

## 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.

### **Guaranteed Education Tuition Program Fund**

The Guaranteed Education Tuition Program Fund accounts for the guaranteed college tuition program.

### **Paid Family and Medical Leave Compensation Fund**

The Paid Family and Medical Leave Compensation Fund accounts for the family and medical leave insurance program.

### **Other Activities Fund**

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, 2018  
*(expressed in thousands)*

	Lottery	Institutional	Guaranteed Education Tuition Program
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 21,449	\$ 5,177	\$ 91,915
Investments	15,033	—	947,929
Taxes receivable (net of allowance)	—	—	—
Receivables (net of allowance)	26,625	1,207	31,009
Due from other funds	333	7,731	58
Due from other governments	35	444	—
Inventories	450	8,796	—
Prepaid expenses	33	153	—
<b>Total Current Assets</b>	<b>63,958</b>	<b>23,508</b>	<b>1,070,911</b>
<b>Noncurrent Assets:</b>			
Investments, noncurrent	120,548	—	1,166,472
Other noncurrent assets	5	—	104,521
Capital assets:			
Land and other non-depreciable assets	—	1,540	—
Buildings	—	12,828	—
Other improvements	889	4,803	—
Furnishings, equipment, and intangibles	1,484	21,817	17
Accumulated depreciation	(1,597)	(15,743)	(12)
Construction in progress	—	—	—
<b>Total Noncurrent Assets</b>	<b>121,329</b>	<b>25,245</b>	<b>1,270,998</b>
<b>Total Assets</b>	<b>185,287</b>	<b>48,753</b>	<b>2,341,909</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows on refundings	—	71	—
Deferred outflows on pensions	1,321	4,335	366
Deferred outflows on OPEB	96	725	109
<b>Total Deferred Outflows of Resources</b>	<b>1,417</b>	<b>5,131</b>	<b>475</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 186,704</b>	<b>\$ 53,884</b>	<b>\$ 2,342,384</b>

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Continued

Paid Family Medical Leave Compensation	Other Activities	Total
\$ 75,830	\$ 64,419	\$ 258,790
—	—	962,962
	40	40
2	482	59,325
93	3,975	12,190
—	5,072	5,551
—	119	9,365
—	27	213
<u>75,925</u>	<u>74,134</u>	<u>1,308,436</u>
—	—	1,287,020
—	—	104,526
—	—	1,540
—	—	12,828
—	82	5,774
1,028	8,667	33,013
(87)	(6,819)	(24,258)
<u>4,901</u>	<u>3,265</u>	<u>8,166</u>
<u>5,842</u>	<u>5,195</u>	<u>1,428,609</u>
<u>81,767</u>	<u>79,329</u>	<u>2,737,045</u>
—	—	71
—	6,697	12,719
—	1,327	2,257
—	8,024	15,047
<u>\$ 81,767</u>	<u>\$ 87,353</u>	<u>\$ 2,752,092</u>

NONMAJOR ENTERPRISE FUNDS  
**Combining Statement of Net Position**  
 June 30, 2018  
*(expressed in thousands)*

	Lottery	Institutional	Guaranteed Education Tuition Program
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 4,265	\$ 3,141	\$ 334
Accrued liabilities	49,569	3,057	176,053
Obligations under security lending agreements	—	—	22,427
Bonds and notes payable	—	435	—
Total OPEB liability	96	262	23
Due to other funds	19,804	1,204	198
Due to other governments	—	421	—
Unearned revenue	479	1	—
Claims and judgments payable	—	—	—
<b>Total Current Liabilities</b>	<b>74,213</b>	<b>8,521</b>	<b>199,035</b>
<b>Noncurrent Liabilities:</b>			
Claims and judgments payable	—	—	—
Bonds and notes payable	—	3,761	—
Net pension liability	5,744	14,349	1,364
Total OPEB Liability	5,965	16,285	1,460
Other long-term liabilities	114,263	2,507	1,534,231
<b>Total Noncurrent Liabilities</b>	<b>125,972</b>	<b>36,902</b>	<b>1,537,055</b>
<b>Total Liabilities</b>	<b>200,185</b>	<b>45,423</b>	<b>1,736,090</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows on pensions	965	2,050	206
Deferred inflows on OPEB	971	2,278	204
<b>Total Deferred Inflows of Resources</b>	<b>1,936</b>	<b>4,328</b>	<b>410</b>
<b>NET POSITION</b>			
Net investment in capital assets	777	21,121	4
Unrestricted	(16,194)	(16,988)	605,880
<b>Total Net Position</b>	<b>(15,417)</b>	<b>4,133</b>	<b>605,884</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 186,704</b>	<b>\$ 53,884</b>	<b>\$ 2,342,384</b>

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			Concluded
Paid Family Medical Leave Compensation	Other Activities	Total	
\$ 3,905	\$ 2,268	\$	13,913
779	12,449		241,907
—	—		22,427
184	1,785		2,404
—	369		750
83,367	622		105,195
—	2,540		2,961
—	—		480
—	4,862		4,862
88,235	24,895		394,899
—	12,130		12,130
—	—		3,761
—	25,200		46,657
—	22,976		46,686
—	2,561		1,653,562
—	62,867		1,762,796
88,235	87,762		2,157,695
—	3,949		7,170
—	3,246		6,699
—	7,195		13,869
5,659	3,410		30,971
(12,127)	(11,014)		549,557
(6,468)	(7,604)		580,528
\$ 81,767	\$ 87,353	\$	2,752,092

NONMAJOR ENTERPRISE FUNDS  
**Combining Statement of Revenues, Expenses,  
 and Changes in Net Position**  
 For the Fiscal Year Ended June 30, 2018  
*(expressed in thousands)*

	Lottery	Institutional	Guaranteed Education Tuition Program
<b>OPERATING REVENUES</b>			
Sales	\$ —	\$ 94,940	\$ —
Less: Cost of goods sold	—	(61,841)	—
Gross profit	—	33,099	—
Charges for services	2,770	2,098	83,948
Premiums and assessments	—	—	—
Lottery ticket proceeds	733,938	—	—
Miscellaneous revenue	109	2	57
<b>Total Operating Revenues</b>	<b>736,817</b>	<b>35,199</b>	<b>84,005</b>
<b>OPERATING EXPENSES</b>			
Salaries and wages	8,145	22,868	3,508
Employee benefits	2,822	10,774	779
Personal services	9,780	—	1,260
Goods and services	72,825	718	802
Travel	421	490	48
Guaranteed education tuition program expense	—	—	167,252
Lottery prize payments	457,904	—	—
Depreciation and amortization	163	1,783	3
Miscellaneous expenses	45	35	—
<b>Total Operating Expenses</b>	<b>552,105</b>	<b>36,668</b>	<b>173,652</b>
<b>Operating Income (Loss)</b>	<b>184,712</b>	<b>(1,469)</b>	<b>(89,647)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Earnings (loss) on investments	(1,156)	—	133,764
Interest expense	(5,083)	(133)	—
Tax and license revenue	11	—	—
Other revenues (expenses)	—	(147)	—
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(6,228)</b>	<b>(280)</b>	<b>133,764</b>
<b>Income (Loss) Before Transfers</b>	<b>178,484</b>	<b>(1,749)</b>	<b>44,117</b>
Transfers in	13,717	—	—
Transfers out	(196,688)	(1,000)	—
<b>Net Transfers</b>	<b>(182,971)</b>	<b>(1,000)</b>	<b>—</b>
<b>Change in Net Position</b>	<b>(4,487)</b>	<b>(2,749)</b>	<b>44,117</b>
<b>Net Position - Beginning, as restated</b>	<b>(10,930)</b>	<b>6,882</b>	<b>561,767</b>
<b>Net Position - Ending</b>	<b>\$ (15,417)</b>	<b>\$ 4,133</b>	<b>\$ 605,884</b>

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Paid Family Medical Leave Compensation	Other Activities	Total
\$ —	\$ 213	\$ 95,153
—	(106)	(61,947)
—	107	33,206
—	33,116	121,932
—	11,427	11,427
—	—	733,938
—	4,100	4,268
—	48,750	904,771
1,791	37,685	73,997
630	13,980	28,985
96	6,926	18,062
4,343	21,262	99,950
20	1,440	2,419
—	—	167,252
—	—	457,904
87	792	2,828
—	288	368
6,967	82,373	851,765
(6,967)	(33,623)	53,006
101	78	132,787
—	—	(5,216)
—	22,444	22,455
—	439	292
101	22,961	150,318
(6,866)	(10,662)	203,324
398	—	14,115
—	(6,024)	(203,712)
398	(6,024)	(189,597)
(6,468)	(16,686)	13,727
—	9,082	566,801
\$ (6,468)	\$ (7,604)	\$ 580,528

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NONMAJOR ENTERPRISE FUNDS  
**Combining Statement of Cash Flows**

For the Fiscal Year Ended June 30, 2018

(expressed in thousands)

	Lottery	Institutional	Guaranteed Education Tuition Program
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 739,074	\$ 103,752	\$ 88,906
Payments to suppliers	(547,504)	(70,341)	(202,457)
Payments to employees	(11,364)	(32,320)	(4,190)
Other receipts	107	2	56
Net Cash Provided (Used) by Operating Activities	180,313	1,093	(117,685)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	13,717	—	—
Transfers out	(196,688)	(1,000)	—
Operating grants and donations received	—	—	—
Taxes and license fees collected	10	—	—
Net Cash Provided (Used) by Noncapital Financing Activities	(182,961)	(1,000)	—
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Interest paid	—	(200)	—
Principal payments on long-term capital financing	—	(415)	—
Proceeds from sale of capital assets	—	3,181	—
Acquisitions of capital assets	(8)	(3,236)	—
Net Cash Provided (Used) by Capital and Related Financing Activities	(8)	(670)	—
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Receipt of interest	—	—	278,962
Proceeds from sale of investment securities	14,948	—	2,421,473
Purchases of investment securities	(14,361)	—	(2,492,989)
Net Cash Provided (Used) by Investing Activities	587	—	207,446
Net Increase (Decrease) in Cash and Pooled Investments	(2,069)	(577)	89,761
Cash and cash equivalents, July 1	23,518	5,754	2,154
Cash and cash equivalents, June 30	\$ 21,449	\$ 5,177	\$ 91,915
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 184,712	\$ (1,469)	\$ (89,647)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:</b>			
Depreciation	163	1,783	3
Revenue reduced for uncollectible accounts	39	—	—
<b>Change in Assets: Decrease (Increase)</b>			
Receivables	1,887	6,713	4,958
Inventories	25	(1,261)	—
Prepaid expenses	21	(22)	—
<b>Change in Deferred Outflows of Resources: Increase (Decrease)</b>			
	576	87	(42)
<b>Change in Liabilities: Increase (Decrease)</b>			
Payables	(8,805)	(9,282)	(33,369)
<b>Change in Deferred Inflows of Resources: Decrease (Increase)</b>			
	1,695	4,544	412
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	\$ 180,313	\$ 1,093	\$ (117,685)
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
Amortization of annuity prize liability	\$ 5,083	\$ —	\$ —
Increase (decrease) in fair value of investments	(1,156)	—	(144,613)
Amortization of debt premium/discount	—	67	—

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Paid Family and Medical Leave Compensation	Other Activities	Total
\$ —	\$ 44,143	\$ 975,875
(1,949)	(34,208)	(856,459)
(1,867)	(50,706)	(100,447)
—	4,082	4,247
<u>(3,816)</u>	<u>(36,689)</u>	<u>23,216</u>
398	—	14,115
—	(6,024)	(203,712)
82,000	458	82,458
—	22,403	22,413
<u>82,398</u>	<u>16,837</u>	<u>(84,726)</u>
—	—	(200)
—	—	(415)
—	50	3,231
<u>(3,331)</u>	<u>(1,703)</u>	<u>(8,278)</u>
<u>(3,331)</u>	<u>(1,653)</u>	<u>(5,662)</u>
579	78	279,619
—	—	2,436,421
—	—	(2,507,350)
<u>579</u>	<u>78</u>	<u>208,690</u>
75,830	(21,427)	141,518
—	85,846	117,272
<u>\$ 75,830</u>	<u>\$ 64,419</u>	<u>\$ 258,790</u>
\$ (6,967)	\$ (33,623)	\$ 53,006
87	792	2,828
—	—	39
(2)	(611)	12,945
—	4	(1,232)
—	(4)	(5)
—	(464)	157
3,066	(9,720)	(58,110)
—	6,937	13,588
<u>\$ (3,816)</u>	<u>\$ (36,689)</u>	<u>\$ 23,216</u>
\$ —	\$ —	\$ 5,083
—	—	(145,769)
<u>—</u>	<u>—</u>	<u>67</u>

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## 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 the distribution 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, 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, 2018  
 (expressed in thousands)

	General Services	Data Processing Revolving	Higher Education Revolving
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 53,936	\$ 10,166	\$ 184,308
Investments	—	—	4,241
Receivables (net of allowance)	3,596	682	54,189
Due from other funds	52,721	15,501	6,114
Due from other governments	21,656	259	3,972
Inventories	7,125	—	8,382
Prepaid expenses	3,357	5,789	4,967
Restricted cash and investments	197,083	—	30
Restricted receivables	2,240	—	—
<b>Total Current Assets</b>	<b>341,714</b>	<b>32,397</b>	<b>266,203</b>
<b>Noncurrent Assets:</b>			
Investments, noncurrent	—	—	236,187
Capital assets:			
Land and other non-depreciable assets	3,321	—	2,834
Buildings	176,655	288,289	60,047
Other improvements	12,783	1,581	608
Furnishings, equipment, and intangibles	679,347	127,224	169,151
Infrastructure	2,035	—	135
Accumulated depreciation	(423,795)	(204,207)	(163,200)
Construction in progress	86,718	—	463
<b>Total Noncurrent Assets</b>	<b>537,064</b>	<b>212,887</b>	<b>306,225</b>
<b>Total Assets</b>	<b>878,778</b>	<b>245,284</b>	<b>572,428</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows on refundings	1,476	—	—
Deferred outflows on pensions	27,746	7,106	12,307
Deferred outflows on OPEB	2,176	380	821
<b>Total Deferred Outflows of Resources</b>	<b>31,398</b>	<b>7,486</b>	<b>13,128</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 910,176</b>	<b>\$ 252,770</b>	<b>\$ 585,556</b>

State of Washington

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Continued

Risk Management	Health Insurance	Total
\$ —	\$ 322,304	\$ 570,714
—	—	4,241
2	20,694	79,163
786	17,979	93,101
—	53,992	79,879
—	—	15,507
—	—	14,113
—	—	197,113
—	—	2,240
<u>788</u>	<u>414,969</u>	<u>1,056,071</u>
—	—	236,187
—	—	6,155
—	—	524,991
—	—	14,972
8	482	976,212
—	—	2,170
(8)	(296)	(791,506)
—	—	87,181
<u>—</u>	<u>186</u>	<u>1,056,362</u>
<u>788</u>	<u>415,155</u>	<u>2,112,433</u>
—	—	1,476
264	1,059	48,482
14	292	3,683
<u>278</u>	<u>1,351</u>	<u>53,641</u>
<u>\$ 1,066</u>	<u>\$ 416,506</u>	<u>\$ 2,166,074</u>

INTERNAL SERVICE FUNDS  
**Combining Statement of Net Position**

June 30, 2018

(expressed in thousands)

	General Services	Data Processing Revolving	Higher Education Revolving
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 9,227	\$ 7,738	\$ 8,984
Accrued liabilities	28,669	2,762	40,071
Bonds and notes payable	109,667	9,779	2,557
Net pension liability	—	—	981
Total OPEB liability	1,815	380	821
Due to other funds	6,438	1,215	19,303
Due to other governments	106,660	—	1
Unearned revenue	3,898	25	76
Claims and judgments payable	—	—	15,695
<b>Total Current Liabilities</b>	<b>266,374</b>	<b>21,899</b>	<b>88,489</b>
<b>Noncurrent Liabilities:</b>			
Claims and judgments payable	—	—	96,515
Bonds and notes payable	253,809	260,664	30,889
Net pension liability	117,018	32,969	96,748
Total OPEB Liability	112,893	23,615	51,044
Other long-term liabilities	15,494	4,332	5,518
<b>Total Noncurrent Liabilities</b>	<b>499,214</b>	<b>321,580</b>	<b>280,714</b>
<b>Total Liabilities</b>	<b>765,588</b>	<b>343,479</b>	<b>369,203</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows on refundings	133	—	—
Deferred inflows on pensions	16,763	5,301	23,073
Deferred inflows on OPEB	18,235	6,252	12,557
<b>Total Deferred Inflows of Resources</b>	<b>35,131</b>	<b>11,553</b>	<b>35,630</b>
<b>NET POSITION</b>			
Net investment in capital assets	246,310	(57,558)	36,593
Unrestricted	(136,853)	(44,704)	144,130
<b>Total Net Position</b>	<b>109,457</b>	<b>(102,262)</b>	<b>180,723</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 910,176</b>	<b>\$ 252,770</b>	<b>\$ 585,556</b>

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Concluded

Risk Management	Health Insurance	Total
\$ 166	\$ 7,025	\$ 33,140
70	3,183	74,755
—	—	122,003
—	—	981
14	79	3,109
30,417	18,436	75,809
—	—	106,661
142	492	4,633
72,194	92,379	180,268
103,003	121,594	601,359
542,718	—	639,233
—	—	545,362
1,003	3,914	251,652
884	4,928	193,364
103	459	25,906
544,708	9,301	1,655,517
647,711	130,895	2,256,876
—	—	133
18	95	45,250
163	693	37,900
181	788	83,283
—	186	225,531
(646,826)	284,637	(399,616)
(646,826)	284,823	(174,085)
\$ 1,066	\$ 416,506	\$ 2,166,074

INTERNAL SERVICE FUNDS  
**Combining Statement of Revenues, Expenses,  
and Changes in Net Position**

For the Fiscal Year Ended June 30, 2018  
*(expressed in thousands)*

	General Services	Data Processing Revolving	Higher Education Revolving
<b>OPERATING REVENUES</b>			
Sales	\$ 27,993	\$ —	\$ 13,407
Less: Cost of goods sold	(22,765)	—	(12,101)
Gross profit	5,228	—	1,306
Charges for services	313,796	155,921	249,490
Premiums and assessments	878	—	41,573
Miscellaneous revenue	147,233	18,846	10,779
<b>Total Operating Revenues</b>	<b>467,135</b>	<b>174,767</b>	<b>303,148</b>
<b>OPERATING EXPENSES</b>			
Salaries and wages	174,437	40,081	97,483
Employee benefits	65,860	10,864	42,531
Personal services	6,103	4,762	18,494
Goods and services	147,444	81,334	104,203
Travel	3,417	112	1,530
Premiums and claims	—	—	6,130
Depreciation and amortization	60,055	21,742	16,438
Miscellaneous expenses	742	—	27
<b>Total Operating Expenses</b>	<b>458,058</b>	<b>158,895</b>	<b>286,836</b>
<b>Operating Income (Loss)</b>	<b>9,077</b>	<b>15,872</b>	<b>16,312</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Earnings (loss) on investments	849	—	3,330
Interest expense	(6,746)	(14,830)	(948)
Tax and license revenue	15	—	—
Other revenues (expenses)	5	211	7,822
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(5,877)</b>	<b>(14,619)</b>	<b>10,204</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>3,200</b>	<b>1,253</b>	<b>26,516</b>
Capital contributions	4,572	—	19
Transfers in	14,071	8,000	28,844
Transfers out	(2,232)	—	(40,588)
<b>Net Contributions and Transfers</b>	<b>16,411</b>	<b>8,000</b>	<b>(11,725)</b>
<b>Change in Net Position</b>	<b>19,611</b>	<b>9,253</b>	<b>14,791</b>
<b>Net Position - Beginning, as restated</b>	<b>89,846</b>	<b>(111,515)</b>	<b>165,932</b>
<b>Net Position - Ending</b>	<b>\$ 109,457</b>	<b>\$ (102,262)</b>	<b>\$ 180,723</b>

State of Washington

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Risk Management	Health Insurance	Total
\$ —	\$ —	\$ 41,400
—	—	(34,866)
—	—	6,534
3,721	—	722,928
89,010	1,644,852	1,776,313
50	856	177,764
92,781	1,645,708	2,683,539
<hr/>		
1,420	7,532	320,953
546	3,248	123,049
192	8,358	37,909
23,713	4,131	360,825
18	76	5,153
110,017	1,560,236	1,676,383
—	19	98,254
—	6	775
135,906	1,583,606	2,623,301
(43,125)	62,102	60,238
<hr/>		
—	971	5,150
—	—	(22,524)
—	—	15
—	—	8,038
—	971	(9,321)
(43,125)	63,073	50,917
<hr/>		
—	—	4,591
—	11,307	62,222
—	—	(42,820)
—	11,307	23,993
<hr/>		
(43,125)	74,380	74,910
(603,701)	210,443	(248,995)
\$ (646,826)	\$ 284,823	\$ (174,085)

**INTERNAL SERVICE FUNDS**  
**Combining Statement of Cash Flows**  
 For the Fiscal Year Ended June 30, 2018  
 (expressed in thousands)

	General Services	Data Processing Revolving	Higher Education Revolving
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 342,784	\$ 156,226	\$ 263,767
Payments to suppliers	(195,894)	(89,319)	(125,765)
Payments to employees	(239,495)	(53,938)	(145,645)
Other receipts	148,112	18,845	10,779
Net Cash Provided (Used) by Operating Activities	<u>55,507</u>	<u>31,814</u>	<u>3,136</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	14,071	8,000	28,844
Transfers out	(2,232)	—	(40,588)
Operating grants and donations received	470	329	69
Taxes and license fees collected	15	—	—
Net Cash Provided (Used) by Noncapital Financing Activities	<u>12,324</u>	<u>8,329</u>	<u>(11,675)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Interest paid	(10,174)	(14,830)	(940)
Principal payments on long-term capital financing	(31,039)	(9,594)	(3,535)
Proceeds from long-term capital financing	37,230	674	4,487
Proceeds from sale of capital assets	4,922	8	11,409
Acquisitions of capital assets	(75,770)	(6,235)	(12,649)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(74,831)</u>	<u>(29,977)</u>	<u>(1,228)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Receipt of interest	852	—	2,723
Proceeds from sale of investment securities	—	—	1,108
Purchases of investment securities	—	—	(191,245)
Net Cash Provided (Used) by Investing Activities	<u>852</u>	<u>—</u>	<u>(187,414)</u>
Net Increase (Decrease) in Cash and Pooled Investments	(6,148)	10,166	(197,181)
Cash and cash equivalents, July 1	257,167	—	381,519
Cash and cash equivalents, June 30	<u>\$ 251,019</u>	<u>\$ 10,166</u>	<u>\$ 184,338</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 9,077	\$ 15,872	\$ 16,312
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:</b>			
Depreciation	60,055	21,742	16,438
Revenue reduced for uncollectible accounts	436	—	1
<b>Change in Assets: Decrease (Increase)</b>			
Receivables	1,139	280	(40,649)
Inventories	(1,245)	—	627
Prepaid expenses	1,532	(1,454)	(828)
<b>Change in Deferred Outflows of Resources: Increase (Decrease)</b>			
	8,068	2,974	8,656
<b>Change in Liabilities: Increase (Decrease)</b>			
Payables	(59,646)	(18,427)	(20,628)
<b>Change in Deferred Inflows of Resources: Decrease (Increase)</b>			
	36,091	10,827	23,207
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	<u>\$ 55,507</u>	<u>\$ 31,814</u>	<u>\$ 3,136</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
Contributions of capital assets	\$ 4,572	\$ —	\$ 19
Acquisition of capital assets through capital leases	—	305	—
Increase (decrease) in fair value of investments	(81)	—	(329)
Amortization of debt premium/discount	3,611	—	—

State of Washington

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Risk Management	Health Insurance	Total
\$ 92,805	\$ 1,577,773	\$ 2,433,355
(93,505)	(1,566,137)	(2,070,620)
(1,925)	(10,252)	(451,255)
51	856	178,643
(2,574)	2,240	90,123
—	11,307	62,222
—	—	(42,820)
—	—	868
—	—	15
—	11,307	20,285
—	—	(25,944)
—	—	(44,168)
—	—	42,391
—	—	16,339
—	(161)	(94,815)
—	(161)	(106,197)
—	3,023	6,598
—	—	1,108
—	—	(191,245)
—	3,023	(183,539)
(2,574)	16,409	(179,328)
2,574	305,895	947,155
\$ —	\$ 322,304	\$ 767,827
\$ (43,125)	\$ 62,102	\$ 60,238
—	19	98,254
—	—	437
(67)	(67,138)	(106,435)
—	—	(618)
—	—	(750)
7	108	19,813
40,224	5,540	(52,937)
387	1,609	72,121
\$ (2,574)	\$ 2,240	\$ 90,123
\$ —	\$ —	\$ 4,591
—	—	305
—	(1,626)	(2,036)
—	—	3,611