



FINANCIAL REPORT

JUNE 30, 2014

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FINANCIAL REPORT

JUNE 30, 2014

Terry McAuliffe
Governor

Aubrey L. Layne, Jr.
Secretary of Transportation

Charles A. Kilpatrick, P.E.
Commissioner of Highways

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FINANCIAL REPORT

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INTRODUCTORY SECTION

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COMMONWEALTH of VIRGINIA

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

Charles A. Kilpatrick, P.E.
Commissioner

March 27, 2015

Letter of Transmittal

The Comprehensive Annual Financial Report (CAFR) of the Virginia Department of Transportation (VDOT) for the fiscal year ended June 30, 2014 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. 1-14, "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 blue ink that reads "Janice Long".

Janice Long
Controller, VDOT

VirginiaDOT.org
WE KEEP VIRGINIA MOVING

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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. 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 of Highways as vice-chairman. Members are appointed by the Governor and approved by the General Assembly.

Transportation System

Virginia has one of the largest state-maintained highway systems in the United States with an annual operating budget of approximately \$4.6 billion (Budget total represents the agency budget approved by the Commonwealth Transportation Board, including Special Revenue Fund and Debt Service). VDOT maintains over 58,000 miles of interstate, primary, and secondary roads and distributes state funds to help maintain over 11,000 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, 1 toll road, 1 toll bridge, 4 ferry services, numerous rest areas, and over 100 commuter parking lots.

Mission

Our mission is to plan, deliver, operate and maintain a transportation system that is safe, enables easy movement of people and goods, enhances the economy and improves our quality of life.

Shared Values in Public Service

- Be responsive to customer needs, consider what VDOT does in terms of how it benefits our customers, and treat customers with respect, courtesy, and fairness.
- Commit to safety and continuous improvement in everything we do, learning from mistakes and successes alike.
- Trust, respect, support, and encourage each other.
- Respect and protect the public investment.
- Make decisions based on facts and sound judgment and accept accountability for our actions.
- Strengthen our expertise in using information, tools, and technology to achieve high performance and stay on the cutting edge.
- Think ahead, acting and planning creatively for today and tomorrow.

VDOT Accomplishments and Highlights for Fiscal Year 2014

VDOT completes contracts on time and within budget for fiscal year 2014.

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 fiscal year 2014, VDOT continued to demonstrate efficiency with taxpayer dollars. VDOT met on-time and within budget targets for fiscal year 2014. VDOT performance during fiscal year 2014 compared to target goals, is as follows:

Deadlines

FY 2014 Maintenance and Construction contracts completed on time and within budget:
81 percent on time (*target of 77 percent*) - 91% on budget (*target of 85 percent*)

FY 2014 Scheduled Construction contracts completed on time:
70 percent (*target of 77 percent*)

FY 2014 Scheduled Maintenance contracts completed on time:
86 percent (*target of 77 percent*)

Budgets

FY 2014 Maintenance contracts completed within budget:
92 percent (*target 90 percent*)

FY 2014 Construction contracts completed within budget:
89 percent (*target 82 percent*)

Gov. Terry McAuliffe announced appointments to the two top leadership positions at the Virginia Department of Transportation

Charles Kilpatrick, P.E., became the agency's new commissioner. He previously served as VDOT's chief deputy commissioner, overseeing day-to-day operations and strategic vision. Quintin Elliott was named the agency's chief deputy commissioner. He previously was VDOT's Fredericksburg district administrator, where he oversaw construction and maintenance on more than 11,500 miles of state roads.

Gov. McAuliffe signs into law critical legislation to select the right transportation projects

House Bill 2 concerns investing limited tax dollars in the right projects that meet Virginia's most critical transportation needs. The new law includes an objective process for scoring projects, which also involves public engagement and input.

The legislation directs the Commonwealth Transportation Board to develop and use the scoring process for project selection by July 2016. Candidate projects will be screened to determine if they qualify to be scored. Projects will be scored based on an objective and fair analysis applied statewide. The law will improve transparency and accountability. The public will know how projects scored and the decisions behind the CTB's project

selections. This legislation builds on the historic transportation funding package passed by the General Assembly in 2013.

The Hampton Roads Transportation Accountability Commission is established as a result of new legislation signed by Gov. McAuliffe

The Hampton Roads Transportation Accountability Commissioner will be comprised of locally elected officials. The commission will have the organizational structure and leadership in place to determine how new regional money, \$200 million annually, will be invested in transportation projects. The new funding is part of the transportation funding package the General Assembly passed in 2013.

VDOT crews successfully battle numerous snowstorms

Crews kept roads clear and safe as back-to-back snowstorms struck the state during the winter, resulting in a big pothole season. Contractors patched more than 146,000 potholes over a two-month period following the storms.

New web portal developed to track road projects

A new interactive portal, www.Virginiaroads.org, provides a single information source for VDOT data and projects. Important features of this new portal are interactive maps showing current and planned road-construction projects included in the Six-Year Improvement Program as well as pavement conditions and resurfacing projects.

I-95 Express Lanes more than 70 percent complete and on track to open by end of 2014

The first of nine new bridges being built along the Interstate 95 Express Lanes corridor in Northern Virginia, located at Telegraph Road near Marine Corps Base Quantico in Stafford County, recently opened to traffic. Steel framework on the remaining new bridges also is complete.

The project has been good for business. VDOT and its 95 Express Lanes partners, Transurban and Fluor, are slated to exceed their DBE/SWaM project goals of \$189 million.

The 95 Express Lanes project is a 29-mile upgrade and expansion of the high-occupancy vehicle (HOV) facility on I-95/395.

Construction is under way on the Elizabeth River Tunnels project in the Hampton Roads region

Construction includes: a new two-lane tunnel parallel to the existing Midtown Tunnel under the Elizabeth River; maintenance and safety improvements to the existing Midtown and Downtown tunnels; extension of Martin Luther King Boulevard from London Boulevard to Interstate 264; and interchange modifications at Brambleton Avenue and Hampton Boulevard. The project is located between the cities of Portsmouth and Norfolk in Hampton Roads.

Toll collections, including the use of E-ZPass, to finance the project began in March 2014.

Major step forward in widening Interstate 64 between Richmond and Newport News

Widening Interstate 64 will be a significant development to ease congestion and increase safety on I-64 in the Hampton Roads and Richmond regions. The Federal Highway Administration (FHWA) signed the Final Environmental Impact Statement, which supports the future widening of 75 miles of I-64 from I-95 in Richmond to I-664 in Hampton. As a result of new transportation funding passed by the General Assembly, about \$100 million is available to widen a section of I-64 in Newport News.

VDOT moves forward with environmental work on five alternatives to improve U.S. 460 in southeastern Virginia

VDOT and its partners at FHWA and the U.S. Army Corps of Engineers are working at a steady pace to evaluate the environmental impacts of five U.S. 460 alternatives. They are analyzing information to evaluate the potential social, economic and environmental impacts of the project, which the public then will review in the fall of 2014.

The purpose of the project is to improve transportation and safety, provide a faster hurricane-evacuation route, enhance movement for trucks coming from the Port of Virginia, improve connectivity for the military, and create job and economic opportunities on the U.S. 460 corridor in southeastern Virginia.

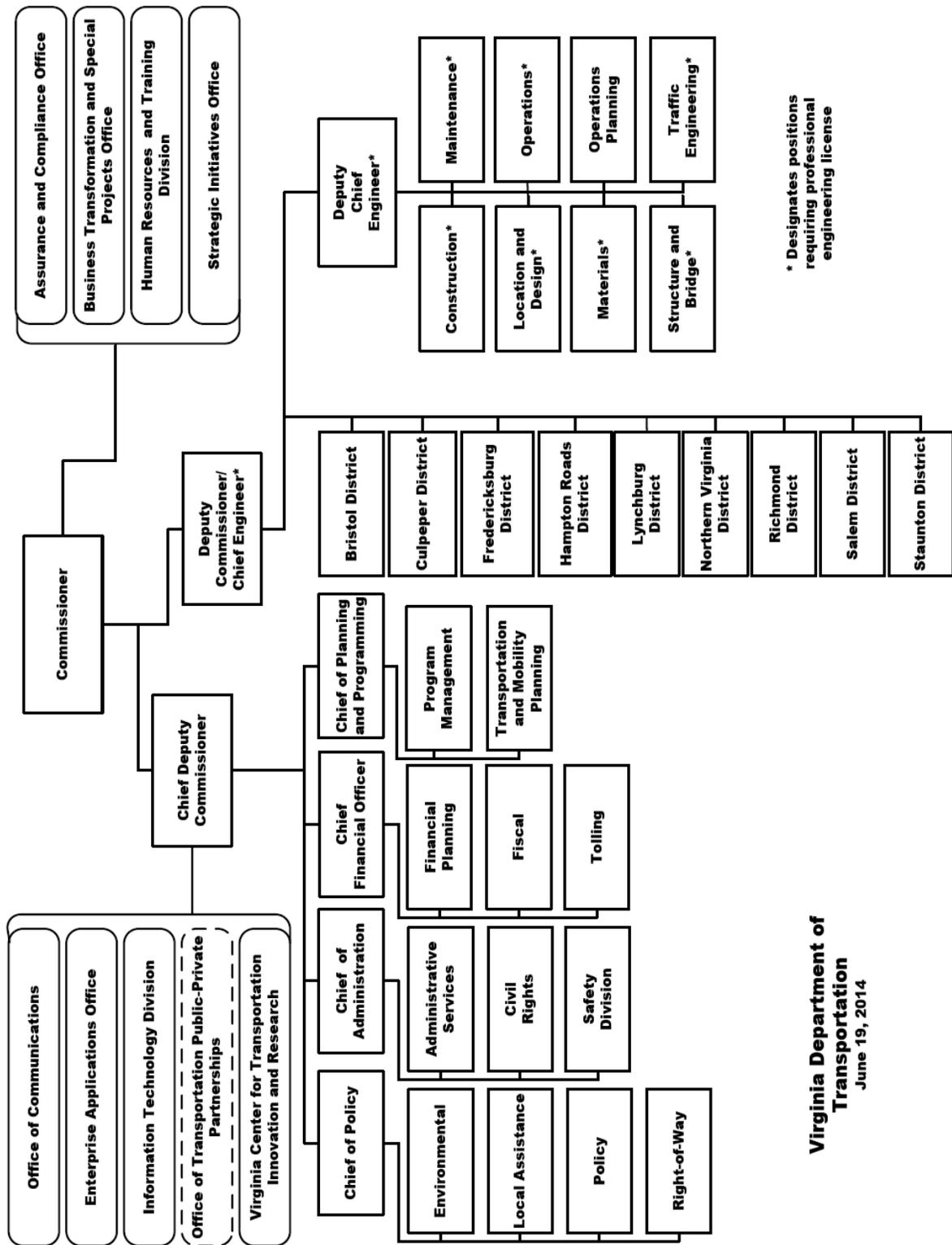
U.S. 29 improvements in Albemarle County move ahead

The CTB approved a package of projects to improve the U.S. 29 corridor. Improvements include a grade-separated intersection, completion of a parallel road network to the east and west of U.S. 29 and widening a four-lane section in northern Albemarle County. The package of improvements follows work by an advisory panel set up under the direction of Transportation Secretary Aubrey Layne. The panel held organized discussions among local officials, who, in turn, provided the information needed to develop a transportation solution for congestion issues in the corridor.

VDOT continues to improve Virginia highways through funding from the American Recovery and Reinvestment Act of 2009

The president signed the American Recovery and Reinvestment Act of 2009 (ARRA) Feb. 17, 2009. Virginia received \$694.5 million in this highway “stimulus” funding from ARRA to invest in improving the state’s transportation system.

All of VDOT’s ARRA funding was obligated before the 2012 fiscal year. ARRA expenditures incurred by VDOT during Fiscal Year 2014 amounted to \$39.9 million. VDOT’s ARRA expenditures to date from FY 2009 total \$573.1 million.



* Designates positions requiring professional engineering license

Virginia Department of Transportation
June 19, 2014

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FINANCIAL REPORT

JUNE 30, 2014

FINANCIAL SECTION

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**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, 2014. 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 in this section, unless otherwise indicated, are expressed in millions of dollars.**

FINANCIAL HIGHLIGHTS

Government-wide Statements

The assets and deferred outflows of the Virginia Department of Transportation exceeded its liabilities and deferred inflows at the end of the fiscal year 2014 by \$20,494.0 (*net position*). The Virginia Department of Transportation's total net assets increased by \$771.3 in fiscal year 2014. Net assets of governmental activities increased \$792.3, while the net assets for business-type activities are deficits of \$21.0.

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 \$1,982.8, a decrease of \$147.8. Of the \$1,982.8 total fund balance, (\$68.8) represents unassigned fund balance and the remaining \$2,051.6 represents amounts reserved for Nonspendable and Committed purposes. Enterprise funds (Route 460 Funding Corporation of Virginia) reported a deficit balance of \$21.0 in fiscal year 2014. This deficit relates mostly to the carry-forward of the FY13 deficit of \$9.0 restated and \$12.0 in an accrued interest expense on the Series 2012A bonds.

Long-term Debt (Bonds and Notes Payable)

The Department's total debt for governmental activities increased by \$54.9 in fiscal year 2014 over that of the fiscal year 2013. The increase is primarily due to issuance of bonds \$471.4 and notes \$55.9. Other increase in the long-term debt is the \$2.2 in accreted bond principal of the Route 28 Capital Appreciation Bond. The increase in long-term debt is reduced by the scheduled bond principal payments (\$163.3), refunded bonds principal (\$222.8), scheduled note principal payments (\$13.7), and refunded note principal (\$74.8) in fiscal year 2014.

The Department's total debt for business type activities increased by \$2.6 in fiscal year 2014 over that of the fiscal year 2013. The increase is due to the increase of \$3.1 in accreted bond principal of the Route 460 Capital Appreciation Bond. The increase in the total debt for business type activities is reduced by the scheduled bond premium amortization (\$0.5) in fiscal year 2014.

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 position* presents information on all of the Virginia Department of Transportation's assets and liabilities, with the differences between the two reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Virginia Department of Transportation that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through fees (*business-type activities*). The governmental activities of Virginia Department of Transportation include new highway construction and the maintenance of existing highways. Motor vehicle fuels taxes, motor vehicle sales & use taxes, motor vehicle license fees, state sales & use taxes, and federal transportation revenues finance most of the Department's activities.

The business-type activities of the Virginia Department of Transportation include the operations of the Route 460 Funding Corporation of Virginia. The Route 460 Funding Corporation of Virginia is a blended component unit. Though a separate legal entity, it serves or benefits the primary government almost exclusively. See note 1B of the financial statement notes for more information.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Virginia Department of Transportation, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Virginia Department of Transportation can be divided into three categories: governmental funds, fiduciary funds, and 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 eighteen non-major funds included, detailed in the form of *combining statements*.
- **Debt Service Funds:** There are ten 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 maintains an enterprise fund (a type of proprietary fund) to account for the activities of a blended component unit for Route 460 Funding Corporation of Virginia (Route 460), which is operated by the Route 460 Funding Corporation of Virginia. *Enterprise funds* are used to report the same functions presented as *business-type activities* in government-wide financial statements. A complete explanation of the Route 460 Funding Corporation of Virginia is presented in Note 1B of the financial statement notes.

Fiduciary Funds: Fiduciary funds are used to account for resources held by the Virginia Department of Transportation in a trustee capacity or as a fiscal agent on behalf of others, in a custodial nature and do not involve measurement of results of operations. Fiduciary funds are *not* reflected in the government-wide and fund financial statements because the resources of these funds are *not* available to support the Virginia Department of Transportation's own programs. The Virginia Department of Transportation has fiduciary fund activity to report in fiscal year 2014.

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 position may serve as a useful indicator of a government's financial position. In the case of the Virginia Department of Transportation, assets and deferred outflows exceeded liabilities and deferred inflows by \$20,494.0 at the close of fiscal year 2014.

The largest portion of the Virginia Department of Transportation's net position, 103.9 percent, reflects its investment in capital assets (e.g., land, buildings, equipment, infrastructure, construction-in-progress, and intangible assets including water rights, easements and software), less any related outstanding debt and deferred inflows used to acquire those 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 Position 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 Position:

The following table represents the condensed Statement of Net Position:

Virginia Department of Transportation Net Position as of June 30, 2014 and 2013

	Governmental activities		Business-type activities		Total	
	2014	2013*	2014	2013*	2014	2013*
Current and other assets	\$ 2,483.6	\$ 2,719.5	\$ 178.8	\$ 277.3	\$ 2,662.4	\$ 2,996.8
Capital assets	23,416.8	22,443.3	128.9	56.3	23,545.7	22,499.6
Deferred outflow resources	2.7	-	-	-	2.7	-
Total Assets & deferred outflows	25,903.1	25,162.8	307.7	333.6	26,210.8	25,496.4
Current liabilities	745.0	834.3	5.6	21.7	750.6	856.0
Non-current liabilities	3,062.6	3,001.6	323.2	320.9	3,385.8	3,322.5
Deferred Inflows	1,580.5	1,568.2	-	-	1,580.5	1,568.2
Total Liabilities and Deferred Inflows	5,388.1	5,404.1	328.8	342.6	5,716.9	5,746.7
Net assets:						
Net Investment in capital assets	21,321.6	20,023.3	(21.3)	-	21,300.3	20,023.3
Restricted for						
Bond Financed Road	-	-	-	-	-	-
Construction.	644.1	813.0	-	-	644.1	813.0
Capital Acquisition	6.8	26.9	-	255.6	6.8	282.5
Transportation Activities						
Debt service	44.1	35.1	-	-	44.1	35.1
Transportation Infrastructure Bank	320.6	-	-	-	320.6	-
Unrestricted	(1,822.2)	(1,175.6)	0.3	(264.6)	(1,821.9)	(1,440.2)
Total net position	\$ 20,515.0	\$ 19,722.7	\$ (21.0)	\$ (9.0)	\$ 20,494.0	\$ 19,713.7

*The government-wide beginning balance was restated for the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective for the fiscal year ending June 30, 2014. GASB 65 reclassifies certain items that were previously Reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources, and

recognizes certain items that were previously reported as assets and liabilities as expenses/expenditures or revenues. Other than prepaid insurance costs, costs related to the issuance of debt are no longer recorded as a deferred charge and amortized over the life of the debt; they are instead recognized as an expense in the period incurred. Restatements also included adjustments for long term accounts receivables no longer expected to be recovered and capitalization of restorative maintenance costs from prior years to arrive at the restated beginning balance of \$19,713.70. Additional information on the Virginia Department of Transportation's restated balances can be found in Note 2 of the financial statements

An additional portion of the Virginia Department of Transportation's net position, 5.0 percent represents restricted net assets. These resources are subject to external restrictions or constitutional provisions specifying how they may be used. The remaining balance of (\$1,821.9) is unrestricted net assets.

The Virginia Department of Transportation's net position for governmental activities increased by \$792.3 or 4.02 percent in fiscal year 2014. The increase was largely the result of the increases in capital assets of \$973.5. The increase in capital assets is primarily due to net increases in highway infrastructure of \$574.7.

Statement of Changes in Net Position:

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

Virginia Department of Transportation						
Changes in Net Position						
For Fiscal Years Ended June 30, 2014 and 2013						
	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	2014	2013*	2014	2013*	2014	2013*
Revenues:						
Program revenues:						
Charges for services	\$ 379.3	\$ 367.2	\$ -	\$ -	\$ 379.3	\$ 367.2
Capital grants and contributions	1,523.8	1,687.6	69.6	61.1	1,593.4	1,748.7
General revenues:						0.0
Motor vehicle taxes	1,405.8	1,370.7	-	-	1,405.8	1,370.7
Sales and use tax	922.6	411.0	-	-	922.6	411.0
Other taxes	189.0	146.5	-	-	189.0	146.5
Investment earnings	8.7	13.0	0.6	-	9.3	13.0
Other revenues	24.6	45.3	-	-	24.6	45.3
Transfers to/from other state agencies	(136.7)	(156.4)	-	-	(136.7)	(156.4)
Other financing sources (uses)	(1.3)	1.5	(0.4)	-	(1.7)	1.5
Insurance Recoveries	0.0	0.0	-	-	0.0	0.0
Total revenue	<u>4,315.8</u>	<u>3,886.4</u>	<u>69.8</u>	<u>61.1</u>	<u>4,385.6</u>	<u>3,947.5</u>
Expenses						
Administrative and support services	233.5	212.1	0.4	0.1	233.9	212.2
Ground Transportation system planning and research	59.5	53.2	-	-	59.5	53.2
Highway system acquisition and construction	742.9	805.7	81.4	70.0	824.3	875.7
Highway system acquisition and construction bonds	-	-	-	-	-	0.0
Highway system maintenance	1,465.7	1,248.1	-	-	1,465.7	1,248.1
Financial assistance to localities	941.5	676.0	-	-	941.5	676.0
Environmental monitoring and Compliance	3.8	3.6	-	-	3.8	3.6
Toll facilities	27.0	23.8	-	-	27.0	23.8
Unallocated depreciation	14.8	14.3	-	-	14.8	14.3
Transfers to other state agencies	34.8	31.1	-	-	34.8	31.1
Total expenses	<u>3,523.5</u>	<u>3,067.9</u>	<u>81.8</u>	<u>70.1</u>	<u>3,605.3</u>	<u>3,138.0</u>
Change in net assets	792.3	818.5	(12.0)	(9.0)	780.3	809.5
Net assets - July 1 * as restated	<u>19,722.7</u>	<u>18,904.2</u>	<u>(9.0)</u>	<u>-</u>	<u>19,713.7</u>	<u>18,904.2</u>
Net assets - June 30	<u>\$ 20,515.0</u>	<u>\$ 19,722.7</u>	<u>\$ (21.0)</u>	<u>\$ (9.0)</u>	<u>\$ 20,494.0</u>	<u>\$ 19,713.7</u>

*The government-wide beginning balance was restated for the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective for the fiscal

year ending June 30, 2014. GASB 65 reclassifies certain items that were previously Reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources, and recognizes certain items that were previously reported as assets and liabilities as expenses/expenditures or revenues. Other than prepaid insurance costs, costs related to the issuance of debt are no longer recorded as a deferred charge and amortized over the life of the debt; they are instead recognized as an expense in the period incurred. Restatements also included adjustments for long term accounts receivable no longer expected to be recovered and capitalization of restorative maintenance costs from prior years to arrive at the restated beginning balance of \$19,713.70. Additional information on the Virginia Department of Transportation's restated balances can be found in Note 2 of the financial statements

Governmental activities: Governmental activities increased the Virginia Department of Transportation's net assets by \$792.3. Key elements of this increase are as follows:

- Program revenues decreased by \$151.7 or 7.4 percent over the last fiscal year. This decrease relates to decreases in receipts from capital grants and contributions of \$163.8 or 9.7 percent. The decrease is offset by the increases in the receipt of \$12.1 or 3.3 percent from charges for services in fiscal year 2014 over the fiscal year 2013.
- Total general revenues increased by \$564.1 or 28.4 percent in fiscal year 2014 from fiscal year 2013, with increases primarily in road use tax \$3.5 motor vehicle sales and use tax \$197.9, sales and use tax \$511.6, and other taxes \$41.8. The increase is offset by the decreases in motor vehicle fuel tax \$167.4, investments earnings \$4.3, and other revenues \$21.6
- Others: For the fiscal year ended June 30, 2014, transfers to other state agencies and general fund decreased \$45.0 or 22.3 percent. In addition, transfers from other state agencies and general fund decreased by \$25.3 and Other Financing Sources (uses) decreased by \$2.8 in fiscal year 2014 from the fiscal year 2013.

The Virginia Department of Transportation's expenditures from governmental activities totaled \$3,523.5 for the fiscal year ended June 30, 2014, an increase of \$455.6 from the previous year. Most of the increase is attributable to increases in highway system maintenance \$217.5, financial assistance to localities \$265.4, administrative and support services \$21.4, ground transportation system planning and research \$6.3, toll facilities operations and construction \$3.2 and unallocated depreciation \$0.5. The increase is offset by the decreases in highway system acquisition and construction \$62.7.

Business-type activities: The Net position of The Route 460 Funding Corporation of Virginia ended the fiscal year 2014 with a negative Net position balance of (\$21.0) an increase of (\$12.0) over the restated Net position of (\$9.0) for fiscal year 2013. The negative change in net position of \$12.0 is due to the operating and the non-operating expenditures exceeding the operating and the non-operating revenues in the first fiscal year 2014. This deficit relates mostly to the interest expense of \$11.8 on the Series 2012A bonds. Construction costs of \$69.6 million represent project expenditures funded by capital contributions from the Virginia Department of Transportation (VDOT). These construction costs funded by VDOT are expensed and not capitalized by the Route 460 Funding Corporation of Virginia.

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 2014 with a fund balance of \$1,982.8, a decrease of \$147.8 from the prior year. The decrease in fund balance was primarily due to the increases in expenditures over revenues and other financing uses over other financing sources in fiscal year 2014. Expenditures increased by \$326.1 or 7.5 percent, bond defeasance payments increased by \$194.8 in and transfer to other state agencies and general fund (other financing sources) decreased by \$45.0. The decreases in fund balance were reduced by the increases of \$412.2 or 10.4 percent in revenues, bond proceeds increased by \$455.7 or 315.9 percent and decreases of \$25.3 or 55.3 percent in transfer from other state agencies.
- Six out of the ten reported VDOT revenue sources increased in fiscal year 2014. They include taxes \$602.7, rights and privileges \$8.9, sales of property and commodities \$4.2, fines, forfeitures, court fees, penalties and escheats \$0.1, federal grants and contracts \$12.6, receipts from cities, counties, and towns \$24.2, and toll revenues \$0.2. Increases in expenditures included \$22.6 or 1.4 percent in construction expenditures, \$70.8 in highway system maintenance expenditures or 4.3 percent and \$248.6 or 60.5 percent in financial assistance to localities. Of the \$1,982.8 fund balance in fiscal year 2014, (\$68.8) constitutes unassigned fund balance, and the remaining \$2,051.6 represents amounts reserved for Nonspendable, and Committed purposes. Note 3 of the notes to the financial statements provide a complete explanation of these amounts.

The Virginia Department of Transportation's main operating funds consist of the Highway Maintenance and Operating Fund (HMOF), 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, Capital Projects Revenue Bonds Special Revenue Fund, Stimulus Fund (American Reinvestment and Recovery Act) and Toll Facilities Revolving Fund. Significant changes in major funds between fiscal years 2014 and 2013 are as follows:

- The fund balance of the Highway Maintenance and Operating Fund decreased by \$93.9 in fiscal year 2014 over the previous year. The increases among revenues, expenditures, other financing uses and other financing sources provided most of the changes in fund balance. In fiscal 2014, total expenditures increased by \$260.8 or 14.9 percent and other financing uses increased by \$88.8. The impact of the increases in expenditures and increases in other financing uses on fund balance were offset by increases in revenues \$189.3 or 13.3 percent and increase in other financing sources \$54.0 or 14.7 percent. Changes in expenditures included \$230.2 or 20.7 percent increase in maintenance expenditures, an increase of \$5.8 or

349.6 percent in payments for highway system acquisition and construction, which relates to construction management and an increase of \$5.2 or 1.3 percent in financial assistance to localities. The increase in other financing sources is primarily due to the increase in budgeted transfers from Construction Fund (crossover transfer recipient), \$417.6 in fiscal year 2014 compared to \$363.6 in fiscal year 2013. On the other hand, the increases in other financing uses resulted primarily from a transfer of \$107.8 in fiscal 2014 compared to \$19.0 in fiscal year 2013 to other funds, an increase of \$88.8.

- The fund balance of the Federal Highway Fund ended the fiscal year 2014 with its normal end of the year balance of \$0. Revenues decreased by \$152.3 or 11.5 percent and cash transferred-in from other state agencies and General Fund decreased by \$8.4 or 36.3 percent in fiscal year 2014 from fiscal year 2013. 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 equate the total revenues and other financing sources in fiscal year 2014.
- The Construction Fund's fund balance decreased by \$36.7 or 15.9 percent in fiscal year 2014 from fiscal year 2013. The decrease in fund balance is related to the increases in total expenditures of \$181.7 or 66.8 percent, decreases in total transfers from other state agencies and general fund of \$16.9 or 78.5 percent, and increases in the total inter-fund transfer-out of \$55.9 or 13.9 percent in fiscal year 2014. The decrease in fund balance were offset by the increases in total revenues of \$2.4 or 0.3 percent, decreases in total transfers to other state agencies and general fund of \$4.3 or 18.6 percent and increases in the total inter-fund transfer-in of \$100.0. The increase in expenditures is related to a significant increase in highway system acquisition and construction of \$182.0 or 86.6 percent in fiscal year 2014. The increase in highway system acquisition and construction in the Construction Fund is primarily due to the use of its monies to pay for most of the highway system acquisition pending reimbursements from other funds. Capital Projects Revenue Bonds proceeds from series 2014 issued in December 2014 were not available for construction expenditures in fiscal year 2014. The increase in other financing uses is primarily due to the increase in budgeted transfers to HMO Fund (crossover funds transferor), \$417.6 in fiscal year 2014 compared to \$363.6 in fiscal year 2013. Other increases in other financing sources include the increases in budgeted transfers from HMO \$100.0 to Construction fund in fiscal year 2014 compared to \$0 in fiscal year 2013.
- The Priority Transportation Fund balance increased by \$12.7 or 13.7 percent in fiscal year 2014 from fiscal year 2013. The increase in fund balance is primarily due to the increases in total revenues of \$8.1 or 5.3 percent, decreases in expenditures of \$16.2 or 85.4 percent and decreases in the total inter-fund transfer-out of \$14.2 or 9.0 percent. The increase in revenues is primarily due to increases of \$8.9 or 5.9 percent in receipt from taxes. The decrease in expenditure is due to decreases of \$16.2 or 85.4 percent in construction costs. The increases in total revenues, decreases in expenditures and decreases in the total inter-fund transfer-out are offset by restated beginning balance due to adjustments for long term accounts receivables that are no longer expected to be recovered.
- The fund balance of the Federal Stimulus Fund - American Recovery & Reinvestment Act (ARRA) was a negative balance of \$0.1 in fiscal year 2014 compared to a negative balance of \$1.3 in fiscal year 2013, an increase of \$1.2 or 94.4 percent. The increase in fund balance

resulted from the decreases in expenditures (highway system acquisition and construction costs and administrative and support services) of \$54.6 or 57.8 percent. The increase in fund balance was reduced by decreases in revenues (Federal Grants and Contracts) of \$54.0 or 56.7 percent and decreases in the transfer to other state agencies and general fund of \$0.3 percent or 100.0 percent.

- The fund balance of the Capital Projects Revenue Bonds Special Revenue Fund decreased from \$532.6 in fiscal 2013 to \$268.5 in fiscal year 2014, a decrease of \$264.2. The decrease in fund balance is primarily attributed to the highway system acquisition and construction costs of \$137.5 and a transfer to the Virginia Department of Rail and Public Transportation of \$123.7.0 in fiscal year 2014. The decrease in fund balance is offset by the receipt \$0.9 in interest revenues in fiscal year 2014.
- The fund balance of the Toll Facilities Revolving Fund increased by \$2.5 or 0.7 percent in fiscal year 2014. The increase in fund balance is primarily due to increases in revenues \$1.9 or 11.0 percent and increases expenditures \$1.3 or 7.6 percent. The fund collected \$19.5 in revenues but spent \$17.7 in toll facilities operations and construction in fiscal year 2014. There were no other significant financial activities in any other categories of this fund during the fiscal year 2014.

The Debt Service funds have a total fund balance of \$44.1 in fiscal year 2014, an increase of \$9.0 or 25.5 percent over that of the fiscal year 2013. All of the fund balance amounts are reserved for the debt payment. This increase in fund balance is primarily due to the increases in revenues of \$17.8 or 43.8 percent, decreases in expenditures of \$37.6 or 10.7 percent and net decreases in other financing sources and uses of (\$2.7) or 1.0 percent. The increase in revenues is mostly related to the increase in Federal Receipt for GERVEE bonds of \$17.9 or 53.70 percent. Federal Receipt for GARVEE bonds were \$33.4 in fiscal year 2013 compared to \$51.3 in fiscal year 2014.

Proprietary funds: The Route 460 Funding Corporation of Virginia ended the fiscal year 2014 with a deficit off (\$21.0) compared to a deficit of (\$9.0) in fiscal year 2013 an increases of (\$12.0). The increase in deficit balance of \$12.0 is due to the operating and the non-operating expenditures exceeding the operating and the non-operating revenues in the first fiscal year 2014. This deficit relates mostly to the interest expense of \$11.8 on the Series 2012A bonds.

Special Revenue Fund Budgetary Highlights

Virginia Department of Transportation Budget Comparison Summary Special Revenue Fund For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Taxes	\$ 2,619.6	\$ 2,619.6	\$ 2,544.7	\$ (74.9)
Intergovernmental	867.3	934.3	1,245.6	311.3
Other	642.5	642.5	546.7	(95.8)
Total	<u>4,129.4</u>	<u>4,196.4</u>	<u>4,337.1</u>	<u>140.7</u>
Expenditures	<u>4,306.7</u>	<u>4,503.2</u>	<u>4,417.9</u>	<u>85.3</u>
Revenues over (under) expenditures	(177.3)	(306.8)	(80.8)	226.0
Other sources	<u>410.0</u>	<u>410.8</u>	<u>(93.9)</u>	<u>(504.7)</u>
Revenues and other sources over (under) expenditures	232.7	104.0	(174.7)	(278.7)
Fund balance - July 1 (as restated)	<u>2,217.3</u>	<u>2,217.3</u>	<u>2,217.3</u>	<u>-</u>
Fund balance - June 30	<u>\$ 2,450.0</u>	<u>\$ 2,321.3</u>	<u>\$ 2,042.6</u>	<u>\$ (278.7)</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 activities as of June 30, 2014 amounts to \$23,416.8 (net of accumulated depreciation.) This investment in capital assets includes land, buildings, improvements, equipment, and highway infrastructure. The total increase in the Virginia Department of Transportation's investment in capital assets for the current fiscal year was 4.3 percent.

**Virginia Department of Transportation
Capital Assets
as of June 30, 2014 and 2013
(net of depreciation)**

	Governmental activities		Business-type activities		Total	
	2014	2013*	2014	2013	2014	2013*
Depreciable Capital Assets:						
Buildings and improvements	\$ 276.8	\$ 268.2	\$ -	\$ -	\$ 276.8	\$ 268.2
Equipment	156.6	133.3	-	-	156.6	133.3
Total Depreciable Capital Assets	433.4	401.5	-	-	433.4	401.5
Non Depreciable Capital Assets:						
Land and improvements	26.4	26.5	-	-	26.4	26.5
Construction in process	65.5	87.1	128.9	56.3	194.4	143.4
Total Non Depreciable Capital Assets	91.9	113.6	128.9	56.3	220.8	169.9
Infrastructure Assets:						
Highway right-of-way, non-depreciable	2,537.9	2,465.7	-	-	2,537.9	2,465.7
Highway system infrastructure	10,831.2	10,870.0	-	-	10,831.2	10,870.0
Restorative maintenance	3,820.9	3,059.0	-	-	3,820.9	3,059.0
Bridge and tunnel infrastructure	2,389.9	2,361.7	-	-	2,389.9	2,361.7
Infrastructure work in process	3,311.6	3,171.8	-	-	3,311.6	3,171.8
Total Infrastructure assets	22,891.5	21,928.2	-	-	22,891.5	21,928.2
Total Assets	\$ 23,416.8	\$ 22,443.3 *	\$ 128.9	\$ 56.3	\$ 23,545.7	\$22,499.6 *

* For Fiscal year 2014, capital asset beginning balances of governmental activities were restated by \$52.2 million due to the capitalization of restorative maintenance project expenditures from prior years previously not capitalized. Additional information on the Virginia Department of Transportation's capital assets can be found in Note 12 of the financial statements.

Long-term debt – Bonds Payable: At the end of the current fiscal year, the Commonwealth Transportation Board (CTB) Governmental activities had total bonded debt outstanding of \$2,927.6 related to governmental activities. Of this amount, \$19.1 comprises debt backed by the full faith, credit, and taxing power of the Commonwealth. The majority, \$2,908.5 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. The \$317.3 of Toll Road Revenue Bonds reported under business-type activities is limited obligation of the Route 460 Corporation of Virginia.

**Virginia Department of Transportation
Outstanding Bonds
as of June 30, 2014 and 2013**

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
General Obligation Bonds:						
Section 9(c) debt	\$ 19.1	\$ 21.4	\$ -	\$ -	\$ 19.1	\$ 21.4
Total General Obligation Bonds	<u>19.1</u>	<u>21.4</u>	<u>-</u>	<u>-</u>	<u>19.1</u>	<u>21.4</u>
Section 9(d) debt						
Transportation Revenue Bonds	2,849.4	2,732.1	-	-	2,849.4	2,732.1
Federal Highway Reimbursement Anticipation Notes	<u>59.1</u>	<u>86.6</u>	<u>-</u>	<u>-</u>	<u>59.1</u>	<u>86.6</u>
Total Section 9(d) debt	<u>2,908.5</u>	<u>2,818.7</u>	<u>-</u>	<u>-</u>	<u>2,908.5</u>	<u>2,818.7</u>
Route 460 Toll Road Revenue Bonds	<u>-</u>	<u>-</u>	<u>317.3</u>	<u>314.7</u>	<u>317.3</u>	<u>314.7</u>
	<u>-</u>	<u>-</u>	<u>317.3</u>	<u>314.7</u>	<u>317.3</u>	<u>314.7</u>
Total Bonds Payable	<u>\$ 2,927.6</u>	<u>\$ 2,840.1</u>	<u>\$ 317.3</u>	<u>\$ 314.7</u>	<u>\$ 3,244.9</u>	<u>\$ 3,154.8</u>

The Commonwealth Transportation Board’s bonds debt, from governmental activities, increased from \$2,840.1 in fiscal year 2013 to \$2,927.6 in fiscal year 2014, an increase of \$87.6 or 3.1 percent. The increase in bond debt is primarily due to the issuances of the GARVEE Series 2013A of \$273.4, Route 58, Series 2014B of 143.4, NVTD, Series 2014A of \$54.6, and the \$2.3 in accreted bond principal of the Route 28 Capital Appreciation Bond. The increase in long-term is reduced by the principal debt payments of \$163.3 and the advance refunding of \$222.8 for bonds principal in fiscal year 2014. The Department’s outstanding long-term debt for the Route 460 Corporation of Virginia increased from \$314.7 in fiscal year 2013 to \$317.3 in fiscal year 2014, an increase of \$2.6. This is reported under the business-type activities above.

Long-term debt-Notes Payable: At the end of the current fiscal year, the Commonwealth Transportation Board (CTB) had total outstanding notes debt balance of \$50.2 from the governmental activities. The entire amount of the debt, \$50.2, which is comprised of the Camp 30 notes is not the Commonwealth of Virginia obligations and as a result is not backed by the full faith and credit of the Commonwealth of Virginia.

**Virginia Department of Transportation
Outstanding Notes
as of June 30, 2014 and 2013**

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Section 9(d) debt						
Chesterfield County Notes	-	8.0	-	-	-	8.0
Camp 30 Notes Payable	<u>50.2</u>	<u>74.8</u>	<u>-</u>	<u>-</u>	<u>50.2</u>	<u>74.8</u>
Total Section 9(d) debt	<u>50.2</u>	<u>82.8</u>	<u>-</u>	<u>-</u>	<u>50.2</u>	<u>82.8</u>
Toll Road Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Notes Payable	<u>\$ 50.2</u>	<u>\$ 82.8</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50.2</u>	<u>\$ 82.8</u>

The Commonwealth Transportation Board's notes debt, from governmental activities, decreased by \$32.7 in fiscal year 2014. The decrease was attributed to the retirement of the principal amount of the existing debt \$13.7 and the advance refunding of \$74.8 for notes principal in fiscal year 2014. The decrease in long-term notes payable was reduced by the issuances of the camp 30, Series 2014 of \$55.9. The Department has no outstanding notes payable for business-type activities in fiscal year 2014 to disclose.

Additional information on the Virginia Department of Transportation's long-term liabilities can be found in Note 7 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 (VDOT) both directly and indirectly. The following are key issues or events that are impacting future fiscal years governmental activities:

- The progression of the recovery from the recession continues, challenging the future revenue outlook.
- Transportation Department revenues and other financing sources are anticipated to be \$4.4 billion, a six percent decrease from the FY 2014 Revised Budget. Excluding financing sources from bond revenues in FY 2014, transportation revenues are up one percent in FY 2015. Fiscal Year 2015 represents the second year of the additional revenues provided by HB 2313.
- Construction fund transfers continue to support the activities of the Highway Maintenance and Operating Fund. The anticipated crossover for FY 2015 is \$265 million.
- Substantial revenues were dedicated to the regions of the state that experience major traffic congestion and great transportation needs by HB 2313. Northern Virginia and

Hampton Roads were provided dedicated revenue streams to focus on their transportation needs. The estimated revenue for the regions for FY 2015 totals \$455 million.

The above Economic Factors have been considered in the preparation of the Virginia Department of Transportation's fiscal year 2015-2020 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.

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FINANCIAL REPORT

JUNE 30, 2014

BASIC FINANCIAL STATEMENTS

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**Government-wide
Financial Statements**

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**Virginia Department of Transportation
Statement of Net Position
June 30, 2014**

	Primary Government		
	Governmental Activities	Business - Type Activities	Total
Assets and Deferred Outflows of Resources :			
Cash and cash equivalents with the Treasurer of Virginia (Note 14)	\$ 1,402,616,166		\$ 1,402,616,166
Cash and cash equivalents with trustees (Note 14)	588,656,269	\$ 142,308,075	730,964,344
Investments with trustees (Note 14)	40,782,725	36,284,666	77,067,391
Cash and cash equivalents for collateral held for securities lending (Note 14)	128,510,217		128,510,217
Investments for collateral held for securities lending (Note 14)	4,160,724		4,160,724
Advance fund	254,538		254,538
Receivables: (Net)			
Federal government	63,646,982		63,646,982
Cities, counties, and towns	12,719,884		12,719,884
State agencies	1,824,658		1,824,658
Loans & Other	84,277,849	199,669	84,477,518
Taxes	90,396,405		90,396,405
Prepaid expense		56,675	56,675
Bond interest receivable	10,150,050		10,150,050
Capitalized bond discounts	100,419		100,419
Inventory (Note 1- G)	55,534,110		55,534,110
Depreciable Capital Assets, Net (Note 12)	433,437,044		433,437,044
Infrastructure, net (Note 12)	17,041,920,864		17,041,920,864
Infrastructure non deprec. (Note 12)	2,537,954,000		2,537,954,000
Infrastructure, Work in Process (Note 12)	3,311,624,166	128,901,703	3,440,525,869
Non Depreciable Capital Assets (Note 12)	91,915,064		91,915,064
Total assets	<u>25,900,482,134</u>	<u>307,750,788</u>	<u>26,208,232,922</u>
Deferred Outflows of Resources (Note 1- I)	<u>2,657,347</u>	<u>-</u>	<u>2,657,347</u>
Total Assets and Deferred Outflows	<u>\$ 25,903,139,481</u>	<u>\$ 307,750,788</u>	<u>\$ 26,210,890,269</u>
Liabilities and Deferred Inflows of Resources :			
Accounts payable	238,585,657	5,573,738	244,159,395
Deposits payable	55,983,438		55,983,438
Payable for collateral held for securities lending	132,670,941		132,670,941
Premium on bonds payable	273,206,238		273,206,238
Premium on notes payable	7,456,363		7,456,363
Accrued liabilities	32,923,877		32,923,877
Retainage on contracts	4,151,444		4,151,444
Non Current Liabilities			
Bond interest payable	23,037,258	5,862,956	28,900,214
Note interest payable	299,969		299,969
Pollution remediation obligations (Note 7)			
Expected to be paid within one year	547,000		547,000
Expected to be paid after one year	1,974,000		1,974,000
Compensated absences (Note 1- J and Note 7)			
Expected to be paid within one year	33,035,675		33,035,675
Expected to be paid after one year	25,898,078		25,898,078
Bonds Payable (Note 7)			
Portion due within one year	172,765,000		172,765,000
Portion due after one year	2,754,872,021	317,305,061	3,072,177,082
Notes Payable (Note 7)			
Portion due within one year	5,425,000		5,425,000
Portion due after one year	44,740,000		44,740,000
Total liabilities	<u>3,807,571,959</u>	<u>328,741,755</u>	<u>4,136,313,714</u>
Deferred inflows of Resources (Note 1- I)	<u>1,580,578,968</u>	<u>-</u>	<u>1,580,578,968</u>
Total Liabilities and Deferred Inflows	<u>5,388,150,927</u>	<u>328,741,755</u>	<u>5,716,892,682</u>
Net Position			
Net Investment in Capital Assets	21,321,596,639	(21,252,524)	21,300,344,115
Restricted for			
Bond Financed Road			
Construction	644,116,473		644,116,473
Capital Acquisition	6,766,083		6,766,083
Debt service	44,073,937		44,073,937
Transportation Infrastructure Bank	320,639,036		320,639,036
Unrestricted	(1,822,203,614)	261,557	(1,821,942,057)
Total Net Position	<u>\$ 20,514,988,554</u>	<u>\$ (20,990,967)</u>	<u>\$ 20,493,997,587</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, 2014**

Functions, Programs	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
Primary Government							
Governmental Activities							
Administrative and support services and research	\$ 233,520,887	\$ -	\$ -	\$ 32,767	\$ (233,488,120)	\$ -	\$ (233,488,120)
Ground transportation system planning	59,465,068	-	-	-	(59,465,068)	-	(59,465,068)
Highway system acquisition and construction	742,943,822	38,246,745	-	1,521,196,662	816,499,585	-	816,499,585
Highway system maintenance	1,465,711,407	309,667,082	-	2,535,534	(1,153,508,791)	-	(1,153,508,791)
Financial assistance to localities	941,457,469	-	-	-	(941,457,469)	-	(941,457,469)
Environmental monitoring and compliance	3,792,546	-	-	-	(3,792,546)	-	(3,792,546)
Toll facilities operations and construction	27,010,641	31,411,788	-	-	4,401,147	-	4,401,147
Unallocated Depreciation	14,768,751	-	-	-	(14,768,751)	-	(14,768,751)
(excludes direct depreciation)							
Transfers to other state agencies (Note 1)	34,806,747	-	-	-	(34,806,747)	-	(34,806,747)
Total Governmental Activities	3,523,477,338	379,325,615	-	1,523,764,963	(1,620,386,760)	-	(1,620,386,760)
Business-Type Activities							
Route 460 Funding Corporation of Virginia	447,520	-	-	-	-	\$ (447,520)	(447,520)
Administrative	81,424,818	-	-	-	-	(81,424,818)	(81,424,818)
Construction Costs	81,424,818	-	-	-	-	(81,872,338)	(81,872,338)
Total Business-Type Activities							
	\$ 3,523,477,338	\$ 379,325,615	\$ -	\$ 1,523,764,963	\$ (1,620,386,760)	\$ (81,872,338)	\$ (1,702,259,098)

Total Primary Government

GENERAL REVENUES						
Taxes						
Motor Vehicle Fuel Tax	646,150,820					646,150,820
Road Use Tax	6,922,947					6,922,947
Sales and Use Tax	922,608,990					922,608,990
MV Sales and Use Tax	744,449,130					744,449,130
MV Rental Tax	6,562,219					6,562,219
Aviation Fuel Tax	1,665,672					1,665,672
Premiums on Insurance	130,768,506					130,768,506
Other Taxes	58,217,752					58,217,752
Investment Earnings	8,737,930			629,055		9,366,985
Other Revenues	19,938,763					19,938,763
Gain on sales	4,703,931					4,703,931
Transfers to other State Agencies and Gen Fund (Note 1)	(157,108,442)					(157,108,442)
Transfers from other State Agencies and Gen Fund (Note 1)	20,406,966					20,406,966
Other Financing Sources (Uses)	(1,326,225)			69,210,457		67,884,232
Total General Revenues	2,412,898,959			69,839,512		2,482,538,471
Special Items and Transfers						
Change in Net Position	792,312,199			(12,032,826)		780,279,373
Net Position, July 1 as restated (Note 2)	19,722,676,355			(8,958,141)		19,713,718,214
Net Position, June 30	\$ 20,514,988,554			\$ (20,990,967)		\$ 20,493,997,587

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 for specified transportation projects throughout the Commonwealth. This fund also provides debt service funding in support of various debt financed projects.

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 provide advance funding for eligible construction projects and support debt service of the toll facilities and other bond funds.

ARRA Projects Fund accounts for the revenue and expenditures related to federal stimulus projects and grants under the American Recovery and Reinvestment Act of 2009.

Capital Projects Revenue Bonds Fund accounts for the bond proceeds, investment revenue, and expenditures related to the transportation projects pursuant to Section 33.1-23.4:01 of the Code of VA under the Commonwealth Transportation Capital Project Bond Act of 2007. This fund was classified as a nonmajor fund in previous years

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 Position.

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.

Capital Projects Revenue Bonds Fund accounts for the accumulation of resources for and payment of the general long-term debt principal and interest on bonds of the Capital Projects Revenue Bonds Funds.

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

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
 COMBINING BALANCE SHEET GOVERNMENTAL FUNDS
 SPECIAL REVENUE
 June 30, 2014

	HIGHWAY MAINTENANCE & OPERATING	FEDERAL	CONSTRUCTION
<u>Assets and Deferred Outflows of Resources</u>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$ 147,927,381	\$ -	\$ 247,989,522
Cash and cash equivalents with trustees (Note 14)	-	-	-
Investments with trustees (Note 14)	-	-	-
Cash and cash equivalents for collateral held for securities lending (Note 14)	-	-	-
Investments for collateral held for securities lending (Note 14)	-	-	-
Advance fund	226,038	-	10,000
Receivables: (net)			
Federal government	-	60,238,928	-
Cities, counties, and towns	456,681	-	12,263,203
State agencies	756,406	-	1,068,252
Loans & other	8,584,809	-	11,852,029
Taxes receivable	47,919,565	-	40,081,356
Due from other funds (Note 10)	-	21,458,408	50,564,909
Due from agencies	-	-	-
Inventory (Note 1 G)	44,895,929	-	11,600
Total assets	250,766,809	81,697,336	363,840,871
Deferred Outflows of Resources (Notes 1- 1)	3,691,267	20,069,862	12,185,883
Total Assets and Deferred Outflows	\$ 254,458,076	\$ 101,767,198	\$ 376,026,754
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Accounts payable	\$ 93,819,865	\$ 55,913,527	64,721,530
Deposits payable	13,710,415	-	175,173
Payable to component unit	-	-	-
Payable for collateral held for securities lending	-	-	-
Due to other agencies	-	-	-
Due to other funds (Note 10)	21,105,000	25,783,809	78,961,112
Liability for compensated absences	106,755	-	25,398
Accrued liabilities	26,414,849	-	6,412,317
Retainage on contracts	2,292,593	-	1,735,209
Total liabilities	157,449,477	81,697,336	152,030,739
Deferred Inflows of Resources (Notes 1- 1)	12,952,753	20,069,862	30,446,082
Total Liabilities and Deferred Inflows	\$ 170,402,230	\$ 101,767,198	\$ 182,476,821
Fund Balances (Note 3)			
Nonspendable	53,480,738	-	11,863,629
Restricted	-	-	-
Committed	30,575,108	-	181,686,304
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	84,055,846	-	193,549,933
Total liabilities, deferred inflows and fund balances	\$ 254,458,076	\$ 101,767,198	\$ 376,026,754

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING BALANCE SHEET GOVERNMENTAL FUNDS
 SPECIAL REVENUE
 June 30, 2014

	PRIORITY TRANSPORTATION FUND	TOLL FACILITIES REVOLVING	ARRA PROJECTS
<u>Assets and Deferred Outflows of Resources</u>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$ 103,042,963	\$ 211,545,047	\$ 9,830,015
Cash and cash equivalents with trustees (Note 14)	-	7,839,846	-
Investments with trustees (Note 14)	-	-	-
Cash and cash equivalents for collateral held for securities lending (Note 14)	10,310,026	55,251,912	-
Investments for collateral held for securities lending (Note 14)	333,804	1,788,869	-
Advance fund	-	-	-
Receivables: (net)			
Federal government	-	-	3,408,054
Cities, counties, and towns	-	-	-
State agencies	-	-	-
Loans & other	-	34,429,174	139,511
Taxes receivable	2,395,484	-	-
Due from other funds (Note 10)	-	152,317,135	-
Due from agencies	-	-	-
Inventory (Note 1 G)	-	10,626,582	-
Total assets	116,082,277	473,798,565	13,377,580
Deferred Outflows of Resources (Notes 1- I)	-	1,508,604	2,467,730
Total Assets and Deferred Outflows	\$ 116,082,277	\$ 475,307,169	\$ 15,845,310
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Accounts payable	\$ -	\$ 10,593,040	\$ 3,426,480
Deposits payable	-	42,097,850	-
Payable to component unit	-	-	-
Payable for collateral held for securities lending	10,643,830	57,040,781	-
Due to other agencies	-	-	-
Due to other funds (Note 10)	-	-	10,000,000
Liability for compensated absences	-	-	-
Accrued liabilities	-	-	-
Retainage on contracts	-	-	54,083
Total liabilities	10,643,830	109,731,671	13,480,563
Deferred Inflows of Resources (Notes 1- I)	-	162,425	2,435,494
Total Liabilities and Deferred Inflows	\$ 10,643,830	\$ 109,894,096	\$ 15,916,057
Fund Balances (Note 3)			
Nonspendable	-	45,055,756	139,511
Restricted	-	-	-
Committed	105,438,447	320,357,317	-
Assigned	-	-	-
Unassigned	-	-	(210,258)
Total fund balances	105,438,447	365,413,073	(70,747)
Total liabilities, deferred inflows and fund balances	\$ 116,082,277	\$ 475,307,169	\$ 15,845,310

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING BALANCE SHEET GOVERNMENTAL FUNDS
 SPECIAL REVENUE
 June 30, 2014

CAPITAL PROJECTS REVENUE BONDS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	Special Revenue Funds Totals	
		June 30, 2014	Restated June 30, 2013

Assets and Deferred Outflows of Resources

Cash and cash equivalents				
with the Treasurer of Virginia (Note 14)	\$ 562,882	\$ 681,452,431	\$ 1,402,350,241	\$ 1,384,818,822
Cash and cash equivalents with trustees (Note 14)	227,122,738	309,885,673	544,848,257	756,672,160
Investments with trustees (Note 14)	40,782,725	-	40,782,725	52,276,966
Cash and cash equivalents for collateral held for securities lending (Note 14)	53,516	62,894,763	128,510,217	120,277,357
Investments for collateral held for securities lending (Note 14)	1,733	2,036,318	4,160,724	6,485,075
Advance fund	-	18,500	254,538	258,620
Receivables: (net)				
Federal government	-	-	63,646,982	71,262,864
Cities, counties, and towns	-	-	12,719,884	6,150,066
State agencies	-	-	1,824,658	1,888,470
Loans & other	-	29,272,326	84,277,849	50,941,773
Taxes receivable	-	-	90,396,405	122,427,823
Due from other funds (Note 10)	-	-	224,340,452	207,219,893
Due from agencies	-	-	-	725,231
Inventory (Note 1 G)	-	-	55,534,111	65,438,466
Total assets	268,523,594	1,085,560,011	2,653,647,043	2,846,843,586
Deferred Outflows of Resources (Notes 1- I)	-	19,286	39,942,632	30,484,659
Total Assets and Deferred Outflows	\$ 268,523,594	\$ 1,085,579,297	2,693,589,675	2,877,328,245

Liabilities, Deferred Inflows of Resources and Fund Balances

Accounts payable	\$ -	\$ 10,111,215	\$ 238,585,657	\$ 280,574,111
Deposits payable	-	-	55,983,438	46,968,700
Payable to component unit	-	-	-	21,703,034
Payable for collateral held for securities lending	55,249	64,931,081	132,670,941	126,762,432
Due to other agencies	-	-	-	26,000,000
Due to other funds (Note 10)	-	88,490,531	224,340,452	207,219,893
Liability for compensated absences	-	410	132,563	40,664
Accrued liabilities	-	96,711	32,923,877	30,873,112
Retainage on contracts	-	69,559	4,151,444	3,863,961
Total liabilities	55,249	163,699,507	688,788,372	744,005,907
Deferred Inflows of Resources (Notes 1- I)	-	19,190	66,085,806	37,806,617
Total Liabilities and Deferred Inflows	\$ 55,249	\$ 163,718,697	\$ 754,874,178	\$ 781,812,524
Fund Balances (Note 3)				
Nonspendable	-	29,272,326	139,811,960	141,969,692
Restricted	-	-	-	-
Committed	268,468,345	961,315,001	1,867,695,745	2,020,258,658
Assigned	-	-	-	-
Unassigned	-	(68,726,727)	(68,792,208)	(66,712,629)
Total fund balances	268,468,345	921,860,600	1,938,715,497	2,095,515,721
Total liabilities, deferred inflows and fund balances	\$ 268,523,594	\$ 1,085,579,297	\$ 2,693,589,675	\$ 2,877,328,245

The accompanying notes are an integral part of this financial statement

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VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING BALANCE SHEET
 DEBT SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

NORTHERN VA. TRANSP.												
ROUTE 58	ROUTE 28	DISTRICT	COLEMAN BRIDGE	FRAN - DEBT SERVICE FUND	CAPITAL PROJECTS REVENUE BONDS	GARVEE	TRANSPORTATION SET ASIDE	CAMP 30	Powhite Parkway/Extension	TOTALS		
\$ -	\$ -	\$ -	\$ 265,925	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 265,925		
14	18	10	-	22,347,008	7	21,460,916	1	-	-	43,808,012		
\$ 14	\$ 18	\$ 10	\$ 265,925	\$ 22,347,008	\$ 7	\$ 21,460,916	\$ 1	\$ -	\$ -	\$ 44,073,937		
\$ -	\$ -	\$ -	\$ 265,925	\$ 22,347,008	\$ 7	\$ 21,460,916	\$ 1	\$ -	\$ -	\$ 44,073,937		
\$ 14	\$ 18	\$ 10	\$ 265,925	\$ 22,347,008	\$ 7	\$ 21,460,916	\$ 1	\$ 38	\$ -	\$ 44,073,937		
\$ 14	\$ 18	\$ 10	\$ 265,925	\$ 22,347,008	\$ 7	\$ 21,460,916	\$ 1	\$ 38	\$ -	\$ 44,073,937		

ASSETS

Cash with the Treasurer of Virginia
 Cash equivalents not with the Treasurer of Virginia
Total assets

LIABILITIES AND FUND EQUITY

Liabilities:
 Fund balances
Total Liabilities and Fund Equity

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**VIRGINIA DEPARTMENT OF TRANSPORTATION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014**

	SPECIAL REVENUE	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS JUNE 30, 2014
<u>Assets and Deferred Outflows of Resources</u>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$ 1,402,350,241	\$ 265,925	\$ 1,402,616,166
Cash and cash equivalents with trustees (Note 14)	544,848,257	43,808,012	588,656,269
Investments with Trustees (Note 14)	40,782,725	-	40,782,725
Cash and cash equivalents for collateral held for securities lending (Note 14)	128,510,217	-	128,510,217
Investments for collateral held for securities lending (Note 14)	4,160,724	-	4,160,724
Advance fund	254,538	-	254,538
Receivables: (Net)			
Federal government	63,646,982	-	63,646,982
Localities and private sector	12,719,884	-	12,719,884
State agencies	1,824,658	-	1,824,658
Loans & Other	84,277,849	-	84,277,849
Taxes Receivable	90,396,405	-	90,396,405
Due from other funds (Note 10)	224,340,452	-	224,340,452
Inventory (Note 1G)	55,534,111	-	55,534,111
Total assets	<u>2,653,647,043</u>	<u>44,073,937</u>	<u>2,697,720,980</u>
Deferred Outflows of Resources (Note 1 - I)	39,942,632	-	39,942,632
Total Assets and Deferred Outflows	<u>\$ 2,693,589,675</u>	<u>\$ 44,073,937</u>	<u>\$ 2,737,663,612</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Accounts payable	\$ 238,585,657	-	\$ 238,585,657
Deposits payable	55,983,438	-	55,983,438
Payable for collateral held for securities lending	132,670,941	-	132,670,941
Due to other funds (Note 10)	224,340,452	-	224,340,452
Compensated absences payable	132,563	-	132,563
Accrued liabilities	32,923,877	-	32,923,877
Retainage on contracts	4,151,444	-	4,151,444
Total liabilities	<u>688,788,372</u>	<u>-</u>	<u>688,788,372</u>
Deferred Inflows of Resources (Note 1- I)	66,085,806	-	66,085,806
Total Liabilities and Deferred Inflows.	<u>\$ 754,874,178</u>	<u>\$ -</u>	<u>\$ 754,874,178</u>
<u>Fund Balances (Note 3)</u>			
Nonspendable	139,811,960	-	139,811,960
Restricted	-	44,073,937	44,073,937
Committed	1,867,695,745	-	1,867,695,745
Assigned	-	-	-
Unassigned	(68,792,208)	-	(68,792,208)
Total Fund Balances	<u>1,938,715,497</u>	<u>44,073,937</u>	<u>1,982,789,434</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 2,693,589,675</u>	<u>\$ 44,073,937</u>	<u>\$ 2,737,663,612</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 Position
June 30, 2014**

Total fund balances - governmental funds \$ 1,982,789,434

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 of the primary government.

Land and Non depreciable capital assets	\$	91,915,064	
Equipment and Buildings		832,013,855	
Infrastructure assets		35,883,406,788	
Accumulated Depreciation		<u>(13,390,484,569)</u>	
Total capital assets			23,416,851,138

Accrued bond interest receivable and capitalized bond discounts 10,250,468

Long term liabilities applicable to the primary government's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities. All liabilities both current and long term, are reported in the Statement of Net Assets.

Bond and notes payable		(2,977,802,021)	
Interest payable		(23,337,227)	
Premium payable		(280,662,601)	
Pollution remediation obligation		(2,521,000)	
Compensated absences		<u>(58,801,190)</u>	
Total liabilities			<u>(3,343,124,039)</u>

Other long term payables are not due and payable in the current period and, therefore are deferred in the funds. (37,285,285)

Deferred inflows associated with Service Concession Arrangement are long-term in nature and therefore not reported in the funds, (1,514,493,162)

Net position of governmental activities \$ 20,514,988,554

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**VIRGINIA DEPARTMENT OF TRANSPORTATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2014**

	HIGHWAY MAINTENANCE & OPERATING	FEDERAL	CONSTRUCTION
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$ 950,000	\$ -	\$ -
Taxes	1,291,692,550	-	673,430,494
Rights and privileges	299,648,573	-	26,850,806
Sale of property and commodities	3,352,533	-	4,703,931
Interest, dividends and rents	69,312	-	5,774,870
Fines, forfeitures, court fees, penalties, and escheats	6,596,663	-	85,360
Federal grants and contracts	-	1,169,374,455	-
Receipts from localities and private sector	1,129,858	-	77,196,597
Toll revenue	-	-	-
Other revenue	14,415,743	-	18,335
Total revenue	<u>1,617,855,232</u>	<u>1,169,374,455</u>	<u>788,060,393</u>
Expenditures			
Current:			
Administrative and support services	218,785,996	5,314,935	964,329
Ground transportation system planning and research	7,494,497	15,471,431	36,268,947
Highway system acquisition and construction	-	798,045,372	392,185,560
Highway system maintenance	1,343,023,041	359,221,196	-
Financial assistance to localities	406,912,766	6,022,803	4,916,601
Environmental monitoring and compliance	-	-	12,035,042
Toll facilities operations and construction	-	-	-
Capital Outlay	-	-	7,357,497
Transfers to other state agencies (Note 11)	34,666,214	-	140,533
Total expenditures	<u>2,010,882,514</u>	<u>1,184,075,737</u>	<u>453,868,509</u>
Revenues over (under) expenditures	<u>(393,027,282)</u>	<u>(14,701,282)</u>	<u>334,191,884</u>
Other financing sources (uses)			
Other financing sources (uses)	-	-	-
Bond Proceeds	-	-	-
Insurance recoveries	-	-	-
Transfers to other state agencies and General Fund (Note 11)	(14,635,266)	-	(18,770,609)
Transfers from other state agencies and General Fund (Note 11)	-	14,701,282	4,623,389
Transfers in (Note 11)	421,591,115	39,991,642	100,000,000
Transfers out (Note 11)	(107,822,259)	(39,991,642)	(456,756,581)
Total other financing sources (uses)	<u>299,133,590</u>	<u>14,701,282</u>	<u>(370,903,801)</u>
Net Change in Fund Balance	(93,893,692)	-	(36,711,917)
Beginning fund balance - July 1, as restated (Note 2)	177,949,538	-	230,261,850
Ending fund balance - June 30	<u>\$ 84,055,846</u>	<u>\$ -</u>	<u>\$ 193,549,933</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
GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2014**

	PRIORITY TRANSPORTATION FUND	TOLL FACILITIES REVOLVING	ARRA PROJECTS
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -
Taxes	158,936,858	-	-
Rights and privileges	-	11,782,325	-
Sale of property and commodities	-	-	-
Interest, dividends and rents	1,144,813	4,802,037	-
Fines, forfeitures, court fees, penalties, and escheats	-	2,901,529	-
Federal grants and contracts	-	-	41,157,869
Receipts from localities and private sector	-	-	-
Toll revenue	-	-	-
Other revenue	-	-	-
Total revenue	160,081,671	19,485,891	41,157,869
Expenditures			
Current:			
Administrative and support services	-	-	9,674
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	2,760,566	-	39,950,789
Highway system maintenance	-	-	-
Financial assistance to localities	-	-	-
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	-	17,730,844	-
Capital Outlay	-	-	-
Transfers to other state agencies (Note 11)	-	-	-
Total expenditures	2,760,566	17,730,844	39,960,463
Revenues over (under) expenditures	157,321,105	1,755,047	1,197,406
Other financing sources (uses)			
Other financing sources (uses)	(858,994)	-	-
Bond Proceeds	-	-	-
Insurance recoveries	-	-	-
Transfers to other state agencies and General Fund (Note 11)	-	-	-
Transfers from other state agencies and General Fund (Note 11)	-	-	-
Transfers in (Note 11)	-	790,694	-
Transfers out (Note 11)	(143,766,054)	(22,455)	-
Total other financing sources (uses)	(144,625,048)	768,239	-
Net Change in Fund Balance	12,696,057	2,523,286	1,197,406
Beginning fund balance - July 1, as restated (Note 2)	92,742,390	362,889,787	(1,268,153)
Ending fund balance - June 30	\$ 105,438,447	\$ 365,413,073	\$ (70,747)

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
GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2014**

	CAPITAL PROJECTS REVENUE BONDS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	Totals Special Revenue Funds	
			JUNE 30, 2014	JUNE 30, 2013 (Restated)
Revenues				
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ 58,996,800	\$ 59,946,800	\$ 61,407,317
Taxes	-	406,141,480	2,530,201,382	1,927,457,879
Rights and privileges	-	5,704,970	343,986,674	335,051,374
Sale of property and commodities	-	-	8,056,464	3,841,855
Interest, dividends and rents	917,402	4,768,827	17,477,261	24,472,117
Fines, forfeitures, court fees, penalties, and escheats	-	-	9,583,552	9,524,736
Federal grants and contracts	-	7,683,920	1,218,216,244	1,425,076,303
Receipts from localities and private sector	-	1,756,070	80,082,525	67,435,376
Toll revenue	-	16,727,934	16,727,934	16,531,513
Other revenue	-	3,204,557	17,638,635	36,785,344
Total revenue	917,402	504,984,558	4,301,917,471	3,907,583,814
Expenditures				
Current:				
Administrative and support services	-	-	225,074,934	210,247,986
Ground transportation system planning and research	-	-	59,234,875	52,740,955
Highway system acquisition and construction	137,530,810	249,800,461	1,620,273,558	1,597,681,959
Highway system maintenance	-	-	1,702,244,237	1,631,469,964
Financial assistance to localities	-	242,087,503	659,939,673	411,302,568
Environmental monitoring and compliance	-	-	12,035,042	11,165,247
Toll facilities operations and construction	-	7,305,851	25,036,695	22,677,944
Capital Outlay	-	944,599	8,302,096	14,854,233
Transfers to other state agencies (Note 11)	-	-	34,806,747	31,083,865
Total expenditures	137,530,810	500,138,414	4,346,947,857	3,983,224,721
Revenues over (under) expenditures	(136,613,408)	4,846,144	(45,030,386)	(75,640,907)
Other financing sources (uses)				
Other financing sources (uses)	(36,751)	(430,480)	(1,326,225)	1,470,038
Bond Proceeds	-	307,659,072	307,659,072	144,268,808
Insurance recoveries	-	-	-	-
Transfers to other state agencies and General Fund (Note 11)	(123,702,567)	-	(157,108,442)	(202,093,543)
Transfers from other state agencies and General Fund (Note 11)	-	1,082,295	20,406,966	45,658,869
Transfers in (Note 11)	-	14,984,004	577,357,455	484,813,751
Transfers out (Note 11)	(3,816,532)	(106,583,141)	(858,758,664)	(750,610,610)
Total other financing sources (uses)	(127,555,850)	216,711,750	(111,769,838)	(276,492,687)
Net Change in Fund Balance	(264,169,258)	221,557,894	(156,800,224)	(352,133,594)
Beginning fund balance - July 1, as restated (Note 2)	532,637,603	700,302,706	2,095,515,721	2,447,649,315
Ending fund balance - June 30	\$ 268,468,345	\$ 921,860,600	\$ 1,938,715,497	\$ 2,095,515,721

The accompanying notes are an integral part of this financial statement

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VIRGINIA DEPARTMENT OF TRANSPORTATION
 DETAILED COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND STATEMENT OF CHANGES IN FUND BALANCES
 DEBT SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	ROUTE 58	ROUTE 28	NORTHERN VA. TRANSP. DISTRICT	COLEMAN BRIDGE	FRAN.-DEBT SERVICE FUND	CAPITAL PROJECTS REVENUE	GARVEE	TRANSPORTATION SET ASIDE	CAMP 30	POWHITE PARKWAY EXTENSION	TOTALS
Revenues											
Interest	\$ 19	\$ -	\$ 13	\$ 144	\$ 1,166	\$ 13	\$ 1,048	\$ 1	\$ 47	\$ -	\$ 2,451
Federal Receipts	-	-	-	-	-	-	51,295,733	-	-	-	51,295,733
Receipts from Cities, Counties and Towns	-	7,209,717	-	-	-	-	-	-	-	-	7,209,717
Total revenues	19	7,209,717	13	144	1,166	13	51,296,781	1	47	0	58,507,901
Expenditures											
Debt service:											
Charges Related to New Bonds											
Bond Issuance Costs	260,846	-	98,013	-	-	-	-	-	233,045	-	591,904
Under Writer's Discount	214,919	-	84,440	-	-	-	-	-	113,917	-	413,276
Total Charges	475,765	0	182,453	0	0	0	0	0	346,962	0	1,005,190
Interest Payment- Bonds	14,514,238	1,779,719	11,250,267	900,600	3,556,238	76,841,855	22,940,733	791,250	-	-	132,574,900
Interest Payments- Notes	-	-	-	-	-	-	-	-	2,112,374	-	2,112,374
Redemption of Bonds	34,580,000	5,430,000	21,155,000	2,290,000	27,485,000	42,560,000	28,355,000	1,435,000	-	-	163,290,000
Redemption of Notes	-	-	-	-	-	-	-	-	5,710,000	-	5,710,000
Total	49,094,238	7,209,719	32,405,267	3,190,600	31,041,238	119,401,855	51,295,733	2,226,250	8,000,000	8,000,000	311,682,274
	49,570,003	7,209,719	32,587,720	3,190,600	31,041,238	119,401,855	51,295,733	2,226,250	8,169,336	8,000,000	312,692,454
	(49,569,984)	(2)	(32,587,707)	(3,190,456)	(31,040,072)	(119,401,842)	1,048	(2,226,249)	(8,169,289)	(8,000,000)	(254,184,553)
Revenue over (under) expenditures											
Other financing sources (uses)											
Bond proceeds - Face Value	143,390,000	-	54,645,000	-	-	-	-	-	55,875,000	-	253,910,000
Bond proceeds - Bond Premium	22,376,696	-	8,349,864	-	-	-	-	-	7,708,387	-	38,435,047
Escrow agent defeasance payment	(165,290,931)	-	(62,812,512)	-	-	-	-	-	(82,505,776)	-	(310,609,219)
Transfers in	49,094,159	-	32,405,219	3,190,498	31,710,412	119,401,835	8,281,230	2,226,246	27,091,610	8,000,000	281,401,209
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other sources (uses)	49,569,924	-	32,587,671	3,190,498	31,710,412	119,401,835	8,281,230	2,226,246	8,169,221	8,000,000	263,137,037
Revenues and other sources over (under) expenditures and other uses	(60)	(2)	(36)	42	670,340	(7)	8,282,278	(3)	(68)	-	8,952,484
Fund balance - July 1	74	20	46	265,883	21,676,668	14	13,178,638	4	106	-	35,121,453
Fund balance - June 30	14	18	10	265,925	22,347,008	7	21,460,916	1	38	-	44,073,937

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**VIRGINIA DEPARTMENT OF TRANSPORTATION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
June 30, 2014**

	SPECIAL REVENUE	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS June 30, 2014
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$ 59,946,800	\$ -	\$ 59,946,800
Taxes	2,530,201,382	-	2,530,201,382
Rights and privileges	343,986,674	-	343,986,674
Sales of property and commodities	8,056,464	-	8,056,464
Interest, dividends, and rents	17,477,261	2,451	17,479,712
Fines, forfeitures, court fees, penalties, and escheats	9,583,552	-	9,583,552
Federal grants and contracts	1,218,216,244	51,295,733	1,269,511,977
Receipts from localities and private sector	80,082,525	7,209,717	87,292,242
Toll revenue	16,727,934	-	16,727,934
Other revenue	17,638,635	-	17,638,635
Total revenues	4,301,917,471	58,507,901	4,360,425,372
Expenditures			
Current			
Administrative and support services	225,074,934	-	225,074,934
Ground transportation system planning and research	59,234,875	-	59,234,875
Highway system acquisition and construction	1,620,273,558	-	1,620,273,558
Highway system maintenance	1,702,244,237	-	1,702,244,237
Financial assistance to localities	659,939,673	-	659,939,673
Environmental monitoring and compliance	12,035,042	-	12,035,042
Toll facility operations and construction	25,036,695	-	25,036,695
Capital outlay	8,302,096	-	8,302,096
Bond issuance cost	-	1,005,180	1,005,180
Debt service:			
Interest (Notes & Bonds)	-	134,687,274	134,687,274
Retirement of bonds & Notes	-	177,000,000	177,000,000
Transfers to other state agencies (Note 11)	34,806,747	-	34,806,747
Total expenditures	4,346,947,857	312,692,454	4,659,640,311
Revenues over (under) expenditures	(45,030,386)	(254,184,553)	(299,214,939)
Other financing sources (uses)			
Other financing sources (uses)	(1,326,225)	-	(1,326,225)
Bond proceeds	307,659,072	292,345,047	600,004,119
Defeasance payment	-	(310,609,219)	(310,609,219)
Transfers to other state agencies and General fund (Note 11)	(157,108,442)	-	(157,108,442)
Transfers from other state agencies and General fund (Note 11)	20,406,966	-	20,406,966
Transfers in (Note 11)	577,357,455	281,401,209	858,758,664
Transfers out (Note 11)	(858,758,664)	-	(858,758,664)
Total other financing sources (uses)	(111,769,838)	263,137,037	151,367,199
Net Change in Fund Balance	(156,800,224)	8,952,484	(147,847,740)
Fund balance - July 1, as restated (Note 2)	2,095,515,721	35,121,453	2,130,637,174
Fund balance - June 30	\$ 1,938,715,497	\$ 44,073,937	\$ 1,982,789,434

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, 2014**

Net Change in fund balances - total governmental funds \$ (147,847,740)

Amounts reported for governmental activities are different because:

Accrued interest (2,347,982)

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 41,905,560

Urban assets not capitalized (287,992,577)

Capital Outlay	\$	8,302,096	
Depreciation expense		(39,991,011)	
Excess of capital outlay over depreciation expense			(31,688,915)

Increase in Infrastructure		2,008,727,449	
Depreciation expense		(757,438,488)	
Excess of increase in infrastructure over depreciation expense			1,251,288,961

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

Bond proceeds	(471,425,000)
Retirement of bonds	386,115,000
Retirement of notes	88,540,000
Notes issued	(55,875,000)
Increase in accretion of debt	(2,264,912)

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	(1,653,623)
Amortize bond and note premium	(37,089,745)
Amortize notes and bond discounts	(4,810)
Amortize cost of issuance notes and bonds	(2,030,361)
Bond interest receivable	3,637,608
Deferred expenditures	(6,800,626)
Pollution remediation obligations	(1,965,835)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds

Deferred inflows associated with Service Concession Arrangement are long-term in nature and therefore not reported in the funds, 69,812,196

Change in net position assets of governmental activities \$ 792,312,199

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Major Enterprise Fund

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**Virginia Department of Transportation
Route 460 Funding Corporation of Virginia
Statement of Net Position
June 30, 2014**

Year Ended
June 30,
2014

Assets and Deferred Outflows of Resources

Current Assets:

Cash and cash equivalents (Note 14)	\$ 142,308,075
Investments with trustees (Note 14)	36,284,666
Interest receivable	199,669
Prepaid insurance	56,675
Total Current Assets	<u>178,849,085</u>

Non Current Assets

Non depreciable capital assets (CIP) (Note 12)	128,901,703
Total Noncurrent Assets	<u>128,901,703</u>

Total Assets	<u>307,750,788</u>
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Deferred Outflows of Resources

Total Assets and Deferred Outflows	<u>\$ 307,750,788</u>
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Liabilities and Deferred Inflows of Resources

Current liabilities:

Accounts payable	\$ 5,573,738
Accrued interest payable	5,862,956
Total Current Liabilities	<u>11,436,694</u>

Non Current Liabilities

Bonds payable (Note 7)	317,305,061
Total Noncurrent Liabilities	<u>317,305,061</u>

Total Liabilities	<u>328,741,755</u>
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Deferred Inflows of Resources

Total Liabilities and Deferred Inflows	<u>328,741,755</u>
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Net Position

Net Investment in Capital Assets	(21,252,524)
Unrestricted	261,557
Total Net Position (Deficit)	<u>\$ (20,990,967)</u>

The accompanying notes are an integral part of this financial statement

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Virginia Department of Transportation
Route 460 Funding Corporation of Virginia
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2014

	Year Ended June 30, 2014
Operating Revenues	<u>\$ -</u>
Operating Expenses	
Professional fees	386,957
Insurance	56,675
Bank and trustee fees	2,925
Miscellaneous	963
Total Operating Expenses	<u>447,520</u>
Operating Income (Loss)	<u>(447,520)</u>
Non Operating revenues (expenditures)	
Funds received from Va. Dept. Transportation (VDOT)	69,594,791
Construction costs funded by VDOT	(69,594,791)
Interest income	629,055
Interest expense	(11,830,027)
Loss on Investments	(384,334)
Total Non Operating revenues (expenditures)	<u>(11,585,306)</u>
Change in net position	(12,032,826)
Net Position, July 1 , as restated (Note 2)	<u>(8,958,141)</u>
Net Position (deficit), June 30	<u>\$ (20,990,967)</u>

The accompanying notes are an integral part of this financial statement

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Virginia Department of Transportation
Route 460 Funding Corporation of Virginia
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2014

	<u>Year Ended June 30, 2014</u>
Cash flows from operating activities	
Cash payments for administrative expenses	\$ (504,195)
Cash flows from capital and related financing activities	
Virginia Department of Transportation reimbursements	91,297,825
Construction costs reimbursed from Virginia Department of Transportation	(91,297,825)
Cash paid for interest	(12,084,204)
Cash paid for construction costs	(64,455,448)
Net cash from capital and related financing activities	<u>(76,539,652)</u>
Cash flows from investing activities	
Purchase of investments	(39,357,557)
Proceeds from sale of investments	2,688,557
Interest received	429,386
Net cash from investing activities	<u>(36,239,614)</u>
Net change in cash	(113,283,461)
Cash and cash equivalents - beginning of the year	<u>255,591,536</u>
Cash and cash equivalents - end of year	<u>\$ 142,308,075</u>
Cash and cash equivalents - as shown on statement net position	
Cash - current assets (Note 14)	\$ 5,213
Cash and cash equivalents (Note14)	142,302,862
	<u>\$ 142,308,075</u>
Reconciliation of operating loss to net cash from operating activities	
Operating loss	\$ (447,520)
Adjustment to reconcile to net cash from operating activities	
Change in prepaid insurance	(56,675)
Net cash from operating activities	<u>\$ (504,195)</u>
Supplemental disclosure of non cash financing activities	
Additions to construction costs included in accounts payable at year end	<u>\$ 5,573,738</u>
Capitalized interest accrued	<u>\$ 2,539,406</u>

The accompanying notes are an integral part of this financial statement

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Fiduciary Fund

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**VIRGINIA DEPARTMENT OF TRANSPORTATION
STATEMENT OF FIDUCIARY NET POSITON - AGENCY FUND
June 30, 2014**

Agency Fund June 2014
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Assets

Cash held with the Treasurer of Virginia	\$	102,413
Total assets	\$	102,413

Liabilities

Deposits payable	\$	102,413
Total liabilities	\$	102,413

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Virginia Department of Transportation
Statement of Changes in Assets and Liabilities - Agency Fund
For the Fiscal Year Ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>		<u>Additions</u>		<u>Deletions</u>		<u>Balance</u> <u>June 30, 2014</u>
Assets							
Cash held with the Treasurer of Virginia	\$ 51,785	\$	59,568	\$	(8,940)	\$	102,413
Total Assets	<u>\$ 51,785</u>	<u>\$</u>	<u>59,568</u>	<u>\$</u>	<u>(8,940)</u>	<u>\$</u>	<u>102,413</u>
Liabilities							
Deposits Payable	\$ 53,898	\$	59,568	\$	(8,940)	\$	102,413
Total Liabilities	<u>\$ 53,898</u>	<u>\$</u>	<u>59,568</u>	<u>\$</u>	<u>(8,940)</u>	<u>\$</u>	<u>102,413</u>

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FINANCIAL REPORT

JUNE 30, 2014

NOTES TO THE FINANCIAL STATEMENTS

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VIRGINIA DEPARTMENT OF TRANSPORTATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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 and a component unit organization for which VDOT is financially accountable (blended component unit).

Blended Component Unit – Though a legally separate entity, a component unit is in substance, part of the primary government's operations. The blended component unit serves or benefits the primary government almost exclusively. Financial information from this unit is combined with that of the primary government. VDOT's only blended component unit is: Route 460 Funding Corporation of Virginia.

Route 460 Funding Corporation of Virginia was incorporated as a non-stock, nonprofit Virginia Corporation on August 27, 2012. The Funding Corporation is organized exclusively for charitable and social welfare purposes, and primarily, to assist in the development, design, construction, financing, maintenance, tolling, and operation of the

Route 460 Corridor Improvements Project. The Corporation operates on a fiscal year ended June 30.

The Board of Directors consists of seven members, two of whom are ex-officio, one appointed by the Virginia Port Authority and four appointed by the CTB for a four-year term.

The Route 460 Corridor Improvements Project was procured in accordance with provisions of the Public Private Transportation Act of 1995 as amended. On December 20, 2012 an agreement was reached with Route 460 Mobility Partners (a partnership of Ferrovial Agroman, A.A. and American Infrastructure) and the Route 460 Funding Corporation of Virginia to finance, design and build the project.

The Route 460 Corridor Improvements Project entails the new construction of approximately 55 miles of four-lane divided limited access highway between Petersburg and Suffolk Virginia. The project will be a tolled facility and will extend from the existing U.S. Route 460 near its interchange with Interstate 295 (I-295) in Prince George County to the U.S. Route 58 bypass just south of the existing U.S. Route 460 in the City of Suffolk. The corridor alignment for this project runs south of the existing U.S. Route in its entirety.

Upon completion of the toll road construction, the Corporation will transfer the cost of construction to VDOT who will maintain the toll road. The Corporation will operate the toll road and use the proceeds from such operations to pay off the debt related to construction as scheduled in the bond agreements and assist in the cost of maintenance.

C. Government-wide 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. For fiscal year 2014, the Department has fiduciary fund activity.

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 full 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 types:

Enterprise Fund – accounts for the activities of the blended component unit for the Route 460 Funding Corporation.

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.

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.

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	75 years

I. Deferred Outflows and Inflows of Resources

Deferred outflows of resources are a consumption of assets that is applicable to a future reporting period. Deferred outflows have a natural debit balance and, therefore increase net position similar to assets. Deferred inflows of resources are an acquisition of assets by the government that is applicable to a future reporting period. Deferred inflows have a natural credit balance and, therefore decrease net position similar to liabilities.

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. RESTATEMENT OF BEGINNING BALANCES

The following restatements of beginning fund balances were recorded for fiscal year ending June 30, 2014.

Long term accounts receivables balances were overstated by \$25.6 million due to a legislatively authorized disbursement to a third party being recorded as a loan receivable by the Department. Originally, the Department understood this amount would be recovered. The Department no longer expects to receive this amount. Restatement for this item was made to reduce the FY 2014 beginning fund balance for governmental funds..

Capital Asset balances were restated by \$52.2 million due to the capitalization of restorative maintenance projects expenditures from prior years previously not capitalized. Restatement for this item was made to increase the FY 2014 beginning net position for governmental wide statements, governmental activities.

As a result of implementing GASB Statement No. 65, *Items Previously Reported As Assets and Liabilities*, the Departments government wide, governmental activities beginning net position has been restated for a decrease of \$10.4 million and the Route 460 Funding Corporation of Virginia government wide, business type activities beginning net position has been restated for a decrease of \$2.6 million due to the net amount of unamortized bond issuance costs paid in the prior years.

3. NET POSITION/FUND BALANCE CLASSIFICATION

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was implemented to improve the reporting of fund balance. This Statement also clarifies certain terms used in the definition of existing governmental fund types so that classifications are more easily understood and can be applied consistently between information reported in the government-wide financial statements and the governmental fund financial statements. The governmental fund balance classifications introduced in GASB Statement 54 are: Nonspendable, Restricted, Committed, Assigned, and Unassigned.

The Department's governmental fund balance classifications and amounts at June 30, 2014 are presented in the balance sheets of major governmental funds of special revenue and debt service and the combining individual fund statements and schedules for non major funds.

Nonspendable fund balance includes inventories, prepaid items, long-term loans and notes receivable and the principal of a permanent fund. These funds are not available for expenditure in the current or following period. At June 30, 2014, the Department's nonspendable fund balances were attributed to \$55,534,111 of inventories and \$54,316,878 of long term loan receivables.

Restricted fund balances include amounts that have constraints placed on the use of resources by the *Constitution of Virginia* or a party external to the Commonwealth. At June 30, 2014, the Department's restricted fund balances were attributed to those reported in the debt service funds.

Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the General Assembly and Governor. The distinction between restricted and committed fund balances is the source and strength of the constraints placed on them. At June 30, 2014, the Department's committed fund balances represented the amounts that were committed to highway construction and maintenance by the Commonwealth of Virginia. The Committed Fund balances included \$50 million of Revenue Stabilization Fund authorized by the Commonwealth Transportation Board (CTB) to provide additional funding support for repayment of

Capital Project Revenue (CPR) Bonds sold in May, 2012. CPR Bond Fund accounts for bond proceeds, investment revenue and expenditures related to the transportation projects pursuant to Section 33.1-23.4.01 of the *Code of Virginia*. The fund accounts for the accumulation of resources for and the payment of general long-term debt principal and interest of such projects. The Stabilization Fund authorized by the CTB was to provide additional funding support for the repayment of the CPR bond principal and interest.

Assigned fund balances are those that the government intends to use for a specific purpose, but for which the use is not legislatively mandated. The distinction between these classifications results from whether there is a statutory restriction on certain amounts contained within the fund. At June 30, 2014, the Department reported no assigned fund balances.

Unassigned fund balances are the residual classification for the General Fund. A negative amount indicates that restricted and committed amounts exceed the available modified accrual basis fund balance. At June 30, 2014, the Department's unassigned fund balances represented the deficit fund balances reported by Coleman Bridge Fund, Powhite Parkway Extension Fund and ARRA Project Fund. Additional disclosure for these deficit fund balances are provided in note 6 – Deficit Fund Balances.

4. TOLL FACILITIES

The Department operated two major toll facilities. Its responsibilities, as established by the respective trust indentures, are to construct, improve, operate and maintain 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 interfund liabilities, 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 any related debt issues are accounted for in the Debt Service Funds.

5. 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, 2014 was \$1,235,736. VDOT had, as of June 30, 2014, the following future minimum rental payments due under the above leases:

Operating Leases Minimum Payments

2015	\$	756,410
2016		467,777
2017		229,694
2018		28,991
2019		5,223
Subsequent To 2019		144,708
	\$	<u>1,632,803</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, 2014, were \$599,565. 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, 2014, the Department of Transportation had the following contractual commitments for various construction projects, maintenance contracts, and consultant services:

Construction Projects	\$	2,603,223,382
Maintenance Contracts		683,456,854
Consultant Services		1,146,905,438
	\$	<u>4,433,585,674</u>

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

At June 30, 2014, the Route 460 Funding Corporation of Virginia had outstanding contractual commitments for the Route 460 Corridor Improvement project for the amount of \$120,264,412. Services on these contractual commitments have not been rendered therefore, a liability has not been recognized in the financial statements.

6. DEFICIT FUND BALANCES

Powhite Parkway Extension Fund:

The Powhite Parkway Extension Fund had a deficit fund balance of \$38,338,241 at June 30, 2014. This cumulative deficit is attributable to construction costs and revenue shortfalls caused by a lower traffic volume than projected in the past.

The Department has incurred interfund obligations to meet operating costs and construction costs. At June 30, 2014, the Powhite Parkway Extension had the following interfund obligations:

Due to Toll Facilities Revolving Fund	\$ 34,298,431
Due to Construction Fund	<u>14,671,100</u>
Total Interfund Obligations	<u>\$ 48,969,531</u>

Coleman Bridge Fund:

The Coleman Bridge Fund had a deficit fund balance of \$30,383,220 at June 30, 2014. The original financing plan included an interfund loan from the Toll Facilities Revolving Fund for construction.

The Department incurred the following interfund obligations for construction costs and operating expenses at June 30, 2014:

Due to Toll Facilities Revolving Fund	\$ 39,411,000
Due to Construction Fund	<u>110,000</u>
Total Interfund Obligations	<u>\$ 39,521,000</u>

In addition to its interfund obligations, the Coleman Bridge Fund had bonds payable for \$19,130,000 at June 30, 2014. This obligation and the interfund liabilities listed above are to be paid from toll revenues.

ARRA Projects Fund:

The ARRA Projects Fund had a deficit fund balance of \$70,747 at June 30, 2014. This fund accounts for revenues and expenditures related to federal stimulus projects and grants. Funding for these projects is on a reimbursement basis from the federal government as part of the American Recovery and Reinvestment Act of 2009.

This fund also has an interfund obligation due to the Construction Fund of \$10,000,000.

7. LONG-TERM LIABILITIES

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

Governmental Activities	June 30, 2013	Increases	Decreases	June 30, 2014
Bonds Payable	\$2,840,062,109	\$ 473,689,912	\$(386,115,000)	\$2,927,637,021
Capital Leases	-	-	-	-
Notes Payable	82,830,000	55,875,000	(88,540,000)	50,165,000
Pollution Obligations	555,165	2,074,835	(109,000)	2,521,000
Compensated Absences	57,188,231	36,306,168	(34,560,646)	58,933,753
Totals	\$2,980,635,505	\$ 567,945,915	(\$509,324,646)	\$3,039,256,774

Commonwealth bonds are issued pursuant to Section 9 of Article X of the Constitution of Virginia. Section 9(c) bonds are issued to finance capital projects which, when completed, will generate revenue to repay the debt. Section 9(c) bonds are tax-supported general obligation bonds and are backed by the full faith and credit of the Commonwealth. No other long-term debt obligations of the Virginia Department of Transportation are backed by the full faith and credit of the Commonwealth.

Section 9(d) bonds are revenue bonds that are not backed by the full faith and credit 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. For example, some Section 9(d) bonds may be supported by state appropriations in whole or in part. Other 9(d) revenue bonds are payable from general revenues of the component units, or from revenues of specific revenue-producing capital projects.

Transportation Facilities Debt - Bonds Payable

At June 30, 2014, Transportation Facilities Bonds included \$19,130,000 of 9(c) general obligation bonds and \$2,908,507,021 of 9(d) revenue bonds. Section 9(c) principal and interest requirements for the current year totaled \$3.2 million. Section 9(d) principal and interest requirements for the current year totaled \$292.7 million. There was \$8.00 million principal requirement in fiscal year 2014 for the Chesterfield County Notes Payable.

The Section 9(c) transportation facilities bonds represent Coleman Bridge General Obligation Refunding Bonds, Series 2006A which were issued to partially refund Series 1996(A) 9(c) Transportation Facilities Bonds. The Section 9(d) Transportation Facilities

Bonds were issued to fund the construction of State Route 28, U.S. Route 58, the Northern Virginia Transportation District Program, and the Oak Grove Connector (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. The interest rates for these bonds range from 3.0 percent to 5.0 percent and the issuance date was September 28, 2005. 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 Capital Projects Revenue Bonds were issued to pay for certain costs of certain transportation projects in the Commonwealth. The interest rates for these bonds range from 2.25 percent to 5.0 percent. The issuance dates range from May 26, 2010 to June 14, 2012. The GARVEES were issued to pay for costs incurred or to be incurred for construction or funding of eligible projects designated by the Transportation Board. The interest rates for these bonds range from 1.0 percent to 5.0 percent and the issuance dates range from March 15, 2012 to November 21, 2013.

On February 19, 2014, the Commonwealth Transportation Board of the Commonwealth of Virginia issued \$143,390,000 in Commonwealth of Virginia Transportation Revenue Refunding Bonds Series 2014B with varying interest rate of 3 to 5 percent to advance refund the outstanding Commonwealth of Virginia Transportation Revenue Refunding Bonds Series 2004B. The Commonwealth of Virginia Transportation Revenue Refunding Bonds Series 2004B matures on May 15, 2022 and is callable on May 15, 2014. The Commonwealth of Virginia Transportation Revenue Refunding Bonds Series 2014B was issued at premium and, after paying the underwriter's fees, the net proceeds were \$165,551,849.98. The net proceeds from the sale of the refunding bonds were deposited to an irrevocable trust with an escrow agent to provide future debt service payments on the Refunded Bonds and to pay the costs related to issuance and refunding. The advance refunding met the requirement of an in-substance debt defeasance and the refunded bonds are removed from the governmental activities column of statement of net assets. As a result of advance refunding, VDOT reduced its total debt service requirements by \$23,987,587.22, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$22,653,150.58.

On February 19, 2014, the Commonwealth Transportation Board of the Commonwealth of Virginia issued \$54,645,000 in Commonwealth of Virginia Transportation Revenue Refunding Bonds Series 2014A with varying interest rate of 3 to 5 percent to advance refund the outstanding Commonwealth of Virginia Transportation Revenue Refunding Bonds Series 2004A. The Commonwealth of Virginia Transportation Revenue Refunding Bonds Series 2004A matures on May 15, 2022 and is callable on May 15, 2014. The Commonwealth of Virginia Transportation Revenue Refunding Bonds Series 2014A was issued at premium and, after paying the underwriter's fees, the net proceeds were \$62,910,524.46. The net proceeds from the sale of the refunding bonds were deposited to an irrevocable trust with an escrow agent to provide future debt service payment on the Refunded Bonds and to pay the costs related to issuance and refunding. The advance

refunding met the requirement of an in-substance debt defeasance and the refunded bonds are removed from the governmental activities column of statement of net assets. As a result of advance refunding, VDOT reduced its total debt service requirements by \$7,197,281.39, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$6,794,496.29.

On November 21, 2013, the Commonwealth Transportation Board issued \$273,390,000 of Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2013A. Series 2013A will be maturing in semi-annual installments on March 15 and September 15 in the years 2014 to 2028 and interests are payable on March 15 and September 15 at rates varying from 3.000 to 5.000 percent. The proceeds of the Series 2013A notes will be used to pay for the costs of certain eligible transportation projects in the Commonwealth and costs related to the issuance of the 2013A Notes.

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

Maturity		Principal		Interest		Total
2015	\$	172,765,000	\$	135,965,216	\$	308,730,216
2016		180,010,000		128,033,891		308,043,891
2017		157,240,000		120,070,576		277,310,576
2018		163,950,000		112,609,994		276,559,994
2019		166,510,000		105,290,376		271,800,376
2020-2024		743,540,000		420,957,179		1,164,497,179
2025-2029		665,590,000		251,620,825		917,210,825
2030-2034		483,655,000		120,060,296		603,715,296
2035-2037		219,335,000		16,053,408		235,388,408
Subtotal		2,952,595,000		1,410,661,761		4,363,256,761
Less Unaccreted Capital Appreciation Bonds		(24,957,979)		-		(24,957,979)
Total	\$	2,927,637,021	\$	1,410,661,761	\$	4,338,298,782

Detail of Bonds Payable

Series	Amount Issued	Outstanding June 30, 2013	Issued- (Retired) During Year	Outstanding June 30, 2014	Maturity
Section 9(c) Debt General Obligation Bonds					
Coleman Bridge Series 2006 Refunding	\$ 31,880,000	\$ 21,420,000	\$ (2,290,000)	\$ 19,130,000	06/01/14-21
Section 9(d) Debt- Transportation Revenue Bonds					
Route 28 Corridor Series 2002A CAB	36,823,667	45,712,109	2,264,912	47,977,021	04/01/14-27
Series 2012A	50,620,000	44,980,000	(5,430,000)	39,550,000	04/01/14-32
Capital Project Revenue Bonds					
Series 2010(A-1)	85,515,000	44,980,000	(14,410,000)	30,570,000	05/15/14-16
Series 2010(A-2)	407,150,000	407,150,000	-	407,150,000	05/15/14-35
Series 2011	600,000,000	582,250,000	(14,665,000)	567,585,000	05/15/14-36
Series 2012	600,000,000	585,635,000	(13,485,000)	572,150,000	05/15/14-36
U.S. Route 58 Corridor Development					
Series 2004(B)	232,260,000	179,370,000	(179,370,000)	-	05/15/14-14
Series 2006(C)	63,460,000	63,460,000	-	63,460,000	05/15/14-26
Series 2007(B)	83,955,000	76,295,000	(11,215,000)	65,080,000	05/15/14-19
Series 2012(B)	37,700,000	28,855,000	(5,350,000)	23,505,000	05/15/14-18
Series 2014(B)	143,390,000	-	-	143,390,000	05/15/14-22

Detail Bonds Payable Continues

Series	Amount Issued	Outstanding June 30, 2013	Issued- (Retired) During Year	Outstanding June 30, 2014	Maturity
Northern Virginia Transportation District Program					
Series 2004(A)	89,400,000	68,845,000	(68,845,000)	-	05/15/14-14
Series 2006(B)	20,020,000	20,020,000	-	20,020,000	05/15/14-26
Series 2007(A)	39,115,000	27,010,000	(3,290,000)	23,720,000	05/15/14-20
Series 2009(A-1)	11,245,000	2,145,000	(2,145,000)	-	05/15/14-14
Series 2009(A-2)	60,950,000	60,950,000	-	60,950,000	05/15/14-34
Series 2012(A)	86,430,000	76,190,000	(8,345,000)	67,845,000	05/15/14-27
Series 2014(A)	54,645,000	-	-	54,645,000	05/15/14-22
Oak Grove Connector (Chesapeake)					
Series 2006(A)	23,160,000	15,825,000	(1,435,000)	14,390,000	05/15/14-22
Section 9(d) Debt- Federal					
Highway/Transportation Reimbursement					
Anticipation Notes					
Series 2005	250,000,000	86,580,000	(27,485,000)	59,095,000	10/01/14-16
GARVEE Revenue Bonds					
Series 2012(A)	297,590,000	284,285,000	(14,200,000)	270,085,000	09/15/14-28
Series 2012(B)	120,625,000	118,105,000	(5,530,000)	112,575,000	09/15/14-27
Series 2013(A)	273,390,000	-	(8,625,000)	264,765,000	09/15/14-28
Total Bonds Payable		<u>\$ 2,840,062,109</u>	<u>\$ (383,850,088)</u>	<u>\$ 2,927,637,021</u>	

Detail of Bonds Payable - Interest Rates

<u>Series</u>	<u>Interest Rates</u>
Coleman Bridge	
Series 2006 Revenue Refunding Bonds	3.875%-5.000%
Route 28 Corridor	
Series 2002 Capital Appreciating Bond	4.630%-5.050%
Series 2012 Revenue Refunding Bonds	2.000%-5.000%
Capital Project Revenue Bonds	
Series 2010(A-1)	2.500%-5.000%
Series 2010(A-2)	3.850%-5.350%
Series 2011	2.250%-5.250%
Series 2012	3.000%-5.000%
U.S. Route 58 Corridor Development	
Series 2004(B)	4.75%-5.25%
Series 2006(C)	5.0%
Series 2007(B)	5.00%
Series 2012(B)	2.000%-5.000%
Series 2014(B)	3.000%-5.000%
Northern Virginia Transportation District Program	
Series 2004(A)	4.0%-5.0%
Series 2006(B)	4.250%-5.0%
Series 2007(A)	4.00%-5.00%
Series 2009(A-1)	3.000%
Series 2009(A-2)	3.900%-5.950%
Series 2012(A)	2.500%-5.000%
Series 2014(A)	3.000%-5.000%
Oak Grove Connector (Chesapeake)	
Series 2006(A)	4.250%-5.000%
Federal Highway Reimbursement Anticipation Notes	
Series 2000	4.45%-5.75%
Series 2002	2.00%-5.00%
Series 2005	3.000%-5.000%
GARVEE Revenue Notes	
Series 2012(A)	2.000%-5.000%
Series 2012(B)	1.000%-5.000%
Series 2013(A)	4.000%-5.000%

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

Coleman Bridge General Obligation Refunding Bonds, Series 2006

Debt Service Requirement to Maturity

Maturity	Principal	Interest	Total
2015	\$ 2,405,000	\$ 786,100	\$ 3,191,100
2016	2,520,000	665,850	3,185,850
2017	2,620,000	568,200	3,188,200
2018	2,730,000	463,400	3,193,400
2019	2,840,000	354,200	3,194,200
2020-2024	6,015,000	363,200	6,378,200
Total	\$ 19,130,000	\$ 3,200,950	\$ 22,330,950

Route 28 Transportation Contract Revenue Refunding Current

Interest Bonds Series 2012 (CIB)

Debt Service Requirement to Maturity

Maturity	Principal	Interest	Total
2015	\$ 5,600,000	\$ 1,616,819	\$ 7,216,819
2016	5,820,000	1,392,819	7,212,819
2017	6,055,000	1,160,019	7,215,019
2018	6,355,000	857,269	7,212,269
2019	-	539,519	539,519
2020-2024	-	2,697,594	2,697,594
2025-2029	5,975,000	2,609,244	8,584,244
2030-2034	9,745,000	701,006	10,446,006
Total	\$ 39,550,000	\$ 11,574,288	\$ 51,124,288

Route 28 Transportation Contract Revenue Capital Appreciation

New Money Bonds Series 2012

Debt Service Requirement to Maturity

Maturity	Principal	Interest	Total
2015	\$ -	\$ -	\$ -
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	8,100,000	-	8,100,000
2020-2024	40,520,000	-	40,520,000
2025-2027	24,315,000	-	24,315,000
Total	72,935,000	-	72,935,000
Less			
Unaccreted			
Capital			
Appreciation			
Bonds	(24,957,979)	-	(24,957,979)
Total	\$ 47,977,021	\$ -	\$ 47,977,021

Transportation Capital Projects Revenue Bonds, Series 2010A-1

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2015	\$ 14,985,000	\$ 1,528,500	\$ 16,513,500
2016	15,585,000	779,250	16,364,250
Total	\$ 30,570,000	\$ 2,307,750	\$ 32,877,750

Transportation Capital Projects Revenue Bonds, Series 2010A-2

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2015	\$ -	\$ 20,351,593	\$ 20,351,593
2016	-	20,351,593	20,351,593
2017	15,945,000	20,351,593	36,296,593
2018	16,355,000	19,737,710	36,092,710
2019	16,815,000	19,067,155	35,882,155
2020-2024	91,935,000	83,999,793	175,934,793
2025-2029	108,095,000	60,012,020	168,107,020
2030-2034	129,210,000	28,945,105	158,155,105
2035-2036	28,795,000	1,540,533	30,335,533
Total	\$ 407,150,000	\$ 274,357,093	\$ 681,507,093

Transportation Capital Projects Revenue Bonds, Series 2011

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2015	\$ 15,400,000	\$ 26,712,363	\$ 42,112,363
2016	16,170,000	25,942,363	42,112,363
2017	16,975,000	25,133,863	42,108,863
2018	17,825,000	24,285,113	42,110,113
2019	18,225,000	23,884,050	42,109,050
2020-2024	104,930,000	105,615,925	210,545,925
2025-2029	132,745,000	77,808,950	210,553,950
2030-2034	166,550,000	43,997,250	210,547,250
2035-2036	78,765,000	5,453,875	84,218,875
Total	\$ 567,585,000	\$ 358,833,750	\$ 926,418,750

Transportation Capital Projects Revenue Bonds, Series 2012

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2015	\$ 14,020,000	\$ 26,256,250	\$ 40,276,250
2016	14,725,000	25,555,250	40,280,250
2017	15,460,000	24,819,000	40,279,000
2018	16,230,000	24,046,000	40,276,000
2019	17,045,000	23,234,500	40,279,500
2020-2024	98,885,000	102,505,000	201,390,000
2025-2029	125,450,000	75,940,900	201,390,900
2030-2034	158,560,000	42,833,250	201,393,250
2035-2037	111,775,000	9,059,000	120,834,000
Total	\$ 572,150,000	\$ 354,249,150	\$ 926,399,150

Federal Transportation Grants Anticip Revenue Notes, Series 2012A

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2015	\$ 14,735,000	\$ 12,476,863	\$ 27,211,863
2016	15,470,000	11,742,688	27,212,688
2017	16,170,000	11,044,488	27,214,488
2018	16,875,000	10,337,813	27,212,813
2019	17,700,000	9,509,563	27,209,563
2020-2024	102,055,000	34,003,713	136,058,713
2025-2029	87,080,000	8,166,569	95,246,569
Total	\$ 270,085,000	\$ 97,281,694	\$ 367,366,694

Federal Transportation Grants Anticip Revenue Notes, Series 2012B

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2015	\$ 6,335,000	\$ 5,427,025	\$ 11,762,025
2016	6,140,000	5,127,150	11,267,150
2017	7,085,000	4,875,725	11,960,725
2018	6,880,000	4,543,950	11,423,950
2019	7,645,000	4,204,875	11,849,875
2020-2024	41,920,000	15,159,925	57,079,925
2025-2029	36,570,000	3,733,375	40,303,375
Total	\$ 112,575,000	\$ 43,072,025	\$ 155,647,025

Federal Transportation Grants Anticip Revenue Notes, Series 2013A

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2015	\$ 12,820,000	\$ 12,939,500	\$ 25,759,500
2016	13,470,000	12,290,500	25,760,500
2017	14,145,000	11,610,625	25,755,625
2018	14,865,000	10,894,500	25,759,500
2019	15,620,000	10,144,425	25,764,425
2020-2024	90,740,000	38,061,500	128,801,500
2025-2029	103,105,000	12,812,900	115,917,900
Total	\$ 264,765,000	\$ 108,753,950	\$ 373,518,950

U.S. Route 58 Transportation Revenue Refunding Bonds, Series 2006C

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2015	\$ -	\$ 3,173,000	\$ 3,173,000
2016	-	3,173,000	3,173,000
2017	-	3,173,000	3,173,000
2018	-	3,173,000	3,173,000
2019	-	3,173,000	3,173,000
2020-2024	50,420,000	13,538,250	63,958,250
2025-2029	13,040,000	986,000	14,026,000
Total	\$ 63,460,000	\$ 30,389,250	\$ 93,849,250

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

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2015	\$ 11,780,000	\$ 3,254,000	\$ 15,034,000
2016	12,365,000	2,665,000	15,030,000
2017	12,985,000	2,046,750	15,031,750
2018	13,635,000	1,397,500	15,032,500
2019	14,315,000	715,750	15,030,750
Total	\$ 65,080,000	\$ 10,079,000	\$ 75,159,000

U.S. Route 58 Transportation Revenue Refunding Bonds, Series 2012B
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2015	\$ 5,505,000	\$ 872,400	\$ 6,377,400
2016	5,730,000	652,200	6,382,200
2017	6,015,000	365,700	6,380,700
2018	6,255,000	125,100	6,380,100
Total	\$ 23,505,000	\$ 2,015,400	\$ 25,520,400

U.S. Route 58 Transportation Revenue Refunding Bonds, Series 2014B
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2015	\$ 17,320,000	\$ 6,823,100	\$ 24,143,100
2016	17,835,000	6,303,500	24,138,500
2017	18,730,000	5,411,750	24,141,750
2018	19,665,000	4,475,250	24,140,250
2019	20,650,000	3,492,000	24,142,000
2020-2022	49,190,000	4,341,500	53,531,500
Total	\$ 143,390,000	\$ 30,847,100	\$ 174,237,100

Northern Virginia Transportation Program
Transportation Revenue Refunding Bonds Series 2006B
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2015	\$ 1,805,000	\$ 973,363	\$ 2,778,363
2016	1,880,000	896,650	2,776,650
2017	-	816,750	816,750
2018	2,055,000	816,750	2,871,750
2019	2,160,000	714,000	2,874,000
2020-2024	4,450,000	2,921,500	7,371,500
2025-2029	7,670,000	580,000	8,250,000
Total	\$ 20,020,000	\$ 7,719,013	\$ 27,739,013

**Northern Virginia Transportation Program
Transportation Revenue Refunding Bonds Series 2007A
Debt Service Requirements to Maturity**

Maturity	Principal	Interest	Total
2015	\$ 3,465,000	\$ 1,098,900	\$ 4,563,900
2016	3,650,000	925,650	4,575,650
2017	3,845,000	743,150	4,588,150
2018	4,050,000	550,900	4,600,900
2019	4,265,000	348,400	4,613,400
2020-2020	4,445,000	177,800	4,622,800
Total	\$ 23,720,000	\$ 3,844,800	\$ 27,564,800

**Northern Virginia Transportation Program
Transportation Revenue Bonds (Taxable Bonds) Series 2009A-2
Debt Service Requirements to Maturity**

Maturity	Principal	Interest	Total
2015	\$ 2,210,000	\$ 3,305,799	\$ 5,515,799
2016	2,265,000	3,219,609	5,484,609
2017	2,325,000	3,126,178	5,451,178
2018	2,390,000	3,026,203	5,416,203
2019	2,460,000	2,918,653	5,378,653
2020-2024	13,555,000	12,659,993	26,214,993
2025-2029	16,155,000	8,676,030	24,831,030
2030-2034	19,590,000	3,583,685	23,173,685
Total	\$ 60,950,000	\$ 40,516,148	\$ 101,466,148

**Northern Virginia Transportation Program
Transportation Revenue Refunding Bonds Series 2012A
Debt Service Requirements to Maturity**

Maturity	Principal	Interest	Total
2015	\$ 7,000,000	\$ 2,885,538	\$ 9,885,538
2016	7,280,000	2,605,538	9,885,538
2017	9,590,000	2,241,538	11,831,538
2018	8,030,000	1,762,038	9,792,038
2019	8,430,000	1,360,538	9,790,538
2020-2024	22,125,000	3,042,738	25,167,738
2025-2029	5,390,000	294,838	5,684,838
Total	\$ 67,845,000	\$ 14,192,763	\$ 82,037,763

**Northern Virginia Transportation Program
Transportation Revenue Refunding Bonds Series 2014A
Debt Service Requirements to Maturity**

Maturity	Principal	Interest	Total
2015	\$ 7,040,000	\$ 2,591,450	\$ 9,631,450
2016	7,260,000	2,380,250	9,640,250
2017	7,630,000	2,017,250	9,647,250
2018	8,010,000	1,635,750	9,645,750
2019	8,405,000	1,235,250	9,640,250
2020-2024	16,300,000	1,253,250	17,553,250
Total	<u>\$ 54,645,000</u>	<u>\$ 11,113,200</u>	<u>\$ 65,758,200</u>

**Transportation Improvement Program Set-aside Fund
Oak Grove Connector (City of Chesapeake)
Transportation Program Revenue Refunding Bonds Series 2006A
Debt Service Requirements to Maturity**

Maturity	Principal	Interest	Total
2015	\$ 1,505,000	\$ 719,500	\$ 2,224,500
2016	1,585,000	644,250	2,229,250
2017	1,665,000	565,000	2,230,000
2018	1,745,000	481,750	2,226,750
2019	1,835,000	394,500	2,229,500
2020-2022	6,055,000	615,500	6,670,500
Total	<u>\$ 14,390,000</u>	<u>\$ 3,420,500</u>	<u>\$ 17,810,500</u>

**Federal Highway Reimbursement Anticipation Notes
Series 2005**

Maturity	Principal	Interest	Total
2015	\$ 28,835,000	\$ 2,173,156	\$ 31,008,156
2016	30,260,000	720,783	30,980,783
Total	<u>\$ 59,095,000</u>	<u>\$ 2,893,940</u>	<u>\$ 61,988,940</u>

ROUTE 460 FUNDING CORPORATION OF VIRGINIA

Route 460 Funding Corporation of Virginia bonds (Senior Lien Bonds, Series 2012) were issued pursuant to the Indenture between the Corporation, the Trustee, and the Virginia Transportation Infrastructure Bank (VTIB). Senior Lien Bonds, Series 2012 have been issued to pay a portion of the costs of the design, construction, and financing of the Project including, without limitation, to pay interest payable on the series 2012A bonds through January 1, 2018 and to pay certain costs of issuance of the Series 2012 Senior Lien Bonds or as otherwise permitted by the Indenture. These bonds are retired through the use of toll revenues.

The Series 2012 Senior Lien Bonds are limited obligations of the Corporation secured by and payable solely from the Trust Estate created under the Indenture. The Series 2012 Senior Lien Bonds do not constitute a debt of the Commonwealth of Virginia or any political subdivision thereof. Neither the Commonwealth nor any political subdivision thereof (including the Virginia Department of Transportation or Commonwealth Transportation Board) will be obligated to pay the Series 2012 Senior Lien Bonds or the interest thereon or others costs incident thereof and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to the payment of the principal of, the interest on, or the accreted value of, as applicable, the Series 2012 Senior Lien Bonds.

At June 30, 2014, Route 460 Funding Corporation of Virginia bonds included \$231,600,000 of Current Interest bonds, \$19,131,141 of Unamortized Premium on Bonds, \$61,761,230 of Capital Appreciation bonds, and \$4,812,690 of Accreted Value in Capital Appreciation bonds. Route 460 Funding Corporation of Virginia principal and interest requirements for the current year totaled \$12.1 million. The next bond interest payment of \$5,862,956 is due July 1, 2014 and is therefore recorded as accrued interest payable on the statement of financial position.

On December 20, 2012, the Route 460 Funding Corporation of Virginia issued \$231,600,000 of Toll Road Senior Revenues Bonds (Current Interest Bonds), Series 2012A with Bonds Premium of \$19,960,118. Series 2012A will be maturing in annual installments on July 1 in the years 2045 to 2052 and interest is payable on January 1 and July 1 at rates varying from 5.000% to 5.125% beginning July 1, 2014 through July 1, 2052. The proceeds of the series 2012A bonds will be used to pay a portion of the costs of the design, construction, and financing of the Project including, without limitation, to pay interest payable on the series 2012A bonds through January 1, 2018 and to pay certain costs of issuance of the Series 2012 Senior Lien Bonds or as otherwise permitted by the Indenture.

On December 20, 2012, the Route 460 Funding Corporation of Virginia issued \$61,761,230 of Toll Road Senior Revenues Bonds (Capital Appreciation Bonds), Series 2012B. Series 2012B will be maturing in annual installments on July 1 in the years 2024 to 2045. The Series 2012B Bonds will not bear current interest but each Series 2012B will accrete in value, compounded semiannually from its date of issuance on January 1 and July 1 at interest rates varying from 3.960% to 5.240% and interest will be payable only upon maturity or early redemption date. The proceeds of the series 2012B bonds will be used to pay a portion of the costs of the design, construction, and financing of the Project including, without limitation, and to pay certain costs of issuance of the Series 2012 Senior Lien Bonds or as otherwise permitted by the Indenture.

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

Maturity	Principal	Interest	Total
2015	\$ -	\$ 11,725,913	\$ 11,725,913
2016	-	11,725,913	11,725,913
2017	-	11,725,913	11,725,913
2018	-	11,725,913	11,725,913
2019	-	11,725,913	11,725,913
2019-2023	-	58,629,562	58,629,562
2024-2028	11,630,000	58,629,562	70,259,562
2029-2033	32,205,000	58,629,562	90,834,562
2034-2038	54,095,000	58,629,562	112,724,562
2039-2043	80,940,000	58,629,561	139,569,561
2044-2048	120,045,000	51,826,639	171,871,639
2049-2053	146,950,000	15,443,800	162,393,800
Subtotal	445,865,000	419,047,813	864,912,813
Premium on bonds payable	19,131,141	-	19,131,141
Less: unaccreted capital appreciation bonds	(147,691,080)	-	(147,691,080)
Total	\$ 317,305,061	\$ 419,047,813	\$ 736,352,874

Detail of Bonds Payable

Series	Amount Issued	Outstanding June 30, 2013	Issued- (Retired) During Year	Outstanding June 30, 2014	Maturity
Toll Road Senior Lien Revenue Bonds					
Series 2012A - face value	\$ 231,600,000	\$231,600,000	\$ -	\$ 231,600,000	07/01/14-52
Series 2012A - Premium	19,960,118	19,672,759	(541,618)	19,131,141	07/01/14-52
Series 2012B CAB	61,761,230	63,388,781	3,185,139	66,573,920	07/01/14-45
Total Bonds Payable		<u>\$314,661,540</u>	<u>\$ 2,643,521</u>	<u>\$ 317,305,061</u>	

Detail of Bonds Payable - Interest Rates

<u>Series</u>	<u>Interest Rates</u>
Toll Road Senior Lien Revenue Bonds	
Series 2012A	5.000%-5.125%
Series 2012B CAB	2.960%-5.240%

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

**Debt Service Requirements to Maturity
Route 460 Funding Corporation of Virginia Toll Road
Senior Lien Revenue Bond Series 2012A**

<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ -	\$ 11,725,913	\$ 11,725,913
2016	-	11,725,913	11,725,913
2017	-	11,725,913	11,725,913
2018	-	11,725,913	11,725,913
2019	-	11,725,913	11,725,913
2020-2024	-	58,629,562	58,629,562
2025-2029	-	58,629,562	58,629,562
2030-2034	-	58,629,562	58,629,562
2035-2039	-	58,629,562	58,629,562
2040-2044	-	58,629,561	58,629,561
2045-2049	84,650,000	51,826,639	136,476,639
2050-2053	146,950,000	15,443,800	162,393,800
Subtotal	231,600,000	419,047,813	650,647,813
Bonds Premium	19,131,141	-	19,131,141
Total	\$ 250,731,141	\$ 419,047,813	\$ 669,778,954

Debt Service Requirements to Maturity
Route 460 Funding Corporation of Virginia Toll Road
Senior Lien Revenue Bond Series 2012B

Maturity	Principal	Interest	Total
2015	\$ -	\$ -	\$ -
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020-2024	-	-	-
2025-2029	11,630,000	-	11,630,000
2030-2034	32,205,000	-	32,205,000
2035-2039	54,095,000	-	54,095,000
2040-2044	80,940,000	-	80,940,000
2045-2049	35,395,000	-	35,395,000
2050-2053	-	-	-
Subtotal	214,265,000	-	214,265,000
Less: unaccreted capital appreciation bonds	(147,691,080)	-	(147,691,080)
Total	<u>\$ 66,573,920</u>	<u>\$ -</u>	<u>\$ 66,573,920</u>

Line of Credit for Route 460 Funding Corporation of Virginia

The Virginia Transportation Infrastructure Bank has established a revolving line of credit for the benefit of the Route 460 Funding Corporation of Virginia and the trustee not to exceed \$80,000,000 at 3.31%. Amounts issued under this line of credit will be designated as “Toll Road Junior Lien Revenue Bond Series 2012C”. In the event of issue, the Series 2012C bond is a Junior Lien Bond within the meaning of the Master Indenture and payable from and secured by the Trust Estate in accordance with the terms of the Master Indenture and the Second Supplemental Indenture. It will be paid from the Junior Lien Bond Fund and payable from and secured by the Trust Estate. In the event the Series 2012C bonds are issued, the bonds are junior to any Senior Lien bonds and any subordinate lien bonds including without limitation, the Corporation’s Toll Road Senior Lien Revenue Bonds, Series 2012A and Series 2012B. The term of the line of credit commenced on the date the series 2012A and 2012B bonds were issued, December 20, 2012. The term will continue until the earliest of, the repayment or defeasance of the Series 2012A and 2012B bonds, the provisions for release as set forth in the Master Indenture, the Comprehensive Agreement or otherwise have been satisfied in full and the 35th anniversary of the substantial completion date. In no event will the term end any later than 40 years from the date of the issuance of the Series 2012A and Series 2012B bonds. The Corporation has no outstanding amounts under this line of credit as of June 30, 2014.

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. For the fiscal year ending June 30, 2014, the Virginia Department of Transportation did not have any outstanding balances of defeased bonds.

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 did not incur or make any payments associated with the rebate liability to the federal government on Transportation Facilities Bonds.

Notes Payable

At June 30, 2014, Transportation Facilities Notes included \$50,165,000 of 9(d) Camp 30 revenue. Principal and interest requirements for the current year totaled \$7,822,374.

Camp 30

The 9(d) Camp 30 revenue notes represent the Camp 30 Notes, Series 2014 which were issued to defease the Camp 30 Notes, Series 2006 and to finance the costs of issuance of the Series 2014 Bonds.

On March 26, 2014, Virginia Department of Transportation and (VDOT) and Fairfax County Economic Development of Authority (FCEDA) issued \$55,875,000 in Camp 30 Commonwealth of Virginia Lease Revenue Refunding Bonds Series 2014 with varying interest rate of 1 to 5 percent to advance refund the outstanding Commonwealth of Virginia Lease Revenue Bonds Series 2006. The Commonwealth of Virginia Lease Revenue Bonds Series 2006 matures on May 15, 2026 and is callable on May 15, 2016. The Commonwealth of Virginia Lease Revenue Refunding Bonds Series 2014 was issued at premium and, after paying the underwriter's fees, the net proceeds were \$82,505,776.51 (\$63,236,425.22 from the sale of the new bond plus \$19,269,351.29 from the unused proceeds and the accumulated earnings on investment of Series 2006). The net proceeds from the sale of the refunding bonds were deposited to an irrevocable trust with an escrow agent to provide future debt service payments on the Refunded Bonds and to pay the costs related to issuance and refunding. The advance refunding met the requirement of an

in-substance debt defeasance and the refunded bonds are removed from the camp 30 governmental activities column of statement of net assets. As a result of advance refunding, VDOT reduced its total debt service requirements by \$12,836,575.38, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$7,899,977.76.

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

Debt Service Requirements to Maturity				
Maturity	Principal	Interest	Total	
2015	\$ 5,425,000	\$ 2,399,750	\$	7,824,750
2016	5,590,000	2,237,000		7,827,000
2017	5,870,000	1,957,500		7,827,500
2018	6,165,000	1,664,000		7,829,000
2019	6,470,000	1,355,750		7,825,750
2020-2024	20,645,000	2,060,500		22,705,500
Total	\$ 50,165,000	\$ 11,674,500	\$	61,839,500

Detail of Notes Payable - Interest Rates

<u>Series</u>	<u>Interest Rates</u>
Chesterfield County Notes	0.000%-0.000%
Camp 30 Notes Payable, Series 2006	4.250%-5.000%
Camp 30 Notes Payable, Series 2014	1.000%-5.000%

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, 2014, the reported balances for compensated absences were as follows:

Due Within One Year	\$	33,035,675
Due Greater Than One Year		<u>25,898,078</u>
	\$	<u>58,933,753</u>

Pollution Remediation Obligations

At June 30, 2014, the Department reported \$2,521,000 of pollution remediation obligations, of which \$547,000 is due within one year. This estimated future obligation is based on professional consultant estimates and/or historical project expenses of similar projects; however, there is the potential for change in estimates due to price increase or reductions, technology, or applicable laws and regulations. The estimated pollution remediation liability relates to the anticipated cost of waste investigation and removal, cleanup activities relating to leakage of underground storage tanks, soil and groundwater contamination investigation and cleanup and asbestos abatement. Some groundwater contamination pollution remediation outlays could not reasonably be estimated by the Department as of June 30, 2014.

8. FUND EQUITY RESERVES

At June 30, 2014, the Department's fund balances restricted for debt financed road construction were as follows:

	Balance at June 30, 2014	
	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>
Restricted for:		
Construction	\$ 644,116,473	\$ -
Capital Acquisition (Camp 30)	6,766,083	-
Bond interest and sinking fund	-	44,073,937
	<u>\$ 650,882,556</u>	<u>\$ 44,073,937</u>

9. 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.

Route 460 Funding Corporation of Virginia Contingencies

Background

The Corporation, in consultation with the Virginia Department of Transportation ("VDOT"), issued a contractually permitted stop work order to halt certain preliminary work with respect to the Project pending further environmental review. This review consists of working on the

completion of a Supplemental Environmental Impact Statement (“SEIS”). Once a Draft SEIS is reviewed and approved by the Federal Highway Administration (“FHWA”) and the United States Army Corps of Engineers (“USACE”), the SEIS will be submitted for public review and made available for public comment for a period of 45 days, during which public hearings on the SEIS will be held. Thereafter, USACE, with FHWA’s concurrence, will make a determination as to which of the design alternative corridors studied in the SEIS appears to be designated as the least environmentally damaging practicable alternative (“LEDPA”). Once this determination is made, permitting activities can commence. As of September 22, 2014, a draft SEIS had been approved by the FHWA and the USACE and made available to the public. A notice of the document’s availability has also been included in the October 3, 2014, Federal Register. Public hearings expect to be held the week of October 27, 2014, a preliminary LEDPA determination is anticipated to be made by the USACE in December 2014, and action on the permit to follow in early 2015.

Permit Contingency

According to the Official Statement, the Series 2012 Senior Lien Bonds are subject to extraordinary mandatory redemption by the Corporation prior to maturity on any date if the Comprehensive Agreement is terminated (i) by the Corporation upon the occurrence of a department default by VDOT, (ii) by VDOT for convenience, and (iii) immediately upon any termination of the Design-Build Contract by the Design Build Contractor as a result of the Design-Build Contractor being unable to obtain governmental approvals required to be issued by the USACE on or before the 30th month after the Agreement Date of December 20, 2012. Therefore, if the permit is not obtained from the USACE by June 30, 2015, the bonds will be subject to redemption. In the case that the bonds are subject to redemption, the unspent bond proceeds will be applied to the bond redemption, and the additional amount needed will be sought from VDOT as a termination payment; however, all payments from VDOT are subject to appropriation by the Virginia General Assembly and allocation by the Commonwealth Transportation Board. In the case that governmental approvals required to be obtained from the USACE are not obtained by the end of December 2014, and failure is not due to any act or omission of the Design-Build Contractor, then the Design-Build Contractor will be entitled to request a completion deadline extension until such governmental approval is obtained and a contract price increase for the time-related cost increases. In the case that the permitted project differs substantially from the planned project, the current contract could be terminated. If the current contract is terminated, there is a likelihood that a substantial amount of the costs already incurred and capitalized on the current contract will have no benefit to the permitted project and thus will be written off. However, termination of the contract under this scenario alone does not cause the bonds to be subject to extraordinary mandatory redemption.

Stop Work Contingency

According to the Official Statement, the Design-Build Contractor may terminate the Design-Build Contract for cause in accordance with the procedures set forth therein if, among other circumstances, the work has been stopped for 120 consecutive days because of a work stoppage initiated by the Corporation. In this case, the Corporation will have 60 days after notice from the Design-Build Contractor of its intent to terminate to cure any default, after which the Design-Build Contractor may terminate and be compensated by the Corporation as if such termination

were a termination for convenience by the Corporation.

As of October 24, 2014, the work has been stopped for a consecutive amount of time greater than 120 days; however, the Design-Build Contractor and the Corporation have agreed to a suspension of work through December 15, 2014, to allow additional time for the environmental review. Management expects that the SEIS will be approved in December 2014 at which point the stop work order will be lifted and the Contractor can resume work. Therefore, management does not expect the Contractor to terminate the Contract. However, if the approval is not received in December 2014 and the Corporation does not lift the stop work order, the Contractor will have the right to terminate the contract unless the Design-Build Contractor and the Corporation agree to an extension of the stop work order. If the approval is not received and the Corporation does not lift the stop work order within 60 days after the Contractor's notification to terminate, the Contract will be terminated and the Corporation could seek to procure the design-build work from another contractor. Management cannot predict what the impact on the use of bond proceeds and expected repayment would be based on information available as of this date.

General Contingencies

Debt service payments through December 2017 are expected to be funded from bond proceeds issued for such purposes and held in existing restricted accounts until the toll road begins operations, at which point, the payments are expected to be funded by operating revenues. If service commencement of the project is delayed for a significant period of time, debt service payments (principal and interest) can be made from the \$80M line of credit held by the Corporation with the Virginia Transportation Infrastructure Bank.

10. 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, 2014, the Department had the following interfund assets and liabilities:

Fund	Due To	Due From
<u>Highway Maintenance and Operating Fund</u>		
To Toll Facilities Revolving	\$ 21,105,000	\$ -
	<u>21,105,000</u>	<u>-</u>
<u>Construction Fund</u>		
To Toll Facilities Revolving	57,502,704	-
To Federal Fund	21,458,408	-
From Powhite	-	14,671,100
From ARRA	-	10,000,000
From Federal Fund	-	25,783,809
From Coleman Bridge	-	110,000
	<u>78,961,112</u>	<u>50,564,909</u>
<u>Toll Facilities Revolving Fund</u>		
From Coleman	-	39,411,000
From HMO Fund	-	21,105,000
From Construction	-	57,502,704
From Powhite	-	34,298,431
	<u>-</u>	<u>152,317,135</u>
<u>Federal Fund</u>		
From Construction	-	21,458,408
To Construction	25,783,809	-
	<u>25,783,809</u>	<u>21,458,408</u>
<u>Coleman Bridge Fund</u>		
To Toll Facilities Revolving	39,411,000	-
To Construction	110,000	-
	<u>39,521,000</u>	<u>-</u>
<u>Powhite Fund</u>		
To Toll Facilities Revolving	34,298,431	-
To Construction	14,671,100	-
	<u>48,969,531</u>	<u>-</u>
<u>ARRA Projects Fund (ARRA)</u>		
To Construction	10,000,000	-
	<u>10,000,000</u>	<u>-</u>
<u>Special Revenue Fund</u>		
Total Interfund Receivables	<u>\$ 224,340,452</u>	<u>\$ 224,340,452</u>

11. TRANSFERS

Transfer 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. The schedules below listed the expenditures and transfers for the fiscal year ending June 30, 2014.

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

<u>Agency</u>	<u>Total</u>
Department of Motor Vehicles	\$ 14,544,745
Department of State Police	8,049,817
Department of Rail and Public Transportation	5,518,810
Department of Minority Business Enterprise	752,637
Department of Emergency Management	933,250
Secretary of Transportation	865,238
State Inspector General	1,194,513
Department of Education	1,953,780
Department of Historic Resources	100,000
Marine Resources Commission	753,424
Virginia Liaison Office	140,533
Total Program Expenditures	<u><u>\$ 34,806,747</u></u>

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

General Fund:	
Department of Rail and Public Transportation	\$ 138,400,697
DMV-Chesapeake Bay Initiatives	7,416,469
Department of General Services	388,254
Department of Conservation & Recreation	20,000
Marine Resources Commission	313,768
Department of Emergency Management	(3,682,765)
Department of Motor Vehicles	(9,518,404)
Virginia Port Authority	3,461,677
Department of Aviation	520,945
Department of the Treasury	185,187
Department of Small Business & Supplier Diversity	419
Department of Historic Resources	59,524
Department of Minority Business Enterprise	30,660
DMV - Agriculture & Consumer Services	98,531
Department of Accounts	(15,366,897)
Department of Accounts - Accelerated Tax	(4,623,389)
Department of Accounts	18,996,800
Total	<u><u>\$ 136,701,476</u></u>

Interfund Transfers

The Department recorded the following interfund transfers for the fiscal year 2014:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Special Revenue Funds		
<u>Highway Maintenance & Operating (HMO)</u>		
From Surplus	\$ 3,052,963	\$ -
From Recycle	147,873	-
From Powhite (State Police)	726,570	-
From Construction	417,571,883	-
From Toll Facility Revolving	22,455	-
From Transportation Partnership Opportunity	69,371	-
To Construction	-	100,000,000
To Camp 30 Debt Service	-	7,822,259
Totals	<u>421,591,115</u>	<u>107,822,259</u>
<u>Federal Fund</u>		
To FRAN Debt Service	-	31,710,412
To GARVEE Debt Service	-	8,281,230
From Construction	8,281,230	-
From Priority Transportation	31,710,412	-
Totals	<u>39,991,642</u>	<u>39,991,642</u>
<u>Transportation Partnership Opportunity</u>		
From Capital Projects Fund	3,080,536	-
To Highway Maintenance and Operating	-	69,371
Totals	<u>3,080,536</u>	<u>69,371</u>
<u>Construction Fund</u>		
From Highway Maintenance and Operating	100,000,000	-
To Federal Fund	-	8,281,230
To Highway Maintenance and Operating	-	417,571,883
To Northern Va. Transp. District Debt Service	-	7,000,000
To Route 58 Debt Service	-	12,000,000
To Camp 30 Special Revenue	-	103,468
To Commonwealth Space Flight	-	11,800,000
Totals	<u>100,000,000</u>	<u>456,756,581</u>
<u>Toll Facilities Revolving</u>		
From Coleman Bridge	196,204	-
From Powhite	594,490	-
To Highway Maintenance and Operating	-	22,455
Totals	<u>790,694</u>	<u>22,455</u>

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Commonwealth Space Flight</u>		
From Construction	11,800,000	-
Totals	<u>11,800,000</u>	<u>-</u>
<u>Recyclable Materials</u>		
To Highway Maintenance and Operating	-	147,873
Totals	<u>-</u>	<u>147,873</u>
<u>Surplus Property</u>		
To Highway Maintenance and Operating	-	3,052,963
Totals	<u>-</u>	<u>3,052,963</u>
<u>Route 58</u>		
From Construction	-	-
To Route 58 Debt Service	-	37,094,159
Totals	<u>-</u>	<u>37,094,159</u>
<u>Transportation Set Aside</u>		
To Transp. Set Aside Debt Service	-	2,226,246
Totals	<u>-</u>	<u>2,226,246</u>
<u>Capital Projects</u>		
To Transportaion Partnership Opportunity		3,080,536
To Capital Projects Debt Service	-	735,996
Totals	<u>-</u>	<u>3,816,532</u>
<u>Coleman Bridge</u>		
To Coleman Bridge Debt Service	-	3,190,498
To Toll Facility Revolving	-	196,204
Totals	<u>-</u>	<u>3,386,702</u>
<u>Camp 30</u>		
From Construction	103,468	-
To Camp 30 Debt Service	-	19,269,351
Totals	<u>103,468</u>	<u>19,269,351</u>
<u>Priority Transportation (PTF)</u>		
To Federal Special Revenue	-	31,710,412
To Capital Projects Debt Service	-	112,055,642
Totals	<u>-</u>	<u>143,766,054</u>

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<u>ARRA Grants</u>		
To Northern Va. Transp. Dist. Debt Service	-	1,073,723
To Capital Projects Debt Service	-	6,610,197
Totals	-	7,683,920
<u>Northern Virginia Transportation District (NVTD)</u>		
To Northern Va. Transp. Dist. Debt Service	-	24,331,496
Totals	-	24,331,496
<u>Powhite Parkway Extension</u>		
To Toll Facility Revolving	-	594,490
To Powhite Debt Service	-	8,000,000
To HMO (State Police Patrol)	-	726,570
Totals	-	9,321,060
Total Special Revenue Funds	<u>\$ 577,357,455</u>	<u>\$ 858,758,664</u>

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Debt Service Funds		
<u>Route 58</u>		
From Route 58 Special Revenue	\$ 37,094,159	\$ -
From Construction	12,000,000	-
Totals	<u>49,094,159</u>	<u>-</u>
<u>Transportation Set Aside</u>		
From Transp. Set Aside Special Revenue	2,226,246	-
Totals	<u>2,226,246</u>	<u>-</u>
<u>Powhite Parkway</u>		
From Powhite Parkway Special Revenue Fund	8,000,000	-
Totals	<u>8,000,000</u>	<u>-</u>
<u>Coleman Bridge</u>		
From Coleman Bridge Special Revenue	3,190,498	-
Totals	<u>3,190,498</u>	<u>-</u>
<u>Camp 30</u>		
From Camp 30 Special Revenue	19,269,351	-
From HMO Special Revenue	7,822,259	-
Totals	<u>27,091,610</u>	<u>-</u>
<u>FRAN</u>		
From Federal Special Revenue	31,710,412	-
Totals	<u>31,710,412</u>	<u>-</u>
<u>Capital Projects Revenue Bonds</u>		
From Capital Projects Special Revenue	735,996	-
From ARRA Grants	6,610,197	-
From Priority Transp. Special Revenue	112,055,642	-
Totals	<u>119,401,835</u>	<u>-</u>
<u>Northern Virginia Transportation District</u>		
From NVTD Special Revenue	24,331,496	-
From Construction	7,000,000	-
From ARRA Grants	1,073,723	-
Totals	<u>32,405,219</u>	<u>-</u>
<u>GARVEE</u>		
From Federal Special Revenue	8,281,230	-
Totals	<u>8,281,230</u>	<u>-</u>
Total Debt Service Funds	<u>\$ 281,401,209</u>	<u>\$ -</u>
Total Special Revenue and Debt Service Funds	<u>\$ 858,758,664</u>	<u>\$ 858,758,664</u>

12. PROPERTY, PLANT AND EQUIPMENT

The following presents governmental capital activity for the year ended June 30, 2014:

VIRGINIA DEPARTMENT OF TRANSPORTATION

Primary Government capital asset activity for the year ended June 30, 2014 was as follows:

	As restated (1)	Governmental Activities		June 30, 2014
	June 30, 2013	Increases	Decreases	
Non-depreciable capital assets				
Land and improvements	\$ 26,534,964	\$ -	\$ (115,652)	\$ 26,419,312
Other non depreciable assets	322,741,392	-	-	322,741,392
Construction in progress	87,078,141	10,507,456	(32,089,845)	65,495,752
Total nondepreciable capital assets	436,354,497	10,507,456	(32,205,497)	414,656,456
Depreciable capital assets:				
Buildings	287,236,178	11,443,807	(414,981)	298,265,004
Improvements	155,419,485	12,082,069	-	167,501,554
Equipment	317,452,496	56,087,984	(7,293,183)	366,247,297
Total depreciable capital assets	760,108,159	79,613,860	(7,708,164)	832,013,855
Less accumulated depreciation for:				
Buildings	(97,735,254)	(7,985,472)	289,334	(105,431,392)
Improvements	(76,735,516)	(6,783,279)	-	(83,518,795)
Equipment	(184,115,030)	(31,708,505)	6,196,911	(209,626,624)
Total accumulated depreciation	(358,585,800)	(46,477,256)	6,486,245	(398,576,811)
Total depreciable capital assets, net	401,522,359	33,136,604	(1,221,919)	433,437,044
Infrastructure assets not being depreciated				
Highw ay system right-of-w ay	2,143,001,535	97,118,677	(24,907,604)	2,215,212,608
Total nondepreciable infrastructure	2,143,001,535	97,118,677	(24,907,604)	2,215,212,608
Other depreciable infrastructure assets:				
Highw ay system infrastructure	20,634,380,479	1,287,678,095	(273,715,112)	21,648,343,462
Restorative maintenance	3,563,951,895	388,635,635	-	3,952,587,530
Bridge and tunnel infrastructure	4,326,852,428	106,045,200	-	4,432,897,628
Total road system infrastructure	28,525,184,802	1,782,358,930	(273,715,112)	30,033,828,620
Less accumulated depreciation for:				
Highw ay system infrastructure	(10,269,351,884)	(700,121,593)	20,593,585	(10,948,879,892)
Bridge and tunnel infrastructure	(1,965,117,384)	(77,910,480)	-	(2,043,027,864)
Total accumulated depreciation	(12,234,469,268)	(778,032,073)	20,593,585	(12,991,907,756)
Total infrastructure, net	18,433,717,069	1,101,445,534	(278,029,131)	19,257,133,472
Infrastructure, w ork in process				
Road and bridge	2,923,994,546	1,366,908,945	(1,318,873,989)	2,972,029,502
Right-of-w ay	247,749,639	187,156,478	(95,311,453)	339,594,664
Total infrastructure w ork in process	3,171,744,185	1,554,065,423	(1,414,185,442)	3,311,624,166
Total governmental activities capital assets, net	\$22,443,338,110	\$ 2,699,155,017	\$ (1,725,641,989)	\$23,416,851,138

Depreciation expense was charged to programs as follows:

Governmental activities:

Highway system acquisition and construction	\$ 778,032,073
Administrative and support services	1,645,226
Highway system maintenance	30,063,279
Unallocated	<u>14,768,751</u>
Total governmental activities depreciation expense	<u>\$ 824,509,329</u>

Note (1) Beginning balance has been restated by an increase of \$52,244,498 for restorative projects not previously reported. A restatement for \$322,471,392 has also been made to reclass from depreciable infrastructure to non depreciable infrastructure for assets related to service concession agreements that will not require depreciation. This reclass has no overall change to beginning fund balance

VIRGINIA DEPARTMENT OF TRANSPORTATION

Business Type asset activity for the year ended June 30, 2014 was as follows:

Route 460 Funding Corporation of Virginia	Business Type Activities			
	June 30, 2013	Increases	Decreases	June 30, 2014
Non-depreciable capital assets				
Construction in progress	\$ 56,333,111	\$ 72,568,592	\$ -	\$ 128,901,703
Total nondepreciable capital assets	<u>56,333,111</u>	<u>72,568,592</u>	<u>-</u>	<u>128,901,703</u>
Total business type activities net	<u>\$ 56,333,111</u>	<u>\$ 72,568,592</u>	<u>\$ -</u>	<u>\$ 128,901,703</u>

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

The accompanying Budget Comparison Schedule - Special Revenue Funds present 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, 2014	\$ 2,042,623,072
Accrued revenues	134,621,117
Accrued expenditures	<u>(238,528,692)</u>
Total Modified Accrual (GAAP) Basis Fund Balance at June 30, 2014	<u>\$ 1,938,715,497</u>

14. CASH, CASH EQUIVALENTS AND INVESTMENTS

VDOT 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, 2014, the Department reported \$1,353,327,201 for Cash with the Treasurer of Virginia, \$102,413 of which was for the Agency Fund and \$29,988 was for General Fund. The Department's investments with the Treasurer included investments in Local Government Investment Pool (LGIP) and Short Term Investment Funds (STIF), which were \$40,241,684 and \$9,110,560 respectively at June 30, 2014.

The Department maintains cash with the Treasurer in the state Treasurer's General Account. During the fiscal year 2014, 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, 2014 was \$132,670,941. 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 is available 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, 2014, the Department's carrying amount of cash with trustees was \$19,605,192 and the bank balance was \$20,835,426.

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, 2014, the reported balance for Cash, Cash Equivalents and Investments with Trustees were as follows:

	Cash and Cash Equivalents	Investments
Toll Facilities Revolving Fund	\$ 7,839,846	\$ -
Capital Projects Revenue Bonds	227,122,744	40,782,725
GARVEE Notes	319,136,567	-
Route 58	612,840	-
Northern Virginia Transportation District	4,827,015	-
Route 28	18	-
Transportation Set Aside	1	-
Federal Reimbursement Anticipation Notes	22,347,008	-
Camp 30	6,770,229	-
Total	\$ 588,656,268	\$ 40,782,725

The Department follows the General Account investment guidelines adopted by the Treasury Board of Virginia. Details of the investment policy of the State Treasurer are available 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, 2014, 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, 2014, the Department had no investment with trustees with a maturity of greater than five year.

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, 2014, 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, 2014, the Department had the following investments with trustees:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating Agency</u>	<u>Credit Rating</u>	<u>Investment Maturities</u>	
				<u>Less Than 1 Year</u>	<u>1-5 Years</u>
U.S. Treasury and Agency Securities	\$ 40,782,725		N/A	\$ 32,422,869	\$ 8,359,856
Mutual and Money Market Funds	43,874,170	Standard & Poor's	AAA	43,874,170	-
Mutual and Money Market Funds (Include SNAP)	<u>525,176,906</u>	Standard & Poor's	AAA	<u>525,176,906</u>	<u>-</u>
Total	<u>\$609,833,801</u>			<u>\$ 601,473,945</u>	<u>\$ 8,359,856</u>

CASH, CASH EQUIVALENTS AND INVESTMENTS

Route 460 Funding Corporation of Virginia

A. Cash, Cash Equivalents and Investments with the Trustee – U.S. Bank National Association

The Corporation has five bank accounts, an operating account and four trustee accounts, at June 30, 2014. The operating account is with Wells Fargo Bank and has a balance of \$5,213 while the trustee accounts are with U.S. Bank and have balances of \$142,302,862 in cash and cash equivalents and \$36,284,666 in debt securities. A significant amount of the Corporation's funds are held by the Trustee - U.S. Bank National Association who is responsible for the collection, disbursement, custody, and investment, pursuant to Section 416 of the Master Indenture of Trust dated December 1, 2012. The balance of cash held by the banks is covered by federal depository insurance or collateralized in accordance with the bank's deposits security policies.

B. Cash and Cash Equivalents with Trustee and Wells Fargo Bank

Cash and Cash Equivalents held by trustees and Wells Fargo are limited in use by bond or other agreements.

At June 30, 2014, the Corporation's cash and cash equivalents with the Trustee and the Wells Fargo Bank are as shown below:

	Cash and Cash	
	<u>Equivalents</u>	<u>Investments</u>
Trustee Account	\$ 142,302,862	\$ 36,284,666
Operating Account	5,213	-
Total	<u><u>\$ 142,308,075</u></u>	<u><u>\$ 36,284,666</u></u>

The Corporation follows the Corporation investment guidelines outlined in the Master Indenture, Section 416 dated December 1, 2012.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Corporation 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, 2014, the Corporation 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 Corporation has elected the Segmented Time Distribution method of disclosure. As of June 30, 2014, the Corporation 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 Corporation's investments in a single issuer. As of June 30, 2014, 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, 2014, the Corporation had the following Cash, Cash Equivalents with Trustee and Wells Fargo:

Cash, Cash	Equivalents	Fair Value	Rating Agency	Credit	<u>Maturities</u>		
					Rating	Less Than 1 Year	1-5 Years
Mutual and Money							
Market Funds	\$	10,699,797	Standard & Poor's	AAA	\$	10,699,797	\$ -
Commercial Paper	\$	131,603,065	Moody's	P-1	\$	131,603,065	\$ -
Investments U.S							
Securites	\$	36,284,666	Moody's	aaa	\$	10,153,145	\$ 26,131,521
Total	<u><u>\$</u></u>	<u><u>178,587,528</u></u>			<u><u>\$</u></u>	<u><u>152,456,007</u></u>	<u><u>\$ 26,131,521</u></u>

15. 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.

16. SERVICE CONCESSION ARRANGEMENTS

The Commonwealth implemented GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, during fiscal year 2013. GASB Statement No.60 describes the criteria for when an arrangement is classified as a Service Concession Arrangement (SCA). The basic criteria are: the operator of the capital asset owned by the transferor has the right to provide services in exchange for significant consideration; the operator's revenue must come from a third party; the transferor must retain some level of control over the asset; and the transferor must receive significant residual interest at the conclusion of the arrangement. The Commonwealth of Virginia has two SCAs in operation as of June 30, 2014 Pocahontas 895 and the I-495 Express Lanes and two SCA projects under construction, Elizabeth River-Mid Town Tunnel and the I-95 Express Lanes. These projects are related to highway construction and operations and were established per the Public-Private Transportation Act of 1995, as amended (PPTA). PPTA project goals are to provide highway projects to the public in a timely and cost effective manner with private funding and support.

Pocahontas 895

On June 21, 2006, the Pocahontas Parkway Association (Association – previously reported as a blended component unit of the Virginia Department of Transportation (VDOT), part of primary government) signed an agreement with Transurban (895) LLC (Transurban). Under the terms of the agreement, all assets and rights of the Association under the Comprehensive Agreement with VDOT were transferred to Transurban. In exchange for the existing toll road and other assets, Transurban transferred sufficient funds and securities to pay or defease all outstanding bonds of the Association and pay all other outstanding obligations owed to VDOT. Additionally, Transurban agreed to construct an enhancement to the original toll road, an airport connector road segment, and this enhancement was completed and placed in service in 2011.

During the 99-year agreement term, VDOT will have fee title or good and valid interest in the asset. VDOT retains the right of inspection of the asset and has outlined maximum toll charges and increases in the terms of the agreement. Capital assets of \$337.0 million and deferred inflow balances of \$524 million are included in the government-wide financial statements as a result of this agreement. No contractual liabilities exist for this arrangement as of June 30. During fiscal year 2014, the Transurban Board approved the transfer of Pocahontas 895 to the lenders of the asset due to lower revenues than anticipated. On May 15, 2014, DBI Services assumed control of Pocahontas 895.

495 Express Lanes

On December 19, 2007, VDOT signed an 80-year public-private partnership agreement with Capital Beltway Express, LLC. The purpose of this agreement is to build new express lanes to provide users with a faster and more reliable travel option. The construction of the express lanes was completed in November 2012. During the 80-year agreement, VDOT maintains regulatory control and jurisdiction of the express lanes. VDOT will have fee title or good and valid interest in the express lanes. The lanes will remain open for the public as long as the applicable tolls are paid. Capital assets of \$1.1 billion and deferred inflows of \$1.0 billion are included in the government-wide financial statements as a result of this agreement. Liabilities are contingent on specific events occurring per the agreement, and no events occurred during fiscal year 2014.

95 Express Lanes

On July 31, 2012, VDOT signed a 73-year public private partnership agreement with 95 Express Lanes, LLC. This project will create approximately 29 miles of Express Lanes on I-95 in Northern Virginia. The project will also add capacity to the existing HOV Lanes. During the agreement, 95 Express Lanes LLC will operate and maintain the road. The revenue source for the concessionaire will be toll collections which will be used for maintenance, operating and return on investment for constructing the project. At the end of the 73-year term, control of and the rights to operate the facilities will revert back to VDOT. Since assets related to this project will not be operational until fiscal year 2015, no capital assets, liabilities, or deferred inflows of resources have been included in the financial statements.

Elizabeth River Mid-Town Tunnel

On December 5, 2011, VDOT signed a 58-year public private partnership agreement with Elizabeth River Crossings OPCO, LLC. The purposes of this agreement are to build and operate a new tunnel that will be adjacent to the existing Midtown Tunnel for crossing the Elizabeth River, provide improvements to the existing Midtown Tunnel and the Downtown Tunnel, and to provide various extensions and improvements of the MLK Freeway and I-264.

During the agreement, Elizabeth River Crossings OPCO, LLC will operate and maintain the road. The revenue source for the concessionaire will be toll collections which will be used for maintenance, operating and return on investment for constructing the project. At the end of the 58-year term, control of and the rights to operate the facilities will revert back to VDOT. Since assets related to this project will not be operational until fiscal year 2017, no capital assets, liabilities, or deferred inflows of resources have been included in the financial statements.

17. 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, 2014. 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 3, 2014, the Commonwealth Transportation Board issued the Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series 2014. The par amount of the Series 2014 is \$274,980,000 with the Bonds Premium of \$26,013,208.85. The Bonds will be maturing in annual installments on May 15 in the years 2015 to 2039 and interests are payable on May 15 and November 15 in the years 2015 to 2039 at rates varying from 2.000 to 5.000 percent. The net proceeds of the Series 2014 bonds will be used to pay for the costs of certain transportation projects in the Commonwealth and certain costs related to the issuance of the 2014 Bonds.



**FINANCIAL
REPORT
JUNE 30, 2014**

**REQUIRED
SUPPLEMENTARY
INFORMATION**

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**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, 2014

	TOTAL			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ 60,950,000	\$ 60,950,000	\$ 59,946,800	\$ (1,003,200)
Taxes	2,619,624,475	2,619,624,475	2,544,750,481	(74,873,994)
Rights and privileges	330,109,216	330,109,216	342,132,497	12,023,281
Sale of property and commodities	-	-	8,056,464	8,056,464
Interest, dividends, and rents	16,918,158	16,918,158	17,477,259	559,101
Fines, forfeitures, court fees				
Penalties, and escheats	1,743,713	1,743,713	9,174,660	7,430,947
Receipts from localities and private sector	180,954,764	180,954,764	77,164,097	(103,790,667)
Federal grants and contracts	867,274,667	934,300,279	1,245,649,268	311,348,989
Toll revenues	16,767,915	16,767,915	16,727,934	(39,981)
Other	35,083,109	35,083,109	16,060,919	(19,022,190)
Total revenues	<u>4,129,426,017</u>	<u>4,196,451,629</u>	<u>4,337,140,379</u>	<u>140,688,750</u>
Expenditures				
Current				
Administrative and support services	246,146,335	239,211,101	214,632,026	24,579,075
Ground transportation system planning and research	65,940,956	62,905,286	59,526,101	3,379,185
Highway system acquisition and construction	1,451,823,948	1,391,818,407	1,692,999,262	(301,180,855)
Highway system maintenance	1,467,347,738	1,722,985,656	1,719,053,078	3,932,578
Financial assistance to localities	889,552,281	899,552,281	653,162,483	246,389,798
Environmental monitoring and compliance	13,663,126	13,653,066	10,873,144	2,779,922
Toll facility operations and construction	121,455,814	122,338,193	24,054,210	98,283,983
Capital outlay	20,000,000	20,000,000	8,768,511	11,231,489
Transfers to other state agencies	30,796,218	30,796,218	34,806,747	(4,010,529)
Total expenditures	<u>4,306,726,416</u>	<u>4,503,260,208</u>	<u>4,417,875,562</u>	<u>85,384,646</u>
Revenues over (under) expenditures	<u>(177,300,399)</u>	<u>(306,808,579)</u>	<u>(80,735,183)</u>	<u>226,073,396</u>
Other financing sources (uses)				
Other financing uses	-	-	(600,994)	(600,994)
Other financing sources	64,685,343	65,567,722	-	(65,567,722)
Reversion to the General Fund of the Commonwealth	-	-	-	-
Bond proceeds	363,897,137	363,897,137	307,659,072	(56,238,065)
Note proceeds	-	-	-	-
Transfers to other state agencies and General Fund	(18,620,118)	(18,620,118)	(157,108,442)	(138,488,324)
Transfers from other state agencies and General Fund	-	-	37,489,630	37,489,630
Transfers in	369,817,083	369,817,083	577,357,455	207,540,372
Transfers out	(369,817,083)	(369,817,083)	(858,758,664)	(488,941,581)
Total other financing sources (uses)	<u>409,962,362</u>	<u>410,844,741</u>	<u>(93,961,943)</u>	<u>(504,806,684)</u>
Revenues and other sources over (under) expenditures and other uses	<u>232,661,963</u>	<u>104,036,162</u>	<u>(174,697,126)</u>	<u>(278,733,288)</u>
Fund balance - July 1, as restated	<u>2,217,320,198</u>	<u>2,217,320,198</u>	<u>2,217,320,198</u>	<u>-</u>
Fund balance - June 30	<u>\$ 2,449,982,161</u>	<u>\$ 2,321,356,360</u>	<u>\$ 2,042,623,072</u>	<u>\$ (278,733,288)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	FEDERAL			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
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	867,274,667	934,300,279	1,187,061,641	252,761,362
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>867,274,667</u>	<u>934,300,279</u>	<u>1,187,061,641</u>	<u>252,761,362</u>
Expenditures				
Current				
Administrative and support services	5,010,000	5,667,545	5,113,305	554,240
Ground transportation system planning and research	18,897,100	18,897,100	15,088,917	3,808,183
Highway system acquisition and construction	561,645,984	497,233,746	817,756,909	(320,523,163)
Highway system maintenance	222,149,158	358,472,252	358,077,788	394,464
Financial assistance to localities	6,929,309	6,929,309	5,726,004	1,203,305
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>814,631,551</u>	<u>887,199,952</u>	<u>1,201,762,923</u>	<u>(314,562,971)</u>
Revenues over (under) expenditures	<u>52,643,116</u>	<u>47,100,327</u>	<u>(14,701,282)</u>	<u>(61,801,609)</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Note proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	14,701,282	14,701,282
Transfers in	-	-	39,991,642	39,991,642
Transfers out	-	-	(39,991,642)	(39,991,642)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>14,701,282</u>	<u>14,701,282</u>
Revenues and other sources over (under) expenditures and other uses	<u>52,643,116</u>	<u>47,100,327</u>	<u>-</u>	<u>(47,100,327)</u>
Fund balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - June 30	<u>\$ 52,643,116</u>	<u>\$ 47,100,327</u>	<u>\$ -</u>	<u>\$ (47,100,327)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014

HIGHWAY MAINTENANCE & OPERATING				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ 950,000	\$ 950,000	\$ 950,000	\$ -
Taxes	1,303,200,000	1,303,200,000	1,313,211,817	10,011,817
Rights and privileges	287,700,000	287,700,000	299,648,573	11,948,573
Sale of property and commodities	-	-	3,352,533	3,352,533
Interest, dividends, and rents	-	-	69,312	69,312
Fines, forfeitures, court fees	-	-	6,596,663	6,596,663
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	25,000	25,000	1,689,688	1,664,688
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	35,083,109	35,083,109	12,840,567	(22,242,542)
Total revenues	<u>1,626,958,109</u>	<u>1,626,958,109</u>	<u>1,638,359,153</u>	<u>11,401,044</u>
Expenditures				
Current				
Administrative and support services	240,345,519	232,752,740	208,694,932	24,057,808
Ground transportation system planning and research	14,995,270	8,295,270	7,351,029	944,241
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	1,245,198,580	1,364,513,404	1,360,975,290	3,538,114
Financial assistance to localities	422,916,808	432,916,808	406,912,766	26,004,042
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	30,653,013	30,653,013	34,666,214	(4,013,201)
Total expenditures	<u>1,954,109,190</u>	<u>2,069,131,235</u>	<u>2,018,600,231</u>	<u>50,531,004</u>
Revenues over (under) expenditures	<u>(327,151,081)</u>	<u>(442,173,126)</u>	<u>(380,241,078)</u>	<u>61,932,048</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Note proceeds	-	-	-	-
Transfers to other state agencies and General Fund	(18,620,118)	(18,620,118)	(14,635,266)	3,984,852
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	313,941,656	313,941,656	421,591,115	107,649,459
Transfers out	-	-	(107,822,259)	(107,822,259)
Total other financing sources (uses)	<u>295,321,538</u>	<u>295,321,538</u>	<u>299,133,590</u>	<u>3,812,052</u>
Revenues and other sources over (under) expenditures and other uses	<u>(31,829,543)</u>	<u>(146,851,588)</u>	<u>(81,107,488)</u>	<u>65,744,100</u>
Fund balance - July 1, as restated	<u>239,686,008</u>	<u>239,686,008</u>	<u>239,686,008</u>	<u>-</u>
Fund balance - June 30	<u>\$ 207,856,465</u>	<u>\$ 92,834,420</u>	<u>\$ 158,578,520</u>	<u>\$ 65,744,100</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	CONSTRUCTION			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	708,634,475	708,634,475	668,855,810	(39,778,665)
Rights and privileges	26,940,836	26,940,836	26,850,806	(90,030)
Sale of property and commodities	-	-	4,703,931	4,703,931
Interest, dividends, and rents	5,123,783	5,123,783	5,774,869	651,086
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	85,360	85,360
Receipts from localities and private sector	178,613,764	178,613,764	73,718,339	(104,895,425)
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	18,319	18,319
Total revenues	<u>919,312,858</u>	<u>919,312,858</u>	<u>780,007,434</u>	<u>(139,305,424)</u>
Expenditures				
Current				
Administrative and support services	790,816	790,816	781,743	9,073
Ground transportation system planning and research	32,048,586	35,712,916	37,086,155	(1,373,239)
Highway system acquisition and construction	510,714,921	509,687,921	397,276,514	112,411,407
Highway system maintenance	-	-	-	-
Financial assistance to localities	7,916,164	7,916,164	4,256,955	3,659,209
Environmental monitoring and compliance	13,663,126	13,653,066	10,873,144	2,779,922
Toll facility operations and construction	-	-	-	-
Capital outlay	20,000,000	20,000,000	7,820,060	12,179,940
Transfers to other state agencies	143,205	143,205	140,533	2,672
Total expenditures	<u>585,276,818</u>	<u>587,904,088</u>	<u>458,235,104</u>	<u>129,668,984</u>
Revenues over (under) expenditures	<u>334,036,040</u>	<u>331,408,770</u>	<u>321,772,330</u>	<u>(9,636,440)</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	(18,770,609)	(18,770,609)
Transfers from other state agencies and General Fund	-	-	21,706,053	21,706,053
Transfers in	-	-	100,000,000	100,000,000
Transfers out	(325,741,656)	(325,741,656)	(456,756,581)	(131,014,925)
Total other financing sources (uses)	<u>(325,741,656)</u>	<u>(325,741,656)</u>	<u>(353,821,137)</u>	<u>(28,079,481)</u>
Revenues and other sources over (under) expenditures and other uses	<u>8,294,384</u>	<u>5,667,114</u>	<u>(32,048,807)</u>	<u>(37,715,921)</u>
Fund balance - July 1	<u>247,338,325</u>	<u>247,338,325</u>	<u>247,338,325</u>	<u>-</u>
Fund balance - June 30	<u>\$ 255,632,709</u>	<u>\$ 253,005,439</u>	<u>\$ 215,289,518</u>	<u>\$ (37,715,921)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

PRIORITY TRANSPORTATION FUND				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	156,000,000	156,000,000	156,541,374	541,374
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	1,853,913	1,853,913	1,144,813	(709,100)
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>157,853,913</u>	<u>157,853,913</u>	<u>157,686,187</u>	<u>(167,726)</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	2,760,566	(2,760,566)
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>2,760,566</u>	<u>(2,760,566)</u>
Revenues over (under) expenditures	<u>157,853,913</u>	<u>157,853,913</u>	<u>154,925,621</u>	<u>(2,928,292)</u>
Other financing sources (uses)				
Other financing uses	-	-	(133,763)	(133,763)
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	11,869,045	11,869,045	-	(11,869,045)
Transfers out	(32,206,382)	(32,206,382)	(143,766,054)	(111,559,672)
Total other financing sources (uses)	<u>(20,337,337)</u>	<u>(20,337,337)</u>	<u>(143,899,817)</u>	<u>(123,562,480)</u>
Revenues and other sources over (under) expenditures and other uses	<u>137,516,576</u>	<u>137,516,576</u>	<u>11,025,804</u>	<u>(126,490,772)</u>
Fund balance - July 1	<u>92,017,159</u>	<u>92,017,159</u>	<u>92,017,159</u>	<u>-</u>
Fund balance - June 30	<u>\$ 229,533,735</u>	<u>\$ 229,533,735</u>	<u>\$ 103,042,963</u>	<u>\$ (126,490,772)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014

TOLL FACILITIES REVOLVING				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	10,373,632	10,373,632	9,928,148	(445,484)
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	7,593,009	7,593,009	4,802,037	(2,790,972)
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	1,743,713	1,743,713	2,492,637	748,924
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>19,710,354</u>	<u>19,710,354</u>	<u>17,222,822</u>	<u>(2,487,532)</u>
Expenditures				
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	104,687,899	104,687,899	16,496,355	88,191,544
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>104,687,899</u>	<u>104,687,899</u>	<u>16,496,355</u>	<u>88,191,544</u>
Revenues over (under) expenditures	<u>(84,977,545)</u>	<u>(84,977,545)</u>	<u>726,467</u>	<u>85,704,012</u>
Other financing sources (uses)				
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	-	-	790,694	790,694
Transfers out	-	-	(22,455)	(22,455)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>768,239</u>	<u>768,239</u>
Revenues and other sources over (under) expenditures and other uses	<u>(84,977,545)</u>	<u>(84,977,545)</u>	<u>1,494,706</u>	<u>86,472,251</u>
Fund balance - July 1	<u>363,785,872</u>	<u>363,785,872</u>	<u>363,785,872</u>	<u>-</u>
Fund balance - June 30	<u>\$ 278,808,327</u>	<u>\$ 278,808,327</u>	<u>\$ 365,280,578</u>	<u>\$ 86,472,251</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

CAPITAL PROJECTS REVENUE BONDS				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	917,402	917,402
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>917,402</u>	<u>917,402</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	161,202,137	161,202,137	159,233,844	1,968,293
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>161,202,137</u>	<u>161,202,137</u>	<u>159,233,844</u>	<u>1,968,293</u>
Revenues over (under) expenditures	<u>(161,202,137)</u>	<u>(161,202,137)</u>	<u>(158,316,442)</u>	<u>2,885,695</u>
Other financing sources (uses)				
Other financing uses	-	-	(36,751)	(36,751)
Other financing sources	-	-	-	-
Bond proceeds	161,202,137	161,202,137	-	(161,202,137)
Transfers to other state agencies and General Fund	-	-	(123,702,567)	(123,702,567)
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(3,816,532)	(3,816,532)
Total other financing sources (uses)	<u>161,202,137</u>	<u>161,202,137</u>	<u>(127,555,850)</u>	<u>(288,757,987)</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(285,872,292)</u>	<u>(285,872,292)</u>
Fund balance - July 1	<u>554,340,637</u>	<u>554,340,637</u>	<u>554,340,637</u>	<u>-</u>
Fund balance - June 30	<u>\$ 554,340,637</u>	<u>\$ 554,340,637</u>	<u>\$ 268,468,345</u>	<u>\$ (285,872,292)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

ARRA PROJECTS				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
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	-	-	50,903,707	50,903,707
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>50,903,707</u>	<u>50,903,707</u>
Expenditures				
Current				
Administrative and support services	-	-	42,046	(42,046)
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	49,835,141	(49,835,141)
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>49,877,187</u>	<u>(49,877,187)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,026,520</u>	<u>1,026,520</u>
Other financing sources (uses)				
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	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>1,026,520</u>	<u>1,026,520</u>
Fund balance - July 1	<u>(1,196,505)</u>	<u>(1,196,505)</u>	<u>(1,196,505)</u>	<u>-</u>
Fund balance - June 30	<u>\$ (1,196,505)</u>	<u>\$ (1,196,505)</u>	<u>\$ (169,985)</u>	<u>\$ 1,026,520</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

NONMAJOR FUNDS				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ 60,000,000	\$ 60,000,000	\$ 58,996,800	\$ (1,003,200)
Taxes	451,790,000	451,790,000	406,141,480	(45,648,520)
Rights and privileges	5,094,748	5,094,748	5,704,970	610,222
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	2,347,453	2,347,453	4,768,826	2,421,373
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	2,316,000	2,316,000	1,756,070	(559,930)
Federal grants and contracts	-	-	7,683,920	7,683,920
Toll revenues	16,767,915	16,767,915	16,727,934	(39,981)
Other	-	-	3,202,033	3,202,033
Total revenues	<u>538,316,116</u>	<u>538,316,116</u>	<u>504,982,033</u>	<u>(33,334,083)</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	218,260,906	223,694,603	266,136,288	(42,441,685)
Highway system maintenance	-	-	-	-
Financial assistance to localities	451,790,000	451,790,000	236,266,758	215,523,242
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	16,767,915	17,650,294	7,557,855	10,092,439
Capital outlay	-	-	948,451	(948,451)
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>686,818,821</u>	<u>693,134,897</u>	<u>510,909,352</u>	<u>182,225,545</u>
Revenues over (under) expenditures	<u>(148,502,705)</u>	<u>(154,818,781)</u>	<u>(5,927,319)</u>	<u>148,891,462</u>
Other financing sources (uses)				
Other financing uses	-	-	(430,480)	(430,480)
Other financing sources	64,685,343	65,567,722	-	(65,567,722)
Bond proceeds	202,695,000	202,695,000	307,659,072	104,964,072
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	1,082,295	1,082,295
Transfers in	44,006,382	44,006,382	14,984,004	(29,022,378)
Transfers out	(11,869,045)	(11,869,045)	(106,583,141)	(94,714,096)
Total other financing sources (uses)	<u>299,517,680</u>	<u>300,400,059</u>	<u>216,711,750</u>	<u>(83,688,309)</u>
Revenues and other sources over (under) expenditures and other uses	<u>151,014,975</u>	<u>145,581,278</u>	<u>210,784,431</u>	<u>65,203,153</u>
Fund balance - July 1	<u>721,348,702</u>	<u>721,348,702</u>	<u>721,348,702</u>	<u>-</u>
Fund balance - June 30	<u>\$ 872,363,677</u>	<u>\$ 866,929,980</u>	<u>\$ 932,133,133</u>	<u>\$ 65,203,153</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, 2014

	TRANSPORTATION PARTNERSHIP OPPORTUNITY			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	1,244,453	1,244,453	301,174	(943,279)
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>1,244,453</u>	<u>1,244,453</u>	<u>301,174</u>	<u>(943,279)</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	1,175,082	1,175,082	8,613,896	(7,438,814)
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>1,175,082</u>	<u>1,175,082</u>	<u>8,613,896</u>	<u>(7,438,814)</u>
Revenues over (under) expenditures	<u>69,371</u>	<u>69,371</u>	<u>(8,312,722)</u>	<u>(8,382,093)</u>
Other financing sources (uses)				
Other financing uses	-	-	(36,862)	(36,862)
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	3,080,536	3,080,536
Transfers out	-	-	(69,371)	(69,371)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,974,303</u>	<u>2,974,303</u>
Revenues and other sources over (under) expenditures and other uses	<u>69,371</u>	<u>69,371</u>	<u>(5,338,419)</u>	<u>(5,407,790)</u>
Fund balance - July 1	<u>47,774,626</u>	<u>47,774,626</u>	<u>47,774,626</u>	<u>-</u>
Fund balance - June 30	<u>\$ 47,843,997</u>	<u>\$ 47,843,997</u>	<u>\$ 42,436,207</u>	<u>\$ (5,407,790)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014

CONCESSION FUNDS FOR PROJECTS				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	115,909	115,909
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	500,000	500,000
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>615,909</u>	<u>615,909</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	4,933,697	4,361,863	571,834
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>-</u>	<u>4,933,697</u>	<u>4,361,863</u>	<u>571,834</u>
Revenues over (under) expenditures	<u>-</u>	<u>(4,933,697)</u>	<u>(3,745,954)</u>	<u>1,187,743</u>
Other financing sources (uses)				
Other financing uses	-	-	(14,498)	(14,498)
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	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(14,498)</u>	<u>(14,498)</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>(4,933,697)</u>	<u>(3,760,452)</u>	<u>1,173,245</u>
Fund balance - July 1	<u>16,312,445</u>	<u>16,312,445</u>	<u>16,312,445</u>	<u>-</u>
Fund balance - June 30	<u>\$ 16,312,445</u>	<u>\$ 11,378,748</u>	<u>\$ 12,551,993</u>	<u>\$ 1,173,245</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

TRANSPORTATION INFRASTRUCTURE BANK				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	2,373,997	2,373,997
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>2,373,997</u>	<u>2,373,997</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	500,000	225,786	274,214
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>-</u>	<u>500,000</u>	<u>225,786</u>	<u>274,214</u>
Revenues over (under) expenditures	<u>-</u>	<u>(500,000)</u>	<u>2,148,211</u>	<u>2,648,211</u>
Other financing sources (uses)				
Other financing uses	-	-	(253,861)	(253,861)
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	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(253,861)</u>	<u>(253,861)</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>(500,000)</u>	<u>1,894,350</u>	<u>2,394,350</u>
Fund balance - July 1	<u>318,744,686</u>	<u>318,744,686</u>	<u>318,744,686</u>	<u>-</u>
Fund balance - June 30	<u>\$ 318,744,686</u>	<u>\$ 318,244,686</u>	<u>\$ 320,639,036</u>	<u>\$ 2,394,350</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

COMMONWEALTH SPACE FLIGHT				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
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	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	11,800,000	11,800,000	11,800,000	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>11,800,000</u>	<u>11,800,000</u>	<u>11,800,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>(11,800,000)</u>	<u>(11,800,000)</u>	<u>(11,800,000)</u>	<u>-</u>
Other financing sources (uses)				
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	11,800,000	11,800,000	11,800,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>11,800,000</u>	<u>11,800,000</u>	<u>11,800,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	RECYCLABLE MATERIALS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
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	-	-	147,873	147,873
Total revenues	<u>-</u>	<u>-</u>	<u>147,873</u>	<u>147,873</u>
Expenditures				
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	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>147,873</u>	<u>147,873</u>
Other financing sources (uses)				
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	-	-	(147,873)	(147,873)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(147,873)</u>	<u>(147,873)</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

SURPLUS PROPERTY				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
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	-	-	3,052,963	3,052,963
Total revenues	<u>-</u>	<u>-</u>	<u>3,052,963</u>	<u>3,052,963</u>
Expenditures				
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	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>3,052,963</u>	<u>3,052,963</u>
Other financing sources (uses)				
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	-	-	(3,052,963)	(3,052,963)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(3,052,963)</u>	<u>(3,052,963)</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	CAMP 30			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	32,720	32,720
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>32,720</u>	<u>32,720</u>
Expenditures				
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	-	-	948,451	(948,451)
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>948,451</u>	<u>(948,451)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(915,731)</u>	<u>(915,731)</u>
Other financing sources (uses)				
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	-	-	103,468	103,468
Transfers out	-	-	(19,269,351)	(19,269,351)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(19,165,883)</u>	<u>(19,165,883)</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(20,081,614)</u>	<u>(20,081,614)</u>
Fund balance - July 1	<u>26,851,805</u>	<u>26,851,805</u>	<u>26,851,805</u>	<u>-</u>
Fund balance - June 30	<u>\$ 26,851,805</u>	<u>\$ 26,851,805</u>	<u>\$ 6,770,191</u>	<u>\$ (20,081,614)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014

NORTHERN VIRGINIA TRANSPORTATION DISTRICT				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ 20,000,000	\$ 20,000,000	\$ 18,996,800	\$ (1,003,200)
Taxes	-	-	-	-
Rights and privileges	5,094,748	5,094,748	5,704,970	610,222
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	696,000	696,000	840,101	144,101
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	816,000	816,000	256,070	(559,930)
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>26,606,748</u>	<u>26,606,748</u>	<u>25,797,941</u>	<u>(808,807)</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	1,337,224	1,337,224	8,370,458	(7,033,234)
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>1,337,224</u>	<u>1,337,224</u>	<u>8,370,458</u>	<u>(7,033,234)</u>
Revenues over (under) expenditures	<u>25,269,524</u>	<u>25,269,524</u>	<u>17,427,483</u>	<u>(7,842,041)</u>
Other financing sources (uses)				
Other financing uses	-	-	(96,928)	(96,928)
Other financing sources	-	-	-	-
Bond proceeds	-	-	98,013	98,013
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(24,331,496)	(24,331,496)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(24,330,411)</u>	<u>(24,330,411)</u>
Revenues and other sources over (under) expenditures and other uses	<u>25,269,524</u>	<u>25,269,524</u>	<u>(6,902,928)</u>	<u>(32,172,452)</u>
Fund balance - July 1	<u>121,624,695</u>	<u>121,624,695</u>	<u>121,624,695</u>	<u>-</u>
Fund balance - June 30	<u>\$ 146,894,219</u>	<u>\$ 146,894,219</u>	<u>\$ 114,721,767</u>	<u>\$ (32,172,452)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

ROUTE 58				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
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	-	-	-	-
Interest, dividends, and rents	399,000	399,000	233,483	(165,517)
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>40,399,000</u>	<u>40,399,000</u>	<u>40,233,483</u>	<u>(165,517)</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	971,850	971,850	6,454,701	(5,482,851)
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>971,850</u>	<u>971,850</u>	<u>6,454,701</u>	<u>(5,482,851)</u>
Revenues over (under) expenditures	<u>39,427,150</u>	<u>39,427,150</u>	<u>33,778,782</u>	<u>(5,648,368)</u>
Other financing sources (uses)				
Other financing uses	-	-	(27,718)	(27,718)
Other financing sources	-	-	-	-
Bond proceeds	-	-	260,847	260,847
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(37,094,159)	(37,094,159)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(36,861,030)</u>	<u>(36,861,030)</u>
Revenues and other sources over (under) expenditures and other uses	<u>39,427,150</u>	<u>39,427,150</u>	<u>(3,082,248)</u>	<u>(42,509,398)</u>
Fund balance - July 1	<u>36,542,846</u>	<u>36,542,846</u>	<u>36,542,846</u>	<u>-</u>
Fund balance - June 30	<u>\$ 75,969,996</u>	<u>\$ 75,969,996</u>	<u>\$ 33,460,598</u>	<u>\$ (42,509,398)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

TRANSPORTATION SET ASIDE				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	5,000	5,000	9,098	4,098
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	-	-	-	-
Total revenues	<u>1,505,000</u>	<u>1,505,000</u>	<u>1,009,098</u>	<u>(495,902)</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	278,750	278,750	168	278,582
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>278,750</u>	<u>278,750</u>	<u>168</u>	<u>278,582</u>
Revenues over (under) expenditures	<u>1,226,250</u>	<u>1,226,250</u>	<u>1,008,930</u>	<u>(217,320)</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	1,082,295	1,082,295
Transfers in	-	-	-	-
Transfers out	-	-	(2,226,246)	(2,226,246)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,143,951)</u>	<u>(1,143,951)</u>
Revenues and other sources over (under) expenditures and other uses	<u>1,226,250</u>	<u>1,226,250</u>	<u>(135,021)</u>	<u>(1,361,271)</u>
Fund balance - July 1	<u>836,611</u>	<u>836,611</u>	<u>836,611</u>	<u>-</u>
Fund balance - June 30	<u>\$ 2,062,861</u>	<u>\$ 2,062,861</u>	<u>\$ 701,590</u>	<u>\$ (1,361,271)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

ROUTE 28				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	6,274	6,274
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>6,274</u>	<u>6,274</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	1,863	(1,863)
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>1,863</u>	<u>(1,863)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>4,411</u>	<u>4,411</u>
Other financing sources (uses)				
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	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>4,411</u>	<u>4,411</u>
Fund balance - July 1	<u>954,793</u>	<u>954,793</u>	<u>954,793</u>	<u>-</u>
Fund balance - June 30	<u>\$ 954,793</u>	<u>\$ 954,793</u>	<u>\$ 959,204</u>	<u>\$ 4,411</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014

COLEMAN BRIDGE				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	5,305	5,305
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	6,562,815	6,562,815	6,214,301	(348,514)
Other	-	-	692	692
Total revenues	<u>6,562,815</u>	<u>6,562,815</u>	<u>6,220,298</u>	<u>(342,517)</u>
Expenditures				
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	6,562,815	4,787,415	4,346,687	440,728
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>6,562,815</u>	<u>4,787,415</u>	<u>4,346,687</u>	<u>440,728</u>
Revenues over (under) expenditures	<u>-</u>	<u>1,775,400</u>	<u>1,873,611</u>	<u>98,211</u>
Other financing sources (uses)				
Other financing uses	-	-	(566)	(566)
Other financing sources	28,722,505	26,947,105	-	(26,947,105)
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(3,386,702)	(3,386,702)
Total other financing sources (uses)	<u>28,722,505</u>	<u>26,947,105</u>	<u>(3,387,268)</u>	<u>(30,334,373)</u>
Revenues and other sources over (under) expenditures and other uses	<u>28,722,505</u>	<u>28,722,505</u>	<u>(1,513,657)</u>	<u>(30,236,162)</u>
Fund balance - July 1	<u>(28,722,505)</u>	<u>(28,722,505)</u>	<u>(28,722,505)</u>	<u>-</u>
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (30,236,162)</u>	<u>\$ (30,236,162)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

FEDERAL REIMBURSEMENT ANTICIPATION NOTES				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	3,000	3,000	418	(2,582)
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>418</u>	<u>(2,582)</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	3,000	3,000	4,996	(1,996)
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>3,000</u>	<u>3,000</u>	<u>4,996</u>	<u>(1,996)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(4,578)</u>	<u>(4,578)</u>
Other financing sources (uses)				
Other financing uses	-	-	(47)	(47)
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	32,206,382	32,206,382	-	(32,206,382)
Transfers out	(11,869,045)	(11,869,045)	-	11,869,045
Total other financing sources (uses)	<u>20,337,337</u>	<u>20,337,337</u>	<u>(47)</u>	<u>(20,337,384)</u>
Revenues and other sources over (under) expenditures and other uses	<u>20,337,337</u>	<u>20,337,337</u>	<u>(4,625)</u>	<u>(20,341,962)</u>
Fund balance - July 1	<u>113,606</u>	<u>113,606</u>	<u>113,606</u>	<u>-</u>
Fund balance - June 30	<u>\$ 20,450,943</u>	<u>\$ 20,450,943</u>	<u>\$ 108,981</u>	<u>\$ (20,341,962)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	GARVEE			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	402,657	402,657
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>402,657</u>	<u>402,657</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	202,695,000	202,695,000	226,302,557	(23,607,557)
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>202,695,000</u>	<u>202,695,000</u>	<u>226,302,557</u>	<u>(23,607,557)</u>
Revenues over (under) expenditures	<u>(202,695,000)</u>	<u>(202,695,000)</u>	<u>(225,899,900)</u>	<u>(23,204,900)</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	202,695,000	202,695,000	307,300,212	104,605,212
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>202,695,000</u>	<u>202,695,000</u>	<u>307,300,212</u>	<u>104,605,212</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>81,400,312</u>	<u>81,400,312</u>
Fund balance - July 1	<u>216,277,932</u>	<u>216,277,932</u>	<u>216,277,932</u>	<u>-</u>
Fund balance - June 30	<u>\$ 216,277,932</u>	<u>\$ 216,277,932</u>	<u>\$ 297,678,244</u>	<u>\$ 81,400,312</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

POWHITE PARKWAY EXTENSION				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
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	10,205,100	10,205,100	10,513,633	308,533
Other	-	-	505	505
Total revenues	<u>10,205,100</u>	<u>10,205,100</u>	<u>10,514,138</u>	<u>309,038</u>
Expenditures				
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	10,205,100	12,862,879	3,211,168	9,651,711
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>10,205,100</u>	<u>12,862,879</u>	<u>3,211,168</u>	<u>9,651,711</u>
Revenues over (under) expenditures	<u>-</u>	<u>(2,657,779)</u>	<u>7,302,970</u>	<u>9,960,749</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	35,962,838	38,620,617	-	(38,620,617)
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(9,321,060)	(9,321,060)
Total other financing sources (uses)	<u>35,962,838</u>	<u>38,620,617</u>	<u>(9,321,060)</u>	<u>(47,941,677)</u>
Revenues and other sources over (under) expenditures and other uses	<u>35,962,838</u>	<u>35,962,838</u>	<u>(2,018,090)</u>	<u>(37,980,928)</u>
Fund balance - July 1	<u>(35,962,838)</u>	<u>(35,962,838)</u>	<u>(35,962,838)</u>	<u>-</u>
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (37,980,928)</u>	<u>\$ (37,980,928)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

NORTHERN VA TRANSPORTATION AUTHORITY				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	272,490,000	272,490,000	261,472,270	(11,017,730)
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	76,667	76,667
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>272,490,000</u>	<u>272,490,000</u>	<u>261,548,937</u>	<u>(10,941,063)</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	272,490,000	272,490,000	235,172,350	37,317,650
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>272,490,000</u>	<u>272,490,000</u>	<u>235,172,350</u>	<u>37,317,650</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>26,376,587</u>	<u>26,376,587</u>
Other financing sources (uses)				
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	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>26,376,587</u>	<u>26,376,587</u>
Fund balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,376,587</u>	<u>\$ 26,376,587</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

HAMPTON ROADS PLANNING ORG.				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	179,300,000	179,300,000	144,669,210	(34,630,790)
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	371,023	371,023
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>179,300,000</u>	<u>179,300,000</u>	<u>145,040,233</u>	<u>(34,259,767)</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	179,300,000	179,300,000	1,094,408	178,205,592
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>179,300,000</u>	<u>179,300,000</u>	<u>1,094,408</u>	<u>178,205,592</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>143,945,825</u>	<u>143,945,825</u>
Other financing sources (uses)				
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	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>143,945,825</u>	<u>143,945,825</u>
Fund balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,945,825</u>	<u>\$ 143,945,825</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	ARRA GRANTS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
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	-	-	7,683,920	7,683,920
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>7,683,920</u>	<u>7,683,920</u>
Expenditures				
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	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>7,683,920</u>	<u>7,683,920</u>
Other financing sources (uses)				
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	-	-	(7,683,920)	(7,683,920)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(7,683,920)</u>	<u>(7,683,920)</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



FINANCIAL REPORT

JUNE 30, 2014

**COMBINING AND
INDIVIDUAL FUND
STATEMENTS AND
SCHEDULES**

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**Nonmajor Governmental Funds
Special Revenue**

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Nonmajor Governmental Funds

Special Revenue Funds:

Special Revenue Funds account for specific revenue sources that are restricted to finance particular functions and activities of the 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 grants and 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. Also accounted for in this fund are amounts provided by private developers for construction work on the I-495 Capital Beltway High Occupancy Toll Lanes.

Virginia Transportation Infrastructure Bank Fund This fund accounts for a special non-reverting or revolving loan appropriated by the General Assembly and deposited to the Bank. The Commonwealth Transportation Board has the right to determine the projects for which loans or other financial assistance may be provided by the bank.

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

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

Commonwealth Space Flight Fund accounts for maintenance and operations payments to the Virginia Commercial Space Flight Authority.

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. This fund was classified as major fund in previous years.

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

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 the Route 28 Highway Transportation Improvement District.

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

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

GARVEE Fund accounts for the funding of projects supported by proceeds from GARVEE bonds.

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

ARRA Grants Fund accounts for Federal revenues received for participation in the Build America bond program.

Northern Virginia Transportation Authority accounts for dedicated revenues collected regionally in Northern Virginia per House Bill 2313 establishing this fund effective for fiscal year 2014.

Hampton Roads Transportation Planning Organization accounts for the moneys to be used solely for new construction projects on new or existing highways, bridges, and tunnels in the localities comprising Planning District 23 as approved by the Hampton Roads Transportation Planning Organization. This fund was established per House Bill 2313 effective for fiscal year 2014.

VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING BALANCE SHEET GOVERNMENTAL FUNDS
 NON MAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
 June 30, 2014

TRANSPORTATION PARTNERSHIP OPPORTUNITY	CONCESSION FUNDS FOR PROJECTS	VA TRANSPORTATION INFRASTRUCTURE BANK
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Assets and Deferred Outflows of Resources

Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$ 37,436,207	\$ 12,551,993	\$ 296,371,976
Cash and cash equivalents with trustees (Note 14)	-	-	-
Investments with trustees (Note 14)	-	-	-
Cash and cash equivalents for			
collateral held for securities lending (Note 14)	3,559,217	1,193,370	28,177,324
Investments for			
collateral held for securities lending (Note 14)	115,235	38,637	912,286
Advance fund	-	-	-
Receivables: (net)			
Federal government	-	-	-
Cities, counties, and towns	-	-	-
State agencies	-	-	-
Loans & other	5,000,000	-	24,267,060
Taxes receivable	-	-	-
Due from other funds (Note 10)	-	-	-
Due from agencies	-	-	-
Inventory (Note 1 G)	-	-	-
Total assets	46,110,659	13,784,000	349,728,646

Deferred Outflows of Resources (Notes 1- I)

Total Assets and Deferred Outflows	\$ 46,110,659	\$ 13,784,000	\$ 349,728,646
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**Liabilities, Deferred Inflows of Resources
and Fund Balances**

Accounts payable	\$ 75,194	\$ 607,320	\$ -
Deposits payable	-	-	-
Payable to component unit	-	-	-
Payable for collateral held for securities lending	3,674,452	1,232,007	29,089,610
Due to other agencies	-	-	-
Due to other funds (Note 10)	-	-	-
Liability for compensated			
absences	-	-	-
Accrued liabilities	-	-	-
Retainage on contracts	-	-	-
Total liabilities	3,749,646	1,839,327	29,089,610

Deferred Inflows of Resources (Notes 1- I)

Total Liabilities and Deferred Inflows	\$ 3,749,646	\$ 1,839,327	\$ 29,089,610
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Fund Balances (Note 3)

Nonspendable	5,000,000	-	24,267,060
Restricted	-	-	-
Committed	37,361,013	11,944,673	296,371,976
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	42,361,013	11,944,673	320,639,036
Total liabilities, deferred inflows and fund balances	\$ 46,110,659	\$ 13,784,000	\$ 349,728,646

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING BALANCE SHEET GOVERNMENTAL FUNDS
 NON MAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
 June 30, 2014

	COMMONWEALTH SPACE FLIGHT	RECYCLABLE MATERIALS	SURPLUS PROPERTY
<u>Assets and Deferred Outflows of Resources</u>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$ -	\$ -	\$ -
Cash and cash equivalents with trustees (Note 14)	-	-	-
Investments with trustees (Note 14)	-	-	-
Cash and cash equivalents for collateral held for securities lending (Note 14)	-	-	-
Investments for collateral held for securities lending (Note 14)	-	-	-
Advance fund	-	-	-
Receivables: (net)			
Federal government	-	-	-
Cities, counties, and towns	-	-	-
State agencies	-	-	-
Loans & other	-	-	-
Taxes receivable	-	-	-
Due from other funds (Note 10)	-	-	-
Due from agencies	-	-	-
Inventory (Note 1 G)	-	-	-
Total assets	-	-	-
Deferred Outflows of Resources (Notes 1- I)	-	-	-
Total Assets and Deferred Outflows	\$ -	\$ -	\$ -
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Accounts payable	\$ -	\$ -	\$ -
Deposits payable	-	-	-
Payable to component unit	-	-	-
Payable for collateral held for securities lending	-	-	-
Due to other agencies	-	-	-
Due to other funds (Note 10)	-	-	-
Liability for compensated absences	-	-	-
Accrued liabilities	-	-	-
Retainage on contracts	-	-	-
Total liabilities	-	-	-
Deferred Inflows of Resources (Notes 1- I)	-	-	-
Total Liabilities and Deferred Inflows	\$ -	\$ -	\$ -
Fund Balances (Note 3)			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	-	-	-
Total liabilities, deferred inflows and fund balances	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING BALANCE SHEET GOVERNMENTAL FUNDS
 NON MAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
 June 30, 2014

	NORTHERN VIRGINIA TRANSPORTATION DISTRICT		
	CAMP 30		ROUTE 58
<u>Assets and Deferred Outflows of Resources</u>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$ -	\$ 109,894,763	\$ 32,847,772
Cash and cash equivalents with trustees (Note 14)	6,770,191	4,827,004	612,826
Investments with trustees (Note 14)	-	-	-
Cash and cash equivalents for collateral held for securities lending (Note 14)	-	10,448,155	3,122,975
Investments for collateral held for securities lending (Note 14)	-	338,276	101,111
Advance fund	-	-	-
Receivables: (net)			
Federal government	-	-	-
Cities, counties, and towns	-	-	-
State agencies	-	-	-
Loans & other	-	-	-
Taxes receivable	-	-	-
Due from other funds (Note 10)	-	-	-
Due from agencies	-	-	-
Inventory (Note 1 G)	-	-	-
Total assets	6,770,191	125,508,198	36,684,684
Deferred Outflows of Resources (Notes 1- I)	-	3,831	15,359
Total Assets and Deferred Outflows	\$ 6,770,191	\$ 125,512,029	\$ 36,700,043
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Accounts payable	\$ 4,108	\$ 197,351	\$ 25,167
Deposits payable	-	-	-
Payable to component unit	-	-	-
Payable for collateral held for securities lending	-	10,786,431	3,224,086
Due to other agencies	-	-	-
Due to other funds (Note 10)	-	-	-
Liability for compensated absences	-	79	-
Accrued liabilities	-	-	-
Retainage on contracts	-	19,303	50,256
Total liabilities	4,108	11,003,164	3,299,509
Deferred Inflows of Resources (Notes 1- I)	-	16,448	-
Total Liabilities and Deferred Inflows	\$ 4,108	\$ 11,019,612	\$ 3,299,509
Fund Balances (Note 3)			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	6,766,083	114,492,417	33,400,534
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	6,766,083	114,492,417	33,400,534
Total liabilities, deferred inflows and fund balances	\$ 6,770,191	\$ 125,512,029	\$ 36,700,043

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION
COMBINING BALANCE SHEET GOVERNMENTAL FUNDS
NON MAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2014**

	TRANSPORTATION SET ASIDE	ROUTE 28	COLEMAN BRIDGE
<u>Assets and Deferred Outflows of Resources</u>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$ 701,590	\$ 959,204	\$ 9,277,338
Cash and cash equivalents with trustees (Note 14)	-	-	-
Investments with trustees (Note 14)	-	-	-
Cash and cash equivalents for collateral held for securities lending (Note 14)	66,703	91,196	32,198
Investments for collateral held for securities lending (Note 14)	2,160	2,953	1,042
Advance fund	-	-	7,500
Receivables: (net)			
Federal government	-	-	-
Cities, counties, and towns	-	-	-
State agencies	-	-	-
Loans & other	-	-	5,032
Taxes receivable	-	-	-
Due from other funds (Note 10)	-	-	-
Due from agencies	-	-	-
Inventory (Note 1 G)	-	-	-
Total assets	770,453	1,053,353	9,323,110
	-	-	-
Deferred Outflows of Resources (Notes 1- I)	-	-	-
Total Assets and Deferred Outflows	\$ 770,453	\$ 1,053,353	\$ 9,323,110
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Accounts payable	\$ -	\$ -	\$ 122,091
Deposits payable	-	-	-
Payable to component unit	-	-	-
Payable for collateral held for securities lending	68,863	94,149	33,240
Due to other agencies	-	-	-
Due to other funds (Note 10)	-	-	39,521,000
Liability for compensated absences	-	-	99
Accrued liabilities	-	-	27,158
Retainage on contracts	-	-	-
Total liabilities	68,863	94,149	39,703,588
	-	-	2,742
Deferred Inflows of Resources (Notes 1- I)	-	-	-
Total Liabilities and Deferred Inflows	\$ 68,863	\$ 94,149	\$ 39,706,330
Fund Balances (Note 3)			
Nonspendable	-	-	5,032
Restricted	-	-	-
Committed	701,590	959,204	-
Assigned	-	-	-
Unassigned	-	-	(30,388,252)
Total fund balances	701,590	959,204	(30,383,220)
Total liabilities, deferred inflows and fund balances	\$ 770,453	\$ 1,053,353	\$ 9,323,110

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING BALANCE SHEET GOVERNMENTAL FUNDS
 NON MAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
 June 30, 2014

	FEDERAL REIMBURSEMENT ANTICIPATION NOTES	GARVEE	POWHITE PARKWAY EXTENSION
<u>Assets and Deferred Outflows of Resources</u>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$ 108,981	\$ 2,592	\$ 10,977,603
Cash and cash equivalents with trustees (Note 14)	-	297,675,652	-
Investments with trustees (Note 14)	-	-	-
Cash and cash equivalents for collateral held for securities lending (Note 14)	10,361	-	-
Investments for collateral held for securities lending (Note 14)	335	-	-
Advance fund	-	-	11,000
Receivables: (net)			
Federal government	-	-	-
Cities, counties, and towns	-	-	-
State agencies	-	-	-
Loans & other	-	-	234
Taxes receivable	-	-	-
Due from other funds (Note 10)	-	-	-
Due from agencies	-	-	-
Inventory (Note 1 G)	-	-	-
Total assets	<u>119,677</u>	<u>297,678,244</u>	<u>10,988,837</u>
Deferred Outflows of Resources (Notes 1- I)	-	-	96
Total Assets and Deferred Outflows	<u>\$ 119,677</u>	<u>\$ 297,678,244</u>	<u>\$ 10,988,933</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Accounts payable	\$ -	\$ 2,971,381	\$ 287,858
Deposits payable	-	-	-
Payable to component unit	-	-	-
Payable for collateral held for securities lending	10,696	-	-
Due to other agencies	-	-	-
Due to other funds (Note 10)	-	-	48,969,531
Liability for compensated absences	-	-	232
Accrued liabilities	-	-	69,553
Retainage on contracts	-	-	-
Total liabilities	<u>10,696</u>	<u>2,971,381</u>	<u>49,327,174</u>
Deferred Inflows of Resources (Notes 1- I)	-	-	-
Total Liabilities and Deferred Inflows	<u>\$ 10,696</u>	<u>\$ 2,971,381</u>	<u>\$ 49,327,174</u>
Fund Balances (Note 3)			
Nonspendable	-	-	234
Restricted	-	-	-
Committed	108,981	294,706,863	-
Assigned	-	-	-
Unassigned	-	-	(38,338,475)
Total fund balances	<u>108,981</u>	<u>294,706,863</u>	<u>(38,338,241)</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 119,677</u>	<u>\$ 297,678,244</u>	<u>\$ 10,988,933</u>

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION
COMBINING BALANCE SHEET GOVERNMENTAL FUNDS
NON MAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2014**

	NORTHERN VA TRANSPORTATION AUTHORITY	HAMPTON ROADS PLANNING ORG.	ARRA GRANTS
<u>Assets and Deferred Outflows of Resources</u>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$ 26,376,587	\$ 143,945,825	\$ -
Cash and cash equivalents with trustees (Note 14)	-	-	-
Investments with trustees (Note 14)	-	-	-
Cash and cash equivalents for collateral held for securities lending (Note 14)	2,507,732	13,685,532	-
Investments for collateral held for securities lending (Note 14)	81,192	443,091	-
Advance fund	-	-	-
Receivables: (net)			
Federal government	-	-	-
Cities, counties, and towns	-	-	-
State agencies	-	-	-
Loans & other	-	-	-
Taxes receivable	-	-	-
Due from other funds (Note 10)	-	-	-
Due from agencies	-	-	-
Inventory (Note 1 G)	-	-	-
Total assets	28,965,511	158,074,448	-
Deferred Outflows of Resources (Notes 1- I)	-	-	-
Total Assets and Deferred Outflows	\$ 28,965,511	\$ 158,074,448	\$ -
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Accounts payable	\$ 5,679,722	\$ 141,023	\$ -
Deposits payable	-	-	-
Payable to component unit	-	-	-
Payable for collateral held for securities lending	2,588,924	14,128,623	-
Due to other agencies	-	-	-
Due to other funds (Note 10)	-	-	-
Liability for compensated absences	-	-	-
Accrued liabilities	-	-	-
Retainage on contracts	-	-	-
Total liabilities	8,268,646	14,269,646	-
Deferred Inflows of Resources (Notes 1- I)	-	-	-
Total Liabilities and Deferred Inflows	\$ 8,268,646	\$ 14,269,646	\$ -
Fund Balances (Note 3)			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	20,696,865	143,804,802	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	20,696,865	143,804,802	-
Total liabilities, deferred inflows and fund balances	\$ 28,965,511	\$ 158,074,448	\$ -

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
NON MAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2014**

	TRANSPORTATION PARTNERSHIP OPPORTUNITY	CONCESSION FUNDS FOR PROJECTS	VIRGINIA TRANSPORTATION INFRASTRUCTURE BANK
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -
Taxes	-	-	-
Rights and privileges	-	-	-
Sale of property and commodities	-	-	-
Interest, dividends and rents	301,174	115,909	2,373,997
Fines, forfeitures, court fees, penalties, and escheats	-	-	-
Federal grants and contracts	-	-	-
Receipts from localities and private sector	-	500,000	-
Toll revenue	-	-	-
Other revenue	-	-	-
Total revenue	301,174	615,909	2,373,997
Expenditures			
Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	8,517,300	4,969,183	172,115
Highway system maintenance	-	-	-
Financial assistance to localities	-	-	-
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	-	-	-
Capital Outlay	-	-	-
Transfers to other state agencies (Note 11)	-	-	-
Total expenditures	8,517,300	4,969,183	172,115
Revenues over (under) expenditures	(8,216,126)	(4,353,274)	2,201,882
Other financing sources (uses)			
Other financing sources (uses)	(36,862)	(14,498)	(253,861)
Bond Proceeds	-	-	-
Insurance recoveries	-	-	-
Transfers to other state agencies and General Fund (Note 11)	-	-	-
Transfers from other state agencies and General Fund (Note 11)	-	-	-
Transfers in (Note 11)	3,080,536	-	-
Transfers out (Note 11)	(69,371)	-	-
Total other financing sources (uses)	2,974,303	(14,498)	(253,861)
Net Change in Fund Balance	(5,241,823)	(4,367,772)	1,948,021
Beginning fund balance - July 1, as restated (Note 2)	47,602,836	16,312,445	318,691,015
Ending fund balance - June 30	\$ 42,361,013	\$ 11,944,673	\$ 320,639,036

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
NON MAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2014**

	COMMONWEALTH SPACE FLIGHT	RECYCLABLE MATERIALS	SURPLUS PROPERTY
Revenues			
Revenues 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	-	-	-
Federal grants and contracts	-	-	-
Receipts from localities and private sector	-	-	-
Toll revenue	-	-	-
Other revenue	-	147,873	3,052,963
Total revenue	-	147,873	3,052,963
Expenditures			
Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	11,800,000	-	-
Highway system maintenance	-	-	-
Financial assistance to localities	-	-	-
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	-	-	-
Capital Outlay	-	-	-
Transfers to other state agencies (Note 11)	-	-	-
Total expenditures	11,800,000	-	-
Revenues over (under) expenditures	(11,800,000)	147,873	3,052,963
Other financing sources (uses)			
Other financing sources (uses)	-	-	-
Bond Proceeds	-	-	-
Insurance recoveries	-	-	-
Transfers to other state agencies and General Fund (Note 11)	-	-	-
Transfers from other state agencies and General Fund (Note 11)	-	-	-
Transfers in (Note 11)	11,800,000	-	-
Transfers out (Note 11)	-	(147,873)	(3,052,963)
Total other financing sources (uses)	11,800,000	(147,873)	(3,052,963)
Net Change in Fund Balance	-	-	-
Beginning fund balance - July 1, as restated (Note 2)	-	-	-
Ending fund balance - June 30	\$ -	\$ -	\$ -

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
NON MAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2014**

	NORTHERN VIRGINIA TRANSPORTATION DISTRICT		
	CAMP 30		ROUTE 58
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ 18,996,800	\$ 40,000,000
Taxes	-	-	-
Rights and privileges	-	5,704,970	-
Sale of property and commodities	-	-	-
Interest, dividends and rents	32,720	840,101	233,483
Fines, forfeitures, court fees, penalties, and escheats	-	-	-
Federal grants and contracts	-	-	-
Receipts from localities and private sector	-	256,070	-
Toll revenue	-	-	-
Other revenue	-	-	-
Total revenue	32,720	25,797,941	40,233,483
Expenditures			
Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	-	8,570,768	6,345,550
Highway system maintenance	-	-	-
Financial assistance to localities	-	-	-
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	-	-	-
Capital Outlay	944,599	-	-
Transfers to other state agencies (Note 11)	-	-	-
Total expenditures	944,599	8,570,768	6,345,550
Revenues over (under) expenditures	(911,879)	17,227,173	33,887,933
Other financing sources (uses)			
Other financing sources (uses)	-	(96,928)	(27,718)
Bond Proceeds	-	98,013	260,847
Insurance recoveries	-	-	-
Transfers to other state agencies and General Fund (Note 11)	-	-	-
Transfers from other state agencies and General Fund (Note 11)	-	-	-
Transfers in (Note 11)	103,468	-	-
Transfers out (Note 11)	(19,269,351)	(24,331,496)	(37,094,159)
Total other financing sources (uses)	(19,165,883)	(24,330,411)	(36,861,030)
Net Change in Fund Balance	(20,077,762)	(7,103,238)	(2,973,097)
Beginning fund balance - July 1, as restated (Note 2)	26,843,845	121,595,655	36,373,631
Ending fund balance - June 30	\$ 6,766,083	\$ 114,492,417	\$ 33,400,534

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
NON MAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2014**

	TRANSPORTATION SET ASIDE	ROUTE 28	COLEMAN BRIDGE
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -
Taxes	-	-	-
Rights and privileges	-	-	-
Sale of property and commodities	-	-	-
Interest, dividends and rents	9,098	6,275	5,305
Fines, forfeitures, court fees, penalties, and escheats	-	-	-
Federal grants and contracts	-	-	-
Receipts from localities and private sector	1,000,000	-	-
Toll revenue	-	-	6,214,301
Other revenue	-	-	2,982
Total revenue	1,009,098	6,275	6,222,588
Expenditures			
Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	168	1,863	-
Highway system maintenance	-	-	-
Financial assistance to localities	-	-	-
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	-	-	4,068,910
Capital Outlay	-	-	-
Transfers to other state agencies (Note 11)	-	-	-
Total expenditures	168	1,863	4,068,910
Revenues over (under) expenditures	1,008,930	4,412	2,153,678
Other financing sources (uses)			
Other financing sources (uses)	-	-	(566)
Bond Proceeds	-	-	-
Insurance recoveries	-	-	-
Transfers to other state agencies and General Fund (Note 11)	-	-	-
Transfers from other state agencies and General Fund (Note 11)	1,082,295	-	-
Transfers in (Note 11)	-	-	-
Transfers out (Note 11)	(2,226,246)	-	(3,386,702)
Total other financing sources (uses)	(1,143,951)	-	(3,387,268)
Net Change in Fund Balance	(135,021)	4,412	(1,233,590)
Beginning fund balance - July 1, as restated (Note 2)	836,611	954,792	(29,149,630)
Ending fund balance - June 30	\$ 701,590	\$ 959,204	\$ (30,383,220)

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, 2014**

	FEDERAL REIMBURSEMENT ANTICIPATION NOTES	GARVEE	POWHITE PARKWAY EXTENSION
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -
Taxes	-	-	-
Rights and privileges	-	-	-
Sale of property and commodities	-	-	-
Interest, dividends and rents	418	402,657	-
Fines, forfeitures, court fees, penalties, and escheats	-	-	-
Federal grants and contracts	-	-	-
Receipts from localities and private sector	-	-	-
Toll revenue	-	-	10,513,633
Other revenue	-	-	739
Total revenue	418	402,657	10,514,372
Expenditures			
Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	4,996	209,418,518	-
Highway system maintenance	-	-	-
Financial assistance to localities	-	-	-
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	-	-	3,236,941
Capital Outlay	-	-	-
Transfers to other state agencies (Note 11)	-	-	-
Total expenditures	4,996	209,418,518	3,236,941
Revenues over (under) expenditures	(4,578)	(209,015,861)	7,277,431
Other financing sources (uses)			
Other financing sources (uses)	(47)	-	-
Bond Proceeds	-	307,300,212	-
Insurance recoveries	-	-	-
Transfers to other state agencies and General Fund (Note 11)	-	-	-
Transfers from other state agencies and General Fund (Note 11)	-	-	-
Transfers in (Note 11)	-	-	-
Transfers out (Note 11)	-	-	(9,321,060)
Total other financing sources (uses)	(47)	307,300,212	(9,321,060)
Net Change in Fund Balance	(4,625)	98,284,351	(2,043,629)
Beginning fund balance - July 1, as restated (Note 2)	113,606	196,422,512	(36,294,612)
Ending fund balance - June 30	\$ 108,981	\$ 294,706,863	\$ (38,338,241)

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
NON MAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2014**

	NORTHERN VA TRANSPORTATION AUTHORITY	HAMPTON ROADS PLANNING ORG.	ARRA GRANTS
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -
Taxes	261,472,270	144,669,210	-
Rights and privileges	-	-	-
Sale of property and commodities	-	-	-
Interest, dividends and rents	76,667	371,023	-
Fines, forfeitures, court fees, penalties, and escheats	-	-	-
Federal grants and contracts	-	-	7,683,920
Receipts from localities and private sector	-	-	-
Toll revenue	-	-	-
Other revenue	-	-	-
Total revenue	<u>261,548,937</u>	<u>145,040,233</u>	<u>7,683,920</u>
Expenditures			
Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	-	-	-
Highway system maintenance	-	-	-
Financial assistance to localities	240,852,072	1,235,431	-
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	-	-	-
Capital Outlay	-	-	-
Transfers to other state agencies (Note 11)	-	-	-
Total expenditures	<u>240,852,072</u>	<u>1,235,431</u>	<u>-</u>
Revenues over (under) expenditures	<u>20,696,865</u>	<u>143,804,802</u>	<u>7,683,920</u>
Other financing sources (uses)			
Other financing sources (uses)	-	-	-
Bond Proceeds	-	-	-
Insurance recoveries	-	-	-
Transfers to other state agencies and General Fund (Note 11)	-	-	-
Transfers from other state agencies and General Fund (Note 11)	-	-	-
Transfers in (Note 11)	-	-	-
Transfers out (Note 11)	-	-	(7,683,920)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(7,683,920)</u>
Net Change in Fund Balance	20,696,865	143,804,802	-
Beginning fund balance - July 1, as restated (Note 2)	-	-	-
Ending fund balance - June 30	<u>\$ 20,696,865</u>	<u>\$ 143,804,802</u>	<u>\$ -</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 2014

Federal/State Grantor Agency	CFDA Number	Federal Program Name	FEDERAL CASH BALANCE	FEDERAL CASH BASIS	FEDERAL CASH RECEIPTS	FEDERAL CASH BASIS	FEDERAL CASH DISBURSEMENTS	FEDERAL CASH BALANCE
			July 1, 2013					June 30, 2014
United States Dept of Transportation	20.205	Highway Planning and Construction	\$ -	\$ -	1,187,061,641	\$ -	1,187,061,641	\$ -
		TOTAL FEDERAL REVENUE:	\$ -	\$ -	1,187,061,641	\$ -	1,187,061,641	\$ -
United States Dept of Transportation/DMV	20.607	Alcohol Open Container Requirements			11,018,404		11,018,404	
United States Dept of Transportation/VDEM	97.056	Public Safety Interoperable Communications Grant Program			480,428		480,428	
United States Dept of Transportation/DMV	97.036	Safety Incentive Grant for Use of Seatbelts			3,002,584		3,002,584	
United States Dept of Transportation/ -Homeland	97.008	Non-Profit Security Program			199,866		199,866	
		TOTAL TRANSFERS FROM OTHER STATE AGENCIES:	\$ -	\$ -	14,701,282	\$ -	14,701,282	\$ -
		GRAND TOTAL OF FEDERAL ASSISTANCE	\$ -	\$ -	1,201,762,923	\$ -	1,201,762,923	\$ -

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FINANCIAL REPORT

JUNE 30, 2014



The Virginia Department of Transportation (VDOT) is responsible for building, maintaining and operating the state's roads, bridges, tunnels and ferries. Through the Commonwealth Transportation Board, it also provides funding for airports, sea ports, rail and public transportation.

Virginia's Highway System

The 58,431 mile system is divided into the following categories:

Interstate

1,119 miles of four-to-10 lane highways connect states and major cities

Primary

8,007 miles of two-to-six lane roads connect cities and towns with each other and with interstates

Secondary

48,837 miles of local connector or county roads

Frontage

328 miles of frontage roads

A separate system includes 11,746 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 (1,352 miles) and Arlington County (369 miles) maintain their own roads with state financial assistance. There also an additional 39 miles of toll roads maintained by others.

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
- Traffic Operations Centers
- Two toll roads or bridges
- Four ferry services
- Rest areas along major highways
- Commuter parking lots

VDOT Organization

VDOT has about 7,500 employees.

VDOT is divided into nine geographic districts (Bristol, Culpeper, Fredericksburg, Hampton Roads, Lynchburg, Northern Virginia, Richmond, Salem and Staunton) 29 residencies, two district satellite offices responsible for one to four counties each and a central office in Richmond. VDOT also has several traffic operations centers that keep traffic flowing along major travel corridors.

The 17-member Commonwealth Transportation Board allocates highway funding to specific projects, locates routes and provides funding for airports, seaports and public transportation.

The Secretary of Transportation serves as a chairman and the Commissioner of Highways 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:

Virginia Department of Transportation . Fiscal Division . 1401 East Broad Street . Richmond, VA 23219 . 804-786-6373