

Basic Financial Statements
Government-wide Financial Statements

Statement of Net Position

June 30, 2017

(expressed in thousands)

Continued

	Primary Government			Component Units
	Governmental	Business-Type	Total	
	Activities	Activities		
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and cash equivalents	\$ 7,883,566	\$ 6,286,576	\$ 14,170,142	\$ 242,419
Taxes receivable (net of allowance for uncollectibles)	3,886,584	-	3,886,584	-
Other receivables (net of allowance for uncollectibles)	2,749,484	1,649,138	4,398,622	96,938
Internal balances	210,852	(210,852)	-	-
Due from other governments	3,972,568	129,645	4,102,213	-
Inventories and prepaids	115,963	61,680	177,643	19,174
Restricted cash and investments	350,130	27,908	378,038	-
Restricted receivables, current	81,498	42,901	124,399	-
Investments, noncurrent	5,912,893	18,214,959	24,127,852	77,111
Restricted investments, noncurrent	-	55,371	55,371	18,600
Restricted receivables, noncurrent	-	901	901	-
Restricted net pension asset	1,132,002	234	1,132,236	-
Other assets	-	276,011	276,011	231,964
Capital assets:				
Non-depreciable assets	28,680,336	289,799	28,970,135	77,868
Depreciable assets (net of accumulated depreciation)	11,832,665	2,818,238	14,650,903	559,772
Total capital assets	40,513,001	3,108,037	43,621,038	637,640
Total Assets	66,808,541	29,642,509	96,451,050	1,323,846
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on hedging derivatives	373	-	373	-
Deferred outflows on refundings	4,844	39,519	44,363	-
Deferred outflows on pensions	1,314,548	157,913	1,472,461	3,548
Total Deferred Outflows of Resources	1,319,765	197,432	1,517,197	3,548
Total Assets and Deferred Outflows of Resources	\$ 68,128,306	\$ 29,839,941	\$ 97,968,247	\$ 1,327,394

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

Statement of Net Position

June 30, 2017

(expressed in thousands)

	Primary Government			Concluded
	Governmental	Business-Type	Total	Component Units
	Activities	Activities		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
LIABILITIES				
Accounts payable	\$ 1,601,499	\$ 235,917	\$ 1,837,416	\$ 67,793
Contracts payable	84,325	18,543	102,868	-
Accrued liabilities	2,205,723	580,959	2,786,682	96,823
Obligations under security lending agreements	116,397	142,719	259,116	-
Due to other governments	1,548,955	48,459	1,597,414	-
Unearned revenues	419,465	63,419	482,884	9,131
Long-term liabilities:				
Due within one year	1,798,522	2,422,680	4,221,202	10,368
Due in more than one year	32,728,585	29,719,458	62,448,043	312,139
Total Liabilities	40,503,471	33,232,154	73,735,625	496,254
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on refundings	147	9	156	-
Deferred inflows on pensions	235,286	9,298	244,584	908
Deferred inflows on property taxes	-	-	-	42,717
Total Deferred Inflows of Resources	235,433	9,307	244,740	43,625
NET POSITION				
Net investment in capital assets	21,047,954	750,923	21,798,877	332,885
Restricted for:				
Unemployment compensation	-	4,581,264	4,581,264	-
Nonexpendable permanent endowments	2,586,760	-	2,586,760	-
Expendable endowment funds	1,387,345	-	1,387,345	-
Pensions	1,132,002	234	1,132,236	-
Wildlife and natural resources	1,040,971	-	1,040,971	-
Transportation	991,845	-	991,845	-
Budget stabilization	1,638,335	-	1,638,335	-
Higher education	125,251	-	125,251	-
Other purposes	815,514	-	815,514	8,626
Unrestricted	(3,376,575)	(8,733,941)	(12,110,516)	446,004
Total Net Position	27,389,402	(3,401,520)	23,987,882	787,515
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 68,128,306	\$ 29,839,941	\$ 97,968,247	\$ 1,327,394

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

Statement of Activities
For the Fiscal Year Ended June 30, 2017
(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	\$ 1,944,933	\$ 887,206	\$ 240,747	\$ 4,607
Education - K-12 education	11,041,527	23,291	1,100,824	-
Education - higher education	7,633,420	2,807,478	2,345,974	63,260
Human services	18,215,949	1,079,616	11,705,151	25,444
Adult corrections	1,061,998	8,518	3,622	-
Natural resources and recreation	1,266,023	523,769	189,515	36,599
Transportation	2,118,483	1,313,231	246,544	881,636
Interest on long-term debt	1,026,863	-	-	-
Total Governmental Activities	44,309,196	6,643,109	15,832,377	1,011,546
Business-Type Activities:				
Workers' compensation	3,269,451	2,779,548	9,075	-
Unemployment compensation	1,027,266	994,085	36,955	-
Higher education student services	3,021,763	2,870,609	18,225	5,314
Washington's lottery	519,943	676,046	-	-
Guaranteed education tuition program	305,573	29,329	-	-
Other	190,003	174,961	448	-
Total Business-Type Activities	8,333,999	7,524,578	64,703	5,314
Total Primary Government	\$ 52,643,195	\$ 14,167,687	\$ 15,897,080	\$ 1,016,860
COMPONENT UNITS	\$ 727,094	\$ 721,629	\$ 12,577	\$ -
Total Component Units	\$ 727,094	\$ 721,629	\$ 12,577	\$ -

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.

**Net (Expense) Revenue and
Changes in Net Position**

Primary Government			Component Units
Governmental Activities	Business-Type Activities	Total	
\$ (812,373)	\$ -	\$ (812,373)	
(9,917,412)	-	(9,917,412)	
(2,416,708)	-	(2,416,708)	
(5,405,738)	-	(5,405,738)	
(1,049,858)	-	(1,049,858)	
(516,140)	-	(516,140)	
322,928	-	322,928	
<u>(1,026,863)</u>	<u>-</u>	<u>(1,026,863)</u>	
<u>(20,822,164)</u>	<u>-</u>	<u>(20,822,164)</u>	
-	(480,828)	(480,828)	
-	3,774	3,774	
-	(127,615)	(127,615)	
-	156,103	156,103	
-	(276,244)	(276,244)	
-	(14,594)	(14,594)	
<u>-</u>	<u>(739,404)</u>	<u>(739,404)</u>	
<u>(20,822,164)</u>	<u>(739,404)</u>	<u>(21,561,568)</u>	
			\$ 7,112
			<u>7,112</u>
10,362,569	-	10,362,569	-
3,861,604	-	3,861,604	-
2,097,507	-	2,097,507	21,490
1,679,628	-	1,679,628	-
1,461,029	21,078	1,482,107	-
430,022	-	430,022	-
482,776	-	482,776	-
603,963	-	603,963	-
903,844	-	903,844	290
<u>614,341</u>	<u>880,476</u>	<u>1,494,817</u>	<u>2,142</u>
<u>22,497,283</u>	<u>901,554</u>	<u>23,398,837</u>	<u>23,922</u>
1,675,119	162,150	1,837,269	31,034
99,680	-	99,680	-
<u>119,333</u>	<u>(119,330)</u>	<u>3</u>	<u>-</u>
1,894,132	42,820	1,936,952	31,034
<u>25,495,270</u>	<u>(3,444,340)</u>	<u>22,050,930</u>	<u>756,481</u>
<u>\$ 27,389,402</u>	<u>\$ (3,401,520)</u>	<u>\$ 23,987,882</u>	<u>\$ 787,515</u>

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Basic Financial Statements
Fund Financial Statements

Balance Sheet
GOVERNMENTAL FUNDS

June 30, 2017

(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash and cash equivalents	\$ 2,814,582	\$ 189,375	\$ 521,724	\$ 3,495,951	\$ 7,021,632
Investments	63,023	1,601,430	3,957,516	359,012	5,980,981
Taxes receivable (net of allowance)	3,672,482	9,397	-	204,705	3,886,584
Receivables (net of allowance)	561,752	1,264,553	47,844	846,484	2,720,633
Due from other funds	387,622	344,219	252	514,799	1,246,892
Due from other governments	1,067,653	167,930	-	2,621,665	3,857,248
Inventories and prepaids	13,412	26,973	-	47,327	87,712
Restricted cash and investments	34,269	9,140	-	99,428	142,837
Restricted receivables	39,499	26,126	-	168	65,793
Total Assets	8,654,294	3,639,143	4,527,336	8,189,539	25,010,312
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows on hedging derivatives	-	-	-	373	373
Total Deferred Outflows of Resources	-	-	-	373	373
Total Assets and Deferred Outflows of Resources	\$ 8,654,294	\$ 3,639,143	\$ 4,527,336	\$ 8,189,912	\$ 25,010,685
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 982,758	\$ 72,933	\$ 36,487	\$ 458,392	\$ 1,550,570
Contracts payable	31,520	3,168	3,263	45,297	83,248
Accrued liabilities	311,480	544,471	671,935	173,989	1,701,875
Obligations under security lending agreements	65,927	1,344	115	44,724	112,110
Due to other funds	322,991	55,805	2,818	687,696	1,069,310
Due to other governments	1,101,989	21,887	-	225,058	1,348,934
Unearned revenue	105,157	239,965	-	69,743	414,865
Claims and judgments payable	60,883	-	-	129,952	190,835
Total Liabilities	2,982,705	939,573	714,618	1,834,851	6,471,747
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	1,470,497	6,985	19,736	147,056	1,644,274
Total Deferred Inflows of Resources	1,470,497	6,985	19,736	147,056	1,644,274
FUND BALANCES					
Nonspendable fund balance	42,922	10,505	2,376,534	251,792	2,681,753
Restricted fund balance	1,658,761	62,336	1,416,448	2,861,716	5,999,261
Committed fund balance	140,905	2,601,444	-	3,164,517	5,906,866
Assigned fund balance	1,257,952	18,300	-	-	1,276,252
Unassigned fund balance	1,100,552	-	-	(70,020)	1,030,532
Total Fund Balances	4,201,092	2,692,585	3,792,982	6,208,005	16,894,664
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,654,294	\$ 3,639,143	\$ 4,527,336	\$ 8,189,912	\$ 25,010,685

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, 2017

(expressed in thousands)

Total Fund Balances for Governmental Funds \$ 16,894,664

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	\$	28,587,987	
Depreciable assets		20,847,978	
Less: Accumulated depreciation		<u>(9,750,864)</u>	
Total capital assets			39,685,101

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. 1,644,273

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. 1,132,002

Deferred outflows of resources represent a consumption of fund equity that will be reported as an outflow of resources in a future period and therefore are not reported in the funds. 1,249,136

Deferred inflows of resources represent an acquisition of fund equity that will be recognized as an inflow of resources in a future period and therefore are not reported in the funds. (224,256)

Unmatured interest on general obligation bonds is not recognized in the funds until due. (405,381)

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. (163,696)

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	\$	(23,015,569)	
Accreted interest on bonds		(457,635)	
Compensated absences		(584,749)	
Other postemployment benefits obligations		(2,742,955)	
Net pension liability		(4,679,659)	
Unclaimed property		(197,411)	
Pollution remediation obligations		(150,853)	
Claims and judgments		(39,557)	
Other obligations		<u>(554,053)</u>	
Total long-term liabilities			<u>(32,422,441)</u>

Net Position of Governmental Activities \$ 27,389,402

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, 2017

(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
REVENUES					
Retail sales and use taxes	\$ 10,220,907	\$ -	\$ -	\$ 141,662	\$ 10,362,569
Business and occupation taxes	3,857,209	-	-	4,395	3,861,604
Property taxes	2,097,507	-	-	-	2,097,507
Excise taxes	1,055,486	43,538	-	362,005	1,461,029
Motor vehicle and fuel taxes	2	-	-	1,679,626	1,679,628
Other taxes	2,109,725	208,170	-	261,842	2,579,737
Licenses, permits, and fees	130,004	984	-	1,775,941	1,906,929
Other contracts and grants	243,558	970,165	-	260,223	1,473,946
Timber sales	2,521	-	13,929	112,026	128,476
Federal grants-in-aid	12,680,077	1,399,266	-	1,290,635	15,369,978
Charges for services	44,800	2,566,676	-	707,896	3,319,372
Investment income (loss)	(5,027)	122,046	461,743	35,579	614,341
Miscellaneous revenue	643,577	127,717	3,360	473,891	1,248,545
Contributions and donations	-	-	99,680	-	99,680
Unclaimed property	65,709	-	-	-	65,709
Total Revenues	33,146,055	5,438,562	578,712	7,105,721	46,269,050
EXPENDITURES					
Current:					
General government	883,760	1,675	141	564,828	1,450,404
Human services	17,958,633	-	-	1,067,488	19,026,121
Natural resources and recreation	428,905	-	-	751,994	1,180,899
Transportation	61,919	-	-	2,005,980	2,067,899
Education	12,175,890	5,265,148	8,318	609,632	18,058,988
Intergovernmental	122,714	-	-	374,071	496,785
Capital outlays	70,089	293,011	518	2,064,364	2,427,982
Debt service:					
Principal	12,112	25,968	-	1,087,361	1,125,441
Interest	4,495	22,493	-	1,014,650	1,041,638
Total Expenditures	31,718,517	5,608,295	8,977	9,540,368	46,876,157
Excess of Revenues Over (Under) Expenditures	1,427,538	(169,733)	569,735	(2,434,647)	(607,107)
OTHER FINANCING SOURCES (USES)					
Bonds issued	128,197	82,162	-	1,075,518	1,285,877
Refunding bonds issued	-	-	-	964,470	964,470
Payments to escrow agents for refunded bond debt	-	-	-	(1,184,067)	(1,184,067)
Issuance premiums	1,253	6,537	-	465,683	473,473
Issuance discounts	(396)	-	-	(62)	(458)
Other debt issued	1,218	37,273	-	30,634	69,125
Refunding COPs issued	-	11,797	-	2,860	14,657
Payment to escrow agents for refunded COP debt	-	(13,109)	-	(1,129)	(14,238)
Transfers in	712,773	815,478	181,702	2,834,830	4,544,783
Transfers out	(1,299,758)	(938,111)	(348,619)	(1,859,482)	(4,445,970)
Total Other Financing Sources (Uses)	(456,713)	2,027	(166,917)	2,329,255	1,707,652
Net Change in Fund Balances	970,825	(167,706)	402,818	(105,392)	1,100,545
Fund Balances - Beginning	3,230,267	2,860,291	3,390,164	6,313,397	15,794,119
Fund Balances - Ending	\$ 4,201,092	\$ 2,692,585	\$ 3,792,982	\$ 6,208,005	\$ 16,894,664

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, 2017
(expressed in thousands)

Net Change in Fund Balances - Total Governmental Funds \$ 1,100,545

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	\$ 2,197,017	
Less: Depreciation expense	<u>(692,043)</u>	1,504,974

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. (147,069)

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. (58,426)

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	\$ (2,784,663)	
Principal payments on bonds and other financing contracts	2,277,018	
Accrued interest on bonds	<u>21,591</u>	(486,054)

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	\$ (42,667)	
Other postemployment benefits	(370,297)	
Pensions	228,571	
Pollution remediation	3,292	
Claims and judgments	74,696	
Accrued interest	(5,847)	
Unclaimed property	(32,197)	
Other obligations	<u>124,611</u>	(19,838)

Change in Net Position of Governmental Activities \$ 1,894,132

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

Statement of Net Position
PROPRIETARY FUNDS

June 30, 2017
(expressed in thousands)

	Business-Type Activities			
	Enterprise Funds			
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Guaranteed Education Tuition Program
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 35,025	\$ 4,253,071	\$ 928,156	\$ 2,154
Investments	745,361	-	29,694	163,505
Receivables (net of allowance)	893,085	389,002	308,888	32,047
Due from other funds	57	3,025	21,960	17
Due from other governments	1,352	32,872	75,972	-
Inventories	177	-	40,888	-
Prepaid expenses	1,605	-	10,667	-
Restricted cash and investments	654	-	27,254	-
Restricted receivables	-	-	42,901	-
Total Current Assets	1,677,316	4,677,970	1,486,380	197,723
Noncurrent Assets:				
Investments, noncurrent	15,755,192	-	285,873	2,051,063
Restricted investments, noncurrent	-	-	55,371	-
Restricted receivables, noncurrent	-	-	901	-
Restricted net pension asset	-	-	234	-
Other noncurrent assets	4,940	-	162,691	108,375
Capital assets:				
Land and other non-depreciable assets	3,240	-	69,560	-
Buildings	65,134	-	3,717,136	-
Other improvements	1,289	-	100,808	-
Furnishings, equipment, and intangibles	105,907	-	863,443	17
Infrastructure	-	-	57,646	-
Accumulated depreciation	(119,489)	-	(2,002,746)	(9)
Construction in progress	9,068	-	204,628	-
Total Noncurrent Assets	15,825,281	-	3,515,545	2,159,446
Total Assets	17,502,597	4,677,970	5,001,925	2,357,169
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on refundings	-	-	39,439	-
Deferred outflows on pensions	36,560	-	106,967	410
Total Deferred Outflows of Resources	36,560	-	146,406	410
Total Assets and Deferred Outflows of Resources	\$ 17,539,157	\$ 4,677,970	\$ 5,148,331	\$ 2,357,579

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

Continued

<u>Nonmajor Enterprise Funds</u>		<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 115,118	\$ 5,333,524	\$ 739,862	
14,492	953,052	11,029	
26,116	1,649,138	28,851	
19,817	44,876	72,077	
7,997	118,193	35,138	
8,135	49,200	14,889	
208	12,480	13,362	
-	27,908	207,293	
-	42,901	15,705	
<u>191,883</u>	<u>8,231,272</u>	<u>1,138,206</u>	
122,831	18,214,959	42,956	
-	55,371	-	
-	901	-	
-	234	-	
5	276,011	-	
1,540	74,340	6,355	
12,828	3,795,098	523,803	
2,599	104,696	15,623	
39,974	1,009,341	952,608	
-	57,646	2,621	
(26,299)	(2,148,543)	(759,104)	
<u>1,763</u>	<u>215,459</u>	<u>85,991</u>	
<u>155,241</u>	<u>21,655,513</u>	<u>870,853</u>	
<u>347,124</u>	<u>29,886,785</u>	<u>2,009,059</u>	
80	39,519	1,634	
<u>13,976</u>	<u>157,913</u>	<u>68,623</u>	
<u>14,056</u>	<u>197,432</u>	<u>70,257</u>	
<u>\$ 361,180</u>	<u>\$ 30,084,217</u>	<u>\$ 2,079,316</u>	

Statement of Net Position
PROPRIETARY FUNDS
June 30, 2017
(expressed in thousands)

	Business-Type Activities			
	Enterprise Funds			
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Guaranteed Education Tuition Program
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 8,712	\$ -	\$ 211,950	\$ 120
Contracts payable	7,769	43	10,731	168,000
Accrued liabilities	192,653	72,457	307,449	3,792
Obligations under security lending agreements	94,318	-	-	48,401
Bonds and notes payable	-	-	143,105	-
Due to other funds	6,066	1,360	223,419	165
Due to other governments	2	22,846	6,287	-
Unearned revenue	7,438	-	55,980	-
Claims and judgments payable	2,035,874	-	2,854	-
Total Current Liabilities	2,352,832	96,706	961,775	220,478
Noncurrent Liabilities:				
Claims and judgments payable	24,604,664	-	-	-
Bonds and notes payable	-	-	2,329,760	-
Net pension liability	155,439	-	450,538	1,668
Other long-term liabilities	70,801	-	326,594	1,572,741
Total Noncurrent Liabilities	24,830,904	-	3,106,892	1,574,409
Total Liabilities	27,183,736	96,706	4,068,667	1,794,887
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on refundings	-	-	9	-
Deferred inflows on pensions	2,526	-	6,488	(1)
Total Deferred Inflows of Resources	2,526	-	6,497	(1)
NET POSITION				
Net investment in capital assets	65,149	-	659,197	8
Restricted for:				
Unemployment compensation	-	4,581,264	-	-
Pensions	-	-	234	-
Unrestricted	(9,712,254)	-	413,736	562,685
Total Net Position	(9,647,105)	4,581,264	1,073,167	562,693
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 17,539,157	\$ 4,677,970	\$ 5,148,331	\$ 2,357,579

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

Concluded

		Governmental Activities	
Nonmajor Enterprise Funds	Total	Internal Service Funds	
\$ 15,134	\$ 235,916	\$ 50,929	
-	186,543	1,077	
70,415	646,766	91,956	
-	142,719	4,287	
1,644	144,749	109,348	
31,239	262,249	32,214	
1,352	30,487	126,805	
1	63,419	4,600	
5,396	2,044,124	174,960	
<u>125,181</u>	<u>3,756,972</u>	<u>596,176</u>	
10,277	24,614,941	590,442	
4,272	2,334,032	557,956	
55,722	663,367	323,162	
136,982	2,107,118	164,100	
<u>207,253</u>	<u>29,719,458</u>	<u>1,635,660</u>	
<u>332,434</u>	<u>33,476,430</u>	<u>2,231,836</u>	
-	9	147	
285	9,298	11,029	
<u>285</u>	<u>9,307</u>	<u>11,176</u>	
26,569	750,923	96,636	
-	4,581,264	-	
-	234	-	
1,892	(8,733,941)	(260,332)	
<u>28,461</u>	<u>(3,401,520)</u>	<u>(163,696)</u>	
<u>\$ 361,180</u>	<u>\$ 30,084,217</u>	<u>\$ 2,079,316</u>	

Statement of Revenues, Expenses, and Changes in Net Position
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2017

(expressed in thousands)

	Business-Type Activities			
	Enterprise Funds			
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Guaranteed Education Tuition Program
OPERATING REVENUES				
Sales	\$ -	\$ -	\$ 85,418	\$ -
Less: Cost of goods sold	-	-	(50,957)	-
Gross profit	-	-	34,461	-
Charges for services	15	-	2,623,939	29,261
Premiums and assessments	2,718,319	979,725	-	-
Lottery ticket proceeds	-	-	-	-
Federal aid for unemployment insurance benefits	-	36,955	-	-
Miscellaneous revenue	61,223	14,360	145,177	68
Total Operating Revenues	2,779,557	1,031,040	2,803,577	29,329
OPERATING EXPENSES				
Salaries and wages	160,503	-	1,171,965	3,313
Employee benefits	68,697	-	291,469	803
Personal services	5,686	-	37,059	57
Goods and services	81,875	-	1,148,252	511
Travel	3,867	-	27,328	32
Premiums and claims	2,887,423	1,027,266	162	-
Guaranteed education tuition program expense	-	-	-	300,854
Lottery prize payments	-	-	-	-
Depreciation and amortization	9,851	-	184,269	3
Miscellaneous expenses	51,549	-	24,424	-
Total Operating Expenses	3,269,451	1,027,266	2,884,928	305,573
Operating Income (Loss)	(489,894)	3,774	(81,351)	(276,244)
NONOPERATING REVENUES (EXPENSES)				
Earnings (loss) on investments	551,367	92,498	18,857	221,511
Interest expense	-	-	(85,878)	-
Tax and license revenue	120	-	-	-
Other revenues (expenses)	9,066	-	34,302	-
Total Nonoperating Revenues (Expenses)	560,553	92,498	(32,719)	221,511
Income (Loss) Before Contributions and Transfers	70,659	96,272	(114,070)	(54,733)
Capital contributions	-	-	5,314	-
Transfers in	-	-	596,492	-
Transfers out	(192)	-	(543,571)	(42)
Net Contributions, Transfers, and Special Items	(192)	-	58,235	(42)
Change in Net Position	70,467	96,272	(55,835)	(54,775)
Net Position - Beginning, as restated	(9,717,572)	4,484,992	1,129,002	617,468
Net Position - Ending	\$ (9,647,105)	\$ 4,581,264	\$ 1,073,167	\$ 562,693

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

<u>Nonmajor Enterprise Funds</u>		<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 101,646	\$ 187,064	\$ 42,343	
(65,846)	(116,803)	(35,498)	
35,800	70,261	6,845	
36,424	2,689,639	666,182	
35,730	3,733,774	1,653,944	
673,293	673,293	-	
-	36,955	-	
4,080	224,908	158,231	
785,327	7,428,830	2,485,202	
63,553	1,399,334	319,664	
28,990	389,959	150,819	
18,753	61,555	25,719	
92,708	1,323,346	311,857	
2,295	33,522	4,571	
-	3,914,851	1,639,906	
-	300,854	-	
422,536	422,536	-	
1,862	195,985	104,038	
7,492	83,465	648	
638,189	8,125,407	2,557,222	
147,138	(696,577)	(72,020)	
(3,759)	880,474	1,916	
(5,911)	(91,789)	(21,839)	
20,958	21,078	25	
282	43,650	2,261	
11,570	853,413	(17,637)	
158,708	156,836	(89,657)	
-	5,314	10,711	
22,345	618,837	222,054	
(194,362)	(738,167)	(201,534)	
(172,017)	(114,016)	31,231	
(13,309)	42,820	(58,426)	
41,770	(3,444,340)	(105,270)	
\$ 28,461	\$ (3,401,520)	\$ (163,696)	

Statement of Cash Flows
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2017
(expressed in thousands)

	Business-Type Activities			
	Enterprise Funds			
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Guaranteed Education Tuition Program
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 2,594,253	\$ 1,036,843	\$ 2,619,261	\$ 42,424
Payments to suppliers	(2,170,500)	(985,978)	(1,155,783)	(260,151)
Payments to employees	(221,182)	-	(1,430,241)	(3,938)
Other receipts	61,223	52,001	145,176	68
Net Cash Provided (Used) by Operating Activities	263,794	102,866	178,413	(221,597)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	596,492	-
Transfers out	(192)	-	(543,571)	(42)
Operating grants and donations received	9,100	-	19,562	-
Taxes and license fees collected	120	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	9,028	-	72,483	(42)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest paid	-	-	(93,623)	-
Principal payments on long-term capital financing	-	-	(73,138)	-
Proceeds from long-term capital financing	-	-	222,456	-
Proceeds from sale of capital assets	-	-	26,557	-
Acquisitions of capital assets	(7,558)	-	(260,420)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(7,558)	-	(178,168)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipt of interest	586,122	92,498	2,877	68,587
Proceeds from sale of investment securities	7,072,884	-	44,048	600,891
Purchases of investment securities	(7,932,791)	-	(75,220)	(452,400)
Net Cash Provided (Used) by Investing Activities	(273,785)	92,498	(28,295)	217,078
Net Increase (Decrease) in Cash and Pooled Investments	(8,521)	195,364	44,433	(4,561)
Cash and cash equivalents, July 1, as restated	44,200	4,057,707	910,977	6,715
Cash and cash equivalents, June 30	\$ 35,679	\$ 4,253,071	\$ 955,410	\$ 2,154
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (489,894)	\$ 3,774	\$ (81,351)	\$ (276,244)
Adjustments to Reconcile Operating Income				
(Loss) to Net Cash Provided by Operations:				
Depreciation	9,851	-	184,269	3
Revenue reduced for uncollectible accounts	47,049	-	2,233	-
Change in Assets: Decrease (Increase)				
Receivables	(124,062)	57,804	(97,847)	47,997
Inventories	24	-	4,584	-
Prepaid expenses	368	-	4,728	-
Other assets	-	-	62	-
Change in Deferred Outflows of Resources: Increase (Decrease)	(11,735)	-	(45,238)	(143)
Change in Liabilities: Increase (Decrease)				
Payables	848,784	41,288	235,076	6,942
Change in Deferred Inflows of Resources: Decrease (Increase)	(16,591)	-	(28,103)	(152)
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	\$ 263,794	\$ 102,866	\$ 178,413	\$ (221,597)

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

Continued

		Governmental Activities	
Nonmajor Enterprise Funds	Total	Internal Service Funds	
\$ 837,686	\$ 7,130,467	\$ 2,403,737	
(603,043)	(5,175,455)	(1,976,725)	
(86,783)	(1,742,144)	(436,721)	
4,063	262,531	158,675	
<u>151,923</u>	<u>475,399</u>	<u>148,966</u>	
22,345	618,837	222,054	
(194,362)	(738,167)	(201,534)	
442	29,104	2,167	
20,957	21,077	26	
<u>(150,618)</u>	<u>(69,149)</u>	<u>22,713</u>	
(220)	(93,843)	(19,902)	
(395)	(73,533)	(43,128)	
-	222,456	37,232	
63	26,620	7,004	
<u>(9,530)</u>	<u>(277,508)</u>	<u>(146,610)</u>	
<u>(10,082)</u>	<u>(195,808)</u>	<u>(165,404)</u>	
27	750,111	3,717	
18,248	7,736,071	1,158	
(6,119)	(8,466,530)	(9,761)	
<u>12,156</u>	<u>19,652</u>	<u>(4,886)</u>	
3,379	230,094	1,389	
<u>111,739</u>	<u>5,131,338</u>	<u>945,766</u>	
<u>\$ 115,118</u>	<u>\$ 5,361,432</u>	<u>\$ 947,155</u>	
\$ 147,138	\$ (696,577)	\$ (72,020)	
1,862	195,985	104,038	
23	49,305	210	
(8,260)	(124,368)	39,977	
134	4,742	(366)	
66	5,162	(629)	
-	62	-	
<u>(6,001)</u>	<u>(63,117)</u>	<u>(31,425)</u>	
21,976	1,154,066	118,009	
<u>(5,015)</u>	<u>(49,861)</u>	<u>(8,828)</u>	
<u>\$ 151,923</u>	<u>\$ 475,399</u>	<u>\$ 148,966</u>	

Statement of Cash Flows
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2017
(expressed in thousands)

	Business-Type Activities			
	Enterprise Funds			
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Guaranteed Education Tuition Program
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Contributions of capital assets	\$ -	\$ -	\$ 5,314	\$ -
Acquisition of capital assets through capital leases	-	-	2,029	-
Amortization of annuity prize liability	-	-	-	-
Increase (decrease) in fair value of investments	(31,278)	-	1,826	153,292
Debt refunding deposited with escrow agent	-	-	98,170	-
Amortization of debt premium/discount	-	-	10,874	-
Increase in ownership of joint venture	-	-	14,136	-

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

Concluded

		Governmental Activities	
Nonmajor Enterprise Funds	Total	Internal Service Funds	
\$ -	\$ 5,314	\$ 10,711	
-	2,029	145	
5,758	5,758	-	
(3,786)	120,054	(2,100)	
-	98,170	14,600	
-	10,874	-	
-	14,136	-	

**Statement of Net Position
FIDUCIARY FUNDS**

June 30, 2017

(expressed in thousands)

	Private- Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans	Agency Funds
ASSETS				
Cash and cash equivalents	\$ 5,134	\$ 7,109,495	\$ 52,180	178,499
Receivables, pension and other employee benefit plans:				
Employers	-	-	192,189	-
Members (net of allowance)	-	-	4,033	-
Interest and dividends	-	-	255,402	-
Investment trades pending	-	-	2,391,569	-
Due from other pension and other employee benefit funds	-	-	67,283	-
Other receivables, all other funds	-	4,406	80	9,516
Due from other governments	-	-	-	19,932
Investments:				
Liquidity	-	2,974,121	2,177,400	-
Fixed income	-	990,011	16,883,958	-
Public equity	-	-	43,787,828	-
Private equity	-	-	19,478,090	-
Real estate	-	-	16,339,953	-
Tangible assets	-	-	3,488,177	-
Security lending collateral	-	-	714,372	2,128
Other noncurrent assets	-	-	-	46,737
Capital assets:				
Furnishings, equipment, and intangibles	37	-	-	-
Accumulated depreciation	(31)	-	-	-
Total Assets	5,140	11,078,033	105,832,514	256,812
LIABILITIES				
Accounts payable	114	-	-	\$ 4,580
Contracts payable	-	-	-	43,281
Accrued liabilities	90	120,417	2,701,469	126,742
Obligations under security lending agreements	-	-	714,372	2,128
Due to other funds	-	72	-	-
Due to other pension and other employee benefit funds	-	-	67,283	-
Due to other governments	-	49,278	-	33,344
Unearned revenue	-	-	937	-
Other long-term liabilities	-	-	-	46,737
Total Liabilities	204	169,767	3,484,061	\$ 256,812
NET POSITION				
Net position restricted for:				
Pensions	-	-	98,267,929	
Deferred compensation participants	-	-	4,080,524	
Local government pool participants	-	10,908,266	-	
Individuals, organizations, and other governments	4,936	-	-	
Total Net Position	\$ 4,936	\$ 10,908,266	\$ 102,348,453	

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, 2017
(expressed in thousands)

	Private- Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans
ADDITIONS			
Contributions:			
Employers	\$ -	\$ -	\$ 2,206,625
Members	-	-	1,422,667
State	-	-	78,600
Participants	-	18,670,324	287,130
Total Contributions	-	18,670,324	3,995,022
Investment Income:			
Net appreciation (depreciation) in fair value	-	-	10,763,732
Interest and dividends	-	64,191	2,125,857
Less: Investment expenses	-	-	(403,893)
Net Investment Income (Loss)	-	64,191	12,485,696
Other Additions:			
Unclaimed property	67,322	-	-
Transfers from other plans	-	-	10,357
Miscellaneous revenue	5	3	13,449
Total Other Additions	67,327	3	23,806
Total Additions	67,327	18,734,518	16,504,524
DEDUCTIONS			
Pension benefits	-	-	4,070,680
Pension refunds	-	-	528,116
Transfers to other plans	-	-	10,357
Administrative expenses	4,436	1,815	3,183
Distributions to participants	-	17,367,811	232,229
Payments to or on behalf of individuals, organizations and other governments in accordance with state unclaimed property laws	59,732	-	-
Transfers out	3	-	-
Total Deductions	64,171	17,369,626	4,844,565
Net Increase (Decrease)	3,156	1,364,892	11,659,959
Net Position - Beginning	1,780	9,543,374	90,688,494
Net Position - Ending	\$ 4,936	\$ 10,908,266	\$ 102,348,453

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

Statement of Net Position
COMPONENT UNITS

June 30, 2017
(expressed in thousands)

	Public Stadium	Health Benefit Exchange	Valley Medical Center
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 8,362	\$ 4,423	\$ 104,015
Investments	-	-	21,920
Investments, restricted	-	-	-
Receivables (net of allowance)	953	6,524	76,947
Inventories	-	-	5,457
Prepaid expenses	25	1,332	11,968
Total Current Assets	9,340	12,279	220,307
Noncurrent Assets:			
Investments, noncurrent	-	-	77,111
Restricted investments, noncurrent	-	-	18,600
Other noncurrent assets	-	135	-
Capital assets:			
Land	34,677	-	13,414
Buildings	460,953	-	438,099
Other improvements	-	121	18,852
Furnishings, equipment and intangible assets	9,163	49,425	235,201
Accumulated depreciation	(238,295)	(45,527)	(368,569)
Construction in progress	-	-	29,777
Total Noncurrent Assets	266,498	4,154	462,485
Total Assets	275,838	16,433	682,792
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows on pensions	13	2,376	-
Total Deferred Outflows of Resources	13	2,376	-
Total Assets and Deferred Outflows of Resources	\$ 275,851	\$ 18,809	\$ 682,792

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

Continued

Nonmajor Component Units	Total
\$ 53,979	\$ 170,779
49,720	71,640
-	-
12,514	96,938
-	5,457
392	13,717
<u>116,605</u>	<u>358,531</u>
-	77,111
-	18,600
231,829	231,964
-	48,091
-	899,052
-	18,973
2,062	295,851
(1,713)	(654,104)
-	29,777
<u>232,178</u>	<u>965,315</u>
<u>348,783</u>	<u>1,323,846</u>
<u>1,159</u>	<u>3,548</u>
<u>1,159</u>	<u>3,548</u>
<u>\$ 349,942</u>	<u>\$ 1,327,394</u>

**Statement of Net Position
COMPONENT UNITS**

June 30, 2017
(expressed in thousands)

	Public Stadium	Health Benefit Exchange	Valley Medical Center
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 50	\$ 11,127	\$ 20,204
Contracts payable	1,558	-	-
Accrued liabilities	579	741	102,986
Unearned revenue	-	-	-
Total Current Liabilities	2,187	11,868	123,190
Noncurrent Liabilities:			
Net pension liability	217	9,095	-
Other long-term liabilities	-	134	297,092
Total Noncurrent Liabilities	217	9,229	297,092
Total Liabilities	2,404	21,097	420,282
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on property taxes	-	-	42,717
Deferred inflows on pensions	36	863	-
Total Deferred Inflows of Resources	36	863	42,717
NET POSITION			
Net investment in capital assets	266,498	4,019	62,018
Restricted for:			
Deferred sales tax	(498)	-	-
Other purposes	-	-	8,041
Unrestricted	7,411	(7,170)	149,734
Total Net Position	273,411	(3,151)	219,793
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 275,851	\$ 18,809	\$ 682,792

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

		Concluded	
Nonmajor Component			
Units		Total	
\$ 36,412		\$ 67,793	
-		1,558	
1,327		105,633	
9,131		9,131	
<u>46,870</u>		<u>184,115</u>	
5,601		14,913	
-		297,226	
5,601		312,139	
<u>52,471</u>		<u>496,254</u>	
-		42,717	
9		908	
<u>9</u>		<u>43,625</u>	
350		332,885	
-		(498)	
1,083		9,124	
296,029		446,004	
<u>297,462</u>		<u>787,515</u>	
<u>\$ 349,942</u>		<u>\$ 1,327,394</u>	

Statement of Revenues, Expenses, and Changes in Net Position
COMPONENT UNITS

For the Fiscal Year Ended June 30, 2017
(expressed in thousands)

	Public Stadium	Health Benefit Exchange	Valley Medical Center
EXPENSES	\$ 19,128	\$ 60,435	\$ 621,070
PROGRAM REVENUES			
Charges for services	3,689	51,671	576,042
Operating grants and contributions	-	8,769	-
Total Program Revenues	3,689	60,440	576,042
Net Program Revenues (Expense)	(15,439)	5	(45,028)
GENERAL REVENUES			
Earnings (loss) on investments	68	-	1,550
Property taxes	-	-	21,490
Other	-	-	290
Total General Revenues	68	-	23,330
Change in Net Position	(15,371)	5	(21,698)
Net Position - Beginning, as restated	288,782	(3,156)	241,491
Net Position - Ending	\$ 273,411	\$ (3,151)	\$ 219,793

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

Nonmajor			
Component Units		Total	
\$	26,461	\$	727,094
	90,227		721,629
	3,808		12,577
	94,035		734,206
	67,574		7,112
	524		2,142
	-		21,490
	-		290
	524		23,922
	68,098		31,034
	229,364		756,481
\$	297,462	\$	787,515