



# FINANCIAL REPORT

JUNE 30, 2008





# FINANCIAL REPORT

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**Timothy M. Kaine**

Governor

**Pierce Homer**

Secretary of Transportation

**David S. Ekern, P.E.**

Commissioner Department of Transportation

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# FINANCIAL REPORT

JUNE 30, 2008

INTRODUCTORY SECTION



# COMMONWEALTH of VIRGINIA

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

David S. Ekern, P.E.  
COMMISSIONER

March 10, 2009

## Letter of Transmittal

The Comprehensive Annual Financial Report (CAFR) of the Virginia Department of Transportation (VDOT) for the fiscal year ended June 30, 2008 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. 3-08, "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 disclosures necessary to enable the reader to obtain a thorough understanding of our financial activities have been included.

The CAFR is presented in five 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 contains budgetary comparison schedules. The Combining and Individual Fund Statements and Schedules Section contains combining fund financial statements for nonmajor special revenue funds and the Schedule of Federal Assistance.

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 Commonwealth of Virginia's roads, bridges and tunnels. The agency has one central office and nine district offices. VDOT has approximately 8,400 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.

### **Transportation System**

Virginia has the third largest state-maintained highway system in the United States with an annual operating budget of approximately \$3.8 billion. VDOT maintains over 57,000 miles of interstate, primary, and secondary roads and distributes state funds to help maintain over 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, 2 toll roads, 1 toll bridge, 4 ferry services, 41 rest areas, and over 100 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 values 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 2008**

- ***VDOT completes contracts on time and on budget for fiscal year 2008.***

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. For FY 2008, VDOT met or exceeded these goals in three out of four categories. In addition, Dashboard, VDOT's online performance reporting system for projects and programs, was updated for version 3.0 to include additional performance and accountability measures to improve transparency and accountability.

### *Deadlines*

FY 2008 Construction contracts completed on time:

86 percent (*target of 75 percent*)

FY 2008 Maintenance contracts completed on time:

78 percent (*target of 77 percent*)

### *Budgets*

FY 2008 Construction contracts completed within budget:

93 percent (*target 82 percent*)

FY 2008 Maintenance contracts completed within budget:

85 percent (*target 90 percent*)

- ***Woodrow Wilson Bridge Dedicated .***

The Woodrow Wilson Bridge was officially dedicated in May of 2008 with the opening of the second bridge span. This mega project included complete replacement of the old Woodrow Wilson Bridge over the Potomac River. This bridge project has effectively reduced congestion on a major bottleneck on Interstate 95 in northern Virginia. The bridge project was awarded civil engineering's highest award – the 2008 Outstanding Civil Engineering Achievement Award from the American Society of Civil Engineers (ASCE). The \$2.47 billion project was made possible by the coordination of the Virginia, Maryland, and District of Columbia DOT's, along with the Federal Highway Administration. The project broke new ground in environmental areas, construction management, and financial planning.

- ***VDOT Completes Agreement for Capital Beltway Hot Lanes.***

In early FY 2008, VDOT Commissioner David S. Ekern signed agreements with Virginia's federal and private partners on the 14 mile Interstate 495 Capital Beltway High Occupancy Toll (HOT) Lanes project. Construction on this project started in

July of 2008. This \$1.4 billion state, federal and private funding construction partnership agreement will bring transit and HOV service to one of Virginia's busiest highways. VDOT will retain ownership and oversight of the completed HOT Lanes.

- ***Dashboard Version 3.0 .***

In February 2008 VDOT launched Dashboard version 3.0, which features a management scorecard for major divisions and geographic regions. Also featured are performance metrics to help gauge success on congestion and incident response, along with pavement condition reporting. The results of a semi-annual citizen survey are also included to measure citizen satisfaction. Since March 2003 the VDOT Dashboard has provided online access to enable monitoring of VDOT's business performance. Dashboard 3.0 can be accessed at the VDOT website [www.VirginiaDOT.org](http://www.VirginiaDOT.org) by clicking on the Dashboard button.

- ***Enhancements to VDOT 511 Traffic Information.***

VDOT's 511 traffic information phone system was upgraded during FY 2008 to reflect improvements suggested by its customers. The changes included improved voice recognition and a better menu structure to make traffic information easier to find. In addition, new features such as bridge and tunnel information, public transportation options and emergency messages were combined with easier navigation to the most used features of the free phone system. VDOT launched its 511 statewide system in February 2005 after piloting the program in the Shenandoah Valley. Since its inception in 2002 as Travel Shenandoah, 511 Virginia has received over 3.7 million calls.

- ***VDOT Receives 2007 Green Leadership Award .***

In November of 2007 VDOT received the 2007 Green Leadership Award in the government category from the James River Green Building Council for design and construction of the new Interstate 64 West Safety Rest Area in New Kent County. Opened in April 2007, the 9000 square foot safety rest area included in addition to the normal travel amenities, environmentally friendly features such as 250,000 gallon rainwater collection system and a geo thermal system to supplement heating and air conditioning. This interstate facility along with two other recent safety rest area reconstruction projects in Fredericksburg and Winchester were designed to meet the United States Green Building Councils Leadership in Energy and Environmental Design standards.

- ***New Smart Traffic Center Opens in Southwestern Virginia.***

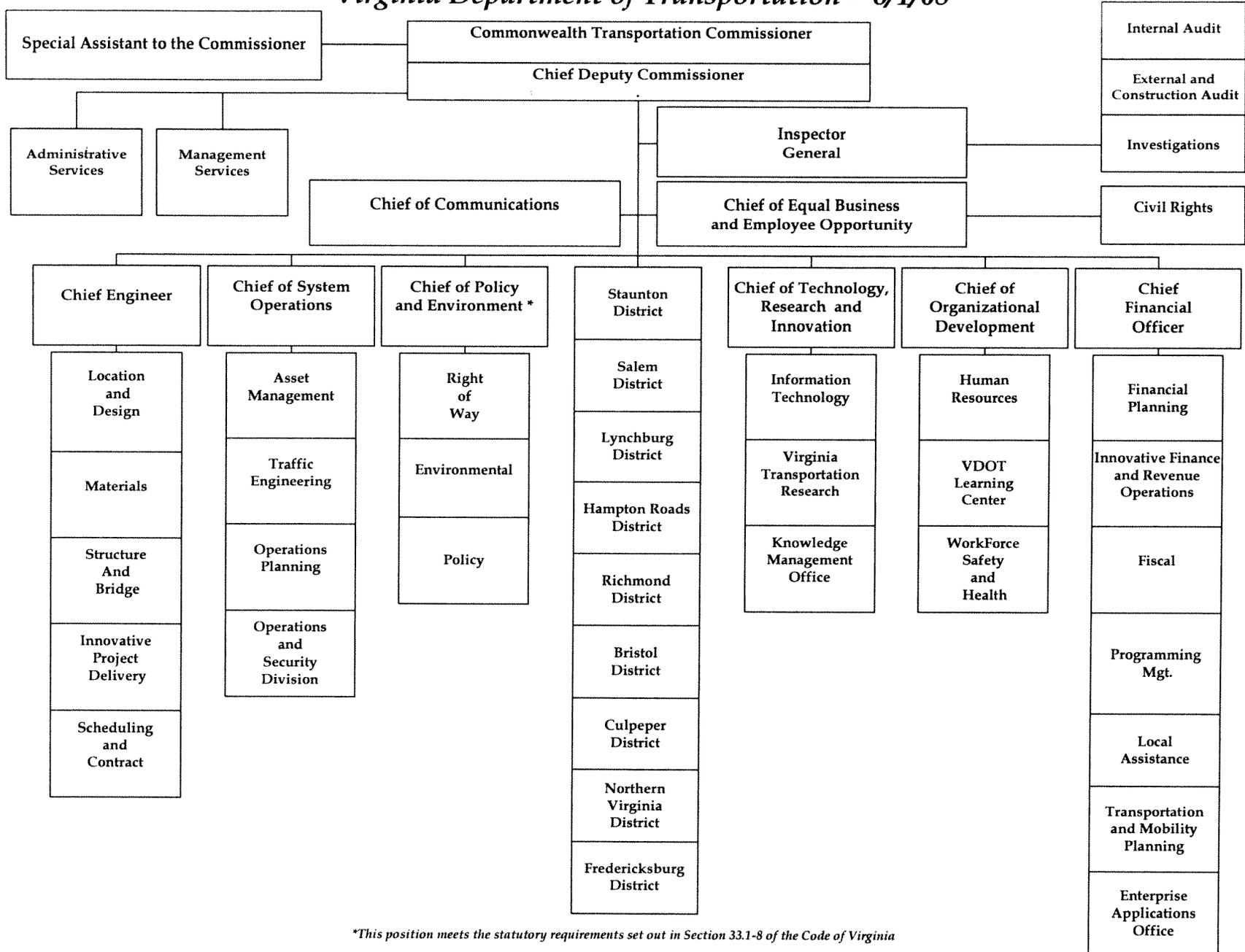
In November of 2007 VDOT opened its new Salem Traffic Management Center (TMC). The 19,400-square-foot state of the art facility will serve as home of VDOT's regional emergency and incident management programs. The new traffic monitoring and

operation center will help VDOT consolidate several functions to improve traffic flow and traveler information for a 29-county region. The TMC will also serve as the dispatch center for VDOT's Safety Service Patrol which assists motorists along I-81, I-581, and Route 220 Expressway. The new center will also focus on identifying new technologies and applying research to cut the number of highway fatalities in Virginia.

- ***Safety Service Patrols Expanded.***

VDOT expanded its Safety Service Patrol service to include the northern Shenandoah Valley area along I-81 from exit 298 (Route 11, Strasburg) to exit 323 (Route 669, Frederick County). Hours of operation will be 9a.m. to 7 p.m. seven days a week, 365 days a year. Patrol duties will include roadside assistance for motorists who have stopped along the highway shoulder or who call 911 for assistance. Aid includes providing tire service; fuel, road flares, and arranging for tow wrecker service. Safety Service Patrollers frequently are the first responders to traffic incidents and motorists with vehicle problems. VDOT also operates safety service patrols in Hampton Roads, Northern Virginia, Fredericksburg, and the Roanoke/Salem areas of Virginia.

# Virginia Department of Transportation - 6/1/08



*\*This position meets the statutory requirements set out in Section 33.1-8 of the Code of Virginia*

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# FINANCIAL REPORT

JUNE 30, 2008

FINANCIAL SECTION

**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, 2008. We encourage readers to consider the information presented here in conjunction with the information presented in our financial statements and the notes to the financial statements. **All amounts, unless otherwise indicated, are expressed in millions of dollars.**

### FINANCIAL HIGHLIGHTS

#### Government-wide Statements

The assets of the Virginia Department of Transportation exceeded its liabilities at the end of the fiscal year 2008 by \$15,176.3 (*net assets*). The Virginia Department of Transportation's total net assets increased by \$1,252.0. All of the increase in net assets in fiscal year 2008 came from the governmental activities. The Virginia Department of Transportation did not have any business-type activities in fiscal year 2008.

#### Fund Statements

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 \$1,740.5, a decrease of \$23.0. Of this total fund balance, \$1,523.0 represents unreserved fund balance and the remaining \$217.5 represents amounts reserved for specific purposes. The Virginia Department of Transportation did not have any enterprise funds in fiscal year 2008.

#### Long-term Debt

The Department's total debt for governmental activities decreased \$176.3 in fiscal year 2008 (bonds \$173.1 and notes payable \$3.2). The decrease is primarily due to the bonds and notes principal payments. The Department has no debt for business type activities in fiscal year 2008 to disclose.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This management 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. There were no business-type activities of the Virginia Department of Transportation in fiscal year 2008.

## **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, fiduciary funds and when there is activity to report, proprietary 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 thirteen non-major funds included, detailed in the form of *combining statements*.
- **Debt Service Funds:** There are nine debt service funds reported as major funds 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:** The Virginia Department of Transportation did not have any proprietary fund activity to report in fiscal year 2008.

**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.

## 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 \$15,176.3 at the close of fiscal year 2008.

By far the largest portion of the Virginia Department of Transportation's net assets (90 percent) 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, 2008 and 2007**

	<u>Governmental activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 2,403.1	\$ 2,409.1	\$ 2,403.1	\$ 2,409.1
Capital assets	15,319.4	14,229.3	15,319.4	14,229.3
Total assets	<u>17,722.5</u>	<u>16,638.4</u>	<u>17,722.5</u>	<u>16,638.4</u>
Current liabilities	723.7	637.0	723.7	637.0
Non-current liabilities	1,822.5	2,077.2	1,822.5	2,077.2
Total liabilities	<u>2,546.2</u>	<u>2,714.2</u>	<u>2,546.2</u>	<u>2,714.2</u>
Net assets:				
Invested in capital assets				
net of related debt	13,589.4	12,323.1	13,589.4	12,323.1
Restricted	338.4	437.0	338.4	437.0
Unrestricted	1,248.5	1,164.1	1,248.5	1,164.1
Total net assets	<u>\$ 15,176.3</u>	<u>\$ 13,924.2</u>	<u>\$ 15,176.3</u>	<u>\$ 13,924.2</u>

An additional portion of the Virginia Department of Transportation's net assets (2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$1,248.5 may be used to meet the Department's ongoing obligations.

The Virginia Department of Transportation's net assets for governmental activities increased by \$1,252.1 (9.0 percent) in fiscal year 2008. 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, 2008 and 2007**

	<u>Governmental activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues:				
Program revenues:				
Charges for services	\$ 444.7	\$ 344.2	\$ 444.7	\$ 344.2
Capital grants and contributions	1,457.9	1,007.0	1,457.9	1,007.0
General revenues:				
Motor vehicle taxes	1,363.4	1,421.4	1,363.4	1,421.4
Sales and use tax	413.6	408.0	413.6	408.0
Other taxes	0.9	0.6	0.9	0.6
Investment earnings	73.3	69.5	73.3	69.5
Other revenues	16.0	29.0	16.0	29.0
Transfers to/from other state agencies and	(97.9)	(76.2)	(97.9)	(76.2)
Other financing sources (uses)	(1.3)	(1.4)	(1.3)	(1.4)
Insurance Recoveries	3.0	3.5	3.0	3.5
Total revenue	<u>3,673.6</u>	<u>3,205.6</u>	<u>3,673.6</u>	<u>3,205.6</u>
Expenses				
Administrative and support services	204.5	192.0	204.5	192.0
Ground Transportation system planning and research	44.8	33.3	44.8	33.3
Highway system acquisition and construction	562.4	669.0	562.4	669.0
Highway system maintenance	982.7	774.6	982.7	774.6
Financial assistance to localities	532.3	568.2	532.3	568.2
Environmental monitoring and Compliance	2.2	2.9	2.2	2.9
Toll facilities	57.0	63.7	57.0	63.7
Unallocated depreciation	8.0	7.6	8.0	7.6
Transfers to other state agencies	27.6	29.2	27.6	29.2
Total expenses	<u>2,421.5</u>	<u>2,340.5</u>	<u>2,421.5</u>	<u>2,340.5</u>
Change in net assets	1,252.1	865.1	1,252.1	865.1
Net assets - July 1	<u>13,924.2</u>	<u>13,059.1</u>	<u>13,924.2</u>	<u>13,059.1</u>
Net assets - June 30	<u>\$ 15,176.3</u>	<u>\$ 13,924.2</u>	<u>\$ 15,176.3</u>	<u>\$ 13,924.2</u>

**Governmental activities:** Governmental activities increased the Virginia Department of Transportation's net assets by \$1,252.1. Key elements of this increase are as follows:

- Program revenues increased by \$551.3, or 41 percent over the last fiscal year. This increase relates to increases in receipts from charges for services of \$100.4 and capital grants and contributions of \$450.9 in fiscal year 2008 over the fiscal year 2007.
- Total general revenues decreased by \$48.4 or 3 percent in fiscal year 2008 from fiscal year 2007, with decreases primarily in motor vehicle fuel tax \$8.9 and motor vehicle sales and use tax \$51.6. The decrease is offset by the increases in road use tax \$2.7, sales and use tax \$5.5 and investment earnings \$3.9.
- Others: For the fiscal year ended June 30, 2008, other revenues, which includes gain or loss on sales, decreased \$13. This was the result of a \$5.7 decrease in gain on sales and a decrease of \$7.3 for other revenues. In addition, transfers to other agencies and general fund increased by \$47.6 and transfers from other state agencies and general fund increased \$25.9 from the fiscal year 2007.

The Virginia Department of Transportation's expenditures from governmental activities totaled \$2,421.4 for the fiscal year ended June 30, 2008, an increase of \$80.9 from the previous year. Most of the change is attributable to increases in administrative and support services \$12.5, ground transportation system planning and research \$11.5 and highway system maintenance \$208.1. The increase in expenditures is reduced by the decreases in highway system acquisition and construction \$106.6, financial assistance to localities \$35.8, toll facilities operations and construction \$6.7 and transfer to other state agencies \$1.7.

**Business-type activities:** Virginia Department of Transportation had no business-type activities in fiscal year 2008.

### **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.

**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. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Virginia Department of Transportation ended the fiscal year 2008 with a fund balance of \$1,740.5, a decrease of \$23.0 from the prior year. The decrease in fund balance was largely the result of expenditures and other financing uses exceeding revenues and other financing sources for the fiscal year. Expenditures increased by \$554.7 or 18 percent while revenues increased by \$487.1 or 15 percent. Also, transfer to other state agencies and general fund (other financing uses) increased \$47.6 or 53 percent while transfer from other state agencies and general fund

(other financing sources) increased by \$25.9. Changes in expenditures included \$251.6 (23 percent) increase in payments for construction expenditures and \$255.9 (27 percent) increase in maintenance expenditures. Approximately 88 percent of the ending fund balance, \$1,523.0 constitutes *unreserved fund balance*, which is available for spending at the Department's discretion. However, 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. Significant changes in major funds between fiscal years 2008 and 2007 are as follows:

- The fund balance of the Highway Maintenance and Operating Fund decreased by \$3.8 in fiscal year 2008 over the previous year. The increase in expenditures and a decrease in other financing sources provided most of the decrease in fund balance. While total expenditures increased by \$197.6 or 13.4 percent and total revenues increased by \$50.5 or 3.7 percent, other financing uses increased by \$4.5 and other financing sources decreased by \$9.2. Changes in expenditures included \$15.3 (4.9 percent) increase in payments for financial assistance to localities and \$178.5 (20.3 percent) increase in maintenance expenditures. The decrease in other financing sources is primarily due to a decrease in budgeted transfers from Construction Fund (crossover transfer recipient), \$265.5 in fiscal year 2008 compared to \$277.0 in fiscal year 2007. On the other hand, the increase in other financing uses resulted primarily from the increase in transfer out of \$2.8 for Camp 30 principal payments that began in fiscal year 2008.
- The fund balance of the Federal Highway Fund ended the fiscal year 2008 with its normal end of the year balance of \$0. Revenues increased by \$243.9 or 39.2 percent and cash transferred-in from other state agencies and General Fund increased by \$11.0 or 120.0 percent in fiscal year 2008 from fiscal year 2007. As revenues and cash transfers come into the Federal Highway Fund during the year, they are immediately used to pay for their designated expenditure projects. As a result, the total expenditures and other financing uses of the Federal Highway Fund equal to total revenues and other financing sources in fiscal year 2008.
- The Construction Fund's fund balance increased by \$123.4 or 22.3 percent in fiscal year 2008 from fiscal year 2007. The increase is related to a decrease in total expenditures of \$93.6 or 23.5 percent and a net decrease in other financing uses of \$123.5 or 28.3 percent that was offset by a decrease in total revenues of \$17.8 or 2.3 percent. The decrease in expenditures is related to a significant decrease in highway system acquisition and construction of \$105.4 or 29.7 percent in fiscal year 2008. The decrease in highway system acquisition and construction is primarily due to the increased use of other fund sources for construction expenditures resulting in higher construction expenditures in these funds. (Federal Funds, \$174.6, Priority Transportation Fund, \$54.7, Route 28, \$29.1 and Route 58, \$1.3). The decrease in net other financing uses is attributed to the decreases in budgeted

transfers Construction Funds to Highway Maintenance and Operating Fund (crossover transfer payment), \$265.5 in fiscal year 2008 compared to \$277.0 in fiscal year 2007 and Priority Transportation Fund \$16.0 in fiscal year 2008 compared to \$104.4 in fiscal year 2007.

- The Priority Transportation Fund balance decreased by \$104.4 or 47.3 percent in fiscal year 2008 from fiscal year 2007. The decrease in fund balance is primarily due to an increase in construction expenditures and a decrease in transfers from other funds. Revenues decreased by \$9.2, or 6.3 percent due primarily to a decrease of \$7.7 receipts from interest over the previous year. Also, the Priority Transportation Fund received a cash transfer of \$16.0 from Construction Fund in fiscal year 2008 compared to \$104.4 in fiscal year 2007. The increase in expenditures is due to the increase in highway system and acquisition construction expenditures \$54.7 and other financing sources decreased by \$88.4, or 84.7 percent due to less transfers from Construction Funds in fiscal year 2008.
- The fund balance of the Federal Highway Reimbursement Anticipation Notes (FRAN) Fund was \$0.3 in fiscal year 2008 compared to \$61.5 in fiscal year 2007, a decrease of \$61.5. The decrease is due to the payment of \$57.5 in construction expenditures and a transfer of \$5.0 to FRAN debt service fund in fiscal year 2008 that was offset by a receipt of \$1.2 from interest.
- The fund balance of the Route 58 Special Revenue Fund decreased by \$5.9 in fiscal year 2008 compared to \$10.8 increase in fiscal 2007. The decrease in fund balance is attributed to the decreases in cash transfer from other funds of \$15.3 and increase in highway system acquisition and construction expenditures of \$1.3 or 16.7 percent in fiscal year 2008. The Route 58 fund received a cash transfer of \$10.0 from Construction Fund in fiscal year 2008 compared to \$25.3 in fiscal year 2007.
- The fund balance of the Toll Facilities Revolving Fund continued to grow by increasing \$40.8 in fiscal year 2008. Interest revenues increased \$8.7 while expenditures also increased \$3.2. Transfers out to other funds was \$0 compared to \$14.8 in fiscal year 2007.

The Debt Service funds have a total fund balance of \$101.1 in fiscal year 2008, all of which are reserved for the debt payment. This is an increase of \$3.8 in fund balance in fiscal year 2008 over the fiscal year 2007. This increase in fund balance is primarily due to an increase in transfers-in of \$4.7 from special revenue funds for the payments of the Camp 30 notes principal retirement which began in fiscal year 2008. The increase in transfer-in is reduced by the increase in total expenditures of \$3.0 or 1.1 percent.

***Proprietary funds:*** The Virginia Department of Transportation did not have any proprietary fund activity to report in fiscal year 2008.

## Special Revenue Fund Budgetary Highlights

Virginia Department of Transportation  
Budget Comparison Summary  
Special Revenue Fund  
For the Fiscal Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Taxes	\$ 1,881.3	\$ 1,881.3	\$ 1,779.6	\$ (101.7)
Intergovernmental	1,100.5	1,100.5	847.5	(253.0)
Other	<u>1,055.8</u>	<u>1,055.8</u>	970.1	(85.7)
Total	4,037.6	4,037.6	3,597.2	(440.4)
Expenditures	<u>3,282.3</u>	<u>3,745.1</u>	<u>3,268.6</u>	<u>476.5</u>
Revenues over (under) expenditures	755.3	292.5	328.6	36.1
Other sources	<u>(128.0)</u>	<u>(130.3)</u>	<u>(356.5)</u>	<u>(226.2)</u>
Revenues and other sources over (under) expenditures	627.3	162.2	(27.9)	(190.1)
Fund balance - July 1	<u>1,640.7</u>	<u>1,640.7</u>	<u>1,640.7</u>	<u>-</u>
Fund balance - June 30	<u>\$ 2,268.0</u>	<u>\$ 1,802.9</u>	<u>\$ 1,612.8</u>	<u>\$ (190.1)</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 as of June 30, 2008 amounts to \$15,319.3 (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 7.7 percent

**Virginia Department of Transportation  
Capital Assets  
as of June 30, 2008 and 2007  
(net of depreciation)**

	<u>Governmental activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Depreciable Capital Assets:				
Buildings and improvements	\$ 151.5	\$ 150.7	\$ 151.5	\$ 150.7
Equipment	<u>152.1</u>	<u>148.5</u>	<u>152.1</u>	<u>148.5</u>
Total Depreciable Capital Assets	<u>303.6</u>	<u>299.2</u>	<u>303.6</u>	<u>299.2</u>
Non Depreciable Capital Assets:				
Land and improvements	21.6	21.6	21.6	21.6
Construction in process	<u>95.6</u>	<u>53.7</u>	<u>95.6</u>	<u>53.7</u>
Total Non Depreciable Capital Assets	<u>117.2</u>	<u>75.3</u>	<u>117.2</u>	<u>75.3</u>
Infrastructure Assets:				
Highway right-of-way, non-depreciable	1,586.7	1,526.5	1,586.7	1,526.5
Highway system infrastructure	7,574.2	7,242.7	7,574.2	7,242.7
Restorative maintenance	1,211.0	954.4	1,211.0	954.4
Bridge and tunnel infrastructure	2,055.3	2,011.8	2,055.3	2,011.8
Infrastructure work in process	<u>2,471.3</u>	<u>2,119.4</u>	<u>2,471.3</u>	<u>2,119.4</u>
Total Infrastructure assets	<u>14,898.5</u>	<u>13,854.8</u>	<u>14,898.5</u>	<u>13,854.8</u>
Total Assets	<u>\$15,319.3</u>	<u>\$ 14,229.3</u>	<u>\$ 15,319.3</u>	<u>\$ 14,229.3</u>

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

**Long-term debt – Bonds Payable:** At the end of the current fiscal year, the Commonwealth Transportation Board (CTB) had total bonded debt outstanding of \$1,624.3 related to governmental activities. Of this amount, \$75.9 comprises debt backed by the full faith, credit, and taxing power of the Commonwealth. The majority, \$1,548.4 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.

**Virginia Department of Transportation  
Outstanding Bonds  
as of June 30, 2008 and 2007**

	<u>Governmental activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General Obligation Bonds:				
Section 9(b) debt	\$ 17.1	\$ 22.3	\$ 17.1	\$ 22.3
Section 9(c) debt	58.8	69.2	58.8	69.2
Total General Obligation Bonds	<u>75.9</u>	<u>91.5</u>	<u>75.9</u>	<u>91.5</u>
Section 9(d) debt				
Transportation Revenue Bonds	905.2	947.1	905.2	947.1
Federal Highway Reimbursement				
Anticipation Notes	643.2	758.8	643.2	758.8
Total Section 9(d) debt	<u>1,548.4</u>	<u>1,705.9</u>	<u>1,548.4</u>	<u>1,705.9</u>
Toll Road Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Bonds Payable	<u>\$ 1,624.3</u>	<u>\$ 1,797.4</u>	<u>\$ 1,624.3</u>	<u>\$ 1,797.4</u>

The Commonwealth Transportation Board's bonds debt, from governmental activities, decreased by \$175.9 (9.8 percent) during the current fiscal year. The decrease was the result of the principal retirements of existing debts. This decrease was offset by the impacts of the fiscal year 2008 new accretion bond principal amount of \$2.7. There were no outstanding debts for business type activities in fiscal year 2008. The bond market conditions were not favorable during the fiscal year 2008 and the Commonwealth Transportation Board did not issue any new bonds during the year.

**Long-term debt--Notes Payable:** At the end of the current fiscal year, the Commonwealth Transportation Board (CTB) had total notes debt outstanding of \$105.6 related to governmental activities. Of this amount, \$4.3 comprises debt backed by the full faith, credit, and taxing power of the Commonwealth. The remainder of the debt, \$101.3 which includes Camp 30 notes is not backed by the full faith and credit of the Commonwealth.

**Virginia Department of Transportation  
Outstanding Notes  
as of June 30, 2008 and 2007**

	<u>Governmental activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General Obligation Notes:				
	\$ -	\$ -	\$ -	\$ -
Section 9(c) debt	4.3	4.3	4.3	4.3
Total General Obligation Notes	<u>4.3</u>	<u>4.3</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	93.3	96.5	93.3	96.5
Total Section 9(d) debt	<u>101.3</u>	<u>104.5</u>	<u>101.3</u>	<u>104.5</u>
Toll Road Revenue Notes	-	-	-	-
Total Notes Payable	<u>\$ 105.6</u>	<u>\$ 108.8</u>	<u>\$ 105.6</u>	<u>\$ 108.8</u>

The Commonwealth Transportation Board's notes debt, from governmental activities, decreased by \$3.2 in fiscal year 2008. The decrease was attributed to the retirement of the principal amount of the existing debt. The Commonwealth Transportation Board did not issue any new notes debt during the year.

Additional information on the Virginia Department of Transportation's long-term liabilities can be found in Note 5 of the financial statements.

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

The 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 2009 have decreased significantly from the previous year estimates. The economic downturn has necessitated the need to revise the fiscal year 2009-2014. It is anticipated that the FY 2009 budget will be officially revised in February 2009.
- Significant increases in maintenance and construction costs continue to impact the programs' performance.
- Construction fund transfers to cover the Highway Maintenance and Operating Fund's funding deficit will continue and will grow significantly in the future years as the growth of the Fund's needs outpaces revenue growth. The transfer is estimated to be \$350 million in 2009 and to exceed \$600 million by 2014.
- The construction program continues to contract as available funding declines.
- The uncertainty of the economy could adversely impact revenues going forward.

The above Economic Factors have been considered in the preparation of the Virginia Department of Transportation's fiscal year 2009-2014 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. This report is also available for download from the World Wide Web. Our Internet address is [www.virginiadot.org](http://www.virginiadot.org).

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# FINANCIAL REPORT

JUNE 30, 2008

BASIC FINANCIAL STATEMENTS

**Government-wide  
Financial Statements**

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**Virginia Department of Transportation  
Statement of Net Assets  
June 30, 2008**

<b>Primary Government Governmental Activities</b>
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**Assets :**

Cash and cash equivalents with the Treasurer of Virginia (Note 12)	\$	1,477,550,557
Cash and cash equivalents with trustees (Note 12)		111,213,968
Investments with trustees (Note 12)		74,506,939
Cash and cash equivalents for collateral held for securities lending (Note 12)		80,574,067
Investments for collateral held for securities lending (Note 12)		303,523,263
Advance fund		446,631
Prepaid items		76,203
Receivables: (Net)		
Federal government		105,632,335
Cities, counties, and towns		15,025,540
State agencies		4,658,342
Loans & Other		52,882,593
Taxes		125,959,013
Capitalized bond discounts and issue costs		6,299,302
Capitalized notes discounts and issue costs		566,352
Inventory (Note 1- G)		44,193,433
Depreciable Capital Assets, Net (Note 10)		303,590,270
Infrastructure, net (Note 10)		10,840,507,183
Infrastructure non deprec. (Note 10)		1,586,724,609
Infrastructure, Work in Process (Note 10)		2,471,324,465
Non Depreciable Capital Assets (Note 10 )		117,215,646
Total Assets	\$	<u>17,722,470,711</u>

**Liabilities :**

Accounts payable	\$	171,114,838
Deposits payable		32,311,916
Payable for collateral held for securities lending		384,097,330
Deferred revenue		5,395,092
Premium on bonds payable		89,509,346
Premium on notes payable		3,666,664
Accrued liabilities		34,181,178
Retainage on contracts		3,387,820
Non Current Liabilities		
Bond interest payable		27,875,230
Note interest payable		560,086
Compensated absences (Note 1- J and Note 5)		
Expected to be paid within one year		37,641,781
Expected to be paid after one year		26,481,686
Capital leases payable (Note 5)		
Expected to be paid within one year		6,995
Expected to be paid after one year		-
Bonds Payable (Note 5)		
Portion due within one year		175,924,000
Portion due after one year		1,448,368,851
Notes Payable (Note 5)		
Portion due within one year		7,670,000
Portion due after one year		97,980,000
Total liabilities		<u>2,546,172,813</u>

**Net Assets**

Invested in Capital Assets net of related debt	13,589,412,295
Restricted for (Note 6)	
Bond Financed Road	
Construction	165,057,241
Capital Acquisition	72,233,476
Debt service	101,085,158
Unrestricted	<u>1,248,509,728</u>
Total Net Assets	<u>\$ 15,176,297,898</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, 2008

Functions Programs	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
Primary Government					
Governmental Activities					
Administrative and support services	\$ 204,508,742	\$ -	\$ -	\$ 4,680,734	\$ (199,828,008)
Ground transportation system planning and research	44,805,036	-	-	-	(44,805,036)
Highway system acquisition and construction	562,358,686	37,170,743	-	1,447,781,661	922,593,718
Highway system maintenance	982,728,973	311,421,213	-	1,695,810	(669,611,950)
Financial assistance to localities	532,323,318	-	-	-	(532,323,318)
Environmental monitoring and compliance	2,195,327	-	-	-	(2,195,327)
Toll facilities operations and construction	56,977,347	96,098,169	-	3,722,258	42,843,080
Unallocated Depreciation (excludes direct depreciation)	7,955,008	-	-	-	(7,955,008)
Transfers to other state agencies (Note 9)	27,568,127	-	-	-	(27,568,127)
Total Governmental Activities	2,421,420,564	444,690,125	-	1,457,880,463	(518,849,976)
<b>Total Primary Government</b>	<b>\$ 2,421,420,564</b>	<b>\$ 444,690,125</b>	<b>\$ -</b>	<b>\$ 1,457,880,463</b>	<b>\$ (518,849,976)</b>

GENERAL REVENUES

Taxes	
Motor Vehicle Fuel Tax	\$ 845,832,715
Road Use Tax	7,921,420
Sales and Use Tax	413,571,174
MV Sales and Use Tax	502,023,485
MV Rental Tax	5,976,308
Aviation Fuel Tax	1,640,521
Other Taxes	876,461
Investment Earnings	73,360,309
Other Revenues	13,530,864
Gain on sales	2,474,388
Transfers to other State Agencies and Gen Fund (Note 9)	(137,370,824)
Transfers from other State Agencies and Gen Fund (Note 9)	39,443,585
Insurance recoveries	2,896,292
Other Financing Sources (Uses)	(1,259,314)
Total General Revenues, Special Items and Transfers	1,770,917,384
Change in Net Assets	1,252,067,408
Net Assets July 1	13,924,230,490
Net Assets June 30	\$ 15,176,297,898

The accompanying notes are an integral part of this financial statement

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**Fund Financial Statements  
Major Governmental Funds  
Special Revenue and Debt Service**

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# Governmental Funds

## Special Revenue Funds:

*Special Revenue Funds accounts for specific revenue sources that are restricted to finance particular functions and activities of the Department.*

**The Highway Maintenance and Operating Fund** accounts for Revenues and Expenditures for the general administration of the Department, maintenance of highways, assistance to localities, and support to other state agencies. Revenues are derived primarily from taxes, and rights and privileges.

**The Highway Federal Fund** accounts for the revenues and expenditures relating to federal projects and grants.

**The Highway Construction Fund** accounts for the revenues and expenditures for the acquisition and construction of the state highway systems.

**The Priority Transportation Fund** provides funding of specified transportation projects throughout the Commonwealth.

**The Toll Facilities Revolving Fund** accounts for the interests earned on the Highway Maintenance and Operating Fund and the Highway Construction Fund. Funds are used to finance construction projects and debt service of the toll facilities and other bond funds.

**Route 58** accounts for the revenues and expenditures for the construction of Route 58. Revenues are derived from bond sales and legislative appropriations.

**Federal Reimbursement Anticipation Notes (FRAN)** accounts for the funding of the various capital transportation projects throughout the Commonwealth pursuant to the Virginia Transportation Act of 2000.

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## Debt Service Funds:

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

**Route 58** accounts for the accumulation of resources for and payment of the general long-term debt principal and interest on bonds of the U.S. Route 58 project.

**Route 28** accounts for the accumulation of resources for and payment of the general long-term debt principal and interest on bonds of the State Route 28 project.

**Camp 30** accounts for the accumulation of resources for and payment of the general long-term debt principal and interest on the notes payable as a result of the Financing Lease Agreement the Department entered into with Fairfax County Economic Development Authority (FCEDA), known as Camp 30.

**Northern Virginia Transportation District** accounts for the accumulation of resources for and payment of the general long-term debt principal and interest on bonds of the Northern Virginia Transportation District.

**Federal Reimbursement Anticipation Notes (FRAN)** accounts for the accumulation of resources for and payment of the general long-term debt principal and interest on bonds of the Federal Reimbursement Anticipation Notes.

**Coleman Bridge** accounts for the accumulation of resources for and payment of the general long-term debt principal and interest on bonds of the Coleman Bridge.

**Hirst-Brault Expressway** accounts for the accumulation of resources for and payment of the general long-term debt principal and interest on bonds of the Hirst-Brault Expressway.

**Powhite Parkway Extension** accounts for the accumulation of resources for and payment of the general long-term debt principal and interest on bonds of the Powhite Parkway Extension.

**Transportation Set Aside** accounts for the accumulation of resources for and payment of the general long-term debt principal and interest on bonds of the City of Chesapeake Oak Grove Connector Transportation Set-aside project.

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**Nonmajor Governmental Funds** include those Special Revenue Funds listed in the Combining and Individual Fund Statements and Schedules section of this report.

**VIRGINIA DEPARTMENT OF TRANSPORTATION  
BALANCE SHEET GOVERNMENTAL FUNDS  
SPECIAL REVENUE  
June 30, 2008**

<b>HIGHWAY MAINTENANCE &amp; OPERATING</b>	<b>FEDERAL</b>	<b>CONSTRUCTION</b>
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**ASSETS**

Cash and cash equivalents with the Treasurer of Virginia (Note 12)	\$ 202,212,705	\$ -	\$ 640,865,830
Cash and cash equivalents with trustees (Note 12)	-	-	550,593
Investments with trustees (Note 12)	-	-	-
Cash and cash equivalents for collateral held for securities lending (Note 12)	-	-	-
Investments for collateral held for securities lending (Note 12)	-	-	-
Advance fund	315,631	-	20,000
Receivables: (net)			
Federal government	-	105,632,335	-
Cities, counties, and towns	1,032,104	-	13,993,436
State agencies	4,653,842	-	-
Loans & other	8,954,359	-	10,840,891
Taxes receivable	73,757,266	-	52,201,747
Due from other funds (Note 8)	69,923	-	36,708,377
Due from agencies	-	-	-
Prepaid expense	76,203	-	-
Inventory (Note 1 G)	35,758,110	-	894,053
<b>Total assets</b>	<b>\$ 326,830,143</b>	<b>\$ 105,632,335</b>	<b>\$ 756,074,927</b>

**LIABILITIES AND FUND BALANCES**

Liabilities :			
Accounts payable	\$ 59,076,756	\$ 85,291,227	\$ 19,195,544
Deposits payable	12,378,945	-	785,855
Payable for collateral held for securities lending	-	-	-
Due to other funds (Note 8)	2,200,000	19,925,473	36,699,184
Deferred revenue	13,862,693	415,635	15,561,576
Liability for compensated absences	164,917	-	30,343
Accrued liabilities	28,379,689	-	5,496,246
Retainage on contracts	1,877,726	-	1,402,879
<b>Total liabilities</b>	<b>117,940,726</b>	<b>105,632,335</b>	<b>79,171,627</b>
Fund Balances Reserved for			
Inventories	35,758,110	-	894,053
Capital Acquisition	-	-	-
Fund Balances Unreserved			
Reported In			
Special Revenue	173,131,307	-	676,009,247
<b>Total fund balances</b>	<b>208,889,417</b>	<b>-</b>	<b>676,903,300</b>
<b>Total liabilities and fund balances</b>	<b>\$ 326,830,143</b>	<b>\$ 105,632,335</b>	<b>\$ 756,074,927</b>

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION  
BALANCE SHEET GOVERNMENTAL FUNDS  
SPECIAL REVENUE  
June 30, 2008**

PRIORITY TRANSPORTATION FUND	TOLL FACILITIES REVOLVING	ROUTE 58
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<b>ASSETS</b>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 12)	\$ 116,139,530	\$ 170,334,718	\$ 37,941,316
Cash and cash equivalents with trustees (Note 12)	-	2,485,447	805,130
Investments with trustees (Note 12)	-	-	-
Cash and cash equivalents for			
collateral held for securities lending (Note 12)	6,841,112	57,899,403	2,197,925
Investments for			
collateral held for securities lending (Note 12)	25,770,534	218,107,595	8,279,605
Advance fund	-	-	-
Receivables: (net)			
Federal government	-	-	-
Cities, counties, and towns	-	-	-
State agencies	-	-	-
Loans & other	-	32,982,468	-
Taxes receivable	-	-	-
Due from other funds (Note 8)	-	111,359,417	-
Due from agencies	-	-	-
Prepaid expense	-	-	-
Inventory (Note 1 G)	-	7,541,270	-
<b>Total assets</b>	<b>\$ 148,751,176</b>	<b>\$ 600,710,318</b>	<b>\$ 49,223,976</b>

<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities :			
Accounts payable	\$ -	\$ 3,778,182	\$ 771,715
Deposits payable	-	19,147,116	-
Payable for collateral held for securities lending	32,611,646	276,006,998	10,477,530
Due to other funds (Note 8)	-	-	-
Deferred revenue	-	-	-
Liability for compensated			
absences	-	-	402
Accrued liabilities	-	-	-
Retainage on contracts	-	-	82,715
<b>Total liabilities</b>	<b>32,611,646</b>	<b>298,932,296</b>	<b>11,332,362</b>
Fund Balances Reserved for			
Inventories	-	7,541,270	-
Capital Acquisition	-	-	-
Fund Balances Unreserved			
Reported In			
Special Revenue	116,139,530	294,236,752	37,891,614
<b>Total fund balances</b>	<b>116,139,530</b>	<b>301,778,022</b>	<b>37,891,614</b>
<b>Total liabilities and fund balances</b>	<b>\$ 148,751,176</b>	<b>\$ 600,710,318</b>	<b>\$ 49,223,976</b>

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION  
BALANCE SHEET GOVERNMENTAL FUNDS  
SPECIAL REVENUE  
June 30, 2008**

	FEDERAL REIMBURSEMENT ANTICIPATION NOTES	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	Totals	
			Special Revenue Funds June 30, 2008	June 30, 2007

**ASSETS**

Cash and cash equivalents				
with the Treasurer of Virginia (Note 12)	\$ 292,140	\$ 308,438,285	\$ 1,476,224,524	\$ 1,421,792,231
Cash and cash equivalents with trustees (Note 12)	-	7,613,673	11,454,843	74,771,531
Investments with trustees (Note 12)	-	74,506,939	74,506,939	98,553,550
Cash and cash equivalents for collateral held for securities lending (Note 12)	16,924	13,618,703	80,574,067	76,924,350
Investments for collateral held for securities lending (Note 12)	63,751	51,301,778	303,523,263	303,048,818
Advance fund	-	111,000	446,631	516,595
Receivables: (net)				
Federal government	-	-	105,632,335	87,540,577
Cities, counties, and towns	-	-	15,025,540	12,826,578
State agencies	-	4,500	4,658,342	3,148,751
Loans & other	-	104,875	52,882,593	53,221,125
Taxes receivable	-	-	125,959,013	127,672,638
Due from other funds (Note 8)	-	907,689	149,045,406	154,492,224
Due from agencies	-	-	-	1,473,723
Prepaid expense	-	-	76,203	306,962
Inventory (Note 1 G)	-	-	44,193,433	42,018,180
<b>Total assets</b>	<b>\$ 372,815</b>	<b>\$ 456,607,442</b>	<b>\$ 2,444,203,132</b>	<b>\$ 2,458,307,833</b>

**LIABILITIES AND FUND BALANCES**

Liabilities :				
Accounts payable	\$ -	\$ 3,001,414	\$ 171,114,838	\$ 145,799,648
Deposits payable	-	-	32,311,916	35,415,939
Payable for collateral held for securities lending	80,675	64,920,481	384,097,330	379,973,168
Due to other funds (Note 8)	-	90,220,749	149,045,406	154,492,224
Deferred revenue	-	645,917	30,485,821	38,103,674
Liability for compensated absences	-	1,691	197,353	70,476
Accrued liabilities	-	305,243	34,181,178	35,353,627
Retainage on contracts	-	24,500	3,387,820	2,920,051
<b>Total liabilities</b>	<b>80,675</b>	<b>159,119,995</b>	<b>804,821,662</b>	<b>792,128,807</b>
Fund Balances Reserved for				
Inventories	-	-	44,193,433	42,018,180
Capital Acquisition	-	72,233,476	72,233,476	96,356,493
Fund Balances Unreserved				
Reported In				
Special Revenue	292,140	225,253,971	1,522,954,561	1,527,804,353
<b>Total fund balances</b>	<b>292,140</b>	<b>297,487,447</b>	<b>1,639,381,470</b>	<b>1,666,179,026</b>
<b>Total liabilities and fund balances</b>	<b>\$ 372,815</b>	<b>\$ 456,607,442</b>	<b>\$ 2,444,203,132</b>	<b>\$ 2,458,307,833</b>

The accompanying notes are an integral part of this financial statement

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VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BALANCE SHEET  
 DEBT SERVICE FUNDS  
 June 30, 2008

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 265,983	\$ 573,346	\$ 486,704	\$ -	\$ 1,326,033
Cash and cash equivalents with trustees	6,101	1	10,189	3,715	99,738,853	-	-	-	266	99,759,125
<b>Total assets</b>	<b>\$ 6,101</b>	<b>\$ 1</b>	<b>\$ 10,189</b>	<b>\$ 3,715</b>	<b>\$ 99,738,853</b>	<b>\$ 265,983</b>	<b>\$ 573,346</b>	<b>\$ 486,704</b>	<b>\$ 266</b>	<b>\$ 101,085,158</b>
<b>LIABILITIES AND FUND EQUITY</b>										
Liabilities:										
Fund equity:										
Fund balances	\$ 6,101	\$ 1	\$ 10,189	\$ 3,715	\$ 99,738,853	\$ 265,983	\$ 573,346	\$ 486,704	\$ 266	\$ 101,085,158
<b>Total Liabilities and Fund Equity</b>	<b>\$ 6,101</b>	<b>\$ 1</b>	<b>\$ 10,189</b>	<b>\$ 3,715</b>	<b>\$ 99,738,853</b>	<b>\$ 265,983</b>	<b>\$ 573,346</b>	<b>\$ 486,704</b>	<b>\$ 266</b>	<b>\$ 101,085,158</b>

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, 2008**

	<b>SPECIAL REVENUE</b>	<b>DEBT SERVICE</b>	<b>TOTAL GOVERNMENTAL FUNDS JUNE 30, 2008</b>
<b>ASSETS</b>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 12)	\$ 1,476,224,524	\$ 1,326,033	\$ 1,477,550,557
Cash and cash equivalents with trustees (Note 12)	11,454,843	99,759,125	111,213,968
Investment with Trustees (Note 12)	74,506,939	-	74,506,939
Cash and cash equivalents for collateral held for securities lending (Note 12)	80,574,067		80,574,067
Investments for collateral held for securities lending (Note 12)	303,523,263	-	303,523,263
Advance fund	446,631	-	446,631
Receivables: (Net)			
Federal government	105,632,335	-	105,632,335
Localities and private sector	15,025,540	-	15,025,540
State agencies	4,658,342	-	4,658,342
Loans & Other	52,882,593	-	52,882,593
Taxes Receivable	125,959,013	-	125,959,013
Due from other funds (Note 8)	149,045,406	-	149,045,406
Due from agencies	-	-	-
Prepaid Expense	76,203	-	76,203
Inventory (Note 1G)	44,193,433	-	44,193,433
Total Assets	<u>\$ 2,444,203,132</u>	<u>\$ 101,085,158</u>	<u>\$ 2,545,288,290</u>
<b>LIABILITIES AND FUND EQUITY</b>			
Accounts payable	\$ 171,114,838	\$ -	\$ 171,114,838
Deposits payable	32,311,916	-	32,311,916
Payable for collateral held for securities lending	384,097,330	-	384,097,330
Due to other funds (Note 8)	149,045,406	-	149,045,406
Deferred revenue	30,485,821	-	30,485,821
Compensated absences payable	197,353	-	197,353
Accrued liabilities	34,181,178	-	34,181,178
Retainage on contracts	3,387,820	-	3,387,820
Total liabilities	<u>804,821,662</u>	<u>-</u>	<u>804,821,662</u>
Fund Balance Reserved for			
Inventories	44,193,433	-	44,193,433
Capital Acquisition	72,233,476	-	72,233,476
Debt Service	-	101,085,158	101,085,158
Fund Balance Unreserved for Special Revenue	1,522,954,561	-	1,522,954,561
Total Fund Equity	<u>1,639,381,470</u>	<u>101,085,158</u>	<u>1,740,466,628</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><b>\$ 2,444,203,132</b></u>	<u><b>\$ 101,085,158</b></u>	<u><b>\$ 2,545,288,290</b></u>

The accompanying notes are an integral part of this financial statement

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**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
June 30, 2008**

Total fund balances - governmental funds \$ 1,740,466,628

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	\$ 117,215,646	
Equipment and Buildings	554,869,363	
Infrastructure assets	24,173,932,174	
Accumulated Depreciation	(9,526,655,010)	
Total capital assets		15,319,362,173

Other long term assets are not available to pay for current period expenditures and therefore are not reported in the funds. 25,090,729

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	(1,729,942,851)	
Capital leases	(6,995)	
Interest payable	(28,435,316)	
Bond and notes discount and issue cost	6,865,654	
Premium payable	(93,176,010)	
Compensated absences	(63,926,114)	
Total liabilities		(1,908,621,632)

Net assets of governmental activities \$ 15,176,297,898

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**VIRGINIA DEPARTMENT OF TRANSPORTATION  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS-SPECIAL REVENUE  
June 30, 2008**

	<b>HIGHWAY MAINTENANCE &amp; OPERATING</b>	<b>FEDERAL</b>	<b>CONSTRUCTION</b>
<b>Revenues</b>			
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -
Taxes	1,094,792,951	-	662,718,039
Rights and privileges	301,473,880	-	23,842,060
Sale of property and commodities	344,945	-	2,474,388
Interest, dividends and rents	29,990	-	4,396,212
Fines, forfeitures, court fees, penalties, and escheats	9,572,398	-	70,750
Federal grants and contracts	-	865,752,409	-
Receipts from localities and private sector	1,004,415	-	47,398,294
Toll revenue	-	-	-
Other revenue	10,053,702	-	379,999
Total revenue	<u>1,417,272,281</u>	<u>865,752,409</u>	<u>741,279,742</u>
<b>Expenditures</b>			
Current:			
Administrative and support services	201,774,829	6,072,529	723,229
Ground transportation system planning and research	4,745,601	12,933,835	27,125,600
Highway system acquisition and construction	39,089,287	702,964,366	249,696,250
Highway system maintenance	1,059,286,038	157,548,085	-
Financial assistance to localities	327,839,867	6,364,229	14,254,386
Environmental monitoring and compliance	14,646,835	-	-
Toll facilities operations and construction	-	-	-
Capital Outlay	503,089	-	12,538,978
Transfers to other state agencies (Note 9)	27,404,450	-	163,677
Total expenditures	<u>1,675,289,996</u>	<u>885,883,044</u>	<u>304,502,120</u>
Revenues over (under) expenditures	<u>(258,017,715)</u>	<u>(20,130,635)</u>	<u>436,777,622</u>
<b>Other financing sources (uses)</b>			
Other financing sources (uses)	-	-	-
Bond Proceeds	-	-	-
Insurance Recoveries	2,419,304	-	476,988
Transfers to other state agencies and General Fund (Note 9)	(13,999,658)	-	(13,436,255)
Transfers from other state agencies and General Fund (Note 9)	950,000	20,125,630	-
Transfers in (Note 9)	272,727,530	145,703,205	160,606
Transfers out (Note 9)	(7,830,188)	(145,703,205)	(300,516,125)
Total other financing sources (uses)	<u>254,266,988</u>	<u>20,125,630</u>	<u>(313,314,786)</u>
Net Change in Fund Balance	(3,750,727)	(5,005)	123,462,836
Beginning fund balance - July 1	212,640,144	5,005	553,440,464
Ending fund balance - June 30	<u>\$ 208,889,417</u>	<u>\$ -</u>	<u>\$ 676,903,300</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, 2008**

	PRIORITY TRANSPORTATION FUND	TOLL FACILITIES REVOLVING	ROUTE 58
<b>Revenues</b>			
Revenues provided by the General Fund of the Commonwealth	\$ 109,800,000	\$ -	\$ 40,000,000
Taxes	20,000,000	-	-
Rights and privileges	-	12,302,305	-
Sale of property and commodities	-	-	200
Interest, dividends and rents	8,282,143	59,455,253	3,713,567
Fines, forfeitures, court fees, penalties, and escheats	-	653,358	-
Federal grants and contracts	-	-	-
Receipts from localities and private sector	-	-	-
Toll revenue	-	-	-
Other revenue	-	-	-
Total revenue	<u>138,082,143</u>	<u>72,410,916</u>	<u>43,713,767</u>
<b>Expenditures</b>			
Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	65,938,390	-	8,888,808
Highway system maintenance	-	-	-
Financial assistance to localities	-	-	-
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	-	30,620,897	-
Capital Outlay	-	-	-
Transfers to other state agencies (Note 9)	-	-	-
Total expenditures	<u>65,938,390</u>	<u>30,620,897</u>	<u>8,888,808</u>
Revenues over (under) expenditures	<u>72,143,753</u>	<u>41,790,019</u>	<u>34,824,959</u>
<b>Other financing sources (uses)</b>			
Other financing sources (uses)	-	(996,526)	(80,287)
Bond Proceeds	-	-	-
Insurance Recoveries	-	-	-
Transfers to other state agencies and General Fund (Note 9)	(46,842,469)	-	-
Transfers from other state agencies and General Fund (Note 9)	-	-	-
Transfers in (Note 9)	16,000,000	-	10,000,000
Transfers out (Note 9)	(145,703,205)	-	(50,714,683)
Total other financing sources (uses)	<u>(176,545,674)</u>	<u>(996,526)</u>	<u>(40,794,970)</u>
Net Change in Fund Balance	(104,401,921)	40,793,493	(5,970,011)
Beginning fund balance - July 1	220,541,451	260,984,529	43,861,625
Ending fund balance - June 30	<u>\$ 116,139,530</u>	<u>\$ 301,778,022</u>	<u>\$ 37,891,614</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, 2008**

	FEDERAL REIMBURSEMENT ANTICIPATION NOTES	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	Totals	
			Special Revenue Funds JUNE 30, 2008	JUNE 30, 2007
<b>Revenues</b>				
Revenues provided by the General				
Fund of the Commonwealth	\$ -	\$ 157,207,586	\$ 307,007,586	\$ 151,300,000
Taxes	-	-	1,777,510,990	1,831,582,876
Rights and privileges	-	8,861,521	346,479,766	237,728,340
Sale of property and commodities	-	-	2,819,533	8,627,410
Interest, dividends and rents	1,228,795	22,835,109	99,941,069	103,862,353
Fines, forfeitures, court fees, penalties, and escheats	-	-	10,296,506	7,797,275
Federal grants and contracts	-	-	865,752,409	621,869,622
Receipts from localities and private sector	-	64,886,757	113,289,466	57,329,581
Toll revenue	-	83,142,506	83,142,506	81,916,853
Other revenue	-	5,763,303	16,197,004	32,830,775
Total revenue	1,228,795	342,696,782	3,622,436,835	3,134,845,085
<b>Expenditures</b>				
Current:				
Administrative and support services	-	-	208,570,587	198,685,726
Ground transportation system planning and research	-	-	44,805,036	33,280,824
Highway system acquisition and construction	57,485,423	213,140,496	1,337,203,020	1,085,614,608
Highway system maintenance	-	-	1,216,834,123	960,923,723
Financial assistance to localities	-	-	348,458,482	342,164,579
Environmental monitoring and compliance	-	-	14,646,835	14,911,880
Toll facilities operations and construction	-	23,437,046	54,057,943	61,454,239
Capital Outlay	-	28,962,996	42,005,063	16,142,807
Transfers to other state agencies (Note 9)	-	-	27,568,127	29,219,693
Total expenditures	57,485,423	265,540,538	3,294,149,216	2,742,398,079
Revenues over (under) expenditures	(56,256,628)	77,156,244	328,287,619	392,447,006
<b>Other financing sources (uses)</b>				
Other financing sources (uses)	(8,750)	(173,751)	(1,259,314)	(935,177)
Bond Proceeds	-	-	-	204,364
Insurance Recoveries	-	-	2,896,292	3,478,545
Transfers to other state agencies and General Fund (Note 9)	-	(63,092,442)	(137,370,824)	(89,749,077)
Transfers from other state agencies and General Fund (Note 9)	-	18,367,955	39,443,585	13,499,151
Transfers in (Note 9)	-	9,880,566	454,471,907	593,346,182
Transfers out (Note 9)	(4,986,021)	(57,813,394)	(713,266,821)	(847,967,664)
Total other financing sources (uses)	(4,994,771)	(92,831,066)	(355,085,175)	(328,123,676)
Net Change in Fund Balance	(61,251,399)	(15,674,822)	(26,797,556)	64,323,330
Beginning fund balance - July 1	61,543,539	313,162,269	1,666,179,026	1,601,855,696
Ending fund balance - June 30	\$ 292,140	\$ 297,487,447	\$ 1,639,381,470	\$ 1,666,179,026

The accompanying notes are an integral part of this financial statement

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VIRGINIA DEPARTMENT OF TRANSPORTATION  
 STATEMENT OF REVENUE, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED ENDED JUNE 30, 2008

	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	\$ 15,934	\$ -	\$ 2,950	\$ 9,048	\$ 3,006,897	\$ 40,269	\$ 160,314	\$ 90,626	\$ 435	\$ 3,326,473
Receipts from Cities, Counties, and Towns:	-	7,524,883	-	-	-	-	-	-	-	7,524,883
Total revenues	15,934	7,524,883	2,950	9,048	3,006,897	40,269	160,314	90,626	435	10,851,356
<b>Expenditures</b>										
Debt service:										
Interest	25,933,538	2,864,883	4,640,188	14,261,506	34,001,717	1,435,125	3,669,358	1,113,500	1,132,313	89,052,128
Retirement of bonds	24,815,000	4,660,000	3,190,000	13,720,000	115,615,000	1,740,000	6,856,185	5,130,000	1,095,000	176,821,185
Administrative fees	-	-	5,089	-	-	-	-	-	-	5,089
Total expenditures	50,748,538	7,524,883	7,835,277	27,981,506	149,616,717	3,175,125	10,525,543	6,243,500	2,227,313	265,878,402
Revenue over (under) expenditures	(50,732,604)	-	(7,832,327)	(27,972,458)	(146,609,820)	(3,134,856)	(10,365,229)	(6,152,874)	(2,226,878)	(255,027,046)
<b>Other financing sources (uses)</b>										
Transfers in	50,714,683	-	7,830,188	27,963,265	150,689,226	3,136,245	10,061,447	6,173,830	2,226,030	258,794,914
Total other sources (uses)	50,714,683	-	7,830,188	27,963,265	150,689,226	3,136,245	10,061,447	6,173,830	2,226,030	258,794,914
Revenues and other sources over (under) expenditures and other uses	(17,921)	-	(2,139)	(9,193)	4,079,406	1,389	(303,782)	20,956	(848)	3,767,868
Fund balance - July 1	24,022	1	12,328	12,908	95,659,447	264,594	877,128	465,748	1,114	97,317,290
Fund balance - June 30	\$ 6,101	\$ 1	\$ 10,189	\$ 3,715	\$ 99,738,853	\$ 265,983	\$ 573,346	\$ 486,704	\$ 266	\$ 101,085,158

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, 2008

	SPECIAL REVENUE	DEBT SERVICE	TOTALS GOVERNMENTAL FUNDS June 30, 2008
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$ 307,007,586	\$ -	\$ 307,007,586
Taxes	1,777,510,990	-	1,777,510,990
Rights and privileges	346,479,766	-	346,479,766
Sales of property and commodities	2,819,533	-	2,819,533
Interest, dividends, and rents	99,941,069	3,326,473	103,267,542
Fines, forfeitures, court fees, penalties, and escheats	10,296,506	-	10,296,506
Federal grants and contracts	865,752,409	-	865,752,409
Receipts from localities and private sector	113,289,466	7,524,883	120,814,349
Toll revenue	83,142,506	-	83,142,506
Other revenue	16,197,004	-	16,197,004
Total revenues	<u>3,622,436,835</u>	<u>10,851,356</u>	<u>3,633,288,191</u>
Expenditures			
Administrative and support services	208,570,587	5,089	208,575,676
Ground transportation system planning and research	44,805,036	-	44,805,036
Highway system acquisition and construction	1,337,203,020	-	1,337,203,020
Highway system maintenance	1,216,834,123	-	1,216,834,123
Financial assistance to localities	348,458,482	-	348,458,482
Environmental monitoring and compliance	14,646,835	-	14,646,835
Toll facility operations and construction	54,057,943	-	54,057,943
Capital outlay	42,005,063	-	42,005,063
Debt service:			
Interest	-	89,052,128	89,052,128
Retirement of bonds	-	176,821,185	176,821,185
Transfers to other state agencies	27,568,127	-	27,568,127
Total expenditures	<u>3,294,149,216</u>	<u>265,878,402</u>	<u>3,560,027,618</u>
Revenues over (under) expenditures	<u>328,287,619</u>	<u>(255,027,046)</u>	<u>73,260,573</u>
Other financing sources (uses)			
Other financing sources (uses)	(1,259,314)	-	(1,259,314)
Bond proceeds	-	-	-
Insurance Recoveries	2,896,292	-	2,896,292
Transfers to other state agencies and General fund (Note 9)	(137,370,824)	-	(137,370,824)
Transfers from other state agencies and General fund (Note 9)	39,443,585	-	39,443,585
Transfers in (Note 9)	454,471,907	258,794,914	713,266,821
Transfers out (Note 9)	(713,266,821)	-	(713,266,821)
Total other financing sources (uses)	<u>(355,085,175)</u>	<u>258,794,914</u>	<u>(96,290,261)</u>
Revenues and other sources over (under) expenditures and other uses	<u>(26,797,556)</u>	<u>3,767,868</u>	<u>(23,029,688)</u>
Fund balance - July 1	1,666,179,026	97,317,290	1,763,496,316
Fund balance - June 30	<u>\$ 1,639,381,470</u>	<u>\$ 101,085,158</u>	<u>\$ 1,740,466,628</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, 2008**

Net Change in fund balances - total governmental funds \$ (23,029,688)

Amounts reported for governmental activities are different because:

Accrued interest 1,189,599

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 20,093,259

Urban assets not capitalized (284,625,663)

Capital Outlay	\$ 42,005,063	
Depreciation expense	(15,807,382)	
Excess of capital outlay over depreciation expense		26,197,681

Increase in Infrastructure	1,790,319,460	
Depreciation expense	(461,962,168)	
Excess of increase in infrastructure over depreciation expense		1,328,357,292

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 5,935

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.

Retirement of bonds	176,821,186
Accretion of debt	(495,866)

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	246,414
Amortize bond and note premium	13,563,248
Amortize notes and bond discounts	(1,099,521)
Amortize cost of issuance notes and bonds	(31,667)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds	(5,124,801)
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Change in net assets of governmental activities	\$ 1,252,067,408
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## **Fiduciary Fund**

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## Fiduciary Fund

### **Agency Funds:**

*Agency Funds report those funds for which the Department acts solely in a custodial capacity.*

**The Agency Fund** accounts for money received and held by the Department in capacity of trustee, custodian or agency for individuals, government and non-public entities.

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**VIRGINIA DEPARTMENT OF TRANSPORTATION  
STATEMENT OF FIDUCIARY NET ASSETS  
June 30, 2008**

<b>Agency Fund</b>	
<b>June 30, 2008</b>	<b>June 30, 2007</b>

**ASSETS**

Cash & investments held with  
the Treasurer of Virginia

**Total assets**

\$	53,898	\$	54,574
\$	53,898	\$	54,574

**LIABILITIES AND FUND EQUITY**

Liabilities:

Deposits payable

**Total liabilities**

\$	53,898	\$	54,574
\$	53,898	\$	54,574

**NET ASSETS**

Unreserved

**Total net assets**

\$	-	\$	-
\$	-	\$	-

**Virginia Department of Transportation  
Statement of Changes in Assets and Liabilities - Fiduciary Fund  
June 30, 2008**

<b>Agency Fund</b>	<b>Balance June 30, 2007</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2008</b>
<b>Assets</b>				
Cash & investments held with the Treasurer of Virginia	\$ 54,574	\$ 1,303	\$ (1,979)	\$ 53,898
<b>Total Assets</b>	<b>\$ 54,574</b>	<b>\$ 1,303</b>	<b>\$ (1,979)</b>	<b>\$ 53,898</b>
<b>Liabilities</b>				
Deposits Payable	\$ 54,574	\$ 1,303	\$ (1,979)	\$ 53,898
<b>Total Liabilities</b>	<b>\$ 54,574</b>	<b>\$ 1,303</b>	<b>\$ (1,979)</b>	<b>\$ 53,898</b>



# FINANCIAL REPORT

JUNE 30, 2008

## NOTES TO THE FINANCIAL STATEMENTS

# VIRGINIA DEPARTMENT OF TRANSPORTATION

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies adopted by the Virginia Department of Transportation (VDOT or the 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, 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.

#### C. Government-wide and Fund Financial Statements

The government-wide financial statements including the Statement of Net Assets and the Statement of Activities report information on all non-fiduciary activities of VDOT . 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.

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 within 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, VDOT's policy is to use the restricted resources first.

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

Additionally, VDOT reports the following fund type:

**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, which is custodial in nature and does not involve measurement of results of operations.

The financial statements of the fiduciary fund 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.

#### **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**

Investments in money market funds are reported 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 the estimated useful life:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	10-50 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 yet earned or available as of June 30 of the reported fiscal year. This amount was reported in the Special Revenue Funds and was composed of receipts from cities, counties and towns for advanced funding of construction project participation and federal and other receivables that were expected to be collected after August 31 of the reported fiscal year.

## **J. Compensated Absences**

Compensated absences are recorded as current and long-term debt in the Government – wide statements. This represents the amounts of vacation, sick, compensatory leave and disability credits earned by the employees of the Department, but not yet taken at June 30 of the reported fiscal year. The amount reflects all earned vacation, sick and compensatory leave payable under the Commonwealth of Virginia's leave payout policy upon employment termination. Also included in the liability is the Department's share of the FICA taxes on leave balances for which employees will be compensated.

## 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 - Adelard 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 for construction, maintenance and operation, maintenance repair 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.

## 3. COMMITMENTS

### Operating Leases

VDOT is committed under various operating leases for land, floor space and equipment. In general, the leases are for three to four years with renewal options for another three to four year term. In most *cases*, VDOT expects these leases to be replaced by similar leases. Rental expense for the fiscal year ending June 30, 2008 was \$7,600,121. VDOT had, as of June 30, 2008, the following future minimum rental payments due under the above leases:

2009	\$ 6,175,735
2010	4,822,999
2011	3,832,190
2012	3,584,334
2013	1,512,366
SUBSEQUENT TO 2013	<u>157,627</u>
	<u>\$ 20,085,251</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 of 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, 2008, were \$527,730. This amount was 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, 2008, the Department of Transportation had the following contractual commitments for various construction projects, maintenance contracts, and consultant services:

Construction Projects	\$ 1,339,123,674
Maintenance Contracts	190,151,710
Consultant Services	681,532,538
	<u>\$ 2,210,807,922</u>

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 \$45,179,948 at June 30, 2008. This deficit is attributable to higher construction costs and revenue shortfalls caused by a lower traffic volume than projected.

The Department has incurred interfund obligations to meet both bond debt service payments and construction costs. At June 30, 2008, the Powhite Parkway Extension had the following interfund obligations:

Due to Toll Facility Revolving Fund	\$ 32,249,233
Due to Construction Fund	<u>14,671,100</u>
Total Interfund Obligations	<u>\$ 46,920,333</u>

In addition to its interfund obligations, the Powhite Parkway Extension had bonds payable for \$17,140,000 and a note payable to Chesterfield County for \$8,000,000 at June 30, 2008 respectively. 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 \$34,387,789 at June 30, 2008. The original financing plan included an interfund loan from the Toll Facilities Revolving Fund for construction. Additionally, operating expenses and debt service requirements have exceeded revenues.

The Department incurred the following interfund obligations for construction costs and operating expenses at June 30, 2008:

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

In addition to its interfund obligations, the Coleman Bridge Fund had bonds payable for \$31,390,000 at June 30, 2008. This obligation and the interfund liabilities listed above are to be paid from toll revenues.

## 5. LONG-TERM LIABILITIES

The following schedules present the long-term liabilities of the Department as reported in the Government-wide Statement of Net Assets.

### Long-Term Liabilities Activity

Governmental activities:	June 30, 2007	Increases	Decreases	June 30, 2008
Bonds Payable	\$ 1,797,428,171	\$ 2,729,436	\$ (175,864,756)	\$ 1,624,292,851
Capital Leases	12,930	0	(5,935)	6,995
Notes Payable	108,840,000	0	(3,190,000)	105,650,000
Compensated Absences	64,243,004	39,596,217	(39,715,754)	64,123,467
Totals	<u>\$ 1,970,524,105</u>	<u>\$ 42,325,653</u>	<u>\$ (218,776,445)</u>	<u>\$ 1,794,073,313</u>

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.

## Transportation Facilities Debt - Bonds Payable

At June 30, 2008, Transportation Facilities Bonds included \$17,140,000 of 9(b) general obligation bonds, \$58,800,499 of 9(c) general obligation bonds and \$1,548,352,352 of 9(d) revenue bonds. Principal and interest requirements for the current year totaled \$258,043,125.

The Section 9(b) transportation facilities bonds represent Powhite Parkway Extension Refunding Bonds, Series 2003A which were issued to partially refund Series 1993(A) 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, also a Section 9(d) debt, was issued to finance various capital transportation projects throughout the Commonwealth pursuant to the Virginia Transportation Act of 2000. Repayment of the Highway Reimbursement Anticipation Notes will be from appropriations of future cost reimbursements and payments received from the Federal Highway Administration for federal-aid projects.

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

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 175,924,000	\$ 73,969,441	\$ 249,893,441
2010	187,090,000	65,426,674	252,516,674
2011	196,295,000	56,059,280	252,354,280
2012	146,045,000	47,533,528	193,578,528
2013	150,950,000	40,237,246	191,187,246
2014-2018	450,220,000	125,500,809	575,720,809
2019-2023	251,195,000	39,931,194	291,126,194
2024-2028	98,925,000	5,382,355	104,307,355
2029-2033	32,420,000	-	32,420,000
<b>Subtotal</b>	<b>1,689,064,000</b>	<b>454,040,526</b>	<b>2,143,104,526</b>
Less Unaccreted Capital Appreciation Bonds	(64,771,149)	-	(64,771,149)
<b>Total</b>	<b>\$ 1,624,292,851</b>	<b>\$ 454,040,526</b>	<b>\$ 2,078,333,377</b>

**Detail of Bonds Payable**

Series	Amount Issued	Outstanding June 30, 2007	Issued-Retired During Year	Outstanding June 30, 2008	Maturity
<b>Section 9(b) Debt General</b>					
<b>Obligation Bonds</b>					
Powhite Parkway Extension					
Series 2003(A) Reunding	\$ 40,370,000	\$ 22,270,000	\$ (5,130,000)	\$ 17,140,000	06/01/09-11
<b>Section 9(c) Debt General</b>					
<b>Obligation Bonds</b>					
Hirst Brault Expressway (Dulles Toll Road)					
Series 1989(A) Capital Appreciating	34,348,000	5,712,822	(2,762,324)	2,950,499	06/01/09-09
Series 2002 Refunding	24,615,000	24,575,000	(115,000)	24,460,000	06/01/09-16
Series 2003(A) Refunding	18,764,506	3,525,756	(3,525,756)	-	06/01/08-08
Series 2006 Refunding	4,535,000	2,315,000	(2,315,000)	-	06/01/08-08
Coleman Bridge					
Series 1998 Refunding	3,135,000	1,490,000	(1,490,000)	-	06/01/08-08
Series 2006 Refunding	31,880,000	31,640,000	(250,000)	31,390,000	06/01/08-21
<b>Section 9(d) Debt-</b>					
<b>Transportation Revenue Bonds</b>					
Route 28 Corridor					
Series 2002 Refunding	83,820,000	63,520,000	(4,660,000)	58,860,000	04/01/09-18
Series 2002A Capital Appreciating	36,823,667	46,514,593	2,357,760	48,872,352	04/01/09-32

## Detail Bonds Payable Continues

Series	Amount Issued	Outstanding June 30, 2007	Issued-Retired During Year	Outstanding June 30, 2008	Maturity
U.S. Route 58 Corridor Development					
Series 1996(B)	\$ 114,285,000	\$ 4,035,000	\$ (4,035,000)	\$ -	05/15/08-08
Series 1999(B)	204,945,000	12,310,000	(6,005,000)	6,305,000	05/15/09-24
Series 2001(B)	102,165,000	18,910,000	(2,785,000)	16,125,000	05/15/09-26
Series 2002(B)	70,670,000	59,965,000	(4,220,000)	55,745,000	05/15/09-18
Series 2003(A)	66,255,000	42,645,000	(7,770,000)	34,875,000	05/15/09-12
Series 2004(B)	232,260,000	232,260,000	-	232,260,000	05/15/09-22
Series 2006(C)	63,460,000	63,460,000	-	63,460,000	05/15/09-26
Series 2007(B)	83,955,000	83,955,000	-	83,955,000	05/15/09-19
Northern Virginia Transportation District Program					
Series 1996(A)	70,890,000	2,580,000	(2,580,000)	-	05/15/08-08
Series 1999(A)	33,320,000	2,000,000	(975,000)	1,025,000	05/15/09-24
Series 2001(A)	58,650,000	24,190,000	(1,600,000)	22,590,000	05/15/09-26
Series 2002(A)	153,035,000	119,060,000	(8,565,000)	110,495,000	05/15/09-27
Series 2004(A)	89,400,000	89,400,000	-	89,400,000	05/15/09-22
Series 2006(B)	20,020,000	20,020,000	-	20,020,000	05/15/09-26
Series 2007(A)	39,115,000	39,115,000	-	39,115,000	05/15/09-20
Oak Grove Connector (Chesapeake)					
Series 2006(A)	23,160,000	23,160,000	(1,095,000)	22,065,000	05/15/09-22
<b>Section 9(d) Debt- Federal Highway Reimbursement Anticipation Notes</b>					
Series 2000	375,000,000	188,620,000	(43,460,000)	145,160,000	10/01/09-10
Series 2002	523,320,000	341,120,000	(50,500,000)	290,620,000	10/01/09-12
Series 2005	250,000,000	229,060,000	(21,655,000)	207,405,000	10/01/09-16
Total Bonds Payable		<u>\$ 1,797,428,171</u>	<u>\$ (173,135,320)</u>	<u>\$ 1,624,292,851</u>	

## Detail of Bonds Payable - Interest Rates

<u>Series</u>	<u>Interest Rates</u>
Powhite Parkway Extension Series 2003(A) Reunding	2.5%-5.0%
Hirst Brault Expressway (Dulles Toll Road) Series 1989(A) Capital Appreciating	6.4%-6.7%
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 1998 Refunding	3.9%-5.0%
Series 2006 Refunding	4%-5.0%
Route 28 Corridor Series 2002 Refunding	2.0%-5.0%
Series 2002A Capital Appreciating	4.63%-5.32%
U.S. Route 58 Corridor Development Series 1996(B)	4.9%-6.75%
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%
Series 2007(B)	5.0%

**Detail of Bonds Payable - Interest Rates**

Northern Virginia Transportation District Program	
Series 1996(A)	4.9%-6.75%
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)	4.250%-5.0%
Series 2007(A)	4.000%-5.000%
Oak Grove Connector (Chesapeake)	
Series 2006(A)	4.250%-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:

**Powhite Parkway Extension Transportation Facilities Refunding  
Bonds Series 2003A**

Maturity	Debt Service Requirement to Maturity		
	Principal	Interest	Total
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
Total	\$ 17,140,000	\$ 1,743,750	\$ 18,883,750

**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>
2009	\$ 3,134,000	\$ -	\$ 3,134,000
Total	3,134,000	-	3,134,000
Less:			
Unaccreted			
Capital			
Appreciation			
Bonds	(183,501)		(183,501)
Totals	\$ 2,950,499	\$ -	\$ 2,950,499

**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>
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	2,965,000	782,500	3,747,500
2013	3,110,000	634,250	3,744,250
2014-2018	10,295,000	938,250	11,233,250
Total	\$ 24,460,000	\$ 5,497,400	\$ 29,957,400

**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>
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	2,080,000	1,113,850	3,193,850
2013	2,185,000	1,009,850	3,194,850
2014-2018	12,565,000	3,384,150	15,949,150
2019-2023	8,855,000	717,400	9,572,400
Total	\$ 31,390,000	\$ 10,088,250	\$ 41,478,250

**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>
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	5,425,000	2,104,625	7,529,625
2013	5,645,000	1,885,300	7,530,300
2014-2018	32,745,000	4,900,000	37,645,000
<b>Total</b>	<b>\$ 58,860,000</b>	<b>\$ 16,432,622</b>	<b>\$ 75,292,622</b>

**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>
2009	\$ -	\$ -	\$ -
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014-2018	-	-	-
2019-2023	40,515,000	-	40,515,000
2024-2028	40,525,000	-	40,525,000
2029-2033	32,420,000	-	32,420,000
<b>Total</b>	<b>113,460,000</b>	<b>-</b>	<b>113,460,000</b>
Less			
Unaccreted			
Capital			
Appreciation			
Bonds	(64,587,648)	-	(64,587,648)
<b>Total</b>	<b>\$ 48,872,352</b>	<b>\$ -</b>	<b>\$ 48,872,352</b>

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

**Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	6,305,000	362,537	6,667,537
<b>Total</b>	<b>\$ 6,305,000</b>	<b>\$ 362,537</b>	<b>\$ 6,667,537</b>

**U.S. Route 58 Transportation Revenue Bonds, Series 2001B****Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 2,910,000	\$ 848,362	\$ 3,758,362
2010	3,055,000	702,863	3,757,863
2011	3,210,000	550,113	3,760,113
2012	3,385,000	373,562	3,758,562
2013	3,565,000	191,619	3,756,619
<b>Total</b>	<b>\$ 16,125,000</b>	<b>\$ 2,666,519</b>	<b>\$ 18,791,519</b>

**U.S. Route 58 Transportation Revenue Refunding Bonds, Series 2002B****Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 4,435,000	\$ 2,804,437	\$ 7,239,437
2010	4,655,000	2,582,688	7,237,688
2011	4,885,000	2,349,937	7,234,937
2012	5,130,000	2,105,688	7,235,688
2013	5,390,000	1,849,188	7,239,188
2014-2018	31,250,000	4,925,438	36,175,438
<b>Total</b>	<b>\$ 55,745,000</b>	<b>\$ 16,617,375</b>	<b>\$ 72,362,375</b>

**U.S. Route 58 Transportation Revenue Refunding Bonds, Series 2003A****Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	9,395,000	516,725	9,911,725
<b>Total</b>	<b>\$ 34,875,000</b>	<b>\$ 4,790,050</b>	<b>\$ 39,665,050</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>
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	12,905,000	10,183,262	23,088,262
2013	13,585,000	9,505,750	23,090,750
2014-2018	99,570,000	34,661,250	134,231,250
2019-2023	79,800,000	8,702,025	88,502,025
<b>Total</b>	<b>\$ 232,260,000</b>	<b>\$ 96,881,050</b>	<b>\$ 329,141,050</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>
2009	\$ -	\$ 3,173,000	\$ 3,173,000
2010	-	3,173,000	3,173,000
2011	-	3,173,000	3,173,000
2012	-	3,173,000	3,173,000
2013	-	3,173,000	3,173,000
2014-2018	-	15,865,000	15,865,000
2019-2023	30,215,000	15,049,000	45,264,000
2024-2028	33,245,000	2,648,250	35,893,250
Total	\$ 63,460,000	\$ 49,427,250	\$ 112,887,250

**U.S. Route 58 Transportation Revenue Bonds, Series 2007B**

**Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ -	\$ 4,197,750	\$ 4,197,750
2010	-	4,197,750	4,197,750
2011	-	4,197,750	4,197,750
2012	-	4,197,750	4,197,750
2013	7,660,000	4,197,750	11,857,750
2014-2018	61,980,000	13,178,000	75,158,000
2019-2023	14,315,000	715,750	15,030,750
Total	\$ 83,955,000	\$ 34,882,500	\$ 118,837,500

**Northern Virginia Transportation Program**

**Transportation Revenue Bonds Series 1999A**

**Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 1,025,000	\$ 58,937	\$ 1,083,937
Total	\$ 1,025,000	\$ 58,937	\$ 1,083,937

**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>
2009	\$ 1,670,000	\$ 1,153,662	\$ 2,823,662
2010	1,755,000	1,070,163	2,825,163
2011	1,840,000	982,412	2,822,412
2012	1,945,000	881,212	2,826,212
2013	2,045,000	776,669	2,821,669
2014-2018	-	3,333,750	3,333,750
2019-2023	9,755,000	2,861,750	12,616,750
2024-2028	3,580,000	179,000	3,759,000
Total	\$ 22,590,000	\$ 11,238,618	\$ 33,828,618

**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>
2009	\$ 6,815,000	\$ 5,547,944	\$ 12,362,944
2010	7,155,000	5,207,194	12,362,194
2011	7,510,000	4,849,443	12,359,443
2012	7,885,000	4,473,944	12,358,944
2013	8,280,000	4,079,694	12,359,694
2014-2018	42,505,000	14,108,919	56,613,919
2019-2023	18,720,000	4,880,269	23,600,269
2024-2028	11,625,000	1,477,605	13,102,605
Total	\$ 110,495,000	\$ 44,625,012	\$ 155,120,012

**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>
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	4,730,000	3,559,250	8,289,250
2013	4,970,000	3,322,750	8,292,750
2014-2018	40,755,000	11,495,250	52,250,250
2019-2023	28,090,000	2,330,800	30,420,800
Total	\$ 89,400,000	\$ 32,594,300	\$ 121,994,300

**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>
2009	\$ -	\$ 973,362	\$ 973,362
2010	-	973,363	973,363
2011	-	973,362	973,362
2012	-	973,363	973,363
2013	-	973,362	973,362
2014-2018	5,740,000	4,476,875	10,216,875
2019-2023	4,330,000	3,138,000	7,468,000
2024-2028	9,950,000	1,077,500	11,027,500
<b>Total</b>	<b>\$ 20,020,000</b>	<b>\$ 13,559,187</b>	<b>\$ 33,579,187</b>

**Northern Virginia Transportation Program  
Transportation Revenue Bonds Series 2007A**

<b>Debt Service Requirements to Maturity</b>			
<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 240,000	\$ 1,747,600	\$ 1,987,600
2010	2,785,000	1,738,000	4,523,000
2011	2,900,000	1,626,600	4,526,600
2012	3,025,000	1,510,600	4,535,600
2013	3,155,000	1,389,600	4,544,600
2014-2018	18,300,000	4,582,000	22,882,000
2019-2023	8,710,000	526,200	9,236,200
<b>Total</b>	<b>\$ 39,115,000</b>	<b>\$ 13,120,600</b>	<b>\$ 52,235,600</b>

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

<b>Debt Service Requirements to Maturity</b>			
<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	1,305,000	924,750	2,229,750
2013	1,365,000	859,500	2,224,500
2014-2018	7,935,000	3,201,750	11,136,750
2019-2023	7,890,000	1,010,000	8,900,000
<b>Total</b>	<b>\$ 22,065,000</b>	<b>\$ 9,105,850</b>	<b>\$ 31,170,850</b>

**Federal Highway Reimbursement Anticipation Notes**

**Series 2000**

**Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	\$ 145,160,000	\$ 12,086,651	\$ 157,246,651

**Federal Highway Reimbursement Anticipation Notes**

**Series 2002**

**Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	60,730,000	4,656,107	65,386,107
2013	63,710,000	1,557,356	65,267,356
Total	\$ 290,620,000	\$ 36,648,833	\$ 327,268,833

**Federal Highway Reimbursement Anticipation Notes**

**Series 2005**

**Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	25,140,000	6,003,340	31,143,340
2013	26,285,000	4,831,609	31,116,609
2014-2018	86,580,000	6,450,177	93,030,177
Total	\$ 207,405,000	\$ 41,613,236	\$ 249,018,236

## Bond Defeasance

In prior years, the Department 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 accounts' assets and liabilities for the defeased bonds were not reported in the Department's financial statements. Outstanding balances of defeased bonds as of June 30, 2008 were as follows:

<u>Issue</u>	<u>Outstanding at June 30, 2008</u>
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>	<b><u>\$273,900,000</u></b>

## 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 Virginia Department of Transportation paid \$10,132 to the Federal government for rebate on the Commonwealth of Virginia Transportation Revenue Refunding Bonds, Series 1997A (Oak Grove Connector, City of Chesapeake).

## 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 under the lease agreements for the 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, 2008, were as follows:

<b>Maturity</b>	
2009	\$ 7,011
Total Minimum Lease Payments	7,011
Less: Amounts Representing Executory Costs	0
Net Minimum Lease Payments	7,011
Less: Amounts Denoting Interest	16
Present Value of Net Minimum Lease Payments	\$ 6,995

### Notes Payable

At June 30, 2008, Transportation Facilities Notes included \$93,325,000 of 9(d) Camp 30 revenue notes, \$8,000,000 of 9(d) Chesterfield County revenue notes and \$4,325,000 of 9(d) Fairfax County revenue notes. Principal and interest requirements for the current year totaled \$7,830,188.

#### Camp 30

The 9(d) Camp 30 revenue notes represent the Camp 30 Notes, Series 2006 which were issued to finance the construction and building of the Department's leased projects on West Ox Road, Fairfax, Virginia, known as Camp 30. Monies for the repayment of Camp 30 note are transferred from the Highway Maintenance & Operating Fund.

#### 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 Powhite 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 less \$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>
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		3,875,000		3,953,188		7,828,188
2013		4,070,000		3,759,438		7,829,438
2014-2018		23,605,000		15,534,688		39,139,688
2019-2023		29,805,000		9,338,713		39,143,713
2024-2026		21,420,000		2,064,400		23,484,400
Unknown		8,000,000		-		8,000,000
<b>Total</b>	<b>\$</b>	<b>105,650,000</b>	<b>\$</b>	<b>47,582,238</b>	<b>\$</b>	<b>153,232,238</b>

<b>Series</b>	<b>Amount Issued</b>	<b>Outstanding June 30, 2007</b>	<b>Issued (Retired) During Year</b>	<b>Outstanding June 30, 2008</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	Unknown
<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	(3,190,000)	93,325,000	05/15/09-26
<b>Total Notes Payable</b>	<b>\$108,840,000</b>	<b>\$108,840,000</b>	<b>(3,190,000)</b>	<b>\$105,650,000</b>	

**Detail of Notes Payable - Interest Rates**

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

The following schedule details 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>
2009	\$ -	\$ -	\$ -
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014-2018	-	-	-
2019-2023	-	-	-
2024-2026	-	-	-
Unknown	8,000,000	-	8,000,000
<b>Total</b>	<b>\$ 8,000,000</b>	<b>\$ -</b>	<b>\$ 8,000,000</b>

<b>Hirst-Brault Expressway Fairfax Notes, Series 1982 Debt Service Requirements to Maturity</b>			
<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 4,325,000	-	\$ 4,325,000
<b>Total</b>	<b>\$ 4,325,000</b>	<b>-</b>	<b>\$ 4,325,000</b>

**Camp 30 Notes, Series 2006**

**Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	3,875,000	3,953,188	7,828,188
2013	4,070,000	3,759,438	7,829,438
2014-2018	23,605,000	15,534,688	39,139,688
2019-2023	29,805,000	9,338,713	39,143,713
2024-2026	21,420,000	2,064,400	23,484,400
Total	<u>\$ 93,325,000</u>	<u>\$ 47,582,238</u>	<u>\$ 140,907,238</u>

**Compensated Absences**

Compensated absences represent the amounts of vacation, sick, compensatory leave and disability credits earned by the employees of the Department, but not yet taken at June 30 of the reported fiscal year. The amount reflects all earned vacation, sick and compensatory leave payable under the Commonwealth of Virginia's leave payout policy upon employment termination. 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 debt in the Government-wide statements. At June 30, 2008, the reported balances for compensated absences were as follows:

Current	\$37,641,781
Non-current	<u>26,481,686</u>
	<u>\$64,123,467</u>

**6. FUND EQUITY RESERVES**

	<u>Balance at June 30, 2008</u>	
	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>
Restricted for:		
Construction	\$165,057,241	
Capital Acquisition (Camp 30)	72,233,476	
Bond interest and sinking fund		\$101,085,158
	<u>\$237,290,717</u>	<u>\$101,085,158</u>

## 7. 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 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 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. VDOT pays premiums to each of these departments for its insurance coverage. Information relating to the Commonwealth's insurance plans is available at the state-wide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

## 8. INTERFUND ASSETS/LIABILITIES

**Due from / to Other Funds:** Due from Other Funds are amounts to be received from one fund by another fund for goods sold or services rendered. Due to Other Funds are amounts owed by one fund to another fund for goods purchased or service obtained.

At June 30, 2008, the Department had the following interfund assets and liabilities:

FUND	DUE TO	DUE FROM
<u>CONSTRUCTION</u>		
TO TOLL FACILITIES REVOLVING	\$ 36,699,184	\$ -
TO PTF	-	-
FROM FEDERAL	-	19,925,473
FROM POWHITE	-	14,671,100
FROM ELIZABETH RIVER TUNNELS	-	1,804
FROM COLEMAN BRIDGE	-	110,000
FROM HIRST-BRAULT	-	2,000,000
	36,699,184	36,708,377
<u>TOLL FACILITIES REVOLVING</u>		
FROM COLEMAN	-	40,211,000
FROM CONSTRUCTION	-	36,699,184
FROM POWHITE	-	32,249,233
FROM HIGHWAY MAINT. & OPERATING	-	2,200,000
	-	111,359,417
<u>FEDERAL</u>		
FROM HMO	-	-
TO CONSTRUCTION	19,925,473	-
	19,925,473	-
<u>HIGHWAY MAINTENANCE &amp; OPERATING (HMO)</u>		
FROM SURPLUS PROPERTY	-	69,923
TO TOLL FACILITIES REVOLVING	2,200,000	-
	2,200,000	69,923
<u>SURPLUS PROPERTY</u>		
TO HMO	69,923	-
	69,923	-
<u>COLEMAN BRIDGE</u>		
TO TOLL FACILITY REVOLVING	40,211,000	-
TO CONSTRUCTION	110,000	-
	40,321,000	-
<u>POCAHONTAS PARKWAY</u>		
TO CONCESSIONS FUND FOR PROJECTS	907,689	-
	907,689	-
<u>CONCESSIONS FUND FOR PROJECTS</u>		
FROM POCAHONTAL PARKWAY	-	907,689
	-	907,689
<u>ELIZABETH RIVER TUNNELS</u>		
TO CONSTRUCTION	1,804	-
	1,804	-
<u>HIRST-BRAULT</u>		
TO CONSTRUCTION	2,000,000	-
	2,000,000	-
<u>POWHITE</u>		
TO TOLL FACILITIES REVOLVING	32,249,233	-
TO CONSTRUCTION	14,671,100	-
	46,920,333	-
<u>SPECIAL REVENUE FUND</u>		
TOTAL INTERFUND RECEIVABLES	\$ 149,045,406	\$ 149,045,406

**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, 2008 are shown below.

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

Department of Motor Vehicles	\$	11,243,350
Department of State Police		7,958,453
Department of Rail and Public Transportation		4,983,972
Dept. of Minority Business Enterprises		1,288,705
Department of Emergency Management		933,251
Secretary of Transportation		769,863
Department of Treasury		163,677
Office of the Governor		128,661
Department of Historic Resources		98,195
Total Expenditures	\$	<u>27,568,127</u>

General fund budget transfers, cost of services provided by other agencies recorded as a transfer by the Department, and transfers from other agencies:

		<b>Net Transfers To (From) Other State Agencies</b>
		<u>                    </u>
General Fund:		
Indirect Costs	\$	3,460,676
General Fund Transfer		(950,000)
Department of Rail and Public Transportation		118,630,379
Chesapeake Bay Improvements		7,416,469
Department of Law		1,047,535
Marine Resources Commission		512,891
Department of State Police		450,000
Department of General Services		364,457
Department of Conservation & Recreation		256,794
Department of Education		226,972
Dept. of Agriculture & Consumer Services		97,586
Department of Historic Resources		42,320
Virginia Port Authority		16,800
Department of Aviation		9,600
Department of Veterans Service		(11,622)
Department of Minority Business Enterprise		(193,037)
Department of Emergency Management		(227,061)
Department of Accounts		(14,836,573)
Department of Motor Vehicles		(18,386,947)
Total Transfers To (From) Other Agencies	\$	<u>97,927,239</u>

## INTRAFUND TRANSFERS

The department recorded the following intrafund transfers for the fiscal year 2008:

Fund	Transfers In	Transfers Out
<b>SPECIAL REVENUE FUNDS</b>		
<u>Highway Maintenance &amp; Operations Fund</u>		
From Surplus Property Fund	\$ 5,419,962	
From Recyclable Materials Fund	293,781	
From Hirst Brault Expressway Fund	843,965	
From Powwhite Parkway Extension Fund	626,574	
From Construction Fund	265,543,248	
To Camp 30 Debt Service		\$ 7,830,188
TOTALS	272,727,530	7,830,188
<u>Federal Fund</u>		
From Priority Transportation Fund	145,703,205	
To Federal Reimbursement Anticipation Notes Fund		145,703,205
TOTALS	145,703,205	145,703,205
<u>Construction Fund</u>		
From Elizabeth River Tunnels	160,606	
To Highway Maintenance & Operating Fund		265,543,248
To Priority Transportation Fund		16,000,000
To Rt. 58		10,000,000
To Northern Virginia Transportation Fund		8,972,877
TOTALS	160,606	300,516,125
<u>Concession Funds for Projects</u>		
From Pocahontas	907,689	
TOTALS	907,689	0
<u>Recyclable Materials Fund</u>		
To Highway Maintenance & Operating Fund		293,781
TOTALS	0	293,781
<u>Surplus Property Fund</u>		
To Highway Maintenance & Operating Fund		5,419,962
TOTALS	0	5,419,962

Fund	Transfers In	Transfers Out
<u>Rt. 58 Fund</u>		
From Construction Fund	10,000,000	
To Rt. 58 Debt Service Fund		50,714,683
TOTALS	10,000,000	50,714,683
<u>Transportation Set Aside Fund</u>		
To Transportation Set Aside Debt Service Fund		2,226,030
TOTALS	0	2,226,030
<u>Coleman Bridge Fund</u>		
To Coleman Bridge Debt Service Fund		3,136,245
TOTALS	0	3,136,245
<u>Elizabeth River Tunnels Fund</u>		
To Construction Fund		160,606
TOTALS	0	160,606
<u>Priority Transportation Fund</u>		
From Construction Fund	16,000,000	
To Federal Fund		145,703,205
TOTALS	16,000,000	145,703,205
<u>Federal Reimbursement Anticipation Notes Fund</u>		
To Federal Reimbursement Anticipation Debt Service		4,986,021
TOTALS	0	4,986,021
<u>Pocahontas Parkway Fund</u>		
To Concession Funds for Projects		907,689
TOTALS	0	907,689
<u>Hirst-Brault Expressway Fund</u>		
To Hirst Brault Expressway Debt Service Fund		10,061,447
To Highway Maintenance & Operating Fund		843,965
TOTALS	0	10,905,412
<u>Northern Virginia Transportation District Fund</u>		
From Construction Fund	8,972,877	
To Northern Va. Transportation District Debt Service Fund		27,963,265
TOTALS	8,972,877	27,963,265

Fund	Transfers In	Transfers Out
<u>Powhite Parkway Extension Fund</u>		
To Powhite Parkway Extension Debt Service Fund		6,173,830
To Highway Maintenance & Operating Fund		626,574
TOTALS	0	6,800,404
<hr/>		
<b>Subtotal Special Revenue Funds</b>	\$ 454,471,907	\$ 713,266,821
<hr/>		
<b>DEBT SERVICE FUNDS</b>		
<u>Rt. 58 Debt Service Fund</u>		
From Special Revenue - Rt. 58 Fund	\$ 50,714,683	
<u>Transportation Set Aside Debt Service Fund</u>		
From Special Revenue - Transportation Set Aside Fund		2,226,030
<u>Coleman Bridge Debt Service Fund</u>		
From Special Revenue - Coleman Bridge Fund		3,136,245
<u>Camp 30 Fund</u>		
From HMO Special Revenue		7,830,188
<u>Federal Reimbursement Anticipation Notes Debt Service Fund</u>		
From Special Revenue - Federal Fund		145,703,205
From Special Revenue - Federal Reimbursement Anticipation Notes Fund		4,986,021
<u>Hirst-Brault Expressway Debt Service Fund</u>		
From Special Revenue – Hirst Brault Expressway Fund		10,061,447
<u>Powhite Parkway Extension Debt Service Fund.</u>		
From Special Revenue – Powhite Parkway Extension Fund		6,173,830
<u>Northern Virginia Transportation District Debt Service Fund</u>		
From Special Revenue – Northern Va. Transportation District Fund		27,963,265
<hr/>		
<b>Subtotal Debt Service Funds</b>	\$ 258,794,914	\$ 0
<hr/>		
<b>Total All Special Revenue &amp; Debt Service Funds</b>	\$ 713,266,821	\$ 713,266,821
<hr/>		

## 10. PROPERTY, PLANT AND EQUIPMENT

The following presents Governmental capital activity for the year ended June 30, 2008:

	Governmental Activities			June 30, 2008
	June 30, 2007	Increases	Decreases	
Capital assets not being depreciated:				
Land and improvements	\$ 21,582,618	\$ -	\$ -	\$ 21,582,618
Construction in progress	53,720,359	49,101,844	(7,189,175)	95,633,028
Total non-depreciable capital assets	<u>\$ 75,302,977</u>	<u>\$ 49,101,844</u>	<u>\$ (7,189,175)</u>	<u>\$ 117,215,646</u>
Other depreciable capital assets:				
Buildings	\$ 178,313,715	\$ 7,108,003	\$ -	\$ 185,421,718
Improvements	64,490,137	2,142,402	(450,889)	66,181,650
Equipment	291,879,858	23,204,787	(11,818,650)	303,265,995
Total other capital assets at historical cost	<u>534,683,710</u>	<u>32,455,192</u>	<u>(12,269,539)</u>	<u>554,869,363</u>
Less accumulated depreciation for:				
Buildings	(61,882,086)	(5,811,843)	794,392	(66,899,537)
Improvements	(30,243,253)	(2,937,557)	-	(33,180,810)
Equipment	(143,346,372)	(17,412,072)	9,559,698	(151,198,749)
Total accumulated depreciation	<u>(235,471,711)</u>	<u>(26,161,472)</u>	<u>10,354,090</u>	<u>(251,279,093)</u>
Total depreciable capital assets, net	<u>\$ 299,211,999</u>	<u>\$ 6,293,720</u>	<u>\$ (1,915,449)</u>	<u>\$ 303,590,270</u>
Infrastructure assets not being depreciated				
Highway system right-of-way	\$ 1,526,485,309	\$ 84,353,368	\$ (24,114,068)	\$ 1,586,724,609
Total non-depreciable infrastructure	<u>1,526,485,309</u>	<u>84,353,368</u>	<u>(24,114,068)</u>	<u>1,586,724,609</u>
Other depreciable infrastructure assets:				
Highway system infrastructure	14,541,331,237	753,400,104	(30,168,519)	15,264,562,822
Restorative maintenance	954,416,829	256,596,529	-	1,211,013,358
Bridge and tunnel infrastructure	3,526,628,186	113,678,734	-	3,640,306,920
Total road system infrastructure	<u>19,022,376,252</u>	<u>1,123,675,367</u>	<u>(30,168,519)</u>	<u>20,115,883,100</u>
Less accumulated depreciation for:				
Highway system infrastructure	(7,298,588,150)	(419,897,275)	28,128,165	(7,690,357,260)
Bridge and tunnel infrastructure	(1,514,825,598)	(70,193,059)	-	(1,585,018,657)
Total accumulated depreciation	<u>(8,813,413,748)</u>	<u>(490,090,334)</u>	<u>28,128,165</u>	<u>(9,275,375,917)</u>
Total infrastructure, net	<u>\$ 11,735,447,813</u>	<u>\$ 717,938,401</u>	<u>\$ (26,154,422)</u>	<u>\$ 12,427,231,792</u>
Infrastructure, work in process				
Road and bridge	\$ 1,896,979,977	\$ 1,102,889,323	\$ (896,763,617)	\$ 2,103,105,683
Right-of-way	222,396,839	230,175,311	(84,353,368)	368,218,782
Total Infrastructure, work in process	<u>\$ 2,119,376,816</u>	<u>\$ 1,333,064,634</u>	<u>\$ 981,116,985)</u>	<u>\$ 2,471,324,465</u>
Grand total governmental activities capital assets, net	<u>\$ 14,229,339,605</u>	<u>\$ 2,106,398,599</u>	<u>\$ (1,016,376,031)</u>	<u>\$ 15,319,362,173</u>
Depreciation expense was charged to programs as follows:				
Governmental activities:				
Highway system acquisition and construction		\$ 490,090,334		
Administrative and support services		3,502,388		
Highway system maintenance		13,909,684		
Unallocated		8,749,400		
Total governmental activities depreciation expense		<u>\$ 516,251,806</u>		

**11. SPECIAL REVENUE FUNDS RECONCILIATION OF BUDGETARY FUND BALANCE TO ACCRUAL BASIS FUND BALANCE**

The accompanying Budget Comparison Schedule - 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, 2008	\$ 1,612,767,458
Accrued Revenues on GAAP Basis	235,693,744
Accrued Expenditures on GAAP Basis	(209,079,732)
Total Modified Accrual (GAAP) Basis Fund Balance at June 30, 2008	<u>\$ 1,639,381,470</u>

**12. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash, Cash Equivalents and Investments with the Treasurer of Virginia**

All state funds of the Department are held by the Treasurer of Virginia who is responsible for the collection, disbursement, custody, and investment of the state funds, pursuant to Section 2.2-1800 (formerly 2.1-177), *et seq.*, *Code of Virginia* (1950). Each fund's equity in pooled state funds is reported as "Cash and Cash Equivalents with the Treasurer of Virginia" or "Investments with the Treasurer of Virginia." In addition, cash whose use is limited by the bond agreements is held by the Treasurer of Virginia in a trustee capacity.

The bank balance of cash held by the Treasurer is covered by federal depository insurance or collateralized in accordance with the Virginia Securities for Public Deposits Act. At June 30, 2008, the Department reported \$1,390,932,761 for Cash with the Treasurer of Virginia, \$53,898 of which was for the Agency Fund. The Department's investments with the Treasurer included investments in Local Government Investment Pool (LGIP) and Short Term Investment Funds (STIF), which were \$75,967,941 and \$10,703,753 respectively at June 30, 2008.

The Department maintains cash with the Treasurer in the state Treasurer's General Account. During the fiscal year 2008, the state Treasurer's General Account participated in securities lending transactions. The Treasurer used this cash to purchase investments that were loaned out under the securities lending program. The securities on loan are reported as Cash and Investments with the Treasurer of Virginia. The Treasurer receives both cash and non-cash collateral of securities lent. The Department's share of cash collateral as re-invested at June 30, 2008 was \$384,097,330. Both collateral held and payable for collateral held for securities lending are reported in the Balance Sheet.

The information on LGIP, STIF and the investments of the General Account securities lending program can be found in the Commonwealth's Comprehensive Annual Financial Report.

## Cash, Cash Equivalents and Investments with Trustees

Cash and investments held by trustees other than the Treasurer of Virginia whose use is limited by bond or other agreements are reported as "Cash and Cash Equivalents with Trustees" or "Investments with Trustees".

The deposits held by the Department with banks and savings institutions are covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act. At June 30, 2008, the Department's carrying amount of cash with trustees was \$535,468 and the bank balance was \$370,616.

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

At June 30, 2008, the reported balance for Cash, Cash Equivalents and Investments with Trustees were as follows:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Construction Fund	\$ 550,593	\$ -
Toll Facilities Revolving Fund	2,485,447	-
Route 58	811,231	-
Northern Virginia Transportation District	7,617,388	-
Federal Reimbursement Anticipation Notes	99,738,853	-
Camp 30	10,189	74,506,939
Route 28	1	-
Transportation Set Aside	<u>266</u>	<u>-</u>
Total	<u>\$ 111,213,968</u>	<u>\$ 74,506,939</u>

The Department follows the General Account investment guidelines adopted by the Treasury Board of Virginia. Details of the investment policy of the State Treasurer can be found in the Commonwealth's Comprehensive Annual Financial Report.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Department may not be able to recover the value of its investment or collateral securities that are in possession of an outside party. As of June 30, 2008, the Department had no investments with trustees that were exposed to custodial risk.

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Department has elected the Segmented Time Distribution method of disclosure. As of June 30, 2008, the Department had no investment with trustees with a maturity of greater than five years.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Concentration of credit risk is related to the risk of loss that may be attributed to the magnitude of the Department's investments in a single issuer. As of June 30, 2008, the Department had no more than five percent of the value of the fund invested in the securities of any single issuer.

At June 30, 2008, the Department had the following investments with trustees:

Investment	Fair Value	Rating Agency	Credit Rating	Investment Maturities	
				Less Than 1 Year	1-5 Years
U.S. Treasury and Agency Securities	\$ 86,518,102		N/A	\$ 86,518,102	\$ -
Repurchase Agreements	2,503,042		Unrated	2,503,042	-
Mutual and Money Market Funds (Include SNAP)	21,657,356	Standard & Poor's	AAA	21,657,356	-
Guaranteed Investment Contracts (Camp 30)*	<u>74,506,939</u>	Standard & Poor's	AA	-	<u>74,506,939</u>
Total	<u>\$ 185,185,439</u>			<u>\$ 110,678,500</u>	<u>\$ 74,506,939</u>

Note\*: Under the Investment Agreement and Financial Guaranty Insurance Policy issued by MBIA Insurance Corporation (the Insurer), in consideration of the payment of the premium, the Insurer unconditionally and irrevocably guarantees to the Bank of New York (the Trustee), or its successor, the full and complete payment required to be made by MBIA Inc. for Comp 30.

### 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 state-wide level only in the Commonwealth of Virginia's Comprehensive Annual Financial Report. The Commonwealth, not VDOT, has the overall responsibility for contributions to these plans.

## **14. SUBSEQUENT EVENTS**

After June 30, but before financial statements are issued, information may become available indicating that an asset was impaired or a material liability was incurred. Adjustments to financial statements to reflect this information are required for amounts relating to conditions existing as of June 30, 2008. An example of an adjustment is a loss on trade receivable, which is confirmed by the bankruptcy of a customer. Disclosure is necessary for events that do not relate to conditions at the balance sheet date, but make the financial statements misleading. This disclosure should indicate the nature of the loss or loss contingency and give an estimate of the amount, or range, of loss or possible loss, or state that such an estimate can not be made. An example of a subsequent event requiring disclosure would be the issuance of long-term debt after the balance sheet date but before the statements were issued.

On December 29, 2006, VDOT and the Metropolitan Washington Airports Authority (MWAA) executed agreements that will transfer the rights to operate the Dulles Toll Road to MWAA for a fifty year term in consideration of MWAA'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 payoff 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.

On November 1, 2008, the transition of control of the Dulles Toll Road from the Virginia Department of Transportation (VDOT) to MWAA became effective. Prior to the effective date of this transition, the outstanding note to Fairfax County was paid in full and funding was transferred to Treasury to fund an escrow for the defeasance of the outstanding bonds (Series 1989 and series 2002). During the transition period, which may last for up to a year or more, VDOT will operate the Dulles Toll Road on behalf of MWAA.

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# FINANCIAL REPORT

JUNE 30, 2008

REQUIRED SUPPLEMENTARY INFORMATION

**Major Governmental Funds  
Budget Comparison Schedules  
Special Revenue Funds**

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VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

	TOTAL			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$ 474,800,000	\$ 474,800,000	\$ 307,007,586	\$ (167,792,414)
Taxes	1,881,277,641	1,881,277,641	1,779,555,708	(101,721,933)
Rights and privileges	334,416,312	334,416,312	343,791,686	9,375,374
Sale of property and commodities	377,096	377,096	2,819,533	2,442,437
Interest, dividends, and rents	31,397,749	31,397,749	99,941,069	68,543,320
Fines, forfeitures, court fees				
Penalties, and escheats	7,423,241	7,423,241	10,190,506	2,767,265
Receipts from localities and private sector	83,779,895	83,779,895	104,154,143	20,374,248
Federal grants and contracts	1,100,568,075	1,100,568,075	847,481,020	(253,087,055)
Toll revenues	93,012,709	93,012,709	83,142,506	(9,870,203)
Other	30,584,451	30,584,451	19,068,132	(11,516,319)
<b>Total revenues</b>	<b>4,037,637,169</b>	<b>4,037,637,169</b>	<b>3,597,151,889</b>	<b>(440,485,280)</b>
<b>Expenditures</b>				
Current				
Administrative and support services	231,463,705	253,961,695	208,485,988	45,475,707
Ground transportation system planning and research	46,461,633	48,082,811	32,430,225	15,652,586
Highway system acquisition and construction	1,273,329,421	1,644,833,933	1,347,658,458	297,175,475
Highway system maintenance	1,250,449,363	1,271,971,633	1,196,894,474	75,077,159
Financial assistance to localities	339,117,939	352,767,939	348,948,590	3,819,349
Environmental monitoring and compliance	13,942,681	16,055,024	14,857,569	1,197,455
Toll facility operations and construction	89,306,868	62,757,159	50,221,933	12,535,226
Capital outlay	5,000,000	61,425,638	41,524,662	19,900,976
Transfers to other state agencies	33,276,707	33,276,707	27,568,127	5,708,580
<b>Total expenditures</b>	<b>3,282,348,317</b>	<b>3,745,132,539</b>	<b>3,268,590,026</b>	<b>476,542,513</b>
<b>Revenues over (under) expenditures</b>	<b>755,288,852</b>	<b>292,504,630</b>	<b>328,561,863</b>	<b>36,057,233</b>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	(1,259,314)	(1,259,314)
Other financing sources	136,316,385	133,993,761	-	(133,993,761)
Bond proceeds	2,450,000	2,450,000	-	(2,450,000)
Transfers to other state agencies and General Fund	(32,827,171)	(32,827,171)	(135,897,101)	(103,069,930)
Transfers from other state agencies and General Fund	19,500,000	19,500,000	39,443,585	19,943,585
Transfers in	427,125,133	427,125,133	462,707,146	35,582,013
Transfers out	(680,581,659)	(680,581,659)	(721,502,060)	(40,920,401)
<b>Total other financing sources (uses)</b>	<b>(128,017,312)</b>	<b>(130,339,936)</b>	<b>(356,507,744)</b>	<b>(226,167,808)</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>627,271,540</b>	<b>162,164,694</b>	<b>(27,945,881)</b>	<b>(190,110,575)</b>
<b>Fund balance - July 1</b>	<b>1,640,713,339</b>	<b>1,640,713,339</b>	<b>1,640,713,339</b>	<b>-</b>
<b>Fund balance - June 30</b>	<b>\$ 2,267,984,879</b>	<b>\$ 1,802,878,033</b>	<b>\$ 1,612,767,458</b>	<b>\$ (190,110,575)</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

	FEDERAL			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	-	-
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	1,100,568,075	1,100,568,075	847,481,020	(253,087,055)
Toll revenues	-	-	-	-
Other	-	-	-	-
<b>Total revenues</b>	<u>1,100,568,075</u>	<u>1,100,568,075</u>	<u>847,481,020</u>	<u>(253,087,055)</u>
<b>Expenditures</b>				
Current				
Administrative and support services	462,250	7,984,640	5,830,332	2,154,308
Ground transportation system planning and research	16,616,564	19,881,795	12,909,081	6,972,714
Highway system acquisition and construction	722,498,367	739,387,984	694,686,689	44,701,295
Highway system maintenance	143,038,194	146,264,926	147,821,003	(1,556,077)
Financial assistance to localities	6,303,923	6,167,774	6,364,550	(196,776)
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	277,641	-	277,641
Transfers to other state agencies	-	-	-	-
<b>Total expenditures</b>	<u>888,919,298</u>	<u>919,964,760</u>	<u>867,611,655</u>	<u>52,353,105</u>
<b>Revenues over (under) expenditures</b>	<u>211,648,777</u>	<u>180,603,315</u>	<u>(20,130,635)</u>	<u>(200,733,950)</u>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	20,125,630	20,125,630
Transfers in	152,555,000	152,555,000	145,703,205	(6,851,795)
Transfers out	(152,555,000)	(152,555,000)	(145,703,205)	6,851,795
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>20,125,630</u>	<u>20,125,630</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>211,648,777</u>	<u>180,603,315</u>	<u>(5,005)</u>	<u>(180,608,320)</u>
<b>Fund balance - July 1</b>	<u>5,005</u>	<u>5,005</u>	<u>5,005</u>	<u>-</u>
<b>Fund balance - June 30</b>	<u>\$ 211,653,782</u>	<u>\$ 180,608,320</u>	<u>\$ -</u>	<u>\$ (180,608,320)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

HIGHWAY MAINTENANCE & OPERATING				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	1,171,833,448	1,171,833,448	1,096,177,524	(75,655,924)
Rights and privileges	311,073,883	311,073,883	301,473,735	(9,600,148)
Sale of property and commodities	377,096	377,096	344,945	(32,151)
Interest, dividends, and rents	77,749	77,749	29,990	(47,759)
Fines, forfeitures, court fees				
Penalties, and escheats	7,423,241	7,423,241	9,572,398	2,149,157
Receipts from localities and private sector	1,370,963	1,370,963	557,867	(813,096)
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	30,584,451	30,584,451	12,741,029	(17,843,422)
<b>Total revenues</b>	<u>1,522,740,831</u>	<u>1,522,740,831</u>	<u>1,420,897,488</u>	<u>(101,843,343)</u>
<b>Expenditures</b>				
Current				
Administrative and support services	230,312,261	245,199,478	201,938,858	43,260,620
Ground transportation system planning and research	4,699,121	5,263,585	4,784,680	478,905
Highway system acquisition and construction	40,026,494	40,691,885	38,966,212	1,725,673
Highway system maintenance	1,106,949,919	1,125,706,707	1,049,073,471	76,633,236
Financial assistance to localities	325,069,872	328,841,693	327,839,867	1,001,826
Environmental monitoring and compliance	13,942,681	16,055,024	14,857,569	1,197,455
Toll facility operations and construction	-	-	-	-
Capital outlay	-	619,756	612,666	7,090
Transfers to other state agencies	33,276,707	33,276,707	27,404,450	5,872,257
<b>Total expenditures</b>	<u>1,754,277,055</u>	<u>1,795,654,835</u>	<u>1,665,477,773</u>	<u>130,177,062</u>
<b>Revenues over (under) expenditures</b>	<u>(231,536,224)</u>	<u>(272,914,004)</u>	<u>(244,580,285)</u>	<u>28,333,719</u>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	(12,912,980)	(12,912,980)	(13,999,658)	(1,086,678)
Transfers from other state agencies and General Fund	-	-	950,000	950,000
Transfers in	262,570,133	262,570,133	272,657,957	10,087,824
Transfers out	-	-	(7,830,188)	(7,830,188)
<b>Total other financing sources (uses)</b>	<u>249,657,153</u>	<u>249,657,153</u>	<u>251,778,111</u>	<u>2,120,958</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>18,120,929</u>	<u>(23,256,851)</u>	<u>7,197,826</u>	<u>30,454,677</u>
<b>Fund balance - July 1</b>	<u>216,871,204</u>	<u>216,871,204</u>	<u>216,871,204</u>	<u>-</u>
<b>Fund balance - June 30</b>	<u>\$ 234,992,133</u>	<u>\$ 193,614,353</u>	<u>\$ 224,069,030</u>	<u>\$ 30,454,677</u>

**VIRGINIA DEPARTMENT OF TRANSPORTATION  
BUDGET COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2008**

	<b>CONSTRUCTION</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	\$ 20,000,000	\$ 20,000,000	\$ -	\$ (20,000,000)
Taxes	689,444,193	689,444,193	663,378,184	(26,066,009)
Rights and privileges	16,999,200	16,999,200	23,842,059	6,842,859
Sale of property and commodities	-	-	2,474,388	2,474,388
Interest, dividends, and rents	-	-	4,396,212	4,396,212
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	70,750	70,750
Receipts from localities and private sector	72,568,049	72,568,049	40,906,538	(31,661,511)
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	633,394	633,394
<b>Total revenues</b>	<u>799,011,442</u>	<u>799,011,442</u>	<u>735,701,525</u>	<u>(63,309,917)</u>
<b>Expenditures</b>				
Current				
Administrative and support services	689,194	777,577	716,798	60,779
Ground transportation system planning and research	25,145,948	22,937,431	14,736,464	8,200,967
Highway system acquisition and construction	281,131,673	468,063,607	267,705,557	200,358,050
Highway system maintenance	461,250	-	-	-
Financial assistance to localities	7,744,144	17,758,472	14,744,173	3,014,299
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	5,000,000	60,219,535	11,973,226	48,246,309
Transfers to other state agencies	-	-	163,677	(163,677)
<b>Total expenditures</b>	<u>320,172,209</u>	<u>569,756,622</u>	<u>310,039,895</u>	<u>259,716,727</u>
<b>Revenues over (under) expenditures</b>	<u>478,839,233</u>	<u>229,254,820</u>	<u>425,661,630</u>	<u>196,406,810</u>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	(19,821,749)	(19,821,749)	(13,436,255)	6,385,494
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	160,606	160,606
Transfers out	(274,570,133)	(274,570,133)	(308,820,937)	(34,250,804)
<b>Total other financing sources (uses)</b>	<u>(294,391,882)</u>	<u>(294,391,882)</u>	<u>(322,096,586)</u>	<u>(27,704,704)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>184,447,351</u>	<u>(65,137,062)</u>	<u>103,565,044</u>	<u>168,702,106</u>
<b>Fund balance - July 1</b>	<u>525,849,152</u>	<u>525,849,152</u>	<u>525,849,152</u>	<u>-</u>
<b>Fund balance - June 30</b>	<u>\$ 710,296,503</u>	<u>\$ 460,712,090</u>	<u>\$ 629,414,196</u>	<u>\$ 168,702,106</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

PRIORITY TRANSPORTATION FUND				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$ 109,800,000	\$ 109,800,000	\$ 109,800,000	\$ -
Taxes	20,000,000	20,000,000	20,000,000	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	9,205,000	9,205,000	8,282,143	(922,857)
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
<b>Total revenues</b>	<u>139,005,000</u>	<u>139,005,000</u>	<u>138,082,143</u>	<u>(922,857)</u>
<b>Expenditures</b>				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	75,268,188	81,338,335	65,938,390	15,399,945
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
<b>Total expenditures</b>	<u>75,268,188</u>	<u>81,338,335</u>	<u>65,938,390</u>	<u>15,399,945</u>
<b>Revenues over (under) expenditures</b>	<u>63,736,812</u>	<u>57,666,665</u>	<u>72,143,753</u>	<u>14,477,088</u>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	(45,368,746)	(45,368,746)
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	24,304,812	24,304,812
Transfers out	(152,555,000)	(152,555,000)	(145,703,205)	6,851,795
<b>Total other financing sources (uses)</b>	<u>(152,555,000)</u>	<u>(152,555,000)</u>	<u>(166,767,139)</u>	<u>(14,212,139)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>(88,818,188)</u>	<u>(94,888,335)</u>	<u>(94,623,386)</u>	<u>264,949</u>
<b>Fund balance - July 1</b>	<u>210,762,916</u>	<u>210,762,916</u>	<u>210,762,916</u>	<u>-</u>
<b>Fund balance - June 30</b>	<u>\$ 121,944,728</u>	<u>\$ 115,874,581</u>	<u>\$ 116,139,530</u>	<u>\$ 264,949</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

TOLL FACILITIES REVOLVING				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	9,614,371	9,614,371
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	22,055,000	22,055,000	59,455,253	37,400,253
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	547,358	547,358
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
<b>Total revenues</b>	<u>22,055,000</u>	<u>22,055,000</u>	<u>69,616,982</u>	<u>47,561,982</u>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	18,106,600	34,220,061	26,967,579	7,252,482
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
<b>Total expenditures</b>	<u>18,106,600</u>	<u>34,220,061</u>	<u>26,967,579</u>	<u>7,252,482</u>
<b>Revenues over (under) expenditures</b>	<u>3,948,400</u>	<u>(12,165,061)</u>	<u>42,649,403</u>	<u>54,814,464</u>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	(996,526)	(996,526)
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(996,526)</u>	<u>(996,526)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>3,948,400</u>	<u>(12,165,061)</u>	<u>41,652,877</u>	<u>53,817,938</u>
<b>Fund balance - July 1</b>	<u>261,026,479</u>	<u>261,026,479</u>	<u>261,026,479</u>	<u>-</u>
<b>Fund balance - June 30</b>	<u>\$ 264,974,879</u>	<u>\$ 248,861,418</u>	<u>\$ 302,679,356</u>	<u>\$ 53,817,938</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

	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	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	200	200
Interest, dividends, and rents	-	-	3,713,567	3,713,567
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
<b>Total revenues</b>	<u>40,000,000</u>	<u>40,000,000</u>	<u>43,713,767</u>	<u>3,713,767</u>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	9,570,019	9,454,121	9,462,807	(8,686)
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
<b>Total expenditures</b>	<u>9,570,019</u>	<u>9,454,121</u>	<u>9,462,807</u>	<u>(8,686)</u>
<b>Revenues over (under) expenditures</b>	<u>30,429,981</u>	<u>30,545,879</u>	<u>34,250,960</u>	<u>3,705,081</u>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	(80,287)	(80,287)
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	10,000,000	10,000,000	10,000,000	-
Transfers out	(50,748,538)	(50,748,538)	(50,714,683)	33,855
<b>Total other financing sources (uses)</b>	<u>(40,748,538)</u>	<u>(40,748,538)</u>	<u>(40,794,970)</u>	<u>(46,432)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>(10,318,557)</u>	<u>(10,202,659)</u>	<u>(6,544,010)</u>	<u>3,658,649</u>
<b>Fund balance - July 1</b>	<u>45,290,456</u>	<u>45,290,456</u>	<u>45,290,456</u>	<u>-</u>
<b>Fund balance - June 30</b>	<u>\$ 34,971,899</u>	<u>\$ 35,087,797</u>	<u>\$ 38,746,446</u>	<u>\$ 3,658,649</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

FEDERAL REIMBURSEMENT ANTICIPATION NOTES				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	1,228,795	1,228,795
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>1,228,795</u>	<u>1,228,795</u>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	67,080,000	57,430,000	57,485,423	(55,423)
Highway acq. and const. - bond proceeds	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
<b>Total expenditures</b>	<u>67,080,000</u>	<u>57,430,000</u>	<u>57,485,423</u>	<u>(55,423)</u>
<b>Revenues over (under) expenditures</b>	<u>(67,080,000)</u>	<u>(57,430,000)</u>	<u>(56,256,628)</u>	<u>1,173,372</u>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	(8,750)	(8,750)
Other financing sources	3,086,461	-	-	-
Bond proceeds	2,450,000	2,450,000	-	(2,450,000)
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(4,986,021)	(4,986,021)
<b>Total other financing sources (uses)</b>	<u>5,536,461</u>	<u>2,450,000</u>	<u>(4,994,771)</u>	<u>(7,444,771)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>(61,543,539)</u>	<u>(54,980,000)</u>	<u>(61,251,399)</u>	<u>(6,271,399)</u>
<b>Fund balance - July 1</b>	<u>61,543,539</u>	<u>61,543,539</u>	<u>61,543,539</u>	<u>-</u>
<b>Fund balance - June 30</b>	<u>\$ -</u>	<u>\$ 6,563,539</u>	<u>\$ 292,140</u>	<u>\$ (6,271,399)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

NONMAJOR FUNDS				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$ 305,000,000	\$ 305,000,000	\$ 157,207,586	\$ (147,792,414)
Taxes	-	-	-	-
Rights and privileges	6,343,229	6,343,229	8,861,521	2,518,292
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	60,000	60,000	22,835,109	22,775,109
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	9,840,883	9,840,883	62,689,738	52,848,855
Federal grants and contracts	-	-	-	-
Toll revenues	93,012,709	93,012,709	83,142,506	(9,870,203)
Other	-	-	5,693,709	5,693,709
<b>Total revenues</b>	<u>414,256,821</u>	<u>414,256,821</u>	<u>340,430,169</u>	<u>(73,826,652)</u>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	77,754,680	248,468,001	213,413,380	35,054,621
Highway acq. and const. - bond proceeds	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	71,200,268	28,537,098	23,254,354	5,282,744
Capital outlay	-	308,706	28,938,770	(28,630,064)
Transfers to other state agencies	-	-	-	-
<b>Total expenditures</b>	<u>148,954,948</u>	<u>277,313,805</u>	<u>265,606,504</u>	<u>11,707,301</u>
<b>Revenues over (under) expenditures</b>	<u>265,301,873</u>	<u>136,943,016</u>	<u>74,823,665</u>	<u>(62,119,351)</u>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	(173,751)	(173,751)
Other financing sources	133,229,924	133,993,761	-	(133,993,761)
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	(92,442)	(92,442)	(63,092,442)	(63,000,000)
Transfers from other state agencies and General Fund	19,500,000	19,500,000	18,367,955	(1,132,045)
Transfers in	2,000,000	2,000,000	9,880,566	7,880,566
Transfers out	(50,152,988)	(50,152,988)	(57,743,821)	(7,590,833)
<b>Total other financing sources (uses)</b>	<u>104,484,494</u>	<u>105,248,331</u>	<u>(92,761,493)</u>	<u>(198,009,824)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>369,786,367</u>	<u>242,191,347</u>	<u>(17,937,828)</u>	<u>(260,129,175)</u>
<b>Fund balance - July 1</b>	<u>319,364,588</u>	<u>319,364,588</u>	<u>319,364,588</u>	<u>-</u>
<b>Fund balance - June 30</b>	<u>\$ 689,150,955</u>	<u>\$ 561,555,935</u>	<u>\$ 301,426,760</u>	<u>\$ (260,129,175)</u>

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**Nonmajor Governmental Funds  
Budget Comparison Schedules  
Special Revenue Funds**

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VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

TRANSPORTATION PARTNERSHIP OPPORTUNITY				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$ 305,000,000	\$ 305,000,000	\$ 157,207,586	\$ (147,792,414)
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	3,124,931	3,124,931
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
<b>Total revenues</b>	<u>305,000,000</u>	<u>305,000,000</u>	<u>160,332,517</u>	<u>(144,667,483)</u>
<b>Expenditures</b>				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	176,665,107	163,868,140	12,796,967
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>176,665,107</u>	<u>163,868,140</u>	<u>12,796,967</u>
<b>Revenues over (under) expenditures</b>	<u>305,000,000</u>	<u>128,334,893</u>	<u>(3,535,623)</u>	<u>(131,870,516)</u>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>305,000,000</u>	<u>128,334,893</u>	<u>(3,535,623)</u>	<u>(131,870,516)</u>
<b>Fund balance - July 1</b>	<u>48,269,897</u>	<u>48,269,897</u>	<u>48,269,897</u>	<u>-</u>
<b>Fund balance - June 30</b>	<u>\$ 353,269,897</u>	<u>\$ 176,604,790</u>	<u>\$ 44,734,274</u>	<u>\$ (131,870,516)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

CONCESSION FUNDS FOR PROJECTS				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	2,497,982	2,497,982
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	21,000,000	21,000,000
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>23,497,982</b>	<b>23,497,982</b>
<b>Expenditures</b>				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	462,899	(462,899)
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>462,899</b>	<b>(462,899)</b>
<b>Revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>23,035,083</b>	<b>23,035,083</b>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	907,689	907,689
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>907,689</b>	<b>907,689</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>-</b>	<b>-</b>	<b>23,942,772</b>	<b>23,942,772</b>
<b>Fund balance - July 1</b>	<b>29,703,438</b>	<b>29,703,438</b>	<b>29,703,438</b>	<b>-</b>
<b>Fund balance - June 30</b>	<b>\$ 29,703,438</b>	<b>\$ 29,703,438</b>	<b>\$ 53,646,210</b>	<b>\$ 23,942,772</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

POCAHONTAS PARKWAY				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	-	-
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(907,689)	(907,689)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(907,689)</u>	<u>(907,689)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>-</u>	<u>-</u>	<u>(907,689)</u>	<u>(907,689)</u>
<b>Fund balance - July 1</b>	<u>907,689</u>	<u>907,689</u>	<u>907,689</u>	<u>-</u>
<b>Fund balance - June 30</b>	<u>\$ 907,689</u>	<u>\$ 907,689</u>	<u>\$ -</u>	<u>\$ (907,689)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

	RECYCLABLE MATERIALS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	-	-
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	293,781	293,781
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>293,781</u>	<u>293,781</u>
<b>Expenditures</b>				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>293,781</u>	<u>293,781</u>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(293,781)	(293,781)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(293,781)</u>	<u>(293,781)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance - July 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance - June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

SURPLUS PROPERTY				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	-	-
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	5,350,389	5,350,389
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>5,350,389</u>	<u>5,350,389</u>
<b>Expenditures</b>				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>5,350,389</u>	<u>5,350,389</u>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(5,350,389)	(5,350,389)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(5,350,389)</u>	<u>(5,350,389)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance - July 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance - June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

	CAMP 30			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	4,677,784	4,677,784
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>4,677,784</b>	<b>4,677,784</b>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	28,724,395	(28,724,395)
Transfers to other state agencies	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>28,724,395</b>	<b>(28,724,395)</b>
<b>Revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>(24,046,611)</b>	<b>(24,046,611)</b>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>-</b>	<b>-</b>	<b>(24,046,611)</b>	<b>(24,046,611)</b>
<b>Fund balance - July 1</b>	<b>98,553,550</b>	<b>98,553,550</b>	<b>98,553,550</b>	<b>-</b>
<b>Fund balance - June 30</b>	<b>\$ 98,553,550</b>	<b>\$ 98,553,550</b>	<b>\$ 74,506,939</b>	<b>\$ (24,046,611)</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

NORTHERN VIRGINIA TRANSPORTATION DISTRICT				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	6,343,229	6,343,229	8,861,521	2,518,292
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	8,637,387	8,637,387
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	816,000	816,000	816,000	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
<b>Total revenues</b>	<u>7,159,229</u>	<u>7,159,229</u>	<u>18,314,908</u>	<u>11,155,679</u>
<b>Expenditures</b>				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	12,481,993	6,530,207	6,872,677	(342,470)
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
<b>Total expenditures</b>	<u>12,481,993</u>	<u>6,530,207</u>	<u>6,872,677</u>	<u>(342,470)</u>
<b>Revenues over (under) expenditures</b>	<u>(5,322,764)</u>	<u>629,022</u>	<u>11,442,231</u>	<u>10,813,209</u>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	(163,124)	(163,124)
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	18,500,000	18,500,000	17,290,106	(1,209,894)
Transfers in	2,000,000	2,000,000	8,972,877	6,972,877
Transfers out	(27,981,506)	(27,981,506)	(27,963,265)	18,241
<b>Total other financing sources (uses)</b>	<u>(7,481,506)</u>	<u>(7,481,506)</u>	<u>(1,863,406)</u>	<u>5,618,100</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>(12,804,270)</u>	<u>(6,852,484)</u>	<u>9,578,825</u>	<u>16,431,309</u>
<b>Fund balance - July 1</b>	<u>132,327,296</u>	<u>132,327,296</u>	<u>132,327,296</u>	<u>-</u>
<b>Fund balance - June 30</b>	<u>\$ 119,523,026</u>	<u>\$ 125,474,812</u>	<u>\$ 141,906,121</u>	<u>\$ 16,431,309</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

TRANSPORTATION SET ASIDE				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	123,312	123,312
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	1,500,000	1,500,000	1,000,000	(500,000)
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
<b>Total revenues</b>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,123,312</u>	<u>(376,688)</u>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	272,687	272,687	35,070	237,617
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
<b>Total expenditures</b>	<u>272,687</u>	<u>272,687</u>	<u>35,070</u>	<u>237,617</u>
<b>Revenues over (under) expenditures</b>	<u>1,227,313</u>	<u>1,227,313</u>	<u>1,088,242</u>	<u>(139,071)</u>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	(2,509)	(2,509)
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	1,000,000	1,000,000	1,077,849	77,849
Transfers in	-	-	-	-
Transfers out	(2,227,313)	(2,227,313)	(2,226,030)	1,283
<b>Total other financing sources (uses)</b>	<u>(1,227,313)</u>	<u>(1,227,313)</u>	<u>(1,150,690)</u>	<u>76,623</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	-	-	(62,448)	(62,448)
<b>Fund balance - July 1</b>	984,297	984,297	984,297	-
<b>Fund balance - June 30</b>	<u>\$ 984,297</u>	<u>\$ 984,297</u>	<u>\$ 921,849</u>	<u>\$ (62,448)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

ROUTE 28				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	342,664	342,664
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	7,524,883	7,524,883	39,873,738	32,348,855
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
<b>Total revenues</b>	<u>7,524,883</u>	<u>7,524,883</u>	<u>40,216,402</u>	<u>32,691,519</u>
<b>Expenditures</b>				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	65,000,000	65,000,000	42,174,594	22,825,406
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
<b>Total expenditures</b>	<u>65,000,000</u>	<u>65,000,000</u>	<u>42,174,594</u>	<u>22,825,406</u>
<b>Revenues over (under) expenditures</b>	<u>(57,475,117)</u>	<u>(57,475,117)</u>	<u>(1,958,192)</u>	<u>55,516,925</u>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	(6,657)	(6,657)
Other financing sources	54,237,891	54,237,891	-	(54,237,891)
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>54,237,891</u>	<u>54,237,891</u>	<u>(6,657)</u>	<u>(54,244,548)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>(3,237,226)</u>	<u>(3,237,226)</u>	<u>(1,964,849)</u>	<u>1,272,377</u>
<b>Fund balance - July 1</b>	<u>3,237,226</u>	<u>3,237,226</u>	<u>3,237,226</u>	<u>-</u>
<b>Fund balance - June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,272,377</u>	<u>\$ 1,272,377</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

COLEMAN BRIDGE				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	60,000	60,000	247,021	187,021
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	7,018,234	7,018,234	6,770,987	(247,247)
Other	-	-	-	-
<b>Total revenues</b>	<u>7,078,234</u>	<u>7,078,234</u>	<u>7,018,008</u>	<u>(60,226)</u>
<b>Expenditures</b>				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	3,459,570	3,694,109	2,627,815	1,066,294
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
<b>Total expenditures</b>	<u>3,459,570</u>	<u>3,694,109</u>	<u>2,627,815</u>	<u>1,066,294</u>
<b>Revenues over (under) expenditures</b>	<u>3,618,664</u>	<u>3,384,125</u>	<u>4,390,193</u>	<u>1,006,068</u>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	(1,318)	(1,318)
Other financing sources	35,097,098	35,331,637	-	(35,331,637)
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	(10,000)	(10,000)	(10,000)	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(3,175,125)	(3,175,125)	(3,136,246)	38,879
<b>Total other financing sources (uses)</b>	<u>31,911,973</u>	<u>32,146,512</u>	<u>(3,147,564)</u>	<u>(35,294,076)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>35,530,637</u>	<u>35,530,637</u>	<u>1,242,629</u>	<u>(34,288,008)</u>
<b>Fund balance - July 1</b>	<u>(35,530,637)</u>	<u>(35,530,637)</u>	<u>(35,530,637)</u>	<u>-</u>
<b>Fund balance - June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (34,288,008)</u>	<u>\$ (34,288,008)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

ELIZABETH RIVER TUNNELS				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	5,018	5,018
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>5,018</b>	<b>5,018</b>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	200,000	200,000	1,086	198,914
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
<b>Total expenditures</b>	<b>200,000</b>	<b>200,000</b>	<b>1,086</b>	<b>198,914</b>
<b>Revenues over (under) expenditures</b>	<b>(200,000)</b>	<b>(200,000)</b>	<b>3,932</b>	<b>203,932</b>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	(143)	(143)
Other financing sources	43,183	43,183	-	(43,183)
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(160,606)	(160,606)
<b>Total other financing sources (uses)</b>	<b>43,183</b>	<b>43,183</b>	<b>(160,749)</b>	<b>(203,932)</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>(156,817)</b>	<b>(156,817)</b>	<b>(156,817)</b>	<b>-</b>
<b>Fund balance - July 1</b>	<b>156,817</b>	<b>156,817</b>	<b>156,817</b>	<b>-</b>
<b>Fund balance - June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

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	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	3,080,171	3,080,171
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	75,364,975	75,364,975	65,976,548	(9,388,427)
Other	-	-	49,456	49,456
<b>Total revenues</b>	<u>75,364,975</u>	<u>75,364,975</u>	<u>69,106,175</u>	<u>(6,258,800)</u>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	63,700,438	20,273,431	16,331,414	3,942,017
Capital outlay	-	308,706	214,375	94,331
Transfers to other state agencies	-	-	-	-
<b>Total expenditures</b>	<u>63,700,438</u>	<u>20,582,137</u>	<u>16,545,789</u>	<u>4,036,348</u>
<b>Revenues over (under) expenditures</b>	<u>11,664,537</u>	<u>54,782,838</u>	<u>52,560,386</u>	<u>(2,222,452)</u>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	(66,000)	(66,000)	(63,066,000)	(63,000,000)
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(10,525,544)	(10,525,544)	(10,905,412)	(379,868)
<b>Total other financing sources (uses)</b>	<u>(10,591,544)</u>	<u>(10,591,544)</u>	<u>(73,971,412)</u>	<u>(63,379,868)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>1,072,993</u>	<u>44,191,294</u>	<u>(21,411,026)</u>	<u>(65,602,320)</u>
<b>Fund balance - July 1</b>	<u>85,136,065</u>	<u>85,136,065</u>	<u>85,136,065</u>	<u>-</u>
<b>Fund balance - June 30</b>	<u>\$ 86,209,058</u>	<u>\$ 129,327,359</u>	<u>\$ 63,725,039</u>	<u>\$ (65,602,320)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2008

POWHITE PARKWAY EXTENSION				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	98,839	98,839
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	10,629,500	10,629,500	10,394,971	(234,529)
Other	-	-	83	83
<b>Total revenues</b>	<u>10,629,500</u>	<u>10,629,500</u>	<u>10,493,893</u>	<u>(135,607)</u>
<b>Expenditures</b>				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	3,840,260	4,369,558	4,294,039	75,519
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
<b>Total expenditures</b>	<u>3,840,260</u>	<u>4,369,558</u>	<u>4,294,039</u>	<u>75,519</u>
<b>Revenues over (under) expenditures</b>	<u>6,789,240</u>	<u>6,259,942</u>	<u>6,199,854</u>	<u>(60,088)</u>
<b>Other financing sources (uses)</b>				
Other financing uses	-	-	-	-
Other financing sources	43,851,752	44,381,050	-	(44,381,050)
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	(16,442)	(16,442)	(16,442)	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(6,243,500)	(6,243,500)	(6,800,403)	(556,903)
<b>Total other financing sources (uses)</b>	<u>37,591,810</u>	<u>38,121,108</u>	<u>(6,816,845)</u>	<u>(44,937,953)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>44,381,050</u>	<u>44,381,050</u>	<u>(616,991)</u>	<u>(44,998,041)</u>
<b>Fund balance - July 1</b>	<u>(44,381,050)</u>	<u>(44,381,050)</u>	<u>(44,381,050)</u>	<u>-</u>
<b>Fund balance - June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (44,998,041)</u>	<u>\$ (44,998,041)</u>

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# FINANCIAL REPORT

JUNE 30, 2008

COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES

**Nonmajor Governmental Funds  
Special Revenue**

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## Nonmajor Governmental Funds

### Special Revenue Funds:

*Special Revenue Funds accounts for specific revenue sources that are restricted to finance particular functions and activities of the Department.*

**The Transportation Partnership Opportunity Fund** is provided by transfers from the Toll Facilities Revolving Fund and the Highway Construction Fund. Disbursements from this fund are mainly in the form of loans to external entities.

**The Concession Fund** accounts for the outstanding debt owed by the Pocahontas Parkway. As part of the sale, these funds were received to transfer the rights to the purchaser, Transurban LLC.

**Pocahontas Parkway Toll Facility** accounts for the operation and maintenance of Route 895.

**Recyclable Materials** accounts for the proceeds from the sale of materials purchased from the highway maintenance and construction funds.

**Surplus Property** accounts for the proceeds from the sale of property purchased from the Highway Maintenance and Operating Fund.

**The Camp 30 Fund** accounts for the expenditures for the construction of the leased projects in Fairfax, Virginia, known as Camp 30.

**The Northern Virginia Transportation District Fund** accounts for revenues and expenditures for the construction of an adequate, modern, safe and efficient transportation network in Northern Virginia. The revenues are derived from bond sales and a portion of the state recordation taxes.

**The Transportation Set Aside Fund** accounts for the receipt of interest, recordation taxes, and bond proceeds and the disbursements for construction costs and debt payment relating to the City of Chesapeake Oak Grove Connector Transportation Set-aside project.

**The Route 28 Project Fund** accounts for revenues and expenditures for improvement to Route 28 in Fairfax and Loudoun Counties. The revenues are derived from bond sales and a special improvements tax levied by the boards of supervisors of Loudon and Fairfax at the request of HTID.

**The Coleman Bridge Fund** accounts for the operations and construction of the Coleman Bridge.

**The Elizabeth River Tunnel Fund** accounts for the remaining cash and investments of the former Elizabeth River Tunnels Toll Facility.

**The Hirst-Brault Expressway Fund** accounts for the operations and construction of the Hirst-Brault Expressway.

**The Powhite Parkway Extension Fund** accounts for the operations and construction of the Powhite Parkway Extension.

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 COMBINING BALANCE SHEET FOR NONMAJOR GOVERNMENTAL FUNDS  
 SPECIAL REVENUE  
 June 30, 2008

TRANSPORTATION PARTNERSHIP OPPORTUNITY	CONCESSION FUNDS FOR PROJECTS	POCAHONTAS PARKWAY
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**ASSETS**

Cash and cash equivalents with the Treasurer of Virginia (Note 12)	\$ 44,734,274	\$ 52,738,521	\$ 907,689
Cash and cash equivalents with trustees (Note 12)	-	-	-
Investments with trustees (Note 12)	-	-	-
Cash and cash equivalents for collateral held for securities lending (Note 12)	2,591,439	3,055,122	-
Investments for collateral held for securities lending (Note 12)	9,761,973	11,508,671	-
Advance fund	-	-	-
Receivables: (net)			
Federal government	-	-	-
Cities, counties, and towns	-	-	-
State agencies	-	-	-
Loans & other	-	-	-
Taxes receivable	-	-	-
Due from other funds (Note 8)	-	907,689	-
Due from agencies	-	-	-
Prepaid expense	-	-	-
Inventory (Note 1 G)	-	-	-
<b>Total assets</b>	<b>\$ 57,087,686</b>	<b>\$ 68,210,003</b>	<b>\$ 907,689</b>

**LIABILITIES AND FUND BALANCES**

Liabilities :			
Accounts payable	\$ -	\$ -	\$ -
Deposits payable	-	-	-
Payable for collateral held for securities lending	12,353,412	14,563,793	-
Due to other funds (Note 8)	-	-	907,689
Deferred revenue	-	-	-
Liability for compensated absences	-	-	-
Accrued liabilities	-	-	-
Retainage on contracts	-	-	-
<b>Total liabilities</b>	<b>12,353,412</b>	<b>14,563,793</b>	<b>907,689</b>
Fund Balances Reserved for			
Inventories	-	-	-
Capital Acquisition	-	-	-
Fund Balances Unreserved			
Reported In			
Special Revenue	44,734,274	53,646,210	-
<b>Total fund balances</b>	<b>44,734,274</b>	<b>53,646,210</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 57,087,686</b>	<b>\$ 68,210,003</b>	<b>\$ 907,689</b>

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 COMBINING BALANCE SHEET FOR NONMAJOR GOVERNMENTAL FUNDS  
 SPECIAL REVENUE  
 June 30, 2008

RECYCLABLE MATERIALS	SURPLUS PROPERTY	CAMP 30
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**ASSETS**

Cash and cash equivalents with the Treasurer of Virginia (Note 12)	\$	-	\$	-
Cash and cash equivalents with trustees (Note 12)		-		-
Investments with trustees (Note 12)		-		74,506,939
Cash and cash equivalents for collateral held for securities lending (Note 12)		-		-
Investments for collateral held for securities lending (Note 12)		-		-
Advance fund		-		-
Receivables: (net)				
Federal government		-		-
Cities, counties, and towns		-		-
State agencies		-	4,500	-
Loans & other		-	75,323	-
Taxes receivable		-		-
Due from other funds (Note 8)		-		-
Due from agencies		-		-
Prepaid expense		-		-
Inventory (Note 1 G)		-		-
<b>Total assets</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>79,823</b>
				<b>\$ 74,506,939</b>

**LIABILITIES AND FUND BALANCES**

Liabilities :				
Accounts payable	\$	-	\$	2,273,463
Deposits payable		-		-
Payable for collateral held for securities lending		-		-
Due to other funds (Note 8)		-	69,923	-
Deferred revenue		-	9,900	-
Liability for compensated absences		-		-
Accrued liabilities		-		-
Retainage on contracts		-		-
<b>Total liabilities</b>		-	<b>79,823</b>	<b>2,273,463</b>
Fund Balances Reserved for				
Inventories		-		-
Capital Acquisition		-		72,233,476
Fund Balances Unreserved				
Reported In				
Special Revenue		-		-
<b>Total fund balances</b>		-		<b>72,233,476</b>
<b>Total liabilities and fund balances</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>79,823</b>
				<b>\$ 74,506,939</b>

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION  
COMBINING BALANCE SHEET FOR NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE  
June 30, 2008**

NO. VIRGINIA		
TRANSPORTATION	TRANSPORTATION	
DISTRICT	SET ASIDE	ROUTE 28

**ASSETS**

Cash and cash equivalents with the Treasurer of Virginia (Note 12)	\$ 134,292,448	\$ 921,849	\$ 1,272,377
Cash and cash equivalents with trustees (Note 12)	7,613,673	-	-
Investments with trustees (Note 12)	-	-	-
Cash and cash equivalents for collateral held for securities lending (Note 12)	7,779,508	53,403	73,708
Investments for collateral held for securities lending (Note 12)	29,305,479	201,167	277,660
Advance fund	-	-	-
Receivables: (net)			
Federal government	-	-	-
Cities, counties, and towns	-	-	-
State agencies	-	-	-
Loans & other	-	-	-
Taxes receivable	-	-	-
Due from other funds (Note 8)	-	-	-
Due from agencies	-	-	-
Prepaid expense	-	-	-
Inventory (Note 1 G)	-	-	-
<b>Total assets</b>	<b>\$ 178,991,108</b>	<b>\$ 1,176,419</b>	<b>\$ 1,623,745</b>

**LIABILITIES AND FUND BALANCES**

Liabilities :			
Accounts payable	\$ -	\$ -	\$ -
Deposits payable	-	-	-
Payable for collateral held for securities lending	37,084,987	254,570	351,368
Due to other funds (Note 8)	-	-	-
Deferred revenue	-	-	607,765
Liability for compensated absences	163	-	-
Accrued liabilities	-	-	-
Retainage on contracts	19,303	-	-
<b>Total liabilities</b>	<b>37,104,453</b>	<b>254,570</b>	<b>959,133</b>
Fund Balances Reserved for			
Inventories	-	-	-
Capital Acquisition	-	-	-
Fund Balances Unreserved			
Reported In			
Special Revenue	141,886,655	921,849	664,612
<b>Total fund balances</b>	<b>141,886,655</b>	<b>921,849</b>	<b>664,612</b>
<b>Total liabilities and fund balances</b>	<b>\$ 178,991,108</b>	<b>\$ 1,176,419</b>	<b>\$ 1,623,745</b>

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION  
COMBINING BALANCE SHEET FOR NONMAJOR GOVE  
SPECIAL REVENUE  
June 30, 2008**

	<b>COLEMAN BRIDGE</b>	<b>ELIZABETH RIVER TUNNELS</b>	<b>OMER L. HIRST ADELARD BRAULT EXPRESSWAY</b>
<b>ASSETS</b>			
Cash and cash equivalents with the Treasurer of Virginia (Note 12)	\$ 6,022,992	\$ 1,804	\$ 65,635,039
Cash and cash equivalents with trustees (Note 12)	-	-	-
Investments with trustees (Note 12)	-	-	-
Cash and cash equivalents for collateral held for securities lending (Note 12)	65,419	104	-
Investments for collateral held for securities lending (Note 12)	246,434	394	-
Advance fund	10,000	-	90,000
Receivables: (net)			
Federal government	-	-	-
Cities, counties, and towns	-	-	-
State agencies	-	-	-
Loans & other	-	-	29,552
Taxes receivable	-	-	-
Due from other funds (Note 8)	-	-	-
Due from agencies	-	-	-
Prepaid expense	-	-	-
Inventory (Note 1 G)	-	-	-
<b>Total assets</b>	<b>\$ 6,344,845</b>	<b>\$ 2,302</b>	<b>\$ 65,754,591</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities :			
Accounts payable	\$ 72,605	\$ -	\$ 574,955
Deposits payable	-	-	-
Payable for collateral held for securities lending	311,853	498	-
Due to other funds (Note 8)	40,321,000	1,804	2,000,000
Deferred revenue	-	-	28,252
Liability for compensated absences	181	-	881
Accrued liabilities	26,995	-	177,198
Retainage on contracts	-	-	5,197
<b>Total liabilities</b>	<b>40,732,634</b>	<b>2,302</b>	<b>2,786,483</b>
Fund Balances Reserved for			
Inventories	-	-	-
Capital Acquisition	-	-	-
Fund Balances Unreserved			
Reported In			
Special Revenue	(34,387,789)	-	62,968,108
<b>Total fund balances</b>	<b>(34,387,789)</b>	<b>-</b>	<b>62,968,108</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,344,845</b>	<b>\$ 2,302</b>	<b>\$ 65,754,591</b>

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 COMBINING BALANCE SHEET FOR NONMAJOR GOVERNMENTAL FUNDS  
 SPECIAL REVENUE  
 June 30, 2008

POWHITE PARKWAY EXTENSION	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
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**ASSETS**

Cash and cash equivalents with the Treasurer of Virginia (Note 12)	\$ 1,911,292	\$ 308,438,285
Cash and cash equivalents with trustees (Note 12)	-	7,613,673
Investments with trustees (Note 12)	-	74,506,939
Cash and cash equivalents for collateral held for securities lending (Note 12)	-	13,618,703
Investments for collateral held for securities lending (Note 12)	-	51,301,778
Advance fund	11,000	111,000
Receivables: (net)		
Federal government	-	-
Cities, counties, and towns	-	-
State agencies	-	4,500
Loans & other	-	104,875
Taxes receivable	-	-
Due from other funds (Note 8)	-	907,689
Due from agencies	-	-
Prepaid expense	-	-
Inventory (Note 1 G)	-	-
<b>Total assets</b>	<b>\$ 1,922,292</b>	<b>\$ 456,607,442</b>

**LIABILITIES AND FUND BALANCES**

Liabilities :		
Accounts payable	\$ 80,391	\$ 3,001,414
Deposits payable	-	-
Payable for collateral held for securities lending	-	64,920,481
Due to other funds (Note 8)	46,920,333	90,220,749
Deferred revenue	-	645,917
Liability for compensated absences	466	1,691
Accrued liabilities	101,050	305,243
Retainage on contracts	-	24,500
<b>Total liabilities</b>	<b>47,102,240</b>	<b>159,119,995</b>
Fund Balances Reserved for		
Inventories	-	-
Capital Acquisition	-	72,233,476
Fund Balances Unreserved		
Reported In		
Special Revenue	(45,179,948)	225,253,971
<b>Total fund balances</b>	<b>(45,179,948)</b>	<b>297,487,447</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,922,292</b>	<b>\$ 456,607,442</b>

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE  
June 30, 2008**

	TRANSPORTATION PARTNERSHIP OPPORTUNITY	CONCESSION FUNDS FOR PROJECTS	POCAHONTAS PARKWAY
<b>Revenues</b>			
Revenues provided by the General Fund of the Commonwealth	\$ 157,207,586	\$ -	\$ -
Taxes	-	-	-
Rights and privileges	-	-	-
Sale of property and commodities	-	-	-
Interest, dividends and rents	3,124,931	2,497,982	-
Fines, forfeitures, court fees, penalties, and escheats	-	-	-
Federal grants and contracts	-	-	-
Receipts from localities and private sector	-	21,000,000	-
Toll revenue	-	-	-
Other revenue	-	-	-
Total revenue	<u>160,332,517</u>	<u>23,497,982</u>	<u>-</u>
<b>Expenditures</b>			
Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	163,635,088	462,899	-
Highway system maintenance	-	-	-
Financial assistance to localities	-	-	-
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	-	-	-
Capital Outlay	-	-	-
Transfers to other state agencies (Note 9)	-	-	-
Total expenditures	<u>163,635,088</u>	<u>462,899</u>	<u>-</u>
Revenues over (under) expenditures	<u>(3,302,571)</u>	<u>23,035,083</u>	<u>-</u>
<b>Other financing sources (uses)</b>			
Other financing sources (uses)	-	-	-
Bond Proceeds	-	-	-
Insurance Recoveries	-	-	-
Transfers to other state agencies and General Fund (Note 9)	-	-	-
Transfers from other state agencies and General Fund (Note 9)	-	-	-
Transfers in (Note 9)	-	907,689	-
Transfers out (Note 9)	-	-	(907,689)
Total other financing sources (uses)	<u>-</u>	<u>907,689</u>	<u>(907,689)</u>
Net Change in Fund Balance	(3,302,571)	23,942,772	(907,689)
Beginning fund balance - July 1	48,036,845	29,703,438	907,689
Ending fund balance - June 30	<u>\$ 44,734,274</u>	<u>\$ 53,646,210</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE  
June 30, 2008**

	RECYCLABLE MATERIALS	SURPLUS PROPERTY	CAMP 30
<b>Revenues</b>			
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -
Taxes	-	-	-
Rights and privileges	-	-	-
Sale of property and commodities	-	-	-
Interest, dividends and rents	-	-	4,677,784
Fines, forfeitures, court fees, penalties, and escheats	-	-	-
Federal grants and contracts	-	-	-
Receipts from localities and private sector	-	-	-
Toll revenue	-	-	-
Other revenue	293,781	5,419,962	-
Total revenue	<u>293,781</u>	<u>5,419,962</u>	<u>4,677,784</u>
<b>Expenditures</b>			
Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	-	-	-
Highway system maintenance	-	-	-
Financial assistance to localities	-	-	-
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	-	-	-
Capital Outlay	-	-	28,800,801
Transfers to other state agencies (Note 9)	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>28,800,801</u>
Revenues over (under) expenditures	<u>293,781</u>	<u>5,419,962</u>	<u>(24,123,017)</u>
<b>Other financing sources (uses)</b>			
Other financing sources (uses)	-	-	-
Bond Proceeds	-	-	-
Insurance Recoveries	-	-	-
Transfers to other state agencies and General Fund (Note 9)	-	-	-
Transfers from other state agencies and General Fund (Note 9)	-	-	-
Transfers in (Note 9)	-	-	-
Transfers out (Note 9)	(293,781)	(5,419,962)	-
Total other financing sources (uses)	<u>(293,781)</u>	<u>(5,419,962)</u>	<u>-</u>
Net Change in Fund Balance	-	-	(24,123,017)
Beginning fund balance - July 1	-	-	96,356,493
Ending fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,233,476</u>

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE  
June 30, 2008**

	NO. VIRGINIA TRANSPORTATION DISTRICT	TRANSPORTATION SET ASIDE	ROUTE 28
<b>Revenues</b>			
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -
Taxes	-	-	-
Rights and privileges	8,861,521	-	-
Sale of property and commodities	-	-	-
Interest, dividends and rents	8,637,387	123,312	342,664
Fines, forfeitures, court fees, penalties, and escheats	-	-	-
Federal grants and contracts	-	-	-
Receipts from localities and private sector	816,000	1,000,000	42,070,757
Toll revenue	-	-	-
Other revenue	-	-	-
Total revenue	<u>18,314,908</u>	<u>1,123,312</u>	<u>42,413,421</u>
<b>Expenditures</b>			
Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	6,832,845	35,070	42,174,594
Highway system maintenance	-	-	-
Financial assistance to localities	-	-	-
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	-	-	-
Capital Outlay	-	-	-
Transfers to other state agencies (Note 9)	-	-	-
Total expenditures	<u>6,832,845</u>	<u>35,070</u>	<u>42,174,594</u>
Revenues over (under) expenditures	<u>11,482,063</u>	<u>1,088,242</u>	<u>238,827</u>
<b>Other financing sources (uses)</b>			
Other financing sources (uses)	(163,124)	(2,509)	(6,657)
Bond Proceeds	-	-	-
Insurance Recoveries	-	-	-
Transfers to other state agencies and General Fund (Note 9)	-	-	-
Transfers from other state agencies and General Fund (Note 9)	17,290,106	1,077,849	-
Transfers in (Note 9)	8,972,877	-	-
Transfers out (Note 9)	(27,963,265)	(2,226,030)	-
Total other financing sources (uses)	<u>(1,863,406)</u>	<u>(1,150,690)</u>	<u>(6,657)</u>
Net Change in Fund Balance	9,618,657	(62,448)	232,170
Beginning fund balance - July 1	132,267,998	984,297	432,442
Ending fund balance - June 30	<u>\$ 141,886,655</u>	<u>\$ 921,849</u>	<u>\$ 664,612</u>

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE  
June 30, 2008**

	<b>COLEMAN BRIDGE</b>	<b>ELIZABETH RIVER TUNNELS</b>	<b>OMER L HIRST ADELARD BRAULT EXPRESSWAY</b>
<b>Revenues</b>			
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -
Taxes	-	-	-
Rights and privileges	-	-	-
Sale of property and commodities	-	-	-
Interest, dividends and rents	247,021	5,018	3,080,171
Fines, forfeitures, court fees, penalties, and escheats	-	-	-
Federal grants and contracts	-	-	-
Receipts from localities and private sector	-	-	-
Toll revenue	6,770,987	-	65,976,548
Other revenue	-	-	49,477
Total revenue	<u>7,018,008</u>	<u>5,018</u>	<u>69,106,196</u>
<b>Expenditures</b>			
Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	-	-	-
Highway system maintenance	-	-	-
Financial assistance to localities	-	-	-
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	2,586,877	1,086	16,561,348
Capital Outlay	-	-	162,195
Transfers to other state agencies (Note 9)	-	-	-
Total expenditures	<u>2,586,877</u>	<u>1,086</u>	<u>16,723,543</u>
Revenues over (under) expenditures	<u>4,431,131</u>	<u>3,932</u>	<u>52,382,653</u>
<b>Other financing sources (uses)</b>			
Other financing sources (uses)	(1,318)	(143)	-
Bond Proceeds	-	-	-
Insurance Recoveries	-	-	-
Transfers to other state agencies and General Fund (Note 9)	(10,000)	-	(63,066,000)
Transfers from other state agencies and General Fund (Note 9)	-	-	-
Transfers in (Note 9)	-	-	-
Transfers out (Note 9)	(3,136,245)	(160,606)	(10,905,412)
Total other financing sources (uses)	<u>(3,147,563)</u>	<u>(160,749)</u>	<u>(73,971,412)</u>
Net Change in Fund Balance	1,283,568	(156,817)	(21,588,759)
Beginning fund balance - July 1	(35,671,357)	156,817	84,556,867
Ending fund balance - June 30	<u>\$ (34,387,789)</u>	<u>\$ -</u>	<u>\$ 62,968,108</u>

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE  
 June 30, 2008**

	<b>POWHITE PARKWAY EXTENSION</b>	<b>TOTAL NONMAJOR SPECIAL REVENUE FUNDS</b>
<b>Revenues</b>		
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ 157,207,586
Taxes	-	-
Rights and privileges	-	8,861,521
Sale of property and commodities	-	-
Interest, dividends and rents	98,839	22,835,109
Fines, forfeitures, court fees, penalties, and escheats	-	-
Federal grants and contracts	-	-
Receipts from localities and private sector	-	64,886,757
Toll revenue	10,394,971	83,142,506
Other revenue	83	5,763,303
Total revenue	<u>10,493,893</u>	<u>342,696,782</u>
<b>Expenditures</b>		
Current:		
Administrative and support services	-	-
Ground transportation system planning and research	-	-
Highway system acquisition and construction	-	213,140,496
Highway system maintenance	-	-
Financial assistance to localities	-	-
Environmental monitoring and compliance	-	-
Toll facilities operations and construction	4,287,735	23,437,046
Capital Outlay	-	28,962,996
Transfers to other state agencies (Note 9)	-	-
Total expenditures	<u>4,287,735</u>	<u>265,540,538</u>
Revenues over (under) expenditures	<u>6,206,158</u>	<u>77,156,244</u>
<b>Other financing sources (uses)</b>		
Other financing sources (uses)	-	(173,751)
Bond Proceeds	-	-
Insurance Recoveries	-	-
Transfers to other state agencies and General Fund (Note 9)	(16,442)	(63,092,442)
Transfers from other state agencies and General Fund (Note 9)	-	18,367,955
Transfers in (Note 9)	-	9,880,566
Transfers out (Note 9)	(6,800,404)	(57,813,394)
Total other financing sources (uses)	<u>(6,816,846)</u>	<u>(92,831,066)</u>
Net Change in Fund Balance	(610,688)	(15,674,822)
Beginning fund balance - July 1	(44,569,260)	313,162,269
Ending fund balance - June 30	<u>\$ (45,179,948)</u>	<u>\$ 297,487,447</u>

The accompanying notes are an integral part of this financial statement

**Schedule of Federal  
Assistance**

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VIRGINIA DEPARTMENT OF TRANSPORTATION  
SCHEDULE OF FEDERAL ASSISTANCE  
FISCAL YEAR 2008

Federal/State Grantor Agency	CFDA Number	Federal Program Name	FEDERAL CASH BALANCE July 1, 2007	FEDERAL CASH BASIS RECEIPTS	FEDERAL CASH BASIS DISBURSEMENTS	FEDERAL CASH BALANCE June 30, 2008
United States Dept of Transportation	20.205	Highway Planning and Construction	\$ -	\$ 847,481,020	\$ 847,481,020	\$ -
		TOTAL FEDERAL REVENUE:	<u>\$ -</u>	<u>\$ 847,481,020</u>	<u>\$ 847,481,020</u>	<u>\$ -</u>
143 United States Dept of Transportation/DMV	20.600	State and Community Highway Safety	-	241,298	241,298	-
	20.602	Occupant Protection	-	60,559	60,559	-
United States Dept of Transportation/DMV	20.607	Alcohol Open Container requirements	-	17,232,274	17,232,274	-
United States Dept of Transportation/DMV	20.608	Minimum Penalties for Repeat Offenders for Driving	-	2,340,976	2,340,976	-
Department of Homeland Security	97.074	Law Enforcement Terrorism Prevention Program	5,005	-	5,005	-
Department of Homeland Security	97.036	Public Assistance Grant	-	255,528	255,528	-
Federal Emergency Management Agency/DES		TOTAL TRANSFERS FROM OTHER STATE AGENCIES:	<u>\$ 5,005</u>	<u>\$ 20,130,635</u>	<u>\$ 20,135,640</u>	<u>\$ -</u>
<b>GRAND TOTAL OF FEDERAL ASSISTANCE</b>			<u><u>\$ 5,005</u></u>	<u><u>\$ 867,611,655</u></u>	<u><u>\$ 867,616,660</u></u>	<u><u>\$ -</u></u>

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# FINANCIAL REPORT

JUNE 30, 2008

## 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 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 system 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.

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

## VDOT Organization

VDOT has about 8,400 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 a 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.

*A limited number of copies of this report are available. For additional copies, contact the*  
**Virginia Department of Transportation**  
**Fiscal Division**

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Richmond, VA 23219  
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