

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**

June 30, 2021

Exhibit B-1

(Dollars in Thousands)

	General Fund	Highway Fund	Highway Trust Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents (Note 3)	\$ 15,254,777	\$ 1,270,067	\$ 811,833	\$ 1,640,072	\$ 18,976,749
Investments (Note 3)	9,294	-	-	360,641	369,935
Securities lending collateral (Note 3)	204	12	11	14	241
Receivables, net: (Note 4)					
Taxes receivable	2,602,309	160,472	41,036	6,445	2,810,262
Accounts receivable	338,570	44,224	13,227	18,336	414,357
Intergovernmental receivable	1,243,119	57,406	2,005	1,688	1,304,218
Interest receivable	287	10	7	1,976	2,280
Contributions receivable	92	-	-	-	92
Other receivables	-	4,107	-	-	4,107
Due from other funds (Note 10)	258,566	65,525	202,188	26,638	552,917
Due from component units (Note 18)	33,404	-	-	-	33,404
Inventories	118,676	88,439	-	21,955	229,070
Advances to other funds (Note 10)	-	-	430,655	-	430,655
Advances to component units	-	2,191	-	-	2,191
Advances to outside entities	54,817	-	-	-	54,817
Notes receivable, net (Note 4)	14,424	101	15	58,233	72,773
Securities held in trust	15	2,694	-	55,863	58,572
Restricted/designated cash and cash equivalents (Note 3)	38,130	-	-	405,792	443,922
Restricted investments (Note 3)	1,976	175,994	425,333	648,561	1,251,864
<b>Total Assets</b>	<b>19,968,660</b>	<b>1,871,242</b>	<b>1,926,310</b>	<b>3,246,214</b>	<b>27,012,426</b>
<b>Deferred Outflows of Resources</b>					
Forward funded state aid	163,483	-	-	37,287	200,770
<b>Total Assets and Deferred Outflows</b>	<b>\$ 20,132,143</b>	<b>\$ 1,871,242</b>	<b>\$ 1,926,310</b>	<b>\$ 3,283,501</b>	<b>\$ 27,213,196</b>
<b>Liabilities</b>					
Accounts payable and accrued liabilities:					
Accounts payable	\$ 323,933	\$ 289,429	\$ 61,483	\$ 37,694	\$ 712,539
Accrued payroll	3,297	37,219	-	87	40,603
Intergovernmental payable	971,277	155,541	4,793	11,338	1,142,949
Claims payable	-	-	-	100,000	100,000
Medical claims payable	1,044,109	-	-	-	1,044,109
Tax refunds payable	1,170,642	14,249	3,562	-	1,188,453
Obligations under securities lending	204	12	11	14	241
Due to fiduciary funds (Note 10)	124,383	-	-	-	124,383
Due to other funds (Note 10)	69,876	215,022	16,245	1,299	302,442
Due to component units (Note 18)	5,712	-	-	8,140	13,852
Unearned revenue	4,264,500	41,713	2,010	575	4,308,798
Advance from other funds (Note 10)	-	400,300	-	-	400,300
Deposits payable	2,719	-	-	8	2,727
Funds held for others	28,383	19,782	-	55,953	104,118
<b>Total Liabilities</b>	<b>8,009,035</b>	<b>1,173,267</b>	<b>88,104</b>	<b>215,108</b>	<b>9,485,514</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	243,815	5,150	-	7,357	256,322
<b>Fund Balances (Note 11)</b>					
Nonspendable	118,773	88,439	-	167,580	374,792
Restricted	231,967	179,233	425,333	1,743,096	2,579,629
Committed	2,584,622	425,153	1,412,873	1,146,798	5,569,446
Assigned	531,349	-	-	3,562	534,911
Unassigned	8,412,582	-	-	-	8,412,582
<b>Total Fund Balances</b>	<b>11,879,293</b>	<b>692,825</b>	<b>1,838,206</b>	<b>3,061,036</b>	<b>17,471,360</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 20,132,143</b>	<b>\$ 1,871,242</b>	<b>\$ 1,926,310</b>	<b>\$ 3,283,501</b>	<b>\$ 27,213,196</b>

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, 2021

Exhibit B-1a

(Dollars in Thousands)

**Total fund balances - governmental funds (see Exhibit B-1)** \$ 17,471,360

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

<ul style="list-style-type: none"> <li>– <b>Capital assets</b> used in governmental activities are not financial resources and, therefore, are not reported in the funds (see Note 5). These consist of:               <table style="margin-left: 20px; width: 80%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Cost of capital assets (excluding internal service funds)</td> <td style="text-align: right;">\$ 60,331,525</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Less: Accumulated depreciation (excluding internal service funds)</td> <td style="text-align: right;">(862,096)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Net capital assets</td> <td></td> <td style="text-align: right;">59,469,429</td> </tr> </table> </li> <li>– <b>Some assets</b>, 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. <span style="float: right;">256,322</span></li> <li>– <b>Equity interest in component unit</b> is not a financial resource and, therefore, is not reported in the funds. <span style="float: right;">366,500</span></li> <li>– <b>Net OPEB asset</b> (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). <span style="float: right;">9,117</span></li> <li>– <b>Deferred losses on refundings</b> are reported in the Statement of Net Position (to be amortized as interest expense) but are not reported in the funds. <span style="float: right;">49,259</span></li> <li>– <b>Deferred outflows for pensions</b> (excluding internal service funds) are reported in the Statement of Net Position but are not reported in the funds (see Note 12). <span style="float: right;">1,327,215</span></li> <li>– <b>Deferred outflows for OPEB</b> (excluding internal service funds) are reported in the Statement of Net Position but are not reported in the funds (see Note 14). <span style="float: right;">844,537</span></li> <li>– <b>Long-term debt instruments</b>, 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:               <table style="margin-left: 20px; width: 80%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">General obligation bonds payable</td> <td style="text-align: right;">(2,648,385)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Limited obligation bonds payable</td> <td style="text-align: right;">(2,275,750)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">GARVEE bonds payable</td> <td style="text-align: right;">(875,865)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Unamortized debt premiums (to be amortized as interest expense)</td> <td style="text-align: right;">(638,351)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Notes from direct borrowings</td> <td style="text-align: right;">(40,185)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Capital leases payable</td> <td style="text-align: right;">(8,254)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Net long-term debt</td> <td></td> <td style="text-align: right;">(6,486,790)</td> </tr> </table> </li> <li>– <b>Other liabilities</b> not due and payable in the current period and, therefore, not reported in the funds (see Note 8 as applicable) consist of:               <table style="margin-left: 20px; width: 80%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Accrued interest payable</td> <td style="text-align: right;">(33,763)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Compensated absences (excluding internal service funds)</td> <td style="text-align: right;">(591,317)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Obligations for workers' compensation (excluding internal service funds)</td> <td style="text-align: right;">(691,803)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Death benefit payable</td> <td style="text-align: right;">(37)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Pollution remediation payable</td> <td style="text-align: right;">(7,656)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Claims and judgments payable</td> <td style="text-align: right;">(731,703)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Pension liability (excluding internal service funds)</td> <td style="text-align: right;">(3,022,347)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Net OPEB liability (excluding internal service funds)</td> <td style="text-align: right;">(5,236,538)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Total other liabilities</td> <td></td> <td style="text-align: right;">(10,315,164)</td> </tr> </table> </li> <li>– <b>Deferred inflows for pensions</b> (excluding internal service funds) are reported in the Statement of Net Position but are not reported in the funds (see Note 12). <span style="float: right;">(24,920)</span></li> <li>– <b>Deferred inflows for OPEB</b> (excluding internal service funds) are reported in the Statement of Net Position but are not reported in the funds (see Note 14). <span style="float: right;">(2,454,201)</span></li> <li>– <b>Internal service funds</b> 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). <span style="float: right;">168,435</span></li> </ul>	Cost of capital assets (excluding internal service funds)	\$ 60,331,525		Less: Accumulated depreciation (excluding internal service funds)	(862,096)		Net capital assets		59,469,429	General obligation bonds payable	(2,648,385)		Limited obligation bonds payable	(2,275,750)		GARVEE bonds payable	(875,865)		Unamortized debt premiums (to be amortized as interest expense)	(638,351)		Notes from direct borrowings	(40,185)		Capital leases payable	(8,254)		Net long-term debt		(6,486,790)	Accrued interest payable	(33,763)		Compensated absences (excluding internal service funds)	(591,317)		Obligations for workers' compensation (excluding internal service funds)	(691,803)		Death benefit payable	(37)		Pollution remediation payable	(7,656)		Claims and judgments payable	(731,703)		Pension liability (excluding internal service funds)	(3,022,347)		Net OPEB liability (excluding internal service funds)	(5,236,538)		Total other liabilities		(10,315,164)	<p><b>Total net position - governmental activities (see Exhibit A-1)</b> <span style="border-bottom: 1px solid black; border-bottom-width: 3px;">\$ 60,681,099</span></p>
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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, 2021

Exhibit B-2

(Dollars in Thousands)

	General Fund	Highway Fund	Highway Trust Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes:					
Individual income tax	\$ 15,368,872	\$ -	\$ -	\$ -	\$ 15,368,872
Corporate income tax	1,304,274	-	-	-	1,304,274
Sales and use tax	9,811,208	-	-	8,539	9,819,747
Motor fuels tax	-	1,654,803	388,716	25,668	2,069,187
Franchise tax	870,914	-	-	-	870,914
Highway use tax	-	10,000	993,310	-	1,003,310
Insurance tax	722,936	-	-	-	722,936
Beverage tax	533,261	-	-	-	533,261
Tobacco products tax	307,333	-	-	-	307,333
Other taxes	208,819	-	-	126,652	335,471
Federal funds	20,363,937	1,303,218	-	189,761	21,856,916
Local funds	108,692	25,137	8,963	10,738	153,530
Investment earnings	34,354	2,379	1,941	49,306	87,980
Interest earnings on loans	143	-	359	626	1,128
Sales and services	181,131	3,866	-	142,407	327,404
Rental and lease of property	14,433	4,507	344	1,517	20,801
Fees, licenses, and fines	948,519	929,584	160,581	243,035	2,281,719
Tobacco settlement	167,234	-	-	-	167,234
Contributions, gifts, and grants	62,609	107,163	5,470	55,843	231,085
Funds escheated	-	-	-	151,474	151,474
Federal COVID-19 funds	5,410,439	172,962	-	19,088	5,602,489
Miscellaneous	174,968	8,809	1,179	34,714	219,670
<b>Total revenues</b>	<b>56,594,076</b>	<b>4,222,428</b>	<b>1,560,863</b>	<b>1,059,368</b>	<b>63,436,735</b>
<b>Expenditures</b>					
Current:					
General government	2,420,009	-	-	64,410	2,484,419
Primary and secondary education	12,947,489	-	-	-	12,947,489
Higher education	4,758,214	-	-	386,278	5,144,492
Health and human services	25,628,484	-	-	76,965	25,705,449
Economic development	672,801	-	-	2,615	675,416
Environment and natural resources	522,934	-	-	256,178	779,112
Public safety, corrections, and regulation	4,221,467	-	-	283,009	4,504,476
Transportation	-	3,141,617	1,639,364	-	4,780,981
Agriculture	263,309	-	-	22,729	286,038
Capital outlay	-	-	-	177,741	177,741
Debt service:					
Principal retirement	519,062	86,197	40,745	-	646,004
Interest and fees	192,697	48,743	30,554	32	272,026
Debt issuance costs	399	8	584	600	1,591
<b>Total expenditures</b>	<b>52,146,865</b>	<b>3,276,565</b>	<b>1,711,247</b>	<b>1,270,557</b>	<b>58,405,234</b>
Excess revenues over (under) expenditures	4,447,211	945,863	(150,384)	(211,189)	5,031,501
<b>Other Financing Sources (Uses)</b>					
General obligation bonds issued	-	-	-	400,000	400,000
Special indebtedness issued	-	-	700,000	-	700,000
Premium on debt issued	-	-	148,687	50,350	199,037
Sale of capital assets	7,072	8,281	160	208	15,721
Insurance recoveries	1,297	54,836	-	180	56,313
Transfers in (Note 10)	1,128,386	57,972	-	243,102	1,429,460
Transfers out (Note 10)	(290,281)	(43,942)	(82,883)	(178,821)	(595,927)
<b>Total other financing sources (uses)</b>	<b>846,474</b>	<b>77,147</b>	<b>765,964</b>	<b>515,019</b>	<b>2,204,604</b>
Net change in fund balances	5,293,685	1,023,010	615,580	303,830	7,236,105
Fund balances — July 1, as restated (Note 23)	6,585,608	(330,185)	1,222,626	2,757,206	10,235,255
Fund balances — June 30	<b>\$ 11,879,293</b>	<b>\$ 692,825</b>	<b>\$ 1,838,206</b>	<b>\$ 3,061,036</b>	<b>\$ 17,471,360</b>

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, 2021

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

<b>Net change in fund balances - total governmental funds (see Exhibit B-2)</b>		\$ 7,236,105
Amounts reported for governmental activities in the Statement of Activities are different because:		
– <b>Capital outlays</b> 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.)	\$ 3,197,292	
Less: Depreciation expense (excluding internal service funds)	<u>(1,079,843)</u>	
Net capital outlay adjustment		2,117,449
– <b>Proceeds from the sale of capital assets</b> 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.		(60,423)
– <b>Donations of capital assets</b> do not appear in the governmental funds because they are not financial resources, but increase net position in the Statement of Activities.		1,692
– <b>Pension Contributions</b> (excluding internal service funds) to defined benefit pension plans in the current fiscal year are not included on the Statement of Activities.		633,673
– <b>OPEB Contributions</b> (excluding internal service funds) to defined benefit OPEB plans in the current fiscal year are not included on the Statement of Activities.		358,402
– <b>Benefit payments</b> 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).		18,738
– <b>Long-term debt</b> 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	(1,100,000)	
Premiums on debt issued	(199,037)	
Principal repayments:		
Bonds, notes, and similar debt	643,602	
Capital leases	<u>2,402</u>	
Net debt adjustments		(653,033)
– <b>Some revenues</b> 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.		34,631
– <b>Change in equity interest</b> of component unit resulting from changes in stockholder's equity are not current financial resources, and therefore, are not recognized in the funds.		(5,674)
– <b>Some expenses</b> 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	3,314	
Compensated absences (excluding internal service funds)	(1,824)	
Workers' compensation (excluding internal service funds)	23,669	
Pension expense (excluding internal service funds)	(863,015)	
OPEB expense (excluding internal service funds)	70,826	
Pollution remediation	290	
Amortization of deferred amounts	<u>98,276</u>	
Net expense accruals		(668,464)
– <b>Internal service funds</b> 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>(15,599)</u>
<b>Change in net position - governmental activities (see Exhibit A-2)</b>		<u>\$ 8,997,497</u>

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