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# INTRODUCTORY SECTION

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Comptroller's Letter of Transmittal to the Governor  
Certificate of Achievement for Excellence in Financial Reporting  
Organization of Executive Branch of Government  
Organization of Government – Selected Government Officials – Executive Branch  
Organization of the Department of Accounts



# COMMONWEALTH of VIRGINIA

DAVID A. VON MOLL, CPA  
COMPTROLLER

*Office of the Comptroller*

P. O. BOX 1971  
RICHMOND, VIRGINIA 23218-1971

December 15, 2015

The Honorable Terence R. McAuliffe  
Governor of the Commonwealth of Virginia  
State Capitol  
Richmond, Virginia 23219

Dear Governor McAuliffe:

It is my pleasure to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015, in accordance with Section 2.2-813 of the *Code of Virginia*. This report consists of management's representations concerning the Commonwealth of Virginia's finances. Management assumes full responsibility for the completeness and reliability of all information presented. This report reflects my commitment to you, to the citizens of the Commonwealth, and to the financial community to maintain our financial statements in conformance with accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board (GASB). Data presented in this report is believed to be accurate in all material respects, and all disclosures that are necessary to enable the reader to obtain a thorough understanding of the Commonwealth's financial activities have been included.

The 2015 CAFR is presented in three sections. The Introductory Section includes this transmittal letter and organization charts for state government. The Financial Section includes the State Auditor's Report, management's discussion and analysis (MD&A), audited government-wide and fund financial statements and notes thereto, required supplementary information other than MD&A, and the underlying combining and individual fund financial statements and supporting schedules. The Statistical Section sets forth selected unaudited economic, financial trend, and demographic information for the Commonwealth on a multi-year basis.

The Commonwealth's management is responsible for the establishment and maintenance of internal accounting controls that ensure assets are safeguarded and financial transactions are properly recorded and adequately documented. To ensure that the costs of controls do not exceed the benefits obtained, management is required to use cost estimates and judgments to attain reasonable assurance as to the adequacy of such controls. The Commonwealth's established internal controls fulfill these requirements and provide reasonable, but not absolute assurance, that the accompanying financial statements are free of material misstatement.

In accordance with Section 30-133 of the *Code of Virginia*, the Auditor of Public Accounts has audited the Commonwealth's financial statements for the year ended June 30, 2015. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. The auditor's opinion is included in the Financial Section of this report. Audit testing for compliance with the Federal Single Audit Act Amendments of 1996 and the related OMB Circular A-133 is performed at the statewide level. The Commonwealth's Single Audit Report will be issued at a later date. I would like to acknowledge the Auditor of Public Accounts' staff for their many contributions to the preparation of this report.

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. In addition to the financial analysis addressing the Commonwealth's governmental and business-type activities, the MD&A focuses on the Commonwealth's major funds: General, Commonwealth Transportation Special Revenue, Federal Trust Special Revenue, Literary Special Revenue, Virginia Lottery, Virginia College Savings Plan, and Unemployment Compensation. The Commonwealth's MD&A can be found on page 27 immediately following the independent auditor's report.

## **PROFILE OF THE GOVERNMENT**

### **Reporting Entity**

For financial reporting purposes, the Commonwealth's reporting entity consists of (1) the primary government, (2) component unit organizations for which the primary government is financially accountable (blended component units), and (3) other component unit organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete (discrete component units). The funds and accounts of all agencies, boards, commissions, foundations, and authorities that have been identified as part of the primary government or a component unit have been included. Further information can be found in Note 1.B. to the Financial Statements.

Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards* describes the criteria for determining which organizations, functions, and activities should be considered part of the Commonwealth for financial reporting purposes. The basic criteria include appointing a voting majority of an organization's governing body, as well as the Commonwealth's ability to impose its will on that organization, or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Commonwealth. The Commonwealth's discretely presented major component units are the Virginia Housing Development Authority, Virginia Public School Authority, Virginia Resources Authority, and Virginia College Building Authority.

The Commonwealth and its component units provide a wide range of services and funding to its citizens, including elementary, secondary and higher education; health and human services; economic development; environment and natural resources; public safety, corrections, and regulation; transportation; agriculture; and general government services. The financial activities associated with these services are reflected in both summary and detail throughout the CAFR.

### **Budgetary Control**

In addition to the internal controls previously discussed, the Commonwealth maintains budgetary controls to ensure compliance with the legal provisions of the Commonwealth's Appropriation Act, which reflects the General Assembly's approval of a biennial budget. The financial transaction process begins with development and approval of the budget, after which budgetary control is maintained through a formal appropriation and allotment system. The budgeted amounts reflected in the accompanying financial statements represent summaries of agency budgets.

The Commonwealth's budget is prepared principally on a cash basis and represents appropriations as authorized by the General Assembly on a biennial basis at the program level. The Commonwealth monitors spending activity to ensure the expenditures do not exceed the appropriated amounts at the agency level. The State Comptroller maintains a central general ledger that records total appropriations and related expenditures for all agencies and institutions included in the approved budget. Systemic controls are in place to prevent disbursements that exceed authorized appropriations. Additional information regarding the Commonwealth's budgetary process can be found in Note 1.E. to the Financial Statements.

# ECONOMIC REVIEW

## Local Economy

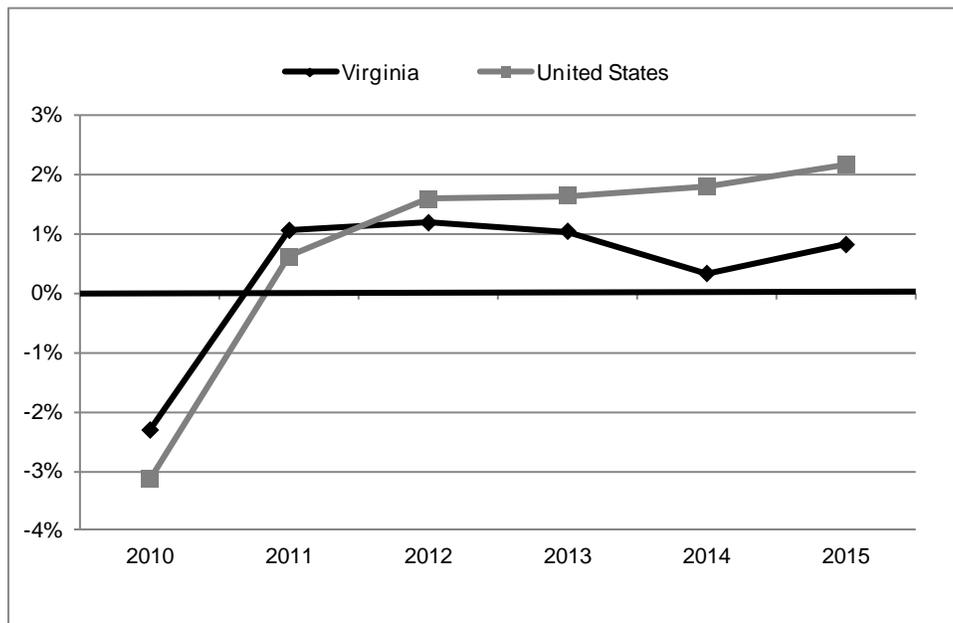
### Introduction

This overview of the economy of the Commonwealth of Virginia was prepared by the Weldon Cooper Center for Public Service at the University of Virginia. In fiscal year 2015, Virginia's economy expanded, albeit at a significantly slower pace than the nation. Employment growth registered a slight uptick from the previous fiscal year while the jobless rate continued to decline towards pre-recessionary levels. Economic indicators such as personal income and taxable sales saw significant improvement, while housing market indicators showed a mixed picture of accelerating home sales, slower price appreciation and declining building permits. Federal government spending uncertainty and a "new normal" of moderate national economic growth suggest that state economic growth will be modest in the coming fiscal year.

### Employment

Virginia experienced its fifth consecutive year of employment growth in fiscal year 2015, albeit growing slower than the nation for the last four of those years (**Figure 1**). The fiscal year 2015 growth rate of 0.8 percent was a slight improvement from 0.3 percent the fiscal year before. Federal budget sequestration and the associated decreases in defense and non-defense federal spending continued to have an outsized impact on the state economy. However, easing in federal spending restrictions afforded by the Bipartisan Budget Act of 2013 sequestration agreement and more robust national growth contributed to slightly improved circumstances in fiscal year 2015. Conditions are likely to be less than optimal in the next fiscal year because of continued federal budget uncertainties related to sequestration budget caps, budget reauthorization, and the debt ceiling. A global economic slowdown and likely commencement of Federal Reserve Board monetary tightening present additional downside growth risks for the coming year.

**Figure 1**  
**Annual Percentage Change in Nonfarm Payroll Employment**  
Fiscal Years 2010 – 2015



Source: U. S. Bureau of Labor Statistics

Virginia reached a significant jobs milestone in fiscal year 2015 with nonfarm payroll employment reaching 3,793,200. This number exceeded its fiscal year 2008 employment peak of 3,769,000 jobs for the first time. **Figure 2** shows changes in Virginia's nonfarm employment by industry for fiscal years 2010 through 2015 along with the employment change between fiscal years 2014 and 2015 for Virginia and the U.S. Federal Government employment declined for the second straight fiscal year, but the loss of 1,000 jobs was significantly less than the 4,500 jobs lost the fiscal year before. Professional and Business Services, a sector sensitive to federal government contracting, recovered 2,500 jobs after sharp reductions the fiscal year before. The mining and logging sector also experienced jobs losses because of declining state coal mining activity resulting from low coal prices, competition from alternative fuel sources such as natural gas, and regulatory pressures. The only other sector to lose jobs was the information sector. Three sectors, education and health services, leisure and hospitality, and construction, accounted for 16,800 increased jobs, which constituted over half of the total state job gains.

**Figure 2**  
**Nonfarm Payroll Employment**  
Fiscal Years 2010 – 2015

Industry*	Virginia Employment (000)						Change, Fiscal Year 2014 to Fiscal Year 2015		
	2010	2011	2012	2013	2014	2015	Virginia		U.S., Percent
							Number (000)	Percent	
Mining and logging	10.1	10.7	11.1	10.4	9.8	9.0	(0.8)	(8.2)	1.7
Construction	184.1	181.5	177.3	176.8	177.1	181.3	4.2	2.4	5.0
Manufacturing	233.1	230.0	231.5	231.2	231.1	232.9	1.8	0.8	1.6
Wholesale trade	110.0	111.2	111.2	111.4	110.6	111.5	0.9	0.8	1.8
Retail trade	396.9	400.1	404.6	406.6	412.5	413.2	0.7	0.2	1.9
Transportation and utilities	112.0	114.2	115.4	116.2	117.8	121.6	3.8	3.2	3.3
Information	77.9	75.0	72.5	71.4	71.6	70.7	(0.9)	(1.3)	1.9
Financial activities	178.1	180.6	185.3	190.9	193.1	194.1	1.0	0.5	1.7
Professional and business services	641.3	660.0	673.3	681.9	676.5	679.0	2.5	0.4	3.5
Education and health services	458.0	467.7	473.6	487.3	493.6	501.5	7.9	1.6	2.3
Leisure and hospitality	339.6	345.5	354.1	362.8	368.6	373.3	4.7	1.3	3.1
Other services	184.9	185.8	190.0	193.5	194.7	197.4	2.7	1.4	1.5
Federal government	171.0	174.6	173.9	175.2	170.7	169.7	(1.0)	(0.6)	(0.2)
State government	153.1	154.8	157.9	159.4	159.6	162.4	2.8	1.8	0.4
Local government	379.4	376.3	379.5	375.1	375.2	375.6	0.4	0.1	0.3
<b>Total</b>	<b>3,629.5</b>	<b>3,668.0</b>	<b>3,711.2</b>	<b>3,750.1</b>	<b>3,762.5</b>	<b>3,793.2</b>	<b>30.7</b>	<b>0.8</b>	<b>2.2</b>

Source: U. S. Bureau of Labor Statistics; details may not add due to totals due to rounding; some prior year numbers have been revised to reflect the incorporation of newly available and revised source data.

\* North American Industry Classification System

**Figure 3** shows the annual percentage change in nonfarm employment for 10 of the 11 Metropolitan Statistical Areas (MSAs) in Virginia. The Kingston-Bristol MSA is not included in this table because most of it is located in Tennessee and data for this indicator are not reported separately for the Virginia portion of the MSA. Each of the MSAs added jobs in fiscal year 2015. Three metropolitan areas, Staunton-Waynesboro, Virginia Beach-Norfolk-Newport News, and Roanoke, experienced employment growth rates well below the state average. Of those three metro areas, the Virginia Beach-Norfolk-Newport News MSA continues to be severely impacted by federal budget sequestration with just 0.4 percent growth in fiscal year 2015. In contrast, Northern Virginia, another region highly sensitive to federal spending reductions, bounced back from job losses in fiscal year 2014 to 1.0 percent growth in fiscal year 2015.

**Figure 3**  
**Annual Percent Change in Nonfarm Payroll Employment in Virginia's MSAs**  
 Fiscal Years 2010 – 2015

Area	2010	2011	2012	2013	2014	2015
Virginia	-2.3%	1.1%	1.2%	1.0%	0.3%	0.8%
Metropolitan areas (a)						
Blacksburg-Christiansburg-Radford	-3.6%	0.9%	2.5%	1.7%	1.1%	2.1%
Charlottesville	-1.8%	0.7%	1.7%	0.9%	0.6%	4.0%
Harrisonburg	-1.7%	1.9%	0.8%	0.9%	0.3%	1.1%
Lynchburg	-4.1%	-0.6%	-0.8%	0.3%	0.3%	1.1%
Northern Virginia	-0.7%	1.9%	1.9%	1.5%	-0.1%	1.0%
Richmond	-3.2%	0.8%	2.0%	1.8%	1.3%	1.3%
Roanoke	-2.8%	0.3%	1.0%	0.9%	0.8%	0.7%
Staunton-Waynesboro	-3.9%	0.1%	0.5%	0.0%	1.0%	0.2%
Virginia Beach-Norfolk-Newport News (b)	-2.5%	0.0%	0.6%	1.1%	0.6%	0.4%
Winchester (c)	-2.6%	3.1%	2.7%	1.8%	2.1%	2.4%

Source: U. S. Bureau of Labor Statistics; some prior year numbers have been revised to reflect the incorporation of newly available and revised source data

(a) Excludes Kingsport-Bristol MSA, most of which is located in Tennessee

(b) Includes portion in North Carolina

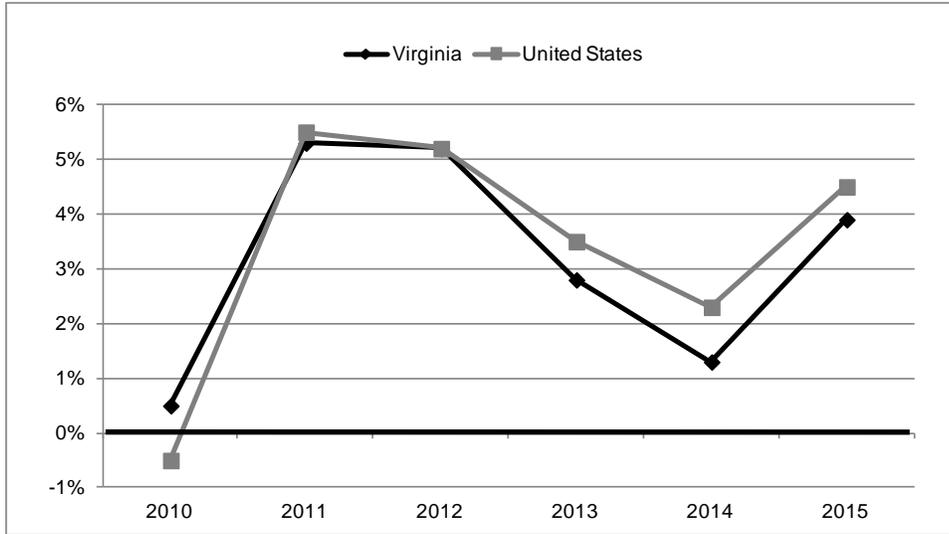
(c) Includes portion in West Virginia

## Personal Income

Personal income provides the best currently available indicator of the health of Virginia's economy. Changes in personal income are also strongly correlated with state government revenues such as income tax and retail sales tax collections. As shown in **Figure 4**, personal income growth rebounded in Virginia to its highest rate (3.9 percent) in three years. Wages and salaries, which make up over half of Virginia total personal income, grew at a rate of 3.0 percent in fiscal year 2015. The next largest component is dividends, interest and rent, which expanded 3.7 percent. Among other components, transfer receipts grew 4.7 percent, supplements to wages and salaries expanded 1.9 percent, and proprietors' income advanced 7.2 percent.

Virginia's personal income growth trajectory generally follows the nation. Its growth rate has lagged the nation since fiscal year 2010, but this growth gap narrowed slightly in fiscal year 2015 to 0.6 percent from 1.0 percent in fiscal year 2014.

**Figure 4**  
**Percentage Change in Personal Income**  
 Fiscal Years 2010 – 2015

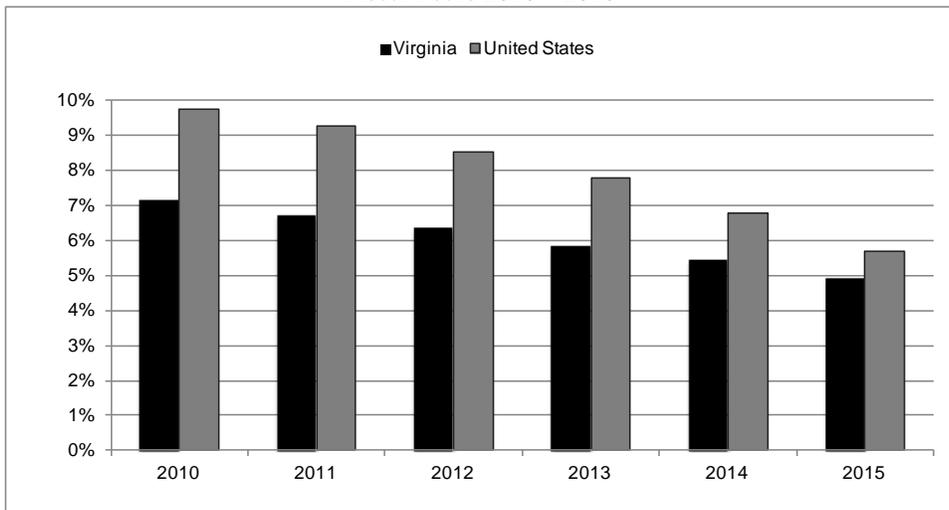


Source: U.S. Bureau of Economic Analysis

### Unemployment

Unemployment rates at both the state and national levels continued to improve in fiscal year 2015. **Figure 5** shows that the unemployment rate in Virginia declined from 5.2 percent in fiscal year 2014 to 4.9 percent in fiscal year 2015, while the national rate decreased from 6.8 percent to 5.7 percent. These rates are significant improvements over the fiscal year highs of 7.2 percent and 9.8 percent, respectively, for fiscal year 2010 realized in the aftermath of the 2007-09 recession. However, they are still higher than the 3.0 percent and 4.5 percent unemployment rates, respectively, achieved in fiscal year 2007 before the onset of the recession. The unemployment rate (i.e., the U-3 measure) only counts people as unemployed if they do not have jobs but are actively seeking employment. It does not count so-called discouraged workers and those marginally attached to the labor force. It also counts part-time workers as employed, even if they desire full-time employment. When an alternative measure of the unemployment rate is used that takes into account these additional factors (i.e., the U-6 measure), Virginia's unemployment rate is 10.0 percent in fiscal year 2015 compared to 11.3 percent at the national level. These rates remain significantly elevated compared to the U-6 unemployment rates of 6.0 percent and 8.2 percent, respectively, estimated for fiscal year 2007.

**Figure 5**  
**Civilian Unemployment Rate**  
 Fiscal Years 2010 – 2015



Source: U.S. Bureau of Labor Statistics

**Figure 6** shows unemployment rates for Virginia’s metropolitan and non-metropolitan regions. Unemployment rates for each of the 11 metropolitan areas decreased in fiscal year 2015. These decreases continue a pattern of gradual improvement in each metropolitan area over the fiscal year 2010 to fiscal year 2015 period. Below statewide average unemployment rates were observed in the Northern Virginia MSA (4.1 percent), the Charlottesville MSA (4.3 percent), the Winchester MSA (4.5 percent), and the Staunton-Waynesboro MSA (4.7 percent). The metropolitan area unemployment rate was significantly lower than the non-metropolitan area unemployment rate. But, the non-metropolitan area unemployment rate also improved in fiscal year 2015 as it had in each of the previous four years.

**Figure 6**  
**Civilian Unemployment Rate for Virginia’s MSAs**  
 Fiscal Years 2010 – 2015

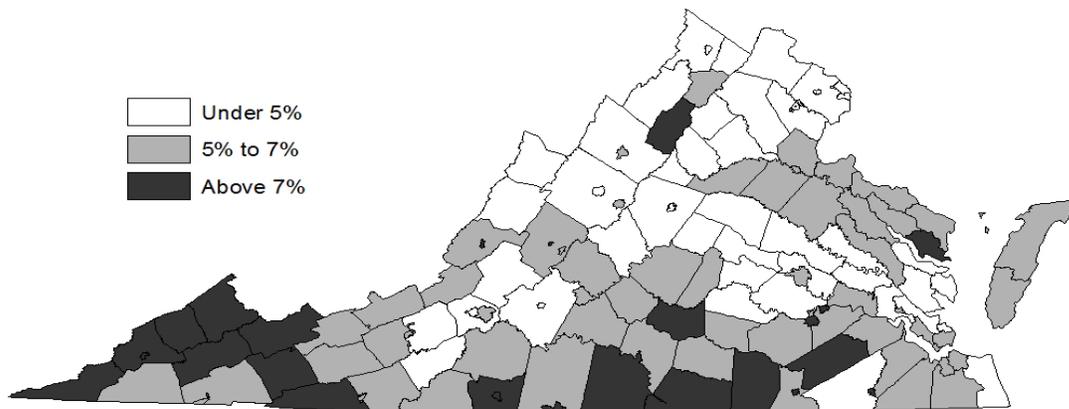
Area	2010	2011	2012	2013	2014	2015
Virginia	7.2%	6.7%	6.4%	5.8%	5.4%	4.9%
Metropolitan Areas	6.8%	6.4%	6.1%	5.6%	5.2%	4.7%
Blacksburg-Christiansburg-Radford	8.6%	7.5%	6.8%	6.5%	5.7%	5.1%
Charlottesville	6.4%	6.1%	5.8%	5.2%	4.7%	4.3%
Harrisonburg	6.9%	6.8%	6.6%	6.0%	5.4%	5.0%
Kingsport-Bristol *	9.1%	7.7%	7.3%	6.8%	6.3%	5.5%
Lynchburg	7.9%	7.4%	7.0%	6.5%	5.9%	5.4%
Northern Virginia	5.5%	5.1%	4.9%	4.6%	4.5%	4.1%
Richmond	8.1%	7.6%	7.0%	6.3%	5.8%	5.2%
Roanoke	7.7%	7.1%	6.6%	6.0%	5.5%	4.9%
Staunton-Waynesboro	7.4%	7.0%	6.5%	5.8%	5.2%	4.7%
Virginia Beach-Norfolk-New port News *	7.5%	7.3%	7.1%	6.4%	5.9%	5.4%
Winchester *	7.9%	7.0%	6.4%	5.7%	5.1%	4.5%
Non-metropolitan Areas	10.0%	9.4%	8.6%	8.1%	7.4%	6.5%

Source: U.S. Bureau of Labor Statistics; some prior year numbers have been revised to reflect the incorporation of newly available and revised source data

\* Includes only the portion of the MSA located in Virginia

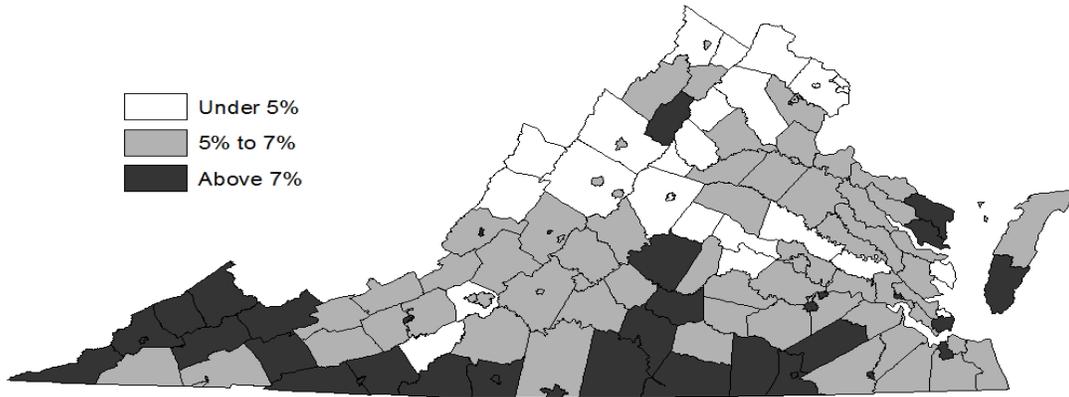
**Figures 7a and 7b** show changes in the spatial pattern of unemployment in Virginia during the last two fiscal years using locality-level data. For fiscal year 2015, the highest unemployment rates were found in the Southwestern and South Central regions of the state. The Northern Neck, Delmarva Peninsula, and parts of Hampton Roads region also experienced unemployment levels above the statewide average of 4.9 percent. In comparison to fiscal year 2014 (shown in **Figure 7b**), many localities, most notably those within the Richmond metropolitan area and Roanoke and New River Valley regions, saw their unemployment rates fall below 5.0 percent.

**Figure 7a**  
**Unemployment Rate by Locality**  
 Fiscal Year 2015



Source: Virginia Employment Commission

**Figure 7b**  
**Unemployment Rate by Locality**  
 Fiscal Year 2014

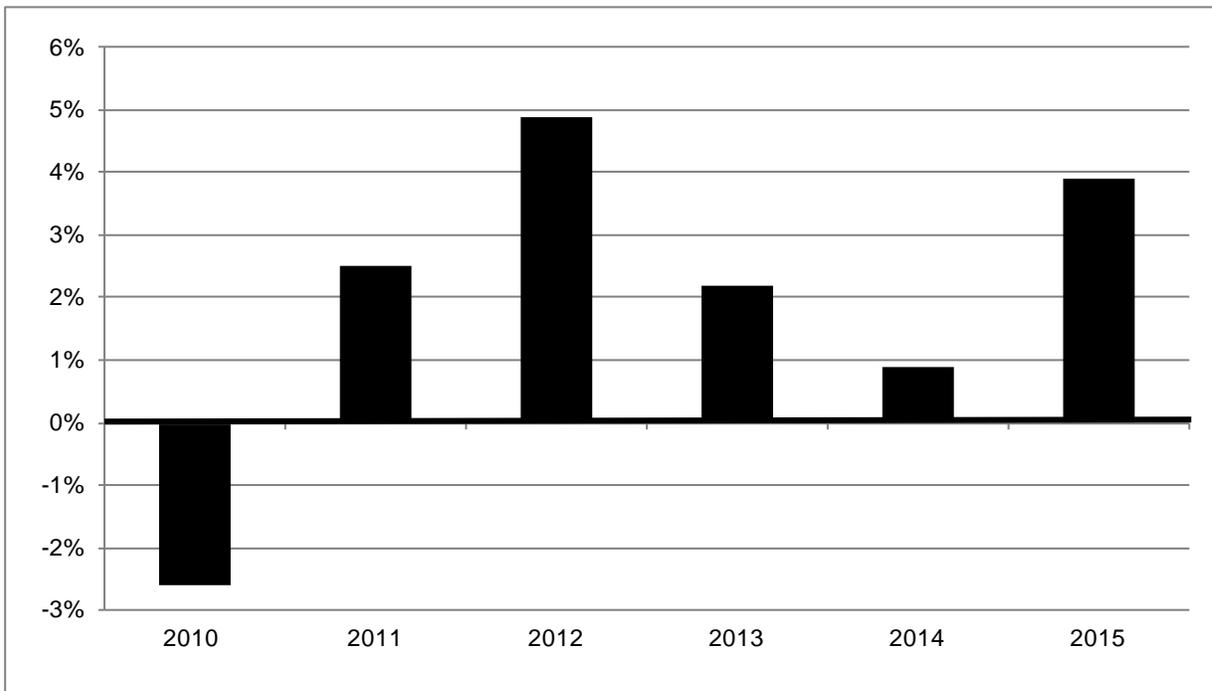


Source: Virginia Employment Commission

**Taxable Sales**

Changes in state retail sales are represented here using information on taxable sales. This measure is a useful proxy for retail sales, but omits some goods (e.g., motor vehicles, motor fuel sales) that appear in the comparable national measure and includes some services (e.g., restaurant sales, lodging sales) not included in that measure. **Figure 8** shows that taxable sales picked up in fiscal year 2015, rising from a post-recession low of 0.9 percent growth in fiscal year 2014 to 3.9 percent growth in fiscal year 2015. Taxable sales climbed to an all time high of \$98.1 billion in nominal dollars and the highest level since the pre-recessionary 2007 fiscal year in real dollars.

**Figure 8**  
**Annual Percentage Change in Taxable Sales in Virginia**  
 Fiscal Years 2010 – 2015

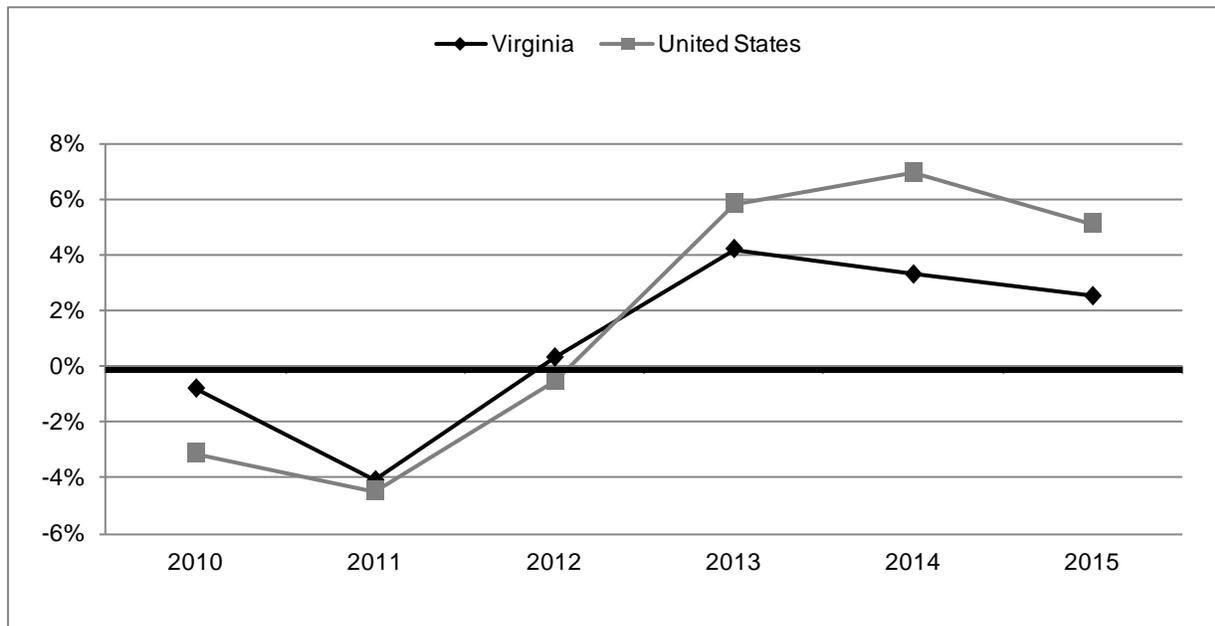


Source: Virginia Department of Taxation.

## Housing Market

Housing market indicators provide a mixed picture of the health of Virginia's housing market. According to Virginia Association of Realtor reports, sales of single family homes, townhomes, and condos increased from 97,982 units in fiscal year 2014 to 102,986 units in fiscal year 2015. This constitutes a 5.1 percent rate of increase which compares to a 2.8 percent rate the fiscal year before. Housing prices published by the Federal Housing Finance Agency provide another measure of housing market conditions. **Figure 9** shows the percentage change in these housing prices for Virginia and the nation. Virginia housing prices appreciated 2.5 percent in fiscal year 2015, a downturn from 3.3 percent in fiscal year 2014 and 4.2 percent in fiscal year 2013. At the national level, housing prices grew 5.1 percent in fiscal year 2015, a decrease from the previous year's rate of 7.0 percent.

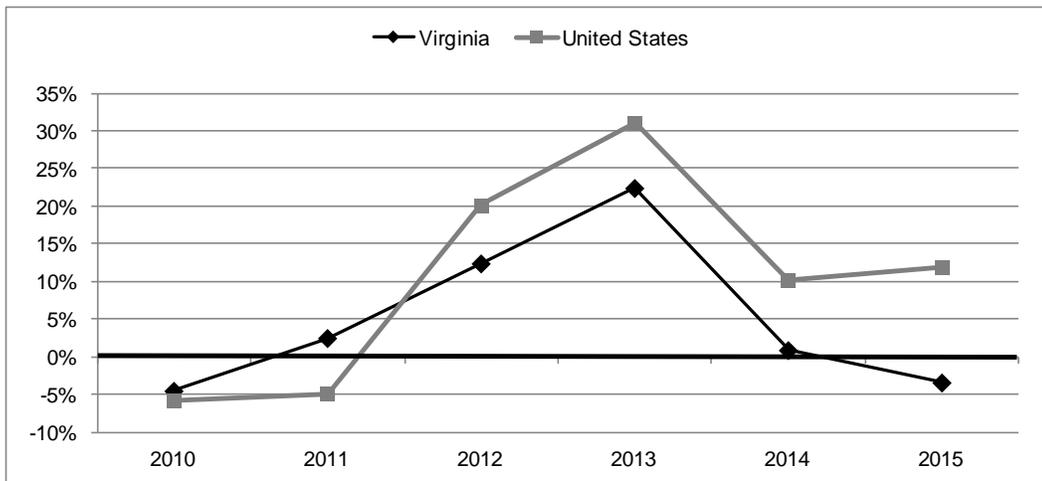
**Figure 9**  
**Percentage Change in Housing Prices**  
Fiscal Years 2010 – 2015



Source: Federal Housing Finance Agency

Current building permit data indicate that Virginia experienced a drop in new privately owned housing units authorized for construction in fiscal year 2015 of 3.4 percent (**Figure 10**). As in previous years, this rate is likely to be revised upwards slightly as rural jurisdictions that report building permits on an annual rather than monthly basis submit their data at the end of calendar year 2015. Nationally, building permits increased at an 11.9 percent rate during the same period, reflecting gradual improvement in the national housing market.

**Figure 10**  
**New Privately Owned Housing Units Authorized**  
**Annual Percentage Change**  
 Fiscal Years 2010 – 2015



Source: U.S. Census Bureau

### Conclusion

Fiscal year 2015 saw continued slow improvement in Virginia's economy. The pace of employment growth picked up slightly and the unemployment rate eased. Personal income and taxable sales growth were also more robust. The Virginia housing market showed mixed results with home sales accelerating, housing price appreciation slowing, and building permit issuance turning negative. According to most available economic indicators, the state continued its recent pattern of lagging the nation.

Because of its heavy reliance on federal government spending, the state faces some economic uncertainty going into the next fiscal year due to the unknown status of federal budget sequestration caps and the potential for congressional disagreements over raising the debt limit and reauthorizing the budget that could trigger partial government shutdowns. Other challenges may arise from changes in the national macroeconomic climate due to anticipated Federal Reserve rate increases, a strengthening dollar, and a global economic slowdown. On the other hand, the national economic recovery is supported by healthy consumer spending and an improved housing market that should form the basis of continued moderate national economic growth.

### MAJOR INITIATIVES

The CAFR has received unmodified audit opinions from fiscal year 1986 through fiscal year 2014. During this period, the Commonwealth has also received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. While we are very proud of these unmodified audit opinions and awards, we must be mindful of the fact that they are not automatic. The successes of the State Comptroller's office are directly attributable not only to the professionalism, experience and integrity of the State Comptroller's technical and accounting personnel, but also to the professionalism, experience and integrity of the financial and accounting personnel throughout the Commonwealth. These major initiatives will support efforts to continue our legacy of quality financial management.

### Long-term Financial Planning

In 1992, an amendment to the Constitution of Virginia required the establishment of a Revenue Stabilization Fund. Annually, revenue collections are evaluated to determine whether deposits are required to the Fund. Withdrawals can only occur if the general fund revenues appropriated exceed the revised general fund revenue forecast by more than 2.0 percent of the certified tax revenues collected in the most recently ended fiscal year. Additionally, a withdrawal from the Fund cannot compensate for more than one-half of the difference between the general fund appropriations and revised estimate nor can it exceed more than one-half of the Fund balance. Further, pursuant to the constitutional amendment of Article X, Section 8, effective January 1, 2011, the amount on deposit cannot exceed 15.0 percent of the Commonwealth's average annual tax revenues derived from taxes on income and retail sales for the preceding three fiscal years. This is an increase of the previous limit of 10.0 percent.

## **Enterprise Application Project**

The Cardinal Project represents a shared vision between the offices of the Secretary of Transportation, Secretary of Finance and the Virginia Information Technologies Agency to replace the Commonwealth's financial system (CARS) and the Virginia Department of Transportation's (VDOT) financial system with a modern, enterprise-wide financial system (base financial system). The base financial system will provide a solid foundation for the Commonwealth to expand system functionality and facilitate better integration of key administrative systems across the state. This foundation will enable the Commonwealth to re-engineer activities to include taking advantage of shared services, increasing functionality for better fiscal management, and reducing redundant agency financial systems and related cost. The Cardinal Project will implement the base financial system in three phases. The first phase implemented VDOT's planned functionality on December 5, 2011, and the second phase implemented the Commonwealth's base financial system at the Department of Accounts (DOA) on October 1, 2012. The current phase of the project includes rolling Cardinal out to all other state agencies, at which time CARS will be retired. The remaining agencies have been divided into two waves, and the first wave was successfully implemented on October 1, 2014. The second wave is currently planned for February 1, 2016, with CARS being retired effective July 1, 2016. I, as State Comptroller, chair the Cardinal Steering Committee, and DOA has assigned full-time resources to this project.

## **AWARDS AND ACKNOWLEDGMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the Commonwealth for its CAFR for the fiscal year ended June 30, 2014. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report that conforms to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and all applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The Commonwealth has received a Certificate of Achievement for the last 29 consecutive years (fiscal years 1986-2014). I believe that this year's report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

This report could not have been prepared without the full cooperation of all state agencies within the Executive Branch, the Legislature, the Judiciary, the Component Units, and especially the dedication and professionalism of the financial reporting staff in the Department of Accounts.

Respectfully submitted,

David A. Von Moll  
Comptroller of the Commonwealth of Virginia



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Commonwealth of Virginia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

