

**VIRGINIA SMALL BUSINESS FINANCING AUTHORITY**

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

June 30, 2005 and 2004

# VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

## Table of Contents

|  | <b>Page</b> |
|--|-------------|
| Management's Discussion and Analysis                       | 3           |
| <b>Basic Financial Statements:</b>                         |             |
| Statements of Net Assets                                   | 5           |
| Statements of Revenues, Expenses and Changes in Net Assets | 6           |
| Notes to Financials  | 7           |

**VIRGINIA SMALL BUSINESS FINANCING AUTHORITY**  
Management's Discussion and Analysis  
June 30, 2005 and 2004

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, 2005 and 2004. 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 2005

The following information represents a comparative analysis of key financial aspects of the Authority's operations between the years ended June 30, 2005 and June 30, 2004. M = million K = thousand

- Total assets increased \$3M (9%)
- Loans receivable increased \$3.6M (34%)
- Restricted assets associated with the CAP programs increased \$527K (26%)
- Received \$250K from Tobacco Commission to add to TCAP program
- Received \$300K from General Assembly for VCAP
- Received \$27,405 from DEQ for ECAF
- Total liabilities increased \$3M (73%)
- Total net assets increased \$488K (1%)
- Investments held in the LGIP increased \$2M (138%)
- Investment income from interest earned on cash balances decreased \$6K (1%)
- Interest and other operating income increased \$493K (127%)

Primary factors that contributed to these changes were as follows:

- Total assets increased \$3M due to the additional funding of \$577K from General Assembly, Tobacco Commission and DEQ, the increase in CAP reserve accounts \$527K, increase in notes receivable \$3.6M and the increase in operating revenues of \$493K.
- Total liabilities increased \$3M 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 and the increase in Obligations related to the Security Lending Program.
- Total Net assets increase \$488K due to the increase in funding from the three sources listed in the first bullet listed above.

**VIRGINIA SMALL BUSINESS FINANCING AUTHORITY**  
Management's Discussion and Analysis  
June 30, 2005 and 2004

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, 2005 - 2003

**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:

|                           | <u>June 30,<br/>2005</u> | <u>June 30,<br/>2004</u> | <u>June 30,<br/>2003</u> | <b>2005 vs. 2004<br/>% Increase<br/>(Decrease)</b> | <b>2004 vs. 2003<br/>% Increase<br/>(Decrease)</b> |
|---------------------------|--------------------------|--------------------------|--------------------------|--|--|
| Cash and cash equivalents | \$12,914,131             | \$15,208,758             | \$19,145,266             | (15%)  | (20%)  |
| Investments               | 7,560,943                | 6,331,134                | 5,356,425                | 19%  | 18%  |
| Loans receivable          | 14,009,093               | 10,419,570               | 8,518,784                | 34%  | 22%  |
| Restricted Assets         | 2,482,858                | 1,956,042                | 1,657,020                | 26%  | 18%  |
| Other assets              | <u>76,120</u>            | <u>309,314</u>           | <u>67,376</u>            | <u>(75%)</u>                                       | <u>360%</u>  |
| Total assets              | <u>\$37,043,145</u>      | <u>\$33,982,880</u>      | <u>\$34,986,809</u>      | <u>9%</u>  | <u>(3%)</u>  |
| Obligations under SLP     | 3,571,027                | 1,499,316                | 1,574,819                | 138%   | (5%)   |
| Other liabilities         | 2,492,165                | 1,991,793                | 1,688,419                | 25%  | 18%  |
| Total liabilities         | <u>\$ 6,063,192</u>      | <u>\$ 3,491,109</u>      | <u>\$ 3,263,238</u>      | <u>73%</u>   | <u>7%</u>  |
| Net Assets                | <u>\$30,979,953</u>      | <u>\$30,491,771</u>      | <u>\$31,723,571</u>      | <u>1%</u>  | <u>(3%)</u>  |

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 loan commitments, deficiency guaranties 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 by the General Assembly to fund the Virginia Economic Development Revolving Loan Fund (#0921). The assets, both cash and notes receivable were granted by the General Assembly to a “to-be-formed community development bank”. The fund was abolished effective July 1, 2005.

Net Assets as of June 30, 2005 and 2004:

|                  | <u>2004</u>         | <u>2003</u>         |
|------------------|---------------------|---------------------|
| Restricted       | \$23,072,192        | \$23,691,656        |
| Unrestricted     | <u>\$ 7,907,761</u> | <u>\$ 6,800,115</u> |
| Total net assets | \$30,979,953        | \$30,491,771        |

# VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

## Management's Discussion and Analysis

June 30, 2005 and 2004

### Results of Operations for the Years Ended June 30, 2005 and 2004

|   | <b>2005</b> | <b>2004</b>   |
|---|-------------|---------------|
| Operating revenues:                                   |             |               |
| Interest on loans receivable                          | \$667,897   | \$161,731     |
| Charges for sales and service                         | 129,882     | 140,707       |
| Other (recoveries)                                    | 80,853      | 83,379        |
| Total operating revenues                              | \$878,632   | \$385,817     |
| Operating expenses:                                   |             |               |
| Personal services (11XX)                              | 401,944     | 372,204       |
| Contractual Services (12XX)                           | 47,293      | 33,780        |
| Distributions (Capital Access fee matches) (14XX)     | 531,824     | 365,717       |
| Other (charge-offs/DPB directed expenses, TCAP Admin) | 383,620     | 1,749,898     |
| Total operating expenses                              | \$1,364,681 | \$2,520,606   |
| Net operating income                                  | (\$486,049) | (\$2,134,789) |
| Non-operating revenues:                               |             |               |
| Interest income                                       | \$396,826   | \$402,989     |
| Total non-operating revenue                           | \$396,826   | \$402,989     |
| Transfers   |             |               |
| Operating transfers in                                | \$277,405   | \$1,100,000   |
| Operating transfers in from primary government        | 300,000     |               |
| Operating transfers out to primary government         |             |               |
| Operating transfers out                               |             | (600,000)     |
| Total net transfers                                   | \$577,405   | 500,000       |
| Change in net assets                                  | \$488,182   | (\$1,231,800) |

# VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

## Notes to Financial Statements

June 30, 2005 and 2004

### **(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 Economic Development Loan Fund, the state funded Economic Development 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. Under our internal fund accounting management system, such allowances are made to the funds within the month that an account is deemed “at risk” for full collection. Receivables are charged-off when a 120-day delinquency is reached and we determine that repayment is deemed highly unlikely.

**(f) Compensation**

Compensation for all employees of the Authority is based upon the Commonwealth’s compensation plan. The Executive Director and one Project Finance Manager (PFM) position are FTE’s of the Commonwealth and are not “restricted”. The Commonwealth covers 100% of the Executive Director’s compensation and 50% of this PFM’s compensation. The remaining 50% of the PFM’s compensation 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. 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 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 501c3s 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 annual administrative fee 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-eighth of one percent annually on the then outstanding principal balance of the loan supporting the bond. For bonds issued on behalf of 501c3s the annual fee is one-tenth of one percent.

### **(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 2002 and again in 2004, \$500,000 and \$600,000 respectively were 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 (\$2,679,774) to support loan guaranties under this Program. The Loan Guaranty Program has guaranties outstanding of \$2,614,939 and commitments outstanding to banks in the amount of \$371,250. 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, 2005 the Authority had \$24,623 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. The monies in this program are *non-general funds*. 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, 2005, the Authority had \$4,694,038 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 and is considered *non-general funds*. 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, 2005 the Authority had \$496,540 in unfunded commitments.

In support of the Governor’s *Virginia Works* initiative, the General Assembly approved the granting of the assets of this fund (cash and notes receivable) to a “to-be-formed community development bank”. The fund was abolished effective July 1, 2005.

**(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; 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. In 2005 an additional \$27,405 was received from DEQ to fund a new loan. As of June 30, 2005 the Authority had \$10,980 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 legislation and the Tri-party agreement referenced above (GASBS #34).

**(g) 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 largely capitalized by state general fund appropriations, and VCAP was initially launched with \$74,717 from the Authority's operating account. In 2005 the Authority received a \$300,000 appropriation from the General Assembly to continue the funding of this program. The total balance of the loan loss reserve accounts at participating banks at June 30, 2005 was \$1,970,013. 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 Restricted by the enabling legislation and the terms and conditions of the participating agreements executed by the Authority and the participating banks.

**(h) 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, 2005 was \$500,089. 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 Restricted by the constraints placed upon the fund by the Tobacco Commission, the terms and conditions outlined in the Tri-party

MOA, 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, 2005 there was \$109,543 in outstanding guaranties and \$12,756 in CAP accounts 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 only non-restricted assets of the Authority as of July 1, 2005 are those assets of the VSBFA/Loan Guaranty Program. The cash assets have been contractually restricted due to guaranty agreements and commitments. 2004 figures included the now abolished State EDLF (0921).

|                                     | <b>June 30, 2005</b> | <b>June 30, 2004</b> |
|-------------------------------------|----------------------|----------------------|
| Current assets:                     |                      |                      |
| Cash*                               | -0-                  | \$2,303,914          |
| Investments                         | -0-                  | 1,327,954            |
| Loans receivable - CPLTD            | -0-                  | 476,296              |
| Interest receivable – loans         | <u>-0-</u>           | <u>39,069</u>        |
| Total non-restricted current assets | -0-                  | \$4,147,233          |
| Non-current assets:                 |                      |                      |
| Notes receivable – LTD              | -0-                  | 2,435,663            |
| Total non-restricted assets         | -0-                  | \$6,582,896          |

\*Cash reported is net guaranties outstanding and commitments and loan commitments under the EDLF.

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, TCAP, and VCAP, the banks set their own rates and terms. 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, 2005 and 2004, the carrying amount of the Authority's balance was \$122,542 and \$122,150. The bank balance at June 30, 2005 was greater by \$215.03 due to 2 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**

\$3,571,027 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.

**Attachment CU5  
Federal Schedules**

**TO BE COMPLETED BY ALL COMPONENT UNITS**

|                 |  |        |                     |
|-----------------|--|--------|---------------------|
| Component Unit: | <b>Virginia Small Business Financing Authority</b>                     |        |                     |
| Entity Contact: | <b>Patty Thorne</b>  | Phone: | <b>804-371-8208</b> |
| E-mail Address: | <a href="mailto:pthorne@dba.virginia.gov">pthorne@dba.virginia.gov</a> | Fax:   | <b>804-225-3384</b> |
| Date Completed: | <b>September 9, 2005</b>   |        |                     |

**Federal Schedules**

Who audits the entity for FY 2005? **Auditor of Public Accounts**

**IF THE AUDITOR OF PUBLIC ACCOUNTS (APA) IS NOT THE ENTITY'S AUDITOR FOR FY 2005, COMPLETE THE FOLLOWING STATEMENT AND SUBMIT THIS PAGE TO DOA.**

The entity (highlight one) **did** / **did not** receive or disburse Federal funds during FY 2005.

**IF THE AUDITOR OF PUBLIC ACCOUNTS (APA) IS THE ENTITY'S AUDITOR FOR FY 2005, COMPLETE THE REMAINING STATEMENTS.**

The entity (highlight one) **did** / **did not** receive or disburse Federal funds during FY 2005.

**If the entity did receive or disburse Federal funds during FY 2005 and is audited by the APA, complete the following information.**

**List the entity's Employer Identification Number (EIN).**

**541300845**

**List the entity's Data Universal Numbering System (DUNS) Number.**

**191531565**

The entity (highlight one) **did** / **did not** receive Federal pass-through funds from other State agencies / institutions.

The entity (highlight one) **did** / **did not** disburse Federal pass-through funds to other State agencies / institutions.

The entity (highlight one) **did** / **did not** disburse Federal pass-through funds to Non-State entities.

The entity (highlight one) **did** / **did not** receive Federal pass-through funds from Non-State entities.

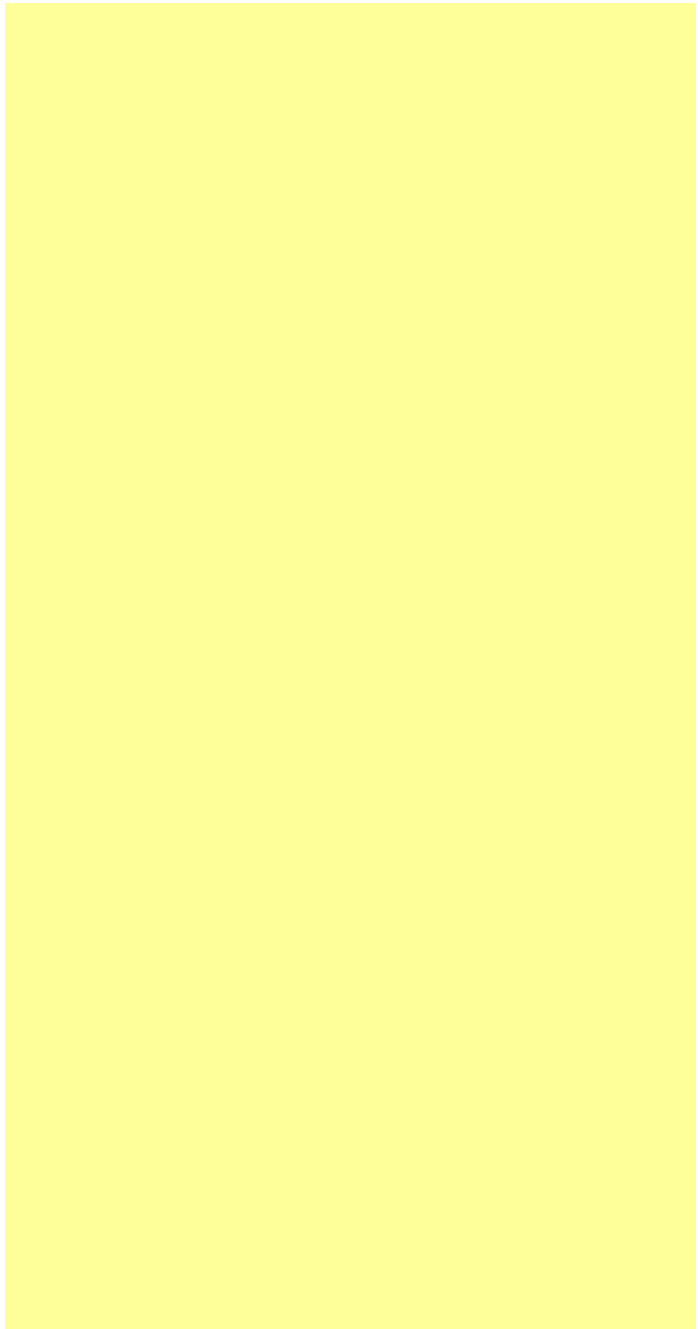
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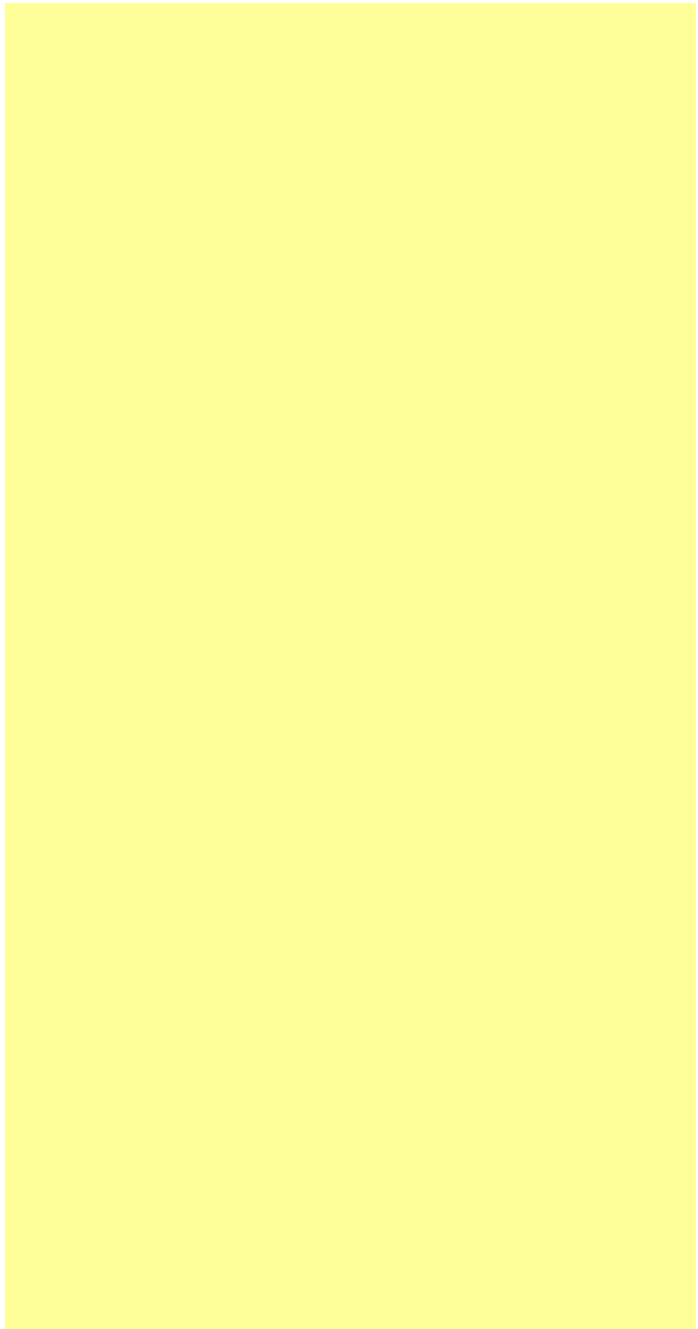
Agency Name: VIRGINIA SMALL BUSINESS FINANCING AUTHORITY  
 Agency Number: 1002  
 Schedule of Expenditures of Federal Awards

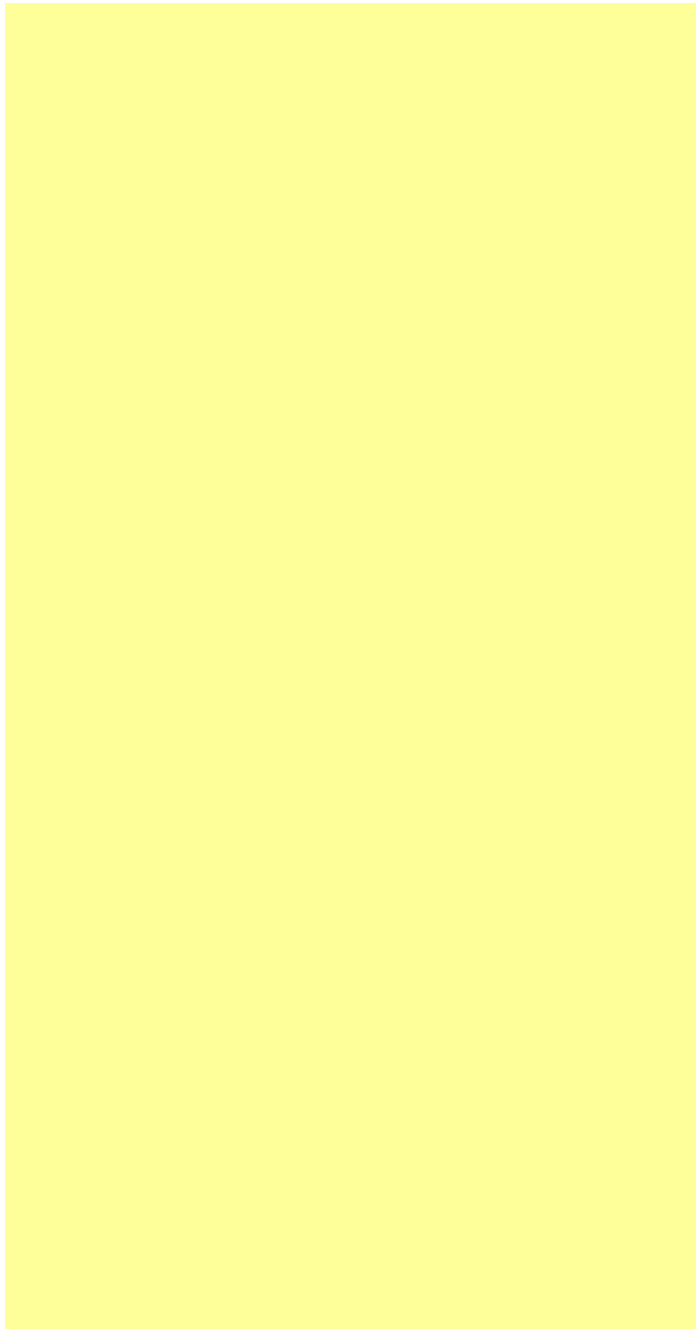
RUNNING TOTAL 18,804,874.00

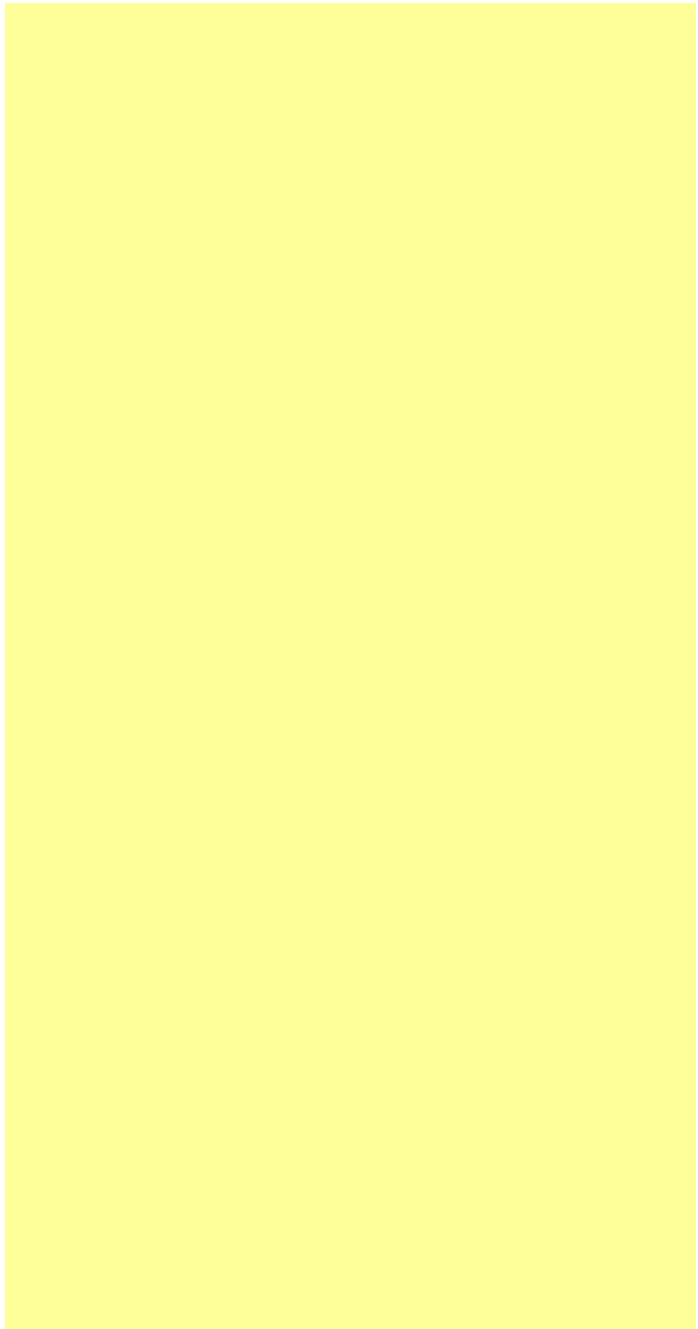
| DISBURSING AGENCY NUMBER | FEDERAL AGENCY GRANTOR                       | CFDA NUMBER @ | FEDERAL PROGRAM NAME                   | FEDERAL EXPENDITURES | PROGRAM NAME - UNIDENTIFIED CFDA NUMBER |
|--------------------------|--|---------------|--|----------------------|---|
| 1002                     | U.S. Department of Commerce                  | 11.307        | Economic Adjustment Assistance         | 15,337,873.00        |   |
| 1002                     | U.S. Department of Health and Human Services | 93.575        | Child Care and Development Block Grant | 3,467,001.00         |   |

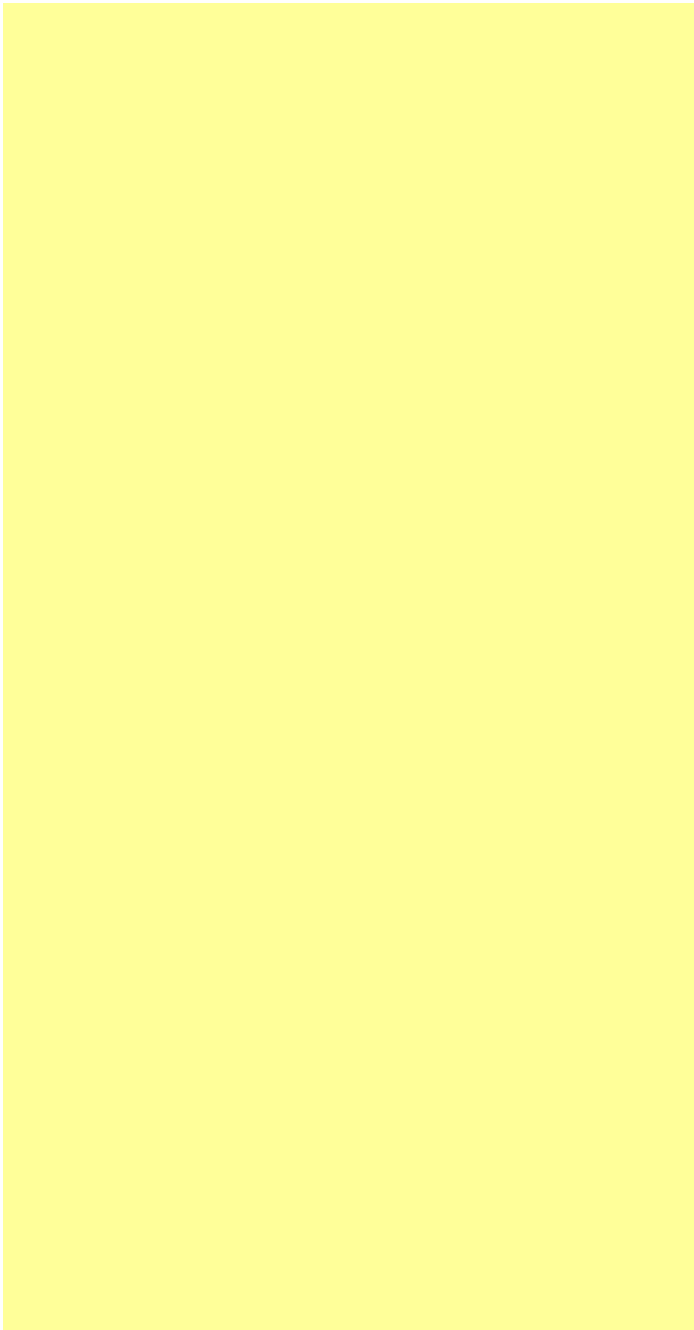
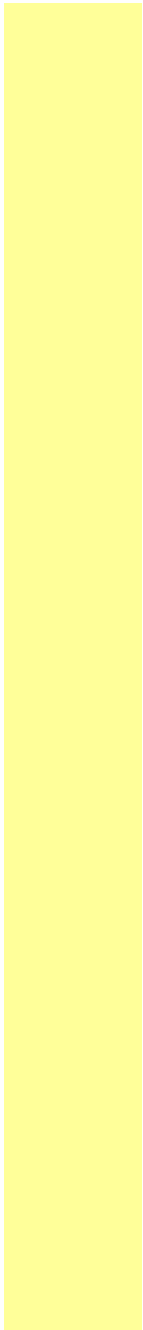


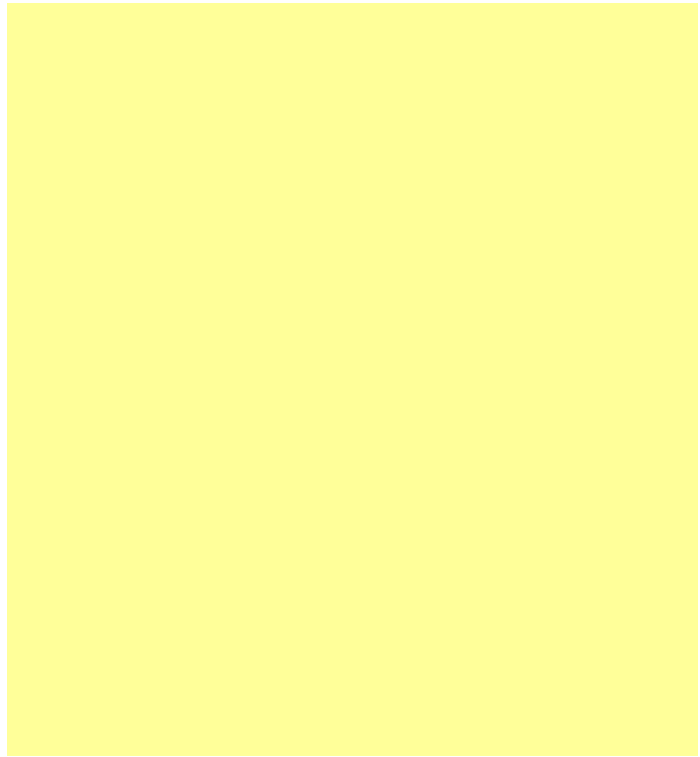












**Attachment CU5  
RECONCILIATION**

|                                       |  |
|---------------------------------------|--|
| <b>Entity Assigned Number:</b>        |  |
| <b>Entity Name:</b>                   |  |
| <b>Entity Contact Name:</b>           |  |
| <b>Entity Contact Phone Number:</b>   |  |
| <b>Entity Contact E-mail Address:</b> |  |
| <b>Date Completed:</b>                |  |

**Reconciliation of the Schedule of Expenditures of Federal Awards to the  
Applicable Attachment (CU4 or CU10 (or F/S Statement of Activities))**

|   |            |
|---|------------|
| Total Federal Expenditures per the<br>Schedule of Expenditures of Federal Awards (SEFA) tab | 18,804,874 |
| Total Federal Expenditures per the Received from Nonstate tab                               |            |
| Total Federal Expenditures per the SEFA and Received from Nonstate tab                      | 18,804,874 |

|   |  |
|---|--|
| Total Federal Expenditures per Applicable Attachment: |  |
| <i>Enter Applicable Attachment Number Here</i>        |  |

|  |            |
|--|------------|
| Difference Between SEFA/Received from Nonstate tab and Applicable Attachment | 18,804,874 |
|--|------------|

|                         |          |
|-------------------------|----------|
| Reconciling Items:      |          |
|                         |          |
| Total Reconciling Items | <u>0</u> |

| 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, 2005                               |  |                           |                         |                       |                     |               |                |                |                |            |             |            |  |                      |          |            |  |   |
| 4  |   |  |                           |                         |                       |                     |               |                |                |                |            |             |            |  |                      |          |            |  |   |
| 5  |   |  |                           |                         |                       |                     |               |                |                |                |            |             |            |  |                      |          |            |  |   |
| 6  | GLA   | GL TITLE   | Operating & Loan Guaranty | Child Care Program 0380 | RLF Federal Fund 0243 | RLF State Fund 0921 | DEQ Fund 0930 | VCAP Fund 0957 | TCAP Fund 0900 | DMBE Fund 0901 | APPA       | ADJUSTMENTS | TOTAL      | F/S TITLE  | ROUNDED TOTALS (000) | FY '03   | VARIANCE % | Fluctuation Comments                                 |   |
| 7  |   |  |                           |                         |                       |                     |               |                |                |                |            |             |            |  |                      |          |            |  |   |
| 8  | 101   | Cash-Treasurer   |                           | 19,993                  | 8,314,169             | 3,666,635           | 181,059       | 126,299        | 263,857        | 219,578        | 12,791,590 |             | 12,791,590 | Cash-Treasurer   | 12,792               | 19,048   | -33%       | Inc in N/R + \$500M from Tobacco Commission          |   |
| 9  |   | Cash-Not w/ Treasurer                                      | 19,383                    | 103,158                 |                       |                     |               |                |                |                | 122,541    |             | 122,541    | Cash-Not w/ Treasurer                                      | 123                  | 93       | 32%        | Normal fluctuations in operating accts               |   |
| 10 |   | Investments  | 2,660,391                 | 1,329,525               | 2,373,740             | 1,046,844           | 51,693        | 36,059         | 0              | 62,691         | 7,560,943  |             | 7,560,943  | Investments  | 7,561                | 5,361    | 41%        |  |   |
| 11 |   | Subtotal Cash & Investments                                | 2,679,774                 | 1,452,676               | 10,687,909            | 4,713,479           | 232,752       | 162,358        | 263,857        | 282,269        | 20,475,074 |             | 20,475,074 | Subtotal Cash & Investments                                | 20,476               | 24,502   | -16%       |  |   |
| 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)  |                           | 2,014,325               | 7,023,704             | 4,217,507           | 753,557       |                |                |                | 14,009,093 |             | 14,009,093 | Receivables (Net)  | 14,009               | 8,519    | 64%        | 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 Component Units      |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Loans Receivable from Other Funds and Component Units      | 0                    | 0        | 0%         |  |   |
| 22 |   | Inventory  |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Inventory  | 0                    | 0        | 0%         |  |   |
| 23 |   | Restricted Assets (Obj 1452)                               |                           |                         |                       |                     |               | 1,970,013      | 500,089        | 12,756         | 2,482,858  |             | 2,482,858  | Restricted Assets (Obj 1452)                               | 2,483                | 1,657    | 50%        | Inc in CAP accts tied to inc. in enrollments         |   |
| 24 |   | Prepaid expense accrual                                    |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Prepaid expense accrual                                    | 0                    | 0        | 0%         |  |   |
| 25 |   | Other Assets - ACCRUED INTEREST RECEIVABLE                 |                           | 5,894                   | 37,390                | 31,670              | 1,166         |                |                |                | 76,120     |             | 76,120     | Other Assets - ACCRUED INTEREST RECEIVABLE                 | 76                   | 309      | -75%       | Chg off of two loans which had \$227M in accrued int |   |
| 26 |   | Property, Plant, and Equipment (Net)                       |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Property, Plant, and Equipment (Net)                       | 0                    | 0        | 0%         |  |   |
| 27 |   | Unamortized Bond Issuance Expense                          |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Unamortized Bond Issuance Expense                          | 0                    | 0        | 0%         |  |   |
| 28 |   | Total Assets   | 2,679,774                 | 3,472,895               | 17,749,003            | 8,962,656           | 987,475       | 2,132,371      | 763,946        | 295,025        | 37,043,145 |             | 37,043,145 | Total Assets   | 37,044               | 34,987   |            |  |   |
| 29 |   | Liabilities:   |                           |                         |                       |                     |               |                |                |                |            |             |            |  |                      |          |            |  |   |
| 30 |   | Accounts payable   |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Accounts payable   | 0                    | 0        | 0%         |  |   |
| 31 |   | Amounts Due to Other Governments                           |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Amounts Due to Other Governments                           | 0                    | 0        | 0%         |  |   |
| 32 |   | Accrued Interest Payable                                   |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Accrued Interest Payable                                   | 0                    | 0        | 0%         |  |   |
| 33 |   | Deposits Pending Distribution                              |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Deposits Pending Distribution                              | 0                    | 0        | 0%         |  |   |
| 34 |   | Claims Payable   |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Claims Payable   | 0                    | 0        | 0%         |  |   |
| 35 |   | Notes Payable  |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Notes Payable  | 0                    | 0        | 0%         |  |   |
| 36 |   | Payable for Security Transactions                          |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Payable for Security Transactions                          | 0                    | 0        | 0%         |  |   |
| 37 |   | Obligations Under Security Lending Program (Notes 1 and 6) |                           | 2,373,740               | 1,046,844             | 51,693              | 36,059        | 0              | 62,691         | 3,571,027      | 3,571,027  |             | 3,571,027  | Obligations Under Security Lending Program (Notes 1 and 6) | 3,571                | 1,575    | 127%       | Decrease in cash due to inc. funding of loans        |   |
| 38 |   | Pension Liability  |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Pension Liability  | 0                    | 0        | 0%         |  |   |
| 39 |   | Other Liabilities  |                           | 1,256                   | 8,051                 | 0                   | 1,970,013     | 500,089        | 12,756         | 2,492,165      | 2,492,165  |             | 2,492,165  | Other Liabilities  | 2,492                | 1,688    | 48%        |  |   |
| 40 |   | Due to Other Funds   |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Due to Other Funds   | 0                    | 0        | 0%         |  |   |
| 41 |   | Due to Primary Government                                  |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Due to Primary Government                                  | 0                    | 0        | 0%         |  |   |
| 42 |   | Due to Component Units                                     |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Due to Component Units                                     | 0                    | 0        | 0%         |  |   |
| 43 |   | Interfund Payable  |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Interfund Payable  | 0                    | 0        | 0%         |  |   |
| 44 |   | Interfund Payable to Primary Government                    |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Interfund Payable to Primary Government                    | 0                    | 0        | 0%         |  |   |
| 45 |   | Loans Payable to Other Funds and Primary Government        |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Loans Payable to Other Funds and Primary Government        | 0                    | 0        | 0%         |  |   |
| 46 |   | Deferred revenue   |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Deferred revenue   | 0                    | 0        | 0%         |  |   |
| 47 |   | Deferred Credit  |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Deferred Credit  | 0                    | 0        | 0%         |  |   |
| 48 |   | Matured Principal and Interest Payable                     |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Matured Principal and Interest Payable                     | 0                    | 0        | 0%         |  |   |
| 49 |   | Matured Debt Payable                                       |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Matured Debt Payable                                       | 0                    | 0        | 0%         |  |   |
| 50 |   | Bonds Payable  |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Bonds Payable  | 0                    | 0        | 0%         |  |   |
| 51 |   | Due to Program Participants, Escrows, and Providers        |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Due to Program Participants, Escrows, and Providers        | 0                    | 0        | 0%         |  |   |
| 52 |   | Long-Term Regional Jail Financing Payable                  |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Long-Term Regional Jail Financing Payable                  | 0                    | 0        | 0%         |  |   |
| 53 |   | Capital Lease Obligations                                  |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Capital Lease Obligations                                  | 0                    | 0        | 0%         |  |   |
| 54 |   | Capital Lease Payable to Component Unit                    |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Capital Lease Payable to Component Unit                    | 0                    | 0        | 0%         |  |   |
| 55 |   | Accrued Liability for Self-Insurance                       |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Accrued Liability for Self-Insurance                       | 0                    | 0        | 0%         |  |   |
| 56 |   | Liability-Compen absences                                  |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Liability-Compen absences                                  | 0                    | 0        | 0%         |  |   |
| 57 |   | Total Liabilities  | 0                         | 2,374,996               | 1,054,895             | 51,693              | 2,006,072     | 500,089        | 75,447         | 6,063,192      | 6,063,192  |             | 6,063,192  | Total Liabilities  | 6,063                | 3,263    |            |  |   |
| 58 |   | Equity and Other Credits:                                  |                           |                         |                       |                     |               |                |                |                |            |             |            |  |                      |          |            |  |   |
| 59 |   | Contributed Capital  | 1,000,000                 | 0                       | 0                     | 0                   | 0             | 0              | 0              | 1,000,000      | 1,000,000  |             | 1,000,000  | Contributed Capital  | 1,000                | 1,000    | 0%         |  |   |
| 60 |   | Retained Earnings (Deficit)                                |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Retained Earnings (Deficit)                                | 0                    | 0        | 0%         |  |   |
| 61 |   | Reserved   |                           |                         |                       |                     |               |                |                |                | 0          |             | 0          | Reserved   | 0                    | 0        | 0%         |  |   |
| 62 |   | Unreserved   | 1,679,774                 | 3,472,895               | 15,374,007            | 7,907,761           | 935,782       | 126,299        | 263,857        | 219,578        | 29,979,953 | 0           | 29,979,953 | Unreserved   | 29,980               | 30,724   | -2%        |  |   |
| 63 |   | Total Equity   | 2,679,774                 | 3,472,895               | 15,374,007            | 7,907,761           | 935,782       | 126,299        | 263,857        | 219,578        | 30,979,953 |             | 30,979,953 | Total Equity   | 30,980               | (31,724) |            |  |   |
| 64 |   | TOTALS   | 0                         | 0                       | 0                     | 0                   | 0             | 0              | 0              | 0              | 0          |             | 0          | TOTALS   | 37,043               | 0        | 34,987     | 6%   | 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 |  |
|-----|--|----------|---------------------------|-------------------------|-----------------------|---------------------|---------------|----------------|----------------|----------------|-------------|-------------|-------------|--|----------------------|---------|------------|--|---|--|
| 130 | Virginia Small Business Financing Authority                              |          |                           |                         |                       |                     |               |                |                |                |             |             |             |  |                      |         |            |  |   |  |
| 131 | Cash Flow Statement page 1   |          |                           |                         |                       |                     |               |                |                |                |             |             |             |  |                      |         |            |  |   |  |
| 132 | LAST REVISION DATE:09/05/05  |          |                           |                         |                       |                     |               |                |                |                |             |             |             |  |                      |         |            |  |   |  |
| 133 | COMBINED LAST REVISION DATE: 10/13/2005                                  |          |                           |                         |                       |                     |               |                |                |                |             |             |             |  |                      |         |            |  |   |  |
| 134 | GLA  | GL TITLE | Operating & Loan Guaranty | Child Care Program 0380 | RLF Federal Fund 0243 | RLF State Fund 0921 | DEQ Fund 0930 | VCAP Fund 0957 | TCAP Fund 0900 | DMBE Fund 0901 | SUBTOTAL    | ADJUSTMENTS | TOTAL       | APA  | ROUNDED TOTALS (000) | FY '03  | VARIANCE % | Fluctuation Comments                                 |   |  |
| 135 | <b>Cash Flows from Operating Activities:</b>                             |          |                           |                         |                       |                     |               |                |                |                |             |             |             |  |                      |         |            |  |   |  |
| 136 | Receipts from Sales and Services   |          | 120,066                   |                         | 601                   | 8,625               | 60            | 0              | 0              | 530            | 129,882     |             | 129,882     | Receipts from Sales and Services                           | 130                  | 120     | 8%         | 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 with O | 0                    | 0       | 0%         |  |   |  |
| 138 | Collections of Principal and Interest on Loans                           |          |                           | 578,842                 | 852,487               | 1,542,575           | 296,731       |                |                |                | 3,270,635   |             | 3,270,635   | Collections of Principal and Interest on Loans             | 3,271                | 2,507   | 30%        | Interest only on some loans and lower intr.rates     |   |  |
| 139 | Cash Payments for Loans  |          |                           | (1,558,532)             | (1,679,062)           | (2,817,199)         | (427,980)     |                |                |                | (6,482,773) |             | (6,482,773) | Cash Payments for Loans                                    | (6,483)              | (3,220) | 101%       | Inc. in loans funded                                 |   |  |
| 140 | Payments to Suppliers for Goods and Services                             |          | 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 with O  | 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                         | (27,994)                | (129,034)             | (201,759)           | (69,602)      | 0              | 0              | 0              | (428,389)   |             | (428,389)   | Payments to Employees                                      | (428)                | (388)   | 10%        |  |   |  |
| 144 | Payments to the Federal Government                                       |          |                           | (3,000)                 |                       |                     |               |                |                |                | (3,000)     |             | (3,000)     | Payments to the Federal Government                         | (3)                  | 0       | 100%       |  |   |  |
| 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   |          | (35,416)                  | (1,783)                 | (532)                 | (6,923)             | (2,639)       | 0              | 0              | 0              | (47,293)    |             | (47,293)    | Contractual Services                                       | (47)                 | (26)    | 81%        |  |   |  |
| 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  |          |                           |                         |                       | (18,116)            | 0             | (214,021)      | (336,143)      | (44,592)       | (612,872)   |             | (612,872)   | Other Operating Expense                                    | (613)                | (309)   | 98%        |  |   |  |
| 160 | Contributions Received   |          |                           |                         |                       |                     |               |                |                |                | 0           |             | 0           | Contributions Received                                     | 0                    | 31      | -100%      |  |   |  |
| 161 | Other Operating Revenue  |          |                           | 5,550                   | 7,500                 | 50,000              |               |                |                |                | 63,050      |             | 63,050      | Other Operating Revenue                                    | 63                   | 0       | 100%       | Recoveries   |   |  |
| 162 |  |          |                           |                         |                       |                     |               |                |                |                |             |             |             |  |                      |         |            |  |   |  |
| 163 | Net Cash Provided by (Used for) Operating Act                            |          | 84,650                    | (1,006,917)             | (948,040)             | (1,442,797)         | (203,430)     | (214,021)      | (336,143)      | (44,062)       | (4,110,760) | 0           | (4,110,760) | Net Cash Provided by (Used for) Operating Activities       | (4,110)              | (1,285) | 220%       |  |   |  |
| 164 |  |          |                           |                         |                       |                     |               |                |                |                |             |             |             |  |                      |         |            |  |   |  |
| 165 | <b>Cash Flows from Noncapital Financing Activities:</b>                  |          |                           |                         |                       |                     |               |                |                |                |             |             |             |  |                      |         |            |  |   |  |
| 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  |          |                           |                         |                       |                     |               |                |                |                | 0           |             | 0           | Transfers In From Other Funds                              | 0                    | 0       | 0%         |  |   |  |
| 169 | Transfers In From Primary Government                                     |          |                           |                         |                       | 27,405              | 300,000       |                |                |                | 327,405     |             | 327,405     | Transfers In From Primary Government                       | 327                  | 0       | 100%       | Tobacco commission transfer to TCAP                  |   |  |
| 170 | Transfers In From Component Units  |          |                           |                         |                       |                     |               |                | 250,000        |                | 250,000     |             | 250,000     | Transfers In From Component Units                          | 250                  | 0       | 100%       |  |   |  |
| 171 | Transfers Out to Other Funds   |          |                           |                         |                       |                     |               |                |                |                | 0           |             | 0           | Transfers Out to Other Funds                               | 0                    | 0       | 0%         |  |   |  |
| 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) Noncapital Financing Act                 |          | 0                         | 0                       | 0                     | 27,405              | 300,000       | 250,000        | 0              | 577,405        | 0           | 577,405     | 577         | 0  | (2,050)              | -128%   |            |  |   |  |
| 182 | <b>Cash Flows from Capital and Related Financing Activities:</b>         |          |                           |                         |                       |                     |               |                |                |                |             |             |             |  |                      |         |            |  |   |  |
| 183 | Acquisition of Fixed Assets  |          |                           |                         |                       |                     |               | 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/Federal Government               |          |                           |                         |                       |                     | 0             |                |                |                | 0           |             | 0           | Capital Contributed by the Commonwealth/Federal Governm    | 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 and Related Financing Activities |          | 0                         | 0                       | 0                     | 0                   | 0             | 0              | 0              | 0              | 0           | 0           | 0           | Net Cash Provided by (Used for) Capital and Related Fina   | 0                    | 0       | 0%         |  |   |  |
| 190 | <b>Cash Flows from Investing Activities:</b>                             |          |                           |                         |                       |                     |               |                |                |                |             |             |             |  |                      |         |            |  |   |  |
| 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 Investments                       |          | 54,228                    | 28,410                  | 194,102               | 104,845             | 4,776         | 4,009          | 0              | 6,456          | 396,826     |             | 396,826     | Interest on Cash, Cash Equivalents and Investments         | 397                  | 920     | -57%       |  |   |  |
| 194 | Net Cash Provided by (Used for) Investing Act                            |          | 54,228                    | 28,410                  | 194,102               | 104,845             | 4,776         | 4,009          | 0              | 6,456          | 396,826     | 0           | 396,826     | Net Cash Provided by (Used for) Investing Activities       | 397                  | 920     | -57%       | Drop in cash due to budget cuts and loans funded     |   |  |
| 195 | Net Increase (Decrease) in Cash and Cash Equi                            |          | 138,878                   | (978,507)               | (753,938)             | (1,337,952)         | (171,249)     | 89,988         | (86,143)       | (37,606)       | (3,136,529) | 0           | (3,136,529) | Net Increase (Decrease) in Cash and Cash Equivalents       | (3,136)              | 0       | (2,415)    | 30%  |   |  |
| 196 | Cash and Cash Equiv June 30, 2004  |          | 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 June 30, 2004                          | 22,927               | 25,342  | -10%       |  |   |  |
| 197 | Cash and Cash Equiv 6/30/05  |          | 2,679,774                 | 1,452,676               | 8,314,169             | 3,666,635           | 181,059       | 126,299        | 263,857        | 219,578        | 16,904,047  | 0           | 16,904,047  | Cash and Cash Equiv 6/30/05                                | 19,791               | 22,927  | -14%       |  |   |  |
| 198 |  |          |                           |                         |                       |                     |               |                |                |                |             |             |             |  |                      |         |            |  |   |  |





**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 EXPLANATION 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, 2005 was \$122,756.83. Our records indicated a balance of \$122,541.80 of which \$19,383 belonged to the VSBFA account. There were 2 outstanding checks totaling \$215.03 for expenses to the VSBFA money which accounts for the discrepancy between the book balance and the bank balance.

**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, 2005 was \$122,756.83. Our records indicated a balance of \$122,541.80. There were 2 outstanding checks totaling \$215.03 associated with expenses of the VSBFA/LGP.

**Cell:** E10

**Comment:** IS:  
Securities Lending Investments and Cash Equivalent

**Cell:** F10

**Comment:** IS:

**Cell:** G10

**Comment:** IS:  
Securities Lending Investments and Cash Equivalent

**Cell:** H10

**Comment:** IS:  
Securities Lending Investments and Cash Equivalent

**Cell:** I10

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

**Cell:** J10

**Comment:** Patricia S Thorne:  
Securities Lending Investments and Cash Equivalent

**Cell:** C11

**Comment:** Loan Guaranty Program has guaranties outstanding of \$2,614,939 and commitments of \$371,250.

**Cell:** B14

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

**Cell:** D14

**Comment:** IS:  
-'04 \$954,855 Notes receivable plus loans funded \$1,558,532 less principal payments received \$499,062  
Current portion N/R \$541,336, > one year \$1,472,989

**Cell:** E14

**Comment:** IS:  
A/R CARS -'04 AR \$5,896,099 plus loans funded \$1,679,062 less payments received \$551,457 equals \$7,023,704. VSBFA shows \$7,023,704 amount due beyond one year \$1,368,897 and beyond one year is \$5,654,807

**Cell:** F14

**Comment:**  
Receivables from FY04 \$2,911,959 plus loans funded FY05 \$2,857,489 minus prin pmts recv'd \$1,328,246 minus charge-off loans \$223,695. Past due interest on Bravo Romeo loans of \$20,486 and \$19,804 have been converted to principal under a new note.  
  
Maturities one year and less \$652,357. Greater than one year \$3,565,150

**Cell:** G14

**Comment:**  
A/R FY04 \$656,657 plus loans funded \$427,980 less principal payments received \$273,006 less charge offs \$58,074. Current portion N/R \$158,910, amount due beyond one year \$594,647

**Cell:** H24

**Comment:** Beginning reserves \$1,842,382 plus VSBFA fees \$231,825 plus borrower fees \$236,060 less bank withdrawal due to inactivity \$17,803 plus interest earned \$18,315 less 5 claims \$343,122 plus recovery on claims \$2,500 less bank corrections \$144 = \$1,970,013

**Cell:** I24

**Comment:** "04 reserve \$50,924 plus TCAP fees \$400,000 plus borrower fees \$46,594 plus interest earned \$2,570 plus \$1 EDI initial deposit

**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:** F26

**Comment:** Patricia S Thorne:  
Includes \$19,804 in accrued Bravo Romeo past due interest that was converted to principal in '04

**Cell:** G26

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

**Comment:** IS:  
SEE DOA MEMO - INVESTMENT LIABILITY COLUMN

**Cell:** E38

**Comment:** PThorne:  
cash and investments in securities lending program

**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:** C63

**Comment:** Patricia S Thorne:  
All of the funds of the VSBFA/LGP are reserved to cover loan guaranties outstanding. As of June 30, 2005 there were \$2,614,939 in outstanding guaranties and \$371,250 in commitments outstanding.

**Cell:** C64

**Comment:** Patricia S Thorne:  
Patricia S Thorne:  
All of the funds of the VSBFA/LGP are reserved to cover loan guaranties outstanding. As of June 30, 2005 there were \$2,614,939 in outstanding guaranties and \$371,250 in commitments outstanding.

**Cell:** B65

**Comment:** IS:  
ALL TOTALS SHOULD BE ZERO

**Cell:** B68

**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 \$79,780 plus accrued interest '05 \$5,894 less '04 accruals of \$3,028

**Cell:** E74

**Comment:** IS:  
AMOUNT IS INTEREST \$301,030 + accrued interest FY05 \$37,390 less accrued interest FY04 \$23,818

**Cell:** F74

**Comment:** pthorne:Interest received on loans CARS REPORTS (402) 214,329 plus accrued interest FY'05 \$31,670 less accrual for FY04 \$39,069 (which included \$20,486 of past due Bravo Romeo interest) less \$1 for rounding. Entries to clear the \$20,486 and another past due Bravo interest amount of \$19,804 were made to CARS and to the loan system to convert the two interest amounts to principal. Essentially we loaned the company the total of the Two- \$40,290 to clear the interest and added the amounts as principal to a new loan in the total amount of \$275,000 during FY '05.

**Cell:** G74

**Comment:** IS:  
Interest paid from loans plus late fees charged \$23,725 plus accrued interest FY05 \$1,166 less FY04 accrued interest \$1,461

**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 Thome:  
Rcoveries

**Cell:** F78

**Comment:** IS:  
Recovery for charged-off loan - WFW \$15,000,

**Cell:** H78

**Comment:** Return of enrollment fees and interest earned on reserve account - bank withdrew from program due to inactivity

**Cell:** D85

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

**Cell:** E85

**Comment:** Payroll expense \$129,034 plus accrued '05 PR of \$1,256 less accrued payroll previous yr 04 \$8,880

**Cell:** F85

**Comment:** IS:  
From Cars report 1426 cost code 355 \$190,903 plus '05 accrued payroll leave per Stacy \$8,051 less accrued payroll and leave balances \$19,330 FY04

**Cell:** G85

**Comment:** \$69,602 plus accrued leave '05 -0-, less '04 accrued leave \$7,542

**Cell:** F86

**Comment:** IS:  
TOTAL EXPENDITURES CHARGED TO 1200 SUBJECT CODES \$9,047 (4/30/2003)

**Cell:** G86

**Comment:** IS:  
TOTAL EXPENDITURES CHARGED TO 1200 SUBJECT CODES

**Cell:** H88

**Comment:**

**Cell:** D93

**Comment:** IS:  
Proceeds of loan returned to DHSS after use of proceeds was deemed ineligible.



**Comment:** pmorris:  
Chargeoff Loans \$223,695 plus charges from DPB \$5,669 and DOA for payroll servicing \$12,227

**Cell:** I93

**Comment:** Patricia S Thorne:  
general administrative costs associated with administering the fund

**Cell:** J93

**Comment:** Patricia S Thorne:  
payment on guaranty

**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 \$194,102  
less Sec. Lending Trans.\$2320

**Cell:** F99

**Comment:** Interest earned on CARS \$104,845 less securities lending interest of \$983 (rounding)

**Cell:** G99

**Comment:** Interest earned on cash \$4,776 less \$60  
SLT

**Cell:** H99

**Comment:** Interest earned on cash \$4,009 less the interest earned as reflected in the Securities Lending Transaction report \$43 plus \$1 for rounding

**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:** Interest earned on cash \$6,456 less SLT interest of \$64

**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:** I110

**Comment:** Tobacco Commission for funding of TCAP

**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:

**Cell:** D138

**Comment:** principal payments \$499,062; interest \$79,780

**Cell:** E138

**Comment:** Principal \$551,457 plus INTEREST \$301,030

**Cell:** F138

**Comment:** principal \$1,328,246, interest and late charges \$214,329

**Cell:** G138

**Comment:** IS:  
Principal \$273,006 plus interest plus late charges \$23,725

**Cell:** E139

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

**Cell:** F139

**Comment:** IS:  
Loans funded \$2,817,199  
(Loan system also includes the Bravo interest funding as principal loan out - \$20,486 and \$19,804)

**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:** F159

**Comment:** Patricia S Thorne:  
Charges by DPB \$5,669 and DOA Payroll servicing \$12,447

**Cell:** H159

**Comment:** Patricia S Thorne:  
actual matching fees \$231,825. Bank returning cash to fund \$17,803 plus \$1 for rounding

**Cell:** I159

**Comment:** Patricia S Thorne:  
\$36,143 to cover general administrative costs for operating fund plus \$300,000 in enrollment fees

**Comment:** Patricia S Thome:  
payment on loan guaranty

**Cell:** H160  
**Comment:**

**Cell:** D161  
**Comment:** pmorris:  
Chargeoff Recoveries-

**Cell:** E161  
**Comment:** Patricia S Thome:  
Recovery

**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:** 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 Thome:  
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 OPERATING INCOME(LOSS) FROM THE INCOME STATEMENT

**Cell:** D225  
**Comment:** '04 A/R of \$954,855 '05 A/R \$2,014,325 Increase of \$1,059,470 plus '04 accrued interest of \$3,028

**Cell:** E225  
**Comment:** '04 A/R \$5,896,099 '05 A/R \$7,023,704  
plus '04 accrued interest of \$23,818

**Cell:** F225  
**Comment:** Patricia S Thome:  
'04 A/R \$2,911,959 plus '04 accrued interest \$39,069 plus \$1 for rounding less '05 A/R \$4,217,507

**Comment:** '04 A/R \$656,657 plus '04 accrued interest \$1,461 less '05 A/R \$753,557

**Cell:** E232

**Comment:** Patricia Thorne:  
'04 accrued payroll \$8,880 '05 accrued payroll \$1,256.11 Difference (\$7,624)

**Cell:** F232

**Comment:** pmorris:  
Amount of accrued payroll for '04 \$19,330; '05 accrued payroll \$8,050.68 - decrease of \$11,279

**Cell:** G232

**Comment:** Patricia S Thorne:  
'04 accrued P.R \$7,542 '05 is -0- Decrease of \$7,542

**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

**Attachment CU1  
Entity Additional Information Survey  
Contact Information**

|                                       |   |
|---------------------------------------|---|
| <b>Entity Name:</b>                   | Virginia Small Business Financing Authority |
| <b>Entity Number (If Applicable):</b> | 350   |
| <b>Contact Name:</b>                  | Patty Thorne                                |
| <b>Contact Phone Number:</b>          | 804-371-8208                                |
| <b>Contact E-mail Address:</b>        | pthorne@dba.virginia.gov                    |
| <b>Date Completed:</b>                | 08/23/05                                    |

Please list the E-mail address and telephone number for your Entity Head, Financial Officer and Fiscal Contact.

**DO NOT LIST PROGRAMMERS OR OTHER INFORMATION TECHNOLOGY CONTACTS.**

|                                  |  |
|----------------------------------|--|
| Entity Head Name and Title       | Scott E. Parsons, Executive Director               |
| Entity Head E-mail Address       | scott.parsons@dba.virginia.gov                     |
| Entity Head Phone Number         | 804-371-8256                                       |
| Financial Officer Name and Title | Patricia S. Thorne, Senior Project Finance Manager |
| Financial Officer E-mail Address | pthorne@dba.virginia.gov                           |
| Financial Officer Phone Number   | 804-371-8208                                       |
| Fiscal Contact Name and Title    | Patricia S. Thorne, Senior Project Finance Manager |
| Fiscal Contact E-mail Address    | pthorne@dba.virginia.gov                           |
| Fiscal Contact Phone Number      | 804-371-8208                                       |

**Please list the address of the Administrative Office.**

|                              |
|------------------------------|
| 707 E Main Street, Suite 300 |
| P O Box 446                  |
| Richmond, VA 23218-0446      |
|                              |

**Please list the entity's auditor.**

**Please list the auditor's address & phone number.**

|                            |
|----------------------------|
| Auditor of Public Accounts |
|                            |
|                            |
|                            |

**Component Unit Year End Reporting Memorandum – FY 2005  
Attachment CU2  
GASBS No. 14 Checklist Modified to Reflect GASBS No. 39**

|                                |  |                              |              |
|--------------------------------|--|------------------------------|--------------|
| Entity Name:                   | Virginia Small Business Financing Authority                            | Entity Number:               | 350          |
| Entity Contact Name:           | Patty Thorne   | Entity Contact Phone Number: | 804-371-8208 |
| Entity Contact E-Mail Address: | <a href="mailto:pthorne@dba.virginia.gov">pthorne@dba.virginia.gov</a> | Date Completed:              | 8-23-05      |
|                                |  |                              |              |

**This attachment is to evaluate the specific entity. The Commonwealth of Virginia is the primary government (PMG).**

The following characteristics are indications for including or excluding a Potential Component Unit (PCU) in or from the Basic Financial Statements of the Commonwealth of Virginia. The characteristics are written such that a "YES" answer indicates positive support as a component unit and inclusion in the Commonwealth's financial statements. The comments section should include Summary citations, reference documents and / or sections, and sufficient narrative to support the responses to the questions.

| Characteristic   | Yes      | No | Comments           |
|--|----------|----|--------------------|
| <b>LEGALLY SEPARATE</b>  |          |    |                    |
| A. Is the PCU legally separate as defined by the following corporate powers?                     | <b>X</b> |    | <b>Legislation</b> |
| 1. Can the PCU have a name?  | <b>X</b> |    |                    |
| 2. Can the PCU sue and be sued in its own name, without recourse to a state or local government? | <b>X</b> |    |                    |
| 3. Does PCU have the right to buy, sell, lease or mortgage property in its name?                 | <b>X</b> |    |                    |

*If Section A is YES, continue with Section C.*

*If Section A is NO, continue with Section B.*

| Characteristic  | Yes      | No | Comments |
|---|----------|----|----------|
| B. Does the primary government hold the PCU's corporate powers? | <b>X</b> |    |          |

*If Section B is NO, stop here. The PCU is NOT a part of this primary government and should not be considered for inclusion in the Basic Financial Statements.*

*If Section B is YES, stop here. The PCU is part of this primary government and should be included in the primary government's Basic Financial Statements.*

**Component Unit Year End Reporting Memorandum – FY 2005**  
**Attachment CU2**  
**GASBS No. 14 Checklist Modified to Reflect GASBS No. 39**

| <b>Characteristic</b>   | <b>Yes</b> | <b>No</b> | <b>Comments</b>           |
|---|------------|-----------|---------------------------|
| <b>FINANCIAL ACCOUNTABILITY</b>   |            |           |                           |
| C. Did the primary government appoint a voting majority of the PCU's board? | <b>X</b>   |           | <b>Governor appointed</b> |
| 1. The "appointees" were selected at large by the primary government.       | <b>X</b>   |           |                           |
| 2. They were NOT simply confirmed after appointed by another group.         | <b>X</b>   |           |                           |
| 3. They were NOT appointed from a limited nominating process.               | <b>X</b>   |           |                           |

*If Section C is YES, continue with Section H.*

*If Section C is NO, continue with Section D.*

| <b>Characteristic</b>  | <b>Yes</b> | <b>No</b> | <b>Comments</b> |
|--|------------|-----------|-----------------|
| D. Does the PCU meet <b>all</b> of the following fiscal independence criteria?             |            |           |                 |
| 1. Can the PCU determine its budget without another government's approval or modification? |            |           |                 |
| 2. Can the PCU levy taxes or set rates or charges without another government's approval?   |            |           |                 |
| 3. Can the PCU issue bonded debt without another government's approval?                    |            |           |                 |

*If Section D is YES, continue with Section E.*

*If Section D is NO, continue with Section G to determine presentation.*

**Component Unit Year End Reporting Memorandum – FY 2005**  
**Attachment CU2**  
**GASBS No. 14 Checklist Modified to Reflect GASBS No. 39**

| <b>Characteristic</b>   | <b>Yes</b> | <b>No</b> | <b>Comments</b> |
|---|------------|-----------|-----------------|
| E. Does the PCU's relationship with the primary government meet all of the following criteria of paragraph 40A of <u>GASBS No. 39</u> ?   |            |           |                 |
| 1. The economic resources received or held by the PCU are entirely or almost entirely for the direct benefit of the primary government, it's component unit, or its constituents.   |            |           |                 |
| 2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the PCU. ( <i>Note: This does not necessarily imply control over the organization. Ability is determined by whether the primary government can access the resources or whether resources have historically been provided. If either of these conditions exist, the answer to this condition is yes.</i> ) |            |           |                 |
| 3. The economic resources received or held by the PCU that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.   |            |           |                 |

***If Section E is YES, the PCU is a discretely presented component unit.***

***If Section E is NO, continue to section F.***

| <b>Characteristic</b>   | <b>Yes</b> | <b>No</b> | <b>Comments</b> |
|---|------------|-----------|-----------------|
| F. Would it be misleading to exclude the PCU because of its relationship with the primary government?                                 |            |           |                 |
| 1. Does the PCU provide temporary fiscal assistance to the primary government to alleviate that primary government's fiscal distress? |            |           |                 |
| 2. Using professional judgment, does the PCU warrant inclusion in the Basic Financial Statements?                                     |            |           |                 |

***If Section F is YES, the PCU is a component unit. Continue with Section G to determine presentation.***

***If Section F is NO, the PCU is NOT a component unit.***



**Component Unit Year End Reporting Memorandum – FY 2005**  
**Attachment CU2**  
**GASBS No. 14 Checklist Modified to Reflect GASBS No. 39**

| Characteristic  | Yes | No | Comments |
|---|-----|----|----------|
| G. Does the CU provide services to or benefit exclusively or almost exclusively the primary government? |     |    |          |

*If Section G is YES, the component unit should be included by blended presentation.*

*If Section G is NO, the component unit should be included by discrete presentation.*

| Characteristic  | Yes      | No | Comments |
|---|----------|----|----------|
| <b>FINANCIAL ACCOUNTABILITY</b>   |          |    |          |
| H. Is the primary government able to impose its will on the PCU?<br>Any <b>one</b> of the following indicates imposition of will.       | <b>X</b> |    |          |
| 1. Does the primary government have the ability to modify or approve the budget of the PCU?   |          |    |          |
| 2. Does the primary government have the ability to modify or approve rate or fee changes?   |          |    |          |
| 3. Does the primary government have the ability to veto, overrule, or modify the decisions of the PCU's governing body?                 |          |    |          |
| 4. Does the primary government have the ability to appoint, hire, reassign or dismiss management responsible for operations of the PCU? | <b>X</b> |    |          |
| 5. Does the primary government have the ability to remove appointed members of the PCU's governing board at will?                       | <b>X</b> |    |          |

*If Section H is Yes, continue with Section J.*

*If Section H is No, continue with Section I.*

**Component Unit Year End Reporting Memorandum – FY 2005**  
**Attachment CU2**  
**GASBS No. 14 Checklist Modified to Reflect GASBS No. 39**

| Characteristic   | Yes | No | Comments |
|--|-----|----|----------|
| I. Is there a financial benefit / burden relationship between the PCU and the primary government? Any <b>one</b> of the following indicates benefit / burden.  |     |    |          |
| 1. Is the primary government entitled to or have the ability to access the PCU's resources?  |     |    |          |
| 2. Is the primary government obligated to finance deficits of, or provide financial support to or subsidize the PCU?   |     |    |          |
| 3. Is the primary government obligated in some manner for the debt of the PCU?   |     |    |          |
| a. The primary government is legally obligated to honor deficiencies to the extent that proceeds from other default remedies are insufficient.   |     |    |          |
| b. The primary government is required to temporarily cover deficiencies with its own resources until repayment funds or default remedies are available.  |     |    |          |
| c. The primary government is required to provide funding for reserves maintained by the debtor PCU, or to establish its own reserve or guarantee fund for the debt.  |     |    |          |
| d. The primary government is authorized to provide funding for reserves maintained by the debtor PCU, or to establish its own reserve or guarantee fund for the debt and does so.                          |     |    |          |
| e. The primary government is authorized to provide financing for a fund maintained by the debtor PCU for the purpose of purchasing or redeeming the PCU's debt or to establish its own fund and does so.   |     |    |          |
| f. The debtor PCU explicitly indicates by contract, such as the bond agreement, that in the event of default, the primary government may cover deficiencies although it has no legal requirement to do so. |     |    |          |
| g. Legal environment is such that it is probable that the primary government will assume responsibility for the debt in the event of default.  |     |    |          |

***If Section I is NO, stop here. The PCU is a related organization that requires note disclosure only. Note disclosure should state that the primary government is accountable for the PCU and describe the relationship.***

***If Section I is YES, continue with Section J.***

**Component Unit Year End Reporting Memorandum – FY 2005**  
**Attachment CU2**  
**GASBS No. 14 Checklist Modified to Reflect GASBS No. 39**

| <b>Characteristic</b>   | <b>Yes</b> | <b>No</b> | <b>Comments</b> |
|---|------------|-----------|-----------------|
| J. Is the PCU financially dependent on the same primary government that is Financially Accountable for the PCU? | <b>X</b>   |           |                 |

*If Section J is YES, the PCU is a component unit. Continue with Section K to determine presentation.*

*If Section J is NO, the PCU is a potential component unit of two governments. Use professional judgment to determine the appropriate reporting entity before continuing. A primary government that appoints a voting majority of a board of a component unit of another government should make the disclosures required for related organizations.*

| <b>Characteristic</b>                         | <b>Yes</b> | <b>No</b> | <b>Comments</b>   |
|---|------------|-----------|---|
| K. Presentation of Component Unit.            |            | <b>X</b>  | <b>We are not a component unit of any other entity.</b> |
| 1. Are the two boards substantively the same? |            | <b>X</b>  | <b>There is only one board for the VSBFA.</b>           |

*If Section K 1 is YES, the component unit should be included by blended presentation.*

*If Section K 1 is No, continue with Section K 2.*

| <b>Characteristic</b>   | <b>Yes</b> | <b>No</b> | <b>Comments</b>  |
|---|------------|-----------|--|
| 2. Does the CU provide services to or benefit exclusively or almost exclusively the primary government? | <b>X</b>   |           | <b>We provide financial assistance to Virginia businesses. The primary gov't benefits indirectly through increase revenues and job creation.</b> |

*If Section K 2 is YES, the component unit should be included by blended presentation.*

*If Section K 2 is NO, the component unit should be included by discrete presentation.*

**Component Unit Year End Reporting Memorandum – FY 2005  
Attachment CU3  
GASBS No. 14 Checklist Modified to Reflect GASBS No. 39**

|                                |  |                              |              |
|--------------------------------|--|------------------------------|--------------|
| Entity Name:                   | Virginia Small Business Financing Authority                            | Entity Number:               | 350          |
| Entity Contact Name:           | Patty Thorne   | Entity Contact Phone Number: | 804-371-8208 |
| Entity Contact E-Mail Address: | <a href="mailto:pthorne@dba.virginia.gov">pthorne@dba.virginia.gov</a> | Date Completed:              | 8-23-05      |

**The entity is the primary government (PMG).**

The entity (bold or highlight one) **DOES NOT** have any potential component units (which also includes any foundations or related organizations) needing evaluation at this time. If the entity has none, follow the directions listed in submission requirements in the Attachment CU3 instructions.

**NOTE: IF THE ENTITY HAS A COMPONENT UNIT OR FOUNDATION, ATTACHMENT CU12, INTRAFUND ACTIVITY MUST BE COMPLETED.**

|   |  |
|---|--|
| <b>Foundation, Related Org, or PCU being Evaluated:</b> |  |
|---|--|

The following characteristics are indications for including or excluding a Potential Component Unit (PCU) in or from the Basic Financial Statements of the Commonwealth of Virginia. The characteristics are written such that a "YES" answer indicates positive support as a component unit and inclusion in the Commonwealth's financial statements. The comments section should include Summary citations, reference documents and / or sections, and sufficient narrative to support the responses to the questions.

| Characteristic   | Yes | No | Comments |
|--|-----|----|----------|
| <b>LEGALLY SEPARATE</b>  |     |    |          |
| A. Is the PCU legally separate as defined by the following corporate powers?                     |     |    |          |
| 1. Can the PCU have a name?  |     |    |          |
| 2. Can the PCU sue and be sued in its own name, without recourse to a state or local government? |     |    |          |
| 3. Does PCU have the right to buy, sell, lease or mortgage property in its name?                 |     |    |          |

*If Section A is YES, continue with Section C.*

*If Section A is NO, continue with Section B.*

| Characteristic  | Yes | No | Comments |
|---|-----|----|----------|
| B. Does the primary government hold the PCU's corporate powers? |     |    |          |

*If Section B is NO, stop here. The PCU is NOT a part of this primary government and should not be considered for inclusion in the Basic Financial Statements.*

**Component Unit Year End Reporting Memorandum – FY 2005**  
**Attachment CU3**  
**GASBS No. 14 Checklist Modified to Reflect GASBS No. 39**

*If Section B is YES, stop here. The PCU is part of this primary government and should be included in the primary government's Basic Financial Statements.*

**Component Unit Year End Reporting Memorandum – FY 2005**  
**Attachment CU3**  
**GASBS No. 14 Checklist Modified to Reflect GASBS No. 39**

| Characteristic  | Yes | No | Comments |
|---|-----|----|----------|
| <b>FINANCIAL ACCOUNTABILITY</b>   |     |    |          |
| C. Did the primary government appoint a voting majority of the PCU's board? |     |    |          |
| 1. The "appointees" were selected at large by the primary government.       |     |    |          |
| 2. They were NOT simply confirmed after appointed by another group.         |     |    |          |
| 3. They were NOT appointed from a limited nominating process.               |     |    |          |

*If Section C is YES, continue with Section H.*

*If Section C is NO, continue with Section D.*

| Characteristic   | Yes | No | Comments |
|--|-----|----|----------|
| D. Does the PCU meet <b>all</b> of the following fiscal independence criteria?             |     |    |          |
| 1. Can the PCU determine its budget without another government's approval or modification? |     |    |          |
| 2. Can the PCU levy taxes or set rates or charges without another government's approval?   |     |    |          |
| 3. Can the PCU issue bonded debt without another government's approval?                    |     |    |          |

*If Section D is YES, continue with Section E.*

*If Section D is NO, continue with Section G to determine presentation.*

**Component Unit Year End Reporting Memorandum – FY 2005**  
**Attachment CU3**  
**GASBS No. 14 Checklist Modified to Reflect GASBS No. 39**

| <b>Characteristic</b>  | <b>Yes</b> | <b>No</b> | <b>Comments</b> |
|--|------------|-----------|-----------------|
| E. Does the PCU's relationship with the primary government meet all of the following criteria of paragraph 40A of <u>GASBS No. 39</u> ?  |            |           |                 |
| 1. The economic resources received or held by the PCU are entirely or almost entirely for the direct benefit of the primary government, it's component unit, or its constituents.  |            |           |                 |
| 2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the PCU. ( <i>Note: This does not necessarily imply control over the organization. Ability is determined by whether the primary government can access the resources or whether resources have historically been provided. If either of these conditions exists, the answer to this condition is yes.</i> ) |            |           |                 |
| 3. The economic resources received or held by the PCU that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.  |            |           |                 |

***If Section E is YES, the PCU is a discretely presented component unit.***

***If Section E is NO, continue to section F.***

| <b>Characteristic</b>   | <b>Yes</b> | <b>No</b> | <b>Comments</b> |
|---|------------|-----------|-----------------|
| F. Would it be misleading to exclude the PCU because of its relationship with the primary government?                                 |            |           |                 |
| 1. Does the PCU provide temporary fiscal assistance to the primary government to alleviate that primary government's fiscal distress? |            |           |                 |
| 2. Using professional judgment, does the PCU warrant inclusion in the Basic Financial Statements?                                     |            |           |                 |

***If Section F is YES, the PCU is a component unit. Continue with Section G to determine presentation.***

***If Section F is NO, the PCU is NOT a component unit.***

**Component Unit Year End Reporting Memorandum – FY 2005**  
**Attachment CU3**  
**GASBS No. 14 Checklist Modified to Reflect GASBS No. 39**

| Characteristic  | Yes | No | Comments |
|---|-----|----|----------|
| G. Does the CU provide services to or benefit exclusively or almost exclusively the primary government? |     |    |          |

*If Section G is YES, the component unit should be included by blended presentation.*

*If Section G is NO, the component unit should be included by discrete presentation.*  
**Complete Attachment CU12.**

| Characteristic  | Yes | No | Comments |
|---|-----|----|----------|
| <b>FINANCIAL ACCOUNTABILITY</b>   |     |    |          |
| H. Is the primary government able to impose its will on the PCU?<br>Any <b>one</b> of the following indicates imposition of will.       |     |    |          |
| 1. Does the primary government have the ability to modify or approve the budget of the PCU?   |     |    |          |
| 2. Does the primary government have the ability to modify or approve rate or fee changes?   |     |    |          |
| 3. Does the primary government have the ability to veto, overrule, or modify the decisions of the PCU's governing body?                 |     |    |          |
| 4. Does the primary government have the ability to appoint, hire, reassign or dismiss management responsible for operations of the PCU? |     |    |          |
| 5. Does the primary government have the ability to remove appointed members of the PCU's governing board at will?                       |     |    |          |

*If Section H is Yes, continue with Section J.*

*If Section H is No, continue with Section I.*



**Component Unit Year End Reporting Memorandum – FY 2005**  
**Attachment CU3**  
**GASBS No. 14 Checklist Modified to Reflect GASBS No. 39**

| Characteristic   | Yes | No | Comments |
|--|-----|----|----------|
| I. Is there a financial benefit / burden relationship between the PCU and the primary government? Any <b>one</b> of the following indicates benefit / burden.  |     |    |          |
| 1. Is the primary government entitled to or have the ability to access the PCU's resources?  |     |    |          |
| 2. Is the primary government obligated to finance deficits of, or provide financial support to or subsidize the PCU?   |     |    |          |
| 3. Is the primary government obligated in some manner for the debt of the PCU?   |     |    |          |
| a. The primary government is legally obligated to honor deficiencies to the extent that proceeds from other default remedies are insufficient.   |     |    |          |
| b. The primary government is required to temporarily cover deficiencies with its own resources until repayment funds or default remedies are available.  |     |    |          |
| c. The primary government is required to provide funding for reserves maintained by the debtor PCU, or to establish its own reserve or guarantee fund for the debt.  |     |    |          |
| d. The primary government is authorized to provide funding for reserves maintained by the debtor PCU, or to establish its own reserve or guarantee fund for the debt and does so.                          |     |    |          |
| e. The primary government is authorized to provide financing for a fund maintained by the debtor PCU for the purpose of purchasing or redeeming the PCU's debt or to establish its own fund and does so.   |     |    |          |
| f. The debtor PCU explicitly indicates by contract, such as the bond agreement, that in the event of default, the primary government may cover deficiencies although it has no legal requirement to do so. |     |    |          |
| g. Legal environment is such that it is probable that the primary government will assume responsibility for the debt in the event of default.  |     |    |          |

***If Section I is NO, stop here. The PCU is a related organization that requires note disclosure only. Note disclosure should state that the primary government is accountable for the PCU and describe the relationship.***

***If Section I is YES, continue with Section J.***

**Component Unit Year End Reporting Memorandum – FY 2005**  
**Attachment CU3**  
**GASBS No. 14 Checklist Modified to Reflect GASBS No. 39**

| Characteristic  | Yes | No | Comments |
|---|-----|----|----------|
| J. Is the PCU financially dependent on the same primary government that is Financially Accountable for the PCU? |     |    |          |

*If Section J is YES, the PCU is a component unit. Continue with Section K to determine presentation.*

*If Section J is NO, the PCU is a potential component unit of two governments. Use professional judgment to determine the appropriate reporting entity before continuing. A primary government that appoints a voting majority of a board of a component unit of another government should make the disclosures required for related organizations.*

| Characteristic                                | Yes | No | Comments |
|---|-----|----|----------|
| K. Presentation of Component Unit.            |     |    |          |
| 1. Are the two boards substantively the same? |     |    |          |

*If Section K 1 is YES, the component unit should be included by blended presentation.*

*If Section K 1 is No, continue with Section K 2.*

| Characteristic  | Yes | No | Comments |
|---|-----|----|----------|
| 2. Does the CU provide services to or benefit exclusively or almost exclusively the primary government? |     |    |          |

*If Section K 2 is YES, the component unit should be included by blended presentation.*

*If Section K 2 is NO, the component unit should be included by discrete presentation.*  
**Complete Attachment CU12.**





Attachment CU6  
 Schedule of Cash, Cash Equivalents, Investments at June 30  
 Cash Equiv. & Inv. Not w Treas.

| List Issuer & Issue for each cash equivalent & investment type | Credit Quality Rating |  | Reported Amount  |  |                                  |  |  |  |  | Total reported amount considered category 3 or un-categorized |  |  |
|--|-----------------------|--|------------------|--|----------------------------------|--|--|--|--|---|--|--|
|  |                       |  | Cash Equivalents |  | Interest Rate Risk               |  |  |  |  |   |  |  |
|  |                       |  |                  |  | Investment Maturities (in years) |  |  |  |  |   |  |  |
| <b>Repurchase Agreements</b>                                   |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
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| <b>Municipal Securities</b>                                    |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
|  |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
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| <b>Asset Backed Securities</b>                                 |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
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| <b>Agency Mortgage Backed</b>                                  |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
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| <b>Mutual and Money Market Funds (Include SNAP)</b>            |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
| Mutual and Money Market Funds                                  |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
| Mutual and Money Market Funds                                  |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
| Mutual and Money Market Funds                                  |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
| Mutual and Money Market Funds                                  |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
| Mutual and Money Market Funds                                  |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
| Mutual and Money Market Funds                                  |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
| Mutual and Money Market Funds                                  |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
| Mutual and Money Market Funds                                  |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
| Mutual and Money Market Funds                                  |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
| Mutual and Money Market Funds                                  |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
| SNAP not with the Treasurer                                    |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
| SNAP not with the Treasurer                                    |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
| SNAP not with the Treasurer                                    |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
| SNAP not with the Treasurer                                    |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
| SNAP not with the Treasurer                                    |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
| SNAP not with the Treasurer                                    |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
| SNAP not with the Treasurer                                    |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
| SNAP not with the Treasurer                                    |                       |  |                  |  |                                  |  |  |  |  |   |  |  |
| <b>The Boston Company Pooled Employee Trust Fund</b>           |                       |  |                  |  |                                  |  |  |  |  |   |  |  |









**Component Unit Year End Reporting Memorandum – FY 2005**  
**Attachment CU7**  
**GASBS No. 20 for Proprietary Funds**

|                                       |  |                                     |  |
|---------------------------------------|--|-------------------------------------|--|
| <b>Entity Name:</b>                   |  | <b>Entity Number/Acronym:</b>       |  |
| <b>Entity Contact:</b>                |  | <b>Entity Contact Phone Number:</b> |  |
| <b>Entity Contact E-Mail Address:</b> |  | <b>Date Completed:</b>              |  |

|   |     |    |
|---|-----|----|
|   | Yes | No |
| <b>Does this entity have business-type activity at June 30, 2005?</b><br>Enter an X in the appropriate box. |     |    |

If **no**, complete the contact information, sign, date, and return **with Financial Statements**.

If **yes**, see below.

*GASBS No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, provides governments two options for reporting proprietary fund activities (including component units accounted for using proprietary fund accounting). The options are as follows:

- **Option 1:** Apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued **on or before** November 30, 1989, unless those conflict with or contradict GASB pronouncements.
- **Option 2:** Apply all of the above pronouncements and also apply all FASB Statements and Interpretations issued **after** November 30, 1989 except for those that conflict with or contradict GASB pronouncements. *GASBS No. 29, The Use of Not-for-Profit Accounting and Financial Reporting Principles by Governmental Entities*, limits the application of FASB Statements and Interpretations issued after November 30, 1989 to those that are developed primarily for business enterprises.

**Options reported in the prior year are summarized on page 2 of Attachment 7 - Instructions. If a different option is selected for the current year, provide the required disclosures for a change in accounting principle.**

|  |                 |                 |
|--|-----------------|-----------------|
|  | <b>Option 1</b> | <b>Option 2</b> |
| <b>Which option does this entity follow?</b><br>Enter an X in the appropriate box. |                 |                 |

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**Attachment CU8  
Capital Asset Disclosures  
Capital Assets**

Component Unit Name:  
Component Unit Contact Name:  
Component Unit Contact Phone Number:  
Component Unit Contact E-mail Address:  
Date Completed:

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If this submission is a revision to a previous submission for which DOA acknowledged receipt and acceptance, COMPLETE THE REVISION CONTROL LOG TAB.

If this specific information is being reported in the footnotes, list the footnote number and the page number where it resides in the Financial Statements below. If it is not specifically disclosed in the statements or the footnotes, place an "N/A" for that section and complete the section.

Section 1  
Section 2  
Section 3

|                                   |
|-----------------------------------|
| Footnote and Page Number OR "N/A" |
|                                   |
|                                   |

**Section 1 - Depreciable and Non-depreciable Assets**

GASBS No. 34, paragraph 20, requires depreciable capital assets and nondepreciable capital assets to be reported separately.

|   | Balance July 1, 2004 |                                  |                                  | Balance June 30, 2005 | Total Nondepreciable Capital Assets:<br>Total Nondepreciable Capital Assets per the footnote must agree to the Total Nondepreciable Capital Assets reported on the Statement of Net Assets. |
|---|----------------------|----------------------------------|----------------------------------|-----------------------|---|
|   | Key positive amount  | Increases<br>Key positive amount | Decreases<br>Key negative amount |                       |   |
| <b>Nondepreciable Capital Assets:</b>     |                      |                                  |                                  |                       |   |
| Land                                      | \$                   | \$                               | \$                               | \$                    |   |
| Construction in Progress                  |                      |                                  |                                  |                       |   |
| Inexhaustible Works of Art                |                      |                                  |                                  |                       |   |
| Total Nondepreciable Capital Assets       |                      |                                  |                                  |                       |   |
| <b>Depreciable Capital Assets:</b>        |                      |                                  |                                  |                       |   |
| Buildings                                 | Key positive amount  | Key positive amount              | Key negative amount              |                       |   |
| Infrastructure                            |                      |                                  |                                  |                       |   |
| Equipment                                 |                      |                                  |                                  |                       |   |
| Improvements Other Than Buildings         |                      |                                  |                                  |                       |   |
| Depreciable Works of Art                  |                      |                                  |                                  |                       |   |
| Library Books                             |                      |                                  |                                  |                       |   |
| Total Capital Assets being Depreciated    |                      |                                  |                                  |                       |   |
| <b>Less Accumulated Depreciation for:</b> |                      |                                  |                                  |                       |   |
| Buildings                                 | Key negative amount  | Key negative amount              | Key positive amount              |                       |   |
| Infrastructure                            |                      |                                  |                                  |                       |   |
| Equipment                                 |                      |                                  |                                  |                       |   |
| Improvements Other Than Buildings         |                      |                                  |                                  |                       |   |
| Depreciable Works of Art                  |                      |                                  |                                  |                       |   |
| Library Books                             |                      |                                  |                                  |                       |   |
| Total Accumulated Depreciation            |                      |                                  |                                  |                       |   |
| Total Depreciable Capital Assets, Net     |                      |                                  |                                  |                       |   |
| Total Capital Assets, Net                 | \$                   | \$                               | \$                               | \$                    |   |

**Total Depreciable Capital Assets, Net:**  
Total Depreciable Capital Assets, Net per the footnote must agree to the Total Depreciable Capital Assets, Net reported on the Statement of Net Assets.

Do the July 1, 2004 amounts agree to the prior year's ending balances?

|  |
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**Section 2 - Capital Asset Capitalization Policy**

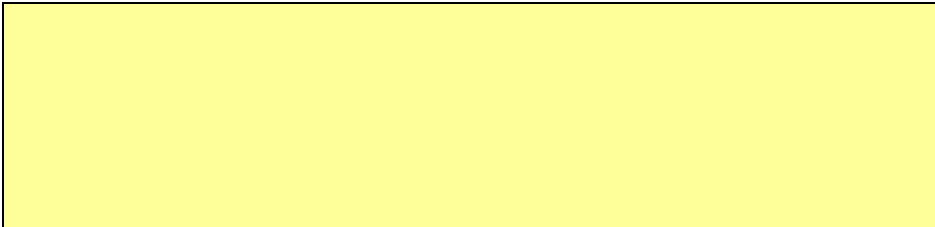
Is the capital asset capitalization policy explained below correct for the entity?

Capital Asset Capitalization Policy:

Depreciable capital assets are depreciated on the straight-line basis over their useful lives. Capital assets are stated at historical cost, or in some instances, estimated historical cost. Donated capital assets are stated at fair market value at the time of donation.

Interest incurred during the construction of capital assets is included in the capitalized value of the assets. Project expenses are classified as construction-in-progress if: 1) they exceed the capitalization criteria; 2) they extend the asset life, improve productivity, or improve the quality of service; and 3) they fall into the planning, acquisition, construction, improvement, renovation, repair, replacement, relocation or demolition phase of the asset life.

**Attachment CU8  
Capital Asset Disclosures  
Capital Assets**



Provide the capitalization criteria for capital assets:

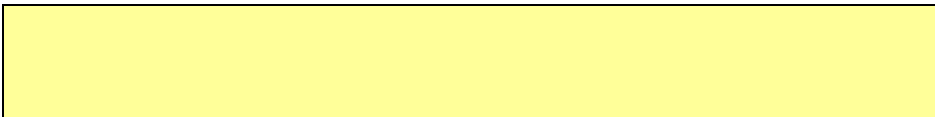
|                                      | \$ |
|--------------------------------------|----|
| Buildings                            |    |
| Equipment                            |    |
| Infrastructure (historical approach) |    |
| Improvements Other Than Buildings    |    |
| Works of Art/Historical Treasures    |    |
| Library Books                        |    |
| Construction-in-Progress             |    |

Provide the estimated lives of capital assets:

|   | Years |
|---|-------|
| Buildings                                     |       |
| Equipment                                     |       |
| Infrastructure (historical approach)          |       |
| Improvements Other Than Buildings             |       |
| Depreciable Works of Art/Historical Treasures |       |
| Library Books                                 |       |
| Construction-in-Progress                      |       |

**Section 3 - Works of Art/Historical Treasures**

Does the entity have any works of art and / or historical treasures that are not capitalized?



Is the reason the works of art and / or historical treasures are not being capitalized because all of the following criteria are met by the institution?

- A) The assets are "held for public exhibition, education, or research in furtherance of public service rather than financial gain."
- B) The assets are "protected, kept unencumbered, cared for, and preserved."
- C) The assets are "subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections."

**Attachment CU9  
Asset and Liability Disclosures  
Assets**

Component Unit Name:  
Component Unit Contact Name:  
Component Unit Contact Phone Number:  
Component Unit Contact E-mail Address:  
Date Completed:

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If this specific information is being reported in the footnotes, list the footnote number and the page number where it resides in the Financial Statements below. If it is not specifically disclosed in the statements or the footnotes, place an "N/A" for that section and complete the section.

|           |  |
|-----------|--|
| Section 1 |  |
| Section 2 |  |

If this submission is a revision to a previous submission for which DOA acknowledged receipt and acceptance, COMPLETE THE REVISION CONTROL LOG TAB

**ASSETS**

**Section 1 - Accounts Receivable**

|                         |  | Amount to be<br>collected within<br>one year | Amount to be<br>collected after<br>6/30/2006 |
|-------------------------|--|--|--|
| <b>Gross Amounts:</b>   |  |  |  |
| Accounts Receivable     |  |  |  |
| Loans Receivable        |  |  |  |
| Taxes Receivable        |  |  |  |
| Other Receivables       |  |  |  |
| Other Receivables       |  |  |  |
| Other Receivables       |  |  |  |
| Total Gross Receivables |  | -  | -  |

**Allowance for Doubtful Accounts (Enter as a negative):**

|                                       |  |   |   |
|---------------------------------------|--|---|---|
| Accounts Receivable                   |  |   |   |
| Loans Receivable                      |  |   |   |
| Taxes Receivables                     |  |   |   |
| Other Receivables                     |  |   |   |
| Other Receivables                     |  |   |   |
| Other Receivables                     |  |   |   |
| Total Allowance for Doubtful Accounts |  | - | - |
| Total Net Receivables                 |  | - | - |

**Section 2 - Other Assets**

|                                   |  | Amount |
|-----------------------------------|--|--------|
| Cash and Travel Advances          |  |        |
| Unamortized Bond Issuance Expense |  |        |
| Other                             |  |        |
| Other                             |  |        |
| Other                             |  |        |
| Other                             |  |        |
| Other                             |  |        |
| Other                             |  |        |
|                                   |  | \$ -   |

**Attachment CU10  
Proprietary Funds - Conversion to Statement of Activities  
Statement of Activities**

Component Unit Name:  
Component Unit Contact Name:  
Component Unit Contact Phone Number:  
Component Unit Contact E-mail Address:  
Date Completed:

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If this submission is a revision to a previous submission for which DOA acknowledged receipt and acceptance, COMPLETE THE REVISION CONTROL LOG TAB.

Is the entity submitting a Statement of Activities in their financial statements?

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**Conversion to Statement of Activities  
As of June 30, 2005**

| Functions:  | Expenses<br>(Enter as Negative)   | Charges for<br>Goods/Services | Operating Grants and<br>Contracts | Capital Grants and<br>Contracts | Net (Expense)<br>Revenue and<br>Changes in Net<br>Assets |
|---|---|-------------------------------|-----------------------------------|---------------------------------|--|
| Step 1  |   |                               |                                   |                                 | -  |
| Step 2  | Interest and Charges on Long-Term Debt                                      |                               |                                   |                                 | -  |
| Step 3  | Securities Lending Transactions   |                               |                                   |                                 | -  |
|   |   |                               |                                   |                                 |  |
| Total   | -   | -                             | -                                 | -                               | -  |
|   |   |                               |                                   |                                 |  |
| <b>General Revenues:</b>                          |   |                               |                                   |                                 |  |
| Taxes:  |   |                               |                                   |                                 |  |
| Step 4  |   |                               |                                   |                                 |  |
|   |   |                               |                                   |                                 |  |
|   |   |                               |                                   |                                 |  |
| Step 5  | Payment from the Commonwealth   |                               |                                   |                                 |  |
|   | Grants, Entitlements, and Contributions Not Restricted to Specific Programs |                               |                                   |                                 |  |
|   | Investment Earnings   |                               |                                   |                                 |  |
|   | Miscellaneous   |                               |                                   |                                 |  |
|   |   |                               |                                   |                                 |  |
| Other Items and Transfers:                        |   |                               |                                   |                                 |  |
| Step 6  | Transfers in from: (Identify entity in the yellow box)                      |                               |                                   |                                 |  |
|   | Transfers out to: (Identify entity in the yellow box)                       |                               |                                   |                                 |  |
| Step 7  | Special Items   |                               |                                   |                                 |  |
|   | Extraordinary Items   |                               |                                   |                                 |  |
|   |   |                               |                                   |                                 |  |
| Total General Revenues, Other Items and Transfers |   |                               |                                   |                                 | -  |
| Step 8  | Net Assets - Beginning  |                               |                                   |                                 |  |
|   | Net Assets - Ending   |                               |                                   |                                 | -  |

**Attachment CU10**  
**Proprietary Funds - Conversion to Statement of Activities**  
**Statement of Activities**



**Attachment CU11  
Short-term Debt**

|  |  |
|--|--|
| Component Unit Name:                   |  |
| Component Unit Contact Name:           |  |
| Component Unit Contact Phone Number:   |  |
| Component Unit Contact E-mail Address: |  |
| Date Completed:                        |  |

If this submission is a revision to a previous submission for which DOA acknowledged receipt and acceptance, COMPLETE THE REVISION CONTROL LOG TAB

Did the entity have short-term debt activity during the year (anticipation notes, lines of credit, and similar loans) owed to a party external to the Commonwealth?

| Line Item | Beginning Balance<br>July 1, 2004 | Increases | Decreases | Ending Balance<br>June 30, 2005 |
|-----------|-----------------------------------|-----------|-----------|---------------------------------|
|           |                                   |           |           | -                               |
|           |                                   |           |           | -                               |
|           |                                   |           |           | -                               |
|           |                                   |           |           | -                               |
|           |                                   |           |           | -                               |
|           |                                   |           |           | -                               |
|           |                                   |           |           | -                               |
|           |                                   |           |           | -                               |

Provide a description of the short-term debt items listed above, including the purpose for which it was issued.





**Attachment CU12**  
**Intrafund Activity**



**Attachment CU4**  
**Financial Statement Template for Selected Component Units**  
**Tab 6 - LT Liabilities**

Component Unit Number or Acronym:  
Component Unit Name:  
Component Unit Contact Name:  
Component Unit Phone Number:  
Component Unit E-mail Address:  
Date Completed:

|   |
|---|
| 350   |
| Virginia Small Business Financing Authority |
| Patty Thorne                                |
| 804-371-8208                                |
| pthorne@dha.virginia.gov                    |
| 08/23/05                                    |

If this submission is a revision to a previous submission for which DOA acknowledged receipt and acceptance, COMPLETE THE REVISION CONTROL LOG TAB.

**Tab 6: Long-term Liabilities**  
**For the Year Ended June 30, 2005**

**Part 1: Schedule of Changes in Long-term Liabilities:**

**Balance July 1, 2004**  
These amounts should agree to the prior year June 30 ending balances.

**Balance June 30, 2005**  
Amounts must agree to the total liability "Due Within One Year" plus the total liability "Due Greater Than One Year" on the Statement of Net Assets Template. If not, an "ERROR" message will appear. Review amounts entered and make corrections as deemed necessary.

Bonds Payable (Part 2)  
Installment Purchase Obligations (Part 3)  
Capital Lease Obligations (Part 4)  
Notes Payable (Part 5)  
Compensated Absences  
Pension Liability (Part 6)  
Bond Anticipation Notes  
Other (Part 7)  
Total

| Balance July 1, 2004 | Issuances and Other Increases | Retirements and Other Decreases (negative \$) | Balance June 30, 2005 | Due Within One Year |
|----------------------|-------------------------------|---|-----------------------|---------------------|
| -                    | -                             | -   | -                     | -                   |
| -                    | -                             | -   | -                     | -                   |
| -                    | -                             | -   | -                     | -                   |
| -                    | -                             | -   | -                     | -                   |
| -                    | -                             | -   | -                     | -                   |
| -                    | -                             | -   | -                     | -                   |
| -                    | -                             | -   | -                     | -                   |
| 1,963,583            | 519,275                       | -   | 2,482,858             | -                   |
| 1,963,583            | 519,275                       | -   | 2,482,858             | -                   |

**Part 2: Bonds Payable**

| Maturity  | Principal | Interest | Total | Defeasance  |   |
|---|-----------|----------|-------|---|---|
|   |           |          |       | Has the agency defeased debt on or before 2005?             |   |
| 2006  |           |          | -     |   |   |
| 2007  |           |          | -     |   |   |
| 2008  |           |          | -     |   | Balance of defeased debt                            |
| 2009  |           |          | -     |   |   |
| 2010  |           |          | -     |   |   |
| 2011-2015   |           |          | -     |   | <b>Interest and Bond Issue Date Ranges of Bonds</b> |
| 2016-2020   |           |          | -     | Interest Rate Ranges:                                       | Lowest Rate :                                       |
| 2021-2025   |           |          | -     |   | Highest Rate:                                       |
| 2026-2030   |           |          | -     |   | Enter Date  |
| 2031-2035   |           |          | -     | Bond Issue Date Ranges:                                     | Oldest Issue Date:                                  |
| 2036-2040   |           |          | -     |   | Most Recent Issue Date:                             |
| 2041-2045   |           |          | -     |   |   |
| 2046-2050   |           |          | -     |   |   |
| 2051-2055   |           |          | -     |   |   |
| 2056-2060   |           |          | -     | Provide the amount of debt considered Moral Obligation Debt |   |
| 2061-2065   |           |          | -     |   |   |
| 2066-2070   |           |          | -     |   |   |
| Add: Unamortized Premium (positive amount)                            |           |          | -     |   |   |
| Less: Unamortized Discount (negative amount)                          |           |          | -     |   |   |
| Less: Discount Unaccrued Capital Appreciation Bonds (negative amount) |           |          | -     |   |   |
| Total   |           |          | -     |   |   |

**Total Bonds Payable Principal Amount** must agree to the total "Due Within One Year" plus the total "Due Greater Than One Year" bonds payable amount reported on the Statement of Net Assets template. If not, an "ERROR" message will appear. Correct amounts as necessary.

**Part 3: Installment Purchase Obligations**

| Maturity Fiscal Year Ended June 30: | Principal | Interest | Total |
|-------------------------------------|-----------|----------|-------|
| 2006                                | -         | -        | -     |
| 2007                                | -         | -        | -     |
| 2008                                | -         | -        | -     |
| 2009                                | -         | -        | -     |
| 2010                                | -         | -        | -     |
| 2011-2015                           | -         | -        | -     |
| 2016-2020                           | -         | -        | -     |
| 2021-2025                           | -         | -        | -     |
| 2026-2030                           | -         | -        | -     |
| 2031-2035                           | -         | -        | -     |
| 2036-2040                           | -         | -        | -     |
| 2041-2045                           | -         | -        | -     |
| 2046-2050                           | -         | -        | -     |
| 2051-2055                           | -         | -        | -     |
| 2056-2060                           | -         | -        | -     |
| 2061-2065                           | -         | -        | -     |
| 2066-2070                           | -         | -        | -     |
| Total                               | -         | -        | -     |

**Total Future Principal Amounts** must equal the total "Due Within One Year" plus the total "Due Greater Than One Year" installment purchase obligations reported on the Statement of Net Assets. If not, an "ERROR" message will appear. Correct amounts as necessary.

**Attachment CU4  
Financial Statement Template for Selected Component Units  
Tab 6 - LT Liabilities**

**Part 4: Capital Lease Future Payments**

| Fiscal Year Ended June 30:                         | \$ Amount |
|--|-----------|
| 2006   |           |
| 2007   |           |
| 2008   |           |
| 2009   |           |
| 2010   |           |
| 2011-2015  |           |
| 2016-2020  |           |
| 2021-2025  |           |
| 2026-2030  |           |
| 2031-2035  |           |
| 2036-2040  |           |
| 2041-2045  |           |
| 2046-2050  |           |
| 2051-2055  |           |
| 2056-2060  |           |
| 2061-2065  |           |
| 2066-2070  |           |
| <b>Total Gross Minimum Lease Payments</b>          | -         |
| Less: Executory Costs (negative \$)                |           |
| <b>Net Minimum Lease Payments</b>                  | -         |
| Less: Interest (negative \$)                       |           |
| <b>Present Value of Net Minimum Lease Payments</b> | -         |

Capital assets purchased under capital leases as of June 30, 2005:

|  | Buildings | Equipment | Total |
|--|-----------|-----------|-------|
| Gross Capital Assets                         |           |           | -     |
| Less: Accumulated Depreciation (negative \$) |           |           | -     |
|  | -         | -         | -     |

**Present Value of Net Minimum Lease Payments** must agree to the total of "Due Within One Year" plus the total "Due Greater Than One Year" Capital Lease Obligations reported on the Statement of Net Assets template. If not, an "ERROR" message will appear. Correct amounts as necessary.

**Part 5: Notes Payable**

| Maturity Fiscal Year Ended June 30: | Principal | Interest | Total |
|-------------------------------------|-----------|----------|-------|
| 2006                                |           |          | -     |
| 2007                                |           |          | -     |
| 2008                                |           |          | -     |
| 2009                                |           |          | -     |
| 2010                                |           |          | -     |
| 2011-2015                           |           |          | -     |
| 2016-2020                           |           |          | -     |
| 2021-2025                           |           |          | -     |
| 2026-2030                           |           |          | -     |
| 2031-2035                           |           |          | -     |
| 2036-2040                           |           |          | -     |
| 2041-2045                           |           |          | -     |
| 2046-2050                           |           |          | -     |
| 2051-2055                           |           |          | -     |
| 2056-2060                           |           |          | -     |
| 2061-2065                           |           |          | -     |
| 2066-2070                           |           |          | -     |
| <b>Total</b>                        | -         | -        | -     |

**Notes Payable** must agree to the total of "Due Within One Year" plus the total "Due Greater Than One Year" Notes Payable reported on the Statement of Net Assets template. If not, an "ERROR" message will appear. Correct amounts as necessary.

**Part 6: Pension**

If the component unit participates in a retirement plan other than the Virginia Retirement System (VRS) or a deferred compensation plan other than the Commonwealth's please describe below and provide all applicable footnote information.  
**Note:** DOA may need to contact the component unit to receive additional information.

**Part 7: Other**

Provide a description below

Capital Access Programs reserve accounts held at participating banks to help cover loan losses in their respective CAP portfolios. Balances as of 6/30/05 \$2,482,858