
INTRODUCTORY SECTION

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

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COMPTROLLER

Office of the Comptroller

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

December 13, 2019

The Honorable Ralph S. Northam
Governor of the Commonwealth of Virginia
State Capitol
Richmond, Virginia 23219

Dear Governor Northam:

It is my pleasure to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019, 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 2019 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, 2019. 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 U. S. Office of Management and Budget Compliance Supplement and the related Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 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 or for which the resources of the component unit primarily benefit the primary government (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; environmental 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

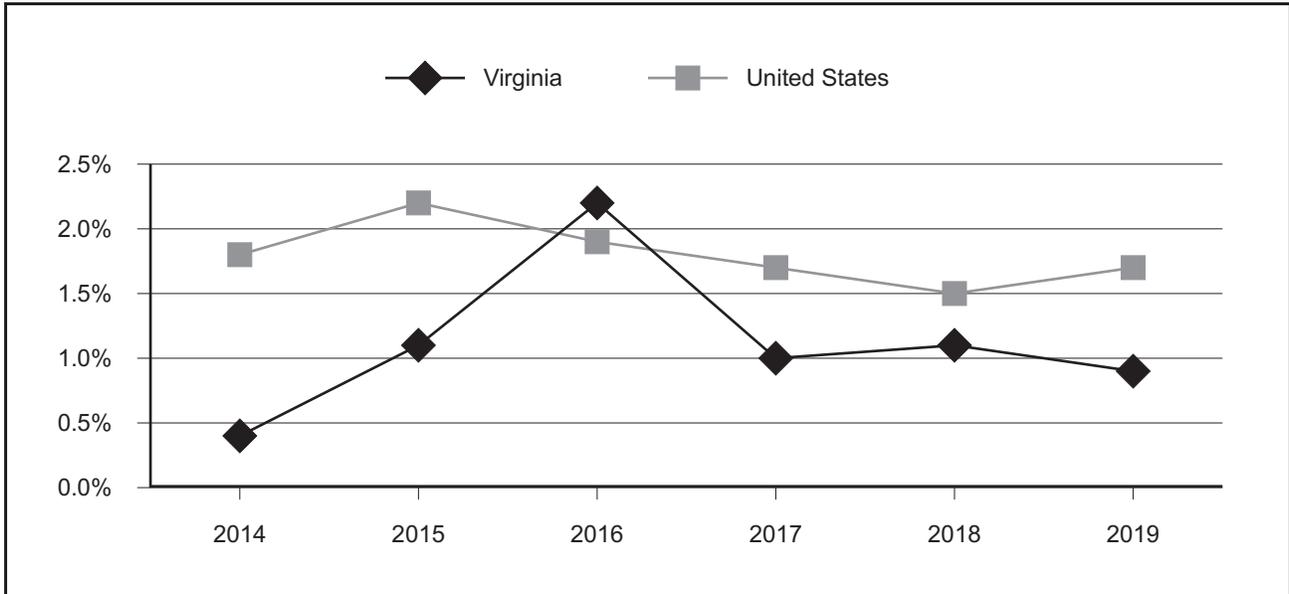
Introduction

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 2019, Virginia's economy continued to grow at a moderate pace, albeit at a slower rate than the nation on most economic indicators as it has for much of the economic expansion. Even though the employment growth was slower than the fiscal year before, overall unemployment continued to decline throughout the Commonwealth. Personal income and taxable sales growth remained fairly steady. Housing market indicators deteriorated during the fiscal year, with existing home sales and building permit activity dropping and home price growth rates decelerating. Economic growth is expected to slow in the next fiscal year with slower global growth and heightened trade conflict contributing to weakening business and consumer sentiment.

Employment

Virginia non-farm payroll employment grew at 0.9 percent in fiscal year 2019, which was the 10th straight year of expansion (**Figure 1**). However, this growth rate trailed the national rate of 1.7 percent. Moreover, it was slower than the 1.1 percent rate from the year before and represented the slowest rate of growth in the last five years. The state underperformed the U.S. in every economic sector, with the exceptions of the manufacturing and government (federal, state, and local) sectors.

Figure 1
Annual Percentage Change in Nonfarm Payroll Employment
Fiscal Years 2014 – 2019



Source: U. S. Bureau of Labor Statistics

Virginia nonfarm employment crossed the 4.0 million threshold for the first time in fiscal year 2019. The state added an estimated 36,600 jobs during the fiscal year, significantly fewer jobs than the average of 50,000 jobs added per fiscal year from 2015 to 2018. **Figure 2** illustrates changes in Virginia's nonfarm employment by industry for fiscal years 2014 through 2019 along with the employment change between fiscal years 2018 and 2019 for Virginia and the U.S. The largest employment increases occurred in professional and business services (13,700), which has been a consistent job generator outside of federal budget sequestration years. The education and health services sector was the second leading sector, with an addition of 7,700 jobs. The health services sector may have benefited from state expansion of its Medicaid program during the fiscal year. Manufacturing saw its largest employment gain in over five years, with the addition of 7,000 jobs. Other job-gaining sectors were leisure and hospitality (6,000 jobs); federal, state, and local government (4,200 jobs); transportation and utilities (3,600 jobs); construction (2,600 jobs), and financial activities (400 jobs). As in the previous three years, both the retail trade (loss of 6,500 jobs) and information (decrease of 2,600 jobs) sectors failed to grow, likely due to competition from online commerce and digital products, and productivity improvements in those industries.

Figure 2
Nonfarm Payroll Employment in Virginia's Industries
 Fiscal Years 2014 – 2019

Industry*	Virginia Employment (000)						Change, FY 2018 to FY 2019		
							Virginia		U.S., Percent
	2014	2015	2016	2017	2018	2019	Number (000)	Percent	
Mining and logging	9.8	9.3	8.3	7.9	7.9	7.9	0.0	0.0%	6.9%
Construction	177.1	180.8	186.9	191.0	195.9	198.5	2.6	1.3%	4.1%
Manufacturing	231.5	232.9	234.0	233.9	237.0	244.0	7.0	3.0%	1.9%
Wholesale trade	109.9	109.6	110.2	110.3	110.5	110.1	-0.4	-0.4%	1.3%
Retail trade	410.0	412.2	419.0	419.0	416.8	410.3	-6.5	-1.6%	-0.1%
Transportation and utilities	117.9	123.1	130.1	132.0	134.0	137.6	3.6	2.7%	0.9%
Information	71.6	70.3	68.9	68.3	68.0	65.4	-2.6	-3.8%	0.1%
Financial activities	193.2	195.7	199.3	203.0	206.8	207.2	0.4	0.2%	1.3%
Professional and business services	679.4	689.3	710.8	722.6	740.8	754.5	13.7	1.8%	2.5%
Education and health services	494.1	503.6	522.3	529.0	536.8	544.5	7.7	1.4%	2.2%
Leisure and hospitality	368.6	376.2	394.8	402.6	406.8	412.8	6.0	1.5%	2.2%
Other services	194.8	195.9	198.8	201.3	200.7	201.6	0.9	0.4%	1.4%
Federal government	175.3	175.3	177.4	178.4	178.3	179.7	1.4	0.8%	0.2%
State government	159.8	161.0	160.4	159.6	159.8	160.6	0.8	0.5%	0.4%
Local government	375.1	374.7	374.7	377.8	381.2	383.2	2.0	0.5%	0.6%
Total	3,768.1	3,809.9	3,895.9	3,936.7	3,981.3	4,017.9	36.6	0.9%	1.7%

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

* North American Industry Classification System (NAICS)

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. Northern Virginia (the Virginia portion of the DC metropolitan area), Richmond, and the Shenandoah Valley metropolitan areas (Winchester, Charlottesville, and Staunton-Waynesboro) exhibited stronger growth during the fiscal year than the state at large. Southwestern metropolitan areas (Blacksburg-Christiansburg-Radford, and Roanoke MSAs) and Hampton Roads significantly trailed the state in job growth, as has been true of much of the economic expansion.

Figure 3
Annual Percentage Change in Nonfarm Payroll Employment in Virginia's MSAs
 Fiscal Years 2014 – 2019

Area	2014	2015	2016	2017	2018	2019
Virginia	0.4%	1.1%	2.3%	1.0%	1.1%	0.9%
Metropolitan areas (a)						
Blacksburg-Christiansburg-Radford	0.8%	0.8%	1.7%	-0.7%	0.6%	0.0%
Charlottesville	1.3%	3.6%	2.5%	2.0%	1.8%	1.0%
Harrisonburg	0.4%	0.9%	2.5%	1.8%	1.3%	0.9%
Lynchburg	0.4%	0.6%	0.9%	-0.3%	0.6%	0.9%
Northern Virginia	-0.1%	0.9%	2.7%	1.7%	1.6%	1.6%
Richmond	1.6%	1.9%	3.1%	1.1%	1.1%	1.1%
Roanoke	0.8%	0.3%	0.7%	-0.2%	0.0%	0.8%
Staunton-Waynesboro	1.1%	1.2%	1.6%	0.5%	0.6%	1.6%
Virginia Beach-Norfolk-Newport News (b)	0.7%	0.4%	1.3%	0.9%	1.4%	0.4%
Winchester (c)	2.2%	1.4%	2.6%	1.9%	1.8%	1.3%

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

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

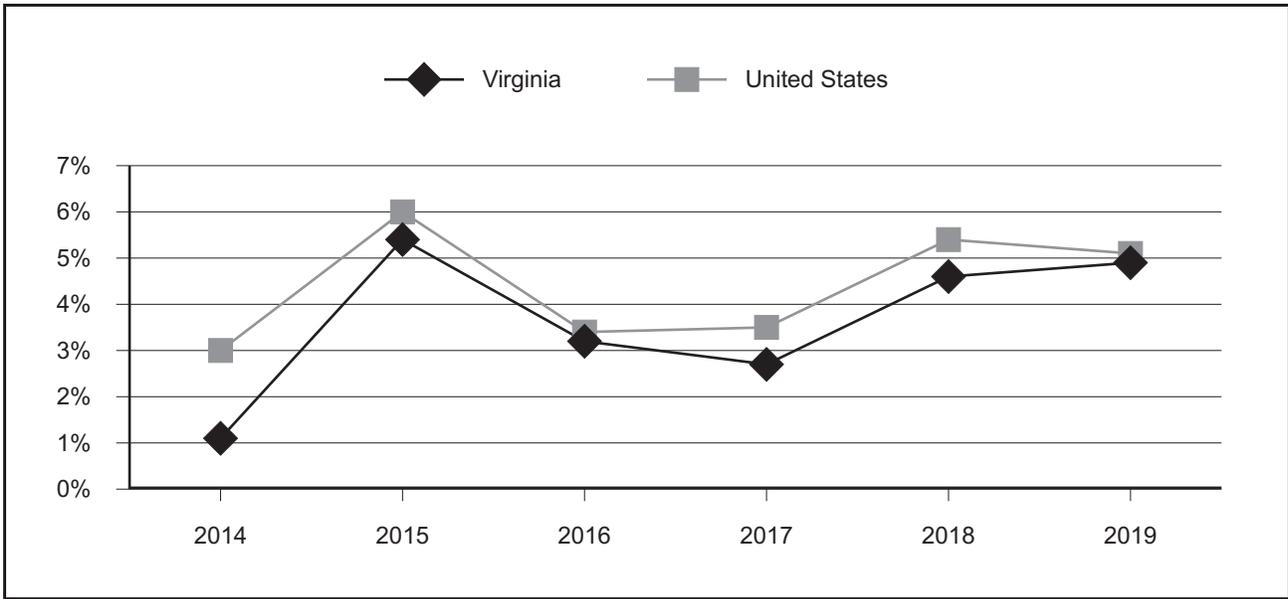
(b) Includes portion in North Carolina

(c) Includes portion in West Virginia

Personal Income

Personal income provides the best currently available gauge of the overall 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**, state personal income growth in fiscal year 2019 (4.9 percent) was the highest since fiscal year 2015. However, the state continued to lag slightly behind the nation on this economic measure as it has for most of the economic expansion. Wages and salaries, which constitute over half of Virginia total personal income, grew 4.4 percent in fiscal year 2019. The next largest component is dividends, interest and rent, which expanded 5.4 percent. Among other components, transfer receipts increased 6.4 percent, supplements to wages and salaries (which includes employer contributions to employee pensions, health insurance, social security/Medicare and other benefits) grew 4.3 percent, and proprietors' income advanced 4.6 percent.

Figure 4
Annual Percentage Change in Personal Income
 Fiscal Years 2014 – 2019

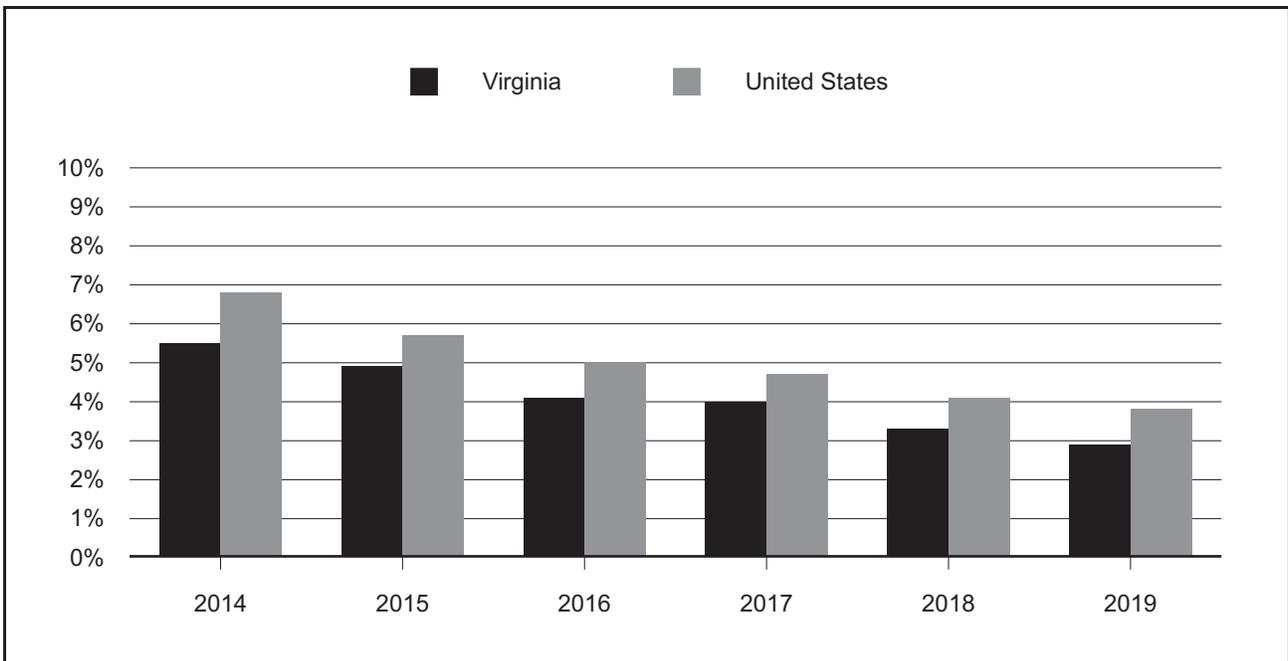


Source: U.S. Bureau of Economic Analysis

Unemployment

Despite slower job growth, labor markets continued to tighten significantly across the state during fiscal year 2019. **Figure 5** shows that the unemployment rate in Virginia declined from 3.3 percent in fiscal year 2018 to 2.9 percent in fiscal year 2019. The national rate fell from 4.1 percent to 3.8 percent over the same period. For the first time, the state unemployment rate dipped below the 3.0 percent state unemployment rate in fiscal year 2007, the year immediately preceding the recession.

Figure 5
Civilian Unemployment Rate
 Fiscal Years 2014 – 2019



Source: U.S. Bureau of Labor Statistics

Figure 6 shows unemployment rates for Virginia’s metropolitan and non-metropolitan regions. Every region saw significant further improvements in fiscal year 2019. Unemployment rates are now lower than 3.5 percent for all of the state’s metropolitan areas and averaged 2.8 percent during the fiscal year, down from 3.2 percent the year before. The nonmetropolitan unemployment rate dropped to 3.6 percent from 4.2 percent in fiscal year 2018. The gap between metropolitan and nonmetropolitan area unemployment rates continued to narrow and indicate that rural area labor markets are more robust than in a generation.

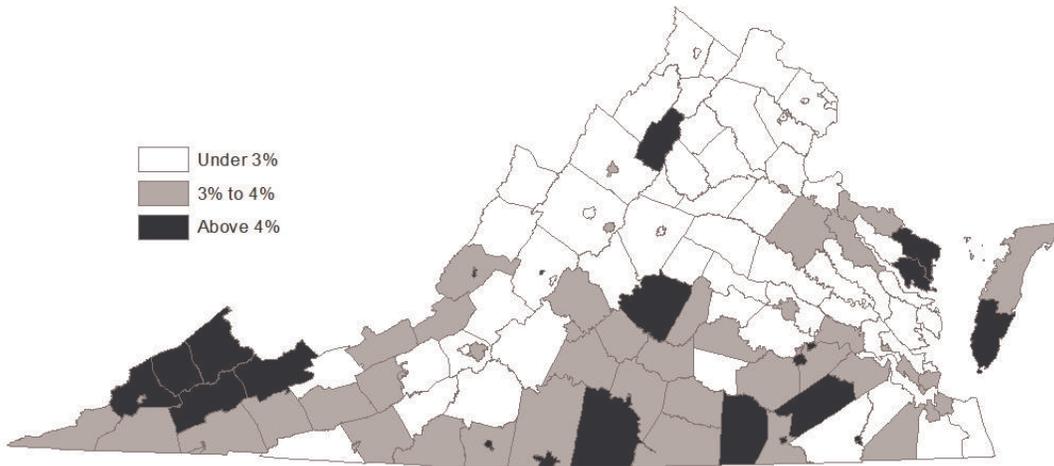
Figure 6
Civilian Unemployment Rate for Virginia’s MSAs
 Fiscal Years 2014 – 2019

Area	2014	2015	2016	2017	2018	2019
Virginia	5.5%	4.9%	4.1%	4.0%	3.3%	2.9%
Metropolitan Areas	5.2%	4.7%	3.9%	3.9%	3.2%	2.8%
Blacksburg-Christiansburg-Radford	5.8%	5.1%	4.4%	4.8%	3.5%	3.0%
Charlottesville	4.8%	4.4%	3.6%	3.6%	3.0%	2.7%
Harrisonburg	5.5%	5.0%	4.1%	4.0%	3.3%	2.8%
Kingsport-Bristol	6.3%	5.5%	4.7%	4.6%	3.7%	3.4%
Lynchburg	5.9%	5.4%	4.5%	4.6%	3.9%	3.3%
Northern Virginia	4.5%	4.1%	3.4%	3.3%	2.8%	2.4%
Richmond	5.8%	5.1%	4.3%	4.1%	3.5%	3.0%
Roanoke	5.5%	4.9%	4.0%	4.0%	3.4%	2.8%
Staunton-Waynesboro	5.2%	4.7%	3.9%	3.8%	3.2%	2.7%
Virginia Beach-Norfolk-Newport News	6.0%	5.4%	4.6%	4.5%	3.6%	3.2%
Winchester	5.1%	4.5%	3.7%	3.6%	3.0%	2.6%
Non-metropolitan Areas	7.4%	6.4%	5.5%	5.1%	4.2%	3.6%

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

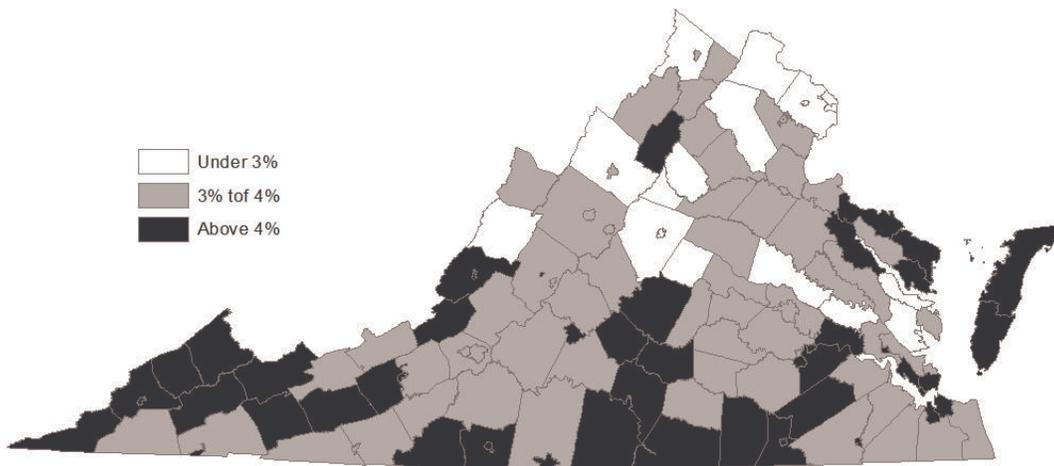
Figures 7a and **7b** show changes in the spatial pattern of unemployment rates in Virginia during the last two fiscal years using locality-level data. Improvements were nearly universal. Just one locality, Emporia City in Southside, saw a slight unemployment rate increase over the previous fiscal year (0.1 percent). For fiscal year 2019, the only large contiguous region where unemployment rates exceed 4.0 percent was in the Coalfield region (Buchanan, Dickenson, Russell, Tazewell, and Wise counties), which continues to be disproportionately affected by reductions in coal mining employment. Parts of the Southside, Southwest, Northern Neck and Eastern Shore experienced unemployment rates higher than the state average of 3.3 percent but saw significant improvements over the previous fiscal year.

Figure 7a
Unemployment Rate by Locality
Fiscal Year 2019



Source: Virginia Employment Commission

Figure 7b
Unemployment Rate by Locality
Fiscal Year 2018

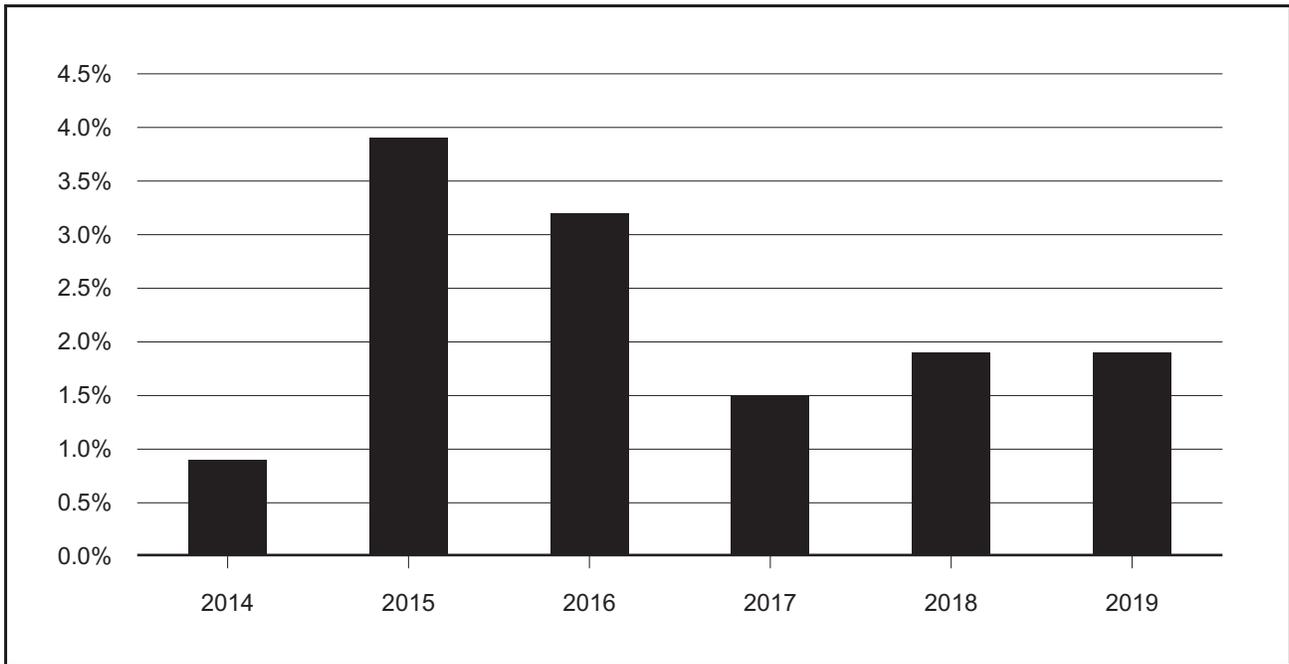


Source: Virginia Employment Commission

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 the taxable sales growth rate grew at the same rate in fiscal year 2019 as the previous fiscal year (1.9 percent).

Figure 8
Annual Percentage Change in Taxable Sales in Virginia
Fiscal Years 2014 - 2019

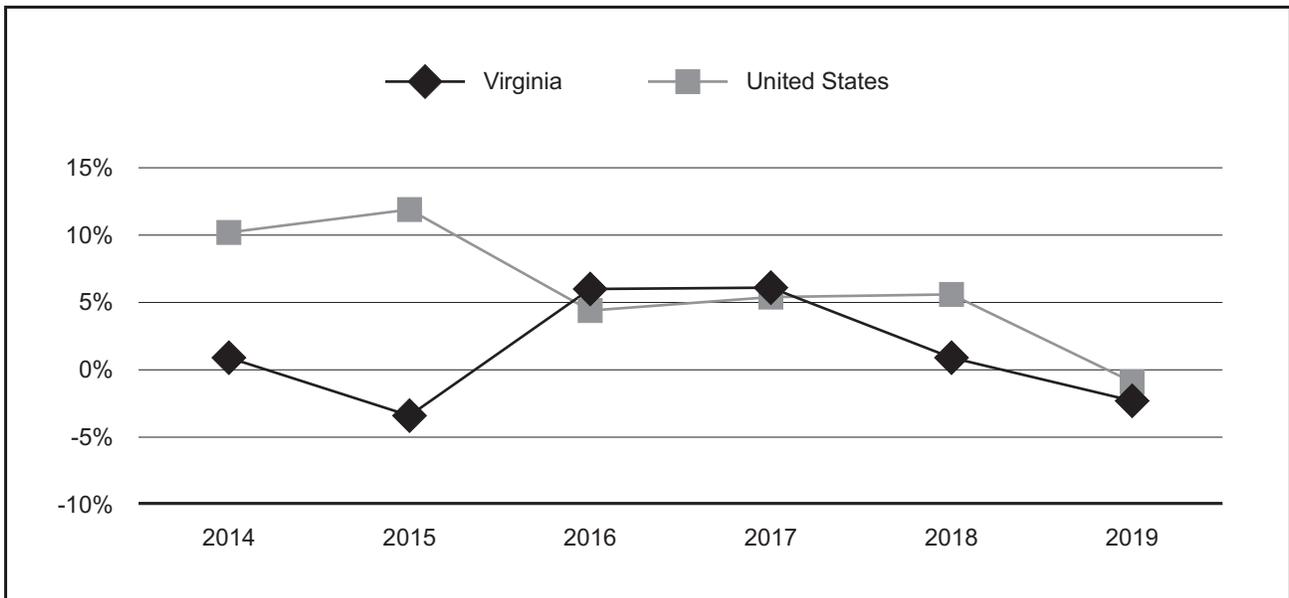


Source: Virginia Department of Taxation.

Housing Market

The Virginia housing market showed signs of sluggishness during fiscal year 2019. Sales of existing and home building decreased from the fiscal year before. According to data available from the Virginia Association of Realtors, sales of single-family homes, townhomes, and condos decreased from 123,137 units in fiscal year 2018 to 121,879 units in fiscal year 2019. This represents a 1.0 percent rate of decrease compared to a 1.7 percent rate of increase in fiscal year 2018. Building permit data show a larger decrease of 2.3 percent in fiscal year 2019 for the number of new privately-owned housing units authorized for construction in Virginia (**Figure 9**). This is the first decrease since fiscal year 2015 (3.4 percent) and was a larger drop than the nation experienced (0.9 percent).

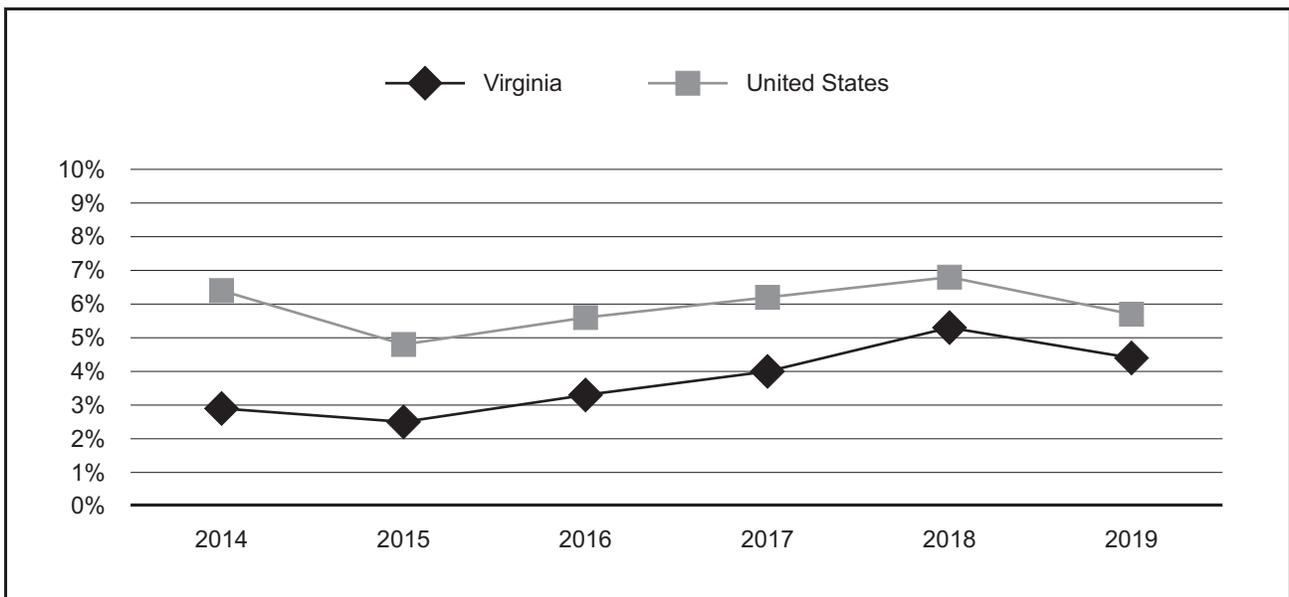
Figure 9
New Privately Owned Housing Units Authorized, Annual Percentage Change
 Fiscal Years 2014 – 2019



Source: U.S. Census Bureau

Housing prices published by the Federal Housing Finance Agency indicate that price appreciation has also begun to slow. **Figure 10** shows the percentage change in housing prices for Virginia and the nation. Virginia housing prices increased 4.4 percent in fiscal year 2019, down from 5.3 percent in fiscal year 2018. Virginia housing price growth lagged behind the national rate of growth at 5.7 percent in what is now a familiar pattern. The decreased housing activity reflects a variety of demand and supply factors, including changes in new federal tax policy treatment of income tax deductions for mortgage interest and state and local taxes, increasing mortgage rates caused by more restrictive federal reserve policy up until the summer of 2019, limited inventories of affordable housing stock, and increases in the costs of some home construction inputs.

Figure 10
Annual Percentage Change in Housing Prices
 Fiscal Years 2014 – 2019



Source: Federal Housing Finance Agency

Conclusion

Virginia's economy continued to grow at a moderate pace in fiscal year 2019. Employment growth slowed slightly compared to the year before but was enough to put continued pressure on state labor markets. All areas of the state experienced unemployment rate improvements. The state unemployment rate has now recovered all the ground that it had lost during the recession. Virginia housing market performance was less favorable. Existing home sales and building permit issuance decreased while home price growth slowed. The state continued to trail the nation in growth on most major economic indicators such as employment, personal income, new housing permits, and housing prices.

At the end of fiscal year 2019, the nation's economy had matched the longest period of economic expansion in its history, with 120 straight months of economic growth. Meanwhile, the unemployment was near record lows with inflation remaining below the Federal Reserve 2.0 percent target. Slowing global growth and trade frictions with major trading partners such as China and the European Union have created more economic uncertainty and clouded the business investment outlook. Residential investment activity had also stalled. To counter threats to the economy from these developments and preempt deterioration in other indicators, the Federal Reserve has begun to ease monetary policy. Without additional stimulus and resolution of trade issues, national economic growth is likely to slow in the coming fiscal year with potential knock-on effects for the Virginia economy.

MAJOR INITIATIVES

The CAFR has received unmodified audit opinions from fiscal year 1986 through fiscal year 2018. 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 to not only 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.

During fiscal year 2018, the *Code of Virginia* established the Revenue Reserve Fund to mitigate certain anticipated revenue shortfalls when appropriations based on previous revenue forecasts exceed expected revenues in subsequent forecasts. Annually, revenue collections are evaluated to determine whether deposits are required to the Fund. Withdrawals can only occur if a revised general fund revenue forecast is less than appropriated general fund revenues and the decrease is 2.0 percent or less of general fund revenues collected in the most recently ended fiscal year. Additionally, a withdrawal from the Fund may not exceed more than one-half of the Fund balance. The combined balance of the Revenue Reserve Fund and Revenue Stabilization Fund 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.

Enterprise Application Project

The Cardinal Project represents a shared vision between the offices of the Secretary of Transportation, Secretary of Finance, Secretary of Administration, and the Virginia Information Technologies Agency to replace aging statewide enterprise applications. This effort began with the effort 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 provides a solid foundation for the Commonwealth to expand system functionality and facilitates better integration of key administrative systems across the state. This foundation enables 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. This phase of the Cardinal Application Project has been completed. Effective July 1, 2016 (fiscal year 2017), Cardinal became the official general ledger accounting system for the Commonwealth, and CARS was retired.

The next phase of this project involves a partnership between the Department of Accounts (DOA) and the Department of Human Resource Management (DHRM) to replace the existing statewide payroll system (CIPPS), along with the Commonwealth's statewide Personnel Management Information System (PMIS) and Benefits Eligibility System (BES), and integrate these statewide systems into Cardinal. At the present time, we anticipate project completion and implementation by the end of calendar year 2021. I, as State Comptroller, chair the Cardinal Steering Committee, and both DOA and DHRM have 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, 2018. 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 33 consecutive years (fiscal years 1986-2018). 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, 2018

Christopher P. Morrill

Executive Director/CEO

Organization Charts
