

Nonmajor Enterprise Funds

Enterprise Funds account for any activity for which a fee is charged to external users for goods or services. If an activity's principal revenue source meets any one of the following criteria, it is required to be reported as an enterprise fund: (1) an activity financed with debt that is secured solely by pledge of the net revenues from fees and charges for the activity; (2) laws or regulations which require that the activity's costs of providing services, including capital costs, be recovered with fees and charges, rather than with taxes or similar revenues; or (3) pricing policies which establish fees and charges designed to recover the activity's costs, including capital costs. The Nonmajor Enterprise Funds are as follows:

Lottery Fund

The Lottery Fund accounts for lottery ticket revenues, administrative and operating expenses of the Lottery Commission, and the distribution of revenue.

Institutional Fund

The Institutional Fund accounts for the enterprise activities carried out through vocational/education programs at state institutions.

Other Activities

The Other Activities Fund accounts for the operation of the pollution liability insurance program, the judicial information system, the local Certificate of Participation (COP) financing program, the local government audit program, and the Secretary of State's corporate public records program.

NONMAJOR ENTERPRISE FUNDS
Combining Statement of Net Position
 June 30, 2013
 (expressed in thousands)

	Lottery	Institutional	Other Activities	Total
ASSETS				
Current Assets:				
Cash and pooled investments	\$ 23,704	\$ 5,053	\$ 82,474	\$ 111,231
Investments	34,399	-	-	34,399
Other receivables (net of allowance)	21,208	804	399	22,411
Due from other funds	948	8,064	792	9,804
Due from other governments	-	894	3,770	4,664
Inventories	216	7,760	121	8,097
Prepaid expenses	436	93	20	549
Total Current Assets	80,911	22,668	87,576	191,155
Noncurrent Assets:				
Investments, noncurrent	168,632	-	-	168,632
Other noncurrent assets	1	-	-	1
Capital assets:				
Land and other non-depreciable assets	-	1,540	-	1,540
Buildings	-	12,828	-	12,828
Other improvements	680	1,815	102	2,597
Furnishings, equipment, and intangibles	847	19,070	9,758	29,675
Accumulated depreciation	(1,123)	(15,283)	(8,887)	(25,293)
Total Noncurrent Assets	169,037	19,970	973	189,980
Total Assets	\$ 249,948	\$ 42,638	\$ 88,549	\$ 381,135
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 6,396	\$ 4,937	\$ 1,400	\$ 12,733
Accrued liabilities	60,969	2,308	8,092	71,369
Bonds and notes payable	-	425	8	433
Due to other funds	17,060	1,525	461	19,046
Due to other governments	-	-	2,574	2,574
Unearned revenue	-	251	-	251
Claims and judgments payable	-	-	1,603	1,603
Total Current Liabilities	84,425	9,446	14,138	108,009
Noncurrent Liabilities:				
Claims and judgments payable	-	-	9,607	9,607
Bonds and notes payable	-	5,965	2	5,967
Other long-term liabilities	145,471	5,077	7,792	158,340
Total Noncurrent Liabilities	145,471	11,042	17,401	173,914
Total Liabilities	229,896	20,488	31,539	281,923
NET POSITION				
Net investment in capital assets	404	13,579	963	14,946
Unrestricted	19,648	8,571	56,047	84,266
Total Net Position	20,052	22,150	57,010	99,212
Total Liabilities and Net Position	\$ 249,948	\$ 42,638	\$ 88,549	\$ 381,135

NONMAJOR ENTERPRISE FUNDS
**Combining Statement of Revenues, Expenses,
 and Changes in Net Position**
 For the Fiscal Year Ended June 30, 2013
(expressed in thousands)

	Lottery	Institutional	Other Activities	Total
OPERATING REVENUES				
Sales	\$ -	\$ 68,602	\$ 192	\$ 68,794
Less: Cost of goods sold	-	49,061	107	49,168
Gross profit	-	19,541	85	19,626
Charges for services	-	1,533	27,825	29,358
Premiums and assessments	-	-	1,329	1,329
Lottery ticket proceeds	569,587	-	-	569,587
Miscellaneous revenue	1	6	3,239	3,246
Total Operating Revenues	569,588	21,080	32,478	623,146
OPERATING EXPENSES				
Salaries and wages	7,319	12,576	27,501	47,396
Employee benefits	2,851	4,930	9,822	17,603
Personal services	10,754	-	1,313	12,067
Goods and services	65,619	760	17,129	83,508
Travel	452	240	744	1,436
Lottery prize payments	339,366	-	-	339,366
Depreciation and amortization	132	574	760	1,466
Miscellaneous expenses	62	56	244	362
Total Operating Expenses	426,555	19,136	57,513	503,204
Operating Income (Loss)	143,033	1,944	(25,035)	119,942
NONOPERATING REVENUES (EXPENSES)				
Earnings (loss) on investments	(3,562)	-	15	(3,547)
Interest expense	(10,743)	(283)	-	(11,026)
Tax and license revenue	2,890	-	19,624	22,514
Other revenues (expenses)	(8)	(6)	378	364
Total Nonoperating Revenues (Expenses)	(11,423)	(289)	20,017	8,305
Income (Loss) Before Transfers	131,610	1,655	(5,018)	128,247
Transfers in	12,314	733	117	13,164
Transfers out	(151,541)	(1,678)	(117)	(153,336)
Net Transfers	(139,227)	(945)	-	(140,172)
Change in Net Position	(7,617)	710	(5,018)	(11,925)
Net Position - Beginning, as restated	27,669	21,440	62,028	111,137
Net Position - Ending	\$ 20,052	\$ 22,150	\$ 57,010	\$ 99,212

NONMAJOR ENTERPRISE FUNDS
Combining Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2013
 (expressed in thousands)

	Lottery	Institutional	Other Activities	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 569,046	\$ 67,501	\$ 28,671	\$ 665,218
Payments to suppliers	(456,882)	(48,298)	(24,128)	(529,308)
Payments to employees	(9,642)	(16,750)	(35,720)	(62,112)
Other receipts	-	6	3,232	3,238
Net Cash Provided (Used) by Operating Activities	102,522	2,459	(27,945)	77,036
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	12,314	733	117	13,164
Transfers out	(151,541)	(1,678)	(117)	(153,336)
Operating grants and donations received	-	-	338	338
Taxes and license fees collected	2,890	-	19,624	22,514
Net Cash Provided (Used) by Noncapital Financing Activities	(136,337)	(945)	19,962	(117,320)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest paid	-	(283)	-	(283)
Principal payments on long-term capital financing	-	(644)	(14)	(658)
Proceeds from sale of capital assets	7	12	-	19
Acquisitions of capital assets	(191)	(524)	(621)	(1,336)
Net Cash Provided (Used) by Capital and Related Financing Activities	(184)	(1,439)	(635)	(2,258)
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipt of interest	51	-	15	66
Proceeds from sale of investment securities	79,335	-	-	79,335
Purchases of investment securities	(39,867)	-	-	(39,867)
Net Cash Provided (Used) by Investing Activities	39,519	-	15	39,534
Net Increase (Decrease) in Cash and Pooled Investments	5,520	75	(8,603)	(3,008)
Cash and Pooled Investments, July 1, as restated	18,184	4,978	91,077	114,239
Cash and Pooled Investments, June 30	\$ 23,704	\$ 5,053	\$ 82,474	\$ 111,231
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 143,033	\$ 1,944	\$ (25,035)	\$ 119,942
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:				
Depreciation	132	574	760	1,466
Revenue reduced for uncollectible accounts	61	13	-	74
Change in Assets: Decrease (Increase)				
Receivables	(542)	(2,884)	(677)	(4,103)
Inventories	156	277	(24)	409
Prepaid expenses	182	8	(8)	182
Change in Liabilities: Increase (Decrease)				
Payables	(40,500)	2,527	(2,961)	(40,934)
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	\$ 102,522	\$ 2,459	\$ (27,945)	\$ 77,036
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Acquisition of capital assets through Certificates of Participation/capital leases	\$ -	\$ -	\$ 10	\$ 10
Amortization of annuity prize liability	10,743	-	-	10,743
Increase (decrease) in fair value of investments	3,613	-	-	3,613

Internal Service Funds

Internal Service Funds account for state activities that provide goods and services to other state departments or agencies on a cost-reimbursement basis. The Internal Service Funds are described below:

General Services Fund

The General Services Fund accounts for the cost of providing the following services to state agencies: (1) legal services; (2) state Certificate of Participation (COP) financing program; (3) facilities, equipment and related services; (4) printing; (5) audits of state agencies; (6) administration of the state civil service law and labor relations; (7) administrative hearings; and (8) archives and records management.

Data Processing Revolving Fund

The Data Processing Revolving Fund accounts for distribution and apportionment of the full cost of data processing and data communication services to other state agencies, and for the payment of other

costs incidental to the acquisition, operation, and administration of acquired data processing services, supplies, and equipment.

Higher Education Revolving Fund

The Higher Education Revolving Fund accounts for stores, data processing, educational, operational printing and duplication, motor pool, and other support service activities at colleges and universities.

Risk Management Fund

The Risk Management Fund administers tort and sundry claims filed against Washington state agencies, except for the University of Washington and the Washington State Department of Transportation Ferries Division.

Health Insurance Fund

The Health Insurance Fund accounts for premiums collected and payments for employees' insurance benefits.

INTERNAL SERVICE FUNDS
Combining Statement of Net Position

June 30, 2013
 (expressed in thousands)

	General Services	Data Processing Revolving	Higher Education Revolving
ASSETS			
Current Assets:			
Cash and pooled investments	\$ 190,506	\$ 31,505	\$ 246,408
Investments	401	-	465
Other receivables (net of allowance)	12,057	2,885	4,292
Due from other funds	36,850	28,854	11,742
Due from other governments	1,587	9,447	3,926
Inventories	8,556	-	12,237
Prepaid expenses	2,932	1,889	5
Restricted assets:			
Cash and investments	16	-	4
Total Current Assets	252,905	74,580	279,079
Noncurrent Assets:			
Investments, noncurrent	-	-	9,785
Restricted receivables, noncurrent	-	21,338	-
Other noncurrent assets	81	-	-
Capital assets:			
Land and other non-depreciable assets	3,942	-	2,533
Buildings	138,278	275,407	54,962
Other improvements	12,947	3,169	97
Furnishings, equipment, and intangibles	479,016	232,637	140,431
Infrastructure	1,818	-	115
Accumulated depreciation	(310,824)	(195,187)	(131,352)
Construction in progress	38,153	-	3,318
Total Noncurrent Assets	363,411	337,364	79,889
Total Assets	\$ 616,316	\$ 411,944	\$ 358,968
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 11,092	\$ 13,681	\$ 15,019
Contracts and retainages payable	718	-	346
Accrued liabilities	18,762	3,042	35,052
Obligations under security lending agreements	448	-	-
Bonds and notes payable	43,991	19,105	6,128
Due to other funds	5,741	8,827	82,002
Due to other governments	89,862	-	-
Unearned revenue	345	1,283	238
Claims and judgments payable	-	-	12,274
Total Current Liabilities	170,959	45,938	151,059
Noncurrent Liabilities:			
Claims and judgments payable	-	-	67,434
Bonds and notes payable	122,289	319,417	43,648
Other long-term liabilities	67,455	22,450	30,750
Total Noncurrent Liabilities	189,744	341,867	141,832
Total Liabilities	360,703	387,805	292,891
NET POSITION			
Net investment in capital assets	230,675	-	20,328
Unrestricted	24,938	24,139	45,749
Total Net Position	255,613	24,139	66,077
Total Liabilities and Net Position	\$ 616,316	\$ 411,944	\$ 358,968

State of Washington

Risk Management	Health Insurance	Total
\$ 60,171	\$ 289,424	\$ 818,014
-	26,988	27,854
-	7,953	27,187
937	10,266	88,649
-	857	15,817
-	-	20,793
-	-	4,826
-	-	20
61,108	335,488	1,003,160
-	188,488	198,273
-	-	21,338
-	-	81
-	-	6,475
-	-	468,647
-	-	16,213
2	2,647	854,733
-	-	1,933
-	(2,433)	(639,796)
-	-	41,471
2	188,702	969,368
\$ 61,110	\$ 524,190	\$ 1,972,528
\$ 41	\$ 22,191	\$ 62,024
-	30	1,094
66	813	57,735
-	16,130	16,578
-	-	69,224
3,901	10,765	111,236
-	-	89,862
166	299	2,331
95,671	59,873	167,818
99,845	110,101	577,902
447,038	-	514,472
-	-	485,354
478	2,382	123,515
447,516	2,382	1,123,341
547,361	112,483	1,701,243
2	213	251,218
(486,253)	411,494	20,067
(486,251)	411,707	271,285
\$ 61,110	\$ 524,190	\$ 1,972,528

INTERNAL SERVICE FUNDS
**Combining Statement of Revenues, Expenses,
and Changes in Net Position**
For the Fiscal Year Ended June 30, 2013
(expressed in thousands)

	General Services	Data Processing Revolving	Higher Education Revolving
OPERATING REVENUES			
Sales	\$ 32,081	\$ 64,431	\$ 14,418
Less: Cost of goods sold	27,329	64,420	12,476
Gross profit	4,752	11	1,942
Charges for services	246,438	160,704	205,000
Premiums and assessments	626	-	-
Miscellaneous revenue	106,665	7,074	4,520
Total Operating Revenues	358,481	167,789	211,462
OPERATING EXPENSES			
Salaries and wages	132,180	42,280	94,365
Employee benefits	51,813	13,948	33,206
Personal services	6,876	2,202	10,051
Goods and services	138,732	95,605	87,273
Travel	2,104	120	1,288
Premiums and claims	-	-	-
Depreciation and amortization	27,730	34,175	19,012
Miscellaneous expenses	1,561	33	464
Total Operating Expenses	360,996	188,363	245,659
Operating Income (Loss)	(2,515)	(20,574)	(34,197)
NONOPERATING REVENUES (EXPENSES)			
Earnings (loss) on investments	56	-	3,915
Interest expense	(5,590)	(18,766)	(1,871)
Tax and license revenue	21	-	-
Other revenues (expenses)	(297)	(177)	1,572
Total Nonoperating Revenues (Expenses)	(5,810)	(18,943)	3,616
Income (Loss) Before Contributions and Transfers	(8,325)	(39,517)	(30,581)
Capital contributions	2,398	-	-
Transfers in	6,354	17,020	47,050
Transfers out	(1,063)	(8,000)	(47,128)
Net Contributions and Transfers	7,689	9,020	(78)
Change in Net Position	(636)	(30,497)	(30,659)
Net Position - Beginning, as restated	256,249	54,636	96,736
Net Position - Ending	\$ 255,613	\$ 24,139	\$ 66,077

State of Washington

Risk Management	Health Insurance	Total
\$ -	\$ -	\$ 110,930
-	-	104,225
-	-	6,705
5,128	-	617,270
51,538	1,251,206	1,303,370
-	21	118,280
56,666	1,251,227	2,045,625
1,173	5,858	275,856
410	2,197	101,574
78	1,099	20,306
18,927	6,269	346,806
17	42	3,571
(187,430)	1,152,740	965,310
-	33	80,950
-	-	2,058
(166,825)	1,168,238	1,796,431
223,491	82,989	249,194
-	(2,058)	1,913
-	-	(26,227)
-	-	21
-	(3)	1,095
-	(2,061)	(23,198)
223,491	80,928	225,996
-	-	2,398
-	-	70,424
-	-	(56,191)
-	-	16,631
223,491	80,928	242,627
(709,742)	330,779	28,658
\$ (486,251)	\$ 411,707	\$ 271,285

INTERNAL SERVICE FUNDS
Combining Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2013
 (expressed in thousands)

	General Services	Data Processing Revolving	Higher Education Revolving
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 285,018	\$ 255,294	\$ 223,486
Payments to suppliers	(108,449)	(158,120)	(26,908)
Payments to employees	(175,485)	(54,005)	(122,861)
Other receipts	110,292	7,074	4,521
Net Cash Provided (Used) by Operating Activities	<u>111,376</u>	<u>50,243</u>	<u>78,238</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	6,354	17,020	47,050
Transfers out	(1,063)	(8,000)	(47,128)
Operating grants and donations received	2	(108)	610
Taxes and license fees collected	21	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>5,314</u>	<u>8,912</u>	<u>532</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest paid	(5,639)	(18,766)	(1,870)
Principal payments on long-term capital financing	(20,718)	(17,609)	(6,494)
Proceeds from long-term capital financing	20,386	15,097	-
Proceeds from sale of capital assets	7,869	5,337	1,452
Acquisitions of capital assets	(43,941)	(43,704)	(9,069)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(42,043)</u>	<u>(59,645)</u>	<u>(15,981)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt of interest	111	-	3,914
Proceeds from sale of investment securities	-	-	370
Purchases of investment securities	-	-	(3,773)
Net Cash Provided (Used) by Investing Activities	<u>111</u>	<u>-</u>	<u>511</u>
Net Increase (Decrease) in Cash and Pooled Investments	74,758	(490)	63,300
Cash and Pooled Investments, July 1, as restated	115,764	31,995	183,112
Cash and Pooled Investments, June 30	<u>\$ 190,522</u>	<u>\$ 31,505</u>	<u>\$ 246,412</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (2,515)	\$ (20,574)	\$ (34,197)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:			
Depreciation	27,730	34,175	19,012
Revenue reduced for uncollectible accounts	455	-	-
Change in Assets: Decrease (Increase)			
Receivables	6,564	28,877	4,084
Inventories	(738)	1,146	(1,634)
Prepaid expenses	595	(348)	-
Change in Liabilities: Increase (Decrease)			
Payables	79,285	6,967	90,973
Net Cash or Cash Equivalents Provided by (Used In) Operating Activities	<u>\$ 111,376</u>	<u>\$ 50,243</u>	<u>\$ 78,238</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contributions of capital assets	\$ 2,398	\$ -	\$ -
Acquisition of capital assets through Certificates of Participation/capital leases	-	-	14,216
Increase (decrease) in fair value of investments	55	-	3

State of Washington

Risk Management	Health Insurance	Total
\$ 56,273	\$ 1,289,563	\$ 2,109,634
(102,498)	(1,180,776)	(1,576,751)
(1,506)	(7,592)	(361,449)
-	21	121,908
(47,731)	101,216	293,342
-	-	70,424
-	-	(56,191)
-	-	504
-	-	21
-	-	14,758
-	-	(26,275)
-	-	(44,821)
-	-	35,483
-	-	14,658
(3)	(190)	(96,907)
(3)	(190)	(117,862)
-	268	4,293
-	159,106	159,476
-	(358,627)	(362,400)
-	(199,253)	(198,631)
(47,734)	(98,227)	(8,393)
107,905	387,651	826,427
\$ 60,171	\$ 289,424	\$ 818,034
\$ 223,491	\$ 82,989	\$ 249,194
-	33	80,950
-	-	455
(499)	38,408	77,434
-	-	(1,226)
-	-	247
(270,723)	(20,214)	(113,712)
\$ (47,731)	\$ 101,216	\$ 293,342
\$ -	\$ -	\$ 2,398
-	-	14,216
-	(2,855)	(2,797)

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