

Basic Financial Statements
Government-wide Financial Statements

Statement of Net Position

June 30, 2023

(expressed in thousands)

Continued

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and cash equivalents	\$ 21,853,636	\$ 6,848,786	\$ 28,702,422	\$ 823,107
Taxes receivable (net of allowance for uncollectibles)	5,901,662	2,106	5,903,768	—
Other receivables (net of allowance for uncollectibles)	3,828,376	3,488,141	7,316,517	351,950
Internal balances	245,812	(245,812)	—	—
Due from other governments	6,198,349	510,085	6,708,434	—
Inventories and prepaids	186,491	86,760	273,251	83,072
Restricted cash and investments	340,590	15,044	355,634	—
Restricted receivables, current	3,301	—	3,301	—
Investments, noncurrent	7,574,907	19,997,524	27,572,431	1,230,193
Restricted investments, noncurrent	—	33,414	33,414	—
Restricted net pension asset	5,276,342	305,152	5,581,494	3,803
Other assets	—	165,213	165,213	1,176,122
Capital assets:				
Non-depreciable assets	33,299,032	253,989	33,553,021	241,300
Depreciable assets (net of accumulated depreciation)	14,217,990	3,354,676	17,572,666	1,589,348
Total capital assets	47,517,022	3,608,665	51,125,687	1,830,648
Total Assets	98,926,488	34,815,078	133,741,566	5,498,895
DEFERRED OUTFLOWS OF RESOURCES	3,665,553	672,456	4,338,009	20,560
Total Assets and Deferred Outflows of Resources	\$ 102,592,041	\$ 35,487,534	\$ 138,079,575	\$ 5,519,455

The notes to the financial statements are an integral part of this statement.

Statement of Net Position

June 30, 2023

(expressed in thousands)

Concluded

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
LIABILITIES				
Accounts payable	\$ 2,975,063	\$ 338,265	\$ 3,313,328	\$ 160,078
Accrued liabilities	2,421,004	978,011	3,399,015	315,734
Obligations under security lending agreements	—	17,451	17,451	—
Due to other governments	1,507,317	682,912	2,190,229	—
Unearned revenues	1,700,506	202,588	1,903,094	163,920
Long-term liabilities:				
Due within one year	2,639,754	3,316,320	5,956,074	57,806
Due in more than one year	34,417,417	42,175,255	76,592,672	2,121,062
Total Liabilities	45,661,061	47,710,802	93,371,863	2,818,600
DEFERRED INFLOWS OF RESOURCES	6,515,971	941,375	7,457,346	68,602
NET POSITION				
Net investment in capital assets	26,190,189	760,951	26,951,140	393,926
Restricted for:				
Unemployment compensation	—	3,973,176	3,973,176	—
Nonexpendable permanent endowments	3,456,193	—	3,456,193	—
Expendable endowment funds	2,065,727	—	2,065,727	—
Pensions	5,439,733	378,503	5,818,236	4,709
Human services	767,967	—	767,967	—
Wildlife and natural resources	1,363,191	—	1,363,191	—
Transportation	2,134,653	—	2,134,653	—
Budget stabilization	652,375	—	652,375	—
Higher education	40,076	—	40,076	—
Other purposes	614,780	—	614,780	660,481
Unrestricted	7,690,125	(18,277,273)	(10,587,148)	1,573,137
Total Net Position	50,415,009	(13,164,643)	37,250,366	2,632,253
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 102,592,041	\$ 35,487,534	\$ 138,079,575	\$ 5,519,455

The notes to the financial statements are an integral part of this statement.

State of Washington

Statement of Activities
For the Fiscal Year Ended June 30, 2023
(expressed in thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities:				
General government	\$ 4,848,224	\$ 1,372,379	\$ 2,807,555	\$ —
Education - K-12 education	16,867,854	19,363	2,194,282	—
Education - higher education	9,956,842	3,735,651	3,318,860	76,120
Human services	30,292,321	902,661	19,538,296	—
Adult corrections	1,304,478	5,058	2,533	—
Natural resources and recreation	2,076,194	1,482,893	246,000	57,908
Transportation	3,021,575	1,749,888	357,376	756,560
Interest on long-term debt	1,107,488	—	—	—
Total Governmental Activities	69,474,976	9,267,893	28,464,902	890,588
Business-Type Activities:				
Workers' compensation	4,038,995	3,037,651	9,832	—
Unemployment compensation	1,208,172	1,641,777	20,989	—
Higher education student services	4,153,848	4,336,484	15,043	1,159
Health insurance	3,854,551	4,009,968	—	—
Washington's lottery	756,398	1,006,357	—	—
Paid family and medical leave	1,649,030	1,512,373	—	—
Other	297,565	246,317	537	—
Total Business-Type Activities	15,958,559	15,790,927	46,401	1,159
Total Primary Government	\$ 85,433,535	\$ 25,058,820	\$ 28,511,303	\$ 891,747
Total Component Units	\$ 3,076,955	\$ 2,218,147	\$ 1,159,091	\$ —

General Revenues:

Taxes, net of related credits:

Sales and use

Business and occupation

Property

Motor vehicle and fuel

Excise

Cigarette and tobacco

Public utilities

Insurance premium

Other

Interest and investment earnings

Total general revenues

Excess (deficiency) of revenues over expenses before

contributions to endowments and transfers

Contributions to endowments

Transfers

Change in Net Position

Net Position - Beginning, as restated

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

State of Washington

**Net (Expense) Revenue and
Changes in Net Position**

Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (668,290)	\$ —	\$ (668,290)	
(14,654,209)	—	(14,654,209)	
(2,826,211)	—	(2,826,211)	
(9,851,364)	—	(9,851,364)	
(1,296,887)	—	(1,296,887)	
(289,393)	—	(289,393)	
(157,751)	—	(157,751)	
(1,107,488)	—	(1,107,488)	
(30,851,593)	—	(30,851,593)	
—	(991,512)	(991,512)	
—	454,594	454,594	
—	198,838	198,838	
—	155,417	155,417	
—	249,959	249,959	
—	(136,657)	(136,657)	
—	(50,711)	(50,711)	
—	(120,072)	(120,072)	
\$ (30,851,593)	\$ (120,072)	\$ (30,971,665)	
			\$ 300,283
15,966,276	—	15,966,276	—
6,656,154	—	6,656,154	—
4,583,232	—	4,583,232	52,046
1,559,037	—	1,559,037	—
2,834,473	14,696	2,849,169	—
329,320	—	329,320	—
635,866	—	635,866	—
847,086	—	847,086	—
2,400,407	2	2,400,409	27,629
692,635	769,575	1,462,210	112,838
36,504,486	784,273	37,288,759	192,513
5,652,893	664,201	6,317,094	492,796
138,473	—	138,473	—
629	(629)	—	—
5,791,995	663,572	6,455,567	492,796
44,623,014	(13,828,215)	30,794,799	2,139,457
\$ 50,415,009	\$ (13,164,643)	\$ 37,250,366	\$ 2,632,253

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Basic Financial Statements
Fund Financial Statements

Balance Sheet
GOVERNMENTAL FUNDS

June 30, 2023
(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment and Other Permanent Funds	Nonmajor Governmental Funds	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash and cash equivalents	\$ 9,279,346	\$ 1,900,991	\$ 1,136,332	\$ 8,090,120	\$ 20,406,789
Investments	5,336	2,738,628	5,109,584	317,283	8,170,831
Taxes receivable (net of allowance)	5,514,756	85,928	—	300,978	5,901,662
Receivables (net of allowance)	1,102,159	1,193,800	75,399	1,336,064	3,707,422
Due from other funds	1,332,327	1,303,994	55	478,517	3,114,893
Due from other governments	1,890,986	180,913	495	3,773,525	5,845,919
Inventories and prepaids	18,930	51,634	—	67,086	137,650
Restricted cash and investments	25,276	275	—	217,647	243,198
Restricted receivables	—	2,495	—	283	2,778
Total Assets	19,169,116	7,458,658	6,321,865	14,581,503	47,531,142
DEFERRED OUTFLOWS OF RESOURCES					
	—	—	—	232	232
Total Assets and Deferred Outflows of Resources	\$ 19,169,116	\$ 7,458,658	\$ 6,321,865	\$ 14,581,735	\$ 47,531,374
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 2,212,465	\$ 128,531	\$ —	\$ 582,204	\$ 2,923,200
Accrued liabilities	731,535	770,023	102,759	260,313	1,864,630
Due to other funds	334,668	32,185	868,294	1,549,251	2,784,398
Due to other governments	567,686	28,992	—	323,716	920,394
Unearned revenue	1,341,643	255,148	—	94,849	1,691,640
Claims and judgments payable	60,322	—	—	209,665	269,987
Total Liabilities	5,248,319	1,214,879	971,053	3,019,998	10,454,249
DEFERRED INFLOWS OF RESOURCES					
	3,756,519	371,485	32,243	174,224	4,334,471
FUND BALANCES					
Nonspendable fund balance	60,468	51,634	3,234,347	288,931	3,635,380
Restricted fund balance	692,162	40,076	2,084,222	4,822,307	7,638,767
Committed fund balance	3,365,227	5,670,645	—	6,310,816	15,346,688
Assigned fund balance	1,862,952	109,939	—	—	1,972,891
Unassigned fund balance	4,183,469	—	—	(34,541)	4,148,928
Total Fund Balances	10,164,278	5,872,294	5,318,569	11,387,513	32,742,654
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 19,169,116	\$ 7,458,658	\$ 6,321,865	\$ 14,581,735	\$ 47,531,374

The notes to the financial statements are an integral part of this statement.

**Reconciliation of the Balance Sheet to the
Statement of Net Position
GOVERNMENTAL FUNDS**

June 30, 2023
(expressed in thousands)

Total Fund Balances for Governmental Funds	\$	32,742,654
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Non-depreciable assets	\$	33,219,818	
Depreciable assets		27,457,188	
Less: Accumulated depreciation		<u>(14,252,017)</u>	
Total capital assets			46,424,989

Long-term receivables for capital assets are not financial resources and therefore are not reported in the funds.		35,000
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Some of the state's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are considered deferred inflows in the funds.		3,955,282
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Certain pension trust funds have been funded in excess of the annual required contributions, creating a year-end asset. This asset is not a financial resource and therefore is not reported in the funds.		5,183,286
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Deferred outflows of resources represent a consumption of net assets that will be reported as an outflow of resources in a future period and therefore are not reported in the funds.		3,515,792
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Deferred inflows of resources represent an acquisition of net assets that will be recognized as an inflow of resources in a future period and therefore are not reported in the funds.		(5,904,659)
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Unmatured interest on general obligation bonds and other debt is not recognized in the funds until due.		(404,554)
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position.		(787,314)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds and other financing contracts payable	\$	(25,735,042)	
Accreted interest on bonds and other debt		(292,260)	
Right-to-use lease liabilities		(1,269,884)	
Subscription liabilities		(115,974)	
Compensated absences		(853,070)	
Other postemployment benefits obligations		(3,480,386)	
Net pension liability		(1,263,518)	
Unclaimed property		(145,751)	
Pollution remediation obligations		(298,946)	
Claims and judgments		(42,241)	
Asset retirement obligations		(31,171)	
Other obligations		<u>(817,224)</u>	
Total long-term liabilities			<u>(34,345,467)</u>

Net Position of Governmental Activities	\$	<u>50,415,009</u>
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The notes to the financial statements are an integral part of this statement.

State of Washington

Statement of Revenues, Expenditures, and Changes in Fund Balances
GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2023
(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment and Other Permanent Funds	Nonmajor Governmental Funds	Total
REVENUES					
Retail sales and use taxes	\$ 15,830,647	\$ —	\$ —	\$ 135,629	\$ 15,966,276
Business and occupation taxes	6,239,099	413,661	—	3,394	6,656,154
Property taxes	4,484,192	—	—	—	4,484,192
Excise taxes	1,176,214	745,359	—	912,900	2,834,473
Motor vehicle and fuel taxes	324	—	—	1,558,713	1,559,037
Other taxes	2,407,313	936,844	—	524,849	3,869,006
Licenses, permits, and fees	162,933	1,210	—	2,251,047	2,415,190
Other contracts and grants	436,239	1,450,377	—	212,345	2,098,961
Timber sales	4,207	—	21,601	143,806	169,614
Federal grants-in-aid	23,529,447	1,907,987	—	1,819,163	27,256,597
Charges for services	63,916	2,905,689	—	773,648	3,743,253
Investment income (loss)	173,130	159,189	193,898	166,416	692,633
Miscellaneous revenue	316,257	659,967	67,511	1,720,695	2,764,430
Contributions and donations	—	—	138,473	—	138,473
Unclaimed property	170,984	—	—	—	170,984
Total Revenues	54,994,902	9,180,283	421,483	10,222,605	74,819,273
EXPENDITURES					
Current:					
General government	2,952,791	193	165	1,436,162	4,389,311
Human services	30,563,253	26,682	—	1,274,095	31,864,030
Natural resources and recreation	1,014,349	—	—	1,008,608	2,022,957
Transportation	96,063	—	—	2,613,039	2,709,102
Education	17,452,446	8,263,265	1,653	731,385	26,448,749
Intergovernmental	135,614	—	—	414,750	550,364
Capital outlays	271,160	247,885	9	2,662,401	3,181,455
Debt service:					
Principal	12,116	47,350	—	1,279,586	1,339,052
Interest	1,627	19,419	963	1,069,956	1,091,965
Total Expenditures	52,499,419	8,604,794	2,790	12,489,982	73,596,985
Excess of Revenues Over (Under) Expenditures	2,495,483	575,489	418,693	(2,267,377)	1,222,288
OTHER FINANCING SOURCES (USES)					
Bonds issued	190,120	5,841	—	1,336,995	1,532,956
Refunding bonds issued	—	—	—	1,343,065	1,343,065
Payments to escrow agents for refunded bond debt	—	—	—	(1,536,603)	(1,536,603)
Issuance premiums	171	130	—	421,625	421,926
Other debt issued	—	32,723	—	31,681	64,404
Refunding COPs issued	—	1,080	—	—	1,080
Payment to escrow agents for refunded COP debt	—	7	—	—	7
Right-to-use lease acquisition	113,199	71,186	—	32,789	217,174
Transfers in	815,092	1,042,051	105,646	6,165,228	8,128,017
Transfers out	(2,729,681)	(1,172,149)	(312,856)	(4,145,287)	(8,359,973)
Total Other Financing Sources (Uses)	(1,611,099)	(19,131)	(207,210)	3,649,493	1,812,053
Net Change in Fund Balances	884,384	556,358	211,483	1,382,116	3,034,341
Fund Balances - Beginning, as restated	9,279,894	5,315,936	5,107,086	10,005,397	29,708,313
Fund Balances - Ending	\$ 10,164,278	\$ 5,872,294	\$ 5,318,569	\$ 11,387,513	\$ 32,742,654

The notes to the financial statements are an integral part of this statement.

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Statement of Activities
GOVERNMENTAL FUNDS**

For the Fiscal Year Ended June 30, 2023
(expressed in thousands)

Net Change in Fund Balances - Total Governmental Funds \$ 3,034,341

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlays	\$ 2,456,688	
Less: Depreciation expense	(1,076,500)	1,380,188

Some revenues in the Statement of Activities do not provide current financial resources, and therefore are unavailable in governmental funds. Also, revenues related to prior periods that became available during the current period are reported in governmental funds but are eliminated in the Statement of Activities. This amount is the net adjustment.

478,433

Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is reported with governmental activities.

348,291

Bond proceeds and other financing contracts provide current financial resources to governmental funds, while the repayment of the related debt principal consumes those financial resources. These transactions, however, have no effect on net position. In the current period, these amounts consist of:

Bonds and other financing contracts issued	\$ (3,472,813)	
Principal payments on bonds and other financing contracts	3,288,205	
Accreted interest on bonds	20,095	(164,513)

Some expenses/revenue reductions reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not recognized in governmental funds. Also payments of certain obligations related to prior periods are recognized in governmental funds but are eliminated in the Statement of Activities. In the current period, the net adjustments consist of:

Compensated absences	\$ (50,701)	
Other postemployment benefits	104,529	
Pensions	858,195	
Pollution remediation	(68,851)	
Claims and judgments	(1,974)	
Accrued interest	(12,932)	
Unclaimed property	(25,980)	
Asset retirement obligations	(1,927)	
Other obligations	(85,104)	715,255

Change in Net Position of Governmental Activities \$ 5,791,995

The notes to the financial statements are an integral part of this statement.

**Statement of Net Position
PROPRIETARY FUNDS**

June 30, 2023
(expressed in thousands)

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 114,410	\$ 3,365,373	\$ 1,261,972
Investments	1,345,191	—	39,585
Taxes receivable (net of allowance)	—	—	—
Receivables (net of allowance)	1,049,211	1,326,569	527,137
Due from other funds	255	4,131	17,016
Due from other governments	1,326	216,083	79,924
Inventories	—	—	56,497
Prepaid expenses	165	—	16,951
Restricted cash and investments	565	—	14,479
Restricted receivables	—	—	—
Total Current Assets	2,511,123	4,912,156	2,013,561
Noncurrent Assets:			
Investments, noncurrent	17,621,246	—	701,966
Restricted investments, noncurrent	—	—	33,414
Restricted net pension asset	61,121	—	210,318
Other noncurrent assets	3,037	—	100,439
Capital assets:			
Land and other non-depreciable assets	3,332	—	74,597
Buildings	65,111	—	4,696,742
Other improvements	1,289	—	159,526
Furnishings, equipment, and intangibles	106,685	—	914,833
Infrastructure	—	—	63,603
Lease assets	49,641	—	358,091
Subscription assets	8,046	—	48,880
Accumulated depreciation and amortization	(173,631)	—	(3,057,789)
Construction in progress	52,114	—	119,863
Total Noncurrent Assets	17,797,991	—	4,424,483
Total Assets	20,309,114	4,912,156	6,438,044
DEFERRED OUTFLOWS OF RESOURCES			
	89,947	—	513,046
Total Assets and Deferred Outflows of Resources	\$ 20,399,061	\$ 4,912,156	\$ 6,951,090

The notes to the financial statements are an integral part of this statement.

State of Washington

Continued

		Governmental Activities					
Health Insurance	Nonmajor Enterprise Funds	Total	Internal Service Funds				
\$	334,116	\$	335,082	\$	5,410,953	\$	829,633
	—		53,057		1,437,833		692
	—		2,106		2,106		—
	61,439		523,785		3,488,141		85,956
	19		69,138		90,559		105,736
	176,708		8,221		482,262		159,642
	—		12,436		68,933		24,793
	—		711		17,827		24,048
	—		—		15,044		97,390
	—		—		—		523
	572,282		1,004,536		11,013,658		1,328,413
	—		1,674,312		19,997,524		20,599
	—		—		33,414		—
	3,544		30,170		305,153		93,056
	—		61,734		165,210		—
	—		1,540		79,469		7,275
	—		12,828		4,774,681		573,115
	—		6,221		167,036		15,055
	415		125,106		1,147,039		1,181,464
	—		—		63,603		2,170
	5,152		8,431		421,315		180,215
	—		4,381		61,307		189,475
	(2,845)		(46,040)		(3,280,305)		(1,128,674)
	—		2,543		174,520		71,940
	6,266		1,881,226		24,109,966		1,205,690
	578,548		2,885,762		35,123,624		2,534,103
	8,820		60,644		672,457		149,529
\$	587,368	\$	2,946,406	\$	35,796,081	\$	2,683,632

**Statement of Net Position
PROPRIETARY FUNDS**

June 30, 2023

(expressed in thousands)

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 20,909	\$ —	\$ 200,124
Accrued liabilities	364,081	172,420	439,735
Obligations under security lending agreements	—	—	—
Bonds and notes payable	9,729	—	218,781
Total OPEB liability	2,351	—	12,336
Due to other funds	7,815	2,917	220,916
Due to other governments	—	631,223	2,792
Unearned revenue	2,470	11,179	133,300
Claims and judgments payable	2,299,042	121,241	—
Total Current Liabilities	2,706,397	938,980	1,227,984
Noncurrent Liabilities:			
Claims and judgments payable	37,372,418	—	—
Bonds and notes payable	20,463	—	2,650,720
Net pension liability	36,131	—	139,951
Total OPEB liability	90,764	—	476,431
Unearned revenue	3,180	—	—
Other long-term liabilities	6,269	—	157,830
Total Noncurrent Liabilities	37,529,225	—	3,424,932
Total Liabilities	40,235,622	938,980	4,652,916
DEFERRED INFLOWS OF RESOURCES	141,114	—	719,953
NET POSITION			
Net investment in capital assets	82,394	—	570,409
Restricted for:			
Unemployment compensation	—	3,973,176	—
Pensions	70,776	—	267,986
Unrestricted	(20,130,845)	—	739,826
Total Net Position	(19,977,675)	3,973,176	1,578,221
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 20,399,061	\$ 4,912,156	\$ 6,951,090

The notes to the financial statements are an integral part of this statement.

State of Washington

				Concluded
				<u>Governmental Activities</u>
<u>Health Insurance</u>	<u>Nonmajor Enterprise Funds</u>		<u>Total</u>	<u>Internal Service Funds</u>
\$	91,505	\$	25,727	\$
	11,954		198,705	\$
	—		17,451	51,861
	836		2,448	133,141
	172		1,114	—
	582		118,117	181,649
	—		7,097	3,334
	1,867		50,592	176,334
	170,340		268,942	4,463
	277,256		690,193	6,764
			5,840,810	288,229
				845,775
	—		11,891	37,384,309
	1,967		4,361	1,460,037
	2,076		17,382	707,686
	6,647		43,084	59,334
	—		—	128,786
	1,142		1,135,832	3,180
			1,301,073	2,101
	11,832		1,212,550	35,104
	289,088		1,902,743	42,178,539
			48,019,349	2,393,048
	8,756		71,552	3,238,823
			941,375	232,123
	(81)		108,229	760,951
	—		—	272,827
	4,285		35,456	3,973,176
	285,320		828,426	378,503
			(18,277,273)	102,417
	289,524		972,111	(1,162,558)
			(13,164,643)	(787,314)
\$	587,368	\$	2,946,406	\$
			35,796,081	\$
				2,683,632

Statement of Revenues, Expenses, and Changes in Net Position
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2023
(expressed in thousands)

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
OPERATING REVENUES			
Sales	\$ —	\$ —	\$ 46,862
Less: Cost of goods sold	—	—	(29,685)
Gross profit	—	—	17,177
Charges for services	23	—	3,873,539
Premiums and assessments	2,982,042	1,624,335	—
Lottery ticket proceeds	—	—	—
Federal aid for unemployment insurance benefits	—	20,989	—
Miscellaneous revenue	55,518	17,441	514,934
Total Operating Revenues	3,037,583	1,662,765	4,405,650
OPERATING EXPENSES			
Salaries and wages	224,115	—	1,464,821
Employee benefits	49,073	—	303,823
Personal services	19,842	—	246,917
Goods and services	95,720	—	1,651,137
Travel	4,346	—	30,765
Premiums and claims	3,582,759	1,186,305	—
Guaranteed education tuition program expense	—	—	—
Lottery prize payments	—	—	—
Depreciation and amortization	13,613	—	293,566
Miscellaneous expenses	49,216	21,867	33,616
Total Operating Expenses	4,038,684	1,208,172	4,024,645
Operating Income (Loss)	(1,001,101)	454,593	381,005
NONOPERATING REVENUES (EXPENSES)			
Earnings (loss) on investments	594,480	54,685	3,526
Interest expense	(310)	—	(99,511)
Tax and license revenue	98	—	—
Other revenues (expenses)	9,899	—	(83,808)
Total Nonoperating Revenues (Expenses)	604,167	54,685	(179,793)
Income (Loss) Before Contributions and Transfers	(396,934)	509,278	201,212
Capital contributions	—	—	1,159
Transfers in	—	—	736,009
Transfers out	(385)	—	(684,167)
Net Contributions and Transfers	(385)	—	53,001
Change in Net Position	(397,319)	509,278	254,213
Net Position - Beginning, as restated	(19,580,356)	3,463,898	1,324,008
Net Position - Ending	\$ (19,977,675)	\$ 3,973,176	\$ 1,578,221

The notes to the financial statements are an integral part of this statement.

State of Washington

			Governmental Activities				
Health Insurance	Nonmajor Enterprise Funds		Total	Internal Service Funds			
\$	—	\$	120,452	\$	167,314	\$	47,472
	—		(85,474)		(115,159)		(39,791)
	—		34,978		52,155		7,681
	—		94,350		3,967,912		970,812
	4,001,563		1,540,692		10,148,632		275,142
	—		1,003,446		1,003,446		—
	—		—		20,989		—
	8,410		6,121		602,424		208,286
	4,009,973		2,679,587		15,795,558		1,461,921
	16,900		122,382		1,828,218		393,399
	4,774		32,365		390,035		73,975
	13,233		29,290		309,282		46,702
	5,967		138,730		1,891,554		483,065
	87		1,061		36,259		5,009
	3,812,673		1,574,285		10,156,022		239,221
	—		74,034		74,034		—
	—		618,834		618,834		—
	896		9,127		317,202		143,637
	27		14,926		119,652		256
	3,854,557		2,615,034		15,741,092		1,385,264
	155,416		64,553		54,466		76,657
	2,463		114,422		769,576		9,282
	(29)		(2,461)		(102,311)		(15,782)
	—		14,598		14,696		15
	(3)		530		(73,382)		683
	2,431		127,089		608,579		(5,802)
	157,847		191,642		663,045		70,855
	—		—		1,159		44,850
	25		215,924		951,958		260,093
	(1,515)		(266,521)		(952,588)		(27,507)
	(1,490)		(50,597)		529		277,436
	156,357		141,045		663,574		348,291
	133,167		831,066		(13,828,217)		(1,135,605)
\$	289,524	\$	972,111	\$	(13,164,643)	\$	(787,314)

Statement of Cash Flows
PROPRIETARY FUNDS
 For the Fiscal Year Ended June 30, 2023
(expressed in thousands)

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 2,850,068	\$ 1,622,154	\$ 3,783,685
Payments to suppliers	(2,720,511)	(1,224,723)	(1,883,790)
Payments to employees	(303,833)	—	(1,881,532)
Other receipts	55,520	36,347	513,185
Net Cash Provided (Used) by Operating Activities	<u>(118,756)</u>	<u>433,778</u>	<u>531,548</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	—	—	736,009
Transfers out	(385)	—	(684,167)
Operating grants and donations received	9,843	—	13,871
Taxes and license fees collected	98	—	—
Net Cash Provided (Used) by Noncapital Financing Activities	<u>9,556</u>	<u>—</u>	<u>65,713</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest paid	(313)	—	(115,157)
Principal payments on long-term capital financing	(11,265)	—	(343,920)
Proceeds from long-term capital financing	—	—	151,830
Proceeds from sale of capital assets	71	—	113,528
Acquisitions of capital assets	(27,349)	—	(277,522)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(38,856)</u>	<u>—</u>	<u>(471,241)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt of interest	634,740	54,685	1,474
Proceeds from sale of investment securities	6,914,001	—	102,568
Purchases of investment securities	(7,435,816)	—	(123,930)
Net Cash Provided (Used) by Investing Activities	<u>112,925</u>	<u>54,685</u>	<u>(19,888)</u>
Net Increase (Decrease) in Cash and Pooled Investments	(35,131)	488,463	106,132
Cash and cash equivalents, July 1, as restated	150,106	2,876,910	1,170,319
Cash and cash equivalents, June 30	<u>\$ 114,975</u>	<u>\$ 3,365,373</u>	<u>\$ 1,276,451</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (1,001,101)	\$ 454,593	\$ 381,005
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and amortization	13,613	—	293,566
Revenue reduced for uncollectible accounts	42,561	—	2,210
Change in Assets: Decrease (Increase)			
Receivables	(137,181)	6,423	(139,066)
Inventories	63	—	1,391
Prepaid expenses	(2)	—	(9,625)
Other assets	106,870	—	427,929
Change in Deferred Outflows of Resources: Increase (Decrease)	(40,037)	—	(163,051)
Change in Liabilities: Increase (Decrease)			
Payables	962,130	(27,238)	(33,441)
Change in Deferred Inflows of Resources: Decrease (Increase)	(65,672)	—	(229,370)
Net Cash Provided (Used) by Operating Activities	<u>\$ (118,756)</u>	<u>\$ 433,778</u>	<u>\$ 531,548</u>

The notes to the financial statements are an integral part of this statement.

State of Washington

Continued

				Governmental Activities			
Health Insurance	Nonmajor Enterprise Funds	Total	Internal Service Funds				
\$	4,038,517	\$	2,617,413	\$	14,911,837	\$	1,167,640
	(3,851,651)		(2,293,587)		(11,974,262)		(991,770)
	(22,505)		(165,917)		(2,373,787)		(526,813)
	7,713		6,107		618,872		208,679
	172,074		164,016		1,182,660		(142,264)
	25		215,924		951,958		260,093
	(1,515)		(266,521)		(952,588)		(27,507)
	—		465		24,179		179
	—		15,927		16,025		14
	(1,490)		(34,205)		39,574		232,779
	(29)		(132)		(115,631)		(20,364)
	(845)		(3,055)		(359,085)		(94,756)
	—		—		151,830		52,479
	—		232		113,831		27,917
	(17)		(20,184)		(325,072)		(144,748)
	(891)		(23,139)		(534,127)		(179,472)
	5,018		19,921		715,838		15,005
	—		155,422		7,171,991		7,730
	—		(138,522)		(7,698,268)		(5,470)
	5,018		36,821		189,561		17,265
	174,711		143,493		877,668		(71,692)
	159,405		191,589		4,548,329		998,715
\$	334,116	\$	335,082	\$	5,425,997	\$	927,023
\$	155,416	\$	64,553	\$	54,466	\$	76,657
	896		9,127		317,202		143,637
	—		14,632		59,403		(9)
	36,563		(142,605)		(375,866)		(129,145)
	—		692		2,146		(1,688)
	540		(495)		(9,582)		(1,012)
	5,339		48,577		588,715		151,980
	(2,967)		(21,863)		(227,918)		(61,919)
	(21,593)		219,326		1,099,184		(210,760)
	(2,120)		(27,928)		(325,090)		(110,005)
\$	172,074	\$	164,016	\$	1,182,660	\$	(142,264)

Statement of Cash Flows
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2023
(expressed in thousands)

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributions of capital assets	\$ —	\$ —	\$ 1,159
Acquisition of capital assets through financing arrangements	13,563	—	105,703
Amortization of annuity prize liability	—	—	—
Increase (decrease) in fair value of investments	(56,853)	—	(3,495)
Amortization of debt premium/discount	—	—	17,740

The notes to the financial statements are an integral part of this statement.

State of Washington

Concluded

			Governmental Activities	
Health Insurance	Nonmajor Enterprise Funds		Total	Internal Service Funds
\$	—	\$	—	\$
			1,159	\$
			120,941	44,850
			2,462	176,823
			26,214	—
(3,638)		90,200	20,970	(1,152)
—		3,230		6,167

Statement of Net Position
FIDUCIARY FUNDS
 June 30, 2023
 (expressed in thousands)

Continued

	Private-Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans	Custodial Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and cash equivalents	\$ 6,356	\$ 7,082,766	\$ 47,524	\$ 272,833
Receivables, pension and other employee benefit plans:				
Employers	—	—	240,765	—
Members (net of allowance)	—	—	6,431	—
Interest and dividends	—	—	394,891	—
Investment trades pending	—	—	18,468,168	—
Due from other pension and other employee benefit funds	—	—	101,687	—
Taxes receivable (net of allowance)	—	—	—	1,597,726
Other receivables, all other funds	—	63,266	326	6,711
Due from other governments	—	—	—	26,580
Investments:				
Liquidity	—	12,202,132	2,469,652	—
Fixed income	—	1,732,744	23,695,074	—
Public equity	—	—	52,770,414	—
Private equity	—	—	45,530,131	—
Real estate	—	—	33,214,110	—
Tangible assets	—	—	10,830,250	—
Innovations	—	—	1,768,716	—
Security lending collateral	—	—	245,629	—
Other noncurrent assets	—	—	—	117,129
Capital assets:				
Furnishings, equipment, and intangibles	16	—	—	—
Leased assets	1,805	—	—	5,621
Subscription assets	5,096	—	—	—
Accumulated depreciation and amortization	(1,815)	—	—	(2,108)
Total Assets	11,458	21,080,908	189,783,768	2,024,492
DEFERRED OUTFLOWS OF RESOURCES	—	—	281	—
Total Assets and Deferred Outflows of Resources	\$ 11,458	\$ 21,080,908	\$ 189,784,049	\$ 2,024,492

The notes to the financial statements are an integral part of this statement.

Statement of Net Position
FIDUCIARY FUNDS
 June 30, 2023
 (expressed in thousands)

Concluded

	Private-Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans	Custodial Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 491	\$ —	\$ —	\$ 7,742
Contracts payable	—	—	—	72
Accrued liabilities	309	73	18,895,020	41,580
Obligations under security lending agreements	—	—	245,629	—
Notes and leases payable	712	—	—	693
Due to other funds	—	109	—	—
Due to other pension and other employee benefit funds	—	—	101,688	—
Due to other governments	—	574,224	—	664,349
Unearned revenue	—	—	1,020	—
Total Current Liabilities	1,512	574,406	19,243,357	714,436
Noncurrent Liabilities:				
Unearned revenue	4,489	—	—	2,930
Other long-term liabilities	—	—	—	7,637
Total Noncurrent Liabilities	4,489	—	—	10,567
Total Liabilities	6,001	574,406	19,243,357	725,003
DEFERRED INFLOWS OF RESOURCES				
	—	—	377	—
NET POSITION				
Net position restricted for:				
Pensions	—	—	164,354,420	—
Deferred compensation participants	—	—	6,185,895	—
Local government pool participants	—	20,506,502	—	—
Individuals, organizations, and other governments	5,457	—	—	1,299,489
Total Net Position	\$ 5,457	\$ 20,506,502	\$ 170,540,315	\$ 1,299,489

The notes to the financial statements are an integral part of this statement.

**Statement of Changes in Net Position
FIDUCIARY FUNDS**

For the Fiscal Year Ended June 30, 2023

(expressed in thousands)

	Private-Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans	Custodial Funds
ADDITIONS				
Contributions:				
Employers	\$ —	\$ —	\$ 3,252,006	\$ —
Members	—	—	2,140,563	—
State	—	—	349,019	—
Participants	—	32,136,768	431,525	838,447
Total Contributions	—	32,136,768	6,173,113	838,447
Investment Income:				
Net appreciation (depreciation) in fair value	—	—	9,186,675	—
Interest and dividends	—	727,855	3,049,865	3,442
Earnings (loss) on investments	(10)	(8,388)	—	431
Less: Investment expenses	—	—	(711,592)	—
Net Investment Income (Loss)	(10)	719,467	11,524,948	3,873
Other Additions:				
Unclaimed property	151,069	—	—	—
Transfers from other plans	—	—	97,030	—
Sales tax collections for other governments	—	—	—	8,185,373
Other	858	3	27,075	308,706
Total Other Additions	151,927	3	124,105	8,494,079
Total Additions	151,917	32,856,238	17,822,166	9,336,399
DEDUCTIONS				
Pension benefits	—	—	6,475,249	—
Pension refunds	—	—	1,048,518	—
Transfers to other plans	—	—	97,030	—
Administrative expenses	8,129	1,967	4,384	4,600
Distributions to participants	—	31,136,270	360,927	—
Payments of sales tax to other governments	—	—	—	8,091,662
Payments on behalf of retirees for medical benefits	—	—	—	844,750
Other deductions	—	—	—	320,450
Payments to or on behalf of individuals, organizations, and other governments in accordance with state unclaimed property laws	150,884	—	—	—
Total Deductions	159,013	31,138,237	7,986,108	9,261,462
Net Increase (Decrease)	(7,096)	1,718,001	9,836,058	74,937
Net Position - Beginning, as restated	12,553	18,788,501	160,704,257	1,224,552
Net Position - Ending	\$ 5,457	\$ 20,506,502	\$ 170,540,315	\$ 1,299,489

The notes to the financial statements are an integral part of this statement.

Statement of Net Position
COMPONENT UNITS

June 30, 2023
(expressed in thousands)

Continued

	Fred Hutchinson Cancer Center	Health Benefit Exchange	Valley Medical Center	Nonmajor Component Units	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 249,477	\$ 15,465	\$ 56,790	\$ 410,469	\$ 732,201
Investments	—	—	27,212	63,694	90,906
Receivables (net of allowance)	203,719	4,925	113,226	30,080	351,950
Inventories	29,717	—	9,389	—	39,106
Prepaid expenses	16,147	3,547	23,538	734	43,966
Total Current Assets	499,060	23,937	230,155	504,977	1,258,129
Noncurrent Assets:					
Investments, noncurrent	1,156,077	—	74,116	—	1,230,193
Restricted net pension asset	—	1,823	—	1,980	3,803
Other noncurrent assets	615,424	14	24,262	536,422	1,176,122
Capital assets:					
Land	142,661	—	13,145	34,677	190,483
Buildings	979,084	—	546,615	460,952	1,986,651
Other improvements	—	1,783	24,525	176	26,484
Furnishings, equipment, and intangible assets	298,828	77,601	311,174	12,951	700,554
Lease asset	210,283	83	128,824	14,820	354,010
Subscription asset	—	2,039	17,156	—	19,195
Accumulated depreciation and amortization	(540,428)	(56,620)	(568,100)	(332,398)	(1,497,546)
Construction in progress	35,115	3,360	12,342	—	50,817
Total Noncurrent Assets	2,897,044	30,083	584,059	729,580	4,240,766
Total Assets	3,396,104	54,020	814,214	1,234,557	5,498,895
DEFERRED OUTFLOWS OF RESOURCES					
	—	5,888	11,805	2,867	20,560
Total Assets and Deferred Outflows of Resources	\$ 3,396,104	\$ 59,908	\$ 826,019	\$ 1,237,424	\$ 5,519,455

The notes to the financial statements are an integral part of this statement.

Statement of Net Position
COMPONENT UNITS
 June 30, 2023
(expressed in thousands)

	Fred Hutchinson Cancer Center	Health Benefit Exchange	Valley Medical Center	Nonmajor Component Units	Concluded Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION					
LIABILITIES					
Current Liabilities:					
Accounts payable	\$ 122,069	\$ 8,467	\$ 28,053	\$ 1,489	\$ 160,078
Accrued liabilities	147,245	1,543	127,555	51,056	327,399
Total OPEB liability	—	—	—	3	3
Lease and subscription liabilities	13,732	979	18,336	13,091	46,138
Unearned revenue	—	14,360	—	149,560	163,920
Total Current Liabilities	283,046	25,349	173,944	215,199	697,538
Noncurrent Liabilities:					
Bonds and notes payable	1,086,339	—	278,913	—	1,365,252
Net pension liability	—	—	—	1,290	1,290
Total OPEB liability	—	1,626	—	2,514	4,140
Lease and subscription liabilities	213,781	695	89,036	101	303,613
Other long-term liabilities	428,824	118	—	17,825	446,767
Total Noncurrent Liabilities	1,728,944	2,439	367,949	21,730	2,121,062
Total Liabilities	2,011,990	27,788	541,893	236,929	2,818,600
DEFERRED INFLOWS OF RESOURCES	9,613	5,680	48,992	4,317	68,602
NET POSITION					
Net investment in capital assets	111,691	25,770	77,063	179,402	393,926
Restricted for:					
Pension	—	2,794	—	1,915	4,709
Other purposes	637,053	—	1,897	21,531	660,481
Unrestricted	625,757	(2,124)	156,174	793,330	1,573,137
Total Net Position	1,374,501	26,440	235,134	996,178	2,632,253
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 3,396,104	\$ 59,908	\$ 826,019	\$ 1,237,424	\$ 5,519,455

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Net Position
COMPONENT UNITS

For the Fiscal Year Ended June 30, 2023
(expressed in thousands)

	Fred Hutchinson Cancer Center	Health Benefit Exchange	Valley Medical Center	Nonmajor Component Units	Total
EXPENSES	\$ 1,975,745	\$ 84,641	\$ 932,998	\$ 83,571	\$ 3,076,955
PROGRAM REVENUES					
Charges for services	1,232,131	42,251	889,001	54,764	2,218,147
Operating grants and contributions	1,073,044	46,640	—	39,407	1,159,091
Total Program Revenues	2,305,175	88,891	889,001	94,171	3,377,238
Net Program Revenues (Expense)	329,430	4,250	(43,997)	10,600	300,283
GENERAL REVENUES (EXPENSES)					
Earnings (loss) on investments	101,210	—	1,202	10,426	112,838
Tax and license revenue	—	—	25,595	26,451	52,046
Other revenues (expenses)	(522)	(143)	28,294	—	27,629
Total General Revenues (Expenses)	100,688	(143)	55,091	36,877	192,513
Change in Net Position	430,118	4,107	11,094	47,477	492,796
Net Position - Beginning, as restated	944,383	22,333	224,040	948,701	2,139,457
Net Position - Ending	\$ 1,374,501	\$ 26,440	\$ 235,134	\$ 996,178	\$ 2,632,253

The notes to the financial statements are an integral part of this statement.