
COMMONWEALTH OF VIRGINIA

GENERAL FUND PRELIMINARY (UNAUDITED) ANNUAL REPORT

For the Fiscal Year Ended June 30, 2025

Presented on a Cash Basis



Scott L. Adams
Comptroller
August 13, 2025

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COMMONWEALTH of VIRGINIA

SCOTT L. ADAMS, CPA
COMPTROLLER

Office of the Comptroller

P. O. BOX 1971
RICHMOND, VIRGINIA 23218-1971

August 13, 2025

The Honorable Glenn Youngkin
Governor
Commonwealth of Virginia
State Capitol
Richmond, Virginia 23219

Dear Governor Youngkin:

In compliance with the provisions of Section 2.2-813 of the *Code of Virginia*, I hereby submit my preliminary annual report on the financial condition of the General Fund of the Commonwealth for the fiscal year ended June 30, 2025.

The Commonwealth ended fiscal year 2025 with a total fund balance in the General Fund of \$15.4 billion measured on the cash basis of accounting. This is a decrease of \$125.2 million from last year's ending fund balance of \$15.6 billion. Planned (budgeted) decreases in the General Fund balance for this year were \$6.7 billion. The difference between the planned decrease and actual decrease is primarily attributed to revenue collections and other sources being approximately \$998.0 million more than expected and expenditures and other uses being approximately \$5.6 billion less than budgeted. This report includes funds that are defined as part of the General Fund pursuant to Governmental Accounting Standards Board Statement No. 54 (GASBS No. 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. Accordingly, \$2.9 billion of the ending fund balance is attributable to these funds, such as the Water Quality Improvement Fund and the Commonwealth's Development Opportunity Fund. Additional information on fund equity is located in Note 5, and fund balance classifications are shown in the first graph on page 9.

Revenue Stabilization Fund

The Revenue Stabilization Fund is routinely segregated from the General Fund, but Virginia law directs that the Revenue Stabilization Fund be included as a component of the General Fund for financial reporting purposes. Therefore, it is included here both as a cash asset and as a restricted component of fund balance. The Revenue Stabilization Fund can be used only for constitutionally authorized purposes.

The Revenue Stabilization Fund has principal and interest on deposit of \$2.9 billion restricted as a part of the General Fund balance. No deposit is required during fiscal year 2026 based on fiscal year 2024 revenue collections. Also, no deposit is required during fiscal year 2027 based on fiscal year 2025 revenue collections.

Section 2.2-1829(b) of the *Code of Virginia* requires an additional deposit into the Fund when specific criteria have been met. No such deposit is required since the specified criteria were not met for fiscal year 2025.

Revenue Reserve Fund

The Revenue Reserve Fund is routinely segregated from the General Fund, but Virginia law directs that the Revenue Reserve Fund be included as a component of the General Fund for financial reporting purposes. Therefore, it is included here as both a cash asset and as a committed component of fund balance.

Section 2.2-1831.2 of the *Code of Virginia* established the Revenue Reserve Fund. As of June 30, 2025, the fund has principal and interest on deposit of \$1.9 billion committed as part of the General Fund balance. This amount is set aside to mitigate certain anticipated revenue shortfalls when appropriations based on previous revenue forecasts exceed expected revenues in subsequent forecasts.

A deposit of \$294.5 million and withdrawals totaling \$432.8 million were made during fiscal year 2025. Section 2.2-1831.3 of the *Code of Virginia* specifies a deposit to the fund if there is a fiscal year where there is no mandatory deposit to the Revenue Stabilization Fund and general fund revenue exceeds the official estimate. The Department of Planning and Budget has identified a deposit of \$312.3 million to be made to the fund during fiscal year 2026. Additional information is located in Note 11.

Amounts Available for Reappropriation

Section 4-1.05a.1 of Chapter 725, 2025 Acts of Assembly Reconvened Session requires reappropriation of 2025 fiscal year unexpended appropriations for Legislative and Judicial Departments, as well as Independent Agencies and states that institutions of higher education reappropriations are subject to Section 23.1-1002 of the *Code of Virginia*. Additionally, this Section specifies that unexpended balances in the Executive Department will be reappropriated where required by the *Code of Virginia*, where necessary for the payment of preexisting obligations, or where the Governor determines reappropriation is appropriate. Section 4-0.01b provides that all appropriations, however, are declared to be conditioned on the receipt of sufficient revenue to support them.

Based on an analysis by the Department of Planning and Budget of unexpended appropriations and balances at June 30, 2025, the following amounts have been committed: \$2.9 billion for capital outlay project needs; \$24.9 million for health care services; \$55.0 million for central capital planning; \$30.4 million for communication sales and use tax distributions; \$47.6 million for natural disaster sum sufficient amounts; \$1.6 billion for mandatory reappropriations; \$65.0 million for Virginia military survivors and dependents education program; \$184.5 million for potential federal fund reduction impact; \$107.9 million pending transfer to the Water Quality Improvement Fund; \$2.2 billion for the Revenue Reserve Fund; \$70,000 for the Taxpayer Relief Fund; \$977.8 million for the Individual Income Tax Rebate Fund; and \$750,000 for local government fiscal distress relief.

In addition, the Department of Planning and Budget has identified \$13.3 million as available balances to meet the requirements of Chapter 725, 2025 Acts of Assembly Reconvened Session. The Department of Planning and Budget has also identified the following amounts to be assigned: \$474.3 million for discretionary reappropriations and \$838.7 million for additional budgetary priorities and contingencies.

Additionally, restricted balances of \$21.1 million, committed balances of \$2.8 billion and assigned balances of \$111.3 million are being reported due to the inclusion of additional funds pursuant to GASBS No. 54.

Virginia Water Quality Improvement Fund

Section 10.1-2128 of the *Code of Virginia* established the Virginia Water Quality Improvement Fund. The Fund has \$797.0 million on deposit committed as part of the General Fund balance. The Fund was established to provide Water Quality Improvement Grants to various entities to assist in pollution prevention and reduction. The Fund shall consist of amounts appropriated by the General Assembly. Unless otherwise specified by the general appropriation act, these appropriations shall consist of ten percent of revenues collected in excess of the official estimate and ten percent of any unrestricted and uncommitted fund balance not required for reappropriation. In the legislative context, “committed” refers to planned future usage versus the fund balance classification.

For the year ended June 30, 2025, \$55.2 million and \$52.7 million that represent ten percent of the revenue collected in excess of the official estimate reduced by the amount appropriated in Chapter 725, 2025 Acts of Assembly Reconvened Session, for the 2025 Virginia military survivors and dependents education program and ten percent of any unrestricted and uncommitted fund balance not required for reappropriation, respectively, have been committed. Additional information is located in Note 10.

Basis of Presentation

This preliminary annual report is comprised of cash basis financial statements that present the financial condition, results of operations, and changes in fund balance of the Commonwealth's General Fund. The notes to the financial statements are an important and integral part of the statements.

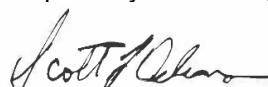
This preliminary report is presented on an unaudited basis. In preparing this report, we relied upon the internal accounting controls of the Commonwealth that are designed to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and are properly recorded to permit the preparation of financial statements.

Final Report and Award

The final Annual Report of the Comptroller, due on December 15, 2025, will include certain accruals and other information required for conformance with generally accepted accounting principles. It will be audited by the Auditor of Public Accounts.

We are proud to report that the Annual Comprehensive Financial Report for the year ended June 30, 2024, was awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA). Virginia's Annual Report has received this award for 39 consecutive years. In addition, Virginia received a companion award from the GFOA for its fiscal year 2024 Popular Report, entitled *Virginia Financial Perspective*. Virginia's Popular Report has received this award for 30 consecutive years.

Respectfully submitted,



Scott L. Adams

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SUMMARY OF GENERAL FUND ACTIVITY

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Commonwealth of Virginia
Preliminary Balance Sheet
General Fund - Cash Basis (Unaudited)
June 30, 2025
(Dollars in Thousands)

Assets

Cash, Cash Equivalents, and Investments	\$ 15,613,710	
Cash and Travel Advances	419	
Other Assets	342	
Due From Other Funds (Note 4)	<u>5,780</u>	
Total Assets		<u>\$ 15,620,251</u>

Liabilities and Fund Equity

Liabilities:

Payments Awaiting Disbursement	149,210	
Deposits Pending Distribution	16,175	
Due To Other Funds (Note 4)	<u>18,174</u>	
Total Liabilities		\$ 183,559

Fund Equity (Note 5):

Restricted Fund Balance:

Revenue Stabilization Fund (Note 6)	2,882,213
Lottery Proceeds Fund (Note 7)	32,031
Water Supply Assistance Grant Fund	<u>21,096</u>

Total Restricted Fund Balance	<u>2,935,340</u>
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Committed Fund Balance (Note 8):

Amount Required for Reappropriation of	
2025 Unexpended Balances for Capital Outlay and Restoration Projects	2,938,536
Virginia Health Care Fund	24,865
Central Capital Planning Fund	55,043
Communication Sales and Use Tax (Note 9)	30,378
Commonwealth's Development Opportunity Fund	148,020
Natural Disaster Sum Sufficient	47,620
Amount Required for Mandatory Reappropriation	1,618,832
Virginia Military Survivors and Dependents Education Program - 2025	20,000
Reserve for Potential Federal Fund Reduction Impact	184,468
Virginia Water Quality Improvement Fund (Note 10)	797,028
Virginia Water Quality Improvement Fund - Part A 2025 (Note 10)	55,200
Virginia Water Quality Improvement Fund - Part B 2025 (Note 10)	52,695
Virginia Military Survivors and Dependents Education Program - 2024	45,000
Revenue Reserve Fund (Note 11)	1,867,054
Revenue Reserve 2026 (Note 11)	312,330
Taxpayer Relief Fund	70
Individual Income Tax Rebate (Note 12)	977,843
Local Government Fiscal Distress	750
Economic and Technological Development	980,472
Educational and Training programs	573,677
Health and Public Safety	132,926
Environmental Quality and Natural Resource Preservation	103,154
Transportation Activities	78,199
Other	<u>19,631</u>

Total Committed Fund Balance	<u>11,063,791</u>
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Assigned Fund Balance (Note 8):

Amount Required by Chapter 725	13,346
Health and Public Safety	30,713
Environmental Quality and Natural Resource Preservation	19,206
Economic and Technological Development	17,087
Employee Benefit Administration	9,523
Educational and Training programs	8,080
Amount Required for Discretionary Reappropriations	474,257
Amount for Additional Budgetary Priorities and Contingencies	838,705
Other	<u>26,644</u>

Total Assigned Fund Balance	<u>1,437,561</u>
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Total Fund Equity	<u>\$ 15,436,692</u>
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Total Liabilities and Fund Balance	<u>\$ 15,620,251</u>
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Commonwealth of Virginia
Preliminary Statement of Revenues, Expenditures,
and Changes in Fund Balance
General Fund - Cash Basis (Unaudited)
For the Fiscal Years Ended June 30, 2021 through June 30, 2025
(Dollars in Thousands)

	Year Ended				
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Revenues:					
Taxes:					
Individual and Fiduciary Income	\$ 21,892,442	\$ 20,310,406	\$ 18,983,556	\$ 20,410,206	\$ 17,303,666
Sales and Use	5,400,646	5,283,586	5,291,545	5,080,580	4,624,549
Corporation Income	1,878,586	1,907,065	2,031,120	1,978,697	1,515,692
Communications Sales and Use (Note 9)	273,348	277,892	292,848	301,446	314,768
Deeds, Contracts, Wills, and Suits	477,680	412,602	437,137	665,602	694,822
Premiums of Insurance Companies	541,452	468,192	450,877	426,830	363,105
Alcoholic Beverage Sales	308,440	314,127	307,412	300,153	296,059
Tobacco Products	210,822	224,958	246,132	278,626	286,632
Estate	990	-	-	27	810
Public Service Corporations	114,467	106,903	104,449	102,586	101,114
Other Taxes	220,041	203,376	100,080	88,835	46,116
Total Taxes	31,318,914	29,509,107	28,245,156	29,633,588	25,547,333
Rights and Privileges	138,068	120,841	126,834	113,371	95,255
Sales of Property and Commodities	25,222	46,429	28,879	20,185	19,507
Assessments and Receipts for Support of Special Services	7,240	8,052	5,514	5,897	5,960
Institutional Revenue	39,283	38,912	32,955	33,673	32,283
Interest, Dividends, and Rents	912,071	969,643	442,145	82,207	94,461
Fines, Forfeitures, Court Fees, Penalties, and Escheats	258,615	258,227	258,492	220,132	225,120
Federal Grants and Contracts	11,382	11,547	11,259	11,725	9,693
Receipts from Cities, Counties, and Towns	9,073	8,358	7,659	7,122	6,597
Private Donations, Gifts and Contracts	407	791	431	336	481
Tobacco Master Settlement	48,210	50,822	56,987	62,813	100,515
Other	393,032	341,127	466,650	403,039	293,859
Total Revenues (Note 2)	33,161,517	31,363,856	29,682,961	30,594,088	26,431,064
Expenditures:					
General Government	2,744,034	3,578,649	2,715,673	2,783,669	2,532,665
Education	14,903,673	13,687,155	12,708,311	11,330,277	9,968,154
Transportation	155,523	20,574	6,349	164	147
Resources and Economic Development	1,066,196	918,748	770,440	616,873	532,353
Individual and Family Services	10,722,627	9,063,203	8,809,425	7,369,472	7,051,802
Administration of Justice	3,876,512	3,692,419	3,447,349	3,142,616	3,000,321
Capital Outlay	523,170	376,807	144,107	59,151	2,898
Debt Service:					
Principal Retirement	27,430	24,589	35,256	20,571	-
Interest and Charges	6,014	4,675	2,834	2,904	-
Total Expenditures	34,025,179	31,366,819	28,639,744	25,325,697	23,088,340
Revenues Over (Under) Expenditures	(863,662)	(2,963)	1,043,217	5,268,391	3,342,724
Other Financing Sources (Uses):					
Transfers:					
Operating Transfers In	1,552,420	1,278,203	1,168,403	1,172,516	1,052,608
Operating Transfers Out	(813,965)	(806,085)	(493,910)	(570,986)	(414,818)
Total Other Financing Sources (Uses)	738,455	472,118	674,493	601,530	637,790
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(125,207)	469,155	1,717,710	5,869,921	3,980,514
Fund Balance, July 1					
Restricted (Note 5)	2,804,457	2,712,576	2,690,501	1,783,359	650,540
Committed (Note 5)	9,071,466	7,770,839	5,692,557	2,469,243	1,355,193
Assigned (Note 5)	3,685,976	4,609,329	4,991,976	3,252,511	1,518,866
Fund Balance, July 1	15,561,899	15,092,744	13,375,034	7,505,113	3,524,599
Fund Balance, June 30					
Restricted (Note 5)	2,935,340	2,804,457	2,712,576	2,690,501	1,783,359
Committed (Note 5)	11,063,791	9,071,466	7,770,839	5,692,557	2,469,243
Assigned (Note 5)	1,437,561	3,685,976	4,609,329	4,991,976	3,252,511
Fund Balance, June 30	\$ 15,436,692	\$ 15,561,899	\$ 15,092,744	\$ 13,375,034	\$ 7,505,113

The accompanying notes are an integral part of this statement.

Commonwealth of Virginia
Preliminary Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
General Fund - Cash Basis (Unaudited)
For the Fiscal Year Ended June 30, 2025
(Dollars in Thousands)

	General Fund			
	Original Budget	Final Budget	Actual	Final Budget/ Actual Variance Favorable (Unfavorable)
Revenues:				
Taxes:				
Individual and Fiduciary Income	\$ 19,244,700	\$ 21,558,100	\$ 21,892,442	\$ 334,342
Sales and Use	5,264,000	5,383,867	5,400,646	16,779
Corporation Income	2,065,500	1,791,500	1,878,586	87,086
Communications Sales and Use (Note 9)	310,000	275,000	273,348	(1,652)
Deeds, Contracts, Wills, and Suits	464,700	463,600	477,680	14,080
Premiums of Insurance Companies	439,300	485,800	541,452	55,652
Alcoholic Beverage Sales	337,200	314,500	308,440	(6,060)
Tobacco Products	228,670	230,300	210,822	(19,478)
Estate	-	-	990	990
Public Service Corporations	105,900	108,000	114,467	6,467
Other Taxes	195,297	194,329	220,041	25,712
Rights and Privileges	125,142	128,379	138,068	9,689
Sales of Property and Commodities	16,723	20,085	25,222	5,137
Assessments and Receipts for Support of Special Services	6,190	7,345	7,240	(105)
Institutional Revenue	49,737	48,433	39,283	(9,150)
Interest, Dividends, and Rents	730,494	645,085	912,071	266,986
Fines, Forfeitures, Court Fees, Penalties, and Escheats	257,269	264,774	258,615	(6,159)
Federal Grants and Contracts	10,754	10,754	11,382	628
Receipts from Cities, Counties, and Towns	8,400	8,100	9,073	973
Private Donations, Gifts and Contracts	236	228	407	179
Tobacco Master Settlement	55,000	50,800	48,210	(2,590)
Other	204,848	249,247	393,032	143,785
Total Revenues (Note 2)	30,120,060	32,238,226	33,161,517	923,291
Expenditures:				
Current:				
General Government	3,011,438	4,157,955	2,744,034	1,413,921
Education	14,591,896	15,914,125	14,903,673	1,010,452
Transportation	144,714	409,095	155,523	253,572
Resources and Economic Development	1,179,363	1,839,341	1,066,196	773,145
Individual and Family Services	10,419,695	11,207,891	10,722,627	485,264
Administration of Justice	3,816,855	4,014,410	3,876,512	137,898
Capital Outlay	1,216,823	2,082,286	523,170	1,559,116
Debt Service:				
Principal Retirement	27,430	27,430	27,430	-
Interest and Charges	6,014	6,014	6,014	-
Total Expenditures	34,414,228	39,658,547	34,025,179	5,633,368
Revenues Over (Under) Expenditures	(4,294,168)	(7,420,321)	(863,662)	6,556,659
Other Financing Sources (Uses):				
Transfers:				
Operating Transfers In	1,397,658	1,477,730	1,552,420	74,690
Operating Transfers Out	(634,891)	(806,406)	(813,965)	(7,559)
Total Other Financing Sources (Uses)	762,767	671,324	738,455	67,131
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(3,531,401)	(6,748,997)	(125,207)	6,623,790
Fund Balance, July 1	15,561,899	15,561,899	15,561,899	-
Fund Balance, June 30	\$ 12,030,498	\$ 8,812,902	\$ 15,436,692	\$ 6,623,790

The accompanying notes are an integral part of this statement.

Commonwealth of Virginia
Preliminary Comparison of Selected Sum-Sufficient Final Budget
Appropriations with Actual Expenditures
General Fund - Cash Basis (Unaudited)
For the Fiscal Year Ended June 30, 2025
(Dollars in Thousands)

	<u>Original Budget</u> <u>Appropriations</u>	<u>Final Budget</u> <u>Appropriations</u>	<u>Actual</u> <u>Expenditures</u>	<u>Amount (Over) Under</u> <u>Final Budget</u>
Enactment of Law s	\$ 65,306	\$ 119,992	\$ 61,408	\$ 58,584
Financial Assistance to Localities -- From Sale of Alcoholic Beverages and Other Distributions	30,380	13,966	13,315	651
Financial Assistance for Special State Revenue Sharing -- From Sales Tax	1,710,600	1,760,068	1,760,068	-
Cash Management Improvement Act Payment to the Federal Government	7,153	7,153	7,153	-
Totals	<u>\$ 1,813,439</u>	<u>\$ 1,901,179</u>	<u>\$ 1,841,944</u>	<u>\$ 59,235</u>

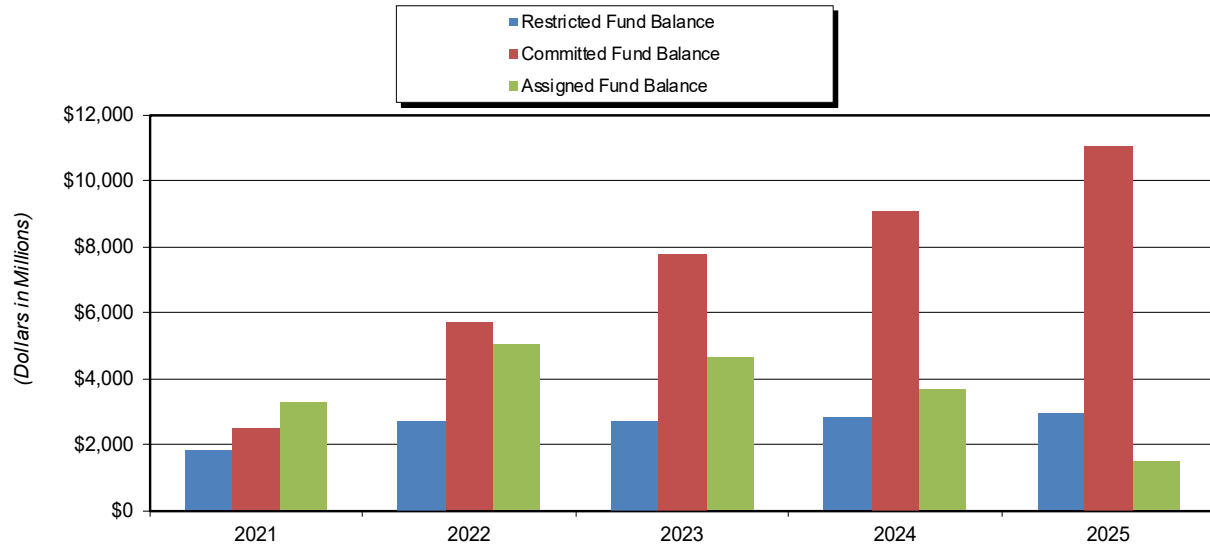
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GENERAL FUND GRAPHICS AND SUPPLEMENTAL SCHEDULES

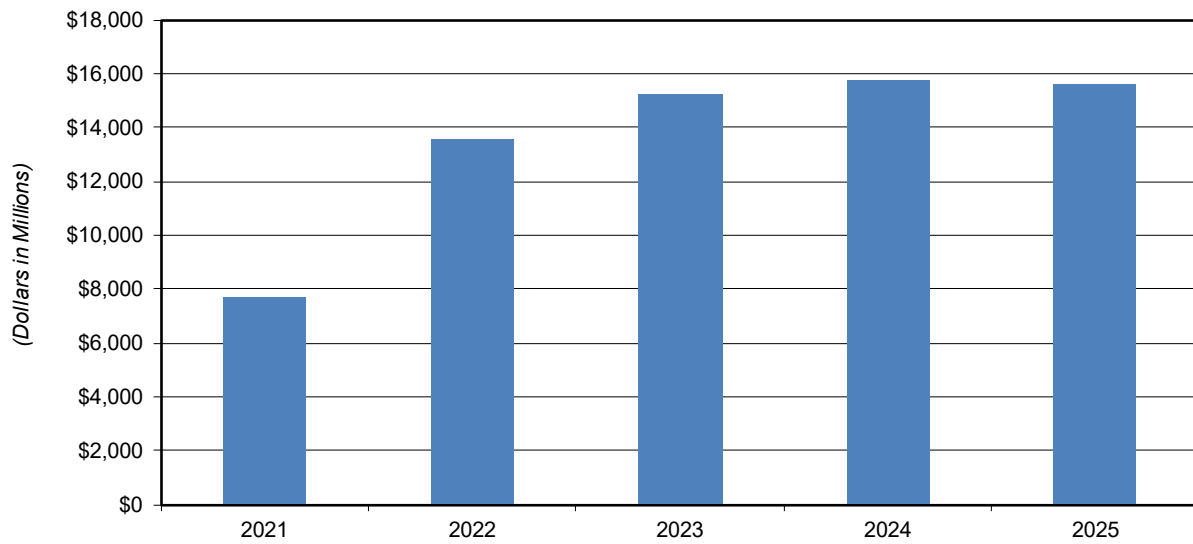


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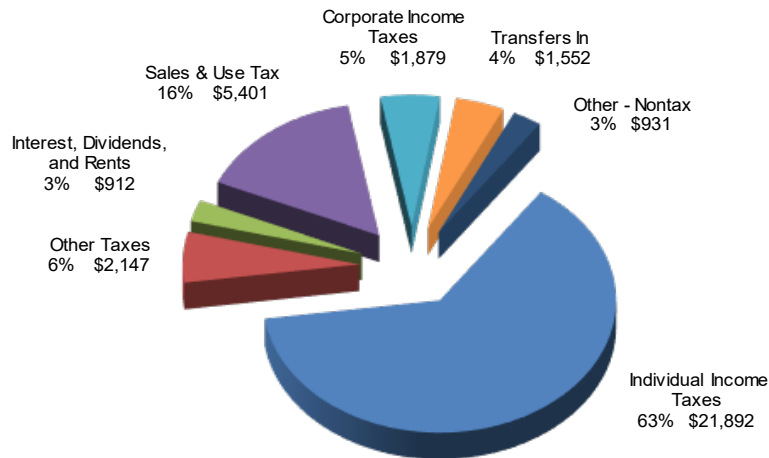
**General Fund
Fund Balance
Fiscal Years 2021-2025**



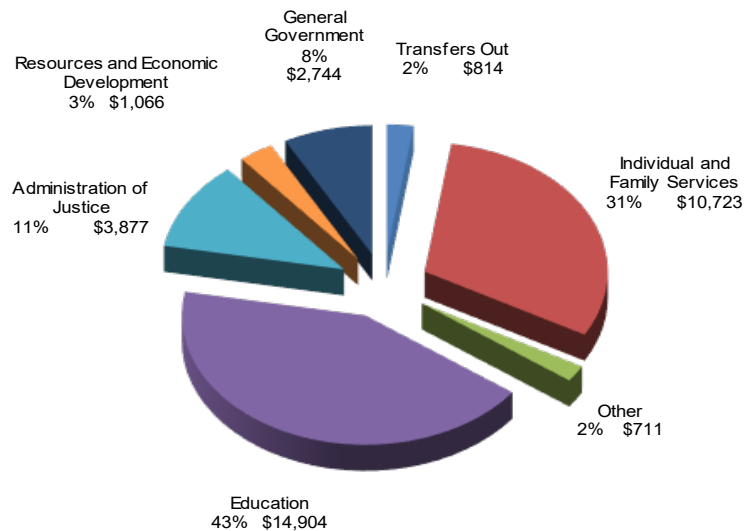
**General Fund
Cash, Cash Equivalents, and Investments
Fiscal Years 2021-2025**



**General Fund
Revenues by Revenue Class and Other Sources
Fiscal Year 2025
(Dollars in Millions)**

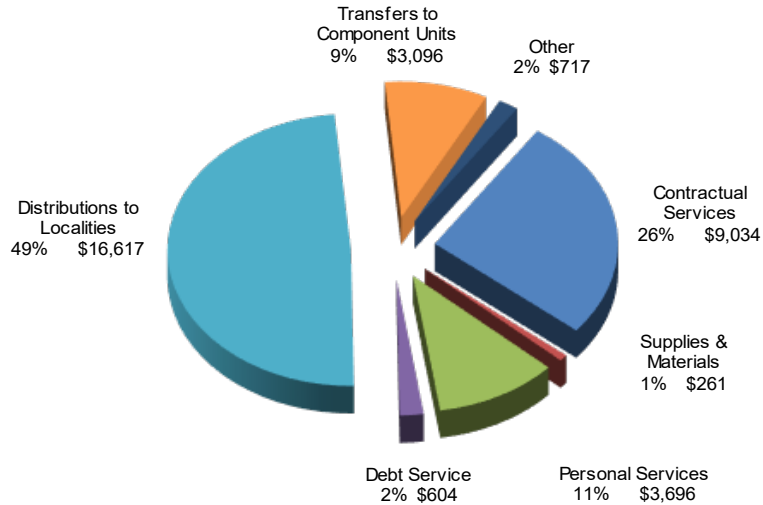


**General Fund
Expenditures by Function and Other Uses
Fiscal Year 2025
(Dollars in Millions)**

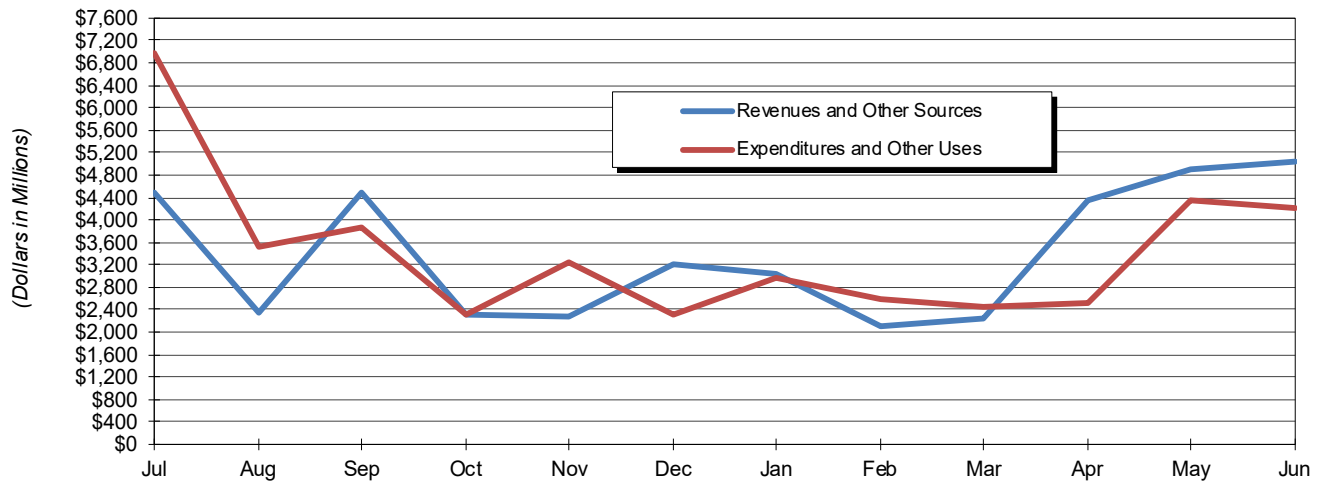


Note: General Government expenditures include \$949.8 million paid to localities pursuant to the Personal Property Tax Relief Act of 1998, and \$271.1 million in communication sales tax distributions. This represents 44.5 percent of the General Government expenditures.

**General Fund
Expenditures by Object
Fiscal Year 2025
(Dollars in Millions)**



**General Fund
Revenues and Other Sources and
Expenditures and Other Uses by Month
Fiscal Year 2025**



Note: July expenditures include \$1.7 billion in payments to Higher Education. Additionally, Other Sources and Uses for May include transfers of \$839.1 million associated with Appropriation Vetoes and Other Sources and Uses for June include transfers for the estimated Individual Income Tax Rebate of \$977.8 million.

Source: The Monthly Analysis of Cash and Investments Report, which is limited to budgetary general fund.

General Fund
Expenditures by Function and Significant Service Area
Fiscal Year 2025
(Dollars in Thousands)

Function:	Significant Service Area:	Amount	Totals
Education	Grades K-12	\$ 10,824,638	
	Higher Education	3,895,033	
	Other	184,002	
			\$ 14,903,673
Individual and Family Services	Medical Assistance Services	7,691,622	
	Behavioral Health and Developmental Services	1,454,783	
	Social Services	720,222	
	Children's Services	363,090	
	Health	252,794	
	Other	240,116	
			10,722,627
Administration of Justice	Corrections	2,001,575	
	Sheriffs and Inmate Confinement - Compensation Board	673,954	
	Courts	581,512	
	State Police	471,583	
	Other	147,888	
			3,876,512
General Government	Car Tax Relief (PPTRA)	949,797	
	Debt Service - Component Units	600,596	
	Communication Sales Tax Distribution	271,093	
	Constitutional Officers - Compensation Board	250,745	
	Criminal Justice - Locality Assistance	229,617	
	Tax Administration	119,075	
	Other	323,111	
			2,744,034
Resources and Economic Development	Conservation and Recreation	305,273	
	Environmental Quality	191,963	
	Housing and Community Development	131,437	
	Economic Development Partnership	109,979	
	Agriculture	50,002	
	Innovation Partnership Authority	42,488	
	Tourism	36,410	
	Forestry	32,910	
	Historic Resources	27,249	
	Energy	19,355	
	Health - Water Improvement and Environmental Safety	18,735	
	Marine Resources	16,534	
	Labor and Industry	13,943	
	Social Services - Regulation of Facilities and Services	13,016	
	Fort Monroe	7,904	
	Other	48,998	
			1,066,196
Other	Capital Outlay	523,170	
	Transportation	155,523	
	Debt Service - Principal Retirement	27,430	
	Debt Service - Interest and Charges	6,014	
			712,137
			<u>\$ 34,025,179</u>

General Fund
Other Financing Sources and Uses by Significant Service Area
Fiscal Year 2025
(Dollars in Thousands)

Other Financing Sources (Transfers In):

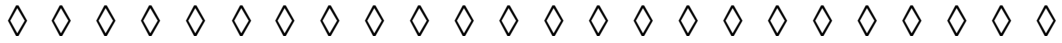
Significant Service Area	Amount	Total
Lottery	\$ 943,824	
ABC Transfers	245,393	
Unclaimed Property Fund	115,000	
Transfers from Other Funds	248,203	
		<u>\$ 1,552,420</u>

Other Financing Uses (Transfers Out):

Significant Service Area	Amount	Total
Debt Service	\$ 400,709	
Transportation Programs	265,000	
Transfers to Other Funds	148,256	
		<u>\$ 813,965</u>

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GENERAL FUND NOTES



COMMONWEALTH OF VIRGINIA

NOTES TO PRELIMINARY FINANCIAL STATEMENTS

JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying General Fund financial statements of the Commonwealth of Virginia have been prepared on a cash basis of accounting. Revenues and expenditures are recorded according to the provisions of the Appropriation Act; therefore, no accruals of revenues or expenditures have been included.

The General Fund includes transactions related to cash received and used for those services traditionally provided by a state government, which are not reported in other funds. It is a governmental fund, and therefore, its focus is on the measurement of financial position and related changes thereto, rather than on income determination.

All funds will be presented using the appropriate bases of accounting as defined by generally accepted accounting principles in the Annual Report of the Comptroller, due on December 15, 2025.

B. Budget

Budgetary amounts shown in the General Fund Statement of Revenue Collections and Estimates represent Chapter 2, 2024 Acts of Assembly Special Session I (original), and Chapter 725, 2025 Acts of Assembly Reconvened Session (final), as adjusted for executive and other administrative actions. The Commonwealth's budget is prepared principally on a cash basis and represents appropriations as authorized by the General Assembly. The Governor, as required by the *Code of Virginia*, submits to the General Assembly a state budget composed of all proposed expenditures, estimated revenues and borrowings for a biennium.

The budget is prepared on a biennial basis; however, the budget of the General Fund contains 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. Under certain circumstances, the Director of the Department of Planning and Budget 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.

2. ANALYSIS OF GENERAL FUND REVENUE

The Department of Accounts produces a monthly General Fund Statement of Revenue Collections and Estimates which is published on the Secretary of Finance's website. The following analysis relates components of the Preliminary General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual with the monthly revenue report for June 30, 2025. The inclusion of additional funds in the Preliminary General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual has no impact on either the budgetary or statutory purposes of the funds considered General Fund for financial reporting purposes.

<i>(Dollars in Thousands)</i>	Final Revenue Budget	Total Actual Revenue
Amount per Preliminary Financial Statements	\$ 32,238,226	\$ 33,161,517
Amount per Monthly Statement of Revenue	30,661,000	31,233,034
	<u>\$ 1,577,226</u>	<u>\$ 1,928,483</u>
Variance Attributable to the Following:		
Public Education Standards of Quality Fund - Sales and Use Tax revenue included on the Preliminary Financial Statements	\$ 585,967	\$ 587,930
Virginia Communications Sales and Use Tax Fund - Sales and Use Tax revenue included on the Preliminary Financial Statements	275,000	273,348
Virginia Natural Resources Commitment Fund - Deeds, Contracts, Wills & Suits Tax revenue included on the Preliminary Financial Statements	6,000	6,505
Virginia Health Care Fund - Tobacco Products Tax revenue included on the Preliminary Financial Statements	230,300	210,822
Virginia Communications Sales and Use Tax Fund - Rights and Privileges revenue included on the Preliminary Financial Statements	655	537
Revenue Stabilization Fund - Interest, Dividends and Rents revenue included on the Preliminary Financial Statements	-	115,165
Lottery Proceeds Fund - Interest, Dividends and Rents revenue included on the Preliminary Financial Statements	3,348	7,439
Water Supply Assistance Grant Fund - Interest, Dividends and Rents revenue included on the Preliminary Financial Statements	28	635
Revenue Reserve Fund - Interest, Dividends and Rents revenue included on the Preliminary Financial Statements	-	79,292
Virginia Natural Resources Commitment Fund - Interest, Dividends and Rents revenue included on the Preliminary Financial Statements	15,000	21,245
Virginia Water Quality Improvement Fund - Interest, Dividends and Rents revenue included on the Preliminary Financial Statements	6,406	13,791
Commonwealth's Development Opportunity Fund - Interest, Dividends and Rents revenue included on the Preliminary Financial Statements	-	5,462
Virginia Communications Sales and Use Tax Fund - Interest, Dividends and Rents revenue included on the Preliminary Financial Statements	-	1,025
Water Supply Assistance Grant Fund - Fines, Forfeitures, Court Fees, Costs, Penalties, and Escheats revenue included on the Preliminary Financial Statements	9	9
Virginia Health Care Fund - Tobacco Master Settlement revenue included on the Preliminary Financial Statements	50,800	48,210
Virginia Health Care Fund - Medicaid Claims Payable Recoveries revenue included as other revenue on the Preliminary Financial Statements	162,700	215,469
Commonwealth's Development Opportunity Fund - Other Revenue included on the Preliminary Financial Statements	-	1,214
Virginia Water Quality Improvement Fund - Other Revenue included on the Preliminary Financial Statements	60	195
Virginia Natural Resources Commitment Fund - Other Revenue included on the Preliminary Financial Statements	-	13,418
Lottery Proceeds Fund - Other Revenue included on the Preliminary Financial Statements	-	9
Transfers from Fiduciary Funds and Component Units included in revenue on the Preliminary Financial Statements	8,846	9,043
Other items included in revenue on the Preliminary Financial Statements	232,107	317,720
	<u>\$ 1,577,226</u>	<u>\$ 1,928,483</u>

3. **APPROPRIATION ACT TRANSFERS**

For fiscal year ended June 30, 2025, Appropriation Act transfers are \$2.5 billion. The following analysis shows where Appropriation Act transfers are reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

<i>(Dollars in Thousands)</i>	Appropriation Act Transfers
Transfers In	\$ 1,422,719 (a)
Transfers Out	(23,061)
Intrafund Transfers between General Fund and:	
Public Education Standards of Quality Fund	587,930
Revenue Reserve Fund	432,788
Other Nongeneral Funds	55,340
Revenue - Other	5,279
Total Appropriation Act Transfers	<u>\$ 2,480,995</u>

(a) Includes ABC transfers of approximately \$245.4 million

4. **DUE FROM / TO OTHER FUNDS**

These amounts are included in the accompanying statements pursuant to the requirements of GASBS No. 54. The due from amount primarily represents future reimbursements to be received from the Department of General Services associated with the Virginia Distribution Center and Property Management. The due to amount primarily represents an internal borrowing that will finance Emergency Management Assistance Compact mission assignments.

5. **FUND EQUITY**

Restricted fund balances are those that have a restriction by the *Constitution of Virginia* or from a party external to the Commonwealth. Committed fund balances are amounts that can only be used for a specific purpose pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. The authority in the Commonwealth is the General Assembly and Governor. Assigned fund balances are those that the government intends to use for a planned purpose, but which are not restricted or committed. Unassigned fund balances are those that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific or planned purposes within the General Fund. Pursuant to Section 2.2-1514 of the *Code of Virginia*, any unassigned balances in the General Fund are automatically committed for transfer to the Commonwealth Transportation Fund and nonrecurring expenditures. For fiscal year 2025, sufficient cash is not available after other planned uses to require deposits for the Commonwealth Transportation Fund and nonrecurring expenditures.

6. **REVENUE STABILIZATION FUND**

The Revenue Stabilization Fund is routinely segregated from the General Fund, but Virginia law directs that the Revenue Stabilization Fund be included as a component of the General Fund for financial reporting purposes. Therefore, it is included here both as a cash asset and as a restricted component of fund balance. The Revenue Stabilization Fund can be used only for constitutionally authorized purposes.

In accordance with Article X, Section 8 of the *Constitution of Virginia*, the amount estimated as required for deposit to the Revenue Stabilization Fund must be appropriated for that purpose by the General Assembly.

Under the provisions of Article X, Section 8 of the *Constitution of Virginia*, no deposit is required during fiscal year 2026 based on fiscal year 2024 revenue collections. Also, no deposit is required during fiscal year 2027 based on fiscal year 2025 revenue collections.

Section 2.2-1829(b) of the *Code of Virginia* requires an additional deposit into the Fund when specific criteria have been met. No such deposit is required since the specified criteria were not met for fiscal year 2025.

The Revenue Stabilization Fund has principal and interest on deposit of \$2.9 billion restricted as a part of General Fund balance. Pursuant to the constitutional amendment of Article X, Section 8, effective January 1, 2011, the amount on deposit cannot exceed fifteen percent of the Commonwealth's average annual tax revenues derived from taxes on income and retail sales for the preceding three fiscal years.

7. LOTTERY PROCEEDS FUND

In accordance with Article X, Section 7-A of the *Constitution of Virginia*, lottery proceeds must be distributed to the Commonwealth's localities and the school divisions to be expended for the purposes of public education. Further, Section 58.1-4022.1 of the *Code of Virginia* directs the Lottery Proceeds Fund be included as a component of the General Fund for financial reporting purposes. Accordingly, the financial activity of the Lottery Proceeds Fund for fiscal year 2025 is included in the Preliminary Statement of Revenues, Expenditures, and Changes in Fund Balance. The remaining cash balance of \$32.0 million is restricted as a component of the General Fund balance.

Additionally, \$943.8 million, which included the estimated net income for fiscal year 2025 of \$868.2 million and the residual transfer of \$75.6 million related to fiscal year 2024 net income, was deposited into the Lottery Proceeds Fund during fiscal year 2025 in accordance with Chapter 725, 2025 Acts of Assembly Reconvened Session, Section 3-1.01G. The final audited residual net profit, estimated at \$33.3 million, will be deposited in fiscal year 2026.

8. COMMITTED AND ASSIGNED FUND BALANCE

Committed Fund Balance represents amounts that must be spent for specific purposes that have been legislatively mandated by the Governor and General Assembly. Assigned Fund Balance represents amounts that the Commonwealth has identified for planned purposes but for which the intended use is not legislatively mandated. The accompanying Balance Sheet includes amounts that share the same purpose and title, such as Economic and Technological Development as both Committed and Assigned components of fund balance. The distinction between these classifications results from whether there is a statutory restriction on certain amounts contained within the fund.

A. OTHER COMMITTED FUND BALANCE

As of June 30, 2025, the breakdown of Other Committed Fund Balance is as follows.

Other Committed	Amount (In Thousands)
Governmental Operations - Administrative Services	\$ 9,720
Capital Outlay	6,131
Agriculture and Forestry	3,766
Contract and Debt Administration	14
Total Other Committed Fund Balance	\$ 19,631

B. OTHER ASSIGNED FUND BALANCE

As of June 30, 2025, the breakdown of Other Assigned Fund Balance is as follows.

Other Assigned	Amount (In Thousands)
Governmental Operations - Administrative Services	\$ 17,899
Governmental Operations - Legislative Services	6,971
Capital Outlay	1,249
COVID-19	513
Regulatory Oversight	9
Agriculture and Forestry	3
Total Other Assigned Fund Balance	\$ 26,644

9. COMMUNICATION SALES AND USE TAX FUND

The Appropriation Act directs the Communications Sales and Use Tax Fund be included as a component of the General Fund for financial reporting purposes. The Commonwealth collects communication sales and use taxes and disburses these amounts to localities. The remaining cash balance of \$30.4 million is reported as committed fund balance.

10. VIRGINIA WATER QUALITY IMPROVEMENT FUND

Section 10.1-2128 of the *Code of Virginia* established the Virginia Water Quality Improvement Fund. The Fund has \$797.0 million on deposit committed as part of the General Fund balance. The Fund was established to provide Water Quality Improvement Grants to various entities to assist in pollution prevention and reduction. The Fund shall consist of amounts appropriated by the General Assembly. Unless otherwise specified by the general appropriation act, these appropriations shall consist of ten percent of revenues collected in excess of the official estimate and ten percent of any unrestricted and uncommitted fund balance not required for reappropriation. In the legislative context, "committed" refers to planned future usage versus the fund balance classification.

For the year ended June 30, 2025, \$55.2 million and \$52.7 million that represent ten percent of the revenue collected in excess of the official estimate as adjusted to eliminate amounts appropriated in Chapter 725, 2025 Acts of Assembly Reconvened Session, for the Virginia military survivors and dependents education program and ten percent of any unrestricted and uncommitted fund balance not required for reappropriation, respectively, have been committed.

Additionally, \$59.4 million and \$34.3 million representing ten percent of the 2024 revenue collected in excess of the official estimate as adjusted to eliminate amounts appropriated in Chapter 1, 2024 Acts of Assembly Special Session I, for the I-81 Corridor Improvement Program and Water Quality Improvement Fund Matching Grants and ten percent of fiscal year 2024 unrestricted and uncommitted fund balance were appropriated and transferred to the Water Quality Improvement Fund during fiscal year 2025.

11. REVENUE RESERVE FUND

The Revenue Reserve Fund is routinely segregated from the General Fund, but Virginia law directs that the Revenue Reserve Fund be included as a component of the General Fund for financial reporting purposes. Therefore, it is included here as both a cash asset and as a committed component of fund balance.

Section 2.2-1831.2 of the *Code of Virginia* established the Revenue Reserve Fund. As of June 30, 2025, the fund has principal and interest on deposit of \$1.9 billion committed as part of the General Fund balance. This amount is set aside to mitigate certain anticipated revenue shortfalls when appropriations based on previous revenue forecasts exceed expected revenues in subsequent forecasts.

A deposit of \$294.5 million was made during fiscal year 2025. This amount represents the fiscal year 2024 revenue collected in excess of the estimate reduced by the amounts appropriated in Chapter 1, 2024 Acts of Assembly Special Session I, for the I-81 Corridor Improvement Program and Water Quality Improvement Fund Matching Grants, as well as the statutory deposit to the Water Quality Fund for excess revenues.

Withdrawals totaling \$432.8 million were made during fiscal year 2025 pursuant to Chapter 725, 2025 Acts of Assembly Reconvened Session. Section 3-1.01 J3 required a withdrawal of \$332.3 million and revised the combined amount that can be deposited in the Revenue Stabilization and Revenue Reserve Fund. For fiscal year 2025, the revised limit is \$4.7 billion representing 17.53 percent of the Commonwealth's average annual tax revenues derived from the certified taxes on income and retail sales for the preceding three fiscal years. An additional withdrawal of \$100.5 million was made pursuant to Section 3-1.01 J2 to reduce the combined balance to the \$4.7 billion specified limitation.

Sections 2.2-1831.3 of the *Code of Virginia* specifies the required deposits to the fund. Whenever there is a fiscal year in which there is not a mandatory deposit to the Revenue Stabilization Fund, a deposit is required if the general fund revenue exceeds the official estimate. The amount to be deposited shall not exceed one percent of the general fund revenues collected in the prior fiscal year. The Department of Planning and Budget has identified a deposit of \$312.3 million to be made to the fund during fiscal year 2026. This amount represents the fiscal year 2025 revenue collected in excess of the estimate reduced by the amounts appropriated in Chapter 725, for the \$20.0 million committed for the 2025 Virginia military survivors and dependents education program, as well as the statutory deposit to the Water Quality Fund for excess revenues.

12. INDIVIDUAL INCOME TAX REBATE

Pursuant to Chapter 725, Item 258 GG, for taxable years beginning on and after January 1, 2024, but before January 1, 2025, taxpayers filing a return on or before November 3, 2025, shall be issued a refund in an amount up to \$200 for an individual, or \$400 for married persons filing a joint return, respectively. The rebates specified in this item are in addition to any refund due pursuant to the *Code of Virginia*, Section 58.1-309. The estimated individual income tax rebate of \$977.8 million is reported as a component of committed fund balance and will be issued to taxpayers in fiscal year 2026.

GLOSSARY



FINANCIAL STATEMENTS AND NOTES

BALANCE SHEET

1. **Cash, Cash Equivalents, and Investments** – All cash, cash equivalents, and investments are maintained by the Treasurer of Virginia. Cash includes demand deposits, time deposits, and certificates of deposit. Cash equivalents are investments with an original maturity of three months or less. Short-term investments held are stated at cost, which approximates market value.
2. **Cash and Travel Advances** – Funds advanced to agencies to make immediate cash payments for authorized purposes or advanced to agency employees to cover expenses incurred while traveling on state business.
3. **Other Assets** – Amounts for balances that are miscellaneous in nature that are not specifically classified elsewhere.
4. **Due From Other Funds** – Amounts to be received from other nongeneral funds.
5. **Payments Awaiting Disbursement** – This represents amounts where a payment has been recorded in the general ledger and the disbursement has not yet been made.
6. **Deposits Pending Distribution** – This represents miscellaneous amounts held by several agencies in suspense accounts pending distribution.
7. **Due to Other Funds** – Amounts owed to other nongeneral funds.
8. **Restricted Fund Balance** – Includes amounts that have constraints placed on the use of resources by the *Constitution of Virginia* or a party external to the Commonwealth. Restricted Fund Balance represents:
 - **Revenue Stabilization Fund** – This portion of fund balance consists of amounts on deposit or constitutionally required for future deposit. Amounts can only be used within the constraints imposed by the *Constitution of Virginia*.
 - **Lottery Proceeds Fund** – This portion of fund balance consists of amounts required to be distributed to localities and used for education purposes pursuant to constitutional provisions.
 - **Water Supply Assistance Grant Fund** – This portion of fund balance consists of amounts provided as matching funds for monies available through the Federal Safe Drinking Water Act.
9. **Committed Fund Balance** – Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the General Assembly and Governor. Committed Fund Balance represents:
 - **Amount Required for Reappropriation, Capital Outlay/Restoration of Projects and Mandatory Reappropriations** – This portion of fund balance represents fiscal year 2025 unexpended appropriations which the Department of Planning and Budget will reappropriate in the next fiscal year.
 - **Virginia Health Care Fund** – This portion of fund balance represents amounts collected from tobacco taxes and a portion of the Tobacco Master Settlement Agreement receipts and is to be used for the provision of health care services.
 - **Central Capital Planning Fund** – This portion of fund balance represents amounts for preplanning and detailed planning costs for potential capital outlay projects.
 - **Communication Sales and Use Tax** – This portion of fund balance represents Communication Sales and Use Tax collections that will be distributed to localities subsequent to June 30.
 - **Commonwealth's Development Opportunity Fund** – This portion of fund balance represents amounts the Governor may use as incentives to attract economic development prospects.
 - **Natural Disaster Sum Sufficient** – This portion of fund balance represents the estimated costs of responding to and recovering from damage caused by hurricanes, blizzards, severe storms/tornadoes, floods, and civil unrest.

- **Virginia Military Survivors and Dependents Education Program** – This portion of fund balance represents fiscal year 2024 revenue collections in excess of the estimate that offset the impact of financial aid waivers and stipends as required by Chapter 4, Acts of Assembly 2024 Special Session I and fiscal year 2025 revenue collections in excess of the estimate that will offset the impact of financial aid waivers and stipends as required by Chapter 725, 2025 Acts of Assembly Reconvened Session.
 - **Reserve for Potential Federal Fund Reduction Impact** – This portion of fund balance represents remaining general fund revenues in excess of the official fiscal year 2025 revenue estimate that were not required to meet a mandatory Revenue Stabilization Fund deposit, a Water Quality Improvement Fund Part A deposit, the Revenue Reserve deposit, or the \$20.0 million committed to the 2025 Virginia military survivors and dependents education program to address the impacts of any reductions to federal appropriations contained in Chapter 725.
 - **Virginia Water Quality Improvement Fund, including Part A and Part B** – This portion of fund balance represents amounts currently on deposit in, or to be transferred to, the Virginia Water Quality Improvement Fund upon appropriation by the General Assembly. Amounts deposited to this fund are used to provide Water Quality Improvement Grants to various entities to assist in pollution prevention and reduction.
 - **Revenue Reserve Fund** – This portion of fund balance consists of amounts on deposit or identified for future deposit. As required by *Code of Virginia*, Section 2.2-1831.2, this portion of fund balance can be used when certain anticipated revenue shortfalls occur.
 - **Taxpayer Relief Fund** – This fund captured the estimated revenues generated by tax reform provisions in fiscal year 2019 that exceeded revenues reasonably expected to be collected due to general economic growth and absent the federal policy changes. This portion of fund balance represents the remaining amount that is expected to be refunded to taxpayers.
 - **Individual Income Tax Rebate Fund** – This fund represents the remaining amount that is expected to be refunded to individuals as a rebate for taxable years beginning on and after January 1, 2021, but before January 1, 2022, pursuant to Chapter 1, 2023 Acts of Assembly Special Session I, Item 3-5.22. Also, this fund captured the estimated amount to be provided to individuals as a rebate for taxable years beginning on and after January 1, 2024, but before January 1, 2025, pursuant to Chapter 725, 2025 Acts of Assembly Reconvened Session, Item 258 GG.
 - **Local Government Fiscal Distress** – This portion of fund balance may be used to provide technical assistance and intervention actions to local governments deemed to be fiscally distressed.
 - **Economic and Technological Development** – This portion of fund balance represents amounts that will be used to promote growth in the Commonwealth's economy.
 - **Educational and Training Programs** – This portion of fund balance represents amounts that will be used to promote and improve the Commonwealth's educational and training programs.
 - **Health and Public Safety** – This portion of fund balance represents amounts that will be used to further the health and public safety of the Commonwealth's citizenry.
 - **Environmental Quality and Natural Resource Preservation** – This portion of fund balance represents amounts that will be used to improve and preserve the Commonwealth's natural resources.
 - **Transportation Activities** – This portion of fund balance represents amounts that will be used for the Eligible Drivers Toll Relief Program that will support toll relief and redeem outstanding customer balances and fees for eligible drivers.
10. **Assigned Fund Balance** – Includes amounts that are constrained by the government's intent to be used for planned purposes but are neither restricted nor committed. Assigned Fund Balance represents:
- **Amount Required by Chapter 725** – This portion of fund balance represents the amount that must be carried forward to the following year to balance the biennial budget.
 - **Health and Public Safety** – This portion of fund balance represents amounts anticipated to be used to further the health and public safety of the Commonwealth's citizenry.

- **Environmental Quality and Natural Resource Preservation** – This portion of fund balance represents amounts anticipated to be used to improve and preserve the Commonwealth's natural resources.
- **Economic and Technological Development** – This portion of fund balance represents amounts anticipated to be used to promote growth in the Commonwealth's economy.
- **Employee Benefit Administration** – This portion of fund balance represents amounts anticipated to be used to administer employee benefits in the Commonwealth.
- **Educational and Training Programs** – This portion of fund balance represents amounts anticipated to be used to promote and improve the Commonwealth's educational and training programs.
- **Amount Required for Discretionary Reappropriation** – This portion of fund balance represents fiscal year 2025 unexpended appropriations which the Department of Planning and Budget anticipates reappropriating in the next fiscal year.
- **Amount for Additional Budgetary Priorities and Contingencies** – This portion of fund balance represents the amount that is anticipated to be used for additional budgetary priorities and contingencies.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

Revenues:

11. **Taxes** – Charges of money imposed by the Commonwealth on a person's or entity's income or property for public purposes.
12. **Rights and Privileges** – Registration fees, licenses, and permits. Examples include domestic and foreign corporate registration fees and marriage licenses.
13. **Sales of Property and Commodities** – Revenue collected from sales of Commonwealth assets and goods. Examples include sales of state publications.
14. **Assessments and Receipts for Support of Special Services** – Revenues collected for services provided by the Commonwealth's agencies. An example is audit services provided to cities, counties, and towns.
15. **Institutional Revenue** – Revenue generated primarily by healthcare services provided by the two veteran care centers and from sales by the Departments of Corrections. Examples include the sale of farm and dairy products.
16. **Interest, Dividends, and Rent** – Interest earnings and rental income. Examples include interest on Commonwealth bank accounts and investments and interest on delinquent taxes. Interest allocated to various other funds is not included here.
17. **Fines, Forfeitures, Court Fees, Penalties, and Escheats** – Fines, penalties, etc., primarily collected by the Department of Taxation and the court system. Examples include court processing fees and penalties for nonpayment of taxes.
18. **Federal Grants and Contracts** – Revenue collected from the Federal government that can be used for any purpose within the mission of the receiving agencies.
19. **Receipts from Cities, Counties, and Towns** – Revenue collected from city and county treasurers representing miscellaneous fees and allowances of local law enforcement officials.
20. **Private Donations, Gifts, and Contracts** – This amount represents donations and grants from individuals and private companies to state programs.
21. **Tobacco Master Settlement** – This amount represents the revenue generated from the Tobacco Master Settlement Agreement with tobacco companies.
22. **Other Revenue** – All other revenue collections that are not included in the above categories. Examples include refunds of expenditures and miscellaneous disbursements made in prior years and recovery of statewide indirect costs.

Expenditures:

23. **General Government** – Expenditures to support the general activities of the state, regional, and local levels of government. Examples include administrative and support services, general financial assistance to localities, information systems management and direction. Also included is tax relief reported as expenditures pursuant to the Personal Property Tax Relief Act (PPTRA) of 1998. During Special Session I (2004), the General Assembly established a limit of \$950.0 million on the amount for personal property tax relief beginning with fiscal year 2007.
24. **Education** – Expenditures to assist individuals in developing knowledge, skills, and cultural awareness. Examples include elementary and secondary education, instruction, supervision and assistance and higher education.
25. **Transportation** – Expenditures related to the movement of people, goods, and services and their regulation. Examples include ground, water and air transportation.
26. **Resources and Economic Development** – Expenditures to develop the economic base, including alternative natural resources and to regulate it with regard to varied public interests of the Commonwealth. Examples include resource management, economic development, promotion and improvement, as well as the regulation of professions and occupations.
27. **Individual and Family Services** – Expenditures to support the economic, social and physical well-being of the individual and family. Included are disease research, prevention and control, state health services, and community health services.
28. **Administration of Justice** – Expenditures related to civil and criminal justice, including apprehension, trial, punishment, and rehabilitation of law violators. Examples include crime deterrence, suppression and control, adjudication, confinement and community custody.
29. **Capital Outlay** – Construction and preparation of Commonwealth assets.
30. **Debt Service Principal Retirement** – Expenditures associated with the retirement of long-term debt principal for the current fiscal year associated with installment purchases, leases, subscription-based information technology arrangements, debt not accounted for in the Debt Service Fund etc.
31. **Debt Service Interest and Charges** – Expenditures associated with the payment of interest and charges relating to long-term debt for the current fiscal year associated with installment purchases, leases, subscription-based information technology arrangements, debt not accounted for in the Debt Service Fund etc.

Other Financing Sources (Uses):

32. **Operating Transfers In** – This balance reflects transfers in from other nongeneral funds.
33. **Operating Transfers Out** – This balance represents transfers from the General Fund to other nongeneral funds which includes transfers to the Debt Service Fund.



If you have any questions or comments regarding information
contained in this report, please contact us at
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The Department of Accounts' web site at
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