

**Basic Financial Statements**  
**Fund Financial Statements**

**Balance Sheet**  
**GOVERNMENTAL FUNDS**

June 30, 2018

(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,608,088	\$ 171,357	\$ 623,630	\$ 4,249,446	\$ 8,652,521
Investments	78,673	2,005,473	4,319,999	267,491	6,671,636
Taxes receivable (net of allowance)	4,566,740	21,179	—	222,088	4,810,007
Receivables (net of allowance)	721,729	652,579	31,870	908,366	2,314,544
Due from other funds	560,699	1,036,688	1,007	348,393	1,946,787
Due from other governments	1,528,168	216,633	1,700	2,530,363	4,276,864
Inventories and prepaids	13,743	29,046	—	48,765	91,554
Restricted cash and investments	28,734	924	—	60,235	89,893
Restricted receivables	20,189	41,748	—	5,154	67,091
<b>Total Assets</b>	<b>\$ 11,126,763</b>	<b>\$ 4,175,627</b>	<b>\$ 4,978,206</b>	<b>\$ 8,640,301</b>	<b>\$ 28,920,897</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 1,596,400	\$ 269,006	\$ 39,176	\$ 318,245	\$ 2,222,827
Accrued liabilities	314,990	506,373	69,808	194,927	1,086,098
Due to other funds	196,863	265,585	668,295	489,188	1,619,931
Due to other governments	1,216,476	33,486	—	132,628	1,382,590
Unearned revenue	141,549	232,593	—	87,307	461,449
Claims and judgments payable	54,160	—	—	91,655	145,815
<b>Total Liabilities</b>	<b>3,520,438</b>	<b>1,307,043</b>	<b>777,279</b>	<b>1,313,950</b>	<b>6,918,710</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	2,176,261	13,731	16,143	166,535	2,372,670
Deferred inflows on hedging derivatives	—	—	—	3,869	3,869
Deferred inflows on irrevocable split interest agreements	—	—	45,663	—	45,663
<b>Total Deferred Inflows of Resources</b>	<b>2,176,261</b>	<b>13,731</b>	<b>61,806</b>	<b>170,404</b>	<b>2,422,202</b>
<b>FUND BALANCES</b>					
Nonspendable fund balance	45,400	45,292	2,466,357	256,672	2,813,721
Restricted fund balance	1,476,149	45,529	1,672,764	3,580,250	6,774,692
Committed fund balance	387,930	2,745,732	—	3,319,281	6,452,943
Assigned fund balance	1,513,952	18,300	—	—	1,532,252
Unassigned fund balance	2,006,633	—	—	(256)	2,006,377
<b>Total Fund Balances</b>	<b>5,430,064</b>	<b>2,854,853</b>	<b>4,139,121</b>	<b>7,155,947</b>	<b>19,579,985</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 11,126,763</b>	<b>\$ 4,175,627</b>	<b>\$ 4,978,206</b>	<b>\$ 8,640,301</b>	<b>\$ 28,920,897</b>

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, 2018

*(expressed in thousands)*

**Total Fund Balances for Governmental Funds** \$ 19,579,985

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	\$	28,853,054	
Depreciable assets		21,717,621	
Less: Accumulated depreciation		(10,346,859)	
Total capital assets			40,223,816

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.			2,372,670
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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.			1,879,159
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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.			1,054,462
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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.			(1,685,600)
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Unmatured interest on general obligation bonds is not recognized in the funds until due.			(400,919)
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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.			(174,085)
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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	\$	(23,336,688)	
Accreted interest on bonds		(433,372)	
Compensated absences		(644,972)	
Other postemployment benefits obligations		(4,918,779)	
Net pension liability		(3,791,499)	
Unclaimed property		(237,774)	
Pollution remediation obligations		(151,414)	
Claims and judgments		(41,195)	
Other obligations		(379,827)	
Total long-term liabilities			(33,935,520)

<b>Net Position of Governmental Activities</b>			<b>\$ 28,913,968</b>
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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, 2018

(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment	Non-Major Governmental Funds	Total
<b>REVENUES</b>					
Retail sales and use taxes	\$ 11,003,465	\$ —	\$ —	\$ 150,543	\$ 11,154,008
Business and occupation taxes	4,176,893	—	—	5,851	4,182,744
Property taxes	2,769,520	—	—	—	2,769,520
Excise taxes	1,139,260	48,673	—	411,589	1,599,522
Motor vehicle and fuel taxes	—	—	—	1,731,565	1,731,565
Other taxes	2,155,410	260,063	—	297,924	2,713,397
Licenses, permits, and fees	124,367	1,039	—	2,282,501	2,407,907
Other contracts and grants	330,381	983,150	—	133,147	1,446,678
Timber sales	1,924	—	23,393	121,026	146,343
Federal grants-in-aid	13,013,441	1,453,867	—	1,179,003	15,646,311
Charges for services	48,367	2,662,552	1	703,361	3,414,281
Investment income (loss)	656	140,795	372,260	47,634	561,345
Miscellaneous revenue	314,549	270,211	11,414	535,982	1,132,156
Contributions and donations	—	—	108,860	—	108,860
Unclaimed property	100,139	—	—	—	100,139
<b>Total Revenues</b>	<b>35,178,372</b>	<b>5,820,350</b>	<b>515,928</b>	<b>7,600,126</b>	<b>49,114,776</b>
<b>EXPENDITURES</b>					
Current:					
General government	864,370	25	156	490,506	1,355,057
Human services	18,686,072	—	—	1,130,848	19,816,920
Natural resources and recreation	464,952	—	—	663,064	1,128,016
Transportation	57,377	—	—	2,066,334	2,123,711
Education	13,066,900	5,453,803	327	581,132	19,102,162
Intergovernmental	101,822	—	—	402,297	504,119
Capital outlays	78,930	266,103	46	1,435,705	1,780,784
Debt service:					
Principal	14,407	28,383	—	1,101,427	1,144,217
Interest	3,525	27,265	—	1,004,018	1,034,808
<b>Total Expenditures</b>	<b>33,338,355</b>	<b>5,775,579</b>	<b>529</b>	<b>8,875,331</b>	<b>47,989,794</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,840,017</b>	<b>44,771</b>	<b>515,399</b>	<b>(1,275,205)</b>	<b>1,124,982</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds issued	59,590	85,022	—	1,047,010	1,191,622
Refunding bonds issued	—	—	—	1,344,415	1,344,415
Payments to escrow agents for refunded bond debt	—	—	—	(1,604,794)	(1,604,794)
Issuance premiums	932	5,123	—	451,293	457,348
Other debt issued	1,976	34,580	—	10,423	46,979
Transfers in	686,088	768,562	37,263	3,142,348	4,634,261
Transfers out	(1,359,631)	(775,790)	(216,158)	(2,150,548)	(4,502,127)
<b>Total Other Financing Sources (Uses)</b>	<b>(611,045)</b>	<b>117,497</b>	<b>(178,895)</b>	<b>2,240,147</b>	<b>1,567,704</b>
<b>Net Change in Fund Balances</b>	<b>1,228,972</b>	<b>162,268</b>	<b>336,504</b>	<b>964,942</b>	<b>2,692,686</b>
<b>Fund Balances - Beginning, as restated</b>	<b>4,201,092</b>	<b>2,692,585</b>	<b>3,802,617</b>	<b>6,191,005</b>	<b>16,887,299</b>
<b>Fund Balances - Ending</b>	<b>\$ 5,430,064</b>	<b>\$ 2,854,853</b>	<b>\$ 4,139,121</b>	<b>\$ 7,155,947</b>	<b>\$ 19,579,985</b>

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, 2018  
(expressed in thousands)

**Net Change in Fund Balances - Total Governmental Funds** \$ 2,692,686

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	\$ 1,236,753	
Less: Depreciation expense	<u>(698,040)</u>	538,713

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.

728,397

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.

74,910

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	\$ (3,032,801)	
Principal payments on bonds and other financing contracts	2,711,600	
Accreted interest on bonds	<u>24,263</u>	(296,938)

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	\$ (60,221)	
Other postemployment benefits	(329,366)	
Pensions	559,798	
Pollution remediation	(561)	
Claims and judgments	(1,638)	
Accrued interest	4,462	
Unclaimed property	(40,363)	
Other obligations	<u>116,330</u>	<u>248,441</u>

**Change in Net Position of Governmental Activities** \$ 3,986,209

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

**Statement of Net Position**  
**PROPRIETARY FUNDS**

June 30, 2018

(expressed in thousands)

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 45,490	\$ 4,497,091	\$ 770,719
Investments	1,479,717	—	27,761
Taxes receivable (net of allowance)	—	—	—
Receivables (net of allowance)	1,044,871	391,777	391,213
Due from other funds	600	3,348	17,563
Due from other governments	2,058	25,645	107,361
Inventories	149	—	43,681
Prepaid expenses	2,585	—	4,995
Restricted cash and investments	371	—	77,105
Restricted receivables	—	—	36,592
<b>Total Current Assets</b>	<b>2,575,841</b>	<b>4,917,861</b>	<b>1,476,990</b>
<b>Noncurrent Assets:</b>			
Investments, noncurrent	15,389,476	—	345,307
Restricted receivables, noncurrent	—	—	735
Restricted net pension asset	—	—	454
Other noncurrent assets	4,929	—	185,554
Capital assets:			
Land and other non-depreciable assets	3,204	—	70,766
Buildings	65,134	—	3,849,793
Other improvements	1,289	—	100,460
Furnishings, equipment, and intangibles	107,539	—	865,050
Infrastructure	—	—	59,019
Accumulated depreciation	(127,213)	—	(2,144,990)
Construction in progress	8,123	—	440,272
<b>Total Noncurrent Assets</b>	<b>15,452,481</b>	<b>—</b>	<b>3,772,420</b>
<b>Total Assets</b>	<b>18,028,322</b>	<b>4,917,861</b>	<b>5,249,410</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows on refundings	—	—	38,792
Deferred outflows on pensions	26,527	—	79,831
Deferred outflows on OPEB	2,046	—	8,387
<b>Total Deferred Outflows of Resources</b>	<b>28,573</b>	<b>—</b>	<b>127,010</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 18,056,895</b>	<b>\$ 4,917,861</b>	<b>\$ 5,376,420</b>

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

Continued

Nonmajor Enterprise Funds		Governmental Activities			
		Total	Internal Service Funds		
\$	258,790	\$	5,572,090	\$	570,714
	962,962		2,470,440		4,241
	40		40		—
	59,325		1,887,186		79,163
	12,190		33,701		93,101
	5,551		140,615		79,879
	9,365		53,195		15,507
	213		7,793		14,113
	—		77,476		197,113
	—		36,592		2,240
	1,308,436		10,279,128		1,056,071
	1,287,020		17,021,803		236,187
	—		735		—
	—		454		—
	104,526		295,009		—
	1,540		75,510		6,155
	12,828		3,927,755		524,991
	5,774		107,523		14,972
	33,013		1,005,602		976,212
	—		59,019		2,170
	(24,258)		(2,296,461)		(791,506)
	8,166		456,561		87,181
	1,428,609		20,653,510		1,056,362
	2,737,045		30,932,638		2,112,433
	71		38,863		1,476
	12,719		119,077		48,482
	2,257		12,690		3,683
	15,047		170,630		53,641
\$	2,752,092	\$	31,103,268	\$	2,166,074

**Statement of Net Position**  
**PROPRIETARY FUNDS**  
June 30, 2018  
*(expressed in thousands)*

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 29,182	\$ —	\$ 225,322
Accrued liabilities	221,403	69,686	375,773
Obligations under security lending agreements	99,810	—	—
Bonds and notes payable	—	—	96,726
Net pension liability	21	—	637
Total OPEB liability	2,046	—	8,387
Due to other funds	8,150	1,280	263,144
Due to other governments	—	22,821	30
Unearned revenue	7,647	—	54,456
Claims and judgments payable	2,226,223	—	—
<b>Total Current Liabilities</b>	<b>2,594,482</b>	<b>93,787</b>	<b>1,024,475</b>
<b>Noncurrent Liabilities:</b>			
Claims and judgments payable	25,548,080	—	—
Bonds and notes payable	—	—	2,424,636
Net pension liability	118,184	—	350,621
Total OPEB liability	127,225	—	521,606
Other long-term liabilities	7,765	—	89,501
<b>Total Noncurrent Liabilities</b>	<b>25,801,254</b>	<b>—</b>	<b>3,386,364</b>
<b>Total Liabilities</b>	<b>28,395,736</b>	<b>93,787</b>	<b>4,410,839</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows on refundings	—	—	23
Deferred inflows on pensions	19,188	—	56,728
Deferred inflows on OPEB	21,953	—	77,509
<b>Total Deferred Inflows of Resources</b>	<b>41,141</b>	<b>—</b>	<b>134,260</b>
<b>NET POSITION</b>			
Net investment in capital assets	58,076	—	757,775
Restricted for:			
Unemployment compensation	—	4,824,074	—
Pensions	—	—	454
Unrestricted	(10,438,058)	—	73,092
<b>Total Net Position</b>	<b>(10,379,982)</b>	<b>4,824,074</b>	<b>831,321</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 18,056,895</b>	<b>\$ 4,917,861</b>	<b>\$ 5,376,420</b>

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



Concluded

		<u>Governmental Activities</u>	
<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>	
\$ 13,913	\$ 268,417	\$ 33,140	
241,907	908,769	74,755	
22,427	122,237	—	
2,404	99,130	122,003	
—	658	981	
750	11,183	3,109	
105,195	377,769	75,809	
2,961	25,812	106,661	
480	62,583	4,633	
4,862	2,231,085	180,268	
<u>394,899</u>	<u>4,107,643</u>	<u>601,359</u>	
12,130	25,560,210	639,233	
3,761	2,428,397	545,362	
46,657	515,462	251,652	
46,686	695,517	193,364	
<u>1,653,562</u>	<u>1,750,828</u>	<u>25,906</u>	
<u>1,762,796</u>	<u>30,950,414</u>	<u>1,655,517</u>	
<u>2,157,695</u>	<u>35,058,057</u>	<u>2,256,876</u>	
—	23	133	
7,170	83,086	45,250	
6,699	106,161	37,900	
<u>13,869</u>	<u>189,270</u>	<u>83,283</u>	
30,971	846,822	225,531	
—	4,824,074	—	
—	454	—	
<u>549,557</u>	<u>(9,815,409)</u>	<u>(399,616)</u>	
<u>580,528</u>	<u>(4,144,059)</u>	<u>(174,085)</u>	
<u>\$ 2,752,092</u>	<u>\$ 31,103,268</u>	<u>\$ 2,166,074</u>	

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

For the Fiscal Year Ended June 30, 2018

(expressed in thousands)

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
<b>OPERATING REVENUES</b>			
Sales	\$ —	\$ —	\$ 81,260
Less: Cost of goods sold	—	—	(45,060)
Gross profit	—	—	36,200
Charges for services	21	—	2,864,798
Premiums and assessments	2,724,896	1,022,997	—
Lottery ticket proceeds	—	—	—
Federal aid for unemployment insurance benefits	—	40,569	—
Miscellaneous revenue	49,811	16,343	198,513
<b>Total Operating Revenues</b>	<b>2,774,728</b>	<b>1,079,909</b>	<b>3,099,511</b>
<b>OPERATING EXPENSES</b>			
Salaries and wages	177,028	—	1,221,652
Employee benefits	64,793	—	260,288
Personal services	14,968	—	40,994
Goods and services	86,737	—	1,219,463
Travel	4,575	—	28,031
Premiums and claims	3,309,111	935,042	195
Guaranteed education tuition program expense	—	—	—
Lottery prize payments	—	—	—
Depreciation and amortization	8,499	—	185,991
Miscellaneous expenses	23,841	—	24,396
<b>Total Operating Expenses</b>	<b>3,689,552</b>	<b>935,042</b>	<b>2,981,010</b>
<b>Operating Income (Loss)</b>	<b>(914,824)</b>	<b>144,867</b>	<b>118,501</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Earnings (loss) on investments	249,355	97,943	21,681
Interest expense	—	—	(92,876)
Tax and license revenue	115	—	—
Other revenues (expenses)	11,390	—	8,469
<b>Total Nonoperating Revenues (Expenses)</b>	<b>260,860</b>	<b>97,943</b>	<b>(62,726)</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>(653,964)</b>	<b>242,810</b>	<b>55,775</b>
Capital contributions	—	—	—
Transfers in	—	—	400,126
Transfers out	—	—	(362,065)
<b>Net Contributions and Transfers</b>	<b>—</b>	<b>—</b>	<b>38,061</b>
<b>Change in Net Position</b>	<b>(653,964)</b>	<b>242,810</b>	<b>93,836</b>
<b>Net Position - Beginning, as restated</b>	<b>(9,726,018)</b>	<b>4,581,264</b>	<b>737,485</b>
<b>Net Position - Ending</b>	<b>\$ (10,379,982)</b>	<b>\$ 4,824,074</b>	<b>\$ 831,321</b>

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

		<b>Governmental Activities</b>	
<b>Nonmajor Enterprise Funds</b>		<b>Total</b>	<b>Internal Service Funds</b>
\$	95,153	\$	176,413
	(61,947)		(34,866)
	33,206		6,534
	121,932		722,928
	11,427		1,776,313
	733,938		—
	—		40,569
	4,268		268,935
	904,771		177,764
			2,683,539
	73,997		1,472,677
	28,985		320,953
	18,062		123,049
	99,950		37,909
	2,419		1,406,150
	—		360,825
	167,252		5,153
	457,904		4,244,348
	2,828		167,252
	368		457,904
			197,318
	851,765		98,254
	53,006		48,605
			775
			8,457,369
			2,623,301
			60,238
	132,787		501,766
	(5,216)		5,150
	22,455		(22,524)
	292		15
	150,318		20,151
	203,324		8,038
			(9,321)
			50,917
	—		—
	14,115		4,591
	(203,712)		414,241
	(189,597)		62,222
			(565,777)
			(42,820)
			(151,536)
			23,993
	13,727		(303,591)
	566,801		74,910
			(248,995)
\$	580,528	\$	(4,144,059)
		\$	(174,085)

**Statement of Cash Flows**  
**PROPRIETARY FUNDS**

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

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 2,694,811	\$ 1,027,015	\$ 2,840,143
Payments to suppliers	(2,244,492)	(937,961)	(1,258,987)
Payments to employees	(243,038)	—	(1,470,294)
Other receipts	49,812	57,023	198,514
Net Cash Provided (Used) by Operating Activities	257,093	146,077	309,376
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	—	—	400,126
Transfers out	—	—	(362,065)
Operating grants and donations received	10,760	—	13,313
Taxes and license fees collected	115	—	—
Net Cash Provided (Used) by Noncapital Financing Activities	10,875	—	51,374
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Interest paid	—	—	(108,412)
Principal payments on long-term capital financing	—	—	(152,384)
Proceeds from long-term capital financing	—	—	211,620
Proceeds from sale of capital assets	2	—	1,731
Acquisitions of capital assets	(1,504)	—	(421,058)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,502)	—	(468,503)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Receipt of interest	1,567,421	97,943	2,540
Proceeds from sale of investment securities	7,763,465	—	85,688
Purchases of investment securities	(9,587,170)	—	(88,061)
Net Cash Provided (Used) by Investing Activities	(256,284)	97,943	167
Net Increase (Decrease) in Cash and Pooled Investments	10,182	244,020	(107,586)
Cash and cash equivalents, July 1, as restated	35,679	4,253,071	955,410
Cash and cash equivalents, June 30	\$ 45,861	\$ 4,497,091	\$ 847,824
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (914,824)	\$ 144,867	\$ 118,501
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:</b>			
Depreciation	8,499	—	185,991
Revenue reduced for uncollectible accounts	20,490	—	1,229
<b>Change in Assets: Decrease (Increase)</b>			
Receivables	(30,316)	4,129	(104,393)
Inventories	27	—	(2,793)
Prepaid expenses	(979)	—	5,673
Other assets	—	—	(220)
<b>Change in Deferred Outflows of Resources: Increase (Decrease)</b>	10,151	—	27,404
<b>Change in Liabilities: Increase (Decrease)</b>			
Payables	1,125,430	(2,919)	(49,765)
<b>Change in Deferred Inflows of Resources: Decrease (Increase)</b>	38,615	—	127,749
<b>Net Cash or Cash Equivalents Provided by (Used in) Operating Activities</b>	<b>\$ 257,093</b>	<b>\$ 146,077</b>	<b>\$ 309,376</b>

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

Continued

Nonmajor Enterprise Funds		Governmental Activities			
		Total	Internal Service Funds		
\$	975,875	\$	7,537,844	\$	2,433,355
	(856,459)		(5,297,899)		(2,070,620)
	(100,447)		(1,813,779)		(451,255)
	4,247		309,596		178,643
	23,216		735,762		90,123
	14,115		414,241		62,222
	(203,712)		(565,777)		(42,820)
	82,458		106,531		868
	22,413		22,528		15
	(84,726)		(22,477)		20,285
	(200)		(108,612)		(25,944)
	(415)		(152,799)		(44,168)
	—		211,620		42,391
	3,231		4,964		16,339
	(8,278)		(430,840)		(94,815)
	(5,662)		(475,667)		(106,197)
	279,619		1,947,523		6,598
	2,436,421		10,285,574		1,108
	(2,507,350)		(12,182,581)		(191,245)
	208,690		50,516		(183,539)
	141,518		288,134		(179,328)
	117,272		5,361,432		947,155
\$	258,790	\$	5,649,566	\$	767,827
\$	53,006	\$	(598,450)	\$	60,238
	2,828		197,318		98,254
	39		21,758		437
	12,945		(117,635)		(106,435)
	(1,232)		(3,998)		(618)
	(5)		4,689		(750)
	—		(220)		—
	157		37,712		19,813
	(58,110)		1,014,636		(52,937)
	13,588		179,952		72,121
\$	23,216	\$	735,762	\$	90,123

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

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>			
Contributions of capital assets	\$ —	\$ —	\$ —
Acquisition of capital assets through capital leases	—	—	1,901
Amortization of annuity prize liability	—	—	—
Increase (decrease) in fair value of investments	(1,321,453)	—	(243)
Debt refunding deposited with escrow agent	—	—	10,695
Amortization of debt premium/discount	—	—	19,240
Increase in ownership of joint venture	—	—	17,332

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

Concluded

Nonmajor Enterprise Funds		Governmental Activities	
		Total	Internal Service Funds
\$	—	\$	—
	—	1,901	4,591
	5,083	5,083	305
	(145,769)	(1,467,465)	—
	—	10,695	—
	67	19,307	3,611
	—	17,332	—

## Statement of Net Position

### FIDUCIARY FUNDS

June 30, 2018

(expressed in thousands)

Continued

	Private-Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans	Agency Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Cash and cash equivalents	\$ 6,781	\$ 6,405,092	\$ 45,365	\$ 195,567
Receivables, pension and other employee benefit plans:				
Employers	—	—	212,554	—
Members (net of allowance)	—	—	7,528	—
Interest and dividends	—	—	303,174	—
Investment trades pending	—	—	2,307,463	—
Due from other pension and other employee benefit funds	—	—	85,793	—
Other receivables, all other funds	—	10,428	131	10,796
Due from other governments	—	—	—	23,074
Investments:				
Liquidity	—	4,853,457	3,122,079	—
Fixed income	—	1,113,805	21,568,336	—
Public equity	—	—	43,154,158	—
Private equity	—	—	21,785,134	—
Real estate	—	—	17,212,474	—
Tangible assets	—	—	4,389,299	—
Security lending collateral	—	—	662,844	—
Other noncurrent assets	—	—	—	60,087
Capital assets:				
Furnishings, equipment, and intangibles	37	—	—	—
Accumulated depreciation	(35)	—	—	—
<b>Total Assets</b>	<b>6,783</b>	<b>12,382,782</b>	<b>114,856,332</b>	<b>289,524</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows on OPEB	—	—	13	—
<b>Total Deferred Outflows of Resources</b>	<b>—</b>	<b>—</b>	<b>13</b>	<b>—</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 6,783</b>	<b>\$ 12,382,782</b>	<b>\$ 114,856,345</b>	<b>\$ 289,524</b>

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



**Statement of Net Position**  
**FIDUCIARY FUNDS**  
June 30, 2018  
*(expressed in thousands)*

Concluded

	Private-Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans	Agency Funds
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>				
Accounts payable	\$ 99	\$ —	\$ —	\$ 23,424
Contracts payable	—	—	—	26,923
Accrued liabilities	218	47	2,715,381	158,378
Obligations under security lending agreements	—	—	662,844	—
Due to other funds	—	80	—	—
Due to other pension and other employee benefit funds	—	—	85,793	—
Due to other governments	—	55,940	—	20,712
Unearned revenue	—	—	673	—
Other long-term liabilities	—	—	—	60,087
<b>Total Liabilities</b>	<b>317</b>	<b>56,067</b>	<b>3,464,691</b>	<b>289,524</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows on OPEB	—	—	38	—
<b>Total Deferred Inflows of Resources</b>	<b>—</b>	<b>—</b>	<b>38</b>	<b>—</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>317</b>	<b>56,067</b>	<b>3,464,729</b>	<b>\$ 289,524</b>
<b>NET POSITION</b>				
Net position restricted for:				
Pensions	—	—	106,960,739	
Deferred compensation participants	—	—	4,430,877	
Local government pool participants	—	12,326,715	—	
Individuals, organizations, and other governments	6,466	—	—	
<b>Total Net Position</b>	<b>\$ 6,466</b>	<b>\$ 12,326,715</b>	<b>\$ 111,391,616</b>	

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, 2018

*(expressed in thousands)*

	Private-Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans
<b>ADDITIONS</b>			
<b>Contributions:</b>			
Employers	\$ —	\$ —	\$ 2,644,160
Members	—	—	1,634,050
State	—	—	84,579
Participants	—	21,095,305	275,725
<b>Total Contributions</b>	<b>—</b>	<b>21,095,305</b>	<b>4,638,514</b>
<b>Investment Income:</b>			
Net appreciation (depreciation) in fair value	—	—	7,760,007
Interest and dividends	—	151,955	2,338,780
Earnings on investments	—	27	—
Less: Investment expenses	—	—	(538,452)
<b>Net Investment Income (Loss)</b>	<b>—</b>	<b>151,982</b>	<b>9,560,335</b>
<b>Other Additions:</b>			
Unclaimed property	76,418	—	—
Transfers from other plans	—	—	11,224
Miscellaneous revenue	2	6	17,982
<b>Total Other Additions</b>	<b>76,420</b>	<b>6</b>	<b>29,206</b>
<b>Total Additions</b>	<b>76,420</b>	<b>21,247,293</b>	<b>14,228,055</b>
<b>DEDUCTIONS</b>			
Pension benefits	—	—	4,318,329
Pension refunds	—	—	619,678
Transfers to other plans	—	—	11,224
Administrative expenses	6,489	1,351	2,920
Distributions to participants	—	19,827,493	232,496
Payments to or on behalf of individuals, organizations, and other governments in accordance with state unclaimed property laws	68,401	—	—
<b>Total Deductions</b>	<b>74,890</b>	<b>19,828,844</b>	<b>5,184,647</b>
<b>Net Increase (Decrease)</b>	<b>1,530</b>	<b>1,418,449</b>	<b>9,043,408</b>
<b>Net Position - Beginning, as restated</b>	<b>4,936</b>	<b>10,908,266</b>	<b>102,348,208</b>
<b>Net Position - Ending</b>	<b>\$ 6,466</b>	<b>\$ 12,326,715</b>	<b>\$ 111,391,616</b>

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

## Statement of Net Position

### COMPONENT UNITS

June 30, 2018

(expressed in thousands)

Continued

	Public Stadium Authority	Health Benefit Exchange	Valley Medical Center	Nonmajor Component Units	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 9,354	\$ 3,535	\$ 77,931	\$ 58,643	\$ 149,463
Investments	—	—	41,431	48,952	90,383
Receivables (net of allowance)	1,007	10,074	83,949	7,758	102,788
Inventories	—	—	6,627	—	6,627
Prepaid expenses	—	1,412	16,942	325	18,679
<b>Total Current Assets</b>	<b>10,361</b>	<b>15,021</b>	<b>226,880</b>	<b>115,678</b>	<b>367,940</b>
<b>Noncurrent Assets:</b>					
Investments, noncurrent	—	—	66,663	—	66,663
Restricted investments, noncurrent	—	—	13,318	—	13,318
Other noncurrent assets	—	174	—	288,034	288,208
<b>Capital assets:</b>					
Land	34,677	—	13,414	—	48,091
Buildings	460,953	—	457,628	—	918,581
Other improvements	—	740	18,859	176	19,775
Furnishings, equipment, and intangible assets	9,099	55,654	219,104	1,886	285,743
Accumulated depreciation	(253,318)	(46,176)	(370,356)	(1,828)	(671,678)
Construction in progress	—	1,750	44,592	—	46,342
<b>Total Noncurrent Assets</b>	<b>251,411</b>	<b>12,142</b>	<b>463,222</b>	<b>288,268</b>	<b>1,015,043</b>
<b>Total Assets</b>	<b>261,772</b>	<b>27,163</b>	<b>690,102</b>	<b>403,946</b>	<b>1,382,983</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows on refundings	—	—	12,491	—	12,491
Deferred outflows on pensions	13	1,843	—	841	2,697
Deferred outflows on OPEB	—	—	—	57	57
<b>Total Deferred Outflows of Resources</b>	<b>13</b>	<b>1,843</b>	<b>12,491</b>	<b>898</b>	<b>15,245</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 261,785</b>	<b>\$ 29,006</b>	<b>\$ 702,593</b>	<b>\$ 404,844</b>	<b>\$ 1,398,228</b>

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

**Statement of Net Position**  
**COMPONENT UNITS**  
June 30, 2018  
*(expressed in thousands)*

					Concluded
	Public Stadium Authority	Health Benefit Exchange	Valley Medical Center	Nonmajor Component Units	Total
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>					
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts payable	\$ 44	\$ 14,158	\$ 20,058	\$ 793	\$ 35,053
Accrued liabilities	1,752	861	92,652	37,190	132,455
Total OPEB Liability	—	—	—	19	19
Unearned revenue	100	—	—	8,647	8,747
<b>Total Current Liabilities</b>	<b>1,896</b>	<b>15,019</b>	<b>112,710</b>	<b>46,649</b>	<b>176,274</b>
<b>Noncurrent Liabilities:</b>					
Net pension liability	217	6,917	—	4,507	11,641
Total OPEB liability	—	1,084	—	3,570	4,654
Other long-term liabilities	—	175	305,057	—	305,232
<b>Total Noncurrent Liabilities</b>	<b>217</b>	<b>8,176</b>	<b>305,057</b>	<b>8,077</b>	<b>321,527</b>
<b>Total Liabilities</b>	<b>2,113</b>	<b>23,195</b>	<b>417,767</b>	<b>54,726</b>	<b>497,801</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows on property taxes	—	—	25,031	—	25,031
Deferred inflows on pensions	36	1,707	—	681	2,424
Deferred inflows on OPEB	—	—	—	529	529
<b>Total Deferred Inflows of Resources</b>	<b>36</b>	<b>1,707</b>	<b>25,031</b>	<b>1,210</b>	<b>27,984</b>
<b>NET POSITION</b>					
Net investment in capital assets	251,411	11,967	87,817	234	351,429
Restricted for:					
Deferred sales tax	450	—	—	—	450
Other purposes	—	—	8,240	1,083	9,323
Unrestricted	7,775	(7,863)	163,738	347,591	511,241
<b>Total Net Position</b>	<b>259,636</b>	<b>4,104</b>	<b>259,795</b>	<b>348,908</b>	<b>872,443</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 261,785</b>	<b>\$ 29,006</b>	<b>\$ 702,593</b>	<b>\$ 404,844</b>	<b>\$ 1,398,228</b>

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, 2018

*(expressed in thousands)*

	Public Stadium Authority	Health Benefit Exchange	Valley Medical Center	Nonmajor Component Units	Total
<b>EXPENSES</b>	\$ 17,648	\$ 47,662	\$ 639,095	\$ 23,094	\$ 727,499
<b>PROGRAM REVENUES</b>					
Charges for services	3,785	26,333	636,725	75,289	742,132
Operating grants and contributions	—	29,298	—	2,168	31,466
<b>Total Program Revenues</b>	3,785	55,631	636,725	77,457	773,598
<b>Net Program Revenues (Expense)</b>	(13,863)	7,969	(2,370)	54,363	46,099
<b>GENERAL REVENUES</b>					
Earnings (loss) on investments	88	—	2,468	910	3,466
Property taxes	—	—	22,722	—	22,722
Other	—	—	17,414	—	17,414
<b>Total General Revenues</b>	88	—	42,604	910	43,602
<b>Change in Net Position</b>	(13,775)	7,969	40,234	55,273	89,701
<b>Net Position - Beginning, as restated</b>	273,411	(3,865)	219,561	293,635	782,742
<b>Net Position - Ending</b>	\$ 259,636	\$ 4,104	\$ 259,795	\$ 348,908	\$ 872,443

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