



FINANCIAL REPORT

JUNE 30, 2017

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FINANCIAL REPORT

JUNE 30, 2017

Terry McAuliffe
Governor

Aubrey L. Layne, Jr.
Secretary of Transportation

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

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FINANCIAL REPORT

JUNE 30, 2017

INTRODUCTORY SECTION

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COMMONWEALTH of VIRGINIA

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

Stephen Brich
Commissioner

March 23, 2018

Letter of Transmittal

The Comprehensive Annual Financial Report (CAFR) of the Virginia Department of Transportation (VDOT) for the fiscal year ended June 30, 2017 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. 4-17, "Financial Statement Preparation." The statements presented in this report are un-audited. Audited VDOT financial information is included in the Commonwealth Comprehensive Annual Financial Report (CAFR), which is audited by the Auditor of Public Accounts.

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

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

Sincerely,

A handwritten signature in blue ink that reads "Janice Long".

Janice Long
Controller, VDOT

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AGENCY OVERVIEW

Virginia Department of Transportation Organization

The Virginia Department of Transportation (VDOT) is responsible for building, maintaining and operating the Commonwealth of Virginia's roads, bridges and tunnels. The agency has one central office and nine district offices. The 17-member Commonwealth Transportation Board provides policy direction for the Department's work, much like a board of directors. The Secretary of Transportation serves as chairman and the Commonwealth Transportation Commissioner of Highways as vice-chairman. Members are appointed by the Governor and approved by the General Assembly.

Transportation System

Virginia is the third largest state-maintained highway systems in the United States with an annual operating budget of approximately \$5.3 billion (budget total represents the agency budget approved by the Commonwealth Transportation Board , including Special Revenue Fund and Debt Service). VDOT maintains over 58,000 miles of interstate, primary, and secondary roads and distributes state funds to help maintain over 11,000 miles of urban streets. VDOT not only maintains the roads, but also is responsible for more than 11,900 bridges, four underwater tunnels, two mountain tunnels, one toll road, one toll bridge, three ferry services, numerous rest areas, and over 100 commuter parking lots.

Mission

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

Shared Values in Public Service

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

VDOT Accomplishments and Highlights for Fiscal Year 2017

VDOT completes contracts on time and within budget for fiscal year 2017

Each year, VDOT administration sets goals for the agency. The primary goals are to complete construction and maintenance projects on time and on budget and improve financial management and business operations. For fiscal year 2017, VDOT continued to demonstrate efficiency with taxpayer dollars. VDOT exceeded on-time and within budget target goals for fiscal year 2017. VDOT performance during fiscal year 2017 compared to target goals, is as follows:

Deadlines

Of the 352 contracts scheduled for completion by the end of FY 2017, a total of 324 (92%) were completed on time. *(target of 77 percent)*

Budgets

Of the 339 contracts actually completed by the end of FY 2017, a total of 330 (97%) were completed within budget. *(target 85 percent)*

Virginia wins \$165 million grant to unlock the “Atlantic Gateway”

Virginia’s proposed Atlantic Gateway Project has been selected for a \$165 million federal FASTLANE grant to help move passenger rail, freight and highway vehicles through one of the most congested corridors on the East Coast. Combined resources for the project, including the federal grant, private investment and public funding, total \$1.4 billion to transform travel along the entire East Coast. The FASTLANE grant will combine with \$565 million in private investment, as well as \$710 million in state transportation funds. Those improvements include a new Interstate 95 bridge crossing of the Rappahannock River; extension of Interstate 395 Express Lanes about seven miles north to the Potomac River and I-95 Express Lanes about 10 miles south toward Fredericksburg and investments in transit improvements.

Virginia Receives Top Honors for SMART SCALE Transportation Prioritization Process

SMART SCALE, Virginia’s data-driven prioritization process to fund the right transportation projects that generate the greatest benefit for taxpayers, received the State Transformation in Action Recognition (STAR) award from the Southern Legislative Conference of the Council of State Governments. The Southern Legislative Conference represents the interests of 15 states and aims to encourage intergovernmental cooperation on policy issues among its members.

Governor Terry McAuliffe is quoted as saying, “This STAR award reflects how SMART SCALE is transforming the way Virginia selects, funds and builds transportation projects.” SMART SCALE stands for System for the Management and Allocation of Resources for Transportation, and the key factors used in evaluating a project’s merits: improvements to safety, congestion reduction, accessibility, land use, economic development and the environment.

**Selection of Private Sector Team to Finance and Deliver I-66 Outside the Beltway
Project in Northern Virginia**

During FY 2017, the Commonwealth selected Express Mobility Partners to build express lanes on Interstate 66 Outside the Beltway, following a 16-month procurement process. Express Mobility Partners, a consortium of Cintra, Meridiam, Ferrovia Agroman US and Allan Myers VA, Inc., will finance, design, build, maintain and operate the project under the Public-Private Transportation Act.

The proposal required zero public investment and will result in an upfront payment to the Commonwealth of \$579 million from Express Mobility Partners to fund additional improvements in the corridor. Additionally, the comprehensive agreement requires Express Mobility Partners to pay \$800 million for transit service in the corridor and \$350 million in other projects to improve the I-66 corridor over the next 50 years.(Note: both payments are stated at net present value)

The project consists of multi-modal improvements to 22.5 miles of the I-66 corridor from I-495 in Fairfax County to University Boulevard in Prince William County, two express lanes alongside three regular lanes in each direction with space in the median for future transit, as well as 13 new and improved transit routes and more than 4,000 new park-and-ride spots. In addition, corridor-wide bike and pedestrian improvements, and safety and operational improvements are planned at key interchanges throughout the corridor.

VDOT signed a comprehensive agreement with the team on December 8, 2016 and reached financial close on November 9, 2017. Project construction began in late 2017 and the express lanes will open to traffic in late 2022.

**Commonwealth Transportation Board Approves Location for Hampton Roads
Crossing Expansion**

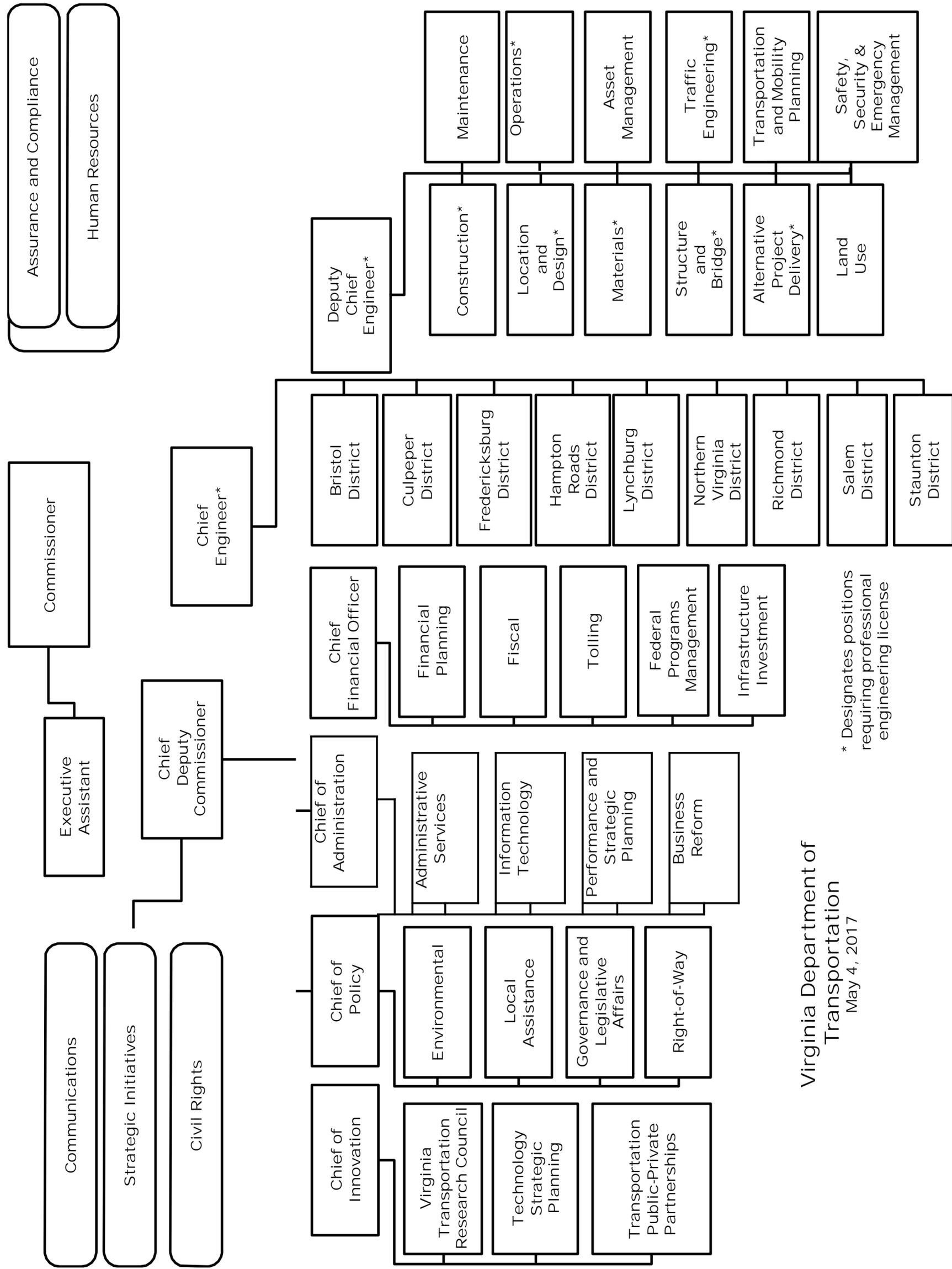
The Commonwealth Transportation Board (CTB) unanimously approved a preferred alternative to ease congestion and improve travel on the Interstate 64 Hampton Roads Bridge-Tunnel. The Virginia Department of Transportation has been working with the Hampton Roads Transportation Accountability Commission (HRTAC) to advance a project in a 12-mile stretch of the I-64 corridor between I-664 in Hampton and I-564 in Norfolk. The project will include the construction of a new bridge and tunnel crossing parallel to the existing Hampton Roads Bridge-Tunnel facility, as well as roadway widening and other improvements along the corridor. The project is expected to cost an estimated \$3.6 billion.

Private Sector Proposal to Deliver I-395 Express Lanes Extension Accepted

The Commonwealth accepted a proposal from Transurban to deliver an eight-mile extension of the Interstate 395 Express Lanes from Turkeycock Run near Edsall Road in Alexandria to the Washington, D.C. line.

Plans to extend the Express Lanes began in November 2015 under a Framework Agreement in accordance with the 95 Express Lanes Comprehensive Agreement between the Virginia Department of Transportation and Transurban, its private partner and operator of the 95 and 495 Express Lanes. The Commonwealth has approved Transurban's proposal to finance, design, build, maintain and operate the 395 Express Lanes extension. Design and construction of the project is anticipated to cost approximately \$500 million, through a combination of private and public funds. The project is one element of the commonwealth's Atlantic Gateway program, a series of major improvements to the I-95/I-395 corridor. Construction is scheduled to be complete by fall 2019.

For more details on the project, visit www.virginiadot.org/395express and www.395expresslanes.com.



* Designates positions requiring professional engineering license

Virginia Department of Transportation
May 4, 2017

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FINANCIAL REPORT

JUNE 30, 2017

FINANCIAL SECTION

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**Management's Discussion
and Analysis**

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Management's Discussion and Analysis

As management of the Virginia Department of Transportation, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Virginia Department of Transportation for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the information presented in our financial statements and the notes to the financial statements. **All amounts in this section, unless otherwise indicated, are expressed in millions of dollars.**

FINANCIAL HIGHLIGHTS

Government-wide Statements

The assets and deferred outflows of the Virginia Department of Transportation exceeded its liabilities and deferred inflows at the end of the fiscal year 2017 by \$22,788.3 (*net position*). The Virginia Department of Transportation's total net assets increased by \$1,085.4 in fiscal year 2017. All of the increases from Net assets belong to governmental activities. The Department has no net assets for business-type activities in fiscal 2017.

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 \$1,710.1, an increase of \$79.9. Of the \$1,710.1 total fund balance, (\$59.5) represents unassigned fund balance and the remaining \$1,769.6 represents amounts reserved for Nonspendable and Committed purposes. VDOT has no Enterprise fund net position balance in fiscal year 2017.

Long-term Debt (Bonds and Notes Payable)

The Department's total debt for governmental activities increased by \$134.6 in fiscal year 2017 over that of the fiscal year 2016. The increase is primarily due to issuance of bonds \$368.7 in fiscal year 2017. Another increase in long-term debt is the \$2.6 in accreted bond principal of the Route 28 Capital Appreciation Bond. The increase in long-term debt is reduced by the scheduled bond principal payments and defeased bonds (\$230.0), scheduled note principal payments (\$5.9) and Chesterfield County Notes Interest requirement (\$0.8) in fiscal year 2017.

The Virginia Department of Transportation has no business-type activities in fiscal year 2017 to report.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management discussion and analysis is intended to serve as an introduction to the Virginia Department of Transportation's basic financial statements. The Virginia Department of Transportation's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

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

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

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

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

The Virginia Department of Transportation has no business-type activities in fiscal year 2017 to report.

Fund Financial Statements

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

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

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

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

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

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

Proprietary Fund: The Virginia Department of Transportation has no enterprise fund in fiscal year 2017 to report. *Enterprise funds* are used to report the functions presented as *business-type activities* in government-wide 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. The Virginia Department of Transportation has fiduciary fund activity to report in fiscal year 2017.

Notes to the Financial Statements

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

Required Supplementary Information

This section includes budgetary comparison schedules for special revenue funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the Virginia Department of Transportation, assets and deferred outflows exceeded liabilities and deferred inflows by \$22,788.3 at the close of fiscal year 2017.

The largest portion of the Virginia Department of Transportation's net position, 112.5 percent, reflects its investment in capital assets (e.g., land, buildings, equipment, infrastructure, construction-in-progress, and intangible assets including land easements and software), less any related outstanding debt and deferred inflows used to acquire those assets. The Virginia Department of Transportation's capital assets are mainly composed of the highway infrastructure and represent the Department's mission. Although the Virginia Department of Transportation's

investment in capital assets are shown in the Net Position table net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Statement of Net Position:

The following table represents the condensed Statement of Net Position:

**Virginia Department of Transportation
Net Position
as of June 30, 2017 and 2016**

	Governmental Activities	
	2017	2016 as restated
Current and other assets	\$ 2,325.6	\$ 2,147.6
Capital assets	27,794.6	25,758.3
Deferred outflow resources	3.3	4.0
Total Assets & deferred outflows	30,123.5	27,909.9
Current liabilities	913.3	795.8
Non-current liabilities	3,366.9	3,236.8
Deferred Inflows	3,055.2	2,174.3
Total Liabilities and Deferred Inflows	7,335.4	6,206.9
Net assets:		
Net Investment in capital assets	25,630.7	23,693.0
Construction.	443.7	398.1
Capital Acquisition	4.7	4.8
Debt service	31.6	21.8
Transportation Infrastructure Bank	338.7	330.2
Unrestricted	(3,661.1)	(2,745.0)
Total net position Restated	\$ 22,788.3	\$ 21,702.9

An additional portion of the Virginia Department of Transportation's net position, 3.6 percent, represents restricted net assets. These resources are subject to external restrictions or constitutional provisions specifying how they may be used. The remaining balance of (\$3,661.1) represents unrestricted net assets.

The Virginia Department of Transportation's net position for governmental activities increased by \$1,085.4 or 5.0 percent in fiscal year 2017. The increase was largely the result of the increase in net investment in capital assets of \$1,937.7. This increase is related to additional capitalization of capital asset expenditures incurred in fiscal year 2017 and capitalization of capital assets acquired as a result of service concession agreements. The increase in net position is reduced by the decreases in unrestricted assets of (\$0.9). As discussed in note 2 of the notes to the financial statements, the government-wide beginning balance was restated \$17.7 million to correct prior year capital asset balances.

Statement of Changes in Net Position:

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

Virginia Department of Transportation						
Changes in Net Position						
For Fiscal Years Ended June 30, 2017 and 2016						
	Governmental Activities		Business-Type Activities		Total	
	2017	2016 as restated	2017	2016	2017	2016 as restated
Revenues:						
Program revenues:						
Charges for services	\$ 413.7	\$ 402.1	\$ -	\$ -	\$ 413.7	\$ 402.1
Capital grants and contributions	1,573.4	1,462.6	-	-	1,573.4	1,462.6
Total Program revenues	<u>1,987.1</u>	<u>1,864.7</u>	<u>-</u>	<u>-</u>	<u>1,987.1</u>	<u>1,864.7</u>
General revenues:						
Motor vehicle taxes	1,769.0	1,733.7	-	-	1,769.0	1,733.7
Sales and use tax	1,162.1	1,117.8	-	-	1,162.1	1,117.8
Other taxes	246.4	241.7	-	-	246.4	241.7
Investment earnings	13.9	9.4	-	0.6	13.9	10.0
Other revenues	43.4	29.9	-	-	43.4	29.9
Total General revenues	<u>3,234.8</u>	<u>3,132.5</u>	<u>-</u>	<u>0.6</u>	<u>3,234.8</u>	<u>3,133.1</u>
Transfers to/from other state agencies	(121.5)	(151.8)	-	-	(121.5)	(151.8)
Other financing sources (uses)	-	(0.7)	-	0.1	-	(0.6)
Total revenue	<u>5,100.4</u>	<u>4,844.7</u>	<u>-</u>	<u>0.7</u>	<u>5,100.4</u>	<u>4,845.4</u>
Expenses						
Administrative and support services	230.6	242.1	-	0.4	230.6	242.5
Ground Transportation system planning and research	70.4	62.6	-	-	70.4	62.6
Highway system acquisition and construction	1,076.6	932.6	-	1.5	1,076.6	934.1
Highway system maintenance	1,379.2	1,565.4	-	-	1,379.2	1,565.4
Financial assistance to localities	1,172.7	1,272.0	-	-	1,172.7	1,272.0
Environmental monitoring and Compliance	9.1	4.0	-	-	9.1	4.0
Toll facilities	40.6	31.0	-	-	40.6	31.0
Unallocated depreciation	22.3	15.4	-	-	22.3	15.4
Transfers to other state agencies	13.5	26.7	-	-	13.5	26.7
Total expenses	<u>4,015.0</u>	<u>4,151.8</u>	<u>-</u>	<u>1.9</u>	<u>4,015.0</u>	<u>4,153.7</u>
Change in net assets	1,085.4	692.9	-	(1.2)	1,085.4	691.7
Net position - July 1, as restated	<u>21,702.9</u>	<u>21,010.0</u>	<u>-</u>	<u>1.2</u>	<u>21,702.9</u>	<u>21,011.2</u>
Net position - June 30	<u>\$ 22,788.3</u>	<u>\$ 21,702.9</u>	<u>\$ -</u>	<u>\$ (0.0)</u>	<u>\$ 22,788.3</u>	<u>\$ 21,702.9</u>

Governmental activities: Governmental activities increased the Virginia Department of Transportation's net assets by \$1,085.4. Key elements of this increase are as follows:

- Program revenues increased by \$122.4 or 6.6 percent over the last fiscal year. This increase relates to increases in receipts from the capital grants and contributions of \$110.8 or 7.6 percent and receipts from the charges for services of \$11.6 or 2.9 percent.
- Total general revenues increased by \$102.2 or 3.3 percent in fiscal year 2017 from fiscal year 2016, with increases primarily in the group of motor vehicle related tax revenues for \$35.3. Revenues within this group had the following increases; motor vehicle sales and use tax \$37.0, motor vehicle rental tax \$10.3, this increase is offset by the decreases in motor vehicle fuel tax \$13.7. Sales and use taxes increased \$44.3, within other taxes, premiums on insurance increased \$12.8 offset by the decreases in other taxes of \$8.0. Other increases were investment earnings \$4.5, and other revenues \$21.4. Loss on sales of assets were \$7.9 for FY 2017.
- Others: For the fiscal year ended June 30, 2017, transfers to other state agencies and general fund decreased \$8.4 or 4.9 percent. In addition, transfers from other state agencies and general fund increased by \$22.0 or 115.5 percent, and Other Financing Sources (uses) decreased by \$0.9 in fiscal year 2017 from the fiscal year 2016.

The Virginia Department of Transportation's expenditures from governmental activities totaled \$4,015.0 for the fiscal year ended June 30, 2017, a decrease of \$137.0 or 3 percent from the previous year. Most of the decrease is attributable to decreases in administrative and support services \$11.5 or 5 percent, highway system maintenance \$186.2 or 12 percent, financial assistance to localities \$99.3 or 8 percent, and transfer to other state agencies \$13.2 or 49 percent. The decrease is offset by the increases in ground transportation system planning and research \$7.8 or 12 percent, highway system acquisition and construction \$143.9 or 15 percent, environmental monitoring and compliance \$5.1 or 128 percent, toll facilities operations and construction \$9.6 or 31 percent, and unallocated depreciation \$6.9 or 45 percent.

Business-type activities: The Virginia Department of Transportation has no business-type activities in fiscal year 2017 to report.

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.

The Virginia Department of Transportation ended the fiscal year 2017 with a fund balance of \$1,710.1, an increase of \$79.9 from the prior year. The increase in fund balance was primarily due to the increases in revenues and other financing sources and decreases expenditures in fiscal year 2017. Revenues increased by \$133.7 or 2.7 percent, bond proceeds increased by \$42.9 or 10.9 percent, Expenditures decreased by \$190.2 or 3.5 percent, bond defeasance payments decreased by \$37.9 or 40.7 percent, and transfer to other state agencies, general fund (other financing uses) decreased by \$8.4 or 4.9 percent, and transfer from other state agencies increased by \$22.0 or 115.5 percent.

Eight out of the ten reported VDOT revenue sources increased in fiscal year 2017. They include revenues provided by taxes \$80.5 or 3 percent, rights and privileges \$7.9 or 2 percent, sales of property and commodities \$2.6 or 36 percent, interest, dividends, other rents \$6.0, fines or 35 percent, forfeitures, court fees, and escheats \$0.8 or 7 percent, receipts from cities, counties, and towns \$55.4 or 35 percent, toll revenues \$0.5 or 3 percent, and other revenues \$18.1 or 74 percent. Decreases in revenues include revenues provided by the general fund of the Commonwealth \$29.2 and federal grants and contracts \$8.9. Five out of twelve VDOT expenditures increased in fiscal year 2017. They include \$19.3 or 7.9 percent in administrative support services, \$7.6 or 12.1 percent ground transportation system planning and research, \$2.4 or 21.0 percent in environmental monitoring, \$49.0 or 139.2 percent toll facility operations, and \$14.6 or 54.8 percent in capital outlay. Decreases in expenditures include \$209.2 or 10.7 percent in construction expenditures, \$34.5 or 2.0 percent in highway system maintenance, \$13.2 or 1.4 percent in financial assistance to localities, \$0.3 or 47.9 percent in bond issuance costs, \$1.5 or 1.0 percent in interest on bonds and notes, \$11.1 or 5.8 percent in retirement of bonds, and \$13.2 or 49.5 percent in transfer to other state agencies. Of the \$1,710.1 total fund balance in fiscal year 2017, (\$59.5) constitutes unassigned fund balance and the remaining \$1,769.6 represents amounts reserved for Nonspendable and Committed purposes. Note 2 of the notes to the financial statements provide a complete explanation of these amounts.

The Virginia Department of Transportation's main operating funds consist of the Highway Maintenance and Operating Fund (HMOF) and the Transportation Trust Fund (Construction). These funds are reported as major funds in the governmental fund statements along with the Federal Highway Fund, Priority Transportation Fund, Capital Projects Revenue Bonds Special Revenue Fund, GARVEE Fund, and Toll Facilities Revolving Fund. Significant changes in major funds between fiscal years 2017 and 2016 are as follows:

- The fund balance of the Highway Maintenance and Operating Fund ended the fiscal year 2017 with an immaterial decrease amount of less than \$0.1 over the previous year. The decreases and increases among revenues, expenditures, other financing uses and other financing sources provided most of the changes in fund balance. In fiscal 2017, total revenues increased by \$29.1 or 1.4 percent and total expenditures decreased by \$64.2 or 3.0 percent. The impacts of the increases in revenues and decreases in expenditures on fund balance were offset by the decreases in the net in other financing uses \$17.1 or 23.4 percent. Changes in expenditures included \$74.8 or 5.1 percent decrease in maintenance expenditures, a decrease of \$12.9 or 48.9 percent in transfers to other state agencies, an increase of \$20.5 or 3.4 percent in administrative and support services, and an increase of \$7.5 or 1.8 percent in financial assistance to localities. The net decrease in other financing uses is primarily due to the decrease in budgeted transfers from Construction Fund (crossover transfer recipient), \$103.8 in fiscal year 2017 compared to \$223.7 in fiscal year 2016. Transfers from other state agencies and general funds increased by \$13, transfers out to other funds decreased \$95.0 or 79.2 percent and transfers to other state agencies and general fund of the Commonwealth decreased \$5.9 or 17.2 percent in fiscal year 2017.
- The fund balance of the Federal Highway Fund ended the fiscal year 2017 with its normal end of the year balance of \$0. Revenues decreased by \$16.4 or 1.5 percent, expenditures decreased by \$26.3 or 5.0 percent, cash transferred-in from other state agencies and General Fund increased by \$14.4 or 78.4 percent, cash transferred-in from other funds increased by \$55.8 and cash transferred out to other funds increased by \$88.0 in fiscal year 2017 from

fiscal year 2016. As revenues and cash transfers come into the Federal Highway Fund during the year, they are immediately used to pay for their designated expenditure projects. As a result, the total expenditures and other financing uses of the Federal Highway Fund equate the total revenues and other financing sources in fiscal year 2017.

- The Construction Fund's fund balance decreased by \$2.4 or 1.5 percent in fiscal year 2017 from fiscal year 2016. The decrease in fund balance is related to the increases in expenditures of \$131.9 or 18.3 percent, increases in transfers to other agencies and general funds of \$4.5 or 14.4 percent, decreases in inter-fund transfers in of \$97.2 or 96.5 percent. The decrease in fund balance is offset by increases in total revenues of \$68.7 or 7.3 percent, increases in transfers from other agencies and general funds of \$4.5, and decreases in transfers out to other funds of \$128.2 or 48.7 percent. The increase in expenditures is related to a significant increase in highway system acquisition and construction of \$106.2 or 16.4 percent in fiscal year 2017. The increase in highway system acquisition and construction in the Construction Fund is primarily due to the use of construction money to pay for most of the highway system acquisition pending the availability more bond proceeds. The decrease in other financing uses is primarily due to the decrease in budgeted transfers to HMO Fund (crossover funds transferor), \$103.8 in fiscal year 2017 compared to \$223.7 in fiscal year 2016. Other decreases in other financing uses include the decreases in budgeted transfers to Federal Funds of \$10.5 in fiscal year 2017 compared to \$22.4 in fiscal year 2016. Decreases in other financing sources include the decreases in budgeted transfers from HMO Funds of \$0 to Construction fund in fiscal year 2017 compared to \$100.0 in fiscal year 2016.
- The Priority Transportation Fund balance increased by \$39.4 or 19.3 percent in fiscal year 2017 from fiscal year 2016. The increase in fund balance is primarily due to the increases in total revenues of \$13.9 or 7.5 percent, decreases in total expenditures of \$27.8 or 37.3 percent, and increases in transfers from other agencies and general funds of \$1.8 or 291.6 percent. The increase in revenues is primarily due to increases of \$12.7 or 6.9 percent in receipt from taxes. The increases in total revenues, increases in transfers from other state agencies and general funds, and decreases in the total expenditures are offset by decreases in inter-fund transfer-in of \$38.3 and increases in inter-fund transfer-out of \$8.0 or 5.8 percent.
- The GARVEE Fund balance increased by \$239.8 or 232.3 percent in fiscal year 2017 from fiscal year 2016. The increase in fund balance is primarily due to the increases in total revenues of \$1.6 or 221.1 percent, decreases in total expenditures of \$24.2 or 14.4 percent, and increases in bond proceeds of \$381.5.
- The fund balance of the Capital Projects Revenue Bonds Special Revenue Fund decreased from \$191.4 in fiscal 2016 to \$1.4 in fiscal year 2017, a decrease of \$190.0. The decrease in fund balance is primarily attributed to the decrease in interest revenue of \$0.6 and a decrease in bond proceeds \$300.3 or 100.0 percent. The decrease in fund balance is offset by a decrease in highway system acquisition and construction costs of \$210.9 or 77.4 percent, a decrease in the other financing uses of \$0.7 or 100.0 percent, a decrease in transfer to other state agencies and general fund of \$7.3 or 7.0 percent, and a decrease in inter-fund transfer-out of \$21.3 or 40.2 percent.
- The fund balance of the Toll Facilities Revolving Fund increased by \$5.5 or 1.5 percent in fiscal year 2017. The increase in fund balance is primarily due to increases in revenues \$4.8 or 18.3 percent and increase in inter-fund transfer-in of \$0.5 or 3.7 percent. The increase in

fund balance is offset by the increases in expenditures of \$2.1 or 8.2 percent. There were no other significant financial activities in any other categories of this fund during the fiscal year 2017.

- The Debt Service funds have a total fund balance of \$31.6 in fiscal year 2017, an increase of \$9.9 or 45.4 percent over that of the fiscal year 2016. All of the fund balance amounts are reserved for the debt payment. This increase in fund balance is primarily due to the increases in revenues of \$9.9 or 7.5 percent, decreases in expenditures of \$12.8 or 3.7 percent, decreases in defeasance payment of \$37.9 or 40.7 percent increase, and increases in inter-fund transfer-in of \$63.8 or 30.4 percent. The increase in revenues is mostly related to increases in Federal Receipts. Federal Receipts were \$64.2 in fiscal year 2016 compared to \$75.6 in fiscal year 2017. The decrease in expenditures is mostly related to the decreases in bonds issuance costs, principal and interest payments of \$12.8 or 3.7 percent. The increase in fund balance is offset by the decreases in bond proceeds of \$38.2 or 40.7 percent, and increases in the inter-fund transfers out of (\$53.6) or 234.0 percent.

Proprietary Funds: The Virginia Department of Transportation has no proprietary funds (business-type activities) in fiscal year 2017 to report.

Budget Comparison Schedule (Cash Basis)

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.

Special Revenue Fund Budgetary Highlights Virginia Department of Transportation Budget Comparison Summary Special Revenue Fund For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Taxes	\$ 3,172.8	\$ 3,172.8	\$ 3,157.3	\$ (15.5)
Intergovernmental	1,026.4	1,150.7	1,058.2	(92.5)
Other	619.0	643.5	711.4	67.9
Total	4,818.2	4,967.0	4,926.9	(40.1)
Expenditures	4,946.8	5,228.6	4,850.5	378.1
Revenues over (under) expenditures	(128.6)	(261.6)	76.4	338.0
Other sources	325.0	367.7	56.9	(310.8)
Revenues and other sources over (under) expenditures	196.4	106.1	133.3	27.2
Fund balance - July 1	1,791.6	1,791.6	1,791.6	-
Fund balance - June 30	\$ 1,988.0	\$ 1,897.7	\$ 1,924.9	\$ 27.2

Capital Assets and Debt Administration

Capital assets: The Virginia Department of Transportation's investment in capital assets for its governmental activities as of June 30, 2017 amounts to \$27,794.7 (net of accumulated depreciation.) This investment in capital assets includes land, buildings, improvements, equipment, and highway infrastructure. The beginning balance for fiscal year 2017 was restated to correct prior year capital asset balances, information can be found in Note 2 of the financial statements. The total increase in the Virginia Department of Transportation's investment in capital assets for the current fiscal year was 8.0 percent. This increase is related to additional capitalization of capital asset expenditures incurred in fiscal year 2017 and capitalization of capital assets acquired as a result of service concession agreements

Additional information on the Virginia Department of Transportation's capital assets can be found in Note 12 of the financial statements.

Virginia Department of Transportation
Capital Assets
as of June 30, 2017 and 2016 (restated)
(net of depreciation)

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
		<u>as restated</u>
Depreciable Capital Assets:		
Buildings and improvements	\$ 357.1	\$ 279.5
Equipment	<u>167.2</u>	<u>163.3</u>
Total Depreciable Capital Assets	<u>524.3</u>	<u>442.8</u>
Non Depreciable Capital Assets:		
Land and improvements	28.0	27.6
Other Non Depreciable assets	1,308.2	322.7
Construction in process	<u>55.9</u>	<u>79.7</u>
Total Non Depreciable Capital Assets	<u>1,392.1</u>	<u>430.0</u>
Infrastructure Assets:		
Highway right-of-way, non-depreciable	2,590.5	2,470.0
Highway system infrastructure	12,329.7	12,232.8
Restorative maintenance	4,015.6	3,737.8
Bridge and tunnel infrastructure	3,508.8	2,465.3
Infrastructure work in process	<u>3,433.7</u>	<u>3,979.4</u>
Total Infrastructure assets	<u>25,878.3</u>	<u>24,885.3</u>
Total Assets	<u>\$ 27,794.7</u>	<u>\$25,758.1</u>

Long-term debt – Bonds Payable: At the end of the current fiscal year, the Commonwealth Transportation Board (CTB) Governmental activities had total bonded debt outstanding of \$3,245.3 related to governmental activities. Of this amount, \$10.5 comprises debt backed by the full faith, credit, and taxing power of the Commonwealth. The majority, \$3,234.8 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 of Virginia.

**Virginia Department of Transportation
Outstanding Bonds
as of June 30, 2017 and 2016**

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
General Obligation Bonds:		
Section 9(c) debt	\$ 10.5	\$ 14.2
Total General Obligation Bonds	<u>10.5</u>	<u>14.2</u>
Section 9(d) debt		
Transportation Revenue Bonds	3,234.8	3,089.7
Total Section 9(d) debt	<u>3,234.8</u>	<u>3,089.7</u>
Total Bonds Payable	<u>\$ 3,245.3</u>	<u>\$ 3,103.9</u>

The Commonwealth Transportation Board’s bonds debt from governmental activities, increased from \$3,103.9 in fiscal year 2016 to \$3,245.3 in fiscal year 2017, an increase of \$141.3 or 4.6 percent. The increase in bond debt is primarily due to the issuances of the GARVEE, Series 2016 of \$316.9, Route 58 Refunding Bonds, Series 2017B of \$26.7, NVTD Refunding Bonds, Series 2017A of \$11.9, Coleman Bridge Refunding Bonds, Series 2016AB of \$13.1, and the \$2.6 in accreted bond principal of the Route 28 Capital Appreciation Bond. The increase in long-term is reduced by the principal debt payments of \$175.1 and the defeased bond principal of \$54.9 in fiscal year 2017. The Virginia Department of Transportation has no debt for business type activities in fiscal year 2017 to report.

Long-Term Debt-Notes Payable: At the end of the fiscal year 2017, the Commonwealth Transportation Board (CTB) had total outstanding notes debt balance of \$40.7 from the governmental activities. This consisted of a Chesterfield notes interest payable of \$7.4 and a Camp 30 notes payable of \$33.3. Both notes are a Commonwealth of Virginia obligation however, they are not backed by the full faith and credit of the Commonwealth of Virginia.

**Virginia Department of Transportation
Outstanding Notes
as of June 30, 2017 and 2016**

	Governmental Activities	
	2017	2016
Section 9(c) debt		
Payable	\$ 7.4	\$ 8.2
	7.4	8.2
Total Section 9(c) debt		
Section 9(d) debt		
Camp 30 Notes Payable	33.3	39.2
Total Section 9(d) debt	33.3	39.2
Total Notes Payable	\$ 40.7	\$ 47.4

The Commonwealth Transportation Board’s notes debt, from governmental activities, decreased by \$6.7 or 14 percent in fiscal year 2017. The decrease was attributed to the retirement of the principal amounts of \$5.9 or 15 percent in Camp 30 notes payable and \$0.8 or 10 percent in Chesterfield notes interest payable in fiscal year 2017. The Department has no outstanding notes payable for business-type activities in fiscal year 2017 to disclose.

Additional information on the Virginia Department of Transportation’s long-term liabilities can be found in Note 7 of the financial statements.

Economic Factors and Next Year’s Budget

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

- Transportation Department revenues are anticipated to be \$5.4 billion in FY 2018, a 1 percent increase from the FY 2017 Budget. In January 2018, the VDOT Budget was revised to include the Interstate 66 Outside the Beltway Concession Fee. The Revised Budget totals \$5.99 billion.
- The increase from the previous year is primarily driven by project participation from the regional entities and localities, and an offsetting reduction in state revenue and a reduction in the planned use of GARVEE bonds. If the anticipated project participation revenue from the regional entities was not added, the FY 2018 budget would be \$315 million less, or four percent less than the FY 2017 Budget.
- The planned use of bond proceeds for FY 2018 are less than those programmed in the previous fiscal year, as anticipated. The GARVEE bond allocations were \$225.2 million previously and \$113.1 million was provided for in FY 2018.

- The federal funding estimated to be available for VDOT efforts increased from \$1.03 billion to \$1.06 billion in FY 2018, or 3 percent. The budgeted amount assumed a full year's of federal contract authority is provided. The current Federal budget is as of March 23, 2018. There is a need for action by the Federal Government for the \$1.06 billion to occur with additional future uncertainty on Federal revenues.
- Construction fund transfers to cover the Highway Maintenance and Operating Fund's funding deficit have been reduced with the revenues provided through the 2013 initiative that increased the Retail Sales and Use Tax and the Motor Vehicles Sales Tax. However, the transfer is anticipated to continue. The anticipated crossover for FY 2018 is \$158.7 million. It is anticipated to grow over the six-year horizon to approximately \$190 million by FY 2023.
- State revenue dedicated to regional transportation efforts in Northern Virginia and Hampton Roads is estimated to total \$492.5 million during the year, a \$3.6 million decrease from the previous year's assumptions. State taxes for regional entities are providing significant revenues for transportation projects in Northern Virginia and Hampton Roads.

The above Economic Factors have been considered in the preparation of the Virginia Department of Transportation's fiscal year 2018-2023 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 at www.virginiadot.org.

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FINANCIAL REPORT

JUNE 30, 2017

BASIC FINANCIAL STATEMENTS

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**Government-wide
Financial Statements**

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**Virginia Department of Transportation
Statement of Net Position
June 30, 2017**

Primary Government

Total

Assets and Deferred Outflows of Resources :

Cash and cash equivalents with the Treasurer of Virginia (Note 14)	\$	1,348,022,292
Cash and cash equivalents with trustees (Note 14)		404,652,611
Advance fund		193,500
Receivables: (Net)		
Federal government		42,450,385
Cities, counties, and towns		27,255,119
State agencies		13,123,461
Loans & Other		261,286,373
Taxes		128,787,374
Due from state agencies		2,413,824
Bond interest receivable		13,168,939
Capitalized bond discounts		85,970
Inventory (Note 1- G)		84,202,917
Depreciable Capital Assets, Net (Note 12)		524,269,151
Infrastructure, net (Note 12)		19,854,054,904
Infrastructure non deprec. (Note 12)		3,898,752,735
Infrastructure, Work in Process (Note 12)		3,433,744,737
Non Depreciable Capital Assets (Note 12)		83,935,539
Total assets		30,120,399,831

Deferred Outflows of Resources (Note 1- I)

Total Assets and Deferred Outflows		3,267,780
	\$	30,123,667,611

Liabilities and Deferred Inflows of Resources :

Accounts payable	\$	449,269,254
Deposits payable		75,867,752
Premium on bonds payable		336,912,426
Premium on notes payable		4,615,359
Accrued liabilities		42,051,488
Retainage on contracts		4,543,763
Non Current Liabilities		
Bond interest payable		25,719,331
Note interest payable		
Expected to be paid within one year		1,454,759
Expected to be paid after one year		6,136,616
Pollution remediation obligations (Note 7)		
Expected to be paid within one year		290,000
Expected to be paid after one year		2,315,341
Compensated absences (Note 1- J and Note 7)		
Expected to be paid within one year		35,116,605
Expected to be paid after one year		17,301,423
Bonds Payable (Note 7)		
Portion due within one year		190,850,000
Portion due after one year		3,054,418,164
Notes Payable (Note 7)		
Portion due within one year		6,165,000
Portion due after one year		27,115,000
Total liabilities		4,280,142,281

Deferred inflows of Resources (Note 1- I)

Total Liabilities and Deferred Inflows		3,055,221,791
		7,335,364,072

Net Position (Note 8)

Net Investment in Capital Assets		25,630,727,154
Restricted for		
Bond Financed Road		
Construction		443,691,056
Capital Acquisition		4,709,569
Debt service		31,626,368
Transportation Infrastructure Bank		338,671,711
Unrestricted		(3,661,122,319)
Total Net Position	\$	22,788,303,539

The accompanying notes are an integral part of this financial statement

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**VIRGINIA DEPARTMENT OF TRANSPORTATION
STATEMENT OF ACTIVITIES
JUNE 30, 2017**

	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Functions Programs				
Primary Government				
Governmental Activities				
Administrative and support services	\$ 230,608,657	\$ -	\$ 34,115	\$ (230,574,542)
Ground transportation system planning and research	70,415,955	-	-	(70,415,955)
Highway system acquisition and construction	1,076,546,387	48,147,518	1,570,218,459	541,819,590
Highway system maintenance	1,379,207,945	324,812,912	2,788,150	(1,051,606,883)
Financial assistance to localities	1,172,694,982	-	327,153	(1,172,367,829)
Environmental monitoring and compliance	9,079,318	-	-	(9,079,318)
Toll facilities operations and construction	40,640,129	40,699,262	40,613	99,746
Unallocated Depreciation (excludes direct depreciation)	22,291,352	-	-	(22,291,352)
Transfers to other state agencies (Note 11)	13,479,269	-	-	(13,479,269)
Total Governmental Activities	4,014,963,994	413,659,692	1,573,408,490	(2,027,895,812)

Total Primary Government \$ 4,014,963,994 \$ 413,659,692 \$ 1,573,408,490 \$ (2,027,895,812)

GENERAL REVENUES	
Taxes	
Motor Vehicle Fuel Tax	\$ 831,534,018
Road Use Tax	10,826,228
Sales and Use Tax	1,162,085,878
MV Sales and Use Tax	907,558,081
MV Rental Tax	17,651,304
Aviation Fuel Tax	1,423,016
Premiums on Insurance	163,142,430
Other Taxes	83,274,280
Investment Earnings	13,653,664
Other Revenues	44,388,410
Loss on sales	(948,330)
Transfers to other State Agencies and Gen Fund (Note 11)	(162,466,005)
Transfers from other State Agencies and Gen Fund (Note 11)	41,017,182
Total General Revenues, and Transfers	3,113,340,156
Change in Net Position	1,085,444,344
Net Position, July 1 (Restated) (Note 2)	21,702,859,195
Net Position, June 30	\$ 22,788,303,539

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 account for specific revenue sources that are restricted to finance particular functions and activities of the Department.

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

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

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

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

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

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

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

Debt Service Funds:

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

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

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

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

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

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

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

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

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

Chesterfield Note Repayment Fund accounts for the payment of interest to Chesterfield county for interest related to Route 288 construction.

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

VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING BALANCE SHEET GOVERNMENTAL FUNDS
 SPECIAL REVENUE
 June 30, 2017

	HIGHWAY MAINTENANCE & OPERATING	FEDERAL	CONSTRUCTION
<u>Assets and Deferred Outflows of Resources</u>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$ 219,945,934	\$ -	\$ 324,291,589
Cash and cash equivalents with trustees (Note 14)	-	-	-
Cash and cash equivalents for collateral held for securities lending (Note 14)	-	-	-
Investments for Advance fund	175,000	-	-
Receivables: (net)			
Federal government	-	42,450,385	-
Cities, counties, and towns	93,203	-	27,161,916
State agencies	807,520	12,311,982	3,036
Loans & other	11,525,277	-	39,727,673
Taxes receivable	65,808,448	-	33,119,239
Due from other funds (Note 10)	923	31,345,837	49,490,153
Due from agencies	-	-	-
Inventory (Note 1 G)	70,169,011	-	11,600
Total assets	368,525,316	86,108,204	473,805,206
Deferred Outflows of Resources	4,873,032	22,598,152	33,175,369
Total Assets and Deferred Outflows	\$ 373,398,348	\$ 108,706,356	\$ 506,980,575
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Accounts payable	\$ 125,009,568	\$ 51,399,151	\$ 165,059,985
Deposits payable	15,207,352	-	144,476
Payable for collateral held for securities lending	-	-	-
Due to other funds (Note 10)	38,205,000	34,709,053	118,771,530
Liability for compensated absences	80,995	-	20,055
Accrued liabilities	28,726,376	-	13,211,296
Retainage on contracts	1,995,188	-	2,479,016
Total liabilities	209,224,479	86,108,204	299,686,358
Deferred Inflows of Resources	17,106,830	22,598,152	52,561,766
Total Liabilities and Deferred Inflows	226,331,309	108,706,356	352,248,124
Fund Balances (Note 3)			
Nonspendable	81,694,288	-	39,739,273
Restricted	-	-	-
Committed	65,372,751	-	114,993,178
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	147,067,039	-	154,732,451
Total liabilities, deferred inflows and fund balances	\$ 373,398,348	\$ 108,706,356	\$ 506,980,575

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING BALANCE SHEET GOVERNMENTAL FUNDS
 SPECIAL REVENUE
 June 30, 2017

PRIORITY TRANSPORTATION FUND	TOLL FACILITIES REVOLVING	GARVEE
------------------------------------	---------------------------------	--------

Assets and Deferred Outflows of Resources

Cash and cash equivalents with the Treasurer of Virginia (Note 14)	\$ 205,062,126	\$ 125,188,258	\$ -
Cash and cash equivalents with trustees (Note 14)	-	24,652,440	343,005,435
Cash and cash equivalents for collateral held for securities lending (Note 14)	-	-	-
Investments for Advance fund	-	-	-
Receivables: (net)			
Federal government	-	-	-
Cities, counties, and towns	-	-	-
State agencies	-	-	-
Loans & other	-	57,809,905	-
Taxes receivable	3,245,694	-	-
Due from other funds (Note 10)	30,022,989	223,789,501	-
Due from agencies	2,413,824	-	-
Inventory (Note 1 G)	-	14,022,306	-
Total assets	240,744,633	445,462,410	343,005,435

Deferred Outflows of Resources

	-	1,191,898	-
Total Assets and Deferred Outflows	\$ 240,744,633	\$ 446,654,308	\$ 343,005,435

**Liabilities, Deferred Inflows of Resources
and Fund Balances**

Accounts payable	\$ -	\$ 12,447,370	\$ -
Deposits payable	-	57,965,924	-
Payable for collateral held for securities lending	-	-	-
Due to other funds (Note 10)	-	-	-
Liability for compensated absences	-	-	-
Accrued liabilities	-	-	-
Retainage on contracts	-	-	-
Total liabilities	-	70,413,294	-

Deferred Inflows of Resources

	-	91,186	-
Total Liabilities and Deferred Inflows	-	70,504,480	-

Fund Balances (Note 3)

Nonspendable	-	71,832,211	-
Restricted	-	-	-
Committed	240,744,633	304,317,617	343,005,435
Assigned	-	-	-
Unassigned	-	-	-

Total fund balances	240,744,633	376,149,828	343,005,435
Total liabilities, deferred inflows and fund balances	\$ 240,744,633	\$ 446,654,308	\$ 343,005,435

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING BALANCE SHEET
 GOVERNMENTAL FUNDS SPECIAL REVENUE
 June 30, 2017

	CAPITAL PROJECTS REVENUE BONDS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	Special Revenue Funds Totals	
			June 30, 2017	June 30, 2016
<u>Assets and Deferred Outflows of Resources</u>				
Cash and cash equivalents				
with the Treasurer of Virginia (Note 14)	\$ 3,267,367	\$ 470,020,372	\$ 1,347,775,646	\$ 1,272,927,637
Cash and cash equivalents with trustees (Note 14)	665,154	4,949,860	373,272,889	341,777,284
Cash and cash equivalents for collateral held for securities lending (Note 14)	-	-	-	7,342,739
Investments for				
Advance fund	-	18,500	193,500	253,500
Receivables: (net)				
Federal government	-	-	42,450,385	45,003,179
Cities, counties, and towns	-	-	27,255,119	13,808,719
State agencies	-	923	13,123,461	10,564,719
Loans & other	-	152,223,518	261,286,373	235,019,803
Taxes receivable	-	26,613,993	128,787,374	106,973,847
Due from other funds (Note 10)	-	-	334,649,403	316,402,229
Due from agencies	-	-	2,413,824	617,632
Inventory (Note 1 G)	-	-	84,202,917	82,268,269
Total assets	3,932,521	653,827,166	2,615,410,891	2,432,959,557
Deferred Outflows of Resources	-	3,035,738	64,874,189	58,411,324
Total Assets and Deferred Outflows	\$ 3,932,521	\$ 656,862,904	2,680,285,080	2,491,370,881
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>				
Accounts payable	\$ -	\$ 95,353,180	\$ 449,269,254	\$ 373,811,896
Deposits payable	2,550,000	-	75,867,752	70,669,987
Payable for collateral held for securities lending	-	-	-	7,342,739
Due to other funds (Note 10)	-	142,963,820	334,649,403	316,402,229
Liability for compensated absences	-	374	101,424	174,920
Accrued liabilities	-	113,816	42,051,488	38,510,483
Retainage on contracts	-	69,559	4,543,763	3,788,402
Total liabilities	2,550,000	238,500,749	906,483,084	810,700,656
Deferred Inflows of Resources	-	3,012,307	95,370,241	72,246,651
Total Liabilities and Deferred Inflows	2,550,000	241,513,056	1,001,853,325	882,947,307
Fund Balances (Note 3)				
Nonspendable	-	152,223,518	345,489,290	317,288,072
Restricted	-	-	-	-
Committed	1,382,521	322,665,348	1,392,481,483	1,357,814,060
Assigned	-	-	-	-
Unassigned	-	(59,539,018)	(59,539,018)	(66,678,558)
Total fund balances	1,382,521	415,349,848	1,678,431,755	1,608,423,574
Total liabilities, deferred inflows and fund balances	\$ 3,932,521	\$ 656,862,904	\$ 2,680,285,080	\$ 2,491,370,881

The accompanying notes are an integral part of this financial statement

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VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING BALANCE SHEET
 DEBT SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

NORTHERN VA. TRANSP.										
ROUTE 58	ROUTE 28	DISTRICT	COLEMAN BRIDGE	CAPITAL PROJECTS REVENUE BONDS	GARVEE	TRANSPORTATION SET ASIDE	POWHITE PARKWAY CHESTERFIELD CO.	CAMP 30	TOTALS	
\$ -	\$ -	\$ -	\$ 246,646	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 246,646	
1,738	-	1,100	-	948	31,375,412	55	-	469	31,379,722	
\$ 1,738	\$ -	\$ 1,100	\$ 246,646	\$ 948	\$ 31,375,412	\$ 55	\$ -	\$ 469	\$ 31,626,368	
ASSETS										
Cash with the Treasurer of Virginia (Note 14)										
Cash equivalents not with the Treasurer of Virginia (Note 14)										
Total assets										
LIABILITIES AND FUND EQUITY										
Liabilities:										
Fund balances:										
\$ 1,738	\$ -	\$ 1,100	\$ 246,646	\$ 948	\$ 31,375,412	\$ 55	\$ -	\$ 469	\$ 31,626,368	
\$ 1,738	\$ -	\$ 1,100	\$ 246,646	\$ 948	\$ 31,375,412	\$ 55	\$ -	\$ 469	\$ 31,626,368	
Total Liabilities and Fund Equity										

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**VIRGINIA DEPARTMENT OF TRANSPORTATION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017**

	SPECIAL REVENUE	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS JUNE 30, 2017
<u>Assets and Deferred Outflows of Resources</u>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$ 1,347,775,646	\$ 246,646	\$ 1,348,022,292
Cash and cash equivalents with trustees (Note 14)	373,272,889	31,379,722	404,652,611
Investments with Trustees (Note 14)	-	-	-
Cash and cash equivalents for collateral held for securities lending (Note 14)	-	-	-
Investments for collateral held for securities lending (Note 14)	-	-	-
Advance fund	193,500	-	193,500
Receivables: (Net)			
Federal government	42,450,385	-	42,450,385
Localities and private sector	27,255,119	-	27,255,119
State agencies	13,123,461	-	13,123,461
Loans & Other	261,286,373	-	261,286,373
Taxes Receivable	128,787,374	-	128,787,374
Due from other funds (Note 10)	334,649,403	-	334,649,403
Due from agencies	2,413,824	-	2,413,824
Inventory (Note 1G)	84,202,917	-	84,202,917
Total Assets	<u>2,615,410,891</u>	<u>31,626,368</u>	<u>2,647,037,259</u>
Deferred Outflows of Resources	64,874,189	-	64,874,189
Total Assets and Deferred Outflows	<u>\$ 2,680,285,080</u>	<u>\$ 31,626,368</u>	<u>\$ 2,711,911,448</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Accounts payable	\$ 449,269,254	\$ -	\$ 449,269,254
Deposits payable	75,867,752	-	75,867,752
Payable to component unit	-	-	-
Payable for collateral held for securities lending	-	-	-
Due to other agencies	-	-	-
Due to other funds (Note 10)	334,649,403	-	334,649,403
Deferred revenue	-	-	-
Compensated absences payable	101,424	-	101,424
Accrued liabilities	42,051,488	-	42,051,488
Retainage on contracts	4,543,763	-	4,543,763
Total liabilities	<u>906,483,084</u>	<u>-</u>	<u>906,483,084</u>
Deferred Inflows of Resources	95,370,241	-	95,370,241
Total Liabilities and Deferred Inflows.	<u>1,001,853,325</u>	<u>-</u>	<u>1,001,853,325</u>
<u>Fund Balances (Note 3)</u>			
Nonspendable	345,489,290	-	345,489,290
Restricted	-	-	-
Committed	1,392,481,483	31,626,368	1,424,107,851
Assigned	-	-	-
Unassigned	(59,539,018)	-	(59,539,018)
Total Fund Equity	<u>1,678,431,755</u>	<u>31,626,368</u>	<u>1,710,058,123</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 2,680,285,080</u>	<u>\$ 31,626,368</u>	<u>\$ 2,711,911,448</u>

The accompanying notes are an integral part of this financial statement

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**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2017**

Total fund balances - governmental funds \$1,710,058,123

Amounts reported for governmental activities in the statement of net assets are different because:

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

Land and Non depreciable capital assets	\$	83,935,539
Equipment and Buildings		1,028,384,772
Non depreciable infrastructure assets		1,308,220,379
Infrastructure assets		35,777,276,357
Accumulated Depreciation		<u>(10,403,059,981)</u>

Total capital assets 27,794,757,066

Accrued bond interest receivable and capitalized bond discounts 13,254,909

Revenues in the funds that are not available in the current period and, therefore are deferred in the funds. 77,289,675

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

Bond and notes payable		(3,278,548,164)
Interest payable		(33,310,706)
Premium payable		(341,527,785)
Pollution remediation obligation		(2,605,341)
Compensated absences		<u>(52,316,604)</u>
Total liabilities		<u>(3,708,308,600)</u>

Other long term payables are not due and payable in the current period and, therefore are deferred in the funds. (61,606,409)

Deferred inflows associated with Service Concession Arrangement are long-term in nature and therefore not reported in the funds, (3,037,141,225)

Net position of governmental activities \$22,788,303,539

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**VIRGINIA DEPARTMENT OF TRANSPORTATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2017**

	HIGHWAY MAINTENANCE & OPERATING	FEDERAL	CONSTRUCTION
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -
Taxes	1,699,094,150	-	770,627,218
Rights and privileges	317,685,297	-	27,875,935
Sale of property and commodities	256,990	-	9,593,634
Interest, dividends and rents	3,635	-	4,876,072
Fines, forfeitures, court fees, penalties, and escheats	7,123,980	-	110,148
Federal grants and contracts	-	1,057,303,527	-
Receipts from localities and private sector	1,830,352	-	202,599,956
Toll revenue	-	-	-
Other revenue	18,590,823	791,653	224,270
Total revenue	<u>2,044,585,227</u>	<u>1,058,095,180</u>	<u>1,015,907,233</u>
Expenditures			
Current:			
Administrative and support services	255,838,997	6,106,664	171,892
Ground transportation system planning and research	11,736,925	18,459,340	40,285,738
Highway system acquisition and construction	-	714,785,600	754,129,634
Highway system maintenance	1,384,933,074	341,969,738	-
Financial assistance to localities	434,852,989	6,287,930	4,189,902
Environmental monitoring and compliance	-	11,768	13,530,199
Toll facilities operations and construction	-	-	-
Capital Outlay	-	645,562	40,402,972
Transfers to other state agencies (Note 11)	13,479,269	-	-
Total expenditures	<u>2,100,841,254</u>	<u>1,088,266,602</u>	<u>852,710,337</u>
Revenues over (under) expenditures	<u>(56,256,027)</u>	<u>(30,171,422)</u>	<u>163,196,896</u>
Other financing sources (uses)			
Other financing sources (uses)	-	-	-
Bond Proceeds	-	-	-
Transfers to other state agencies and General Fund (Note 11)	(27,891,654)	-	(37,317,079)
Transfers from other state agencies and General Fund (Note 11)	1,267,399	32,857,714	4,473,268
Transfers in (Note 11)	107,768,174	86,137,030	3,480,681
Transfers out (Note 11)	(24,927,815)	(88,823,322)	(136,256,717)
Total other financing sources (uses)	<u>56,216,104</u>	<u>30,171,422</u>	<u>(165,619,847)</u>
Net Change in Fund Balance	(39,923)	-	(2,422,951)
Beginning fund balance	147,106,962	-	157,155,402
Ending fund balance - June 30	<u>\$ 147,067,039</u>	<u>\$ -</u>	<u>\$ 154,732,451</u>

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2017**

	PRIORITY TRANSPORTATION FUND	TOLL FACILITIES REVOLVING	GARVEE
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -
Taxes	197,393,553	-	-
Rights and privileges	-	24,994,247	-
Sale of property and commodities	-	-	-
Interest, dividends and rents	2,514,070	870,149	2,364,241
Fines, forfeitures, court fees, penalties, and escheats	-	5,366,231	-
Federal grants and contracts	-	-	-
Receipts from localities and private sector	-	-	-
Toll revenue	-	-	-
Other revenue	-	-	-
Total revenue	<u>199,907,623</u>	<u>31,230,627</u>	<u>2,364,241</u>
Expenditures			
Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	46,696,469	-	144,051,353
Highway system maintenance	-	-	-
Financial assistance to localities	-	-	-
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	-	27,231,255	-
Capital Outlay	-	-	-
Transfers to other state agencies (Note 11)	-	-	-
Total expenditures	<u>46,696,469</u>	<u>27,231,255</u>	<u>144,051,353</u>
Revenues over (under) expenditures	<u>153,211,154</u>	<u>3,999,372</u>	<u>(141,687,112)</u>
Other financing sources (uses)			
Other financing sources (uses)	-	-	-
Bond Proceeds	-	-	381,483,591
Transfers to other state agencies and General Fund (Note 11)	-	-	-
Transfers from other state agencies and General Fund (Note 11)	2,418,801	-	-
Transfers in (Note 11)	30,022,989	1,543,308	-
Transfers out (Note 11)	(146,294,771)	-	-
Total other financing sources (uses)	<u>(113,852,981)</u>	<u>1,543,308</u>	<u>381,483,591</u>
Net Change in Fund Balance	39,358,173	5,542,680	239,796,479
Beginning fund balance	201,386,460	370,607,148	103,208,956
Ending fund balance - June 30	<u>\$ 240,744,633</u>	<u>\$ 376,149,828</u>	<u>\$ 343,005,435</u>

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2017**

	CAPITAL PROJECTS REVENUE BONDS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	Totals	
			Special Revenue Funds JUNE 30, 2017	JUNE 30, 2016
Revenues				
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ 27,707,798
Taxes	-	507,591,606	3,174,706,527	3,094,175,360
Rights and privileges	-	5,501,275	376,056,754	368,166,527
Sale of property and commodities	-	-	9,850,624	7,295,944
Interest, dividends and rents	585,081	12,070,761	23,284,009	17,332,004
Fines, forfeitures, court fees, penalties, and escheats	-	-	12,600,359	11,804,598
Federal grants and contracts	-	7,678,030	1,064,981,557	1,085,268,356
Receipts from localities and private sector	-	1,274,398	205,704,706	150,299,124
Toll revenue	-	18,305,575	18,305,575	17,839,906
Other revenue	-	22,795,134	42,401,880	24,271,210
Total revenue	585,081	575,216,779	4,927,891,991	4,804,160,827
Expenditures				
Current:				
Administrative and support services	-	-	262,117,553	242,814,193
Ground transportation system planning and research	-	-	70,482,003	62,898,509
Highway system acquisition and construction	61,603,088	34,036,717	1,755,302,861	1,969,331,930
Highway system maintenance	-	-	1,726,902,812	1,761,401,456
Financial assistance to localities	-	508,328,031	953,658,852	966,952,593
Environmental monitoring and compliance	-	-	13,541,967	11,190,001
Toll facilities operations and construction	-	56,989,329	84,220,584	30,404,775
Capital Outlay	-	126,980	41,175,514	26,601,623
Transfers to other state agencies (Note 11)	-	-	13,479,269	26,691,644
Total expenditures	61,603,088	599,481,057	4,920,881,415	5,098,286,724
Revenues over (under) expenditures	(61,018,007)	(24,264,278)	7,010,576	(294,125,897)
Other financing sources (uses)				
Other financing sources (uses)	-	-	-	(696,578)
Bond Proceeds	-	225,308	381,708,899	300,565,011
Transfers to other state agencies and General Fund (Note 11)	(97,257,272)	-	(162,466,005)	(170,860,054)
Transfers from other state agencies and General Fund (Note 11)	-	-	41,017,182	19,037,204
Transfers in (Note 11)	-	31,958,662	260,910,844	450,553,813
Transfers out (Note 11)	(31,743,464)	(30,127,226)	(458,173,315)	(637,563,270)
Total other financing sources (uses)	(129,000,736)	2,056,744	62,997,605	(38,963,874)
Net Change in Fund Balance	(190,018,743)	(22,207,534)	70,008,181	(333,089,771)
Beginning fund balance	191,401,264	437,557,382	1,608,423,574	1,941,513,345
Ending fund balance - June 30	\$ 1,382,521	\$ 415,349,848	\$ 1,678,431,755	\$ 1,608,423,574

The accompanying notes are an integral part of this financial statement

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VIRGINIA DEPARTMENT OF TRANSPORTATION
 DETAILED COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND STATEMENT OF CHANGES IN FUND BALANCE:
 DEBT SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

	ROUTE 58	ROUTE 28	NORTHERN VA. TRANSP. DISTRICT	COLEMAN BRIDGE	CAPITAL PROJECTS REVENUE BONDS	GARVEE	TRANSPORTATION SET ASIDE	POWHITE PARKWAY CHESTERFIELD CO.	CAMP 30	TOTALS
Revenues										
Revenue Provided by the General Fund	\$ 40,000,000	\$ -	\$ 19,042,727	\$ 6,391	\$ -	\$ -	\$ 1,101,350	\$ -	\$ -	\$ 60,144,077
Interest	20,375	-	22,207	6,391	10,812	24,899	497	-	514	85,695
Federal Receipts	-	-	-	-	-	75,595,669	-	-	-	75,595,669
Receipts from Cities, Counties and Towns	-	7,215,019	-	-	-	-	-	-	-	7,215,019
Total revenues	40,020,375	7,215,019	19,064,934	6,391	10,812	75,620,568	1,101,847	0	514	143,040,460
Expenditures										
Debt service:										
Charges Related to New Bonds										
Bond Issuance Costs	154,229	0	71,079	18,465	0	0	0	0	0	243,773
Under Writer's Discount	13,328	0	6,689	19,778	0	0	0	0	0	39,795
Total Charges	167,557	0	77,768	38,243	0	0	0	0	0	283,568
Interest Payment- Bonds	10,416,950	1,160,019	8,767,615	368,081	92,482,635	32,995,668	505,000	-	-	146,695,968
Interest Payments - Notes	-	-	-	-	-	-	-	825,116	-	1,957,500
Retirement of bonds	37,730,000	6,055,000	23,390,000	2,690,000	61,130,000	42,600,000	1,485,000	-	-	175,090,000
Retirement of Notes	-	-	-	-	-	-	-	-	-	5,870,000
Total	48,146,950	7,215,019	32,157,615	3,058,081	153,612,635	75,595,668	1,990,000	825,116	-	330,428,584
	48,314,507	7,215,019	32,235,383	3,096,324	153,612,635	75,595,668	1,990,000	825,116	-	330,712,152
Total expenditures	(8,294,132)	-	(13,170,449)	(3,089,933)	(153,601,823)	24,900	(888,153)	(825,116)	(7,826,985)	(187,671,692)
Revenue over (under) expenditures										
Other financing sources (uses)										
Bond proceeds - Face Value	26,655,000	-	11,945,000	13,185,000	-	-	-	-	-	51,785,000
Bond proceeds - Bond Premium	1,582,898	-	940,208	1,342,168	-	-	-	-	-	3,865,274
Escrow agent defeasance payment	(28,070,341)	-	(12,807,440)	(14,488,925)	-	-	-	-	-	(55,366,706)
Transfers in (Note 11)	9,000,000	-	13,093,795	3,032,653	153,602,716	85,460,106	888,207	825,116	7,827,315	273,729,868
Transfers out (Note 11)	(871,729)	-	-	-	-	(75,595,668)	-	-	-	(76,467,397)
Total other sources (uses)	8,295,828	-	13,171,523	3,070,896	153,602,716	9,864,438	888,207	825,116	7,827,315	197,546,039
Revenues and other sources over (under) expenditures and other uses	1,696	-	1,074	(19,037)	893	9,889,338	54	-	329	9,874,347
Fund balance - July 1	42	-	26	265,683	55	21,486,074	1	-	140	21,752,021
Fund balance - June 30	1,738	\$ -	1,100	246,646	948	31,375,412	55	\$ -	469	31,626,368

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, 2017**

	SPECIAL REVENUE	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS June 30, 2017
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ 60,144,077	\$ 60,144,077
Taxes	3,174,706,527	-	3,174,706,527
Rights and privileges	376,056,754	-	376,056,754
Sales of property and commodities	9,850,624	-	9,850,624
Interest, dividends, and rents	23,284,009	85,695	23,369,704
Fines, forfeitures, court fees, penalties, and escheats	12,600,359	-	12,600,359
Federal grants and contracts	1,064,981,557	75,595,669	1,140,577,226
Receipts from localities and private sector	205,704,706	7,215,019	212,919,725
Toll revenue	18,305,575	-	18,305,575
Other revenue	42,401,880	-	42,401,880
Total revenues	4,927,891,991	143,040,460	5,070,932,451
Expenditures			
Current			
Administrative and support services	262,117,553	-	262,117,553
Ground transportation system planning and research	70,482,003	-	70,482,003
Highway system acquisition and construction	1,755,302,861	-	1,755,302,861
Highway system maintenance	1,726,902,812	-	1,726,902,812
Financial assistance to localities	953,658,852	-	953,658,852
Environmental monitoring and compliance	13,541,967	-	13,541,967
Toll facility operations and construction	84,220,584	-	84,220,584
Capital outlay	41,175,514	-	41,175,514
Bond issuance cost	-	283,568	283,568
Debt service:			
Interest (Notes & Bonds)	-	149,478,584	149,478,584
Retirement of bonds & Notes	-	180,950,000	180,950,000
Transfers to other state agencies (Note 11)	13,479,269	-	13,479,269
Total expenditures	4,920,881,415	330,712,152	5,251,593,567
Revenues over (under) expenditures	7,010,576	(187,671,692)	(180,661,116)
Other financing sources (uses)			
Other financing sources (uses)	-	-	-
Bond proceeds	381,708,899	55,650,274	437,359,173
Defeasance payment	-	(55,366,706)	(55,366,706)
Transfers to other state agencies and General fund (Note 11)	(162,466,005)	-	(162,466,005)
Transfers from other state agencies and General fund (Note 11)	41,017,182	-	41,017,182
Transfers in (Note 11)	260,910,844	273,729,868	534,640,712
Transfers out (Note 11)	(458,173,315)	(76,467,397)	(534,640,712)
Total other financing sources (uses)	62,997,605	197,546,039	260,543,644
Net Change in Fund Balance	70,008,181	9,874,347	79,882,528
Fund balance - July 1	1,608,423,574	21,752,021	1,630,175,595
Fund balance - June 30	\$ 1,678,431,755	\$ 31,626,368	\$ 1,710,058,123

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, 2017**

Net Change in fund balances - total governmental funds \$ 79,882,528

Amounts reported for governmental activities are different because:

Accrued interest (2,269,901)

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 55,545,255

Urban assets not capitalized (220,960,154)

Capital Outlay	\$ 41,175,514	
Depreciation expense	(39,563,263)	
Excess of capital outlay over depreciation expense		1,612,251

Increase in non depreciable Infrastructure 985,478,986

Increase in Infrastructure	2,105,082,065	
Depreciation expense	(890,279,890)	
Excess of increase in infrastructure over depreciation expense		1,214,802,175

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	(368,715,000)
Defeasance of bonds	55,366,706
Retirement of bonds	174,628,294
Retirement of notes	5,870,000
Increase in accretion of debt	(2,618,861)

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	7,771,345
Amortize bond and note premium	(39,848,827)
Amortize notes and bond discounts	(4,834)
Bond interest receivable	3,978,995
Deferred expenditures	(7,165,620)
Pollution remediation obligations	(158,482)

Deferred inflows associated with Service Concession Arrangement are long-term in nature and therefore not reported in the funds, (857,750,512)

Change in net position assets of governmental activities \$ 1,085,444,344

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Fiduciary Fund

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**VIRGINIA DEPARTMENT OF TRANSPORTATION
STATEMENT OF FIDUCIARY NET POSITON - AGENCY FUND
June 30, 2017**

Agency Fund June 2017
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Assets

Cash held with the Treasurer of Virginia	\$	1,016,037
Total assets	\$	1,016,037

Liabilities

Accounts payable	\$	43,270
Deposits payable		972,767
Total liabilities	\$	1,016,037

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Virginia Department of Transportation
Statement of Changes in Assets and Liabilities - Agency Fund
For the Fiscal Year Ended June 30, 2017

	Balance				Balance
	July 1, 2016	Additions	Deletions		June 30, 2017
Assets					
Cash held with the Treasurer of Virginia	\$ 99,367	\$ 1,243,707	\$ (327,037)		\$ 1,016,037
Total Assets	<u>\$ 99,367</u>	<u>\$ 1,243,707</u>	<u>\$ (327,037)</u>		<u>\$ 1,016,037</u>
Liabilities					
Deposits Payable	\$ 99,367	\$ 873,551	\$ (151)		\$ 972,767
Accounts Payable	0	370,156	(326,886)		43,270
Total Liabilities	<u>\$ 99,367</u>	<u>\$ 1,243,707</u>	<u>\$ (327,037)</u>		<u>\$ 1,016,037</u>

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FINANCIAL REPORT

JUNE 30, 2017

NOTES TO THE FINANCIAL STATEMENTS

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VIRGINIA DEPARTMENT OF TRANSPORTATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The accompanying financial statements have been prepared in conformance with Generally Accepted Accounting Principles (GAAP) 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 the Department's control.

C. Government-wide Financial Statements

The government-wide financial statements including the Statement of Net Assets and the Statement of Activities report information on all non-fiduciary activities of the Department. The effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Statement of Activities demonstrates the degree to which direct expenses of a specific function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use, or directly benefit from goods or services provided by a given

function, segment, or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items properly excluded from program revenues are reported instead as general revenues.

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

Separate financial statements are provided for governmental funds and fiduciary funds. However, fiduciary funds are not included in the government-wide statements. Major governmental funds are reported as separate columns in the fund financial statements. For fiscal year 2017, the Department has fiduciary fund activity.

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

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

Governmental Fund Financial Statements – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Department considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Significant revenues subject to accrual include federal grants and sales taxes. Revenues that the Department 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, The Department reports the following fund types:

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

E. Budgetary Process

Budgetary amounts shown in the Required Supplementary Information section represent the total of the original budgeted amounts and all supplemental appropriations. The Department's budget is prepared principally on a cash basis and represents appropriations as authorized by the General Assembly and allocated by the Commonwealth Transportation Board. Unexpended appropriations at the end of the fiscal year generally lapse, however, they may be re-appropriated for expenditure in the following fiscal year. Special revenues collected do not revert to the General Fund and appropriations must be carried forward. 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, toll transponders, materials and supplies and work-in-process.

H. Property, Plant, and Equipment

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

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	10-50 years
Equipment	From 2 to 25 years
Infrastructure, excluding bridges and tunnels	30 years
Restorative Maintenance	From 16 to 30 years
Bridges and tunnels	75 years

I. Deferred Outflows and Inflows of Resources

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

J. Compensated Absences

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

2. RESTATEMENT OF BEGINNING FUND BALANCES

The beginning balance for the Government-wide Statement of Activities has been restated as a \$17,767,766 increase. This beginning balance adjustment is the result of corrections to prior year capital assets balances for highway infrastructure and building construction in progress balances.

3. NET POSITION/FUND BALANCE CLASSIFICATION

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was implemented to improve the reporting of fund balance. This Statement also clarifies certain terms used in the definition of existing governmental fund types so

that classifications are more easily understood and can be applied consistently between information reported in the government-wide financial statements and the governmental fund financial statements. The governmental fund balance classifications introduced in GASB Statement 54 are: Nonspendable, Restricted, Committed, Assigned, and Unassigned.

The Department's governmental fund balance classifications and amounts at June 30, 2017 are presented in the balance sheets of major governmental funds, of special revenue and debt service, and the combining individual fund statements and schedules for non-major funds.

Nonspendable fund balance includes inventories, prepaid items, long-term loans and notes receivable and the principal of a permanent fund. These funds are not available for expenditure in the current or following period. At June 30, 2017 the Department's nonspendable fund balances were attributed to \$84,202,917 of inventories and \$261,286,373 of other accounts receivables and long term loan receivables.

Restricted fund balances include amounts that have constraints placed on the use of resources by the *Constitution of Virginia* or a party external to the Commonwealth. At June 30, 2017, the Department's restricted fund balances were attributed to those reported in the debt service funds.

Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the General Assembly and Governor. The distinction between restricted and committed fund balances is the source and strength of the constraints placed on them. At June 30, 2017, the Department's committed fund balances represented the amounts that were committed to highway construction and maintenance by the Commonwealth of Virginia.

Assigned fund balances are those that the government intends to use for a specific purpose, but for which the use is not legislatively mandated. The distinction between these classifications results from whether there is a statutory restriction on certain amounts contained within the fund. At June 30, 2017, the Department reported no assigned fund balances.

Unassigned fund balances are the residual classification for the General Fund. A negative amount indicates that restricted and committed amounts exceed the available modified accrual basis fund balance. At June 30, 2017, the Department's unassigned fund balances represented the deficit fund balances reported by Coleman Bridge Fund, Powhite Parkway Extension Fund and the I-66 Inside the Beltway Construction Fund. Additional disclosure for these deficit fund balances are provided in Note 6 – Deficit Fund Balances.

4. TOLL FACILITIES

The Department operated two major toll facilities. Its responsibilities, as established by the respective trust indentures, are to construct, improve, operate and maintain the Powhite Parkway Extension Toll Road located in Chesterfield County, and the George P.

Coleman Bridge across the York River connecting Gloucester and York Counties. The tolls and other revenues arising from the operation of these facilities are used to operate and maintain them, and satisfy interfund liabilities, bond interest and principal payment requirements. The activities for construction, maintenance and operation, maintenance repair and improvement of these toll facilities are accounted for in the Special Revenue Funds. The principal and interest payments for any related debt issues are accounted for in the Debt Service Funds.

5. COMMITMENTS

Operating Leases

The Department 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, the Department expects these leases to be replaced by similar leases. Rental expense for the fiscal year ending June 30, 2017 was \$941,957. The Department had, as of June 30, 2017, the following future minimum rental payments due under the above leases:

Operating Leases Minimum Payments

2018	\$	984,864
2019		798,619
2020		607,582
2021		533,005
2022		300,353
2023		135,710
	\$	<u>3,360,133</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, 2017, were \$640,749. 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, 2017, the Department had the following contractual commitments for various construction projects, maintenance contracts, and consultant services:

Construction Projects	\$	1,373,335,768
Maintenance Contracts		741,151,278
Consultant Services		970,639,725
	\$	<u>3,085,126,771</u>

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

At June 30, 2017, the Virginia Department of Transportation also had additional contractual commitments of approximately \$1.8 million for technology services and \$64.8 million for non-highway construction type project contracts including facilities and tolling support.

6. DEFICIT FUND BALANCES

Powhite Parkway Extension Fund:

The Powhite Parkway Extension Fund had a deficit fund balance of \$29,818,871 at June 30, 2017. This cumulative deficit is attributable to construction costs and revenue shortfalls caused by a lower traffic volume than projected in the past.

The Powhite Parkway Extension Fund has incurred interfund obligations to meet operating costs and construction costs. At June 30, 2017, the Powhite Parkway Extension had the following interfund obligations:

Due to Toll Facilities Revolving Fund	\$	24,059,119
Due to Construction Fund		14,671,100
Total Interfund Obligations	\$	<u>38,730,219</u>

Coleman Bridge Fund:

The Coleman Bridge Fund had a deficit fund balance of \$29,720,147 at June 30, 2017. The original financing plan included an interfund loan from the Toll Facilities Revolving Fund for construction.

The Coleman Bridge Fund incurred the following interfund obligations for construction costs and operating expenses at June 30, 2017:

Due to Toll Facilities Revolving Fund	\$	39,122,678
Due to Construction Fund		110,000
Total Interfund Obligations	\$	<u>39,232,678</u>

In addition to its interfund obligations, the Coleman Bridge Fund had bonds payable for \$10,495,000 at June 30, 2017. This obligation and the interfund liabilities listed above are to be paid from toll revenues.

I66 - Inside The Beltway Construction Fund

The I66 ITB Construction Fund had a deficit fund balance of \$56,687,924 at June 30, 2017. This deficit is attributable to construction costs and interfund loan obligations.

The I66 ITB Construction Fund incurred the following interfund obligations for construction costs and operating expenses at June 30, 2017:

Due to Toll Facilities Revolving Fund	\$ 65,000,000
Total Interfund Obligations	<u>\$ 65,000,000</u>

7. LONG-TERM LIABILITIES

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

Governmental Activities	June 30, 2016	Increases	Decreases	June 30, 2017
Bonds Payable	\$ 3,103,929,303	\$ 371,333,861	\$(229,995,000)	\$3,245,268,164
Notes Payable	39,150,000	-	(5,870,000)	33,280,000
Pollution Obligations	2,446,859	158,482	-	2,605,341
Chesterfield Int. Payable	8,208,491	-	(825,116)	7,383,375
Compensated Absences	60,262,869	38,539,935	(46,384,776)	52,418,028
Totals	<u>\$ 3,213,997,522</u>	<u>\$ 410,032,278</u>	<u>\$(283,074,892)</u>	<u>\$3,340,954,908</u>

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

Section 9(d) bonds are revenue bonds that are not backed by the full faith and credit of the Commonwealth. The 9(d) Transportation Bonds (Primary Government) are payable solely from revenues or earnings, and other available sources of funds appropriated by the General Assembly. For example, some Section 9(d) bonds may be supported by state appropriations in whole or in part. Other 9(d) revenue bonds are payable from general revenues of the component units, or from revenues of specific revenue-producing capital projects.

Transportation Facilities Debt - Bonds Payable

At June 30, 2017, Transportation Facilities Bonds included \$10,495,000 of 9(c) general obligation bonds and \$3,234,773,164 of 9(d) revenue bonds. Section 9(c) principal and interest requirements for the current year totaled \$3.1 million. Section 9(d) principal and interest requirements for the current year totaled \$318.7 million.

The Section 9(c) transportation facilities bonds represent Coleman Bridge General Obligation Refunding Bonds, Series 2016AB, which were issued to fully refund Series 2006(A) 9(c) Transportation Facilities Bonds. The Section 9(d) Transportation Facilities Bonds were issued to fund the construction of State Route 28, U.S. Route 58, the Northern Virginia Transportation District Program, and the Oak Grove Connector (Chesapeake). The Capital Projects Revenue Bonds were issued to pay for certain costs of certain transportation projects in the Commonwealth. The interest rates for these bonds range from 2.25 percent to 5.35 percent. The issuance dates range from May 26, 2010 to May 17, 2016. The GARVEE's were issued to pay for costs incurred or to be incurred for construction or funding of eligible projects designated by the Transportation Board. The interest rates for these bonds range from 1.0 percent to 5.0 percent and the issuance dates range from March 15, 2012 to November 9, 2016.

U.S. Route 58 Corridor Development Program

On May 31, 2017, the Commonwealth Transportation Board of the Commonwealth of Virginia issued \$26,655,000 in Commonwealth of Virginia Transportation Revenue Refunding Bonds Series 2017B with interest rate of 5 percent to advance refund the outstanding Commonwealth of Virginia Transportation Revenue Refunding Bonds Series 2007B. The Commonwealth of Virginia Transportation Revenue Refunding Bonds Series 2007B matures on May 15, 2019 and is callable on June 16, 2017. The Commonwealth of Virginia Transportation Revenue Refunding Bonds Series 2017B was issued at premium and, after paying the underwriter's fees, the net proceeds were \$28,224,570.25. The net proceeds from the sale of the refunding bonds were deposited to an irrevocable trust with an escrow agent to provide future debt service payments on the Refunded Bonds and to pay the costs related to issuance and refunding. The advance refunding met the requirement of an in-substance debt defeasance and the refunded bonds are removed from the governmental activities column of statement of net assets. As a result of advance refunding, VDOT reduced its total debt service requirements by \$1,450,531.25, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,431,097.25.

Northern Virginia Transportation District Program

On May 31, 2017, the Commonwealth Transportation Board of the Commonwealth of Virginia issued \$11,945,000 in Commonwealth of Virginia Transportation Revenue Refunding Bonds Series 2017A with interest rate of 5 percent to advance refund the

outstanding Commonwealth of Virginia Transportation Revenue Refunding Bonds Series 2007A. The Commonwealth of Virginia Transportation Revenue Refunding Bonds Series 2007A matures on May 15, 2020 and was callable as of June 16, 2017. The Commonwealth of Virginia Transportation Revenue Refunding Bonds Series 2017A was issued at premium and, after paying the underwriter's fees, the net proceeds were \$12,878,518.45. The net proceeds from the sale of the refunding bonds were deposited to an irrevocable trust with an escrow agent to provide future debt service payment on the Refunded Bonds and to pay the costs related to issuance and refunding. The advance refunding met the requirement of an in-substance debt defeasance and the refunded bonds are removed from the governmental activities column of statement of net assets. As a result of advance refunding, VDOT reduced its total debt service requirements by \$703,735.42, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$690,581.46.

Coleman Bridge General Obligation Bonds

On November 10, 2016, the Department of the Treasury issued \$13,185,000 in Commonwealth of Virginia General Obligation Refunding Bonds for Coleman Bridge General Obligation Bonds, Series 2016AB with an interest rate of 5 percent to advance refund the outstanding Commonwealth of Virginia General Obligation Refunding Bonds for Coleman Bridge General Obligation Bonds, Series 2006A. The Commonwealth of Virginia General Obligation Refunding Bonds for Coleman Bridge General Obligation Bonds, Series 2006A matures on June 1, 2021 was callable as of December 12, 2016. The Commonwealth of Virginia General Obligation Refunding Bonds for Coleman Bridge General Obligation Bonds, Series 2016AB was issued at premium and, after paying the underwriter's fees, the net proceeds were \$14,507,390.15. The net proceeds from the sale of the refunding bonds were deposited to an irrevocable trust with an escrow agent to provide future debt service payment on the Refunded Bonds and to pay the costs related to issuance and refunding. The advance refunding met the requirement of an in-substance debt defeasance and the refunded bonds are removed from the governmental activities column of statement of net assets. As a result of advance refunding, COV reduced its total debt service requirements by \$1,057,418.75, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,029,887.07.

Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes

On November 9, 2016, the Commonwealth Transportation Board issued \$316,930,000 Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, Series 2016. Series 2016 will be maturing in semi-annual installments on March 15 and September 15 in the years 2017 to 2031 and interests are payable on March 15 and September 15 at rates varying from 2.000 to 5.000 percent. The proceeds of the Series 2016 notes will be used to pay for the costs of certain eligible transportation projects in the Commonwealth and costs related to the issuance of the 2016 Notes.

Schedule Detailing the Annual Funding Requirements Necessary to Repay the Department's Combined Bonds Issues

Maturity		Principal		Interest		Total
2018	\$	190,850,000	\$	148,686,777	\$	339,536,777
2019		194,645,000		140,143,476		334,788,476
2020		179,165,000		130,990,846		310,155,846
2021		181,815,000		122,570,496		304,385,496
2022		173,870,000		114,021,064		287,891,064
2023-2027		935,410,000		444,051,826		1,379,461,826
2028-2032		745,980,000		239,762,165		985,742,165
2033-2037		564,185,000		82,113,910		646,298,910
2038-2041		96,815,000		6,828,300		103,643,300
Subtotal		3,262,735,000		1,429,168,861		4,691,903,861
Less Unaccreted Capital Appreciation Bonds		(17,466,836)		-		(17,466,836)
Total	\$	3,245,268,164	\$	1,429,168,861	\$	4,674,437,025

Detail of Bonds Payable

Series	Amount Issued	Outstanding June 30, 2016	Issued- (Retired) During Year	Outstanding June 30, 2017	Maturity
Section 9(c) Debt General					
Obligation Bonds					
Coleman Bridge					
Series 2006 Refunding	\$ 31,880,000	\$ 14,205,000	\$ (14,205,000)	\$ -	06/01/17
Series 2016AB Refunding	13,185,000	-	(2,690,000)	10,495,000	06/01/17-21
Section 9(d) Debt-					
Transportation Revenue Bonds					
Route 28 Corridor					
Series 2002A CAB	36,823,667	52,849,303	2,618,861	55,468,164	04/01/17-27
Series 2012A	50,620,000	28,130,000	(6,055,000)	22,075,000	04/01/17-32
Capital Project Revenue Bonds					
Series 2010(A-2)	407,150,000	407,150,000	(15,945,000)	391,205,000	05/15/17-35
Series 2011	600,000,000	536,015,000	(16,975,000)	519,040,000	05/15/17-36
Series 2012	600,000,000	543,405,000	(15,460,000)	527,945,000	05/15/17-36
Series 2014	274,980,000	265,725,000	(6,655,000)	259,070,000	05/15/17-39
Series 2016	273,740,000	273,740,000	(6,095,000)	267,645,000	05/15/17-41
U.S. Route 58 Corridor Development					
Series 2007(B)	83,955,000	40,935,000	(40,935,000)	-	05/15/17
Series 2012(B)	37,700,000	12,270,000	(6,015,000)	6,255,000	05/15/17-18
Series 2014(B)	143,390,000	108,235,000	(18,730,000)	89,505,000	05/15/17-22
Series 2016(C)	51,855,000	51,855,000	-	51,855,000	05/15/17-26
Series 2017(B)	26,655,000	-	-	26,655,000	05/15/17-19

Detail Bonds Payable Continues

Series	Amount Issued	Outstanding June 30, 2016	Issued- (Retired) During Year	Outstanding June 30, 2017	Maturity
Northern Virginia Transportation District Program					
Series 2007(A)	39,115,000	16,605,000	(16,605,000)	-	05/15/17
Series 2009(A-2)	60,950,000	56,475,000	(2,325,000)	54,150,000	05/15/17-34
Series 2012(A)	86,430,000	53,565,000	(9,590,000)	43,975,000	05/15/17-27
Series 2014(A)	54,645,000	40,345,000	(7,630,000)	32,715,000	05/15/17-22
Series 2016(B)	13,870,000	13,870,000	-	13,870,000	05/15/17-26
Series 2017(A)	11,945,000	-	-	11,945,000	05/15/17-20
Oak Grove Connector (Chesapeake)					
Series 2016(A)	10,100,000	10,100,000	(1,485,000)	8,615,000	05/15/17-22
Section 9(d) Debt- Federal					
GARVEE Revenue Bonds					
Series 2012(A)	297,590,000	239,880,000	(16,170,000)	223,710,000	09/15/16-28
Series 2012(B)	120,625,000	100,100,000	(7,085,000)	93,015,000	09/15/16-27
Series 2013(A)	273,390,000	238,475,000	(14,145,000)	224,330,000	09/15/16-28
Series 2013(A)	316,930,000	-	(5,200,000)	311,730,000	09/15/16-28
Total Bonds Payable		<u>\$ 3,103,929,303</u>	<u>\$ (227,376,139)</u>	<u>\$ 3,245,268,164</u>	

Detail of Bonds Payable - Interest Rates

<u>Series</u>	<u>Interest Rates</u>
Coleman Bridge	
Series 2016AB Revenue Refunding Bonds	5.000%
Route 28 Corridor	
Series 2002 Capital Appreciating Bond	4.630%-5.050%
Series 2012 Revenue Refunding Bonds	2.000%-5.000%
Capital Project Revenue Bonds	
Series 2010(A-2)	3.850%-5.350%
Series 2011	2.250%-5.250%
Series 2012	3.000%-5.000%
Series 2014	2.000%-5.000%
Series 2016	3.000%-5.000%
U.S. Route 58 Corridor Development	
Series 2012(B)	2.000%-5.000%
Series 2014(B)	3.000%-5.000%
Series 2016(C)	5.000%
Series 2017(B)	5.000%
Northern Virginia Transportation District Program	
Series 2009(A-2)	3.900%-5.950%
Series 2012(A)	2.500%-5.000%
Series 2014(A)	3.000%-5.000%
Series 2017(A)	5.000%
Oak Grove Connector (Chesapeake)	
Series 2016(A)	5.000%
GARVEE Revenue Notes	
Series 2012(A)	2.000%-5.000%
Series 2012(B)	1.000%-5.000%
Series 2013(A)	4.000%-5.000%
Series 2016	2.000%-5.000%

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

Coleman Bridge General Obligation Refunding Bonds, Series 2016AB
Debt Service Requirement to Maturity

Maturity	Principal	Interest	Total
2018	\$ 2,435,000	\$ 524,750	\$ 2,959,750
2019	2,560,000	403,000	2,963,000
2020	2,685,000	275,000	2,960,000
2021	2,815,000	140,750	2,955,750
Total	<u>\$ 10,495,000</u>	<u>\$ 1,343,500</u>	<u>\$ 11,838,500</u>

Route 28 Transportation Contract Revenue Refunding Current
Interest Bonds Series 2012 (CIB)
Debt Service Requirement to Maturity

Maturity	Principal	Interest	Total
2018	\$ 6,355,000	\$ 857,269	\$ 7,212,269
2019	-	539,519	539,519
2020	-	539,519	539,519
2021	-	539,519	539,519
2022	-	539,519	539,519
2023-2027	-	2,697,594	2,697,594
2028-2032	15,720,000	1,691,694	17,411,694
Total	<u>\$ 22,075,000</u>	<u>\$ 7,404,631</u>	<u>\$ 29,479,631</u>

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

Maturity	Principal	Interest	Total
2018	\$ -	\$ -	\$ -
2019	8,100,000	-	8,100,000
2020	8,100,000	-	8,100,000
2021	8,105,000	-	8,105,000
2022	8,105,000	-	8,105,000
2023-2027	40,525,000	-	40,525,000
Total	<u>72,935,000</u>	<u>-</u>	<u>72,935,000</u>
Less			
Unaccreted			
Capital			
Appreciation			
Bonds	(17,466,836)	-	(17,466,836)
Total	<u>\$ 55,468,164</u>	<u>\$ -</u>	<u>\$ 55,468,164</u>

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

Maturity	Principal	Interest	Total
2018	\$ 16,355,000	\$ 19,737,710	\$ 36,092,710
2019	16,815,000	19,067,155	35,882,155
2020	17,300,000	18,360,925	35,660,925
2021	17,815,000	17,617,025	35,432,025
2022	18,355,000	16,842,073	35,197,073
2023-2027	101,080,000	70,614,085	171,694,085
2028-2032	120,160,000	42,038,963	162,198,963
2033-2035	83,325,000	9,024,380	92,349,380
Total	\$ 391,205,000	\$ 213,302,315	\$ 604,507,315

Transportation Capital Projects Revenue Bonds, Series 2011
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2018	\$ 17,825,000	\$ 24,285,113	\$ 42,110,113
2019	18,225,000	23,884,050	42,109,050
2020	19,135,000	22,972,800	42,107,800
2021	20,095,000	22,016,050	42,111,050
2022	21,100,000	21,011,300	42,111,300
2023-2027	120,490,000	90,054,925	210,544,925
2028-2032	151,875,000	58,677,600	210,552,600
2033-2036	150,295,000	18,143,325	168,438,325
Total	\$ 519,040,000	\$ 281,045,163	\$ 800,085,163

Transportation Capital Projects Revenue Bonds, Series 2012
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2018	\$ 16,230,000	\$ 24,046,000	\$ 40,276,000
2019	17,045,000	23,234,500	40,279,500
2020	17,895,000	22,382,250	40,277,250
2021	18,790,000	21,487,500	40,277,500
2022	19,730,000	20,548,000	40,278,000
2023-2027	114,230,000	87,158,050	201,388,050
2028-2032	144,715,000	56,682,750	201,397,750
2033-2037	179,310,000	22,079,600	201,389,600
Total	\$ 527,945,000	\$ 277,618,650	\$ 805,563,650

Transportation Capital Projects Revenue Bonds, Series 2014
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2018	\$ 6,990,000	\$ 11,236,200	\$ 18,226,200
2019	7,340,000	10,886,700	18,226,700
2020	7,705,000	10,519,700	18,224,700
2021	8,090,000	10,134,450	18,224,450
2022	8,495,000	9,729,950	18,224,950
2023-2027	49,290,000	41,837,500	91,127,500
2028-2032	61,770,000	29,353,550	91,123,550
2033-2037	75,015,000	16,111,800	91,126,800
2038-2039	34,375,000	2,076,000	36,451,000
Total	\$ 259,070,000	\$ 141,885,850	\$ 400,955,850

Transportation Capital Projects Revenue Bonds, Series 2016
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2018	\$ 6,435,000	\$ 10,363,750	\$ 16,798,750
2019	6,755,000	10,042,000	16,797,000
2020	7,095,000	9,704,250	16,799,250
2021	7,450,000	9,349,500	16,799,500
2022	7,820,000	8,977,000	16,797,000
2023-2027	45,370,000	38,614,250	83,984,250
2028-2032	56,315,000	27,669,500	83,984,500
2033-2037	67,965,000	16,011,650	83,976,650
2038-2041	62,440,000	4,752,300	67,192,300
Total	\$ 267,645,000	\$ 135,484,200	\$ 403,129,200

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

Maturity	Principal	Interest	Total
2018	\$ 16,875,000	\$ 10,337,813	\$ 27,212,813
2019	17,700,000	9,509,563	27,209,563
2020	18,555,000	8,659,588	27,214,588
2021	19,430,000	7,781,813	27,211,813
2022	20,350,000	6,858,488	27,208,488
2023-2027	117,520,000	18,544,688	136,064,688
2028-2028	13,280,000	325,706	13,605,706
Total	\$ 223,710,000	\$ 62,017,656	\$ 285,727,656

Federal Transportation Grants Anticip Revenue Notes, Series 2012B

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2018	\$ 6,880,000	\$ 4,543,950	\$ 11,423,950
2019	7,645,000	4,204,875	11,849,875
2020	7,100,000	3,837,875	10,937,875
2021	8,095,000	3,463,825	11,558,825
2022	8,550,000	3,055,225	11,605,225
2023-2027	49,085,000	8,397,125	57,482,125
2028-2028	5,660,000	139,250	5,799,250
Total	\$ 93,015,000	\$ 27,642,125	\$ 120,657,125

Federal Transportation Grants Anticip Revenue Notes, Series 2013A

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2018	\$ 14,865,000	\$ 10,894,500	\$ 25,759,500
2019	15,620,000	10,144,425	25,764,425
2020	16,405,000	9,357,100	25,762,100
2021	17,230,000	8,528,100	25,758,100
2022	18,105,000	7,657,350	25,762,350
2023-2027	105,205,000	23,596,375	128,801,375
2028-2029	36,900,000	1,735,475	38,635,475
Total	\$ 224,330,000	\$ 71,913,325	\$ 296,243,325

Federal Transportation Grants Anticip Revenue Notes, Series 2016

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2018	\$ 15,150,000	\$ 15,322,800	\$ 30,472,800
2019	15,840,000	14,633,500	30,473,500
2020	16,645,000	13,831,500	30,476,500
2021	17,485,000	12,988,875	30,473,875
2022	18,370,000	12,103,750	30,473,750
2023-2027	106,790,000	45,589,875	152,379,875
2028-2032	121,450,000	15,680,500	137,130,500
Total	\$ 311,730,000	\$ 130,150,800	\$ 441,880,800

U.S. Route 58 Transportation Revenue Refunding Bonds, Series 2012B

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2018	\$ 6,255,000	\$ 125,100	\$ 6,380,100
Total	\$ 6,255,000	\$ 125,100	\$ 6,380,100

U.S. Route 58 Transportation Revenue Refunding Bonds, Series 2014B

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2018	\$ 19,665,000	\$ 4,475,250	\$ 24,140,250
2019	20,650,000	3,492,000	24,142,000
2020	21,680,000	2,459,500	24,139,500
2021	17,380,000	1,375,500	18,755,500
2022	10,130,000	506,500	10,636,500
Total	\$ 89,505,000	\$ 12,308,750	\$ 101,813,750

U.S. Route 58 Transportation Revenue Refunding Bonds, Series 2016C

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2018	\$ -	\$ 2,592,750	\$ 2,592,750
2019	-	2,592,750	2,592,750
2020	-	2,592,750	2,592,750
2021	3,645,000	2,592,750	6,237,750
2022	3,830,000	2,410,500	6,240,500
2023-2026	44,380,000	4,234,000	48,614,000
Total	\$ 51,855,000	\$ 17,015,500	\$ 68,870,500

U.S. Route 58 Transportation Revenue Refunding Bonds, Series 2017B

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2018	\$ 13,045,000	\$ 1,277,219	\$ 14,322,219
2019	13,610,000	680,500	14,290,500
Total	\$ 26,655,000	\$ 1,957,719	\$ 28,612,719

**Northern Virginia Transportation Program
Transportation Revenue Bonds (Taxable Bonds) Series 2009A-2**

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2018	\$ 2,390,000	\$ 3,026,203	\$ 5,416,203
2019	2,460,000	2,918,653	5,378,653
2020	2,535,000	2,801,803	5,336,803
2021	2,620,000	2,675,053	5,295,053
2022	2,705,000	2,540,123	5,245,123
2023-2027	15,030,000	10,392,398	25,422,398
2028-2032	18,135,000	5,767,178	23,902,178
2033-2034	8,275,000	743,155	9,018,155
Total	\$ 54,150,000	\$ 30,864,563	\$ 85,014,563

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

Maturity	Principal	Interest	Total
2018	\$ 8,030,000	\$ 1,762,038	\$ 9,792,038
2019	8,430,000	1,360,538	9,790,538
2020	1,620,000	939,038	2,559,038
2021	4,795,000	858,038	5,653,038
2022	5,035,000	618,288	5,653,288
2023-2027	16,065,000	922,213	16,987,213
Total	\$ 43,975,000	\$ 6,460,150	\$ 50,435,150

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

Maturity	Principal	Interest	Total
2018	\$ 8,010,000	\$ 1,635,750	\$ 9,645,750
2019	8,405,000	1,235,250	9,640,250
2020	8,830,000	815,000	9,645,000
2021	6,175,000	373,500	6,548,500
2022	1,295,000	64,750	1,359,750
Total	\$ 32,715,000	\$ 4,124,250	\$ 36,839,250

**Northern Virginia Transportation Program
Transportation Revenue Refunding Bonds Series 2016C
Debt Service Requirements to Maturity**

Maturity	Principal	Interest	Total
2018	\$ 1,715,000	\$ 639,500	\$ 2,354,500
2019	1,805,000	553,750	2,358,750
2020	-	463,500	463,500
2021	-	463,500	463,500
2022	-	463,500	463,500
2023-2026	10,350,000	1,398,750	11,748,750
Total	\$ 13,870,000	\$ 3,982,500	\$ 17,852,500

**Northern Virginia Transportation Program
Transportation Revenue Refunding Bonds Series 2017A
Debt Service Requirements to Maturity**

Maturity	Principal	Interest	Total
2018	\$ 3,785,000	\$ 572,365	\$ 4,357,365
2019	4,000,000	408,000	4,408,000
2020	4,160,000	208,000	4,368,000
Total	\$ 11,945,000	\$ 1,188,365	\$ 13,133,365

**Transportation Improvement Program Set-aside Fund
Oak Grove Connector (City of Chesapeake)
Transportation Program Revenue Refunding Bonds Series 2016A
Debt Service Requirements to Maturity**

Maturity	Principal	Interest	Total
2018	\$ 1,560,000	\$ 430,750	\$ 1,990,750
2019	1,640,000	352,750	1,992,750
2020	1,720,000	270,750	1,990,750
2021	1,800,000	184,750	1,984,750
2022	1,895,000	94,750	1,989,750
Total	\$ 8,615,000	\$ 1,333,750	\$ 9,948,750

Bond/Note Defeasance

In prior years, the Department defeased certain general obligation and revenue bonds and notes 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 and notes were not reported in the Department's financial statements. For the fiscal year ending June 30, 2017, the Department did not have any outstanding balances of defeased bonds/notes.

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 or make any payments associated with the rebate liability to the federal government on Transportation Facilities Bonds.

Notes Payable

At June 30, 2017, Transportation Facilities Notes included \$33,280,000 of 9(d) Camp 30 revenue notes. Principal and interest requirements for the current year totaled \$7,827,500.

Camp 30

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

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

Camp 30 Notes, Series 2014				
Debt Service Requirements to Maturity				
Maturity	Principal	Interest	Total	
2018	\$ 6,165,000	\$ 1,664,000	\$	7,829,000
2019	6,470,000	1,355,750		7,825,750
2020	6,795,000	1,032,250		7,827,250
2021	7,135,000	692,500		7,827,500
2022	6,715,000	335,750		7,050,750
Total	\$ 33,280,000	\$ 5,080,250	\$	38,360,250

Detail of Notes Payable - Interest Rates

Series	Interest Rates
Camp 30 Notes Payable, Series 2014	1.000%-5.000%

Chesterfield County Notes Interest Payable

The Chesterfield County Notes Interest Payable represents the Department (primary government) and Chesterfield County (County) signed a memorandum of understanding of May 23, 2016, concerning payment of interest relating to the County's contribution to the Department for the construction of the Powhite Parkway Extension Project. The interest requirement paid during fiscal year 2017 totaled \$0.8 million. Payments are based on the actual excess revenues. The outstanding interest amount of \$7.4 million is payable in annual installments on September 1 in the years 2017 to 2022. This interest is applicable to a note payable that the Department repaid to the County in fiscal year 2014.

**Estimated Long Term Interest Payable Schedule
Chesterfield Note Repayment Fund
As of June 30, 2017**

Payment Date	Interest Amount
9/1/17	\$ 1,246,759
9/1/18	1,219,739
9/1/19	1,340,581
9/1/20	1,328,066
9/1/21	1,292,515
9/1/22	955,715
Total	\$ 7,383,375

Compensated Absences

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

At June 30, 2017, the reported balances for compensated absences were as follows:

Due Within One Year	\$	35,116,605
Due Greater Than One Year		17,301,423
Total	\$	<u>52,418,028</u>

Pollution Remediation Obligations

At June 30, 2017, the Department reported \$2,605,341 of pollution remediation obligations, of which \$290,000 is due within one year. This estimated future obligation is based on professional consultant estimates and/or historical project expenses of similar projects; however, there is the potential for change in estimates due to price increase or reductions, technology, or applicable laws and regulations. The estimated pollution remediation liability relates to the anticipated cost of waste investigation and removal, cleanup activities relating to leakage of underground storage tanks, soil and groundwater contamination investigation and cleanup and asbestos abatement.

8. STATEMENT OF NET POSITION RESTRICTED BALANCES

At June 30, 2017, the Department's restricted balances on the Government Wide Statement of Net Position were as follows:

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>
Restricted for:		
Construction - Bond Financed	\$ 443,691,056	\$ -
Capital Acquisition (Camp 30)	4,709,569	-
Infrastructure Bank	338,671,711	-
Bond interest and sinking fund	-	31,626,368
Total	<u>\$ 787,072,336</u>	<u>\$ 31,626,368</u>

9. CONTINGENCIES

Grants and Contracts

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

Litigation

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

Risk Management

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

10. INTERFUND ASSETS/LIABILITIES

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

At June 30, 2017, the Department had the following interfund assets and liabilities:

Fund	Due To	Due From
<u>Highway Maintenance and Operating Fund</u>		
To Priority Transportation	\$ 17,100,000	\$ -
To Toll Facilities Revolving	21,105,000	-
From Surplus Property	-	923
	38,205,000	923
<u>Construction Fund</u>		
To Toll Facilities Revolving	74,502,704	-
To Federal Fund	31,345,837	-
To Priority Transportation	12,922,989	-
From Powhite	-	14,671,100
From Federal Fund	-	34,709,053
From Coleman Bridge	-	110,000
	118,771,530	49,490,153
<u>Toll Facilities Revolving Fund</u>		
From Coleman	-	39,122,678
From Highway Maintenance and Operating	-	21,105,000
From I66 ITB Lanes	-	65,000,000
From Construction	-	74,502,704
From Powhite	-	24,059,119
	-	223,789,501
<u>Federal Fund</u>		
To Construction	34,709,053	-
From Construction	-	31,345,837
	34,709,053	31,345,837
<u>Coleman Bridge Fund</u>		
To Toll Facilities Revolving	39,122,678	-
To Construction	110,000	-
	39,232,678	-
<u>Powhite Fund</u>		
To Toll Facilities Revolving	24,059,119	-
To Construction	14,671,100	-
	38,730,219	-
<u>I66 ITB Lanes</u>		
To Toll Facilities Revolving	65,000,000	-
	65,000,000	-

Fund	Due To	Due From
<u>Priority Transportation</u>		
From Highway Maintenance and Operating	-	17,100,000
From Construction	-	12,922,989
	-	30,022,989
<u>Surplus Property</u>		
To Highway Maintenance and Operating	923	-
	923	-
Special Revenue Fund		
Total Interfund Receivables	\$ 334,649,403	\$ 334,649,403

11. TRANSFERS

Transfer To (From) Other State Agencies

In accordance with the Acts of Assembly, certain state agencies collect revenue or provide services for the benefit of the Department. The Department is required by law to transfer funds to other agencies for those services. The cost of these services is recorded as either a direct expenditure to the Department's programs or as a program expenditure of the agency providing the service. When an agency treats the cost as its program expenditure, the Department shows the cost of such service as a "transfer to other state agencies" in the Other Financing Sources (Uses) category. The schedules below listed the expenditures and transfers for the fiscal year ending June 30, 2017.

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

<u>Agency</u>	<u>Total</u>
Department of Emergency Management	\$ 1,170,358
Department of State Police	8,164,767
Secretary of Transportation	885,541
State Inspector General	1,498,233
Department of Education	263,327
Department of Small Business & Supplier Diversity	1,387,208
Department of Historic Resources	109,835
Total Program Expenditures	\$ 13,479,269

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

<u>Agency</u>	<u>Total</u>
General Fund:	
DMV-Chesapeake Bay Initiatives	\$ 7,416,469
Indirect Costs	2,925,835
Department of Rail and Public Transportation	110,582,815
Department of General Services	17,745,964
Marine Resources Commission	313,768
Department of Emergency Management	(28,891,594)
Department of Motor Vehicles	(6,505,643)
Virginia Port Authority	7,295,477
Dept of Aviation	(398,975)
Dept of Mines, Minerals and Energy	102,353
Dept of Education	388,254
Dept of Small Business and Supplier Diversity	15,773
Virginia Retirement System	(1,000,000)
Commercial Space Flight Authority	11,458,328
Total	\$ 121,448,824

Interfund Transfers

The Department recorded the following interfund transfers for the fiscal year 2017:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Special Revenue Funds		
<u>Highway Maintenance & Operating (HMO)</u>		
From Surplus	\$ 3,131,728	\$ -
From Recycle	141,844	-
From Pow hite (State Police)	699,082	-
From Construction	103,776,580	-
From Transportation Partnership Opportunity	18,940	-
To Capital Project	-	500
To Priority Transportation	-	17,100,000
To Camp 30 Debt Service	-	7,827,315
Totals	<u>107,768,174</u>	<u>24,927,815</u>
<u>Federal Fund</u>		
From Construction	10,541,362	-
From GARVEE Debt Service	75,595,668	-
To GARVEE Debt Service	-	85,460,106
To Construction	-	3,363,216
Totals	<u>86,137,030</u>	<u>88,823,322</u>

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Transportation Partnership Opportunity</u>		
From Capital Projects Fund	\$ 31,070,647	\$ -
To Highway Maintenance and Operating		18,940
Totals	<u>31,070,647</u>	<u>18,940</u>
<u>FRAN</u>		
To Construction	-	106,481
Totals		<u>106,481</u>
<u>Construction Fund</u>		
From ARRA Project	10,984	-
From Federal Fund	3,363,216	-
From FRAN	106,481	-
To Highway Maintenance and Operating	-	103,776,580
To Federal Fund	-	10,541,362
To Route 58 Debt Service	-	9,000,000
To Camp 30 Special Revenue	-	15,786
To Priority Transportation	-	12,922,989
Totals	<u>3,480,681</u>	<u>136,256,717</u>
<u>ARRA Projects</u>		
To Highway Maintenance and Operating	-	10,984
Totals		<u>10,984</u>
<u>Toll Facilities Revolving</u>		
From Coleman Bridge	311,787	-
From Powhite	1,231,521	-
Totals	<u>1,543,308</u>	<u>-</u>
<u>Recyclable Materials</u>		
To Highway Maintenance and Operating	-	141,844
Totals	<u>-</u>	<u>141,844</u>
<u>Surplus Property</u>		
To Highway Maintenance and Operating	-	3,131,728
Totals	<u>-</u>	<u>3,131,728</u>
<u>Route 58</u>		
From Construction	871,729	-
Totals	<u>871,729</u>	<u>-</u>
<u>Transportation Set Aside</u>		
To Transp. Set Aside Debt Service	-	888,207
Totals	<u>-</u>	<u>888,207</u>

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Capital Projects</u>		
To Priority Transportation	\$ -	\$ 31,070,647
To Capital Projects Debt Service	-	672,817
Totals	-	31,743,464
<u>Coleman Bridge</u>		
From Highway Maintenance and Operating	500	-
To Coleman Bridge Debt Service	-	3,032,653
To Toll Facility Revolving	-	311,787
Totals	500	3,344,440
<u>Camp 30</u>		
From Construction	15,786	-
Totals	15,786	-
<u>Priority Transportation (PTF)</u>		
From Highway Maintenance and Operating	17,100,000	-
From Construction	12,922,989	-
To Capital Projects Debt Service	-	146,294,771
Totals	30,022,989	146,294,771
<u>ARRA Grants</u>		
To Northern Va. Transp. Dist. Debt Service	-	1,044,082
To Capital Projects Debt Service	-	6,635,128
Totals	-	7,679,210
<u>Northern Virginia Transportation District (NVTD)</u>		
To Northern Va. Transp. Dist. Debt Service	-	12,049,673
Totals	-	12,049,673
<u>Powhite Parkway Extension</u>		
To Debt Service	-	825,116
To Toll Facility Revolving	-	1,231,521
To Highway Maintenance and Operating (State Police Patrol)	-	699,082
Totals	-	2,755,719
Total Special Revenue Funds	260,910,844	458,173,315

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Debt Service Funds		
<u>Route 58</u>		
From Construction	\$ 9,000,000	\$ -
To Route 58 Special Revenue	-	871,729
Totals	<u>9,000,000</u>	<u>871,729</u>
<u>Transportation Set Aside</u>		
From Transp. Set Aside Special Revenue	888,207	-
Totals	<u>888,207</u>	<u>-</u>
<u>Coleman Bridge</u>		
From Coleman Bridge Special Revenue	3,032,653	-
Totals	<u>3,032,653</u>	<u>-</u>
<u>Camp 30</u>		
From Highway Maintenance and Operating Special Revenue	7,827,315	-
Totals	<u>7,827,315</u>	<u>-</u>
<u>Powhite Parkway</u>		
From Special Revenue	825,116.00	-
	<u>825,116.00</u>	<u>-</u>
<u>Capital Projects Revenue Bonds</u>		
From Capital Projects Special Revenue	672,817	-
From ARRA Grants	6,635,128	-
From Priority Transp. Special Revenue	146,294,771	-
Totals	<u>153,602,716</u>	<u>-</u>
<u>Northern Virginia Transportation District</u>		
From NVTD Special Revenue	12,049,673	-
From ARRA Grants	1,044,082	-
Totals	<u>13,093,755</u>	<u>-</u>
<u>GARVEE</u>		
From Federal Fund	85,460,106	-
To Federal Fund	-	75,595,668
Totals	<u>85,460,106</u>	<u>75,595,668</u>
Total Debt Service Funds	<u>273,729,868</u>	<u>76,467,397</u>
Total Special Revenue and Debt Service Funds	<u>\$ 534,640,712</u>	<u>\$ 534,640,712</u>

12. PROPERTY, PLANT AND EQUIPMENT

The following presents governmental capital activity for the year ended June 30, 2017:

VIRGINIA DEPARTMENT OF TRANSPORTATION

Primary Government capital asset activity for the year ended June 30, 2017 was as follows:

	As Restated	Governmental Activities		June 30, 2017
	(Note 2)	Increases	Decreases	
	June 30, 2016			
Non-depreciable capital assets				
Land and improvements	\$ 27,594,269	\$ 399,938	\$ -	\$ 27,994,207
Construction in progress	79,703,769	77,226,451	(100,988,888)	55,941,332
Total nondepreciable capital assets	<u>107,298,038</u>	<u>77,626,389</u>	<u>(100,988,888)</u>	<u>83,935,539</u>
Depreciable capital assets:				
Buildings	307,937,617	26,409,215	-	334,346,832
Improvements	191,313,461	73,569,995	-	264,883,456
Equipment	407,942,309	30,986,195	(9,774,020)	429,154,484
Total depreciable capital assets	<u>907,193,387</u>	<u>130,965,405</u>	<u>(9,774,020)</u>	<u>1,028,384,772</u>
Less accumulated depreciation for:				
Buildings	(121,301,430)	(8,776,640)	2,764	(130,075,306)
Improvements	(98,485,614)	(13,517,476)	-	(112,003,090)
Equipment	(244,606,817)	(26,083,019)	8,652,611	(262,037,225)
Total accumulated depreciation	<u>(464,393,861)</u>	<u>(48,377,135)</u>	<u>8,655,375</u>	<u>(504,115,621)</u>
Total depreciable capital assets, net	<u>442,799,526</u>	<u>82,588,270</u>	<u>(1,118,645)</u>	<u>524,269,151</u>
Infrastructure assets not being depreciated				
Other non depreciable assets	322,741,392	985,478,986	-	1,308,220,378
Highway system right-of-way	2,470,025,389	162,935,940	(42,428,973)	2,590,532,356
Total nondepreciable infrastructure	<u>2,792,766,781</u>	<u>1,148,414,926</u>	<u>(42,428,973)</u>	<u>3,898,752,734</u>
Other depreciable infrastructure assets:				
Highway system infrastructure	23,789,944,641	996,307,590	(5,848,647,215)	18,937,605,016
Restorative maintenance	4,591,190,434	432,225,577	-	5,023,416,011
Bridge and tunnel infrastructure	4,667,474,572	1,124,503,667	-	5,791,978,239
Total road system infrastructure	<u>33,048,609,647</u>	<u>2,553,036,834</u>	<u>(5,848,647,215)</u>	<u>29,752,999,266</u>
Less accumulated depreciation for:				
Highway system infrastructure	(12,410,526,903)	(868,864,580)	5,663,628,319	(7,615,763,164)
Bridge and tunnel infrastructure	(2,202,201,511)	(80,979,687)	-	(2,283,181,198)
Total accumulated depreciation	<u>(14,612,728,414)</u>	<u>(949,844,267)</u>	<u>5,663,628,319</u>	<u>(9,898,944,362)</u>
Total infrastructure, net	<u>21,228,648,014</u>	<u>2,751,607,493</u>	<u>(227,447,869)</u>	<u>23,752,807,638</u>
Infrastructure, work in process				
Road and bridge	3,648,618,194	1,573,880,705	(2,098,225,855)	3,124,273,044
Right-of-way	330,914,780	126,217,457	(147,660,543)	309,471,694
Total infrastructure work in process	<u>3,979,532,974</u>	<u>1,700,098,162</u>	<u>(2,245,886,398)</u>	<u>3,433,744,738</u>
Total governmental activities capital assets, net	<u>\$25,758,278,552</u>	<u>\$ 4,611,920,314</u>	<u>\$ (2,575,441,800)</u>	<u>\$27,794,757,066</u>

Depreciation expense was charged to programs as follows:

Governmental activities:

Highway system acquisition and construction	\$ 949,844,267
Administrative and support services	1,792,562
Highway system maintenance	24,290,457
Unallocated	<u>22,294,116</u>
Total governmental activities depreciation expense	<u>\$ 998,221,402</u>

The beginning balance adjustment is the result of corrections to prior year capital assets balances for highway infrastructure and building construction in progress balances. (see note no. 2)

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

The accompanying Budget Comparison Schedule - Special Revenue Funds present comparisons of the legally adopted budget prepared on the cash basis with actual data prepared on the cash basis. To enhance this comparison, actual data on the cash basis is reconciled with actual data on the modified accrual basis as follows:

Total Budgetary (Cash) Basis Fund Balance at June 30, 2017	\$ 1,924,913,161
Accrued revenues	190,951,003
Accrued expenditures	(439,846,233)
Accrued transfers	2,413,824
Total Modified Accrual (GAAP) Basis Fund Balance at June 30, 2017	<u>\$ 1,678,431,755</u>

14. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

The bank balance of cash held by the Treasurer is covered by federal depository insurance or collateralized in accordance with the Virginia Securities for Public Deposits Act. At June 30, 2017, the Department reported \$1,298,732,894 for Cash with the Treasurer of Virginia, \$1,016,037 of which was for the Agency Fund. The Department's investments with the Treasurer included investments in Local Government Investment Pool (LGIP) and Short Term Investment Funds (STIF), which were \$40,722,179 and \$9,336,610 respectively at June 30, 2017.

The information on LGIP and STIF is available in the Commonwealth's Comprehensive Annual Financial Report.

Cash, Cash Equivalents and Investments with Trustees

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

The deposits held by the Department with banks and savings institutions are covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act. At June 30, 2017, the Department's carrying amount of cash with trustees was \$24,684,518 and the bank balance was \$24,365,586.

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, 2017, the reported balance for Cash, Cash Equivalents and Investments with Trustees were as follows:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Toll Facilities Revolving Funds	\$ 24,652,440	\$ -
Capital Projects Revenue Bonds	666,102	-
GARVEE Notes	374,380,847	-
Route 58	209,287	-
Northern Virginia Transportation District	29,414	-
Transportation Set Aside	55	-
Camp 30	4,714,466	-
Total	<u>\$ 404,652,611</u>	<u>\$ -</u>

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

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Department may not be able to recover the value of its investment or collateral securities that are in possession of an outside party. As of June 30, 2017, 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, 2017, the Department had no investment with trustees with a maturity of greater than five year.

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

Concentration of credit risk is related to the risk of loss that may be attributed to the magnitude of the Department's investments in a single issuer. As of June 30, 2017, 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, 2017, the Department had the following investments (Cash Equivalents) with trustees:

Cash Equivalent	Fair Value	Rating Agency	Credit Rating	Cash Equivalent Maturities	
				Less Than 1 Year	1-5 Years
Mutual and Money Market Funds	\$ 31,514,153	Standard & Poor's	AAA	\$ 31,514,153	\$ -
Mutual and Money Market Funds (Include SNAP)	<u>348,453,940</u>	Standard & Poor's	AAA	<u>348,453,940</u>	<u>-</u>
Total	<u>\$379,968,093</u>			<u>\$ 379,968,093</u>	<u>\$ -</u>

15. PENSION PLAN AND OTHER POST EMPLOYMENT BENEFITS

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

16. SERVICE CONCESSION ARRANGEMENTS

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, describes the criteria for when an arrangement is classified as a Service Concession Arrangement (SCA). The basic criteria are: the operator of the capital asset owned by the transferor has the right to provide services in exchange for significant consideration; the operator's revenue must come from a third party; the transferor must retain some level of control over the asset; and the transferor must receive significant residual interest at the conclusion of the arrangement. The Department has four SCAs in operation as of June 30, 2017. Pocahontas 895, I-495 Express Lanes, I-95 Express Lanes and the Elizabeth River-Mid Town Tunnel. An additional SCA is under construction, the I-66 Outside the Beltway Express Lanes. These projects are related to highway construction and operations and were established per the Public-Private Transportation Act of 1995, as amended (PPTA). PPTA project goals are to provide highway projects to the public in a timely and cost effective manner with private funding and support.

Pocahontas 895

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

During the 99-year agreement term, the Department will have fee title or good and valid interest in the asset. The Department retains the right of inspection of the asset and has outlined maximum toll charges and increases in the terms of the agreement. At the end of the 99-year term, control of and the rights to operate the facilities will revert back to the Department. Concessionaire paid capital assets of \$337.0 million (net) and deferred inflow balances of \$506.5 million are included in the government-wide financial statements as a result of this agreement. No contractual liabilities exist for this arrangement as of June 30. In fiscal year 2014 the Transurban Board approved the transfer of Pocahontas 895 to the lenders of the asset due to lower revenues than anticipated and DBI Services assumed control of Pocahontas 895. In December 2016, the majority owner of toll rights, Macquarie and other rights owners closed on the sale of 100 percent of the tolling rights to Globalvia.

495 Express Lanes

On December 19, 2007, the Department signed an 80-year public-private partnership agreement with Capital Beltway Express, LLC. The purpose of this agreement is to build new express lanes to provide users with a faster and more reliable travel option. The construction of the express lanes was completed in November 2012. The revenue source for the concessionaire will be toll collections which will be used for maintenance, operating and return on investment for constructing the project. During the 80-year agreement, the Department maintains regulatory control and jurisdiction of the express lanes. The Department will have fee title or good and valid interest in the express lanes. At the end of the 80-year term, control of and the rights to operate the facilities will revert back to the Department. The lanes will remain open for the public as long as the applicable tolls are paid. Concessionaire paid capital assets of \$888.9 million (net) and deferred inflows of \$1.0 billion are included in the government-wide financial statements as a result of this agreement. Liabilities are contingent on specific events occurring per the agreement, and no events occurred during fiscal year 2017.

95 Express Lanes

On July 31, 2012, the Department signed a 73-year public private partnership agreement with 95 Express Lanes, LLC. This project created approximately 29 miles of Express Lanes on I-95 in Northern Virginia. The project also added capacity to the existing HOV Lanes. The construction of the express lanes was completed in December 2014. During the period, 95 Express Lanes,

LLC will operate and maintain the road. The revenue source for the concessionaire will be toll collections, which will be used for maintenance, operating and return on investment for constructing the project. At the end of the 73-year term, control of and the rights to operate the facilities will revert back to the Department. Concessionaire paid capital assets of \$578.4 million (net) and deferred inflows of \$620.4 million are included in the government-wide financial statements as a result of this agreement. Liabilities are contingent on specific events occurring per the agreement, and no events occurred during fiscal year 2017.

During fiscal year 2017, the Commonwealth Transportation Board awarded a contract to design and construct a reversible extension of the 95 Express Lanes at the southern terminus in Stafford County. The approximately 2.5 mile extension will carry traffic beyond the location where the 95 Express Lanes currently end. The construction began in fiscal year 2017 and lanes opened to traffic on October 31, 2017. In addition, plans were announced by VDOT to extend the 95 Express Lanes north to I-395. This project involves expanding and converting two high occupancy vehicle (HOV) lanes to three express lanes near the Pentagon. Construction on this eight-mile extension began in summer of 2017 with completion scheduled for fall 2019.

On June 8th 2017 VDOT reached commercial close for the project and an amended and restated Comprehensive Agreement was signed between VDOT and 95 Express Lanes LLC to include the scope of the project work for the I-395 northern extension. Financial close was completed on July 25, 2017. The Comprehensive Agreement was updated to include this addition to the project and features payments to the Department for transit improvements. In consideration for the rights granted by VDOT to 95 Express Lanes LLC, solely in respect of the 395 Project, 95 Express Lanes LLC will agree to make a payment to VDOT of \$15 million on the 395 Service Commencement Date and escalating annually thereafter at a rate of 2.5% per annum as such amounts per payment year are set forth in the Amended and Restated Comprehensive Agreement (ARCA). In FY 2017, planning was initiated on the additional extension of the Express Lanes from Garrisonville Road to Route 17 in Stafford County, which is about 10 miles. It will have direct connection with both the northbound and southbound Rappahannock River crossing projects and will be analyzing access points and operational improvements with the project. VDOT is currently working with Transurban under an Advanced Development Framework Agreement for the Fredericksburg Extension of the I-95 HOV/HOT Lanes.

Elizabeth River Mid-Town Tunnel

On December 5, 2011, VDOT signed a 58-year public private partnership agreement with Elizabeth River Crossings OPCO, LLC. The purposes of this agreement are to build and operate a new tunnel that will be adjacent to the existing Midtown Tunnel for crossing the Elizabeth River, provide improvements to the existing Midtown Tunnel and the Downtown Tunnel, and to provide various extensions and improvements of the MLK Freeway and I-264. As of June 30, 2017 all project components of this agreement have reached substantial completion and are in service. Concessionaire paid capital assets of \$914 million (net) and deferred inflows of \$909.9 million are included in the government-wide financial statements as a result of this agreement.

During the agreement, Elizabeth River Crossings OPCO, LLC will operate and maintain the road. The revenue source for the concessionaire will be toll collections, (excluding the MLK Freeway which will not be tolled), which will be used for maintenance, operating and return on investment for constructing the project. At the end of the 58-year term, control of and the rights to operate the facilities will revert back to VDOT. Liabilities are contingent on specific events occurring pursuant to the agreement. In July 2017, VDOT issued a Department Project Enhancement directive for Elizabeth River Crossings OPCO LLC, to design and build noise barrier walls for the MLK Freeway. VDOT is committed for these costs estimated at \$23.1 million with construction to begin in fiscal year 2018 and be completed in fiscal year 2019.

I-66 Outside the Beltway Express Lanes

On December 8th, 2016 a 50 year public private partnership agreement between the Virginia Department of Transportation (VDOT) and private partner, I-66 Express Mobility Partners was signed.

The \$2.3 billion I-66 Outside the Beltway Project with Express Mobility Partners is to build express lanes on I-66 outside the I-495 Capital Beltway. During the 50-year agreement, VDOT maintains regulatory control and jurisdiction of the express lanes. VDOT will have fee title or good and valid interest in the express lanes. The revenue source for the concessionaire will be toll collections which will be used for maintenance, operating and return on investment for constructing the project. At the end of the 50-year term, control of and the rights to operate the facilities will revert back to VDOT. The purpose of this agreement is to build new express lanes to provide users with a faster and more reliable travel option.

The I-66 Outside the Beltway Project will include 22.5 miles of new express lanes alongside three regular lanes from I-495 to University Boulevard in Gainesville. The project also will provide new and improved bus service and transit routes, new and improved park and ride lots, and interchange improvements to enhance safety and reduce congestion.

Express Mobility Partners will be responsible for all costs to design, build, operate and maintain the I- 66 Express Lanes, without any upfront public contribution.

Financial close on the project occurred on November 9th, 2017. The express lanes will open to traffic in mid-2022. Liabilities for VDOT from the agreement are contingent on specific events occurring pursuant to the agreement.

Express Mobility Partners provided \$578.9 million at financial close as a concession payment to the Commonwealth to be received by VDOT. Pending approval by the Commonwealth Transportation Board, these funds will be used for Project Oversight by the department, contingency risk during construction that is released during the construction period, and projects in the corridor as selected by the Commonwealth Transportation Board . Additional consideration to be provided by Express Mobility Partners includes several components of the Permit Fee established in the Comprehensive Agreement. A description of these components and the stipulations around receiving is provided below.

Express Mobility Partners is required to pay the Department a Permit Fee that consists of Transit Funding Payments, Support for Corridor Improvements, and Revenue Sharing as further described.

The Transit Funding Payment portion of the Permit Fee that becomes due during the Operating Period will be payable after debt service and required reserve accounts, and will be subject to the lock-up provisions required in the TIFIA Loan Agreement, but prior to Support for Corridor Improvements and Distributions. If funds are insufficient to make scheduled Transit Funding Payments at the time due, such payments or any unpaid portion thereof will be considered past due and will remain due and payable without interest charges. The net present value of these payments is \$768 million.

The Support for Corridor Improvements are to be paid as indicated in the Comprehensive Agreement. Amounts to be paid annually are contingent on actual toll revenues. The net present value of the Support for Corridor Improvements is expected to total \$350 million. At the end of the term of the agreement, any unpaid balance of these payments are to be forgiven or cancelled.

Express Mobility Partners will make Revenue Sharing Payments in amounts calculated based on actual cumulative net present value of gross revenue at the end of each year of the Agreement. The percentage of gross revenue to be paid by Express Mobility Partners to the Department increases in accordance with a five tier revenue sharing scale. Revenue sharing payments do not have to be made if Transit Funding Payments or Support for Corridor Improvements are past due or unpaid.

Additional information on these payments can be found in the Comprehensive Agreement executed between VDOT and Express Mobility Partners.

17. SUBSEQUENT EVENTS

After June 30, but before financial statements are issued, information may become available indicating that an asset was impaired or a material liability was incurred. Adjustments to financial statements to reflect this information are required for amounts relating to conditions existing as of June 30, 2017. An example of an adjustment is a loss on trade receivable, which is confirmed by the bankruptcy of a customer. Disclosure is necessary for events that do not relate to conditions at the balance sheet date, but make the financial statements misleading. This disclosure should indicate the nature of the loss or loss contingency and give an estimate of the amount, or range, of loss or possible loss, or state that such an estimate cannot be made. An example of a subsequent event requiring disclosure would be the issuance of long-term debt after the balance sheet date but before the statements were issued.

Debt

On July 12, 2017, the Commonwealth Transportation Board issued \$260,670,000 of Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series 2017, to provide for the payment of the costs of certain transportation projects in the Commonwealth.

On December 7, 2017, the Commonwealth Transportation Board issued \$483,000,000 of Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue and Refunding Notes (GARVEE's), Series 2017 to provide for the payment of certain transportation projects and to refund certain maturities of its Series 2012A, 2012B and 2013A Bonds.

On December 14, 2017, the Commonwealth Transportation Board issued \$629,165,000 of Commonwealth of Virginia Transportation Capital Projects Revenue Refunding Bonds, Series 2017, to refund certain maturities of its Series 2011 and 2012 Bonds.

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FINANCIAL REPORT

JUNE 30, 2017

REQUIRED SUPPLEMENTARY INFORMATION

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**Major Governmental Funds
Budget Comparison Schedules
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VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

	TOTAL			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	3,172,761,100	3,172,761,100	3,157,293,364	(15,467,736)
Rights and privileges	320,747,405	341,860,463	373,995,193	32,134,730
Sale of property and commodities	-	-	9,973,823	9,973,823
Interest, dividends, and rents	14,172,992	14,172,992	23,284,009	9,111,017
Fines, forfeitures, court fees				
Penalties, and escheats	4,900,000	4,900,000	12,199,429	7,299,429
Receipts from localities and private sector	228,561,064	228,561,064	231,078,501	2,517,437
Federal grants and contracts	1,026,435,856	1,150,672,915	1,058,218,788	(92,454,127)
Toll revenues	16,100,250	16,100,250	18,305,574	2,205,324
Other	34,519,966	37,981,996	42,596,771	4,614,775
Total revenues	4,818,198,633	4,967,010,780	4,926,945,452	(40,065,328)
Expenditures				
Current				
Administrative and support services	266,051,608	282,279,908	262,658,627	19,621,281
Ground transportation system planning and research	72,784,885	76,870,490	70,963,627	5,906,863
Highway system acquisition and construction	1,869,117,136	1,900,316,687	1,721,582,505	178,734,182
Highway system maintenance	1,674,434,950	1,848,296,050	1,719,088,363	129,207,687
Financial assistance to localities	948,976,395	951,123,058	928,952,068	22,170,990
Environmental monitoring and compliance	13,534,237	15,668,007	13,692,302	1,975,705
Toll facility operations and construction	48,248,250	100,413,308	80,064,852	20,348,456
Capital outlay	39,989,769	39,989,769	40,002,258	(12,489)
Transfers to other state agencies	13,614,434	13,614,434	13,479,269	135,165
Total expenditures	4,946,751,664	5,228,571,711	4,850,483,871	378,087,840
Revenues over (under) expenditures	(128,553,031)	(261,560,931)	76,461,581	338,022,512
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	82,563,143	125,263,143	-	(125,263,143)
Bond proceeds	256,293,082	256,293,082	381,708,900	125,415,818
Transfers to other state agencies and General Fund	(51,724,009)	(51,724,009)	(162,466,005)	(110,741,996)
Transfers from other state agencies and General Fund	-	-	34,879,298	34,879,298
Transfers in	180,709,781	180,709,781	242,301,437	61,591,656
Transfers out	(142,875,705)	(142,875,705)	(439,563,908)	(296,688,203)
Total other financing sources (uses)	324,966,292	367,666,292	56,859,722	(310,806,570)
Revenues and other sources over (under) expenditures and other uses	196,413,261	106,105,361	133,321,303	27,215,942
Fund balance - July 1	1,791,591,858	1,791,591,858	1,791,591,858	-
Fund balance - June 30	\$ 1,988,005,119	\$ 1,897,697,219	\$ 1,924,913,161	\$ 27,215,942

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

	FEDERAL			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	-	-
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	1,026,435,856	1,150,672,915	1,050,540,758	(100,132,157)
Toll revenues	-	-	-	-
Other	-	3,462,030	-	(3,462,030)
Total revenues	<u>1,026,435,856</u>	<u>1,154,134,945</u>	<u>1,050,540,758</u>	<u>(103,594,187)</u>
Expenditures				
Current				
Administrative and support services	6,040,000	7,047,474	6,150,236	897,238
Ground transportation system planning and research	20,538,093	20,356,940	18,816,366	1,540,574
Highway system acquisition and construction	680,735,836	684,357,366	709,869,386	(25,512,020)
Highway system maintenance	220,783,695	343,137,317	342,288,337	848,980
Ground transportation system safety	-	-	-	-
Financial assistance to localities	7,766,515	7,766,515	6,274,147	1,492,368
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>935,864,139</u>	<u>1,062,665,612</u>	<u>1,083,398,472</u>	<u>(20,732,860)</u>
Revenues over (under) expenditures	<u>90,571,717</u>	<u>91,469,333</u>	<u>(32,857,714)</u>	<u>(124,327,047)</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	32,857,714	32,857,714
Transfers in	-	-	85,460,106	85,460,106
Transfers out	-	-	(85,460,106)	(85,460,106)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>32,857,714</u>	<u>32,857,714</u>
Revenues and other sources over (under) expenditures and other uses	<u>90,571,717</u>	<u>91,469,333</u>	<u>-</u>	<u>(91,469,333)</u>
Fund balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - June 30	<u>\$ 90,571,717</u>	<u>\$ 91,469,333</u>	<u>\$ -</u>	<u>\$ (91,469,333)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	HIGHWAY MAINTENANCE & OPERATING			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	1,707,400,000	1,707,400,000	1,698,727,959	(8,672,041)
Rights and privileges	286,500,000	286,500,000	317,682,746	31,182,746
Sale of property and commodities	-	-	277,323	277,323
Interest, dividends, and rents	-	-	3,635	3,635
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	7,123,980	7,123,980
Receipts from localities and private sector	25,000	25,000	2,065,756	2,040,756
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	34,018,966	34,018,966	19,071,444	(14,947,522)
Total revenues	<u>2,027,943,966</u>	<u>2,027,943,966</u>	<u>2,044,952,843</u>	<u>17,008,877</u>
Expenditures				
Current				
Administrative and support services	259,147,219	274,368,045	255,768,930	18,599,115
Ground transportation system planning and research	13,669,660	13,619,660	11,914,925	1,704,735
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	1,453,651,255	1,505,158,733	1,376,800,026	128,358,707
Financial assistance to localities	437,139,066	439,285,729	434,679,511	4,606,218
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	13,614,434	13,614,434	13,479,269	135,165
Total expenditures	<u>2,177,221,634</u>	<u>2,246,046,601</u>	<u>2,092,642,661</u>	<u>153,403,940</u>
Revenues over (under) expenditures	<u>(149,277,668)</u>	<u>(218,102,635)</u>	<u>(47,689,818)</u>	<u>170,412,817</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	(35,772,105)	(35,772,105)	(27,891,654)	7,880,451
Transfers from other state agencies and General Fund	-	-	1,267,399	1,267,399
Transfers in	14,417,038	14,417,038	107,767,251	93,350,213
Transfers out	-	-	(19,975,815)	(19,975,815)
Total other financing sources (uses)	<u>(21,355,067)</u>	<u>(21,355,067)</u>	<u>61,167,181</u>	<u>82,522,248</u>
Revenues and other sources over (under) expenditures and other uses	<u>(170,632,735)</u>	<u>(239,457,702)</u>	<u>13,477,363</u>	<u>252,935,065</u>
Fund balance - July 1	<u>240,563,387</u>	<u>240,563,387</u>	<u>240,563,387</u>	<u>-</u>
Fund balance - June 30	<u>\$ 69,930,652</u>	<u>\$ 1,105,685</u>	<u>\$ 254,040,750</u>	<u>\$ 252,935,065</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
BUDGET COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	CONSTRUCTION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	777,461,100	777,461,100	772,665,014	(4,796,086)
Rights and privileges	28,600,790	28,600,790	27,681,533	(919,257)
Sale of property and commodities	-	-	9,696,500	9,696,500
Interest, dividends, and rents	5,325,719	5,325,719	4,876,072	(449,647)
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	110,148	110,148
Receipts from localities and private sector	227,036,064	227,036,064	227,745,083	709,019
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	501,000	501,000	224,270	(276,730)
Total revenues	1,038,924,673	1,038,924,673	1,042,998,620	4,073,947
Expenditures				
Current				
Administrative and support services	864,389	864,389	739,461	124,928
Ground transportation system planning and research	38,577,132	42,893,890	40,232,336	2,661,554
Highway system acquisition and construction	870,413,153	895,660,054	705,275,782	190,384,272
Highway system maintenance	-	-	-	-
Financial assistance to localities	7,970,814	7,970,814	3,426,119	4,544,695
Environmental monitoring and compliance	13,534,237	15,668,007	13,692,302	1,975,705
Toll facility operations and construction	-	-	-	-
Capital outlay	39,989,769	39,989,769	39,871,363	118,406
Transfers to other state agencies	-	-	-	-
Total expenditures	971,349,494	1,003,046,923	803,237,363	199,809,560
Revenues over (under) expenditures	67,575,179	35,877,750	239,761,257	203,883,507
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	(15,951,904)	(15,951,904)	(37,317,079)	(21,365,175)
Transfers from other state agencies and General Fund	-	-	131,576	131,576
Transfers in	-	-	117,465	117,465
Transfers out	23,417,038	23,417,038	(125,963,449)	(149,380,487)
Total other financing sources (uses)	7,465,134	7,465,134	(163,031,487)	(170,496,621)
Revenues and other sources over (under) expenditures and other uses	75,040,313	43,342,884	76,729,770	33,386,886
Fund balance - July 1	187,851,815	187,851,815	187,851,815	-
Fund balance - June 30	\$ 262,892,128	\$ 231,194,699	\$ 264,581,585	\$ 33,386,886

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

PRIORITY TRANSPORTATION FUND				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	191,800,000	191,800,000	197,415,625	5,615,625
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	558,525	558,525	2,514,070	1,955,545
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>192,358,525</u>	<u>192,358,525</u>	<u>199,929,695</u>	<u>7,571,170</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	49,348,000	49,348,000	46,696,469	2,651,531
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>49,348,000</u>	<u>49,348,000</u>	<u>46,696,469</u>	<u>2,651,531</u>
Revenues over (under) expenditures	<u>143,010,525</u>	<u>143,010,525</u>	<u>153,233,226</u>	<u>10,222,701</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	622,609	622,609
Transfers in	-	-	15,454,645	15,454,645
Transfers out	(166,292,743)	(166,292,743)	(146,294,771)	19,997,972
Total other financing sources (uses)	<u>(166,292,743)</u>	<u>(166,292,743)</u>	<u>(130,217,517)</u>	<u>36,075,226</u>
Revenues and other sources over (under) expenditures and other uses	<u>(23,282,218)</u>	<u>(23,282,218)</u>	<u>23,015,709</u>	<u>46,297,927</u>
Fund balance - July 1	<u>182,046,417</u>	<u>182,046,417</u>	<u>182,046,417</u>	<u>-</u>
Fund balance - June 30	<u>\$ 158,764,199</u>	<u>\$ 158,764,199</u>	<u>\$ 205,062,126</u>	<u>\$ 46,297,927</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

TOLL FACILITIES REVOLVING				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	21,113,058	23,129,639	2,016,581
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	870,149	870,149
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	4,900,000	4,900,000	4,965,301	65,301
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>4,900,000</u>	<u>26,013,058</u>	<u>28,965,089</u>	<u>2,952,031</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	19,848,000	29,313,058	30,198,638	(885,580)
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>19,848,000</u>	<u>29,313,058</u>	<u>30,198,638</u>	<u>(885,580)</u>
Revenues over (under) expenditures	<u>(14,948,000)</u>	<u>(3,300,000)</u>	<u>(1,233,549)</u>	<u>2,066,451</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	1,543,308	1,543,308
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,543,308</u>	<u>1,543,308</u>
Revenues and other sources over (under) expenditures and other uses	<u>(14,948,000)</u>	<u>(3,300,000)</u>	<u>309,759</u>	<u>3,609,759</u>
Fund balance - July 1	<u>372,281,632</u>	<u>372,281,632</u>	<u>372,281,632</u>	<u>-</u>
Fund balance - June 30	<u>\$ 357,333,632</u>	<u>\$ 368,981,632</u>	<u>\$ 372,591,391</u>	<u>\$ 3,609,759</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

	GARVEE			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	2,364,241	2,364,241
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>2,364,241</u>	<u>2,364,241</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	225,222,435	225,222,435	144,051,354	81,171,081
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>225,222,435</u>	<u>225,222,435</u>	<u>144,051,354</u>	<u>81,171,081</u>
Revenues over (under) expenditures	<u>(225,222,435)</u>	<u>(225,222,435)</u>	<u>(141,687,113)</u>	<u>83,535,322</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	256,293,082	256,293,082	381,483,592	125,190,510
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>256,293,082</u>	<u>256,293,082</u>	<u>381,483,592</u>	<u>125,190,510</u>
Revenues and other sources over (under) expenditures and other uses	<u>31,070,647</u>	<u>31,070,647</u>	<u>239,796,479</u>	<u>208,725,832</u>
Fund balance - July 1	<u>103,208,956</u>	<u>103,208,956</u>	<u>103,208,956</u>	<u>-</u>
Fund balance - June 30	<u>\$ 134,279,603</u>	<u>\$ 134,279,603</u>	<u>\$ 343,005,435</u>	<u>\$ 208,725,832</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

CAPITAL PROJECTS REVENUE BONDS				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	585,081	585,081
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>585,081</u>	<u>585,081</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	31,070,647	31,070,647	82,181,502	(51,110,855)
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>31,070,647</u>	<u>31,070,647</u>	<u>82,181,502</u>	<u>(51,110,855)</u>
Revenues over (under) expenditures	<u>(31,070,647)</u>	<u>(31,070,647)</u>	<u>(81,596,421)</u>	<u>(50,525,774)</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	(97,257,272)	(97,257,272)
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	166,292,743	166,292,743	-	(166,292,743)
Transfers out	-	-	(31,743,464)	(31,743,464)
Total other financing sources (uses)	<u>166,292,743</u>	<u>166,292,743</u>	<u>(129,000,736)</u>	<u>(295,293,479)</u>
Revenues and other sources over (under) expenditures and other uses	<u>135,222,096</u>	<u>135,222,096</u>	<u>(210,597,157)</u>	<u>(345,819,253)</u>
Fund balance - July 1	<u>211,979,678</u>	<u>211,979,678</u>	<u>211,979,678</u>	<u>-</u>
Fund balance - June 30	<u>\$ 347,201,774</u>	<u>\$ 347,201,774</u>	<u>\$ 1,382,521</u>	<u>\$ (345,819,253)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

	NONMAJOR FUNDS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	496,100,000	496,100,000	488,484,766	(7,615,234)
Rights and privileges	5,646,615	5,646,615	5,501,275	(145,340)
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	8,288,748	8,288,748	12,070,761	3,782,013
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	1,500,000	1,500,000	1,267,662	(232,338)
Federal grants and contracts	-	-	7,678,030	7,678,030
Toll revenues	16,100,250	16,100,250	18,305,574	2,205,324
Other	-	-	23,301,057	23,301,057
Total revenues	<u>527,635,613</u>	<u>527,635,613</u>	<u>556,609,125</u>	<u>28,973,512</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	12,327,065	14,658,185	33,508,012	(18,849,827)
Highway system maintenance	-	-	-	-
Financial assistance to localities	496,100,000	496,100,000	484,572,291	11,527,709
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	28,400,250	71,100,250	49,866,214	21,234,036
Capital outlay	-	-	130,895	(130,895)
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>536,827,315</u>	<u>581,858,435</u>	<u>568,077,412</u>	<u>13,781,023</u>
Revenues over (under) expenditures	<u>(9,191,702)</u>	<u>(54,222,822)</u>	<u>(11,468,287)</u>	<u>42,754,535</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	82,563,143	125,263,143	-	(125,263,143)
Bond proceeds	-	-	225,308	225,308
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	31,958,662	31,958,662
Transfers out	-	-	(30,126,303)	(30,126,303)
Total other financing sources (uses)	<u>82,563,143</u>	<u>125,263,143</u>	<u>2,057,667</u>	<u>(123,205,476)</u>
Revenues and other sources over (under) expenditures and other uses	<u>73,371,441</u>	<u>71,040,321</u>	<u>(9,410,620)</u>	<u>(80,450,941)</u>
Fund balance - July 1	<u>493,659,973</u>	<u>493,659,973</u>	<u>493,659,973</u>	<u>-</u>
Fund balance - June 30	<u>\$ 567,031,414</u>	<u>\$ 564,700,294</u>	<u>\$ 484,249,353</u>	<u>\$ (80,450,941)</u>

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**Non 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, 2017

TRANSPORTATION PARTNERSHIP OPPORTUNITY				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	2,609,954	2,609,954	1,647,432	(962,522)
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	20,000,000	20,000,000
Total revenues	<u>2,609,954</u>	<u>2,609,954</u>	<u>21,647,432</u>	<u>19,037,478</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	2,591,014	2,591,014	31,120,184	(28,529,170)
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>2,591,014</u>	<u>2,591,014</u>	<u>31,120,184</u>	<u>(28,529,170)</u>
Revenues over (under) expenditures	<u>18,940</u>	<u>18,940</u>	<u>(9,472,752)</u>	<u>(9,491,692)</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	31,070,647	31,070,647
Transfers out	-	-	(18,940)	(18,940)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>31,051,707</u>	<u>31,051,707</u>
Revenues and other sources over (under) expenditures and other uses	<u>18,940</u>	<u>18,940</u>	<u>21,578,955</u>	<u>21,560,015</u>
Fund balance - July 1	<u>24,040,152</u>	<u>24,040,152</u>	<u>24,040,152</u>	<u>-</u>
Fund balance - June 30	<u>\$ 24,059,092</u>	<u>\$ 24,059,092</u>	<u>\$ 45,619,107</u>	<u>\$ 21,560,015</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

	CONCESSION FUNDS FOR PROJECTS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	126,868	126,868
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	28,326	28,326
Total revenues	<u>-</u>	<u>-</u>	<u>155,194</u>	<u>155,194</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	2,331,120	1,154,282	1,176,838
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>-</u>	<u>2,331,120</u>	<u>1,154,282</u>	<u>1,176,838</u>
Revenues over (under) expenditures	<u>-</u>	<u>(2,331,120)</u>	<u>(999,088)</u>	<u>1,332,032</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>(2,331,120)</u>	<u>(999,088)</u>	<u>1,332,032</u>
Fund balance - July 1	<u>14,065,378</u>	<u>14,065,378</u>	<u>14,065,378</u>	<u>-</u>
Fund balance - June 30	<u>\$ 14,065,378</u>	<u>\$ 11,734,258</u>	<u>\$ 13,066,290</u>	<u>\$ 1,332,032</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

COMMONWEALTH SPACE FLIGHT				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	6,265	6,265
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	-	-	6,265	6,265
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	6,265	6,265
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	-	-	6,265	6,265
Fund balance - July 1	8,238	8,238	8,238	-
Fund balance - June 30	\$ 8,238	\$ 8,238	\$ 14,503	\$ 6,265

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

TRANSPORTATION INFRASTRUCTURE BANK				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	2,736,051	2,736,051	8,688,880	5,952,829
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>2,736,051</u>	<u>2,736,051</u>	<u>8,688,880</u>	<u>5,952,829</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	2,736,051	2,736,051	125,371	2,610,680
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>2,736,051</u>	<u>2,736,051</u>	<u>125,371</u>	<u>2,610,680</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>8,563,509</u>	<u>8,563,509</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>8,563,509</u>	<u>8,563,509</u>
Fund balance - July 1	<u>330,183,738</u>	<u>330,183,738</u>	<u>330,183,738</u>	<u>-</u>
Fund balance - June 30	<u>\$ 330,183,738</u>	<u>\$ 330,183,738</u>	<u>\$ 338,747,247</u>	<u>\$ 8,563,509</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

RECYCLABLE MATERIALS				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	-	-
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	141,844	141,844
Total revenues	<u>-</u>	<u>-</u>	<u>141,844</u>	<u>141,844</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>141,844</u>	<u>141,844</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(141,844)	(141,844)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(141,844)</u>	<u>(141,844)</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

	SURPLUS PROPERTY			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	-	-
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	3,130,805	3,130,805
Total revenues	<u>-</u>	<u>-</u>	<u>3,130,805</u>	<u>3,130,805</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>3,130,805</u>	<u>3,130,805</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(3,130,805)	(3,130,805)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(3,130,805)</u>	<u>(3,130,805)</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

	CAMP 30			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	33,601	33,601
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>33,601</u>	<u>33,601</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	130,895	(130,895)
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>130,895</u>	<u>(130,895)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(97,294)</u>	<u>(97,294)</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	15,786	15,786
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>15,786</u>	<u>15,786</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(81,508)</u>	<u>(81,508)</u>
Fund balance - July 1	<u>4,795,505</u>	<u>4,795,505</u>	<u>4,795,505</u>	<u>-</u>
Fund balance - June 30	<u>\$ 4,795,505</u>	<u>\$ 4,795,505</u>	<u>\$ 4,713,997</u>	<u>\$ (81,508)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

NORTHERN VIRGINIA TRANSPORTATION DISTRICT				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	5,646,615	5,646,615	5,501,275	(145,340)
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	2,012,398	2,012,398	885,843	(1,126,555)
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	267,662	267,662
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>7,659,013</u>	<u>7,659,013</u>	<u>6,654,780</u>	<u>(1,004,233)</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	646,603	(646,603)
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>646,603</u>	<u>(646,603)</u>
Revenues over (under) expenditures	<u>7,659,013</u>	<u>7,659,013</u>	<u>6,008,177</u>	<u>(1,650,836)</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	71,079	71,079
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(12,049,673)	(12,049,673)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(11,978,594)</u>	<u>(11,978,594)</u>
Revenues and other sources over (under) expenditures and other uses	<u>7,659,013</u>	<u>7,659,013</u>	<u>(5,970,417)</u>	<u>(13,629,430)</u>
Fund balance - July 1	<u>97,483,769</u>	<u>97,483,769</u>	<u>97,483,769</u>	<u>-</u>
Fund balance - June 30	<u>\$ 105,142,782</u>	<u>\$ 105,142,782</u>	<u>\$ 91,513,352</u>	<u>\$ (13,629,430)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

ROUTE 58				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	892,613	892,613	298,251	(594,362)
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>892,613</u>	<u>892,613</u>	<u>298,251</u>	<u>(594,362)</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	7,000,000	7,000,000	461,572	6,538,428
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>7,000,000</u>	<u>7,000,000</u>	<u>461,572</u>	<u>6,538,428</u>
Revenues over (under) expenditures	<u>(6,107,387)</u>	<u>(6,107,387)</u>	<u>(163,321)</u>	<u>5,944,066</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	154,229	154,229
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	871,729	871,729
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,025,958</u>	<u>1,025,958</u>
Revenues and other sources over (under) expenditures and other uses	<u>(6,107,387)</u>	<u>(6,107,387)</u>	<u>862,637</u>	<u>6,970,024</u>
Fund balance - July 1	<u>35,081,268</u>	<u>35,081,268</u>	<u>35,081,268</u>	<u>-</u>
Fund balance - June 30	<u>\$ 28,973,881</u>	<u>\$ 28,973,881</u>	<u>\$ 35,943,905</u>	<u>\$ 6,970,024</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

TRANSPORTATION SET ASIDE				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	37,732	37,732	10,962	(26,770)
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	1,500,000	1,500,000	1,000,000	(500,000)
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>1,537,732</u>	<u>1,537,732</u>	<u>1,010,962</u>	<u>(526,770)</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>1,537,732</u>	<u>1,537,732</u>	<u>1,010,962</u>	<u>(526,770)</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(888,207)	(888,207)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(888,207)</u>	<u>(888,207)</u>
Revenues and other sources over (under) expenditures and other uses	<u>1,537,732</u>	<u>1,537,732</u>	<u>122,755</u>	<u>(1,414,977)</u>
Fund balance - July 1	<u>520,509</u>	<u>520,509</u>	<u>520,509</u>	<u>-</u>
Fund balance - June 30	<u>\$ 2,058,241</u>	<u>\$ 2,058,241</u>	<u>\$ 643,264</u>	<u>\$ (1,414,977)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

	ROUTE 28			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	9,227	9,227
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>9,227</u>	<u>9,227</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>9,227</u>	<u>9,227</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>9,227</u>	<u>9,227</u>
Fund balance - July 1	<u>970,220</u>	<u>970,220</u>	<u>970,220</u>	<u>-</u>
Fund balance - June 30	<u>\$ 970,220</u>	<u>\$ 970,220</u>	<u>\$ 979,447</u>	<u>\$ 9,227</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

COLEMAN BRIDGE				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	34,222	34,222
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	6,000,000	6,000,000	6,471,843	471,843
Other	-	-	-	-
Total revenues	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,506,065</u>	<u>506,065</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	6,000,000	6,000,000	2,461,737	3,538,263
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>6,000,000</u>	<u>6,000,000</u>	<u>2,461,737</u>	<u>3,538,263</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>4,044,328</u>	<u>4,044,328</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	30,218,510	30,218,510	-	(30,218,510)
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	500	500
Transfers out	-	-	(3,344,440)	(3,344,440)
Total other financing sources (uses)	<u>30,218,510</u>	<u>30,218,510</u>	<u>(3,343,940)</u>	<u>(33,562,450)</u>
Revenues and other sources over (under) expenditures and other uses	<u>30,218,510</u>	<u>30,218,510</u>	<u>700,388</u>	<u>(29,518,122)</u>
Fund balance - July 1	<u>(30,218,510)</u>	<u>(30,218,510)</u>	<u>(30,218,510)</u>	<u>-</u>
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (29,518,122)</u>	<u>\$ (29,518,122)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

FEDERAL REIMBURSEMENT ANTICIPATION NOTES				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	651	651
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>651</u>	<u>651</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>651</u>	<u>651</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(106,481)	(106,481)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(106,481)</u>	<u>(106,481)</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(105,830)</u>	<u>(105,830)</u>
Fund balance - July 1	<u>105,830</u>	<u>105,830</u>	<u>105,830</u>	<u>-</u>
Fund balance - June 30	<u>\$ 105,830</u>	<u>\$ 105,830</u>	<u>\$ -</u>	<u>\$ (105,830)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

	ARRA PROJECTS			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	-	-
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	226	226
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>226</u>	<u>226</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>226</u>	<u>226</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(10,984)	(10,984)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(10,984)</u>	<u>(10,984)</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(10,758)</u>	<u>(10,758)</u>
Fund balance - July 1	<u>-</u>	<u>-</u>	<u>10,758</u>	<u>10,758</u>
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

	POWHITE PARKWAY EXTENSION			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	-	-
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	10,100,250	10,100,250	11,833,731	1,733,481
Other	-	-	82	82
Total revenues	<u>10,100,250</u>	<u>10,100,250</u>	<u>11,833,813</u>	<u>1,733,563</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	10,100,250	10,100,250	2,707,881	7,392,369
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>10,100,250</u>	<u>10,100,250</u>	<u>2,707,881</u>	<u>7,392,369</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>9,125,932</u>	<u>9,125,932</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	35,904,453	35,904,453	-	(35,904,453)
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(2,755,719)	(2,755,719)
Total other financing sources (uses)	<u>35,904,453</u>	<u>35,904,453</u>	<u>(2,755,719)</u>	<u>(38,660,172)</u>
Revenues and other sources over (under) expenditures and other uses	<u>35,904,453</u>	<u>35,904,453</u>	<u>6,370,213</u>	<u>(29,534,240)</u>
Fund balance - July 1	<u>(35,904,453)</u>	<u>(35,904,453)</u>	<u>(35,904,453)</u>	<u>-</u>
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (29,534,240)</u>	<u>\$ (29,534,240)</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

I66 ITB CONSTRUCTION				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	-	-
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	12,300,000	55,000,000	44,696,596	10,303,404
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	12,300,000	55,000,000	44,696,596	10,303,404
Revenues over (under) expenditures	(12,300,000)	(55,000,000)	(44,696,596)	10,303,404
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	16,440,180	59,140,180	-	(59,140,180)
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	16,440,180	59,140,180	-	(59,140,180)
Revenues and other sources over (under) expenditures and other uses	4,140,180	4,140,180	(44,696,596)	(48,836,776)
Fund balance - July 1	(4,140,180)	(4,140,180)	(4,140,180)	-
Fund balance - June 30	\$ -	\$ -	\$ (48,836,776)	\$ (48,836,776)

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	327,200,000	327,200,000	332,133,285	4,933,285
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	225,360	225,360
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>327,200,000</u>	<u>327,200,000</u>	<u>332,358,645</u>	<u>5,158,645</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	327,200,000	327,200,000	329,346,858	(2,146,858)
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>327,200,000</u>	<u>327,200,000</u>	<u>329,346,858</u>	<u>(2,146,858)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>3,011,787</u>	<u>3,011,787</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>3,011,787</u>	<u>3,011,787</u>
Fund balance - July 1	<u>37,554,307</u>	<u>37,554,307</u>	<u>37,554,307</u>	<u>-</u>
Fund balance - June 30	<u>\$ 37,554,307</u>	<u>\$ 37,554,307</u>	<u>\$ 40,566,094</u>	<u>\$ 3,011,787</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	168,900,000	168,900,000	156,351,481	(12,548,519)
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	101,793	101,793
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	-	-
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>168,900,000</u>	<u>168,900,000</u>	<u>156,453,274</u>	<u>(12,446,726)</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	168,900,000	168,900,000	155,225,433	13,674,567
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>168,900,000</u>	<u>168,900,000</u>	<u>155,225,433</u>	<u>13,674,567</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,227,841</u>	<u>1,227,841</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>1,227,841</u>	<u>1,227,841</u>
Fund balance - July 1	<u>19,103,444</u>	<u>19,103,444</u>	<u>19,103,444</u>	<u>-</u>
Fund balance - June 30	<u>\$ 19,103,444</u>	<u>\$ 19,103,444</u>	<u>\$ 20,331,285</u>	<u>\$ 1,227,841</u>

VIRGINIA DEPARTMENT OF TRANSPORTATION
 BUDGET COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

	ARRA GRANTS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Revenue provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Rights and privileges	-	-	-	-
Sale of property and commodities	-	-	-	-
Interest, dividends, and rents	-	-	1,406	1,406
Fines, forfeitures, court fees	-	-	-	-
Penalties, and escheats	-	-	-	-
Receipts from localities and private sector	-	-	-	-
Federal grants and contracts	-	-	7,677,804	7,677,804
Toll revenues	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>7,679,210</u>	<u>7,679,210</u>
Expenditures				
Current				
Administrative and support services	-	-	-	-
Ground transportation system planning and research	-	-	-	-
Highway system acquisition and construction	-	-	-	-
Highway system maintenance	-	-	-	-
Financial assistance to localities	-	-	-	-
Environmental monitoring and compliance	-	-	-	-
Toll facility operations and construction	-	-	-	-
Capital outlay	-	-	-	-
Transfers to other state agencies	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>7,679,210</u>	<u>7,679,210</u>
Other financing sources (uses)				
Other financing uses	-	-	-	-
Other financing sources	-	-	-	-
Bond proceeds	-	-	-	-
Transfers to other state agencies and General Fund	-	-	-	-
Transfers from other state agencies and General Fund	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(7,679,210)	(7,679,210)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(7,679,210)</u>	<u>(7,679,210)</u>
Revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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FINANCIAL REPORT

JUNE 30, 2017

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

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**Non major Governmental Funds
Special Revenue**

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Nonmajor Governmental Funds

Special Revenue Funds:

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

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

The Concession Fund accounts for the outstanding debt owed by the Pocahontas Parkway. As part of the sale, these funds were received to transfer the rights to the purchaser, Transurban LLC. Also accounted for in this fund are amounts provided by private developers for construction work on the I-495 Capital Beltway High Occupancy Toll Lanes.

I-66 Construction Fund this fund accounts for the resources and expenditures for the Interstate 66 inside the beltway express lanes project construction.

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

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

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

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

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

The Northern Virginia Transportation District Fund accounts for revenues and expenditures for the construction of an adequate, modern, safe and efficient transportation network in Northern Virginia. The revenues are derived from bond sales and a portion of the state recordation taxes. This fund was classified as major fund in previous years.

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

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

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

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

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

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

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

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

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

Hampton Roads Transportation Accountability Commission accounts for management of the Hampton Roads Transportation Fund (HRTF) revenues for the Hampton Roads region funding that was established per House Bill 2313..

VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING BALANCE SHEET GOVERNMENTAL FUNDS
 NON MAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
 June 30, 2017

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

Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$ 45,619,107	\$ 13,066,290	\$ 186,523,729
Cash and cash equivalents with trustees (Note 14)	-	-	-
Cash and cash equivalents for collateral held for securities lending (Note 14)	-	-	-
Investments for Advance fund	-	-	-
Receivables: (net)			
Federal government	-	-	-
Cities, counties, and towns	-	-	-
State agencies	-	-	-
Loans & other	-	-	152,223,518
Taxes receivable	-	-	-
Due from other funds (Note 10)	-	-	-
Due from agencies	-	-	-
Inventory (Note 1 G)	-	-	-
Total assets	45,619,107	13,066,290	338,747,247

Deferred Outflows of Resources

Total Assets and Deferred Outflows	\$ 45,619,107	\$ 13,066,290	\$ 338,747,247
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Liabilities, Deferred Inflows of Resources and Fund Balances

Accounts payable	\$ 493,839	\$ -	\$ 75,536
Deposits payable	-	-	-
Payable for collateral held for securities lending	-	-	-
Due to other funds (Note 10)	-	-	-
Liability for compensated absences	-	-	-
Accrued liabilities	-	-	-
Retainage on contracts	-	-	-
Total liabilities	493,839	-	75,536

Deferred Inflows of Resources

Total Liabilities and Deferred Inflows	493,839	-	75,536
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Fund Balances (Note 3)

Nonspendable	-	-	152,223,518
Restricted	-	-	-
Committed	45,125,268	13,066,290	186,448,193
Assigned	-	-	-
Unassigned	-	-	-

Total fund balances	45,125,268	13,066,290	338,671,711
Total liabilities, deferred inflows and fund balances	\$ 45,619,107	\$ 13,066,290	\$ 338,747,247

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING BALANCE SHEET GOVERNMENTAL FUNDS
 NON MAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
 June 30, 2017

	COMMONWEALTH SPACE FLIGHT	RECYCLABLE MATERIALS	SURPLUS PROPERTY
<u>Assets and Deferred Outflows of Resources</u>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$ 14,503	\$ -	\$ -
Cash and cash equivalents with trustees (Note 14)	-	-	-
Cash and cash equivalents for collateral held for securities lending (Note 14)	-	-	-
Investments for Advance fund	-	-	-
Receivables: (net)			
Federal government	-	-	-
Cities, counties, and towns	-	-	-
State agencies	-	-	923
Loans & other	-	-	-
Taxes receivable	-	-	-
Due from other funds (Note 10)	-	-	-
Due from agencies	-	-	-
Inventory (Note 1 G)	-	-	-
Total assets	14,503	-	923
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows	\$ 14,503	\$ -	\$ 923
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Accounts payable	\$ -	\$ -	\$ -
Deposits payable	-	-	-
Payable for collateral held for securities lending	-	-	-
Due to other funds (Note 10)	-	-	923
Liability for compensated absences	-	-	-
Accrued liabilities	-	-	-
Retainage on contracts	-	-	-
Total liabilities	-	-	923
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows	-	-	923
Fund Balances (Note 3)			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	14,503	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	14,503	-	-
Total liabilities, deferred inflows and fund balances	\$ 14,503	\$ -	\$ 923

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING BALANCE SHEET GOVERNMENTAL FUNDS
 NON MAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
 June 30, 2017

	NORTHERN VIRGINIA TRANSPORTATION DISTRICT		
	CAMP 30		ROUTE 58
<u>Assets and Deferred Outflows of Resources</u>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$ -	\$ 91,485,038	\$ 35,736,356
Cash and cash equivalents with trustees (Note 14)	4,713,997	28,314	207,549
Cash and cash equivalents for collateral held for securities lending (Note 14)	-	-	-
Investments for			
Advance fund	-	-	-
Receivables: (net)			
Federal government	-	-	-
Cities, counties, and towns	-	-	-
State agencies	-	-	-
Loans & other	-	-	-
Taxes receivable	-	-	-
Due from other funds (Note 10)	-	-	-
Due from agencies	-	-	-
Inventory (Note 1 G)	-	-	-
Total assets	<u>4,713,997</u>	<u>91,513,352</u>	<u>35,943,905</u>
Deferred Outflows of Resources	-	-	22,029
Total Assets and Deferred Outflows	<u>\$ 4,713,997</u>	<u>\$ 91,513,352</u>	<u>\$ 35,965,934</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Accounts payable	\$ 4,428	\$ 50	\$ 9,134
Deposits payable	-	-	-
Payable for collateral held for securities lending	-	-	-
Due to other funds (Note 10)	-	-	-
Liability for compensated absences	-	1	6
Accrued liabilities	-	-	-
Retainage on contracts	-	19,303	50,256
Total liabilities	<u>4,428</u>	<u>19,354</u>	<u>59,396</u>
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows	<u>4,428.00</u>	<u>19,354.00</u>	<u>59,396.00</u>
Fund Balances (Note 3)			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	4,709,569	91,493,998	35,906,538
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>4,709,569</u>	<u>91,493,998</u>	<u>35,906,538</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 4,713,997</u>	<u>\$ 91,513,352</u>	<u>\$ 35,965,934</u>

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING BALANCE SHEET GOVERNMENTAL FUNDS
 NON MAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
 June 30, 2017

	TRANSPORTATION SET ASIDE	ROUTE 28	COLEMAN BRIDGE
<u>Assets and Deferred Outflows of Resources</u>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$ 643,264	\$ 979,447	\$ 9,707,056
Cash and cash equivalents with trustees (Note 14)	-	-	-
Cash and cash equivalents for collateral held for securities lending (Note 14)	-	-	-
Investments for Advance fund	-	-	7,500
Receivables: (net)			
Federal government	-	-	-
Cities, counties, and towns	-	-	-
State agencies	-	-	-
Loans & other	-	-	-
Taxes receivable	-	-	-
Due from other funds (Note 10)	-	-	-
Due from agencies	-	-	-
Inventory (Note 1 G)	-	-	-
Total assets	<u>643,264</u>	<u>979,447</u>	<u>9,714,556</u>
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows	<u>\$ 643,264</u>	<u>\$ 979,447</u>	<u>\$ 9,714,556</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Accounts payable	\$ -	\$ -	\$ 166,510
Deposits payable	-	-	-
Payable for collateral held for securities lending	-	-	-
Due to other funds (Note 10)	-	-	39,232,678
Liability for compensated absences	-	-	84
Accrued liabilities	-	-	35,431
Retainage on contracts	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>39,434,703</u>
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows	<u>-</u>	<u>-</u>	<u>39,434,703</u>
Fund Balances (Note 3)			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	643,264	979,447	-
Assigned	-	-	-
Unassigned	-	-	(29,720,147)
Total fund balances	<u>643,264</u>	<u>979,447</u>	<u>(29,720,147)</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 643,264</u>	<u>\$ 979,447</u>	<u>\$ 9,714,556</u>

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING BALANCE SHEET GOVERNMENTAL FUNDS
 NON MAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
 June 30, 2017

	FEDERAL REIMBURSEMENT ANTICIPATION NOTES	ARRA PROJECTS	POWHITE PARKWAY EXTENSION
<u>Assets and Deferred Outflows of Resources</u>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$	-	\$ 9,184,979
Cash and cash equivalents with trustees (Note 14)	-	-	-
Cash and cash equivalents for collateral held for securities lending (Note 14)	-	-	-
Investments for Advance fund	-	-	11,000
Receivables: (net)			
Federal government	-	-	-
Cities, counties, and towns	-	-	-
State agencies	-	-	-
Loans & other	-	-	-
Taxes receivable	-	-	-
Due from other funds (Note 10)	-	-	-
Due from agencies	-	-	-
Inventory (Note 1 G)	-	-	-
Total assets	-	-	9,195,979
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows	\$ -	\$ -	\$ 9,195,979
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Accounts payable	\$	-	\$ 206,085
Deposits payable	-	-	-
Payable for collateral held for securities lending	-	-	-
Due to other funds (Note 10)	-	-	38,730,219
Liability for compensated absences	-	-	161
Accrued liabilities	-	-	78,385
Retainage on contracts	-	-	-
Total liabilities	-	-	39,014,850
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows	-	-	39,014,850
Fund Balances (Note 3)			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	(29,818,871)
Total fund balances	-	-	(29,818,871)
Total liabilities, deferred inflows and fund balances	\$ -	\$ -	\$ 9,195,979

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING BALANCE SHEET GOVERNMENTAL FUNDS
 NON MAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
 June 30, 2017

	I66 ITB CONSTRUCTION	NORTHERN VA TRANSPORTAION AUTHORITY	HAMPTON ROADS TRANSPORTATION ACOUNTABILITY
<u>Assets and Deferred Outflows of Resources</u>			
Cash and cash equivalents			
with the Treasurer of Virginia (Note 14)	\$ 16,163,224	\$ 40,566,094	\$ 20,331,285
Cash and cash equivalents with trustees (Note 14)	-	-	-
Cash and cash equivalents for collateral held for securities lending (Note 14)	-	-	-
Investments for Advance fund	-	-	-
Receivables: (net)			
Federal government	-	-	-
Cities, counties, and towns	-	-	-
State agencies	-	-	-
Loans & other	-	-	-
Taxes receivable	-	15,477,738	11,136,255
Due from other funds (Note 10)	-	-	-
Due from agencies	-	-	-
Inventory (Note 1 G)	-	-	-
Total assets	<u>16,163,224</u>	<u>56,043,832</u>	<u>31,467,540</u>
Deferred Outflows of Resources	1,402	2,010,412	1,001,895
Total Assets and Deferred Outflows	<u>\$ 16,164,626</u>	<u>\$ 58,054,244</u>	<u>\$ 32,469,435</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Accounts payable	\$ 7,852,428	\$ 55,481,464	\$ 31,063,706
Deposits payable	-	-	-
Payable for collateral held for securities lending	-	-	-
Due to other funds (Note 10)	65,000,000	-	-
Liability for compensated absences	122	-	-
Accrued liabilities	-	-	-
Retainage on contracts	-	-	-
Total liabilities	<u>72,852,550</u>	<u>55,481,464</u>	<u>31,063,706</u>
Deferred Inflows of Resources	-	2,010,412	1,001,895
Total Liabilities and Deferred Inflows	<u>72,852,550.00</u>	<u>57,491,876.00</u>	<u>32,065,601.00</u>
Fund Balances (Note 3)			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	(56,687,924)	562,368	403,834
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>(56,687,924)</u>	<u>562,368</u>	<u>403,834</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 16,164,626</u>	<u>\$ 58,054,244</u>	<u>\$ 32,469,435</u>

The accompanying notes are an integral part of this financial statement

VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING BALANCE SHEET GOVERNMENTAL FUNDS
 NON MAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
 June 30, 2017

ARRA GRANTS

Assets and Deferred Outflows of Resources

Cash and cash equivalents	\$	-
with the Treasurer of Virginia (Note 14)		
Cash and cash equivalents with trustees (Note 14)		
Cash and cash equivalents for		
collateral held for securities lending (Note 14)		-
Investments for		
Advance fund		
Receivables: (net)		-
Federal government		-
Cities, counties, and towns		-
State agencies		-
Loans & other		-
Taxes receivable		-
Due from other funds (Note 10)		-
Due from agencies		-
Inventory (Note 1 G)		-
Total assets		-

Deferred Outflows of Resources

Total Assets and Deferred Outflows	\$	-
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**Liabilities, Deferred Inflows of Resources
and Fund Balances**

Accounts payable	\$	-
Deposits payable		-
Payable to component unit		
Due to other agencies		
Deferred revenue		-
absences		-
Accrued liabilities		-
Retainage on contracts		-
Total liabilities		-

Deferred Inflows of Resources

Total Liabilities and Deferred Inflows		-
---	--	----------

Fund Balances (Note 3)		-
Nonspendable		-
Restricted		-
Committed		-
Assigned		-
Unassigned		-
Total fund balances		-
Total liabilities, deferred inflows and fund balances	\$	-

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2017**

	TRANSPORTATION PARTNERSHIP OPPORTUNITY	CONCESSION FUNDS FOR PROJECTS	VIRGINIA TRANSPORTATION INFRASTRUCTURE BANK
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -
Taxes	-	-	-
Rights and privileges	-	-	-
Sale of property and commodities	-	-	-
Interest, dividends and rents	1,647,432	126,868	8,688,880
Fines, forfeitures, court fees, penalties, and escheats	-	-	-
Federal grants and contracts	-	-	-
Receipts from localities and private sector	-	-	-
Toll revenue	-	-	-
Other revenue	20,000,000	28,326	-
Total revenue	<u>21,647,432</u>	<u>155,194</u>	<u>8,688,880</u>
Expenditures			
Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	31,614,023	1,154,282	171,667
Highway system maintenance	-	-	-
Financial assistance to localities	-	-	-
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	-	-	-
Capital Outlay	-	-	-
Transfers to other state agencies (Note 11)	-	-	-
Total expenditures	<u>31,614,023</u>	<u>1,154,282</u>	<u>171,667</u>
Revenues over (under) expenditures	<u>(9,966,591)</u>	<u>(999,088)</u>	<u>8,517,213</u>
Other financing sources (uses)			
Other financing sources (uses)	-	-	-
Bond Proceeds	-	-	-
Transfers to other state agencies and General Fund (Note 11)	-	-	-
Transfers from other state agencies and General Fund (Note 11)	-	-	-
Transfers in (Note 11)	31,070,647	-	-
Transfers out (Note 11)	(18,940)	-	-
Total other financing sources (uses)	<u>31,051,707</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	21,085,116	(999,088)	8,517,213
Beginning fund balance	24,040,152	14,065,378	330,154,498
Ending fund balance - June 30	<u>\$ 45,125,268</u>	<u>\$ 13,066,290</u>	<u>\$ 338,671,711</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, 2017**

	COMMONWEALTH SPACE FLIGHT	RECYCLABLE MATERIALS	SURPLUS PROPERTY
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -
Taxes	-	-	-
Rights and privileges	-	-	-
Sale of property and commodities	-	-	-
Interest, dividends and rents	6,265	-	-
Fines, forfeitures, court fees, penalties, and escheats	-	-	-
Federal grants and contracts	-	-	-
Receipts from localities and private sector	-	-	-
Toll revenue	-	-	-
Other revenue	-	141,844	2,624,882
Total revenue	<u>6,265</u>	<u>141,844</u>	<u>2,624,882</u>
Expenditures			
Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	-	-	-
Highway system maintenance	-	-	-
Financial assistance to localities	-	-	-
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	-	-	-
Capital Outlay	-	-	-
Transfers to other state agencies (Note 11)	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>6,265</u>	<u>141,844</u>	<u>2,624,882</u>
Other financing sources (uses)			
Other financing sources (uses)	-	-	-
Bond Proceeds	-	-	-
Transfers to other state agencies and General Fund (Note 11)	-	-	-
Transfers from other state agencies and General Fund (Note 11)	-	-	-
Transfers in (Note 11)	-	-	-
Transfers out (Note 11)	-	(141,844)	(3,131,728)
Total other financing sources (uses)	<u>-</u>	<u>(141,844)</u>	<u>(3,131,728)</u>
Net Change in Fund Balance	6,265	-	(506,846)
Beginning fund balance	8,238	-	506,846
Ending fund balance - June 30	<u>\$ 14,503</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement

**VIRGINIA DEPARTMENT OF TRANSPORTATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
June 30, 2017**

	NORTHERN VIRGINIA TRANSPORTATION DISTRICT		
	CAMP 30		ROUTE 58
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -
Taxes	-	-	-
Rights and privileges	-	5,501,275	-
Sale of property and commodities	-	-	-
Interest, dividends and rents	33,601	885,843	298,251
Fines, forfeitures, court fees, penalties, and escheats	-	-	-
Federal grants and contracts	-	-	-
Receipts from localities and private sector	-	274,398	-
Toll revenue	-	-	-
Other revenue	-	-	-
Total revenue	<u>33,601</u>	<u>6,661,516</u>	<u>298,251</u>
Expenditures			
Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	-	632,715	464,030
Highway system maintenance	-	-	-
Financial assistance to localities	-	-	-
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	-	-	-
Capital Outlay	126,980	-	-
Transfers to other state agencies (Note 11)	-	-	-
Total expenditures	<u>126,980</u>	<u>632,715</u>	<u>464,030</u>
Revenues over (under) expenditures	<u>(93,379)</u>	<u>6,028,801</u>	<u>(165,779)</u>
Other financing sources (uses)			
Other financing sources (uses)	-	-	-
Bond Proceeds	-	71,079	154,229
Transfers to other state agencies and General Fund (Note 11)	-	-	-
Transfers from other state agencies and General Fund (Note 11)	-	-	-
Transfers in (Note 11)	15,786	-	871,729
Transfers out (Note 11)	-	(12,049,673)	-
Total other financing sources (uses)	<u>15,786</u>	<u>(11,978,594)</u>	<u>1,025,958</u>
Net Change in Fund Balance	(77,593)	(5,949,793)	860,179
Beginning fund balance	4,787,162	97,443,791	35,046,359
Ending fund balance - June 30	<u>\$ 4,709,569</u>	<u>\$ 91,493,998</u>	<u>\$ 35,906,538</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, 2017**

	TRANSPORTATION SET ASIDE	ROUTE 28	COLEMAN BRIDGE
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -
Taxes	-	-	-
Rights and privileges	-	-	-
Sale of property and commodities	-	-	-
Interest, dividends and rents	10,962	9,227	34,222
Fines, forfeitures, court fees, penalties, and escheats	-	-	-
Federal grants and contracts	-	-	-
Receipts from localities and private sector	1,000,000	-	-
Toll revenue	-	-	6,471,844
Other revenue	-	-	-
Total revenue	<u>1,010,962</u>	<u>9,227</u>	<u>6,506,066</u>
Expenditures			
Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	-	-	-
Highway system maintenance	-	-	-
Financial assistance to localities	-	-	-
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	-	-	2,311,564
Capital Outlay	-	-	-
Transfers to other state agencies (Note 11)	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>2,311,564</u>
Revenues over (under) expenditures	<u>1,010,962</u>	<u>9,227</u>	<u>4,194,502</u>
Other financing sources (uses)			
Other financing sources (uses)	-	-	-
Bond Proceeds	-	-	-
Transfers to other state agencies and General Fund (Note 11)	-	-	-
Transfers from other state agencies and General Fund (Note 11)	-	-	-
Transfers in (Note 11)	-	-	500
Transfers out (Note 11)	(888,207)	-	(3,344,440)
Total other financing sources (uses)	<u>(888,207)</u>	<u>-</u>	<u>(3,343,940)</u>
Net Change in Fund Balance	122,755	9,227	850,562
Beginning fund balance	520,509	970,220	(30,570,709)
Ending fund balance - June 30	<u>\$ 643,264</u>	<u>\$ 979,447</u>	<u>\$ (29,720,147)</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, 2017**

FEDERAL REIMBURSEMENT ANTICIPATION NOTES	ARRA PROJECTS	POWHITE PARKWAY EXTENSION
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Revenues

Revenues provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -
Taxes	-	-	-
Rights and privileges	-	-	-
Sale of property and commodities	-	-	-
Interest, dividends and rents	651	-	-
Fines, forfeitures, court fees, penalties, and escheats	-	-	-
Federal grants and contracts	-	226	-
Receipts from localities and private sector	-	-	-
Toll revenue	-	-	11,833,731
Other revenue	-	-	82
Total revenue	651	226	11,833,813

Expenditures

Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	-	-	-
Highway system maintenance	-	-	-
Financial assistance to localities	-	-	-
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	-	-	2,789,616
Capital Outlay	-	-	-
Transfers to other state agencies (Note 11)	-	-	-
Total expenditures	-	-	2,789,616

Revenues over (under) expenditures

651	226	9,044,197
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Other financing sources (uses)

Other financing sources (uses)	-	-	-
Bond Proceeds	-	-	-
Transfers to other state agencies and General Fund (Note 11)	-	-	-
Transfers from other state agencies and General Fund (Note 11)	-	-	-
Transfers in (Note 11)	-	-	-
Transfers out (Note 11)	(106,481)	(10,984)	(2,755,719)
Total other financing sources (uses)	(106,481)	(10,984)	(2,755,719)

Net Change in Fund Balance

(105,830)	(10,758)	6,288,478
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Beginning fund balance

105,830	10,758	(36,107,349)
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Ending fund balance - June 30

\$ -	\$ -	\$ (29,818,871)
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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, 2017**

	166 ITB CONSTRUCTION	NORTHERN VIRGINIA TRANSPORTATION AUTHORITY	HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY
Revenues			
Revenues provided by the General Fund of the Commonwealth	\$ -	\$ -	\$ -
Taxes	-	342,191,441	165,400,165
Rights and privileges	-	-	-
Sale of property and commodities	-	-	-
Interest, dividends and rents	-	225,360	101,793
Fines, forfeitures, court fees, penalties, and escheats	-	-	-
Federal grants and contracts	-	-	-
Receipts from localities and private sector	-	-	-
Toll revenue	-	-	-
Other revenue	-	-	-
Total revenue	<u>-</u>	<u>342,416,801</u>	<u>165,501,958</u>
Expenditures			
Current:			
Administrative and support services	-	-	-
Ground transportation system planning and research	-	-	-
Highway system acquisition and construction	-	-	-
Highway system maintenance	-	-	-
Financial assistance to localities	-	342,675,806	165,652,225
Environmental monitoring and compliance	-	-	-
Toll facilities operations and construction	51,888,149	-	-
Capital Outlay	-	-	-
Transfers to other state agencies (Note 11)	-	-	-
Total expenditures	<u>51,888,149</u>	<u>342,675,806</u>	<u>165,652,225</u>
Revenues over (under) expenditures	<u>(51,888,149)</u>	<u>(259,005)</u>	<u>(150,267)</u>
Other financing sources (uses)			
Other financing sources (uses)	-	-	-
Bond Proceeds	-	-	-
Transfers to other state agencies and General Fund (Note 11)	-	-	-
Transfers from other state agencies and General Fund (Note 11)	-	-	-
Transfers in (Note 11)	-	-	-
Transfers out (Note 11)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(51,888,149)	(259,005)	(150,267)
Beginning fund balance	(4,799,775)	821,373	554,101
Ending fund balance - June 30	<u>\$ (56,687,924)</u>	<u>\$ 562,368</u>	<u>\$ 403,834</u>

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**VIRGINIA DEPARTMENT OF TRANSPORTATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
 June 30, 2017**

ARRA GRANTS

Revenues	
Revenues provided by the General Fund of the Commonwealth	\$ -
Taxes	-
Rights and privileges	-
Sale of property and commodities	-
Interest, dividends and rents	1,406
Fines, forfeitures, court fees, penalties, and escheats	-
Federal grants and contracts	7,677,804
Receipts from localities and private sector	-
Toll revenue	-
Other revenue	-
Total revenue	<u>7,679,210</u>
Expenditures	
Current:	
Administrative and support services	-
Ground transportation system planning and research	-
Highway system acquisition and construction	-
Highway system maintenance	-
Financial assistance to localities	-
Environmental monitoring and compliance	-
Toll facilities operations and construction	-
Capital Outlay	-
Transfers to other state agencies (Note 11)	-
Total expenditures	<u>-</u>
Revenues over (under) expenditures	<u>7,679,210</u>
Other financing sources (uses)	
Other financing sources (uses)	-
Bond Proceeds	-
Transfers to other state agencies and General Fund (Note 11)	-
Transfers from other state agencies and General Fund (Note 11)	-
Transfers in (Note 11)	-
Transfers out (Note 11)	(7,679,210)
Total other financing sources (uses)	<u>(7,679,210)</u>
Net Change in Fund Balance	-
Beginning fund balance	-
Ending fund balance - June 30	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement

**Schedule of Federal
Assistance**

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VIRGINIA DEPARTMENT OF TRANSPORTATION
SCHEDULE OF FEDERAL ASSISTANCE
FISCAL YEAR 2017

Federal/State Grantor Agency	CFDA Number	Federal Program Name	FEDERAL CASH BALANCE July 1, 2016		FEDERAL CASH BASIS RECEIPTS		FEDERAL CASH BASIS DISBURSEMENTS		FEDERAL CASH BALANCE June 30, 2017
United States Dept of Transportation	20.205	Highway Planning and Construction	\$ -	\$ -	\$ 1,050,540,758	\$ 1,050,540,758	\$ 1,050,540,758	\$ -	\$ -
		TOTAL FEDERAL REVENUE:	\$ -	\$ -	\$ 1,050,540,758	\$ 1,050,540,758	\$ 1,050,540,758	\$ -	\$ -
United States Dept of Transportation/DMV	20.607	Alcohol Open Container Requirements			3,966,120		3,966,120		
United States Dept of Transportation/DMV	97.036	Safety Incentive Grant for Use of Seatbelts			28,891,594		28,891,594		
					-		-		
TOTAL TRANSFERS FROM OTHER STATE AGENCIES:			\$ -	\$ -	\$ 32,857,714	\$ 32,857,714	\$ 32,857,714	\$ -	\$ -
GRAND TOTAL OF FEDERAL ASSISTANCE			\$ -	\$ -	\$ 1,083,398,472	\$ 1,083,398,472	\$ 1,083,398,472	\$ -	\$ -

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

Virginia's Highway System

The 58,823 mile system is divided into the following categories:

Interstate

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

Primary

8,053 miles of two-to-six lane roads connect cities and towns with each other and with interstates

Secondary

49,324 miles of local connector or county roads

Frontage

326 miles of frontage roads

A separate system includes 11,681 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 (1,374 miles) and Arlington County (366 miles) maintain their own roads with state financial assistance. There is also an additional 39 miles of toll roads maintained by others.

Other Transportation Services

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

- More than 11,900 bridges and 7,550 culverts
- Four underwater crossings in the Hampton Roads area
- Two mountain tunnels on Interstate 77 in Southwest Virginia
- Traffic Operations Centers
- Two toll roads or bridges
- Three ferry services
- 41 rest areas along major highways and 10 welcome centers
- More than 100 commuter parking lots
- Virginia Capital Bike Trail and walking path

VDOT Organization

VDOT has about 7,500 employees.

VDOT is divided into nine geographic districts (Bristol, Culpeper, Fredericksburg, Hampton Roads, Lynchburg, Northern Virginia, Richmond, Salem and Staunton). The districts are divided in 31 residencies, responsible for one to four counties each and a central office in Richmond. VDOT also has several traffic operations centers that keep traffic flowing along major travel corridors.

The 17-member Commonwealth Transportation Board allocates highway funding to specific projects, locates routes and provides funding for airports, seaports and public transportation. The Secretary of Transportation serves as a chairman and the Commissioner of Highways as vice-chairman. Members are appointed by the Governor and approved by the General Assembly.

A limited number of copies of this report are available. For additional copies, contact:

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