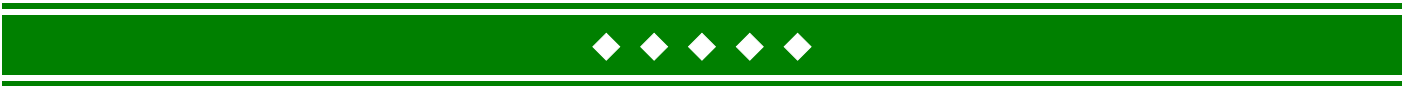


Combining and Individual Fund Statements and Schedules



Nonmajor Governmental Funds

Special Revenue Funds:

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

The Dedicated Special Revenue Fund accounts for revenues and expenditures associated with a dedicated funding source and use.

The Other Special Revenue Fund accounts for revenues and expenditures related to local health care assistance, business and agricultural activities, and miscellaneous activities throughout the Commonwealth. In addition, federal funds received from Medicaid intergovernmental transfers and for the Commonwealth's share of claims are reported in this fund.

Debt Service Funds:

The Debt Service Funds account for transactions related to resources retained and used for the payment of interest and principal on long-term obligations recorded in the Governmental Activities column on the Government-wide Statement of Net Assets.

Primary Government accounts for the payment of principal and interest on bonds used to acquire, construct, or improve parks, highways, and correctional, mental health, and parking facilities owned by the Commonwealth.

The Virginia Public Building Authority accounts for the payment of principal and interest on bonds used to acquire, construct, and operate public buildings used by the Commonwealth and its political subdivisions.

Capital Project Funds:

The Capital Project Funds are maintained to account for resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental or proprietary funds.

Primary Government accounts for the financial resources acquired through the issuance of General Obligation Bonds. The resources are used to acquire, construct, or improve land, public buildings, and parking facilities owned by the Commonwealth.

The Virginia Public Building Authority accounts for financial resources acquired through the issuance of section 9(d) bonds. These resources are used to acquire, construct, finance, refinance and operate public buildings used by the Commonwealth and any of its political subdivisions. Resources are also used to finance or refinance reimbursements to localities or governmental entities for the Commonwealth's share of the capital costs for certain authorized projects.

Permanent Funds:

Permanent Funds are funds whose principal must remain intact.

Commonwealth Health Research Fund provides financial grants for human health research benefiting the Commonwealth's citizens. The entire fund balance is restricted for use as such.

Mental Health Endowment Funds provide funds for the welfare of patients in mental health facilities. The entire fund balance is restricted for use as such.

Combining Balance Sheet – Nonmajor Governmental Funds

June 30, 2005

(Dollars in Thousands)

| | Special Revenue Funds | | |
|--|------------------------------|-------------------|-------------------|
| | Dedicated | Other | Total |
| Assets | | | |
| Cash and Cash Equivalents | \$ 241,171 | \$ 323,551 | \$ 564,722 |
| Investments | 10,941 | 12,002 | 22,943 |
| Receivables | 7,345 | 66,611 | 73,956 |
| Due From Other Funds | 27 | 7,518 | 7,545 |
| Interfund Receivable | - | 70,019 | 70,019 |
| Inventory | 99 | 4,621 | 4,720 |
| Other Assets | 651 | 547 | 1,198 |
| Loans Receivable from Component Units | - | 13,595 | 13,595 |
| Total Assets | \$ 260,234 | \$ 498,464 | \$ 758,698 |
| Liabilities and Fund Balances | | | |
| Accounts Payable | \$ 12,807 | \$ 32,611 | \$ 45,418 |
| Amounts Due to Other Governments | 379 | - | 379 |
| Due to Other Funds | 1,448 | 11,693 | 13,141 |
| Due to Component Units | - | 400 | 400 |
| Interfund Payable | 3,350 | - | 3,350 |
| Deferred Revenue | 1,142 | 6,977 | 8,119 |
| Unearned Revenue | 1,029 | 4,814 | 5,843 |
| Obligations Under Securities Lending Program | 26,996 | 29,826 | 56,822 |
| Other Liabilities | 1,692 | 1,892 | 3,584 |
| Long-term Liabilities | 30 | 208 | 238 |
| Total Liabilities | 48,873 | 88,421 | 137,294 |
| Fund Balances Reserved for: | | | |
| Inventory | 99 | 4,621 | 4,720 |
| Debt Service | - | - | - |
| Gifts and Grants | 1,032 | 12,359 | 13,391 |
| Capital Acquisition | - | 516 | 516 |
| Fund Balances Unreserved, Reported in: | | | |
| Special Revenue Funds | 210,230 | 392,547 | 602,777 |
| Capital Projects Funds | - | - | - |
| Permanent Funds | - | - | - |
| Total Fund Balances | 211,361 | 410,043 | 621,404 |
| Total Liabilities and Fund Balances | \$ 260,234 | \$ 498,464 | \$ 758,698 |

| Debt Service Funds | | | Capital Project Funds | | |
|--------------------|------------------------------------|------------------|-----------------------|------------------------------------|------------------|
| Primary Government | Virginia Public Building Authority | Total | Primary Government | Virginia Public Building Authority | Total |
| \$ 75,535 | \$ 559 | \$ 76,094 | \$ 91,101 | \$ - | \$ 91,101 |
| - | - | - | 588 | 2,696 | 3,284 |
| - | 1 | 1 | - | 232 | 232 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 75,535</u> | <u>\$ 560</u> | <u>\$ 76,095</u> | <u>\$ 91,689</u> | <u>\$ 2,928</u> | <u>\$ 94,617</u> |
| \$ - | \$ - | \$ - | \$ 3,850 | \$ 36,016 | \$ 39,866 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 14,507 | 257 | 14,764 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 555 | - | 555 |
| 15 | 505 | 520 | - | - | - |
| - | - | - | - | - | - |
| <u>15</u> | <u>505</u> | <u>520</u> | <u>18,912</u> | <u>36,273</u> | <u>55,185</u> |
| - | - | - | - | - | - |
| 75,520 | 55 | 75,575 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 72,777 | - | 72,777 |
| - | - | - | - | - | - |
| - | - | - | - | (33,345) | (33,345) |
| - | - | - | - | - | - |
| <u>75,520</u> | <u>55</u> | <u>75,575</u> | <u>72,777</u> | <u>(33,345)</u> | <u>39,432</u> |
| <u>\$ 75,535</u> | <u>\$ 560</u> | <u>\$ 76,095</u> | <u>\$ 91,689</u> | <u>\$ 2,928</u> | <u>\$ 94,617</u> |

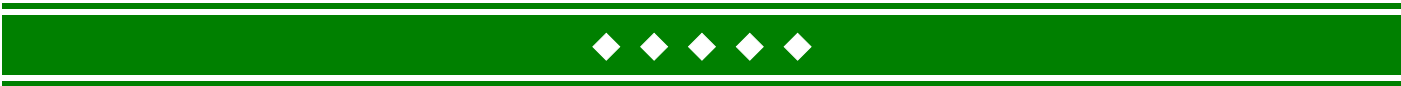
Continued on next page

Combining Balance Sheet – Nonmajor Governmental Funds (Continued from previous page)

June 30, 2005

(Dollars in Thousands)

| | Permanent Funds | | | Total Nonmajor Governmental Funds |
|--|---|--|------------------|--|
| | Commonwealth Health Research Board | Mental Health Endowment Funds | Total | |
| Assets | | | | |
| Cash and Cash Equivalents | \$ 68 | \$ 159 | \$ 227 | \$ 732,144 |
| Investments | 28,219 | 89 | 28,308 | 54,535 |
| Receivables | 2 | - | 2 | 74,191 |
| Due From Other Funds | - | - | - | 7,545 |
| Interfund Receivable | - | - | - | 70,019 |
| Inventory | - | - | - | 4,720 |
| Other Assets | - | - | - | 1,198 |
| Loans Receivable from Component Units | - | - | - | 13,595 |
| Total Assets | \$ 28,289 | \$ 248 | \$ 28,537 | \$ 957,947 |
| Liabilities and Fund Balances | | | | |
| Accounts Payable | \$ 10 | \$ - | \$ 10 | \$ 85,294 |
| Amounts Due to Other Governments | - | - | - | 379 |
| Due to Other Funds | - | - | - | 13,141 |
| Due to Component Units | - | - | - | 15,164 |
| Interfund Payable | - | - | - | 3,350 |
| Deferred Revenue | - | - | - | 8,119 |
| Unearned Revenue | - | - | - | 5,843 |
| Obligations Under Securities Lending Program | 16 | - | 16 | 57,393 |
| Other Liabilities | - | - | - | 4,104 |
| Long-term Liabilities | - | - | - | 238 |
| Total Liabilities | 26 | - | 26 | 193,025 |
| Fund Balances Reserved for: | | | | |
| Inventory | - | - | - | 4,720 |
| Debt Service | - | - | - | 75,575 |
| Gifts and Grants | - | - | - | 13,391 |
| Capital Acquisition | - | - | - | 73,293 |
| Fund Balances Unreserved, Reported in: | | | | |
| Special Revenue Funds | - | - | - | 602,777 |
| Capital Projects Funds | - | - | - | (33,345) |
| Permanent Funds | 28,263 | 248 | 28,511 | 28,511 |
| Total Fund Balances | 28,263 | 248 | 28,511 | 764,922 |
| Total Liabilities and Fund Balances | \$ 28,289 | \$ 248 | \$ 28,537 | \$ 957,947 |



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

For the Fiscal Year Ended June 30, 2005
(Dollars in Thousands)

| | Special Revenue Funds | | |
|---|------------------------------|-------------------|-------------------|
| | Dedicated | Other | Total |
| Revenues | | | |
| Taxes | \$ 51,356 | \$ 19,175 | \$ 70,531 |
| Rights and Privileges | 71,979 | 155,950 | 227,929 |
| Institutional Revenue | 8,763 | 306,521 | 315,284 |
| Interest, Dividends, Rents, and Other Investment Income | 3,583 | 9,627 | 13,210 |
| Federal Grants and Contracts | - | 36,656 | 36,656 |
| Other | 76,757 | 301,918 | 378,675 |
| Total Revenues | 212,438 | 829,847 | 1,042,285 |
| Expenditures | | | |
| Current: | | | |
| General Government | 39,864 | 54,840 | 94,704 |
| Education | 1,560 | 23,031 | 24,591 |
| Transportation | 10,317 | 5,223 | 15,540 |
| Resources and Economic Development | 83,290 | 188,913 | 272,203 |
| Individual and Family Services | 47,516 | 503,654 | 551,170 |
| Administration of Justice | 40,882 | 27,327 | 68,209 |
| Capital Outlay | 714 | 5,914 | 6,628 |
| Debt Service: | | | |
| Principal Retirement | - | - | - |
| Interest and Charges | - | - | - |
| Total Expenditures | 224,143 | 808,902 | 1,033,045 |
| Revenues Over (Under) Expenditures | (11,705) | 20,945 | 9,240 |
| Other Financing Sources (Uses) | | | |
| Transfers In | 52,219 | 58,337 | 110,556 |
| Transfers Out | (29,964) | (49,452) | (79,416) |
| Bonds Issued | - | - | - |
| Premium on Bond Issuance | - | - | - |
| Refunding Bonds Issued | - | - | - |
| Payment to Refunded Bond Escrow Agent | - | - | - |
| Total Other Financing Sources (Uses) | 22,255 | 8,885 | 31,140 |
| Net Change in Fund Balances | 10,550 | 29,830 | 40,380 |
| Fund Balance (Deficit), July 1, as restated | 200,811 | 380,213 | 581,024 |
| Fund Balance (Deficit), June 30 | \$ 211,361 | \$ 410,043 | \$ 621,404 |

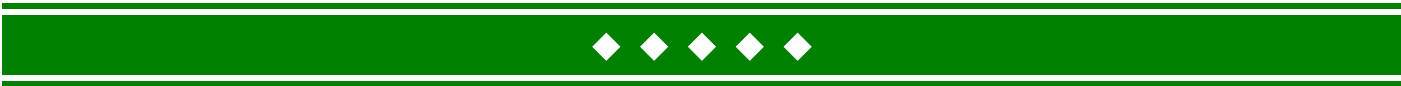
| Debt Service Funds | | | Capital Project Funds | | |
|-----------------------|---|------------------|-----------------------|---|------------------|
| Primary Government | Virginia Public Building Authority | Total | Primary Government | Virginia Public Building Authority | Total |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| 907 | 11 | 918 | 2,918 | 3,069 | 5,987 |
| - | - | - | - | - | - |
| 7,531 | - | 7,531 | 793 | - | 793 |
| <u>8,438</u> | <u>11</u> | <u>8,449</u> | <u>3,711</u> | <u>3,069</u> | <u>6,780</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 222 | - | 222 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 118,278 | 221,678 | 339,956 |
| 188,313 | 61,025 | 249,338 | - | - | - |
| 122,756 | 41,941 | 164,697 | - | - | - |
| <u>311,291</u> | <u>102,966</u> | <u>414,257</u> | <u>118,278</u> | <u>221,678</u> | <u>339,956</u> |
| (302,853) | (102,955) | (405,808) | (114,567) | (218,609) | (333,176) |
| 302,433 | 100,482 | 402,915 | - | - | - |
| - | - | - | - | (44) | (44) |
| - | - | - | 167,945 | 207,065 | 375,010 |
| 36,232 | 24,905 | 61,137 | 11,075 | 11,941 | 23,016 |
| 402,785 | 328,700 | 731,485 | - | - | - |
| (437,165) | (352,420) | (789,585) | - | - | - |
| <u>304,285</u> | <u>101,667</u> | <u>405,952</u> | <u>179,020</u> | <u>218,962</u> | <u>397,982</u> |
| 1,432 | (1,288) | 144 | 64,453 | 353 | 64,806 |
| 74,088 | 1,343 | 75,431 | 8,324 | (33,698) | (25,374) |
| <u>\$ 75,520</u> | <u>\$ 55</u> | <u>\$ 75,575</u> | <u>\$ 72,777</u> | <u>\$ (33,345)</u> | <u>\$ 39,432</u> |

Continued on next page

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Governmental Funds** *(Continued from previous page)*

For the Fiscal Year Ended June 30, 2005
(Dollars in Thousands)

| | Permanent Funds | | | Total Nonmajor Governmental Funds |
|---|---|--|------------------|--|
| | Commonwealth Health Research Board | Mental Health Endowment Funds | Total | |
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 70,531 |
| Rights and Privileges | - | - | - | 227,929 |
| Institutional Revenue | - | - | - | 315,284 |
| Interest, Dividends, Rents, and Other Investment Income | 2,012 | 4 | 2,016 | 22,131 |
| Federal Grants and Contracts | - | - | - | 36,656 |
| Other | - | - | - | 386,999 |
| Total Revenues | 2,012 | 4 | 2,016 | 1,059,530 |
| Expenditures | | | | |
| Current: | | | | |
| General Government | - | - | - | 94,704 |
| Education | - | - | - | 24,591 |
| Transportation | - | - | - | 15,762 |
| Resources and Economic Development | - | - | - | 272,203 |
| Individual and Family Services | 932 | 7 | 939 | 552,109 |
| Administration of Justice | - | - | - | 68,209 |
| Capital Outlay | - | - | - | 346,584 |
| Debt Service: | | | | |
| Principal Retirement | - | - | - | 249,338 |
| Interest and Charges | - | - | - | 164,697 |
| Total Expenditures | 932 | 7 | 939 | 1,788,197 |
| Revenues Over (Under) Expenditures | 1,080 | (3) | 1,077 | (728,667) |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 1 | - | 1 | 513,472 |
| Transfers Out | - | - | - | (79,460) |
| Bonds Issued | - | - | - | 375,010 |
| Premium on Bond Issuance | - | - | - | 84,153 |
| Refunding Bonds Issued | - | - | - | 731,485 |
| Payment to Refunded Bond Escrow Agent | - | - | - | (789,585) |
| Total Other Financing Sources (Uses) | 1 | - | 1 | 835,075 |
| Net Change in Fund Balances | 1,081 | (3) | 1,078 | 106,408 |
| Fund Balance (Deficit), July 1, as restated | 27,182 | 251 | 27,433 | 658,514 |
| Fund Balance (Deficit), June 30 | \$ 28,263 | \$ 248 | \$ 28,511 | \$ 764,922 |



**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – Nonmajor Special Revenue Funds**

For the Fiscal Year Ended June 30, 2005
(Dollars in Thousands)

| | Dedicated | | | Final/Actual Variance Positive (Negative) |
|--|--------------------|-------------------|-------------------|--|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Taxes: | | | | |
| Public Service Corporations | \$ - | \$ - | \$ - | \$ - |
| Motor Fuel | 35,900 | 38,575 | 36,918 | (1,657) |
| Other Taxes | 14,212 | 15,652 | 14,976 | (676) |
| Rights and Privileges | 52,652 | 78,167 | 71,870 | (6,297) |
| Sales of Property and Commodities | 2,783 | 3,390 | 2,541 | (849) |
| Assessments and Receipts for Support of Special Services | 7,429 | 11,276 | 10,377 | (899) |
| Institutional Revenue | 16,097 | 15,770 | 8,771 | (6,999) |
| Interest, Dividends, and Rents | 2,783 | 1,662 | 3,588 | 1,926 |
| Fines, Forfeitures, Court Fees, Penalties, and Escheats | 25,824 | 40,821 | 38,599 | (2,222) |
| Federal Grants and Contracts | - | - | - | - |
| Receipts from Cities, Counties, and Towns | 722 | 705 | 602 | (103) |
| Private Donations, Gifts and Contracts | 1,355 | 1,400 | 1,737 | 337 |
| Other | 25,281 | 25,912 | 23,838 | (2,074) |
| Total Revenues | 185,038 | 233,330 | 213,817 | (19,513) |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 19,632 | 49,038 | 39,346 | 9,692 |
| Education | 2,917 | 3,150 | 1,567 | 1,583 |
| Transportation | 13,896 | 15,896 | 10,026 | 5,870 |
| Resources and Economic Development | 84,004 | 116,488 | 85,978 | 30,510 |
| Individual and Family Services | 56,560 | 59,798 | 47,177 | 12,621 |
| Administration of Justice | 44,333 | 49,728 | 40,268 | 9,460 |
| Capital Outlay | 1,409 | 2,104 | 711 | 1,393 |
| Total Expenditures | 222,751 | 296,202 | 225,073 | 71,129 |
| Revenues Over (Under) Expenditures | (37,713) | (62,872) | (11,256) | 51,616 |
| Other Financing Sources (Uses): | | | | |
| Transfers: | | | | |
| Transfers In | 14,066 | 43,656 | 52,218 | 8,562 |
| Transfers Out | (13,776) | (19,906) | (29,964) | (10,058) |
| Total Other Financing Sources (Uses) | 290 | 23,750 | 22,254 | (1,496) |
| Revenues and Other Sources Over (Under) | | | | |
| Expenditures and Other Uses | (37,423) | (39,122) | 10,998 | 50,120 |
| Fund Balance, July 1, as restated | 210,596 | 210,596 | 210,596 | - |
| Fund Balance, June 30 | \$ 173,173 | \$ 171,474 | \$ 221,594 | \$ 50,120 |

See Notes on page 182 in this section.

Other

| <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Final/Actual Variance Positive (Negative)</u> |
|----------------------------|-------------------------|-------------------|--|
| \$ - | \$ - | \$ 6,079 | \$ 6,079 |
| - | - | - | - |
| 16,660 | 16,826 | 13,334 | (3,492) |
| 159,578 | 169,119 | 145,778 | (23,341) |
| 19,474 | 19,266 | 18,952 | (314) |
| 104,918 | 90,084 | 75,846 | (14,238) |
| 285,309 | 315,492 | 307,650 | (7,842) |
| 9,336 | 5,806 | 9,241 | 3,435 |
| 10,947 | 12,292 | 14,685 | 2,393 |
| - | - | 36,656 | 36,656 |
| 56,055 | 58,244 | 76,247 | 18,003 |
| 3,003 | 3,736 | 19,625 | 15,889 |
| 229,355 | 139,951 | 90,301 | (49,650) |
| 894,635 | 830,816 | 814,394 | (16,422) |
| | | | |
| | | | |
| 32,798 | 65,178 | 54,690 | 10,488 |
| 27,153 | 27,673 | 22,858 | 4,815 |
| 6,503 | 6,684 | 5,334 | 1,350 |
| 210,340 | 242,385 | 187,959 | 54,426 |
| 403,994 | 495,980 | 502,819 | (6,839) |
| 17,603 | 23,751 | 26,730 | (2,979) |
| 16,275 | 26,608 | 6,910 | 19,698 |
| 714,666 | 888,259 | 807,300 | 80,959 |
| 179,969 | (57,443) | 7,094 | 64,537 |
| | | | |
| | | | |
| 13,340 | 44,321 | 58,348 | 14,027 |
| (11,221) | (12,686) | (49,452) | (36,766) |
| 2,119 | 31,635 | 8,896 | (22,739) |
| | | | |
| 182,088 | (25,808) | 15,990 | 41,798 |
| 375,635 | 375,635 | 375,635 | - |
| <u>\$ 557,723</u> | <u>\$ 349,827</u> | <u>\$ 391,625</u> | <u>\$ 41,798</u> |

Notes for Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Special Revenue Funds

1. BASIS OF BUDGETING VS. MODIFIED ACCRUAL BASIS FUND BALANCE

Since the presentation of financial data on the basis of budgeting differs from that presented under accounting principles generally accepted in the United States of America, a schedule reconciling the fund balance on a budgetary basis at June 30, 2005, to the fund balance on a modified accrual basis follows.

(Dollars in Thousands)

| | <u>Dedicated</u> | <u>Other</u> |
|--|-------------------|-------------------|
| Fund Balance, Basis of Budgeting | \$ 221,594 | \$ 391,625 |
| Adjustments from Budget to Modified Accrual, Undesignated: | | |
| Accrued Revenues: | | |
| Taxes | 4,415 | 82 |
| Other Revenue | (12) | 57,356 |
| Accrued Expenditures | (13,243) | (31,734) |
| Fund Reclassification - Budget to Modified Accrual | (1,393) | (7,286) |
| Fund Balance, Modified Accrual Basis | <u>\$ 211,361</u> | <u>\$ 410,043</u> |

2. APPROPRIATIONS

The amounts presented in the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Special Revenue Funds are principally on a cash basis and represent the original budget adopted by the General Assembly and all supplemental appropriations and transfers. The following schedule reconciles original appropriations to the final adjusted expenditure appropriations for the Nonmajor Special Revenue Funds, at June 30, 2005.

(Dollars in Thousands)

| | <u>Dedicated</u> | <u>Other</u> |
|-------------------------------|-------------------|-------------------|
| Appropriations (1) | \$ 222,751 | \$ 714,666 |
| Supplemental Appropriations: | | |
| Reappropriations (2) | 15,840 | 85,325 |
| Subsequent Executive (3) | 23,509 | 82,426 |
| Subsequent Legislative (4) | (62) | (206,901) |
| Capital Outlay Reversions (5) | (118) | (248) |
| Transfers (6) | 35,691 | 291,278 |
| Capital Outlay Adjustment (7) | (1,409) | (78,287) |
| Appropriations, as adjusted | <u>\$ 296,202</u> | <u>\$ 888,259</u> |

1. Represents the budget appropriated through Chapter 951, 2005 Acts of Assembly.
2. Actions taken to reappropriate any prior year unexpended balances per authority of the language in the Appropriation Act.
3. Actions taken by the Governor to appropriate any additional revenues collected so that they can be legally spent.
4. Actions taken by the Governor and the General Assembly to adjust the budget.
5. Represents reversions of unexpended capital outlay balances.
6. Represents transfers required by the Appropriation Act.
7. Capital outlay appropriations cover the projects' lives and usually extend beyond the current fiscal year. These amounts have been adjusted to report the amount authorized for expenditure during the current fiscal year.