

**INNOVATIVE TECHNOLOGY AUTHORITY
AND
CENTER FOR INNOVATIVE TECHNOLOGY
HERNDON, VIRGINIA**

**REPORT ON AUDIT
FOR THE YEAR ENDED
JUNE 30, 2001**



AUDIT SUMMARY

Our audit of the Innovative Technology Authority and the Center for Innovative Technology for the year ended June 30, 2001, found:

- the financial statements are presented fairly, in all material respects;
- no internal control matters that we consider material weaknesses; and
- no instances of noncompliance required to be reported under Government Auditing Standards.

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AGENCY OFFICIALS

September 7, 2001

The Honorable James S. Gilmore, III
Governor of Virginia

Board of Directors
Innovative Technology Authority and
Center for Innovative Technology

We have audited the accounts and records of the **Innovative Technology Authority** and the **Center for Innovative Technology** as of and for the year ended June 30, 2001, and submit herewith our complete reports on financial statements and compliance and internal control over financial reporting.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

We have audited the combined financial statements of the Innovative Technology Authority and the Center for Innovative Technology as of and for the year ended June 30, 2001, as listed in the Table of Contents. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Innovative Technology Authority and the Center for Innovative Technology as of June 30, 2001, and the results of their operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule of changes is presented for the purpose of additional analysis and is not a required part of the basic financial statement. The information has been audited in connection with the audit of the basic financial statements and, in our opinion, such information is fairly stated in all material respects in relation to the financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements of the Authority and the Center as of and for the year ended June 30, 2001, we considered internal controls over financial reporting and tested compliance with certain provisions of laws, regulations, contracts, and grants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the Authority and Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority and the Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Status of Prior Findings

The Center has taken adequate corrective action with respect to audit findings reported in the prior year.

The "Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting" is intended solely for the information and use of the Governor and General Assembly of Virginia, the Innovative Technology Authority and Center for Innovative Technology Board and management, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

EXIT CONFERENCE

We discussed this report with management at an exit conference held on September 28, 2001.

AUDITOR OF PUBLIC ACCOUNTS

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INNOVATIVE TECHNOLOGY AUTHORITY AND
CENTER FOR INNOVATIVE TECHNOLOGY
COMBINED BALANCE SHEET
As of June 30, 2001

	ITA	CIT	Eliminating Entry	Total
A S S E T S				
Current assets:				
Cash and cash equivalents (Note B)	\$ 1,726,546	\$ 2,973,437	\$ -	\$ 4,699,983
Short-term investments (Note B)	-	1,764,389	-	1,764,389
Investments in equity securities (Note H)	-	300,385	-	300,385
Accounts receivable (Net of allowance for doubtful accounts of \$ 9,882 and \$ 744,577)	30,165	46,562	-	76,727
Accrued rent and interest receivable, prepaid travel, and deposits	161,113	59,195	-	220,308
Due from ITA	-	113,742	(113,742)	-
Total current assets	1,917,824	5,257,710	(113,742)	7,061,792
Noncurrent assets:				
Unamortized bond issuance expense	115,044	-	-	115,044
Long-term investments (Note B)	-	1,782,214	-	1,782,214
Deferred compensation account	-	176,131	-	176,131
Total noncurrent assets	115,044	1,958,345	-	2,073,389
Property and equipment:				
Land and land improvements	7,927,197	-	-	7,927,197
Building	24,942,075	-	-	24,942,075
Less accumulated depreciation	(5,200,517)	-	-	(5,200,517)
Furniture, fixtures and equipment	3,305,107	-	-	3,305,107
Less accumulated depreciation	(2,418,190)	-	-	(2,418,190)
Total property and equipment	28,555,672	-	-	28,555,672
Total assets	\$ 30,588,540	\$ 7,216,055	\$ (113,742)	\$ 37,690,853
LIABILITIES AND FUND BALANCE				
Current liabilities:				
Due to CIT	\$ 113,742	\$ -	\$ (113,742)	\$ -
Accrued interest payable	136,133	-	-	136,133
Accounts payable and accrued expenses	331,169	648,634	-	979,803
Grants payable (Note D)	-	6,081,690	-	6,081,690
Capital lease obligation - short term	6,699	-	-	6,699
Bonds payable - short term (Note C)	530,000	-	-	530,000
Security deposits	14,217	-	-	14,217
Total current liabilities	1,131,960	6,730,324	(113,742)	7,748,542
Long-term liabilities:				
Bonds payable (Note C)	10,570,000	-	-	10,570,000
Capital lease obligation - long term	8,090	-	-	8,090
Deferred compensation	-	176,131	-	176,131
Total long-term liabilities	10,578,090	176,131	-	10,754,221
Total liabilities	11,710,050	6,906,455	(113,742)	18,502,763
Fund balance	18,878,490	309,600	-	19,188,090
Total liabilities and fund balance	\$ 30,588,540	\$ 7,216,055	\$ (113,742)	\$ 37,690,853

The accompanying Notes to Financial Statements are an integral part of this statement.

INNOVATIVE TECHNOLOGY AUTHORITY AND
CENTER FOR INNOVATIVE TECHNOLOGY
COMBINED STATEMENT OF SUPPORT AND REVENUE,
EXPENSES, AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2001

	ITA	CIT	Eliminating Entry	Total
SUPPORT AND REVENUE				
Appropriations from the Commonwealth of Virginia	\$ 12,499,469	\$ -	\$ -	\$ 12,499,469
Interest income	78,710	433,934	-	512,644
Rental income - lease revenue	1,411,525	-	-	1,411,525
Rental income - bonds	1,381,374	-	-	1,381,374
Federal contracts	-	86,250	-	86,250
Program income - sponsors and seminars	-	19,420	-	19,420
Intellectual property income	-	2,052	-	2,052
Net gain on investments	-	321,201	-	321,201
Other income	125	146,032	-	146,157
Gain on sale of fixed assets	10,755	-	-	10,755
Total support and revenue	15,381,958	1,008,889	-	16,390,847
EXPENSES				
Technology programs:				
Grants and program costs	-	3,585,030	-	3,585,030
Designated projects	-	372,660	-	372,660
Salaries and benefits	-	1,273,001	-	1,273,001
Administrative costs	-	464,729	-	464,729
Total technology programs	-	5,695,420	-	5,695,420
Research and development partnerships:				
Grants and program costs	-	2,605,965	-	2,605,965
Salaries and benefits	-	464,021	-	464,021
Administrative costs	-	113,307	-	113,307
Total research and development partnerships	-	3,183,293	-	3,183,293
Regional operations:				
Grants and program costs	-	420,803	-	420,803
Salaries and benefits	-	1,335,569	-	1,335,569
Administrative costs	-	521,599	-	521,599
Total regional operations	-	2,277,971	-	2,277,971
Program communications:				
Grants and program costs	-	576,584	-	576,584
Salaries and benefits	-	264,145	-	264,145
Administrative costs	-	76,131	-	76,131
Total program communications	-	916,860	-	916,860
Total program expenses	-	12,073,544	-	12,073,544
General and administrative expenses:				
Salaries and related costs	-	955,953	-	955,953
Other administrative	-	325,396	-	325,396
Transfer to Innovative Technology Foundation	-	864,156	-	864,156
Administrative costs	20,515	-	-	20,515
Building expenses	1,344,166	-	-	1,344,166
Interest expense	856,282	-	-	856,282
Depreciation	1,166,879	-	-	1,166,879
Loss on disposal of fixed assets	39,089	-	-	39,089
Total general and administrative expenses	3,426,931	2,145,505	-	5,572,436
Total expenses	3,426,931	14,219,049	-	17,645,980
Excess (deficiency) of support and revenue over (under) expenses	11,955,027	(13,210,160)	-	(1,255,133)
Transfers and other changes:				
Operating transfers in	408,876	12,853,886	-	13,262,762
Operating transfers out	(12,853,886)	(408,876)	-	(13,262,762)
Net transfers and other changes	(12,445,010)	12,445,010	-	-
Deficiency of support and revenue under expenses and transfers	(489,983)	(765,150)	-	(1,255,133)
Fund balance at July 1, 2000 (Note I)	19,348,473	1,074,750	-	20,423,223
Fund balance at June 30, 2001	\$ 18,858,490	\$ 309,600	\$ -	\$ 19,168,090

The accompanying Notes to Financial Statements are an integral part of this statement.

INNOVATIVE TECHNOLOGY AUTHORITY AND
CENTER FOR INNOVATIVE TECHNOLOGY
COMBINED STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2001

	ITA	CIT	Eliminating Entry	Total
Cash flows from operating activities:				
Deficiency of support and revenue under expenses and transfers	\$ (489,983)	\$ (765,150)	\$ -	\$ (1,255,133)
Reconciling items:				
Depreciation	1,166,879	-	-	1,166,879
Loss on disposal of fixed assets	39,089	-	-	39,089
Change in assets and liabilities:				
Decrease in accounts receivable	76,945	204,174	-	281,119
Increase/(decrease) in due to CIT	275,133	-	(275,133)	-
(Increase)/decrease in due from ITA	-	(113,742)	113,742	-
Decrease in accrued interest receivable	17,085	-	-	17,085
Decrease in accrued interest receivable, prepaids, and deposits	-	17,400	-	17,400
Decrease in unamortized bond issuance expense	8,965	-	-	8,965
Decrease in marketable equity securities	-	542,955	-	542,955
Decrease in other assets	-	22,508	-	22,508
Increase/(decrease) in accounts payable and accrued expenses	209,779	(115,953)	-	93,826
Increase in security deposits	600	-	-	600
Increase/(decrease) in due to CIT	113,742	-	(113,742)	-
(Increase)/decrease in due from ITA	-	(275,133)	275,133	-
(Decrease) in accrued interest payable	(6,082)	-	-	(6,082)
(Decrease) in grants payable	-	(309,910)	-	(309,910)
(Decrease) in other liabilities	-	(24,430)	-	(24,430)
Net cash provided by operating activities	1,412,152	(817,281)	-	594,871
Cash flows from investing activities:				
Disposition of short-term investments (net of discount or premium)	-	5,079,241	-	5,079,241
Acquisition of short-term investments	-	(1,767,728)	-	(1,767,728)
Acquisition of long-term investments	-	(1,786,155)	-	(1,786,155)
Increase in amortization of discount/premium	-	7,279	-	7,279
Net cash provided by investing activities	-	1,532,637	-	1,532,637
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets - CIT	(408,877)	-	-	(408,877)
Acquisition and construction of capital assets - ITA	(74,000)	-	-	(74,000)
Sale/trade of fixed assets	11,752	-	-	11,752
Capital lease obligations - new	15,816	-	-	15,816
Cash payments on capital leases	(1,027)	-	-	(1,027)
Cash payment to retire bond indenture	(535,000)	-	-	(535,000)
Net cash used for capital and related financing activities	(991,336)	-	-	(991,336)
Net increase in cash and cash equivalents	420,816	715,356	-	1,136,172
Cash and cash equivalents at July 1, 2000	1,305,730	2,258,081	-	3,563,811
Cash and cash equivalents at June 30, 2001	\$ 1,726,546	\$ 2,973,437	\$ -	\$ 4,699,983

The accompanying notes to financial statements are an integral part of this statement.

INNOVATIVE TECHNOLOGY AUTHORITY

AND

CENTER FOR INNOVATIVE TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2001

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The combined financial statements include the accounts of the Innovative Technology Authority (ITA) and the Center for Innovative Technology (CIT) after elimination of all significant intercompany balances and transactions. The Innovative Technology Authority is a political subdivision of the Commonwealth of Virginia. Its mission is to promote the economic development of the Commonwealth of Virginia through technology. The Center for Innovative Technology is a non-stock, not-for-profit corporation, which acts as the operating arm of the ITA. The financial statements have been prepared on the accrual basis of accounting.

Unrestricted Fund Balance: The unrestricted fund balance is comprised of two major elements: designated and undesignated. The designated portion of the fund balance represents management's tentative plans for the use of current financial resources in the future. Undesignated fund balance represents financial resources available to finance expenditures other than those tentatively planned by management. As of June 30, 2001, the fund balance is comprised of the following elements, which are detailed more fully in the supplementary information:

	<u>ITA</u>	<u>CIT</u>	<u>Total</u>
Designated	\$ 18,790,223	\$ 288,745	\$ 19,078,968
Undesignated	<u>68,267</u>	<u>20,855</u>	<u>89,122</u>
Total	<u>\$ 18,858,490</u>	<u>\$ 309,600</u>	<u>\$ 19,168,090</u>

Property and Equipment: Property and equipment are stated at cost at date of acquisition or fair market value at date of donation in the case of gifts. Depreciation is recorded on the straight-line basis over estimated useful lives of the assets ranging from two to forty years.

Grants Awards: Grant awards are recorded as an expense upon approval of the grants by the CIT.

Income Taxes: The CIT is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code.

NOTE B – CASH AND INVESTMENTS

Certain deposits and investments are maintained by ITA and CIT or are represented by specific identifiable investment securities maintained by the Treasurer of Virginia, or are held by the Bank of New York or Bank of America. Cash and cash equivalents represent deposits and short-term investments with maturities of less than one year. Deposits and investments held by Bank of New York, as trustee are accounted for in accordance with the provisions of the Master Indenture of Trust Agreement and the Supplemental Indenture of Trust Agreement between the Authority and the trustee.

The cash and cash equivalents of the ITA and CIT are categorized below to give an indication of the level of credit risk assumed by the ITA and CIT at June 30, 2001. Credit risk is the risk that the ITA or the CIT may not be able to obtain possession of its investment instrument or collateral at maturity. Risk category 1 includes cash and cash equivalents which are insured or registered or for which the securities are held by the ITA or the CIT or their safekeeping agent in their respective names. Risk category 2 includes uninsured or unregistered investments for which the securities are held by the brokers' or dealers' trust department or safekeeping department in their respective names. Risk category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or safekeeping department but not in either name. There were no investments in risk category 2 and 3. Deposits and the Local Government Investment Pool are not categorized into one of these risk categories since equity in the pool does not consist of identifiable securities.

	<u>Category 1</u>	<u>Not Categorized</u>	<u>Market Value</u>
Cash and cash equivalents:			
Cash in office		\$ 1,350	\$ 1,350
Deposits		406,543	406,543
Local Government Investment Pool		<u>4,292,090</u>	<u>4,292,090</u>
Total cash and cash equivalents		<u>4,699,983</u>	<u>4,699,983</u>
Short-term investments in U.S. Government securities	<u>\$ 1,764,389</u>	<u>-</u>	<u>1,764,389</u>
Investments in equity securities	<u>300,385</u>	<u>-</u>	<u>300,385</u>
Long-term investments in U.S. Government securities	<u>1,782,214</u>	<u>-</u>	<u>1,782,214</u>
Total cash, cash equivalents, and investments	<u>\$ 3,846,988</u>	<u>\$ 4,699,983</u>	<u>\$ 8,546,971</u>

NOTE C - BONDS PAYABLE

The ITA issued \$12,455,000 of Taxable Lease Revenue Refunding Bonds on May 1, 1997, pursuant to a Master Indenture of Trust and First Supplemental Indenture of Trust between the ITA and Signet Trust Company, Richmond, Virginia, as Trustee (since transferred to the Bank of New York). The Series 1997 Bonds were issued by the ITA to advance refund \$11,200,000 of outstanding 1989 Taxable Revenue Lease

Bonds, Series 1989. The Commonwealth of Virginia leases facilities from the ITA. Lease payments received from the Department of Treasury are equal to the annual principal and interest costs on the bonds.

The following amortization schedule illustrates the ITA's principal and interest requirements for the Series 1997 Bonds.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 530,000	\$ 816,801	\$ 1,346,801
2003	625,000	780,337	1,405,337
2004	620,000	736,587	1,356,587
2005	710,000	692,691	1,402,691
2006	700,000	641,855	1,341,855
2007	790,000	591,525	1,381,525
2008	875,000	534,013	1,409,013
2009-2014	<u>6,270,000</u>	<u>1,745,067</u>	<u>8,015,067</u>
Total	<u>\$11,120,000</u>	<u>\$6,538,876</u>	<u>\$17,658,876</u>

NOTE D – GRANTS PAYABLE

Grants are awarded to Virginia colleges and universities for scientific research and to Virginia headquartered and operated companies to promote research and development. Cash is transmitted to the award recipients as needed to fund grant disbursements. The grants payable represents the balance of grant awards not paid at June 30, 2001.

NOTE E – EMPLOYEE BENEFITS

CIT has a defined contribution retirement plan covering substantially all employees. Under the plan, CIT makes contributions fixed at a percentage of each employee's compensation to pay premiums for individual retirement annuity contracts written by Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF). Pension expense for the plan totaled \$447,666 in 2001 for covered payroll of \$2,984,440.

NOTE F – EQUITY POSITIONS

The CIT holds equity positions in several start-up organizations acquired through its Intellectual Property program. There were no new acquisitions in FY2001. Titles for technologies that were given to the start-up companies in return for stock position in the companies, have been transferred to CIT from the universities without cost to CIT, therefore, there is no cost basis to assess the stock. None of the securities are traded on the open market and are therefore difficult to determine a market value. Since there is no clear assessment of value either at cost or market, these equity positions have not been recorded as assets of CIT.

NOTE G – RELATED PARTY TRANSACTIONS

The financial statements do not include the assets, liabilities and net assets of the Innovative Technology Foundation. The Innovative Technology Foundation is a non-stock, non-profit corporation. It was created in 1986 to promote and support economic and industrial development, encourage technological innovation, coordinate research and development capabilities of institutions with requirements of public and private sectors of the economy, and otherwise aid in the accomplishment of the mission of the CIT.

On July 20, 2000, the CIT transferred 62,000 shares of Allos Therapeutics, Inc. stock to the Innovative Technology Foundation with an effective date of March 31, 2000. The fair market value of the stock on the date of transfer was \$864,156. At June 30, 2001 the Foundation's assets totaled \$416,168.

NOTE H – CAPITAL LEASES

The ITA entered into lease agreements as lessee for financing the acquisition of office equipment for the Portsmouth and Danville offices with down payments of \$417 and \$263 respectively. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2001.

Fiscal Year Ending	
<u>June 30,</u>	
2002	\$ 7,335
2003	5,984
2004	<u>2,358</u>
Total minimum lease payments	15,677
Less: Amount representing interest	<u>888</u>
Present value of future minimum lease payments	<u>\$14,789</u>

NOTE I – RESTATEMENT OF BEGINNING FUND BALANCES

The restatement in beginning fund balances were required to properly reflect common stock in Trigon Healthcare, Inc that the CIT received as a result of Trigon's demutualization in 1997. These securities have been held by the CIT since August 5, 1997 but never recorded on their combined balance sheet. At June 30, 2000 these equities had a fair market value of \$238,840.

	<u>CIT</u>
Fund balance as of June 30, 2000	\$ 835,910
Correction of prior year error	<u>238,840</u>
Fund balance, June 30, 2000, as restated	<u>\$ 1,074,750</u>

NOTE J – PENDING GASB STATEMENT

Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, issued June 1999, will be effective for the ITA and the CIT for the fiscal year ending June 30, 2002. This Statement imposes new standards for financial reporting. The titles and formats of the financial statements will change significantly as a result of this Statement. Management will be required to provide a management’s discussion and analysis that gives readers an analysis of the ITA and CIT’s overall financial position and results of operations including a comparison of current year results with the prior year. The ITA and the CIT have begun its assessment of the changes required and is preparing to implement this Statement.

INNOVATIVE TECHNOLOGY AUTHORITY AND
CENTER FOR INNOVATIVE TECHNOLOGY
COMBINED SCHEDULE OF CHANGES IN FUND BALANCES
For the Year Ended June 30, 2001

	ITA	CIT	Total
INVESTMENT IN PROPERTY AND EQUIPMENT			
Fund balance at beginning of year	\$ 17,635,514	\$ -	\$ 17,635,514
Transfer from undesignated - debt retirement	535,000	-	535,000
Transfer to undesignated - capital lease	(14,789)	-	(14,789)
Transfer from undesignated - equipment purchases	408,876	-	408,876
Transfer from building project - purchases	74,000	-	74,000
Transfer to undesignated - loss on asset disposal	(39,089)	-	(39,089)
Transfer to undesignated - proceeds from the sale of assets	(11,752)	-	(11,752)
Depreciation	(1,166,879)	-	(1,166,879)
Fund balance at end of year	17,420,881	-	17,420,881
DESIGNATED TO BUILDING PROJECT			
Fund balance at beginning of year	667,272	-	667,272
Transfer from undesignated fund - Appropriations from the Commonwealth	73,425	-	73,425
Transfer from undesignated - net profits	67,645	-	67,645
Transfer from undesignated fund - investment earnings	72,927	-	72,927
Transfer to investment in property and equipment - purchases	(74,000)	-	(74,000)
Transfer from land project	562,273	-	562,273
Transfer to undesignated - bank fees	(201)	-	(201)
Fund balance at end of year	1,369,341	-	1,369,341
DESIGNATED TO ATCC PROJECT			
Fund balance at beginning of year	-	288,745	288,745
Fund balance at end of year	-	288,745	288,745
DESIGNATED TO ADVANCED COMMUNICATIONS ASSISTANCE FUND			
Fund balance at beginning of year	-	350,000	350,000
Transfer to undesignated - Appropriations from the Commonwealth	-	(372,660)	(372,660)
Transfer from undesignated	-	22,660	22,660
Fund balance at end of year	-	-	-
DESIGNATED TO LAND PROJECT			
Fund balance at beginning of year	562,274	-	562,274
Transfer to building project	(562,274)	-	(562,274)
Fund balance at end of year	-	-	-
UNDESIGNATED			
Fund balance at beginning of year	483,414	436,005	919,419
Deficiency of support and revenue under expenses and transfers	(489,983)	(765,150)	(1,255,133)
Depreciation	1,166,879	-	1,166,879
Transfer to investment in property and equipment - equipment purchases	(408,876)	-	(408,876)
Transfer to investment in property and equipment - building additions	-	-	-
Transfer to investment in property and equipment - debt retirement	(535,000)	-	(535,000)
Transfer from investment in property and equipment - loss on asset disposal	39,089	-	39,089
Transfer from investment in property and equipment - proceeds from the sale of assets	11,752	-	11,752
Transfer from investment in property and equipment - capital lease	14,789	-	14,789
Transfers to building project	(67,645)	-	(67,645)
Transfers to building project - investment earnings	(72,927)	-	(72,927)
Transfers to building project - Appropriations from the Commonwealth	(73,425)	-	(73,425)
Transfer from building project - bank fees	201	-	201
Transfer to Advanced Communications Assistance Fund	-	(22,660)	(22,660)
Transfer from Advanced Communications Assistance Fund for expenses	-	372,660	372,660
Fund balance at end of year	68,268	20,855	89,123
Total fund balances	\$ 18,858,490	\$ 309,600	\$ 19,168,090

INNOVATIVE TECHNOLOGY AUTHORITY

AND

CENTER FOR INNOVATIVE TECHNOLOGY

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