



# COMMONWEALTH of VIRGINIA

## Department of General Services

James T. Roberts  
Director

April 22, 2005

202 North Ninth Street  
Suite 209  
Richmond, Virginia 23219-3402  
Voice/TDD (804) 786-6152  
FAX (804) 371-8305

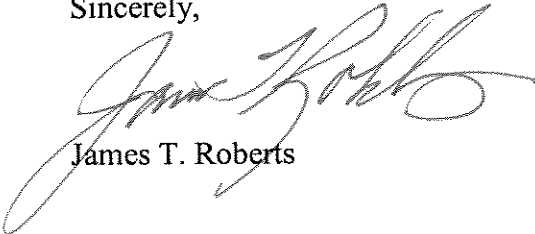
Mr. Philip A. Leone  
Director  
Joint Legislative Audit and Review Commission  
General Assembly Building, Suite 1100  
Richmond, Virginia 23219

Dear Mr. Leone,

Attached is an information package for the Department of General Services' (DGS) Office of Graphic Communications (OGC) Internal Service Fund in preparation for the next meeting of the Joint Legislative Audit and Review Commission (JLARC). DGS is requesting a change to the hourly rate charged by OGC.

If you or your staff have any questions or need additional information prior to the meeting, please do not hesitate to call me at 786-3311 or Bryan Wagner at 786-7925.

Sincerely,

  
James T. Roberts

Attachment

c: Mr. Robert Rotz w/attachments  
Mr. Bryan Wagner w/o attachments

**Office of Graphic Communications  
Request for Rate Change  
April 22, 2005**

The Office of Graphic Communication (OGC) is an Internal Service Fund within the Department of General Services. OGC provides graphic design service, publication layouts, web design and other related services to State agencies at a cost substantially below the private sector.

The last rate change implemented for OGC was in July 2003. For the last three years, OGC has sustained operating losses and has had to use previously generated balances to fund operations. Through nine months of this fiscal year, OGC has sustained another \$44,000 operating loss. From July 2004 through June 2006, salaries have or will increase 7% and fringe benefit cost will increase 13%.

	<b>FY02</b>	<b>FY03</b>	<b>FY04</b>	<b>as of March 2005</b>
Revenue	372,302	359,271	416,598	255,983
Expenses	383,710	371,696	421,043	300,300
Profit (Loss)	(11,408)	(12,425)	(4,445)	(44,317)

OGC can not meet its operational costs without a change to its current rate. DGS/OGC is requesting an increase in its hourly rate from \$60 to \$70 effective July 1, 2005 .

To support this request, attached is OGC's June 30,2004 financial statement, February 2005 financial statement, projection of expenses for FY06, and the calculation used to determine the new rate.

**DEPARTMENT OF GENERAL SERVICES****Office of Graphic Communications**

AS OF JUNE 30, 2004

	Current Month	Y-T-D
A101	Cash with the Treasurer of Va	101,901.83
A103	Petty Cash Advances	0.00
A111	Prepaid Insurance	0.00
A137	Due from State Agencies	45,561.26
A205	Accounts Receivable - Others	185.56
	<b>TOTAL CURRENT ASSETS</b>	<b>147,648.65</b>
	No. of Days Outstanding for AVR	#VALUE!
	<b>FIXED ASSETS</b>	<b>0.00</b>
	<b>OTHER ASSETS</b>	<b>0.00</b>
	<b>TOTAL ASSETS</b>	<b><u>147,648.65</u></b>
L503	Accounts Payable	160.00
L504	Salaries Payable	15,371.00
L505	Due to Other Funds	0.00
L506	Accrued Leave Liability	24,379.00
L719	Deferred Revenue	31,893.98
	<b>TOTAL LIABILITIES</b>	<b><u>71,803.98</u></b>
N800	Unreserved Fund Balance	80,289.84
	<b>FUND BALANCE - July 1</b>	<b>80,289.84</b>
	<b>Current Year Profit/Loss</b>	<b>(4,445.17)</b>
	<b>TOTAL FUND BALANCE</b>	<b><u>75,844.67</u></b>
	<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>147,648.65</u></b>
	<b>PROFIT/LOSS</b>	
03025	GraphicDesignServices-Revenue	25,862.38
09060	Miscellaneous Revenue	0.00
	<b>TOTAL REVENUE</b>	<b><u>25,862.38</u></b>
111100	Employer Retirement Contrib	761.47
111200	Federal Old Age Insurance-FTE	649.45
111300	Federal Old Age Insurance-Wage	0.00
111500	Medical Hospital Insurance	976.50
111600	Retiree Medical/Hospitalizatio	77.29
111700	Long Term Disability Insurance	92.91
112300	Salaries - Classified	17,406.42
112500	Salaries - Overtime Classified	0.00
113100	Bonuses and Incentives	0.00
113800	Deferred Comp Match Payments	65.00
114100	Wages - General	0.00
121100	Freight and Express Services	32.01
121300	Messenger Services	122.72
121500	Printing Services	(6,113.25)
121600	Telecommunications	(4.79)
122100	Organization Memberships	0.00
122200	Publication Subscriptions	0.00
122400	Employee Training (not IT)	0.00
124800	Media Services	0.00

**DEPARTMENT OF GENERAL SERVICES****Office of Graphic Communications**

AS OF JUNE 30, 2004

	Current Month	Y-T-D
126700 Production Services	577.24	62,859.34
127400 Computer Hardware Maint. Svcs.	0.00	2,298.34
127900 Software Development Svcs	0.00	0.00
128200 Travel, Personal Vehicles	0.00	55.25
128800 Travel Reimbursement - Overnig	0.00	0.00
130900 Chrg Card Purch of Supp/Mat	0.00	0.00
131200 Office Supplies	97.09	1,066.48
131300 Stationery and Forms	0.00	0.00
137200 Architechtural/Engineering Sup	0.00	0.00
137300 Computer Operating Supplies	0.00	1,956.59
137700 Photographic Supplies	0.00	5,700.80
153400 Equipment Rentals	128.00	1,536.34
153500 Building Rentals	1,977.58	23,733.46
154101 Human Resources Service Charge	213.00	2,556.00
154102 Fiscal Services Service Charge	358.00	4,296.00
154103 ISS Service Charge	406.00	4,872.00
154104 DGS Procurement Service Charge	87.00	1,044.00
155100 General Liability Insurance	20.83	250.00
155500 Workman's Compensation	119.58	1,435.00
221100 Desktop Client Computers	0.00	5,069.85
221300 Personal Computing Sys/Compon	0.00	0.00
221600 Network Components	0.00	27.17
221700 Other Computer Equipment	0.00	889.44
221800 Computer Software Purchases	0.00	2,382.90
891000 Cash Transfers - OUT	50,885.00	50,885.00
891100 Cash Transfer IN	<u>(50,885.00)</u>	<u>(50,885.00)</u>
<b>Total Operating Expenses</b>	<u>18,050.05</u>	<u>421,042.68</u>
<b>Operating Profit(Loss)</b>	<u>7,812.33</u>	<u>(4,445.17)</u>
891120 <b>Prior Year Adjustment</b>	<u>0.00</u>	<u>0.00</u>
<b>NET PROFIT (LOSS)</b>	<u><u>7,812.33</u></u>	<u><u>(4,445.17)</u></u>
<b>NP%</b>	<u><u>30.21%</u></u>	<u><u>-1.07%</u></u>

**DEPARTMENT OF GENERAL SERVICES****Office of Graphic Communications**

AS OF MARCH 31, 2005

	Current Month	Y-T-D
A101 Cash with the Treasurer of Va		33,043.97
A103 Petty Cash Advances		0.00
A111 Prepaid Insurance		55.63
A137 Due from State Agencies		55,253.81
A205 Accounts Receivable - Others		0.00
<b>TOTAL CURRENT ASSETS</b>		<b>88,353.41</b>
No. of Days Outstanding for A/R		0.00
<b>FIXED ASSETS</b>		<b>0.00</b>
<b>OTHER ASSETS</b>		<b>0.00</b>
<b>TOTAL ASSETS</b>		<b>88,353.41</b>
L503 Accounts Payable		160.00
L504 Salaries Payable		4,067.47
L505 Due to Other Funds		0.00
L506 Accrued Leave Liability		24,379.00
L719 Deferred Revenue		28,218.95
<b>TOTAL LIABILITIES</b>		<b>56,825.42</b>
N800 Unreserved Fund Balance		75,844.67
<b>FUND BALANCE - July 1</b>		<b>75,844.67</b>
<b>Current Year Profit/Loss</b>		<b>(44,316.68)</b>
<b>TOTAL FUND BALANCE</b>		<b>31,527.99</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<b>88,353.41</b>
<b>PROFIT/LOSS</b>		
03025 GraphicDesignServices-Revenue	36,980.78	255,983.40
<b>TOTAL REVENUE</b>	<b>36,980.78</b>	<b>255,983.40</b>
111100 Employer Retirement Contrib	1,479.49	13,988.88
111200 Federal Old Age Insurance-FTE	1,276.71	11,701.59
111300 Federal Old Age Insurance-Wage	0.00	0.00
111500 Medical Hospital Insurance	2,472.00	20,732.00
111600 Retiree Medical/Hospitalizatio	172.69	1,625.17
111700 Long Term Disability Insurance	273.99	2,558.44
112300 Salaries - Classified	16,604.79	157,234.14
112500 Salaries - Overtime Classified	690.76	1,013.53
113800 Deferred Comp Match Payments	170.00	1,530.00
114100 Wages - General	0.00	0.00
121100 Freight and Express Services	289.76	896.76
121300 Messenger Services	64.49	632.94
121500 Printing Services	0.00	8,710.50
121600 Telecommunications	162.09	1,367.10
122100 Organization Memberships	0.00	25.00
122200 Publication Subscriptions	0.00	0.00
122400 Employee Training (not IT)	0.00	150.00
124400 Management Services	0.00	247.19
124800 Media Services	0.00	0.00
126700 Production Services	0.00	533.51

**DEPARTMENT OF GENERAL SERVICES****Office of Graphic Communications****AS OF MARCH 31, 2005**

	Current Month	Y-T-D
126800 Skilled Services	5,897.45	21,917.52
127201 Year 2000 Design/Dvip	0.00	700.00
127400 Computer Hardware Maint. Svcs.	0.00	645.40
127800 Computer Op. Svcs (State)	2,593.09	2,593.09
128200 Travel, Personal Vehicles	0.00	0.00
131200 Office Supplies	363.12	1,967.40
137300 Computer Operating Supplies	0.00	0.00
137700 Photographic Supplies	0.00	269.00
153400 Equipment Rentals	256.00	1,280.00
153500 Building Rentals	2,101.76	18,915.84
154101 Human Resources Service Charge	240.42	2,163.77
154102 Fiscal Services Service Charge	358.33	3,224.98
154103 ISS Service Charge	574.33	5,168.98
154104 DGS Procurement Service Charge	87.08	783.73
155100 General Liability Insurance	20.83	182.99
155500 Workman's Compensation	119.58	897.90
221100 Desktop Client Computers	0.00	8,298.90
221600 Network Components	0.00	0.00
221700 Other Computer Equipment	0.00	2,001.86
221800 Computer Software Purchases	0.00	6,341.97
891000 Cash Transfers - OUT	0.00	0.00
891100 Cash Transfer IN	0.00	0.00
<b>Total Operating Expenses</b>	<u>36,268.76</u>	<u>300,300.08</u>
	<b>Operating Profit(Loss)</b>	<b>(44,316.68)</b>
891120	<b>Prior Year Adjustment</b>	<b>0.00</b>
	<b>NET PROFIT (LOSS)</b>	<b>(44,316.68)</b>
	<b>NP%</b>	<b>-17.31%</b>

OGC Estimated Costs FY05 - FY06

	<b>TOTAL COST</b>
Admin an: PG006 JAMES, FRANCES H	52,064
Media Ma PG008 ASHTON-BRESSLER, PARIS	79,600
Media Spr PG009 PLASBERG, DIANA E	47,682
Media Spr PG013 BOYLE, DONNA B	48,864
Media Spr PG018 RUMBLE, JUDITH	29,833
<b>110000 Personal Services</b>	<b>258,043</b>
121100 Freight and Express Services	752
121300 Messenger Services	1,500
121500 Printing Services	5,000
121600 Telecommunications	2,519
121900 Inbound Freight Services	0
122200 Publication Subscriptions	124
122400 Employee Training (not IT)	1,000
122700 Employee Trng Trans Lodge Meal	0
126700 Production Services	0
127400 Computer Hardware Maint. Svcs.	2,500
127900 Computer Software Costs	5,000
128200 Travel, Personal Vehicles	500
128500 Travel, Subsistence & Lodging	0
128800 Travel Reimbursement - Overnig	500
<b>Total Contractual Services</b>	<b>19,394</b>
131200 Office Supplies	2,000
131300 Stationery and Forms	66
137300 Computer Operating Supplies	1,000
<b>Total Supplies</b>	<b>3,066</b>
153400 Equipment Rentals	1,728
153500 Building Rentals	25,225
154101 Human Resources Service Charge	2,900
154102 Fiscal Services Service Charge	4,500
154103 ISS Service Charge	6,900
154104 DGS Procurement Service Charge	1,200
155100 General Liability Insurance	250
155500 Workman's Compensation	900
<b>Total Continous Charges</b>	<b>43,603</b>
221300 Personal Computing Sys/Compon	5,000
<b>Total Equipment</b>	<b>5,000</b>
<b>Total cost to be recovered through labor rates</b>	<b>329,106</b>
<b>Production Services (direct rebill)</b>	<b>50,000</b>
<b>TOTAL COST OF OPERATIONS</b>	<b>379,106</b>
Estimated billable hours in one year	
2 full time/2 part time designers	4,810
Hourly Rate	70
Total Revenue	336,700