%) decrease in cash and investments related to the $2,050M in budgetary cuts. This reduction in assets was partially offset by a net increase in Notes Receivable of $1.1MM and an increase in the Restricted Assets of the Capital Access Programs of $229M, both of which were funded by cash from the respective funds. Investment Income decreased $293M due to the decrease in cash balances, the loss of 4th quarter interest due to primary government budgetary issues and interest income from loans was $99M lower due to an overall decrease in interest rates on the portfolios.
- Total liabilities decreased $198M (5%) due to the decrease ($426M) in investments held in under the Securities Lending Program (SLP); see cash and investments discussion above, which was partially offset by the increase in Other Liabilities associated with the increased funding of the Capital Access Programs reserve accounts held at the participating banks to fund their loan loss reserve pools.

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY
Management's Discussion and Analysis
June 30, 2004 and 2002

FINANCIAL ANALYSIS OF THE AUTHORITY

The following table summarizes select financial information regarding the Authority's operations as of the dates and for the periods indicated:

	June 30, 2004	June 30, 2003	June 30, 2002	2004 vs. 2003 % Increase (Decrease)	2003 vs. 2002 % Increase (Decrease)
Cash and cash equivalents	$15,208,758	$19,145,266	$22,031,432	(20%)	(13%)
Investments	6,331,134	5,356,425	5,311,675	18%	(.8%)
Loans receivable	10,419,570	8,518,784	7,407,043	22%	15%
Restricted Assets	1,956,042	1,657,020	1,454,050	18%	14%
Other assets	309,314	67,376	175,080	360%	(62%)
Total assets	$33,982,880	$34,986,809	$36,379,280	(3%)	(4%)
Obligations under SLP	1,499,316	1,574,819	2,000,895	(5%)	(21%)
Other liabilities	1,991,793	1,688,419	1,460,580	18%	16%
Total liabilities	$ 3,491,109	$ 3,263,238	$ 3,461,475	7%	(6%)
Net Assets	$30,491,771	$31,723,571	$32,917,805	(3%)	(3%)

Description of Net Assets The Authority's Net Assets are reported on the Statement of Net Assets. The Authority has Restricted Assets and Unrestricted Assets as described below:

1. Restricted – these net assets represent funds that have been received by the Authority for specific financing programs from the federal government, from the state government which represent required state matches for the receipt of those federal grants, funds that have been given to the Authority to administer on behalf of other state agencies which are restricted by federal grants or by state legislation, and funds that are restricted due to guaranty and loan portfolio insurance agreements that represent legal obligations of the Authority to the respective banks.

2. Unrestricted – these net assets represent funds that were appropriated to the Authority by the General Assembly to fund the Virginia Economic Development Revolving Loan Fund. Although the funds are not considered restricted as such, these funds have been designated or committed to support loan guaranties and commitments to lend. The notes to the financials will go in greater detail on these restrictions.

Net Assets as of June 30, 2004 and 2003:

	2004	2003
Restricted	$23,691,656	$25,654,666
Unrestricted	$ 6,800,115	$ 6,068,905
Total net assets	$30,491,771	$31,723,571

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

Management's Discussion and Analysis

June 30, 2004 and 2003

Results of Operations for the Years Ended June 30, 2004 and 2003

	2004	**2003**
Operating revenues:		
Interest on loans receivable	$161,731	$490,241
Charges for sales and service	140,707	119,660
Other (recoveries)	83,379	73,331
Total operating revenues	$385,817	$683,232
Operating expenses:		
Personal services (11XX)	$372,204	$412,803
Contractual Services (12XX)	33,780	25,565
Distributions (Capital Access fee matches) (14XX)	365,717	266,087
Other (charge-offs/DPB directed expenses)	1,749,898	43,323
Total operating expenses	$2,134,789	$747,679
Net operating income	($2,134,789)	($64,447)
Non-operating revenues:		
Interest income	$402,989	$920,114
Total non-operating revenue	$402,989	$920,114
Transfers		
Operating transfers in	$600,000	
Operating transfers in from Component Units	500,000	
Operating transfers out to primary government		(2,050,000)
Operating transfers out	(600,000)	
Total net transfers	$500,000	($2,050,000)
Change in net assets	($1,231,800)	($1,194,234)

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY
Notes to Financial Statements
June 30, 2004 and 2003

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

The Virginia Small Business Financing Authority (VSBFA) was created by the Virginia General Assembly in 1984 as a public body corporate and a political subdivision of the Commonwealth of Virginia. VSBFA is governed by an eleven-member board, appointed by the Governor of the Commonwealth of Virginia. VSBFA's major activities are to provide financial assistance to small businesses in the Commonwealth through bond issuances, direct loans, loan guaranties, portfolio loan loss reserves, and other assistance.

For financial reporting purposes, VSBFA is a component unit of the Commonwealth of Virginia. The accounts of VSBFA and other VSBFA administered state and federal funds, are combined to form the Component Unit - Proprietary Funds of the Commonwealth of Virginia. The financial statements of VSBFA include the activities of the Industrial Development Bond Program, the Loan Guaranty Program, the Child Day Care Financing Program, the federally funded Revolving Loan Fund, the state funded Revolving Loan Fund, the Small Business Environmental Compliance Assistance Fund, Small Business Growth Fund (Virginia Capital Access Program), the PACE Program of the Department of Minority Business Enterprise, and the Southside Tobacco Region Capital Access Program which are described in more detail in Section (2)

(b) Basis of Accounting

The Authority utilizes the accrual basis of accounting in preparing its financial statements where revenues are recognized when earned and expenses when incurred. The accounts are organized on the basis of funds, which are set up in accordance with the authorizing act, the various grants, and agreements between the VSBFA and the other state agencies.

(c) Accounting Changes

Effective July 1, 2004, the Authority implemented GASBS Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. The primary impact of the implementation of this statement on the Authority was the change in the classifications of fund equity from fund balance to net assets, which are also required to be further categorized between (1) Invested in capital assets, net of related debt, (2) Restricted by constraints placed on the net asset use:

- externally imposed by creditors, grantors, contributors, or laws or regulations of other governments
- imposed by law through constitutional provisions or enabling legislation

and, (3) Unrestricted.

(d) Loans Receivable

Loans receivable are stated at their unpaid principal balance. The interest method is computed on a loan-by-loan basis, but is typically on the basis of actual days/365.

(e) Allowance for Loan Losses

The Authority has not made an allowance for Loan Losses in the past. Such losses are recognized when all rights and remedies have been exhausted. Each fund has its own history of default rates. The two revolving loan funds have suffered the greatest losses due to the nature of the "gap" funding and the typically subordinated collateral position taken to encourage private sector funding of these projects.

(f) Compensation

Compensation for all employees of the Authority is based upon the Commonwealth's compensation plan. The Executive Director and one Program Manager position are FTE's of the Commonwealth and are not "restricted". However, the Commonwealth only covers about 50% of the Program Manager's compensation. The remaining 50% is paid through the federal RLF (0243). The remaining staff are employees of the Authority and are "restricted" in that their employment and compensation are tied to the various funds administered by the Authority. Compensation expense is charged to several of the programs that allow for such administrative costs and that require the greatest percentage of staff time. The Department of Business Assistance provides the administrative support to manage the payroll and compensation functions.

(g) Retirement Plans

Employees of the Authority participate in a defined benefit pension plan administered by the Virginia Retirement System (VRS). The VRS also administers life insurance and health related plans for retired employees. Information relating to these plans is available at the statewide level only in the Commonwealth of Virginia's Comprehensive Annual Financial Report (CAFR). The Commonwealth, not the Authority, has overall responsibility for contributions to these plans.

(h) Compensated Absences

Authority employees are granted vacation and sick pay in varying amounts as services are provided. Employees may accumulate, subject to certain limitations, unused vacation and sick pay earned and, upon retirement, termination or death, may be compensated for certain amounts at their then current rates of pay. The amount of vacation and sick pay recognized as expense is the amount earned each year.

(2) Description of Account and Fund Groups

(a) Industrial Development Bond Program

The Authority is a conduit issuer of tax-exempt and taxable Industrial Development Revenue Bonds to provide creditworthy businesses with access to long-term, fixed asset financing for new and expanding manufacturing facilities and exempt projects, such as solid waste disposal facilities. During fiscal 2003, the Authority was given the legislative authority to issue bonds for qualified 501(c)(3)s for projects such as hospital expansions and school facilities. The repayment of the Authority issued bonds is the responsibility of the respective small business borrower and the financing of such bonds is provided by the private sector and not provided by the Authority or the Commonwealth. Neither the Authority nor the Commonwealth guarantee payment and, as described in Section 9-221 of the Code of Virginia, no bonds issued by Authority constitute a debt, liability, or general obligation of the Commonwealth. The Authority charges an upfront issuance fee and annual administrative fees based upon the outstanding principal amount of the bonds it has issued, payable on each anniversary date of the closing of the bond issue. Such fees may vary upon the amount and type of issuance, but typically the issuance fee for a for-profit entity is one-quarter of one percent of the bond issuance amount and one-eighth of one percent annually on the then outstanding principal balance of the loan supporting the bond.

(b) Loan Guaranty Program

The Loan Guaranty Program provides guaranties up to the lesser of $500,000 or 75% of a bank loan for lines of credit and short-term working capital loans. This program was funded by $900,000 of the initial $1,000,000 appropriation received by the Authority in 1984. In 2004, $600,000 was transferred from the state Economic Development Loan Fund (EDLF ((0921)) to provide for continued funding of the program. The Authority has set aside all of its total net assets of this fund ($2,540,896) to support loan guaranties under this Program. In addition, the Authority has reserved an additional $1,116,431 of the state EDLF to cover the balance of the commitments of this program. The Loan Guaranty Program has guaranties outstanding of $3,357,327 and commitments outstanding to banks in the amount of $300,000. The Authority charges an upfront guaranty fee of 1.5% of the guaranteed portion of the loan. The net assets in this program are Restricted under the rules of GASBS #34 due to the formal commitments to provide guaranties to our participating lenders and the legal obligation to the Authority of such commitments.

(c) Child Day Care Financing Program

This program is funded by a federal Child Care and Development Block Grant received by the Virginia Department of Social Services. Under a Memorandum of Agreement the Authority is charged to administer the Child Care and Development Fund. Such administrative duties include creating the program, including the amounts and terms of such loans, processing loan applications, closing and funding of loans, marketing the loan program, and managing the loan portfolio. The Child Day Care Financing Program offers regulated childcare providers or pending regulated providers low-interest installment loans to fund quality enhancement projects or projects to meet or maintain state or local child care requirements, including health, safety and fire codes. A provider must be either a family day provider or operate a child care center. At June 30, 2004 the Authority had $23,763 in unfunded commitments. Loan repayments must flow back into the fund to be used to fund future loans and the operating expenses to administer the program. As such, the net assets of this fund are Restricted due to the restraints imposed by the federal grant (GASBS #34)and the MOA mentioned above.

(d) Federal Revolving Loan Fund (0243)

The Virginia Economic Development Loan Fund provides loans generally up to $1,000,000 to bridge the gap between private debt financing and private equity for projects that will result in job creation or retention. The Virginia Defense Conversion Revolving Loan Fund provides loans up to $1,000,000 to assist defense-dependent companies seeking to expand into commercial markets and diversify their operations. Loans can be made to Virginia businesses and to economic development authorities. In an effort to assist our distressed communities, the amount and terms of the loans can be higher and less restrictive for the economic development authorities. The ELDF was capitalized by three U.S. Economic Development Administration (EDA) grants and the required state matching funds, which are restricted to this fund to be in compliance with the original terms and conditions of the EDA grants. Additionally, in FY 1998 the majority of loans in this fund were sold to raise additional cash to provide funding for future loans. $4,380,059 in loans were sold generating cash of $3,206,284 after discounts. As of June 30, 2004, the Authority had $4,438,000 in unfunded commitments. The net assets in this fund are Restricted due to the restraints imposed by the federal grant (GASBS #34).

(e) State Revolving Loan Fund (0921)

The Virginia Economic Development Loan Fund (EDLF) provides loans generally up to $1,000,000 to bridge the gap between private debt financing and private equity for projects that will result in job creation or retention. §59.1-284.2 states "There shall be a permanent revolving fund known as the Virginia Economic Development Revolving Fund. The Fund shall be comprised of (i) sums appropriated to it by the General Assembly, (ii) receipts by the Fund from loans made by it, (iii) all income from the investment of moneys held by the Fund, and (iv) any other sums designated for deposit to the Fund from any source, public or private. The Fund shall be administered and managed by the Authority….." Loans can be made to Virginia businesses, local governments, and to economic development authorities. In an effort to assist our distressed communities, the amount and terms of the loans can be higher and less restrictive for the economic development authorities. This fund was created by appropriations over several years from the General Assembly. Such appropriations were to be used specifically to fund economic development projects undertaken by local governments or businesses to assist in the creation or retention of jobs. At FYE June 30, 2004 the Authority had cash of approximately $6 million and had $1,548,490 in unfunded commitments. In addition, $1,116,431 is reserved to cover guaranties and guaranty commitments under the Loan Guaranty Program not covered by the Authority's own cash. The Authority is solely responsible for all guaranties issued and must have the cash resources to honor all financial commitments. In 2004, $600,000 was transferred from this fund to the Loan Guaranty Program to allow for additional funding of the guaranties committed.

In September 2003 the Authority was given the "go-ahead" to start marketing a new direct loan program, **VSBFA *DIRECT.*** This program will be funded with $1.5MM from the federal EDLF funds and $500M from the state EDLF. An additional $250M of the EDLF money was set aside for direct loans from the Authority as part of the Governor's motor sports initiative. The funding sources for this initiative will be determined based upon the location of the applicant business. If the location is eligible for federal funding, the federal monies will be used first. For financial reporting purposes, all loans funded under this program are included in the CARS balances of the respective funds (0243 or 0921) used. The loan accounting software (LaPro) separates the use of such funds either through actual loans funded or commitments made for internal purposes.

(f) Small Business Environmental Compliance Assistance Fund (0930)

This program is funded by the Department of Environmental Quality (DEQ). The Authority administers the Fund for DEQ pursuant to a tri-party cooperative agreement between the Authority, host agency; the Department of Business Assistance, and DEQ. Under this agreement the Authority is charged to administer the Fund. Such administrative duties include creating the program, including the amounts and terms of such loans, processing loan applications, closing and funding of loans, marketing the loan program, and managing the loan portfolio. Under the enabling legislation, the DEQ fund provides direct loans to small businesses for the purchase of equipment to comply with the federal Clean Air Act, equipment to implement voluntary Pollution Prevention measures, or equipment or structures to implement Agricultural Best Management Practices. This program provides incentive financing with below market rates and favorable terms. Loans can be for as much as $100,000. The Fund was initially capitalized with $600,000 from DEQ and another $3,025,641 was received in 2001. In FY 2002 and 2003 $800,000 and $2,050,000 were transferred to the primary government due to budget cuts. As of June 30, 2004 the Authority had $238,960 in unfunded commitments. Loan repayments must flow back into the fund to be used to fund future loans and the operating expenses to administer the program. As such, the net assets of this fund are <u>Restricted</u> due to the restraints imposed by legislation and the Tri-party agreement referenced above (GASBS #34).

(h) Small Business Growth Fund (0957)

The Virginia Small Business Growth Fund, also known as the Authority's Virginia Capital Access Program (VCAP), provides a form of loan portfolio insurance for participating banks through special loan loss reserve accounts which are funded by loan enrollment premiums paid by the bank/borrower and matched by the Authority from the Fund. The monies in these loan loss reserve accounts are available to cover losses on loans enrolled by the participating bank. The Fund has been capitalized by state general fund appropriations, and VCAP was initially launched with $74,717 from the Authority's operating account. The total balance of the loan loss reserve accounts at participating banks at June 30, 2004 was $1,842,382. This balance includes premiums paid by the bank/borrower; matching contributions from the Fund; account interest earned; less any withdrawals to cover loan losses. The balances in the bank accounts are <u>Restricted</u> by the enabling legislation and the terms and conditions of the participating agreements executed by the Authority and the participating banks.

(g) Tobacco Southside Region Capital Access Program (0900)

The Tobacco Capital Access Program (TCAP) provides a form of loan portfolio insurance for participating banks through special loan loss reserve accounts, which are funded by loan enrollment premiums paid by the bank/borrower and matched by the Authority from the Fund. The monies in these loan loss reserve accounts are available to cover losses on loans enrolled by the participating bank. The fund was capitalized by a transfer of money from the Tobacco Commission in June 2004. The total balance of loan loss reserve accounts at participating banks at June 30, 2004 was $100,917. This fund provides an upfront matching fee of $50,000 for each participating bank. As the bank enrolls loans, the associated Authority matching fee is subtracted from this upfront matching fee of $50,000. Only when the Authority matching fees exceed the initial $50,000 in funding will additional funds be transferred from the TCAP fund for future enrolled loans. If a participating bank fails to utilize the program within 12 months of the participation agreement, the $50,000 and all accrued interest of the bank reserve account will be reverted back to the fund. The net assets of the fund and the balances in the bank accounts are <u>Restricted</u> by the constraints placed upon the fund by the Tobacco Commission and the terms and conditions of the participating agreements executed by the Authority and the participating banks.

(i) P.A.C.E Fund (0901)

This Department of Minority Business Enterprise (DMBE) fund provides credit enhancements to participating banks through a capital access program (CAP) as described under the Small Business Growth Fund or loan guaranties up to 90% as described under the Loan Guaranty Program. The Fund was initially capitalized with $309,569 from DMBE. The administration of the cash holdings in the fund is pursuant to a tri-party cooperative agreement between the Authority, the Department of Business Assistance and DMBE. The Authority administers the accounting for the loan guaranties and enrolled loans under the CAP. DMBE is responsible for marketing, guaranty approvals, enlisting and executing participation agreements with the CAP banks and approving all claims under the guaranty aspect of the program. As of June 30, 2004 there were $338,556 in outstanding guaranties under this fund. The net assets of the fund and the balances in the bank accounts are Restricted by the constraints placed upon the fund by DMBE, the enabling legislation, and the terms and conditions of the participating agreements executed by DMBE, the Authority and the participating banks.

(3) Non-restricted Assets

The following assets of the Authority are non-restricted in nature. These assets have been contractually restricted or designated for economic development financing initiatives. FY 2003 shows the assets in general terms and not by GASBS 34 requirements.

	June 30, 2004	June 30, 2003
Current assets:		
Cash*	$2,303,914*	$6,417,695
Loans receivable - CPLTD	476,296	819,085
Interest receivable – loans	39,069	291,518
Total non-restricted current assets	$4,384,191	$7,528,298
Non-current assets:		
Notes receivable – LTD	2,435,663	2,215,099
Total non-restricted assets	$6,819,854	$9,743,397

*Cash reported is net of current payables ($35,752) and guaranties outstanding and committed ($3,657,327), and loan commitments under the EDLF ($1,548,490).

All other assets of the Authority are restricted in nature, either by agreements with other agencies and/or third party participants, legislation and laws.

(4) Loans Receivable

Substantially all loans receivable are secured by liens on business assets or personal assets and guaranties of majority business owners. Rates and terms vary depending upon the program and the market rates at the time of loan closing. Under the indirect financing programs such as Loan Guaranty and VCAP, the banks set their own rates and terms; subject to the Authority's approval. Generally speaking, the direct loan programs have a maturity of 60-months from the date of closing.

(5) Cash and Investments

Cash includes cash on hand and amounts in checking accounts, which are insured by the Federal Depository Insurance Corporation or are collateralized under provisions of the Virginia Security for Public Deposits Act. At June 30, 2004 and 2003, the carrying amount of the Authority's balance was $122,150 and $97,518. The bank balance at June 30, 2004 was greater by $1,497.60 due to 5 small outstanding checks. The immediate operating cash in the Authority fund (Bond and LGP) and the Child Day Care Program are on deposit at Wachovia and the balance of the funds is on deposit with the LGIP. All other funds are invested with the Treasurer of Virginia.

(6) Securities Lending Transactions

$1,499,316 of the Investments held by the Treasurer of Virginia represents VSBFA's allocated share of cash collateral received and reinvested and securities received for the State Treasury's securities lending program. Information related to the credit risk of these investments and the State Treasury's securities lending program is available on a statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

(7) Relationships with the Department of Business Assistance

The Executive Director of VSBFA is appointed by the Director of the Department of Business Assistance in accordance with Section 9-204 of the Code of Virginia. The Department of Business Assistance also provides VSBFA with office space and pays certain administrative expenses.

(8) Surety Bond

The Executive Director of VSBFA was covered by a Faithful Performance Duty Bond administered by the Commonwealth of Virginia's Department of General Services, Division of Risk Management with liability limits of $500,000 for each occurrence.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
1	Virginia Small Business Financing Authority																		
2	Balance Sheet																		
3	June 30, 2004																		
4																LAST REVISION DATE:		10/8/2004	
5			Operating &	Child Care	RLF Federal	RLF State	DEQ	VCAP	TCAP	DMBE		APA			ROUNDED				
6	GLA	G/L TITLE	Loan Guaranty	Program 0380	Fund 0243	Fund 0921	Fund 0930	Fund 0957	Fund 0900	Fund 0901	SUBTOTAL	ADJUSTMENTS	TOTAL	F/S TITLE	TOTALS (000)		FY '03	VARIANCE %	Fluctuation Comments
7																			
8	101	Cash-Treasurer		18,111	9,068,107	5,004,587	352,308	36,311	350,000	257,184	15,086,608		15,086,608	Cash-Treasurer	15,087		19,048	-21%	Inc.in N/R + $500M from Tobacco Commission
9		Cash-Not w/ Treasurer	33,240	88,910							122,150		122,150	Cash-Not w/ Treasurer	122		93	31%	Normal fluctuations in operating accts
10		Investments	2,507,656	2,324,162	0	1,327,954	93,484	9,635	0	68,243	6,331,134		6,331,134	Investments	6,331		5,361	18%	
11		Subtotal Cash & Investments	2,540,896	2,431,183	9,068,107	6,332,541	445,792	45,946	350,000	325,427	21,539,892		21,539,892	Subtotal Cash & Investments	21,540		24,502	-12%	
12		Cash advances-depts. (Petty Cash)									0		0	Cash advances-depts. (Petty Cash)	0		0	0%	
13		Taxes, Loans, Accounts, and Other									0		0	Taxes, Loans, Accounts, and Other	0		0	0%	
14	206	Receivables (Net)		954,855	5,896,099	2,911,959	656,857				10,419,570		10,419,570	Receivables (Net)	10,420		8,519	22%	A/R inc. $3MM over Prin payments received.
15		Due from Other Funds									0		0	Due from Other Funds	0		0	0%	
16		Due From Primary Government									0		0	Due From Primary Government	0		0	0%	
17		Due from Component Units									0		0	Due from Component Units	0		0	0%	
18		Interfund Receivables									0		0	Interfund Receivables	0		0	0%	
19		Interfund Receivables from Component Units									0		0	Interfund Receivables from Component Units	0		0	0%	
20		Capital Lease Receivable									0		0	Capital Lease Receivable	0		0	0%	
21		Loans Receivable from Other Funds and									0		0	Loans Receivable from Other Funds and					
22		Component Units									0		0	Component Units	0		0	0%	
23		Inventory									0		0	Inventory	0		0	0%	
24		Restricted Assets (Obj 1452)						1,842,382	100,917	12,743	1,956,042		1,956,042	Restricted Assets (Obj 1452)	1,956		1,657	18%	Inc in CAP accts tied to inc. in enrollments
25		Prepaid expense accrual									0		0	Prepaid expense accrual	0		0	0%	
26		Other Assets - ACCRUED INTEREST RECEIVABLE		3,028	23,818	39,069	1,461				67,376		67,376	Other Assets - ACCRUED INTEREST RECEIVABLE	67		309	-78%	Chg off of two loans which had $227M in accrued int
27		Property, Plant, and Equipment (Net)									0		0	Property, Plant, and Equipment (Net)	0		0	0%	
28		Unamortized Bond Issuance Expense									0		0	Unamortized Bond Issuance Expense	0		0	0%	
29	Total Assets		2,540,896	3,389,066	14,988,024	9,283,569	1,103,910	1,888,328	450,917	338,170	33,982,880		33,982,880		33,983		34,987		
30	Liabilities:																		
31		Accounts payable									0		0	Accounts payable	0		0	0%	
32		Amounts Due to Other Governments									0		0	Amounts Due to Other Governments	0		0	0%	
33		Accrued Interest Payable									0		0	Accrued Interest Payable	0		0	0%	
34		Deposits Pending Distribution									0		0	Deposits Pending Distribution	0		0	0%	
35		Claims Payable									0		0	Claims Payable	0		0	0%	
36		Notes Payable									0		0	Notes Payable	0		0	0%	
37		Payable for Security Transactions									0		0	Payable for Security Transactions	0		0	0%	
38		Obligations Under Security Lending Program (Notes 1 and 6)			0	1,327,954	93,484	9,635	0	68,243	1,499,316		1,499,316	Obligations Under Security Lending Program (Notes	1,499		1,575	-5%	Decrease in cash due to inc. funding of loans
39		Pension Liability									0		0	Pension Liability	0		0	0%	
40		Other Liabilities			8,880	19,330	7,542	1,842,382	100,917	12,743	1,991,793		1,991,793	Other Liabilities	1,992		1,688	18%	
41		Due to Other Funds									0		0	Due to Other Funds	0		0	0%	
42		Due to Primary Government									0		0	Due to Primary Government	0		0	0%	
43		Due to Component Units									0		0	Due to Component Units	0		0	0%	
44		Interfund Payable									0		0	Interfund Payable	0		0	0%	
45		Interfund Payable to Primary Government									0		0	Interfund Payable to Primary Government	0		0	0%	
46		Loans Payable to Other Funds and Primary Government									0		0	Loans Payable to Other Funds and Primary Governme	0		0	0%	
47		Deferred revenue									0		0	Deferred revenue	0		0	0%	
48		Deferred Credit									0		0	Deferred Credit	0		0	0%	
49		Matured Principal and Interest Payable									0		0	Matured Principal and Interest Payable	0		0	0%	
50		Matured Debt Payable									0		0	Matured Debt Payable	0		0	0%	
51		Bonds Payable									0		0	Bonds Payable	0		0	0%	
52		Due to Program Participants, Escrows, and Providers									0		0	Due to Program Participants, Escrows, and Providers	0		0	0%	
53		Long-Term Regional Jail Financing Payable									0		0	Long-Term Regional Jail Financing Payable	0		0	0%	
54		Capital Lease Obligations									0		0	Capital Lease Obligations	0		0	0%	
55		Capital Lease Payable to Component Unit									0		0	Capital Lease Payable to Component Unit	0		0	0%	
56		Accrued Liability for Self-Insurance									0		0	Accrued Liability for Self-Insurance	0		0	0%	
57		Liability-Compen absences									0		0	Liability-Compen absences	0		0	0%	
58	Total Liabilities		0		8,880	1,347,284	101,026	1,852,017	100,917	80,986	3,491,109		3,491,109		3,491		3,263		
59	Equity and Other Credits:																		
60		Contributed Capital	1,000,000		0	0	0	0	0	0	1,000,000		1,000,000	Contributed Capital	1,000		1,000	0%	
61		Retained Earnings (Deficit)									0			Retained Earnings (Deficit)					
62		Reserved									0		0	Reserved	0		0	0%	
63		Unreserved	1,540,896	3,389,066	14,979,144	7,936,285	1,002,884	36,311	350,000	257,184	29,491,771	0	29,491,771	Unreserved	29,492		30,724	-4%	
64	Total Equity		2,540,896	3,389,066	14,979,144	7,936,285	1,002,884	36,311	350,000	257,184	30,491,771		30,491,771		30,492		(31,724)		
65		TOTALS	0	0	0	0	0	0	0	0	0	0	0	TOTALS	33,983	0	34,987	-3%	Loan chg-offs of $1,733M exceeded earnings

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
70																LAST REVISION DATE:		10/8/2004	
71			Operating &	Child Care	RLF Federal	RLF State	DEQ	VCAP	TCAP	DMBE		APA			ROUNDED				
72	GLA	G/L TITLE	Loan Guaranty	Program 0380	Fund 0243	Fund 0921	Fund 0930	Fund 0957	Fund 0900	Fund 0901	SUBTOTAL	ADJUSTMENTS	TOTAL	F/S TITLE	TOTALS (000)		FY '03	VARIANCE %	Fluctuation Comments
73		Operating Revenues:												Operating Revenues:					
74		Interest, Dividends, Rents and Other Investment Income		54,896	254,301	(166,228)	18,762				161,731		161,731	Interest, Dividends, Rents and Other Investment Incom	162		490	-67%	Loss on accrued int. due to charge-offs
75		Special Allowance Income									0		0	Special Allowance Income	0		0	0%	
76		Charges for Sales and Services	119,120		18,367	2,980	240				140,707		140,707	Charges for Sales and Services	141		120	18%	Inc. in commitment fees and app fees
77		Contributions									0		0	Contributions	0		0	0%	
78		Other		5,679	62,700	15,000					83,379		83,379	Other	83		73	14%	Recoveries on chg-offs increased
79		Total Operating Revenues	119,120	60,575	335,368	(148,248)	19,002	0	0	0	385,817	0	385,817	Total Operating Revenues	386	0	683	-43%	
80																			
81		Operating Expenses:												Operating Expenses:					
82		Interest Expense									0		0	Interest Expense	0		0	0%	
83		Cost of Sales and Services									0		0	Cost of Sales and Services	0		0	0%	
84		Insurance Claims									0		0	Insurance Claims	0		0	0%	
85		Personal Services (11XX)	0	32,370	77,792	195,273	66,769	0	0		372,204		372,204	Personal Services (11XX)	372		413	-10%	Payroll expenses dropped due to loss of personnel
86		Contractual Services (12XX)	16,227	2,363	4,931	9,474	785				33,780		33,780	Contractual Services (12XX)	34		26	31%	
87		Supplies and Materials (13XX)					7				7		7	Supplies and Materials (13XX)	0			0%	
88		Grants and Distributions to Localities (14XX)						214,717	150,000	0	364,717		364,717	Grants and Distributions to Localities (14XX)	365		266	37%	VCAP enrollments
89		Expendable Equipment (15XX)					0				0		0	Expendable Equipment (15XX)	0			0%	
90		Depreciation									0		0	Depreciation	0		0	0%	
91		Amortization									0		0	Amortization	0		0	0%	
92		Rent, Insurance and Other Related Charges									0		0	Rent, Insurance and Other Related Charges	0		0	0%	
93		Other		21,497		1,728,401					1,749,898		1,749,898	Other	1,750		42	4067%	charge-offs
94		Total Operating Expenses	16,227	56,230	82,723	1,933,144	67,561	214,717	150,000	0	2,520,606	0	2,520,606	Total Operating Expenses	2,521	0	747	237%	
95																			
96		Operating Income (Loss)	102,893	4,345	252,645	(2,081,396)	(48,559)	(214,717)	(150,000)	0	(2,134,789)	0	(2,134,789)	Operating Income (Loss)	(2,135)	0	(64)	3236%	
97																			
98		Nonoperating Revenues (Expenses):												Nonoperating Revenues (Expenses):					
99		Interest, Dividends, Rents and Other Investm	20,226	22,982	211,846	129,022	7,718	3,320	0	4,526	399,640		399,640	Interest, Dividends, Rents and Other Investment Incom	400		914	-56%	Inc. in loans funded and '03 budget cuts dec.cash balances
100		Gain (Loss) on Sale of Fixed Assets											0	Gain (Loss) on Sale of Fixed Assets	0		0	0%	
101		Grants and Shared Revenue											0	Grants and Shared Revenue	0		0	0%	
102		Income From Security Lending Transactions			14,961	5,916	355	147		213	21,592		21,592	Income From Security Lending Transactions	22		42	-48%	same as above
103		Expenses For Security Lending Transactions			(12,859)	(4,803)	(288)	(118)		(174)	(18,243)		(18,243)	Expenses For Security Lending Transactions	(18)		36	-150%	
104		Other											0	Other	0		0	0%	
105		Total Nonoperating Revenues (Expenses)	20,226	22,982	213,948	130,135	7,784	3,349	0	4,565	402,989	0	402,989	Total Nonoperating Revenues (Expenses)	404	0	920	-56%	
106		Income (Loss) Before Transfers	123,119	27,327	466,593	(1,951,261)	(40,775)	(211,368)	(150,000)	4,565	(1,731,800)	0	(1,731,800)	Income (Loss) Before Transfers	(1,731)	0	856	-302%	
107																			
108		Transfers												Transfers					
109		Operating Transfers In	600,000								600,000		600,000	Operating Transfers In	600		0	100%	Transfer from state RLF to LGP to allow for add'l gyts
110		Operating Transfers In From Component Units							500,000		500,000		500,000	Operating Transfers In From Component Units	500		0	100%	Transfer in from Tobacco Commission for TCAP
111		Operating Transfers In From Primary Government											0	Operating Transfers In From Primary Government	0		0	0%	
112		Operating Transfers Out				(600,000)					(600,000)		(600,000)	Operating Transfers Out	(600)		(2,050)	-71%	Transfer from state RLF to LGP to allow for add'l gyts
113		Operating Transfers Out to Primary Government											0	Operating Transfers Out to Primary Government	0		0	0%	
114		Operating Transfers Out to Component Units											0	Operating Transfers Out to Component Units	0		0	0%	
115		Appropriation Act Transfers											0	Appropriation Act Transfers	0		0	0%	
116		Total Transfers	600,000			(600,000)			500,000		500,000	0	500,000	Total Transfers	500	0	(2,050)	-124%	
117																			
118		Net Income (Loss) Before Extraordinary Item	723,119	27,327	466,593	(2,551,261)	(40,775)	(211,368)	350,000	4,565	(1,231,800)	0	(1,231,800)	Net Income (Loss) Before Extraordinary Item	(1,231)	0	(1,194)	3%	
119																			
120		Extraordinary Item:												Extraordinary Item:					
121		Loss on Early Extinguishment												Loss on Early Extinguishment					
122		of Debt									0		0	of Debt	0		0	0%	
123																			
124		Total Net Income (Loss)	723,119	27,327	466,593	(2,551,261)	(40,775)	(211,368)	350,000	4,565	(1,231,800)	0	(1,231,800)	Total Net Income (Loss)	(1,231)	0	(1,194)	3%	
125																			
126		Retained Earnings(Deficit); 6/30/03	817,777	3,361,739	14,512,551	10,487,547	1,043,659	247,679	0	252,619	30,723,571		30,723,571	Retained Earnings(Deficit); 6/30/03	30,724		31,914	-4%	
127																			
128		Retained Earnings(Deficit), 6/30/04	1,540,896	3,389,066	14,979,144	7,936,286	1,002,884	36,311	350,000	257,184	29,491,771	0	29,491,771	Retained Earnings(Deficit), 6/30/04	29,493	0	30,720	-4%	
129																			

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
130	Virginia Small Business Financing Authority																		
131	Cash Flow Statement page 1						LAST REVISION DATE:		REVISION DATE:		9/20/04					COMBINED			
132																			
133			Operating &	Child Care	RLF Federal	RLF State	DEQ	VCAP	TCAP	DMBE		APA			ROUNDED		LAST REVISION DATE:	10/8/2004	
134	GLA	G/L TITLE	Loan Guaranty	Program 0380	Fund 0243	Fund 0921	Fund 0930	Fund 0957	Fund 0900	Fund 0901	SUBTOTAL	ADJUSTMENTS	TOTAL	F/S TITLE	TOTALS (000)		FY '03	VARIANCE %	Fluctuation Comments
135		Cash Flows from Operating Activities:												Cash Flows from Operating Activities:					
136		Receipts from Sales and Services	119,120	0	18,367	2,980	240	0	0	0	140,707		140,707	Receipts from Sales and Services	141		120	18%	Increase in bond fees due to new issue and loan fees
137		Receipts from Quasi-external Operating Transactions with Other Funds									0		0	Receipts from Quasi-external Operating Transactions	0		0	0%	
138		Collections of Principal and Interest on Loans		554,008	540,812	798,296	150,669				2,043,785		2,043,785	Collections of Principal and Interest on Loans	2,044		2,507	-18%	Interest only on some loans and lower int.rates
139		Cash Payments for Loans		(183,581)	(2,606,429)	(2,301,510)	(182,539)				(5,274,059)		(5,274,059)	Cash Payments for Loans	(5,274)		(3,220)	64%	Inc. in loans funded
140		Payments to Suppliers for Goods and Service	0					0	0	0	0		0	Payments to Suppliers for Goods and Services	0		0	0%	
141		Payments for Quasi-external Operating Transactions with Other Funds									0		0	Payments for Quasi-external Operating Transactions w	0		0	0%	
142		Payments for Claims and Loss Control									0		0	Payments for Claims and Loss Control	0		0	0%	
143		Payments to Employees	0	(32,370)	(78,628)	(190,903)	(65,950)	0	0	0	(367,851)		(367,851)	Payments to Employees	(368)		(388)	-5%	
144		Payments to the Federal Government									0		0	Payments to the Federal Government	0		0	0%	
145		Program Grant Receipts									0		0	Program Grant Receipts	0		0	0%	
146		Program Grant Disbursements									0		0	Program Grant Disbursements	0		0	0%	
147		Contractual Services	(16,227)	(2,363)	(4,931)	(9,474)	(792)	0	0	0	(33,787)		(33,787)	Contractual Services	(34)		(26)	31%	
148		Payments to Insurance Companies	0								0		0	Payments to Insurance Companies	0		0	0%	
149		Cash Receipts for Special Allowance									0		0	Cash Receipts for Special Allowance	0		0	0%	
150		Payments for Mortgage Servicing Expenses									0		0	Payments for Mortgage Servicing Expenses	0		0	0%	
151		Escrow Payments Received									0		0	Escrow Payments Received	0		0	0%	
152		Escrow Payments Paid									0		0	Escrow Payments Paid	0		0	0%	
153		Receipts for Loan Origination and Guarantee Fees									0		0	Receipts for Loan Origination and Guarantee Fees	0		0	0%	
154		Payments for Bond Expenses									0		0	Payments for Bond Expenses	0		0	0%	
155		Proceeds From Sale of Loans Receivable									0		0	Proceeds From Sale of Loans Receivable	0		0	0%	
156		Purchase of Defaulted Loans									0		0	Purchase of Defaulted Loans	0		0	0%	
157		Default Collections									0		0	Default Collections	0		0	0%	
158		Cash Advanced to Third Parties									0		0	Cash Advanced to Third Parties	0		0	0%	
159		Other Operating Expense				(16,742)	0	(214,717)	(150,000)	0	(381,459)		(381,459)	Other Operating Expense	(381)		(309)	23%	
160		Contributions Received									0		0	Contributions Received	0		31	-100%	
161		Other Operating Revenue		5,679	62,700	15,000					83,379		83,379	Other Operating Revenue	83		0	100%	Recoveries
162																			
163		Net Cash Provided by (Used for) Operatin	102,893	341,373	(2,068,109)	(1,702,353)	(98,372)	(214,717)	(150,000)	0	(3,789,285)	0	(3,789,285)	Net Cash Provided by (Used for) Operating Activit	(3,789)		(1,285)	195%	
164																			
165		Cash Flows from Noncapital Financing Activities:												Cash Flows from Noncapital Financing Activities:					
166		Payment of Principal and Interest on Bonds and Notes									0		0	Payment of Principal and Interest on Bonds and Notes	0		0	0%	
167		Proceeds from Issuance of Bonds and Notes									0		0	Proceeds from Issuance of Bonds and Notes	0		0	0%	
168		Transfers In From Other Funds	600,000								600,000		600,000	Transfers In From Other Funds	600		0	100%	
169		Transfers In From Primary Government											0	Transfers In From Primary Government	0		0	0%	
170		Transfers In From Component Units							500,000		500,000		500,000	Transfers In From Component Units	500		0	100%	Tobacco commission transfer to TCAP
171		Transfers Out to Other Funds				(600,000)					(600,000)		(600,000)	Transfers Out to Other Funds	(600)		0	100%	
172		Transfers Out to Primary Government									0		0	Transfers Out to Primary Government	0		(2,050)	-100%	No budget cuts this year!!!
173		Transfers Out to Component Units									0		0	Transfers Out to Component Units	0		0	0%	
174		Cash Receipts from Taxes									0		0	Cash Receipts from Taxes	0		0	0%	
175		Advances/Contributions from the Commonwealth									0		0	Advances/Contributions from the Commonwealth	0		0	0%	
176		Repayments of Advances from the Commonwealth									0		0	Repayments of Advances from the Commonwealth	0		0	0%	
177		Payments of Debt Issuance Costs									0		0	Payments of Debt Issuance Costs	0		0	0%	
178		Payments for Bond Defeasance									0		0	Payments for Bond Defeasance	0		0	0%	
179		Capital Contributed by the Federal Government									0		0	Capital Contributed by the Federal Government	0		0	0%	
180		Capital Contributed by Component Units									0		0	Capital Contributed by Component Units	0		0	0%	
181		Net Cash Provided by (Used for) Noncapi	600,000	0	0	(600,000)	0	0	500,000	0	500,000	0	500,000	Net Cash Provided by (Used for) Noncapital Finan	500	0	(2,050)	-124%	
182		Cash Flows from Capital and Related Financing Activities:												Cash Flows from Capital and Related Financing Activities:					
183		Acquisition of Fixed Assets	0					0	0	0	0		0	Acquisition of Fixed Assets	0		0	0%	
184		Payment of Principal and Interest on Bonds and Notes									0		0	Payment of Principal and Interest on Bonds and Notes	0		0	0%	
185		Proceeds from Sale of Bonds and Notes									0		0	Proceeds from Sale of Bonds and Notes	0		0	0%	
186		Proceeds from Sale of Fixed Assets									0		0	Proceeds from Sale of Fixed Assets	0		0	0%	
187		Capital Contributed by the Commonwealth/	0				0				0		0	Capital Contributed by the Commonwealth/Federal G	0		0	0%	
188		Capital Contributed by Component Units									0		0	Capital Contributed by Component Units	0		0	0%	
189		Net Cash Provided by (Used for) Capital a	0		0	0	0	0	0	0	0	0	0	Net Cash Provided by (Used for) Capital and Relate	0	0	0	0%	
190		Cash Flows from Investing Activities:												Cash Flows from Investing Activities:					
191		Purchase of Investments									0		0	Purchase of Investments	0		0	0%	
192		Proceeds from Sales or Maturities of Investments									0		0	Proceeds from Sales or Maturities of Investments	0		0	0%	
193		Interest on Cash, Cash Equivalents and Inves	20,226	22,982	213,948	130,135	7,784	3,349	0	4,565	402,989		402,989	Interest on Cash, Cash Equivalents and Investments	403		920	-56%	
194		Net Cash Provided by (Used for) Investing	20,226	22,982	213,948	130,135	7,784	3,349	0	4,565	402,989	0	402,989	Net Cash Provided by (Used for) Investing Activitie	403	0	920	-56%	Drop in cash due to budget cuts and loans funded
195		Net Increase (Decrease) in Cash and Cash	723,119	364,355	(1,854,161)	(2,172,218)	(90,588)	(211,368)	350,000	4,565	(2,886,296)	0	(2,886,296)	Net Increase (Decrease) in Cash and Cash Equivalen	(2,886)	0	(2,415)	20%	
196		Cash and Cash Equiv June 03	1,817,777	2,066,828	10,922,268	7,176,805	442,896	247,679	0	252,619	22,926,872	0	22,926,872	Cash and Cash Equiv June 03	22,927		25,342	-10%	
197		Cash and Cash Equiv 6/30/04	2,540,896	2,431,183	9,068,107	5,004,587	352,308	36,311	350,000	257,184	20,040,576	0	20,040,576	Cash and Cash Equiv 6/30/04	20,041	0	22,927	-13%	
198																			

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
199	Virginia Small Business Financing Authority																		
200	Cash Flow Statement page 2						LAST REVISION DATE:		REVISION DATE:							COMBINED			
201	####															ADJUSTED			
202																	LAST REVISIO	10/8/2004	
203			Operating &	Child Care	RLF Federal	RLF State	DEQ	VCAP	TCAP	DMBE		APA			ROUNDED				
204	GLA	G/L TITLE	Loan Guaranty	Program 0380	Fund 0243	Fund 0921	Fund 0930	Fund 0957	Fund 0900	Fund 0901	SUBTOTAL	ADJUSTMENTS	TOTAL	F/S TITLE	TOTALS (000)		FY '03	VARIANCE %	Fluctuation Comments
205		Reconciliation of Operating Income												Reconciliation of Operating Income					
206		To Net Cash Provided by												To Net Cash Provided by					
207		Operating Activities:												Operating Activities:					
208		*Operating Income (Loss)*	*102,893*	*4,345*	*252,645*	*(2,081,396)*	*(48,559)*	*(214,717)*	*(150,000)*	*0*	*(2,134,789)*	*0*	*(2,134,789)*	*Operating Income (Loss)*	*(2,135)*		*(64)*	*3236%*	
209		Adjustments to Reconcile Operating												Adjustments to Reconcile Operating					
210		Income to Net Cash Provided by												Income to Net Cash Provided by					
211		(Used for) Operating Activities:												(Used for) Operating Activities:					
212		Depreciation and Amortization									0		0	Depreciation and Amortization	0		0	0%	
213		Interest on Bonds and Notes									0		0	Interest on Bonds and Notes	0		0	0%	
214		Interest, Dividends, Rents and Other Investment Income		(3,028)	(23,818)	(39,069)	(1,461)				(67,376)		(67,376)	Interest, Dividends, Rents and Other Investment Incom	(67)		(309)	-78%	
215		Receipts on VPSA Loans									0		0	Receipts on VPSA Loans	0		0	0%	
216		Net Funds Applied Against Amounts Due to the Federal Government									0		0	Net Funds Applied Against Amounts Due to the Fede	0		0	0%	
217		Payment of Bond Issuance Expenses									0		0	Payment of Bond Issuance Expenses	0		0	0%	
218		Gain (Loss) on Sale of Fixed Assets									0		0	Gain (Loss) on Sale of Fixed Assets	0		0	0%	
219		Gain (Loss) on Sale of Investments									0		0	Gain (Loss) on Sale of Investments	0		0	0%	
220		Miscellaneous Nonoperating Income									0		0	Miscellaneous Nonoperating Income	0		0	0%	
221		Asset Revaluation									0		0	Asset Revaluation	0		0	0%	
222		Other Expenses							0	0	0		0	Other Expenses	0		0	0%	
223		Gain (Loss) on Sale of Inventory									0		0	Gain (Loss) on Sale of Inventory	0		0	0%	
224		Change in Assets and Liabilities:												Change in Assets and Liabilities:					
225		(Increase) Decrease in Accounts Receivable		340,056	(2,296,100)	413,742	(49,171)				(1,591,473)		(1,591,473)	(Increase) Decrease in Accounts Receivable	(1,591)		(937)	70%	
226		(Increase) Decrease in Interfund Receivables from PG									0		0	(Increase) Decrease in Interfund Receivables from P	0		0	0%	
227		(Increase) Decrease in Interfund Receivables from CU									0		0	(Increase) Decrease in Interfund Receivables from C	0		0	0%	
228		(Increase) Decrease in Inventory									0		0	(Increase) Decrease in Inventory	0		0	0%	
229		(Increase) Decrease in Restricted Assets									0		0	(Increase) Decrease in Restricted Assets	0		0	0%	
230		(Increase) Decrease in Prepaid Expenses									0		0	(Increase) Decrease in Prepaid Expenses	0		0	0%	
231		Increase (Decrease) in Accounts Payable,	0								0		0	Increase (Decrease) in Accounts Payable,					
232		Deposits, and Other Liabilities			(836)	4,370	819				4,353		4,353	Deposits, and Other Liabilities	4		25	-84%	
233		Increase (Decrease) in Amounts Due to Other Governments									0		0	Increase (Decrease) in Amounts Due to Other Gove	0		0	0%	
234		Increase (Decrease) in Claims Payable									0		0	Increase (Decrease) in Claims Payable	0		0	0%	
235		Increase (Decrease) in Interfund Payables to Primary Government									0		0	Increase (Decrease) in Interfund Payables to Primar	0		0	0%	
236		Increase (Decrease) in Interfund Payables to Component Units									0		0	Increase (Decrease) in Interfund Payables to Compo	0		0	0%	
237		Increase (Decrease) in Deferred Revenue									0		0	Increase (Decrease) in Deferred Revenue	0		0	0%	
238		Increase (Decrease) in Capital Lease Obligations									0		0	Increase (Decrease) in Capital Lease Obligations	0		0	0%	
239		Increase (Decrease) in Due to Program Participants									0		0	Increase (Decrease) in Due to Program Participants	0		0	0%	
240		Increase (Decrease) in Compensated Absences									0		0	Increase (Decrease) in Compensated Absences	0		0	0%	
241		Increase (Decrease) in Contributed Capital									0		0	Increase (Decrease) in Contributed Capital	0		0	0%	
242		Net Cash Provided by (Used for)												Net Cash Provided by (Used for)					
243		Operating Activities	102,893	341,373	(2,068,109)	(1,702,353)	(98,372)	(214,717)	(150,000)	0	(3,789,285)	0	(3,789,285)	Operating Activities	(3,789)		(1,285)	195%	
244		Reconciliation of Cash, Cash												Reconciliation of Cash, Cash					
245		Equivalents and Investments:												Equivalents and Investments:					
246		Per the Balance Sheet:												Per the Balance Sheet:					
247		Cash, Cash Equivalents, and Investments	2,540,896	2,431,183	9,068,107	6,332,541	445,792	45,946	350,000	325,427	21,539,892		21,539,892	Cash, Cash Equivalents, and Investments	21,540		24,502	-12%	
248		Petty Cash and Travel Advances									0		0	Petty Cash and Travel Advances	0		0	0%	
249											0								
250		Agency Funds									0		0	Agency Funds	0		0	0%	
251		Pension Trust Funds									0		0	Pension Trust Funds	0		0	0%	
252		Expendable Trust Funds									0		0	Expendable Trust Funds	0		0	0%	
253		Less: Investments with Original Maturities									0			Less: Investments with Original Maturities					
254		Greater than Three Months	0	0	0	1,327,954	93,484	9,635	0	68,243	1,499,316	0	1,499,316	Greater than Three Months	1,499		1,575	-5%	
255		Cash and Cash Equivalents per the												Cash and Cash Equivalents per the					
256		Statement of Cash Flows	2,540,896	2,431,183	9,068,107	5,004,587	352,308	36,311	350,000	257,184	20,040,576	0	20,040,576	Statement of Cash Flows	20,041	-	22,927	-13%	
257																			

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
258																			
259																			
260																			
261		Noncash Investing, Capital, and Financing Activities:												Noncash Investing, Capital, and Financing Activities:					
262		The following transactions occurred prior to the balance sheet date:												The following transactions occurred prior to the balance sheet date:					
263																			
264		Increase in Other Real Estate Owned												Increase in Other Real Estate Owned					
265		as a Result of Loan Foreclosures									0		0	as a Result of Loan Foreclosures	0		0	0%	
266		Loans Charged Off									0		0	Loans Charged Off	0		0	0%	
267		Capital Leases Used to Finance Fixed Assets									0		0	Capital Leases Used to Finance Fixed Assets	0		0	0%	
268		Trade-ins of Used Equipment on New Equipment									0		0	Trade-ins of Used Equipment on New Equipment	0		0	0%	
269		Bonds Defeased by Localities									0		0	Bonds Defeased by Localities	0		0	0%	
270		Transfers of Literary Fund Loan Notes									0		0	Transfers of Literary Fund Loan Notes	0		0	0%	
271		Contributions to Escrow Deposits									0		0	Contributions to Escrow Deposits	0		0	0%	
272																			
273		Total Noncash, Investing, Capital, and Finan	0		0	0	0	0	0		0	0	0	Total Noncash, Investing, Capital, and Financing Acti	0		0		
274																			
275																			

Cell: K6
Comment: IS:
DO NOT DELETE THESE CALCULATIONS

Cell: M6
Comment: IS:
DO NOT DELETE THESE CALCULATIONS

Cell: O6
Comment: IS:
THESE NUMBERS ARE BROUGHT FORWARD FROM THE TOTAL COLUMN - DO NOT DELETE CALCULATIONS

Cell: Q6
Comment: IS:
ENTER THESE NUMBERS FROM PREVIOUS YEARS FINANCIAL STATEMENTS

Cell: R6
Comment: IS:
DO NOT DELETE THESE FORMULAS -- THIS WILL BE THE DIFFERENCE BETWEEN THE CURRENT AND PREVIOUS FISCAL YEARS

Cell: S6
Comment: IS:
BRIEF EXPLAINATION FOR VARIANCE

Cell: B8
Comment: IS:
SEE CARS 402 REPORT - GLA 101
YEAR END BALANCE

Cell: D8
Comment: IS:
See CARs 0402, C1 report 73001 account only. This is the only account that is CDC.

Cell: E8
Comment: PThorne:
Cars cash balance

Cell: F8
Comment: PThorne:
cars cash balance

Cell: G8
Comment: PThorne:
Cars cash balance

Cell: H8
Comment: PThorne:
Cars cash

Cell: I8
Comment: PThorne:
Cars cash plus cash equivalents under Securities Lending Program For 2004 there was no cash equivalent in the SLP

Cell: J8
Comment: PThorne:
cars cash plus cash equivalents under Securities Lending Program
For 2003 there was no cash in SLP

Cell: C9
Comment: Balance in Wachovia Account number 2018500062619 associated with the VSBFA money. This account holds the cash for VSBFA and CDC. Actual bank balance for both as of June 30, 2004 was $123,647,61. Our records indicated a balance of $122,150.01. There were 5 outstanding checks totaling $1,497.60. $33,240 plus $88,910 (see D9) plus $1,497.60 totals the bank balance of $123,647.61.

Cell: D9
Comment: Balance in Wachovia
Account number 2018500062619 associated with the CDC money. This account holds the cash for VSBFA and CDC. Actual bank balance for both as of June 30, 2004 was $123,647,61. Our records indicated a balance of $122,150.01. There were 5 outstanding checks totaling $1,497.60. $33,240 plus $88,910 (see D9) plus $1,497.60 totals the bank balance of $123,647.61.

Cell: C10
Comment: IS:
SEE INCOME/EXPENSE STATEMENT PROVIDED BY VSBFA ACCT - FIGURE IS TOTAL CASH POSITION FROM REPORT PLUS OVERDRAFT CHECK AMOUNT

Cell: E10
Comment: IS:
No money in SLT

Cell: F10
Comment: IS:
SEE DOA MEMO - INVESTMENTS AND/OR LIABILITY COLUMN

Cell: G10
Comment: IS:
SEE DOA MEMO - INVESTMENTS AND/OR LIABILITY COLUMN

Cell: H10
Comment: IS:
SEE DOA MEMO - INVESTMENTS AND/OR LIABILITY COLUMN

Cell: I10
Comment: IS:
SEE DOA MEMO - INVESTMENTS AND/OR LIABILITY COLUMN

Cell: C11
Comment: Loan Guaranty Program has guaranties outstanding of $1,234,676.

Cell: B14
Comment: IS:
SEE CARS 402 REPORT (EXCEPT FOR CHILD CARE) - GLA 206 YEAR END BALANCE

Cell: D14
Comment: IS:
SEE DAY CARE REPORT PROVIDED BY VSBFA ACCT -'03 Notes receivable $1,289,826 plus loans funded $183,581 less principal payments received $497,057.54 less c/o $21,496.58
Current portion N/R $245,591, amount due beyond one year $709,264

Cell: E14
Comment: IS:
A/R CARS -'03 AR $3,588,420 plus loans funded $2,606,429 less payments received $298,749 equals $5,896,099. VSBFA shows $5,895,296 due to an error in posting of $803.08. Correction in this amount was posted to CARS in July '04 to effectively increase the amount of principal received. amount due beyond one year $360,554 and beyond one year is $5,535,545

Cell: F14
Comment: IS:
Receivables from FY03 $3,034,184 plus loans funded FY04 $2,301,511 minus prin pmts recv'd FY04 $712,077 minus charge-off loans FY04 $1,711,659. LAPro shows N/R of $2,932,444.86 which includes Bravo interest of $20,486 which was past due interest converted to principal and did not involve CARS cash. Current portion N/R $476,296 (includes full amount of Bravo Romeo $255,195 ((which includes the $20,486 - demand had been sent)), amount due beyond one year $2,435,663 ($13 difference in LaPro forecast. We are using the net difference.)

Cell: G14
Comment: IS:
A/R FY03 $606,352 plus loans funded $182,538.55 less principal payments received $132,234 Current portion N/R $138,497, amount due beyond one year $518,160

Cell: H24
Comment: IS:
Actual bank balances $1,842,382. VSBFA reflects a balance of $1,831,034 + $11,349 in total exceptions due to various reasons, such as missing enrollment forms or timing differences in reflecting the matching fees.

Cell: I24
Comment: IS:
Actual bank balances 100,917 VSBFA reflects a balance of $100,927
- $10 service charge in

Cell: J24
Comment: IS:
balance in Suntrust
- only one bank participating in CAP.

Cell: D26
Comment: Patricia Thorne:
Accrued interest from LaPro Trial balance report

Cell: E26
Comment: IS:
RLF $21,231
Direct $2,587

Cell: F26
Comment: IS:
Accrued interest per LaPro Trial Balance Report 6/30/2004 EDRLF $18,333 + Direct $250 plus the delinquent Bravo interest that was refinanced of $20,486.

Cell: G26
Comment: IS:
Accrued interest YTD - get from Trial Balance report

Cell: B38
Comment: IS:
SEE DOA MEMO - INVESTMENT LIABILITY COLUMN

Cell: E38
Comment: PThorne:
cash and investments in securities lending program Federal RLF had no money in SLT this year

Cell: G38
Comment: PThorne:
cash and investments in securities lending program

Cell: H38
Comment: PThorne:
cash and investments in securities lending program

Cell: I38
Comment: PThorne:
cash and investments in securities lending program

Cell: J38
Comment: PThorne:
cash and investments in securities lending program

Cell: F40
Comment: IS:
accrued leave liability for fund 0921 - get from Admin.

Cell: G40
Comment: IS:
Accrued leave liability $3,014 & $3,709 Get from Debbie S.

Cell: C60
Comment: IS:
INITIAL OPERATING CAPITAL PROVIDED FOR VSBFA

Cell: B63
Comment: IS:
AMOUNT WILL BE ENTERED FROM RETAINED EARNINGS FOR CURRENT FY END FROM INCOME STATEMENT (LINE 128)

Cell: B65
Comment: IS:
ALL TOTALS SHOULD BE ZERO

Cell: B66
Comment: IS:
PRIOR TO STARTING THE COMPLETION OF THESE FINANCIAL STATEMNTS, BE SURE TO RECONCILE TO CARS THE CASH AND ACCOUNTS RECEIVABLE. SEE WORKSHEETS IN THE FILE FOR EXAMPLES OF HOW TO RECONCILE

Cell: D74
Comment: PThorne:
Interest and late fees earned $56,950.29 plus accrued interest '04 $3,028 less '03 accruals of $5,083 plus $1 for rounding

Cell: E74
Comment: IS:
AMOUNT IS INTEREST $303,959 less $62,700 posted to interest in error for recovery plus entry of $803 that should have been posted to principal, late fees -0-, + accrued interest FY04 $23,818 less accrued interest FY03 $11,579

Cell: F74
Comment: pthorne:Interest received on loans CARS REPORTS (402) $101,220 plus accrued interest FY'04 $18,583 plus Bravo interest $20,486
less accrual for FY03 $291,518 less $15,000 in recoveries shown below. Accrued interest from last year included Atlanta Pulp and Paper interest of $154,809.62 and Harmony Shenandoah interest of $72,175.63; both of which were written off. Plus $1 for rounding

Cell: G74
Comment: IS:
Interest paid from loans plus late fees charged $18,435 plus accrued interest FY04 $1,461 less FY03 accrued interest $1,134

Cell: C76
Comment: IS:
SEE STATEMENT PROVIDED BY VSBFA ACCT. AMOUNT IS BOND FEES LOAN GTY FEES fees for CDC plus adj for voided checks $2,180

Cell: F76
Comment: pmorris:
Fees collected

Cell: G76
Comment: IS:
AMOUNT IS APPLICATION FEES PAID less refunds. SEE STATEMENT PROVIDED BY VSBFA ACCT

Cell: D78
Comment: IS:
Recovery on charge-off

Cell: E78
Comment: Patricia Thorne:
Rcoveries

Cell: F78
Comment: IS:
Recovery for charged-off loan - WFW $15,000,

Cell: D85
Comment: IS:
SEE VSBFA STATEMENTS - TOTAL OF PAYROLL AND BENEFIT EXPENSES

Cell: E85
Comment: IS:
From CARS report 1426 for #368 '04 Payroll expense $78,628.06 plus accrued '04 PR of $8,880 less accrued payroll previous yr 03
$9,716

Cell: F85
Comment: IS:
From Cars report 1426 cost code 355 $190,903 plus '04 accrued payroll leave per Stacy $19,329.50 less accrued payroll and leave balances $14,960 FY03

Cell: G85
Comment: IS:
TOTAL EXPENDITURES CHARGED TO 1100 SERIES SUBOBJECT CODE 370 $65950 plus accrued leave (from Stacy) and salary $7541.66 less prior year accrued payroll $6,723

Cell: F86
Comment: IS:
TOTAL EXPENDITURES CHARGED TO 1200 SUBOBJECT CODES $9,047 (4/30/2003)

Cell: G86
Comment: IS:

TOTAL EXPENDITURES CHARGED TO 1200 SUBOBJECT CODES

Cell: D93
Comment: IS:
AMOUNT WAS FROM CHARGE OFFS

Cell: F93
Comment: pmorris:
Chargeoff Loans Atlanta Pulp & paper $871,079 and Harmony Shenandoan $840,580 plus budgetary expenses of $16,742

Cell: C99
Comment: IS:
AMOUNT IS THE INTEREST INCOME FROM LGIP ACCOUNT AS REFLECTED ON INCOME/EXPENSE JOURNAL

Cell: D99
Comment: IS:
Interest earned as reflected in footnotes to CDC fund report - LGIP

Cell: E99
Comment: IS:
AMOUNT IS INTEREST from Treasury $213,948
less Sec. Lending Trans.$2,102.08

Cell: F99
Comment: pmorris:
Interest earned on CARS less securities lending interest of 1,113.01

Cell: G99
Comment: IS:
AMOUNT IS INTEREST DEPOSITED TO GLA 961 less securities lending interest of 66.39

Cell: H99
Comment: IS:
AMOUNT IS INTEREST DEPOSITED TO GLA961
and minus the interest earned as reflected in the Securities Lending Transaction report $28.69.

Cell: I99
Comment: IS:
AMOUNT IS INTEREST DEPOSITED TO GLA961
and minus the interest earned as reflected in the Securities Lending Transaction report $0.

Cell: J99
Comment: IS:
AMOUNT IS INTEREST DEPOSITED TO GLA 961 minus the interest earned as reflected in the Securities Lending Transaction report $39.24

plus $1 for rounding

Cell: B102
Comment: IS:
AMOUNTS ARE FROM THE DOA MEMO - SEE COLUMN TITLED INCOME/PROCEEDS

Cell: B103
Comment: IS:
AMOUNTS ARE FROM DOA MEMO COLUMN TITLED EXPENSES/PAYMENTS

Cell: C109
Comment: pthorne:

Transfer of funds from state RLF to LGP

Cell: I110
Comment: Patricia Thorne:
Transfer in from Tobacco Commission for initial funding of TCAP

Cell: F112
Comment: pmorris:
Funds transferred to LGP fund form State RLF.

Cell: B126
Comment: IS:

THESE FIGURES WILL BE TAKEN FROM THE PRIOR FISCAL YEAR TOTALS FROM INCOME STATEMENT

Cell: Q126
Comment: Patricia Thorne:
Beginning RE ('02)

Cell: Q128
Comment: Patricia Thorne:
Ending RE '03

Cell: B136
Comment: IS:
AMOUNTS WILL BE AUTOMATICALLY FILLED IN FROM LINE 78, CHARGE FOR SALES AND SERVICE FROM INCOME STATEMENT

Cell: C136
Comment: pmorris:
Fees collected plus the adjustment for checks voided $2,180

Cell: D138
Comment: IS:
SEE STATEMENT PROVIDED BY VSBFA ACCT - AMOUNT IS principle payments received $497,057.54 plus interest & late charges $56,950.29

Cell: E138
Comment: IS:
AMOUNT IS PRINCIPAL $298,749 plus INTEREST $303,959 from VSBFA report less recovery from Princeton Homes prior year charge-off $62,700 plus $803 posted incorrectly to principal plus $1 for rounding.

Cell: F138
Comment: IS:
AMOUNT IS PRINCIPAL of $712,077 + INTEREST & Late charges minus 15,000 recoveries (see line164) $101,220 and $1 for rounding

Cell: G138
Comment: IS:
Principal $132,234 plus interest plus late charges $18,435

Cell: D139
Comment: IS:
AMOUNT OF LOAN FUNDED FROM STATEMENT PROVIDED BY VSBFA ACCT

Cell: E139
Comment: IS:
AMOUNT IS TOTAL OF LOAN FUNDED TAKEN FROM STATEMENT PROVIDED BY VSBFA ACCOUNTANT

Cell: F139
Comment: IS:
Loans funded $2,301,510
(Loan system also includes the Bravo interest funding as principal loan out - $20,486)

Cell: G139
Comment: IS:
AMOUNT IS TOTAL OF LOAN FUNDED TAKEN FROM STATEMENT PROVIDED BY VSBFA ACCOUNTANT less Bayside Avalon not on LaPro $67,480.00

Cell: B140
Comment: IS:
AMOUNT IS AUTOMATICALLY FILLED IN FROM LINE 87 - SUPPLIES AND MATERIALS FROM INCOME STATEMENT (HOWEVER, THESE WILL PROBABLY NEED TO BE A NEGATIVE NUMBER)

Cell: B143
Comment: IS:
AMOUNT SHOULD AUTOMATICALLY FILL IN FROM LINE 85 - PERSONAL SERVICES ON THE INCOME STATEMENT (HOWEVER, THESE WILL PROBABLY NEED TO BE A NEGATIVE NUMBER)

Cell: E143
Comment: IS:
Actual payroll per CARS

Cell: F143
Comment: Actual payroll per CARS

Cell: G143
Comment: IS:
Actual payroll per CARS

Cell: B147
Comment: IS:
AMOUNTS SHOULD AUTOMATICALLY FILL IN FROM LINE 88 - CONTRACTUAL SERVICES FROM THE INCOME STATEMENT (HOWEVER, THESE WILL PROBABLY HAVE TO BE A NEGATIVE NUMBER)

Cell: G147
Comment: pmorris:
This includes figures from expense for 1200 $785 and 1300 $7 series.

Cell: B159
Comment: IS:
NUMBERS SHOULD AUTO FILL FROM LINE 95 - OTHER EXPENSES FROM THE INCOME STATEMENT (EXCEPT FOR COLUMN F) AND THEY WILL HAVE TO BE MADE A NEGATIVE NUMBER

Cell: D161
Comment: pmorris:
Chargeoff Recoveries-

Cell: F161
Comment: IS:
Recovery from charged off in FY 04

Cell: B163
Comment: IS:
THESE TOTALS SHOULD EQUAL THE TOTALS ON LINE 244, NET CASH PROVIDED BY OPERATING ACTIVITIES FROM THE CASH FLOW STATEMENT PAGE 2

Cell: C193
Comment: IS:
AMOUNT IS FROM VSBFA STATEMENT - INCOME, INTEREST

Cell: G193
Comment: IS:
AMOUNT FROM INTEREST FROM TREASURY, GLA 961

Cell: H193
Comment: IS:
AMOUNT FROM INTEREST RECEIVED BY TREASURY, GLA 961

Cell: I193
Comment: IS:
AMOUNT FROM INTEREST RECEIVED BY TREASURY, GLA 961

Cell: B196
Comment: IS:
THESE AMOUNT MUST BE FILLED IN AND WILL BE TAKEN FROM THE PREVIOUS YEARS FINANCIAL STATEMENTS

Cell: Q196
Comment: Patricia Thorne:
Beginning Cash '03

Cell: B197
Comment: IS:
THESE TOTALS SHOULD EQUAL THE RECONCILIATION THAT YOU DID TO CARS PRIOR TO BEGINNING THIS PROCESS. WITH VSBFA AND CHILD CARE YOU WILL NEED TO LOOK AT THE STATEMENTS PROVIDED BY VSBFA ACCOUNTANT

THEY SHOULD ALSO EQUAL LINE 257, CASH AND CASH EQUIVALENTS PER THE STATEMENT OF CASH FLOWS ON THE CASH FLOW STATEMENT PAGE 2

Cell: B208
Comment: IS:
AMOUNTS SHOULD AUTO FILL FROM LINE 96 OPERATAING INCOME(LOSS) FROM THE INCOME STATEMENT

Cell: D225
Comment: Pmorris
A/R previous yr $1,289,828 less '04 A/R of $954,855 = $334,973. Other proof; loans funded $1183,581 less principal payments $497,057.54 less charge-offs $21,496.58 = $334,973.12. (Reduction in A/R.) Plus accrued interest '03 $5,083

Cell: E225
Comment: IS:
A/R '03 of \$3,588,420 minus A/R YTD '04 \$5,896,099 = \$2,307,679 (increase in A/R). Proof: Loans funded \$2,606,429 less principal payments received \$298,749 = \$2,307,680 less \$1 for rounding error.
Plus accrued interest '03 \$11,579

Cell: F225
Comment: pmorris:
'03 A/R \$3,034,184 less '04 A/R \$2,911,959 = a reduction of \$122,225. Proof: Loans funded \$2,301,510 less principal payments received \$712,077 less charge-offs \$1,711,659 = \$122,226 less \$1 for rounding plus accrued interest '03 \$291,518

Cell: G225
Comment: IS:
'03 A/R \$606,352 less '04 A/R \$656,657 = \$50,305. Proof: Loans funded \$182,539 less principal payments received \$132,234 = \$50,305. Increase in A/R plus '03 accrued interest \$1,134

Cell: E232
Comment: Patricia Thorne:
'03 accrued payroll \$9,716. '04 accrued payroll \$8,880 Difference (\$836)

Cell: F232
Comment: pmorris:
Amount of accrued payroll for FY03 \$14,960; '04 accrued payroll \$19,330 - increase of \$4,370

Cell: G232
Comment: Patricia Thorne:
'03 accrued payroll \$6,723; '04 accrued payroll \$7,542 - increase \$819.

Cell: B243
Comment: IS:
THESE TOTALS SHOULD EQUAL LINE 164, NET CASH PROVIDED BY OPERATING ACTIVITIES ON THE CASH FLOW STATEMENT PAGE 1

Cell: B247
Comment: IS:
AMOUNT SHOULD AUTO FILL FROM LINE 11, SUBTOTAL CASH AND INVESTMENTS FROM THE BALANCE SHEET

Cell: B254
Comment: IS:
ONLY CARS ACCOUNTS - AMOUNT SHOULD AUTO FILL FROM LINE 10, INVESTMENTS ON THE BALANCE SHEET

Cell: B256
Comment: IS:
THESE TOTALS SHOULD EQUAL LINE 198, CASH AND CASH EQUIVALENTS FROM THE CASH FLOW STATEMENT PAGE 1