

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 described below:

The Liquor Fund accounts for the administration and operation of state liquor stores, warehouses, and the distribution of net proceeds.

The Convention and Trade Fund accounts for the acquisition, design, construction, promotion, and operation of the State Convention and Trade Center.

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

The Institutional Fund accounts for the enterprise activities (industries) carried out through vocational/education programs at the correctional institutions.

The Health Insurance Fund accounts for payment of health care coverage to low-income residents and premiums for employees' insurance benefit contracts.

The Other Activities Fund accounts for the following: (1) the guaranteed college tuition program; (2) the operation of computer systems for legislative information; (3) the production and sale of statute law publications and official reports; and (4) Judicial Information System users.

Combining Statement of Fund Net Assets

Nonmajor Enterprise Funds

June 30, 2006

(expressed in thousands)

	Liquor	Convention and Trade	Lottery	Institutional
Assets				
Current Assets:				
Cash and pooled investments	\$ 16,215	\$ 51,240	\$ 39,026	\$ 9,990
Investments	-	-	66,478	-
Taxes receivable (net of allowance)	4,994	-	-	-
Other receivables (net of allowance)	7,554	2,858	16,085	219
Due from other funds	597	87	417	8,303
Due from other governments	2,939	-	-	372
Inventories	36,876	-	250	11,252
Prepaid expenses	-	267	522	130
Total Current Assets	69,175	54,452	122,778	30,266
Noncurrent Assets:				
Investments, noncurrent	-	-	370,362	-
Other noncurrent assets	-	-	-	-
Capital Assets:				
Land	177	77,355	-	1,540
Buildings	15,219	379,328	-	6,874
Other improvements	134	9,447	780	2,941
Furnishings, equipment, and collections	26,167	5,150	583	17,109
Accumulated depreciation	(16,132)	(84,298)	(1,102)	(10,158)
Construction in progress	2,938	-	-	4,163
Total Noncurrent Assets	28,503	386,982	370,623	22,469
Total Assets	\$ 97,678	\$ 441,434	\$ 493,401	\$ 52,735
Liabilities				
Current Liabilities:				
Accounts payable	\$ 17,772	\$ 932	\$ 2,204	\$ 3,139
Contracts and retainages payable	-	2,666	-	-
Accrued liabilities	9,436	2,585	90,185	1,419
Obligations under security lending agreements	-	-	-	-
Bonds and notes payable	2,305	18,953	-	340
Due to other funds	5,252	66	8,656	2,036
Due to other governments	-	-	-	-
Unearned revenues	4	44	-	24
Claims and judgments payable	-	-	-	-
Total Current Liabilities	34,769	25,246	101,045	6,958
Noncurrent Liabilities:				
Claims and judgments payable	-	-	-	-
Bonds and notes payable	4,890	242,629	-	8,680
Other long-term liabilities	6,842	-	357,162	1,162
Total Noncurrent Liabilities	11,732	242,629	357,162	9,842
Total Liabilities	46,501	267,875	458,207	16,800
Net Assets:				
Invested in capital assets, net of related debt	21,308	125,401	260	13,450
Unrestricted	29,869	48,158	34,934	22,485
Total Net Assets (Deficit)	\$ 51,177	\$ 173,559	\$ 35,194	\$ 35,935

State of Washington

Health Insurance	Other Activities	Total
\$ 213,968	\$ 113,624	\$ 444,063
12,017	268,940	347,435
-	-	4,994
344	5,287	32,347
28,719	800	38,923
15,021	3,630	21,962
-	-	48,378
-	12	931
<u>270,069</u>	<u>392,293</u>	<u>939,033</u>
78,866	704,623	1,153,851
-	128,196	128,196
-	-	79,072
-	-	401,421
-	261	13,563
1,455	12,531	62,995
(1,295)	(9,851)	(122,836)
-	-	7,101
<u>79,026</u>	<u>835,760</u>	<u>1,723,363</u>
<u>\$ 349,095</u>	<u>\$ 1,228,053</u>	<u>\$ 2,662,396</u>
\$ 23,890	\$ 2,070	\$ 50,007
17,090	3	19,759
283	16,551	120,459
12,017	268,939	280,956
-	25,555	47,153
28,319	16,548	60,877
-	1,609	1,609
260	-	332
71,446	1,775	73,221
<u>153,305</u>	<u>333,050</u>	<u>654,373</u>
-	2,916	2,916
-	38	256,237
361	770,333	1,135,860
<u>361</u>	<u>773,287</u>	<u>1,395,013</u>
<u>153,666</u>	<u>1,106,337</u>	<u>2,049,386</u>
160	2,855	163,434
195,269	118,861	449,576
<u>\$ 195,429</u>	<u>\$ 121,716</u>	<u>\$ 613,010</u>

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2006
(expressed in thousands)

	Liquor	Convention and Trade	Lottery	Institutional
Operating Revenues:				
Sales	\$ 472,480	\$ -	\$ -	\$ 56,755
Less: Cost of goods sold	321,286	-	-	40,599
Gross profit	151,194	-	-	16,156
Charges for services	2,299	17,623	-	-
Premiums and assessments	-	-	-	-
Lottery ticket proceeds	-	-	477,885	-
Miscellaneous revenue	152	3	6	2,059
Total Operating Revenues	153,645	17,626	477,891	18,215
Operating Expenses:				
Salaries and wages	35,376	6,144	6,671	11,494
Employee benefits	12,739	2,770	1,840	3,130
Personal services	455	5,656	6,644	-
Goods and services	39,455	5,289	49,332	388
Travel	397	17	407	162
Premiums and claims	-	-	-	24
Lottery prize payments	-	-	291,773	-
Depreciation and amortization	5,273	8,309	95	1,224
Miscellaneous expenses	27	-	44	59
Total Operating Expenses	93,722	28,185	356,806	16,481
Operating Income (Loss)	59,923	(10,559)	121,085	1,734
Nonoperating Revenues (Expenses):				
Earnings (loss) on investments	-	-	(5,664)	9
Interest expense	(430)	(15,612)	(28,345)	(209)
Distributions to other governments	(31,256)	-	(4,355)	-
Other revenue (expenses)	61,033	48,782	(104)	3
Total Nonoperating Revenues (Expenses)	29,347	33,170	(38,468)	(197)
Income (Loss) Before				
Contributions and Transfers	89,270	22,611	82,617	1,537
Transfers in	4,974	-	10,961	340
Transfers (out)	(81,212)	(5,150)	(131,695)	(12)
Net Contributions and Transfers	(76,238)	(5,150)	(120,734)	328
Change in Net Assets	13,032	17,461	(38,117)	1,865
Net Assets (Deficit) - Beginning, as restated	38,145	156,098	73,311	34,070
Net Assets (Deficit) - Ending	\$ 51,177	\$ 173,559	\$ 35,194	\$ 35,935

Health Insurance	Other Activities	Total
\$ -	\$ -	\$ 529,235
-	-	361,885
-	-	167,350
-	47,877	67,799
1,340,753	-	1,340,753
-	-	477,885
675	4,543	7,438
<u>1,341,428</u>	<u>52,420</u>	<u>2,061,225</u>
5,058	17,685	82,428
1,284	4,574	26,337
1,262	6,483	20,500
5,219	13,528	113,211
99	959	2,041
1,230,969	-	1,230,993
-	-	291,773
161	1,138	16,200
-	60,493	60,623
<u>1,244,052</u>	<u>104,860</u>	<u>1,844,106</u>
<u>97,376</u>	<u>(52,440)</u>	<u>217,119</u>
9,970	50,424	54,739
-	(5)	(44,601)
-	-	(35,611)
-	10,695	120,409
<u>9,970</u>	<u>61,114</u>	<u>94,936</u>
107,346	8,674	312,055
36,410	-	52,685
(77,555)	(4,073)	(299,697)
<u>(41,145)</u>	<u>(4,073)</u>	<u>(247,012)</u>
66,201	4,601	65,043
129,228	117,115	547,967
<u>\$ 195,429</u>	<u>\$ 121,716</u>	<u>\$ 613,010</u>

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2006

(expressed in thousands)

	Liquor	Convention and Trade	Lottery	Institutional
Cash Flows from Operating Activities:				
Receipts from customers	\$ 468,231	\$ 15,926	\$ 476,664	\$ 65,374
Payments to suppliers	(379,349)	(9,320)	(412,514)	(41,098)
Payments to employees	(47,999)	(8,841)	(8,554)	(14,410)
Other receipts (payments)	152	3	5	2,059
Net Cash Provided (Used) by Operating Activities	41,035	(2,232)	55,601	11,925
Cash Flows from Noncapital Financing Activities:				
Transfers in	4,974	-	10,961	340
Transfers out	(81,212)	(5,150)	(131,695)	(12)
Operating grants and donations received	5	-	-	-
Taxes and license fees collected	60,842	48,783	18	-
Distributions to other governments	(31,256)	-	(4,355)	-
Other noncapital financing sources	-	-	-	(29)
Net Cash Provided (Used) by Noncapital Financing Activities	(46,647)	43,633	(125,071)	299
Cash Flows from Capital and				
Interest paid	(430)	(11,387)	-	(209)
Principal payments on long-term capital financing	(2,220)	(18,265)	-	(330)
Proceeds from long-term capital financing	2,938	-	-	-
Proceeds from sale of capital assets	33	242	4	1,080
Acquisitions of capital assets	(5,209)	(1,167)	(25)	(14,731)
Net Cash or Pooled Investments Provided by (Used in) Capital and Related Financing Activities	(4,888)	(30,577)	(21)	(14,190)
Cash Flows from Investing Activities:				
Receipt of interest	-	-	2,330	9
Proceeds from sale of investment securities	-	-	141,503	-
Purchases of investment securities	-	-	(74,299)	-
Net Cash Provided by (Used in) Investing Activities	-	-	69,534	9
Net Increase (Decrease) in Cash	(10,500)	10,824	43	(1,957)
Cash and Pooled Investments, July 1	26,715	40,416	38,983	11,947
Cash and Pooled Investments, June 30	\$ 16,215	\$ 51,240	\$ 39,026	\$ 9,990
Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ 59,923	\$ (10,559)	\$ 121,085	\$ 1,734
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:				
Depreciation	5,273	8,309	95	1,224
Change in Assets: Decrease (Increase)				
Receivables (net of allowance)	(6,530)	(1,710)	(1,178)	8,619
Inventories	(2,701)	-	80	335
Prepaid expenses	-	-	(415)	24
Change in Liabilities: Increase (Decrease)				
Payables	(14,930)	1,728	(64,066)	(11)
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	\$ 41,035	\$ (2,232)	\$ 55,601	\$ 11,925
Noncash Investing, Capital, and Financing Activities:				
Contributions of capital assets	\$ -	\$ -	\$ -	\$ -
Amortization of interest on long-term prize liability	-	-	28,345	-
Increase (decrease) in fair value of investments	-	-	(7,994)	-
Accretion of interest on zero coupon bonds	-	3,388	-	-

Health Insurance	Other Activities	Total
\$ 1,337,462	\$ 31,023	\$ 2,394,680
(1,241,215)	76,724	(2,006,772)
(6,267)	(22,106)	(108,177)
675	4,543	7,437
90,655	90,184	287,168
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36,410	-	52,685
(77,555)	(4,073)	(299,697)
-	-	5
-	10,680	120,323
-	-	(35,611)
-	-	(29)
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(41,145)	6,607	(162,324)
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-	(5)	(12,031)
-	(136)	(20,951)
-	-	2,938
-	19	1,378
(39)	(1,250)	(22,421)
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(39)	(1,372)	(51,087)
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9,859	18,900	31,098
1	245,182	386,686
(3,017)	(374,110)	(451,426)
6,843	(110,028)	(33,642)
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56,314	(14,609)	40,115
157,654	128,233	403,948
\$ 213,968	\$ 113,624	\$ 444,063
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\$ 97,376	\$ (52,440)	\$ 217,119
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161	1,138	16,200
(3,337)	(16,709)	(20,845)
23	-	(2,263)
-	(2)	(393)
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(3,568)	158,197	77,350
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\$ 90,655	\$ 90,184	\$ 287,168
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\$ -	\$ -	\$ -
-	-	28,345
(25)	29,740	21,721
-	-	3,388
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