
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 received by the Commonwealth except those received by the Commonwealth Transportation Fund, the Unemployment Compensation Fund, certain Medicaid reimbursements recorded in the General 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 193 in the Combining and Individual Fund Statements and Schedules section of this report.

Balance Sheet – Governmental Funds

June 30, 2013

(Dollars in Thousands)

	General	Special Revenue		
		Commonwealth Transportation	Federal Trust	Literary
Assets and Deferred Outflows of Resources				
Cash and Cash Equivalents (Notes 1 and 6)	\$ 251,489	\$ 1,895,819	\$ 122,972	\$ 29,235
Investments (Notes 1 and 6)	1,849,775	7,816	300	319
Receivables, Net (Notes 1 and 7)	1,726,908	292,675	786,679	222,109
Due from Other Funds (Note 9)	35,046	21,706	2,622	-
Due from External Parties (Fiduciary Funds) (Note 9)	12	-	-	-
Interfund Receivable (Note 9)	-	-	-	-
Inventory (Note 1)	43,730	70,752	15,921	-
Prepaid Items (Note 1)	76,654	6,637	1,819	-
Other Assets (Notes 1 and 10)	968	422	3,223	-
Loans Receivable from Component Units (Notes 1 and 9)	-	-	-	-
Restricted Cash and Cash Equivalents (Notes 6 and 11)	-	746,402	-	-
Total Assets	3,984,582	3,042,229	933,536	251,663
Deferred Outflows of Resources				
	-	-	-	-
Total Assets and Deferred Outflow s	\$ 3,984,582	\$ 3,042,229	\$ 933,536	\$ 251,663
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Accounts Payable (Notes 1 and 23)	\$ 253,020	\$ 319,176	\$ 132,389	\$ 34
Amounts Due to Other Governments	381,830	1	225,141	-
Due to Other Funds (Note 9)	47,667	38,691	10,511	-
Due to Component Units (Note 9)	6,969	-	4,379	-
Due to External Parties (Fiduciary Funds) (Note 9)	12,468	2,933	1,516	-
Interfund Payable (Note 9)	13,151	26,000	6,409	-
Deferred Revenue (Note 1)	888,015	32,690	80,653	15,904
Unearned Revenue (Note 1)	-	48,420	4,871	-
Deferred Taxes (Note 1)	486,009	-	-	-
Obligations Under Securities Lending Program (Notes 1 and 6)	264,326	152,784	5,858	6,227
Other Liabilities (Notes 1 and 24)	992,040	7,699	353,876	-
Loans Payable to Component Units (Notes 1 and 9)	-	-	-	165,720
Long-term Liabilities Due Within One Year (Notes 1, 20, and 25)	1,143	54	84	-
Total Liabilities	3,346,638	628,448	825,687	187,885
Deferred Inflows of Resources				
	-	-	-	-
Total Liabilities and Deferred Inflow s	3,346,638	628,448	825,687	187,885
Fund Balances (Note 3):				
Nonspendable	120,384	77,389	17,740	-
Restricted	961,829	290,920	90,109	63,778
Committed	502,650	2,045,472	-	-
Assigned	-	-	-	-
Unassigned	(946,919)	-	-	-
Total Fund Balances	637,944	2,413,781	107,849	63,778
Total Liabilities, Deferred Inflow s, and Fund Balances	\$ 3,984,582	\$ 3,042,229	\$ 933,536	\$ 251,663

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 778,205	\$ 3,077,720
49,066	1,907,276
87,628	3,115,999
8,232	67,606
91	103
125,663	125,663
5,275	135,678
17,977	103,087
1,934	6,547
27,339	27,339
-	746,402
1,101,410	9,313,420
-	-
\$ 1,101,410	\$ 9,313,420
\$ 57,199	\$ 761,818
376	607,348
4,872	101,741
9	11,357
2,258	19,175
-	45,560
42,640	1,059,902
6,379	59,670
-	486,009
13,487	442,682
2,822	1,356,437
-	165,720
139	1,420
130,181	5,118,839
-	-
130,181	5,118,839
53,773	269,286
392,301	1,798,937
510,734	3,058,856
14,421	14,421
-	(946,919)
971,229	4,194,581
\$ 1,101,410	\$ 9,313,420

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

June 30, 2013

(Dollars in Thousands)

Total fund balances - governmental funds (see Balance Sheet - Governmental Funds)	\$ 4,194,581
<p>When capital assets (land, buildings, equipment, construction-in-progress, 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.</p>	
Nondepreciable Capital Assets	6,892,656
Depreciable Capital Assets	19,819,242
<p>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.</p>	
Tax Note	(20,319)
Pension Liability	(1,853,325)
OPEB Liability	(485,529)
Capital Leases	(55,794)
Installment Purchases	(74,147)
Compensated Absences	(310,784)
Uninsured Employer's Fund	(29,606)
Regional Jails	(837)
Bonds	(6,385,220)
Notes	(8,764)
Accrued Interest Payable	(84,809)
Other Obligations	(78,702)
Pollution Remediation Liability	(3,494)
<p>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 Position.</p>	
	(567,514)
<p>Other long-term payables are not due and payable in the current period and, therefore, are not reported in the funds.</p>	
	(214,482)
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.</p>	
	1,032,916
<p>Deferred inflows associated with Service Concession Arrangements are long-term in nature and therefore not reported in the funds.</p>	
	(1,582,014)
Net position of governmental activities (see Government-wide Statement of Net Position)	\$ 20,184,055

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, 2013

(Dollars in Thousands)

	Special Revenue			
	General	Commonwealth Transportation	Federal Trust	Literary
Revenues				
Taxes	\$ 17,164,170	\$ 2,148,221	\$ -	\$ -
Rights and Privileges	78,033	563,380	-	357
Institutional Revenue	37,257	-	-	-
Interest, Dividends, Rents, and Other Investment Income	27,097	26,820	643	14,171
Federal Grants and Contracts	6,354	1,433,874	8,472,811	-
Other (Note 26)	570,761	134,343	150,141	145,065
Total Revenues	17,883,672	4,306,638	8,623,595	159,593
Expenditures				
Current:				
General Government	2,166,722	3,306	183,715	29
Education	7,593,568	2,416	1,066,113	205,379
Transportation	172	4,589,704	16,075	-
Resources and Economic Development	394,071	12,817	160,692	-
Individual and Family Services	5,351,483	-	7,119,666	-
Administration of Justice	2,447,374	9,749	34,692	-
Capital Outlay	7,070	15,681	14,986	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Charges	-	-	-	-
Total Expenditures	17,960,460	4,633,673	8,595,939	205,408
Revenues Over (Under) Expenditures	(76,788)	(327,035)	27,656	(45,815)
Other Financing Sources (Uses)				
Transfers In (Note 31)	711,045	109,342	17,799	12,011
Transfers Out (Note 31)	(510,531)	(331,977)	(37,409)	-
Notes Issued	477	-	-	-
Insurance Recoveries	53	59	69	-
Capital Leases Issued	50	-	-	-
Bonds Issued	-	120,625	-	-
Premium on Debt Issuance	-	23,974	-	-
Refunding Bonds Issued	-	-	-	-
Sale of Capital Assets	1,279	79,485	-	-
Payment to Refunded Bond Escrow Agents	-	-	-	-
Total Other Financing Sources (Uses)	202,373	1,508	(19,541)	12,011
Net Change in Fund Balances	125,585	(325,527)	8,115	(33,804)
Fund Balance, July 1, as restated (Note 2)	512,359	2,739,308	99,734	97,582
Fund Balance, June 30	\$ 637,944	\$ 2,413,781	\$ 107,849	\$ 63,778

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 87,792	\$ 19,400,183
314,748	956,518
322,786	360,043
14,235	82,966
-	9,913,039
350,074	1,350,384
<u>1,089,635</u>	<u>32,063,133</u>
70,011	2,423,783
18,821	8,886,297
7,036	4,612,987
308,962	876,542
567,618	13,038,767
74,201	2,566,016
181,184	218,921
473,695	473,695
289,087	289,087
<u>1,990,615</u>	<u>33,386,095</u>
(900,980)	(1,322,962)
775,202	1,625,399
(60,126)	(940,043)
21,035	21,512
898	1,079
157	207
143,400	264,025
60,901	84,875
200,620	200,620
15,000	95,764
(258,025)	(258,025)
<u>899,062</u>	<u>1,095,413</u>
(1,918)	(227,549)
973,147	4,422,130
<u>\$ 971,229</u>	<u>\$ 4,194,581</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, 2013
(Dollars in Thousands)

Net Change in fund balances - total government funds (See Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds)	\$ (227,549)
<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 position decreases by the amount of depreciation expense charged for the year.</p>	
Nondepreciable Capital Assets Constructed/Acquired	2,116,548
Nondepreciable Capital Assets Disposed	(192,033)
Depreciable Capital Assets Acquired	1,652,059
Depreciable Capital Assets Disposed	(252,475)
Depreciation Expense	(900,039)
<p>Debt proceeds provide current financial resources to governmental funds by issuing debt, which increases long-term debt in the Statement of Net Position.</p>	
Debt Issuance	(264,025)
Capital Lease Proceeds	(207)
Bond Premiums	(84,875)
Refunding Bonds Issued	(200,620)
Installment Purchase Proceeds	(21,512)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the Statement of Net Position.</p>	
Debt Service Fund Repayment of Debt Principal	473,695
<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 Position.</p>	
	258,025
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
	64,694
<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	(212,409)
Increase in OPEB Liability	(85,355)
Increase in Other Long-term Liabilities	(1,480)
Increase in Compensated Absences	(2,179)
Decrease in Interest Expense, Amortization of Deferrals on Long-term Debt and accrued interest liability	62,606
Decrease in Other Liabilities	21,281
<p>Net Increase in Due to Component Units for Capital and Other Projects resulting from appropriation reductions or amounts due to Federal Governments for interest and rebate repayments, which are not reported as expenditures in the fund statements.</p>	
	(14,082)
<p>The net revenue (expenses) of certain activities of internal service funds is reported within governmental activities.</p>	
	(83,228)
<p>The amortization of deferred inflows associated with Service Concession Arrangements are not included in the funds.</p>	
	(1,046,751)
Change in net position of governmental activities (See Government-wide Statement of Activities)	\$ 1,060,089

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