

Basic Financial Statements
Government-wide Financial Statements

State of Washington

Statement of Net Position

June 30, 2022

(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	\$ 20,684,976	\$ 5,754,996	\$ 26,439,972	\$ 1,577,377
Taxes receivable (net of allowance for uncollectibles)	5,482,506	3,435	5,485,941	—
Other receivables (net of allowance for uncollectibles)	3,397,406	3,134,488	6,531,894	365,326
Internal balances	192,457	(192,457)	—	—
Due from other governments	5,526,744	518,557	6,045,301	—
Inventories and prepaids	172,401	80,299	252,700	113,280
Restricted cash and investments	327,612	16,128	343,740	319,055
Restricted receivables, current	15,830	1	15,831	—
Investments, noncurrent	8,107,129	19,133,537	27,240,666	255,684
Restricted investments, noncurrent	—	111,117	111,117	—
Restricted net pension asset	9,984,953	893,866	10,878,819	16,344
Other assets	—	568,338	568,338	739,924
Capital assets:				
Non-depreciable assets	32,104,001	313,877	32,417,878	438,373
Depreciable assets (net of accumulated depreciation)	13,622,748	3,358,466	16,981,214	1,326,502
Total capital assets	45,726,749	3,672,343	49,399,092	1,764,875
Total Assets	99,618,763	33,694,648	133,313,411	5,151,865
DEFERRED OUTFLOWS OF RESOURCES	2,078,938	447,016	2,525,954	17,212
Total Assets and Deferred Outflows of Resources	\$ 101,697,701	\$ 34,141,664	\$ 135,839,365	\$ 5,169,077

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

State of Washington

Statement of Net Position

June 30, 2022

(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	\$ 2,817,597	\$ 232,492	\$ 3,050,089	\$ 141,947
Accrued liabilities	2,381,390	862,107	3,243,497	348,915
Obligations under security lending agreements	—	9,143	9,143	—
Due to other governments	1,553,400	688,625	2,242,025	—
Unearned revenues	3,610,072	191,156	3,801,228	214,402
Long-term liabilities:				
Due within one year	2,357,455	3,337,179	5,694,634	45,000
Due in more than one year	35,471,689	41,340,287	76,811,976	2,186,665
Total Liabilities	48,191,603	46,660,989	94,852,592	2,936,929
DEFERRED INFLOWS OF RESOURCES	9,203,837	1,244,356	10,448,193	92,555
NET POSITION				
Net investment in capital assets	24,818,030	884,628	25,702,658	320,497
Restricted for:				
Unemployment compensation	—	3,458,819	3,458,819	—
Nonexpendable permanent endowments	3,232,013	—	3,232,013	—
Expendable endowment funds	2,078,887	—	2,078,887	—
Pensions	4,392,029	212,115	4,604,144	2,599
Human services	687,725	—	687,725	—
Wildlife and natural resources	1,278,545	—	1,278,545	—
Transportation	1,785,464	—	1,785,464	—
Budget stabilization	334,741	—	334,741	—
Higher education	78,787	—	78,787	—
Capital projects	70,843	—	70,843	—
Other purposes	247,214	—	247,214	213,015
Unrestricted	5,297,983	(18,319,243)	(13,021,260)	1,603,482
Total Net Position	44,302,261	(13,763,681)	30,538,580	2,139,593
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 101,697,701	\$ 34,141,664	\$ 135,839,365	\$ 5,169,077

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, 2022
(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	\$ 3,402,786	\$ 1,274,331	\$ 3,490,103	\$ —
Education - K-12 education	16,406,607	16,515	2,181,896	—
Education - higher education	8,722,452	3,319,719	3,535,574	55,785
Human services	27,479,371	743,877	19,070,024	—
Adult corrections	1,176,713	10,720	1,452	—
Natural resources and recreation	1,536,363	566,860	238,974	37,859
Transportation	2,482,574	1,505,548	330,288	632,395
Interest on long-term debt	1,090,030	—	—	—
Total Governmental Activities	62,296,896	7,437,570	28,848,311	726,039
Business-Type Activities:				
Workers' compensation	6,955,460	2,811,621	9,456	—
Unemployment compensation	2,432,607	1,629,488	1,458,214	—
Higher education student services	3,388,141	3,603,302	11,803	—
Health insurance	3,726,064	3,458,195	—	—
Washington's lottery	696,150	911,678	—	—
Paid family and medical leave	1,105,551	961,892	—	—
Other	318,494	246,990	673	—
Total Business-Type Activities	18,622,467	13,623,166	1,480,146	—
Total Primary Government	\$ 80,919,363	\$ 21,060,736	\$ 30,328,457	\$ 726,039
Total Component Units	\$ 2,071,491	\$ 1,295,702	\$ 757,585	\$ —

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
\$ 1,361,648	\$ —	\$ 1,361,648	
(14,208,196)	—	(14,208,196)	
(1,811,374)	—	(1,811,374)	
(7,665,470)	—	(7,665,470)	
(1,164,541)	—	(1,164,541)	
(692,670)	—	(692,670)	
(14,343)	—	(14,343)	
(1,090,030)	—	(1,090,030)	
(25,284,976)	—	(25,284,976)	
—	(4,134,383)	(4,134,383)	
—	655,095	655,095	
—	226,964	226,964	
—	(267,869)	(267,869)	
—	215,528	215,528	
—	(143,659)	(143,659)	
—	(70,831)	(70,831)	
—	(3,519,155)	(3,519,155)	
\$ (25,284,976)	\$ (3,519,155)	\$ (28,804,131)	
			\$ (18,204)
15,187,179	—	15,187,179	—
6,151,652	—	6,151,652	—
4,467,823	—	4,467,823	24,965
1,612,283	—	1,612,283	—
3,092,444	14,146	3,106,590	—
353,075	—	353,075	—
574,385	—	574,385	—
823,878	—	823,878	—
1,727,919	(3)	1,727,916	(1,390)
(737,725)	(2,711,881)	(3,449,606)	(99,001)
33,252,913	(2,697,738)	30,555,175	(75,426)
7,967,937	(6,216,893)	1,751,044	(93,630)
97,137	—	97,137	—
(251,946)	251,946	—	—
7,813,128	(5,964,947)	1,848,181	(93,630)
36,489,133	(7,798,734)	28,690,399	2,233,223
\$ 44,302,261	\$ (13,763,681)	\$ 30,538,580	\$ 2,139,593

This page intentionally left blank.

Basic Financial Statements
Fund Financial Statements

State of Washington

Balance Sheet
GOVERNMENTAL FUNDS

June 30, 2022
(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment and Other Permanent Funds	Nonmajor Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 9,619,684	\$ 1,515,387	\$ 1,025,394	\$ 6,939,720	\$ 19,100,185
Investments	16,323	3,427,911	5,025,462	309,097	8,778,793
Taxes receivable (net of allowance)	5,106,818	74,126	—	301,562	5,482,506
Receivables (net of allowance)	1,025,246	1,210,423	18,074	1,093,929	3,347,672
Due from other funds	1,731,475	1,111,869	15	513,146	3,356,505
Due from other governments	2,058,140	189,517	—	3,147,703	5,395,360
Inventories and prepaids	18,502	48,652	—	59,107	126,261
Restricted cash and investments	20,509	576	—	191,834	212,919
Restricted receivables	—	8,722	—	7,108	15,830
Total Assets	\$ 19,596,697	\$ 7,587,183	\$ 6,068,945	\$ 12,563,206	\$ 45,816,031
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 2,194,300	\$ 180,428	\$ 10	\$ 384,680	\$ 2,759,418
Accrued liabilities	752,779	860,871	54,077	238,520	1,906,247
Due to other funds	260,668	468,271	815,223	1,446,328	2,990,490
Due to other governments	754,297	83,297	48,514	173,683	1,059,791
Unearned revenue	3,209,933	293,246	—	101,782	3,604,961
Claims and judgments payable	34,053	—	—	104,182	138,235
Total Liabilities	7,206,030	1,886,113	917,824	2,449,175	12,459,142
DEFERRED INFLOWS OF RESOURCES	3,330,875	388,943	44,035	176,696	3,940,549
FUND BALANCES					
Nonspendable fund balance	60,361	48,653	3,021,059	270,061	3,400,134
Restricted fund balance	338,670	43,719	2,086,027	4,093,789	6,562,205
Committed fund balance	1,267,662	5,109,816	—	5,620,377	11,997,855
Assigned fund balance	1,900,952	109,939	—	—	2,010,891
Unassigned fund balance	5,492,147	—	—	(46,892)	5,445,255
Total Fund Balances	9,059,792	5,312,127	5,107,086	9,937,335	29,416,340
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 19,596,697	\$ 7,587,183	\$ 6,068,945	\$ 12,563,206	\$ 45,816,031

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, 2022
(expressed in thousands)

Total Fund Balances for Governmental Funds	\$	29,416,340
---	----	------------

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	\$	32,052,295	
Depreciable assets		26,368,608	
Less: Accumulated depreciation		(13,570,447)	
Total capital assets			44,850,456

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.		3,512,707
--	--	-----------

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.		9,739,918
--	--	-----------

Deferred outflows of resources represent a consumption of net assets that will be reported as an outflow of resources in a future period and therefore are not reported in the funds.		1,991,072
---	--	-----------

Deferred inflows of resources represent an acquisition of net assets that will be recognized as an inflow of resources in a future period and therefore are not reported in the funds.		(8,433,856)
--	--	-------------

Unmatured interest on general obligation bonds and other debt is not recognized in the funds until due.		(391,621)
---	--	-----------

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.		(1,135,936)
---	--	-------------

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	\$	(25,536,848)	
Accreted interest on bonds and other debt		(312,355)	
Right-to-use lease liabilities		(1,283,498)	
Compensated absences		(802,367)	
Other postemployment benefits obligations		(5,360,345)	
Net pension liability		(798,937)	
Unclaimed property		(119,770)	
Pollution remediation obligations		(230,095)	
Claims and judgments		(40,267)	
Asset retirement obligations		(30,522)	
Other obligations		(731,815)	
Total long-term liabilities			(35,246,819)

Net Position of Governmental Activities	\$	44,302,261
--	-----------	-------------------

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, 2022
(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment and Other Permanent Funds	Nonmajor Governmental Funds	Total
REVENUES					
Retail sales and use taxes	\$ 15,058,926	\$ —	\$ —	\$ 128,253	\$ 15,187,179
Business and occupation taxes	5,771,007	373,732	—	6,913	6,151,652
Property taxes	4,399,803	—	—	—	4,399,803
Excise taxes	2,046,865	439,574	—	606,005	3,092,444
Motor vehicle and fuel taxes	—	—	—	1,612,283	1,612,283
Other taxes	2,257,418	456,571	—	491,936	3,205,925
Licenses, permits, and fees	151,750	1,061	—	2,104,918	2,257,729
Other contracts and grants	359,990	1,337,026	—	153,392	1,850,408
Timber sales	5,286	—	18,850	114,667	138,803
Federal grants-in-aid	23,392,311	2,221,337	—	2,110,227	27,723,875
Charges for services	64,814	3,006,533	—	818,316	3,889,663
Investment income (loss)	(216,940)	31,628	(441,900)	(110,513)	(737,725)
Miscellaneous revenue	235,319	207,473	1,250	568,763	1,012,805
Contributions and donations	—	—	97,137	—	97,137
Unclaimed property	156,821	—	—	—	156,821
Total Revenues	53,683,370	8,074,935	(324,663)	8,605,160	70,038,802
EXPENDITURES					
Current:					
General government	1,997,565	288	153	1,569,180	3,567,186
Human services	27,613,552	16,560	—	1,273,153	28,903,265
Natural resources and recreation	788,552	—	—	815,392	1,603,944
Transportation	71,478	—	—	2,175,752	2,247,230
Education	17,457,204	6,686,541	747	853,048	24,997,540
Intergovernmental	182,157	—	—	398,482	580,639
Capital outlays	154,206	246,672	69	1,816,255	2,217,202
Debt service:					
Principal	23,190	69,451	—	1,239,929	1,332,570
Interest	2,980	16,908	—	1,067,168	1,087,056
Total Expenditures	48,290,884	7,036,420	969	11,208,359	66,536,632
Excess of Revenues Over (Under) Expenditures	5,392,486	1,038,515	(325,632)	(2,603,199)	3,502,170
OTHER FINANCING SOURCES (USES)					
Bonds issued	127,922	14,865	—	1,356,433	1,499,220
Refunding bonds issued	—	—	—	1,760,965	1,760,965
Payments to escrow agents for refunded bond debt	—	—	—	(1,895,574)	(1,895,574)
Issuance premiums	1,116	8,177	—	573,873	583,166
Other debt issued	1,376	33,761	—	24,361	59,498
Refunding COPs issued	4,080	32,500	—	—	36,580
Right-to-use lease acquisition	55,529	67,017	—	20,637	143,183
Transfers in	987,160	1,061,871	322,306	6,207,808	8,579,145
Transfers out	(4,374,111)	(1,244,391)	(483,212)	(2,743,844)	(8,845,558)
Total Other Financing Sources (Uses)	(3,196,928)	(26,200)	(160,906)	5,304,659	1,920,625
Net Change in Fund Balances	2,195,558	1,012,315	(486,538)	2,701,460	5,422,795
Fund Balances - Beginning, as restated	6,864,234	4,299,812	5,593,624	7,235,875	23,993,545
Fund Balances - Ending	\$ 9,059,792	\$ 5,312,127	\$ 5,107,086	\$ 9,937,335	\$ 29,416,340

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, 2022
(expressed in thousands)

Net Change in Fund Balances - Total Governmental Funds \$ 5,422,795

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	\$ 1,561,962	
Less: Depreciation expense	<u>(911,338)</u>	650,624

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.

336,105

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.

(172,508)

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	\$ (4,000,818)	
Principal payments on bonds and other financing contracts	3,563,281	
Accreted interest on bonds	<u>15,224</u>	(422,313)

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	\$ (10,737)	
Other postemployment benefits	(142,595)	
Pensions	2,554,440	
Pollution remediation	(1,625)	
Claims and judgments	2,922	
Accrued interest	7,129	
Unclaimed property	(6,804)	
Asset retirement obligations	(1,848)	
Other obligations	<u>(402,457)</u>	1,998,425

Change in Net Position of Governmental Activities \$ 7,813,128

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

State of Washington

**Statement of Net Position
PROPRIETARY FUNDS**

June 30, 2022

(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	\$ 149,579	\$ 2,876,910	\$ 1,225,006
Investments	1,084,394	—	8,244
Taxes receivable (net of allowance)	—	—	—
Receivables (net of allowance)	937,926	1,314,825	395,852
Due from other funds	82	6,558	25,755
Due from other governments	1,337	231,823	103,352
Inventories	63	—	57,889
Prepaid expenses	163	—	8,298
Restricted cash and investments	527	—	15,601
Restricted receivables	—	—	1
Total Current Assets	2,174,071	4,430,116	1,839,998
Noncurrent Assets:			
Investments, noncurrent	17,322,228	—	231,866
Restricted investments, noncurrent	—	—	111,117
Restricted net pension asset	167,990	—	638,247
Other noncurrent assets	3,392	—	486,086
Capital assets:			
Land and other non-depreciable assets	3,204	—	74,624
Buildings	65,111	—	4,740,389
Other improvements	1,289	—	149,484
Furnishings, equipment, and intangibles	104,587	—	777,796
Infrastructure	—	—	64,593
Lease assets	52,465	—	291,972
Accumulated depreciation and amortization	(169,068)	—	(2,808,813)
Construction in progress	27,704	—	191,188
Total Noncurrent Assets	17,578,902	—	4,948,549
Total Assets	19,752,973	4,430,116	6,788,547
DEFERRED OUTFLOWS OF RESOURCES	49,909	—	352,455
Total Assets and Deferred Outflows of Resources	\$ 19,802,882	\$ 4,430,116	\$ 7,141,002

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

State of Washington

Continued

		Governmental Activities		
Health Insurance	Nonmajor Enterprise Funds	Total	Internal Service Funds	
\$ 159,405	\$ 191,589	\$ 4,602,489	\$ 884,023	
—	59,869	1,152,507	664	
—	3,435	3,435	—	
100,644	385,241	3,134,488	49,736	
228	71,461	104,084	107,597	
174,623	5,897	517,032	44,659	
—	13,129	71,081	23,105	
540	217	9,218	23,035	
—	—	16,128	114,692	
—	—	1	—	
435,440	730,838	9,610,463	1,247,511	
—	1,579,443	19,133,537	28,439	
—	—	111,117	—	
8,883	78,746	893,866	245,035	
—	78,860	568,338	—	
—	1,540	79,368	7,269	
—	12,828	4,818,328	593,398	
—	6,221	156,994	15,122	
407	95,457	978,247	1,068,194	
—	—	64,593	2,170	
5,499	14,098	364,034	168,099	
(2,303)	(43,546)	(3,023,730)	(1,022,396)	
—	15,617	234,509	44,437	
12,486	1,839,264	24,379,201	1,149,767	
447,926	2,570,102	33,989,664	2,397,278	
5,854	38,801	447,019	87,866	
\$ 453,780	\$ 2,608,903	\$ 34,436,683	\$ 2,485,144	

State of Washington

**Statement of Net Position
PROPRIETARY FUNDS**

June 30, 2022

(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	\$ 9,394	\$ —	\$ 160,084
Accrued liabilities	254,245	173,005	436,672
Obligations under security lending agreements	—	—	—
Bonds and notes payable	7,871	—	178,733
Total OPEB liability	2,400	—	11,410
Due to other funds	5,320	2,323	186,679
Due to other governments	—	646,440	2,217
Unearned revenue	3,205	—	132,809
Claims and judgments payable	2,528,276	149,529	—
Total Current Liabilities	2,810,711	971,297	1,108,604
Noncurrent Liabilities:			
Claims and judgments payable	36,174,480	—	—
Bonds and notes payable	20,023	—	2,712,236
Net pension liability	17,074	—	96,281
Total OPEB liability	142,982	—	679,784
Unearned revenue	3,455	—	—
Other long-term liabilities	7,727	—	223,261
Total Noncurrent Liabilities	36,365,741	—	3,711,562
Total Liabilities	39,176,452	971,297	4,820,166
DEFERRED INFLOWS OF RESOURCES	206,786	—	927,213
NET POSITION			
Net investment in capital assets	57,398	—	733,021
Restricted for:			
Unemployment compensation	—	3,458,819	—
Pensions	36,325	—	154,586
Unrestricted	(19,674,079)	—	506,016
Total Net Position	(19,580,356)	3,458,819	1,393,623
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 19,802,882	\$ 4,430,116	\$ 7,141,002

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

State of Washington

Concluded

			Governmental Activities	
Health Insurance	Nonmajor Enterprise Funds	Total	Internal Service Funds	
\$ 42,141	\$ 20,873	\$ 232,492	\$ 58,181	
9,022	187,338	1,060,282	144,847	
—	9,143	9,143	—	
874	2,442	189,920	143,095	
154	1,073	15,037	3,238	
340	116,752	311,414	266,184	
—	23,569	672,226	16,975	
2,171	49,516	187,701	5,054	
241,234	14,961	2,934,000	257,581	
295,936	425,667	5,612,215	895,155	
—	16,630	36,191,110	1,540,516	
2,773	5,563	2,740,595	580,748	
876	7,547	121,778	35,454	
9,174	63,903	895,843	192,878	
—	—	3,455	59	
978	1,159,045	1,391,011	34,129	
13,801	1,252,688	41,343,792	2,383,784	
309,737	1,678,355	46,956,007	3,278,939	
10,876	99,482	1,244,357	342,141	
(44)	94,253	884,628	231,231	
—	—	3,458,819	—	
2,328	18,876	212,115	48,541	
130,883	717,937	(18,319,243)	(1,415,708)	
133,167	831,066	(13,763,681)	(1,135,936)	
\$ 453,780	\$ 2,608,903	\$ 34,436,683	\$ 2,485,144	

State of Washington

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

For the Fiscal Year Ended June 30, 2022
(expressed in thousands)

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
OPERATING REVENUES			
Sales	\$ —	\$ —	\$ 46,854
Less: Cost of goods sold	—	—	(26,294)
Gross profit	—	—	20,560
Charges for services	24	—	3,173,753
Premiums and assessments	2,766,915	1,606,588	—
Lottery ticket proceeds	—	—	—
Federal aid for unemployment insurance benefits	—	1,458,214	—
Miscellaneous revenue	44,608	22,900	296,125
Total Operating Revenues	2,811,547	3,087,702	3,490,438
OPERATING EXPENSES			
Salaries and wages	209,888	—	1,323,720
Employee benefits	14,154	—	167,876
Personal services	12,347	—	218,500
Goods and services	83,891	—	1,241,689
Travel	2,853	—	23,250
Premiums and claims	6,586,284	2,432,607	—
Guaranteed education tuition program expense	—	—	—
Lottery prize payments	—	—	—
Depreciation and amortization	11,411	—	261,348
Miscellaneous expenses	34,311	—	26,755
Total Operating Expenses	6,955,139	2,432,607	3,263,138
Operating Income (Loss)	(4,143,592)	655,095	227,300
NONOPERATING REVENUES (EXPENSES)			
Earnings (loss) on investments	(2,580,407)	33,497	45,617
Interest expense	(321)	—	(102,869)
Tax and license revenue	95	—	—
Other revenues (expenses)	9,530	—	98,373
Total Nonoperating Revenues (Expenses)	(2,571,103)	33,497	41,121
Income (Loss) Before Contributions and Transfers	(6,714,695)	688,592	268,421
Capital contributions	—	—	—
Transfers in	1,787	499,970	491,491
Transfers out	—	—	(518,070)
Net Contributions and Transfers	1,787	499,970	(26,579)
Change in Net Position	(6,712,908)	1,188,562	241,842
Net Position - Beginning, as restated	(12,867,448)	2,270,257	1,151,781
Net Position - Ending	\$ (19,580,356)	\$ 3,458,819	\$ 1,393,623

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

State of Washington

				Governmental Activities	
Health Insurance		Nonmajor Enterprise Funds		Internal Service Funds	
				Total	
\$	—	\$	85,976	\$	132,830
	—		(71,454)		(97,748)
	—		14,522		35,082
	—		131,409		3,305,186
	3,457,370		988,572		8,819,445
	—		907,686		907,686
	—		—		1,458,214
	827		7,037		371,497
	3,458,197		2,049,226		14,897,110
					1,347,422
	15,671		106,700		1,655,979
	2,667		13,177		197,874
	11,328		24,452		266,627
	5,601		124,707		1,455,888
	18		652		26,773
	3,685,689		1,054,809		13,759,389
	—		137,578		137,578
	—		573,990		573,990
	926		8,039		281,724
	—		654		61,720
	3,721,900		2,044,758		18,417,542
	(263,703)		4,468		(3,520,432)
					355,763
					19,237
					32,678
					485,680
					3,006
					521,884
					—
					—
					118,516
					301
					1,537,065
					(189,643)
					281
	(3,734)		(206,854)		(2,711,881)
	(38)		(3,952)		(107,180)
	—		14,051		14,146
	—		552		108,455
	(3,772)		(196,203)		(2,696,460)
	(267,475)		(191,735)		(6,216,892)
					9,601
					13,836
					39,920
	171		57,750		1,051,169
	(17,167)		(263,987)		(799,224)
	(16,996)		(206,237)		251,945
					25,563
					(172,508)
	(284,471)		(397,972)		(5,964,947)
	417,638		1,229,038		(7,798,734)
\$	133,167	\$	831,066	\$	(13,763,681)
				\$	(1,135,936)

State of Washington

Statement of Cash Flows
PROPRIETARY FUNDS
 For the Fiscal Year Ended June 30, 2022
(expressed in thousands)

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 2,604,376	\$ 932,558	\$ 3,224,727
Payments to suppliers	(2,574,352)	(2,122,721)	(1,428,572)
Payments to employees	(282,062)	—	(1,653,978)
Other receipts	44,607	1,530,790	305,864
Net Cash Provided (Used) by Operating Activities	(207,431)	340,627	448,041
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	1,787	499,970	491,491
Transfers out	—	—	(518,070)
Operating grants and donations received	9,542	—	13,593
Taxes and license fees collected	95	—	—
Net Cash Provided (Used) by Noncapital Financing Activities	11,424	499,970	(12,986)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest paid	(300)	—	(102,857)
Principal payments on long-term capital financing	(8,848)	—	(123,986)
Proceeds from long-term capital financing	—	—	99,911
Proceeds from sale of capital assets	75	—	85,802
Acquisitions of capital assets	(23,876)	—	(218,926)
Net Cash Provided (Used) by Capital and Related Financing Activities	(32,949)	—	(260,056)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt of interest	598,624	33,497	11,414
Proceeds from sale of investment securities	7,566,882	—	13,469
Purchases of investment securities	(7,868,851)	—	(57,993)
Net Cash Provided (Used) by Investing Activities	296,655	33,497	(33,110)
Net Increase (Decrease) in Cash and Pooled Investments	67,699	874,094	141,889
Cash and cash equivalents, July 1, as restated	82,407	2,002,816	1,098,718
Cash and cash equivalents, June 30	\$ 150,106	\$ 2,876,910	\$ 1,240,607
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (4,143,592)	\$ 655,095	\$ 227,300
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and amortization	11,411	—	261,348
Revenue reduced for uncollectible accounts	31,797	—	2,724
Change in Assets: Decrease (Increase)			
Receivables	(141,286)	(624,355)	30,197
Inventories	24	—	(3,063)
Prepaid expenses	(4)	—	(1,866)
Other assets	(167,990)	—	(637,337)
Change in Deferred Outflows of Resources: Increase (Decrease)	2,621	—	(38,704)
Change in Liabilities: Increase (Decrease)			
Payables	4,052,185	309,887	49,311
Change in Deferred Inflows of Resources: Decrease (Increase)	147,403	—	558,131
Net Cash Provided (Used) by Operating Activities	\$ (207,431)	\$ 340,627	\$ 448,041

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

State of Washington

Continued

		Governmental Activities	
Health Insurance	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 3,376,918	\$ 1,997,038	\$ 12,135,617	\$ 1,147,443
(3,604,024)	(1,909,116)	(11,638,785)	(607,377)
(20,643)	(144,622)	(2,101,305)	(464,129)
565	7,041	1,888,867	196,980
(247,184)	(49,659)	284,394	272,917
<hr/>			
171	57,750	1,051,169	39,920
(17,167)	(263,987)	(799,224)	(28,193)
—	744	23,879	473
—	14,307	14,402	6
(16,996)	(191,186)	290,226	12,206
<hr/>			
(37)	(171)	(103,365)	(24,776)
(864)	(2,507)	(136,205)	(71,809)
—	—	99,911	29,450
—	268	86,145	14,387
—	(8,800)	(251,602)	(107,289)
(901)	(11,210)	(305,116)	(160,037)
<hr/>			
2,204	38,792	684,531	1,257
—	177,472	7,757,823	753
—	(208,666)	(8,135,510)	(5,659)
2,204	7,598	306,844	(3,649)
(262,877)	(244,457)	576,348	121,437
422,282	436,046	4,042,269	877,278
\$ 159,405	\$ 191,589	\$ 4,618,617	\$ 998,715
<hr/>			
\$ (263,703)	\$ 4,468	\$ (3,520,432)	\$ (189,643)
<hr/>			
926	8,039	281,724	118,516
—	98	34,619	165
(81,171)	(125,670)	(942,285)	(35,283)
—	(2,737)	(5,776)	(5,755)
(539)	248	(2,161)	(1,542)
(8,883)	(78,744)	(892,954)	(245,036)
184	(2,901)	(38,800)	(471)
98,100	74,866	4,584,349	424,323
7,902	72,674	786,110	207,643
\$ (247,184)	\$ (49,659)	\$ 284,394	\$ 272,917

Statement of Cash Flows
PROPRIETARY FUNDS
 For the Fiscal Year Ended June 30, 2022
(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 lease financing	—	—	14,711
Amortization of annuity prize liability	—	—	—
Increase (decrease) in fair value of investments	(3,181,051)	—	(527)
Debt refunding deposited with escrow agent	—	—	315,740
Amortization of debt premium/discount	—	—	253
Increase in ownership of joint venture	—	—	22,910
Ceding interest in ownership of joint venture	—	—	(282,189)
Increase in noncurrent asset through conversion of joint venture	—	—	285,885
Increase in noncurrent asset through long-term financing	—	—	142,942

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

State of Washington

Concluded

			<u>Governmental Activities</u>	
<u>Health Insurance</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>	
\$	—	\$	—	\$ 13,836
	64		14,775	41,605
	3,778		3,778	—
(5,410)	(248,737)	(3,435,725)		(931)
	—		315,740	—
	3,456		3,709	6,650
	—		22,910	—
	—		(282,189)	—
	—		285,885	—
	—		142,942	—

State of Washington

Statement of Net Position
FIDUCIARY FUNDS

June 30, 2022

(expressed in thousands)

Continued

	Private-Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans	Custodial Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and cash equivalents	\$ 13,138	\$ 10,347,471	\$ 55,993	\$ 271,538
Receivables, pension and other employee benefit plans:				
Employers	—	—	228,276	—
Members (net of allowance)	—	—	7,544	—
Interest and dividends	—	—	426,647	—
Investment trades pending	—	—	17,746,417	—
Due from other pension and other employee benefit funds	—	—	89,342	—
Taxes receivable (net of allowance)	—	—	—	1,499,192
Other receivables, all other funds	10	14,152	105	7,721
Due from other governments	—	—	—	27,288
Investments:				
Liquidity	—	6,655,861	3,523,168	—
Fixed income	—	3,772,465	24,042,160	—
Public equity	—	—	48,077,493	—
Private equity	—	—	41,486,331	—
Real estate	—	—	32,414,540	—
Tangible assets	—	—	9,245,606	—
Innovations	—	—	1,143,092	—
Security lending collateral	—	—	282,980	—
Other noncurrent assets	—	—	—	82,354
Capital assets:				
Furnishings, equipment, and intangibles	16	—	—	—
Leased assets	1,909	—	—	5,621
Accumulated depreciation and amortization	(1,055)	—	—	(1,405)
Total Assets	14,018	20,789,949	178,769,694	1,892,309
DEFERRED OUTFLOWS OF RESOURCES	—	—	265	—
Total Assets and Deferred Outflows of Resources	\$ 14,018	\$ 20,789,949	\$ 178,769,959	\$ 1,892,309

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

State of Washington

**Statement of Net Position
FIDUCIARY FUNDS**

June 30, 2022

(expressed in thousands)

	Private-Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans	Concluded Custodial Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 347	\$ —	\$ —	\$ 9,622
Accrued liabilities	212	1,402,558	17,691,892	57,573
Obligations under security lending agreements	—	—	282,980	—
Notes and leases payable	246	—	—	677
Due to other funds	—	98	—	—
Due to other pension and other employee benefit funds	—	—	89,342	—
Due to other governments	—	598,792	—	612,323
Unearned revenue	—	—	1,316	—
Total Current Liabilities	805	2,001,448	18,065,530	680,195
Noncurrent Liabilities:				
Unearned revenue	660	—	—	3,623
Other long-term liabilities	—	—	—	7,810
Total Noncurrent Liabilities	660	—	—	11,433
Total Liabilities	1,465	2,001,448	18,065,530	691,628
DEFERRED INFLOWS OF RESOURCES	—	—	172	—
NET POSITION				
Net position restricted for:				
Pensions	—	—	155,125,108	—
Deferred compensation participants	—	—	5,579,149	—
Local government pool participants	—	18,788,501	—	—
Individuals, organizations, and other governments	12,553	—	—	1,200,681
Total Net Position	\$ 12,553	\$ 18,788,501	\$ 160,704,257	\$ 1,200,681

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

State of Washington

**Statement of Changes in Net Position
FIDUCIARY FUNDS**

For the Fiscal Year Ended June 30, 2022

(expressed in thousands)

	Private-Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans	Custodial Funds
ADDITIONS				
Contributions:				
Employers	\$ —	\$ —	\$ 2,990,576	\$ —
Members	—	—	1,975,660	—
State	—	—	95,512	—
Participants	—	28,268,995	403,276	851,239
Total Contributions	—	28,268,995	5,465,024	851,239
Investment Income:				
Net appreciation (depreciation) in fair value	—	—	(4,019,756)	—
Interest and dividends	—	57,320	3,546,197	(4,638)
Earnings (loss) on investments	(4)	(37,212)	—	2,855
Less: Investment expenses	—	—	(681,125)	—
Net Investment Income (Loss)	(4)	20,108	(1,154,684)	(1,783)
Other Additions:				
Unclaimed property	88,599	—	—	—
Transfers from other plans	—	—	126,096	—
Sales tax collections for other governments	—	—	—	7,076,070
Miscellaneous revenue	943	—	20,331	754,589
Transfers in	2,741	—	—	—
Total Other Additions	92,283	—	146,427	7,830,659
Total Additions	92,279	28,289,103	4,456,767	8,680,115
DEDUCTIONS				
Pension benefits	—	—	5,617,397	—
Pension refunds	—	—	1,125,016	—
Transfers to other plans	—	—	126,096	—
Administrative expenses	7,634	1,641	2,926	1,402
Distributions to participants	—	29,551,228	395,323	—
Payments of sales tax to other governments	—	—	—	6,935,300
Payments on behalf of retirees for medical benefits	—	—	—	838,211
Other deductions	—	—	—	776,988
Payments to or on behalf of individuals, organizations, and other governments in accordance with state unclaimed property laws	82,023	—	—	—
Total Deductions	89,657	29,552,869	7,266,758	8,551,901
Net Increase (Decrease)	2,622	(1,263,766)	(2,809,991)	128,214
Net Position - Beginning, as restated	9,931	20,052,267	163,514,248	1,072,467
Net Position - Ending	\$ 12,553	\$ 18,788,501	\$ 160,704,257	\$ 1,200,681

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

State of Washington

Statement of Net Position

COMPONENT UNITS

June 30, 2022

(expressed in thousands)

Continued

	Fred Hutchinson Cancer Center	Health Benefit Exchange	Valley Medical Center	Nonmajor Component Units	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 365,050	\$ 5,535	\$ 76,658	\$ 445,406	\$ 892,649
Investments	619,540	—	17,135	48,053	684,728
Investments, restricted	319,055	—	—	—	319,055
Receivables (net of allowance)	235,113	8,482	100,759	20,972	365,326
Inventories	26,100	—	10,398	—	36,498
Prepaid expenses	51,974	2,180	22,144	484	76,782
Total Current Assets	1,616,832	16,197	227,094	514,915	2,375,038
Noncurrent Assets:					
Investments, noncurrent	149,769	—	105,915	—	255,684
Restricted net pension asset	—	9,594	—	6,750	16,344
Other noncurrent assets	186,464	296	27,937	525,227	739,924
Capital assets:					
Land	142,661	—	14,026	34,677	191,364
Buildings	703,015	—	537,598	460,952	1,701,565
Other improvements	—	1,854	23,985	176	26,015
Furnishings, equipment, and intangible assets	255,105	70,730	290,059	12,785	628,679
Lease asset	225,552	2,794	133,876	2,541	364,763
Accumulated depreciation and amortization	(497,879)	(56,149)	(524,033)	(316,459)	(1,394,520)
Construction in progress	210,632	5,203	31,174	—	247,009
Total Noncurrent Assets	1,375,319	34,322	640,537	726,649	2,776,827
Total Assets	2,992,151	50,519	867,631	1,241,564	5,151,865
DEFERRED OUTFLOWS OF RESOURCES					
	—	2,775	12,926	1,511	17,212
Total Assets and Deferred Outflows of Resources	\$ 2,992,151	\$ 53,294	\$ 880,557	\$ 1,243,075	\$ 5,169,077

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

State of Washington

Statement of Net Position
COMPONENT UNITS
 June 30, 2022
 (expressed in thousands)

					Concluded
	Fred Hutchinson Cancer Center	Health Benefit Exchange	Valley Medical Center	Nonmajor Component Units	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION					
LIABILITIES					
Current Liabilities:					
Accounts payable	\$ 107,230	\$ 6,298	\$ 27,456	\$ 963	\$ 141,947
Accrued liabilities	171,353	1,508	152,136	46,319	371,316
Total OPEB liability	—	—	—	3	3
Lease liability	6,829	588	13,719	1,460	22,596
Unearned revenue	—	8,389	20,801	185,212	214,402
Total Current Liabilities	285,412	16,783	214,112	233,957	750,264
Noncurrent Liabilities:					
Bonds and notes payable	1,089,000	—	292,866	—	1,381,866
Net pension liability	—	—	—	604	604
Total OPEB liability	—	1,476	—	3,777	5,253
Lease liability	226,457	—	95,208	155	321,820
Other long-term liabilities	428,824	296	—	48,002	477,122
Total Noncurrent Liabilities	1,744,281	1,772	388,074	52,538	2,186,665
Total Liabilities	2,029,693	18,555	602,186	286,495	2,936,929
DEFERRED INFLOWS OF RESOURCES	18,075	12,240	54,332	7,908	92,555
NET POSITION					
Net investment in capital assets	5,584	23,530	97,276	194,107	320,497
Restricted for:					
Pension	—	919	—	1,680	2,599
Other purposes	204,595	—	1,337	7,083	213,015
Unrestricted	734,204	(1,950)	125,426	745,802	1,603,482
Total Net Position	944,383	22,499	224,039	948,672	2,139,593
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 2,992,151	\$ 53,294	\$ 880,557	\$ 1,243,075	\$ 5,169,077

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

State of Washington

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

For the Fiscal Year Ended June 30, 2022
(expressed in thousands)

	Fred Hutchinson Cancer Center	Health Benefit Exchange	Valley Medical Center	Nonmajor Component Units	Total
EXPENSES	\$ 1,077,504	\$ 60,853	\$ 884,768	\$ 48,366	\$ 2,071,491
PROGRAM REVENUES					
Charges for services	336,636	37,479	797,416	124,171	1,295,702
Operating grants and contributions	718,774	31,051	—	7,760	757,585
Total Program Revenues	1,055,410	68,530	797,416	131,931	2,053,287
Net Program Revenues (Expense)	(22,094)	7,677	(87,352)	83,565	(18,204)
GENERAL REVENUES (EXPENSES)					
Earnings (loss) on investments	(90,927)	—	(6,414)	(1,660)	(99,001)
Property taxes	—	—	24,965	—	24,965
Other revenues (expenses)	(11,138)	(46)	9,794	—	(1,390)
Total General Revenues (Expenses)	(102,065)	(46)	28,345	(1,660)	(75,426)
Change in Net Position	(124,159)	7,631	(59,007)	81,905	(93,630)
Net Position - Beginning, as restated	1,068,542	14,868	283,046	866,767	2,233,223
Net Position - Ending	\$ 944,383	\$ 22,499	\$ 224,039	\$ 948,672	\$ 2,139,593

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