

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2016

Table of Contents

INTRODUCTORY SECTION

Letter of Transmittal	3
Certificate of Achievement for Excellence in Financial Reporting	11
Statewide Elected Officials.....	12
State Organization Chart	13

FINANCIAL SECTION

Independent Auditor's Report.....	17
-----------------------------------	----

Management's Discussion and Analysis	23
---	-----------

Basic Financial Statements

Government-wide Financial Statements	
Statement of Net Position.....	38
Statement of Activities.....	40

Governmental Fund Financial Statements	
Balance Sheet	44
Reconciliation of the Balance Sheet to the Statement of Net Position	45
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	46
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	47

Proprietary Fund Financial Statements	
Statement of Net Position.....	48
Statement of Revenues, Expenses, and Changes in Net Position.....	52
Statement of Cash Flows.....	54

Fiduciary Fund Financial Statements	
Statement of Net Position.....	58
Statement of Changes in Net Position.....	59

Component Unit Financial Statements	
Statement of Net Position.....	60
Statement of Revenues, Expenses, and Changes in Net Position.....	64

Notes to the Financial Statements	67
---	----

Required Supplementary Information

Budgetary Comparison Schedules and Information

General Fund 177
 General Fund - Budget to GAAP Reconciliation 178
 Higher Education Special Revenue Fund..... 179
 Higher Education Special Revenue Fund - Budget to GAAP Reconciliation 180
 Notes to Required Supplementary Information..... 181

Pension Plan Information

Single Employer Plans

Schedules of Changes in Net Pension Liability and Related Ratios 183
 Schedules of Contributions 186

Cost Sharing Employer Plans

Schedules of the State’s Proportionate Share of Net Pension Liability 189
 Schedules of Contributions 193
 Notes to Required Supplementary Information 195

Volunteer Fire Fighters’ and Reserve Officers’ Relief and Pension Fund

Schedule of Net Pension Liability 195
 Schedule of Change in Net Pension Liability 196
 Schedule of Contributions..... 197
 Schedule of Investment Returns 197
 Notes to Required Supplementary Information 197

Other Postemployment Benefits Information

Schedule of Funding Progress..... 198

Infrastructure Assets Reported Using the Modified Approach

Condition Assessment 199

Other Supplementary Information

Combining Financial Statements

Governmental Funds

Nonmajor Governmental Funds..... 205
 Combining Balance Sheet - by Fund Type..... 206
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 - by Fund Type 207
 Nonmajor Special Revenue Funds..... 209
 Combining Balance Sheet 210
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances..... 212
 Combining Schedule of Revenues, Expenditures, and Other Financing Sources (Uses)
 - Budget and Actual 214
 Nonmajor Debt Service Funds..... 219
 Combining Balance Sheet 220
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances..... 221

Combining Schedule of Revenues, Expenditures, and Other Financing Sources (Uses)	
- Budget and Actual	222
Nonmajor Capital Projects Funds.....	225
Combining Balance Sheet	226
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	227
Combining Schedule of Revenues, Expenditures, and Other Financing Sources (Uses)	
- Budget and Actual	228
 Proprietary Funds	
Nonmajor Enterprise Funds	231
Combining Statement of Net Position	232
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	234
Combining Statement of Cash Flows	235
Internal Service Funds	237
Combining Statement of Net Position	238
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	242
Combining Statement of Cash Flows	244
 Fiduciary Funds	
Pension Funds	247
Combining Statement of Plan Net Position	249
Combining Statement of Changes in Plan Net Position.....	253
Agency Funds	248
Combining Statement of Assets and Liabilities	257
Combining Statement of Changes in Assets and Liabilities	258
 Component Units	
Nonmajor Component Units.....	261
Combining Statement of Net Position	262
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	263
 Individual Fund Schedules	
Combining Schedules for General Fund Accounts	
Balance Sheet	266
Schedule of Revenues, Expenditures, and Changes in Fund Balances.....	267
Schedule of Revenues, Expenditures, and Other Financing Sources (Uses)	
- Budget and Actual	268

STATISTICAL SECTION

Narrative.....	273
Financial Trends	
Schedule 1 - Net Position by Component.....	274
Schedule 2 - Changes in Net Position.....	276
Schedule 3 - Fund Balances, Governmental Funds.....	280

Schedule 4 - Revenues, Expenditures, and Other Financing Sources (Uses), All Governmental Fund Types	282
Schedule 5 - Revenues, Expenditures, and Other Financing Sources (Uses), General Fund.....	284
 Revenue Capacity	
Schedule 6 - Sales Subject to Retail Sales Tax by Industry	286
Schedule 7 - Number of Retail Sales Taxpayers by Industry	288
Schedule 8 - Number of Business and Occupation Taxpayers by Industry	289
Schedule 9 - Taxable Sales by Business and Occupation Tax Classification	290
 Debt Capacity	
Schedule 10 - Ratios of Outstanding Debt by Type.....	292
Schedule 11 - Legal Debt Margin Information.....	294
Schedule 12 - Revenue Bond Coverage.....	296
 Demographic Information	
Schedule 13 - Personal Income Comparison, Washington State vs. United States	297
Schedule 14 - Population and Components of Change, Washington State vs. United States	297
Schedule 15 - Annual Average Civilian Labor Force Unemployment Rates, Washington State vs. United States	298
Schedule 16 - Annual Average Wage Rates by Industry	300
Schedule 17 - Principal Employers by Industry	302
Schedule 18 - Fortune 500 Companies Headquartered in Washington	303
Schedule 19 - Principal Agricultural Commodities Value.....	303
Schedule 20 - International Trade Facts (All Washington Ports).....	304
Schedule 21 - Value of Trade with Major Export Trading Partners.....	304
Schedule 22 - Value of Trade with Major Import Trading Partners.....	304
Schedule 23 - Property Value and Construction	305
Schedule 24 - Residential Building Activity.....	305
 Operating Information	
Schedule 25 - Full-Time Equivalent Staff Comparison (Budgeted Funds)	306
Schedule 26 - Full-Time Equivalent Staff Comparison (General Fund State)	307
Schedule 27 - Operating and Capital Asset Indicators by Function - General Government	308
Schedule 28 - Operating and Capital Asset Indicators by Function - Human Services.....	310
Schedule 29 - Operating and Capital Asset Indicators by Function - Transportation.....	312
Schedule 30 - Operating and Capital Asset Indicators by Function - Natural Resources and Recreation	314
Schedule 31 - Operating and Capital Asset Indicators by Function – Education	316