

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, 2016				
<i>(expressed in thousands)</i>				
	Original Budget 2015-17 Biennium	Final Budget 2015-17 Biennium	Actual 2015-17 Biennium	Variance with Final Budget
Budgetary Fund Balance, July 1, as restated	\$ 1,550,847	\$ 1,550,847	\$ 1,550,847	\$ -
Resources				
Taxes	35,743,517	36,091,647	18,068,630	(18,023,017)
Licenses, permits, and fees	229,281	228,571	116,334	(112,237)
Other contracts and grants	550,314	550,885	241,734	(309,151)
Timber sales	6,616	6,650	3,993	(2,657)
Federal grants-in-aid	22,720,205	22,830,123	10,606,061	(12,224,062)
Charges for services	76,910	80,423	41,764	(38,659)
Investment income (loss)	16,824	18,266	12,222	(6,044)
Miscellaneous revenue	284,778	366,696	218,726	(147,970)
Unclaimed property	121,876	115,522	70,655	(44,867)
Transfers from other funds	1,975,011	2,285,083	877,975	(1,407,108)
Total Resources	63,276,179	64,124,713	31,808,941	(32,315,772)
Charges To Appropriations				
General government	4,087,194	4,127,600	1,868,980	2,258,620
Human services	32,532,950	32,607,771	15,521,157	17,086,614
Natural resources and recreation	695,716	837,001	433,186	403,815
Transportation	104,731	141,834	69,243	72,591
Education	23,047,518	23,823,106	11,418,014	12,405,092
Capital outlays	759,279	736,381	187,486	548,895
Transfers to other funds	715,878	1,015,293	402,992	612,301
Total Charges To Appropriations	61,943,266	63,288,986	29,901,058	33,387,928
Excess Available For Appropriation				
Over (Under) Charges To Appropriations	1,332,913	835,727	1,907,883	1,072,156
Reconciling Items				
Bond sale proceeds	319,039	319,039	89,119	(229,920)
Issuance premiums	-	-	1,400	1,400
Assumed reversions	172,500	207,204	-	(207,204)
Working capital adjustment	-	-	(141,000)	(141,000)
Allocations	-	-	-	-
Noncash activity (net)	-	-	83,472	83,472
Nonappropriated fund balances	-	-	86,437	86,437
Changes in reserves (net)	-	-	1,426	1,426
Total Reconciling Items	491,539	526,243	120,854	(405,389)
Budgetary Fund Balance, June 30	\$ 1,824,452	\$ 1,361,970	\$ 2,028,737	\$ 666,767

BUDGETARY COMPARISON SCHEDULE
General Fund - Budget to GAAP Reconciliation

General Fund	
For the Fiscal Year Ended June 30, 2016 (expressed in thousands)	
Sources/Inflows of Resources	
Actual amounts (budgetary basis) "Total Resources" from the Budgetary Comparison Schedule	\$ 31,808,941
Differences - budget to GAAP:	
The following items are inflows of budgetary resources but are not revenue for financial reporting purposes:	
Transfers from other funds	(877,975)
Budgetary fund balance at the beginning of the biennium, as restated	(1,550,847)
Appropriated loan principal repayment	(246)
The following items are not inflows of budgetary resources but are revenue for financial reporting purposes:	
Noncash commodities and electronic food stamp benefits	1,583,336
Revenues collected for other governments	119,367
Unanticipated receipts	6,510
Noncash revenues	28,244
Other	6,283
Biennium total revenues	31,123,613
Nonappropriated activity	14,087
Total Revenues (GAAP Basis) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 31,137,700
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "Total Charges to Appropriations" from the Budgetary Comparison Schedule	\$ 29,901,058
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	(1,474,831)
Other transfers to other funds	(402,992)
Appropriated loan disbursements	(29)
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	1,583,335
Distributions to other governments	119,367
Certificates of participation and capital lease acquisitions	35,473
Expenditures related to unanticipated receipts	6,510
Other	6,513
Biennium total expenditures	29,774,404
Nonappropriated activity	346,847
Total expenditures (GAAP basis) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	\$ 30,121,251

BUDGETARY COMPARISON SCHEDULE
Higher Education Special Revenue Fund

Budgetary Comparison Schedule Higher Education Special Revenue Fund For the Fiscal Year Ended June 30, 2016 <i>(expressed in thousands)</i>				
	Original Budget 2015-17 Biennium	Final Budget 2015-17 Biennium	Actual 2015-17 Biennium	Variance with Final Budget
Budgetary Fund Balance, July 1, as restated	\$ 335,583	\$ 335,583	\$ 335,583	\$ -
Resources				
Taxes	455,330	445,936	216,994	(228,942)
Other contracts and grants	310	310	-	(310)
Charges for services	21,888	21,888	-	(21,888)
Investment income (loss)	1,741	1,741	419	(1,322)
Miscellaneous revenue	2,270	2,270	(5)	(2,275)
Transfers from other funds	54,500	54,500	30,150	(24,350)
Total Resources	871,622	862,228	583,141	(279,087)
Charges To Appropriations				
Education	456,902	434,551	161,476	273,075
Transfers to other funds	53,900	53,900	30,149	23,751
Total Charges To Appropriations	510,802	488,451	191,625	296,826
Excess Available For Appropriation				
Over (Under) Charges To Appropriations	360,820	373,777	391,516	17,739
Reconciling Items				
Working Capital Adjustment	-	-	(2,240)	(2,240)
Noncash activity (net)	-	-	16,777	16,777
Nonappropriated fund balances	-	-	2,429,471	2,429,471
Changes in reserves (net)	-	-	(4,075)	(4,075)
Total Reconciling Items	-	-	2,439,933	2,439,933
Budgetary Fund Balance, June 30	\$ 360,820	\$ 373,777	\$ 2,831,449	\$ 2,457,672

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

Higher Education Special Revenue Fund	
For the Fiscal Year Ended June 30, 2016	
<i>(expressed in thousands)</i>	
Sources/Inflows of Resources	
Actual amounts (budgetary basis) "Total Resources"	
from the Budgetary Comparison Schedule	\$ 583,141
Differences - budget to GAAP:	
The following items are inflows of budgetary resources but are not revenue for financial reporting purposes:	
Transfers from other funds	(30,150)
Budgetary fund balance at the beginning of the biennium, as restated	(335,583)
The following items are not inflows of budgetary resources but are revenue for financial reporting purposes:	
Noncash revenues	85
Other	4
Biennium total revenues	217,497
Nonappropriated activity	5,078,164
Total Revenues (GAAP Basis) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 5,295,661
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "Total Charges to Appropriations"	
from the Budgetary Comparison Schedule	\$ 191,625
Differences - budget to GAAP:	
The following items are outflows of budgetary resources but are not expenditures for financial reporting purposes:	
Other transfers to other funds	(30,149)
Biennium total expenditures	161,476
Nonappropriated activity	5,208,507
Total expenditures (GAAP basis) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	\$ 5,369,983

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 in 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 Governmental Accounting Standards Board 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 2015-17 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. The report is available on line at <http://www.ofm.wa.gov/cafr/2016/default.asp>.

Legislative appropriations are strict legal limits on expenditures; 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 generally accepted accounting principles. 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 restricted fund balance reduced by a portion that is not available for budgeting, committed, and unassigned fund balances as reported on the Governmental Funds Balance Sheet. In the Higher Education Special Revenue Fund, Budgetary Fund Balance equals the sum of restricted and committed 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
Single Employer Plans

Continued

Schedule of Changes in Net Pension Liability and Related Ratios			
Washington State Patrol Retirement System - Plan 1/2			
Last Three Measurement Years*			
<i>(expressed in thousands)</i>			
	2015	2014	2013
Total Pension Liability			
Service cost	\$ 16,633	\$ 18,041	N/A
Interest	80,037	75,249	N/A
Changes of benefit terms	2,258	-	N/A
Differences between expected and actual experience	8,883	-	N/A
Changes in assumptions	17	-	N/A
Benefit payments, including refunds of employee contributions	(50,075)	(47,510)	N/A
Net Change in Total Pension Liability	<u>57,753</u>	<u>45,780</u>	N/A
Total Pension Liability - Beginning	<u>1,072,424</u>	<u>1,026,644</u>	N/A
Total Pension Liability - Ending (a)	<u><u>\$ 1,130,177</u></u>	<u><u>\$ 1,072,424</u></u>	<u><u>\$ 1,026,644</u></u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 6,679	\$ 6,587	N/A
Contributions - employee	6,323	6,555	N/A
Net investment income	49,046	176,856	N/A
Benefit payments, including refunds of employee contributions	(50,075)	(47,510)	N/A
Administrative expense	(67)	(84)	N/A
Other	293	509	N/A
Net Change in Plan Fiduciary Net Position	<u>12,199</u>	<u>142,913</u>	N/A
Plan Fiduciary Net Position - Beginning	<u>1,098,427</u>	<u>955,514</u>	N/A
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 1,110,626</u></u>	<u><u>\$ 1,098,427</u></u>	<u><u>\$ 955,514</u></u>
State's Net Pension Liability/(Asset) - Ending (a) - (b)	<u><u>\$ 19,551</u></u>	<u><u>\$ (26,003)</u></u>	<u><u>\$ 71,130</u></u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability/(Asset)	98.27%	102.42%	93.07%
Covered-employee payroll	\$ 84,388	\$ 85,046	\$ 81,895
State's Net Pension Liability/(Asset) as a percentage of covered-employee payroll	23.17%	-30.58%	86.86%
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
Single Employer Plans

Continued

Schedule of Changes in Net Pension Liability and Related Ratios			
Judicial Retirement System			
Last Three Measurement Years *			
<i>(expressed in thousands)</i>			
	2015	2014	2013
Total Pension Liability			
Service cost	\$ -	\$ -	N/A
Interest	4,382	4,319	N/A
Changes of benefit terms	-	-	N/A
Differences between expected and actual experience	1,590	-	N/A
Changes in assumptions	4,335	-	N/A
Benefit payments, including refunds of employee contributions	(9,336)	(9,480)	N/A
Net Change in Total Pension Liability	971	(5,161)	N/A
Total Pension Liability - Beginning	100,341	105,502	N/A
Total Pension Liability - Ending (a)	\$ 101,312	\$ 100,341	\$ 105,502
Plan Fiduciary Net Position			
Contributions - employer	\$ 10,600	\$ 10,600	N/A
Contributions - employee	-	-	N/A
Net investment income	38	25	N/A
Benefit payments, including refunds of employee contributions	(9,336)	(9,480)	N/A
Administrative expense	-	-	N/A
Other	-	-	N/A
Net Change in Plan Fiduciary Net Position	1,302	1,145	N/A
Plan Fiduciary Net Position - Beginning	5,031	3,886	N/A
Plan Fiduciary Net Position - Ending (b)	\$ 6,333	\$ 5,031	\$ 3,886
State's Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 94,979	\$ 95,310	\$ 101,616
Plan Fiduciary Net Position as a percentage of the Total Pension Liability/(Asset)	6.25%	5.01%	3.68%
Covered-employee payroll ⁽¹⁾	N/A	N/A	\$ 160
State's Net Pension Liability/(Asset) as a percentage of covered-employee payroll ⁽¹⁾	N/A	N/A	63510%
N/A indicates data not available.			
⁽¹⁾ Covered-employee payroll is not applicable because there are no active plan employees.			
*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
Single Employer Plans

Concluded

Schedule of Changes in Net Pension Liability and Related Ratios			
Judges' Retirement Fund			
Last Three Measurement Years*			
(expressed in thousands)			
	2015	2014	2013
Total Pension Liability			
Service cost	\$ -	\$ -	N/A
Interest	138	137	N/A
Changes of benefit terms	-	-	N/A
Differences between expected and actual experience	182	-	N/A
Changes in assumptions	95	-	N/A
Benefit payments, including refunds of employee contributions	(444)	(444)	N/A
Net Change in Total Pension Liability	(29)	(307)	N/A
Total Pension Liability - Beginning	3,146	3,453	N/A
Total Pension Liability - Ending (a)	\$ 3,117	\$ 3,146	\$ 3,453
Plan Fiduciary Net Position			
Contributions - employer	\$ -	\$ -	N/A
Contributions - employee	-	-	N/A
Net investment income	4	7	N/A
Benefit payments, including refunds of employee contributions	(444)	(444)	N/A
Administrative expense	-	-	N/A
Other	-	-	N/A
Net Change in Plan Fiduciary Net Position	(440)	(437)	N/A
Plan Fiduciary Net Position - Beginning	955	1,392	N/A
Plan Fiduciary Net Position - Ending (b)	\$ 515	\$ 955	\$ 1,392
State's Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 2,602	\$ 2,191	\$ 2,061
Plan Fiduciary Net Position as a percentage of the Total Pension Liability/(Asset)	16.52%	30.36%	40.31%
Covered-employee payroll⁽¹⁾	N/A	N/A	N/A
State's Net Pension Liability/(Asset) as a percentage of covered-employee payroll⁽¹⁾	N/A	N/A	N/A
N/A indicates data not available.			
⁽¹⁾ Covered-employee payroll is not applicable because there are no active plan employees.			
* 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
Single Employer Plans

Continued

Schedule of Contributions Washington State Patrol Retirement System - Plan 1/2 Last Ten Fiscal Years (expressed in thousands)						
Year	Actuarially Determined Contributions	Contributions in relation to the Actuarial Determined Contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll	
2016	\$ 7,618	\$ 7,044	\$ 574	\$ 86,660	8.13%	
2015	6,810	6,679	131	84,388	7.91%	
2014	6,677	6,587	90	85,046	7.75%	
2013	2,500	6,478	(3,978)	81,895	7.91%	
2012	2,900	6,454	(3,554)	81,578	7.91%	
2011	2,300	5,251	(2,951)	81,882	6.41%	
2010	6,600	5,271	1,329	82,764	6.37%	
2009	5,000	6,371	(1,371)	82,719	7.70%	
2008	6,800	6,064	736	78,781	7.70%	
2007	5,300	3,278	2,022	72,688	4.51%	

Prior to 2014, the Annual Required Contribution (ARC) amounts are presented for the Actuarially Determined Contributions.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

PENSION PLAN INFORMATION
Single Employer Plans

Continued

Schedule of Contributions Judicial Retirement System Last Ten Fiscal Years <i>(expressed in thousands)</i>						
Year	Actuarially Determined Contributions	Contributions in relation to the Actuarial Determined Contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll	
2016	\$ 8,999	\$ 9,500	\$ (501)	\$ -	N/A	
2015	9,132	10,600	(1,468)	-	N/A	
2014	9,205	10,600	(1,395)	-	N/A	
2013	21,700	10,112	11,588	160	6320.00%	
2012	22,600	8,131	14,469	407	1997.79%	
2011	18,600	10,906	7,694	611	1784.94%	
2010	20,400	11,649	8,751	1,053	1106.27%	
2009	21,200	10,305	10,895	1,394	739.24%	
2008	26,600	9,712	16,888	1,496	649.20%	
2007	37,300	9,650	27,650	1,478	652.91%	

Contributions in relation to the Actuarially Determined Contributions are based on state contributions.
 N/A indicates data not available. Beginning in 2014, there are no active members.
 Prior to 2014, the Annual Required Contribution (ARC) amounts are presented for the Actuarially Determined Contributions.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

PENSION PLAN INFORMATION
Single Employer Plans

Concluded

Schedule of Contributions Judges' Retirement Fund Last Ten Fiscal Years <i>(expressed in thousands)</i>						
Year	Actuarially Determined Contributions	Contributions in relation to the Actuarial Determined Contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll	
2016	\$ 444	\$ 501	\$ (57)	\$ -	N/A	
2015	539	-	539	-	N/A	
2014	425	-	425	-	N/A	
2013	400	-	400	-	N/A	
2012	300	-	300	-	N/A	
2011	100	-	100	-	N/A	
2010	-	-	-	-	N/A	
2009	-	-	-	-	N/A	
2008	-	300	(300)	-	N/A	
2007	-	300	(300)	-	N/A	

Contributions in relation to the Actuarially Determined Contributions are based on state contributions.
 N/A indicates data not available. There are no active employees.
 Prior to 2014, the Annual Required Contribution (ARC) amounts are presented for the Actuarially Determined Contributions.
 Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

PENSION PLAN INFORMATION
Cost Sharing Employer Plans

Continued

Schedule of the State's Proportionate Share of the Net Pension Liability Public Employees' Retirement System (PERS) Plan 1 Measurement Date of June 30 * <i>(expressed in thousands)</i>		
	2015	2014
State PERS Plan 1 employers' proportion of the net pension liability/(asset)	41.57%	42.37%
State PERS Plan 1 employers' proportionate share of the net pension liability/(asset)	\$ 2,174,623	\$ 2,134,189
State PERS Plan 1 employers' covered-employee payroll	\$ 120,686	\$ 143,836
State PERS Plan 1 employers' proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	1801.89%	1483.77%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	59.10%	61.19%
* This schedule is to be built prospectively until it contains ten years of data.		

Schedule of the State's Proportionate Share of the Net Pension Liability Public Employees' Retirement System (PERS) Plan 2/3 Measurement Date of June 30 * <i>(expressed in thousands)</i>		
	2015	2014
State PERS Plan 2/3 employers' proportion of the net pension liability/(asset)	49.10%	49.27%
State PERS Plan 2/3 employers' proportionate share of the net pension liability/(asset)	\$ 1,754,418	\$ 995,856
State PERS Plan 2/3 employers' covered-employee payroll	\$ 4,363,171	\$ 4,215,934
State PERS Plan 2/3 employers' proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	40.21%	23.62%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	89.20%	93.29%
* This schedule is to be built prospectively until it contains ten years of data.		

PENSION PLAN INFORMATION
Cost Sharing Employer Plans

Continued

Schedule of the State's Proportionate Share of the Net Pension Liability Teachers' Retirement System (TRS) Plan 1 Measurement Date of June 30 * <i>(expressed in thousands)</i>		
	2015	2014
State TRS Plan 1 employers' proportion of the net pension liability/(asset)	0.86%	0.78%
State TRS Plan 1 employers' proportionate share of the net pension liability/(asset)	\$ 27,186	\$ 22,924
State TRS Plan 1 employers' covered-employee payroll	\$ 3,913	\$ 4,611
State TRS Plan 1 employers' proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	694.76%	497.15%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	65.70%	68.77%
* This schedule is to be built prospectively until it contains ten years of data.		

Schedule of the State's Proportionate Share of the Net Pension Liability Teachers' Retirement System (TRS) Plan 2/3 Measurement Date of June 30 * <i>(expressed in thousands)</i>		
	2015	2014
State TRS Plan 2/3 employers' proportion of the net pension liability/(asset)	0.72%	0.59%
State TRS Plan 2/3 employers' proportionate share of the net pension liability/(asset)	\$ 6,107	\$ 1,913
State TRS Plan 2/3 employers' covered-employee payroll	\$ 33,705	\$ 25,673
State TRS Plan 2/3 employers' proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	18.12%	7.45%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	92.48%	96.81%
* This schedule is to be built prospectively until it contains ten years of data.		

PENSION PLAN INFORMATION
Cost Sharing Employer Plans

Continued

Schedule of the State's Proportionate Share of the Net Pension Liability Public Safety Employees' Retirement System (PSERS) Plan 2 Measurement Date of June 30 * <i>(expressed in thousands)</i>		
	2015	2014
State PSERS Plan 2 employers' proportion of the net pension liability/(asset)	47.93%	48.26%
State PSERS Plan 2 employers' proportionate share of the net pension liability (asset)	\$ 8,748	\$ (6,988)
State PSERS Plan 2 employers' covered-employee payroll	\$ 140,977	\$ 130,172
State PSERS Plan 2 employers' proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	6.21%	-5.37%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	95.08%	105.01%
* This schedule is to be built prospectively until it contains ten years of data.		

Schedule of the State's Proportionate Share of the Net Pension Liability Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 1 Measurement Date of June 30 * <i>(expressed in thousands)</i>		
	2015	2014
State's nonemployer proportion of the net pension liability/(asset)	87.12%	87.12%
State as nonemployer contributing entity proportionate share of the net pension liability/(asset)	\$(1,049,988)	\$(1,056,583)
Plan fiduciary net position as a percentage of the total pension liability/(asset)	127.36%	126.91%
* This schedule is to be built prospectively until it contains ten years of data.		

PENSION PLAN INFORMATION
Cost Sharing Employer Plans

Concluded

Schedule of the State's Proportionate Share of the Net Pension Liability Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2 Measurement Date of June 30 * <i>(expressed in thousands)</i>		
	2015	2014
State LEOFF Plan 2 employers' proportion of the net pension liability/(asset)	0.83%	0.84%
State as nonemployer contributing entity proportion of the net pension liability/(asset)	39.80%	39.52%
State LEOFF Plan 2 employers' proportionate share of the net pension liability/(asset)	\$ (8,580)	\$ (11,164)
State as nonemployer contributing entity total proportionate share of the net pension liability/(asset)	(409,091)	(524,419)
Total	<u>\$ (417,671)</u>	<u>\$ (535,583)</u>
State LEOFF Plan 2 employers' covered-employee payroll	\$ 18,744	\$ 18,259
State LEOFF Plan 2 employers' proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	-45.77%	-61.14%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	111.67%	116.75%
* This schedule is to be built prospectively until it contains ten years of data.		

PENSION PLAN INFORMATION
Cost Sharing Employer Plans

Continued

Schedule of Contributions				
Public Employees' Retirement System (PERS) Plan 1				
Fiscal Year Ended June 30*				
<i>(dollars in thousands)</i>				
	2016	2015	2014	
Contractually Required Contribution	\$ 11,058	\$ 11,270	\$ 13,245	
Contributions in relation to the contractually required contribution	11,058	11,270	13,245	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	
Covered-employee payroll	\$ 103,235	\$ 120,686	\$ 143,836	
Contributions as a percentage of covered-employee payroll	10.71%	9.34%	9.21%	
* This schedule is to be built prospectively until it contains ten years of data.				

Schedule of Contributions				
Public Employees' Retirement System (PERS) Plan 2/3				
Fiscal Year Ended June 30*				
<i>(dollars in thousands)</i>				
	2016	2015	2014	
Contractually Required Contribution	\$ 478,431	\$ 401,057	\$ 386,812	
Contributions in relation to the contractually required contribution	478,431	401,057	386,812	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	
Covered-employee payroll	\$ 4,648,843	\$ 4,363,171	\$ 4,215,935	
Contributions as a percentage of covered-employee payroll	10.29%	9.19%	9.17%	
* This schedule is to be built prospectively until it contains ten years of data.				

Schedule of Contributions				
Teachers' Retirement System (TRS) Plan 1				
Fiscal Year Ended June 30*				
<i>(dollars in thousands)</i>				
	2016	2015	2014	
Contractually Required Contribution	\$ 397	\$ 392	\$ 476	
Contributions in relation to the contractually required contribution	397	392	476	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	
Covered-employee payroll	\$ 5,735	\$ 3,913	\$ 4,611	
Contributions as a percentage of covered-employee payroll	6.92%	10.02%	10.32%	
* This schedule is to be built prospectively until it contains ten years of data.				

PENSION PLAN INFORMATION
Cost Sharing Employer Plans

Concluded

Schedule of Contributions			
Teachers' Retirement System (TRS) Plan 2/3			
Fiscal Year Ended June 30*			
<i>(dollars in thousands)</i>			
	2016	2015	2014
Contractually Required Contribution	\$ 5,157	\$ 3,534	\$ 2,947
Contributions in relation to the contractually required contribution	5,157	3,534	2,947
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 41,803	\$ 33,705	\$ 25,673
Contributions as a percentage of covered-employee payroll	12.34%	10.49%	11.48%
* This schedule is to be built prospectively until it contains ten years of data.			

Schedule of Contributions			
Public Safety Employees' Retirement System (PSERS) Plan 2			
Fiscal Year Ended June 30*			
<i>(dollars in thousands)</i>			
	2016	2015	2014
Contractually Required Contribution	\$ 17,852	\$ 14,793	\$ 13,604
Contributions in relation to the contractually required contribution	17,852	14,793	13,604
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 155,768	\$ 140,977	\$ 130,172
Contributions as a percentage of covered-employee payroll	11.46%	10.49%	10.45%
* This schedule is to be built prospectively until it contains ten years of data.			

Schedule of Contributions			
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2*			
Fiscal Year Ended June 30			
<i>(dollars in thousands)</i>			
	2016	2015	2014
Contractually Required Contribution	\$ 1,374	\$ 1,261	\$ 1,222
Contributions in relation to the contractually required contribution	1,374	1,261	1,222
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 19,828	\$ 18,744	\$ 18,259
Contributions as a percentage of covered-employee payroll	6.93%	6.73%	6.69%
* This schedule is to be built prospectively until it contains ten years of data.			

PENSION PLAN INFORMATION

Notes to Required Supplementary Information

Methods and assumptions used in calculations of Actuarially Determined Contributions (ADC) for PERS, TRS, LEOFF, and WSPRS. The Office of the State Actuary (OSA) calculates the ADC based on the results of an actuarial valuation consistent with the state's funding policy defined under chapter 41.45 RCW. Consistent with the state's contribution rate adoption process, the results of an actuarial valuation with an odd-numbered year valuation date determine the ADC for the biennium that ensues two years later. For example, the actuarial valuation with a June 30, 2013, valuation date, completed in the fall of 2014, determines the ADC for the period beginning July 1, 2015, and ending June 30, 2017.

Methods and assumptions used in calculations of the ADC for JRS and Judges. The OSA calculates the ADC based on the results of an actuarial valuation, and sets the ADC equal to the expected benefit payments from the plan. Consistent with the state's funding policy defined under chapters 2.10.90 and 2.12.60 RCW, the Legislature makes biennial appropriations in order to

ensure the fund is solvent to make the necessary benefit payments.

OSA calculates the ADC consistent with the methods described above. Adopted contribution rates may be different pending the actions of the governing bodies. For instance, for the period beginning July 1, 2015 and ending June 30, 2017, the contribution rates adopted by the Pension Funding Council, and unchanged by the Legislature, reflect a phase-in of the increase to contribution rates that resulted from a change to the mortality assumption. The increase is expected to be phased-in over three biennia for PERS 1/2/3, TRS 1/2/3, SERS 2/3, PSERS 2, and WSPRS 1/2.

For cost-sharing plans, OSA calculates the Contractually Required Contributions (CRC) using the same assumptions and methods as the ADC except the CRC reflect the adopted contribution rates for the time period shown, which may differ from the contribution rates produced for the ADC.

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

Schedule of Net Pension Liability				
Last Four Fiscal Years*				
<i>(expressed in thousands)</i>				
	2016	2015	2014	2013
Total Pension Liability - Ending	\$ 191,494	\$ 188,584	\$ 186,527	\$ 183,578
Plan Fiduciary Net Position - Ending	208,663	207,855	204,195	177,134
Plan's Net Pension Liability/(Asset) - Ending	\$ (17,169)	\$ (19,271)	\$ (17,668)	\$ 6,444
Plan fiduciary net position as a percentage of the total pension liability/(asset)	108.97%	110.22%	109.47%	96.49%
Covered-employee payroll	N/A	N/A	N/A	N/A
Plan's net pension liability/(asset) as a percentage of covered-employee payroll	N/A	N/A	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.				
<i>Source: Washington State Office of the State Actuary</i>				

PENSION PLAN INFORMATION

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

Schedule of Change in Net Pension Liability				
Last Four Fiscal Years*				
<i>(expressed in thousands)</i>				
	2016	2015	2014	2013
Total Pension Liability				
Service cost	\$ 893	\$ 919	\$ 1,240	N/A
Interest	12,887	12,656	12,480	N/A
Changes of benefit terms	-	-	-	N/A
Differences between expected and actual experience	(176)	(2,948)	-	N/A
Changes in assumptions	101	1,931	-	N/A
Benefit payments, including refunds of member contributions	(10,795)	(10,501)	(10,771)	N/A
Net Change in Total Pension Liability	2,910	2,057	2,949	N/A
Total Pension Liability - Beginning	188,584	186,527	183,578	N/A
Total Pension Liability - Ending	\$ 191,494	\$ 188,584	\$ 186,527	\$ 183,578
Plan Fiduciary Net Position				
Contributions - Municipalities	\$ 918	\$ 913	\$ 953	N/A
Contributions - Member	67	76	95	N/A
Contributions - State as nonemployer contributing entity	7,235	5,903	6,383	N/A
Net investment income	4,588	8,289	31,892	N/A
Benefit payments, including refunds of member contributions	(10,795)	(10,501)	(10,771)	N/A
Administrative expense	(1,205)	(1,020)	(1,469)	N/A
Other	-	-	(22)	N/A
Net Change in Plan Fiduciary Net Position	808	3,660	27,061	N/A
Plan Fiduciary Net Position - Beginning	207,855	204,195	177,134	N/A
Plan Fiduciary Net Position - Ending	\$ 208,663	\$ 207,855	\$ 204,195	\$ 177,134
Plan's Net Pension Liability/(Asset) - Ending	\$ (17,169)	\$ (19,271)	\$ (17,668)	\$ 6,444

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 Contributions			
Last Ten Fiscal Years			
<i>(expressed in thousands)</i>			
Year	Actuarially Determined Contribution	Contributions in relation to the Actuarial Determined Contribution	Contribution deficiency (excess)
2016	\$ 6,846	\$ 8,153	\$ (1,307)
2015	6,653	6,816	(163)
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)

Neither covered-employee payroll nor contributions as a percentage of covered-employee payroll are applicable. This is a volunteer organization.

Prior to 2014, the Annual Required Contribution (ARC) amounts are presented for the Actuarially Determined Contributions.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

Schedule of Investment Returns			
Last Three Fiscal Years*			
	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	2.19%	4.05%	18.50%

*This schedule is to be built prospectively until it contains ten years of data.

Source: Washington State Office of the State Actuary

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, 2014, valuation date, completed in the fall of 2015, determines the ADC for the period ending June 30, 2016.

OTHER POSTEMPLOYMENT BENEFITS INFORMATION

Schedule of Funding Progress Other Postemployment Benefits <i>(expressed in millions)</i>			
	2015	2013	2011
Actuarial valuation date	1/1/2015	1/1/2013	1/1/2011
Actuarial value of plan assets	\$ -	\$ -	\$ -
Actuarial accrued liability (AAL)*	5,274	3,707	3,492
Unfunded actuarial accrued liability (UAAL)	5,274	3,707	3,492
Funded ratio	0%	0%	0%
Covered payroll	6,219	5,787	5,937
UAAL as a percentage of covered payroll	85%	64%	59%
* 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 2016, the state was responsible to maintain and preserve 20,764 pavement lane miles, 3,294 bridges and tunnels, and 47 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% 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% 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% of wheel track length having "hairline" alligator cracking will have a PSC of 50.
Poor	20 – 39	Structural deterioration. Example: Flexible pavement with 25% 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% 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 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 WSDOT’s policy is to maintain 85 percent of pavements at a condition level of fair or better. The following table shows pavement condition ratings for state highways:

Pavements Percentage in Fair or Better Condition* Two Year Cycle Ending Calendar Year			
			Average of Last
<u>2015</u>	<u>2013</u>	<u>2011</u>	<u>Three Assessments</u>
93.2%	92.8%	91.2%	92.4%

* The percentage for 2011 is based solely on number of lane miles, whereas 2013 and 2015 are based on 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)					
	2016	2015	2014	2013	2012
Planned	\$ 160,423	\$ 173,716	\$ 122,868	\$ 137,779	\$ 148,811
Actual	161,211	142,789	143,598	108,972	148,366
Variance	\$ (788)	\$ 30,927	\$ (20,730)	\$ 28,807	\$ 445
	-0.5%	17.8%	-16.9%	20.9%	0.3%

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 established in FHWA's "Recording and Coding Guide for the Structural Inventory and Appraisal of the Nation's Bridges," which classifies the physical condition of bridges as good, fair, or poor based on structural sufficiency standards for the following bridge components: bridge superstructure, substructure, and deck. The appraisal data is collected in the National Bridge Inventory (NBI) and assigned a code from 0 to 9, with 0 being in a failed condition and 9 being in excellent condition.

Category	National Bridge Inventory Code*	Description
Good	7 or more	A range from no problems noted to some minor problems.
Fair	5 or 6*	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.

*For 2015 the NBI code of 6 has changed from good condition to fair condition. This change aligns with federal reporting requirements.

The WSDOT's policy is to maintain 90 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
<u>2015</u>	<u>2013</u>	<u>2011</u>	<u>Three Assessments</u>
92.1%	91.4%	95.4%	93%

* In 2013 the methodology 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)					
	2016	2015	2014	2013	2012
Planned	\$ 75,160	\$ 71,078	\$ 92,192	\$ 98,519	\$ 66,510
Actual	66,339	64,060	87,271	87,306	61,026
Variance	\$ 8,821	\$ 7,018	\$ 4,921	\$ 11,213	\$ 5,484
	11.7%	9.9%	5.3%	11.4%	8.2%

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 bridges, refer to WSDOT's website at: <http://www.wsdot.wa.gov/Bridge/Structures/>.

SAFETY REST AREA CONDITION

The WSDOT performs safety rest area condition assessments over a two fiscal year cycle. 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 Fiscal Year			
			Average of Last
<u>2015</u>	<u>2013</u>	<u>2011</u>	<u>Three Assessments</u>
100%	100%	100%	100%

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)					
	2016	2015	2014	2013	2012
Planned	\$ 7,204	\$ 8,463	\$ 7,488	\$ 6,607	\$ 6,278
Actual	7,185	8,369	7,591	6,676	6,467
Variance	\$ 19	\$ 94	\$ (103)	\$ (69)	\$ (189)
	0.3%	1.1%	-1.4%	-1.0%	-3.0%

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>.