

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, 2016
(Dollars in Thousands)

	General Fund			Final/Actual Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes:				
Individual and Fiduciary Income	\$ 12,219,700	\$ 12,823,000	\$ 12,555,624	\$ (267,376)
Sales and Use	3,686,000	3,734,400	3,651,400	(83,000)
Corporation Income	820,700	722,800	764,948	42,148
Motor Fuel	-	-	-	-
Motor Vehicle Sales and Use	-	-	-	-
Communications Sales and Use	425,000	419,000	406,707	(12,293)
Deeds, Contracts, Wills, and Suits	328,300	389,506	377,699	(11,807)
Premiums of Insurance Companies	326,800	322,700	339,081	16,381
Alcoholic Beverage Sales	207,900	207,900	217,594	9,694
Tobacco Products	177,032	181,100	178,741	(2,359)
Estate	-	-	222	222
Public Service Corporations	96,800	98,900	92,586	(6,314)
Other Taxes	25,512	29,972	32,107	2,135
Rights and Privileges	87,967	85,179	84,628	(551)
Sales of Property and Commodities	33,352	1,819	42,671	40,852
Assessments and Receipts for Support of Special Services	900	2,450	3,539	1,089
Institutional Revenue	42,409	46,422	36,819	(9,603)
Interest, Dividends, and Rents	66,233	47,089	57,680	10,591
Fines, Forfeitures, Court Fees, Penalties, and Escheats	203,624	221,405	222,039	634
Federal Grants and Contracts	3,868	3,868	3,868	-
Receipts from Cities, Counties, and Towns	10,032	15,682	16,951	1,269
Private Donations, Gifts and Contracts	475	239	364	125
Tobacco Master Settlement	53,166	47,962	47,664	(298)
Other	186,357	208,007	225,342	17,335
Total Revenues	19,002,127	19,609,400	19,358,274	(251,126)
Expenditures:				
Current:				
General Government	2,571,224	2,571,068	2,497,121	73,947
Education	8,070,533	8,142,706	8,095,292	47,414
Transportation	-	363	328	35
Resources and Economic Development	426,942	475,598	413,406	62,192
Individual and Family Services	5,998,805	6,291,377	6,238,651	52,726
Administration of Justice	2,584,339	2,700,068	2,678,980	21,088
Capital Outlay	27,692	110,556	26,010	84,546
Total Expenditures	19,679,535	20,291,736	19,949,788	341,948
Revenues Over (Under) Expenditures	(677,408)	(682,336)	(591,514)	90,822
Other Financing Sources (Uses):				
Transfers:				
Transfers In	749,323	762,600	775,363	12,763
Transfers Out	(471,368)	(460,976)	(464,559)	(3,583)
Bonds Issued	-	-	-	-
Premium on Debt Issuance	-	-	-	-
Total Other Financing Sources (Uses)	277,955	301,624	310,804	9,180
Revenues and Other Sources Over (Under)	(399,453)	(380,712)	(280,710)	100,002
Fund Balance, July 1, as restated	1,759,155	1,759,155	1,759,155	-
Fund Balance, June 30	\$ 1,359,702	\$ 1,378,443	\$ 1,478,445	\$ 100,002

See notes on page 183 in this section.

Commonwealth Transportation Fund

Original Budget	Final Budget	Actual	Final/Actual Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -
1,370,849	1,253,200	1,339,591	86,391
-	-	-	-
1,035,602	1,024,405	944,823	(79,582)
840,000	893,800	909,532	15,732
-	-	-	-
78,400	88,700	92,255	3,555
150,346	150,346	150,346	-
-	-	-	-
-	-	-	-
-	-	-	-
65,120	69,900	72,585	2,685
483,652	483,651	570,625	86,974
556	-	8,122	8,122
19,181	20,127	15,179	(4,948)
-	-	-	-
12,595	15,657	19,389	3,732
10,132	5,754	13,504	7,750
1,014,746	1,472,689	1,240,635	(232,054)
215,039	249,426	103,700	(145,726)
25	25	12,331	12,306
-	-	-	-
23,348	28,591	20,823	(7,768)
5,319,591	5,756,271	5,513,440	(242,831)
104,930	84,569	53,149	31,420
1,048	1,048	1,036	12
5,513,869	6,623,584	5,761,549	862,035
14,032	14,668	11,899	2,769
-	-	-	-
9,767	9,767	9,767	-
64,666	86,221	28,202	58,019
5,708,312	6,819,857	5,865,602	954,255
(388,721)	(1,063,586)	(352,162)	711,424
89,311	89,311	109,015	19,704
(406,681)	(420,435)	(340,028)	80,407
273,740	273,740	273,740	-
27,236	27,236	27,236	-
(16,394)	(30,148)	69,963	100,111
(405,115)	(1,093,734)	(282,199)	811,535
2,242,500	2,242,500	2,242,500	-
\$ 1,837,385	\$ 1,148,766	\$ 1,960,301	\$ 811,535

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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, 2016
(Dollars in Thousands)

	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	517	517	-	(517)
Assessments and Receipts for Support of Special Services	-	-	-	-
Institutional Revenue	-	-	-	-
Interest, Dividends, and Rents	535	9,417	587	(8,830)
Fines, Forfeitures, Court Fees, Penalties, and Escheats	2,357	2,912	526	(2,386)
Federal Grants and Contracts	7,573,286	7,917,148	8,546,210	629,062
Receipts from Cities, Counties, and Towns	-	-	-	-
Private Donations, Gifts and Contracts	-	1,200	-	(1,200)
Tobacco Master Settlement	-	-	-	-
Other	161,277	167,402	169,124	1,722
Total Revenues	7,737,972	8,098,596	8,716,447	617,851
Expenditures:				
Current:				
General Government	152,165	143,457	119,505	23,952
Education	949,227	987,075	1,004,108	(17,033)
Transportation	35,091	31,769	14,833	16,936
Resources and Economic Development	185,898	188,792	152,606	36,186
Individual and Family Services	6,336,570	6,630,422	7,353,965	(723,543)
Administration of Justice	57,444	75,682	41,231	34,451
Capital Outlay	18,474	38,296	14,860	23,436
Total Expenditures	7,734,869	8,095,493	8,701,108	(605,615)
Revenues Over (Under) Expenditures	3,103	3,103	15,339	12,236
Other Financing Sources (Uses):				
Transfers:				
Transfers In	171	171	7,366	7,195
Transfers Out	(8,493)	(8,493)	(27,924)	(19,431)
Bonds Issued	-	-	-	-
Premium on Debt Issuance	-	-	-	-
Total Other Financing Sources (Uses)	(8,322)	(8,322)	(20,558)	(12,236)
Revenues and Other Sources Over (Under)	-	-	-	-
Expenditures and Other Uses	(5,219)	(5,219)	(5,219)	-
Fund Balance, July 1, as restated	5,219	5,219	5,219	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

See notes on page 183 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, 2016, to the fund balance on a modified accrual basis follows.

	General Fund	Commonwealth Transportation Fund	Federal Trust Fund
Fund Balance, Basis of Budgeting	\$ 1,478,445	\$ 1,960,301	\$ -
Adjustments from Budget to Modified Accrual:			
Accrued Revenues:			
Taxes	635,762	138,037	-
Tax Refunds	(439,657)	-	-
Other Revenue/Other Sources	147,070	99,296	677,581
Medicaid Payable	(367,440)	-	(360,495)
Accrued Expenditures/Other Uses	(743,891)	(269,218)	(188,098)
Fund Balance, Modified Accrual Basis	<u>\$ 710,289</u>	<u>\$ 1,928,416</u>	<u>\$ 128,988</u>

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

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, 2016, 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)	\$ 19,679,535	\$ 5,708,312	\$ 7,734,869
Supplemental Appropriations:			
Reappropriations (2)	129,169	73,684	17,674
Subsequent Executive (3)	124,322	758,756	187,921
Subsequent Legislative (4)	353,024	356,916	169,366
Capital Outlay and Operating Reversions (5)	(8,566)	-	(1,476)
Deficit (6)	1,424	-	-
Transfers (7)	(7,274)	(5,481)	1,580
Capital Outlay Adjustment (8)	20,102	(58,593)	(14,441)
Debt Service Adjustment (9)	-	(13,737)	-
Appropriations, as adjusted	<u>\$ 20,291,736</u>	<u>\$ 6,819,857</u>	<u>\$ 8,095,493</u>

- Represents the budget appropriated through Chapter 665, 2015 Acts of Assembly, as amended by Chapter 732, 2016 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 subsequent to the 2016 General Assembly Session for legal expenses.
- Represents transfers required by the Appropriation Act. Transfers out are reduced by approximately \$1.6 billion (General Fund) and \$20.8 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 Commonwealth Transportation Fund appropriations have been adjusted for debt service.
- Budgetary reductions totaling \$4.7 million are excluded since they were not available for disbursement during the current fiscal year.
- 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, 2016

(Dollars in Thousands)

Change in the Net Pension Liability	VRS State			VRS Teacher		
	2017	2016	2015	2017	2016	2015
Total pension liability:						
Service cost	\$ 369,779	\$ 375,149	\$ 369,120	\$ 828,856	\$ 828,901	\$ 831,501
Interest	1,533,764	1,482,951	1,436,064	2,931,065	2,834,138	2,722,788
Benefit changes	-	-	-	-	-	-
Difference between actual and expected experience	(245,642)	59,923	-	(391,881)	(212,089)	-
Assumption changes	-	-	-	-	-	-
Benefit payments	(1,195,198)	(1,136,102)	(1,081,866)	(2,081,069)	(1,980,353)	(1,874,636)
Refunds of contributions	(25,240)	(27,724)	(25,036)	(35,067)	(36,058)	(36,103)
Net change in total pension liability	437,463	754,197	698,282	1,251,904	1,434,539	1,643,550
Total pension liability - beginning	22,521,130	21,766,933	21,068,651	42,930,422	41,495,883	39,852,333
Total pension liability - ending (a)	\$ 22,958,593	\$ 22,521,130	\$ 21,766,933	\$ 44,182,326	\$ 42,930,422	\$ 41,495,883
Plan fiduciary net position:						
Contributions - employer	\$ 722,617	\$ 480,657	\$ 343,259	\$ 1,062,338	\$ 1,267,250	\$ 853,634
Contributions - member	200,184	195,582	198,035	380,314	373,525	371,241
Net investment income	277,166	728,083	2,243,999	516,704	1,327,047	4,042,441
Benefit payments	(1,195,198)	(1,136,102)	(1,081,866)	(2,081,069)	(1,980,353)	(1,874,636)
Refunds of contributions	(25,240)	(27,724)	(25,036)	(35,067)	(36,058)	(36,103)
Administrative expense	(10,140)	(10,302)	(12,341)	(18,859)	(18,238)	(22,036)
Other	(122)	(154)	123	(222)	(284)	217
Net change in plan fiduciary net position	(30,733)	230,040	1,666,173	(175,861)	932,889	3,334,758
Plan fiduciary net position - beginning	16,398,575	16,168,535	14,502,362	30,344,072	29,411,183	26,076,425
Plan fiduciary net position - ending (b)	\$ 16,367,842	\$ 16,398,575	\$ 16,168,535	\$ 30,168,211	\$ 30,344,072	\$ 29,411,183
Net pension liability - ending (a-b)	\$ 6,590,751	\$ 6,122,555	\$ 5,598,398	\$ 14,014,115	\$ 12,586,350	\$ 12,084,700
Plan fiduciary net position as a percentage of the total pension liability (b/a)	71.3%	72.8%	74.3%	68.3%	70.7%	70.9%
Covered payroll (c)	\$ 3,977,759	\$ 3,878,632	\$ 3,861,712	\$ 7,624,612	\$ 7,434,932	\$ 7,313,025
Net pension liability as a percentage of covered payroll ((a-b)/c)	165.7%	157.9%	145.0%	183.8%	169.3%	165.2%

(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 2016 net pension measurement date is June 30, 2015, as reported in Note 15.

See notes on page 190 in this section.

VRS Political Subdivisions			SPORS		
2017	2016	2015	2017	2016	2015
\$ 535,322	\$ 530,945	\$ 524,758	\$ 18,700	\$ 18,847	\$ 18,341
1,362,892	1,309,484	1,243,386	72,618	70,350	67,978
2,053	1,135	-	-	-	-
(87,268)	(185,419)	-	(14,711)	(2,890)	-
-	-	-	-	-	-
(893,585)	(819,201)	(754,706)	(53,515)	(53,338)	(50,467)
(37,380)	(36,898)	(36,876)	(584)	(375)	(685)
882,034	800,046	976,562	22,508	32,594	35,167
19,935,054	19,135,008	18,158,446	1,064,450	1,031,856	996,689
<u>\$ 20,817,088</u>	<u>\$ 19,935,054</u>	<u>\$ 19,135,008</u>	<u>\$ 1,086,958</u>	<u>\$ 1,064,450</u>	<u>\$ 1,031,856</u>
\$ 543,947	\$ 533,877	\$ 539,366	\$ 33,655	\$ 28,427	\$ 42,683
231,934	227,060	225,555	5,759	5,680	5,646
300,995	761,164	2,272,284	12,634	32,466	98,682
(893,585)	(819,201)	(754,706)	(53,515)	(53,338)	(50,467)
(37,380)	(36,898)	(36,876)	(584)	(375)	(685)
(10,696)	(10,358)	(12,153)	(590)	(471)	(431)
(130)	(162)	120	(23)	(27)	-
135,085	655,482	2,233,590	(2,664)	12,362	95,428
17,283,021	16,627,539	14,393,949	733,352	720,990	625,562
<u>\$ 17,418,106</u>	<u>\$ 17,283,021</u>	<u>\$ 16,627,539</u>	<u>\$ 730,688</u>	<u>\$ 733,352</u>	<u>\$ 720,990</u>
<u>\$ 3,398,982</u>	<u>\$ 2,652,033</u>	<u>\$ 2,507,469</u>	<u>\$ 356,270</u>	<u>\$ 331,098</u>	<u>\$ 310,866</u>
83.7%	86.7%	86.9%	67.2%	68.9%	69.9%
\$ 4,628,806	\$ 4,513,335	\$ 4,434,764	\$ 114,395	\$ 110,059	\$ 112,010
73.4%	58.8%	56.5%	311.4%	300.8%	277.5%

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Schedule of Changes in Employers' Net Pension Liability (1) (2) (Continued from previous page)

Fiscal Year Ended June 30, 2016

(Dollars in Thousands)

Change in the Net Pension Liability	VaLORS			JRS		
	2017	2016	2015	2017	2016	2015
Total pension liability:						
Service cost	\$ 45,608	\$ 47,531	\$ 46,504	\$ 21,978	\$ 23,254	\$ 24,024
Interest	129,756	124,579	119,040	42,820	41,759	40,013
Benefit changes	-	-	-	(15,552)	-	-
Difference between actual and expected experience	4,997	(4,849)	-	(18,681)	(9,107)	-
Assumption changes	-	-	-	-	-	-
Benefit payments	(92,270)	(84,990)	(78,412)	(41,341)	(40,205)	(37,984)
Refunds of contributions	(4,524)	(4,797)	(4,665)	-	-	-
Net change in total pension liability	83,567	77,474	82,467	(10,776)	15,701	26,053
Total pension liability - beginning	1,902,051	1,824,577	1,742,110	632,381	616,680	590,627
Total pension liability - ending (a)	\$ 1,985,618	\$ 1,902,051	\$ 1,824,577	\$ 621,605	\$ 632,381	\$ 616,680
Plan fiduciary net position:						
Contributions - employer	\$ 79,392	\$ 62,084	\$ 67,483	\$ 41,502	\$ 31,503	\$ 27,727
Contributions - member	17,574	17,081	17,908	3,236	3,015	3,051
Net investment income	20,899	52,312	156,786	8,112	20,051	60,833
Benefit payments	(92,270)	(84,990)	(78,412)	(41,341)	(40,205)	(37,984)
Refunds of contributions	(4,524)	(4,797)	(4,665)	-	-	-
Administrative expense	(940)	(743)	(681)	(363)	(283)	(268)
Other	(38)	(44)	-	(15)	(17)	-
Net change in plan fiduciary net position	20,093	40,903	158,419	11,131	14,064	53,359
Plan fiduciary net position - beginning	1,191,353	1,150,450	992,031	456,258	442,194	388,835
Plan fiduciary net position - ending (b)	\$ 1,211,446	\$ 1,191,353	\$ 1,150,450	\$ 467,389	\$ 456,258	\$ 442,194
Net pension liability - ending (a-b)	\$ 774,172	\$ 710,698	\$ 674,127	\$ 154,216	\$ 176,123	\$ 174,486
Plan fiduciary net position as a percentage of the total pension liability (b/a)	61.0%	62.6%	63.1%	75.2%	72.1%	71.7%
Covered payroll (c)	\$ 345,504	\$ 338,562	\$ 352,492	\$ 66,621	\$ 61,092	\$ 61,020
Net pension liability as a percentage of covered payroll ((a-b)/c)	224.1%	209.9%	191.2%	231.5%	288.3%	285.9%



Schedule of Employer Contributions – Pension Plans (1)

(Dollars in Thousands)

Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contributions Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
VIRGINIA RETIREMENT SYSTEM (VRS) – STATE					
2016	\$ 628,486	\$ 557,160	\$ 71,326	\$ 3,977,759	14.01%
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%
VIRGINIA RETIREMENT SYSTEM (VRS) – TEACHER					
2016	\$ 1,344,981	\$ 1,072,020	\$ 272,961	\$ 7,624,612	14.06%
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%
VIRGINIA RETIREMENT SYSTEM (VRS) – POLITICAL SUBDIVISIONS					
2016	\$ 554,335	\$ 549,408	\$ 4,927	\$ 4,628,806	11.87%
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%

(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.

See notes on page 190 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 Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
STATE POLICE OFFICERS' RETIREMENT SYSTEM (SPORS)					
2016	\$ 35,211	\$ 31,561	\$ 3,650	\$ 114,395	27.59%
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%
VIRGINIA LAW OFFICERS' RETIREMENT SYSTEM (VaLORS)					
2016	\$ 72,763	\$ 65,101	\$ 7,662	\$ 345,504	18.84%
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%
JUDICIAL RETIREMENT SYSTEM (JRS)					
2016	\$ 37,008	\$ 33,291	\$ 3,717	\$ 66,621	49.97%
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%

Notes for Pension Schedules

	VRS					
	State	Teacher	Political Subdivisions	SPORS	VaLORS	JRS
Valuation Date	June 30, 2015	June 30, 2015	June 30, 2015	June 30, 2015	June 30, 2015	June 30, 2015
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:						
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%	N/A	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.



Schedule of 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						
2015	\$ 1,129	\$ 2,829	\$ 1,700	39.9%	\$ 17,814	9.5%
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%
Retiree Health Insurance Credit Fund (2)						
2015	\$ 174	\$ 2,380	\$ 2,206	7.3%	\$ 15,267	14.4%
2014	162	2,334	2,172	6.9%	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%
Disability Insurance Trust Fund						
2015	\$ 398	\$ 235	\$ (163)	169.4%	\$ 3,627	(4.5%)
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)	314	392	78	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%
Virginia Local Disability Program (6)						
2015	\$ -	\$ -	\$ -	-	\$ 192	-
2014	-	-	-	-	34	-

- (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 page 194.

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]
<i>Line of Duty Death and Disability (Line of Duty Trust Fund) (7)</i>						
2015	\$ -	\$ 245	\$ 245	-	N/A	-
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	-
<i>Pre-Medicare Retiree Healthcare</i>						
2015	\$ -	\$ 1,309	\$ 1,309	-	\$ 4,034	32.4%
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%

Notes for Schedule of Funding Progress for Other Postemployment Benefit Plans

	Group Life Insurance Fund	Retiree Health Insurance Credit Fund	Disability Insurance Trust Fund	Virginia Local Disability Program	Line of Duty Death and Disability	Pre-Medicare Retiree Healthcare
Valuation Date	June 30, 2015	June 30, 2015	June 30, 2015	June 30, 2015	June 30, 2015	July 1, 2015
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Projected Unit Credit
Amortization Method	Level Percent of Pay, Closed	Level Percent of Pay, Closed	Level Percent of Pay, Closed	Level Percent of Pay, Closed	Level Percent of Pay, Open	Level dollar, Open
Payroll Growth Rate:						
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
Effective Amortization Period (1)						
State Employees	28.6 years	28.0 years	25.9 years	N/A	30.0 years	30.0 years
Teachers	28.6 years	27.8 years	N/A	20.1 years	N/A	N/A
Political Subdivision Employees	28.6 years	27.8 years	N/A	17.9 years	30.0 years	N/A
Asset Valuation Method						
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
Actuarial Assumptions:						
Investment Rate of Return (2)	7.0%	7.0%	7.0%	7.0%	4.8%	4.0%
Projected Salary Increases (3)						
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	7.5% to 5.0%	
Medical Trend Assumptions (Ages 65 and Older)	N/A	N/A	N/A	N/A	5.5% 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.
- (2) Includes inflation rate of 2.5 percent. The Line of Duty Act Program uses 4.3 percent for the investment rate of return.
- (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)

<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				
2016	\$ 237,558	90.2%	\$ 214,162	100.0%
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%
Retiree Health Insurance Credit Fund				
2016	\$ 165,860	89.9%	\$ 149,124	100.0%
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%
Disability Insurance Trust Fund				
2016	\$ 27,187	90.4%	\$ 24,580	100.0%
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	-	-	100.0%
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%
Line of Duty Death and Disability (Line of Duty Trust Fund) (2)				
2016	\$ 23,328	41.8%	\$ 9,756	100.0%
2015	23,847	41.8%	9,974	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%
Pre-Medicare Retiree Healthcare				
2016	\$ 214,114	20.1%	\$ -	-
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	2007	2008	2009	2010
1. Required contribution and investment revenue:				
Earned	\$ 6,560	\$ 6,759	\$ 6,197	\$ 5,485
Ceded (a)	-	-	-	-
Net earned	6,560	6,759	6,197	5,485
2. Unallocated expenses	1,047	1,307	1,272	1,269
3. Estimated incurred claims and expenses, end of policy year:				
Incurred	2,060	3,330	3,681	3,404
Ceded (a)	-	-	-	-
Net incurred	2,060	3,330	3,681	3,404
4. Net paid (cumulative) as of:				
End of policy year	106	493	300	412
One year later	1,051	1,697	1,858	2,236
Two years later	2,436	3,476	2,690	5,237
Three years later	2,631	3,753	3,679	6,744
Four years later	2,662	3,834	3,867	7,013
Five years later	2,671	5,065	3,928	7,653
Six years later	2,671	5,084	3,928	7,937
Seven years later	2,671	5,140	3,930	
Eight years later	2,671	5,164		
Nine years later	2,671			
5. Reestimated ceded claims and expenses (a)	-	-	-	-
6. Reestimated incurred claims and expenses:				
End of policy year	2,060	3,330	3,681	3,404
One year later	3,316	3,928	3,742	6,096
Two years later	3,224	5,420	3,943	8,428
Three years later	2,887	5,309	4,721	8,640
Four years later	2,730	5,094	4,555	8,692
Five years later	2,731	6,065	4,000	7,894
Six years later	2,731	5,768	3,936	8,108
Seven years later	2,731	5,968	3,936	
Eight years later	2,716	6,691		
Nine years later	2,716			
7. Increase (decrease) in estimated net incurred claims and expense from end of policy year	656	3,361	255	4,704

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 200 in this section.

	2011	2012	2013	2014	2015	2016
\$	4,131	\$ 5,019	\$ 5,043	\$ 8,500	\$ 8,487	\$ 8,733
	-	-	-	-	-	-
	4,131	5,019	5,043	8,500	8,487	8,733
	1,310	1,382	1,273	1,435	1,331	1,357
	3,213	5,390	3,394	4,025	4,664	6,893
	-	-	-	-	-	-
	3,213	5,390	3,394	4,025	4,664	6,893
	396	1,677	335	367	922	1,206
	1,940	4,468	3,401	3,210	3,270	
	3,943	7,554	8,118	4,291		
	4,317	8,137	8,278			
	4,380	8,991				
	7,830					
	-	-	-	-	-	-
	3,213	5,390	3,394	4,025	4,664	6,893
	3,919	8,704	9,397	6,454	6,775	
	4,523	9,107	9,939	6,979		
	4,570	9,727	10,333			
	4,474	9,368				
	4,444					
	1,231	3,978	6,939	2,954	2,111	-

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	2007	2008	2009	2010
1. Required contribution and investment revenue:				
Earned	\$ 202,366	\$ 211,034	\$ 222,498	\$ 240,305
Ceded (a)	-	-	-	-
Net earned	202,366	211,034	222,498	240,305
2. Unallocated expenses	13,782	16,215	16,400	15,936
3. Estimated incurred claims and expenses, end of policy year:				
Incurred	163,787	185,117	214,411	215,376
Ceded (a)	-	-	-	-
Net incurred	163,787	185,117	214,411	215,376
4. Net paid (cumulative) as of:				
End of policy year	159,769	181,566	204,655	214,371
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	163,787	185,117	214,411	215,376
One year later	163,787	185,117	214,411	215,376
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 200 in this section.

	2011	2012	2013	2014	2015	2016
\$	246,730	\$ 259,135	\$ 284,526	\$ 320,678	\$ 343,470	\$ 392,778
	-	-	-	-	-	-
	246,730	259,135	284,526	320,678	343,470	392,778
	15,849	16,701	18,781	17,738	22,748	25,422
	213,694	250,019	277,455	290,557	327,154	386,227
	-	-	-	-	-	-
	213,694	250,019	277,455	290,557	327,154	386,227
	209,365	235,058	267,256	291,711	329,099	379,376
	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					
	-	-	-	-	-	-
	213,694	250,019	277,455	290,557	327,154	386,227
	213,694	250,019	277,455	290,557	327,154	
	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.