
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 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, and institutions of higher education. The entire fund is restricted pursuant to federal regulations. As such, a separate fund balance reservation is not reflected.

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. As such, a separate fund balance reservation is not reflected.

Nonmajor Governmental Funds include those Special Revenue, Debt Service, Capital Projects, and Permanent Funds listed on page 181 in the Combining and Individual Fund Statements and Schedules section of this report.

Balance Sheet – Governmental Funds

June 30, 2009

(Dollars in Thousands)

	General	Special Revenue		
		Commonwealth Transportation	Federal Trust	Literary
Assets				
Cash and Cash Equivalents (Notes 1 and 6)	\$ 331,445	\$ 1,524,840	\$ 123,686	\$ 67,134
Investments (Notes 1 and 6)	1,219,577	256,135	9,027	17,577
Receivables, Net (Notes 1 and 7)	1,028,725	293,322	715,832	339,094
Due from Other Funds (Note 9)	16,191	278	31	-
Due from External Parties (Fiduciary Funds) (Note 9)	27	-	-	-
Interfund Receivable (Note 9)	-	-	-	-
Inventory (Note 1)	47,368	51,699	15,384	-
Prepaid Items (Note 1)	46,114	7,311	751	-
Other Assets (Notes 1 and 10)	981	514	1,293	-
Loans Receivable from Component Units (Notes 1 and 9)	-	-	-	-
Restricted Cash and Cash Equivalents (Notes 1, 6, and 11)	-	68,435	-	-
Total Assets	\$ 2,690,428	\$ 2,202,534	\$ 866,004	\$ 423,805
Liabilities and Fund Balances				
Accounts Payable (Notes 1 and 22)	\$ 269,957	\$ 224,654	\$ 143,959	\$ 225
Amounts Due to Other Governments	253,326	799	127,863	-
Due to Other Funds (Note 9)	19,568	12,638	9,216	-
Due to Component Units (Note 9)	10,940	-	-	-
Due to External Parties (Fiduciary Funds) (Note 9)	-	-	-	-
Interfund Payable (Note 9)	-	-	4,197	-
Deferred Revenue (Note 1)	372,290	37,784	54,961	20,717
Unearned Revenue (Note 1)	-	21,922	14,393	-
Deferred Taxes (Note 1)	199,308	-	-	-
Obligations Under Securities Lending Program (Notes 1 and 6)	807,765	469,618	16,551	32,227
Other Liabilities (Notes 1 and 23)	1,015,159	4,869	440,533	-
Loans Payable to Component Units (Notes 1 and 9)	-	-	-	172,160
Long-term Liabilities Due Within One Year (Notes 1, 19, and 24)	582	139	76	-
Total Liabilities	2,948,895	772,423	811,749	225,329
Fund Balances Reserved for (Note 1):				
Revenue Stabilization Fund	575,064	-	-	-
Lottery Proceeds Fund	964	-	-	-
Inventory	47,368	51,699	15,384	-
Prepaid Items	46,114	7,311	751	-
Debt Service	-	-	-	-
Gifts and Grants	-	21,302	-	-
Capital Acquisition / Construction	-	66,724	-	-
Fund Balances Unreserved, Reported in (Note 1):				
General Fund	(927,977)	-	-	-
Special Revenue Funds	-	1,283,075	38,120	198,476
Capital Projects Funds	-	-	-	-
Permanent Funds	-	-	-	-
Total Fund Balances (Deficit) (Note 3)	(258,467)	1,430,111	54,255	198,476
Total Liabilities and Fund Balances	\$ 2,690,428	\$ 2,202,534	\$ 866,004	\$ 423,805

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,303,067	\$ 3,350,172
91,839	1,594,155
65,171	2,442,144
7,909	24,409
158	185
43,478	43,478
4,840	119,291
7,705	61,881
954	3,742
23,812	23,812
-	68,435
<u>\$ 1,548,933</u>	<u>\$ 7,731,704</u>
\$ 63,607	\$ 702,402
1,445	383,433
6,765	48,187
13,259	24,199
116	116
-	4,197
14,925	500,677
8,851	45,166
-	199,308
108,733	1,434,894
5,520	1,466,081
-	172,160
270	1,067
<u>223,491</u>	<u>4,981,887</u>
-	575,064
-	964
4,840	119,291
7,705	61,881
102,456	102,456
28,317	49,619
-	66,724
-	(927,977)
805,717	2,325,388
331,487	331,487
44,920	44,920
<u>1,325,442</u>	<u>2,749,817</u>
<u>\$ 1,548,933</u>	<u>\$ 7,731,704</u>

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

June 30, 2009

(Dollars in Thousands)

Total fund balances - governmental funds (see Balance Sheet - Governmental Funds) \$ 2,749,817

When capital assets (land, buildings, equipment, improvements, construction-in-progress, 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 Assets includes those capital assets among the assets of the primary government as a whole.

Non Depreciable Capital Assets 5,330,672
 Depreciable Capital Assets 14,301,444

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 Assets.

Tax Note	(81,278)
Pension Liability	(978,157)
OPEB Liability	(115,751)
Capital Lease	(83,954)
Installment Purchases	(59,568)
Compensated Absences	(328,799)
Uninsured Employer's Fund	(22,302)
Regional Jails	(8,231)
Bonds	(4,627,478)
Notes	(15,739)
Accrued Interest Payable	(65,540)
Other Obligations	(104,629)
Pollution Remediation Liability	(2,472)

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 Assets. (110,306)

Other long-term payables are not due and payable in the current period and, therefore, are not reported in the funds. (203,295)

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. 500,677

Net assets of governmental activities (see Government-wide Statement of Net Assets) \$ 16,075,111

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, 2009

(Dollars in Thousands)

	General	Special Revenue		
		Commonwealth Transportation	Federal Trust	Literary
Revenues				
Taxes	\$ 14,248,875	\$ 1,938,598	\$ -	\$ -
Rights and Privileges	67,362	549,598	-	243
Institutional Revenue	6,402	-	-	-
Interest, Dividends, Rents, and Other Investment Income (Note 1)	122,092	52,219	2,220	22,075
Federal Grants and Contracts	-	798,683	7,305,109	-
Other (Note 25)	345,698	122,774	77,654	173,467
Total Revenues	14,790,429	3,461,872	7,384,983	195,785
Expenditures				
Current:				
General Government	1,670,552	1,967	124,432	1,045
Education	8,027,334	2,377	886,446	303,306
Transportation	11,863	3,671,070	15,778	-
Resources and Economic Development	288,560	10,568	173,700	-
Individual and Family Services	4,071,473	-	6,052,896	-
Administration of Justice	2,286,639	8,637	149,012	-
Capital Outlay	10,659	30,506	14,682	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Charges	-	-	-	-
Total Expenditures	16,367,080	3,725,125	7,416,946	304,351
Revenues Over (Under) Expenditures	(1,576,651)	(263,253)	(31,963)	(108,566)
Other Financing Sources (Uses)				
Transfers In (Note 30)	672,922	155,770	9,168	13,309
Transfers Out (Note 30)	(561,192)	(314,122)	(9,618)	-
Notes Issued	3,249	-	-	-
Insurance Recoveries	209	3,380	-	-
Capital Leases Initiated	77	787	-	-
Bonds Issued	-	-	-	-
Premium on Debt Issuance	-	-	-	-
Refunding Bonds Issued	-	-	-	-
Sale of Capital Assets	-	3,953	-	-
Payment to Refunded Bond Escrow Agents	-	-	-	-
Total Other Financing Sources (Uses)	115,265	(150,232)	(450)	13,309
Net Change in Fund Balances	(1,461,386)	(413,485)	(32,413)	(95,257)
Fund Balance, July 1, as restated (Note 2)	1,202,919	1,843,596	86,668	293,733
Fund Balance (Deficit), June 30 (Note 3)	\$ (258,467)	\$ 1,430,111	\$ 54,255	\$ 198,476

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 88,628	\$ 16,276,101
271,688	888,891
402,435	408,837
19,145	217,751
8,859	8,112,651
380,481	1,100,074
<u>1,171,236</u>	<u>27,004,305</u>
90,702	1,888,698
40,758	9,260,221
5,213	3,703,924
517,451	990,279
639,467	10,763,836
86,946	2,531,234
555,865	611,712
416,460	416,460
207,005	207,005
<u>2,559,867</u>	<u>30,373,369</u>
(1,388,631)	(3,369,064)
719,467	1,570,636
(91,217)	(976,149)
17,885	21,134
4,399	7,988
-	864
645,995	645,995
46,347	46,347
68,203	68,203
37	3,990
(74,361)	(74,361)
<u>1,336,755</u>	<u>1,314,647</u>
(51,876)	(2,054,417)
1,377,318	4,804,234
<u>\$ 1,325,442</u>	<u>\$ 2,749,817</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, 2009
(Dollars in Thousands)

Net Change in fund balances - total government funds (See Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds)	\$ (2,054,417)
<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 assets decrease by the amount of depreciation expense charged for the year.</p>	
Net Non-Depreciable Capital Assets	116,819
Net Depreciable Capital Assets	1,584,622
Net Depreciation Expense	(614,447)
<p>Debt proceeds provide current financial resources to governmental funds by issuing debt, which increases long-term debt in the Statement of Net Assets.</p>	
Debt Issuance	(645,995)
Capital Lease Proceeds	(863)
Bond Premiums	(46,347)
Refunding Bonds Issued	(68,203)
Installment Purchase Proceeds	(21,134)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the Statement of Net Assets.</p>	
Debt Service Fund Repayment of Debt Principal	416,460
Repayment of Debt Principal in Other Funds:	
Installment Purchases	17,392
Pollution Remediation Liability	525
Regional Jails	2,634
<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 Assets.</p>	
	74,361
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
	59,390
<p>Increases/decreases of expenses associated with long-term debt reported in the Statement of Activities 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	(109,567)
Increase in OPEB Liability	(59,493)
Increase in Other LT Liabilities	(81,984)
Increase in Other Liabilities	(54,008)
Decrease in Compensated Absences	8,504
Decrease in Interest Expense, Amortization of Deferrals on Long-term Debt and accrued interest liability	6,224
<p>Net Decrease in Due to Component Units for Capital and Other Projects resulting from appropriation reductions, which are not reported as expenditures in the fund statements.</p>	
	222,548
<p>The net revenue (expenses) of certain activities of internal service funds is reported within governmental activities.</p>	
	(76,046)
Change in net assets of governmental activities (See Government-wide Statement of Activities)	\$ (1,323,025)

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