

OFFICE OF FINANCIAL MANAGEMENT

STATE OF WASHINGTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2000

DECEMBER 2000

Report Prepared by

Office of Financial Management

Marty Brown, Director

Accounting Division

Sadie Rodriguez-Hawkins, Assistant Director

Statewide Accounting

Wendy Jarrett, CPA, Manager

Andrea Brown

Christopher Carlile, CPA

Deborah Feinstein, CPA

Lee Hall, CPA

Norm Johnson

Bob Lewis, CPA

Millie Lund, CPA

Pat Sanborn, CPA

James Scheibe, CPA

Carolyn Stephens, CPA

Additional assistance provided by

Office of the State Treasurer

Office of the State Actuary

Office of the State Auditor

State Investment Board

All state fiscal personnel



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For the Fiscal Year Ended June 30, 2000*

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INTRODUCTORY SECTION



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

December 8, 2000

The Honorable Gary Locke, Governor
Members of the Fifty-Sixth Legislature
State of Washington
Olympia, Washington 98504

In accordance with Chapter 43.88.027 of the Revised Code of Washington, the Office of Financial Management has prepared this COMPREHENSIVE ANNUAL FINANCIAL REPORT of the state of Washington for the fiscal year that ended June 30, 2000.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the state. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the state. All disclosures necessary to enable the reader to gain an understanding of the state's financial activities have been included.

The report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter. The Financial Section begins with the Independent Auditor's Report and contains the general purpose financial statements, notes to the financial statements, required supplementary information, combining financial statements, schedules for account groups, and other schedules. The Statistical Section includes selected financial, economic, and demographic data.

The state provides a wide range of services. These include education, social, health, transportation, environmental, law, public safety, resource and recreation development, public improvement, and general administrative services. The accompanying report includes all funds and account groups of the primary government, the state of Washington as legally defined, as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The determination of "financial accountability" is based on criteria established in Governmental Accounting Standards Board Statement No. 14. Note 1.A to the financial statements explains more fully which organizations are included in the reporting entity.

Governmental Structure

The state of Washington was created by an enabling act of Congress in 1889. The state is located on the Pacific Coast in the northwestern corner of the continental United States. Washington comprises 68,139 square miles and currently has a population of 5.8 million. Washington is famous for its scenery of breathtaking beauty and sharp contrasts. On the west side of the state, high mountains rise above coastal waters. The forests of the Olympic Peninsula are among the rainiest places in the world. Washington's coastline has hundreds of bays and inlets that make excellent harbors. In the eastern part of the state, the flat semi-desert land stretches for long distances without a single tree.

Washington's location makes it a gateway for land, sea, and air travel to Alaska and the Pacific Rim countries. Ships from all parts of the world dock at Washington ports. The Boeing Company, a leading producer of commercial airliners and spacecraft, has its headquarters in Seattle and plants in Auburn, Kent, Renton, Everett, and Spokane. Microsoft, a leader in the computer software industry, makes its home in Redmond. The Weyerhaeuser Company, a major producer of wood and related products, is headquartered in Federal Way. Costco Wholesale Corporation, headquartered in Issaquah, operates an international chain of membership warehouses.

East of the Cascade Mountain Range, farmers raise livestock and wheat on large ranches. Washington leads the nation in apple production. The state produces large amounts of lumber, pulp, paper, and other wood products. The mild moist climate in western Washington makes the region excellent for dairy farming and the production of flower bulbs.

The state currently receives about 59 percent of its income in governmental funds from taxes and 27 percent from federal grants. The main tax sources are retail sales taxes, business and occupation taxes, property taxes, and motor vehicle taxes.

As established in the State Constitution, the state consists of three branches of government: the Executive Branch, the Legislative Branch, and the Judicial Branch. The Executive Branch has nine elected officials as follows: the Governor, Lieutenant Governor, Secretary of State, State Treasurer, State Auditor, Attorney General, Superintendent of Public Instruction, Commissioner of Public Lands, and Insurance Commissioner. Forty-one agency heads are appointed by, and report to, the Governor. Eighty-one agency heads report to a board appointed in whole or in part by the Governor. The Legislature consists of two legislative bodies: the Senate consisting of 49 members, and the House of Representatives with 98 members. The State Supreme Court is the highest court in the state currently consisting of nine Justices. Every two years, three Justices are elected for six year terms. A Chief Justice is chosen from among the most senior Justices.

Economy and Revenue Outlook

Fiscal Year 2000 proved to be another good year for Washington State's economy. Employment grew by 2.3 percent, about the same as Fiscal Year 1999 but more than a percentage point below employment growth rates in Fiscal Years 1997 and 1998. But, real personal income grew at a rate of 8.1 percent, a rate comparable with those recorded in the last three fiscal years. However, Fiscal Year 2000 marks a turning point in the state's economy. Both employment growth and real personal income growth are predicted to slow substantially, falling to rates much closer to U.S. growth rates in the next three fiscal years. The slowdown in the state's economy is expected to hold the growth rate of General Fund-State revenues in the 1999-2001 Biennium significantly below the growth rate in the previous biennium. The growth rate of General Fund-State revenues is expected to grow at an even slower rate than in the 1999-2001 Biennium due to the passage of several initiatives in the 2000 general election.

Economic Condition in Fiscal Year 2000

Washington's wage and salary employment are at approximately the same rate as U.S. wage and salary employment, each with growth rates of 2.3 percent in Fiscal Year 2000. This is significantly less than the 3.8 percent growth in Washington's wage and salary employment just two years ago in Fiscal Year 1998. Despite the deceleration in employment growth almost 61,000 new jobs were added in Washington State in Fiscal Year 2000.

Although the wage and salary employment growth rates of the state and nation moved to very similar levels during Fiscal Year 2000, personal income in Washington grew by 8.1 percent compared to national growth of 5.9 percent. Real per capita income rose by 4.8 percent over the same period as compared to 2.7 percent for the nation as a whole.

Aerospace employment was a major factor in the year's slowdown in employment growth. After adding more than 15,000 employees in Fiscal Year 1998, employment in the aerospace industry fell by 3,200 in Fiscal Year 1999 and 17,900 in Fiscal Year 2000. Led by the aerospace employment decline, manufacturing employment in Washington lost 16,500 jobs in Fiscal Year 2000, a reduction of 4.4 percent. Non-manufacturing employment grew at a steady pace of 3.4 percent, contributing more than 77,000 jobs to the state's economy.

Employment in durable manufacturing other than aerospace grew by 1.0 percent in Fiscal Year 2000 while employment in durable manufacturing nationally declined by 0.4 percent. Within this sector of the state economy, some of the strongest employment growth occurred in electrical machinery (2.1 percent), which includes electronic and electrical equipment. Employment in miscellaneous durable manufacturing grew by 4.5 percent. Six other durable manufacturing sectors experienced employment growth between 0.5 percent and 1.5 percent. The only significant decline in employment in a durable manufacturing sector outside of aerospace occurred in primary metals, which declined by 2.4 percent in Fiscal Year 2000. Employment in other transportation equipment declined by 0.4 percent and employment in instruments dropped by 0.8 percent.

Non-durable manufacturing employment in Washington increased by 0.3 percent in Fiscal Year 2000. Nationally, non-durable manufacturing employment declined by 1.7 percent. In Washington, the strongest non-durable manufacturing employment growth occurred in chemicals, 2.8 percent growth, and miscellaneous non-durable manufacturing, 3.6 percent growth. Employment in apparel and pulp and paper declined by 4.1 percent and 1.5 percent, respectively in Fiscal Year 2000. Employment in food and kindred products increased by 0.4 percent while employment in printing and published grew by 0.6 percent.

Non-manufacturing employment increased by 3.4 percent during Fiscal Year 2000, led by employment growth of 6.2 percent in construction, and 4.8 percent in services. Retail trade employment grew by 3.3 percent, while employment in transportation, communications and public utilities rose by 4.3 percent. Employment growth was slowest in state and local government, 1.9 percent, and wholesale trade, 0.9 percent. Federal government civilian employment actually grew by 2.2 percent in Fiscal Year 2000, reflecting the hiring of temporary workers for the 2000 Census.

Economic Outlook

Despite the strong economic performance of the last three years at both the national and state levels, the state forecast for the next three fiscal years is tempered by the expectation of weaker economic growth at the national level and higher energy prices. According to the November 2000 forecast by the state Economic and Revenue Forecast Council (ERFC), growth in Washington's wage and salary employment is predicted to fall to 1.7 percent in Fiscal Year 2001 and Fiscal Year 2002, then increase slightly to 1.8 percent in Fiscal Year 2003. Washington's employment is expected to grow slightly faster than national employment in Fiscal Year 2001, but grow at rates almost one full percentage point faster than national employment growth projections for Fiscal Years 2002 and 2003. National employment growth is forecast to be 1.4 percent in Fiscal Year 2001, falling to 0.7 percent growth in Fiscal Year 2002 and 0.9 percent in Fiscal Year 2003.

Personal income growth in Washington State is also expected to slow until it reaches the national average for those years. The ERFC's economic forecast indicates that personal income in Washington will grow by 4.2 percent in Fiscal Year 2001, slower than the 6.2 percent growth expected for U.S. personal income. However, Washington personal income growth is predicted to rebound to 5.8 percent in both Fiscal Year 2002 and 2003. This compares to nationwide projections of 5.5 percent and 5.4 percent growth in personal income for those respective years.

Manufacturing employment in Washington is projected to continue its decline into Fiscal Year 2001, due in large part to reductions in aerospace employment. The ERFC suggests that aerospace employment will decline by another 3,700 workers in Fiscal Year 2001. However, aerospace employment is predicted to hold steady in Fiscal Year 2002 and increase slightly in Fiscal Year 2003. Other manufacturing sectors are expected to decline by about 1,600 in Fiscal Year 2001 but rebound with growth of about 800 jobs in Fiscal Year 2002 and then decline slightly by 400 jobs in Fiscal Year 2003. The strongest and most consistent growth in non-aerospace manufacturing employment for the next three

years is expected to occur in the electrical machinery and non-electrical machinery manufacturing sectors.

In the non-manufacturing sectors, the strongest growth is predicted to occur in services. Services employment is forecast to expand by 3.7 percent in Fiscal Year 2001, 2.9 percent in Fiscal Year 2002, and 3.4 percent in Fiscal Year 2003. Retail trade employment should increase by 1.4 percent, 1.5 percent, and 1.7 percent in those fiscal years, respectively. Construction employment is expected to continue with strong growth of 4.7 percent in Fiscal Year 2001 but drop to 1.3 percent growth in Fiscal Year 2002, and 1.1 percent in Fiscal Year 2003. Employment growth in transportation, communications and public utilities employment is predicted to grow by 3.5 percent in Fiscal Year 2001 but slow to 1.7 percent in the following two fiscal years. Finance, insurance and real estate employment growth is predicted to increase by 1.0 percent in Fiscal Year 2001, but then accelerate to 2.6 percent growth in Fiscal Year 2002 and 2.4 percent in Fiscal Year 2003. State and local government employment are expected to grow at rates around 1.0 percent Fiscal Years 2001 and 2002, but increase by 1.4 percent in Fiscal year 2003. Federal government civilian employment is forecast to decrease by 2.8 percent in Fiscal Years 2001 after the federal government completes the decennial census. Federal government civilian employment is then expected to remain flat in Fiscal Year 2002 and increase slightly in Fiscal Year 2003.

General Fund-State Revenues

General Fund-State revenues for the 1999-2001 Biennium are forecast to be \$21.2 billion, an increase of 7.9 percent in nominal terms over the previous biennium. General Fund-State revenues increased by 11.2 percent in the 1997-99 Biennium. The revenue growth rate for the 1999-2001 Biennium is relatively slow by historical standards, due primarily to the effects of five consecutive years of significant tax reductions and the slowing state economy. The reduction in aerospace employment is a major contributor to the general slowing in the state economy. The General Fund-State revenue growth rate for the 1999-2001 Biennium will be the second smallest growth rate for any biennium covering the 1990s.

Based on the November revenue forecast, Washington will have an estimated reserve of \$1,087.2 million by the end of the 1999-2001 Biennium, up from \$997.7 million in the previous biennium. Another \$242.7 million will be deposited in the Education Construction Account.

General Fund-State revenues are expected to increase to \$22.3 billion in the 2001-2003 Biennium. This is an increase of only 5.5 percent over the 1999-2001 Biennium. This slow growth in revenue is due to the approval by voters of Initiative 722 and Initiative 728 in the November 2000 general election. Excluding the revenue impacts of these two initiatives, General Fund-State revenue would have grown by 7.7 percent in the 2001-2003 Biennium compared to the 1999-2001 Biennium.

Initiative 722 rolls back any state and local tax and fee increases adopted between July 2, 1999, and December 31, 1999, and requires them to be refunded to taxpayers. Higher

education tuition, civil and criminal fines, charges collected for restitution, violation of law, or violation of contract, and the price of goods offered for sale by the state are not considered tax increases in the initiative. The increase in value for property taxing purposes for each individual property is limited to the lesser of two percent or the rate of inflation. Generally, state and local regular property tax levy increases are each limited in the aggregate to the lesser of two percent or the rate of inflation.

The refund provision of Initiative 722 will reduce General Fund-State revenues by \$4.8 million in the 2001-2003 Biennium. The limitations on property taxes will reduce General Fund-State revenues by \$34.4 million. Several local governments have challenged the constitutionality and validity of Initiative 722. The outcome of these lawsuits is uncertain at this time.

Initiative 728 would direct a portion of the state property tax to a new Student Achievement Fund to be used for new allocations to school districts for class size reduction, extended learning opportunities, and professional development. It would also dedicate state lottery revenues, which are currently deposited in the state General Fund, to the new Student Achievement Fund and to school construction. The amount of state property taxes directed to the Student Achievement Fund would total \$238.8 million in the 2001-2003 Biennium. Transfer of lottery revenues will reduce General Fund-State revenues by \$204.3 million. The combined effect of these two actions will reduce General Fund-State revenues by \$443.1 million in the 2001-2003 Biennium.

Major Initiatives

Washington made significant strides in Fiscal Year 2000 in its long term effort to improve the state's public education system, spread urban prosperity to rural areas, improve the tax climate for businesses, reduce unemployment and public assistance rolls, and protect the environment.

Public Education

The 2000 Legislature and Governor Gary Locke provided legislation and funding to build more public schools, reduce class size, and strengthen teacher-quality, all intended to further the quality of the state's public schools – Governor Locke's top priority.

The Legislature and governor created a "Better Schools Program" to provide \$57.5 million in flexible funding for local school districts to reduce class size, provide more extended learning opportunities, and increase the professional development of teachers. In addition, they created a Teacher Testing and Professional Standards Board to ensure that new teachers have basic skills and content knowledge as defined by the standards board. The Governor signed legislation amending state law to provide that surplus revenue flowing to the state above a five percent annual emergency reserve fund be dedicated to school construction, providing \$334 million over the next five years to construction.

The Governor and Legislature also took additional steps to improve safety in schools, appropriating \$5.65 million to supplement spending for school security staff and programs.

Other steps to improve public schools included additional funding for bonuses for National Board Certified Teachers; for information technology workforce training; and for local districts to finance increased use of substitute teachers.

Action to benefit Washington's two- and four-year institutions of higher education included additional funding to finance Washington Promise Scholarships. The awards are given to high school seniors in the top 15 percent of their class, or who score above 1,200 on SAT scores, and who meet certain income criteria. The two-year awards, which amounted to \$1,500 a year in 2000, have been granted to nearly 5,700 seniors and first-year college students in the past two academic years. The awards can be used at any public or private college or university in Washington.

Among other steps to improve higher education, the Legislature and the Governor provided additional funding to train workers for jobs in high-demand fields; to provide more instructional capacity for teaching in high-demand fields; and to perform needed maintenance of physical plants at several institutions of higher learning.

Welfare Reform through WorkFirst

Washington State has completely restructured its public assistance system over the past three years to encourage — and require — that anyone capable of working do so as a condition of receiving state benefits. Like most states, Washington's *WorkFirst* program includes a lifetime limit on public assistance, mandatory job-search requirements, and new sanctions on non-custodial parents who do not make their child-support payments. Under the WorkFirst Program, the state's public assistance caseload fell by an unprecedented 43 percent from January 1997 through August 2000. More than 100,000 participants have gone to work.

Washington's welfare reform emphasizes reducing poverty — not just reducing caseloads. Washington has led the way in creating innovative, customized job training so working parents can move up the career ladder. It was the first state to create thousands of jobs in communities for people not yet ready for private employment. The federal Departments of Labor and Health and Human Services recognized Washington State as a leader in innovation receiving several cash awards totaling more than \$10 million.

Economic Development

Governor Locke won bipartisan support for a significant business tax cut, as well as funding to help train skilled workers for the new economy. The Governor also made

significant progress in creating “One Washington” by setting the stage for development of needed telecommunications infrastructure to entice new and expanding business to rural areas.

The Governor signed legislation reducing the state unemployment insurance tax by \$576 million over the next six years. The action also cancelled an average 23-percent increase in the Unemployment Insurance employer contribution rate that was scheduled to take effect in January of 2000. Additional unemployment benefits totaling \$140 million over six years, which were drawn from the Unemployment Insurance Trust Fund, were made available to dislocated workers enrolled in retraining programs in high-demand fields.

The governor and Legislature took a critical step to narrow the “digital divide” between urban and rural Washington. They authorized public utility and port districts in rural counties to provide wholesale telecommunications services, thus filling the gap left by lack of private investment in rural areas.

The legislation allows telecommunications companies to seek alternatives to traditional regulation to encourage infrastructure investment in rural areas. It also streamlined permitting timelines and procedures for telecommunications facilities to better avoid unnecessary expense and delay.

Other actions to promote economic development in Washington included additional funding for the State Work Force Training and Education Coordinating Board to build partnerships between businesses and education institutions to meet the training needs of local industries. Actions also included continuation of the Washington Community Economic Revitalization Team, which helps rural communities identify, coordinate, and package state and federal resources to accommodate local economic development projects.

Salmon Restoration

As of November 1999, the federal government had listed 18 salmon, steelhead and bull trout stocks as threatened or endangered under the Endangered Species Act (ESA). Those listings are in addition to listings of nine stocks in previous years. In response, the Governor and Legislature continued planning and funding initiatives begun in 1998 to restore the wild salmon runs to health. The 1999-01 Biennial Budget includes \$247 million in state, federal and local funds to address new actions required by the ESA. These funds will be used by state agencies, tribes and local governments to conduct watershed planning, restoring and acquiring salmon habitat, and meeting state agency obligations under the ESA. The campaign to restore salmon runs included creation of a governor-appointed Salmon Recovery Funding Board to help ensure that \$28.5 million in grants to local jurisdictions and tribes for salmon recovery is spent effectively. The federal government, the state, and Washington's timber industry reached an historic agreement in which this vital industry agreed to tough new restrictions on logging near salmon habitat in exchange for regulatory certainty.

Quality Initiatives

Governor Locke continues a four-year-old effort to improve the way Washington State government does business. Since 1997, all Cabinet agencies have been required to have quality consultants on staff to encourage innovation by state employees and share successful initiatives with other agencies on a quarterly basis. The program has produced more than 800 quality projects that have saved the state over \$42 million. Performance measures developed by agencies for key program activities are used as a part of the budget process. In addition, state agencies have completed a four-year program designed to review all state regulations, eliminate those that are unnecessary, and rewrite those that remain on the books in a manner more easily understood by the public. The regulatory improvement program has resulted in the elimination of over 4,600 rules, the rewriting of more than 5,200 regulations in plain English, simplified regulatory processes, and new Internet applications designed to make state government more accessible to citizens and businesses.

In 1997, the Governor implemented a new program that provides new incentives for state agencies to conserve funds remaining at the end of each fiscal year rather than spend them on non-essential items. Under the Savings Incentive Plan, agencies are allowed to retain half of the funds saved through efficiency measures to be used for training, computer equipment and other needs, with the remainder going into an account to support common school construction, higher education, and education-technology projects. Savings for Fiscal Year 2000 were \$25.3 million.

Transportation Funding

The Governor and Legislature agreed on a new ongoing source of revenue for transportation -- the interest earnings on the Emergency Reserve Fund -- to partly address the impact of legislation which abolished the Motor Vehicle Excise Tax (MVET).

With further government efficiencies and streamlining and some support from the General Fund, these new dollars are keeping alive priority highway projects, assisting transit across the state, sustaining the ferry system and passenger rail program, and breaking ground on important freight mobility projects.

The new funding does not come close to filling the gaps left by the elimination of the MVET, which took effect in January. Many cuts have been made, and many projects postponed. A Blue-Ribbon Commission on Transportation, appointed by the 1998 Legislature, is preparing to issue recommendations to adequately finance the state transportation system over a 20-year horizon.

Technology

Home to Microsoft and other software industry leaders, Washington has been and continues to be a pioneer in recognizing the enormous potential of information technology in revolutionizing the delivery of government services. Major progress in Washington State's technological development over the past year include:

- Expansion of the K-20 Educational Telecommunications Network. The Network provides public schools at every level with access to learning tools including Internet and Intranet, interactive videoconferencing and satellite-delivered distance learning services. With the completion of Phase 2, the network now provides access to educational institutions at 412 locations statewide. The network currently connects 64 community and technical college sites, 44 campuses of the baccalaureate institutions, and 304 K-12 sites.
- Continued efforts to increase state government's use of electronic transactions to reduce the flow of paper and save money. Four key agencies, the Office of Financial Management, the Department of General Administration, the State Treasurer and the Department of Information Services are working to make electronic billing and payment a routine part of state agency operations. Eventually, the approach will be expanded to include private-sector suppliers. Initial implementation of the electronic inter-agency payment process is scheduled for early 2001.
- Continued improvements to *Access Washington*, an interactive virtual business center that offers citizens and businesses convenient access to government services, information, and transactions over the Internet.
- For the third straight year, a national survey ranked Washington the top state in the country for using information technology to deliver public services. The ranking, called the Digital State Survey, has been conducted for the past three years by the Progress and Freedom Foundation, a national organization of policy and technology experts.

For the Future

As he prepares to begin his second four-year term, Governor Locke continues to emphasize three major themes: improving Washington's educational system, maintaining the state's strong financial position, and improving Washington's transportation system.

His goal to increase a teacher's ability to focus attention on individual students received an important boost with the November 7, 2000, passage of citizen Initiative 728, which will result in major new investments to provide teachers and students with smaller classes and other benefits. The Governor will work with the 2001 Legislature to ensure speedy implementation of the initiative's provisions.

The Governor's goals for maintaining a strong economy include continued expansion of programs to train and retrain workers needed to meet the increasing demand for high-technology skills. He also will continue his efforts to spread the state's vibrant economy to rural Washington.

As he steps up efforts to meet growing transportation needs, Governor Locke intends to embrace the pending recommendations of a panel of transportation stakeholders and push for long-term transportation improvements at the 2001 Legislature. The goal is to put in place transportation improvements in the areas of administration, investment, and revenue that can be sustained for a twenty-year period.

Financial Information

Internal Controls

The state is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the state are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Washington State continues to assess the adequacy of its internal control structure and make improvements where weaknesses are found. These actions will help assure that the state maintains public accountability for years to come.

Budgeting Controls

Budgetary control is maintained through legislative appropriations and the executive branch allotment process. The Governor is required to submit a biennial budget to the Legislature. The budget is legally required to be adopted through passage of appropriation bills by the Legislature with approval by the Governor. Appropriated funds are controlled by the executive branch through an allotment process. This expenditure plan details the appropriation into monthly estimates by program, source of funds, and object of expenditure. Nonappropriated governmental funds are also subject to allotment control by the executive branch. The state also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at the end of the appropriation. However, capital encumbrances are generally reappropriated as part of the following biennial budget.

The state's budgetary policies and procedures, fund accounting structure, and basis of accounting are explained in detail in Note 1 to the financial statements.

Governmental Funds

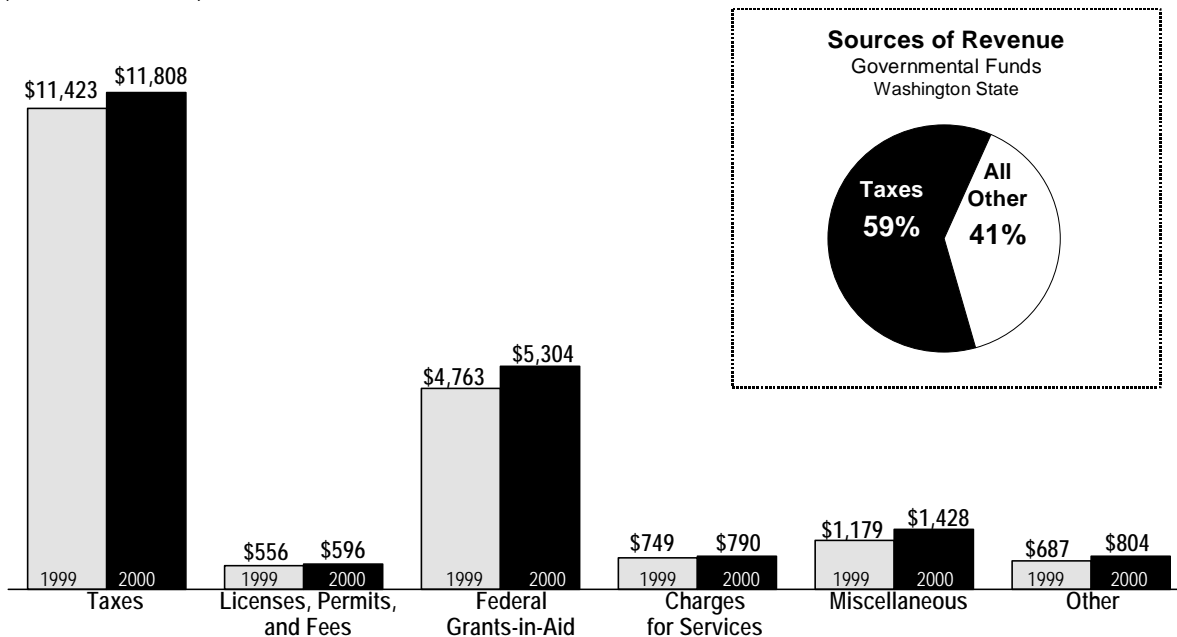
Governmental activities are accounted for in four governmental fund types: the general, special revenue, debt service, and capital projects funds. Revenues for governmental funds totaled \$19.9 billion for the fiscal year that ended June 30, 2000. This represents an increase of 6.7 percent over revenue for the fiscal year that ended June 30, 1999.

All Governmental Funds Revenues (Millions of Dollars)	Fiscal Year 2000		Fiscal Year 1999		Increase (Decrease) From 1999
	Amount	% of Total	Amount	% of Total	
Taxes	\$ 11,808	59.3%	\$ 11,423	61.2%	\$ 385
Licenses, Permits, and Fees	596	3.0%	556	3.0%	40
Federal Grants-in-Aid	5,304	26.6%	4,763	25.5%	541
Charges for Services	790	4.0%	749	4.0%	41
Miscellaneous Revenues	1,428	7.1%	1,179	6.3%	249
Total Revenues	19,926	100.0%	18,670	100.0%	1,256
Net Other Financing Sources (Uses)	804		687		117
Total Revenues and Other Sources (Uses)	\$ 20,730		\$ 19,357		\$ 1,373

Taxes, the largest source of governmental revenue, produced 59 percent of revenues. Although the percentage decreased slightly from Fiscal Year 1999, actual tax revenues increased by \$385 million. This increase is consistent with the growth in the state's population and personal income during Fiscal Year 2000, which increased retail sales and use tax collections by \$478 million.

Revenues - All Governmental Funds

For the Fiscal Years that ended June 30, 1999 and 2000
(Millions of Dollars)

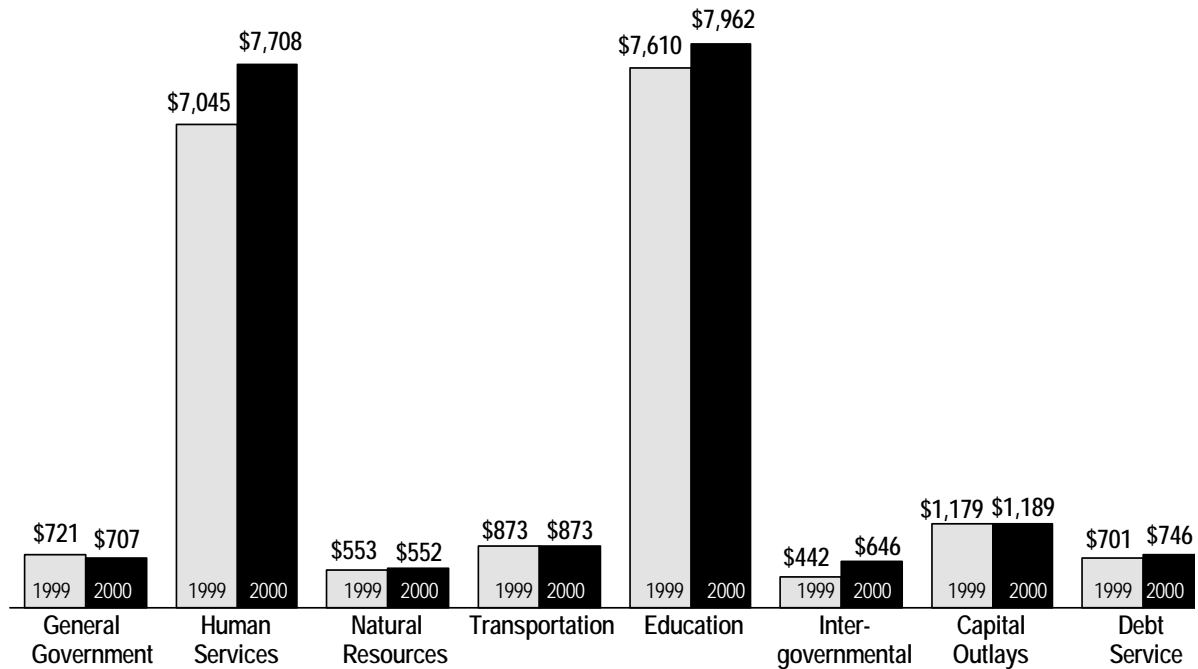


All Governmental Funds Expenditures (Millions of Dollars)	Fiscal Year 2000		Fiscal Year 1999		Increase (Decrease) From 1999
	Amount	% of Total	Amount	% of Total	
Current:					
General Government	\$ 707	3.5%	\$ 721	3.8%	\$ (14)
Human Services	7,708	37.8%	7,045	36.8%	663
Natural Resources	552	2.7%	553	2.9%	(1)
Transportation	873	4.3%	873	4.6%	-
Education	7,962	39.1%	7,610	39.8%	352
Intergovernmental	646	3.2%	442	2.3%	204
Capital Outlays	1,189	5.8%	1,179	6.2%	10
Debt Service	746	3.6%	701	3.6%	45
Total Expenditures	\$ 20,383	100.0%	\$ 19,124	100.0%	\$ 1,259

In Fiscal Year 2000, demands continued to increase for education and certain human service programs, including medical assistance, job training and child care for low income working families. Specifically, expenditures for human services increased \$547 million at the Department of Social and Health Services. Also, education expenditures increased by \$352 million with higher enrollments in local school districts and the state's colleges and universities. All expenditures for governmental activities totaled \$20.4 billion for the fiscal year that ended June 30, 2000, or a 6.6 percent increase over Fiscal Year 1999.

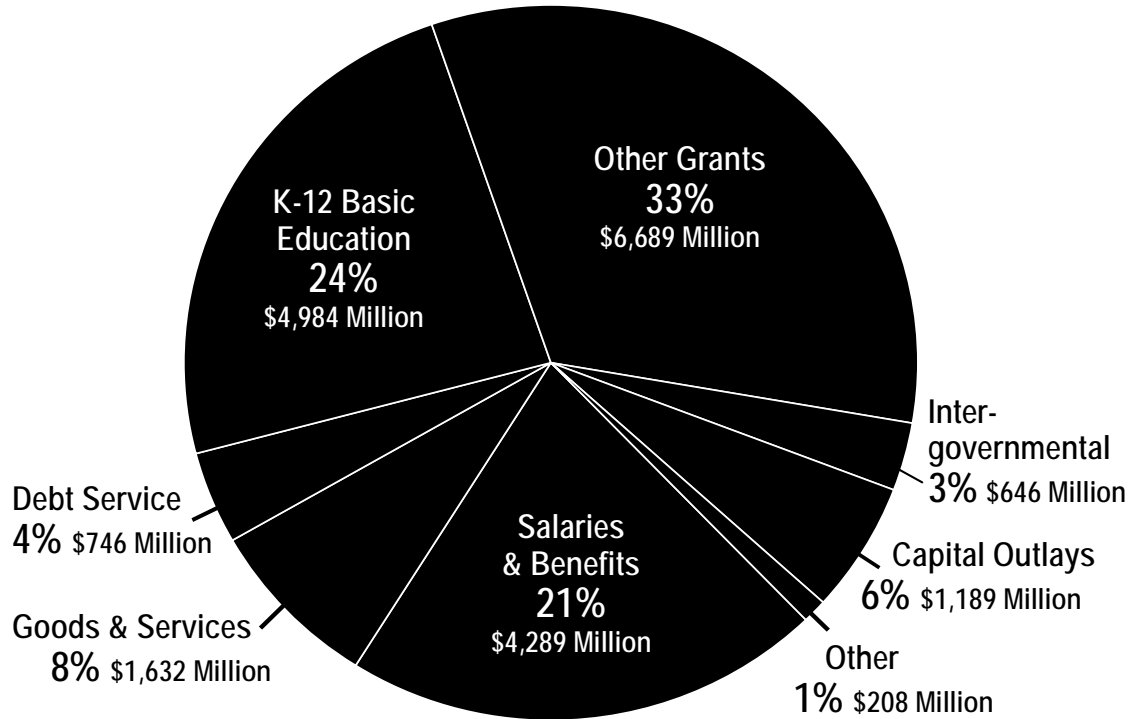
Expenditures - All Governmental Funds by Function

For the Fiscal Years that ended June 30, 1999 and 2000
(Millions of Dollars)



**Expenditures - All Governmental Funds
by Object**

For the Fiscal Year that ended June 30, 2000
TOTAL = \$20,383 Million



OFFICE OF FINANCIAL MANAGEMENT

DECEMBER 2000

Consistent with the functional distribution of costs, grants for K-12 education and other purposes are the major expenditures of governmental funds. The grants for K-12 education are apportioned to local school districts based primarily on student enrollment. The other grants are mainly public assistance payments and amounts passed through to other governments and nonprofit organizations.

General Fund

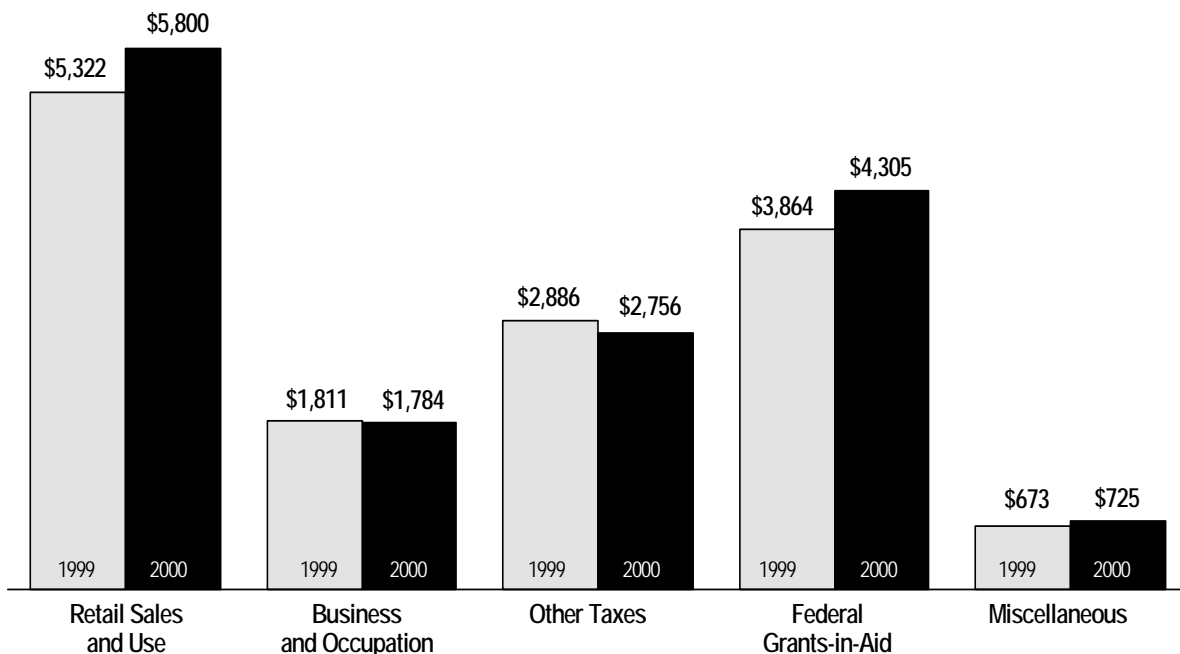
The General Fund accounts for all general government financial resources and expenditures not required to be accounted for in other funds.

General Fund Revenues (Millions of Dollars)	Fiscal Year 2000		Fiscal Year 1999		Increase (Decrease) From 1999
	Amount	% of Total	Amount	% of Total	
Retail Sales & Use Taxes	\$ 5,800	37.7%	\$ 5,322	36.6%	\$ 478
Business & Occupation Taxes	1,784	11.6%	1,811	12.4%	(27)
Other Taxes	2,756	18.0%	2,886	19.9%	(130)
Federal Grants-in-Aid	4,305	28.0%	3,864	26.5%	441
Miscellaneous Revenues	725	4.7%	673	4.6%	52
Total Revenues	\$ 15,370	100.0%	\$ 14,556	100.0%	\$ 814

Fiscal Year 2000 revenues in the General Fund increased by \$814 million or 5.6 percent. Retail sales and use taxes in the General Fund increased by \$478 million or 9 percent and federal grants-in-aid increased \$441 million or 11.4 percent. Retail sales and use taxes continue to be the largest source, amounting to 37.7 percent of General Fund revenues.

General Fund Revenues

For the Fiscal Years that ended June 30, 1999 and 2000
(Millions of Dollars)

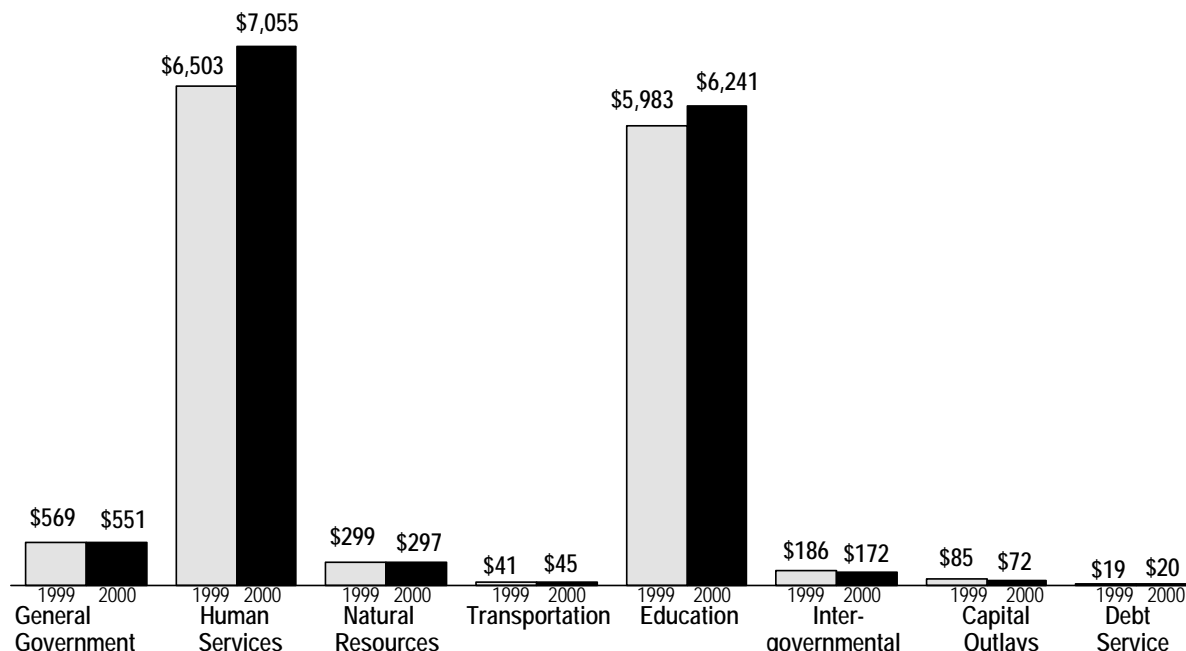


General Fund Expenditures (Millions of Dollars)	Fiscal Year 2000		Fiscal Year 1999		Increase (Decrease) From 1999
	Amount	% of Total	Amount	% of Total	
Current:					
General Government	\$ 551	3.8%	\$ 569	4.2%	\$ (18)
Human Services	7,055	48.8%	6,503	47.5%	552
Natural Resources	297	2.1%	299	2.2%	(2)
Transportation	45	0.3%	41	0.3%	4
Education	6,241	43.2%	5,983	43.7%	258
Intergovernmental	172	1.2%	186	1.4%	(14)
Capital Outlays	72	0.5%	85	0.6%	(13)
Debt Service	20	0.1%	19	0.1%	1
Total Expenditures	\$ 14,453	100.0%	\$ 13,685	100.0%	\$ 768

Expenditures for General Fund activities total \$14.5 billion for the fiscal year that ended June 30, 2000, representing a 5.6 percent increase from Fiscal Year 1999. Of these expenditures, 43.2 percent went to support local school districts and higher education, and 48.8 percent was expended for human services. Expenditure increases in the General Fund parallel the increases in education and human services discussed earlier under All Governmental Funds.

General Fund Expenditures by Function

For the Fiscal Years that ended June 30, 1999 and 2000
(Millions of Dollars)



The fund balance of the General Fund, including all reserves and designations, totaled \$2.94 billion as of June 30, 2000, representing an increase of \$262 million, from that of the previous fiscal year end.

These figures include an additional \$189.3 million in General Fund-State (GF-S) revenues transferred to the state's Emergency Reserve Fund during Fiscal Year 2000 under the provisions of Initiative 601, approved by Washington voters in the November 1993 general election. Effective Fiscal Year 1996, Initiative 601 limits annual increases in GF-S expenditures to the average rate of inflation plus population growth for the previous three years. It also requires GF-S revenues in excess of the spending limit for any given year to be deposited in the Emergency Reserve Fund. If the balance in the Emergency Reserve Fund exceeds 5 percent of biennial GF-S revenues, the excess is required to be deposited in the Education Construction Fund.

Since Fiscal Year 1996, the state has consistently held expenditures within the GF-S spending limit. Interest earnings on revenues transferred to the Emergency Reserve Fund accrue to that account.

Enterprise Operations

The state's enterprise operations are comprised of seven separate and distinct activities ranging from operation of the Convention and Trade Center to operation of the State Lottery to management of the State Workers' Compensation program and the State Ferry System. A brief description of each enterprise operation is presented in Note 18 to the financial statements.

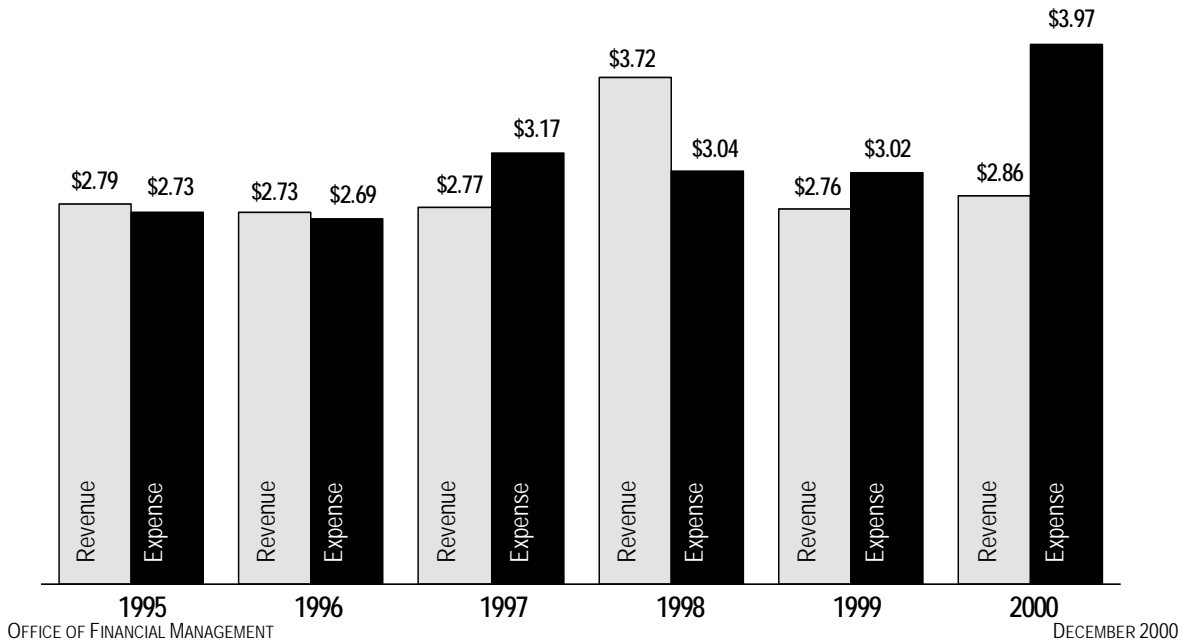
Combined operating and nonoperating revenues, including earnings (loss) on investments, for the state's enterprise funds increased from \$2.76 billion in Fiscal Year 1999 to \$2.86 billion in Fiscal Year 2000. This \$10 million increase is primarily due to an increase in Labor & Industries insurance premiums. Combined enterprise activities' operating and nonoperating expenses increased from \$3.02 billion in Fiscal Year 1999 to \$3.97 billion during Fiscal Year 2000. This \$950 million increase is primarily due to an increase in workers' compensation claims.

Outstanding enterprise fund bonds at June 30, 2000 totaled \$452 million. These bonds were issued primarily to provide construction funds for educational and convention facilities, and the Department of Labor and Industries building.

Enterprise Fund Operations

Revenues and Expenses

For the Fiscal Years that ended June 30, 1995 through 2000
(Billions of Dollars)



Retirement Systems

Valuations are performed for most of the state's pension systems on a calendar year basis. However, the Teachers' Retirement System (TRS) is on a fiscal year basis. At the close of Fiscal Year 2000, using results from the most recent actuarial valuations, the total actuarial value of investments in the state's pension trust funds reached \$41.5 billion. The latest Actuarial Accrued Liability exceeded the value of assets available for benefits by \$830 million. The funding ratio for all funds combined was 98 percent.

Debt Administration

During Fiscal Year 2000, the state of Washington maintained its "AA+" rating from Fitch Investors Service and Standard & Poor's Ratings Group, and its "Aa1" rating from Moody's Investors Service. According to Moody's, "the state's high grade rating is based on its economic resources and sound financial performance. These strengths, coupled with firmly institutionalized conservative fiscal practices, offset above average debt levels, economic concentration in the aerospace and high technology sectors, and the anticipated slowdown in economic growth in the near term." (Moody's "New Issue" report, September 18, 2000.)

The Office of the State Treasurer continued its administration of the state Lease-Purchase Program which has been in existence since Fiscal Year 1990. This program enables state agencies to realize substantial savings by financing the acquisition of real and personal property at tax-exempt interest rates. In the real estate component of the financing program, certain projects have been rated “Aa2” by Moody’s Investors Service as a reflection of their essentiality to state government operations. As of June 30, 2000 the state’s publicly offered equipment certificates of participation were rated “Aa3” by Moody’s Investors Service which relies on the centralized oversight of the Office of the State Treasurer and the Office of Financial Management as a strong credit element in the rating. On October 5, 2000 Moody’s Investors Service upgraded the lease-purchase program’s equipment certificates of participation from Aa3 to Aa2. The new rating reflects several factors, including historically sound financial performance, favorable economic conditions in Washington State, and the essentiality of equipment financed.

On September 1, 1998, the state Lease-Purchase program was extended to enable local government to participate in low cost financing of essential equipment (Local Option Capital Asset Lending Program (LOCAL)). The program allows local participants to pool their financing requests together with Washington state agencies for lower tax-exempt interest rates, a rating of “Aa2” from Moody’s, and standardized documentation. The LOCAL program is authorized to begin financing real property for local governments on July 1, 2000. Local governments are expected to have an increasing share of the total volume of transactions financed.

As of June 30, 2000, there were outstanding \$475.8 million of certificates of participation. Underlying this amount were \$463.2 million for 51 state agencies and \$11.8 million for 76 local agencies, for a total of \$474.0 million, with the balance on deposit with the trustee either for use in the program or to satisfy reserve requirements. These programs are currently funded from public offering of certificates of participation through a competitive bid process.

During the 1999 legislative session, the Washington State Legislature passed Senate Joint Resolution 8206, effectively creating a Washington state school district credit enhancement program. The program’s purpose is to provide savings to state taxpayers by pledging the full faith and credit of the state of Washington to the payment of voter-approved school district general obligation bonds.

The approved legislation carried two components: 1) a constitutional amendment to clarify that the state is pledging its full faith and credit to bonds issued under the program; and 2) implementing language for the guarantee program. Since the program authorization required a constitutional amendment, the proposed law was submitted to a vote of the electorate. Washington voters passed the constitutional amendment in November 1999 by a vote of 60 percent to 40 percent. The program is authorized in Chapter 39.98 RCW.

The School Bond Guarantee Program was developed under the direction of the State Treasurer. The Treasurer convened an Advisory Group to assist in legal drafting, policy discussions and legislative strategy. The Advisory Group included staff members from the Office of the State Treasurer, statewide school district representatives, assistant attorney general, bond lawyers and financial advisors. Administrative rules were entered into the Washington Administrative Code for program management.

The State Treasurer introduced the new school bond credit enhancement program in March 2000. The program was well accepted by schools across the state. At the end of Fiscal Year 2000, the state had guaranteed 19 school districts' voter-approved general obligation debt with a total outstanding principal of \$215.7 million.

During the past 16 years, the State Finance Committee has undertaken refunding operations to reduce interest costs on outstanding state indebtedness. Fiscal Year 2000 operations involved the sale of \$99.31 million various purpose general obligation refunding bonds to refund bonds issued at average coupons of 4.62 percent to 5.18 percent. True interest costs on the refunding bonds ranged from 4.702 percent to 4.746 percent. Economic savings were achieved on the refunding transaction. Gross or nominal savings over the life of the refunded issue was \$10.08 million and present value savings were \$8.42 million – a ratio of present value savings to new issue size of 8.427 percent. Over the course of the 16 year refunding effort, gross savings from all refunding transactions to date have amounted to \$394.04 million or \$263.88 million on a present value basis.

Interest rates in the tax-exempt bond market continued to be attractive for long-term borrowing during Fiscal Year 2000. Over the fiscal year, \$775.25 million in new money general obligation and motor vehicle fuel tax general obligation bonds were sold in September 1999 (5.46 percent and 6.38 percent), February 2000 (5.90 percent and 5.96 percent), and April 2000 (5.37 percent and 6.02 percent). The rates for the \$196.4 million outstanding in adjustable rate general obligation bonds have varied between 2.65 percent and 5.85 percent, with an average rate of 3.70 percent for the Fiscal Year 2000.

Outstanding general and limited obligation bonded debt as of June 30, 2000 totaled \$7.28 billion, an increase of 5.73 percent over June 30, 1999. Bonds were issued primarily for various capital projects throughout the state.

During Fiscal Year 2000, the state continued with its Selective Redemption Program, which takes advantage of a feature of the state's \$196.4 million outstanding variable rate debt that allows for selectively retiring any other higher cost long term fixed rate debt in the state's portfolio. For Fiscal Year 2000, the Selective Redemption Program generated \$7.36 million in gross savings over the life of the bonds – with present value savings of \$0.49 million.

The following table presents a summary of general obligation bonds issued during Fiscal Year 2000:

**State of Washington
General Obligation Bonds Issuance
Fiscal Year 2000**

<u>Issue</u>	<u>Series/Date</u>	<u>True Interest Cost</u>	<u>Par Value</u>
<i>June 23, 1999 Issue (dated 7/1/1999)</i>			
<i>Various Purpose General Obligation Refunding Bonds</i>			
	Series R-2000A	4.7000212%	\$ 80,570,000
<i>Motor Vehicle Fuel Tax General Obligation Refunding Bonds</i>			
	Series R-2000B	4.7439917%	18,740,000
<i>September 29, 1999 Issue</i>			
<i>Various Purpose General Obligation Bonds</i>			
	Series 2000A	5.6858763%	273,500,000
<i>General Obligation Bonds (State Housing Trust Fund)</i>			
	Series 2000T (Taxable)	6.3782994%	26,500,000
<i>February 8, 2000 Issue</i>			
<i>Various Purpose General Obligation Bonds</i>			
	Series 2000B	5.8955963%	253,000,000
<i>Motor Vehicle Fuel Tax General Obligation Bonds</i>			
	Series 2000C	5.9600334%	27,000,000
<i>April 18, 2000 Issue</i>			
<i>General Obligation Bonds</i>			
	Series 2000S-4 (Stadium)	5.3660386%	124,755,000
<i>General Obligation Bonds</i>			
	Series 2000S-5 (Stadium)		
	Zero Coupon Bonds	6.0161627%	<u>70,497,819</u>
Fiscal Year 2000 Total.....			<u>\$ 874,562,819</u>

General obligation debt is subject to statutory limitations as prescribed by the Washington State Constitution and the Revised Code of Washington. For the fiscal year that ended June 30, 2000, the maximum debt authorization subject to limitation was \$5.16 billion. This limit does not include motor vehicle fuel tax debt, limited obligation debt, or reimbursable debt exempt from the statutory debt limit.

The ratio of general long-term debt to market value and the amount of bonded debt per capita are useful indicators of the state's debt position. These ratios as of June 30, 2000 are as follows:

	Dollars in Millions	Ratio of Debt to Market Value	Debt per Capita
General Long-Term Bonded Debt (Excluding Accreted Interest)	\$7,278	1.61%	\$1,250

Cash Management

State statutes provide that certain excess cash balances in the state treasury may be invested by the Office of the State Treasurer through the use of the Cash Management Account. Specifically excluded from the Cash Management Account are pension funds, workers' compensation funds, the Local Government Investment Pool, and certain dedicated permanent funds.

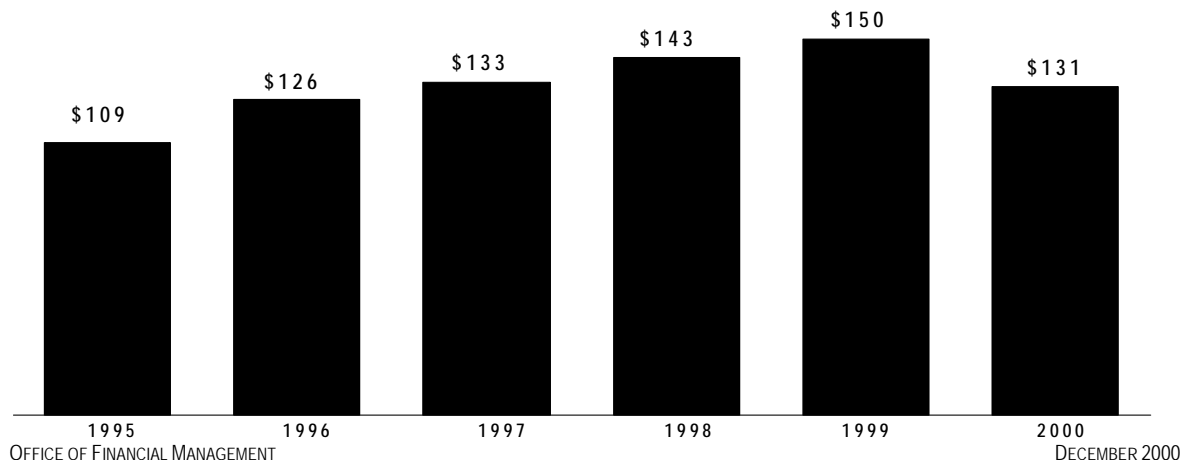
Investment transactions by the Office of the State Treasurer during Fiscal Year 2000 were limited to U.S. Treasury and Agency securities, repurchase agreements, securities lending, certificates of deposit with qualified public depositories, and commercial paper.

Total earnings from investment of the Cash Management Account balances for Fiscal Year 2000 were \$130.7 million, representing a 13.1 percent decrease from Fiscal Year 1999. This decrease resulted primarily from a decline in the balances invested.

Earnings on Investments

Cash Management Account

For the Fiscal Years that ended June 30, 1995 through 2000
(Millions of Dollars)



Insurance Activities

The state has three insurance programs operated and accounted for as insurance businesses. Notes 1.L and 9 to the financial statements disclose the specific programs and claims liability changes during Fiscal Year 2000 for each insurance program.

Liabilities of the workers' compensation insurance activity amount to \$13.6 billion as of June 30, 2000. The liability includes \$6.6 billion for supplemental pension cost of living adjustments (COLA) that, by statute, are not to be fully funded. This COLA is funded on a pay-as-you-go basis, and the Department of Labor and Industries actuaries have indicated that future premium payments will be sufficient to pay these claims as they come due. The remaining \$7.0 billion in claims liability is fully funded by \$8.5 billion of long-term investments, net of obligations under securities lending agreements, held for payment of claims.

The risk management insurance activity liabilities amount to \$240.2 million as of June 30, 2000. This liability is currently funded by \$55.7 million in cash equivalents.

State employees' insurance activities have liabilities as of June 30, 2000 amounting to \$35.3 million which are fully funded with cash and investments, net of obligations under securities lending agreements.

Other Information

Independent Audit

State statutes require an annual audit by the Office of the State Auditor. The State Auditor is an independently elected public official. The state is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

The State Auditor conducts the audit of all state agencies. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the federal single audit. The Auditor's report on the general purpose financial statements is included in the financial section of this report. The Auditor's report related to the single audit, including the schedule of federal financial assistance, findings and recommendations, and reports on internal control structure and compliance with applicable laws and regulations, will be published in a separate report. Copies may be obtained from the Office of the State Auditor, Legislative Building, PO Box 40021, Olympia, Washington 98504-0021.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Washington State for its Comprehensive Annual Financial Report for the fiscal year that ended June 30, 1999. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, with contents conforming to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Washington State has received a Certificate of Achievement for the last thirteen years. The Office of Financial Management considers this report to be in conformance with the Certificate of Achievement Program requirements, and will submit it to the GFOA.

Acknowledgment

The preparation of this report could not have been accomplished without the professionalism and dedication demonstrated by the financial and management personnel of each state agency and institution of higher education, and the Office of Financial Management.

This Comprehensive Annual Financial Report reflects the commitment of the Governor to the Legislature, the citizens of Washington State, and the financial community to maintain financial statements in conformance with the highest standards of financial accountability.

Sincerely,

Marty Brown
Director

State of Washington Elected Officials as of June 30, 2000



Gary Locke
Governor



Brad Owen
Lieutenant Governor



Ralph Munro
Secretary of State



Michael Murphy
Treasurer



Brian Sonntag
State Auditor



Christine Gregoire
Attorney General



Terry Bergeson
Superintendent of Public Instruction



Jennifer Belcher
Commissioner of Public Lands



Deborah Senn
Insurance Commissioner



2000-2001 Organization Chart Washington State Government

Legislative Branch

Executive Branch

Judicial Branch

Senate	House of Representatives			
Joint Legislative Audit and Review Committee	Office of the State Actuary		Court of Appeals	Supreme Court Clerk
Legislative Transportation Committee	Joint Legislative Systems Committee		Superior Courts	Supreme Court Commissioner
Legislative Ethics Board	Redistricting Commission		District Courts	Administrator for the Courts
Legislative Evaluation and Accountability Program			Municipal Courts	Office of Public Defense
				Law Library
				Reporter of Decisions
				Commission on Judicial Conduct

Agencies Managed by Statewide Elected Officers

Commissioner of Public Lands	Insurance Commissioner	Treasurer	Lieutenant Governor	Governor	Attorney General	Superintendent of Public Instruction	Auditor	Secretary of State
Department of Natural Resources Forest Practices Board		Public Deposit Protection Commission State Finance Committee		Office of the Governor Puguet Sound Water Quality Action Team Salmon Recovery Office	Executive Ethics Board Governor's Office of Indian Affairs Office of the Family and Children's Ombudsman	Board of Education Academic Achievement and Accountability Commission Professional Educator Standards Board		Productivity Board

Environment and Natural Resources	General Government	Transportation	Health and Human Services	Education	Community and Economic Development
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Agencies Managed by Governor-appointed Executives

Department of Ecology Department of Agriculture commodity commissions Interagency Committee for Outdoor Recreation Salmon Recovery Funding Board Pollution Liability Insurance Program	Office of Financial Management Department of General Administration Department of Revenue Department of Personnel Personnel Resources Board Department of Retirement Systems Employee Retirement Benefits Board Department of Information Services Lottery Commission Department of Financial Institutions Military Department Public Printer Office of Administrative Hearings Board of Accountancy	State Patrol Department of Licensing occupational regulatory boards Traffic Safety Commission	Department of Social and Health Services Department of Labor and Industries Department of Employment Security Department of Health occupational regulatory boards Department of Corrections Department of Veterans' Affairs Council for the Prevention of Child Abuse and Neglect Health Care Authority Public Employees' Benefits Board Department of Services for the Blind	School for the Blind School for the Deaf Workforce Training and Education Coordinating Board	Department of Community, Trade, and Economic Development Energy Facility Site Evaluation Council Office of Minority and Women's Business Enterprises Commission on Asian Pacific American Affairs Commission on African-American Affairs Commission on Hispanic Affairs Arts Commission
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Agencies Under Authority of a Board

Fish and Wildlife Commission Department of Fish and Wildlife Parks and Recreation Commission Environmental Hearings Office Pollution Control Hearings Board Shorelines Hearings Board Forest Practices Appeals Board Hydraulic Appeals Board Conservation Commission Columbia River Gorge Commission Growth Management Hearings Boards Eastern Washington Central Puget Sound Western Washington Board of Natural Resources	Personnel Appeals Board Liquor Control Board Public Employment Relations Commission Board of Tax Appeals Public Disclosure Commission Board for Volunteer Firefighters and Reserve Officers Gambling Commission Horse Racing Commission Utilities and Transportation Commission Investment Board Statute Law Committee Code Reviser Municipal Research Council Economic and Revenue Forecast Council Caseload Forecast Council Pension Funding Council Forensic Investigations Council Citizens' Commission on Salaries for Elected Officials State Capitol Committee	Transportation Commission Department of Transportation Board of Pilotage Commissioners Marine Employees' Commission Transportation Improvement Board Freight Mobility Strategic Investment Board County Road Administration Board	Human Rights Commission Indeterminate Sentence Review Board Board of Industrial Insurance Appeals Criminal Justice Training Commission Sentencing Guidelines Commission Health Care Facilities Authority Board of Health	Higher Education Coordinating Board Governing Boards of Four Year Institutions of Higher Education University of Washington Washington State University Central Washington University Eastern Washington University Western Washington University The Evergreen State College Board for Community and Technical Colleges Boards of Trustees Community Colleges Technical Colleges Spokane Intercollegiate Research and Technology Institute Library Commission State Library Higher Education Facilities Authority Washington State Historical Society Eastern Washington State Historical Society	Convention and Trade Center Housing Finance Commission Economic Development Finance Authority
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General Purpose Financial Statements

Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Units

June 30, 2000 (expressed in thousands)

	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
Assets and Other Debits						
Assets:						
Cash and pooled investments	\$ 1,301,505	\$ 1,019,868	\$ 203,288	\$ 153,649	\$ 247,593	\$ 141,111
Investments	423,992	872,497	-	-	61,253	-
Taxes receivable (net of allowance)	2,152,235	16,310	-	-	3,894	-
Other receivables (net of allowance)	257,998	175,418	2	13,328	625,369	3,905
Due from other funds	167,180	618,639	9,852	94,539	294,338	133,931
Due from other governments	1,135,640	146,166	-	2,309	30,371	17,541
Inventories	19,516	27,213	-	-	82,778	18,931
Investments, noncurrent	-	-	-	-	9,683,713	33,292
Other nonfixed assets	-	-	-	-	7,476	1,979
Fixed assets (net of depreciation)	-	-	-	-	1,802,308	299,061
Other Debits:						
Amount available in debt service funds	-	-	-	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-	-	-	-
Total Assets and Other Debits	\$ 5,458,066	\$ 2,876,111	\$ 213,142	\$ 263,825	\$ 12,839,093	\$ 649,751
Liabilities, Equity and Other Credits						
Liabilities:						
Accounts payable	\$ 584,896	\$ 123,927	\$ -	\$ 21,466	\$ 75,392	\$ 37,110
Contracts and retainages payable	18,973	34,049	-	35,790	13,189	11,669
Accrued liabilities	113,834	138,109	1,463	956	555,103	16,415
Obligations under security lending agreements	30,679	8,986	1,003	825	508,299	440
Matured bonds payable	-	-	-	-	20,139	-
Due to other funds	566,682	718,972	-	38,748	102,313	66,546
Due to other governments	74,052	38,348	-	23	1,225	273
Deferred revenues	1,105,673	193,916	-	8,983	44,419	2,931
Claims and judgments payable, current	26,585	-	-	-	1,166,549	76,037
Claims and judgments payable, long-term	-	-	-	-	12,460,744	199,476
Bonds payable	-	-	-	-	431,394	-
Accrued retirement obligations	-	-	-	-	-	-
Other long-term obligations	-	-	-	-	793,794	68,464
Total Liabilities	2,521,374	1,256,307	2,466	106,791	16,172,560	479,361
Equity and Other Credits:						
Contributed capital	-	-	-	-	1,157,973	84,234
Investment in general fixed assets	-	-	-	-	-	-
Retained earnings, reserved	-	-	-	-	-	-
Retained earnings (deficit), unreserved	-	-	-	-	(4,491,440)	86,156
Fund Balances:						
Reserved	1,705,608	739,926	-	122,547	-	-
Unreserved, designated	803,453	187,906	210,676	-	-	-
Unreserved, undesignated	427,631	691,972	-	34,487	-	-
Total Equity and Other Credits	2,936,692	1,619,804	210,676	157,034	(3,333,467)	170,390
Total Liabilities, Equity and Other Credits	\$ 5,458,066	\$ 2,876,111	\$ 213,142	\$ 263,825	\$ 12,839,093	\$ 649,751

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

State of Washington

Fiduciary Fund Types	Account Groups		Totals Primary Government (Memorandum Only)		Component Units	Totals Reporting Entity (Memorandum Only)	
	Trust and Agency	General Fixed Assets	General Long-Term Obligations	June 30, 2000	June 30, 1999	June 30, 2000	June 30, 1999
\$ 6,789,873	\$ -	\$ -	\$ 9,856,887	\$ 10,416,575	\$ 47,438	\$ 9,904,325	\$ 10,430,991
-	-	-	1,357,742	45,952	29,922	1,387,664	73,915
-	-	-	2,172,439	2,123,937	-	2,172,439	2,123,937
827,074	-	-	1,903,094	2,196,940	2,327	1,905,421	2,199,782
711,624	-	-	2,030,103	1,177,783	-	2,030,103	1,177,783
321,155	-	-	1,653,182	1,460,512	-	1,653,182	1,460,512
150	-	-	148,588	215,014	-	148,588	215,014
52,497,757	-	-	62,214,762	56,729,147	13,497	62,228,259	56,729,147
111,615	-	-	121,070	141,427	7,005	128,075	146,163
-	6,395,806	-	8,497,175	7,919,138	176,109	8,673,284	7,997,315
-	-	210,676	210,676	87,655	-	210,676	87,655
-	-	7,544,755	7,544,755	7,216,929	-	7,544,755	7,216,929
\$ 61,259,248	\$ 6,395,806	\$ 7,755,431	\$ 97,710,473	\$ 89,731,009	\$ 276,298	\$ 97,986,771	\$ 89,859,143
\$ 17,629	\$ -	\$ -	\$ 860,420	\$ 881,824	\$ 1,557	\$ 861,977	\$ 890,764
20,877	-	-	134,547	146,428	11,167	145,714	147,571
1,171,890	-	-	1,997,770	2,174,338	107	1,997,877	2,174,358
1,914,817	-	-	2,465,049	2,246,683	-	2,465,049	2,246,683
-	-	-	20,139	18,894	-	20,139	18,894
536,842	-	-	2,030,103	1,177,783	-	2,030,103	1,177,783
366,854	-	-	480,775	436,705	-	480,775	436,705
205,516	-	-	1,561,438	1,628,914	244	1,561,682	1,629,120
687	-	-	1,269,858	1,168,294	-	1,269,858	1,168,294
-	-	11,596	12,671,816	11,583,513	-	12,671,816	11,583,513
-	-	7,180,627	7,612,021	7,162,367	-	7,612,021	7,162,367
-	-	36,800	36,800	33,800	-	36,800	33,800
114,650	-	526,408	1,503,316	1,424,517	22,263	1,525,579	1,436,904
4,349,762	-	7,755,431	32,644,052	30,084,060	35,338	32,679,390	30,106,756
-	-	-	1,242,207	1,159,663	192,874	1,435,081	1,218,322
-	6,395,806	-	6,395,806	5,989,452	-	6,395,806	5,989,452
-	-	-	-	35,060	-	-	35,060
-	-	-	(4,405,284)	(3,182,455)	48,086	(4,357,198)	(3,135,676)
56,371,643	-	-	58,939,724	51,305,425	-	58,939,724	51,305,425
4,408	-	-	1,206,443	1,094,367	-	1,206,443	1,094,367
533,435	-	-	1,687,525	3,245,437	-	1,687,525	3,245,437
56,909,486	6,395,806	-	65,066,421	59,646,949	240,960	65,307,381	59,752,387
\$ 61,259,248	\$ 6,395,806	\$ 7,755,431	\$ 97,710,473	\$ 89,731,009	\$ 276,298	\$ 97,986,771	\$ 89,859,143

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances

All Governmental Fund Types and Expendable Trust Funds

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	Year Ended June 30, 2000	Year Ended June 30, 1999
Revenues:							
Retail sales and use taxes	\$ 5,799,522	\$ 13,023	\$ -	\$ -	\$ 15,350	\$ 5,827,895	\$ 5,322,354
Business and occupation taxes	1,783,542	45,961	-	-	-	1,829,503	1,850,360
Property taxes	1,332,837	-	-	-	-	1,332,837	1,276,808
Excise taxes	552,652	287,468	-	-	-	840,120	1,134,739
Motor vehicle and fuel taxes	2,860	752,568	-	-	-	755,428	717,813
Other taxes	868,310	369,387	-	-	-	1,237,697	1,120,691
Licenses, permits, and fees	131,194	464,967	-	-	1,874	598,035	558,082
Timber sales	73,376	97,456	-	7,682	-	178,514	160,100
Other contracts and grants	240,834	305,852	-	1,693	77,121	625,500	590,291
Federal grants-in-aid	4,304,597	998,338	164	828	360,593	5,664,520	5,126,341
Charges for services	36,280	744,460	-	22,020	242,174	1,044,934	821,729
Unemployment compensation contributions	-	-	-	-	939,475	939,475	852,539
Investment income	106,893	109,005	2,024	2,349	276,696	496,967	506,327
Miscellaneous revenue	136,546	318,709	4,769	7,726	193,443	661,193	530,359
Total Revenues	15,369,443	4,507,194	6,957	42,298	2,106,726	22,032,618	20,568,533
Expenditures:							
Current:							
General government	551,009	109,893	-	45,856	175,278	882,036	861,129
Human services	7,055,219	640,285	-	13,138	957,186	8,665,828	7,950,836
Natural resources and recreation	296,577	245,769	-	10,004	2,978	555,328	554,446
Transportation	45,462	827,293	-	7	133,944	1,006,706	1,024,369
Education	6,241,033	1,667,400	-	53,659	281,662	8,243,754	7,873,729
Intergovernmental	172,424	473,431	-	-	-	645,855	441,808
Capital outlays	71,484	596,482	-	520,893	6,670	1,195,529	1,186,260
Debt service:							
Principal	15,929	8,055	362,535	17	1,746	388,282	351,160
Interest	3,788	6,906	346,985	1,495	14	359,188	350,156
Total Expenditures	14,452,925	4,575,514	709,520	645,069	1,559,478	21,942,506	20,593,893
Excess of Revenues Over (Under) Expenditures	916,518	(68,320)	(702,563)	(602,771)	547,248	90,112	(25,360)
Other Financing Sources (Uses):							
Bond sale proceeds	-	29,833	-	551,246	196,941	778,020	619,105
Proceeds of refunding bonds	-	-	100,649	-	-	100,649	93,818
Payment to refunded bond escrow agent	-	-	(100,649)	-	-	(100,649)	(93,674)
Note proceeds	4,017	21,689	-	165	-	25,871	13,907
Operating transfers in	432,438	412,346	865,143	133,942	193,533	2,037,402	1,844,468
Operating transfers out	(1,091,039)	(491,444)	(39,559)	(24,358)	(261,267)	(1,907,667)	(1,675,758)
Capital lease acquisitions	-	-	-	-	-	-	23
Total Other Financing Sources (Uses)	(654,584)	(27,576)	825,584	660,995	129,207	933,626	801,889
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	261,934	(95,896)	123,021	58,224	676,455	1,023,738	776,529
Fund Balances:							
Fund balances as restated, July 1	2,674,749	1,711,670	87,655	102,139	3,713,108	8,289,321	7,515,954
Residual equity transfers in	9	4,034	-	-	5	4,048	281
Residual equity transfers out	-	(4)	-	(3,329)	(177)	(3,510)	(276)
Fund Balances, June 30	\$ 2,936,692	\$ 1,619,804	\$ 210,676	\$ 157,034	\$ 4,389,391	\$ 9,313,597	\$ 8,292,488

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

Combined Statement of Revenues, Expenditures, and Other Financing Sources (Uses) - Budget and Actual

All Governmental Fund Types

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	General Fund			Special Revenue Funds		
	Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)	Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$ 20,470,068	\$ 10,168,446	\$ (10,301,622)	\$ 1,834,532	\$ 994,961	\$ (839,571)
Licenses, permits, and fees	246,349	131,195	(115,154)	846,871	419,982	(426,889)
Other contracts and grants	447,125	240,834	(206,291)	16,618	5,419	(11,199)
Timber sales	128,193	73,376	(54,817)	148,050	78,545	(69,505)
Federal grants-in-aid	8,266,556	3,998,874	(4,267,682)	915,138	458,765	(456,373)
Charges for services	72,189	36,280	(35,909)	160,796	28,986	(131,810)
Interest income	139,239	111,233	(28,006)	69,370	39,614	(29,756)
Miscellaneous revenue	286,418	173,525	(112,893)	411,512	226,419	(185,093)
Total Revenues	30,056,137	14,933,763	(15,122,374)	4,402,887	2,252,691	(2,150,196)
Expenditures:						
Current:						
General government	2,486,092	1,317,005	1,169,087	246,794	89,973	156,821
Human services	13,852,486	6,797,183	7,055,303	1,336,937	641,504	695,433
Natural resources and recreation	646,740	293,272	353,468	285,157	113,108	172,049
Transportation	98,885	47,358	51,527	1,150,399	468,314	682,085
Education	12,888,308	6,244,073	6,644,235	114,659	7,559	107,100
Capital outlays	637,761	130,087	507,674	2,858,451	1,106,133	1,752,318
Total Expenditures	30,610,272	14,828,978	15,781,294	5,992,397	2,426,591	3,565,806
Excess of Revenues Over (Under) Expenditures	(554,135)	104,785	658,920	(1,589,510)	(173,900)	1,415,610
Other Financing Sources (Uses):						
Bond sale proceeds	-	-	-	778,064	29,833	(748,231)
Proceeds of refunding bonds	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Operating transfers in	439,979	435,338	(4,641)	729,144	343,943	(385,201)
Operating transfers out	(220,164)	(308,800)	(88,636)	(574,706)	(326,728)	247,978
Total Other Financing Sources (Uses)	219,815	126,538	(93,277)	932,502	47,048	(885,454)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (334,320)	\$ 231,323	\$ 565,643	\$ (657,008)	\$ (126,852)	\$ 530,156

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

State of Washington

Debt Service Funds			Capital Projects Funds			Totals (Memorandum Only)		
Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)	Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)	Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,304,600	\$ 11,163,407	\$ (11,141,193)
-	-	-	-	-	-	1,093,220	551,177	(542,043)
-	-	-	-	-	-	463,743	246,253	(217,490)
-	-	-	13,382	7,682	(5,700)	289,625	159,603	(130,022)
-	164	164	-	-	-	9,181,694	4,457,803	(4,723,891)
-	-	-	4,481	22,020	17,539	237,466	87,286	(150,180)
3,550	1,642	(1,908)	1,941	2,539	598	214,100	155,028	(59,072)
-	-	-	11,300	5,410	(5,890)	709,230	405,354	(303,876)
3,550	1,806	(1,744)	31,104	37,651	6,547	34,493,678	17,225,911	(17,267,767)
374,582	174,600	199,982	8,812	2,403	6,409	3,116,280	1,583,981	1,532,299
-	-	-	-	-	-	15,189,423	7,438,687	7,750,736
-	-	-	-	-	-	931,897	406,380	525,517
-	-	-	-	-	-	1,249,284	515,672	733,612
-	-	-	-	-	-	13,002,967	6,251,632	6,751,335
-	-	-	1,726,479	589,652	1,136,827	5,222,691	1,825,872	3,396,819
374,582	174,600	199,982	1,735,291	592,055	1,143,236	38,712,542	18,022,224	20,690,318
(371,032)	(172,794)	198,238	(1,704,187)	(554,404)	1,149,783	(4,218,864)	(796,313)	3,422,551
-	-	-	1,085,229	551,246	(533,983)	1,863,293	581,079	(1,282,214)
-	100,649	100,649	-	-	-	-	100,649	100,649
-	(100,649)	(100,649)	-	-	-	-	(100,649)	(100,649)
394,574	303,238	(91,336)	25,051	71,046	45,995	1,588,748	1,153,565	(435,183)
(10,953)	(10,957)	(4)	(56,952)	(24,299)	32,653	(862,775)	(670,784)	191,991
383,621	292,281	(91,340)	1,053,328	597,993	(455,335)	2,589,266	1,063,860	(1,525,406)
\$ 12,589	\$ 119,487	\$ 106,898	\$ (650,859)	\$ 43,589	\$ 694,448	\$ (1,629,598)	\$ 267,547	\$ 1,897,145

Combined Statement of Revenues, Expenses, and Changes in Equity - All Proprietary Fund Types, Nonexpendable Trust Funds, and Discretely Presented Component Units

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Proprietary Fund Types		Fiduciary Fund Type
	Enterprise	Internal Service	Nonexpendable Trust
Operating Revenues:			
Sales	\$ 452,019	\$ 140,687	\$ -
Less: Cost of goods sold	317,501	122,235	-
Gross profit	134,518	18,452	-
Charges for services	752,183	516,925	-
Earnings on investments	531,997	2,923	190,791
Insurance premiums	871,142	674,005	-
Lottery ticket proceeds	452,954	-	-
Miscellaneous revenue	111,495	19,794	72,219
Total Operating Revenues	2,854,289	1,232,099	263,010
Operating Expenses:			
Salaries and wages	521,709	207,849	-
Employee benefits	110,575	46,437	-
Personal services	26,561	13,813	-
Goods and services	518,680	230,094	-
Travel	17,084	4,004	-
Insurance premiums and claims	2,275,172	735,279	-
Lottery prize payments	289,608	-	-
Depreciation and amortization	70,896	47,790	-
Miscellaneous expenses	48,871	27,247	-
Total Operating Expenses	3,879,156	1,312,513	-
Operating Income (Loss)	(1,024,867)	(80,414)	263,010
Nonoperating Revenues (Expenses):			
Other revenue (expenses)	97,814	1,374	812
Earnings (loss) on investments	(88,631)	2,312	-
Interest expense	(66,690)	(3,096)	-
Distributions to other governments	(27,342)	-	-
Total Nonoperating Revenues (Expenses)	(84,849)	590	812
Income (Loss) Before Operating Transfers	(1,109,716)	(79,824)	263,822
Operating Transfers:			
Operating transfers in	437,779	67,735	16,166
Operating transfers out	(513,385)	(57,486)	(80,544)
Net Operating Transfers In (Out)	(75,606)	10,249	(64,378)
Net Income (Loss)	(1,185,322)	(69,575)	199,444
Equity:			
Equity as restated, July 1	(2,218,801)	228,615	1,477,626
Residual equity transfers in (out)	(326)	(210)	(2)
Contributions of capital	70,982	11,581	-
Return of contributed capital	-	(21)	-
Equity, June 30	\$ (3,333,467)	\$ 170,390	\$ 1,677,068

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

Totals Primary Government (Memorandum Only)		Component Units	Totals Reporting Entity (Memorandum Only)	
Year Ended June 30, 2000	Year Ended June 30, 1999		Year Ended June 30, 2000	Year Ended June 30, 1999
\$ 592,706	\$ 575,880	\$ -	\$ 592,706	\$ 575,880
439,736	394,213	-	439,736	394,213
152,970	181,667	-	152,970	181,667
1,269,108	1,192,662	8,497	1,277,605	1,200,411
725,711	581,769	-	725,711	581,769
1,545,147	1,386,830	-	1,545,147	1,386,830
452,954	473,395	-	452,954	473,395
203,508	225,636	-	203,508	225,636
4,349,398	4,041,959	8,497	4,357,895	4,049,708
729,558	668,758	3,124	732,682	671,590
157,012	155,246	791	157,803	155,944
40,374	35,622	501	40,875	36,086
748,774	715,924	2,857	751,631	718,432
21,088	19,424	14	21,102	19,444
3,010,451	1,978,038	-	3,010,451	1,978,038
289,608	296,070	-	289,608	296,070
118,686	108,734	2,119	120,805	108,786
76,118	85,007	590	76,708	85,166
5,191,669	4,062,823	9,996	5,201,665	4,069,556
(842,271)	(20,864)	(1,499)	(843,770)	(19,848)
100,000	119,809	-	100,000	121,832
(86,319)	(155,156)	3,082	(83,237)	(152,647)
(69,786)	(67,321)	(305)	(70,091)	(67,490)
(27,342)	(29,922)	-	(27,342)	(23,922)
(83,447)	(132,590)	2,777	(80,670)	(122,227)
(925,718)	(153,454)	1,278	(924,440)	(142,075)
521,680	356,471	-	521,680	356,471
(651,415)	(525,181)	-	(651,415)	(525,181)
(129,735)	(168,710)	-	(129,735)	(168,710)
(1,055,453)	(322,164)	1,278	(1,054,175)	(310,785)
(512,560)	(311,389)	105,527	(407,033)	(275,609)
(538)	(5)	-	(538)	(5)
82,563	123,452	134,155	216,718	181,731
(21)	-	-	(21)	-
\$ (1,486,009)	\$ (510,106)	\$ 240,960	\$ (1,245,049)	\$ (404,668)

Combined Statement of Cash Flows

All Proprietary Fund Types, Nonexpendable Trust Funds,
and Discretely Presented Component Units

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Proprietary Fund Types		Fiduciary Fund Type	Totals Primary Government (Memorandum Only)	
	Enterprise	Internal Service	Nonexpendable Trust	Year Ended June 30, 2000	Year Ended June 30, 1999
Cash Flows from Operating Activities:					
Operating Income (Loss)	\$ (1,024,867)	\$ (80,414)	\$ 263,010	\$ (842,271)	\$ (20,864)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:					
Depreciation	70,896	47,790	-	118,686	108,734
Interest revenue reported as operating	(531,997)	(2,923)	(190,791)	(725,711)	(581,769)
Other revenues	6,110	1,585	857	8,552	25,142
Other expenses	(3,357)	(107)	(45)	(3,509)	(1,913)
Change in Assets: Decrease (Increase)					
Receivables (net of allowance)	(63,864)	(1,486)	(8,912)	(74,262)	42,348
Due from other funds	(253,398)	(62,370)	(58,374)	(374,142)	(18,245)
Due from other governments	(11,253)	(2,422)	6	(13,669)	(251)
Inventories	(8,456)	(3,031)	-	(11,487)	(6,330)
Prepaid expenses	3,630	(1,289)	-	2,341	2,205
Other nonfixed assets	(438)	-	797	359	6,758
Change in Liabilities: Increase (Decrease)					
Accounts payable	(1,026)	(4,463)	-	(5,489)	(6,263)
Contracts and retainages payable	3,343	(9,657)	(568)	(6,882)	(1,026)
Accrued liabilities	263,018	12,099	5,294	280,411	17,496
Due to other funds	35,567	37,102	20,564	93,233	46,375
Due to other governments	240	(311)	-	(71)	177
Deferred revenues	5,959	(2,360)	3	3,602	(1,733)
Claims and judgments payable	1,107,913	101,956	-	1,209,869	272,693
Other long-term obligations	31,066	1,201	(1,340)	30,927	50,650
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	(370,914)	30,900	30,501	(309,513)	(65,816)
Cash Flows from Noncapital Financing Activities:					
Distributions to other governments	(27,342)	-	-	(27,342)	(29,922)
Taxes and license fees collected	81,905	-	-	81,905	102,679
Operating transfers in	437,779	67,735	16,166	521,680	356,470
Operating transfers out	(513,385)	(57,486)	(80,544)	(651,415)	(525,180)
Payments for interest	-	-	-	-	-
Proceeds from noncapital long-term financing	5,956	-	-	5,956	-
Payment of noncapital long-term obligations	(1,027)	-	-	(1,027)	-
Equity restatement	3,167	-	-	3,167	-
Fund equity transfers in	-	15,971	-	15,971	-
Fund equity transfers out	(326)	(16,181)	(2)	(16,509)	(5)
Net Cash or Cash Equivalents Provided by (Used in) Noncapital Financing Activities	(13,273)	10,039	(64,380)	(67,614)	(95,958)
Cash Flows from Capital and Related Financing Activities:					
Payments for interest	(27,958)	(3,096)	-	(31,054)	(28,731)
Acquisitions of fixed assets	(144,278)	(69,271)	-	(213,549)	(162,512)
Proceeds from sale of fixed assets	7,026	17,977	46	25,049	9,522
Proceeds from long-term capital financing	226,233	-	-	226,233	46,930
Retirement of long-term bonds payable	(21,850)	-	-	(21,850)	(20,102)
Payment of other long-term obligations	(147,366)	(16,053)	-	(163,419)	(7,501)
Contributions of capital	-	-	-	-	-
Net Cash or Cash Equivalents Provided by (Used in) Capital and Related Financing Activities	(108,193)	(70,443)	46	(178,590)	(162,394)
Cash Flows from Investing Activities:					
Receipt of interest	560,115	5,448	141,435	706,998	1,276,034
Proceeds from sale of investment securities	3,927,572	3,129	347,670	4,278,371	5,763,088
Purchases of investment securities	(4,240,669)	(2,736)	(500,369)	(4,743,774)	(6,778,349)
Net Cash Provided by (Used in) Investing Activities	247,018	5,841	(11,264)	241,595	260,773
Net Increase (Decrease) in Cash and Pooled Investments	(245,362)	(23,663)	(45,097)	(314,122)	(63,395)
Cash and Pooled Investments, July 1	492,955	164,774	48,979	706,708	753,491
Cash and Pooled Investments, June 30	\$ 247,593	\$ 141,111	\$ 3,882	\$ 392,586	\$ 690,096

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

Continued

Component Units	Totals Reporting Entity (Memorandum Only)	
	Year Ended June 30, 2000	Year Ended June 30, 1999
\$ (1,499)	\$ (843,770)	\$ (19,848)
2,119	120,805	108,786
-	(725,711)	(581,769)
-	8,552	25,142
-	(3,509)	(1,913)
475	(73,787)	44,540
-	(374,142)	(18,245)
-	(13,669)	(251)
-	(11,487)	(6,330)
-	2,341	2,205
(2,113)	(1,754)	3,459
2,782	(2,707)	886
-	(6,882)	117
87	280,498	17,498
-	93,233	46,375
-	(71)	81
35	3,637	(1,733)
-	1,209,869	272,693
2,226	33,153	50,650
4,112	(305,401)	(57,657)
-	(27,342)	(29,922)
-	81,905	110,702
-	521,680	356,470
-	(651,415)	(525,180)
(305)	(305)	-
-	5,956	-
-	(1,027)	-
-	3,167	-
60	16,031	-
-	(16,509)	(5)
(245)	(67,859)	(87,935)
-	(31,054)	(28,900)
(100,051)	(313,600)	(239,458)
-	25,049	9,522
7,650	233,883	55,866
-	(21,850)	(20,102)
-	(163,419)	(7,501)
134,095	134,095	58,279
41,694	(136,896)	(172,294)
2,917	709,915	1,278,597
1,181	4,279,552	5,764,388
(16,637)	(4,760,411)	(6,780,138)
(12,539)	229,056	262,847
33,022	(281,100)	(55,039)
14,416	721,124	759,551
\$ 47,438	\$ 440,024	\$ 704,512

Combined Statement of Cash Flows

All Proprietary Fund Types, Nonexpendable Trust Funds,
and Discretely Presented Component Units

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

			Totals		
Proprietary Fund Types		Fiduciary Fund Type	Primary Government (Memorandum Only)		
Enterprise	Internal Service	Nonexpendable Trust	Year Ended June 30, 2000	Year Ended June 30, 1999	
Noncash Investing, Capital and Financing Activities:					
Acquisition of capital assets with capital leases and COPs	\$ 1,420	\$ 358	\$ -	\$ 1,778	\$ 20,224
Capital lease and COP liabilities incurred in acquiring capital assets	(1,420)	(358)	-	(1,778)	(20,224)
Contributions of capital assets	71,019	11,581	-	82,600	123,452
Return of contributed assets	-	(21)	-	(21)	-
Noncash portion of prior period adjustments	(5,621)	-	-	(5,621)	-
Amortization of long-term lotto prize liability	(38,622)	-	-	(38,622)	(38,421)
Increase (decrease) in fair value of investments	(116,749)	(213)	49,356	(67,606)	(849,344)

Cash and pooled investments in Fiduciary Fund Types on the Combined Balance Sheet include:

Expendable Trust Funds	\$ 2,533,682
Nonexpendable Trust Funds	3,882
Pension and Investment Trust Funds	3,782,623
Agency Funds	469,686
Total	<u><u>\$ 6,789,873</u></u>

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

Concluded

		Totals	
		Reporting Entity	
		(Memorandum Only)	
Component		Year Ended	Year Ended
Units		June 30, 2000	June 30, 1999
<hr/>			
\$	-	\$ 1,778	\$ 20,224
	-	(1,778)	(20,224)
	-	82,600	123,452
	-	(21)	-
	-	(5,621)	-
	-	(38,622)	(38,421)
	-	(67,606)	(849,344)

Statement of Changes in Net Assets

Pension and Investment Trust Funds

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Public Employees' Plan 1	Public Employees' Plan 2	Teachers' Plan 1	Teachers' Plan 2/3 Defined Benefit	Teachers' Plan 3 Defined Contribution	LEOFF Plan 1
Additions:						
Contributions:						
Employers	\$ 200,135	\$ 101,869	\$ 182,983	\$ 75,311	\$ -	\$ 6,303
Members	76,055	104,181	59,082	12,893	112,697	6,324
State	-	-	-	-	-	-
Pool participants	-	-	-	-	-	-
Total Contributions	276,190	206,050	242,065	88,204	112,697	12,627
Investment Income:						
Net appreciation (depreciation) in fair value	1,072,789	1,172,146	928,075	317,848	137,285	528,063
Interest and dividends	273,274	295,476	236,846	81,721	22,474	134,726
Less: Investment expenses	(26,488)	(28,753)	(22,902)	(7,280)	(2,304)	(13,055)
Net Investment Income	1,319,575	1,438,869	1,142,019	392,289	157,455	649,734
Transfers from other pension plans	433	188	197	324	77,475	4
Other additions	-	-	-	-	-	-
Total Additions	1,596,198	1,645,107	1,384,281	480,817	347,627	662,365
Deductions:						
Pension benefits	617,114	40,976	579,260	4,943	-	225,175
Pension refunds	8,807	59,393	2,188	4,964	16,183	83
Transfers to other pension plans	22	937	-	77,536	175	259
Administrative expenses	728	354	265	2,258	102	116
Distributions to pool participants	-	-	-	-	-	-
Total Deductions	626,671	101,660	581,713	89,701	16,460	225,633
Net Increase	969,527	1,543,447	802,568	391,116	331,167	436,732
Net Assets Held in Trust for Pension Benefits and Investment Pool Participants, as restated July 1	10,331,367	10,985,929	9,000,264	3,005,191	1,329,010	5,112,691
Net Assets Held in Trust for Pension Benefits and Investment Pool Participants, June 30	\$ 11,300,894	\$ 12,529,376	\$ 9,802,832	\$ 3,396,307	\$ 1,660,177	\$ 5,549,423

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

State of Washington

LEOFF Plan 2	Washington State Patrol	Judicial Retirement System	Judicial Retirement Account	Judges	Volunteer Fire Fighters'	Local Gov't Investment Pool	Totals for the Year Ended	
							June 30, 2000	June 30, 1999
\$ 26,214	\$ 16	\$ 306	\$ 416	\$ 8	\$ 789	\$ -	\$ 594,350	\$ 843,168
43,852	4,140	306	517	8	178	-	420,233	566,138
17,093	-	7,000	-	750	2,700	-	27,543	82,753
-	-	-	-	-	-	9,720,201	9,720,201	9,896,361
87,159	4,156	7,612	933	766	3,667	9,720,201	10,762,327	11,388,420
223,032	68,069	(3)	-	(22)	12,071	-	4,459,353	3,623,182
56,252	17,278	515	815	212	3,098	176,728	1,299,415	1,190,916
(5,453)	(1,678)	(9)	(1)	-	(298)	(1,617)	(109,838)	(105,991)
273,831	83,669	503	814	190	14,871	175,111	5,648,930	4,708,107
5	389	-	-	-	-	-	79,015	3,025
-	-	-	-	-	3	6	9	6
360,995	88,214	8,115	1,747	956	18,541	9,895,318	16,490,281	16,099,558
929	18,788	7,331	298	662	6,347	-	1,501,823	1,383,413
11,055	317	-	-	-	35	-	103,025	91,458
86	-	-	-	-	-	-	79,015	3,026
8	-	1	-	-	6	-	3,838	3,027
-	-	-	-	-	-	9,834,668	9,834,668	9,740,137
12,078	19,105	7,332	298	662	6,388	9,834,668	11,522,369	11,221,061
348,917	69,109	783	1,449	294	12,153	60,650	4,967,912	4,878,497
2,061,375	650,645	8,638	7,825	4,225	117,252	3,260,703	45,875,115	40,996,618
\$ 2,410,292	\$ 719,754	\$ 9,421	\$ 9,274	\$ 4,519	\$ 129,405	\$ 3,321,353	\$ 50,843,027	\$ 45,875,115

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2000

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Note 1 - Summary of Significant Accounting Policies

The accompanying financial statements of the state of Washington have been prepared in conformity with generally accepted accounting principles (GAAP). The Office of Financial Management (OFM) is the primary authority for the state's accounting and reporting requirements. OFM has adopted the pronouncements of the Governmental Accounting Standards Board (GASB) which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles nationally. For proprietary fund accounting and reporting, the state applies applicable pronouncements of the Financial Accounting Standards Board issued on or before November 30, 1989, unless those pronouncements conflict with or contradict the pronouncements of the GASB. The more significant of the state's accounting policies follow.

A. Reporting Entity

In evaluating how to define the state of Washington, for financial reporting purposes, management has considered: all funds, organizations, institutions, agencies, departments, and offices that are legally part of the state (the primary government); organizations for which the state is financially accountable; and other organizations for which the nature and significance of their relationship with the state are such that exclusion would cause the state's financial statements to be misleading or incomplete.

Financial accountability is manifest when the primary government appoints a voting majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board. An organization is fiscally dependent if it is unable to determine its budget without another government having the substantive authority to approve or modify that budget, to levy taxes or set rates or charges without substantive approval by another government, or to issue bonded debt without substantive approval by another government.

Based on this criteria, the following are included in the financial statements of the primary government:

STATE AGENCIES - Except as otherwise described herein, all state elected offices, departments, agencies, commissions, boards, committees, authorities, and councils (agencies) and all funds and account groups of the state are included in the primary government. Executives of these agencies are either elected, directly appointed by the Governor, appointed by a board which is appointed by the Governor, or appointed by a board which is in part appointed by the Governor.

Additionally, a small number of board positions are established by statute or independently elected. The state Legislature creates these agencies, assigns their programs, approves operational funding, and requires financial accountability. The Legislature also authorizes all bond issuances for capital construction projects for the benefit of state agencies. The legal liability for these bonds and the ownership of agency assets reside with the state.

COLLEGES AND UNIVERSITIES - The governing boards of the five state universities, the state college, and the 33 state community and technical colleges are appointed by the Governor. Each college's governing board appoints a president to function as chief administrator. The state Legislature approves budgets and budget amendments for the colleges' appropriated funds, which include the state's General Fund as well as certain capital projects funds. The state Treasurer issues general obligation debt for major campus construction projects. However, the colleges are authorized to issue revenue bonds for construction of facilities for certain revenue generating activities such as housing, dining, and parking. These revenue bonds are payable solely from and secured by fees and revenues derived from the operation of constructed facilities; the legal liability for the bonds and the ownership of the college assets reside with the state. Colleges do not have separate corporate powers and sue and are sued as part of the state with legal representation provided through the state Attorney General's Office. Since the colleges are legally part of the state, their financial operations, including their blended component units, are reported in the primary government financial statements using the fund structure prescribed by GASB, not discretely reported according to the fund structure of the American Institute of Certified Public Accountants college and university reporting model.

RETIREMENT SYSTEMS - The state of Washington, through the Department of Retirement Systems, administers six retirement systems for public employees of the state and political subdivisions: the Public Employees' Retirement System, the Teachers' Retirement System, the Law Enforcement Officers' and Fire Fighters' Retirement System, the Washington State Patrol Retirement System, the Judges Retirement Fund, and the Judicial Retirement System. The director of the Department of Retirement Systems is appointed by the Governor.

There are two additional retirement systems administered outside of the Department of Retirement Systems. The Volunteer Fire Fighters' Relief and Pension Fund is administered through the Board for Volunteer Fire Fighters which is appointed by the Governor. The Judicial Retirement Account is administered through the Administrator for the Courts under the direction of the Board for Judicial Administration. The state Legislature establishes laws pertaining to the creation and administration of all public retirement systems. The participants of the public retirement systems together with the state provide funding for all costs of the systems based upon actuarial valuations. The state establishes benefit levels and approves the actuarial assumptions used in determining contribution levels.

All eight of the aforementioned retirement systems are included in the primary government's financial statements.

Discrete component units are entities which are legally separate from the State but which are financially accountable to the State, or whose relationships with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete. The following are discretely presented in the financial statements of the state in the component units column:

The WASHINGTON HEALTH CARE FACILITIES AUTHORITY, the WASHINGTON HIGHER EDUCATION FACILITIES AUTHORITY, the WASHINGTON STATE HOUSING FINANCE COMMISSION, and the WASHINGTON ECONOMIC DEVELOPMENT FINANCE AUTHORITY (financing authorities) were created by the Legislature in a way that specifically prevents them from causing the state to be liable or responsible for their acts and obligations, including, but not limited to, any obligation to pay principal and interest on financing authority bonds. The financing authorities are reported as discrete component units of the state government solely for accounting purposes. The financing authorities cannot obligate the state, either legally or morally, and the state has not assumed any obligation of, or with respect to, the financing authorities.

Financial reports of these financing authorities may be obtained from each authority at the following addresses:

Washington Health Care Facilities Authority
410 11th Avenue, Suite 201
PO Box 40935
Olympia, WA 98504-0935

Washington Higher Education Facilities Authority,
Washington State Housing Finance Commission
Washington Economic Development Finance Authority
1000 2nd Avenue, Suite 2700
Seattle, WA 98104-1046

The WASHINGTON STATE PUBLIC STADIUM AUTHORITY (PSA) was created by the Legislature to acquire, construct, own and operate a stadium, exhibition center and parking garage. The state has budget approval authority over a majority of PSA's funding sources. Further, conditioned upon certain events occurring, the state is authorized to issue general obligation bonds to participate in the funding of project construction costs. Under statute, the state's share of the total project cost is capped at \$300 million. Project costs in excess of \$300 million are the responsibility of the project's private partner, First & Goal, Inc. The bonds will be repaid through new state lottery games, a state sales tax credit, extension of the local hotel/motel tax, and parking and admissions taxes at the new facility. Financial reports of the PSA may be obtained at the following address:

Washington State Public Stadium Authority
401 Second Avenue South, Suite 520
Seattle, WA 98104-0280

B. Basis of Presentation - Fund Accounting

The state uses 492 accounts which have been administratively combined into 53 funds and two account groups. The state uses these funds and account groups to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types." State transactions are recorded in the fund types and account groups described below:

Governmental Funds

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term obligations (debt service funds). The General Fund is used to account for activities of the general government not accounted for in some other fund.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the governmental unit (internal service funds).

Fiduciary Funds

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the governmental unit. When these assets are held under the terms of a formal trust agreement, either a pension/investment trust fund, a nonexpendable trust fund, or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds are generally used to account for assets that the government holds on behalf of others as their agent.

Account Groups

The General Fixed Assets Account Group accounts for all fixed assets of the state other than those accounted for in proprietary and similar trust funds. The General Long-Term Obligations Account Group accounts for the unmatured principal of the state's general obligation bonds and other long-term obligations of governmental and expendable trust funds.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary, nonexpendable trust, and pension/investment trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations of these funds are included on the balance sheet. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in equity (i.e., total net assets). Equity in proprietary funds is segregated into contributed capital and retained earnings components. Equity for nonexpendable trust and pension/investment trust funds is shown as reserved for nonexpendable trust corpus and reserved for retirement systems, respectively.

The modified accrual basis of accounting is used by all governmental, expendable trust, and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Primary revenues that are determined to be susceptible to accrual include sales and business and occupation taxes, federal grants-in-aid, and charges for services.

Revenues from property taxes are determined to be available if collected within 60 days. Excise taxes, motor fuel taxes, and unemployment compensation contributions are considered measurable when the return is received. Gross receipts taxes are accrued if collectible within one year. Revenue for timber cutting contracts is accrued when the timber is harvested. Revenues from licenses, permits, and fees are recognized when received in cash. Revenue related to expenditure driven grant agreements is recognized when the qualifying expenditures are made. All other accrued revenue sources are determined to be available if collectible within 12 months.

Property taxes are levied in December for the following calendar year. The first half year collections are due by April 30, and the second half year collections are due by October 31. Since the state is on a fiscal year ending June 30, the first half year collections are recognized as revenue, if collected within 60 days of the fiscal year end. The second half year collections are recognized as receivables offset by deferred revenue. The lien date on property taxes is January 1 of the tax levy year.

Under modified accrual accounting, expenditures are recognized when the related fund liability is incurred. Exceptions to the general modified accrual expenditure recognition criteria include unmatured interest on general long-term obligations which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations

are expected to be liquidated with expendable available financial resources.

All proprietary, nonexpendable trust, and pension/investment trust funds are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

The state reports deferred revenues on its balance sheet. Deferred revenues arise when a potential revenue does not meet both the “measurable” and the “available” criteria for revenue recognition in the current period. Deferred revenues also arise when resources are received by the state before it has a legal claim to them, such as when grant monies are received prior to the incurrence of qualifying expenditures.

D. General Budgetary Policies and Procedures

The Governor is required to submit a budget to the state Legislature no later than December 20 of the year preceding odd-numbered year sessions of the Legislature. The budget is a proposal for expenditures in the ensuing biennial period based upon anticipated revenues from the sources and rates existing by law at the time of submission of the budget. The Governor may additionally submit, as an appendix to the budget, a proposal for expenditures in the ensuing biennium from revenue sources derived from proposed changes in existing statutes.

The appropriated budget and any necessary supplemental budgets are legally required to be adopted through the passage of appropriation bills by the Legislature and approved by the Governor. Operating appropriations are generally made at the fund/account and agency level; however, in a few cases, appropriations are made at the fund/account and agency/program level. Operating appropriations cover either the entire biennium or a single fiscal year within the biennium. Capital appropriations are biennial and are generally made at the fund/account, agency, and project level.

The legal level of budgetary control is at the fund/account, agency, and appropriation level, with administrative controls established at lower levels of detail in certain instances. The accompanying “Combined Statement of Revenues, Expenditures, and Other Financing Sources (Uses) - Budget and Actual - All Governmental Fund Types” (“Governmental Budgetary Statement”) is not presented at the legal level of budgetary control. This is due to the large number of appropriated fund/accounts and appropriations within agencies that would make such a presentation in the accompanying financial statements extremely cumbersome. Section 2400.112 of the GASB Codification of Governmental Accounting and Financial

Reporting Standards provides for the preparation of a separate report in these extreme cases. For the state of Washington, a separate report has been prepared for the 1999-2001 Biennium to illustrate legal budgetary compliance. Appropriated budget versus actual expenditures, and estimated versus actual revenues and other financing sources (uses) for appropriated funds at the fund/account, agency, and appropriation level are presented in Report MFS1054 for governmental funds. A copy of this report is available at the Office of Financial Management, 6639 Capitol Boulevard, PO Box 43123, Olympia, Washington 98504-3123.

Legislative appropriations are strict legal limits on expenditures/expenses, and overexpenditures are prohibited. All appropriated and certain nonappropriated funds are further controlled by the executive branch through the allotment process. This process allocates the expenditure/expense plan into monthly allotments by program, source of funds, and object of expenditure. According to statute RCW 43.88.110(2), except under limited circumstances, the original allotments are approved by the Governor and may be revised only at the beginning of the second year of the biennium and must be initiated by the Governor. Because allotments are not the strict legal limit on expenditures/expenses, the budgetary statements displayed in the accompanying financial statements are shown on an appropriation versus actual comparison rather than an allotment versus actual comparison.

Proprietary funds earn revenues and incur expenses (i.e., depreciation or budgeted asset purchases) not covered by the allotment process. Budget estimates are generally made outside the allotment process according to prepared business plans. These proprietary fund business plan estimates are adjusted only at the beginning of each fiscal year.

Additional fiscal control is exercised through various means. OFM is authorized to make expenditure/expense allotments based on availability of unanticipated receipts, mainly federal government grant increases made during a fiscal year. State law does not preclude the over expenditure of allotments, although RCW 43.88.110(3) requires that the Legislature be provided an explanation of major variances.

Operating encumbrances lapse at the end of the applicable appropriation. Capital outlay encumbrances lapse at the end of the biennium unless reappropriated by the Legislature in the ensuing biennium. Encumbrances outstanding against continuing appropriations at fiscal year end are reported as reservations of fund balance.

Budgetary Reporting versus GAAP Reporting

Governmental funds are budgeted materially in conformance with GAAP. However, the presentation in the accompanying “Governmental Budgetary Statement” is different in certain respects from the “Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - All Governmental Fund Types” (“Governmental Operating Statement”). In the accompanying “Governmental Budgetary Statement,” budget and actual expenditures are reported only for appropriated fund/accounts and activities. Certain fund/accounts are not appropriated, most notably the Higher Education Special Revenue Fund. Expenditures are classified based on whether the appropriation is from the operating or capital budget.

Expenditures funded by operating budget appropriations are reported as current expenditures classified by the function of the agency receiving the appropriation. Expenditures funded by capital budget appropriations are reported as capital outlays. However, in the accompanying “Governmental Operating Statement,” all governmental funds are included and expenditures are classified according to what was actually purchased. Capital outlays are fixed asset acquisitions such as land, buildings, and equipment. Debt service expenditures are principal and interest payments. Current expenditures are all other governmental fund expenditures classified based on the function of the agency making the expenditures.

Additionally, certain activities are excluded from the “Governmental Budgetary Statement” because they are not appropriated. These activities include: funds designated as nonappropriated by the Legislature, federal surplus food commodities, food stamp benefits, capital leases, note proceeds, and resources collected and distributed to other governments. Further, certain operating transfers are appropriated as expenditures. These transfers are reported as expenditures in the “Governmental Budgetary Statement” and as operating transfers in the “Governmental Operating Statement.” The main factors contributing to the difference in the amount “Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses” are: note and loan activity as explained in Note 2, “Budgetary Accounting, Reporting, and Compliance,” and nonappropriated governmental fund activities.

E. Cash and Pooled Investments

Investments of surplus or pooled cash balances, considered cash equivalents per GASB Statement 9, are reported on the accompanying Combined Balance Sheet and Combined Statement of Cash Flows as “Cash and Pooled Investments.” These cash equivalents are recorded at fair value or amortized cost, which approximates fair value. The Office of the State Treasurer invests state treasury cash surpluses where

funds can disburse cash at any time without prior notice or penalty. As a result, the cash balances of the funds are not reduced for these investments.

The method of accounting for noncurrent investments varies depending upon the fund classification. Investments in the state’s Local Government Investment Pool (LGIP), an external investment pool operated in a manner consistent with the SEC’s Rule 2a-7 of the Investment Company Act of 1940, are reported at amortized cost. The Office of the State Treasurer prepares a stand-alone financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, Phone Number (360) 902-9000 or TDD (360) 902-8963.

All other noncurrent investments are reported at fair value. Fair values are determined using closing market prices at year end for marketable securities and other reasonable methods for investments where market values are not readily available.

F. Receivables

Receivables in the state’s governmental and fiduciary funds consist primarily of tax and federal revenues. Receivables in all other funds have arisen in the ordinary course of business. Receivables are recorded when either the asset or revenue recognition criteria (see Note 1.C) have been met.

G. Inventories

Consumable inventories, consisting of expendable materials and supplies held for consumption, are valued and reported for financial statement purposes if their annual balance on hand is estimated to exceed \$25,000 in value. Consumable inventories are generally valued using the first-in, first-out method. All merchandise inventories are valued and considered reportable for financial statement purposes. Merchandise inventories are generally valued using the first-in, first-out method. Donated consumable inventories are recorded at fair market value. Food stamps on hand are recorded at face value.

Governmental and expendable trust fund inventories are valued at cost and are recorded using the consumption method. Inventory balances are also recorded as a reservation of fund balance indicating that they do not constitute “available spendable resources” except for \$118 thousand in food stamps and \$3.8 million in federally donated consumable inventories, both of which are offset by deferred revenue because they do not constitute a fund resource until issued or consumed.

Proprietary fund inventories are valued at the lower of cost or market and are expensed when used or sold.

H. Fixed Assets

Except as noted below, all fixed assets with a unit cost of \$5,000 or greater are capitalized and reported in the accompanying financial statements. Fixed assets acquired by capital leases with a net present value or fair market value, whichever is less, of \$10,000 or more are capitalized and also included in these financial statements.

All purchased fixed assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Fixed asset costs include the purchase price plus those costs necessary to place the asset in its intended location and condition for use. Normal maintenance and repair costs that do not materially add to the value or extend the life of the asset are not capitalized.

Donated fixed assets are valued at their estimated fair value, plus all appropriate ancillary costs, on the date of donation. When the fair market value is not practically determinable due to lack of sufficient records, estimated cost is used. Where necessary, estimates of original cost and fair market value are derived by factoring price levels from the current period to the time of acquisition.

The value of assets constructed by agencies for their own use includes all direct construction costs and indirect costs that are increased by the construction. In proprietary and similar trust funds, interest costs (if material) incurred during the period of construction are capitalized.

Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings (including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar assets) that are immovable and are of value only to the state are not capitalized. Streets, sidewalks, lighting systems, and similar assets located on college and university campuses, which predominately benefit college and university activities, are capitalized.

Fixed assets in governmental and expendable trust funds are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and related assets (including construction projects not completed at the end of the accounting period) with the following characteristics are reported in the General Fixed Assets Account Group:

- Acquired for the production of general government services, not for the production of services that are sold.
- Have a life expectancy of more than one year.
- Have a unit cost of \$5,000 or greater.

Depreciation expense of general fixed assets is not recorded in the activity statements of governmental and expendable trust funds. Accumulated depreciation is recorded in the General Fixed Assets Account Group and is included in the financial statements as a "Memo Only" entry. Depreciation is calculated using the straight-line method with estimated useful lives of 50 years for buildings, and four to 50 years for furnishings and equipment, other improvements, and miscellaneous fixed assets. General fixed assets are removed from the General Fixed Assets Account Group at the time of disposal.

Fixed assets used in proprietary and similar trust funds are accounted for in the fund in which they are utilized. Depreciation is computed using the straight-line method. Buildings are depreciated using estimated useful lives extending to 50 years. Furnishings and equipment, other improvements, and miscellaneous fixed assets are depreciated using estimated useful lives of four to 50 years. The cost and related accumulated depreciation of fixed assets retired from service or disposed of, are removed from the accounting records.

I. Compensated Absences

Annual Leave

State employees accrue vested annual leave at a variable rate based on years of service. In general, accrued annual leave cannot exceed 30 days at the employee's anniversary date. It is the state's policy to liquidate unpaid annual leave at June 30 from future resources rather than currently available expendable resources. Accordingly, governmental and expendable trust funds recognize annual leave when it is paid. A long-term liability of \$220.2 million for the accumulated annual leave and related payroll taxes and benefits in governmental and expendable trust funds has been recorded in the General Long-Term Obligations Account Group as of June 30, 2000. Proprietary and similar trust funds recognize the expense and accrued liability when the annual leave is earned. An accrued liability for accumulated annual leave, including related payroll taxes and benefits, has been recorded in Enterprise Funds for \$29.1 million and \$16.2 million in Internal Service Funds as of June 30, 2000.

Sick Leave

Employees accrue sick leave at the rate of one day per month without limitation on the amount that can be accumulated. Sick leave is not vested; i.e., the state does not pay employees for unused sick leave upon termination except upon employee death or retirement. At death or retirement, the state is liable for 25 percent of the employee's accumulated sick leave. In addition, the state has a "sick leave buyout option" in which each January, employees who accumulate sick leave in excess

of 60 days may redeem sick leave earned but not taken during the previous year at the rate of one day's pay in exchange for each four days of sick leave. It is the state's policy to liquidate unpaid sick leave at June 30 from future resources rather than currently available expendable resources. Accordingly, governmental and expendable trust funds recognize sick leave when it is paid. The state has recorded an estimated sick leave buyout liability, including related payroll taxes, for governmental and expendable trust funds of \$104.6 million at June 30, 2000 in the General Long-Term Obligations Account Group. Proprietary and similar trust funds recognize the expense and accrue a liability for estimated sick leave buyout as sick leave is earned. As of June 30, 2000, a liability for estimated sick leave buyout, including related payroll taxes, has been accrued in Enterprise Funds for \$9.6 million and in Internal Service Funds for \$6.7 million.

J. Long-Term Obligations

Long-term obligations expected to be financed from resources to be received in the future by governmental and expendable trust funds are reported in the General Long-Term Obligations Account Group, not in the individual funds. Long-term obligations to be financed from proprietary and similar trust funds are recorded in the applicable funds rather than in the General Long-Term Obligations Account Group.

K. Fund Equity

Fund equity represents the difference between fund assets and fund liabilities. In governmental and fiduciary funds, fund equity is called "Fund Balance." Reserved fund balance represents that portion of fund balance that is: (1) not available for appropriation or expenditure, and/or (2) legally segregated for a specific future use. Unreserved, designated fund balance indicates tentative plans for future use of financial resources. Unreserved, undesignated fund balance represents the amount available for appropriation.

For proprietary funds, equity attributable to accumulated earnings is referred to as "Retained Earnings." Equity provided by contributions from other funds and capital grants is classified as "Contributed Capital." Reserved retained earnings represents that portion of retained earnings that is legally reserved for a specific future use.

L. Insurance Activities

Workers' Compensation

The state of Washington's workers' compensation program is established by Title 51 RCW. The statute requires all employers to insure payment of benefits for

job related injuries and diseases through the Workers' Compensation Fund or through self-insurance. Direct private insurance is not authorized, although self-insurers are permitted to reinsure up to 80 percent of their obligations through private insurers.

The Workers' Compensation Fund is used to account for the workers' compensation program which provides time-loss, medical, disability, and pension payments to qualifying individuals sustaining work-related injuries. The main benefit plans of the workers' compensation program are funded based on rates that will keep these plans solvent in accordance with recognized actuarial principles. The supplemental pension cost-of-living adjustments (COLA) granted for time-loss and disability payments, however, are funded on a pay-as-you-go basis. By statute, the state is only allowed to collect enough revenue to fund the current COLA payments.

Premiums are based on individual employers' reported payroll hours and insurance rates based on each employer's risk classification(s) and past experience. In addition to its regular premium plans, the Workers' Compensation Fund offers a retrospective premium rating plan under which premiums are adjusted annually for up to four years following the plan year based on individual employers' loss experience. Adjustments to the original premiums are paid to or collected from the employers approximately ten months after the end of each plan year. Also premium rates are adjusted to all employers based on actual revenues and actuarial projections of revenue needed to maintain the plan's contingency reserve. These temporary rate adjustments are normally made as prospective decreases or increases to the insurance rate.

Medical Aid premiums have been held artificially low beginning in calendar year 1996 to reduce the Medical aid portion of the contingency fund. In Fiscal Year 2000, there was a \$200 million dividend declared to policyholders from the Accident Account portion of the contingency fund which is accounted for as a reduction of insurance premium revenue.

The Workers' Compensation Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported (IBNR). The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liabilities, claims adjudication, and judgments, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect

recent settlements, claim frequency, and other economic, legal, and social factors. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

Risk Management

Washington State operates a risk management liability program pursuant to RCW 4.92.130. The state manages its tort claims as an insurance business activity rather than a general governmental activity. The state's policy is generally not to purchase commercial insurance for the risk of losses to which it is exposed. Instead, the state management believes it is more economical to manage its risks internally and set aside assets for claims settlement in an Internal Service Fund. A limited amount of commercial insurance is purchased for employee bonds and to limit the exposure to catastrophic losses. Otherwise, the risk management liability program services all claims against the state for injuries and property damage to third parties. The majority of state funds and agencies participate in the risk management liability program in proportion to the anticipated exposure to liability losses.

State Employees' Insurance

The state's health care benefits program is funded through contributions from employees and a per capita amount determined annually by the Legislature and allocated to state agencies. The allocation represents a composite rate that funds all programs except for the portion contributed by employees. The Health Care Authority, as administrator of the health care benefits program, collects this monthly "premium" from agencies for each active employee enrolled in the program. The program also covers employees on extensions of coverage and retirees who self-pay their insurance premiums.

The state self-insures or internally manages the risk of loss for the Uniform Medical Plan. Thirty-two percent of eligible subscribers were enrolled in this health care plan in Fiscal Year 2000. Claims are paid from premiums collected, and claims adjudication is contracted through a third-party administrator. Considerations in calculating liabilities include frequency of claims, administrative costs, industry inflation trends, advances in medical technology, and other social and economic factors. Liabilities include an amount for claims incurred but not reported.

M. Interfund Activities

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. Totals (Memorandum Only) Columns

Totals columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis.

The data in these columns does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Furthermore, this data is not comparable to a consolidation as interfund eliminations have not been made in the aggregation of this data.

Note 2 - Budgetary Accounting, Reporting, and Compliance

A. Biennial Budget

Budgeted amounts reported on the accompanying Combined Statement of Revenues, Expenditures, and Other Financing Sources (Uses) - Budget and Actual -

All Governmental Fund Types ("Governmental Budgetary Statement") include approved appropriations for the 1999-2001 Biennium.

The following schedule details the approved budget by fund type (expressed in thousands):

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memo Only)
Legislative Appropriations:					
Original	\$ 30,107,841	\$ 6,348,746	\$ 383,622	\$ 1,697,675	\$ 38,537,884
Supplemental	502,431	(356,349)	(9,040)	37,616	174,658
Total Legislative Appropriations	\$ 30,610,272	\$ 5,992,397	\$ 374,582	\$ 1,735,291	\$ 38,712,542

B. Reconciliation of Governmental Budgetary Statement to Governmental Operating Statement

The following is a reconciliation for Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses for all governmental fund types between the "Governmental Budgetary Statement" and the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - All Governmental Fund Types ("Governmental Operating Statement").

Certain transactions appear on the "Governmental Operating Statement" and not on the "Governmental Budgetary Statement," or conversely, appear on the "Governmental Budgetary Statement" and not on the "Governmental Operating Statement." Also, certain transactions appear differently on the "Governmental Operating Statement" and the "Governmental Budgetary Statement." These transactions are reconciled as detailed below:

BASIS ADJUSTMENTS - Loan disbursements/receipts are budgeted items and appear on the "Governmental Budgetary Statement." However, they do not appear on the "Governmental Operating Statement" because they represent increases/decreases of loan receivables and

appropriately appear on the Combined Balance Sheet. Certain operating transfers are budgeted as expenditures to allow the exercise of budgetary control. These operating transfers are reflected as expenditures on the "Governmental Budgetary Statement" in accordance with approved appropriations, but they are reflected as operating transfers on the "Governmental Operating Statement."

ENTITY ADJUSTMENTS - Certain funds designated as nonappropriated by the Legislature, resources collected and distributed to other governments, federal surplus food commodities, food stamp benefits, and notes and capital lease proceeds/acquisitions are not appropriated and do not appear on the "Governmental Budgetary Statement." Portions of the difference in the Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses between the accompanying "Governmental Budgetary Statement" and the "Governmental Operating Statement" can be caused by the funds designated as nonappropriated by the Legislature, and by expending note proceeds received in prior fiscal periods. The other entity adjustments do not cause differences in those statements because offsetting revenues and expenditures are excluded from the "Governmental Budgetary Statement" in each case.

The following schedule details the reconciling items between the “Governmental Budgetary Statement” and the “Governmental Operating Statement” by governmental fund type (expressed in thousands):

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memo Only)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses (Budgetary Basis) for the Fiscal Year Ended June 30, 2000	\$ 231,323	\$ (126,852)	\$ 119,487	\$ 43,589	\$ 267,547
Basis Adjustments:					
Loan disbursements	88,389	465	-	-	88,854
Loan receipts	(34,118)	(628)	-	-	(34,746)
Current expenditures	766,503	24,526	(534,921)	(14,000)	242,108
Operating transfers (net)	(766,503)	(24,526)	534,921	14,000	(242,108)
Entity Adjustments:					
Revenues of nonappropriated funds	11,509	1,711,344	3,534	53,484	1,779,871
Expenditures of nonappropriated funds	(35,169)	(1,685,115)	-	(38,849)	(1,759,133)
Revenues collected for other governments	211,382	473,430	-	-	684,812
Revenues distributed to other governments	(211,382)	(473,430)	-	-	(684,812)
Revenues attributable to federal surplus					
food commodities and food stamps	269,903	-	-	-	269,903
Noncash commodities and food stamps issued	(269,903)	-	-	-	(269,903)
Capital leases proceeds	-	-	-	-	-
Note proceeds	4,017	21,689	-	165	25,871
Noncash capital acquisitions	(4,017)	(16,799)	-	(165)	(20,981)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses (GAAP Basis) for the Fiscal Year Ended June 30, 2000	\$ 261,934	\$ (95,896)	\$ 123,021	\$ 58,224	\$ 347,283

C. Budget Overexpenditures

Appropriations are legal limitations on agency expenditures subject to available fund balances. The biennial appropriation bill authorizes bond debt service expenditures and retirement contributions in an amount

sufficient to meet financing needs. There are no overexpenditures of appropriations at the legal level of control for the 1999-2001 biennium for annual appropriations ending June 30, 2000.

Note 3 - Accounting and Reporting Changes

Fund equity at July 1, 1999 has been restated as follows (expressed in thousands):

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust	Totals (Memo Only)
Fund equity at July 1, 1999, as previously reported	\$ 2,674,749	\$ 1,711,670	\$ 87,655	\$ 102,139	\$ (2,216,347)	\$ 228,615	\$ 51,069,016	\$ 53,657,497
Prior period adjustments	-	-	-	-	(5,621)	-	-	(5,621)
Equity transfer	-	-	-	-	3,167	-	(3,167)	-
Fund equity as restated, July 1, 1999	\$ 2,674,749	\$ 1,711,670	\$ 87,655	\$ 102,139	\$ (2,218,801)	\$ 228,615	\$ 51,065,849	\$ 53,651,876

A. Changes Affecting Equity

Prior Period Adjustments - The Office of Administrator of the Courts recorded a prior period adjustment in the Judicial Information Systems Fund, which is an Enterprise Fund. This adjustment to fixed assets and accumulated depreciation of \$5.6 million reduces fund balance to properly reflect ending fund balance.

Equity Transfer - The Capital Lease Program Fund was reclassified from an expendable trust fund to the Other Activities enterprise fund. This transfer reduces fund balance in the Trust Funds and increases Retained Earnings in the Enterprise Funds. For the purposes of the cash flow statement, it also results in an increase in

beginning cash in the Other Activities enterprise fund of \$16,612.

B. Changes Affecting Classification

Some investments previously categorized on the Combined Balance Sheet as Cash and Pooled Investments were reclassified as Investments to better reflect the investment strategy and maturity schedules.

Certain distributions to local governments have been functionally categorized as intergovernmental rather than reductions of revenue, as in prior years. This change was made to more accurately reflect the nature of the activity.

Note 4 - Deposits and Investments

At fiscal year end, the carrying amount of Washington's cash and investments was \$73.4 billion. Total cash and investments as of June 30, 2000 amounted to \$73.7 billion, including cash from outstanding checks and warrants. Of this amount, cash on hand amounted to

\$152.8 million, deposits with financial institutions amounted to \$758.7 million, and deposits in the federal Unemployment Trust Fund amounted to \$1.8 billion. The remaining \$71.0 billion represented the total carrying amount of investments.

Deposits by type, at June 30, 2000, are as follows (expressed in thousands):

Type of Deposit	Carrying Amount	Bank Balance	Insured/ Collateralized	Uninsured/ Uncollateralized
Demand deposits	\$ 41,987	\$ 153,305	\$ 148,391	\$ 4,914
Certificates of deposit	473,512	473,512	472,299	1,213
Cash with fiscal and escrow agents	132,403	131,886	103,012	28,874
Total Deposits	\$ 647,902	\$ 758,703	\$ 723,702	\$ 35,001

DEPOSITS - At fiscal year end, 95.4 percent of the state's deposits with financial institutions were either insured or collateralized, the remaining 4.6 percent were uninsured/uncollateralized. The state's insured deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Collateral protection is provided by the Washington Public Deposit Protection Commission (PDPC). The PDPC (established under Chapter 39.58 of the Revised Code of Washington) constitutes a multiple financial institution collateral pool. Pledged securities under the PDPC collateral pool are held by the PDPC's agent in the name of the collateral pool.

INVESTMENTS - The State Investment Board and the Office of the State Treasurer manage approximately 92 percent of the state's investing activity. Management responsibilities and investment instruments as authorized by statute follow.

STATE INVESTMENT BOARD (SIB) - Statute designates SIB as having investment management responsibility for pension funds, the Workers' Compensation Fund, permanent funds (established at statehood), and other specific funds. Pursuant to statute (Chapter 43.33A RCW) and SIB policy, SIB is authorized and invests in the following: Treasury Bills; discount notes; repurchase agreements; reverse repurchase agreements; banker's acceptances; commercial paper; guaranteed investment contracts; U.S. Government and Agency (government sponsored corporations eligible for collateral purposes at the Federal Reserve) securities; nondollar bonds; investment grade corporate bonds; publicly traded mortgage-backed securities; privately placed mortgages; private placements of corporate debt; U.S. and foreign common stock; U.S. preferred stock; convertible securities; private equity including but not limited to investment corporations, partnerships, and limited liability companies for venture capital, leveraged buy-outs, real estate, or other forms of private equity; asset backed securities; and derivative securities including futures,

options, options on futures, forward contracts, and swap transactions.

The SIB is authorized to utilize various derivative financial instruments, including mortgage-backed securities, financial futures, forward contracts, interest rate and equity swaps, and options, to manage its exposure to fluctuations in interest and currency rates while increasing portfolio returns. Derivative transactions involve, to varying degrees, market and credit risk. SIB mitigates market risks arising from derivative transactions by requiring collateral in cash and investments to be maintained equal to the securities positions outstanding, and thereby prohibiting the use of leverage or speculation. Credit risks arising from derivative transactions are mitigated by selecting and monitoring creditworthy counterparties and collateral issuers.

Consistent with the SIB authority to invest in derivatives, international active equity managers may make limited investment in financial futures, forward contracts or other derivative securities to manage exposure to currency rate risk and equitize excess cash holdings. No such derivative securities were held as of June 30, 2000. Domestic and foreign passive equity index fund managers may also utilize various derivative securities to manage exposure to risk and increase portfolio returns. Information on the extent of the use, and holdings of derivative securities by passive equity index fund managers is unavailable. At June 30, 2000, the only derivative securities held directly by SIB were collateralized mortgage obligations of \$3.5 billion.

Investments are presented at fair value. The fair value of investments is based on published market prices and quotations from major investment brokers at current exchange rates, as available. Privately held mortgages have been valued at cost which approximates fair market value. The fair value of real estate investments has been estimated based on independent appraisals. Venture capital and leveraged buy-out investments are determined by independent investment advisors based on analysis of the audited financial statements of the underlying partnerships. The pension funds have no investments of any commercial or industrial organization whose market value exceeds 5 percent or more of each plan's net assets.

State law and Board policy permit the SIB to participate in securities lending transactions. The Board has entered into agreements with State Street Bank and Trust to act as agents for the SIB in securities lending transactions. As State Street Bank and Trust is the custodian bank for the SIB, it is a counterparty to securities lending transactions. Therefore, all cash collateral reinvested by State Street Bank and Trust is reflected as Category 3 for custodial credit risk disclosure purposes.

Securities were loaned and collateralized by the SIB's agents with cash and U.S. government securities

(exclusive of mortgage backed securities and letters of credit), and irrevocable letters of credit. When the loaned securities were denominated in United States dollars, where securities whose primary trading market was located in the United States or were sovereign debt issued by foreign governments, the collateral requirement was 102 percent of the market value of the securities loaned. When the loaned securities were not denominated in United States dollars or were securities whose primary trading market was not located in the United States, the collateral requirement was 105 percent of the market value of the loaned securities. The collateral held and market value of securities on loan at June 30, 2000 approximated \$2.41 and \$2.36 billion, respectively.

During Fiscal Year 2000, securities lending transactions could be terminated on demand by either the SIB or the borrower. The average term of overall loans was 17 days.

Cash collateral was invested by the SIB's agents in securities issued or guaranteed by the U.S. government, the SIB's short-term investment pool (average weighted maturity of 57 days), or term loans. Because the securities lending agreements were terminable at will, their duration did not generally match the duration of the investments made with the cash collateral. Noncash collateral could not be pledged or sold absent borrower default. There are no restrictions on the amount of securities that can be lent.

Securities were loaned with the agreement that they would be returned in the future for exchange of the collateral. State Street Bank and Trust indemnified the SIB by agreeing to purchase replacement securities or return the cash collateral in the event a borrower failed to return the loaned securities or pay distributions thereon. State Street Bank and Trust Company's responsibilities included performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable federal regulations concerning securities lending.

During Fiscal Year 2000, there were no significant violations of legal or contractual provisions nor failures by any borrowers to return loaned securities or to pay distributions thereon. Further, the SIB incurred no losses during Fiscal Year 2000 resulting from a default by either the borrowers or the securities lending agents.

OFFICE OF THE STATE TREASURER (OST) - The OST operates the state's Cash Management Account for investing cash in excess of daily requirements. Statute authorizes the OST to buy and sell the following types of instruments: U.S. government and agency securities, banker's acceptances, commercial paper, and certificates of deposit with qualified public depositories. Securities underlying repurchase and reverse repurchase agreements are limited to those stated above.

The OST has statutory authority to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The OST has contracted with a third-party securities lending agent (“agent”) to lend the OST’s U.S. government and agency securities portfolio. The agent lends securities for collateral in the form of cash or other securities at 102 percent of the loaned securities value. The collateral for the loans is maintained at 102 percent.

At June 30, 2000, OST has no credit risk exposure to borrowers because the amounts the OST owes the borrowers exceed the amounts that the borrowers owe the OST. The contract with the agent requires it to indemnify the OST if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or if the borrower fails to pay OST for income distributions by the securities’ issuers while the securities are on loan.

All securities loans can be terminated on demand by either the OST or the borrower. Cash collateral is

invested in accordance with the investment guidelines approved by the OST. The OST cannot pledge or sell collateral securities received unless the borrower defaults. Generally, the maturity of the securities on loan is matched with the term of the investment of the cash collateral.

During Fiscal Year 2000, there were no violations of legal or contractual provisions nor any losses resulting from a default by either the borrowers or the securities lending agent.

INVESTMENT ACTIVITY - The state’s investments are categorized below per GASB Statement No. 3 to give an indication of the level of risk assumed at year end. Category 1 includes investments that are insured, registered, or held by the state or its agent in the state’s name. Category 2 includes uninsured and unregistered investments which are held by the counterparties’ trust departments or agents in the state’s name. Category 3 includes uninsured and unregistered investments held by counterparties, or their trust departments or agents, but not in the state’s name.

Investments at June 30, 2000, by investment type, are listed below (expressed in thousands):

Investment Type	Carrying Amount by GASB Categories			Carrying Amount	Fair Value
	1	2	3		
Corporate bonds	\$ 10,948,019	\$ 335	\$ 198,393	\$ 11,146,747	\$ 11,146,032
Corporate stocks	3,532,799	525	-	3,533,324	3,533,359
U.S. Government securities	3,728,364	431	16	3,728,811	3,728,866
Government securities - foreign	189,330	-	-	189,330	189,330
Collateralized mortgage obligations	3,563,885	378	397	3,564,660	3,564,476
Repurchase agreements	2,062,367	3,501	261,972	2,327,840	2,327,844
Zero coupon bonds	-	-	-	-	-
Asset backed securities	622,236	-	107,415	729,651	729,651
Commercial paper	1,138,578	-	1,099,871	2,238,449	2,238,445
Discount notes	1,815,905	-	-	1,815,905	1,815,905
Bankers' acceptances	8,940	500	4	9,444	9,559
Municipal Bonds	38,974	-	-	38,974	38,966
Variable Rate Notes	-	-	530,082	530,082	530,082
Negotiable Certificates of Deposit	-	-	200,015	200,015	200,015
Other	45,777	-	-	45,777	45,777
	<u>\$ 27,695,174</u>	<u>\$ 5,670</u>	<u>\$ 2,398,165</u>	30,099,009	30,098,307
Mutual funds				27,658,199	27,662,283
Leveraged buy-outs				2,033,661	2,033,661
Mortgages				1,034,255	1,034,255
Real estate				3,210,573	3,210,573
Venture capital				3,539,331	3,539,331
Guaranteed investment contracts				364,643	364,643
Investments held by Broker-Dealers under Securities Lending Programs:					
U.S. government securities				2,097,555	2,096,854
Corporate Securities				961,408	961,408
Total Investments				<u>\$ 70,998,634</u>	<u>\$ 71,001,315</u>

Repurchase agreements are collateralized at 102 percent. The collateral is priced daily and held by the state's agent in the state's name. Repurchase agreements outstanding as of June 30, 2000 are typical of the level of activity during the year.

State law permits the state to enter into reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The market value of the securities underlying reverse repurchase agreements normally exceeds the cash received, providing the dealers a margin against a decline in market value of the securities. If the dealers default on their obligations to resell these securities to the state or

provide securities or cash of equal value, the state would suffer an economic loss equal to the difference between the market value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest. There were no reverse repurchase agreement liabilities outstanding as of June 30, 2000.

The SIB has entered into a number of agreements that commit the state, upon request, to make additional investment purchases up to a stated amount. As of June 30, 2000, the state had the following unfunded investment commitments (expressed in thousands):

Private Equity Partnerships	\$ 4,339,371
Real estate	305,118

Note 5 - Receivables and Deferred Revenues

A. Taxes Receivable

Taxes Receivable at June 30, 2000, consisted of the following (expressed in thousands):

Taxes Receivable	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Totals (Memo Only)
Property	\$ 706,126	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 706,126
Sales	1,048,531	15,430	-	-	-	-	-	1,063,961
Business and occupation	372,866	-	-	-	-	-	-	372,866
Excise	-	-	-	-	-	-	-	-
Estate	16,035	-	-	-	-	-	-	16,035
Fuel	-	872	-	-	-	-	-	872
Other	43,038	19	-	-	3,894	-	-	46,951
Subtotals	2,186,596	16,321	-	-	3,894	-	-	2,206,811
Less: Allowance for uncollectible receivables	34,361	11	-	-	-	-	-	34,372
Total Taxes Receivable	\$ 2,152,235	\$ 16,310	\$ -	\$ -	\$ 3,894	\$ -	\$ -	\$ 2,172,439

B. Other Receivables

Other Receivables at June 30, 2000, consisted of the following (expressed in thousands):

Other Receivables	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Totals (Memo Only)
Public assistance receivables	\$ 1,320,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,896	\$ 1,325,346
Accounts receivable	17,278	-	9	897	546,429	3,470	53,658	621,741
Interest receivable	8,561	8,818	-	22	118,604	-	42,005	178,010
Loans receivable	4,146	612	-	-	2	-	304,949	309,709
Long-term contracts	71,325	65,193	-	8,909	-	-	-	145,427
Miscellaneous receivables	4,215	111,489	-	3,507	54,365	691	489,805	664,072
Subtotals	1,425,975	186,112	9	13,335	719,400	4,161	895,313	3,244,305
Less: Allowance for uncollected receivables	1,167,977	10,694	7	7	94,031	256	68,239	1,341,211
Total Other Receivables	\$ 257,998	\$ 175,418	\$ 2	\$ 13,328	\$ 625,369	\$ 3,905	\$ 827,074	\$ 1,903,094

Note: Public assistance receivables mainly represent amounts owed the state as a part of the Support Enforcement Program at the Department of Social and Health Services for the amounts due from persons required to pay support for individuals currently on state assistance, and have a low realization expectation. Accordingly, the receivable is offset by a large allowance for uncollectible receivables.

C. Deferred Revenues

Deferred Revenues at June 30, 2000, consisted of the following (expressed in thousands):

Deferred Revenues	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust	Totals (Memo Only)
Property taxes	\$ 680,290	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 680,290
Other taxes	279,362	138	-	-	2,282	-	-	281,782
Timber sales	71,302	63,654	-	8,909	-	-	-	143,865
Charges for services	2,993	18,217	-	-	24,753	2,931	8,988	57,882
Food stamps	118	-	-	-	-	-	-	118
Donable goods	3,770	-	-	-	-	-	-	3,770
Miscellaneous	67,838	111,907	-	74	17,384	-	196,528	393,731
Total Deferred Revenues	\$ 1,105,673	\$ 193,916	\$ -	\$ 8,983	\$ 44,419	\$ 2,931	\$ 205,516	\$ 1,561,438

Note 6 - Interfund Balances

The following balances at June 30, 2000, represent due from/to balances among all funds and state agencies (expressed in thousands):

Fund Type	Fund	Due From	Totals	Due To	Totals
General	General Fund		\$ 167,180		\$ 566,682
Special Revenue	Motor Vehicle Fund	\$ 10,991		\$ 33,759	
	Transportation Fund	27,348		9,846	
	State Wildlife Fund	1,448		3,113	
	Common School Construction Fund	49,118		2,384	
	Central Administrative and Regulatory Fund	12,120		19,562	
	Human Services Fund	23,551		6,046	
	Natural Resources Fund	17,263		13,732	
	Higher Education Fund	476,800	618,639	630,530	718,972
Debt Service	General Obligation Bond Fund	9,618		-	
	Transportation Bond Fund	234	9,852	-	-
Capital Projects	State Facilities Fund	57,570		37,368	
	Higher Education Facilities Fund	36,969	94,539	1,380	38,748
Total Governmental Funds			890,210		1,324,402
Enterprise	Liquor Fund	20,050		14,138	
	Workers' Compensation Fund	1,744		5,556	
	Convention and Trade Fund	2,454		216	
	Lottery Fund	16,647		669	
	Institutional Fund	5,306		1,105	
	State Ferry Fund	1,753		718	
	Student Services Fund	244,910		30,148	
	Other Activities Fund	1,474	294,338	49,763	102,313
Internal Service	Central Services Fund	27,763		6,646	
	Central Stores Fund	-		-	
	Equipment Revolving Fund	8,289		1,710	
	Data Processing Revolving Fund	15,733		1,814	
	Printing Services Fund	5,859		42	
	Motor Transport Fund	-		-	
	State Employees' Insurance Fund	43,232		42,961	
	Risk Management Fund	193		1,365	
	Higher Education Revolving Fund	32,862	133,931	12,008	66,546
Total Proprietary Funds			428,269		168,859
Total Governmental and Proprietary Funds			1,318,479		1,493,261

Continued on next page

State of Washington

Fund Type	Fund	Due From	Totals	Due To	Totals
Totals from previous page			1,318,479		1,493,261
Trust and Agency:					
Expendable Trust	Human Services Trust Fund	3,446		4,642	
	Higher Education Trust Fund	32,474		9,605	
	Deferred Compensation Trust Fund	183		218	
	Miscellaneous Trust Fund	16,821		1,302	
Nonexpendable Trust	Higher Education Endowment Fund	59,425		166,232	
	Common School Permanent Fund	-		906	
Pension Trust	Public Employees' Plan 1 Fund	29		4,353	
	Public Employees' Plan 2 Fund	4,111		427	
	Teachers' Plan 1 Fund	24		10,546	
	Teachers' Plan 2 Fund	10,417		114	
	Teachers' Plan 3 Fund	-		-	
	L.E.O.F.F Plan 1 Fund	9		50	
	L.E.O.F.F Plan 2 Fund	5		82	
	Washington State Patrol Fund	2		3	
	Judicial Defined Benefit Fund	2		-	
	Judicial Defined Contribution Fund	-		1	
	Judges Fund	20		-	
	Volunteer Fire Fighters' Fund	9		3	
	Local Government Investment Pool	-		32	
Agency	Clearing Fund	2,171		77	
	Suspense Fund	39,805		66,163	
	Local Government Distributions Fund	286,979		19	
	Pooled Investments Fund	255,692	711,624	272,067	536,842
Total Due From and To Other Funds			\$ 2,030,103		\$ 2,030,103

Note 7 - Fixed Assets

A. General Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group during Fiscal Year 2000 (expressed in thousands):

General Fixed Assets	Balances July 1, 1999	Additions	Deletions	Balances June 30, 2000
Land	\$ 955,055	\$ 70,685	(\$ 3,250)	\$ 1,022,490
Buildings	4,411,529	\$ 281,495	(\$ 29,689)	4,663,335
Accumulated depreciation	(1,300,537)	(113,435)	12,655	(1,401,317)
Net buildings	3,110,992			3,262,018
Furnishings and equipment	909,158	132,326	(89,839)	951,645
Accumulated depreciation	(616,862)	(77,547)	47,700	(646,709)
Net furnishings and equipment	292,296			304,936
Other improvements and miscellaneous	1,068,625	62,839	(3,693)	1,127,771
Accumulated depreciation	(160,932)	(23,133)	-	(184,065)
Net other improvements and miscellaneous	907,693			943,706
Construction in progress	723,416	324,197	(184,957)	862,656
Total General Fixed Assets	\$ 5,989,452			\$ 6,395,806

The following summarizes the funding source of the investment in General Fixed Assets as of June 30, 2000 (expressed in thousands):

Source of Funds by Fund Type:	
General	\$ 1,894,161
Special revenue	\$ 930,078
Capital projects	\$ 3,536,744
Expendable trust	\$ 34,823
Total General Fixed Assets	\$ 6,395,806

B. Proprietary Fixed Assets

The following is a summary of proprietary and nonexpendable trust fund fixed assets at June 30, 2000 (expressed in thousands):

Fixed Assets	Enterprise	Internal Service
Land	\$ 31,883	\$ 1,458
Buildings	926,586	57,870
Accumulated Depreciation	(314,820)	(7,681)
Net Buildings	611,766	50,189
Furnishings and Equipment	962,902	506,696
Accumulated Depreciation	(371,731)	(284,621)
Net Furnishings and Equipment	591,171	222,075
Other Improvements and Miscellaneous	212,208	13,872
Accumulated Depreciation	(62,371)	(8,082)
Net Other Improvements and Miscellaneous	149,837	5,790
Construction in Progress	417,651	19,549
Total Fixed Assets	\$ 1,802,308	\$ 299,061

C. Construction in Progress

Other major construction commitments of the state at June 30, 2000 are as follows (expressed in thousands):

Agency/Project Commitments	FY 00 Construction In Progress	Remaining Project Commitments
Department of General Administration:		
Various projects	\$ 69,500	\$ 325,719
Liquor Control Board		
Distribution center	12,260	-
Washington State Patrol		
Seattle crime laboratory	521	12,879
Military Department:		
Emergency operation center and other projects	8,945	15,533
Department of Social and Health Services:		
State hospital and juvenile rehabilitation renovations and other projects	97,258	82,803
Department of Corrections:		
Correctional centers construction, improvements and other projects	255,054	605,370
Department of Transportation:		
Maintenance facilities, ferry vessels, and terminals	217,424	75,879
Department of Fish and Wildlife		
Hatchery renovations, site improvements and other projects	489	2,939
State Convention and Trade Center		
Various projects	131,000	56,526
Higher Education Facilities:		
University of Washington	273,350	485,825
Washington State University	118,598	237,738
Eastern Washington University	9,895	10,636
Central Washington University	13,492	-
Western Washington University	25,166	25,396
Community and Technical Colleges	58,222	61,531
Other Agency Miscellaneous Projects	8,682	21,959
Total Construction in Progress	\$ 1,299,856	\$ 2,020,733

Note 8 - Lease Commitments

The state leases land, office facilities, office and computer equipment, and other assets. Although lease terms vary, most leases are subject to appropriation from the state Legislature to continue the obligation. If the possibility of receiving no funding from the Legislature is remote, leases are considered noncancelable for financial reporting purposes. Leases which represent acquisitions are classified as capital leases and the

related assets and liabilities are recorded in the financial records at the inception of the lease. Other leases are classified as operating leases with the lease payments recorded as expenditures or expenses during the life of the lease. The total operating lease expenditures for Fiscal Years 1999 and 2000 were \$264.9 million and \$295.6 million, respectively. The total lease expense for Fiscal Year 2000 was \$311.7 million.

Future minimum lease commitments for noncancelable operating and capital leases as of June 30, 2000 are as follows:

(expressed in thousands)	Capital Leases				Total
	Operating Leases	Enterprise Funds	Internal Service Funds	General L.T. Obligations Account Group	
Lease Commitments during Fiscal Years:					All Leases
2001	\$ 77,448	\$ 351	\$ 601	\$ 1,044	\$ 79,444
2002	66,829	304	405	885	68,423
2003	54,757	281	231	807	56,076
2004	45,246	276	189	755	46,466
2005	34,748	258	154	725	35,885
Thereafter	70,852	1,377	-	3,992	76,221
Total Future Minimum Lease Commitments	\$ 349,880	2,847	1,580	8,208	\$ 362,515
Amounts representing executory and interest costs		937	147	2,073	
Present Value of Future Minimum Lease Commitments		\$ 1,910	\$ 1,433	\$ 6,135	

Note 9 - Claims and Judgments Payable

Claims and judgments payable is materially comprised of the three activities described below: workers' compensation, risk management, and state employees' insurance.

A. Workers' Compensation

The following schedule represents changes in claim liabilities for the past two fiscal years for the fund's two benefit plans: Workers' Compensation Basic Plan and Workers' Compensation Supplemental Pension Plan (expressed in thousands):

Workers' Compensation Fund	Basic Plan		Supplemental Plan		Fiscal Year Totals	
	FY00	FY99	FY00	FY99	FY00	FY99
Unpaid claims and claim adjustment expenses, beginning of fiscal year	\$ 6,856,445	\$ 6,420,689	\$ 5,659,000	\$ 5,794,000	\$ 12,515,445	\$ 12,214,689
Changes in incurred claims and claim adjustment expenses:						
Provision for insured events of the current year	1,228,585	1,169,907	229,468	192,198	1,458,053	1,362,105
Increase (decrease) in provision for insured events of prior years	(12,305)	225,068	913,646	(120,651)	901,341	104,417
Increase in claims and claim adjustment expenses	1,216,280	1,394,975	1,143,114	71,547	2,359,394	1,466,522
Payments:						
Claims and claim adjustment expenses attributable to insured events in the current year	218,283	205,264	-	-	218,283	205,264
Claims and claim adjustment expenses attributable to insured events of prior years	799,740	753,955	235,114	206,547	1,034,854	960,502
Total Payments	1,018,023	959,219	235,114	206,547	1,253,137	1,165,766
Total unpaid claims and claim adjustment expenses, fiscal year end	\$ 7,054,702	\$ 6,856,445	\$ 6,567,000	\$ 5,659,000	\$ 13,621,702	\$ 12,515,445

As discussed in Note 1.L, the Workers' Compensation Fund, an enterprise fund, establishes a liability for both reported and incurred but not reported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

At June 30, 2000, \$27.4 billion of unpaid claims and claim adjustment expenses are presented at their net present value of \$13.6 billion. These claims are discounted at assumed interest rates of 4.0 to 6.5 percent.

The \$13.6 billion claims and claim adjustment liabilities as of June 30, 2000 includes \$6.6 billion for supplemental pension cost of living adjustments (COLAs) that by statute are not to be fully funded. These COLA payments are funded on a pay-as-you-go basis, and the Workers' Compensation actuaries have indicated that future premium payments will be sufficient to pay these claims as they come due. The remaining \$7.0 billion in claims liabilities is fully funded by \$8.5 billion of long-term investments, net of obligations under securities lending agreements.

B. Risk Management

Changes in the balances of risk management claims liabilities during Fiscal Years 1999 and 2000 were as follows (expressed in thousands):

Risk Management Fund	Balances Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claim Payments	Balances End of Fiscal Year
FY 1999	\$ 125,004	38,969	(25,681)	\$ 138,292
FY 2000	\$ 138,292	125,451	(23,496)	\$ 240,247

The Risk Management Fund, an internal service fund, reports claims and judgment liabilities when it becomes probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an actuarially determined amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, it should be recognized that future loss emergence will likely deviate, perhaps materially, from the actuarial estimates. Claims liabilities are re-evaluated annually to take into consideration recently settled claims, the frequency of claims, and other economic or social factors.

The state is a defendant in a significant number of lawsuits pertaining to property and casualty matters. As of June 30, 2000, outstanding and actuarially determined claims against the state and its public authorities were \$240.2 million for which the state has recorded a liability. At June 30, 2000, the Risk Management Fund held \$55.7 million in cash equivalents designated for payment of these claims under the state's Self Insurance Liability Program. The state is restricted by law from accumulating funds in the Self Insurance Liability Program in excess of 50 percent of total outstanding and actuarially determined claims.

C. State Employees' Insurance

Changes in the balances of State Employees' Insurance claims liabilities during Fiscal Years 1999 and 2000 were as follows (expressed in thousands):

State Employees' Insurance Fund	Balances Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claim Payments	Balances End of Fiscal Year
FY 1999	\$ 20,940	194,498	(191,602)	\$ 23,836
FY 2000	\$ 23,836	234,972	(223,542)	\$ 35,266

The State Employees' Insurance Fund, an internal service fund, establishes a liability when it becomes probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an actuarially determined amount for claims that have been incurred but not reported. Because actual claims liabilities depend on various complex factors, the process used in computing claims liabilities does not always result in an exact amount. Claims liabilities are re-

evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic or social factors.

At June 30, 2000, state employees' insurance claims liabilities totaling \$35.3 million are fully funded with cash and investments, net of obligations under securities lending agreements.

Note 10 - Bonds Payable

A. General Information

Bonds payable at June 30, 2000, consisted of bonds issued by the state of Washington and accounted for in the General Long-Term Obligations Account Group, and certain state agency bonds accounted for in proprietary funds. A detailed schedule of bonds issued and outstanding and those proprietary bonds accounted for by the State Treasurer are presented in the Washington State Treasurer's Annual Report for 2000. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, Phone Number (360) 902-9000 or TDD (360) 902-8963.

The State Constitution and enabling statutes authorize the incurrence of state general obligation debt, to which the state's full faith, credit, and taxing power are pledged, either by the Legislature or by a body designated by statute (presently the State Finance Committee). Legislative authorization arises from an affirmative vote of 60 percent of both legislative houses without voter consent, or from an affirmative vote of more than 50 percent of both legislative houses and a majority of the voters voting thereon. State Finance Committee debt authorization does not require voter approval; however, it is limited to providing for: (1) temporary deficiencies in the State Treasury (must be discharged within 12 months of the date of incurrence); (2) appropriations already made by the Legislature; or (3) refunding of outstanding obligations of the state.

Debt authorized in the preceding procedures is generally limited by the State Constitution and current statutes. The limitations prohibit the issuance of new debt if it would cause the maximum annual debt service, on all thereafter outstanding general obligation debt, to exceed a specified percentage of the arithmetic mean of general state revenues for the preceding three fiscal years. These limitations are on the incurrence of new debt, not on the amount of debt service which may be paid by the state in future years.

As certified by the State Treasurer, the maximum debt authorization subject to limitation for Fiscal Year 2000 was \$5.2 billion, under the then current constitutional and statutory limitation. This computation excludes specific bond issues and types which are not secured by general state revenues. Based on the debt limitation calculation, the debt service requirements as of June 30, 2000 did not exceed the authorized debt service limitation.

Computation of Legal Debt Limitation¹

Three year mean, general state revenues	\$ 7,918
Legal Debt Limitation:	
Debt service limitation (7 percent of above)	\$ 554
Less: Projected maximum annual debt service of outstanding bonds	531
Uncommitted Portion of Debt Service Limitation	\$ 23
 Remaining state general obligation debt capacity	 \$ 294
Plus - Debt outstanding subject to limitation	4,870
Maximum Debt Authorization Subject to Limitation	\$ 5,164

¹ Source: Office of the State Treasurer - Certification of the Debt Limitation of the State of Washington for Fiscal Year 2000.

B. Schedule of Bonds Payable

A schedule of bonds payable by fund type as of June 30, 2000 is as follows (expressed in thousands):

Bonds Payable	Enterprise	Internal Service	General L.T. Obligations Account Group	Totals
Matured bonds payable	\$ 20,139	\$ -	\$ -	\$ 20,139
Bonds payable	431,394	-	7,180,627	7,612,021
Total Bonds Payable	\$ 451,533	\$ -	\$ 7,180,627	\$ 7,632,160
General obligation (GO) bonds	\$ 191,434	\$ -	\$ 6,775,715	\$ 6,967,149
GO - zero interest rate bonds (principal)	31,023	-	279,210	310,233
GO - zero interest rate bonds (accreted interest)	11,373	-	125,702	137,075
Revenue bonds	217,703	-	-	217,703
Total Bonds Payable	\$ 451,533	\$ -	\$ 7,180,627	\$ 7,632,160

C. General Obligation Bonds

General obligation bonds have been authorized and issued primarily to provide funds for acquisition and construction of capital facilities for public and common schools, higher education, public and mental health, corrections, conservation, and maintenance and construction of highways, roads, and bridges. The state

has also issued bonds for assistance to municipalities for construction of water and sewage treatment facilities and corrections facilities. In addition, bonds are authorized and issued to provide for the advance refunding of general obligation bonds outstanding.

Total debt service requirements for general obligation bonds to maturity as of June 30, 2000, are as follows (expressed in thousands):

General Obligation Bonds	Principal	Interest	Totals
By Fiscal Year:			
2001	\$ 379,545	\$ 381,437	\$ 760,982
2002	384,620	360,157	744,777
2003	354,179	340,382	694,561
2004	328,911	321,143	650,054
2005	334,440	301,950	636,390
2006-2010	1,738,277	1,206,077	2,944,354
2011-2015	1,503,375	758,831	2,262,206
2016-2020	1,358,277	342,771	1,701,048
Thereafter	585,525	68,071	653,596
Total Debt Service Requirements	\$ 6,967,149	\$ 4,080,819	\$ 11,047,968

General obligation bonds outstanding and bonds authorized but unissued at June 30, 2000, are as follows (expressed in thousands):

Purpose	Interest Rates	Outstanding Amounts	Authorized but Unissued
School building construction	3.00% to 8.80%	\$ 174,315	\$ 65,880
Higher education	3.35% to 10.75%	251,652	108,700
Institutional and public buildings	2.25% to 7.00%	159,247	-
Highways	3.00% to 12.00%	997,215	143,940
Administrative buildings	2.25% to 7.13%	9,970	-
General - Fixed	3.00% to 12.00%	5,174,750	870,951
General - Variable	Variable*	200,000	400,000
Totals		\$ 6,967,149	\$ 1,589,471

* For Fiscal Year 2000, rate varied between 2.65 and 5.85 percent, for an average of 3.70 percent.

D. Zero Interest Rate General Obligation Bonds

Zero interest rate general obligation bonds have been authorized and issued primarily to provide funds for acquisition and construction of public administrative

buildings and facilities, and capital facilities for public and common schools and higher education.

Total debt service requirements for zero interest rate general obligation bonds to maturity as of June 30, 2000, are as follows (expressed in thousands):

Zero Interest Rate General Obligation Bonds	Principal	Interest	Totals
By Fiscal Year:			
2001	\$ 16,533	\$ 13,350	\$ 29,883
2002	18,186	12,534	30,720
2003	14,914	13,670	28,584
2004	13,320	14,061	27,381
2005	16,018	19,884	35,902
2006-2010	59,024	99,723	158,747
2011-2015	40,364	92,223	132,587
2016-2020	121,466	190,776	312,242
Thereafter	10,408	63,578	73,986
Total Debt Service Requirements	\$ 310,233	\$ 519,799	\$ 830,032

Zero interest rate general obligation bonds outstanding and bonds authorized but unissued at June 30, 2000, are as follows (expressed in thousands):

Purpose	Interest Rates	Outstanding Amounts	Authorized but Unissued
School building construction	3.00% to 8.80%	\$ 57,763	\$166,383
Other public buildings	5.50% to 7.10%	31,024	-
Higher education	3.35% to 10.75%	11,413	-
General	2.25% to 6.75%	210,033	1,905,116
Totals		\$ 310,233	2,071,499

E. Revenue Bonds

Current state statutes empower certain state agencies to issue bonds that are not supported, or are not intended to be supported, by the full faith and credit of the state. These bonds pledge income derived from acquired or constructed assets for retirement of the debt and payment of the related interest.

Revenue bonds issued by individual agencies are supported by fees and rentals assessed to users. Issuing agencies include the University of Washington (housing,

dining, and student facilities construction), Washington State University (housing, dining, parking, and student facilities construction), Eastern Washington University (housing, dining, and student facilities construction), Central Washington University (housing, dining, and student facilities construction), The Evergreen State College (housing and dining), Western Washington University (housing and dining), and various Community Colleges (housing, dining, and student facilities construction).

Total debt service requirements for revenue bonds to maturity at June 30, 2000, are as follows (expressed in thousands):

Revenue Bonds	Principal	Interest	Totals
By Fiscal Year:			
2001	\$ 5,612	\$ 12,050	\$ 17,662
2002	7,156	11,748	18,904
2003	7,562	11,384	18,946
2004	7,625	11,000	18,625
2005	6,938	10,633	17,571
2006-2010	36,270	47,593	83,863
2011-2015	47,585	36,230	83,815
2016-2020	41,973	23,261	65,234
Thereafter	56,982	15,870	72,852
Total Debt Service Requirements	\$ 217,703	\$ 179,769	\$ 397,472

Revenue bonds outstanding and bonds authorized but unissued at June 30, 2000, are as follows (expressed in thousands):

Purpose	Interest Rates	Outstanding Amounts	Authorized but Unissued
Higher education - Student activities	3.00% to 7.10%	\$ 131,587	\$ 20
Higher education	3.00% to 7.00%	75,982	-
Other Public Buildings	4.40% to 5.95%	10,134	-
Totals		\$ 217,703	\$ 20

F. Defeased Bonds

When advantageous and permitted by statute or bond covenants, the State Finance Committee authorizes the advance refunding of outstanding bonds. The net proceeds of each refunding issue are used to purchase U.S. Government securities that are placed in irrevocable trusts with escrow agents to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability has been excluded from the state's financial statements.

CURRENT YEAR DEFEASANCES

During the fiscal year ended June 30, 2000, the state issued the following bonds to advance refund various outstanding issues:

General Long-Term Obligations

On July 1, 1999, the state issued \$80.6 million of Various Purpose General Obligation Refunding Bonds (Series R-2000A) to advance refund \$80.2 million of Various Purpose General Obligation Bonds. The refunding was undertaken to take advantage of \$8.5 million reduction in gross debt service savings over the next 12 years. This refunding resulted in an economic gain of \$6.9 million.

On July 1, 1999, the state issued \$18.7 million of Motor Vehicle General Obligation Refunding Bonds (Series R-2000B) to advance refund \$18.1 million of Motor Vehicle General Obligation Bonds. The refunding was undertaken to take advantage of \$1.5 million reduction in gross debt service savings over the next 8 years. This refunding resulted in an economic gain of \$1.5 million.

PRIOR YEAR DEFEASANCES

State refunded and defeased bonded debt outstanding totaled \$799 million for general governmental bonded debt and \$65 million for proprietary bonded debt as of June 30, 2000.

G. School Bond Guarantee Program

Washington voters passed a constitutional amendment in November 1999 creating the Washington state school district credit enhancement program. The program's purpose is to provide savings to state taxpayers by

pledging the full faith and credit of the state of Washington to the payment of voter-approved school district general obligation bonds. The State Treasurer introduced the new school bond credit enhancement program in March 2000. At the end of Fiscal Year 2000, the state had guaranteed 19 school districts' voter-approved general obligation debt with a total outstanding principal of \$215.7 million.

Note 11 - Certificates of Participation

Current state law authorizes the state to enter into long-term financing contracts for the acquisition of real or personal property and for the issuance of certificates of participation in the contracts. These certificates of participation do not fall under the general obligation debt limitations and are generally payable only from annual

appropriations by the Legislature. Other specific provisions could also impact the state's obligation under certain agreements. If the possibility of the state not meeting the terms of the agreement is considered remote, the certificate of participation is recorded for financial reporting purposes.

Total debt service requirements for certificates of participation to maturity as of June 30, 2000, are as follows (expressed in thousands):

Certificates of Participation	Equipment		Real Estate		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
By Fiscal Year:						
2001	\$ 16,467	\$ 2,352	\$ 9,650	\$ 21,007	\$ 26,117	\$ 23,359
2002	14,307	1,789	11,205	20,637	25,512	22,426
2003	10,901	1,201	15,275	19,980	26,176	21,181
2004	6,663	758	16,865	19,189	23,528	19,947
2005	4,220	474	19,105	18,293	23,325	18,767
2006-2010	6,694	682	103,860	76,314	110,554	76,996
2011-2015	165	8	147,125	43,899	147,290	43,907
2016-2020	-	-	77,820	7,367	77,820	7,367
Thereafter	-	-	3,745	237	3,745	237
Total Debt Service Requirements	\$ 59,417	\$ 7,264	\$ 404,650	\$ 226,923	\$ 464,067	\$ 234,187

On September 1, 1998, the state Lease-Purchase program was extended to enable local government to participate in low cost financing of essential equipment (Local Option Capital Asset Lending Program (LOCAL)). The program allows local participants to pool their financing requests together with Washington state agencies for lower tax-exempt interest rates. While these bonds do

not constitute a debt or pledge of the faith and credit of the State, in the event of default these bonds have the state's guarantee to the extent of legally available appropriated funds. As of June 30, 2000, outstanding certificates of participation bonds totaled \$11.8 million for 76 local governments participating in LOCAL.

Note 12 - No Commitment Debt

The Washington Health Care Facilities Authority, the Washington Higher Education Facilities Authority, Washington Economic Development Finance Authority, and the Washington State Housing Finance Commission (financing authorities) were created by the state Legislature. For financial reporting purposes, they are discretely presented as component units. These financing authorities issue bonds for the purpose of making loans to qualified nonprofit health care facilities and to nonprofit higher education facilities for construction and related improvements, and to qualified

home buyers for new, existing, or improved residential dwellings. These bonds do not constitute either a legal or moral obligation of the state or these financing authorities, nor does the state or these financing authorities pledge their faith and credit for the payment of such bonds. Debt service on the bonds is payable solely from payments made by the borrowers pursuant to loan agreements. Due to their no commitment nature, the bonds issued by these financing authorities are excluded from the state's financial statements.

The table below presents the latest available balances for the "No Commitment" debt of the state's financing authorities (expressed in thousands):

	Principal Balance
No Commitment Debt	
Washington State Housing Finance Commission	\$ 1,886,576
Washington Health Care Facilities Authority	2,050,485
Washington Economic Development Finance Authority	85,271
Washington Higher Education Facilities Authority	213,427
Total No Commitment Debt	\$ 4,235,759

Note 13 - Changes in General Long-Term Obligations

The changes in the General Long-Term Obligations Account Group for the fiscal year ended June 30, 2000, are summarized as follows (expressed in thousands):

General Long-Term Obligations	Balance July 1, 1999	Debt Issued	Debt Paid	Other Changes	Balance June 30, 2000
Bonds:					
General obligation (GO)	\$ 6,420,005	\$ 808,171	\$ (452,461)	\$ -	\$ 6,775,715
GO - zero interest rate bonds (principal)	225,097	70,498	(16,385)	-	279,210
GO - zero interest rate bonds (accrued interest)	108,035	28,568	(10,901)	-	125,702
Limited obligation	1,170	-	(1,170)	-	-
Certificates of Participation	166,869	25,871	(3,034)	-	189,706
Other Long-Term Obligations:					
Installment contract obligations (net)	753	-	-	1,186	1,939
Lease obligations (net)	4,200	-	-	1,935	6,135
Compensated absences (net)	308,299	-	-	16,466	324,765
Other obligations (net)	4,159	-	-	(296)	3,863
Claims and judgements (net)	32,197	-	-	(20,601)	11,596
Accrued Retirement Costs	33,800	-	-	3,000	36,800
	\$ 7,304,584	\$ 933,108	\$ (483,951)	\$ 1,690	\$ 7,755,431

Note 14 - Residual Equity Transfers

The table below reflects residual equity transfers in and out and related activity which occurred during the fiscal year ended June 30, 2000 (expressed in thousands):

Residual Equity Transfers	In	Out
General Fund Basic Account	9	-
Motor Vehicle Fund	3,329	-
State Wildlife Fund	1	-
Central Administration and Regulatory Fund	-	3
Natural Resources Fund	-	1
Higher Education Fund	704	-
State Facilities Fund	-	3,329
Higher Education Trust Fund	5	171
Miscellaneous Trust Fund	-	6
Student Services Fund	-	326
Central Services Fund	15,971	-
Central Stores Fund	-	5,022
Motor Transport Fund	-	10,676
Risk Management Fund	-	273
Higher Education Revolving Fund	-	210
Higher Education Endowment Fund	-	2
Total Residual Equity Transfers	\$ 20,019	\$ 20,019

Note 15 - Reservations and Designations of Equity

The nature and purposes of equity reserves and designations as of June 30, 2000, are listed below (expressed in thousands):

A. Reservations and Designations of Fund Balance

	General	Special Revenue	Debt Service	Capital Projects	Trust	Totals (Memo Only)
Reserved for:						
Encumbrances	\$ 90,635	\$ 326,448	\$ -	\$ 121,630	\$ 47,440	\$ 586,153
Inventories	15,621	27,213	-	-	150	42,984
Long-term student loans	-	-	-	-	99,039	99,039
Investments with trustees	551	416	-	-	1,191	2,158
Restricted accounts	305,725	-	-	-	-	305,725
Nonexpendable trust corpus	-	-	-	-	1,677,068	1,677,068
Unemployment compensation	-	-	-	-	1,861,177	1,861,177
Deferred compensation	-	-	-	-	1,481,505	1,481,505
Pension Benefits	-	-	-	-	47,521,674	47,521,674
Local Gov't Invest. Pool participants	-	-	-	-	3,321,353	3,321,353
Long-term receivables	543,358	12,655	-	917	253,667	810,597
Long-term investments	749,091	369,297	-	-	107,302	1,225,690
Petty cash	627	3,897	-	-	77	4,601
Total Reserved Fund Balance	\$ 1,705,608	\$ 739,926	\$ -	\$ 122,547	\$ 56,371,643	\$ 58,939,724
Unreserved, Designated for:						
Debt service	\$ -	\$ -	\$ 210,676	\$ -	\$ -	\$ 210,676
Working capital	803,402	-	-	-	-	803,402
Net unrealized gains	51	48,276	-	-	-	48,327
Higher education	-	139,630	-	-	4,408	144,038
Total Unreserved, Designated Fund Balance	\$ 803,453	\$ 187,906	\$ 210,676	\$ -	\$ 4,408	\$ 1,206,443

Note 16 - Deficit Retained Earnings

At June 30, 2000, there were three proprietary funds with deficit retained earnings.

The Workers' Compensation Fund, an enterprise fund, had deficit retained earnings of \$5.1 billion at June 30, 2000. The fund is used to account for the workers' compensation program which provides time-loss, medical, disability, and pension payments to qualifying individuals sustaining work-related injuries. The main

benefit plans of the workers' compensation program are funded based on rates that will keep these plans solvent in accordance with recognized actuarial principles. The supplemental pension cost-of-living adjustments (COLA) granted for time-loss and disability payments, however, are funded on a pay-as-you-go basis. By statute, the state is only allowed to collect enough revenue to fund the current COLA payments.

The following schedule details the changes in total fund equity for the Workers' Compensation Fund during the fiscal year ended June 30, 2000 (expressed in thousands):

Workers' Compensation Fund	Contributed Capital	Retained Earnings (Deficit)	Total Fund Equity (Deficit)
Balances as restated, July 1, 1999	\$ 23	\$ (3,907,638)	\$ (3,907,615)
Fiscal Year 2000 activity	-	(1,155,696)	(1,155,696)
Balances, June 30, 2000	\$ 23	\$ (5,063,334)	\$ (5,063,311)

The State Ferry Fund, an enterprise fund, had deficit retained earnings of \$298.7 million at June 30, 2000. The Department of Transportation (DOT) uses the State Ferry Fund to account for receipt of revenue and payment of all operating expenses of the State Ferry System. The State Ferry System is considered to be part

of the state highway system operated by DOT. As such, if the State Ferry System incurs a loss from operations, it is offset by subsidies provided by the Legislature for ferry equipment and facilities. These subsidies are recorded as contributed capital.

Therefore, total fund equity for the State Ferry Fund was \$849.0 million at June 30, 2000 as detailed below (expressed in thousands):

State Ferry Fund	Contributed Capital	Retained Earnings (Deficit)	Total Fund Equity
Balances as restated, July 1, 1999	\$ 1,076,675	\$ (278,187)	\$ 798,488
Fiscal Year 2000 activity	70,982	(20,509)	50,473
Balances, June 30, 2000	\$ 1,147,658	\$ (298,696)	\$ 848,962

The Risk Management Fund, an internal service fund, had deficit retained earnings of \$184.1 million at June 30, 2000. The Risk Management Fund is used to account for the claims, torts, and judgments generally arising from automobile, ferry services, and general government operations. These costs are supported by premium assessments to state agencies that are designed to cover current and future claim losses. Outstanding and incurred but not reported claims are actuarially determined and accrued, resulting in the deficit retained

earnings. Of this amount, \$55.7 million has been accumulated under the state's Self Insurance Liability Program initiated in 1990.

This Self Insurance Liability Program is intended to provide funds for the payment of all claims resulting from accidents after June 30, 1990. The state is restricted by law from accumulating funds in the Self Insurance Liability Program in excess of 50 percent of total outstanding and actuarially determined claims.

The following schedule details the changes in retained earnings for the Risk Management Fund during the fiscal year ended June 30, 2000 (expressed in thousands):

Risk Management Fund	Retained Earnings (Deficit)
Balance as restated, July 1, 1999	\$ (79,402)
Fiscal Year 2000 activity	(104,440)
Residual equity transfer	(273)
Balance, June 30, 2000	\$ (184,115)

Note 17 - Retirement Systems

A. General

The state of Washington, through the Department of Retirement Systems, the Board for Volunteer Fire Fighters, and the Administrator for the Courts, administers ten defined benefit retirement plans and two defined contribution retirement plans covering eligible employees of the state and local governments. Pension plans administered by the state are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, employee and employer contributions are recognized in the period in which employee services are performed; investment gains and losses are recognized as incurred; and benefits and refunds are recognized when due and payable in accordance with the terms of the applicable plan.

DEPARTMENT OF RETIREMENT SYSTEMS

As established in chapter 41.50 of the Revised Code of Washington (RCW), the Department of Retirement Systems (DRS) administers six retirement systems comprising nine defined benefit pension plans and one defined contribution plan as follows:

- Public Employees' Retirement System (PERS)
 - Plan 1 - defined benefit
 - Plan 2- defined benefit
- Teachers' Retirement System (TRS)
 - Plan 1 - defined benefit
 - Plan 2/3 - defined benefit
 - Plan 3 - defined contribution
- Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)
 - Plan 1 - defined benefit
 - Plan 2 - defined benefit
- Washington State Patrol Retirement System (WSPRS)
 - Defined benefit plan
- Judicial Retirement System (JRS)
 - Defined benefit plan
- Judges Retirement Fund (Judges)
 - Defined benefit plan

Although some assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan in accordance with the terms of the plan.

Administration of the PERS, TRS, and LEOFF systems and plans is funded by an employer rate of .23 to .25 percent of employee salaries. Administration of the WSPRS, JRS, and Judges Plans is funded by means of legislative appropriations.

The Department of Retirement Systems prepares a stand-alone financial report. Copies of the report that include financial statements and required supplemental information may be obtained by writing to Washington State Department of Retirement Systems, 6835 Capitol Blvd., Tumwater, Washington 98501.

BOARD FOR VOLUNTEER FIRE FIGHTERS

As established in chapter 41.24 RCW, the Washington Board for Volunteer Fire Fighters' administers the Volunteer Fire Fighters' Relief and Pension Fund (VFFRPF), a defined benefit plan. Administration of VFFRPF is funded through legislative appropriation.

ADMINISTRATOR FOR THE COURTS

As established in chapter 2.14 RCW, the Administrator for the Courts administers the Judicial Retirement Account (JRA), a defined contribution plan. Administration of JRA is funded through member fees.

TIAA/CREF

Eligible higher education state employees may participate in the Teachers' Insurance and Annuity Association/College Retirement Equity Fund (TIAA/CREF) which is a privately administered defined contribution plan.

Plan descriptions, funding policies, and a schedule of employer contributions required and paid for defined benefit plans follow at Notes 17.B through D respectively. For information related to defined contribution plans, refer to Note 17.I. Details on plan net assets for pension plans administered by the state are presented at Note 17.J.

B. Plan Description

Membership of each defined benefit plan consisted of the following at December 31, 1999, the date of the latest actuarial valuation for all plans except for TRS which had an actuarial valuation performed on June 30, 1999.

Defined Benefit Plans Administered by the State	Retirees and Beneficiaries Receiving Benefits	Terminated Plan Members Entitled to but not yet Receiving Benefits	Active Plan Members Vested	Active Plan Members Nonvested	Total
PERS 1	52,515	3,295	26,107	2,061	83,978
PERS 2	6,765	12,838	96,688	71,526	187,817
TRS 1	28,920	2,085	18,353	384	49,742
TRS 2/3	448	3,099	23,207	20,740	47,494
LEOFF 1	7,623	40	1,738	5	9,406
LEOFF 2	100	216	8,567	4,146	13,029
WSPRS	647	15	732	236	1,630
JRS	132	1	38	-	171
Judges	18	-	1	-	19
VFFRPF	2,473	3,757	4,983	7,227	18,440

Following is a summary of government employers participating in state administered retirement systems as of December 31, 1999.

Plan	State Agencies	Public Schools	Counties/ Municipalities	Other Political Subdivisions
PERS 1	177	260	215	265
PERS 2	193	296	265	433
TRS 1	93	291	-	-
TRS 2/3	38	275	-	-
TRS 3	41	289	-	-
LEOFF 1	-	-	123	32
LEOFF 2	7	-	226	123
WSPRS	1	-	-	-
JRS	3	-	-	-
Judges	1	-	-	-
VFFRPF	-	-	-	520

Public Employees' Retirement System (PERS)

PERS is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. PERS participants who joined the system by September 30, 1977 are Plan 1 members. Those joining after September 30, 1977, are Plan 2 members. PERS retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to PERS accrue interest at a rate specified by DRS. During Fiscal Year 2000, the DRS-established rate on employee contributions was 5.5 percent compounded quarterly. Employees in PERS can elect to withdraw total employee contributions and interest earnings thereon upon termination.

The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior Courts; employees of legislative committees; community and technical college, college, and university employees not in national higher education retirement programs such as TIAA/CREF; judges of district and municipal courts; noncertificated employees of school districts; and employees of local governments. Approximately 45 percent of PERS salaries is from state employment.

Retirement benefit provisions are established in state statute and may be amended only by the state Legislature. PERS benefits are vested after an employee completes five years of eligible service.

Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years service, or at the age of 55 with 25 years of service. The annual pension is 2 percent of the average final compensation (AFC) per year of membership service (AFC is based on the greatest compensation during any eligible 24 consecutive compensation months), capped at 60 percent of AFC.

Plan 2 members may retire at the age of 65 with five years of service, or at the age of 55 with 20 years of service, with an allowance of 2 percent per year of membership service of the AFC (AFC is based on the greatest compensation during any consecutive eligible 60 month period). Plan 2 retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 with 30 years of service, a 3% per year reduction applies, otherwise an actuarial reduction will apply. There is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at 3 percent annually.

Plan 1 provides duty and nonduty disability benefits. Duty disability retirement benefits for disablement prior

to the age of 60 consist of a temporary life annuity payable to the age of 60. The amount of the allowance is two-thirds of the AFC, not to exceed \$4,200 a year. The benefit is reduced by any worker's compensation benefit and is payable as long as the member remains disabled or attains the age of 60. A member with five years of membership service is eligible for nonduty disability retirement. Prior to the age of 55, the allowance amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year by which the date of disablement precedes the disabled member's 55th birthday. The total benefit is limited to 60 percent of the AFC.

There were no material changes in PERS benefit provisions effective for the fiscal year ended June 30, 2000. Legislation passed in the 2000 session, effective September 2000, provides a 3% early retirement factor from age 65 for PERS 2 members, age 55 or older with 30 years of service. The 2000 session also created PERS Plan 3. For state and higher education employees, PERS Plan 3 goes into effect March 1, 2002, and for local government employees, September 1, 2002. Current PERS Plan 2 members and employees hired after the implementation date of the bill have an option to move to PERS Plan 3, which offers both a defined benefit component and a defined contribution component.

Teachers' Retirement System (TRS)

TRS is a cost-sharing multiple-employer retirement system comprised of three separate plans: Plans 1 and 2/3 are defined benefit plans and Plan 3 is a defined contribution plan. TRS participants who joined the system by September 30, 1977 are Plan 1 members. Those joining between October 1, 1977, and June 30, 1996, are Plan 2/3 members unless they exercise an option to transfer their holdings to Plan 3. Those joining after June 30, 1996, and those exercising the transfer option, are members of both Plan 2/3 and Plan 3. TRS retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the TRS defined benefit plans accrue interest at a rate specified by DRS. During Fiscal Year 2000, the DRS-established rate on employee contributions was 5.5 percent compounded quarterly. Employees in TRS can elect to withdraw total employee contributions and interest earnings thereon upon termination.

The TRS was legislatively established in 1938. Eligibility for membership requires service as a certificated employee in grades K-12 in the public schools. TRS is comprised principally of nonstate employees.

TRS retirement benefit provisions are established in state statute and may be amended only by the state

Legislature. Defined benefit plan benefits are vested after an employee completes five years of eligible service.

Teachers in Plan 1 are eligible to retire either after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The benefit is 2 percent of the average earnable compensation per year of service (average earnable compensation is based on the greatest compensation during the highest of any consecutive two compensation contract years).

The normal retirement age for Plan 2/3 employees is 65. However, members are eligible to retire at the age of 65 with five years of service, or at the age of 55 with 20 years of service. Plan 3 retirement benefits may be paid at age 55 with 10 years of service. Plan 2/3 benefits are 2 percent of the average final compensation per year of service for members not enrolled in Plan 3 Defined Contribution Plan (DC) and 1 percent of the average final compensation per year of service for members enrolled in Plan 3 DC. TRS Plan 1 and Plan 2/3 also provide a cost-of-living allowance indexed to the Seattle Consumer Price Index capped at 3 percent annually (average final compensation is based on the greatest compensation during any consecutive 60 month period). Plan 2 retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 with 30 years of service, a 3% per year reduction applies, otherwise an actuarial reduction will apply.

Death and disability benefits are available in Plan 1. TRS Plan 1 members receive the following additional lump sum death benefits: retired members - \$400 (if at least ten years of membership service), active members - \$600. Members on temporary disability receive a temporary life annuity of \$180 per month payable up to two years. After five years of service, members on a disability retirement receive an allowance based on salary and service to date of disability. Members prior to April 25, 1973 may elect a benefit based on the formula in effect at that time.

There were no material changes in TRS benefit provisions effective for the fiscal year ended June 30, 2000. Legislation passed in the 2000 session, effective September 2000, provides a 3% early retirement factor from age 65 for TRS 2/3 membership, age 55 or older with 30 years of service.

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF participants who joined the system by September

30, 1977 are Plan 1 members. Those joining after September 30, 1977 are Plan 2 members. LEOFF retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation where the state pays the remainder through state legislative appropriations. Employee contributions to LEOFF accrue interest at a rate specified by DRS. During Fiscal Year 2000, the DRS-established rate on employee contributions was 5.5 percent compounded quarterly. Employees in LEOFF can elect to withdraw total employee contributions and interest earnings thereon upon termination.

LEOFF was established in 1970 by the Legislature. Membership includes all full-time, fully compensated, local law enforcement officers and fire fighters. LEOFF membership is comprised principally of nonstate employees.

LEOFF retirement benefits are established in state statute and may be amended only by the state Legislature. LEOFF System benefits are vested after an employee completes five years of eligible service.

Plan 1 participants are eligible to retire with five years of service at the age of 50. The benefit per year of service is calculated as a percent of average final salary as follows: 5-10 years - 1.0 percent, 10-20 years - 1.5 percent, 20+ years - 2.0 percent. The average final salary is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months salary within the last ten years of service. Retirement benefits are fully indexed to the Seattle Consumer Price Index.

Plan 2 participants are eligible to retire at the age of 50 with 20 years of service, or at the age of 53 with five years of service. Retirement benefits prior to the age of 53 are reduced 3% for each year that the benefit commences prior to age 53. The benefit is 2 percent of average salary per year of service. The average salary is based on the highest consecutive 60 months. Retirement benefits are indexed to the Seattle Consumer Price Index with a cap of 3 percent annually.

Significant death and disability benefits are provided by Plan 1. Death benefits for Plan 1 members on active duty consist of the following: (1) if eligible spouse, 50 percent of the average final salary, plus 5 percent of average final salary for each surviving child, with a limitation on the combined allowances of 60 percent of the average final salary; or (2) if no eligible spouse, 30 percent of average final salary for the first child plus 10 percent for each additional child, subject to a 60 percent

limitation of average final salary. In addition, a duty death benefit of \$150,000 is provided to Plan 1 and Plan 2 members.

Plan 1 members are eligible for disability benefits after a six month waiting period (during which the salary is paid by the employer). The amount of the allowance is 50 percent of the average final salary plus 5 percent for each child up to a maximum of 60 percent. Upon recovery from disability before the age of 50, a member is restored to service with full credit for service while disabled. Upon recovery after the age of 50, the benefit continues as the greater of the member's disability allowance or service retirement allowance. These benefit provisions were established by statute.

Legislation passed during the 2000 session, effective July 1, 2000, set the employer and employee contribution rate, for LEOFF 1, to zero contingent on the plan remaining fully funded. For LEOFF 2 the age eligible for unreduced benefits was lowered to age 53, and the actuarial reduction was replaced with a 3% reduction. The actuarial reduction still applies for death and disability benefits before early retirement eligibility. There were no significant changes in LEOFF benefit provisions for the fiscal year ended June 30, 2000.

Washington State Patrol Retirement System (WSPRS)

WSPRS is a single-employer retirement system comprised of one defined benefit plan. WSPRS retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to WSPRS accrue interest at a rate specified by DRS. During Fiscal Year 2000, the DRS-established rate on employee contributions was 5.5 percent compounded quarterly. Employees in WSPRS can elect to withdraw total employee contributions and interest earnings thereon upon termination.

The WSPRS was established by the Legislature in 1947. Any commissioned employee of the State Patrol is eligible to participate.

Members are eligible to retire at the age of 55 or after 25 years of service with a benefit of 2 percent of average final salary per year of service. The benefit is capped at 75 percent of average final salary. In addition, a 2 percent cost-of-living allowance is included.

WSPRS retirement benefits are established in state statute and may be amended only by the state Legislature. Benefits are vested after an employee completes five years of eligible service.

Benefit provisions include death benefits; however, the system contains no disability benefits. The death benefit for a spouse of a member on active duty consists of 50 percent of average final salary, and 5 percent of average final salary for each surviving child, with a limitation on the combined allowance of 60 percent of average final salary.

The employee rate for WSPRS was set to 3% for July 1, 2000 to June 30, 2001. There were no significant changes in WSPRS benefit provisions for the fiscal year ended June 30, 2000.

Judicial Retirement System (JRS)

JRS is an agent multiple-employer retirement system comprised of a single defined benefit plan. JRS retirement benefits are financed on a pay-as-you-go basis from a combination of investment earnings, employer contributions, employee contributions, and a special funding situation where the state pays the remaining contributions. JRS employees accrue no interest on contributions and may not elect to withdraw their contributions upon termination.

JRS was established by the Legislature in 1971. Membership includes judges elected or appointed to the Supreme Court, Court of Appeals, and Superior Courts on or after August 9, 1971. The system was closed to new entrants on July 1, 1988, with new judges joining PERS.

Benefit provisions are established in state statute and may be amended only by the state Legislature. Any member who involuntarily terminates with 12 or more years of credited service and 15 years after beginning judicial service, or voluntarily terminates with 15 or more years of credited service, is vested and shall receive retirement benefits upon attaining the age of 60. Retirement benefits are 3 percent of the average final compensation for 10-15 years of service, and 3.5 percent for 15 or more years of service.

Death and disability benefits are also provided. Eligibility for death benefits while on active duty requires ten or more years of service. A monthly spousal benefit is provided which is equal to 50 percent of the benefit a member would have received if retired, or if greater, 25 percent of the average final compensation of the member. These benefits terminate with the death or remarriage of the recipient. If the member is retired, a 50 percent allowance is provided to the surviving spouse that has been married to the judge at least three years at the time of death. Benefits terminate on remarriage. For members with ten or more years of service, a disability benefit of 50 percent of salary is provided.

There were no significant changes made in JRS benefit provisions for the fiscal year ended June 30, 2000.

Judges Retirement Fund (Judges)

The Judges Retirement Fund is an agent multiple-employer retirement system comprised of a single defined benefit plan. Retirement benefits are financed on a pay-as-you-go basis from a combination of employee contributions, employer contributions, and a special funding situation where the state pays the remaining contributions. Employees do not earn interest on their contributions, nor can they elect to withdraw their contributions upon termination.

The Judges Retirement Fund was created by the Legislature on March 22, 1937, pursuant to chapter 2.12 RCW, to provide retirement benefits to judges of the Supreme Court, Court of Appeals, or Superior Courts of the state of Washington. Subsequent legislation required that all judges first appointed or elected to office on or after August 9, 1971 enter the Judicial Retirement System.

Benefit provisions are established in statute and may be amended only by the state Legislature. Any member who has ten years of credited service and attains the age of 70 or has served as a judge for an aggregate of 18 years, regardless of age, is vested and entitled to receive a retirement allowance upon leaving service. Any member who leaves eligible service after having served as a judge for an aggregate of 12 years is vested and eligible for a partial retirement allowance. With the exception of a partial retirement allowance, the member receives a benefit equal to one-half of the monthly salary being received as a judge at the time of retirement, or at the end of the term immediately prior to retirement if retirement occurs after the expiration of the member's term in office. A partial retirement allowance is based on the proportion of the member's 12 or more years of service in relation to 18 years of service.

There were no significant changes made in Judges benefit provisions for the fiscal year ended June 30, 2000.

The Volunteer Fire Fighters' Relief and Pension Fund (VFFRPF)

VFFRPF is a cost-sharing multiple-employer retirement system that provides death and active duty disability benefits to all members, and optional defined benefit pension plan payments.

VFFRPF retirement benefits are financed from a combination of investment earnings, member contributions, municipality contributions, and a special funding situation where the state pays the remaining contributions. VFFRPF members accrue no interest on

contributions and may elect to withdraw their contributions upon termination.

VFFRPF was created by the Legislature in 1945. Membership in the system requires volunteer service with a fire department of an electing municipality of Washington State.

Retirement benefits are established in state statute and may be amended only by the state Legislature. Since retirement benefits cover volunteer service, benefits are paid based on years of service not salary. Members are vested after ten years of service.

After 25 years of active membership, members having reached the age of 65 and who have paid their annual retirement fee for 25 years, are entitled to receive a monthly benefit of \$30 plus \$10 per year of service. The maximum monthly benefit is \$280. Reduced pensions are available for members under the age of 65 or with less than 25 years of service.

Death and active duty disability benefits are provided at no cost to the member. Death benefits in the line of duty consist of a lump sum of \$2,000. Funeral and burial expenses are also paid in a lump sum of \$2,000 for members on active duty. Members receiving disability benefits at the time of death shall be paid \$500. Members on active duty shall receive disability payments of \$2,550 per month for up to six months; thereafter, payments are reduced. Disabled members receive \$1,275 per month, their spouse \$255, and dependent children \$110. Benefit provisions for VFFRPF are established under the authority of chapter 41.24 RCW.

There were no significant changes in VFFRPF benefit provisions for the fiscal year ended June 30, 2000.

C. Funding Policy

During the 2000 Session the legislature decided to adopt rates based on the 1998 valuation calculated in accordance with the Funding Policy effective May 2000. This replaced the rates adopted by the Pension Funding Council for the 1999-01 biennium, as adjusted for legislation passed since they were adopted.

Public Employees' Retirement System (PERS)

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates and Plan 2 employer and employee rates. Employee contribution rates for Plan 1 are established by statute at 6 percent and do not vary from year to year. The employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fully fund Plan 2. The methods used to determine the contribution requirements

are established under state statute in accordance with chapters 41.40 and 41.45 RCW. All employers are required to contribute at the level required by the Legislature.

Required contribution rates (expressed as a percentage of current year covered payroll) at the close of Fiscal Year 2000 were as follows:

PERS Actual Contribution Rates		
	PLAN 1	PLAN 2
Employer Rates:		
State agencies*	3.81%	3.81%
Local governmental units*	3.81%	3.81%
State gov't elected officials*	5.60%	3.81%
Employee Rates:		
State agencies	6.00%	1.54%
Local governmental units	6.00%	1.54%
State gov't elected officials	7.50%	1.54%

*Includes an administrative expense rate of 0.23 percent.

Teachers' Retirement System (TRS)

Each biennium the state Pension Funding Council adopts Plan 1 employer contribution rates and Plan 2/3 employer and employee contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent and do not vary from year to year. The employer and employee contribution rates for Plan 2/3 are developed by the Office of the State Actuary to fully fund Plan 2/3. The methods used to determine the contribution requirements are established under state statute as per chapters 41.32 and 41.45 RCW. All employers are required to contribute at the level established by the Legislature. Employees who participate in the DC portion of the TRS 2/3 Plan do not contribute to the DB portion of the TRS 2/3 Plan.

Required contributions (expressed as a percentage of current year covered payroll) at the close of Fiscal Year 2000 were as follows:

TRS Actual Contribution Rates		
	PLAN 1	PLAN 2/3
Employer Rates*	6.26%	6.26%
Employee Rates	6.00%	1.85%

* Includes an administrative expense rate of 0.23 percent.

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)

For Plan 1, employers and employees are required to contribute at a rate of 6 percent, and the state is responsible for the balance of the funding at rates set by the Pension Funding Council. Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plan. Plan 2 employers and employees are required to pay at the level adopted

by the Department of Retirement Systems in accordance with chapter 41.45 RCW. All employers are required to contribute at the level required by state statute.

Required contribution rates (expressed as a percentage of current year covered payroll) at the close of Fiscal Year 2000 were as follows:

LEOFF Actual Contribution Rates		
	PLAN 1	PLAN 2
Employer Rates*	6.25%	3.50%
Employee Rates	6.00%	5.41%
State of Washington	0.00%	2.16%

*Includes an administrative expense rate of 0.25 percent.

The Legislature, by means of a special funding arrangement, appropriated money from the General Fund to supplement the current service liability and fund the prior service costs of Plan 1 in accordance with the requirements of the Pension Funding Council. However, this special funding situation is not mandated by the state Constitution and this funding requirement could be returned to the employers by a change of statute.

Washington State Patrol Retirement System (WSPRS)

State statute (chapter 43.43 RCW) obligates employees to contribute at a fixed rate of 7 percent. Contribution rates for the state are adopted by the Pension Funding Council in accordance with chapter 41.45 RCW. The state is required to contribute at the level required by state statute.

Required contribution rates (expressed as a percentage of current year covered payroll) at the close of Fiscal Year 2000 were as follows:

WSPRS Actual Contribution Rates	
Employer Contributions	0.00%
Employee Contributions	7.00%

Judicial Retirement System (JRS)

Contributions made are based on rates set in chapter 2.10 RCW. By statute, employees are required to contribute 7.5 percent with an equal amount contributed by the state. In addition, the state guarantees the solvency of the JRS on a pay-as-you-go basis. Each biennium, the Legislature, through biennial appropriations from the General Fund, contributes amounts sufficient to meet benefit payment requirements. For Fiscal Year 2000, the state contributed \$7 million.

Judges

Contributions made are based on rates set in chapter 2.12 RCW. By statute, employees are required to contribute 6.5 percent with an equal amount contributed by the state. In addition, the state guarantees the solvency of

the Judges Retirement Fund on a pay-as-you-go basis. Each biennium, the Legislature, through biennial appropriations from the General Fund, contributes amounts sufficient to meet benefit payment requirements. For Fiscal Year 2000, the state contributed \$.75 million.

The Volunteer Fire Fighters' Relief and Pension Fund (VFFRPF)

The retirement provisions of VFFRPF is funded through member contributions of \$30 per year, employer contributions of \$30 per year, and 40 percent of the Fire Insurance Premium Tax, as per chapter 41.24 RCW. VFFRPF members earn no interest on contributions and may elect to withdraw their contributions upon termination. The death and disability provisions of VFFRPF are funded by employer contribution rates of \$10 per member.

Administration expenses are funded through fire insurance premium taxes and are maintained in a separate fund. Amounts not needed for administrative expenses are transferred to VFFRPF.

D. Employer Contributions Required and Paid

The following table presents the state of Washington's required contributions in millions of dollars to cost-sharing plans in accordance with the funding policy. All contributions required by the funding method were paid.

	2000	1999	1998
PERS Plan 1	\$102.6	\$119.3	\$115.7
PERS Plan 2	44.1	103.0	96.9
TRS Plan 1	4.7	6.0	5.8
TRS Plan 2/3	.3	.5	.6
LEOFF Plan 1	0	48.8	50.4
LEOFF Plan 2	17.3	22.2	20.1
VFFRPF	2.7	2.5	2.0

There are no long-term contracts for contributions for any of the retirement plans administered by the state.

E. Annual Pension Cost and Net Pension Obligation

The State's annual pension cost and net pension obligation in millions to the plans listed for the current year were as follows:

	WSPR S	JRS	Judges
Annual Required Contribution	\$(11.4)	\$12.5	\$0.3
Interest on NPO*	(3.2)	2.5	(0.2)
Adjustment to annual required contribution	3.6	(4.7)	0.4
Annual Pension Cost	(11.0)	10.3	0.5
Less Contributions Made	0.0	7.3	0.8
Increase (decrease) in NPO	(11.0)	3.0	(0.3)
NPO at beginning of year	(43.2)	33.8	(2.3)
NPO at end of year	(54.2)	36.8	(2.6)

The valuation date for the plans is December 31, 1999. The actuarial cost method is entry age normal. The unfunded amount or surplus is being amortized as a level dollar amount to December 31, 2008 for JRS and Judges and June 30, 2024 for WSPRS. All other methods and assumptions are the same as used in funding and disclosed in "Notes to Required Supplementary Schedules – Defined Benefit Pension Plans."

F. Three Year Trend Information

The following table presents three-year trend information in millions for the plans listed:

	2000	1999	1998
WSPRS			
Annual Pension Cost	\$(11.0)	\$(6.5)	\$(3.8)
% of APC contributed	0.0	-90.8	-157.9
NPO	\$(54.2)	\$(43.2)	\$(30.8)
JRS			
Annual Pension Cost	\$10.3	\$10.3	\$10.1
% of APC contributed	70.9	85.4	87.1
NPO	\$36.8	\$33.8	\$32.3
Judges			
Annual Pension Cost	\$0.5	\$0.4	\$0.4
% of APC contributed	160.0	200.0	200.0
NPO	\$(2.6)	\$(2.3)	\$(1.9)

There are no long-term contracts for contributions for any of the retirement plans administered by the state.

G. Changes in Actuarial Assumptions

During Fiscal Year 2000 there were no changes in actuarial assumptions.

H. Changes in Benefit Provisions

TRS 2, PERS 2 and LEOFF 2 had improvements made in their early retirement benefits as described in section B. Plan Description. Changes in contributions rates were made as described above. Other changes had no material impact or were not effective this year and will not be recognized until members transfer to PERS 3 as described in section B or the School Employees' Retirement System (SERS) 2/3. SERS was created by the Washington State Legislature in 1998. Beginning September 1, 2000, all eligible classified employees of school districts and educational service districts who are members of PERS Plan 2 automatically become members of SERS Plan 2. The benefits in SERS Plan 2 are identical to the benefits in PERS Plan 2. SERS Plan 2 members may choose to transfer to SERS Plan 3, which offers both a defined benefit component and a defined contribution component.

I. Defined Contribution Plans

Teachers Retirement System Plan 3 (TRS 3)

The Teachers Retirement System Plan 3 is a defined contribution (DC) plan administered by the state through the Department of Retirement Systems (DRS). Eligible employees include certificated employees in grades K-12 in the public schools hired after July 1, 1996, and those TRS 2/3 members who elect to transfer. There are 330 participating employers in TRS 3. See Section B, of this note, for TRS plan descriptions.

As established by chapter 41.34 RCW, employee contribution rates range from 5 percent to 8.5 percent of salaries based on age. There are currently no requirements for employer contributions.

TRS 3 DC retirement benefits are solely dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions as authorized by the Employee Retirement Benefit Board. Any expenses caused in conjunction with self-directed

investments are to be paid by members. Absent a member's self-direction, Plan 3 investments are made in the same portfolio as that of the TRS 2/3 defined benefit plan.

For Fiscal Year 2000, employee contributions required and made were \$112.7 million and plan refunds paid out were \$16.2 million.

Judicial Retirement Account (JRA)

The Judicial Retirement Account Plan was established by the Legislature in 1988 to provide supplemental retirement benefits. It is a defined contribution plan administered by the state of Washington Administrator for the Courts, under the direction of the Board for Judicial Administration. Membership includes judges elected or appointed to the Supreme Court, Court of Appeals, and Superior Courts, and who are members of the PERS for their services as a judge. Vesting is full and immediate. There are three participating employers in JRA.

Employee contributions equal 2.5 percent of salary and the state, as employer, matches this amount. Contributions are collected by the Administrator for the Courts. The employer and employee obligations to contribute are established per chapter 2.14 RCW. Current-year covered payroll for JRA employees was \$4.1 million for the fiscal year ended June 30, 2000. For Fiscal Year 2000, the contribution requirement for JRA was \$612,000. Actual employer and employee contributions were \$306,000 each, for a total of \$612,000. Plan benefits paid out for Fiscal Year 2000 totaled \$290,180.

A JRA member who separates from judicial service for any reason is entitled to receive a lump-sum distribution of the accumulated contributions. If a member dies, the amount of accumulated contributions standing to the member's credit at the time of the member's death shall be paid to such a person or persons having an insurable interest in the member's life, per written designation of the member.

Membership in TRS 3 and the Judicial Retirement Account consisted of the following at June 30, 2000:

Plan Administered by the State	Retirees and Beneficiaries Receiving Benefits	Terminated Plan Members Entitled to but not yet Receiving Benefits	Active Plan Members Vested	Active Plan Members Nonvested	Total
TRS 3	50	919	16,259	19,025	36,253
JRA	0	6	163	n/a	169

**Teachers' Insurance and Annuity
Association/College Retirement Equity Fund
(TIAA/CREF)**

TIAA/CREF, privately administered defined contribution plans, provide individual retirement fund contracts for each eligible employee. There are 38 participating state employers in the TIAA/CREF plan. Eligible employees include higher education faculty and other positions as designated by each institution; participation was established under chapter 28B.10 RCW. The employee must commence participation within the first two years of employment. Once eligible to participate in this system, members are vested immediately.

Employee contribution rates, which are based on age, range from 5 to 10 percent of salary. These rates are matched by the institution and sent to TIAA/CREF. The employer and employee obligations to contribute are established per chapter 28B.10 RCW. For Fiscal Year 2000, covered payroll for TIAA/CREF employees was \$929 million and the contribution requirement for TIAA/CREF was \$150 million. Actual employer and employee contributions were \$75 million each, for a total of \$150 million. These contribution amounts represent approximately 8 percent of covered payroll for employers and employees.

TIAA/CREF benefits are payable upon termination at the member's option unless the participant is reemployed in another institution which participates in TIAA/CREF.

Upon retirement, participant accumulations are used to purchase an annuity. The benefits are determined as follows: TIAA - accumulations are converted to a fixed guaranteed annuity payable for life. In addition to the guaranteed annuity, a dividend payment is declared each year depending on investment performance; CREF - at retirement the value of the fund is converted to a variable annuity. This means the annuity is not guaranteed but rises and falls with the value of equity investments.

J. Plan Net Assets

Pension plan investments are presented at fair value. The fair value of investments is based on published market prices and quotations from major investment brokers at current exchange rates, as available. Privately held mortgages have been valued at cost which approximates fair market value. The fair value of real estate investments has been estimated based on independent appraisals. Venture capital and leveraged buy out investments are determined by independent investment advisors based on an analysis of the audited financial statements of the underlying partnerships. The pension funds have no investments of any commercial or industrial organization whose market value equals 5 percent or more of each plan's net assets.

The Combining Statement of Plan Net Assets that follows presents the principal components of receivables and investments.

Combining Statement of Plan Net Assets

Defined Benefit Pension Plans and Other Pension Trust Funds

June 30, 2000 (expressed in thousands)

	Public Employees' Plan 1	Public Employees' Plan 2	Teachers' Plan 1	Teachers' Plan 2/3 Defined Benefit	Teachers' Plan 3 Defined Contribution	LEOFF Plan 1
Assets:						
Cash and pooled investments	\$ 5,083	\$ 566	\$ 5,241	\$ 1,666	\$ 1,839	\$ 1,759
Receivables:						
Interest and dividends	51,778	57,137	44,911	15,353	3,802	25,432
Contributions	7,671	18,718	9,850	11,404	-	1,012
Due from other funds	29	4,111	24	10,417	-	9
Other	11,854	12,130	9,821	3,227	799	5,396
Total Receivables	71,332	92,096	64,606	40,401	4,601	31,849
Investments, Noncurrent:						
Asset backed securities	118,856	131,518	103,023	35,428	8,544	58,346
Collateralized mort oblig	502,727	556,286	435,760	149,851	36,137	246,788
Commercial paper	203,962	225,691	176,793	60,796	14,661	100,125
Corporate bonds	1,540,739	1,704,885	1,335,501	459,259	110,753	756,348
Corporate stock	678,527	750,815	588,142	202,253	48,775	333,088
Govt securities domestic	86,846	96,098	75,278	25,887	6,243	42,633
Govt securities foreign	45,939	50,834	39,820	13,693	3,302	22,552
Government bonds	3,072	3,399	2,662	916	221	1,508
Repurchase agreements	48,581	53,756	42,109	14,481	3,492	23,848
Certificates of Deposit	37,091	41,043	32,150	11,056	2,666	18,208
Mutual funds	5,427,316	6,005,525	4,704,356	1,617,758	390,132	2,664,265
Leveraged buy-outs	479,976	531,111	416,040	143,070	34,502	235,620
Mortgages	211,740	234,299	183,535	63,115	15,220	103,943
Real estate	760,731	841,777	659,396	226,756	54,684	373,443
Venture capital	832,350	921,026	721,474	248,104	59,832	408,600
Investments on loan	436,870	483,413	378,676	130,221	31,404	214,459
Short term investments	318,454	355,545	285,659	99,505	28,383	157,005
Other noncurrent investments	86	10	76	31	840,693	48
Total Investments, Noncurrent	11,733,863	12,987,031	10,180,450	3,502,180	1,689,644	5,760,827
Total Assets	11,810,278	13,079,693	10,250,297	3,544,247	1,696,084	5,794,435
Liabilities:						
Obligations under security lending agreements	447,934	495,528	388,264	132,838	32,883	219,885
Accrued liabilities	57,097	54,362	48,655	14,988	3,024	25,077
Due to other funds	4,353	427	10,546	114	-	50
Total Long-Term Liabilities	509,384	550,317	447,465	147,940	35,907	245,012
Net Assets Held in Trust for Pension Benefits (Schedule of funding progress by plan begins on page 96)	\$ 11,300,894	\$ 12,529,376	\$ 9,802,832	\$ 3,396,307	\$ 1,660,177	\$ 5,549,423

State of Washington

LEOFF Plan 2	Washington State Patrol	Judicial Retirement System	Judicial Retirement Account	Judges	Volunteer Fire Fighters'	Totals June 30, 2000
\$ 653	\$ 462	\$ 326	\$ 98	\$ 4,555	\$ 2,749	\$ 24,997
10,973	3,293	50	-	-	579	213,308
5,387	167	25	-	1	-	54,235
5	2	2	-	20	9	14,628
2,352	692	6	-	-	122	46,399
18,717	4,154	83	-	21	710	328,570
25,227	7,564	-	-	-	1,332	489,838
106,704	31,995	-	-	-	5,636	2,071,884
43,291	12,981	-	-	-	2,286	840,586
327,023	98,057	-	-	-	17,272	6,349,837
144,018	43,183	-	-	-	7,606	2,796,407
18,433	5,527	-	-	-	974	357,919
9,751	2,924	-	-	-	515	189,330
652	195	-	-	-	34	12,659
10,311	3,092	-	-	-	545	200,215
7,873	2,361	-	-	-	416	152,864
1,151,952	345,408	-	-	-	60,841	22,367,553
101,875	30,547	-	-	-	5,381	1,978,122
44,942	13,476	-	-	-	2,374	872,644
161,466	48,415	-	-	-	8,528	3,135,196
176,667	52,973	-	-	-	9,331	3,430,357
92,726	27,803	-	-	-	4,897	1,800,469
73,439	20,556	9,149	-	-	3,650	1,351,345
-	5	1	9,208	26	23	850,207
2,496,350	747,062	9,150	9,208	26	131,641	49,247,432
2,515,720	751,678	9,559	9,306	4,602	135,100	49,600,999
95,054	28,507	6	2	71	5,063	1,846,035
10,292	3,414	132	29	12	629	217,711
82	3	-	1	-	3	15,579
105,428	31,924	138	32	83	5,695	2,079,325
\$ 2,410,292	\$ 719,754	\$ 9,421	\$ 9,274	\$ 4,519	\$ 129,405	\$ 47,521,674

Note 18 - Segment Information - Enterprise Funds

The state of Washington operates enterprise funds which are intended to be self-supported through fees charged to the public, or where a periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise fund activities operated by the state include the following:

Liquor Fund

The Liquor Fund is used to account for the administration and operation of state liquor stores, warehouses, and the distribution of net proceeds.

Workers' Compensation Fund

The Workers' Compensation Fund is used to account for the workers' compensation program which provides medical, time-loss, and disability benefit payments to qualifying individuals sustaining work-related injuries.

Convention and Trade Fund

The Convention and Trade Fund is used to promote and operate the State Convention and Trade Center.

Lottery Fund

The Lottery Fund is used to account for lottery ticket revenues, administrative and operating expenses of the Lottery Commission, and the distribution of revenue.

State Ferry Fund

The State Ferry Fund is used to account for all revenues and payments of all operating costs of the state ferry system.

Student Services Fund

The Student Services Fund is used by colleges and universities principally for bookstore, cafeteria, parking, student housing, and food service activities.

All Other Enterprise Funds

Services and fees charged by the various departments including: Department of Social and Health Services and the Department of Corrections.

The table below reflects in a summarized format the significant enterprise fund activities which have occurred during the fiscal year ended June 30, 2000. Interfund transactions have not been eliminated for purposes of this analysis (expressed in thousands):

	Liquor Fund	Workers' Comp. Fund	Convention and Trade Fund	Lottery Fund	State Ferry Fund	Student Services Fund	All Other Enterprise Funds	Total Enterprise Funds
Operating Revenues	\$ 90,440	\$ 1,439,483	\$ 9,785	\$ 452,811	\$ 97,328	\$ 745,212	\$ 19,230	\$ 2,854,289
Depreciation and Amortization	50	2,667	4,107	249	28,602	33,638	1,583	70,896
Operating Income (Loss)	22,741	(1,030,210)	(7,628)	100,390	(75,837)	(4,573)	(29,750)	(1,024,867)
Operating Interfund Transfers (Net)	(45,543)	(5,947)	(8)	(95,831)	52,115	11,009	8,599	(75,606)
Tax Revenue	43,014	-	33,131	-	-	-	528	76,673
Net Income (Loss)	(2,895)	(1,155,696)	16,349	(39,228)	(20,508)	24,728	(8,072)	(1,185,322)
Current Capital Contribution (Return)	-	-	-	-	70,982	-	-	70,982
Net Working Capital	29,290	(1,563,214)	47,045	20,326	3,823	287,468	41,211	(1,134,051)
Change in Fixed Assets	415	(1,337)	53,858	67	45,370	46,685	(4,278)	140,780
Total Assets	72,957	9,532,427	367,065	575,612	867,470	1,199,635	223,927	12,839,093
Bonds and Other Long-Term Liabilities								
Payable from Operating Revenues	25,091	12,515,320	322,028	485,982	7,041	250,115	80,355	13,685,932
Total Equity	18,275	(5,063,311)	30,378	4,233	848,962	777,278	50,718	(3,333,467)

Note 19 - Condensed Financial Information - Component Units

The state has five proprietary type component units. Four of these components are financing authorities. They issue nonrecourse revenue bonds to provide low cost capital financing for programs deemed to be in the public interest without using public funds or lending the credit of the state. These component units are as follows:

Housing Finance

The Washington State Housing Finance Commission makes funds available to help provide housing throughout the state and to finance or refinance nursing homes and capital facilities owned and operated by nonprofit corporations.

Higher Education Facilities

The Washington Higher Education Facilities Authority provides funding to qualified, nonprofit higher education institutions in the state.

Health Care Facilities

The Washington Health Care Facilities Authority makes funds available to qualified, nonprofit health care facilities in the state.

Economic Development Finance

The Washington Economic Development Finance Authority makes funds available to qualified small and medium-sized businesses in the state.

The fifth component unit is:

The Public Stadium

The Washington State Public Stadium Authority, was formed to acquire, construct, own and operate a stadium, exhibition center and parking garage.

The tables below present the latest financial information available for the component units (expressed in thousands):

Balance Sheets	Housing Finance June 30, 2000	Higher Education Facilities June 30, 2000	Health Care Facilities June 30, 2000	Economic Development Finance Dec. 31, 1999	Public Stadium June 30, 2000	Totals
Assets:						
Current assets	\$ 37,409	\$ 695	\$ 2,009	\$ 2	\$ 39,572	\$ 79,687
Other nonfixed assets	6,985	1	1,473	-	12,043	20,502
Fixed assets	-	-	-	-	176,109	176,109
Total Assets	\$ 44,394	\$ 696	\$ 3,482	\$ 2	\$ 227,724	\$ 276,298
Liabilities:						
Current liabilities	\$ 1,500	\$ 103	\$ 104	\$ 3	\$ 11,365	\$ 13,075
Long-term liabilities	4,978	-	37	-	17,248	22,263
Total Liabilities	6,478	103	141	3	28,613	35,338
Equity	37,916	593	3,341	(1)	199,111	240,960
Total Liabilities and Equity	\$ 44,394	\$ 696	\$ 3,482	\$ 2	\$ 227,724	\$ 276,298

Statements of Revenues, Expenses, and Changes in Equity	Housing Finance Year Ended June 30, 2000	Higher Education Facilities Year Ended June 30, 2000	Health Care Facilities Year Ended June 30, 2000	Economic Development Finance Year Ended Dec. 31, 1999	Public Stadium Year Ended June 30, 2000	Totals
Operating revenues	\$ 7,513	\$ 77	\$ 530	\$ 94	\$ 283	\$ 8,497
Operating expenses	5,699	169	536	130	3,462	9,996
Operating income	1,814	(92)	(6)	(36)	(3,179)	(1,499)
Nonoperating revenue (expenses)						
Earnings on investments	1,670	37	161	-	1,214	3,082
Interest expense	(305)	-	-	-	-	(305)
Net income	3,179	(55)	155	(36)	(1,965)	1,278
Equity as restated, July 1	34,677	648	3,186	35	66,981	105,527
Contributions of capital	60	-	-	-	134,095	134,155
Equity, June 30	\$ 37,916	\$ 593	\$ 3,341	\$ (1)	\$ 199,111	\$ 240,960

Note 20 - Commitments and Contingencies

A. Construction and Other Commitments

Outstanding commitments related to state facility construction, improvement, and/or renovation totaled \$2.0 billion at June 30, 2000.

B. Summary of Significant Litigation

The state and its agencies are parties to numerous routine legal proceedings which normally occur in governmental operations. At any given point in time, there may be numerous lawsuits involving state agencies which could impact expenditures. There is a recurring volume of tort and other claims for compensation and damages against the state and some specific state agencies, including the Departments of Transportation, Corrections, Social and Health Services, and the University of Washington. There are risk management funds reserved by the state for these claims and insurance is available to pay a portion of damages for certain types of claims. There has been a trend over the past two years of higher jury verdicts on certain types of damage claims. The collective impact of these claims, however, is not likely to have a material impact on state revenues or expenditures.

Social Service Program Administration Litigation

At any point in time, there also are a number of lawsuits challenging the management and administration of State programs. Some lawsuits are seeking an expansion of program social services for certain constituents. In *Allen v. Western State Hospital*, for instance, the Washington Protection and Advocacy System has filed a class action

lawsuit on behalf of patients with developmental disabilities at Western State Hospital alleging that the State programs are inadequate and the State has failed to provide community base services when appropriate. *Arc, et al. v. Quasim* is a class action on behalf of the persons with developmental disabilities seeking access to Medicaid funded services. It is difficult to estimate with any certainty the potential amount of damages which might be recovered; however, these lawsuits will not have a material impact on State revenues or expenditures. If relief is granted, there would be a need to reprioritize agency program expenditures in the budget process to provide program support for individuals in these classes.

Medicaid Reimbursement Litigation

There also is a class action lawsuit challenging the Department of Social and Health Services' authority to use Social Security benefits received on behalf of a foster child when it acts as a representative payee and applies the benefits toward the costs of the child's foster care. The Department currently receives almost \$1 million a month in Social Security monies that it uses for this purpose. The lawsuit seeks a declaratory ruling that the State may not obtain and use such funds for foster care services, and a refund of funds used in the past. A Superior Court Judge has determined that the Department may not use the Social Security funds in this manner. This ruling is currently on review in the State Supreme Court. It is difficult to estimate with any certainty the potential amount of damages which might

be recovered. If relief is affirmed, there would be a reduction of revenue to the State in the future, resulting in a need to seek additional funding or reprioritize use of existing funding. There also would be a follow up proceeding to determine to what extent there should be refunds.

Business & Occupation Tax Structure Litigation

Over the past ten years, we have reported on the recurring litigation challenging the State's business and occupation tax structure (referred to as the interstate manufacturers litigation). This litigation represents the claims of approximately 115 corporate taxpayers for business and occupation tax refunds from periods from 1980 to the present. In the most recent round of this litigation, the United States Supreme Court denied certiorari review of an April 1999 decision by the Washington State Supreme Court. *W.R. Grace & Co. - Conn. And Chrysler Motors Corporation v. State of Washington, Department of Rev., and Buffelen Woodworking Co., et al. v. State of Washington, Department of Rev.* The State Supreme Court denied claims for a refund except to the extent the taxpayers could demonstrate entitlement to credits against their Washington State tax liability measured by gross receipt of taxes paid to other taxing jurisdictions outside of the State. The cases were remanded to Thurston County Superior Court, and the taxpayers have waived refunds measured by tax credits. Based on the lengthy history of this case, we expect the taxpayers to use other refund claims to try to re-present the issue to the United States Supreme Court. It is difficult to estimate with any certainty the potential amount of damages which might be recovered.

C. Federal Assistance

The state has received federal financial assistance for specific purposes that are generally subject to review or audit by the grantor agencies. Entitlement to this assistance is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of assistance for allowable purposes. Any disallowance resulting from a review or audit may become a liability of the state. The state does estimate and recognize a claims and judgments liability for disallowances when determined by the grantor agency or for probable disallowances based on experience pertaining to these grants; however, these recognized liabilities and any unrecognized disallowances are considered immaterial to the state's overall financial condition.

D. Arbitrage Rebate

Rebatable arbitrage is defined by the Internal Revenue Service Code Section 148 as earnings on investments purchased from the gross proceeds of a bond issue that are in excess of the amount that would have been earned if the investments were invested at a yield equal to the yield on the bond issue. The rebatable arbitrage must be paid to the federal government. State agencies and universities responsible for investments from bond proceeds carefully monitor their investments to restrict earnings to a yield less than the bond issue, and therefore limit any state arbitrage liability. The state estimates that rebatable arbitrage liability, if any, will be immaterial to its overall financial condition.

Note 21 - Subsequent Events

A. Bond Issues

In September 1, 2000, the state issued \$279.5 million in Various Purpose General Obligation Bonds, Series 2001A, \$35.4 million in Motor Vehicle Fuel Tax Bonds, Series 2001B, and \$26.8 million in Various Purpose General Obligation Taxable Bonds, Series 2001T.

B. Certificates of Participation

In August 2000, the state issued \$4.0 million in Certificates of Participation for the Bates Technical College, Series 2000C.

In August 2000, the state issued \$4.3 million in Certificates of Participation for the Edmonds Community College, Series 610-0004.

In August 2000, the state issued \$3.1 million in Certificates of Participation for various statewide equipment lease purchases, Series 2000D.

In October 2000, the state issued \$5.2 million in Certificates of Participation for various statewide equipment lease purchases, Series 2000E.

C. Voter Initiatives

On November 7, 2000 voters approved Initiative 722 which rolls back any state and local tax and fee increases adopted between July 2, 1999 and December 31, 1999, and requires them to be refunded to taxpayers. Additionally, the increase in value for property taxing purposes for each individual property is limited to the lesser of two percent or the rate of inflation. The refund provision of I-722 is estimated to reduce General Fund-State revenues by \$4.8 million in the 2001-2003

Biennium. The limitations on property taxes is estimated to reduce General Fund-State revenues by \$34.4 million.

The voters also approved Initiative 728 which would direct a portion of the state property tax to a new Student Achievement Fund to be used for new allocations to school districts for class size reduction, extended learning opportunities, and professional development. It would also dedicate state lottery revenues, which are currently deposited in the state General Fund, to the new Student Achievement Account and to school construction. The combined effect of these two

reductions is estimated to reduce General Fund-State revenues by \$443.1 million in the 2001-2003 Biennium.

Initiative 732 was also approved by the voters. I-732 requires that an annual cost of living adjustment be provided to K-12 teachers, community college faculty, and other K-12 and college staff. This adjustment is estimated to result in additional expenditures from General Fund-State totaling \$460 million for the 2001-2003 Biennium.

Required Supplementary Information

Public Employees' Retirement System - Plan 1

Schedule of Funding Progress

Calendar Years 1999 through 1994 (dollars in millions)

	1999	1998	1997	1996	1995	1994
Actuarial Valuation Date	12/31/1999	12/31/1998	12/31/1997	12/31/1996	12/31/1995	12/31/1994
Actuarial Value of Plan Assets	\$ 10,456	\$ 9,219	\$ 8,211	\$ 7,197	\$ 6,440	**
Actuarial Accrued Liability	11,636	11,227	10,817	10,339	9,918	**
Unfunded Actuarial Liability	1,180	2,008	2,606	3,142	3,478	**
Percentage Funded	90%	82%	76%	70%	65%	**
Covered Payroll	1,184	1,233	1,271	1,308	1,324	**
Unfunded Actuarial Liability as a Percentage of Covered Payroll	100%	163%	205%	240%	263%	**

**data not available

Source: Washington State Office of the State Actuary

Public Employees' Retirement System - Plan 2

Schedule of Funding Progress

Calendar Years 1999 through 1994 (dollars in millions)

	1999	1998	1997	1996	1995	1994
Actuarial Valuation Date	12/31/1999	12/31/1998	12/31/1997	12/31/1996	12/31/1995	12/31/1994
Actuarial Value of Plan Assets	\$ 11,371	\$ 9,506	\$ 7,919	\$ 6,407	\$ 5,238	**
Actuarial Accrued Liability	11,371	9,506	7,919	6,407	5,238	**
Unfunded Actuarial Liability	-	-	-	-	-	**
Percentage Funded	100%	100%	100%	100%	100%	**
Covered Payroll	5,546	5,131	4,807	4,510	4,201	**
Unfunded Actuarial Liability as a Percentage of Covered Payroll	0%	0%	0%	0%	0%	**

**data not available

Source: Washington State Office of the State Actuary

Teachers' Retirement System - Plan 1

Schedule of Funding Progress

Fiscal Years 1999 through 1994 (dollars in millions)

	1999	1998	1997	1996	1995	1994
Actuarial Valuation Date	6/30/1999	6/30/1998	6/30/1997	6/30/1996	6/30/1995	6/30/1994
Actuarial Value of Plan Assets	\$ 8,696	\$ 7,819	\$ 6,844	\$ 5,924	**	**
Actuarial Accrued Liability	9,529	9,354	9,044	8,796	**	**
Unfunded Actuarial Liability	833	1,535	2,200	2,872	**	**
Percentage Funded	91%	84%	76%	67%	**	**
Covered Payroll	984	1,046	1,083	1,128	**	**
Unfunded Actuarial Liability as a						
Percentage of Covered Payroll	85%	147%	203%	255%	**	**

** data not available

Source: Washington State Office of the State Actuary

Teachers' Retirement System - Plan 2/3

Schedule of Funding Progress

Fiscal Years 1999 through 1994 (dollars in millions)

	1999	1998	1997	1996	1995	1994
Actuarial Valuation Date	6/30/1999	6/30/1998	6/30/1997	6/30/1996	6/30/1995	6/30/1994
Actuarial Value of Plan Assets	\$ 2,908	\$ 2,567	\$ 2,717	\$ 2,185	**	**
Actuarial Accrued Liability	2,908	2,567	2,717	2,185	**	**
Unfunded Actuarial Liability	-	-	-	-	**	**
Percentage Funded	100%	100%	100%	100%	**	**
Covered Payroll	1,819	1,708	1,549	1,434	**	**
Unfunded Actuarial Liability as a						
Percentage of Covered Payroll	0%	0%	0%	0%	**	**

** data not available

Source: Washington State Office of the State Actuary

Law Enforcement Officers' and Fire Fighters' Retirement System- Plan 1

Schedule of Funding Progress

Calendar Years 1999 through 1994 (dollars in millions)

	1999	1998	1997	1996	1995	1994
Actuarial Valuation Date	12/31/1998	12/31/1998	12/31/1997	12/31/1996	12/31/1995	12/31/1994
Actuarial Value of Plan Assets	\$ 5,150	\$ 4,568	\$ 4,087	\$ 3,594	**	**
Actuarial Accrued Liability	4,125	3,906	3,767	4,006	**	**
Unfunded (Assets in Excess of)						
Actuarial Liability	(1,024)	(662)	(320)	412	**	**
Percentage Funded	125%	117%	108%	90%	**	**
Covered Payroll	106	117	128	137	**	**
Unfunded (Assets in Excess of) Actuarial						
Liability as a Percentage of Covered Payroll	-966%	-566%	-250%	301%	**	**

** data not available

Source: Washington State Office of the State Actuary

Law Enforcement Officers' and Fire Fighters' Retirement System- Plan 2

Schedule of Funding Progress

Calendar Years 1999 through 1994 (dollars in millions)

	1999	1998	1997	1996	1995	1994
Actuarial Valuation Date	12/31/1999	12/31/1998	12/31/1997	12/31/1996	12/31/1995	12/31/1994
Actuarial Value of Plan Assets	\$ 2,163	\$ 1,772	\$ 1,450	\$ 1,157	**	**
Actuarial Accrued Liability	2,163	1,772	1,450	1,157	**	**
Unfunded Actuarial Liability	-	-	-	-	**	**
Percentage Funded	100%	100%	100%	100%	**	**
Covered Payroll	725	649	591	538	**	**
Unfunded Actuarial Liability as a						
Percentage of Covered Payroll	0%	0%	0%	0%	**	**

** data not available

Source: Washington State Office of the State Actuary

Washington State Patrol Retirement System

Schedule of Funding Progress

Calendar Years 1999 through 1994 (dollars in millions)

	1999	1998	1997	1996	1995	1994
Actuarial Valuation Date	12/31/1999	12/31/1998	12/31/1997	12/31/1996	12/31/1995	12/31/1994
Actuarial Value of Plan Assets	\$ 662	\$ 576	\$ 505	\$ 435	\$ 382	\$ 337
Actuarial Accrued Liability	437	411	379	352	334	309
Unfunded (Assets in Excess of)						
Actuarial Liability	(225)	(165)	(126)	(83)	(48)	(28)
Percentage Funded	151%	140%	133%	124%	114%	109%
Covered Payroll	56	51	48	44	41	42
Unfunded (Assets in Excess of)						
Actuarial Liability as a Percentage of						
Covered Payroll	-402%	-324%	-263%	-189%	-117%	-67%

Source: Washington State Office of the State Actuary

Judicial Retirement System

Schedule of Funding Progress

Calendar Years 1999 through 1994 (dollars in millions)

	1999	1998	1997	1996	1995	1994
Actuarial Valuation Date	12/31/1999	12/31/1998	12/31/1997	12/31/1996	12/31/1995	12/31/1994
Actuarial Value of Plan Assets	\$ 9	\$ 8	\$ 5	\$ 4	**	**
Actuarial Accrued Liability	94	97	95	92	**	**
Unfunded Actuarial Liability	85	89	90	88	**	**
Percentage Funded	10%	8%	5%	4%	**	**
Covered Payroll	4.0	4.0	4.0	5.0	**	**
Unfunded Actuarial Liability as a					**	**
Percentage of Covered Payroll	2125%	2225%	2250%	1760%	**	**

** data not available

Source: Washington State Office of the State Actuary

Volunteer Fire Fighters' Relief and Pension Fund

Schedule of Funding Progress

Calendar Years 1999 through 1994 (dollars in millions)

	1999	1998	1997	1996	1995	1994
Actuarial Valuation Date	12/31/1999	12/31/1998	12/31/1997	12/31/1996	12/31/1995	12/31/1994
Actuarial Value of Plan Assets	\$ 118	\$ 102	\$ 91	\$ 74	\$ 69	\$ 62
Actuarial Accrued Liability	98	94	69	67	65	61
Unfunded (Assets in Excess of)						
Actuarial Liability	(20)	(8)	(22)	(7)	(4)	(1)
Percentage Funded	120%	109%	132%	110%	106%	102%
Covered Payroll*	N/A	N/A	N/A	N/A	N/A	N/A
Unfunded Actuarial Liability as a						
Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A

*Covered Payroll is not presented because it is not applicable since this is a volunteer organization.

Source: Washington State Office of the State Actuary

Judges' Retirement Fund

Schedule of Funding Progress

Calendar Years 1999 through 1994 (dollars in millions)

	1999	1998	1997	1996	1995	1994
Actuarial Valuation Date	12/31/1999	12/31/1998	12/31/1997	12/31/1996	12/31/1995	12/31/1994
Actuarial Value of Plan Assets	\$ 4	\$ 4	\$ 4	\$ 3	**	**
Actuarial Accrued Liability	6	7	7	7	**	**
Unfunded Actuarial Liability	2	3	3	4	**	**
Percentage Funded	67%	57%	57%	43%		
Covered Payroll	0.1	0.1	0.2	0.4	**	**
Unfunded Actuarial Liability as a						
Percentage of Covered Payroll	2000%	3000%	1500%	1000%	**	**

** data not available

Source: Washington State Office of the State Actuary

Schedules of Contributions from Employers and Other Contributing Entities

For the Fiscal Years Ended June 30, 2000 through 1995

System	2000	1999	1998	1997	1996	1995
Public Employees' Retirement						
System - Plan 1 (expressed in millions)						
Employers' Annual Required Contribution	\$ 199.2	\$ 237.6	\$ 287.2	\$ 355.0	\$ 372.0	**
Employers' Actual Contribution	200.2	234.3	226.1	206.0	201.0	**
Percentage Contributed	101%	99%	79%	58%	54%	**
Public Employees' Retirement						
System - Plan 2 (expressed in millions)						
Employers' Annual Required Contribution	\$ 103.6	\$ 86.6	\$ 106.3	\$ 185.0	\$ 195.0	**
Employers' Actual Contribution	101.9	238.4	222.8	224.0	195.0	**
Percentage Contributed	98%	275%	210%	121%	100%	**
Teachers' Retirement						
System - Plan 1 (expressed in millions)						
Employers' Annual Required Contribution	\$ 176.1	\$ 209.7	\$ 269.7	\$ 338.0	\$ 355.0	**
Employers' Actual Contribution	183.0	222.5	211.6	210.0	225.0	**
Percentage Contributed	104%	106%	78%	62%	63%	**
Teachers' Retirement						
System - Plan 2/3 (expressed in millions)						
Employers' Annual Required Contribution	\$ 56.2	\$ 45.9	\$ 59.8	\$ 82.0	\$ 79.0	**
Employers' Actual Contribution	75.3	100.2	105.6	103.0	79.0	**
Percentage Contributed	134%	218%	177%	126%	100%	**
Law Enforcement Officers' and Fire Fighters' Retirement						
System - Plan 1 (expressed in millions)						
Employers' Annual Required Contribution	\$ 6.3	\$ 6.9	\$ 7.5	\$ 8.1	**	**
Employers' Actual Contribution	6.3	7.2	7.6	8.2	**	**
Percentage Contributed	100%	104%	101%	101%	**	**
State Annual Required Contribution	(66.1)	(33.7)	(3.1)	67.1	**	**
State Actual Contribution	-	48.8	50.4	66.7	**	**
Percentage Contributed	0%	-145%	-1626%	99%	**	**

Source: Washington State Office of the State Actuary

** data not available

Schedules of Contributions from Employers and Other Contributing Entities

For the Fiscal Years Ended June 30, 2000 through 1995

System	2000	1999	1998	1997	1996	1995
Law Enforcement Officers' and Fire Fighters' Retirement System - Plan 2 (expressed in millions)						
Employers' Annual Required Contribution	\$ 26.9	\$ 22.3	\$ 22.5	\$ 28.1	**	**
Employers' Actual Contribution	26.2	34.3	31.1	28.5	**	**
Percentage Contributed	97%	154%	138%	101%	**	**
State Annual Required Contribution	18.0	14.9	15.0	18.7	**	**
State Actual Contribution	17.1	22.2	20.1	17.7	**	**
Percentage Contributed	95%	149%	134%	95%	**	**
Washington State Patrol Retirement System (expressed in millions)						
Employers' Annual Required Contribution	(\$ 11.4)	(\$ 6.7)	(\$ 3.9)	\$ 0.5	**	**
Employers' Actual Contribution	-	5.9	6.0	6.8	**	**
Percentage Contributed	0%	-88%	-154%	1360%	**	**
Judicial Retirement System (expressed in millions)						
Employers' Annual Required Contribution	\$ 12.5	\$ 12.2	\$ 11.6	\$ 12.7	**	**
Employers' Actual Contribution	7.3	8.8	8.8	6.9	**	**
Percentage Contributed	58%	72%	76%	54%	**	**
Judges' Retirement Fund (expressed in millions)						
Employers' Annual Required Contribution	\$ 0.3	\$ 0.3	\$ 0.4	\$ 0.4	**	**
Employers' Actual Contribution	0.8	0.8	0.8	0.8	**	**
Percentage Contributed	267%	267%	200%	200%	**	**

Source: Washington State Office of the State Actuary

** data not available

Schedules of Contributions from Employers and Other Contributing Entities

For the Fiscal Years Ended June 30, 2000 through 1995

System	2000	1999	1998	1997	1996	1995
Volunteer Fire Fighters' Relief and Pension Fund (expressed in millions)						
Employers' Annual Required Contribution	\$ 0.7	\$ 0.8	\$ 0.7	\$ 0.5	**	**
Employers' Actual Contribution	0.7	0.8	0.7	0.6	**	**
Percentage Contributed	100%	100%	100%	120%	**	**
State Annual Required Contribution	\$ 0.1	\$ 0.8	(\$ 0.3)	\$ 0.4	**	**
State Actual Contribution	2.7	2.5	2.0	3.0	**	**
Percentage Contributed	2700%	313%	-667%	750%	**	**

Source: Washington State Office of the State Actuary

** data not available

Notes to Required Supplementary Schedules Defined Benefit Pension Plans

For the Fiscal Year Ended June 30, 2000

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated below. Additional information as of the latest valuation follows.

	PERS Plan 1	PERS Plan 2	TRS Plan 1	TRS Plan 2/3
Valuation - date	12/31/1999	12/31/1999	6/30/1999	6/30/1999
Actuarial cost method	entry age	aggregate**	entry age	aggregate**
Amortization Method				
Funding	level %	n/a	level %	n/a
GASB	level \$	n/a	level \$	n/a
Remaining amortization period (closed)	12/31/2016	n/a	12/31/2016	n/a
Asset valuation method	3-year smoothed fair value	3-year smoothed fair value	3-year smoothed fair value	3-year smoothed fair value
Actuarial assumptions:				
Investment rate of return	7.50%	7.50%	7.50%	7.50%
Projected salary increases (5)	(1)	(1)	(2)	(2)
Includes inflation at	3.50% *	3.50%	3.50% *	3.50%
Cost of living adjustments	Uniform COLA* Gainsharing COLA*	CPI increase, maximum 3%	Uniform COLA* Gainsharing COLA*	CPI increase, maximum 3%

Significant Assumptions:

- (1) 4.7% for the first year grading to zero with 17 years of service
- (2) 5.0% for the first year grading to 1.5% with 15 years of service and .5% thereafter
- (3) 9.0% for the first year grading to .6% with 18 years of service and .5% thereafter
- (4) 6.0% followed by a non-monotonic decrease to zero after 7 years of service
- (5) Salary Inflation at 4%

* Generally, all retirees over age 66 receive an increase in their monthly benefit at least once a year.

The Uniform COLA increase is added every July. On 7/1/1999 it was \$0.77 per year of service.

The Gainsharing COLA is added every even-numbered year if certain extraordinary investment gains are achieved.

In 1998 it was \$0.11. On 1/1/2000 it was \$0.28 per year of service.

The next Uniform COLA amount is calculated as the last Uniform COLA amount plus any Gainsharing COLA amount, all increased by 3%. On 7/1/2000 it is $(\$0.77 + \$0.28) \times 1.03 = \$1.08$.

** The aggregate cost method does not identify or separately amortize unfunded actuarial liabilities.

*** PayAs You Go for funding

LEOFF Plan 1	LEOFF Plan 2	WSP	Judicial	Judges	VFFRPF
12/31/1999	12/31/1999	12/31/1999	12/31/1999	12/31/1999	12/31/1999
entry age	aggregate**	entry age	entry age***	entry age***	entry age
level %	n/a	level %	n/a	n/a	level \$
level \$	n/a	level \$	level \$	level \$	level \$
6/30/2024	n/a	6/30/2024	12/31/2008	12/31/2008	12/31/2017
3-year smoothed fair value	3-year smoothed fair value	3-year smoothed fair value	market	market	3-year smoothed fair value
7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
(3)	(3)	(4)	4.0%	4.0%	n/a
3.50%	3.50%	3.50%	3.50%	3.50%	n/a
CPI increase	CPI increase, maximum 3%	2.0%	3.00%	none	none

Combining Financial Statements

General Fund

The General Fund accounts for all financial resources and transactions not accounted for in other funds. The basic portion is nonrestrictive in use, whereas the restricted portion is earmarked for specific purposes.

Schedule of Assets, Liabilities, and Fund Balances

General Fund

June 30, 2000 (expressed in thousands)

	Basic	Restricted	Totals	
			June 30, 2000	June 30, 1999
Assets:				
Cash and pooled investments	\$ 643,783	\$ 657,722	\$ 1,301,505	\$ 1,539,021
Investments	-	423,992	423,992	916
Taxes receivable (net of allowance)	2,146,651	5,584	2,152,235	2,104,683
Other receivables (net of allowance)	171,183	86,815	257,998	256,234
Due from other funds	128,848	38,332	167,180	233,797
Due from other governments	609,192	526,448	1,135,640	998,883
Inventories	19,516	-	19,516	96,369
Total Assets	\$ 3,719,173	\$ 1,738,893	\$ 5,458,066	\$ 5,229,903
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 565,200	\$ 19,696	\$ 584,896	\$ 546,976
Contracts and retainages payable	7,278	11,695	18,973	22,660
Accrued liabilities	107,753	6,081	113,834	107,548
Obligations under security lending agreements	29,098	1,581	30,679	64,734
Due to other funds	546,473	20,209	566,682	519,913
Due to other governments	71,704	2,348	74,052	64,888
Deferred revenues	1,024,292	81,381	1,105,673	1,193,493
Claims and judgments payable, current	26,585	-	26,585	34,942
Total Liabilities	2,378,383	142,991	2,521,374	2,555,154
Fund Balances:				
Reserved for encumbrances	57,657	32,978	90,635	2,043
Reserved for inventories	15,621	-	15,621	13,738
Reserved for restricted accounts	-	305,725	305,725	867,398
Reserved for other specific purposes	36,479	1,257,148	1,293,627	506,400
Unreserved, designated for working capital	803,402	-	803,402	823,300
Unreserved, designated for unrealized gains	-	51	51	-
Unreserved, undesignated	427,631	-	427,631	461,870
Total Fund Balances	1,340,790	1,595,902	2,936,692	2,674,749
Total Liabilities and Fund Balances	\$ 3,719,173	\$ 1,738,893	\$ 5,458,066	\$ 5,229,903

Schedule of Revenues, Expenditures, and Changes in Fund Balances

General Fund

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Basic	Restricted	Totals for the Year Ended	
			June 30, 2000	June 30, 1999
Revenues:				
Retail sales and use taxes	\$ 5,799,522	\$ -	\$ 5,799,522	\$ 5,321,629
Business and occupation taxes	1,783,542	-	1,783,542	1,811,016
Property taxes	1,332,837	-	1,332,837	1,276,808
Excise taxes	430,778	121,874	552,652	815,833
Motor vehicle and fuel taxes	-	2,860	2,860	2,716
Other taxes	797,811	70,499	868,310	790,969
Licenses, permits, and fees	91,890	39,304	131,194	122,409
Timber sales	3,141	70,235	73,376	77,571
Other contracts and grants	237,938	2,896	240,834	231,237
Federal grants-in-aid	4,263,937	40,660	4,304,597	3,863,972
Charges for services	30,671	5,609	36,280	22,129
Investment income	69,074	37,819	106,893	85,603
Miscellaneous revenue	32,135	104,411	136,546	134,094
Total Revenues	14,873,276	496,167	15,369,443	14,555,986
Expenditures:				
Current:				
General government	480,061	70,948	551,009	569,337
Human services	6,978,128	77,091	7,055,219	6,502,697
Natural resources and recreation	200,814	95,763	296,577	299,325
Transportation	29,775	15,687	45,462	41,263
Education	6,241,033	-	6,241,033	5,982,820
Intergovernmental	22,672	149,752	172,424	185,672
Capital outlays	56,621	14,863	71,484	85,093
Debt service:				
Principal	15,046	883	15,929	16,244
Interest	3,376	412	3,788	2,292
Total Expenditures	14,027,526	425,399	14,452,925	13,684,743
Excess of Revenues Over (Under) Expenditures	845,750	70,768	916,518	871,243
Other Financing Sources (Uses):				
Note proceeds	4,017	-	4,017	3,563
Operating transfers in	165,853	266,585	432,438	429,110
Operating transfers out	(1,029,928)	(61,111)	(1,091,039)	(1,017,924)
Total Other Financing Sources (Uses)	(860,058)	205,474	(654,584)	(585,251)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(14,308)	276,242	261,934	285,992
Fund Balances:				
Fund balances as restated, July 1	1,355,089	1,319,660	2,674,749	2,389,033
Residual equity transfers in	9	-	9	-
Residual equity transfers out	-	-	-	(276)
Fund Balances, June 30	\$ 1,340,790	\$ 1,595,902	\$ 2,936,692	\$ 2,674,749

Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) - Budget and Actual General Fund

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Basic			Restricted		
	Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)	Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$ 20,364,268	\$ 10,121,817	\$ (10,242,451)	\$ 105,800	\$ 46,629	\$ (59,171)
Licenses, permits, and fees	172,690	91,890	(80,800)	73,659	39,305	(34,354)
Other contracts and grants	444,808	237,938	(206,870)	2,317	2,896	579
Timber sales	9,331	3,141	(6,190)	118,862	70,235	(48,627)
Federal grants-in-aid	8,164,865	3,959,816	(4,205,049)	101,691	39,058	(62,633)
Charges for services	60,384	30,671	(29,713)	11,805	5,609	(6,196)
Interest income	105,255	76,393	(28,862)	33,984	34,840	856
Miscellaneous revenue	66,956	37,348	(29,608)	219,462	136,177	(83,285)
Total Revenues	29,388,557	14,559,014	(14,829,543)	667,580	374,749	(292,831)
Expenditures:						
Current:						
General government	2,309,522	1,229,763	1,079,759	176,570	87,242	89,328
Human services	13,703,019	6,728,477	6,974,542	149,467	68,706	80,761
Natural resources and recreation	446,333	203,589	242,744	200,407	89,683	110,724
Transportation	60,745	30,523	30,222	38,140	16,835	21,305
Education	12,888,197	6,244,073	6,644,124	111	-	111
Capital outlays	140,254	13,960	126,294	497,507	116,127	381,380
Total Expenditures	29,548,070	14,450,385	15,097,685	1,062,202	378,593	683,609
Excess of Revenues Over (Under) Expenditures	(159,513)	108,629	268,142	(394,622)	(3,844)	390,778
Other Financing Sources (Uses):						
Operating transfers in	295,304	164,997	(130,307)	144,675	270,341	125,666
Operating transfers out	(128,813)	(260,109)	(131,296)	(91,351)	(48,691)	42,660
Total Other Financing Sources (Uses)	166,491	(95,112)	(261,603)	53,324	221,650	168,326
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 6,978	\$ 13,517	\$ 6,539	\$ (341,298)	\$ 217,806	\$ 559,104

Totals		
Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)
\$ 20,470,068	\$ 10,168,446	\$ (10,301,622)
246,349	131,195	(115,154)
447,125	240,834	(206,291)
128,193	73,376	(54,817)
8,266,556	3,998,874	(4,267,682)
72,189	36,280	(35,909)
139,239	111,233	(28,006)
286,418	173,525	(112,893)
30,056,137	14,933,763	(15,122,374)
2,486,092	1,317,005	1,169,087
13,852,486	6,797,183	7,055,303
646,740	293,272	353,468
98,885	47,358	51,527
12,888,308	6,244,073	6,644,235
637,761	130,087	507,674
30,610,272	14,828,978	15,781,294
(554,135)	104,785	658,920
439,979	435,338	(4,641)
(220,164)	(308,800)	(88,636)
219,815	126,538	(93,277)
\$ (334,320)	\$ 231,323	\$ 565,643

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources, other than major capital projects or expendable trust funds, that are legally restricted to expenditures for specified purposes. Washington's Special Revenue Funds are described below:

Motor Vehicle Fund revenues are generated from vehicle fuel taxes, vehicle licenses, and federal transportation agencies. This fund accounts for the following: (1) highway activities of the Washington State Patrol; and (2) maintenance of non-interstate highways and bridges, completion and preservation of the interstate system, and other transportation improvements.

Transportation Fund revenues are derived principally from motor vehicle operators. This fund accounts for activities relating to drivers' licensing, driver improvement, financial responsibility, maintenance of driving records, and other non-highway transportation improvements.

State Wildlife Fund revenues are generated primarily from hunting and noncommercial fishing licenses. This fund accounts for the protection, propagation, and conservation of wild animals, wild birds, game fish, and their habitats.

Common School Construction Fund revenues are obtained principally from the sale of timber and investment earnings. This fund provides financing to local school districts under the control of the State Board of Education for construction of common school facilities.

The Central Administrative and Regulatory Fund accounts for operating expenditures of certain administrative and regulatory agencies.

The Human Services Fund accounts for the following: (1) funds provided to local governments for the construction or substantial remodeling of detention and correctional facilities, and (2) defraying the cost of administering unemployment compensation.

The Natural Resources Fund primarily accounts for the planning, design, acquisition, construction, and improvement of public waste disposal and water supply facilities, and related management systems.

The Higher Education Fund primarily accounts for grants and contracts received for research and other educational purposes. This fund also accounts for dedicated revenue for state institutions of higher education.

Combining Balance Sheet

Special Revenue Funds

June 30, 2000 (expressed in thousands)

	Motor Vehicle	Transportation	State Wildlife	Common School Construction	Central Admin. & Regulatory
Assets:					
Cash and pooled investments	\$ 319,386	\$ 72,288	\$ 8,466	\$ 90,343	\$ 133,641
Investments	-	-	10,671	-	-
Taxes receivable (net of allowance)	860	-	-	-	4,558
Other receivables (net of allowance)	14,471	971	530	64,842	1,905
Due from other funds	10,991	27,348	1,448	49,118	12,120
Due from other governments	44,193	2,857	4,982	3,673	62
Inventories	19,189	161	144	-	-
Total Assets	\$ 409,090	\$ 103,625	\$ 26,241	\$ 207,976	\$ 152,286
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 42,857	\$ 2,895	\$ 1,083	\$ 72	\$ 14,680
Contracts and retainages payable	13,574	207	74	15,502	693
Accrued liabilities	17,244	1,588	149	-	4,650
Obligations under security lending agreements	4,027	916	91	1,416	185
Due to other funds	33,759	9,846	3,113	2,384	19,562
Due to other governments	10,708	3,114	-	6,395	370
Deferred revenues	14,420	676	396	60,621	350
Total Liabilities	136,589	19,242	4,906	86,390	40,490
Fund Balances:					
Reserved for encumbrances	6,028	1,346	377	117,921	674
Reserved for inventories	19,189	161	144	-	-
Reserved for other specific purposes	89	1,072	10,701	3,665	65
Unreserved, designated for higher education	-	-	-	-	-
Unreserved, designated for unrealized gains	-	-	-	-	-
Unreserved, undesignated	247,195	81,804	10,113	-	111,057
Total Fund Balances	272,501	84,383	21,335	121,586	111,796
Total Liabilities and Fund Balances	\$ 409,090	\$ 103,625	\$ 26,241	\$ 207,976	\$ 152,286

State of Washington

Human Services	Natural Resources	Higher Education	Totals	
			June 30, 2000	June 30, 1999
\$ 99,553	\$ 200,105	\$ 96,086	\$ 1,019,868	\$ 1,841,715
-	-	861,826	872,497	45,036
10,892	-	-	16,310	14,843
427	19,998	72,274	175,418	188,867
23,551	17,263	476,800	618,639	291,859
3,867	9,682	76,850	146,166	131,119
-	56	7,663	27,213	28,256
<hr/>				
\$ 138,290	\$ 247,104	\$ 1,591,499	\$ 2,876,111	\$ 2,541,695

\$ 26,829	\$ 2,603	\$ 32,908	\$ 123,927	\$ 181,072
534	2,982	483	34,049	40,382
5,719	1,977	106,782	138,109	129,680
1,096	1,255	-	8,986	18,576
6,046	13,732	630,530	718,972	229,872
98	8,189	9,474	38,348	35,635
7,206	6,725	103,522	193,916	194,808
<hr/>				
47,528	37,463	883,699	1,256,307	830,025

2,653	67,851	129,598	326,448	165,104
-	56	7,663	27,213	28,256
21	8,380	362,272	386,265	61,530
-	-	139,630	139,630	133,450
-	-	48,276	48,276	45,554
88,088	133,354	20,361	691,972	1,277,776
<hr/>				
90,762	209,641	707,800	1,619,804	1,711,670
<hr/>				
\$ 138,290	\$ 247,104	\$ 1,591,499	\$ 2,876,111	\$ 2,541,695

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Special Revenue Funds

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Motor Vehicle	Transportation	State Wildlife	Common School Construction	Central Admin. & Regulatory
Revenues:					
Retail sales and use taxes	\$ -	12,654	\$ -	\$ -	\$ -
Business and occupation taxes	-	-	-	-	-
Excise taxes	112,572	169,866	-	-	-
Motor vehicle and fuel taxes	742,592	1,632	-	-	-
Other taxes	30	-	1	-	76,167
Licenses, permits, and fees	282,561	32,112	27,970	-	55,408
Timber sales	30	-	19	78,426	-
Other contracts and grants	1,391	51	3,930	-	-
Federal grants-in-aid	343,200	6,077	12,764	-	379
Charges for services	1,252	376	-	-	24,746
Investment income	14,322	4,692	889	4,407	12,158
Miscellaneous revenue	33,990	12,731	1,203	12,966	2,628
Total Revenues	1,531,940	240,191	46,776	95,799	171,486
Expenditures:					
Current:					
General government	3,368	-	-	-	90,471
Human services	-	-	-	-	68,087
Natural resources and recreation	440	-	40,740	-	6,933
Transportation	717,277	83,040	335	-	20,620
Education	-	-	-	161,502	112
Intergovernmental	246,312	214,191	-	-	12,928
Capital outlays	510,929	366	1,454	1,280	2,607
Debt service:					
Principal	2,943	101	52	-	-
Interest	1,043	230	6	-	8
Total Expenditures	1,482,312	297,928	42,587	162,782	201,766
Excess of Revenues Over (Under) Expenditures	49,628	(57,737)	4,189	(66,983)	(30,280)
Other Financing Sources (Uses):					
Bond sale proceeds	27,183	-	-	-	-
Note proceeds	15,440	-	-	-	-
Operating transfers in	63,264	64,442	-	54,739	58,887
Operating transfers out	(242,885)	(16,155)	(1,367)	(15,008)	(22,220)
Capital lease acquisitions	-	-	-	-	-
Total Other Financing Sources (Uses)	(136,998)	48,287	(1,367)	39,731	36,667
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(87,370)	(9,450)	2,822	(27,252)	6,387
Fund Balances:					
Fund balances as restated, July 1	356,542	93,833	18,512	148,838	105,412
Residual equity transfers in	3,329	-	1	-	-
Residual equity transfers out	-	-	-	-	(3)
Fund Balances, June 30	\$ 272,501	\$ 84,383	\$ 21,335	\$ 121,586	\$ 111,796

State of Washington

Human Services	Natural Resources	Higher Education	Totals for the Year Ended	
			June 30, 2000	June 30, 1999
\$ -	\$ 369	\$ -	\$ 13,023	\$ 696
45,961	-	-	45,961	39,344
-	5,030	-	287,468	318,906
-	8,344	-	752,568	715,097
234,027	59,162	-	369,387	329,722
17,863	49,053	-	464,967	433,621
-	18,981	-	97,456	75,836
3	83	300,394	305,852	287,046
98,190	2,204	535,524	998,338	898,335
16,418	1,419	700,249	744,460	706,233
-	5,458	67,079	109,005	102,350
143,771	42,193	69,227	318,709	150,160
556,233	192,296	1,672,473	4,507,194	4,057,346
13,689	2,365	-	109,893	104,242
569,062	3,136	-	640,285	534,316
1,236	196,420	-	245,769	242,390
1,689	4,332	-	827,293	817,808
887	462	1,504,437	1,667,400	1,567,948
-	-	-	473,431	256,136
2,515	1,393	75,938	596,482	582,309
919	391	3,649	8,055	7,169
143	2,813	2,663	6,906	7,348
590,140	211,312	1,586,687	4,575,514	4,119,666
(33,907)	(19,016)	85,786	(68,320)	(62,320)
-	2,650	-	29,833	59,813
-	-	6,249	21,689	9,292
88,860	17,858	64,296	412,346	508,375
(5,783)	(68,356)	(119,670)	(491,444)	(466,187)
-	-	-	-	23
83,077	(47,848)	(49,125)	(27,576)	111,316
49,170	(66,864)	36,661	(95,896)	48,996
41,592	276,506	670,435	1,711,670	1,662,662
-	-	704	4,034	12
-	(1)	-	(4)	-
\$ 90,762	\$ 209,641	\$ 707,800	\$ 1,619,804	\$ 1,711,670

Combining Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) - Budget and Actual

Special Revenue Funds

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Motor Vehicle			Transportation		
	Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)	Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$ 1,051,926	\$ 608,883	\$ (443,043)	\$ (57,499)	\$ (30,039)	\$ 27,460
Licenses, permits, and fees	567,552	281,903	(285,649)	75,835	32,112	(43,723)
Other contracts and grants	986	1,391	405	41	45	4
Timber sales	-	30	30	-	-	-
Federal grants-in-aid	594,394	340,910	(253,484)	83,872	5,691	(78,181)
Charges for services	99,627	1,252	(98,375)	300	376	76
Interest income	28,438	14,793	(13,645)	11,500	4,560	(6,940)
Miscellaneous revenue	63,899	36,312	(27,587)	29,166	12,563	(16,603)
Total Revenues	2,406,822	1,285,474	(1,121,348)	143,215	25,308	(117,907)
Expenditures:						
Current:						
General government	12,721	3,560	9,161	2,400	-	2,400
Human services	-	-	-	-	-	-
Natural resources and recreation	1,170	454	716	-	-	-
Transportation	902,861	370,204	532,657	168,578	70,469	98,109
Education	-	-	-	-	-	-
Capital outlays	1,939,455	843,914	1,095,541	109,390	12,856	96,534
Total Expenditures	2,856,207	1,218,132	1,638,075	280,368	83,325	197,043
Excess of Revenues Over (Under) Expenditures	(449,385)	67,342	516,727	(137,153)	(58,017)	79,136
Other Financing Sources (Uses):						
Bond sale proceeds	754,493	27,183	(727,310)	-	-	-
Operating transfers in	57,940	63,264	5,324	122,872	64,443	(58,429)
Operating transfers out	(401,716)	(242,515)	159,201	(77,393)	(16,155)	61,238
Total Other Financing Sources (Uses)	410,717	(152,068)	(562,785)	45,479	48,288	2,809
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (38,668)	\$ (84,726)	\$ (46,058)	\$ (91,674)	\$ (9,729)	\$ 81,945

Continued

State Wildlife			Common School Construction			Central Administrative and Regulatory		
Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)	Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)	Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)
\$ 4	\$ 1	\$ (3)	\$ -	\$ -	\$ -	\$ 145,233	\$ 63,240	\$ (81,993)
50,075	27,970	(22,105)	-	-	-	69,366	36,255	(33,111)
15,214	3,930	(11,284)	-	-	-	-	-	-
-	19	19	148,050	78,426	(69,624)	-	-	-
43,937	12,764	(31,173)	-	-	-	983	275	(708)
-	-	-	-	-	-	54,102	24,722	(29,380)
320	908	588	3,129	4,778	1,649	19,296	12,163	(7,133)
3,116	1,118	(1,998)	22,418	12,575	(9,843)	1,805	1,348	(457)
112,666	46,710	(65,956)	173,597	95,779	(77,818)	290,785	138,003	(152,782)
-	-	-	-	-	-	183,775	69,257	114,518
-	-	-	-	-	-	168,545	81,755	86,790
109,487	41,522	67,965	-	-	-	17,272	6,706	10,566
668	335	333	-	-	-	69,807	24,088	45,719
-	-	-	113,612	6,611	107,001	110	12	98
7,611	730	6,881	490,400	162,782	327,618	-	-	-
117,766	42,587	75,179	604,012	169,393	434,619	439,509	181,818	257,691
(5,100)	4,123	9,223	(430,415)	(73,614)	356,801	(148,724)	(43,815)	104,909
-	-	-	-	-	-	-	-	-
-	-	-	148,635	54,741	(93,894)	133,192	56,676	(76,516)
(3,083)	(1,367)	1,716	(18,278)	(8,398)	9,880	(25,583)	(6,452)	19,131
(3,083)	(1,367)	1,716	130,357	46,343	(84,014)	107,609	50,224	(57,385)
\$ (8,183)	\$ 2,756	\$ 10,939	\$ (300,058)	\$ (27,271)	\$ 272,787	\$ (41,115)	\$ 6,409	\$ 47,524

Combining Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) - Budget and Actual

Special Revenue Funds

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Human Services			Natural Resources		
	Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)	Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$ 581,315	\$ 279,988	\$ (301,327)	\$ 113,553	\$ 72,888	\$ (40,665)
Licenses, permits, and fees	35,460	17,847	(17,613)	48,583	23,895	(24,688)
Other contracts and grants	-	(5)	(5)	377	58	(319)
Timber sales	-	-	-	-	70	70
Federal grants-in-aid	188,023	98,151	(89,872)	3,929	974	(2,955)
Charges for services	4,667	1,256	(3,411)	2,100	1,380	(720)
Interest income	2,545	(1,156)	(3,701)	4,142	3,568	(574)
Miscellaneous revenue	259,239	145,210	(114,029)	31,869	17,293	(14,576)
Total Revenues	1,071,249	541,291	(529,958)	204,553	120,126	(84,427)
Expenditures:						
Current:						
General government	39,859	13,329	26,530	8,039	3,827	4,212
Human services	1,162,654	556,849	605,805	5,738	2,900	2,838
Natural resources and recreation	3,155	1,305	1,850	154,073	63,121	90,952
Transportation	6,730	1,751	4,979	1,755	1,467	288
Education	888	887	1	49	49	-
Capital outlays	-	-	-	311,595	85,851	225,744
Total Expenditures	1,213,286	574,121	639,165	481,249	157,215	324,034
Excess of Revenues Over (Under) Expenditures	(142,037)	(32,830)	109,207	(276,696)	(37,089)	239,607
Other Financing Sources (Uses):						
Bond sale proceeds	-	-	-	23,571	2,650	(20,921)
Operating transfers in	201,796	88,861	(112,935)	64,709	15,958	(48,751)
Operating transfers out	(11,311)	(5,783)	5,528	(37,342)	(46,058)	(8,716)
Total Other Financing Sources (Uses)	190,485	83,078	(107,407)	50,938	(27,450)	(78,388)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 48,448	\$ 50,248	\$ 1,800	\$ (225,758)	\$ (64,539)	\$ 161,219

Concluded

Approved Budget 1999-01 Biennium	Totals	
	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)
\$ 1,834,532	\$ 994,961	\$ (839,571)
846,871	419,982	(426,889)
16,618	5,419	(11,199)
148,050	78,545	(69,505)
915,138	458,765	(456,373)
160,796	28,986	(131,810)
69,370	39,614	(29,756)
411,512	226,419	(185,093)
4,402,887	2,252,691	(2,150,196)
246,794	89,973	156,821
1,336,937	641,504	695,433
285,157	113,108	172,049
1,150,399	468,314	682,085
114,659	7,559	107,100
2,858,451	1,106,133	1,752,318
5,992,397	2,426,591	3,565,806
(1,589,510)	(173,900)	1,415,610
778,064	29,833	(748,231)
729,144	343,943	(385,201)
(574,706)	(326,728)	247,978
932,502	47,048	(885,454)
\$ (657,008)	\$ (126,852)	\$ 530,156

Debt Service Funds

Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. A brief description of each Debt Service Fund follows:

The General Obligation Bond Fund is used for the accumulation of resources for, and the payment of, general obligation long-term debt principal and interest.

Transportation Bond Fund accounts for the accumulation of resources and payment of highway and ferry bond principal and interest.

Combining Balance Sheet

Debt Service Funds

June 30, 2000 (expressed in thousands)

	General Obligation Bond	Transportation Bond	Totals	
			June 30, 2000	June 30, 1999
Assets:				
Cash and pooled investments	\$ 131,911	\$ 71,377	\$ 203,288	\$ 89,382
Other receivables (net of allowance)	2	-	2	1
Due from other funds	9,618	234	9,852	1,752
Total Assets	\$ 141,531	\$ 71,611	\$ 213,142	\$ 91,135
Liabilities and Fund Balances				
Liabilities:				
Accrued liabilities	\$ 1,316	\$ 147	\$ 1,463	\$ 1,675
Obligations under security lending agreements	120	883	1,003	1,787
Due to other funds	-	-	-	18
Total Liabilities	1,436	1,030	2,466	3,480
Fund Balances:				
Unreserved, designated for debt service	140,095	70,581	210,676	87,655
Total Fund Balances	140,095	70,581	210,676	87,655
Total Liabilities and Fund Balances	\$ 141,531	\$ 71,611	\$ 213,142	\$ 91,135

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Debt Service Funds

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	General Obligation Bond	Transportation Bond	Totals for the Year Ended	
			June 30, 2000	June 30, 1999
Revenues:				
Federal grants-in-aid	\$ 164	\$ -	\$ 164	\$ 261
Investment income	597	1,427	2,024	1,741
Miscellaneous revenue	4,769	-	4,769	4,393
Total Revenues	5,530	1,427	6,957	6,395
Expenditures:				
Debt service:				
Principal	296,805	65,730	362,535	327,579
Interest	290,839	56,146	346,985	338,942
Total Expenditures	587,644	121,876	709,520	666,521
Excess of Revenues Over (Under) Expenditures	(582,114)	(120,449)	(702,563)	(660,126)
Other Financing Sources (Uses):				
Proceeds of refunding bonds	82,053	18,596	100,649	93,818
Payment to refunded bond escrow agent	(82,053)	(18,596)	(100,649)	(93,674)
Operating transfers in	734,082	131,061	865,143	710,355
Operating transfers out	(28,602)	(10,957)	(39,559)	(50,521)
Total Other Financing Sources (Uses)	705,480	120,104	825,584	659,978
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	123,366	(345)	123,021	(148)
Fund Balances:				
Fund balances as restated, July 1	16,729	70,926	87,655	87,803
Fund Balances, June 30	\$ 140,095	\$ 70,581	\$ 210,676	\$ 87,655

Combining Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) - Budget and Actual Debt Service Funds

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	General Obligation Bond			Transportation Bond		
	Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)	Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)
Revenues:						
Federal grants-in-aid	\$ -	\$ 164	\$ 164	\$ -	\$ -	\$ -
Interest income	-	-	-	3,550	1,642	(1,908)
Total Revenues	-	164	164	3,550	1,642	(1,908)
Expenditures:						
General government	123,771	52,723	71,048	250,811	121,877	128,934
Total Expenditures	123,771	52,723	71,048	250,811	121,877	128,934
Excess of Revenues Over (Under) Expenditures	(123,771)	(52,559)	71,212	(247,261)	(120,235)	127,026
Other Financing Sources (Uses):						
Proceeds of refunding bonds	-	82,053	82,053	-	18,596	18,596
Payment to refunded bond escrow agent	-	(82,053)	(82,053)	-	(18,596)	(18,596)
Operating transfers in	110,300	172,176	61,876	284,274	131,062	(153,212)
Operating transfers out	-	-	-	(10,953)	(10,957)	(4)
Total Other Financing Sources (Uses)	110,300	172,176	61,876	273,321	120,105	(153,216)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (13,471)	\$ 119,617	\$ 133,088	\$ 26,060	\$ (130)	\$ (26,190)

Totals		
Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)
\$ -	\$ 164	\$ 164
3,550	1,642	(1,908)
3,550	1,806	(1,744)
374,582	174,600	199,982
374,582	174,600	199,982
(371,032)	(172,794)	198,238
-	100,649	100,649
-	(100,649)	(100,649)
394,574	303,238	(91,336)
(10,953)	(10,957)	(4)
383,621	292,281	(91,340)
\$ 12,589	\$ 119,487	\$ 106,898

Capital Projects Funds

Capital Projects Funds account for financial resources to be used for acquisition, construction, or improvement of major capital facilities (other than those financed by proprietary funds and similar trust funds). A brief description of Washington's Capital Projects Funds follows:

The State Facilities Fund accounts for the construction and remodeling of public buildings.

The Higher Education Facilities Fund accounts for the acquisition, construction, and remodeling of higher education facilities.

Combining Balance Sheet

Capital Projects Funds

June 30, 2000 (expressed in thousands)

	State Facilities	Higher Education Facilities	Totals	
			June 30, 2000	June 30, 1999
Assets:				
Cash and pooled investments	\$ 82,206	\$ 71,443	\$ 153,649	\$ 181,778
Investments	-	-	-	-
Other receivables (net of allowance)	13,184	144	13,328	12,169
Due from other funds	57,570	36,969	94,539	71,587
Due from other governments	1,084	1,225	2,309	2,578
Total Assets	\$ 154,044	\$ 109,781	\$ 263,825	\$ 268,112
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 15,914	\$ 5,552	\$ 21,466	\$ 18,935
Contracts and retainages payable	31,435	4,355	35,790	34,411
Accrued liabilities	607	349	956	16,991
Obligations under security lending agreements	171	654	825	964
Due to other funds	37,368	1,380	38,748	82,982
Due to other governments	20	3	23	157
Deferred revenues	8,862	121	8,983	11,533
Total Liabilities	94,377	12,414	106,791	165,973
Fund Balances:				
Reserved for encumbrances	58,750	62,880	121,630	166,850
Reserved for other specific purposes	917	-	917	958
Unreserved, undesignated	-	34,487	34,487	(65,669)
Total Fund Balances	59,667	97,367	157,034	102,139
Total Liabilities and Fund Balances	\$ 154,044	\$ 109,781	\$ 263,825	\$ 268,112

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Capital Projects Funds

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	State Facilities	Higher Education Facilities	Totals for the Year Ended	
			June 30, 2000	June 30, 1999
Revenues:				
Timber sales	\$ 7,682	\$ -	\$ 7,682	\$ 6,693
Other contracts and grants	-	1,693	1,693	3,945
Federal grants-in-aid	-	828	828	472
Charges for services	-	22,020	22,020	20,595
Investment income	419	1,930	2,349	9,554
Miscellaneous revenue	6,191	1,535	7,726	8,735
Total Revenues	14,292	28,006	42,298	49,994
Expenditures:				
Current:				
General government	45,856	-	45,856	46,779
Human services	13,138	-	13,138	8,027
Natural resources and recreation	10,004	-	10,004	11,300
Transportation	7	-	7	14,144
Education	26,212	27,447	53,659	58,932
Capital outlays	420,293	100,600	520,893	511,791
Debt service:				
Principal	17	-	17	59
Interest	1,242	253	1,495	1,554
Total Expenditures	516,769	128,300	645,069	652,586
Excess of Revenues Over (Under) Expenditures	(502,477)	(100,294)	(602,771)	(602,592)
Other Financing Sources (Uses):				
Bond sale proceeds	501,229	50,017	551,246	459,802
Note proceeds	165	-	165	-
Operating transfers in	44,940	89,002	133,942	120,540
Operating transfers out	(1,305)	(23,053)	(24,358)	(79,115)
Total Other Financing Sources (Uses)	545,029	115,966	660,995	501,227
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	42,552	15,672	58,224	(101,365)
Fund Balances:				
Fund balances as restated, July 1	20,444	81,695	102,139	203,504
Residual equity transfers out	(3,329)	-	(3,329)	-
Fund Balances, June 30	\$ 59,667	\$ 97,367	\$ 157,034	\$ 102,139

Combining Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) - Budget and Actual Capital Projects Funds

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	State Facilities			Higher Education Facilities		
	Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)	Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)
Revenues:						
Timber sales	\$ 13,369	\$ 7,682	\$ (5,687)	\$ 13	\$ -	\$ (13)
Charges for services	-	-	-	4,481	22,020	17,539
Interest income	776	474	(302)	1,165	2,065	900
Miscellaneous revenue	11,130	5,732	(5,398)	170	(322)	(492)
Total Revenues	25,275	13,888	(11,387)	5,829	23,763	17,934
Expenditures:						
Current:						
General government	8,034	2,150	5,884	778	253	525
Capital outlays	1,382,357	500,458	881,899	344,122	89,194	254,928
Total Expenditures	1,390,391	502,608	887,783	344,900	89,447	255,453
Excess of Revenues Over (Under) Expenditures	(1,365,116)	(488,720)	876,396	(339,071)	(65,684)	273,387
Other Financing Sources (Uses):						
Bond sale proceeds	976,874	501,229	(475,645)	108,355	50,017	(58,338)
Operating transfers in	1,899	30,940	29,041	23,152	40,106	16,954
Operating transfers out	(11,433)	(1,305)	10,128	(45,519)	(22,994)	22,525
Total Other Financing Sources (Uses)	967,340	530,864	(436,476)	85,988	67,129	(18,859)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (397,776)	\$ 42,144	\$ 439,920	\$ (253,083)	\$ 1,445	\$ 254,528

Totals		
Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)
\$ 13,382	\$ 7,682	\$ (5,700)
4,481	22,020	17,539
1,941	2,539	598
11,300	5,410	(5,890)
31,104	37,651	6,547
8,812	2,403	6,409
1,726,479	589,652	1,136,827
1,735,291	592,055	1,143,236
(1,704,187)	(554,404)	1,149,783
1,085,229	551,246	(533,983)
25,051	71,046	45,995
(56,952)	(24,299)	32,653
1,053,328	597,993	(455,335)
\$ (650,859)	\$ 43,589	\$ 694,448

Enterprise Funds

Enterprise Funds account for the following: (1) state operations that are financed and operated in a manner similar to private business enterprises where the state's intent is that the cost of providing goods and/or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) state operations where a periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. A brief description of each Enterprise Fund follows:

The Liquor Fund is used to account for the administration and operation of state liquor stores, warehouses, and the distribution of net proceeds.

The Workers' Compensation Fund is used to account for the workers' compensation program which provides medical, time-loss, and disability benefit payments to qualifying individuals sustaining work-related injuries.

The Convention and Trade Fund is used to account for the acquisition, design, construction, promotion, and operation of the State Convention and Trade Center.

The Lottery Fund is used to account for lottery ticket revenues, administrative and operating expenses of the Lottery Commission, and the distribution of revenue.

The Institutional Fund accounts for the enterprise activities (industries) carried out through vocational/education programs at the correctional institutions.

The State Ferry Fund is used to account for all revenue and payment of all operating costs of the state ferry system.

The Student Services Fund is used by colleges and universities principally for bookstore, cafeteria, parking, student housing, food service, and hospital business enterprise activities.

The Other Activities Fund accounts for the following: (1) the advanced college tuition payment program, (2) the operation of computer systems for legislative information, (3) the production and sale of statute law publications and official reports, and (4) Judicial Information System users.

Combining Balance Sheet

Enterprise Funds

June 30, 2000 (expressed in thousands)

	Liquor	Workers' Compensation	Convention and Trade	Lottery	Institutional
Assets:					
Current Assets:					
Cash and pooled investments	\$ 6,253	\$ 22,759	\$ 44,321	\$ 11,807	\$ 11,266
Investments	-	-	-	61,253	-
Taxes receivable (net of allowance)	3,894	-	-	-	-
Other receivables (net of allowance)	847	491,396	14,546	14,442	197
Due from other funds	20,050	1,744	2,454	16,647	5,306
Due from other governments	46	1,072	-	-	338
Inventories	27,791	230	-	1,517	6,323
Prepaid expenses	-	3	383	57	1
Total Current Assets	58,881	517,204	61,704	105,723	23,431
Other Assets:					
Investments, noncurrent	-	8,951,594	-	468,871	12
Other nonfixed assets	-	-	-	-	-
Total Other Assets	-	8,951,594	-	468,871	12
Fixed Assets:					
Land	177	3,204	18,279	-	-
Buildings	-	62,446	197,016	-	-
Other improvements and miscellaneous	134	1,750	1,987	772	603
Furnishings and equipment	4,719	24,986	4,297	3,933	11,113
Accumulated depreciation	(3,214)	(28,757)	(47,218)	(3,687)	(5,569)
Construction in progress	12,260	-	131,000	-	-
Total Fixed Assets	14,076	63,629	305,361	1,018	6,147
Total Assets	\$ 72,957	\$ 9,532,427	\$ 367,065	\$ 575,612	\$ 29,590
Liabilities and Equity					
Current Liabilities:					
Accounts payable	\$ 861	\$ 12,600	\$ 415	\$ 1,919	\$ 2,738
Contracts and retainages payable	1,977	2,104	975	-	40
Accrued liabilities	11,952	392,256	2,394	82,809	675
Obligations under security lending agreements	-	485,266	-	-	-
Matured bonds payable	-	2,240	9,040	-	-
Due to other funds	14,138	5,556	216	669	1,105
Due to other governments	-	-	-	-	-
Deferred revenues	663	13,847	1,619	-	50
Claims and judgments payable, current	-	1,166,549	-	-	-
Total Current Liabilities	29,591	2,080,418	14,659	85,397	4,608
Long-Term Liabilities:					
Claims and judgments payable, long-term	-	12,455,153	-	-	-
Bonds payable	-	50,460	139,903	-	-
Other long-term obligations	25,091	9,707	182,125	485,982	1,086
Total Long-Term Liabilities	25,091	12,515,320	322,028	485,982	1,086
Total Liabilities	54,682	14,595,738	336,687	571,379	5,694
Equity:					
Contributed capital	-	23	1,071	-	3,027
Retained earnings, reserved	-	-	-	-	-
Retained earnings (deficit), unreserved	18,275	(5,063,334)	29,307	4,233	20,869
Total Equity	18,275	(5,063,311)	30,378	4,233	23,896
Total Liabilities and Equity	\$ 72,957	\$ 9,532,427	\$ 367,065	\$ 575,612	\$ 29,590

State of Washington

State Ferry	Student Services	Other Activities	Totals	
			June 30, 2000	June 30, 1999
\$ 3,166	\$ 40,482	\$ 107,539	\$ 247,593	\$ 476,343
-	-	-	61,253	-
-	-	-	3,894	4,411
2,042	100,862	1,037	625,369	556,284
1,753	244,910	1,474	294,338	40,939
262	28,649	4	30,371	18,311
8,067	38,737	113	82,778	74,322
-	6,070	467	6,981	10,611
15,290	459,710	110,634	1,352,577	1,181,221
358	183,505	79,373	9,683,713	9,664,476
-	495	-	495	331
358	184,000	79,373	9,684,208	9,664,807
8,074	2,149	-	31,883	31,792
52,313	614,809	2	926,586	902,737
152,151	54,811	-	212,208	187,224
720,380	181,943	11,531	962,902	867,400
(275,106)	(378,168)	(7,203)	(748,922)	(684,876)
194,010	80,381	-	417,651	357,251
851,822	555,925	4,330	1,802,308	1,661,528
\$ 867,470	\$ 1,199,635	\$ 194,337	\$ 12,839,093	\$ 12,507,556
\$ 2,344	\$ 53,872	\$ 643	\$ 75,392	\$ 76,417
705	7,388	-	13,189	8,077
7,442	44,232	13,343	555,103	276,166
46	-	22,987	508,299	585,927
-	8,859	-	20,139	18,894
718	30,148	49,763	102,313	66,746
191	35	999	1,225	348
21	27,708	511	44,419	38,460
-	-	-	1,166,549	1,081,967
11,467	172,242	88,246	2,486,628	2,153,002
-	-	5,591	12,460,744	11,437,393
-	241,031	-	431,394	408,060
7,041	9,084	73,678	793,794	725,448
7,041	250,115	79,269	13,685,932	12,570,901
18,508	422,357	167,515	16,172,560	14,723,903
1,147,658	4,736	1,458	1,157,973	1,086,990
-	-	-	-	35,060
(298,696)	772,542	25,364	(4,491,440)	(3,338,397)
848,962	777,278	26,822	(3,333,467)	(2,216,347)
\$ 867,470	\$ 1,199,635	\$ 194,337	\$ 12,839,093	\$ 12,507,556

Combining Statement of Revenues, Expenses, and Changes in Equity

Enterprise Funds

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Liquor	Workers' Compensation	Convention and Trade	Lottery	Institutional
Operating Revenues:					
Sales	\$ 323,007	\$ -	\$ -	\$ -	\$ 36,639
Less: Cost of goods sold	234,095	-	-	-	25,203
Gross profit	88,912	-	-	-	11,436
Charges for services	31	5,192	9,763	-	1
Earnings on investments	-	531,997	-	-	-
Insurance premiums	-	871,142	-	-	-
Lottery ticket proceeds	145	-	-	452,809	-
Miscellaneous revenue	1,352	31,152	22	2	1,424
Total Operating Revenues	90,440	1,439,483	9,785	452,811	12,861
Operating Expenses:					
Salaries and wages	30,045	97,575	4,602	5,701	6,837
Employee benefits	8,635	23,961	1,756	1,404	1,459
Personal services	262	3,271	3,625	7,288	3
Goods and services	26,709	54,960	3,229	47,345	1,955
Travel	414	2,508	19	468	146
Insurance premiums and claims	-	2,275,172	-	-	-
Lottery prize payments	-	-	-	289,608	-
Depreciation and amortization	50	2,667	4,107	249	1,062
Miscellaneous expenses	1,584	9,579	75	358	39
Total Operating Expenses	67,699	2,469,693	17,413	352,421	11,501
Operating Income (Loss)	22,741	(1,030,210)	(7,628)	100,390	1,360
Nonoperating Revenues (Expenses):					
Other revenue (expenses)	43,866	4,493	33,137	37	(371)
Earnings (loss) on investments	-	(121,091)	-	(1,760)	1
Interest expense	(59)	(2,941)	(9,152)	(38,622)	(18)
Distributions to other governments	(23,900)	-	-	(3,442)	-
Total Nonoperating Revenues (Expenses)	19,907	(119,539)	23,985	(43,787)	(388)
Income (Loss) Before Operating Transfers	42,648	(1,149,749)	16,357	56,603	972
Operating Transfers:					
Operating transfers in	13	178,291	-	22,723	4,289
Operating transfers out	(45,556)	(184,238)	(8)	(118,554)	(1,548)
Net Operating Transfers In (Out)	(45,543)	(5,947)	(8)	(95,831)	2,741
Net Income (Loss)	(2,895)	(1,155,696)	16,349	(39,228)	3,713
Equity:					
Equity as restated, July 1	21,170	(3,907,615)	14,029	43,461	20,183
Residual equity transfers in (out)	-	-	-	-	-
Contributions of capital	-	-	-	-	-
Equity, June 30	\$ 18,275	\$ (5,063,311)	\$ 30,378	\$ 4,233	\$ 23,896

State of Washington

State Ferry	Student Services	Other Activities	Totals for the Year Ended	
			June 30, 2000	June 30, 1999
\$ -	\$ 92,373	\$ -	\$ 452,019	\$ 432,469
-	58,203	-	317,501	275,753
-	34,170	-	134,518	156,716
95,877	636,432	4,887	752,183	701,075
-	-	-	531,997	505,628
-	-	-	871,142	825,813
-	-	-	452,954	473,395
1,451	74,610	1,482	111,495	151,596
97,328	745,212	6,369	2,854,289	2,814,223
82,229	289,166	5,554	521,709	479,937
17,397	54,773	1,190	110,575	106,618
1,728	9,046	1,338	26,561	24,840
41,614	332,424	10,444	518,680	494,267
1,287	12,089	153	17,084	15,809
-	-	-	2,275,172	1,386,248
-	-	-	289,608	296,070
28,602	33,638	521	70,896	59,267
308	18,649	18,279	48,871	66,931
173,165	749,785	37,479	3,879,156	2,929,987
(75,837)	(4,573)	(31,110)	(1,024,867)	(115,764)
3,084	4,723	8,845	97,814	103,138
130	29,467	4,622	(88,631)	(156,454)
-	(15,898)	-	(66,690)	(65,048)
-	-	-	(27,342)	(29,922)
3,214	18,292	13,467	(84,849)	(148,286)
(72,623)	13,719	(17,643)	(1,109,716)	(264,050)
56,128	170,393	5,942	437,779	274,300
(4,013)	(159,384)	(84)	(513,385)	(415,184)
52,115	11,009	5,858	(75,606)	(140,884)
(20,508)	24,728	(11,785)	(1,185,322)	(404,934)
798,488	752,876	38,607	(2,218,801)	(1,919,316)
-	(326)	-	(326)	-
70,982	-	-	70,982	107,903
\$ 848,962	\$ 777,278	\$ 26,822	(\$ 3,333,467)	(\$ 2,216,347)

Combining Statement of Cash Flows

Enterprise Funds

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Liquor	Workers' Compensation	Convention And Trade	Lottery	Institutional
Cash Flows from Operating Activities:					
Operating Income (Loss)	\$ 22,741	\$ (1,030,210)	\$ (7,628)	\$ 100,390	\$ 1,360
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:					
Depreciation	50	2,667	4,107	249	1,062
Interest revenue reported as operating	-	(531,997)	-	-	-
Other revenues	-	5,961	5	18	-
Other expenses	(378)	-	-	-	(336)
Change in Assets: Decrease (Increase)					
Receivables (net of allowance)	2,973	(55,025)	(11,701)	373	(80)
Due from other funds	(19,326)	826	(676)	(1,825)	286
Due from other governments	-	150	-	-	19
Inventories	(1,815)	(10)	-	1,107	37
Prepaid expenses	-	16	(383)	(56)	-
Other nonfixed assets	-	-	-	-	-
Change in Liabilities: Increase (Decrease)					
Accounts payable	(1,325)	1,443	(115)	(1,214)	647
Contracts and retainages payable	4	(1)	37	-	5
Accrued liabilities	1,913	268,014	(299)	(9,507)	(36)
Due to other funds	4,511	(1,413)	(10,634)	(451)	815
Due to other governments	-	-	-	-	-
Deferred revenues	71	2,997	1,619	-	40
Claims and judgments payable	-	1,106,257	-	(20)	-
Other long-term obligations	168	92	2,267	(6,806)	28
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	9,587	(230,233)	(23,401)	82,258	3,847
Cash Flows from Noncapital Financing Activities:					
Distributions to other governments	(23,900)	-	-	(3,442)	-
Taxes and license fees collected	42,382	4	30,679	-	-
Operating transfers in	13	178,291	-	22,723	4,289
Operating transfers out	(45,556)	(184,238)	(8)	(118,554)	(1,548)
Proceeds from noncapital long-term financing	-	-	-	-	-
Payment of noncapital long-term obligations	-	-	-	-	-
Equity restatement	-	-	-	-	-
Fund equity transfers out	-	-	-	-	-
Net Cash or Cash Equivalents Provided by (Used in) Noncapital Financing Activities	(27,061)	(5,943)	30,671	(99,273)	2,741
Cash Flows from Capital and Related Financing Activities:					
Payments for interest	(59)	(2,941)	(9,144)	-	(18)
Acquisitions of fixed assets	(1,507)	(3,915)	(57,966)	(367)	(2,350)
Proceeds from sale of fixed assets	679	281	-	51	429
Proceeds from long-term capital financing	-	-	182,124	-	-
Retirement of long-term bonds payable	-	(2,110)	(8,230)	-	-
Payment of other long-term obligations	(3,841)	-	(142,305)	-	(30)
Net Cash or Cash Equivalents Provided by (Used in) Capital and Related Financing Activities	(4,728)	(8,685)	(35,521)	(316)	(1,969)
Cash Flows from Investing Activities:					
Receipt of interest	-	524,712	-	682	1
Proceeds from sale of investment securities	-	3,698,260	-	97,069	-
Purchases of investment securities	-	(3,981,599)	-	(83,107)	-
Net Cash Provided by (Used in) Investing Activities	-	241,373	-	14,644	1
Net Increase (Decrease) in Cash and Pooled Investments	(22,202)	(3,488)	(28,251)	(2,687)	4,620
Cash and Pooled Investments, July 1	28,455	26,247	72,572	14,494	6,646
Cash and Pooled Investments, June 30	\$ 6,253	\$ 22,759	\$ 44,321	\$ 11,807	\$ 11,266
Noncash Investing, Capital, and Financing Activities:					
Acquisition of capital assets with capital leases and COPs	\$ -	\$ -	\$ -	\$ -	\$ 401
Capital lease and COP liabilities incurred in acquiring capital assets	-	-	-	-	(401)
Contributions of noncash assets	-	-	-	-	37
Noncash portion of prior period adjustments	-	-	-	-	-
Amortization of interest on long-term prize liability	-	-	-	(38,622)	-
Increase (decrease) in fair value of investments	-	(113,806)	-	(2,442)	-

State of Washington

State Ferry	Student Services	Other Activities	Totals for the Year Ended	
			June 30, 2000	June 30, 1999
\$ (75,837)	(\$ 4,573)	\$ (31,110)	\$ (1,024,867)	\$ (115,764)
28,602	33,638	521	70,896	59,267
-	-	-	(531,997)	(505,628)
102	-	24	6,110	8,276
-	(2,643)	-	(3,357)	(1,602)
(1)	81	(484)	(63,864)	40,437
(1,717)	(229,591)	(1,375)	(253,398)	(7,147)
(21)	(11,398)	(3)	(11,253)	1,477
(1,252)	(6,516)	(7)	(8,456)	(6,271)
-	4,048	5	3,630	2,186
-	(438)	-	(438)	(1,619)
(505)	1,325	(1,282)	(1,026)	(14,887)
148	3,205	(55)	3,343	(1,426)
95	5,788	(2,950)	263,018	17,611
(5,144)	(1,204)	49,087	35,567	16,408
(46)	21	265	240	(33)
(99)	901	430	5,959	(1,922)
-	-	1,676	1,107,913	302,206
286	242	34,789	31,066	51,739
(55,389)	(207,114)	49,531	(370,914)	(156,692)
-	-	-	(27,342)	(29,922)
-	-	8,840	81,905	102,679
56,128	170,393	5,942	437,779	274,300
(4,013)	(159,384)	(84)	(513,385)	(415,184)
-	-	5,956	5,956	-
-	-	(1,027)	(1,027)	-
-	-	3,167	3,167	-
-	(326)	-	(326)	-
52,115	10,683	22,794	(13,273)	(68,127)
-	(15,796)	-	(27,958)	(26,458)
(8)	(77,163)	(1,002)	(144,278)	(114,926)
-	5,246	340	7,026	2,678
-	44,109	-	226,233	46,930
-	(11,510)	-	(21,850)	(20,102)
-	(1,190)	-	(147,366)	(2,678)
(8)	(56,304)	(662)	(108,193)	(114,556)
157	32,406	2,157	560,115	1,156,346
-	89,046	43,197	3,927,572	5,397,283
-	(111,779)	(64,184)	(4,240,669)	(6,219,238)
157	9,673	(18,830)	247,018	334,391
(3,125)	(243,062)	52,833	(245,362)	(4,984)
6,291	283,544	54,706	492,955	481,327
\$ 3,166	\$ 40,482	\$ 107,539	\$ 247,593	\$ 476,343
\$ -	\$ 1,019	\$ -	\$ 1,420	\$ 1,634
-	(1,019)	-	(1,420)	(1,634)
70,982	-	-	71,019	107,903
-	-	(5,621)	(5,621)	-
-	-	-	(38,622)	(38,421)
(27)	(2,939)	2,465	(116,749)	(807,161)

Schedule of Appropriated Expenses - Budget and Actual

Enterprise Funds

Continued

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Approved Budget 1999-01 Biennium	Actual Biennium To-Date Thru 6-30-00	Variance Favorable (Unfavorable)
Fund/Appropriation			
Liquor Fund			
Liquor Revolving Account			
Salaries and expenses	\$ 125,359	\$ 62,907	\$ 62,452
Information technology upgrade	2,804	1,197	1,607
Motel liquor licenses	105	-	105
Business plan	300	275	25
Train new enforcement agents	53	-	53
LCB Construction Maintenance Account			
Salaries and expenses	8,013	4,960	3,053
Temporary distribution center	1,985	-	1,985
Total Liquor Fund	\$ 138,619	\$ 69,339	\$ 69,280
Workers' Compensation Fund			
Accident Account			
Salaries and expenses - Board of Industrial Insurance Appeals	\$ 11,543	\$ 5,665	\$ 5,878
Salaries and expenses (federal) - Labor and Industries	9,112	5,463	3,649
Salaries and expenses - Labor and Industries	165,979	79,897	86,082
Salaries and expenses - Health	258	158	100
Salaries and expenses - University of Washington	5,325	2,348	2,977
Debt reimbursement	5,080	2,525	2,555
Bio-contaminant laboratory	452	39	413
Year 2000 allocation	150	150	-
Medical Aid Account			
Salaries and expenses - Board of Industrial Insurance Appeals	11,548	5,665	5,883
Salaries and expenses (federal) - Labor and Industries	1,592	1,062	530
Salaries and expenses - Labor and Industries	168,123	80,268	87,855
Salaries and expenses - Health	45	45	-
Salaries and expenses - University of Washington	5,366	2,730	2,636
Debt reimbursement	5,080	2,525	2,555
Bio-contaminant laboratory	452	180	272
Year 2000 allocation	150	150	-
Total Workers' Compensation Fund	\$ 390,255	\$ 188,870	\$ 201,385

Schedule of Appropriated Expenses - Budget and Actual

Enterprise Funds

Concluded

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Approved Budget 1999-01 Biennium	Actual Biennium To-Date Thru 6-30-00	Variance Favorable (Unfavorable)
Convention and Trade Fund			
Convention and Trade Center Account			
GO debt reimbursement	\$ 32,724	\$ 14,416	\$ 18,308
Seattle convention center expansion	5,750	-	5,750
Seattle convention center replacement housing	5,000	-	5,000
Salaries and expenses	2,471	376	2,095
Convention and Trade Operations Account			
Salaries and expenses	29,842	13,535	16,307
Total Convention and Trade Fund	\$ 75,787	\$ 28,327	\$ 47,460
Lottery Fund			
Lottery Administrative Account			
Salaries and expenses	\$ 21,127	\$ 10,137	\$ 10,990
Total Lottery Fund	\$ 21,127	\$ 10,137	\$ 10,990
State Ferry Fund			
Marine Operating Account			
Ferry operations and maintenance	\$ 134,320	\$ 126,149	\$ 8,171
Vessel operating fuel	14,010	14,010	-
Total State Ferry Fund	\$ 148,330	\$ 140,159	\$ 8,171
Other Activities Fund			
Judicial Information Systems Account			
Salaries and expenses	\$ 19,016	\$ 4,705	\$ 14,311
Advanced College Tuition Payment Program Account			
Salaries and expenses	3,408	919	2,489
Pollution Liability Program Trust Account			
Salaries and expenses - Pollution Liability Agency	947	458	489
Total Other Activities Fund	\$ 23,371	\$ 6,082	\$ 17,289

Internal Service Funds

Internal Service Funds account for state activities that provide goods and services to other state departments or agencies on a cost-reimbursement basis. A brief description of each fund follows:

The Central Services Fund accounts for the cost of providing the following services to state agencies: (1) legal services, (2) operation and management of real estate, (3) facilities and related services, (4) central stores, (5) operations of the motor pool, (6) auditing of state and local governmental units, (7) administration of the state civil service law, (8) administrative hearings, and (9) archives and records management.

The Equipment Revolving Fund accounts for the purchase, repair, maintenance, and replacement of equipment, machinery, supplies, and vehicles used for the following activities: (1) administration, maintenance, and construction of highways and highway facilities, and (2) management of public and private lands.

The Data Processing Revolving Fund accounts for distribution and apportionment of the full cost of data processing and data communication services to other state agencies, and for the payment of other costs incidental to the acquisition, operation, and administration of acquired data processing services, supplies, and equipment.

The Printing Services Fund accounts for the operation of the state printing plant.

The State Employees' Insurance Fund accounts for payment of premiums for employees' insurance benefit contracts.

The Risk Management Fund accounts for the administration of liability, property, and vehicle claims, including investigation, claim processing, negotiation and settlement, and other expenses relating to settlements and judgments against the state not otherwise budgeted.

The Higher Education Revolving Fund accounts for stores, data processing, educational, operational printing and duplication, motor pool, and other support service activities at colleges and universities.

Combining Balance Sheet

Internal Service Funds

June 30, 2000 (expressed in thousands)

	Central Services	Central Stores	Equipment Revolving	Data Processing Revolving	Printing Services
Assets:					
Current Assets:					
Cash and pooled investments	\$ 15,435	\$ -	\$ 14,303	\$ 28,682	\$ 3,360
Other receivables (net of allowance)	733	-	151	72	12
Due from other funds	27,763	-	8,289	15,733	5,859
Due from other governments	3,965	-	65	3,293	64
Inventories	3,069	-	2,895	473	901
Prepaid expenses	283	-	-	-	61
Total Current Assets	51,248	-	25,703	48,253	10,257
Other Assets:					
Investments, noncurrent	-	-	-	-	-
Total Other Assets	-	-	-	-	-
Fixed Assets:					
Land	1,428	-	-	-	-
Buildings	52,538	-	77	-	-
Other improvements and miscellaneous	2,527	-	-	11,302	-
Furnishings and equipment	45,913	-	279,080	103,093	8,529
Accumulated depreciation	(37,171)	-	(146,916)	(60,100)	(4,877)
Construction in progress	19,547	-	-	2	-
Total Fixed Assets	84,782	-	132,241	54,297	3,652
Total Assets	\$ 136,030	\$ -	\$ 157,944	\$ 102,550	\$ 13,909
Liabilities and Equity					
Current Liabilities:					
Accounts payable	\$ 6,198	\$ -	\$ 3,969	\$ 12,292	\$ 816
Contracts and retainages payable	6,279	-	266	-	-
Accrued liabilities	6,718	-	274	1,266	510
Obligations under security lending agreements	-	-	84	-	-
Due to other funds	6,646	-	1,710	1,814	42
Due to other governments	245	-	1	-	-
Deferred revenues	393	-	2,175	-	-
Claims and judgments payable, current	-	-	-	-	-
Total Current Liabilities	26,479	-	8,479	15,372	1,368
Long-Term Liabilities:					
Claims and judgments payable, long-term	-	-	-	-	-
Other long-term obligations	54,719	-	2,906	3,345	-
Total Long-Term Liabilities	54,719	-	2,906	3,345	-
Total Liabilities	81,198	-	11,385	18,717	1,368
Equity:					
Contributed capital	20,152	-	43,938	18,758	-
Retained earnings (deficit), unreserved	34,680	-	102,621	65,075	12,541
Total Equity	54,832	-	146,559	83,833	12,541
Total Liabilities and Equity	\$ 136,030	\$ -	\$ 157,944	\$ 102,550	\$ 13,909

State of Washington

Motor Transport	State Employees' Insurance	Risk Management	Higher Education Revolving	Totals		
				June 30, 2000	June 30, 1999	
\$	-	\$ 17,398	\$ 55,689	\$ 6,244	\$ 141,111	\$ 164,774
	-	961	-	1,976	3,905	2,437
	-	43,232	193	32,862	133,931	71,561
	-	9,579	-	575	17,541	15,103
	-	-	-	11,593	18,931	15,899
	-	-	1,621	14	1,979	690
	-	71,170	57,503	53,264	317,398	270,464
	-	32,342	-	950	33,292	33,962
	-	32,342	-	950	33,292	33,962
	-	-	-	30	1,458	1,458
	-	-	-	5,255	57,870	53,038
	-	-	-	43	13,872	15,681
	-	1,202	-	68,879	506,696	480,126
	-	(708)	-	(50,612)	(300,384)	(293,985)
	-	-	-	-	19,549	11,795
	-	494	-	23,595	299,061	268,113
\$	-	\$ 104,006	\$ 57,503	\$ 77,809	\$ 649,751	\$ 572,539
\$	-	\$ 8,505	\$ -	\$ 5,330	\$ 37,110	\$ 41,573
	-	4,708	-	416	11,669	16,631
	-	206	6	7,435	16,415	15,744
	-	356	-	-	440	506
	-	42,961	1,365	12,008	66,546	29,445
	-	-	-	27	273	583
	-	306	-	57	2,931	5,291
	-	35,266	40,771	-	76,037	48,205
	-	92,308	42,142	25,273	211,421	157,978
	-	-	199,476	-	199,476	113,923
	-	412	-	7,082	68,464	72,023
	-	412	199,476	7,082	267,940	185,946
	-	92,720	241,618	32,355	479,361	343,924
	-	-	-	1,386	84,234	72,673
	-	11,286	(184,115)	44,068	86,156	155,942
	-	11,286	(184,115)	45,454	170,390	228,615
\$	-	\$ 104,006	\$ 57,503	\$ 77,809	\$ 649,751	\$ 572,539

Combining Statement of Revenues, Expenses, and Changes in Equity

Internal Service Funds

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Central Services	Central Stores	Equipment Revolving	Data Processing Revolving	Printing Services
Operating Revenues:					
Sales	\$ 17,351	\$ -	\$ 3,472	\$ 37,379	\$ 37,073
Less: Cost of goods sold	13,839	-	1,137	36,503	33,891
Gross profit	3,512	-	2,335	876	3,182
Charges for services	186,902	-	78,792	116,647	-
Earnings on investments	-	-	-	-	-
Insurance premiums	3,902	-	-	-	-
Miscellaneous revenue	14,185	-	19	5	-
Total Operating Revenues	208,501	-	81,146	117,528	3,182
Operating Expenses:					
Salaries and wages	95,970	-	24,048	26,362	1,666
Employee benefits	22,537	-	3,703	5,751	381
Personal services	7,923	-	507	1,928	32
Goods and services	61,093	-	25,361	64,200	349
Travel	2,278	-	269	327	30
Insurance premiums and claims	-	-	-	-	-
Depreciation and amortization	5,170	-	20,810	15,981	1,069
Miscellaneous expenses	2,610	-	5,195	1,319	177
Total Operating Expenses	197,581	-	79,893	115,868	3,704
Operating Income (Loss)	10,920	-	1,253	1,660	(522)
Nonoperating Revenues (Expenses):					
Other revenue (expenses)	447	-	1,055	(7)	(188)
Earnings (loss) on investments	492	-	343	-	192
Interest expense	(2,666)	-	(46)	-	-
Total Nonoperating Revenues (Expenses)	(1,727)	-	1,352	(7)	4
Income (Loss) Before Operating Transfers	9,193	-	2,605	1,653	(518)
Operating Transfers:					
Operating transfers in	10	-	-	13,000	-
Operating transfers out	(3,292)	-	(2,500)	(34)	-
Net Operating Transfers In (Out)	(3,282)	-	(2,500)	12,966	-
Net Income (Loss)	5,911	-	105	14,619	(518)
Equity:					
Equity as restated, July 1	32,825	5,022	142,804	61,408	13,059
Residual equity transfers in (out)	15,971	(5,022)	-	-	-
Contributions of capital	125	-	3,650	7,806	-
Return of contributed capital	-	-	-	-	-
Equity, June 30	\$ 54,832	\$ -	\$ 146,559	\$ 83,833	\$ 12,541

State of Washington

Motor Transport	State Employees' Insurance	Risk Management	Higher Education Revolving	Totals for the Year Ended	
				June 30, 2000	June 30, 1999
\$ -	\$ -	\$ -	\$ 45,412	\$ 140,687	\$ 143,411
-	-	-	36,865	122,235	118,460
-	-	-	8,547	18,452	24,951
-	191	1,655	132,738	516,925	491,587
-	2,923	-	-	2,923	3,369
-	635,426	34,677	-	674,005	561,017
-	-	-	5,585	19,794	19,919
-	638,540	36,332	146,870	1,232,099	1,100,843
-	3,828	-	55,975	207,849	188,821
-	899	-	13,166	46,437	48,628
-	550	-	2,873	13,813	10,782
-	3,788	15,322	59,981	230,094	221,657
-	47	-	1,053	4,004	3,615
-	609,829	125,450	-	735,279	591,790
-	186	-	4,574	47,790	49,467
-	12,739	-	5,207	27,247	18,076
-	631,866	140,772	142,829	1,312,513	1,132,836
-	6,674	(104,440)	4,041	(80,414)	(31,993)
-	696	-	(629)	1,374	15,939
-	(141)	-	1,426	2,312	1,298
-	(6)	-	(378)	(3,096)	(2,273)
-	549	-	419	590	14,964
-	7,223	(104,440)	4,460	(79,824)	(17,029)
-	33,613	-	21,112	67,735	36,322
-	(33,830)	-	(17,830)	(57,486)	(42,245)
-	(217)	-	3,282	10,249	(5,923)
-	7,006	(104,440)	7,742	(69,575)	(22,952)
10,676	4,280	(79,402)	37,943	228,615	236,018
(10,676)	-	(273)	(210)	(210)	-
-	-	-	-	11,581	15,549
-	-	-	(21)	(21)	-
\$ -	\$ 11,286	\$ (184,115)	\$ 45,454	\$ 170,390	\$ 228,615

Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Central Services	Central Stores	Equipment Revolving	Data Processing Revolving	Printing Services
Cash Flows from Operating Activities:					
Operating Income (Loss)	\$ 10,920	\$ -	\$ 1,253	\$ 1,660	\$ (522)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:					
Depreciation	5,170	-	20,810	15,981	1,069
Interest revenue reported as operating	-	-	-	-	-
Other revenues	303	-	523	35	38
Other expenses	-	-	-	-	-
Change in Assets: Decrease (Increase)					
Receivables (net of allowance)	(367)	30	(42)	86	(10)
Due from other funds	(9,499)	813	3,786	3,337	110
Due from other governments	(882)	72	92	589	(26)
Inventories	(2,683)	2,560	(764)	261	(274)
Prepaid expenses	(263)	-	276	71	9
Change in Liabilities: Increase (Decrease)					
Accounts payable	2,085	(1,464)	(1,689)	(2,025)	(1,010)
Contracts and retainages payable	449	(113)	-	(3)	-
Accrued liabilities	1,078	(351)	(7)	27	(246)
Due to other funds	3,217	(361)	(1,331)	310	13
Due to other governments	(184)	-	(151)	-	-
Deferred revenues	277	(252)	(2,121)	-	(180)
Claims and judgments payable	-	-	-	-	-
Other long-term obligations	1,519	(269)	347	199	-
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	11,140	665	20,982	20,528	(1,029)
Cash Flows from Noncapital Financing Activities:					
Operating transfers in	10	-	-	13,000	-
Operating transfers out	(3,292)	-	(2,500)	(34)	-
Fund equity transfers in	15,971	-	-	-	-
Fund equity transfers out	-	(5,022)	-	-	-
Net Cash or Cash Equivalents Provided by (Used in) Noncapital Financing Activities	12,689	(5,022)	(2,500)	12,966	-
Cash Flows from Capital and Related Financing Activities:					
Payments for interest	(2,666)	-	(46)	-	-
Acquisitions of fixed assets	(18,085)	-	(18,438)	(25,943)	(159)
Proceeds from sale of fixed assets	4,021	260	1,950	1,126	15
Proceeds from long-term capital financing	-	-	-	-	-
Payment of other long-term obligations	(7,274)	-	(248)	-	-
Net Cash or Cash Equivalents Provided by (Used in) Capital and Related Financing Activities	(24,004)	260	(16,782)	(24,817)	(144)
Cash Flows from Investing Activities:					
Receipt of interest	492	-	403	-	192
Proceeds from sale of investment securities	-	-	-	-	2,050
Purchases of investment securities	-	-	-	-	-
Net Cash Provided by (Used in) Investing Activities	492	-	403	-	2,242
Net Increase (Decrease) in Cash and Pooled Investments	317	(4,097)	2,103	8,677	1,069
Cash and Pooled Investments, July 1	15,118	4,097	12,200	20,005	2,291
Cash and Pooled Investments, June 30	\$ 15,435	\$ -	\$ 14,303	\$ 28,682	\$ 3,360
Noncash Investing, Capital, and Financing Activities:					
Acquisition of capital assets with capital leases and COPs	\$ -	\$ -	\$ 63	\$ -	\$ -
Capital lease and COP liabilities incurred in acquiring capital assets	-	-	(63)	-	-
Contributions of noncash assets	125	-	3,650	7,806	-
Return of contributed assets	-	-	-	-	-
Increase (decrease) in fair value of investments	-	-	(60)	-	-

State of Washington

Motor Transport	State Employees' Insurance	Risk Management	Higher Education Revolving	Totals for the Year Ended	
				June 30, 2000	June 30, 1999
\$ -	\$ 6,674	\$ (104,440)	\$ 4,041	\$ (80,414)	\$ (31,993)
-	186	-	4,574	47,790	49,467
-	(2,923)	-	-	(2,923)	(3,369)
-	686	-	-	1,585	16,105
-	-	-	(107)	(107)	(282)
7	(393)	-	(797)	(1,486)	2,762
2,380	(37,461)	255	(26,091)	(62,370)	(11,223)
253	(2,073)	-	(447)	(2,422)	(1,721)
22	-	-	(2,153)	(3,031)	(59)
237	-	(1,621)	2	(1,289)	19
(953)	2,096	(41)	(1,462)	(4,463)	8,624
-	(9,991)	-	1	(9,657)	1,160
(431)	11,432	(36)	633	12,099	4,686
(895)	37,268	1,282	(2,401)	37,102	7,644
(2)	-	-	26	(311)	210
(76)	16	(21)	(3)	(2,360)	189
-	-	101,956	-	101,956	(29,513)
(776)	4	(181)	358	1,201	31
(234)	5,521	(2,847)	(23,826)	30,900	12,737
-	33,613	-	21,112	67,735	36,322
-	(33,830)	-	(17,830)	(57,486)	(42,245)
-	-	-	-	15,971	-
(10,676)	-	(273)	(210)	(16,181)	-
(10,676)	(217)	(273)	3,072	10,039	(5,923)
-	(6)	-	(378)	(3,096)	(2,273)
-	(116)	-	(6,530)	(69,271)	(47,586)
10,364	11	12	218	17,977	6,844
-	-	-	-	-	-
(7,867)	(59)	-	(605)	(16,053)	(4,823)
2,497	(170)	12	(7,295)	(70,443)	(47,838)
-	2,920	-	1,441	5,448	4,837
-	1	-	1,078	3,129	3,824
-	(1,716)	-	(1,020)	(2,736)	(2,595)
-	1,205	-	1,499	5,841	6,066
(8,413)	6,339	(3,108)	(26,550)	(23,663)	(34,958)
8,413	11,059	58,797	32,794	164,774	199,732
\$ -	\$ 17,398	\$ 55,689	\$ 6,244	\$ 141,111	\$ 164,774
\$ -	\$ -	\$ -	\$ 295	\$ 358	\$ 18,590
-	-	-	(295)	(358)	(18,590)
-	-	-	-	11,581	15,549
-	-	-	(21)	(21)	-
-	(138)	-	(15)	(213)	(104)

Schedule of Appropriated Expenses - Budget and Actual

Internal Service Funds

Continued

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Approved Budget 1999-01 Biennium	Actual Biennium To-Date Thru 6-30-00	Variance Favorable (Unfavorable)
Fund/Appropriation			
Central Services Fund			
Archives and Records Management Account			
Salaries and expenses	\$ 8,745	\$ 3,503	\$ 5,242
Museum bureau	867	567	300
Legal Services Revolving Account			
Salaries and expenses	117,311	57,774	59,537
Vulnerable adults	486	162	324
Department of General Administration Facilities and Services Revolving Account			
Salaries and expenses	45,976	23,888	22,088
Commute trip reduction program	27	27	-
Energy Efficiency Services Account			
Salaries and expenses	431	96	335
Department of Personnel Service Account			
Salaries and expenses - Department of Personnel	15,951	7,734	8,217
Salaries and expenses - Secretary of State	681	311	370
Salaries and expenses - Personnel Appeals Board	1,602	779	823
Employment application processing system	515	177	338
Executive fellowship program	190	80	110
Combined fund drive	108	-	108
Retiree charity deduction	52	-	52
OMWBE Enterprise Account			
Salaries and expenses	2,546	929	1,617
Higher Education Personnel Services Account			
Higher education personnel services	1,640	829	811
Auditing Services Revolving Account			
Salaries and expenses	12,728	6,028	6,700
Administrative Hearings Revolving Account			
Salaries and expenses	20,631	10,095	10,536
Total Central Services Fund	\$ 230,487	\$ 112,979	\$ 117,508

Schedule of Appropriated Expenses - Budget and Actual

Internal Service Funds

Concluded

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Approved Budget 1999-01 Biennium	Actual Biennium To-Date Thru 6-30-00	Variance Favorable (Unfavorable)
Fund/Appropriation			
Data Processing Revolving Fund			
Data Processing Revolving Account			
Salaries and expenses	\$ 3,605	\$ 1,784	\$ 1,821
Digital government allocation - CTED	300	-	300
Digital government allocation - Financial management	235	-	235
Digital government allocation - Information services	171	-	171
Digital government allocation - Licensing	3,294	-	3,294
Total Data Processing Revolving Fund	\$ 7,605	\$ 1,784	\$ 5,821
State Employees' Insurance Fund			
Health Care Authority Administration Account			
Salaries and expenses	\$ 16,152	\$ 7,882	\$ 8,270
Uniform medical plan contract	442	99	343
Insurance Information systems study	111	-	111
Year 2000 allocation	1,456	825	631
Total State Employees' Insurance Fund	\$ 18,161	\$ 8,806	\$ 9,355

Trust and Agency Funds

Trust and Agency Funds account for assets Washington holds in a trustee capacity or as an agent for individuals, private organizations, other governmental organizations, or other funds. These include: Expendable Trust Funds, Nonexpendable Trust Funds, Pension and Investment Trust Funds, and Agency Funds.

Expendable Trust Funds

Expendable Trust Funds account for assets held by the state in a trustee capacity where the principal and income may be expended in the course of the funds' designated operations. A brief description of each fund follows:

The Human Services Trust Fund primarily accounts for the deposit of funds requisitioned from the Federal Unemployment Trust Fund and for the payment of unemployment benefits. This fund also accounts for miscellaneous human services activities such as (1) the fees and expenses that provide health care services under the Basic Health Plan, (2) recoveries on behalf of children receiving support payments, (3) surcharges assessed on all telephone lines to provide telephone service to low-income and physically impaired individuals, and (4) contributions and grants in aid of institutional residents.

The Higher Education Trust Fund accounts for college and university gifts in the support of fellowships and scholarships.

The Deferred Compensation Trust Fund is used to account for the amount of compensation deferred by state employees and employees of other political subdivisions electing to participate in a deferred compensation plan in accordance with Internal Revenue Code Section 457.

The Miscellaneous Trust Fund accounts for various assets held in trust for other governments, individuals, or the public at large. This includes the administration of the deferred compensation plan for state employees, museums and historical societies, K-12 school construction investments, local rail assistance, and various regional environmental trusts.

Nonexpendable Trust Funds

Nonexpendable Trust Funds account for assets held by the state in a trustee capacity where only the income derived from the trust principal may be expended for designated operations. The principal must be preserved intact. A brief description of each fund follows:

The Higher Education Endowment Fund accounts for the principal derived from the sale of timber, and for gifts and bequests which the donors have specified must remain intact. Interest earned is used for the benefit of certain colleges and universities.

The Common School Permanent Fund accounts for the principal derived from the sale of timber. Interest earned is used for the benefit of common schools.

Pension and Investment Trust Funds

Pension Trust Funds account for transactions, assets, liabilities, and net assets available for plan benefits of the various state public employee retirement systems. See Note 17, Retirement Systems, for a description of the individual Pension Trust Funds.

Public Employees' Retirement System Plan 1 Fund membership includes elected officials; state employees; employees of the Supreme, Appeals, and Superior Courts other than judges; employees of legislative committees; community and technical college, college, and university employees not in national higher education retirement programs; judges of district and municipal courts; noncertificated employees of school districts; and employees of local governments, who joined the system by September 30, 1977.

Public Employees' Retirement System Plan 2 Fund membership includes elected officials; state employees; employees of the Supreme, Appeals, and Superior Courts other than judges currently in the Judicial Retirement System; employees of legislative committees; community and technical college, college, and university employees not in national higher education retirement programs; judges of district and municipal courts; noncertificated employees of school districts; and employees of local governments, who joined the system after September 30, 1977.

Teachers' Retirement System Plan 1 Fund membership is limited to certified employees in grades K-12 in the public schools, who joined the system by September 30, 1977.

Teachers' Retirement System Plan 2/3 Defined Benefit Fund membership is limited to certified employees in grades K-12 in the public schools, who joined the system after September 30, 1977.

Teachers' Retirement System Plan 3 Defined Contribution Fund membership is limited to certified employees in grades K-12 in the public schools, who joined the system subsequent to June 30, 1996.

Law Enforcement Officers' and Fire Fighters' Retirement System Plan 1 Fund membership includes all full-time, fully compensated, local law enforcement officers and fire fighters, who joined the system by September 30, 1977.

Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 Fund membership includes all full-time, fully compensated, local law enforcement officers and fire fighters, who joined the system subsequent to September 30, 1977.

Washington State Patrol Retirement Fund membership is limited to commissioned employees of the Washington State Patrol.

Judicial Retirement System Fund membership includes judges first elected or appointed to the Supreme Court, Court of Appeals, and Superior Courts on or after August 9, 1971 and prior to July 1, 1988.

Volunteer Firefighters' Retirement Fund membership requires volunteer service with a fire department of an electing municipality of the state.

Judicial Supplemental Retirement Defined Contribution Fund membership includes judges elected or appointed to the Supreme Court, Court of Appeals, and Superior Courts who are members of the Public Employees' Retirement System for their service as judges.

Judges Retirement Fund membership includes judges elected or appointed to the Supreme Court, Court of Appeals, and Superior Courts prior to August 9, 1971.

Local Government Investment Pool is a short-term investment pool available to Washington State counties, cities, towns, municipal corporations, political subdivisions, special-purpose taxing districts, community and technical colleges, and the State Board for Community and Technical Colleges. The external portion of the pool is reported as an investment trust fund.

Agency Funds

Agency Funds account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the state, acting in the capacity of an agent, for distribution to other governmental units or other organizations. A brief description of each of Washington's Agency Funds follows:

The Clearing Fund is used as a clearing account primarily for processing payrolls. This fund is also used for other activities such as the following: (1) collection and disbursement of child support payments for clients, (2) processing payments for goods and services purchased, (3) collection and distribution of a portion of motor vehicle excise taxes to local governments and transit districts for public transportation systems, and (4) collection and payment of employer and employee Old Age Survivors Insurance contributions.

The Suspense Fund is used to account for the following: (1) third parties' monies for which final disposition is not yet known, (2) state revenues received without a statement designating source and fund, and (3) state timber sales bid deposits where final disposition is pending.

The Local Government Distributions Fund is used to account for the receipt and allocation of local sales and use taxes, and leasehold taxes imposed by local governments.

The Pooled Investments Fund is used for pooling and investing surplus state funds, and the accumulation and allocation of interest earned among the various accounts and funds from which such investments and investment deposits were made.

Combining Balance Sheet

Trust and Agency Funds

June 30, 2000 (expressed in thousands)

	Expendable Trust	Non- expendable Trust	Pension and Investment Trust	Agency	Totals	
					June 30, 2000	June 30, 1999
Assets:						
Current Assets:						
Cash and pooled investments	\$ 2,533,682	\$ 3,882	\$ 3,782,623	\$ 469,686	\$ 6,789,873	\$ 6,123,562
Investments	-	-	-	-	-	-
Other receivables (net of allowance)	356,730	27,795	323,561	118,988	827,074	1,180,948
Due from other funds	52,924	59,425	14,628	584,647	711,624	466,288
Due from other governments	298,010	-	-	23,145	321,155	294,518
Inventories	150	-	-	-	150	168
Total Current Assets	3,241,496	91,102	4,120,812	1,196,466	8,649,876	8,065,484
Other Assets:						
Investments, noncurrent	1,439,559	1,810,766	49,247,432	-	52,497,757	47,030,709
Other nonfixed assets	-	18,061	-	93,554	111,615	129,795
Land	-	-	-	-	-	45
Total Other Assets	1,439,559	1,828,827	49,247,432	93,554	52,609,372	47,160,549
Total Assets	\$ 4,681,055	\$ 1,919,929	\$ 53,368,244	\$ 1,290,020	\$ 61,259,248	\$ 55,226,033
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 10,229	\$ -	\$ -	\$ 7,400	\$ 17,629	\$ 16,851
Contracts and retainages payable	897	2,427	-	17,553	20,877	24,267
Accrued liabilities	23,418	11,878	663,571	473,023	1,171,890	1,626,534
Obligations under security lending agreements	6,586	61,215	1,846,035	981	1,914,817	1,574,189
Due to other funds	15,767	167,138	15,611	338,326	536,842	248,807
Due to other governments	7,659	-	-	359,195	366,854	335,094
Deferred revenues	205,513	3	-	-	205,516	185,329
Claims and judgments payable, current	687	-	-	-	687	3,180
Other long-term obligations	20,908	200	-	93,542	114,650	142,766
Total Liabilities	291,664	242,861	2,525,217	1,290,020	4,349,762	4,157,017
Fund Balances:						
Reserved for encumbrances	47,440	-	-	-	47,440	65,036
Reserved for inventories	150	-	-	-	150	168
Reserved for nonexpendable trust corpus	-	1,677,068	-	-	1,677,068	1,477,626
Reserved for unemployment compensation	1,861,177	-	-	-	1,861,177	1,658,531
Reserved for pension benefits	-	-	47,521,674	-	47,521,674	42,614,412
Reserved for local governments	-	-	3,321,353	-	3,321,353	3,260,703
Reserved for other specific purposes	1,942,781	-	-	-	1,942,781	416,672
Unreserved, designated for higher education	4,408	-	-	-	4,408	4,408
Unreserved, undesignated	533,435	-	-	-	533,435	1,571,460
Total Fund Balances	4,389,391	1,677,068	50,843,027	-	56,909,486	51,069,016
Total Liabilities and Fund Balances	\$ 4,681,055	\$ 1,919,929	\$ 53,368,244	\$ 1,290,020	\$ 61,259,248	\$ 55,226,033

Combining Balance Sheet

Expendable Trust Funds

June 30, 2000 (expressed in thousands)

	Human Services Trust	Higher Education Trust	Deferred Comp. Trust	Miscellaneous Trust	Totals	
					June 30, 2000	June 30, 1999
Assets:						
Cash and pooled investments	\$ 1,944,064	\$ 42,056	\$ 168,416	\$ 379,146	\$ 2,533,682	\$ 1,975,354
Investments	-	-	-	-	-	-
Other receivables (net of allowance)	54,686	114,063	-	187,981	356,730	329,602
Due from other funds	3,446	32,474	183	16,821	52,924	18,973
Due from other governments	14,756	4,646	-	278,608	298,010	268,498
Inventories	1	16	-	133	150	168
Investments, noncurrent	298	101,756	1,313,611	23,894	1,439,559	1,427,762
Total Assets	\$ 2,017,251	\$ 295,011	\$ 1,482,210	\$ 886,583	\$ 4,681,055	\$ 4,020,357
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 7,025	\$ 808	\$ -	\$ 2,396	\$ 10,229	\$ 8,095
Contracts and retainages payable	-	38	-	859	897	1,601
Accrued liabilities	6,851	4,805	208	11,554	23,418	38,068
Obligations under security lending agreements	1,526	45	279	4,736	6,586	3,434
Due to other funds	4,642	9,605	218	1,302	15,767	22,167
Due to other governments	860	209	-	6,590	7,659	11,911
Deferred revenues	5,696	623	-	199,194	205,513	185,329
Claims and judgments payable, current	-	-	-	687	687	3,180
Other long-term obligations	-	-	-	20,908	20,908	30,297
Total Liabilities	26,600	16,133	705	248,226	291,664	304,082
Fund Balances:						
Reserved for encumbrances	2	2,007	-	45,431	47,440	65,036
Reserved for inventories	1	16	-	133	150	168
Reserved for unemployment compensation	1,861,177	-	-	-	1,861,177	1,658,531
Reserved for other specific purposes	740	203,294	1,481,505	257,242	1,942,781	416,672
Unreserved, designated for higher education	-	4,408	-	-	4,408	4,408
Unreserved, undesignated	128,731	69,153	-	335,551	533,435	1,571,460
Total Fund Balances	1,990,651	278,878	1,481,505	638,357	4,389,391	3,716,275
Total Liabilities and Fund Balances	\$ 2,017,251	\$ 295,011	\$ 1,482,210	\$ 886,583	\$ 4,681,055	\$ 4,020,357

Combining Balance Sheet

Nonexpendable Trust Funds

June 30, 2000 (expressed in thousands)

	Higher Education Endowment	Common School Permanent	Totals	
			June 30, 2000	June 30, 1999
Assets:				
Cash and pooled investments	\$ 3,784	\$ 98	\$ 3,882	\$ 48,979
Other receivables (net of allowance)	25,511	2,284	27,795	18,883
Due from other funds	59,425	-	59,425	1,051
Due from other governments	-	-	-	7
Investments, noncurrent	1,642,623	168,143	1,810,766	1,569,681
Other nonfixed assets	18,061	-	18,061	18,858
Land	-	-	-	45
Total Assets	\$ 1,749,404	\$ 170,525	\$ 1,919,929	\$ 1,657,504
Liabilities and Fund Balance				
Liabilities:				
Contracts and retainages payable	\$ 2,427	\$ -	\$ 2,427	\$ 2,995
Accrued liabilities	11,651	227	11,878	6,584
Obligations under security lending agreements	42,503	18,712	61,215	22,185
Due to other funds	166,232	906	167,138	146,573
Deferred revenues	3	-	3	-
Other long-term obligations	200	-	200	1,541
Total Liabilities	223,016	19,845	242,861	179,878
Fund Balance				
Reserved for nonexpendable trust corpus	1,526,388	150,680	1,677,068	1,477,626
Total Fund Balances	1,526,388	150,680	1,677,068	1,477,626
Total Liabilities and Fund Balance	\$ 1,749,404	\$ 170,525	\$ 1,919,929	\$ 1,657,504

Combining Statement of Net Assets

Pension and Investment Trust Funds

June 30, 2000 (expressed in thousands)

	Public Employees' Plan 1	Public Employees' Plan 2	Teachers' Plan 1	Teachers' Plan 2/3 Defined Benefit	Teachers' Plan 3 Defined Contribution	LEOFF Plan 1
Assets:						
Cash and pooled investments	\$ 5,083	\$ 566	\$ 5,241	\$ 1,666	\$ 1,839	\$ 1,759
Receivables:						
Interest and dividends	51,778	57,137	44,911	15,353	3,802	25,432
Contributions	7,671	18,718	9,850	11,404	-	1,012
Due from other funds	29	4,111	24	10,417	-	9
Other	11,854	12,130	9,821	3,227	799	5,396
Total Receivables	71,332	92,096	64,606	40,401	4,601	31,849
Investments, Noncurrent:						
Equity in CTF (See Note 17)	11,733,777	12,987,021	10,180,374	3,502,149	848,951	5,760,779
Other noncurrent investments	86	10	76	31	840,693	48
Total Investments, Noncurrent	11,733,863	12,987,031	10,180,450	3,502,180	1,689,644	5,760,827
Total Assets	11,810,278	13,079,693	10,250,297	3,544,247	1,696,084	5,794,435
Liabilities:						
Obligations under security lending agreements	447,934	495,528	388,264	132,838	32,883	219,885
Accrued liabilities	57,097	54,362	48,655	14,988	3,024	25,077
Due to other funds	4,353	427	10,546	114	-	50
Total Liabilities	509,384	550,317	447,465	147,940	35,907	245,012
Net Assets Held in Trust for Pension and Investment Pool Participants (Schedule of funding progress by plan begins on page 96)	\$ 11,300,894	\$ 12,529,376	\$ 9,802,832	\$ 3,396,307	\$ 1,660,177	\$ 5,549,423

State of Washington

LEOFF Plan 2	Washington State Patrol	Judicial Retirement System	Judicial Retirement Account	Judges	Volunteer Fire Fighters'	Local Gov't Investment Pool	Totals	
							June 30, 2000	June 30, 1999
\$ 653	\$ 462	\$ 326	\$ 98	\$ 4,555	\$ 2,749	\$ 3,757,626	\$ 3,782,623	\$ 3,669,217
10,973	3,293	50	-	-	579	9,619	222,927	187,269
5,387	167	25	-	1	-	-	54,235	98,129
5	2	2	-	20	9	-	14,628	2,267
2,352	692	6	-	-	122	-	46,399	241,278
18,717	4,154	83	-	21	710	9,619	338,189	528,943
2,496,350	747,057	9,149	-	-	131,618	-	48,397,225	43,336,522
-	5	1	9,208	26	23	-	850,207	690,591
2,496,350	747,062	9,150	9,208	26	131,641	-	49,247,432	44,027,113
2,515,720	751,678	9,559	9,306	4,602	135,100	3,767,245	53,368,244	48,225,273
95,054	28,507	6	2	71	5,063	-	1,846,035	1,547,222
10,292	3,414	132	29	12	629	445,860	663,571	800,314
82	3	-	1	-	3	32	15,611	2,622
105,428	31,924	138	32	83	5,695	445,892	2,525,217	2,350,158
\$ 2,410,292	\$ 719,754	\$ 9,421	\$ 9,274	\$ 4,519	\$ 129,405	\$ 3,321,353	\$ 50,843,027	\$ 45,875,115

Combining Statement of Assets and Liabilities

Agency Funds

June 30, 2000 (expressed in thousands)

	Clearing	Suspense	Local Gov't Distrib.	Pooled Investments	Totals	
					June 30, 2000	June 30, 1999
Assets:						
Cash and pooled investments	\$ 12,651	\$ 6,993	\$ 64,039	\$ 386,003	\$ 469,686	\$ 430,012
Other receivables (net of allowance)	469	39,634	-	78,885	118,988	305,787
Due from other funds	2,171	39,805	286,979	255,692	584,647	443,997
Due from other governments	2	11,358	82	11,703	23,145	26,013
Investments, noncurrent	-	-	-	-	-	6,153
Other nonfixed assets	-	93,554	-	-	93,554	110,937
Total Assets	\$ 15,293	\$ 191,344	\$ 351,100	\$ 732,283	\$ 1,290,020	\$ 1,322,899
Liabilities:						
Accounts payable	\$ 3,208	\$ 2,154	\$ -	\$ 2,038	\$ 7,400	\$ 8,756
Contracts and retainages payable	10	15,456	-	2,087	17,553	19,671
Accrued liabilities	11,857	4,885	196	456,085	473,023	781,568
Oblig. under securities lend. agree.	-	43	938	-	981	1,348
Due to other funds	77	66,163	19	272,067	338,326	77,445
Due to other governments	141	9,101	349,947	6	359,195	323,183
Other long-term obligations	-	93,542	-	-	93,542	110,928
Total Liabilities	\$ 15,293	\$ 191,344	\$ 351,100	\$ 732,283	\$ 1,290,020	\$ 1,322,899

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Expendable Trust Funds

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Human Services Trust	Higher Education Trust	Deferred Comp. Trust	Miscellaneous Trust	Totals for the Year Ended	
					June 30, 2000	June 30, 1999
Revenues:						
Retail sales and use taxes	\$ -	\$ -	\$ -	\$ 15,350	\$ 15,350	\$ 29
Licenses, permits, and fees	332	459	-	1,083	1,874	2,052
Other contracts and grants	881	74,458	-	1,782	77,121	68,063
Federal grants-in-aid	67,721	116,994	-	175,878	360,593	363,301
Charges for services	209,311	25,338	(68)	7,593	242,174	72,772
Unemployment compensation contributions	939,475	-	-	-	939,475	852,539
Investment income	121,801	15,146	121,036	18,713	276,696	307,079
Miscellaneous revenue	30,962	11,848	100,793	49,840	193,443	232,977
Total Revenues	1,370,483	244,243	221,761	270,239	2,106,726	1,898,812
Expenditures:						
Current:						
General government	317	-	52,084	122,877	175,278	140,771
Human services	955,801	-	-	1,385	957,186	905,796
Natural resources and recreation	-	987	-	1,991	2,978	1,431
Transportation	-	-	-	133,944	133,944	151,154
Education	41,190	239,375	-	1,097	281,662	264,029
Capital outlays	186	400	-	6,084	6,670	7,067
Debt service:						
Principal	-	118	-	1,628	1,746	109
Interest	-	14	-	-	14	20
Total Expenditures	997,494	240,894	52,084	269,006	1,559,478	1,470,377
Excess of Revenues Over (Under) Expenditures	372,989	3,349	169,677	1,233	547,248	428,435
Other Financing Sources (Uses):						
Bond sale proceeds	-	-	-	196,941	196,941	99,490
Note proceeds	-	-	-	-	-	1,052
Operating transfers in	98,682	65,991	-	28,860	193,533	76,088
Operating transfers out	(175,463)	(45,861)	-	(39,943)	(261,267)	(62,011)
Total Other Financing Sources (Uses)	(76,781)	20,130	-	185,858	129,207	114,619
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	296,208	23,479	169,677	187,091	676,455	543,054
Fund Balances:						
Fund balances as restated, July 1	1,694,443	255,565	1,311,828	451,272	3,713,108	3,172,952
Residual equity transfers in	-	5	-	-	5	269
Residual equity transfers out	-	(171)	-	(6)	(177)	-
Fund Balances, June 30	\$ 1,990,651	\$ 278,878	\$ 1,481,505	\$ 638,357	\$ 4,389,391	\$ 3,716,275

Combining Statement of Revenues, Expenses, and Changes in Fund Balances

Nonexpendable Trust Funds

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Higher Education Endowment	Common School Permanent	Totals for the Year Ended	
			June 30, 2000	June 30, 1999
Operating Revenues:				
Earnings on investments	\$ 185,321	\$ 5,470	\$ 190,791	\$ 72,772
Miscellaneous revenue	71,654	565	72,219	54,121
Total Operating Revenues	256,975	6,035	263,010	126,893
Nonoperating Revenues (Expenses):				
Other revenue (expenses)	(45)	857	812	732
Income (Loss) Before Operating Transfers	256,930	6,892	263,822	127,625
Operating Transfers:				
Operating transfers in	16,166	-	16,166	45,849
Operating transfers out	(68,542)	(12,002)	(80,544)	(67,752)
Net Operating Transfers In (Out)	(52,376)	(12,002)	(64,378)	(21,903)
Net Income (Loss)	204,554	(5,110)	199,444	105,722
Fund Balances:				
Fund balance as restated, July 1	1,321,836	155,790	1,477,626	1,371,909
Residual equity transfers in (out)	(2)	-	(2)	(5)
Fund Balances, June 30	\$ 1,526,388	\$ 150,680	\$ 1,677,068	\$ 1,477,626

Combining Statement of Cash Flows

Nonexpendable Trust Funds

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Higher Education Endowment	Common School Permanent	Totals for the Year Ended	
			June 30, 2000	June 30, 1999
Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ 256,975	\$ 6,035	\$ 263,010	\$ 126,893
Adjustments to Reconcile Operating Income to Net Cash Provided by Operations:				
Interest revenue reported as operating	(185,321)	(5,470)	(190,791)	(72,772)
Other revenues	-	857	857	761
Other expenses	(45)	-	(45)	(29)
Change in Assets: Decrease (Increase)				
Receivables (net of allowance)	(8,627)	(285)	(8,912)	(851)
Due from other funds	(58,374)	-	(58,374)	125
Due from other governments	6	-	6	(7)
Other nonfixed assets	797	-	797	8,377
Change in Liabilities: Increase (Decrease)				
Contracts and retainages payable	(568)	-	(568)	(760)
Accrued liabilities	5,126	168	5,294	(4,801)
Due to other funds	20,545	19	20,564	22,323
Due to other governments	-	-	-	-
Deferred revenues	3	-	3	-
Other long-term obligations	(1,340)	-	(1,340)	(1,120)
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	29,177	1,324	30,501	78,139
Cash Flows from Noncapital Financing Activities:				
Operating transfers in	16,166	-	16,166	45,849
Operating transfers out	(68,542)	(12,002)	(80,544)	(67,752)
Fund equity transfers (out)	(2)	-	(2)	(5)
Net Cash or Cash Equivalents Provided by (Used in) Noncapital Financing Activities	(52,378)	(12,002)	(64,380)	(21,908)
Cash Flows from Capital and Related Financing Activities:				
Proceeds from sale of fixed assets	46	-	46	-
Net Cash or Cash Equivalents Provided by (Used in) Capital and Related Financing Activities	46	-	46	-
Cash Flows from Investing Activities:				
Receipt of interest	129,807	11,628	141,435	114,851
Proceeds from sale of investment securities	303,329	44,341	347,670	361,981
Purchases of investment securities	(455,055)	(45,314)	(500,369)	(556,516)
Net Cash Provided by (Used in) Investing Activities	(21,919)	10,655	(11,264)	(79,684)
Net Increase (Decrease) in Cash and Pooled Investments	(45,074)	(23)	(45,097)	(23,453)
Cash and Pooled Investments, July 1	48,858	121	48,979	72,432
Cash and Pooled Investments, June 30	\$ 3,784	\$ 98	\$ 3,882	\$ 48,979
Noncash Investing, Capital, and Financing Activities:				
Increase (decrease) in fair value of investments	\$ 55,514	\$ (6,158)	\$ 49,356	\$ (42,079)

Combining Statement of Changes in Assets and Liabilities

Agency Funds

Continued

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Balance July 1, 1999	Additions	Deductions	Balance June 30, 2000
<u>Clearing Fund</u>				
Assets:				
Cash and pooled investments	\$ 8,548	\$ 3,029,687	\$ 3,025,583	\$ 12,652
Other receivables (net of allowance)	847	981	1,360	468
Due from other funds	6,029	30	3,889	2,170
Due from other governments	27	-	24	3
Total Assets	\$ 15,451	\$ 3,030,698	\$ 3,030,856	\$ 15,293

Liabilities:				
Accounts payable	\$ 4,014	\$ 11,198	\$ 12,004	\$ 3,208
Contracts and retainages payable	9	1	-	10
Accrued liabilities	11,145	3,043,635	3,042,923	11,857
Due to other funds	142	2,236	2,301	77
Due to other governments	141	5	5	141
Total Liabilities	\$ 15,451	\$ 3,057,075	\$ 3,057,233	\$ 15,293

Suspense Fund

Assets:				
Cash and pooled investments	\$ 14,522	\$ 546,156	\$ 553,685	\$ 6,993
Other receivables (net of allowance)	10,285	116,814	87,465	39,634
Due from other funds	10,217	33,098	3,510	39,805
Due from other governments	13,737	1,236	3,615	11,358
Other nonfixed assets	110,937	58,484	75,867	93,554
Total Assets	\$ 159,698	\$ 755,788	\$ 724,142	\$ 191,344

Liabilities:				
Accounts payable	\$ 2,506	\$ 15,859	\$ 16,211	\$ 2,154
Contracts and retainages payable	17,472	32,786	34,802	15,456
Accrued liabilities	1,701	413,249	410,065	4,885
Obligations under security lending agreements	167	-	124	43
Due to other funds	12,497	61,567	7,901	66,163
Due to other governments	14,427	129,778	135,104	9,101
Other long-term obligations	110,928	58,483	75,869	93,542
Total Liabilities	\$ 159,698	\$ 711,722	\$ 680,076	\$ 191,344

Local Government Distributions Fund

Assets:				
Cash and pooled investments	\$ 55,966	\$ 1,644,312	\$ 1,636,239	\$ 64,039
Due from other funds	254,130	33,362	512	286,980
Due from other governments	-	82	-	82
Total Assets	\$ 310,096	\$ 1,677,756	\$ 1,636,751	\$ 351,101

Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	740	791	1,335	196
Obligations under security lending agreements	1,180	-	242	938
Due to other funds	12	20	12	20
Due to other governments	308,164	1,701,027	1,659,244	349,947
Total Liabilities	\$ 310,096	\$ 1,701,838	\$ 1,660,833	\$ 351,101

Combining Statement of Changes in Assets and Liabilities

Agency Funds

Concluded

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Balance July 1, 1999	Additions	Deductions	Balance June 30, 2000
Pooled Investments Fund				
Assets:				
Cash and pooled investments	\$ 499,723	\$ 238,437,459	\$ 238,551,179	\$ 386,003
Other receivables (net of allowance)	294,655	40,700	256,469	78,886
Due from other funds	227,552	60,624	32,485	255,691
Due from other governments	12,250	3,719	4,266	11,703
Total Assets	\$ 1,034,180	\$ 238,542,502	\$ 238,844,399	\$ 732,283

Liabilities:				
Accounts payable	\$ 2,236	\$ 2,354	\$ 2,552	\$ 2,038
Contracts and retainages payable	2,190	119,675	119,778	2,087
Accrued liabilities	767,982	127,101	438,998	456,085
Due to other funds	261,321	337,923	327,177	272,067
Due to other governments	451	-	445	6
Total Liabilities	\$ 1,034,180	\$ 587,053	\$ 888,950	\$ 732,283

Totals - All Agency Funds

Assets:				
Cash and pooled investments	\$ 578,758	\$ 243,657,614	\$ 243,766,686	\$ 469,686
Other receivables (net of allowance)	305,787	158,495	345,294	118,988
Due from other funds	497,929	127,114	40,396	584,647
Due from other governments	26,013	5,037	7,905	23,145
Other nonfixed assets	110,937	58,484	75,867	93,554
Total Assets	\$ 1,519,424	\$ 244,006,744	\$ 244,236,148	\$ 1,290,020

Liabilities:				
Accounts payable	\$ 8,756	\$ 29,411	\$ 30,767	\$ 7,400
Contracts and retainages payable	19,671	152,462	154,580	17,553
Accrued liabilities	781,568	3,584,776	3,893,321	473,023
Obligations under security lending	1,347	-	366	981
Due to other funds	273,971	401,746	337,391	338,326
Due to other governments	323,183	1,830,810	1,794,798	359,195
Other long-term obligations	110,928	58,483	75,869	93,542
Total Liabilities	\$ 1,519,424	\$ 6,057,688	\$ 6,287,092	\$ 1,290,020

General Fixed Assets Account Group

Fixed assets used in governmental and expendable trust funds' operations are accounted for in the General Fixed Assets Account Group, rather than in the individual funds. Public domain (infrastructure) assets consisting of certain improvements other than buildings (including roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, lighting systems, and similar assets) are not reported in the account group.

Schedule of General Fixed Assets*

By Function

June 30, 2000 (expressed in thousands)

	Land	Buildings	Furnishings and Equipment	Other** Improvements/ Miscellaneous	Construction in Progress	Balances June 30, 2000
General government	\$ 37,524	\$ 231,717	\$ 13,531	\$ 17,694	\$ 59,420	\$ 359,886
Human services	9,181	680,364	39,249	147,278	352,500	1,228,572
Natural resources and recreation	776,676	138,878	28,670	64,325	489	1,009,038
Transportation	45,556	98,850	62,341	9,101	24,166	240,014
Education	153,553	2,112,209	161,145	705,308	426,081	3,558,296
Total General Fixed Assets	\$ 1,022,490	\$ 3,262,018	\$ 304,936	\$ 943,706	\$ 862,656	\$ 6,395,806

* Amounts displayed are net of depreciation where appropriate.

**Includes library resources, museum and art collections.

Schedule of Changes in General Fixed Assets

By Function

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Balances July 1, 1999	Additions	Deletions	Balances June 30, 2000
General government	\$ 466,801	\$ 57,403	(\$44,887)	\$ 479,317
Accumulated Depreciation	(109,488)	(21,462)	11,519	(119,431)
Total General Government	357,313			359,886
Human services	1,505,536	158,556	(5,773)	1,658,319
Accumulated Depreciation	(390,442)	(41,056)	1,751	(429,747)
Total Human Services	1,115,094			1,228,572
Natural resources and recreation	1,088,738	72,965	(18,871)	1,142,832
Accumulated Depreciation	(120,905)	(14,811)	1,922	(133,794)
Total Natural Resources and Recreation	967,833			1,009,038
Transportation	355,148	114,224	(120,949)	348,423
Accumulated Depreciation	(111,075)	(15,600)	18,266	(108,409)
Total Transportation	244,073			240,014
Education	4,647,012	468,394	(120,948)	4,994,458
Accumulated Depreciation	(1,341,873)	(121,186)	26,897	(1,436,162)
Total Education	3,305,139			3,558,296
Total General Fixed Assets	\$ 5,989,452			\$ 6,395,806

Comparative Schedule of General Fixed Assets*

By Source

June 30, 2000 and 1999 (expressed in thousands)

	Totals	
	June 30, 2000	June 30, 1999
General Fixed Assets:		
Land	\$ 1,022,490	\$ 955,055
Buildings	3,262,018	3,110,992
Furnishings and equipment	304,936	292,296
Other improvements and miscellaneous	943,706	907,693
Construction in progress	862,656	723,416
Total General Fixed Assets	\$ 6,395,806	\$ 5,989,452

Investment in General Fixed Assets by Source:

General Fund	\$ 1,894,161	\$ 1,744,439
Special Revenue Funds	930,078	836,168
Capital Projects Funds	3,536,744	3,373,921
Expendable Trust Funds	34,823	34,924
Total Investment in General Fixed Assets	\$ 6,395,806	\$ 5,989,452

* Amounts displayed are net of depreciation where appropriate.

General Long-Term Obligations Account Group

Long-term liabilities expected to be financed from governmental and expendable trust funds are accounted for in the General Long-Term Obligations Account Group, rather than in the individual funds.

Schedule of Changes in General Long-Term Obligations

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

General Long-Term Obligations	Balance July 1, 1999	Debt Issued	Debt Paid	Other Changes	Balance June 30, 2000
Bonds:					
General obligation (GO)	\$ 6,420,005	\$ 808,171	\$ (452,461)	\$ -	\$ 6,775,715
GO - zero interest rate bonds (principal)	225,097	70,498	(16,385)	-	279,210
GO - zero interest rate bonds (accreted interest)	108,035	28,568	(10,901)	-	125,702
Limited obligation	1,170	-	(1,170)	-	-
Certificates of Participation	166,869	25,871	(3,034)	-	189,706
Other Long-Term Obligations:					
Installment contract obligations (net)	753	-	-	1,186	1,939
Lease obligations (net)	4,200	-	-	1,935	6,135
Compensated absences (net)	308,299	-	-	16,466	324,765
Other obligations (net)	4,159	-	-	(296)	3,863
Claims and judgements (net)	32,197	-	-	(20,601)	11,596
Accrued Retirement Costs	33,800	-	-	3,000	36,800
	\$ 7,304,584	\$ 933,108	\$ (483,951)	\$ 1,690	\$ 7,755,431

Component Units

Discretely presented component units are legally separate entities which are included in the state's financial statements in accordance with Statement Number 14 of the Governmental Accounting Standards Board. The state has five discretely presented component units.

Financing Authorities

Four of the state's component units are financing authorities. They issue nonrecourse revenue bonds to provide low cost capital financing for programs deemed to be in the public interest without using public funds or lending the credit of the state.

The Washington State Housing Finance Commission makes funds available to help provide housing throughout the state, and to finance or refinance nursing homes and capital facilities owned and operated by nonprofit corporations.

The Washington Higher Education Facilities Authority provides funding to qualified, nonprofit higher education institutions in the state.

The Washington Health Care Facilities Authority makes funds available to qualified, nonprofit health care facilities in the state.

The Washington Economic Development Finance Authority makes funds available to qualified, small and medium-sized businesses in the state.

Stadium, Exhibition Center, Parking Garage

The fifth component unit, the **Washington State Public Stadium Authority**, was formed to acquire, construct, own and operate a stadium, exhibition center, and parking garage.

Combining Balance Sheet

Component Units

June 30, 2000 (expressed in thousands)

	Housing Finance	Higher Education Facilities	Health Care Facilities	Economic Development Finance	Public Stadium	Totals	
						June 30, 2000	June 30, 1999
Assets:							
Current Assets:							
Cash and pooled investments	\$ 6,572	\$ 695	\$ 597	\$ 2	\$ 39,572	\$ 47,438	\$ 14,416
Investments	28,675	-	1,247	-	-	29,922	27,963
Other receivables (net of allowance)	2,162	-	165	-	-	2,327	2,842
Total Current Assets	37,409	695	2,009	2	39,572	79,687	45,221
Other Assets:							
Investments, noncurrent	-	-	1,473	-	12,024	13,497	-
Other nonfixed assets	6,985	1	-	-	19	7,005	4,736
Total Other Assets	6,985	1	1,473	-	12,043	20,502	4,736
Fixed Assets:							
Buildings	-	-	-	-	73,579	73,579	78,032
Furnishings and equipment	-	-	-	-	243	243	222
Accumulated depreciation	-	-	-	-	(2,196)	(2,196)	(77)
Construction in Process	-	-	-	-	104,483	104,483	-
Total Fixed Assets	-	-	-	-	176,109	176,109	78,177
Total Assets	\$ 44,394	\$ 696	\$ 3,482	\$ 2	\$ 227,724	\$ 276,298	\$ 128,134
Liabilities and Equity							
Current Liabilities:							
Accounts payable	\$ 1,342	\$ 87	\$ 22	\$ 3	\$ 103	\$ 1,557	\$ 8,940
Contracts and retainages payable	-	-	-	-	11,167	11,167	1,143
Accrued liabilities	-	-	12	-	95	107	20
Deferred revenues	158	16	70	-	-	244	206
Total Current Liabilities	1,500	103	104	3	11,365	13,075	10,309
Long-Term Liabilities:							
Other long-term obligations	4,978	-	37	-	17,248	22,263	12,387
Total Long-Term Liabilities	4,978	-	37	-	17,248	22,263	12,387
Total Liabilities	6,478	103	141	3	28,613	35,338	22,696
Equity:							
Contributed capital	600	-	-	-	192,274	192,874	58,659
Retained earnings (deficit), unreserved	37,316	593	3,341	(1)	6,837	48,086	46,779
Total Equity	37,916	593	3,341	(1)	199,111	240,960	105,438
Total Liabilities and Equity	\$ 44,394	\$ 696	\$ 3,482	\$ 2	\$ 227,724	\$ 276,298	\$ 128,134

Combining Statement of Revenues, Expenses, and Changes in Equity

Component Units

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Housing Finance	Higher Education Facilities	Health Care Facilities	Economic Development Finance	Public Stadium	Totals for the Year Ended	
						June 30, 2000	June 30, 1999
Operating Revenues:							
Charges for services	\$ 7,513	\$ 77	\$ 530	\$ 94	\$ 283	\$ 8,497	\$ 7,749
Total Operating Revenues	7,513	77	530	94	283	8,497	7,749
Operating Expenses:							
Salaries and wages	2,182	-	267	61	614	3,124	2,832
Employee benefits	545	-	48	14	184	791	698
Personal services	382	29	69	21	-	501	464
Goods and services	2,007	140	133	32	545	2,857	2,508
Travel	-	-	12	2	-	14	20
Depreciation and amortization	-	-	-	-	2,119	2,119	52
Miscellaneous expenses	583	-	7	-	-	590	159
Total Operating Expenses	5,699	169	536	130	3,462	9,996	6,733
Operating Income (Loss)	1,814	(92)	(6)	(36)	(3,179)	(1,499)	1,016
Nonoperating Revenues (Expenses):							
Earnings (loss) on investments	1,670	37	161	-	1,214	3,082	2,509
Sales tax	-	-	-	-	-	-	2,023
Lottery distributions	-	-	-	-	-	-	6,000
Interest Expense	(305)	-	-	-	-	(305)	(169)
Total Nonoperating Revenues (Expenses)	1,365	37	161	-	1,214	2,777	10,363
Net Income (Loss)	3,179	(55)	155	(36)	(1,965)	1,278	11,379
Equity:							
Equity, July 1 (as restated)	34,677	648	3,186	35	66,981	105,527	35,780
Contributions of capital	60	-	-	-	134,095	134,155	58,279
Equity, June 30	\$ 37,916	\$ 593	\$ 3,341	\$ (1)	\$ 199,111	\$ 240,960	\$ 105,438

Combining Statement of Cash Flows

Component Units

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Housing Finance	Higher Education Facilities	Health Care Facilities	Economic Development Finance	Public Stadium	Totals for the Year Ended	
						June 30, 2000	June 30, 1999
Cash Flows from Operating Activities:							
Operating Income (Loss)	\$ 1,814	\$ (92)	\$ (6)	\$ (36)	\$ (3,179)	\$ (1,499)	\$ 1,016
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:							
Depreciation	-	-	-	-	2,119	2,119	52
Change in Assets: Decrease (Increase)							
Receivables (net of allowance)	5	-	-	-	470	475	2,192
Other nonfixed assets	(2,256)	-	156	-	(13)	(2,113)	(3,299)
Change in Liabilities: Increase (Decrease)							
Accounts payable	138	58	(15)	-	2,601	2,782	7,149
Accrued liabilities	-	-	-	-	87	87	1,145
Deferred revenues	11	3	21	-	-	35	(96)
Other long-term obligations	2,229	-	(3)	-	-	2,226	-
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	1,941	(31)	153	(36)	2,085	4,112	8,159
Cash Flows from Noncapital Financing Activities:							
Taxes and license fees collected	-	-	-	-	-	-	8,023
Fund equity transfers in	60	-	-	-	-	60	-
Payments for interest	(305)	-	-	-	-	(305)	-
Net Cash or Cash Equivalents Provided by (Used in) Noncapital Financing Activities	(245)	-	-	-	-	(245)	8,023
Cash Flows from Capital and Related Financing Activities:							
Payments for interest	-	-	-	-	-	-	(169)
Acquisitions of fixed assets	-	-	-	-	(100,051)	(100,051)	(76,946)
Proceeds from long-term capital financing	-	-	-	-	7,650	7,650	8,936
Contributions of capital	-	-	-	-	134,095	134,095	58,279
Net Cash or Cash Equivalents Provided by (Used in) Capital and Related Financing Activities	-	-	-	-	41,694	41,694	(9,900)
Cash Flows from Investing Activities:							
Receipt of interest	1,585	37	81	-	1,214	2,917	2,563
Proceeds from sale of investment securities	-	-	1,181	-	-	1,181	1,300
Purchases of investment securities	(3,140)	-	(1,473)	-	(12,024)	(16,637)	(1,789)
Net Cash Provided by (Used in) Investing Activities	(1,555)	37	(211)	-	(10,810)	(12,539)	2,074
Net Increase (Decrease) in Cash and Pooled Investments	141	6	(58)	(36)	32,969	33,022	8,356
Cash and Pooled Investments, July 1	6,431	689	655	38	6,603	14,416	6,060
Cash and Pooled Investments, June 30	\$ 6,572	\$ 695	\$ 597	\$ 2	\$ 39,572	\$ 47,438	\$ 14,416

Schedules

Schedule of Revenues and Other Sources (Uses) - All Governmental Fund Types

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Governmental Fund Types				Totals	
	General	Special Revenue	Debt Service	Capital Projects	Year Ended June 30, 2000	Year Ended June 30, 1999
Taxes:						
Retail sales	\$ 5,419,521	\$ 13,023	\$ -	\$ -	\$ 5,432,544	\$ 4,989,046
Business and occupation	1,838,284	45,961	-	-	1,884,245	1,885,889
Use (compensating)	380,768	-	-	-	380,768	334,013
Motor vehicle and fuel	2,860	961,143	-	-	964,003	717,813
Liquor, beer, and wine	83,693	35,534	-	-	119,227	90,995
Cigarette and tobacco	101,962	175,366	-	-	277,328	278,488
Insurance premiums	173,412	87,738	-	-	261,150	238,995
Public utility	282,113	-	-	-	282,113	249,006
Property	1,332,837	-	-	-	1,332,837	1,276,808
Motor vehicle excise	77,680	78,598	-	-	156,278	668,149
Other excise	474,973	297	-	-	475,270	466,590
Gift and inheritance	82,573	-	-	-	82,573	69,701
Other taxes	151,215	70,749	-	-	221,964	194,604
Subtotal	10,401,891	1,468,409	-	-	11,870,300	11,460,097
Tax Credits:						
Business and occupation	(54,741)	-	-	-	(54,741)	(35,529)
Use (compensating)	(767)	-	-	-	(767)	(734)
Other tax credits	(6,656)	-	-	-	(6,656)	(1,098)
Total Taxes	10,339,727	1,468,409	-	-	11,808,136	11,422,736
Licenses, Permits, and Fees:						
Business and professions	96,867	39,323	-	-	136,190	126,112
Hunting and fishing	1,557	26,738	-	-	28,295	27,046
Motor vehicle	13,117	281,712	-	-	294,829	272,850
Motor vehicle operators	33	28,941	-	-	28,974	27,653
Other fees	19,620	88,253	-	-	107,873	102,369
Total Licenses, Permits, and Fees	131,194	464,967	-	-	596,161	556,030
Federal Grants-In-Aid:						
Department of Health and Human Services	3,109,002	309,120	-	824	3,418,946	2,953,633
Department of Labor	103,106	95,839	-	-	198,945	192,120
Department of Agriculture	488,653	23,668	-	-	512,321	549,375
Department of Transportation	1,091	350,073	-	-	351,164	286,813
Department of Education	358,861	39,834	164	-	398,859	364,926
Other federal grants-in-aid	243,884	179,804	-	4	423,692	416,173
Total Federal Grants-In-Aid	4,304,597	998,338	164	828	5,303,927	4,763,040
Charges For Services:						
Tuition and student fees	1	557,567	-	22,020	579,588	540,656
Other charges	23,164	186,888	-	-	210,052	208,301
Total Charges For Services	23,165	744,455	-	22,020	789,640	748,957
Miscellaneous Revenue:						
Interest income	106,617	90,788	2,278	2,615	202,298	203,347
Timber sales	73,376	97,456	-	7,682	178,514	160,100
Fines and forfeitures	67,946	13,225	-	106	81,277	73,861
Other contracts and grants	263,868	334,233	-	1,693	599,794	522,228
Other	58,953	295,323	4,515	7,354	366,145	219,422
Total Miscellaneous Revenue	570,760	831,025	6,793	19,450	1,428,028	1,178,958
Total Revenues	15,369,443	4,507,194	6,957	42,298	19,925,892	18,669,721
Other Sources (Uses):						
Bond sale proceeds	-	29,833	-	551,246	581,079	519,615
Proceeds of refunding bonds	-	-	100,649	-	100,649	93,818
Payment to refunded bond escrow agent	-	-	(100,649)	-	(100,649)	(93,674)
Note proceeds	4,017	21,689	-	165	25,871	12,855
Operating transfers in	432,438	412,346	865,143	133,942	1,843,869	1,768,380
Operating transfers out	(1,091,039)	(491,444)	(39,559)	(24,358)	(1,646,400)	(1,613,747)
Capital lease acquisitions	-	-	-	-	-	23
Total Other Sources (Uses)	(654,584)	(27,576)	825,584	660,995	804,419	687,270
Total Revenues and Other Sources(Uses)	\$ 14,714,859	\$ 4,479,618	\$ 832,541	\$ 703,293	\$ 20,730,311	\$ 19,356,991

Schedule of Expenditures - All Governmental Fund Types

For the Fiscal Year Ended June 30, 2000 (expressed in thousands)

	Governmental Fund Types				Totals	
	General	Special Revenue	Debt Service	Capital Projects	Year Ended June 30, 2000	Year Ended June 30, 1999
By Function:						
General government	\$ 737,143	\$ 585,946	\$ 709,520	\$ 60,819	\$ 2,093,428	\$ 1,876,742
Human services	7,082,150	643,870	-	142,418	7,868,438	7,233,475
Natural resources and recreation	317,020	252,786	-	47,550	617,356	623,692
Transportation	47,751	1,341,977	-	598	1,390,326	1,390,424
Education	6,268,861	1,750,935	-	393,684	8,413,480	7,999,183
Total Expenditures	\$ 14,452,925	\$ 4,575,514	\$ 709,520	\$ 645,069	\$ 20,383,028	\$ 19,123,516
By Object:						
Salaries and wages	\$ 2,090,553	\$ 1,331,036	\$ -	\$ 10,854	\$ 3,432,443	\$ 3,220,444
Employee benefits	520,345	334,458	-	2,625	857,428	830,581
Personal services	58,738	42,826	-	3,635	105,199	108,368
Goods and services	816,245	757,518	-	57,888	1,631,651	1,578,863
Travel	44,259	58,226	-	587	103,072	97,137
Subtotal	3,530,140	2,524,064	-	75,589	6,129,793	5,835,393
Grants and Subsidies:						
K-12 basic education	4,984,401	-	-	-	4,984,401	4,826,616
Public assistance	5,174,134	276,498	-	8,008	5,458,640	4,674,445
Other miscellaneous	500,625	690,078	-	39,067	1,229,770	1,464,874
Total Grants and Subsidies	10,659,160	966,576	-	47,075	11,672,811	10,965,935
Intergovernmental	172,424	473,431	-	-	645,855	441,808
Capital Outlays:						
Equipment	35,967	51,690	-	8,607	96,264	111,110
All other	35,517	544,792	-	512,286	1,092,595	1,068,083
Total Capital Outlays	71,484	596,482	-	520,893	1,188,859	1,179,193
Debt Service:						
Principal	15,929	8,055	362,535	17	386,536	351,051
Interest	3,788	6,906	346,985	1,495	359,174	350,136
Total Debt Service	19,717	14,961	709,520	1,512	745,710	701,187
Total Expenditures	\$ 14,452,925	\$ 4,575,514	\$ 709,520	\$ 645,069	\$ 20,383,028	\$ 19,123,516

Workers' Compensation Fund - Basic Plan

Claims Development Information

Fiscal Years 1991 through 2000 (expressed in millions)

The table below illustrates how the Fund's earned revenues (net of reinsurance) and investment income compare to the related costs of losses (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the last ten fiscal years.

The rows of the table are defined as follows:

1. This line shows each fiscal year's earned contribution revenues and investment revenues.
2. This line shows each fiscal year's other operating costs of the Fund including overhead and claims expense not allocable to individual claims.
3. This line shows the Fund's incurred claims (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year).
4. This section shows the cumulative amounts paid as of the end of successive years for each policy year.
5. This section shows how each policy year's incurred claims increased or decreased as of the end of successive years. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
6. This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimates is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

The columns of the table show data for successive fiscal years.

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
1. Net earned required contribution and investment revenues	\$ 1,150	\$ 1,258	\$ 1,359	\$ 1,355	\$ 1,385	\$ 1,274	\$ 1,257	\$ 2,013	\$ 927	\$ 1,057
2. Unallocated expenses	95	110	133	146	127	122	121	119	123	125
3. Estimated incurred claims and expenses, end of policy year	1,720	1,425	1,665	1,805	1,637	1,620	1,681	1,700	1,732	1,902
4. Paid (cumulative) as of:										
End of policy year	162	172	182	183	183	192	191	196	205	218
One year later	348	356	367	380	389	396	409	420	438	
Two years later	431	460	465	490	494	502	522	545		
Three years later	495	528	528	557	561	568	596			
Four years later	541	577	572	605	607	617				
Five years later	577	614	605	642	644					
Six years later	607	643	634	674						
Seven years later	632	670	660							
Eight years later	656	695								
Nine years later	676									
5. Reestimated incurred claims and expenses:										
End of policy year	1,720	1,425	1,665	1,805	1,637	1,620	1,681	1,700	1,732	1,902
One year later	1,391	1,515	1,557	1,561	1,533	1,565	1,602	1,627	1,690	
Two years later	1,399	1,443	1,424	1,484	1,493	1,507	1,553	1,651		
Three years later	1,348	1,430	1,374	1,465	1,459	1,455	1,575			
Four years later	1,380	1,405	1,385	1,413	1,425	1,500				
Five years later	1,325	1,397	1,332	1,382	1,438					
Six years later	1,301	1,342	1,295	1,425						
Seven years later	1,231	1,299	1,343							
Eight years later	1,212	1,327								
Nine years later	1,270									
6. Increase (decrease) in estimated incurred claims and expenses from end of policy year.	(450)	(98)	(322)	(380)	(199)	(120)	(106)	(49)	(42)	

Workers' Compensation Fund - Supplemental Pension Plan Claims Development Information

Fiscal Years 1991 through 2000 (expressed in millions)

The table below illustrates how the Fund's supplemental pension cost-of-living adjustments earned revenues (net of reinsurance) and investment income compare to the related costs of losses (net of loss assumed by reinsurers) as of the end of the last ten fiscal years. The unallocated and other expenses of this plan are paid by the Workers' Compensation Basic Plan. This claims development information is reported separate from the basic plan for the following reasons:

- (1) This plan covers self-insured, while the basic does not.
- (2) This plan is not experienced rated while the basic plan is.
- (3) Statutes restrict the funding of this plan to expected payments of the current year.

The rows of the table are defined as follows:

1. This line shows each fiscal year's earned contribution revenues and investment revenues.
2. This line shows the Fund's incurred claims (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year).
3. This section shows the cumulative amounts paid as of the end of successive years for each policy year.
4. This section shows how each policy year's incurred claims increased or decreased as of the end of successive years. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
5. This line compares the latest reestimated incurred claims amount to the amount originally established (line 2) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimates is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

The columns of the table show data for successive fiscal years.

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
1. Net earned required contribution and investment revenues	\$ 124	\$ 125	\$ 136	\$ 159	\$ 168	\$ 173	\$ 154	\$ 170	193	225
2. Estimated incurred claims and expenses, end of policy year	1,464	1,208	848	922	757	751	795	790	548	635
3. Paid (cumulative) as of:										
End of policy year	-	-	-	-	-	-	-	-	-	-
One year later	4	4	4	2	1	3	4	6	7	
Two years later	7	9	7	4	4	8	11	14		
Three years later	11	12	9	6	6	9	13			
Four years later	15	16	12	8	9	14				
Five years later	18	19	15	12	14					
Six years later	22	23	19	16						
Seven years later	26	28	23							
Eight years later	31	34								
Nine years later	37									
4. Reestimated incurred claims and expenses:										
End of policy year	1,464	1,208	848	922	757	751	795	790	548	635
One year later	1,232	889	929	725	732	793	812	527	666	
Two years later	896	937	737	714	760	792	610	727		
Three years later	944	795	738	746	760	633	753			
Four years later	822	808	779	744	621	754				
Five years later	807	843	774	610	704					
Six years later	831	840	638	696						
Seven years later	812	665	711							
Eight years later	680	737								
Nine years later	740									
5. Increase (decrease) in estimated incurred claims and expenses from end of policy year	(724)	(471)	(137)	(226)	(53)	3	(42)	(63)	118	

Workers' Compensation Fund
Reconciliation of Claims Liabilities by Plan
 Fiscal Years 2000 and 1999 (expressed in thousands)

The schedule below presents the changes in claim liabilities for the past two fiscal years for the fund's two benefit plans: Workers' Compensation Basic Plan and Workers' Compensation Supplemental Pension Plan.

	Basic Plan	Basic Plan	Supplemental	Supplemental
	FY 2000	FY 1999	Pension Plan	Pension Plan
	FY 2000	FY 1999	FY 2000	FY 1999
Unpaid claims and claim adjustment expenses at beginning of year	\$ 6,856,445	\$ 6,420,689	\$ 5,659,000	\$ 5,794,000
Incurred claims and claim adjustment expenses:				
Provision for insured events of the current year	1,228,585	1,169,907	229,468	192,198
Increase (Decrease) in provision for insured events of prior years	(12,305)	225,068	913,646	(120,651)
Total incurred claims and claim adjustment expenses	1,216,280	1,394,975	1,143,114	71,547
Payments:				
Claims and claim adjustment expenses attributable:				
To events of the current year	218,283	205,264	-	-
To insured events of prior years	799,740	753,955	235,114	206,547
Total Payments	1,018,023	959,219	235,114	206,547
Total unpaid claims and claim adjustment expenses at fiscal year end	\$ 7,054,702	\$ 6,856,445	\$ 6,567,000	\$ 5,659,000

STATISTICAL SECTION

Table 1 - Revenues, Expenditures, and Other Financing Sources (Uses)

All Governmental Fund Types

Fiscal Years 1991 through 2000 (dollars in millions)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Revenues:										
Taxes:										
Retail sales	\$ 5,432.5	\$ 4,989.0	\$ 4,652.4	\$ 4,436.5	\$ 4,177.6	\$ 4,117.9	\$ 4,004.9	\$ 3,681.0	\$ 3,486.6	\$ 3,327.2
Business and occupation	1,829.5	1,850.4	1,862.9	1,787.7	1,703.2	1,562.9	1,407.7	1,288.5	1,243.9	1,163.4
Use (compensating)	380.0	333.3	330.3	333.0	295.3	283.3	303.4	262.7	260.0	260.8
Motor vehicle and fuel	964.0	717.8	708.2	685.2	676.7	661.9	632.3	650.5	655.9	585.0
Liquor, beer, and wine	119.2	91.0	129.7	117.0	113.2	105.7	108.8	98.9	108.8	95.2
Cigarette and tobacco	277.3	278.5	276.7	277.6	278.3	218.6	215.3	143.6	146.9	140.3
Insurance premiums	261.2	239.0	228.8	212.2	202.7	205.6	146.3	120.2	110.0	107.0
Public utility	282.1	249.0	242.3	234.4	232.4	207.7	196.3	168.9	169.4	156.6
Property	1,332.8	1,276.8	1,230.9	1,170.6	1,107.3	1,031.9	956.1	883.7	810.0	742.4
Excise	631.5	1,134.7	1,060.8	921.5	836.4	781.6	784.4	620.7	571.5	727.9
Gift and inheritance	82.6	69.7	82.2	88.5	61.4	42.0	35.2	35.6	34.5	48.9
Other (less credits)	215.3	193.5	193.1	148.5	139.2	226.9	208.4	285.2	218.2	189.4
Total Taxes	11,808.1	11,422.7	10,998.3	10,412.7	9,823.7	9,446.0	8,999.1	8,239.5	7,815.7	7,544.1
Licenses, permits, and fees	596.2	556.0	510.7	492.0	476.1	467.5	450.2	436.2	422.7	381.9
Federal grants-in-aid	5,303.9	4,763.0	4,623.5	4,576.9	4,382.0	4,033.2	3,741.6	3,492.2	3,205.9	2,780.8
Charges and miscellaneous revenue	2,015.4	1,724.6	1,683.1	1,646.5	1,489.9	1,411.6	1,262.2	1,112.1	962.6	921.8
Interest income	202.3	203.3	192.7	175.2	167.3	153.5	150.9	163.1	196.5	206.4
Total Revenues	19,925.9	18,669.7	18,008.3	17,303.3	16,339.0	15,511.8	14,604.0	13,443.1	12,603.4	11,835.0
Expenditures:										
Current:										
General government	706.7	720.4	739.2	1,122.2	987.2	977.5	902.4	919.6	681.9	749.1
Human services	7,708.6	7,045.0	6,827.7	6,526.4	6,145.5	5,570.6	5,042.3	4,834.0	4,392.5	3,839.8
Natural resources and recreation	552.3	553.0	529.4	522.8	498.1	541.6	508.2	521.4	518.5	528.1
Transportation	872.8	873.2	787.0	931.4	859.3	910.4	753.7	746.4	680.7	610.9
Education	7,962.1	7,609.7	7,246.3	7,071.9	6,707.2	6,439.6	6,160.8	6,057.7	5,585.4	4,971.9
Intergovernmental	645.9	441.8	424.4	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital outlays	1,188.8	1,179.2	991.3	1,112.2	969.3	1,276.4	1,038.0	1,060.3	875.1	1,095.5
Debt service	745.8	701.2	674.2	618.7	604.5	568.8	530.5	500.4	448.6	415.7
Total Expenditures	20,383.0	19,123.5	18,219.5	17,905.6	16,771.1	16,284.9	14,935.9	14,639.8	13,182.7	12,211.0
Revenues Over (Under) Expenditures	(457.1)	(453.8)	(211.2)	(602.3)	(432.1)	(773.1)	(331.9)	(1,196.7)	(579.3)	(376.0)
Other Financing Sources (Uses):										
Bond proceeds net of refunding	581.1	519.8	739.8	638.9	454.0	603.5	649.4	600.4	543.9	508.2
Note proceeds	25.9	12.9	15.6	7.8	4.9	4.9	7.5	7.3	71.1	-
Net operating transfers in (out)	197.5	154.6	141.8	133.4	157.9	167.3	132.5	167.8	157.2	(24.9)
Capital lease acquisitions	-	-	1.5	0.2	-	19.0	8.1	8.0	3.8	15.3
Net Other Financing Sources (Uses)	804.4	687.3	898.7	780.3	616.8	794.7	797.5	783.5	776.0	498.6
Operating Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 347.3	\$ 233.5	\$ 687.5	\$ 178.0	\$ 184.7	\$ 21.6	\$ 465.6	\$ (413.2)	\$ 196.7	\$ 122.6

Table 2 - Revenues, Expenditures, and Other Financing Sources (Uses)

General Fund

Fiscal Years 1991 through 2000 (dollars in millions)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Revenues:										
Taxes:										
Retail sales	\$ 5,419.5	\$ 4,988.4	\$ 4,651.1	\$ 4,435.4	\$ 4,169.1	\$ 4,110.3	\$ 3,995.6	\$ 3,677.6	\$ 3,483.5	\$ 3,324.6
Business and occupation	1,838.3	1,846.5	1,867.7	1,750.0	1,670.4	1,546.1	1,391.1	1,288.5	1,243.9	1,163.4
Use (compensating)	380.8	334.0	331.4	333.0	295.3	283.3	303.4	262.7	260.0	260.8
Liquor, beer, and wine	83.7	79.8	77.2	74.6	72.5	73.2	74.5	77.4	76.3	74.5
Cigarette and tobacco	102.0	86.6	84.5	86.3	80.3	92.3	91.9	97.7	100.2	96.3
Insurance premiums	173.4	158.3	153.9	141.3	172.3	203.3	143.9	118.2	108.3	104.9
Public Utility	282.1	249.0	242.3	234.4	232.4	207.7	196.2	168.9	169.4	156.6
Property	1,332.8	1,276.8	1,230.9	1,170.6	1,107.3	1,031.9	956.1	883.7	810.0	742.4
Excise	552.7	815.8	815.4	695.3	627.0	610.8	621.1	511.6	429.8	626.1
Gift and inheritance	82.6	69.7	82.2	88.5	61.4	42.0	35.2	35.6	34.5	48.9
Other (less credits)	91.9	114.0	87.9	82.9	73.9	156.2	141.3	206.6	189.4	114.5
Total Taxes	10,339.7	10,019.0	9,624.5	9,092.3	8,561.9	8,357.1	7,950.3	7,328.5	6,905.3	6,713.0
Licenses, permits, and fees	131.2	122.4	101.5	95.1	88.3	91.0	89.4	85.7	84.0	71.8
Federal grants-in-aid	4,304.6	3,864.0	3,794.5	3,595.8	3,438.4	3,014.1	2,734.7	2,593.3	2,329.6	1,910.8
Charges and miscellaneous revenue	487.2	451.5	473.1	443.6	382.3	417.0	424.0	327.2	458.2	378.0
Interest income	106.6	99.1	90.1	82.9	76.3	80.2	90.2	79.2	102.0	100.8
Total Revenues	15,369.3	14,556.0	14,083.7	13,309.7	12,547.2	11,959.4	11,288.6	10,413.9	9,879.1	9,174.4
Expenditures:										
Current:										
General government	551.0	569.3	610.6	736.8	639.9	620.1	567.4	579.3	402.6	498.7
Human services	7,055.2	6,502.7	6,338.9	5,999.8	5,786.1	5,309.0	4,831.7	4,655.4	4,235.6	3,687.4
Natural resources and recreation	296.6	299.3	274.4	279.3	250.8	268.7	231.7	246.6	258.2	249.4
Transportation	45.5	41.3	26.5	24.5	24.1	30.7	36.1	33.3	32.1	38.0
Education	6,241.0	5,982.8	5,755.4	5,557.1	5,338.0	5,167.0	4,991.0	4,881.1	4,741.5	4,381.4
Intergovernmental	172.4	185.7	179.6	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital outlays	71.5	85.1	72.2	72.0	77.7	185.3	105.2	95.1	58.8	165.2
Debt service	19.7	18.5	25.9	13.2	19.4	18.7	17.1	4.5	8.6	4.5
Total Expenditures	14,452.9	13,684.7	13,283.5	12,682.7	12,136.0	11,599.5	10,780.2	10,495.3	9,737.4	9,024.6
Revenues Over (Under) Expenditures	916.4	871.3	800.2	627.0	411.2	359.9	508.4	(81.4)	141.7	149.8
Other Financing Sources (Uses):										
Note proceeds	4.0	3.5	2.0	3.3	1.1	2.8	4.9	5.7	2.5	-
Net operating transfers in (out)	(658.6)	(588.8)	(436.1)	(519.1)	(307.2)	(337.3)	(222.1)	(168.3)	(117.3)	(308.7)
Capital lease acquisitions	-	-	-	-	-	17.5	5.7	7.0	0.5	7.8
Net Other Financing Sources (Uses)	(654.5)	(585.3)	(434.1)	(515.8)	(306.1)	(317.0)	(211.5)	(155.6)	(114.3)	(300.9)
Operating Revenues and Other Financing Sources Over (Under)										
Expenditures and Other Financing Uses	\$ 261.9	\$ 286.0	\$ 366.1	\$ 111.2	\$ 105.1	\$ 42.9	\$ 296.9	\$ (237.0)	\$ 27.4	\$ (151.0)

Table 3A - Property Tax Levies and Collections

Calendar Years 1990 through 1999 (dollars in millions)

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Total property tax levies	\$ 5,083	\$ 4,723	\$ 4,571	\$ 4,293	\$ 4,010	\$ 3,719	\$ 3,477	\$ 3,100	\$ 2,843	\$ 2,500
Current tax collections	\$ 4,891	\$ 4,546	\$ 4,407	\$ 4,129	\$ 3,856	\$ 3,578	\$ 3,334	\$ 2,975	\$ 2,714	\$ 2,401
Delinquent tax collections	136	131	118	118	105	112	108	103	88	93
Total Tax Collections	\$ 5,027	\$ 4,677	\$ 4,525	\$ 4,247	\$ 3,961	\$ 3,690	\$ 3,442	\$ 3,078	\$ 2,802	\$ 2,494
Outstanding delinquent taxes	\$ 86	\$ 79	\$ 77	\$ 75	\$ 70	\$ 71	\$ 74	\$ 78	\$ 71	\$ 66
Percent of current taxes collected	96.2%	96.3%	96.4%	96.2%	96.2%	96.2%	95.9%	96.0%	95.5%	96.0%
Ratio of total tax collections to tax levy	98.9%	99.0%	99.0%	98.9%	98.8%	99.2%	99.0%	99.3%	98.6%	99.8%
Ratio of delinquent taxes to total tax levy	1.7%	1.7%	1.7%	1.7%	1.7%	1.9%	2.1%	2.5%	2.5%	2.6%

Source: Tax Statistics, Washington State Department of Revenue.

Table 3B - Assessed and Estimated Actual Value of Property

Calendar Years 1990 through 1999 (dollars in millions)

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Real Property										
Assessed value	\$ 375,084	\$ 350,203	\$ 324,134	\$ 303,221	\$ 288,297	\$ 273,688	\$ 255,822	\$ 240,623	\$ 214,705	\$ 197,518
Estimated actual value	422,543	390,079	359,568	336,838	329,199	305,605	287,739	273,261	254,995	214,946
Personal Property										
Assessed value	29,573	28,384	27,774	27,222	25,285	24,074	22,477	21,948	21,232	20,381
Estimated actual value	30,419	29,346	29,879	28,389	26,271	24,884	23,881	23,174	22,370	21,294
Total										
Assessed value	\$ 404,657	\$ 378,587	\$ 351,908	\$ 330,443	\$ 313,582	\$ 297,762	\$ 278,299	\$ 262,571	\$ 235,937	\$ 217,899
Estimated actual value	452,962	419,425	389,447	365,227	355,470	330,489	311,620	296,435	277,365	236,240
Ratio of total assessed value to total estimated actual value	89.3%	90.3%	90.4%	90.5%	88.2%	90.1%	89.3%	88.6%	85.1%	92.2%

Source: Tax Statistics, Washington State Department of Revenue.

Table 3C - Property Tax Levies

Overlapping Governments

Calendar Years 1990 through 1999 (dollars in millions)

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
State	\$ 1,278	\$ 1,238	\$ 1,189	\$ 1,099	\$ 1,066	\$ 981	\$ 908	\$ 835	\$ 768	\$ 695
Local school districts	1,604	1,458	1,415	1,333	1,187	1,115	1,041	916	816	686
Counties	924	872	849	820	789	731	685	585	541	490
Cities and towns	666	632	589	549	503	470	444	413	391	339
Other districts	610	523	529	492	465	422	399	351	327	290
Total Property Tax Levies	\$ 5,082	\$ 4,723	\$ 4,571	\$ 4,293	\$ 4,010	\$ 3,719	\$ 3,477	\$ 3,100	\$ 2,843	\$ 2,500

Source: Tax Statistics, Washington State Department of Revenue.

Table 4A - Property Value and Construction

Calendar Years 1990 through 1999 (dollars in millions)

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Property Value:										
Assessed value	\$ 404,657	\$ 378,587	\$ 378,587	\$ 330,443	\$ 313,582	\$ 297,762	\$ 278,299	\$ 262,571	\$ 235,937	\$ 217,899
Exemptions:										
Senior citizen	\$ 4,609	\$ 4,796	\$ 2,883	\$ 2,999	\$ 3,037	\$ 2,980	\$ 2,895	\$ 2,798	\$ 2,518	\$ 1,883
Head of household	43	47	44	54	50	49	56	55	56	59
Total Exemptions	\$ 4,652	\$ 4,843	\$ 2,927	\$ 3,053	\$ 3,087	\$ 3,029	\$ 2,951	\$ 2,853	\$ 2,574	\$ 1,942
New Construction:										
Value	\$ 9,542	\$ 9,195	\$ 8,497	\$ 6,818	\$ 7,794	\$ 7,269	\$ 7,291	\$ 6,867	\$ 7,628	\$ 7,034

Source: Tax Statistics, Washington State Department of Revenue.

Table 4B - Residential Building Activity

Calendar Years 1990 through 1999 (dollars in millions)

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Residential Building Activity:										
Permits	42,752	45,727	41,089	39,597	38,445	44,854	40,236	39,682	33,012	48,447
Valuations	\$ 4,578	\$ 4,745	\$ 4,225	\$ 3,773	\$ 3,578	\$ 4,227	\$ 3,673	\$ 3,460	\$ 2,644	\$ 3,487

Source: U.S. Department of Commerce, Bureau of the Census.

Table 4C - Accrued State Retail Sales Tax*

Calendar Years 1990 through 1999 (dollars in millions)

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Sales Subject to Retail Sales Tax:										
Gross	\$118,527	\$110,400	\$102,800	\$ 95,648	\$ 90,107	\$ 86,436	\$ 81,249	\$ 79,220	\$ 72,272	\$ 68,655
Taxable	80,228	74,577	69,975	64,301	62,315	60,586	56,962	54,634	51,440	48,977
Accrued State Retail Sales Tax*	5,215	4,847	4,548	4,179	4,054	3,939	3,703	3,551	3,344	3,184

*State tax only, excludes accrued local sales tax revenues.

Source: Quarterly Business Review, Washington State Department of Revenue.

Table 5A - Ratio of Net General and Limited Obligation Bonded Debt to Assessed Value & Net General and Limited Obligation Bonded Debt Per Capita

Fiscal Years 1990 through 1999

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Population (in thousands) #(1)	5,757	5,685	5,607	5,517	5,430	5,334	5,241	5,117	5,000	4,867
Assessed Value (in millions) #(2)	\$ 404,657	\$ 378,587	\$ 351,908	\$ 330,443	\$ 313,582	\$ 297,762	\$ 278,299	\$ 262,572	\$ 235,937	\$ 217,899
Net Bonded Debt (in millions) #(3):										
Gross Bonded Debt	\$ 6,884	\$ 6,608	\$ 6,192	\$ 5,831	\$ 5,650	\$ 5,310	\$ 4,611	\$ 4,177	\$ 3,721	\$ 3,363
Less:										
Debt Service Fund	88	88	80	82	80	97	101	128	119	109
Net Bonded Debt	\$ 6,796	\$ 6,520	\$ 6,112	\$ 5,749	\$ 5,570	\$ 5,213	\$ 4,510	\$ 4,049	\$ 3,602	\$ 3,254
Ratio of Net Bonded Debt to Assessed Value	1.68%	1.72%	1.74%	1.74%	1.78%	1.75%	1.62%	1.54%	1.53%	1.49%
Net Bonded Debt Per Capita	\$ 1,180	\$ 1,147	\$ 1,090	\$ 1,042	\$ 1,026	\$ 977	\$ 861	\$ 791	\$ 720	\$ 669
Sources:	(1) Washington State Economic and Revenue Forecast Council. (2) Tax Statistics, Washington State Department of Revenue. (3) Washington Office of State Treasurer.									

Table 5B - Selected Financial Ratios

Calendar Years 1990 through 1999

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
State bonded debt per capita	\$ 1,199	\$ 1,143	\$ 1,150	\$ 1,085	\$ 1,051	\$ 1,033	\$ 967	\$ 917	\$ 794	\$ 762
State bonded debt as a percentage of personal income	3.92%	4.07%	4.29%	4.29%	4.42%	4.53%	4.38%	4.25%	3.88%	3.86%
Total debt service as a percentage of personal income	0.39%	0.43%	0.43%	0.46%	0.47%	0.45%	0.46%	0.42%	0.42%	0.42%
State bonded debt as a percentage of market value of taxable property	1.50%	1.55%	1.66%	1.64%	1.61%	1.67%	1.63%	1.58%	1.43%	1.57%
Factors:										
Population (thousands) #(1)	5,757	5,685	5,607	5,517	5,430	5,334	5,241	5,117	5,000	4,867
Personal income (in millions) #(1)	\$ 176,200	\$ 159,674	\$ 150,368	\$ 139,516	\$ 129,117	\$ 121,606	\$ 115,788	\$ 110,461	\$ 102,387	\$ 95,981
Total debt service (in millions) #(2)	\$ 690	\$ 693	\$ 643	\$ 635	\$ 607	\$ 546	\$ 529	\$ 465	\$ 433	\$ 401
Market value of taxable property (in millions) #(3)	\$ 459,962	\$ 419,425	\$ 389,447	\$ 365,227	\$ 355,470	\$ 330,489	\$ 311,620	\$ 296,436	\$ 277,365	\$ 236,240
State bond debt (in millions) #(2)	\$ 6,903	\$ 6,497	\$ 6,446	\$ 5,988	\$ 5,706	\$ 5,512	\$ 5,067	\$ 4,692	\$ 3,968	\$ 3,708
Sources:	(1) Washington State Economic and Revenue Forecast Council. (2) Washington Office of State Treasurer. (3) Tax Statistics, Washington State Department of Revenue.									

Table 6A - Ratio of Annual Debt Service to Expenditures

All Governmental Fund Types

Fiscal Years 1991 through 2000 (dollars in millions)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Principal	\$ 388.2	\$ 351.1	\$ 336.0	\$ 300.0	\$ 304.6	\$ 274.3	\$ 273.7	\$ 236.9	\$ 205.2	\$ 165.4
Interest	359.1	350.1	338.2	318.7	299.9	294.6	256.9	263.6	243.4	250.3
Total Debt Service	\$ 747.3	\$ 701.2	\$ 674.2	\$ 618.7	\$ 604.5	\$ 568.9	\$ 530.6	\$ 500.5	\$ 448.6	\$ 415.7
Total Governmental Funds Expenditures	\$ 20,339.0	\$ 19,123.5	\$ 18,219.5	\$ 17,905.6	\$ 16,771.1	\$ 16,284.9	\$ 14,935.9	\$ 14,639.8	\$ 13,182.7	\$ 12,210.9
Ratio Debt Service to Governmental Funds Expenditures	3.7	3.7	3.7	3.5	3.6	3.5	3.6	3.4	3.4	3.4

Source: Washington State Office of Financial Management - Accounting Division.

Table 6B - Revenue Bond Coverage

Fiscal Years 1991 through 2000 (dollars in millions)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Gross Revenues (1)	\$ 2,157	\$ 1,916	\$ 2,932	\$ 2,079	\$ 2,071	\$ 2,128	\$ 2,049	\$ 1,972	\$ 1,845	\$ 1,680
Operating Expenses (2)	3,196	2,252	2,331	2,514	2,089	2,146	2,135	2,397	1,955	1,730
Net Revenue Available for Debt Service	\$ (1,039)	\$ (336)	\$601	\$ (435)	\$ (18)	\$ (18)	\$ (86)	\$ (425)	\$ (110)	\$ (50)
Debt Service Requirements:										
Principal	\$ 5	\$ 6	\$ 6	\$ 6	\$ 6	\$ 5	\$ 6	\$ 6	\$ 6	\$ 7
Interest	10	8	8	8	9	10	8	7	7	6
Total Debt Service Requirements	\$ 15	\$ 14	\$ 14	\$ 14	\$ 15	\$ 15	\$ 14	\$ 13	\$ 13	\$ 13
Coverage Ratio	(69.27)	(24.00)	42.93	(31.07)	(1.20)	(1.20)	(6.14)	(32.69)	(8.46)	(3.85)

(1) Total revenues (including earnings on investments).

(2) Total operating expenses exclusive of depreciation.

Source: Washington State Office of Financial Management - Accounting Division.

Table 7A - Total Resident Population and Components of Change

Calendar Years 1991 through 2000 (figures in thousands)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Population	5,803.4	5,757.4	5,685.3	5,606.8	5,516.8	5,429.9	5,334.4	5,240.9	5,116.7	5,000.4
Population change:										
Number	46.0	72.1	78.5	90.0	86.9	95.5	93.5	124.2	116.3	133.7
Percent	0.8	1.3	1.4	1.6	1.6	1.8	1.8	2.4	2.3	2.7
Births number	79.9	79.9	78.8	78.0	77.0	77.5	78.2	79.1	80.2	79.1
Deaths number	43.9	43.0	41.6	42.6	41.2	40.0	39.5	39.4	37.2	36.6
Net migration number	10.0	35.2	41.2	54.6	51.0	58.0	54.8	84.5	73.2	91.2

Notes: Births, deaths, and migration year figures are April through March.

Population figures are as of April 1 of each year.

Birth and death figures are estimated for the year 2000.

Source: Washington State Office of Financial Management - September 2000 forecast.

Table 7B - Employment Comparison

Washington vs. United States

Calendar Years 1990 through 1999 (figures in thousands)

Total Civilian	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Labor Force:										
Washington State	3,076	3,037	2,981	2,879	2,810	2,716	2,701	2,648	2,535	2,538
Percent change	1.3	1.9	3.6	2.4	3.4	0.6	2.0	4.5	(0.1)	3.5
United States	139,400	137,700	136,300	133,900	132,300	131,000	129,200	128,100	126,400	125,900
Percent change	1.2	1.0	1.8	1.2	1.0	1.4	0.8	1.4	0.4	1.6
Employment:										
Washington State	2,931	2,892	2,840	2,692	2,631	2,543	2,495	2,447	2,373	2,413
Percent change	1.3	1.8	5.5	2.3	3.5	1.9	2.0	3.1	(1.7)	4.9
United States	133,500	131,500	129,600	126,700	124,900	123,100	120,300	118,500	117,700	118,800
Percent change	1.5	1.5	2.2	1.4	1.5	2.3	1.5	0.7	(0.9)	1.3

Source: Washington State Economic and Revenue Forecast Council - September 2000 forecast.

**Table 8A - Washington's Twenty-Five Largest Public Companies
(Ranked by 1998 Revenues)**

Ranking	Company	Description of company	Revenues (in millions)
1	The Boeing Co.	Aerospace and defense	\$ 56,154.0
2	Costco Cos. Inc.	Membership warehouses	24,269.9
3	Microsoft Corp.	Software development	14,484.0
4	Washington Mutual Inc.	Regional financial services	12,745.6
5	Weyerhaeuser Co.	Natural resource and forest products	10,766.0
6	Paccar Inc.	Heavy-duty truck manufacturing and financial services	7,577.7
7	Safeco Corp.	Financial services	6,489.9
8	Nordstrom Inc.	Department stores	5,027.9
9	Avista Corp	Utility	3,684.0
10	Airborne Freight Corp.	Air freight forwarding and air express services	3,074.5
11	Puget Sound Energy Inc.	Utility	1,907.3
12	Alaska Air Group	Holding company for Alaska and Horizon airlines	1,897.7
13	Potlatch Corp.	Paper and paper products	1,565.9
14	Starbucks Coffee Co.	Coffee roaster and retailer	1,308.7
15	Expeditors International of Washington	International freight forwarding	1,063.7
16	Longview Fiber Co.	Natural resource and forest products	753.2
17	Plum Creek Timber Co. L.P.	Natural resource and forest products	699.4
18	Amazon.com Inc.	Online retailer	610.0
19	Labor Ready Inc.	Temporary employment services	606.9
20	Western Wireless Corp.	Wireless telecommunications company	554.7
21	Multiple Zones International Inc.	Computer and software mailorder seller	501.4
22	Washington Federal Inc.	Holding company for Washington Federal Savings	471.6
23	Esterline Technologies Corp.	Diversified manufacturing	453.9
24	Spacelabs Medical Inc.	High-tech medical equipment manufacturing	274.2
25	The Ackerley Group Inc.	Media and entertainment company	256.7

Source: Puget Sound Business Journal 2000 Book of Lists

Table 8B - Fortune 500 Companies Headquartered in Washington

Ranking 1999	Ranking 1998	Company	Revenues (in millions)	Profits (in millions)	Employees Worldwide	Headquarters/ Location
10	9	Boeing	\$ 57,993.0	\$ 2,309.0	197,000	Seattle
44	49	Costco Cos.	27,456.0	397.3	52,500	Issaquah
84	109	Microsoft	19,747.0	7,785.0	31,396	Redmond
127	128	Washington Mutual	13,571.2	1,817.1	28,144	Seattle
145	152	Weyerhaeuser	12,262.0	527.0	44,770	Federal Way
189	210	Paccar	9,021.0	583.6	21,000	Bellevue
223	412	Avista Corp.	7,905.0	26.0	2,124	Spokane
259	260	Safeco	6,717.1	252.2	13,000	Seattle
320	318	Nordstrom	5,124.2	202.6	40,000	Seattle
489	475	Airborne Freight	3,140.2	91.2	20,343	Seattle

Source: Fortune, April 17, 2000

Table 9A - Labor Force and Employment by Sector

Calendar Years 1990 through 1999 (figures in thousands)

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Resident Civilian Labor Force and Employment in Washington State (1)										
Civilian labor force	3,075.8	3,036.6	2,981.2	2,878.6	2,810.1	2,716.4	2,701.1	2,648.1	2,535.2	2,537.5
Unemployment	145.2	144.7	141.6	186.9	179.2	173.5	205.6	201.5	162.5	124.5
Total Employment	2,930.6	2,892.0	2,839.6	2,691.7	2,631.0	2,542.9	2,495.6	2,446.7	2,372.7	2,413.0
Unemployment percentage rate	4.7%	4.8%	4.7%	6.5%	6.4%	6.4%	7.6%	7.6%	6.4%	4.9%
Nonagricultural Wage and Salary Workers Employed in Washington State										
Manufacturing:										
Food processing	41.0	40.7	41.3	42.4	42.0	40.5	39.0	38.0	37.6	37.6
Lumber and wood	33.9	34.2	35.6	35.2	35.4	36.3	35.9	36.5	36.4	39.9
Paper and pulp	15.8	16.2	16.3	16.8	17.3	17.2	17.2	17.7	17.9	18.1
Chemicals	6.1	6.0	5.7	5.6	5.5	5.6	5.4	5.2	5.2	13.2
Metals and machinery	69.8	71.4	69.5	64.5	60.2	56.5	54.1	53.0	55.0	57.1
Aerospace	99.0	112.4	105.0	86.3	80.2	91.8	102.7	111.9	115.6	116.2
Other transportation equipment	16.0	15.6	14.5	14.1	14.8	13.3	12.0	11.5	12.8	14.8
Other manufacturing	82.4	83.1	82.2	79.9	76.9	75.6	74.4	73.4	71.6	72.3
Total Manufacturing	364.1	379.6	370.0	344.8	332.3	336.9	340.8	347.2	351.9	369.4
Nonmanufacturing:										
Construction	153.2	143.7	136.3	127.8	122.0	123.0	119.1	119.2	118.2	117.3
Transportation, communications, and utilities	139.6	135.6	132.8	124.9	119.6	116.5	114.2	113.6	111.9	113.0
Trade	636.9	622.7	606.9	590.9	580.0	565.0	546.5	537.8	527.2	521.5
Finance, insurance, and real estate	137.2	134.6	127.7	123.9	121.6	124.1	121.2	119.3	116.9	115.5
Services and miscellaneous (2)	742.5	712.6	682.3	652.5	626.7	601.4	579.9	561.2	539.7	508.1
State and local government	407.1	398.8	390.2	382.1	374.4	365.7	357.7	350.2	338.7	323.9
Federal civilian government	67.6	67.2	67.9	68.6	70.1	71.5	72.3	73.4	72.9	73.7
Total Nonmanufacturing	2,284.1	2,215.1	2,144.2	2,070.8	2,014.5	1,967.2	1,910.9	1,874.7	1,825.5	1,773.0
Total Wage and Salary Workers	2,648.2	2,594.7	2,514.2	2,415.6	2,346.8	2,304.1	2,251.7	2,221.9	2,177.4	2,142.4

Notes: Figures may not total due to rounding.

(1) Average of monthly data.

(2) Includes mining and quarrying.

Source: Washington State Economic and Revenue Forecast Council - September 2000 forecast.

Table 9B - Average Annual Wage Rates

Calendar Years 1990 through 1999

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Construction	\$ 38,243	\$ 36,198	\$ 35,882	\$ 33,744	\$ 32,645	\$ 31,356	\$ 30,475	\$ 30,524	\$ 28,650	\$ 27,003
Finance, insurance, and real estate	45,099	43,125	40,022	36,804	34,614	33,238	33,866	32,299	28,688	27,671
Federal government	43,832	42,342	41,221	39,754	37,553	36,007	34,823	33,170	32,076	29,888
State and local government	31,541	30,446	29,434	28,784	28,028	27,298	26,934	26,047	24,693	23,168
Mining	44,227	44,392	45,086	41,814	42,009	40,210	38,575	39,215	37,044	35,620
Transportation, communications, and utilities	44,281	41,635	39,754	36,953	36,171	34,580	33,695	32,826	31,509	30,153
Services	44,263	38,374	33,586	30,637	28,330	26,720	25,649	25,237	23,082	21,392
Retail trade	20,798	19,193	18,140	17,375	16,899	16,474	15,897	15,645	14,850	14,258
Wholesale trade	42,037	40,622	38,454	36,671	34,967	33,400	32,353	32,166	30,090	28,818
Manufacturing	44,958	42,667	41,326	39,644	38,087	36,585	35,425	35,556	33,290	32,111

Source: Washington State Economic and Revenue Forecast Council - September 2000 forecast.

Table 10A - Personal Income Comparison

Washington vs. United States

Calendar Years 1990 through 1999 (dollars in billions)

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
In Current Dollars:										
Washington										
Amount	\$ 176.2	\$ 163.3	\$ 151.4	\$ 139.3	\$ 129.7	\$ 123.3	\$ 117.6	\$ 112.6	\$ 104.8	\$ 98.1
Percent change	7.9	7.9	8.7	7.4	5.1	4.9	4.4	7.5	6.8	10.8
United States										
Amount	\$ 7,789.7	\$ 7,391.0	\$ 6,937.0	\$ 6,547.4	\$ 6,200.9	\$ 5,888.1	\$ 5,610.0	\$ 5,390.4	\$ 5,085.4	\$ 4,903.2
Percent change	5.4	6.5	6.0	5.6	5.3	5.0	4.1	6.0	3.7	6.6
In 1996 Constant Dollars:										
Washington										
Amount	\$ 168.1	\$ 158.5	\$ 148.5	\$ 139.3	\$ 132.5	\$ 128.9	\$ 125.4	\$ 122.9	\$ 117.9	\$ 114.6
Percent change	6.0	6.7	6.6	5.2	2.8	2.8	2.0	4.3	2.8	5.9
United States										
Amount	\$ 7,429.8	\$ 7,173.5	\$ 6,804.9	\$ 6,547.3	\$ 6,334.1	\$ 6,152.1	\$ 5,980.4	\$ 5,883.1	\$ 5,719.7	\$ 5,726.1
Percent change	3.6	5.4	3.9	3.4	3.0	2.9	1.7	2.9	(0.1)	1.9

Source: Washington State Economic and Revenue Forecast Council - September 2000 forecast.

Table 10B - Personal Income by Component

Calendar Years 1990 through 1999 (dollars in billions)

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Total personal income	\$ 176.2	\$ 163.3	\$ 151.4	\$ 139.3	\$ 129.7	\$ 123.3	\$ 117.6	\$ 112.6	\$ 104.8	\$ 98.1
Percent change	7.9	17.2	16.7	13.0	10.3	4.8	4.4	7.4	6.8	10.7
Total earnings	\$ 129.2	\$ 118.1	\$ 108.1	\$ 98.9	\$ 92.1	\$ 88.4	\$ 85.1	\$ 81.8	\$ 75.0	\$ 70.2
Percent change	9.3	9.3	9.3	7.4	4.1	3.9	4.1	9.1	6.7	11.4
Wages and salaries	\$ 103.6	\$ 94.0	\$ 85.4	\$ 77.3	\$ 71.6	\$ 67.6	\$ 64.4	\$ 62.7	\$ 57.7	\$ 54.1
Percent change	10.3	21.5	19.2	14.4	11.2	4.9	2.7	8.7	6.6	10.8
Other labor income	\$ 11.6	\$ 11.0	\$ 10.5	\$ 10.0	\$ 9.7	\$ 9.9	\$ 9.4	\$ 8.9	\$ 8.1	\$ 7.3
Percent change	5.8	9.4	8.1	1.5	3.5	5.2	5.1	10.7	10.9	12.4
Farm proprietor's income	\$ 0.3	\$ 0.6	\$ 0.4	\$ 0.9	\$ 0.6	\$ 0.6	\$ 1.0	\$ 0.9	\$ 0.6	\$ 0.5
Percent change	(43.3)	(33.4)	(22.3)	46.3	(45.0)	(40.9)	17.4	42.2	11.1	(12.3)
Nonfarm proprietor's income	\$ 13.6	\$ 12.6	\$ 11.8	\$ 10.7	\$ 10.2	\$ 10.4	\$ 10.3	\$ 9.3	\$ 8.6	\$ 8.3
Percent change	7.9	17.9	15.6	3.3	(1.0)	0.8	11.2	7.8	3.7	16.8
Less: Personal contributions for social insurance	\$ 7.9	\$ 7.2	\$ 6.6	\$ 6.1	\$ 5.7	\$ 5.4	\$ 5.1	\$ 4.9	\$ 4.6	\$ 4.2
Percent change	9.2	18.5	16.1	12.2	12.5	6.4	3.2	8.2	9.6	10.2
Plus: Residence adjustment	\$ 2.0	\$ 1.9	\$ 1.7	\$ 1.5	\$ 1.3	\$ 1.2	\$ 1.1	\$ 1.0	\$ 1.0	\$ 0.9
Percent change	4.4	31.7	28.2	26.9	17.8	5.7	6.1	6.8	4.8	12.3
Dividends, interest, and rent	\$ 32.8	\$ 31.1	\$ 29.3	\$ 26.6	\$ 24.4	\$ 22.7	\$ 20.8	\$ 20.2	\$ 20.3	\$ 19.6
Percent change	5.4	16.7	19.8	17.0	17.4	9.4	2.8	(0.2)	3.7	8.2
Transfer payments	\$ 20.1	\$ 19.4	\$ 19.1	\$ 18.4	\$ 17.6	\$ 16.4	\$ 15.7	\$ 14.5	\$ 13.1	\$ 11.6
Percent change	3.7	5.4	8.3	12.2	12.2	4.5	8.1	10.6	13.4	10.8

Note: Figures may not total due to rounding.

Source: Washington State Economic and Revenue Forecast Council - September 2000 forecast.

Table 11A - Full-Time Equivalent Staff Comparison

Budgeted Funds

Fiscal Years 1991 through 2000

Function	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
General government	8,465	8,416	8,179	8,228	8,024	8,438	8,031	8,392	8,158	8,020
Human services	32,587	32,003	30,665	30,201	29,823	29,490	28,810	28,556	28,399	27,378
Natural resources and recreation	5,955	5,921	5,910	6,057	6,079	6,532	6,242	6,405	6,306	6,018
Transportation	10,254	10,140	9,827	9,958	9,753	9,947	10,047	9,971	9,902	9,319
Education	42,623	41,426	40,448	39,238	38,116	37,484	36,474	36,849	34,898	33,828
Total	99,884	97,906	95,029	93,682	91,795	91,891	89,604	90,173	87,663	84,563

Notes: A Full-Time Equivalent (FTE) is one full calendar year of paid employment, or the equivalent of 2,088 hours (the number of available work hours in a year.) It is not the number of employees on the payroll, nor is it the number of positions in state government. It is a computed average number of state employees based upon cumulative FTE staff months during one fiscal year or cumulative hours paid during one fiscal year.

The FTE staff years can be computed two ways:

- (1) By accumulating all FTE staff months for a full year and dividing by 12.
- (2) By accumulating all paid hours for one full year and dividing by 2,088 (the available work hours in a year).

Figures include:

- Operating and capital FTEs.
- FTEs of nonbudgeted Higher Education funds.

Source: Washington State Office of Financial Management - Accounting Division.

Table 11B - Full-Time Equivalent Staff Comparison

General Fund State

Fiscal Years 1991 through 2000

Function	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
General government	2,874	2,870	2,763	2,874	2,769	3,212	2,758	3,086	3,003	3,150
Human services	16,122	16,242	16,159	15,593	14,878	13,424	14,536	14,005	14,983	15,535
Natural resources and recreation	1,902	1,787	1,637	1,842	1,773	2,289	2,097	2,315	2,743	2,710
Transportation	405	407	211	222	174	296	361	343	409	472
Education	17,944	17,681	17,358	16,846	16,391	17,936	18,137	20,561	20,394	20,301
Total	39,247	38,987	38,128	37,377	35,985	37,157	37,889	40,310	41,532	42,168

Notes: A Full-Time Equivalent (FTE) is one full calendar year of paid employment, or the equivalent of 2,088 hours (the number of available work hours in a year.) It is not the number of employees on the payroll, nor is it the number of positions in state government. It is a computed average number of state employees based upon cumulative FTE staff months during one fiscal year or cumulative hours paid during one fiscal year. This data includes operating and capital FTEs.

The FTE staff years can be computed two ways:

- (1) By accumulating all FTE staff months for a full year and dividing by 12.
- (2) By accumulating all paid hours for one full year and dividing by 2,088 (the available work hours in a year).

Source: Washington State Office of Financial Management - Accounting Division.

Table 12A - Public School Enrollment Grades K-12 and Other

Average Annual Full-Time Equivalent Enrollment

Academic Years 1990-91 through 1999-00

Grades	1999-00*	1998-99	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93	1991-92	1990-91
K-8	650,009	652,518	648,748	643,671	636,028	628,532	621,603	612,549	594,567	575,532
9-12	290,322	286,311	280,856	273,768	262,974	253,382	246,695	237,210	228,473	219,872
Private & Homebased	118	125	189	231	254	221	202	--	--	--
Summer	200	383	347	246	541	377	278	--	--	--
Running Start	7,420	7,001	6,251	5,510	4,452	3,695	2,502	--	--	--
UW Transition	38	41	43	41	40	40	--	--	--	--
Total	948,106	946,378	936,434	923,467	904,289	886,247	871,280	849,759	823,040	795,404

Notes: A Full-Time Equivalent student is defined as:

Kindergarten -- 4 classroom hours/day for 90 days or 2 classroom hours/day for 180 days.

Grades 1 through 3 -- 4 classroom hours/day for 180 days.

Grades 4 through 12 -- 5 classroom hours/day for 180 days.

Data may not add due to rounding

*Preliminary data. Data not complete until final report is received in January 2001.

Source: Washington State Office of Financial Management - Forecasting Division (Office of the Superintendent of Public Instruction).

Table 12B - Public Higher Education Enrollment

Average Annual Full-Time Equivalent Enrollment

Academic Years 1990-91 through 1999-00

	1999-00*	1998-99*	1997-98*	1996-97*	1995-96*	1994-95*	1993-94*	1992-93*	1991-92*	1990-91
Community Colleges**	109,969	106,724	104,329	104,183	103,971	101,911	98,552	91,590	89,800	86,015
Technical Colleges***	15,162	14,578	13,596	14,332	14,104	11,492	12,483	N/A	N/A	N/A
4 Year Schools	82,778	81,991	80,605	79,571	78,095	77,391	76,457	74,423	73,078	72,566
Total	207,909	203,293	198,530	198,086	196,170	190,794	187,492	166,013	162,878	158,581

Notes: A Full-Time Equivalent student is defined as:

Undergraduate student -- 15 credit hours per term.

Graduate student -- 10 credit hours per term.

* Beginning in 1991-92, Community Colleges (CC) enrollment includes the Timber Worker displacement program (TW).

** Beginning in 1993-94, Community College (CC) enrollment includes the Work Force Training program (WFT).

** Beginning in 1997-98, figures include Private Career College (PCC) enrollments.

*** Beginning in 1993-94, the Technical Colleges (TC) became part of the State Community and Technical College System. (Figures exclude TW, WFT, or PCC enrollments which are included in the CC FTE's.)

Source: Washington State Office of Financial Management - Forecasting Division.

Table 13A - Value of Agricultural Production

Calendar Years 1990 through 1999 (dollars in millions)

	% Change 99 Vs 98	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Field crops	(5.4)	\$1,524.7	\$1,612.4	\$1,832.6	\$2,049.1	\$2,095.1	\$1,594.0	\$1,710.3	\$1,409.5	\$1,308.1	\$1,384.5
Fruit and nut crops	17.5	1,237.2	1,052.6	1,235.7	1,232.7	1,351.2	1,061.9	1,014.6	996.9	1,191.1	1,049.5
Vegetable crops	(15.0)	299.3	352.1	357.6	307.6	313.1	302.6	285.1	242.5	240.1	210.3
Seed crops	(6.7)	42.1	45.1	37.0	33.2	26.1	27.0	30.1	24.7	24.1	28.1
Berry crops	45.0	66.1	45.6	50.1	54.4	52.9	59.4	44.9	41.3	33.3	28.4
Total Crops		3,169.4	3,107.8	3,513.0	3,677.0	3,838.4	3,044.9	3,085.0	2,714.9	2,796.7	2,700.8
Specialty products (1)	1.5	587.9	579.4	569.7	575.7	640.7	648.4	577.9	505.7	375.7	382.9
Livestock and livestock products	0.6	1,546.3	1,537.4	1,444.1	1,457.4	1,395.9	1,454.9	1,413.0	1,366.9	1,235.0	1,271.8
State Total		\$ 5,303.6	\$ 5,224.6	\$ 5,526.8	\$ 5,710.1	\$ 5,875.0	\$ 5,148.2	\$ 5,075.9	\$ 4,587.5	\$ 4,407.4	\$ 4,355.5

Note: (1) Includes forest products, nursery products, greenhouse products, horticultural products, and mushrooms.

Source: United States Department of Agriculture (USDA), Washington Agricultural Statistics Service.

Table 13B - Rank Order of Principal Commodities Value

Calendar Years 1990 through 1999 (dollars in millions)

	Rank	% Change										
Commodities	1999	99 Vs 98	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Apples	1	21.4	\$849,600	\$700,000	\$821,400	\$912,700	\$1,021,750	\$795,250	\$709,100	\$716,550	\$946,900	\$784,950
Milk	2	(2.6)	824,715	846,834	732,423	792,277	687,934	681,250	638,724	648,123	560,331	602,863
Potatoes	3	6.4	476,000	447,480	431,984	451,203	553,823	422,370	469,050	346,500	286,653	353,496
Cattle and calves	4	(1.0)	454,222	458,719	468,580	409,697	450,009	516,294	545,351	488,252	457,106	480,836
Wheat	5	(16.6)	345,299	414,218	560,608	755,680	742,500	525,508	573,802	453,474	367,198	409,480
Hay	6	(1.8)	307,027	312,588	361,824	371,347	328,878	268,839	284,580	247,866	248,130	277,728
Nursery & Greenhouse products (1)	7	3.1	282,210	273,793	250,000	245,000	245,000	240,000	220,000	200,000	155,000	150,000
Forest Products, Farm	8	(2.8)	240,000	247,000	300,000	300,000	338,000	353,000	303,000	258,000	N/A	N/A
All pears	9	13.2	122,139	107,886	123,670	125,768	118,166	97,377	93,771	111,826	114,552	116,223
Sweet cherries	10	(10.0)	115,860	128,801	132,694	118,940	106,519	88,700	94,036	74,895	51,580	62,602
Grapes	11	7.0	114,480	107,004	124,410	57,744	73,676	57,600	89,929	66,747	54,688	56,877
Hops	12	8.8	79,937	73,457	89,306	93,953	99,290	96,775	101,220	98,223	89,965	60,396
Sweet corn, All	13	(2.5)	64,103	65,752	61,905	57,584	69,221	53,053	47,697	41,461	42,655	39,469
Eggs	14	(14.5)	59,031	69,023	75,024	89,961	93,241	83,403	74,628	68,948	78,233	79,472
Onions	15	(38.5)	51,795	84,255	99,569	55,452	45,940	62,702	83,250	44,234	40,998	26,286
Asparagus	16	(16.3)	51,216	61,217	64,204	63,312	58,659	56,304	55,790	59,040	56,932	54,916
Barley	17	(4.7)	50,882	53,404	80,630	72,019	59,299	28,527	46,461	41,184	82,992	47,954
Christmas Trees	18	4.2	50,000	48,000	45,000	45,000	42,000	42,000	42,000	37,000	N/A	N/A
Red raspberries	19	113.1	48,291	22,664	28,020	30,459	35,182	39,423	28,126	22,005	16,449	8,600
Corn, grain	20	(9.1)	42,300	46,550	54,150	69,930	66,861	52,448	47,120	40,392	45,144	38,500
Corn, silage	21	(4.7)	41,470	43,500	45,430	37,700	34,344	30,420	27,040	25,200	26,208	24,840
Aquaculture (2)	22	50.1	40,239	26,808	34,315	35,430	40,554	51,232	40,106	51,720	43,652	28,194
Mint oil	23	(31.7)	37,236	54,501	53,066	54,413	51,547	44,001	43,000	50,857	38,360	41,981
Carrots, All	24	11.0	31,390	28,268	29,120	24,784	34,449	25,440	23,409	27,143	17,882	15,001
Peaches	25	(15.4)	22,656	26,776	19,335	5,100	N/A	N/A	N/A	N/A	N/A	N/A
Green peas, processing	26	(16.1)	22,588	26,921	25,342	20,408	30,246	33,805	22,115	22,645	29,403	23,878
Sugarbeets (3)	27	(30.8)	18,893	27,297	23,146	19,777	N/A	N/A	N/A	N/A	N/A	N/A
Alfalfa seed	28	(5.0)	18,360	19,320	13,400	11,748	10,005	10,735	11,400	10,560	14,416	18,573
Kentucky Bluegrass Seed	29	3.8	18,160	17,500	17,466	17,733	N/A	N/A	N/A	N/A	N/A	N/A
Mushrooms	30	9.4	15,751	14,392	14,731	15,704	N/A	N/A	N/A	N/A	N/A	N/A

Note: (1) Includes floriculture.

(2) The Washington State Department of Fish and Wildlife annually calculates the value of aquaculture production. Aquaculture total excludes trout which is listed separately.
N/A indicates data not available.

(3) Value of production for sugarbeets based on previous year's price. Value for 1999 will be published in CROP VALUES, February 2001.

Source: United States Department of Agriculture (USDA), Washington Agricultural Statistics Service.

Table 14A - International Trade Facts

All Washington Ports

Calendar Years 1990 through 1999 (dollars in millions)

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Exports (1)	\$ 46,513	\$ 48,780	\$ 47,685	\$ 40,380	\$ 34,986	\$ 35,141	\$ 39,226	\$ 37,842	\$ 36,885	\$ 34,560
Imports	59,676	55,604	53,193	46,849	47,972	46,232	49,121	40,907	37,207	36,889
Trade balance	(13,163)	(6,824)	(5,508)	(6,469)	(12,986)	(11,091)	(9,895)	(3,064)	(322)	(2,329)
Two way trade	106,189	104,384	100,878	87,229	82,958	81,373	88,347	78,752	74,092	71,449

Note: (1) These figures indicate total international trade from the state of Washington, including bonded shipments to other states and Canada (includes Boeing Company figures).

Source: Washington State Department of Community, Trade and Economic Development (U.S. Census Bureau).

Table 14B - Major Export Trading Partners

Calendar Years 1990 through 1999 (dollars in millions)

Partners	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Japan	\$ 7,868	\$ 8,754	\$ 9,871	\$ 9,026	\$ 8,719	\$ 7,941	\$ 8,235	\$ 8,512	\$ 8,261	\$ 8,731
Canada	6,904	6,836	7,131	6,230	6,051	6,098	6,535	5,923	5,119	4,935
United Kingdom	4,312	4,451	4,551	1,788	1,299	2,204	2,240	2,263	2,113	3,162
Korea	2,923	1,837	4,290	4,609	4,504	3,147	3,085	2,668	2,434	2,429
China	2,453	3,852	2,273	2,091	1,602	2,260	2,584	1,903	1,016	913
Germany	2,043	2,278	1,497	1,120	949	684	979	1,786	2,387	1,447
Netherlands	1,482	877	1,216	1,052	802	495	643	818	957	1,013
Singapore	1,434	1,745	1,968	1,545	1,353	1,670	1,398	1,032	1,223	693
France	1,337	836	250	299	276	345	738	1,048	1,522	743
Taiwan	1,278	2,409	2,246	2,330	2,422	1,766	2,605	1,733	1,897	1,603
Saudia Arabia	1,257	2,058	892	144	41	41	35,342	45	77	142
Hong Kong	861	1,429	1,331	1,724	1,328	1,115	1,272	1,177	1,351	1,209
Thailand	711	943	1,347	1,194	563	382	458	722	682	599
Malaysia	529	1,469	1,354	593	578	1,014	1,398	889	673	478
Russia	348	1,084	330	300	378	514	124	6	28	15

Note: 1990-1999 statistics based on all Washington State ports, all methods of transportation.

Source: Washington State Department of Community, Trade and Economic Development (U.S. Census Bureau).

Table 14C - Major Import Trading Partners

Calendar Years 1990 through 1999 (dollars in millions)

Partners	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Japan	\$ 19,622	\$ 19,303	\$ 20,833	\$ 18,877	\$ 20,507	\$ 20,441	\$ 20,960	\$ 17,171	\$ 15,841	\$ 16,151
Canada	11,961	10,429	9,663	8,107	6,810	6,270	5,704	4,791	4,196	4,332
China	9,288	8,428	7,612	6,655	6,578	5,845	4,894	4,152	3,126	2,273
Taiwan	3,845	4,105	3,217	3,062	3,569	3,338	4,934	3,449	3,229	3,030
Korea	2,507	2,337	2,354	2,124	2,568	2,536	3,335	3,196	2,925	3,365
United Kingdom	2,478	2,172	1,744	836	793	1,096	841	1,118	958	1,193
Thailand	1,152	1,195	1,179	977	980	963	835	809	552	475
Hong Kong	1,116	1,183	1,380	1,237	1,091	1,106	1,805	1,266	1,343	1,324
Phillipines	1,070	813	381	380	498	485	439	401	489	352
Australia	841	714	844	695	536	396	825	566	685	819
Malaysia	808	816	599	669	715	623	622	553	494	390
Indonesia	739	762	647	600	669	520	533	384	315	269
France	736	341	121	162	198	642	736	844	832	687
Germany	444	397	311	305	251	159	174	206	181	220
Singapore	325	291	237	306	431	425	814	687	715	656

Note: Based on all Washington State ports, all methods of transportation.

Source: Washington State Department of Community, Trade and Economic Development (U.S. Census Bureau).