



# FINANCIAL REPORT

JUNE 30, 2006





# FINANCIAL REPORT

**Timothy M. Kaine**

Governor

**Pierce Homer**

Secretary of Transportation

**Gregory A. Whirley**

Acting Commissioner Department of Transportation

JUNE 30, 2006

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# FINANCIAL REPORT

INTRODUCTORY SECTION

JUNE 30, 2006



# COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION  
1401 EAST BROAD STREET  
RICHMOND, VIRGINIA 23219-2000

David S. Ekern, P.E.  
COMMISSIONER

February 6, 2007

## Letter of Transmittal

The Comprehensive Annual Financial Report (CAFR) of the Virginia Department of Transportation (VDOT) for the fiscal year ended June 30, 2006 is hereby submitted. The report reflects the operation of the Highway Maintenance and Operating Fund, the Transportation Trust Fund, various toll facilities operated by the Department and other funds. This CAFR conforms with generally accepted accounting principles as established by the Governmental Accounting Standards Board (GASB) and complies with provisions of the Comptroller's Directive No. 2-06, "Financial Statement Preparation." The statements presented in this report are un-audited. Audited VDOT financial information is included in the Commonwealth Comprehensive Annual Financial Report (CAFR), which is audited by the Auditor of Public Accounts.

The VDOT CAFR has been prepared by VDOT, whose management is responsible for both the integrity and objectivity of the financial statements, as well as other information presented herein. The combined financial statements are considered by management to present fairly, VDOT's financial position and results of operations and changes in fund balances. The data presented is accurate in all material respects and all disclosure necessary to enable the reader to obtain a thorough understanding of our financial activities has been included.

The CAFR is presented in four sections; the Introductory Section includes this transmittal letter, an agency overview and VDOT's organizational chart. The Financial Section includes the Management Discussion and Analysis (MD&A) of VDOT's overall changes in financial position. The Basic Financial Statements Section includes the government-wide and fund financial statements along with accompanying notes. The Required Supplementary Information section includes budgetary comparison schedules, underlying combining fund financial statements and supporting schedules.

Sincerely,

A handwritten signature in cursive script that reads "Janice Long".

Janice Long  
Controller, VDOT

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## AGENCY OVERVIEW

### **Virginia Department of Transportation Organization**

Virginia Department of Transportation (VDOT) is responsible for building, maintaining and operating the state's roads, bridges and tunnels. The agency has one central office and nine district offices. VDOT has approximately 9,000 employees, which is a reduction from 10,200 employees as recently as fiscal year 2003. The 17-member Commonwealth Transportation Board guides the Department's work, much like a board of directors. The Secretary of Transportation serves as chairman and the Commonwealth Transportation Commissioner as vice-chairman. Members are appointed by the Governor and approved by the General Assembly. Pocahontas Parkway Association is a blended component unit of the agency.

### **Transportation System**

Virginia has the third largest state-maintained highway system in the United States with an annual operating budget of approximately \$3 billion. VDOT maintains over 57,000 miles of interstate, primary, and secondary roads and distributes state funds to help maintain 10,000 miles of urban streets. VDOT not only maintains the roads, but also is responsible for more than 12,600 bridges, 4 underwater tunnels, 2 mountain tunnels, 3 toll roads, 1 toll bridge, 4 ferry services, 41 rest areas, and 107 commuter parking lots.

### **Mission**

The mission of VDOT is to plan, develop, deliver and maintain on time and on budget the best possible transportation system that ensures the mobility of all people and goods, enhances economic prosperity and preserves the quality of our environment and communities.

### **Values**

VDOT has five fundamental principles which guide the behavior and actions of its employees and organization. They include:

- **Safety and Security:** Safety will never be compromised. VDOT is committed to ensure that the security of its people and assets are never taken for granted.
- **Truth, Trust and Teamwork:** VDOT creates trust by always seeking and telling the truth. Trust fosters true teamwork, with all people pulling their share and sharing their talents.
- **Environmental Excellence:** The agency conducts its business activities in a manner that respects Virginia's natural and historical resources.
- **Action and Accountability:** VDOT knows what its job is and does it. If the employees have questions, they ask. The agency is willing to stand up for its actions and to accept responsibility for them.
- **Results and Respect:** VDOT takes action to produce results and measure its progress. By producing results, the agency earns, gains, and retains the respect of its customers and partners.

## **VDOT Accomplishments and Highlights for Fiscal Year 2006**

- ***VDOT marks centennial***

On March 6, 1906 Virginia Department of Transportation (VDOT) was formed as the State Highway Commission. In 1906, roads were mostly mud and rocks, with crews using mules and manual equipment to build pathways for vehicles. A century later VDOT has built and manages an extensive network of highways, bridges, and tunnels of more than 57,500 miles.

- ***VDOT completed more projects on time and on budget for fiscal year 2006.***

Each year, VDOT administration sets goals for the agency. The primary goals are to complete construction and maintenance projects on time and on budget and improve financial management and business operations. VDOT has continued to improve the number of construction and maintenance projects completed on time. In addition, major milestones were reached on major projects. Traffic crossed over the new Woodrow Wilson Bridge, one of the nation's largest projects. On the Springfield Interchange Project, a new I-95 north bridge to the Outer Loop of the Capital Beltway was opened. Also completed was the Pinner's Point Interchange in Portsmouth.

### Deadlines

Construction contracts completed on time:

FY 2006 84 percent

FY 2005 75 percent

FY 2004 36 percent

FY 2003 27 percent

Maintenance contracts completed on time:

FY 2006 79 percent

FY 2005 73 percent

FY 2004 51 percent

FY 2003 38 percent

### Budgets

Construction contracts completed within budget :

FY 2006 86 percent

FY 2005 78 percent

FY 2004 73 percent

FY 2003 65 percent

Maintenance contracts completed within budget :

FY 2006 88 percent

FY 2005 80 percent

FY 2004 81 percent

FY 2003 80 percent

- ***Public-Private Partnerships***

VDOT is leveraging public-private partnerships to get the most value for taxpayers dollars.

- This year VDOT along with its private sector partner Kellogg Brown and Root (KBR), moved to advance the Coalfields Expressway project with Pioneer Group, Inc. and Alpha Natural Resources LLC. Both companies have agreed to step forward to advance the project under the Public Private Transportation Act (PPTA). Under the agreement, Pioneer and Alpha will assume all the obligations and responsibilities for the next phase of development of the Coalfields Expressway project under the PPTA. KBR recently completed preliminary design and engineering for Section A of the corridor through the PPTA process.
- During FY 2006 VDOT entered into negotiations to expand high occupancy vehicle (HOV) lanes on Interstate 95/395 into high occupancy toll (HOT), bus and HOV lanes. In October 2006, VDOT signed an interim agreement with Fluor Enterprises and Transurban (USA) Inc to establish a business relationship between VDOT and the project team to move ahead on future project decisions.
- Effective July 1, 2006, Transurban (895) LLC assumed the rights and obligations to manage, operate, maintain and collect tolls on the Pocahontas Parkway (Route 895, Richmond region) for a period of 99 years. VDOT and Transurban (895) LLC will pursue innovative refinancing practices to build the Airport Connector, a vital transportation link in the area. VDOT will continue to own the road and the agreement specifies requirements for hand back of the facility in acceptable condition at the end of the 99 year contract term.

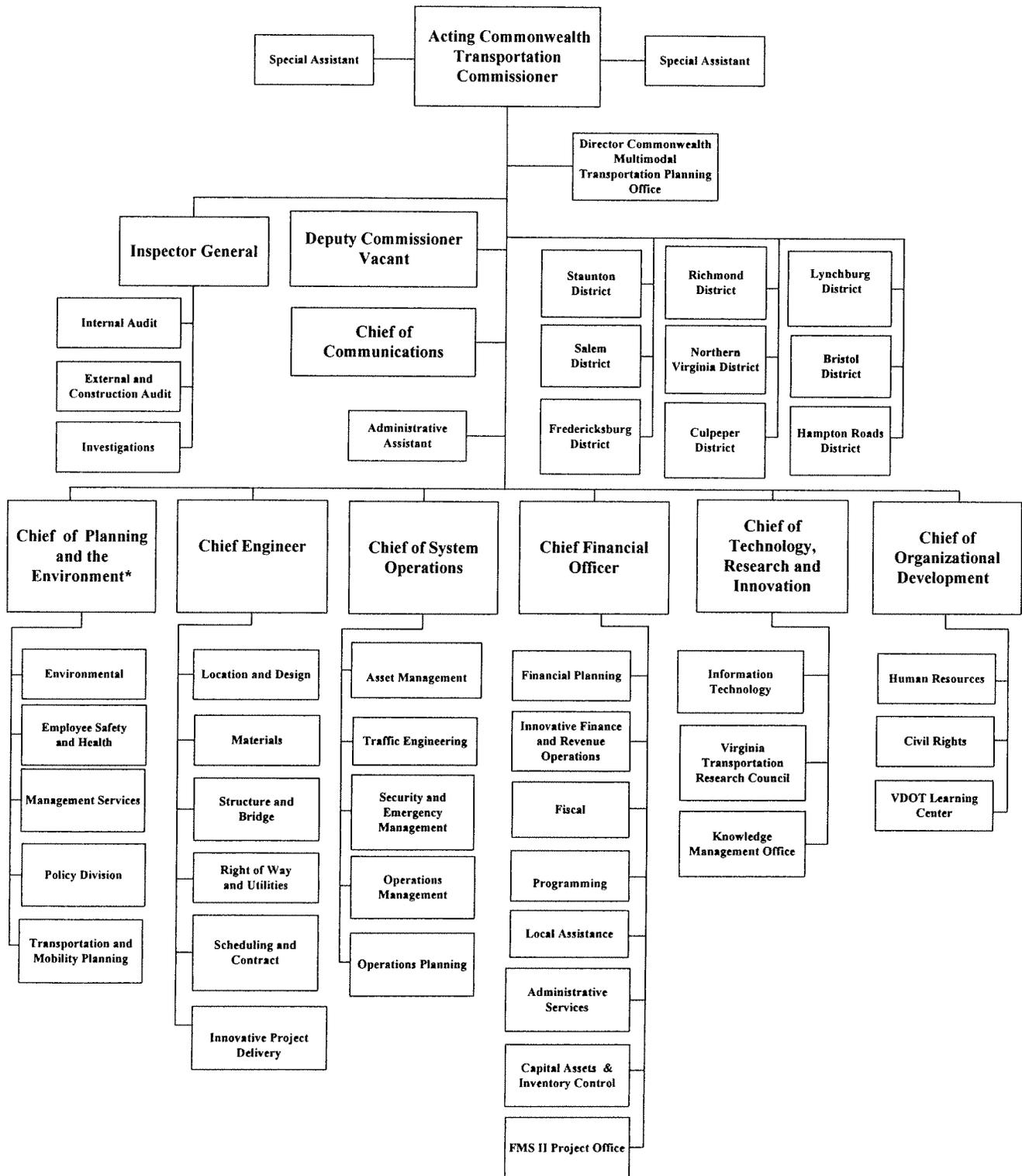
- ***Smart Tag Electronic Toll Collection***

On May 24, 2006 the 1 millionth transponder was issued. Smart Tag first became available for use on the Dulles Toll Road in April 1996 and now is accepted on seven toll systems in Virginia as well as New Hampshire, Maine, New York, New Jersey, Pennsylvania, Delaware, Massachusetts, West Virginia, Maryland and Illinois.

- ***Toll Violation Cameras***

Cameras to catch toll violators are starting to be put in place on the Powhite Parkway Extension in the Richmond area, the Dulles Toll Road in Northern Virginia and the Coleman Bridge in Hampton Roads. This system will be tested through the end of this year. Toll violation notices will be sent out beginning in early 2007. Notices will state the date of the violation and will include a photo of the license plate taken at the time of the violation. When implemented, toll booth gates will not be used in electronic toll lanes except where necessary for safety reasons.

**Virginia Department of Transportation**  
*Organizational Structure*



*\*Though listed under a different working title, this position meets the statutory requirement in Section 33.1-8 of the Code of Virginia for the Commonwealth Transportation Commissioner to hire an assistant commissioner for the environment, transportation planning, and regulatory affairs*

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# FINANCIAL REPORT

FINANCIAL SECTION

JUNE 30, 2006

**Management's Discussion  
and Analysis**

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## Management's Discussion and Analysis

As management of the Virginia Department of Transportation, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Virginia Department of Transportation for the fiscal year ended June 30, 2006. We encourage readers to consider the information presented here in conjunction with the additional information presented in our financial statements. **All amounts, unless otherwise indicated, are expressed in millions of dollars.**

### FINANCIAL HIGHLIGHTS

#### Government-wide Highlights

- The assets of the Virginia Department of Transportation exceeded its liabilities at the end of the fiscal year 2006 by \$13,059 (*net assets*). The Virginia Department of Transportation's total net assets increased by \$866. Net assets of governmental activities increased \$726, while the net assets of business-type activities increased by \$140.

#### Fund Highlights

At the end of the fiscal year, the special revenue and debt service funds of the Virginia Department of Transportation reported a combined ending fund balance of \$1,696, an increase of \$410. Of this total fund balance, \$1,454 represents unreserved fund balance and the remaining \$242 represents amounts reserved for specific purposes. Pocahontas Parkway enterprise fund did not report any net assets due to the agreement between the Pocahontas Parkway Association (PPA) and Transurban (895) LLC for Transurban (895) LLC to assume the rights and obligations to maintain and collect tolls on the Pocahontas Parkway.

#### Long-term Debt

- The Department's total debt (bonds and notes payable) for governmental activities increased \$205 in fiscal year 2006. Total debt for business type activities decreased \$463 because all of the assets and obligations of the enterprise (PPA) were transferred to Transurban (895) LLC in fiscal year 2006.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Virginia Department of Transportation's basic financial statements. The Virginia Department of Transportation's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

## Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Virginia Department of Transportation's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Virginia Department of Transportation's assets and liabilities, with the differences between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Virginia Department of Transportation is improving or deteriorating.

The *statement of activities* presents information showing how the Department's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Virginia Department of Transportation that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through fees (*business-type activities*). The governmental activities of Virginia Department of Transportation include new highway construction and the maintenance of existing highways. Motor vehicle fuels taxes, motor vehicle sales & use taxes, motor vehicle license fees, state sales & use taxes, and federal transportation revenues finance most of the Department's activities. The business-type activities of the Virginia Department of Transportation include operations of the Pocahontas Parkway Association. The Pocahontas Parkway Association is a blended component unit. Though a separate legal entity, it serves or benefits the primary government almost exclusively. See note 1B of the financial statement notes for more information.

## Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Virginia Department of Transportation, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Virginia Department of Transportation can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds:** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements are prepared on a modified accrual basis and focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements.

This may help readers better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Virginia Department of Transportation reports the following governmental fund types:

- **Special Revenue Funds:** There are seven individual special revenue funds reported as major funds in the governmental statements. They account for the ordinary operations of the Virginia Department of Transportation and are supported by revenues from specific revenue sources. There are also fourteen nonmajor funds included, detailed in the form of *combining statements*.
- **Debt Service Funds:** There are nine debt service funds reported to account for the accumulation of resources used to pay the principal and interest on long-term obligations recorded in the government-wide statements.

**Proprietary Fund:** In previous years and most of fiscal year 2006, the Virginia Department of Transportation maintained an enterprise fund (a type of proprietary fund) to account for the activities of a blended component unit for Route 895 (Pocahontas Parkway), which was operated by the Pocahontas Parkway Association. *Enterprise funds* are used to report the same functions presented as *business-type activities* in government-wide financial statements. However, the activities of the Pocahontas Parkway enterprise were transferred to Transurban (895) LLC on July 1, 2006. A complete explanation of the Pocahontas Parkway Association is presented in Note 1B of the financial statement notes.

**Fiduciary Funds:** Fiduciary funds are used to account for resources held by the Virginia Department of Transportation in a trustee capacity or as a fiscal agent on behalf of others, in a custodial nature and do not involve measurement of results of operations. Fiduciary funds are *not* reflected in the government-wide and fund financial statements because the resources of these funds are *not* available to support the Virginia Department of Transportation's own programs.

## Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## Required Supplementary Information

This section includes budgetary comparison schedules for special revenue funds. Combining statements for nonmajor funds are also included in this section.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve as a useful indicator of a government's financial position. In the case of the Virginia Department of Transportation, assets exceeded liabilities by \$13,059 at the close of fiscal year 2006.

By far the largest portion of the Virginia Department of Transportation's net assets (88%) reflects its investment in capital assets. The Virginia Department of Transportation's capital assets are mainly composed of the highway infrastructure and represent the Department's mission. Although the Virginia Department of Transportation's investment in capital assets are shown in the Net Assets table net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### Statement of Net Assets:

The following table represents the condensed Statement of Net Assets:

#### Virginia Department of Transportation Net Assets as of June 30, 2006 and 2005

	Governmental activities		Business-type activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 2,319.0	\$ 1,932.2	\$ 0.9	\$ 48.3	\$2,319.9	\$1,980.5
Capital assets	13,610.5	13,064.4	-	299.3	13,610.5	\$13,363.7
Total assets	<u>15,929.5</u>	<u>14,996.6</u>	<u>0.9</u>	<u>347.6</u>	<u>15,930.4</u>	<u>15,344.2</u>
Current liabilities	697.7	699.6	0.9	8.8	698.6	708.4
Non-current liabilities	2,172.7	1,963.8	-	479.1	2,172.7	2,442.9
Total liabilities	<u>2,870.4</u>	<u>2,663.4</u>	<u>0.9</u>	<u>487.9</u>	<u>2,871.3</u>	<u>3,151.3</u>
Net assets:						
Invested in capital assets						
net of related debt	11,532.7	11,188.3	-	(162.7)	11,532.7	11,025.6
Restricted	559.5	255.5	-	42.4	559.5	297.9
Unrestricted	966.8	889.4	-	(20.0)	966.8	869.4
*Total net assets	<u>\$ 13,059.1</u>	<u>\$ 12,333.2</u>	<u>\$ -</u>	<u>\$ (140.3)</u>	<u>\$ 13,059.1</u>	<u>\$ 12,192.9</u>

\* FY 2005 was restated for correction of capital asset balances.

An additional portion of the Virginia Department of Transportation's net assets (4 %) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$967 may be used to meet the department's ongoing obligations.

Net assets for business-type activities reported a zero amount due to the assumption of rights and obligations for the Pocahontas Parkway by an outside entity in fiscal year 2006.

The Virginia Department of Transportation's net assets for governmental activities increased \$726 (6%) in fiscal year 2006. The increase was largely the result of added capitalization of infrastructure.

**Statement of Changes in Net Assets:**

The following table represents the condensed Statement of Changes in Net Assets:

Virginia Department of Transportation  
Changes in Net Assets  
For Fiscal Years Ended June 30, 2006 and 2005

	Governmental activities		Business-type activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for services	\$350.3	\$323.1	\$11.7	\$10.3	\$ 362.0	\$ 333.4
Capital grants and contributions	866.5	923.2	0.0	0.0	866.5	923.2
General revenues:						
Motor vehicle taxes	1,427.2	1,415.4	0.0	0.0	1,427.2	1,415.4
Sales and use tax	399.4	354.8	0.0	0.0	399.4	354.8
Other taxes	0.8	0.7	0.0	0.0	0.8	0.7
Investment earnings	36.2	27.0	2.1	2.1	38.3	29.1
Other revenues	61.2	37.4	1.6	1.3	62.8	38.7
Transfers to/from other state agencies and	(85.7)	(1.7)	0.0	0.0	(85.7)	(1.7)
Other financing sources (uses)	(1.0)	(0.7)	164.2	(0.2)	163.2	(0.9)
Insurance Recoveries	0.5	0.0	0.0	0.0	0.5	0.0
Total revenue	<u>3,055.4</u>	<u>3,079.2</u>	<u>179.6</u>	<u>13.5</u>	<u>3,235.0</u>	<u>3,092.7</u>
Expenses						
Administrative and support services	252.8	193.9	0.0	0.0	252.8	193.9
Planning and research	14.1	20.3	0.0	0.0	14.1	20.3
Highway system acquisition and construction	387.1	367.8	0.0	0.0	387.1	367.8
Highway system acquisition and construction Bonds	89.8	24.2	0.0	0.0	89.8	24.2
Highway system maintenance	872.5	931.9	0.0	0.0	872.5	931.9
Ground transportation system	26.5	12.6	0.0	0.0	26.5	12.6
Financial assistance to localities	590.9	577.7	0.0	0.0	590.9	577.7
Environmental monitoring and Compliance	4.6	0.4	0.0	0.0	4.6	0.4
Land management	0.8	0.7	0.0	0.0	0.8	0.7
Toll facilities	56.0	42.5	0.0	0.0	56.0	42.5
Unallocated depreciation	7.2	5.2	0.0	0.0	7.2	5.2
Transfers to other state agencies	27.2	23.9	0.0	0.0	27.2	23.9
Pocahontas Parkway	0.0	0.0	39.3	38.7	39.3	38.7
Total expenses	<u>2,329.5</u>	<u>2,201.1</u>	<u>39.3</u>	<u>38.7</u>	<u>2,368.8</u>	<u>2,239.8</u>
Change in net assets	725.9	878.1	140.3	(25.2)	866.2	852.9
Net assets - July 1 * as restated	<u>12,333.2</u>	<u>11,455.1</u>	<u>(140.3)</u>	<u>(115.1)</u>	<u>12,192.9</u>	<u>11,340.0</u>
Net assets - June 30	<u>\$ 13,059.1</u>	<u>\$ 12,333.2</u>	<u>\$ -</u>	<u>\$ (140.3)</u>	<u>\$ 13,059.1</u>	<u>\$ 12,192.9</u>

\*FY 06 Beg. Net Assets restated for correction of prior year capital asset balances (note 5).

**Governmental activities:** Governmental activities increased the Virginia Department of Transportation's net assets by \$726. Key elements of this increase are as follows:

- Program revenues decreased by \$29, or 2 percent over the last fiscal year. This decrease reflects a restatement of fiscal year 2005 capital grants and contributions of \$43. The decrease is offset by the increases in Dulles Toll Road and Rights and Privileges revenues.
- Total general revenues increased by \$66 or 4 percent from fiscal year 2005, with increases primarily in motor vehicle sales & use taxes and investment earnings.

For the fiscal year ended June 30, 2006, the Virginia Department of Transportation's expenditures from governmental activities totaled \$2,330, an increase of \$128 from the previous year. Most of the change is attributable to increases in administrative and support services, toll facilities operations and construction costs and ground transportation system safety charges. Also contributing to the increase is higher assistance to localities, which includes the cost of urban infrastructure that is turned over to the localities.

**Business-type activities:** The Pocahontas Parkway Association (The Association) experienced its fourth full year of operation in 2006. Toll revenues increased by \$1.3 million or 13% over the previous year. A change in the toll rate effective January 1, 2006, provided most of the increase in revenues. During the fiscal year, 5,746,292 vehicles used the toll road, averaging about 110,505 vehicles per week which represents a small increase over the previous year. On June 21, 2006, the Association signed an Asset Purchase Agreement with Transurban (895) LLC (Transurban) under which all assets and rights of the Association under the Comprehensive Agreement with the Virginia Department of Transportation dated June 3, 1998, were transferred to Transurban. On June 29, 2006, Transurban transferred sufficient funds and securities to the Association's Trustee (SunTrust Bank) to pay or defease all outstanding bonds of the Association. In addition, Transurban simultaneously transferred funds to the Virginia State Treasury to pay all other outstanding obligations owed to the Virginia Department of Transportation. The fiscal 2006 financial statements reflect sale of the assets and payment of the debts and obligations. The remaining account balances as of June 30, 2006, are primarily funds in transit at the time of the transfer and have since been paid to the purchaser in accordance with the Asset Purchase Agreement. The Association was formally dissolved and terminated by the State Corporation Commission on July 26, 2006.

### **Financial Analysis of the Department's Funds**

As noted earlier, the Virginia Department of Transportation uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Individual governmental funds can be viewed in the Basic Financial Statements section of the VDOT annual report.

**Governmental funds:** The focus of the Virginia Department of Transportation's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Virginia Department of Transportation's financing requirements.

The Virginia Department of Transportation ended the fiscal year with a fund balance of \$1,696, an increase of \$410 from the prior year. The increase in fund balance was largely the result of revenues and other financing sources exceeding expenditures and other financing uses for the fiscal year. Revenues increased 2% while expenditures decreased 3%. Changes in expenditures included a 6% decrease in maintenance expenditures, mostly for primary and secondary road maintenance and 26% decrease in construction expenditures. Revenues and other financing sources included bond proceeds of \$265 and \$100 from Camp 30 notes payable that were issued in fiscal year 2006. The ending fund balance includes an unreserved fund balance amount of \$1,454. The Virginia Department of Transportation has commitments related to operating leases, right of way acquisitions and other contractual commitments related to current construction projects and planned maintenance activities. Note 3 of the notes to the financial statements provides a complete explanation of these amounts.

The Virginia Department of Transportation's main operating funds consist of the Highway Maintenance and Operating Fund (HMO), and the Transportation Trust Fund (Construction). These funds are reported as major funds in the governmental fund statements along with the Federal Highway Fund, Priority Transportation Fund, Federal Highway Reimbursement Anticipation Notes Fund, Route 58 Special Revenue Fund and Toll Facilities Revolving Fund. The major funds that showed significant changes in fund balance between fiscal years 2006 and 2005 are as follows:

- The fund balance of the Highway Maintenance and Operating Fund decreased by \$54 in fiscal year 2006 over the previous year. The decrease in other financing sources and the increase in other financing uses provided most of the decrease in fund balance. While total revenues increased by \$15 or 1.2 percent and total expenditures decreased by \$35 or 2.2 percent, other financing sources decreased by \$53 or 21.3 percent and other financing uses increased by \$46. The decrease in other financing sources is primarily due to a decrease in budgeted transfers from Construction Fund (crossover transfer recipient), \$186 in fiscal year 2006 compared to \$249 in fiscal year 2005. On the other hand, the increase in other financing uses resulted from a transfer of \$31 of fiscal year 2006 excess revenue to Priority Transportation Fund and \$14.5 to Construction Fund.
- Changes in the fund balance of the Construction Fund were an increase of \$127 in fiscal year 2006 compared to a decrease in fiscal year 2005 of \$37. Total revenues decreased by \$132 or 15 percent. The decrease in revenues is mostly due to the transfer of \$200 from the General Fund in fiscal year 2005 as a part of the 2005 Transportation Initiative compared to a zero amount of such transfer in fiscal year 2006. Total expenditures decreased by \$226 and other financing uses decreased \$70. The decrease in expenditures is related to a significant decrease in highway system acquisition and construction of \$232 or 43.1% in fiscal year 2006. This is due to increased use of the FRAN and Priority Transportation Funds for construction expenditures in fiscal 2006. The decrease in other financing uses is primarily due to a decrease in budgeted transfers to Highway Maintenance and Operating Fund (crossover transfer payment), \$186 in fiscal year 2006 compared to \$249 in fiscal year 2005.
- Changes in the fund balance of the Priority Transportation Fund were a decrease of \$57 in fiscal year 2006 compared to an increase of \$3 in fiscal year 2005. The decrease in fund balance is primarily due to an increase in construction expenditures and a decrease in

transfers from other funds. Revenues increased by \$114, or 188 percent due primarily to an increase of \$108 provided by the general fund over the previous year. Total expenditures increased by \$109 and other financing sources decreased by \$37, or 40 percent. Construction expenditures were paid from the Priority Transportation Fund in fiscal year 2006, while there was only a small amount of construction expenditures paid from the fund in fiscal year 2005.

- Changes in the fund balance of the Federal Highway Reimbursement Anticipation Notes (FRAN) Fund were an increase of \$168 in fiscal year 2006 compared to a decrease of \$22 in fiscal year 2005. The increase in fund balance is primarily due to an increase of \$263 in bond proceeds in fiscal year 2006. Interest and dividend revenues increased \$7 in fiscal year 2006 due to increase in investment from the new FRAN bond proceeds. Total expenditures increased by \$95. This is due to increased use of the FRAN Fund for construction expenditures in fiscal year 2006. While other financing uses decreased by \$15, other financing sources increased by \$263 mainly from the sale of bonds in FRAN.
- The fund balance of the Route 58 Special Revenue Fund increased by \$0.6 in fiscal year 2006 compared to \$36 decrease in the previous year. The increase in fund balance is a result of revenues exceeding expenditures due to a significant decrease in Highway System Acquisition and Construction expenditures of \$46 (95) percent in fiscal year 2006. The decrease in expenditures is primarily due to increased use of the FRAN and Priority Transportation Funds for construction expenditures in fiscal 2006.

The Debt Service funds have a total fund balance of \$94 in fiscal year 2006, all of which is reserved for debt payments. This is an increase of \$19 in fund balance in fiscal year 2006 over the previous year. This increase in fund balance is primarily due to an increase in transfers-in of \$31 from special revenue funds. The increase in transfer-in is due to higher debt service payment requirements resulting from the new Federal Highway Reimbursement Anticipation Notes, Series 2005. The increase in transfer-in is reduced by the increase in total expenditures of \$14.7 or 6.2 percent.

**Proprietary funds:** The Pocahontas Parkway Association accumulated deficit balance decreased to a zero amount in fiscal year 2006 from \$140 in fiscal year 2005. The decrease in accumulated deficit is primarily attributed to the transfer of all the assets and obligations of the Association to Transurban (895) LLC at the end of the fiscal year 2006.

## Special Revenue Fund Budgetary Highlights

**Virginia Department of Transportation  
Budget Comparison Summary  
Special Revenue Fund  
For the Fiscal Year Ended June 30, 2006**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ 1,836.6	\$ 1,836.6	\$ 1,804.5	\$ (32.1)
Intergovernmental	933.5	933.5	483.2	(450.3)
Other	609.6	609.6	735.3	125.7
Total	<u>3,379.7</u>	<u>3,379.7</u>	<u>3,023.0</u>	<u>(356.7)</u>
Expenditures	<u>3,146.3</u>	<u>4,338.9</u>	<u>2,746.1</u>	<u>1,592.8</u>
Revenues over (under) expenditures	233.4	(959.2)	276.9	1,236.1
Other sources	<u>(93.6)</u>	<u>226.7</u>	<u>36.2</u>	<u>(190.5)</u>
Revenues and other sources over (under) expenditures	139.8	(732.5)	313.1	1,045.6
Fund balance - July 1	<u>1,296.2</u>	<u>1,296.2</u>	<u>1,296.2</u>	-
Fund balance - June 30	<u>\$ 1,436.0</u>	<u>\$ 563.7</u>	<u>\$ 1,609.3</u>	<u>\$ 1,045.6</u>

The Virginia Department of Transportation's programs are authorized through the Commonwealth's biennial budget and annual appropriation process. The appropriation is based on the revenues that are expected to be available to the Virginia Department of Transportation during the given fiscal year. In addition, the Virginia Department of Transportation prepares an internal annual budget that is approved by the Commonwealth Transportation Board.

### Capital Assets and Debt Administration

**Capital assets:** The Virginia Department of Transportation's investment in capital assets for its governmental and business type activities as of June 30, 2006, amounts to \$13,611 (net of accumulated depreciation.) This investment in capital assets includes land, buildings, improvements, equipment, and highway infrastructure. The total increase in the Virginia Department of Transportation's investment in capital assets for the current fiscal year was 4%.

**Virginia Department of Transportation**  
**Capital Assets**  
**as of June 30, 2006 and 2005**  
**(net of depreciation)**

	Governmental activities		Business-type activities		Total	
	2006	2005	2006	2005	2006	2005
Depreciable Capital Assets:						
Buildings and improvements	\$146.9	\$135.7	\$ -	\$ -	\$ 146.9	\$ 135.7
Equipment	135.5	127.1			135.5	127.1
Total Depreciable Capital Assets	<u>282.4</u>	<u>262.8</u>	<u>-</u>	<u>-</u>	<u>282.4</u>	<u>262.8</u>
Non Depreciable Capital Assets:						
Land and improvements	21.6	21.2	-	14.4	21.6	35.6
Construction in process	42.3	36.7	-	-	42.3	36.7
Total Non Depreciable Capital Assets	<u>63.9</u>	<u>57.9</u>	<u>-</u>	<u>14.4</u>	<u>63.9</u>	<u>72.3</u>
Infrastructure Assets:						
Highway right-of-way, non-depreciable	1,433.9	1,325.6			1,433.9	1,325.6
Highway system infrastructure	6,900.1	6,387.0	-	284.9	6,900.1	6,671.9
Restorative maintenance	753.1	583.0	-	-	753.1	583.0
Bridge and tunnel infrastructure	2,007.9	2,067.8	-	-	2,007.9	2,067.8
Infrastructure work in process	2,169.2	2,380.3	-	-	2,169.2	2,380.3
Total Infrastructure assets	<u>13,264.2</u>	<u>12,743.7</u>	<u>-</u>	<u>284.9</u>	<u>13,264.2</u>	<u>13,028.6</u>
Total Assets	<u>\$13,610.5</u> *	<u>\$ 13,064.4</u>	<u>\$ -</u>	<u>\$ 299.3</u>	<u>\$ 13,610.5</u> *	<u>\$ 13,363.7</u>

\*Fiscal year 2006 beginning capital assets of governmental activities were restated for correction of prior year capital asset balances, (note 5).

Additional information on the Virginia Department of Transportation's capital assets can be found in note 10.

**Long-term debt – Bonds Payable:** At the end of the current fiscal year, the Commonwealth Transportation Board (CTB) had total bonded debt outstanding of \$1,969 related to governmental activities. Of this amount, \$106 comprises debt backed by the full faith, credit, and taxing power of the Commonwealth. The majority, \$1,862 of the Commonwealth Transportation Board's bonds payable, is comprised of revenue bonds and is not backed by the full faith and credit of the Commonwealth. There was no outstanding debt for the Pocahontas Parkway Association in fiscal year 2006 because all of the entity's assets and obligations were transferred to the Transurban (895) LLC at the end of the fiscal year 2006.

**Virginia Department of Transportation  
Outstanding Bonds  
as of June 30, 2006 and 2005**

	Governmental activities		Business-type activities		Total	
	2006	2005	2006	2005	2006	2005
General Obligation Bonds:						
Section 9(b) debt	\$ 27.2	\$ 31.8	-	-	\$ 27.2	\$ 31.8
Section 9(c) debt	79.5	90.5	-	-	79.5	90.5
Total General Obligation Bonds	<u>106.7</u>	<u>122.3</u>	<u>-</u>	<u>-</u>	<u>106.7</u>	<u>122.3</u>
Section 9(d) debt						
Transportation Revenue Bonds	993.2	1,033.5	-	-	993.2	1,033.5
Federal Highway Reimbursement						
Anticipation Notes	869.1	704.7	-	-	869.1	704.7
Total Section 9(d) debt	<u>1,862.3</u>	<u>1,738.2</u>	<u>-</u>	<u>-</u>	<u>1,862.3</u>	<u>1,738.2</u>
Toll Road Revenue Bonds	-	-	\$0.0	\$463.4	-	463.4
Total Bonds Payable	<u>\$ 1,969.0</u>	<u>\$ 1,860.5</u>	<u>\$ -</u>	<u>\$ 463.4</u>	<u>\$ 1,969.0</u>	<u>\$ 2,323.9</u>

The Commonwealth Transportation Board's bonds debt, from governmental activities, increased by \$108.5 (5.8%) during the current fiscal year. The increase was the result of the new debt issuance of \$395.9 in fiscal year 2006. This increase was reduced by the impacts of the fiscal year 2006 refunded bonds \$145.3 and the retirements of bond principal amounts that were paid in fiscal year 2006. Total debt for business type activities decreased \$463 because all of the assumption of the assets and obligations of the enterprise (PPA) by Transurban (895) LLC in fiscal year 2006.

The bond market conditions were very favorable during the fiscal year 2006 and allowed the Commonwealth Transportation Board to proceed with the issuance of additional authorized debt and the refunding of the existing debt at lower interest rates. Early in fiscal year 2006, the Commonwealth Transportation Board initiated the following activities:

Issued \$250.0 in Federal Highway Reimbursement Anticipation Notes, Series 2005 at rates varying from 3.000% to 5.000%. Proceeds of these bonds will be used to finance various capital transportation projects throughout the Commonwealth pursuant to the Virginia Transportation Act of 2000.

Issued \$63.4 in US Route 58 Corridor Development Program, Commonwealth of Virginia Transportation Revenue and Refunding Bonds, Series 2006C at 5.000% interest rate. Proceeds of these bonds were used to defease \$27.4 of Transportation Revenue Bonds, Series 1999B and \$36.7 of Transportation Revenue Bonds, Series 2001B.

Issued \$20.0 in Northern Virginia Transportation District Program, Commonwealth of Virginia Transportation Revenue and Refunding Bonds, Series 2006B at rates varying from 4.500% to 5.000%. Proceeds of these bonds were used to defease \$4.5 of Transportation Revenue Bonds, Series 1999A, \$7.7 of Transportation Revenue Bonds, series 2001A and \$7.8 of Transportation Revenue Bonds, series 2002A.

Issued \$23.2 in Oak Grove Connector Transportation Revenues and Refunding Bonds, Series 2006A at rates varying from 4.250% to 5.000%. Proceeds of these bonds were used to defease \$23.8 of Oak Grove Connector Transportation Revenues and Refunding Bonds, Series 1997A.

Issued \$31.9 in Coleman Bridge General Obligations Refunding Bonds, Series 2006A at rates varying from 3.875% to 5.000%. Proceeds of these bonds were used to defease \$32.8 of Coleman Bridge General Obligations Refunding Bonds, Series 1996A.

Issued \$4.5 in Hirst Brault Expressway (Dulles Toll Road) General Obligations Refunding Bonds, Series 2006A at rates varying from 4.125% to 4.000%. Proceeds of these bonds were used to defease \$4.6 of Hirst Brault Expressway (Dulles Toll Road) General Obligations Refunding Bonds, Series 1996A.

**Long-term debt--Notes Payable:** At the end of the current fiscal year, the Commonwealth Transportation Board (CTB) had total notes debt outstanding of \$108 related to governmental activities. Of this amount, \$4.3 comprises debt backed by the full faith, credit, and taxing power of the Commonwealth. The majority, \$104.5 of the Commonwealth Transportation Board's notes payable, is comprised of Camp 30 notes and is not backed by the full faith and credit of the Commonwealth.

**Virginia Department of Transportation  
Outstanding Notes  
as of June 30, 2006 and 2005**

	Governmental activities		Business-type activities		Total	
	2006	2005	2006	2005	2006	2005
General Obligation Notes:						
Section 9(c) debt	\$ -	\$ -	-	-	\$ -	\$ -
Total General Obligation Notes	<u>4.3</u>	<u>4.3</u>	<u>-</u>	<u>-</u>	<u>4.3</u>	<u>4.3</u>
Section 9(d) debt						
Chesterfield County Notes	8.0	8.0	-	-	8.0	8.0
Camp 30 Notes Payable	96.5	-	-	-	96.5	-
Total Section 9(d) debt	<u>104.5</u>	<u>8.0</u>	<u>-</u>	<u>-</u>	<u>104.5</u>	<u>8.0</u>
Toll Road Revenue Notes	-	-	0	0	-	-
Total Notes Payable	<u>\$ 108.8</u>	<u>\$ 12.3</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108.8</u>	<u>\$ 12.3</u>

The Commonwealth Transportation Board's notes debt, from governmental activities, increased by \$96.5 during the current fiscal year. The increase was the result of the new debt issuance of \$96.5 in fiscal year 2006. On April 1, 2006, Virginia Department of Transportation (VDOT) and Fairfax County Economic Development of Authority (FCEDA) entered into a Financing Lease Agreement in the amount of \$96.5 for the payment of the construction and building of the agency's Leased Projects on West Ox Road, Fairfax, Virginia, known as Camp 30. However, accounting standards require that this Financing Lease Agreement be accounted for as a note payable. Note interest is payable on May 15 and November 15 at rates varying from 4.250% to 5.000%. Monies for the repayment of this note will be transferred from HMO Funds.

Additional information on the Virginia Department of Transportation's long-term liabilities can be found in note 6.

### **Economic Factors and Next Year's Budget**

Current economic conditions are impacting the budgets and activities of the Virginia Department of Transportation both directly and indirectly. The following are key issues or events that are impacting future fiscal years governmental activities:

- State revenues estimates for most major sources for fiscal year 2007 are a decrease from fiscal year 2006 estimates.
- Significant increases in maintenance and construction costs continue to impact the programs' performance.
- Additional funding is needed for the highway maintenance program to protect the Virginia Department of Transportation's infrastructure investment. This will reduce the state funds available for construction and limit the ability to match federal dollars. The result is likely to be the continued reduction of new projects in the construction program.
- The maintenance program is becoming more dependent upon federal funds. As the maintenance needs continue to grow, federal funds must be used to help provide the needed funding.
- In fiscal year 2007, a construction fund transfer of \$286 million is budgeted and will be transferred by mid-year to cover the HMOF's funding deficit. Similar transfers of increasing magnitude are forecasted in future years. The anticipated transfers for fiscal years 2008 through 2012 are \$324 million, \$348 million, \$364 million, \$442 million, and \$473 million respectively.

The above have been considered in the preparation of the Virginia Department of Transportation's fiscal year 2007 budget and 2007-2012 forecasts. The Department continues to focus efforts on opportunities to enhance its financial practices.

### **Requests for Information**

This financial report is designed to provide a general overview of the Virginia Department of Transportation's finances for all those with an interest in the Department's finances. Questions concerning any of the information provided or requests for additional information should be directed to:

Virginia Department of Transportation  
Controller's Office  
1401 East Broad Street  
Richmond, Virginia 23219

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# FINANCIAL REPORT

BASIC FINANCIAL STATEMENTS

JUNE 30, 2006

**Government-wide  
Financial Statements**

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**Virginia Department of Transportation  
Statement of Net Assets  
June 30, 2006**

	Governmental Activities	Business - Type Activities	Total
<b>Assets :</b>			
Cash with the Treasurer of Virginia (Note 12)	\$1,217,540,207	\$0	\$1,217,540,207
Cash , and cash equivalents with trustees (Note 12)	429,981,117	877,879	430,858,996
Collateral held for securities lending - investments (Note 12)	364,368,918	0	364,368,918
Advance fund	559,099	0	559,099
Receivables: (Net)			
Federal government	65,636,839	0	65,636,839
Cities, counties, and towns	7,835,677	0	7,835,677
State agencies	4,848,931	0	4,848,931
Other	50,340,504	0	50,340,504
Taxes Receivable	119,917,569	0	119,917,569
Capitalized bond discounts and issue costs	9,414,505	0	9,414,505
Capitalized notes discounts and issue costs	629,686	0	629,686
Inventory (Note 1- G)	47,929,226	0	47,929,226
Depreciable Capital Assets, Net (Note 10)	282,411,832	0	282,411,832
Infrastructure, net (Note 10)	9,661,259,097	0	9,661,259,097
Infrastructure non deprec. (Note 10)	1,433,868,284	0	1,433,868,284
Infrastructure, Work in Process (Note 10)	2,169,152,221	0	2,169,152,221
Non Depreciable Capital Assets (Note 10 )	63,890,377	0	63,890,377
Total Assets	<u>15,929,584,089</u>	<u>877,879</u>	<u>15,930,461,968</u>
<b>Liabilities :</b>			
Accounts payable	162,050,380	877,879	162,928,259
Deposits payable	34,828,534	0	34,828,534
Payable for collateral held for securities lending	364,368,918	0	364,368,918
Deferred revenue	6,270,714	0	6,270,714
Premium on bonds payable	107,447,352	0	107,447,352
Premium on notes payable	4,076,692	0	4,076,692
Accrued liabilities	13,071,968	0	13,071,968
Retainage on contracts	5,631,832	0	5,631,832
Non Current Liabilities			
Bond interest payable	30,120,931	0	30,120,931
Note interest payable	963,956	0	963,956
Compensated absences (Note 1- J and Note 6)			
Expected to be paid within one year	56,889,638	0	56,889,638
Expected to be paid after one year	6,889,056	0	6,889,056
Capital leases payable (Note 6)			
Expected to be paid within one year	14,989	0	14,989
Expected to be paid after one year	0	0	0
Bonds Payable (Note 6)			
Portion due within one year	169,048,630	0	169,048,630
Portion due after one year	1,799,978,193	0	1,799,978,193
Notes Payable (Note 6)			
Portion due within one year	3,190,000	0	3,190,000
Portion due after one year	105,650,000	0	105,650,000
Total liabilities	<u>2,870,491,783</u>	<u>877,879</u>	<u>2,871,369,662</u>
<b>Net Assets</b>			
Invested in Capital Assets net of related debt	11,532,699,999	0	11,532,699,999
Restricted for (Note 7)			
Bond Financed Road			
Construction.	365,745,119	0	365,745,119
Other	99,572,694	0	99,572,694
Debt service	94,265,247	0	94,265,247
Unrestricted	966,809,247	0	966,809,247
Total Net Assets	<u>\$13,059,092,306</u>	<u>\$0</u>	<u>\$13,059,092,306</u>

The accompanying notes are an integral part of this financial statement

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**VIRGINIA DEPARTMENT OF TRANSPORTATION  
STATEMENT OF ACTIVITIES  
JUNE 30, 2006**

Functions Programs	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		
					GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
<b>Primary Government</b>							
Governmental Activities							
Administrative and support services	\$252,824,576				(\$252,824,576)		(\$252,824,576)
Ground transportation system planning and research	14,062,411				(14,062,411)		(14,062,411)
Highway system acquisition and construction	387,101,291	\$30,821,411	\$0	\$766,109,601	409,829,721		409,829,721
Highway system acquisition and construction bonds	89,818,779	5,771,520		94,797,890	10,750,631		10,750,631
Highway system maintenance	872,445,253	220,676,001		1,949,099	(649,820,153)		(649,820,153)
Ground transportation system safety	26,540,480				(26,540,480)		(26,540,480)
Financial assistance to localities	590,873,606				(590,873,606)		(590,873,606)
Environmental monitoring and compliance	4,601,540				(4,601,540)		(4,601,540)
Land management	824,321				(824,321)		(824,321)
Toll facilities operations and construction	55,986,500	92,978,295	0	3,631,396	40,623,191		40,623,191
Unallocated Depreciation (excludes direct depreciation)	7,234,236				(7,234,236)		(7,234,236)
Transfers to other state agencies (Note 9)	27,205,400				(27,205,400)		(27,205,400)
<b>Total Governmental Activities</b>	<b>2,329,518,393</b>	<b>350,247,227</b>	<b>0</b>	<b>866,487,986</b>	<b>(1,112,783,180)</b>		<b>(1,112,783,180)</b>
Business-Type Activities							
Pocahontas Parkway	39,259,377	11,679,675				(\$27,579,702)	(27,579,702)
<b>Total Business Type Activities</b>	<b>39,259,377</b>	<b>11,679,675</b>	<b>0</b>			<b>(27,579,702)</b>	<b>(27,579,702)</b>
<b>Total Primary Government</b>	<b>\$2,368,777,770</b>	<b>\$361,926,902</b>	<b>\$0</b>	<b>\$866,487,986</b>	<b>(\$1,112,783,180)</b>	<b>(\$27,579,702)</b>	<b>(\$1,140,362,882)</b>

**GENERAL REVENUES**

<b>Taxes</b>			
Motor Vehicle Fuel Tax	\$859,398,355		\$859,398,355
Road Use Tax	3,967,814		3,967,814
Sales and Use Tax	399,413,768		399,413,768
MV Sales and Use Tax	555,329,809		555,329,809
MV Rental Tax	6,013,972		6,013,972
Aviation Fuel Tax	2,527,024		2,527,024
Other Taxes	777,935		777,935
Investment Earnings	36,148,621	\$2,103,426	38,252,047
Other Revenues	54,173,048	1,554,726	55,727,774
Gain on sales	7,048,488		7,048,488
<b>Transfers to other State Agencies and Gen Fund (Note 9)</b>			
	(139,433,399)		(139,433,399)
<b>Transfers from other State Agencies and Gen Fund (Note 9)</b>			
	53,779,435		53,779,435
Insurance recoveries	501,784		501,784
Other Financing Sources (Uses)	(1,015,776)	164,216,432	163,200,656
<b>Total General Revenues, Special Items and Transfers</b>	<b>1,838,630,878</b>	<b>167,874,584</b>	<b>2,006,505,462</b>
Change in Net Assets	725,847,698	140,294,882	866,142,580
Net Assets July 1 as restated (Note 5)	12,333,244,608	(140,294,882)	12,192,949,726
Net Assets June 30	<u>\$13,059,092,306</u>	<u>\$0</u>	<u>\$13,059,092,306</u>

The accompanying notes are an integral part of this financial statement

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**Major Governmental Funds  
Special Revenue  
and Debt Service**

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VIRGINIA DEPARTMENT OF TRANSPORTATION  
BALANCE SHEET GOVERNMENTAL FUNDS  
SPECIAL REVENUE  
June 30, 2006

	HIGHWAY MAINTENANCE & OPERATING	FEDERAL	CONSTRUCTION
<b>ASSETS</b>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 12)	\$98,628,509	\$79,840	\$605,185,835
Cash and cash equivalents with trustees (Note 12)	0	0	469,351
Collateral held for sec. lending - investments (Note 12)	0	0	0
Advance fund	326,099	0	80,000
Receivables: (Net)			
Federal government	0	65,636,839	0
Cities, counties, and towns	589,274	0	7,246,403
State agencies	4,823,431	0	0
Other	4,678,337	0	11,527,688
Taxes receivable	68,504,515	0	51,413,054
Due from component unit	0	0	0
Due from other funds	0	0	32,425,585
Due from agencies	0	0	0
Inventory (Note 1 G)	37,984,406	0	3,518,895
<b>Total assets</b>	<b>\$215,534,571</b>	<b>\$65,716,679</b>	<b>\$711,866,811</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities :			
Accounts payable	\$74,132,789	\$62,743,115	\$19,662,279
Deposits payable	14,465,209	0	2,489,934
Payable for collateral held for securities lending	0	0	0
Due to other funds	45,793,810	715,675	37,458,974
Due to other agencies	0	0	0
Deferred revenue	12,566,613	2,178,049	17,483,460
Liability for compensated absences	128,631	0	23,113
Accrued liabilities	10,820,788	0	2,132,780
Retainage on contracts	2,175,914	0	2,996,635
<b>Total liabilities</b>	<b>160,083,754</b>	<b>65,636,839</b>	<b>82,247,175</b>
Fund Balances Reserved for			
Inventories	37,984,406	0	3,518,895
Other	0	79,840	0
Fund Balances Unreserved			
Reported In			
Special Revenue	17,466,411	0	626,100,741
<b>Total fund balances</b>	<b>55,450,817</b>	<b>79,840</b>	<b>629,619,636</b>
<b>Total liabilities and fund balances</b>	<b>\$215,534,571</b>	<b>\$65,716,679</b>	<b>\$711,866,811</b>

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION  
BALANCE SHEET GOVERNMENTAL FUNDS  
SPECIAL REVENUE  
June 30, 2006

PRIORITY TRANSPORTATION FUND	TOLL FACILITIES REVOLVING	ROUTE 58
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**ASSETS**

Cash and cash equivalents with the Treasurer of Virginia (Note 12)	\$111,144,334	\$88,501,108	\$28,927,144
Cash and cash equivalents with trustees (Note 12)	0	17,961,781	5,567,319
Collateral held for sec. lending - investments (Note 12)	36,843,818	263,175,992	9,566,597
Advance fund	0	0	0
Receivables: (Net)			
Federal government	0	0	0
Cities, counties, and towns	0	0	0
State agencies	0	0	0
Other	0	34,087,204	0
Taxes receivable	0	0	0
Due from component unit	0	0	0
Due from other funds	31,275,000	115,553,383	0
Due from agencies	0	0	0
Inventory (Note 1 G)	0	6,425,925	0
<b>Total assets</b>	<b>\$179,263,152</b>	<b>\$525,705,393</b>	<b>\$44,061,060</b>

**LIABILITIES AND FUND BALANCES**

Liabilities :

Accounts payable	\$0	\$2,303,957	\$1,213,589
Deposits payable	0	17,873,391	0
Payable for collateral held for securities lending	36,843,818	263,175,992	9,566,597
Due to other funds	0	0	0
Due to other agencies	0	0	0
Deferred revenue	0	0	0
Liability for compensated absences	0	0	652
Accrued liabilities	0	0	0
Retainage on contracts	0	0	246,763
<b>Total liabilities</b>	<b>36,843,818</b>	<b>283,353,340</b>	<b>11,027,601</b>
Fund Balances Reserved for			
Inventories	0	6,425,925	0
Other	0	0	0
Fund Balances Unreserved			
Reported In			
Special Revenue	142,419,334	235,926,128	33,033,459
<b>Total fund balances</b>	<b>142,419,334</b>	<b>242,352,053</b>	<b>33,033,459</b>
<b>Total liabilities and fund balances</b>	<b>\$179,263,152</b>	<b>\$525,705,393</b>	<b>\$44,061,060</b>

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION  
BALANCE SHEET GOVERNMENTAL FUNDS  
SPECIAL REVENUE  
June 30, 2006

	FEDERAL REIMBURSEMENT ANTICIPATION NOTES	TOTAL NON MAJOR FUNDS	Totals (Memorandum Only)	
			June 30, 2006	June 30, 2005
<b>ASSETS</b>				
Cash and cash equivalents				
with the Treasurer of Virginia (Note 12)	\$195,993	\$283,193,284	\$1,215,856,047	\$1,134,160,740
Cash and cash equivalents with trustees (Note 12)	197,061,776	116,339,803	337,400,030	89,433,924
Collateral held for sec. lending - investments (Note 12)	264,153	54,518,358	364,368,918	304,363,117
Advance fund	0	153,000	559,099	707,900
Receivables: (Net)				
Federal government	0	0	65,636,839	66,079,366
Cities, counties, and towns	0	0	7,835,677	13,576,097
State agencies	0	25,500	4,848,931	3,708,591
Other	0	47,275	50,340,504	72,823,420
Taxes receivable	0	0	119,917,569	97,013,258
Due from component unit	0	0	0	21,073,990
Due from other funds	0	0	179,253,968	118,954,398
Due from agencies	0	0	0	1,030,029
Inventory (Note 1 G)	0	0	47,929,226	42,904,674
<b>Total assets</b>	<b>\$197,521,922</b>	<b>\$454,277,220</b>	<b>\$2,393,946,808</b>	<b>\$1,965,829,504</b>

**LIABILITIES AND FUND BALANCES**

<b>Liabilities :</b>				
Accounts payable	\$0	\$1,994,651	\$162,050,380	\$224,310,439
Deposits payable	0	0	34,828,534	26,606,142
Payable for collateral held for securities lending	264,153	54,518,358	364,368,918	304,363,117
Due to other funds	0	95,285,509	179,253,968	118,954,398
Due to other agencies	0	0	0	3,007,211
Deferred revenue	0	503,462	32,731,584	40,834,193
Liability for compensated absences	0	1,532	153,928	101,075
Accrued liabilities	0	118,400	13,071,968	30,386,381
Retainage on contracts	0	212,520	5,631,832	7,049,729
<b>Total liabilities</b>	<b>264,153</b>	<b>152,634,432</b>	<b>792,091,112</b>	<b>755,612,685</b>
<b>Fund Balances Reserved for</b>				
Inventories	0	0	47,929,226	42,904,674
Other	0	99,572,694	99,652,534	15,597,751
<b>Fund Balances Unreserved</b>				
<b>Reported In</b>				
Special Revenue	197,257,769	202,070,094	1,454,273,936	1,151,714,394
<b>Total fund balances</b>	<b>197,257,769</b>	<b>301,642,788</b>	<b>1,601,855,696</b>	<b>1,210,216,819</b>
<b>Total liabilities and fund balances</b>	<b>\$197,521,922</b>	<b>\$454,277,220</b>	<b>\$2,393,946,808</b>	<b>\$1,965,829,504</b>

The accompanying notes are an integral part of this financial statement

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VIRGINIA DEPARTMENT OF TRANSPORTATION  
 COMBINING BALANCE SHEET  
 DEBT SERVICE FUNDS  
 June 30, 2006

	ROUTE 58	ROUTE 28	CAMP 30	NORTHERN VA. TRANSP. DISTRICT	FEDERAL REIMBURSEMENT ANTICIPATION NOTES	COLEMAN BRIDGE	OMER L. HIRST- ADELARD L. BRAULT EXPRESSWAY	POWHITE PARKWAY EXTENSION	TRANSPORTATION SET ASIDE	TOTALS
<b>ASSETS</b>										
Cash and cash equivalents with the Treasurer of Virginia	\$0	\$0	\$0	\$0	\$0	\$264,231	\$905,881	\$514,048	\$0	\$1,684,160
Cash, cash equivalents with trustees	12,754	1	0	7,206	92,560,067	0	0	0	1,059	92,581,087
<b>Total assets</b>	<u>\$12,754</u>	<u>\$1</u>	<u>\$0</u>	<u>\$7,206</u>	<u>\$92,560,067</u>	<u>\$264,231</u>	<u>\$905,881</u>	<u>\$514,048</u>	<u>\$1,059</u>	<u>\$94,265,247</u>
<b>LIABILITIES AND FUND EQUITY</b>										
Liabilities:										
Fund equity:										
Fund balances	12,754	1	0	7,206	92,560,067	264,231	905,881	514,048	1,059	94,265,247
<b>Total Liabilities and Fund Equity</b>	<u>\$12,754</u>	<u>\$1</u>	<u>\$0</u>	<u>\$7,206</u>	<u>\$92,560,067</u>	<u>\$264,231</u>	<u>\$905,881</u>	<u>\$514,048</u>	<u>\$1,059</u>	<u>\$94,265,247</u>

The accompanying notes are an integral part of this financial statement

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VIRGINIA DEPARTMENT OF TRANSPORTATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2006

	SPECIAL REVENUE	DEBT SERVICE	Totals JUNE 30, 2006
<b>ASSETS</b>			
Cash and cash equivalents			
with the Treasurer of Virginia	\$1,215,856,047	\$1,684,160	\$1,217,540,207
Cash and cash equivalents with trustees	337,400,030	92,581,087	429,981,117
Collateral held for securities lending	364,368,918	0	364,368,918
Advance fund	559,099	0	559,099
Receivables: (Net)			
Federal government	65,636,839	0	65,636,839
Cities, counties, and towns	7,835,677	0	7,835,677
State agencies	4,848,931	0	4,848,931
Other	50,340,504	0	50,340,504
Taxes Receivable	119,917,569	0	119,917,569
Due from other funds	179,253,968	0	179,253,968
Inventory (Note 1G)	47,929,226	0	47,929,226
Total Assets	<u>\$2,393,946,808</u>	<u>\$94,265,247</u>	<u>\$2,488,212,055</u>
<b>LIABILITIES AND FUND EQUITY</b>			
Accounts payable	\$162,050,380	\$0	\$162,050,380
Deposits payable	34,828,534	0	34,828,534
Payable for collateral held for securities lending	364,368,918	0	364,368,918
Due to other funds	179,253,968	0	179,253,968
Deferred revenue	32,731,584	0	32,731,584
Compensated absences payable	153,928	0	153,928
Accrued liabilities	13,071,968	0	13,071,968
Retainage on contracts	5,631,832	0	5,631,832
Total liabilities	<u>792,091,112</u>	<u>0</u>	<u>792,091,112</u>
Fund Balance Reserved for			
Inventories	47,929,226	0	47,929,226
Other	99,652,534	0	99,652,534
Debt Service	0	94,265,247	94,265,247
Fund Balance Unreserved for			
Special Revenue	<u>1,454,273,936</u>	<u>0</u>	<u>1,454,273,936</u>
Total Fund Equity	<u>1,601,855,696</u>	<u>94,265,247</u>	<u>1,696,120,943</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><u>\$2,393,946,808</u></u>	<u><u>\$94,265,247</u></u>	<u><u>\$2,488,212,055</u></u>

The accompanying notes are an integral part of this financial statement

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**VIRGINIA DEPARTMENT OF TRANSPORTATION**

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
June 30, 2006**

Total fund balances - governmental funds	\$1,696,120,943
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Amounts reported for governmental activities in the statement of net assets are different because:

When capital assets (land, buildings, equipment, improvements, construction in progress, and infrastructure) that are to be used in governmental activities are purchased or constructed, the costs of these assets are reported as expenditures in governmental funds. However the Statement of Net Assets includes those capital assets.

Land and Non depreciable capital assets	\$63,890,377	
Equipment and Buildings	489,086,068	
Infrastructure assets	22,293,232,720	
Accumulated Depreciation	<u>(9,235,627,354)</u>	
Total capital assets		13,610,581,811

Other long term assets are not available to pay for current period expenditures and therefore are not reported in the funds.	26,460,870
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Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of :

Bond and notes payable	(2,077,866,823)	
Capital leases	(14,989)	
Interest payable	(31,084,887)	
Bond and notes discount and issue cost	10,044,191	
Premium payable	(111,524,044)	
Compensated absences	<u>(63,624,766)</u>	
Total liabilities		<u>(2,274,071,318)</u>

Net assets of governmental activities	<u><u>\$13,059,092,306</u></u>
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VIRGINIA DEPARTMENT OF TRANSPORTATION  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS-SPECIAL REVENUE  
June 30, 2006

	HIGHWAY MAINTENANCE & OPERATING	FEDERAL	CONSTRUCTION
<b>Revenues</b>			
Revenues provided by the General Fund of the Commonwealth	\$0	\$0	\$0
Taxes	1,142,136,588	0	664,724,299
Rights and privileges	213,080,648	0	27,006,400
Sale of property and commodities	351,553	0	7,048,488
Interest, dividends and rents	27,481	0	3,770,399
Fines, forfeitures, court fees, penalties, and escheats	7,216,319	0	44,612
Federal grants and contracts	0	484,545,977	0
Receipts from cities, counties, and towns	1,949,099	0	50,207,599
Toll revenue	0	0	0
Other revenue	12,919,849	0	3,026,345
<b>Total revenue</b>	<b>1,377,681,537</b>	<b>484,545,977</b>	<b>755,828,142</b>
<b>Expenditures</b>			
Current:			
Administrative and support services	250,378,686	549,644	626,122
Ground transportation system planning and research	4,638,935	9,423,476	0
Highway system acquisition and construction	0	427,832,200	298,532,878
Highway system acquisition and construction-Bond Proceeds	0	0	0
Highway system maintenance	961,833,212	42,250,549	0
Ground transportation system safety	20,544,142	43,309	5,953,029
Financial assistance to localities	284,918,557	7,850,095	9,605,648
Environmental monitoring and compliance	11,599,079	0	0
Land management	824,321	0	0
Toll facilities operations and construction	0	0	0
Capital Outlay	182,147	464,497	18,147,535
Transfers to other state agencies (Note 9)	27,205,400	0	0
<b>Total expenditures</b>	<b>1,562,124,479</b>	<b>488,413,770</b>	<b>332,865,212</b>
Revenues over (under) expenditures	(184,442,942)	(3,867,793)	422,962,930
<b>Other financing sources (uses)</b>			
Other financing sources (uses)	0	0	0
Bond Proceeds	0	0	0
Note Proceeds	0	0	0
Insurance Recoveries	501,784	0	0
Transfers to other state agencies and General Fund (Note 9)	(20,262,917)	0	(66,333,413)
Transfers from other state agencies and General Fund (Note 9)	0	3,451,815	29,502,807
Transfers in (Note 9)	196,254,904	141,294,649	14,535,669
Transfers out (Note 9)	(45,793,810)	(141,294,649)	(272,975,464)
<b>Total other financing sources (uses)</b>	<b>130,699,961</b>	<b>3,451,815</b>	<b>(295,270,401)</b>
<b>Net Change in Fund Balance</b>	<b>(53,742,981)</b>	<b>(415,978)</b>	<b>127,692,529</b>
Beginning fund balance - July 1	109,193,798	495,818	501,927,107
Ending fund balance - June 30	\$55,450,817	\$79,840	\$629,619,636

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS-SPECIAL REVENUE  
June 30, 2006

	PRIORITY TRANSPORTATION FUND	TOLL FACILITIES REVOLVING	ROUTE 58
<b>Revenues</b>			
Revenues provided by the General Fund of the Commonwealth	\$145,002,289	\$0	\$40,000,000
Taxes	20,000,000	0	0
Rights and privileges	0	0	0
Sale of property and commodities	0	0	3,300
Interest, dividends and rents	9,359,427	23,958,963	2,676,115
Fines, forfeitures, court fees, penalties, and escheats	0	25,902	0
Federal grants and contracts	0	0	0
Receipts from cities, counties, and towns	0	0	0
Toll revenue	0	0	0
Other revenue	0	26,561,233	13,445
Total revenue	<u>174,361,716</u>	<u>50,546,098</u>	<u>42,692,860</u>
<b>Expenditures</b>			
Current:			
Administrative and support services	0	0	0
Ground transportation system planning and research	0	0	0
Highway system acquisition and construction	0	0	0
Highway system acquisition and construction-Bond Proceeds	109,664,865	0	2,618,612
Highway system maintenance	0	0	0
Ground transportation system safety	0	0	0
Financial assistance to localities	0	0	0
Environmental monitoring and compliance	0	0	0
Land management	0	0	0
Toll facilities operations and construction	0	18,257,019	0
Capital Outlay	0	0	0
Transfers to other state agencies (Note 9)	0	0	0
Total expenditures	<u>109,664,865</u>	<u>18,257,019</u>	<u>2,618,612</u>
Revenues over (under) expenditures	<u>64,696,851</u>	<u>32,289,079</u>	<u>40,074,248</u>
<b>Other financing sources (uses)</b>			
Other financing sources (uses)	(215,508)	(593,271)	(62,598)
Bond Proceeds	0	0	153,513
Note Proceeds	0	0	0
Insurance Recoveries	0	0	0
Transfers to other state agencies and General Fund (Note 9)	(34,712,595)	0	0
Transfers from other state agencies and General Fund (Note 9)	0	0	0
Transfers in (Note 9)	54,775,000	14,944,628	12,000,000
Transfers out (Note 9)	(141,294,649)	(23,600,000)	(51,572,654)
Total other financing sources (uses)	<u>(121,447,752)</u>	<u>(9,248,643)</u>	<u>(39,481,739)</u>
Net Change in Fund Balance	(56,750,901)	23,040,436	592,509
Beginning fund balance - July 1	199,170,235	219,311,617	32,440,950
Ending fund balance - June 30	<u>\$142,419,334</u>	<u>\$242,352,053</u>	<u>\$33,033,459</u>

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS-SPECIAL REVENUE  
June 30, 2006

	FEDERAL REIMBURSEMENT ANTICIPATION NOTES	TOTAL NON MAJOR FUNDS	Totals (MEMORANDUM ONLY)	
			JUNE 30, 2006	JUNE 30, 2005
<b>Revenues</b>				
Revenues provided by the General Fund of the Commonwealth				
Taxes	\$0	\$0	\$185,002,289	\$277,439,911
Rights and privileges	0	0	1,826,860,887	1,771,157,683
Sale of property and commodities	0	5,643,220	245,730,268	239,869,618
Interest, dividends and rents	0	0	7,403,341	3,369,923
Fines, forfeitures, court fees, penalties, and escheats	7,846,186	12,197,000	59,835,571	39,312,595
Federal grants and contracts	0	125,000	7,411,833	8,090,935
Receipts from cities, counties, and towns	0	0	484,545,977	462,360,126
Toll revenue	0	28,477,980	80,634,678	77,330,458
Other revenue	0	82,028,773	82,028,773	58,638,253
Total revenue	0	14,980,410	57,501,282	38,063,686
	<u>7,846,186</u>	<u>143,452,383</u>	<u>3,036,954,899</u>	<u>2,975,633,188</u>
<b>Expenditures</b>				
Current:				
Administrative and support services	0	274,506	251,828,958	227,645,706
Ground transportation system planning and research	0	0	14,062,411	20,279,899
Highway system acquisition and construction	0	350,292	726,715,370	977,912,309
Highway system acquisition and construction-Bond Proceeds	94,747,703	32,374,061	239,405,241	112,898,403
Highway system maintenance	0	0	1,004,083,761	1,067,930,883
Ground transportation system safety	0	0	26,540,480	12,551,818
Financial assistance to localities	0	0	302,374,300	280,419,674
Environmental monitoring and compliance	0	0	11,599,079	11,543,999
Land management	0	0	824,321	748,252
Toll facilities operations and construction	0	34,943,031	53,200,050	45,865,010
Capital Outlay	0	4,412,022	23,206,201	18,582,383
Transfers to other state agencies (Note 9)	0	0	27,205,400	23,862,562
Total expenditures	<u>94,747,703</u>	<u>72,353,912</u>	<u>2,681,045,572</u>	<u>2,800,240,898</u>
Revenues over (under) expenditures	<u>(86,901,517)</u>	<u>71,098,471</u>	<u>355,909,327</u>	<u>175,392,290</u>
<b>Other financing sources (uses)</b>				
Other financing sources (uses)	(10,589)	(133,810)	(1,015,776)	(753,216)
Bond Proceeds	263,476,420	1,840,226	265,470,159	331,435
Note Proceeds	0	100,289,397	100,289,397	0
Insurance Recoveries	0	0	501,784	0
Transfers to other state agencies and General Fund (Note 9)	(8,828,811)	(9,295,663)	(139,433,399)	(69,998,662)
Transfers from other state agencies and General Fund (Note 9)	0	20,824,813	53,779,435	68,248,363
Transfers in (Note 9)	0	60,020,000	493,824,850	491,376,317
Transfers out (Note 9)	(9,955)	(61,145,719)	(737,686,900)	(704,368,219)
Total other financing sources (uses)	<u>254,627,065</u>	<u>112,399,244</u>	<u>35,729,550</u>	<u>(215,163,982)</u>
Net Change in Fund Balance	167,725,548	183,497,715	391,638,877	(39,771,692)
Beginning fund balance - July 1	29,532,221	118,145,073	1,210,216,819	1,249,988,511
Ending fund balance - June 30	<u>\$197,257,769</u>	<u>\$301,642,788</u>	<u>\$1,601,855,696</u>	<u>\$1,210,216,819</u>

The accompanying notes are an integral part of this financial statement

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VIRGINIA DEPARTMENT OF TRANSPORTATION  
 COMBINING STATEMENT OF REVENUE AND EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2006

	ROUTE 58	ROUTE 28	CAMP 30	NORTHERN VA. TRANSP. DISTRICT	FEDERAL REIMBURSEMENT ANTICIPATION NOTES	COLEMAN BRIDGE	OMER L. HIRST - ADELARD L. BRAULT EXPRESSWAY	POWHITE PARKWAY EXTENSION	TRANSPORTATION SET ASIDE	TOTALS
<b>Revenues</b>										
Interest	\$21,364	\$0	\$0	\$12,214	\$2,148,511	\$46,717	\$197,856	\$106,154	\$1,275	\$2,534,091
Receipts from Cities, Counties, and Towns	0	7,528,145	0	0	0	0	0	0	0	7,528,145
Total revenues	21,364	7,528,145	0	12,214	2,148,511	46,717	197,856	106,154	1,275	10,062,236
<b>Expenditures</b>										
Debt service:										
Interest	28,624,134	3,163,145	0	15,784,154	38,532,705	1,796,721	4,171,863	1,588,750	1,333,620	94,995,092
Retirement of bonds	22,970,000	4,365,000	0	12,830,000	85,580,000	1,580,000	7,096,842	4,620,000	995,000	140,036,842
Administrative fees	1,944	0	0	1,318	144,001	0	0	0	0	147,263
Total expenditures	51,596,078	7,528,145	0	28,615,472	124,256,706	3,376,721	11,268,705	6,208,750	2,328,620	235,179,197
Revenue over (under) expenditures	(51,574,714)	0	0	(28,603,258)	(122,108,195)	(3,330,004)	(11,070,849)	(6,102,596)	(2,327,345)	(225,116,961)
<b>Other financing sources (uses)</b>										
Bond proceeds	66,247,921	0	0	20,746,440	0	32,896,535	4,575,911	0	24,236,459	148,703,266
Escrow agent defeasance payment	(66,247,921)	0	0	(20,746,440)	0	(32,896,535)	(4,575,911)	0	(24,236,459)	(148,703,266)
Transfers in	51,572,654	0	0	28,602,276	141,304,604	3,301,629	11,036,402	5,716,568	2,327,917	243,862,050
Transfers out	0	0	0	0	0	0	0	0	0	0
Total other sources (uses)	51,572,654	0	0	28,602,276	141,304,604	3,301,629	11,036,402	5,716,568	2,327,917	243,862,050
Revenues and other sources over (under) expenditures and other uses	(2,060)	0	0	(982)	19,196,409	(28,375)	(34,447)	(386,028)	572	18,745,089
Fund balance - July 1	14,814	1	0	8,188	73,363,658	292,606	940,328	900,076	487	75,520,158
Fund balance - June 30	\$12,754	\$1	\$0	\$7,206	\$92,560,067	\$264,231	\$905,881	\$514,048	\$1,059	\$94,265,247

The accompanying notes are an integral part of this financial statement

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**VIRGINIA DEPARTMENT OF TRANSPORTATION  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
June 30, 2006**

	<b>SPECIAL REVENUE</b>	<b>DEBT SERVICE</b>	<b>Totals June 30, 2006</b>
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$185,002,289	\$0	\$185,002,289
Taxes	1,826,860,887	0	1,826,860,887
Rights and privileges	245,730,268	0	245,730,268
Sales of property and commodities	7,403,341	0	7,403,341
Interest, dividends, and rents	59,835,571	2,534,091	62,369,662
Fines, forfeitures, court fees, penalties, and escheats	7,411,833	0	7,411,833
Federal grants and contracts	484,545,977	0	484,545,977
Receipts from cities, counties, and towns	80,634,678	7,528,145	88,162,823
Toll revenue	82,028,773	0	82,028,773
Other revenue	57,501,282	0	57,501,282
Total revenues	<u>3,036,954,899</u>	<u>10,062,236</u>	<u>3,047,017,135</u>
Expenditures			
Administrative and support services	251,828,958	147,263	251,976,221
Ground transportation system planning and research	14,062,411	0	14,062,411
Highway system acquisition and construction	726,715,370	0	726,715,370
Highway system acquisition and const. Bond Proceeds	239,405,241	0	239,405,241
Highway system maintenance	1,004,083,761	0	1,004,083,761
Ground transportation system safety	26,540,480	0	26,540,480
Financial assistance to localities	302,374,300	0	302,374,300
Environmental monitoring and compliance	11,599,079	0	11,599,079
Land management	824,321	0	824,321
Toll facility operations and construction	53,200,050	0	53,200,050
Capital outlay	23,206,201	0	23,206,201
Debt service:			
Interest	0	94,995,092	94,995,092
Retirement of bonds	0	140,036,842	140,036,842
Transfers to other state agencies	27,205,400	0	27,205,400
Total expenditures	<u>2,681,045,572</u>	<u>235,179,197</u>	<u>2,916,224,769</u>
Revenues over (under) expenditures	<u>355,909,327</u>	<u>(225,116,961)</u>	<u>130,792,366</u>
Other financing sources (uses)			
Other financing sources (uses)	(1,015,776)	0	(1,015,776)
Bond proceeds	265,470,159	148,703,266	414,173,425
Note proceeds	100,289,397	0	100,289,397
Insurance Recoveries	501,784	0	501,784
Defeasance payment	0	(148,703,266)	(148,703,266)
Transfers to other state agencies and General fund (Note 9)	(139,433,399)	0	(139,433,399)
Transfers from other state agencies and General fund (Note 9)	53,779,435	0	53,779,435
Transfers in (Note 9)	493,824,850	243,862,050	737,686,900
Transfers out (Note 9)	(737,686,900)	0	(737,686,900)
Total other financing sources (uses)	<u>35,729,550</u>	<u>243,862,050</u>	<u>279,591,600</u>
Revenues and other sources over (under) expenditures and other uses	391,638,877	18,745,089	410,383,966
Fund balance - July 1	1,210,216,819	75,520,158	1,285,736,977
Fund balance - June 30	<u>\$1,601,855,696</u>	<u>\$94,265,247</u>	<u>\$1,696,120,943</u>

The accompanying notes are an integral part of this financial statement

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**Reconciliation of the Change in Fund Balances of Governmental Funds  
to the Statement of Activities  
June 30, 2006**

Net Change in fund balances - total governmental funds \$410,383,966

Amounts reported for governmental activities are different because:

Accrued interest (3,075,519)

Capital Outlays are reported as expenditures in the governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their useful lives as depreciation expense. In the current period these amounts are :

Increase in capital assets over capital outlay 9,914,246

Urban assets not capitalized (295,487,963)

Capital Outlay	\$23,206,201	
Depreciation expense	(7,571,176)	
Excess of capital outlay over depreciation expense		15,635,025

Increase in Infrastructure	1,209,741,942	
Depreciation expense	(393,673,164)	
Excess of increase in infrastructure over depreciation expense		816,068,778

Some capital additions were financed through capital leases. In governmental funds a capital lease obligation is considered a source of financing, but in the Statement of Net Assets, the lease obligation is reported as a liability .

Decrease in capital leases 163,939

Bond proceeds provide current financial resources to governmental funds by issuing debt, which increases long term bonded debt in the Statement of Activities. Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term bonded debt in the Statement of Net Assets.

Bond proceeds		(395,900,439)
Note proceeds		(96,515,000)
Defeasance of bonds		145,264,900
Retirement of bonds		144,233,393
Accretion of debt		(2,098,276)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of :

Decrease in compensated absences		(3,961,598)
Amortize bond premium		(11,953,237)
Amortize bond discounts		(636,011)
Amortize cost of issuance		906,006

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds (7,094,512)

Change in net assets of governmental activities \$725,847,698

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**Major Enterprise Fund**

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**Virginia Department of Transportation**  
**Pocahontas Parkway Association - Enterprise Fund**  
**Statement of Net Assets**  
**June 30, 2006**

**Assets**

Current assets:

Restricted cash and cash equivalents (Note 12)	<u>\$ 877,879</u>	\$ 877,879
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<b>Total Assets</b>		<u>877,879</u>
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**Liabilities**

Current liabilities:

Accounts payable	<u>877,879</u>	877,879
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<b>Total Liabilities</b>		<u>877,879</u>
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<b>Net Assets</b>		<u><u>\$ -</u></u>
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The accompanying notes are an integral part of this financial statement

**Virginia Department of Transportation  
Pocahontas Parkway Association - Enterprise Fund  
Statement of Revenues, Expenses, and Changes in  
Fund Net Assets  
For the Fiscal Year Ended June 30, 2006**

	Year Ended June 30, 2006
<b>Revenues</b>	
Tolls	\$ 11,679,675
Gain on debt refinancing	1,554,726
Interest	2,103,426
Total revenues	<u>15,337,827</u>
 <b>Expenses</b>	
Interest	26,413,180
Depreciation and amortization	10,856,051
Operating and maintenance	1,990,146
Total expenses	<u>39,259,377</u>
 <b>Revenues over (under) expenditures</b>	 (23,921,550)
 <b>Other financing sources</b>	
Other financing sources	<u>164,216,432</u>
 Change in Net Assets	 140,294,882
Net Assets at July 1, 2005 (deficit)	<u>(140,294,882)</u>
Net Assets at June 30, 2006	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this financial statement

Virginia Department of Transportation  
Pocahontas Parkway Association- Enterprise Fund  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2006

	<u>Year Ended June 30, 2006</u>
<i>Cash flows from operating activities</i>	
Cash received from toll collections	\$11,676,338
Cash received from investments	2,143,077
Cash payments for interest	<u>(9,046,250)</u>
Net cash provided by operating activities	4,773,165
<i>Cash flows from noncapital activities</i>	
Disbursed cash balances to purchaser (Transurban (895) LLC)	<u>(7,890,456)</u>
Net cash used in noncapital activities	(7,890,456)
<i>Cash flows from financing activities</i>	
Payment of principal and interest on bonds	<u>(5,300,000)</u>
Net cash used in financing activities	(5,300,000)
<i>Cash flows from investing activities</i>	
Proceeds from sales of investments	<u>2,176,777</u>
Net cash provided by investing activities	2,176,777
Net increase in cash and cash equivalents	(6,240,514)
Cash and cash equivalents, July 1, 2005	<u>7,118,393</u>
Cash and cash equivalents, June 30, 2006	<u><u>\$877,879</u></u>

**Virginia Department of Transportation**  
**Pocahontas Parkway Association**  
**Proprietary Fund - Enterprise Fund**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2006**

	<u>Year Ended</u> <u>June 30, 2006</u>
Change in accumulated deficit from operating loss	(\$23,921,550)
Adjustments to reconcile change in accumulated deficit to net cash provided by operating activities:	
Amortization and other	10,944,541
Accretion of bond principal	16,150,883
Investment income	(707,931)
Gain on debt refinancing	(1,554,726)
Changes in assets and liabilities:	
Decrease in interest receivable	746,852
Decrease in prepaid expenses	16,974
(Decrease) in payables	(108,440)
(Decrease) in accrued interest	(80,829)
Increase in bonds payable	2,195,547
Increase in other long-term liabilities	1,091,844
Total adjustments	<u>28,694,715</u>
Net cash provided by operating activities	<u><u>\$4,773,165</u></u>

**Agency Fund**

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VIRGINIA DEPARTMENT OF TRANSPORTATION  
 STATEMENT OF FIDUCIARY NET ASSETS  
 June 30, 2006

Agency Fund	
June 30, 2006	June 30, 2005

**ASSETS**

Cash & investments held with  
 the Treasurer of Virginia

\$64,430	\$79,994
----------	----------

**Total assets**

\$64,430	\$79,994
----------	----------

**LIABILITIES AND FUND EQUITY**

Liabilities:

Deposits payable

\$64,430	\$79,994
----------	----------

**Total liabilities**

\$64,430	\$79,994
----------	----------

**NET ASSETS**

Unreserved

\$0	\$0
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**Total net assets**

\$0	\$0
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# FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2006

# VIRGINIA DEPARTMENT OF TRANSPORTATION

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain significant accounting policies employed by the Virginia Department of Transportation (VDOT or Department).

#### A. Basis of Presentation

The accompanying financial statements have been prepared in conformance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).

#### B. Reporting Entity

The Department provides a surface transportation system for the safe and efficient movement of people and goods throughout the Commonwealth of Virginia (the Commonwealth.)

A separate report is prepared for the Commonwealth of Virginia, which includes all agencies, boards, commissions, and authorities over which the Commonwealth exercises or has the ability to exercise oversight authority. The Department is an agency of the Commonwealth of Virginia and is included in the general purpose financial statements of the Commonwealth, specifically the Comprehensive Annual Financial Report issued by the State's Comptroller.

For financial reporting purposes, the Department's reporting entity consists of all funds under VDOT control and a component unit organization for which VDOT is financially accountable (blended component unit).

**Blended Component Unit** – Though a legally separate entity, a component unit is, in substance, part of the primary government's operations. The blended component unit serves or benefits the primary government almost exclusively. Financial information from this unit is combined with that of the primary government. VDOT's blended component unit is: Pocahontas Parkway Association (the Association)

The Association is a private, nonstock, nonprofit corporation, without members organized under provisions of Chapter 10 of Title 13.1 of the *Code of Virginia* (1950), as amended. The Association was formed in August 1997, to assist FD/MK Limited Liability Company (FD/MK) in financing the Route 895 Connector Toll Road Project (the Project).

FD/MK was approved to develop and construct the Project in accordance with guidelines developed by the Department for implementation of the Public-Private Transportation Act (the PPTA). The Route 895 Connector, officially designated the Pocahontas Parkway, is an approximately nine-mile, four-lane limited access tollway extending from the current eastern terminus of Chippenham Parkway (Virginia State Route 150) at Interstate 95 to a connection with Interstate 295, southeast of Richmond International Airport.

As permitted by the PPTA, the Department and FD/MK entered into a Comprehensive Agreement to Develop and Operate Route 895 Connector (the Comprehensive Agreement), in which, among other things, the general structure, financing, operation and implementation of the Project are established. Under the related Project Financing, Assignment and Assumption Agreement (the Project Financing Agreement,) the Association accepted the assignment of FD/MK's rights and duties under the Comprehensive Agreement, other than those relating to the design and construction of the Project. The Department accepted the assignment of the operating and maintenance responsibilities on completion of the toll road.

As a result of these agreements, the Association has the exclusive right to collect tolls for the use of the Project and must cause the Project to be managed, operated and maintained as required in the Comprehensive Agreement. Provided sufficient funds are available, the Association must also market, promote and advertise the Project, perform certain financial, budgeting, advertising and reporting responsibilities, and any responsibilities that the Department may direct it to perform under the terms of specific agreements. The Association has no employees and has relied on the Department to provide operating, administration, and accounting services on its behalf. VDOT appoints three of seven Association Board members.

Pursuant to the provision of the SIB Loan Agreement and the Comprehensive Agreement, the Commonwealth Transportation Board (the CTB) and the Department have agreed to provide certain financial assistance to the Project, and, in the case of the Department, to operate and maintain the Project. Subject to appropriation and availability of funds, the Department has agreed to pay current expenses subject to reimbursement, and costs of extraordinary maintenance and repair of the Project to the extent such costs exceed funds available under the Master Indenture of Trust between the Association and the Trustee (the Indenture.)

**C. Government-wide and fund financial statements**

The government-wide financial statements, the Statement of Net Assets and the Statement of Activities report information on all nonfiduciary activities of VDOT and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, VDOT is reported separately from the legally separate component unit for which the agency is financially accountable.

The Statement of Activities demonstrates the degree to which direct expenses of a specific function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use, or directly benefit from goods or services provided by a given function, segment, or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items properly excluded from program revenues are reported instead as general revenues.

Net assets are restricted when constraints are placed on them that are imposed by external parties, Constitutional provisions, or enabling legislation. Designations solely imposed by the Commonwealth's management are not presented as restricted net assets. When both restricted and unrestricted resources are available for use, the VDOT policy is to use the restricted resources first.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and major component units. However, fiduciary funds are not included in the government-wide statements. Major governmental funds, enterprise funds, and component units are reported as separate columns in the financial statements.

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**Government-wide Financial Statements** – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Governmental Fund Financial Statements** – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Department considers revenues to be available if

they are collected within 60 days of the end of the current fiscal year. Significant revenues subject to accrual include federal grants and sales taxes. Revenues that VDOT earns by incurring obligations are recognized in the same period as when the obligations are recognized. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to debt service, compensated absences, and claims and judgments are recorded only when the payment is due.

The Department reports the following major Governmental funds:

**Special Revenue Funds** – Account for transactions related to resources received and used for restricted or specific purposes. These include highway maintenance and construction and other transportation purposes.

**Debt Service Funds** - Account for the accumulation of resources used to pay the principal and interest on long-term obligations.

### **Proprietary Funds, Fiduciary Funds, and Component Unit Financial Statements**

The financial statements of the proprietary funds, fiduciary funds, and component units are reported using the economic resources measurement focus and the accrual basis of accounting. As with the government-wide statements, revenues are recorded when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating.

GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, provides governments two options for reporting their proprietary fund activities (including component units accounted for using proprietary fund accounting).

- **Option 1:** Apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued **on or before** November 30, 1989, unless those conflict with or contradict GASB pronouncements.
- **Option 2:** Apply all of the above pronouncements and all FASB Statements and Interpretations issued **after** November 30, 1989 except for those that conflict with or contradict GASB pronouncements. GASB Statement No. 29, The Use of Not-for-Profit Accounting and Financial Reporting Principles by Governmental Entities, limits the application of FASB Statements and Interpretations issued after November 30, 1989 to those that are developed primarily for business enterprises.

The proprietary fund reported herein, the Pocahontas Parkway Route 895 Connector,

applies Option 2. Additionally, VDOT reports the following fund types:

**Governmental Funds:**

- Special Revenue Funds - account for the ordinary operations of VDOT that are supported by revenues from specific revenue sources. Included in these funds are Federal grants/contracts and toll facilities.
- Debt Service Funds - account for the accumulation of resources used to pay the principal and interest on long-term obligations recorded in the Government-Wide Statements.

**Fiduciary Funds:**

- Agency Fund - accounts for the assets held by the Department in a trustee capacity or as a fiscal agent on behalf of others, is custodial in nature and does not involve measurement of results of operations.

**Proprietary Funds:**

- Enterprise Fund – accounts for the activities of the blended component unit for Route 895 (Pocahontas Parkway), which is operated by the Association.

**E. Budgetary Process**

Budgetary amounts shown in the Required Supplementary Information Section represent the total of the original budgeted amounts and all supplemental appropriations. The VDOT budget is prepared principally on a cash basis and represents appropriations as authorized by the General Assembly. Unexpended appropriations at the end of the fiscal year generally lapse. However, they may be re-appropriated for expenditure in the following fiscal year. The Governor, as required by the *Code of Virginia*, submits a budget composed of all proposed expenditures for the State, and of estimated revenues and borrowing for a biennium, to the General Assembly.

The budget is prepared on a biennial basis; however, the budgets of the General and Special Revenue Funds contain separate appropriations for each year within the biennial budget, as approved by the General Assembly and signed into law by the Governor. For management control purposes, the budget is controlled at the program level. The Governor may transfer an appropriation within a State agency or from one State agency to another, provided that total fund appropriations, as contained within the budget, are not exceeded. Increases in General Fund appropriations must be approved by the General Assembly.

Appropriations for programs funded from Special Revenue Funds may allow expenditures in excess of the original appropriations to the extent that revenues of the funds exceed original budget estimates and such additional expenditures are approved by the Governor through supplemental appropriations.

**F. Investments**

Governmental funds, both VDOT and component unit, report investments in money market funds at amortized cost. All other investments are reported at fair market value.

**G. Inventory**

The Department records inventory in the Special Revenue Funds. Inventories are valued at weighted average cost and are recorded as expenditure at the time individual items are used (consumption method). Inventory in the Special Revenue Funds consist mainly of road materials, sign stock, fuels, materials and supplies and work-in-process. Reported inventories are equally offset by a fund balance reserve, which indicates they do not constitute available spendable resources although they are a component of net assets.

**H. Property, Plant, and Equipment**

Capital assets are valued at historical cost or estimated historical cost. Donated fixed assets are carried at estimated market value at the date of contribution. The agency elected to use the historical approach in determining infrastructure value.

Capital assets are depreciated on a straight-line basis over their estimated useful life:

<b>Asset Class</b>	<b>Estimated Useful Lives</b>
Buildings and improvements	30 years
Equipment	From 2 to 25 years
Infrastructure, excluding bridges and tunnels	30 years
Bridges and tunnels	50 years

**I. Deferred Revenue**

Deferred revenue represents monies received or revenues accrued but not earned as of June 30, 2006. This amount is reported in the Special Revenue Funds and is composed of receipts from cities, counties and towns for advanced funding of construction project participation and federal receivables that are expected to be collected after August 31, 2006.

**J. Compensated Absences**

Compensated absences are recorded as current and long- term liabilities in the Government-Wide statements. This represents the amounts of vacation, sick, compensatory leave and disability credits earned by employees of the Department, but not taken at June 30, 2006. The amount reflects all earned vacation, sick and compensatory leave payable under the Commonwealth of Virginia's leave payout policy upon employment termination. An additional liability amount has been included for those employees with less than five years of service based on the probability they

will eventually become vested. Also included in the liability is the Department's share of the FICA taxes on leave balances for which employees will be compensated.

**K. Total Columns**

Total columns on the combined financial statements are captioned "Total Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**2. TOLL FACILITIES**

The Department operates three major toll facilities. Its responsibilities, as established by the respective trust indentures, are to construct, improve, operate and maintain the Omer L. Hirst - Adelar L. Brault Expressway (formerly Dulles Toll Road) in Fairfax County, the Powhite Parkway Extension Toll Road located in Chesterfield County, and the George P. Coleman Bridge across the York River connecting Gloucester and York Counties. The tolls and other revenues arising from the operation of these facilities are used to operate and maintain them and satisfy bond interest and principal payment requirements. The activities of construction, maintenance, operation, and improvement of these toll facilities are accounted for in the Special Revenue Funds. The principal and interest payments for the related debt issues are accounted for in the Debt Service Funds.

A fourth toll facility, the Pocahontas Parkway (Route 895 Connector), is located in Chesterfield and Henrico Counties. Activities for this toll facility are accounted for in the Enterprise Fund as a business-type activity.

**3. COMMITMENTS**

**Operating Leases**

VDOT is committed under various operating leases for land, floor space and equipment. In general, the leases are for 3-4 years with renewal options for another 3-4 year term. In most cases, VDOT expects these leases to be replaced by similar leases. Rental expense for the fiscal year ending June 30, 2006 was \$7,008,063. VDOT has, as of June 30, 2006, the following future minimum rental payments due under the above leases:

2007	\$6,497,771
2008	5,788,650
2009	4,768,972
2010	4,104,747
2011	3,528,191
Subsequent to 2011	5,169,205
	<u>\$29,857,536</u>

### **Right of Way Obligations**

The Department exercises its right of eminent domain to acquire property necessary to construct and improve highway systems. At the time of condemnation, the Department prepares a right of way certificate for payment to the applicable owner based on its assessment at fair market value. Owners involved in condemnation procedures may contest the Department's assessment of fair market value. Contested assessments result in a right of way certificate being released into the custody of the applicable court.

The Department has estimated that the right of way obligations as of June 30, 2006, were \$1,637,167. This amount is not recorded in the accompanying financial statements because the Department is unable to determine the extent to which the total amounts ultimately awarded to the landowners may exceed the amount of right of way certificates payable. Additionally, title does not pass to the Department until acceptance of the certificate by the landowner and likewise the Department may revoke their certificates prior to this passage.

### **Contractual Commitments**

At June 30, 2006, the Department of Transportation had the following contractual commitments for various construction projects, maintenance contracts, and consultant services:

Construction Projects	\$681,408,995
Maintenance Contracts	144,743,375
Consultant Services	608,378,003
	<hr/>
	\$1,434,530,373

Services on these contractual commitments have not been rendered; therefore, a liability has not been recognized in the financial statements.

## **4. DEFICIT FUND BALANCES AND RETAINED EARNINGS**

### **Powhite Parkway Extension Fund:**

The Powhite Parkway Extension Fund had a deficit fund balance of \$44,011,460 at June 30, 2006. This deficit is attributable to higher construction costs and revenue shortfalls caused by a lower traffic volume than projected.

The Powhite Parkway Extension Fund has incurred interfund obligations to meet both bond debt service payments and construction costs. At June 30, 2006, the Powhite Parkway Extension had the following interfund obligations:

Due to Toll Facilities Revolving Fund	\$ 31,749,233
Due to Construction Fund	15,071,100
	<hr/>
Total Interfund Obligations	\$ 46,820,333

In addition to its interfund obligations, the Powhite Parkway Extension has bonds payable for \$27,155,000 and a note payable to Chesterfield County for \$8,000,000 at June 30, 2006. These obligations and the interfund liabilities listed above are to be paid from toll revenues.

**Coleman Bridge Fund:**

The Coleman Bridge Fund had a deficit fund balance of \$37,115,895 at June 30, 2006, due to an interfund loan from the Toll Facilities Revolving Fund for construction. Additionally, operating expenses and debt service requirements have exceeded revenues.

The Coleman Bridge Fund has incurred the following interfund obligations for construction costs and operating expenses at June 30, 2006:

Due to Toll Facilities Revolving Fund	\$ 40,211,000
Due to Construction Fund	110,000
Total Interfund Obligations	<u>\$ 40,321,000</u>

In addition to its interfund obligations, the Coleman Bridge Fund has bonds payable for \$34,785,000. This obligation and the interfund liabilities listed above are to be paid from toll revenues.

**5. RESTATEMENT OF BEGINNING BALANCES**

**Government-Wide - Governmental Activities**

The Government-wide beginning balance restatement resulted from correction of prior year capital asset balances. The increase of \$375.6 million is mostly the result of an adjustment to the methodology used to compute the capitalization of donated subdivision secondary roads. The following schedule shows the adjustments to the net assets as of June 30, 2005.

Government wide net assets June 30, 2005	\$11,957,619,960
Correction of prior year capital asset balances	<u>375,624,648</u>
Fund Balance, June 30, 2005 as adjusted	<u>\$12,333,244,608</u>

### Governmental Funds

The beginning fund balances for the Toll Facilities Revolving Fund and Construction Fund have been restated to record an intrafund receivable of \$34,876,000 due from Construction to Toll Facilities Revolving. This transaction was recorded in prior years as an intrafund transfer.

## 6. LONG-TERM LIABILITIES

The following schedules present the long-term liabilities of the Virginia Department of Transportation and its Component Unit as reported in the Government-Wide Statement of Net Assets.

### Long-Term Liabilities Activity

<b>Governmental activities:</b>	<b>June 30, 2005</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2006</b>
Bonds Payable	\$1,860,526,401	\$395,900,539	(\$287,400,117)	\$1,969,026,823
Capital Leases	178,928	0	(163,939)	14,989
Notes Payable	12,325,000	96,515,000	0	108,840,000
Compensated Absences	59,764,243	48,730,299	(44,715,848)	63,778,694
<b>Totals</b>	<b>\$1,932,794,572</b>	<b>\$541,145,838</b>	<b>(\$332,279,904)</b>	<b>\$2,141,660,506</b>
<b>Pocahontas Parkway Association</b>	<b>June 30, 2005</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2006</b>
Bonds Payable	\$463,357,135	\$0	(\$463,357,135)	\$0
<b>Totals</b>	<b>\$463,357,135</b>	<b>\$0</b>	<b>(\$463,357,135)</b>	<b>\$0</b>

Commonwealth bonds are issued pursuant to Section 9 of Article X of the Constitution of Virginia. Section 9(b) bonds have been issued to redeem previous debt obligations to finance capital projects. These bonds are retired through the use of State appropriations. Section 9(c) bonds are issued to finance capital projects which when completed will generate revenue to repay the debt. Section 9(b) and 9(c) bonds are tax-supported general obligation bonds and are backed by the full faith, credit, and taxing power of the Commonwealth.

Section 9(d) bonds are revenue bonds and are not backed by the full faith, credit, and taxing power of the Commonwealth. These bonds are not general obligation bonds and are not deemed to constitute a legal liability of the Commonwealth. The 9(d) Transportation Bonds (Primary Government) are payable solely from revenues or earnings, and other available sources of funds appropriated by the General Assembly.

## **Primary Government**

### **Transportation Facilities Debt - Bonds Payable**

Transportation Facilities Bonds include \$27,155,000 of 9(b) general obligation bonds, \$79,520,681 of 9(c) general obligation bonds and \$1,862,351,142 of Section 9(d) revenue bonds. Principal and interest requirements for the current year totaled \$235,031,934.

The Section 9(b) transportation facilities bonds represent Powhite Parkway Extension Refunding Bonds, Series 2003A which were issued to partially refund Series 1993(A) Section 9(b) Transportation Facilities Bonds. The Section 9(c) Transportation Facilities Bonds were issued to fund the construction, improvement and operation of the Omer L Hirst – Adelard L. Brault Expressway and the George P. Coleman Bridge. The Section 9(d) Transportation Facilities Bonds were issued to fund construction of State Route 28, U.S. Route 58, the Northern Virginia Transportation District Program and the Oak Grove Connector (City of Chesapeake).

The Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes, Series 2000 and 2002 9(d) were issued to finance various capital transportation projects throughout the Commonwealth pursuant to the Virginia Transportation Act of 2000. Repayment of the Series 2000 and 2002 Notes will be from appropriations of future cost reimbursements and payments received from the Federal Highway Administration for Federal aid projects.

On May 11, 2006, the Commonwealth Transportation Board of the Commonwealth of Virginia issued \$23,160,000 in Oak Grove Connector, City of Chesapeake Commonwealth Transportation Revenue and Refunding Bonds, Series 2006(A), maturing in annual installments on May 15 in the years 2008 to 2022. Interest is payable on May 15 and November 15 at rates varying from 4.25% to 5.00%. The proceeds of these bonds will be used to refund a portion of the Oak Grove Connector, City of Chesapeake Commonwealth Transportation Board Transportation Revenue Bonds Series 1997(A). The refunded bonds, series 1997A had carrying interest rates varying from 5.000% to 5.250%.

On May 11, 2006, the Commonwealth Transportation Board of the Commonwealth of Virginia issued \$20,020,000 in Northern Virginia Transportation District Program Commonwealth Transportation Revenue and Refunding Bonds, Series 2006(B), maturing in annual installments on May 15 in the years 2015 to 2026. Interest is payable on May 15 and November 15 at rates varying from 4.13% to 4.45%. The proceeds of these bonds will be used to refund a portion of the Northern Virginia Transportation District Program Commonwealth Transportation Board Transportation Revenue Bonds, Series 1999(A), Series 2001(A) and Series 2002(A). The refunded bonds, series 1999A had carrying interest rates varying from 5.000% to 5.750%, series 2001A had carrying interest rates varying from 4.500% to 5.375% and series 2002A had carrying interest rates varying from 4.000% to 5.250%

On May 11, 2006, the Commonwealth Transportation Board of the Commonwealth of Virginia issued \$63,460,000 in US Route 58 Corridor Development Program Commonwealth Transportation Revenue and Refunding Bonds, Series 2006(C), maturing in annual installments on May 15 in the years 2015 to 2027. Interest is payable on May 15 and

November 15 at rates varying from 4.75% to 5.25%. The proceeds of these bonds will be used to refund a portion of the US Route 58 Corridor Development Program Commonwealth Transportation Board Transportation Revenue Bonds, Series 1999(B) and Series 2001(B). The refunded bonds series 1999B had carrying interest rates varying from 5.000% to 5.750% and series 2001B had carrying interest rates varying from 4.500% to 5.375%.

On March 15, 2006 the Department of the Treasury issued approximately \$31.9 million in Commonwealth of Virginia General Obligation Refunding Bonds for Coleman Bridge General Obligation Bonds, Series 2006A, maturing in annual installments on June 1 in the years 2007 to 2021. Interest is payable on June 1 and December 1 at rates varying from 3.875% to 5.000%. The bond proceeds of these bonds will be used to refund the General Obligation Refunding Bonds, Series 1996 for Coleman Bridge. The refunded bonds, series 1996A had carrying interest rates varying from 4.750% to 5.125%.

On March 15, 2006 the Department of the Treasury issued approximately \$4.5 million in Commonwealth of Virginia General Obligation Refunding Bonds for Dulles Toll Road General Obligation Bonds, Series 2006A, maturing in annual installments on June 1 in the years 2007 to 2008. Interest is payable on June 1 and December 1 at rates varying from 4.125% to 4.000%. The bond proceeds of these bonds will be used to refund the General Obligation Refunding Bonds, Series 1996 for Dulles Toll Roads. The refunded bonds, series 1996A had carrying interest rate of 5.375%.

In September 2005, the Commonwealth Transportation Board issued \$250,000,000 in Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes, Series 2005, maturing in annual installments on October 1 in the years 2006 to 2015. Interest is payable on April 1 and October 1 at rates varying from 3.000% to 5.000%. The proceeds of the Series 2005 Note will be used to finance various transportation projects throughout the Commonwealth pursuant to the Virginia Transportation Act of 2000 (VTA) and to pay issuance costs and other financing expenses of the Series 2005 Notes.

The following schedule details the annual funding requirements necessary to repay the Department's combined bond issues:

Maturity	Principal	Interest	Total
2007	169,048,630	90,645,125	259,693,755
2008	176,474,756	82,835,982	259,310,738
2009	178,514,000	74,596,557	253,110,557
2010	187,280,000	65,921,885	253,201,885
2011	196,520,000	56,517,144	253,037,144
2012-2016	597,895,000	177,832,107	775,727,107
2017-2021	330,335,000	67,655,963	397,990,963
2022-2026	151,500,000	15,113,044	166,613,044
2027-2031	43,645,000	156,000	43,801,000

2032-2032	8,105,000	0	8,105,000
<b>Subtotal</b>	<b>2,039,317,386</b>	<b>631,273,807</b>	<b>2,670,591,193</b>
Less Unaccreted Capital Appreciation Bonds	<b>(70,290,563)</b>	0	<b>(70,290,563)</b>
<b>Total</b>	<b>\$1,969,026,823</b>	<b>\$631,273,807</b>	<b>\$2,600,300,630</b>

**Detail of Bonds Payable**

Series	Amount Issued	Outstanding June 30, 2005	Issued-Retired During Year	Outstanding June 30, 2006	Maturity
<b>Section 9(b) Debt General Obligation Bonds</b>					
Powhite Parkway Extension Series 2003(A) Refunding	40,370,000	31,775,000	(4,620,000)	27,155,000	06/01/07-11
<b>Section 9(c) Debt General Obligation Bonds</b>					
Hirst Brault Expressway (Dulles Toll Road)					
Series 1989(A) Capital Appreciation	34,348,000	10,724,057	(2,423,762)	8,300,295	06/01/07-09
Series 1996	45,235,000	6,665,000	(6,665,000)	0	
Series 2002 Refunding	24,615,000	24,615,000	-	24,615,000	06/01/07-16
Series 2003(A) Refunding	18,764,506	11,241,503	(3,956,117)	7,285,386	06/01/07-08
Series 2006 Refunding	4,535,000	-	4,535,000	4,535,000	06/01/07-08
Coleman Bridge					
Series 1996	34,750,000	33,025,000	(33,025,000)	0	
Series 1998 Refunding	3,135,000	2,935,000	(30,000)	2,905,000	06/01/07-08
Series 2002 Refunding	3,775,000	1,330,000	(1,330,000)	0	
Series 2006 Refunding	31,880,000	-	31,880,000	31,880,000	06/01/07-21

## Detail of Bonds Payable Continues

Series	Amount Issued	Outstanding June 30, 2005	Issued-Retired During Year	Outstanding June 30, 2006	Maturity
<b>Section 9(d) Debt-</b>					
<b>Transportation Revenue Bonds</b>					
Route 28 Corridor					
Series 2002 Refunding	83,820,000	72,375,000	(4,365,000)	68,010,000	04/01/07-18
Series 2002A Capital Appreciation	36,823,667	42,135,841	2,135,301	44,271,142	04/01/07-32
U.S. Route 58 Corridor Development					
Series 1996(B)	114,285,000	11,485,000	(3,605,000)	7,880,000	05/15/07-08
Series 1997(C)	96,060,000	89,460,000	(345,000)	89,115,000	05/15/07-19
Series 1999(B)	204,945,000	50,830,000	(32,825,000)	18,005,000	05/15/07-24
Series 2001(B)	102,165,000	60,770,000	(39,195,000)	21,575,000	05/15/07-26
Series 2002(B)	70,670,000	68,040,000	(3,980,000)	64,060,000	05/15/07-18
Series 2003(A)	66,255,000	57,225,000	(7,110,000)	50,115,000	05/15/07-12
Series 2004(B)	232,260,000	232,260,000	-	232,260,000	05/15/07-22
Series 2006(C)	63,460,000	-	63,460,000	63,460,000	05/15/07-26
Northern Virginia Transportation District Program					
Series 1996(A)	70,890,000	7,345,000	(2,305,000)	5,040,000	05/15/07-08
Series 1997(B)	41,540,000	40,095,000	(215,000)	39,880,000	05/15/07-20
Series 1999(A)	33,320,000	8,260,000	(5,335,000)	2,925,000	05/15/07-24
Series 2001(A)	58,650,000	34,885,000	(9,165,000)	25,720,000	05/15/07-26
Series 2002(A)	153,035,000	143,070,000	(15,790,000)	127,280,000	05/15/07-27
Series 2004(A)	89,400,000	89,400,000	-	89,400,000	05/15/07-22
Series 2006(B)	20,020,000	-	20,020,000	20,020,000	05/15/07-26
Oak Grove Connector (Chesapeake)					
Series 1997(A)	33,075,000	25,870,000	(24,825,000)	1,045,000	05/15/07
Series 2006(A)	23,160,000	-	23,160,000	23,160,000	05/15/07-22
<b>Section 9(d) Debt - Federal</b>					
<b>Highway Reimbursement</b>					
<b>Anticipation Notes</b>					
Series 2000	375,000,000	268,995,000	(39,130,000)	229,865,000	10/01/06-10
Series 2002	423,320,000	435,715,000	(46,450,000)	389,265,000	10/01/06-12
Series 2005	250,000,000	-	250,000,000	250,000,000	10/01/06-15
<b>Total Bonds Payable</b>		<b>1,860,526,401</b>	<b>108,500,422</b>	<b>1,969,026,823</b>	

**Detail of Bonds Payable****Interest Rates****Series**

Powhite Parkway Extension	
Series 2003(A) Refunding	2.5%-5.0%
Hirst Brault Expressway (Dulles Toll Road)	
Series 1989(A) Capital Appreciation	6.4%-6.7%
Series 1996	5.375%
Series 2002 Refunding	4.0%-5.0%
Series 2003(A) Refunding	4.0%-5.0%
Series 2006(A) Refunding	4.0%-4.125%
Coleman Bridge	
Series 1996	4.75%-5.125%
Series 1998 Refunding	3.9%-5.0%
Series 2002 Refunding	4.0%
Series 2006 Refunding	4%-5.0%
Route 28 Corridor	
Series 2002 Refunding	2.0%-5.0%
Series 2002A Capital Appreciation	4.63%-5.32%
U.S. Route 58 Corridor Development	
Series 1996(B)	4.9%-6.75%
Series 1997(C)	4.1%-5.125%
Series 1999(B)	5.0%-5.75%
Series 2001(B)	4.5%-5.375%
Series 2002(B)	3.0%-5.25%
Series 2003(A)	3.0%-5.5%
Series 2004(B)	4.75%-5.25%
Series 2006(C)	5.0%

<b>Detail of Bonds Payable</b>	<b>Interest Rates</b>
Northern Virginia Transportation District Program	
Series 1996(A)	4.9%-6.75%
Series 1997(B)	4.1%-7.25%
Series 1999(A)	5.0%-5.75%
Series 2001(A)	4.5%-5.375%
Series 2002(A)	3.0%-5.25%
Series 2004(A)	4.0%-5.0%
Series 2006(B)	4.25%-5.0%
Oak Grove Connector (Chesapeake)	
Series 1997(A)	5.0%
Series 2006(A)	4.25%-5.0%
Federal Highway Reimbursement Anticipation Notes	
Series 2000	4.45%-5.75%
Series 2002	2.0%-5.0%
Series 2005	2.0%-5.0%

The following schedules detail the annual funding requirements necessary to repay the Department's individual bonds issues:

<b>Powhite Parkway Extension Transportation Facilities Refunding</b>			
<b>Bonds Series 2003A</b>			
<b>Debt Service Requirement to Maturity</b>			
<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$4,885,000	\$1,357,750	\$6,242,750
2008	5,130,000	1,113,500	6,243,500
2009	5,415,000	857,000	6,272,000
2010	5,715,000	586,250	6,301,250
2011	6,010,000	300,500	6,310,500
<b>Total</b>	<b>\$27,155,000</b>	<b>\$4,215,000</b>	<b>\$31,370,000</b>

**Hirst-Brault Expressway Transportation Facilities Bonds Capital  
Appreciating, Series 1989A**

**Debt Service Requirement to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$3,134,000	\$0	\$3,134,000
2008	3,134,000	0	3,134,000
2009	3,134,000	0	3,134,000
<b>Total</b>	<b>9,402,000</b>	<b>0</b>	<b>9,402,000</b>
Less:			
Unaccreted Capital Appreciation Bonds	(1,101,705)		(1,101,705)
<b>Totals</b>	<b>\$8,300,295</b>	<b>\$0</b>	<b>\$8,300,295</b>

**Hirst - Brault Expressway General Obligation Refunding Bonds,  
Series 2002**

**Debt Service Requirement to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$40,000	\$1,168,500	\$1,208,500
2008	115,000	1,166,900	1,281,900
2009	2,585,000	1,161,150	3,746,150
2010	2,685,000	1,057,750	3,742,750
2011	2,820,000	923,500	3,743,500
2012-2016	16,370,000	2,355,000	18,725,000
<b>Total</b>	<b>\$24,615,000</b>	<b>\$7,832,800</b>	<b>\$32,447,800</b>

**Hirst - Brault Expressway General Obligation Refunding Bonds,  
Series 2003A**

**Debt Service Requirement to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$3,759,630	\$364,269	\$4,123,899
2008	3,525,756	176,288	3,702,044
<b>Total</b>	<b>\$7,285,386</b>	<b>\$540,557</b>	<b>\$7,825,943</b>

**Hirst - Brault Expressway General Obligation Refunding Bonds,  
Series 2006**

**Debt Service Requirement to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$2,220,000	\$184,175	\$2,404,175
2008	2,315,000	92,600	2,407,600
<b>Total</b>	<b>\$4,535,000</b>	<b>\$276,775</b>	<b>\$4,811,775</b>

**Coleman Bridge General Obligation Refunding Bonds, Series 1998****Debt Service Requirement to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$1,415,000	\$134,075	\$1,549,075
2008	1,490,000	63,325	1,553,325
Total	<u>\$2,905,000</u>	<u>\$197,400</u>	<u>\$3,102,400</u>

**Coleman Bridge General Obligation Refunding Bonds, Series 2006****Debt Service Requirement to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$240,000	\$1,381,700	\$1,621,700
2008	250,000	1,371,800	1,621,800
2009	1,830,000	1,361,800	3,191,800
2010	1,900,000	1,288,600	3,188,600
2011	1,975,000	1,212,600	3,187,600
2012-2016	11,480,000	4,476,250	15,956,250
2017-2021	14,205,000	1,749,000	15,954,000
Total	<u>\$31,880,000</u>	<u>\$12,841,750</u>	<u>\$44,721,750</u>

**Route 28 Transportation Contract Revenue Refunding Current****Interest Bonds Series 2002 (CIB)****Debt Service Requirement to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$4,490,000	\$3,039,845	\$7,529,845
2008	4,660,000	2,864,883	7,524,883
2009	4,830,000	2,700,712	7,530,712
2010	5,005,000	2,523,150	7,528,150
2011	5,210,000	2,318,835	7,528,835
2012-2016	29,755,000	7,895,325	37,650,325
2017-2021	14,060,000	994,600	15,054,600
Total	<u>\$68,010,000</u>	<u>\$22,337,350</u>	<u>\$90,347,350</u>

**Route 28 Transportation Contract Revenue Capital Appreciation**

**New Money Bonds Series 2002**

**Debt Service Requirement to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$0	\$0	\$0
2008	0	0	0
2009	0	0	0
2010	0	0	0
2011	0	0	0
2012-2016	0	0	0
2017-2021	24,305,000	0	24,305,000
2022-2026	40,525,000	0	40,525,000
2027-2031	40,525,000	0	40,525,000
2032	8,105,000	0	8,105,000
<b>Total</b>	<b>113,460,000</b>	<b>0</b>	<b>113,460,000</b>
Less			
Unaccrued			
Capital			
Appreciation			
Bonds	(69,188,858)	0	(69,188,858)
<b>Total</b>	<b>\$44,271,142</b>	<b>\$0</b>	<b>\$44,271,142</b>

**U.S. Route 58 Transportation Revenue Bonds Series 1996(B)**

**Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$3,845,000	\$390,155	\$4,235,155
2008	4,035,000	201,750	4,236,750
<b>Total</b>	<b>\$7,880,000</b>	<b>\$591,905</b>	<b>\$8,471,905</b>

**U.S. Route 58 Transportation Revenue Refunding Bonds, Series 1997C**

**Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$360,000	\$4,519,944	\$4,879,944
2008	375,000	4,504,194	4,879,194
2009	395,000	4,485,444	4,880,444
2010	415,000	4,465,694	4,880,694
2011	435,000	4,444,943	4,879,943
2012-2016	46,290,000	18,726,969	65,016,969
2017-2021	40,845,000	4,256,312	45,101,312
<b>Total</b>	<b>\$89,115,000</b>	<b>\$45,403,500</b>	<b>\$134,518,500</b>

**U.S. Route 58 Transportation Revenue Bonds, Series 1999B**

<b>Debt Service Requirements to Maturity</b>			
<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$5,695,000	\$976,013	\$6,671,013
2008	6,005,000	662,788	6,667,788
2009	6,305,000	362,537	6,667,537
<b>Total</b>	<b>18,005,000</b>	<b>2,001,338</b>	<b>\$20,006,338</b>

**U.S. Route 58 Transportation Revenue Bonds, Series 2001B**

<b>Debt Service Requirements to Maturity</b>			
<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$2,665,000	\$1,093,612	\$3,758,612
2008	2,785,000	973,687	3,758,687
2009	2,910,000	848,362	3,758,362
2010	3,055,000	702,864	3,757,864
2011	3,210,000	550,113	3,760,113
2012-2016	6,950,000	565,181	7,515,181
<b>Total</b>	<b>\$21,575,000</b>	<b>\$4,733,819</b>	<b>\$26,308,819</b>

**U.S. Route 58 Transportation Revenue Refunding Bonds, Series 2002B**

<b>Debt Service Requirements to Maturity</b>			
<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$4,095,000	\$3,138,287	\$7,233,287
2008	4,220,000	3,015,438	7,235,438
2009	4,435,000	2,804,438	7,239,438
2010	4,655,000	2,582,687	7,237,687
2011	4,885,000	2,349,937	7,234,937
2012-2016	28,350,000	7,831,188	36,181,188
2017-2021	13,420,000	1,049,125	14,469,125
<b>Total</b>	<b>\$64,060,000</b>	<b>\$22,771,100</b>	<b>\$86,831,100</b>

**U.S. Route 58 Transportation Revenue Refunding Bonds, Series 2003A**

<b>Debt Service Requirements to Maturity</b>			
<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$7,470,000	\$2,444,875	\$9,914,875
2008	7,770,000	2,146,075	9,916,075
2009	8,080,000	1,835,275	9,915,275
2010	8,490,000	1,431,275	9,921,275
2011	8,910,000	1,006,775	9,916,775
2012-2016	9,395,000	516,725	9,911,725
<b>Total</b>	<b>\$50,115,000</b>	<b>\$9,381,000</b>	<b>\$59,496,000</b>

**U.S. Route 58 Transportation Revenue Bonds, Series 2004B****Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$0	\$11,563,050	\$11,563,050
2008	0	11,563,050	11,563,050
2009	2,485,000	11,563,050	14,048,050
2010	11,655,000	11,438,800	23,093,800
2011	12,260,000	10,826,913	23,086,913
2012-2016	83,295,000	43,420,762	126,715,762
2017-2021	109,825,000	19,026,375	128,851,375
2022-2026	12,740,000	605,150	13,345,150
<b>Total</b>	<b>\$232,260,000</b>	<b>\$120,007,150</b>	<b>\$352,267,150</b>

**U.S. Route 58 Transportation Revenue Bonds, Series 2006C****Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$0	\$3,208,256	\$3,208,256
2008	0	3,173,000	3,173,000
2009	0	3,173,000	3,173,000
2010	0	3,173,000	3,173,000
2011	0	3,173,000	3,173,000
2012-2016	0	15,865,000	15,865,000
2017-2021	5,350,000	15,865,000	21,215,000
2022-2026	58,110,000	8,178,250	66,288,250
<b>Total</b>	<b>\$63,460,000</b>	<b>\$55,808,506</b>	<b>\$119,268,506</b>

**Northern Virginia Transportation Program****Transportation Revenue Bonds Series 1996A****Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$2,460,000	\$249,540	\$2,709,540
2008	2,580,000	129,000	2,709,000
<b>Total</b>	<b>\$5,040,000</b>	<b>\$378,540</b>	<b>\$5,418,540</b>

Northern Virginia Transportation Program  
Transportation Revenue Bonds Series 1997B

<b>Debt Service Requirements to Maturity</b>			
<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$225,000	\$2,108,613	\$2,333,613
2008	235,000	2,098,769	2,333,769
2009	2,435,000	2,087,018	4,522,018
2010	2,560,000	1,965,268	4,525,268
2011	2,690,000	1,837,270	4,527,270
2012-2016	15,765,000	7,019,094	22,784,094
2017-2021	15,970,000	2,467,256	18,437,256
<b>Total</b>	<b>\$39,880,000</b>	<b>\$19,583,288</b>	<b>\$59,463,288</b>

Northern Virginia Transportation Program  
Transportation Revenue Bonds Series 1999A

<b>Debt Service Requirements to Maturity</b>			
<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$925,000	\$158,562	\$1,083,562
2008	975,000	107,688	1,082,688
2009	1,025,000	58,938	1,083,938
<b>Total</b>	<b>\$2,925,000</b>	<b>\$325,188</b>	<b>\$3,250,188</b>

Northern Virginia Transportation Program  
Transportation Revenue Bonds Series 2001A

<b>Debt Service Requirements to Maturity</b>			
<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$1,530,000	\$1,294,513	\$2,824,513
2008	1,600,000	1,225,662	2,825,662
2009	1,670,000	1,153,663	2,823,663
2010	1,755,000	1,070,163	2,825,163
2011	1,840,000	982,412	2,822,412
2012-2016	3,990,000	3,658,131	7,648,131
2017-2021	3,095,000	3,333,750	6,428,750
2022-2026	10,240,000	1,040,500	11,280,500
<b>Total</b>	<b>\$25,720,000</b>	<b>\$13,758,794</b>	<b>\$39,478,794</b>

Northern Virginia Transportation Program  
Transportation Revenue Bonds Series 2002A

<b>Debt Service Requirements to Maturity</b>			
<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$8,220,000	\$6,304,993	\$14,524,993
2008	8,565,000	5,976,194	14,541,194
2009	6,815,000	5,547,944	12,362,944
2010	7,155,000	5,207,193	12,362,193
2011	7,510,000	4,849,443	12,359,443
2012-2016	39,985,000	18,294,294	58,279,294
2017-2021	32,345,000	7,762,295	40,107,295
2022-2026	13,565,000	2,807,844	16,372,844
2027-2031	3,120,000	156,000	3,276,000
<b>Total</b>	<b>\$127,280,000</b>	<b>\$56,906,200</b>	<b>\$184,186,200</b>

Northern Virginia Transportation Program  
Transportation Revenue Bonds Series 2004A

<b>Debt Service Requirements to Maturity</b>			
<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$0	\$4,102,000	\$4,102,000
2008	0	4,102,000	4,102,000
2009	2,050,000	4,102,000	6,152,000
2010	4,295,000	3,999,500	8,294,500
2011	4,510,000	3,784,750	8,294,750
2012-2016	32,945,000	14,980,250	47,925,250
2017-2021	43,520,000	5,642,000	49,162,000
2022-2026	2,080,000	85,800	2,165,800
<b>Total</b>	<b>\$89,400,000</b>	<b>\$40,798,300</b>	<b>\$130,198,300</b>

Northern Virginia Transportation Program  
Transportation Revenue Bonds Series 2006B

<b>Debt Service Requirements to Maturity</b>			
<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$0	\$984,177	\$984,177
2008	0	973,362	973,362
2009	0	973,363	973,363
2010	0	973,363	973,363
2011	0	973,363	973,363
2012-2016	3,685,000	4,790,100	8,475,100
2017-2021	4,215,000	3,559,500	7,774,500
2022-2026	12,120,000	2,289,500	14,409,500
<b>Total</b>	<b>\$20,020,000</b>	<b>\$15,516,728</b>	<b>\$35,536,728</b>

Transportation Improvement Program Set-aside Fund  
 Oak Grove Connector (City of Chesapeake)  
 Transportation Program Revenue Bonds Series 1997A

Debt Service Requirements to Maturity			
Maturity	Principal	Interest	Total
2007	\$1,045,000	\$52,250	\$1,097,250
Total	\$1,045,000	\$52,250	\$1,097,250

Transportation Improvement Program Set-aside Fund  
 Oak Grove Connector (City of Chesapeake)  
 Transportation Program Revenue Bonds Series 2006A

Debt Service Requirements to Maturity			
Maturity	Principal	Interest	Total
2007	\$0	\$1,144,894	\$1,144,894
2008	1,095,000	1,132,312	2,227,312
2009	1,140,000	1,085,775	2,225,775
2010	1,190,000	1,037,325	2,227,325
2011	1,240,000	986,750	2,226,750
2012-2016	7,195,000	3,939,250	11,134,250
2017-2021	9,180,000	1,950,750	11,130,750
2022-2026	2,120,000	106,000	2,226,000
Total	\$23,160,000	\$11,383,056	\$34,543,056

Federal Highway Reimbursement Anticipation Notes  
 Series 2000

Debt Service Requirements to Maturity			
Maturity	Principal	Interest	Total
2007	\$41,245,000	\$11,374,280	\$52,619,280
2008	43,460,000	9,069,496	52,529,496
2009	45,855,000	6,629,498	52,484,498
2010	48,340,000	4,075,385	52,415,385
2011	50,965,000	1,381,768	52,346,768
Total	\$229,865,000	\$32,530,427	\$262,395,427

**Federal Highway Reimbursement Anticipation Notes**

**Series 2002**

**Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$48,145,000	\$17,534,585	\$65,679,585
2008	50,500,000	15,198,935	65,698,935
2009	52,815,000	12,759,585	65,574,585
2010	55,380,000	10,175,585	65,555,585
2011	57,985,000	7,500,200	65,485,200
2012-2016	124,440,000	6,213,463	130,653,463
Total	<u>\$389,265,000</u>	<u>\$69,382,353</u>	<u>\$458,647,353</u>

**Federal Highway Reimbursement Anticipation Notes**

**Series 2005**

**Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$20,940,000	\$10,372,212	\$31,312,212
2008	21,655,000	9,733,286	31,388,286
2009	22,305,000	9,046,005	31,351,005
2010	23,030,000	8,168,033	31,198,033
2011	24,065,000	7,114,072	31,179,072
2012-2016	138,005,000	17,285,125	155,290,125
Total	<u>\$250,000,000</u>	<u>\$61,718,733</u>	<u>\$311,718,733</u>

### **Bond Defeasance**

In prior years, the Department has defeased certain general obligation and revenue bonds by placing the surplus trust funds and refunding bond proceeds in irrevocable trusts to provide for all future debt service payments on refunded bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in these financial statements. Outstanding balances of defeased bonds as of June 30, 2006 are as follows:

<u>Issue</u>	<u>Outstanding at June 30, 2006</u>
Oak Grove Connector – Transportation Revenue Bonds, Series 1997A	\$23,830,000
Northern Virginia Transportation District Program Transportation Revenue Bonds, Series 1999A	24,215,000
Northern Virginia Transportation District Program Transportation Revenue Bonds, Series 2001A	25,440,000
Northern Virginia Transportation District Program Transportation Revenue Bonds, Series 2002A	7,810,000
U.S. Route 58 Corridor Development Program Revenue Bonds, Series 1999B	148,895,000
U.S. Route 58 Corridor Development Program Revenue Bonds, Series 2001B	67,540,000
<b>Total:</b>	<u><b>\$297,730,000</b></u>

### **Arbitrage Rebate**

The Internal Revenue Code of 1986 requires that governmental entities issuing debt subsequent to August 1986, calculate arbitrage rebate earnings to the Federal Government. Rebate payments, if required, are due at least once every five years until the bond proceeds have been fully used for their intended purpose. Governmental entities must comply with the Regulations in order for their bonds to maintain a tax-exempt status.

The Regulations require the excess of the aggregate amounts earned on investments purchased with bond proceeds over a rate equal to the bond yield be rebated to the Federal Government. Income earned on amounts reserved for the arbitrage rebate is also subject to rebate. During the year the Department did not incur a rebate liability to the Federal Government on Transportation Facilities Bonds.

## Capital Leases

The Department is the lessee of buildings and equipment under capital leases expiring in 2009. The assets under capital leases are recorded as fixed assets at the lower of the net present value of the minimum lease payments during the lease term or the fair market value of the asset. Fixed assets acquired via lease agreements for Governmental funds are capitalized in the Government-Wide Statements. The associated liability is also recorded in the Government-Wide Statements. For all capital leases, the minimum lease payments together with the present value of the net minimum lease payments as of June 30, 2006, are as follows:

2007	\$7,011
2008	7,011
2009	7,011
Total Minimum Lease Payments	21,033
Less: Amounts Representing Executory Costs	0
Net Minimum Lease Payments	21,033
Less: Amounts Denoting Interest	6,044
Present Value of Net Minimum Lease Payments	\$14,989

## Notes Payable

Transportation Facilities Notes include \$108,840,000 of Section 9(d) revenue notes. There were no principal and interest requirements for the current year.

### Camp 30 Fund

On April 1, 2006, VDOT and Fairfax County Economic Development Authority (FCEDA) entered into a Financing Lease Agreement in the amount of \$96,515,000 for payment of the construction and building of the leased projects on West Ox Road, Fairfax, Virginia, known as Camp 30. However, accounting standards require that this financing lease agreement be accounted for as a note payable. Note interest is payable on May 15 and November 15 at rates varying from 4.25% to 5.00%. Monies for the repayment of this note will be transferred from HMO Funds.

### Hirst Brault Expressway

The interest free note to Fairfax County, Virginia was issued pursuant to the State Revenue Bond Act, Article 5, Title 33.1 of the Code of Virginia, as amended, for the purpose of paying a part of the cost of acquisition and construction of the Hirst Brault Expressway. The principal sum of \$4,325,000 is payable on December 1, 2008, unless sooner paid upon mutual consent of Fairfax County and the Commonwealth Transportation Board (Board). This note is subject to redemption in whole or in part, prior to maturity, without penalty or premium, at the option of the Board acting on behalf of the Commonwealth. This note is subject to mandatory redemption on that date, which is one year following the date of payment in full of all the Series 1987A Bonds.

Powwhite Parkway Extension

The bond legislation permits the Treasury Board, with the consent of the Governor, to provide for repayment of \$22,000,000 to Chesterfield County for costs of the Powwhite Parkway Extension Toll Road from surplus net revenues of the project prior to retirement of all the bonds issued.

Subsequent to completion of the Powwhite Parkway Extension, Chesterfield County determined an urgent need for construction of a ramp and loop at the interchange of Route 76 and Route 288, which was a part of the toll road. The General Assembly passed legislation amending the legal description of the toll road removing the Route 288 section. In consideration of these actions Chesterfield County agreed to treat the two mile portion of Route 288 between Powwhite Parkway Extension (Route 76) and Route 360 as having been built with \$14 million of its \$22 million contribution and released its claim to be reimbursed for the \$14 million including any associated interest which might be permitted by law. Based on the foregoing discussion, Chesterfield's claim from the Treasury Board is now \$8,000,000 (\$22,000,000 minus \$14,000,000).

The following schedule details the annual funding requirements necessary to repay the Department's combined Note issues:

<b>Debt Service Requirements to Maturity</b>			
<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	0	5,065,538	5,065,538
2008	3,190,000	4,640,187	7,830,187
2009	7,670,000	4,480,688	12,150,688
2010	3,515,000	4,313,437	7,828,437
2011	3,690,000	4,137,688	7,827,688
2012-2016	21,410,000	17,729,187	39,139,187
2017-2021	27,220,000	11,925,288	39,145,288
2022-2026	34,145,000	4,995,950	39,140,950
Unspecified	8,000,000	0	8,000,000
<b>Total</b>	<b>108,840,000</b>	<b>57,287,963</b>	<b>166,127,963</b>

**Detail of Notes Payable**

<b>Series</b>	<b>Amount Issued</b>	<b>Outstanding June 30, 2005</b>	<b>Issued (Retired) During Year</b>	<b>Outstanding June 30, 2006</b>	<b>Maturity</b>
<b>Section 9(b) Debt-</b>					
Chesterfield County Notes, Series 1986 -Powhite	8,000,000	8,000,000	-	8,000,000	Unspecified
<b>Section 9(c) Debt-</b>					
Fairfax County Notes, Series 1982 - Dulles	4,325,000	4,325,000	-	4,325,000	12/01/08
<b>Section 9(d) Debt-</b>					
Camp 30 Notes Payable Series 2006	96,515,000	-	96,515,000	96,515,000	05/15/07-26
<b>Total Notes Payable</b>		<b>12,325,000</b>	<b>96,515,000</b>	<b>108,840,000</b>	

**Detail of Notes Payable - Interest Rates**

<b>Series</b>	<b>Interest Rates</b>
Chesterfield County Notes, Series 1986 -Powhite	0.0%
Fairfax County Notes, Series 1982 - Dulles	0.0%
Camp 30 Notes Payable Series 2006	4.25% - 5.00%

The following schedules detail the annual funding requirements necessary to repay the Department's individual notes' issues:

<b>Powhite Parkway Extension Chesterfield County Notes Series 1986 Debt Service Requirement to Maturity</b>			
<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$0	\$0	\$0
2008	0	0	0
2009	0	0	0
2010	0	0	0
2011	0	0	0
2012-2016	0	0	0
2017-2021	0	0	0
2022-2026	0	0	0
Unknown	8,000,000	0	8,000,000
<b>Total</b>	<b>\$8,000,000</b>	<b>\$0</b>	<b>\$8,000,000</b>

**Hirst-Brault Expressway  
Fairfax County Notes, Series 1982  
Debt Service Requirement to Maturity**

Maturity	Principal	Interest	Total
2007	\$0	\$0	\$0
2008	0	0	0
2009	4,325,000	0	4,325,000
Totals	<u>\$4,325,000</u>	<u>\$0</u>	<u>\$4,325,000</u>

**Camp 30 Notes, Series 2006  
Debt Service Requirements to Maturity**

Maturity	Principal	Interest	Total
2007	\$0	\$5,065,538	\$5,065,538
2008	3,190,000	4,640,187	7,830,187
2009	3,345,000	4,480,688	7,825,688
2010	3,515,000	4,313,437	7,828,437
2011	3,690,000	4,137,688	7,827,688
2012-2016	21,410,000	17,729,187	39,139,187
2017-2021	27,220,000	11,925,288	39,145,288
2022-2026	34,145,000	4,995,950	39,140,950
Total	<u>\$96,515,000</u>	<u>\$57,287,963</u>	<u>\$153,802,963</u>

### Compensated Absences

Compensated absences represent the amounts of vacation, sick, compensatory leave and disability credits earned by employees of the Department, but not taken at June 30, 2006. The amount reflects all earned vacation, sick and compensatory leave payable under the Commonwealth of Virginia's leave payout policy upon employment termination. An additional liability amount has been included for those employees with less than five years of service based on the probability they will eventually become vested. Also included in the liability is the Department's share of the FICA taxes on leave balances for which employees will be compensated. Compensated absences are recorded as current and long-term liabilities in the Government-wide statements as of June 30, 2006 as follows:

Current	\$56,889,638
Non-current	<u>6,889,056</u>
	<u>\$63,778,694</u>

## 7. FUND EQUITY RESERVES

	Balance at June 30, 2006	
	Special Revenue Fund	Debt Service Fund
Restricted for:		
Construction	\$365,745,119	
Other (Camp 30)	99,572,694	
Bond interest and sinking fund		\$94,265,247
	<u>\$465,317,813</u>	<u>\$94,265,247</u>

## 8. CONTINGENCIES

### Grants and Contracts

Federal programs in which the Department participates are audited in accordance with the provisions of the U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments (Circular). Pursuant to the provisions of Circular A-133, all major programs and certain other programs are tested for compliance with applicable grant requirements. The provisions of this Circular do not limit the authority of federal agencies or other federal audit officials to make, or contract for, audits and evaluations of federal financial assistance programs. As a result, final expenditure reports of grants and contracts submitted to granting agencies in current and prior years are subject to audit and adjustment by such agencies. The effect of such adjustments, if any, is not determinable at this time.

### Litigation

The Department is involved in continuing litigation related to construction of roadways, repairs to roadways and transportation facilities damaged by outside parties, and accident claims involving state operated and privately owned motor vehicles. The Department is named as a party in legal proceedings and investigations that occur in the normal course of its operations, some involving substantial amounts. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the Department in respect to the various proceedings; however, it is believed that any ultimate liability resulting from these suits or investigations will not have any material, adverse effect on the financial condition of the Department.

### Risk Management

The Department of Transportation is exposed to various risks of loss related to torts; theft or, damage to, and destruction of assets; errors and omissions; non-performance of duty; injuries to employees; and natural disasters. The Department of Transportation participates in insurance plans maintained by the Commonwealth of Virginia. The state employee health care and worker's compensation plans are administered by the Department of Human Resource Management and the risk management insurance plans are administered by the Department of Treasury, Division of Risk Management. Risk

management insurance includes property, general liability, medical malpractice, faithful performance of duty bond, automobile, and air and watercraft plans. The Department of Transportation pays premiums to each of these Departments for its insurance coverage. Information relating to the Commonwealth's insurance plans is available at the statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

**9. TRANSFERS TO (FROM) OTHER STATE AGENCIES**

In accordance with the Acts of Assembly, certain state agencies collect revenue or provide services for the benefit of the Department. The Department is required by law to transfer funds to other agencies for those services. The cost of these services is recorded as either a direct expenditure to the Department's programs or as a program expenditure of the agency providing the service. When an agency treats the cost as its program expenditure, the Department shows the cost of such service as a "transfer to other state agencies" in the Other Financing Sources (Uses) category. These expenditures and transfers for the fiscal year ending June 30, 2006 are shown below.

Cost of services provided by other agencies and recorded as an expenditure of the Department's programs:

Department of Motor Vehicles	\$11,792,104
Department of State Police	7,427,247
Department of Rail and Public Transportation	4,902,201
Department of Minority Business Enterprises	1,180,907
Department of Emergency Management	836,460
Secretary of Transportation	627,677
Department of Education	218,967
Virginia Liaison Office	119,837
Department of Historic Resources	100,000
Total Expenditures	<u>\$27,205,400</u>

The following table displays general fund budget transfers, cost of services provided by other agencies recorded as a transfer by the Department, and transfers from other agencies:

	<b>Transfers To (From) Other State Agencies</b>
General Fund:	
Indirect Costs	\$4,180,250
Department of Rail and Public Transportation	107,934,679
Chesapeake Bay Improvements	7,416,469
Department of Motor Vehicles	3,028,803
Department of Law	748,133
Virginia Port Authority	1,711,621
Department of Aviation	978,069
Department of Treasury	292,272
Department of Historic Resources	290,052
Marine Resources Commission	277,578
Department of State Police	163,313
Department of Agriculture & Consumer Services	97,586
Other	(55,699)
Department of Emergency Management	(5,817,710)
Department of Accounts	(35,591,452)
Total Transfers To (From) Other Agencies	<u>\$85,653,964</u>

## INTRAFUND TRANSFERS

The department recorded the following intrafund transfers in FY2006:

Fund	Transfers In	Transfers Out
<b>SPECIAL REVENUE FUNDS</b>		
<u>Highway Maintenance &amp; Operations Fund</u>		
From Surplus Property Fund	\$8,581,908	
From Recyclable Materials Fund	278,519	
From Hirst-Brault Expressway Fund	713,902	
From Powhite Parkway Extension Fund	549,739	
From Construction Fund	186,130,836	
To Construction Fund		\$14,518,810
To Priority Transportation Fund		31,275,000
<b>TOTALS</b>	<b>196,254,904</b>	<b>45,793,810</b>
<u>Federal Fund</u>		
From Priority Transportation Fund	141,294,649	
To Federal Reimbursement Anticipation Notes Fund		141,294,649
<b>TOTALS</b>	<b>141,294,649</b>	<b>141,294,649</b>
<u>Construction Fund</u>		
From Highway Maintenance & Operating Fund	14,518,810	
From Rt. 168 Fund	16,859	
To Highway Maintenance & Operating Fund		186,130,836
To Toll Facilities Revolving Fund		14,944,628
To Transportation Partnership Opportunity Fund		26,400,000
To Priority Transportation Fund		23,500,000
To Rt. 58 Fund		12,000,000
To Northern Virginia Transportation Fund		10,000,000
<b>TOTALS</b>	<b>14,535,669</b>	<b>272,975,464</b>
<u>Transportation Partnership Opportunity Fund</u>		
From Construction	26,400,000	
From Toll Facilities Revolving Fund	23,600,000	
<b>TOTALS</b>	<b>50,000,000</b>	<b>0</b>
<u>Toll Facilities Revolving Fund</u>		
From Construction	14,944,628	
To Transportation Partnership Opportunity Fund		23,600,000
<b>TOTALS</b>	<b>14,944,628</b>	<b>23,600,000</b>

Fund	Transfers In	Transfers Out
<u>Recyclable Materials Fund</u>		
To Highway Maintenance & Operating Fund		278,519
TOTALS	0	278,519
<u>Surplus Property Fund</u>		
To Highway Maintenance & Operating Fund		8,581,908
TOTALS	0	8,581,908
<u>Rt. 58 Fund</u>		
From Construction Fund	12,000,000	
To Rt. 58 Debt Service Fund		51,572,654
TOTALS	12,000,000	51,572,654
<u>Transportation Set Aside Fund</u>		
To Transportation Set Aside Debt Service Fund		2,327,917
TOTALS	0	2,327,917
<u>Coleman Bridge Fund</u>		
To Coleman Bridge Debt Service Fund		3,301,629
TOTALS	0	3,301,629
<u>Priority Transportation Fund</u>		
From Highway Maintenance & Operating Fund	31,275,000	
From Construction Fund	23,500,000	
To Federal Fund		141,294,649
TOTALS	54,775,000	141,294,649
<u>Federal Reimbursement Anticipation Notes Fund</u>		
To Federal Reimbursement Anticipation Debt Service		9,955
TOTALS	0	9,955
<u>Rt. 168 Fund</u>		
To Construction Fund		16,859
TOTALS	0	16,859
<u>Hirst-Brault Expressway Fund</u>		
From Powhite Parkway Extension Fund	20,000	
To Hirst-Brault Expressway Debt Service Fund		11,036,402
To Highway Maintenance & Operating Fund		713,902
TOTALS	20,000	11,750,304

Fund	Transfers In	Transfers Out
<u>Northern Virginia Transportation District Fund</u>		
From Construction Fund	10,000,000	
To Northern Va. Transportation District Debt Service Fund		28,602,276
TOTALS	10,000,000	28,602,276
 <u>Powhite Parkway Extension Fund</u>		
To Powhite Parkway Extension Debt Service Fund		5,716,568
To Highway Maintenance & Operating Fund		549,739
To Hirst-Brault Expressway Fund		20,000
TOTALS	0	6,286,307
 <b>Subtotal Special Revenue Funds</b>	<b>\$493,824,850</b>	<b>\$737,686,900</b>
 <b>DEBT SERVICE FUNDS</b>		
<u>Rt. 58 Debt Service Fund</u>		
From Special Revenue - Rt. 58 Fund	\$51,572,654	
 <u>Transportation Set Aside Debt Service Fund</u>		
From Special Revenue - Transportation Set Aside Fund	2,327,917	
 <u>Coleman Bridge Debt Service Fund</u>		
From Special Revenue - Coleman Bridge Fund	3,301,629	
 <u>Federal Reimbursement Anticipation Notes Debt Service Fund</u>		
From Special Revenue - Federal Fund	141,294,649	
From Special Revenue - Federal Reimbursement Anticipation Notes Fund	9,955	
 <u>Hirst-Brault Expressway Debt Service Fund</u>		
From Special Revenue – Hirst-Brault Expressway Fund	11,036,402	
 <u>Powhite Parkway Extension Debt Service Fund.</u>		
From Special Revenue – Powhite Parkway Extension Fund	5,716,568	
 <u>Northern Virginia Transportation District Debt Service Fund</u>		
From Special Revenue – Northern Va. Transportation District Fund	28,602,276	
 <b>Subtotal Debt Service Funds</b>	<b>\$243,862,050</b>	<b>\$0</b>
 <b>Total All Special Revenue &amp; Debt Service Funds</b>	<b>\$737,686,900</b>	<b>\$737,686,900</b>

## 10. PROPERTY, PLANT AND EQUIPMENT

The following table presents changes in the Governmental Activities capital accounts for the year ended June 30, 2006:

	Governmental Activities			June 30, 2006
	As restated June 30, 2005	Increases	Decreases	
<b>Non-depreciable capital assets:</b>				
Land and improvements	\$21,230,760	\$351,858	\$0	\$21,582,618
Construction in progress	36,707,649	29,726,267	(24,126,157)	42,307,759
Total non-depreciable capital assets	<u>\$57,938,409</u>	<u>\$30,078,125</u>	<u>(\$24,126,157)</u>	<u>\$63,890,377</u>
<b>Depreciable capital assets:</b>				
Buildings and improvements	\$213,006,654	\$18,942,570	\$(568,020)	\$231,381,204
Equipment	248,910,935	26,355,118	(17,561,189)	257,704,864
Total depreciable capital assets	<u>461,917,589</u>	<u>45,297,688</u>	<u>(18,129,209)</u>	<u>489,086,068</u>
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	(77,283,512)	(7,563,214)	328,978	(84,517,748)
Equipment	(121,819,548)	(14,911,582)	14,574,642	(122,156,488)
Total accumulated depreciation	<u>(199,103,060)</u>	<u>(22,474,796)</u>	<u>14,903,620</u>	<u>(206,674,236)</u>
Total depreciable capital assets, net	<u>\$262,814,529</u>	<u>\$22,822,892</u>	<u>(\$3,225,589)</u>	<u>\$282,411,832</u>
<b>Non-depreciable infrastructure assets:</b>				
Highway system right-of-way	\$1,325,584,279	\$156,095,735	\$(47,811,730)	\$1,433,868,284
Total non-depreciable infrastructure	<u>1,325,584,279</u>	<u>156,095,735</u>	<u>(47,811,730)</u>	<u>1,433,868,284</u>
<b>Depreciable infrastructure assets:</b>				
Highway system infrastructure	13,644,053,679	1,130,611,444	(291,518,592)	14,483,146,531
Restorative maintenance	582,890,334	170,276,747	0	753,167,081
Bridge and tunnel infrastructure	3,446,196,761	7,701,844	0	3,453,898,605
Total depreciable infrastructure assets	<u>17,673,140,774</u>	<u>1,308,590,035</u>	<u>(291,518,592)</u>	<u>18,690,212,217</u>
<b>Less accumulated depreciation for:</b>				
Highway system infrastructure	(7,256,864,769)	(362,023,202)	35,898,615	(7,582,989,356)
Bridge and tunnel infrastructure	(1,378,415,187)	(67,548,577)	0	(1,445,963,764)
Total accumulated depreciation	<u>(8,635,279,956)</u>	<u>(429,571,779)</u>	<u>35,898,615</u>	<u>(9,028,953,120)</u>
Total depreciable infrastructure assets, net	<u>\$10,363,445,097</u>	<u>\$1,035,113,991</u>	<u>(\$303,431,707)</u>	<u>\$11,095,127,381</u>
<b>Infrastructure, work in process</b>				
Road and bridge	\$2,097,576,495	\$895,447,531	\$(1,034,806,633)	\$1,958,217,393
Right-of-way	282,677,195	84,353,368	(156,095,735)	210,934,828
Total Infrastructure, work In process	<u>\$2,380,253,690</u>	<u>\$979,800,899</u>	<u>(\$1,190,902,368)</u>	<u>\$2,169,152,221</u>
Grand total governmental activities capital assets, net	<u>\$13,064,451,725</u>	<u>\$2,067,815,907</u>	<u>(\$1,521,685,821)</u>	<u>\$13,610,581,811</u>

Depreciation expense was charged to programs as follows:

Governmental activities:

Highway system acquisition and construction	\$429,571,779
Administrative and support services	2,145,354
Highway system maintenance	12,766,228
Unallocated	7,563,214
Total governmental activities depreciation expense	<u>\$452,046,575</u>

Note: Beginning balances have been restated by a \$375,624,648 increase due to correction of prior period capital asset balances as discussed in note 5.

The following table presents Business Type capital activity for the year ended June 30, 2006:

	Business Type Activities			June 30, 2006
	June 30, 2005	Increases	Decreases	
Enterprise Fund				
Construction in progress	\$0	\$0	\$0	\$0
Capital assets not being depreciated:	14,434,537	0	(14,434,537)	0
Total non-depreciable capital assets	<u>\$14,434,537</u>	<u>\$0</u>	<u>(\$14,434,537)</u>	<u>\$0</u>
Capital assets:	\$314,736,222	\$0	(\$314,736,222)	\$0
Less accumulated depreciation for:				
Capital assets	(29,843,238)	(0)	29,843,238	0
Total depreciable capital assets, net	<u>\$284,892,984</u>	<u>\$(0)</u>	<u>(\$284,892,984)</u>	<u>\$0</u>
Grand total business type activities capital assets, net	<u>\$299,327,521</u>	<u>\$(0)</u>	<u>(\$299,327,521)</u>	<u>\$0</u>

#### 11. SPECIAL REVENUE FUNDS RECONCILIATION OF BUDGETARY FUND BALANCE TO ACCRUAL BASIS FUND BALANCE FY 2006

The accompanying Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Cash Basis - Special Revenue Funds presents comparisons of the legally adopted budget prepared on the cash basis with actual data prepared on the cash basis. To enhance this comparison, actual data on the cash basis is reconciled with actual data on the modified accrual basis as follows:

Total Budgetary (Cash) Basis Fund Balance at June 30, 2006	\$1,609,353,517
Accrued Revenues on GAAP Basis	174,779,586
Accrued Expenditures on GAAP Basis	(282,779,191)
Accrued Other Financing Sources on GAAP Basis	<u>100,501,784</u>
Total Modified Accrual (GAAP) Basis Fund Balance at June 30, 2006	<u>\$1,601,855,696</u>

## 12. CASH AND INVESTMENTS

### **Cash with the Treasurer of Virginia**

All state funds of the Department are held by the Treasurer of Virginia pursuant to Section 2.2-1800 (formerly 2.1-177), *et seq.*, *Code of Virginia* (1950), who is responsible for the collection, disbursement, custody, and investment of state funds. Each fund's equity in pooled state funds is reported as "Cash with the Treasurer of Virginia" on the balance sheet and is not categorized as to credit risk. Cash whose use is limited by bond agreements also is held by the Treasurer of Virginia in a trustee capacity. The bank balance of cash held by the Treasurer in a trustee capacity is covered by federal depository insurance or collateralized in accordance with the Virginia Securities for Public Deposits Act.

The Department maintains cash with the Treasurer in the State Treasurer's General Account. The State Treasurer's General Account participated in securities lending transactions at June 30, 2006. The securities on loan are not reported as investments on the Department's financial statements. They are reported as Cash with the Treasurer of Virginia. The Treasurer has used this cash to purchase investments that have been loaned out under the securities lending program. The Treasurer receives both cash and non-cash collateral totaling 102% of securities lent. Loaned securities, for which the collateral is reported as "Investments held by Treasurer" on the balance sheet, are non-categorized as to custodial credit risk. In addition, the Department's share of cash collateral as re-invested at June 30, 2006 was \$364,368,918. General Account securities lending transactions are not reflected in the risk category table below. The details of the General Account securities lending program are included in the Commonwealth's Annual Financial Report.

### **Cash, Cash Equivalents, and Investments**

Certain deposits and investments are held by the Department or are represented by specific identifiable investment securities held by the Treasurer of Virginia for the Department. Such deposits and investments are reported separately from cash and cash equivalents with the Treasurer as investments.

Cash and cash equivalents held by trustees other than the Treasurer of Virginia whose use is limited by bond or other agreements is reported on the combined balance sheet as "Cash and cash equivalents with trustees." At June 30, 2006, the cash and cash equivalent balances with trustee are shown below:

<u>Cash and Cash Equivalents held by Trustees</u>	<u>Amount</u>
Construction Fund	\$ 469,351
Toll Facilities Revolving Fund	17,961,781
Route 58 Fund	5,580,073
Northern Virginia Transportation District	15,341,828
Federal Reimbursement Anticipation Notes	289,621,843
Camp 30 Fund	100,956,966
Route 28 Fund	36,684
Oak Grove Fund	12,625
<b>Total</b>	<u>\$429,981,151</u>

Cash and cash equivalents represent deposits and short-term investments with original maturities of less than three months, whereas investments represent securities with maturities in excess of three months and which management intends to hold to maturity.

Deposits with banks and savings institutions are covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act. Statutes authorize the investment of funds held by the Department in obligations of the Commonwealth, federal government, other states or political subdivisions thereof, Virginia political subdivisions, the International Bank for Reconstruction and Development, the Asian Development Bank, and the African Development Bank. In addition, the Department may invest in prime quality commercial paper rated prime 1 by Moody's Investment Service or A-1 by Standard and Poor's Incorporated, overnight term or open repurchase agreements, money market funds comprised of investments which are otherwise legal investments of the Department, and bankers acceptances.

The Pocahontas Parkway enterprise fund reported \$877,879 of Cash and cash equivalents held by trustees in fiscal year 2006 that resulted from timing issues relating to the transaction on June 29, 2006, between the Association and Transurban under which Transurban assumed the rights and obligations to maintain and collect tolls on the Pocahontas Parkway. The Association was formally dissolved and terminated by the State Corporation Commission on July 26, 2006.

The Department investments, including short-term investments, are categorized below to give an indication of the level of risk assumed at June 30, 2006. Credit risk is the risk that the Department may not be able to obtain possession of its investment instrument or collateral at maturity. None of the Department's investment is categorized because the Department is not at any risk of losing possession of its investment instrument or collateral at maturity.

<u>Type of Securities</u>	<u>Reported Amount</u>	<u>Market Value</u>
<u>Cash Equivalents – Not Categorized</u>		
Repurchase Agreements	\$ 17,597,109	\$ 17,597,109
Short-term Investment Funds	8,324,182	8,324,182
Investment in State Non-arbitrage Investment Pool	318,968,412	318,968,412
Investment in Local Government Investment Pool	<u>86,293,753</u>	<u>86,968,753</u>
Total	<u>\$431,183,456</u>	<u>\$431,183,456</u>

### 13. PENSION PLAN AND OTHER POST EMPLOYMENT BENEFITS

Employees of the Virginia Department of Transportation are employees of the Commonwealth. The employees participate in a defined benefit pension plan administered by the Virginia Retirement System (VRS). The VRS also administers life insurance and health related plans for retired employees. Information related to these plans is available at the statewide level only in the Commonwealth of Virginia's Comprehensive Annual Financial Report (CAFR). The Commonwealth, not VDOT, has the overall responsibility for contributions to these plans.

### 14. POCAHONTAS PARKWAY ASSOCIATION

On June 21, 2006, the Association signed an Asset Purchase Agreement with Transurban (895) LLC (Transurban) under which all assets and rights of the Association under the Comprehensive Agreement with the Virginia Department of Transportation dated June 3, 1998, were transferred to Transurban. On June 29, 2006, Transurban transferred sufficient funds and securities to the Association's Trustee (SunTrust Bank) to pay or defease all outstanding bonds of the Association. In addition, Transurban simultaneously transferred funds to the Virginia State Treasury to pay all other outstanding obligations owed to the Virginia Department of Transportation. The fiscal 2006 financial statements reflect sale of the assets and payment of the debts and obligations. The remaining account balances as of June 30, 2006, are primarily funds in transit at the time of the transfer and have since been paid to the purchaser in accordance with the Asset Purchase Agreement. The Association was formally dissolved and terminated by the State Corporation Commission on July 26, 2006.

The Amended and Restated Comprehensive Agreement between the Department and Transurban provides that the Department may terminate the agreement at any time after the 40<sup>th</sup> anniversary of the agreement date when the Department determines that such action is in the State's best interests.

If the Department elects to exercise this right, it must repay to Transurban out-of-pocket and allocable costs incurred by Transurban as a direct result of the termination, plus an amount equal to the greater of (1) the fair market value of Transurban's interests as determined by an independent appraiser, taking into account projected cash flows and costs for the remainder of the agreement's term had it not been terminated, or (2) the sum of Transurban's

outstanding debt and interest, any prepayment penalties, and an amount that would cause the project to yield a 10.5% rate of return as of the termination date.

## **15. SUBSEQUENT EVENTS**

### **Dulles Toll Road**

On December 29, 2006, VDOT and the Metropolitan Washington Airports Authority (the Airports Authority) executed agreements that will transfer the rights to operate the Dulles Toll Road to the Airports Authority for a fifty year term in consideration of the Airports Authority's agreement to repay or defease all of the outstanding series of bonds of the Commonwealth relating to financing of the construction and maintenance of the Toll Road and to pay off the outstanding note issued by the Virginia State Highway and Transportation Commission of the Commonwealth of Virginia in favor of Fairfax County, Virginia in the principal amount of \$4,325,000. The Airports Authority is required to use the toll revenues to fund the Dulles Corridor Metrorail project and other transportation improvements in the Dulles Corridor.

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# FINANCIAL REPORT

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2006



# FINANCIAL REPORT

COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES

JUNE 30, 2006

**Major Governmental Funds  
Budget and Actual  
Special Revenue Funds**

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VIRGINIA DEPARTMENT OF TRANSPORTATION  
BUDGET COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2006

	<b>TOTAL</b>			
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$185,002,289	\$185,002,289	\$185,002,289	\$0
Taxes	1,836,550,149	1,836,550,149	1,804,524,366	(32,025,783)
Rights and privileges	263,560,233	263,560,233	245,729,587	(17,830,646)
Sale of property and commodities	59,746	59,746	7,453,341	7,393,595
Interest, dividends, and rents	15,959,375	15,959,375	69,277,191	53,317,816
Fines, forfeitures, court fees				
Penalties, and escheats	7,896,927	7,896,927	7,411,833	(485,094)
Receipts from cities, counties, and towns	66,863,656	66,863,656	76,851,768	9,988,112
Federal grants and contracts	933,529,145	933,529,145	483,195,390	(450,333,755)
Toll revenues	59,581,300	59,581,300	82,028,773	22,447,473
Other	10,718,139	10,718,139	61,506,387	50,788,248
<b>Total revenues</b>	<b>3,379,720,959</b>	<b>3,379,720,959</b>	<b>3,022,980,925</b>	<b>(356,740,034)</b>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	270,066,950	284,879,106	255,416,755	29,462,351
Ground transportation system planning and research	27,848,051	38,588,887	19,498,553	19,090,334
Highway system acquisition and construction	1,191,939,894	1,587,320,976	715,725,616	871,595,360
Highway acq. and const. - bond proceeds	261,970,361	649,656,108	241,336,359	408,319,749
Highway system maintenance	969,831,000	1,127,793,484	1,018,487,392	109,306,092
Ground transportation system safety	12,115,400	28,352,562	21,726,954	6,625,608
Financial assistance to localities	300,163,400	409,340,818	360,779,514	48,561,304
Environmental monitoring and compliance	16,923,800	17,349,791	11,861,711	5,488,080
Land management	842,700	867,287	843,689	23,598
Toll facility operations and construction	40,407,170	88,859,293	50,645,821	38,213,472
Capital outlay	18,798,000	70,490,711	22,552,768	47,937,943
Transfers to other state agencies	35,403,776	35,403,776	27,205,400	8,198,376
<b>Total expenditures</b>	<b>3,146,310,502</b>	<b>4,338,902,799</b>	<b>2,746,080,532</b>	<b>1,592,822,267</b>
<b>Revenues over (under) expenditures</b>	<b>233,410,457</b>	<b>(959,181,840)</b>	<b>276,900,393</b>	<b>1,236,082,233</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(1,015,776)	(1,015,776)
Other financing sources	112,251,933	380,845,540	0	(380,845,540)
Bond proceeds	0	1,723,691	265,470,159	263,746,468
Note proceeds	0	0	100,289,397	100,289,397
Transfers to other state agencies and General Fund	(97,205,607)	(97,205,607)	(135,104,398)	(37,898,791)
Transfers from other state agencies and General Fund	40,512,900	40,512,900	50,480,462	9,967,562
Transfers in	359,597,307	409,597,307	458,563,629	48,966,322
Transfers out	(508,761,166)	(508,761,166)	(702,425,679)	(193,664,513)
<b>Total other financing sources (uses)</b>	<b>(93,604,633)</b>	<b>226,712,665</b>	<b>38,257,794</b>	<b>(190,454,871)</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>139,805,824</b>	<b>(732,469,175)</b>	<b>313,158,187</b>	<b>1,045,627,362</b>
<b>Fund balance - July 1</b>	<b>1,296,195,330</b>	<b>1,296,195,330</b>	<b>1,296,195,330</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$1,436,001,154</b>	<b>\$563,726,155</b>	<b>\$1,609,353,517</b>	<b>\$1,045,627,362</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

	FEDERAL			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	0	0
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	933,529,145	933,529,145	483,195,390	(450,333,755)
Toll revenues	0	0	0	0
Other	0	0	0	0
<b>Total revenues</b>	<b>933,529,145</b>	<b>933,529,145</b>	<b>483,195,390</b>	<b>(450,333,755)</b>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	462,250	737,250	548,450	188,800
Ground transportation system planning and research	12,384,125	19,460,582	9,399,417	10,061,165
Highway system acquisition and construction	821,764,660	942,046,253	430,125,339	511,920,914
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	109,091,516	38,632,075	70,459,441
Ground transportation system safety	863,900	1,913,900	43,309	1,870,591
Financial assistance to localities	7,320,000	16,635,852	7,850,096	8,785,756
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	800,790	464,497	336,293
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<b>842,794,935</b>	<b>1,090,686,143</b>	<b>487,063,183</b>	<b>603,622,960</b>
<b>Revenues over (under) expenditures</b>	<b>90,734,210</b>	<b>(157,156,998)</b>	<b>(3,867,793)</b>	<b>153,289,205</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	0	156,661,180	0	(156,661,180)
Bond proceeds	0	0	0	0
Note proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	3,451,815	3,451,815
Transfers in	0	0	141,294,649	141,294,649
Transfers out	0	0	(141,294,649)	(141,294,649)
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>156,661,180</b>	<b>3,451,815</b>	<b>(153,209,365)</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>90,734,210</b>	<b>(495,818)</b>	<b>(415,978)</b>	<b>79,840</b>
<b>Fund balance - July 1</b>	<b>495,818</b>	<b>495,818</b>	<b>495,818</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$91,230,028</b>	<b>\$0</b>	<b>\$79,840</b>	<b>\$79,840</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

HIGHWAY MAINTENANCE & OPERATING				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	1,174,573,000	1,174,573,000	1,142,674,215	(31,898,785)
Rights and privileges	226,674,188	226,674,188	213,079,967	(13,594,221)
Sale of property and commodities	59,746	59,746	401,553	341,807
Interest, dividends, and rents	30,000	30,000	27,481	(2,519)
Fines, forfeitures, court fees				
Penalties, and escheats	7,896,927	7,896,927	7,216,319	(680,608)
Receipts from cities, counties, and towns	0	0	1,198,478	1,198,478
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	10,718,139	10,718,139	15,336,884	4,618,745
<b>Total revenues</b>	<b>1,419,952,000</b>	<b>1,419,952,000</b>	<b>1,379,934,897</b>	<b>(40,017,103)</b>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	268,951,900	283,468,933	253,931,904	29,537,029
Ground transportation system planning and research	4,704,901	4,877,311	4,724,293	153,018
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	969,831,000	1,018,701,968	979,855,317	38,846,651
Ground transportation system safety	11,251,500	26,438,662	21,683,645	4,755,017
Financial assistance to localities	284,928,400	343,954,673	343,944,830	9,843
Environmental monitoring and compliance	16,923,800	17,349,791	11,861,711	5,488,080
Land management	842,700	867,287	843,689	23,598
Toll facility operations and construction	0	0	0	0
Capital outlay	0	877,146	182,147	694,999
Transfers to other state agencies	27,660,322	27,660,322	27,205,400	454,922
<b>Total expenditures</b>	<b>1,585,094,523</b>	<b>1,724,196,093</b>	<b>1,644,232,936</b>	<b>79,963,157</b>
<b>Revenues over (under) expenditures</b>	<b>(165,142,523)</b>	<b>(304,244,093)</b>	<b>(264,298,039)</b>	<b>39,946,054</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Note proceeds	0	0	0	0
Transfers to other state agencies and General Fund	(17,427,466)	(17,427,466)	(20,262,917)	(2,835,451)
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	186,199,495	186,199,495	196,272,984	10,073,489
Transfers out	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>168,772,029</b>	<b>168,772,029</b>	<b>176,010,067</b>	<b>7,238,038</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>3,629,506</b>	<b>(135,472,064)</b>	<b>(88,287,972)</b>	<b>47,184,092</b>
<b>Fund balance - July 1</b>	<b>210,612,806</b>	<b>210,612,806</b>	<b>210,612,806</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$214,242,312</b>	<b>\$75,140,742</b>	<b>\$122,324,834</b>	<b>\$47,184,092</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

	CONSTRUCTION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	641,977,149	641,977,149	641,850,151	(126,998)
Rights and privileges	29,912,058	29,912,058	27,006,400	(2,905,658)
Sale of property and commodities	0	0	7,048,488	7,048,488
Interest, dividends, and rents	0	0	3,770,399	3,770,399
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	44,612	44,612
Receipts from cities, counties, and towns	57,019,556	57,019,556	46,747,715	(10,271,841)
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	5,124,465	5,124,465
<b>Total revenues</b>	<u>728,908,763</u>	<u>728,908,763</u>	<u>731,592,230</u>	<u>2,683,467</u>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	652,800	672,923	661,895	11,028
Ground transportation system planning and research	10,759,025	14,250,994	5,374,843	8,876,151
Highway system acquisition and construction	370,175,234	595,273,606	285,249,985	310,023,621
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	7,915,000	48,750,293	8,984,588	39,765,705
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	18,798,000	64,428,347	19,059,099	45,369,248
Transfers to other state agencies	7,743,454	7,743,454	0	7,743,454
<b>Total expenditures</b>	<u>416,043,513</u>	<u>731,119,617</u>	<u>319,330,410</u>	<u>411,789,207</u>
<b>Revenues over (under) expenditures</b>	<u>312,865,250</u>	<u>(2,210,854)</u>	<u>412,261,820</u>	<u>414,472,674</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Note proceeds	0	0	0	0
Transfers to other state agencies and General Fund	(48,235,800)	(48,235,800)	(63,034,440)	(14,798,640)
Transfers from other state agencies and General Fund	21,012,900	21,012,900	26,203,834	5,190,934
Transfers in	0	0	16,859	16,859
Transfers out	(236,099,495)	(236,099,495)	(283,489,973)	(47,390,478)
<b>Total other financing sources (uses)</b>	<u>(263,322,395)</u>	<u>(263,322,395)</u>	<u>(320,303,720)</u>	<u>(56,981,325)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>49,542,855</u>	<u>(265,533,249)</u>	<u>91,958,100</u>	<u>357,491,349</u>
<b>Fund balance - July 1 *</b>	<u>504,028,108</u>	<u>504,028,108</u>	<u>504,028,108</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u>\$553,570,963</u>	<u>\$238,494,859</u>	<u>\$595,986,208</u>	<u>\$357,491,349</u>

\* Restated for reclassification of intra fund receivable of \$34,876,000 for Construction due to Toll Facilities Revolving Fund

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

	PRIORITY TRANSPORTATION FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$145,002,289	\$145,002,289	\$145,002,289	\$0
Taxes	20,000,000	20,000,000	20,000,000	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	3,847,000	3,847,000	9,359,427	5,512,427
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
<b>Total revenues</b>	<b>168,849,289</b>	<b>168,849,289</b>	<b>174,361,716</b>	<b>5,512,427</b>
<b>Expenditures</b>				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	182,725,000	262,099,774	109,664,865	152,434,909
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<b>182,725,000</b>	<b>262,099,774</b>	<b>109,664,865</b>	<b>152,434,909</b>
<b>Revenues over (under) expenditures</b>	<b>(13,875,711)</b>	<b>(93,250,485)</b>	<b>64,696,851</b>	<b>157,947,336</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(215,508)	(215,508)
Other financing sources	0	26,991,799	0	(26,991,799)
Bond proceeds	0	0	0	0
Note proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	(33,682,566)	(33,682,566)
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	23,500,000	23,500,000	34,014,509	10,514,509
Transfers out	(144,867,011)	(144,867,011)	(141,294,649)	3,572,362
<b>Total other financing sources (uses)</b>	<b>(121,367,011)</b>	<b>(94,375,212)</b>	<b>(141,178,214)</b>	<b>(46,803,002)</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>(135,242,722)</b>	<b>(187,625,697)</b>	<b>(76,481,363)</b>	<b>111,144,334</b>
<b>Fund balance - July 1</b>	<b>187,625,697</b>	<b>187,625,697</b>	<b>187,625,697</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$52,382,975</b>	<b>\$0</b>	<b>\$111,144,334</b>	<b>\$111,144,334</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

TOLL FACILITIES REVOLVING				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	4,735,000	4,735,000	33,400,583	28,665,583
Fines, forfeitures, court fees	0	0	25,902	25,902
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	26,025,507	26,025,507
<b>Total revenues</b>	<u>4,735,000</u>	<u>4,735,000</u>	<u>59,451,992</u>	<u>54,716,992</u>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	4,704,600	32,704,600	19,438,058	13,266,542
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<u>4,704,600</u>	<u>32,704,600</u>	<u>19,438,058</u>	<u>13,266,542</u>
<b>Revenues over (under) expenditures</b>	<u>30,400</u>	<u>(27,969,600)</u>	<u>40,013,934</u>	<u>67,983,534</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(593,271)	(593,271)
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Note proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	14,944,628	14,944,628
Transfers out	(28,630,801)	(28,630,801)	(23,600,000)	5,030,801
<b>Total other financing sources (uses)</b>	<u>(28,630,801)</u>	<u>(28,630,801)</u>	<u>(9,248,643)</u>	<u>19,382,158</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>(28,600,401)</u>	<u>(56,600,401)</u>	<u>30,765,291</u>	<u>87,365,692</u>
<b>Fund balance - July 1 *</b>	<u>212,900,200</u>	<u>212,900,200</u>	<u>212,900,200</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u>\$184,299,799</u>	<u>\$156,299,799</u>	<u>\$243,665,491</u>	<u>\$87,365,692</u>

\* Restated for reclassification of intra fund receivable of \$34,876,000 for Construction due to Toll Facilities Revolving Fund

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

ROUTE 58				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General				
Fund of the Commonwealth	\$40,000,000	\$40,000,000	\$40,000,000	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	3,300	3,300
Interest, dividends, and rents	6,244,375	6,244,375	2,676,115	(3,568,260)
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	13,445	13,445
<b>Total revenues</b>	<u>46,244,375</u>	<u>46,244,375</u>	<u>42,692,860</u>	<u>(3,551,515)</u>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	473	0	473
Highway acq. and const. - bond proceeds	15,000,000	40,527,227	4,216,535	36,310,692
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<u>15,000,000</u>	<u>40,527,700</u>	<u>4,216,535</u>	<u>36,311,165</u>
<b>Revenues over (under) expenditures</b>	<u>31,244,375</u>	<u>5,716,675</u>	<u>38,476,325</u>	<u>32,759,650</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(62,598)	(62,598)
Other financing sources	0	5,342,748	0	(5,342,748)
Bond proceeds	0	0	153,513	153,513
Note proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	12,000,000	12,000,000
Transfers out	(46,559,300)	(46,559,300)	(51,572,654)	(5,013,354)
<b>Total other financing sources (uses)</b>	<u>(46,559,300)</u>	<u>(41,216,552)</u>	<u>(39,481,739)</u>	<u>1,734,813</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>(15,314,925)</u>	<u>(35,499,877)</u>	<u>(1,005,414)</u>	<u>34,494,463</u>
<b>Fund balance - July 1</b>	<u>35,499,877</u>	<u>35,499,877</u>	<u>35,499,877</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u>\$20,184,952</u>	<u>\$0</u>	<u>\$34,494,463</u>	<u>\$34,494,463</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

FEDERAL REIMBURSEMENT ANTICIPATION NOTES				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General				
Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	7,846,186	7,846,186
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
<b>Total revenues</b>	<u>0</u>	<u>0</u>	<u>7,846,186</u>	<u>7,846,186</u>
<b>Expenditures</b>				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	250,074,167	94,747,703	155,326,464
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<u>0</u>	<u>250,074,167</u>	<u>94,747,703</u>	<u>155,326,464</u>
<b>Revenues over (under) expenditures</b>	<u>0</u>	<u>(250,074,167)</u>	<u>(86,901,517)</u>	<u>163,172,650</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(10,589)	(10,589)
Other financing sources	0	75,674,935	0	(75,674,935)
Bond proceeds	0	0	263,476,420	263,476,420
Note proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	(8,828,811)	(8,828,811)
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	144,867,011	144,867,011	0	(144,867,011)
Transfers out	0	0	(9,955)	(9,955)
<b>Total other financing sources (uses)</b>	<u>144,867,011</u>	<u>220,541,946</u>	<u>254,627,065</u>	<u>34,085,119</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>144,867,011</u>	<u>(29,532,221)</u>	<u>167,725,548</u>	<u>197,257,769</u>
<b>Fund balance - July 1</b>	<u>29,532,221</u>	<u>29,532,221</u>	<u>29,532,221</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u>\$174,399,232</u>	<u>\$0</u>	<u>\$197,257,769</u>	<u>\$197,257,769</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

NONMAJOR FUNDS				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	6,973,987	6,973,987	5,643,220	(1,330,767)
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	1,103,000	1,103,000	12,197,000	11,094,000
Fines, forfeitures, court fees	0	0	125,000	125,000
Penalties, and escheats	0	0	125,000	125,000
Receipts from cities, counties, and towns	9,844,100	9,844,100	28,905,575	19,061,475
Federal grants and contracts	0	0	0	0
Toll revenues	59,581,300	59,581,300	82,028,773	22,447,473
Other	0	0	15,006,086	15,006,086
<b>Total revenues</b>	<b>77,502,387</b>	<b>77,502,387</b>	<b>143,905,654</b>	<b>66,403,267</b>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	274,506	(274,506)
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	50,000,644	350,292	49,650,352
Highway acq. and const. - bond proceeds	64,245,361	96,954,940	32,707,256	64,247,684
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	35,702,570	56,154,693	31,207,763	24,946,930
Capital outlay	0	4,384,428	2,847,025	1,537,403
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<b>99,947,931</b>	<b>207,494,705</b>	<b>67,386,842</b>	<b>140,107,863</b>
<b>Revenues over (under) expenditures</b>	<b>(22,445,544)</b>	<b>(129,992,318)</b>	<b>76,518,812</b>	<b>206,511,130</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(133,810)	(133,810)
Other financing sources	112,251,933	116,174,878	0	(116,174,878)
Bond proceeds	0	1,723,691	1,840,226	116,535
Note proceeds	0	0	100,289,397	100,289,397
Transfers to other state agencies and General Fund	(31,542,341)	(31,542,341)	(9,295,664)	22,246,677
Transfers from other state agencies and General Fund	19,500,000	19,500,000	20,824,813	1,324,813
Transfers in	5,030,801	55,030,801	60,020,000	4,989,199
Transfers out	(52,604,559)	(52,604,559)	(61,163,799)	(8,559,240)
<b>Total other financing sources (uses)</b>	<b>52,635,834</b>	<b>108,282,470</b>	<b>112,381,163</b>	<b>4,098,693</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>30,190,290</b>	<b>(21,709,848)</b>	<b>188,899,975</b>	<b>210,609,823</b>
<b>Fund balance - July 1</b>	<b>115,500,603</b>	<b>115,500,603</b>	<b>115,500,603</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$145,690,893</b>	<b>\$93,790,755</b>	<b>\$304,400,578</b>	<b>\$210,609,823</b>

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**Nonmajor Governmental Funds  
Budget and Actual  
Special Revenue Funds**

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VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

TRANSPORTATION PARTNERSHIP OPPORTUNITY				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	1,739,532	1,739,532
Fines, forfeitures, court fees	0	0	0	0
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
<b>Total revenues</b>	<u>0</u>	<u>0</u>	<u>1,739,532</u>	<u>1,739,532</u>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	50,000,000	350,292	49,649,708
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<u>0</u>	<u>50,000,000</u>	<u>350,292</u>	<u>49,649,708</u>
<b>Revenues over (under) expenditures</b>	<u>0</u>	<u>(50,000,000)</u>	<u>1,389,240</u>	<u>51,389,240</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Note proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	50,000,000	50,000,000	0
Transfers out	0	0	0	0
<b>Total other financing sources (uses)</b>	<u>0</u>	<u>50,000,000</u>	<u>50,000,000</u>	<u>0</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>0</u>	<u>0</u>	<u>51,389,240</u>	<u>51,389,240</u>
<b>Fund balance - July 1</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u>\$0</u>	<u>\$0</u>	<u>\$51,389,240</u>	<u>\$51,389,240</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

POCAHONTAS PARKWAY				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	0	0
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	6,083,257	6,083,257
<b>Total revenues</b>	<u>0</u>	<u>0</u>	<u>6,083,257</u>	<u>6,083,257</u>
<b>Expenditures</b>				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	2,355,899	1,664,435	691,464
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<u>0</u>	<u>2,355,899</u>	<u>1,664,435</u>	<u>691,464</u>
<b>Revenues over (under) expenditures</b>	<u>0</u>	<u>(2,355,899)</u>	<u>4,418,822</u>	<u>6,774,721</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Note proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	2,167,432	2,167,432	0	(2,167,432)
Transfers out	0	0	0	0
<b>Total other financing sources (uses)</b>	<u>2,167,432</u>	<u>2,167,432</u>	<u>0</u>	<u>(2,167,432)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>2,167,432</u>	<u>(188,467)</u>	<u>4,418,822</u>	<u>4,607,289</u>
<b>Fund balance - July 1</b>	<u>10,675,781</u>	<u>10,675,781</u>	<u>10,675,781</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u>\$12,843,213</u>	<u>\$10,487,314</u>	<u>\$15,094,603</u>	<u>\$4,607,289</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

	RECYCLABLE MATERIALS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	0	0
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	278,519	278,519
<b>Total revenues</b>	<u>0</u>	<u>0</u>	<u>278,519</u>	<u>278,519</u>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Revenues over (under) expenditures</b>	<u>0</u>	<u>0</u>	<u>278,519</u>	<u>278,519</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Note proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	0	0	(278,519)	(278,519)
<b>Total other financing sources (uses)</b>	<u>0</u>	<u>0</u>	<u>(278,519)</u>	<u>(278,519)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund balance - July 1</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

SURPLUS PROPERTY				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General				
Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	0	0
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	8,599,988	8,599,988
<b>Total revenues</b>	<u>0</u>	<u>0</u>	<u>8,599,988</u>	<u>8,599,988</u>
<b>Expenditures</b>				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Revenues over (under) expenditures</b>	<u>0</u>	<u>0</u>	<u>8,599,988</u>	<u>8,599,988</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Note proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	0	0	(8,599,988)	(8,599,988)
<b>Total other financing sources (uses)</b>	<u>0</u>	<u>0</u>	<u>(8,599,988)</u>	<u>(8,599,988)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund balance - July 1</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

CAMP 30				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General				
Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	1,090,699	1,090,699
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
<b>Total revenues</b>	<u>0</u>	<u>0</u>	<u>1,090,699</u>	<u>1,090,699</u>
<b>Expenditures</b>				
Current				
Administrative and support services	0	0	274,506	(274,506)
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	148,624	(148,624)
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<u>0</u>	<u>0</u>	<u>423,130</u>	<u>(423,130)</u>
<b>Revenues over (under) expenditures</b>	<u>0</u>	<u>0</u>	<u>667,569</u>	<u>667,569</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Note proceeds	0	0	100,289,397	100,289,397
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	0	0	0	0
<b>Total other financing sources (uses)</b>	<u>0</u>	<u>0</u>	<u>100,289,397</u>	<u>100,289,397</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>0</u>	<u>0</u>	<u>100,956,966</u>	<u>100,956,966</u>
<b>Fund balance - July 1</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u>\$0</u>	<u>\$0</u>	<u>\$100,956,966</u>	<u>\$100,956,966</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

NORTHERN VIRGINIA TRANSPORTATION DISTRICT				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	6,973,987	6,973,987	5,643,220	(1,330,767)
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	5,748,932	5,748,932
Fines, forfeitures, court fees	0	0	125,000	125,000
Penalties, and escheats	0	0	125,000	125,000
Receipts from cities, counties, and towns	816,000	816,000	816,000	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
<b>Total revenues</b>	<b>7,789,987</b>	<b>7,789,987</b>	<b>12,333,152</b>	<b>4,543,165</b>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	644	0	644
Highway acq. and const. - bond proceeds	22,744,361	54,482,474	6,452,305	48,030,169
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<b>22,744,361</b>	<b>54,483,118</b>	<b>6,452,305</b>	<b>48,030,813</b>
<b>Revenues over (under) expenditures</b>	<b>(14,954,374)</b>	<b>(46,693,131)</b>	<b>5,880,847</b>	<b>52,573,978</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(126,878)	(126,878)
Other financing sources	0	0	0	0
Bond proceeds	0	0	50,696	50,696
Note proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	18,500,000	18,500,000	19,782,685	1,282,685
Transfers in	0	0	10,000,000	10,000,000
Transfers out	(28,614,153)	(28,614,153)	(28,602,276)	11,877
<b>Total other financing sources (uses)</b>	<b>(10,114,153)</b>	<b>(10,114,153)</b>	<b>1,104,227</b>	<b>11,218,380</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>(25,068,527)</b>	<b>(56,807,284)</b>	<b>6,985,074</b>	<b>63,792,358</b>
<b>Fund balance - July 1</b>	<b>118,546,109</b>	<b>118,546,109</b>	<b>118,546,109</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$93,477,582</b>	<b>\$61,738,825</b>	<b>\$125,531,183</b>	<b>\$63,792,358</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

TRANSPORTATION SET ASIDE				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	91,229	91,229
Fines, forfeitures, court fees	0	0	0	0
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	1,500,000	1,500,000	1,500,000	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
<b>Total revenues</b>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,591,229</u>	<u>91,229</u>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	1,500,000	213,508	71,759	141,749
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<u>1,500,000</u>	<u>213,508</u>	<u>71,759</u>	<u>141,749</u>
<b>Revenues over (under) expenditures</b>	<u>0</u>	<u>1,286,492</u>	<u>1,519,470</u>	<u>232,978</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(2,345)	(2,345)
Other financing sources	1,328,619	42,127	0	(42,127)
Bond proceeds	0	0	65,839	65,839
Note proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	1,000,000	1,000,000	1,042,128	42,128
Transfers in	0	0	0	0
Transfers out	(3,048,976)	(3,048,976)	(2,327,917)	721,059
<b>Total other financing sources (uses)</b>	<u>(720,357)</u>	<u>(2,006,849)</u>	<u>(1,222,295)</u>	<u>784,554</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>(720,357)</u>	<u>(720,357)</u>	<u>297,175</u>	<u>1,017,532</u>
<b>Fund balance - July 1</b>	<u>720,357</u>	<u>720,357</u>	<u>720,357</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u>\$0</u>	<u>\$0</u>	<u>\$1,017,532</u>	<u>\$1,017,532</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

ROUTE 28				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	91,035	91,035
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	7,528,100	7,528,100	26,589,575	19,061,475
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
<b>Total revenues</b>	<u>7,528,100</u>	<u>7,528,100</u>	<u>26,680,610</u>	<u>19,152,510</u>
<b>Expenditures</b>				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	40,000,000	42,257,958	26,183,120	16,074,838
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<u>40,000,000</u>	<u>42,257,958</u>	<u>26,183,120</u>	<u>16,074,838</u>
<b>Revenues over (under) expenditures</b>	<u>(32,471,900)</u>	<u>(34,729,858)</u>	<u>497,490</u>	<u>35,227,348</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(2,789)	(2,789)
Other financing sources	32,237,505	34,495,463	0	(34,495,463)
Bond proceeds	0	0	0	0
Note proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	0	0	0	0
<b>Total other financing sources (uses)</b>	<u>32,237,505</u>	<u>34,495,463</u>	<u>(2,789)</u>	<u>(34,498,252)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>(234,395)</u>	<u>(234,395)</u>	<u>494,701</u>	<u>729,096</u>
<b>Fund balance - July 1</b>	<u>234,395</u>	<u>234,395</u>	<u>234,395</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u>\$0</u>	<u>\$0</u>	<u>\$729,096</u>	<u>\$729,096</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

COLEMAN BRIDGE				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	107,849	107,849
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	5,113,970	5,113,970	6,377,798	1,263,828
Other	0	0	9,598	9,598
<b>Total revenues</b>	<u>5,113,970</u>	<u>5,113,970</u>	<u>6,495,245</u>	<u>1,381,275</u>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	1,595,057	2,517,729	1,901,206	616,523
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<u>1,595,057</u>	<u>2,517,729</u>	<u>1,901,206</u>	<u>616,523</u>
<b>Revenues over (under) expenditures</b>	<u>3,518,913</u>	<u>2,596,241</u>	<u>4,594,039</u>	<u>1,997,798</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(1,594)	(1,594)
Other financing sources	37,435,469	38,358,141	0	(38,358,141)
Bond proceeds	0	0	0	0
Note proceeds	0	0	0	0
Transfers to other state agencies and General Fund	(6,739)	(6,739)	(6,739)	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	833,579	833,579	0	(833,579)
Transfers out	(3,448,743)	(3,448,743)	(3,301,629)	147,114
<b>Total other financing sources (uses)</b>	<u>34,813,566</u>	<u>35,736,238</u>	<u>(3,309,962)</u>	<u>(39,046,200)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>38,332,479</u>	<u>38,332,479</u>	<u>1,284,077</u>	<u>(37,048,402)</u>
<b>Fund balance - July 1</b>	<u>(38,332,479)</u>	<u>(38,332,479)</u>	<u>(38,332,479)</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u>\$0</u>	<u>\$0</u>	<u>(\$37,048,402)</u>	<u>(\$37,048,402)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

ROUTE 168 SOUTH				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	338	338
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
<b>Total revenues</b>	<u>0</u>	<u>0</u>	<u>338</u>	<u>338</u>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	1,000	1,000	72	928
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<u>1,000</u>	<u>1,000</u>	<u>72</u>	<u>928</u>
<b>Revenues over (under) expenditures</b>	<u>(1,000)</u>	<u>(1,000)</u>	<u>266</u>	<u>1,266</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(15)	(15)
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Note proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	0	0	(16,859)	(16,859)
<b>Total other financing sources (uses)</b>	<u>0</u>	<u>0</u>	<u>(16,874)</u>	<u>(16,874)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>(1,000)</u>	<u>(1,000)</u>	<u>(16,608)</u>	<u>(15,608)</u>
<b>Fund balance - July 1</b>	<u>16,608</u>	<u>16,608</u>	<u>16,608</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u>\$15,608</u>	<u>\$15,608</u>	<u>\$0</u>	<u>(\$15,608)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

<b>ELIZABETH RIVER TUNNELS</b>				
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>Revenues</b>				
Revenue provided by the General				
Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	6,591	6,591
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
<b>Total revenues</b>	<b>0</b>	<b>0</b>	<b>6,591</b>	<b>6,591</b>
<b>Expenditures</b>				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	1,000	1,313	(313)
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<b>0</b>	<b>1,000</b>	<b>1,313</b>	<b>(313)</b>
<b>Revenues over (under) expenditures</b>	<b>0</b>	<b>(1,000)</b>	<b>5,278</b>	<b>6,278</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(189)	(189)
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Note proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>(189)</b>	<b>(189)</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>0</b>	<b>(1,000)</b>	<b>5,089</b>	<b>6,089</b>
<b>Fund balance - July 1</b>	<b>144,374</b>	<b>144,374</b>	<b>144,374</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$144,374</b>	<b>\$143,374</b>	<b>\$149,463</b>	<b>\$6,089</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

OMER L. HIRST - ADELARD L. BRAULT EXPRESSWAY				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General				
Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	1,103,000	1,103,000	3,206,170	2,103,170
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	43,633,330	43,633,330	65,533,312	21,899,982
Other	0	0	30,233	30,233
<b>Total revenues</b>	<b>44,736,330</b>	<b>44,736,330</b>	<b>68,769,715</b>	<b>24,033,385</b>
<b>Expenditures</b>				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	29,412,963	44,556,708	22,987,082	21,569,626
Capital outlay	0	2,660,737	974,710	1,686,027
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<b>29,412,963</b>	<b>47,217,445</b>	<b>23,961,792</b>	<b>23,255,653</b>
<b>Revenues over (under) expenditures</b>	<b>15,323,367</b>	<b>(2,481,115)</b>	<b>44,807,923</b>	<b>47,289,038</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Note proceeds	0	0	0	0
Transfers to other state agencies and General Fund	(31,519,120)	(31,519,120)	(9,272,443)	22,246,677
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	20,000	20,000
Transfers out	(11,283,937)	(11,283,937)	(11,750,304)	(466,367)
<b>Total other financing sources (uses)</b>	<b>(42,803,057)</b>	<b>(42,803,057)</b>	<b>(21,002,747)</b>	<b>21,800,310</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>(27,479,690)</b>	<b>(45,284,172)</b>	<b>23,805,176</b>	<b>69,089,348</b>
<b>Fund balance - July 1</b>	<b>66,689,806</b>	<b>66,689,806</b>	<b>66,689,806</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$39,210,116</b>	<b>\$21,405,634</b>	<b>\$90,494,982</b>	<b>\$69,089,348</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

<b>POWHITE PARKWAY EXTENSION</b>				
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	114,625	114,625
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	10,834,000	10,834,000	10,117,663	(716,337)
Other	0	0	4,491	4,491
<b>Total revenues</b>	<b>10,834,000</b>	<b>10,834,000</b>	<b>10,236,779</b>	<b>(597,221)</b>
<b>Expenditures</b>				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	4,694,550	6,723,357	4,653,727	2,069,630
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<b>4,694,550</b>	<b>6,723,357</b>	<b>4,653,727</b>	<b>2,069,630</b>
<b>Revenues over (under) expenditures</b>	<b>6,139,450</b>	<b>4,110,643</b>	<b>5,583,052</b>	<b>1,472,409</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	41,250,340	43,279,147	0	(43,279,147)
Bond proceeds	0	0	0	0
Note proceeds	0	0	0	0
Transfers to other state agencies and General Fund	(16,482)	(16,482)	(16,482)	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	2,029,790	2,029,790	0	(2,029,790)
Transfers out	(6,208,750)	(6,208,750)	(6,286,307)	(77,557)
<b>Total other financing sources (uses)</b>	<b>37,054,898</b>	<b>39,083,705</b>	<b>(6,302,789)</b>	<b>(45,386,494)</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>43,194,348</b>	<b>43,194,348</b>	<b>(719,737)</b>	<b>(43,914,085)</b>
<b>Fund balance - July 1</b>	<b>(43,194,348)</b>	<b>(43,194,348)</b>	<b>(43,194,348)</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$43,914,085)</b>	<b>(\$43,914,085)</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2006

	VPBA			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	0	0
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
<b>Total revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Ground transportation system safety	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Land management	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	1,723,691	1,723,691	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<b>0</b>	<b>1,723,691</b>	<b>1,723,691</b>	<b>0</b>
<b>Revenues over (under) expenditures</b>	<b>0</b>	<b>(1,723,691)</b>	<b>(1,723,691)</b>	<b>0</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	1,723,691	1,723,691	0
Note proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>1,723,691</b>	<b>1,723,691</b>	<b>0</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund balance - July 1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Nonmajor Governmental Funds  
Special Revenue**

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VIRGINIA DEPARTMENT OF TRANSPORTATION  
BALANCE SHEET GOVERNMENTAL FUNDS  
SPECIAL REVENUE  
June 30, 2006

TRANSPORTATION PARTNERSHIP OPPORTUNITY	POCAHONTAS PARKWAY	RECYCLABLE MATERIALS
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**ASSETS**

Cash and cash equivalents			
with the Treasurer of Virginia (Note 12)	\$51,389,240	\$21,228,779	\$0
Cash and cash equivalents with trustees (Note 12)	0	0	0
Collateral held for sec. lending - investments (Note 12)	17,035,289	0	0
Advance fund	0	10,000	0
Receivables: (Net)			
Federal government	0	0	0
Cities, counties, and towns	0	0	0
State agencies	0	0	0
Other	0	0	0
Taxes receivable	0	0	0
Due from component unit	0	0	0
Due from other funds	0	0	0
Due from agencies	0	0	0
Inventory (Note 1 G)	0	0	0
<b>Total assets</b>	<b>\$68,424,529</b>	<b>\$21,238,779</b>	<b>\$0</b>

**LIABILITIES AND FUND BALANCES**

Liabilities :			
Accounts payable	\$0	\$17,059	\$0
Deposits payable	0	0	0
Payable for collateral held for securities lending	17,035,289	0	0
Due to other funds	0	6,144,176	0
Due to other agencies	0	0	0
Deferred revenue	0	0	0
Liability for compensated absences	0	44	0
Accrued liabilities	0	0	0
Retainage on contracts	0	0	0
<b>Total liabilities</b>	<b>17,035,289</b>	<b>6,161,279</b>	<b>0</b>
Fund Balances Reserved for			
Inventories	0	0	0
Other	0	0	0
Fund Balances Unreserved			
Reported In			
Special Revenue	51,389,240	15,077,500	0
<b>Total fund balances</b>	<b>51,389,240</b>	<b>15,077,500</b>	<b>0</b>
<b>Total liabilities and fund balances</b>	<b>\$68,424,529</b>	<b>\$21,238,779</b>	<b>\$0</b>

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION  
BALANCE SHEET GOVERNMENTAL FUNDS  
SPECIAL REVENUE  
June 30, 2006

SURPLUS PROPERTY	CAMP 30	NO. VIRGINIA TRANSPORTATION DISTRICT
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**ASSETS**

Cash and cash equivalents			
with the Treasurer of Virginia (Note 12)	\$0	\$0	\$110,196,597
Cash and cash equivalents with trustees (Note 12)	0	100,956,966	15,334,586
Collateral held for sec. lending - investments (Note 12)	0	0	36,490,691
Advance fund	0	0	0
Receivables: (Net)			
Federal government	0	0	0
Cities, counties, and towns	0	0	0
State agencies	25,500	0	0
Other	0	0	0
Taxes receivable	0	0	0
Due from component unit	0	0	0
Due from other funds	0	0	0
Due from agencies	0	0	0
Inventory (Note 1 G)	0	0	0
<b>Total assets</b>	<b>\$25,500</b>	<b>\$100,956,966</b>	<b>\$162,021,874</b>

**LIABILITIES AND FUND BALANCES**

Liabilities :			
Accounts payable	\$0	\$1,384,272	\$261
Deposits payable	0	0	0
Payable for collateral held for securities lending	0	0	36,490,691
Due to other funds	0	0	0
Due to other agencies	0	0	0
Deferred revenue	25,500	0	0
Liability for compensated absences	0	0	130
Accrued liabilities	0	0	0
Retainage on contracts	0	0	3,436
<b>Total liabilities</b>	<b>25,500</b>	<b>1,384,272</b>	<b>36,494,518</b>
Fund Balances Reserved for			
Inventories	0	0	0
Other	0	99,572,694	0
Fund Balances Unreserved			
Reported In			
Special Revenue	0	0	125,527,356
<b>Total fund balances</b>	<b>0</b>	<b>99,572,694</b>	<b>125,527,356</b>
<b>Total liabilities and fund balances</b>	<b>\$25,500</b>	<b>\$100,956,966</b>	<b>\$162,021,874</b>

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION  
BALANCE SHEET GOVERNMENTAL FUNDS  
SPECIAL REVENUE  
June 30, 2006

	TRANSPORTATION SET ASIDE	ROUTE 28	COLEMAN BRIDGE
<b>ASSETS</b>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 12)	\$1,005,966	\$692,411	\$3,262,598
Cash and cash equivalents with trustees (Note 12)	11,566	36,685	0
Collateral held for sec. lending - investments (Note 12)	333,473	229,530	379,829
Advance fund	0	0	10,000
Receivables: (Net)			
Federal government	0	0	0
Cities, counties, and towns	0	0	0
State agencies	0	0	0
Other	0	0	0
Taxes receivable	0	0	0
Due from component unit	0	0	0
Due from other funds	0	0	0
Due from agencies	0	0	0
Inventory (Note 1 G)	0	0	0
<b>Total assets</b>	<b>\$1,351,005</b>	<b>\$958,626</b>	<b>\$3,652,427</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities :			
Accounts payable	\$0	\$0	\$56,092
Deposits payable	0	0	0
Payable for collateral held for securities lending	333,473	229,530	379,829
Due to other funds	0	0	40,321,000
Due to other agencies	0	0	0
Deferred revenue	0	427,595	0
Liability for compensated absences	0	0	99
Accrued liabilities	0	0	11,302
Retainage on contracts	0	0	0
<b>Total liabilities</b>	<b>333,473</b>	<b>657,125</b>	<b>40,768,322</b>
Fund Balances Reserved for			
Inventories	0	0	0
Other	0	0	0
Fund Balances Unreserved			
Reported In			
Special Revenue	1,017,532	301,501	(37,115,895)
<b>Total fund balances</b>	<b>1,017,532</b>	<b>301,501</b>	<b>(37,115,895)</b>
<b>Total liabilities and fund balances</b>	<b>\$1,351,005</b>	<b>\$958,626</b>	<b>\$3,652,427</b>

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION  
BALANCE SHEET GOVERNMENTAL FUNDS  
SPECIAL REVENUE  
June 30, 2006

	ELIZABETH RIVER TUNNELS	OMER L. HIRST ADELARD BRAULT EXPRESSWAY
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**ASSETS**

Cash and cash equivalents			
with the Treasurer of Virginia (Note 12)	\$0	\$149,463	\$92,372,982
Cash and cash equivalents with trustees (Note 12)	0	0	0
Collateral held for sec. lending - investments (Note 12)	0	49,546	0
Advance fund	0	0	122,000
Receivables: (Net)			
Federal government	0	0	0
Cities, counties, and towns	0	0	0
State agencies	0	0	0
Other	0	0	47,275
Taxes receivable	0	0	0
Due from component unit	0	0	0
Due from other funds	0	0	0
Due from agencies	0	0	0
Inventory (Note 1 G)	0	0	0
<b>Total assets</b>	<b>\$0</b>	<b>\$199,009</b>	<b>\$92,542,257</b>

**LIABILITIES AND FUND BALANCES**

Liabilities :			
Accounts payable	\$0	\$0	\$480,087
Deposits payable	0	0	0
Payable for collateral held for securities lending	0	49,546	0
Due to other funds	0	0	2,000,000
Due to other agencies	0	0	0
Deferred revenue	0	0	46,061
Liability for compensated absences	0	0	904
Accrued liabilities	0	0	71,264
Retainage on contracts	0	0	209,084
<b>Total liabilities</b>	<b>0</b>	<b>49,546</b>	<b>2,807,400</b>
Fund Balances Reserved for			
Inventories	0	0	0
Other	0	0	0
Fund Balances Unreserved			
Reported In			
Special Revenue	0	149,463	89,734,857
<b>Total fund balances</b>	<b>0</b>	<b>149,463</b>	<b>89,734,857</b>
<b>Total liabilities and fund balances</b>	<b>\$0</b>	<b>\$199,009</b>	<b>\$92,542,257</b>

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION  
BALANCE SHEET GOVERNMENTAL FUNDS  
SPECIAL REVENUE  
June 30, 2006

	POWHITE PARKWAY EXTENSION	VPBA	TOTAL NON MAJOR FUNDS
<b>ASSETS</b>			
Cash and cash equivalents with the Treasurer of Virginia (Note 12)	\$2,895,248	\$0	\$283,193,284
Cash and cash equivalents with trustees (Note 12)	0	0	116,339,803
Collateral held for sec. lending - investments (Note 12)	0	0	54,518,358
Advance fund	11,000	0	153,000
Receivables: (Net)			
Federal government	0	0	0
Cities, counties, and towns	0	0	0
State agencies	0	0	25,500
Other	0	0	47,275
Taxes receivable	0	0	0
Due from component unit	0	0	0
Due from other funds	0	0	0
Due from agencies	0	0	0
Inventory (Note 1 G)	0	0	0
<b>Total assets</b>	<b>\$2,906,248</b>	<b>\$0</b>	<b>\$454,277,220</b>

**LIABILITIES AND FUND BALANCES**

Liabilities :			
Accounts payable	\$56,880	\$0	\$1,994,651
Deposits payable	0	0	0
Payable for collateral held for securities lending	0	0	54,518,358
Due to other funds	46,820,333	0	95,285,509
Due to other agencies	0	0	0
Deferred revenue	4,306	0	503,462
Liability for compensated absences	355	0	1,532
Accrued liabilities	35,834	0	118,400
Retainage on contracts	0	0	212,520
<b>Total liabilities</b>	<b>46,917,708</b>	<b>0</b>	<b>152,634,432</b>
Fund Balances Reserved for			
Inventories	0	0	0
Other	0	0	99,572,694
Fund Balances Unreserved			
Reported In			
Special Revenue	(44,011,460)	0	202,070,094
<b>Total fund balances</b>	<b>(44,011,460)</b>	<b>0</b>	<b>301,642,788</b>
<b>Total liabilities and fund balances</b>	<b>\$2,906,248</b>	<b>\$0</b>	<b>\$454,277,220</b>

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS-SPECIAL REVENUE  
June 30, 2006

	TRANSPORTATION PARTNERSHIP OPPORTUNITY	POCAHONTAS PARKWAY	RECYCLABLE MATERIALS
<b>Revenues</b>			
Revenues provided by the General Fund of the Commonwealth	\$0	\$0	\$0
Taxes	0	0	0
Rights and privileges	0	0	0
Sale of property and commodities	0	0	0
Interest, dividends and rents	1,739,532	0	0
Fines, forfeitures, court fees, penalties, and escheats	0	0	0
Federal grants and contracts	0	0	0
Receipts from cities, counties, and towns	0	0	0
Toll revenue	0	0	0
Other revenue	0	6,083,257	278,519
<b>Total revenue</b>	<b>1,739,532</b>	<b>6,083,257</b>	<b>278,519</b>
<b>Expenditures</b>			
Current:			
Administrative and support services	0	0	0
Ground transportation system planning and research	0	0	0
Highway system acquisition and construction	350,292	0	0
Highway system acquisition and construction-Bond Proceeds	0	0	0
Highway system maintenance	0	0	0
Ground transportation system safety	0	0	0
Financial assistance to localities	0	0	0
Environmental monitoring and compliance	0	0	0
Land management	0	0	0
Toll facilities operations and construction	0	6,107,690	0
Capital Outlay	0	0	0
Bond issuance costs	0	0	0
Transfers to other state agencies (Note 9)	0	0	0
<b>Total expenditures</b>	<b>350,292</b>	<b>6,107,690</b>	<b>0</b>
Revenues over (under) expenditures	1,389,240	(24,433)	278,519
<b>Other financing sources (uses)</b>			
Other financing sources (uses)	0	0	0
Bond Proceeds	0	0	0
Note Proceeds	0	0	0
Insurance Recoveries	0	0	0
Transfers to other state agencies and General Fund (Note 9)	0	0	0
Transfers from other state agencies and General Fund (Note 9)	0	0	0
Transfers in (Note 9)	50,000,000	0	0
Transfers out (Note 9)	0	0	(278,519)
<b>Total other financing sources (uses)</b>	<b>50,000,000</b>	<b>0</b>	<b>(278,519)</b>
Net Change in Fund Balance	51,389,240	(24,433)	0
Beginning fund balance - July 1	0	15,101,933	0
Ending fund balance - June 30	\$51,389,240	\$15,077,500	\$0

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS-SPECIAL REVENUE  
June 30, 2006

	SURPLUS PROPERTY	CAMP 30	NO. VIRGINIA TRANSPORTATION DISTRICT
<b>Revenues</b>			
Revenues provided by the General Fund of the Commonwealth	\$0	\$0	\$0
Taxes	0	0	0
Rights and privileges	0	0	5,643,220
Sale of property and commodities	0	0	0
Interest, dividends and rents	0	1,090,699	5,748,932
Fines, forfeitures, court fees, penalties, and escheats	0	0	125,000
Federal grants and contracts	0	0	0
Receipts from cities, counties, and towns	0	0	816,000
Toll revenue	0	0	0
Other revenue	8,581,908	0	0
Total revenue	<u>8,581,908</u>	<u>1,090,699</u>	<u>12,333,152</u>
<b>Expenditures</b>			
Current:			
Administrative and support services	0	274,506	0
Ground transportation system planning and research	0	0	0
Highway system acquisition and construction	0	0	0
Highway system acquisition and construction-Bond Proceeds	0	0	6,119,110
Highway system maintenance	0	0	0
Ground transportation system safety	0	0	0
Financial assistance to localities	0	0	0
Environmental monitoring and compliance	0	0	0
Land management	0	0	0
Toll facilities operations and construction	0	0	0
Capital Outlay	0	1,532,896	0
Transfers to other state agencies (Note 9)	0	0	0
Total expenditures	<u>0</u>	<u>1,807,402</u>	<u>6,119,110</u>
Revenues over (under) expenditures	<u>8,581,908</u>	<u>(716,703)</u>	<u>6,214,042</u>
<b>Other financing sources (uses)</b>			
Other financing sources (uses)	0	0	(126,878)
Bond Proceeds	0	0	50,696
Note Proceeds	0	100,289,397	0
Insurance Recoveries	0	0	0
Transfers to other state agencies and General Fund (Note 9)	0	0	0
Transfers from other state agencies and General Fund (Note 9)	0	0	19,782,685
Transfers in (Note 9)	0	0	10,000,000
Transfers out (Note 9)	(8,581,908)	0	(28,602,276)
Total other financing sources (uses)	<u>(8,581,908)</u>	<u>100,289,397</u>	<u>1,104,227</u>
Net Change in Fund Balance	0	99,572,694	7,318,269
Beginning fund balance - July 1	0	0	118,209,087
Ending fund balance - June 30	<u>\$0</u>	<u>\$99,572,694</u>	<u>\$125,527,356</u>

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS-SPECIAL REVENUE  
June 30, 2006

	TRANSPORTATION SET ASIDE	ROUTE 28	COLEMAN BRIDGE
<b>Revenues</b>			
Revenues provided by the General Fund of the Commonwealth			
Taxes	\$0	\$0	\$0
Rights and privileges	0	0	0
Sale of property and commodities	0	0	0
Interest, dividends and rents	0	0	0
Fines, forfeitures, court fees, penalties, and escheats	91,229	91,035	107,849
Federal grants and contracts	0	0	0
Receipts from cities, counties, and towns	0	0	0
Toll revenue	1,500,000	26,161,980	6,377,798
Other revenue	0	0	9,598
<b>Total revenue</b>	<b>1,591,229</b>	<b>26,253,015</b>	<b>6,495,245</b>
<b>Expenditures</b>			
Current:			
Administrative and support services	0	0	0
Ground transportation system planning and research	0	0	0
Highway system acquisition and construction	0	0	0
Highway system acquisition and construction-Bond Proceeds	71,759	26,183,120	0
Highway system maintenance	0	0	0
Ground transportation system safety	0	0	0
Financial assistance to localities	0	0	0
Environmental monitoring and compliance	0	0	0
Land management	0	0	0
Toll facilities operations and construction	0	0	1,899,825
Capital Outlay	0	0	0
Transfers to other state agencies (Note 9)	0	0	0
<b>Total expenditures</b>	<b>71,759</b>	<b>26,183,120</b>	<b>1,899,825</b>
Revenues over (under) expenditures	1,519,470	69,895	4,595,420
<b>Other financing sources (uses)</b>			
Other financing sources (uses)	(2,345)	(2,789)	(1,594)
Bond Proceeds	65,839	0	0
Note Proceeds	0	0	0
Insurance Recoveries	0	0	0
Transfers to other state agencies and General Fund (Note 9)	0	0	(6,739)
Transfers from other state agencies and General Fund (Note 9)	1,042,128	0	0
Transfers in (Note 9)	0	0	0
Transfers out (Note 9)	(2,327,917)	0	(3,301,629)
<b>Total other financing sources (uses)</b>	<b>(1,222,295)</b>	<b>(2,789)</b>	<b>(3,309,962)</b>
<b>Net Change in Fund Balance</b>	<b>297,175</b>	<b>67,106</b>	<b>1,285,458</b>
Beginning fund balance - July 1	720,357	234,395	(38,401,353)
Ending fund balance - June 30	<b>\$1,017,532</b>	<b>\$301,501</b>	<b>(\$37,115,895)</b>

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS-SPECIAL REVENUE  
June 30, 2006

	ROUTE 168 SOUTH	ELIZABETH RIVER TUNNELS	OMER L HIRST ADELARD BRAULT EXPRESSWAY
<b>Revenues</b>			
Revenues provided by the General Fund of the Commonwealth			
Taxes	\$0	\$0	\$0
Rights and privileges	0	0	0
Sale of property and commodities	0	0	0
Interest, dividends and rents	338	6,591	3,206,170
Fines, forfeitures, court fees, penalties, and escheats	0	0	0
Federal grants and contracts	0	0	0
Receipts from cities, counties, and towns	0	0	0
Toll revenue	0	0	65,533,312
Other revenue	0	0	26,943
<b>Total revenue</b>	<b>338</b>	<b>6,591</b>	<b>68,766,425</b>
<b>Expenditures</b>			
Current:			
Administrative and support services	0	0	0
Ground transportation system planning and research	0	0	0
Highway system acquisition and construction	0	0	0
Highway system acquisition and construction-Bond Proceeds	72	0	0
Highway system maintenance	0	0	0
Ground transportation system safety	0	0	0
Financial assistance to localities	0	0	0
Environmental monitoring and compliance	0	0	0
Land management	0	0	0
Toll facilities operations and construction	0	1,313	22,361,876
Capital Outlay	0	0	1,155,435
Transfers to other state agencies (Note 9)	0	0	0
<b>Total expenditures</b>	<b>72</b>	<b>1,313</b>	<b>23,517,311</b>
Revenues over (under) expenditures	266	5,278	45,249,114
<b>Other financing sources (uses)</b>			
Other financing sources (uses)	(15)	(189)	0
Bond Proceeds	0	0	0
Note Proceeds	0	0	0
Insurance Recoveries	0	0	0
Transfers to other state agencies and General Fund (Note 9)	0	0	(9,272,442)
Transfers from other state agencies and General Fund (Note 9)	0	0	0
Transfers in (Note 9)	0	0	20,000
Transfers out (Note 9)	(16,859)	0	(11,750,304)
<b>Total other financing sources (uses)</b>	<b>(16,874)</b>	<b>(189)</b>	<b>(21,002,746)</b>
Net Change in Fund Balance	(16,608)	5,089	24,246,368
Beginning fund balance - July 1	16,608	144,374	65,488,489
Ending fund balance - June 30	\$0	\$149,463	\$89,734,857

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS-SPECIAL REVENUE  
June 30, 2006

	POWHITE PARKWAY EXTENSION	VPBA	TOTAL NON MAJOR FUNDS
<b>Revenues</b>			
Revenues provided by the General			
Fund of the Commonwealth	\$0	\$0	\$0
Taxes	0	0	0
Rights and privileges	0	0	5,643,220
Sale of property and commodities	0	0	0
Interest, dividends and rents	114,625	0	12,197,000
Fines, forfeitures, court fees, penalties, and escheats	0	0	125,000
Federal grants and contracts	0	0	0
Receipts from cities, counties, and towns	0	0	28,477,980
Toll revenue	10,117,663	0	82,028,773
Other revenue	185	0	14,980,410
Total revenue	<u>10,232,473</u>	<u>0</u>	<u>143,452,383</u>
<b>Expenditures</b>			
Current:			
Administrative and support services	0	0	274,506
Ground transportation system planning and research	0	0	0
Highway system acquisition and construction	0	0	350,292
Highway system acquisition and construction-Bond Proceeds	0	0	32,374,061
Highway system maintenance	0	0	0
Ground transportation system safety	0	0	0
Financial assistance to localities	0	0	0
Environmental monitoring and compliance	0	0	0
Land management	0	0	0
Toll facilities operations and construction	4,572,327	0	34,943,031
Capital Outlay	0	1,723,691	4,412,022
Transfers to other state agencies (Note 9)	0	0	0
Total expenditures	<u>4,572,327</u>	<u>1,723,691</u>	<u>72,353,912</u>
Revenues over (under) expenditures	<u>5,660,146</u>	<u>(1,723,691)</u>	<u>71,098,471</u>
<b>Other financing sources (uses)</b>			
Other financing sources (uses)	0	0	(133,810)
Bond Proceeds	0	1,723,691	1,840,226
Note Proceeds	0	0	100,289,397
Insurance Recoveries	0	0	0
Transfers to other state agencies and General Fund (Note 9)	(16,482)	0	(9,295,663)
Transfers from other state agencies and General Fund (Note 9)	0	0	20,824,813
Transfers in (Note 9)	0	0	60,020,000
Transfers out (Note 9)	(6,286,307)	0	(61,145,719)
Total other financing sources (uses)	<u>(6,302,789)</u>	<u>1,723,691</u>	<u>112,399,244</u>
Net Change in Fund Balance	(642,643)	0	183,497,715
Beginning fund balance - July 1	(43,368,817)	0	118,145,073
Ending fund balance - June 30	<u>(\$44,011,460)</u>	<u>\$0</u>	<u>\$301,642,788</u>

The accompanying notes are an integral part of this financial statement

**Fiduciary Fund  
Statement of Changes**

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**Virginia Department of Transportation  
Statement of Changes in Assets and Liabilities - Fiduciary Fund  
June 30, 2006**

<b>Agency Fund</b>	<b>Balance June 30, 2005</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2006</b>
<b>Assets</b>				
Cash & investments held with the Treasurer of Virginia	\$79,994	\$64,719	(\$80,283)	\$64,430
<b>Total Assets</b>	<b>\$79,994</b>	<b>\$64,719</b>	<b>(\$80,283)</b>	<b>\$64,430</b>
<b>Liabilities</b>				
Deposits Payable	\$79,994	\$64,719	(\$80,283)	\$64,430
<b>Total Liabilities</b>	<b>\$79,994</b>	<b>\$64,719</b>	<b>(\$80,283)</b>	<b>\$64,430</b>

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**Schedule of Federal  
Assistance**

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VIRGINIA DEPARTMENT OF TRANSPORTATION  
SCHEDULE OF FEDERAL ASSISTANCE  
FISCAL YEAR 2006

Federal/State Grantor Agency	CFDA Number	Federal Program Name	FEDERAL CASH BALANCE July 1, 2005	FEDERAL CASH BASIS RECEIPTS	FEDERAL CASH BASIS DISBURSEMENTS	FEDERAL CASH BALANCE June 30, 2006
United States Dept of Transportation	20.205	Highway Planning and Construction		\$483,195,390	\$483,195,390	\$0
		TOTAL FEDERAL REVENUE:	\$0	\$483,195,390	\$483,195,390	\$0
United States Dept of Transportation/DMV	20.600	State and Community Highway Safety		316,213	316,213	\$0
United States Dept of Transportation/DMV	20.604	Safety Incentive Grant for Use of Seatbelts		50,007	50,007	\$0
United States Dept of Transportation/DMV	20.605	Safety Incentive to Prevent Operation of Motor		70,988	70,988	\$0
United States Dept of Transportation/DMV	20.607	Alcohol Open Container requirements		345,423	345,423	\$0
United States Dept of Transportation/DMV	20.608	Minimum Penalties for Repeat Offenders for Driving		88,567	88,567	\$0
United States Dept of Energy	81.041	Public Assistance Grant		24,960	24,960	\$0
Department of Homeland Security	97.004	State Domestic Preparedness Equipment Support	495,818	391,160	807,138	\$79,840
Federal Emergency Management Agency/DES	97.036	Public Assistance Grant		2,127,577	2,127,577	\$0
		TOTAL TRANSFERS FROM OTHER STATE AGENCIES:	495,818	3,414,895	3,830,873	79,840
Received from State	20.000	Other Assistance		36,920	36,920	\$0
			0	36,920	36,920	0
<b>GRAND TOTAL OF FEDERAL ASSISTANCE</b>			<b>\$495,818</b>	<b>\$486,647,205</b>	<b>\$487,063,183</b>	<b>\$79,840</b>

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# FINANCIAL REPORT

## The Virginia Department of Transportation

(VDOT) is responsible for building, maintaining and operating the state's roads, bridges and tunnels. And, through the Commonwealth Transportation Board, it also provides funding for airports, seaports, rail and public transportation.

Virginia has the third largest state-maintained highway system in the country, just behind North Carolina and Texas.

## Virginia's Highway System

The 57,867-mile state-maintained system is divided into the following categories:

- **Interstate** 1,118 miles of four-to-ten lane highways that connect states and major cities.
- **Primary** 8,111 miles of two-to-six lane roads that connect cities and towns with each other and with interstates.
- **Secondary** 48,305 miles of local connector or county roads.
- **Frontage** 333 miles of frontage roads.

A separate system includes 10,561 miles of urban streets, maintained by cities and towns with the help of state funds. Virginia's cities are independent of its counties. Henrico County (1,279 miles) and Arlington County (359 miles) maintain their own roads with state financial assistance.

## Other Transportation Services

The transportation network comprises more than roads. VDOT also is responsible for:

- More than 12,603 bridges.
- Four underwater crossings in the Hampton Roads area.
- Two mountain tunnels on Interstate 77 in Southwest Virginia.

- Four toll roads or bridges.
- Four ferry services.
- Rest areas and Welcome Centers along major highways.
- Commuter parking lots.

## VDOT Organization

VDOT has about 9,000 employees, making it one of the three largest state agencies in Virginia.

For highway purposes, Virginia is divided into nine districts: Bristol, Culpeper, Fredericksburg, Hampton Roads, Lynchburg, Northern Virginia, Richmond, Salem and Staunton. The Districts are divided into 42 residencies and two district satellite offices responsible for one to four counties each. Each of Virginia's counties has at least one area maintenance headquarters strategically located in it. The VDOT central office in Richmond is headquarters for approximately 30 operational and administrative units.

The 17-member Commonwealth Transportation Board guides the Department's work, much like a board of directors. The Secretary of Transportation serves as chairman and the Commonwealth Transportation Commissioner as vice-chairman. Members are appointed by the Governor and approved by the General Assembly. The Director of the Department of Rail and Public Transportation serves as a non-voting member of the board. Board meetings are held monthly and are open to the public.

*A limited number of copies of this report are available. For additional copies, contact the Virginia Department of Transportation, Fiscal Division, 1401 East Broad St., Richmond, VA 23219, Telephone 804-786-2757.*