

Basic Financial Statements
Government-wide Financial Statements

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Statement of Net Position

June 30, 2013

(expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and pooled investments	\$ 4,846,863	\$ 4,189,390	\$ 9,036,253	\$ 76,013
Taxes receivable (net of allowance for uncollectibles)	3,303,301	-	3,303,301	-
Other receivables (net of allowance for uncollectibles)	1,446,164	1,567,216	3,013,380	15,511
Internal balances	306,212	(306,212)	-	-
Due from other governments	4,076,147	155,206	4,231,353	-
Inventories	95,368	65,762	161,130	-
Restricted cash and investments	592,168	13,237	605,405	3,770
Investments, noncurrent	5,193,256	15,991,570	21,184,826	-
Restricted investments, noncurrent	-	54,873	54,873	10,963
Restricted receivables, noncurrent	111,197	-	111,197	-
Other assets	28,557	388,304	416,861	106,838
Capital assets:				
Non-depreciable assets	25,127,230	507,008	25,634,238	35,088
Depreciable assets (net of accumulated depreciation)	10,307,302	2,254,210	12,561,512	301,821
Total capital assets	35,434,532	2,761,218	38,195,750	336,909
Total Assets	55,433,765	24,880,564	80,314,329	550,004
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	15,848	15,848	-
Total Deferred Outflows of Resources	-	15,848	15,848	-
Total Assets and Deferred Outflows of Resources	\$ 55,433,765	\$ 24,896,412	\$ 80,330,177	\$ 550,004
LIABILITIES AND NET POSITION				
LIABILITIES				
Accounts payable	\$ 1,543,845	\$ 134,186	\$ 1,678,031	\$ 44,976
Contracts and retainage payable	192,792	28,068	220,860	4,364
Accrued liabilities	966,783	380,783	1,347,566	5,612
Obligations under security lending agreements	193,915	88,057	281,972	-
Due to other governments	1,376,191	234,272	1,610,463	-
Unearned revenues	311,801	46,613	358,414	17,458
Long-term liabilities:				
Due within one year	1,193,811	2,161,454	3,355,265	-
Due in more than one year	23,313,815	26,680,743	49,994,558	13,206
Total Liabilities	29,092,953	29,754,176	58,847,129	85,616
NET POSITION				
Net investment in capital assets	19,706,029	739,824	20,445,853	320,369
Restricted for:				
Unemployment compensation	-	3,469,741	3,469,741	-
Expendable endowment funds	1,455,021	-	1,455,021	-
Nonexpendable permanent endowments	2,121,711	-	2,121,711	-
Transportation	783,133	-	783,133	-
Wildlife and natural resources	875,766	-	875,766	-
Budget stabilization	269,651	-	269,651	-
Loan programs	135,655	-	135,655	-
Other purposes	882,395	-	882,395	13,429
Unrestricted	111,451	(9,067,329)	(8,955,878)	130,590
Total Net Position	26,340,812	(4,857,764)	21,483,048	464,388
Total Liabilities and Net Position	\$ 55,433,765	\$ 24,896,412	\$ 80,330,177	\$ 550,004

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

Statement of Activities
For the Fiscal Year Ended June 30, 2013
(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	\$ 1,536,943	\$ 976,944	\$ 298,393	\$ 8,612
Education - elementary and secondary (K-12)	8,237,450	13,718	1,083,034	-
Education - higher education	6,992,422	2,760,015	2,567,009	25,570
Human services	13,181,579	544,435	7,744,199	-
Adult corrections	843,550	7,795	1,658	-
Natural resources and recreation	1,095,814	421,286	191,400	64,258
Transportation	2,378,860	1,025,183	141,328	898,246
Interest on long-term debt	955,158	-	-	-
Total Governmental Activities	35,221,776	5,749,376	12,027,021	996,686
Business-Type Activities:				
Workers' compensation	3,329,444	2,154,318	8,797	175
Unemployment compensation	1,982,958	1,308,089	849,214	-
Higher education student services	1,927,051	1,857,364	11,737	-
Washington's lottery	437,298	569,580	-	-
Guaranteed education tuition program	(105,192)	173,771	-	-
Other	126,100	102,760	337	-
Total Business-Type Activities	7,697,659	6,165,882	870,085	175
Total Primary Government	\$ 42,919,435	\$ 11,915,258	\$ 12,897,106	\$ 996,861
COMPONENT UNITS				
	\$ 46,307	\$ 32,898	\$ 28,495	\$ 2,481
Total Component Units	\$ 46,307	\$ 32,898	\$ 28,495	\$ 2,481

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
\$ (252,994)	\$ -	\$ (252,994)	
(7,140,698)	-	(7,140,698)	
(1,639,828)	-	(1,639,828)	
(4,892,945)	-	(4,892,945)	
(834,097)	-	(834,097)	
(418,870)	-	(418,870)	
(314,103)	-	(314,103)	
(955,158)	-	(955,158)	
<u>(16,448,693)</u>	<u>-</u>	<u>(16,448,693)</u>	
-	(1,166,154)	(1,166,154)	
-	174,345	174,345	
-	(57,950)	(57,950)	
-	132,282	132,282	
-	278,963	278,963	
<u>-</u>	<u>(23,003)</u>	<u>(23,003)</u>	
<u>-</u>	<u>(661,517)</u>	<u>(661,517)</u>	
<u>(16,448,693)</u>	<u>(661,517)</u>	<u>(17,110,210)</u>	
			<u>\$ 17,567</u>
			<u>17,567</u>
7,709,900	-	7,709,900	-
3,294,179	-	3,294,179	-
1,939,883	-	1,939,883	-
1,194,910	-	1,194,910	-
651,458	22,605	674,063	-
465,148	-	465,148	-
439,731	-	439,731	-
436,118	-	436,118	-
940,255	-	940,255	-
<u>397,068</u>	<u>523,071</u>	<u>920,139</u>	<u>386</u>
<u>17,468,650</u>	<u>545,676</u>	<u>18,014,326</u>	<u>386</u>
1,019,957	(115,841)	904,116	17,953
62,589	-	62,589	-
114,266	(114,266)	-	-
<u>1,196,812</u>	<u>(230,107)</u>	<u>966,705</u>	<u>17,953</u>
<u>25,144,000</u>	<u>(4,627,657)</u>	<u>20,516,343</u>	<u>446,435</u>
<u>\$ 26,340,812</u>	<u>\$ (4,857,764)</u>	<u>\$ 21,483,048</u>	<u>\$ 464,388</u>

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Basic Financial Statements
Fund Financial Statements

Balance Sheet
GOVERNMENTAL FUNDS

June 30, 2013
(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
ASSETS					
Cash and pooled investments	\$ 640,834	\$ -	\$ 99,367	\$ 3,279,464	\$ 4,019,665
Investments	6,608	1,417,834	3,312,686	239,185	4,976,313
Taxes receivable (net of allowance)	3,170,338	14,655	-	118,308	3,303,301
Other receivables (net of allowance)	153,516	407,719	24,536	833,125	1,418,896
Due from other funds	154,362	871,008	703	503,431	1,529,504
Due from other governments	1,211,297	154,714	1	2,322,237	3,688,249
Inventories and prepaids	12,910	14,402	-	50,994	78,306
Restricted assets:					
Cash and investments	54,631	1,781	-	535,736	592,148
Receivables	1,748	77,336	-	10,775	89,859
Total Assets	\$ 5,406,244	\$ 2,959,449	\$ 3,437,293	\$ 7,893,255	\$ 19,696,241
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 862,305	\$ 85,467	\$ 42,581	\$ 491,468	\$ 1,481,821
Contracts and retainages payable	33,316	4,419	2,118	151,845	191,698
Accrued liabilities	184,394	291,745	182	63,881	540,202
Obligations under security lending agreements	73,830	1,143	1,068	101,296	177,337
Due to other funds	408,472	40,230	2,177	616,928	1,067,807
Due to other governments	857,470	12,457	-	177,442	1,047,369
Unearned revenue	79,276	149,544	385	80,265	309,470
Claims and judgments payable	32,173	-	-	7,994	40,167
Total Liabilities	2,531,236	585,005	48,511	1,691,119	4,855,871
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	1,492,418	11,718	9,911	901,176	2,415,223
Total Deferred Inflows of Resources	1,492,418	11,718	9,911	901,176	2,415,223
Fund Balances (Deficits):					
Nonspendable fund balance	49,819	60,425	1,991,845	237,229	2,339,318
Restricted fund balance	299,165	-	1,387,026	2,507,991	4,194,182
Committed fund balance	59,579	2,302,301	-	2,635,027	4,996,907
Assigned fund balance	835,152	-	-	40	835,192
Unassigned fund balance	138,875	-	-	(79,327)	59,548
Total Fund Balances (Deficits)	1,382,590	2,362,726	3,378,871	5,300,960	12,425,147
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 5,406,244	\$ 2,959,449	\$ 3,437,293	\$ 7,893,255	\$ 19,696,241

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, 2013
(expressed in thousands)

Total Fund Balances for Governmental Funds \$ 12,425,147

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	\$ 25,079,284	
Depreciable assets	17,409,544	
Less: Accumulated depreciation	<u>(7,803,972)</u>	
Total capital assets		34,684,856

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. 2,415,223

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. 20,000

Unmatured interest on general obligation bonds is not recognized in the funds until due. (379,945)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. 271,285

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds and other financing contracts payable	\$ (19,957,617)	
Accreted interest on bonds	(438,787)	
Compensated absences	(529,793)	
Other postemployment benefits obligations	(1,389,683)	
Unfunded pension obligations	(340,441)	
Claims and judgments	(40,249)	
Pollution remediation obligations	(171,816)	
Other obligations	<u>(227,368)</u>	
Total long-term liabilities		<u>(23,095,754)</u>

Net Position of Governmental Activities \$ 26,340,812

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2013
(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
REVENUES					
Retail sales and use taxes	\$ 7,628,507	\$ -	\$ -	\$ 81,393	\$ 7,709,900
Business and occupation taxes	3,290,839	-	-	3,340	3,294,179
Property taxes	1,939,883	-	-	-	1,939,883
Excise taxes	581,861	-	-	69,597	651,458
Motor vehicle and fuel taxes	-	-	-	1,194,910	1,194,910
Other taxes	1,852,719	102,659	-	298,583	2,253,961
Licenses, permits, and fees	105,317	299	-	1,493,238	1,598,854
Timber sales	2,080	-	15,065	104,897	122,042
Other contracts and grants	242,955	815,191	-	76,765	1,134,911
Federal grants-in-aid	8,780,167	1,735,344	71	1,373,215	11,888,797
Charges for services	31,960	2,566,134	1	628,572	3,226,667
Investment income (loss)	(17,396)	23,871	330,476	60,117	397,068
Miscellaneous revenue	195,332	91,545	2,071	418,139	707,087
Unclaimed property	68,162	-	-	-	68,162
Contributions and donations	-	-	62,589	-	62,589
Total Revenues	24,702,386	5,335,043	410,273	5,802,766	36,250,468
EXPENDITURES					
Current:					
General government	721,375	-	105	440,842	1,162,322
Human services	13,235,429	385	-	721,162	13,956,976
Natural resources and recreation	419,911	-	1	622,964	1,042,876
Transportation	47,394	-	-	1,750,002	1,797,396
Education	9,114,825	4,901,076	3,447	531,874	14,551,222
Intergovernmental	108,341	-	-	331,455	439,796
Capital outlays	76,300	196,599	630	2,182,487	2,456,016
Debt service:					
Principal	18,251	35,032	-	730,483	783,766
Interest	118	11,609	-	908,871	920,598
Total Expenditures	23,741,944	5,144,701	4,183	8,220,140	37,110,968
Excess of Revenues Over (Under) Expenditures	960,442	190,342	406,090	(2,417,374)	(860,500)
OTHER FINANCING SOURCES (USES)					
Bonds issued	121,789	39,725	-	1,039,386	1,200,900
Refunding bonds issued	-	-	-	1,636,990	1,636,990
Payments to escrow agents for refunded bond debt	-	-	-	(1,893,883)	(1,893,883)
Issuance premiums	4,063	12,850	-	383,428	400,341
Other debt issued	4,469	108,876	-	44,135	157,480
Refunding COPs issued	-	10,590	-	-	10,590
Payments to escrow agents for refunded COP debt	-	(11,950)	-	-	(11,950)
Transfers in	596,496	217,936	1,299	2,335,874	3,151,605
Transfers out	(1,312,231)	(220,885)	(124,918)	(1,393,538)	(3,051,572)
Total Other Financing Sources (Uses)	(585,414)	157,142	(123,619)	2,152,392	1,600,501
Net Change in Fund Balances	375,028	347,484	282,471	(264,982)	740,001
Fund Balances - Beginning, as restated	1,007,562	2,015,242	3,096,400	5,565,942	11,685,146
Fund Balances - Ending	\$ 1,382,590	\$ 2,362,726	\$ 3,378,871	\$ 5,300,960	\$ 12,425,147

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, 2013
(expressed in thousands)

Net Change in Fund Balances - Total Governmental Funds \$ 740,001

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	\$ 1,700,805	
Less: Depreciation expense	<u>(607,458)</u>	1,093,347

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.

37,130

Pension trust funding in excess of annual required contributions uses current financial resources, but does not qualify as an expense.

2,800

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.

242,627

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	\$ (3,006,835)	
Principal payments on bonds and other financing contracts	2,471,587	
Accreted interest on bonds	<u>(24,068)</u>	(559,316)

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	\$ (11,128)	
Other postemployment benefits obligations	(295,498)	
Unfunded pension obligations	(58,018)	
Pollution remediation obligations	(6,582)	
Claims and judgments	(1,161)	
Accrued interest	(10,595)	
Unclaimed property	22,546	
Other obligations	<u>659</u>	(359,777)

Change in Net Position of Governmental Activities \$ 1,196,812

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

**Statement of Net Position
PROPRIETARY FUNDS**

June 30, 2013

(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 pooled investments	\$ 64,403	\$ 2,840,701	\$ 1,043,445
Investments	27,592	-	6,050
Other receivables (net of allowance)	701,964	645,475	191,194
Due from other funds	20	4,442	4,302
Due from other governments	1,098	76,725	56,792
Inventories	185	-	57,480
Prepaid expenses	3	-	12,605
Restricted assets:			
Cash and investments	736	-	12,501
Total Current Assets	796,001	3,567,343	1,384,369
Noncurrent Assets:			
Investments, noncurrent	13,381,438	-	166,932
Restricted investments, noncurrent	2,781	-	52,092
Restricted receivables, noncurrent	-	-	-
Other noncurrent assets	-	-	89,146
Capital assets:			
Land and other non-depreciable assets	3,240	-	60,401
Buildings	65,134	-	2,674,121
Other improvements	1,289	-	91,631
Furnishings, equipment, and intangibles	92,218	-	531,974
Infrastructure	-	-	41,944
Accumulated depreciation	(98,921)	-	(1,164,988)
Construction in progress	6,202	-	435,625
Total Noncurrent Assets	13,453,381	-	2,978,878
Total Assets	14,249,382	3,567,343	4,363,247
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow on refundings	-	-	15,848
Total Deferred Outflows of Resources	-	-	15,848
Total Assets and Deferred Outflows of Resources	\$ 14,249,382	\$ 3,567,343	\$ 4,379,095
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 6,260	\$ -	\$ 113,000
Contracts and retainages payable	6,706	51	21,312
Accrued liabilities	141,840	13,689	210,919
Obligations under security lending agreements	27,592	-	-
Bonds and notes payable	3,605	-	85,952
Due to other funds	7,247	1,058	430,024
Due to other governments	5	82,804	53
Unearned revenue	6,567	-	39,795
Claims and judgments payable	1,851,660	-	-
Total Current Liabilities	2,051,482	97,602	901,055
Noncurrent Liabilities:			
Claims and judgments payable	21,775,900	-	-
Bonds and notes payable	7,870	-	1,995,281
Other long-term liabilities	38,949	-	123,550
Total Noncurrent Liabilities	21,822,719	-	2,118,831
Total Liabilities	23,874,201	97,602	3,019,886
NET POSITION			
Net investment in capital assets	57,687	-	667,190
Restricted for:			
Unemployment compensation	-	3,469,741	-
Unrestricted	(9,682,506)	-	692,019
Total Net Position	(9,624,819)	3,469,741	1,359,209
Total Liabilities and Net Position	\$ 14,249,382	\$ 3,567,343	\$ 4,379,095

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

State of Washington

Guaranteed Education Tuition Program	Nonmajor Enterprise Funds	Total	Governmental Activities Internal Service Funds
\$ 1,104	\$ 111,231	\$ 4,060,884	\$ 818,014
60,465	34,399	128,506	27,854
6,172	22,411	1,567,216	27,187
2	9,804	18,570	88,649
-	4,664	139,279	15,817
-	8,097	65,762	20,793
-	549	13,157	4,826
-	-	13,237	20
<u>67,743</u>	<u>191,155</u>	<u>6,006,611</u>	<u>1,003,160</u>
2,274,568	168,632	15,991,570	198,273
-	-	54,873	-
-	-	-	21,338
286,000	1	375,147	81
-	1,540	65,181	6,475
-	12,828	2,752,083	468,647
-	2,597	95,517	16,213
89	29,675	653,956	854,733
-	-	41,944	1,933
(88)	(25,293)	(1,289,290)	(639,796)
-	-	441,827	41,471
<u>2,560,569</u>	<u>189,980</u>	<u>19,182,808</u>	<u>969,368</u>
<u>2,628,312</u>	<u>381,135</u>	<u>25,189,419</u>	<u>1,972,528</u>
-	-	15,848	-
-	-	15,848	-
<u>\$ 2,628,312</u>	<u>\$ 381,135</u>	<u>\$ 25,205,267</u>	<u>\$ 1,972,528</u>
\$ 2,193	\$ 12,733	\$ 134,186	\$ 62,024
151,000	-	179,069	1,094
10,166	71,369	447,983	57,735
60,465	-	88,057	16,578
-	433	89,990	69,224
316	19,046	457,691	111,236
-	2,574	85,436	89,862
-	251	46,613	2,331
-	1,603	1,853,263	167,818
<u>224,140</u>	<u>108,009</u>	<u>3,382,288</u>	<u>577,902</u>
-	9,607	21,785,507	514,472
-	5,967	2,009,118	485,354
<u>2,565,279</u>	<u>158,340</u>	<u>2,886,118</u>	<u>123,515</u>
<u>2,565,279</u>	<u>173,914</u>	<u>26,680,743</u>	<u>1,123,341</u>
<u>2,789,419</u>	<u>281,923</u>	<u>30,063,031</u>	<u>1,701,243</u>
1	14,946	739,824	251,218
-	-	3,469,741	-
(161,108)	84,266	(9,067,329)	20,067
<u>(161,107)</u>	<u>99,212</u>	<u>(4,857,764)</u>	<u>271,285</u>
<u>\$ 2,628,312</u>	<u>\$ 381,135</u>	<u>\$ 25,205,267</u>	<u>\$ 1,972,528</u>

Statement of Revenues, Expenses, and Changes in Net Position

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2013

(expressed in thousands)

	Business-Type Activities Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
OPERATING REVENUES			
Sales	\$ -	\$ -	\$ 106,586
Less: Cost of goods sold	-	-	70,425
Gross profit	-	-	36,161
Charges for services	37	-	1,630,465
Premiums and assessments	2,123,483	1,286,170	-
Federal aid for unemployment insurance benefits	-	849,214	-
Lottery ticket proceeds	-	-	-
Miscellaneous revenue	30,863	21,919	121,975
Total Operating Revenues	2,154,383	2,157,303	1,788,601
OPERATING EXPENSES			
Salaries and wages	140,203	-	695,821
Employee benefits	44,598	-	196,461
Personal services	8,895	-	13,024
Goods and services	79,316	-	704,457
Travel	4,068	-	23,200
Premiums and claims	3,014,795	1,982,958	-
Lottery prize payments	-	-	-
Depreciation and amortization	8,428	-	127,404
Guaranteed education tuition program expense	-	-	-
Miscellaneous expenses	28,485	-	19,217
Total Operating Expenses	3,328,788	1,982,958	1,779,584
Operating Income (Loss)	(1,174,405)	174,345	9,017
NONOPERATING REVENUES (EXPENSES)			
Earnings (loss) on investments	240,161	70,506	24,470
Interest expense	(656)	-	(77,042)
Tax and license revenue	91	-	-
Other revenues (expenses)	8,732	-	10,075
Total Nonoperating Revenues (Expenses)	248,328	70,506	(42,497)
Income (Loss) Before Contributions and Transfers	(926,077)	244,851	(33,480)
Capital contributions	175	-	-
Transfers in	-	-	120,369
Transfers out	-	(61)	(94,402)
Net Contributions and Transfers	175	(61)	25,967
Change in Net Position	(925,902)	244,790	(7,513)
Net Position - Beginning, as restated	(8,698,917)	3,224,951	1,366,722
Net Position - Ending	\$ (9,624,819)	\$ 3,469,741	\$ 1,359,209

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

State of Washington

Guaranteed Education Tuition Program	Nonmajor Enterprise Funds	Total	Governmental Activities Internal Service Funds
\$ -	\$ 68,794	\$ 175,380	\$ 110,930
-	49,168	119,593	104,225
-	19,626	55,787	6,705
173,771	29,358	1,833,631	617,270
-	1,329	3,410,982	1,303,370
-	-	849,214	-
-	569,587	569,587	-
-	3,246	178,003	118,280
173,771	623,146	6,897,204	2,045,625
2,203	47,396	885,623	275,856
518	17,603	259,180	101,574
127	12,067	34,113	20,306
1,620	83,508	868,901	346,806
40	1,436	28,744	3,571
-	-	4,997,753	965,310
-	339,366	339,366	-
4	1,466	137,302	80,950
(109,704)	-	(109,704)	-
-	362	48,064	2,058
(105,192)	503,204	7,489,342	1,796,431
278,963	119,942	(592,138)	249,194
191,480	(3,547)	523,070	1,913
-	(11,026)	(88,724)	(26,227)
-	22,514	22,605	21
-	364	19,171	1,095
191,480	8,305	476,122	(23,198)
470,443	128,247	(116,016)	225,996
-	-	175	2,398
-	13,164	133,533	70,424
-	(153,336)	(247,799)	(56,191)
-	(140,172)	(114,091)	16,631
470,443	(11,925)	(230,107)	242,627
(631,550)	111,137	(4,627,657)	28,658
\$ (161,107)	\$ 99,212	\$ (4,857,764)	\$ 271,285

Statement of Cash Flows

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2013

(expressed in thousands)

	Business-Type Activities		
	Enterprise Funds		
	Workers'	Unemployment	Higher Education
	Compensation	Compensation	Student Services
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 2,126,896	\$ 1,211,376	\$ 2,133,835
Payments to suppliers	(2,122,727)	(1,963,583)	(900,509)
Payments to employees	(186,823)	-	(864,892)
Other receipts	30,863	871,007	121,975
Net Cash Provided (Used) by Operating Activities	<u>(151,791)</u>	<u>118,800</u>	<u>490,409</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	-	120,369
Transfers out	-	(61)	(94,402)
Operating grants and donations received	8,843	-	6,492
Taxes and license fees collected	91	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>8,934</u>	<u>(61)</u>	<u>32,459</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest paid	(717)	-	(53,163)
Principal payments on long-term capital financing	(3,400)	-	(29,206)
Proceeds from long-term capital financing	-	-	245,328
Proceeds from sale of capital assets	-	-	4,941
Acquisitions of capital assets	(9,896)	-	(492,209)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(14,013)</u>	<u>-</u>	<u>(324,309)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt of interest	568,442	70,506	17,533
Proceeds from sale of investment securities	5,240,820	-	134,714
Purchases of investment securities	(5,630,653)	-	(32,618)
Net Cash Provided (Used) by Investing Activities	<u>178,609</u>	<u>70,506</u>	<u>119,629</u>
Net Increase (Decrease) in Cash and Pooled Investments	21,739	189,245	318,188
Cash and Pooled Investments, July 1, as restated	43,400	2,651,456	737,758
Cash and Pooled Investments, June 30	<u>\$ 65,139</u>	<u>\$ 2,840,701</u>	<u>\$ 1,055,946</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (1,174,405)	\$ 174,345	\$ 9,017
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:			
Depreciation	8,428	-	127,404
Revenue reduced for uncollectible accounts	24,859	-	647
Change in Assets: Decrease (Increase)			
Receivables	4,496	(74,920)	392,910
Inventories	35	-	(6,932)
Prepaid expenses	(3)	-	(549)
Change in Liabilities: Increase (Decrease)			
Payables	984,799	19,375	(32,088)
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	<u>\$ (151,791)</u>	<u>\$ 118,800</u>	<u>\$ 490,409</u>

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

State of Washington

Continued

			Governmental Activities	
Guaranteed Education Tuition Program	Nonmajor Enterprise Funds	Total	Internal Service Funds	
\$ 171,774	\$ 665,218	\$ 6,309,099	\$ 2,109,634	
(116,293)	(529,308)	(5,632,420)	(1,576,751)	
(2,631)	(62,112)	(1,116,458)	(361,449)	
-	3,238	1,027,083	121,908	
<u>52,850</u>	<u>77,036</u>	<u>587,304</u>	<u>293,342</u>	
-	13,164	133,533	70,424	
-	(153,336)	(247,799)	(56,191)	
-	338	15,673	504	
-	22,514	22,605	21	
-	<u>(117,320)</u>	<u>(75,988)</u>	<u>14,758</u>	
-	(283)	(54,163)	(26,275)	
-	(658)	(33,264)	(44,821)	
-	-	245,328	35,483	
-	19	4,960	14,658	
-	<u>(1,336)</u>	<u>(503,441)</u>	<u>(96,907)</u>	
-	<u>(2,258)</u>	<u>(340,580)</u>	<u>(117,862)</u>	
44,101	66	700,648	4,293	
782,433	79,335	6,237,302	159,476	
<u>(878,831)</u>	<u>(39,867)</u>	<u>(6,581,969)</u>	<u>(362,400)</u>	
<u>(52,297)</u>	<u>39,534</u>	<u>355,981</u>	<u>(198,631)</u>	
553	(3,008)	526,717	(8,393)	
551	114,239	3,547,404	826,427	
<u>\$ 1,104</u>	<u>\$ 111,231</u>	<u>\$ 4,074,121</u>	<u>\$ 818,034</u>	
\$ 278,963	\$ 119,942	\$ (592,138)	\$ 249,194	
4	1,466	137,302	80,950	
-	74	25,580	455	
(1,997)	(4,103)	316,386	77,434	
-	409	(6,488)	(1,226)	
-	182	(370)	247	
<u>(224,120)</u>	<u>(40,934)</u>	<u>707,032</u>	<u>(113,712)</u>	
<u>\$ 52,850</u>	<u>\$ 77,036</u>	<u>\$ 587,304</u>	<u>\$ 293,342</u>	

Statement of Cash Flows
PROPRIETARY FUNDS
 For the Fiscal Year Ended June 30, 2013
(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	\$ 175	\$ -	\$ -
Acquisition of capital assets through Certificates of Participation/capital leases	-	-	36,419
Amortization of annuity prize liability	-	-	-
Increase (decrease) in fair value of investments	(327,470)	-	144
Debt refunding deposited with escrow agent	-	-	87,195
Amortization of debt premium/discount	-	-	13,476
Increase in ownership of joint venture	-	-	6,831

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

Concluded

			Governmental Activities	
Guaranteed Education Tuition Program	Nonmajor Enterprise Funds	Total	Internal Service Funds	
\$ -	\$ -	\$ 175	\$ 2,398	
-	10	36,429	14,216	
-	10,743	10,743	-	
146,865	3,613	(176,848)	(2,797)	
-	-	87,195	-	
-	-	13,476	-	
-	-	6,831	-	

Statement of Net Position
FIDUCIARY FUNDS
 June 30, 2013
(expressed in thousands)

	Private- Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans	Agency Funds
ASSETS				
Current Assets:				
Cash and pooled investments	\$ 4,839	\$ 3,017,843	\$ 40,891	\$ 88,344
Investments	-	5,464,589	-	-
Receivables, pension and other employee benefit plans:				
Employers	-	-	137,172	-
Members (net of allowance)	-	-	2,624	-
Interest and dividends	-	-	199,782	-
Investment trades pending	-	-	1,661,905	-
Due from other pension and other employee benefit funds	-	-	1,652	-
Other receivables, all other funds	-	691	-	7,991
Due from other funds	-	-	-	22
Due from other governments	-	-	-	19,533
Total Current Assets	4,839	8,483,123	2,044,026	115,890
Noncurrent Assets:				
Investments, noncurrent, pension and other employee benefit plans:				
Public equity	-	-	32,403,661	-
Fixed income	-	-	14,105,540	-
Private equity	-	-	16,064,517	-
Real estate	-	-	9,380,236	-
Security lending	-	-	1,196,761	-
Liquidity	-	-	1,581,812	-
Tangible assets	-	-	1,031,887	-
Investments, noncurrent, all other funds	-	478,132	-	156
Other noncurrent assets	-	-	-	55,479
Capital assets:				
Furnishings, equipment, and intangibles	33	-	-	-
Accumulated depreciation	(29)	-	-	-
Total Noncurrent Assets	4	478,132	75,764,414	55,635
Total Assets	4,843	8,961,255	77,808,440	\$ 171,525
LIABILITIES				
Accounts payable	111	-	-	\$ 8,140
Contracts and retainages payable	-	-	-	27,686
Accrued liabilities	166	204,097	1,736,344	54,921
Obligations under security lending agreements	-	-	1,199,842	5,871
Due to other funds	-	-	-	11
Due to other pension and other employee benefit funds	-	-	1,652	-
Due to other governments	-	23,002	-	19,417
Unearned revenue	-	-	726	-
Other long-term liabilities	-	-	-	55,479
Total Liabilities	277	227,099	2,938,564	\$ 171,525
NET POSITION				
Net position held in trust for:				
Pension benefits	-	-	71,668,018	
Deferred compensation participants	-	-	3,201,858	
Local government pool participants	-	8,734,156	-	
Individuals, organizations, and other governments	4,566	-	-	
Total Net Position	\$ 4,566	\$ 8,734,156	\$ 74,869,876	

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, 2013
(expressed in thousands)

	Private- Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans
ADDITIONS			
Contributions:			
Employers	\$ -	\$ -	\$ 1,197,445
Members	-	-	1,031,974
State	-	-	60,204
Participants	-	14,032,653	182,305
Total Contributions	-	14,032,653	2,471,928
Investment Income:			
Net appreciation (depreciation) in fair value	-	-	6,574,645
Interest and dividends	-	16,329	1,850,861
Less: Investment expenses	-	-	(258,468)
Net Investment Income (Loss)	-	16,329	8,167,038
Other Additions:			
Unclaimed property	72,472	-	-
Transfers from other pension plans	-	-	5,625
Other contracts, grants and miscellaneous	21	-	528
Total Other Additions	72,493	-	6,153
Total Additions	72,493	14,048,982	10,645,119
DEDUCTIONS			
Pension benefits	-	-	3,259,510
Pension refunds	-	-	368,806
Transfers to other pension plans	-	-	5,625
Administrative expenses	3,577	904	4,449
Distributions to participants	-	13,310,671	178,638
Payments to or on behalf of individuals, organizations and other governments in accordance with state unclaimed property laws	70,177	-	-
Total Deductions	73,754	13,311,575	3,817,028
Net Increase (Decrease)	(1,261)	737,407	6,828,091
Net Position - Beginning, as restated	5,827	7,996,749	68,041,785
Net Position - Ending	\$ 4,566	\$ 8,734,156	\$ 74,869,876

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

Statement of Net Position
COMPONENT UNITS
 June 30, 2013
 (expressed in thousands)

	Public Stadium	Health Benefit Exchange	Nonmajor Component Units	Total
ASSETS				
Current Assets:				
Cash and pooled investments	\$ 7,003	\$ 41	\$ 27,323	\$ 34,367
Investments	-	-	41,646	41,646
Investments, restricted	3,770	-	-	3,770
Other receivables (net of allowance)	1,197	6,830	7,484	15,511
Prepaid expenses	22	40	117	179
Total Current Assets	11,992	6,911	76,570	95,473
Noncurrent Assets:				
Restricted investments, noncurrent	10,963	-	-	10,963
Other noncurrent assets	-	986	105,673	106,659
Capital assets:				
Land	34,677	-	-	34,677
Buildings	460,636	-	-	460,636
Furnishings, equipment and intangible assets	19,436	11,133	1,608	32,177
Accumulated depreciation	(187,928)	(1,485)	(1,579)	(190,992)
Construction in progress	-	411	-	411
Total Noncurrent Assets	337,784	11,045	105,702	454,531
Total Assets	\$ 349,776	\$ 17,956	\$ 182,272	\$ 550,004
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 68	\$ 4,851	\$ 40,057	\$ 44,976
Contracts and retainages payable	4,364	-	-	4,364
Accrued liabilities	3,497	2,060	55	5,612
Unearned revenue	-	-	17,458	17,458
Total Current Liabilities	7,929	6,911	57,570	72,410
Noncurrent Liabilities:				
Other long-term liabilities	12,220	986	-	13,206
Total Noncurrent Liabilities	12,220	986	-	13,206
Total Liabilities	20,149	7,897	57,570	85,616
NET POSITION				
Net investment in capital assets	310,281	10,059	29	320,369
Restricted for deferred sales tax	12,346	-	-	12,346
Restricted for other purposes	-	-	1,083	1,083
Unrestricted	7,000	-	123,590	130,590
Total Net Position	329,627	10,059	124,702	464,388
Total Liabilities and Net Position	\$ 349,776	\$ 17,956	\$ 182,272	\$ 550,004

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, 2013
(expressed in thousands)

	Public Stadium	Health Benefit Exchange	Nonmajor Component Units	Total
OPERATING REVENUES				
Charges for services	\$ 1,067	\$ -	\$ 31,831	\$ 32,898
Total Operating Revenues	1,067	-	31,831	32,898
OPERATING EXPENSES				
Salaries and wages	403	1,256	4,277	5,936
Employee benefits	120	389	1,445	1,954
Personal services	194	7,945	1,465	9,604
Goods and services	304	239	2,288	2,831
Travel	2	-	20	22
Depreciation and amortization	15,231	1,485	45	16,761
Miscellaneous expenses	-	180	2,030	2,210
Total Operating Expenses	16,254	11,494	11,570	39,318
Operating Income (Loss)	(15,187)	(11,494)	20,261	(6,420)
NONOPERATING REVENUES (EXPENSES)				
Earnings (loss) on investments	304	-	82	386
Operating grants and contributions	-	18,116	8,249	26,365
Distributions of operating grants	-	-	(7,602)	(7,602)
Naming rights	2,130	-	-	2,130
Other	(15)	628	-	613
Total Nonoperating Revenues (Expenses)	2,419	18,744	729	21,892
Income (Loss) before Contributions	(12,768)	7,250	20,990	15,472
Capital grants and contributions	(328)	2,809	-	2,481
Total Contributions	(328)	2,809	-	2,481
Change in Net Position	(13,096)	10,059	20,990	17,953
Net Position - Beginning, as restated	342,723	-	103,712	446,435
Net Position - Ending	\$ 329,627	\$ 10,059	\$ 124,702	\$ 464,388

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

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