

RSI
Required Supplementary Information

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BUDGETARY COMPARISON SCHEDULE

General Fund

Budgetary Comparison Schedule				
General Fund				
For the Fiscal Year Ended June 30, 2014				
<i>(expressed in thousands)</i>				
	Original Budget 2013-15 Biennium	Final Budget 2013-15 Biennium	Actual 2013-15 Biennium	Variance with Final Budget
Budgetary Fund Balance, July 1, as restated	\$ 496,944	\$ 496,944	\$ 496,944	\$ -
Resources				
Taxes	31,808,298	32,042,383	15,893,803	(16,148,580)
Licenses, permits, and fees	197,260	209,192	107,564	(101,628)
Other contracts and grants	529,972	529,101	238,875	(290,226)
Timber sales	5,040	4,278	2,032	(2,246)
Federal grants-in-aid	17,191,481	18,080,040	8,544,003	(9,536,037)
Charges for services	68,703	70,431	33,969	(36,462)
Investment income (loss)	(10,907)	(6,110)	(1,254)	4,856
Miscellaneous revenue	583,494	591,447	169,768	(421,679)
Unclaimed property	128,649	114,164	60,467	(53,697)
Transfers from other funds	1,370,652	1,413,469	742,576	(670,893)
Total Resources	52,369,586	53,545,339	26,288,747	(27,256,592)
Charges To Appropriations				
General government	3,474,379	3,494,982	1,585,766	1,909,216
Human services	26,375,585	27,213,661	13,275,755	13,937,906
Natural resources and recreation	633,909	638,415	296,422	341,993
Transportation	94,456	92,878	43,808	49,070
Education	20,010,213	20,060,318	9,759,149	10,301,169
Capital outlays	998,238	969,917	245,258	724,659
Transfers to other funds	561,776	572,618	339,854	232,764
Total Charges To Appropriations	52,148,556	53,042,789	25,546,012	27,496,777
Excess Available For Appropriation				
Over (Under) Charges To Appropriations	221,030	502,550	742,735	240,185
Reconciling Items				
Bond sale proceeds	138,792	424,650	168,458	(256,192)
Issuance premiums	-	-	891	891
Assumed reversions	140,000	140,000	-	(140,000)
Working capital adjustment	-	(44,800)	(44,800)	-
Allocations	50,001	45,001	-	(45,001)
Changes in reserves (net)	-	-	(1,558)	(1,558)
Entity adjustments (net)	-	-	29,305	29,305
Total Reconciling Items	328,793	564,851	152,296	(412,555)
Budgetary Fund Balance, June 30	\$ 549,823	\$ 1,067,401	\$ 895,031	\$ (172,370)

BUDGETARY COMPARISON SCHEDULE
General Fund - Budget to GAAP Reconciliation

General Fund	
For the Fiscal Year Ended June 30, 2014 (expressed in thousands)	
Sources/Inflows of Resources	
Actual amounts (budgetary basis) "Total Resources" from the Budgetary Comparison Schedule	\$ 26,288,747
Differences - budget to GAAP:	
The following items are inflows of budgetary resources but are not revenue for financial reporting purposes:	
Transfers from other funds	(742,576)
Budgetary fund balance at the beginning of the biennium	(496,944)
Appropriated loan principal repayment	(905)
The following items are not inflows of budgetary resources but are revenue for financial reporting purposes:	
Noncash commodities and electronic food stamp benefits	1,679,737
Revenues collected for other governments	114,101
Unanticipated receipts	6,275
Noncash revenues	(14,937)
Other	6,182
Biennium total revenues	26,839,680
Nonappropriated activity	15,272
Total Revenues (GAAP Basis) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 26,854,952
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "Total Charges to Appropriations" from the Budgetary Comparison Schedule	\$ 25,546,012
Differences - budget to GAAP:	
The following items are outflows of budgetary resources but are not expenditures for financial reporting purposes:	
Appropriated transfers to other funds	(1,195,731)
Other transfers to other funds	(339,854)
Appropriated loan disbursements	(4)
The following items are not outflows of budgetary resources but are recorded as current expenditures for financial reporting purposes:	
Noncash commodities and electronic food stamp benefits	1,679,737
Distributions to other governments	114,101
Certificates of participation and capital lease acquisitions	1,102
Expenditures related to unanticipated receipts	6,275
Other	6,345
Biennium total expenditures	25,817,983
Nonappropriated activity	316,155
Total expenditures (GAAP basis) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	\$ 26,134,138

BUDGETARY COMPARISON SCHEDULE
Higher Education Special Revenue Fund

Budgetary Comparison Schedule Higher Education Special Revenue Fund For the Fiscal Year Ended June 30, 2014 <i>(expressed in thousands)</i>				
	Original Budget 2013-15 Biennium	Final Budget 2013-15 Biennium	Actual 2013-15 Biennium	Variance with Final Budget
Budgetary Fund Balance, July 1, as restated	\$ 2,427,292	\$ 2,427,292	\$ 2,427,292	\$ -
Resources				
Taxes	334,110	397,936	201,410	(196,526)
Charges for services	917	-	-	-
Investment income (loss)	95	-	84	84
Transfers from other funds	340,577	348,025	177,640	(170,385)
Total Resources	3,102,991	3,173,253	2,806,426	(366,827)
Charges To Appropriations				
Education	608,761	704,514	303,783	400,731
Transfers to other funds	52,150	51,888	28,969	22,919
Total Charges To Appropriations	660,911	756,402	332,752	423,650
Excess Available For Appropriation Over (Under) Charges To Appropriations	2,442,080	2,416,851	2,473,674	56,823
Reconciling Items				
Changes in reserves (net)	-	-	(6,237)	(6,237)
Entity adjustments (net)	-	-	94,196	94,196
Total Reconciling Items	-	-	87,959	87,959
Budgetary Fund Balance, June 30	\$ 2,442,080	\$ 2,416,851	\$ 2,561,633	\$ 144,782

BUDGETARY COMPARISON SCHEDULE
Higher Education Special Revenue Fund - Budget to GAAP Reconciliation

Higher Education Special Revenue Fund	
For the Fiscal Year Ended June 30, 2014 (expressed in thousands)	
Sources/Inflows of Resources	
Actual amounts (budgetary basis) "Total Resources" from the Budgetary Comparison Schedule	\$ 2,806,426
Differences - budget to GAAP:	
The following items are inflows of budgetary resources but are not revenue for financial reporting purposes:	
Transfers from other funds	(177,640)
Budgetary fund balance at the beginning of the biennium	(2,427,292)
The following items are not inflows of budgetary resources but are revenue for financial reporting purposes:	
Noncash revenues	<u>55</u>
Biennium total revenues	201,549
Nonappropriated activity	<u>4,906,058</u>
Total Revenues (GAAP Basis) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 5,107,607
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "Total Charges to Appropriations" from the Budgetary Comparison Schedule	\$ 332,752
Differences - budget to GAAP:	
The following items are outflows of budgetary resources but are not expenditures for financial reporting purposes:	
Appropriated transfers to other funds	(31,354)
Other transfers to other funds	<u>(28,969)</u>
Biennium total expenditures	272,429
Nonappropriated activity	<u>4,775,089</u>
Total expenditures (GAAP basis) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	\$ 5,047,518

BUDGETARY INFORMATION

Notes to Required Supplementary Information

GENERAL BUDGETARY POLICIES AND PROCEDURES

The Governor is required to submit a budget to the Legislature no later than December 20 of the year preceding odd-numbered year sessions of the Legislature.

The budget is a proposal for expenditures in the ensuing biennial period based upon anticipated revenues from the sources and rates existing by law at the time of submission of the budget. The Governor may additionally submit, as an appendix to the budget, a proposal for expenditures in the ensuing biennium from revenue sources derived from proposed changes in existing statutes.

The appropriated budget and any necessary supplemental budgets are legally required to be adopted through the passage of appropriation bills by the Legislature and approved by the Governor. Operating appropriations are generally made at the fund/account and agency level; however, in a few cases, appropriations are made at the fund/account and agency/program level. Operating appropriations cover either the entire biennium or a single fiscal year within the biennium. Capital appropriations are biennial and are generally made at the fund/account, agency, and project level.

The legal level of budgetary control is at the fund/account, agency, and appropriation level, with administrative controls established at lower levels of detail in certain instances. The accompanying budgetary schedule is not presented at the legal level of budgetary control. This is due to the large number of appropriations within individual agencies that would make such a presentation in the accompanying financial schedule extremely cumbersome. Section 2400.121 of the GASB Codification of Governmental Accounting and Financial Reporting Standards provides for the preparation of a separate report in these extreme cases.

For the state of Washington, a separate report has been prepared for the 2013-15 biennium to illustrate legal budgetary compliance. Appropriated budget versus actual expenditures, and estimated versus actual revenues and other financing sources (uses) for appropriated funds/accounts at agency and appropriation level are presented in the Budget-to-Actual Detail Report for governmental funds. A copy of this report is available at the Office of Financial Management, PO Box 43113, Olympia, Washington 98504-3113.

Legislative appropriations are strict legal limits on expenditures, and over-expenditures are prohibited. All appropriated and certain nonappropriated funds/accounts are further controlled by the executive branch through the allotment process. This process allocates the expenditure plan into monthly allotments by program, source of funds, and object of expenditure. State law does not preclude the over-expenditure of allotments.

Proprietary funds/accounts can earn revenues and incur expenses (i.e., depreciation or cost of goods sold) not covered by the allotment process. Budget estimates are generally made outside the allotment process according to prepared business plans. These proprietary fund/account business plan estimates are adjusted only at the beginning of each fiscal year.

Additional fiscal control is exercised through various means. OFM is authorized to estimate revenue and make expenditure allotments based on availability of unanticipated receipts, mainly federal government grant increases made during a fiscal year.

Operating encumbrances lapse at the end of the applicable appropriation. Capital outlay encumbrances lapse at the end of the biennium unless reappropriated by the Legislature in the ensuing biennium. Encumbrances outstanding against continuing appropriations at fiscal year-end are reported as restricted, committed, or assigned fund balance.

Budgetary Reporting vs. GAAP Reporting

Governmental funds are budgeted materially in conformance with GAAP. However, the presentation in the accompanying budgetary schedules is different in certain respects from the corresponding Statements of Revenues, Expenditures, and Changes in Fund Balance (governmental operating statement). In the accompanying budgetary schedules, budget and actual expenditures are reported only for appropriated activities. Expenditures are classified based on whether the appropriation is from the operating or capital budget. Expenditures funded by operating budget appropriations are reported as current expenditures classified by the function of the agency receiving the appropriation. Expenditures funded by capital budget appropriations are reported as capital outlays.

However, in the governmental operating statements, all governmental funds are included and expenditures are classified according to what was actually purchased. Capital outlays are capital asset acquisitions such as land, buildings, and equipment. Debt service expenditures are principal and interest payments. Current expenditures are all other governmental fund expenditures classified based on the function of the agency making the expenditures.

Certain governmental activities are excluded from the budgetary schedules because they are not appropriated. These activities include activities designated as nonappropriated by the Legislature. Nonappropriated activities can represent a portion of a fund such as the Higher Education Special Revenue Fund or all of a fund such as the Higher Education Endowment and Tobacco Settlement Securitization Bond Debt Service Funds. Additionally, certain items including federal surplus food commodities, electronic food stamp benefits, and

resources collected and distributed to other governments are also excluded because they are not appropriated.

Further, certain expenditures are appropriated as operating transfers. These transfers are reported as operating transfers on the budgetary schedules and as expenditures on the governmental operating statements.

In the General Fund, Budgetary Fund Balance equals unassigned fund balance as reported on the Governmental Funds Balance Sheet. In all other funds except Wildlife and Natural Resources, Budgetary Fund Balance equals total fund balance less nonspendable fund balance as reported on the Governmental Funds Balance Sheet. The Budgetary Fund Balance in the Wildlife and Natural Resources fund is further reduced by a portion of restricted fund balance that is not available for budgeting.

PENSION PLAN INFORMATION
Schedules of Funding Progress

continued

Schedule of Funding Progress Public Employees' Retirement System - Plan 1 Valuation Years 2013 through 2008 (dollars in millions)						
	2013	2012	2011	2010	2009	2008
Actuarial valuation date	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Actuarial value of plan assets	\$ 8,053	\$ 8,521	\$ 8,883	\$ 9,293	\$ 9,776	\$ 9,853
Actuarial accrued liability	12,874	12,360	12,571	12,538	13,984	13,901
Unfunded actuarial liability	4,821	3,839	3,688	3,245	4,209	4,048
Funded Ratio	63%	69%	71%	74%	70%	71%
Covered payroll	318	371	432	507	580	638
Unfunded actuarial liability as a percentage of covered payroll	1517%	1035%	854%	640%	725%	634%

Note: Figures may not total due to rounding. Percentages are calculated using unrounded totals.
 Source: Washington State Office of the State Actuary.

Schedule of Funding Progress Public Employees' Retirement System - Plan 2/3 Valuation Years 2013 through 2008 (dollars in millions)						
	2013	2012	2011	2010	2009	2008
Actuarial valuation date	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Actuarial value of plan assets	\$ 24,335	\$ 22,653	\$ 20,997	\$ 19,474	\$ 18,260	\$ 16,693
Actuarial accrued liability	26,540	22,780	21,627	20,029	18,398	16,508
Unfunded actuarial liability	2,205	127	630	555	137	(185)
Funded Ratio	92%	99%	97%	97%	99%	101%
Covered payroll	8,339	8,193	8,148	8,206	8,132	7,869
Unfunded actuarial liability as a percentage of covered payroll	26%	2%	8%	7%	2%	0%

PERS Plan 2/3 uses the aggregate actuarial cost method. The Schedule of Funding Progress is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress information of this plan as required by GASB Statement No. 50.

Note: Figures may not total due to rounding. Percentages are calculated using unrounded totals.
 Source: Washington State Office of the State Actuary.

PENSION PLAN INFORMATION
Schedules of Funding Progress

continued

Schedule of Funding Progress Teachers' Retirement System - Plan 1 Valuation Years 2013 through 2008 (dollars in millions)						
	2013	2012	2011	2010	2009	2008
Actuarial valuation date	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Actuarial value of plan assets	\$ 6,717	\$ 7,145	\$ 7,485	\$ 7,791	\$ 8,146	\$ 8,262
Actuarial accrued liability	9,429	9,038	9,232	9,201	10,820	10,754
Unfunded actuarial liability	2,712	1,894	1,747	1,410	2,674	2,492
Funded Ratio	71%	79%	81%	85%	75%	77%
Covered payroll	183	228	284	344	389	432
Unfunded actuarial liability as a percentage of covered payroll	1481%	829%	615%	410%	688%	576%

Note: Figures may not total due to rounding. Percentages are calculated using unrounded totals.
 Source: Washington State Office of the State Actuary.

Schedule of Funding Progress Teachers' Retirement System - Plan 2/3 Valuation Years 2013 through 2008 (dollars in millions)						
	2013	2012	2011	2010	2009	2008
Actuarial valuation date	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Actuarial value of plan assets	\$ 8,406	\$ 7,758	\$ 7,141	\$ 6,593	\$ 6,160	\$ 5,681
Actuarial accrued liability	8,794	7,478	7,194	6,558	6,048	5,264
Unfunded (assets in excess of) actuarial liability	388	(280)	53	(36)	(112)	(417)
Funded Ratio	96%	104%	99%	101%	102%	108%
Covered payroll	4,223	4,077	4,085	3,966	3,957	3,621
Unfunded actuarial liability as a percentage of covered payroll	9%	0%	1%	0%	0%	0%

TRS Plan 2/3 uses the aggregate actuarial cost method. The Schedule of Funding Progress is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress information of this plan as required by GASB Statement No. 50.

Note: Figures may not total due to rounding. Percentages are calculated using unrounded totals.
 Source: Washington State Office of the State Actuary.

PENSION PLAN INFORMATION
Schedules of Funding Progress

continued

Schedule of Funding Progress School Employees' Retirement System - Plan 2/3 Valuation Years 2013 through 2008 (dollars in millions)						
	2013	2012	2011	2010	2009	2008
Actuarial valuation date	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Actuarial value of plan assets	\$ 3,335	\$ 3,100	\$ 2,872	\$ 2,664	\$ 2,503	\$ 2,303
Actuarial accrued liability	3,581	3,103	2,956	2,706	2,493	2,207
Unfunded (assets in excess of) actuarial liability	247	3	84	41	(10)	(95)
Funded Ratio	93%	100%	97%	98%	100%	104%
Covered payroll	1,514	1,479	1,490	1,475	1,467	1,379
Unfunded actuarial liability as a percentage of covered payroll	16%	0%	6%	3%	0%	0%

SERS Plan 2/3 uses the aggregate actuarial cost method. The Schedule of Funding Progress is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress information of this plan as required by GASB Statement No. 50.

Note: Figures may not total due to rounding. Percentages are calculated using unrounded totals.

Source: Washington State Office of the State Actuary.

Schedule of Funding Progress Law Enforcement Officers' and Fire Fighters' Retirement System - Plan 1 Valuation Years 2013 through 2008 (dollars in millions)						
	2013	2012	2011	2010	2009	2008
Actuarial valuation date	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Actuarial value of plan assets	\$ 5,516	\$ 5,562	\$ 5,565	\$ 5,561	\$ 5,612	\$ 5,592
Actuarial accrued liability	4,409	4,121	4,145	4,393	4,492	4,368
Unfunded (assets in excess of) actuarial liability	(1,108)	(1,441)	(1,420)	(1,168)	(1,120)	(1,225)
Funded Ratio	125%	135%	134%	127%	125%	128%
Covered payroll	15	19	25	29	33	37
Unfunded actuarial liability as a percentage of covered payroll	0%	0%	0%	0%	0%	0%

Note: Figures may not total due to rounding. Percentages are calculated using unrounded totals.

Source: Washington State Office of the State Actuary.

PENSION PLAN INFORMATION
Schedules of Funding Progress

continued

Schedule of Funding Progress Law Enforcement Officers' and Fire Fighters' Retirement System - Plan 2 Valuation Years 2013 through 2008 (dollars in millions)						
	2013	2012	2011	2010	2009	2008
Actuarial valuation date	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Actuarial value of plan assets	\$ 7,862	\$ 7,222	\$ 6,621	\$ 6,043	\$ 5,564	\$ 5,053
Actuarial accrued liability	7,220	6,353	5,941	5,164	4,641	3,998
Unfunded (assets in excess of)						
actuarial liability	(643)	(869)	(679)	(879)	(923)	(1,054)
Funded Ratio	109%	114%	111%	117%	120%	126%
Covered payroll	1,597	1,560	1,535	1,490	1,442	1,345
Unfunded actuarial liability as a						
percentage of covered payroll	0%	0%	0%	0%	0%	0%

LEOFF Plan 2 uses the aggregate actuarial cost method. The Schedule of Funding Progress is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress information of this plan as required by GASB Statement No. 50.

Note: Figures may not total due to rounding. Percentages are calculated using unrounded totals.

Source: Washington State Office of the State Actuary.

Schedule of Funding Progress Washington State Patrol Retirement System - Plan 1/2 Valuation Years 2013 through 2008 (dollars in millions)						
	2013	2012	2011	2010	2009	2008
Actuarial valuation date	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Actuarial value of plan assets	\$ 1,009	\$ 982	\$ 949	\$ 920	\$ 900	\$ 870
Actuarial accrued liability	987	884	859	812	790	745
Unfunded (assets in excess of)						
actuarial liability	(22)	(97)	(90)	(107)	(110)	(124)
Funded Ratio	102%	111%	110%	113%	114%	117%
Covered payroll	80	80	82	83	83	79
Unfunded actuarial liability as a						
percentage of covered payroll	0%	0%	0%	0%	0%	0%

WSPRS Plan 1/2 uses the aggregate actuarial cost method. The Schedule of Funding Progress is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress information of this plan as required by GASB Statement No. 50.

Note: Figures may not total due to rounding. Percentages are calculated using unrounded totals.

Source: Washington State Office of the State Actuary.

PENSION PLAN INFORMATION
Schedules of Funding Progress

continued

Schedule of Funding Progress Public Safety Employees' Retirement System - Plan 2 Valuation Years 2013 through 2008 (dollars in millions)						
	2013	2012	2011	2010	2009	2008
Actuarial valuation date	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Actuarial value of plan assets	\$ 224	\$ 180	\$ 141	\$ 103	\$ 69	\$ 39
Actuarial accrued liability	218	159	126	94	64	37
Unfunded (assets in excess of)						
actuarial liability	(7)	(22)	(14)	(9)	(5)	(2)
Funded Ratio	103%	114%	111%	109%	108%	106%
Covered payroll	253	238	233	227	223	200
Unfunded actuarial liability as a						
percentage of covered payroll	0%	0%	0%	0%	0%	0%

PSERS Plan 2 uses the aggregate actuarial cost method. The Schedule of Funding Progress is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress information of this plan as required by GASB Statement No. 50.

Note: Figures may not total due to rounding. Percentages are calculated using unrounded totals.

Source: Washington State Office of the State Actuary.

Schedule of Funding Progress Judicial Retirement System Valuation Years 2013 through 2008 (dollars in millions)						
	2013	2012	2011	2010	2009	2008
Actuarial valuation date	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Actuarial value of plan assets	\$ 4	\$ 3	\$ 5	\$ 4	\$ 2	\$ 1
Actuarial accrued liability	108	104	109	84	89	92
Unfunded actuarial liability	104	101	104	80	87	91
Funded Ratio	4%	3%	5%	5%	2%	1%
Covered payroll	N/A	0.3	0.5	0.7	0.9	1.3
Unfunded actuarial liability as a						
percentage of covered payroll	N/A	33779%	22574%	11565%	9216%	7141%

N/A indicates that data is not applicable. Beginning with fiscal year 2013, there are no active members in this plan.

Note: Figures may not total due to rounding. Percentages are calculated using unrounded totals.

Source: Washington State Office of the State Actuary.

PENSION PLAN INFORMATION
Schedules of Funding Progress

concluded

Schedule of Funding Progress Judges' Retirement Fund Valuation Years 2013 through 2008 (dollars in millions)						
	2013	2012	2011	2010	2009	2008
Actuarial valuation date	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Actuarial value of plan assets	\$ 1.4	\$ 1.9	\$ 2.3	\$ 2.8	\$ 3.3	\$ 3.6
Actuarial accrued liability	3.5	3.6	3.9	3.2	3.4	3.5
Unfunded (assets in excess of) actuarial liability	2.1	1.7	1.5	0.4	0.1	(0.1)
Funded Ratio	40%	52%	61%	87%	97%	104%
Covered payroll *	N/A	N/A	N/A	N/A	N/A	N/A
Unfunded actuarial liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

* Covered payroll is not applicable because there are no active plan members.
N/A indicates data not applicable.
Note: Figures may not total due to rounding. Percentages are calculated using unrounded totals.
Source: Washington State Office of the State Actuary.

Schedule of Funding Progress Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund Valuation Years 2013 through 2008 (dollars in millions)						
	2013	2012	2011	2010	2009	2008
Actuarial valuation date	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Actuarial value of plan assets***	\$ 182	\$ 170	\$ 168	\$ 166	\$ 166	\$ 161
Actuarial accrued liability*	184	170	168	166	163	153
Unfunded (assets in excess of) actuarial liability	1	-	-	-	(3)	(8)
Funded Ratio	99%	100%	100%	100%	102%	105%
Covered payroll**	N/A	N/A	N/A	N/A	N/A	N/A
Unfunded actuarial liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

* Pension plan liability only - excludes relief benefits.
**Covered payroll is not presented because it is not applicable since this is a volunteer organization.
*** State Board for Volunteer Fire Fighters and Reserve Officers adopted a new funding policy as of 2010 where assets above the accrued pension liability are allocated to fund relief benefits.
N/A indicates data not applicable.
Note: Figures may not total due to rounding. Percentages are calculated using unrounded totals.
Source: Washington State Office of the State Actuary.

PENSION PLAN INFORMATION

Schedules of Contributions from Employers and Other Contributing Entities (cont'd)

Schedules of Contributions from Employers and Other Contributing Entities						
For the Fiscal Years Ended June 30, 2014 through 2009 (dollars in millions)						
	2014	2013	2012	2011	2010	2009
PUBLIC EMPLOYEES' RETIREMENT PLAN SYSTEM - PLAN 1						
Employers' annual required contribution	\$ 670.9	\$ 534.2	\$ 508.0	\$ 439.3	\$ 627.8	\$ 620.2
Employers' actual contribution	448.9	266.3	257.2	145.6	154.0	325.2
Percentage contributed	67%	50%	51%	33%	25%	52%
PUBLIC EMPLOYEES' RETIREMENT PLAN SYSTEM - PLAN 2/3						
Employers' annual required contribution	\$ 612.0	\$ 408.3	\$ 407.7	\$ 408.6	\$ 383.1	\$ 369.7
Employers' actual contribution	430.3	389.0	385.3	328.3	327.5	439.7
Percentage contributed	70%	95%	94%	80%	85%	119%
TEACHERS' RETIREMENT SYSTEM - PLAN 1						
Employers' annual required contribution	\$ 388.6	\$ 275.4	\$ 254.0	\$ 205.9	\$ 406.1	\$ 391.0
Employers' actual contribution	200.7	118.6	111.9	96.8	112.7	178.9
Percentage contributed	52%	43%	44%	47%	28%	46%
TEACHERS' RETIREMENT SYSTEM - PLAN 2/3						
Employers' annual required contribution	\$ 335.4	\$ 231.6	\$ 232.2	\$ 232.3	\$ 221.1	\$ 186.9
Employers' actual contribution	249.3	229.0	213.9	168.3	165.0	160.8
Percentage contributed	74%	99%	92%	72%	75%	86%
SCHOOL EMPLOYEES' RETIREMENT SYSTEM - PLAN 2/3						
Employers' annual required contribution	\$ 124.5	\$ 86.6	\$ 85.2	\$ 88.6	\$ 82.3	\$ 71.5
Employers' actual contribution	88.8	78.4	74.6	62.3	62.1	63.5
Percentage contributed	71%	91%	88%	70%	75%	89%
<p>The Annual Required Contribution (ARC) changes each year with the experience of the plans. Factors influencing the experience include changes in funding methods, assumptions, plan provisions, and economic and demographic experience gains and losses. The methods used to derive the ARC for this reporting disclosure are different from the methods used to derive the actual contributions required by law. These differences include the use of different actuarial valuations (actual contributions may be based on an earlier valuation), and different actuarial cost methods. For these reasons the actual contributions will not match the ARCs. Starting in 2009, the ARC for PERS and TRS Plans 1 was calculated using the Entry Age Normal cost method with a rolling 10-year amortization (excluding the temporary rate ceilings). Starting in 2011, the calculation of the ARC reflects the underlying actuarial cost method (excluding minimum contribution rates).</p> <p>Note: Figures may not total due to rounding. Percentages are calculated using unrounded totals.</p> <p>Source: Washington State Office of the State Actuary</p>						

PENSION PLAN INFORMATION

Schedules of Contributions from Employers and Other Contributing Entities (cont'd)

Schedules of Contributions from Employers and Other Contributing Entities						
For the Fiscal Years Ended June 30, 2014 through 2009 (dollars in millions)						
	2014	2013	2012	2011	2010	2009
LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM - PLAN 1						
Employers' annual required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employers' actual contribution	0.1	0.6	-	-	-	-
Percentage contributed	N/A	N/A	N/A	N/A	N/A	N/A
State annual required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State actual contribution	-	-	-	-	-	-
Percentage contributed	N/A	N/A	N/A	N/A	N/A	N/A
LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM - PLAN 2						
Employers' annual required contribution*	\$ 70.1	\$ 56.8	\$ 59.1	\$ 50.4	\$ 67.3	\$ 63.2
Employers' actual contribution	85.5	82.4	80.5	79.7	77.0	77.8
Percentage contributed	122%	145%	136%	158%	114%	123%
State annual required contribution*	\$ 46.8	\$ 37.9	\$ 38.2	\$ 33.6	\$ 44.4	\$ 42.1
State actual contribution	55.6	52.8	52.0	51.4	51.1	45.9
Percentage contributed	121%	144%	137%	157%	114%	122%
WASHINGTON STATE PATROL RETIREMENT SYSTEM						
Employers' annual required contribution	\$ 7.3	\$ 2.5	\$ 2.9	\$ 2.3	\$ 6.6	\$ 5.0
Employers' actual contribution	6.6	6.5	6.5	5.3	5.3	6.4
Percentage contributed	90%	260%	224%	228%	80%	127%
N/A indicates data not applicable.						
*The Annual Required Contribution (ARC) for the LEOFF Plan 2 presented is the Office of the State Actuary's recommended figure.						
The Annual Required Contribution (ARC) changes each year with the experience of the plans. Factors influencing the experience include changes in funding methods, assumptions, plan provisions, and economic and demographic experience gains and losses. The methods used to derive the ARC for this reporting disclosure are different from the methods used to derive the actual contributions required by law. These differences include the use of different actuarial valuations (actual contributions may be based on an earlier valuation), and different actuarial cost methods. For these reasons the actual contributions will not match the ARCs. Starting in 2009, the ARC for PERS and TRS Plans 1 was calculated using the Entry Age Normal cost method with a rolling 10-year amortization (excluding the temporary rate ceilings). Starting in 2011, the calculation of the ARC reflects the underlying actuarial cost method (excluding minimum contribution rates).						
Note: Figures may not total due to rounding. Percentages are calculated using unrounded totals.						
Source: Washington State Office of the State Actuary						

PENSION PLAN INFORMATION

Schedules of Contributions from Employers and Other Contributing Entities (concl'd)

Schedules of Contributions from Employers and Other Contributing Entities						
For the Fiscal Years Ended June 30, 2014 through 2009 (dollars in millions)						
	2014	2013	2012	2011	2010	2009
PUBLIC SAFETY EMPLOYEES' RETIREMENT SYSTEM - PLAN 2						
Employers' annual required contribution	\$ 18.6	\$ 15.1	\$ 14.7	\$ 14.7	\$ 14.8	\$ 14.3
Employers' actual contribution	17.1	15.6	15.3	15.6	15.2	14.5
Percentage contributed	92%	103%	104%	106%	103%	101%
JUDICIAL RETIREMENT SYSTEM						
Employers' annual required contribution	\$ 22.5	\$ 21.7	\$ 22.6	\$ 18.6	\$ 20.4	\$ 21.2
Employers' actual contribution	10.6	10.1	8.1	10.9	11.6	10.2
Percentage contributed	47%	47%	36%	59%	57%	49%
JUDGES' RETIREMENT FUND						
Employers' annual required contribution	\$ 0.5	\$ 0.4	\$ 0.3	\$ 0.1	\$ -	\$ -
Employers' actual contribution	-	-	-	-	-	-
Percentage contributed	N/A	N/A	N/A	N/A	N/A	N/A
VOLUNTEER FIRE FIGHTERS' AND RESERVE OFFICERS' RELIEF AND PENSION FUND						
Employers' annual required contribution	\$ 1.0	\$ 0.9	\$ 1.0	\$ 1.1	\$ 1.0	\$ 1.1
Employers' actual contribution	1.0	0.9	1.0	1.1	1.0	1.0
Percentage contributed	100%	100%	100%	100%	100%	91%
State annual required contribution	\$ 5.2	\$ 3.7	\$ 3.7	\$ 4.2	\$ 1.8	\$ 1.4
State actual contribution	6.4	6.0	5.6	5.8	5.7	5.2
Percentage contributed	123%	162%	151%	138%	317%	371%
N/A indicates data not applicable.						
The Annual Required Contribution (ARC) changes each year with the experience of the plans. Factors influencing the experience include changes in funding methods, assumptions, plan provisions, and economic and demographic experience gains and losses. The methods used to derive the ARC for this reporting disclosure are different from the methods used to derive the actual contributions required by law. These differences include the use of different actuarial valuations (actual contributions may be based on an earlier valuation), and different actuarial cost methods. For these reasons the actual contributions will not match the ARCs. Starting in 2009, the ARC for PERS and TRS Plans 1 was calculated using the Entry Age Normal cost method with a rolling 10-year amortization (excluding the temporary rate ceilings). Starting in 2011, the calculation of the ARC reflects the underlying actuarial cost method (excluding minimum contribution rates).						
Note: Figures may not total due to rounding. Percentages are calculated using unrounded totals.						
Source: Washington State Office of the State Actuary						

PENSION PLAN INFORMATION

Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund

Schedule of Change in Net Pension Liability		
Fiscal Years Ended June 30, 2014 through 2013		
<i>(dollars in thousands)</i>		
	2014	2013
Total Pension Liability		
Service cost	\$ 1,240	N/A
Interest	12,480	N/A
Changes of benefit terms	-	N/A
Differences between expected and actual experience	-	N/A
Changes in assumptions	-	N/A
Benefit payments, Including refunds of member contributions	(10,771)	N/A
Net Change in Total Pension Liability	2,949	N/A
Total Pension Liability - Beginning	183,578	N/A
Total Pension Liability - Ending	<u>\$ 186,527</u>	<u>\$ 183,578</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 7,336	N/A
Contributions - Member	95	N/A
Net investment income	31,892	N/A
Benefit payments, Including refunds of member contributions	(10,771)	N/A
Administrative Expense	(1,469)	N/A
Other	(22)	N/A
Net Change in Plan Fiduciary Net Position	27,061	N/A
Plan Fiduciary Net Position - Beginning	177,134	N/A
Plan Fiduciary Net Position - Ending	<u>\$ 204,195</u>	<u>\$ 177,134</u>
Plan's Net Pension Liability (Asset) - Ending	<u>\$ (17,668)</u>	<u>\$ 6,444</u>
N/A indicates data not available.		
This schedule is to be built prospectively until it contains ten years of data.		
Note: Figures may not total due to rounding.		
Source: Washington State Office of the State Actuary		

PENSION PLAN INFORMATION

Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund

Schedule of Net Pension Liability				
Fiscal Years Ended June 30, 2014 through 2013				
<i>(dollars in thousands)</i>				
	2014		2013	
Total Pension Liability - Ending	\$	186,527	\$	183,578
Plan Fiduciary Net Position - Ending		204,195		177,134
Plan's Net Pension Liability (Asset) - Ending	\$	(17,668)	\$	6,444
Plan fiduciary net position as a percent of the total pension liability		109.47%		96.49%
Covered employee payroll		N/A		N/A
Net pension liability (asset) as a percent of covered employee payroll		N/A		N/A

N/A indicates data not applicable. This is a volunteer organization.
 This schedule is to be built prospectively until it contains ten years of data.
 Note: Figures may not total due to rounding. Percentages are calculated using unrounded totals.

Source: Washington State Office of the State Actuary

Schedule of Contributions			
Fiscal Years Ended June 30, 2014 through 2005			
<i>(dollars in thousands)</i>			
Year	Actuarially determined contribution	Contributions in relation to the actuarial determined contribution	Contribution deficiency (excess)
2014	\$ 6,421	\$ 7,336	\$ (915)
2013	4,600	6,946	(2,346)
2012	4,700	6,484	(1,784)
2011	5,300	6,778	(1,478)
2010	2,800	6,787	(3,987)
2009	2,500	6,223	(3,723)
2008	1,900	6,102	(4,202)
2007	3,000	7,063	(4,063)
2006	4,600	5,695	(1,095)
2005	2,500	5,191	(2,691)

Neither covered payroll nor contributions as a percentage of covered payroll are applicable. This is a volunteer organization.
 Prior to 2014, the Annual Required Contribution (ARC) amounts are presented for the Actuarially Determined Contributions. The ARC changes each year with the experience of the plans. Factors influencing the experience include changes in funding methods, assumptions, plan provisions, and economic and demographic gains and losses.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

PENSION PLAN INFORMATION

Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund

Schedule of Investment Returns	
Fiscal Year Ended June 30, 2014	
	2014
Annual money-weighted rate of return, net of investment expense	16.72%
This schedule is to be built prospectively until it contains ten years of data.	
<i>Source: Washington State Office of the State Actuary</i>	

**Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund
Notes to Required Supplementary Information**

The Office of the State Actuary (OSA) calculates the Actuarially Determined Contributions (ADC) based on the results of an actuarial valuation consistent with funding policy defined under Chapter 41.24 RCW and adopted policies made by the State Board for Volunteer Fire Fighters and Reserve Officers. Consistent with the

Board's contribution rate adoption process, the results of an actuarial valuation determine the ADC two years after the valuation date. For example, the actuarial valuation with a June 30, 2013 valuation date, completed in the Fall of 2014, determines the ADC for the period ending June 30, 2015.

**OTHER POSTEMPLOYMENT BENEFITS INFORMATION
Schedule of Funding Progress**

Schedule of Funding Progress			
Other Postemployment Benefits			
Valuation Years 2013 through 2009			
<i>(dollars in millions)</i>			
	2013	2011	2009
Actuarial valuation date	1/1/2013	1/1/2011	1/1/2009
Actuarial value of plan assets	\$ -	\$ -	\$ -
Actuarial accrued liability (AAL)*	3,707	3,492	3,787
Unfunded actuarial accrued liability (UAAL)	3,707	3,492	3,787
Funded ratio	0%	0%	0%
Covered payroll	5,787	5,937	5,678
UAAL as a percentage of covered payroll	64%	59%	67%
* Based on projected unit credit actuarial cost method.			
<i>Source: Washington State Office of the State Actuary</i>			

INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

Condition Assessment

The state of Washington reports certain networks of infrastructure assets under the modified approach of the Governmental Accounting Standards Board Statement No. 34. Expenditures to maintain and preserve these assets are budgeted, recorded, and reported in lieu of depreciation expense. The state must meet the following requirements to report networks of assets under the modified approach:

- Maintain an up-to-date inventory of eligible infrastructure assets in an asset management system.
- Disclose the condition level established by administrative or executive policy, or by legislative

action at which assets are to be preserved or maintained.

- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Document that assets are being preserved approximately at or above the disclosed condition level.
- Annually estimate the cost to maintain and preserve the assets at the established condition level.

Assets accounted for under the modified approach include the state's network of highway pavements, bridges, and rest areas. In fiscal year 2014, the state was responsible to maintain and preserve 20,692 pavement lane miles, 3,286 bridges and tunnels, and 48 rest areas.

PAVEMENT CONDITION

The Washington State Department of Transportation (WSDOT) performs highway pavement assessments over a two year cycle utilizing three measurements to develop a scaled condition assessment: Pavement Structural Condition (PSC), International Roughness Index (IRI), and rutting.

The WSDOT uses the following rating scale for PSC:

Category	PSC Range	Description
Very Good	80 – 100	Little or no distress. Example: Flexible pavement with 5 percent of wheel track length having “hairline” severity alligator cracking will have a PSC of 80.
Good	60 – 79	Early stage deterioration. Example: Flexible pavement with 15 percent of wheel track length having “hairline” alligator cracking will have a PSC of 70.
Fair	40 – 59	This is the threshold value for rehabilitation. Example: Flexible pavement with 25 percent of wheel track length having “hairline” alligator cracking will have a PSC of 50.
Poor	20 – 39	Structural deterioration. Example: Flexible pavement with 25 percent of wheel track length having “medium (spalled)” severity alligator cracking will have a PSC of 30.
Very Poor	0 – 19	Advanced structural deterioration. Example: Flexible pavement with 40 percent of wheel track length having “medium (spalled)” severity alligator cracking will have a PSC of 10. May require extensive repair and thicker overlays.

The IRI scale is measured in inches per mile. The WSDOT assesses pavements with a ride performance measure less than 221 inches per mile to be in fair or better condition.

Rutting is measured in inches with a measurement of 0.58 inches or less assessed at a condition of fair or better.

PSC, IRI, and rutting are combined to rate a section of pavement which is assigned the lowest condition of any of the three indices.

The WSDOT's policy is to maintain 90 percent of pavements at a condition level of fair or better. The following table shows the combined conditions and the ratings for each index:

Category	PSC	IRI	Rutting
Very Good	80 – 100	< 96	< 0.24
Good	60 – 79	96 – 170	0.24 – 0.41
Fair	40 – 59	171 – 220	0.42 – 0.58
Poor	20 – 39	221 – 320	0.59 – 0.74
Very Poor	0 – 19	> 320	> 0.74

The following table shows pavement condition ratings for state highways:

Pavements Percentage in Fair or Better Condition* Two Year Cycle Ending Calendar Year			
<u>2013</u>	<u>2011</u>	<u>2009</u>	Average of Last <u>Three Assessments</u>
92.8%	91.2%	92.7%	92.2%

* The methodology for 2013 has changed from being based solely on number of lane miles to being based on lane miles weighted by vehicle miles traveled. Vehicle miles traveled are key data for highway planning and management, and a common measure of roadway use.

The following table reflects the state's estimated and actual expenditures necessary to preserve state highways at the established condition level:

Pavements Preservation and Maintenance - Planned to Actual - Fiscal Year (expressed in thousands)					
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Planned	\$ 122,868	\$ 137,779	\$ 148,811	\$ 122,203	\$ 168,204
Actual	143,598	108,972	148,366	117,811	159,441
Variance	\$ (20,730)	\$ 28,807	\$ 445	\$ 4,392	\$ 8,763
	(16.9%)	20.9%	0.3%	3.6%	5.2%

Actual expenditures may vary from planned amounts for a variety of reasons which include, but are not limited to, management's decision to accelerate, defer, or reduce preservation or maintenance activity in response to economic forecasts and other factors.

For more information about pavements, refer to the WSDOT's website at:
<http://www.wsdot.wa.gov/Business/MaterialsLab/Pavements/default.htm>.

BRIDGE CONDITION

The WSDOT performs sample condition assessments on state owned bridges in excess of 20 feet in length each year with all bridges inspected over a two year cycle. Underwater bridge components are inspected at least once every five years in accordance with Federal Highway Administration (FHWA) requirements.

The WSDOT uses a performance measure which classifies a bridge as good, fair, or poor using the National Bridge Inspection Standards (NBIS) codes for bridge superstructure, substructure, and deck. The following categories for condition rating are based on the structural sufficiency standards established in FHWA’s “Recording and Coding Guide for the Structural Inventory and Appraisal of the Nation’s Bridges.”

Category	National Bridge Inventory Code	Description
Good	6, 7, or 8	A range from no problems noted to some minor deterioration of structural elements.
Fair	5	All primary structural elements are sound but may have deficiencies such as minor section loss, deterioration, cracking, spalling, or scour.
Poor	4 or less	Advanced deficiencies such as section loss, deterioration, cracking, spalling, scour, or seriously affected primary structural components.

The WSDOT’s policy is to maintain 95 percent of bridges at a condition level of fair or better. The following table shows condition ratings for state bridges:

Bridges Percentage in Fair or Better Condition* Two Year Cycle Ending Fiscal Year			
			Average of Last Three Assessments
<u>2013</u>	<u>2011</u>	<u>2009</u>	
91.4%	95.4%	97.7%	94.8%

* The methodology for 2013 has changed from number of bridges to square footage of the bridge deck. This change aligns with federal reporting requirements.

The following table reflects the state’s estimated and actual expenditures necessary to preserve the bridges at the established condition level:

Bridges Preservation and Maintenance - Planned to Actual - Fiscal Year (expressed in thousands)					
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Planned	\$ 92,192	\$ 98,519	\$ 66,510	\$ 46,708	\$ 54,490
Actual	87,271	87,306	61,026	43,709	44,436
Variance	\$ 4,921	\$ 11,213	\$ 5,484	\$ 2,999	\$ 10,054
	5.3%	11.4%	8.2%	6.4%	18.5%

Actual expenditures may vary from planned amounts for a variety of reasons which include, but are not limited to, management’s decision to accelerate, defer, or reduce preservation or maintenance activity in response to economic forecasts and other factors.

For more information about bridges, refer to the WSDOT’s website at: <http://www.wsdot.wa.gov/Bridge/Structures/>.

SAFETY REST AREA CONDITION

The WSDOT performs safety rest area condition assessments every two years. Sites and buildings are divided into functional components that are assessed with a numerical rating of one to five. The rating is based on guidelines and parameters established by the WSDOT Capital Facilities Program and weighted by the criticality of the functional component.

The WSDOT’s policy is to maintain 95 percent of safety rest areas in a condition of fair or better. The following table shows condition ratings for safety rest areas:

Safety Rest Areas Percentage in Fair or Better Condition Two Year Cycle Ending Calendar Year			
<u>2013</u>	<u>2011</u>	<u>2009</u>	Average of Last <u>Three Assessments</u>
100.0%	100.0%	97.6%	99.2%

The following table reflects the state’s estimated and actual expenditures necessary to preserve the safety rest areas at the established condition level:

Safety Rest Areas Preservation and Maintenance - Planned to Actual - Fiscal Year (expressed in thousands)					
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Planned	\$ 7,488	\$ 6,607	\$ 6,278	\$ 6,259	\$ 5,815
Actual	7,591	6,676	6,467	6,514	5,925
Variance	\$ (103)	\$ (69)	\$ (189)	\$ (255)	\$ (110)
	(1.4%)	(1.0%)	(3.0%)	(4.1%)	(1.9%)

Actual expenditures may vary from planned amounts for a variety of reasons which include, but are not limited to, management’s decision to accelerate, defer, or reduce preservation or maintenance activity in response to economic forecasts and other factors.

For more information about safety rest areas, refer to WSDOT’s website at: <http://www.wsdot.wa.gov/safety/restareas>.