

RSI
Required Supplementary Information

BUDGETARY COMPARISON SCHEDULE
General Fund

Budgetary Comparison Schedule				
General Fund				
For the Fiscal Year Ended June 30, 2012				
<i>(expressed in thousands)</i>				
	Original Budget 2011-13 Biennium	Final Budget 2011-13 Biennium	Actual 2011-13 Biennium	Variance with Final Budget
Budgetary Fund Balance, July 1, as restated	\$ 62,736	\$ 62,736	\$ 62,736	\$ -
Resources				
Taxes	31,065,106	29,422,460	14,441,656	(14,980,804)
Licenses, permits, and fees	176,925	198,346	99,040	(99,306)
Other contracts and grants	523,672	540,521	222,561	(317,960)
Timber sales	7,280	6,090	4,504	(1,586)
Federal grants-in-aid	15,009,646	14,882,339	7,057,761	(7,824,578)
Charges for services	60,097	63,916	30,152	(33,764)
Investment income (loss)	3,563	(26,090)	(8,958)	17,132
Miscellaneous revenue	395,704	399,181	179,596	(219,585)
Unclaimed property	108,623	166,959	109,263	(57,696)
Transfers from other funds	1,897,780	1,958,035	1,150,752	(807,283)
Total Resources	49,311,132	47,674,493	23,349,063	(24,325,430)
Charges To Appropriations				
General government	3,550,365	3,541,324	1,687,817	1,853,507
Human services	24,280,399	23,470,006	11,470,787	11,999,219
Natural resources and recreation	639,392	628,298	283,560	344,738
Transportation	101,879	93,777	43,432	50,345
Education	18,765,529	18,504,331	9,175,482	9,328,849
Capital outlays	627,393	747,691	153,544	594,147
Transfers to other funds	939,890	930,859	687,956	242,903
Total Charges To Appropriations	48,904,847	47,916,286	23,502,578	24,413,708
Excess Available For Appropriation Over (Under) Charges To Appropriations	406,285	(241,793)	(153,515)	88,278
Reconciling Items				
Debt service	-	-	(26)	(26)
Bond sale proceeds	103,825	120,844	72,766	(48,078)
Issuance premiums	-	-	2,586	2,586
Refunding COPs issued	-	-	3,270	3,270
Pmts to escrow agents for refunded debt	-	-	(3,565)	(3,565)
Assumed reversions	-	120,000	-	(120,000)
Working capital adjustment	-	238,000	-	(238,000)
Changes in reserves (net)	-	-	(26,272)	(26,272)
Entity adjustments (net)	-	-	(71,182)	(71,182)
Total Reconciling Items	103,825	478,844	(22,423)	(501,267)
Budgetary Fund Balance, June 30	\$ 510,110	\$ 237,051	\$ (175,938)	\$ (412,989)

BUDGETARY COMPARISON SCHEDULE
Budget to GAAP Reconciliation

General Fund	
For the Fiscal Year Ended June 30, 2012 (expressed in thousands)	
	<u>General Fund</u>
Sources/Inflows of Resources	
Actual amounts (budgetary basis) "Total Resources" from the Budgetary Comparison Schedule	\$ 23,349,063
Differences - budget to GAAP:	
The following items are inflows of budgetary resources but are not revenue for financial reporting purposes:	
Transfers from other funds	(1,150,752)
Budgetary fund balance at the beginning of the biennium	(62,736)
Appropriated loan principal repayment	(1,598)
The following items are not inflows of budgetary resources but are revenue for financial reporting purposes:	
Noncash commodities and electronic food stamp benefits	1,761,673
Revenues collected for other governments	106,017
Unanticipated receipts	3,410
Noncash revenues	(28,517)
Other	6,060
Biennium total revenues	23,982,620
Nonappropriated activity	876
Total Revenues (GAAP Basis) as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 23,983,496</u>
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "Total Charges to Appropriations" from the Budgetary Comparison Schedule	\$ 23,502,578
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	(1,264,455)
Other transfers to other funds	(687,956)
Appropriated loan disbursements	(35)
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	1,761,673
Distributions to other governments	106,017
Certificates of participation and capital lease acquisitions	10,771
Expenditures related to unanticipated receipts	3,410
Interest on debt service	26
Other	6,060
Biennium total expenditures	23,438,089
Nonappropriated activity	289,548
Total expenditures (GAAP basis) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	<u>\$ 23,727,637</u>

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 2011-13 biennium to illustrate legal budgetary compliance. Appropriated budget versus actual expenditures, and estimated versus actual revenues and other financing sources (uses) for appropriated funds 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/expenses, and over-expenditures are prohibited. All appropriated and certain nonappropriated funds are further controlled by the executive branch through the allotment process. This process allocates the expenditure/expense plan into monthly allotments by program, source of funds, and object of expenditure. Because allotments are not the strict legal limit on expenditures/expenses, the accompanying budgetary schedule is shown on an appropriation versus actual comparison rather than an allotment versus actual comparison.

Proprietary funds typically earn revenues and incur expenses (i.e., depreciation or budgeted asset purchases) not covered by the allotment process. Budget estimates are generally made outside the allotment process according to prepared business plans. These proprietary fund 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 make expenditure/expense allotments based on availability of unanticipated receipts, mainly federal government grant increases made during a fiscal year. State law does not preclude the over-expenditure of allotments.

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.

Additionally, certain governmental activities are excluded from the budgetary schedules because they are not appropriated. These activities include activities designated as nonappropriated by the Legislature, such as the Higher Education Special Revenue Fund, Higher Education Endowment Fund, Tobacco Settlement Securitization Bond Debt Service Fund, federal surplus food commodities, electronic food stamp benefits, capital leases, note proceeds, and resources collected and distributed to other governments.

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. The factors contributing to the differences between the Budgetary Comparison Schedule and the Statement of Revenues, Expenditures, and Changes in Fund Balance are noted in the previous Budget to GAAP Reconciliation.

Budgetary Fund Balance generally includes the following as reported on the Governmental Funds Balance Sheet: restricted, committed, assigned, and unassigned fund balances. The negative General Fund Basic Account ending budgetary fund balance is offset by assigned fund balance for GAAP reporting purposes.

PENSION PLAN INFORMATION
Schedules of Funding Progress

continued

Schedule of Funding Progress Public Employees' Retirement System - Plan 1 Valuation Years 2011 through 2006 (dollars in millions)						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	9/30/2006
Actuarial value of plan assets	\$ 8,883	\$ 9,293	\$ 9,776	\$ 9,853	\$ 9,715	\$ 9,591
Actuarial accrued liability	12,571	12,538	13,984	13,901	13,740	13,129
Unfunded actuarial liability	3,688	3,245	4,208	4,048	4,025	3,538
Percentage funded	71%	74%	70%	71%	71%	73%
Covered payroll	432	507	580	638	676	725
Unfunded actuarial liability as a percentage of covered payroll	854%	640%	726%	634%	595%	488%

Source: Washington State Office of the State Actuary.

Schedule of Funding Progress Public Employees' Retirement System - Plan 2/3 Valuation Years 2011 through 2006 (dollars in millions)						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	N/A
Actuarial value of plan assets	\$ 20,997	\$ 19,474	\$ 18,260	\$ 16,693	\$ 14,888	N/A
Actuarial accrued liability	21,627	20,029	18,398	16,508	14,661	N/A
Unfunded actuarial liability	630	555	138	(185)	(227)	N/A
Percentage funded	97%	97%	99%	101%	102%	N/A
Covered payroll	8,148	8,206	8,132	7,869	7,157	N/A
Unfunded actuarial liability as a percentage of covered payroll	8%	7%	0%	0%	0%	N/A

PERS Plan 2/3 uses the aggregate actuarial cost method. Effective for reporting year 2007, this 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.

N/A indicates data not available.

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 2011 through 2006 (dollars in millions)						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	9/30/2006
Actuarial value of plan assets	\$ 7,485	\$ 7,791	\$ 8,146	\$ 8,262	\$ 8,302	\$ 8,275
Actuarial accrued liability	9,232	9,201	10,820	10,754	10,826	10,359
Unfunded actuarial liability	1,747	1,410	2,674	2,492	2,524	2,084
Percentage funded	81%	85%	75%	77%	77%	80%
Covered payroll	284	344	389	432	426	478
Unfunded actuarial liability as a percentage of covered payroll	615%	410%	687%	577%	592%	436%

Source: Washington State Office of the State Actuary.

Schedule of Funding Progress Teachers' Retirement System - Plan 2/3 Valuation Years 2011 through 2006 (dollars in millions)						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	N/A
Actuarial value of plan assets	\$ 7,141	\$ 6,593	\$ 6,160	\$ 5,681	\$ 5,277	N/A
Actuarial accrued liability	7,194	6,558	6,048	5,264	4,682	N/A
Unfunded (assets in excess of) actuarial liability	53	(36)	(112)	(417)	(595)	N/A
Percentage funded	99%	101%	102%	108%	113%	N/A
Covered payroll	4,085	3,966	3,957	3,621	3,318	N/A
Unfunded actuarial liability as a percentage of covered payroll	1%	0%	0%	0%	0%	N/A

TRS Plan 2/3 uses the aggregate actuarial cost method. Effective for reporting year 2007, this 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.

N/A indicates data not available.

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 2011 through 2006 (dollars in millions)						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	N/A
Actuarial value of plan assets	\$ 2,872	\$ 2,664	\$ 2,503	\$ 2,303	\$ 2,133	N/A
Actuarial accrued liability	2,956	2,706	2,493	2,207	1,998	N/A
Unfunded (assets in excess of) actuarial liability	84	41	(10)	(96)	(135)	N/A
Percentage funded	97%	98%	100%	104%	107%	N/A
Covered payroll	1,490	1,475	1,467	1,379	1,283	N/A
Unfunded actuarial liability as a percentage of covered payroll	6%	3%	0%	0%	0%	N/A

SERS Plan 2/3 uses the aggregate actuarial cost method. Effective for reporting year 2007, this 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.

N/A indicates data not available.

Source: Washington State Office of the State Actuary.

Schedule of Funding Progress Law Enforcement Officers' and Fire Fighters' Retirement System - Plan 1 Valuation Years 2011 through 2006 (dollars in millions)						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	9/30/2006
Actuarial value of plan assets	\$ 5,565	\$ 5,561	\$ 5,612	\$ 5,592	\$ 5,298	\$ 5,018
Actuarial accrued liability	4,145	4,393	4,492	4,368	4,340	4,309
Unfunded (assets in excess of) actuarial liability	(1,420)	(1,168)	(1,120)	(1,224)	(958)	(709)
Percentage funded	134%	127%	125%	128%	122%	116%
Covered payroll	25	29	33	37	43	48
Unfunded actuarial liability as a percentage of covered payroll	0%	0%	0%	0%	0%	N/A

N/A indicates data not available.

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 2011 through 2006 (dollars in millions)						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	N/A
Actuarial value of plan assets	\$ 6,621	\$ 6,043	\$ 5,564	\$ 5,053	\$ 4,360	N/A
Actuarial accrued liability	5,941	5,164	4,641	3,998	3,626	N/A
Unfunded (assets in excess of)						
actuarial liability	(680)	(879)	(923)	(1,055)	(734)	N/A
Percentage funded	111%	117%	120%	126%	120%	N/A
Covered payroll	1,535	1,490	1,442	1,345	1,234	N/A
Unfunded actuarial liability as a						
percentage of covered payroll	0%	0%	0%	0%	0%	N/A

LEOFF Plan 2 uses the aggregate actuarial cost method. Effective for reporting year 2007, this 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.

N/A indicates data not available.

Source: Washington State Office of the State Actuary.

Schedule of Funding Progress Washington State Patrol Retirement System - Plan 1/2 Valuation Years 2011 through 2006 (dollars in millions)						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	N/A
Actuarial value of plan assets	\$ 949	\$ 920	\$ 900	\$ 870	\$ 800	N/A
Actuarial accrued liability	859	812	790	745	702	N/A
Unfunded (assets in excess of)						
actuarial liability	(90)	(108)	(110)	(125)	(98)	N/A
Percentage funded	110%	113%	114%	117%	114%	N/A
Covered payroll	82	83	83	79	72	N/A
Unfunded actuarial liability as a						
percentage of covered payroll	0%	0%	0%	0%	0%	N/A

WSPRS Plan 1/2 uses the aggregate actuarial cost method. Effective for reporting year 2007, this 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.

N/A indicates data not available.

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 2011 through 2006 (dollars in millions)						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	N/A
Actuarial value of plan assets	\$ 141	\$ 103	\$ 69	\$ 39	\$ 14	N/A
Actuarial accrued liability	127	94	64	37	19	N/A
Unfunded (assets in excess of)						
actuarial liability	(14)	(9)	(5)	(2)	6	N/A
Percentage funded	111%	109%	108%	106%	74%	N/A
Covered payroll	233	227	223	200	134	N/A
Unfunded actuarial liability as a percentage of covered payroll	0%	0%	0%	0%	0%	N/A

PSERS Plan 2 uses the aggregate actuarial cost method. Effective for reporting year 2007, this 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.

N/A indicates data not available.

Source: Washington State Office of the State Actuary.

Schedule of Funding Progress Judicial Retirement System Valuation Years 2011 through 2006 (dollars in millions)						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	9/30/2006
Actuarial value of plan assets	\$ 5.0	\$ 4.0	\$ 2.0	\$ 1.0	\$ 1.0	\$ 0.3
Actuarial accrued liability	109	84	89	92	85	88
Unfunded actuarial liability	104	80	87	91	84	88
Percentage funded	5%	5%	2%	1%	1%	0%
Covered payroll	0.5	0.7	0.9	1.3	1.3	1.4
Unfunded actuarial liability as a percentage of covered payroll	22574%	11565%	9667%	7000%	6462%	6286%

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 2011 through 2006 (dollars in millions)						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	9/30/2006
Actuarial value of plan assets	\$ 2.3	\$ 2.8	\$ 3.3	\$ 3.6	\$ 4.0	\$ 4.1
Actuarial accrued liability	3.9	3.2	3.4	3.5	3.9	4.0
Unfunded (assets in excess of)						
actuarial liability	1.6	0.4	0.1	(0.1)	(0.1)	(0.1)
Percentage funded	61%	87%	97%	103%	103%	103%
Covered payroll	-	-	-	-	-	-
Unfunded actuarial liability as a						
percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

N/A indicates data not available.

Source: Washington State Office of the State Actuary.

Schedule of Funding Progress Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund Valuation Years 2011 through 2006 (dollars in millions)						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	12/31/2006
Actuarial value of plan assets***	\$ 168	\$ 166	\$ 166	\$ 161	\$ 151	\$ 140
Actuarial accrued liability*	168	166	163	153	141	142
Unfunded (assets in excess of)						
actuarial liability	-	-	(3)	(8)	(10)	2
Percentage funded	100%	100%	102%	105%	107%	99%
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.

*** Board for Volunteer Fire Fighters 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 available.

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, 2012 through 2007 (dollars in millions)						
	2012	2011	2010	2009	2008	2007
PUBLIC EMPLOYEES' RETIREMENT PLAN SYSTEM - PLAN 1						
Employers' annual required contribution	\$ 508.0	\$ 439.3	\$ 627.8	\$ 620.2	\$ 453.1	\$ 397.3
Employers' actual contribution	257.2	145.6	154.0	325.2	221.8	118.7
Percentage contributed	51%	33%	25%	52%	49%	30%
PUBLIC EMPLOYEES' RETIREMENT PLAN SYSTEM - PLAN 2/3						
Employers' annual required contribution	\$ 407.7	\$ 408.6	\$ 383.1	\$ 369.7	\$ 363.3	\$ 331.3
Employers' actual contribution	385.3	328.3	327.5	439.7	318.7	242.5
Percentage contributed	95%	80%	85%	119%	88%	73%
TEACHERS' RETIREMENT SYSTEM - PLAN 1						
Employers' annual required contribution	\$ 254.0	\$ 205.9	\$ 406.1	\$ 391.0	\$ 294.7	\$ 249.8
Employers' actual contribution	111.9	96.8	112.7	178.9	113.1	60.5
Percentage contributed	44%	47%	28%	46%	38%	24%
TEACHERS' RETIREMENT SYSTEM - PLAN 2/3						
Employers' annual required contribution	\$ 232.2	\$ 232.3	\$ 221.1	\$ 186.9	\$ 208.9	\$ 167.7
Employers' actual contribution	213.9	168.3	165.0	160.8	109.5	102.2
Percentage contributed	92%	72%	75%	86%	52%	61%
SCHOOL EMPLOYEES' RETIREMENT SYSTEM - PLAN 2/3						
Employers' annual required contribution	\$ 85.2	\$ 88.6	\$ 82.3	\$ 71.5	\$ 75.8	\$ 71.5
Employers' actual contribution	74.6	62.3	62.1	63.5	52.1	45.9
Percentage contributed	88%	70%	75%	89%	69%	64%
<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>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, 2012 through 2007 <i>(dollars in millions)</i>						
	2012	2011	2010	2009	2008	2007
LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM - PLAN 1						
Employers' annual required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.1
Employers' actual contribution	-	-	-	-	-	0.1
Percentage contributed	N/A	N/A	N/A	N/A	N/A	100%
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*	\$ 97.3	\$ 84.0	\$ 111.1	\$ 105.3	\$ 61.3	\$ 56.9
Employers' actual contribution	80.5	79.7	77.0	77.8	73.4	58.2
Percentage contributed	83%	95%	69%	74%	120%	102%
State annual required contribution*	\$ 38.2	\$ 33.6	\$ 44.4	\$ 42.1	\$ 40.8	\$ 38.0
State actual contribution	52.8	52.0	51.4	51.1	45.9	37.9
Percentage contributed	138%	155%	116%	121%	113%	100%
WASHINGTON STATE PATROL RETIREMENT SYSTEM						
Employers' annual required contribution	\$ 2.9	\$ 2.3	\$ 6.6	\$ 5.0	\$ 6.8	\$ 5.3
Employers' actual contribution	6.5	5.3	5.3	6.4	6.1	3.3
Percentage contributed	224%	230%	80%	128%	90%	62%
<p>N/A indicates data not available.</p> <p>*The Annual Required Contribution (ARC) for the LEOFF Plan 2 presented is the Office of the State Actuary's recommended figure.</p> <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>Source: Washington State Office of the State Actuary</p>						

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, 2012 through 2007 (dollars in millions)						
	2012	2011	2010	2009	2008	2007
PUBLIC SAFETY EMPLOYEES' RETIREMENT PLAN SYSTEM - PLAN 2						
Employers' annual required contribution	\$ 14.7	\$ 14.7	\$ 14.8	\$ 14.3	\$ 12.4	\$ 7.1
Employers' actual contribution	15.3	15.6	15.2	14.5	11.7	6.6
Percentage contributed	104%	106%	103%	101%	94%	93%
JUDICIAL RETIREMENT SYSTEM						
Employers' annual required contribution	\$ 22.6	\$ 18.6	\$ 20.4	\$ 21.2	\$ 26.6	\$ 37.3
Employers' actual contribution	8.1	10.9	11.6	10.2	9.6	9.6
Percentage contributed	36%	59%	57%	48%	36%	26%
JUDGES' RETIREMENT FUND						
Employers' annual required contribution	\$ 0.3	\$ 0.1	\$ -	\$ -	\$ -	\$ -
Employers' actual contribution	-	-	-	-	-	0.3
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	\$ 1.1	\$ 1.0	\$ 1.1	\$ 1.0	\$ 1.0
Employers' actual contribution	1.0	1.1	1.0	1.0	1.0	1.0
Percentage contributed	100%	100%	100%	91%	100%	100%
State annual required contribution	\$ 3.7	\$ 4.2	\$ 1.8	\$ 1.4	\$ 0.9	\$ 2.0
State actual contribution	5.6	5.8	5.7	5.2	5.0	6.0
Percentage contributed	151%	138%	317%	371%	556%	300%
N/A indicates data not available. 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).						
Source: Washington State Office of the State Actuary						

OTHER POSTEMPLOYMENT BENEFITS INFORMATION
Schedule of Funding Progress

Schedule of Funding Progress Other Postemployment Benefits Valuation Years 2011 through 2008 <i>(dollars in millions)</i>			
	2011	2009	2008
Actuarial valuation date	1/1/2011	1/1/2009	1/1/2008
Actuarial value of plan assets	\$ -	\$ -	\$ -
Actuarial accrued liability (AAL)*	3,492	3,787	4,014
Unfunded actuarial accrued liability (UAAL)	3,492	3,787	4,014
Funded ratio	0%	0%	0%
Covered payroll	5,937	5,678	5,170
UAAL as a percentage of covered payroll	59%	67%	78%
* 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 2012, the state was responsible to maintain and preserve 20,631 pavement lane miles, 3,245 bridges and tunnels, and 48 rest areas.

Beginning in fiscal year 2012, state managed airports are reported as land and land improvements. In prior years, they were reported as infrastructure using the modified approach.

PAVEMENT CONDITION

The Washington State Department of Transportation (WSDOT) performs highway pavement assessments each year 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 pavement 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 payment condition ratings for state highways:

Pavement Percentage in Fair or Better Condition Calendar Year		
<u>2011</u>	<u>2010</u>	<u>2009</u>
91.2%	92.7%	93.0%

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

Pavement Preservation and Maintenance - Planned to Actual - Fiscal Year (expressed in thousands)					
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Planned	\$ 148,811	\$ 122,203	\$ 168,204	\$ 144,897	\$ 137,215
Actual	\$ 148,366	\$ 117,811	\$ 159,441	\$ 128,449	\$ 147,369

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 bridge condition ratings:

Bridges Percentage in Fair or Better Condition Calendar Year		
<u>2011</u>	<u>2009</u>	<u>2007</u>
95.4%	97.7%	97.2%

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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Planned	\$ 66,510	\$ 46,708	\$ 54,490	\$ 76,801	\$ 23,687
Actual	\$ 61,026	\$ 43,709	\$ 44,436	\$ 29,992	\$ 36,008

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/eesc/bridge/index.cfm>.

SAFETY REST AREA CONDITION

The WSDOT performs safety rest area condition assessments every two years. Sites are given a good to poor numerical rating for each of the following functional components: ADA compliance; proximity to the next rest area; traffic flow/access from/to the highway; security (fencing, visibility, and lighting); facility size (vehicle/pedestrian circulation, parking, potential facility expansion); drainage; landscaping maintenance; signage; water supply (rate flow, potable, hydrant system), and sanitation (municipal or on-site). A weighting multiplier is applied based on the criticality of each 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 the safety rest area condition ratings:

Safety Rest Areas		
Percentage in Fair or Better Condition		
Calendar Year		
<u>2011</u>	<u>2009</u>	<u>2007</u>
100.0%	97.6%	95.2%

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					
<i>(expressed in thousands)</i>					
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Planned	\$ 6,278	\$ 6,259	\$ 5,815	\$ 6,007	\$ 5,667
Actual	\$ 6,467	\$ 6,514	\$ 5,925	\$ 5,824	\$ 5,855

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>.