

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2022

Exhibit B-1

(Dollars in Thousands)

	General Fund	Highway Fund	Highway Trust Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents (Note 3)	\$ 22,221,674	\$ 1,527,483	\$ 979,167	\$ 1,818,654	\$ 26,546,978
Investments (Note 3)	7,654	-	-	333,667	341,321
Securities lending collateral (Note 3)	886,813	47,077	34,177	50,602	1,018,669
Receivables, net: (Note 4)					
Taxes receivable	2,815,922	162,119	52,946	7,680	3,038,667
Accounts receivable	413,022	45,643	697	25,567	484,929
Intergovernmental receivable	1,391,760	61,107	978	1,326	1,455,171
Interest receivable	1,605	708	530	788	3,631
Contributions receivable	76	-	-	-	76
Other receivables	-	4,332	-	-	4,332
Due from other funds (Note 10)	156,834	84,430	207,548	16,494	465,306
Due from component units (Note 18)	16,264	40,000	-	-	56,264
Inventories	106,823	101,950	-	26,002	234,775
Advances to other funds (Note 10)	-	-	30,424	-	30,424
Advances to component units	-	1,691	-	-	1,691
Advances to outside entities	2,131	-	-	-	2,131
Notes receivable, net (Note 4)	13,482	139	9	48,654	62,284
Lease receivable	2,351	-	-	226	2,577
Securities held in trust	15	4,837	-	58,641	63,493
Restricted/designated cash and cash equivalents (Note 3)	235,509	-	-	392,487	627,996
Restricted investments (Note 3)	1,968	194,724	484,897	374,614	1,056,203
Restricted due from component units (Note 10)	1,106	-	-	-	1,106
Total Assets	28,275,009	2,276,240	1,791,373	3,155,402	35,498,024
Deferred Outflows of Resources					
Forward funded state aid	198,780	-	-	37,287	236,067
Total Assets and Deferred Outflows	\$ 28,473,789	\$ 2,276,240	\$ 1,791,373	\$ 3,192,689	\$ 35,734,091
Liabilities					
Accounts payable and accrued liabilities:					
Accounts payable	\$ 491,079	\$ 397,059	\$ 97,315	\$ 39,624	\$ 1,025,077
Accrued payroll	3,422	40,030	-	82	43,534
Intergovernmental payable	733,566	161,892	4,734	15,272	915,464
Claims payable	-	-	-	100,000	100,000
Medical claims payable	1,066,454	-	-	-	1,066,454
Tax refunds payable	1,158,266	12,427	4,142	-	1,174,835
Obligations under securities lending	886,813	47,077	34,177	50,602	1,018,669
Due to fiduciary funds (Note 10)	138,294	-	-	-	138,294
Due to other funds (Note 10)	65,274	221,207	21,216	942	308,639
Due to component units (Note 18)	8,972	-	-	13,287	22,259
Unearned revenue	5,217,600	123,634	2,588	455	5,344,277
Advance from other funds (Note 10)	-	-	-	-	-
Deposits payable	-	-	-	7	7
Funds held for others	30,590	23,536	-	58,770	112,896
Total Liabilities	9,800,330	1,026,862	164,172	279,041	11,270,405
Deferred Inflows of Resources					
Unavailable revenue	243,534	938	-	7,305	251,777
Deferred inflows for lease agreements	2,330	-	-	186	2,516
Total Deferred Inflows of Resources	245,864	938	-	7,491	254,293
Fund Balances (Note 11)					
Nonspendable	106,920	101,950	-	149,419	358,289
Restricted	244,916	198,071	484,897	1,589,491	2,517,375
Committed	6,531,413	948,419	1,142,304	1,163,321	9,785,457
Assigned	4,298,908	-	-	3,926	4,302,834
Unassigned	7,245,438	-	-	-	7,245,438
Total Fund Balances	18,427,595	1,248,440	1,627,201	2,906,157	24,209,393
Total Liabilities, Deferred Inflows and Fund Balances	\$ 28,473,789	\$ 2,276,240	\$ 1,791,373	\$ 3,192,689	\$ 35,734,091

The accompanying Notes to the Financial Statements are an integral part of this statement.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2022

Exhibit B-1a

(Dollars in Thousands)

Total fund balances - governmental funds (see Exhibit B-1)		\$ 24,209,393
Amounts reported for governmental activities in the Statement of Net Position are different because:		
– Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (see Note 5). These consist of:		
Cost of capital assets (excluding internal service funds)	\$ 63,991,432	
Less: Accumulated depreciation (excluding internal service funds)	(986,410)	
Net capital assets		63,005,022
– Some assets , such as receivables, are not available soon enough to pay for current period expenditures and thus, are offset by unavailable revenue in the governmental funds.		251,777
– Equity interest in component unit is not a financial resource and, therefore, is not reported in the funds.		371,586
– Net pension asset (excluding internal service funds) resulting from contributions in excess of the actuarially determined contribution are not financial resources and, therefore, are not reported in the funds (see Note 12).		31,046
– Net OPEB asset (excluding internal service funds) resulting from contributions in excess of the actuarially determined contribution are not financial resources and, therefore, are not reported in the funds (see Note 14).		3,231
– Deferred losses on refundings are reported in the Statement of Net Position (to be amortized as interest expense) but are not reported in the funds.		36,662
– Deferred gain on refunding is reported in the Statement of Net Position (to be amortized as a component of interest expense) but is not reported in the funds.		(6,994)
– Deferred outflows for pensions (excluding internal service funds) are reported in the Statement of Net Position but are not reported in the funds (see Note 12).		1,460,585
– Deferred outflows for OPEB (excluding internal service funds) are reported in the Statement of Net Position but are not reported in the funds (see Note 14).		1,417,851
– Long-term debt instruments , such as bonds and notes from direct borrowings, are not due and payable in the current period and, therefore, the outstanding balances are not reported in the funds (see Note 8). Also, unamortized debt premiums are reported in the Statement of Net Position but are not reported in the funds. These balances consist of:		
General obligation bonds payable	(2,309,790)	
Limited obligation bonds payable	(2,348,890)	
GARVEE bonds payable	(1,023,210)	
Unamortized debt premiums (to be amortized as interest expense)	(628,794)	
Notes from direct borrowings	(43,403)	
Leases payable (excluding internal service funds)	(405,962)	
Net long-term debt		(6,760,049)
– Other liabilities not due and payable in the current period and, therefore, not reported in the funds (see Note 8 as applicable) consist of:		
Accrued interest payable	(29,343)	
Compensated absences (excluding internal service funds)	(567,524)	
Obligations for workers' compensation (excluding internal service funds)	(636,809)	
Death benefit payable	(37)	
Pollution remediation payable	(7,328)	
Claims and judgments payable	(731,703)	
Pension liability (excluding internal service funds)	(1,460,805)	
Net OPEB liability (excluding internal service funds)	(6,170,123)	
Total other liabilities		(9,603,672)
– Deferred inflows for pensions (excluding internal service funds) are reported in the Statement of Net Position but are not reported in the funds (see Note 12).		(1,454,455)
– Deferred inflows for OPEB (excluding internal service funds) are reported in the Statement of Net Position but are not reported in the funds (see Note 14).		(1,739,552)
– Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position (see Exhibit B-3).		173,056
Total net position - governmental activities (see Exhibit A-1)		<u>\$ 71,395,487</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2022

Exhibit B-2

(Dollars in Thousands)

	General Fund	Highway Fund	Highway Trust Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Individual income tax	\$ 17,845,868	\$ -	\$ -	\$ -	\$ 17,845,868
Corporate income tax	1,630,010	-	-	-	1,630,010
Sales and use tax	11,012,646	-	-	7,767	11,020,413
Motor fuels tax	-	1,757,305	448,031	26,758	2,232,094
Franchise tax	890,406	-	-	-	890,406
Highway use tax	-	108,270	1,028,791	-	1,137,061
Insurance tax	1,001,625	-	-	-	1,001,625
Beverage tax	559,192	-	-	-	559,192
Tobacco products tax	296,701	-	-	-	296,701
Other taxes	241,914	-	-	128,990	370,904
Federal funds	23,855,788	1,275,610	-	109,405	25,240,803
Local funds	118,239	34,072	4,421	8,509	165,241
Investment earnings (losses)	66,533	3,288	2,786	(23,361)	49,246
Interest earnings on loans	68	-	69	1,147	1,284
Sales and services	176,861	3,345	-	160,560	340,766
Rental and lease of property	16,695	3,524	418	1,923	22,560
Fees, licenses, and fines	1,130,023	924,180	152,560	211,750	2,418,513
Tobacco settlement	171,585	-	-	-	171,585
Contributions, gifts, and grants	49,901	86,188	2,387	53,617	192,093
Funds escheated	-	-	-	137,760	137,760
Federal COVID-19 funds	7,793,424	47,209	-	62,754	7,903,387
Miscellaneous	189,747	12,176	756	47,470	250,149
Total revenues	67,047,226	4,255,167	1,640,219	935,049	73,877,661
Expenditures					
Current:					
General government	3,028,140	-	-	69,590	3,097,730
Primary and secondary education	15,491,013	-	-	-	15,491,013
Higher education	5,238,809	-	-	238,094	5,476,903
Health and human services	30,758,970	-	-	80,305	30,839,275
Economic development	439,026	-	-	4,234	443,260
Environment and natural resources	564,575	-	-	241,859	806,434
Public safety, corrections, and regulation	4,716,986	-	-	274,902	4,991,888
Transportation	-	4,188,128	2,000,842	-	6,188,970
Agriculture	263,605	-	-	20,886	284,491
Capital outlay	-	-	-	151,327	151,327
Debt service:					
Principal retirement	683,355	116,791	49,795	2,927	852,868
Interest and fees	183,432	52,885	44,263	839	281,419
Debt issuance costs	439	-	466	-	905
Total expenditures	61,368,350	4,357,804	2,095,366	1,084,963	68,906,483
Excess revenues over (under) expenditures	5,678,876	(102,637)	(455,147)	(149,914)	4,971,178
Other Financing Sources (Uses)					
Special indebtedness issued	-	-	300,000	-	300,000
GARVEE bonds issued	-	252,595	-	-	252,595
Refunding bonds issued	132,025	-	-	-	132,025
Other debt issued	29,977	4,421	-	14	34,412
Premium on debt issued	26,218	53,561	34,013	-	113,792
Sale of capital assets	8,067	17,867	107	28,916	54,957
Insurance recoveries	1,469	12,862	-	12,649	26,980
Transfers in (Note 10)	1,186,212	368,914	-	274,290	1,829,416
Transfers out (Note 10)	(596,640)	(51,968)	(89,978)	(239,311)	(977,897)
Total other financing sources (uses)	787,328	658,252	244,142	76,558	1,766,280
Net change in fund balances	6,466,204	555,615	(211,005)	(73,356)	6,737,458
Fund balances — July 1, as restated (Note 23)	11,961,391	692,825	1,838,206	2,979,513	17,471,935
Fund balances — June 30	\$ 18,427,595	\$ 1,248,440	\$ 1,627,201	\$ 2,906,157	\$ 24,209,393

The accompanying Notes to the Financial Statements are an integral part of this statement.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2022

*Exhibit B-2a**(Dollars in Thousands)*

Net change in fund balances - total governmental funds (see Exhibit B-2) \$ 6,737,458

Amounts reported for governmental activities in the Statement of Activities are different because:

– Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlays (including construction-in-progress and computer soft. in develop.)	\$ 4,334,182	
Less: Depreciation expense (excluding internal service funds)	<u>(1,213,518)</u>	
Net capital outlay adjustment		3,120,664
– Proceeds from the sale of capital assets increase financial resources in the funds, whereas in the Statement of Activities only the gain or loss on the sale is reported. This adjustment reduces the proceeds by the book value of the capital assets sold.		(46,689)
– Donations of capital assets do not appear in the governmental funds because they are not financial resources, but increase net position in the Statement of Activities.		5,197
– Pension Contributions (excluding internal service funds) to defined benefit pension plans in the current fiscal year are not included on the Statement of Activities.		685,532
– OPEB Contributions (excluding internal service funds) to defined benefit OPEB plans in the current fiscal year are not included on the Statement of Activities.		284,217
– Benefit payments to the special separation allowance defined benefit pension plan in the current fiscal year are not included on the Statement of Activities (see Note 12).		19,567
– Long-term debt proceeds provide current financial resources to governmental funds, while the repayment of the related debt principal consumes those financial resources. These transactions, however, have no effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. In the current period, these amounts consist of:		
Debt issued or incurred:		
Bonds and similar debt issued	(684,620)	
Leases (excluding internal service funds)	(34,412)	
Premiums on debt issued	(113,792)	
Principal repayments:		
Bonds, notes, and similar debt	809,946	
Leases (excluding internal service funds)	<u>42,922</u>	
Net debt adjustments		20,044
– Some revenues in the Statement of Activities do not provide current financial resources and, therefore, are deferred inflows of resources in the funds. Also, revenues related to prior periods that became available during the current period are reported in the funds but are eliminated in the Statement of Activities. This amount is the net adjustment.		(2,683)
– Change in equity interest of component unit resulting from changes in stockholder's equity are not current financial resources, and therefore, are not recognized in the funds.		5,086
– Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not recognized in the funds. Also, some payments related to prior periods are recognized in the funds but are eliminated in the Statement of Activities. In the current period, the net adjustments consist of:		
Accrued interest	4,419	
Compensated absences (excluding internal service funds)	23,793	
Workers' compensation (excluding internal service funds)	54,994	
Pension expense (excluding internal service funds)	(408,675)	
OPEB expense (excluding internal service funds)	64,274	
Pollution remediation	328	
Amortization of deferred amounts	<u>103,758</u>	
Net expense accruals		(157,109)
– Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenues of internal service funds are included with governmental activities in the Statement of Activities (see Exhibit B-4).		<u>4,621</u>
Change in net position - governmental activities (see Exhibit A-2)		<u>\$ 10,675,905</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.