

# FINANCIAL REPORT

JUNE 30, 2007





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**Timothy M. Kaine**

Governor

**Pierce Homer**

Secretary of Transportation

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

Commissioner Department of Transportation

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# FINANCIAL REPORT

JUNE 30, 2007

INTRODUCTORY SECTION



# COMMONWEALTH of VIRGINIA

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

David S. Ekern, P.E.  
COMMISSIONER

February 27, 2008

## Letter of Transmittal

The Comprehensive Annual Financial Report (CAFR) of the Virginia Department of Transportation (VDOT) for the fiscal year ended June 30, 2007 is hereby submitted. The report reflects the operation of the Highway Maintenance and Operating Fund, the Transportation Trust Fund, various toll facilities operated by the Department and other funds. This CAFR conforms with generally accepted accounting principles as established by the Governmental Accounting Standards Board (GASB) and complies with provisions of the Comptroller's Directive No. 3-07, "Financial Statement Preparation." The statements presented in this report are un-audited. Audited VDOT financial information is included in the Commonwealth Comprehensive Annual Financial Report (CAFR), which is audited by the Auditor of Public Accounts.

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

The CAFR is presented in five sections; the Introductory Section includes this transmittal letter, an agency overview and VDOT's organizational chart. The Financial Section includes the Management Discussion and Analysis (MD&A) of VDOT's overall changes in financial position. The Basic Financial Statements Section includes the government-wide and fund financial statements along with accompanying notes. The Required Supplementary Information section contains budgetary comparison schedules. The Combining and Individual Fund Statements and Schedules section contains combining fund financial statements for nonmajor special revenue funds and the Schedule of Federal Assistance.

Sincerely,

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

Janice Long  
Controller, VDOT

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## AGENCY OVERVIEW

### Virginia Department of Transportation Organization

Virginia Department of Transportation (VDOT) is responsible for building, maintaining and operating the state's roads, bridges and tunnels. The agency has one central office and nine district offices. VDOT has approximately 8,600 employees, which is a reduction from 10,200 employees as recently as fiscal year 2003. The 17-member Commonwealth Transportation Board guides the Department's work, much like a board of directors. The Secretary of Transportation serves as chairman and the Commonwealth Transportation Commissioner as vice-chairman. Members are appointed by the Governor and approved by the General Assembly.

### Transportation System

Virginia has the third largest state-maintained highway system in the United States with an annual operating budget of approximately \$3.8 billion. VDOT maintains over 57,000 miles of interstate, primary, and secondary roads and distributes state funds to help maintain over 10,000 miles of urban streets. VDOT not only maintains the roads, but also is responsible for more than 12,600 bridges, 4 underwater tunnels, 2 mountain tunnels, 2 toll roads, 1 toll bridge, 4 ferry services, 41 rest areas, and over 100 commuter parking lots.

### Mission

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

### Values

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

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

## **VDOT Accomplishments and Highlights for Fiscal Year 2007**

- ***VDOT completed more projects on time and on budget for fiscal year 2007.***

Each year, VDOT administration sets goals for the agency. The primary goals are to complete construction and maintenance projects on time and on budget and improve financial management and business operations. VDOT has continued to improve the number of construction and maintenance projects completed on time. In addition Dashboard, VDOT's online performance reporting system for projects and programs, was updated to include additional performance and accountability measures to improve transparency and accountability.

### Deadlines

Construction contracts completed on time: *(target 70 percent)*

FY 2007 90 percent

FY 2006 84 percent

FY 2005 75 percent

FY 2004 36 percent

Maintenance contracts completed on time: *(target 75 percent)*

FY 2007 80 percent

FY 2006 79 percent

FY 2005 73 percent

FY 2004 51 percent

### Budgets

Construction contracts completed within budget : *(target 80 percent)*

FY 2007 90 percent

FY 2006 86 percent

FY 2005 78 percent

FY 2004 73 percent

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

FY 2007 91 percent

FY 2006 88 percent

FY 2005 80 percent

FY 2004 81 percent

- ***Springfield Interchange Project Completed***

At the end of FY 2007, VDOT completed the eight-year, \$676 million Springfield Interchange Improvement Project. This project, which was completed on time and on budget, was considered one of the largest construction projects in the nation.

The new interchange — where Interstates 95, 395 and 495 converge — boasts 50 new ramps and bridges built to smooth traffic and separate local and long-distance traffic.

The project was constructed in seven phases over eight years using 43,000 tons of steel, 100,000 cubic yards of concrete, 750,000 tons of asphalt and 25 tons of grass seed. The former infamous Mixing Bowl was known for massive delays, and high accident rates. The new interchange is much safer and easier to navigate for commuters and long distance travelers.

- ***Public-Private Partnerships***

VDOT is leveraging public-private partnerships to get the most value for taxpayers dollars. Active Public-Private Transportation Act projects include.

- Route 28 (six interchanges) work being done in the Northern Virginia District.
- I-95/395 HOT Lanes Proposals.
- Capital Beltway (I-495) Hot Lanes
- Coalfields Expressway, work being done in the Bristol District.

- ***Transportation Funding***

VDOT worked with the General Assembly for the passage of House Bill 3202 which provided \$500 million annually in new state funds and \$600 million in new regional and local funds. HB 3202 funding reduced the highway maintenance deficit from \$450 million annually to \$260 million annually. In addition, HB 3202 provided increased transit funding \$100 million annually and rail funding \$13 million annually. VDOT also worked with the General Assembly to establish a Joint Commission on Transportation Accountability.

- ***Maintenance Streamlining***

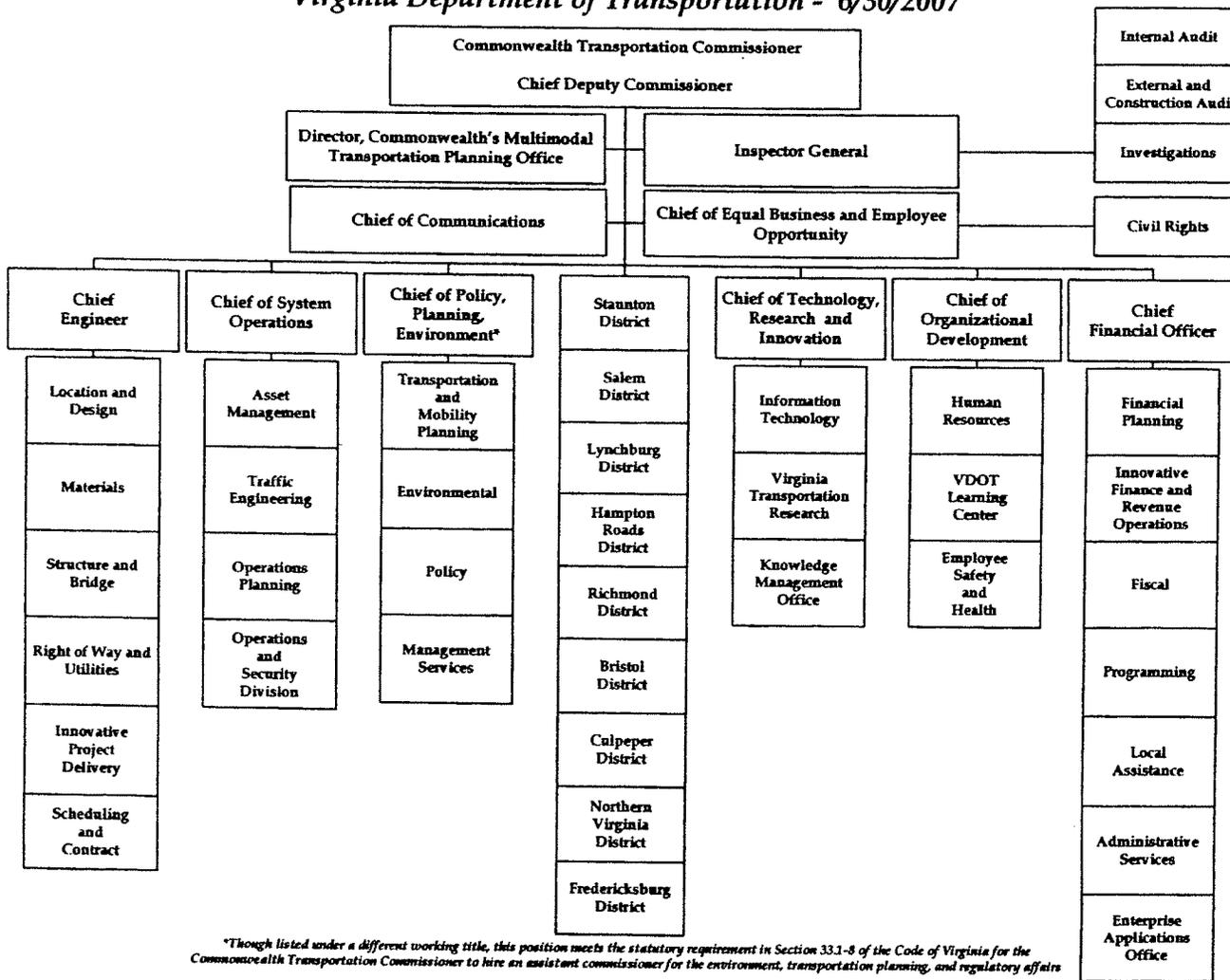
VDOT finalized its maintenance streamlining program as a part of its strategic business plan. VDOT will consolidate its 335 maintenance facilities into 248 locations by July 1, 2008. This consolidation comes as VDOT works to completely outsource interstate maintenance by July 1, 2009 as required by Virginia law. VDOT's existing maintenance facility structure was established in the 1930s and augmented in the 1950s and early 1960s with the construction of the interstate system. Since then, VDOT's business has evolved while technology and better equipment have changed the way the department builds, maintains, and operates Virginia's highway system. VDOT is adapting its maintenance facility structure to keep pace with these changes.

- ***Wounded Veterans Internship Program***

The VDOT Wounded Veterans Internship Program was launched in September 2006. This allowed wounded veterans who cannot or do not wish to return to jobs they had before serving in combat could find the opportunity at VDOT to restart their working lives as civilians. The first veterans joined the agency in March 2007. The state program is the only one of its kind among transportation departments across the country. The Federal Highway Administration is providing grant money and is partnering with VDOT in the program.

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Virginia Department of Transportation - 6/30/2007



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

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# FINANCIAL REPORT

JUNE 30, 2007

FINANCIAL SECTION

**Management's Discussion  
and Analysis**

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## Management's Discussion and Analysis

As management of the Virginia Department of Transportation, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Virginia Department of Transportation for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented here in conjunction with the information presented in our financial statements and the notes to the financial statements. **All amounts, unless otherwise indicated, are expressed in millions of dollars.**

### FINANCIAL HIGHLIGHTS

#### Government-wide Statements

The assets of the Virginia Department of Transportation exceeded its liabilities at the end of the fiscal year 2007 by \$13,924 (*net assets*). The Virginia Department of Transportation's total net assets increased by \$865. All of the increase in net assets in fiscal year 2007 came from the governmental activities. The Virginia Department of Transportation did not have any net assets from the business-type activities of the Pocahontas Parkway Association in fiscal year 2007. The Pocahontas Parkway Association, which reported net assets for business-type activities in previous years, was formally dissolved and terminated on July 26, 2006. The only transaction related to the Pocahontas Parkway Association shown in the financial statements for fiscal year 2007 is the transfer of its remaining cash of \$877,879 to the purchaser of the Pocahontas Parkway toll rights, Transurban (895) LLC.

#### Fund Statements

At the end of the fiscal year, the special revenue and debt service funds of the Virginia Department of Transportation reported a combined ending fund balance of \$1,763, an increase of \$67. Of this total fund balance, \$1,528 represents unreserved fund balance and the remaining \$236 represents amounts reserved for specific purposes. The Pocahontas Parkway Association enterprise fund did not report any net assets due to the agreement between the Pocahontas Parkway Association (PPA) and Transurban (895) LLC, for Transurban (895) LLC to assume the rights and obligations to maintain and collect tolls on the Pocahontas Parkway in fiscal 2006.

#### Long-term Debt

The Department's total debt (bonds and notes payable) for governmental activities decreased \$172 in fiscal year 2007. The Department has no debt for business type activities in fiscal year 2007 to disclose.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

## Government-wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the Virginia Department of Transportation that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through fees (*business-type activities*). The governmental activities of Virginia Department of Transportation include new highway construction and the maintenance of existing highways. Motor vehicle fuels taxes, motor vehicle sales & use taxes, motor vehicle license fees, state sales & use taxes, and federal transportation revenues finance most of the Department's activities. There were no business-type activities of the Virginia Department of Transportation in fiscal year 2007. The Pocahontas Parkway Association enterprise fund which provided the business-type activities in previous years was formally dissolved and terminated on July 26, 2006. See note 1B of the financial statement notes for more information.

## Fund Financial Statements

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

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

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

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

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

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

**Proprietary Fund:** In previous years and the early part of fiscal year 2007, the Virginia Department of Transportation maintained an enterprise fund (a type of proprietary fund) to account for the activities of a blended component unit for Route 895 (Pocahontas Parkway), which is operated by the Pocahontas Parkway Association. *Enterprise funds* are used to report the same functions presented as *business-type activities* in government-wide financial statements. However, the activities of the Pocahontas Parkway Association enterprise fund were transferred to Transurban (895) LLC in fiscal year 2006. A complete explanation of the Pocahontas Parkway Association is presented in Note 1B of the notes to the financial statements.

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

## Notes to the Financial Statements

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

## Required Supplementary Information

This section includes budgetary comparison schedules for special revenue funds.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve as a useful indicator of a government's financial position. In the case of the Virginia Department of Transportation, assets exceeded liabilities by \$13,924 at the close of fiscal year 2007.

By far the largest portion of the Virginia Department of Transportation's net assets (89 percent) reflects its investment in capital assets. The Virginia Department of Transportation's capital assets are mainly composed of the highway infrastructure and represent the Department's mission. Although the Virginia Department of Transportation's investment in capital assets are shown in the Net Assets table net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Statement of Net Assets:**

The following table represents the condensed Statement of Net Assets:

**Virginia Department of Transportation  
Net Assets  
as of June 30, 2007 and 2006**

	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Current and other assets	\$ 2,409.1	\$ 2,319.0	\$ -	\$ 0.9	\$ 2,409.1	\$ 2,319.9
Capital assets	14,229.3	13,610.5	-	-	14,229.3	13,610.5
Total assets	<u>16,638.4</u>	<u>15,929.5</u>	<u>-</u>	<u>0.9</u>	<u>16,638.4</u>	<u>15,930.4</u>
Current liabilities	637.0	697.7	-	0.9	637.0	698.6
Non-current liabilities	<u>2,077.2</u>	<u>2,172.7</u>	<u>-</u>	<u>-</u>	<u>2,077.2</u>	<u>2,172.7</u>
Total liabilities	<u>2,714.2</u>	<u>2,870.4</u>	<u>-</u>	<u>0.9</u>	<u>2,714.2</u>	<u>2,871.3</u>
Net assets:						
Invested in capital assets net of related debt	12,323.1	11,532.7	-	-	12,323.1	11,532.7
Restricted	437.0	559.5	-	-	437.0	559.5
Unrestricted	1,164.1	966.8	-	-	1,164.1	966.8
Total net assets	<u>\$ 13,924.2</u>	<u>\$ 13,059.1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,924.2</u>	<u>\$ 13,059.1</u>

An additional portion of the Virginia Department of Transportation's net assets (3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$1,164 may be used to meet the Department's ongoing obligations.

Net assets for business-type activities reported a zero amount due to the assumption of rights and obligations for the Pocahontas Parkway Association by an outside entity in fiscal year 2006. The only transaction related to the Pocahontas Parkway Association shown in the financial statements for fiscal year 2007 is the transfer of its remaining cash of \$877,879 to the purchaser of the Pocahontas Parkway toll rights, Transurban (895) LLC.

The Virginia Department of Transportation's net assets for governmental activities increased \$865 (7 percent) in fiscal year 2007. The increase was largely the result of added capitalization of infrastructure.

## Statement of Changes in Net Assets:

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

**Virginia Department of Transportation**  
**Changes in Net Assets**  
**For Fiscal Years Ended June 30, 2007 and 2006**

	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 344.2	\$ 350.3	\$ -	\$ 11.7	\$ 344.2	\$ 362.0
Capital grants and contributions	1,007.0	866.5	-	-	1,007.0	866.5
General revenues:						
Motor vehicle taxes	1,421.4	1,427.2	-	-	1,421.4	1,427.2
Sales and use tax	408.0	399.4	-	-	408.0	399.4
Other taxes	0.6	0.8	-	-	0.6	0.8
Investment earnings	69.5	36.2	-	2.1	69.5	38.3
Other revenues	29.0	61.2	-	1.6	29.0	62.8
Transfers to/from other state agencies and	(76.2)	(85.7)	-	-	(76.2)	(85.7)
Other financing sources (uses)	(1.4)	(1.0)	-	164.2	(1.4)	163.2
Insurance Recoveries	3.5	0.5	-	-	3.5	0.5
Total revenue	<u>3,205.6</u>	<u>3,055.4</u>	<u>-</u>	<u>179.6</u>	<u>3,205.6</u>	<u>3,235.0</u>
Expenses						
Administrative and support services	192.0	252.8	-	-	192.0	252.8
Ground Transportation system planning and research	33.3	14.1	-	-	33.3	14.1
Highway system acquisition and construction	669.0	387.1	-	-	669.0	387.1
Highway system acquisition and construction Bonds	-	89.8	-	-	-	89.8
Highway system maintenance	774.6	872.5	-	-	774.6	872.5
Ground transportation system	-	26.5	-	-	-	26.5
Financial assistance to localities	568.2	590.9	-	-	568.2	590.9
Environmental monitoring and Compliance	2.9	4.6	-	-	2.9	4.6
Land management	-	0.8	-	-	-	0.8
Toll facilities	63.7	56.0	-	-	63.7	56.0
Unallocated depreciation	7.6	7.2	-	-	7.6	7.2
Transfers to other state agencies	29.2	27.2	-	-	29.2	27.2
Pocahontas Parkway	-	-	-	39.3	-	39.3
Total expenses	<u>2,340.5</u>	<u>2,329.5</u>	<u>-</u>	<u>39.3</u>	<u>2,340.5</u>	<u>2,368.8</u>
Change in net assets	865.1	725.9	-	140.3	865.1	866.2
Net assets - July 1	<u>13,059.1</u>	<u>12,333.2</u>	<u>-</u>	<u>(140.3)</u>	<u>13,059.1</u>	<u>12,192.9</u>
Net assets - June 30	<u>\$ 13,924.2</u>	<u>\$ 13,059.1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,924.2</u>	<u>\$ 13,059.1</u>

**Governmental activities:** Governmental activities increased the Virginia Department of Transportation's net assets by \$865. Key elements of this increase are as follows:

- Program revenues increased by \$135, or 11 percent over the last fiscal year. This increase relates to increases of fiscal year 2007 capital grants and contributions of \$141. The increase is offset by the decreases in charges for services.
- Total general revenues increased by \$36 or 2 percent from fiscal year 2006, with increases primarily in road use taxes, sales & use taxes and investment earnings. The increase is offset by the decreases in motor vehicle fuel taxes and motor vehicle sales & use taxes.

For the fiscal year ended June 30, 2007, the Virginia Department of Transportation's expenditures from governmental activities totaled \$2,341, an increase of \$11 from the previous year. Most of the change is attributable to increases in ground transportation system planning and research, highway system acquisition and construction and toll facilities operations. Expenditures previously reported in fiscal year 2006 in the expenditure program, *Highway system acquisition and construction –bonds*, are reported for fiscal year 2007 in the expenditure program, *Highway system construction and acquisition*. The increase in expenditures is reduced by the decreases in administrative and support services, highway system maintenance, and ground transportation system safety charges.

**Business-type activities:** Virginia Department of Transportation had no business-type activities in fiscal year 2007. The Pocahontas Parkway Association Enterprise fund which reported business-type activities in the previous years was acquired by Transurban (895) LLC on June 26, 2006. The only transaction related to the Pocahontas Parkway Association shown in the financial statements for fiscal year 2007 is the transfer of its remaining cash of \$877,879 to the purchaser of the Pocahontas Parkway toll rights, Transurban (895) LLC.

### **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 with a fund balance of \$1,763, an increase of \$67 from the prior year. The increase in fund balance was largely the result of revenues and other financing sources exceeding expenditures and other financing uses for the fiscal year. Revenues and expenditures increased by 3 percent while other financing sources and uses decreased 126 percent. Changes in expenditures included a 13 percent increase in payments for assistance to localities and 12 percent increase in construction expenditures (for comparison of construction expenditures, the fiscal year 2006 amount for construction expenditures compared to FY 2007 construction expenditures includes Highway system construction expenditures and Highway system bond construction expenditures). Approximately 87 percent of the ending fund balance, \$1,528 constitutes *unreserved fund balance*, which is available for

spending at the Department's discretion. However, the Virginia Department of Transportation has commitments related to operating leases, right of way acquisitions and other contractual commitments related to current construction projects and planned maintenance activities. Note 3 of the notes to the financial statements provides a complete explanation of these amounts.

The Virginia Department of Transportation's main operating funds consist of the Highway Maintenance and Operating Fund (HMO), and the Transportation Trust Fund (Construction). These funds are reported as major funds in the governmental fund statements along with the Federal Highway Fund, Priority Transportation Fund, Federal Highway Reimbursement Anticipation Notes Fund, Route 58 Special Revenue Fund and Toll Facilities Revolving Fund. The major funds that showed significant changes in fund balance between fiscal years 2006 and 2007 are as follows:

- The fund balance of the Highway Maintenance and Operating Fund increased by \$157 in fiscal year 2007 over the previous year. The increase in revenues and other financing sources provided most of the increase in fund balance. While total revenues increased by \$2 or 12.1 percent and total expenditures increased by \$2 or 7.4 percent, other financing uses decreased by \$41 or 88.9 percent and other financing sources increased by \$97. The increase in other financing sources is primarily due to an increase in budgeted transfers from Construction Fund (crossover transfer recipient), \$277 in fiscal year 2007 compared to \$186 in fiscal year 2006. On the other hand, the decrease in other financing uses resulted from a transfer of \$5 for Camp 30 interest payment in fiscal year 2007. In fiscal year 2006, Highway Maintenance and Operating Fund transferred out \$46 to other funds for various payments.
- Changes in the fund balance of the Construction Fund were a decrease of \$76 in fiscal year 2007 compared to an increase in fiscal year 2006 of \$127. While total revenues increased by \$3 or less than 1 percent, total expenditures increased by \$65 or 19.6 percent. The increase in expenditures is related to a significant increase in highway system acquisition and construction of \$56 or 19 percent in fiscal year 2007. This is due to decreased use of the Priority Transportation Funds for construction expenditures in fiscal 2007. The increase in other financing uses is primarily due to an increase in budgeted transfers to Highway Maintenance and Operating Fund (crossover transfer payment), \$277 in fiscal year 2007 compared to \$186 in fiscal year 2006.
- Changes in the fund balance of the Priority Transportation Fund were an increase of \$78 in fiscal year 2007 compared to a decrease of \$57 in fiscal year 2006. The increase in fund balance is primarily due to a decrease in construction expenditures and an increase in transfers from other funds. Revenues decreased by \$27, or 15 percent due primarily to a decrease of \$37 provided by the general fund over the previous year. Total expenditures decreased by \$98 and other financing sources increased by \$50, or 91 percent. A small amount of construction expenditures \$11 were paid from the fund in fiscal year 2007 compared \$110 construction expenditures that were paid from the Priority Transportation Fund in fiscal year 2006.
- Changes in the fund balance of the Federal Highway Reimbursement Anticipation Notes (FRAN) Fund were a decrease of \$136 in fiscal year 2007 compared to an increase of \$168 in fiscal year 2006. The decrease in fund balance is primarily due to a decrease of \$263 in bond proceeds in fiscal year 2007. Bonds were sold for the FRAN fund in fiscal year 2006 but none in fiscal year 2007. Interest and dividend revenues decreased \$1 in fiscal year 2007

due to decrease in investment from FRAN bond proceeds. Total expenditures increased by \$24. This is due to increased use of the FRAN Fund for construction expenditures in fiscal year 2007. While other financing uses increased by \$15, other financing sources decreased by \$263 mainly from the sale of bonds in FRAN in fiscal year 2006.

- The fund balance of the Route 58 Special Revenue Fund increased by \$11 in fiscal year 2007 compared to \$0.6 increase in the previous year. The increase in fund balance is as a result of increases in other financing sources of \$13. The increase in other financing sources is offset by an increase in Highway System Acquisition and Construction expenditures of \$5 or 191 percent in fiscal year 2007.

The Debt Service funds have a total fund balance of \$97 in fiscal year 2007, all of which is reserved for the debt payment. This is an increase of \$3 in fund balance in fiscal year 2007 over the previous year. This increase in fund balance is primarily due to an increase in transfers-in of \$11 from special revenue funds. The increase in transfer-in is due to higher debt service payment requirements resulting from the new Federal Highway Reimbursement Anticipation Notes, Series 2005 and Camp 30 notes series 2006. The increase in transfer-in is reduced by the increase in total expenditures of \$28 or 7.8 percent.

***Proprietary funds:*** The Pocahontas Parkway Association reported zero amounts of net assets in fiscal year 2007 and 2006. The assets and obligations of the Association were transferred to Transurban (895) LLC at the end of the fiscal year 2006 and the only transaction related to the Association shown in the financial statements for fiscal year 2007 is the transfer of its remaining cash of \$877,879 to the new owner, the Transurban (895) LLC.

## Special Revenue Fund Budgetary Highlights

**Virginia Department of Transportation  
Budget Comparison Summary  
Special Revenue Fund  
For the Fiscal Year Ended June 30, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Taxes	\$ 1,870.3	\$ 1,870.3	\$ 1,822.3	\$ (48.0)
Intergovernmental	1,159.3	1,159.3	598.4	(560.9)
Other	610.5	610.5	685.9	75.4
Total	<u>3,640.1</u>	<u>3,640.1</u>	<u>3,106.6</u>	<u>(533.5)</u>
Expenditures	<u>3,241.0</u>	<u>3,780.4</u>	<u>2,742.2</u>	<u>1,038.2</u>
Revenues over (under) expenditures	399.1	(140.3)	364.4	504.7
Other sources	<u>(176.4)</u>	<u>(170.9)</u>	<u>(333.1)</u>	<u>(162.2)</u>
Revenues and other sources over (under) expenditures	222.7	(311.2)	31.3	342.5
Fund balance - July 1	<u>1,609.4</u>	<u>1,609.4</u>	<u>1,609.4</u>	<u>-</u>
Fund balance - June 30	<u>\$ 1,832.1</u>	<u>\$ 1,298.2</u>	<u>\$ 1,640.7</u>	<u>\$ 342.5</u>

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

### Capital Assets and Debt Administration

**Capital assets:** The Virginia Department of Transportation's investment in capital assets for its governmental as of June 30, 2007 amounts to \$14,229 (net of accumulated depreciation.) This investment in capital assets includes land, buildings, improvements, equipment, and highway infrastructure. The total increase in the Virginia Department of Transportation's investment in capital assets for the current fiscal year was 4.6 percent

**Virginia Department of Transportation  
Capital Assets  
as of June 30, 2007 and 2006  
(net of depreciation)**

	<u>Governmental activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Depreciable Capital Assets:				
Buildings and improvements	\$ 150.7	\$ 146.9	\$ 150.7	\$ 146.9
Equipment	<u>148.5</u>	<u>135.5</u>	<u>148.5</u>	<u>135.5</u>
Total Depreciable Capital Assets	<u>299.2</u>	<u>282.4</u>	<u>299.2</u>	<u>282.4</u>
Non Depreciable Capital Assets:				
Land and improvements	21.6	21.6	21.6	21.6
Construction in process	<u>53.7</u>	<u>42.3</u>	<u>53.7</u>	<u>42.3</u>
Total Non Depreciable Capital Assets	<u>75.3</u>	<u>63.9</u>	<u>75.3</u>	<u>63.9</u>
Infrastructure Assets:				
Highway right-of-way, non-depreciable	1,526.5	1,433.9	1,526.5	1,433.9
Highway system infrastructure	7,242.7	6,900.1	7,242.7	6,900.1
Restorative maintenance	954.4	753.1	954.4	753.1
Bridge and tunnel infrastructure	2,011.8	2,007.9	2,011.8	2,007.9
Infrastructure work in process	<u>2,119.4</u>	<u>2,169.2</u>	<u>2,119.4</u>	<u>2,169.2</u>
Total Infrastructure assets	<u>13,854.8</u>	<u>13,264.2</u>	<u>13,854.8</u>	<u>13,264.2</u>
Total Assets	<u>\$14,229.3</u>	<u>\$ 13,610.5</u>	<u>\$ 14,229.3</u>	<u>\$ 13,610.5</u>

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

**Long-term debt – Bonds Payable:** At the end of the current fiscal year, the Commonwealth Transportation Board (CTB) had total bonded debt outstanding of \$1,797 related to governmental activities. Of this amount, \$91 comprises debt backed by the full faith, credit, and taxing power of the Commonwealth. The majority, \$1,706 of the Commonwealth Transportation Board's bonds payable, is comprised of revenue bonds and is not backed by the full faith and credit of the Commonwealth. There were no outstanding debts for any business-type activities in fiscal year 2007.

**Virginia Department of Transportation  
Outstanding Bonds  
as of June 30, 2007 and 2006**

	<u>Governmental activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
General Obligation Bonds:				
Section 9(b) debt	\$ 22.3	\$ 27.2	\$ 22.3	\$ 27.2
Section 9(c) debt	69.2	79.5	69.2	79.5
Total General Obligation Bonds	<u>91.5</u>	<u>106.7</u>	<u>91.5</u>	<u>106.7</u>
Section 9(d) debt				
Transportation Revenue Bonds	947.1	993.2	947.1	993.2
Federal Highway Reimbursement				
Anticipation Notes	758.8	869.1	758.8	869.1
Total Section 9(d) debt	<u>1,705.9</u>	<u>1,862.3</u>	<u>1,705.9</u>	<u>1,862.3</u>
Toll Road Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Bonds Payable	<u>\$ 1,797.4</u>	<u>\$ 1,969.0</u>	<u>\$ 1,797.4</u>	<u>\$ 1,969.0</u>

The Commonwealth Transportation Board's bonds debt, from governmental activities, decreased by \$171.6 (8.7 percent) during the current fiscal year. The decrease was the result of the defeasance of old debt of \$128.4 in fiscal year 2007. Also the principal retirements of several existing debt began in fiscal year 2007. This decrease was reduced by the impacts of the fiscal year 2007 new bond issuance of \$125.9. There were not any outstanding debt for business type activities in fiscal year 2007.

The bond market conditions were very favorable during the fiscal year 2007 and allowed the Commonwealth Transportation Board to proceed with the issuance of additional authorized debt and the refunding of the existing debt at lower interest rates. Early in fiscal year 2007, the Commonwealth Transportation Board initiated the following activities:

Issued \$84.0 in US Route 58 Corridor Development Program, Commonwealth of Virginia Transportation Revenue and Refunding Bonds, Series 2007B at 5.000 percent interest rate. Proceeds of these bonds were used to defease \$88.8 of Transportation Revenue Bonds, Series 1997C. The refunded bonds series 1997C had carrying interest rates varying from 4.100 percent to 5.125 percent.

Issued \$39.1 in Northern Virginia Transportation District Program, Commonwealth of Virginia Transportation Revenue and Refunding Bonds, Series 2007A at rates varying from 4.000 percent to 5.000 percent. Proceeds of these bonds were used to defease \$39.6 of Transportation Revenue Bonds, Series 1997B. The refunded bonds, series 1997B had carrying interest rates varying from 4.100 percent to 7.250 percent.

**Long-term debt--Notes Payable:** At the end of the current fiscal year, the Commonwealth Transportation Board (CTB) had total notes debt outstanding of \$108 related to governmental activities. Of this amount, \$4.3 comprises debt backed by the full faith, credit, and taxing power of the Commonwealth. The majority, \$104.5 of the Commonwealth Transportation Board's notes payable, is comprised of Camp 30 notes and is not backed by the full faith and credit of the Commonwealth. There were no outstanding debts for any business-type activities in fiscal year 2007.

	Governmental activities		Total	
	2007	2006	2007	2006
General Obligation Notes:				
	\$ -	\$ -	\$ -	\$ -
Section 9(c) debt	4.3	4.3	4.3	4.3
Total General Obligation Notes	<u>4.3</u>	<u>4.3</u>	<u>4.3</u>	<u>4.3</u>
Section 9(d) debt				
Chesterfield County Notes	8.0	8.0	8.0	8.0
Camp 30 Notes Payable	96.5	96.5	96.5	96.5
Total Section 9(d) debt	<u>104.5</u>	<u>104.5</u>	<u>104.5</u>	<u>104.5</u>
Toll Road Revenue Notes	-	-	-	-
Total Notes Payable	<u>\$ 108.8</u>	<u>\$ 108.8</u>	<u>\$ 108.8</u>	<u>\$ 108.8</u>

There were no changes in the Commonwealth Transportation Board's notes payable from governmental activities in fiscal year 2007. The Commonwealth Transportation Board did not issue any new debt. Also, the Virginia Department of Transportation did not retire any principal amount of the old debt in fiscal year 2007.

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

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

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

- State revenues estimates for most major sources for fiscal year 2008 are an increase from fiscal year 2007 estimates. However, due to the reality of the slowing economy, there is a probability that actual revenue collections in 2008 could be below budgeted projection. The slowing economy could affect revenues going forward.
- Increases in maintenance and construction costs continue to impact the programs' performance.
- In fiscal year 2008, a construction fund transfer of \$260.6 million is budgeted and will be transferred by mid-year to cover the Highway Maintenance and Operating Fund's funding deficit. Similar transfers of increasing magnitude are forecasted in future years. The anticipated transfers for fiscal years 2009 through 2013 are \$210.8 million, \$230.9 million, \$269.5 million, \$312.4 million, and \$384.7 million respectively.
- The Highway Maintenance and Operating Fund has new state revenue sources from the passage of HB 3202, Chapter 896 of the 2007 Virginia Acts of Assembly. They include abusive driver fees (\$61.9 million beginning in 2009), increased vehicle registration fees

(\$89.4 million in 2008), and weight limit violation fees (\$3.4 million in 2008). There were also increases to the diesel and road taxes, which will contribute \$19.8 million in additional revenue.

- Legislation is under consideration by the 2008 General Assembly that will repeal the abusive drive fees.
- The Department will begin issuing bonds in 2008 authorized by HB 3202, Chapter 896 of the 2007 Virginia Acts of Assembly. \$75 million worth of bonds will be sold in 2008, while \$300 million will be sold in 2009 and 2010. The majority of bond money will provide the match to federal funds within the agency's construction program. A portion of the bond proceeds are dedicated to mass transit

The above Economic Factors have been considered in the preparation of the Virginia Department of Transportation's fiscal year 2009-2014 forecasts. The Department continues to focus efforts on opportunities to enhance its financial practices.

### **Requests for Information**

This financial report is designed to provide a general overview of the Virginia Department of Transportation's finances for all those with an interest in the Department's finances. Questions concerning any of the information provided or requests for additional information should be directed to: Virginia Department of Transportation, Controller's Office, 1401 East Broad Street, Richmond, Virginia 23219. This report is also available for download from the World Wide Web. Our Internet address is [www.virginiadot.org](http://www.virginiadot.org).

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# FINANCIAL REPORT

JUNE 30, 2007

BASIC FINANCIAL STATEMENTS

**Government-wide  
Financial Statements**

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**Virginia Department of Transportation  
Statement of Net Assets  
June 30, 2007**

<b>Primary Government</b>
<b>Governmental Activities</b>

**Assets :**

Cash and Investments with the Treasurer of Virginia (Note 12)	\$1,423,399,701
Cash and investments with trustees (Note 12)	269,034,901
Collateral held for securities lending - investments (Note 12)	379,973,168
Advance fund	516,595
Prepaid items	306,962
Receivables: (Net)	
Federal government	87,540,577
Cities, counties, and towns	12,826,578
State agencies	3,148,751
Loans & Other	53,221,125
Taxes	127,672,638
Due from other agencies	1,473,723
Capitalized bond discounts and issue costs	7,398,823
Capitalized notes discounts and issue costs	598,019
Inventory (Note 1- G)	42,018,180
Depreciable Capital Assets, Net (Note 10)	299,211,999
Infrastructure, net (Note 10)	10,208,962,504
Infrastructure non deprec. (Note 10)	1,526,485,309
Infrastructure, Work in Process (Note 10)	2,119,376,816
Non Depreciable Capital Assets (Note 10 )	75,302,977
Total Assets	<u>16,638,469,346</u>

**Liabilities :**

Accounts payable	145,799,648
Deposits payable	35,415,939
Payable for collateral held for securities lending	379,973,168
Deferred revenue	7,888,144
Premium on bonds payable	102,867,581
Premium on notes payable	3,871,678
Accrued liabilities	35,353,627
Retainage on contracts	2,920,051
Non Current Liabilities	
Bond interest payable	29,044,892
Note interest payable	580,023
Compensated absences (Note 1- J and Note 5)	
Expected to be paid within one year	45,970,097
Expected to be paid after one year	18,272,907
Capital leases payable (Note 5)	
Expected to be paid within one year	6,465
Expected to be paid after one year	6,465
Bonds Payable (Note 5)	
Portion due within one year	175,864,756
Portion due after one year	1,621,563,415
Notes Payable (Note 5)	
Portion due within one year	3,190,000
Portion due after one year	105,650,000
Total liabilities	<u>2,714,238,856</u>

**Net Assets**

Invested in Capital Assets net of related debt	12,323,058,504
Restricted for (Note 6)	
Bond Financed Road	
Construction	243,406,151
Capital Acquisition	96,356,493
Debt service	97,317,290
Unrestricted	1,164,092,052
Total Net Assets	<u>\$13,924,230,490</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, 2007

Functions Programs	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
Primary Government					
Governmental Activities					
Administrative and support services	\$191,994,199				(\$191,994,199)
Ground transportation system planning and research	33,280,824				(33,280,824)
Highway system acquisition and construction	668,992,299	\$37,725,869	\$0	\$995,641,125	364,374,695
Highway system maintenance	774,618,381	213,143,021		628,351	(560,847,009)
Financial assistance to localities	568,194,863				(568,194,863)
Environmental monitoring and compliance	2,886,969				(2,886,969)
Toll facilities operations and construction	63,699,240	93,382,972	0	10,741,289	40,425,021
Unallocated Depreciation (excludes direct depreciation)	7,607,591				(7,607,591)
Transfers to other state agencies (Note 9)	29,219,693				(29,219,693)
Total Governmental Activities	2,340,494,059	344,251,862	0	1,007,010,765	(989,231,432)
<b>Total Primary Government</b>	<b>\$2,340,494,059</b>	<b>\$344,251,862</b>	<b>\$0</b>	<b>\$1,007,010,765</b>	<b>(\$989,231,432)</b>

GENERAL REVENUES

Taxes	
Motor Vehicle Fuel Tax	\$854,747,892
Road Use Tax	5,262,799
Sales and Use Tax	408,031,521
MV Sales and Use Tax	553,635,233
MV Rental Tax	6,080,180
Aviation Fuel Tax	1,737,421
Other Taxes	602,981
Investment Earnings	69,497,729
Other Revenues	20,781,256
Gain on sales	8,200,946
Transfers to other State Agencies and Gen Fund (Note 9)	(89,749,077)
Transfers from other State Agencies and Gen Fund (Note 9)	13,499,151
Insurance recoveries	3,478,545
Other Financing Sources (Uses)	(1,436,961)
Total General Revenues, Special Items and Transfers	1,854,369,616
Change in Net Assets	865,138,184
Net Assets July 1	13,059,092,306
Net Assets June 30	\$13,924,230,490

The accompanying notes are an integral part of this financial statement

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

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# Governmental Funds

## Special Revenue Funds:

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

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

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

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

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

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

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

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

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## Debt Service Funds:

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

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

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

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

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

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

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

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

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

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

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

**VIRGINIA DEPARTMENT OF TRANSPORTATION  
BALANCE SHEET GOVERNMENTAL FUNDS  
SPECIAL REVENUE  
June 30, 2007**

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

Cash and investments with the Treasurer of Virginia (Note 12)	\$194,285,869	\$5,005	\$535,421,282
Cash and investments with trustees (Note 12)	0	0	501,100
Collateral held for sec. lending - investments (Note 12)	0	0	0
Advance fund	313,595	0	60,000
Receivables: (Net)			
Federal government	0	87,540,577	0
Cities, counties, and towns	984,708	0	11,841,870
State agencies	3,148,401	0	0
Loans & Other	7,090,885	0	14,196,890
Taxes receivable	75,141,839	0	52,530,799
Due from other funds (Note 8)	350	0	32,615,900
Due from agencies	0	0	0
Prepaid Expense	306,962	0	0
Inventory (Note 1 G)	35,217,324	0	1,052,423
<b>Total assets</b>	<b>316,489,933</b>	<b>87,545,582</b>	<b>648,220,264</b>

**LIABILITIES AND FUND BALANCES**

Liabilities :			
Accounts payable	47,766,030	71,120,511	19,225,647
Deposits payable	13,190,562	0	2,703,272
Payable for collateral held for securities lending	0	0	0
Due to other funds (Note 8)	0	15,824,800	43,281,565
Deferred revenue	11,779,330	595,266	22,893,527
Liability for compensated absences	58,287	0	11,611
Accrued liabilities	29,021,512	0	5,993,256
Retainage on contracts	2,034,068	0	670,922
<b>Total liabilities</b>	<b>103,849,789</b>	<b>87,540,577</b>	<b>94,779,800</b>
Fund Balances Reserved for			
Inventories	35,217,324	0	1,052,423
Capital Acquisition	0	0	0
Fund Balances Unreserved			
Reported In			
Special Revenue	177,422,820	5,005	552,388,041
<b>Total fund balances</b>	<b>212,640,144</b>	<b>5,005</b>	<b>553,440,464</b>
<b>Total liabilities and fund balances</b>	<b>\$316,489,933</b>	<b>\$87,545,582</b>	<b>\$648,220,264</b>

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION  
BALANCE SHEET GOVERNMENTAL FUNDS  
SPECIAL REVENUE  
June 30, 2007**

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

Cash and investments with the Treasurer of Virginia (Note 12)	\$210,762,916	\$128,942,400	\$44,462,794
Cash and investments with trustees (Note 12)	0	3,757,647	827,662
Collateral held for sec. lending - investments (Note 12)	61,157,396	245,669,505	12,901,836
Advance fund	0	0	0
Receivables: (Net)			
Federal government	0	0	0
Cities, counties, and towns	0	0	0
State agencies	0	0	0
Loans & Other	0	31,901,303	0
Taxes receivable	0	0	0
Due from other funds (Note 8)	8,304,812	113,571,162	0
Due from agencies	1,473,723	0	0
Prepaid Expense	0	0	0
Inventory (Note 1 G)	0	5,748,433	0
<b>Total assets</b>	<b>281,698,847</b>	<b>529,590,450</b>	<b>58,192,292</b>

**LIABILITIES AND FUND BALANCES**

Liabilities :			
Accounts payable	0	3,414,311	1,278,171
Deposits payable	0	19,522,105	0
Payable for collateral held for securities lending	61,157,396	245,669,505	12,901,836
Due to other funds (Note 8)	0	0	0
Deferred revenue	0	0	0
Liability for compensated absences	0	0	0
Accrued liabilities	0	0	0
Retainage on contracts	0	0	150,660
<b>Total liabilities</b>	<b>61,157,396</b>	<b>268,605,921</b>	<b>14,330,667</b>
Fund Balances Reserved for			
Inventories	0	5,748,433	0
Capital Acquisition	0	0	0
Fund Balances Unreserved			
Reported In			
Special Revenue	220,541,451	255,236,096	43,861,625
<b>Total fund balances</b>	<b>220,541,451</b>	<b>260,984,529</b>	<b>43,861,625</b>
<b>Total liabilities and fund balances</b>	<b>\$281,698,847</b>	<b>\$529,590,450</b>	<b>\$58,192,292</b>

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION  
BALANCE SHEET GOVERNMENTAL FUNDS  
SPECIAL REVENUE  
June 30, 2007**

	FEDERAL REIMBURSEMENT ANTICIPATION NOTES	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	Totals	
			Special Revenue Funds June 30, 2007	June 30, 2006
<b>ASSETS</b>				
Cash and investments with the Treasurer of Virginia (Note 12)	\$212,364	\$307,699,601	\$1,421,792,231	\$1,215,856,047
Cash and investments with trustees (Note 12)	61,331,175	106,907,497	173,325,081	337,400,030
Collateral held for sec. lending - investments (Note 12)	61,622	60,182,809	379,973,168	364,368,918
Advance fund	0	143,000	516,595	559,099
Receivables: (Net)				
Federal government	0	0	87,540,577	65,636,839
Cities, counties, and towns	0	0	12,826,578	7,835,677
State agencies	0	350	3,148,751	4,848,931
Loans & Other	0	32,047	53,221,125	50,340,504
Taxes receivable	0	0	127,672,638	119,917,569
Due from other funds (Note 8)	0	0	154,492,224	179,253,968
Due from agencies	0	0	1,473,723	0
Prepaid Expense	0	0	306,962	0
Inventory (Note 1 G)	0	0	42,018,180	47,929,226
<b>Total assets</b>	<b>61,605,161</b>	<b>474,965,304</b>	<b>2,458,307,833</b>	<b>2,393,946,808</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities :				
Accounts payable	0	2,994,978	145,799,648	162,050,380
Deposits payable	0	0	35,415,939	34,828,534
Payable for collateral held for securities lending	61,622	60,182,809	379,973,168	364,368,918
Due to other funds (Note 8)	0	95,385,859	154,492,224	179,253,968
Deferred revenue	0	2,835,551	38,103,674	32,731,584
Liability for compensated absences	0	578	70,476	153,928
Accrued liabilities	0	338,859	35,353,627	13,071,968
Retainage on contracts	0	64,401	2,920,051	5,631,832
<b>Total liabilities</b>	<b>61,622</b>	<b>161,803,035</b>	<b>792,128,807</b>	<b>792,091,112</b>
Fund Balances Reserved for				
Inventories	0	0	42,018,180	47,929,226
Capital Acquisition	0	96,356,493	96,356,493	99,652,534
Fund Balances Unreserved				
Reported In				
Special Revenue	61,543,539	216,805,776	1,527,804,353	1,454,273,936
<b>Total fund balances</b>	<b>61,543,539</b>	<b>313,162,269</b>	<b>1,666,179,026</b>	<b>1,601,855,696</b>
<b>Total liabilities and fund balances</b>	<b>\$61,605,161</b>	<b>\$474,965,304</b>	<b>\$2,458,307,833</b>	<b>\$2,393,946,808</b>

The accompanying notes are an integral part of this financial statement

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VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BALANCE SHEET  
 DEBT SERVICE FUNDS  
 June 30, 2007

	ROUTE 58	ROUTE 28	CAMP 30	NORTHERN VA. TRANSP. DISTRICT	FEDERAL REIMBURSEMENT ANTICIPATION NOTES	COLEMAN BRIDGE	OMER L. HIRST- ADELARD L. BRAULT EXPRESSWAY	POWHITE PARKWAY EXTENSION	TRANSPORTATION SET ASIDE	TOTALS
<b>ASSETS</b>										
Cash and investments with the Treasurer of Virginia	\$0	\$0	\$0	\$0	\$0	\$264,594	\$877,128	\$465,748	\$0	\$1,607,470
Cash and investments with trustees	24,022	1	12,328	12,908	95,659,447	0	0	0	1,114	95,709,820
<b>Total assets</b>	<b>\$24,022</b>	<b>\$1</b>	<b>\$12,328</b>	<b>\$12,908</b>	<b>\$95,659,447</b>	<b>\$264,594</b>	<b>\$877,128</b>	<b>\$465,748</b>	<b>\$1,114</b>	<b>\$97,317,290</b>
<b>LIABILITIES AND FUND EQUITY</b>										
Liabilities:										
Fund equity:										
Fund balances	24,022	1	12,328	12,908	95,659,447	264,594	877,128	465,748	1,114	97,317,290
<b>Total Liabilities and Fund Equity</b>	<b>\$24,022</b>	<b>\$1</b>	<b>\$12,328</b>	<b>\$12,908</b>	<b>\$95,659,447</b>	<b>\$264,594</b>	<b>\$877,128</b>	<b>\$465,748</b>	<b>\$1,114</b>	<b>\$97,317,290</b>

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VIRGINIA DEPARTMENT OF TRANSPORTATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2007

	SPECIAL REVENUE	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS JUNE 30, 2007
<b>ASSETS</b>			
Cash and investments			
with the Treasurer of Virginia (Note 12)	\$1,421,792,231	\$1,607,470	\$1,423,399,701
Cash and investments with trustees (Note 12)	173,325,081	95,709,820	269,034,901
Collateral held for securities lending (Note 12)	379,973,168	0	379,973,168
Advance fund	516,595	0	516,595
Receivables: (Net)			
Federal government	87,540,577	0	87,540,577
Cities, counties, and towns	12,826,578	0	12,826,578
State agencies	3,148,751	0	3,148,751
Loans & Other	53,221,125	0	53,221,125
Taxes Receivable	127,672,638	0	127,672,638
Due from other funds (Note 8)	154,492,224	0	154,492,224
Due from agencies	1,473,723	0	1,473,723
Prepaid Expense	306,962	0	306,962
Inventory (Note 1G)	42,018,180	0	42,018,180
Total Assets	<u>\$2,458,307,833</u>	<u>\$97,317,290</u>	<u>\$2,555,625,123</u>
<b>LIABILITIES AND FUND EQUITY</b>			
Accounts payable	\$145,799,648	\$0	\$145,799,648
Deposits payable	35,415,939	0	35,415,939
Payable for collateral held for securities lending	379,973,168	0	379,973,168
Due to other funds (Note 8)	154,492,224	0	154,492,224
Deferred revenue	38,103,674	0	38,103,674
Compensated absences payable	70,476	0	70,476
Accrued liabilities	35,353,627	0	35,353,627
Retainage on contracts	2,920,051	0	2,920,051
Total liabilities	<u>792,128,807</u>	<u>0</u>	<u>792,128,807</u>
Fund Balance Reserved for			
Inventories	42,018,180	0	42,018,180
Capital Acquisition	96,356,493	0	96,356,493
Debt Service	0	97,317,290	97,317,290
Fund Balance Unreserved for			
Special Revenue	<u>1,527,804,353</u>	<u>0</u>	<u>1,527,804,353</u>
Total Fund Equity	<u>1,666,179,026</u>	<u>97,317,290</u>	<u>1,763,496,316</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$2,458,307,833</u>	<u>\$97,317,290</u>	<u>\$2,555,625,123</u>

The accompanying notes are an integral part of this financial statement

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**VIRGINIA DEPARTMENT OF TRANSPORTATION**

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
June 30, 2007**

Total fund balances - governmental funds	\$1,763,496,316
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Amounts reported for governmental activities in the statement of net assets are different because:

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

Land and Non depreciable capital assets	\$75,302,977	
Equipment and Buildings	534,683,710	
Infrastructure assets	22,668,238,377	
Accumulated Depreciation	<u>(9,048,885,459)</u>	
Total capital assets		14,229,339,605

Other long term assets are not available to pay for current period expenditures and therefore are not reported in the funds.	30,215,530
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Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of :

Bond and notes payable	(1,906,268,171)	
Capital leases	(12,930)	
Interest payable	(29,624,915)	
Bond and notes discount and issue cost	7,996,842	
Premium payable	(106,739,259)	
Compensated absences	<u>(64,172,528)</u>	
Total liabilities		<u>(2,098,820,961)</u>

Net assets of governmental activities	<u><u>\$13,924,230,490</u></u>
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**VIRGINIA DEPARTMENT OF TRANSPORTATION  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS-SPECIAL REVENUE  
June 30, 2007**

	<b>HIGHWAY MAINTENANCE &amp; OPERATING</b>	<b>FEDERAL</b>	<b>CONSTRUCTION</b>
<b>Revenues</b>			
Revenues provided by the General Fund of the Commonwealth			
Taxes	\$0	\$0	\$0
Rights and privileges	1,138,500,322	0	673,082,554
Sale of property and commodities	205,147,201	0	28,415,811
Interest, dividends and rents	421,834	0	8,200,946
Fines, forfeitures, court fees, penalties, and escheats	61,050	0	3,880,595
Federal grants and contracts	7,512,936	0	53,102
Receipts from cities, counties, and towns	0	621,869,622	0
Toll revenue	628,351	0	41,881,136
Other revenue	0	0	0
	14,485,501	0	3,562,548
Total revenue	<u>1,366,757,195</u>	<u>621,869,622</u>	<u>759,076,692</u>
<b>Expenditures</b>			
Current:			
Administrative and support services	197,951,628	260,919	456,480
Ground transportation system planning and research	4,297,249	13,425,155	15,558,420
Highway system acquisition and construction	37,644,928	528,357,613	355,134,376
Highway system acquisition and construction-Bond Proceeds	0	0	0
Highway system maintenance	880,834,762	80,088,961	0
Ground transportation system safety	0	0	0
Financial assistance to localities	312,561,536	8,901,717	20,701,326
Environmental monitoring and compliance	14,911,880	0	0
Land management	0	0	0
Toll facilities operations and construction	0	0	0
Capital Outlay	252,253	58,652	6,230,767
Transfers to other state agencies (Note 9)	29,219,693	0	0
Total expenditures	<u>1,477,673,929</u>	<u>631,093,017</u>	<u>398,081,369</u>
Revenues over (under) expenditures	<u>(110,916,734)</u>	<u>(9,223,395)</u>	<u>360,995,323</u>
<b>Other financing sources (uses)</b>			
Other financing sources (uses)	0	0	0
Bond Proceeds	0	0	0
Note Proceeds	0	0	0
Insurance Recoveries	3,478,545	0	0
Transfers to other state agencies and General Fund (Note 9)	(12,275,783)	0	(18,274,124)
Transfers from other state agencies and General Fund (Note 9)	0	9,148,560	0
Transfers in (Note 9)	281,968,837	140,521,973	0
Transfers out (Note 9)	(5,065,538)	(140,521,973)	(418,900,371)
Total other financing sources (uses)	<u>268,106,061</u>	<u>9,148,560</u>	<u>(437,174,495)</u>
Net Change in Fund Balance	157,189,327	(74,835)	(76,179,172)
Beginning fund balance - July 1	55,450,817	79,840	629,619,636
Ending fund balance - June 30	<u>\$212,640,144</u>	<u>\$5,005</u>	<u>\$553,440,464</u>

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS-SPECIAL REVENUE  
June 30, 2007**

	PRIORITY TRANSPORTATION FUND	TOLL FACILITIES REVOLVING	ROUTE 58
<b>Revenues</b>			
Revenues provided by the General Fund of the Commonwealth	\$111,300,000	\$0	\$40,000,000
Taxes	20,000,000	0	0
Rights and privileges	0	0	0
Sale of property and commodities	0	0	4,630
Interest, dividends and rents	16,005,635	50,158,608	3,332,167
Fines, forfeitures, court fees, penalties, and escheats	0	231,237	0
Federal grants and contracts	0	0	0
Receipts from cities, counties, and towns	0	0	0
Toll revenue	0	0	0
Other revenue	0	11,152,983	514
Total revenue	<u>147,305,635</u>	<u>61,542,828</u>	<u>43,337,311</u>
<b>Expenditures</b>			
Current:			
Administrative and support services	0	0	0
Ground transportation system planning and research	0	0	0
Highway system acquisition and construction	11,232,008	0	7,620,292
Highway system acquisition and construction-Bond Proceeds	0	0	0
Highway system maintenance	0	0	0
Ground transportation system safety	0	0	0
Financial assistance to localities	0	0	0
Environmental monitoring and compliance	0	0	0
Land management	0	0	0
Toll facilities operations and construction	0	27,479,559	0
Capital Outlay	0	0	0
Transfers to other state agencies (Note 9)	0	0	0
Total expenditures	<u>11,232,008</u>	<u>27,479,559</u>	<u>7,620,292</u>
Revenues over (under) expenditures	<u>136,073,627</u>	<u>34,063,269</u>	<u>35,717,019</u>
<b>Other financing sources (uses)</b>			
Other financing sources (uses)	0	(719,004)	(59,205)
Bond Proceeds	0	0	136,926
Note Proceeds	0	0	0
Insurance Recoveries	0	0	0
Transfers to other state agencies and General Fund (Note 9)	(21,808,449)	0	0
Transfers from other state agencies and General Fund (Note 9)	0	0	0
Transfers in (Note 9)	104,378,912	120,823	25,272,573
Transfers out (Note 9)	(140,521,973)	(14,832,612)	(50,239,147)
Total other financing sources (uses)	<u>(57,951,510)</u>	<u>(15,430,793)</u>	<u>(24,888,853)</u>
Net Change in Fund Balance	78,122,117	18,632,476	10,828,166
Beginning fund balance - July 1	142,419,334	242,352,053	33,033,459
Ending fund balance - June 30	<u>\$220,541,451</u>	<u>\$260,984,529</u>	<u>\$43,861,625</u>

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS-SPECIAL REVENUE  
June 30, 2007**

	FEDERAL REIMBURSEMENT ANTICIPATION NOTES	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	Totals	
			Special Revenue Funds JUNE 30, 2007	JUNE 30, 2006
<b>Revenues</b>				
Revenues provided by the General Fund of the Commonwealth	\$0	\$0	\$151,300,000	\$185,002,289
Taxes	0	0	1,831,582,876	1,826,860,887
Rights and privileges	0	4,165,328	237,728,340	245,730,268
Sale of property and commodities	0	0	8,627,410	7,403,341
Interest, dividends and rents	6,570,170	23,854,128	103,862,353	59,835,571
Fines, forfeitures, court fees, penalties, and escheats	0	0	7,797,275	7,411,833
Federal grants and contracts	0	0	621,869,622	484,545,977
Receipts from cities, counties, and towns	0	14,820,094	57,329,581	80,634,678
Toll revenue	0	81,916,853	81,916,853	82,028,773
Other revenue	0	3,629,229	32,830,775	57,501,282
<b>Total revenue</b>	<b>6,570,170</b>	<b>128,385,632</b>	<b>3,134,845,085</b>	<b>3,036,954,899</b>
<b>Expenditures</b>				
Current:				
Administrative and support services	0	16,699	198,685,726	251,828,958
Ground transportation system planning and research	0	0	33,280,824	14,062,411
Highway system acquisition and construction	118,617,717	27,007,674	1,085,614,608	726,715,370
Highway system acquisition and construction-Bond Proceeds	0	0	0	239,405,241
Highway system maintenance	0	0	960,923,723	1,004,083,761
Ground transportation system safety	0	0	0	26,540,480
Financial assistance to localities	0	0	342,164,579	302,374,300
Environmental monitoring and compliance	0	0	14,911,880	11,599,079
Land management	0	0	0	824,321
Toll facilities operations and construction	0	33,974,680	61,454,239	53,200,050
Capital Outlay	0	9,601,135	16,142,807	23,206,201
Transfers to other state agencies (Note 9)	0	0	29,219,693	27,205,400
<b>Total expenditures</b>	<b>118,617,717</b>	<b>70,600,188</b>	<b>2,742,398,079</b>	<b>2,681,045,572</b>
Revenues over (under) expenditures	<b>(112,047,547)</b>	<b>57,785,444</b>	<b>392,447,006</b>	<b>355,909,327</b>
<b>Other financing sources (uses)</b>				
Other financing sources (uses)	(14,389)	(142,579)	(935,177)	(1,015,776)
Bond Proceeds	0	67,438	204,364	265,470,159
Note Proceeds	0	0	0	100,289,397
Insurance Recoveries	0	0	3,478,545	501,784
Transfers to other state agencies and General Fund (Note 9)	0	(37,390,721)	(89,749,077)	(139,433,399)
Transfers from other state agencies and General Fund (Note 9)	(14,768,779)	19,119,370	13,499,151	53,779,435
Transfers in (Note 9)	0	41,083,064	593,346,182	493,824,850
Transfers out (Note 9)	(8,883,515)	(69,002,535)	(847,967,664)	(737,686,900)
<b>Total other financing sources (uses)</b>	<b>(23,666,683)</b>	<b>(46,265,963)</b>	<b>(328,123,676)</b>	<b>35,729,550</b>
<b>Net Change in Fund Balance</b>	<b>(135,714,230)</b>	<b>11,519,481</b>	<b>64,323,330</b>	<b>391,638,877</b>
Beginning fund balance - July 1	197,257,769	301,642,788	1,601,855,696	1,210,216,819
Ending fund balance - June 30	<b>\$61,543,539</b>	<b>\$313,162,269</b>	<b>\$1,666,179,026</b>	<b>\$1,601,855,696</b>

The accompanying notes are an integral part of this financial statement

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VIRGINIA DEPARTMENT OF TRANSPORTATION  
STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
DEBT SERVICE FUNDS  
FOR THE YEAR ENDED ENDED JUNE 30, 2007

	ROUTE 58	ROUTE 28	CAMP 30	NORTHERN VA. TRANSP. DISTRICT	FEDERAL REIMBURSEMENT ANTICIPATION NOTES	COLEMAN BRIDGE	OMER L. HIRST - ADELARD L. BRAULT EXPRESSWAY	POWHITE PARKWAY EXTENSION	TRANSPORTATION SET ASIDE	TOTALS
<b>Revenues</b>										
Interest	\$33,655	\$0	\$12,328	\$18,185	\$3,305,880	\$54,854	\$235,445	\$122,967	\$1,570	\$3,784,884
Receipts from Cities, Counties, and Town:	0	7,529,845	0	0	0	0	0	0	0	7,529,845
<b>Total revenues</b>	<b>33,655</b>	<b>7,529,845</b>	<b>12,328</b>	<b>18,185</b>	<b>3,305,880</b>	<b>54,854</b>	<b>235,445</b>	<b>122,967</b>	<b>1,570</b>	<b>11,314,729</b>
<b>Expenditures</b>										
Debt service:										
Interest	26,131,532	3,039,845	5,065,538	14,589,915	39,281,076	1,462,042	3,873,652	1,357,750	1,197,144	95,998,494
Retirement of bonds	24,130,000	4,490,000	0	13,360,000	110,330,000	1,655,000	6,989,760	4,885,000	1,045,000	166,884,760
Administrative fees	2	0	0	0	912	0	0	0	0	914
<b>Total expenditures</b>	<b>50,261,534</b>	<b>7,529,845</b>	<b>5,065,538</b>	<b>27,949,915</b>	<b>149,611,988</b>	<b>3,117,042</b>	<b>10,863,412</b>	<b>6,242,750</b>	<b>2,242,144</b>	<b>262,884,168</b>
<b>Revenue over (under) expenditures</b>	<b>(50,227,879)</b>	<b>0</b>	<b>(5,053,210)</b>	<b>(27,931,730)</b>	<b>(146,306,108)</b>	<b>(3,062,188)</b>	<b>(10,627,967)</b>	<b>(6,119,783)</b>	<b>(2,240,574)</b>	<b>(251,569,439)</b>
<b>Other financing sources (uses)</b>										
Bond proceeds	90,761,546	0	0	40,594,143	0	0	0	0	0	131,355,689
Escrow agent defeasance payment	(90,761,546)	0	0	(40,594,143)	0	0	0	0	0	(131,355,689)
Transfers in	50,239,147	0	5,065,538	27,937,432	149,405,488	3,062,551	10,599,214	6,071,483	2,240,629	254,621,482
<b>Total other sources (uses)</b>	<b>50,239,147</b>	<b>0</b>	<b>5,065,538</b>	<b>27,937,432</b>	<b>149,405,488</b>	<b>3,062,551</b>	<b>10,599,214</b>	<b>6,071,483</b>	<b>2,240,629</b>	<b>254,621,482</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>11,268</b>	<b>0</b>	<b>12,328</b>	<b>5,702</b>	<b>3,099,380</b>	<b>363</b>	<b>(28,753)</b>	<b>(48,300)</b>	<b>55</b>	<b>3,052,043</b>
<b>Fund balance - July 1</b>	<b>12,754</b>	<b>1</b>	<b>0</b>	<b>7,206</b>	<b>92,560,067</b>	<b>264,231</b>	<b>905,881</b>	<b>514,048</b>	<b>1,059</b>	<b>94,265,247</b>
<b>Fund balance - June 30</b>	<b>\$24,022</b>	<b>\$1</b>	<b>\$12,328</b>	<b>\$12,908</b>	<b>\$95,659,447</b>	<b>\$264,594</b>	<b>\$877,128</b>	<b>\$465,748</b>	<b>\$1,114</b>	<b>\$97,317,290</b>

The accompanying notes are an integral part of this financial statement

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VIRGINIA DEPARTMENT OF TRANSPORTATION  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
June 30, 2007

	SPECIAL REVENUE	DEBT SERVICE	TOTALS GOVERNMENTAL FUNDS June 30, 2007
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$151,300,000	\$0	\$151,300,000
Taxes	1,831,582,876	0	1,831,582,876
Rights and privileges	237,728,340	0	237,728,340
Sales of property and commodities	8,627,410	0	8,627,410
Interest, dividends, and rents	103,862,353	3,784,884	107,647,237
Fines, forfeitures, court fees, penalties, and escheats	7,797,275	0	7,797,275
Federal grants and contracts	621,869,622	0	621,869,622
Receipts from cities, counties, and towns	57,329,581	7,529,845	64,859,426
Toll revenue	81,916,853	0	81,916,853
Other revenue	32,830,775	0	32,830,775
Total revenues	<u>3,134,845,085</u>	<u>11,314,729</u>	<u>3,146,159,814</u>
Expenditures			
Administrative and support services	198,685,726	914	198,686,640
Ground transportation system planning and research	33,280,824	0	33,280,824
Highway system acquisition and construction	1,085,614,608	0	1,085,614,608
Highway system maintenance	960,923,723	0	960,923,723
Financial assistance to localities	342,164,579	0	342,164,579
Environmental monitoring and compliance	14,911,880	0	14,911,880
Toll facility operations and construction	61,454,239	0	61,454,239
Capital outlay	16,142,807	0	16,142,807
Debt service:			
Interest	0	95,998,494	95,998,494
Retirement of bonds	0	166,884,760	166,884,760
Transfers to other state agencies	29,219,693	0	29,219,693
Total expenditures	<u>2,742,398,079</u>	<u>262,884,168</u>	<u>3,005,282,247</u>
Revenues over (under) expenditures	<u>392,447,006</u>	<u>(251,569,439)</u>	<u>140,877,567</u>
Other financing sources (uses)			
Other financing sources (uses)	(935,177)	0	(935,177)
Bond proceeds	204,364	131,355,689	131,560,053
Insurance Recoveries	3,478,545	0	3,478,545
Defeasance payment	0	(131,355,689)	(131,355,689)
Transfers to other state agencies and General fund (Note 9)	(89,749,077)	0	(89,749,077)
Transfers from other state agencies and General fund (Note 9)	13,499,151	0	13,499,151
Transfers in (Note 9)	593,346,182	254,621,482	847,967,664
Transfers out (Note 9)	(847,967,664)	0	(847,967,664)
Total other financing sources (uses)	<u>(328,123,676)</u>	<u>254,621,482</u>	<u>(73,502,194)</u>
Revenues and other sources over (under) expenditures and other uses	<u>64,323,330</u>	<u>3,052,043</u>	<u>67,375,373</u>
Fund balance - July 1	1,601,855,696	94,265,247	1,696,120,943
Fund balance - June 30	<u>\$1,666,179,026</u>	<u>\$97,317,290</u>	<u>\$1,763,496,316</u>

The accompanying notes are an integral part of this financial statement

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**Reconciliation of the Change in Fund Balances of Governmental Funds  
to the Statement of Activities  
June 30, 2007**

Net Change in fund balances - total governmental funds \$67,375,373

Amounts reported for governmental activities are different because:

Accrued interest 1,459,972

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 40,867,435

Urban assets not capitalized (242,836,921)

Capital Outlay	\$16,142,807	
Depreciation expense	(28,797,475)	
Excess of capital outlay over depreciation expense		(12,654,668)

Increase in Infrastructure	617,842,575	
Depreciation expense	215,539,372	
Excess of increase in infrastructure over depreciation expense		833,381,947

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

Decrease in capital leases 2,059

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		(123,070,000)
Note proceeds		0
Defeasance of bonds		128,410,000
Retirement of bonds		166,884,760
Accretion of debt		(626,108)

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		(547,762)
Amortize bond and note premium		4,784,786
Amortize notes and bond discounts		(707,384)
Amortize cost of issuance notes and bonds		(1,339,965)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds 3,754,660

Change in net assets of governmental activities \$865,138,184

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## **Enterprise Fund**

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## **Nonmajor Enterprise Funds**

### **Enterprise Funds:**

*The Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises. It is the intent that the cost of providing such goods or services will be recovered through user charges.*

**The Pocahontas Parkway** accounts for the Route 895 Connector Project. Previously, this fund was reported as a Major Enterprise Fund. The only transaction related to the Association shown in the financial statements for 2007 is the transfer of its remaining cash of \$877,879 to Transurban LLC.

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**Virginia Department of Transportation**  
**Pocahontas Parkway Association - Non Major Enterprise Fund**  
**Statement of Net Assets**  
**June 30, 2007**

<b>Assets</b>		
Current assets:		
Restricted cash and cash equivalents (Note 12)	\$ -	
	<hr/>	\$ -
		<hr/>
<b>Total Assets</b>		<hr/> <b>-</b> <hr/>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	-	
	<hr/>	-
		<hr/>
<b>Total Liabilities</b>		<hr/> <b>-</b> <hr/>
<b>Net Assets</b>		<hr/> <b>\$ -</b> <hr/>

The accompanying notes are an integral part of this financial statement

**Virginia Department of Transportation**  
**Pocahontas Parkway Association - Non Major Enterprise Fund**  
**Statement of Revenues, Expenses, and Changes in**  
**Fund Net Assets**  
**For the Fiscal Year Ended June 30, 2007**

	Year Ended June 30, 2007
<b>Revenues</b>	
Tolls	\$ -
Gain on debt refinancing	-
Interest	-
Total revenues	<u>-</u>
 <b>Expenses</b>	
Interest	-
Depreciation and amortization	-
Operating and maintenance	-
Total expenses	<u>-</u>
 <b>Revenues over (under) expenditures</b>	 -
 <b>Other financing sources</b>	
Other financing sources	 <u>-</u>
 Change in Net Assets	 -
Net Assets at July 1, 2006 (deficit)	-
Net Assets at June 30, 2007	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this financial statement

**Virginia Department of Transportation  
Pocahontas Parkway Association- Non Major Enterprise Fund  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2007**

	<u>Year Ended June 30, 2007</u>
<i>Cash flows from operating activities</i>	
	\$ -
Cash received from toll collections	-
Cash received from investments	-
Cash payments for interest	-
Net cash provided by operating activities	<u>-</u>
<i>Cash flows from noncapital activities</i>	
Disbursed cash balances to purchaser (Transurban (895) LLC)	<u>(877,879)</u>
Net cash used in noncapital activities	<u>(877,879)</u>
<i>Cash flows from financing activities</i>	
Payment of principal and interest on bonds	-
Net cash used in financing activities	<u>-</u>
<i>Cash flows from investing activities</i>	
Proceeds from sales of investments	-
Net cash provided by investing activities	<u>-</u>
Net increase in cash and cash equivalents	(877,879)
Cash and cash equivalents, July 1, 2006	877,879
Cash and cash equivalents, June 30, 2007	<u><u>\$ -</u></u>

**Virginia Department of Transportation**  
**Pocahontas Parkway Association**  
**Proprietary Fund - Non Major Enterprise Fund**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2007**

	<u>Year Ended</u> <u>June 30, 2007</u>
Change in accumulated deficit from operating loss	\$ -
Adjustments to reconcile change in accumulated deficit to net cash provided by operating activities:	
Amortization and other	-
Accretion of bond principal	-
Investment income	-
Gain on debt refinancing	-
Changes in assets and liabilities:	
Decrease in interest receivable	-
Decrease in prepaid expenses	-
(Decrease) in payables	-
(Decrease) in accrued interest	-
Increase in bonds payable	-
Increase in other long-term liabilities	-
Total adjustments	<u>-</u>
Net cash provided by operating activities	<u>\$ -</u>

**Fiduciary Fund**

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# Fiduciary Fund

## **Agency Funds:**

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

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

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VIRGINIA DEPARTMENT OF TRANSPORTATION  
 STATEMENT OF FIDUCIARY NET ASSETS  
 June 30, 2007

Agency Fund	
June 30, 2007	June 30, 2006

**ASSETS**

Cash & investments held with the Treasurer of Virginia	\$54,574	\$64,430
<b>Total assets</b>	<b>\$54,574</b>	<b>\$64,430</b>

**LIABILITIES AND FUND EQUITY**

Liabilities:		
Deposits payable	\$54,574	\$64,430
<b>Total liabilities</b>	<b>\$54,574</b>	<b>\$64,430</b>

**NET ASSETS**

Unreserved	\$0	\$0
<b>Total net assets</b>	<b>\$0</b>	<b>\$0</b>

**Virginia Department of Transportation  
Statement of Changes in Assets and Liabilities - Fiduciary Fund  
June 30, 2007**

<b>Agency Fund</b>	<b>Balance June 30, 2006</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2007</b>
<b>Assets</b>				
Cash & investments held with the Treasurer of Virginia	\$64,430	\$4,440	(\$14,296)	\$54,574
Total Assets	<u>\$64,430</u>	<u>\$4,440</u>	<u>(\$14,296)</u>	<u>\$54,574</u>
<b>Liabilities</b>				
Deposits Payable	\$64,430	\$4,440	(\$14,296)	\$54,574
Total Liabilities	<u>\$64,430</u>	<u>\$4,440</u>	<u>(\$14,296)</u>	<u>\$54,574</u>



# FINANCIAL REPORT

JUNE 30, 2007

NOTES TO THE FINANCIAL STATEMENTS

# VIRGINIA DEPARTMENT OF TRANSPORTATION

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

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

On June 21, 2006, the Association signed an Asset Purchase Agreement with Transurban (895) LLC under which all assets and rights of the Association under the Comprehensive Agreement with the Department dated June 3, 1998, were transferred to Transurban (895) LLC. On June 29, 2006, Transurban (895) LLC transferred sufficient funds and securities to the Association's trustee (SunTrust Bank) to pay or defease all outstanding bonds of the Association. In addition, Transurban (895) LLC simultaneously transferred funds to the Virginia State Treasury to pay all other outstanding obligations owed to the Department. The fiscal year 2006 financial statements reflected sale of the assets and payment of the debts and obligations. The remaining account balances as of June 30, 2007 were primarily funds in transit at the time of the transfer and have since been paid to the purchaser in accordance with the Asset Purchase Agreement. The Association was formally dissolved and terminated by the State Corporation Commission on July 26, 2006. The only transaction related to the Association shown in its financial statements for fiscal year 2007 was the transfer of its remaining cash of \$877,879 to Transurban (895) LLC.

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

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

The Statement of Activities demonstrates the degree to which direct expenses of a specific function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable 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, enterprise funds, and fiduciary funds. However, fiduciary funds are not included in the government-wide statements. Major governmental funds are reported as separate columns in the fund financial statements.

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

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

**Governmental Fund Financial Statements** – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Department considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Significant revenues subject to accrual include federal grants and sales taxes. Revenues that VDOT earns by incurring obligations are recognized in the same period as when the obligations are recognized. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to debt service, compensated absences, and claims and judgments are recorded only when the payment is due.

The Department reports the following major Governmental funds:

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

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

Additionally, VDOT reports the following fund types:

**Enterprise Funds** - accounts for the activities of the blended component unit for Route 895 (Pocahontas Parkway), which is operated by the Association. The only transaction related to the Association shown in its financial statements for fiscal year 2007 was the transfer of its remaining cash of \$877,879 to Transurban (895) LLC.

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

The financial statements of the enterprise funds and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. As with the government-wide statements, revenues are recorded when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Grants and similar

items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

The proprietary fund reported herein, the Pocahontas Parkway Route 895 Connector, applies Option 2.

## E. Budgetary Process

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

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

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

**F. Investments**

Investments in money market funds are reported at amortized cost. All other investments are reported at fair market value.

**G. Inventory**

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

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

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

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

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

**I. Deferred Revenue**

Deferred revenue represents monies received or revenues accrued but not 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, 2007.

**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. An additional liability amount has been included for those employees with less than five years of service based on the probability they will eventually become vested. Also included in the liability is the Department's share of the FICA taxes on leave balances for which employees will be compensated.

**2. TOLL FACILITIES**

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

**3. COMMITMENTS**

**Operating Leases**

VDOT is committed under various operating leases for land, floor space and equipment. In general, the leases are for three to four years with renewal options for another three to four year term. In most cases, VDOT expects these leases to be replaced by similar leases. Rental expense for the fiscal year ending June 30, 2007 was \$6,896,781. VDOT had, as of June 30, 2007, the following future minimum rental payments due under the above leases:

2008	\$ 6,190,461
2009	4,907,407
2010	4,138,068
2011	3,454,958
2012	3,344,724
SUBSEQUENT TO 2012	<u>1,700,771</u>
	<u><u>\$23,736,389</u></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, 2007, were \$1,313,527. 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, 2007, the Department of Transportation had the following contractual commitments for various construction projects, maintenance contracts, and consultant services:

Construction Projects	\$ 740,829,099
Maintenance Contracts	175,458,145
Consultant Services	523,746,600
Total Commitments	<u>\$ 1,440,033,844</u>

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

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

**Powhite Parkway Extension Fund:**

The Powhite Parkway Extension Fund had a deficit fund balance of \$44,569,260 at June 30, 2007. This deficit is attributable to higher construction costs and revenue shortfalls caused by a lower traffic volume than projected.

The Department has incurred interfund obligations to meet both bond debt service payments and construction costs. At June 30, 2007, the Powhite Parkway Extension had the following interfund obligations:

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

In addition to its interfund obligations, the Powhite Parkway Extension had bonds payable for \$22,270,000 and a note payable to Chesterfield County for \$8,000,000 at June 30, 2007 respectively. These obligations and the interfund liabilities listed above are to be paid from toll revenues.

**Coleman Bridge Fund:**

The Coleman Bridge Fund had a deficit fund balance of \$35,671,357 at June 30, 2007. The original financing plan included an interfund loan from the Toll Facilities Revolving Fund for construction. Additionally, operating expenses and debt service requirements have exceeded revenues.

The Department incurred the following interfund obligations for construction costs and operating expenses at June 30, 2007:

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

In addition to its interfund obligations, the Coleman Bridge Fund had bonds payable for \$33,130,000 at June 30, 2007. This obligation and the interfund liabilities listed above are to be paid from toll revenues.

**5. LONG-TERM LIABILITIES**

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

Long-Term Liabilities Activity

Governmental activities:	June 30, 2006	Increases	Decreases	June 30, 2007
Bonds Payable	\$ 1,969,026,823	\$ 125,859,978	\$ (297,458,630)	\$ 1,797,428,171
Capital Leases	14,989	-	(2,059)	12,930
Notes Payable	108,840,000	-	-	108,840,000
Compensated Absences	<u>63,778,694</u>	<u>38,455,380</u>	<u>(37,991,070)</u>	<u>64,243,004</u>
Totals	<u>\$ 2,141,660,506</u>	<u>\$ 164,315,358</u>	<u>\$ (335,451,759)</u>	<u>\$ 1,970,524,105</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, 2007, Transportation Facilities Bonds included \$22,270,000 of 9(b) general obligation bonds, \$69,258,578 of 9(c) general obligation bonds and \$1,705,899,593 of 9(d) revenue bonds. Principal and interest requirements for the current year totaled \$257,817,716.

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

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

On February 15, 2007, the Commonwealth Transportation Board of the Commonwealth of Virginia issued \$39,115,000 in Northern Virginia Transportation District Program Commonwealth Transportation Revenue and Refunding Bonds, Series 2007(A), maturing in annual installments on May 15 in the years 2009 to 2020. Interest is payable on May 15 and November 15 at rates varying from 4.000 to 5.000 percent. The proceeds of these bonds will be used to refund a portion of the Northern Virginia Transportation District Program Commonwealth Transportation Board Transportation Revenue Bonds, Series 1997(B). The refunded bonds, series 1997B had carrying interest rates varying from 4.375 to 5.125 percent.

On February 15, 2007, the Commonwealth Transportation Board of the Commonwealth of Virginia issued \$83,955,000 in U.S. Route 58 Corridor Development Program Commonwealth Transportation Revenue and Refunding Bonds, Series 2007(B), maturing

in annual installments on May 15 in the years 2013 to 2019. Interest is payable on May 15 and November 15 at a rate of 5.000 percent. The proceeds of these bonds will be used to refund a portion of the U.S. Route 58 Corridor Development Program Commonwealth Transportation Board Transportation Revenue Bonds, Series 1997(C). The refunded bonds series 1997C had carrying interest rates varying from 4.375 to 5.125 percent.

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

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 175,864,756	\$ 82,178,372	\$ 258,043,128
2009	175,924,000	73,969,441	249,893,441
2010	187,090,000	65,426,674	252,516,674
2011	196,295,000	56,059,280	252,354,280
2012	146,045,000	47,533,528	193,578,528
2013-2017	523,430,000	149,141,634	672,571,634
2018-2022	293,420,000	52,260,182	345,680,182
2023-2027	126,335,000	9,649,787	135,984,787
2028-2032	40,525,000	-	40,525,000
<b>Subtotal</b>	<b>1,864,928,756</b>	<b>536,218,898</b>	<b>2,401,147,654</b>
Less Unaccreted Capital Appreciation Bonds	(67,500,585)	-	(67,500,585)
<b>Total</b>	<b>\$ 1,797,428,171</b>	<b>\$ 536,218,898</b>	<b>\$2,333,647,069</b>

**Detail of Bonds Payable**

Series	Amount Issued	Outstanding June 30, 2006	Issued-Retired During Year	Outstanding June 30, 2007	Maturity
<b>Section 9(b) Debt General</b>					
<b>Obligation Bonds</b>					
Powhite Parkway Extension					
Series 2003(A) Reunding	\$ 40,370,000	\$ 27,155,000	\$ (4,885,000)	\$ 22,270,000	06/01/08-11
<b>Section 9(c) Debt General</b>					
<b>Obligation Bonds</b>					
Hirst Brault Expressway (Dulles Toll Road)					
Series 1989(A) Capital Appreciating	34,348,000	8,300,295	(2,587,473)	5,712,822	06/01/08-09
Series 2002 Refunding	24,615,000	24,615,000	(40,000)	24,575,000	06/01/08-16
Series 2003(A) Refunding	18,764,506	7,285,386	(3,759,630)	3,525,756	06/01/08-08
Series 2006 Refunding	4,535,000	4,535,000	(2,220,000)	2,315,000	06/01/00-08
Coleman Bridge					
Series 1998 Refunding	3,135,000	2,905,000	(1,415,000)	1,490,000	06/01/08-08
Series 2006 Refunding	31,880,000	31,880,000	(240,000)	31,640,000	06/01/08-21
<b>Section 9(d) Debt-</b>					
<b>Transportation Revenue Bonds</b>					
Route 28 Corridor					
Series 2002 Refunding	83,820,000	68,010,000	(4,490,000)	63,520,000	04/01/08-18
Series 2002A Capital Appreciating	36,823,667	44,271,142	2,243,451	46,514,593	04/01/08-32

**Detail Bonds Payable Continues**

Series	Amount Issued	Outstanding June 30, 2006	Issued-Retired During Year	Outstanding June 30, 2007	Maturity
U.S. Route 58 Corridor Development					
Series 1996(B)	\$ 114,285,000	\$ 7,880,000	\$ (3,845,000)	\$ 4,035,000	05/15/08-08
Series 1997(C)	96,060,000	89,115,000	(89,115,000)	0	
Series 1999(B)	204,945,000	18,005,000	(5,695,000)	12,310,000	05/15/08-24
Series 2001(B)	102,165,000	21,575,000	(2,665,000)	18,910,000	05/15/08-26
Series 2002(B)	70,670,000	64,060,000	(4,095,000)	59,965,000	05/15/08-18
Series 2003(A)	66,255,000	50,115,000	(7,470,000)	42,645,000	05/15/08-12
Series 2004(A)	232,260,000	232,260,000	-	232,260,000	05/15/08-22
Series 2006C(A)	63,460,000	63,460,000	-	63,460,000	05/15/08-26
Series 2007B(A)	83,955,000	-	83,955,000	83,955,000	05/15/08-19
Northern Virginia Transportation District Program					
Series 1996(A)	70,890,000	5,040,000	(2,460,000)	2,580,000	05/15/08-08
Series 1997(B)	41,540,000	39,880,000	(39,880,000)	-	
Series 1999(A)	33,320,000	2,925,000	(925,000)	2,000,000	05/15/08-24
Series 2001(A)	58,650,000	25,720,000	(1,530,000)	24,190,000	05/15/08-26
Series 2002(A)	153,035,000	127,280,000	(8,220,000)	119,060,000	05/15/08-27
Series 2004(A)	89,400,000	89,400,000	-	89,400,000	05/15/08-22
Series 2006(B)	20,020,000	20,020,000	-	20,020,000	05/15/08-26
Series 2007(A)	39,115,000	-	39,115,000	39,115,000	05/15/08-20
Oak Grove Connector (Chesapeake)					
Series 1997(A)	33,075,000	1,045,000	(1,045,000)	-	
Series 2006(A)	23,160,000	23,160,000	-	23,160,000	05/15/08-22
<b>Section 9(d) Debt- Federal</b>					
<b>Highway Reimbursement</b>					
<b>Anticipation Notes</b>					
Series 2000	375,000,000	229,865,000	(41,245,000)	188,620,000	10/01/08-10
Series 2002	423,320,000	389,265,000	(48,145,000)	341,120,000	10/01/08-12
Series 2002	250,000,000	250,000,000	(20,940,000)	229,060,000	10/01/08-12
Total Bonds Payable		<u>\$ 1,969,026,823</u>	<u>\$ (171,598,652)</u>	<u>\$ 1,797,428,171</u>	

**Detail of Bonds Payable - Interest Rates**

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<b><u>Series</u></b>	<b><u>Interest Rates</u></b>
Powhite Parkway Extension	
Series 2003(A) Reunding	2.5%-5.0%
Hirst Brault Expressway (Dulles Toll Road)	
Series 1989(A) Capital Appreciating	6.4%-6.7%
Series 2002 Refunding	4.0%-5.0%
Series 2003(A) Refunding	4.0%-5.0%
Series 2006(A) Refunding	4.0%-4.125%
Coleman Bridge	
Series 1998 Refunding	3.9%-5.0%
Series 2006 Refunding	4%-5.0%
Route 28 Corridor	
Series 2002 Refunding	2.0%-5.0%
Series 2002A Capital Appreciating	4.63%-5.32%
U.S. Route 58 Corridor Development	
Series 1996(B)	4.9%-6.75%
Series 1997(C)	4.1%-5.125%
Series 1999(B)	5.0%-5.75%
Series 2001(B)	4.5%-5.375%
Series 2002(B)	3.0%-5.25%
Series 2003(A)	3.0%-5.5%
Series 2004(B)	4.75%-5.25%
Series 2006(C)	5.0%
Series 2007(B)	5.0%

**Detail of Bonds Payable - Interest Rates**

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Northern Virginia Transportation District Program	
Series 1996(A)	4.9%-6.75%
Series 1997(B)	4.1%-7.25%
Series 1999(A)	5.0%-5.75%
Series 2001(A)	4.5%-5.375%
Series 2002(A)	3.0%-5.25%
Series 2004(A)	4.0%-5.0%
Series 2006(B)	4.250%-5.0%
Series 2007(A)	4.000%-5.000%
Oak Grove Connector (Chesapeake)	
Series 1997(A)	5.0%
Series 2006(A)	4.250%-5.0%
Federal Highway Reimbursement Anticipation Notes	
Series 2000	4.45%-5.75%
Series 2002	2.0%-5.0%
Series 2005	2.0%-5.0%

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

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

Maturity	Debt Service Requirement to Maturity		
	Principal	Interest	Total
2008	\$ 5,130,000	\$ 1,113,500	\$ 6,243,500
2009	5,415,000	857,000	6,272,000
2010	5,715,000	586,250	6,301,250
2011	6,010,000	300,500	6,310,500
Total	<u>\$ 22,270,000</u>	<u>\$ 2,857,250</u>	<u>\$ 25,127,250</u>

**Hirst-Brault Expressway Transportation Facilities Bonds Capital  
Appreciating, Series 1989A  
Debt Service Requirement to Maturity**

Maturity	Principal	Interest	Total
2008	\$ 3,134,000	\$ -	\$ 3,134,000
2009	3,134,000	-	3,134,000
Total	6,268,000	-	6,268,000
Less:			
Unaccreted Capital Appreciation Bonds			
	(555,178)		(555,178)
Totals	\$ 5,712,822	\$ -	\$ 5,712,822

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

Debt Service Requirement to Maturity			
Maturity	Principal	Interest	Total
2008	\$ 115,000	\$ 1,166,900	\$ 1,281,900
2009	2,585,000	1,161,150	3,746,150
2010	2,685,000	1,057,750	3,742,750
2011	2,820,000	923,500	3,743,500
2012	2,965,000	782,500	3,747,500
2013-2017	13,405,000	1,572,500	14,977,500
Total	\$ 24,575,000	\$ 6,664,300	\$ 31,239,300

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

Debt Service Requirement to Maturity			
Maturity	Principal	Interest	Total
2008	\$ 3,525,756	\$ 176,288	\$ 3,702,044
Total	\$ 3,525,756	\$ 176,288	\$ 3,702,044

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

Debt Service Requirement to Maturity			
Maturity	Principal	Interest	Total
2008	\$ 2,315,000	\$ 92,600	\$ 2,407,600
Total	\$ 2,315,000	\$ 92,600	\$ 2,407,600

**Coleman Bridge General Obligation Refunding Bonds, Series 1998**

**Debt Service Requirement to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 1,490,000	\$ 63,325	\$ 1,553,325
<b>Total</b>	<b>\$ 1,490,000</b>	<b>\$ 63,325</b>	<b>\$ 1,553,325</b>

**Coleman Bridge General Obligation Refunding Bonds, Series 2006**

**Debt Service Requirement to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 250,000	\$ 1,371,800	\$ 1,621,800
2009	1,830,000	1,361,800	3,191,800
2010	1,900,000	1,288,600	3,188,600
2011	1,975,000	1,212,600	3,187,600
2012	2,080,000	1,113,850	3,193,850
2013-2017	12,020,000	3,930,600	15,950,600
2018-2022	11,585,000	1,180,800	12,765,800
<b>Total</b>	<b>\$ 31,640,000</b>	<b>\$ 11,460,050</b>	<b>\$ 43,100,050</b>

**Route 28 Transportation Contract Revenue Refunding Current**

**Interest Bonds Series 2002 (CIB)**

**Debt Service Requirement to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 4,660,000	\$ 2,864,883	\$ 7,524,883
2009	4,830,000	2,700,712	7,530,712
2010	5,005,000	2,523,150	7,528,150
2011	5,210,000	2,318,835	7,528,835
2012	5,425,000	2,104,625	7,529,625
2013-2017	31,190,000	6,459,500	37,649,500
2018-2028	7,200,000	325,800	7,525,800
<b>Total</b>	<b>\$ 63,520,000</b>	<b>\$ 19,297,505</b>	<b>\$ 82,817,505</b>

**Route 28 Transportation Contract Revenue Capital Appreciation  
New Money Bonds Series 2002**

**Debt Service Requirement to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ -	\$ -	\$ -
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013-2017	-	-	-
2018-2022	32,410,000	-	32,410,000
2023-2027	40,525,000	-	40,525,000
2028-2032	40,525,000	-	40,525,000
<b>Total</b>	<b>113,460,000</b>	<b>-</b>	<b>113,460,000</b>
Less			
Unaccreted			
Capital			
Appreciation			
Bonds	(66,945,407)	-	(66,945,407)
<b>Total</b>	<b>\$ 46,514,593</b>	<b>\$ -</b>	<b>\$ 46,514,593</b>

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

**Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 4,035,000	\$ 201,750	\$ 4,236,750
<b>Total</b>	<b>\$ 4,035,000</b>	<b>\$ 201,750</b>	<b>\$ 4,236,750</b>

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

**Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 6,005,000	\$ 662,788	\$ 6,667,788
2009	6,305,000	362,537	6,667,537
<b>Total</b>	<b>\$ 12,310,000</b>	<b>\$ 1,025,325</b>	<b>\$ 13,335,325</b>

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

**Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 2,785,000	\$ 973,687	\$ 3,758,687
2009	2,910,000	848,362	3,758,362
2010	3,055,000	702,863	3,757,863
2011	3,210,000	550,113	3,760,113
2012	3,385,000	373,562	3,758,562
2013-2017	3,565,000	191,619	3,756,619
<b>Total</b>	<b>\$ 18,910,000</b>	<b>\$ 3,640,206</b>	<b>\$ 22,550,206</b>

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

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 4,220,000	\$ 3,015,438	\$ 7,235,438
2009	4,435,000	2,804,437	7,239,437
2010	4,655,000	2,582,688	7,237,688
2011	4,885,000	2,349,937	7,234,937
2012	5,130,000	2,105,688	7,235,688
2013-2017	29,765,000	6,413,687	36,178,687
2018-2022	6,875,000	360,938	7,235,938
<b>Total</b>	<b>\$ 59,965,000</b>	<b>\$ 19,632,813</b>	<b>\$ 79,597,813</b>

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

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 7,770,000	\$ 2,146,075	\$ 9,916,075
2009	8,080,000	1,835,275	9,915,275
2010	8,490,000	1,431,275	9,921,275
2011	8,910,000	1,006,775	9,916,775
2012	9,395,000	516,725	9,911,725
<b>Total</b>	<b>\$ 42,645,000</b>	<b>\$ 6,936,125</b>	<b>\$ 49,581,125</b>

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

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ -	\$ 11,563,050	\$ 11,563,050
2009	2,485,000	11,563,050	14,048,050
2010	11,655,000	11,438,800	23,093,800
2011	12,260,000	10,826,913	23,086,913
2012	12,905,000	10,183,262	23,088,262
2013-2017	91,250,000	39,223,750	130,473,750
2018-2022	101,705,000	13,645,275	115,350,275
<b>Total</b>	<b>\$ 232,260,000</b>	<b>\$ 108,444,100</b>	<b>\$ 340,704,100</b>

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

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ -	\$ 3,173,000	\$ 3,173,000
2009	-	3,173,000	3,173,000
2010	-	3,173,000	3,173,000
2011	-	3,173,000	3,173,000
2012	-	3,173,000	3,173,000
2013-2017	-	15,865,000	15,865,000
2018-2022	10,970,000	15,597,500	26,567,500
2023-2027	52,490,000	5,272,750	57,762,750
<b>Total</b>	<b>\$ 63,460,000</b>	<b>\$ 52,600,250</b>	<b>\$ 116,060,250</b>

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

**Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ -	\$ 4,197,750	\$ 4,197,750
2009	-	4,197,750	4,197,750
2010	-	4,197,750	4,197,750
2011	-	4,197,750	4,197,750
2012	-	4,197,750	4,197,750
2013-2017	56,005,000	15,978,250	71,983,250
2018-2022	27,950,000	2,113,250	30,063,250
<b>Total</b>	<b>\$ 83,955,000</b>	<b>\$ 39,080,250</b>	<b>\$ 123,035,250</b>

**Northern Virginia Transportation Program**

**Transportation Revenue Bonds Series 1996A**

**Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 2,580,000	\$ 129,000	\$ 2,709,000
<b>Total</b>	<b>\$ 2,580,000</b>	<b>\$ 129,000</b>	<b>\$ 2,709,000</b>

**Northern Virginia Transportation Program**

**Transportation Revenue Bonds Series 1999A**

**Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 975,000	\$ 107,688	\$ 1,082,688
2009	1,025,000	58,937	1,083,937
<b>Total</b>	<b>\$ 2,000,000</b>	<b>\$ 166,625</b>	<b>\$ 2,166,625</b>

**Northern Virginia Transportation Program**

**Transportation Revenue Bonds Series 2001A**

**Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 1,600,000	\$ 1,225,663	\$ 2,825,663
2009	1,670,000	1,153,662	2,823,662
2010	1,755,000	1,070,163	2,825,163
2011	1,840,000	982,412	2,822,412
2012	1,945,000	881,213	2,826,213
2013-2017	2,045,000	3,443,668	5,488,668
2018-2022	6,345,000	3,179,000	9,524,000
2023-2027	6,990,000	528,500	7,518,500
<b>Total</b>	<b>\$ 24,190,000</b>	<b>\$ 12,464,281</b>	<b>\$ 36,654,281</b>

**Northern Virginia Transportation Program  
Transportation Revenue Bonds Series 2002A  
Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 8,565,000	\$ 5,976,194	\$ 14,541,194
2009	6,815,000	5,547,944	12,362,944
2010	7,155,000	5,207,194	12,362,194
2011	7,510,000	4,849,443	12,359,443
2012	7,885,000	4,473,943	12,358,943
2013-2017	42,210,000	16,257,231	58,467,231
2018-2022	24,710,000	6,124,219	30,834,219
2023-2027	14,210,000	2,165,038	16,375,038
<b>Total</b>	<b>\$ 119,060,000</b>	<b>\$ 50,601,206</b>	<b>\$ 169,661,206</b>

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

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ -	\$ 4,102,000	\$ 4,102,000
2009	2,050,000	4,102,000	6,152,000
2010	4,295,000	3,999,500	8,294,500
2011	4,510,000	3,784,750	8,294,750
2012	4,730,000	3,559,250	8,289,250
2013-2017	36,755,000	13,333,000	50,088,000
2018-2022	37,060,000	3,815,800	40,875,800
<b>Total</b>	<b>\$ 89,400,000</b>	<b>\$ 36,696,300</b>	<b>\$ 126,096,300</b>

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

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ -	\$ 973,363	\$ 973,363
2009	-	973,362	973,362
2010	-	973,363	973,363
2011	-	973,362	973,362
2012	-	973,363	973,363
2013-2017	3,685,000	4,633,487	8,318,487
2018-2022	4,215,000	3,348,750	7,563,750
2023-2027	12,120,000	1,683,500	13,803,500
<b>Total</b>	<b>\$ 20,020,000</b>	<b>\$ 14,532,550</b>	<b>\$ 34,552,550</b>

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

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ -	\$ 1,747,600	\$ 1,747,600
2009	240,000	1,747,600	1,987,600
2010	2,785,000	1,738,000	4,523,000
2011	2,900,000	1,626,600	4,526,600
2012	3,025,000	1,510,600	4,535,600
2013-2017	17,405,000	5,420,700	22,825,700
2018-2022	12,760,000	1,077,100	13,837,100
<b>Total</b>	<b>\$ 39,115,000</b>	<b>\$ 14,868,200</b>	<b>\$ 53,983,200</b>

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

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 1,095,000	\$ 1,132,313	\$ 2,227,313
2009	1,140,000	1,085,775	2,225,775
2010	1,190,000	1,037,325	2,227,325
2011	1,240,000	986,750	2,226,750
2012	1,305,000	924,750	2,229,750
2013-2017	7,555,000	3,579,500	11,134,500
2018-2022	9,635,000	1,491,750	11,126,750
<b>Total</b>	<b>\$ 23,160,000</b>	<b>\$ 10,238,163</b>	<b>\$ 33,398,163</b>

**Federal Highway Reimbursement Anticipation Notes  
Series 2000**

<b>Debt Service Requirements to Maturity</b>			
<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 43,460,000	\$ 9,069,496	\$ 52,529,496
2009	45,855,000	6,629,498	52,484,498
2010	48,340,000	4,075,385	52,415,385
2011	50,965,000	1,381,767	52,346,767
<b>Total</b>	<b>\$ 188,620,000</b>	<b>\$ 21,156,146</b>	<b>\$ 209,776,146</b>

**Federal Highway Reimbursement Anticipation Notes  
Series 2002**

**Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 50,500,000	\$ 15,198,935	\$ 65,698,935
2009	52,815,000	12,759,585	65,574,585
2010	55,380,000	10,175,585	65,555,585
2011	57,985,000	7,500,200	65,485,200
2012	60,730,000	4,656,107	65,386,107
2013-2017	63,710,000	1,557,356	65,267,356
<b>Total</b>	<b>\$ 341,120,000</b>	<b>\$ 51,847,768</b>	<b>\$ 392,967,768</b>

**Federal Highway Reimbursement Anticipation Notes  
Series 2005**

**Debt Service Requirements to Maturity**

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 21,655,000	\$ 9,733,286	\$ 31,388,286
2009	22,305,000	9,046,005	31,351,005
2010	23,030,000	8,168,033	31,198,033
2011	24,065,000	7,114,073	31,179,073
2012	25,140,000	6,003,340	31,143,340
2013-2017	112,865,000	11,281,785	124,146,785
<b>Total</b>	<b>\$ 229,060,000</b>	<b>\$ 51,346,522</b>	<b>\$ 280,406,522</b>

## Bond Defeasance

In prior years, the Department defeased certain general obligation and revenue bonds by placing the surplus trust funds and refunding bond proceeds in irrevocable trusts to provide for all future debt service payments on refunded bonds. Accordingly, the trust accounts' assets and liabilities for the defeased bonds were not reported in the Department's financial statements. Outstanding balances of defeased bonds as of June 30, 2007 were as follows:

<u>Issue</u>	<u>Outstanding at June 30, 2007</u>
Northern Virginia Transportation District Program Transportation Revenue Bonds, Series 1999A	\$ 24,215,000
Northern Virginia Transportation District Program Transportation Revenue Bonds, Series 2001A	25,440,000
Northern Virginia Transportation District Program Transportation Revenue Bonds, Series 2002A	7,810,000
U.S. Route 58 Corridor Development Program Revenue Bonds, Series 1999B	148,895,000
U.S. Route 58 Corridor Development Program Revenue Bonds, Series 2001B	67,540,000
<b>Total:</b>	<b><u>\$273,900,000</u></b>

## Arbitrage Rebate

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

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

## Capital Leases

The Department is the lessee of buildings and equipment under capital leases expiring in 2009. The assets under capital leases are recorded as fixed assets at the lower of the net present value of the minimum lease payments during the lease term or the fair market value of the asset. Fixed assets acquired under the lease agreements for the governmental funds are capitalized in the Government-wide statements. The associated liability is also recorded in the Government-wide statements. For all capital leases, the minimum lease payments together with the present value of the net minimum lease payments as of June 30, 2007, were as follows:

Maturity	
2008	\$ 7,011
2009	<u>7,011</u>
Total Minimum Lease Payments	14,022
Less: Amounts Representing Executory Costs	<u>-</u>
Net Minimum Lease Payments	14,022
Less: Amounts Denoting Interest	<u>1,092</u>
Present Value of Net Minimum Lease Payments	<u>\$ 12,930</u>

### **Notes Payable**

At June 30, 2007, Transportation Facilities Notes included \$96,515,000 of 9(d) Camp 30 revenue notes, \$8,000,000 of 9(d) Chesterfield County revenue notes and \$4,325,000 of 9(d) Fairfax County revenue notes. Principal and interest requirements for the current year totaled \$5,065,538.

#### Camp 30

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

#### Hirst Brault Expressway

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

#### Powhite 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 Powhite Parkway Extension Toll Road from surplus net revenues of the project prior to retirement of all the bonds issued.

Subsequent to completion of the Powhite 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:

Maturity	Debt Service Requirements to Maturity			Total
	Principal	Interest		
2008	\$ 3,190,000	\$ 4,640,187	\$	7,830,187
2009	7,670,000	4,480,688		12,150,688
2010	3,515,000	4,313,437		7,828,437
2011	3,690,000	4,137,688		7,827,688
2012	3,875,000	3,953,188		7,828,188
2013-2017	22,480,000	16,658,688		39,138,688
2018-2022	28,480,000	10,663,500		39,143,500
2023-2026	27,940,000	3,375,050		31,315,050
Unknown	8,000,000	-		8,000,000
<b>Total</b>	<b>\$ 108,840,000</b>	<b>\$ 52,222,425</b>	<b>\$</b>	<b>161,062,425</b>

Series	Amount Issued	Outstanding	Issued (Retired)	Outstanding	Maturity
		June 30, 2006	During Year	June 30, 2007	
<b>Section 9(b) Debt-</b>					
Chesterfield County Notes, Series 1986 -Powhite	\$ 8,000,000	\$ 8,000,000	\$ -	\$ 8,000,000	Unknown
<b>Section 9(c) Debt-</b>					
Fairfax County Notes, Series 1982 - Dulles	4,325,000	4,325,000	-	4,325,000	12/01/08
<b>Section 9(d) Debt-</b>					
Camp 30 Notes Payable Series 2006	96,515,000	96,515,000	-	96,515,000	05/15/08-26
<b>Total Notes Payable</b>	<b>\$ 108,840,000</b>	<b>\$ 108,840,000</b>	<b>\$ -</b>	<b>\$ 108,840,000</b>	

**Detail of Notes Payable - Interest Rates**

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

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

<b>Powhite Parkway Extension Chesterfield County Notes Series 1986 Debt Service Requirement to Maturity</b>			
<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ -	\$ -	\$ -
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013-2017	-	-	-
2018-2022	-	-	-
2023-2026	-	-	-
Unknown	8,000,000	-	8,000,000
<b>Total</b>	<b>\$ 8,000,000</b>	<b>\$ -</b>	<b>\$ 8,000,000</b>

<b>Hirst-Brault Expressway Fairfax Notes, Series 1982 Debt Service Requirement to Maturity</b>			
<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ -	\$ -	\$ -
2009	4,325,000	-	4,325,000
<b>Totals</b>	<b>\$ 4,325,000</b>	<b>\$ -</b>	<b>\$ 4,325,000</b>

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

Maturity	Principal	Interest	Total
2008	\$ 3,190,000	\$ 4,640,187	\$ 7,830,187
2009	3,345,000	4,480,688	7,825,688
2010	3,515,000	4,313,437	7,828,437
2011	3,690,000	4,137,688	7,827,688
2012	3,875,000	3,953,188	7,828,188
2013-2017	22,480,000	16,658,688	39,138,688
2018-2022	28,480,000	10,663,500	39,143,500
2023-2026	27,940,000	3,375,050	31,315,050
Total	<u>\$ 96,515,000</u>	<u>\$ 52,222,425</u>	<u>\$ 148,737,425</u>

**Compensated Absences**

Compensated absences represent the amounts of vacation, sick, compensatory leave and disability credits earned by the employees of the Department, but not yet taken at June 30 of the reported fiscal year. The amount reflects all earned vacation, sick and compensatory leave payable under the Commonwealth of Virginia's leave payout policy upon employment termination. An additional liability amount has been included for those employees with less than five years of service based on the probability they will eventually become vested. Also included in the liability is the Department's share of the FICA taxes on leave balances for which employees will be compensated. Compensated absences are recorded as current and long-term debt in the Government-wide statements. At June 30, 2007, the reported balances for compensated absences were as follows:

Current	\$45,970,097
Non-current	<u>18,272,907</u>
	<u>\$64,243,004</u>

**6. FUND EQUITY RESERVES**

	Balance at June 30, 2007	
	Special Revenue Fund	Debt Service Fund
Restricted for:		
Construction	\$ 243,406,151	\$ -
Capital Acquisition (Camp 30)	96,356,493	-
Bond interest and sinking fund		97,317,290
	<u>\$ 339,762,644</u>	<u>\$ 97,317,290</u>

## 7. CONTINGENCIES

### **Grants and Contracts**

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

### **Litigation**

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

### **Risk Management**

The Department is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; non-performance of duty; injuries to employees; and natural disasters. The Department participates in insurance plans maintained by the Commonwealth of Virginia. The state employee health care and worker's compensation plans are administered by the Department of Human Resource Management and the risk management insurance plans are administered by the Department of Treasury, Division of Risk Management. Risk management insurance includes property, general liability, medical malpractice, faithful performance of duty bond, automobile, and air and watercraft plans. VDOT pays premiums to each of these departments for its insurance coverage. Information relating to the Commonwealth's insurance plans is available at the state-wide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

## 8. INTERFUND ASSETS/LIABILITIES

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

At June 30, 2007, the Department had the following interfund assets and liabilities:

FUND	DUE TO	DUE FROM
<u>CONSTRUCTION</u>		
TO TOLL FACILITIES REVOLVING	\$ 34,976,753	\$ -
TO PTF	8,304,812	-
FROM FEDERAL	-	15,824,800
FROM POWHITE	-	14,671,100
FROM POCAHONTAS	-	10,000
FROM COLEMAN BRIDGE	-	110,000
FROM HIRST-BRAULT	-	2,000,000
	43,281,565	32,615,900
<u>PRIORITY TRANSPORTATION (PTF)</u>		
FROM CONSTRUCTION	-	8,304,812
	-	8,304,812
<u>TOLL FACILITIES REVOLVING</u>		
FROM COLEMAN	-	40,211,000
FROM CONSTRUCTION	-	34,976,753
FROM POCAHONTAS	-	6,134,176
FROM POWHITE	-	32,249,233
	-	113,571,162
<u>FEDERAL</u>		
FROM HMO	-	-
TO CONSTRUCTION	15,824,800	-
	15,824,800	-
<u>HIGHWAY MAINTENANCE &amp; OPERATING (HMO)</u>		
FROM SURPLUS PROPERTY	-	350
TO CONSTRUCTION	-	-
	-	350
<u>SURPLUS PROPERTY</u>		
TO HMO	350	-
	350	-
<u>COLEMAN BRIDGE</u>		
TO TOLL FACILITY REVOLVING	40,211,000	-
TO CONSTRUCTION	110,000	-
	40,321,000	-
<u>POCAHONTAS PARKWAY</u>		
TO CONSTRUCTION	10,000	-
TO TOLL FACILITY REVOLVING	6,134,176	-
	6,144,176	-
<u>HIRST-BRAULT</u>		
TO CONSTRUCTION	2,000,000	-
	2,000,000	-
<u>POWHITE</u>		
TO TOLL FACILITIES REVOLVING	32,249,233	-
TO CONSTRUCTION	14,671,100	-
	46,920,333	-
<u>SPECIAL REVENUE FUND</u>		
TOTAL INTERFUND RECEIVABLES	\$ 154,492,224	\$ 154,492,224

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

In accordance with the Acts of Assembly, certain state agencies collect revenue or provide services for the benefit of the Department. The Department is required by law to transfer funds to other agencies for those services. The cost of these services is recorded as either a direct expenditure to the Department's programs or as a program expenditure of the agency providing the service. When an agency treats the cost as its program expenditure, the Department shows the cost of such service as a "transfer to other state agencies" in the Other Financing Sources (Uses) category. These expenditures and transfers for the fiscal year ending June 30, 2007 are shown below.

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

Department of Motor Vehicles	\$ 13,115,569
Department of State Police	7,897,663
Department of Rail and Public Transportation	4,770,126
Dept. of Minority Business Enterprises	1,381,337
Department of Emergency Management	932,929
Secretary of Transportation	685,476
Department of Education	207,932
Office of the Governor	128,661
Department of Historic Resources	<u>100,000</u>
Total Expenditures	<u>\$ 29,219,693</u>

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

	<b><u>Transfers To (From) Other State Agencies</u></b>
General Fund:	
Indirect Costs	\$ 3,460,676
Department of Rail and Public Transportation	87,983,935
Chesapeake Bay Improvements	7,416,469
Department of Law	1,333,395
Marine Resources Commission	288,158
Department of Treasury	170,619
Department of Conservation & Recreation	119,909
Dept. of Agriculture & Consumer Services	97,586
Department of Historic Resources	61,389
Virginia Port Authority	16,800
Department of Aviation	9,600
Department of Motor Vehicles	(3,164,166)
Department of Emergency Management	(5,984,395)
Department of Accounts	<u>(15,560,049)</u>
Total Transfers To (From) Other Agencies	<u>\$ 76,249,926</u>

## INTRAFUND TRANSFERS

The department recorded the following intrafund transfers for the fiscal year 2007:

Fund	Transfers In	Transfers Out
<b>SPECIAL REVENUE FUNDS</b>		
<u>Highway Maintenance &amp; Operations Fund</u>		
From Surplus Property Fund	\$ 3,266,438	\$ -
From Recyclable Materials Fund	326,840	-
From Hirst Brault Expressway Fund	770,075	-
From Powwhite Parkway Extension Fund	607,050	-
From Construction Fund	276,998,434	-
To Camp 30 Debt Service	-	5,065,538
<b>TOTALS</b>	<b>281,968,837</b>	<b>5,065,538</b>
 <u>Federal Fund</u>		
From Priority Transportation Fund	140,521,973	-
To Federal Reimbursement Anticipation Notes Fund	-	140,521,973
<b>TOTALS</b>	<b>140,521,973</b>	<b>140,521,973</b>
 <u>Construction Fund</u>		
To Highway Maintenance & Operating Fund	-	276,998,434
To Priority Transportation Fund	-	104,378,912
To Rt. 58	-	25,272,573
To Northern Virginia Transportation Fund	-	9,983,500
To Hirst Brault Expressway Fund	-	2,266,952
<b>TOTALS</b>	<b>-</b>	<b>418,900,371</b>
 <u>Concession Funds for Projects</u>		
From Pocahontas	14,000,000	-
From Toll Facilities Revolving Fund	14,832,612	-
<b>TOTALS</b>	<b>28,832,612</b>	<b>-</b>
 <u>Toll Facilities Revolving Fund</u>		
From Pocahontas	120,823	-
To Concession Funds for Projects	-	14,832,612
<b>TOTALS</b>	<b>120,823</b>	<b>14,832,612</b>
 <u>Recyclable Materials Fund</u>		
To Highway Maintenance & Operating Fund	-	326,840
<b>TOTALS</b>	<b>-</b>	<b>326,840</b>

Fund	Transfers In	Transfers Out
<u>Surplus Property Fund</u>		
To Highway Maintenance & Operating Fund	-	3,266,438
TOTALS	-	3,266,438
<u>Rt. 58 Fund</u>		
From Construction Fund	25,272,573	-
To Rt. 58 Debt Service Fund	-	50,239,147
TOTALS	25,272,573	50,239,147
<u>Transportation Set Aside Fund</u>		
To Transportation Set Aside Debt Service Fund	-	2,240,629
TOTALS	-	2,240,629
<u>Coleman Bridge Fund</u>		
To Coleman Bridge Debt Service Fund	-	3,062,551
TOTALS	-	3,062,551
<u>Priority Transportation Fund</u>		
From Construction Fund	104,378,912	-
To Federal Fund	-	140,521,973
TOTALS	104,378,912	140,521,973
<u>Federal Reimbursement Anticipation Notes Fund</u>		
To Federal Reimbursement Anticipation Debt Service	-	8,883,515
TOTALS	-	8,883,515
<u>Pocahontas Parkway Fund</u>		
To Concession Funds for Projects	-	14,000,000
To Construction Fund	-	120,823
TOTALS	-	14,120,823
<u>Hirst-Brault Expressway Fund</u>		
From Construction Fund	2,266,952	-
To Hirst Brault Expressway Debt Service Fund	-	10,599,214
To Highway Maintenance & Operating Fund	-	770,075
TOTALS	2,266,952	11,369,289
<u>Northern Virginia Transportation District Fund</u>		
From Construction Fund	9,983,500	-
To Northern Va. Transportation District Debt Service Fund	-	27,937,432
TOTALS	9,983,500	27,937,432

Fund	Transfers In	Transfers Out
<u>Powhite Parkway Extension Fund</u>		
To Powhite Parkway Extension Debt Service Fund	-	6,071,483
To Highway Maintenance & Operating Fund	-	607,050
TOTALS	-	6,678,533
<b>Subtotal Special Revenue Funds</b>	<u>\$593,346,182</u>	<u>\$847,967,664</u>

**DEBT SERVICE FUNDS**

<u>Rt. 58 Debt Service Fund</u>		
From Special Revenue - Rt. 58 Fund	\$50,239,147	-
<u>Transportation Set Aside Debt Service Fund</u>		
From Special Revenue - Transportation Set Aside Fund	2,240,629	-
<u>Coleman Bridge Debt Service Fund</u>		
From Special Revenue - Coleman Bridge Fund	3,062,551	-
<u>Camp 30 Fund</u>		
From HMO Special Revenue	5,065,538	-
<u>Federal Reimbursement Anticipation Notes Debt Service Fund</u>		
From Special Revenue - Federal Fund	140,521,973	-
From Special Revenue - Federal Reimbursement Anticipation Notes Fund	8,883,515	-
<u>Hirst-Brault Expressway Debt Service Fund</u>		
From Special Revenue – Hirst Brault Expressway Fund	10,599,214	-
<u>Powhite Parkway Extension Debt Service Fund.</u>		
From Special Revenue – Powhite Parkway Extension Fund	6,071,483	-
<u>Northern Virginia Transportation District Debt Service Fund</u>		
From Special Revenue – Northern Va. Transportation District Fund	27,937,432	-
<b>Subtotal Debt Service Funds</b>	<u>\$254,621,482</u>	<u>\$ -</u>
<b>Total All Special Revenue &amp; Debt Service Funds</b>	<u>\$847,967,664</u>	<u>\$847,967,664</u>

## 10. PROPERTY, PLANT AND EQUIPMENT

The following presents Governmental capital activity for the year ended June 30, 2007:

	Governmental Activities			
	June 30, 2006	Increases	Decreases	June 30, 2007
Non-depreciable capital assets				
Land and improvements	\$ 21,582,618	\$ -	\$ -	\$ 21,582,618
Construction in progress	42,307,759	28,984,304	(17,571,704)	53,720,359
Total nondepreciable capital assets	<u>\$ 63,890,377</u>	<u>\$ 28,984,304</u>	<u>\$ (17,571,704)</u>	<u>\$ 75,302,977</u>
Depreciable capital assets:				
Buildings and Improvements	\$ 231,381,204	\$ 11,690,969	\$ (268,321)	\$ 242,803,852
Equipment	257,704,864	41,406,772	(7,231,778)	291,879,858
Total depreciable capital assets	<u>489,086,068</u>	<u>53,097,741</u>	<u>(7,500,099)</u>	<u>534,683,710</u>
Less accumulated depreciation for:				
Buildings and Improvements	(84,517,748)	(8,208,163)	600,572	(92,125,339)
Equipment	(122,156,488)	(26,230,706)	5,040,822	(143,346,372)
Total accumulated depreciation	<u>(206,674,236)</u>	<u>(34,438,869)</u>	<u>5,641,394</u>	<u>(235,471,711)</u>
Total depreciable capital assets, net	<u>\$ 282,411,832</u>	<u>\$ 18,658,872</u>	<u>\$ (1,858,705)</u>	<u>\$ 299,211,999</u>
Infrastructure assets not being depreciated				
Highway system right-of-way	\$ 1,433,868,284	\$ 126,581,460	\$ (33,964,435)	\$ 1,526,485,309
Total nondepreciable infrastructure	<u>1,433,868,284</u>	<u>126,581,460</u>	<u>(33,964,435)</u>	<u>1,526,485,309</u>
Other depreciable infrastructure assets:				
Highway system infrastructure	14,483,146,531	1,041,175,463	(982,990,757)	14,541,331,237
Restorative maintenance	753,167,081	201,249,748	-	954,416,829
Bridge and tunnel infrastructure	3,453,898,605	72,729,581	-	3,526,628,186
Total road system infrastructure	<u>18,690,212,217</u>	<u>1,315,154,792</u>	<u>(982,990,757)</u>	<u>19,022,376,252</u>
Less accumulated depreciation for:				
Highway system infrastructure	(7,582,989,356)	(393,066,217)	677,467,423	(7,298,588,150)
Bridge and tunnel infrastructure	(1,445,963,764)	(68,861,834)	-	(1,514,825,598)
Total accumulated depreciation	<u>(9,028,953,120)</u>	<u>(461,928,051)</u>	<u>677,467,423</u>	<u>(8,813,413,748)</u>
Total infrastructure, net	<u>\$ 11,095,127,381</u>	<u>\$ 979,808,201</u>	<u>\$ (339,487,769)</u>	<u>\$ 11,735,447,813</u>
Infrastructure, work in process				
Road and bridge	\$ 1,958,217,393	\$ 922,980,705	\$ (984,218,121)	\$ 1,896,979,977
Right-of-way	210,934,828	138,043,471	(126,581,460)	222,396,839
Total right of way	<u>\$ 2,169,152,221</u>	<u>\$ 1,061,024,176</u>	<u>\$ (1,110,799,581)</u>	<u>\$ 2,119,376,816</u>
	<u>\$ 13,610,581,811</u>	<u>\$ 2,088,475,553</u>	<u>\$ (1,469,717,759)</u>	<u>\$ 14,229,339,605</u>
Highway system acquisition and construction		\$ 461,928,051		
Administrative and support services		12,240,135		
Highway system maintenance		13,990,571		
Unallocated		8,208,163		
		<u>\$ 496,366,920</u>		

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

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

Total Budgetary (Cash) Basis Fund Balance at June 30, 2007	\$1,640,713,339
Accrued Revenues on GAAP Basis	209,314,808
Accrued Expenditures on GAAP Basis	(185,824,628)
Accrued OFS&U on GAAP Basis	1,975,507
Total Modified Accrual	
(GAAP) Basis Fund Balance at June 30, 2007	<u>\$1,666,179,026</u>

**12. CASH AND INVESTMENTS**

**Cash 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 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, 2007, the Department reported \$1,315,831,706 for Cash with the Treasurer, of which \$54,574 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 \$98,765,597 and \$8,856,972 respectively at June 30, 2007.

The Department maintains cash with the Treasurer in the state Treasurer's General Account. During the fiscal year 2007, 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, 2007 was \$379,973,168. Both collateral held and payable for collateral held for securities lending are reported in the Balance Sheet.

The Department's investments with the Treasurer including LGIP, STIF and the investments of the General Account securities lending program are disclosed in the Commonwealth's Comprehensive Annual Financial Report.

## Cash 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 Investments with Trustees". At June 30, 2007, the reported balance for Cash and Investments with Trustees were as follows:

Construction Fund	\$	501,100
Toll Facilities Revolving Fund		3,757,647
Route 58		851,684
Northern Virginia Transportation District		8,331,338
Federal Reimbursement Anticipation Notes		156,990,622
Camp 30		98,565,878
Route 28		35,518
Transportation Set Aside		1,114
<b>Total</b>	<b>\$</b>	<b><u>269,034,901</u></b>

The Pocahontas Parkway enterprise fund did not report any cash or investments held by trustees at June 30, 2007 due to the agreement between the Pocahontas Parkway Association (PPA) and Transurban (895) LLC under which Transurban (895) LLC assumed the rights and obligations to maintain and collect tolls on the Pocahontas Parkway. The only transaction related to the Association shown in the financial statements for fiscal year 2007 is the transfer of its remaining cash of \$877,879 to Transurban (895) LLC. The Association was formally dissolved and terminated by the State Corporation Commission on July 26, 2006.

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, 2007, the Department's carrying amount of cash with trustees was \$96,369,010 and the bank balance was \$96,107,377.

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, 2007, the Department's investments with trustees totaled \$172,665,891.

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

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Department may not be able to recover the value of its investment or collateral securities that are in possession of an outside party. As of June 30, 2007, 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, 2007, the Department had no investment with trustees with a maturity of greater than five years.

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

Concentration of credit risk is related to the risk of loss that may be attributed to the magnitude of the Department's investments in a single issuer. As of June 30, 2007, 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, 2007, the Department had the following investments with trustees:

INVESTMENT	FAIR VALUE	RATING AGENCY	CREDIT RATING	Investment Maturities	
				LESS THAN 1 YEAR	1-5 YEARS
Repurchase Agreements	\$ 3,629,478		Unrated	\$ 3,629,478	
Mutual and Money Market Funds (Include SNAP)	70,482,863	Standard & Poor's	AAA	70,482,863	
Guaranteed Investment Contracts (Camp 30)	<u>98,553,550</u>	Standard & Poor's	AAA		<u>98,553,550</u>
Total	<u>\$172,665,891</u>			<u>\$ 74,112,341</u>	<u>\$ 98,553,550</u>

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

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

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

### 14. SUBSEQUENT EVENTS

After June 30, but before financial statements are issued, information may become available indicating that an asset was impaired or a material liability was incurred. Adjustments to financial statements to reflect this information are required for amounts relating to conditions existing as of June 30, 2007. An example of an adjustment is a loss on trade receivable, which is confirmed by the bankruptcy of a customer. Disclosure is necessary for events that do not relate to conditions at the balance sheet date, but make the financial statements misleading. This disclosure should indicate the nature of the loss

or loss contingency and give an estimate of the amount, or range, of loss or possible loss, or state that such an estimate can not be made. An example of a subsequent event requiring disclosure would be the issuance of long-term debt after the balance sheet date but before the statements were issued.

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

As of January 31, 2008, the agreements to transfer the Dulles Toll Road rights have not been finalized.



# FINANCIAL REPORT

JUNE 30, 2007

REQUIRED SUPPLEMENTARY INFORMATION

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

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VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

	<b>TOTAL</b>			
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth				\$0
Taxes	\$151,300,000	\$151,300,000	\$151,300,000	
Rights and privileges	1,870,305,900	1,870,305,900	1,822,342,958	(47,962,942)
Sale of property and commodities	245,372,303	245,372,303	237,728,485	(7,643,818)
Interest, dividends, and rents	30,069	30,069	8,627,410	8,597,341
Fines, forfeitures, court fees	21,822,562	21,822,562	103,862,352	82,039,790
Penalties, and escheats	11,658,799	11,658,799	7,903,274	(3,755,525)
Receipts from cities, counties, and towns	69,704,237	69,704,237	61,741,288	(7,962,949)
Federal grants and contracts	1,159,264,371	1,159,264,371	598,383,101	(560,881,270)
Toll revenues	87,849,347	87,849,347	81,916,853	(5,932,494)
Other	22,824,952	22,824,952	32,854,965	10,030,013
<b>Total revenues</b>	<u>3,640,132,540</u>	<u>3,640,132,540</u>	<u>3,106,660,686</u>	<u>(533,471,854)</u>
<b>Expenditures</b>				
Current				
Administrative and support services	182,036,113	249,801,705	194,858,444	54,943,261
Ground transportation system planning and research	29,465,389	55,440,642	33,411,971	22,028,671
Highway system acquisition and construction	1,498,284,593	1,685,252,611	1,079,521,628	605,730,983
Highway system maintenance	1,107,337,368	1,192,087,564	970,980,194	221,107,370
Financial assistance to localities	313,912,100	369,172,131	342,000,258	27,171,873
Environmental monitoring and compliance	16,900,812	16,900,812	14,302,703	2,598,109
Toll facility operations and construction	42,375,289	114,638,414	62,736,095	51,902,319
Capital outlay	17,877,000	64,365,371	15,200,772	49,164,599
Transfers to other state agencies	32,816,834	32,816,834	29,219,693	3,597,141
<b>Total expenditures</b>	<u>3,241,005,498</u>	<u>3,780,476,084</u>	<u>2,742,231,758</u>	<u>1,038,244,326</u>
<b>Revenues over (under) expenditures</b>	<u>399,127,042</u>	<u>(140,343,544)</u>	<u>364,428,928</u>	<u>504,772,472</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(935,177)	(935,177)
Other financing sources	115,590,000	121,153,435	0	(121,153,435)
Bond proceeds	0	0	204,364	204,364
Transfers to other state agencies and General Fund	(37,176,019)	(37,176,019)	(105,991,579)	(68,815,560)
Transfers from other state agencies and General Fund	27,069,804	27,069,804	28,274,768	1,204,964
Transfers in	469,529,912	469,529,912	601,676,387	132,146,475
Transfers out	(751,387,642)	(751,387,642)	(856,297,869)	(104,910,227)
<b>Total other financing sources (uses)</b>	<u>(176,373,945)</u>	<u>(170,810,510)</u>	<u>(333,069,106)</u>	<u>(162,258,596)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>222,753,097</u>	<u>(311,154,054)</u>	<u>31,359,822</u>	<u>342,513,876</u>
<b>Fund balance - July 1</b>	<u>1,609,353,517</u>	<u>1,609,353,517</u>	<u>1,609,353,517</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u>\$1,832,106,614</u>	<u>\$1,298,199,463</u>	<u>\$1,640,713,339</u>	<u>\$342,513,876</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

	FEDERAL			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General				
Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	0	0
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	1,159,264,371	1,159,264,371	598,383,101	(560,881,270)
Toll revenues	0	0	0	0
Other	0	0	0	0
<b>Total revenues</b>	<u>1,159,264,371</u>	<u>1,159,264,371</u>	<u>598,383,101</u>	<u>(560,881,270)</u>
<b>Expenditures</b>				
Current				
Administrative and support services	462,250	712,250	260,807	451,443
Ground transportation system planning and research	13,113,525	29,508,586	13,298,549	16,210,037
Highway system acquisition and construction	1,003,257,306	844,931,161	511,308,985	333,622,176
Highway system maintenance	98,274,000	192,078,277	73,784,944	118,293,333
Financial assistance to localities	9,811,900	11,531,304	8,901,397	2,629,907
Environmental monitoring and compliance	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	336,293	58,652	277,641
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<u>1,124,918,981</u>	<u>1,079,097,871</u>	<u>607,613,334</u>	<u>471,484,537</u>
<b>Revenues over (under) expenditures</b>	<u>34,345,390</u>	<u>80,166,500</u>	<u>(9,230,233)</u>	<u>(89,396,733)</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	7,569,804	7,569,804	9,155,398	1,585,594
Transfers in	152,275,052	152,275,052	140,521,973	(11,753,079)
Transfers out	(152,275,052)	(152,275,052)	(140,521,973)	11,753,079
<b>Total other financing sources (uses)</b>	<u>7,569,804</u>	<u>7,569,804</u>	<u>9,155,398</u>	<u>1,585,594</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>41,915,194</u>	<u>87,736,304</u>	<u>(74,835)</u>	<u>(87,811,139)</u>
<b>Fund balance - July 1</b>	<u>79,840</u>	<u>79,840</u>	<u>79,840</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u><u>\$41,995,034</u></u>	<u><u>\$87,816,144</u></u>	<u><u>\$5,005</u></u>	<u><u>(\$87,811,139)</u></u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

<b>HIGHWAY MAINTENANCE &amp; OPERATING</b>				
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	1,150,500,000	1,150,500,000	1,131,862,998	(18,637,002)
Rights and privileges	214,406,863	214,406,863	205,147,346	(9,259,517)
Sale of property and commodities	30,069	30,069	421,834	391,765
Interest, dividends, and rents	30,000	30,000	61,050	31,050
Fines, forfeitures, court fees				
Penalties, and escheats	8,802,422	8,802,422	7,512,936	(1,289,486)
Receipts from cities, counties, and towns	951,990	951,990	1,288,941	336,951
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	21,959,252	21,959,252	16,068,969	(5,890,283)
<b>Total revenues</b>	<b>1,396,680,596</b>	<b>1,396,680,596</b>	<b>1,362,364,074</b>	<b>(34,316,522)</b>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	180,921,063	248,420,335	194,120,175	54,300,160
Ground transportation system planning and research	5,592,839	4,677,256	4,131,014	546,242
Highway system acquisition and construction	92,254,894	41,785,382	34,979,245	6,806,137
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	1,009,063,368	999,992,306	897,195,250	102,797,056
Financial assistance to localities	285,485,200	312,567,164	312,561,536	5,628
Environmental monitoring and compliance	16,900,812	16,900,812	14,302,703	2,598,109
Toll facility operations and construction	0	0	0	0
Capital outlay	0	730,000	141,444	588,556
Transfers to other state agencies	32,816,834	32,816,834	29,219,693	3,597,141
<b>Total expenditures</b>	<b>1,623,035,010</b>	<b>1,657,890,089</b>	<b>1,486,651,060</b>	<b>171,239,029</b>
<b>Revenues over (under) expenditures</b>	<b>(226,354,414)</b>	<b>(261,209,493)</b>	<b>(124,286,986)</b>	<b>136,922,507</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Reversion to the General Fund of the Commonwealth	0	0	0	0
Note proceeds	0	0	0	0
Transfers to other state agencies and General Fund	(12,262,013)	(12,262,013)	(12,275,783)	(13,770)
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	286,302,594	286,302,594	267,449,677	(18,852,917)
Transfers out	0	0	(36,340,538)	(36,340,538)
<b>Total other financing sources (uses)</b>	<b>274,040,581</b>	<b>274,040,581</b>	<b>218,833,356</b>	<b>(55,207,225)</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>47,686,167</b>	<b>12,831,088</b>	<b>94,546,370</b>	<b>81,715,282</b>
<b>Fund balance - July 1</b>	<b>122,324,834</b>	<b>122,324,834</b>	<b>122,324,834</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$170,011,001</b>	<b>\$135,155,922</b>	<b>\$216,871,204</b>	<b>\$81,715,282</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

	CONSTRUCTION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	681,305,900	681,305,900	670,479,960	(10,825,940)
Rights and privileges	26,816,605	26,816,605	28,415,811	1,599,206
Sale of property and commodities	0	0	8,200,946	8,200,946
Interest, dividends, and rents	0	0	3,880,595	3,880,595
Fines, forfeitures, court fees				
Penalties, and escheats	2,856,377	2,856,377	53,102	(2,803,275)
Receipts from cities, counties, and towns	59,406,402	59,406,402	43,255,064	(16,151,338)
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	865,700	865,700	2,014,207	1,148,507
<b>Total revenues</b>	<u>771,250,984</u>	<u>771,250,984</u>	<u>756,299,685</u>	<u>(14,951,299)</u>
<b>Expenditures</b>				
Current				
Administrative and support services	652,800	669,120	460,763	208,357
Ground transportation system planning and research	10,759,025	21,254,800	15,982,408	5,272,392
Highway system acquisition and construction	198,548,871	397,169,114	369,012,057	28,157,057
Highway system maintenance	0	0	0	0
Financial assistance to localities	18,615,000	45,073,663	20,537,325	24,536,338
Environmental monitoring and compliance	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	17,877,000	61,318,051	6,093,315	55,224,736
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<u>246,452,696</u>	<u>525,484,748</u>	<u>412,085,868</u>	<u>113,398,880</u>
<b>Revenues over (under) expenditures</b>	<u>524,798,288</u>	<u>245,766,236</u>	<u>344,213,817</u>	<u>98,447,581</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	(24,832,806)	(24,832,806)	(18,274,124)	6,558,682
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	(286,302,594)	(286,302,594)	(396,076,749)	(109,774,155)
<b>Total other financing sources (uses)</b>	<u>(311,135,400)</u>	<u>(311,135,400)</u>	<u>(414,350,873)</u>	<u>(103,215,473)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>213,662,888</u>	<u>(65,369,164)</u>	<u>(70,137,056)</u>	<u>(4,767,892)</u>
<b>Fund balance - July 1</b>	<u>595,986,208</u>	<u>595,986,208</u>	<u>595,986,208</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u>\$809,649,096</u>	<u>\$530,617,044</u>	<u>\$525,849,152</u>	<u>(\$4,767,892)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

	PRIORITY TRANSPORTATION FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General				
Fund of the Commonwealth	\$111,300,000	\$111,300,000	\$111,300,000	\$0
Taxes	38,500,000	38,500,000	20,000,000	(18,500,000)
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	4,949,120	4,949,120	16,005,635	11,056,515
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
<b>Total revenues</b>	<b>154,749,120</b>	<b>154,749,120</b>	<b>147,305,635</b>	<b>(7,443,485)</b>
<b>Expenditures</b>				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	148,785,278	74,272,553	11,232,008	63,040,545
Highway system maintenance	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<b>148,785,278</b>	<b>74,272,553</b>	<b>11,232,008</b>	<b>63,040,545</b>
<b>Revenues over (under) expenditures</b>	<b>5,963,842</b>	<b>80,476,567</b>	<b>136,073,627</b>	<b>55,597,060</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	35,166,876	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	(23,282,172)	(23,282,172)
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	127,349,100	127,349,100
Transfers out	(152,275,052)	(152,275,052)	(140,521,973)	11,753,079
<b>Total other financing sources (uses)</b>	<b>(117,108,176)</b>	<b>(152,275,052)</b>	<b>(36,455,045)</b>	<b>115,820,007</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>(111,144,334)</b>	<b>(71,798,485)</b>	<b>99,618,582</b>	<b>171,417,067</b>
<b>Fund balance - July 1</b>	<b>111,144,334</b>	<b>111,144,334</b>	<b>111,144,334</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$0</b>	<b>\$39,345,849</b>	<b>\$210,762,916</b>	<b>\$171,417,067</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

<b>TOLL FACILITIES REVOLVING</b>				
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	15,775,442	15,775,442	50,158,608	34,383,166
Fines, forfeitures, court fees	0	0	0	0
Penalties, and escheats	0	0	337,236	337,236
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	11,146,768	11,146,768
<b>Total revenues</b>	<b>15,775,442</b>	<b>15,775,442</b>	<b>61,642,612</b>	<b>45,867,170</b>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway system maintenance	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Toll facility operations and construction	4,704,600	65,476,936	28,730,008	36,746,928
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<b>4,704,600</b>	<b>65,476,936</b>	<b>28,730,008</b>	<b>36,746,928</b>
<b>Revenues over (under) expenditures</b>	<b>11,070,842</b>	<b>(49,701,494)</b>	<b>32,912,604</b>	<b>82,614,098</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(719,004)	(719,004)
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	(15,850,333)	(15,850,333)	(14,832,612)	1,017,721
<b>Total other financing sources (uses)</b>	<b>(15,850,333)</b>	<b>(15,850,333)</b>	<b>(15,551,616)</b>	<b>298,717</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>(4,779,491)</b>	<b>(65,551,827)</b>	<b>17,360,988</b>	<b>82,912,815</b>
<b>Fund balance - July 1</b>	<b>243,665,491</b>	<b>243,665,491</b>	<b>243,665,491</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$238,886,000</b>	<b>\$178,113,664</b>	<b>\$261,026,479</b>	<b>\$82,912,815</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

ROUTE 58				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$40,000,000	\$40,000,000	\$40,000,000	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	4,630	4,630
Interest, dividends, and rents	0	0	3,332,167	3,332,167
Fines, forfeitures, court fees	0	0	0	0
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	514	514
<b>Total revenues</b>	<u>40,000,000</u>	<u>40,000,000</u>	<u>43,337,311</u>	<u>3,337,311</u>
<b>Expenditures</b>				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	405,866	16,135,808	7,652,465	8,483,343
Highway system maintenance	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<u>405,866</u>	<u>16,135,808</u>	<u>7,652,465</u>	<u>8,483,343</u>
<b>Revenues over (under) expenditures</b>	<u>39,594,134</u>	<u>23,864,192</u>	<u>35,684,846</u>	<u>11,820,654</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(59,205)	(59,205)
Other financing sources	0	0	0	0
Bond proceeds	0	0	136,926	136,926
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	25,272,573	25,272,573
Transfers out	(51,464,192)	(51,464,192)	(50,239,147)	1,225,045
<b>Total other financing sources (uses)</b>	<u>(51,464,192)</u>	<u>(51,464,192)</u>	<u>(24,888,853)</u>	<u>26,575,339</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>(11,870,058)</u>	<u>(27,600,000)</u>	<u>10,795,993</u>	<u>38,395,993</u>
<b>Fund balance - July 1</b>	<u>34,494,463</u>	<u>34,494,463</u>	<u>34,494,463</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u>\$22,624,405</u>	<u>\$6,894,463</u>	<u>\$45,290,456</u>	<u>\$38,395,993</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

FEDERAL REIMBURSEMENT ANTICIPATION NOTES				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	6,570,170	6,570,170
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
<b>Total revenues</b>	<u>0</u>	<u>0</u>	<u>6,570,170</u>	<u>6,570,170</u>
<b>Expenditures</b>				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	185,257,769	118,617,717	66,640,052
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<u>0</u>	<u>185,257,769</u>	<u>118,617,717</u>	<u>66,640,052</u>
<b>Revenues over (under) expenditures</b>	<u>0</u>	<u>(185,257,769)</u>	<u>(112,047,547)</u>	<u>73,210,222</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(14,389)	(14,389)
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	(14,768,779)	(14,768,779)
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	0	0	(8,883,515)	(8,883,515)
<b>Total other financing sources (uses)</b>	<u>0</u>	<u>0</u>	<u>(23,666,683)</u>	<u>(23,666,683)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>0</u>	<u>(185,257,769)</u>	<u>(135,714,230)</u>	<u>49,543,539</u>
<b>Fund balance - July 1</b>	<u>197,257,769</u>	<u>197,257,769</u>	<u>197,257,769</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u>\$197,257,769</u>	<u>\$12,000,000</u>	<u>\$61,543,539</u>	<u>\$49,543,539</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

NONMAJOR FUNDS				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General				
Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	4,148,835	4,148,835	4,165,328	16,493
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	1,068,000	1,068,000	23,854,127	22,786,127
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	9,345,845	9,345,845	17,197,283	7,851,438
Federal grants and contracts	0	0	0	0
Toll revenues	87,849,347	87,849,347	81,916,853	(5,932,494)
Other	0	0	3,624,507	3,624,507
<b>Total revenues</b>	<b>102,412,027</b>	<b>102,412,027</b>	<b>130,758,098</b>	<b>28,346,071</b>
<b>Expenditures</b>				
Current				
Administrative and support services	0	0	16,699	(16,699)
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	55,032,378	125,700,824	26,719,151	98,981,673
Highway acq. and const. - bond proceeds	0	0	0	0
Highway system maintenance	0	16,981	0	16,981
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Toll facility operations and construction	37,670,689	49,161,478	34,006,087	15,155,391
Capital outlay	0	1,981,027	8,907,361	(6,926,334)
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<b>92,703,067</b>	<b>176,860,310</b>	<b>69,649,298</b>	<b>107,211,012</b>
<b>Revenues over (under) expenditures</b>	<b>9,708,960</b>	<b>(74,448,283)</b>	<b>61,108,800</b>	<b>135,557,083</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(142,579)	(142,579)
Other financing sources	80,423,124	121,153,435	0	(121,153,435)
Bond proceeds	0	0	67,438	67,438
Transfers to other state agencies and General Fund	(81,200)	(81,200)	(37,390,721)	(37,309,521)
Transfers from other state agencies and General Fund	19,500,000	19,500,000	19,119,370	(380,630)
Transfers in	30,952,266	30,952,266	41,083,064	10,130,798
Transfers out	(93,220,419)	(93,220,419)	(68,881,362)	24,339,057
<b>Total other financing sources (uses)</b>	<b>37,573,771</b>	<b>78,304,082</b>	<b>(46,144,790)</b>	<b>(124,448,872)</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>47,282,731</b>	<b>3,855,799</b>	<b>14,964,010</b>	<b>11,108,211</b>
<b>Fund balance - July 1</b>	<b>304,400,578</b>	<b>304,400,578</b>	<b>304,400,578</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$351,683,309</b>	<b>\$308,256,377</b>	<b>\$319,364,588</b>	<b>\$11,108,211</b>

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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, 2007

<b>TRANSPORTATION PARTNERSHIP OPPORTUNITY</b>				
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>Revenues</b>				
Revenue provided by the General				
Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	3,323,033	3,323,033
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
<b>Total revenues</b>	<u>0</u>	<u>0</u>	<u>3,323,033</u>	<u>3,323,033</u>
<b>Expenditures</b>				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	50,000,000	50,000,000	6,442,376	43,557,624
Highway system maintenance	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<u>50,000,000</u>	<u>50,000,000</u>	<u>6,442,376</u>	<u>43,557,624</u>
<b>Revenues over (under) expenditures</b>	<u>(50,000,000)</u>	<u>(50,000,000)</u>	<u>(3,119,343)</u>	<u>46,880,657</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	0	0	0	0
<b>Total other financing sources (uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>(50,000,000)</u>	<u>(50,000,000)</u>	<u>(3,119,343)</u>	<u>46,880,657</u>
<b>Fund balance - July 1</b>	<u>51,389,240</u>	<u>51,389,240</u>	<u>51,389,240</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u>\$1,389,240</u>	<u>\$1,389,240</u>	<u>\$48,269,897</u>	<u>\$46,880,657</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

<b>CONCESSION FUNDS FOR PROJECTS</b>				
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	1,206,403	1,206,403
Fines, forfeitures, court fees	0	0	0	0
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
<b>Total revenues</b>	<b>0</b>	<b>0</b>	<b>1,206,403</b>	<b>1,206,403</b>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	30,628,753	335,577	30,293,176
Highway system maintenance	0	16,981	0	16,981
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<b>0</b>	<b>30,645,734</b>	<b>335,577</b>	<b>30,310,157</b>
<b>Revenues over (under) expenditures</b>	<b>0</b>	<b>(30,645,734)</b>	<b>870,826</b>	<b>31,516,560</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	0	711,189	0	(711,189)
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	29,934,545	29,934,545	28,832,612	(1,101,933)
Transfers out	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>29,934,545</b>	<b>30,645,734</b>	<b>28,832,612</b>	<b>(1,813,122)</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>29,934,545</b>	<b>0</b>	<b>29,703,438</b>	<b>29,703,438</b>
<b>Fund balance - July 1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$29,934,545</b>	<b>\$0</b>	<b>\$29,703,438</b>	<b>\$29,703,438</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

POCAHONTAS PARKWAY				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General				
Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	0	0
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	8,529	8,529
<b>Total revenues</b>	<u>0</u>	<u>0</u>	<u>8,529</u>	<u>8,529</u>
<b>Expenditures</b>				
Current				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway system maintenance	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Toll facility operations and construction	0	325,000	195,443	129,557
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<u>0</u>	<u>325,000</u>	<u>195,443</u>	<u>129,557</u>
<b>Revenues over (under) expenditures</b>	<u>0</u>	<u>(325,000)</u>	<u>(186,914)</u>	<u>138,086</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	7,330	332,330	0	(332,330)
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	(15,101,933)	(15,101,933)	(14,000,000)	1,101,933
<b>Total other financing sources (uses)</b>	<u>(15,094,603)</u>	<u>(14,769,603)</u>	<u>(14,000,000)</u>	<u>769,603</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>(15,094,603)</u>	<u>(15,094,603)</u>	<u>(14,186,914)</u>	<u>907,689</u>
<b>Fund balance - July 1</b>	<u>15,094,603</u>	<u>15,094,603</u>	<u>15,094,603</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u>\$0</u>	<u>\$0</u>	<u>\$907,689</u>	<u>\$907,689</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

<b>RECYCLABLE MATERIALS</b>				
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	0	0
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	326,840	326,840
<b>Total revenues</b>	<b>0</b>	<b>0</b>	<b>326,840</b>	<b>326,840</b>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway system maintenance	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues over (under) expenditures</b>	<b>0</b>	<b>0</b>	<b>326,840</b>	<b>326,840</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	0	0	(326,840)	(326,840)
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>(326,840)</b>	<b>(326,840)</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund balance - July 1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

<b>SURPLUS PROPERTY</b>				
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	0	0
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	3,266,088	3,266,088
<b>Total revenues</b>	<b>0</b>	<b>0</b>	<b>3,266,088</b>	<b>3,266,088</b>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway system maintenance	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues over (under) expenditures</b>	<b>0</b>	<b>0</b>	<b>3,266,088</b>	<b>3,266,088</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	0	0	(3,266,088)	(3,266,088)
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>(3,266,088)</b>	<b>(3,266,088)</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund balance - July 1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

CAMP 30				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	4,848,037	4,848,037
Fines, forfeitures, court fees	0	0	0	0
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	285	285
<b>Total revenues</b>	<u>0</u>	<u>0</u>	<u>4,848,322</u>	<u>4,848,322</u>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	16,699	(16,699)
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway system maintenance	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	7,235,039	(7,235,039)
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<u>0</u>	<u>0</u>	<u>7,251,738</u>	<u>(7,251,738)</u>
<b>Revenues over (under) expenditures</b>	<u>0</u>	<u>0</u>	<u>(2,403,416)</u>	<u>(2,403,416)</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	0	0	0	0
<b>Total other financing sources (uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>0</u>	<u>0</u>	<u>(2,403,416)</u>	<u>(2,403,416)</u>
<b>Fund balance - July 1</b>	<u>100,956,966</u>	<u>100,956,966</u>	<u>100,956,966</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u>\$100,956,966</u>	<u>\$100,956,966</u>	<u>\$98,553,550</u>	<u>(\$2,403,416)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

NORTHERN VIRGINIA TRANSPORTATION DISTRICT				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General				
Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	4,148,835	4,148,835	4,165,328	16,493
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	8,676,203	8,676,203
Fines, forfeitures, court fees				
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	816,000	816,000	816,000	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
<b>Total revenues</b>	<b>4,964,835</b>	<b>4,964,835</b>	<b>13,657,531</b>	<b>8,692,696</b>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	4,860,998	4,902,436	6,842,098	(1,939,662)
Highway system maintenance	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<b>4,860,998</b>	<b>4,902,436</b>	<b>6,842,098</b>	<b>(1,939,662)</b>
<b>Revenues over (under) expenditures</b>	<b>103,837</b>	<b>62,399</b>	<b>6,815,433</b>	<b>6,753,034</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(136,388)	(136,388)
Other financing sources	0	0	0	0
Bond proceeds	0	0	67,438	67,438
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	18,500,000	18,500,000	18,003,562	(496,438)
Transfers in	0	0	9,983,500	9,983,500
Transfers out	(47,062,399)	(47,062,399)	(27,937,432)	19,124,967
<b>Total other financing sources (uses)</b>	<b>(28,562,399)</b>	<b>(28,562,399)</b>	<b>(19,320)</b>	<b>28,543,079</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>(28,458,562)</b>	<b>(28,500,000)</b>	<b>6,796,113</b>	<b>35,296,113</b>
<b>Fund balance - July 1</b>	<b>125,531,183</b>	<b>125,531,183</b>	<b>125,531,183</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$97,072,621</b>	<b>\$97,031,183</b>	<b>\$132,327,296</b>	<b>\$35,296,113</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

TRANSPORTATION SET ASIDE				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	136,181	136,181
Fines, forfeitures, court fees	0	0	0	0
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	1,000,000	1,000,000	1,000,000	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
<b>Total revenues</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,136,181</b>	<b>136,181</b>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	171,380	171,380	42,188	129,192
Highway system maintenance	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<b>171,380</b>	<b>171,380</b>	<b>42,188</b>	<b>129,192</b>
<b>Revenues over (under) expenditures</b>	<b>828,620</b>	<b>828,620</b>	<b>1,093,993</b>	<b>265,373</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(2,407)	(2,407)
Other financing sources	395,991	395,991	0	(395,991)
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	1,000,000	1,000,000	1,115,808	115,808
Transfers in	0	0	0	0
Transfers out	(3,242,143)	(3,242,143)	(2,240,629)	1,001,514
<b>Total other financing sources (uses)</b>	<b>(1,846,152)</b>	<b>(1,846,152)</b>	<b>(1,127,228)</b>	<b>718,924</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>(1,017,532)</b>	<b>(1,017,532)</b>	<b>(33,235)</b>	<b>984,297</b>
<b>Fund balance - July 1</b>	<b>1,017,532</b>	<b>1,017,532</b>	<b>1,017,532</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$984,297</b>	<b>\$984,297</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

ROUTE 28				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	186,160	186,160
Fines, forfeitures, court fees	0	0	0	0
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	7,529,845	7,529,845	15,381,283	7,851,438
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
<b>Total revenues</b>	<u>7,529,845</u>	<u>7,529,845</u>	<u>15,567,443</u>	<u>8,037,598</u>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	39,998,255	13,056,912	26,941,343
Highway system maintenance	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Toll facility operations and construction	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<u>0</u>	<u>39,998,255</u>	<u>13,056,912</u>	<u>26,941,343</u>
<b>Revenues over (under) expenditures</b>	<u>7,529,845</u>	<u>(32,468,410)</u>	<u>2,510,531</u>	<u>34,978,941</u>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(2,401)	(2,401)
Other financing sources	0	39,269,159	0	(39,269,159)
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	(7,529,845)	(7,529,845)	0	7,529,845
<b>Total other financing sources (uses)</b>	<u>(7,529,845)</u>	<u>31,739,314</u>	<u>(2,401)</u>	<u>(31,741,715)</u>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>0</u>	<u>(729,096)</u>	<u>2,508,130</u>	<u>3,237,226</u>
<b>Fund balance - July 1</b>	<u>729,096</u>	<u>729,096</u>	<u>729,096</u>	<u>0</u>
<b>Fund balance - June 30</b>	<u>\$729,096</u>	<u>\$0</u>	<u>\$3,237,226</u>	<u>\$3,237,226</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

COLEMAN BRIDGE				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	29,000	29,000	224,489	195,489
Fines, forfeitures, court fees	0	0	0	0
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	6,526,443	6,526,443	6,722,997	196,554
Other	0	0	5,690	5,690
<b>Total revenues</b>	<b>6,555,443</b>	<b>6,555,443</b>	<b>6,953,176</b>	<b>397,733</b>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway system maintenance	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Toll facility operations and construction	2,496,025	3,377,005	2,363,994	1,013,011
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<b>2,496,025</b>	<b>3,377,005</b>	<b>2,363,994</b>	<b>1,013,011</b>
<b>Revenues over (under) expenditures</b>	<b>4,059,418</b>	<b>3,178,438</b>	<b>4,589,182</b>	<b>1,410,744</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(1,203)	(1,203)
Other financing sources	36,167,422	37,048,402	0	(37,048,402)
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	(7,663)	(7,663)	(7,663)	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	(3,170,775)	(3,170,775)	(3,062,551)	108,224
<b>Total other financing sources (uses)</b>	<b>32,988,984</b>	<b>33,869,964</b>	<b>(3,071,417)</b>	<b>(36,941,381)</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>37,048,402</b>	<b>37,048,402</b>	<b>1,517,765</b>	<b>(35,530,637)</b>
<b>Fund balance - July 1</b>	<b>(37,048,402)</b>	<b>(37,048,402)</b>	<b>(37,048,402)</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$35,530,637)</b>	<b>(\$35,530,637)</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

<b>ELIZABETH RIVER TUNNELS</b>				
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	10,453	10,453
Fines, forfeitures, court fees	0	0	0	0
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	0	0	0	0
Other	0	0	0	0
<b>Total revenues</b>	<b>0</b>	<b>0</b>	<b>10,453</b>	<b>10,453</b>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway system maintenance	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Toll facility operations and construction	0	149,463	2,919	146,544
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<b>0</b>	<b>149,463</b>	<b>2,919</b>	<b>146,544</b>
<b>Revenues over (under) expenditures</b>	<b>0</b>	<b>(149,463)</b>	<b>7,534</b>	<b>156,997</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	(180)	(180)
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	0	0	0	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	0	0
Transfers out	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>(180)</b>	<b>(180)</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>0</b>	<b>(149,463)</b>	<b>7,354</b>	<b>156,817</b>
<b>Fund balance - July 1</b>	<b>149,463</b>	<b>149,463</b>	<b>149,463</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$149,463</b>	<b>\$0</b>	<b>\$156,817</b>	<b>\$156,817</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

OMER L. HIRST - ADELARD L. BRAULT EXPRESSWAY				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	1,039,000	1,039,000	5,105,545	4,066,545
Fines, forfeitures, court fees	0	0	0	0
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	71,222,904	71,222,904	64,930,858	(6,292,046)
Other	0	0	16,946	16,946
<b>Total revenues</b>	<b>72,261,904</b>	<b>72,261,904</b>	<b>70,053,349</b>	<b>(2,208,555)</b>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway system maintenance	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Toll facility operations and construction	30,376,322	40,967,685	27,269,474	13,698,211
Capital outlay	0	1,981,027	1,672,322	308,705
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<b>30,376,322</b>	<b>42,948,712</b>	<b>28,941,796</b>	<b>14,006,916</b>
<b>Revenues over (under) expenditures</b>	<b>41,885,582</b>	<b>29,313,192</b>	<b>41,111,553</b>	<b>11,798,361</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	0	0	0	0
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	(58,612)	(58,612)	(37,368,133)	(37,309,521)
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	0	0	2,266,952	2,266,952
Transfers out	(10,870,574)	(10,870,574)	(11,369,289)	(498,715)
<b>Total other financing sources (uses)</b>	<b>(10,929,186)</b>	<b>(10,929,186)</b>	<b>(46,470,470)</b>	<b>(35,541,284)</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>30,956,396</b>	<b>18,384,006</b>	<b>(5,358,917)</b>	<b>(23,742,923)</b>
<b>Fund balance - July 1</b>	<b>90,494,982</b>	<b>90,494,982</b>	<b>90,494,982</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$121,451,378</b>	<b>\$108,878,988</b>	<b>\$85,136,065</b>	<b>(\$23,742,923)</b>

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 BUDGET COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2007

POWHITE PARKWAY EXTENSION				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>				
Revenue provided by the General Fund of the Commonwealth	\$0	\$0	\$0	\$0
Taxes	0	0	0	0
Rights and privileges	0	0	0	0
Sale of property and commodities	0	0	0	0
Interest, dividends, and rents	0	0	137,623	137,623
Fines, forfeitures, court fees	0	0	0	0
Penalties, and escheats	0	0	0	0
Receipts from cities, counties, and towns	0	0	0	0
Federal grants and contracts	0	0	0	0
Toll revenues	10,100,000	10,100,000	10,262,998	162,998
Other	0	0	129	129
<b>Total revenues</b>	<b>10,100,000</b>	<b>10,100,000</b>	<b>10,400,750</b>	<b>300,750</b>
<b>Expenditures</b>				
<b>Current</b>				
Administrative and support services	0	0	0	0
Ground transportation system planning and research	0	0	0	0
Highway system acquisition and construction	0	0	0	0
Highway system maintenance	0	0	0	0
Financial assistance to localities	0	0	0	0
Environmental monitoring and compliance	0	0	0	0
Toll facility operations and construction	4,798,342	4,342,325	4,174,257	168,068
Capital outlay	0	0	0	0
Transfers to other state agencies	0	0	0	0
<b>Total expenditures</b>	<b>4,798,342</b>	<b>4,342,325</b>	<b>4,174,257</b>	<b>168,068</b>
<b>Revenues over (under) expenditures</b>	<b>5,301,658</b>	<b>5,757,675</b>	<b>6,226,483</b>	<b>468,818</b>
<b>Other financing sources (uses)</b>				
Other financing uses	0	0	0	0
Other financing sources	43,852,381	43,396,364	0	(43,396,364)
Bond proceeds	0	0	0	0
Transfers to other state agencies and General Fund	(14,925)	(14,925)	(14,925)	0
Transfers from other state agencies and General Fund	0	0	0	0
Transfers in	1,017,721	1,017,721	0	(1,017,721)
Transfers out	(6,242,750)	(6,242,750)	(6,678,533)	(435,783)
<b>Total other financing sources (uses)</b>	<b>38,612,427</b>	<b>38,156,410</b>	<b>(6,693,458)</b>	<b>(44,849,868)</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>43,914,085</b>	<b>43,914,085</b>	<b>(466,965)</b>	<b>(44,381,050)</b>
<b>Fund balance - July 1</b>	<b>(43,914,085)</b>	<b>(43,914,085)</b>	<b>(43,914,085)</b>	<b>0</b>
<b>Fund balance - June 30</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$44,381,050)</b>	<b>(\$44,381,050)</b>

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# FINANCIAL REPORT

JUNE 30, 2007

COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES

**Nonmajor Governmental Funds  
Special Revenue**

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## Nonmajor Governmental Funds

### Special Revenue Funds:

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

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

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

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

**Recyclable Materials** accounts for the proceeds from the sale of materials purchased from VDOT funds.

**Surplus Property** accounts for the proceeds from the sale of property purchased from VDOT funds.

**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 a transportation network in Northern Virginia. The revenues are derived from bond sales and a portion of the state recordation taxes.

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

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

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

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

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

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

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 COMBINING BALANCE SHEET FOR NONMAJOR GOVERNMENTAL FUNDS  
 SPECIAL REVENUE  
 June 30, 2007

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

Cash and investments with the Treasurer of Virginia (Note 12)	\$48,269,898	\$29,703,438	\$7,051,865
Cash and investments with trustees (Note 12)	0	0	0
Collateral held for sec. lending - investments (Note 12)	14,006,550	8,619,092	0
Advance fund	0	0	0
Receivables: (Net)			
Federal government	0	0	0
Cities, counties, and towns	0	0	0
State agencies	0	0	0
Loans & Other	0	0	0
Taxes receivable	0	0	0
Due from other funds (Note 8)	0	0	0
Due from agencies	0	0	0
Prepaid Expense	0	0	0
Inventory (Note 1 G)	0	0	0
<b>Total assets</b>	<b>62,276,448</b>	<b>38,322,530</b>	<b>7,051,865</b>

**LIABILITIES AND FUND BALANCES**

Liabilities :			
Accounts payable	233,053	0	0
Deposits payable	0	0	0
Payable for collateral held for securities lending	14,006,550	8,619,092	0
Due to other funds (Note 8)	0	0	6,144,176
Deferred revenue	0	0	0
Liability for compensated absences	0	0	0
Accrued liabilities	0	0	0
Retainage on contracts	0	0	0
<b>Total liabilities</b>	<b>14,239,603</b>	<b>8,619,092</b>	<b>6,144,176</b>
Fund Balances Reserved for			
Inventories	0	0	0
Capital Acquisition	0	0	0
Fund Balances Unreserved			
Reported In			
Special Revenue	48,036,845	29,703,438	907,689
<b>Total fund balances</b>	<b>48,036,845</b>	<b>29,703,438</b>	<b>907,689</b>
<b>Total liabilities and fund balances</b>	<b>\$62,276,448</b>	<b>\$38,322,530</b>	<b>\$7,051,865</b>

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION  
 COMBINING BALANCE SHEET FOR NONMAJOR GOVERNMENTAL FUNDS  
 SPECIAL REVENUE  
 June 30, 2007**

RECYCLABLE MATERIALS	SURPLUS PROPERTY	CAMP 30
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**ASSETS**

Cash and investments with the Treasurer of Virginia (Note 12)	\$0	\$0	\$0
Cash and investments with trustees (Note 12)	0	0	98,553,550
Collateral held for sec. lending - investments (Note 12)	0	0	0
Advance fund	0	0	0
Receivables: (Net)			
Federal government	0	0	0
Cities, counties, and towns	0	0	0
State agencies	0	350	0
Loans & Other	0	0	0
Taxes receivable	0	0	0
Due from other funds (Note 8)	0	0	0
Due from agencies	0	0	0
Prepaid Expense	0	0	0
Inventory (Note 1 G)	0	0	0
<b>Total assets</b>	<b>0</b>	<b>350</b>	<b>98,553,550</b>

**LIABILITIES AND FUND BALANCES**

Liabilities :			
Accounts payable	0	0	2,197,057
Deposits payable	0	0	0
Payable for collateral held for securities lending	0	0	0
Due to other funds (Note 8)	0	350	0
Deferred revenue	0	0	0
Liability for compensated absences	0	0	0
Accrued liabilities	0	0	0
Retainage on contracts	0	0	0
<b>Total liabilities</b>	<b>0</b>	<b>350</b>	<b>2,197,057</b>
Fund Balances Reserved for			
Inventories	0	0	0
Capital Acquisition	0	0	96,356,493
Fund Balances Unreserved			
Reported In			
Special Revenue	0	0	0
<b>Total fund balances</b>	<b>0</b>	<b>0</b>	<b>96,356,493</b>
<b>Total liabilities and fund balances</b>	<b>\$0</b>	<b>\$350</b>	<b>\$98,553,550</b>

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION  
 COMBINING BALANCE SHEET FOR NONMAJOR GOVERNMENTAL FUNDS  
 SPECIAL REVENUE  
 June 30, 2007

NO. VIRGINIA TRANSPORTATION DISTRICT	TRANSPORTATION SET ASIDE	ROUTE 28
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**ASSETS**

Cash and investments with the Treasurer of Virginia (Note 12)	\$124,008,866	\$984,297	\$3,201,709
Cash and investments with trustees (Note 12)	8,318,430	0	35,517
Collateral held for sec. lending - investments (Note 12)	35,983,841	285,615	929,045
Advance fund	0	0	0
Receivables: (Net)			
Federal government	0	0	0
Cities, counties, and towns	0	0	0
State agencies	0	0	0
Loans & Other	0	0	0
Taxes receivable	0	0	0
Due from other funds (Note 8)	0	0	0
Due from agencies	0	0	0
Prepaid Expense	0	0	0
Inventory (Note 1 G)	0	0	0
<b>Total assets</b>	<u>168,311,137</u>	<u>1,269,912</u>	<u>4,166,271</u>

**LIABILITIES AND FUND BALANCES**

Liabilities :			
Accounts payable	94	0	0
Deposits payable	0	0	0
Payable for collateral held for securities lending	35,983,841	285,615	929,045
Due to other funds (Note 8)	0	0	0
Deferred revenue	0	0	2,804,784
Liability for compensated absences	0	0	0
Accrued liabilities	0	0	0
Retainage on contracts	59,204	0	0
<b>Total liabilities</b>	<u>36,043,139</u>	<u>285,615</u>	<u>3,733,829</u>
Fund Balances Reserved for			
Inventories	0	0	0
Capital Acquisition	0	0	0
Fund Balances Unreserved			
Reported In			
Special Revenue	132,267,998	984,297	432,442
<b>Total fund balances</b>	<u>132,267,998</u>	<u>984,297</u>	<u>432,442</u>
<b>Total liabilities and fund balances</b>	<u>\$168,311,137</u>	<u>\$1,269,912</u>	<u>\$4,166,271</u>

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION  
 COMBINING BALANCE SHEET FOR NONMAJOR GOVE  
 SPECIAL REVENUE  
 June 30, 2007**

	<b>COLEMAN BRIDGE</b>	<b>ELIZABETH RIVER TUNNELS</b>	<b>OMER L. HIRST ADELARD BRAULT EXPRESSWAY</b>
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**ASSETS**

Cash and investments with the Treasurer of Virginia (Note 12)	\$4,780,363	\$156,817	\$87,014,065
Cash and investments with trustees (Note 12)	0	0	0
Collateral held for sec. lending - investments (Note 12)	313,162	45,504	0
Advance fund	10,000	0	122,000
Receivables: (Net)			
Federal government	0	0	0
Cities, counties, and towns	0	0	0
State agencies	0	0	0
Loans & Other	0	0	32,047
Taxes receivable	0	0	0
Due from other funds (Note 8)	0	0	0
Due from agencies	0	0	0
Prepaid Expense	0	0	0
Inventory (Note 1 G)	0	0	0
<b>Total assets</b>	<b>5,103,525</b>	<b>202,321</b>	<b>87,168,112</b>

**LIABILITIES AND FUND BALANCES**

Liabilities :			
Accounts payable	113,541	0	365,882
Deposits payable	0	0	0
Payable for collateral held for securities lending	313,162	45,504	0
Due to other funds (Note 8)	40,321,000	0	2,000,000
Deferred revenue	0	0	30,767
Liability for compensated absences	68	0	338
Accrued liabilities	27,111	0	209,061
Retainage on contracts	0	0	5,197
<b>Total liabilities</b>	<b>40,774,882</b>	<b>45,504</b>	<b>2,611,245</b>
Fund Balances Reserved for			
Inventories	0	0	0
Capital Acquisition	0	0	0
Fund Balances Unreserved			
Reported In			
Special Revenue	(35,671,357)	156,817	84,556,867
<b>Total fund balances</b>	<b>(35,671,357)</b>	<b>156,817</b>	<b>84,556,867</b>
<b>Total liabilities and fund balances</b>	<b>\$5,103,525</b>	<b>\$202,321</b>	<b>\$87,168,112</b>

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION  
COMBINING BALANCE SHEET FOR NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE  
June 30, 2007**

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

Cash and investments with the Treasurer of Virginia (Note 12)	\$2,528,283	\$307,699,601
Cash and investments with trustees (Note 12)	0	106,907,497
Collateral held for sec. lending - investments (Note 12)	0	60,182,809
Advance fund	11,000	143,000
Receivables: (Net)		
Federal government	0	0
Cities, counties, and towns	0	0
State agencies	0	350
Loans & Other	0	32,047
Taxes receivable	0	0
Due from other funds (Note 8)	0	0
Due from agencies	0	0
Prepaid Expense	0	0
Inventory (Note 1 G)	0	0
<b>Total assets</b>	<b>2,539,283</b>	<b>474,965,304</b>

**LIABILITIES AND FUND BALANCES**

Liabilities :		
Accounts payable	85,351	2,994,978
Deposits payable	0	0
Payable for collateral held for securities lending	0	60,182,809
Due to other funds (Note 8)	46,920,333	95,385,859
Deferred revenue	0	2,835,551
Liability for compensated absences	172	578
Accrued liabilities	102,687	338,859
Retainage on contracts	0	64,401
<b>Total liabilities</b>	<b>47,108,543</b>	<b>161,803,035</b>
Fund Balances Reserved for		
Inventories	0	0
Capital Acquisition	0	96,356,493
Fund Balances Unreserved		
Reported In		
Special Revenue	(44,569,260)	216,805,776
<b>Total fund balances</b>	<b>(44,569,260)</b>	<b>313,162,269</b>
<b>Total liabilities and fund balances</b>	<b>\$2,539,283</b>	<b>\$474,965,304</b>

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE  
 June 30, 2007**

	TRANSPORTATION PARTNERSHIP OPPORTUNITY	CONCESSION FUNDS FOR PROJECTS	POCAHONTAS PARKWAY
<b>Revenues</b>			
Revenues provided by the General Fund of the Commonwealth	\$0	\$0	\$0
Taxes	0	0	0
Rights and privileges	0	0	0
Sale of property and commodities	0	0	0
Interest, dividends and rents	3,323,033	1,206,403	0
Fines, forfeitures, court fees, penalties, and escheats	0	0	0
Federal grants and contracts	0	0	0
Receipts from cities, counties, and towns	0	0	0
Toll revenue	0	0	0
Other revenue	0	0	8,529
Total revenue	<u>3,323,033</u>	<u>1,206,403</u>	<u>8,529</u>
<b>Expenditures</b>			
Current:			
Administrative and support services	0	0	0
Ground transportation system planning and research	0	0	0
Highway system acquisition and construction	6,675,428	335,577	0
Highway system acquisition and construction-Bond Proceeds	0	0	0
Highway system maintenance	0	0	0
Ground transportation system safety	0	0	0
Financial assistance to localities	0	0	0
Environmental monitoring and compliance	0	0	0
Land management	0	0	0
Toll facilities operations and construction	0	0	57,517
Capital Outlay	0	0	0
Transfers to other state agencies (Note 9)	0	0	0
Total expenditures	<u>6,675,428</u>	<u>335,577</u>	<u>57,517</u>
Revenues over (under) expenditures	<u>(3,352,395)</u>	<u>870,826</u>	<u>(48,988)</u>
<b>Other financing sources (uses)</b>			
Other financing sources (uses)	0	0	0
Bond Proceeds	0	0	0
Note Proceeds	0	0	0
Insurance Recoveries	0	0	0
Transfers to other state agencies and General Fund (Note 9)	0	0	0
Transfers from other state agencies and General Fund (Note 9)	0	0	0
Transfers in (Note 9)	0	28,832,612	0
Transfers out (Note 9)	0	0	(14,120,823)
Total other financing sources (uses)	<u>0</u>	<u>28,832,612</u>	<u>(14,120,823)</u>
Net Change in Fund Balance	<u>(3,352,395)</u>	<u>29,703,438</u>	<u>(14,169,811)</u>
Beginning fund balance - July 1	<u>51,389,240</u>	<u>0</u>	<u>15,077,500</u>
Ending fund balance - June 30	<u>\$48,036,845</u>	<u>\$29,703,438</u>	<u>\$907,689</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, 2007**

	RECYCLABLE MATERIALS	SURPLUS PROPERTY	CAMP 30
<b>Revenues</b>			
Revenues provided by the General Fund of the Commonwealth	\$0	\$0	\$0
Taxes	0	0	0
Rights and privileges	0	0	0
Sale of property and commodities	0	0	0
Interest, dividends and rents	0	0	4,848,037
Fines, forfeitures, court fees, penalties, and escheats	0	0	0
Federal grants and contracts	0	0	0
Receipts from cities, counties, and towns	0	0	0
Toll revenue	0	0	0
Other revenue	326,840	3,266,438	285
Total revenue	<u>326,840</u>	<u>3,266,438</u>	<u>4,848,322</u>
<b>Expenditures</b>			
Current:			
Administrative and support services	0	0	16,699
Ground transportation system planning and research	0	0	0
Highway system acquisition and construction	0	0	0
Highway system acquisition and construction-Bond Proceeds	0	0	0
Highway system maintenance	0	0	0
Ground transportation system safety	0	0	0
Financial assistance to localities	0	0	0
Environmental monitoring and compliance	0	0	0
Land management	0	0	0
Toll facilities operations and construction	0	0	0
Capital Outlay	0	0	8,047,824
Transfers to other state agencies (Note 9)	0	0	0
Total expenditures	<u>0</u>	<u>0</u>	<u>8,064,523</u>
Revenues over (under) expenditures	<u>326,840</u>	<u>3,266,438</u>	<u>(3,216,201)</u>
<b>Other financing sources (uses)</b>			
Other financing sources (uses)	0	0	0
Bond Proceeds	0	0	0
Note Proceeds	0	0	0
Insurance Recoveries	0	0	0
Transfers to other state agencies and General Fund (Note 9)	0	0	0
Transfers from other state agencies and General Fund (Note 9)	0	0	0
Transfers in (Note 9)	0	0	0
Transfers out (Note 9)	(326,840)	(3,266,438)	0
Total other financing sources (uses)	<u>(326,840)</u>	<u>(3,266,438)</u>	<u>0</u>
Net Change in Fund Balance	0	0	(3,216,201)
Beginning fund balance - July 1	0	0	99,572,694
Ending fund balance - June 30	<u>\$0</u>	<u>\$0</u>	<u>\$96,356,493</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, 2007**

	NO. VIRGINIA TRANSPORTATION DISTRICT	TRANSPORTATION SET ASIDE	ROUTE 28
<b>Revenues</b>			
Revenues provided by the General Fund of the Commonwealth	\$0	\$0	\$0
Taxes	0	0	0
Rights and privileges	4,165,328	0	0
Sale of property and commodities	0	0	0
Interest, dividends and rents	8,676,203	136,181	186,160
Fines, forfeitures, court fees, penalties, and escheats	0	0	0
Federal grants and contracts	0	0	0
Receipts from cities, counties, and towns	816,000	1,000,000	13,004,094
Toll revenue	0	0	0
Other revenue	0	0	0
Total revenue	<u>13,657,531</u>	<u>1,136,181</u>	<u>13,190,254</u>
<b>Expenditures</b>			
Current:			
Administrative and support services	0	0	0
Ground transportation system planning and research	0	0	0
Highway system acquisition and construction	6,897,569	42,188	13,056,912
Highway system acquisition and construction-Bond Proceeds	0	0	0
Highway system maintenance	0	0	0
Ground transportation system safety	0	0	0
Financial assistance to localities	0	0	0
Environmental monitoring and compliance	0	0	0
Land management	0	0	0
Toll facilities operations and construction	0	0	0
Capital Outlay	0	0	0
Transfers to other state agencies (Note 9)	0	0	0
Total expenditures	<u>6,897,569</u>	<u>42,188</u>	<u>13,056,912</u>
Revenues over (under) expenditures	<u>6,759,962</u>	<u>1,093,993</u>	<u>133,342</u>
<b>Other financing sources (uses)</b>			
Other financing sources (uses)	(136,388)	(2,407)	(2,401)
Bond Proceeds	67,438	0	0
Note Proceeds	0	0	0
Insurance Recoveries	0	0	0
Transfers to other state agencies and General Fund (Note 9)	0	0	0
Transfers from other state agencies and General Fund (Note 9)	18,003,562	1,115,808	0
Transfers in (Note 9)	9,983,500	0	0
Transfers out (Note 9)	(27,937,432)	(2,240,629)	0
Total other financing sources (uses)	<u>(19,320)</u>	<u>(1,127,228)</u>	<u>(2,401)</u>
Net Change in Fund Balance	6,740,642	(33,235)	130,941
Beginning fund balance - July 1	125,527,356	1,017,532	301,501
Ending fund balance - June 30	<u>\$132,267,998</u>	<u>\$984,297</u>	<u>\$432,442</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, 2007**

	<b>COLEMAN BRIDGE</b>	<b>ELIZABETH RIVER TUNNELS</b>	<b>OMER L HIRST ADELARD BRAULT EXPRESSWAY</b>
<b>Revenues</b>			
Revenues provided by the General Fund of the Commonwealth	\$0	\$0	\$0
Taxes	0	0	0
Rights and privileges	0	0	0
Sale of property and commodities	0	0	0
Interest, dividends and rents	224,490	10,453	5,105,545
Fines, forfeitures, court fees, penalties, and escheats	0	0	0
Federal grants and contracts	0	0	0
Receipts from cities, counties, and towns	0	0	0
Toll revenue	6,722,997	0	64,930,858
Other revenue	5,690	0	17,011
Total revenue	<u>6,953,177</u>	<u>10,453</u>	<u>70,053,414</u>
<b>Expenditures</b>			
Current:			
Administrative and support services	0	0	0
Ground transportation system planning and research	0	0	0
Highway system acquisition and construction	0	0	0
Highway system acquisition and construction-Bond Proceeds	0	0	0
Highway system maintenance	0	0	0
Ground transportation system safety	0	0	0
Financial assistance to localities	0	0	0
Environmental monitoring and compliance	0	0	0
Land management	0	0	0
Toll facilities operations and construction	2,437,222	2,919	27,207,623
Capital Outlay	0	0	1,553,311
Transfers to other state agencies (Note 9)	0	0	0
Total expenditures	<u>2,437,222</u>	<u>2,919</u>	<u>28,760,934</u>
Revenues over (under) expenditures	<u>4,515,955</u>	<u>7,534</u>	<u>41,292,480</u>
<b>Other financing sources (uses)</b>			
Other financing sources (uses)	(1,203)	(180)	0
Bond Proceeds	0	0	0
Note Proceeds	0	0	0
Insurance Recoveries	0	0	0
Transfers to other state agencies and General Fund (Note 9)	(7,663)	0	(37,368,133)
Transfers from other state agencies and General Fund (Note 9)	0	0	0
Transfers in (Note 9)	0	0	2,266,952
Transfers out (Note 9)	(3,062,551)	0	(11,369,289)
Total other financing sources (uses)	<u>(3,071,417)</u>	<u>(180)</u>	<u>(46,470,470)</u>
Net Change in Fund Balance	1,444,538	7,354	(5,177,990)
Beginning fund balance - July 1	(37,115,895)	149,463	89,734,857
Ending fund balance - June 30	<u>(\$35,671,357)</u>	<u>\$156,817</u>	<u>\$84,556,867</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, 2007**

POWHITE PARKWAY EXTENSION	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
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<b>Revenues</b>		
Revenues provided by the General Fund of the Commonwealth		
	\$0	\$0
Taxes	0	0
Rights and privileges	0	4,165,328
Sale of property and commodities	0	0
Interest, dividends and rents	137,623	23,854,128
Fines, forfeitures, court fees, penalties, and escheats	0	0
Federal grants and contracts	0	0
Receipts from cities, counties, and towns	0	14,820,094
Toll revenue	10,262,998	81,916,853
Other revenue	4,436	3,629,229
Total revenue	<u>10,405,057</u>	<u>128,385,632</u>
<b>Expenditures</b>		
Current:		
Administrative and support services	0	16,699
Ground transportation system planning and research	0	0
Highway system acquisition and construction	0	27,007,674
Highway system acquisition and construction-Bond Proceeds	0	0
Highway system maintenance	0	0
Ground transportation system safety	0	0
Financial assistance to localities	0	0
Environmental monitoring and compliance	0	0
Land management	0	0
Toll facilities operations and construction	4,269,399	33,974,680
Capital Outlay	0	9,601,135
Transfers to other state agencies (Note 9)	0	0
Total expenditures	<u>4,269,399</u>	<u>70,600,188</u>
Revenues over (under) expenditures	<u>6,135,658</u>	<u>57,785,444</u>
<b>Other financing sources (uses)</b>		
Other financing sources (uses)	0	(142,579)
Bond Proceeds	0	67,438
Note Proceeds	0	0
Insurance Recoveries	0	0
Transfers to other state agencies and General Fund (Note 9)	(14,925)	(37,390,721)
Transfers from other state agencies and General Fund (Note 9)	0	19,119,370
Transfers in (Note 9)	0	41,083,064
Transfers out (Note 9)	(6,678,533)	(69,002,535)
Total other financing sources (uses)	<u>(6,693,458)</u>	<u>(46,265,963)</u>
Net Change in Fund Balance	(557,800)	11,519,481
Beginning fund balance - July 1	(44,011,460)	301,642,788
Ending fund balance - June 30	<u>(\$44,569,260)</u>	<u>\$313,162,269</u>

The accompanying notes are an integral part of this financial statement

**Schedule of Federal  
Assistance**

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**VIRGINIA DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE OF FEDERAL ASSISTANCE**  
**FISCAL YEAR 2007**

Federal/State Grantor Agency	CFDA Number	Federal Program Name	FEDERAL CASH BALANCE	FEDERAL CASH BASIS	FEDERAL CASH RECEIPTS	FEDERAL CASH BASIS	FEDERAL CASH DISBURSEMENTS	FEDERAL CASH BALANCE
			July 1, 2006	July 1, 2006	July 1, 2006	June 30, 2007	June 30, 2007	
United States Dept of Transportation	20.205	Highway Planning and Construction	\$0	\$598,383,101	\$598,383,101	\$598,383,101	\$598,383,101	\$0
		<b>TOTAL FEDERAL REVENUE:</b>	\$0	\$598,383,101	\$598,383,101	\$598,383,101	\$598,383,101	\$0
United States Dept of Transportation/DMV	20.600	State and Community Highway Safety		102,767		102,767		\$0
	20.602	Occupant Protection		3,482		3,482		\$0
	20.604	Safety Incentive Grant for Use of Seatbelts		30,713		30,713		\$0
	20.605	Safety Incentive to Prevent Operation of Motor		1,056		1,056		\$0
	20.607	Alcohol Open Container requirements		2,913,808		2,913,808		\$0
	20.608	Minimum Penalties for Repeat Offenders for Driving		105,501		105,501		\$0
United States Dept of Energy	97.004	State Domestic Preparedness Equipment Support	79,840				74,835	5,005
Department of Homeland Security	97.036	Public Assistance Grant		5,991,232		5,991,232		\$0
Federal Emergency Management Agency/DES								
		<b>TOTAL TRANSFERS FROM OTHER STATE AGENCIES:</b>	79,840	9,148,559	9,223,394	9,223,394		5,005
Received from State	20.000	Other Assistance	0	0	0	0	0	\$0
		<b>GRAND TOTAL OF FEDERAL ASSISTANCE</b>	\$79,840	\$607,531,660	\$607,531,660	\$607,531,660	\$607,606,495	\$5,005

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# FINANCIAL REPORT

JUNE 30, 2007

## The Virginia Department of Transportation

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

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

## Virginia's Highway System

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

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

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

## Other Transportation Services

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

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

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

## VDOT Organization

VDOT has about 8,600 employees, making it one of the three largest state agencies in Virginia.

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

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

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

*1401 East Broad St.  
Richmond, VA 23219  
Telephone: 804-786-2757.*