

Basic Financial Statements
Government-wide Financial Statements

Statement of Net Position

June 30, 2015

(expressed in thousands)

Continued

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and pooled investments	\$ 6,208,919	\$ 4,788,138	\$ 10,997,057	\$ 201,985
Taxes receivable (net of allowance for uncollectibles)	3,566,252	-	3,566,252	-
Other receivables (net of allowance for uncollectibles)	2,133,349	1,694,183	3,827,532	156,261
Internal balances	128,004	(128,004)	-	-
Due from other governments	3,870,500	118,451	3,988,951	-
Inventories and prepaids	110,639	60,884	171,523	23,632
Restricted cash and investments	375,987	7,613	383,600	5,770
Restricted receivables, current	22,094	3,172	25,266	-
Investments, noncurrent	5,768,557	17,602,903	23,371,460	151,347
Restricted investments, noncurrent	-	63,277	63,277	21,842
Restricted receivables, noncurrent	2,262	-	2,262	-
Restricted net pension asset	1,624,791	379	1,625,170	-
Other assets	-	345,082	345,082	137,739
Capital assets:				
Non-depreciable assets	26,892,627	354,954	27,247,581	71,321
Depreciable assets (net of accumulated depreciation)	10,890,596	2,570,573	13,461,169	720,039
Total capital assets	37,783,223	2,925,527	40,708,750	791,360
Total Assets	61,594,577	27,481,605	89,076,182	1,489,936
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on hedging derivatives	5,008	-	5,008	422
Deferred outflows on refundings	4,776	30,263	35,039	6,435
Deferred outflows on pensions	471,489	52,523	524,012	60
Total Deferred Outflows of Resources	481,273	82,786	564,059	6,917
Total Assets and Deferred Outflows of Resources	\$ 62,075,850	\$ 27,564,391	\$ 89,640,241	\$ 1,496,853

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

Statement of Net Position

June 30, 2015

(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	\$ 1,386,564	\$ 171,495	\$ 1,558,059	\$ 88,156
Contracts and retainage payable	186,343	26,406	212,749	-
Accrued liabilities	1,867,539	522,338	2,389,877	115,980
Obligations under security lending agreements	143,201	144,305	287,506	-
Due to other governments	1,333,526	108,986	1,442,512	-
Unearned revenues	422,226	62,105	484,331	13,622
Long-term liabilities:				
Due within one year	1,533,506	2,350,163	3,883,669	18,379
Due in more than one year	28,925,118	27,752,827	56,677,945	428,207
Total Liabilities	35,798,023	31,138,625	66,936,648	664,344
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on refundings	173	248	421	-
Deferred inflows on pensions	1,943,983	157,369	2,101,352	1,566
Total Deferred Inflows of Resources	1,944,156	157,617	2,101,773	- 1,566
NET POSITION				
Net investment in capital assets	19,957,567	972,671	20,930,238	378,736
Restricted for:				
Unemployment compensation	-	4,240,486	4,240,486	-
Nonexpendable permanent endowments	2,326,331	-	2,326,331	-
Expendable endowment funds	1,250,545	-	1,250,545	-
Pensions	1,624,791	379	1,625,170	-
Wildlife and natural resources	932,384	-	932,384	-
Transportation	725,319	-	725,319	-
Budget stabilization	513,079	-	513,079	-
Higher education	226,187	-	226,187	-
Capital projects	1,883	-	1,883	-
Other purposes	719,862	-	719,862	19,779
Unrestricted	(3,944,277)	(8,945,387)	(12,889,664)	432,428
Total Net Position	24,333,671	(3,731,851)	20,601,820	830,943
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 62,075,850	\$ 27,564,391	\$ 89,640,241	\$ 1,496,853

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

Statement of Activities
For the Fiscal Year Ended June 30, 2015
(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	\$ 1,986,904	\$ 886,577	\$ 249,961	\$ 5,984
Education - elementary and secondary (K-12)	9,426,361	21,434	1,076,055	-
Education - higher education	7,094,929	2,815,368	2,318,744	28,204
Human services	16,889,699	659,425	11,052,429	-
Adult corrections	955,748	7,847	1,605	-
Natural resources and recreation	1,334,991	455,311	194,809	25,231
Transportation	2,308,967	1,139,177	264,028	807,353
Interest on long-term debt	980,630	-	-	-
Total Governmental Activities	40,978,229	5,985,139	15,157,631	866,772
Business-Type Activities:				
Workers' compensation	3,018,472	2,375,268	7,905	-
Unemployment compensation	968,381	1,256,593	56,669	-
Higher education student services	2,313,539	2,216,414	11,807	104
Washington's lottery	466,120	603,200	-	-
Guaranteed education tuition program	(584,590)	53,100	-	-
Other	156,569	125,977	343	-
Total Business-Type Activities	6,338,491	6,630,552	76,724	104
Total Primary Government	\$ 47,316,720	\$ 12,615,691	\$ 15,234,355	\$ 866,876
COMPONENT UNITS				
Total Component Units	\$ 1,080,079	\$ 944,899	\$ 125,833	\$ -
	\$ 1,080,079	\$ 944,899	\$ 125,833	\$ -

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			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (844,382)	\$ -	\$ (844,382)	
(8,328,872)	-	(8,328,872)	
(1,932,613)	-	(1,932,613)	
(5,177,845)	-	(5,177,845)	
(946,296)	-	(946,296)	
(659,640)	-	(659,640)	
(98,409)	-	(98,409)	
(980,630)	-	(980,630)	
<u>(18,968,687)</u>	<u>-</u>	<u>(18,968,687)</u>	
-	(635,299)	(635,299)	
-	344,881	344,881	
-	(85,214)	(85,214)	
-	137,080	137,080	
-	637,690	637,690	
-	(30,249)	(30,249)	
<u>-</u>	<u>368,889</u>	<u>368,889</u>	
<u>(18,968,687)</u>	<u>368,889</u>	<u>(18,599,798)</u>	
			\$ (9,347)
			<u>(9,347)</u>
9,000,790	-	9,000,790	-
3,393,679	-	3,393,679	-
2,018,393	-	2,018,393	18,132
1,253,179	-	1,253,179	-
926,550	19,847	946,397	-
474,183	-	474,183	-
455,112	-	455,112	-
555,976	-	555,976	-
54,483	-	54,483	-
<u>306,705</u>	<u>377,238</u>	<u>683,943</u>	<u>5,257</u>
<u>18,439,050</u>	<u>397,085</u>	<u>18,836,135</u>	<u>23,389</u>
(529,637)	765,974	236,337	14,042
65,419	-	65,419	-
<u>136,364</u>	<u>(136,364)</u>	<u>-</u>	<u>-</u>
(327,854)	629,610	301,756	14,042
<u>24,661,525</u>	<u>(4,361,461)</u>	<u>20,300,064</u>	<u>816,901</u>
<u>\$ 24,333,671</u>	<u>\$ (3,731,851)</u>	<u>\$ 20,601,820</u>	<u>\$ 830,943</u>

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Basic Financial Statements
Fund Financial Statements

Balance Sheet
GOVERNMENTAL FUNDS
June 30, 2015
(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash and pooled investments	\$ 1,669,615	\$ 194,762	\$ 476,023	\$ 3,075,518	\$ 5,415,918
Investments	34,736	1,810,135	3,677,830	248,107	5,770,808
Taxes receivable (net of allowance)	3,393,471	10,879	-	161,902	3,566,252
Other receivables (net of allowance)	174,954	1,047,060	45,952	845,160	2,113,126
Due from other funds	254,788	269,825	61	320,655	845,329
Due from other governments	1,028,195	248,541	-	2,459,842	3,736,578
Inventories and prepaids	13,644	15,122	-	52,748	81,514
Restricted cash and investments	51,362	1,207	-	240,786	293,355
Restricted receivables	509	4,780	-	5,385	10,674
Total Assets	6,621,274	3,602,311	4,199,866	7,410,103	21,833,554
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows on hedging derivatives	-	-	-	5,008	5,008
Total Deferred Outflows of Resources	-	-	-	5,008	5,008
Total Assets and Deferred Outflows of Resources	\$ 6,621,274	\$ 3,602,311	\$ 4,199,866	\$ 7,415,111	\$ 21,838,562
RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 807,023	\$ 75,748	\$ 34,074	\$ 421,549	\$ 1,338,394
Contracts and retainages payable	50,576	4,513	3,293	126,359	184,741
Accrued liabilities	241,105	417,117	673,370	77,309	1,408,901
Obligations under security lending agreements	77,442	829	225	58,053	136,549
Due to other funds	183,462	52,551	4,524	501,832	742,369
Due to other governments	993,345	11,103	-	208,793	1,213,241
Unearned revenue	142,414	202,079	-	75,167	419,660
Claims and judgments payable	29,303	-	-	58,070	87,373
Total Liabilities	2,524,670	763,940	715,486	1,527,132	5,531,228
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	1,431,185	9,631	17,962	150,554	1,609,332
Total Deferred Inflows of Resources	1,431,185	9,631	17,962	150,554	1,609,332
FUND BALANCES					
Nonspendable fund balance	47,353	46,258	2,194,618	246,697	2,534,926
Restricted fund balance	533,279	606	1,271,800	2,563,574	4,369,259
Committed fund balance	105,667	2,765,816	-	3,094,510	5,965,993
Assigned fund balance	1,014,952	16,060	-	-	1,031,012
Unassigned fund balance	964,168	-	-	(167,356)	796,812
Total Fund Balances	2,665,419	2,828,740	3,466,418	5,737,425	14,698,002
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,621,274	\$ 3,602,311	\$ 4,199,866	\$ 7,415,111	\$ 21,838,562

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, 2015

(expressed in thousands)

Total Fund Balances for Governmental Funds \$ 14,698,002

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	\$ 26,855,466	
Depreciable assets	18,957,753	
Less: Accumulated depreciation	<u>(8,805,938)</u>	
Total capital assets		37,007,281

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. 1,624,791

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. 1,609,332

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. 457,090

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. (1,883,765)

Unmatured interest on general obligation bonds is not recognized in the funds until due. (391,301)

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. (260,750)

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	\$ (21,736,515)	
Accreted interest on bonds	(471,951)	
Compensated absences	(517,444)	
Other postemployment benefits obligations	(2,002,153)	
Net pension liability	(2,907,783)	
Pollution remediation obligations	(169,698)	
Unclaimed property	(130,656)	
Claims and judgments	(41,020)	
Other obligations	<u>(549,789)</u>	
Total long-term liabilities		<u>(28,527,009)</u>

Net Position of Governmental Activities \$ 24,333,671

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, 2015
(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
REVENUES					
Retail sales and use taxes	\$ 8,903,396	\$ -	\$ -	\$ 97,394	\$ 9,000,790
Business and occupation taxes	3,388,542	-	-	5,137	3,393,679
Property taxes	2,018,393	-	-	-	2,018,393
Excise taxes	787,226	32,994	-	106,330	926,550
Motor vehicle and fuel taxes	-	-	-	1,253,179	1,253,179
Other taxes	1,928,356	171,801	-	276,798	2,376,955
Licenses, permits, and fees	115,400	937	-	1,543,323	1,659,660
Other contracts and grants	181,802	865,920	-	264,915	1,312,637
Timber sales	1,654	-	24,830	101,323	127,807
Federal grants-in-aid	12,052,763	1,448,517	-	1,210,486	14,711,766
Charges for services	55,822	2,587,387	1	625,627	3,268,837
Investment income (loss)	7,665	39,308	195,535	64,197	306,705
Miscellaneous revenue	287,529	99,759	3,128	530,033	920,449
Contributions and donations	-	-	65,419	-	65,419
Unclaimed property	55,885	-	-	-	55,885
Total Revenues	29,784,433	5,246,623	288,913	6,078,742	41,398,711
EXPENDITURES					
Current:					
General government	845,562	-	125	484,435	1,330,122
Human services	16,794,009	-	-	772,392	17,566,401
Natural resources and recreation	444,989	-	-	794,131	1,239,120
Transportation	37,362	-	-	1,845,512	1,882,874
Education	10,176,508	5,154,442	4,285	579,556	15,914,791
Intergovernmental	116,841	-	-	348,423	465,264
Capital outlays	52,223	203,603	18,884	1,972,779	2,247,489
Debt service:					
Principal	7,676	21,417	-	915,208	944,301
Interest	1,359	12,645	-	968,130	982,134
Total Expenditures	28,476,529	5,392,107	23,294	8,680,566	42,572,496
Excess of Revenues Over (Under) Expenditures	1,307,904	(145,484)	265,619	(2,601,824)	(1,173,785)
OTHER FINANCING SOURCES (USES)					
Bonds issued	186,887	85,851	-	939,352	1,212,090
Refunding bonds issued	-	-	-	2,610,505	2,610,505
Payments to escrow agents for refunded bond debt	-	-	-	(3,127,361)	(3,127,361)
Issuance premiums	5,351	2,281	-	664,665	672,297
Other debt issued	7,129	20,553	-	3,642	31,324
Transfers in	465,587	1,308,765	499,976	2,787,616	5,061,944
Transfers out	(1,118,524)	(1,145,904)	(684,820)	(1,988,019)	(4,937,267)
Total Other Financing Sources (Uses)	(453,570)	271,546	(184,844)	1,890,400	1,523,532
Net Change in Fund Balances	854,334	126,062	80,775	(711,424)	349,747
Fund Balances - Beginning, as restated	1,811,085	2,702,678	3,385,643	6,448,849	14,348,255
Fund Balances - Ending	\$ 2,665,419	\$ 2,828,740	\$ 3,466,418	\$ 5,737,425	\$ 14,698,002

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, 2015
(expressed in thousands)

Net Change in Fund Balances - Total Governmental Funds \$ 349,747

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	\$ 1,884,932	
Less: Depreciation expense	<u>(597,939)</u>	1,286,993

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.

(849,012)

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.

(339,539)

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	\$ (4,479,476)	
Principal payments on bonds and other financing contracts	3,745,918	
Accreted interest on bonds	<u>(56,015)</u>	(789,573)

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	\$ (3,693)	
Other postemployment benefits	(369,673)	
Pensions	514,041	
Pollution remediation	(4,859)	
Claims and judgments	(2,011)	
Accrued interest	11,011	
Unclaimed property	(29,878)	
Other obligations	<u>(101,408)</u>	13,530

Change in Net Position of Governmental Activities \$ (327,854)

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

Statement of Net Position
PROPRIETARY FUNDS
June 30, 2015
(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 pooled investments	\$ 74,518	\$ 3,675,155	\$ 744,379	\$ 11,109
Investments	68,487	-	20,430	75,818
Other receivables (net of allowance)	788,643	601,276	230,789	53,639
Due from other funds	106	18,044	18,519	2
Due from other governments	1,085	33,698	64,125	-
Inventories	233	-	39,506	-
Prepaid expenses	2,071	-	10,160	-
Restricted cash and investments	738	-	6,875	-
Restricted receivables	-	-	3,172	-
Total Current Assets	935,881	4,328,173	1,137,955	140,568
Noncurrent Assets:				
Investments, noncurrent	14,634,116	-	185,750	2,653,039
Restricted investments, noncurrent	1,938	-	61,339	-
Restricted receivables, noncurrent	-	-	-	-
Restricted net pension asset	-	-	379	-
Other noncurrent assets	3,284	-	133,036	208,757
Capital assets:				
Land and other non-depreciable assets	3,240	-	57,424	-
Buildings	65,134	-	3,186,276	-
Other improvements	1,289	-	94,643	-
Furnishings, equipment, and intangibles	98,924	-	582,740	106
Infrastructure	-	-	42,646	-
Accumulated depreciation	(108,124)	-	(1,415,745)	(91)
Construction in progress	11,183	-	281,567	-
Total Noncurrent Assets	14,710,984	-	3,210,055	2,861,811
Total Assets	15,646,865	4,328,173	4,348,010	3,002,379
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on refundings	-	-	30,263	-
Deferred outflows on pensions	14,868	-	33,297	151
Total Deferred Outflows of Resources	14,868	-	63,560	151
Total Assets and Deferred Outflows of Resources	\$ 15,661,733	\$ 4,328,173	\$ 4,411,570	\$ 3,002,530

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

Continued

		Governmental Activities	
Nonmajor Enterprise Funds	Total	Internal Service Funds	
\$ 94,850	\$ 4,600,011	\$ 742,273	
23,392	188,127	12,827	
19,836	1,694,183	19,432	
13,376	50,047	77,344	
5,116	104,024	28,379	
8,500	48,239	17,645	
414	12,645	11,481	
-	7,613	82,632	
-	3,172	11,420	
165,484	6,708,061	1,003,433	
129,998	17,602,903	35,649	
-	63,277	-	
-	-	2,262	
-	379	-	
5	345,082	791	
1,540	62,204	6,212	
12,828	3,264,238	507,594	
2,557	98,489	16,215	
32,337	714,107	903,123	
-	42,646	1,968	
(24,947)	(1,548,907)	(690,119)	
-	292,750	30,949	
154,318	20,937,168	814,644	
319,802	27,645,229	1,818,077	
-	30,263	-	
4,207	52,523	19,175	
4,207	82,786	19,175	
\$ 324,009	\$ 27,728,015	\$ 1,837,252	

Statement of Net Position
PROPRIETARY FUNDS
June 30, 2015
(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	\$ 8,851	\$ -	\$ 148,554	\$ 408
Contracts and retainages payable	9,377	56	16,475	220,000
Accrued liabilities	212,913	-	249,760	63,651
Obligations under security lending agreements	68,487	-	-	75,818
Bonds and notes payable	4,050	-	95,483	-
Due to other funds	6,769	2,989	154,519	318
Due to other governments	4	84,642	4	-
Unearned revenue	7,022	-	55,079	-
Claims and judgments payable	1,959,663	-	-	-
Total Current Liabilities	2,277,136	87,687	719,874	360,195
Noncurrent Liabilities:				
Claims and judgments payable	23,106,486	-	-	-
Bonds and notes payable	-	-	1,945,135	-
Net pension liability	102,264	-	227,675	956
Other long-term liabilities	52,033	-	318,215	1,822,487
Total Noncurrent Liabilities	23,260,783	-	2,491,025	1,823,443
Total Liabilities	25,537,919	87,687	3,210,899	2,183,638
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on refundings	-	-	248	-
Deferred inflows on pensions	43,615	-	99,470	424
Total Deferred Inflows of Resources	43,615	-	99,718	424
NET POSITION				
Net investment in capital assets	67,595	-	886,269	15
Restricted for:				
Unemployment compensation	-	4,240,486	-	-
Pensions	-	-	379	-
Unrestricted	(9,987,396)	-	214,305	818,453
Total Net Position	(9,919,801)	4,240,486	1,100,953	818,468
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 15,661,733	\$ 4,328,173	\$ 4,411,570	\$ 3,002,530

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

Concluded

		Governmental Activities	
Nonmajor Enterprise Funds	Total	Internal Service Funds	
\$ 13,682	\$ 171,495	\$ 48,170	
497	246,405	1,601	
61,953	588,277	77,509	
-	144,305	6,652	
460	99,993	92,295	
17,129	181,724	48,545	
6,234	90,884	18,538	
4	62,105	2,566	
4,571	1,964,234	204,807	
104,530	3,549,422	500,683	
9,784	23,116,270	530,929	
5,065	1,950,200	468,688	
32,081	362,976	389,519	
130,646	2,323,381	147,792	
177,576	27,752,827	1,536,928	
282,106	31,302,249	2,037,611	
-	248	173	
13,860	157,369	60,218	
13,860	157,617	60,391	
18,792	972,671	266,879	
-	4,240,486	-	
-	379	-	
9,251	(8,945,387)	(527,629)	
28,043	(3,731,851)	(260,750)	
\$ 324,009	\$ 27,728,015	\$ 1,837,252	

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

For the Fiscal Year Ended June 30, 2015

(expressed in thousands)

	Business-Type Activities			
	Enterprise Funds			
	Workers'	Unemployment	Higher Education	Guaranteed
	Compensation	Compensation	Student Services	Education
				Tuition Program
OPERATING REVENUES				
Sales	\$ -	\$ -	\$ 98,484	\$ -
Less: Cost of goods sold	-	-	(63,467)	-
Gross profit	-	-	35,017	-
Charges for services	9	-	1,949,525	52,804
Premiums and assessments	2,337,483	1,240,601	-	-
Lottery ticket proceeds	-	-	-	-
Federal aid for unemployment insurance benefits	-	56,669	-	-
Miscellaneous revenue	37,944	15,992	168,441	296
Total Operating Revenues	2,375,436	1,313,262	2,152,983	53,100
OPERATING EXPENSES				
Salaries and wages	150,278	-	776,563	2,799
Employee benefits	55,397	-	195,130	634
Personal services	11,304	-	4,125	1,134
Goods and services	82,416	-	953,679	888
Travel	4,145	-	26,138	56
Premiums and claims	2,666,452	968,381	-	-
Guaranteed education tuition program expense	-	-	-	(590,103)
Lottery prize payments	-	-	-	-
Depreciation and amortization	7,184	-	154,028	2
Miscellaneous expenses	41,041	-	21,958	-
Total Operating Expenses	3,018,217	968,381	2,131,621	(584,590)
Operating Income (Loss)	(642,781)	344,881	21,362	637,690
NONOPERATING REVENUES (EXPENSES)				
Earnings (loss) on investments	234,324	80,566	36,294	20,997
Interest expense	(255)	-	(118,451)	-
Tax and license revenue	104	-	-	-
Other revenues (expenses)	7,737	-	11,771	-
Total Nonoperating Revenues (Expenses)	241,910	80,566	(70,386)	20,997
Income (Loss) Before Contributions and Transfers	(400,871)	425,447	(49,024)	658,687
Capital contributions	-	-	104	-
Transfers in	-	-	400,955	-
Transfers out	-	-	(393,563)	-
Net Contributions and Transfers	-	-	7,496	-
Change in Net Position	(400,871)	425,447	(41,528)	658,687
Net Position - Beginning, as restated	(9,518,930)	3,815,039	1,142,481	159,781
Net Position - Ending	\$ (9,919,801)	\$ 4,240,486	\$ 1,100,953	\$ 818,468

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>
\$ 89,331	\$ 187,815	\$ 45,481	
(61,547)	(125,014)	(39,763)	
<u>27,784</u>	<u>62,801</u>	<u>5,718</u>	
35,071	2,037,409	622,304	
739	3,578,823	1,206,815	
600,348	600,348	-	
-	56,669	-	
<u>3,776</u>	<u>226,449</u>	<u>156,197</u>	
<u>667,718</u>	<u>6,562,499</u>	<u>1,991,034</u>	
51,929	981,569	299,838	
18,666	269,827	139,818	
18,596	35,159	27,686	
94,600	1,131,583	329,136	
1,795	32,134	4,547	
-	3,634,833	1,441,912	
-	(590,103)	-	
365,930	365,930	-	
1,355	162,569	97,150	
<u>417</u>	<u>63,416</u>	<u>855</u>	
<u>553,288</u>	<u>6,086,917</u>	<u>2,340,942</u>	
<u>114,430</u>	<u>475,582</u>	<u>(349,908)</u>	
5,057	377,238	16,747	
(7,854)	(126,560)	(27,389)	
19,743	19,847	25	
<u>255</u>	<u>19,763</u>	<u>1,047</u>	
<u>17,201</u>	<u>290,288</u>	<u>(9,570)</u>	
<u>131,631</u>	<u>765,870</u>	<u>(359,478)</u>	
-	104	8,252	
12,804	413,759	55,977	
<u>(156,560)</u>	<u>(550,123)</u>	<u>(44,290)</u>	
<u>(143,756)</u>	<u>(136,260)</u>	<u>19,939</u>	
(12,125)	629,610	(339,539)	
<u>40,168</u>	<u>(4,361,461)</u>	<u>78,789</u>	
<u>\$ 28,043</u>	<u>\$ (3,731,851)</u>	<u>\$ (260,750)</u>	

Statement of Cash Flows
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2015
(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	\$ 2,103,172	\$ 1,264,467	\$ 2,031,089	\$ 67,805
Payments to suppliers	(1,942,454)	(982,641)	(1,494,612)	(77,615)
Payments to employees	(198,922)	-	(931,482)	(3,265)
Other receipts	37,945	105,647	168,441	296
Net Cash Provided (Used) by Operating Activities	(259)	387,473	(226,564)	(12,779)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	400,955	-
Transfers out	-	-	(393,563)	-
Operating grants and donations received	7,733	-	6,261	-
Taxes and license fees collected	104	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	7,837	-	13,653	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest paid	(325)	-	(71,168)	-
Principal payments on long-term capital financing	(3,820)	-	(386,423)	-
Proceeds from long-term capital financing	-	-	409,553	-
Proceeds from sale of capital assets	3	-	18,330	-
Acquisitions of capital assets	(12,348)	-	(240,397)	(16)
Net Cash Provided (Used) by Capital and Related Financing Activities	(16,490)	-	(270,105)	(16)
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipt of interest	563,851	80,566	38,730	129,076
Proceeds from sale of investment securities	5,208,230	-	19,333	726,024
Purchases of investment securities	(5,770,404)	-	(8,663)	(832,244)
Net Cash Provided (Used) by Investing Activities	1,677	80,566	49,400	22,856
Net Increase (Decrease) in Cash and Pooled Investments	(7,235)	468,039	(433,616)	10,061
Cash and Pooled Investments, July 1, as restated	82,491	3,207,116	1,184,870	1,048
Cash and Pooled Investments, June 30	\$ 75,256	\$ 3,675,155	\$ 751,254	\$ 11,109
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (642,781)	\$ 344,881	\$ 21,362	\$ 637,690
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:				
Depreciation	7,184	-	154,028	2
Revenue reduced for uncollectible accounts	37,132	-	1,268	-
Change in Assets: Decrease (Increase)				
Receivables	(234,621)	56,852	(15,803)	15,002
Inventories	71	-	1,918	-
Prepaid expenses	(1,836)	-	4,269	-
Change in Deferred Outflows of Resources: Increase (Decrease)				
	(1,670)	-	(3,595)	(26)
Change in Liabilities: Increase (Decrease)				
Payables	792,647	(14,260)	(489,481)	(665,871)
Change in Deferred Inflows of Resources: Decrease (Increase)				
	43,615	-	99,470	424
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	\$ (259)	\$ 387,473	\$ (226,564)	\$ (12,779)

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

Continued

		Governmental Activities	
Nonmajor Enterprise Funds	Total	Internal Service Funds	
\$ 723,383	\$ 6,189,916	\$ 2,112,342	
(562,665)	(5,059,987)	(1,864,171)	
(68,337)	(1,202,006)	(415,681)	
3,794	316,123	163,453	
96,175	244,046	(4,057)	
12,804	413,759	55,977	
(156,560)	(550,123)	(44,290)	
342	14,336	715	
19,743	19,847	25	
(123,671)	(102,181)	12,427	
(248)	(71,741)	(22,985)	
(442)	(390,685)	(42,051)	
-	409,553	38,602	
115	18,448	8,598	
(3,824)	(256,585)	(123,888)	
(4,399)	(291,010)	(141,724)	
49	812,272	15,768	
28,406	5,981,993	4,014	
(4,969)	(6,616,280)	(16,640)	
23,486	177,985	3,142	
(8,409)	28,840	(130,212)	
103,259	4,578,784	955,117	
\$ 94,850	\$ 4,607,624	\$ 824,905	
\$ 114,430	\$ 475,582	\$ (349,908)	
1,355	162,569	97,150	
28	38,428	115	
(1,500)	(180,070)	3,041	
(1,129)	860	1,951	
(199)	2,234	(6,493)	
(45)	(5,336)	(953)	
(30,625)	(407,590)	190,822	
13,860	157,369	60,218	
\$ 96,175	\$ 244,046	\$ (4,057)	

Statement of Cash Flows
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2015
(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	\$ -	\$ -	\$ 104	\$ -
Amortization of annuity prize liability	-	-	-	-
Increase (decrease) in fair value of investments	(334,987)	-	791	(106,493)
Debt refunding deposited with escrow agent	-	-	369,655	-
Amortization of debt premium/discount	-	-	48,721	-
Increase in ownership of joint venture	-	-	5,019	-

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

Concluded

		Governmental Activities	
Nonmajor Enterprise Funds		Total	Internal Service Funds
\$	-	\$ 104	\$ 8,252
	7,606	7,606	-
	5,008	(435,681)	523
	-	369,655	-
	-	48,721	-
	-	5,019	-

Statement of Net Position
FIDUCIARY FUNDS
June 30, 2015
(expressed in thousands)

	Private- Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans	Agency Funds
ASSETS				
Current Assets:				
Cash and pooled investments	\$ 1,885	\$ 4,393,750	\$ 45,636	\$ 73,387
Investments	-	4,152,692	-	2,521
Receivables, pension and other employee benefit plans:				
Employers	-	-	175,763	-
Members (net of allowance)	-	-	3,755	-
Interest and dividends	-	-	230,144	-
Investment trades pending	-	-	2,183,841	-
Due from other pension and other employee benefit funds	-	-	51,091	-
Other receivables, all other funds	-	699	137	8,679
Due from other governments	-	-	-	18,057
Total Current Assets	1,885	8,547,141	2,690,367	102,644
Noncurrent Assets:				
Investments, noncurrent, pension and other employee benefit plans:				
Public equity	-	-	37,594,459	-
Fixed income	-	-	17,858,971	-
Private equity	-	-	18,457,130	-
Real estate	-	-	11,967,076	-
Security lending	-	-	843,059	-
Liquidity	-	-	2,121,885	-
Tangible assets	-	-	1,631,483	-
Investments, noncurrent, all other funds	1,210	791,433	-	212
Other noncurrent assets	-	-	-	58,957
Capital assets:				
Furnishings, equipment, and intangibles	37	-	-	-
Accumulated depreciation	(23)	-	-	-
Total Noncurrent Assets	1,224	791,433	90,474,063	59,169
Total Assets	3,109	9,338,574	93,164,430	\$ 161,813
LIABILITIES				
Accounts payable	99	-	-	\$ 7,518
Contracts and retainages payable	-	-	-	29,893
Accrued liabilities	95	648,147	2,599,629	44,935
Obligations under security lending agreements	-	-	845,247	2,521
Due to other funds	-	82	-	-
Due to other pension and other employee benefit funds	-	-	51,091	-
Due to other governments	-	34,236	-	17,989
Unearned revenue	-	-	1,026	-
Other long-term liabilities	-	-	-	58,957
Total Liabilities	194	682,465	3,496,993	\$ 161,813
NET POSITION				
Net position restricted for:				
Pensions	-	-	86,055,159	
Deferred compensation participants	-	-	3,612,278	
Local government pool participants	-	8,656,109	-	
Individuals, organizations, and other governments	2,915	-	-	
Total Net Position	\$ 2,915	\$ 8,656,109	\$ 89,667,437	

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, 2015
(expressed in thousands)

	Private- Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans
ADDITIONS			
Contributions:			
Employers	\$ -	\$ -	\$ 1,612,035
Members	-	-	1,146,532
State	-	-	74,842
Participants	-	13,328,959	208,424
Total Contributions	-	13,328,959	3,041,833
Investment Income:			
Net appreciation (depreciation) in fair value	-	-	2,221,532
Interest and dividends	-	10,820	1,831,285
Earnings on investments	-	124	-
Less: Investment expenses	-	-	(317,747)
Net Investment Income (Loss)	-	10,944	3,735,070
Other Additions:			
Unclaimed property	67,940	-	-
Transfers from other plans	-	-	4,754
Miscellaneous revenue	5	-	13
Total Other Additions	67,945	-	4,767
Total Additions	67,945	13,339,903	6,781,670
DEDUCTIONS			
Pension benefits	-	-	3,662,210
Pension refunds	-	-	506,393
Transfers to other plans	-	-	4,754
Administrative expenses	4,277	940	2,431
Distributions to participants	-	13,343,861	225,333
Payments to or on behalf of individuals, organizations and other governments in accordance with state unclaimed property laws	63,139	-	-
Total Deductions	67,416	13,344,801	4,401,121
Net Increase (Decrease)	529	(4,898)	2,380,549
Net Position - Beginning	2,386	8,661,007	87,286,888
Net Position - Ending	\$ 2,915	\$ 8,656,109	\$ 89,667,437

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

Statement of Net Position
COMPONENT UNITS
June 30, 2015
(expressed in thousands)

	Public Stadium	Health Benefit Exchange	Valley Medical Center	Northwest Hospital
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Current Assets:				
Cash and pooled investments	\$ 7,747	\$ 8,171	\$ 53,431	\$ 12,783
Investments	-	-	22,526	1,029
Investments, restricted	4,848	-	-	922
Other receivables (net of allowance)	872	21,749	74,242	53,796
Inventories	-	-	4,781	5,346
Prepaid expenses	23	1,055	6,399	5,746
Total Current Assets	13,490	30,975	161,379	79,622
Noncurrent Assets:				
Investments, noncurrent	-	-	106,580	44,767
Restricted investments, noncurrent	2,590	-	17,384	1,868
Other noncurrent assets	-	-	-	3,682
Capital assets:				
Land	34,677	-	13,414	10,817
Buildings	460,637	-	423,194	132,851
Other improvements	-	637	18,490	26,801
Furnishings, equipment and intangible assets	19,423	45,400	231,453	207,110
Accumulated depreciation	(218,134)	(23,195)	(341,794)	(262,986)
Construction in progress	-	-	9,271	3,142
Total Noncurrent Assets	299,193	22,842	477,992	168,052
Total Assets	312,683	53,817	639,371	247,674
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on hedging derivatives	-	-	-	-
Deferred outflows on refundings	-	-	-	6,435
Deferred outflows on pensions	23	-	-	-
Total Deferred Outflows of Resources	23	-	-	6,435
Total Assets and Deferred Outflows of Resources	\$ 312,706	\$ 53,817	\$ 639,371	\$ 254,109

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

Continued

Nonmajor Component			
Units		Total	
\$ 38,762		\$ 120,894	
57,536		81,091	
-		5,770	
5,602		156,261	
-		10,127	
282		13,505	
<hr/>		<hr/>	
102,182		387,648	
<hr/>		<hr/>	
-		151,347	
-		21,842	
134,057		137,739	
<hr/>		<hr/>	
-		58,908	
-		1,016,682	
-		45,928	
1,783		505,169	
(1,631)		(847,740)	
-		12,413	
<hr/>		<hr/>	
134,209		1,102,288	
<hr/>		<hr/>	
236,391		1,489,936	
<hr/>		<hr/>	
422		422	
-		6,435	
37		60	
<hr/>		<hr/>	
459		6,917	
<hr/>		<hr/>	
\$ 236,850		\$ 1,496,853	
<hr/>		<hr/>	

Statement of Net Position
COMPONENT UNITS

June 30, 2015

(expressed in thousands)

	Public Stadium	Health Benefit Exchange	Valley Medical Center	Northwest Hospital
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 30	\$ 20,966	\$ 16,800	\$ 11,473
Contracts and retainages payable	592	2,348	-	407
Accrued liabilities	4,275	7,661	80,163	37,988
Unearned revenue	-	-	-	-
Total Current Liabilities	4,897	30,975	96,963	49,868
Noncurrent Liabilities:				
Net pension liability	61	-	-	-
Other long-term liabilities	3,700	-	312,398	108,691
Total Noncurrent Liabilities	3,761	-	312,398	108,691
Total Liabilities	8,658	30,975	409,361	158,559
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on pensions	64	-	-	-
Total Deferred Inflows of Resources	64	-	-	-
NET POSITION				
Net investment in capital assets	288,709	22,842	33,169	33,864
Restricted for deferred sales tax	8,282	-	-	-
Restricted for other purposes	-	-	8,012	2,402
Unrestricted	6,993	-	188,829	59,284
Total Net Position	303,984	22,842	230,010	95,550
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 312,706	\$ 53,817	\$ 639,371	\$ 254,109

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

		Concluded	
Nonmajor Component			
Units		Total	
\$ 38,718		\$ 87,987	
-		3,347	
1,094		131,181	
13,622		13,622	
<u>53,434</u>		<u>236,137</u>	
3,357		3,418	
-		424,789	
<u>3,357</u>		<u>428,207</u>	
<u>56,791</u>		<u>664,344</u>	
1,502		1,566	
<u>1,502</u>		<u>1,566</u>	
152		378,736	
-		8,282	
1,083		11,497	
177,322		432,428	
<u>178,557</u>		<u>830,943</u>	
<u>\$ 236,850</u>		<u>\$ 1,496,853</u>	

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

For the Fiscal Year Ended June 30, 2015
(expressed in thousands)

	Public Stadium	Health Benefit Exchange	Valley Medical Center	Northwest Hospital
EXPENSES	\$ 16,384	\$ 129,734	\$ 531,206	\$ 379,269
PROGRAM REVENUES				
Charges for services	3,517	7,167	525,288	359,488
Operating grants and contributions	-	108,180	-	11,947
Total Program Revenues	3,517	115,347	525,288	371,435
Net Program Revenues (Expense)	(12,867)	(14,387)	(5,918)	(7,834)
GENERAL REVENUES				
Earnings (loss) on investments	129	-	3,403	986
Property taxes	-	-	18,132	-
Total General Revenues	129	-	21,535	986
Change in Net Position	(12,738)	(14,387)	15,617	(6,848)
Net Position - Beginning, as restated	316,722	37,229	214,393	102,398
Net Position - Ending	\$ 303,984	\$ 22,842	\$ 230,010	\$ 95,550

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

Nonmajor		
Component Units		Total
<u>\$</u>	<u>23,486</u>	<u>\$ 1,080,079</u>
	49,439	944,899
	<u>5,706</u>	<u>125,833</u>
	55,145	1,070,732
	<u>31,659</u>	<u>(9,347)</u>
	739	5,257
	<u>-</u>	<u>18,132</u>
	739	23,389
	32,398	14,042
	<u>146,159</u>	<u>816,901</u>
<u>\$</u>	<u>178,557</u>	<u>\$ 830,943</u>

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