

Basic Financial Statements
Governmental-wide Financial Statements

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Statement of Net Assets

June 30, 2009

(expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and pooled investments	\$ 4,186,623	\$ 6,857,854	\$ 11,044,477	\$ 68,710
Taxes receivable (net of allowance)	2,908,709	5,456	2,914,165	-
Other receivables (net of allowance)	1,176,257	1,145,044	2,321,301	1,300
Internal balances (net)	71,804	(71,804)	-	-
Due from other governments	3,638,185	139,245	3,777,430	-
Inventories	92,697	90,191	182,888	-
Investments, noncurrent	3,437,071	12,456,421	15,893,492	20,981
Other assets	100,030	405,179	505,209	58,767
Capital assets (Note 6):				
Non-depreciable assets	20,643,360	295,848	20,939,208	34,677
Depreciable assets, net of depreciation	8,914,577	1,803,083	10,717,660	353,738
Total capital assets, net of depreciation	29,557,937	2,098,931	31,656,868	388,415
Total Assets	\$ 45,169,313	\$ 23,126,517	\$ 68,295,830	\$ 538,173
LIABILITIES				
Accounts payable	\$ 1,389,827	\$ 133,626	\$ 1,523,453	\$ 35,035
Contracts and retainage payable	185,219	26,685	211,904	3,042
Accrued liabilities	592,346	247,473	839,819	3,835
Obligations under security lending agreements	126,592	2,165,450	2,292,042	-
Obligation under reverse repurchase agreements	194,243	2,174	196,417	-
Due to other governments	832,872	32,517	865,389	-
Unearned revenue	272,186	44,948	317,134	1,482
Long-term liabilities (Note 7):				
Due within one year	1,164,862	2,390,917	3,555,779	-
Due in more than one year	16,556,033	23,298,276	39,854,309	30,326
Total Liabilities	21,314,180	28,342,066	49,656,246	73,720
NET ASSETS				
Invested in capital assets, net of related debt	17,551,133	721,651	18,272,784	353,829
Restricted for:				
Unemployment compensation	-	3,799,721	3,799,721	-
Other purposes	1,783,271	-	1,783,271	23,137
Capital projects	449,534	-	449,534	-
Expendable permanent fund principal	1,281,879	-	1,281,879	-
Nonexpendable permanent endowments	1,372,769	-	1,372,769	-
Unrestricted (deficit)	1,416,547	(9,736,921)	(8,320,374)	87,487
Total Net Assets	\$ 23,855,133	\$ (5,215,549)	\$ 18,639,584	\$ 464,453

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

Statement of Activities
For the Fiscal Year Ended June 30, 2009
(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	\$ 1,814,776	\$ 599,627	\$ 320,087	\$ 441
Education - elementary and secondary (K-12)	8,548,600	19,403	1,262,665	-
Education - higher education	6,044,459	2,169,850	1,691,421	22,504
Human services	12,435,831	300,160	7,045,450	-
Adult corrections	1,044,398	9,363	2,005	-
Natural resources and recreation	1,062,025	399,567	146,513	38,389
Transportation	1,883,055	900,108	96,578	644,908
Interest on long-term debt	727,734	-	-	-
Total Governmental Activities	<u>33,560,878</u>	<u>4,398,078</u>	<u>10,564,719</u>	<u>706,242</u>
Business-Type Activities:				
Workers' compensation	2,543,743	1,856,013	7,419	-
Unemployment compensation	2,360,343	1,010,671	561,106	-
Higher education student services	1,501,566	1,555,501	3,350	-
Liquor control	540,005	573,861	13	-
Washington's lottery	400,716	487,734	-	-
Other	391,416	156,305	-	-
Total Business-Type Activities	<u>7,737,789</u>	<u>5,640,085</u>	<u>571,888</u>	<u>-</u>
Total Primary Government	<u>\$ 41,298,667</u>	<u>\$ 10,038,163</u>	<u>\$ 11,136,607</u>	<u>\$ 706,242</u>
COMPONENT UNITS	<u>\$ 28,608</u>	<u>\$ 14,503</u>	<u>\$ 1,146</u>	<u>\$ 726</u>
Total Component Units	<u>\$ 28,608</u>	<u>\$ 14,503</u>	<u>\$ 1,146</u>	<u>\$ 726</u>

General Revenues:
Taxes - sales and use
Taxes - business and occupation
Taxes - property
Taxes - motor vehicle and fuel
Taxes - excise
Taxes - other
Interest and investment earnings
Total general revenues
Excess (deficiency) of revenues over expenses before contributions
to endowments, extraordinary loss, and transfers
Contributions to endowments
Transfers
Change in Net Assets
Net assets - Beginning, as restated
Net assets - Ending

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

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-Type Activities	Total	
\$ (894,621)	\$ -	\$ (894,621)	
(7,266,532)	-	(7,266,532)	
(2,160,684)	-	(2,160,684)	
(5,090,221)	-	(5,090,221)	
(1,033,030)	-	(1,033,030)	
(477,556)	-	(477,556)	
(241,461)	-	(241,461)	
(727,734)	-	(727,734)	
<u>(17,891,839)</u>	<u>-</u>	<u>(17,891,839)</u>	
-	(680,311)	(680,311)	
-	(788,566)	(788,566)	
-	57,285	57,285	
-	33,869	33,869	
-	87,018	87,018	
-	(235,111)	(235,111)	
-	(1,525,816)	(1,525,816)	
<u>(17,891,839)</u>	<u>(1,525,816)</u>	<u>(19,417,655)</u>	
			<u>\$ (12,233)</u>
			<u>(12,233)</u>
7,305,841	-	7,305,841	-
2,614,380	-	2,614,380	-
1,785,064	-	1,785,064	-
1,183,360	-	1,183,360	-
486,610	57,081	543,691	-
2,625,435	55,651	2,681,086	-
(211,814)	291,057	79,243	5,605
<u>15,788,876</u>	<u>403,789</u>	<u>16,192,665</u>	<u>5,605</u>
(2,102,963)	(1,122,027)	(3,224,990)	(6,628)
56,983	-	56,983	-
(190,415)	190,415	-	-
(2,236,395)	(931,612)	(3,168,007)	(6,628)
<u>26,091,528</u>	<u>(4,283,937)</u>	<u>21,807,591</u>	<u>471,081</u>
<u>\$ 23,855,133</u>	<u>\$ (5,215,549)</u>	<u>\$ 18,639,584</u>	<u>\$ 464,453</u>

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Basic Financial Statements
Fund Financial Statements

Balance Sheet
GOVERNMENTAL FUNDS

June 30, 2009
(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
ASSETS					
Cash and pooled investments	\$ 133,849	\$ 326,973	\$ 396,484	\$ 2,905,383	\$ 3,762,689
Investments	151,604	767,972	2,211,823	318,299	3,449,698
Taxes receivable (net of allowance)	2,776,819	26,087	-	105,803	2,908,709
Other receivables (net of allowance)	268,899	345,305	21,334	601,723	1,237,261
Due from other funds	171,055	168,607	89	439,532	779,283
Due from other governments	1,151,966	144,125	-	2,272,976	3,569,067
Inventories	16,095	12,971	-	45,458	74,524
Total Assets	\$ 4,670,287	\$ 1,792,040	\$ 2,629,730	\$ 6,689,174	\$ 15,781,231
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 898,717	\$ 111,856	\$ -	\$ 337,199	\$ 1,347,772
Contracts and retainages payable	42,782	3,842	2,023	115,890	164,537
Accrued liabilities	161,973	155,254	41,932	85,645	444,804
Obligations under security lending agreements	-	-	97,282	29,310	126,592
Obligations under reverse repurchase agreements	101,088	8,841	1,229	78,683	189,841
Due to other funds	263,794	101,652	2,165	432,812	800,423
Due to other governments	595,197	644	-	176,501	772,342
Deferred revenues	1,423,927	204,500	6,893	715,091	2,350,411
Claims and judgments payable	20,859	-	-	14,787	35,646
Total Liabilities	3,508,337	586,589	151,524	1,985,918	6,232,368
Fund Balances:					
Reserved for:					
Encumbrances	52	2,419	-	213,857	216,328
Inventories	15,614	12,971	-	41,271	69,856
Permanent funds	-	-	2,478,206	176,442	2,654,648
Other specific purposes	59,263	220,151	-	1,848,085	2,127,499
Unreserved, designated for, reported in:					
Working capital	897,763	-	-	-	897,763
Higher education	-	155,679	-	-	155,679
Special revenue funds	-	-	-	165	165
Debt service funds	-	-	-	267,470	267,470
Unreserved, undesignated	189,258	814,231	-	-	1,003,489
Unreserved, undesignated reported in:					
Special revenue funds	-	-	-	1,848,410	1,848,410
Capital project funds	-	-	-	307,556	307,556
Total Fund Balances	1,161,950	1,205,451	2,478,206	4,703,256	9,548,863
Total Liabilities and Fund Balances	\$ 4,670,287	\$ 1,792,040	\$ 2,629,730	\$ 6,689,174	\$ 15,781,231

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

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

June 30, 2009
(expressed in thousands)

Total Fund Balances for Governmental Funds \$ 9,548,863

Amounts reported for governmental activities in the Statement of Net Assets 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	\$ 20,614,820	
Depreciable assets	14,449,903	
Less: Accumulated depreciation	<u>(5,960,475)</u>	
Total capital assets		29,104,248

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 deferred in the funds. 2,079,407

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. 14,800

Unmatured interest on general obligation bonds is not recognized in the funds until due. (305,951)

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 Assets. (187,678)

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	\$ (14,863,287)	
Accreted interest on bonds	(327,617)	
Compensated absences	(518,968)	
Other postemployment obligations	(443,655)	
Unfunded pension obligations	(154,130)	
Pollution remediation obligations	(35,005)	
Claims and judgments	(33,607)	
Other obligations	<u>(22,287)</u>	
Total long-term liabilities		<u>(16,398,556)</u>

Net Assets of Governmental Activities \$ 23,855,133

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, 2009
(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
REVENUES					
Retail sales and use taxes	\$ 7,233,911	\$ -	\$ -	\$ 71,930	\$ 7,305,841
Business and occupation taxes	2,530,373	-	-	84,007	2,614,380
Property taxes	1,528,814	-	-	256,250	1,785,064
Excise taxes	433,005	-	-	53,605	486,610
Motor vehicle and fuel taxes	-	-	-	1,183,360	1,183,360
Other taxes	1,064,683	221,913	-	706,421	1,993,017
Licenses, permits, and fees	95,089	621	-	803,148	898,858
Timber sales	1,287	-	22,002	145,146	168,435
Other contracts and grants	170,381	644,610	-	17,317	832,308
Federal grants-in-aid	8,311,279	1,138,469	-	1,097,864	10,547,612
Charges for services	54,993	1,615,277	-	557,969	2,228,239
Investment income (loss)	64,091	69,029	(473,941)	129,007	(211,814)
Miscellaneous revenue	74,916	274,074	2,293	483,203	834,486
Escheated property	24,656	-	-	-	24,656
Contributions and donations	-	-	56,983	-	56,983
Total Revenues	21,587,478	3,963,993	(392,663)	5,589,227	30,748,035
EXPENDITURES					
Current:					
General government	726,235	-	-	650,987	1,377,222
Human services	11,912,451	-	-	1,241,506	13,153,957
Natural resources and recreation	340,037	-	-	659,283	999,320
Transportation	37,048	732	-	1,809,555	1,847,335
Education	9,043,821	3,794,310	177	987,240	13,825,548
Intergovernmental	31,683	-	-	351,735	383,418
Capital outlays	69,448	146,102	24,010	2,206,404	2,445,964
Debt service:					
Principal	18,008	16,889	-	609,875	644,772
Interest	567	3,908	-	665,492	669,967
Total Expenditures	22,179,298	3,961,941	24,187	9,182,077	35,347,503
Excess of Revenues					
Over (Under) Expenditures	(591,820)	2,052	(416,850)	(3,592,850)	(4,599,468)
OTHER FINANCING SOURCES (USES)					
Bonds issued	-	-	-	1,702,700	1,702,700
Other debt issued	27,021	19,546	-	2,702	49,269
Bond issue premiums	-	-	-	78,379	78,379
Capital lease acquisitions	-	33	-	-	33
Transfers in	951,523	410,027	9,450	2,753,771	4,124,771
Transfers (out)	(1,143,562)	(777,908)	(125,428)	(2,293,436)	(4,340,334)
Total Other Financing Sources (Uses)	(165,018)	(348,302)	(115,978)	2,244,116	1,614,818
Net Change in Fund Balances	(756,838)	(346,250)	(532,828)	(1,348,734)	(2,984,650)
Fund Balances - Beginning, as restated	1,918,788	1,551,701	3,011,034	6,051,990	12,533,513
Fund Balances - Ending	\$ 1,161,950	\$ 1,205,451	\$ 2,478,206	\$ 4,703,256	\$ 9,548,863

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, 2009

(expressed in thousands)

Net Change in Fund Balances - Total Governmental Funds **\$ (2,984,650)**

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	\$ 2,362,813	
Less: Depreciation expense	<u>(487,942)</u>	1,874,871

Some revenues in the Statement of Activities do not provide current financial resources, and therefore, are deferred 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.

773,587

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

14,800

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

(349,372)

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 assets. In the current period, these amounts consist of:

Bonds and other financing contracts issued	\$ (1,918,735)	
Principal payments on bonds and other financing contracts	743,155	
Accrued interest on bonds	<u>(32,561)</u>	(1,208,141)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not recognized in governmental funds. Also, some 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:

Unfunded pension obligations	\$ (40,714)	
Compensated absences	(21,410)	
Claims and judgments	(5,327)	
Other postemployment obligations	(222,279)	
Pollution remediation	(9,219)	
Accrued interest	(25,341)	
Other obligations	<u>(33,200)</u>	(357,490)

Change in Net Assets of Governmental Activities **\$ (2,236,395)**

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

Statement of Fund Net Assets
PROPRIETARY FUNDS

June 30, 2009

(expressed in thousands)

	Business-Type Activities Enterprise Funds				Governmental Activities	
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS						
Current Assets:						
Cash and pooled investments	\$ 70,716	\$ 3,399,541	\$ 856,687	\$ 306,754	\$ 4,633,698	\$ 336,817
Investments	1,806,130	-	3,483	414,543	2,224,156	7,123
Taxes receivable (net of allowance)	-	-	-	5,456	5,456	-
Other receivables (net of allowance)	623,438	349,771	139,531	32,304	1,145,044	17,097
Due from other funds	3,685	5,418	53,393	40,969	103,465	196,293
Due from other governments	1,006	61,123	54,108	3,741	119,978	8,107
Inventories	142	-	40,264	49,785	90,191	18,174
Prepaid expenses	38	-	33,013	366	33,417	5,580
Total Current Assets	2,505,155	3,815,853	1,180,479	853,918	8,355,405	589,191
Noncurrent Assets:						
Investments, noncurrent	10,886,324	-	220,756	1,349,341	12,456,421	67,367
Other noncurrent assets	121,105	-	60,759	189,898	371,762	79
Capital assets:						
Land and other non-depreciable assets	3,240	-	60,069	79,073	142,382	3,836
Buildings	62,705	-	1,756,809	407,397	2,226,911	149,040
Other improvements	1,662	-	69,369	20,259	91,290	18,242
Furnishings, equipment, and collections	71,113	-	367,566	68,577	507,256	754,262
Infrastructure	-	-	34,995	-	34,995	478
Accumulated depreciation	(75,875)	-	(824,816)	(156,678)	(1,057,369)	(496,873)
Construction in progress	500	-	108,276	44,690	153,466	24,703
Total Noncurrent Assets	11,070,774	-	1,853,783	2,002,557	14,927,114	521,134
Total Assets	13,575,929	3,815,853	3,034,262	2,856,475	23,282,519	1,110,325
LIABILITIES						
Current Liabilities:						
Accounts payable	6,696	-	82,637	44,293	133,626	48,562
Contracts and retainages payable	7,251	-	15,569	67,164	89,984	20,652
Accrued liabilities	141,647	4,244	119,040	134,964	399,895	28,964
Obligations under security lending agreements	1,806,130	-	-	359,320	2,165,450	-
Obligations under reverse repurchase agreement	2,042	-	-	132	2,174	4,402
Bonds and notes payable	3,820	-	46,319	68,720	118,859	25,621
Due to other funds	6,628	924	79,087	87,040	173,679	103,547
Due to other governments	-	10,964	178	3,700	14,842	17
Unearned revenues	9,450	-	35,388	110	44,948	1,182
Claims and judgments payable	2,052,244	-	-	4,091	2,056,335	191,235
Total Current Liabilities	4,035,908	16,132	378,218	769,534	5,199,792	424,182
Noncurrent Liabilities:						
Claims and judgments payable	20,111,824	-	-	7,188	20,119,012	664,054
Bonds and notes payable	22,110	-	1,087,711	272,473	1,382,294	183,808
Other long-term liabilities	23,313	-	71,318	1,702,339	1,796,970	25,959
Total Noncurrent Liabilities	20,157,247	-	1,159,029	1,982,000	23,298,276	873,821
Total Liabilities	24,193,155	16,132	1,537,247	2,751,534	28,498,068	1,298,003
NET ASSETS						
Invested in capital assets, net of related debt	37,415	-	517,237	166,999	721,651	259,726
Restricted for:						
Unemployment compensation	-	3,799,721	-	-	3,799,721	-
Unrestricted	(10,654,641)	-	979,778	(62,058)	(9,736,921)	(447,404)
Total Net Assets (Deficit)	\$ (10,617,226)	\$ 3,799,721	\$ 1,497,015	\$ 104,941	\$ (5,215,549)	\$ (187,678)

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

Statement of Revenues, Expenses, and Changes in Fund Net Assets
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2009
(expressed in thousands)

	Business-Type Activities Enterprise Funds				Governmental Activities	
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES						
Sales	\$ -	\$ -	\$ 122,825	\$ 622,640	\$ 745,465	\$ 113,132
Less: Cost of goods sold	-	-	85,350	423,782	509,132	98,758
Gross profit	-	-	37,475	198,858	236,333	14,374
Charges for services	12	-	1,329,444	72,637	1,402,093	678,785
Premiums and assessments	1,824,276	934,690	-	-	2,758,966	1,019,131
Federal aid for unemployment insurance benefits	-	561,106	-	-	561,106	-
Lottery ticket proceeds	-	-	-	487,715	487,715	-
Miscellaneous revenue	31,667	75,981	110,852	5,958	224,458	45,572
Total Operating Revenues	1,855,955	1,571,777	1,477,771	765,168	5,670,671	1,757,862
OPERATING EXPENSES						
Salaries and wages	134,295	-	577,090	96,669	808,054	298,406
Employee benefits	45,400	-	124,271	37,831	207,502	82,132
Personal services	6,450	-	13,168	22,772	42,390	19,915
Goods and services	73,594	-	532,242	140,643	746,479	332,272
Travel	3,314	-	19,084	2,438	24,836	3,720
Premiums and claims	2,180,780	2,360,343	-	-	4,541,123	1,325,814
Lottery prize payments	-	-	-	301,280	301,280	-
Depreciation and amortization	10,003	-	76,963	13,785	100,751	71,246
Guaranteed education tuition expense	-	-	-	215,222	215,222	-
Miscellaneous expenses	88,441	-	15,526	254	104,221	1,000
Total Operating Expenses	2,542,277	2,360,343	1,358,344	830,894	7,091,858	2,134,505
Operating Income (Loss)	(686,322)	(788,566)	119,427	(65,726)	(1,421,187)	(376,643)
NONOPERATING REVENUES (EXPENSES)						
Earnings (loss) on investments	233,313	181,907	2,481	(126,644)	291,057	7,095
Interest expense	(1,467)	-	(57,872)	(37,632)	(96,971)	(8,263)
Distributions to other governments	-	-	-	(39,828)	(39,828)	-
Tax revenue	-	-	-	112,732	112,732	-
Other revenue (expenses)	7,477	-	(4,271)	28,964	32,170	(105)
Total Nonoperating Revenues (Expenses)	239,323	181,907	(59,662)	(62,408)	299,160	(1,273)
Income (Loss) Before Contributions and Transfers	(446,999)	(606,659)	59,765	(128,134)	(1,122,027)	(377,916)
Capital contributions	-	-	-	-	-	3,397
Transfers in	9,161	-	468,890	17,968	496,019	175,894
Transfers (out)	(13,991)	-	(15,159)	(276,454)	(305,604)	(150,746)
Net Contributions and Transfers	(4,830)	-	453,731	(258,486)	190,415	28,545
Change in Net Assets	(451,829)	(606,659)	513,496	(386,620)	(931,612)	(349,371)
Net Assets (Deficit) - Beginning, as restated	(10,165,397)	4,406,380	983,519	491,561	(4,283,937)	161,693
Net Assets (Deficit) - Ending	\$ (10,617,226)	\$ 3,799,721	\$ 1,497,015	\$ 104,941	\$ (5,215,549)	\$ (187,678)

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

Statement of Cash Flows
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2009
(expressed in thousands)

	Business-Type Activities			
	Enterprise Funds			
	Workers'	Unemployment	Higher Education Student Services	Nonmajor Enterprise Funds
	Compensation	Compensation		
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 1,727,247	\$ 956,027	\$ 1,417,552	\$ 1,381,377
Payments to suppliers	(1,892,431)	(2,360,238)	(627,994)	(964,998)
Payments to employees	(175,324)	-	(684,016)	(129,043)
Other receipts (payments)	31,667	601,964	110,853	5,958
Net Cash Provided (Used) by Operating Activities	(308,841)	(802,247)	216,395	293,294
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	9,161	-	468,890	17,968
Transfers out	(13,991)	-	(15,159)	(276,454)
Operating grants and donations received	7,312	-	3,583	13
Taxes and license fees collected	95	-	-	141,457
Distributions to other governments	-	-	-	(39,828)
Other noncapital financing sources (uses)	-	-	-	11,642
Net Cash Provided (Used) by Noncapital Financing Activities	2,577	-	457,314	(145,202)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest paid	(1,537)	-	(56,331)	(13,551)
Principal payments on long-term capital financing	(3,625)	-	(362,316)	(21,716)
Proceeds from long-term capital financing	-	-	412,785	38,189
Proceeds from sale of capital assets	40	-	74,356	58
Acquisitions of capital assets	(6,031)	-	(327,806)	(19,147)
Net Cash Provided (Used) by Capital and Related Financing Activities	(11,153)	-	(259,312)	(16,167)
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipt of interest	501,224	181,907	9,463	17,335
Proceeds from sale of investment securities	3,754,505	-	62,157	414,139
Purchases of investment securities	(3,897,312)	-	(113,417)	(550,861)
Net Cash Provided (Used) by Investing Activities	358,417	181,907	(41,797)	(119,387)
Net Increase (Decrease) in Cash and Pooled Investments	41,000	(620,340)	372,600	12,538
Cash and Pooled Investments, July 1	29,716	4,019,881	484,087	294,216
Cash and Pooled Investments, June 30	\$ 70,716	\$ 3,399,541	\$ 856,687	\$ 306,754
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (686,322)	\$ (788,566)	\$ 119,427	\$ (65,726)
Adjustments to Reconcile Operating Income				
(Loss) to Net Cash Provided by Operations:				
Depreciation	10,003	-	76,963	13,785
Change in Assets: Decrease (Increase)				
Receivables (net of allowance)	(2,034)	(13,786)	(34,013)	(33,824)
Inventories	(1)	-	(735)	(15,946)
Prepaid expenses	(30)	-	(18,809)	(16)
Change in Liabilities: Increase (Decrease)				
Payables	369,543	105	73,562	395,021
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	\$ (308,841)	\$ (802,247)	\$ 216,395	\$ 293,294

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

Continued

Governmental Activities	
Total	Internal Service Funds
\$ 5,482,203	\$ 1,792,493
(5,845,661)	(1,713,020)
(988,383)	(380,581)
750,442	45,540
<u>(601,399)</u>	<u>(255,568)</u>
496,019	175,894
(305,604)	(150,746)
10,908	1,041
141,552	-
(39,828)	-
11,642	(2)
<u>314,689</u>	<u>26,187</u>
(71,419)	(8,319)
(387,657)	(33,233)
450,974	42,429
74,454	3,295
<u>(352,984)</u>	<u>(54,738)</u>
<u>(286,632)</u>	<u>(50,566)</u>
709,929	9,494
4,230,801	46,793
<u>(4,561,590)</u>	<u>(59,776)</u>
<u>379,140</u>	<u>(3,489)</u>
(194,202)	(283,436)
4,827,900	620,253
<u>\$ 4,633,698</u>	<u>\$ 336,817</u>
\$ (1,421,187)	\$ (376,643)
100,751	71,246
(83,657)	(15,535)
(16,682)	1,792
(18,855)	(1,132)
838,231	64,704
<u>\$ (601,399)</u>	<u>\$ (255,568)</u>

Statement of Cash Flows
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2009
(expressed in thousands)

	Business-Type Activities Enterprise Funds			
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Contributions of capital assets	\$ -	\$ -	\$ -	\$ -
Amortization of annuity prize liability	-	-	-	20,000
Increase (decrease) in fair value of investments	268,780	-	14,357	(114,819)
Amortization of debt premium (issue costs/discount)	-	-	385	-
Accretion of interest on zero coupon bonds	-	-	-	(3,832)
Increase in ownership of joint venture	-	-	7,755	-

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

Concluded

<u>Governmental Activities</u>	
<u>Total</u>	<u>Internal Service Funds</u>
\$ -	\$ 3,397
20,000	-
168,318	314
385	-
(3,832)	-
<u>7,755</u>	<u>-</u>

Statement of Fiduciary Net Assets
FIDUCIARY FUNDS
June 30, 2009
(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	\$ 7,508	\$ 1,714,511	\$ 105,243	\$ 217,699
Investments	-	5,465,771	-	-
Receivables, pension and other employee benefit plans:				
Employers	-	-	146,734	-
Members (net of allowance)	-	-	2,824	-
Interest and dividends	-	-	134,048	-
Investment trades pending	-	-	897,888	-
Due from other pension and other employee benefit funds	-	-	7,012	-
Other receivables, all other funds	-	5,430	-	8,995
Due from other funds	-	-	268	78
Due from other governments	-	-	-	17,097
Total Current Assets	7,508	7,185,712	1,294,017	243,869
Noncurrent Assets:				
Investments, noncurrent, pension and other employee benefit plans:				
Public equity	-	-	20,441,834	-
Fixed income	-	-	10,889,256	-
Private equity	-	-	10,432,183	-
Real estate	-	-	7,837,564	-
Security lending	-	-	2,913,893	-
Liquidity	-	-	1,648,920	-
Tangible asset	-	-	528,520	-
Reverse repurchase agreements	-	-	5,082	-
Investments, noncurrent, all other funds	14,441	1,040,203	-	21,239
Other noncurrent assets	-	-	-	35,105
Capital assets:				
Furnishings, equipment, and collections	85	-	-	-
Accumulated depreciation	(81)	-	-	-
Total Noncurrent Assets	14,445	1,040,203	54,697,252	56,344
Total Assets	21,953	8,225,915	55,991,269	\$ 300,213
LIABILITIES				
Accounts payable	129	-	-	\$ 9,740
Contracts and retainages payable	-	-	-	34,057
Accrued liabilities	123	58	1,013,322	49,253
Obligations under security lending agreements	-	-	2,913,894	-
Obligations under reverse repurchase agreements	-	199,675	5,082	9,888
Due to other funds	-	-	1,706	32
Due to other pension and other employee benefit funds	-	-	7,012	-
Due to other governments	-	-	-	162,139
Unearned revenues	-	-	764	-
Other long-term liabilities	-	-	-	35,104
Total Liabilities	252	199,733	3,941,780	\$ 300,213
NET ASSETS				
Net assets held in trust for:				
Pension benefits	-	-	49,881,350	
Deferred compensation participants	-	-	2,168,139	
Local government pool participants	-	8,026,182	-	
Individuals, organizations & other governments	21,701	-	-	
Total Net Assets	\$ 21,701	\$ 8,026,182	\$ 52,049,489	

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

Statement of Changes in Fiduciary Net Assets

FIDUCIARY FUNDS

For the Fiscal Year Ended June 30, 2009

(expressed in thousands)

	Private- Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans
ADDITIONS			
Contributions:			
Employers	\$ -	\$ -	\$ 1,268,248
Members	-	-	1,046,012
State	-	-	66,564
Participants	-	16,847,861	184,544
Total Contributions	-	16,847,861	2,565,368
Investment Income:			
Net appreciation (depreciation) in fair value	-	-	(15,700,399)
Interest and dividends	-	108,671	1,122,447
Less: Investment expenses	-	-	(320,815)
Net Investment Income (loss)	-	108,671	(14,898,767)
Other Additions:			
Escheated property	64,626	-	-
Transfers from other pension plans	-	-	8,590
Other contracts, grants and miscellaneous	-	3	703
Total Other Additions	64,626	3	9,293
Total Additions	64,626	16,956,535	(12,324,106)
DEDUCTIONS			
Pension benefits	-	-	2,620,593
Pension refunds	-	-	203,610
Transfers to other pension plans	-	-	8,590
Administrative expenses	2,649	1,066	2,071
Distributions to participants	-	15,547,618	106,645
Payments to or on behalf of individuals, organizations and other governments in accordance with trust agreements	72,119	-	-
Total Deductions	74,768	15,548,684	2,941,509
Net Increase (Decrease)	(10,142)	1,407,851	(15,265,615)
Net Assets - Beginning, as restated	31,843	6,618,331	67,315,104
Net Assets - Ending	\$ 21,701	\$ 8,026,182	\$ 52,049,489

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

Statement of Fund Net Assets
COMPONENT UNITS

June 30, 2009
(expressed in thousands)

	Public Stadium	Nonmajor Component Units	Total
ASSETS			
Current Assets:			
Cash and pooled investments	\$ 6,946	\$ 19,735	\$ 26,681
Investments	3,712	38,317	42,029
Other receivables (net of allowance)	434	866	1,300
Prepaid expenses	23	148	171
Total Current Assets	11,115	59,066	70,181
Noncurrent Assets:			
Investments, noncurrent	20,316	665	20,981
Other noncurrent assets	-	58,596	58,596
Capital assets:			
Land	34,677	-	34,677
Buildings	459,973	-	459,973
Furnishings and equipment	23,113	1,590	24,703
Accumulated depreciation	(129,799)	(1,151)	(130,950)
Construction in progress	12	-	12
Total Noncurrent Assets	408,292	59,700	467,992
Total Assets	419,407	118,766	538,173
LIABILITIES			
Current Liabilities:			
Accounts payable	127	34,908	35,035
Contracts and retainages payable	3,042	-	3,042
Accrued liabilities	3,763	72	3,835
Unearned revenues	82	1,400	1,482
Total Current Liabilities	7,014	36,380	43,394
Noncurrent Liabilities:			
Other long-term liabilities	30,326	-	30,326
Total Noncurrent Liabilities	30,326	-	30,326
Total Liabilities	37,340	36,380	73,720
NET ASSETS			
Invested in capital assets, net of related debt	353,390	439	353,829
Restricted for deferred sales tax	22,637	-	22,637
Restricted for other purposes	-	500	500
Unrestricted	6,040	81,447	87,487
Total Net Assets (Deficit)	\$ 382,067	\$ 82,386	\$ 464,453

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

Statement of Revenues, Expenses, and Changes in Fund Net Assets
COMPONENT UNITS

For the Fiscal Year Ended June 30, 2009
(expressed in thousands)

	Public Stadium	Nonmajor Component Units	Total
OPERATING REVENUES			
Charges for services	\$ 1,016	\$ 13,487	\$ 14,503
Total Operating Revenues	1,016	13,487	14,503
OPERATING EXPENSES			
Salaries and wages	394	4,880	5,274
Employee benefits	71	1,327	1,398
Personal services	154	1,326	1,480
Goods and services	307	2,182	2,489
Travel	3	37	40
Depreciation and amortization	16,313	117	16,430
Miscellaneous expenses	-	351	351
Total Operating Expenses	17,242	10,220	27,462
Operating Income (Loss)	(16,226)	3,267	(12,959)
NONOPERATING REVENUES (EXPENSES)			
Earnings (loss) on investments	3,276	2,329	5,605
Operating grants and contributions	-	1,146	1,146
Distributions of operating grants	-	(1,146)	(1,146)
Total Nonoperating Revenues (Expenses)	3,276	2,329	5,605
Income (Loss) Before Contributions and Transfers	(12,950)	5,596	(7,354)
Capital grants and contributions	726	-	726
Total Contributions and Transfers	726	-	726
Change in Net Assets	(12,224)	5,596	(6,628)
Net Assets - Beginning, as restated	394,291	76,790	471,081
Net Assets - Ending	\$ 382,067	\$ 82,386	\$ 464,453

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

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