

OFFICE OF FINANCIAL MANAGEMENT

STATE OF WASHINGTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

DECEMBER 2001

Report Prepared by

Office of Financial Management

Marty Brown, Director

Accounting Division

Sadie Rodriguez-Hawkins, Assistant Director

Statewide Accounting

Wendy Jarrett, CPA, Manager

Sue Adamich, CPA

Andrea Brown

Christopher Carlile, CPA

Deborah Feinstein, CPA

Kimberly Holtz

Norm Johnson

Bob Lewis, CPA

Millie Lund, CPA

Patricia 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



Table of Contents

*Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2001*

State of Washington Elected Officials	vi
State Organization Chart	vii

Introductory Section

Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	26

Financial Section

Independent Auditor's Report	29
---	----

General Purpose Financial Statements

Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Units	32
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds	35
Combined Statement of Revenues, Expenditures, and Other Financing Sources (Uses) - Budget and Actual - All Governmental Fund Types	36
Combined Statement of Revenues, Expenses, and Changes in Equity - All Proprietary Fund Types, Nonexpendable Trust Funds, and Discretely Presented Component Units	38
Combined Statement of Cash Flows - All Proprietary Fund Types, Nonexpendable Trust Funds, and Discretely Presented Component Units	40
Statement of Changes in Net Assets - Pension and Investment Trust Funds	44
Notes to the Financial Statements	46

Required Supplementary Information

Public Employees' Retirement System - Plan 1 - Schedule of Funding Progress - Last Six Calendar Years	96
Teachers' Retirement System - Plan 1 - Schedule of Funding Progress - Last Six Fiscal Years	96

Financial Section (continued)

Required Supplementary Information (continued)

Law Enforcement Officers' and Fire Fighters' Retirement System - Plan 1 -	
Schedule of Funding Progress - Last Six Calendar Years	97
Judicial Retirement System - Schedule of Funding Progress - Last Six Calendar Years	97
Volunteer Fire Fighters' Relief and Pension Fund - Schedule of Funding Progress -	
Last Six Calendar Years	98
Judges' Retirement Fund - Schedule of Funding Progress - Last Six Calendar Years	98
Schedules of Contributions from Employers and Other Contributing Entities	99
Notes to Required Supplementary Schedules - Defined Benefit Pension Plans	102

Combining Financial Statements

General Fund

Schedule of Assets, Liabilities, and Fund Balances	108
Schedule of Revenues, Expenditures, and Changes in Fund Balances	109
Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) -	
Budget and Actual	110

Special Revenue Funds

Combining Balance Sheet	114
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	116
Combining Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) -	
Budget and Actual	118

Debt Service Funds

Combining Balance Sheet	124
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	125
Combining Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) -	
Budget and Actual	126

Capital Projects Funds

Combining Balance Sheet	130
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	131
Combining Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) -	
Budget and Actual	132

Enterprise Funds

Combining Balance Sheet	136
Combining Statement of Revenues, Expenses, and Changes in Equity	138
Combining Statement of Cash Flows	140
Schedule of Appropriated Expenses - Budget and Actual	142

Financial Section (continued)

Combining Financial Statements (continued)

Internal Service Funds	
Combining Balance Sheet.....	146
Combining Statement of Revenues, Expenses, and Changes in Equity	148
Combining Statement of Cash Flows.....	150
Schedule of Appropriated Expenses - Budget and Actual	152
Trust and Agency Funds	
Combining Balance Sheet - Trust and Agency Funds	159
Combining Balance Sheet - Expendable Trust Funds	160
Combining Balance Sheet - Nonexpendable Trust Funds	161
Combining Statement of Net Assets - Pension and Investment Trust Funds	162
Combining Statement of Assets and Liabilities - Agency Funds.....	164
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Expendable Trust Funds	165
Combining Statement of Revenues, Expenses, and Changes in Fund Balances - Nonexpendable Trust Funds.....	166
Combining Statement of Cash Flows - Nonexpendable Trust Funds	167
Combining Statement of Changes in Assets and Liabilities - Agency Funds.....	168
General Fixed Assets Account Group	
Schedule of General Fixed Assets - By Function.....	172
Schedule of Changes in General Fixed Assets - By Function	172
Comparative Schedule of General Fixed Assets - By Source.....	173
General Long-Term Obligations Account Group	
Schedule of Changes in General Long-Term Obligations.....	176
Component Units	
Combining Balance Sheet.....	178
Combining Statement of Revenues, Expenses, and Changes in Equity	179
Combining Statement of Cash Flows.....	180

Schedules

Schedule of Revenues and Other Financing Sources (Uses) - All Governmental Fund Types.....	182
Schedule of Expenditures - All Governmental Fund Types	183
Workers' Compensation Fund - Basic Plan - Claims Development Information	184
Workers' Compensation Fund - Supplemental Pension Plan - Claims Development Information	185
Workers' Compensation Fund - Reconciliation of Claims Liabilities by Plan	186

Statistical Section

Table 1	Revenues, Expenditures, and Other Financing Sources (Uses) - All Governmental Fund Types - Last Ten Fiscal Years.....	189
Table 2	Revenues, Expenditures, and Other Financing Sources (Uses) - General Fund - Last Ten Fiscal Years.....	190
Table 3A	Property Tax Levies and Collections - Last Ten Calendar Years.....	191
Table 3B	Assessed and Estimated Actual Value of Property - Last Ten Calendar Years.....	191
Table 3C	Property Tax Levies - Overlapping Governments - Last Ten Calendar Years	191
Table 4A	Property Value and Construction - Last Ten Calendar Years	192
Table 4B	Residential Building Activity - Last Ten Calendar Years	192
Table 4C	Accrued State Retail Sales Tax – Last Ten Calendar Years.....	192
Table 5A	Ratio of Net General and Limited Obligation Bonded Debt to Assessed Value and Net General & Limited Obligation Bonded Debt Per Capita - Last Ten Fiscal Years.....	193
Table 5B	Selected Financial Ratios - Last Ten Calendar Years.....	193
Table 6A	Ratio of Annual Debt Service to Expenditures - All Governmental Fund Types - Last Ten Fiscal Years	194
Table 6B	Revenue Bond Coverage - Last Ten Fiscal Years	194
Table 7A	Total Resident Population and Components of Change - Last Ten Calendar Years	195
Table 7B	Employment Comparison - Washington vs. United States - Last Ten Calendar Years	195
Table 8A	Washington's Twenty-Five Largest Public Companies	196
Table 8B	Fortune 500 Companies Headquartered in Washington	196
Table 9A	Labor Force and Employment by Sector - Last Ten Calendar Years.....	197
Table 9B	Average Annual Wage Rates - Last Ten Calendar Years.....	197
Table 10A	Personal Income Comparison - Washington vs. United States - Last Ten Calendar Years	198

Statistical Section (continued)

Table 10B	Personal Income by Component - Last Ten Calendar Years	198
Table 11A	Full-Time Equivalent Staff Comparison - Budgeted Funds - Last Ten Fiscal Years	199
Table 11B	Full-Time Equivalent Staff Comparison - General Fund State - Last Ten Fiscal Years	199
Table 12A	Public School Enrollment Grades K-12 and Other - Average Annual Full-Time Equivalent Enrollment - Last Ten Academic Years.....	200
Table 12B	Public Higher Education Enrollment - Average Annual Full-Time Equivalent Enrollment - Last Ten Academic Years.....	200
Table 13A	Value of Agricultural Production - Last Ten Calendar Years	201
Table 13B	Rank Order of Principal Commodities Value - Last Ten Calendar Years	201
Table 14A	International Trade Facts - All Washington Ports - Last Ten Calendar Years	202
Table 14B	Major Export Trading Partners - Last Ten Calendar Years.....	202
Table 14C	Major Import Trading Partners - Last Ten Calendar Years.....	202



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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

December 12, 2001

The Honorable Gary Locke, Governor
Members of the Fifty-Seventh 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, 2001.

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 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 58 percent of its income in governmental funds from taxes and 28 percent from federal grants. The main tax sources are retail sales taxes, business and occupation taxes, property taxes, and motor fuel 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 agency heads are appointed by, and report to, the Governor. Eighty-eight agency heads report to a board appointed in whole or in part by the Governor. The Legislative Branch consists of two legislative bodies: the Senate consisting of 49 members, and the House of Representatives with 98 members. The Judicial Branch consists of the State Supreme Court which is the highest court in the state comprised 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 2001 proved to be an average year for Washington State's economy. Employment grew by 2.3 percent, about the same as Fiscal Year 2000 but more than a percentage point below employment growth rates in Fiscal Years 1997 and 1998. The aerospace industry continued to reduce jobs, but the pace of the employment decline slowed in Fiscal Year 2001. Real personal income slumped significantly by 1.2 percent, a rate almost four percentage points below the growth rates recorded in the prior three fiscal years.

More important for Washington's outlook is that Fiscal Year 2002 is expected to bring the first recession to the state in eighteen years. Wage and salary employment in Washington is forecast to decline in Fiscal Year 2002. This decline reflects the national recession and the additional job loss in the state's aerospace sector due to weakened air carriers and the substantial decline in air travel after the events of September 11th.

Real personal income growth is predicted to remain low as stock option income continues to decline after the stock market dropped. Recovery in Fiscal Year 2003 is expected to be weak both in terms of employment growth and growth in real personal income. General Fund-State revenues are expected to decline slightly in the 2001-03 Biennium compared to the 1999-01 Biennium due mainly to the recession. The decline also reflects the impact of non-economic factors, especially voter approved initiatives, which include property tax cuts and transfers of revenue from the state's General Fund to dedicated education funds.

Economic Condition in Fiscal Year 2001

Washington's wage and salary employment grew at the rate of 2.3 percent in Fiscal Year 2001, slightly slower than the US wage and salary employment growth rate of 2.5 percent. Washington's growth rate was similar to its wage and salary employment growth rate of Fiscal Year 2000, but significantly less than the 3.8 percent growth in Fiscal Year 1998 and 3.9 percent growth in Fiscal Year 1997. Despite the deceleration in employment growth more than 37,000 new jobs were added in Washington State in Fiscal Year 2001.

Although the wage and salary employment growth rates of the state and nation moved at very similar levels during Fiscal Year 2001, personal income in Washington grew by only 3.7 percent compared to national growth of 6.6 percent. Real per capita income rose by 1.2 percent in Washington over the same period as compared to 4.0 percent for the nation. For the previous five fiscal years, personal income growth in Washington exceeded US growth by substantial margins.

The main reason for the slowdown in personal income growth was the performance of the software sector where the value of exercised stock options plummeted with the retrenchment in high technology, internet and computer and software stock prices. Stock option income is a larger proportion of Washington State personal income than for US personal income. Excluding the impact of the decline in software stock options on personal income, there would have been only a very slight slowdown in personal income growth in 2001 and Washington personal income growth would have been about the same as US growth.

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 3,400 in Fiscal Year 1999 and 17,800 in Fiscal Year 2000. Aerospace employment continued its decline in Fiscal Year 2001, falling by 3,200. Just as the aerospace employment decline began to abate in Fiscal Year 2001, a host of other manufacturing industries went into decline. Manufacturing employment in Washington declined by 11,200 jobs in Fiscal Year 2001, a reduction of 3.1 percent. Non-manufacturing employment slowed to a pace of 2.1 percent growth, much slower than the 3.2 percent to 3.5 percent growth of the last four years.

Employment in durable manufacturing other than aerospace fell by 3.3 percent in Fiscal Year 2001, while employment in durable manufacturing nationally declined by 0.9 percent. Within this sector of the state economy, employment increased in electrical machinery (6.6 percent), which includes electronic and electrical equipment. Employment in instruments manufacturing grew by 0.6 percent. All other durable manufacturing industries experienced declining employment during Fiscal Year 2001. The largest percentage declines occurred in transportation equipment, down 11.3 percent (decline of 1,800 jobs), and primary metal industries, down 10.1 percent (loss of 1,200 jobs). Other than aerospace, the largest absolute decline in employment took place in lumber and wood products where 2,200 jobs were lost (a 2.2 percent decline). Durable manufacturing excluding aerospace declined by 4,900 jobs in Washington in Fiscal Year 2001.

Non-durable manufacturing employment in Washington decreased by 2.8 percent in Fiscal Year 2001, a loss of 3,100 jobs. Nationally, non-durable manufacturing employment declined by 2.3 percent. In Washington, all six non-durable manufacturing industries experienced employment losses in Fiscal Year 2001. The largest percentage losses in employment occurred in apparel, 10.6 percent decline, and miscellaneous non-durable manufacturing, 4.0 percent loss. Employment in printing and in chemicals both declined by 1.8 percent and employment in pulp and paper fell by 3.6 percent. Employment in food and kindred products decreased by 1.3 percent.

Non-manufacturing employment increased by 2.1 percent during Fiscal Year 2001, led by transportation, communications and public utilities employment growth of 3.6 percent, and services growth by 3.5 percent. Retail trade employment and wholesale trade employment grew by 1.2 and 1.9 percent respectively, while employment in construction rose by 1.6 percent. Employment growth was slowest in finance, insurance and real estate employment, 0.4 percent, and state and local government employment, 0.9 percent.

Federal government civilian employment declined by 1.8 percent in Fiscal Year 2001, reflecting the release of temporary workers hired for the 2000 Census.

Economic Outlook

The economic forecast for Washington State for Fiscal Years 2002 and 2003 reflects the recession most economists believe is currently in progress at both the state and national levels. According to the November 2001 forecast by the state Economic and Revenue Forecast Council (ERFC), growth in Washington's wage and salary employment is predicted to fall by 0.9 percent in Fiscal Year 2002, with practically no growth (+0.1 percent) in Fiscal Year 2003. Washington's employment performance is expected to be slightly below national employment growth for the next two fiscal years. National employment growth is forecast to fall by 0.4 percent in Fiscal Year 2002 and increase by 0.3 percent in Fiscal Year 2003.

Personal income growth in Washington State is also expected to grow more slowly than the national average for Fiscal Years 2002 and 2003. The ERFC economic forecast indicates that personal income in Washington will grow by only 1.8 percent in Fiscal Year 2002, slower than the 3.1 percent growth expected for US personal income. However, Washington personal income growth is predicted to rebound to 3.7 percent in Fiscal Year 2003. This compares favorably to the nationwide projection of 4.0 percent growth in personal income for the same period.

Manufacturing employment in Washington is projected to continue its decline into Fiscal Years 2002 and 2003, due to the national recession and the effects on the air travel industry from the events of September 11th. The ERFC estimates that aerospace employment will decline by another 3,600 workers in Fiscal Year 2002. Reflecting the expectation of reduced aircraft orders from financially strapped airlines, aerospace employment is predicted to decline by 15,000 in Fiscal Year 2003. Other manufacturing sectors are expected to decline by about 17,100 in Fiscal Year 2002 but rebound somewhat with losses of about 2,200 jobs in Fiscal Year 2003.

In the non-manufacturing sectors, the strongest growth is predicted to occur in services. Services employment is forecast to expand by only 0.3 percent in Fiscal Year 2002 but rebound significantly with 3.1 percent growth in Fiscal Year 2003. Finance, insurance and real estate employment growth is one of the few bright spots during the next two fiscal years. In the non-manufacturing sector along with services and the federal government, it is forecast to increase employment in both Fiscal Year 2002 and Fiscal Year 2003. Employment in finance insurance and real estate is predicted to increase by 0.8 percent in Fiscal Year 2002 then accelerate to 1.1 percent growth in Fiscal Year 2003. Federal government civilian employment is forecast to grow by 1.8 percent in Fiscal Year 2002 and 0.8 percent in Fiscal Year 2003.

Retail trade employment is forecast to decline by 0.8 percent and wholesale trade employment by 1.8 percent in Fiscal Year 2002, again reflecting the effects of the recession. Retail trade employment should show very modest growth of 0.2 percent in Fiscal Year 2003, but wholesale trade employment will continue its decline by falling 0.8 percent. Construction employment is expected to fall substantially as residential construction slows due to the recession. Construction employment in Washington is predicted to fall by 3.7 percent in Fiscal Year 2002 and 2.2 percent in Fiscal Year 2003. Employment growth in transportation, communications and public utilities employment is predicted to decline by 0.8 percent in Fiscal Year 2002 but increase slightly, by 0.2 percent, in the following fiscal year. State and local government employment is expected to grow by 1.5 percent Fiscal Year 2002 but decrease by 0.7 percent in Fiscal Year 2003 as budgets are pinched by the recession and slow revenue growth.

General Fund-State Revenues

General Fund-State revenues for the 2001-03 Biennium are forecast to be \$21.2 billion, a decrease of 0.3 percent in nominal terms over the previous biennium. When adjusted for changes in tax policy and inflation, revenues are expected to grow at a rate of 0.7 percent in the 2001-03 Biennium. General Fund-State revenues adjusted for policy and inflation increased by 7.2 percent in the 1999-2001 Biennium. The adjusted revenue growth rate for the 2001-03 Biennium is the slowest since the recession of 1981-83, when revenues (after adjustment for inflation and policy changes) declined by 7.2 percent.

Flat revenue growth in the 2001-03 Biennium reflects the slowing state economy due to the national recession and the financial and economic effects of the events of September 11th. The reduction in aerospace employment is a major contributor to the general slowing in the state economy, especially coming on the heels of almost three years of prior reductions. In addition, Washington voters approved two initiatives to the people, Initiative 747 and Initiative 773, which reduce General Fund-State revenues by \$34.1 million in the 2001-03 Biennium.

Initiative 747 limits the growth in regular property tax levies to one percent per year. Local property tax districts with a population of ten thousand or fewer must limit property tax levy increases to one percent per year, unless the voters of the district approve by a simple majority vote an increase greater than this limit. The state property tax levy may increase only by the lesser of one percent per year or the rate of inflation. Initiative 747 does not apply to voter approved special levies, such as local school levies.

Initiative 747 was approved by Washington voters and will take effect for property taxes due in calendar year 2002. The property tax limitation in Initiative 747 will reduce General Fund-State revenues by \$25.1 million in the 2001-03 Biennium. The impact on the General Fund-State is relatively minor since the state property tax levy was already limited to growth at the rate of inflation as measured by the US Implicit Price Deflator for Personal Consumption. Local regular property tax districts that have relied on levy growth rates closer to the 6 percent limit for local regular districts before Initiative 747 was passed will experience significant revenue reductions from property taxes.

Initiative 773 raises the tax on cigarettes by 60 cents for a 20-cigarette pack, effective January 1, 2002. The Initiative also increases the surtax on the wholesale price of tobacco products from 74.9% to 129.4%, effective January 1, 2002. The new revenues from these two tax increases are deposited in the Health Services Account, a non-General Fund-State Account, to be used mainly in the Basic Health Plan to supplement, not supplant, the level of state funding to support an enrollment level of 125,000 each year. Currently, 23 cents of the state's cigarette tax of 82.5 cents is deposited in the General Fund-State. The large increase in the cigarette tax from 82.5 cents per pack of twenty to \$1.425 per pack will significantly reduce consumption and sales. The reduced consumption of both cigarettes and other tobacco products due to the large increases in both taxes is estimated to reduce General Fund-State revenues by \$9.1 million in the 2001-03 Biennium.

Based on the economic forecast, projected growth in General Fund-State revenues, and the impact of voter approved Initiatives, the Economic and Revenue Forecast Council, in its November 2001 forecast, reduced expected revenues by \$813 million. The state is now expected to receive \$21.209 billion in General Fund-State revenues for the 2001-03 Biennium, compared with \$22.022 billion estimated in September.

Based on the November 2001 revenue forecast, appropriations adopted in the 2001-03 Biennial Budget would exceed available General Fund-State resources (General Fund-State revenues plus reserves) by \$747 million. The Emergency Reserve Fund, which contains revenues received by the state in excess of the Initiative 601 expenditure limit, is projected to have \$384.3 million by the end of the 2001-03 Biennium after all required money transfers and expenditures are made.

As a result of these projections and earlier indications that revenue growth was slowing, the Governor has already taken actions to remedy the situation:

- (1) Large agencies supported by the General Fund were asked to submit 15 percent budget reduction options.
- (2) All agencies with General Fund-State support were encouraged to examine activities that could be postponed or streamlined, and to limit hiring to critical positions.
- (3) A 2002 supplemental budget recommendation is being developed to rebalance revenues and expenditures for the 2001-03 Biennium.

The state's Budget, Accounting and Reporting System Act (RCW 43.88.110(8)) only mandates Governor-directed allotment reductions as necessary to "prevent a cash deficit" during the fiscal period. Since the Legislature has an opportunity to revise the current budget in January, an allotment reduction does not appear necessary at this time.

Major Initiatives

Washington continued its multi-year effort in Fiscal Year 2001 to improve the state's public education system, make state government more efficient and responsive, promote economic development, and protect and make wiser use of natural resources. Governor Gary Locke and the Legislature also laid solid groundwork for legislation to greatly improve the state's transportation system.

Public Education

Governor Gary Locke's top priority – improving public education – received a huge boost with passage of two citizen initiatives funneling nearly \$800 million over two fiscal years into reducing public school class sizes and increasing the salaries of teachers. In addition, the Legislature provided an additional \$85.7 million to fund smaller classes and extended learning opportunities in public schools.

Also approved was funding and legislation to provide focused assistance to low-performing schools, to continue a volunteer program to teach reading in schools, to make it easier for highly qualified citizens to teach in public school classrooms, to make schools safer, and to help school districts prevent bullying and harassment.

Higher Education

The Governor and the Legislature took two significant steps to improve the state's system of higher education. State funding of \$6 million was approved to match private contributions to start the Technology Institute at the University of Washington-Tacoma. The Institute will rapidly increase the number of graduates from the University's computing and software systems program, and also prepare high school and community and technical college students to enter the institute. Also approved was the expenditure of \$11.2 million to pay for "Promise Scholarships" to the top 15 percent of graduating high school students (or those who scored at least 1200 on the SAT), who also meet certain income criteria. Promise scholarships will help middle-income families pay the growing costs of a college education.

Economic Development

Efforts continued in 2001 to improve the ability of business to thrive in Washington. Governor Locke formed a "Competitiveness Council" comprising a broad cross section of state business and government leaders to examine tax and regulatory policies that might unnecessarily inhibit business activity. The goal is to address the identified problems in the 2002 legislative session.

The Governor and the 2001 Legislature also took steps to improve commerce in Washington. An additional \$93.6 million was provided to the Public Works Board to make loans to local governments to build facilities such as roads and water systems to attract economic development. The Governor also signed legislation to improve apprenticeship programs to create highly skilled jobs, and extended a program to allow minority and women owned businesses to apply for loans at a reduced interest rate.

Energy

Drought, rising power demand, California's turbulent energy market and the lack of new generating capacity all combined to tighten Washington's electricity supply in 2001. Several steps, including gubernatorial action and legislation, helped to ease the crunch and avoid severe economic disruption. Those steps ranged from the Governor declaring an "Energy Supply Alert" to permit more temporary power generation to passage of legislation to promote conservation and speed up construction of new generating plants. By year's end, the electricity market had stabilized, returning the cost of electricity to the levels before the energy crunch began in the spring of 2000.

Water and Salmon

Washington made important progress in 2001 on two vital and related issues – better management of the state's water resources and protection of its threatened wild salmon populations.

Governor Locke and the Legislature provided financing and legislation to make more efficient use of water for agriculture and salmon. These steps included a more flexible method to grant and transfer water rights; tax incentives to encourage water conservation and reuse; a method in which water rights holders can forego water use for the benefit of salmon and other users without losing their rights; and more local government participation in how water resources are used.

Quality Initiatives

Governor Locke continues a five-year-old drive 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 1,940 quality projects that have saved the state more than \$77 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.

Other steps to improve the quality of state government included changes in retirement rules to slow the departure of experienced teachers and public employees; continued elimination of redundant and inefficient state boards and commissions; faster adoption of rules to implement new laws; and continued successes in putting more government services on the Internet.

Transportation Funding

Governor Locke and the Legislature made headway in 2001 in its multi-year drive to expand the state's transportation system to reduce congestion and serve a growing population. The two agreed on reforms and efficiencies to make the best use of transportation dollars and to speed up transportation projects. Improvements included cutting red tape in environmental permitting; allowing the same company to design and build a project; changing the vehicle identification inspection program to better use transportation funds; and speeding up right-of-way acquisitions. In addition, improvements were made to the state ferry system. The process was improved for designing and building new auto ferries, and state ferry fares were allowed to increase to the level needed. In addition, efficiencies were adopted to better perform ferry maintenance and preservation work.

Technology

Washington, home to many software industry leaders including Microsoft, continues to recognize the huge potential of information technology in revolutionizing the delivery of government services. Major progress in Washington State's technological development over the past year include:

- Increased use of the statewide K-20 Educational Telecommunications Network by state public education sectors including universities, community and technical colleges, and K-12 schools. Students and teachers continue to expand their use of network resources - Internet access, interactive video, and satellite-delivered distance learning services (refer to www.wa.gov/k20). K-20 Network participants were recently granted access to Internet2 (I2), the next generation Internet and its associated research and collaboration environment. Washington is one of only five states in which I2 access has been granted to all public education sectors.
- Continued efforts to expand the use of electronic payment options available to state agencies and their trading partners. The Office of the State Treasurer and the Department of Information Services have investigated and proven the viability of Internet-initiated checks. They are soliciting the private sector for an enterprise solution.
- Expansion of the state Web portal, Access Washington (www.access.wa.gov), to include a plain English search function called "Ask George," information on state, county, and city services, live round-the-clock customer support, and a secure gateway for the most sensitive transactions.

In addition, more than 300 digital government applications are available to serve Washington citizens and businesses -- from Internet car tab renewals, fishing and hunting licenses, and boat launch permits to master business licenses and online diabetes management. The continued innovations are reflected in consistent top rankings in 50-state comparisons of government use of technology in public service. Most recently, the National Association of State Chief Information Officers (NASCIO) recognized Washington's Digital Government Plan as the best plan in the country.

Welfare Reform

Despite a cooling economy, Washington State continued to make progress in moving citizens from welfare rolls to productive jobs. Enrollment in Washington's four-year-old WorkFirst Program fell by another 1,000 families, on top of several thousand over the previous three years. More importantly, an underlying cause of poverty – the number of children born into welfare – dropped by more than 50 percent in Washington because of successful family planning programs.

For the Future

Governor Locke will continue to pursue his three top priorities: Improving Washington's transportation and public education systems, and maintaining the state's strong financial position.

After laying solid political groundwork in 2001, the Governor will press the Legislature in 2002 for a package of measures to greatly expand Washington's system of roads, bridges and mass transit while, at the same time, creating thousands of construction jobs at a time of economic downturn.

The Governor will work to maintain major new short- and long-term investments to provide teachers and students with smaller classes and other benefits. He also will seek to make his Promise Scholarship Program, through which thousands of qualifying Washington high school students receive scholarships, a permanent program under the law.

The Governor also will continue to pursue expansion of programs to train and retrain workers needed to meet the increasing demand for high-technology skills.

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

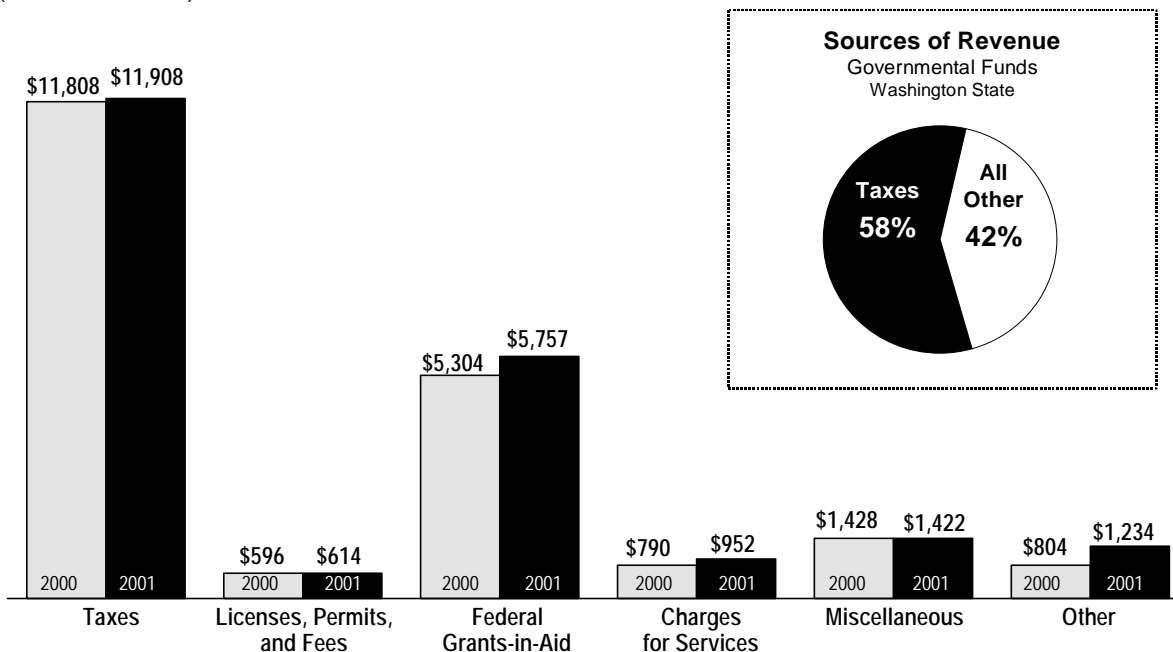
Governmental activities are accounted for in four governmental fund types: the general, special revenue, debt service, and capital projects funds. Revenues for governmental funds totaled \$20.7 billion for the fiscal year that ended June 30, 2001. This represents an increase of 3.6 percent over revenue for the fiscal year that ended June 30, 2000.

All Governmental Funds Revenues (dollars in millions)	Fiscal Year 2001		Fiscal Year 2000		Increase (Decrease) From 2000
	Amount	% of Total	Amount	% of Total	
Taxes	\$ 11,908	57.7%	\$ 11,808	59.3%	\$ 100
Licenses, Permits, and Fees	614	3.0%	596	3.0%	18
Federal Grants-in-Aid	5,757	27.9%	5,304	26.6%	453
Charges for Services	952	4.6%	790	4.0%	162
Miscellaneous Revenues	1,422	6.8%	1,428	7.1%	(6)
Total Revenues	20,653	100.0%	19,926	100.0%	727
Net Other Financing Sources (Uses)	1,234		804		430
Total Revenues and Other Sources (Uses)	\$ 21,887		\$ 20,730		\$ 1,157

Taxes, the largest source of governmental revenue, produced 58 percent of revenues. Although the percentage decreased slightly from Fiscal Year 2000, actual tax revenues increased by \$100 million. This increase is consistent with the growth in the state's population and personal income during Fiscal Year 2001, which increased retail sales tax collections by \$92 million.

All Governmental Funds - Revenues

For the Fiscal Years that ended June 30, 2000 and 2001
(dollars in millions)

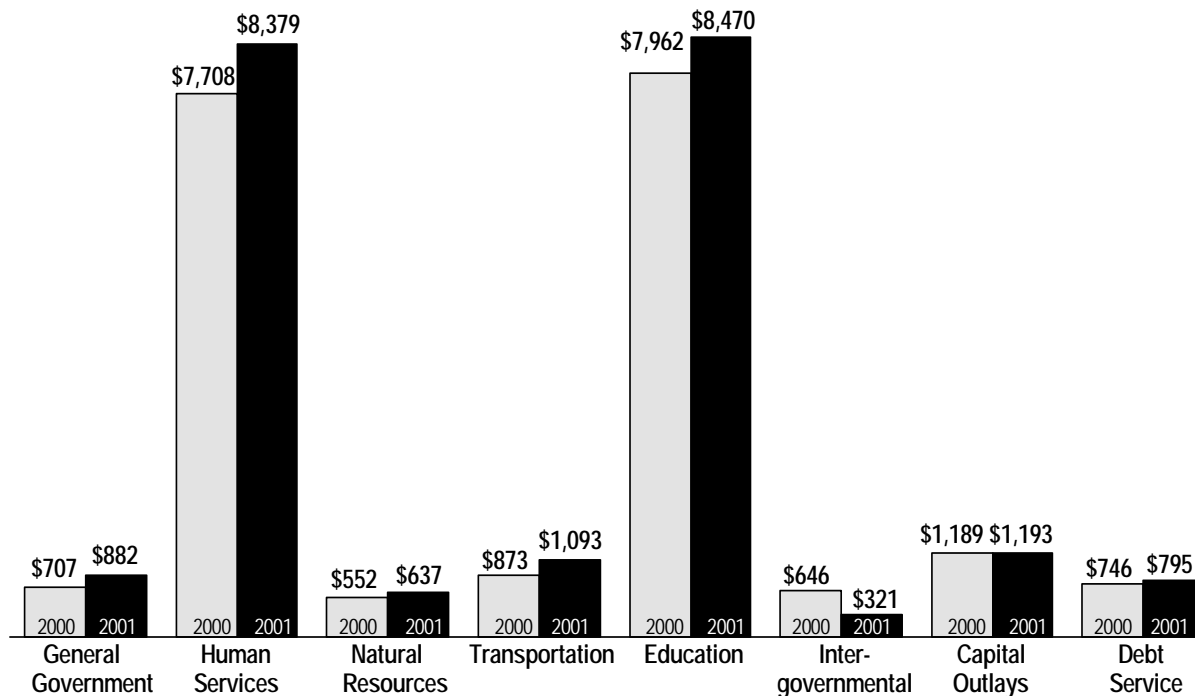


All Governmental Funds Expenditures (dollars in millions)	Fiscal Year 2001		Fiscal Year 2000		Increase (Decrease) From 2000
	Amount	% of Total	Amount	% of Total	
Current:					
General Government	\$ 882	4.1%	\$ 707	3.5%	\$ 175
Human Services	8,379	38.5%	7,708	37.8%	671
Natural Resources	637	2.9%	552	2.7%	85
Transportation	1,093	5.0%	873	4.3%	220
Education	8,470	38.9%	7,962	39.1%	508
Intergovernmental	321	1.5%	646	3.2%	(325)
Capital Outlays	1,193	5.5%	1,189	5.8%	4
Debt Service	795	3.6%	746	3.6%	49
Total Expenditures	\$ 21,770	100.0%	\$ 20,383	100.0%	\$ 1,387

In Fiscal Year 2001, 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 \$597 million at the Department of Social and Health Services. Also, education expenditures increased by \$508 million with higher enrollments in local school districts and the state's colleges and universities. All expenditures for governmental activities totaled \$21.8 billion for the fiscal year that ended June 30, 2001, or a 6.8 percent increase over Fiscal Year 2000.

Expenditures - All Governmental Funds by Function

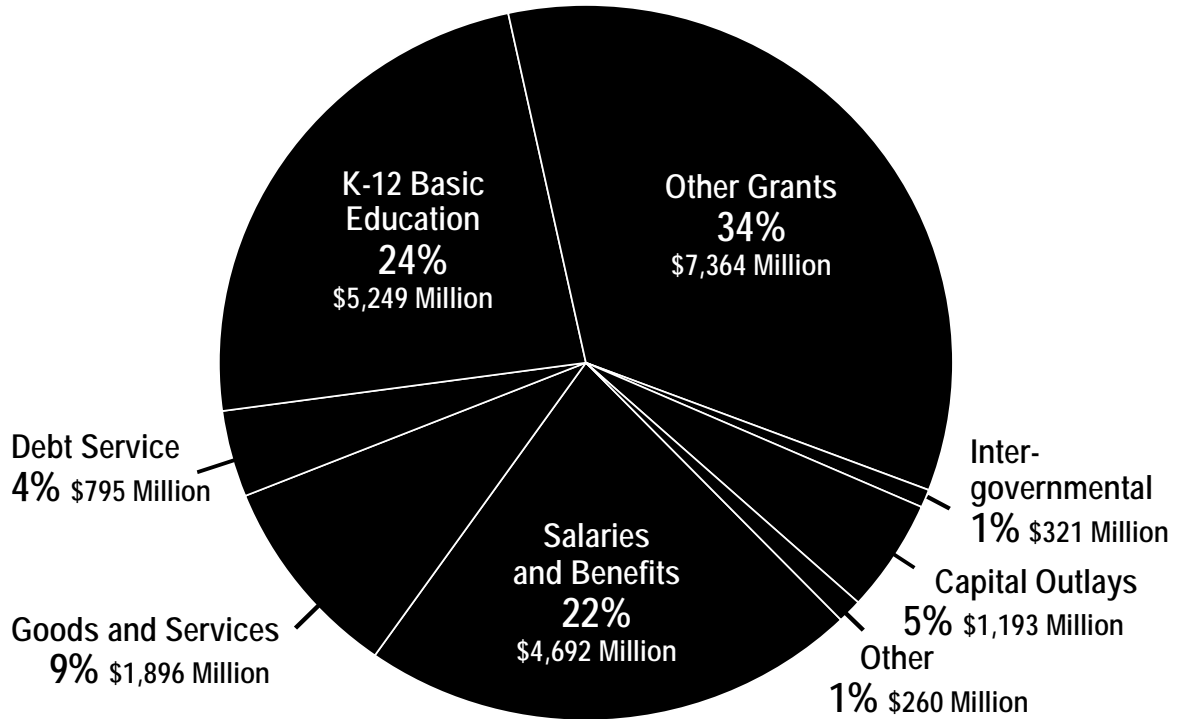
For the Fiscal Years that ended June 30, 2000 and 2001
(dollars in millions)



**Expenditures - All Governmental Funds
by Object**

For the Fiscal Year that ended June 30, 2001

TOTAL = \$21,770 Million



OFFICE OF FINANCIAL MANAGEMENT

DECEMBER 2001

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

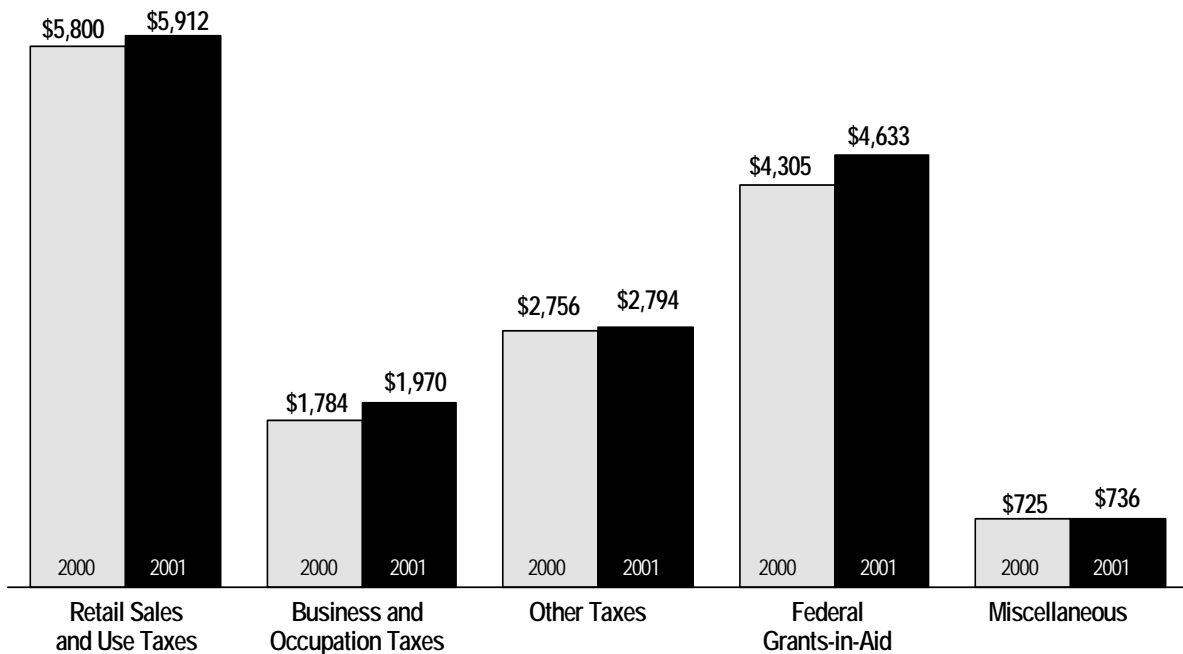
The General Fund accounts for all general government financial resources and expenditures not required to be accounted for in other funds.

General Fund Revenues (dollars in millions)	Fiscal Year 2001		Fiscal Year 2000		Increase (Decrease) From 2000
	Amount	% of Total	Amount	% of Total	
Retail Sales and Use Taxes	\$ 5,912	36.8%	\$ 5,800	37.7%	\$ 112
Business and Occupation Taxes	1,970	12.3%	1,784	11.6%	186
Other Taxes	2,794	17.4%	2,756	18.0%	38
Federal Grants-in-Aid	4,633	28.9%	4,305	28.0%	328
Miscellaneous Revenues	736	4.6%	725	4.7%	11
Total Revenues	\$ 16,045	100.0%	\$ 15,370	100.0%	\$ 675

Fiscal Year 2001 revenues in the General Fund increased by \$675 million or 4.4 percent. Retail sales and use taxes in the General Fund increased by \$112 million or 1.9 percent and federal grants-in-aid increased \$328 million or 7.6 percent. Retail sales and use taxes continue to be the largest source, amounting to 36.8 percent of General Fund revenues.

General Fund Revenues

For the Fiscal Years that ended June 30, 2000 and 2001
(dollars in millions)

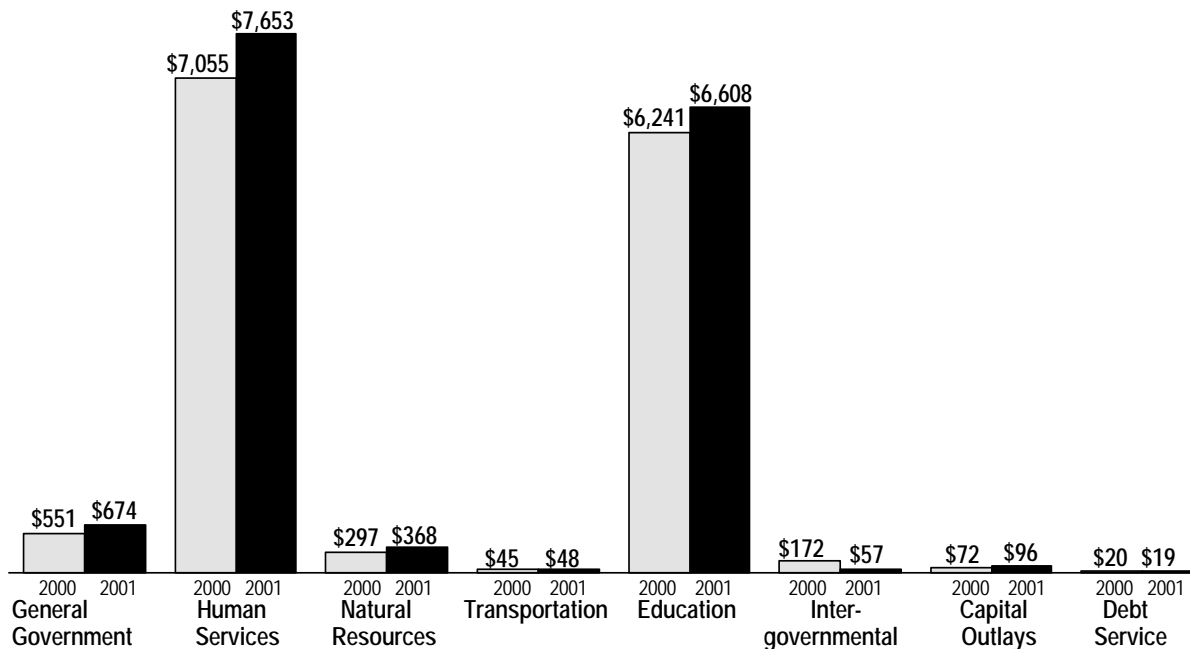


General Fund Expenditures (dollars in millions)	Fiscal Year 2001		Fiscal Year 2000		Increase (Decrease) From 2000
	Amount	% of Total	Amount	% of Total	
Current:					
General Government	\$ 674	4.3%	\$ 551	3.8%	\$ 123
Human Services	7,653	49.3%	7,055	48.8%	598
Natural Resources	368	2.4%	297	2.1%	71
Transportation	48	0.3%	45	0.3%	3
Education	6,608	42.6%	6,241	43.2%	367
Intergovernmental	57	0.4%	172	1.2%	(115)
Capital Outlays	96	0.6%	72	0.5%	24
Debt Service	19	0.1%	20	0.1%	(1)
Total Expenditures	\$ 15,523	100.0%	\$ 14,453	100.0%	\$ 1,070

Expenditures for General Fund activities total \$15.5 billion for the fiscal year that ended June 30, 2001, representing a 7.4 percent increase from Fiscal Year 2000. Of these expenditures, 42.6 percent went to support local school districts and higher education, and 49.3 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, 2000 and 2001
(dollars in millions)



The fund balance of the General Fund, including all reserves and designations, totaled \$2.85 billion as of June 30, 2001, representing a decrease of \$84 million, from that of the previous fiscal year end.

The General Fund includes the reserve for the state's Emergency Reserve Fund that was created 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 General Fund-State (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. For Fiscal Year 2001, the state was required to transfer \$9.2 million in GF-S revenues to 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 six separate and distinct activities ranging from operation of the Convention and Trade Center and the State Lottery to management of the State Workers' Compensation program. A brief description of each enterprise operation is presented in Note 18 to the financial statements.

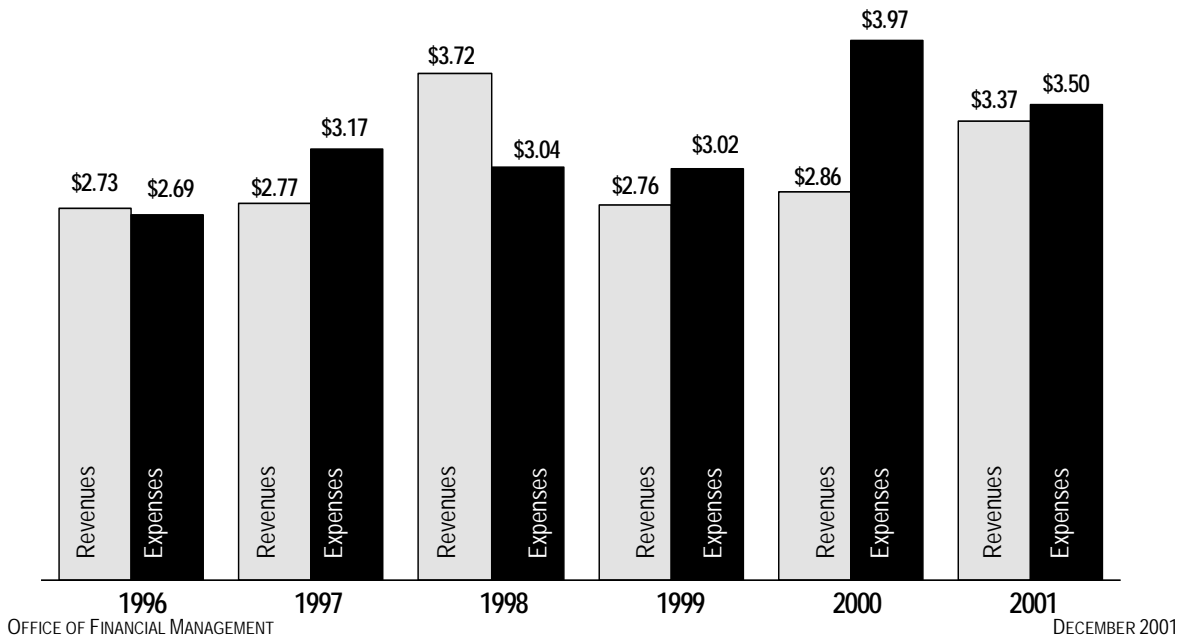
Combined operating and nonoperating revenues, including earnings (losses) on investments, for the state's enterprise funds increased from \$2.86 billion in Fiscal Year 2000 to \$3.37 billion in Fiscal Year 2001. This \$510 million increase is primarily due to increases in workers' compensation insurance premiums and earnings on investments. Combined enterprise activities' operating and nonoperating expenses decreased from \$3.97 billion in Fiscal Year 2000 to \$3.50 billion during Fiscal Year 2001. This \$470 million decrease is primarily due to a decrease in workers' compensation claims.

Outstanding enterprise fund bonds at June 30, 2001 totaled \$495 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, 1996 through 2001
(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 2001, using results from the most recent actuarial valuations, the total actuarial value of investments in the state's pension trust funds reached \$45.1 billion. The latest Actuarial Accrued Liability was less than the value of assets available for benefits by \$605 million. The funding ratio for all funds combined was 105 percent.

Debt Administration

During Fiscal Year 2001, 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 Fitch, "Washington's rating reflects several factors, including increasing diversification away from aerospace dominance, sustained economic growth that has produced very successful financial operations, and continuance of good debt and financial policies" (Fitch-NY-July 24, 2001).

The Office of the State Treasurer continued its administration of the state Lease-Purchase Program that 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. On October 5, 2000,

Moody's Investors Service raised the rating on the equipment component of the program to "Aa2" from "Aa3". According to Moody's Investors Service, "the revised rating reflects the state's now well-established track record of making appropriation-backed debt payments ... the essentiality of the projects being financed" (October 5, 2000).

On September 1, 1998, the state Lease-Purchase program was extended to enable local governments 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 was authorized to begin financing real property for local governments on July 1, 2000. Since July 1, 2000, \$3.6 million in real estate projects have been financed for nine local agencies

As of June 30, 2001, there were \$506.2 million in outstanding certificates of participation. Underlying this amount were financing contracts in the amounts of \$487.7 for 57 state agencies and \$17.7 million for 104 local governments for a total of \$505.4 million. The balance of \$0.8 million represents unamortized costs of issuance. These programs are funded through public offering of certificates of participation by competitive bid.

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 State 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 2001, the state had guaranteed 52 school districts' voter-approved general obligation debt with a total outstanding principal of \$748.8 million.

During the past 17 years, the State Finance Committee has undertaken refunding operations to reduce interest costs on outstanding state indebtedness. Fiscal Year 2001 operations involved the sale of \$405.64 million various purpose general obligation tax-exempt refunding bonds, \$119.64 million motor vehicle fuel tax general obligation tax-exempt refunding bonds, and \$12.05 million various purpose general obligation taxable refunding bonds to refund bonds issued at average coupons of 5.384 percent to 6.447 percent. True interest costs on the refunding bonds ranged from 4.0441 percent to 6.2551 percent. Economic savings were achieved on the tax-exempt refunding transactions. Gross or nominal savings over the life of the refunded bonds was \$60.56 million, and present value savings were \$47.25 million -- a ratio of present value savings to new issue size of 8.793 percent. The taxable refunding was undertaken for the purpose of advance refunding and defeasing certain portions of the state's outstanding Various Purpose General Obligation Bonds, Series 1993A, 1994A, and 1994B (the "prior issues"), and, in connection with such refunding, providing the funds to pay a Closing Payment Amount to the Internal Revenue Service in respect of the prior issues. Over the course of the 17-year refunding effort, gross savings from all refunding transactions to date have amounted to \$454.60 million, or \$311.13 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 2001. Over the fiscal year, \$807.92 million in new money general obligation and motor vehicle fuel tax general obligation bonds were sold in September 2000 (5.5207 percent, 5.5164 percent, and 6.8055 percent), and in January 2001 (5.0302 percent and 5.0263 percent). The rates for the \$196.4 million outstanding in adjustable rate general obligation bonds have varied between 1.55 percent and 5.60 percent, with an average rate of 3.6563 percentage for the Fiscal Year 2000.

Outstanding general long-term bonded debt as of June 30, 2001 totaled \$7.68 billion, an increase of 5.5 percent over June 30, 2000. Bonds were issued primarily for various capital projects throughout the state.

During Fiscal Year 2001, 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 2001, the Selective Redemption Program generated \$7.16 million in gross savings over the life of the bonds -- with present value savings of \$313,000.

The following table presents a summary of general obligation bonds issued during Fiscal Year 2001:

**State of Washington
General Obligation Bonds Issuances
Fiscal Year 2001**

Issue	Series / Date	True Interest Cost	Par Value
<i>September 19, 2000 Issue</i>			
<i>Various Purpose General Obligation Bonds</i>			
	Series 2001A.....	5.5207481%	\$ 279,525,000
<i>Motor Vehicle Fuel Tax General Obligation Bonds</i>			
	Series 2001B.....	5.5164233%	35,355,000
<i>General Obligation Bonds (State Housing Trust Fund)</i>			
	Series 2001T (Taxable).....	6.8054533%	26,770,000
<i>December 18, 2000 Issue</i>			
<i>Various Purpose General Obligation Refunding Bonds</i>			
	Series R-2001T (Taxable).....	6.2550611%	12,050,000
<i>January 23, 2001 Issue</i>			
<i>Various Purpose General Obligation Bonds</i>			
	Series 2001C.....	5.0301765%	295,075,000
<i>Motor Vehicle Fuel Tax General Obligation Bonds</i>			
	Series 2001D.....	5.0263257%	171,190,000
<i>May 22, 2001 Issue</i>			
<i>Various Purpose General Obligation Refunding Bonds</i>			
	Series R-2001A.....	4.0510853%	405,640,000
<i>Motor Vehicle Fuel Tax General Obligation Refunding Bonds</i>			
	Series R-2001B.....	4.0440718%	119,640,000
Fiscal Year 2001 Total			<u><u>\$ 1,345,245,000</u></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, 2001, the maximum debt authorization subject to limitation was \$5.41 billion. This 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, 2001 are as follows:

	Dollars in Millions	Ratio of Debt to Market Value	Debt per Capita
General Long-Term Bonded Debt (Excluding Accreted Interest)	\$7,679	1.67%	\$1,290

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.

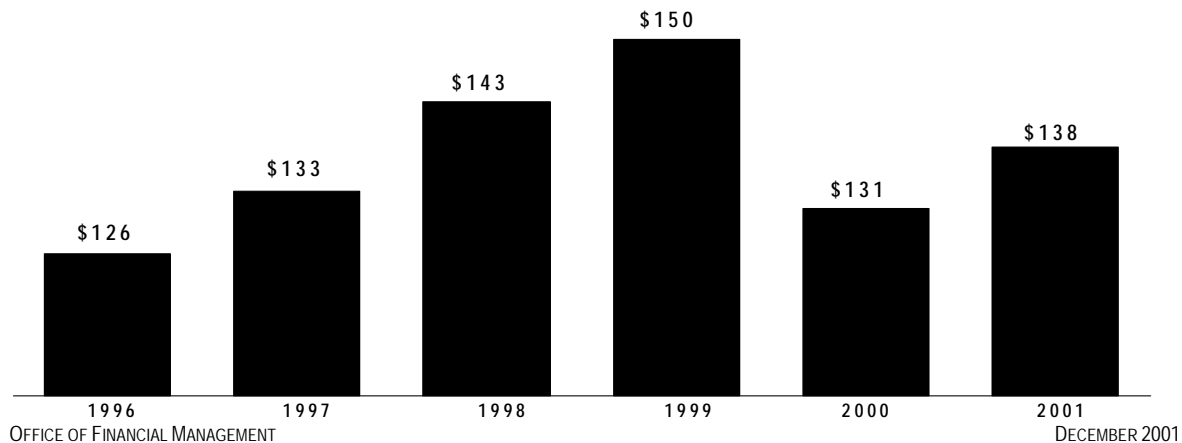
Investment transactions by the Office of the State Treasurer during Fiscal Year 2001 were limited to U.S. government and agency securities, repurchase agreements, securities lending, certificates of deposit with qualified public depositories, and commercial paper.

Total earnings for treasury funds from investment of the Cash Management Account balances for Fiscal Year 2001 were \$137.7 million, representing a 5.4 percent increase from Fiscal Year 2000. This increase resulted from a higher earnings rate which offset a slight decline in balances.

Earnings on Investments

Cash Management Account

For the Fiscal Years that ended June 30, 1996 through 2001
(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 2001 for each insurance program.

Liabilities of the workers' compensation insurance activity amount to \$14.2 billion as of June 30, 2001. The liability includes \$6.98 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 \$7.26 billion in claims liability is fully funded by long-term investments, net of obligations under securities lending agreements.

The risk management insurance activity liabilities amount to \$268.7 million as of June 30, 2001. This liability is currently unfunded.

State employees' insurance activities have liabilities as of June 30, 2001 amounting to \$43.1 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 Act. 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, 2000. 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 fourteen 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,

A handwritten signature in black ink that reads "Marty Brown". The signature is written in a cursive, flowing style.

Marty Brown
Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of
Washington

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2000

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Timothy D. Brown
President

Jeffrey L. Esser
Executive Director

State of Washington Elected Officials as of June 30, 2001



Gary Locke
Governor



Brad Owen
Lieutenant Governor



Sam Reed
Secretary of State



Michael Murphy
Treasurer



Brian Sonntag
State Auditor



Christine Gregoire
Attorney General



Terry Bergeson
Superintendent of Public Instruction



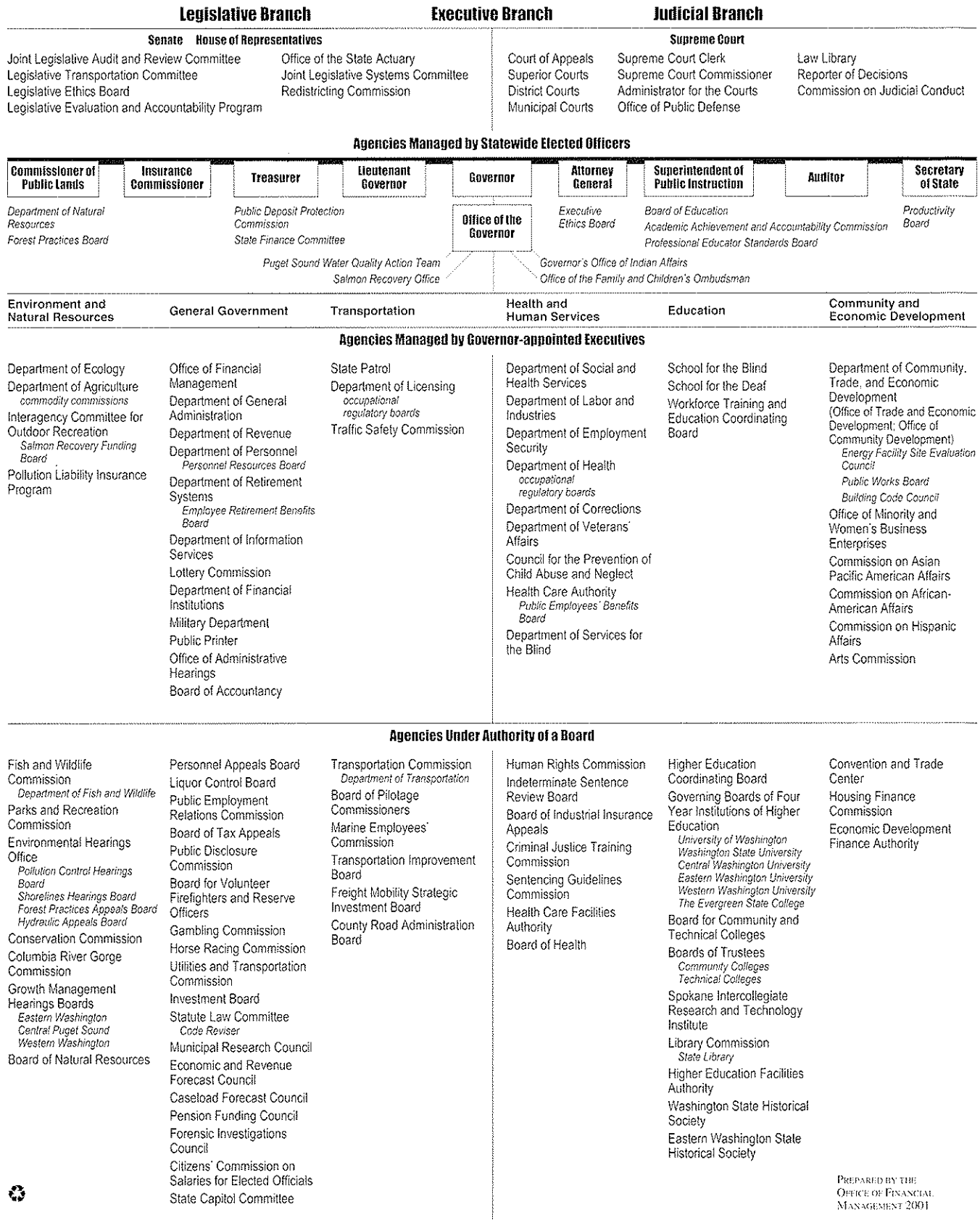
Doug Sutherland
Commissioner of Public Lands



Mike Kreidler
Insurance Commissioner



2001-2002 Organization Chart Washington State Government



General Purpose Financial Statements

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

June 30, 2001 (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	\$ 1,590,915	\$ 1,625,689	\$ 93,957	\$ 229,177	\$ 210,883	\$ 95,693
Investments	148,199	813,792	-	-	69,371	-
Taxes receivable (net of allowance)	2,318,046	72,535	-	-	4,276	-
Other receivables (net of allowance)	286,223	200,611	5	20,616	619,081	3,533
Due from other funds	179,080	662,260	2,010	82,955	246,385	108,279
Due from other governments	1,276,919	185,702	-	4,527	32,350	21,996
Inventories	20,201	37,969	-	-	66,083	19,596
Investments, noncurrent	-	-	-	-	9,784,727	45,099
Other nonfixed assets	-	-	-	-	28,450	2,006
Fixed assets (net of depreciation)	-	-	-	-	1,078,072	318,044
Other Debits:						
Amount available in debt service funds	-	-	-	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-	-	-	-
Total Assets and Other Debits	\$ 5,819,583	\$ 3,598,558	\$ 95,972	\$ 337,275	\$ 12,139,678	\$ 614,246
Liabilities, Equity, and Other Credits						
Liabilities:						
Accounts payable	\$ 610,491	\$ 222,777	\$ -	\$ 21,856	\$ 97,067	\$ 37,649
Contracts and retainages payable	19,950	30,444	-	31,008	19,457	22,358
Accrued liabilities	122,016	193,737	3,235	1,769	301,435	18,176
Obligations under security lending agreements	292,315	229,285	9,802	8,734	501,404	6,431
Matured bonds payable	-	-	-	-	26,236	-
Due to other funds	589,024	732,619	-	40,192	86,018	52,493
Due to other governments	77,172	72,072	-	100	3,139	170
Deferred revenues	1,235,045	199,368	-	10,169	42,119	687
Claims and judgments payable, current	20,842	-	-	-	1,317,130	78,349
Claims and judgments payable, long-term	-	-	-	-	12,929,183	233,535
Bonds payable	-	-	-	-	468,768	-
Accrued retirement obligations	-	-	-	-	-	-
Other long-term obligations	-	-	-	-	805,613	63,917
Total Liabilities	2,966,855	1,680,302	13,037	113,828	16,597,569	513,765
Equity and Other Credits:						
Contributed capital	-	-	-	-	10,314	89,314
Investment in general fixed assets	-	-	-	-	-	-
Retained earnings (deficit)	-	-	-	-	(4,468,205)	11,167
Fund Balances:						
Reserved	1,416,473	306,175	-	62,988	-	-
Unreserved, designated	871,327	189,925	82,935	-	-	-
Unreserved, undesignated	564,928	1,422,156	-	160,459	-	-
Total Equity and Other Credits	2,852,728	1,918,256	82,935	223,447	(4,457,891)	100,481
Total Liabilities, Equity, and Other Credits	\$ 5,819,583	\$ 3,598,558	\$ 95,972	\$ 337,275	\$ 12,139,678	\$ 614,246

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, 2001	June 30, 2000	June 30, 2001	June 30, 2000
\$ 7,748,069	\$ -	\$ -	\$ 11,594,383	\$ 9,856,887	\$ 79,705	\$ 11,674,088	\$ 9,904,325
127	-	-	1,031,489	1,357,742	29,875	1,061,364	1,387,664
-	-	-	2,394,857	2,172,439	-	2,394,857	2,172,439
1,076,139	-	-	2,206,208	1,903,094	2,204	2,208,412	1,905,421
724,307	-	-	2,005,276	2,030,103	-	2,005,276	2,030,103
364,197	-	-	1,885,691	1,653,182	-	1,885,691	1,653,182
155	-	-	144,004	148,588	-	144,004	148,588
49,678,432	-	-	59,508,258	62,214,762	15,722	59,523,980	62,228,259
95,770	-	-	126,226	121,070	13,237	139,463	128,075
-	7,597,864	-	8,993,980	8,497,175	330,798	9,324,778	8,673,284
-	-	82,935	82,935	210,676	-	82,935	210,676
-	-	8,184,004	8,184,004	7,544,755	-	8,184,004	7,544,755
\$ 59,687,196	\$ 7,597,864	\$ 8,266,939	\$ 98,157,311	\$ 97,710,473	\$ 471,541	\$ 98,628,852	\$ 97,986,771
\$ 24,505	\$ -	\$ -	\$ 1,014,345	\$ 860,420	\$ 1,551	\$ 1,015,896	\$ 861,977
19,387	-	-	142,604	134,547	21,542	164,146	145,714
474,182	-	-	1,114,550	1,997,770	148	1,114,698	1,997,877
2,544,681	-	-	3,592,652	2,465,049	-	3,592,652	2,465,049
-	-	-	26,236	20,139	-	26,236	20,139
504,930	-	-	2,005,276	2,030,103	-	2,005,276	2,030,103
408,950	-	-	561,603	480,775	-	561,603	480,775
230,567	-	-	1,717,955	1,561,438	196	1,718,151	1,561,682
687	-	-	1,417,008	1,269,858	-	1,417,008	1,269,858
-	-	9,205	13,171,923	12,671,816	-	13,171,923	12,671,816
-	-	7,636,255	8,105,023	7,612,021	-	8,105,023	7,612,021
-	-	40,100	40,100	36,800	-	40,100	36,800
108,651	-	581,379	1,559,560	1,503,316	33,310	1,592,870	1,525,579
4,316,540	-	8,266,939	34,468,835	32,644,052	56,747	34,525,582	32,679,390
-	-	-	99,628	1,242,207	361,275	460,903	1,435,081
-	7,597,864	-	7,597,864	6,395,806	-	7,597,864	6,395,806
-	-	-	(4,457,038)	(4,405,284)	53,519	(4,403,519)	(4,357,198)
54,552,818	-	-	56,338,454	58,939,724	-	56,338,454	58,939,724
4,463	-	-	1,148,650	1,206,443	-	1,148,650	1,206,443
813,375	-	-	2,960,918	1,687,525	-	2,960,918	1,687,525
55,370,656	7,597,864	-	63,688,476	65,066,421	414,794	64,103,270	65,307,381
\$ 59,687,196	\$ 7,597,864	\$ 8,266,939	\$ 98,157,311	\$ 97,710,473	\$ 471,541	\$ 98,628,852	\$ 97,986,771

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, 2001 (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, 2001	Year Ended June 30, 2000
Revenues:							
Retail sales and use taxes	\$ 5,912,004	\$ 22,543	\$ -	\$ -	\$ 20,011	\$ 5,954,558	\$ 5,827,895
Business and occupation taxes	1,970,054	48,273	-	-	-	2,018,327	1,829,503
Property taxes	1,366,714	-	-	-	-	1,366,714	1,332,837
Excise taxes	476,508	32,902	-	-	-	509,410	840,120
Motor vehicle and fuel taxes	2,865	733,281	-	-	-	736,146	755,428
Other taxes	947,163	395,392	-	-	-	1,342,555	1,237,697
Licenses, permits, and fees	123,896	490,336	-	-	2,340	616,572	598,035
Timber sales	62,406	72,905	-	5,723	-	141,034	178,514
Other contracts and grants	206,269	312,650	-	4,648	77,182	600,749	625,500
Federal grants-in-aid	4,633,596	1,121,694	164	2,079	393,942	6,151,475	5,664,520
Charges for services	39,757	888,487	-	23,300	207,065	1,158,609	1,044,934
Unemployment compensation contributions	-	-	-	-	947,061	947,061	939,475
Investment gains (losses)	145,800	128,341	3,598	2,824	1,432	281,995	496,967
Miscellaneous revenue	157,939	293,790	4,580	21,121	224,168	701,598	661,193
Total Revenues	16,044,971	4,540,594	8,342	59,695	1,873,201	22,526,803	22,032,618
Expenditures:							
Current:							
General government	673,692	147,076	-	60,638	230,373	1,111,779	882,036
Human services	7,653,107	718,924	-	7,376	1,105,981	9,485,388	8,665,828
Natural resources and recreation	368,367	249,249	-	19,563	6,081	643,260	555,328
Transportation	48,290	1,045,109	-	338	163,500	1,257,237	1,006,706
Education	6,608,269	1,796,933	-	64,578	312,200	8,781,980	8,243,754
Intergovernmental	57,068	264,016	-	-	-	321,084	645,855
Capital outlays	95,419	609,722	-	487,386	16,470	1,208,997	1,195,529
Debt service:							
Principal	15,756	10,518	373,529	29	45	399,877	388,282
Interest	2,733	8,020	382,373	1,722	7	394,855	359,188
Total Expenditures	15,522,701	4,849,567	755,902	641,630	1,834,657	23,604,457	21,942,506
Excess of Revenues Over (Under) Expenditures	522,270	(308,973)	(747,560)	(581,935)	38,544	(1,077,654)	90,112
Other Financing Sources (Uses):							
Bond sale proceeds	-	242,263	-	578,187	-	820,450	778,020
Proceeds of refunding bonds	-	-	565,367	-	-	565,367	100,649
Payment to refunded bond escrow agent	-	-	(565,451)	-	-	(565,451)	(100,649)
Note proceeds	5,679	17,642	-	-	-	23,321	25,871
Operating transfers in	432,077	959,112	779,306	115,698	94,171	2,380,364	2,037,402
Operating transfers out	(1,043,990)	(657,611)	(159,403)	(45,537)	(228,490)	(2,135,031)	(1,907,667)
Capital lease acquisitions	-	10,364	-	-	-	10,364	-
Total Other Financing Sources (Uses)	(606,234)	571,770	619,819	648,348	(134,319)	1,099,384	933,626
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(83,964)	262,797	(127,741)	66,413	(95,775)	21,730	1,023,738
Fund Balances:							
Fund balances as restated, July 1	2,936,692	1,647,046	210,676	157,034	4,772,207	9,723,655	8,289,321
Residual equity transfers in	-	8,789	-	-	-	8,789	4,048
Residual equity transfers out	-	(376)	-	-	(248)	(624)	(3,510)
Fund Balances, June 30	\$ 2,852,728	\$ 1,918,256	\$ 82,935	\$ 223,447	\$ 4,676,184	\$ 9,753,550	\$ 9,313,597

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 Biennium Ended June 30, 2001 (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	\$ 20,867,587	\$ 20,787,643	\$ (79,944)	\$ 1,974,481	\$ 1,963,291	\$ (11,190)
Licenses, permits, and fees	245,540	255,090	9,550	848,405	862,852	14,447
Other contracts and grants	453,915	447,103	(6,812)	16,688	19,502	2,814
Timber sales	128,193	135,782	7,589	148,050	149,886	1,836
Federal grants-in-aid	8,684,615	8,161,625	(522,990)	1,054,305	927,689	(126,616)
Charges for services	73,832	76,036	2,204	160,708	162,271	1,563
Interest income	139,240	226,384	87,144	69,465	97,344	27,879
Miscellaneous revenue	313,267	366,909	53,642	418,778	427,115	8,337
Total Revenues	30,906,189	30,456,572	(449,617)	4,690,880	4,609,950	(80,930)
Expenditures:						
Current:						
General government	2,551,276	2,550,912	364	259,777	215,656	44,121
Human services	14,174,329	14,073,184	101,145	1,385,698	1,346,727	38,971
Natural resources and recreation	680,672	643,752	36,920	287,132	238,418	48,714
Transportation	99,151	96,396	2,755	1,177,244	1,138,750	38,494
Education	12,918,818	12,835,438	83,380	80,124	79,456	668
Capital outlays	731,354	319,034	412,320	2,862,266	2,167,703	694,563
Total Expenditures	31,155,600	30,518,716	636,884	6,052,241	5,186,710	865,531
Excess of Revenues Over (Under) Expenditures	(249,411)	(62,144)	187,267	(1,361,361)	(576,760)	784,601
Other Financing Sources (Uses):						
Bond sale proceeds	-	-	-	778,064	272,097	(505,967)
Proceeds of refunding bonds	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Operating transfers in	580,850	867,697	286,847	770,658	1,213,627	442,969
Operating transfers out	(220,720)	(765,640)	(544,920)	(785,497)	(776,845)	8,652
Total Other Financing Sources (Uses)	360,130	102,057	(258,073)	763,225	708,879	(54,346)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 110,719	\$ 39,913	\$ (70,806)	\$ (598,136)	\$ 132,119	\$ 730,255

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

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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,842,068	\$ 22,750,934	\$ (91,134)
-	-	-	-	-	-	1,093,945	1,117,942	23,997
-	-	-	-	-	-	470,603	466,605	(3,998)
-	-	-	13,382	13,405	23	289,625	299,073	9,448
-	329	329	-	-	-	9,738,920	9,089,643	(649,277)
-	-	-	4,481	45,320	40,839	239,021	283,627	44,606
3,549	3,631	82	1,941	4,243	2,302	214,195	331,602	117,407
-	51	51	11,300	11,576	276	743,345	805,651	62,306
3,549	4,011	462	31,104	74,544	43,440	35,631,722	35,145,077	(486,645)
365,949	363,058	2,891	8,812	5,109	3,703	3,185,814	3,134,735	51,079
-	-	-	-	-	-	15,560,027	15,419,911	140,116
-	-	-	-	-	-	967,804	882,170	85,634
-	-	-	-	-	-	1,276,395	1,235,146	41,249
-	-	-	-	-	-	12,998,942	12,914,894	84,048
-	-	-	1,729,979	1,197,855	532,124	5,323,599	3,684,592	1,639,007
365,949	363,058	2,891	1,738,791	1,202,964	535,827	39,312,581	37,271,448	2,041,133
(362,400)	(359,047)	3,353	(1,707,687)	(1,128,420)	579,267	(3,680,859)	(2,126,371)	1,554,488
-	-	-	1,085,229	1,129,434	44,205	1,863,293	1,401,531	(461,762)
-	666,015	666,015	-	-	-	-	666,015	666,015
-	(666,100)	(666,100)	-	-	-	-	(666,100)	(666,100)
394,574	372,851	(21,723)	25,051	146,292	121,241	1,771,133	2,600,467	829,334
(10,952)	(13,414)	(2,462)	(56,952)	(53,879)	3,073	(1,074,121)	(1,609,778)	(535,657)
383,622	359,352	(24,270)	1,053,328	1,221,847	168,519	2,560,305	2,392,135	(168,170)
\$ 21,222	\$ 305	\$ (20,917)	\$ (654,359)	\$ 93,427	\$ 747,786	\$ (1,120,554)	\$ 265,764	\$ 1,386,318

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, 2001 (expressed in thousands)

	Proprietary Fund Types		Fiduciary Fund Type
	Enterprise	Internal Service	Nonexpendable Trust
Operating Revenues:			
Sales	\$ 484,700	\$ 132,920	\$ -
Less: Cost of goods sold	356,174	115,800	-
Gross profit	128,526	17,120	-
Charges for services	726,733	536,522	-
Earnings on investments	548,199	4,258	27,170
Insurance premiums	1,084,613	778,206	-
Lottery ticket proceeds	483,904	-	-
Miscellaneous revenue	118,398	28,216	54,862
Total Operating Revenues	3,090,373	1,364,322	82,032
Operating Expenses:			
Salaries and wages	502,389	206,975	-
Employee benefits	103,503	47,992	-
Personal services	49,866	18,909	-
Goods and services	467,483	250,695	-
Travel	17,252	4,274	-
Insurance premiums and claims	1,881,808	824,364	-
Lottery prize payments	288,509	-	-
Depreciation and amortization	40,392	50,086	-
Miscellaneous expenses	49,440	30,234	-
Total Operating Expenses	3,400,642	1,433,529	-
Operating Income (Loss)	(310,269)	(69,207)	82,032
Nonoperating Revenues (Expenses):			
Other revenues (expenses)	90,546	(1,073)	581
Earnings (losses) on investments	191,814	2,631	-
Interest expense	(65,407)	(2,814)	-
Distributions to other governments	(29,090)	-	-
Total Nonoperating Revenues (Expenses)	187,863	(1,256)	581
Income (Loss) Before Operating Transfers	(122,406)	(70,463)	82,613
Operating Transfers:			
Operating transfers in	394,989	69,529	28,536
Operating transfers out	(568,383)	(72,999)	(97,005)
Net Operating Transfers In (Out)	(173,394)	(3,470)	(68,469)
Net Income (Loss)	(295,800)	(73,933)	14,144
Equity:			
Equity as restated, July 1	(3,313,031)	170,390	1,677,068
Residual equity transfers in (out)	298,598	(1,055)	(1)
Contributions of capital	-	5,079	-
Return of contributed capital	(1,147,658)	-	-
Equity, June 30	\$ (4,457,891)	\$ 100,481	\$ 1,691,211

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, 2001	Year Ended June 30, 2000		Year Ended June 30, 2001	Year Ended June 30, 2000
\$ 617,620	\$ 592,706	\$ -	\$ 617,620	\$ 592,706
471,974	439,736	-	471,974	439,736
145,646	152,970	-	145,646	152,970
1,263,255	1,269,108	8,971	1,272,226	1,277,605
579,627	725,711	-	579,627	725,711
1,862,819	1,545,147	-	1,862,819	1,545,147
483,904	452,954	-	483,904	452,954
201,476	203,508	-	201,476	203,508
4,536,727	4,349,398	8,971	4,545,698	4,357,895
709,364	729,558	3,764	713,128	732,682
151,495	157,012	852	152,347	157,803
68,775	40,374	423	69,198	40,875
718,178	748,774	3,535	721,713	751,631
21,526	21,088	19	21,545	21,102
2,706,172	3,010,451	-	2,706,172	3,010,451
288,509	289,608	-	288,509	289,608
90,478	118,686	2,388	92,866	120,805
79,674	76,118	383	80,057	76,708
4,834,171	5,191,669	11,364	4,845,535	5,201,665
(297,444)	(842,271)	(2,393)	(299,837)	(843,770)
90,054	100,000	1,500	91,554	100,000
194,445	(86,319)	6,107	200,552	(83,237)
(68,221)	(69,786)	(344)	(68,565)	(70,091)
(29,090)	(27,342)	-	(29,090)	(27,342)
187,188	(83,447)	7,263	194,451	(80,670)
(110,256)	(925,718)	4,870	(105,386)	(924,440)
493,054	521,680	-	493,054	521,680
(738,387)	(651,415)	-	(738,387)	(651,415)
(245,333)	(129,735)	-	(245,333)	(129,735)
(355,589)	(1,055,453)	4,870	(350,719)	(1,054,175)
(1,465,573)	(512,560)	240,960	(1,224,613)	(407,033)
297,542	(538)	-	297,542	(538)
5,079	82,563	168,964	174,043	216,718
(1,147,658)	(21)	-	(1,147,658)	(21)
\$ (2,666,199)	\$ (1,486,009)	\$ 414,794	\$ (2,251,405)	\$ (1,245,049)

Combined Statement of Cash Flows

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

For the Fiscal Year Ended June 30, 2001 (expressed in thousands)

	Proprietary Fund Types		Fiduciary Fund Type Nonexpendable Trust	Totals Primary Government (Memorandum Only)	
	Enterprise	Internal Service		Year Ended June 30, 2001	Year Ended June 30, 2000
Cash Flows from Operating Activities:					
Operating Income (Loss)	\$ (310,269)	\$ (69,207)	\$ 82,032	\$ (297,444)	\$ (842,271)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:					
Depreciation	40,392	50,086	-	90,478	118,686
Interest revenue reported as operating	(548,199)	(4,258)	(27,170)	(579,627)	(725,711)
Other revenues	3,712	439	708	4,859	8,552
Other expenses	(10,517)	(1,214)	(127)	(11,858)	(3,509)
Changes in Assets: Decrease (Increase)					
Receivables (net of allowance)	4,156	368	4,177	8,701	(74,262)
Due from other funds	47,952	25,652	5,662	79,266	(374,142)
Due from other governments	(2,736)	(4,451)	(21)	(7,208)	(13,669)
Inventories	16,695	(665)	-	16,030	(11,487)
Prepaid expenses	535	(27)	-	508	2,341
Other nonfixed assets	(1,153)	-	4,444	3,291	359
Changes in Liabilities: Increase (Decrease)					
Accounts payable	21,676	540	-	22,216	(5,489)
Contracts and retainages payable	5,803	11,442	(747)	16,498	(6,882)
Accrued liabilities	(258,647)	9,643	(2,146)	(251,150)	280,411
Due to other funds	(16,297)	(14,054)	8,067	(22,284)	93,233
Due to other governments	1,914	(102)	-	1,812	(71)
Deferred revenues	(2,300)	(2,243)	(3)	(4,546)	3,602
Claims and judgments payable	619,022	28,491	-	647,513	1,209,869
Other long-term obligations	(25,993)	(677)	(201)	(26,871)	30,927
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	(414,254)	29,763	74,675	(309,816)	(309,513)
Cash Flows from Noncapital Financing Activities:					
Distributions to other governments	(29,090)	-	-	(29,090)	(27,342)
Taxes and license fees collected	98,788	-	-	98,788	81,905
Operating transfers in	394,989	69,529	28,536	493,054	521,680
Operating transfers out	(568,382)	(72,999)	(97,005)	(738,386)	(651,415)
Payments for interest	-	-	-	-	-
Proceeds from noncapital long-term financing	12,817	-	-	12,817	5,956
Payment of noncapital long-term obligations	(7,673)	-	-	(7,673)	(1,027)
Equity restatement	-	-	-	-	3,167
Fund equity transfers in	298,696	-	-	298,696	15,971
Fund equity transfers out	(1,147,756)	(1,055)	(1)	(1,148,812)	(16,509)
Net Cash or Cash Equivalents Provided by (Used in) Noncapital Financing Activities	(947,611)	(4,525)	(68,470)	(1,020,606)	(67,614)
Cash Flows from Capital and Related Financing Activities:					
Payments for interest	(26,829)	(2,814)	-	(29,643)	(31,054)
Acquisitions of fixed assets	(182,930)	(82,752)	-	(265,682)	(213,549)
Proceeds from sale of fixed assets	872,556	20,785	-	893,341	25,049
Proceeds from long-term capital financing	128,071	71	-	128,142	226,233
Retirement of long-term bonds payable	(85,215)	-	-	(85,215)	(21,850)
Payment of other long-term obligations	(4,703)	(7,014)	-	(11,717)	(163,419)
Contributions for capital acquisitions	-	-	-	-	-
Net Cash or Cash Equivalents Provided by (Used in) Capital and Related Financing Activities	700,950	(71,724)	-	629,226	(178,590)
Cash Flows from Investing Activities:					
Receipt of interest	624,882	6,157	131,744	762,783	706,998
Proceeds from sale of investment securities	4,333,078	37,759	231,065	4,601,902	4,278,371
Purchases of investment securities	(4,333,755)	(42,848)	(349,095)	(4,725,698)	(4,743,774)
Net Cash Provided by (Used in) Investing Activities	624,205	1,068	13,714	638,987	241,595
Net Increase (Decrease) in Cash and Pooled Investments	(36,710)	(45,418)	19,919	(62,209)	(314,122)
Cash and Pooled Investments, July 1	247,593	141,111	3,882	392,586	706,708
Cash and Pooled Investments, June 30	\$ 210,883	\$ 95,693	\$ 23,801	\$ 330,377	\$ 392,586

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, 2001	Year Ended June 30, 2000
\$ (2,393)	\$ (299,837)	\$ (843,770)
2,387	92,865	120,805
-	(579,627)	(725,711)
1,500	6,359	8,552
-	(11,858)	(3,509)
143	8,844	(73,787)
-	79,266	(374,142)
-	(7,208)	(13,669)
-	16,030	(11,487)
-	508	2,341
(6,252)	(2,961)	(1,754)
(6)	22,210	(2,707)
-	16,498	(6,882)
10,418	(240,732)	280,498
-	(22,284)	93,233
-	1,812	(71)
(48)	(4,594)	3,637
-	647,513	1,209,869
11,047	(15,824)	33,153
16,796	(293,020)	(305,401)
-	(29,090)	(27,342)
-	98,788	81,905
-	493,054	521,680
-	(738,386)	(651,415)
(344)	(344)	(305)
-	12,817	5,956
-	(7,673)	(1,027)
-	-	3,167
-	298,696	16,031
(37)	(1,148,849)	(16,509)
(381)	(1,020,987)	(67,859)
-	(29,643)	(31,054)
(157,077)	(422,759)	(313,600)
-	893,341	25,049
-	128,142	233,883
-	(85,215)	(21,850)
-	(11,717)	(163,419)
169,000	169,000	134,095
11,923	641,149	(136,896)
6,107	768,890	709,915
1,247	4,603,149	4,279,552
(3,425)	(4,729,123)	(4,760,411)
3,929	642,916	229,056
32,267	(29,942)	(281,100)
47,438	440,024	721,124
\$ 79,705	\$ 410,082	\$ 440,024

Combined Statement of Cash Flows

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

For the Fiscal Year Ended June 30, 2001 (expressed in thousands)

	Proprietary Fund Types		Fiduciary Fund Type	Totals	
				Primary Government (Memorandum Only)	
	Enterprise	Internal Service	Nonexpendable Trust	Year Ended June 30, 2001	Year Ended June 30, 2000
Noncash Investing, Capital, and Financing Activities:					
Acquisition of capital assets with capital leases and COPs	\$ -	\$ 1,475	\$ -	\$ 1,475	\$ 1,778
Capital lease and COP liabilities incurred in acquiring capital assets	-	(1,475)	-	(1,475)	(1,778)
Contributions of capital assets	-	5,008	-	5,008	82,600
Return of contributed assets	-	-	-	-	(21)
Noncash portion of prior period adjustments	20,436	-	-	20,436	(5,621)
Amortization of long-term lottery prize liability	38,557	-	-	38,557	(38,622)
Amortization of gains (losses) on bond refunding	(22)	-	-	(22)	-
Increase (decrease) in fair value of investments	115,349	732	(104,574)	11,507	(67,606)

Cash and Pooled Investments in Fiduciary Fund Types on the Combined Balance Sheet include:

Expendable Trust Funds	\$ 2,365,889
Nonexpendable Trust Funds	23,801
Pension and Investment Trust Funds	5,013,466
Agency Funds	344,913
Total	<u>\$ 7,748,069</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, 2001	June 30, 2000	
<hr/>			
\$ -	\$ 1,475	\$ 1,778	
-	(1,475)	(1,778)	
-	5,008	82,600	
-	-	(21)	
-	20,436	(5,621)	
-	38,557	(38,622)	
-	(22)	-	
-	11,507	(67,606)	

Statement of Changes in Net Assets

Pension and Investment Trust Funds

For the Fiscal Year Ended June 30, 2001 (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	School Employees' Plan 2/3 Defined Benefit	School Employees' Plan 3 Defined Contribution
Additions:							
Contributions:							
Employers	\$ 181,711	\$ 115,039	\$ 141,351	\$ 69,579	\$ -	\$ 19,939	\$ -
Members	72,571	117,445	56,988	11,242	125,300	14,217	13,727
State	-	-	-	-	-	-	-
Pool participants	-	-	-	-	-	-	-
Total Contributions	254,282	232,484	198,339	80,821	125,300	34,156	13,727
Investment Income:							
Net appreciation							
(depreciation) in fair value	(940,735)	(873,428)	(807,773)	(281,115)	(164,380)	(192,465)	369
Interest and dividends	314,586	310,127	271,045	96,385	30,026	44,574	914
Less: Investment expenses	(35,926)	(36,023)	(30,902)	(11,670)	(2,103)	(4,304)	(68)
Net Investment Income	(662,075)	(599,324)	(567,630)	(196,400)	(136,457)	(152,195)	1,215
Transfers from other pension plans	382	322	4	9	3,455	1,424,526	478,031
Other additions	-	-	-	-	-	-	-
Total Additions	(407,411)	(366,518)	(369,287)	(115,570)	(7,702)	1,306,487	492,973
Deductions:							
Pension benefits	669,877	50,798	632,674	6,810	-	285	-
Pension refunds	8,466	48,311	2,762	3,871	20,078	1,397	2,168
Transfers to other pension plans	3	1,903,135	-	3,289	172	320	18
Administrative expenses	597	423	234	1,322	175	-	315
Distributions to pool participants	-	-	-	-	-	-	-
Total Deductions	678,943	2,002,667	635,670	15,292	20,425	2,002	2,501
Net Increase (Decrease)	(1,086,354)	(2,369,185)	(1,004,957)	(130,862)	(28,127)	1,304,485	490,472
Net Assets Held in Trust for Pension Benefits and Investment Pool Participants, as restated July 1	11,300,894	12,529,376	9,802,832	3,396,307	1,660,177	-	-
Net Assets Held in Trust for Pension Benefits and Investment Pool Participants, June 30	\$ 10,214,540	\$ 10,160,191	\$ 8,797,875	\$ 3,265,445	\$ 1,632,050	\$ 1,304,485	\$ 490,472

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

State of Washington

LEOFF Plan 1	LEOFF Plan 2	Washington State Patrol Retirement System	Judicial Retirement System	Judicial Retirement Account	Judges' Retirement Fund	Volunteer Fire Fighters' Retirement System	Local Gov't Investment Pool	Totals for the Year Ended	
								June 30, 2001	June 30, 2000
\$ 130	\$ 31,450	\$ -	\$ 257	\$ 482	\$ 8	\$ 761	\$ -	\$ 560,707	\$ 594,350
46	52,986	1,819	257	414	8	156	-	467,176	420,233
-	20,919	-	7,000	-	750	3,270	-	31,939	27,543
-	-	-	-	-	-	-	11,109,314	11,109,314	9,720,201
176	105,355	1,819	7,514	896	766	4,187	11,109,314	12,169,136	10,762,327
(460,833)	(207,748)	(60,311)	9	(1,285)	85	(10,638)	-	(4,000,248)	4,459,353
154,051	69,405	20,125	579	829	298	3,607	237,569	1,554,120	1,299,415
(17,589)	(7,922)	(2,302)	(12)	(1)	(48)	(416)	(10,347)	(159,633)	(109,838)
(324,371)	(146,265)	(42,488)	576	(457)	335	(7,447)	227,222	(2,605,761)	5,648,930
57	2	226	-	-	-	-	-	1,907,014	79,015
-	-	-	-	-	-	92	5	97	9
(324,138)	(40,908)	(40,443)	8,090	439	1,101	(3,168)	11,336,541	11,470,486	16,490,281
238,938	1,727	20,359	7,719	347	662	6,933	-	1,637,129	1,501,823
11	8,343	88	-	-	-	17	-	95,512	103,025
6	71	-	-	-	-	-	-	1,907,014	79,015
168	7	7	-	-	-	21	-	3,269	3,838
-	-	-	-	-	-	-	9,667,328	9,667,328	9,834,668
239,123	10,148	20,454	7,719	347	662	6,971	9,667,328	13,310,252	11,522,369
(563,261)	(51,056)	(60,897)	371	92	439	(10,139)	1,669,213	(1,839,766)	4,967,912
5,549,423	2,410,292	719,754	9,421	9,274	4,519	129,405	3,321,353	50,843,027	45,875,115
\$ 4,986,162	\$ 2,359,236	\$ 658,857	\$ 9,792	\$ 9,366	\$ 4,958	\$ 119,266	\$ 4,990,566	\$ 49,003,261	\$ 50,843,027

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2001

Index to the Notes to the Combined Financial Statements

	Page
1. Summary of Significant Accounting Policies	
A. Reporting Entity	47
B. Basis of Presentation – Fund Accounting	48
C. Measurement Focus and Basis of Accounting	49
D. General Budgetary Policies and Procedures	50
E. Cash and Pooled Investments	51
F. Receivables	51
G. Inventories	51
H. Fixed Assets	52
I. Compensated Absences	52
J. Long-Term Obligations	53
K. Fund Equity	53
L. Insurance Activities	53
M. Interfund Activities	54
N. Totals (Memorandum Only) Columns	54
O. Future Changes in Accounting Standards	54
2. Budgetary Accounting, Reporting, and Compliance	55
3. Accounting and Reporting Changes	56
4. Deposits and Investments	57
5. Receivables and Deferred Revenues	61
6. Interfund Balances	62
7. Fixed Assets	64
8. Lease Commitments	66
9. Claims and Judgments Payable	
A. Workers' Compensation	66
B. Risk Management	67
C. State Employees' Insurance	67
10. Bonds Payable	
A. General Information	68
B. Schedule of Bonds Payable	69
C. General Obligation Bonds	69
D. Revenue Bonds	70
E. Defeased Bonds	71
F. School Bond Guarantee Program	71
11. Certificates of Participation	72
12. No Commitment Debt	72
13. Changes in General Long-Term Obligations	73
14. Residual Equity Transfers	74
15. Reservations and Designations of Equity	74
16. Deficit Retained Earnings	75
17. Retirement Systems	76
18. Segment Information – Enterprise Funds	90
19. Condensed Financial Information – Component Units	91
20. Commitments and Contingencies	92
21. Subsequent Events	94

Required Supplementary Information

Public Employees' Retirement System - Plan 1

Schedule of Funding Progress

Calendar Years 2000 through 1995 (dollars in millions)

	2000	1999	1998	1997	1996	1995
Actuarial Valuation Date	12/31/2000	12/31/1999	12/31/1998	12/31/1997	12/31/1996	12/31/1995
Actuarial Value of Plan Assets	\$ 11,111	\$ 10,456	\$ 9,219	\$ 8,211	\$ 7,197	\$ 6,440
Actuarial Accrued Liability	11,695	11,636	11,227	10,817	10,339	9,918
Unfunded Actuarial Liability	584	1,180	2,008	2,606	3,142	3,478
Percentage Funded	95%	90%	82%	76%	70%	65%
Covered Payroll	1,132	1,184	1,233	1,271	1,308	1,324
Unfunded Actuarial Liability as a Percentage of Covered Payroll	52%	100%	163%	205%	240%	263%

Source: Washington State Office of the State Actuary

Teachers' Retirement System - Plan 1

Schedule of Funding Progress

Fiscal Years 2000 through 1995 (dollars in millions)

	2000	1999	1998	1997	1996	1995
Actuarial Valuation Date	6/30/2000	6/30/1999	6/30/1998	6/30/1997	6/30/1996	6/30/1995
Actuarial Value of Plan Assets	\$ 9,372	\$ 8,696	\$ 7,819	\$ 6,844	\$ 5,924	**
Actuarial Accrued Liability	9,566	9,529	9,354	9,044	8,796	**
Unfunded Actuarial Liability	194	833	1,535	2,200	2,872	**
Percentage Funded	98%	91%	84%	76%	67%	**
Covered Payroll	957	984	1,046	1,083	1,128	**
Unfunded Actuarial Liability as a Percentage of Covered Payroll	20%	85%	147%	203%	255%	**

** 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 2000 through 1995 (dollars in millions)

	2000	1999	1998	1997	1996	1995
Actuarial Valuation Date	12/31/2000	12/31/1999	12/31/1998	12/31/1997	12/31/1996	12/31/1995
Actuarial Value of Plan Assets	\$ 5,440	\$ 5,150	\$ 4,568	\$ 4,087	\$ 3,594	**
Actuarial Accrued Liability	4,002	4,125	3,906	3,767	4,006	**
Unfunded (Assets in Excess of)						
Actuarial Liability	(1,437)	(1,024)	(662)	(320)	412	**
Percentage Funded	136%	125%	117%	108%	90%	**
Covered Payroll	95	106	117	128	137	**
Unfunded Actuarial Liability as a						
Percentage of Covered Payroll	N/A	N/A	N/A	N/A	301%	**

** data not available

Source: Washington State Office of the State Actuary

Judicial Retirement System

Schedule of Funding Progress

Calendar Years 2000 through 1995 (dollars in millions)

	2000	1999	1998	1997	1996	1995
Actuarial Valuation Date	12/31/2000	12/31/1999	12/31/1998	12/31/1997	12/31/1996	12/31/1995
Actuarial Value of Plan Assets	\$ 10	\$ 9	\$ 8	\$ 5	\$ 4	**
Actuarial Accrued Liability	93	94	97	95	92	**
Unfunded Actuarial Liability	83	85	89	90	88	**
Percentage Funded	11%	10%	8%	5%	4%	**
Covered Payroll	4.0	4.0	4.0	4.0	5.0	**
Unfunded Actuarial Liability as a						**
Percentage of Covered Payroll	2075%	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 2000 through 1995 (dollars in millions)

	2000	1999	1998	1997	1996	1995
Actuarial Valuation Date	12/31/2000	12/31/1999	12/31/1998	12/31/1997	12/31/1996	12/31/1995
Actuarial Value of Plan Assets	\$ 126	\$ 118	\$ 102	\$ 91	\$ 74	\$ 69
Actuarial Accrued Liability	96	98	94	69	67	65
Unfunded (Assets in Excess of)						
Actuarial Liability	(30)	(20)	(8)	(22)	(7)	(4)
Percentage Funded	131%	120%	109%	132%	110%	106%
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 2000 through 1995 (dollars in millions)

	2000	1999	1998	1997	1996	1995
Actuarial Valuation Date	12/31/2000	12/31/1999	12/31/1998	12/31/1997	12/31/1996	12/31/1995
Actuarial Value of Plan Assets	\$ 5	\$ 4	\$ 4	\$ 4	\$ 3	**
Actuarial Accrued Liability	6	6	7	7	7	**
Unfunded Actuarial Liability	1	2	3	3	4	**
Percentage Funded	83%	67%	57%	57%	43%	
Covered Payroll	0.1	0.1	0.1	0.2	0.4	**
Unfunded Actuarial Liability as a						
Percentage of Covered Payroll	1000%	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, 2001 through 1996

	2001	2000	1999	1998	1997	1996
Public Employees' Retirement						
System - Plan 1 (expressed in millions)						
Employers' Annual Required Contribution	\$ 118.8	\$ 199.2	\$ 237.6	\$ 287.2	\$ 355.0	\$ 372.0
Employers' Actual Contribution	181.7	200.2	234.3	226.1	206.0	201.0
Percentage Contributed	153%	101%	99%	79%	58%	54%
Public Employees' Retirement						
System - Plan 2 (expressed in millions)						
Employers' Annual Required Contribution	\$ 55.6	\$ 103.6	\$ 86.6	\$ 106.3	\$ 185.0	\$ 195.0
Employers' Actual Contribution	115.0	101.9	238.4	222.8	224.0	195.0
Percentage Contributed	207%	98%	275%	210%	121%	100%
Teachers' Retirement						
System - Plan 1 (expressed in millions)						
Employers' Annual Required Contribution	\$ 90.6	\$ 176.1	\$ 209.7	\$ 269.7	\$ 338.0	\$ 355.0
Employers' Actual Contribution	141.3	183.0	222.5	211.6	210.0	225.0
Percentage Contributed	156%	104%	106%	78%	62%	63%
Teachers' Retirement						
System - Plan 2/3 (expressed in millions)						
Employers' Annual Required Contribution	\$ 40.4	\$ 56.2	\$ 45.9	\$ 59.8	\$ 82.0	\$ 79.0
Employers' Actual Contribution	69.6	75.3	100.2	105.6	103.0	79.0
Percentage Contributed	172%	134%	218%	177%	126%	100%
School Employees' Retirement						
System - Plan 2/3 (expressed in millions)						
Employers' Annual Required Contribution	\$ 6.7	N/A	N/A	N/A	N/A	N/A
Employers' Actual Contribution	19.9	N/A	N/A	N/A	N/A	N/A
Percentage Contributed	297%	N/A	N/A	N/A	N/A	N/A

Source: Washington State Office of the State Actuary

** data not available

N/A SERS did not exist prior to 9/1/2000

Schedules of Contributions from Employers and Other Contributing Entities

For the Fiscal Years Ended June 30, 2001 through 1996

	2001	2000	1999	1998	1997	1996
Law Enforcement Officers' and Fire Fighters' Retirement System - Plan 1 (expressed in millions)						
Employers' Annual Required Contribution	\$ 0.0	\$ 6.3	\$ 6.9	\$ 7.5	\$ 8.1	**
Employers' Actual Contribution	0.1	6.3	7.2	7.6	8.2	**
Percentage Contributed	NA	100%	104%	101%	101%	**
State Annual Required Contribution	(100.5)	(66.1)	(33.7)	(3.1)	67.1	**
State Actual Contribution	-	-	48.8	50.4	66.7	**
Percentage Contributed	N/A	N/A	N/A	N/A	99%	**

Law Enforcement Officers' and Fire Fighters' Retirement System - Plan 2 (expressed in millions)						
Employers' Annual Required Contribution	\$ 20.3	\$ 26.9	\$ 22.3	\$ 22.5	\$ 28.1	**
Employers' Actual Contribution	31.5	26.2	34.3	31.1	28.5	**
Percentage Contributed	155%	97%	154%	138%	101%	**
State Annual Required Contribution	13.5	18.0	14.9	15.0	18.7	**
State Actual Contribution	20.9	17.1	22.2	20.1	17.7	**
Percentage Contributed	155%	95%	149%	134%	95%	**

Washington State Patrol Retirement System (expressed in millions)						
Employers' Annual Required Contribution	\$ (11.9)	\$ (11.4)	\$ (6.7)	\$ (3.9)	\$ 0.5	**
Employers' Actual Contribution	-	-	5.9	6.0	6.8	**
Percentage Contributed	N/A	N/A	N/A	N/A	1360%	**

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, 2001 through 1996

	2001	2000	1999	1998	1997	1996
Judicial Retirement System (expressed in millions)						
Employers' Annual Required Contribution	\$ 13.3	\$ 12.5	\$ 12.2	\$ 11.6	\$ 12.7	**
Employers' Actual Contribution	7.3	7.3	8.8	8.8	6.9	**
Percentage Contributed	55%	58%	72%	76%	54%	**
Judges' Retirement Fund (expressed in millions)						
Employers' Annual Required Contribution	\$ 0.2	\$ 0.3	\$ 0.3	\$ 0.4	\$ 0.4	**
Employers' Actual Contribution	0.8	0.8	0.8	0.8	0.8	**
Percentage Contributed	400%	267%	267%	200%	200%	**
Volunteer Fire Fighters' Relief and Pension Fund (expressed in millions)						
Employers' Annual Required Contribution	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.7	\$ 0.5	**
Employers' Actual Contribution	0.7	0.7	0.8	0.7	0.6	**
Percentage Contributed	100%	100%	100%	100%	120%	**
State Annual Required Contribution	\$ (1.0)	\$ 0.1	\$ 0.8	\$ (0.3)	\$ 0.4	**
State Actual Contribution	3.3	2.7	2.5	2.0	3.0	**
Percentage Contributed	N/A	2700%	313%	N/A	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, 2001

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	SERS Plan 2/3
Valuation - date	12/31/2000	12/31/2000	6/30/2000	6/30/2000	12/31/2000
Actuarial cost method	entry age	aggregate**	entry age	aggregate**	aggregate**
Amortization Method:					
Funding	level %	n/a	level %	n/a	n/a
GASB	level \$	n/a	level \$	n/a	n/a
Remaining amortization period (closed)	6/30/2024	n/a	6/30/2024	n/a	n/a
Asset valuation method	4-year smoothed fair value	4-year smoothed fair value	4-year smoothed fair value	4-year smoothed fair value	4-year smoothed fair value
Actuarial assumptions:					
Investment rate of return	8.00%	8.00%	8.00%	8.00%	8.00%
Projected salary increases (5)	(1)	(1)	(2)	(2)	(1)
Includes inflation at	3.50% *	3.50%	3.50% *	3.50%	3.50%
Cost of living adjustments	Uniform COLA* gain sharing COLA*	CPI increase, maximum 3%	Uniform COLA* gain sharing COLA*	CPI increase, maximum 3%	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 4.5% plus the merit increase described above.

* 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 gain sharing 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 gain sharing COLA amount, all increased by 3%. On 7/1/2000, it is $(\$0.77 + \$0.28) \times 1.03 = \$1.08$. On 7/1/2001, it is $(\$1.08 + \$0.00) \times 1.03 = \$1.11$.

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

*** Pay-as-you-go for funding

LEOFF Plan 1	LEOFF Plan 2	WSPRS	JRS	Judges	VFFRPF
12/31/2000	12/31/2000	12/31/2000	12/31/2000	12/31/2000	12/31/2000
entry age	aggregate**	aggregate**	entry age***	entry age***	entry age
level %	n/a	n/a	n/a	n/a	level \$
level \$	n/a	n/a	level \$	level \$	level \$
6/30/2024 4-year smoothed fair value	n/a 4-year smoothed fair value	n/a 4-year smoothed fair value	12/31/2008 market	12/31/2008 market	12/31/2017 4-year smoothed fair value
8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
(3)	(3)	(4)	4.5%	4.5%	n/a
3.50%	3.50%	3.50%	3.50%	3.50%	n/a
CPI increase	CPI increase, maximum 3%	CPI increase, maximum 3%	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, 2001 (expressed in thousands)

			Totals	
	Basic	Restricted	June 30, 2001	June 30, 2000
Assets:				
Cash and pooled investments	\$ 920,571	\$ 670,344	\$ 1,590,915	\$ 1,301,505
Investments	-	148,199	148,199	423,992
Taxes receivable (net of allowance)	2,312,668	5,378	2,318,046	2,152,235
Other receivables (net of allowance)	202,376	83,847	286,223	257,998
Due from other funds	143,449	35,631	179,080	167,180
Due from other governments	670,913	606,006	1,276,919	1,135,640
Inventories	20,197	4	20,201	19,516
Total Assets	\$ 4,270,174	\$ 1,549,409	\$ 5,819,583	\$ 5,458,066
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 587,543	\$ 22,948	\$ 610,491	\$ 584,896
Contracts and retainages payable	9,763	10,187	19,950	18,973
Accrued liabilities	108,847	13,169	122,016	113,834
Obligations under security lending agreements	278,782	13,533	292,315	30,679
Due to other funds	562,901	26,123	589,024	566,682
Due to other governments	73,642	3,530	77,172	74,052
Deferred revenues	1,146,268	88,777	1,235,045	1,105,673
Claims and judgments payable, current	20,842	-	20,842	26,585
Total Liabilities	2,788,588	178,267	2,966,855	2,521,374
Fund Balances:				
Reserved for encumbrances	22	7,563	7,585	90,635
Reserved for inventories	14,615	4	14,619	15,621
Reserved for restricted accounts	-	305,664	305,664	305,725
Reserved for other specific purposes	34,507	1,054,098	1,088,605	1,293,627
Unreserved, designated for working capital	856,248	-	856,248	803,402
Unreserved, designated for unrealized gains	11,266	3,813	15,079	51
Unreserved, undesignated	564,928	-	564,928	427,631
Total Fund Balances	1,481,586	1,371,142	2,852,728	2,936,692
Total Liabilities and Fund Balances	\$ 4,270,174	\$ 1,549,409	\$ 5,819,583	\$ 5,458,066

Schedule of Revenues, Expenditures, and Changes in Fund Balances

General Fund

For the Fiscal Year Ended June 30, 2001 (expressed in thousands)

	Basic	Restricted	Totals for the Year Ended	
			June 30, 2001	June 30, 2000
Revenues:				
Retail sales and use taxes	\$ 5,912,004	\$ -	\$ 5,912,004	\$ 5,799,522
Business and occupation taxes	1,970,054	-	1,970,054	1,783,542
Property taxes	1,366,714	-	1,366,714	1,332,837
Excise taxes	431,180	45,328	476,508	552,652
Motor vehicle and fuel taxes	-	2,865	2,865	2,860
Other taxes	881,894	65,269	947,163	868,310
Licenses, permits, and fees	83,781	40,115	123,896	131,194
Timber sales	5,758	56,648	62,406	73,376
Other contracts and grants	203,701	2,568	206,269	240,834
Federal grants-in-aid	4,598,265	35,331	4,633,596	4,304,597
Charges for services	33,823	5,934	39,757	36,280
Investment gains (losses)	103,126	42,674	145,800	106,893
Miscellaneous revenue	41,789	116,150	157,939	136,546
Total Revenues	15,632,089	412,882	16,044,971	15,369,443
Expenditures:				
Current:				
General government	605,520	68,172	673,692	551,009
Human services	7,561,488	91,619	7,653,107	7,055,219
Natural resources and recreation	254,656	113,711	368,367	296,577
Transportation	29,567	18,723	48,290	45,462
Education	6,608,181	88	6,608,269	6,241,033
Intergovernmental	22,047	35,021	57,068	172,424
Capital outlays	74,049	21,370	95,419	71,484
Debt service:				
Principal	14,894	862	15,756	15,929
Interest	2,322	411	2,733	3,788
Total Expenditures	15,172,724	349,977	15,522,701	14,452,925
Excess of Revenues Over (Under) Expenditures	459,365	62,905	522,270	916,518
Other Financing Sources (Uses):				
Note proceeds	5,679	-	5,679	4,017
Operating transfers in	332,637	99,440	432,077	432,438
Operating transfers out	(656,885)	(387,105)	(1,043,990)	(1,091,039)
Total Other Financing Sources (Uses)	(318,569)	(287,665)	(606,234)	(654,584)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	140,796	(224,760)	(83,964)	261,934
Fund Balances:				
Fund balances as restated, July 1	1,340,790	1,595,902	2,936,692	2,674,749
Residual equity transfers in	-	-	-	9
Fund Balances, June 30	\$ 1,481,586	\$ 1,371,142	\$ 2,852,728	\$ 2,936,692

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

General Fund

For the Biennium Ended June 30, 2001 (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	\$ 20,752,268	\$ 20,661,617	\$ (90,651)	\$ 115,319	\$ 126,026	\$ 10,707
Licenses, permits, and fees	171,866	175,671	3,805	73,674	79,419	5,745
Other contracts and grants	451,593	441,638	(9,955)	2,322	5,465	3,143
Timber sales	9,331	8,899	(432)	118,862	126,883	8,021
Federal grants-in-aid	8,586,646	8,091,237	(495,409)	97,969	70,388	(27,581)
Charges for services	61,855	64,493	2,638	11,977	11,543	(434)
Interest income	105,255	152,632	47,377	33,985	73,752	39,767
Miscellaneous revenue	93,623	71,318	(22,305)	219,644	295,591	75,947
Total Revenues	30,232,437	29,667,505	(564,932)	673,752	789,067	115,315
Expenditures:						
Current:						
General government	2,319,828	2,329,891	(10,063)	231,448	221,021	10,427
Human services	14,024,190	13,928,690	95,500	150,139	144,494	5,645
Natural resources and recreation	480,622	452,800	27,822	200,050	190,952	9,098
Transportation	61,061	59,688	1,373	38,090	36,708	1,382
Education	12,918,707	12,835,350	83,357	111	88	23
Capital outlays	140,254	41,891	98,363	591,100	277,143	313,957
Total Expenditures	29,944,662	29,648,310	296,352	1,210,938	870,406	340,532
Excess of Revenues Over (Under) Expenditures	287,775	19,195	(268,580)	(537,186)	(81,339)	455,847
Other Financing Sources (Uses):						
Operating transfers in	430,271	493,630	63,359	150,579	374,067	223,488
Operating transfers out	(128,871)	(390,674)	(261,803)	(91,849)	(374,966)	(283,117)
Total Other Financing Sources (Uses)	301,400	102,956	(198,444)	58,730	(899)	(59,629)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 589,175	\$ 122,151	\$ (467,024)	\$ (478,456)	\$ (82,238)	\$ 396,218

Totals		
Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)
\$ 20,867,587	\$ 20,787,643	\$ (79,944)
245,540	255,090	9,550
453,915	447,103	(6,812)
128,193	135,782	7,589
8,684,615	8,161,625	(522,990)
73,832	76,036	2,204
139,240	226,384	87,144
313,267	366,909	53,642
30,906,189	30,456,572	(449,617)
2,551,276	2,550,912	364
14,174,329	14,073,184	101,145
680,672	643,752	36,920
99,151	96,396	2,755
12,918,818	12,835,438	83,380
731,354	319,034	412,320
31,155,600	30,518,716	636,884
(249,411)	(62,144)	187,267
580,850	867,697	286,847
(220,720)	(765,640)	(544,920)
360,130	102,057	(258,073)
\$ 110,719	\$ 39,913	\$ (70,806)

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; (2) operations of the state ferry system, and (3) 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, 2001 (expressed in thousands)

	Motor Vehicle	Transportation	State Wildlife	Common School Construction	Central Admin. & Regulatory
Assets:					
Cash and pooled investments	\$ 465,301	\$ 67,871	\$ 18,319	\$ 390,842	\$ 182,843
Investments	125	-	11,323	-	-
Taxes receivable (net of allowance)	59,959	-	-	-	3,895
Other receivables (net of allowance)	21,749	2,274	1,535	47,716	1,032
Due from other funds	46,181	7,938	4,052	21,505	14,271
Due from other governments	67,505	3,784	4,461	8,940	4,874
Inventories	29,355	135	135	-	22
Total Assets	\$ 690,175	\$ 82,002	\$ 39,825	\$ 469,003	\$ 206,937
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 109,260	\$ 13,606	\$ 1,916	\$ 5,288	\$ 18,024
Contracts and retainages payable	14,852	142	45	11,637	337
Accrued liabilities	24,766	1,696	1,798	3	6,662
Obligations under security lending agreements	51,043	8,739	754	51,921	2,542
Due to other funds	58,576	7,441	5,072	2,000	12,094
Due to other governments	50,017	1,599	377	4,132	369
Deferred revenues	20,113	2,109	382	44,215	327
Total Liabilities	328,627	35,332	10,344	119,196	40,355
Fund Balances:					
Reserved for encumbrances	131	-	-	147,302	-
Reserved for inventories	29,355	135	135	-	22
Reserved for other specific purposes	1,077	895	11,354	3,665	80
Unreserved, designated for higher education	-	-	-	-	-
Unreserved, designated for unrealized gains	-	-	-	-	-
Unreserved, undesignated	330,985	45,640	17,992	198,840	166,480
Total Fund Balances	361,548	46,670	29,481	349,807	166,582
Total Liabilities and Fund Balances	\$ 690,175	\$ 82,002	\$ 39,825	\$ 469,003	\$ 206,937

State of Washington

Human Services	Natural Resources	Higher Education	Totals	
			June 30, 2001	June 30, 2000
\$ 22,970	\$ 269,372	\$ 208,171	\$ 1,625,689	\$ 1,019,868
-	-	802,344	813,792	872,497
8,681	-	-	72,535	16,310
4,314	12,767	109,224	200,611	175,418
22,466	20,952	524,895	662,260	618,639
4,973	10,210	80,955	185,702	146,166
-	31	8,291	37,969	27,213
\$ 63,404	\$ 313,332	\$ 1,733,880	\$ 3,598,558	\$ 2,876,111

\$ 27,782	\$ 4,630	\$ 42,271	\$ 222,777	\$ 123,927
442	2,556	433	30,444	34,049
7,461	2,435	148,916	193,737	138,109
2,226	13,809	98,251	229,285	8,986
9,657	21,400	616,379	732,619	718,972
236	4,919	10,423	72,072	38,348
9,182	2,418	120,622	199,368	193,916
56,986	52,167	1,037,295	1,680,302	1,256,307

-	51,014	-	198,447	326,448
-	31	8,291	37,969	27,213
21	7,849	44,818	69,759	386,265
-	-	155,679	155,679	139,630
-	-	34,246	34,246	48,276
6,397	202,271	453,551	1,422,156	691,972
6,418	261,165	696,585	1,918,256	1,619,804
\$ 63,404	\$ 313,332	\$ 1,733,880	\$ 3,598,558	\$ 2,876,111

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

For the Fiscal Year Ended June 30, 2001 (expressed in thousands)

	Motor Vehicle	Transportation	State Wildlife	Common School Construction	Central Admin. & Regulatory
Revenues:					
Retail sales and use taxes	\$ -	\$ 21,718	\$ -	\$ -	\$ -
Business and occupation taxes	-	-	-	-	-
Excise taxes	33,031	(120)	-	-	-
Motor vehicle and fuel taxes	723,615	1,305	-	-	-
Other taxes	27	-	2	-	76,602
Licenses, permits, and fees	288,437	44,305	32,138	-	56,511
Timber sales	50	-	147	71,195	-
Other contracts and grants	7,363	-	4,366	-	-
Federal grants-in-aid	393,204	8,034	13,048	-	7,372
Charges for services	98,324	-	-	-	31,064
Investment gains (losses)	21,125	4,615	1,033	20,407	13,962
Miscellaneous revenue	23,016	14,478	1,694	13,865	3,332
Total Revenues	1,588,192	94,335	52,428	105,467	188,843
Expenditures:					
Current:					
General government	2,987	-	221	-	117,612
Human services	-	-	-	-	85,713
Natural resources and recreation	645	-	40,081	-	8,808
Transportation	870,049	125,462	326	-	45,165
Education	-	-	-	144,210	99
Intergovernmental	244,042	5,966	-	-	14,008
Capital outlays	473,774	32,226	1,836	2,396	2,701
Debt service:					
Principal	4,033	171	140	-	-
Interest	909	223	16	-	-
Total Expenditures	1,596,439	164,048	42,620	146,606	274,106
Excess of Revenues Over (Under) Expenditures	(8,247)	(69,713)	9,808	(41,139)	(85,263)
Other Financing Sources (Uses):					
Bond sale proceeds	210,531	-	-	-	-
Note proceeds	-	-	-	-	-
Operating transfers in	77,779	98,159	-	357,130	160,611
Operating transfers out	(226,645)	(65,783)	(1,662)	(87,770)	(20,562)
Capital lease acquisitions	-	-	-	-	-
Total Other Financing Sources (Uses)	61,665	32,376	(1,662)	269,360	140,049
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	53,418	(37,337)	8,146	228,221	54,786
Fund Balances:					
Fund balances as restated, July 1	299,743	84,383	21,335	121,586	111,796
Residual equity transfers in	8,387	-	-	-	-
Residual equity transfers out	-	(376)	-	-	-
Fund Balances, June 30	\$ 361,548	\$ 46,670	\$ 29,481	\$ 349,807	\$ 166,582

State of Washington

Human Services	Natural Resources	Higher Education	Totals for the Year Ended	
			June 30, 2001	June 30, 2000
\$ -	\$ 825	\$ -	\$ 22,543	\$ 13,023
48,273	-	-	48,273	45,961
-	(9)	-	32,902	287,468
-	8,361	-	733,281	752,568
241,389	77,372	-	395,392	369,387
17,015	51,930	-	490,336	464,967
-	1,513	-	72,905	97,456
2,189	203	298,529	312,650	305,852
101,025	3,942	595,069	1,121,694	998,338
12,569	1,018	745,512	888,487	744,460
3,681	7,662	55,856	128,341	109,005
135,230	35,211	66,964	293,790	318,709
561,371	188,028	1,761,930	4,540,594	4,507,194
24,926	1,330	-	147,076	109,893
630,339	2,872	-	718,924	640,285
1,508	198,207	-	249,249	245,769
2,977	1,130	-	1,045,109	827,293
-	352	1,652,272	1,796,933	1,667,400
-	-	-	264,016	473,431
1,842	3,235	91,712	609,722	596,482
1,354	193	4,627	10,518	8,055
269	3,203	3,400	8,020	6,906
663,215	210,522	1,752,011	4,849,567	4,575,514
(101,844)	(22,494)	9,919	(308,973)	(68,320)
-	31,732	-	242,263	29,833
-	-	17,642	17,642	21,689
144,233	54,972	66,228	959,112	412,346
(126,733)	(12,686)	(115,770)	(657,611)	(491,444)
-	-	10,364	10,364	-
17,500	74,018	(21,536)	571,770	(27,576)
(84,344)	51,524	(11,617)	262,797	(95,896)
90,762	209,641	707,800	1,647,046	1,711,670
-	-	402	8,789	4,034
-	-	-	(376)	(4)
\$ 6,418	\$ 261,165	\$ 696,585	\$ 1,918,256	\$ 1,619,804

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

For the Biennium Ended June 30, 2001 (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	\$ 1,090,932	\$ 1,121,513	\$ 30,581	\$ (22,208)	\$ (13,102)	\$ 9,106
Licenses, permits, and fees	568,872	569,690	818	76,095	76,417	322
Other contracts and grants	1,056	8,754	7,698	41	45	4
Timber sales	-	81	81	-	-	-
Federal grants-in-aid	763,056	687,737	(75,319)	29,512	12,670	(16,842)
Charges for services	98,852	99,576	724	300	376	76
Interest income	28,533	30,923	2,390	11,500	8,116	(3,384)
Miscellaneous revenue	70,158	54,562	(15,596)	30,060	26,766	(3,294)
Total Revenues	2,621,459	2,572,836	(48,623)	125,300	111,288	(14,012)
Expenditures:						
Current:						
General government	12,056	7,610	4,446	2,400	-	2,400
Human services	-	-	-	-	-	-
Natural resources and recreation	1,170	1,170	-	-	-	-
Transportation	929,503	906,016	23,487	168,757	156,809	11,948
Education	-	-	-	-	-	-
Capital outlays	1,939,455	1,609,905	329,550	109,390	83,535	25,855
Total Expenditures	2,882,184	2,524,701	357,483	280,547	240,344	40,203
Excess of Revenues Over (Under) Expenditures	(260,725)	48,135	308,860	(155,247)	(129,056)	26,191
Other Financing Sources (Uses):						
Bond sale proceeds	754,493	237,714	(516,779)	-	-	-
Operating transfers in	56,419	139,994	83,575	155,332	162,446	7,114
Operating transfers out	(489,780)	(464,191)	25,589	(77,404)	(81,783)	(4,379)
Total Other Financing Sources (Uses)	321,132	(86,483)	(407,615)	77,928	80,663	2,735
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 60,407	\$ (38,348)	\$ (98,755)	\$ (77,319)	\$ (48,393)	\$ 28,926

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)
\$ 3	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ 149,081	\$ 125,833	\$ (23,248)
50,112	60,109	9,997	-	-	-	69,187	72,602	3,415
15,214	8,297	(6,917)	-	-	-	-	-	-
-	165	165	148,050	149,620	1,570	-	-	-
43,937	25,812	(18,125)	-	-	-	12,163	6,726	(5,437)
-	-	-	-	-	-	54,789	55,739	950
320	1,837	1,517	3,129	21,512	18,383	19,296	25,811	6,515
3,117	2,810	(307)	22,418	26,440	4,022	1,885	2,514	629
112,703	99,033	(13,670)	173,597	197,572	23,975	306,401	289,225	(17,176)
221	221	-	-	-	-	197,202	161,720	35,482
-	-	-	-	-	-	168,384	167,377	1,007
110,977	82,270	28,707	-	-	-	17,518	15,561	1,957
668	661	7	-	-	-	69,831	68,753	1,078
-	-	-	79,077	78,438	639	110	82	28
7,611	2,055	5,556	494,215	309,389	184,826	-	-	-
119,477	85,207	34,270	573,292	387,827	185,465	453,045	413,493	39,552
(6,774)	13,826	20,600	(399,695)	(190,255)	209,440	(146,644)	(124,268)	22,376
-	-	-	-	-	-	-	-	-
-	-	-	98,200	402,416	304,216	194,202	210,921	16,719
(3,293)	(3,030)	263	(18,277)	(14,886)	3,391	(26,367)	(27,595)	(1,228)
(3,293)	(3,030)	263	79,923	387,530	307,607	167,835	183,326	15,491
\$ (10,067)	\$ 10,796	\$ 20,863	\$ (319,772)	\$ 197,275	\$ 517,047	\$ 21,191	\$ 59,058	\$ 37,867

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

For the Biennium Ended June 30, 2001 (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	\$ 600,643	\$ 569,650	\$ (30,993)	\$ 156,030	\$ 159,394	\$ 3,364
Licenses, permits, and fees	35,457	34,847	(610)	48,682	49,187	505
Other contracts and grants	-	2,170	2,170	377	236	(141)
Timber sales	-	-	-	-	20	20
Federal grants-in-aid	201,344	192,181	(9,163)	4,293	2,563	(1,730)
Charges for services	4,667	4,228	(439)	2,100	2,352	252
Interest income	2,545	1,342	(1,203)	4,142	7,803	3,661
Miscellaneous revenue	259,271	281,936	22,665	31,869	32,087	218
Total Revenues	1,103,927	1,086,354	(17,573)	247,493	253,642	6,149
Expenditures:						
Current:						
General government	39,859	38,089	1,770	8,039	8,016	23
Human services	1,211,576	1,173,658	37,918	5,738	5,692	46
Natural resources and recreation	3,155	3,075	80	154,312	136,342	17,970
Transportation	6,730	4,759	1,971	1,755	1,752	3
Education	888	887	1	49	49	-
Capital outlays	-	-	-	311,595	162,819	148,776
Total Expenditures	1,262,208	1,220,468	41,740	481,488	314,670	166,818
Excess of Revenues Over (Under) Expenditures	(158,281)	(134,114)	24,167	(233,995)	(61,028)	172,967
Other Financing Sources (Uses):						
Bond sale proceeds	-	-	-	23,571	34,383	10,812
Operating transfers in	201,796	233,087	31,291	64,709	64,763	54
Operating transfers out	(132,507)	(132,511)	(4)	(37,869)	(52,849)	(14,980)
Total Other Financing Sources (Uses)	69,289	100,576	31,287	50,411	46,297	(4,114)
Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (88,992)	\$ (33,538)	\$ 55,454	\$ (183,584)	\$ (14,731)	\$ 168,853

Concluded

Totals		
Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)
\$ 1,974,481	\$ 1,963,291	\$ (11,190)
848,405	862,852	14,447
16,688	19,502	2,814
148,050	149,886	1,836
1,054,305	927,689	(126,616)
160,708	162,271	1,563
69,465	97,344	27,879
418,778	427,115	8,337
4,690,880	4,609,950	(80,930)
259,777	215,656	44,121
1,385,698	1,346,727	38,971
287,132	238,418	48,714
1,177,244	1,138,750	38,494
80,124	79,456	668
2,862,266	2,167,703	694,563
6,052,241	5,186,710	865,531
(1,361,361)	(576,760)	784,601
778,064	272,097	(505,967)
770,658	1,213,627	442,969
(785,497)	(776,845)	8,652
763,225	708,879	(54,346)
\$ (598,136)	\$ 132,119	\$ 730,255

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, 2001 (expressed in thousands)

	General Obligation Bond	Transportation Bond	Totals	
			June 30, 2001	June 30, 2000
Assets:				
Cash and pooled investments	\$ 12,396	\$ 81,561	\$ 93,957	\$ 203,288
Other receivables (net of allowance)	5	-	5	2
Due from other funds	1,774	236	2,010	9,852
Total Assets	\$ 14,175	\$ 81,797	\$ 95,972	\$ 213,142
Liabilities and Fund Balances				
Liabilities:				
Accrued liabilities	\$ 2,276	\$ 959	\$ 3,235	\$ 1,463
Obligations under security lending agreements	949	8,853	9,802	1,003
Total Liabilities	3,225	9,812	13,037	2,466
Fund Balances:				
Unreserved, designated for debt service	10,950	71,985	82,935	210,676
Total Fund Balances	10,950	71,985	82,935	210,676
Total Liabilities and Fund Balances	\$ 14,175	\$ 81,797	\$ 95,972	\$ 213,142

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

Debt Service Funds

For the Fiscal Year Ended June 30, 2001 (expressed in thousands)

	General Obligation Bond	Transportation Bond	Totals for the Year Ended	
			June 30, 2001	June 30, 2000
Revenues:				
Federal grants-in-aid	\$ 164	\$ -	\$ 164	\$ 164
Investment gains (losses)	676	2,922	3,598	2,024
Miscellaneous revenue	4,580	-	4,580	4,769
Total Revenues	5,420	2,922	8,342	6,957
Expenditures:				
Debt service:				
Principal	306,024	67,505	373,529	362,535
Interest	326,975	55,398	382,373	346,985
Total Expenditures	632,999	122,903	755,902	709,520
Excess of Revenues Over (Under) Expenditures	(627,579)	(119,981)	(747,560)	(702,563)
Other Financing Sources (Uses):				
Proceeds of refunding bonds	441,584	123,783	565,367	100,649
Payment to refunded bond escrow agent	(441,635)	(123,816)	(565,451)	(100,649)
Operating transfers in	657,888	121,418	779,306	865,143
Operating transfers out	(159,403)	-	(159,403)	(39,559)
Total Other Financing Sources (Uses)	498,434	121,385	619,819	825,584
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(129,145)	1,404	(127,741)	123,021
Fund Balances:				
Fund balances as restated, July 1	140,095	70,581	210,676	87,655
Fund Balances, June 30	\$ 10,950	\$ 71,985	\$ 82,935	\$ 210,676

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

For the Biennium Ended June 30, 2001 (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	\$ -	\$ 329	\$ 329	\$ -	\$ -	\$ -
Interest income	-	-	-	3,549	3,631	82
Miscellaneous revenue	-	51	51	-	-	-
Total Revenues	-	380	380	3,549	3,631	82
Expenditures:						
General government	120,871	118,278	2,593	245,078	244,780	298
Total Expenditures	120,871	118,278	2,593	245,078	244,780	298
Excess of Revenues Over (Under) Expenditures	(120,871)	(117,898)	2,973	(241,529)	(241,149)	380
Other Financing Sources (Uses):						
Proceeds of refunding bonds	-	523,636	523,636	-	142,379	142,379
Payment to refunded bond escrow agent	-	(523,688)	(523,688)	-	(142,412)	(142,412)
Operating transfers in	110,300	120,371	10,071	284,274	252,480	(31,794)
Operating transfers out	-	(2,457)	(2,457)	(10,952)	(10,957)	(5)
Total Other Financing Sources (Uses)	110,300	117,862	7,562	273,322	241,490	(31,832)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (10,571)	\$ (36)	\$ 10,535	\$ 31,793	\$ 341	\$ (31,452)

Totals		
Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)
\$ -	\$ 329	\$ 329
3,549	3,631	82
-	51	51
3,549	4,011	462
365,949	363,058	2,891
365,949	363,058	2,891
(362,400)	(359,047)	3,353
-	666,015	666,015
-	(666,100)	(666,100)
394,574	372,851	(21,723)
(10,952)	(13,414)	(2,462)
383,622	359,352	(24,270)
\$ 21,222	\$ 305	\$ (20,917)

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, 2001 (expressed in thousands)

	State Facilities	Higher Education Facilities	Totals	
			June 30, 2001	June 30, 2000
Assets:				
Cash and pooled investments	\$ 150,917	\$ 78,260	\$ 229,177	\$ 153,649
Other receivables (net of allowance)	13,364	7,252	20,616	13,328
Due from other funds	37,322	45,633	82,955	94,539
Due from other governments	3,690	837	4,527	2,309
Total Assets	\$ 205,293	\$ 131,982	\$ 337,275	\$ 263,825
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 18,101	\$ 3,755	\$ 21,856	\$ 21,466
Contracts and retainages payable	27,158	3,850	31,008	35,790
Accrued liabilities	1,743	26	1,769	956
Obligations under security lending agreements	829	7,905	8,734	825
Due to other funds	37,495	2,697	40,192	38,748
Due to other governments	99	1	100	23
Deferred revenues	9,939	230	10,169	8,983
Total Liabilities	95,364	18,464	113,828	106,791
Fund Balances:				
Reserved for encumbrances	57,826	1,651	59,477	121,630
Reserved for other specific purposes	3,511	-	3,511	917
Unreserved, undesignated	48,592	111,867	160,459	34,487
Total Fund Balances	109,929	113,518	223,447	157,034
Total Liabilities and Fund Balances	\$ 205,293	\$ 131,982	\$ 337,275	\$ 263,825

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

Capital Projects Funds

For the Fiscal Year Ended June 30, 2001 (expressed in thousands)

	State Facilities	Higher Education Facilities	Totals for the Year Ended	
			June 30, 2001	June 30, 2000
Revenues:				
Timber sales	\$ 5,668	\$ 55	\$ 5,723	\$ 7,682
Other contracts and grants	-	4,648	4,648	1,693
Federal grants-in-aid	-	2,079	2,079	828
Charges for services	-	23,300	23,300	22,020
Investment gains (losses)	729	2,095	2,824	2,349
Miscellaneous revenue	5,108	16,013	21,121	7,726
Total Revenues	11,505	48,190	59,695	42,298
Expenditures:				
Current:				
General government	60,638	-	60,638	45,856
Human services	7,376	-	7,376	13,138
Natural resources and recreation	19,563	-	19,563	10,004
Transportation	338	-	338	7
Education	34,921	29,657	64,578	53,659
Capital outlays	376,444	110,942	487,386	520,893
Debt service:				
Principal	29	-	29	17
Interest	1,549	173	1,722	1,495
Total Expenditures	500,858	140,772	641,630	645,069
Excess of Revenues Over (Under) Expenditures	(489,353)	(92,582)	(581,935)	(602,771)
Other Financing Sources (Uses):				
Bond sale proceeds	543,435	34,752	578,187	551,246
Note proceeds	-	-	-	165
Operating transfers in	14,572	101,126	115,698	133,942
Operating transfers out	(18,392)	(27,145)	(45,537)	(24,358)
Total Other Financing Sources (Uses)	539,615	108,733	648,348	660,995
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	50,262	16,151	66,413	58,224
Fund Balances:				
Fund balances as restated, July 1	59,667	97,367	157,034	102,139
Residual equity transfers out	-	-	-	(3,329)
Fund Balances, June 30	\$ 109,929	\$ 113,518	\$ 223,447	\$ 157,034

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

For the Biennium Ended June 30, 2001 (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	\$ 13,350	\$ (19)	\$ 13	\$ 55	\$ 42
Charges for services	-	-	-	4,481	45,320	40,839
Interest income	776	1,028	252	1,165	3,215	2,050
Miscellaneous revenue	11,130	11,372	242	170	204	34
Total Revenues	25,275	25,750	475	5,829	48,794	42,965
Expenditures:						
Current:						
General government	8,034	4,683	3,351	778	426	352
Capital outlays	1,385,857	1,012,969	372,888	344,122	184,886	159,236
Total Expenditures	1,393,891	1,017,652	376,239	344,900	185,312	159,588
Excess of Revenues Over (Under) Expenditures	(1,368,616)	(991,902)	376,714	(339,071)	(136,518)	202,553
Other Financing Sources (Uses):						
Bond sale proceeds	976,874	1,044,664	67,790	108,355	84,770	(23,585)
Operating transfers in	1,899	45,412	43,513	23,152	100,880	77,728
Operating transfers out	(11,433)	(5,598)	5,835	(45,519)	(48,281)	(2,762)
Total Other Financing Sources (Uses)	967,340	1,084,478	117,138	85,988	137,369	51,381
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (401,276)	\$ 92,576	\$ 493,852	\$ (253,083)	\$ 851	\$ 253,934

Totals		
Approved Budget 1999-01 Biennium	Actual For 1999-01 Biennium	Variance Favorable (Unfavorable)
\$ 13,382	\$ 13,405	\$ 23
4,481	45,320	40,839
1,941	4,243	2,302
11,300	11,576	276
31,104	74,544	43,440
<hr/>		
8,812	5,109	3,703
1,729,979	1,197,855	532,124
1,738,791	1,202,964	535,827
<hr/>		
(1,707,687)	(1,128,420)	579,267
<hr/>		
1,085,229	1,129,434	44,205
25,051	146,292	121,241
(56,952)	(53,879)	3,073
1,053,328	1,221,847	168,519
<hr/>		
\$ (654,359)	\$ 93,427	\$ 747,786
<hr/>		

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 was used to account for all revenue and payment of all operating costs of the state ferry system. Effective July 1, 2000, this activity was transferred to the Motor Vehicle Fund.

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, 2001 (expressed in thousands)

	Liquor	Workers' Compensation	Convention and Trade	Lottery	Institutional
Assets					
Current Assets:					
Cash and pooled investments	\$ 4,832	\$ 14,799	\$ 19,496	\$ 19,806	\$ 13,164
Investments	-	-	-	67,558	-
Taxes receivable (net of allowance)	4,276	-	-	-	-
Other receivables (net of allowance)	5,819	451,474	13,320	16,017	119
Due from other funds	7,937	1,978	614	7,550	4,027
Due from other governments	46	970	-	-	511
Inventories	27,777	178	-	389	7,703
Prepaid expenses	-	9	372	-	1
Total Current Assets	50,687	469,408	33,802	111,320	25,525
Other Assets:					
Investments, noncurrent	-	9,021,593	-	512,406	13
Other nonfixed assets	-	-	-	-	-
Total Other Assets	-	9,021,593	-	512,406	13
Fixed Assets:					
Land	177	3,204	18,279	-	-
Buildings	-	62,446	197,016	-	-
Other improvements and miscellaneous	134	1,800	2,257	770	1,747
Furnishings and equipment	5,052	24,426	4,315	4,057	12,260
Accumulated depreciation	(3,390)	(30,544)	(51,366)	(3,922)	(6,579)
Construction in progress	22,255	-	175,185	-	-
Total Fixed Assets	24,228	61,332	345,686	905	7,428
Total Assets	\$ 74,915	\$ 9,552,333	\$ 379,488	\$ 624,631	\$ 32,966
Liabilities and Equity					
Current Liabilities:					
Accounts payable	\$ 16,834	\$ 13,960	\$ 7	\$ 1,939	\$ 1,904
Contracts and retainages payable	2,302	2,078	1,752	-	43
Accrued liabilities	12,316	136,395	1,863	88,991	892
Obligations under security lending agreements	-	501,349	-	-	-
Matured bonds payable	-	2,425	9,880	-	-
Due to other funds	7,952	7,175	156	1,998	1,101
Due to other governments	-	-	-	-	-
Deferred revenues	592	14,120	-	-	37
Claims and judgments payable, current	-	1,317,130	-	-	-
Total Current Liabilities	39,996	1,994,632	13,658	92,928	3,977
Long-Term Liabilities:					
Claims and judgments payable, long-term	-	12,925,983	-	-	-
Bonds payable	-	48,050	129,084	-	-
Other long-term obligations	21,711	9,843	182,380	476,317	1,127
Total Long-Term Liabilities	21,711	12,983,876	311,464	476,317	1,127
Total Liabilities	61,707	14,978,508	325,122	569,245	5,104
Equity:					
Contributed capital	-	23	1,071	-	3,026
Retained earnings (deficit)	13,208	(5,426,198)	53,295	55,386	24,836
Total Equity	13,208	(5,426,175)	54,366	55,386	27,862
Total Liabilities and Equity	\$ 74,915	\$ 9,552,333	\$ 379,488	\$ 624,631	\$ 32,966

State of Washington

State Ferry		Student Services	Other Activities	Totals	
				June 30, 2001	June 30, 2000
\$ -		\$ 46,183	\$ 92,603	\$ 210,883	\$ 247,593
-		1,813	-	69,371	61,253
-		-	-	4,276	3,894
-		117,787	14,545	619,081	625,369
-		223,351	928	246,385	294,338
-		30,781	42	32,350	30,371
-		29,934	102	66,083	82,778
-		5,699	363	6,444	6,981
-		455,548	108,583	1,254,873	1,352,577
-		178,408	72,307	9,784,727	9,683,713
-		587	21,419	22,006	495
-		178,995	93,726	9,806,733	9,684,208
-		2,394	-	24,054	31,883
-		678,273	-	937,735	926,586
-		57,693	-	64,401	212,208
-		198,568	12,174	260,852	962,902
-		(407,297)	(8,359)	(511,457)	(748,922)
-		105,047	-	302,487	417,651
-		634,678	3,815	1,078,072	1,802,308
\$ -		\$ 1,269,221	\$ 206,124	\$ 12,139,678	\$ 12,839,093
\$ -		\$ 60,021	\$ 2,402	\$ 97,067	\$ 75,392
-		13,282	-	19,457	13,189
-		42,083	18,895	301,435	555,103
-		-	55	501,404	508,299
-		13,931	-	26,236	20,139
-		32,489	35,147	86,018	102,313
-		119	3,020	3,139	1,225
-		26,749	621	42,119	44,419
-		-	-	1,317,130	1,166,549
-		188,674	60,140	2,394,005	2,486,628
-		-	3,200	12,929,183	12,460,744
-		291,634	-	468,768	431,394
-		12,448	101,787	805,613	793,794
-		304,082	104,987	14,203,564	13,685,932
-		492,756	165,127	16,597,569	16,172,560
-		4,736	1,458	10,314	1,157,973
-		771,729	39,539	(4,468,205)	(4,491,440)
-		776,465	40,997	(4,457,891)	(3,333,467)
\$ -		\$ 1,269,221	\$ 206,124	\$ 12,139,678	\$ 12,839,093

Combining Statement of Revenues, Expenses, and Changes in Equity

Enterprise Funds

For the Fiscal Year Ended June 30, 2001 (expressed in thousands)

	Liquor	Workers' Compensation	Convention and Trade	Lottery	Institutional
Operating Revenues:					
Sales	\$ 347,311	\$ -	\$ -	\$ -	\$ 37,997
Less: Cost of goods sold	253,840	-	-	-	28,762
Gross profit	93,471	-	-	-	9,235
Charges for services	28	149	9,604	-	-
Earnings on investments	-	548,199	-	-	-
Insurance premiums	-	1,084,613	-	-	-
Lottery ticket proceeds	-	-	-	483,904	-
Miscellaneous revenue	934	24,207	22	2	7,425
Total Operating Revenues	94,433	1,657,168	9,626	483,906	16,660
Operating Expenses:					
Salaries and wages	29,849	93,901	4,880	5,579	8,548
Employee benefits	8,793	26,192	1,890	1,421	1,935
Personal services	97	4,160	3,712	7,155	31
Goods and services	28,208	56,765	3,365	48,958	1,053
Travel	311	2,955	20	565	225
Insurance premiums and claims	-	1,881,808	-	-	-
Lottery prize payments	-	-	-	288,509	-
Depreciation and amortization	177	1,864	4,148	235	1,208
Miscellaneous expenses	1,323	12,197	118	500	83
Total Operating Expenses	68,758	2,079,842	18,133	352,922	13,083
Operating Income (Loss)	25,675	(422,674)	(8,507)	130,984	3,577
Nonoperating Revenues (Expenses):					
Other revenues (expenses)	48,895	(9,630)	40,272	22	97
Earnings (losses) on investments	-	83,419	-	89,620	2
Interest expense	(53)	(2,883)	(7,764)	(38,557)	(17)
Distributions to other governments	(25,511)	-	-	(3,579)	-
Total Nonoperating Revenues (Expenses)	23,331	70,906	32,508	47,506	82
Income (Loss) Before Operating Transfers	49,006	(351,768)	24,001	178,490	3,659
Operating Transfers:					
Operating transfers in	78	231,571	-	22,533	2,175
Operating transfers out	(54,151)	(242,667)	(13)	(149,870)	(1,868)
Net Operating Transfers In (Out)	(54,073)	(11,096)	(13)	(127,337)	307
Net Income (Loss)	(5,067)	(362,864)	23,988	51,153	3,966
Equity:					
Equity as restated, July 1	18,275	(5,063,311)	30,378	4,233	23,896
Residual equity transfers in (out)	-	-	-	-	-
Contributions of capital	-	-	-	-	-
Return of contributed capital	-	-	-	-	-
Equity, June 30	\$ 13,208	\$ (5,426,175)	\$ 54,366	\$ 55,386	\$ 27,862

State Ferry	Student Services	Other Activities	Totals for the Year Ended	
			June 30, 2001	June 30, 2000
\$ -	\$ 99,392	\$ -	\$ 484,700	\$ 452,019
-	73,572	-	356,174	317,501
-	25,820	-	128,526	134,518
-	711,405	5,547	726,733	752,183
-	-	-	548,199	531,997
-	-	-	1,084,613	871,142
-	-	-	483,904	452,954
-	81,699	4,109	118,398	111,495
-	818,924	9,656	3,090,373	2,854,289
-	353,116	6,516	502,389	521,709
-	61,997	1,275	103,503	110,575
-	31,576	3,135	49,866	26,561
-	321,161	7,973	467,483	518,680
-	13,011	165	17,252	17,084
-	-	-	1,881,808	2,275,172
-	-	-	288,509	289,608
-	31,495	1,265	40,392	70,896
-	24,987	10,232	49,440	48,871
-	837,343	30,561	3,400,642	3,879,156
-	(18,419)	(20,905)	(310,269)	(1,024,867)
-	1,945	8,945	90,546	97,814
-	18,877	(104)	191,814	(88,631)
-	(16,133)	-	(65,407)	(66,690)
-	-	-	(29,090)	(27,342)
-	4,689	8,841	187,863	(84,849)
-	(13,730)	(12,064)	(122,406)	(1,109,716)
-	131,094	7,538	394,989	437,779
-	(118,079)	(1,735)	(568,383)	(513,385)
-	13,015	5,803	(173,394)	(75,606)
-	(715)	(6,261)	(295,800)	(1,185,322)
848,962	777,278	47,258	(3,313,031)	(2,218,801)
298,696	(98)	-	298,598	(326)
-	-	-	-	70,982
(1,147,658)	-	-	(1,147,658)	70,982
\$ -	\$ 776,465	\$ 40,997	\$ (4,457,891)	\$ (3,262,485)

Combining Statement of Cash Flows

Enterprise Funds

For the Fiscal Year Ended June 30, 2001 (expressed in thousands)

	Liquor	Workers' Compensation	Convention And Trade	Lottery	Institutional
Cash Flows from Operating Activities:					
Operating Income (Loss)	\$ 25,675	\$ (422,674)	\$ (8,507)	\$ 130,984	\$ 3,577
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:					
Depreciation	177	1,864	4,148	235	1,208
Interest revenue reported as operating	-	(548,199)	-	-	-
Other revenues	3,358	-	-	7	97
Other expenses	-	(6,511)	(1,999)	-	-
Changes in Assets: Decrease (Increase)					
Receivables (net of allowance)	(5,277)	39,922	(614)	(1,560)	78
Due from other funds	12,112	(234)	1,840	9,098	1,279
Due from other governments	-	(656)	-	-	(173)
Inventories	14	52	-	1,128	(1,380)
Prepaid expenses	-	(7)	11	57	-
Other nonfixed assets	-	-	-	-	-
Changes in Liabilities: Increase (Decrease)					
Accounts payable	15,973	1,360	(408)	20	(834)
Contracts and retainages payable	(5)	(26)	777	-	1
Accrued liabilities	363	(255,861)	(531)	1,204	216
Due to other funds	(6,186)	1,619	(61)	1,329	(4)
Due to other governments	-	-	-	-	-
Deferred revenues	(71)	274	(1,619)	-	(13)
Claims and judgments payable	-	621,412	-	-	-
Other long-term obligations	(36)	135	1,353	(43,245)	78
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	46,097	(567,530)	(5,610)	99,257	4,130
Cash Flows from Noncapital Financing Activities:					
Distributions to other governments	(25,511)	-	-	(3,579)	-
Taxes and license fees collected	45,735	4	44,110	-	-
Operating transfers in	78	231,571	-	22,533	2,175
Operating transfers out	(54,151)	(242,667)	(13)	(149,870)	(1,868)
Proceeds from noncapital long-term financing	-	-	-	-	-
Payment of noncapital long-term obligations	-	-	-	-	-
Equity restatement	-	-	-	-	-
Fund equity transfers in	-	-	-	-	-
Fund equity transfers out	-	-	-	-	-
Net Cash or Cash Equivalents Provided by (Used in) Noncapital Financing Activities	(33,849)	(11,092)	44,097	(130,916)	307
Cash Flows from Capital and Related Financing Activities:					
Payments for interest	(53)	(2,868)	(7,757)	-	(17)
Acquisitions of fixed assets	(11,030)	(1,932)	(51,062)	(122)	(2,602)
Proceeds from sale of fixed assets	743	-	7,126	-	112
Proceeds from long-term capital financing	-	-	19,030	-	-
Retirement of long-term bonds payable	-	(2,240)	(30,369)	-	-
Payment of other long-term obligations	(3,329)	-	(280)	-	(34)
Net Cash or Cash Equivalents Provided by (Used in) Capital and Related Financing Activities	(13,669)	(7,040)	(63,312)	(122)	(2,541)
Cash Flows from Investing Activities:					
Receipt of interest	-	592,156	-	925	2
Proceeds from sale of investment securities	-	4,193,589	-	66,808	-
Purchases of investment securities	-	(4,208,043)	-	(27,953)	-
Net Cash Provided by (Used in) Investing Activities	-	577,702	-	39,780	2
Net Increase (Decrease) in Cash and Pooled Investments	(1,421)	(7,960)	(24,825)	7,999	1,898
Cash and Pooled Investments, July 1	6,253	22,759	44,321	11,807	11,266
Cash and Pooled Investments, June 30	\$ 4,832	\$ 14,799	\$ 19,496	\$ 19,806	\$ 13,164
Noncash Investing, Capital, and Financing Activities:					
Acquisition of capital assets with capital leases and COPs	\$ -	\$ -	\$ -	\$ -	\$ -
Capital lease and COP liabilities incurred in acquiring capital assets	-	-	-	-	-
Contributions of noncash assets	-	-	-	-	-
Noncash portion of prior period adjustments	-	-	-	-	-
Amortization of interest on long-term prize liability	-	-	-	38,557	-
Increase (decrease) in fair value of investments	-	39,462	-	88,695	-
Amortization of bond refunding gains (losses)	-	(15)	(7)	-	-

State of Washington

State Ferry	Student Services	Other Activities	Totals for the Year Ended	
			June 30, 2001	June 30, 2000
\$ -	\$ (18,419)	\$ (20,905)	\$ (310,269)	\$ (1,024,867)
-	31,495	1,265	40,392	70,896
-	-	-	(548,199)	(531,997)
-	-	250	3,712	6,110
-	(2,007)	-	(10,517)	(3,357)
2,041	(16,925)	(13,509)	4,156	(63,864)
1,753	21,559	545	47,952	(253,398)
262	(2,132)	(37)	(2,736)	(11,253)
8,067	8,804	10	16,695	(8,456)
-	370	104	535	3,630
-	(170)	(983)	(1,153)	(438)
(2,344)	6,150	1,759	21,676	(1,026)
(705)	5,761	-	5,803	3,343
(7,442)	(2,149)	5,553	(258,647)	263,018
(718)	2,340	(14,616)	(16,297)	35,567
(191)	84	2,021	1,914	240
(21)	(960)	110	(2,300)	5,959
-	-	(2,390)	619,022	1,107,913
(7,041)	(202)	22,965	(25,993)	31,066
(6,339)	33,599	(17,858)	(414,254)	(370,914)
-	-	-	(29,090)	(27,342)
-	-	8,939	98,788	81,905
-	131,094	7,538	394,989	437,779
-	(118,078)	(1,735)	(568,382)	(513,385)
-	-	12,817	12,817	5,956
-	-	(7,673)	(7,673)	(1,027)
-	-	-	-	3,167
298,696	-	-	298,696	-
(1,147,658)	(98)	-	(1,147,756)	(326)
(848,962)	12,918	19,886	(947,611)	(13,273)
-	(16,134)	-	(26,829)	(27,958)
-	(114,349)	(1,833)	(182,930)	(144,278)
851,823	11,913	839	872,556	7,026
-	109,041	-	128,071	226,233
-	(52,606)	-	(85,215)	(21,850)
-	(1,060)	-	(4,703)	(147,366)
851,823	(63,195)	(994)	700,950	(108,193)
-	28,405	3,394	624,882	560,115
312	56,527	15,842	4,333,078	3,927,572
-	(62,553)	(35,206)	(4,333,755)	(4,240,669)
312	22,379	(15,970)	624,205	247,018
(3,166)	5,701	(14,936)	(36,710)	(245,362)
3,166	40,482	107,539	247,593	492,955
\$ -	\$ 46,183	\$ 92,603	\$ 210,883	\$ 247,593
\$ -	\$ -	\$ -	\$ -	\$ 1,420
-	-	-	-	(1,420)
-	-	-	-	71,019
-	-	20,436	20,436	(5,621)
-	-	-	38,557	(38,622)
-	(9,310)	(3,498)	115,349	(116,749)
-	-	-	(22)	-

Schedule of Appropriated Expenses - Budget and Actual

Enterprise Funds

Continued

For the Biennium Ended June 30, 2001 (expressed in thousands)

	Approved Budget 1999-01 Biennium	Actual for 1999-01 Biennium	Variance Favorable (Unfavorable)
Fund/Appropriation			
Liquor Fund			
Liquor Revolving Account			
Salaries and expenses	\$ 125,684	\$ 125,434	\$ 250
Information technology upgrade	2,804	2,785	19
Motel liquor licenses	105	-	105
Business plan	300	300	-
Train new enforcement agents	53	53	-
Contract agency vendor commissions	925	846	79
LCB Construction and Maintenance Account			
Salaries and expenses	8,013	8,013	-
Temporary distribution center	1,985	1,985	-
Distribution center material handling system	2,885	2,844	41
Total Liquor Fund	\$ 142,754	\$ 142,260	\$ 494
Workers' Compensation Fund			
Accident Account			
Salaries and expenses - Board of Industrial Insurance Appeals	\$ 11,543	\$ 11,494	\$ 49
Salaries and expenses (federal) - Labor and Industries	9,112	9,112	-
Salaries and expenses - Labor and Industries	165,979	163,426	2,553
Salaries and expenses - Health	258	257	1
Salaries and expenses - University of Washington	5,325	5,325	-
Debt reimbursement	5,080	5,080	-
Bio-contaminant laboratory	452	452	-
Year 2000 allocation	150	150	-
Medical Aid Account			
Salaries and expenses - Board of Industrial Insurance Appeals	11,548	11,495	53
Salaries and expenses (federal) - Labor and Industries	1,592	1,592	-
Salaries and expenses - Labor and Industries	168,123	167,363	760
Salaries and expenses - Health	45	45	-
Salaries and expenses - University of Washington	5,366	5,366	-
Debt reimbursement	5,080	5,080	-
Bio-contaminant laboratory	452	452	-
Year 2000 allocation	150	150	-
Total Workers' Compensation Fund	\$ 390,255	\$ 386,839	\$ 3,416

Schedule of Appropriated Expenses - Budget and Actual

Enterprise Funds

Concluded

For the Biennium Ended June 30, 2001 (expressed in thousands)

	Approved Budget 1999-01 Biennium	Actual for 1999-01 Biennium	Variance Favorable (Unfavorable)
Fund/Appropriation			
Convention and Trade Fund			
State Convention and Trade Center Account			
GO debt reimbursement	\$ 32,724	\$ 32,724	\$ -
Seattle convention center expansion	5,750	5,750	-
Seattle convention center replacement housing	5,000	2,255	2,745
Salaries and expenses	2,471	2,376	95
State Convention and Trade Center Operations Account			
Salaries and expenses	29,842	27,920	1,922
Total Convention and Trade Fund	\$ 75,787	\$ 71,025	\$ 4,762
Lottery Fund			
Lottery Administrative Account			
Salaries and expenses	\$ 21,127	\$ 20,436	\$ 691
Total Lottery Fund	\$ 21,127	\$ 20,436	\$ 691
State Ferry Fund			
Marine Operating Account			
Ferry operations and maintenance	\$ 126,175	\$ 126,149	\$ 26
Vessel operating fuel	14,010	14,010	-
Total State Ferry Fund	\$ 140,185	\$ 140,159	\$ 26
Other Activities Fund			
Judicial Information Systems Account			
Salaries and expenses	\$ 19,016	\$ 18,831	\$ 185
Advanced College Tuition Payment Program Account			
Salaries and expenses	3,408	2,345	1,063
Pollution Liability Insurance Program Trust Account			
Salaries and expenses - Pollution Liability Insurance Agency	947	908	39
Total Other Activities Fund	\$ 23,371	\$ 22,084	\$ 1,287

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, 2001 (expressed in thousands)

	Central Services	Equipment Revolving	Data Processing Revolving	Printing Services	State Employees' Insurance
Assets					
Current Assets:					
Cash and pooled investments	\$ 15,879	\$ 10,268	\$ 24,036	\$ 3,023	\$ 35,250
Other receivables (net of allowance)	415	127	89	16	1,048
Due from other funds	20,672	5,632	15,415	5,413	23,521
Due from other governments	4,403	80	3,351	60	11,423
Inventories	3,396	3,833	455	435	-
Prepaid expenses	274	-	-	91	-
Total Current Assets	45,039	19,940	43,346	9,038	71,242
Other Assets:					
Investments, noncurrent	-	461	-	-	43,665
Total Other Assets	-	461	-	-	43,665
Fixed Assets:					
Land	1,428	-	-	-	-
Buildings	52,458	77	-	-	-
Other improvements and miscellaneous	12,636	-	12,268	-	-
Furnishings and equipment	45,691	265,094	114,646	10,887	1,017
Accumulated depreciation	(38,809)	(121,943)	(72,425)	(4,827)	(433)
Construction in progress	15,554	-	162	-	-
Total Fixed Assets	88,958	143,228	54,651	6,060	584
Total Assets	\$ 133,997	\$ 163,629	\$ 97,997	\$ 15,098	\$ 115,491
Liabilities and Equity					
Current Liabilities:					
Accounts payable	\$ 5,370	\$ 3,234	\$ 10,884	\$ 2,775	\$ 8,734
Contracts and retainages payable	6,412	252	-	-	15,310
Accrued liabilities	7,032	311	1,394	965	234
Obligations under security lending agreements	-	428	-	-	6,003
Due to other funds	4,447	1,031	1,576	371	22,910
Due to other governments	170	-	-	-	-
Deferred revenues	421	-	-	-	210
Claims and judgments payable, current	-	-	-	-	43,147
Total Current Liabilities	23,852	5,256	13,854	4,111	96,548
Long-Term Liabilities:					
Claims and judgments payable, long-term	-	-	-	-	-
Other long-term obligations	51,804	1,480	3,515	-	364
Total Long-Term Liabilities	51,804	1,480	3,515	-	364
Total Liabilities	75,656	6,736	17,369	4,111	96,912
Equity:					
Contributed capital	20,223	48,535	19,149	-	-
Retained earnings (deficit)	38,118	108,358	61,479	10,987	18,579
Total Equity	58,341	156,893	80,628	10,987	18,579
Total Liabilities and Equity	\$ 133,997	\$ 163,629	\$ 97,997	\$ 15,098	\$ 115,491

Risk Management	Higher Education Revolving	Totals	
		June 30, 2001	June 30, 2000
\$ -	\$ 7,237	\$ 95,693	\$ 141,111
-	1,838	3,533	3,905
1,003	36,623	108,279	133,931
1,716	963	21,996	17,541
-	11,477	19,596	18,931
1,621	20	2,006	1,979
4,340	58,158	251,103	317,398
-	973	45,099	33,292
-	973	45,099	33,292
-	30	1,458	1,458
-	5,274	57,809	57,870
-	37	24,941	13,872
-	66,923	504,258	506,696
-	(47,782)	(286,219)	(300,384)
-	81	15,797	19,549
-	24,563	318,044	299,061
\$ 4,340	\$ 83,694	\$ 614,246	\$ 649,751
\$ 19	\$ 6,633	\$ 37,649	\$ 37,110
-	384	22,358	11,669
6	8,234	18,176	16,415
-	-	6,431	440
6,730	15,428	52,493	66,546
-	-	170	273
-	56	687	2,931
35,202	-	78,349	76,037
41,957	30,735	216,313	211,421
233,535	-	233,535	199,476
-	6,754	63,917	68,464
233,535	6,754	297,452	267,940
275,492	37,489	513,765	479,361
-	1,407	89,314	84,234
(271,152)	44,798	11,167	86,156
(271,152)	46,205	100,481	170,390
\$ 4,340	\$ 83,694	\$ 614,246	\$ 649,751

Combining Statement of Revenues, Expenses, and Changes in Equity

Internal Service Funds

For the Fiscal Year Ended June 30, 2001 (expressed in thousands)

	Central Services	Equipment Revolving	Data Processing Revolving	Printing Services	State Employees' Insurance
Operating Revenues:					
Sales	\$ 17,940	\$ 4,225	\$ 30,624	\$ 36,740	\$ -
Less: Cost of goods sold	14,203	1,218	30,080	32,397	-
Gross profit	3,737	3,007	544	4,343	-
Charges for services	203,190	55,509	119,453	-	329
Earnings on investments	-	-	-	-	4,258
Insurance premiums	4,571	-	-	-	738,052
Miscellaneous revenue	15,892	16	-	1	6
Total Operating Revenues	227,390	58,532	119,997	4,344	742,645
Operating Expenses:					
Salaries and wages	100,562	12,525	27,157	1,831	4,118
Employee benefits	23,899	2,119	6,131	491	995
Personal services	10,236	153	3,544	51	1,041
Goods and services	68,752	17,857	63,549	2,204	2,862
Travel	2,443	216	364	46	63
Insurance premiums and claims	-	-	-	-	711,567
Depreciation and amortization	6,180	17,684	19,436	812	124
Miscellaneous expenses	4,253	1,692	3,170	291	14,220
Total Operating Expenses	216,325	52,246	123,351	5,726	734,990
Operating Income (Loss)	11,065	6,286	(3,354)	(1,382)	7,655
Nonoperating Revenues (Expenses):					
Other revenues (expenses)	507	4	(126)	(172)	(94)
Earnings (losses) on investments	580	486	-	-	176
Interest expense	(2,111)	(29)	-	-	(5)
Total Nonoperating Revenues (Expenses)	(1,024)	461	(126)	(172)	77
Income (Loss) Before Operating Transfers	10,041	6,747	(3,480)	(1,554)	7,732
Operating Transfers:					
Operating transfers in	73	-	-	-	50,709
Operating transfers out	(6,676)	(9)	(117)	-	(51,148)
Net Operating Transfers In (Out)	(6,603)	(9)	(117)	-	(439)
Net Income (Loss)	3,438	6,738	(3,597)	(1,554)	7,293
Equity:					
Equity as restated, July 1	54,832	146,559	83,833	12,541	11,286
Residual equity transfers in (out)	-	(1,000)	-	-	-
Contributions of capital	71	4,596	392	-	-
Return of contributed capital	-	-	-	-	-
Equity, June 30	\$ 58,341	\$ 156,893	\$ 80,628	\$ 10,987	\$ 18,579

Risk Management	Higher Education Revolving	Totals for the Year Ended	
		June 30, 2001	June 30, 2000
\$ -	\$ 43,391	\$ 132,920	\$ 140,687
-	37,902	115,800	122,235
-	5,489	17,120	18,452
5,202	152,839	536,522	516,925
-	-	4,258	2,923
35,583	-	778,206	674,005
3,800	8,501	28,216	19,794
44,585	166,829	1,364,322	1,232,099
-	60,782	206,975	207,849
-	14,357	47,992	46,437
-	3,884	18,909	13,813
18,825	76,646	250,695	230,094
-	1,142	4,274	4,004
112,797	-	824,364	735,279
-	5,850	50,086	47,790
-	6,608	30,234	27,247
131,622	169,269	1,433,529	1,312,513
(87,037)	(2,440)	(69,207)	(80,414)
-	(1,192)	(1,073)	1,374
-	1,389	2,631	2,312
-	(669)	(2,814)	(3,096)
-	(472)	(1,256)	590
(87,037)	(2,912)	(70,463)	(79,824)
-	18,747	69,529	67,735
-	(15,049)	(72,999)	(57,486)
-	3,698	(3,470)	10,249
(87,037)	786	(73,933)	(69,575)
(184,115)	45,454	170,390	228,615
-	(55)	(1,055)	(210)
-	20	5,079	11,581
-	-	-	(21)
\$ (271,152)	\$ 46,205	\$ 100,481	\$ 170,390

Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended June 30, 2001 (expressed in thousands)

	Central Services	Equipment Revolving	Data Processing Revolving	Printing Services
Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ 11,065	\$ 6,286	\$ (3,354)	\$ (1,382)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:				
Depreciation	6,180	17,684	19,436	812
Interest revenue reported as operating	-	-	-	-
Other revenues	49	-	347	43
Other expenses	-	(389)	-	-
Changes in Assets: Decrease (Increase)				
Receivables (net of allowance)	318	24	(17)	(8)
Due from other funds	7,090	2,657	318	447
Due from other governments	(438)	(15)	(58)	7
Inventories	(328)	(938)	18	467
Prepaid expenses	10	-	-	(29)
Changes in Liabilities: Increase (Decrease)				
Accounts payable	(828)	(734)	(1,407)	1,959
Contracts and retainages payable	854	-	-	-
Accrued liabilities	315	37	128	455
Due to other funds	(2,199)	(678)	(238)	329
Due to other governments	(75)	(1)	-	-
Deferred revenues	28	(2,174)	-	-
Claims and judgments payable	-	-	-	-
Other long-term obligations	64	(1,099)	169	-
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	22,105	20,660	15,342	3,100
Cash Flows from Noncapital Financing Activities:				
Operating transfers in	73	-	-	-
Operating transfers out	(6,676)	(9)	(117)	-
Fund equity transfers in	-	-	-	-
Fund equity transfers out	-	(1,000)	-	-
Net Cash or Cash Equivalents Provided by (Used in) Noncapital Financing Activities	(6,603)	(1,009)	(117)	-
Cash Flows from Capital and Related Financing Activities:				
Payments for interest	(2,111)	(29)	-	-
Acquisitions of fixed assets	(16,319)	(32,660)	(21,263)	(4,873)
Proceeds from sale of fixed assets	8,602	8,980	1,392	1,436
Proceeds from long-term capital financing	71	-	-	-
Payment of other long-term obligations	(5,881)	(341)	-	-
Net Cash or Cash Equivalents Provided by (Used in) Capital and Related Financing Activities	(15,638)	(24,050)	(19,871)	(3,437)
Cash Flows from Investing Activities:				
Receipt of interest	580	364	-	-
Proceeds from sale of investment securities	-	-	-	-
Purchases of investment securities	-	-	-	-
Net Cash Provided by (Used in) Investing Activities	580	364	-	-
Net Increase (Decrease) in Cash and Pooled Investments	444	(4,035)	(4,646)	(337)
Cash and Pooled Investments, July 1	15,435	14,303	28,682	3,360
Cash and Pooled Investments, June 30	\$ 15,879	\$ 10,268	\$ 24,036	\$ 3,023
Noncash Investing, Capital, and Financing Activities:				
Acquisition of capital assets with capital leases and COPs	\$ 1,475	\$ -	\$ -	\$ -
Capital lease and COP liabilities incurred in acquiring capital assets	(1,475)	-	-	-
Contributions of noncash assets	-	4,596	392	-
Return of contributed assets	-	-	-	-
Increase (decrease) in fair value of investments	-	122	-	-

State of Washington

State Employees' Insurance	Risk Management	Higher Education Revolving	Totals for the Year Ended	
			June 30, 2001	June 30, 2000
\$ 7,655	\$ (87,037)	\$ (2,440)	\$ (69,207)	\$ (80,414)
124	-	5,850	50,086	47,790
(4,258)	-	-	(4,258)	(2,923)
-	-	-	439	1,585
(89)	-	(736)	(1,214)	(107)
(87)	-	138	368	(1,486)
19,711	(810)	(3,761)	25,652	(62,370)
(1,843)	(1,716)	(388)	(4,451)	(2,422)
-	-	116	(665)	(3,031)
-	-	(8)	(27)	(1,289)
228	19	1,303	540	(4,463)
10,612	-	(24)	11,442	(9,657)
7,909	-	799	9,643	12,099
(20,051)	5,364	3,419	(14,054)	37,102
-	-	(26)	(102)	(311)
(97)	-	-	(2,243)	(2,360)
-	28,491	-	28,491	101,956
(7)	-	196	(677)	1,201
19,807	(55,689)	4,438	29,763	30,900
50,709	-	18,747	69,529	67,735
(51,148)	-	(15,049)	(72,999)	(57,486)
-	-	-	-	15,971
-	-	(55)	(1,055)	(16,181)
(439)	-	3,643	(4,525)	10,039
(5)	-	(669)	(2,814)	(3,096)
(221)	-	(7,416)	(82,752)	(69,271)
2	-	373	20,785	17,977
-	-	-	71	-
(50)	-	(742)	(7,014)	(16,053)
(274)	-	(8,454)	(71,724)	(70,443)
3,892	-	1,321	6,157	5,448
36,740	-	1,019	37,759	3,129
(41,874)	-	(974)	(42,848)	(2,736)
(1,242)	-	1,366	1,068	5,841
17,852	(55,689)	993	(45,418)	(23,663)
17,398	55,689	6,244	141,111	164,774
\$ 35,250	\$ -	\$ 7,237	\$ 95,693	\$ 141,111
\$ -	\$ -	\$ -	\$ 1,475	\$ 358
-	-	-	(1,475)	(358)
-	-	20	5,008	11,581
-	-	-	-	(21)
542	-	68	732	(213)

Schedule of Appropriated Expenses - Budget and Actual

Internal Service Funds

Continued

For the Biennium Ended June 30, 2001 (expressed in thousands)

	Approved Budget 1999-01 Biennium	Actual for 1999-01 Biennium	Variance Favorable (Unfavorable)
Fund/Appropriation			
Central Services Fund			
Archives and Records Management Account			
Salaries and expenses	\$ 8,756	\$ 8,307	\$ 449
Microfilm bureau	1,252	1,091	161
Legal Services Revolving Account			
Salaries and expenses	117,311	108,904	8,407
Vulnerable adults	486	486	-
General Administration Services Account			
Salaries and expenses	45,976	45,240	736
Commute trip reduction program	27	27	-
Energy Efficiency Services Account			
Salaries and expenses	431	276	155
Department of Personnel Service Account			
Salaries and expenses - Department of Personnel	15,951	15,927	24
Salaries and expenses - Secretary of State	681	644	37
Salaries and expenses - Personnel Appeals Board	1,602	1,595	7
Employment application processing system	515	515	-
Executive fellowship program	190	161	29
Combined fund drive	108	108	-
Retiree charity deduction	52	52	-
Office of Minority and Women's Business Enterprises Account (OMWBE)			
Salaries and expenses	2,546	1,944	602
Higher Education Personnel Services Account			
Higher education personnel services	1,640	1,640	-
Auditing Services Revolving Account			
Salaries and expenses	12,728	12,488	240
Administrative Hearings Revolving Account			
Salaries and expenses	20,762	20,171	591
Total Central Services Fund	\$ 231,014	\$ 219,576	\$ 11,438

Schedule of Appropriated Expenses - Budget and Actual

Internal Service Funds

Concluded

For the Biennium Ended June 30, 2001 (expressed in thousands)

Approved Budget 1999-01 Biennium	Actual for 1999-01 Biennium	Variance Favorable (Unfavorable)
---	--------------------------------------	--

Fund/Appropriation

Data Processing Revolving Fund

Data Processing Revolving Account

Salaries and expenses	\$ 3,605	\$ 3,602	\$ 3
Digital government allocation - CTED	300	298	2
Digital government allocation - Financial management	235	197	38
Digital government allocation - Information services	171	171	-
Digital government allocation - Licensing	3,294	3,291	3

Total Data Processing Revolving Fund

\$ 7,605	\$ 7,559	\$ 46
----------	----------	-------

State Employees' Insurance Fund

Health Care Authority Administrative Account

Salaries and expenses	\$ 16,152	\$ 16,077	\$ 75
Uniform medical plan contract	442	429	13
Insurance information systems study	111	66	45
Year 2000 allocation	1,456	1,446	10

Total State Employees' Insurance Fund

\$ 18,161	\$ 18,018	\$ 143
-----------	-----------	--------

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 that 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. Refer to 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.

School Employees' Retirement System Plan 2/3 Defined Benefit Fund membership is limited to non-certified employees of school districts and educational service districts, who joined the system by September 1, 2000.

School Employees' Retirement System Plan 3 Defined Contribution Fund membership is limited to certified employees of school districts and educational service districts, who joined the system subsequent to September 1, 2000.

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 System 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 Fire Fighters' Retirement System 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, 2001 (expressed in thousands)

	Expendable Trust	Non- expendable Trust	Pension and Investment Trust	Agency	Totals	
					June 30, 2001	June 30, 2000
Assets						
Current Assets:						
Cash and pooled investments	\$ 2,365,889	\$ 23,801	\$ 5,013,466	\$ 344,913	\$ 7,748,069	\$ 6,789,873
Investments	127	-	-	-	127	-
Other receivables (net of allowance)	658,043	23,619	312,852	81,625	1,076,139	827,074
Due from other funds	63,589	53,763	7,055	599,900	724,307	711,624
Due from other governments	342,625	21	-	21,551	364,197	321,155
Inventories	155	-	-	-	155	150
Total Current Assets	3,430,428	101,204	5,333,373	1,047,989	9,912,994	8,649,876
Other Assets:						
Investments, noncurrent	1,608,030	1,909,893	46,160,509	-	49,678,432	52,497,757
Other nonfixed assets	-	13,616	-	82,154	95,770	111,615
Total Other Assets	1,608,030	1,923,509	46,160,509	82,154	49,774,202	52,609,372
Total Assets	\$ 5,038,458	\$ 2,024,713	\$ 51,493,882	\$ 1,130,143	\$ 59,687,196	\$ 61,259,248
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 14,568	\$ -	\$ -	\$ 9,937	\$ 24,505	\$ 17,629
Contracts and retainages payable	1,221	1,680	-	16,486	19,387	20,877
Accrued liabilities	27,476	9,732	131,406	305,568	474,182	1,171,890
Obligations under security lending agreements	37,898	146,885	2,349,142	10,756	2,544,681	1,914,817
Due to other funds	11,582	175,205	10,073	308,070	504,930	536,842
Due to other governments	17,832	-	-	391,118	408,950	366,854
Deferred revenues	230,567	-	-	-	230,567	205,516
Claims and judgments payable, current	687	-	-	-	687	687
Other long-term obligations	20,443	-	-	88,208	108,651	114,650
Total Liabilities	362,274	333,502	2,490,621	1,130,143	4,316,540	4,349,762
Fund Balances:						
Reserved for encumbrances	83,457	-	-	-	83,457	47,440
Reserved for inventories	155	-	-	-	155	150
Reserved for nonexpendable trust corpus	-	1,691,211	-	-	1,691,211	1,677,068
Reserved for unemployment compensation	1,956,833	-	-	-	1,956,833	1,861,177
Reserved for pension benefits	-	-	44,012,695	-	44,012,695	47,521,674
Reserved for local gov't investment pool participants	-	-	4,990,566	-	4,990,566	3,321,353
Reserved for other specific purposes	1,817,901	-	-	-	1,817,901	1,942,781
Unreserved, designated for higher education	4,408	-	-	-	4,408	4,408
Unreserved, designated for other specific purposes	55	-	-	-	55	-
Unreserved, undesignated	813,375	-	-	-	813,375	533,435
Total Fund Balances	4,676,184	1,691,211	49,003,261	-	55,370,656	56,909,486
Total Liabilities and Fund Balances	\$ 5,038,458	\$ 2,024,713	\$ 51,493,882	\$ 1,130,143	\$ 59,687,196	\$ 61,259,248

Combining Balance Sheet

Expendable Trust Funds

June 30, 2001 (expressed in thousands)

	Human Services Trust	Higher Education Trust	Deferred Compensation Trust	Miscellaneous Trust	Totals	
					June 30, 2001	June 30, 2000
Assets:						
Cash and pooled investments	\$ 2,042,277	\$ 31,876	\$ 94	\$ 291,642	\$ 2,365,889	\$ 2,533,682
Investments	-	127	-	-	127	-
Other receivables (net of allowance)	331,371	113,926	-	212,746	658,043	356,730
Due from other funds	3,466	45,930	-	14,193	63,589	52,924
Due from other governments	19,150	1,803	-	321,672	342,625	298,010
Inventories	-	24	-	131	155	150
Investments, noncurrent	6,609	114,523	1,463,914	22,984	1,608,030	1,439,559
Total Assets	\$ 2,402,873	\$ 308,209	\$ 1,464,008	\$ 863,368	\$ 5,038,458	\$ 4,681,055
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 8,716	\$ 2,554	\$ -	\$ 3,298	\$ 14,568	\$ 10,229
Contracts and retainages payable	-	90	-	1,131	1,221	897
Accrued liabilities	10,186	5,119	70	12,101	27,476	23,418
Obligations under security lending agreements	14,803	575	13	22,507	37,898	6,586
Due to other funds	1,173	7,111	8	3,290	11,582	15,767
Due to other governments	855	152	-	16,825	17,832	7,659
Deferred revenues	5,145	1,031	-	224,391	230,567	205,513
Claims and judgments payable, current	-	-	-	687	687	687
Other long-term obligations	-	-	-	20,443	20,443	20,908
Total Liabilities	40,878	16,632	91	304,673	362,274	291,664
Fund Balances:						
Reserved for encumbrances	-	-	-	83,457	83,457	47,440
Reserved for inventories	-	24	-	131	155	150
Reserved for unemployment compensation	1,956,833	-	-	-	1,956,833	1,861,177
Reserved for other specific purposes	6,081	210,597	1,311,889	289,334	1,817,901	1,942,781
Unreserved, designated for higher education	-	4,408	-	-	4,408	4,408
Unreserved, designated for other specific purposes	29	-	-	26	55	-
Unreserved, undesignated	399,052	76,548	152,028	185,747	813,375	533,435
Total Fund Balances	2,361,995	291,577	1,463,917	558,695	4,676,184	4,389,391
Total Liabilities and Fund Balances	\$ 2,402,873	\$ 308,209	\$ 1,464,008	\$ 863,368	\$ 5,038,458	\$ 4,681,055

Combining Balance Sheet

Nonexpendable Trust Funds

June 30, 2001 (expressed in thousands)

	Higher Education Endowment	Common School Permanent	Totals	
			June 30, 2001	June 30, 2000
Assets:				
Cash and pooled investments	\$ 23,749	\$ 52	\$ 23,801	\$ 3,882
Other receivables (net of allowance)	21,453	2,166	23,619	27,795
Due from other funds	53,763	-	53,763	59,425
Due from other governments	-	21	21	-
Investments, noncurrent	1,738,220	171,673	1,909,893	1,810,766
Other nonfixed assets	13,616	-	13,616	18,061
Total Assets	\$ 1,850,801	\$ 173,912	\$ 2,024,713	\$ 1,919,929
Liabilities and Fund Balance				
Liabilities:				
Contracts and retainages payable	\$ 1,680	\$ -	\$ 1,680	\$ 2,427
Accrued liabilities	9,584	148	9,732	11,878
Obligations under security lending agreements	134,055	12,830	146,885	61,215
Due to other funds	174,295	910	175,205	167,138
Deferred revenues	-	-	-	3
Other long-term obligations	-	-	-	200
Total Liabilities	319,614	13,888	333,502	242,861
Fund Balance:				
Reserved for nonexpendable trust corpus	1,531,187	160,024	1,691,211	1,677,068
Total Fund Balance	1,531,187	160,024	1,691,211	1,677,068
Total Liabilities and Fund Balance	\$ 1,850,801	\$ 173,912	\$ 2,024,713	\$ 1,919,929

Combining Statement of Net Assets

Pension and Investment Trust Funds

June 30, 2001 (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	School Employees' Plan 2/3 Defined Benefit	School Employees' Plan 3 Defined Contribution
Assets:							
Cash and pooled investments	\$ 5,636	\$ 940	\$ 4,956	\$ 1,232	\$ 911	\$ 700	\$ 250
Receivables:							
Interest and dividends	48,858	48,390	42,053	15,531	3,881	6,186	1,677
Contributions	7,768	21,599	9,667	13,134	-	4,641	-
Due from other funds	3,520	312	124	8	-	3,051	-
Other	7,485	6,678	6,058	2,105	526	837	227
Total Receivables	67,631	76,979	57,902	30,778	4,407	14,715	1,904
Investments, Noncurrent:							
Equity in CTF	10,646,546	10,579,152	9,168,901	3,392,296	852,273	1,355,582	364,458
Other noncurrent investments	1,628	392	1,288	371	813,523	167	140,984
Total Investments, Noncurrent	10,648,174	10,579,544	9,170,189	3,392,667	1,665,796	1,355,749	505,442
Total Assets	10,721,441	10,657,463	9,233,047	3,424,677	1,671,114	1,371,164	507,596
Liabilities:							
Obligations under security lending agreements	484,399	480,130	417,058	154,363	38,485	61,531	16,634
Accrued liabilities	21,859	12,626	17,839	4,277	579	1,425	490
Due to other funds	643	4,516	275	592	-	3,723	-
Total Liabilities	506,901	497,272	435,172	159,232	39,064	66,679	17,124
Net Assets Held in Trust for Pension and Investment Pool Participants (Schedule of funding progress by plan begins on page 96)	\$ 10,214,540	\$ 10,160,191	\$ 8,797,875	\$ 3,265,445	\$ 1,632,050	\$ 1,304,485	\$ 490,472

State of Washington

LEOFF Plan 1	LEOFF Plan 2	Washington State Patrol Retirement System	Judicial Retirement System	Judicial Retirement Account	Judges' Retirement Fund	Volunteer Fire Fighters' Retirement System	Local Gov't Investment Pool	Totals	
								June 30, 2001	June 30, 2000
\$ 1,915	\$ 456	\$ 489	\$ 344	\$ 6	\$ 4,910	\$ 4,375	\$ 4,986,346	\$ 5,013,466	\$ 3,782,623
23,869	11,203	3,149	34	-	-	549	13,803	219,183	222,927
-	7,472	82	18	-	1	-	-	64,382	54,235
7	6	1	2	-	19	5	-	7,055	14,628
3,297	1,550	428	22	-	-	74	-	29,287	46,399
27,173	20,231	3,660	76	-	20	628	13,803	319,907	338,189
5,200,381	2,452,675	686,996	9,517	-	-	119,823	-	44,828,600	48,397,225
705	93	89	68	9,361	781	183	362,276	1,331,909	850,207
5,201,086	2,452,768	687,085	9,585	9,361	781	120,006	362,276	46,160,509	49,247,432
5,230,174	2,473,455	691,234	10,005	9,367	5,711	125,009	5,362,425	51,493,882	53,368,244
236,525	111,312	31,242	64	1	741	5,605	311,052	2,349,142	1,846,035
7,381	2,730	1,130	149	-	12	137	60,772	131,406	663,571
106	177	5	-	-	-	1	35	10,073	15,611
244,012	114,219	32,377	213	1	753	5,743	371,859	2,490,621	2,525,217
\$ 4,986,162	\$ 2,359,236	\$ 658,857	\$ 9,792	\$ 9,366	\$ 4,958	\$ 119,266	\$ 4,990,566	\$ 49,003,261	\$ 50,843,027

Combining Statement of Assets and Liabilities

Agency Funds

June 30, 2001 (expressed in thousands)

	Clearing	Suspense	Local Gov't Distrib.	Pooled Investments	Totals	
					June 30, 2001	June 30, 2000
Assets:						
Cash and pooled investments	\$ 13,187	\$ 15,762	\$ 80,244	\$ 235,720	\$ 344,913	\$ 469,686
Other receivables (net of allowance)	458	7,658	-	73,509	81,625	118,988
Due from other funds	2,386	11,288	314,936	271,290	599,900	584,647
Due from other governments	1	9,058	-	12,492	21,551	23,145
Other nonfixed assets	-	82,154	-	-	82,154	93,554
Total Assets	\$ 16,032	\$ 125,920	\$ 395,180	\$ 593,011	\$ 1,130,143	\$ 1,290,020
Liabilities:						
Accounts payable	\$ 3,294	\$ 2,127	\$ -	\$ 4,516	\$ 9,937	\$ 7,400
Contracts and retainages payable	14	13,833	-	2,639	16,486	17,553
Accrued liabilities	12,446	4,399	2,051	286,672	305,568	473,023
Oblig. under securities lend. agree.	-	622	10,134	-	10,756	981
Due to other funds	133	8,741	18	299,178	308,070	338,326
Due to other governments	145	14,062	376,905	6	391,118	359,195
Other long-term obligations	-	82,136	6,072	-	88,208	93,542
Total Liabilities	\$ 16,032	\$ 125,920	\$ 395,180	\$ 593,011	\$ 1,130,143	\$ 1,290,020

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

Expendable Trust Funds

For the Fiscal Year Ended June 30, 2001 (expressed in thousands)

	Human Services Trust	Higher Education Trust	Deferred Compensation Trust	Miscellaneous Trust	Totals for the Year Ended	
					June 30, 2001	June 30, 2000
Revenues:						
Retail sales and use taxes	\$ -	\$ -	\$ -	\$ 20,011	\$ 20,011	\$ 15,350
Licenses, permits, and fees	279	463	-	1,598	2,340	1,874
Other contracts and grants	996	72,126	-	4,060	77,182	77,121
Federal grants-in-aid	73,486	131,977	-	188,479	393,942	360,593
Charges for services	177,187	20,962	68	8,848	207,065	242,174
Unemployment compensation contributions	947,061	-	-	-	947,061	939,475
Investment gains (losses)	133,274	24,758	(174,302)	17,702	1,432	276,696
Miscellaneous revenue	36,241	11,541	107,025	69,361	224,168	193,443
Total Revenues	1,368,524	261,827	(67,209)	310,059	1,873,201	2,106,726
Expenditures:						
Current:						
General government	336	-	56,442	173,595	230,373	175,278
Human services	1,103,851	-	-	2,130	1,105,981	957,186
Natural resources and recreation	-	970	-	5,111	6,081	2,978
Transportation	-	-	-	163,500	163,500	133,944
Education	41,645	268,167	-	2,388	312,200	281,662
Capital outlays	131	1,510	-	14,829	16,470	6,670
Debt service:						
Principal	-	45	-	-	45	1,746
Interest	-	1	-	6	7	14
Total Expenditures	1,145,963	270,693	56,442	361,559	1,834,657	1,559,478
Excess of Revenues Over (Under) Expenditures	222,561	(8,866)	(123,651)	(51,500)	38,544	547,248
Other Financing Sources (Uses):						
Bond sale proceeds	-	-	-	-	-	196,941
Operating transfers in	4,330	59,862	-	29,979	94,171	193,533
Operating transfers out	(132,300)	(38,049)	-	(58,141)	(228,490)	(261,267)
Total Other Financing Sources (Uses)	(127,970)	21,813	-	(28,162)	(134,319)	129,207
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	94,591	12,947	(123,651)	(79,662)	(95,775)	676,455
Fund Balances:						
Fund balances as restated, July 1	2,267,404	278,878	1,587,568	638,357	4,772,207	3,713,108
Residual equity transfers in	-	-	-	-	-	5
Residual equity transfers out	-	(248)	-	-	(248)	(177)
Fund Balances, June 30	\$ 2,361,995	\$ 291,577	\$ 1,463,917	\$ 558,695	\$ 4,676,184	\$ 4,389,391

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

Nonexpendable Trust Funds

For the Fiscal Year Ended June 30, 2001 (expressed in thousands)

	Higher Education Endowment	Common School Permanent	Totals for the Year Ended	
			June 30, 2001	June 30, 2000
Operating Revenues:				
Earnings on investments	\$ 10,965	\$ 16,205	\$ 27,170	\$ 190,791
Miscellaneous revenue	54,256	606	54,862	72,219
Total Operating Revenues	65,221	16,811	82,032	263,010
Nonoperating Revenues (Expenses):				
Other revenues (expenses)	(127)	708	581	812
Income (Loss) Before Operating Transfers	65,094	17,519	82,613	263,822
Operating Transfers:				
Operating transfers in	26,558	1,978	28,536	16,166
Operating transfers out	(86,852)	(10,153)	(97,005)	(80,544)
Net Operating Transfers In (Out)	(60,294)	(8,175)	(68,469)	(64,378)
Net Income (Loss)	4,800	9,344	14,144	199,444
Fund Balances:				
Fund balance as restated, July 1	1,526,388	150,680	1,677,068	1,477,626
Residual equity transfers in (out)	(1)	-	(1)	(2)
Fund Balances, June 30	\$ 1,531,187	\$ 160,024	\$ 1,691,211	\$ 1,677,068

Combining Statement of Cash Flows

Nonexpendable Trust Funds

For the Fiscal Year Ended June 30, 2001 (expressed in thousands)

	Higher Education Endowment	Common School Permanent	Totals for the Year Ended	
			June 30, 2001	June 30, 2000
Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ 65,221	\$ 16,811	\$ 82,032	\$ 263,010
Adjustments to Reconcile Operating Income to Net Cash Provided by Operations:				
Interest revenue reported as operating	(10,965)	(16,205)	(27,170)	(190,791)
Other revenues	-	708	708	857
Other expenses	(127)	-	(127)	(45)
Changes in Assets: Decrease (Increase)				
Receivables (net of allowance)	4,059	118	4,177	(8,912)
Due from other funds	5,662	-	5,662	(58,374)
Due from other governments	-	(21)	(21)	6
Other nonfixed assets	4,444	-	4,444	797
Changes in Liabilities: Increase (Decrease)				
Contracts and retainages payable	(747)	-	(747)	(568)
Accrued liabilities	(2,067)	(79)	(2,146)	5,294
Due to other funds	8,063	4	8,067	20,564
Deferred revenues	(3)	-	(3)	3
Other long-term obligations	(201)	-	(201)	(1,340)
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	73,339	1,336	74,675	30,501
Cash Flows from Noncapital Financing Activities:				
Operating transfers in	26,558	1,978	28,536	16,166
Operating transfers out	(86,852)	(10,153)	(97,005)	(80,544)
Fund equity transfers (out)	(1)	-	(1)	(2)
Net Cash or Cash Equivalents Provided by (Used in) Noncapital Financing Activities	(60,295)	(8,175)	(68,470)	(64,380)
Cash Flows from Capital and Related Financing Activities:				
Proceeds from sale of fixed assets	-	-	-	46
Net Cash or Cash Equivalents Provided by (Used in) Capital and Related Financing Activities	-	-	-	46
Cash Flows from Investing Activities:				
Receipt of interest	120,569	11,175	131,744	141,435
Proceeds from sale of investment securities	189,682	41,383	231,065	347,670
Purchases of investment securities	(303,330)	(45,765)	(349,095)	(500,369)
Net Cash Provided by (Used in) Investing Activities	6,921	6,793	13,714	(11,264)
Net Increase (Decrease) in Cash and Pooled Investments	19,965	(46)	19,919	(45,097)
Cash and Pooled Investments, July 1	3,784	98	3,882	48,979
Cash and Pooled Investments, June 30	\$ 23,749	\$ 52	\$ 23,801	\$ 3,882
Noncash Investing, Capital, and Financing Activities:				
Increase (decrease) in fair value of investments	\$ (109,604)	\$ 5,030	(\$ 104,574)	\$ 49,356

Combining Statement of Changes in Assets and Liabilities

Agency Funds

Continued

For the Fiscal Year Ended June 30, 2001 (expressed in thousands)

	Balance July 1, 2000	Additions	Deductions	Balance June 30, 2001
<u>Clearing Fund</u>				
Assets:				
Cash and pooled investments	\$ 12,652	\$ 3,151,310	\$ 3,150,775	\$ 13,187
Other receivables (net of allowance)	468	591	601	458
Due from other funds	2,170	231	15	2,386
Due from other governments	3	11	13	1
Total Assets	\$ 15,293	\$ 3,152,143	\$ 3,151,404	\$ 16,032
Liabilities:				
Accounts payable	\$ 3,208	\$ 14,587	\$ 14,501	\$ 3,294
Contracts and retainages payable	10	4	-	14
Accrued liabilities	11,857	3,162,397	3,161,808	12,446
Due to other funds	77	1,835	1,779	133
Due to other governments	141	6	2	145
Total Liabilities	\$ 15,293	\$ 3,178,829	\$ 3,178,090	\$ 16,032
<u>Suspense Fund</u>				
Assets:				
Cash and pooled investments	\$ 6,993	\$ 580,050	\$ 571,281	\$ 15,762
Other receivables (net of allowance)	39,634	68,664	100,640	7,658
Due from other funds	39,805	9,606	38,123	11,288
Due from other governments	11,358	625	2,925	9,058
Other nonfixed assets	93,554	51,683	63,083	82,154
Total Assets	\$ 191,344	\$ 710,628	\$ 776,052	\$ 125,920
Liabilities:				
Accounts payable	\$ 2,154	\$ 11,196	\$ 11,223	\$ 2,127
Contracts and retainages payable	15,456	29,695	31,318	13,833
Accrued liabilities	4,885	419,093	419,579	4,399
Obligations under security lending agreements	43	579	-	622
Due to other funds	66,163	43,854	101,276	8,741
Due to other governments	9,101	113,416	108,455	14,062
Other long-term obligations	93,542	51,683	63,089	82,136
Total Liabilities	\$ 191,344	\$ 669,516	\$ 734,940	\$ 125,920
<u>Local Government Distributions Fund</u>				
Assets:				
Cash and pooled investments	\$ 64,039	\$ 1,754,285	\$ 1,738,080	\$ 80,244
Due from other funds	286,980	28,066	110	314,936
Due from other governments	82	-	82	-
Total Assets	\$ 351,101	\$ 1,782,351	\$ 1,738,272	\$ 395,180
Liabilities:				
Accrued liabilities	\$ 196	\$ 1,867	\$ 12	\$ 2,051
Obligations under security lending agreements	938	9,196	-	10,134
Due to other funds	20	-	2	18
Due to other governments	349,947	1,779,351	1,752,393	376,905
Other long-term obligations	-	6,072	-	6,072
Total Liabilities	\$ 351,101	\$ 1,796,486	\$ 1,752,407	\$ 395,180

Combining Statement of Changes in Assets and Liabilities

Agency Funds

Concluded

For the Fiscal Year Ended June 30, 2001 (expressed in thousands)

	Balance July 1, 2000	Additions	Deductions	Balance June 30, 2001
<u>Pooled Investments Fund</u>				
Assets:				
Cash and pooled investments	\$ 386,003	\$ 217,149,216	\$ 217,299,499	\$ 235,720
Other receivables (net of allowance)	78,886	87,895	93,272	73,509
Due from other funds	255,691	37,911	22,312	271,290
Due from other governments	11,703	4,548	3,759	12,492
Total Assets	\$ 732,283	\$ 217,279,570	\$ 217,418,842	\$ 593,011
Liabilities:				
Accounts payable	\$ 2,038	\$ 7,230	\$ 4,752	\$ 4,516
Contracts and retainages payable	2,087	119,003	118,451	2,639
Accrued liabilities	456,085	43,099	212,512	286,672
Due to other funds	272,067	617,785	590,674	299,178
Due to other governments	6	-	-	6
Total Liabilities	\$ 732,283	\$ 787,117	\$ 926,389	\$ 593,011
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and pooled investments	\$ 469,686	\$ 222,634,862	\$ 222,759,635	\$ 344,913
Other receivables (net of allowance)	118,988	157,150	194,513	81,625
Due from other funds	584,647	75,813	60,560	599,900
Due from other governments	23,145	5,185	6,779	21,551
Other nonfixed assets	93,554	51,683	63,083	82,154
Total Assets	\$ 1,290,020	\$ 222,924,693	\$ 223,084,570	\$ 1,130,143
Liabilities:				
Accounts payable	\$ 7,400	\$ 33,013	\$ 30,476	\$ 9,937
Contracts and retainages payable	17,553	148,702	149,769	16,486
Accrued liabilities	473,023	3,626,456	3,793,911	305,568
Obligations under security lending	981	9,775	-	10,756
Due to other funds	338,326	663,475	693,731	308,070
Due to other governments	359,195	1,892,773	1,860,850	391,118
Other long-term obligations	93,542	57,755	63,089	88,208
Total Liabilities	\$ 1,290,020	\$ 6,431,949	\$ 6,591,826	\$ 1,130,143

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, 2001 (expressed in thousands)

	Land	Buildings	Furnishings and Equipment	Other** Improvements/ Miscellaneous	Construction in Progress	Balances June 30, 2001
General government	\$ 37,524	\$ 231,169	\$ 15,678	\$ 20,725	\$ 84,686	\$ 389,782
Human services	9,588	657,994	35,699	148,270	397,214	1,248,765
Natural resources and recreation	675,830	136,260	28,517	66,233	1,432	908,272
Transportation	63,114	131,961	546,366	107,655	220,129	1,069,225
Education	156,400	2,501,861	164,351	747,387	411,821	3,981,820
Total General Fixed Assets	\$ 942,456	\$ 3,659,245	\$ 790,611	\$ 1,090,270	\$ 1,115,282	\$ 7,597,864

* Amounts displayed are net of depreciation where appropriate.

**Includes library resources, and museum and art collections.

Schedule of Changes in General Fixed Assets

By Function

For the Fiscal Year Ended June 30, 2001 (expressed in thousands)

	Balances July 1, 2000	Additions	Deletions	Balances June 30, 2001
General government	\$ 479,317	\$ 37,962	\$ (5,053)	\$ 512,226
Accumulated depreciation	(119,431)	(7,204)	4,191	(122,444)
Total General Government	359,886			389,782
Human services	1,658,319	100,394	(40,450)	1,718,263
Accumulated depreciation	(429,747)	(41,086)	1,335	(469,498)
Total Human Services	1,228,572			1,248,765
Natural resources and recreation	1,142,832	25,364	(120,227)	1,047,969
Accumulated depreciation	(133,794)	(9,558)	3,655	(139,697)
Total Natural Resources and Recreation	1,009,038			908,272
Transportation	348,423	1,232,840	(61,410)	1,519,853
Accumulated depreciation	(108,409)	(355,879)	13,660	(450,628)
Total Transportation	240,014			1,069,225
Education	4,994,458	977,319	(451,002)	5,520,775
Accumulated depreciation	(1,436,162)	(149,996)	47,203	(1,538,955)
Total Education	3,558,296			3,981,820
Total General Fixed Assets	\$ 6,395,806			\$ 7,597,864

Comparative Schedule of General Fixed Assets*

By Source

June 30, 2001 and 2000 (expressed in thousands)

	Totals	
	June 30, 2001	June 30, 2000
General Fixed Assets:		
Land	\$ 942,456	\$ 1,022,490
Buildings	3,659,245	3,262,018
Furnishings and equipment	790,611	304,936
Other improvements and miscellaneous	1,090,270	943,706
Construction in progress	1,115,282	862,656
Total General Fixed Assets	\$ 7,597,864	\$ 6,395,806

Investment in General Fixed Assets by Source:

General Fund	\$ 1,859,997	\$ 1,894,161
Special Revenue Funds	1,786,107	930,078
Capital Projects Funds	3,914,301	3,536,744
Expendable Trust Funds	37,459	34,823
Total Investment in General Fixed Assets	\$ 7,597,864	\$ 6,395,806

* 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, 2001 (expressed in thousands)

General Long-Term Obligations	Balance July 1, 2000	Debt Issued	Debt Paid	Other Changes	Balance June 30, 2001
Bonds:					
General obligation (GO)	\$ 6,775,715	1,314,019	(879,239)	-	\$ 7,210,495
GO - zero coupon bonds (principal)	279,210	-	(14,769)	-	264,441
GO - zero coupon bonds accreted interest	125,702	35,617	-	-	161,319
Notes and contract obligations	191,645	23,321	(1,383)	-	213,583
Other Long-Term Obligations:					
Lease obligations (net)	6,135	-	-	9,915	16,050
Compensated absences (net)	324,765	-	-	19,394	344,159
Other obligations (net)	3,863	-	-	3,724	7,587
Claims and judgements (net)	11,596	-	-	(2,391)	9,205
Accrued retirement costs	36,800	-	-	3,300	40,100
	\$ 7,755,431	1,372,957	(895,391)	33,942	\$ 8,266,939

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, 2001 (expressed in thousands)

	Housing Finance	Higher Education Facilities	Health Care Facilities	Economic Development Finance	Public Stadium	Totals	
						June 30, 2001	June 30, 2000
Assets							
Current Assets:							
Cash and pooled investments	\$ 3,053	\$ 677	\$ 831	\$ 28	\$ 75,116	\$ 79,705	\$ 47,438
Investments	29,318	-	432	125	-	29,875	29,922
Other receivables (net of allowance)	1,924	-	248	-	32	2,204	2,327
Total Current Assets	34,295	677	1,511	153	75,148	111,784	79,687
Other Assets:							
Investments, noncurrent	-	-	2,136	-	13,586	15,722	13,497
Other nonfixed assets	13,218	1	-	-	18	13,237	7,005
Total Other Assets	13,218	1	2,136	-	13,604	28,959	20,502
Fixed Assets:							
Buildings	-	-	-	-	73,654	73,654	73,579
Furnishings and equipment	-	-	-	-	3,082	3,082	243
Accumulated depreciation	-	-	-	-	(4,583)	(4,583)	(2,196)
Construction in process	-	-	-	-	258,645	258,645	104,483
Total Fixed Assets	-	-	-	-	330,798	330,798	176,109
Total Assets	\$ 47,513	\$ 678	\$ 3,647	\$ 153	\$ 419,550	\$ 471,541	\$ 276,298
Liabilities and Equity							
Current Liabilities:							
Accounts payable	\$ 1,357	\$ 81	\$ 16	\$ -	\$ 97	\$ 1,551	\$ 1,557
Contracts and retainages payable	-	-	-	-	21,542	21,542	11,167
Accrued liabilities	-	-	17	9	122	148	107
Deferred revenues	94	23	79	-	-	196	244
Total Current Liabilities	1,451	104	112	9	21,761	23,437	13,075
Long-Term Liabilities:							
Other long-term obligations	4,332	-	38	-	28,940	33,310	22,263
Total Long-Term Liabilities	4,332	-	38	-	28,940	33,310	22,263
Total Liabilities	5,783	104	150	9	50,701	56,747	35,338
Equity:							
Contributed capital	-	-	-	-	361,275	361,275	192,274
Retained earnings (deficit)	41,730	574	3,497	144	7,574	53,519	48,686
Total Equity	41,730	574	3,497	144	368,849	414,794	240,960
Total Liabilities and Equity	\$ 47,513	\$ 678	\$ 3,647	\$ 153	\$ 419,550	\$ 471,541	\$ 276,298

Combining Statement of Revenues, Expenses, and Changes in Equity

Component Units

For the Fiscal Year Ended June 30, 2001 (expressed in thousands)

	Housing Finance	Higher Education Facilities	Health Care Facilities	Economic Development Finance	Public Stadium	Totals for the Year Ended	
						June 30, 2001	June 30, 2000
Operating Revenues:							
Charges for services	\$ 7,606	\$ 118	\$ 518	\$ 290	\$ 439	\$ 8,971	\$ 8,497
Total Operating Revenues	7,606	118	518	290	439	8,971	8,497
Operating Expenses:							
Salaries and wages	2,750	-	278	73	663	3,764	3,124
Employee benefits	688	-	54	22	88	852	791
Personal services	308	32	83	-	-	423	501
Goods and services	2,397	149	167	47	775	3,535	2,857
Travel	-	-	16	3	-	19	14
Depreciation and amortization	-	-	-	-	2,388	2,388	2,119
Miscellaneous expenses	376	-	7	-	-	383	590
Total Operating Expenses	6,519	181	605	145	3,914	11,364	9,996
Operating Income (Loss)	1,087	(63)	(87)	145	(3,475)	(2,393)	(1,499)
Nonoperating Revenues (Expenses):							
Earnings (losses) on investments	3,108	44	243	-	2,712	6,107	3,082
Sales tax	-	-	-	-	1,500	1,500	-
Interest expense	(344)	-	-	-	-	(344)	(305)
Total Nonoperating Revenues (Expenses)	2,764	44	243	-	4,212	7,263	2,777
Net Income (Loss)	3,851	(19)	156	145	737	4,870	1,278
Equity:							
Equity, July 1 (as restated)	37,916	593	3,341	(1)	199,111	240,960	105,527
Contributions of capital (return of)	(37)	-	-	-	169,001	168,964	134,155
Equity, June 30	\$ 41,730	\$ 574	\$ 3,497	\$ 144	\$ 368,849	\$ 414,794	\$ 240,960

Combining Statement of Cash Flows

Component Units

For the Fiscal Year Ended June 30, 2001 (expressed in thousands)

	Housing Finance	Higher Education Facilities	Health Care Facilities	Economic Development Finance	Public Stadium	Totals for the Year Ended	
						June 30, 2001	June 30, 2000
Cash Flows from Operating Activities:							
Operating Income (Loss)	\$ 1,087	\$ (63)	\$ (87)	\$ 145	\$ (3,475)	\$ (2,393)	\$ (1,499)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:							
Depreciation	-	-	-	-	2,387	2,387	2,119
Other revenues	-	-	-	-	1,500	1,500	-
Changes in Assets: Decrease (Increase)							
Receivables (net of allowance)	238	-	(63)	-	(32)	143	475
Other nonfixed assets	(6,233)	-	(20)	-	1	(6,252)	(2,113)
Changes in Liabilities: Increase (Decrease)							
Accounts payable	15	(6)	(6)	(3)	(6)	(6)	2,782
Accrued liabilities	-	-	5	9	10,404	10,418	87
Deferred revenues	(64)	7	9	-	-	(48)	35
Other long-term obligations	(646)	-	1	-	11,692	11,047	2,226
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	(5,603)	(62)	(161)	151	22,471	16,796	4,112
Cash Flows from Noncapital Financing Activities:							
Fund equity transfers in	-	-	-	-	-	-	60
Fund equity transfers out	(37)	-	-	-	-	(37)	-
Payments for interest	(344)	-	-	-	-	(344)	(305)
Net Cash or Cash Equivalents Provided by (Used in) Noncapital Financing Activities	(381)	-	-	-	-	(381)	(245)
Cash Flows from Capital and Related Financing Activities:							
Payments for interest	-	-	-	-	-	-	-
Acquisitions of fixed assets	-	-	-	-	(157,077)	(157,077)	(100,051)
Proceeds from long-term capital financing	-	-	-	-	-	-	7,650
Contributions for capital acquisitions	-	-	-	-	169,000	169,000	134,095
Net Cash or Cash Equivalents Provided by (Used in) Capital and Related Financing Activities	-	-	-	-	11,923	11,923	41,694
Cash Flows from Investing Activities:							
Receipt of interest	3,108	44	243	-	2,712	6,107	2,917
Proceeds from sale of investment securities	-	-	1,247	-	-	1,247	1,181
Purchases of investment securities	(643)	-	(1,095)	(125)	(1,562)	(3,425)	(16,637)
Net Cash Provided by (Used in) Investing Activities	2,465	44	395	(125)	1,150	3,929	(12,539)
Net Increase (Decrease) in Cash and Pooled Investments	(3,519)	(18)	234	26	35,544	32,267	33,022
Cash and Pooled Investments, July 1	6,572	695	597	2	39,572	47,438	14,416
Cash and Pooled Investments, June 30	\$ 3,053	\$ 677	\$ 831	\$ 28	\$ 75,116	\$ 79,705	\$ 47,438

Schedules

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

For the Fiscal Year Ended June 30, 2001 (expressed in thousands)

	Governmental Fund Types				Totals	
	General	Special Revenue	Debt Service	Capital Projects	Year Ended June 30, 2001	Year Ended June 30, 2000
Taxes:						
Retail sales	\$ 5,502,447	\$ 22,543	\$ -	\$ -	\$ 5,524,990	\$ 5,432,544
Business and occupation	2,031,186	48,273	-	-	2,079,459	1,884,245
Use (compensating)	410,278	-	-	-	410,278	380,768
Motor vehicle and fuel	2,865	733,281	-	-	736,146	964,003
Liquor, beer, and wine	87,671	37,623	-	-	125,294	119,227
Cigarette and tobacco	97,631	167,254	-	-	264,885	277,328
Insurance premiums	177,815	101,911	-	-	279,726	261,150
Public utility	302,552	-	-	-	302,552	282,113
Property	1,366,714	-	-	-	1,366,714	1,332,837
Motor vehicle excise	(96)	32,879	-	-	32,783	156,278
Other excise	476,604	22	-	-	476,626	475,270
Gift and inheritance	106,311	-	-	-	106,311	82,573
Other taxes	175,559	88,605	-	-	264,164	221,964
Subtotal	10,737,537	1,232,391	-	-	11,969,928	11,870,300
Tax Credits:						
Business and occupation	(61,132)	-	-	-	(61,132)	(54,741)
Use (compensating)	(721)	-	-	-	(721)	(767)
Other tax credits	(376)	-	-	-	(376)	(6,656)
Total Taxes	10,675,308	1,232,391	-	-	11,907,699	11,808,136
Licenses, Permits, and Fees:						
Business and professions	89,432	40,884	-	-	130,316	136,190
Hunting and fishing	2,335	31,465	-	-	33,800	28,295
Motor vehicle	12,365	287,402	-	-	299,767	294,829
Motor vehicle operators	(17)	41,480	-	-	41,463	28,974
Other fees	19,781	89,105	-	-	108,886	107,873
Total Licenses, Permits, and Fees	123,896	490,336	-	-	614,232	596,161
Federal Grants-In-Aid:						
Department of Health and Human Services	3,386,263	346,092	-	1,481	3,733,836	3,418,946
Department of Labor	91,415	96,556	-	-	187,971	198,945
Department of Agriculture	504,145	23,670	-	-	527,815	512,321
Department of Transportation	1,225	402,811	-	-	404,036	351,164
Department of Education	374,294	52,002	164	-	426,460	398,859
Other federal grants-in-aid	276,254	200,563	-	598	477,415	423,692
Total Federal Grants-In-Aid	4,633,596	1,121,694	164	2,079	5,757,533	5,303,927
Charges For Services:						
Tuition and student fees	-	595,418	-	23,300	618,718	579,588
Other charges	39,757	293,069	-	-	332,826	210,052
Total Charges For Services	39,757	888,487	-	23,300	951,544	789,640
Miscellaneous Revenue:						
Interest income	111,355	112,352	2,506	1,897	228,110	202,298
Timber sales	62,406	72,905	-	5,723	141,034	178,514
Fines and forfeitures	69,680	15,702	-	(105)	85,277	81,277
Other contracts and grants	206,269	312,650	-	4,648	523,567	599,794
Other	122,704	294,077	5,672	22,153	444,606	366,145
Total Miscellaneous Revenue	572,414	807,686	8,178	34,316	1,422,594	1,428,028
Total Revenues	16,044,971	4,540,594	8,342	59,695	20,653,602	19,925,892
Other Financing Sources (Uses):						
Bond sale proceeds	-	242,263	-	578,187	820,450	581,079
Proceeds of refunding bonds	-	-	565,367	-	565,367	100,649
Payment to refunded bond escrow agent	-	-	(565,451)	-	(565,451)	(100,649)
Note proceeds	5,679	17,642	-	-	23,321	25,871
Operating transfers in	432,077	959,112	779,306	115,698	2,286,193	1,843,869
Operating transfers out	(1,043,990)	(657,611)	(159,403)	(45,537)	(1,906,541)	(1,646,400)
Capital lease acquisitions	-	10,364	-	-	10,364	-
Total Other Financing Sources (Uses)	(606,234)	571,770	619,819	648,348	1,233,703	804,419
Total Revenues and Other Financing Sources (Uses)	\$ 15,438,737	\$ 5,112,364	\$ 628,161	\$ 708,043	\$ 21,887,305	\$ 20,730,311

Schedule of Expenditures - All Governmental Fund Types

For the Fiscal Year Ended June 30, 2001 (expressed in thousands)

	Governmental Fund Types				Totals	
	General	Special Revenue	Debt Service	Capital Projects	Year Ended June 30, 2001	Year Ended June 30, 2000
By Function:						
General government	\$ 756,641	\$ 414,154	\$ 755,902	\$ 78,513	\$ 2,005,210	\$ 2,093,428
Human services	7,686,690	732,393	-	89,548	8,508,631	7,868,438
Natural resources and recreation	394,420	259,203	-	65,730	719,353	617,356
Transportation	50,520	1,554,733	-	2,557	1,607,810	1,390,326
Education	6,634,430	1,889,084	-	405,282	8,928,796	8,413,480
Total Expenditures	\$ 15,522,701	\$ 4,849,567	\$ 755,902	\$ 641,630	\$ 21,769,800	\$ 20,383,028
By Object:						
Salaries and wages	\$ 2,192,804	\$ 1,528,683	\$ -	\$ 12,679	\$ 3,734,166	\$ 3,432,443
Employee benefits	580,624	374,150	-	2,905	957,679	857,428
Personal services	85,829	50,636	-	6,456	142,921	105,199
Goods and services	932,948	886,972	-	76,639	1,896,559	1,631,651
Travel	48,933	67,529	-	605	117,067	103,072
Subtotal	3,841,138	2,907,970	-	99,284	6,848,392	6,129,793
Grants and Subsidies:						
K-12 basic education	5,249,418	-	-	-	5,249,418	4,984,401
Public assistance	5,381,955	319,476	-	-	5,701,431	5,458,640
Other miscellaneous	879,214	729,845	-	53,209	1,662,268	1,229,770
Total Grants and Subsidies	11,510,587	1,049,321	-	53,209	12,613,117	11,672,811
Intergovernmental	57,068	264,016	-	-	321,084	645,855
Capital Outlays:						
Equipment	35,967	61,677	-	8,607	106,251	96,264
All other	59,452	548,045	-	478,779	1,086,276	1,092,595
Total Capital Outlays	95,419	609,722	-	487,386	1,192,527	1,188,859
Debt Service:						
Principal	15,756	10,518	373,529	29	399,832	386,536
Interest	2,733	8,020	382,373	1,722	394,848	359,174
Total Debt Service	18,489	18,538	755,902	1,751	794,680	745,710
Total Expenditures	\$ 15,522,701	\$ 4,849,567	\$ 755,902	\$ 641,630	\$ 21,769,800	\$ 20,383,028

Workers' Compensation Fund - Basic Plan

Claims Development Information

Fiscal Years 1992 through 2001 (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 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.

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
1. Net earned required contribution and investment revenues	\$ 1,258	\$ 1,359	\$ 1,355	\$ 1,385	\$ 1,274	\$ 1,257	\$ 2,013	\$ 927	\$ 1,057	\$ 1,449
2. Estimated incurred claims and expenses, end of policy year	1,425	1,665	1,805	1,637	1,620	1,681	1,700	1,732	1,902	1925
3. Paid (cumulative) as of:										
End of policy year	172	182	183	183	192	191	196	205	218	230
One year later	356	367	380	389	396	409	420	438	473	
Two years later	460	465	490	494	502	522	545	564		
Three years later	528	528	557	561	568	596	627			
Four years later	577	572	605	607	617	651				
Five years later	614	605	642	644	658					
Six years later	643	634	674	676						
Seven years later	670	660	702							
Eight years later	695	683								
Nine years later	718									
4. Reestimated incurred claims and expenses:										
End of policy year	1,425	1,665	1,805	1,637	1,620	1,681	1,700	1,732	1,902	1925
One year later	1,515	1,557	1,561	1,533	1,565	1,602	1,627	1,690	1,838	
Two years later	1,443	1,424	1,484	1,493	1,507	1,553	1,651	1,694		
Three years later	1,430	1,374	1,465	1,459	1,455	1,575	1,643			
Four years later	1,405	1,385	1,413	1,425	1,500	1,576				
Five years later	1,397	1,332	1,382	1,438	1,466					
Six years later	1,342	1,295	1,425	1,413						
Seven years later	1,299	1,343	1,403							
Eight years later	1,327	1,304								
Nine years later	1,303									
5. Increase (decrease) in estimated incurred claims and expenses from end of policy year	(122)	(361)	(402)	(224)	(154)	(105)	(57)	(38)	(64)	

Workers' Compensation Fund - Supplemental Pension Plan Claims Development Information

Fiscal Years 1992 through 2001 (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.

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
1. Net earned required contribution and investment revenues	\$ 125	\$ 136	\$ 159	\$ 168	\$ 173	\$ 154	\$ 170	\$ 193	\$ 225	\$ 267
2. Estimated incurred claims and expenses, end of policy year	1,208	848	922	757	751	795	790	548	635	628
3. Paid (cumulative) as of:										
End of policy year	-	-	-	-	-	-	-	-	-	-
One year later	4	4	2	1	3	4	6	7	8	
Two years later	9	7	4	4	8	11	14	12		
Three years later	12	9	6	6	9	13	17			
Four years later	16	12	8	9	14	20				
Five years later	19	15	12	14	20					
Six years later	23	19	16	19						
Seven years later	28	23	21							
Eight years later	34	29								
Nine years later	41									
4. Reestimated incurred claims and expenses:										
End of policy year	1,208	848	922	757	751	795	790	548	635	628
One year later	889	929	725	732	793	812	527	666	730	
Two years later	937	737	714	760	792	610	727	754		
Three years later	795	738	746	760	633	753	798			
Four years later	808	779	744	621	754	817				
Five years later	843	774	610	704	773					
Six years later	840	638	696	715						
Seven years later	665	711	706							
Eight years later	737	721								
Nine years later	741									
5. Increase (decrease) in estimated incurred claims and expenses from end of policy year	(467)	(127)	(216)	(42)	22	22	8	206	95	

Workers' Compensation Fund
Reconciliation of Claims Liabilities by Plan
 Fiscal Years 2001 and 2000 (expressed in thousands)

The schedule below presents the changes in claims 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 FY 2001	Basic Plan FY 2000	Supplemental Pension Plan FY 2001	Supplemental Pension Plan FY 2000
Unpaid claims and claim adjustment expenses at beginning of year	\$ 7,054,702	\$ 6,856,445	\$ 6,567,000	\$ 5,659,000
Incurring claims and claim adjustment expenses:				
Provision for insured events of the current year	1,093,456	1,228,585	208,599	229,468
Increase (decrease) in provision for insured events of prior years	211,475	(12,305)	476,819	913,646
Total incurred claims and claim adjustment expenses	1,304,931	1,216,280	685,418	1,143,114
Payments:				
Claims and claim adjustment expenses attributable:				
To events of the current year	229,934	218,283	-	-
To insured events of prior years	866,586	799,740	272,418	235,114
Total payments	1,096,520	1,018,023	272,418	235,114
Total unpaid claims and claim adjustment expenses at fiscal year end	\$ 7,263,113	\$ 7,054,702	\$ 6,980,000	\$ 6,567,000

STATISTICAL SECTION

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

All Governmental Fund Types

Fiscal Years 1992 through 2001 (dollars in millions)

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Revenues:										
Taxes:										
Retail sales	\$ 5,525.0	\$ 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
Business and occupation	2,018.3	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
Use (compensating)	409.6	380.0	333.3	330.3	333.0	295.3	283.3	303.4	262.7	260.0
Motor vehicle and fuel	736.1	964.0	717.8	708.2	685.2	676.7	661.9	632.3	650.5	655.9
Liquor, beer, and wine	125.3	119.2	91.0	129.7	117.0	113.2	105.7	108.8	98.9	108.8
Cigarette and tobacco	264.9	277.3	278.5	276.7	277.6	278.3	218.6	215.3	143.6	146.9
Insurance premiums	279.7	261.2	239.0	228.8	212.2	202.7	205.6	146.3	120.2	110.0
Public utility	302.6	282.1	249.0	242.3	234.4	232.4	207.7	196.3	168.9	169.4
Property	1,366.7	1,332.8	1,276.8	1,230.9	1,170.6	1,107.3	1,031.9	956.1	883.7	810.0
Excise	509.4	631.5	1,134.7	1,060.8	921.5	836.4	781.6	784.4	620.7	571.5
Gift and inheritance	106.3	82.6	69.7	82.2	88.5	61.4	42.0	35.2	35.6	34.5
Other (less credits)	263.8	215.3	193.5	193.1	148.5	139.2	226.9	208.4	285.2	218.2
Total Taxes	11,907.7	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
Licenses, permits, and fees	614.2	596.2	556.0	510.7	492.0	476.1	467.5	450.2	436.2	422.7
Federal grants-in-aid	5,757.5	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
Charges and miscellaneous revenue	2,146.0	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
Interest income	228.1	202.3	203.3	192.7	175.2	167.3	153.5	150.9	163.1	196.5
Total Revenues	20,653.6	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
Expenditures:										
Current:										
General government	881.4	706.7	720.4	739.2	1,122.2	987.2	977.5	902.4	919.6	681.9
Human services	8,379.4	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
Natural resources and recreation	637.2	552.3	553.0	529.4	522.8	498.1	541.6	508.2	521.4	518.5
Transportation	1,093.7	872.8	873.2	787.0	931.4	859.3	910.4	753.7	746.4	680.7
Education	8,469.8	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
Intergovernmental	321.1	645.9	441.8	424.4	N/A	N/A	N/A	N/A	N/A	N/A
Capital outlays	1,192.5	1,188.8	1,179.2	991.3	1,112.2	969.3	1,276.4	1,038.0	1,060.3	875.1
Debt service	794.7	745.8	701.2	674.2	618.7	604.5	568.8	530.5	500.4	448.6
Total Expenditures	21,769.8	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
Revenues Over (Under) Expenditures	(1,116.2)	(457.1)	(453.8)	(211.2)	(602.3)	(432.1)	(773.1)	(331.9)	(1,196.7)	(579.3)
Other Financing Sources (Uses):										
Bond proceeds net of refunding	820.5	581.1	519.8	739.8	638.9	454.0	603.5	649.4	600.4	543.9
Note proceeds	23.3	25.9	12.9	15.6	7.8	4.9	4.9	7.5	7.3	71.1
Net operating transfers in (out)	379.7	197.5	154.6	141.8	133.4	157.9	167.3	132.5	167.8	157.2
Capital lease acquisitions	10.3	-	-	1.5	0.2	-	19.0	8.1	8.0	3.8
Net Other Financing Sources (Uses)	1,233.7	804.4	687.3	898.7	780.3	616.8	794.7	797.5	783.5	776.0
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 117.5	\$ 347.3	\$ 233.5	\$ 687.5	\$ 178.0	\$ 184.7	\$ 21.6	\$ 465.6	\$ (413.2)	\$ 196.7

Notes: N/A indicates data not available.

Figures may not total due to rounding.

Source: State of Washington Comprehensive Annual Financial Reporting System, GAAP Basis.

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

General Fund

Fiscal Years 1992 through 2001 (dollars in millions)

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Revenues:										
Taxes:										
Retail sales	\$ 5,502.4	\$ 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
Business and occupation	2,031.2	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
Use (compensating)	410.3	380.8	334.0	331.4	333.0	295.3	283.3	303.4	262.7	260.0
Liquor, beer, and wine	87.7	83.7	79.8	77.2	74.6	72.5	73.2	74.5	77.4	76.3
Cigarette and tobacco	97.6	102.0	86.6	84.5	86.3	80.3	92.3	91.9	97.7	100.2
Insurance premiums	177.8	173.4	158.3	153.9	141.3	172.3	203.3	143.9	118.2	108.3
Public utility	302.6	282.1	249.0	242.3	234.4	232.4	207.7	196.2	168.9	169.4
Property	1,366.7	1,332.8	1,276.8	1,230.9	1,170.6	1,107.3	1,031.9	956.1	883.7	810.0
Excise	476.5	552.7	815.8	815.4	695.3	627.0	610.8	621.1	511.6	429.8
Gift and inheritance	106.3	82.6	69.7	82.2	88.5	61.4	42.0	35.2	35.6	34.5
Other (less credits)	116.3	91.9	114.0	87.9	82.9	73.9	156.2	141.3	206.6	189.4
Total Taxes	10,675.4	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
Licenses, permits, and fees	123.9	131.2	122.4	101.5	95.1	88.3	91.0	89.4	85.7	84.0
Federal grants-in-aid	4,633.6	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
Charges and miscellaneous revenue	500.7	487.2	451.5	473.1	443.6	382.3	417.0	424.0	327.2	458.2
Interest income	111.4	106.6	99.1	90.1	82.9	76.3	80.2	90.2	79.2	102.0
Total Revenues	16,045.0	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
Expenditures:										
Current:										
General government	673.7	551.0	569.3	610.6	736.8	639.9	620.1	567.4	579.3	402.6
Human services	7,653.1	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
Natural resources and recreation	368.4	296.6	299.3	274.4	279.3	250.8	268.7	231.7	246.6	258.2
Transportation	48.3	45.5	41.3	26.5	24.5	24.1	30.7	36.1	33.3	32.1
Education	6,608.2	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
Intergovernmental	57.1	172.4	185.7	179.6	N/A	N/A	N/A	N/A	N/A	N/A
Capital outlays	95.4	71.5	85.1	72.2	72.0	77.7	185.3	105.2	95.1	58.8
Debt service	18.5	19.7	18.5	25.9	13.2	19.4	18.7	17.1	4.5	8.6
Total Expenditures	15,522.7	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
Revenues Over (Under) Expenditures	522.3	916.4	871.3	800.2	627.0	411.2	359.9	508.4	(81.4)	141.7
Other Financing Sources (Uses):										
Note proceeds	5.7	4.0	3.5	2.0	3.3	1.1	2.8	4.9	5.7	2.5
Net operating transfers in (out)	(612.0)	(658.6)	(588.8)	(436.1)	(519.1)	(307.2)	(337.3)	(222.1)	(168.3)	(117.3)
Capital lease acquisitions	-	-	-	-	-	-	17.5	5.7	7.0	0.5
Net Other Financing Sources (Uses)	(606.2)	(654.5)	(585.3)	(434.1)	(515.8)	(306.1)	(317.0)	(211.5)	(155.6)	(114.3)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (83.9)	\$ 261.9	\$ 286.0	\$ 366.1	\$ 111.2	\$ 105.1	\$ 42.9	\$ 296.9	\$ (237.0)	\$ 27.4

Table 3A - Property Tax Levies and Collections

Calendar Years 1991 through 2000 (dollars in millions)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Total Property Tax Levies	\$ 5,412	\$ 5,083	\$ 4,723	\$ 4,571	\$ 4,293	\$ 4,010	\$ 3,719	\$ 3,477	\$ 3,100	\$ 2,843
Current tax collections	\$ 5,204	\$ 4,891	\$ 4,546	\$ 4,407	\$ 4,129	\$ 3,856	\$ 3,578	\$ 3,334	\$ 2,975	\$ 2,714
Delinquent tax collections	149	136	131	118	118	105	112	108	103	88
Total Tax Collections	\$ 5,353	\$ 5,027	\$ 4,677	\$ 4,525	\$ 4,247	\$ 3,961	\$ 3,690	\$ 3,442	\$ 3,078	\$ 2,802
Outstanding delinquent taxes	\$ 89	\$ 86	\$ 79	\$ 77	\$ 75	\$ 70	\$ 71	\$ 74	\$ 78	\$ 71
Percent of current taxes collected	96.2%	96.2%	96.3%	96.4%	96.2%	96.2%	96.2%	95.9%	96.0%	95.5%
Ratio of total tax collections to tax levy	98.9%	98.9%	99.0%	99.0%	98.9%	98.8%	99.2%	99.0%	99.3%	98.6%
Ratio of delinquent taxes to total tax levy	1.6%	1.7%	1.7%	1.7%	1.7%	1.7%	1.9%	2.1%	2.5%	2.5%

Source: Tax Statistics, Washington State Department of Revenue.

Table 3B - Assessed and Estimated Actual Value of Property

Calendar Years 1991 through 2000 (dollars in millions)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Real Property										
Assessed value	\$ 410,088	\$ 375,084	\$ 350,203	\$ 324,134	\$ 303,221	\$ 288,297	\$ 273,688	\$ 255,822	\$ 240,623	\$ 214,705
Estimated actual value	459,908	422,543	390,079	359,568	336,838	329,199	305,605	287,739	273,261	254,995
Personal Property										
Assessed value	31,103	29,573	28,384	27,774	27,222	25,285	24,074	22,477	21,948	21,232
Estimated actual value	32,773	30,419	29,346	29,879	28,389	26,271	24,884	23,881	23,174	22,370
Total										
Assessed value	\$ 441,191	\$ 404,657	\$ 378,587	\$ 351,908	\$ 330,443	\$ 313,582	\$ 297,762	\$ 278,299	\$ 262,571	\$ 235,937
Estimated actual value	492,681	452,962	419,425	389,447	365,227	355,470	330,489	311,620	296,435	277,365
Ratio of total assessed value to total estimated actual value	89.5%	89.3%	90.3%	90.4%	90.5%	88.2%	90.1%	89.3%	88.6%	85.1%

Source: Tax Statistics, Washington State Department of Revenue.

Table 3C - Property Tax Levies Overlapping Governments

Calendar Years 1991 through 2000 (dollars in millions)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
State	\$ 1,326	\$ 1,278	\$ 1,238	\$ 1,189	\$ 1,099	\$ 1,066	\$ 981	\$ 908	\$ 835	\$ 768
Local school districts	1,727	1,604	1,458	1,415	1,333	1,187	1,115	1,041	916	816
Counties	972	924	872	849	820	789	731	685	585	541
Cities and towns	734	666	632	589	549	503	470	444	413	391
Other districts	653	611	523	529	492	465	422	399	351	327
Total Property Tax Levies	\$ 5,412	\$ 5,083	\$ 4,723	\$ 4,571	\$ 4,293	\$ 4,010	\$ 3,719	\$ 3,477	\$ 3,100	\$ 2,843

Source: Tax Statistics, Washington State Department of Revenue.

Table 4A - Property Value and Construction

Calendar Years 1991 through 2000 (dollars in millions)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Property Value:										
Assessed value	\$ 441,192	\$ 404,657	\$ 378,587	\$ 378,587	\$ 330,443	\$ 313,582	\$ 297,762	\$ 278,299	\$ 262,571	\$ 235,937
Exemptions:										
Senior citizen	\$ 4,187	\$ 4,609	\$ 4,796	\$ 2,883	\$ 2,999	\$ 3,037	\$ 2,980	\$ 2,895	\$ 2,798	\$ 2,518
Head of household	47	43	47	44	54	50	49	56	55	56
Total Exemptions	\$ 4,234	\$ 4,652	\$ 4,843	\$ 2,927	\$ 3,053	\$ 3,087	\$ 3,029	\$ 2,951	\$ 2,853	\$ 2,574
New Construction:										
Value	\$ 10,527	\$ 9,542	\$ 9,195	\$ 8,497	\$ 6,818	\$ 7,794	\$ 7,269	\$ 7,291	\$ 6,867	\$ 7,628

Source: Tax Statistics, Washington State Department of Revenue.

Table 4B - Residential Building Activity

Calendar Years 1991 through 2000 (dollars in millions)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Permits	39,021	42,752	45,727	41,089	39,597	38,445	44,854	40,236	39,682	33,012
Valuations	\$ 4,426	\$ 4,578	\$ 4,745	\$ 4,225	\$ 3,773	\$ 3,578	\$ 4,227	\$ 3,673	\$ 3,460	\$ 2,644

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

Table 4C - Accrued State Retail Sales Tax*

Calendar Years 1991 through 2000 (dollars in millions)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Sales Subject to Retail Sales Tax:										
Gross	\$128,778	\$118,527	\$110,400	\$102,800	\$ 95,648	\$ 90,107	\$ 86,436	\$ 81,249	\$ 79,220	\$ 72,272
Taxable	85,339	80,228	74,577	69,975	64,301	62,315	60,586	56,962	54,634	51,440
Accrued State Retail Sales Tax*	5,547	5,215	4,847	4,548	4,179	4,054	3,939	3,703	3,551	3,344

*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 1991 through 2000

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Population (in thousands) (1)	5,803	5,757	5,685	5,607	5,517	5,430	5,334	5,241	5,117	5,000
Assessed Value (in millions) (2)	\$ 441,191	\$ 404,657	\$ 378,587	\$ 351,908	\$ 330,443	\$ 313,582	\$ 297,762	\$ 278,299	\$ 262,572	\$ 235,937
Net Bonded Debt (in millions) (3):										
Gross Bonded Debt	\$ 7,278	\$ 6,884	\$ 6,608	\$ 6,192	\$ 5,831	\$ 5,650	\$ 5,310	\$ 4,611	\$ 4,177	\$ 3,721
Less:										
Debt Service Funds	211	88	88	80	82	80	97	101	128	119
Net Bonded Debt	\$ 7,067	\$ 6,796	\$ 6,520	\$ 6,112	\$ 5,749	\$ 5,570	\$ 5,213	\$ 4,510	\$ 4,049	\$ 3,602
Ratio of Net Bonded Debt to Assessed Value	1.60%	1.68%	1.72%	1.74%	1.74%	1.78%	1.75%	1.62%	1.54%	1.53%
Net Bonded Debt Per Capita	\$ 1,218	\$ 1,180	\$ 1,147	\$ 1,090	\$ 1,042	\$ 1,026	\$ 977	\$ 861	\$ 791	\$ 720

Sources: (1) Washington State Economic and Revenue Forecast Council.
(2) Tax Statistics, Washington State Department of Revenue.
(3) Washington Office of the State Treasurer.

Table 5B - Selected Financial Ratios

Calendar Years 1991 through 2000

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
State bonded debt per capita	\$ 1,267	\$ 1,199	\$ 1,143	\$ 1,150	\$ 1,085	\$ 1,051	\$ 1,033	\$ 967	\$ 917	\$ 794
State bonded debt as a percentage of personal income	3.99%	3.92%	4.07%	4.29%	4.29%	4.42%	4.53%	4.38%	4.25%	3.88%
Total debt service as a percentage of personal income	0.40%	0.39%	0.43%	0.43%	0.46%	0.47%	0.45%	0.46%	0.42%	0.42%
State bonded debt as a percentage of market value of taxable property	1.49%	1.52%	1.55%	1.66%	1.64%	1.61%	1.67%	1.63%	1.58%	1.43%
Factors:										
Population (thousands) (1)	5,803	5,757	5,685	5,607	5,517	5,430	5,334	5,241	5,117	5,000
Personal income (in millions) (1)	\$ 184,300	\$ 176,200	\$ 159,674	\$ 150,368	\$ 139,516	\$ 129,117	\$ 121,606	\$ 115,788	\$ 110,461	\$ 102,387
Total debt service (in millions) (2)	\$ 743	\$ 690	\$ 693	\$ 643	\$ 635	\$ 607	\$ 546	\$ 529	\$ 465	\$ 433
Market value of taxable property (in millions) (3)	\$ 492,681	\$ 452,962	\$ 419,425	\$ 389,447	\$ 365,227	\$ 355,470	\$ 330,489	\$ 311,620	\$ 296,436	\$ 277,365
State bond debt (in millions) (2)	\$ 7,355	\$ 6,903	\$ 6,497	\$ 6,446	\$ 5,988	\$ 5,706	\$ 5,512	\$ 5,067	\$ 4,692	\$ 3,968

Sources: (1) Washington State Economic and Revenue Forecast Council.
(2) Washington Office of the 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 1992 through 2001 (dollars in millions)

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Principal	\$ 399.9	\$ 388.2	\$ 351.1	\$ 336.0	\$ 300.0	\$ 304.6	\$ 274.3	\$ 273.7	\$ 236.9	\$ 205.2
Interest	394.9	359.1	350.1	338.2	318.7	299.9	294.6	256.9	263.6	243.4
Total Debt Service	\$ 794.8	\$ 747.3	\$ 701.2	\$ 674.2	\$ 618.7	\$ 604.5	\$ 568.9	\$ 530.6	\$ 500.5	\$ 448.6
Total Governmental Funds' Expenditures	\$ 21,756.6	\$ 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
Ratio of Debt Service to Governmental Funds' Expenditures	3.7	3.7	3.7	3.7	3.5	3.6	3.5	3.6	3.4	3.4

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

Table 6B - Revenue Bond Coverage

Fiscal Years 1992 through 2001 (dollars in millions)

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Gross Revenues (1)	\$ 2,588	\$ 2,157	\$ 1,916	\$ 2,932	\$ 2,079	\$ 2,071	\$ 2,128	\$ 2,049	\$ 1,972	\$ 1,845
Operating Expenses (2)	2,898	3,196	2,252	2,331	2,514	2,089	2,146	2,135	2,397	1,955
Net Revenue Available for Debt Service	\$ (310)	\$ (1,039)	\$ (336)	\$ 601	\$ (435)	\$ (18)	\$ (18)	\$ (86)	\$ (425)	\$ (110)
Debt Service Requirements:										
Principal	\$ 6	\$ 5	\$ 6	\$ 6	\$ 6	\$ 6	\$ 5	\$ 6	\$ 6	\$ 6
Interest	12	10	8	8	8	9	10	8	7	7
Total Debt Service Requirements	\$ 18	\$ 15	\$ 14	\$ 14	\$ 14	\$ 15	\$ 15	\$ 14	\$ 13	\$ 13
Coverage Ratio	(17.22)	(69.27)	(24.00)	42.93	(31.07)	(1.20)	(1.20)	(6.14)	(32.69)	(8.46)

(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 1992 through 2001 (figures in thousands)

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
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 years 2000 and 2001.

Source: Washington State Office of Financial Management - October 2001 forecast.

Table 7B - Employment Comparison

Washington vs. United States

Calendar Years 1991 through 2000 (figures in thousands)

Total Civilian	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Labor Force:										
Washington State	3,046	3,075	3,037	2,981	2,879	2,810	2,716	2,701	2,648	2,535
Percent change	(0.9)	1.2	1.9	3.6	2.4	3.5	0.6	2.0	4.5	(0.1)
United States	140,900	139,400	137,700	136,300	134,000	132,300	131,000	129,200	128,100	126,400
Percent change	1.1	1.2	1.0	1.8	1.2	1.0	1.4	0.8	1.4	0.4
Employment:										
Washington State	2,888	2,929	2,893	2,840	2,692	2,631	2,543	2,495	2,447	2,373
Percent change	(1.4)	1.3	1.9	5.5	2.3	3.5	1.9	2.0	3.1	(1.7)
United States	135,200	133,500	131,500	129,600	126,700	124,900	123,100	120,300	118,500	117,700
Percent change	1.3	1.5	1.5	2.3	1.5	1.5	2.3	1.5	0.7	(0.9)

Source: Washington State Economic and Revenue Forecast Council - November 2001 forecast.

**Table 8A - Washington's Twenty-Five Largest Public Companies
(Ranked by 1999 Revenues)**

Ranking	Company	Description of company	Revenues (in millions)
1	The Boeing Co.*	Aerospace and defense	\$ 57,993.0
2	Costco Wholesale	Membership warehouses	27,456.0
3	Microsoft Corp.	Software development	19,747.0
4	Washington Mutual Inc.	Regional financial services	13,571.2
5	Weyerhaeuser Co.	Natural resource and forest products	12,262.0
6	Paccar Inc.	Heavy-duty truck manufacturing and financial services	8,648.2
7	Avista Corp.	Utility	7,905.0
8	Safeco Corp.	Financial services	6,856.2
9	Nordstrom Inc.	Department stores	5,124.2
10	Airborne Freight Corp.	Air freight forwarding and air express services	3,140.2
11	Alaska Air Group Inc.	Holding company for Alaska and Horizon airlines	2,082.0
12	Puget Sound Energy Inc.	Utility	2066.6
13	Starbucks Coffee Co.	Coffee roaster and retailer	1,680.1
14	Potlatch Corp.	Paper and paper products	1,676.8
15	Amazon.com Inc.	Online retailer	1,638.8
16	Expeditors International of Washington Inc.	International freight forwarding and customs brokerage services	1,444.6
17	Labor Ready Inc.	Temporary employment services	850.9
18	Longview Fiber Co.	Natural resource and forest products	774.3
19	Western Wireless Corp.	Wireless telecommunications company	567.3
20	Immunex Corp.	Biopharmaceuticals	541.7
21	Multiple Zones International Inc.	Computer and software mailorder seller	487.4
22	VoiceStream Wireless Corp.	National wireless communications network	475.5
23	Washington Federal Inc.	Holding company for Washington Federal Savings	468.2
24	Esterline Technologies Corp.	Diversified manufacturing	461.0
25	Plum Creek Timber Co. L.P.	Natural resource and forest products	460.6

*Note: In May 2001, Boeing announced their headquarters would move to Chicago by September 2001.

Source: Puget Sound Business Journal 2001 Book of Lists

Table 8B - Fortune 500 Companies Headquartered in Washington

Ranking 2000	Ranking 1999	Company	Revenues (in millions)	Profits (in millions)	Employees Worldwide	Headquarters/ Location
15	10	The Boeing Co.*	\$ 51,321.0	\$ 2,128.0	198,000	Seattle
45	44	Costco Wholesale	32,164.3	631.4	58,500	Issaquah
79	84	Microsoft Corp.	22,956.0	9,421.0	39,100	Redmond
122	145	Weyerhaeuser Co.	15,980.0	840.0	47,244	Federal Way
124	127	Washington Mutual Inc.	15,766.6	1,899.0	28,798	Seattle
238	189	Paccar Inc.	7,914.4	442.0	18,000	Bellevue
239	223	Avista Corp.	7,911.5	92.0	2,260	Spokane
262	259	Safeco Corp.	7,118.4	115.0	13,000	Seattle
323	320	Nordstrom Inc.	5,528.5	102.0	42,920	Seattle
473	N/A	Puget Sound Energy Inc.	3,441.7	194.0	3,754	Bellevue
489	489	Airborne Freight Corp.	3,276.0	28.0	20,343	Seattle

*Note: In May 2001, Boeing announced their headquarters would move to Chicago by September 2001.

N/A = data not available

Source: Fortune, April 16, 2001

Table 9A - Labor Force and Employment by Sector

Calendar Years 1991 through 2000 (figures in thousands)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Resident Civilian Labor Force and Employment in Washington State (1)										
Civilian labor force	3,045.8	3,074.6	3,037.2	2,981.2	2,878.6	2,810.1	2,716.3	2,701.0	2,648.1	2,535.2
Unemployment	157.9	145.4	144.7	141.6	186.9	179.2	173.5	205.6	201.5	162.5
Total Employment	2,887.9	2,929.2	2,892.5	2,839.6	2,691.6	2,630.9	2,542.8	2,495.5	2,446.7	2,372.7
Unemployment percentage rate	5.2%	4.7%	4.8%	4.7%	6.5%	6.4%	6.4%	7.6%	7.6%	6.4%
Nonagricultural Wage and Salary Workers Employed in Washington State										
Manufacturing:										
Food processing	41.3	41.1	40.7	41.3	42.4	42.0	40.5	39.0	38.0	37.6
Lumber and wood	33.0	33.9	34.2	35.6	35.2	35.4	36.3	35.9	36.5	36.4
Paper and pulp	15.6	15.9	16.2	16.3	16.8	17.3	17.2	17.2	17.7	17.9
Chemicals	6.1	6.2	6.0	5.7	5.6	5.5	5.6	5.4	5.2	5.2
Metals and machinery	71.3	69.9	71.4	69.5	64.5	60.2	56.5	54.1	53.0	55.0
Aerospace	86.2	98.9	112.4	105.0	86.3	80.2	91.8	102.7	111.9	115.6
Other transportation equipment	15.1	15.9	15.6	14.5	14.1	14.8	13.3	12.0	11.5	12.8
Other manufacturing	82.1	82.4	83.1	82.2	79.9	76.9	75.6	74.4	73.4	71.6
Total Manufacturing	350.8	364.1	379.6	370.0	344.8	332.3	336.9	340.8	347.2	351.9
Nonmanufacturing:										
Construction	161.0	153.8	143.7	136.3	127.8	122.0	123.0	119.1	119.2	118.2
Transportation, communications, and utilities	146.1	139.7	135.6	132.8	124.9	119.6	116.5	114.2	113.6	111.9
Trade	649.6	636.1	622.7	606.9	590.9	580.0	565.0	546.5	537.8	527.2
Finance, insurance, and real estate	137.3	137.6	134.6	127.7	123.9	121.6	124.1	121.2	119.3	116.9
Services and miscellaneous (2)	781.1	742.9	712.6	682.3	652.5	626.7	601.4	579.9	561.2	539.7
State and local government	413.3	406.9	398.8	390.2	382.1	374.4	365.7	357.7	350.2	338.7
Federal civilian government	69.9	67.6	67.2	67.9	68.6	70.1	71.5	72.3	73.4	72.9
Total Nonmanufacturing	2,358.4	2,284.6	2,215.1	2,144.2	2,070.8	2,014.5	1,967.2	1,910.9	1,874.7	1,825.5
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 - November 2001 forecast.

Table 9B - Average Annual Wage Rates

Calendar Years 1991 through 2000

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Construction	\$ 40,536	\$ 39,205	\$ 37,022	\$ 35,926	\$ 33,744	\$ 32,645	\$ 31,356	\$ 30,475	\$ 30,524	\$ 28,650
Finance, insurance, and real estate	47,017	44,290	43,253	40,019	36,804	34,614	33,238	33,866	32,299	28,688
Federal government	44,658	42,911	42,256	41,132	39,754	37,553	36,007	34,823	33,170	32,076
State and local government	32,907	31,479	30,434	29,430	28,784	28,028	27,298	26,934	26,047	24,693
Mining	47,268	46,978	44,545	45,154	41,814	42,009	40,210	38,575	39,215	37,044
Transportation, communications, and utilities	48,732	44,015	41,393	39,530	36,953	36,171	34,580	33,695	32,826	31,509
Services	43,740	44,468	38,573	33,589	30,637	28,330	26,720	25,649	25,237	23,082
Retail trade	22,374	20,853	19,337	18,144	17,375	16,899	16,474	15,897	15,645	14,850
Wholesale trade	45,314	42,431	40,892	38,457	36,671	34,967	33,400	32,353	32,166	30,090
Manufacturing	47,658	45,067	42,728	41,382	39,644	38,087	36,585	35,425	35,556	33,290

Source: Washington State Economic and Revenue Forecast Council - November 2001 forecast.

Table 10A - Personal Income Comparison

Washington vs. United States

Calendar Years 1991 through 2000 (dollars in billions)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
In Current Dollars:										
Washington										
Amount	\$ 184.3	\$ 174.3	\$ 163.3	\$ 150.2	\$ 139.3	\$ 129.7	\$ 123.3	\$ 117.6	\$ 112.6	\$ 104.8
Percent change	5.7	6.7	8.7	7.8	7.4	5.2	4.8	4.4	7.4	6.8
United States										
Amount	\$ 8,319.2	\$ 7,777.3	\$ 7,426.0	\$ 6,937.0	\$ 6,547.4	\$ 6,200.9	\$ 5,888.1	\$ 5,610.0	\$ 5,390.4	\$ 5,085.4
Percent change	7.0	4.7	7.0	6.0	5.6	5.3	5.0	4.1	6.0	3.7
In 1996 Constant Dollars:										
Washington										
Amount	\$ 171.4	\$ 166.5	\$ 158.5	\$ 147.3	\$ 139.3	\$ 132.5	\$ 128.9	\$ 125.4	\$ 122.9	\$ 117.9
Percent change	2.9	5.0	7.6	5.7	5.1	2.8	2.8	2.0	4.2	2.9
United States										
Amount	\$ 7,737.3	\$ 7,426.9	\$ 7,207.7	\$ 6,804.9	\$ 6,547.3	\$ 6,334.1	\$ 6,152.1	\$ 5,980.4	\$ 5,883.1	\$ 5,719.7
Percent change	4.2	3.0	5.9	3.9	3.4	3.0	2.9	1.7	2.9	(0.1)

Source: Washington State Economic and Revenue Forecast Council - November 2001 forecast.

Table 10B - Personal Income by Component

Calendar Years 1991 through 2000 (dollars in billions)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Total personal income	\$ 184.3	\$ 174.3	\$ 163.3	\$ 150.2	\$ 139.3	\$ 129.7	\$ 123.3	\$ 117.6	\$ 112.6	\$ 104.8
Percent change	5.7	6.7	8.7	7.8	7.4	5.2	4.8	4.4	7.4	6.8
Total earnings	\$ 135.2	\$ 128.2	\$ 117.4	\$ 107.3	\$ 98.9	\$ 92.1	\$ 88.4	\$ 85.1	\$ 81.8	\$ 75.0
Percent change	5.5	9.2	9.5	8.5	7.4	4.1	3.9	4.1	9.1	6.7
Wages and salaries	\$ 109.7	\$ 103.8	\$ 94.3	\$ 85.4	\$ 77.3	\$ 71.6	\$ 67.6	\$ 64.4	\$ 62.7	\$ 57.7
Percent change	5.7	10.1	10.5	10.5	7.9	6.0	4.9	2.7	8.7	6.6
Other labor income	\$ 11.3	\$ 11.0	\$ 10.5	\$ 10.2	\$ 10.0	\$ 9.7	\$ 9.9	\$ 9.4	\$ 8.9	\$ 8.1
Percent change	2.8	4.3	3.6	1.7	3.1	(1.6)	5.2	5.1	10.7	10.9
Farm proprietor's income	\$ 0.4	\$ 0.1	\$ 0.6	\$ 0.5	\$ 0.9	\$ 0.6	\$ 0.6	\$ 1.0	\$ 0.9	\$ 0.6
Percent change	225.2	(78.5)	22.3	(46.7)	57.2	(6.9)	(40.9)	17.4	42.2	11.1
Nonfarm proprietor's income	\$ 13.8	\$ 13.2	\$ 12.0	\$ 11.2	\$ 10.7	\$ 10.2	\$ 10.4	\$ 10.3	\$ 9.3	\$ 8.6
Percent change	4.4	10.3	6.8	4.8	5.2	(1.8)	0.8	11.2	7.8	3.7
Less: Personal contributions for social insurance	\$ 8.2	\$ 7.9	\$ 7.2	\$ 6.6	\$ 6.1	\$ 5.7	\$ 5.4	\$ 5.1	\$ 4.9	\$ 4.6
Percent change	3.7	9.6	8.7	9.4	6.1	5.8	6.4	3.2	8.2	9.6
Plus: Residence adjustment	\$ 2.3	\$ 2.1	\$ 1.8	\$ 1.6	\$ 1.5	\$ 1.3	\$ 1.2	\$ 1.1	\$ 1.0	\$ 1.0
Percent change	8.8	17.9	9.0	11.5	13.9	11.4	5.7	6.1	6.8	4.8
Dividends, interest, and rent	\$ 33.2	\$ 31.4	\$ 31.7	\$ 28.9	\$ 26.6	\$ 24.4	\$ 22.7	\$ 20.8	\$ 20.2	\$ 20.3
Percent change	5.8	(1.0)	9.7	8.5	9.1	7.3	9.4	2.8	(0.2)	3.7
Transfer payments	\$ 21.7	\$ 20.6	\$ 19.6	\$ 19.0	\$ 18.4	\$ 17.6	\$ 16.4	\$ 15.7	\$ 14.5	\$ 13.1
Percent change	5.5	5.0	2.9	3.5	4.5	7.3	4.5	8.1	10.6	13.4

Note: Figures may not total due to rounding.

Source: Washington State Economic and Revenue Forecast Council - November 2001 forecast.

Table 11A - Full-Time Equivalent Staff Comparison

Budgeted Funds

Fiscal Years 1992 through 2001

Function	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
General government	8,637	8,510	8,416	8,179	8,228	8,024	8,438	8,031	8,392	8,158
Human services	32,884	32,587	32,003	30,665	30,201	29,823	29,490	28,810	28,556	28,399
Natural resources and recreation	6,190	5,955	5,921	5,910	6,057	6,079	6,532	6,242	6,405	6,306
Transportation	10,250	10,254	10,140	9,827	9,958	9,753	9,947	10,047	9,971	9,902
Education	44,081	42,623	41,426	40,448	39,238	38,116	37,484	36,474	36,849	34,898
Total	102,042	99,929	97,906	95,029	93,682	91,795	91,891	89,604	90,173	87,663

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.

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 1992 through 2001

Function	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
General government	2,925	2,874	2,870	2,763	2,874	2,769	3,212	2,758	3,086	3,003
Human services	17,132	16,122	16,242	16,159	15,593	14,878	13,424	14,536	14,005	14,983
Natural resources and recreation	2,157	1,902	1,787	1,637	1,842	1,773	2,289	2,097	2,315	2,743
Transportation	416	405	407	211	222	174	296	361	343	409
Education	18,464	17,944	17,681	17,358	16,846	16,391	17,936	18,137	20,561	20,394
Total	41,094	39,247	38,987	38,128	37,377	35,985	37,157	37,889	40,310	41,532

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.

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 1991-92 through 2000-01

Grades	2000-01*	1999-00*	1998-99	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93	1991-92
K-8	650,131	649,978	652,518	648,748	643,671	636,028	628,532	621,603	612,549	594,567
9-12	292,304	290,515	286,311	280,856	273,768	262,974	253,382	246,695	237,210	228,473
Private & Homebased	184	139	125	189	231	254	221	202	--	--
Summer	300	347	383	347	246	541	377	278	--	--
Running Start	7,926	7,467	7,001	6,251	5,510	4,452	3,695	2,502	--	--
UW Transition	40	38	41	43	41	40	40	--	--	--
Total	950,885	948,484	946,379	936,434	923,467	904,289	886,247	871,280	849,759	823,040

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 2002.

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 1991-92 through 2000-01

	2000-01*	1999-00*	1998-99*	1997-98*	1996-97*	1995-96*	1994-95*	1993-94*	1992-93*	1991-92*
Community Colleges**	112,726	109,969	106,724	104,329	104,183	103,971	101,911	98,552	91,590	89,800
Technical Colleges***	15,367	15,162	14,578	13,596	14,332	14,104	11,492	12,483	N/A	N/A
4 Year Schools	84,832	82,778	81,991	80,605	79,571	78,095	77,391	76,457	74,423	73,078
Total	212,925	207,909	203,293	198,530	198,086	196,170	190,794	187,492	166,013	162,878

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 Colleges (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 became part of the State Community and Technical College System.

(Figures exclude TW, WFT, or PCC enrollments which are included in the CC FTEs.)

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

Table 13A - Value of Agricultural Production

Calendar Years 1991 through 2000 (dollars in millions)

	% Change 2000 Vs 1999	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Field crops	9.7	\$1,673.1	\$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
Fruit and nut crops	(4.4)	1,182.9	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
Vegetable crops	6.9	320.1	299.3	352.1	357.6	307.6	313.1	302.6	285.1	242.5	240.1
Seed crops	11.4	46.9	42.1	45.1	37.0	33.2	26.1	27.0	30.1	24.7	24.1
Berry crops	(28.6)	47.2	66.1	45.6	50.1	54.4	52.9	59.4	44.9	41.3	33.3
Total Crops		3,270.2	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
Specialty products (1)	6.1	623.7	587.9	579.4	569.7	575.7	640.7	648.4	577.9	505.7	375.7
Livestock and livestock products	(2.0)	1,516.0	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
State Total		\$ 5,409.9	\$ 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

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 1991 through 2000 (dollars in millions)

Commodities	Rank 2000	% Change 2000 Vs 1999	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Apples	1	(11.2)	\$760,200	\$856,000	\$700,000	\$821,400	\$912,700	\$1,021,750	\$795,250	\$709,100	\$716,550	\$946,900
Milk	2	(13.2)	715,904	824,715	846,834	732,423	792,277	687,934	681,250	638,724	648,123	560,331
Cattle and calves	3	23.4	560,729	454,222	458,719	468,580	409,697	450,009	516,294	545,351	488,252	457,106
Wheat, all	4	32.8	458,568	345,299	414,218	560,608	755,680	742,500	525,508	573,802	453,474	367,198
Potatoes, fall	5	(6.3)	446,250	476,000	447,480	431,984	451,203	553,823	422,370	469,050	346,500	286,653
Hay, all	6	15.6	354,985	307,027	312,588	361,824	371,347	328,878	268,839	284,580	247,866	248,130
Nursery & greenhouse products (1)	7	2.2	288,432	282,211	273,793	262,620	245,000	245,000	240,000	220,000	200,000	155,000
Forest products, farm	8	8.3	259,975	240,000	247,000	255,000	300,000	338,000	353,000	303,000	258,000	N/A
Sweet cherries	9	33.5	154,725	115,860	128,801	132,694	118,940	106,519	88,700	94,036	74,895	51,580
Grapes, all	10	11.4	127,460	114,400	105,276	124,410	57,744	73,676	57,600	89,929	66,747	54,688
Pears, all	11	(4.3)	115,995	121,204	107,886	123,670	125,768	118,166	97,377	93,771	111,826	114,552
Hops	12	17.5	95,113	80,930	73,457	89,306	93,953	99,290	96,775	101,220	98,223	89,965
Sweet corn, all	13	9.6	70,261	64,103	65,752	61,905	57,584	69,221	53,053	47,697	41,461	42,655
Barley	14	21.3	61,740	50,882	53,404	80,630	72,019	59,299	28,527	46,461	41,184	82,992
Christmas trees	15	20.1	60,025	50,000	48,000	45,000	45,000	42,000	42,000	42,000	37,000	N/A
Eggs	16	1.5	59,942	59,031	69,023	75,024	89,961	93,241	83,403	74,628	68,948	78,233
Onions, all	17	13.8	58,940	51,795	84,255	99,569	55,452	45,940	62,702	83,250	44,234	40,998
Asparagus	18	7.1	54,876	51,216	61,217	64,204	63,312	58,659	56,304	55,790	59,040	56,932
Corn, grain	19	16.9	49,025	41,940	46,550	54,150	69,930	66,861	52,448	47,120	40,392	45,144
Aquaculture (2)	20	4.3	42,114	40,368	26,811	34,315	35,430	40,554	51,232	40,106	51,720	43,652
Corn, silage	21	(1.7)	40,755	41,470	43,500	45,430	37,700	34,344	30,420	27,040	25,200	26,208
Mint oil	22	(8.3)	34,147	37,236	54,501	53,066	54,413	51,547	44,001	43,000	50,857	38,360
Carrots, all	23	(4.8)	29,880	31,390	28,268	29,120	24,784	34,449	25,440	23,409	27,143	17,882
Sugarbeets (3)	24	(1.2)	26,419	26,730	27,297	23,146	19,777	N/A	N/A	N/A	N/A	N/A
Red raspberries	25	(46.4)	25,888	48,291	22,664	28,020	30,459	35,182	39,423	28,126	22,005	16,449
Kentucky bluegrass seed	26	42.3	25,840	18,160	17,500	18,160	17,457	13,694	12,864	15,729	11,303	7,728
Haylage	27	(43.2)	24,853	43,763	36,685	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Green peas, processing	28	9.1	24,638	22,588	26,921	25,342	20,408	30,246	33,805	22,115	22,645	29,403
Peaches	29	(6.9)	21,096	22,653	26,774	19,335	5,100	13,994	8,953	10,145	10,732	6,351
Alfalfa seed	30	(8.1)	16,875	18,360	19,320	13,400	11,748	10,005	10,735	11,400	10,560	14,416

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.

(3) Value of production for sugarbeets based on previous year's price. Value for 2000 will be published in CROP VALUES, February 2002.

N/A indicates data not available.

Source: United States Department of Agriculture (USDA), Washington Agricultural Statistics Service.

Table 14A - International Trade Facts

All Washington Ports

Calendar Years 1991 through 2000 (dollars in millions)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Exports (1)	\$ 42,100	\$ 46,513	\$ 48,780	\$ 47,685	\$ 40,380	\$ 34,986	\$ 35,141	\$ 39,226	\$ 37,842	\$ 36,885
Imports	64,991	59,676	55,604	53,193	46,849	47,972	46,232	49,121	40,907	37,207
Trade balance	(22,891)	(13,163)	(6,824)	(5,508)	(6,469)	(12,986)	(11,091)	(9,895)	(3,064)	(322)
Two-way trade	107,091	106,189	104,384	100,878	87,229	82,958	81,373	88,347	78,752	74,092

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 1991 through 2000 (dollars in millions)

Partners	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Canada	\$ 7,210	\$ 6,904	\$ 6,836	\$ 7,131	\$ 6,230	\$ 6,051	\$ 6,098	\$ 6,535	\$ 5,923	\$ 5,119
Japan	6,837	7,868	8,754	9,871	9,026	8,719	7,941	8,235	8,512	8,261
Korea	3,445	2,923	1,837	4,290	4,609	4,504	3,147	3,085	2,668	2,434
United Kingdom	3,203	4,312	4,451	4,551	1,788	1,299	2,204	2,240	2,263	2,113
China	2,540	2,453	3,852	2,273	2,091	1,602	2,260	2,584	1,903	1,016
Taiwan	2,076	1,278	2,409	2,246	2,330	2,422	1,766	2,605	1,733	1,897
Germany	1,855	2,043	2,278	1,497	1,120	949	684	979	1,786	2,387
Netherlands	1,518	1,482	877	1,216	1,052	802	495	643	818	957
Spain	1,010	927	43	167	126	118	341	225	264	310
France	950	1,337	836	250	299	276	345	738	1,048	1,522
Sweden	866	876	365	134	154	100	57	83	194	463
Hong Kong	785	861	1,429	1,331	1,724	1,328	1,115	1,272	1,177	1,351
Singapore	690	1,434	1,745	1,968	1,545	1,353	1,670	1,398	1,032	1,223
Saudia Arabia	624	1,257	2,058	892	144	41	41	35,342	45	77
Thailand	578	711	943	1,347	1,194	563	382	458	722	682
Malaysia	414	529	1,469	1,354	593	578	1,014	1,398	889	673
Russia	313	348	1,084	330	300	378	514	124	6	28

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 1991 through 2000 (dollars in millions)

Partners	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Japan	\$ 20,022	\$ 19,622	\$ 19,303	\$ 20,833	\$ 18,877	\$ 20,507	\$ 20,441	\$ 20,960	\$ 17,171	\$ 15,841
Canada	14,690	11,961	10,429	9,663	8,107	6,810	6,270	5,704	4,791	4,196
China	10,651	9,288	8,428	7,612	6,655	6,578	5,845	4,894	4,152	3,126
Taiwan	4,021	3,845	4,105	3,217	3,062	3,569	3,338	4,934	3,449	3,229
Korea	2,793	2,507	2,337	2,354	2,124	2,568	2,536	3,335	3,196	2,925
United Kingdom	1,645	2,478	2,172	1,744	836	793	1,096	841	1,118	958
Hong Kong	1,345	1,116	1,183	1,380	1,237	1,091	1,106	1,805	1,266	1,343
Thailand	1,332	1,152	1,195	1,179	977	980	963	835	809	552
Philippines	1,089	1,070	813	381	380	498	485	439	401	489
Malaysia	958	808	816	599	669	715	623	622	553	494
Australia	904	841	714	844	695	536	396	825	566	685
Indonesia	781	739	762	647	600	669	520	533	384	315
France	726	736	341	121	162	198	642	736	844	832
Germany	496	444	397	311	305	251	159	174	206	181
Singapore	322	325	291	237	306	431	425	814	687	715

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).