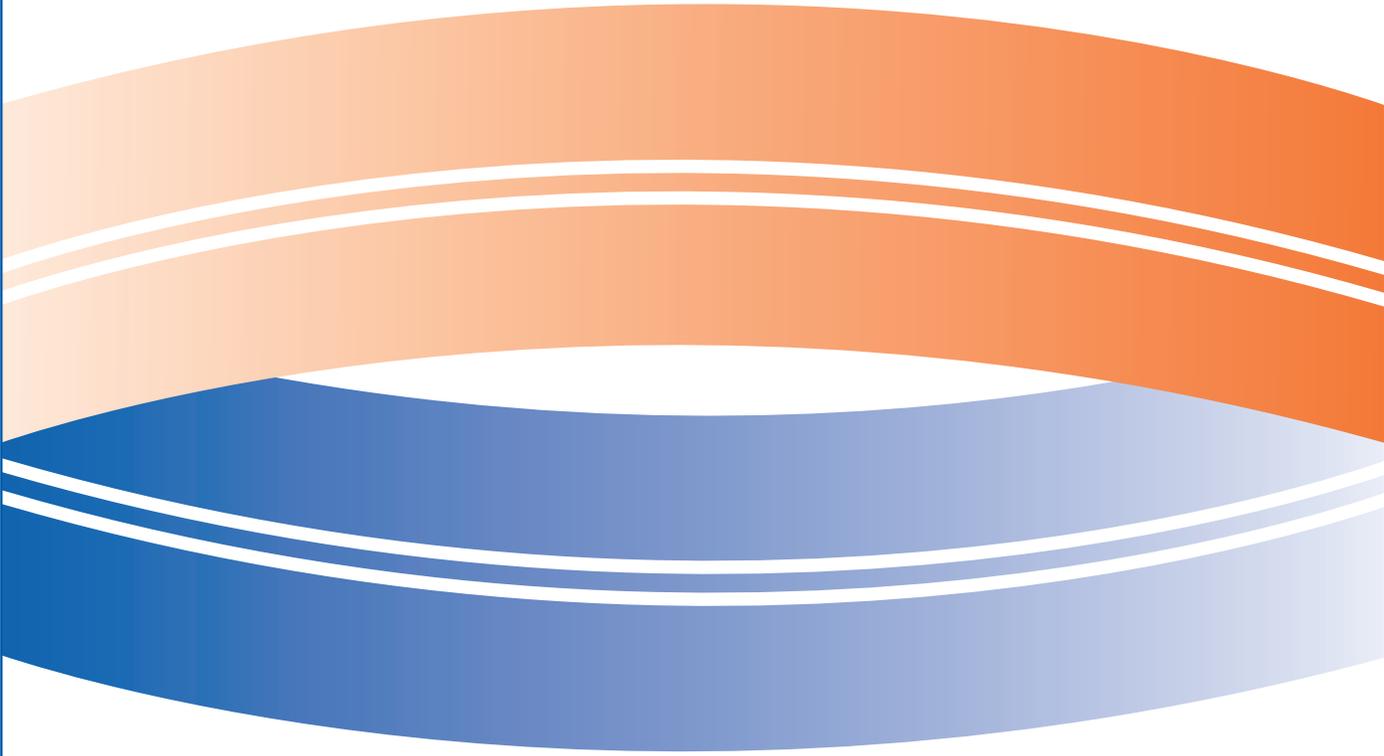


**FINANCIAL
REPORT
JUNE 30, 2013**

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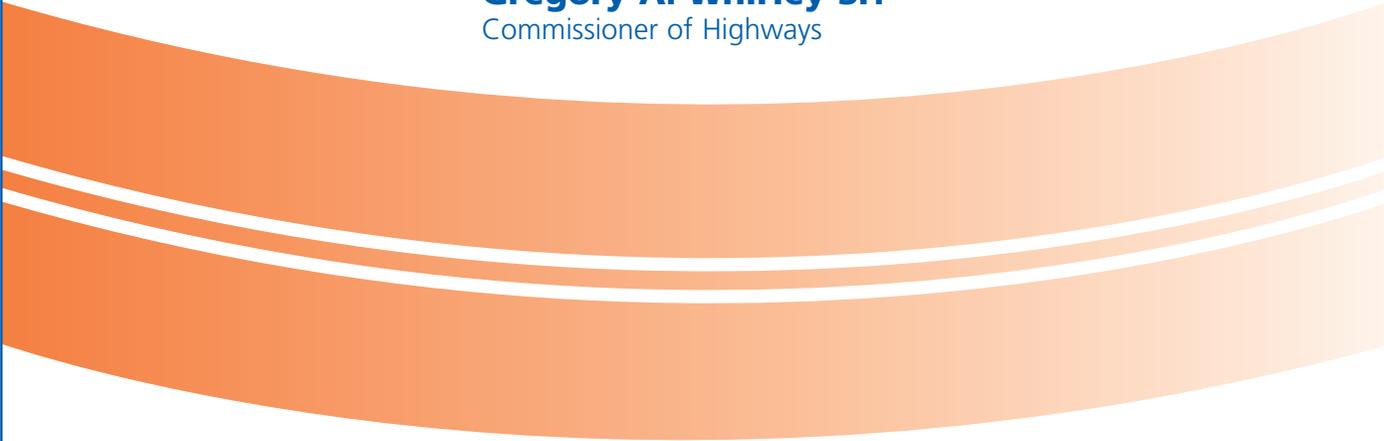
FINANCIAL REPORT

JUNE 30, 2013

Robert F. McDonnell
Governor

Sean T. Connaughton
Secretary of Transportation

Gregory A. Whirley Sr.
Commissioner of Highways

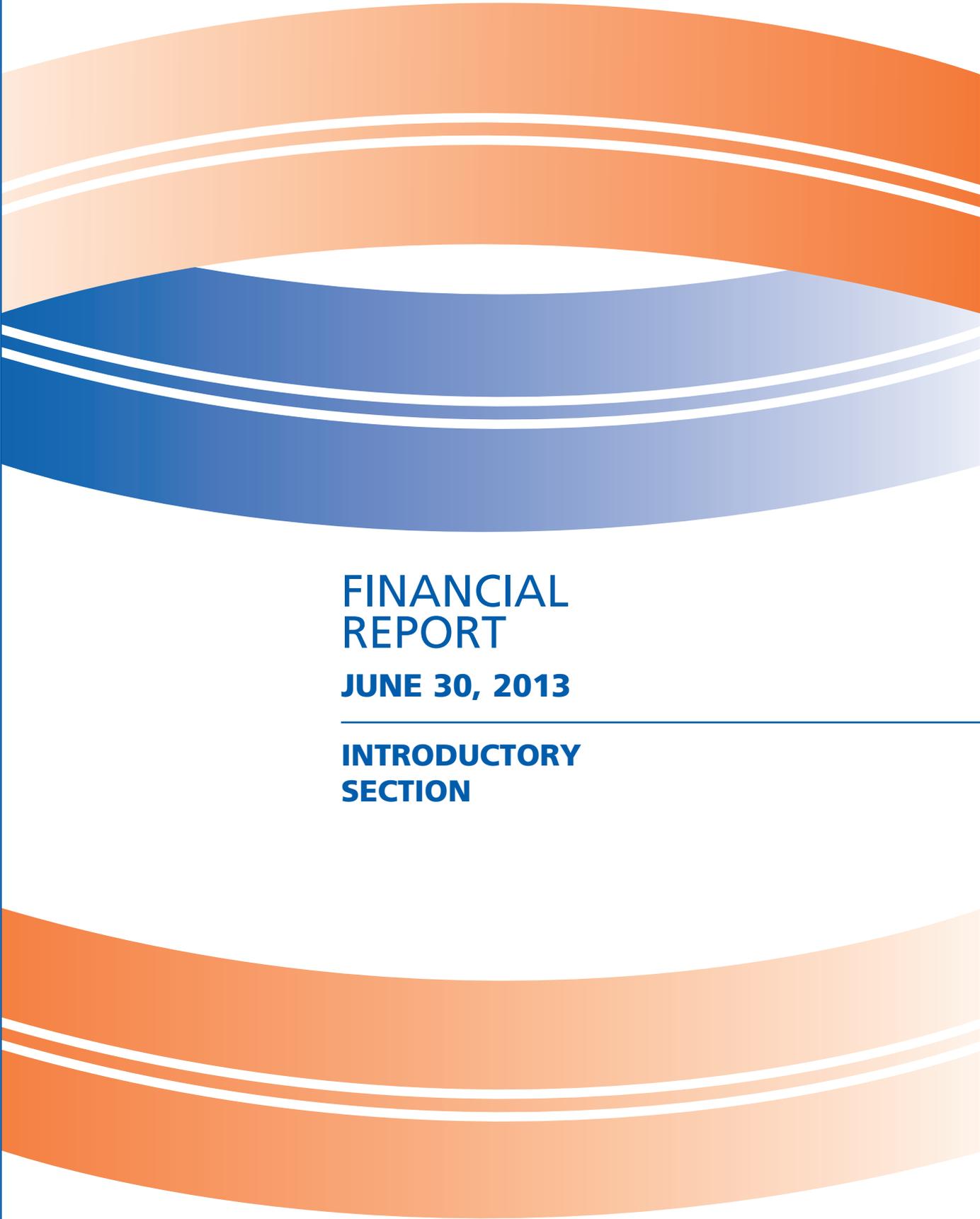
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**FINANCIAL
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JUNE 30, 2013

**INTRODUCTORY
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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 28, 2014

Letter of Transmittal

The Comprehensive Annual Financial Report (CAFR) of the Virginia Department of Transportation (VDOT) for the fiscal year ended June 30, 2013 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. 1-13, "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 black ink, appearing to read "Janice Long".

Janice Long
Controller, VDOT

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AGENCY OVERVIEW

Virginia Department of Transportation Organization

Virginia Department of Transportation (VDOT) is responsible for building, maintaining and operating the Commonwealth of Virginia's roads, bridges and tunnels. The agency has one central office and nine district offices. 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 \$4.2 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 2013

- ***VDOT completes contracts on time and within budget for fiscal year 2013.***

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 2013, VDOT continued to demonstrate efficiency with taxpayer dollars. VDOT met on-time and within budget targets for fiscal year 2013. VDOT performance during fiscal year 2013 compared to target goals, is as follows:

Deadlines

FY 2013 Maintenance and Construction contracts completed on time and within budget:
77 percent (*target of 77 percent*)

FY 2013 Scheduled Construction contracts completed on time:
75 percent (*target of 75 percent*)

FY 2013 Scheduled Maintenance contracts completed on time:
83 percent (*target of 77 percent*)

Budgets

FY 2013 Maintenance contracts completed within budget:
90 percent (*target 90 percent*)

FY 2013 Construction contracts completed within budget:
85 percent (*target 82 percent*)

- ***House Bill 2323 Virginia's Road to the Future***

During Fiscal Year 2013 Governor Bob McDonnell signed Virginia's Road to the Future (HB 2313), the state's first comprehensive transportation funding plan approved in 27 years. This historic legislation will provide more than \$3.4 billion in additional statewide transportation funding, more than \$1.5 billion in additional funding for Northern Virginia, and more than \$1 billion in additional funding for Hampton Roads, over the next five years alone.

During the first five years, HB 2313 will:

- Generate more than \$1.8 billion in additional funding for maintenance, thereby eliminating maintenance crossover transfers.
- Provide \$660 million in dedicated new construction funding, which, when combined with the elimination of maintenance crossover, will grow construction spending by more than \$2.4 billion.
- Increase funding for Virginia's transit providers by \$509 million.

- Provide more than \$256 million in funding for intercity passenger rail, the first dedicated state funding for this vital service.
- Generate additional revenue for Virginia's airports and seaports.
- Generate annually between \$272 million to \$335 million in Northern Virginia and \$172 million to \$226 million in Hampton Roads for regional transportation priorities.

- ***Route 460 Commonwealth Connector***

During fiscal year 2013, an agreement was completed with US 460 Mobility Partners (a partnership of Ferrovial Agroman, S.A. and American Infrastructure) and the Route 460 Funding Corporation of Virginia (a component unit of VDOT) to finance, design and build a new 55-mile section of U.S. Route 460 in southeastern Virginia. The Commonwealth Connector is a 55-mile four-lane, divided, limited-access highway between Prince George County and Suffolk, Virginia that will parallel the existing U.S. Route 460. The Commonwealth Connector will provide an alternative route for motorists throughout this heavily traveled region of Virginia, featuring open-road tolling. The existing U.S. Route 460 will remain a non-tolled roadway.

Benefits of the project include:

- Improve traffic safety on existing U.S. Route 460.
- Generate more short- and long-term jobs and enhance economic development opportunities.
- Accommodate greater freight traffic from the Port of Virginia.
- Reduce congestion on nearby facilities.
- Serve as a hurricane evacuation route; and enhance connections among the region's military installations.

- ***VDOT continues to improve Virginia highways thru the Stimulus Funding from the American Recovery and Reinvestment Act (Stimulus Act).***

The American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law by President Obama on February 17, 2009. Virginia received a total of \$694.5 million in highway funding from ARRA to invest in improving our transportation system. VDOT 's priorities are to address deficient pavements, structurally deficient bridges and much needed highway capacity to improve the economic competitiveness of the Commonwealth and offer safe reliable transportation options for all Virginians. All of VDOT's ARRA funding of \$694.5 million was obligated prior to fiscal year 2012. ARRA expenditures incurred by VDOT during fiscal year 2013 amounted to \$87.8 million. ARRA Expenditures to date from FY 2009 are \$533.2 million.

- ***Commonwealth Transportation Board awards Transportation Operations Center Contract to SERCO Incorporated.***

During fiscal year 2013 the Commonwealth Transportation Board voted to award Serco Inc. the Transportation Operations Center and Statewide Advanced Traffic Management Systems contract to operate the state's five transportation operations centers and manage the Safety Service Patrol. The six-year contract is worth \$355 million. The Virginia Department of Transportation's Transportation Operations Centers are located in Northern Virginia, Richmond, Hampton Roads, Salem and Staunton.

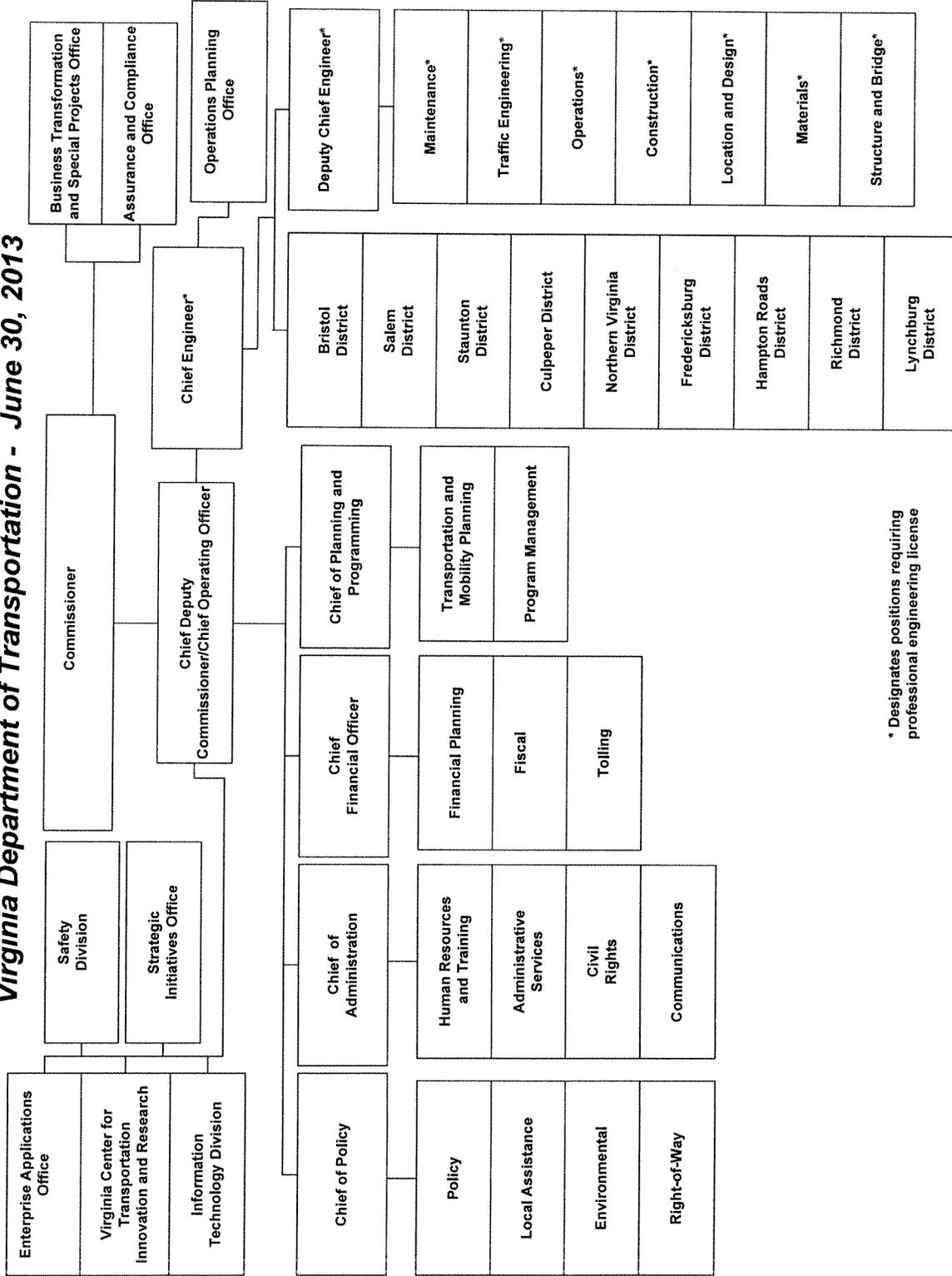
- ***Major VDOT Public-Private Transportation Act Projects continue to move Forward.***

Downtown/Midtown Tunnel and MLK Expansion - The Downtown Tunnel/Midtown Tunnel/Martin Luther King Freeway (MLK) Extension, formerly known as the Midtown Tunnel Corridor Project (Project), is located in the cities of Norfolk and Portsmouth. The project is comprised of a new two-lane tunnel under the Elizabeth River parallel to the existing Midtown Tunnel; maintenance and safety improvements to the existing Midtown Tunnel; minor modifications to the interchange at Brambleton Avenue/Hampton Boulevard in Norfolk; maintenance and safety improvements to the existing Downtown Tunnel; and extending the MLK from London Boulevard to Interstate 264 (I-264), with an interchange at High Street. This project continued to move forward during fiscal year 2013 with estimated completion dates of the new tunnel and MLK extension in 2016.

I-495 Capital Beltway High Occupancy Toll Express Lanes – VDOT and Fluor – Transurban are working in partnership to deliver significant improvements to the Capital Beltway. These improvements will include new express lanes. Other improvements include replacement of more than \$250 million of aging infrastructure, including more than 50 bridges and overpasses. The five-year, \$1.3 billion initiative to improve traffic flow along the Capital Beltway was completed in November 2012, and spans a 14-mile stretch of the Beltway.

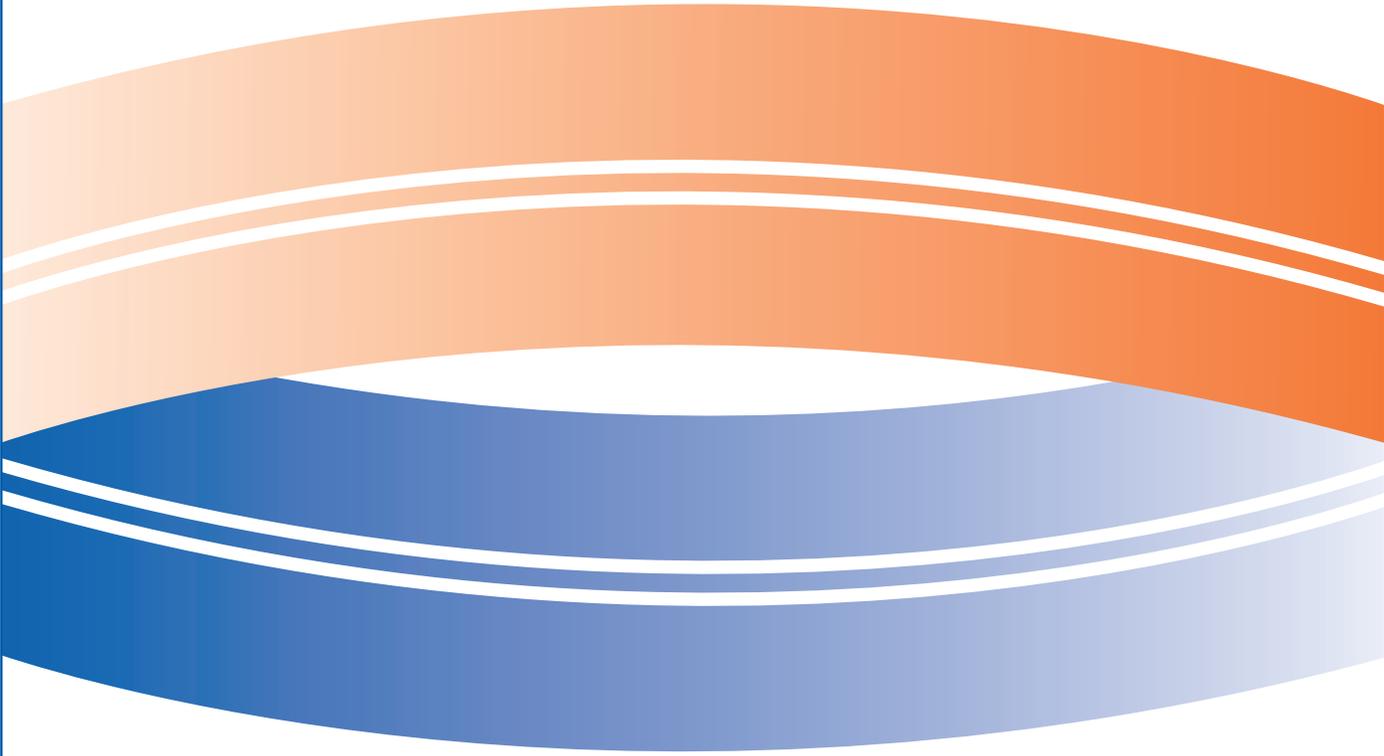
I-95 High Occupancy Toll Express Lanes - This project, for which preliminary construction started in fiscal year 2012 and continued with construction during fiscal year 2013, will create approximately 29 miles of Express Lanes on I-95. This project will add capacity to the existing HOV Lanes from the Prince William Parkway to the vicinity of Edsall Road and improve the existing two HOV lanes for six miles from Route 234 to the Prince William Parkway. In addition, a nine-mile reversible two-lane extension of the existing HOV lanes from Dumfries to Garrisonville Road in Stafford County is included in the project.

Virginia Department of Transportation - June 30, 2013



* Designates positions requiring professional engineering license

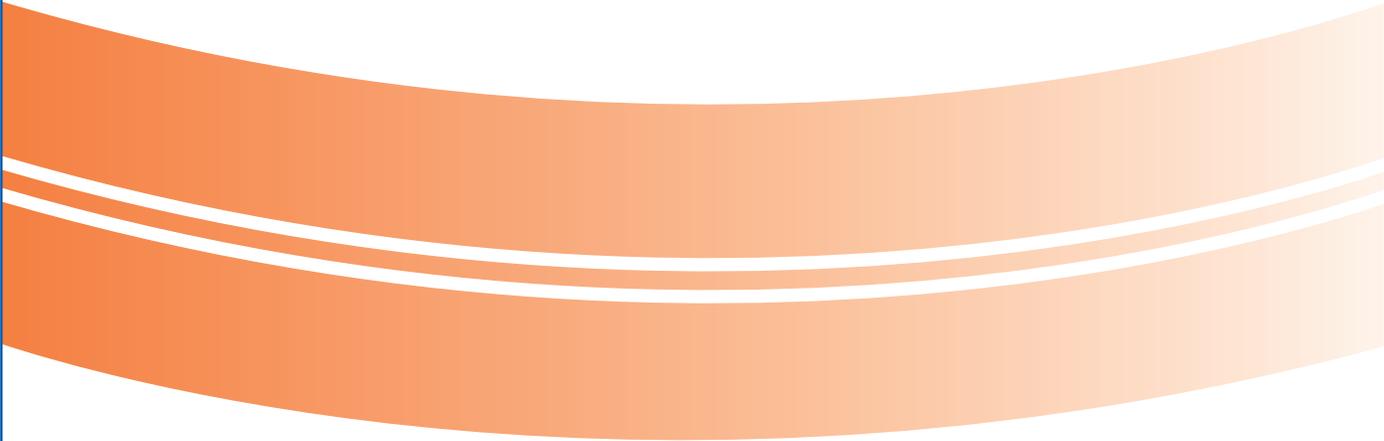
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**FINANCIAL
REPORT**

JUNE 30, 2013

**FINANCIAL
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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, 2013. 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 2013 by \$19,700.2 (*net position*). The Virginia Department of Transportation's total net assets increased by \$796.0 in fiscal year 2013. Net assets of governmental activities increased \$802.3, while the net assets for business-type activities are deficits of \$6.3.

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 \$2,156.2, a decrease of \$370.4. Of the \$2,156.2 total fund balance, (\$66.7) represents unassigned fund balance and the remaining \$2,222.9 represents amounts reserved for Nonspendable and Committed purposes. Enterprise funds (Route 460 Funding Corporation of Virginia) reported a deficit balance of \$6.3 in fiscal year 2013. This deficit relates mostly to an accrual of the first interest payment on the Series 2012A bonds of \$6.2.

Long-term Debt (Bonds and Notes Payable)

The Department's total debt for governmental activities decreased by \$89.0 in fiscal year 2013 over that of the fiscal year 2012. The decrease is primarily due to the bonds (\$207.7) and notes (\$4.1) principal payments in fiscal year 2013. The decrease in long-term debt is reduced by the issuance of the GARVEE Notes for \$120.6 in fiscal year 2013. Other reduction in the decreases of the long-term debt is the \$2.2 in accreted bond principal of the Route 28 Capital Appreciation Bond.

The Department's total debt for business type activities increased by \$314.7 in fiscal year 2013 over that of the fiscal year 2012. The increase is due to the issuance of the Route 460 Funding Corporation of Virginia's bonds for \$293.4 with Premium on Bonds Payable, \$19.7 and the bonds accretion payable of \$1.6 in fiscal year 2013.

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 sixteen non-major funds included, detailed in the form of *combining statements*.
- **Debt Service Funds:** There are nine debt service funds reported as major funds to account for the accumulation of resources used to pay the principal and interest on long-term obligations recorded in the government-wide statements.

Proprietary Fund: The Virginia Department of Transportation 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 did not have any fiduciary fund activity to report in fiscal year 2013.

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 \$19,700.2 at the close of fiscal year 2013.

The largest portion of the Virginia Department of Transportation's net position, 101.4 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, 2013 and 2012

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 2,719.50	\$ 3,274.30	\$ 280.00	\$-	\$ 2,999.50	\$ 3,274.30
Capital assets	22,391.10	20,216.90	56.30	-	22,447.40	20,216.90
Deferred outflow resources	-	-	-	-	-	-
Total Assets & deferred outflows	25,110.60	23,491.20	336.30	-	25,446.90	23,491.20
Current liabilities	834.30	945.50	21.70	-	856.00	945.50
Non-current liabilities	3,001.60	3,106.30	320.90	-	3,322.50	3,106.30
Deferred Inflows	1,568.20	535.30	-	-	1,568.20	535.30
Total Liabilities and deferred Inflows	5,404.10	4,587.10	342.60	-	5,746.70	4,587.10
Net assets:						
Net Investment in capital assets	19,971.10	16,669.70	-	-	19,971.10	16,669.70
Restricted for						
Construction.	823.50	1,336.80	-	-	823.50	1,336.80
Capital Acquisition	26.90	27.80	255.60	-	282.50	27.80
Transportion Activities		864.90	-	-	-	864.90
Debt service	35.10	79.00	-	-	35.10	79.00
Unrestricted	(1,150.10)	(74.00)	(261.90)	-	(1,412.00)	(74.00)
Total net position	\$ 19,706.50	\$ 18,904.20	\$ (6.30)	\$-	\$ 19,700.20	\$ 18,904.20

*FY 2012 was restated for the implementation of GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, to arrive at a restated beginning balance of \$18,904.2. Additionally, due to the implementation of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net*

Position, the title of Invested in Capital Assets, Net of Related Debt has been changed to Net Investment in Capital Assets (notes 2 and 3).

An additional portion of the Virginia Department of Transportation's net position, 5.8 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 (\$1,412.0) is unrestricted net assets.

The Virginia Department of Transportation's net position for governmental activities increased by \$802.3 or 2.0 percent in fiscal year 2013. The increase was largely the result of the increases in capital assets of \$2,174.2. The increase in capital assets is primarily due to net increases in highway infrastructure of \$2,189.3.

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, 2013 and 2012

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 367.2	\$ 356.1	\$ -	\$ -	\$ 367.2	\$ 356.1
Capital grants and contributions	1,687.6	1,312.6	61.1	-	1,748.7	1,312.6
General revenues:						
Motor vehicle taxes	1,370.7	1,345.5	-	-	1,370.7	1,345.5
Sales and use tax	411.0	403.2	-	-	411.0	403.2
Other taxes	146.5	150.9	-	-	146.5	150.9
Investment earnings	13.0	20.2	-	-	13.0	20.2
Other revenues	45.3	22.2	-	-	45.3	22.2
Transfers to/from other state agencies	(156.4)	(88.3)	-	-	(156.4)	(88.3)
Other financing sources (uses)	1.5	(1.5)	-	-	1.5	(1.5)
Insurance Recoveries	0.0	1.6	-	-	0.0	1.6
Total revenue	<u>3,886.4</u>	<u>3,522.5</u>	<u>61.1</u>	<u>-</u>	<u>3,947.5</u>	<u>3,522.5</u>
Expenses						
Administrative and support services	212.1	204.2	0.1	-	212.2	204.2
Ground Transportation system planning and research	53.2	42.6	-	-	53.2	42.6
Highway system acquisition and construction	795.2	578.2	67.3	-	862.5	578.2
Highway system acquisition and construction Bonds	-	-	-	-	-	0.0
Highway system maintenance	1,300.4	1,216.7	-	-	1,300.4	1,216.7
Financial assistance to localities	650.4	628.5	-	-	650.4	628.5
Environmental monitoring and Compliance	3.6	3.8	-	-	3.6	3.8
Toll facilities	23.8	21.1	-	-	23.8	21.1
Unallocated depreciation	14.3	11.2	-	-	14.3	11.2
Transfers to other state agencies	31.1	29.7	-	-	31.1	29.7
Total expenses	<u>3,084.1</u>	<u>2,736.0</u>	<u>67.4</u>	<u>-</u>	<u>3,151.5</u>	<u>2,736.0</u>
Change in net position	802.3	786.5	(6.3)	-	796.0	786.5
Net position - July 1 * as restated	<u>18,904.2</u>	<u>18,117.7</u>	<u>-</u>	<u>-</u>	<u>18,904.2</u>	<u>18,117.7</u>
Net position - June 30	<u>\$ 19,706.5</u>	<u>\$ 18,904.2</u>	<u>\$ (6.3)</u>	<u>\$ -</u>	<u>\$ 19,700.2</u>	<u>\$ 18,904.2</u>

* FY 2013 beginning balance was restated for the implementation of GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, to arrive at a restated beginning balance of \$18,904.2. Additionally, due to the implementation of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the title of Invested in Capital Assets, Net of Related Debt has been changed to Net Investment in Capital Assets (notes 2 and 3).

Governmental activities: Governmental activities increased the Virginia Department of Transportation's net assets by \$802.3. Key elements of this increase are as follows:

- Program revenues increased by \$386.1 or 23.1 percent over the last fiscal year. This increase relates to increases in receipts from charges for services of \$11.1 or 3.1% and \$375.0 or 28.6 percent from capital grants and contributions in fiscal year 2013 over the fiscal year 2012.
- Total general revenues increased by \$43.1 or 2.2 percent in fiscal year 2013 from fiscal year 2012, with increases primarily in motor vehicle sales and use tax \$39.5, sales and use tax \$7.9, other taxes \$2.9, and other revenues \$22.1. The increase is offset by the decreases in motor vehicle fuel tax \$9.9, road use tax \$3.4, premium on insurance \$7.2, and investments earnings \$7.2.
- Others: For the fiscal year ended June 30, 2013, insurance recoveries decreased by 100.0 percent. In addition, transfers to other state agencies and general fund increased by \$47.6 and transfers from other state agencies and general fund decreased by \$20.5 in fiscal year 2013 from the fiscal year 2012.

The Virginia Department of Transportation's expenditures from governmental activities totaled \$3,084.1 for the fiscal year ended June 30, 2013, an increase of \$348.0 from the previous year. Most of the increase is attributable to increases in highway system acquisition and construction \$223.7, highway system maintenance \$83.7, financial assistance to localities \$18.9, administrative and support services \$7.8, ground transportation system planning and research \$10.6, toll facilities operations and construction \$2.6 and unallocated depreciation.

Business-type activities: Route 460 Funding Corporation of Virginia experienced its first year of operation in fiscal year 2013 with a deficit net position of \$6.3. The deficit net position of \$6.3 is due to the operating and the non-operating expenditures exceeding the operating and the non-operating revenues in the first fiscal year 2013. This deficit relates mostly to the accrual of the first interest payment on the Series 2012A bonds of \$6.2. Construction costs of \$61.1 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 2013 with a fund balance of \$2,156.2, a decrease of \$370.4 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 2013. Expenditures increased by \$129.2 or 3.1 percent, bond proceeds decreased by \$1,077.3 and transfer to other state agencies and general fund (other financing sources) increased by \$47.6. The decreases in fund balance were reduced by

the increases of \$433.3 or 12.3 percent in revenues, decreases of \$194.8 in defeasance payments and decreases of \$20.5 in transfer from other state agencies.

- Seven out of the ten reported VDOT revenue sources increased in fiscal year 2013. They include taxes \$29.8, rights and privileges \$10.3, sales of property and commodities \$0.9, fines, forfeitures, court fees, penalties and escheats \$0.4, federal grants and contracts \$392.5, receipts from cities, counties, and towns \$24.2, and other revenues \$20.9. Increases in expenditures included \$145.6 or 10.0 percent in construction expenditures and \$7.9 or 2.1 percent in financial assistance to localities. Of the \$2,156.2 fund balance in fiscal year 2013, (\$66.7) constitutes unassigned fund balance, and the remaining \$2,222.9 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 2013 and 2012 are as follows:

- The fund balance of the Highway Maintenance and Operating Fund increased by \$34.6 in fiscal year 2013 over the previous year. The increases in revenues, decreases in expenditures, increases in other financing uses and decreases in other financing sources provided most of the changes in fund balance. In fiscal 2013, total revenues increased by \$29.7 or 2.1 percent and expenditures decreased by \$418.1 or 19.5 percent. The impact of the increases in revenues and decreases in expenditures on fund balance were offset by increases in other financing uses and decrease in other financing sources. Changes in expenditures included \$397.3 or 26.1 percent decrease in maintenance expenditures, a decrease of \$18.1 or 100.0 percent in payments for highway system acquisition and construction, which relates to construction management and an increase of \$9.5 or 2.6 percent in financial assistance to localities. The decrease in other financing sources is primarily due to the decrease in budgeted transfers from Construction Fund (crossover transfer recipient), \$363.6 in fiscal year 2013 compared to \$447.8 in fiscal year 2012. On the other hand, the increases in other financing uses resulted primarily from a transfer of \$16.3 in fiscal 2013 compared to \$12.1 in fiscal year 2012 to other state agencies, an increase of \$4.2.
- The fund balance of the Federal Highway Fund ended the fiscal year 2013 with its normal end of the year balance of \$0. Revenues increased by \$430.5 or 48.30 percent and cash transferred-in from other state agencies and General Fund increased by \$16.8 or 267.7 percent in fiscal year 2013 from fiscal year 2012. 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 equates the total revenues and other financing sources in fiscal year 2013.
- The Construction Fund's fund balance increased by \$95.1 or 79.8 percent in fiscal year 2013 from fiscal year 2012. The increase in fund balance is related to the increases in total revenues of \$62.3 or 8.6 percent, decreases in total expenditures of \$137.3 or 33.5 percent,

increases in total transfers from other state agencies and general fund of \$1.9 or 9.9 percent decreases in total transfers to other state agencies and general fund of \$3.8 or 14.2 percent, and decreases in the total inter-fund transfer-out of \$364.1 or 46.6 percent in fiscal year 2013. The decrease in expenditures is related to a significant decrease in highway system acquisition and construction of \$164.2 or 43.9 percent in fiscal year 2013. The decrease in highway system acquisition and construction in the Construction Fund is primarily due to the use of the other funds monies to pay for most of the highway system acquisition and construction expenditures in fiscal year 2013. Capital Projects Revenue Bonds proceeds from series 2012 were fully available for construction expenditures in fiscal year 2013. The decrease in other financing uses is primarily due to the decrease in budgeted transfers to HMO Fund (crossover funds transferor), \$363.6 in fiscal year 2013 compared to \$447.8 in fiscal year 2012. Other decreases in other financing uses include the decreases in budgeted transfers to Virginia Transportation Infrastructure bank of \$250.0 and \$50.0 to Transportation Partnership Opportunity in fiscal year 2012 compared to \$0 in fiscal year 2013.

- The Priority Transportation Fund balance decreased by \$7.3 or 6.2 percent in fiscal year 2013 from fiscal year 2012. The decrease in fund balance is primarily due to the decreases in total revenues of \$7.3 or 4.6 percent and increases in expenditures of \$18.4 or 3422.5 percent. The decrease in revenues is primarily due to decreases of \$7.2 or 4.6 percent in receipt from taxes and the increase in expenditure is due to increases of \$18.4 or 3422.5 percent in construction costs. The decreases in total revenues and increases in expenditures are offset by increases in transfers-in of \$0.8 or 4.7 percent and decreases in transfers-out of \$1.3 or 0.8 percent.
- The fund balance of the Federal Stimulus Fund - American Recovery & Reinvestment Act (ARRA) was a negative balance of \$1.3 in fiscal year 2013 compared to a negative balance of \$1.5 in fiscal year 2012, an increase of \$0.2 or 15.0 percent. The increase in fund balance resulted from the decreases in expenditures (highway system acquisition and construction costs and administrative and support services) of \$71.1 or 42.9 percent. The increase in fund balance was reduced by decreases in revenues (Federal Grants and Contracts) of \$71.8 or 43.0 percent.
- The fund balance of the Capital Projects Revenue Bonds Special Revenue Fund decreased by \$396.9 in fiscal year 2013 from fiscal year 2012. The decrease in fund balance is attributed to the increases in expenditures (highway system acquisition and construction costs) of \$174.3 or 278.9 percent, decreases in proceeds from bond sales of \$675.0 or 100.0 percent and increases in transfers to other state agencies and general fund \$57.9 or 55.5 percent. The increase in expenditure is primarily attributed to highway system acquisition and construction costs. Capital Projects Revenue Bonds proceeds from series 2012 were fully available to pay for construction costs in fiscal year 2013 compared to fiscal 2012. The increase in transfers to other state agencies and general funds is primarily due to the increased in reimbursement requests for the proceeds of the series 2012 CPR bonds.
- The fund balance of the Toll Facilities Revolving Fund increased by \$1.9 or 0.5 percent in fiscal year 2013. The increase in fund balance is primarily due to decreases in revenues \$6.5 or 27.0 percent and increases expenditures \$1.7 or 11.4 percent. The fund collected \$17.5 in revenues but spent \$16.5 in toll facilities operations and construction in fiscal year 2013. There were no other significant financial activities in any other categories of this fund during the fiscal year 2013.

The Debt Service funds have a total fund balance of \$35.1 in fiscal year 2013, a decrease of \$43.8 or 56.5 percent over that of the fiscal year 2012. All of the fund balance amounts are reserved for the debt payment. This decrease in fund balance is primarily due to the increases in expenditures of \$80.5 or 29.6 percent and net decreases in other financing sources and uses of \$8.0 or 2.9 percent. The increase in expenditure is mostly related to the increase in the payment of bonds and notes principal and interest. Debt service payments were \$270.3 in fiscal year 2012 compared to \$350.3 in fiscal year 2013.

Proprietary funds: The Route 460 Funding Corporation of Virginia ended its first year of operation with a deficit net position of \$6.3. As noted earlier, the Route 460 Funding Corporation of Virginia began operation in fiscal year 2013. This deficit is primarily attributed to the accrual of the first interest payment on the Series 2012A bonds of \$6.2.

Special Revenue Fund Budgetary Highlights

**Virginia Department of Transportation
Budget Comparison Summary
Special Revenue Fund
For the Fiscal Year Ended June 30, 2013**

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Taxes	\$ 1,938.5	\$ 1,938.5	\$ 1,927.1	\$ (11.4)
Intergovernmental	1,009.6	1,009.6	1,360.3	350.7
Other	667.3	667.3	544.7	(122.6)
Total	<u>3,615.4</u>	<u>3,615.4</u>	<u>3,832.1</u>	<u>216.7</u>
Expenditures	<u>4,075.8</u>	<u>4,455.9</u>	<u>3,926.7</u>	<u>529.2</u>
Revenues over (under) expenditures	(460.4)	(840.5)	(94.6)	745.9
Other sources	<u>582.7</u>	<u>834.3</u>	<u>(276.2)</u>	<u>(1,110.5)</u>
Revenues and other sources over (under) expenditures	122.3	(6.2)	(370.8)	(364.6)
Fund balance - July 1	<u>2,613.7</u>	<u>2,613.7</u>	<u>2,613.7</u>	<u>-</u>
Fund balance - June 30	<u>\$ 2,736.0</u>	<u>\$ 2,607.5</u>	<u>\$ 2,242.9</u>	<u>\$ (364.6)</u>

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

Capital Assets and Debt Administration

Capital assets: The Virginia Department of Transportation's investment in capital assets for its governmental activities as of June 30, 2013 amounts to \$22,391.1 (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 11.0 percent.

**Virginia Department of Transportation
Capital Assets
as of June 30, 2013 and 2012
(net of depreciation)**

	Governmental activities		Business-type activities		Total	
	2013	2012*	2013	2012	2013	2012*
Depreciable Capital Assets:						
Buildings and improvements	\$ 273.1	\$ 277.7	\$ -	\$ -	\$ 273.1	\$ 277.7
Equipment	133.3	128.6	-	-	133.3	128.6
Total Depreciable Capital Assets	406.4	406.3	-	-	406.4	406.3
Non Depreciable Capital Assets:						
Land and improvements	26.5	26.5	-	-	26.5	26.5
Construction in process	87.1	77.6	56.3	-	143.4	77.6
Total Non Depreciable Capital Assets	113.6	104.1	56.3	-	169.9	104.1
Infrastructure Assets:						
Highway right-of-way, non-depreciable	2,143.0	2,124.3	-	-	2,143.0	2,124.3
Highway system infrastructure	11,187.8	9,770.8	-	-	11,187.8	9,770.8
Restorative maintenance	3,006.8	2,581.4	-	-	3,006.8	2,581.4
Bridge and tunnel infrastructure	2,361.7	2,396.5	-	-	2,361.7	2,396.5
Infrastructure work in process	3,171.8	2,833.5	-	-	3,171.8	2,833.5
Total Infrastructure assets	21,871.1	19,706.5	-	-	21,871.1	19,706.5
Total Assets	\$ 22,391.1	\$ 20,216.9 *	\$ 56.3	\$ -	\$ 22,447.4	\$20,216.9 *

*For Fiscal year 2013, beginning capital asset balances of governmental activities were restated for the implementation of GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, to arrive at a restated beginning balance of \$18,904.2. Additionally, due to the implementation of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the title of Invested in Capital Assets, Net of Related Debt has been changed to Net Investment in Capital Assets (note 2).

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 \$2,840.1 related to governmental activities. Of this amount, \$21.4 comprises debt backed by the full faith, credit, and taxing power of the Commonwealth. The majority, \$2,818.7 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 \$314.7 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, 2013 and 2012**

	Governmental activities		Business-type activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
General Obligation Bonds:						
Section 9(c) debt	\$ 21.4	\$ 23.6	\$ -	\$ -	\$ 21.4	\$ 23.6
Total General Obligation Bonds	<u>21.4</u>	<u>23.6</u>	<u>-</u>	<u>-</u>	<u>21.4</u>	<u>23.6</u>
Section 9(d) debt						
Transportation Revenue Bonds	2,732.1	2,724.8	-	-	2,732.1	2,724.8
Federal Highway Reimbursement Anticipation Notes	<u>86.6</u>	<u>176.6</u>	<u>-</u>	<u>-</u>	<u>86.6</u>	<u>176.6</u>
Total Section 9(d) debt	<u>2,818.7</u>	<u>2,901.4</u>	<u>-</u>	<u>-</u>	<u>2,818.7</u>	<u>2,901.4</u>
Route 460 Toll Road Revenue Bonds	<u>-</u>	<u>-</u>	<u>314.7</u>	<u>-</u>	<u>314.7</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>314.7</u>	<u>-</u>	<u>314.7</u>	<u>-</u>
Total Bonds Payable	<u>\$ 2,840.1</u>	<u>\$ 2,925.0</u>	<u>\$ 314.7</u>	<u>\$ -</u>	<u>\$ 3,154.8</u>	<u>\$ 2,925.0</u>

The Commonwealth Transportation Board's bonds debt, from governmental activities, decreased from \$2,925.0 in fiscal year 2012 to \$2,840.1 in fiscal year 2013, a decrease of \$84.9 or 2.9 percent. The decrease in bond debt is primarily due to the payments of \$207.7 for bonds principal in fiscal year 2013. The decrease in long-term debt is reduced by the issuance of the GARVEE Notes for 120.6 in fiscal year 2013 and the \$2.2 in accreted bond principal of the Route 28 Capital Appreciation Bond. The Department's outstanding long-term debt for the Route 460 Corporation of Virginia is \$314.7 in fiscal year 2013. 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 \$82.8 from the governmental activities. The entire amount of the debt, \$82.8 which is comprised of the Camp 30 and Chesterfield County 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, 2013 and 2012**

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Section 9(d) debt						
Chesterfield County Notes	8.0	8.0	-	-	8.0	8.0
Camp 30 Notes Payable	<u>74.8</u>	<u>78.9</u>	<u>-</u>	<u>-</u>	<u>74.8</u>	<u>78.9</u>
Total Section 9(d) debt	<u>82.8</u>	<u>86.9</u>	<u>-</u>	<u>-</u>	<u>82.8</u>	<u>86.9</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>\$ 82.8</u>	<u>\$ 86.9</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82.8</u>	<u>\$ 86.9</u>

The Commonwealth Transportation Board's notes debt, from governmental activities, decreased by \$4.1 in fiscal year 2013. The decrease was attributed to the retirement of the principal amount of the existing debt. The Commonwealth Transportation Board did not issue any new notes debt in fiscal year 2013. The Department has no outstanding notes payable for business-type activities in fiscal year 2013 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

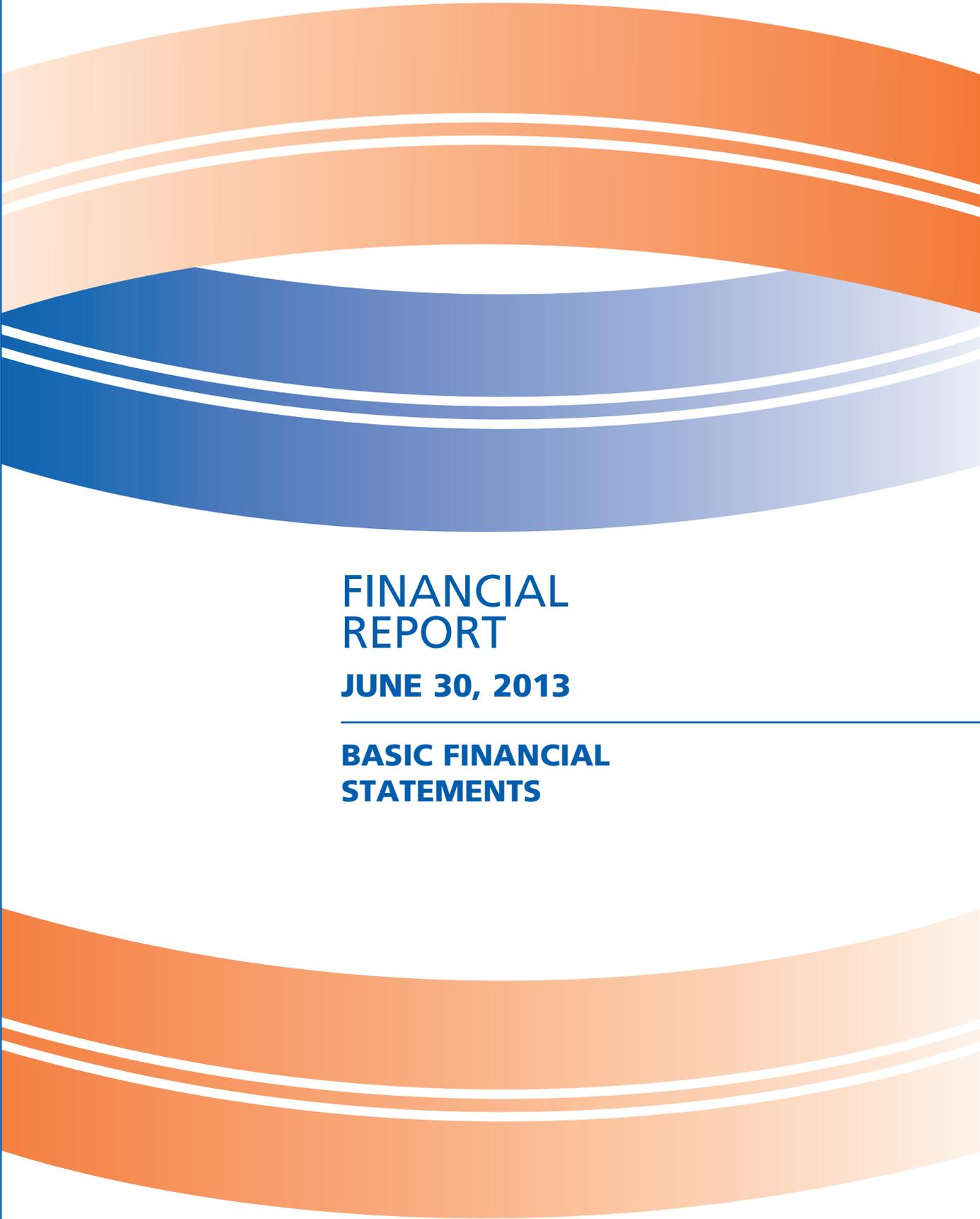
The current economic conditions are impacting the budgets and activities of the Virginia Department of Transportation (VDOT) both directly and indirectly. The following are key issues or events that are impacting future fiscal years governmental activities:

- Transportation Department revenues are anticipated to be \$4.7 billion, an 11 percent increase from the FY 2013 Budget. Funding for transportation was addressed during the 2013 General Assembly Session by House Bill 2313 (Chapter 766). The revenues generated by HB 2313 breathe new life into Virginia's transportation program. It provides substantial, sustainable revenues to reduce the state maintenance crossover during the six-year financial plan and will provide funding for construction formula distributions. Estimated revenues for 2014 reflect the first year of implementation of major changes to revenue dedicated to transportation.
- Construction fund transfers to cover the Highway Maintenance and Operating Fund's funding deficit will be greatly diminished with the revenues provided. The anticipated crossover for FY 2014 is \$413 million. With the revenue forecast provided, it was anticipated that crossover would not be necessary by FY 2017.
- Substantial investments were also made in regions of the state that experience traffic congestion and great transportation needs. Northern Virginia and Hampton Roads were provided dedicated revenue streams to assist in addressing their needs. The total estimated revenue for both regions for FY 2014 is \$451.8 million.

The above Economic Factors have been considered in the preparation of the Virginia Department of Transportation's fiscal year 2014-2019 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.



**FINANCIAL
REPORT**

JUNE 30, 2013

**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, 2013**

	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)	\$ 1,385,084,705	-	\$ 1,385,084,705
Cash and cash equivalents with trustees (Note 14)	769,851,062	\$ 255,591,536	1,025,442,598
Investments with trustees (Note 14)	73,953,634		73,953,634
Cash and cash equivalents for collateral held for securities lending (Note 14)	120,277,357		120,277,357
Investments for collateral held for securities lending (Note 14)	6,485,075		6,485,075
Advance fund	258,620		258,620
Receivables: (Net)			
Federal government	71,262,864		71,262,864
Cities, counties, and towns	6,150,066		6,150,066
State agencies	1,888,470		1,888,470
Loans & Other	76,531,226		76,531,226
Taxes	122,427,823		122,427,823
Due from other agencies	725,231		725,231
Due from Va Dept of Transportation	-	21,703,034	21,703,034
Bond interest receivable	6,512,442		6,512,442
Capitalized bond discounts and issue costs	12,211,353	2,681,414	14,892,767
Capitalized notes discounts and issue costs	408,022		408,022
Inventory (Note 1- G)	65,438,464		65,438,464
Depreciable Capital Assets, Net (Note 12)	406,422,359		406,422,359
Infrastructure, net (Note 12)	16,556,312,428		16,556,312,428
Infrastructure non deprec. (Note 12)	2,143,001,535		2,143,001,535
Infrastructure, Work in Process (Note 12)	3,171,744,185	56,333,111	3,228,077,296
Non Depreciable Capital Assets (Note 12)	113,613,105		113,613,105
Total Assets	<u>25,110,560,026</u>	<u>336,309,095</u>	<u>25,446,869,121</u>
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows	<u>\$ 25,110,560,026</u>	<u>\$ 336,309,095</u>	<u>\$ 25,446,869,121</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Accounts payable	280,574,111	21,703,034	302,277,145
Payable to component unit	21,703,034		21,703,034
Deposits payable	46,968,700		46,968,700
Payable for collateral held for securities lending	126,762,432		126,762,432
Due to other agencies	26,000,000		26,000,000
Due to Component Unit			
Deferred revenue	53,971,714		53,971,714
Premium on bonds payable	240,931,263		240,931,263
Premium on notes payable	2,641,593		2,641,593
Accrued liabilities	30,873,112	47,966	30,921,078
Retainage on contracts	3,863,961		3,863,961
Non Current Liabilities			
Bond interest payable	20,544,753	6,221,248	26,766,001
Note interest payable	444,492		444,492
Pollution remediation obligations (Note 7)			
Expected to be paid within one year	555,165		555,165
Expected to be paid after one year	-		-
Compensated absences (Note 1- J and Note 7)			
Expected to be paid within one year	31,731,939		31,731,939
Expected to be paid after one year	25,456,292		25,456,292
Bonds Payable (Note 7)			
Portion due within one year	154,665,000		154,665,000
Portion due after one year	2,685,397,109	314,661,540	3,000,058,649
Notes Payable (Note 7)			
Portion due within one year	12,270,000		12,270,000
Portion due after one year	70,560,000		70,560,000
Total Liabilities	<u>3,835,914,670</u>	<u>342,633,788</u>	<u>4,178,548,458</u>
Deferred inflows of Resources	1,568,140,261	-	1,568,140,261
Total Liabilities and Deferred Inflows	<u>5,404,054,931</u>	<u>342,633,788</u>	<u>5,746,688,719</u>
Net Position			
Invested in Capital Assets net of related debt	19,971,135,960		19,971,135,960
Restricted for			
Bond Financed Road			
Construction.	823,490,168		823,490,168
Capital Acquisition	26,843,845	255,582,435	282,426,280
Debt service	35,121,453		35,121,453
Unrestricted	(1,150,086,331)	(261,907,128)	(1,411,993,459)
Total Net Position	<u>\$ 19,706,505,095</u>	<u>\$ (6,324,693)</u>	<u>\$ 19,700,180,402</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, 2013**

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	\$ 212,077,751	\$ -	\$ -	\$ 68,533	\$ (212,009,218)	\$ -	\$ (212,009,218)
Ground transportation system planning	53,175,989	-	-	-	(53,175,989)	-	(53,175,989)
Highway system acquisition and construction	785,203,879	36,305,634	-	1,684,244,974	925,346,729	-	925,346,729
Highway system maintenance	1,300,412,941	302,631,501	-	3,247,396	(994,534,044)	-	(994,534,044)
Financial assistance to localities	650,459,891	-	-	-	(650,459,891)	-	(650,459,891)
Environmental monitoring and compliance	3,618,790	-	-	-	(3,618,790)	-	(3,618,790)
Toll facilities operations and construction	23,766,034	28,313,134	-	-	4,547,100	-	4,547,100
Unallocated Depreciation (excludes direct depreciation)	14,299,383	-	-	-	(14,299,383)	-	(14,299,383)
Transfers to other state agencies (Note 11)	31,083,865	-	-	-	(31,083,865)	-	(31,083,865)
Total Governmental Activities	3,084,098,523	367,250,269	-	1,687,560,903	(1,029,287,351)	-	(1,029,287,351)
Business-Type Activities							
Route 460 Funding Corporation of Virginia	129,861	-	-	-	(129,861)	-	(129,861)
Administrative	67,318,436	-	-	61,104,034	(6,214,402)	-	(6,214,402)
Construction Costs	67,318,436	0	0	61,104,034	(6,344,263)	-	(6,344,263)
Total Business-Type Activities							
	\$ 3,084,098,523	\$ 367,250,269	\$ -	\$ 1,687,560,903	\$ (1,029,287,351)	\$ (6,344,263)	\$ (1,035,631,614)

Total Primary Government

GENERAL REVENUES	GENERAL REVENUES
Taxes	
Motor Vehicle Fuel Tax	\$ 813,507,066
Road Use Tax	3,440,630
Sales and Use Tax	411,015,648
MV Sales and Use Tax	546,508,417
MV Rental Tax	5,968,290
Aviation Fuel Tax	1,334,029
Premiums on Insurance	130,063,875
Other Taxes	16,447,450
Investment Earnings	13,046,400
Other Revenues	41,549,181
Gain on sales	3,720,063
Transfers to other State Agencies and Gen Fund (Note 11)	(202,093,543)
Transfers from other State Agencies and Gen Fund (Note 11)	45,658,869
Insurance recoveries	-
Other Financing Sources (Uses)	1,470,038
Total General Revenues	1,631,636,413
Special Items and Transfers	19,570
Change in Net Position	802,349,062
Net Position, July 1 as restated (Note 2)	18,904,156,033
Net Position, June 30	19,706,505,095
	(6,324,693)
	796,024,369
	18,904,156,033
	0
	18,904,156,033
	(6,324,693)
	19,700,180,402

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 Assets.

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

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

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

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

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

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

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.

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

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
BALANCE SHEET GOVERNMENTAL FUNDS
SPECIAL REVENUE
June 30, 2013

HIGHWAY MAINTENANCE & OPERATING	FEDERAL	CONSTRUCTION
---------------------------------------	---------	--------------

Assets and Deferred Outflows of Resources

Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$ 240,549,750	\$ -	\$ 277,566,787
Cash and cash equivalents with trustees (Note 14)	-	-	470,695
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	230,120	-	10,000
Receivables: (net)			
Federal government	-	60,384,703	-
Cities, counties, and towns	496,975	-	5,653,091
State agencies	885,275	-	1,003,195
Loans & other	33,513,533	-	6,055,983
Taxes receivable	69,438,832	-	52,988,991
Due from other funds (Note 10)	-	13,177,178	43,127,540
Due from agencies	-	-	-
Deferred charges	2,969,710	-	25,437,668
Inventory (Note 1 G)	57,163,585	-	610,486
Total assets	405,247,780	73,561,881	412,924,436

Deferred Outflows of Resources

Total Assets and Deferred Outflows	\$ 405,247,780	\$ 73,561,881	\$ 412,924,436
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**Liabilities, Deferred Inflows of Resources
and Fund Balances**

Accounts payable	\$ 104,836,656	\$ 52,686,991	\$ 81,364,900
Deposits payable	11,568,672	-	574,867
Payable to component unit	-	-	-
Payable for collateral held for securities lending	-	-	-
Due to other agencies	26,000,000	-	-
Due to other funds (Note 10)	22,916,000	18,346,440	85,243,202
Deferred revenue	11,486,989	2,528,450	23,591,720
Liability for compensated			
absences	32,742	-	7,775
Accrued liabilities	24,816,593	-	5,967,220
Retainage on contracts	1,862,137	-	1,878,183
Total liabilities	203,519,789	73,561,881	198,627,867

Deferred Inflows of Resources

Total Liabilities and Deferred Inflows	\$ 203,519,789	\$ 73,561,881	\$ 198,627,867
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Fund Balances (Note 3)

Nonspendable	90,677,118	-	6,666,469
Restricted	-	-	-
Committed	111,050,873	-	207,630,100
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	201,727,991	-	214,296,569

Total liabilities, deferred inflows and fund balances	\$ 405,247,780	\$ 73,561,881	\$ 412,924,436
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The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION
BALANCE SHEET GOVERNMENTAL FUNDS
SPECIAL REVENUE
June 30, 2013

PRIORITY TRANSPORTATION FUND	TOLL FACILITIES REVOLVING	ARRA PROJECTS
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Assets and Deferred Outflows of Resources

Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$ 92,017,159	\$ 205,201,711	\$ 8,803,495
Cash and cash equivalents with trustees (Note 14)	-	9,785,516	-
Investments with trustees (Note 14)	-	-	-
Cash and cash equivalents for			
collateral held for securities lending (Note 14)	8,948,776	63,033,878	-
Investments for			
collateral held for securities lending (Note 14)	482,497	3,398,640	-
Advance fund	-	-	-
Receivables: (net)			
Federal government	-	-	10,878,161
Cities, counties, and towns	-	-	-
State agencies	-	-	-
Loans & other	-	32,172,940	-
Taxes receivable	-	-	-
Due from other funds (Note 10)	17,776,281	150,915,175	-
Due from agencies	725,231	-	-
Deferred charges	-	289,071	1,704,504
Inventory (Note 1 G)	-	7,664,395	-
Total assets	119,949,944	472,461,326	21,386,160

Deferred Outflows of Resources

Total Assets and Deferred Outflows	\$ 119,949,944	\$ 472,461,326	\$ 21,386,160
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**Liabilities, Deferred Inflows of Resources
and Fund Balances**

Accounts payable	\$ -	\$ 8,144,599	\$ 12,579,979
Deposits payable	-	34,825,161	-
Payable to component unit	-	-	-
Payable for collateral held for securities lending	9,431,273	66,432,518	-
Due to other agencies	-	-	-
Due to other funds (Note 10)	-	-	10,000,000
Deferred revenue	-	169,261	20,251
Liability for compensated			
absences	-	-	-
Accrued liabilities	-	-	-
Retainage on contracts	-	-	54,083
Total liabilities	9,431,273	109,571,539	22,654,313

Deferred Inflows of Resources

Total Liabilities and Deferred Inflows	\$ 9,431,273	\$ 109,571,539	\$ 22,654,313
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Fund Balances (Note 3)

Nonspendable	-	39,837,335	-
Restricted	-	-	-
Committed	110,518,671	323,052,452	-
Assigned	-	-	-
Unassigned	-	-	(1,268,153)
Total fund balances	110,518,671	362,889,787	(1,268,153)

Total liabilities, deferred inflows and fund balances	\$ 119,949,944	\$ 472,461,326	\$ 21,386,160
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The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION
BALANCE SHEET GOVERNMENTAL FUNDS
SPECIAL REVENUE
June 30, 2013

CAPITAL PROJECTS REVENUE BONDS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	Totals Special Revenue Funds	
		June 30, 2013	June 30, 2012

Assets and Deferred Outflows of Resources

Cash and cash equivalents				
with the Treasurer of Virginia (Note 14)	\$ 13,230,747	\$ 547,449,173	\$ 1,384,818,822	\$ 1,289,833,109
Cash and cash equivalents with trustees (Note 14)	488,832,924	257,583,025	756,672,160	1,223,119,609
Investments with trustees (Note 14)	52,276,966	-	52,276,966	49,999,654
Cash and cash equivalents for collateral held for securities lending (Note 14)	1,186,495	47,108,208	120,277,357	304,381,509
Investments for collateral held for securities lending (Note 14)	63,973	2,539,965	6,485,075	9,410,807
Advance fund	-	18,500	258,620	261,479
Receivables: (net)				
Federal government	-	-	71,262,864	58,087,255
Cities, counties, and towns	-	-	6,150,066	5,533,086
State agencies	-	-	1,888,470	1,443,668
Loans & other	-	4,788,770	76,531,226	53,247,348
Taxes receivable	-	-	122,427,823	120,648,475
Due from other funds (Note 10)	-	-	224,996,174	212,111,797
Due from agencies	-	-	725,231	1,642,246
Deferred charges	-	83,706	30,484,659	-
Inventory (Note 1 G)	-	-	65,438,466	59,285,825
Total assets	555,591,105	859,571,347	2,920,693,979	3,389,005,867

Deferred Outflows of Resources

Total Assets and Deferred Outflows	\$ 555,591,105	\$ 859,571,347	\$ 2,920,693,979	\$ 3,389,005,867
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**Liabilities, Deferred Inflows of Resources
and Fund Balances**

Accounts payable	\$ -	\$ 20,960,986	\$ 280,574,111	\$ 300,185,545
Deposits payable	-	-	46,968,700	43,810,826
Payable to component unit	21,703,034	-	21,703,034	-
Payable for collateral held for securities lending	1,250,468	49,648,173	126,762,432	313,792,316
Due to other agencies	-	-	26,000,000	-
Due to other funds (Note 10)	-	88,490,532	224,996,174	212,111,797
Deferred revenue	-	9,946	37,806,617	37,246,783
Liability for compensated absences	-	147	40,664	84,932
Accrued liabilities	-	89,299	30,873,112	31,261,633
Retainage on contracts	-	69,558	3,863,961	2,862,720
Total liabilities	22,953,502	159,268,641	799,588,805	941,356,552

Deferred Inflows of Resources

Total Liabilities and Deferred Inflows	\$ 22,953,502	\$ 159,268,641	\$ 799,588,805	\$ 941,356,552
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Fund Balances (Note 3)

Nonspendable	-	4,788,770	141,969,692	112,533,173
Restricted	-	-	-	-
Committed	532,637,603	760,958,412	2,045,848,111	2,409,023,786
Assigned	-	-	-	-
Unassigned	-	(65,444,476)	(66,712,629)	(73,907,644)

Total fund balances	532,637,603	700,302,706	2,121,105,174	2,447,649,315
Total liabilities, deferred inflows and fund balances	\$ 555,591,105	\$ 859,571,347	\$ 2,920,693,979	\$ 3,389,005,867

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, 2013

NORTHERN VA.																				
ROUTE 58		ROUTE 28		TRANSP. DISTRICT		COLEMAN BRIDGE		FRAN - DEBT SERVICE FUND		CAPITAL PROJECTS REVENUE BONDS		GARVEE		TRANSPORTATION SET ASIDE		CAMP 30		TOTALS		
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
74	74	20	20	46	46	265,883	265,883	-	-	14	14	13,178,638	13,178,638	4	4	106	106	13,178,902	13,178,902	
-	-	-	-	-	-	-	-	21,676,668	21,676,668	-	-	-	-	-	-	-	-	-	-	21,676,668
<u>\$</u>	<u>74</u>	<u>\$</u>	<u>20</u>	<u>\$</u>	<u>46</u>	<u>\$</u>	<u>265,883</u>	<u>\$</u>	<u>21,676,668</u>	<u>\$</u>	<u>14</u>	<u>\$</u>	<u>13,178,638</u>	<u>\$</u>	<u>4</u>	<u>\$</u>	<u>106</u>	<u>\$</u>	<u>13,178,902</u>	<u>\$</u>
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
74	74	20	20	46	46	265,883	265,883	21,676,668	21,676,668	14	14	13,178,638	13,178,638	4	4	106	106	13,178,902	13,178,902	
<u>\$</u>	<u>74</u>	<u>\$</u>	<u>20</u>	<u>\$</u>	<u>46</u>	<u>\$</u>	<u>265,883</u>	<u>\$</u>	<u>21,676,668</u>	<u>\$</u>	<u>14</u>	<u>\$</u>	<u>13,178,638</u>	<u>\$</u>	<u>4</u>	<u>\$</u>	<u>106</u>	<u>\$</u>	<u>13,178,902</u>	<u>\$</u>

ASSETS

Cash with the Treasurer of Virginia
 Cash equivalents with the Treasurer of Virginia
 Cash equivalents with trustees
 Investment with trustees
Total assets

LIABILITIES AND FUND EQUITY

Liabilities:
 Deposits payable
 Fund equity
 Fund balances
Total Liabilities and Fund Equity

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**VIRGINIA DEPARTMENT OF TRANSPORTATION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013**

	SPECIAL REVENUE	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS JUNE 30, 2013
<u>Assets and Deferred Outflows of Resources</u>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$ 1,384,818,822	\$ 265,883	\$ 1,385,084,705
Cash and cash equivalents with trustees (Note 14)	756,672,160	13,178,902	769,851,062
Investments with Trustees (Note 14)	52,276,966	21,676,668	73,953,634
Cash and cash equivalents for collateral held for securities lending (Note 14)	120,277,357	-	120,277,357
Investments for collateral held for securities lending (Note 14)	6,485,075	-	6,485,075
Advance fund	258,620	-	258,620
Receivables: (Net)			
Federal government	71,262,864	-	71,262,864
Localities and private sector	6,150,066	-	6,150,066
State agencies	1,888,470	-	1,888,470
Loans & Other	76,531,226	-	76,531,226
Taxes Receivable	122,427,823	-	122,427,823
Due from other funds (Note 10)	224,996,174	-	224,996,174
Due from agencies	725,231	-	725,231
Deferred charges	30,484,659	-	30,484,659
Inventory (Note 1G)	65,438,466	-	65,438,466
Total Assets	<u>2,920,693,979</u>	<u>35,121,453</u>	<u>2,955,815,432</u>
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows	<u>\$ 2,920,693,979</u>	<u>\$ 35,121,453</u>	<u>\$ 2,955,815,432</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Accounts payable	\$ 280,574,111	-	\$ 280,574,111
Deposits payable	46,968,700	-	46,968,700
Payable to component unit	21,703,034	-	21,703,034
Payable for collateral held for securities lending	126,762,432	-	126,762,432
Due to other agencies	26,000,000	-	26,000,000
Due to other funds (Note 10)	224,996,174	-	224,996,174
Deferred revenue	37,806,617	-	37,806,617
Compensated absences payable	40,664	-	40,664
Accrued liabilities	30,873,112	-	30,873,112
Retainage on contracts	3,863,961	-	3,863,961
Total liabilities	<u>799,588,805</u>	<u>-</u>	<u>799,588,805</u>
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows	<u>\$ 799,588,805</u>	<u>\$ -</u>	<u>\$ 799,588,805</u>
Fund Balances (Note 3)			
Nonspendable	141,969,692	-	141,969,692
Restricted	-	-	-
Committed	2,045,848,111	35,121,453	2,080,969,564
Assigned	-	-	-
Unassigned	(66,712,629)	-	(66,712,629)
Total Fund Balances	<u>2,121,105,174</u>	<u>35,121,453</u>	<u>2,156,226,627</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 2,920,693,979</u>	<u>\$ 35,121,453</u>	<u>\$ 2,955,815,432</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, 2013**

Total fund balances - governmental funds \$2,156,226,627

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	\$113,613,105	
Equipment and Buildings	760,108,159	
Infrastructure assets	34,108,625,882	
Accumulated Depreciation	<u>(12,591,253,536)</u>	
Total capital assets		22,391,093,610

Other long term assets are not available to pay for current period expenditures and therefore are deferred in the funds. 2,966,720

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	(2,922,892,109)	
Interest payable	(20,989,245)	
Premium payable	(243,572,856)	
Pollution remediation obligation	(555,165)	
Compensated absences	<u>(57,147,567)</u>	
Total liabilities		<u>(3,245,156,942)</u>

Other long term payables are not due and payable in the current period and, therefore are deferred in the funds. (30,484,659)

Deferred inflows associated with Service Concession Arrangement are long-term in nature and therefore not reported in the funds, (1,568,140,261)

Net position of governmental activities \$19,706,505,095

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**VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS-SPECIAL REVENUE
 June 30, 2013**

	HIGHWAY MAINTENANCE & OPERATING	FEDERAL	CONSTRUCTION
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$ 950,000	\$ -	\$ -
Taxes	1,111,326,468	-	666,067,535
Rights and privileges	295,303,633	-	25,731,164
Sale of property and commodities	121,792	-	3,720,063
Interest, dividends and rents	55,862	-	5,908,858
Fines, forfeitures, court fees, penalties, and escheats	7,150,214	-	64,818
Federal grants and contracts	-	1,321,666,682	-
Receipts from localities and private sector	2,361,256	-	63,262,976
Toll revenue	-	-	-
Other revenue	11,321,022	-	20,920,153
Total revenue	<u>1,428,590,247</u>	<u>1,321,666,682</u>	<u>785,675,567</u>
Expenditures			
Current:			
Administrative and support services	202,978,989	5,818,372	1,119,046
Ground transportation system planning and research	1,667,125	17,783,116	33,290,714
Highway system acquisition and construction	-	795,618,690	210,214,611
Highway system maintenance	1,112,788,246	518,681,718	-
Financial assistance to localities	376,105,413	6,851,979	2,755,723
Environmental monitoring and compliance	-	-	11,165,247
Toll facilities operations and construction	-	-	-
Capital Outlay	-	-	13,503,322
Transfers to other state agencies (Note 11)	30,943,332	-	140,533
Total expenditures	<u>1,724,483,105</u>	<u>1,344,753,875</u>	<u>272,189,196</u>
Revenues over (under) expenditures	<u>(295,892,858)</u>	<u>(23,087,193)</u>	<u>513,486,371</u>
Other financing sources (uses)			
Other financing sources (uses)	-	-	-
Bond Proceeds	-	-	-
Insurance recoveries	-	-	-
Transfers to other state agencies and General Fund (Note 11)	(16,286,224)	-	(23,065,968)
Transfers from other state agencies and General Fund (Note 11)	-	23,086,852	21,540,597
Transfers in (Note 11)	367,618,457	52,497,867	-
Transfers out (Note 11)	(20,810,089)	(52,497,526)	(416,871,499)
Total other financing sources (uses)	<u>330,522,144</u>	<u>23,087,193</u>	<u>(418,396,870)</u>
Net Change in Fund Balance	34,629,286	-	95,089,501
Beginning fund balance - July 1	167,098,705	-	119,207,068
Ending fund balance - June 30	<u>\$ 201,727,991</u>	<u>\$ -</u>	<u>\$ 214,296,569</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, 2013**

	PRIORITY TRANSPORTATION FUND	TOLL FACILITIES REVOLVING	ARRA PROJECTS
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -
Taxes	150,063,876	-	-
Rights and privileges	-	9,302,656	-
Sale of property and commodities	-	-	-
Interest, dividends and rents	1,967,489	5,942,528	-
Fines, forfeitures, court fees, penalties, and escheats	-	2,309,704	-
Federal grants and contracts	-	-	95,129,534
Receipts from localities and private sector	-	-	-
Toll revenue	-	-	-
Other revenue	-	-	-
Total revenue	152,031,365	17,554,888	95,129,534
Expenditures			
Current:			
Administrative and support services	-	-	331,579
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	18,954,633	-	94,238,960
Highway system maintenance	-	-	-
Financial assistance to localities	-	-	-
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	-	16,475,904	-
Capital Outlay	-	-	-
Transfers to other state agencies (Note 11)	-	-	-
Total expenditures	18,954,633	16,475,904	94,570,539
Revenues over (under) expenditures	133,076,732	1,078,984	558,995
Other financing sources (uses)			
Other financing sources (uses)	(162,618)	-	-
Bond Proceeds	-	-	-
Insurance recoveries	-	-	-
Transfers to other state agencies and General Fund (Note 11)	-	-	(335,344)
Transfers from other state agencies and General Fund (Note 11)	65	-	-
Transfers in (Note 11)	17,776,281	793,764	-
Transfers out (Note 11)	(157,989,584)	(22,455)	-
Total other financing sources (uses)	(140,375,856)	771,309	(335,344)
Net Change in Fund Balance	(7,299,124)	1,850,293	223,651
Beginning fund balance - July 1	117,817,795	361,039,494	(1,491,804)
Ending fund balance - June 30	\$ 110,518,671	\$ 362,889,787	\$ (1,268,153)

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, 2013**

	CAPITAL PROJECTS REVENUE BONDS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	Totals	
			Special Revenue Funds JUNE 30, 2013	JUNE 30, 2012
Revenues				
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ 60,457,317	\$ 61,407,317	\$ 101,660,608
Taxes	-	-	1,927,457,879	1,897,651,006
Rights and privileges	-	4,713,921	335,051,374	324,799,959
Sale of property and commodities	-	-	3,841,855	2,932,311
Interest, dividends and rents	2,061,892	8,535,488	24,472,117	29,287,516
Fines, forfeitures, court fees, penalties, and escheats	-	-	9,524,736	9,173,891
Federal grants and contracts	-	8,280,087	1,425,076,303	1,066,400,983
Receipts from localities and private sector	-	1,811,144	67,435,376	42,981,605
Toll revenue	-	16,531,513	16,531,513	16,656,381
Other revenue	-	4,544,169	36,785,344	15,867,072
Total revenue	2,061,892	104,873,639	3,907,583,814	3,507,411,332
Expenditures				
Current:				
Administrative and support services	-	-	210,247,986	208,623,805
Ground transportation system planning and research	-	-	52,740,955	47,892,510
Highway system acquisition and construction	236,864,765	241,790,300	1,597,681,959	1,452,087,870
Highway system maintenance	-	-	1,631,469,964	1,752,237,986
Financial assistance to localities	-	-	385,713,115	377,806,586
Environmental monitoring and compliance	-	-	11,165,247	7,893,783
Toll facilities operations and construction	-	6,202,040	22,677,944	20,305,648
Capital Outlay	-	1,350,911	14,854,233	11,980,448
Transfers to other state agencies (Note 11)	-	-	31,083,865	29,662,760
Total expenditures	236,864,765	249,343,251	3,957,635,268	3,908,491,396
Revenues over (under) expenditures	(234,802,873)	(144,469,612)	(50,051,454)	(401,080,064)
Other financing sources (uses)				
Other financing sources (uses)	2,271,463	(638,807)	1,470,038	(1,483,300)
Bond Proceeds	-	144,268,808	144,268,808	1,025,823,066
Insurance recoveries	-	-	-	1,556,948
Transfers to other state agencies and General Fund (Note 11)	(162,406,007)	-	(202,093,543)	(154,472,013)
Transfers from other state agencies and General Fund (Note 11)	-	1,031,355	45,658,869	66,171,529
Transfers in (Note 11)	-	28,351,101	467,037,470	920,249,778
Transfers out (Note 11)	(1,935,961)	(82,707,215)	(732,834,329)	(1,193,154,065)
Total other financing sources (uses)	(162,070,505)	90,305,242	(276,492,687)	664,691,943
Net Change in Fund Balance	(396,873,378)	(54,164,370)	(326,544,141)	263,611,879
Beginning fund balance - July 1	929,510,981	754,467,076	2,447,649,315	2,184,037,436
Ending fund balance - June 30	\$ 532,637,603	\$ 700,302,706	\$ 2,121,105,174	\$ 2,447,649,315

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, 2013

	ROUTE 58	ROUTE 28	NORTHERN VA. TRANSP. DISTRICT	COLEMAN BRIDGE	FRAN - DEBT SERVICE FUND	CAPITAL PROJECTS REVENUE	GARVEE	TRANSPORTATION SET ASIDE	CAMP 30	TOTALS
Revenues										
Interest	\$ 78	\$ 12	\$ 50	\$ 150	\$ 51,544	\$ 14	\$ 1,693	\$ 4	\$ 38	\$ 53,583
Federal	-	-	-	-	-	-	-	-	-	33,374,720
Receipts from Cities, Counties and Towns	-	7,250,287	-	-	-	-	33,374,720	-	-	7,250,287
Total revenues	78	7,250,299	50	150	51,544	14	33,376,413	4	38	40,678,590
Expenditures										
Interest Payments- Bonds	18,174,750	1,619,156	12,677,049	1,009,850	6,388,963	76,470,551	17,549,720	859,500	-	134,749,539
Interest Payments - Notes	-	-	-	-	-	-	-	-	3,759,438	3,759,438
Refinement of bonds	30,090,000	5,640,000	20,445,000	2,185,000	89,995,000	42,185,000	15,825,000	1,365,000	-	207,730,000
Refinement of Notes	-	-	-	-	-	-	-	-	4,070,000	4,070,000
Total expenditures	48,264,750	7,259,156	33,122,049	3,194,850	96,383,963	118,655,551	33,374,720	2,224,500	7,829,438	350,308,977
Revenue over (under) expenditures	(48,264,672)	(8,857)	(33,121,999)	(3,194,700)	(96,332,419)	(118,655,537)	1,693	(2,224,496)	(7,829,400)	(309,630,387)
Other financing sources (uses)										
Transfers in	48,264,656	8,867	33,121,988	3,194,345	48,393,059	118,655,543	4,104,467	2,224,496	7,829,438	265,796,859
Total other sources (uses)	48,264,656	8,867	33,121,988	3,194,345	48,393,059	118,655,543	4,104,467	2,224,496	7,829,438	265,796,859
Revenues and other sources over (under) expenditures and other uses	(16)	10	(11)	(355)	(47,939,360)	6	4,106,160	-	38	(43,833,528)
Fund balance - July 1	90	10	57	266,238	69,616,028	8	9,072,478	4	68	78,954,981
Fund balance - June 30	74	20	46	265,883	21,676,668	14	13,178,638	4	106	35,121,453

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**VIRGINIA DEPARTMENT OF TRANSPORTATION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
June 30, 2013**

	SPECIAL REVENUE	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS June 30, 2013
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$ 61,407,317	\$ -	\$ 61,407,317
Taxes	1,927,457,879	-	1,927,457,879
Rights and privileges	335,051,374	-	335,051,374
Sales of property and commodities	3,841,855	-	3,841,855
Interest, dividends, and rents	24,472,117	53,583	24,525,700
Fines, forfeitures, court fees, penalties, and escheats	9,524,736	-	9,524,736
Federal grants and contracts	1,425,076,303	33,374,720	1,458,451,023
Receipts from localities and private sector	67,435,376	7,250,287	74,685,663
Toll revenue	16,531,513	-	16,531,513
Other revenue	36,785,344	-	36,785,344
Total revenues	3,907,583,814	40,678,590	3,948,262,404
Expenditures			
Current			
Administrative and support services	210,247,986	-	210,247,986
Ground transportation system planning and research	52,740,955	-	52,740,955
Highway system acquisition and construction	1,597,681,930	-	1,597,681,930
Highway system maintenance	1,631,469,964	-	1,631,469,964
Financial assistance to localities	385,713,115	-	385,713,115
Environmental monitoring and compliance	11,165,247	-	11,165,247
Toll facility operations and construction	22,677,973	-	22,677,973
Capital outlay	14,854,233	-	14,854,233
Debt service:			
Interest (Notes & Bonds)	-	138,508,977	138,508,977
Retirement of bonds & Notes	-	211,800,000	211,800,000
Transfers to other state agencies (Note 11)	31,083,865	-	31,083,865
Total expenditures	3,957,635,268	350,308,977	4,307,944,245
Revenues over (under) expenditures	(50,051,454)	(309,630,387)	(359,681,841)
Other financing sources (uses)			
Other financing sources (uses)	1,470,038	-	1,470,038
Bond proceeds	144,268,808	-	144,268,808
Transfers to other state agencies and General fund (Note 11)	(202,093,543)	-	(202,093,543)
Transfers from other state agencies and General fund (Note 11)	45,658,869	-	45,658,869
Transfers in (Note 11)	467,037,470	265,796,859	732,834,329
Transfers out (Note 11)	(732,834,329)	-	(732,834,329)
Total other financing sources (uses)	(276,492,687)	265,796,859	(10,695,828)
Net Change in Fund Balance	(326,544,141)	(43,833,528)	(370,377,669)
Fund balance - July 1	2,447,649,315	78,954,981	2,526,604,296
Fund balance - June 30	\$ 2,121,105,174	\$ 35,121,453	\$ 2,156,226,627

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, 2013**

Net Change in fund balances - total governmental funds \$ (370,377,669)

Amounts reported for governmental activities are different because:

Accrued interest 14,403,380

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 17,029,768

Urban assets not capitalized (271,015,456)

Capital Outlay	\$	14,854,233	
Depreciation expense		(22,308,378)	
Excess of capital outlay over depreciation expense			(7,454,145)

Increase in Infrastructure		3,144,391,045	
Depreciation expense		(708,775,878)	
Excess of increase in infrastructure over depreciation expense			2,435,615,167

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	(120,625,000)
Retirement of bonds	207,730,000
Retirement of notes	4,070,000
Increase in accretion of debt	(2,157,877)

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	(1,661,562)
Amortize bond and note premium	(4,699,741)
Amortize notes and bond discounts	(4,809)
Amortize cost of issuance notes and bonds	(354,839)
Bond interest receivable	1,007,551
Deferred expenditures	(30,484,659)
Pollution remediation obligations	2,872,932

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds (38,666,622)

Deferred inflows associated with Service Concession Arrangement are long-term in nature and therefore not reported in the funds, (\$1,032,877,357)

Change in net position assets of governmental activities \$ 802,349,062

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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, 2013**

Assets and Deferred Outflows of Resources

Current Assets:

Cash and cash equivalents (Note 12)	\$	255,591,536
Due from Va. Department of Transportation		21,703,034
Total Current Assets		<u>277,294,570</u>

Non Current Assets

Bond issuance costs		2,681,414
Non depreciable capital assets (CIP)		56,333,111
Total Noncurrent Assets		<u>59,014,525</u>

Total Assets		<u>336,309,095</u>
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Deferred Outflows of Resources

Total Assets and Deferred Outflows	\$	<u>336,309,095</u>
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Liabilities and Deferred Inflows of Resources

Current liabilities:

Accounts payable	\$	21,703,034
Accrued interest payable		6,221,248
Bond issuance costs payable		47,966
Total Current Liabilities		<u>27,972,248</u>

Non Current Liabilities

Bonds payable		314,661,540
Total Noncurrent Liabilities		<u>314,661,540</u>

Total Liabilities		<u>342,633,788</u>
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Deferred Inflows of Resources

Total Liabilities and Deferred Inflows		<u>342,633,788</u>
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Net Position

Restricted		255,582,435
Unrestricted		(261,907,128)
Total Net Position (Deficit)	\$	<u>(6,324,693)</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, 2013**

	Year Ended June 30, 2013
Operating Revenues	<u>\$ -</u>
Operating Expenses	
Insurance	125,837
Bank and trustee fees	2,726
Office supplies and printing	1,298
Total Operating Expenses	<u>129,861</u>
Operating Income (Loss)	<u>(129,861)</u>
Non Operating revenues (expenditures)	
Funds received from Va. Dept. Transportation (VDOT)	61,104,034
Construction costs funded by VDOT	(61,103,034)
Interest income	19,570
Interest expense	(6,176,235)
Amortization expense	(39,167)
Total Non Operating revenues (expenditures)	<u>(6,194,832)</u>
Change in net position	(6,324,693)
Net Position, July 1	-
Net Position (deficit), June 30	<u>\$ (6,324,693)</u>

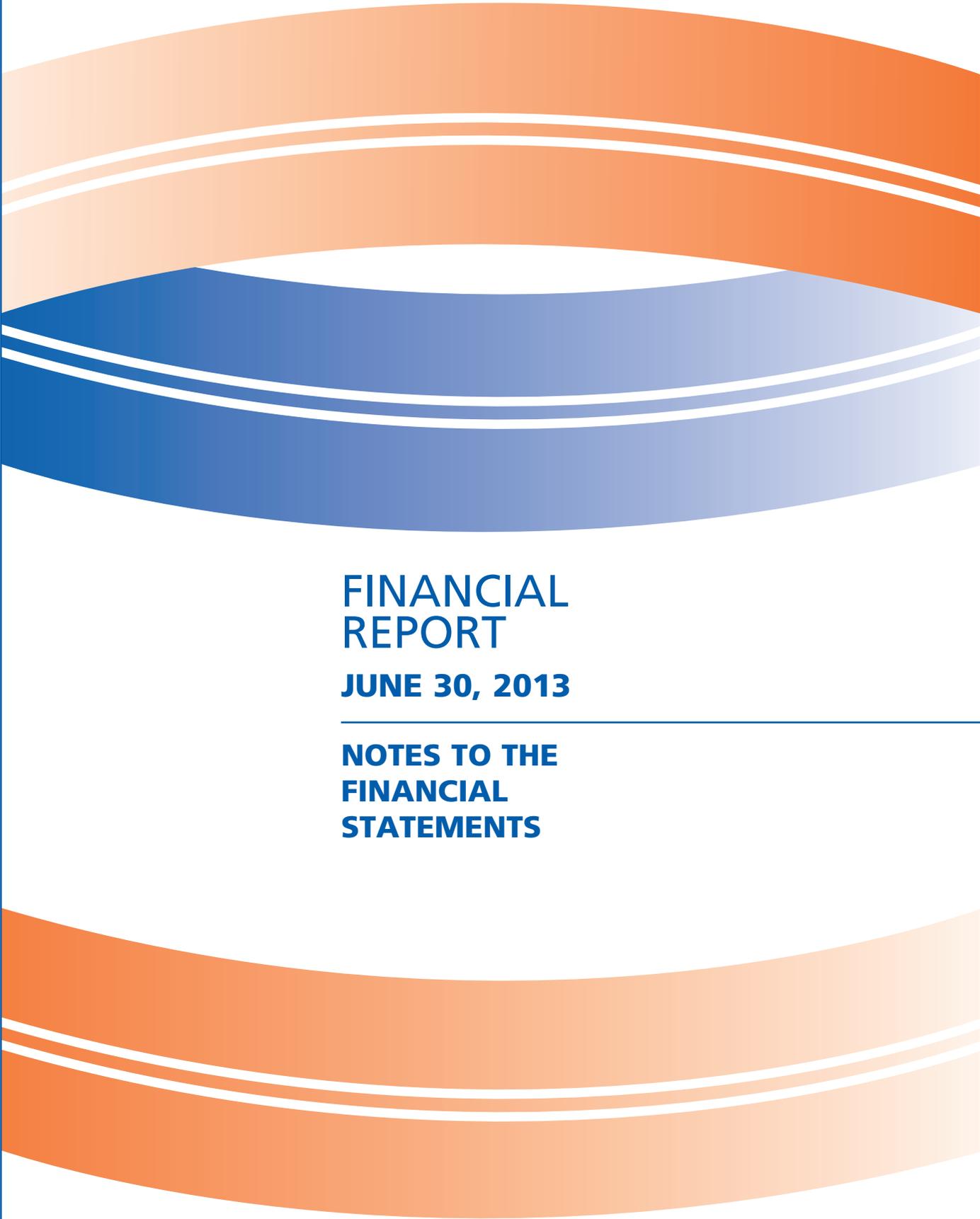
The accompanying notes are an integral part of this financial statement

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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, 2013

	<u>Year Ended June 30, 2013</u>
Cash flows from operating activities	
Cash payments for administrative expenses	\$ (129,861.00)
Cash flows from capital and related financing activities	
Bond proceeds received	313,321,348
Virginia Department of Transportation reimbursements	39,401,000
Cash paid for construction costs	(94,347,906)
Cash paid for bond issuance costs	(2,672,615)
Net cash from capital and related financing activities	<u>255,701,827</u>
Cash flows from investing activities	
Interest received	<u>19,570</u>
Net change in cash	255,591,536
Cash and cash equivalents - beginning of the year	<u>-</u>
Cash and cash equivalents - end of year	<u>\$ 255,591,536</u>
Cash and cash equivalents - as shown on statement net position	
Cash - current assets	\$ 9,101
Cash and cash equivalents	<u>255,582,435</u>
	<u>\$ 255,591,536</u>
There are no reconciling items between operating loss and net cash from operating activities.	
Supplemental disclosure of non cash financing activities	
Capitalized interest accrued	<u>\$ 1,385,205</u>

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**FINANCIAL
REPORT**

JUNE 30, 2013

**NOTES TO THE
FINANCIAL
STATEMENTS**

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VIRGINIA DEPARTMENT OF TRANSPORTATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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 Ferrovia 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 2013, the Department did not have any 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 type:

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

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 Revenue

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

J. Compensated Absences

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

2. RESTATEMENT OF BEGINNING BALANCES

The Department implemented GASB Statement No. 60 *Accounting and Reporting for Service Concession Arrangements*, effective for the fiscal year ending June 30, 2013. As a result of this Statement, Deferred inflow balances were restated \$535.2 million (Note 16). In addition, capital asset balances were restated on the government wide statements for an increase of \$337.2 million for this statement (Note 12). An additional adjustment of \$2.3 million was made to reclass depreciable infrastructure to non depreciable infrastructure.

3. NET POSITION/FUND BALANCE CLASSIFICATION

The Department implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for fiscal year 2013. This Statement modified the terms “net assets” to “net position” and “Invested in Capital Assets, Net of Related Debt” to “Net Investment in Capital Assets.”

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, became effective for the Commonwealth beginning with fiscal year 2013. The purpose of GASB Statement 54 is 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 new 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, 2013 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, 2013, the Department's nonspendable fund balances were attributed to \$65,438,466 of inventories and \$76,531,226 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, 2013, 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, 2013, 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, 2013, 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, 2013, 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 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, 2013 was \$1,702,978. VDOT had, as of June 30, 2013, the following future minimum rental payments due under the above leases:

2014	\$ 1,086,672
2015	617,705
2016	436,931
2017	221,131
2018	24,094
Subsequent To 2018	147,021
	<u>\$ 2,533,554</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, 2013, were \$606,948. 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, 2013, the Department of Transportation had the following contractual commitments for various construction projects, maintenance contracts, and consultant services:

Construction Projects	\$ 2,980,234,681
Maintenance Contracts	620,452,912
Consultant Services	<u>1,206,100,209</u>
	<u><u>\$ 4,806,787,802</u></u>

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

At June 30, 2013, the Route 460 Funding Corporation of Virginia had outstanding contractual commitments for the Route 460 Corridor Improvement project for the amount of \$184,719,860. 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 \$36,294,612 at June 30, 2013. 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 both bond debt service payments and construction costs. At June 30, 2013, the Powhite Parkway Extension had the following interfund obligations:

Due to Toll Facilities Revolving Fund	\$ 34,298,432
Due to Construction Fund	<u>14,671,100</u>
Total Interfund Obligations	<u>\$ 48,969,532</u>

In addition to its interfund obligations, the Powhite Parkway Extension had a note payable to Chesterfield County for \$8,000,000 at June 30, 2013. These obligations and the interfund liabilities listed above are to be paid from toll revenues.

Coleman Bridge Fund:

The Coleman Bridge Fund had a deficit fund balance of \$29,149,630 at June 30, 2013. 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, 2013:

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 \$21,420,000 at June 30, 2013. 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 \$1,268,153 at June 30, 2013. 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.

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, 2012	Increases	Decreases	June 30, 2013
Bonds Payable	\$2,925,009,232	\$ 122,782,877	(\$207,730,000)	\$2,840,062,109
Capital Leases	-	-	-	-
Notes Payable	86,900,000	-	(4,070,000)	82,830,000
Pollution Obligations	3,428,097	-	(2,872,932)	555,165
Compensated Absences	55,570,937	35,205,240	(33,587,946)	57,188,231
Totals	<u>\$3,070,908,266</u>	<u>\$ 157,988,117</u>	<u>(\$248,260,878)</u>	<u>\$2,980,635,505</u>

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

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

Transportation Facilities Debt - Bonds Payable

At June 30, 2013, Transportation Facilities Bonds included \$21,420,000 of 9(c) general obligation bonds and \$2,818,642,109 of 9(d) revenue bonds. Principal and interest requirements for the current year totaled \$350,308,977.

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 construction of State Route 28, U.S. Route 58, the Northern Virginia Transportation District Program, Capital Projects Revenue Bonds and the Oak Grove Connector (City of Chesapeake).

The Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes, also a Section 9(d) debt, was issued to finance various capital transportation projects throughout the Commonwealth pursuant to the Virginia Transportation Act of 2000. Repayment of the

Highway Reimbursement Anticipation Notes will be from appropriations of future cost reimbursements and payments received from the Federal Highway Administration for federal-aid projects.

On July 26, 2012, the Commonwealth Transportation Board issued \$120,625,000 of Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2012B. Series 2012B will be maturing in semi-annual installments on March 15 and September 15 in the years 2013 to 2027 and interests are payable on March 15 and September 15 at rates varying from 1.000 to 5.000 percent. The proceeds of the Series 2012B bonds will be used to pay for the costs of certain eligible transportation projects in the Commonwealth and costs related to the issuance of the 2012B Notes.

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

Maturity		Principal		Interest		Total
2014	\$	154,665,000	\$	131,384,623	\$	286,049,623
2015		162,250,000		124,242,416		286,492,416
2016		169,440,000		116,357,641		285,797,641
2017		146,135,000		108,929,201		255,064,201
2018		152,285,000		102,032,744		254,317,744
2019-2023		682,270,000		413,639,084		1,095,909,084
2024-2028		611,120,000		266,503,915		877,623,915
2029-2033		466,740,000		142,880,375		609,620,375
2034-2035		322,380,000		30,650,710		353,030,710
Subtotal		2,867,285,000		1,436,620,708		4,303,905,708
Less Unaccreted Capital Appreciation Bonds		(27,222,891)		-		(27,222,891)
Total	\$	2,840,062,109	\$	1,436,620,708	\$	4,276,682,817

Detail of Bonds Payable

Series	Amount Issued	Outstanding June 30, 2012	Issued- (Retired) During Year	Outstanding June 30, 2013	Maturity
Section 9(c) Debt General Obligation Bonds					
Coleman Bridge					
Series 2006 Refunding	\$ 31,880,000	\$ 23,605,000	\$ (2,185,000)	\$ 21,420,000	06/01/13-21
Section 9(d) Debt- Transportation Revenue Bonds					
Route 28 Corridor					
Series 2002A CAB	36,823,667	43,554,232	2,157,877	45,712,109	04/01/13-27
Series 2012A	50,620,000	50,620,000	(5,640,000)	44,980,000	04/01/13-32
Capital Project Revenue Bonds					
Series 2010(A-1)	85,515,000	58,835,000	(13,855,000)	44,980,000	05/15/13-16
Series 2010(A-2)	407,150,000	407,150,000	-	407,150,000	05/15/13-35
Series 2011	600,000,000	596,215,000	(13,965,000)	582,250,000	05/15/13-36
Series 2012	600,000,000	600,000,000	(14,365,000)	585,635,000	05/15/13-36
U.S. Route 58 Corridor Development					
Series 2004(B)	232,260,000	192,955,000	(13,585,000)	179,370,000	05/15/13-22
Series 2006(C)	63,460,000	63,460,000	-	63,460,000	05/15/13-26
Series 2007(B)	83,955,000	83,955,000	(7,660,000)	76,295,000	05/15/13-19
Series 2012(B)	37,700,000	37,700,000	(8,845,000)	28,855,000	05/15/13-18

Detail Bonds Payable Continues

Series	Amount Issued	Outstanding June 30, 2012	Issued- (Retired) During Year	Outstanding June 30, 2013	Maturity
Northern Virginia Transportation District Program					
Series 2004(A)	89,400,000	73,815,000	(4,970,000)	68,845,000	05/15/13-22
Series 2006(B)	20,020,000	20,020,000	-	20,020,000	05/15/13-26
Series 2007(A)	39,115,000	30,165,000	(3,155,000)	27,010,000	05/15/13-20
Series 2009(A-1)	11,245,000	4,225,000	(2,080,000)	2,145,000	05/15/13-14
Series 2009(A-2)	60,950,000	60,950,000	-	60,950,000	05/15/13-34
Series 2012(A)	86,430,000	86,430,000	(10,240,000)	76,190,000	05/15/13-27
Oak Grove Connector (Chesapeake)					
Series 2006(A)	23,160,000	17,190,000	(1,365,000)	15,825,000	05/15/13-22
Section 9(d) Debt- Federal					
Highway/Transportation Reimbursement					
Anticipation Notes					
Series 2002	523,320,000	63,710,000	(63,710,000)	0	10/01/13-13
Series 2005	250,000,000	112,865,000	(26,285,000)	86,580,000	10/01/13-16
GARVEE Revenue Bonds					
Series 2012(A)	297,590,000	297,590,000	(13,305,000)	284,285,000	09/15/13-28
Series 2012(B)	120,625,000	-	118,105,000	118,105,000	09/15/13-27
Total Bonds Payable		\$ 2,925,009,232	\$ (84,947,123)	\$ 2,840,062,109	

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%
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%
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%

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
2014	\$ 2,290,000	\$ 900,600	\$ 3,190,600
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
2019-2021	8,855,000	717,400	9,572,400
Total	\$ 21,420,000	\$ 4,101,550	\$ 25,521,550

Route 28 Transportation Contract Revenue Refunding Current

Interest Bonds Series 2012 (CIB)

Debt Service Requirement to Maturity

Maturity	Principal	Interest	Total
2014	\$ 5,430,000	\$ 1,779,719	\$ 7,209,719
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
2019-2023	-	2,697,594	2,697,594
2024-2028	2,945,000	2,697,594	5,642,594
2029-2032	12,775,000	1,152,175	13,927,175
Total	\$ 44,980,000	\$ 13,354,006	\$ 58,334,006

**Route 28 Transportation Contract Revenue Capital Appreciation
New Money Bonds Series 2012
Debt Service Requirement to Maturity**

Maturity	Principal	Interest	Total
2014		\$ -	\$ -
2015		-	-
2016		-	-
2017		-	-
2018		-	-
2019-2023	40,515,000	-	40,515,000
2024-2028	32,420,000	-	32,420,000
2029-2032	-	-	-
Total	72,935,000	-	72,935,000
Less			
Unaccreted			
Capital			
Appreciation			
Bonds	(27,222,891)	-	(27,222,891)
Total	\$ 45,712,109	\$ -	\$ 45,712,109

**Transportation Capital Projects Revenue Bonds, Series 2010A-1
Debt Service Requirements to Maturity**

Maturity	Principal	Interest	Total
2014	\$ 14,410,000	\$ 2,249,000	\$ 16,659,000
2015	14,985,000	1,528,500	16,513,500
2016	15,585,000	779,250	16,364,250
Total	\$ 44,980,000	\$ 4,556,750	\$ 49,536,750

**Transportation Capital Projects Revenue Bonds, Series 2010A-2
Debt Service Requirements to Maturity**

Maturity	Principal	Interest	Total
2014	\$ -	\$ 20,351,593	\$ 20,351,593
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
2019-2023	89,215,000	87,912,453	177,127,453
2024-2028	104,490,000	65,475,258	169,965,258
2029-2033	124,585,000	35,610,403	160,195,403
2034-2036	56,560,000	4,566,493	61,126,493
Total	\$ 407,150,000	\$ 294,708,685	\$ 701,858,685

Transportation Capital Projects Revenue Bonds, Series 2011

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2014	\$ 14,665,000	\$ 27,445,613	\$ 42,110,613
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
2019-2023	100,285,000	110,262,500	210,547,500
2024-2028	126,630,000	83,918,925	210,548,925
2029-2033	158,900,000	51,652,400	210,552,400
2034-2036	115,400,000	10,926,225	126,326,225
Total	\$ 582,250,000	\$ 386,279,363	\$ 968,529,363

Transportation Capital Projects Revenue Bonds, Series 2012

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2014	\$ 13,485,000	\$ 26,795,650	\$ 40,280,650
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
2019-2023	94,175,000	107,213,750	201,388,750
2024-2028	119,705,000	81,686,350	201,391,350
2029-2033	151,630,000	49,765,350	201,395,350
2034-2036	146,205,000	14,907,200	161,112,200
Total	\$ 585,635,000	\$ 381,044,800	\$ 966,679,800

Federal Transportation Grants Anticip Revenue Notes, Series 2012A

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2014	\$ 14,200,000	\$ 13,008,963	\$ 27,208,963
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
2019-2023	97,355,000	38,700,988	136,055,988
2024-2028	109,480,000	12,978,856	122,458,856
Total	\$ 284,285,000	\$ 110,290,656	\$ 394,575,656

Federal Transportation Grants Anticip Revenue Notes, Series 2012B
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2014	\$ 5,530,000	\$ 5,674,900	\$ 11,204,900
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
2019-2023	40,235,000	17,187,800	57,422,800
2024-2028	45,900,000	5,910,375	51,810,375
Total	\$ 118,105,000	\$ 48,746,925	\$ 166,851,925

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

Maturity	Principal	Interest	Total
2014	\$ 18,015,000	\$ 8,826,500	\$ 26,841,500
2015	18,925,000	7,925,750	26,850,750
2016	19,865,000	6,979,500	26,844,500
2017	20,860,000	5,986,250	26,846,250
2018	21,905,000	4,943,250	26,848,250
2019-2022	79,800,000	8,702,025	88,502,025
Total	\$ 179,370,000	\$ 43,363,275	\$ 222,733,275

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

Maturity	Principal	Interest	Total
2014	\$ -	\$ 3,173,000	\$ 3,173,000
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
2019-2023	30,215,000	15,049,000	45,264,000
2024-2026	33,245,000	2,648,250	35,893,250
Total	\$ 63,460,000	\$ 33,562,250	\$ 97,022,250

U.S. Route 58 Transportation Revenue Refunding Bonds, Series 2007B
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2014	\$ 11,215,000	\$ 3,814,750	\$ 15,029,750
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	\$ 76,295,000	\$ 13,893,750	\$ 90,188,750

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

Maturity	Principal	Interest	Total
2014	\$ 5,350,000	\$ 1,032,900	\$ 6,382,900
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	\$ 28,855,000	\$ 3,048,300	\$ 31,903,300

Northern Virginia Transportation Program
Transportation Revenue Refunding Bonds Series 2004A
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2014	\$ 7,375,000	\$ 3,074,250	\$ 10,449,250
2015	7,740,000	2,705,500	10,445,500
2016	8,130,000	2,318,500	10,448,500
2017	8,540,000	1,912,000	10,452,000
2018	8,970,000	1,485,000	10,455,000
2019-2022	28,090,000	2,330,800	30,420,800
Total	\$ 68,845,000	\$ 13,826,050	\$ 82,671,050

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

Maturity	Principal	Interest	Total
2014	\$ -	\$ 973,363	\$ 973,363
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
2019-2023	4,330,000	3,138,000	7,468,000
2024-2026	9,950,000	1,077,500	11,027,500
Total	\$ 20,020,000	\$ 8,692,375	\$ 28,712,375

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

Maturity	Principal	Interest	Total
2014	\$ 3,290,000	\$ 1,263,400	\$ 4,553,400
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
2019-2020	8,710,000	526,200	9,236,200
Total	\$ 27,010,000	\$ 5,108,200	\$ 32,118,200

**Northern Virginia Transportation Program
Transportation Revenue Bonds Series 2009A-1
Debt Service Requirements to Maturity**

Maturity	Principal	Interest	Total
2014	\$ 2,145,000	\$ 64,350	\$ 2,209,350
Total	\$ 2,145,000	\$ 64,350	\$ 2,209,350

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

Maturity	Principal	Interest	Total
2014	\$ -	\$ 3,305,799	\$ 3,305,799
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
2019-2023	13,120,000	13,332,388	26,452,388
2024-2028	15,575,000	9,555,133	25,130,133
2029-2033	18,850,000	4,700,048	23,550,048
2034-2035	4,215,000	250,793	4,465,793
Total	\$ 60,950,000	\$ 43,821,946	\$ 104,771,946

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

Maturity	Principal	Interest	Total
2014	\$ 8,345,000	\$ 3,302,788	\$ 11,647,788
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
2019-2023	25,165,000	4,142,438	29,307,438
2024-2028	10,780,000	555,675	11,335,675
Total	\$ 76,190,000	\$ 17,495,550	\$ 93,685,550

**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
2014	\$ 1,435,000	\$ 791,250	\$ 2,226,250
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
2019-2022	7,890,000	1,010,000	8,900,000
Total	\$ 15,825,000	\$ 4,211,750	\$ 20,036,750

**Federal Highway Reimbursement Anticipation Notes
Series 2005**

Debt Service Requirements to Maturity			
Maturity	Principal	Interest	Total
2014	\$ 27,485,000	\$ 3,556,238	\$ 31,041,238
2015	28,835,000	2,173,156	31,008,156
2016	30,260,000	720,783	30,980,783
Total	\$ 86,580,000	\$ 6,450,177	\$ 93,030,177

ROUTE 460 FUNDING CORPORATION OF VIRGINIA

Route 460 Funding Corporation of Virginia bonds (Senior Lien Bonds, Series 2012) are 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.

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, 2013 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.

At June 30, 2013, Route 460 Funding Corporation of Virginia bonds included \$231,600,000 of Current Interest bonds, \$19,672,759 of Unamortized Premium on Bonds, \$61,761,230 of Capital Appreciation bonds, and \$1,627,551 of Accreted Value in Capital Appreciation bonds. No Principal or interest payments were required for fiscal year 2013; however the first interest payment of \$6,221,248 is due July 1, 2013 and is therefore recorded as accrued interest payable on the statement of financial position.

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

Maturity	Principal	Interest	Total
2014	\$ -	\$ 12,084,204	\$ 12,084,204
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
2019-2023	-	58,629,562	58,629,562
2024-2028	7,410,000	58,629,562	66,039,562
2029-2033	28,400,000	58,629,562	87,029,562
2034-2038	49,325,000	58,629,562	107,954,562
2039-2043	75,125,000	58,629,562	133,754,562
2044-2048	109,505,000	55,417,982	164,922,982
2049-2053	176,100,000	23,578,369	199,678,369
Subtotal	445,865,000	431,132,017	876,997,017
Premium on bonds payable	19,672,759	-	19,672,759
Less: unaccreted capital appreciation bonds	(150,876,219)	-	(150,876,219)
Total	<u>\$ 314,661,540</u>	<u>\$ 431,132,017</u>	<u>\$ 745,793,557</u>

Detail of Bonds Payable

Series	Amount Issued	Outstanding June 30, 2012	Issued- (Retired) During Year	Outstanding June 30, 2013	Maturity
Toll Road Senior Lien Revenue Bonds					
Series 2012A - face value	231,600,000	-	231,600,000	231,600,000	04/01/13-52
Series 2012A - Premium	19,960,118	-	19,672,759	19,672,759	04/01/13-52
Series 2012B CAB	61,761,230	-	63,388,781	63,388,781	04/01/13-45
Total Bonds Payable		<u>\$ -</u>	<u>\$ 314,661,540</u>	<u>\$ 314,661,540</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>
2014	\$ -	\$ 12,084,204	\$ 12,084,204
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
2019-2023	-	58,629,562	58,629,562
2024-2028	-	58,629,562	58,629,562
2029-2033	-	58,629,562	58,629,562
2034-2038	-	58,629,562	58,629,562
2039-2043	-	58,629,562	58,629,562
2044-2048	55,500,000	55,417,982	110,917,982
2049-2053	176,100,000	23,578,369	199,678,369
Subtotal	231,600,000	431,132,017	662,732,017
Bonds Premium	19,672,759	-	19,672,759
Total	\$ 251,272,759	\$ 431,132,017	\$ 682,404,776

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

Maturity	Principal	Interest	Total
2014	\$ -	\$ -	\$ -
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019-2023	-	-	-
2024-2028	7,410,000	-	7,410,000
2029-2033	28,400,000	-	28,400,000
2034-2038	49,325,000	-	49,325,000
2039-2043	75,125,000	-	75,125,000
2044-2048	54,005,000	-	54,005,000
2049-2053	-	-	-
Subtotal	214,265,000	-	214,265,000
Less: unaccreted capital appreciation bonds	(150,876,219)	-	(150,876,219)
Total	<u>\$ 63,388,781</u>	<u>\$ -</u>	<u>\$ 63,388,781</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, 2013.

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, 2013, 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, 2013, Transportation Facilities Notes included \$74,830,000 of 9(d) Camp 30 revenue notes and \$8,000,000 of 9(d) Chesterfield County revenue notes. Principal and interest requirements for the current year totaled \$7,829,438.

Camp 30

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

Powwhite Parkway Extension

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

Subsequent to completion of the Powwhite Parkway Extension, Chesterfield County determined an urgent need for construction of a ramp and loop at the interchange of Route 76 and Route 288, which was a part of the Toll Road. The General Assembly passed legislation amending the

legal description of the Toll Road removing the Route 288 section. In consideration of these actions Chesterfield County agreed to treat the two mile portion of Route 288 between Powhite Parkway Extension (Route 76) and Route 360 as having been built with \$14 million of its \$22 million contribution and released its claim to be reimbursed for the \$14 million including any associated interest which might be permitted by law. Based on the foregoing discussion, Chesterfield's claim from the Treasury Board is now \$8,000,000 (\$22,000,000 less \$14,000,000).

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

Debt Service Requirements to Maturity			
Maturity	Principal	Interest	Total
2014	\$ 12,270,000	\$ 3,555,938	\$ 15,825,938
2015	4,485,000	3,342,438	7,827,438
2016	4,710,000	3,118,188	7,828,188
2017	4,945,000	2,882,688	7,827,688
2018	5,195,000	2,635,438	7,830,438
2019-2022	29,805,000	9,338,713	39,143,713
2024-2026	21,420,000	2,064,400	23,484,400
Total	\$ 82,830,000	\$ 26,937,800	\$ 109,767,800

Detail of Notes Payable

Series	Amount Issued	Outstanding June 30, 2012	Issued- (Retired) During Year	Outstanding June 30, 2013	Maturity
Section 9(b) Debt					
Chesterfield County Notes, Series 1986 - Powhite	\$ 22,000,000	\$ 8,000,000	\$ -	\$ 8,000,000	12/14/13-14
Section 9(d) Debt-					
Camp 30 Notes Payable, Series 2006	96,515,000	78,900,000	(4,070,000)	74,830,000	05/15/13-26
Total Notes Payable		\$ 86,900,000	\$ (4,070,000)	\$ 82,830,000	

Detail of Notes Payable - Interest Rates

<u>Series</u>	<u>Interest Rates</u>
Chesterfield County Notes, Series 1986 - Powhite	0.0%-0.0%
Camp 30 Notes Payable Series 2006	4.250%-5.000%

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

**Powhite Parkway Extension
Chesterfield County Notes Series 1986
Debt Service Requirement to Maturity**

Maturity	Principal	Interest	Total
2014	\$ 8,000,000	\$ -	\$ 8,000,000
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018-2022	-	-	-
2023-2026	-	-	-
Total	\$ 8,000,000	\$ -	\$ 8,000,000

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

Maturity	Principal	Interest	Total
2014	\$ 4,270,000	\$ 3,555,938	\$ 7,825,938
2015	4,485,000	3,342,438	7,827,438
2016	4,710,000	3,118,188	7,828,188
2017	4,945,000	2,882,688	7,827,688
2018	5,195,000	2,635,438	7,830,438
2019-2022	29,805,000	9,338,713	39,143,713
2024-2026	21,420,000	2,064,400	23,484,400
Total	\$ 74,830,000	\$ 26,937,800	\$ 101,767,800

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, 2013, the reported balances for compensated absences were as follows:

Due Within One Year	\$	31,731,939
Due Greater Than One Year		<u>25,456,292</u>
	\$	<u><u>57,188,231</u></u>

Pollution Remediation Obligations

At June 30, 2013, the Department reported \$555,165 of pollution remediation obligations, all of which 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, 2013.

8. FUND EQUITY RESERVES

At June 30, 2013, the Department's fund balances restricted for debt financed road construction were as follows:

	Balance at June 30, 2013	
	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>
Restricted for:		
Construction	\$ 823,490,168	\$ -
Capital Acquisition (Camp 30)	26,843,845	-
Bond interest and sinking fund	-	35,121,453
	<u>\$ 850,334,013</u>	<u>\$ 35,121,453</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.

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, 2013, 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	\$ -
To Priority Transportation Fund	1,811,000	-
	22,916,000	-
<u>Construction Fund</u>		
To Toll Facilities Revolving	56,100,743	-
To Federal Fund	13,177,178	-
To Priority Transportation Fund	15,965,281	-
From Powwhite	-	14,671,100
From ARRA	-	10,000,000
From Federal Fund	-	18,346,440
From Coleman Bridge	-	110,000
	85,243,202	43,127,540
<u>Toll Facilities Revolving Fund</u>		
From Coleman	-	39,411,000
From HMO Fund	-	21,105,000
From Construction	-	56,100,743
From Powwhite	-	34,298,432
	-	150,915,175
<u>Federal Fund</u>		
From Construction	-	13,177,178
To Construction	18,346,440	-
	18,346,440	13,177,178
<u>Priority Transportation Fund</u>		
From HMO Fund	-	1,811,000
From Construction	-	15,965,281
	-	17,776,281

Fund	Due To	Due From
<u>Coleman Bridge Fund</u>		
To Toll Facilities Revolving	39,411,000	-
To Construction	110,000	-
	39,521,000	-
<u>Powwhite Fund</u>		
To Toll Facilities Revolving	34,298,432	-
To Construction	14,671,100	-
	48,969,532	-
<u>ARRA Projects Fund (ARRA)</u>		
To Construction	10,000,000	-
	10,000,000	-
Special Revenue Fund		
Total Interfund Receivables	\$ 224,996,174.00	\$ 224,996,174.00

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, 2013.

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	\$ 12,821,445
Department of State Police	8,166,805
Department of Rail and Public Transportation	5,501,732
Department of Minority Business Enterprise	1,522,602
Department of Emergency Management	933,251
Secretary of Transportation	833,199
State Inspector General	820,379
Department of Education	243,919
Governor's Office	140,533
Department of Historic Resources	100,000
Total Program Expenditures	<u><u>\$ 31,083,865</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:	
Indirect Costs	\$ 3,028,317
Department of Rail and Public Transportation	181,304,299
DMV-Chesapeake Bay Initiatives	7,416,469
Virginia Port Authority	3,428,827
Department of Taxation	2,915,502
Department of Aviation	502,174
Department of General Services	362,854
Marine Resources Commission	313,768
Department of Conservation & Recreation	362,026
Department of Motor Vehicles	1,335,453
Department of the Treasury	183,226
Department of Agriculture & Consumer Services	98,531
Department of Minority Business Enterprise	419
Department of Historic Resources	80,234
Department of Accounts	(359,911)
Department of Accounts-Accelerated Tax	(21,539,453)
Department of Emergency Management	(22,879,929)
Department of State Police	(118,132)
Total	<u><u>\$ 156,434,674</u></u>

Interfund Transfers

The Department recorded the following interfund transfers for the fiscal year 2013:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Special Revenue Funds		
<u>Highway Maintenance & Operating (HMO)</u>		
From Surplus	\$ 3,003,890	\$ -
From Recycle	235,868	-
From Powhite (State Police)	684,363	-
From Construction	363,619,960	-
From Toll Facility Revolving	22,455	-
From Transportation Partnership Opportunity	51,921	-
To Priority Transportation	-	1,811,000
To GARVEE	-	11,169,651
To Camp 30 Debt Service	-	7,829,438
Totals	<u>367,618,457</u>	<u>20,810,089</u>
<u>Federal Fund</u>		
To FRAN Debt Service	-	48,393,059
To GARVEE Debt Service	-	4,104,467
From Construction	4,104,808	-
From Priority Transportation	48,393,059	-
Totals	<u>52,497,867</u>	<u>52,497,526</u>
<u>Transportation Partnership Opportunity</u>		
To Highway Maintenance and Operating	-	51,921
Totals	<u>-</u>	<u>51,921</u>
<u>Construction Fund</u>		
To Priority Transportation	-	15,965,281
To Highway Maintenance and Operating	-	363,619,960
To Northern Va. Transp. District Debt Service	-	7,000,000
To Route 58 Special Revenue	-	7,339,183
To Route 58 Debt Service	-	9,000,000
To Camp 30 Special Revenue	-	342,267
To Commonwealth Space Flight	-	9,500,000
To Federal Special Revenue	-	4,104,808
Totals	<u>-</u>	<u>416,871,499</u>
<u>Toll Facilities Revolving</u>		
From Coleman Bridge	201,797	-
From Powhite	591,967	-
To Highway Maintenance and Operating	-	22,455
Totals	<u>793,764</u>	<u>22,455</u>

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Commonwealth Space Flight</u>		
From Construction	9,500,000	-
Totals	<u>9,500,000</u>	<u>-</u>
<u>Recyclable Materials</u>		
To Highway Maintenance and Operating	-	235,868
Totals	<u>-</u>	<u>235,868</u>
<u>Surplus Property</u>		
To Highway Maintenance and Operating	-	3,003,890
Totals	<u>-</u>	<u>3,003,890</u>
<u>Route 58</u>		
From Construction	7,339,183	-
To Route 58 Debt Service	-	39,264,656
Totals	<u>7,339,183</u>	<u>39,264,656</u>
<u>Transportation Set Aside</u>		
To Transp. Set Aside Debt Service	-	2,224,496
Totals	<u>-</u>	<u>2,224,496</u>
<u>Route 28</u>		
To Route 28 Debt Service	-	8,867
Totals	<u>-</u>	<u>8,867</u>
<u>Capital Projects</u>		
To Capital Projects Debt Service	-	1,935,961
Totals	<u>-</u>	<u>1,935,961</u>
<u>Coleman Bridge</u>		
To Coleman Bridge Debt Service	-	3,194,345
To Toll Facility Revolving	-	201,797
Totals	<u>-</u>	<u>3,396,142</u>
<u>Camp 30</u>		
From Construction	342,267	-
Totals	<u>342,267</u>	<u>-</u>
<u>Priority Transportation (PTF)</u>		
From Construction	15,965,281	-
From Highway Maintenance and Operating	1,811,000	-
To Federal Special Revenue	-	48,393,059
To Capital Projects Debt Service	-	109,596,525
Totals	<u>17,776,281</u>	<u>157,989,584</u>

Fund	Transfers In	Transfers Out
<u>ARRA Grants</u>		
To Northern Va. Transp. Dist. Debt Service	-	1,157,030
To Capital Projects Debt Service	-	7,123,057
Totals	-	8,280,087
<u>GARVEE</u>		
From Highway Maintenance and Operating	11,169,651	-
Totals	11,169,651	-
<u>Northern Virginia Transportation District (NVTD)</u>		
To Northern Va. Transp. Dist. Debt Service	-	24,964,958
Totals	-	24,964,958
<u>Powhite Parkway Extension</u>		
To Toll Facility Revolving	-	591,967
To HMO (State Police Patrol)	-	684,363
Totals	-	1,276,330
Total Special Revenue Funds	\$ 467,037,470	\$ 732,834,329

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Debt Service Funds		
<u>Route 58</u>		
From Route 58 Special Revenue	\$ 39,264,656	\$ -
From Construction	9,000,000	-
Totals	<u>48,264,656</u>	<u>-</u>
<u>Transportation Set Aside</u>		
From Transp. Set Aside Special Revenue	2,224,496	-
Totals	<u>2,224,496</u>	<u>-</u>
<u>Route 28</u>		
From Route 28 Debt Service	8,867	-
Totals	<u>8,867</u>	<u>-</u>
<u>Coleman Bridge</u>		
From Coleman Bridge Special Revenue	3,194,345	-
Totals	<u>3,194,345</u>	<u>-</u>
<u>Camp 30</u>		
From HMO Special Revenue	7,829,438	-
Totals	<u>7,829,438</u>	<u>-</u>
<u>FRAN</u>		
From Federal Special Revenue	48,393,059	-
Totals	<u>48,393,059</u>	<u>-</u>
<u>Capital Projects Revenue Bonds</u>		
From Capital Projects Special Revenue	1,935,961	-
From ARRA Grants	7,123,057	-
From Priority Transp. Special Revenue	109,596,525	-
Totals	<u>118,655,543</u>	<u>-</u>
<u>Northern Virginia Transportation District</u>		
From NVTD Special Revenue	24,964,958	-
From Construction	7,000,000	-
From ARRA Grants	1,157,030	-
Totals	<u>33,121,988</u>	<u>-</u>
<u>GARVEE</u>		
From Federal Special Revenue	4,104,467	-
Totals	<u>4,104,467</u>	<u>-</u>
Total Debt Service Funds	<u>\$ 265,796,859</u>	<u>\$ -</u>
Total Special Revenue and Debt Service Funds	<u>\$ 732,834,329</u>	<u>\$ 732,834,329</u>

12. PROPERTY, PLANT AND EQUIPMENT

The following presents governmental capital activity for the year ended June 30, 2013:

	As restated (1)	Governmental Activities		June 30, 2013
	June 30, 2012	Increases	Decreases	
Non-depreciable capital assets				
Land and improvements	\$ 26,534,964	\$ -	\$ -	\$ 26,534,964
Construction in progress	77,586,562	20,522,301	(11,030,722)	87,078,141
Total nondepreciable capital assets	104,121,526	20,522,301	(11,030,722)	113,613,105
Depreciable capital assets:				
Buildings	283,253,932	4,265,010	(282,764)	287,236,178
Improvements	155,018,023	6,002,240	(700,778)	160,319,485
Equipment	304,343,782	22,265,156	(9,156,442)	317,452,496
Total depreciable capital assets	742,615,737	32,532,406	(10,139,984)	765,008,159
Less accumulated depreciation for:				
Buildings	(90,084,557)	(7,791,294)	140,597	(97,735,254)
Improvements	(70,507,737)	(6,508,089)	280,310	(76,735,516)
Equipment	(175,685,128)	(15,898,293)	7,468,391	(184,115,030)
Total accumulated depreciation	(336,277,422)	(30,197,676)	7,889,298	(358,585,800)
Total depreciable capital assets, net	406,338,315	2,334,730	(2,250,686)	406,422,359
Infrastructure assets not being depreciated				
Highw ay system right-of-w ay	2,124,270,350	98,761,962	(80,030,777)	2,143,001,535
Total nondepreciable infrastructure	2,124,270,350	98,761,962	(80,030,777)	2,143,001,535
Other depreciable infrastructure assets:				
Highw ay system infrastructure	18,956,742,002	2,266,826,345	(271,346,476)	20,952,221,871
Restorative maintenance	3,031,479,534	478,426,329	-	3,509,905,863
Bridge and tunnel infrastructure	4,284,324,003	42,528,425	-	4,326,852,428
Total road system infrastructure	26,272,545,539	2,787,781,099	(271,346,476)	28,788,980,162
Less accumulated depreciation for:				
Highw ay system infrastructure	(9,636,048,735)	(654,164,878)	22,663,263	(10,267,550,350)
Bridge and tunnel infrastructure	(1,887,843,121)	(77,274,263)	-	(1,965,117,384)
Total accumulated depreciation	(11,523,891,856)	(731,439,141)	22,663,263	(12,232,667,734)
Total infrastructure, net	16,872,924,033	2,155,103,920	(328,713,990)	18,699,313,963
Infrastructure, w ork in process				
Road and bridge	2,646,318,612	1,501,418,925	(1,223,742,991)	2,923,994,546
Right-of-w ay	187,215,789	153,700,187	(93,166,337)	247,749,639
Total infrastructure w ork in process	2,833,534,401	1,655,119,112	(1,316,909,328)	3,171,744,185
Total governmental activities capital assets, net	<u>\$20,216,918,275</u>	<u>\$ 3,833,080,063</u>	<u>\$ (1,658,904,726)</u>	<u>\$22,391,093,612</u>
Depreciation expense w as charged to programs as follow s:				
Governmental activities:				
Highw ay system acquisition and construction		\$ 731,439,141		
Administrative and support services		1,292,636		
Highw ay system maintenance		14,605,657		
Unallocated		14,299,383		
Total governmental activities depreciation expense		<u>\$ 761,636,817</u>		

Note (1) Beginning balance has been restated by an increase of \$337,175,958 due to implementation of GASB 60 Service Concession Agreements (Pocahontas Parkway). Restatement also includes a reclass of deprecable infrastructure to non depreciable infrastructure for \$2,282,249.

VIRGINIA DEPARTMENT OF TRANSPORTATION
Business Type asset activity for the year ended June 30, 2013 was as follows:

Route 460 Funding Corporation of Virginia	Business Type Activities			June 30, 2013
	June 30, 2012	Increases	Decreases	
Non-depreciable capital assets				
Construction in progress	\$ -	\$ 56,333,111	\$ -	\$ 56,333,111
Total nondepreciable capital assets	-	56,333,111	-	56,333,111
Total business type activities net	\$ -	\$ 56,333,111	\$ -	\$ 56,333,111

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, 2013	\$ 2,242,909,651
Accrued revenues	169,829,332
Accrued expenditures	(309,456,401)
Accrued transfers	17,822,592
Total Modified Accrual (GAAP) Basis Fund Balance at June 30, 2013	<u>\$ 2,121,105,174</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, 2013, the Department reported \$1,344,579,165 for Cash with the Treasurer of Virginia, \$51,785 of which was for the Agency Fund. The Department's investments with the Treasurer included

investments in Local Government Investment Pool (LGIP) and Short Term Investment Funds (STIF), which were \$31,209,131 and \$9,348,195 respectively at June 30, 2013.

The Department maintains cash with the Treasurer in the state Treasurer's General Account. During the fiscal year 2013, 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, 2013 was \$126,762,432. 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, 2013, the Department's carrying amount of cash with trustees was \$10,256,211 and the bank balance was \$10,384,663.

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, 2013, the reported balance for Cash, Cash Equivalents and Investments with Trustees were as follows:

	Cash and Cash	
	Equivalents	Investments
Construction Fund	\$ 470,695	\$ -
Toll Facilities Revolving Fund	9,785,516	-
Capital Projects Revenue Bonds	488,832,938	52,276,966
GARVEE Notes	229,456,570	-
Route 58	608,791	-
Northern Virginia Transportation District	13,844,618	-
Route 28	20	-
Transportation Set Aside	4	-
Federal Reimbursement Anticipation Notes	-	21,676,668
Camp 30	26,851,911	-
Total	<u>\$ 769,851,063</u>	<u>\$ 73,953,634</u>

The Department follows the General Account investment guidelines adopted by the Treasury Board of Virginia. Details of the investment policy of the State Treasurer 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, 2013, 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, 2013, 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, 2013, 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, 2013, 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	\$ 73,953,634		N/A	\$ 21,676,668	\$ 52,276,966
Mutual and Money Market Funds	13,192,767	Standard & Poor's	AAA	13,192,767	-
Mutual and Money Market Funds (Include SNAP)	<u>746,402,085</u>	Standard & Poor's	AAA	<u>746,402,085</u>	<u>-</u>
Total	<u>\$833,548,486</u>			<u>\$ 781,271,520</u>	<u>\$ 52,276,966</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 two bank accounts, operating account and trustee account at June 30, 2013. The operating account is with Wells Fargo Bank and has a balance of \$9,101 while the trustee account is with the U.S. Bank and has a balance of \$255,582,435. 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. Each account balance of the corporation's funds is reported as "Cash and Cash Equivalents. The bank 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, 2013, the Corporation reported \$255,591,536 for Cash and Cash Equivalents with the Trustee and the Wells Fargo Bank as shown below:

	<u>Cash and Cash</u>	
	<u>Equivalents</u>	<u>Investments</u>
Trustee Account	\$ 255,582,435	\$ -
Operating Account	9,101	-
Total	<u>\$ 255,591,536</u>	<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, 2013, 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, 2013, 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, 2013, 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, 2013, the Corporation had the following Cash, Cash Equivalents with Trustee and Wells Fargo:

Cash, Cash Equivalents	Fair Value	Rating Agency	Credit Rating	Maturities	
				Less Than 1 Year	1-5 Years
Mutual and Money Market Funds	\$ 255,591,536	Standard & Poor's	AAA	\$ 255,591,536	\$ -
Total	<u>\$ 255,591,536</u>			<u>\$ 255,591,536</u>	<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, 2013 Pocahontas 895 and the 495 Express Lanes. They are both related to highway construction and operation 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 \$535.2 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. Subsequent to June 30, the Transurban Board has approved the transfer of Pocahontas 895 to the lenders of the asset due to lower revenues than anticipated. Transfer discussions have commenced with the lenders, however the final structure has not yet been approved.

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 \$1.1 billion are included in the

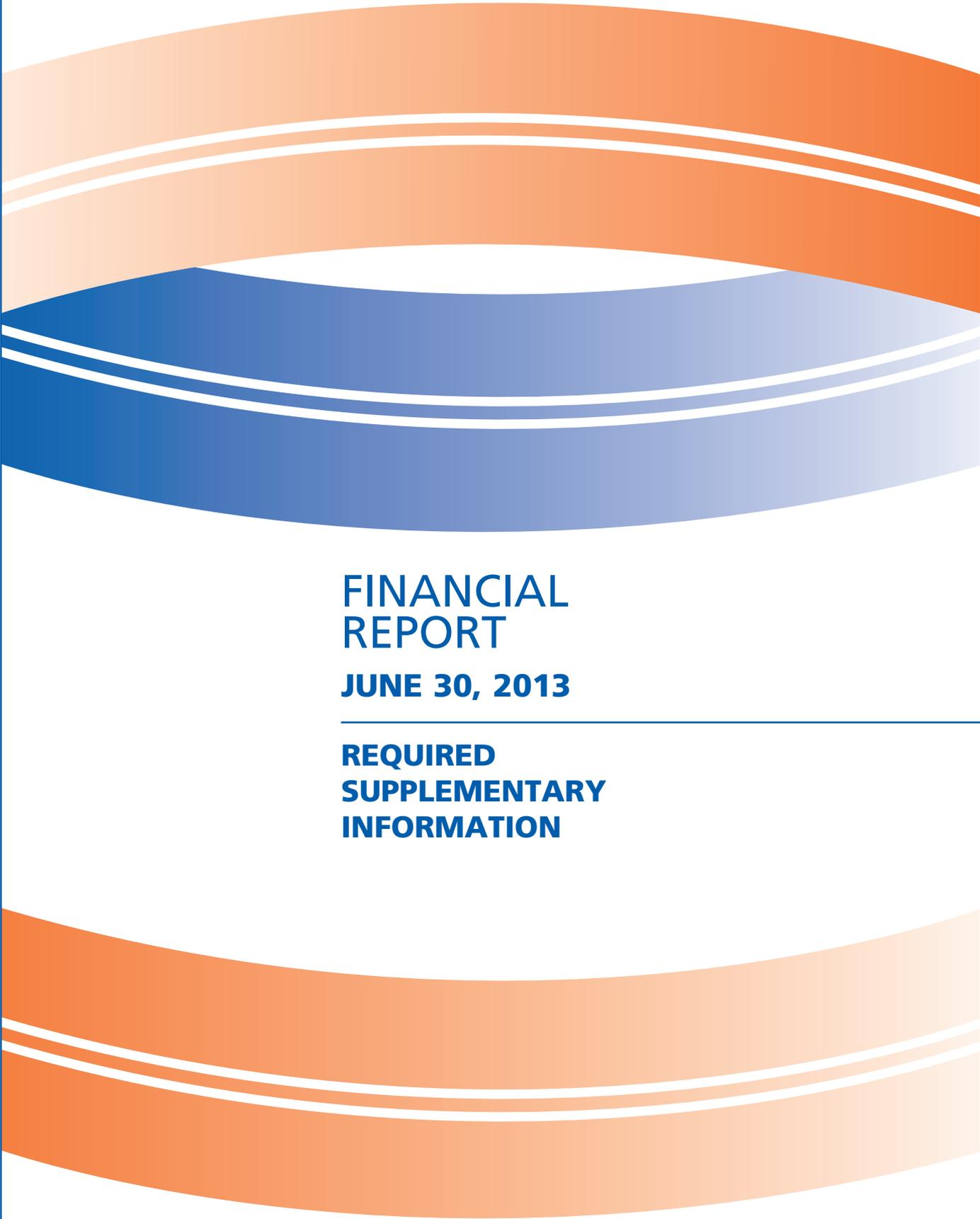
government-wide financial statements as a result of this agreement. Liabilities are contingent on specific events occurring per the agreement, and no events occurred during fiscal year 2013.

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, 2013. 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 cannot 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 November 13, 2013, the Commonwealth Transportation Board issued the Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2013A. The par amount of the Series 2013A is \$273,390,000 with Notes Premium of \$34,487,775.15. The Notes 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 in the years 2014 to 2028 at rates varying from 3.000 to 5.000 percent. The net proceeds of the Series 2013A notes will be used to pay for the costs of the Routes 460 Corridor Improvement Project, the I-495 Express Lanes Shoulder-Use, Northern Section Project, and the costs related to the issuance of the 2013A Notes.

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**FINANCIAL
REPORT**

JUNE 30, 2013

**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, 2013

	TOTAL			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ 60,950,000	\$ 60,950,000	\$ 61,407,317	\$ 457,317
Taxes	1,938,465,676	1,938,465,676	1,927,121,617	(11,344,059)
Rights and privileges	333,797,148	333,797,148	329,007,941	(4,789,207)
Sale of property and commodities	158,387	158,387	3,841,855	3,683,468
Interest, dividends, and rents	21,814,116	21,814,116	24,472,117	2,658,001
Fines, forfeitures, court fees				
Penalties, and escheats	10,089,602	10,089,602	9,362,713	(726,889)
Receipts from localities and private sector	205,163,999	205,163,999	62,677,465	(142,486,534)
Federal grants and contracts	1,009,648,819	1,009,648,819	1,360,283,138	350,634,319
Toll revenues	18,223,978	18,223,978	16,531,513	(1,692,465)
Other	17,105,755	17,105,755	37,412,696	20,306,941
Total revenues	3,615,417,480	3,615,417,480	3,832,118,372	216,700,892
Expenditures				
Current				
Administrative and support services	231,280,656	240,724,277	214,828,866	25,895,411
Ground transportation system planning and research	65,093,846	67,245,630	51,366,329	15,879,301
Highway system acquisition and construction	1,867,133,341	1,936,110,738	1,563,993,671	372,117,067
Highway acq. and const. - bond proceeds	-	-	-	-
Highway system maintenance	1,454,182,000	1,714,396,508	1,636,289,253	78,107,255
Ground transportation system safety	-	-	-	-
Financial assistance to localities	390,865,476	390,865,476	385,234,950	5,630,526
Environmental monitoring and compliance	12,362,456	15,127,657	10,962,866	4,164,791
Land management	-	-	-	-
Toll facility operations and construction	43,321,621	44,571,621	16,192,079	28,379,542
Capital outlay	11,600,000	11,600,000	16,722,748	(5,122,748)
Transfers to other state agencies	-	35,233,139	31,083,865	4,149,274
Total expenditures	4,075,839,396	4,455,875,046	3,926,674,627	529,200,419
Revenues over (under) expenditures	(460,421,916)	(840,457,566)	(94,556,255)	745,901,311
Other financing sources (uses)				
Other financing uses	-	-	1,470,038	1,470,038
Other financing sources	110,176,626	326,480,356	-	(326,480,356)
Reversion to the General Fund of the Commonwealth	-	-	-	-
Bond proceeds	524,187,474	524,187,474	144,268,808	(379,918,666)
Note proceeds	-	-	-	-
Transfers to other state agencies and General Fund	(52,639,135)	(17,405,996)	(202,093,543)	(184,687,547)
Transfers from other state agencies and General Fund	1,000,000	1,000,000	45,960,324	44,960,324
Transfers in	696,278,216	696,278,216	466,238,891	(230,039,325)
Transfers out	(696,278,216)	(696,278,216)	(732,035,750)	(35,757,534)
Total other financing sources (uses)	582,724,965	834,261,834	(276,191,232)	(1,110,453,066)
Revenues and other sources over (under) expenditures and other uses	122,303,049	(6,195,732)	(370,747,487)	(364,551,755)
Fund balance - July 1	2,613,657,138	2,613,657,138	2,613,657,138	-
Fund balance - June 30	\$ 2,735,960,187	\$ 2,607,461,406	\$ 2,242,909,651	\$ (364,551,755)

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	FEDERAL			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	-	-	-	-
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	1,001,368,732	1,001,368,732	1,263,810,430	262,441,698
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>1,001,368,732</u>	<u>1,001,368,732</u>	<u>1,263,810,430</u>	<u>262,441,698</u>
Expenditures				
Current				
Administrative and support services	482,250	5,582,250	5,818,278	(236,028)
Ground transportation system planning and research	19,423,979	18,370,062	17,105,188	1,264,874
Highway system acquisition and construction	640,009,414	651,831,976	738,773,956	(86,941,980)
Highway system maintenance	330,247,280	524,376,625	518,897,650	5,478,975
Ground transportation system safety	-	-	-	-
Financial assistance to localities	6,761,549	6,761,549	6,302,551	458,998
Environmental monitoring and compliance	-	-	-	-
Land management	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>996,924,472</u>	<u>1,206,922,462</u>	<u>1,286,897,623</u>	<u>(79,975,161)</u>
Revenues over (under) expenditures	<u>4,444,260</u>	<u>(205,553,730)</u>	<u>(23,087,193)</u>	<u>182,466,537</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	205,553,730	-	(205,553,730)
Bond proceeds	-	-	-	-
Note proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	23,086,852	23,086,852
Transfers in	-	-	52,497,867	52,497,867
Transfers out	-	-	(52,497,526)	(52,497,526)
Total other financing sources (uses)	<u>-</u>	<u>205,553,730</u>	<u>23,087,193</u>	<u>(182,466,537)</u>
Revenues and other sources over (under) expenditures and other uses	<u>4,444,260</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - June 30	<u>\$ 4,444,260</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2013

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	1,101,400,000	1,101,400,000	1,109,985,388	8,585,388
Rights and privileges	289,200,000	289,200,000	295,303,633	6,103,633
Sale of property and commodities	158,387	158,387	121,792	(36,595)
Interest, dividends, and rents	29,545	29,545	55,862	26,317
Fines, forfeitures, court fees				
Penalties, and escheats	8,380,079	8,380,079	7,150,214	(1,229,865)
Receipts from localities and private sector	1,719,945	1,719,945	1,888,327	168,382
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	12,719,946	12,719,946	11,948,374	(771,572)
Total revenues	<u>1,414,557,902</u>	<u>1,414,557,902</u>	<u>1,427,403,590</u>	<u>12,845,688</u>
Expenditures				
Current				
Administrative and support services	230,033,296	234,376,917	207,395,812	26,981,105
Ground transportation system planning and research	14,887,431	14,887,431	1,998,014	12,889,417
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	1,123,934,720	1,190,019,883	1,117,391,603	72,628,280
Ground transportation system safety	-	-	-	-
Financial assistance to localities	376,208,733	376,208,733	376,105,414	103,319
Environmental monitoring and compliance	-	-	-	-
Land management	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	35,092,606	35,092,606	30,943,332	4,149,274
Total expenditures	<u>1,780,156,786</u>	<u>1,850,585,570</u>	<u>1,733,834,175</u>	<u>116,751,395</u>
Revenues over (under) expenditures	<u>(365,598,884)</u>	<u>(436,027,668)</u>	<u>(306,430,585)</u>	<u>129,597,083</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Note proceeds	-	-	-	-
Transfers to other state agencies and General Fund	(14,878,363)	(14,878,363)	(16,286,224)	(1,407,861)
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	363,550,589	363,550,589	367,618,457	4,067,868
Transfers out	-	-	(32,094,089)	(32,094,089)
Total other financing sources (uses)	<u>348,672,226</u>	<u>348,672,226</u>	<u>319,238,144</u>	<u>(29,434,082)</u>
Revenues and other sources over (under) expenditures and other uses	<u>(16,926,658)</u>	<u>(87,355,442)</u>	<u>12,807,559</u>	<u>100,163,001</u>
Fund balance - July 1	<u>252,467,902</u>	<u>252,467,902</u>	<u>252,467,902</u>	<u>-</u>
Fund balance - June 30	<u>\$ 235,541,244</u>	<u>\$ 165,112,460</u>	<u>\$ 265,275,461</u>	<u>\$ 100,163,001</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	CONSTRUCTION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	675,265,676	675,265,676	667,072,353	(8,193,323)
Rights and privileges	27,500,703	27,500,703	25,731,164	(1,769,539)
Sale of property and commodities	-	-	3,720,063	3,720,063
Interest, dividends, and rents	4,940,472	4,940,472	5,908,858	968,386
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	64,818	64,818
Receipts from localities and private sector	201,128,054	201,128,054	58,977,994	(142,150,060)
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	4,085,809	4,085,809	20,920,153	16,834,344
Total revenues	912,920,714	912,920,714	782,395,403	(130,525,311)
Expenditures				
Current				
Administrative and support services	765,110	765,110	1,283,345	(518,235)
Ground transportation system planning and research	30,782,436	33,988,137	32,263,127	1,725,010
Highway system acquisition and construction	465,146,581	464,174,680	207,925,552	256,249,128
Highway system maintenance	-	-	-	-
Financial assistance to localities	7,895,194	7,895,194	2,826,985	5,068,209
Environmental monitoring and compliance	12,362,456	15,127,657	10,962,866	4,164,791
Toll facility operations and construction	-	-	-	-
Capital outlay	11,600,000	11,600,000	15,379,797	(3,779,797)
Transfers to other state agencies	140,533	140,533	140,533	-
Total expenditures	528,692,310	533,691,311	270,782,205	262,909,106
Revenues over (under) expenditures	384,228,404	379,229,403	511,613,198	132,383,795
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	(2,527,633)	(2,527,633)	(23,065,968)	(20,538,335)
Transfers from other state agencies and General Fund	-	-	20,925,037	20,925,037
Transfers in	-	-	-	-
Transfers out	(379,550,589)	(379,550,589)	(404,788,920)	(25,238,331)
Total other financing sources (uses)	(382,078,222)	(382,078,222)	(406,929,851)	(24,851,629)
Revenues and other sources over (under) expenditures and other uses	2,150,182	(2,848,819)	104,683,347	107,532,166
Fund balance - July 1	142,654,978	142,654,978	142,654,978	-
Fund balance - June 30	\$ 144,805,160	\$ 139,806,159	\$ 247,338,325	\$ 107,532,166

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	PRIORITY TRANSPORTATION FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	161,800,000	161,800,000	150,063,876	(11,736,124)
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	1,999,401	1,999,401	1,967,489	(31,912)
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>163,799,401</u>	<u>163,799,401</u>	<u>152,031,365</u>	<u>(11,768,036)</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	15,496,731	15,496,731	18,954,633	(3,457,902)
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>15,496,731</u>	<u>15,496,731</u>	<u>18,954,633</u>	<u>(3,457,902)</u>
Revenues over (under) expenditures	<u>148,302,670</u>	<u>148,302,670</u>	<u>133,076,732</u>	<u>(15,225,938)</u>
Other financing sources (uses)				
Other financing uses	-	-	(162,618)	(162,618)
Other financing sources	38,233,648	38,233,648	-	(38,233,648)
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	917,080	917,080
Transfers in	15,496,731	15,496,731	16,977,702	1,480,971
Transfers out	(301,230,896)	(301,230,896)	(157,989,584)	143,241,312
Total other financing sources (uses)	<u>(247,500,517)</u>	<u>(247,500,517)</u>	<u>(140,257,420)</u>	<u>107,243,097</u>
Revenues and other sources over (under) expenditures and other uses	<u>(99,197,847)</u>	<u>(99,197,847)</u>	<u>(7,180,688)</u>	<u>92,017,159</u>
Fund balance - July 1	<u>99,197,847</u>	<u>99,197,847</u>	<u>99,197,847</u>	<u>-</u>
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,017,159</u>	<u>\$ 92,017,159</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2013

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	11,628,000	11,628,000	3,259,223	(8,368,777)
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	13,032,575	13,032,575	5,942,528	(7,090,047)
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	1,709,523	1,709,523	2,147,681	438,158
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>26,370,098</u>	<u>26,370,098</u>	<u>11,349,432</u>	<u>(15,020,666)</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	26,347,643	26,347,643	10,290,834	16,056,809
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>26,347,643</u>	<u>26,347,643</u>	<u>10,290,834</u>	<u>16,056,809</u>
Revenues over (under) expenditures	<u>22,455</u>	<u>22,455</u>	<u>1,058,598</u>	<u>1,036,143</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	-	-	793,764	793,764
Transfers out	-	-	(22,455)	(22,455)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>771,309</u>	<u>771,309</u>
Revenues and other sources over (under) expenditures and other uses	<u>22,455</u>	<u>22,455</u>	<u>1,829,907</u>	<u>1,807,452</u>
Fund balance - July 1	<u>361,955,965</u>	<u>361,955,965</u>	<u>361,955,965</u>	<u>-</u>
Fund balance - June 30	<u>\$ 361,978,420</u>	<u>\$ 361,978,420</u>	<u>\$ 363,785,872</u>	<u>\$ 1,807,452</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2013

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	-	-	2,061,892	2,061,892
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>2,061,892</u>	<u>2,061,892</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	642,843,025	642,843,025	215,161,731	427,681,294
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>642,843,025</u>	<u>642,843,025</u>	<u>215,161,731</u>	<u>427,681,294</u>
Revenues over (under) expenditures	<u>(642,843,025)</u>	<u>(642,843,025)</u>	<u>(213,099,839)</u>	<u>429,743,186</u>
Other financing sources (uses)				
Other financing uses	-	-	2,271,463	2,271,463
Other financing sources	-	-	-	-
Bond proceeds	524,187,474	524,187,474	-	(524,187,474)
Transfers to other state agencies and General Fund	-	-	(162,406,007)	(162,406,007)
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	118,655,551	118,655,551	-	(118,655,551)
Transfers out	-	-	(1,935,961)	(1,935,961)
Total other financing sources (uses)	<u>642,843,025</u>	<u>642,843,025</u>	<u>(162,070,505)</u>	<u>(804,913,530)</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(375,170,344)</u>	<u>(375,170,344)</u>
Fund balance - July 1	<u>929,510,981</u>	<u>929,510,981</u>	<u>929,510,981</u>	<u>-</u>
Fund balance - June 30	<u>\$ 929,510,981</u>	<u>\$ 929,510,981</u>	<u>\$ 554,340,637</u>	<u>\$ (375,170,344)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2013

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	-	-	88,192,621	88,192,621
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>88,192,621</u>	<u>88,192,621</u>
Expenditures				
Current				
Administrative and support services	-	-	331,431	(331,431)
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	87,487,138	(87,487,138)
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>87,818,569</u>	<u>(87,818,569)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>374,052</u>	<u>374,052</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	1,235,213	1,235,213	-	(1,235,213)
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	(335,344)	(335,344)
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>1,235,213</u>	<u>1,235,213</u>	<u>(335,344)</u>	<u>(1,570,557)</u>
Revenues and other sources over (under) expenditures and other uses	<u>1,235,213</u>	<u>1,235,213</u>	<u>38,708</u>	<u>(1,196,505)</u>
Fund balance - July 1	<u>(1,235,213)</u>	<u>(1,235,213)</u>	<u>(1,235,213)</u>	<u>-</u>
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,196,505)</u>	<u>\$ (1,196,505)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2013

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	\$ 60,457,317	\$ 457,317
Taxes	-	-	-	-
Rights and privileges	5,468,445	5,468,445	4,713,921	(754,524)
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	1,812,123	1,812,123	8,535,488	6,723,365
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	2,316,000	2,316,000	1,811,144	(504,856)
Federal grants and contracts	8,280,087	8,280,087	8,280,087	-
Toll revenues	18,223,978	18,223,978	16,531,513	(1,692,465)
Other	300,000	300,000	4,544,169	4,244,169
Total revenues	<u>96,400,633</u>	<u>96,400,633</u>	<u>104,873,639</u>	<u>8,473,006</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	103,637,590	161,764,326	295,690,661	(133,926,335)
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	16,973,978	18,223,978	5,901,245	12,322,733
Capital outlay	-	-	1,342,951	(1,342,951)
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>120,611,568</u>	<u>179,988,304</u>	<u>302,934,857</u>	<u>(122,946,553)</u>
Revenues over (under) expenditures	<u>(24,210,935)</u>	<u>(83,587,671)</u>	<u>(198,061,218)</u>	<u>(114,473,547)</u>
Other financing sources (uses)				
Other financing uses	-	-	(638,807)	(638,807)
Other financing sources	70,707,765	81,457,765	-	(81,457,765)
Bond proceeds	-	-	144,268,808	144,268,808
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	1,000,000	1,000,000	1,031,355	31,355
Transfers in	198,575,345	198,575,345	28,351,101	(170,224,244)
Transfers out	(15,496,731)	(15,496,731)	(82,707,215)	(67,210,484)
Total other financing sources (uses)	<u>254,786,379</u>	<u>265,536,379</u>	<u>90,305,242</u>	<u>(175,231,137)</u>
Revenues and other sources over (under) expenditures and other uses	<u>230,575,444</u>	<u>181,948,708</u>	<u>(107,755,976)</u>	<u>(289,704,684)</u>
Fund balance - July 1	<u>829,104,678</u>	<u>829,104,678</u>	<u>829,104,678</u>	<u>-</u>
Fund balance - June 30	<u>\$ 1,059,680,122</u>	<u>\$ 1,011,053,386</u>	<u>\$ 721,348,702</u>	<u>\$ (289,704,684)</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, 2013

	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	555,123	555,123	729,772	174,649
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>555,123</u>	<u>555,123</u>	<u>729,772</u>	<u>174,649</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	485,752	485,752	14,129,280	(13,643,528)
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>485,752</u>	<u>485,752</u>	<u>14,129,280</u>	<u>(13,643,528)</u>
Revenues over (under) expenditures	<u>69,371</u>	<u>69,371</u>	<u>(13,399,508)</u>	<u>(13,468,879)</u>
Other financing sources (uses)				
Other financing uses	-	-	(69,676)	(69,676)
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	-	-	(51,921)	(51,921)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(121,597)</u>	<u>(121,597)</u>
Revenues and other sources over (under) expenditures and other uses	<u>69,371</u>	<u>69,371</u>	<u>(13,521,105)</u>	<u>(13,590,476)</u>
Fund balance - July 1	<u>61,295,731</u>	<u>61,295,731</u>	<u>61,295,731</u>	<u>-</u>
Fund balance - June 30	<u>\$ 61,365,102</u>	<u>\$ 61,365,102</u>	<u>\$ 47,774,626</u>	<u>\$ (13,590,476)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2013

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	-	-	231,771	231,771
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>231,771</u>	<u>231,771</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	3,730	(3,730)
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>3,730</u>	<u>(3,730)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>228,041</u>	<u>228,041</u>
Other financing sources (uses)				
Other financing uses	-	-	(26,390)	(26,390)
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>(26,390)</u>	<u>(26,390)</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>201,651</u>	<u>201,651</u>
Fund balance - July 1	<u>16,110,794</u>	<u>16,110,794</u>	<u>16,110,794</u>	<u>-</u>
Fund balance - June 30	<u>\$ 16,110,794</u>	<u>\$ 16,110,794</u>	<u>\$ 16,312,445</u>	<u>\$ 201,651</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2013

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	-	-	4,174,840	4,174,840
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	300,000	300,000	-	(300,000)
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>4,174,840</u>	<u>3,874,840</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	300,000	352,247	(52,247)
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>300,000</u>	<u>352,247</u>	<u>(52,247)</u>
Revenues over (under) expenditures	<u>300,000</u>	<u>-</u>	<u>3,822,593</u>	<u>3,822,593</u>
Other financing sources (uses)				
Other financing uses	-	-	(330,128)	(330,128)
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>(330,128)</u>	<u>(330,128)</u>
Revenues and other sources over (under) expenditures and other uses	<u>300,000</u>	<u>-</u>	<u>3,492,465</u>	<u>3,492,465</u>
Fund balance - July 1	<u>315,252,221</u>	<u>315,252,221</u>	<u>315,252,221</u>	<u>-</u>
Fund balance - June 30	<u>\$ 315,552,221</u>	<u>\$ 315,252,221</u>	<u>\$ 318,744,686</u>	<u>\$ 3,492,465</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2013

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	-	9,500,000	9,500,000	-
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>-</u>	<u>9,500,000</u>	<u>9,500,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>(9,500,000)</u>	<u>(9,500,000)</u>	<u>-</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	9,500,000	-	(9,500,000)
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	9,500,000	9,500,000
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>9,500,000</u>	<u>9,500,000</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, 2013

	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	-	-	235,868	235,868
Total revenues	<u>-</u>	<u>-</u>	<u>235,868</u>	<u>235,868</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>235,868</u>	<u>235,868</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	-	-	(235,868)	(235,868)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(235,868)</u>	<u>(235,868)</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, 2013

	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	-	-	3,003,890	3,003,890
Total revenues	<u>-</u>	<u>-</u>	<u>3,003,890</u>	<u>3,003,890</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>3,003,890</u>	<u>3,003,890</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	-	-	(3,003,890)	(3,003,890)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(3,003,890)</u>	<u>(3,003,890)</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, 2013

	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	-	-	68,495	68,495
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>68,495</u>	<u>68,495</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	-	-	1,342,951	(1,342,951)
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>1,342,951</u>	<u>(1,342,951)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(1,274,456)</u>	<u>(1,274,456)</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	-	-	342,267	342,267
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>342,267</u>	<u>342,267</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(932,189)</u>	<u>(932,189)</u>
Fund balance - July 1	<u>27,783,994</u>	<u>27,783,994</u>	<u>27,783,994</u>	<u>-</u>
Fund balance - June 30	<u>\$ 27,783,994</u>	<u>\$ 27,783,994</u>	<u>\$ 26,851,805</u>	<u>\$ (932,189)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2013

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	\$ 20,457,317	\$ 457,317
Taxes	-	-	-	-
Rights and privileges	5,468,445	5,468,445	4,713,921	(754,524)
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	862,000	862,000	2,097,552	1,235,552
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	816,000	816,000	811,144	(4,856)
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>27,146,445</u>	<u>27,146,445</u>	<u>28,079,934</u>	<u>933,489</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	35,303,475	35,303,475	53,496,513	(18,193,038)
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>35,303,475</u>	<u>35,303,475</u>	<u>53,496,513</u>	<u>(18,193,038)</u>
Revenues over (under) expenditures	<u>(8,157,030)</u>	<u>(8,157,030)</u>	<u>(25,416,579)</u>	<u>(17,259,549)</u>
Other financing sources (uses)				
Other financing uses	-	-	(174,689)	(174,689)
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	7,000,000	7,000,000	-	(7,000,000)
Transfers out	-	-	(24,964,958)	(24,964,958)
Total other financing sources (uses)	<u>7,000,000</u>	<u>7,000,000</u>	<u>(25,139,647)</u>	<u>(32,139,647)</u>
Revenues and other sources over (under) expenditures and other uses	<u>(1,157,030)</u>	<u>(1,157,030)</u>	<u>(50,556,226)</u>	<u>(49,399,196)</u>
Fund balance - July 1	<u>172,180,921</u>	<u>172,180,921</u>	<u>172,180,921</u>	<u>-</u>
Fund balance - June 30	<u>\$ 171,023,891</u>	<u>\$ 171,023,891</u>	<u>\$ 121,624,695</u>	<u>\$ (49,399,196)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2013

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	388,000	388,000	425,030	37,030
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>40,388,000</u>	<u>40,388,000</u>	<u>40,425,030</u>	<u>37,030</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	9,388,000	9,388,000	781,059	8,606,941
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>9,388,000</u>	<u>9,388,000</u>	<u>781,059</u>	<u>8,606,941</u>
Revenues over (under) expenditures	<u>31,000,000</u>	<u>31,000,000</u>	<u>39,643,971</u>	<u>8,643,971</u>
Other financing sources (uses)				
Other financing uses	-	-	(35,724)	(35,724)
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	9,000,000	9,000,000	7,339,183	(1,660,817)
Transfers out	-	-	(39,264,656)	(39,264,656)
Total other financing sources (uses)	<u>9,000,000</u>	<u>9,000,000</u>	<u>(31,961,197)</u>	<u>(40,961,197)</u>
Revenues and other sources over (under) expenditures and other uses	<u>40,000,000</u>	<u>40,000,000</u>	<u>7,682,774</u>	<u>(32,317,226)</u>
Fund balance - July 1	<u>28,860,072</u>	<u>28,860,072</u>	<u>28,860,072</u>	<u>-</u>
Fund balance - June 30	<u>\$ 68,860,072</u>	<u>\$ 68,860,072</u>	<u>\$ 36,542,846</u>	<u>\$ (32,317,226)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2013

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	19,186	14,186
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>1,019,186</u>	<u>(485,814)</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	2,505,000	2,505,000	329	2,504,671
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>2,505,000</u>	<u>2,505,000</u>	<u>329</u>	<u>2,504,671</u>
Revenues over (under) expenditures	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>1,018,857</u>	<u>2,018,857</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	1,000,000	1,000,000	1,031,355	31,355
Transfers in	-	-	-	-
Transfers out	-	-	(2,224,496)	(2,224,496)
Total other financing sources (uses)	<u>1,000,000</u>	<u>1,000,000</u>	<u>(1,193,141)</u>	<u>(2,193,141)</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(174,284)</u>	<u>(174,284)</u>
Fund balance - July 1	<u>1,010,895</u>	<u>1,010,895</u>	<u>1,010,895</u>	<u>-</u>
Fund balance - June 30	<u>\$ 1,010,895</u>	<u>\$ 1,010,895</u>	<u>\$ 836,611</u>	<u>\$ (174,284)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2013

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	-	-	12,537	12,537
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>12,537</u>	<u>12,537</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	7,530,300	7,530,300	124,787	7,405,513
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>7,530,300</u>	<u>7,530,300</u>	<u>124,787</u>	<u>7,405,513</u>
Revenues over (under) expenditures	<u>(7,530,300)</u>	<u>(7,530,300)</u>	<u>(112,250)</u>	<u>7,418,050</u>
Other financing sources (uses)				
Other financing uses	-	-	(1,150)	(1,150)
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	-	-	(8,867)	(8,867)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(10,017)</u>	<u>(10,017)</u>
Revenues and other sources over (under) expenditures and other uses	<u>(7,530,300)</u>	<u>(7,530,300)</u>	<u>(122,267)</u>	<u>7,408,033</u>
Fund balance - July 1	<u>1,077,060</u>	<u>1,077,060</u>	<u>1,077,060</u>	<u>-</u>
Fund balance - June 30	<u>\$ (6,453,240)</u>	<u>\$ (6,453,240)</u>	<u>\$ 954,793</u>	<u>\$ 7,408,033</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2013

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	-	-	10,826	10,826
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	7,888,137	7,888,137	6,200,011	(1,688,126)
Other	-	-	1,250,019	1,250,019
Total revenues	<u>7,888,137</u>	<u>7,888,137</u>	<u>7,460,856</u>	<u>(427,281)</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	6,638,137	7,888,137	2,386,655	5,501,482
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>6,638,137</u>	<u>7,888,137</u>	<u>2,386,655</u>	<u>5,501,482</u>
Revenues over (under) expenditures	<u>1,250,000</u>	<u>-</u>	<u>5,074,201</u>	<u>5,074,201</u>
Other financing sources (uses)				
Other financing uses	-	-	(611)	(611)
Other financing sources	29,149,953	30,399,953	-	(30,399,953)
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(3,396,142)	(3,396,142)
Total other financing sources (uses)	<u>29,149,953</u>	<u>30,399,953</u>	<u>(3,396,753)</u>	<u>(33,796,706)</u>
Revenues and other sources over (under) expenditures and other uses	<u>30,399,953</u>	<u>30,399,953</u>	<u>1,677,448</u>	<u>(28,722,505)</u>
Fund balance - July 1	<u>(30,399,953)</u>	<u>(30,399,953)</u>	<u>(30,399,953)</u>	<u>-</u>
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (28,722,505)</u>	<u>\$ (28,722,505)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2013

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	2,000	2,000	4,977	2,977
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>4,977</u>	<u>2,977</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	48,425,063	96,751,799	5,071	96,746,728
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>48,425,063</u>	<u>96,751,799</u>	<u>5,071</u>	<u>96,746,728</u>
Revenues over (under) expenditures	<u>(48,423,063)</u>	<u>(96,749,799)</u>	<u>(94)</u>	<u>96,749,705</u>
Other financing sources (uses)				
Other financing uses	-	-	(439)	(439)
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	182,575,345	182,575,345	-	(182,575,345)
Transfers out	(15,496,731)	(15,496,731)	-	15,496,731
Total other financing sources (uses)	<u>167,078,614</u>	<u>167,078,614</u>	<u>(439)</u>	<u>(167,079,053)</u>
Revenues and other sources over (under) expenditures and other uses	<u>118,655,551</u>	<u>70,328,815</u>	<u>(533)</u>	<u>(70,329,348)</u>
Fund balance - July 1	<u>114,139</u>	<u>114,139</u>	<u>114,139</u>	<u>-</u>
Fund balance - June 30	<u>\$ 118,769,690</u>	<u>\$ 70,442,954</u>	<u>\$ 113,606</u>	<u>\$ (70,329,348)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2013

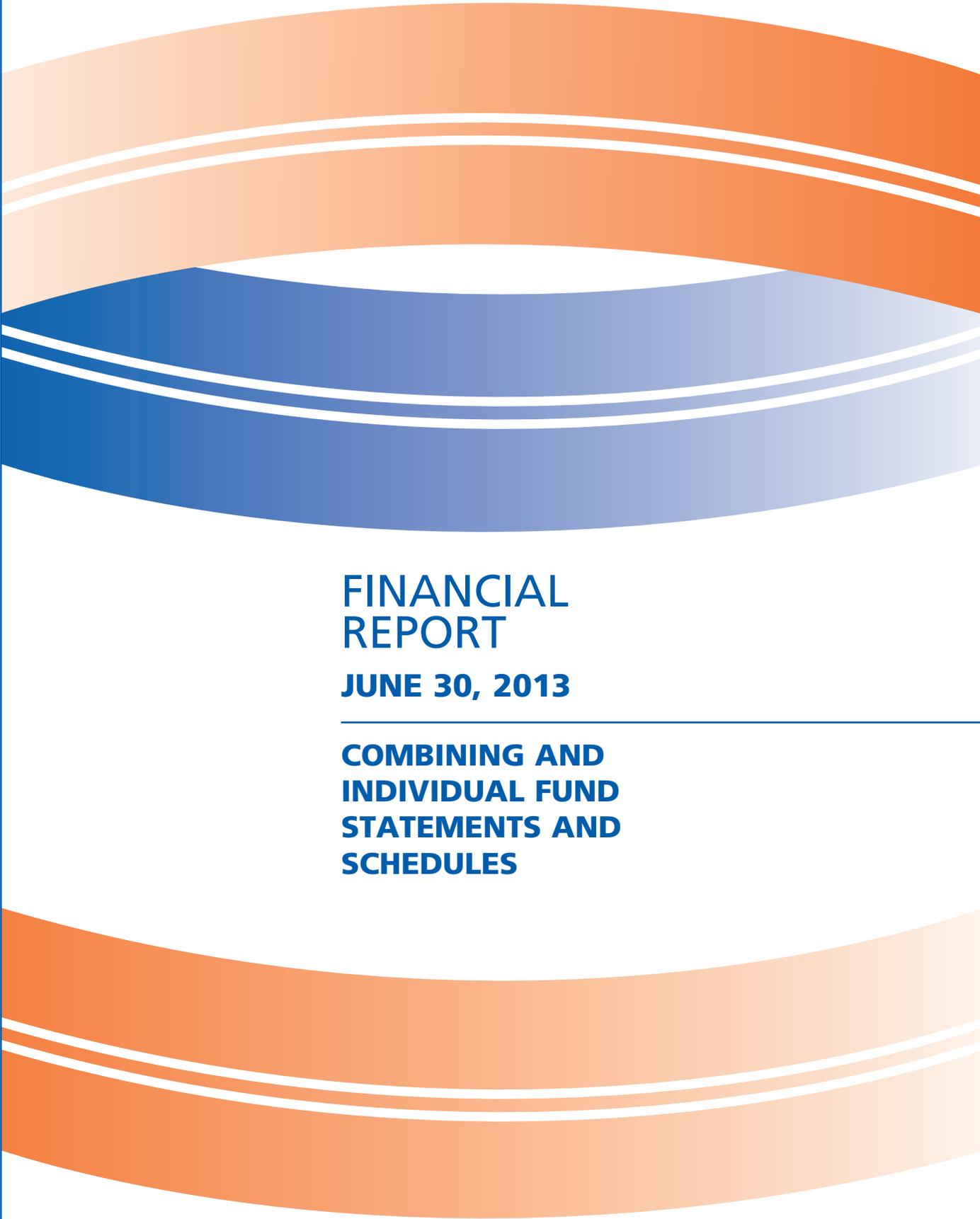
	GARVEE			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	760,502	760,502
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>760,502</u>	<u>760,502</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	217,297,645	(217,297,645)
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>217,297,645</u>	<u>(217,297,645)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(216,537,143)</u>	<u>(216,537,143)</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	144,268,808	144,268,808
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	11,169,651	11,169,651
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>155,438,459</u>	<u>155,438,459</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(61,098,684)</u>	<u>(61,098,684)</u>
Fund balance - July 1	<u>277,376,616</u>	<u>277,376,616</u>	<u>277,376,616</u>	<u>-</u>
Fund balance - June 30	<u>\$ 277,376,616</u>	<u>\$ 277,376,616</u>	<u>\$ 216,277,932</u>	<u>\$ (61,098,684)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2013

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	10,335,841	10,335,841	10,331,502	(4,339)
Other	-	-	54,392	54,392
Total revenues	<u>10,335,841</u>	<u>10,335,841</u>	<u>10,385,894</u>	<u>50,053</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	10,335,841	10,335,841	3,514,590	6,821,251
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>10,335,841</u>	<u>10,335,841</u>	<u>3,514,590</u>	<u>6,821,251</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>6,871,304</u>	<u>6,871,304</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	41,557,812	41,557,812	-	(41,557,812)
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(1,276,330)	(1,276,330)
Total other financing sources (uses)	<u>41,557,812</u>	<u>41,557,812</u>	<u>(1,276,330)</u>	<u>(42,834,142)</u>
Revenues and other sources over (under) expenditures and other uses	<u>41,557,812</u>	<u>41,557,812</u>	<u>5,594,974</u>	<u>(35,962,838)</u>
Fund balance - July 1	<u>(41,557,812)</u>	<u>(41,557,812)</u>	<u>(41,557,812)</u>	<u>-</u>
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (35,962,838)</u>	<u>\$ (35,962,838)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	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	8,280,087	8,280,087	8,280,087	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>8,280,087</u>	<u>8,280,087</u>	<u>8,280,087</u>	<u>-</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>8,280,087</u>	<u>8,280,087</u>	<u>8,280,087</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	-	-	-	-
Transfers out	-	-	(8,280,087)	(8,280,087)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(8,280,087)</u>	<u>(8,280,087)</u>
Revenues and other sources over (under) expenditures and other uses	<u>8,280,087</u>	<u>8,280,087</u>	<u>-</u>	<u>(8,280,087)</u>
Fund balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - June 30	<u>\$ 8,280,087</u>	<u>\$ 8,280,087</u>	<u>\$ -</u>	<u>\$ (8,280,087)</u>



**FINANCIAL
REPORT**

JUNE 30, 2013

**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 Loudoun 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.

VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING BALANCE SHEET GOVERNMENTAL FUNDS
 NON MAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
 June 30, 2013

	TRANSPORTATION PARTNERSHIP OPPORTUNITY	CONCESSION FUNDS FOR PROJECTS	VA TRANSPORTATION INFRASTRUCTURE BANK
<u>Assets and Deferred Outflows of Resources</u>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$ 42,986,090	\$ 16,312,445	\$ 318,744,686
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)	3,854,867	1,462,853	28,584,094
Investments for			
collateral held for securities lending (Note 14)	207,845	78,874	1,541,188
Advance fund	-	-	-
Receivables: (net)			
Federal government	-	-	-
Cities, counties, and towns	-	-	-
State agencies	-	-	-
Loans & other	4,788,536	-	-
Taxes receivable	-	-	-
Due from other funds (Note 10)	-	-	-
Due from agencies	-	-	-
Deferred charges	-	-	-
Inventory (Note 1 G)	-	-	-
Total assets	51,837,338	17,854,172	348,869,968
Deferred Outflows of Resources			
Total Assets and Deferred Outflows	\$ 51,837,338	\$ 17,854,172	\$ 348,869,968
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Accounts payable	\$ 171,790	\$ -	\$ 53,671
Deposits payable	-	-	-
Payable to component unit	-	-	-
Payable for collateral held for securities lending	4,062,712	1,541,727	30,125,282
Due to other agencies	-	-	-
Due to other funds (Note 10)	-	-	-
Deferred revenue	-	-	-
Liability for compensated			
absences	-	-	-
Accrued liabilities	-	-	-
Retainage on contracts	-	-	-
Total liabilities	4,234,502	1,541,727	30,178,953
Deferred Inflows of Resources			
Total Liabilities and Deferred Inflows	\$ 4,234,502	\$ 1,541,727	\$ 30,178,953
Fund Balances (Note 3)			
Nonspendable	4,788,536	-	-
Restricted	-	-	-
Committed	42,814,300	16,312,445	318,691,015
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	47,602,836	16,312,445	318,691,015
Total liabilities, deferred inflows and fund balances	\$ 51,837,338	\$ 17,854,172	\$ 348,869,968

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, 2013

	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	-	-	-
Deferred charges	-	-	-
Inventory (Note 1 G)	-	-	-
Total assets	-	-	-
Deferred Outflows of Resources	-	-	-
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)	-	-	-
Deferred revenue	-	-	-
Liability for compensated			
absences	-	-	-
Accrued liabilities	-	-	-
Retainage on contracts	-	-	-
Total liabilities	-	-	-
Deferred Inflows of Resources	-	-	-
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, 2013

	NORTHERN VIRGINIA TRANSPORTATION DISTRICT		
	CAMP 30	ROUTE 58	ROUTE 58
<u>Assets and Deferred Outflows of Resources</u>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$ -	\$ 107,780,124	\$ 35,934,130
Cash and cash equivalents with trustees (Note 14)	26,851,805	13,844,571	608,717
Investments with trustees (Note 14)	-	-	-
Cash and cash equivalents for collateral held for securities lending (Note 14)	-	9,665,407	3,222,468
Investments for collateral held for securities lending (Note 14)	-	521,136	173,748
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	-	-	-
Deferred charges	-	-	13,706
Inventory (Note 1 G)	-	-	-
Total assets	26,851,805	131,811,238	39,952,769
Deferred Outflows of Resources			
Total Assets and Deferred Outflows	\$ 26,851,805	\$ 131,811,238	\$ 39,952,769
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Accounts payable	\$ 7,960	\$ -	\$ 132,646
Deposits payable	-	-	-
Payable to component unit	-	-	-
Payable for collateral held for securities lending	-	10,186,543	3,396,216
Due to other agencies	-	-	-
Due to other funds (Note 10)	-	-	-
Deferred revenue	-	9,712	-
Liability for compensated absences	-	26	20
Accrued liabilities	-	-	-
Retainage on contracts	-	19,302	50,256
Total liabilities	7,960	10,215,583	3,579,138
Deferred Inflows of Resources			
Total Liabilities and Deferred Inflows	\$ 7,960	\$ 10,215,583	\$ 3,579,138
Fund Balances (Note 3)			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	26,843,845	121,595,655	36,373,631
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	26,843,845	121,595,655	36,373,631
Total liabilities, deferred inflows and fund balances	\$ 26,851,805	\$ 131,811,238	\$ 39,952,769

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, 2013

	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)	\$ 836,611	\$ 954,792	\$ 10,790,995
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)	75,025	85,623	147,683
Investments for			
collateral held for securities lending (Note 14)	4,045	4,617	7,963
Advance fund	-	-	7,500
Receivables: (net)			
Federal government	-	-	-
Cities, counties, and towns	-	-	-
State agencies	-	-	-
Loans & other	-	-	-
Taxes receivable	-	-	-
Due from other funds (Note 10)	-	-	-
Due from agencies	-	-	-
Deferred charges	-	-	70,000
Inventory (Note 1 G)	-	-	-
Total assets	915,681	1,045,032	11,024,141
Deferred Outflows of Resources			
Total Assets and Deferred Outflows	-	-	-
	\$ 915,681	\$ 1,045,032	\$ 11,024,141
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Accounts payable	\$ -	\$ -	\$ 471,539
Deposits payable	-	-	-
Payable to component unit	-	-	-
Payable for collateral held for securities lending	79,070	90,240	155,646
Due to other agencies	-	-	-
Due to other funds (Note 10)	-	-	39,521,000
Deferred revenue	-	-	-
Liability for compensated			
absences	-	-	29
Accrued liabilities	-	-	25,557
Retainage on contracts	-	-	-
Total liabilities	79,070	90,240	40,173,771
Deferred Inflows of Resources			
Total Liabilities and Deferred Inflows	-	-	-
	\$ 79,070	\$ 90,240	\$ 40,173,771
Fund Balances (Note 3)			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	836,611	954,792	-
Assigned	-	-	-
Unassigned	-	-	(29,149,630)
Total fund balances	836,611	954,792	(29,149,630)
Total liabilities, deferred inflows and fund balances	\$ 915,681	\$ 1,045,032	\$ 11,024,141

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, 2013

	FEDERAL REIMBURSEMENT ANTICIPATION NOTES	GARVEE	POWHITE PARKWAY EXTENSION	ARRA GRANTS
<u>Assets and Deferred Outflows of Resources</u>				
Cash and cash equivalents				
with the Treasurer of Virginia (Note 14)	\$ 113,606	\$ -	\$ 12,995,694	\$ -
Cash and cash equivalents with trustees (Note 14)	-	216,277,932	-	-
Investments with trustees (Note 14)	-	-	-	-
Cash and cash equivalents for collateral held for securities lending (Note 14)	10,188	-	-	-
Investments for collateral held for securities lending (Note 14)	549	-	-	-
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	-	-	-	-
Deferred charges	-	-	-	-
Inventory (Note 1 G)	-	-	-	-
Total assets	124,343	216,277,932	13,006,928	-
	-	-	-	-
Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows	\$ 124,343	\$ 216,277,932	\$ 13,006,928	\$ -
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>				
Accounts payable	\$ -	\$ 19,855,420	\$ 267,960	\$ -
Deposits payable	-	-	-	-
Payable to component unit	-	-	-	-
Payable for collateral held for securities lending	10,737	-	-	-
Due to other agencies	-	-	-	-
Due to other funds (Note 10)	-	-	48,969,532	-
Deferred revenue	-	-	234	-
Liability for compensated absences	-	-	72	-
Accrued liabilities	-	-	63,742	-
Retainage on contracts	-	-	-	-
Total liabilities	10,737	19,855,420	49,301,540	-
	-	-	-	-
Deferred Inflows of Resources	-	-	-	-
Total Liabilities and Deferred Inflows	\$ 10,737	\$ 19,855,420	\$ 49,301,540	\$ -
Fund Balances (Note 3)				
Nonspendable	-	-	234	-
Restricted	-	-	-	-
Committed	113,606	196,422,512	-	-
Assigned	-	-	-	-
Unassigned	-	-	(36,294,846)	-
Total fund balances	113,606	196,422,512	(36,294,612)	-
Total liabilities, deferred inflows and fund balances	\$ 124,343	\$ 216,277,932	\$ 13,006,928	\$ -

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, 2013

	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	729,772	231,771	4,174,840
Fines, forfeitures, court fees, penalties, and escheats	-	-	-
Federal grants and contracts	-	-	-
Receipts from localities and private sector	-	-	-
Toll revenue	-	-	-
Other revenue	-	-	-
Total revenue	<u>729,772</u>	<u>231,771</u>	<u>4,174,840</u>
Expenditures			
Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	13,492,530	3,730	405,918
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	<u>13,492,530</u>	<u>3,730</u>	<u>405,918</u>
Revenues over (under) expenditures	<u>(12,762,758)</u>	<u>228,041</u>	<u>3,768,922</u>
Other financing sources (uses)			
Other financing sources (uses)	(69,676)	(26,390)	(330,128)
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)	(51,921)	-	-
Total other financing sources (uses)	<u>(121,597)</u>	<u>(26,390)</u>	<u>(330,128)</u>
Net Change in Fund Balance	(12,884,355)	201,651	3,438,794
Beginning fund balance - July 1	60,487,191	16,110,794	315,252,221
Ending fund balance - June 30	<u>\$ 47,602,836</u>	<u>\$ 16,312,445</u>	<u>\$ 318,691,015</u>

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
 June 30, 2013

	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	-	235,868	3,003,890
Total revenue	-	235,868	3,003,890
Expenditures			
Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	9,500,000	-	-
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	9,500,000	-	-
Revenues over (under) expenditures	(9,500,000)	235,868	3,003,890
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)	9,500,000	-	-
Transfers out (Note 11)	-	(235,868)	(3,003,890)
Total other financing sources (uses)	9,500,000	(235,868)	(3,003,890)
Net Change in Fund Balance	-	-	-
Beginning fund balance - July 1	-	-	-
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
 NONMAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
 June 30, 2013**

	NORTHERN VIRGINIA TRANSPORTATION DISTRICT		
	CAMP 30		ROUTE 58
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ 20,457,317	\$ 40,000,000
Taxes	-	-	-
Rights and privileges	-	4,713,921	-
Sale of property and commodities	-	-	-
Interest, dividends and rents	68,495	2,097,552	425,030
Fines, forfeitures, court fees, penalties, and escheats	-	-	-
Federal grants and contracts	-	-	-
Receipts from localities and private sector	-	811,144	-
Toll revenue	-	-	-
Other revenue	-	-	-
Total revenue	68,495	28,079,934	40,425,030
Expenditures			
Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	-	53,520,893	583,947
Highway system maintenance	-	-	-
Financial assistance to localities	-	-	-
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	-	-	-
Capital Outlay	1,350,911	-	-
Transfers to other state agencies (Note 11)	-	-	-
Total expenditures	1,350,911	53,520,893	583,947
Revenues over (under) expenditures	(1,282,416)	(25,440,959)	39,841,083
Other financing sources (uses)			
Other financing sources (uses)	-	(174,689)	(35,724)
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)	342,267	-	7,339,183
Transfers out (Note 11)	-	(24,964,958)	(39,264,656)
Total other financing sources (uses)	342,267	(25,139,647)	(31,961,197)
Net Change in Fund Balance	(940,149)	(50,580,606)	7,879,886
Beginning fund balance - July 1	27,783,994	172,176,261	28,493,745
Ending fund balance - June 30	\$ 26,843,845	\$ 121,595,655	\$ 36,373,631

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, 2013**

	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	19,186	12,537	10,826
Fines, forfeitures, court fees, penalties, and escheats	-	-	-
Federal grants and contracts	-	-	-
Receipts from localities and private sector	1,000,000	-	-
Toll revenue	-	-	6,200,011
Other revenue	-	-	1,250,019
Total revenue	1,019,186	12,537	7,460,856
Expenditures			
Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	329	124,788	-
Highway system maintenance	-	-	-
Financial assistance to localities	-	-	-
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	-	-	2,606,642
Capital Outlay	-	-	-
Transfers to other state agencies (Note 11)	-	-	-
Total expenditures	329	124,788	2,606,642
Revenues over (under) expenditures	1,018,857	(112,251)	4,854,214
Other financing sources (uses)			
Other financing sources (uses)	-	(1,150)	(611)
Bond Proceeds	-	-	-
Insurance recoveries	-	-	-
Transfers to other state agencies and General Fund (Note 11)	-	-	-
Transfers from other state agencies and General Fund (Note 11)	1,031,355	-	-
Transfers in (Note 11)	-	-	-
Transfers out (Note 11)	(2,224,496)	(8,867)	(3,396,142)
Total other financing sources (uses)	(1,193,141)	(10,017)	(3,396,753)
Net Change in Fund Balance	(174,284)	(122,268)	1,457,461
Beginning fund balance - July 1	1,010,895	1,077,060	(30,607,091)
Ending fund balance - June 30	\$ 836,611	\$ 954,792	\$ (29,149,630)

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, 2013

	FEDERAL REIMBURSEMENT ANTICIPATION NOTES	GARVEE	POWHITE PARKWAY EXTENSION	ARRA GRANTS
Revenues				
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends and rents	4,977	760,502	-	-
Fines, forfeitures, court fees, penalties, and escheats	-	-	-	-
Federal grants and contracts	-	-	-	8,280,087
Receipts from localities and private sector	-	-	-	-
Toll revenue	-	-	10,331,502	-
Other revenue	-	-	54,392	-
Total revenue	4,977	760,502	10,385,894	8,280,087
Expenditures				
Current:				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	5,071	164,153,065	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facilities operations and construction	-	-	3,595,427	-
Capital Outlay	-	-	-	-
Transfers to other state agencies (Note 11)	-	-	-	-
Total expenditures	5,071	164,153,065	3,595,427	-
Revenues over (under) expenditures	(94)	(163,392,563)	6,790,467	8,280,087
Other financing sources (uses)				
Other financing sources (uses)	(439)	-	-	-
Bond Proceeds	-	144,268,808	-	-
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)	-	11,169,651	-	-
Transfers out (Note 11)	-	-	(1,276,330)	(8,280,087)
Total other financing sources (uses)	(439)	155,438,459	(1,276,330)	(8,280,087)
Net Change in Fund Balance	(533)	(7,954,104)	5,514,137	-
Beginning fund balance - July 1	114,139	204,376,616	(41,808,749)	-
Ending fund balance - June 30	\$ 113,606	\$ 196,422,512	\$ (36,294,612)	\$ -

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 2013

Federal/State Grantor Agency	CFDA Number	Federal Program Name	FEDERAL CASH BALANCE	FEDERAL CASH BASIS	FEDERAL CASH BASIS	FEDERAL CASH BALANCE
			July 1, 2012	RECEIPTS	DISBURSEMENTS	June 30, 2013
United States Dept of Transportation	20.205	Highway Planning and Construction	\$ -	\$ 1,263,810,430	\$ 1,263,810,430	\$ -
		TOTAL FEDERAL REVENUE:	\$ -	\$ 1,263,810,430	\$ 1,263,810,430	\$ -
United States Dept of Transportation/VDEM	20.205	Highway Planning and Construction		460,513	460,513	
United States Dept of Transportation/DMV	97.056	Public Safety Interoperable Communications Grant Program	-	2,090,249	2,090,249	-
United States Dept of Transportation/DMV	97.036	Safety Incentive Grant for Use of Seatbelts	-	20,069,449	20,069,449	-
United States Dept of Transportation/DMV	12.607	Safety Incentive to Prevent Operation of Motor	-	352,263	352,263	-
United States Dept of Transportation/VDEM	97.111	Community Economic Adjustment Assistance for Establishment	-	114,720	114,720	-
TOTAL TRANSFERS FROM OTHER STATE AGENCIES:			\$ -	\$ 23,087,193	\$ 23,087,193	\$ -
GRAND TOTAL OF FEDERAL ASSISTANCE			\$ -	\$ 1,286,897,623	\$ 1,286,897,623	\$ -

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FINANCIAL REPORT

JUNE 30, 2013



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 58,291-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 10,561 miles of urban streets, maintained by cities and towns with the help of state funds. Virginia's cities are independent of its counties. Henrico County (1,279 miles) and Arlington County (359 miles) maintain their own roads with state financial assistance. 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.

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