

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2024

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)	\$ 23,461,568	\$ 2,087,029	\$ 742,449	\$ 2,203,402	\$ 28,494,448
Investments (Note 3)	26,226	-	-	346,037	372,263
Securities lending collateral (Note 3)	2,655,994	162,158	72,384	282,883	3,173,419
Receivables, net: (Note 4)					
Taxes receivable	3,149,744	175,439	59,039	10,417	3,394,639
Accounts receivable	499,676	41,792	35	18,706	560,209
Intergovernmental receivable	3,791,264	46,280	69	995	3,838,608
Interest receivable	27,232	-	-	6,742	33,974
Contributions receivable	94	-	-	-	94
Other receivables	-	6,477	-	-	6,477
Due from other funds (Note 10)	201,558	67,780	2,819	14,051	286,208
Due from component units (Note 18)	8,097	-	-	2,362	10,459
Inventories	100,561	113,662	-	31,812	246,035
Advances to other funds (Note 10)	-	-	33,872	-	33,872
Advances to component units	-	1,441	-	-	1,441
Advances to outside entities	9,182	-	-	-	9,182
Notes receivable, net (Note 4)	21,121	119	-	27,387	48,627
Lease receivable	6,246	-	-	236	6,482
Securities held in trust	15	821	-	51,930	52,766
Restricted/designated cash and cash equivalents (Note 3)	467,377	-	-	1,889,911	2,357,288
Restricted investments (Note 3)	1,994	97	146,823	339,472	488,386
Total Assets	<u>34,427,949</u>	<u>2,703,095</u>	<u>1,057,490</u>	<u>5,226,343</u>	<u>43,414,877</u>
Deferred Outflows of Resources					
Forward funded state aid	412,842	-	-	53,072	465,914
Total Assets and Deferred Outflows	<u>\$ 34,840,791</u>	<u>\$ 2,703,095</u>	<u>\$ 1,057,490</u>	<u>\$ 5,279,415</u>	<u>\$ 43,880,791</u>
Liabilities					
Accounts payable and accrued liabilities:					
Accounts payable	\$ 355,996	\$ 404,758	\$ 125,054	\$ 62,772	\$ 948,580
Accrued payroll	4,218	50,433	-	106	54,757
Intergovernmental payable	897,822	192,187	4,504	15,671	1,110,184
Claims payable	-	-	-	110,000	110,000
Medical claims payable	4,026,513	-	-	-	4,026,513
Tax refunds payable	1,544,482	11,842	3,947	-	1,560,271
Obligations under securities lending	2,655,994	162,158	72,384	282,883	3,173,419
Due to fiduciary funds (Note 10)	152,185	-	-	-	152,185
Due to other funds (Note 10)	102,430	10,849	1,963	12,895	128,137
Due to component units (Note 18)	256,129	-	-	3,018	259,147
Unearned revenue	3,744,163	603,496	5,175	520	4,353,354
Deposits payable	-	-	-	6	6
Funds held for others	11,633	27,385	-	52,066	91,084
Total Liabilities	<u>13,751,565</u>	<u>1,463,108</u>	<u>213,027</u>	<u>539,937</u>	<u>15,967,637</u>
Deferred Inflows of Resources					
Unavailable revenue	191,859	3,472	-	10,051	205,382
Deferred inflows for PPP arrangements	-	67,254	-	-	67,254
Deferred inflows for lease agreements	6,175	-	-	178	6,353
Total Deferred Inflows of Resources	<u>198,034</u>	<u>70,726</u>	<u>-</u>	<u>10,229</u>	<u>278,989</u>
Fund Balances (Note 11)					
Nonspendable	100,658	113,662	-	171,882	386,202
Restricted	254,447	3,578	146,823	1,763,446	2,168,294
Committed	12,625,096	1,052,021	697,640	2,698,549	17,073,306
Assigned	2,552,777	-	-	95,372	2,648,149
Unassigned	5,358,214	-	-	-	5,358,214
Total Fund Balances	<u>20,891,192</u>	<u>1,169,261</u>	<u>844,463</u>	<u>4,729,249</u>	<u>27,634,165</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 34,840,791</u>	<u>\$ 2,703,095</u>	<u>\$ 1,057,490</u>	<u>\$ 5,279,415</u>	<u>\$ 43,880,791</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, 2024

Exhibit B-1a

(Dollars in Thousands)

Total fund balances - governmental funds (see Exhibit B-1)		\$ 27,634,165
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)	\$ 70,755,697	
Less: Accumulated depreciation (excluding internal service funds)	<u>(1,101,840)</u>	
Net capital assets		69,653,857
– 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.		205,383
– Equity interest in component unit is not a financial resource and, therefore, is not reported in the funds.		314,462
– 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).		32,015
– 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.		18,165
– 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.		(4,421)
– 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).		2,769,867
– 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).		2,554,224
– 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	(1,645,060)	
Limited obligation bonds payable	(1,887,790)	
GARVEE bonds payable	(845,715)	
Unamortized debt premiums (to be amortized as interest expense)	(427,772)	
Notes from direct borrowings	(70,263)	
Lease liability (excluding internal service funds)	(393,902)	
Subscription liability (excluding internal service funds)	<u>(132,823)</u>	
Net long-term debt		(5,403,325)
– 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	(16,216)	
Compensated absences (excluding internal service funds)	(605,024)	
Obligations for workers' compensation (excluding internal service funds)	(606,237)	
Death benefit payable	(37)	
Pollution remediation payable	(6,735)	
Claims and judgments payable	(731,703)	
Pension liability (excluding internal service funds)	(4,065,058)	
Net OPEB liability (excluding internal service funds)	<u>(5,094,680)</u>	
Total other liabilities		(11,125,690)
– 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).		(433,396)
– 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).		(2,772,107)
– 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>232,123</u>
Total net position - governmental activities (see Exhibit A-1)		<u>\$ 83,675,322</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, 2024

Exhibit B-2

(Dollars in Thousands)

	General Fund	Highway Fund	Highway Trust Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Individual income tax	\$ 16,464,017	\$ -	\$ -	\$ -	\$ 16,464,017
Corporate income tax	1,509,639	-	-	-	1,509,639
Sales and use tax	11,683,726	106,616	319,848	9,324	12,119,514
Motor fuels tax	-	1,855,959	614,483	27,600	2,498,042
Franchise tax	743,281	-	-	-	743,281
Highway use tax	-	111,193	1,084,705	-	1,195,898
Insurance tax	1,238,560	-	-	-	1,238,560
Beverage tax	591,309	-	-	-	591,309
Tobacco products tax	257,240	-	-	-	257,240
Other taxes	253,160	-	-	131,479	384,639
Federal funds	27,669,311	1,411,545	-	140,252	29,221,108
Local funds	135,625	82,050	7,115	9,703	234,493
Investment earnings (losses)	1,299,273	64,627	41,694	146,503	1,552,097
Interest earnings on loans	30	-	1,033	1,571	2,634
Sales and services	164,889	10,752	-	179,818	355,459
Rental and lease of property	14,746	5,044	816	1,931	22,537
Fees, licenses, and fines	1,645,704	975,808	147,073	153,289	2,921,874
Tobacco settlement	139,683	-	-	-	139,683
Contributions, gifts, and grants	83,032	36,494	4,443	91,063	215,032
Funds escheated	-	-	-	221,196	221,196
Federal COVID-19 funds	3,235,863	48,131	-	75,414	3,359,408
Miscellaneous	176,970	13,557	701	9,424	200,652
Total revenues	67,306,058	4,721,776	2,221,911	1,198,567	75,448,312
Expenditures					
Current:					
General government	3,070,559	-	-	84,942	3,155,501
Primary and secondary education	16,172,663	-	-	-	16,172,663
Higher education	6,393,038	-	-	158,745	6,551,783
Health and human services	34,289,763	-	-	105,547	34,395,310
Economic development	1,387,382	-	-	2,386	1,389,768
Environment and natural resources	910,474	-	-	262,853	1,173,327
Public safety, corrections, and regulation	4,843,540	-	-	329,775	5,173,315
Transportation	-	5,213,639	2,170,149	-	7,383,788
Agriculture	296,606	-	-	26,447	323,053
Capital outlay	-	-	-	449,992	449,992
Debt service:					
Principal retirement	583,939	92,069	69,600	5,532	751,140
Interest and fees	146,396	49,487	51,907	827	248,617
Debt issuance costs	69	-	-	-	69
Total expenditures	68,094,429	5,355,195	2,291,656	1,427,046	77,168,326
Excess revenues over (under) expenditures	(788,371)	(633,419)	(69,745)	(228,479)	(1,720,014)
Other Financing Sources (Uses)					
Other debt issued	144,421	47,518	-	481	192,420
Sale of capital assets	7,633	5,581	839	950	15,003
Insurance recoveries	2,512	14,781	-	318	17,611
Transfers in (Note 10)	1,358,292	600,389	-	1,678,047	3,636,728
Transfers out (Note 10)	(2,233,036)	(62,544)	(161,801)	(231,275)	(2,688,656)
Total other financing sources (uses)	(720,178)	605,725	(160,962)	1,448,521	1,173,106
Net change in fund balances	(1,508,549)	(27,694)	(230,707)	1,220,042	(546,908)
Fund balances — July 1, as previously reported	22,365,600	1,196,955	1,075,170	3,509,207	28,146,932
Adjustments to July 1 balances	34,141	-	-	-	34,141
Fund balances — July 1, as restated (Note 23)	22,399,741	1,196,955	1,075,170	3,509,207	28,181,073
Fund balances — June 30	\$ 20,891,192	\$ 1,169,261	\$ 844,463	\$ 4,729,249	\$ 27,634,165

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, 2024

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

Net change in fund balances - total governmental funds (see Exhibit B-2)	\$	(546,908)
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.)	\$ 5,131,385	
Less: Depreciation expense (excluding internal service funds)	<u>(1,410,117)</u>	
Net capital outlay adjustment		3,721,268
– 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.		(221,394)
– Pension Contributions (excluding internal service funds) to defined benefit pension plans in the current fiscal year are not included on the Statement of Activities.		784,328
– OPEB Contributions (excluding internal service funds) to defined benefit OPEB plans in the current fiscal year are not included on the Statement of Activities.		408,173
– 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).		25,005
– 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)	(61,462)	
Subscriptions (excluding internal service funds)	(92,321)	
Notes from direct borrowings (excluding internal service funds)	(38,637)	
Principal repayments:		
Bonds, notes, and similar debt	643,830	
Leases (excluding internal service funds)	42,395	
Subscriptions (excluding internal service funds)	<u>70,115</u>	
Net debt adjustments		563,920
– 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.		(69,591)
– 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.		1,213
– 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	12,374	
Compensated absences (excluding internal service funds)	(31,323)	
Workers' compensation (excluding internal service funds)	9,004	
Pension expense (excluding internal service funds)	(1,049,360)	
OPEB expense (excluding internal service funds)	49,094	
Pollution remediation	247	
Amortization of deferred amounts	<u>87,048</u>	
Net expense accruals		(922,916)
– 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>44,349</u>
Change in net position - governmental activities (see Exhibit A-2)	\$	<u><u>3,787,447</u></u>

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