

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, 2012
(Dollars in Thousands)

	General Fund			Final/Actual Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes:				
Individual and Fiduciary Income	\$ 10,329,600	\$ 10,526,400	\$ 10,612,836	\$ 86,436
Sales and Use	3,340,600	3,282,100	3,335,601	53,501
Corporation Income	831,600	827,800	859,923	32,123
Motor Fuel	-	-	-	-
Motor Vehicle Sales and Use	-	-	-	-
Communications Sales and Use	448,900	440,000	424,257	(15,743)
Deeds, Contracts, Wills, and Suits	310,200	331,409	330,938	(471)
Premiums of Insurance Companies	289,600	287,300	252,895	(34,405)
Alcoholic Beverage Sales	180,600	180,800	186,377	5,577
Tobacco Products	174,254	179,200	192,453	13,253
Estate	-	-	298	298
Public Service Corporations	96,400	93,900	94,429	529
Other Taxes	24,556	26,180	20,442	(5,738)
Rights and Privileges	89,089	82,838	72,817	(10,021)
Sales of Property and Commodities	29,285	14,447	30,146	15,699
Assessments and Receipts for Support of Special Services	2,025	2,325	2,570	245
Institutional Revenue	39,464	40,511	38,134	(2,377)
Interest, Dividends, and Rents	104,090	82,442	83,055	613
Fines, Forfeitures, Court Fees, Penalties, and Escheats	219,605	227,206	216,032	(11,174)
Federal Grants and Contracts	-	-	-	-
Receipts from Cities, Counties, and Towns	15,249	14,991	16,209	1,218
Private Donations, Gifts and Contracts	450	532	680	148
Tobacco Master Settlement	58,560	50,205	49,136	(1,069)
Other	107,903	168,771	282,731	113,960
Total Revenues	16,692,030	16,859,357	17,101,959	242,602
Expenditures:				
Current:				
General Government	2,334,125	2,196,546	2,096,588	99,958
Education	7,130,084	7,225,088	7,123,221	101,867
Transportation	30	462	462	-
Resources and Economic Development	383,615	415,708	353,567	62,141
Individual and Family Services	5,215,566	5,149,191	5,027,601	121,590
Administration of Justice	2,324,610	2,383,519	2,284,948	98,571
Capital Outlay	16,787	19,397	7,627	11,770
Total Expenditures	17,404,817	17,389,911	16,894,014	495,897
Revenues Over (Under) Expenditures	(712,787)	(530,554)	207,945	738,499
Other Financing Sources (Uses):				
Transfers:				
Transfers In	641,365	748,237	799,070	50,833
Transfers Out	(543,013)	(602,512)	(621,163)	(18,651)
Bonds Issued	-	-	-	-
Premium on Debt Issuance	-	-	-	-
Total Other Financing Sources (Uses)	98,352	145,725	177,907	32,182
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(614,435)	(384,829)	385,852	770,681
Fund Balance, July 1, as restated	1,297,560	1,297,560	1,297,560	-
Fund Balance, June 30	\$ 683,125	\$ 912,731	\$ 1,683,412	\$ 770,681

See notes on page 177 in this section.

Special Revenue Funds

Commonwealth Transportation Fund

Original Budget	Final Budget	Actual	Final/Actual Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -
521,000	504,800	482,307	(22,493)
-	-	-	-
913,192	886,817	859,947	(26,870)
499,000	525,800	538,143	12,343
-	-	-	-
34,600	38,400	39,140	740
136,000	137,300	137,297	(3)
-	-	-	-
-	-	-	-
-	-	-	-
38,447	40,060	37,920	(2,140)
524,359	541,024	537,963	(3,061)
556	556	3,646	3,090
17,563	17,654	17,867	213
-	-	-	-
41,580	20,958	30,039	9,081
11,917	11,667	11,008	(659)
1,173,860	1,290,875	1,178,487	(112,388)
102,495	98,605	19,173	(79,432)
-	-	28,812	28,812
-	-	-	-
12,993	685	15,973	15,288
<u>4,027,562</u>	<u>4,115,201</u>	<u>3,937,722</u>	<u>(177,479)</u>
3,155	2,458	2,037	421
2,414	2,414	2,405	9
4,046,933	6,116,968	4,406,333	1,710,635
13,972	13,410	9,553	3,857
-	-	-	-
9,650	9,650	9,497	153
38,761	36,822	11,076	25,746
<u>4,114,885</u>	<u>6,181,722</u>	<u>4,440,901</u>	<u>1,740,821</u>
<u>(87,323)</u>	<u>(2,066,521)</u>	<u>(503,179)</u>	<u>1,563,342</u>
103,061	170,302	209,459	39,157
(323,541)	(326,871)	(309,088)	17,783
897,590	897,590	897,590	-
131,946	131,946	131,946	-
<u>809,056</u>	<u>872,967</u>	<u>929,907</u>	<u>56,940</u>
721,733	(1,193,554)	426,728	1,620,282
<u>2,331,014</u>	<u>2,331,014</u>	<u>2,331,014</u>	<u>-</u>
<u>\$ 3,052,747</u>	<u>\$ 1,137,460</u>	<u>\$ 2,757,742</u>	<u>\$ 1,620,282</u>

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**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, 2012
(Dollars in Thousands)

	Special Revenue Funds			
	Federal Trust			Final/Actual Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes:				
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	304	298	456	158
Assessments and Receipts for Support of Special Services	-	-	-	-
Institutional Revenue	-	-	-	-
Interest, Dividends, and Rents	1,211	1,095	1,306	211
Fines, Forfeitures, Court Fees, Penalties, and Escheats	1,211	1,174	718	(456)
Federal Grants and Contracts	6,592,521	8,022,874	8,746,547	723,673
Receipts from Cities, Counties, and Towns	-	-	-	-
Private Donations, Gifts and Contracts	137	-	217	217
Tobacco Master Settlement	-	-	-	-
Other	24,434	22,706	145,555	122,849
Total Revenues	6,619,818	8,048,147	8,894,799	846,652
Expenditures:				
Current:				
General Government	142,236	169,093	126,732	42,361
Education	895,892	1,535,894	1,461,510	74,384
Transportation	35,037	21,548	16,033	5,515
Resources and Economic Development	176,411	262,993	209,522	53,471
Individual and Family Services	5,307,138	5,957,972	7,032,088	(1,074,116)
Administration of Justice	56,027	62,857	35,990	26,867
Capital Outlay	13,158	34,652	12,605	22,047
Total Expenditures	6,625,899	8,045,009	8,894,480	(849,471)
Revenues Over (Under) Expenditures	(6,081)	3,138	319	(2,819)
Other Financing Sources (Uses):				
Transfers:				
Transfers In	-	2	14,711	14,709
Transfers Out	(10)	(9,231)	(21,121)	(11,890)
Bonds Issued	-	-	-	-
Premium on Debt Issuance	-	-	-	-
Total Other Financing Sources (Uses)	(10)	(9,229)	(6,410)	2,819
Revenues and Other Sources Over (Under)	-	-	-	-
Expenditures and Other Uses	(6,091)	(6,091)	(6,091)	-
Fund Balance, July 1, as restated	6,091	6,091	6,091	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

See notes on page 177 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, 2012, 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	\$ 1,683,412	\$ 2,757,742	\$ -
Adjustments from Budget to Modified Accrual:			
Accrued Revenues:			
Taxes	675,620	136,081	-
Tax Refunds	(390,947)	-	-
Other Revenue/Other Sources	96,945	73,533	628,676
Deferred Taxes (2)	(452,442)	-	-
Medicaid Payable	(341,332)	-	(353,112)
Accrued Expenditures/Other Uses	(758,897)	(220,762)	(175,830)
Fund Balance, Modified Accrual Basis	<u>\$ 512,359</u>	<u>\$ 2,746,594</u>	<u>\$ 99,734</u>

1. As discussed in Note 1.E., the Literary Fund has no approved budget.
2. 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, 2012, except the Literary Fund which has no approved budget.

<i>(Dollars in Thousands)</i>			
	General Fund (9)	Commonwealth Transportation Fund	Federal Trust Fund (10)
Appropriations (1)	\$ 17,404,817	\$ 4,114,885	\$ 6,625,899
Supplemental Appropriations:			
Reappropriations (2)	68,899	37,699	21,181
Subsequent Executive (3)	608,252	985,005	1,443,568
Subsequent Legislative (4)	(568,673)	1,013,216	1,297
Capital Outlay and Operating Reversions (5)	(577)	(27)	(178)
Transfers (6)	(109,692)	74,049	(28,374)
Capital Outlay Adjustment (7)	(13,115)	(39,610)	(18,384)
Debt Service Adjustment (8)	-	(3,495)	-
Appropriations, as adjusted	<u>\$ 17,389,911</u>	<u>\$ 6,181,722</u>	<u>\$ 8,045,009</u>

1. Represents the budget appropriated through Chapter 890, 2011 Acts of Assembly, as amended by Chapter 2, 2012 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 transfers required by the Appropriation Act. Transfers out are reduced by approximately \$1.4 billion (General Fund) and \$3.7 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.
7. 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.
8. The Special Revenue Commonwealth Transportation Fund appropriations have been adjusted for debt service.
9. Budgetary reductions totaling \$17.4 million are excluded since they were not available for disbursement during the current fiscal year.
10. Appropriations do not include food stamp issuances of \$1.4 billion 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)						
2011	\$ 52,559	\$ 75,185	\$ 22,626	69.9%	\$ 14,709	153.8%
2010	52,729	72,801	20,072	72.4%	14,758	136.0%
* 2009	53,185	66,323	13,138	80.2%	14,948	87.9%
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%)
State Police Officers' Retirement System (SPORS)						
2011	\$ 617	\$ 986	\$ 369	62.6%	\$ 100	370.3%
2010	634	949	315	66.8%	98	321.4%
* 2009	647	879	232	73.6%	101	229.7%
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%
Virginia Law Officers' Retirement System (VaLORS)						
2011	\$ 926	\$ 1,683	\$ 757	55.0%	\$ 356	212.5%
2010	925	1,579	654	58.6%	346	189.0%
* 2009	913	1,412	499	64.7%	359	139.0%
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%
Judicial Retirement System (JRS)						
2011	\$ 371	\$ 569	\$ 198	65.2%	\$ 59	336.8%
2010	372	560	188	66.4%	61	308.2%
* 2009	378	521	143	72.6%	63	227.0%
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%

* Revised economic and demographic assumptions due to experience study.

See Notes on following page.

Notes for Funding Progress for Defined Benefit Pension Plans

Valuation Date:		June 30, 2011
Actuarial Cost Method:		Entry Age Normal
Amortization Method:		
State Employees		Level percent, open
Teachers		Level percent, open
Political Subdivision Employees		Level percent, open
State Police/VA Law Officers/Judges		Level percent, open
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		10 and 30 years
Teachers		10 and 30 years
Political Subdivision Employees		30 years
State Police/VA Law Officers/Judges		10 and 30 years
Asset Valuation Method:		5 year Smoothed Market
Actuarial Assumptions:		
Investment Rate of Return (1)		7.00%
Projected Salary Increases (1)		
State Employees		3.75% to 5.60%
Teachers		3.75% to 6.20%
(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% to 4.75%
Judges		4.50%
Cost of Living Adjustments	Plan 1	2.50%
	Plan 2	2.25%

(1) Includes inflation at 2.50%.

Schedule of Employer Contributions – Defined Benefit Pension Plans (1)

(Dollars in Thousands)

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Statutory Required Contribution</u>	<u>Percentage Contributed</u>
Virginia Retirement System (VRS)				
2012	\$ 1,614,464	59.56%	\$ 961,653	100.00%
2011	1,577,131	46.73%	736,950	100.00%
2010	1,489,124	66.57%	991,334	100.00%
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%
State Police Officers' Retirement System (SPORS)				
2012	\$ 26,250	43.58%	\$ 11,441	100.00%
2011	24,570	30.36%	7,460	100.00%
2010	23,791	66.05%	15,714	100.00%
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%
Virginia Law Officers' Retirement System (VaLORS)				
2012	\$ 55,306	44.27%	\$ 24,481	100.00%
2011	53,686	32.14%	17,255	100.00%
2010	57,894	67.41%	39,027	100.00%
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%
Judicial Retirement System (JRS)				
2012	\$ 27,631	68.43%	\$ 18,907	100.00%
2011	28,101	61.57%	17,303	100.00%
2010	23,638	72.20%	17,065	100.00%
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%

(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.

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]
Group Life Insurance Fund						
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%
Retiree Health Insurance Credit Fund						
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%
Disability Insurance Trust Fund						
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%
Line of Duty Death and Disability						
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	-
Pre-Medicare Retiree Healthcare						
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 Line of Duty Act Trust 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.

See Notes on following page.

Notes for Funding Progress for Other Postemployment 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, 2011	June 30, 2011	June 30, 2011	June 30, 2011	July 01, 2011
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Pay, Open	Level Percent of Pay, Open	Level Percent of Pay, Open	Level Percent of Pay, Open	Level dollar, Open
Payroll Growth Rate:					
State Employees	3.00%	3.00%	3.00%	3.00%	3.00%
Teachers	3.00%	3.00%	N/A	N/A	N/A
Political Subdivision Employees	3.00%	3.00%	N/A	3.00%	N/A
State Police / Virginia Law Officers	3.00%	3.00%	3.00%	3.00%	3.00%
Judges	3.00%	3.00%	N/A	N/A	N/A
Remaining Amortization Period	30 years	30 years	30 years	5 and 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)	7.00%	7.00%	7.00%	4.75%	4.00%
Projected Salary Increases (1)					
State Employees	3.75% to 5.60%	3.75% to 5.60%	3.75% to 5.60%	N/A	4.00%
Teachers	3.75% to 6.20%	3.75% to 6.20%	N/A	N/A	N/A
Political Subdivision Employees (Non-Hazardous Duty Employees)	3.75% to 5.60%	3.75% to 5.60%	N/A	N/A	N/A
Political Subdivision Employees (Hazardous Duty Employees)	3.50% to 4.75%	3.50% to 4.75%	N/A	N/A	N/A
State Police / Virginia Law Officers	3.50% to 4.75%	3.50% to 4.75%	3.50% to 4.75%	N/A	4.00%
Judges	4.50%	4.50%	N/A	N/A	N/A

(1) Includes inflation at 2.50%.

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

(Dollars in Thousands)

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Statutory Required Contribution</u>	<u>Percentage Contributed</u>
Group Life Insurance Fund				
2012	\$ 181,527	26.05%	\$ 47,293	100.00%
2011	177,378	25.23%	44,744	100.00%
2010	145,228	65.54%	95,185	100.00%
2009	146,545	92.13%	135,019	100.00%
2008	158,740	100.00%	158,740	100.00%
Retiree Health Insurance Credit Fund				
2012	\$ 138,195	37.54%	\$ 51,882	100.00%
2011	133,655	36.46%	48,736	100.00%
2010	148,956	66.70%	99,356	100.00%
2009	150,048	96.63%	144,989	100.00%
2008	147,524	100.00%	147,524	100.00%
Disability Insurance Trust Fund				
2012	\$ 30,285	3.62%	\$ 1,096	100.00%
2011	28,646	-	-	-
2010	76,530	40.32%	30,861	100.00%
2009	78,120	91.33%	71,344	100.00%
2008	97,975	80.00%	78,380	100.00%
Line of Duty Death and Disability (2)				
2012	\$ 25,033	33.25%	\$ 8,323	100.00%
2011	-	-	-	-
2010	16,901	53.75%	9,084	100.00%
2009	16,523	51.51%	8,511	100.00%
2008	9,786	102.45%	10,026	100.00%
Pre-Medicare Retiree Healthcare				
2012	\$ 172,910	21.21%	\$ -	-
2011	166,984	17.75%	-	-
2010	136,710	17.43%	-	-
2009	131,925	23.34%	-	-
2008	127,426	25.21%	-	-

(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	2003	2004	2005	2006
1. Required contribution and investment revenue:				
Earned	\$ 5,740	\$ 5,279	\$ 5,788	\$ 6,166
Ceded (a)	-	-	-	-
Net earned	5,740	5,279	5,788	6,166
2. Unallocated expenses	918	1,209	1,068	1,008
3. Estimated incurred claims and expenses, end of policy year:				
Incurred	3,488	2,861	2,791	1,539
Ceded (a)	-	-	-	-
Net incurred	3,488	2,861	2,791	1,539
4. Net paid (cumulative) as of:				
End of policy year	380	161	227	177
One year later	1,894	1,072	1,699	745
Two years later	2,181	1,420	2,079	1,421
Three years later	2,375	1,539	2,332	2,087
Four years later	2,435	1,559	2,438	2,176
Five years later	2,454	1,569	2,451	2,554
Six years later	2,455	1,569	2,455	2,591
Seven years later	2,455	1,594	2,474	
Eight years later	2,456	1,649		
Nine years later	2,456			
5. Reestimated ceded claims and expenses (a)	-	-	-	-
6. Reestimated incurred claims and expenses:				
End of policy year	3,488	2,861	2,791	1,539
One year later	3,237	3,302	3,563	2,168
Two years later	2,910	2,306	3,418	2,494
Three years later	2,619	1,700	3,204	2,872
Four years later	2,447	1,697	2,763	2,820
Five years later	2,467	1,648	2,736	2,591
Six years later	2,457	1,642	2,671	2,676
Seven years later	2,458	1,621	2,746	
Eight years later	2,456	1,691		
Nine years later	2,456			
7. Increase (decrease) in estimated net incurred claims and expense from end of policy year	(1,032)	(1,170)	(45)	1,137

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 188 in this section.

	2007	2008	2009	2010	2011	2012
\$	6,560	\$ 6,759	\$ 6,197	\$ 5,485	\$ 4,131	\$ 5,019
	-	-	-	-	-	-
	6,560	6,759	6,197	5,485	4,131	5,019
	1,047	1,307	1,272	1,269	1,310	1,382
	2,060	3,330	3,681	3,282	3,102	5,227
	-	-	-	-	-	-
	2,060	3,330	3,681	3,282	3,102	5,227
	106	493	300	350	367	1,549
	1,051	1,697	1,858	2,139	1,894	
	2,436	3,476	2,690	5,140		
	2,631	3,753	3,679			
	2,662	3,834				
	2,671					
	-	-	-	-	-	-
	2,060	3,330	3,681	3,282	3,102	5,227
	3,316	3,928	3,742	5,845	3,862	
	3,224	5,420	3,943	7,492		
	2,887	5,309	4,721			
	2,730	5,094				
	2,731					
	671	1,764	1,040	4,210	760	-

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	2003	2004	2005	2006
1. Required contribution and investment revenue:				
Earned	\$ 118,825	\$ 137,582	\$ 157,959	\$ 184,360
Ceded (a)	-	-	-	-
Net earned	118,825	137,582	157,959	184,360
2. Unallocated expenses	6,171	6,271	10,655	11,899
3. Estimated incurred claims and expenses, end of policy year:				
Incurred	104,453	124,887	144,976	152,289
Ceded (a)	-	-	-	-
Net incurred	104,453	124,887	144,976	152,289
4. Net paid (cumulative) as of:				
End of policy year	99,443	99,656	140,452	147,534
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	N/A
Eight years later	N/A	N/A	N/A	N/A
Nine years later	N/A	N/A	N/A	N/A
5. Reestimated ceded claims and expenses (a)	-	-	-	-
6. Reestimated incurred claims and expenses:				
End of policy year	104,453	124,887	144,976	152,289
One year later	104,453	124,887	144,976	152,289
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	N/A
Eight years later	N/A	N/A	N/A	N/A
Nine years later	N/A	N/A	N/A	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 188 in this section.

	2007	2008	2009	2010	2011	2012
\$	202,366	\$ 211,034	\$ 222,498	\$ 240,305	\$ 246,730	\$ 259,135
	-	-	-	-	-	-
	202,366	211,034	222,498	240,305	246,730	259,135
	13,782	16,215	16,400	15,936	15,849	16,701
	163,787	185,117	214,411	215,376	213,694	250,019
	-	-	-	-	-	-
	163,787	185,117	214,411	215,376	213,694	250,019
	159,769	181,566	204,655	214,371	209,365	235,058
	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					
	-	-	-	-	-	-
	163,787	185,117	214,411	215,376	213,694	250,019
	163,787	185,117	214,411	215,376	213,694	
	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.