
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, 2009
(Dollars in Thousands)

	General Fund			Final/Actual Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes:				
Individual and Fiduciary Income	\$ 10,776,900	\$ 9,697,300	\$ 9,481,109	\$ (216,191)
Sales and Use	3,469,488	3,179,300	3,116,831	(62,469)
Corporation Income	706,000	685,000	648,033	(36,967)
Motor Fuel	-	-	-	-
Motor Vehicle Sales and Use	-	-	-	-
Deeds, Contracts, Wills, and Suits	380,800	298,100	314,264	16,164
Premiums of Insurance Companies	294,800	257,500	255,019	(2,481)
Alcoholic Beverage Sales	175,000	174,900	173,227	(1,673)
Tobacco Products	182,100	182,100	183,750	1,650
Estate	-	-	6,006	6,006
Public Service Corporations	88,900	92,800	91,340	(1,460)
Other Taxes	24,300	15,900	28,230	12,330
Rights and Privileges	69,600	63,900	67,426	3,526
Sales of Property and Commodities	1,900	1,800	1	(1,799)
Assessments and Receipts for Support of Special Services	300	400	396	(4)
Institutional Revenue	7,500	7,500	6,402	(1,098)
Interest, Dividends, and Rents	123,567	121,986	134,400	12,414
Fines, Forfeitures, Court Fees, Penalties, and Escheats	201,600	205,200	197,875	(7,325)
Federal Grants and Contracts	-	-	-	-
Receipts from Cities, Counties, and Towns	10,300	10,100	10,265	165
Private Donations, Gifts and Contracts	-	900	118	(782)
Tobacco Master Settlement	55,699	66,754	58,966	(7,788)
Other	73,071	90,197	102,568	12,371
Total Revenues	16,641,825	15,151,637	14,876,226	(275,411)
Expenditures:				
Current:				
General Government	1,761,795	1,722,663	1,669,257	53,406
Education	8,319,880	8,083,328	8,045,614	37,714
Transportation	40	53,949	11,863	42,086
Resources and Economic Development	302,259	313,963	288,877	25,086
Individual and Family Services	4,418,613	4,075,027	4,012,450	62,577
Administration of Justice	2,466,671	2,440,305	2,300,008	140,297
Capital Outlay	159,919	74,498	47,421	27,077
Total Expenditures	17,429,177	16,763,733	16,375,490	388,243
Revenues Over (Under) Expenditures	(787,352)	(1,612,096)	(1,499,264)	112,832
Other Financing Sources (Uses):				
Transfers:				
Transfers In	621,607	641,273	664,141	22,868
Transfers Out	(465,580)	(556,413)	(561,192)	(4,779)
Total Other Financing Sources (Uses)	156,027	84,860	102,949	18,089
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(631,325)	(1,527,236)	(1,396,315)	130,921
Fund Balance, July 1	2,219,790	2,219,790	2,219,790	-
Fund Balance, June 30	\$ 1,588,465	\$ 692,554	\$ 823,475	\$ 130,921

See notes on page 167 in this section.

Special Revenue Funds

Commonwealth Transportation Fund

Original Budget	Final Budget	Actual	Final/Actual Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -
603,206	514,500	478,501	(35,999)
-	-	-	-
920,918	879,238	864,877	(14,361)
649,043	430,100	406,401	(23,699)
96,600	60,600	35,703	(24,897)
134,500	132,300	132,286	(14)
-	-	-	-
-	-	-	-
-	-	-	-
54,966	35,560	32,787	(2,773)
504,790	501,570	550,025	48,455
556	556	2,035	1,479
19,021	18,316	19,089	773
-	-	-	-
50,251	101,891	46,485	(55,406)
72,593	22,887	12,037	(10,850)
1,228,983	1,238,153	813,166	(424,987)
308,096	518,722	81,203	(437,519)
-	-	2,040	2,040
-	-	-	-
26,241	407	21,541	21,134
4,669,764	4,454,800	3,498,176	(956,624)
2,424	2,424	2,016	408
2,414	2,414	2,389	25
4,301,631	5,273,776	3,707,304	1,566,472
16,178	11,922	10,501	1,421
-	-	-	-
8,656	8,656	8,656	-
54,986	58,041	32,019	26,022
4,386,289	5,357,233	3,762,885	1,594,348
283,475	(902,433)	(264,709)	637,724
62,350	147,370	155,770	8,400
(307,193)	(351,045)	(314,122)	36,923
(244,843)	(203,675)	(158,352)	45,323
38,632	(1,106,108)	(423,061)	683,047
1,791,954	1,791,954	1,791,954	-
\$ 1,830,586	\$ 685,846	\$ 1,368,893	\$ 683,047

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, 2009
(Dollars in Thousands)

	Special Revenue Funds			
	Federal Trust			
	Original Budget	Final Budget	Actual	Final/Actual Variance Positive (Negative)
Revenues:				
Taxes:				
Individual and Fiduciary Income	\$ -	\$ -	\$ -	\$ -
Sales and Use	-	-	-	-
Corporation Income	-	-	-	-
Motor Fuel	-	-	-	-
Motor Vehicle 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	20	-	-	-
Sales of Property and Commodities	485	292	122	(170)
Assessments and Receipts for Support of Special Services	-	-	-	-
Institutional Revenue	-	-	-	-
Interest, Dividends, and Rents	2,463	2,817	1,994	(823)
Fines, Forfeitures, Court Fees, Penalties, and Escheats	384	286	17	(269)
Federal Grants and Contracts	5,498,236	6,833,635	6,986,599	152,964
Receipts from Cities, Counties, and Towns	-	-	-	-
Private Donations, Gifts and Contracts	-	-	62	62
Tobacco Master Settlement	-	-	-	-
Other	40,961	27,538	78,485	50,947
Total Revenues	5,542,549	6,864,568	7,067,279	202,711
Expenditures:				
Current:				
General Government	121,732	152,612	127,910	24,702
Education	911,638	1,051,668	891,938	159,730
Transportation	34,017	22,539	14,125	8,414
Resources and Economic Development	159,319	174,857	138,675	36,182
Individual and Family Services	4,241,506	5,259,468	5,730,868	(471,400)
Administration of Justice	60,872	175,178	148,936	26,242
Capital Outlay	13,422	28,203	14,377	13,826
Total Expenditures	5,542,506	6,864,525	7,066,829	(202,304)
Revenues Over (Under) Expenditures	43	43	450	407
Other Financing Sources (Uses):				
Transfers:				
Transfers In	-	-	9,168	9,168
Transfers Out	(43)	(43)	(9,618)	(9,575)
Total Other Financing Sources (Uses)	(43)	(43)	(450)	(407)
Revenues and Other Sources Over (Under)	-	-	-	-
Expenditures and Other Uses	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

See notes on page 167 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, 2009, to the fund balance on a modified accrual basis follows.

Fund Balance Comparison
Budgetary Basis to GAAP Basis
June 30, 2009

(Dollars in Thousands)

	General	Commonwealth Transportation	Federal Trust Fund
	Fund	Fund	Fund
Fund Balance, Basis of Budgeting	\$ 823,475	\$ 1,368,893	\$ -
Adjustments from Budget to Modified Accrual, Undesignated:			
Accrued Revenues:			
Taxes	593,173	125,409	-
Tax Refunds	(488,410)	-	-
Other Revenue/Other Sources	(20,595)	105,476	794,464
Deferred Taxes (2)	(199,308)	-	-
Medicaid Payable	(268,153)	-	(440,533)
Accrued Expenditures/Other Uses	(698,649)	(169,667)	(299,676)
Fund Balance, Modified Accrual Basis	<u>\$ (258,467)</u>	<u>\$ 1,430,111</u>	<u>\$ 54,255</u>

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

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, 2009, except the Literary Fund which has no approved budget.

(Dollars in Thousands)

	General Fund (10)	Commonwealth Transportation Fund	Federal Trust Fund (11)
Appropriations (1)	\$ 17,429,177	\$ 4,386,289	\$ 5,542,506
Supplemental Appropriations:			
Reappropriations (2)	804,929	59,986	26,056
Subsequent Executive (3)	27,305	401,511	492,464
Subsequent Legislative (4)	(987,330)	452,435	837,372
Capital Outlay and Operating Reversions (5)	(116)	(1,989)	(1,026)
Deficit (6)	78	-	-
Transfers (7)	(372,384)	150,123	(17,578)
Capital Outlay Adjustment (8)	(137,926)	(55,155)	(15,269)
Debt Service Adjustment (9)	-	(35,967)	-
Appropriations, as adjusted	<u>\$ 16,763,733</u>	<u>\$ 5,357,233</u>	<u>\$ 6,864,525</u>

- Represents the budget appropriated through Chapter 879, 2008 Acts of Assembly, as amended by Chapter 781, 2009 Acts of Assembly.
- Actions taken to reappropriate any prior year unexpended balances per authority of the language in the Appropriation Act.
- 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).
- Actions taken by the Governor and the General Assembly to adjust the budget.
- Represents reversions of unexpended capital outlay and operating balances.
- Represents additional appropriations authorized by the Governor to prevent agencies from incurring deficits. This deficit appropriation relates to the payment of operating expenses for the Department of Veterans Services and the Human Rights Council.
- Represents transfers required by the Appropriation Act. Transfers out are reduced by approximately \$1.6 billion (General Fund) and \$0.9 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.
- 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.
- The Special Revenue Commonwealth Transportation Fund appropriations have been adjusted for debt service.
- Budgetary reductions totaling \$283 million are excluded since they were not available for disbursement during the current fiscal year.
- Appropriations do not include food stamp issuances of \$805 million since this is a noncash item; however, this amount is included in actual expenditures.

Funding Progress for Defined Benefit Pension Plans

(Dollars in Millions)

Actuarial Valuation Date June 30	Actuarial Value of Assets [a]	Actuarial Accrued Liability (AAL Entry Age [b])	Unfunded AAL (UAAL) [b-a]	Funded Ratio [a/b]	Covered Payroll [c]	UAAL as a Percentage of Covered Payroll [b-a]/[c]
Virginia Retirement System (VRS) **						
2008	\$ 52,548	\$ 62,554	\$ 10,006	84.0%	\$ 14,559	68.7%
2007	47,815	58,116	10,301	82.3%	13,834	74.5%
2006	42,669	52,822	10,153	80.8%	13,002	78.1%
* 2005	40,372	49,628	9,256	81.3%	12,212	75.8%
2004	39,691	43,958	4,267	90.3%	11,510	37.1%
2003	39,243	40,698	1,455	96.4%	10,885	13.4%
2002	38,957	38,265	(692)	101.8%	10,669	(6.5%)
2001	37,968	35,384	(2,584)	107.3%	10,145	(25.5%)
* 2000	34,392	32,643	(1,749)	105.4%	9,529	(18.4%)
1999	29,804	31,419	1,615	94.9%	9,138	17.7%
State Police Officers' Retirement System (SPORS)						
2008	\$ 646	\$ 844	\$ 198	76.5%	\$ 103	192.2%
2007	595	806	211	73.8%	101	208.9%
2006	539	730	191	73.8%	94	203.2%
* 2005	514	673	159	76.4%	91	174.7%
2004	510	656	146	77.7%	82	178.0%
2003	509	616	107	82.6%	79	135.4%
2002	508	595	87	85.4%	81	107.4%
2001	495	557	62	88.9%	83	74.7%
* 2000	441	513	72	86.0%	81	88.9%
1999	377	463	86	81.4%	77	111.7%
Virginia Law Officers' Retirement System (VaLORS)						
2008	\$ 873	\$ 1,281	\$ 408	68.1%	\$ 368	110.9%
2007	766	1,166	400	65.7%	341	117.3%
2006	656	1,096	440	59.9%	321	137.1%
* 2005	575	980	405	58.7%	307	131.9%
2004	509	927	418	54.9%	298	140.3%
2003	458	854	396	53.6%	292	135.6%
2002	418	806	388	51.9%	306	126.8%
2001	393	628	235	62.6%	320	73.4%
*** 2000	307	680	373	45.1%	315	118.4%
Judicial Retirement System (JRS)						
2008	\$ 374	\$ 495	\$ 121	75.6%	\$ 61	198.4%
2007	340	442	102	76.9%	58	175.9%
2006	302	424	122	71.2%	54	225.9%
* 2005	288	402	114	71.6%	52	219.2%
2004	285	366	81	77.9%	48	168.8%
2003	282	348	66	81.0%	48	137.5%
2002	281	352	71	79.8%	48	147.9%
2001	277	342	65	81.0%	47	138.3%
* 2000	245	330	85	74.2%	45	188.9%
1999	210	302	92	69.5%	42	219.0%

* Revised economic and demographic assumptions due to experience study.

** Change in benefit formula, unreduced early retirement age and actuarial amortization method.

*** The first actuarial valuation for the Virginia law Officers' Retirement System, established on October 1, 1999, was performed as of June 30, 2000.

See Notes on following page.

Notes for Funding Progress for Defined Benefit Pension Plans

Valuation Date:	June 30, 2008
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	
State Employees	Level percent, closed
Teachers	Level percent, closed
Political Subdivision Employees	Level percent, closed
State Police / VA Law Officers / Judges	Level percent, closed
Payroll Growth Rate:	
State Employees	3.00%
Teachers	3.00%
Political Subdivision Employees	3.00%
State Police / VA Law Officers / Judges	3.00%
Remaining Amortization Period:	
State Employees	20 years
Teachers	20 years
Political Subdivision Employees	20 years
State Police / VA Law Officers / Judges	20 years
Asset Valuation Method:	5 year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return (1)	7.50%
Projected Salary Increases (1)	
State Employees	3.75% to 5.60%
Teachers	3.75% to 6.20%
Employees (Non-Hazardous Duty Employees)	3.75% to 5.60%
Political Subdivision Employees (Hazardous Duty Employees)	3.50% to 4.75%
State Police / VA Law Officers Judges	3.50%
Cost of Living Adjustments	2.50%

(1) Includes inflation at 2.50%.

Schedule of Employer Contributions – Defined Pension Plans

(Dollars in Thousands)

Year Ended June 30	Annual Required Contribution	Percentage Contributed	Statutory Required Contribution	Percentage Contributed
Virginia Retirement System (VRS)				
2009 *	\$ 1,501,018	81.25%	\$ 1,219,645	100.00%
2008 *	1,378,993	92.58%	1,276,645	100.00%
2007 *	1,299,606	85.89%	1,116,217	100.00%
2006 *	864,245	89.51%	773,553	100.00%
2005 *	810,944	85.26%	691,415	100.00%
2004 *	469,200	91.66%	430,064	100.00%
2003 *	450,766	67.61%	304,784	100.00%
2002 *	459,613	79.68%	366,239	100.00%
2001 *	630,458	99.99%	630,370	100.00%
2000 *	785,376	93.24%	732,273	100.00%
State Police Officers' Retirement System (SPORS)				
2009 *	\$ 24,241	83.23%	\$ 20,175	100.00%
2008 *	22,941	91.49%	20,989	100.00%
2007 *	19,402	84.31%	16,358	100.00%
2006 *	23,132	65.96%	15,258	100.00%
2005 *	21,946	65.96%	14,475	100.00%
2004 *	20,187	51.16%	10,328	100.00%
2003 *	19,866	44.20%	8,781	100.00%
2002 *	20,190	50.00%	10,095	100.00%
2001	20,420	100.00%	20,420	100.00%
2000 *	17,684	85.07%	15,044	100.00%
Virginia Law Officers' Retirement System (VaLORS)				
2009 *	\$ 60,059	84.80%	\$ 50,932	100.00%
2008 *	61,325	91.20%	55,929	100.00%
2007 *	56,190	86.03%	48,338	100.00%
2006 *	77,414	67.96%	52,611	100.00%
2005 *	74,301	67.96%	50,495	100.00%
2004 *	72,752	55.80%	40,596	100.00%
2003 *	72,699	48.00%	34,895	100.00%
2002 *	77,417	32.30%	25,006	100.00%
2001	51,072	100.00%	51,072	100.00%
2000	16,216	84.81%	13,753	100.00%
Judicial Retirement System (JRS)				
2009 *	\$ 23,148	90.72%	\$ 21,000	100.00%
2008 *	23,599	94.86%	22,386	100.00%
2007 *	22,557	91.02%	20,530	100.00%
2006 *	23,871	67.89%	16,206	100.00%
2005 *	22,490	67.89%	15,269	100.00%
2004 *	21,341	71.18%	15,190	100.00%
2003 *	21,110	64.44%	13,604	100.00%
2002 *	21,282	50.00%	10,641	100.00%
2001	20,822	100.00%	20,822	100.00%
2000 *	15,075	99.07%	14,935	100.00%

* Contributions made by employers during the fiscal years ended June 30, 2000, through June 30, 2009, were not in all cases in accordance with the actuarially determined Annual Required Contribution (ARC), but they did meet statutory requirements.

Funding Progress for Other Post-Employment 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]
Group Life Insurance Fund						
2008	\$ 975	\$ 1,772	\$ 797	55.0%	\$ 16,267	4.9%
2007	\$ 880	\$ 1,552	\$ 672	56.7%	\$ 14,822	4.5%
* 2006	\$ 751	\$ 1,436	\$ 685	52.3%	\$ 13,923	4.9%
Retiree Health Insurance Credit Fund						
2008	\$ 261	\$ 1,908	\$ 1,647	13.7%	\$ 12,986	12.7%
2007	\$ 198	\$ 1,814	\$ 1,616	10.9%	\$ 10,571	15.3%
* 2006	\$ 175	\$ 1,316	\$ 1,141	13.3%	\$ 9,965	11.5%
Disability Insurance Trust Fund						
2008	\$ 286	\$ 363	\$ 77	78.8%	\$ 4,111	1.9%
2007	\$ 264	\$ 451	\$ 187	58.5%	\$ 3,909	4.8%
* 2006	\$ 192	\$ 423	\$ 231	45.4%	\$ 3,716	6.2%
Line of Duty Death and Disability						
2008	\$ 3	\$ 185	\$ 182	1.6%	\$ N/A	-
2007	\$ -	\$ 146	\$ 146	-	\$ N/A	-
* 2006	\$ -	\$ 99	\$ 99	-	\$ N/A	-
Pre-Medicare Retiree Healthcare						
** 2007	\$ -	\$ 982	\$ 982	-	\$ 2,931	33.5%

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

**2007 was the first actuarial valuation prepared for the Pre-Medicare Retiree Healthcare Fund.

See Notes on following page.

Notes for Funding Progress for Other Post-Employment Benefit Plans

	Group Life Insurance Fund	Retiree Health Insurance Credit Fund	Disability Insurance Trust Fund	Line of Duty Death and Disability	Pre-Medicare Retiree Healthcare
Valuation Date	June 30, 2008	June 30, 2008	June 30, 2008	June 30, 2008	June 30, 2007
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Pay, Closed	Level Percent of Pay, Closed	Level Percent of Pay, Closed	Level Percent, Open	Level dollar, Open
Payroll Growth Rate:					
State Employees	3.00%	3.00%	3.00%	N/A	3.00%
Teachers	3.00%	3.00%	N/A	N/A	N/A
Political Subdivision Employees	3.00%	3.00%	N/A	N/A	N/A
State Police / VA Law Officers / Judges	3.00%	3.00%	3.00%	3.00%	3.00%
Judges	3.00%	3.00%	N/A	N/A	N/A
Remaining Amortization Period	28 years	28 years	28 years	30 years	30 years
Asset Valuation Method	5-Year, Smoothed Market	5-Year, Smoothed Market	Market Value	Market Value	Market Value
Actuarial Assumptions:					
Investment Rate of Return (1)	7.50%	7.50%	7.50%	7.50%	4.97%
Projected Salary Increases (1)					
State Employees	3.75% to 5.60%	N/A	3.75% to 5.60%	N/A	3.75% to 5.60%
Teachers	3.75% to 6.20%	N/A	N/A	N/A	N/A
Political Subdivision Employees (Non-Hazardous Duty	3.75% to 5.60%	N/A	N/A	N/A	N/A
Political Subdivision Employees (Hazardous Duty Employees)	3.50% to 4.75%	N/A	N/A	N/A	N/A
State Police / VA Law Officers / Judges	3.50% to 4.75%	N/A	3.50% to 4.75%	3.50% to 4.75%	3.50% to 4.75%

(1) Includes inflation at 2.50%.

Schedule of Employer Contributions – Other Post-Employment Benefit Plans

(Dollars in Thousands)

Year Ended June 30	Annual Required Contribution	Percentage Contributed	Statutory Required Contribution	Percentage Contributed
<i>Group Life Insurance Fund</i>				
2009*	\$ 146,545	92.13%	\$ 135,019	100.00%
2008	158,740	100.00%	158,740	100.00%
<i>Retiree Health Insurance Credit Fund</i>				
2009*	\$ 150,048	96.63%	\$ 144,989	100.00%
2008	147,524	100.00%	147,524	100.00%
<i>Disability Insurance Trust Fund</i>				
2009*	\$ 78,120	91.33%	\$ 71,344	100.00%
2008	97,975	80.00%	78,380	100.00%
<i>Line of Duty Death and Disability</i>				
2009*	\$ 16,523	51.51%	\$ 8,511	100.00%
2008	9,786	102.45%	10,026	100.00%
<i>Pre-Medicare Retiree Healthcare</i>				
2009*	\$ 131,925	23.34%	\$ -	-
2008	127,426	25.21%	-	-

* Contributions made by employers during the fiscal year ended June 30, 2009 were not in all cases in accordance with the actuarially determined Annual Required Contribution (ARC), but they did meet statutory requirements.

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	2000	2001	2002	2003
1. Required contribution and investment revenue:				
Earned	\$ 6,478	\$ 5,814	\$ 5,936	\$ 5,740
Ceded (a)	-	-	-	-
Net earned	6,478	5,814	5,936	5,740
2. Unallocated expenses	1,223	1,863	902	918
3. Estimated incurred claims and expenses, end of policy year:				
Incurred	2,263	2,687	4,110	3,488
Ceded (a)	-	-	-	-
Net incurred	2,263	2,687	4,110	3,488
4. Net paid (cumulative) as of:				
End of policy year	196	336	550	380
One year later	2,688	1,628	1,979	1,894
Two years later	3,322	2,388	2,291	2,181
Three years later	3,369	2,490	2,556	2,375
Four years later	3,447	2,530	2,864	2,435
Five years later	4,042	2,616	2,900	2,454
Six years later	4,062	2,616	3,054	2,455
Seven years later	4,069	2,618	3,054	
Eight years later	4,080	2,618		
Nine years later	4,080			
5. Reestimated ceded claims and expenses (a)	-	-	-	-
6. Reestimated incurred claims and expenses:				
End of policy year	2,263	2,687	4,110	3,488
One year later	4,801	3,752	4,458	3,237
Two years later	4,467	3,318	4,196	2,910
Three years later	3,589	3,270	3,734	2,619
Four years later	3,575	3,186	3,299	2,447
Five years later	4,211	3,171	3,566	2,467
Six years later	4,236	3,171	3,240	2,457
Seven years later	4,212	3,168	3,191	
Eight years later	4,162	3,168		
Nine years later	4,080			
7. Increase (decrease) in estimated net incurred claims and expense from end of policy year	1,817	481	(919)	(1,031)

The Commonwealth provides errors and omissions liability insurance and law enforcement professional liability insurance for local governmental units, which went into effect in fiscal year 1987. For fiscal years 1992-2000, this insurance coverage was provided through the Department of General Services, Division of Risk Management. Effective July 1, 2000, this coverage was provided through the Department of the Treasury, Division of Risk Management.

See Notes on page 178 in this section.

	2004	2005	2006	2007	2008	2009
\$	5,729	\$ 5,788	\$ 6,166	\$ 6,560	\$ 6,759	\$ 6,197
	-	-	-	-	-	-
	5,729	5,788	6,166	6,560	6,759	6,197
	1,209	1,068	1,008	1,047	1,307	1,272
	2,861	2,790	1,539	2,060	3,330	3,681
	-	-	-	-	-	-
	2,861	2,790	1,539	2,060	3,330	3,681
	161	227	177	106	493	300
	1,072	1,699	745	1,051	1,697	
	1,420	2,079	1,421	2,436		
	1,539	2,332	2,087			
	1,559	2,438				
	1,569					
	-	-	-	-	-	-
	2,861	2,790	1,539	2,060	3,330	3,681
	3,302	3,563	2,168	3,316	3,928	
	2,306	3,418	2,494	3,224		
	1,700	3,204	2,872			
	1,697	2,783				
	1,648					
	(1,213)	(7)	1,333	1,164	598	-

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	2000	2001	2002	2003
1. Required contribution and investment revenue:				
Earned	\$ 75,569	\$ 88,313	\$ 100,836	\$ 118,825
Ceded (a)	-	-	-	-
Net earned	75,569	88,313	100,836	118,825
2. Unallocated expenses	6,997	7,203	6,225	6,171
3. Estimated incurred claims and expenses, end of policy year:				
Incurred	76,816	87,222	95,860	104,453
Ceded (a)	-	-	-	-
Net incurred	76,816	87,222	95,860	104,453
4. Net paid (cumulative) as of:				
End of policy year	68,336	74,579	80,974	99,443
One year later	-	-	-	-
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	74,417	87,222	95,860	104,453
One year later	74,417	87,222	95,860	104,453
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	(2,399)	-	-	-

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 178 in this section.

	2004	2005	2006	2007	2008	2009
\$	137,582	\$ 157,959	\$ 184,360	\$ 202,366	\$ 211,034	\$ 222,498
	-	-	-	-	-	-
	137,582	157,959	184,360	202,366	211,034	222,498
	6,271	10,655	11,899	13,782	16,215	16,400
	124,887	144,976	152,289	163,787	185,117	214,411
	-	-	-	-	-	-
	124,887	144,976	152,289	163,787	185,117	214,411
	99,656	140,452	147,534	159,769	181,566	204,655
	-	-	-	-	-	-
	N/A	N/A	N/A	N/A		
	N/A	N/A	N/A			
	N/A	N/A				
	N/A					
	-	-	-	-	-	-
	124,887	144,976	152,289	163,787	185,117	214,411
	124,887	144,976	152,289	163,787	185,117	
	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

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.