

## Required Supplementary Information

**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –  
General and Major Special Revenue Funds**

Fiscal Year Ended June 30, 2015  
(Dollars in Thousands)

	General Fund			Final/Actual Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
<b>Taxes:</b>				
Individual and Fiduciary Income	\$ 12,349,900	\$ 11,816,300	\$ 12,328,675	\$ 512,375
Sales and Use	3,561,970	3,568,100	3,587,849	19,749
Corporation Income	816,600	840,900	831,907	(8,993)
Motor Fuel	-	-	-	-
Motor Vehicle Sales and Use	-	-	-	-
Communications Sales and Use	440,000	425,000	417,209	(7,791)
Deeds, Contracts, Wills, and Suits	381,056	328,300	354,461	26,161
Premiums of Insurance Companies	290,900	320,500	300,641	(19,859)
Alcoholic Beverage Sales	198,800	204,400	207,802	3,402
Tobacco Products	179,100	178,820	178,996	176
Estate	-	-	98	98
Public Service Corporations	97,700	96,800	98,537	1,737
Other Taxes	20,205	21,847	30,251	8,404
Rights and Privileges	89,626	87,192	78,654	(8,538)
Sales of Property and Commodities	1,337	3,445	28,930	25,485
Assessments and Receipts for Support of Special Services	850	900	1,582	682
Institutional Revenue	42,711	41,796	38,240	(3,556)
Interest, Dividends, and Rents	60,677	62,629	54,626	(8,003)
Fines, Forfeitures, Court Fees, Penalties, and Escheats	213,345	205,323	216,698	11,375
Federal Grants and Contracts	6,418	6,414	6,416	2
Receipts from Cities, Counties, and Towns	9,333	10,033	16,533	6,500
Private Donations, Gifts and Contracts	486	475	775	300
Tobacco Master Settlement	53,209	51,086	48,207	(2,879)
Other	264,956	184,546	158,807	(25,739)
<b>Total Revenues</b>	<b>19,079,179</b>	<b>18,454,806</b>	<b>18,985,894</b>	<b>531,088</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	2,895,523	2,334,088	2,273,965	60,123
Education	8,000,322	7,977,968	7,928,734	49,234
Transportation	204	2,367	836	1,531
Resources and Economic Development	408,423	465,224	413,053	52,171
Individual and Family Services	5,923,217	5,827,264	5,765,208	62,056
Administration of Justice	2,556,220	2,608,951	2,586,618	22,333
Capital Outlay	24,130	31,380	6,510	24,870
<b>Total Expenditures</b>	<b>19,808,039</b>	<b>19,247,242</b>	<b>18,974,924</b>	<b>272,318</b>
Revenues Over (Under) Expenditures	(728,860)	(792,436)	10,970	803,406
<b>Other Financing Sources (Uses):</b>				
<b>Transfers:</b>				
Transfers In	807,406	864,788	866,913	2,125
Transfers Out	(440,696)	(431,678)	(468,029)	(36,351)
Bonds Issued	-	-	-	-
Premium on Debt Issuance	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>366,710</b>	<b>433,110</b>	<b>398,884</b>	<b>(34,226)</b>
<b>Revenues and Other Sources Over (Under)</b>				
Expenditures and Other Uses	(362,150)	(359,326)	409,854	769,180
<b>Fund Balance, July 1</b>	<b>1,349,301</b>	<b>1,349,301</b>	<b>1,349,301</b>	<b>-</b>
<b>Fund Balance, June 30</b>	<b>\$ 987,151</b>	<b>\$ 989,975</b>	<b>\$ 1,759,155</b>	<b>\$ 769,180</b>

See notes on page 181 in this section.

**Special Revenue Funds**

**Commonwealth Transportation Fund**

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final/Actual Variance Positive (Negative)</u>
\$ -	\$ -	\$ -	\$ -
1,374,262	1,236,725	1,347,089	110,364
-	-	-	-
810,844	907,243	829,956	(77,287)
875,212	814,200	846,193	31,993
-	-	-	-
83,200	77,100	85,945	8,845
150,400	150,397	150,397	-
-	-	-	-
-	-	-	-
-	-	-	-
67,390	64,630	67,433	2,803
633,863	539,050	556,740	17,690
-	556	20,324	19,768
16,825	19,866	19,644	(222)
-	-	-	-
12,566	12,355	22,041	9,686
10,969	9,962	11,891	1,929
913,305	1,059,345	1,330,384	271,039
179,210	205,804	138,919	(66,885)
25	25	9,373	9,348
-	-	-	-
26,361	22,411	26,038	3,627
5,154,432	5,119,669	5,462,367	342,698
104,713	84,598	74,056	10,542
2,417	1,099	1,090	9
5,120,816	5,986,034	5,289,482	696,552
15,944	14,617	12,355	2,262
-	-	-	-
9,767	9,767	9,766	1
37,023	75,487	14,300	61,187
5,290,680	6,171,602	5,401,049	770,553
(136,248)	(1,051,933)	61,318	1,113,251
33,096	33,096	77,765	44,669
(420,836)	(395,874)	(381,202)	14,672
274,980	274,980	274,980	-
26,013	26,013	26,013	-
(86,747)	(61,785)	(2,444)	59,341
(222,995)	(1,113,718)	58,874	1,172,592
2,234,932	2,234,932	2,234,932	-
\$ 2,011,937	\$ 1,121,214	\$ 2,293,806	\$ 1,172,592

Continued on next page

**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –  
General and Major Special Revenue Funds** (Continued from previous page)

Fiscal Year Ended June 30, 2015  
(Dollars in Thousands)

	Special Revenue Funds			
	Federal Trust			Final/Actual Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
<b>Taxes:</b>				
Individual and Fiduciary Income	\$ -	\$ -	\$ -	\$ -
Sales and Use	-	-	-	-
Corporation Income	-	-	-	-
Motor Fuel	-	-	-	-
Motor Vehicle Sales and Use	-	-	-	-
Communications Sales and Use	-	-	-	-
Deeds, Contracts, Wills, and Suits	-	-	-	-
Premiums of Insurance Companies	-	-	-	-
Alcoholic Beverage Sales	-	-	-	-
Tobacco Products	-	-	-	-
Estate	-	-	-	-
Public Service Corporations	-	-	-	-
Other Taxes	-	-	-	-
Rights and Privileges	-	-	-	-
Sales of Property and Commodities	14	501	-	(501)
Assessments and Receipts for Support of Special Services	-	-	-	-
Institutional Revenue	-	-	-	-
Interest, Dividends, and Rents	376	527	716	189
Fines, Forfeitures, Court Fees, Penalties, and Escheats	3,663	3,397	7,273	3,876
Federal Grants and Contracts	7,510,001	7,436,222	8,374,296	938,074
Receipts from Cities, Counties, and Towns	-	-	-	-
Private Donations, Gifts and Contracts	-	-	-	-
Tobacco Master Settlement	-	-	-	-
Other	132,448	167,888	143,031	(24,857)
<b>Total Revenues</b>	<b>7,646,502</b>	<b>7,608,535</b>	<b>8,525,316</b>	<b>916,781</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	150,730	165,900	149,349	16,551
Education	932,434	935,253	943,378	(8,125)
Transportation	35,091	31,240	14,011	17,229
Resources and Economic Development	168,052	188,750	162,459	26,291
Individual and Family Services	6,277,050	6,183,330	7,177,937	(994,607)
Administration of Justice	55,453	73,701	42,301	31,400
Capital Outlay	18,498	21,843	12,318	9,525
<b>Total Expenditures</b>	<b>7,637,308</b>	<b>7,600,017</b>	<b>8,501,753</b>	<b>(901,736)</b>
Revenues Over (Under) Expenditures	9,194	8,518	23,563	15,045
<b>Other Financing Sources (Uses):</b>				
<b>Transfers:</b>				
Transfers In	-	-	2,030	2,030
Transfers Out	(9,194)	(8,518)	(25,593)	(17,075)
Bonds Issued	-	-	-	-
Premium on Debt Issuance	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(9,194)</b>	<b>(8,518)</b>	<b>(23,563)</b>	<b>(15,045)</b>
Revenues and Other Sources Over (Under)	-	-	-	-
Expenditures and Other Uses	-	-	-	-
<b>Fund Balance, July 1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See notes on page 181 in this section.

**Notes for Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –  
General and Major Special Revenue Funds**

**1. Basis of Budgeting vs. Modified Accrual Basis Fund Balance (1)**

Since the presentation of financial data on the basis of budgeting differs from that presented under accounting principles generally accepted in the United States of America, a schedule reconciling the fund balance on a budgetary basis at June 30, 2015, to the fund balance on a modified accrual basis follows.

Fund Balance Comparison Budgetary Basis to GAAP Basis			
<i>(Dollars in Thousands)</i>			
	General Fund	Commonwealth Transportation Fund	Federal Trust Fund
Fund Balance, Basis of Budgeting	\$ 1,759,155	\$ 2,293,806	\$ -
Adjustments from Budget to Modified Accrual:			
Accrued Revenues:			
Taxes	618,727	142,083	-
Tax Refunds	(452,947)	-	-
Other Revenue/Other Sources	56,850	68,110	572,688
Unearned Taxes (2)	(64,497)	-	-
Medicaid Payable	(327,236)	-	(336,886)
Accrued Expenditures/Other Uses	(741,696)	(232,892)	(120,366)
Fund Balance, Modified Accrual Basis	<u>\$ 848,356</u>	<u>\$ 2,271,107</u>	<u>\$ 115,436</u>

1. As discussed in Note 1.E., the Literary Fund has no approved budget.
2. See also Note 1.R.

**2. Appropriations**

The amounts presented in the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Major Special Revenue Funds are principally on a cash basis and represent the original budget adopted by the General Assembly and all supplemental appropriations and transfers. The following schedule reconciles original appropriations to the final adjusted expenditure appropriations for the General Fund and Major Special Revenue Funds, at June 30, 2015, except the Literary Fund which has no approved budget.

<i>(Dollars in Thousands)</i>			
	General Fund (10)	Commonwealth Transportation Fund	Federal Trust Fund (11)
Appropriations (1)	\$ 19,808,039	\$ 5,290,680	\$ 7,637,308
Supplemental Appropriations:			
Reappropriations (2)	234,266	46,310	20,640
Subsequent Executive (3)	124,396	846,680	295,133
Subsequent Legislative (4)	(617,008)	(413)	(324,950)
Capital Outlay and Operating Reversions (5)	(5,480)	-	(1,551)
Deficit (6)	273	-	-
Transfers (7)	(245,446)	(101)	(8,408)
Capital Outlay Adjustment (8)	(51,798)	(7,845)	(18,155)
Debt Service Adjustment (9)	-	(3,709)	-
Appropriations, as adjusted	<u>\$ 19,247,242</u>	<u>\$ 6,171,602</u>	<u>\$ 7,600,017</u>

1. Represents the budget appropriated through Chapter 2, 2014 Acts of Assembly, as amended by Chapter 665, 2015 Acts of Assembly.
2. Actions taken to reappropriate any prior year unexpended balances per authority of the language in the Appropriation Act.
3. Actions taken by the Governor to carry forward any prior year unexpended balances, sum sufficient authority, and year 2 to year 1 reductions (General Fund) and actions taken to appropriate any additional revenues collected so that they can be legally spent (Special Revenue Funds).
4. Actions taken by the Governor and the General Assembly to adjust the budget.
5. Represents reversions of unexpended capital outlay and operating balances.
6. Represents additional appropriations authorized subsequent to the 2015 General Assembly Session for legal expenses.
7. Represents transfers required by the Appropriation Act. Transfers out are reduced by approximately \$1.5 billion (General Fund) and \$5.1 million (Commonwealth Transportation Fund) for transfers to component units and fiduciary funds that have been reclassified as expenditures in accordance with GASB Statement No. 34.
8. Capital outlay appropriations cover the projects' lives and usually extend beyond the current fiscal year. These amounts have been adjusted to report the amount authorized for expenditure during the current fiscal year.
9. The Commonwealth Transportation Fund appropriations have been adjusted for debt service.
10. Budgetary reductions totaling \$18.5 million are excluded since they were not available for disbursement during the current fiscal year.
11. Appropriations do not include food stamp issuances of \$1.2 billion since this is a noncash item; however, this amount is included in actual expenditures.

## Schedule of Changes in Employers' Net Pension Liability (1) (2)

Fiscal Year Ended June 30, 2015

(Dollars in Thousands)

Change in the Net Pension Liability	VRS State		VRS Teacher		VRS Political Subdivisions	
	2016	2015	2016	2015	2016	2015
<b>Total pension liability:</b>						
Service cost	\$ 375,149	\$ 369,120	\$ 828,901	\$ 831,501	\$ 530,945	\$ 524,758
Interest	1,482,951	1,436,064	2,834,138	2,722,788	1,309,484	1,243,386
Benefit changes	-	-	-	-	1,135	-
Difference between actual and expected experience	59,923	-	(212,089)	-	(185,419)	-
Assumption changes	-	-	-	-	-	-
Benefit payments	(1,136,102)	(1,081,866)	(1,980,353)	(1,874,636)	(819,201)	(754,706)
Refunds of contributions	(27,724)	(25,036)	(36,058)	(36,103)	(36,898)	(36,876)
Net change in total pension liability	754,197	698,282	1,434,539	1,643,550	800,046	976,562
<b>Total pension liability - beginning</b>	<b>21,766,933</b>	<b>21,068,651</b>	<b>41,495,883</b>	<b>39,852,333</b>	<b>19,135,008</b>	<b>18,158,446</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 22,521,130</b>	<b>\$ 21,766,933</b>	<b>\$ 42,930,422</b>	<b>\$ 41,495,883</b>	<b>\$ 19,935,054</b>	<b>\$ 19,135,008</b>
<b>Plan fiduciary net position:</b>						
Contributions - employer	\$ 480,657	\$ 343,259	\$ 1,267,250	\$ 853,634	\$ 533,877	\$ 539,366
Contributions - member	195,582	198,035	373,525	371,241	227,060	225,555
Net investment income	728,083	2,243,999	1,327,047	4,042,441	761,164	2,272,284
Benefit payments	(1,136,102)	(1,081,866)	(1,980,353)	(1,874,636)	(819,201)	(754,706)
Refunds of contributions	(27,724)	(25,036)	(36,058)	(36,103)	(36,898)	(36,876)
Administrative expense	(10,302)	(12,341)	(18,238)	(22,036)	(10,358)	(12,153)
Other	(154)	123	(284)	217	(162)	120
Net change in plan fiduciary net position	230,040	1,666,173	932,889	3,334,758	655,482	2,233,590
<b>Plan fiduciary net position - beginning</b>	<b>16,168,535</b>	<b>14,502,362</b>	<b>29,411,183</b>	<b>26,076,425</b>	<b>16,627,539</b>	<b>14,393,949</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 16,398,575</b>	<b>\$ 16,168,535</b>	<b>\$ 30,344,072</b>	<b>\$ 29,411,183</b>	<b>\$ 17,283,021</b>	<b>\$ 16,627,539</b>
<b>Net pension liability - ending (a-b)</b>	<b>\$ 6,122,555</b>	<b>\$ 5,598,398</b>	<b>\$ 12,586,350</b>	<b>\$ 12,084,700</b>	<b>\$ 2,652,033</b>	<b>\$ 2,507,469</b>
Plan fiduciary net position as a percentage of the total pension liability (b/a)	72.8%	74.3%	70.7%	70.9%	86.7%	86.9%
Covered employee payroll (c) (3)	\$ 3,878,632	\$ 3,861,712	\$ 7,434,932	\$ 7,313,025	\$ 4,513,335	\$ 4,434,764
Net pension liability as a percentage of covered employee payroll ((a-b)/c)	157.9%	145.0%	169.3%	165.2%	58.8%	56.5%

(1) The Commonwealth implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective for the fiscal year ended June 30, 2015, therefore, ten years of data is unavailable.

(2) The Commonwealth's fiscal year 2015 net pension measurement date is June 30, 2014, as reported in Note 15.

(3) Includes only pensionable payroll costs.

See notes on page 186 in this section.

SPORS		VaLORS		JRS	
2016	2015	2016	2015	2016	2015
\$ 18,847	\$ 18,341	\$ 47,531	\$ 46,504	\$ 23,254	\$ 24,024
70,350	67,977	124,579	119,040	41,759	40,014
-	-	-	-	-	-
(2,890)	-	(4,849)	-	(9,107)	-
-	-	-	-	-	-
(53,338)	(50,467)	(84,990)	(78,412)	(40,205)	(37,984)
(375)	(685)	(4,797)	(4,665)	-	-
32,594	35,166	77,474	82,467	15,701	26,054
1,031,856	996,690	1,824,577	1,742,110	616,680	590,626
<u>\$ 1,064,450</u>	<u>\$ 1,031,856</u>	<u>\$ 1,902,051</u>	<u>\$ 1,824,577</u>	<u>\$ 632,381</u>	<u>\$ 616,680</u>

\$ 28,427	\$ 42,683	\$ 62,084	\$ 67,483	\$ 31,503	\$ 27,727
5,680	5,646	17,081	17,908	3,015	3,051
32,466	98,682	52,312	156,786	20,051	60,833
(53,338)	(50,467)	(84,990)	(78,412)	(40,205)	(37,984)
(375)	(685)	(4,797)	(4,665)	-	-
(471)	(431)	(743)	(681)	(283)	(268)
(27)	-	(44)	-	(17)	-
12,362	95,428	40,903	158,419	14,064	53,359
720,990	625,562	1,150,450	992,031	442,194	388,835
<u>\$ 733,352</u>	<u>\$ 720,990</u>	<u>\$ 1,191,353</u>	<u>\$ 1,150,450</u>	<u>\$ 456,258</u>	<u>\$ 442,194</u>

<u>\$ 331,098</u>	<u>\$ 310,866</u>	<u>\$ 710,698</u>	<u>\$ 674,127</u>	<u>\$ 176,123</u>	<u>\$ 174,486</u>
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68.9%	69.9%	62.6%	63.1%	72.1%	71.7%
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\$ 110,059	\$ 112,010	\$ 338,562	\$ 352,492	\$ 61,092	\$ 61,020
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300.8%	277.5%	209.9%	191.2%	288.3%	285.9%
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**Schedule of Employer Contributions – Pension Plans (1)**

(Dollars in Thousands)

<b>Year Ended June 30</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions in Relation to the Actuarially Determined Contribution</b>	<b>Contributions Deficiency (Excess)</b>	<b>Covered Employee Payroll (2)</b>	<b>Contributions as a Percentage of Covered Employee Payroll</b>
<b>VIRGINIA RETIREMENT SYSTEM (VRS) – STATE</b>					
2015	\$ 612,824	\$ 478,235	\$ 134,589	\$ 3,878,632	12.33%
2014	504,726	338,286	166,440	3,861,712	8.76%
2013	485,577	325,452	160,125	3,715,205	8.76%
2012	309,930	117,696	192,234	3,663,475	3.21%
2011	294,363	74,113	220,250	3,479,484	2.13%
2010	285,209	176,751	108,458	3,556,222	4.97%
2009	290,653	225,782	64,871	3,624,109	6.23%
2008	260,965	218,954	42,011	3,560,228	6.15%
2007	246,458	192,997	53,461	3,362,317	5.74%
2006	124,556	125,197	(641)	3,201,969	3.91%
<b>VIRGINIA RETIREMENT SYSTEM (VRS) – TEACHER</b>					
2015	\$ 1,353,158	\$ 1,078,065	\$ 275,093	\$ 7,434,932	14.50%
2014	1,226,394	852,699	373,695	7,313,025	11.66%
2013	1,203,856	837,028	366,828	7,178,629	11.66%
2012	903,655	443,078	460,577	6,999,653	6.33%
2011	891,237	271,306	619,931	6,903,465	3.93%
2010	839,550	450,218	389,332	7,090,791	6.35%
2009	845,999	629,497	216,502	7,145,260	8.81%
2008	766,559	706,222	60,337	6,856,523	10.30%
2007	733,633	603,705	129,928	6,562,008	9.20%
2006	499,861	408,528	91,333	6,171,124	6.62%
<b>VIRGINIA RETIREMENT SYSTEM (VRS) – POLITICAL SUBDIVISIONS</b>					
2015	\$ 540,859	\$ 535,919	\$ 4,940	\$ 4,513,335	11.87%
2014	551,822	539,131	12,691	4,434,764	12.16%
2013	537,657	525,385	12,272	4,321,565	12.16%
2012	400,879	400,879	-	4,142,150	9.68%
2011	391,531	391,531	-	4,078,580	9.60%
2010	363,982	363,982	-	4,125,087	8.82%
2009	364,366	364,366	-	4,144,638	8.79%
2008	351,469	351,469	-	3,960,566	8.87%
2007	319,516	319,516	-	3,699,629	8.64%
2006	239,827	239,827	-	3,441,325	6.97%

- (1) Contributions made by employers were not in all cases in accordance with the actuarially determined Annual Required Contribution (ARC), but they did meet statutory requirements.  
(2) Includes only pensionable payroll costs.

See notes on page 186 in this section.

<u>Year Ended June 30</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contributions Deficiency (Excess)</u>	<u>Covered Employee Payroll (2)</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
<b>STATE POLICE OFFICERS' RETIREMENT SYSTEM (SPORS)</b>					
2015	\$ 33,876	\$ 28,417	\$ 5,459	\$ 110,059	25.82%
2014	36,538	27,711	8,827	112,010	24.74%
2013	34,535	26,193	8,342	105,872	24.74%
2012	26,250	11,441	14,809	102,701	11.14%
2011	24,570	7,460	17,110	96,128	7.76%
2010	23,791	15,714	8,077	98,757	15.91%
2009	24,241	20,175	4,066	100,626	20.05%
2008	22,941	20,989	1,952	101,106	20.76%
2007	19,402	16,358	3,044	97,892	16.71%
2006	23,132	15,258	7,874	92,526	16.49%
<b>VIRGINIA LAW OFFICERS' RETIREMENT SYSTEM (VaLORS)</b>					
2015	\$ 71,301	\$ 59,824	\$ 11,477	\$ 338,562	17.67%
2014	68,806	52,169	16,637	352,492	14.80%
2013	66,463	50,392	16,071	340,489	14.80%
2012	55,306	24,481	30,825	347,181	7.05%
2011	53,686	17,255	36,431	337,010	5.12%
2010	57,894	39,027	18,867	345,020	11.31%
2009	60,059	50,932	9,127	357,922	14.23%
2008	61,325	55,929	5,396	352,643	15.86%
2007	56,190	48,338	7,852	323,115	14.96%
2006	77,414	52,611	24,803	309,656	16.99%
<b>JUDICIAL RETIREMENT SYSTEM (JRS)</b>					
2015	\$ 35,336	\$ 31,560	\$ 3,776	\$ 61,092	51.66%
2014	33,018	27,728	5,290	61,020	45.44%
2013	32,185	27,028	5,157	59,481	45.44%
2012	27,631	18,907	8,724	59,053	32.02%
2011	28,101	17,303	10,798	60,058	28.81%
2010	23,638	17,065	6,573	62,139	27.46%
2009	23,148	21,000	2,148	60,853	34.51%
2008	23,600	22,386	1,214	58,896	38.01%
2007	22,557	20,530	2,027	56,293	36.47%
2006	23,871	16,206	7,665	53,047	30.55%

## Notes for Pension Schedules

	VRS					
	State	Teacher	Political Subdivisions	SPORS	VaLORS	JRS
<b>Valuation Date</b>	June 30, 2014	June 30, 2014	June 30, 2014	June 30, 2014	June 30, 2014	June 30, 2014
<b>Actuarial Cost Method</b>	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
<b>Actuarial Assumptions:</b>						
Investment Rate of Return*	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Projected Salary Increases:*						
State Employees/Teachers	3.50% to 5.35%	3.50% to 5.95%	3.50% to 5.35%	3.50% to 4.75%	3.50% to 4.75%	4.50%
Political Subdivision – Non-Hazardous Duty Employees	N/A	N/A	3.50% to 5.35%	N/A	N/A	N/A
Political Subdivision – Hazardous Duty Employees	N/A	N/A	3.50% to 4.75%	N/A	N/A	N/A
Post-Retirement Benefits Increases**						
Plan 1	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Plan 2	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%

\* Includes inflation at 2.50%.

\*\* Compounded annually.

As discussed in Note 15, contact the Virginia Retirement System to obtain a copy of the individually published financial statements.



## Funding Progress for Other Postemployment Benefit Plans

(Dollars in Millions)

Actuarial Valuation Date June 30	Actuarial Value of Assets [a]	Actuarial Accrued Liability (AAL) [b]	Unfunded AAL (UAAL) [b-a]	Funded Ratio [a/b]	Covered Payroll [c]	UAAL as a Percentage of Covered Payroll [b-a]/[c]
<b>Group Life Insurance Fund</b>						
2014	\$ 992	\$ 2,701	\$ 1,709	36.7%	\$ 17,559	9.7%
2013	837	2,572	1,735	32.5%	17,132	10.1%
2012	756	2,458	1,702	30.7%	16,697	10.2%
2011	852	2,359	1,507	36.1%	16,543	9.1%
2010	929	2,245	1,316	41.4%	16,526	8.0%
2009	967	1,995	1,028	48.5%	16,728	6.1%
2008	975	1,772	797	55.0%	16,267	4.9%
2007	880	1,552	672	56.7%	14,822	4.5%
2006 (1)	751	1,436	685	52.3%	13,923	4.9%
<b>Retiree Health Insurance Credit Fund (2)</b>						
2014	\$ 162	\$ 2,334	\$ 2,172	7.0%	\$ 14,956	14.5%
2013	139	2,273	2,134	6.1%	14,688	14.5%
2012	130	2,258	2,128	5.8%	14,211	15.0%
2011	213	2,195	1,982	9.7%	14,111	14.0%
2010 (2)	281	2,162	1,881	13.0%	14,220	13.2%
2009 (2)	296	2,007	1,711	14.8%	14,339	11.9%
2008 (2)	264	1,943	1,679	13.6%	13,686	12.3%
2007 (2)	207	1,883	1,676	11.0%	11,935	14.0%
<b>Disability Insurance Trust Fund</b>						
2014	\$ 380	\$ 239	\$ (141)	159.0%	\$ 3,585	(3.9%)
2013	359	228	(131)	157.4%	3,473	(3.8%)
2012	344	303	(41)	113.7%	3,433	(1.2%)
2011	369	296	(73)	124.6%	3,372	(2.2%)
2010 (3)	336	311	(25)	108.0%	3,168	(0.8%)
2009 (3)	290	291	1	99.7%	4,080	-
2008 (3)	313	392	79	79.9%	4,111	1.9%
2007	264	451	187	58.5%	3,909	4.8%
2006 (1)	192	423	231	45.4%	3,716	6.2%
<b>Virginia Local Disability Program (6)</b>						
2014	\$ -	\$ -	\$ -	-	\$ 34	-
<b>Line of Duty Death and Disability (Line of Duty Trust Fund) (7)</b>						
2014	\$ 7	\$ 226	\$ 219	3.1%	N/A	-
2013	10	204	194	4.9%	N/A	-
2012	6	226	220	2.7%	N/A	-
2011	-	399	399	-	N/A	-
2010 (4)	-	576	576	-	N/A	-
2009	-	373	373	-	N/A	-
2008	3	185	182	1.6%	N/A	-
2007	-	146	146	-	N/A	-
2006 (1)	-	99	99	-	N/A	-
<b>Pre-Medicare Retiree Healthcare</b>						
2014	\$ -	\$ 1,342	\$ 1,342	-	\$ 4,011	33.5%
2013	-	1,262	1,262	-	3,857	32.7%
2012	-	1,351	1,351	-	3,709	36.4%
2011	-	1,269	1,269	-	3,566	35.6%
2010 (3)	-	1,298	1,298	-	3,297	39.4%
2009	-	1,218	1,218	-	3,170	38.4%
2007 (5)	-	982	982	-	2,931	33.5%

(1) 2006 was the first actuarial valuation prepared using the required parameters of GASB Statement No. 43.

(2) Data for 2007-2010 has been restated to include the state-funded Retiree Health Insurance Credit benefit for local employees. Similar information for 2006 was not available so that year has been excluded.

(3) Data for 2008-2010 has been restated to include state-funded Long-term Care program. Prior years were funded by premiums paid to insurance carrier and the insurance carrier was responsible for the liability.

(4) Contributions into the Other Postemployment Line of Duty Death and Disability Fund are based on the number of participants in the program using a per capita based contribution versus a payroll based contribution.

(5) 2007 was the first actuarial valuation prepared for Pre-Medicare Retiree Healthcare.

(6) The Virginia Local Disability Program was new effective January 1, 2013, as part of the Hybrid Retirement for non-state employers.

(7) The Line of Duty Act Program was established and set up as a trust fund effective July 1, 2010. Contributions into the trust fund will be based on the number of participants in the program using a per capita-based contribution versus a payroll-based contribution.

See Notes on following page.

**Notes for Funding Progress for Other Postemployment Benefit Plans**

	<b>Group Life Insurance Fund</b>	<b>Retiree Health Insurance Credit Fund</b>	<b>Disability Insurance Trust Fund</b>	<b>Virginia Local Disability Program</b>	<b>Line of Duty Death and Disability</b>	<b>Pre-Medicare Retiree Healthcare</b>
<b>Valuation Date</b>	June 30, 2014	June 30, 2014	June 30, 2014	June 30, 2014	June 30, 2014	July 1, 2013
<b>Actuarial Cost Method</b>	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Projected Unit Credit
<b>Amortization Method</b>	Level Percent of Pay, Closed	Level Percent of Pay, Closed	Level Percent of Pay, Closed	Level Percent of Pay, Closed	Level Percent of Pay, Closed	Level dollar, Open
<b>Payroll Growth Rate:</b>						
State Employees	3.0%	3.0%	3.0%	N/A	3.0%	3.0%
Teachers	3.0%	3.0%	N/A	3.0%	N/A	N/A
Political Subdivision Employees	3.0%	3.0%	N/A	3.0%	3.0%	N/A
State Police / Virginia Law Officers	3.0%	3.0%	3.0%	N/A	3.0%	3.0%
Judges	3.0%	3.0%	N/A	N/A	N/A	N/A
<b>Effective Amortization Period (1)</b>						
State Employees	29.4 years	29.0 years	28.5 years	N/A	2.0 and 30.0 years	30.0 years
Teachers	29.4 years	28.8 years	N/A	20.0 years	N/A	N/A
Political Subdivision Employees	29.4 years	20.0 years	N/A	20.0 years	2.0 and 30.0 years	N/A
<b>Asset Valuation Method</b>						
State Employees and Teachers	5-Year, Smoothed Market	5-Year, Smoothed Market	5-Year, Smoothed Market	5-Year, Smoothed Market	Market Value	Market Value
Political Subdivision Employees and State-Funded Local Employees	5-Year, Smoothed Market	Market Value	N/A	5-Year, Smoothed Market	Market Value	Market Value
<b>Actuarial Assumptions:</b>						
Investment Rate of Return (2)	7.0%	7.0%	7.0%	7.0%	4.8% and 7.0%	4.0%
<b>Projected Salary Increases (3)</b>						
State Employees	3.5% to 5.4%	3.5% to 5.4%	3.5% to 5.4%	N/A	N/A	4.0%
Teachers	3.5% to 6.0%	3.5% to 6.0%	N/A	3.5% to 6.0%	N/A	N/A
Political Subdivision Employees (Non-Hazardous Duty Employees)	3.5% to 5.4%	3.5% to 5.4%	N/A	3.5% to 5.4%	N/A	N/A
Political Subdivision Employees (Hazardous Duty Employees)	3.5% to 4.8%	3.5% to 4.8%	N/A	N/A	N/A	N/A
State Police / Virginia Law Officers	3.5% to 4.8%	3.5% to 4.8%	3.5% to 4.8%	N/A	N/A	4.0%
Judges	4.5%	4.5%	N/A	N/A	N/A	N/A
Medical Trend Assumptions (Under Age 65)	N/A	N/A	N/A	N/A	7.8% to 5.0%	
Medical Trend Assumptions (Ages 65 and Older)	N/A	N/A	N/A	N/A	5.8% to 5.0%	
Year of Ultimate Trend Rate	N/A	N/A	N/A	N/A	2020	

- (1) The amortization period of the Unfunded Actuarial Accrued Liability (UAAL) was a closed 30-year period for the June 30, 2013, balance and closed 20-year period for each subsequent year. The Line of Duty Act Program amortization period is 30 years for the UAAL and two years for the loan.
- (2) Includes inflation rate of 2.5 percent. The Line of Duty Act Program uses 4.3 percent for the investment rate of return and 7.0 percent for the loan interest.
- (3) Projected salary increases for the Retiree Health Insurance Credit Fund are used in the application of the actuarial cost method. Projected salary increase factors are not applicable to the Line of Duty Act Program since neither the benefit nor the cost is salary-based.

**Schedule of Employer Contributions – Other Postemployment Benefit Plans (1)**

(Dollars in Thousands)

<b>Year Ended June 30</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>	<b>Statutory Required Contribution</b>	<b>Percentage Contributed</b>
<b>Group Life Insurance Fund</b>				
2015	\$ 231,283	90.2%	\$ 208,505	100.0%
2014	228,086	90.2%	205,623	100.0%
2013	221,622	90.2%	199,796	100.0%
2012	181,527	26.1%	47,293	100.0%
2011	177,378	25.2%	44,744	100.0%
2010	145,228	65.5%	95,185	100.0%
2009	146,545	92.1%	135,019	100.0%
2008	158,740	100.0%	158,740	100.0%
<b>Retiree Health Insurance Credit Fund</b>				
2015	\$ 161,120	89.9%	\$ 144,862	100.0%
2014	150,831	95.1%	143,425	100.0%
2013	145,416	95.1%	138,282	100.0%
2012	138,195	37.5%	51,882	100.0%
2011	133,655	36.5%	48,736	100.0%
2010	148,956	66.7%	99,356	100.0%
2009	150,048	96.6%	144,989	100.0%
2008	147,524	100.0%	147,524	100.0%
<b>Disability Insurance Trust Fund</b>				
2015	\$ 26,244	90.4%	\$ 23,728	100.0%
2014	20,610	81.0%	16,701	100.0%
2013	21,032	81.0%	17,043	100.0%
2012	30,285	3.6%	1,096	100.0%
2011	28,646	-	-	-
2010	76,530	40.3%	30,861	100.0%
2009	78,120	91.3%	71,344	100.0%
2008	97,975	80.0%	78,380	100.0%
<b>Line of Duty Death and Disability (Line of Duty Trust Fund) (2)</b>				
2015	\$ 22,103	47.0%	\$ 10,381	100.0%
2014	22,103	47.0%	10,381	100.0%
2013	21,895	42.7%	9,341	100.0%
2012	25,033	33.3%	8,323	100.0%
2011	-	-	-	-
2010	16,901	53.8%	9,084	100.0%
2009	16,523	51.5%	8,511	100.0%
2008	9,786	102.5%	10,026	100.0%
<b>Pre-Medicare Retiree Healthcare</b>				
2015	\$ 207,046	17.0%	\$ -	-
2014	198,873	17.3%	-	-
2013	182,970	8.5%	-	-
2012	172,910	21.2%	-	-
2011	166,984	17.8%	-	-
2010	136,710	17.4%	-	-
2009	131,925	23.3%	-	-
2008	127,426	25.2%	-	-

- (1) Contributions made by employers were not in all cases in accordance with the actuarially determined Annual Required Contribution (ARC), but they did meet statutory requirements.
- (2) Line of Duty Death and Disability became a cost sharing plan effective July 1, 2010. Accordingly, the net OPEB obligation at the beginning of the transition period has been reduced to zero.



## Claims Development Information – Risk Management

(Dollars in Thousands)

### Comparison of Earned Revenues and Investment Income to Related Costs of Loss and Other Expenses

Fiscal and Policy Year Ended	2006	2007	2008	2009
1. Required contribution and investment revenue:				
Earned	\$ 6,166	\$ 6,560	\$ 6,759	\$ 6,197
Ceded (a)	-	-	-	-
Net earned	6,166	6,560	6,759	6,197
2. Unallocated expenses	1,008	1,047	1,307	1,272
3. Estimated incurred claims and expenses, end of policy year:				
Incurred	1,539	2,060	3,330	3,681
Ceded (a)	-	-	-	-
Net incurred	1,539	2,060	3,330	3,681
4. Net paid (cumulative) as of:				
End of policy year	177	106	493	300
One year later	745	1,051	1,697	1,858
Two years later	1,421	2,436	3,476	2,690
Three years later	2,087	2,631	3,753	3,679
Four years later	2,176	2,662	3,834	3,867
Five years later	2,554	2,671	5,065	3,928
Six years later	2,591	2,671	5,084	3,928
Seven years later	2,630	2,671	5,140	
Eight years later	2,639	2,671		
Nine years later	2,688			
5. Reestimated ceded claims and expenses (a)	-	-	-	-
6. Reestimated incurred claims and expenses:				
End of policy year	1,539	2,060	3,330	3,681
One year later	2,168	3,316	3,928	3,742
Two years later	2,494	3,224	5,420	3,943
Three years later	2,872	2,887	5,309	4,721
Four years later	2,820	2,730	5,094	4,555
Five years later	2,591	2,731	6,065	4,000
Six years later	2,676	2,731	5,768	3,936
Seven years later	2,698	2,731	5,968	
Eight years later	2,698	2,716		
Nine years later	2,832			
7. Increase (decrease) in estimated net incurred claims and expense from end of policy year	1,293	656	2,638	255

The Commonwealth, through the Department of the Treasury, Division of Risk Management, provides errors and omissions liability insurance and law enforcement professional liability insurance for local governmental units, which went into effect in fiscal year 1987.

See Notes on page 196 in this section.

	2010	2011	2012	2013	2014	2015
\$	5,485	\$ 4,131	\$ 5,019	\$ 5,043	\$ 8,500	\$ 8,487
	-	-	-	-	-	-
	5,485	4,131	5,019	5,043	8,500	8,487
	1,269	1,310	1,382	1,273	1,435	1,331
	3,404	3,213	5,390	3,394	4,025	4,664
	-	-	-	-	-	-
	3,404	3,213	5,390	3,394	4,025	4,664
	412	396	1,677	335	367	922
	2,236	1,940	4,468	3,401	3210	
	5,237	3,943	7,554	8,118		
	6,744	4,317	8,137			
	7,013	4,380				
	7,653					
	-	-	-	-	-	-
	3,404	3,213	5,390	3,394	4,025	4,664
	6,096	3,919	8,704	9,397	6,454	
	8,428	4,523	9,107	9,939		
	8,640	4,570	9,727			
	8,692	4,474				
	7,894					
	4,490	1,261	4,337	6,545	2,429	-

## Claims Development Information – Health Care

(Dollars in Thousands)

### Comparison of Earned Revenues and Investment Income to Related Costs of Loss and Other Expenses

Fiscal and Policy Year Ended	2006	2007	2008	2009
1. Required contribution and investment revenue:				
Earned	\$ 184,360	\$ 202,366	\$ 211,034	\$ 222,498
Ceded (a)	-	-	-	-
Net earned	184,360	202,366	211,034	222,498
2. Unallocated expenses	11,899	13,782	16,215	16,400
3. Estimated incurred claims and expenses, end of policy year:				
Incurred	152,289	163,787	185,117	214,411
Ceded (a)	-	-	-	-
Net incurred	152,289	163,787	185,117	214,411
4. Net paid (cumulative) as of:				
End of policy year	147,534	159,769	181,566	204,655
One year later	N/A	N/A	N/A	N/A
Two years later	N/A	N/A	N/A	N/A
Three years later	N/A	N/A	N/A	N/A
Four years later	N/A	N/A	N/A	N/A
Five years later	N/A	N/A	N/A	N/A
Six years later	N/A	N/A	N/A	N/A
Seven years later	N/A	N/A	N/A	
Eight years later	N/A	N/A		
Nine years later	N/A			
5. Reestimated ceded claims and expenses (a)	-	-	-	-
6. Reestimated incurred claims and expenses:				
End of policy year	152,289	163,787	185,117	214,411
One year later	152,289	163,787	185,117	214,411
Two years later	N/A	N/A	N/A	N/A
Three years later	N/A	N/A	N/A	N/A
Four years later	N/A	N/A	N/A	N/A
Five years later	N/A	N/A	N/A	N/A
Six years later	N/A	N/A	N/A	N/A
Seven years later	N/A	N/A	N/A	
Eight years later	N/A	N/A		
Nine years later	N/A			
7. Increase (decrease) in estimated net incurred claims and expense from end of policy year	-	-	-	-

The Commonwealth, through its Department of Human Resource Management, provides health care insurance for local governmental units, which went into effect in fiscal year 1987.

See Notes on page 196 in this section.

	2010	2011	2012	2013	2014	2015
\$	240,305	\$ 246,730	\$ 259,135	\$ 284,526	\$ 320,678	\$ 343,470
	-	-	-	-	-	-
	240,305	246,730	259,135	284,526	320,678	343,470
	15,936	15,849	16,701	18,781	17,738	22,748
	215,376	213,694	250,019	277,455	290,557	327,154
	-	-	-	-	-	-
	215,376	213,694	250,019	277,455	290,557	327,154
	214,371	209,365	235,058	267,256	291,711	329,099
	N/A	N/A	N/A	N/A	N/A	
	N/A	N/A	N/A	N/A		
	N/A	N/A	N/A			
	N/A	N/A				
	N/A					
	-	-	-	-	-	-
	215,376	213,694	250,019	277,455	290,557	327,154
	215,376	213,694	250,019	277,455	290,557	
	N/A	N/A	N/A	N/A		
	N/A	N/A	N/A			
	N/A	N/A				
	N/A					
	-	-	-	-	-	-

## Notes for Claims Development Information Tables

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The tables on the previous four pages illustrate how the Risk Management and Health Care Claims Funds earned revenues (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the funds as of the end of each of the past several years. The rows of the tables are defined as follows:

1. This line shows the total of each fiscal year's gross earned contribution revenue and investment revenue, contribution revenue ceded to reinsurers, and net earned contribution revenue and reported investment revenue.
2. This line shows each fiscal year's other operating costs of the funds, including overhead and claims expense not allocable to individual claims.
3. This line shows the funds' gross incurred claims and allocated claim adjustment expenses, claims assumed by reinsurers, and net incurred claims and adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year).
4. This section of rows shows the cumulative net amounts paid as of the end of successive years for each policy year.
5. This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each accident year.
6. This section of rows shows how each policy year's net incurred claims increased or decreased as of the end of successive years. (This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known.)
7. This line compares the latest reestimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of net claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years.

The columns of the tables show data for successive policy years.

### Notes:

- (a) During fiscal year 1997, the Commonwealth implemented GASB Statement No. 30, *Risk Financing Omnibus*. The Commonwealth has no reinsurers; therefore, the ceded amounts on lines 1, 3, and 5 are zero.