
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, including the COVID-19 funding, received by the Commonwealth except those received by the Commonwealth Transportation Fund, the Unemployment Compensation Fund, certain Medicaid reimbursements recorded in the

General Fund, the Grant Anticipation Revenue Notes and Build America Bond Subsidies reported in the Debt Service 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. The entire fund is constitutionally restricted for public schools.

Nonmajor Governmental Funds include those Special Revenue, Debt Service, Capital Projects, and Permanent Funds listed on page 239 in the Combining and Individual Fund Statements and Schedules section of this report.

Balance Sheet - Governmental Funds

June 30, 2022

(Dollars in Thousands)

	Special Revenue			
	General	Commonwealth Transportation	Federal Trust	Literary
Assets and Deferred Outflows of Resources				
Cash and Cash Equivalents (Notes 1 and 7)	\$ 2,004,112	\$ 5,402,947	\$ 3,617,541	\$ 320,382
Investments (Notes 1 and 7)	14,182,861	—	25,777	—
Assets Held Pending Distribution (Note 1)	—	228	—	—
Receivables, Net (Notes 1 and 8)	3,036,838	1,765,325	3,118,190	86,284
Due from Other Funds (Note 10)	59,877	117,457	5,556	2,611
Due from Component Units (Note 10)	—	16	—	—
Due from External Parties (Fiduciary Funds) (Note 10)	153	—	—	—
Interfund Receivable (Note 10)	—	—	—	—
Inventory (Note 1)	46,141	107,326	98,023	—
Prepaid Items (Note 1)	141,667	10,994	2,274	—
Other Assets (Notes 1 and 11)	1,497	281	1,874	—
Restricted Cash and Cash Equivalents (Notes 7 and 12)	—	313,298	—	—
Total Assets	19,473,146	7,717,872	6,869,235	409,277
Deferred Outflows of Resources (Notes 1 and 14)	203	—	—	—
Total Assets and Deferred Outflows of Resources	<u>\$ 19,473,349</u>	<u>\$ 7,717,872</u>	<u>\$ 6,869,235</u>	<u>\$ 409,277</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Accounts Payable (Notes 1 and 25)	\$ 1,721,627	\$ 496,584	\$ 174,959	\$ —
Amounts Due to Other Governments	518,769	246,859	1,438,287	1
Due to Other Funds (Note 10)	31,850	76,277	42,870	—
Due to Component Units (Note 10)	7,855	16,481	—	—
Due to External Parties (Fiduciary Funds) (Note 10)	21,259	5,835	3,204	—
Interfund Payable (Note 10)	376	4,900	105,753	—
Unearned Revenue (Note 1)	—	181,386	2,756,547	—
Obligations Under Securities Lending Program (Notes 1 and 7)	2,000,719	433,400	4,308	50,102
Due to Claimants, Participants, Escrows and Providers (Note 1)	—	—	30,245	—
Other Liabilities (Notes 1 and 26)	2,247,331	25,255	1,644,480	—
Loans Payable to Component Units (Notes 1 and 10)	—	—	—	188,420
Long-term Liabilities Due Within One Year (Notes 1, 22, and 27)	1,304	723	138	—
Total Liabilities	6,551,090	1,487,700	6,200,791	238,523
Deferred Inflows of Resources (Notes 1, 14, and 38)	1,242,625	1,760,913	313,589	27,712
Total Liabilities and Deferred Inflows of Resources	<u>7,793,715</u>	<u>3,248,613</u>	<u>6,514,380</u>	<u>266,235</u>
Fund Balances (Notes 1 and 3):				
Nonspendable	187,808	118,320	100,297	—
Restricted	2,693,060	358,504	254,558	143,042
Committed	5,693,893	3,991,842	—	—
Assigned	3,104,873	593	—	—
Total Fund Balances	11,679,634	4,469,259	354,855	143,042
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,473,349</u>	<u>\$ 7,717,872</u>	<u>\$ 6,869,235</u>	<u>\$ 409,277</u>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,129,763	\$ 15,474,745
581,852	14,790,490
5,184	5,412
612,858	8,619,495
61,534	247,035
—	16
282	435
350,084	350,084
6,543	258,033
14,341	169,276
671	4,323
—	313,298
5,763,112	40,232,642
—	203
<u>\$ 5,763,112</u>	<u>\$ 40,232,845</u>
<u> </u>	<u> </u>
\$ 68,100	\$ 2,461,270
3,810	2,207,726
119,517	270,514
20,819	45,155
2,500	32,798
6,000	117,029
172,248	3,110,181
93,699	2,582,228
383,380	413,625
283,482	4,200,548
—	188,420
316	2,481
1,153,871	15,631,975
391,080	3,735,919
1,544,951	19,367,894
66,301	472,726
2,897,735	6,346,899
1,205,794	10,891,529
48,331	3,153,797
4,218,161	20,864,951
<u>\$ 5,763,112</u>	<u>\$ 40,232,845</u>

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

June 30, 2022

(Dollars in Thousands)

Total fund balances - governmental funds (see Balance Sheet - Governmental Funds) \$ 20,864,951

When the amount employers have paid into an other post-employment benefit (OPEB) plan combined with the plan's assets exceeds the amount that is required to pay the actuarially determined future benefits, the cost of employer contributions are reported as expenditures in the governmental funds. However, the Statement of Net Position includes the Net OPEB asset among the assets of the primary government as a whole. 201,690

When capital assets (land, buildings, equipment, construction-in-progress, intangible assets, right-to-use 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.

Nondepreciable Capital Assets 9,774,070
Other Capital Assets 26,007,542

Assets to be received for Long-term Debt Service requirements are not reported in the fund statements. 53,730

Deferred outflows associated with pension and other postemployment benefit related costs are long-term in nature and, therefore, not reported in the funds. 1,262,612

Deferred outflows associated with loss on debt refundings are long-term in nature and, therefore, not reported in the funds. 38,005

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.

Net Pension Liability (2,689,301)
Net OPEB Liability (775,863)
Total OPEB Liability (243,700)
Long-term Leases (60,369)
Installment Purchases (77,541)
Compensated Absences (324,557)
Uninsured Employer's Fund (22,961)
Bonds (10,617,182)
Accrued Interest Payable (84,136)
Other Obligations (5,356)
Pollution Remediation Liability (8,685)

Internal service funds are used by the primary government to charge costs to individual funds. The assets and deferred outflows, and liabilities and deferred inflows of internal service funds are included in governmental activities in the Statement of Net Position. 292,800

Other long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. (790,084)

Deferred inflows are not available to pay for current period expenditures and, therefore, are not reported in the funds. 2,052,733

Deferred inflows associated with Service Concession Arrangements capital assets are long-term in nature and, therefore, not reported in the funds. (3,089,537)

Deferred inflows associated with pension and other postemployment benefit related costs are long-term in nature and, therefore, not reported in the funds. (2,575,223)

Net position of governmental activities (see Government-wide Statement of Net Position) \$ 39,183,638

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, 2022

(Dollars in Thousands)

	Special Revenue			
	General	Commonwealth Transportation	Federal Trust	Literary
Revenues				
Taxes	\$ 28,933,826	\$ 5,603,993	\$ —	\$ —
Rights and Privileges	114,342	743,360	470	602
Institutional Revenue	34,557	—	247	—
Interest, Dividends, Rents, and Other Investment Income (Note 1)	(498,365)	19,938	1,023	6,836
Federal Grants and Contracts	11,725	1,192,559	24,658,493	—
Other (Note 28)	612,624	788,466	477,598	31,918
Total Revenues	29,208,709	8,348,316	25,137,831	39,356
Expenditures				
Current:				
General Government	2,791,480	68,089	712,462	131
Education	11,360,502	1,819	2,517,528	83,881
Transportation	164	7,285,566	22,981	—
Resources and Economic Development	620,787	23,560	526,087	—
Individual and Family Services	7,223,575	—	21,273,058	—
Administration of Justice	3,125,944	11,049	191,450	—
Capital Outlay	66,526	21,805	37,910	—
Debt Service:				
Principal Retirement	20,571	2,671	794	—
Interest and Charges	2,904	697	41	—
Total Expenditures	25,212,453	7,415,256	25,282,311	84,012
Revenues Over (Under) Expenditures	3,996,256	933,060	(144,480)	(44,656)
Other Financing Sources (Uses)				
Transfers In (Note 34)	1,120,289	176,776	13,975	237,329
Transfers Out (Note 34)	(573,765)	(542,949)	(6,524)	—
Notes Issued	212	—	—	—
Insurance Recoveries	62	61	4	—
Long-term Leases Issued	19,222	305	77	—
Bonds Issued	—	289,455	—	—
Premium on Debt Issuance	—	44,853	—	—
Refunding Bonds Issued	—	—	—	—
Sale of Capital Assets	8,344	1,946	—	—
Payment to Refunded Bond Escrow Agents	—	—	—	—
Total Other Financing Sources (Uses)	574,364	(29,553)	7,532	237,329
Net Change in Fund Balances	4,570,620	903,507	(136,948)	192,673
Fund Balance (Deficit), July 1, as restated (Note 2)	7,109,014	3,565,752	491,803	(49,631)
Fund Balance, June 30	\$ 11,679,634	\$ 4,469,259	\$ 354,855	\$ 143,042

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,149,886	\$ 35,687,705
357,183	1,215,957
112,192	146,996
(3,482)	(474,050)
137,619	26,000,396
1,146,286	3,056,892
<u>2,899,684</u>	<u>65,633,896</u>
190,417	3,762,579
94,154	14,057,884
425,930	7,734,641
497,403	1,667,837
1,388,948	29,885,581
96,049	3,424,492
1,001,803	1,128,044
440,198	464,234
396,500	400,142
4,531,402	62,525,434
(1,631,718)	3,108,462
1,463,127	3,011,496
(796,723)	(1,919,961)
1,474	1,686
5,858	5,985
856	20,460
1,778,946	2,068,401
282,767	327,620
179,665	179,665
4	10,294
(215,333)	(215,333)
<u>2,700,641</u>	<u>3,490,313</u>
1,068,923	6,598,775
3,149,238	14,266,176
<u>\$ 4,218,161</u>	<u>\$ 20,864,951</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, 2022

(Dollars in Thousands)

Net Change in fund balances - total government funds (See Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds) \$ 6,598,775

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 and amortization expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net position decreases by the amount of depreciation and amortization expense charged for the year.

Nondepreciable Capital Assets Constructed/Acquired	2,060,116
Nondepreciable Capital Assets Disposed	(28,505)
Other Capital Assets Acquired	346,694
Other Capital Assets Disposed	(15,701)
Depreciation and Amortization Expense	(1,453,074)

Debt proceeds provide current financial resources to governmental funds by issuing debt, which increases long-term debt in the Statement of Net Position.

Debt Issuance	(2,068,401)
Long-term Lease Proceeds	(20,460)
Bond Premiums	(327,620)
Refunding Bonds Issued	(179,665)
Installment Purchase Proceeds	(1,686)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the Statement of Net Position. 464,234

In-substance debt defeasance 417,562

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. 215,333

Some revenues in the Statement of Activities do not provide current financial resources and, therefore, are deferred inflows of resources in the funds. Also, revenues related to prior periods that became available during the current period are reported in the funds but are eliminated in the Statement of Activities. This amount is the net adjustment. 547,694

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.

Increase (Decrease) in Net OPEB Asset	18,638
(Increase) Decrease in Net Pension Liability	312,198
(Increase) Decrease in Net OPEB Liability	19,547
(Increase) Decrease in Total OPEB Liability	119,476
(Increase) Decrease in Other Long-term Liabilities	(4,649)
(Increase) Decrease in Compensated Absences	13,492
(Increase) Decrease in Interest Expense, Amortization of Long-term Debt premium and discounts, and Accrued Interest Liability	148,808
(Increase) Decrease in Other Liabilities	(86,384)

Net (increase) decrease in Due to Component Units for capital and other projects resulting from appropriation reductions or amounts which are not reported as expenditures in the fund statements. (66,180)

Net revenue (expenses) of certain activities of internal service funds is reported within governmental activities. 374,585

Deferred inflows and outflows associated with pension and OPEB costs are not included in the funds. 6,648

Amortization of deferred inflows and/or outflows associated with Service Concession Arrangements capital assets are not included in the funds. 50,848

Change in net position of governmental activities (See Government-wide Statement of Activities) \$ 7,462,323

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