

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, 2018
(Dollars in Thousands)

	General Fund			Final/Actual Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes:				
Individual and Fiduciary Income	\$ 13,390,000	\$ 13,491,900	\$ 14,105,766	\$ 613,866
Sales and Use	3,824,890	3,837,300	3,827,078	(10,222)
Corporation Income	840,600	874,000	861,897	(12,103)
Motor Fuel	-	-	-	-
Motor Vehicle Sales and Use	-	-	-	-
Communications Sales and Use	407,000	396,500	384,162	(12,338)
Deeds, Contracts, Wills, and Suits	407,900	407,200	403,236	(3,964)
Premiums of Insurance Companies	364,800	362,100	337,947	(24,153)
Alcoholic Beverage Sales	233,700	232,000	231,836	(164)
Tobacco Products	175,800	176,500	160,383	(16,117)
Estate	-	800	932	132
Public Service Corporations	97,800	98,000	98,672	672
Other Taxes	33,850	35,191	39,392	4,201
Rights and Privileges	87,655	90,089	90,780	691
Sales of Property and Commodities	43,914	58,183	62,597	4,414
Assessments and Receipts for Support of Special Services	3,350	4,340	5,230	890
Institutional Revenue	44,681	41,278	37,926	(3,352)
Interest, Dividends, and Rents	62,554	69,406	72,083	2,677
Fines, Forfeitures, Court Fees, Penalties, and Escheats	220,905	213,405	209,869	(3,536)
Federal Grants and Contracts	6,160	6,230	6,796	566
Receipts from Cities, Counties, and Towns	19,390	11,116	11,084	(32)
Private Donations, Gifts and Contracts	237	705	540	(165)
Tobacco Master Settlement	48,496	48,000	58,267	10,267
Other	181,117	180,616	316,477	135,861
Total Revenues	20,494,799	20,634,859	21,322,950	688,091
Expenditures:				
Current:				
General Government	2,672,465	2,524,715	2,405,220	119,495
Education	8,699,487	8,819,740	8,740,117	79,623
Transportation	58	233	202	31
Resources and Economic Development	430,423	471,601	397,794	73,807
Individual and Family Services	6,844,106	6,988,389	6,904,011	84,378
Administration of Justice	2,771,756	2,878,675	2,848,951	29,724
Capital Outlay	56,663	12,429	4,658	7,771
Total Expenditures	21,474,958	21,695,782	21,300,953	394,829
Revenues Over (Under) Expenditures	(980,159)	(1,060,923)	21,997	1,082,920
Other Financing Sources (Uses):				
Transfers:				
Transfers In	813,721	855,267	869,785	14,518
Transfers Out	(443,350)	(432,042)	(444,678)	(12,636)
Bonds Issued	-	-	-	-
Premium on Debt Issuance	-	-	-	-
Total Other Financing Sources (Uses)	370,371	423,225	425,107	1,882
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(609,788)	(637,698)	447,104	1,084,802
Fund Balance, July 1, as restated	1,339,860	1,339,860	1,339,860	-
Fund Balance, June 30	\$ 730,072	\$ 702,162	\$ 1,786,964	\$ 1,084,802

See notes on page 201 in this section.

Special Revenue Funds

Commonwealth Transportation Fund

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final/Actual Variance Positive (Negative)</u>
\$ -	\$ -	\$ -	\$ -
1,427,841	1,457,673	1,411,437	(46,236)
-	-	-	-
1,004,149	1,015,873	979,147	(36,726)
947,300	922,400	935,158	12,758
-	-	-	-
101,200	101,000	101,133	133
168,018	168,018	168,017	(1)
-	-	-	-
-	-	-	-
-	-	-	-
74,950	77,790	82,928	5,138
581,413	695,670	1,225,286	529,616
556	556	2,915	2,359
14,926	14,204	16,908	2,704
-	-	-	-
17,557	12,220	44,205	31,985
7,828	13,707	17,296	3,589
1,080,507	1,269,522	954,746	(314,776)
153,573	153,544	260,655	107,111
25	25	43,104	43,079
-	-	-	-
31,752	640,749	585,805	(54,944)
5,611,595	6,542,951	6,828,740	285,789
84,723	84,723	59,641	25,082
2,648	2,364	2,341	23
5,597,524	7,061,850	6,006,043	1,055,807
16,032	15,333	15,325	8
-	-	-	-
9,882	9,882	9,880	2
95,833	145,103	68,717	76,386
5,806,642	7,319,255	6,161,947	1,157,308
(195,047)	(776,304)	666,793	1,443,097
1,000	2,000	17,986	15,986
(396,729)	(402,741)	(400,363)	2,378
601,500	601,500	601,500	-
70,301	70,301	70,301	-
276,072	271,060	289,424	18,364
81,025	(505,244)	956,217	1,461,461
2,153,428	2,153,428	2,153,428	-
\$ 2,234,453	\$ 1,648,184	\$ 3,109,645	\$ 1,461,461

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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, 2018
(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	-	-	91	91
Sales of Property and Commodities	-	-	2	2
Assessments and Receipts for Support of Special Services	-	-	-	-
Institutional Revenue	-	-	5	5
Interest, Dividends, and Rents	3,399	2,369	547	(1,822)
Fines, Forfeitures, Court Fees, Penalties, and Escheats	3,662	1,955	849	(1,106)
Federal Grants and Contracts	8,348,516	8,756,004	9,229,381	473,377
Receipts from Cities, Counties, and Towns	-	-	-	-
Private Donations, Gifts and Contracts	-	-	-	-
Tobacco Master Settlement	-	-	-	-
Other	58,789	218,166	250,282	32,116
Total Revenues	8,414,366	8,978,494	9,481,157	502,663
Expenditures:				
Current:				
General Government	158,420	168,430	135,498	32,932
Education	948,551	1,079,449	1,077,016	2,433
Transportation	34,533	30,731	21,925	8,806
Resources and Economic Development	182,944	200,068	148,977	51,091
Individual and Family Services	6,983,718	7,301,109	7,974,178	(673,069)
Administration of Justice	51,385	101,864	78,416	23,448
Capital Outlay	54,815	96,843	31,175	65,668
Total Expenditures	8,414,366	8,978,494	9,467,185	(488,691)
Revenues Over (Under) Expenditures	-	-	13,972	13,972
Other Financing Sources (Uses):				
Transfers:				
Transfers In	-	-	3,386	3,386
Transfers Out	-	-	(17,358)	(17,358)
Bonds Issued	-	-	-	-
Premium on Debt Issuance	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(13,972)	(13,972)
Revenues and Other Sources Over (Under)	-	-	-	-
Expenditures and Other Uses	-	-	-	-
Fund Balance, July 1, as restated	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

See notes on page 201 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, 2018, 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	\$ 1,786,964	\$ 3,109,645	\$ -
Adjustments from Budget to Modified Accrual:			
Accrued Revenues:			
Taxes	685,980	161,074	-
Tax Refunds	(422,106)	-	-
Other Revenue/Other Sources	43,095	46,197	855,758
Deferral of Up-front SCA payment	-	(578,919)	-
Medicaid Payable	(549,382)	-	(610,687)
Accrued Expenditures/Other Uses	(701,097)	(404,827)	(137,538)
Fund Reclassification - Budget to Modified Accrual	-	(5,892)	-
Fund Balance, Modified Accrual Basis	<u>\$ 843,454</u>	<u>\$ 2,327,278</u>	<u>\$ 107,533</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, 2018, except the Literary Fund which has no approved budget.

<i>(Dollars in Thousands)</i>			
	General Fund (8)	Commonwealth Transportation Fund	Federal Trust Fund (9)
Appropriations (1)	\$ 21,474,958	\$ 5,806,642	\$ 8,414,366
Supplemental Appropriations:			
Reappropriations (2)	193,450	102,585	58,983
Subsequent Executive (3)	114,661	1,088,380	342,129
Subsequent Legislative (4)	205,951	381,444	248,307
Capital Outlay and Operating Reversions (5)	(2,672)	(1)	(1,373)
Transfers (6)	(250,195)	10,147	(28,256)
Capital Outlay Adjustment (7)	(40,371)	(69,942)	(55,662)
Appropriations, as adjusted	<u>\$ 21,695,782</u>	<u>\$ 7,319,255</u>	<u>\$ 8,978,494</u>

- Represents the budget appropriated through Chapter 836, 2017 Acts of Assembly, as amended by Chapter 1, 2018 Acts of Assembly Special Session 1.
- 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 transfers required by the Appropriation Act. Transfers out are reduced by approximately \$1.6 billion (General Fund) and \$775,000 (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.
- Budgetary reductions totaling \$288.7 million are excluded since they were not available for disbursement during the current fiscal year.
- Appropriations do not include food stamp issuances of \$1.1 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, 2018

(Dollars in Thousands)

Change in the Net Pension Liability	VRS State			
	2018	2017	2016	2015
Total pension liability:				
Service cost	\$ 370,235	\$ 369,779	\$ 375,149	\$ 369,120
Interest	1,562,819	1,533,764	1,482,951	1,436,064
Benefit changes	-	-	-	-
Difference between actual and expected experience	(85,975)	(245,642)	59,923	-
Assumption changes	76,965	-	-	-
Benefit payments	(1,234,388)	(1,195,198)	(1,136,102)	(1,081,866)
Refunds of contributions	(30,837)	(25,240)	(27,724)	(25,036)
Net change in total pension liability	658,819	437,463	754,197	698,282
Total pension liability - beginning	22,958,593	22,521,130	21,766,933	21,068,651
Total pension liability - ending (a)	\$ 23,617,412	\$ 22,958,593	\$ 22,521,130	\$ 21,766,933
Plan fiduciary net position:				
Contributions - employer	\$ 535,424	\$ 722,617	\$ 480,657	\$ 343,259
Contributions - member	201,391	200,184	195,582	198,035
Net investment income	1,963,811	277,166	728,083	2,243,999
Benefit payments	(1,234,388)	(1,195,198)	(1,136,102)	(1,081,866)
Refunds of contributions	(30,837)	(25,240)	(27,724)	(25,036)
Administrative expense	(11,612)	(10,140)	(10,302)	(12,341)
Other	(1,743)	(122)	(154)	123
Net change in plan fiduciary net position	1,422,046	(30,733)	230,040	1,666,173
Plan fiduciary net position - beginning	16,367,842	16,398,575	16,168,535	14,502,362
Plan fiduciary net position - ending (b)	17,789,888	16,367,842	16,398,575	16,168,535
Net pension liability - ending (a-b)	\$ 5,827,524	\$ 6,590,751	\$ 6,122,555	\$ 5,598,398
Plan fiduciary net position as a percentage of the total pension liability (b/a)	75.3%	71.3%	72.8%	74.3%
Covered payroll (c)	\$ 4,020,893	\$ 3,977,759	\$ 3,878,632	\$ 3,861,712
Net pension liability as a percentage of covered payroll ((a-b)/c)	144.9%	165.7%	157.9%	145.0%

(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 2018 net pension measurement date is June 30, 2017, as reported in Note 16.

See notes on page 210 in this section.

VRS Teacher

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 830,475	\$ 828,856	\$ 828,901	\$ 831,501
3,016,207	2,931,065	2,834,138	2,722,788
-	-	-	-
(642,745)	(391,881)	(212,089)	-
218,559	-	-	-
(2,147,781)	(2,081,069)	(1,980,353)	(1,874,636)
(39,521)	(35,067)	(36,058)	(36,103)
1,235,194	1,251,904	1,434,539	1,643,550
44,182,326	42,930,422	41,495,883	39,852,333
<u>\$ 45,417,520</u>	<u>\$ 44,182,326</u>	<u>\$ 42,930,422</u>	<u>\$ 41,495,883</u>

\$ 1,137,976	\$ 1,062,338	\$ 1,267,250	\$ 853,634
392,730	380,314	373,525	371,241
3,632,291	516,704	1,327,047	4,042,441
(2,147,781)	(2,081,069)	(1,980,353)	(1,874,636)
(39,521)	(35,067)	(36,058)	(36,103)
(21,123)	(18,859)	(18,238)	(22,036)
(3,238)	(222)	(284)	217
2,951,334	(175,861)	932,889	3,334,758
30,168,211	30,344,072	29,411,183	26,076,425
33,119,545	30,168,211	30,344,072	29,411,183
<u>\$ 12,297,975</u>	<u>\$ 14,014,115</u>	<u>\$ 12,586,350</u>	<u>\$ 12,084,700</u>

72.9%	68.3%	70.7%	70.9%
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\$ 7,891,783	\$ 7,624,612	\$ 7,434,932	\$ 7,313,025
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155.8%	183.8%	169.3%	165.2%
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Schedule of Changes in Employers' Net Pension Liability (1) (2) (Continued from previous page)

Fiscal Year Ended June 30, 2018

(Dollars in Thousands)

Change in the Net Pension Liability	VRS Political Subdivisions			
	2018	2017	2016	2015
Total pension liability:				
Service cost	\$ 541,594	\$ 535,322	\$ 530,945	\$ 524,758
Interest	1,422,753	1,362,892	1,309,484	1,243,386
Benefit changes	36,652	2,053	1,135	-
Difference between actual and expected experience	(205,649)	(87,268)	(185,419)	-
Assumption changes	(64,510)	-	-	-
Benefit payments	(941,856)	(893,585)	(819,201)	(754,706)
Refunds of contributions	(42,068)	(37,380)	(36,898)	(36,876)
Net change in total pension liability	746,916	882,034	800,046	976,562
Total pension liability - beginning	20,817,088	19,935,054	19,135,008	18,158,446
Total pension liability - ending (a)	\$ 21,564,004	\$ 20,817,088	\$ 19,935,054	\$ 19,135,008
Plan fiduciary net position:				
Contributions - employer	\$ 477,563	\$ 543,947	\$ 533,877	\$ 539,366
Contributions - member	238,636	231,934	227,060	225,555
Net investment income	2,113,973	300,995	761,164	2,272,284
Benefit payments	(941,856)	(893,585)	(819,201)	(754,706)
Refunds of contributions	(42,068)	(37,380)	(36,898)	(36,876)
Administrative expense	(12,220)	(10,696)	(10,358)	(12,153)
Other	(1,887)	(130)	(162)	120
Net change in plan fiduciary net position	1,832,141	135,085	655,482	2,233,590
Plan fiduciary net position - beginning	17,418,106	17,283,021	16,627,539	14,393,949
Plan fiduciary net position - ending (b)	19,250,247	17,418,106	17,283,021	16,627,539
Net pension liability - ending (a-b)	\$ 2,313,757	\$ 3,398,982	\$ 2,652,033	\$ 2,507,469
Plan fiduciary net position as a percentage of the total pension liability (b/a)	89.3%	83.7%	86.7%	86.9%
Covered payroll (c)	\$ 4,765,842	\$ 4,628,806	\$ 4,513,335	\$ 4,434,764
Net pension liability as a percentage of covered payroll ((a-b)/c)	48.5%	73.4%	58.8%	56.5%

SPORS

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 18,880	\$ 18,700	\$ 18,847	\$ 18,341
74,042	72,618	70,350	67,978
-	-	-	-
(5,327)	(14,711)	(2,890)	-
(68,707)	-	-	-
(57,814)	(53,515)	(53,338)	(50,467)
(630)	(584)	(375)	(685)
(39,556)	22,508	32,594	35,167
1,086,958	1,064,450	1,031,856	996,689
<u>\$ 1,047,402</u>	<u>\$ 1,086,958</u>	<u>\$ 1,064,450</u>	<u>\$ 1,031,856</u>

\$ 31,888	\$ 33,655	\$ 28,427	\$ 42,683
5,701	5,759	5,680	5,646
87,265	12,634	32,466	98,682
(57,814)	(53,515)	(53,338)	(50,467)
(630)	(584)	(375)	(685)
(926)	(590)	(471)	(431)
(99)	(23)	(27)	-
65,385	(2,664)	12,362	95,428
730,688	733,352	720,990	625,562
796,073	730,688	733,352	720,990
<u>\$ 251,329</u>	<u>\$ 356,270</u>	<u>\$ 331,098</u>	<u>\$ 310,866</u>

76.0%	67.2%	68.9%	69.9%
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\$ 111,395	\$ 114,395	\$ 110,059	\$ 112,010
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225.6%	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, 2018

(Dollars in Thousands)

Change in the Net Pension Liability	VaLORS			
	2018	2017	2016	2015
Total pension liability:				
Service cost	\$ 47,189	\$ 45,608	\$ 47,531	\$ 46,504
Interest	135,453	129,756	124,579	119,040
Benefit changes	-	-	-	-
Difference between actual and expected experience	(1,457)	4,997	(4,849)	-
Assumption changes	(63,457)	-	-	-
Benefit payments	(96,224)	(92,270)	(84,990)	(78,412)
Refunds of contributions	(4,938)	(4,524)	(4,797)	(4,665)
Net change in total pension liability	16,566	83,567	77,474	82,467
Total pension liability - beginning	1,985,618	1,902,051	1,824,577	1,742,110
Total pension liability - ending (a)	\$ 2,002,184	\$ 1,985,618	\$ 1,902,051	\$ 1,824,577
Plan fiduciary net position:				
Contributions - employer	\$ 73,816	\$ 79,392	\$ 62,084	\$ 67,483
Contributions - member	17,598	17,574	17,081	17,908
Net investment income	146,039	20,899	52,312	156,786
Benefit payments	(96,224)	(92,270)	(84,990)	(78,412)
Refunds of contributions	(4,938)	(4,524)	(4,797)	(4,665)
Administrative expense	(1,540)	(940)	(743)	(681)
Other	(310)	(38)	(44)	-
Net change in plan fiduciary net position	134,441	20,093	40,903	158,419
Plan fiduciary net position - beginning	1,211,446	1,191,353	1,150,450	992,031
Plan fiduciary net position - ending (b)	1,345,887	1,211,446	1,191,353	1,150,450
Net pension liability - ending (a-b)	\$ 656,297	\$ 774,172	\$ 710,698	\$ 674,127
Plan fiduciary net position as a percentage of the total pension liability (b/a)	67.2%	61.0%	62.6%	63.1%
Covered payroll (c)	\$ 344,468	\$ 345,504	\$ 338,562	\$ 352,492
Net pension liability as a percentage of covered payroll ((a-b)/c)	190.5%	224.1%	209.9%	191.2%

JRS

2018	2017	2016	2015
\$ 22,144	\$ 21,978	\$ 23,254	\$ 24,024
42,081	42,820	41,759	40,013
-	(15,552)	-	-
(14,774)	(18,681)	(9,107)	-
16,114	-	-	-
(40,895)	(41,341)	(40,205)	(37,984)
-	-	-	-
24,670	(10,776)	15,701	26,053
621,605	632,381	616,680	590,627
<u>\$ 646,275</u>	<u>\$ 621,605</u>	<u>\$ 632,381</u>	<u>\$ 616,680</u>

\$ 27,612	\$ 41,502	\$ 31,503	\$ 27,727
3,272	3,236	3,015	3,051
56,029	8,112	20,051	60,833
(40,895)	(41,341)	(40,205)	(37,984)
-	-	-	-
(594)	(363)	(283)	(268)
(64)	(15)	(17)	-
45,360	11,131	14,064	53,359
467,389	456,258	442,194	388,835
512,749	467,389	456,258	442,194
<u>\$ 133,526</u>	<u>\$ 154,216</u>	<u>\$ 176,123</u>	<u>\$ 174,486</u>

79.3%	75.2%	72.1%	71.7%
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\$ 66,826	\$ 66,621	\$ 61,092	\$ 61,020
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199.8%	231.5%	288.3%	285.9%
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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					
2018	\$ 560,154	\$ 560,154	\$ -	\$ 4,152,368	13.49%
2017	542,418	542,418	-	4,020,893	13.49%
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%
VIRGINIA RETIREMENT SYSTEM (VRS) – TEACHER					
2018	\$ 1,319,796	\$ 1,319,796	\$ -	\$ 8,086,986	16.32%
2017	1,287,939	1,156,935	131,004	7,891,783	14.66%
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%
VIRGINIA RETIREMENT SYSTEM (VRS) – POLITICAL SUBDIVISIONS					
2018	\$ 504,955	\$ 505,603	\$ (648)	\$ 4,932,344	10.25%
2017	487,067	487,702	(635)	4,765,842	10.23%
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%

(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 210 in this section.

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
STATE POLICE OFFICERS' RETIREMENT SYSTEM (SPORS)					
2018	\$ 35,391	\$ 35,391	\$ -	\$ 124,003	28.54%
2017	31,792	31,792	-	111,395	28.54%
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%
VIRGINIA LAW OFFICERS' RETIREMENT SYSTEM (VaLORS)					
2018	\$ 72,734	\$ 72,734	\$ -	\$ 345,531	21.05%
2017	72,511	72,511	-	344,468	21.05%
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%
JUDICIAL RETIREMENT SYSTEM (JRS)					
2018	\$ 28,642	\$ 28,642	\$ -	\$ 68,244	41.97%
2017	28,047	28,047	-	66,826	41.97%
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%

Notes for Pension Schedules

	VRS					
	State	Teacher	Political Subdivisions	SPORS	VaLORS	JRS
Valuation Date	June 30, 2017	June 30, 2017	June 30, 2017	June 30, 2017	June 30, 2017	June 30, 2017
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 16, visit the Virginia Retirement System's website at www.varetire.org to obtain a copy of the individually published financial statements.



Schedule of Changes in Employers' Net Other Postemployment Benefit Liability (Asset) (1) (2)

Fiscal Year Ended June 30, 2018

(Dollars in Thousands)

<u>Change in the Net OPEB Liability</u>	<u>RHC</u>	<u>VSDP</u>
	<u>2018</u>	<u>2018</u>
Total OPEB liability:		
Service cost	\$ 19,231	\$ 27,884
Interest	66,641	15,810
Benefit changes	-	-
Difference between actual and expected experience	-	-
Assumption changes	(12,229)	(17,511)
Benefit payments	(71,256)	(30,056)
Refunds of contributions	-	-
Net change in total OPEB liability	2,387	(3,873)
Total OPEB liability - beginning	<u>987,641</u>	<u>240,886</u>
Total OPEB liability - ending (a)	<u>\$ 990,028</u>	<u>\$ 237,013</u>
Plan fiduciary net position:		
Contributions - employer	\$ 75,058	\$ 24,130
Contributions - member	-	-
Net investment income	7,706	48,206
Benefit payments	(71,256)	(30,056)
Third-party administrator charges	-	(7,001)
Administrative expense	(131)	(717)
Other	(546)	(54)
Net change in plan fiduciary net position	10,831	34,508
Plan fiduciary net position - beginning	<u>68,685</u>	<u>407,826</u>
Plan fiduciary net position - ending (b)	<u>79,516</u>	<u>442,334</u>
Net OPEB liability (asset) - ending (a-b)	<u>\$ 910,512</u>	<u>\$ (205,321)</u>
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	8.0%	186.6%
Covered payroll (c)	\$ 6,489,069	\$ 3,779,590
Net OPEB liability (asset) as a percentage of covered payroll ((a-b)/c)	14.0%	(5.4%)

(1) The Commonwealth implemented GASB Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits*, as amended by GASB Statement No. 85, *Omnibus 2017*, effective for fiscal year 2018, therefore, ten years of data is unavailable.

(2) The Commonwealth's fiscal year 2018 net OPEB liability measurement date is June 30, 2017, as reported in Note 18.

See notes on page 216 in this section.

Schedule of the Commonwealth's Proportionate Share of the Net Other Postemployment Benefit Liability (1) (2)

Fiscal Year Ended June 30, 2018

(Dollars in Thousands)

	RHIC: Non-State (3)				
	GLI	LODA	Constitutional Officers	Social Service Employees	Registrars
	2018	2018	2018	2018	2018
Commonwealth's proportion of the net OPEB liability	30.3%	60.9%	100.0%	100.0%	100.0%
Commonwealth's proportionate share of the net OPEB liability	\$ 456,387	\$ 160,064	\$ 25,766	\$ 12,725	\$ 486
Commonwealth's covered payroll	\$ 5,621,670	N/A	N/A	N/A	N/A
Commonwealth's covered employee payroll	N/A	\$ 431,978	N/A	N/A	N/A
Commonwealth's proportionate share of the net OPEB liability as a percentage of its covered payroll / covered employee payroll	8.1%	37.1%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	48.9%	1.3%	8.6%	7.9%	6.5%

(1) The Commonwealth implemented GASB Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits*, and GASB Statement No. 85, *Omnibus 2017*, effective for fiscal year 2018, therefore, ten years of data is unavailable.

(2) The Commonwealth's fiscal year 2018 net OPEB liability measurement date is June 30, 2017, as reported in Note 18.

(3) Since the Commonwealth is considered the governmental nonemployer contributing entity for the state-funded Retiree Health Insurance Credit for constitutional officers, social services employees and registrars (RHIC: Non-State), the covered payroll information is not applicable.

See notes on page 216 in this section.

Schedule of Employer Contributions – Other Postemployment Benefit Plans

(Dollars in Thousands)

Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contributions Deficiency (Excess)	Covered Payroll	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll / Covered Employee Payroll
RETIREE HEALTH INSURANCE CREDIT						
2018	\$ 79,802	\$ 79,802	\$ -	\$ 6,762,917	N/A	1.2%
2017	76,571	76,571	-	6,489,069	N/A	1.2%
2016	73,961	66,375	7,586	6,321,454	N/A	1.0%
2015	71,522	64,186	7,336	6,112,951	N/A	1.1%
2014	63,385	60,367	3,018	6,036,629	N/A	1.0%
2013	59,618	56,779	2,839	5,677,848	N/A	1.0%
2012	60,222	7,686	52,536	5,681,295	N/A	0.1%
2011	57,193	5,395	51,798	5,395,598	N/A	0.1%
2010	66,523	43,195	23,328	5,452,717	N/A	0.8%
2009	67,137	64,935	2,202	5,502,925	N/A	1.2%
VIRGINIA SICKNESS AND DISABILITY PROGRAM (Also referred to Disability Insurance Trust Fund)						
2018	\$ 26,219	\$ 26,219	\$ -	\$ 3,972,637	N/A	0.7%
2017	25,077	25,077	-	3,799,590	N/A	0.7%
2016	27,187	24,580	2,607	3,724,248	N/A	0.7%
2015	26,244	23,728	2,516	3,595,080	N/A	0.7%
2014	20,610	16,701	3,909	3,553,444	N/A	0.5%
2013	21,032	17,043	3,989	3,626,208	N/A	0.5%
2012	30,285	1,096	29,189	4,037,955	N/A	0.0%
2011	28,646	-	28,646	3,819,462	N/A	0.0%
2010	76,530	30,861	45,669	3,904,606	N/A	0.8%
2009	78,120	71,344	6,776	3,985,719	N/A	1.8%
GROUP LIFE INSURANCE (1)						
2018	\$ 30,349	\$ 30,349	\$ -	\$ 5,836,331	N/A	0.5%
2017	29,089	29,089	-	5,621,670	N/A	0.5%
2016	29,358	26,588	2,770	5,539,210	N/A	0.5%
2015	28,487	25,799	2,688	5,374,853	N/A	0.5%
2014	28,248	25,583	2,665	5,329,884	N/A	0.5%
2013	27,002	24,455	2,547	5,094,773	N/A	0.5%
2012	22,039	15,527	6,512	5,008,786	N/A	0.3%
2011	21,052	13,397	7,655	4,784,622	N/A	0.3%
2010	17,496	9,899	7,597	4,859,947	N/A	0.2%
2009	17,717	13,288	4,429	5,001,367	N/A	0.3%

- (1) The Group Life Insurance and the Line of Duty Trust Fund (Line of Duty Act) are cost-sharing plans and amounts in this schedule are only for the Commonwealth and does not include other employers.
- (2) Covered employee payroll is provided since the contributions are not based on a measure of pay. Ten years of data is not available for this plan.
- (3) Although the Retiree Health Insurance Credit program for constitutional officers, social services employees, and registrars existed prior to fiscal year 2016, the program was funded in a different manner and the results do not provide comparability with the current presentations. Since the Commonwealth is considered the governmental nonemployer contributing entity, the column regarding covered payroll is not applicable.

See notes on page 216 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>Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Payroll / Covered Employee Payroll</u>
LINE OF DUTY TRUST FUND (1) (2)						
2018	\$ 13,870	\$ 6,364	\$ 7,506	N/A	\$ 440,535	1.4%
2017	14,275	6,550	7,725	N/A	431,978	1.5%
RETIREE HEALTH INSURANCE CREDIT: NON-STATE (3) For Constitutional Officers						
2018	\$ 2,362	\$ 2,362	\$ -	N/A	N/A	N/A
2017	2,280	2,280	-	N/A	N/A	N/A
2016	1,950	1,830	120	N/A	N/A	N/A
RETIREE HEALTH INSURANCE CREDIT: NON-STATE (3) (For Social Services Employees)						
2018	\$ 1,106	\$ 1,106	\$ -	N/A	N/A	N/A
2017	1,055	1,055	-	N/A	N/A	N/A
2016	961	824	137	N/A	N/A	N/A
RETIREE HEALTH INSURANCE CREDIT: NON-STATE (3) (For Registrars)						
2018	\$ 47	\$ 47	\$ -	N/A	N/A	N/A
2017	45	45	-	N/A	N/A	N/A
2016	36	30	6	N/A	N/A	N/A

Notes for Other Postemployment Benefit Schedules

	Group Life Insurance Fund	Retiree Health Insurance Credit Fund	Disability Insurance Trust Fund	Line of Duty Act Trust Fund
Valuation Date	June 30, 2017	June 30, 2017	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percent of Pay, Closed	Level Percent of Pay, Closed	Level Percent of Pay, Closed	Level Percent of Pay, Open
Payroll Growth Rate:				
State Employees	3.0%	3.0%	3.0%	3.0%
Teachers	3.0%	3.0%	N/A	N/A
Political Subdivision Employees	3.0%	3.0%	N/A	3.0%
State Police / Virginia Law Officers	3.0%	3.0%	3.0%	3.0%
Judges	3.0%	3.0%	N/A	N/A
Effective Amortization Period (1)				
State Employees	27.2 years	26.1 years	22.9 years	30.0 years
Teachers	27.2 years	25.7 years	N/A	N/A
Political Subdivision Employees	27.2 years	25.7 years	N/A	30.0 years
Asset Valuation Method				
State Employees and Teachers	5-Year, Smoothed Market	5-Year, Smoothed Market	5-Year, Smoothed Market	Market Value
Political Subdivision Employees and State-Funded Local Employees	5-Year, Smoothed Market	Market Value	N/A	Market Value
Actuarial Assumptions:				
Investment Rate of Return (2)	7.0%	7.0%	7.0%	4.8%
Projected Salary Increases (3)				
State Employees	3.5% to 5.4%	3.5% to 5.4%	3.5% to 5.4%	N/A
Teachers	3.5% to 6.0%	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	N/A
Political Subdivision Employees (Hazardous Duty Employees)	3.5% to 4.8%	3.5% to 4.8%	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
Judges	4.5%	4.5%	N/A	N/A
Medical Trend Assumptions (Under Age 65)	N/A	N/A	N/A	7.8% to 5.0%
Medical Trend Assumptions (Ages 65 and Older)	N/A	N/A	N/A	5.8% to 5.0%
Year of Ultimate Trend Rate	N/A	N/A	N/A	2023

(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 4.8% 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 Changes in Employers' Total Other Postemployment Benefit Liability (1) (2)

Fiscal Year Ended June 30, 2018

(Dollars in Thousands)

Change in the OPEB Liability	PMRH 2018
Total OPEB liability:	
Service cost	\$ 116,627
Interest cost	47,346
Changes of benefit terms	-
Difference between expected and actual experience	(61,865)
Changes of assumptions	(326,082)
Benefit payments	(43,244)
Net change in total OPEB liability	(267,218)
Total OPEB liability - beginning	1,566,122
Total OPEB liability - ending (a)	\$ 1,298,904
Covered employee payroll (b)	\$ 5,229,024
Total OPEB liability as a percentage of covered employee payroll (a/b)	24.8%

- (1) The Commonwealth implemented GASB Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits*, as amended by GASB Statement No. 85, *Omnibus 2017*, effective for fiscal year 2018, therefore, ten years of data is unavailable.
- (2) The Commonwealth's fiscal year 2018 total OPEB liability measurement date is June 30, 2017, as reported in Note 18. There are no assets accumulated in a trust to pay related benefits.

Changes of benefit terms – There have been no changes to the benefit provisions since the prior actuarial valuation.

Changes of assumptions – The following assumptions were updated since the June 30, 2016 valuation based on the results of a Virginia Retirement System actuarial experience study performed for the period of July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Mortality rates - updated to a more current mortality table – RP-2014 projected to 2020
- Retirement rates - lowered rates at older ages and changed final retirement from 70 to 75
- Withdrawal rates - adjusted rates to better fit experience at each year age and service through 9 years of service

The discount rate was increased from 2.9% to 3.6% based on the Bond Buyers GO 20 Municipal Bond Index. Spousal coverage was reduced from 70.0% to 50.0% based on a blend of recent spousal coverage election rates and the prior year assumption. Based on the 2017 census, new retirees since January 1, 2015 have chosen to cover their spouses approximately 20.0% of the time. However, active employees cover their spouses at a rate close to 53.0%.

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	2009	2010	2011	2012
1. Required contribution and investment revenue:				
Earned	\$ 6,197	\$ 5,485	\$ 4,131	\$ 5,019
Ceded (a)	-	-	-	-
Net earned	6,197	5,485	4,131	5,019
2. Unallocated expenses	1,272	1,269	1,310	1,382
3. Estimated incurred claims and expenses, end of policy year:				
Incurred	3,681	3,404	3,213	5,390
Ceded (a)	-	-	-	-
Net incurred	3,681	3,404	3,213	5,390
4. Net paid (cumulative) as of:				
End of policy year	300	412	396	1,677
One year later	1,858	2,236	1,940	4,468
Two years later	2,690	5,237	3,943	7,554
Three years later	3,679	6,744	4,317	8,137
Four years later	3,867	7,013	4,380	8,991
Five years later	3,928	7,653	4,392	9,034
Six years later	3,928	7,937	4,401	9,200
Seven years later	3,930	7,951	4,417	
Eight years later	3,930	7,951		
Nine years later	3,930			
5. Reestimated ceded claims and expenses (a)	-	-	-	-
6. Reestimated incurred claims and expenses:				
End of policy year	3,681	3,404	3,213	5,390
One year later	3,742	6,096	3,919	8,704
Two years later	3,943	8,428	4,523	9,107
Three years later	4,721	8,640	4,570	9,727
Four years later	4,555	8,692	4,474	9,368
Five years later	4,000	7,894	4,444	9,307
Six years later	3,936	8,108	4,456	9,206
Seven years later	3,936	7,978	4,417	
Eight years later	3,936	7,966		
Nine years later	3,930			
7. Increase (decrease) in estimated net incurred claims and expense from end of policy year	249	4,562	1,204	3,816

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. Some prior year numbers have been revised to reflect the incorporation of newly available and revised source data.

See Notes on page 224 in this section.

	2013	2014	2015	2016	2017	2018
\$	5,043	\$ 8,500	\$ 8,487	\$ 8,733	\$ 13,213	\$ 13,232
	-	-	-	-	-	-
	5,043	8,500	8,487	8,733	13,213	13,232
	1,273	1,435	1,331	1,357	1,460	1,603
	3,394	4,025	4,664	6,893	4,235	10,155
	-	-	-	-	-	-
	3,394	4,025	4,664	6,893	4,235	10,155
	335	367	922	1,206	836	1,979
	3,401	3,210	3,270	4,680	3,195	
	8,118	4,291	5,844	6,557		
	8,278	5,002	8,280			
	7,702	5,386				
	7,747					
	-	-	-	-	-	-
	3,394	4,025	4,664	6,893	4,235	10,155
	9,397	6,454	6,775	10,307	4,820	
	9,939	6,979	8,961	9,908		
	10,333	8,045	8,836			
	8,213	6,771				
	7,980					
	4,586	2,746	4,172	3,015	585	-

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	2009	2010	2011	2012
1. Required contribution and investment revenue:				
Earned	\$ 222,498	\$ 240,305	\$ 246,730	\$ 259,135
Ceded (a)	-	-	-	-
Net earned	222,498	240,305	246,730	259,135
2. Unallocated expenses	16,400	15,936	15,849	16,701
3. Estimated incurred claims and expenses, end of policy year:				
Incurred	214,411	215,376	213,694	250,019
Ceded (a)	-	-	-	-
Net incurred	214,411	215,376	213,694	250,019
4. Net paid (cumulative) as of:				
End of policy year	204,655	214,371	209,365	235,058
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	214,411	215,376	213,694	250,019
One year later	214,411	215,376	213,694	250,019
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 224 in this section.

	2013	2014	2015	2016	2017	2018
\$	284,526	\$ 320,678	\$ 343,470	\$ 392,778	\$ 430,247	\$ 464,631
	-	-	-	-	-	-
	284,526	320,678	343,470	392,778	430,247	464,631
	18,781	17,738	22,748	25,422	26,650	27,497
	277,455	290,557	327,154	386,227	419,841	433,437
	-	-	-	-	-	-
	277,455	290,557	327,154	386,227	419,841	433,437
	267,256	291,711	329,099	379,376	417,869	421,802
	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					
	-	-	-	-	-	-
	277,455	290,557	327,154	386,227	419,841	433,437
	277,455	290,557	327,154	386,227	419,841	
	N/A	N/A	N/A	N/A		
	N/A	N/A	N/A			
	N/A	N/A				
	N/A					
	-	-	-	-	-	-

Claims Development Information – Line of Duty

(Dollars in Thousands)

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

Fiscal and Policy Year Ended	2009	2010	2011	2012
1. Required contribution and investment revenue:				
Earned	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Ceded (a)	N/A	N/A	N/A	N/A
Net earned	N/A	N/A	N/A	N/A
2. Unallocated expenses	N/A	N/A	N/A	N/A
3. Estimated incurred claims and expenses, end of policy year:				
Incurred	N/A	N/A	N/A	N/A
Ceded (a)	N/A	N/A	N/A	N/A
Net incurred	N/A	N/A	N/A	N/A
4. Net paid (cumulative) as of:				
End of policy year	N/A	N/A	N/A	N/A
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	N/A	N/A	N/A	N/A
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			
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 disability, death, and health benefits to eligible employees and their eligible family members. The Commonwealth began administering the insurance program for localities that do not participate in the State plan effective with fiscal year 2018.

See Notes on page 224 in this section.

Notes for Claims Development Information Tables

The tables on the previous pages illustrate how the Risk Management, Health Care, and Line of Duty 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.