

Basic Financial Statements
Government-wide Financial Statements

Statement of Net Position

June 30, 2020

(expressed in thousands)

Continued

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and cash equivalents	\$ 10,705,045	\$ 6,641,004	\$ 17,346,049	\$ 325,548
Taxes receivable (net of allowance for uncollectibles)	5,793,983	2,405	5,796,388	—
Other receivables (net of allowance for uncollectibles)	2,417,736	2,140,797	4,558,533	107,533
Internal balances	162,172	(162,172)	—	—
Due from other governments	4,637,223	313,311	4,950,534	—
Inventories and prepaids	132,288	72,413	204,701	32,432
Restricted cash and investments	405,116	16,782	421,898	—
Restricted receivables, current	25,155	13,328	38,483	—
Investments, noncurrent	7,330,816	20,550,328	27,881,144	100,027
Restricted investments, noncurrent	—	110,606	110,606	45,208
Restricted net pension asset	2,665,896	776	2,666,672	—
Other assets	—	316,927	316,927	454,914
Capital assets:				
Non-depreciable assets	30,718,509	328,391	31,046,900	89,063
Depreciable assets (net of accumulated depreciation)	12,110,256	3,099,450	15,209,706	549,880
Total capital assets	42,828,765	3,427,841	46,256,606	638,943
Total Assets	77,104,195	33,444,346	110,548,541	1,704,605
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on asset retirement obligations	14,047	—	14,047	—
Deferred outflows on hedging derivatives	2,347	—	2,347	—
Deferred outflows on refundings	3,943	32,549	36,492	15,112
Deferred outflows on pensions	1,383,784	171,106	1,554,890	2,864
Deferred outflows on OPEB	620,344	104,386	724,730	499
Total Deferred Outflows of Resources	2,024,465	308,041	2,332,506	18,475
Total Assets and Deferred Outflows of Resources	\$ 79,128,660	\$ 33,752,387	\$ 112,881,047	\$ 1,723,080

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

State of Washington

Statement of Net Position

June 30, 2020

(expressed in thousands)

Concluded

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
LIABILITIES				
Accounts payable	\$ 2,274,325	\$ 210,396	\$ 2,484,721	\$ 36,285
Accrued liabilities	1,735,164	708,056	2,443,220	156,586
Obligations under security lending agreements	—	5,413	5,413	—
Due to other governments	1,771,020	123,437	1,894,457	—
Unearned revenues	2,524,268	208,967	2,733,235	94,110
Long-term liabilities:				
Due within one year	1,980,085	2,758,830	4,738,915	14,898
Due in more than one year	34,260,951	35,529,945	69,790,896	337,585
Total Liabilities	44,545,813	39,545,044	84,090,857	639,464
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on refundings	924	288	1,212	—
Deferred inflows on pensions	1,679,264	169,777	1,849,041	3,643
Deferred inflows on OPEB	1,592,086	222,382	1,814,468	1,485
Deferred inflows on irrevocable split interest agreements	44,588	—	44,588	—
Deferred inflows on property taxes	—	—	—	29,190
Total Deferred Inflows of Resources	3,316,862	392,447	3,709,309	34,318
NET POSITION				
Net investment in capital assets	23,337,513	862,654	24,200,167	360,450
Restricted for:				
Unemployment compensation	—	3,571,282	3,571,282	—
Nonexpendable permanent endowments	3,114,011	—	3,114,011	—
Expendable endowment funds	1,501,070	—	1,501,070	—
Pensions	2,335,108	642	2,335,750	—
Wildlife and natural resources	1,189,342	—	1,189,342	—
Transportation	777,129	—	777,129	—
Budget stabilization	1,682,883	—	1,682,883	—
Higher education	116,955	—	116,955	—
Capital projects	62,877	—	62,877	—
Other purposes	977,635	—	977,635	1,840
Unrestricted	(3,828,538)	(10,619,682)	(14,448,220)	687,008
Total Net Position	31,265,985	(6,185,104)	25,080,881	1,049,298
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 79,128,660	\$ 33,752,387	\$ 112,881,047	\$ 1,723,080

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

State of Washington

Statement of Activities
For the Fiscal Year Ended June 30, 2020
(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	\$ 2,143,483	\$ 1,045,340	\$ 850,076	\$ 16,837
Education - K-12 education	14,714,932	17,642	963,884	—
Education - higher education	8,302,725	3,141,910	2,803,890	183,205
Human services	21,633,312	703,386	13,387,204	—
Adult corrections	1,264,309	8,985	2,769	—
Natural resources and recreation	1,384,271	523,721	195,221	34,886
Transportation	2,700,567	1,262,905	292,143	584,376
Interest on long-term debt	1,062,561	—	—	—
Total Governmental Activities	53,206,160	6,703,889	18,495,187	819,304
Business-Type Activities:				
Workers' compensation	6,386,775	2,711,693	9,582	—
Unemployment compensation	7,494,268	1,181,581	4,707,648	—
Higher education student services	3,431,094	3,270,680	95,387	—
Health insurance	2,457,324	2,594,345	—	—
Washington's lottery	642,884	820,254	—	—
Paid family and medical leave	292,761	701,981	—	—
Other	329,662	221,586	515	—
Total Business-Type Activities	21,034,768	11,502,120	4,813,132	—
Total Primary Government	\$ 74,240,928	\$ 18,206,009	\$ 23,308,319	\$ 819,304
Total Component Units	\$ 862,678	\$ 861,778	\$ 56,160	\$ —

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.

State of Washington

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (231,230)	\$ —	\$ (231,230)	
(13,733,406)	—	(13,733,406)	
(2,173,720)	—	(2,173,720)	
(7,542,722)	—	(7,542,722)	
(1,252,555)	—	(1,252,555)	
(630,443)	—	(630,443)	
(561,143)	—	(561,143)	
(1,062,561)	—	(1,062,561)	
<u>(27,187,780)</u>	<u>—</u>	<u>(27,187,780)</u>	
—	(3,665,500)	(3,665,500)	
—	(1,605,039)	(1,605,039)	
—	(65,027)	(65,027)	
—	137,021	137,021	
—	177,370	177,370	
—	409,220	409,220	
—	(107,561)	(107,561)	
<u>—</u>	<u>(4,719,516)</u>	<u>(4,719,516)</u>	
<u>\$ (27,187,780)</u>	<u>\$ (4,719,516)</u>	<u>\$ (31,907,296)</u>	
			<u>\$ 55,260</u>
12,100,739	—	12,100,739	—
4,672,823	—	4,672,823	—
4,133,088	—	4,133,088	24,003
1,549,624	—	1,549,624	—
1,777,328	19,784	1,797,112	—
390,317	—	390,317	—
481,007	—	481,007	—
691,393	—	691,393	—
1,738,613	—	1,738,613	558
507,272	2,127,841	2,635,113	12,661
<u>28,042,204</u>	<u>2,147,625</u>	<u>30,189,829</u>	<u>37,222</u>
854,424	(2,571,891)	(1,717,467)	92,482
81,966	—	81,966	—
204,805	(200,688)	4,117	—
<u>1,141,195</u>	<u>(2,772,579)</u>	<u>(1,631,384)</u>	<u>92,482</u>
<u>30,124,790</u>	<u>(3,412,525)</u>	<u>26,712,265</u>	<u>956,816</u>
<u>\$ 31,265,985</u>	<u>\$ (6,185,104)</u>	<u>\$ 25,080,881</u>	<u>\$ 1,049,298</u>

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Basic Financial Statements
Fund Financial Statements

State of Washington

Balance Sheet
GOVERNMENTAL FUNDS
 June 30, 2020
 (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	\$ 4,646,370	\$ 784,423	\$ 766,954	\$ 3,900,849	\$ 10,098,596
Investments	111,709	2,558,438	4,348,689	295,625	7,314,461
Taxes receivable (net of allowance)	5,490,313	75,269	—	228,401	5,793,983
Receivables (net of allowance)	769,978	678,449	25,750	925,191	2,399,368
Due from other funds	519,836	813,104	18	351,825	1,684,783
Due from other governments	1,740,232	174,416	76	2,570,337	4,485,061
Inventories and prepaids	17,383	33,030	—	48,843	99,256
Restricted cash and investments	85,026	691	460	181,345	267,522
Restricted receivables	—	20,599	—	870	21,469
Total Assets	13,380,847	5,138,419	5,141,947	8,503,286	32,164,499
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows on hedging derivatives	—	—	—	2,347	2,347
Total Deferred Outflows of Resources	—	—	—	2,347	2,347
Total Assets and Deferred Outflows of Resources	\$ 13,380,847	\$ 5,138,419	\$ 5,141,947	\$ 8,505,633	\$ 32,166,846
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,581,611	\$ 135,729	\$ 68,344	\$ 437,109	\$ 2,222,793
Accrued liabilities	444,798	621,530	60,673	163,578	1,290,579
Due to other funds	335,885	24,869	515,676	597,143	1,473,573
Due to other governments	1,390,982	51,789	—	171,634	1,614,405
Unearned revenue	1,952,369	280,615	—	287,598	2,520,582
Claims and judgments payable	52,104	—	—	129,214	181,318
Total Liabilities	5,757,749	1,114,532	644,693	1,786,276	9,303,250
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	2,843,981	22,013	18,773	90,064	2,974,831
Deferred inflows on irrevocable split interest agreements	—	—	44,588	—	44,588
Total Deferred Inflows of Resources	2,843,981	22,013	63,361	90,064	3,019,419
FUND BALANCES					
Nonspendable fund balance	52,407	33,031	2,885,769	277,085	3,248,292
Restricted fund balance	1,734,102	76,128	1,548,124	2,949,537	6,307,891
Committed fund balance	598,772	3,800,084	—	3,423,078	7,821,934
Assigned fund balance	1,740,952	92,631	—	—	1,833,583
Unassigned fund balance	652,884	—	—	(20,407)	632,477
Total Fund Balances	4,779,117	4,001,874	4,433,893	6,629,293	19,844,177
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,380,847	\$ 5,138,419	\$ 5,141,947	\$ 8,505,633	\$ 32,166,846

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, 2020
(expressed in thousands)

Total Fund Balances for Governmental Funds \$ 19,844,177

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	\$	30,706,195	
Depreciable assets		22,856,055	
Less: Accumulated depreciation		(11,530,226)	
Total capital assets			42,032,024

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.			2,974,831
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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.			2,665,896
--	--	--	-----------

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.			1,936,763
--	--	--	-----------

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.			(3,131,777)
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Unmatured interest on general obligation bonds is not recognized in the funds until due.			(395,321)
--	--	--	-----------

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.			(996,560)
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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	\$	(24,078,664)	
Accreted interest on bonds		(359,293)	
Compensated absences		(738,770)	
Other postemployment benefits obligations		(4,885,626)	
Net pension liability		(2,791,100)	
Unclaimed property		(245,763)	
Pollution remediation obligations		(175,852)	
Claims and judgments		(39,287)	
Asset retirement obligation		(27,939)	
Other obligations		(321,754)	
Total long-term liabilities			(33,664,048)

Net Position of Governmental Activities \$ 31,265,985

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

State of Washington

Statement of Revenues, Expenditures, and Changes in Fund Balances
GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2020
(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
REVENUES					
Retail sales and use taxes	\$ 11,984,575	\$ —	\$ —	\$ 116,164	\$ 12,100,739
Business and occupation taxes	4,596,484	71,318	—	5,021	4,672,823
Property taxes	3,738,779	—	—	—	3,738,779
Excise taxes	1,141,648	115,575	—	520,105	1,777,328
Motor vehicle and fuel taxes	—	—	—	1,549,624	1,549,624
Other taxes	2,034,465	717,918	—	438,947	3,191,330
Licenses, permits, and fees	138,978	1,112	—	1,805,042	1,945,132
Other contracts and grants	325,966	1,390,562	—	158,474	1,875,002
Timber sales	4,559	—	14,290	134,578	153,427
Federal grants-in-aid	14,511,874	1,559,558	—	1,368,055	17,439,487
Charges for services	50,472	2,847,241	—	692,967	3,590,680
Investment income (loss)	114,104	133,980	137,746	121,442	507,272
Miscellaneous revenue	221,349	177,264	4,688	542,128	945,429
Contributions and donations	—	—	81,966	—	81,966
Unclaimed property	114,157	—	—	—	114,157
Total Revenues	38,977,410	7,014,528	238,690	7,452,547	53,683,175
EXPENDITURES					
Current:					
General government	1,059,776	226	182	875,662	1,935,846
Human services	21,365,925	16,392	—	1,197,316	22,579,633
Natural resources and recreation	512,328	—	—	784,188	1,296,516
Transportation	63,093	—	—	2,211,882	2,274,975
Education	15,090,446	6,720,055	756	732,105	22,543,362
Intergovernmental	129,715	—	—	390,035	519,750
Capital outlays	71,077	189,718	6,407	1,840,748	2,107,950
Debt service:					
Principal	15,534	61,839	—	1,230,802	1,308,175
Interest	7,561	33,436	—	1,054,278	1,095,275
Total Expenditures	38,315,455	7,021,666	7,345	10,317,016	55,661,482
Excess of Revenues Over (Under) Expenditures	661,955	(7,138)	231,345	(2,864,469)	(1,978,307)
OTHER FINANCING SOURCES (USES)					
Bonds issued	97,409	11,306	—	1,441,051	1,549,766
Refunding bonds issued	—	—	—	620,210	620,210
Payments to escrow agents for refunded bond debt	—	—	—	(632,504)	(632,504)
Issuance premiums	2,429	3,268	—	495,686	501,383
Other debt issued	5,534	22,141	—	172	27,847
Refunding COPs issued	—	37,842	—	—	37,842
Transfers in	788,260	1,020,547	23,594	2,786,909	4,619,310
Transfers out	(1,625,945)	(1,056,662)	(228,176)	(1,519,169)	(4,429,952)
Total Other Financing Sources (Uses)	(732,313)	38,442	(204,582)	3,192,355	2,293,902
Net Change in Fund Balances	(70,358)	31,304	26,763	327,886	315,595
Fund Balances - Beginning, as restated	4,849,475	3,970,570	4,407,130	6,301,407	19,528,582
Fund Balances - Ending	\$ 4,779,117	\$ 4,001,874	\$ 4,433,893	\$ 6,629,293	\$ 19,844,177

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, 2020

(expressed in thousands)

Net Change in Fund Balances - Total Governmental Funds \$ 315,595

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	\$ 1,752,472	
Less: Depreciation expense	<u>(699,899)</u>	1,052,573

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.

467,316

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.

(526,450)

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	\$ (2,737,741)	
Principal payments on bonds and other financing contracts	2,106,015	
Accreted interest on bonds	<u>41,860</u>	(589,866)

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	\$ (77,393)	
Other postemployment benefits	(125,239)	
Pensions	663,581	
Pollution remediation	(43,014)	
Claims and judgments	(2,342)	
Accrued interest	5,134	
Unclaimed property	(2,195)	
Asset retirement obligations	(1,592)	
Other obligations	<u>5,087</u>	422,027

Change in Net Position of Governmental Activities \$ 1,141,195

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

**Statement of Net Position
PROPRIETARY FUNDS**

June 30, 2020

(expressed in thousands)

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 69,220	\$ 2,972,974	\$ 908,489
Investments	1,561,509	—	12,905
Taxes receivable (net of allowance)	—	—	—
Receivables (net of allowance)	835,938	714,774	333,937
Due from other funds	143	13,937	14,540
Due from other governments	1,976	49,595	78,964
Inventories	115	—	53,267
Prepaid expenses	1,570	—	6,561
Restricted cash and investments	461	—	16,321
Restricted receivables	—	—	13,328
Total Current Assets	2,470,932	3,751,280	1,438,312
Noncurrent Assets:			
Investments, noncurrent	18,754,346	—	214,230
Restricted investments, noncurrent	—	—	110,606
Restricted net pension asset	—	—	776
Other noncurrent assets	4,226	—	229,343
Capital assets:			
Land and other non-depreciable assets	3,204	—	74,277
Buildings	65,111	—	4,515,828
Other improvements	1,289	—	117,418
Furnishings, equipment, and intangibles	105,113	—	741,313
Infrastructure	—	—	59,753
Accumulated depreciation	(138,479)	—	(2,395,037)
Construction in progress	916	—	196,643
Total Noncurrent Assets	18,795,726	—	3,865,150
Total Assets	21,266,658	3,751,280	5,303,462
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows on refundings	—	—	32,495
Deferred outflows on pensions	31,105	—	123,688
Deferred outflows on OPEB	16,997	—	70,483
Total Deferred Outflows of Resources	48,102	—	226,666
Total Assets and Deferred Outflows of Resources	\$ 21,314,760	\$ 3,751,280	\$ 5,530,128

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

State of Washington

Continued

Nonmajor Enterprise Funds		Governmental Activities	
		Total	Internal Service Funds
\$	1,070,259	\$	5,020,942
	45,648		1,620,062
	2,405		2,405
	256,148		2,140,797
	367,048		395,668
	170,338		300,873
	10,512		63,894
	388		8,519
	—		16,782
	—		13,328
	<u>1,922,746</u>		<u>9,583,270</u>
	1,581,752		20,550,328
	—		110,606
	—		776
	83,358		316,927
	1,540		79,021
	12,828		4,593,767
	5,772		124,479
	36,586		883,012
	—		59,753
	(28,045)		(2,561,561)
	51,811		249,370
	<u>1,745,602</u>		<u>24,406,478</u>
	<u>3,668,348</u>		<u>33,989,748</u>
	54		32,549
	16,313		171,106
	16,906		104,386
	<u>33,273</u>		<u>308,041</u>
\$	<u>3,701,621</u>	\$	<u>34,297,789</u>
		\$	<u>1,940,538</u>

**Statement of Net Position
PROPRIETARY FUNDS**

June 30, 2020
(expressed in thousands)

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 9,437	\$ —	\$ 171,640
Accrued liabilities	271,595	82,064	279,332
Obligations under security lending agreements	—	—	—
Bonds and notes payable	—	—	153,402
Net pension liability	33	—	733
Total OPEB liability	2,280	—	9,328
Due to other funds	5,832	1,375	179,692
Due to other governments	1,691	96,559	2,280
Unearned revenue	8,083	—	169,281
Claims and judgments payable	2,230,385	—	—
Total Current Liabilities	2,529,336	179,998	965,688
Noncurrent Liabilities:			
Claims and judgments payable	30,562,756	—	—
Bonds and notes payable	—	—	2,552,460
Net pension liability	69,061	—	257,360
Total OPEB liability	129,957	—	531,628
Other long-term liabilities	8,652	—	91,787
Total Noncurrent Liabilities	30,770,426	—	3,433,235
Total Liabilities	33,299,762	179,998	4,398,923
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on refundings	—	—	288
Deferred inflows on pensions	37,201	—	115,354
Deferred inflows on OPEB	41,997	—	161,830
Total Deferred Inflows of Resources	79,198	—	277,472
NET POSITION			
Net investment in capital assets	37,155	—	751,166
Restricted for:			
Unemployment compensation	—	3,571,282	—
Pensions	—	—	642
Unrestricted	(12,101,355)	—	101,925
Total Net Position	(12,064,200)	3,571,282	853,733
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 21,314,760	\$ 3,751,280	\$ 5,530,128

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

State of Washington

Concluded

		Governmental Activities	
Nonmajor Enterprise Funds		Total	Internal Service Funds
\$	29,319	\$	210,396
	255,903		888,894
	5,413		5,413
	3,552		156,954
	—		766
	1,058		12,666
	375,740		562,639
	5,671		106,201
	31,603		208,967
	177,220		2,407,605
	<u>885,479</u>		<u>4,560,501</u>
	16,831		30,579,587
	2,660		2,555,120
	30,725		357,146
	60,309		721,894
	1,215,759		1,316,198
	<u>1,326,284</u>		<u>35,529,945</u>
	<u>2,211,763</u>		<u>40,090,446</u>
	—		288
	17,222		169,777
	18,555		222,382
	<u>35,777</u>		<u>392,447</u>
	74,333		862,654
	—		3,571,282
	—		642
	1,379,748		(10,619,682)
	<u>1,454,081</u>		<u>(6,185,104)</u>
\$	<u>3,701,621</u>	\$	<u>34,297,789</u>
		\$	<u>1,940,538</u>

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

For the Fiscal Year Ended June 30, 2020
(expressed in thousands)

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
OPERATING REVENUES			
Sales	\$ —	\$ —	\$ 38,282
Less: Cost of goods sold	—	—	(33,507)
Gross profit	—	—	4,775
Charges for services	8	—	2,996,378
Premiums and assessments	2,658,958	1,155,021	—
Lottery ticket proceeds	—	—	—
Federal aid for unemployment insurance benefits	—	4,707,648	—
Miscellaneous revenue	52,699	26,559	218,597
Total Operating Revenues	2,711,665	5,889,228	3,219,750
OPERATING EXPENSES			
Salaries and wages	200,115	—	1,247,602
Employee benefits	59,563	—	334,146
Personal services	15,829	—	121,281
Goods and services	100,992	—	1,347,117
Travel	4,381	—	22,016
Premiums and claims	5,900,718	7,494,268	—
Guaranteed education tuition program expense	—	—	—
Lottery prize payments	—	—	—
Depreciation and amortization	7,508	—	212,351
Miscellaneous expenses	97,669	—	23,678
Total Operating Expenses	6,386,775	7,494,268	3,308,191
Operating Income (Loss)	(3,675,110)	(1,605,040)	(88,441)
NONOPERATING REVENUES (EXPENSES)			
Earnings (loss) on investments	1,836,909	109,463	42,055
Interest expense	—	—	(89,396)
Tax and license revenue	112	—	—
Other revenues (expenses)	9,610	—	112,810
Total Nonoperating Revenues (Expenses)	1,846,631	109,463	65,469
Income (Loss) Before Contributions and Transfers	(1,828,479)	(1,495,577)	(22,972)
Capital contributions	—	—	—
Transfers in	—	—	636,248
Transfers out	(3,439)	—	(661,487)
Net Contributions and Transfers	(3,439)	—	(25,239)
Change in Net Position	(1,831,918)	(1,495,577)	(48,211)
Net Position - Beginning, as restated	(10,232,282)	5,066,859	901,944
Net Position - Ending	\$ (12,064,200)	\$ 3,571,282	\$ 853,733

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

State of Washington

Nonmajor Enterprise Funds		Governmental Activities			
		Total	Internal Service Funds		
\$	98,912	\$	137,194	\$	39,611
	(66,588)		(100,095)		(33,466)
	32,324		37,099		6,145
	107,390		3,103,776		771,802
	3,308,408		7,122,387		159,895
	817,299		817,299		—
	—		4,707,648		—
	6,622		304,477		184,458
	4,272,043		16,092,686		1,122,300
	99,447		1,547,164		335,806
	34,265		427,974		100,140
	32,483		169,593		32,258
	124,867		1,572,976		371,377
	1,391		27,788		4,237
	2,680,434		16,075,420		715,138
	144,374		144,374		—
	530,238		530,238		—
	2,803		222,662		102,266
	633		121,980		534
	3,650,935		20,840,169		1,661,756
	621,108		(4,747,483)		(539,456)
	139,414		2,127,841		6,255
	(5,111)		(94,507)		(17,338)
	19,672		19,784		10
	53		122,473		(437)
	154,028		2,175,591		(11,510)
	775,136		(2,571,892)		(550,966)
	—		—		9,071
	11,331		647,579		61,423
	(183,339)		(848,265)		(45,978)
	(172,008)		(200,686)		24,516
	603,128		(2,772,578)		(526,450)
	850,953		(3,412,526)		(470,110)
\$	1,454,081	\$	(6,185,104)	\$	(996,560)

Statement of Cash Flows
PROPRIETARY FUNDS
 For the Fiscal Year Ended June 30, 2020
(expressed in thousands)

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 2,592,379	\$ 841,185	\$ 3,235,220
Payments to suppliers	(2,395,022)	(7,415,958)	(1,638,474)
Payments to employees	(271,521)	—	(1,575,036)
Other receipts	52,699	4,734,089	218,596
Net Cash Provided (Used) by Operating Activities	(21,465)	(1,840,684)	240,306
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	—	—	636,248
Transfers out	(3,439)	—	(661,487)
Operating grants and donations received	9,069	—	86,218
Taxes and license fees collected	112	—	—
Net Cash Provided (Used) by Noncapital Financing Activities	5,742	—	60,979
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest paid	—	—	(90,608)
Principal payments on long-term capital financing	—	—	(110,725)
Proceeds from long-term capital financing	—	—	221,476
Proceeds from sale of capital assets	38	—	15,660
Acquisitions of capital assets	(1,355)	—	(200,022)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,317)	—	(164,219)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt of interest	778,044	109,463	15,188
Proceeds from sale of investment securities	7,918,972	—	57,791
Purchases of investment securities	(8,669,132)	—	(79,644)
Net Cash Provided (Used) by Investing Activities	27,884	109,463	(6,665)
Net Increase (Decrease) in Cash and Pooled Investments	10,844	(1,731,221)	130,401
Cash and cash equivalents, July 1, as restated	58,837	4,704,195	794,409
Cash and cash equivalents, June 30	\$ 69,681	\$ 2,972,974	\$ 924,810
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (3,675,110)	\$ (1,605,040)	\$ (88,441)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	7,508	—	212,351
Revenue reduced for uncollectible accounts	94,986	—	1,559
Change in Assets: Decrease (Increase)			
Receivables	(66,294)	(313,954)	85,269
Inventories	48	—	(11,655)
Prepaid expenses	2,801	—	(1,277)
Other assets	—	—	(150)
Change in Deferred Outflows of Resources: Increase (Decrease)	(10,140)	—	(88,876)
Change in Liabilities: Increase (Decrease)			
Payables	3,626,590	78,310	128,674
Change in Deferred Inflows of Resources: Decrease (Increase)	(1,854)	—	2,852
Net Cash Provided (Used) by Operating Activities	\$ (21,465)	\$ (1,840,684)	\$ 240,306

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

State of Washington

Continued

Nonmajor Enterprise Funds		Governmental Activities	
		Total	Internal Service Funds
\$	4,200,335	\$	10,869,119
	(3,357,875)		(14,807,329)
	(135,797)		(1,982,354)
	6,614		5,011,998
	713,277		(908,566)
	11,331		647,579
	(183,339)		(848,265)
	517		95,804
	17,672		17,784
	(153,819)		(87,098)
	(158)		(90,766)
	(490)		(111,215)
	30		221,506
	16		15,714
	(25,720)		(227,097)
	(26,322)		(191,858)
	152,119		1,054,814
	924,951		8,901,714
	(1,070,933)		(9,819,709)
	6,137		136,819
	539,273		(1,050,703)
	530,986		6,088,427
\$	1,070,259	\$	5,037,724
\$	621,108	\$	(4,747,483)
	2,803		222,662
	27		96,572
	(160,088)		(455,067)
	(548)		(12,155)
	(81)		1,443
	—		(150)
	(10,910)		(109,926)
	258,331		4,091,905
	2,635		3,633
\$	713,277	\$	(908,566)
		\$	82,401

Statement of Cash Flows
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2020
(expressed in thousands)

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributions of capital assets	\$ —	\$ —	\$ —
Acquisition of capital assets through capital leases	—	—	14,498
Amortization of annuity prize liability	—	—	—
Increase (decrease) in fair value of investments	1,061,818	—	114
Amortization of debt premium/discount	—	—	3,015
Increase in ownership of joint venture	—	—	25,061

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

State of Washington

Concluded

Nonmajor Enterprise Funds		Governmental Activities	
		Total	Internal Service Funds
\$	—	\$	—
	—		\$ 9,064
	5,020	14,498	119
	(12,765)	5,020	—
	67	1,049,167	227
	—	3,082	6,376
	—	25,061	—

Statement of Net Position
FIDUCIARY FUNDS
 June 30, 2020
 (expressed in thousands)

Continued

	Private-Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans	Agency Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets				
Cash and cash equivalents	\$ 6,814	\$ 3,628,428	\$ 62,631	\$ 232,883
Receivables, pension and other employee benefit plans:				
Employers	—	—	237,156	—
Members (net of allowance)	—	—	6,766	—
Interest and dividends	—	—	304,892	—
Investment trades pending	—	—	3,830,613	—
Due from other pension and other employee benefit funds	—	—	112,722	—
Other receivables, all other funds	—	5,083	116	13,742
Due from other governments	—	—	—	22,533
Investments:				
Liquidity	—	12,623,272	3,780,707	—
Fixed income	—	2,441,363	22,741,577	—
Public equity	—	—	45,569,101	—
Private equity	—	—	26,183,381	—
Real estate	—	—	20,765,772	—
Tangible assets	—	—	6,004,124	—
Security lending collateral	—	—	276,504	—
Other noncurrent assets	—	—	—	46,066
Capital assets:				
Furnishings, equipment, and intangibles	33	—	—	—
Accumulated depreciation	(33)	—	—	—
Total Assets	6,814	18,698,146	129,876,062	315,224
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on OPEB	—	—	179	—
Total Deferred Outflows of Resources	—	—	179	—
Total Assets and Deferred Outflows of Resources	\$ 6,814	\$ 18,698,146	\$ 129,876,241	\$ 315,224

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

Statement of Net Position
FIDUCIARY FUNDS
 June 30, 2020
 (expressed in thousands)

	Private-Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans	Concluded Agency Funds
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Liabilities				
Accounts payable	\$ 95	\$ —	\$ —	\$ 23,614
Contracts payable	—	—	—	33,660
Accrued liabilities	159	549,691	4,299,120	189,326
Obligations under security lending agreements	—	—	276,504	—
Due to other funds	—	82	—	—
Due to other pension and other employee benefit funds	—	—	112,722	—
Due to other governments	—	142,536	—	22,558
Unearned revenue	—	—	572	—
Other long-term liabilities	—	—	—	46,066
Total Liabilities	254	692,309	4,688,918	315,224
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on OPEB	—	—	123	—
Total Deferred Inflows of Resources	—	—	123	—
Total Liabilities and Deferred Inflows of Resources	254	692,309	4,689,041	\$ 315,224
NET POSITION				
Net position restricted for:				
Pensions	—	—	120,321,676	
Deferred compensation participants	—	—	4,865,524	
Local government pool participants	—	18,005,837	—	
Individuals, organizations, and other governments	6,560	—	—	
Total Net Position	\$ 6,560	\$ 18,005,837	\$ 125,187,200	

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, 2020
(expressed in thousands)

	Private-Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans
ADDITIONS			
Contributions:			
Employers	\$ —	\$ —	\$ 3,153,350
Members	—	—	1,944,774
State	—	—	92,694
Participants	—	29,364,274	342,339
Total Contributions	—	29,364,274	5,533,157
Investment Income:			
Net appreciation (depreciation) in fair value	—	—	3,384,962
Interest and dividends	—	236,409	2,420,796
Earnings on investments	—	7,481	—
Less: Investment expenses	—	—	(625,586)
Net Investment Income (Loss)	—	243,890	5,180,172
Other Additions:			
Unclaimed property	76,282	—	—
Transfers from other plans	—	—	427,319
Miscellaneous revenue	5	—	22,594
Total Other Additions	76,287	—	449,913
Total Additions	76,287	29,608,164	11,163,242
DEDUCTIONS			
Pension benefits	—	—	4,924,916
Pension refunds	—	—	687,673
Transfers to other plans	—	—	427,319
Administrative expenses	4,653	1,453	5,052
Distributions to participants	—	25,452,750	290,427
Payments to or on behalf of individuals, organizations, and other governments in accordance with state unclaimed property laws	64,480	—	—
Transfers out	4,117	—	—
Total Deductions	73,250	25,454,203	6,335,387
Net Increase (Decrease)	3,037	4,153,961	4,827,855
Net Position - Beginning	3,523	13,851,876	120,359,345
Net Position - Ending	\$ 6,560	\$ 18,005,837	\$ 125,187,200

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

State of Washington

Statement of Net Position
COMPONENT UNITS
 June 30, 2020
(expressed in thousands)

Continued

	Public Stadium Authority	Health Benefit Exchange	Valley Medical Center	Nonmajor Component Units	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 10,581	\$ 2,573	\$ 114,880	\$ 83,126	\$ 211,160
Investments	—	—	74,035	40,353	114,388
Receivables (net of allowance)	1,118	7,464	89,818	9,133	107,533
Inventories	—	—	7,133	—	7,133
Prepaid expenses	14	3,110	21,771	404	25,299
Total Current Assets	11,713	13,147	307,637	133,016	465,513
Noncurrent Assets:					
Investments, noncurrent	—	—	100,027	—	100,027
Restricted investments, noncurrent	—	—	45,208	—	45,208
Other noncurrent assets	—	362	—	454,552	454,914
Capital assets:					
Land	34,677	—	14,026	—	48,703
Buildings	460,953	—	509,848	—	970,801
Other improvements	—	1,854	18,778	176	20,808
Furnishings, equipment, and intangible assets	10,232	60,709	251,451	2,081	324,473
Lease asset	—	2,794	—	—	2,794
Accumulated depreciation	(283,294)	(48,419)	(435,166)	(2,117)	(768,996)
Construction in progress	—	2,601	37,759	—	40,360
Total Noncurrent Assets	222,568	19,901	541,931	454,692	1,239,092
Total Assets	234,281	33,048	849,568	587,708	1,704,605
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows on refundings	—	—	15,112	—	15,112
Deferred outflows on pensions	9	1,840	—	1,015	2,864
Deferred outflows on OPEB	—	18	—	481	499
Total Deferred Outflows of Resources	9	1,858	15,112	1,496	18,475
Total Assets and Deferred Outflows of Resources	\$ 234,290	\$ 34,906	\$ 864,680	\$ 589,204	\$ 1,723,080

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

Statement of Net Position
COMPONENT UNITS
 June 30, 2020
 (expressed in thousands)

	Public Stadium Authority	Health Benefit Exchange	Valley Medical Center	Nonmajor Component Units	Concluded Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION					
LIABILITIES					
Current Liabilities:					
Accounts payable	\$ 31	\$ 11,920	\$ 23,992	\$ 342	\$ 36,285
Accrued liabilities	4,294	1,224	126,254	39,146	170,918
Total OPEB liability	—	—	—	3	3
Lease liability	—	563	—	—	563
Unearned revenue	—	—	85,441	8,669	94,110
Total Current Liabilities	4,325	13,707	235,687	48,160	301,879
Noncurrent Liabilities:					
Net pension liability	114	3,769	—	2,568	6,451
Total OPEB liability	—	1,428	—	3,655	5,083
Lease liability	—	1,179	—	—	1,179
Other long-term liabilities	—	361	324,511	—	324,872
Total Noncurrent Liabilities	114	6,737	324,511	6,223	337,585
Total Liabilities	4,439	20,444	560,198	54,383	639,464
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows on property taxes	—	—	29,190	—	29,190
Deferred inflows on pensions	64	2,290	—	1,289	3,643
Deferred inflows on OPEB	—	379	—	1,106	1,485
Total Deferred Inflows of Resources	64	2,669	29,190	2,395	34,318
NET POSITION					
Net investment in capital assets	222,421	19,539	118,350	140	360,450
Restricted for:					
Other purposes	—	—	856	984	1,840
Unrestricted	7,366	(7,746)	156,086	531,302	687,008
Total Net Position	229,787	11,793	275,292	532,426	1,049,298
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 234,290	\$ 34,906	\$ 864,680	\$ 589,204	\$ 1,723,080

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

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

For the Fiscal Year Ended June 30, 2020
(expressed in thousands)

	Public Stadium Authority	Health Benefit Exchange	Valley Medical Center	Nonmajor Component Units	Total
EXPENSES	\$ 19,747	\$ 54,977	\$ 763,707	\$ 24,247	\$ 862,678
PROGRAM REVENUES					
Charges for services	4,847	30,860	707,034	119,037	861,778
Operating grants and contributions	—	27,901	26,786	1,473	56,160
Total Program Revenues	4,847	58,761	733,820	120,510	917,938
Net Program Revenues (Expense)	(14,900)	3,784	(29,887)	96,263	55,260
GENERAL REVENUES					
Earnings (loss) on investments	273	—	8,786	3,602	12,661
Property taxes	—	—	24,003	—	24,003
Other	—	—	558	—	558
Total General Revenues	273	—	33,347	3,602	37,222
Change in Net Position	(14,627)	3,784	3,460	99,865	92,482
Net Position - Beginning, as restated	244,414	8,009	271,832	432,561	956,816
Net Position - Ending	\$ 229,787	\$ 11,793	\$ 275,292	\$ 532,426	\$ 1,049,298

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