

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 Health and Social Services Special Revenue Fund accounts for revenues and expenditures related to local health care assistance.

The Other Special Revenue Fund accounts for revenues and expenditures related to business and agricultural activities, and miscellaneous activities throughout the Commonwealth.

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 and Energy Performance Contracts. 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, 2006

(Dollars in Thousands)

	Special Revenue Funds		
	Health and Social Services	Other	Total
Assets			
Cash and Cash Equivalents	\$ 127,562	\$ 539,890	\$ 667,452
Investments	8,564	55,889	64,453
Receivables	36,805	37,675	74,480
Due From Other Funds	3,441	7,416	10,857
Due From External Parties (Fiduciary Funds)	-	30	30
Interfund Receivable	-	118,689	118,689
Inventory	6,342	361	6,703
Prepaid Items	4,808	3,554	8,362
Other Assets	156	849	1,005
Loans Receivable from Component Units	-	32,960	32,960
Total Assets	\$ 187,678	\$ 797,313	\$ 984,991
Liabilities and Fund Balances			
Accounts Payable	\$ 12,372	\$ 19,496	\$ 31,868
Amounts Due to Other Governments	-	1,070	1,070
Due to Other Funds	1,759	1,825	3,584
Due to Component Units	-	-	-
Due to External Parties (Fiduciary Funds)	-	3	3
Interfund Payable	-	-	-
Deferred Revenue	1,755	12,363	14,118
Unearned Revenue	1,701	7,618	9,319
Obligations Under Securities Lending Program	9,127	105,463	114,590
Other Liabilities	-	2,401	2,401
Loans Payable to Component Units	-	270	270
Long-term Liabilities	126	44	170
Total Liabilities	26,840	150,553	177,393
Fund Balances Reserved for:			
Inventory	6,342	361	6,703
Prepaid Items	4,808	3,554	8,362
Debt Service	-	-	-
Gifts and Grants	2,849	19,683	22,532
Capital Acquisition	-	538	538
Fund Balances Unreserved, Reported in:			
Special Revenue Funds	146,839	622,624	769,463
Capital Projects Funds	-	-	-
Permanent Funds	-	-	-
Total Fund Balances (Deficit)	160,838	646,760	807,598
Total Liabilities and Fund Balances	\$ 187,678	\$ 797,313	\$ 984,991

Debt Service Funds			Capital Project Funds		
Primary Government	Virginia Public Building Authority	Total	Primary Government	Virginia Public Building Authority	Total
\$ 94,265	\$ 164	\$ 94,429	\$ 76,090	\$ -	\$ 76,090
-	-	-	136	-	136
-	-	-	-	20	20
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 94,265</u>	<u>\$ 164</u>	<u>\$ 94,429</u>	<u>\$ 76,226</u>	<u>\$ 20</u>	<u>\$ 76,246</u>
\$ -	\$ -	\$ -	\$ 5,268	\$ 27,792	\$ 33,060
-	-	-	-	-	-
-	-	-	10,096	110	10,206
-	-	-	-	-	-
-	-	-	-	48,780	48,780
-	-	-	-	-	-
-	-	-	273	-	273
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	15,637	76,682	92,319
-	-	-	-	-	-
-	-	-	-	-	-
94,265	164	94,429	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	60,589	(76,662)	(16,073)
-	-	-	-	-	-
<u>94,265</u>	<u>164</u>	<u>94,429</u>	<u>60,589</u>	<u>(76,662)</u>	<u>(16,073)</u>
<u>\$ 94,265</u>	<u>\$ 164</u>	<u>\$ 94,429</u>	<u>\$ 76,226</u>	<u>\$ 20</u>	<u>\$ 76,246</u>

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

June 30, 2006

(Dollars in Thousands)

	Permanent Funds			Total Nonmajor Governmental Funds
	Commonwealth Health Research Board	Mental Health Endowment Funds	Total	
Assets				
Cash and Cash Equivalents	\$ 124	\$ 248	\$ 372	\$ 838,343
Investments	29,258	-	29,258	93,847
Receivables	3	-	3	74,503
Due From Other Funds	-	-	-	10,857
Due From External Parties (Fiduciary Funds)	-	-	-	30
Interfund Receivable	-	-	-	118,689
Inventory	-	-	-	6,703
Prepaid Items	-	-	-	8,362
Other Assets	-	-	-	1,005
Loans Receivable from Component Units	-	-	-	32,960
Total Assets	\$ 29,385	\$ 248	\$ 29,633	\$ 1,185,299
Liabilities and Fund Balances				
Accounts Payable	\$ 8	\$ -	\$ 8	\$ 64,936
Amounts Due to Other Governments	-	-	-	1,070
Due to Other Funds	-	-	-	3,584
Due to Component Units	-	-	-	10,206
Due to External Parties (Fiduciary Funds)	-	-	-	3
Interfund Payable	-	-	-	48,780
Deferred Revenue	-	-	-	14,118
Unearned Revenue	-	-	-	9,319
Obligations Under Securities Lending Program	35	-	35	114,898
Other Liabilities	-	-	-	2,401
Loans Payable to Component Units	-	-	-	270
Long-term Liabilities	-	-	-	170
Total Liabilities	43	-	43	269,755
Fund Balances Reserved for:				
Inventory	-	-	-	6,703
Prepaid Items	-	-	-	8,362
Debt Service	-	-	-	94,429
Gifts and Grants	-	-	-	22,532
Capital Acquisition	-	-	-	538
Fund Balances Unreserved, Reported in:				
Special Revenue Funds	-	-	-	769,463
Capital Projects Funds	-	-	-	(16,073)
Permanent Funds	29,342	248	29,590	29,590
Total Fund Balances (Deficit)	29,342	248	29,590	915,544
Total Liabilities and Fund Balances	\$ 29,385	\$ 248	\$ 29,633	\$ 1,185,299



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

For the Fiscal Year Ended June 30, 2006
(Dollars in Thousands)

	<u>Special Revenue Funds</u>		
	Health and Social Services	Other	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Taxes	\$ -	\$ 72,483	\$ 72,483
Rights and Privileges	97,136	151,577	248,713
Institutional Revenue	298,380	36,110	334,490
Interest, Dividends, Rents, and Other Investment Income	2,005	18,589	20,594
Federal Grants and Contracts	6,344	-	6,344
Other	123,628	220,190	343,818
Total Revenues	<u>527,493</u>	<u>498,949</u>	<u>1,026,442</u>
Expenditures			
Current:			
General Government	310	98,744	99,054
Education	1,368	23,311	24,679
Transportation	-	16,439	16,439
Resources and Economic Development	31,079	265,195	296,274
Individual and Family Services	463,732	43,639	507,371
Administration of Justice	379	64,713	65,092
Capital Outlay	2	19,451	19,453
Debt Service:			
Principal Retirement	-	-	-
Interest and Charges	-	-	-
Total Expenditures	<u>496,870</u>	<u>531,492</u>	<u>1,028,362</u>
Revenues Over (Under) Expenditures	<u>30,623</u>	<u>(32,543)</u>	<u>(1,920)</u>
Other Financing Sources (Uses)			
Transfers In	26,989	213,446	240,435
Transfers Out	(12,276)	(40,467)	(52,743)
Notes Issued	-	77	77
Insurance Recoveries	70	3,307	3,377
Bonds Issued	-	-	-
Premium on Debt Issuance	-	-	-
Refunding Bonds Issued	-	-	-
Payments to Refunded Bond Escrow Agents	-	-	-
Total Other Financing Sources (Uses)	<u>14,783</u>	<u>176,363</u>	<u>191,146</u>
Net Change in Fund Balances	45,406	143,820	189,226
Fund Balance (Deficit), July 1, as restated	115,432	502,940	618,372
Fund Balance (Deficit), June 30	<u>\$ 160,838</u>	<u>\$ 646,760</u>	<u>\$ 807,598</u>

Debt Service Funds			Capital Project Funds		
Primary Government	Virginia Public Building Authority	Total	Primary Government	Virginia Public Building Authority	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
2,534	11	2,545	5,236	4,488	9,724
-	-	-	-	-	-
7,528	270	7,798	668	-	668
10,062	281	10,343	5,904	4,488	10,392
-	-	-	-	-	-
-	-	-	-	-	-
147	-	147	-	-	-
-	-	-	-	-	-
-	-	-	13	-	13
-	-	-	-	-	-
-	-	-	174,515	273,063	447,578
201,248	78,660	279,908	-	-	-
130,127	48,908	179,035	-	-	-
331,522	127,568	459,090	174,528	273,063	447,591
(321,460)	(127,287)	(448,747)	(168,624)	(268,575)	(437,199)
339,399	127,396	466,795	-	-	-
-	-	-	-	(73)	(73)
-	-	-	31,917	-	31,917
-	-	-	-	-	-
-	-	-	118,135	215,810	333,945
10,183	-	10,183	6,384	9,521	15,905
204,935	-	204,935	-	-	-
(214,312)	-	(214,312)	-	-	-
340,205	127,396	467,601	156,436	225,258	381,694
18,745	109	18,854	(12,188)	(43,317)	(55,505)
75,520	55	75,575	72,777	(33,345)	39,432
\$ 94,265	\$ 164	\$ 94,429	\$ 60,589	\$ (76,662)	\$ (16,073)

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

For the Fiscal Year Ended June 30, 2006
(Dollars in Thousands)

	Permanent Funds			Total Nonmajor Governmental Funds
	Commonwealth Health Research Board	Mental Health Endowment Funds	Total	
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 72,483
Rights and Privileges	-	-	-	248,713
Institutional Revenue	-	-	-	334,490
Interest, Dividends, Rents, and Other Investment Income	1,806	9	1,815	34,678
Federal Grants and Contracts	-	-	-	6,344
Other	16	-	16	352,300
Total Revenues	1,822	9	1,831	1,049,008
Expenditures				
Current:				
General Government	-	-	-	99,054
Education	-	-	-	24,679
Transportation	-	-	-	16,586
Resources and Economic Development	-	-	-	296,274
Individual and Family Services	743	9	752	508,136
Administration of Justice	-	-	-	65,092
Capital Outlay	-	-	-	467,031
Debt Service:				
Principal Retirement	-	-	-	279,908
Interest and Charges	-	-	-	179,035
Total Expenditures	743	9	752	1,935,795
Revenues Over (Under) Expenditures	1,079	-	1,079	(886,787)
Other Financing Sources (Uses)				
Transfers In	-	-	-	707,230
Transfers Out	-	-	-	(52,816)
Notes Issued	-	-	-	31,994
Insurance Recoveries	-	-	-	3,377
Bonds Issued	-	-	-	333,945
Premium on Debt Issuance	-	-	-	26,088
Refunding Bonds Issued	-	-	-	204,935
Payments to Refunded Bond Escrow Agents	-	-	-	(214,312)
Total Other Financing Sources (Uses)	-	-	-	1,040,441
Net Change in Fund Balances	1,079	-	1,079	153,654
Fund Balance (Deficit), July 1, as restated	28,263	248	28,511	761,890
Fund Balance (Deficit), June 30	\$ 29,342	\$ 248	\$ 29,590	\$ 915,544



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

For the Fiscal Year Ended June 30, 2006
(Dollars in Thousands)

	Health and Social Services			Final/Actual Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes:				
Public Service Corporations	\$ -	\$ -	\$ -	\$ -
Motor Fuel	-	-	-	-
Other Taxes	-	-	-	-
Rights and Privileges	90,625	97,036	96,894	(142)
Sales of Property and Commodities	15,800	16,399	16,634	235
Assessments and Receipts for Support of Special Services	-	2	2	-
Institutional Revenue	271,056	293,942	298,757	4,815
Interest, Dividends, and Rents	808	732	1,018	286
Fines, Forfeitures, Court Fees, Penalties, and Escheats	1,059	826	879	53
Federal Grants and Contracts	-	-	6,344	6,344
Receipts from Cities, Counties, and Towns	53,034	55,285	54,339	(946)
Private Donations, Gifts and Contracts	3,543	3,680	3,966	286
Other	43,107	40,332	37,083	(3,249)
Total Revenues	479,032	508,234	515,916	7,682
Expenditures:				
Current:				
General Government	5	12	312	(300)
Education	1,636	2,066	1,412	654
Transportation	-	-	-	-
Resources and Economic Development	25,348	45,772	30,723	15,049
Individual and Family Services	451,169	498,200	479,165	19,035
Administration of Justice	379	379	378	1
Capital Outlay	154	174	2	172
Total Expenditures	478,691	546,603	511,992	34,611
Revenues Over (Under) Expenditures	341	(38,369)	3,924	42,293
Other Financing Sources (Uses):				
Transfers:				
Transfers In	15,971	27,393	26,989	(404)
Transfers Out	(3,389)	(3,392)	(12,276)	(8,884)
Notes Issued	-	-	-	-
Total Other Financing Sources (Uses)	12,582	24,001	14,713	(9,288)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	12,923	(14,368)	18,637	33,005
Fund Balance, July 1, as restated	107,410	107,410	107,410	-
Fund Balance, June 30	\$ 120,333	\$ 93,042	\$ 126,047	\$ 33,005

See Notes on page 176 in this section.

Other

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final/Actual Variance Positive (Negative)</u>
\$ 5,800	\$ 6,000	\$ 6,217	\$ 217
39,733	38,576	36,498	(2,078)
32,163	31,938	30,482	(1,456)
161,712	177,631	150,463	(27,168)
6,404	6,428	6,653	225
106,950	92,110	83,745	(8,365)
63,183	35,340	35,199	(141)
7,431	8,583	18,583	10,000
55,858	48,508	52,713	4,205
-	-	-	-
5,666	5,392	6,315	923
1,163	1,157	5,054	3,897
<u>62,089</u>	<u>86,474</u>	<u>69,670</u>	<u>(16,804)</u>
<u>548,152</u>	<u>538,137</u>	<u>501,592</u>	<u>(36,545)</u>
77,270	104,271	98,105	6,166
28,879	30,995	23,492	7,503
20,522	21,353	17,501	3,852
374,936	462,320	271,835	190,485
45,484	50,692	45,881	4,811
59,900	71,830	64,546	7,284
22,617	47,617	18,871	28,746
<u>629,608</u>	<u>789,078</u>	<u>540,231</u>	<u>248,847</u>
<u>(81,456)</u>	<u>(250,941)</u>	<u>(38,639)</u>	<u>212,302</u>
118,054	183,480	213,446	29,966
(20,664)	(22,178)	(40,467)	(18,289)
-	-	77	77
<u>97,390</u>	<u>161,302</u>	<u>173,056</u>	<u>11,754</u>
15,934	(89,639)	134,417	224,056
509,574	509,574	509,574	-
<u>\$ 525,508</u>	<u>\$ 419,935</u>	<u>\$ 643,991</u>	<u>\$ 224,056</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, 2006, to the fund balance on a modified accrual basis follows.

(Dollars in Thousands)

	Health and Social Services	Other
Fund Balance, Basis of Budgeting	\$ 126,047	\$ 643,991
Adjustments from Budget to Modified Accrual, Undesignated:		
Accrued Revenues:		
Taxes	-	3,783
Other Revenue	30,167	18,799
Accrued Expenditures	(2,406)	(18,015)
Fund Reclassification - Budget to Modified Accrual	7,030	(1,798)
Fund Balance, Modified Accrual Basis	<u>\$ 160,838</u>	<u>\$ 646,760</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, 2006.

(Dollars in Thousands)

	Health and Social Services	Other
Appropriations (1)	\$ 478,691	\$ 629,608
Supplemental Appropriations:		
Reappropriations (2)	154	123,419
Subsequent Executive (3)	39,695	85,101
Subsequent Legislative (4)	750	8,420
Capital Outlay Reversions (5)	-	(427)
Transfers (6)	28,237	75,474
Capital Outlay Adjustment (7)	(924)	(132,517)
Appropriations, as adjusted	<u>\$ 546,603</u>	<u>\$ 789,078</u>

1. Represents the budget appropriated through Chapter 2, Special Session I, 2006 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.