

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2023

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)	\$ 24,593,137	\$ 1,883,049	\$ 863,574	\$ 2,018,721	\$ 29,358,481
Investments (Note 3)	20,301	-	-	344,010	364,311
Securities lending collateral (Note 3)	558,905	28,012	17,786	36,156	640,859
Receivables, net: (Note 4)					
Taxes receivable	2,948,831	172,310	56,465	9,002	3,186,608
Accounts receivable	392,965	47,140	36	17,138	457,279
Intergovernmental receivable	3,393,901	22,138	3,692	1,022	3,420,753
Interest receivable	24,523	4,468	2,356	5,662	37,009
Contributions receivable	98	-	-	-	98
Other receivables	-	4,184	-	-	4,184
Due from other funds (Note 10)	178,553	88,480	15,990	17,978	301,001
Due from component units (Note 18)	35,274	40,000	-	2,865	78,139
Inventories	101,239	109,723	-	27,123	238,085
Advances to other funds (Note 10)	-	-	32,840	-	32,840
Advances to component units	-	1,441	-	-	1,441
Advances to outside entities	5,303	-	-	-	5,303
Notes receivable, net (Note 4)	12,666	132	3	38,039	50,840
Lease receivable	6,945	-	-	123	7,068
Securities held in trust	15	4,177	-	57,769	61,961
Restricted/designated cash and cash equivalents (Note 3)	350,225	-	-	830,175	1,180,400
Restricted investments (Note 3)	1,991	35,167	214,915	338,172	590,245
Total Assets	<u>32,624,872</u>	<u>2,440,421</u>	<u>1,207,657</u>	<u>3,743,955</u>	<u>40,016,905</u>
Deferred Outflows of Resources					
Forward funded state aid	277,633	-	-	53,072	330,705
Total Assets and Deferred Outflows	<u>\$ 32,902,505</u>	<u>\$ 2,440,421</u>	<u>\$ 1,207,657</u>	<u>\$ 3,797,027</u>	<u>\$ 40,347,610</u>
Liabilities					
Accounts payable and accrued liabilities:					
Accounts payable	\$ 389,438	\$ 379,007	\$ 105,093	\$ 51,750	\$ 925,288
Accrued payroll	3,911	43,713	-	109	47,733
Intergovernmental payable	779,652	161,944	4,290	7,709	953,595
Claims payable	-	-	-	110,000	110,000
Medical claims payable	2,781,955	-	-	-	2,781,955
Tax refunds payable	1,159,275	5,919	1,973	-	1,167,167
Obligations under securities lending	558,905	28,012	17,786	36,156	640,859
Due to fiduciary funds (Note 10)	149,434	-	-	-	149,434
Due to other funds (Note 10)	69,180	16,430	-	12,385	97,995
Due to component units (Note 18)	122,640	1,769	-	3,141	127,550
Unearned revenue	4,243,609	509,106	3,345	540	4,756,600
Deposits payable	-	-	-	6	6
Funds held for others	3,048	27,036	-	57,903	87,987
Total Liabilities	<u>10,261,047</u>	<u>1,172,936</u>	<u>132,487</u>	<u>279,699</u>	<u>11,846,169</u>
Deferred Inflows of Resources					
Unavailable revenue	268,993	1,798	-	8,008	278,799
Deferred inflows for PPP arrangements	-	68,732	-	-	68,732
Deferred inflows for lease agreements	6,865	-	-	113	6,978
Total Deferred Inflows of Resources	<u>275,858</u>	<u>70,530</u>	<u>-</u>	<u>8,121</u>	<u>354,509</u>
Fund Balances (Note 11)					
Nonspendable	101,336	109,723	-	155,168	366,227
Restricted	197,257	38,477	214,914	1,566,238	2,016,886
Committed	10,539,838	1,048,755	860,256	1,783,480	14,232,329
Assigned	3,856,183	-	-	4,321	3,860,504
Unassigned	7,670,986	-	-	-	7,670,986
Total Fund Balances	<u>22,365,600</u>	<u>1,196,955</u>	<u>1,075,170</u>	<u>3,509,207</u>	<u>28,146,932</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 32,902,505</u>	<u>\$ 2,440,421</u>	<u>\$ 1,207,657</u>	<u>\$ 3,797,027</u>	<u>\$ 40,347,610</u>

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, 2023

Exhibit B-1a

(Dollars in Thousands)

Total fund balances - governmental funds (see Exhibit B-1)		\$ 28,146,932
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)	\$ 67,168,810	
Less: Accumulated depreciation (excluding internal service funds)	<u>(1,064,720)</u>	
Net capital assets		66,104,090
– 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.		278,799
– Equity interest in component unit is not a financial resource and, therefore, is not reported in the funds.		313,249
– 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).		15,327
– 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.		25,974
– 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.		(5,428)
– 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).		2,376,180
– 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).		1,192,295
– 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	(1,975,940)	
Limited obligation bonds payable	(2,121,490)	
GARVEE bonds payable	(918,940)	
Unamortized debt premiums (to be amortized as interest expense)	(521,621)	
Notes from direct borrowings	(37,651)	
Lease liability (excluding internal service funds)	(371,478)	
Subscription liability (excluding internal service funds)	<u>(168,157)</u>	
Net long-term debt		(6,115,277)
– 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	(28,590)	
Compensated absences (excluding internal service funds)	(573,701)	
Obligations for workers' compensation (excluding internal service funds)	(615,241)	
Death benefit payable	(37)	
Pollution remediation payable	(6,982)	
Claims and judgments payable	(731,703)	
Pension liability (excluding internal service funds)	(3,685,310)	
Net OPEB liability (excluding internal service funds)	<u>(4,561,763)</u>	
Total other liabilities		(10,203,327)
– 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).		(162,742)
– 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).		(2,400,362)
– 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).		<u>179,665</u>
Total net position - governmental activities (see Exhibit A-1)		<u>\$ 79,745,375</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, 2023

Exhibit B-2

(Dollars in Thousands)

	General Fund	Highway Fund	Highway Trust Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Individual income tax	\$ 16,799,392	\$ -	\$ -	\$ -	\$ 16,799,392
Corporate income tax	1,725,854	-	-	-	1,725,854
Sales and use tax	11,650,933	-	-	8,263	11,659,196
Motor fuels tax	-	1,994,708	596,940	27,282	2,618,930
Franchise tax	849,080	-	-	-	849,080
Highway use tax	-	106,532	1,079,994	-	1,186,526
Insurance tax	1,164,185	-	-	-	1,164,185
Beverage tax	592,187	-	-	-	592,187
Tobacco products tax	283,827	-	-	-	283,827
Other taxes	207,697	-	-	130,994	338,691
Federal funds	25,433,056	1,379,946	-	112,087	26,925,089
Local funds	117,400	14,359	10,434	12,904	155,097
Investment earnings (losses)	713,857	37,311	34,276	66,423	851,867
Interest earnings on loans	30	-	228	1,509	1,767
Sales and services	178,357	5,679	-	171,568	355,604
Rental and lease of property	16,139	3,551	681	2,250	22,621
Fees, licenses, and fines	1,221,135	958,468	148,210	162,352	2,490,165
Tobacco settlement	156,628	-	-	-	156,628
Contributions, gifts, and grants	51,352	52,942	1,346	74,565	180,205
Funds escheated	-	-	-	197,347	197,347
Federal COVID-19 funds	5,291,454	99,408	-	84,102	5,474,964
Miscellaneous	185,228	23,947	2,022	20,841	232,038
Total revenues	66,637,791	4,676,851	1,874,131	1,072,487	74,261,260
Expenditures					
Current:					
General government	2,760,946	-	-	75,577	2,836,523
Primary and secondary education	15,523,249	-	-	-	15,523,249
Higher education	5,567,602	-	-	97,917	5,665,519
Health and human services	32,371,521	-	-	87,277	32,458,798
Economic development	761,156	-	-	3,067	764,223
Environment and natural resources	654,610	-	-	196,500	851,110
Public safety, corrections, and regulation	4,272,517	-	-	281,010	4,553,527
Transportation	-	4,693,000	2,287,842	-	6,980,842
Agriculture	321,494	-	-	103,279	424,773
Capital outlay	-	-	-	243,248	243,248
Debt service:					
Principal retirement	586,489	131,035	67,110	5,392	790,026
Interest and fees	162,999	52,242	54,830	1,084	271,155
Debt issuance costs	17	274	124	-	415
Total expenditures	62,982,600	4,876,551	2,409,906	1,094,351	71,363,408
Excess revenues over (under) expenditures	3,655,191	(199,700)	(535,775)	(21,864)	2,897,852
Other Financing Sources (Uses)					
Other debt issued	87,134	61,698	-	159	148,991
Sale of capital assets	5,552	9,202	1,006	3,866	19,626
Insurance recoveries	2,513	17,569	-	6,224	26,306
Transfers in (Note 10)	1,199,650	316,480	109,835	779,495	2,405,460
Transfers out (Note 10)	(1,040,947)	(186,524)	(127,097)	(164,822)	(1,519,390)
Total other financing sources (uses)	253,902	218,425	(16,256)	624,922	1,080,993
Net change in fund balances	3,909,093	18,725	(552,031)	603,058	3,978,845
Fund balances — July 1, as restated (Note 23)	18,456,507	1,178,230	1,627,201	2,906,149	24,168,087
Fund balances — June 30	\$ 22,365,600	\$ 1,196,955	\$ 1,075,170	\$ 3,509,207	\$ 28,146,932

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, 2023

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

Net change in fund balances - total governmental funds (see Exhibit B-2)		\$ 3,978,845
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.)	\$ 4,669,210	
Less: Depreciation expense (excluding internal service funds)	<u>(1,291,699)</u>	
Net capital outlay adjustment		3,377,511
– 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.		(70,168)
– 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.		1,971
– Pension Contributions (excluding internal service funds) to defined benefit pension plans in the current fiscal year are not included on the Statement of Activities.		737,256
– OPEB Contributions (excluding internal service funds) to defined benefit OPEB plans in the current fiscal year are not included on the Statement of Activities.		308,126
– 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).		22,789
– 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:		
Leases (excluding internal service funds)	(31,729)	
Subscriptions (excluding internal service funds)	(117,262)	
Principal repayments:		
Bonds, notes, and similar debt	671,814	
Leases (excluding internal service funds)	41,568	
Subscriptions (excluding internal service funds)	<u>76,644</u>	
Net debt adjustments		641,035
– 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.		29,506
– 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.		(58,337)
– 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	753	
Compensated absences (excluding internal service funds)	(6,177)	
Workers' compensation (excluding internal service funds)	33,801	
Pension expense (excluding internal service funds)	(792,962)	
OPEB expense (excluding internal service funds)	410,637	
Pollution remediation	346	
Amortization of deferred amounts	<u>98,051</u>	
Net expense accruals		(255,551)
– 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>6,609</u>
Change in net position - governmental activities (see Exhibit A-2)		<u>\$ 8,719,592</u>

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