

State of Montana
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2003

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State of Montana
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2003

Table of Contents

INTRODUCTORY SECTION

	Page
Title Page.....	1
Table of Contents.....	2
Letter of Transmittal.....	6
Certificate of Achievement for Excellence in Financial Reporting.....	11
State Organization Chart.....	12
Selected State Officials.....	13

FINANCIAL SECTION

Independent Auditor's Report.....	16
Management's Discussion and Analysis.....	18

Basic Financial Statements

Government-wide Financial Statements	
Statement of Net Assets.....	28
Statement of Activities.....	30
Governmental Fund Financial Statements	
Balance Sheet.....	34
Reconciliation of Balance Sheet – Governmental Funds to the Statement of Net Assets.....	35
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	36
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities.....	38
Proprietary Fund Financial Statements	
Statement of Net Assets.....	42
Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	44
Statement of Cash Flows.....	46
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Assets.....	50
Statement of Changes in Fiduciary Net Assets.....	51
Component Unit Financial Statements	
Combining Statement of Net Assets.....	54
Combining Statement of Activities.....	56
Notes to the Financial Statements	
Note 1 – Summary of Significant Accounting Policies.....	58
Note 2 – Other Accounting Issues.....	64
Note 3 – Cash/Cash Equivalents and Investments.....	64
Note 4 – Disaggregation of Accounts Receivable and Payable.....	64
Note 5 – Capital Assets.....	72
Note 6 – Retirement Systems.....	74
Note 7 – Other Postemployment Benefits.....	83
Note 8 – Risk Management.....	83

Notes to the Financial Statements (<i>continued</i>)	
Note 9 – Commitments.....	90
Note 10 – Leases/Installment Purchases Payable.....	91
Note 11 – State Debt.....	92
Note 12 – Interfund Balances and Transfers.....	100
Note 13 – Fund Deficits.....	103
Note 14 – Reserved Fund Balances.....	103
Note 15 – Related Party Transactions.....	103
Note 16 – Contingencies.....	104
Note 17 – Subsequent Events.....	105

Required Supplementary Information

Budgetary Comparison Schedule – General and Major Special Revenue Funds.....	108
Notes to the Required Supplementary Information – Budgetary Reporting.....	110

Supplementary Information – Combining Statements and Individual Fund Statements and Schedules

Nonmajor Governmental Funds	
Combining Balance Sheet – Governmental Funds by Fund Type.....	112
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds by Fund Type.....	113
Combining Balance Sheet – Debt Service Funds.....	116
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Debt Service Funds.....	118
Combining Balance Sheet – Capital Projects Funds.....	122
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Capital Projects Funds.....	123
Combining Balance Sheet – Permanent Funds.....	126
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Permanent Funds.....	128
Proprietary Funds	
Nonmajor Enterprise Funds	
Combining Statement of Net Assets.....	132
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	140
Combining Statement of Cash Flows.....	144
Internal Service Funds	
Combining Statement of Net Assets.....	154
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	160
Combining Statement of Cash Flows.....	166
Fiduciary Funds	
Pension (and Other Employee Benefit) Trust Funds	
Combining Statement of Fiduciary Net Assets.....	178
Combining Statement of Changes in Fiduciary Net Assets.....	180
Private Purpose Trust Funds	
Combining Statement of Fiduciary Net Assets.....	184
Combining Statement of Changes in Fiduciary Net Assets.....	186
Agency Funds	
Combining Statement of Fiduciary Net Assets.....	190
Combining Statement of Changes in Assets and Liabilities.....	192

STATISTICAL SECTION

Graphic Presentations:

Revenues by Source - All Governmental Fund Types.....	198
Expenditures by Function - All Governmental Fund Types	199
Revenues by Source - All Governmental Fund Types.....	200
Expenditures by Function - All Governmental Fund Types	200
Property Tax Levies and Collections.....	201
Taxable and Market (Assessed) Value of Property.....	201
Property Tax Rates - Direct and Over Lapping Governments	202
Property Tax Mill Levy for State Purposes	202
Ratio of Direct State Debt to Assessed Value and Direct State Debt per Capita	203
Ratio of Annual Debt Service to Total General Expenditures	203
Revenue Bond Coverage - Higher Education	204
Revenue Bond Coverage – Housing Authority.....	204
Revenue Bond Coverage - Economic Development Bonds.....	205
Construction and Bank Deposits.....	206
Property (Assessed) Values	206
Income Data.....	207
Public Education Enrollment	208
Demographic Statistics	209
Annual Average Nonagricultural Employment by Selected Industries	209
Major Private Employers in Montana.....	210
Miscellaneous Statistics	210

SUPPLEMENTARY INFORMATION

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
 JUNE 30, 2003
 (expressed in thousands)

	DEBT SERVICE	CAPITAL PROJECTS	PERMANENT	TOTAL
ASSETS				
Cash/cash equivalents	\$ 22,922	\$ 18,456	\$ 4,682	\$ 46,060
Receivables (net)	2,501	714	1,195	4,410
Due from component units	-	5	-	5
Due from other funds	302	553	-	855
Equity in pooled investments	-	-	170,707	170,707
Long-term loans/notes receivable	32,761	-	-	32,761
Advances to other funds	3,188	-	-	3,188
Investments	2,013	-	13,011	15,024
Securities lending collateral	-	-	10,711	10,711
Total assets	<u>\$ 63,687</u>	<u>\$ 19,728</u>	<u>\$ 200,306</u>	<u>\$ 283,721</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	86	1,512	2	1,600
Interfund loans payable	255	-	111	366
Advances from other funds	10,496	-	-	10,496
Due to component units	-	16	-	16
Due to other funds	2	1,066	2,160	3,228
Securities lending liability	-	-	10,711	10,711
Total liabilities	<u>10,839</u>	<u>2,594</u>	<u>12,984</u>	<u>26,417</u>
Fund balances:				
Reserved for:				
Encumbrances	-	199	-	199
Long-term loans	32,761	-	-	32,761
Long-term advances	3,188	-	-	3,188
Debt service	6,168	-	-	6,168
Trust principal	-	-	187,322	187,322
Unreserved, designated	13,513	-	-	13,513
Unreserved, undesignated	(2,782)	16,935	-	14,153
Total fund balances	<u>52,848</u>	<u>17,134</u>	<u>187,322</u>	<u>257,304</u>
Total liabilities and fund balances	<u>\$ 63,687</u>	<u>\$ 19,728</u>	<u>\$ 200,306</u>	<u>\$ 283,721</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003
 (expressed in thousands)

	DEBT SERVICE	CAPITAL PROJECTS	PERMANENT	TOTAL
REVENUES				
Licenses/permits	\$ -	\$ -	\$ 353	\$ 353
Taxes:				
Natural resource	280	2,944	6	3,230
Fuel	-	-	13	13
Other	-	1,716	-	1,716
Charges for services/fines/forfeits/settlements	1,213	104	12,467	13,784
Investment earnings	7,067	45	22,171	29,283
Securities lending income	-	-	238	238
Sale of documents/merchandise/property	2,516	-	132	2,648
Rentals/leases/royalties	-	-	115	115
Grants/contracts/donations	-	-	9	9
Other revenues	-	27	-	27
Total revenues	11,076	4,836	35,504	51,416
EXPENDITURES				
Current:				
General government	955	2,852	-	3,807
Public safety/corrections	-	995	-	995
Health/social services	173	-	-	173
Education/cultural	-	-	9	9
Resource/recreation/environment	85	-	-	85
Economic development/assistance	-	93	-	93
Debt service:				
Principal retirement	37,245	-	-	37,245
Interest/fiscal charges	15,723	-	-	15,723
Capital outlay	-	19,506	7	19,513
Securities lending	-	-	213	213
Total expenditures	54,181	23,446	229	77,856
Excess of revenue over (under) expenditures	(43,105)	(18,610)	35,275	(26,440)
OTHER FINANCING SOURCES (USES)				
Loan proceeds	-	892	-	892
Bond proceeds	-	20,205	-	20,205
Proceeds of refunding bonds	42,415	-	-	42,415
Bond premium	1,720	-	-	1,720
Payment to refunded bond escrow agent	(43,493)	-	-	(43,493)
Transfers in	34,793	6,527	-	41,320
Transfers out	(5,006)	(5,940)	(12,995)	(23,941)
Total other financing sources (uses)	30,429	21,684	(12,995)	39,118
Excess of revenues/other sources over (under) expenditures/other uses	(12,676)	3,074	22,280	12,678
Fund balances - July 1 - as previously reported	65,529	13,929	165,047	244,505
Prior period adjustments	(5)	131	(5)	121
Fund balances - July 1 - as restated	65,524	14,060	165,042	244,626
Fund balances - June 30	\$ 52,848	\$ 17,134	\$ 187,322	\$ 257,304

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NONMAJOR DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources for the payment of general long-term obligation principal and interest. A brief description of each debt service fund follows:

Coal Tax Bonds – Monies in this fund are pledged for the payment of principal and interest on all State of Montana coal severance tax bonds.

Long-Range Building Program – This fund accounts for the payment of all long-range building program bonds and interest.

Water Development – This fund accounts for general obligation bonds and bonds payable from pledged coal severance taxes sold to make loans/grants for water and wastewater development projects and activities, as prioritized by the Legislature.

Highway Revenue Bonds – This fund accounts for gasoline taxes pledged for payment of principal and interest on bonds issued for the purpose of constructing highways in Montana.

Health Care Debt Service – This fund accounts for funds from services provided to patients at the Montana Developmental Center and Montana State Hospital to pay off bonds issued by the Montana Facility Finance Authority.

Information Technology (IT) Bonds – This fund accounts for the accumulation and payment of resources for information technology bond debt service requirements.

Renewable Resource – This fund accounts for coal severance taxes pledged to retire bonds that were sold to provide funds to finance renewable resource projects.

Water Conservation Bonds – This fund accounts for water conservation bonds issued for four projects: Sidney, Little Dry, South Side Canal, and Petrolia.

Energy Bonds – This fund accounts for general obligation bonds issued for State Building Energy Conservation Projects.

Hard Rock Mining Reclamation – This fund accounts for bonds issued to fund legally required reclamation, operation and maintenance at hard rock mines that would otherwise not occur when it has been determined that there is no likelihood of receiving additional funds from the mine operator and the available surety bond is insufficient.

**COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2003
(expressed in thousands)**

	COAL TAX BONDS	LONG-RANGE BUILDING PROGRAM	WATER DEVELOPMENT	HIGHWAY REVENUE BONDS
ASSETS				
Cash/cash equivalents	\$ 9,015	\$ 1,546	\$ 3,910	\$ 3,799
Receivables (net)	435	-	2,046	-
Long-term loans/notes receivable	17,885	-	14,856	-
Due from other funds	-	15	-	-
Advances to other funds	3,188	-	-	-
Investments	-	-	2,013	-
Total assets	<u>\$ 30,523</u>	<u>\$ 1,561</u>	<u>\$ 22,825</u>	<u>\$ 3,799</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	-	85	-	-
Interfund loans payable	-	-	255	-
Advances from other funds	-	-	10,496	-
Due to other funds	1	1	-	-
Total liabilities	<u>1</u>	<u>86</u>	<u>10,751</u>	<u>-</u>
Fund balances:				
Reserved for:				
Long-term loans	17,885	-	14,856	-
Long-term advances	3,188	-	-	-
Debt service	6,168	-	-	-
Unreserved, designated	3,281	1,475	-	3,799
Unreserved, undesignated	-	-	(2,782)	-
Total fund balances	<u>30,522</u>	<u>1,475</u>	<u>12,074</u>	<u>3,799</u>
Total liabilities and fund balances	<u>\$ 30,523</u>	<u>\$ 1,561</u>	<u>\$ 22,825</u>	<u>\$ 3,799</u>

HEALTH CARE DEBT SERVICE	INFORMATION TECHNOLOGY BONDS	RENEWABLE RESOURCE	WATER CONSERVATION BONDS	ENERGY BONDS	TOTAL
\$ 4,203	\$ 21	\$ 209	\$ -	\$ 219	\$ 22,922
-	-	20	-	-	2,501
-	-	-	20	-	32,761
-	287	-	-	-	302
-	-	-	-	-	3,188
-	-	-	-	-	2,013
<u>\$ 4,203</u>	<u>\$ 308</u>	<u>\$ 229</u>	<u>\$ 20</u>	<u>\$ 219</u>	<u>\$ 63,687</u>
-	-	-	-	1	86
-	-	-	-	-	255
-	-	-	-	-	10,496
-	-	-	-	-	2
-	-	-	-	1	10,839
-	-	-	20	-	32,761
-	-	-	-	-	3,188
-	-	-	-	-	6,168
4,203	308	229	-	218	13,513
-	-	-	-	-	(2,782)
<u>4,203</u>	<u>308</u>	<u>229</u>	<u>20</u>	<u>218</u>	<u>52,848</u>
<u>\$ 4,203</u>	<u>\$ 308</u>	<u>\$ 229</u>	<u>\$ 20</u>	<u>\$ 219</u>	<u>\$ 63,687</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR DEBT SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

(expressed in thousands)

	COAL TAX BONDS	LONG-RANGE BUILDING PROGRAM	WATER DEVELOPMENT	HIGHWAY REVENUE BONDS
REVENUES				
Taxes:				
Natural resource	\$ -	\$ -	\$ 280	\$ -
Charges for services/finances/forfeits/settlements	-	-	15	-
Investment earnings	1,106	119	5,437	27
Sale of documents/merchandise/property	2,516	-	-	-
Total revenues	3,622	119	5,732	27
EXPENDITURES				
Current:				
General government	-	310	-	-
Health/social services	-	-	-	-
Resource/recreation/environment	85	-	-	-
Debt service:				
Principal retirement	4,040	9,843	2,225	13,095
Interest/fiscal charges	1,975	7,504	1,852	514
Total expenditures	6,100	17,657	4,077	13,609
Excess of revenue over (under) expenditures	(2,478)	(17,538)	1,655	(13,582)
OTHER FINANCING SOURCES (USES)				
Proceeds of refunding bonds	-	42,415	-	-
Bond premium	-	1,720	-	-
Payment to refunded bond escrow agent	-	(43,493)	-	-
Transfers in	1,484	15,103	2,929	3,865
Transfers out	(840)	-	(4,166)	-
Total other financing sources (uses)	644	15,745	(1,237)	3,865
Excess of revenues/other sources over (under) expenditures/other uses	(1,834)	(1,793)	418	(9,717)
Fund balances - July 1 - as previously reported	32,356	3,268	11,656	13,516
Prior period adjustments	-	-	-	-
Fund balances - July 1 - as restated	32,356	3,268	11,656	13,516
Fund balances - June 30	\$ 30,522	\$ 1,475	\$ 12,074	\$ 3,799

HEALTH CARE DEBT SERVICE	INFORMATION TECHNOLOGY BONDS	RENEWABLE RESOURCE	WATER CONSERVATION BONDS	ENERGY BONDS	HARD ROCK MINING RECLAMATION	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 280
-	277	-	-	1	920	1,213
260	51	53	-	14	-	7,067
-	-	-	-	-	-	2,516
260	328	53	1	934	-	11,076
-	645	-	-	-	-	955
173	-	-	-	-	-	173
-	-	-	-	-	-	85
1,130	6,165	-	2	745	-	37,245
1,879	1,796	-	1	145	57	15,723
3,182	8,606	-	3	890	57	54,181
(2,922)	(8,278)	53	(2)	44	(57)	(43,105)
-	-	-	-	-	-	42,415
-	-	-	-	-	-	1,720
-	-	-	-	-	-	(43,493)
2,822	8,533	-	-	-	57	34,793
-	-	-	-	-	-	(5,006)
2,822	8,533	-	-	-	57	30,429
(100)	255	53	(2)	44	-	(12,676)
4,303	53	176	27	174	-	65,529
-	-	-	(5)	-	-	(5)
4,303	53	176	22	174	-	65,524
\$ 4,203	\$ 308	\$ 229	\$ 20	\$ 218	\$ -	\$ 52,848

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NONMAJOR CAPITAL PROJECTS FUNDS

Capital project funds are used to account for financial resources used for the acquisition or construction of major governmental general capital assets. A brief description of each capital project fund follows:

Long-Range Building Program – This fund is maintained to account for resources received and expended for the State's long-range building program. The long-range building program includes costs for the acquisition, construction, and improvement of major capital assets financed by general obligation bonds and interest earned on bond proceeds.

Information Technology (IT) Project – This fund accounts for resources received and expended for information technology projects for various upgrade and replacement activities.

Federal/Private Construction Grants – This fund accounts for federal grants, private donations, and federal matching funds that are restricted to general capital asset construction.

Capital Land Grant – This fund accounts for revenues and expenditures from the Capital Land Grant. Revenues are dedicated for the purpose of constructing capital buildings or additions thereto. Revenues may be transferred to a debt service fund for the payment of principal and interest on bonds issued for capital building construction.

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2003
 (expressed in thousands)

	LONG-RANGE BUILDING	INFORMATION TECHNOLOGY PROJECTS	FEDERAL/ PRIVATE CONSTRUCTION GRANTS	CAPITAL LAND GRANT	TOTAL
ASSETS					
Cash/cash equivalents	\$ 13,120	\$ 4,792	\$ 16	\$ 528	\$ 18,456
Receivables (net)	714	-	-	-	714
Due from component units	5	-	-	-	5
Due from other funds	323	230	-	-	553
Total assets	\$ 14,162	\$ 5,022	\$ 16	\$ 528	\$ 19,728
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	851	661	-	-	1,512
Due to component units	2	14	-	-	16
Due to other funds	53	395	16	602	1,066
Total liabilities	906	1,070	16	602	2,594
Fund balances:					
Reserved for:					
Encumbrances	199	-	-	-	199
Unreserved	13,057	3,952	-	(74)	16,935
Total fund balances	13,256	3,952	-	(74)	17,134
Total liabilities and fund balances	\$ 14,162	\$ 5,022	\$ 16	\$ 528	\$ 19,728

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(expressed in thousands)**

	LONG-RANGE BUILDING	INFORMATION TECHNOLOGY PROJECTS	FEDERAL/ PRIVATE CONSTRUCTION GRANTS	CAPITAL LAND GRANT	TOTAL
REVENUES					
Taxes:					
Natural Resource	\$ 2,944	\$ -	\$ -	\$ -	\$ 2,944
Other	1,716	-	-	-	1,716
Charges for services/fines/forfeits/settlements	104	-	-	-	104
Investment earnings	45	-	-	-	45
Other revenues	27	-	-	-	27
Total revenues	4,836	-	-	-	4,836
EXPENDITURES					
Current:					
General government	-	2,852	-	-	2,852
Public safety/corrections	-	995	-	-	995
Economic development/assistance	-	93	-	-	93
Capital outlay	13,377	6,016	74	39	19,506
Total expenditures	13,377	9,956	74	39	23,446
Excess of revenue over (under) expenditures	(8,541)	(9,956)	(74)	(39)	(18,610)
OTHER FINANCING SOURCES (USES)					
Loan proceeds	-	892	-	-	892
Bond proceeds	10,046	10,159	-	-	20,205
Transfers in	5,718	-	-	809	6,527
Transfers out	(3,527)	(457)	-	(1,956)	(5,940)
Total other financing sources (uses)	12,237	10,594	-	(1,147)	21,684
Excess of revenues/other sources over (under) expenditures/other uses	3,696	638	(74)	(1,186)	3,074
Fund balances - July 1 - as previously reported	9,416	3,314	84	1,115	13,929
Prior period adjustments	144	-	(10)	(3)	131
Fund balances - July 1 - as restated	9,560	3,314	74	1,112	14,060
Fund balances - June 30	\$ 13,256	\$ 3,952	\$ -	\$ (74)	\$ 17,134

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NONMAJOR PERMANENT FUNDS

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used to support state government programs. A brief description of each permanent fund follows:

Resource Indemnity – Taxes paid by persons engaging in or carrying on the business of mining, extracting, or producing minerals are deposited in this fund. Only the net earnings of the trust may be appropriated until the principal reaches \$100 million. Interest earnings are expended from a special revenue fund. This fund is administered by the Department of Revenue.

Parks Trust and Cultural Trust – A portion of coal severance taxes are credited to these funds by the Department of Revenue. Income from the trusts is used for the acquisition and maintenance of state parks and historical sites by the Department of Fish, Wildlife and Parks. The Montana Arts Council uses income from the trusts for the protection of works of art in the State Capitol and for other cultural projects.

Real Property Trust – Money received by the Department of Fish, Wildlife and Parks from the sale of real property; the exploration and development of oil, gas, and mineral deposits; and leasing department real property is deposited in this fund. Interest is recorded in a special revenue fund and used for developing and maintaining real property of the department.

Noxious Weed Management – The Department of Agriculture accounts for revenues and interest earned on fees charged for the control of noxious weeds.

Historical Society Funds – Four funds (Jim Bradley Memorial, Thomas Teakle, Merritt-Wheeler, and Historical Society Acquisitions) account for memorials, bequests, and various other contributions to the Montana Historical Society. Investment income is either expended from a state special revenue fund, a private-purpose trust fund or added to the principal.

Endowment for Children – This fund provides services and activities related to a broad range of child abuse and neglect prevention activities operated by non-profit or public community educational and service organizations.

Tobacco Settlement Interest – This fund holds interest earned by investing the Tobacco Settlement Principal.

**COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS
JUNE 30, 2003
(expressed in thousands)**

	RESOURCE INDEMNITY	PARKS TRUST	CULTURAL TRUST	REAL PROPERTY TRUST	NOXIOUS WEED MANAGEMENT
ASSETS					
Cash/cash equivalents	\$ 741	\$ 140	\$ 130	\$ 2,371	\$ 887
Receivables (net of uncollectibles)	650	101	29	124	62
Equity in pooled investments	110,560	17,030	4,801	-	-
Investments	-	-	-	8,567	4,444
Securities lending collateral	6,668	1,027	290	452	-
Total assets	\$ 118,619	\$ 18,298	\$ 5,250	\$ 11,514	\$ 5,393
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	-	-	1	1
Interfund loans payable	-	110	-	1	-
Due to other funds	1,390	114	92	46	318
Securities lending liability	6,668	1,027	290	452	-
Total liabilities	8,058	1,251	382	500	319
Fund balances:					
Reserved for:					
Trust principal	110,561	17,047	4,868	11,014	5,074
Total fund balances	110,561	17,047	4,868	11,014	5,074
Total liabilities and fund balances	\$ 118,619	\$ 18,298	\$ 5,250	\$ 11,514	\$ 5,393

JIM BRADLEY MEMORIAL	THOMAS TEAKLE	MERRITT- WHEELER MEMORIAL	HISTORICAL SOCIETY ACQUISITIONS	ENDOWMENT FOR CHILDREN	TOBACCO SETTLEMENT INTEREST	TOTAL
\$ 30	\$ 40	\$ 31	\$ 60	\$ 1	\$ 251	\$ 4,682
-	-	-	6	-	223	1,195
314	271	61	37	-	37,633	170,707
-	-	-	-	-	-	13,011
2	2	-	-	-	2,270	10,711
<u>\$ 346</u>	<u>\$ 313</u>	<u>\$ 92</u>	<u>\$ 103</u>	<u>\$ 1</u>	<u>\$ 40,377</u>	<u>\$ 200,306</u>
-	-	-	-	-	-	2
-	-	-	-	-	-	111
-	-	-	-	-	200	2,160
2	2	-	-	-	2,270	10,711
2	2	-	-	-	2,470	12,984
344	311	92	103	1	37,907	187,322
344	311	92	103	1	37,907	187,322
<u>\$ 346</u>	<u>\$ 313</u>	<u>\$ 92</u>	<u>\$ 103</u>	<u>\$ 1</u>	<u>\$ 40,377</u>	<u>\$ 200,306</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR PERMANENT FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

(expressed in thousands)

	RESOURCE INDEMNITY	PARKS TRUST	CULTURAL TRUST	REAL PROPERTY TRUST	NOXIOUS WEED MANAGEMENT
REVENUES					
Licenses/permits	\$ -	\$ -	\$ -	\$ 353	\$ -
Taxes:					
Natural resource	6	-	-	-	-
Fuel	-	-	-	-	13
Charges for services/fines/forfeits/settlements	-	-	-	-	-
Investment earnings	14,447	2,225	629	760	443
Securities lending income	120	19	5	38	25
Sale of documents/merchandise/property	-	-	-	130	-
Rentals/leases/royalties	-	-	-	115	-
Grants/contracts/donations	-	-	-	-	-
Total revenues	14,573	2,244	634	1,396	481
EXPENDITURES					
Current:					
Education/cultural	-	-	-	-	-
Capital outlay	-	-	-	-	-
Securities lending	109	17	5	33	21
Total expenditures	109	17	5	33	21
Excess of revenue over (under) expenditures	14,464	2,227	629	1,363	460
OTHER FINANCING SOURCES (USES)					
Transfers out	(9,234)	(1,115)	(314)	(537)	(146)
Total other financing sources (uses)	(9,234)	(1,115)	(314)	(537)	(146)
Excess of revenues/other sources over (under) expenditures/other uses	5,230	1,112	315	826	314
Fund balances - July 1 - as previously reported	105,336	15,935	4,553	10,188	4,760
Prior period adjustments	(5)	-	-	-	-
Fund balances - July 1 - as restated	105,331	15,935	4,553	10,188	4,760
Fund balances - June 30	\$ 110,561	\$ 17,047	\$ 4,868	\$ 11,014	\$ 5,074

	JIM BRADLEY MEMORIAL	THOMAS TEAKLE	MERRITT- WHEELER MEMORIAL	HISTORICAL SOCIETY ACQUISITIONS	ENDOWMENT FOR CHILDREN	TOBACCO SETTLEMENT INTEREST	TOTAL
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 353
	-	-	-	-	-	-	6
	-	-	-	-	-	-	13
	-	-	-	-	-	12,467	12,467
	8	8	2	1	-	3,648	22,171
	-	-	-	-	-	31	238
	-	-	-	2	-	-	132
	-	-	-	-	-	-	115
	-	-	-	9	-	-	9
	8	8	2	12	-	16,146	35,504
	5	1	-	3	-	-	9
	-	-	-	7	-	-	7
	-	-	-	-	-	28	213
	5	1	-	10	-	28	229
	3	7	2	2	-	16,118	35,275
	-	(2)	-	-	-	(1,647)	(12,995)
	-	(2)	-	-	-	(1,647)	(12,995)
	3	5	2	2	-	14,471	22,280
	341	306	90	101	1	23,436	165,047
	-	-	-	-	-	-	(5)
	341	306	90	101	1	23,436	165,042
\$	344	\$ 311	\$ 92	103	\$ 1	\$ 37,907	\$ 187,322

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for operations that provide goods or services to the public on a user charge basis. A brief description of each enterprise fund follows:

Liquor Warehouse – This fund accounts for activities related to the sale and distribution of alcoholic beverages and licensing within the State. Profits and license fees are used to finance General Fund expenditures.

Hail Insurance – Any producer engaged in the growing of crops subject to damage by hail may participate in the hail insurance program. This fund accounts for premium assessments paid by producers for crop acreage insured, investment and interest earnings, administrative costs, and benefits paid by the Department of Agriculture.

State Lottery – This fund accounts for the operations of Montana's lottery.

Montana State Prison Industries – These operations provide training and employment for inmates. The products produced are sold to state agencies, non-profit organizations, and other customers in accordance with state policies.

MUS Group Insurance – This fund accounts for employee contributions to the Montana University System's medical/dental self-insurance plan.

Subsequent Injury – This fund accounts for the assessments collected from employers and benefits paid to workers who are certified as vocationally handicapped and are injured on the job.

Montana Career Information System (MCIS) – The MCIS is an organization that collects and distributes labor market and educational data in software and books to various schools and agencies. The MCIS is funded through a combination of user fees and state grants.

Secretary of State Business Services – This fund accounts for the Business and Government Services activities and the Administrative Code Program of the Secretary of State's Office.

Historical Society Publications – This fund accounts for the Historical Society's sales from "Montana, The Magazine of Western History"; books; publications; and merchandise from the Historical Society store.

Surplus Property – The Department of Administration accounts for intragovernmental sales of state and federal surplus property to state agencies, local governments, and designated non-profit organizations.

West Yellowstone Airport – This fund, administered by the Department of Transportation, accounts for operations of the airport at West Yellowstone. User airlines are assessed rental and landing fees.

Judiciary Law Library – This fund accounts for fees collected for on-line law library references and searches and the related administrative costs.

Local Government Audits – This fund accounts for the costs incurred by the Department of Administration for audits of local governments, required under Sections 2-7-501 through 522 of the Montana Code Annotated, and the fees assessed the local governments for the audits.

Flexible Spending Administration – This fund accounts for the fees collected from the participants in the Flexible Spending Programs and the related administrative costs of the plans administered by the Department of Administration and the Office of the Commissioner of Higher Education.

Department of Agriculture – This fund accounts for fees collected from persons importing, possessing, or controlling alfalfa leaf-cutting bees; the costs incurred in certifying that the bees are disease free; and the application fees from the operations of the Beginning Farm Loan Program.

Advanced Drivers Education – This fund is used by the Office of Public Instruction to provide additional driver education courses.

FWP Visitor Services – This fund manages state park visitor services revenue. Visitor services include educational, commemorative, and interpretive goods and services.

COMBINING STATEMENT OF NET ASSETS

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2003

(expressed in thousands)

	LIQUOR WAREHOUSE	HAIL INSURANCE	STATE LOTTERY	PRISON INDUSTRIES
ASSETS				
Current assets:				
Cash/cash equivalents	\$ 1,634	\$ 5,857	\$ 245	\$ 1,688
Receivables (net)	11,677	2,213	1,248	214
Interfund loans receivable	-	-	-	-
Due from other funds	20	-	-	168
Due from component units	1	-	-	9
Inventories	69	-	607	4,526
Securities lending collateral	-	-	-	-
Other current assets	-	-	31	-
Total current assets	13,401	8,070	2,131	6,605
Noncurrent assets:				
Advances to other funds	75	-	-	255
Long-term investments	-	-	-	-
Long-term notes/loans receivable	-	-	-	-
Other long-term assets	-	-	1,743	292
Capital assets:				
Land	-	-	-	690
Land improvements	-	-	-	234
Buildings/improvements	2,033	-	-	3,460
Equipment	464	-	5,589	3,406
Infrastructure	-	-	-	884
Construction in progress	-	-	-	71
Intangible assets	-	-	452	-
Less accumulated depreciation	(1,334)	-	(3,086)	(3,956)
Total capital assets	1,163	-	2,955	4,789
Total noncurrent assets	1,238	-	4,698	5,336
Total assets	14,639	8,070	6,829	11,941

MUS GROUP INSURANCE	SUBSEQUENT INJURY	MONTANA CAREER INFORMATION SYSTEM	SECRETARY OF STATE BUSINESS SERVICES	HISTORICAL SOCIETY PUBLICATIONS	SURPLUS PROPERTY
\$ 11,980	\$ 458	\$ 44	\$ 1,672	\$ 270	\$ 106
1,020	20	-	9	72	81
105	-	-	-	-	-
-	-	-	26	-	-
521	3	-	3	-	-
-	-	-	58	479	181
-	113	-	-	-	-
-	-	-	135	-	1
13,626	594	44	1,903	821	369
-	-	-	-	-	-
-	1,479	-	-	-	-
-	-	-	-	-	3
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	181	17	118
-	-	-	-	-	141
-	-	-	-	-	-
-	-	-	736	-	-
-	-	-	(109)	(15)	(112)
-	-	-	808	2	147
-	1,479	-	808	2	150
13,626	2,073	44	2,711	823	519

(Continued on Next Page)

COMBINING STATEMENT OF NET ASSETS - Continued

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2003

(expressed in thousands)

	WEST YELLOWSTONE AIRPORT	JUDICIARY LAW LIBRARY	LOCAL GOVERNMENT AUDITS	FLEXIBLE SPENDING ADMINISTRATION
ASSETS				
Current assets:				
Cash/cash equivalents	\$ 498	\$ 13	\$ 295	\$ 128
Receivables (net)	-	-	1	182
Interfund loans receivable	-	-	-	-
Due from other funds	-	-	-	1
Due from component units	-	-	-	88
Inventories	-	-	-	-
Securities lending collateral	-	-	-	-
Other current assets	-	-	-	81
Total current assets	498	13	296	480
Noncurrent assets:				
Advances to other funds	-	-	-	-
Long-term investments	-	-	-	-
Long-term notes/loans receivable	-	-	-	-
Other long-term assets	-	-	-	-
Capital assets:				
Land	110	-	-	-
Land improvements	1,147	-	-	-
Buildings/improvements	487	-	-	-
Equipment	71	-	-	-
Infrastructure	-	-	-	-
Construction in progress	-	-	-	-
Intangible assets	-	-	-	-
Less accumulated depreciation	(1,490)	-	-	-
Total capital assets	325	-	-	-
Total noncurrent assets	325	-	-	-
Total assets	823	13	296	480

	DEPT OF AGRICULTURE	ADVANCED DRIVERS EDUCATION	FWP VISITOR SERVICES	TOTAL
\$	9	\$ 61	\$ 36	\$ 24,994
	-	-	-	16,737
	-	-	-	105
	-	14	-	229
	-	-	-	625
	-	-	-	5,920
	-	-	-	113
	-	-	-	248
	9	75	36	48,971
	-	-	-	330
	-	-	-	1,479
	-	-	-	3
	-	-	-	2,035
	-	-	-	800
	-	-	-	1,381
	-	-	-	6,098
	-	-	-	9,869
	-	-	-	884
	-	-	-	71
	-	-	-	1,188
	-	-	-	(10,102)
	-	-	-	10,189
	-	-	-	14,036
	9	75	36	63,007

(Continued on Next Page)

COMBINING STATEMENT OF NET ASSETS - Continued

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2003

(expressed in thousands)

	LIQUOR WAREHOUSE	HAIL INSURANCE	STATE LOTTERY	PRISON INDUSTRIES
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 3,418	\$ 9	\$ 476	\$ 214
Lottery prizes payable	-	-	1,340	-
Interfund loans payable	-	-	-	-
Due to component units	-	-	-	-
Due to other funds	6,620	61	1,846	32
Deferred revenue	1,036	2,393	173	14
Bonds/notes payable (net)	-	-	1,110	-
Amounts held in custody for others	-	-	-	-
Securities lending liability	-	-	-	-
Estimated insurance claims	-	298	-	-
Compensated absences payable	86	7	107	118
Total current liabilities	11,160	2,768	5,052	378
Long-term liabilities:				
Lottery prizes payable	-	-	1,699	-
Estimated insurance claims	-	-	-	-
Compensated absences payable	55	17	78	152
Total long-term liabilities	55	17	1,777	152
Total liabilities	11,215	2,785	6,829	530
NET ASSETS				
Invested in capital assets, net of related debt	1,162	-	1,845	4,789
Restricted for:				
Other purposes	-	5,285	-	-
Unrestricted	2,262	-	(1,845)	6,622
Total net assets	\$ 3,424	\$ 5,285	\$ -	\$ 11,411

MUS GROUP INSURANCE	SUBSEQUENT INJURY	MONTANA CAREER INFORMATION SYSTEM	SECRETARY OF STATE BUSINESS SERVICES	HISTORICAL SOCIETY PUBLICATIONS	SURPLUS PROPERTY
\$ 2,195	\$ -	\$ -	\$ 133	\$ 20	\$ 11
-	-	-	-	-	-
-	-	-	-	-	250
1	-	-	1	-	-
1	7	2	48	26	2
-	-	12	238	133	-
-	-	-	-	-	-
25	-	-	67	-	-
-	113	-	-	-	-
3,444	233	-	-	-	-
11	-	4	99	20	20
5,677	353	18	586	199	283
-	-	-	-	-	-
-	2,130	-	-	-	-
48	-	-	128	44	12
48	2,130	-	128	44	12
5,725	2,483	18	714	243	295
-	-	-	808	2	147
-	-	-	-	-	-
7,901	(410)	26	1,189	578	77
\$ 7,901	\$ (410)	\$ 26	\$ 1,997	\$ 580	\$ 224

(Continued on Next Page)

COMBINING STATEMENT OF NET ASSETS - Continued

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2003

(expressed in thousands)

	WEST YELLOWSTONE AIRPORT	JUDICIARY LAW LIBRARY	LOCAL GOVERNMENT AUDITS	FLEXIBLE SPENDING ADMINISTRATION
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 6	\$ 3	\$ 33	\$ 31
Lottery prizes payable	-	-	-	-
Interfund loans payable	-	-	-	-
Due to component units	-	-	-	-
Due to other funds	-	-	1	-
Deferred revenue	-	-	-	-
Bonds/notes payable (net)	-	-	-	-
Amounts held in custody for others	-	-	-	-
Securities lending liability	-	-	-	-
Estimated insurance claims	-	-	-	-
Compensated absences payable	3	-	15	-
Total current liabilities	9	3	49	31
Long-term liabilities:				
Lottery prizes payable	-	-	-	-
Estimated insurance claims	-	-	-	-
Compensated absences payable	-	-	32	-
Total long-term liabilities	-	-	32	-
Total liabilities	9	3	81	31
NET ASSETS				
Invested in capital assets, net of related debt	325	-	-	-
Restricted for:				
Other purposes	489	-	-	-
Unrestricted	-	10	215	449
Total net assets	\$ 814	\$ 10	\$ 215	\$ 449

	DEPT OF AGRICULTURE	ADVANCED DRIVERS EDUCATION	FWP VISITOR SERVICES	TOTAL
\$	-	\$ 17	\$ 11	\$ 6,577
	-	-	-	1,340
	-	-	-	250
	-	-	-	2
	-	12	-	8,658
	-	-	-	3,999
	-	-	-	1,110
	-	-	-	92
	-	-	-	113
	-	-	-	3,975
	-	1	-	491
	-	30	11	26,607
	-	-	-	1,699
	-	-	-	2,130
	-	9	-	575
	-	9	-	4,404
	-	39	11	31,011
	-	-	-	9,078
	9	-	-	5,783
	-	36	25	17,135
\$	9	\$ 36	\$ 25	\$ 31,996

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(expressed in thousands)**

	LIQUOR WAREHOUSE	HAIL INSURANCE	STATE LOTTERY	PRISON INDUSTRIES
Operating revenues:				
Charges for services	\$ 46,842	\$ -	\$ 34,695	\$ 4,365
Investment earnings	-	67	77	-
Securities lending income	-	-	-	-
Contributions/premiums	-	2,564	-	-
Taxes	13,650	-	-	-
Other operating revenues	113	4	-	6
Total operating revenues	60,605	2,635	34,772	4,371
Operating expenses:				
Personal services	2,028	210	1,382	2,116
Contractual services	225	90	5,297	113
Supplies/materials	37,460	2	920	1,638
Benefits/claims	-	1,688	-	-
Depreciation	69	-	889	190
Amortization	-	-	164	-
Utilities/rent	113	5	106	178
Communications	114	6	639	9
Travel	15	23	27	18
Repair/maintenance	24	-	27	272
Lottery prize payments	-	-	17,564	-
Interest expense	-	-	81	-
Securities lending expense	-	-	-	-
Other operating expenses	25	5	223	301
Total operating expenses	40,073	2,029	27,319	4,835
Operating income (loss)	20,532	606	7,453	(464)
Nonoperating revenues (expenses):				
Gain (loss) on sale of capital assets	(23)	-	-	-
Increase (decrease) value of livestock	-	-	-	318
Total nonoperating revenues (expenses)	(23)	-	-	318
Income (loss) before contributions and transfers	20,509	606	7,453	(146)
Capital contributions	-	-	-	141
Transfers in	-	-	-	-
Transfers out	(20,220)	(15)	(7,453)	-
Change in net assets	289	591	-	(5)
Total net assets - July 1 - as previously reported	3,112	5,220	-	14,676
Prior period adjustments	23	(526)	-	(3,260)
Total net assets - July 1 - as restated	3,135	4,694	-	11,416
Total net assets - June 30	\$ 3,424	\$ 5,285	\$ -	\$ 11,411

MUS GROUP INSURANCE	SUBSEQUENT INJURY	MONTANA CAREER INFORMATION SYSTEM	SECRETARY OF STATE BUSINESS SERVICES	HISTORICAL SOCIETY PUBLICATIONS	SURPLUS PROPERTY
\$ -	\$ 9	\$ 147	\$ 3,344	\$ 913	\$ 416
144	145	-	13	-	-
-	11	-	-	-	-
38,472	-	-	-	-	-
-	-	-	-	-	-
214	-	-	49	45	-
38,830	165	147	3,406	958	416
163	-	82	1,978	362	230
2,650	-	31	658	92	23
9	-	3	178	413	849
32,760	514	-	-	-	-
-	-	-	11	2	21
-	-	-	113	-	-
3	-	8	125	4	21
2	-	2	215	47	12
2	-	6	37	10	2
-	-	-	41	5	5
-	-	-	-	-	-
-	-	-	-	-	-
-	9	-	-	-	-
316	-	9	42	22	12
35,905	523	141	3,398	957	1,175
2,925	(358)	6	8	1	(759)
-	-	-	-	-	(11)
-	-	-	-	-	-
-	-	-	-	-	(11)
2,925	(358)	6	8	1	(770)
-	-	-	-	-	369
-	-	-	-	57	-
-	(35)	-	(95)	-	-
2,925	(393)	6	(87)	58	(401)
4,976	(17)	20	2,084	522	625
-	-	-	-	-	-
4,976	(17)	20	2,084	522	625
\$ 7,901	\$ (410)	\$ 26	\$ 1,997	\$ 580	\$ 224

(Continued on Next Page)

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - Continued

NONMAJOR ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

(expressed in thousands)

	WEST YELLOWSTONE AIRPORT	JUDICIARY LAW LIBRARY	LOCAL GOVERNMENT AUDITS	FLEXIBLE SPENDING ADMINISTRATION
Operating revenues:				
Charges for services	\$ 51	\$ -	\$ 264	\$ 88
Investment earnings	-	-	-	2
Securities lending income	-	-	-	-
Contributions/premiums	-	-	-	7,297
Taxes	-	-	-	-
Other operating revenues	61	45	-	-
Total operating revenues	112	45	264	7,387
Operating expenses:				
Personal services	35	-	190	-
Contractual services	6	45	149	84
Supplies/materials	11	-	8	-
Benefits/claims	-	-	-	7,236
Depreciation	-	-	-	-
Amortization	-	-	-	-
Utilities/rent	19	-	27	-
Communications	3	-	5	-
Travel	1	-	-	-
Repair/maintenance	6	-	-	-
Lottery prize payments	-	-	-	-
Interest expense	-	-	-	-
Securities lending expense	-	-	-	-
Other operating expenses	-	-	18	88
Total operating expenses	81	45	397	7,408
Operating income (loss)	31	-	(133)	(21)
Nonoperating revenues (expenses):				
Gain (loss) sale of capital assets	-	-	-	-
Increase (decrease) value of livestock	-	-	-	-
Total nonoperating revenues (expenses)	-	-	-	-
Income (loss) before contributions and transfers	31	-	(133)	(21)
Capital contributions	-	-	-	-
Transfers in	8	-	-	-
Transfers out	-	-	-	-
Change in net assets	39	-	(133)	(21)
Total net assets - July 1 - as previously reported	892	(3)	348	468
Prior period adjustments	(117)	13	-	2
Total net assets - July 1 - as restated	775	10	348	470
Total net assets - June 30	\$ 814	\$ 10	\$ 215	\$ 449

DEPT OF AGRICULTURE	ADVANCED DRIVERS EDUCATION	FWP VISITOR SERVICES	TOTAL
\$ 2	\$ 100	\$ 74	\$ 91,310
-	-	-	448
-	-	-	11
-	-	-	48,333
-	-	-	13,650
-	-	-	537
2	100	74	154,289
-	52	-	8,828
-	3	-	9,466
-	3	89	41,583
-	-	-	42,198
-	-	-	1,182
-	-	-	277
-	1	-	610
-	1	-	1,055
-	11	-	152
-	8	-	388
-	-	-	17,564
-	-	-	81
-	-	-	9
-	13	-	1,074
-	92	89	124,467
2	8	(15)	29,822
-	-	-	(34)
-	-	-	318
-	-	-	284
2	8	(15)	30,106
-	-	-	510
-	-	-	65
-	-	-	(27,818)
2	8	(15)	2,863
7	28	40	32,998
-	-	-	(3,865)
7	28	40	29,133
\$ 9	\$ 36	\$ 25	\$ 31,996

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(expressed in thousands)**

	LIQUOR WAREHOUSE	HAIL INSURANCE	STATE LOTTERY	PRISON INDUSTRIES
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from sales and services	\$ 46,715	\$ 2,652	\$ 34,340	\$ 4,386
Payments to suppliers for goods and services	(37,640)	(91)	(6,791)	(2,508)
Payments to employees	(1,960)	(194)	(1,299)	(2,045)
Cash payments for claims	-	(1,431)	-	-
Cash payments for prizes	-	-	(17,233)	-
Other operating revenues	113	4	-	-
Net cash provided by (used for) operating activities	<u>7,228</u>	<u>940</u>	<u>9,017</u>	<u>(167)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Collection of taxes	13,650	-	-	-
Transfers to other funds	(21,998)	(15)	(7,233)	-
Transfers from other funds	-	-	-	-
Proceeds from interfund loans/advances	-	-	-	65
Payments of interfund loans/advances	-	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>(8,348)</u>	<u>(15)</u>	<u>(7,233)</u>	<u>65</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(98)	-	(798)	(139)
Proceeds from sale of capital assets	-	-	1	-
Principal and interest payments on bonds and notes	-	-	(1,146)	-
Net cash used for capital and related financing activities	<u>(98)</u>	<u>-</u>	<u>(1,943)</u>	<u>(139)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales or maturities of investments	-	-	-	-
Proceeds from securities lending transactions	-	-	-	-
Interest and dividends on investments	-	67	13	-
Payment of securities lending costs	-	-	-	-
Net cash provided by (used for) investing activities	<u>-</u>	<u>67</u>	<u>13</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(1,218)	992	(146)	(241)
Cash and cash equivalents, July 1	2,852	4,865	391	1,929
Cash and cash equivalents, June 30	<u>\$ 1,634</u>	<u>\$ 5,857</u>	<u>\$ 245</u>	<u>\$ 1,688</u>

MUS GROUP INSURANCE	SUBSEQUENT INJURY	MONTANA CAREER INFORMATION SYSTEM	SECRETARY OF STATE BUSINESS SERVICES	HISTORICAL SOCIETY PUBLICATIONS	SURPLUS PROPERTY
37,950 \$	25 \$	87 \$	3,667 \$	922 \$	425
(3,088)	-	(61)	(1,396)	(455)	(121)
(152)	-	(72)	(1,938)	(345)	(237)
(30,789)	(249)	-	-	-	-
-	-	-	-	-	-
181	-	-	-	-	-
4,102	(224)	(46)	333	122	67
-	-	-	-	-	-
-	(29)	-	-	-	-
-	-	-	-	57	-
-	-	-	-	-	250
(105)	-	-	-	-	(275)
(105)	(29)	-	-	57	(25)
-	-	-	(49)	-	(21)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(49)	-	(21)
-	298	-	-	-	-
-	13	-	-	-	-
157	112	-	12	-	-
-	(11)	-	-	-	-
157	412	-	12	-	-
4,154	159	(46)	296	179	21
7,826	299	90	1,376	91	85
11,980 \$	458 \$	44 \$	1,672 \$	270	106

(Continued on Next Page)

COMBINING STATEMENT OF CASH FLOWS - Continued
NONMAJOR ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003
 (expressed in thousands)

	WEST YELLOWSTONE AIRPORT	JUDICIARY LAW LIBRARY	LOCAL GOVERNMENT AUDITS	FLEXIBLE SPENDING ADMINISTRATION
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from sales and services	\$ 111	\$ 47	\$ 262	\$ 7,135
Payments to suppliers for goods and services	(45)	(53)	(191)	(165)
Payments to employees	(31)	-	(178)	-
Cash payments for claims	-	-	-	(7,208)
Cash payments for prizes	-	-	-	-
Other operating revenues	-	-	-	-
Net cash provided by (used for) operating activities	35	(6)	(107)	(238)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Collection of taxes	-	-	-	-
Transfers to other funds	-	-	-	-
Transfers from other funds	7	-	-	-
Proceeds from interfund loans/advances	-	6	-	-
Payments of interfund loans/advances	-	-	-	-
Net cash provided by (used for) noncapital financing activities	7	6	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Principal and interest payments on bonds and notes	-	-	-	-
Net cash used for capital and related financing activities	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales or maturities of investments	-	-	-	-
Proceeds from securities lending transactions	-	-	-	-
Interest and dividends on investments	-	-	-	2
Payment of securities lending costs	-	-	-	-
Net cash provided by (used for) investing activities	-	-	-	2
Net increase (decrease) in cash and cash equivalents	42	-	(107)	(236)
Cash and cash equivalents, July 1	456	13	402	364
Cash and cash equivalents, June 30	\$ 498	\$ 13	\$ 295	\$ 128

DEPT OF AGRICULTURE	ADVANCED DRIVERS EDUCATION	FWP VISITOR SERVICES	TOTAL
\$ 3	\$ 97	\$ 75	\$ 138,899
(1)	(38)	(78)	(52,722)
-	(38)	-	(8,489)
-	-	-	(39,677)
-	-	-	(17,233)
-	-	-	298
2	21	(3)	21,076
-	-	-	13,650
-	-	-	(29,275)
-	-	-	64
-	-	-	321
-	-	-	(380)
-	-	-	(15,620)
-	-	-	(1,105)
-	-	-	1
-	-	-	(1,146)
-	-	-	(2,250)
-	-	-	298
-	-	-	13
-	-	-	363
-	-	-	(11)
-	-	-	663
2	21	(3)	3,869
7	40	39	21,125
\$ 9	\$ 61	\$ 36	\$ 24,994

(Continued on Next Page)

COMBINING STATEMENT OF CASH FLOWS - Continued

NONMAJOR ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

(expressed in thousands)

	LIQUOR WAREHOUSE	HAIL INSURANCE	STATE LOTTERY	PRISON INDUSTRIES
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 20,532	\$ 606	\$ 7,453	\$ (464)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation	69	-	889	190
Amortization	-	-	164	-
Taxes	(13,650)	-	-	-
Interest expense	-	-	81	-
Securities lending expense	-	-	-	-
Investment earnings	-	(67)	(77)	-
Securities lending income	-	-	-	-
Change in assets and liabilities:				
Decr (incr) in accounts receivable	(225)	(1,433)	(452)	(13)
Decr (incr) in due from other funds	(11)	-	2	(2)
Decr (incr) in due from component units	-	-	-	5
Decr (incr) in inventories	11	-	206	40
Decr (incr) in other assets	-	-	411	-
Incr (decr) in accounts payable	458	7	208	82
Incr (decr) in lottery prizes payable	-	-	(4)	-
Incr (decr) in due to other funds	(17)	43	25	(1)
Incr (decr) in due to component units	-	-	-	-
Incr (decr) in deferred revenue	71	1,520	94	(28)
Incr (decr) in amounts held in custody for others	-	-	-	-
Incr (decr) in compensated absences payable	(10)	8	17	24
Incr (decr) in estimated claims	-	256	-	-
Net cash provided by (used for) operating activities	<u>\$ 7,228</u>	<u>\$ 940</u>	<u>\$ 9,017</u>	<u>\$ (167)</u>

MUS GROUP INSURANCE	SUBSEQUENT INJURY	MONTANA CAREER INFORMATION SYSTEM	SECRETARY OF STATE BUSINESS SERVICES	HISTORICAL SOCIETY PUBLICATIONS	SURPLUS PROPERTY
2,925 \$	(358) \$	6 \$	8 \$	1 \$	(759)
-	-	-	11	2	21
-	-	-	113	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	9	-	-	-	-
(144)	(145)	-	(13)	-	-
-	(11)	-	-	-	-
(969)	20	-	(5)	(36)	(14)
-	-	26	7	-	23
420	(3)	-	3	-	-
-	-	-	(3)	138	801
-	-	-	(86)	-	-
1,403	-	1	87	13	11
-	-	-	-	-	-
-	-	(19)	(5)	2	(17)
1	-	-	1	-	(2)
-	-	(60)	196	(1)	-
-	-	-	(35)	-	-
5	-	-	54	3	3
461	264	-	-	-	-
4,102 \$	(224) \$	(46) \$	333 \$	122 \$	67

(Continued on Next Page)

COMBINING STATEMENT OF CASH FLOWS - Continued

NONMAJOR ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

(expressed in thousands)

	WEST YELLOWSTONE AIRPORT	JUDICIARY LAW LIBRARY	LOCAL GOVERNMENT AUDITS	FLEXIBLE SPENDING ADMINISTRATION
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 31	\$ -	\$ (133)	\$ (21)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation	-	-	-	-
Amortization	-	-	-	-
Taxes	-	-	-	-
Interest expense	-	-	-	-
Securities lending expense	-	-	-	-
Investment earnings	-	-	-	(2)
Securities lending income	-	-	-	-
Change in assets and liabilities:				
Decr (incr) in accounts receivable	-	-	(1)	(180)
Decr (incr) in due from other funds	-	2	-	(1)
Decr (incr) in due from component units	-	-	-	(69)
Decr (incr) in inventories	-	-	-	-
Decr (incr) in other assets	-	-	-	30
Incr (decr) in accounts payable	4	3	23	5
Incr (decr) in lottery prizes payable	-	-	-	-
Incr (decr) in due to other funds	-	(11)	-	-
Incr (decr) in due to component units	-	-	-	-
Incr (decr) in deferred revenue	-	-	-	-
Incr (decr) in amounts held in custody for others	-	-	-	-
Incr (decr) in compensated absences payable	-	-	4	-
Incr (decr) in estimated claims	-	-	-	-
Net cash provided by (used for) operating activities	<u>\$ 35</u>	<u>\$ (6)</u>	<u>\$ (107)</u>	<u>\$ (238)</u>

DEPT OF AGRICULTURE	ADVANCED DRIVERS EDUCATION	FWP VISITOR SERVICES	TOTAL
\$ 2	\$ 8	(15)	\$ 29,822
-	-	-	1,182
-	-	-	277
-	-	-	(13,650)
-	-	-	81
-	-	-	9
-	-	-	(448)
-	-	-	(11)
-	-	-	(3,308)
-	(3)	4	47
-	-	-	356
-	-	-	1,193
-	-	-	355
-	15	8	2,328
-	-	-	(4)
-	(2)	-	(2)
-	-	-	-
-	-	-	1,792
-	-	-	(35)
-	3	-	111
-	-	-	981
<u>\$ 2</u>	<u>\$ 21</u>	<u>(3)</u>	<u>\$ 21,076</u>

INTERNAL SERVICE FUNDS

Internal service funds are used to account for operations that provide goods or services to other agencies or programs of state government on a cost-reimbursement basis. A brief description of each internal service fund follows:

Office Supplies & Equipment – Four internal service funds under the Department of Fish, Wildlife and Parks (FWP Equipment, FWP Warehouse Inventory, and FWP Office Supply) and the Department of Transportation (Highway Equipment) are used to account for interdepartmental and intradepartmental sales and use of office supplies and equipment.

Employee Group Benefits – This fund receives employee (excluding higher education units) withholdings and state contributions to the medical self-insurance plan. The State contracted with Blue Cross and Blue Shield of Montana to oversee the administrative functions of the program.

Information Technology Services Division (ITSD) – State agencies and private users are assessed a fee for their use of the State's phone system, centralized data processing, and systems design services provided by the Department of Administration.

Administration Insurance – In this fund, the Department of Administration accounts for the State's property self-insurance program (including liability, property, flood, etc.).

Administration Supply – This fund is used by the Department of Administration to account for intragovernmental sales of office supplies and paper products to state agencies.

Motor Pool – State employee transportation is provided by the Department of Transportation through a pool of vehicles. The cost of operating the Motor Pool is recovered through rental rates charged to user agencies based on the average operating costs per mile for each class of vehicle.

Publications & Graphics – Agencies are assessed a fee for duplicating, typesetting, forms design, and graphic arts services.

Buildings & Grounds – Rental proceeds from state agencies are used to pay maintenance, security, and landscaping costs for state-owned property.

Central Service Funds – This fund group consists of four funds, used by the Department of Administration, the Department of Labor and Industry, the Department of Commerce, and the Office of Public Instruction, for administrative services provided on a cost recovery basis to programs within the departments.

DEQ Indirect Cost Pool – This fund is used to account for funds collected as indirect costs from the operating units of the Department of Environmental Quality and to fund the department's indirect cost pool operations that provide services to the department.

Mail & Messenger – This fund accounts for costs associated with intrastate government mail and package delivery.

Payroll Processing – This fund accounts for the payments received from state agencies for the costs associated with the processing of payroll warrants.

Warrant Processing – This fund accounts for the payments received from state agencies for the costs associated with the processing of all warrants other than payroll.

Investment Division – This fund accounts for costs associated with operations of the Board of Investments (BOI). BOI assists agencies in the investment of state funds. Costs of administering and accounting for each investment fund are allocated based on the dollar volume of investments held by user agencies.

Aircraft Operations – This fund is used by the Department of State Lands to account for fees charged to users of state aircraft.

Justice Legal Services – The Attorney General's Office and the Department of Justice charge other state agencies a fee for legal assistance. The Department of Administration funds legal services with intradepartmental fees.

Personnel Training – This fund accounts for fees charged to state agencies for training state employees. The fees are used by the Department of Administration to pay instructors and purchase training materials.

Records Management – State agencies are assessed a fee for records storage and microfilm services provided by the Office of the Secretary of State.

Debt Collection – The debt collection component of this fund accounts for fees charged for the collection of bad debts.

Statewide Fueling Network – This fund accounts for the costs associated with the development of a statewide fueling network, which will allow state agencies and local governments to utilize a single fueling network and management information system for all fueling transactions.

Procurement Card Purchases – The State Procurement Card program administers the State's MasterCard contract for the automated processing of small purchases.

Montana State Prison Industries – These operations provide training and employment for inmates, where the products produced are primarily sold to other state agencies.

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
 JUNE 30, 2003
 (expressed in thousands)

	FWP EQUIPMENT	FWP WAREHOUSE INVENTORY	FWP OFFICE SUPPLY	HIGHWAY EQUIPMENT	EMPLOYEE GROUP BENEFITS
ASSETS					
Current assets:					
Cash/cash equivalents	\$ 164	\$ 83	\$ 19	\$ 1,583	\$ 8,080
Receivables (net)	5	-	-	6	3,039
Interfund loans receivable	-	-	-	-	-
Due from other funds	185	2	8	868	4
Due from component units	-	-	-	-	-
Inventories	-	124	7	-	-
Other current assets	6	-	-	-	-
Total current assets	360	209	34	2,457	11,123
Noncurrent assets:					
Long-term investments	-	-	-	-	4,265
Capital assets:					
Land	-	-	-	-	-
Land improvements	-	-	-	-	-
Buildings/improvements	-	-	-	-	-
Equipment	9,696	-	69	109,504	17
Construction in progress	-	-	-	1,253	-
Intangible assets	-	-	-	-	-
Less accumulated depreciation	(3,179)	-	(45)	(54,595)	(16)
Total capital assets	6,517	-	24	56,162	1
Total noncurrent assets	6,517	-	24	56,162	4,266
Total assets	6,877	209	58	58,619	15,389
LIABILITIES					
Current liabilities:					
Accounts payable	123	10	3	995	2,416
Interfund loans payable	-	-	-	-	-
Due to component units	-	-	-	7	-
Due to other funds	1	1	-	1	17
Deferred revenue	-	-	-	-	874
Lease/installment purchase payable	-	-	-	-	-
Bonds/notes payable (net)	-	-	-	-	-
Amounts held in custody for others	-	-	-	-	-
Estimated insurance claims	-	-	-	-	6,188
Compensated absences payable	2	-	1	399	28
Total current liabilities	126	11	4	1,402	9,523
Long-term liabilities:					
Advances from other funds	300	-	-	-	-
Lease/installment purchase payable	-	-	-	-	-
Bonds/notes payable (net)	-	-	-	-	-
Estimated insurance claims	-	-	-	-	5,299
Compensated absences payable	-	-	-	314	20
Total long-term liabilities	300	-	-	314	5,319
Total liabilities	426	11	4	1,716	14,842
NET ASSETS					
Invested in capital assets, net of related debt	6,517	-	24	56,162	1
Unrestricted	(66)	198	30	741	546
Total net assets	\$ 6,451	\$ 198	\$ 54	\$ 56,903	\$ 547

INFO TECH SERVICES DIVISION	ADMIN INSURANCE	ADMIN SUPPLY	MOTOR POOL	PUBLICATIONS & GRAPHICS	BUILDINGS & GROUNDS	ADMIN CENTRAL SERVICES
\$ 2,432	\$ 411	\$ 486	\$ 412	\$ 349	\$ 569	\$ 145
42	-	31	1	18	3	-
184	-	250	-	-	-	-
2,477	37	168	462	464	235	-
218	5	23	1	19	-	-
-	-	420	-	136	-	-
23	-	7	-	-	-	-
5,376	453	1,385	876	986	807	145
-	-	-	-	-	-	-
-	-	-	236	-	-	-
-	-	-	-	-	95	-
-	-	-	-	-	32	-
30,914	-	118	13,791	1,130	292	18
-	-	-	-	-	-	-
250	-	-	-	-	-	-
(27,693)	-	(91)	(6,533)	(821)	(206)	(9)
3,471	-	27	7,494	309	213	9
3,471	-	27	7,494	309	213	9
8,847	453	1,412	8,370	1,295	1,020	154
1,354	363	203	82	173	174	17
-	2,500	-	1,432	-	-	-
15	27	-	-	-	-	-
17	174	6	-	3	199	3
377	-	-	-	191	-	-
796	-	-	-	-	-	-
-	-	-	1,703	-	-	-
52	-	-	-	-	-	-
-	7,284	-	-	-	-	-
820	43	25	14	45	82	30
3,431	10,391	234	3,231	412	455	50
-	-	-	-	-	-	-
678	-	-	-	-	-	-
-	-	-	1,835	-	-	-
-	23,643	-	-	-	-	-
626	70	42	12	38	50	42
1,304	23,713	42	1,847	38	50	42
4,735	34,104	276	5,078	450	505	92
1,997	-	27	3,956	309	213	9
2,115	(33,651)	1,109	(664)	536	302	53
\$ 4,112	\$ (33,651)	\$ 1,136	\$ 3,292	\$ 845	\$ 515	\$ 62

(Continued on Next Page)

COMBINING STATEMENT OF NET ASSETS - Continued

INTERNAL SERVICE FUNDS

JUNE 30, 2003

(expressed in thousands)

	LABOR CENTRAL SERVICES	COMMERCE CENTRAL SERVICES	OPI CENTRAL SERVICES	DEQ INDIRECT COST POOL	MAIL & MESSENGER
ASSETS					
Current assets:					
Cash/cash equivalents	\$ 527	\$ 371	\$ 173	\$ 875	\$ 9
Receivables (net)	-	-	-	-	-
Interfund loans receivable	-	100	-	-	-
Due from other funds	317	128	111	580	233
Due from component units	10	18	-	3	14
Inventories	-	-	-	-	-
Other current assets	-	1	2	-	337
Total current assets	854	618	286	1,458	593
Noncurrent assets:					
Long-term investments	-	-	-	-	-
Capital assets:					
Land	-	-	-	-	-
Land improvements	-	-	-	-	-
Buildings/improvements	-	-	-	-	-
Equipment	283	26	-	266	486
Construction in progress	-	-	-	-	-
Intangible assets	-	-	-	-	-
Less accumulated depreciation	(181)	(14)	-	(154)	(66)
Total capital assets	102	12	-	112	420
Total noncurrent assets	102	12	-	112	420
Total assets	956	630	286	1,570	1,013
LIABILITIES					
Current liabilities:					
Accounts payable	223	37	46	108	28
Interfund loans payable	-	-	-	-	-
Due to component units	-	3	-	-	1
Due to other funds	38	8	114	23	9
Deferred revenue	-	-	-	-	-
Lease/installment purchase payable	-	-	-	-	-
Bonds/notes payable (net)	-	-	-	-	-
Amounts held in custody for others	1	32	-	-	-
Estimated insurance claims	-	-	-	-	-
Compensated absences payable	228	61	62	170	24
Total current liabilities	490	141	222	301	62
Long-term liabilities:					
Advances from other funds	-	-	-	-	-
Lease/installment purchase payable	-	-	-	-	-
Bonds/notes payable (net)	-	-	-	-	-
Estimated insurance claims	-	-	-	-	-
Compensated absences payable	192	76	81	160	49
Total long-term liabilities	192	76	81	160	49
Total liabilities	682	217	303	461	111
NET ASSETS					
Invested in capital assets, net of related debt	102	12	-	112	420
Unrestricted	172	401	(17)	997	482
Total net assets	\$ 274	\$ 413	\$ (17)	\$ 1,109	\$ 902

	PAYROLL PROCESSING	WARRANT PROCESSING	INVESTMENT DIVISION	AIRCRAFT OPERATION	JUSTICE LEGAL SERVICES	PERSONNEL TRAINING
\$	73	\$ 180	\$ 944	\$ 181	\$ 42	\$ 54
	-	-	26	-	-	6
	-	-	-	-	-	-
	-	35	41	34	176	12
	-	37	50	-	3	-
	-	-	-	-	-	-
	-	-	14	-	-	-
	73	252	1,075	215	221	72
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	34	40	39	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	(32)	(29)	(22)	-	-
	-	2	11	17	-	-
	-	2	11	17	-	-
	73	254	1,086	232	221	72
	13	19	85	34	45	11
	-	-	-	-	100	-
	-	-	-	-	-	-
	7	46	43	1	7	6
	-	-	-	-	-	4
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	16	9	154	23	69	16
	36	74	282	58	221	37
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	17	-	142	12	82	7
	17	-	142	12	82	7
	53	74	424	70	303	44
	-	2	10	16	-	-
	20	178	652	146	(82)	28
\$	20	\$ 180	\$ 662	\$ 162	\$ (82)	\$ 28

(Continued on Next Page)

COMBINING STATEMENT OF NET ASSETS - Continued
INTERNAL SERVICE FUNDS
 JUNE 30, 2003
 (expressed in thousands)

	DEBT COLLECTION	STATEWIDE FUELING NETWORK	PROCUREMENT CARD PURCHASES	PRISON INDUSTRIES	TOTAL
ASSETS					
Current assets:					
Cash/cash equivalents	\$ 99	\$ 23	\$ 18	\$ 514	\$ 18,816
Receivables (net)	-	-	-	20	3,197
Interfund loans receivable	-	-	-	-	534
Due from other funds	10	-	1	230	6,818
Due from component units	-	-	-	-	401
Inventories	-	-	-	135	822
Other current assets	-	-	-	-	390
Total current assets	109	23	19	899	30,978
Noncurrent assets:					
Long-term investments	-	-	-	-	4,265
Capital assets:					
Land	-	-	-	-	236
Land improvements	-	-	-	-	95
Buildings/improvements	-	-	-	2,820	2,852
Equipment	-	-	-	1,045	167,768
Construction in progress	-	-	-	-	1,253
Intangible assets	-	-	-	-	250
Less accumulated depreciation	-	-	-	(360)	(94,046)
Total capital assets	-	-	-	3,505	78,408
Total noncurrent assets	-	-	-	3,505	82,673
Total assets	109	23	19	4,404	113,651
LIABILITIES					
Current liabilities:					
Accounts payable	4	-	-	50	6,616
Interfund loans payable	-	-	-	-	4,032
Due to component units	-	-	-	-	53
Due to other funds	1	-	-	185	910
Deferred revenue	-	-	-	-	1,446
Lease/installment purchase payable	-	-	-	-	796
Bonds/notes payable (net)	-	-	-	-	1,703
Amounts held in custody for others	-	-	-	-	85
Estimated insurance claims	-	-	-	-	13,472
Compensated absences payable	1	-	-	46	2,368
Total current liabilities	6	-	-	281	31,481
Long-term liabilities:					
Advances from other funds	-	-	-	255	555
Lease/installment purchase payable	-	-	-	-	678
Bonds/notes payable (net)	-	-	-	-	1,835
Estimated insurance claims	-	-	-	-	28,942
Compensated absences payable	-	-	-	6	2,038
Total long-term liabilities	-	-	-	261	34,048
Total liabilities	6	-	-	542	65,529
NET ASSETS					
Invested in capital assets, net of related debt	-	-	-	3,505	73,394
Unrestricted	103	23	19	357	(25,272)
Total net assets	\$ 103	\$ 23	\$ 19	\$ 3,862	\$ 48,122

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COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003
 (expressed in thousands)

	FWP EQUIPMENT	FWP WAREHOUSE INVENTORY	FWP OFFICE SUPPLY	HIGHWAY EQUIPMENT	EMPLOYEE GROUP BENEFITS
Operating revenues:					
Charges for services	\$ 2,029	\$ 90	\$ 87	\$ 18,831	\$ -
Investment earnings	-	-	-	-	591
Securities lending income	-	-	-	-	26
Contributions/premiums	-	-	-	-	75,132
Taxes	-	-	-	1	-
Other operating revenues	-	-	-	7	808
Total operating revenues	2,029	90	87	18,839	76,557
Operating expenses:					
Personal services	74	4	28	5,604	559
Contractual services	71	-	1	659	2,679
Supplies/materials	620	92	32	3,899	32
Benefits/claims	-	-	-	-	78,496
Depreciation	552	-	4	5,722	-
Amortization	-	-	-	-	-
Utilities/rent	24	1	1	92	16
Communications	3	1	2	8	59
Travel	8	-	-	35	9
Repair/maintenance	506	-	12	2,783	2
Interest expense	-	-	-	-	-
Securities lending expense	-	-	-	-	23
Other operating expenses	2	-	-	179	163
Total operating expenses	1,860	98	80	18,981	82,038
Operating income (loss)	169	(8)	7	(142)	(5,481)
Nonoperating revenues (expenses):					
Gain (loss) on sale of capital assets	(49)	-	(1)	(331)	-
Federal indirect cost recoveries	-	-	-	-	-
Total nonoperating revenues (expenses)	(49)	-	(1)	(331)	-
Income (loss) before contributions and transfers	120	(8)	6	(473)	(5,481)
Transfers in	137	-	-	-	-
Transfers out	-	-	-	-	-
Change in net assets	257	(8)	6	(473)	(5,481)
Total net assets - July 1 - as previously reported	5,159	206	48	54,862	6,841
Prior period adjustments	1,035	-	-	2,514	(813)
Total net assets - July 1 - as restated	6,194	206	48	57,376	6,028
Total net assets - June 30	\$ 6,451	\$ 198	\$ 54	\$ 56,903	547

INFO TECH SERVICES DIVISION	ADMIN INSURANCE	ADMIN SUPPLY	MOTOR POOL	PUBLICATIONS & GRAPHICS	BUILDINGS & GROUNDS	ADMIN CENTRAL SERVICES
\$ 29,617	\$ -	\$ 4,152	\$ 4,098	\$ 5,101	\$ 5,183	\$ 532
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	8,618	-	-	-	-	-
-	-	-	-	-	-	-
10	102	-	-	-	-	-
29,627	8,720	4,152	4,098	5,101	5,183	532
10,413	630	364	261	803	1,097	412
2,583	2,968	35	225	55	2,325	21
650	19	3,853	722	3,778	102	12
-	5,413	-	-	-	-	-
1,626	-	5	1,535	89	22	3
206	-	-	-	-	-	-
4,174	53	92	78	88	1,717	13
5,552	17	19	2	25	16	7
118	17	-	-	1	10	8
2,019	1	3	225	118	440	1
99	-	-	162	-	-	-
-	-	-	-	-	-	-
333	21	19	7	30	100	12
27,773	9,139	4,390	3,217	4,987	5,829	489
1,854	(419)	(238)	881	114	(646)	43
-	-	-	(143)	(7)	-	-
-	-	-	-	-	-	-
-	-	-	(143)	(7)	-	-
1,854	(419)	(238)	738	107	(646)	43
-	168	-	-	-	933	-
-	(98)	-	-	-	(493)	-
1,854	(349)	(238)	738	107	(206)	43
2,144	(33,303)	1,374	2,533	737	725	19
114	1	-	21	1	(4)	-
2,258	(33,302)	1,374	2,554	738	721	19
\$ 4,112	\$ (33,651)	\$ 1,136	\$ 3,292	\$ 845	\$ 515	\$ 62

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COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - Continued

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

(expressed in thousands)

	LABOR CENTRAL SERVICES	COMMERCE CENTRAL SERVICES	OPI CENTRAL SERVICES	DEQ INDIRECT COST POOL	MAIL & MESSENGER
Operating revenues:					
Charges for services	\$ 3,068	\$ 866	\$ 636	\$ 2,045	\$ 3,438
Investment earnings	-	-	-	-	-
Securities lending income	-	-	-	-	-
Contributions/premiums	-	-	-	-	-
Taxes	-	-	2	-	-
Other operating revenues	-	-	-	-	-
Total operating revenues	3,068	866	638	2,045	3,438
Operating expenses:					
Personal services	3,299	831	999	2,213	483
Contractual services	244	28	268	449	24
Supplies/materials	149	14	56	74	36
Benefits/claims	-	-	-	-	-
Depreciation	36	5	-	43	65
Amortization	-	-	-	-	-
Utilities/rent	305	85	116	63	53
Communications	54	11	61	33	2,585
Travel	17	2	4	14	-
Repair/maintenance	19	-	30	12	103
Interest expense	-	-	-	-	-
Securities lending expense	-	-	-	-	-
Other operating expenses	218	18	111	34	12
Total operating expenses	4,341	994	1,645	2,935	3,361
Operating income (loss)	(1,273)	(128)	(1,007)	(890)	77
Nonoperating revenues (expenses):					
Gain (loss) sale of capital assets	-	(5)	-	-	(13)
Federal indirect cost recoveries	1,092	265	846	1,395	-
Total nonoperating revenues (expenses)	1,092	260	846	1,395	(13)
Income (loss) before contributions and transfers	(181)	132	(161)	505	64
Transfers in	60	-	-	-	-
Transfers out	(8)	-	-	-	-
Change in net assets	(129)	132	(161)	505	64
Total net assets - July 1 - as previously reported	384	281	138	589	837
Prior period adjustments (Note 3)	19	-	6	15	1
Total net assets - July 1 - as restated	403	281	144	604	838
Total net assets - June 30	\$ 274	\$ 413	\$ (17)	\$ 1,109	\$ 902

PAYROLL PROCESSING	WARRANT PROCESSING	INVESTMENT DIVISION	AIRCRAFT OPERATION	JUSTICE LEGAL SERVICES	PERSONNEL TRAINING	RECORDS MANAGEMENT
\$ 368	\$ 880	\$ 2,847	\$ 410	\$ 1,163	\$ 293	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	1	-
-	-	-	-	-	-	-
368	880	2,847	410	1,163	294	-
253	156	1,910	374	987	154	-
66	195	176	51	136	37	-
4	17	38	108	17	42	-
-	-	-	-	-	-	-
-	-	6	1	-	-	-
-	-	-	-	-	-	-
8	6	136	68	55	16	-
7	464	26	6	18	10	-
-	1	34	25	11	28	-
1	-	11	181	5	1	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11	35	310	38	14	12	-
350	874	2,647	852	1,243	300	-
18	6	200	(442)	(80)	(6)	-
-	-	(5)	-	-	-	-
-	-	-	-	-	-	-
-	-	(5)	-	-	-	-
18	6	195	(442)	(80)	(6)	-
-	-	297	389	-	-	95
-	-	-	-	-	-	-
18	6	492	(53)	(80)	(6)	95
2	174	170	215	(2)	34	(95)
-	-	-	-	-	-	-
2	174	170	215	(2)	34	(95)
\$ 20	\$ 180	\$ 662	\$ 162	\$ (82)	\$ 28	\$ -

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COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - Continued
INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003
 (expressed in thousands)

	DEBT COLLECTION	STATEWIDE FUELING NETWORK	PROCUREMENT CARD PURCHASES	PRISON INDUSTRIES	TOTAL
Operating revenues:					
Charges for services	\$ 124	\$ 29	\$ 13	\$ 2,687	\$ 88,587
Investment earnings	-	-	-	-	591
Securities lending income	-	-	-	-	26
Contributions/premiums	-	-	-	-	83,750
Taxes	-	-	-	-	4
Other operating revenues	-	-	10	-	937
Total operating revenues	124	29	23	2,687	173,895
Operating expenses:					
Personal services	85	-	-	881	32,874
Contractual services	10	1	13	7	13,327
Supplies/materials	-	3	3	1,568	15,940
Benefits/claims	-	-	-	-	83,909
Depreciation	-	-	-	176	9,890
Amortization	-	-	-	-	206
Utilities/rent	3	1	-	35	7,299
Communications	8	2	-	1	8,997
Travel	-	6	2	-	350
Repair/maintenance	-	-	5	28	6,506
Interest expense	-	-	-	-	261
Securities lending expense	-	-	-	-	23
Other operating expenses	1	1	-	2	1,683
Total operating expenses	107	14	23	2,698	181,265
Operating income (loss)	17	15	-	(11)	(7,370)
Nonoperating revenues (expenses):					
Gain (loss) sale of capital assets	-	-	-	-	(554)
Federal indirect cost recoveries	-	-	-	-	3,598
Total nonoperating revenues (expenses)	-	-	-	-	3,044
Income (loss) before contributions and transfers	17	15	-	(11)	(4,326)
Transfers in	-	-	-	-	2,079
Transfers out	(400)	-	-	-	(999)
Change in net assets	(383)	15	-	(11)	(3,246)
Total net assets - July 1 - as previously reported	486	8	19	3,873	48,458
Prior period adjustments (Note 3)	-	-	-	-	2,910
Total net assets - July 1 - as restated	486	8	19	3,873	51,368
Total net assets - June 30	\$ 103	\$ 23	\$ 19	\$ 3,862	\$ 48,122

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COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003
 (expressed in thousands)

	FWP EQUIPMENT	FWP WAREHOUSE INVENTORY	FWP OFFICE SUPPLY	HIGHWAY EQUIPMENT	EMPLOYEE GROUP BENEFITS
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from sales and services	\$ 2,007	\$ 93	\$ 85	\$ 18,728	\$ 74,768
Payments to suppliers for goods and services	(1,232)	(83)	(44)	(7,156)	(3,088)
Payments to employees	(71)	(4)	(27)	(5,341)	(559)
Grant receipts	-	-	-	-	-
Cash payments for claims	-	-	-	-	(75,813)
Other operating revenues	-	-	-	-	729
Net cash provided by (used for) operating activities	704	6	14	6,231	(3,963)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payment of principal and interest on bonds and notes	-	-	-	-	-
Proceeds from issuance of bonds and notes	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Transfers from other funds	137	-	-	-	-
Proceeds from interfund loans/advances	-	-	-	-	-
Payment of interfund loans/advances	-	-	-	-	-
Net cash provided by (used for) noncapital financing activities	137	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(951)	-	(15)	(8,279)	-
Proceeds from sale of capital assets	177	-	-	873	-
Principal and interest payments on bonds and notes	-	-	-	-	-
Net cash used for capital and related financing activities	(774)	-	(15)	(7,406)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	-	-	-	-	-
Proceeds from sales or maturities of investments	-	-	-	-	4,400
Proceeds from securities lending transactions	-	-	-	-	26
Interest and dividends on investments	-	-	-	-	646
Payment of securities lending costs	-	-	-	-	(23)
Net cash provided by (used for) investing activities	-	-	-	-	5,049
Net increase (decrease) in cash and cash equivalents	67	6	(1)	(1,175)	1,086
Cash and cash equivalents, July 1	97	77	20	2,758	6,994
Cash and cash equivalents, June 30	\$ 164	\$ 83	\$ 19	\$ 1,583	\$ 8,080

INFO TECH SERVICES DIVISION	ADMIN INSURANCE	ADMIN SUPPLY	MOTOR POOL	PUBLICATIONS & GRAPHICS	BUILDINGS & GROUNDS	ADMIN CENTRAL SERVICES
\$ 30,015	\$ 8,608	\$ 4,124	\$ 4,054	\$ 5,192	\$ 4,649	\$ 532
(15,667)	(2,954)	(3,939)	(1,259)	(4,149)	(4,886)	(74)
(9,905)	(613)	(344)	(244)	(759)	(1,035)	(392)
-	-	-	-	-	-	-
-	(5,041)	-	-	-	-	-
11	102	-	-	-	-	-
4,454	102	(159)	2,551	284	(1,272)	66
-	-	-	(2,346)	-	-	-
-	-	-	806	-	-	-
-	(82)	-	-	-	(300)	-
-	167	-	-	-	933	-
40	2,500	275	1,432	-	-	-
(184)	(4,700)	(250)	(1,400)	-	-	-
(144)	(2,115)	25	(1,508)	-	633	-
(1,513)	-	-	(782)	(32)	(33)	(7)
-	-	-	149	-	-	-
(1,443)	-	-	-	-	-	-
(2,956)	-	-	(633)	(32)	(33)	(7)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,354	(2,013)	(134)	410	252	(672)	59
1,078	2,424	620	2	97	1,241	86
\$ 2,432	\$ 411	\$ 486	\$ 412	\$ 349	\$ 569	\$ 145

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COMBINING STATEMENT OF CASH FLOWS - Continued
INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003
 (expressed in thousands)

	LABOR CENTRAL SERVICES	COMMERCE CENTRAL SERVICES	OPI CENTRAL SERVICES	DEQ INDIRECT COST POOL	MAIL & MESSENGER
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from sales and services	\$ 3,032	\$ 865	\$ 674	\$ 2,162	\$ 3,536
Payments to suppliers for goods and services	(1,096)	(163)	(616)	(968)	(2,957)
Payments to employees	(3,074)	(811)	(927)	(2,107)	(461)
Grant receipts	983	241	919	1,454	-
Cash payments for claims	-	-	-	-	-
Other operating revenues	-	-	2	-	-
Net cash provided by (used for) operating activities	(155)	132	52	541	118
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payment of principal and interest on bonds and notes	-	-	-	-	-
Proceeds from issuance of bonds and notes	-	-	-	-	-
Transfers to other funds	(8)	-	-	-	-
Transfers from other funds	-	-	-	-	-
Proceeds from interfund loans/advances	-	-	-	-	-
Payment of interfund loans/advances	-	(100)	-	-	-
Net cash provided by (used for) noncapital financing activities	(8)	(100)	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	-	-	-	(7)	(196)
Proceeds from sale of capital assets	-	-	-	-	-
Principal and interest payments on bonds and notes	-	-	-	-	-
Net cash used for capital and related financing activities	-	-	-	(7)	(196)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	-	(2)	-	-	-
Proceeds from sales or maturities of investments	-	-	-	-	-
Proceeds from securities lending transactions	-	-	-	-	-
Interest and dividends on investments	-	-	-	-	-
Payment of securities lending costs	-	-	-	-	-
Net cash provided by (used for) investing activities	-	(2)	-	-	-
Net increase (decrease) in cash and cash equivalents	(163)	30	52	534	(78)
Cash and cash equivalents, July 1	690	341	121	341	87
Cash and cash equivalents, June 30	\$ 527	\$ 371	\$ 173	\$ 875	\$ 9

	PAYROLL PROCESSING	WARRANT PROCESSING	INVESTMENT DIVISION	AIRCRAFT OPERATION	JUSTICE LEGAL SERVICES	PERSONNEL TRAINING	RECORDS MANAGEMENT
\$	371	\$ 874	\$ 2,830	\$ 407	\$ 1,182	\$ 266	\$ -
	(93)	(708)	(755)	(471)	(266)	(158)	-
	(239)	(152)	(1,812)	(358)	(939)	(148)	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	39	14	263	(422)	(23)	(40)	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	(69)
	-	-	297	389	-	-	-
	-	-	-	-	100	-	-
	-	-	-	-	(100)	-	-
	-	-	297	389	-	-	(69)
	-	-	-	(13)	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	(13)	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	39	14	560	(46)	(23)	(40)	(69)
	34	166	384	227	65	94	69
\$	73	\$ 180	\$ 944	\$ 181	\$ 42	\$ 54	\$ -

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COMBINING STATEMENT OF CASH FLOWS - Continued
INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003
 (expressed in thousands)

	DEBT COLLECTION	STATEWIDE FUELING NETWORK	PROCUREMENT CARD PURCHASES	PRISON INDUSTRIES	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from sales and services	\$ 86	\$ 29	\$ 12	\$ 2,660	\$ 171,841
Payments to suppliers for goods and services	(22)	(15)	(23)	(1,470)	(54,312)
Payments to employees	(82)	-	-	(830)	(31,234)
Grant receipts	-	-	-	-	3,597
Cash payments for claims	-	-	-	-	(80,854)
Other operating revenues	-	-	10	-	854
Net cash provided by (used for) operating activities	(18)	14	(1)	360	9,892
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payment of principal and interest on bonds and notes	-	-	-	-	(2,346)
Proceeds from issuance of bonds and notes	-	-	-	-	806
Transfers to other funds	(400)	-	-	-	(859)
Transfers from other funds	-	-	-	-	1,923
Proceeds from interfund loans/advances	-	-	-	-	4,347
Payment of interfund loans/advances	-	-	-	(65)	(6,799)
Net cash provided by (used for) noncapital financing activities	(400)	-	-	(65)	(2,928)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	-	-	-	-	(11,828)
Proceeds from sale of capital assets	-	-	-	-	1,199
Principal and interest payments on bonds and notes	-	-	-	-	(1,443)
Net cash used for capital and related financing activities	-	-	-	-	(12,072)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	-	-	-	-	(2)
Proceeds from sales or maturities of investments	-	-	-	-	4,400
Proceeds from securities lending transactions	-	-	-	-	26
Interest and dividends on investments	-	-	-	-	646
Payment of securities lending costs	-	-	-	-	(23)
Net cash provided by (used for) investing activities	-	-	-	-	5,047
Net increase (decrease) in cash and cash equivalents	(418)	14	(1)	295	(61)
Cash and cash equivalents, July 1	517	9	19	219	18,877
Cash and cash equivalents, June 30	\$ 99	\$ 23	\$ 18	\$ 514	\$ 18,816

COMBINING STATEMENT OF CASH FLOWS - Continued
INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003
 (expressed in thousands)

	FWP EQUIPMENT	FWP WAREHOUSE INVENTORY	FWP OFFICE SUPPLY	HIGHWAY EQUIPMENT	EMPLOYEE GROUP BENEFITS
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ 169	\$ (8)	\$ 7	\$ (142)	\$ (5,481)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:					
Depreciation	552	-	4	5,722	-
Amortization	-	-	-	-	-
Interest expense	-	-	-	-	-
Securities lending expense	-	-	-	-	23
Investment earnings	-	-	-	-	(591)
Securities lending income	-	-	-	-	(26)
Federal indirect cost recoveries	-	-	-	-	-
Change in assets and liabilities:					
Decr (incr) in accounts receivable	3	-	-	(1)	(515)
Decr (incr) in due from other funds	(17)	2	(1)	(107)	4
Decr (incr) in due from component units	1	-	-	-	-
Decr (incr) in inventories	-	5	3	-	-
Decr (incr) in other assets	-	-	-	-	-
Incr (decr) in accounts payable	(2)	6	1	740	228
Incr (decr) in due to other funds	(1)	1	-	1	8
Incr (decr) in due to component units	-	-	-	7	-
Incr (decr) in deferred revenue	-	-	-	-	68
Incr (decr) in amounts held in custody for others	-	-	-	-	-
Incr (decr) in compensated absences payable	(1)	-	-	11	(4)
Incr (decr) in estimated claims	-	-	-	-	2,323
Net cash provided by (used for) operating activities	<u>\$ 704</u>	<u>\$ 6</u>	<u>\$ 14</u>	<u>\$ 6,231</u>	<u>\$ (3,963)</u>
Schedule of noncash transactions:					
Capital asset acquisitions from capital leases	\$ -	\$ -	\$ -	\$ -	-
Incr (decr) in fair value of investments	-	-	-	-	2
Total noncash transactions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2</u>

(Continued on Next Page)

INFO TECH SERVICES DIVISION	ADMIN INSURANCE	ADMIN SUPPLY	MOTOR POOL	PUBLICATIONS & GRAPHICS	BUILDINGS & GROUNDS	ADMIN CENTRAL SERVICES
\$ 1,854	\$ (419)	\$ (238)	\$ 881	\$ 114	\$ (646)	\$ 43
1,626	-	5	1,535	89	22	3
206	-	-	-	-	-	-
99	-	-	162	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
16	-	(3)	(1)	(17)	(2)	-
(224)	(37)	(13)	(41)	(79)	(106)	-
(15)	(5)	(8)	(1)	-	-	-
-	-	11	-	28	-	-
(7)	-	-	-	1	-	-
417	(552)	81	12	(22)	(138)	18
(54)	35	2	-	(6)	(419)	-
4	1	-	-	-	-	-
339	-	-	-	170	-	-
77	(10)	-	-	-	-	-
116	10	4	4	6	17	2
-	1,079	-	-	-	-	-
\$ 4,454	\$ 102	\$ (159)	\$ 2,551	\$ 284	\$ (1,272)	\$ 66
\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

COMBINING STATEMENT OF CASH FLOWS - Continued
INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003
 (expressed in thousands)

	LABOR CENTRAL SERVICES	COMMERCE CENTRAL SERVICES	OPI CENTRAL SERVICES	DEQ INDIRECT COST POOL	MAIL & MESSENGER
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ (1,273)	\$ (128)	\$ (1,007)	\$ (890)	\$ 77
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:					
Depreciation	36	5	-	43	65
Amortization	-	-	-	-	-
Interest expense	-	-	-	-	-
Securities lending expense	-	-	-	-	-
Investment earnings	-	-	-	-	-
Securities lending income	-	-	-	-	-
Federal indirect cost recoveries	1,092	265	846	1,395	-
Change in assets and liabilities:					
Decr (incr) in accounts receivable	-	-	-	-	22
Decr (incr) in due from other funds	(158)	(5)	106	96	76
Decr (incr) in due from component units	(1)	-	-	-	(9)
Decr (incr) in inventories	-	-	-	-	-
Decr (incr) in other assets	17	1	(1)	-	(1)
Incr (decr) in accounts payable	95	14	45	(93)	(124)
Incr (decr) in due to other funds	(26)	(11)	33	(15)	7
Incr (decr) in due to component units	-	3	-	(2)	1
Incr (decr) in deferred revenue	-	-	-	-	-
Incr (decr) in amounts held in custody for others	-	2	-	-	-
Incr (decr) in compensated absences payable	63	(14)	30	7	4
Incr (decr) in estimated claims	-	-	-	-	-
Net cash provided by (used for) operating activities	<u>\$ (155)</u>	<u>\$ 132</u>	<u>\$ 52</u>	<u>\$ 541</u>	<u>\$ 118</u>
Schedule of noncash transactions:					
Capital asset acquisitions from capital leases	\$ -	\$ -	\$ -	\$ -	-
Incr (decr) in fair value of investments	-	-	-	-	-
Total noncash transactions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

(Continued on Next Page)

PAYROLL PROCESSING	WARRANT PROCESSING	INVESTMENT DIVISION	AIRCRAFT OPERATION	JUSTICE LEGAL SERVICES	PERSONNEL TRAINING	RECORDS MANAGEMENT
\$ 18	\$ 6	\$ 200	\$ (442)	\$ (80)	\$ (6)	-
-	-	6	1	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(26)	-	16	(1)	-
1	11	(13)	(3)	7	20	-
-	(17)	8	-	(3)	-	-
-	-	-	-	-	-	-
-	-	(3)	-	-	3	-
14	15	82	22	26	(10)	-
2	2	(11)	-	3	2	-
-	-	-	-	-	-	-
-	-	-	-	-	(47)	-
-	-	-	-	-	-	-
4	(3)	20	-	8	(1)	-
-	-	-	-	-	-	-
<u>\$ 39</u>	<u>\$ 14</u>	<u>\$ 263</u>	<u>\$ (422)</u>	<u>\$ (23)</u>	<u>\$ (40)</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

COMBINING STATEMENT OF CASH FLOWS - Continued
INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003
 (expressed in thousands)

	DEBT COLLECTION	STATEWIDE FUELING NETWORK	PROCUREMENT CARD PURCHASES	PRISON INDUSTRIES	TOTAL
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ 17	\$ 15	\$ -	\$ (11)	\$ (7,370)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:					
Depreciation	-	-	-	176	9,890
Amortization	-	-	-	-	206
Interest expense	-	-	-	-	261
Securities lending expense	-	-	-	-	23
Investment earnings	-	-	-	-	(591)
Securities lending income	-	-	-	-	(26)
Federal indirect cost recoveries	-	-	-	-	3,598
Change in assets and liabilities:					
Decr (incr) in accounts receivable	-	(1)	-	(3)	(513)
Decr (incr) in due from other funds	(10)	-	(1)	(6)	(498)
Decr (incr) in due from component units	-	-	-	-	(50)
Decr (incr) in inventories	-	-	-	17	64
Decr (incr) in other assets	-	-	-	-	10
Incr (decr) in accounts payable	4	-	-	24	903
Incr (decr) in due to other funds	(28)	-	-	161	(314)
Incr (decr) in due to component units	-	-	-	-	14
Incr (decr) in deferred revenue	-	-	-	-	530
Incr (decr) in amounts held in custody for others	-	-	-	-	69
Incr (decr) in compensated absences payable	(1)	-	-	2	284
Incr (decr) in estimated claims	-	-	-	-	3,402
Net cash provided by (used for) operating activities	\$ (18)	\$ 14	\$ (1)	\$ 360	\$ 9,892
Schedule of noncash transactions:					
Capital asset acquisitions from capital leases	\$ -	\$ -	\$ -	\$ -	2
Incr (decr) in fair value of investments	-	-	-	-	2
Total noncash transactions	\$ -	\$ -	\$ -	\$ -	4

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PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

These funds provide retirement, disability, death, and lump-sum payments to retirement system members. A brief description of each fund follows:

Public Employee Retirement System - Defined Benefit Retirement Plan – This fund provides retirement benefits to substantially all public employees not covered by another public system.

Municipal Police Officers Retirement System – This fund provides retirement benefits to all municipal police officers covered by the plan.

Firefighters Unified Retirement System – This fund provides retirement benefits for firefighters employed by first and second- class cities and other cities that wish to adopt the plan.

Sheriffs Retirement System – This fund provides retirement benefits for sheriffs and State Department of Justice investigators.

Highway Patrol Officers Retirement System – This fund provides retirement benefits for all members of the Montana Highway Patrol.

Judges Retirement System – This fund provides retirement benefits for all district court judges, justices of the Supreme Court, and the Chief Water Judge.

Game Wardens & Peace Officers Retirement System – This fund provides retirement benefits for all persons employed as game wardens, supervisory personnel, and state peace officers.

Volunteer Firefighters Compensation Act – This fund provides medical benefits and pension, disability, and death benefits for all volunteer firefighters who are members of eligible volunteer fire companies in unincorporated areas of the State.

Public Employee Retirement System - Defined Contribution Retirement Plan – Members of the defined contribution retirement plan decide how to invest their contributions and a portion of their employer contributions in the available investment options.

Public Employee 457 Plan – All employees of the State, Montana University System, and contracting political subdivisions are eligible to participate in this plan. The 457 plan is a voluntary, tax-deferred retirement plan designed to supplement state service retirement, Social Security, and other retirement plans and savings.

Teachers Retirement System – This fund provides retirement services to all persons employed as teachers or professional staff of any public elementary or secondary school, or unit of the university system.

Voluntary Employee Benefit Association – This fund provides members with individual health care expense trust accounts to pay the qualified health care expenses of members and their dependents and beneficiaries.

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS**

JUNE 30, 2003

(expressed in thousands)

	PUBLIC EMPLOYEE RETIREMENT BOARD (PERB)					
	PUBLIC EMPLOYEE DEFINED BENEFIT	MUNICIPAL POLICE	FIRE- FIGHTERS UNIFIED	SHERIFFS	HIGHWAY PATROL	JUDGES
ASSETS						
Cash/cash equivalents	\$ 80,051	\$ 1,551	\$ 1,734	\$ 3,298	\$ 1,611	\$ 889
Receivables (net):						
Accounts receivable	4,230	378	335	288	-	-
Interest	11,388	504	477	499	287	161
Due from primary government	46	6,798	6,006	-	63	-
Due from other PERA plans	215	-	-	26	-	-
Long-term notes/loans receivable	380	-	-	71	-	-
Total receivables	<u>16,259</u>	<u>7,680</u>	<u>6,818</u>	<u>884</u>	<u>350</u>	<u>161</u>
Investments at fair value:						
Equity in pooled investments	2,489,661	121,111	115,176	119,854	69,185	38,745
Other investments	119,325	-	-	-	-	-
Total investments	<u>2,608,986</u>	<u>121,111</u>	<u>115,176</u>	<u>119,854</u>	<u>69,185</u>	<u>38,745</u>
Securities lending collateral	90,289	4,579	4,346	4,462	2,570	1,437
Capital assets:						
Land	-	-	-	-	-	-
Buildings/improvements	-	-	-	-	-	-
Equipment	5	-	-	-	-	-
Accumulated depreciation	(3)	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Total capital assets	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other assets	-	-	-	-	-	-
Total assets	<u>2,795,587</u>	<u>134,921</u>	<u>128,074</u>	<u>128,498</u>	<u>73,716</u>	<u>41,232</u>
LIABILITIES						
Accounts payable	2,890	52	-	9	-	-
Due to primary government	50	-	-	-	-	-
Due to other PERA plans	5,513	64	30	32	15	3
Deferred revenue	243	1	1	1	-	-
Bonds/notes payable (net)	-	-	-	-	-	-
Securities lending liability	90,289	4,579	4,346	4,462	2,570	1,437
Compensated absences payable	239	-	-	-	-	-
Total liabilities	<u>99,224</u>	<u>4,696</u>	<u>4,377</u>	<u>4,504</u>	<u>2,585</u>	<u>1,440</u>
NET ASSETS						
Held in trust for pension benefits and other purposes	<u>\$ 2,696,363</u>	<u>\$ 130,225</u>	<u>\$ 123,697</u>	<u>\$ 123,994</u>	<u>\$ 71,131</u>	<u>\$ 39,792</u>

PUBLIC EMPLOYEE RETIREMENT BOARD (PERB)						
GAME WARDENS/ PEACE OFFICERS	VOLUNTEER FIRE- FIGHTERS	PUBLIC EMPLOYEE DEFINED CONTRIBUTION	PUBLIC EMPLOYEE 457 PLAN	TEACHERS RETIREMENT SYSTEM	VOLUNTARY EMPLOYEE BENEFIT ASSOCIATION	TOTAL
\$ 1,877	\$ 1,415	\$ 1,745	\$ 2,882	\$ 67,249	\$ 1	\$ 164,303
5	-	-	598	15,569	-	21,403
148	69	-	-	8,927	-	22,460
-	-	-	-	84	-	12,997
-	-	5,500	-	-	-	5,741
-	-	-	-	-	-	451
153	69	5,500	598	24,580	-	63,052
35,451	16,446	-	-	1,926,576	-	4,932,205
-	-	9,239	205,028	102,150	-	435,742
35,451	16,446	9,239	205,028	2,028,726	-	5,367,947
1,314	606	-	-	70,099	-	179,702
-	-	-	-	35	-	35
-	-	-	-	158	-	158
-	-	-	-	147	-	152
-	-	-	-	(246)	-	(249)
-	-	-	-	3,321	-	3,321
-	-	-	-	3,415	-	3,417
-	-	-	-	3	-	3
38,795	18,536	16,484	208,508	2,194,072	1	5,778,424
20	-	32	129	213	24	3,369
-	-	7	7	23	-	87
25	30	21	8	-	-	5,741
8	-	-	-	-	-	254
-	-	1,498	-	-	130	1,628
1,314	606	-	-	70,099	-	179,702
-	-	47	22	104	-	412
1,367	636	1,605	166	70,439	154	191,193
\$ 37,428	\$ 17,900	\$ 14,879	\$ 208,342	\$ 2,123,633	\$ (153)	\$ 5,587,231

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(expressed in thousands)**

PUBLIC EMPLOYEE RETIREMENT BOARD (PERB)

	PUBLIC EMPLOYEE DEFINED BENEFIT	MUNICIPAL POLICE	FIRE- FIGHTERS UNIFIED	SHERIFFS	HIGHWAY PATROL	JUDGES
ADDITIONS						
Contributions/premiums:						
Employer	\$ 57,986	\$ 10,300	\$ 8,809	\$ 2,508	\$ 2,866	\$ 1,052
Employee	61,750	2,235	2,138	2,647	798	286
Other contributions	878	19	2	22	361	-
Net investment earnings:						
Investment earnings	170,423	8,661	8,191	8,292	4,685	2,702
Administrative investment expense	(3,402)	(147)	(139)	(143)	(82)	(46)
Securities lending income	1,629	83	79	82	47	26
Securities lending expense	(1,318)	(68)	(65)	(67)	(39)	(21)
Charges for services	-	-	-	-	-	-
Other additions	1	-	-	-	-	-
Total additions	287,947	21,083	19,015	13,341	8,636	3,999
DEDUCTIONS						
Benefits	122,205	10,425	9,081	4,307	5,160	1,553
Refunds	10,447	373	82	475	107	-
Administrative expenses:						
Personal services	1,128	2	-	-	-	-
Contractual services	788	-	-	-	-	-
Supplies/materials	36	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Amortization	-	-	-	-	-	-
Utilities/rent	124	-	-	-	-	-
Communications	140	-	-	-	-	-
Travel	35	-	-	-	-	-
Repair/maintenance	3	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Other operating expenses	-	38	30	32	15	3
Local assistance	-	-	-	-	-	-
Transfers to ORP	5,957	-	-	-	-	-
Transfers to PERS-DCRP	15,990	-	-	-	-	-
Total deductions	156,853	10,838	9,193	4,814	5,282	1,556
Change in net assets	131,094	10,245	9,822	8,527	3,354	2,443
Net assets - July 1 - as previously reported	2,565,269	119,980	113,875	115,467	67,777	37,349
Prior period adjustments	-	-	-	-	-	-
Net assets - July 1 - as restated	2,565,269	119,980	113,875	115,467	67,777	37,349
Net assets - June 30	\$ 2,696,363	\$ 130,225	\$ 123,697	\$ 123,994	\$ 71,131	\$ 39,792

PUBLIC EMPLOYEE RETIREMENT BOARD (PERB)						
GAME WARDENS/ PEACE OFFICERS	VOLUNTEER FIRE- FIGHTERS	PUBLIC EMPLOYEE DEFINED CONTRIBUTION	PUBLIC EMPLOYEE 457 PLAN	TEACHERS RETIREMENT SYSTEM	VOLUNTARY EMPLOYEE BENEFIT ASSOCIATION	TOTAL
\$ 1,835	\$ 1,310	\$ 6,130	\$ 44	\$ 53,918	\$ -	\$ 146,758
2,289	-	10,389	14,725	50,221	-	147,478
4	-	-	-	113	-	1,399
2,578	1,277	551	8,939	128,686	-	344,985
(41)	(20)	-	(398)	(2,683)	-	(7,101)
23	12	-	-	1,269	-	3,250
(19)	(9)	-	-	(1,026)	-	(2,632)
-	-	-	256	4	-	260
-	-	31	-	-	-	32
6,669	2,570	17,101	23,566	230,502	-	634,429
1,318	1,413	628	10,646	140,229	-	306,965
356	-	-	-	6,468	-	18,308
-	-	301	129	763	16	2,339
-	-	136	819	402	104	2,249
-	-	9	3	36	-	84
-	-	-	-	13	-	13
-	-	-	-	516	-	516
-	-	40	18	32	-	214
-	-	10	13	38	-	201
-	-	12	8	11	2	68
-	-	1	-	34	-	38
-	-	46	-	-	3	49
25	30	12	7	17	-	209
-	12	-	-	-	-	12
-	-	-	-	-	-	5,957
-	-	-	-	-	-	15,990
1,699	1,455	1,195	11,643	148,559	125	353,212
4,970	1,115	15,906	11,923	81,943	(125)	281,217
32,458	16,785	(1,027)	196,419	2,041,691	(28)	5,306,015
-	-	-	-	(1)	-	(1)
32,458	16,785	(1,027)	196,419	2,041,690	(28)	5,306,014
\$ 37,428	\$ 17,900	\$ 14,879	\$ 208,342	\$ 2,123,633	\$ (153)	\$ 5,587,231

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PRIVATE-PURPOSE TRUST FUNDS

Private-purpose trust funds are used to account for assets held by the State in a trustee capacity, where both the trust principal and earnings benefit individuals, private organizations, or other governments. A brief description of each private-purpose trust fund follows:

Rural Development – This fund accounts for programs authorized under the Bankhead Jones Farm Tenant Act. Resources are used by the Department of Agriculture under a federal use agreement for the purpose of aiding low-income rural families. Effective July 1, 2002, this fund was reclassified to the State Special Revenue Fund.

Escheated Property – This fund accounts for property that has reverted to the State due to the absence of legal claimants or heirs and is held in trust for distribution to these heirs when identified..

Plan 1 Securities – This fund accounts for the unliquidated security bonds held on deposit from self-insured employers. These funds either revert to the employer at a later date or are cashed and assumed by the State to be used on the employee's behalf.

Woodville Highway Replacement – This fund accounts for money paid to the Montana Department of Transportation by the Anaconda Company to provide the government of Butte-Silver Bow with traffic facilities. This money is held on deposit for the city/county government and is distributed to them at their request.

Cisco Academies – This trust distributes private donations used to support the ongoing needs of regional and local academies to train students in information technology skills. It is anticipated the last of these donations will be distributed to the Montana Colleges of Technology for use in their scholarship programs during fiscal year 2004.

Moore-Sipple Connector – Money is held in trust to insure the continued operation of the Moore-Sipple Connector. The balance in this fund reverts to the railroad company if the line is in operation until 2010. As the result of a court order, until this date is reached, the interest earnings on this money are provided to the Central Montana Rail for use in operating the railroad.

Environmental Reclamation – This fund accounts for environmental reclamation bonds held in trust to be either returned to the company upon successful reclamation of mining properties and related impacts or to be used by the State to complete the related reclamation process.

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
 JUNE 30, 2003
 (expressed in thousands)

	ESCHEATED PROPERTY	PLAN 1 SECURITIES	WOODVILLE HIGHWAY REPLACEMENT
ASSETS			
Cash/cash equivalents	\$ 464	\$ -	\$ 44
Other assets	-	3,404	-
Total assets	464	3,404	44
LIABILITIES			
Accounts payable	5	-	-
Total liabilities	5	-	-
NET ASSETS			
Held in trust for other purposes	\$ 459	\$ 3,404	\$ 44

	CISCO ACADEMIES		MOORE- SIPPLE CONNECTOR		ENVIRONMENTAL RECLAMATION		TOTAL
\$	8	\$	239	\$	765	\$	1,520
	-		-		-		3,404
	8		239		765		4,924
	-		-		-		5
	-		-		-		5
\$	8	\$	239	\$	765	\$	4,919

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(expressed in thousands)**

	RURAL DEVELOPMENT	ESCHEATED PROPERTY	PLAN 1 SECURITIES	WOODVILLE HIGHWAY REPLACEMENT
ADDITIONS				
Net investment earnings:				
Investment earnings	\$ -	\$ 4	\$ -	\$ 1
Other additions	-	2,171	-	-
Total additions	-	2,175	-	1
DEDUCTIONS				
Distributions	-	2,172	-	-
Administrative expenses:				
Contractual services	-	-	-	41
Grants	-	-	-	-
Total deductions	-	2,172	-	41
Change in net assets	-	3	-	(40)
Net assets - July 1 - as previously reported	3,511	955	771	84
Prior period adjustments	(3,511)	(499)	2,633	-
Net assets - July 1 - as restated	-	456	3,404	84
Net assets - June 30	\$ -	\$ 459	\$ 3,404	\$ 44

	CISCO ACADEMIES	MOORE- SIPPLE CONNECTOR	ENVIRONMENTAL RECLAMATION	TOTAL
\$	-	\$ 4	\$ 2	\$ 11
	-	-	763	2,934
	-	4	765	2,945
	-	-	-	2,172
	-	-	-	41
	-	4	-	4
	-	4	-	2,217
	-	-	765	728
	8	238	-	5,567
	-	1	-	(1,376)
	8	239	-	4,191
\$	\$ 8	\$ 239	\$ 765	\$ 4,919

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AGENCY FUNDS

Agency funds are used to account for assets held by the State as an agent for individuals, private organizations, and other governments. A brief description of each agency fund follows:

Investment Pool – This fund accounts for idle cash invested on a pooled basis for local governments and other public entities.

Performance Deposits – This fund accounts for deposits held by the State pending compliance with performance agreements.

Central Payroll – This fund accounts for the accumulation of state employee payroll and withholding by the Department of Administration, pending remittance to employees and other appropriate third parties.

Criminal Offender Restitution – Accounts for restitution payments received from prisoners and disbursed to their victims.

Workers Compensation Securities – This fund, administered by the Department of Labor and Industry, accounts for surety bonds, converting the bonds into cash to liquidate liabilities as necessary.

Custodial Accounts – This fund accounts for monies belonging to state institution residents, students of the School for the Deaf and Blind, and participants in the foster children and protective services programs. The fund also accounts for balances held by the Office of the Commissioner of Higher Education for remittance, on behalf of eligible employees of the Montana University System, to the TIAA-CREF (Teachers Insurance and Annuity Association-College Retirement Equities Fund) retirement fund.

Child Support Collections – This fund accounts for payments from parents under the Child Support Enforcement Program administered by the Department of Public Health and Human Services.

Unclaimed Property – The balances in this fund have been reclassified to other fund types for reporting in accordance with changes to accounting pronouncements.

Uncleared Collections – This fund accounts for resources held pending distribution to other funds and local governments. The balances in this fund have been reclassified to other fund types for reporting in accordance with changes to accounting pronouncements as of the fiscal year-end.

Intergovernmental – This fund accounts for resources that flow through state agencies to federal and local governments.

Debt Collection – This fund accounts for amounts due to the State which have been written off as uncollectible by the receiving agency. The Department of Revenue continues to attempt to collect amounts owing for a period of time after they are deemed uncollectible by the receiving agency.

Milk Passthrough – This fund accounts for the distribution of the proceeds from the sale of pooled milk. In fiscal year 2002, this fund was included with the Stock Estray Agency Fund. The activity related to stock estray was reclassified to the State Special Revenue Fund in fiscal year 2003.

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

AGENCY FUNDS

JUNE 30, 2003

(expressed in thousands)

	INVESTMENT POOL	PERFORMANCE DEPOSITS	CENTRAL PAYROLL	CRIMINAL OFFENDER RESTITUTION
ASSETS				
Cash/cash equivalents	\$ 85,825	\$ 14,223	\$ 333	\$ 8
Receivables (net):				
Interest	46,857	-	1	385
Total receivables	46,857	-	1	385
Other assets	-	12,580	-	-
Total assets	132,682	26,803	334	393
LIABILITIES				
Accounts payable	26,338	36	275	392
Amounts held in custody for others	106,344	26,767	59	1
Total liabilities	132,682	26,803	334	393

CUSTODIAL ACCOUNTS	CHILD SUPPORT COLLECTIONS	INTER- GOVERNMENTAL	DEBT COLLECTION	MILK PASS- THROUGH	TOTAL
\$ 1,027	\$ 984	\$ 4,206	\$ 89	\$ 57	\$ 106,752
-	587	51	12	-	47,893
-	587	51	12	-	47,893
-	-	2,504	-	-	15,084
1,027	1,571	6,761	101	57	169,729
28	821	139	2	30	28,061
999	750	6,622	99	27	141,668
1,027	1,571	6,761	101	57	169,729

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

(expressed in thousands)

FUND	BALANCE JUNE 30, 2002	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2003
INVESTMENT POOL:				
ASSETS				
Cash/cash equivalents	\$ 13,370	\$ 28,760,441	\$ 28,687,986	\$ 85,825
Receivables (net)	57,361	307,781	318,285	46,857
Equity in pooled investments	-	13,128,458	13,128,458	-
Investments	-	28,431,632	28,431,632	-
Deferred gains (losses)	-	768,775	768,775	-
Securities lending collateral	-	256,472	256,472	-
Total assets	<u>\$ 70,731</u>	<u>\$ 71,653,559</u>	<u>\$ 71,591,608</u>	<u>\$ 132,682</u>
LIABILITIES				
Accounts payable	\$ 3,832	\$ 26,938	4,432	\$ 26,338
Due to other governments	-	1,856,079	1,856,079	-
Due to other funds	-	128	128	-
Amounts held in custody for others	66,899	16,981,954	16,942,509	106,344
Securities lending liability	-	256,472	256,472	-
Other liabilities	-	135,479	135,479	-
Total liabilities	<u>\$ 70,731</u>	<u>\$ 19,257,050</u>	<u>\$ 19,195,099</u>	<u>\$ 132,682</u>
PERFORMANCE DEPOSITS:				
ASSETS				
Cash/cash equivalents	\$ 12,564	\$ 86,597	\$ 84,938	\$ 14,223
Receivables (net)	3	29	32	-
Due from other funds	-	150	150	-
Other assets	13,291	144	855	12,580
Total assets	<u>\$ 25,858</u>	<u>\$ 86,920</u>	<u>\$ 85,975</u>	<u>\$ 26,803</u>
LIABILITIES				
Accounts payable	\$ 7,859	\$ 3,086	\$ 10,909	\$ 36
Due to other funds	-	1,573	1,573	-
Amounts held in custody for others	16,047	33,603	22,883	26,767
Other liabilities	1,952	65,054	67,006	-
Total liabilities	<u>\$ 25,858</u>	<u>\$ 103,316</u>	<u>\$ 102,371</u>	<u>\$ 26,803</u>
CENTRAL PAYROLL:				
ASSETS				
Cash/cash equivalents	\$ 4,287	\$ 606,671	\$ 610,625	\$ 333
Receivables (net)	1	20,432	20,432	1
Due from other funds	-	22,219	22,219	-
Total assets	<u>\$ 4,288</u>	<u>\$ 649,322</u>	<u>\$ 653,276</u>	<u>\$ 334</u>
LIABILITIES				
Accounts payable	\$ 4,188	\$ 12,696	\$ 16,609	\$ 275
Due to other funds	-	4,511	4,511	-
Amounts held in custody for others	100	590,094	590,135	59
Other liabilities	-	100	100	-
Total liabilities	<u>\$ 4,288</u>	<u>\$ 607,401</u>	<u>\$ 611,355</u>	<u>\$ 334</u>

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FUND	BALANCE JUNE 30, 2002		ADDITIONS	DEDUCTIONS		BALANCE JUNE 30, 2003	
CRIMINAL OFFENDER RESTITUTION:							
ASSETS							
Cash/cash equivalents	\$	-	\$ 25	\$	17	\$	8
Receivables (net)		-	397		12		385
Total assets	\$	-	\$ 422	\$	29	\$	393
LIABILITIES							
Accounts payable	\$	-	420		28		392
Amounts held in custody for others		-	29		28		1
Total liabilities	\$	-	\$ 449	\$	56	\$	393
WORKERS COMPENSATION SECURITIES:							
ASSETS							
Other assets	\$	660	\$ -	\$	660	\$	-
Total assets	\$	660	\$ -	\$	660	\$	-
LIABILITIES							
Amounts held in custody for others	\$	660	\$ 660	\$	1,320	\$	-
Other liabilities		-	660		660		-
Total liabilities	\$	660	\$ 1,320	\$	1,980	\$	-
CUSTODIAL ACCOUNTS:							
ASSETS							
Cash/cash equivalents	\$	1,121	\$ 3,477	\$	3,571	\$	1,027
Receivables (net)		-	1		1		-
Due from other funds		-	3		3		-
Total assets	\$	1,121	\$ 3,481	\$	3,575	\$	1,027
LIABILITIES							
Accounts payable	\$	5	\$ 412	\$	389	\$	28
Due to other funds		-	-		-		-
Amounts held in custody for others		1,116	8,961		9,078		999
Other liabilities		-	1,116		1,116		-
Total liabilities	\$	1,121	\$ 10,489	\$	10,583	\$	1,027
CHILD SUPPORT COLLECTIONS:							
ASSETS							
Cash/cash equivalents	\$	595	\$ 58,067	\$	57,678	\$	984
Receivables (net)		587	93		92		588
Due from other funds		-	64		64		-
Total assets	\$	1,182	\$ 58,224	\$	57,834	\$	1,572
LIABILITIES							
Accounts payable	\$	754	\$ 46,781	\$	46,714	\$	821
Amounts held in custody for others		428	57,814		57,492		750
Total liabilities	\$	1,182	\$ 104,595	\$	104,206	\$	1,571

(Continued on Next Page)

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - Continued

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

(expressed in thousands)

FUND	BALANCE JUNE 30, 2002		ADDITIONS	DEDUCTIONS		BALANCE JUNE 30, 2003	
UNCLAIMED PROPERTY:							
ASSETS							
Cash/cash equivalents	\$	17	\$ 167	\$	184	\$	-
Receivables (net)		-	1		1		-
Total assets	\$	17	\$ 168	\$	185	\$	-
LIABILITIES							
Accounts payable	\$	-	\$ 139	\$	139	\$	-
Amounts held in custody for others		17	183		200		-
Other liabilities		-	17		17		-
Total liabilities	\$	17	\$ 339	\$	356	\$	-
UNCLEARED COLLECTIONS:							
ASSETS							
Cash/cash equivalents	\$	-	\$ 9,833,684	\$	9,833,684	\$	-
Receivables (net)		-	1,673,043		1,673,043		-
Investments		-	11,000		11,000		-
Other assets		-	-		-		-
Total assets	\$	-	\$ 11,517,727	\$	11,517,727	\$	-
LIABILITIES							
Accounts payable	\$	-	\$ 1,795	\$	1,795	\$	-
Due to other funds		-	5		5		-
Due to other governments		-	3,932		3,932		-
Amounts held in custody for others		-	50		50		-
Other liabilities		-	408,836		408,836		-
Total liabilities	\$	-	\$ 414,618	\$	414,618	\$	-
INTERGOVERNMENTAL:							
ASSETS							
Cash/cash equivalents	\$	15,222	\$ 236,465	\$	247,481	\$	4,206
Receivables (net)		44	120		113		51
Due from other funds		-	1		1		-
Investments		-	16,800		16,800		-
Other assets		2,619	239		354		2,504
Total assets	\$	17,885	\$ 253,625	\$	264,749	\$	6,761
LIABILITIES							
Accounts payable	\$	160	\$ 3,548	\$	3,569	\$	139
Due to other funds		-	24,908		24,908		-
Amounts held in custody for others		17,725	46,465		57,568		6,622
Other liabilities		-	17,725		17,725		-
Total liabilities	\$	17,885	\$ 92,646	\$	103,770	\$	6,761

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FUND	BALANCE JUNE 30, 2002		ADDITIONS	DEDUCTIONS		BALANCE JUNE 30, 2003	
DEBT COLLECTION:							
ASSETS							
Cash/cash equivalents	\$	40	\$ 1,594	\$ 1,545	\$	89	
Receivables (net)		10	27,597	27,595		12	
Due from other funds		-	24	24		-	
Total assets	\$	50	\$ 29,215	\$ 29,164	\$	101	
LIABILITIES							
Accounts payable	\$	-	\$ 162	\$ 160	\$	2	
Due to other funds		-	24	24		-	
Amounts held in custody for others		50	4,158	4,109		99	
Estimated claims payable		-	178	178		-	
Other liabilities		-	226	226		-	
Total liabilities	\$	50	\$ 4,748	\$ 4,697	\$	101	
MILK PASSTHROUGH:							
ASSETS							
Cash/cash equivalents	\$	57	\$ 585	\$ 585	\$	57	
Receivables (net)		-	\$ 11	\$ 11	\$	-	
Due from other funds		-	1	1		-	
Total assets	\$	57	\$ 597	\$ 597	\$	57	
LIABILITIES							
Accounts payable	\$	50	\$ 564	\$ 584	\$	30	
Amounts held in custody for others		7	1,803	1,783		27	
Other liabilities		-	7	7		-	
Total liabilities	\$	57	\$ 2,367	\$ 2,367	\$	57	

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COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - Continued

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

(expressed in thousands)

FUND	BALANCE JUNE 30, 2002	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2003
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash/cash equivalents	\$ 47,273	\$ 39,587,773	\$ 39,528,294	\$ 106,752
Receivables (net)	58,006	2,029,505	2,039,617	47,894
Due from other funds	-	22,462	22,462	-
Equity in pooled investments	-	13,128,458	13,128,458	-
Investments	-	28,459,432	28,459,432	-
Deferred gains (losses)	-	768,775	768,775	-
Securities lending collateral	-	256,472	256,472	-
Other assets	16,570	383	1,869	15,084
Total assets	<u>\$ 121,849</u>	<u>\$ 84,253,260</u>	<u>\$ 84,205,379</u>	<u>\$ 169,730</u>
LIABILITIES				
Accounts payable	\$ 16,848	\$ 96,541	\$ 85,328	\$ 28,061
Due to other governments	-	1,856,079	1,856,079	-
Due to other funds	-	31,149	31,149	-
Amounts held in custody for others	103,049	17,725,774	17,687,155	141,668
Securities lending liability	-	256,472	256,472	-
Estimated claims payable	-	178	178	-
Other liabilities	1,952	629,220	631,172	-
Total liabilities	<u>\$ 121,849</u>	<u>\$ 20,595,413</u>	<u>\$ 20,547,533</u>	<u>\$ 169,729</u>