

Governmental Funds

General Fund

The General Fund accounts for transactions related to resources received and used for those services traditionally provided by a state government, which are not accounted for in any other fund.

Special Revenue Funds

Special Revenue Funds account for specific revenue sources that are restricted or committed to finance particular functions and activities of the Commonwealth.

The Commonwealth Transportation Fund accounts for the revenues and expenditures associated with highway operations, maintenance, construction, and other transportation related activities. Funding for these programs is provided from highway user taxes, fees, and funds received from the federal government.

The Federal Trust Fund accounts for all federal dollars received by the Commonwealth except those received by the Commonwealth Transportation Fund, the Unemployment Compensation Fund, certain Medicaid reimbursements recorded in the General Fund, and institutions of higher education. The entire fund is restricted pursuant to federal regulations.

The Literary Fund accounts for revenues from fines, forfeitures, and proceeds from unclaimed property used primarily to support public education in the Commonwealth. This fund provides low interest loans to school divisions for construction, renovations, and expansion of school buildings. While the entire fund is constitutionally restricted for public schools, the accrued liabilities exceed the accrued assets on the modified accrual basis at June 30.

Nonmajor Governmental Funds include those Special Revenue, Debt Service, Capital Projects, and Permanent Funds listed on page 199 in the Combining and Individual Fund Statements and Schedules section of this report.

Balance Sheet – Governmental Funds

June 30, 2015

(Dollars in Thousands)

	General	Special Revenue		
		Commonwealth Transportation	Federal Trust	Literary
Assets and Deferred Outflows of Resources				
Cash and Cash Equivalents (Notes 1 and 6)	\$ 117,029	\$ 1,838,023	\$ 159,085	\$ 9,241
Investments (Notes 1 and 6)	1,797,355	2,219	107	31
Receivables, Net (Notes 1 and 7)	1,705,714	398,308	727,723	159,122
Due from Other Funds (Note 9)	18,874	-	2,778	-
Due from Component Units (Note 9)	1,118	-	-	-
Due from External Parties (Fiduciary Funds) (Note 9)	-	-	-	-
Interfund Receivable (Note 9)	-	-	-	-
Inventory (Note 1)	41,838	76,563	15,791	-
Prepaid Items (Note 1)	78,209	8,983	1,420	-
Other Assets (Notes 1 and 10)	970	414	1,625	-
Loans Receivable from Component Units (Notes 1 and 9)	-	-	-	-
Restricted Cash and Cash Equivalents (Notes 6 and 11)	-	544,816	-	-
Total Assets	3,761,107	2,869,326	908,529	168,394
Deferred Outflows of Resources (Notes 1 and 13)				
Total Assets and Deferred Outflows of Resources	\$ 3,761,107	\$ 2,869,326	\$ 908,529	\$ 168,394
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Accounts Payable (Notes 1 and 24)	\$ 280,264	\$ 328,993	\$ 123,686	\$ 21
Amounts Due to Other Governments	427,398	45,357	226,667	-
Due to Other Funds (Note 9)	29,929	14,598	9,069	-
Due to Component Units (Note 9)	75	-	4,089	-
Due to External Parties (Fiduciary Funds) (Note 9)	15,909	4,106	2,102	-
Interfund Payable (Note 9)	-	-	7,094	-
Unearned Revenue (Note 1)	-	66,885	26,536	107
Unearned Taxes (Note 1)	73,199	-	-	-
Obligations Under Securities Lending Program (Notes 1 and 6)	120,538	63,540	3,056	883
Other Liabilities (Notes 1 and 25)	1,051,130	1,175	336,886	-
Loans Payable to Component Units (Notes 1 and 9)	-	-	-	185,850
Long-term Liabilities Due Within One Year (Notes 1, 21, and 26)	1,603	122	121	-
Total Liabilities	2,000,045	524,776	739,306	186,861
Deferred Inflows of Resources (Notes 1 and 13)				
Total Liabilities and Deferred Inflows of Resources	912,706	73,443	53,787	19,011
	2,912,751	598,219	793,093	205,872
Fund Balances (Note 3):				
Nonspendable	120,047	85,546	17,211	-
Restricted	1,085,986	544,980	98,225	-
Committed	295,738	1,662,763	-	-
Assigned	-	-	-	-
Unassigned	(653,415)	(22,182)	-	(37,478)
Total Fund Balances (Deficit), (Note 4)	848,356	2,271,107	115,436	(37,478)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,761,107	\$ 2,869,326	\$ 908,529	\$ 168,394

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 933,685	\$ 3,057,063
54,576	1,854,288
71,590	3,062,457
9,686	31,338
-	1,118
71	71
122,763	122,763
5,335	139,527
19,741	108,353
1,751	4,760
18,992	18,992
-	544,816
<u>1,238,190</u>	<u>8,945,546</u>
-	-
\$ 1,238,190	\$ 8,945,546
\$ 57,981	\$ 790,945
475	699,897
6,019	59,615
21	4,185
2,529	24,646
-	7,094
6,413	99,941
-	73,199
5,989	194,006
3,497	1,392,688
-	185,850
325	2,171
<u>83,249</u>	<u>3,534,237</u>
34,986	1,093,933
<u>118,235</u>	<u>4,628,170</u>
59,720	282,524
450,212	2,179,403
581,177	2,539,678
28,846	28,846
-	(713,075)
1,119,955	4,317,376
<u>\$ 1,238,190</u>	<u>\$ 8,945,546</u>

Reconciliation of the Balance Sheet – Governmental Funds to the Government-wide Statement of Net Position

June 30, 2015

(Dollars in Thousands)

Total fund balances - governmental funds (see Balance Sheet - Governmental Funds)	\$ 4,317,376
<p>When capital assets (land, buildings, equipment, construction-in-progress, intangible assets, and/or infrastructure) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the primary government as a whole.</p>	
Nondepreciable Capital Assets	7,294,715
Depreciable Capital Assets	21,907,066
Deferred outflows associated with pension related costs are long-term in nature and therefore not reported in the funds.	419,929
Deferred outflows associated with loss on debt refundings are long-term in nature and therefore not reported in the funds.	81,643
<p>Long-term liabilities applicable to the primary government's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.</p>	
Pension Liability	(4,072,715)
OPEB Liability	(643,668)
Capital Leases	(37,177)
Installment Purchases	(81,899)
Compensated Absences	(303,959)
Uninsured Employer's Fund	(33,156)
Bonds	(6,587,140)
Notes	(307)
Accrued Interest Payable	(80,324)
Other Obligations	(52,478)
Pollution Remediation Liability	(11,954)
Internal service funds are used by the primary government to charge costs to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.	(469,592)
Other long-term payables are not due and payable in the current period and, therefore, are not reported in the funds.	(396,297)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,093,934
Deferred inflows associated with Service Concession Arrangements are long-term in nature and therefore not reported in the funds.	(2,170,952)
Deferred inflows associated with pension related costs are long-term in nature and therefore not reported in the funds.	(736,188)
Net position of governmental activities (see Government-wide Statement of Net Position)	\$ 19,436,857

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



Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

For the Fiscal Year Ended June 30, 2015

(Dollars in Thousands)

	General	Special Revenue		
		Commonwealth Transportation	Federal Trust	Literary
Revenues				
Taxes	\$ 18,157,864	\$ 3,310,694	\$ -	\$ -
Rights and Privileges	78,745	558,852	-	526
Institutional Revenue	38,148	-	-	-
Interest, Dividends, Rents, and Other Investment Income	42,120	20,644	720	12,651
Federal Grants and Contracts	6,414	1,326,091	8,394,672	-
Other (Note 27)	463,215	206,368	117,381	373,086
Total Revenues	18,786,506	5,422,649	8,512,773	386,263
Expenditures				
Current:				
General Government	2,259,292	74,273	143,931	21
Education	7,936,593	1,089	964,002	449,638
Transportation	836	5,327,222	14,355	-
Resources and Economic Development	414,083	10,970	160,976	-
Individual and Family Services	5,766,031	-	7,172,706	-
Administration of Justice	2,567,243	9,632	41,030	-
Capital Outlay	6,722	15,419	12,376	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Charges	-	-	-	-
Total Expenditures	18,950,800	5,438,605	8,509,376	449,659
Revenues Over (Under) Expenditures	(164,294)	(15,956)	3,397	(63,396)
Other Financing Sources (Uses)				
Transfers In (Note 32)	844,391	76,502	2,334	12,445
Transfers Out (Note 32)	(466,765)	(381,202)	(25,593)	-
Notes Issued	433	-	-	-
Insurance Recoveries	65	46	3	-
Capital Leases Issued	-	51	33	-
Bonds Issued	-	274,980	-	-
Premium on Debt Issuance	-	26,013	-	-
Refunding Bonds Issued	-	-	-	-
Sale of Capital Assets	4,889	19,438	-	-
Payment to Refunded Bond Escrow Agents	-	-	-	-
Total Other Financing Sources (Uses)	383,013	15,828	(23,223)	12,445
Net Change in Fund Balances	218,719	(128)	(19,826)	(50,951)
Fund Balance, July 1, as restated (Note 2)	629,637	2,271,235	135,262	13,473
Fund Balance (Deficit), June 30 (Note 4)	\$ 848,356	\$ 2,271,107	\$ 115,436	\$ (37,478)

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 88,664	\$ 21,557,222
339,900	978,023
264,484	302,632
14,572	90,707
-	9,727,177
354,177	1,514,227
<u>1,061,797</u>	<u>34,169,988</u>
66,664	2,544,181
20,624	9,371,946
5,646	5,348,059
343,117	929,146
482,513	13,421,250
71,919	2,689,824
216,912	251,429
441,100	441,100
275,492	275,492
<u>1,923,987</u>	<u>35,272,427</u>
(862,190)	(1,102,439)
770,452	1,706,124
(98,296)	(971,856)
6,921	7,354
591	705
154	238
395,590	670,570
123,726	149,739
535,640	535,640
107	24,434
(617,667)	(617,667)
<u>1,117,218</u>	<u>1,505,281</u>
255,028	402,842
864,927	3,914,534
<u>\$ 1,119,955</u>	<u>\$ 4,317,376</u>

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Government-wide Statement of Activities

For the Fiscal Year Ended June 30, 2015
(Dollars in Thousands)

Net Change in fund balances - total government funds (See Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds)	\$ 402,842
<p>When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year.</p>	
Nondepreciable Capital Assets Constructed/Acquired	2,111,401
Nondepreciable Capital Assets Disposed	(158,166)
Depreciable Capital Assets Acquired	889,710
Depreciable Capital Assets Disposed	(389,290)
Depreciation Expense	(1,036,573)
<p>Debt proceeds provide current financial resources to governmental funds by issuing debt, which increases long-term debt in the Statement of Net Position.</p>	
Debt Issuance	(670,570)
Capital Lease Proceeds	(238)
Bond Premiums	(149,739)
Refunding Bonds Issued	(535,640)
Installment Purchase Proceeds	(7,354)
Other	(35)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the Statement of Net Position.</p>	
Debt Service Fund Repayment of Debt Principal	441,100
<p>Payment to Refunded Bond Escrow Agent is an expenditure in the governmental funds, but the refunding reduces long-term debt in the Statement of Net Position.</p>	
	617,667
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
	(593,183)
<p>Increases/decreases of expenses reported in the Statement of Activities that do not require the use of, or provide, current financial resources and, therefore, are not reported in the governmental funds.</p>	
Increase in Pension Liability	64,122
Increase in OPEB Liability	(84,397)
Increase in Other Long-term Liabilities	2,224
Increase in Compensated Absences	10,380
Decrease in Interest Expense, Amortization of Long-term Debt premium and discounts, and Accrued Interest Liability	66,785
Decrease in Other Liabilities	(134,251)
<p>Net Increase in Due to Component Units for Capital and Other Projects resulting from appropriation reductions or amounts due to Federal Governments for interest and rebate repayments, which are not reported as expenditures in the fund statements.</p>	
	(46,725)
<p>Net revenue (expenses) of certain activities of internal service funds is reported within governmental activities.</p>	
	39,300
<p>Deferred inflows and outflows associated with pension costs are not included in the funds.</p>	
	3,978
<p>Amortization of deferred inflows and outflows associated with Service Concession Arrangements are not included in the funds.</p>	
	24,767
Change in net position of governmental activities (See Government-wide Statement of Activities)	\$ 868,115

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