

State of Montana
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2005

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State of Montana
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2005

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COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
 JUNE 30, 2005
 (expressed in thousands)

	DEBT SERVICE	CAPITAL PROJECTS	PERMANENT	TOTAL
ASSETS				
Cash/cash equivalents	\$ 16,867	\$ 9,082	\$ 5,801	\$ 31,750
Receivables (net)	2,708	1,342	1,478	5,528
Due from other funds	11	578	-	589
Equity in pooled investments	-	-	191,811	191,811
Long-term loans/notes receivable	30,906	-	-	30,906
Advances to other funds	2,826	-	-	2,826
Investments	4,978	-	8,181	13,159
Securities lending collateral	-	-	24,430	24,430
Other assets	-	13	-	13
Total assets	<u>\$ 58,296</u>	<u>\$ 11,015</u>	<u>\$ 231,701</u>	<u>\$ 301,012</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	220	1,876	6	2,102
Interfund loans payable	-	382	-	382
Due to other funds	556	25	2,149	2,730
Due to component units	-	3	-	3
Advances from other funds	12,371	-	-	12,371
Deferred revenue	1	8	1	10
Securities lending liability	-	-	24,430	24,430
Total liabilities	<u>13,148</u>	<u>2,294</u>	<u>26,586</u>	<u>42,028</u>
Fund balances:				
Reserved for:				
Long-term loans/notes receivable	30,906	-	-	30,906
Advances to other funds	2,826	-	-	2,826
Debt service	5,960	-	-	5,960
Trust principal	-	-	205,115	205,115
Unreserved, designated	8,553	-	-	8,553
Unreserved, undesignated	(3,097)	8,721	-	5,624
Total fund balances	<u>45,148</u>	<u>8,721</u>	<u>205,115</u>	<u>258,984</u>
Total liabilities and fund balances	<u>\$ 58,296</u>	<u>\$ 11,015</u>	<u>\$ 231,701</u>	<u>\$ 301,012</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005
 (expressed in thousands)

	DEBT SERVICE	CAPITAL PROJECTS	PERMANENT	TOTAL
REVENUES				
Licenses/permits	\$ -	\$ -	\$ 372	\$ 372
Taxes:				
Natural resource	383	4,841	1,018	6,242
Fuel	-	-	12	12
Other	-	1,828	-	1,828
Charges for services/finances/forfeits/settlements	985	229	10,829	12,043
Investment earnings	8,064	44	14,660	22,768
Securities lending income	-	-	506	506
Sale of documents/merchandise/property	2,623	-	-	2,623
Rentals/leases/royalties	-	-	130	130
Grants/contracts/donations	-	-	19	19
Other revenues	-	61	-	61
Total revenues	12,055	7,003	27,546	46,604
EXPENDITURES				
Current:				
General government	-	7,793	-	7,793
Public safety/corrections	-	5,368	-	5,368
Health/social services	9	-	-	9
Education/cultural	-	-	8	8
Resource/recreation/environment	231	-	-	231
Debt service:				
Principal retirement	25,964	-	-	25,964
Interest/fiscal charges	12,879	-	-	12,879
Capital outlay	-	16,336	19	16,355
Securities lending	-	-	478	478
Total expenditures	39,083	29,497	505	69,085
Excess of revenue over (under) expenditures	(27,028)	(22,494)	27,041	(22,481)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	1,670	-	1,670
Refunding bonds issued	25,000	-	-	25,000
Bond premium	1,452	-	-	1,452
Payment to refunding bond escrow agent	(31,018)	-	-	(31,018)
Transfers in	32,170	23,262	-	55,432
Transfers out	(5,051)	(4,663)	(11,956)	(21,670)
Total other financing sources (uses)	22,553	20,269	(11,956)	30,866
Net change in fund balances	(4,475)	(2,225)	15,085	8,385
Fund balances - July 1 - as previously reported	49,560	11,000	190,030	250,590
Prior period adjustments	63	(54)	-	9
Fund balances - July 1 - as restated	49,623	10,946	190,030	250,599
Fund balances - June 30	\$ 45,148	\$ 8,721	\$ 205,115	\$ 258,984

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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 – This fund accounts for payments on special revenue renewable resource program (coal severance tax) bonds.

Long-Range Building Program – This fund accounts for payments on general obligation long-range building program bonds.

Water & Wastewater Development – This fund accounts for payments on the following general obligation bonds: wastewater treatment works revolving fund, renewable resource program, drinking water revolving fund, and water pollution control revolving fund.

Water Conservation – This fund accounts for payments on water conservation loans issued for the following projects: Little Dry and Petrolia.

Health Care – This fund accounts for payments on the following special revenue bonds: Montana State Hospital and Montana Developmental Center.

Information Technology – This fund accounts for payments on general obligation information technology bonds.

Renewable Resource – In 2005, this fund was combined with the Water & Wastewater Development debt service fund.

Energy Conservation Program – This fund accounts for payments on general obligation bonds issued for State Building Energy Conservation Projects.

Environmental Reclamation – This fund accounts for payments on the following general obligation bonds: hard rock mining reclamation and CERCLA program.

Highway – This fund accounts for payments on the U.S. Highway 93 GARVEES special revenue bonds.

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
 JUNE 30, 2005
 (expressed in thousands)

	COAL TAX	LONG-RANGE BUILDING PROGRAM	WATER & WASTERWATER DEVELOPMENT	WATER CONSERVATION
ASSETS				
Cash/cash equivalents	\$ 9,322	\$ 179	\$ 3,808	\$ -
Receivables (net)	641	-	2,067	-
Due from other funds	1	5	-	-
Long-term loans/notes receivable	15,212	-	15,655	39
Advances to other funds	2,826	-	-	-
Investments	-	-	3,952	-
Total assets	<u>\$ 28,002</u>	<u>\$ 184</u>	<u>\$ 25,482</u>	<u>\$ 39</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	-	4	-	-
Due to other funds	4	-	552	-
Advances from other funds	-	-	12,371	-
Deferred revenue	-	-	1	-
Total liabilities	<u>4</u>	<u>4</u>	<u>12,924</u>	<u>-</u>
Fund balances:				
Reserved for:				
Long-term loans/notes receivable	15,212	-	15,655	39
Advances to other funds	2,826	-	-	-
Debt service	5,960	-	-	-
Unreserved, designated	4,000	180	-	-
Unreserved, undesignated	-	-	(3,097)	-
Total fund balances	<u>27,998</u>	<u>180</u>	<u>12,558</u>	<u>39</u>
Total liabilities and fund balances	<u>\$ 28,002</u>	<u>\$ 184</u>	<u>\$ 25,482</u>	<u>\$ 39</u>

HEALTH CARE	ENERGY CONSERVATION PROGRAM	ENVIRONMENTAL RECLAMATION	HIGHWAY	TOTAL
\$ 3,128	\$ 216	\$ -	\$ 214	\$ 16,867
-	-	-	-	2,708
-	3	2	-	11
-	-	-	-	30,906
-	-	-	-	2,826
1,026	-	-	-	4,978
<u>\$ 4,154</u>	<u>\$ 219</u>	<u>\$ 2</u>	<u>\$ 214</u>	<u>\$ 58,296</u>
-	2	-	214	220
-	-	-	-	556
-	-	-	-	12,371
-	-	-	-	1
-	2	-	214	13,148
-	-	-	-	30,906
-	-	-	-	2,826
-	-	-	-	5,960
4,154	217	2	-	8,553
-	-	-	-	(3,097)
<u>4,154</u>	<u>217</u>	<u>2</u>	<u>-</u>	<u>45,148</u>
<u>\$ 4,154</u>	<u>\$ 219</u>	<u>\$ 2</u>	<u>\$ 214</u>	<u>\$ 58,296</u>

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

NONMAJOR DEBT SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

(expressed in thousands)

	COAL TAX	LONG-RANGE BUILDING PROGRAM	WATER & WASTERWATER DEVELOPMENT	WATER CONSERVATION
REVENUES				
Taxes:				
Natural resource	\$ -	\$ -	\$ 383	\$ -
Charges for services/fines/forfeits/settlements	-	-	1	26
Investment earnings	909	71	6,838	5
Sale of documents/merchandise/property	2,623	-	-	-
Total revenues	3,532	71	7,222	31
EXPENDITURES				
Current:				
Health/social services	-	-	-	-
Resource/recreation/environment	2	-	223	-
Debt service:				
Principal retirement	5,550	8,955	3,640	4
Interest/fiscal charges	1,683	6,630	1,638	2
Total expenditures	7,235	15,585	5,501	6
Excess of revenue over (under) expenditures	(3,703)	(15,514)	1,721	25
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	25,000	-	-
Bond premium	-	1,452	-	-
Payment to refunding bond escrow agent	(4,998)	(26,020)	-	-
Transfers in	6,829	13,673	2,112	-
Transfers out	(682)	-	(4,363)	-
Total other financing sources (uses)	1,149	14,105	(2,251)	-
Net change in fund balances	(2,554)	(1,409)	(530)	25
Fund balances - July 1 - as previously reported	30,520	1,589	12,777	14
Prior period adjustments	32	-	311	-
Fund balances - July 1 - as restated	30,552	1,589	13,088	14
Fund balances - June 30	\$ 27,998	\$ 180	\$ 12,558	\$ 39

HEALTH CARE	INFORMATION TECHNOLOGY	RENEWABLE RESOURCE	ENERGY CONSERVATION PROGRAM	ENVIRONMENTAL RECLAMATION	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 383
-	99	-	859	-	985
233	1	-	7	-	8,064
-	-	-	-	-	2,623
233	100	-	866	-	12,055
9	-	-	-	-	9
-	-	-	4	2	231
1,355	5,645	-	735	80	25,964
1,588	1,139	-	103	96	12,879
2,952	6,784	-	842	178	39,083
(2,719)	(6,684)	-	24	(178)	(27,028)
-	-	-	-	-	25,000
-	-	-	-	-	1,452
-	-	-	-	-	(31,018)
2,793	6,583	-	-	180	32,170
-	(6)	-	-	-	(5,051)
2,793	6,577	-	-	180	22,553
74	(107)	-	24	2	(4,475)
4,080	107	280	193	-	49,560
-	-	(280)	-	-	63
4,080	107	-	193	-	49,623
\$ 4,154	\$ -	\$ -	\$ 217	\$ 2	\$ 45,148

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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 Projects – 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, 2005
 (expressed in thousands)

	LONG-RANGE BUILDING PROGRAM	INFORMATION TECHNOLOGY PROJECTS	FEDERAL/ PRIVATE CONSTRUCTION GRANTS	CAPITAL LAND GRANT	TOTAL
ASSETS					
Cash/cash equivalents	\$ 6,658	\$ 1,530	\$ -	\$ 894	\$ 9,082
Receivables (net)	1,342	-	-	-	1,342
Due from other funds	-	4	574	-	578
Other assets	-	13	-	-	13
Total assets	<u>\$ 8,000</u>	<u>\$ 1,547</u>	<u>\$ 574</u>	<u>\$ 894</u>	<u>\$ 11,015</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	793	482	601	-	1,876
Interfund loans payable	-	-	382	-	382
Due to other funds	13	12	-	-	25
Due to component units	-	3	-	-	3
Deferred revenue	8	-	-	-	8
Total liabilities	<u>814</u>	<u>497</u>	<u>983</u>	<u>-</u>	<u>2,294</u>
Fund balances:					
Unreserved	7,186	1,050	(409)	894	8,721
Total fund balances	<u>7,186</u>	<u>1,050</u>	<u>(409)</u>	<u>894</u>	<u>8,721</u>
Total liabilities and fund balances	<u>\$ 8,000</u>	<u>\$ 1,547</u>	<u>\$ 574</u>	<u>\$ 894</u>	<u>\$ 11,015</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(expressed in thousands)**

	LONG-RANGE BUILDING PROGRAM	INFORMATION TECHNOLOGY PROJECTS	FEDERAL/ PRIVATE CONSTRUCTION GRANTS	CAPITAL LAND GRANT	TOTAL
REVENUES					
Taxes:					
Natural Resource	\$ 4,841	\$ -	\$ -	\$ -	\$ 4,841
Other	1,828	-	-	-	1,828
Charges for services/fines/forfeits/settlements	229	-	-	-	229
Investment earnings	44	-	-	-	44
Other revenues	61	-	-	-	61
Total revenues	7,003	-	-	-	7,003
EXPENDITURES					
Current:					
General government	39	7,754	-	-	7,793
Public safety/corrections	-	5,368	-	-	5,368
Capital outlay	6,245	2,845	7,246	-	16,336
Total expenditures	6,284	15,967	7,246	-	29,497
Excess of revenue over (under) expenditures	719	(15,967)	(7,246)	-	(22,494)
OTHER FINANCING SOURCES (USES)					
Bonds issued	1,670	-	-	-	1,670
Transfers in	1,235	13,969	7,263	795	23,262
Transfers out	(3,601)	(11)	-	(1,051)	(4,663)
Total other financing sources (uses)	(696)	13,958	7,263	(256)	20,269
Net change in fund balances	23	(2,009)	17	(256)	(2,225)
Fund balances - July 1 - as previously reported	7,168	3,059	(426)	1,199	11,000
Prior period adjustments	(5)	-	-	(49)	(54)
Fund balances - July 1 - as restated	7,163	3,059	(426)	1,150	10,946
Fund balances - June 30	\$ 7,186	\$ 1,050	\$ (409)	\$ 894	\$ 8,721

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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 Trusts – The fund accounts for memorials, bequests, and various other contributions to the Montana Historical Society. Includes the following trust funds: James H. Bradley Memorial, Thomas Teakle, Merritt-Wheeler Memorial, Historical Society Acquisitions, Sobotka Memorial, and Edger I. and Jane R. Stewart.

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, 2005
(expressed in thousands)**

	RESOURCE INDEMNITY	PARKS TRUST	CULTURAL TRUST	REAL PROPERTY TRUST	NOXIOUS WEED MANAGEMENT
ASSETS					
Cash/cash equivalents	\$ 910	\$ 236	\$ 162	\$ 999	\$ 565
Receivables (net)	655	243	98	89	47
Equity in pooled investments	106,152	17,124	4,995	6,812	-
Investments	-	-	-	3,761	4,420
Securities lending collateral	12,715	2,051	598	1,240	1,122
Total assets	\$ 120,432	\$ 19,654	\$ 5,853	\$ 12,901	\$ 6,154
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	-	-	1	4
Due to other funds	1,310	106	123	64	237
Deferred revenue	-	1	-	-	-
Securities lending liability	12,715	2,051	598	1,240	1,122
Total liabilities	14,025	2,158	721	1,305	1,363
Fund balances:					
Reserved for:					
Trust principal	106,407	17,496	5,132	11,596	4,791
Total fund balances	106,407	17,496	5,132	11,596	4,791
Total liabilities and fund balances	\$ 120,432	\$ 19,654	\$ 5,853	\$ 12,901	\$ 6,154

HISTORICAL SOCIETY TRUSTS	ENDOWMENT FOR CHILDREN	TOBACCO SETTLEMENT INTEREST	TOTAL
\$ 74	\$ 1	\$ 2,854	\$ 5,801
2	-	344	1,478
1,053	-	55,675	191,811
-	-	-	8,181
35	-	6,669	24,430
<u>\$ 1,164</u>	<u>\$ 1</u>	<u>\$ 65,542</u>	<u>\$ 231,701</u>
1	-	-	6
-	-	309	2,149
-	-	-	1
35	-	6,669	24,430
<u>36</u>	<u>-</u>	<u>6,978</u>	<u>26,586</u>
1,128	1	58,564	205,115
<u>1,128</u>	<u>1</u>	<u>58,564</u>	<u>205,115</u>
<u>\$ 1,164</u>	<u>\$ 1</u>	<u>\$ 65,542</u>	<u>\$ 231,701</u>

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

NONMAJOR PERMANENT FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

(expressed in thousands)

	RESOURCE INDEMNITY	PARKS TRUST	CULTURAL TRUST	REAL PROPERTY TRUST	NOXIOUS WEED MANAGEMENT
REVENUES					
Licenses/permits	\$ -	\$ -	\$ -	\$ 372	\$ -
Taxes:					
Natural resource	252	512	254	-	-
Fuel	-	-	-	-	12
Charges for services/fines/forfeits/settlements	-	-	-	-	-
Investment earnings	8,277	1,313	382	625	148
Securities lending income	260	41	12	35	38
Rentals/leases/royalties	-	-	-	130	-
Grants/contracts/donations	-	-	-	-	-
Total revenues	8,789	1,866	648	1,162	198
EXPENDITURES					
Current:					
Education/cultural	-	-	-	-	-
Capital outlay	-	-	-	-	-
Securities lending	246	39	11	33	35
Total expenditures	246	39	11	33	35
Excess of revenue over (under) expenditures	8,543	1,827	637	1,129	163
OTHER FINANCING SOURCES (USES)					
Transfers out	(6,903)	(993)	(317)	(625)	(237)
Total other financing sources (uses)	(6,903)	(993)	(317)	(625)	(237)
Net change in fund balances	1,640	834	320	504	(74)
Fund balances - July 1 - as previously reported	104,767	16,662	4,812	11,092	4,865
Fund balances - June 30	\$ 106,407	\$ 17,496	\$ 5,132	\$ 11,596	\$ 4,791

HISTORICAL SOCIETY TRUSTS	ENDOWMENT FOR CHILDREN	TOBACCO SETTLEMENT INTEREST	TOTAL
\$ -	\$ -	\$ -	\$ 372
-	-	-	1,018
-	-	-	12
-	-	10,829	10,829
65	-	3,850	14,660
1	-	119	506
-	-	-	130
19	-	-	19
85	-	14,798	27,546
8	-	-	8
19	-	-	19
1	-	113	478
28	-	113	505
57	-	14,685	27,041
-	-	(2,881)	(11,956)
-	-	(2,881)	(11,956)
57	-	11,804	15,085
1,071	1	46,760	190,030
\$ 1,128	\$ 1	\$ 58,564	\$ 205,115

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.

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.

MUS Workers Compensation – This fund accounts for self-insured workers compensation coverage for employees of the Montana University System.

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.

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.

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.

HUD Section 8 Housing – This fund accounts for a program that provides rental assistance to low-income families throughout Montana.

Other Enterprise Funds – This category includes several small enterprise funds administered by various agencies.

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
 JUNE 30, 2005
 (expressed in thousands)

	LIQUOR WAREHOUSE	HAIL INSURANCE	STATE LOTTERY	PRISON INDUSTRIES
ASSETS				
Current assets:				
Cash/cash equivalents	\$ 1,960	\$ 9,392	\$ 349	\$ 1,945
Receivables (net)	12,237	3,411	1,350	368
Interfund loans receivable	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	3	-	-	104
Due from component units	1	-	-	2
Inventories	54	-	1,101	5,124
Securities lending collateral	-	-	-	-
Other current assets	78	-	22	-
Total current assets	14,333	12,803	2,822	7,543
Noncurrent assets:				
Advances to other funds	75	-	-	120
Long-term investments	-	-	-	-
Long-term notes/loans receivable	-	-	-	-
Deferred charges	-	-	-	-
Other long-term assets	-	-	1,326	292
Capital assets:				
Land	-	-	-	690
Land improvements	-	-	-	240
Buildings/improvements	2,033	-	-	3,460
Equipment	347	-	5,564	3,522
Infrastructure	-	-	-	884
Construction in progress	-	-	-	868
Intangible assets	-	-	123	-
Less accumulated depreciation	(1,381)	-	(4,820)	(4,879)
Total capital assets	999	-	867	4,785
Total noncurrent assets	1,074	-	2,193	5,197
Total assets	15,407	12,803	5,015	12,740

MUS GROUP INSURANCE	MUS WORKERS COMPENSATION	SUBSEQUENT INJURY	SECRETARY OF STATE BUSINESS SERVICES	HISTORICAL SOCIETY PUBLICATIONS	SURPLUS PROPERTY
\$ 24,205	\$ 2,426	\$ 71	\$ 2,897	\$ 230	\$ 1
130	10	16	6	43	3
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	17	-	1
-	291	53	3	-	-
-	-	-	19	475	72
-	-	410	-	-	-
-	184	-	6	-	1
24,335	2,911	550	2,948	748	78
-	-	-	-	-	-
-	1,555	1,701	-	-	-
-	-	-	-	-	3
-	28	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	118
-	-	-	318	11	146
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	510	-	-
-	-	-	(154)	(10)	(142)
-	-	-	674	1	122
-	1,583	1,701	674	1	125
24,335	4,494	2,251	3,622	749	203

(Continued on Next Page)

COMBINING STATEMENT OF NET ASSETS - Continued

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2005

(expressed in thousands)

	WEST YELLOWSTONE AIRPORT	LOCAL GOVERNMENT AUDITS	FLEXIBLE SPENDING ADMINISTRATION
ASSETS			
Current assets:			
Cash/cash equivalents	\$ 372	\$ 248	\$ 306
Receivables (net)	-	-	211
Interfund loans receivable	9	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Due from component units	-	-	-
Inventories	-	-	-
Securities lending collateral	-	-	-
Other current assets	-	-	-
Total current assets	381	248	517
Noncurrent assets:			
Advances to other funds	-	-	-
Long-term investments	-	-	-
Long-term notes/loans receivable	-	-	-
Deferred charges	-	-	-
Other long-term assets	-	-	-
Capital assets:			
Land	110	-	-
Land improvements	2,103	-	-
Buildings/improvements	487	-	-
Equipment	71	-	-
Infrastructure	-	-	-
Construction in progress	-	-	-
Intangible assets	-	-	-
Less accumulated depreciation	(613)	-	-
Total capital assets	2,158	-	-
Total noncurrent assets	2,158	-	-
Total assets	2,539	248	517

	HUD SECTION 8 HOUSING	OTHER ENTERPRISE FUNDS	TOTAL
\$	3,491	\$ 247	\$ 48,140
	42	-	17,827
	-	-	9
	304	-	304
	-	11	136
	-	-	350
	-	69	6,914
	-	-	410
	2	-	293
	<u>3,839</u>	<u>327</u>	<u>74,383</u>
	-	-	195
	-	-	3,256
	305	-	308
	-	-	28
	-	-	1,618
	-	-	800
	-	-	2,343
	-	-	6,098
	69	13	10,061
	-	-	884
	-	-	868
	28	-	661
	<u>(45)</u>	<u>(1)</u>	<u>(12,045)</u>
	<u>52</u>	<u>12</u>	<u>9,670</u>
	<u>357</u>	<u>12</u>	<u>15,075</u>
	<u>4,196</u>	<u>339</u>	<u>89,458</u>

(Continued on Next Page)

COMBINING STATEMENT OF NET ASSETS - Continued

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2005

(expressed in thousands)

	LIQUOR WAREHOUSE	HAIL INSURANCE	STATE LOTTERY	PRISON INDUSTRIES
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 4,155	\$ 9	\$ 526	\$ 190
Lottery prizes payable	-	-	1,436	-
Interfund loans payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	7,230	61	1,534	36
Due to component units	-	-	-	-
Deferred revenue	1,355	1,019	101	8
Bonds/notes payable (net)	-	-	-	-
Amounts held in custody for others	80	-	-	-
Securities lending liability	-	-	-	-
Estimated insurance claims	-	191	-	-
Compensated absences payable	92	10	97	87
Total current liabilities	12,912	1,290	3,694	321
Noncurrent liabilities:				
Lottery prizes payable	-	-	1,258	-
Bonds/notes payable (net)	-	-	-	-
Estimated insurance claims	-	-	-	-
Compensated absences payable	89	10	63	147
Total noncurrent liabilities	89	10	1,321	147
Total liabilities	13,001	1,300	5,015	468
NET ASSETS				
Invested in capital assets, net of related debt	999	-	867	4,785
Restricted for:				
Other purposes	-	11,503	-	-
Unrestricted	1,407	-	(867)	7,487
Total net assets	\$ 2,406	\$ 11,503	\$ -	\$ 12,272

	MUS GROUP INSURANCE	MUS WORKERS COMPENSATION	SUBSEQUENT INJURY	SECRETARY OF STATE BUSINESS SERVICES	HISTORICAL SOCIETY PUBLICATIONS	SURPLUS PROPERTY
\$	756	\$ 18	\$ 3	\$ 154	\$ 30	\$ 14
	-	-	-	-	-	-
	-	-	-	-	-	146
	-	-	-	-	-	-
	1	-	-	29	26	2
	1	-	-	-	-	-
	-	-	-	140	119	-
	-	410	-	-	-	-
	-	-	-	19	-	-
	-	-	410	-	-	-
	4,619	2,354	250	-	-	-
	17	-	-	119	42	17
	5,394	2,782	663	461	217	179
	-	-	-	-	-	-
	-	850	-	-	-	-
	-	784	2,415	-	-	-
	46	-	-	57	31	5
	46	1,634	2,415	57	31	5
	5,440	4,416	3,078	518	248	184
	-	-	-	674	1	122
	18,895	78	-	-	-	-
	-	-	(827)	2,430	500	(103)
\$	18,895	\$ 78	\$ (827)	\$ 3,104	\$ 501	\$ 19

(Continued on Next Page)

COMBINING STATEMENT OF NET ASSETS - Continued

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2005

(expressed in thousands)

	WEST YELLOWSTONE AIRPORT	LOCAL GOVERNMENT AUDITS	FLEXIBLE SPENDING ADMINISTRATION
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 7	\$ 12	\$ 28
Lottery prizes payable	-	-	-
Interfund loans payable	-	-	-
Due to other governments	-	-	-
Due to other funds	1	2	-
Due to component units	-	-	-
Deferred revenue	-	-	-
Bonds/notes payable (net)	-	-	-
Amounts held in custody for others	1	-	-
Securities lending liability	-	-	-
Estimated insurance claims	-	-	-
Compensated absences payable	4	15	-
Total current liabilities	13	29	28
Noncurrent liabilities:			
Lottery prizes payable	-	-	-
Bonds/notes payable (net)	-	-	-
Estimated insurance claims	-	-	-
Compensated absences payable	-	40	-
Total noncurrent liabilities	-	40	-
Total liabilities	13	69	28
NET ASSETS			
Invested in capital assets, net of related debt	2,158	-	-
Restricted for:			
Other purposes	368	-	-
Unrestricted	-	179	489
Total net assets	\$ 2,526	\$ 179	\$ 489

	HUD SECTION 8 HOUSING	OTHER ENTERPRISE FUNDS	TOTAL
\$	55	\$ 56	\$ 6,013
	-	-	1,436
	-	-	146
	879	-	879
	17	28	8,967
	-	-	1
	-	-	2,742
	-	-	410
	-	-	100
	-	-	410
	-	-	7,414
	68	5	573
	1,019	89	29,091
	-	-	1,258
	-	-	850
	-	-	3,199
	30	11	529
	30	11	5,836
	1,049	100	34,927
	52	12	9,670
	-	9	30,853
	3,095	218	14,008
\$	3,147	\$ 239	\$ 54,531

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

NONMAJOR ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

(expressed in thousands)

	LIQUOR WAREHOUSE	HAIL INSURANCE	STATE LOTTERY	PRISON INDUSTRIES
Operating revenues:				
Charges for services	\$ 51,947	\$ -	\$ 33,815	\$ 5,231
Investment earnings	-	158	62	-
Securities lending income	-	-	-	-
Contributions/premiums	-	7,398	-	-
Grants/contracts/donations	-	-	-	-
Taxes	15,624	-	-	-
Other operating revenues	147	6	27	2
Total operating revenues	67,718	7,562	33,904	5,233
Operating expenses:				
Personal services	1,978	212	1,456	1,847
Contractual services	372	134	5,222	141
Supplies/materials	42,774	1	1,041	1,548
Benefits/claims	-	1,974	-	-
Depreciation	97	-	905	605
Amortization	-	-	164	-
Utilities/rent	124	6	111	209
Communications	67	7	698	16
Travel	15	24	32	15
Repair/maintenance	20	-	25	316
Grants	-	-	-	-
Lottery prize payments	-	-	17,804	-
Interest expense	-	-	-	-
Securities lending expense	-	-	-	-
Dividend expense	-	791	-	-
Other operating expenses	55	4	223	378
Total operating expenses	45,502	3,153	27,681	5,075
Operating income (loss)	22,216	4,409	6,223	158
Nonoperating revenues (expenses):				
Gain (loss) on sale of capital assets	(1)	-	-	-
Increase (decrease) value of livestock	-	-	-	(193)
Total nonoperating revenues (expenses)	(1)	-	-	(193)
Income (loss) before contributions and transfers	22,215	4,409	6,223	(35)
Capital contributions	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(22,700)	(38)	(6,223)	-
Change in net assets	(485)	4,371	-	(35)
Total net assets - July 1 - as previously reported	2,891	7,132	-	12,305
Prior period adjustments	-	-	-	2
Total net assets - July 1 - as restated	2,891	7,132	-	12,307
Total net assets - June 30	\$ 2,406	\$ 11,503	\$ -	\$ 12,272

MUS GROUP INSURANCE	MUS WORKERS COMPENSATION	SUBSEQUENT INJURY	SECRETARY OF STATE BUSINESS SERVICES	HISTORICAL SOCIETY PUBLICATIONS	SURPLUS PROPERTY
\$ -	\$ -	\$ 319	\$ 3,647	\$ 949	\$ 267
410	69	46	30	-	-
-	-	12	-	-	-
47,739	2,978	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
263	-	-	61	6	-
48,412	3,047	377	3,738	955	267
159	-	-	1,967	461	188
2,456	395	-	505	119	28
23	-	-	152	295	198
37,491	2,366	635	-	-	-
-	-	-	28	-	15
-	-	-	113	-	-
4	-	-	148	1	21
3	-	-	159	50	9
3	-	-	24	4	-
-	-	-	19	8	3
-	-	-	-	-	-
-	-	-	-	-	-
-	58	-	-	-	-
-	-	11	-	-	-
-	-	-	-	-	-
385	23	-	32	54	10
40,524	2,842	646	3,147	992	472
7,888	205	(269)	591	(37)	(205)
-	-	-	-	-	(12)
-	-	-	-	-	-
-	-	-	-	-	(12)
7,888	205	(269)	591	(37)	(217)
-	-	-	-	-	159
-	-	-	2	48	-
-	-	(31)	-	-	-
7,888	205	(300)	593	11	(58)
11,007	(127)	(527)	2,515	493	90
-	-	-	(4)	(3)	(13)
11,007	(127)	(527)	2,511	490	77
\$ 18,895	\$ 78	\$ (827)	\$ 3,104	\$ 501	\$ 19

(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, 2005

(expressed in thousands)

	WEST YELLOWSTONE AIRPORT	LOCAL GOVERNMENT AUDITS	FLEXIBLE SPENDING ADMINISTRATION
Operating revenues:			
Charges for services	\$ 26	\$ 275	\$ 102
Investment earnings	-	-	3
Securities lending income	-	-	-
Contributions/premiums	-	-	8,217
Grants/contracts/donations	-	-	-
Taxes	-	-	-
Other operating revenues	82	-	-
Total operating revenues	108	275	8,322
Operating expenses:			
Personal services	46	203	-
Contractual services	39	23	391
Supplies/materials	3	5	-
Benefits/claims	-	-	7,778
Depreciation	45	-	-
Amortization	-	-	-
Utilities/rent	23	28	-
Communications	3	5	-
Travel	1	2	-
Repair/maintenance	11	-	-
Grants	-	-	-
Lottery prize payments	-	-	-
Interest expense	-	-	-
Securities lending expense	-	-	-
Dividend expense	-	-	-
Other operating expenses	1	19	103
Total operating expenses	172	285	8,272
Operating income (loss)	(64)	(10)	50
Nonoperating revenues (expenses):			
Gain (loss) sale of capital assets	-	-	-
Increase (decrease) value of livestock	-	-	-
Total nonoperating revenues (expenses)	-	-	-
Income (loss) before contributions and transfers	(64)	(10)	50
Capital contributions	1,787	-	-
Transfers in	13	-	-
Transfers out	-	-	-
Change in net assets	1,736	(10)	50
Total net assets - July 1 - as previously reported	828	189	458
Prior period adjustments	(38)	-	(19)
Total net assets - July 1 - as restated	790	189	439
Total net assets - June 30	\$ 2,526	\$ 179	\$ 489

	HUD SECTION 8 HOUSING	OTHER ENTERPRISE FUNDS	TOTAL
\$	-	\$ 379	\$ 96,957
	83	2	863
	-	-	12
	-	-	66,332
	36,211	-	36,211
	-	-	15,624
	1	49	644
	36,295	430	216,643
	832	131	9,480
	105	97	10,027
	27	72	46,139
	33,208	-	83,452
	11	1	1,707
	10	-	287
	88	12	775
	51	5	1,073
	42	22	184
	9	18	429
	1,417	-	1,417
	-	-	17,804
	-	-	58
	-	-	11
	-	-	791
	138	30	1,455
	35,938	388	175,089
	357	42	41,554
	(4)	-	(17)
	-	-	(193)
	(4)	-	(210)
	353	42	41,344
	-	-	1,946
	-	-	63
	-	-	(28,992)
	353	42	14,361
	2,794	197	40,245
	-	-	(75)
	2,794	197	40,170
\$	3,147	\$ 239	\$ 54,531

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005
 (expressed in thousands)

	LIQUOR WAREHOUSE	HAIL INSURANCE	STATE LOTTERY	PRISON INDUSTRIES
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from sales and services	\$ 52,335	\$ 4,876	\$ 33,671	\$ 5,247
Payments to suppliers for goods and services	(43,166)	(209)	(7,302)	(2,900)
Payments to employees	(1,978)	(213)	(1,465)	(1,806)
Grant receipts	-	-	-	-
Grant payments	-	-	-	-
Cash payments for claims	-	(1,877)	-	-
Cash payments for prizes	-	-	(17,974)	-
Other operating revenues	147	5	-	2
Other operating payments	-	(791)	-	-
Net cash provided by (used for) operating activities	7,338	1,791	6,930	543
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Collection of taxes	15,623	-	-	-
Transfers to other funds	(22,712)	(38)	(6,885)	-
Transfers from other funds	-	-	-	-
Proceeds from interfund loans/advances	-	-	-	60
Payments of interfund loans/advances	-	-	-	-
Payment of external loan	-	-	-	-
Collection of principal and interest on loans	-	-	-	-
Payment of principal and interest on bonds and notes	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(7,089)	(38)	(6,885)	60
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(18)	-	(18)	(679)
Proceeds from sale of capital assets	-	-	3	-
Net cash used for capital and related financing activities	(18)	-	(15)	(679)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	-	-	-	-
Proceeds from sales or maturities of investments	-	-	-	-
Proceeds from securities lending transactions	-	-	-	-
Interest and dividends on investments	-	158	21	-
Payment of securities lending costs	-	-	-	-
Net cash provided by (used for) investing activities	-	158	21	-
Net increase (decrease) in cash and cash equivalents	231	1,911	51	(76)
Cash and cash equivalents, July 1	1,729	7,481	298	2,021
Cash and cash equivalents, June 30	\$ 1,960	\$ 9,392	\$ 349	\$ 1,945

MUS GROUP INSURANCE	MUS WORKERS COMPENSATION	SUBSEQUENT INJURY	SECRETARY OF STATE BUSINESS SERVICES	HISTORICAL SOCIETY PUBLICATIONS	SURPLUS PROPERTY
48,345 \$	2,915 \$	275 \$	3,413 \$	917 \$	503
(2,934)	(588)	-	(928)	(568)	(301)
(159)	-	-	(1,988)	(454)	(195)
-	-	-	-	-	-
-	-	-	-	-	-
(37,873)	(850)	(333)	-	-	-
-	-	-	-	-	-
267	-	-	61	6	-
-	-	-	-	-	-
7,646	1,477	(58)	558	(99)	7
-	-	-	-	-	-
-	-	(31)	-	(1)	-
-	-	-	2	48	-
-	-	-	-	-	146
-	-	-	-	-	(175)
-	-	-	-	-	-
-	(445)	-	-	-	-
-	(445)	(31)	2	47	(29)
-	-	-	(72)	-	(25)
-	-	-	-	-	-
-	-	-	(72)	-	(25)
-	-	(497)	-	-	-
-	278	396	-	-	-
-	-	12	-	-	-
410	84	81	30	-	-
-	-	(11)	-	-	-
410	362	(19)	30	-	-
8,056	1,394	(108)	518	(52)	(47)
16,149	1,032	179	2,379	282	48
24,205 \$	2,426 \$	71 \$	2,897 \$	230	1

(Continued on Next Page)

COMBINING STATEMENT OF CASH FLOWS - Continued
NONMAJOR ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005
 (expressed in thousands)

	WEST YELLOWSTONE AIRPORT	LOCAL GOVERNMENT AUDITS	FLEXIBLE SPENDING ADMINISTRATION
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from sales and services	\$ 26	\$ 276	\$ 8,609
Payments to suppliers for goods and services	(154)	(81)	(491)
Payments to employees	(45)	(197)	-
Grant receipts	-	-	-
Grant payments	-	-	-
Cash payments for claims	-	-	(7,926)
Cash payments for prizes	-	-	-
Other operating revenues	82	-	-
Other operating payments	-	-	-
Net cash provided by (used for) operating activities	(91)	(2)	192
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Collection of taxes	-	-	-
Transfers to other funds	-	-	-
Transfers from other funds	13	-	-
Proceeds from interfund loans/advances	1,641	-	-
Payments of interfund loans/advances	(1,557)	-	(120)
Payment of external loan	-	-	-
Collection of principal and interest on loans	-	-	-
Payment of principal and interest on bonds and notes	-	-	-
Net cash provided by (used for) noncapital financing activities	97	-	(120)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(155)	-	-
Proceeds from sale of capital assets	-	-	-
Net cash used for capital and related financing activities	(155)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	-	-	-
Proceeds from sales or maturities of investments	-	-	-
Proceeds from securities lending transactions	-	-	-
Interest and dividends on investments	-	-	3
Payment of securities lending costs	-	-	-
Net cash provided by (used for) investing activities	-	-	3
Net increase (decrease) in cash and cash equivalents	(149)	(2)	75
Cash and cash equivalents, July 1	521	250	231
Cash and cash equivalents, June 30	\$ 372	\$ 248	\$ 306

	HUD SECTION 8 HOUSING	OTHER ENTERPRISE FUNDS	TOTAL
\$	-	\$ 375	\$ 161,783
	(33,644)	(227)	(93,493)
	(873)	(107)	(9,480)
	36,717	-	36,717
	(1,347)	-	(1,347)
	-	-	(48,859)
	-	-	(17,974)
	1	49	620
	-	-	(791)
	854	90	27,176
	-	-	15,623
	-	-	(29,667)
	-	-	63
	-	-	1,847
	-	-	(1,852)
	(200)	-	(200)
	561	-	561
	-	-	(445)
	361	-	(14,070)
	(8)	(13)	(988)
	-	-	3
	(8)	(13)	(985)
	-	-	(497)
	-	-	674
	-	-	12
	69	2	858
	-	-	(11)
	69	2	1,036
	1,276	79	13,157
	2,215	168	34,983
\$	\$ 3,491	\$ 247	\$ 48,140

(Continued on Next Page)

COMBINING STATEMENT OF CASH FLOWS - Continued

NONMAJOR ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

(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)	\$ 22,216	\$ 4,409	\$ 6,223	\$ 158
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation	97	-	905	605
Amortization	-	-	164	-
Taxes	(15,624)	-	-	-
Interest expense	-	-	-	-
Securities lending expense	-	-	-	-
Investment earnings	-	(158)	(62)	-
Securities lending income	-	-	-	-
Change in assets and liabilities:				
Decr (incr) in accounts receivable	116	(1,605)	(201)	(22)
Decr (incr) in due from other funds	(2)	-	-	52
Decr (incr) in due from component units	-	-	-	14
Decr (incr) in due from other governments	-	-	-	-
Decr (incr) in inventories	21	-	(67)	(214)
Decr (incr) in other assets	(60)	-	36	-
Incr (decr) in accounts payable	249	-	51	(28)
Incr (decr) in lottery prizes payable	-	-	(118)	-
Incr (decr) in due to other funds	(20)	(33)	(2)	11
Incr (decr) in due to component units	-	-	-	-
Incr (decr) in due to other governments	-	-	-	-
Incr (decr) in deferred revenue	271	(918)	37	(19)
Incr (decr) in amounts held in custody for others	60	-	(6)	-
Incr (decr) in compensated absences payable	14	-	(30)	(14)
Incr (decr) in estimated claims	-	96	-	-
Net cash provided by (used for) operating activities	<u>\$ 7,338</u>	<u>\$ 1,791</u>	<u>\$ 6,930</u>	<u>\$ 543</u>
Schedule of noncash transactions:				
Amortization of bond issuance costs	\$ -	\$ -	\$ -	\$ -
Incr (decr) in fair value of investments	-	-	-	-
Total noncash transactions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MUS GROUP INSURANCE	MUS WORKERS COMPENSATION	SUBSEQUENT INJURY	SECRETARY OF STATE BUSINESS SERVICES	HISTORICAL SOCIETY PUBLICATIONS	SURPLUS PROPERTY
7,888 \$	205 \$	(269) \$	591 \$	(37) \$	(205)
-	-	-	28	-	15
-	-	-	113	-	-
-	-	-	-	-	-
-	58	-	-	-	-
-	-	11	-	-	-
(410)	(69)	(46)	(30)	-	-
-	-	(12)	-	-	-
596	-	1	1	(39)	20
-	2	-	(2)	1	19
14	(66)	(44)	(2)	-	2
-	-	-	-	-	-
-	-	-	41	(19)	168
-	(183)	-	114	-	-
(402)	14	-	(16)	(3)	4
-	-	-	-	-	-
-	-	-	(10)	2	(7)
1	-	-	(1)	-	-
-	-	-	-	-	-
-	-	-	(95)	(7)	-
-	-	-	(138)	-	-
2	-	-	(36)	3	(9)
(43)	1,516	301	-	-	-
7,646 \$	1,477 \$	(58) \$	558 \$	(99) \$	7
- \$	8 \$	- \$	- \$	- \$	-
-	9	(31)	-	-	-
- \$	17 \$	(31) \$	- \$	- \$	-

(Continued on Next Page)

COMBINING STATEMENT OF CASH FLOWS - Continued
NONMAJOR ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005
 (expressed in thousands)

	WEST YELLOWSTONE AIRPORT	LOCAL GOVERNMENT AUDITS	FLEXIBLE SPENDING ADMINISTRATION
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (64)	\$ (10)	\$ 50
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	45	-	-
Amortization	-	-	-
Taxes	-	-	-
Interest expense	-	-	-
Securities lending expense	-	-	-
Investment earnings	-	-	(3)
Securities lending income	-	-	-
Change in assets and liabilities:			
Decr (incr) in accounts receivable	-	-	76
Decr (incr) in due from other funds	-	-	5
Decr (incr) in due from component units	-	-	-
Decr (incr) in due from other governments	-	-	-
Decr (incr) in inventories	-	-	-
Decr (incr) in other assets	-	-	62
Incr (decr) in accounts payable	(74)	3	2
Incr (decr) in lottery prizes payable	-	-	-
Incr (decr) in due to other funds	1	1	-
Incr (decr) in due to component units	-	-	-
Incr (decr) in due to other governments	-	-	-
Incr (decr) in deferred revenue	-	-	-
Incr (decr) in amounts held in custody for others	-	-	-
Incr (decr) in compensated absences payable	1	4	-
Incr (decr) in estimated claims	-	-	-
Net cash provided by (used for) operating activities	<u>\$ (91)</u>	<u>\$ (2)</u>	<u>\$ 192</u>
Schedule of noncash transactions:			
Amortization of bond issuance costs	\$ -	\$ -	-
Incr (decr) in fair value of investments	-	-	-
Total noncash transactions	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

	HUD SECTION 8 HOUSING		OTHER ENTERPRISE FUNDS		TOTAL
\$	357	\$	42	\$	41,554
	11		1		1,707
	10		-		287
	-		-		(15,624)
	-		-		58
	-		-		11
	(83)		(2)		(863)
	-		-		(12)
	69		-		(988)
	23		2		100
	-		-		(82)
	(81)		-		(81)
	-		(2)		(72)
	14		-		(17)
	2		25		(173)
	-		-		(118)
	(12)		24		(45)
	-		-		-
	586		-		586
	(1)		(5)		(737)
	-		-		(84)
	(41)		5		(101)
	-		-		1,870
<hr/>					
\$	854	\$	90	\$	27,176
<hr/>					
\$	-	\$	-	\$	8
	-		-		(22)
<hr/>					
\$	-	\$	-	\$	(14)
<hr/>					

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:

FWP Equipment – This fund is used to account for interdepartmental and intradepartmental sales and use of FWP equipment.

Highway Equipment – This fund is used to account for interdepartmental and intradepartmental sales and use of Department of Transportation 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 – 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.

Print & Mail Services – 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.

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 Operation – 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.

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

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

Other Internal Services – This category includes several small internal service funds administered by various agencies.

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
 JUNE 30, 2005
 (expressed in thousands)

	FWP EQUIPMENT	HIGHWAY EQUIPMENT	EMPLOYEE GROUP BENEFITS	INFO TECH SERVICES DIVISION	ADMIN INSURANCE
ASSETS					
Current assets:					
Cash/cash equivalents	\$ 100	\$ 125	\$ 18,584	\$ 1,097	\$ 11,210
Receivables (net)	13	38	3,739	65	-
Interfund loans receivable	-	-	25	436	-
Due from other governments	1	-	-	-	-
Due from other funds	222	12	9	2,673	7
Due from component units	-	-	-	314	1
Inventories	-	1,283	-	-	-
Securities lending collateral	-	-	232	-	-
Other current assets	5	-	5	1	-
Total current assets	341	1,458	22,594	4,586	11,218
Noncurrent assets:					
Long-term investments	-	-	12,898	-	-
Capital assets:					
Land	-	-	-	-	-
Land improvements	-	-	-	-	-
Buildings/improvements	-	-	-	-	-
Equipment	9,909	117,773	17	37,058	-
Construction in progress	-	3,323	-	33	105
Intangible assets	-	-	97	1,060	-
Less accumulated depreciation	(3,539)	(61,293)	(16)	(32,335)	-
Total capital assets	6,370	59,803	98	5,816	105
Total noncurrent assets	6,370	59,803	12,996	5,816	105
Total assets	6,711	61,261	35,590	10,402	11,323
LIABILITIES					
Current liabilities:					
Accounts payable	110	984	1,397	1,845	516
Interfund loans payable	100	1,000	-	-	-
Due to other funds	3	1	11	24	44
Due to component units	-	-	-	12	2
Deferred revenue	-	-	965	-	-
Lease/installment purchase payable	-	-	-	118	-
Amounts held in custody for others	-	-	-	28	-
Securities lending liability	-	-	232	-	-
Estimated insurance claims	-	-	9,329	-	6,935
Compensated absences payable	6	457	41	825	48
Total current liabilities	219	2,442	11,975	2,852	7,545
Noncurrent liabilities:					
Advances from other funds	-	-	-	-	-
Lease/installment purchase payable	-	-	-	738	-
Estimated insurance claims	-	-	2,346	-	13,393
Compensated absences payable	-	353	28	597	95
Total noncurrent liabilities	-	353	2,374	1,335	13,488
Total liabilities	219	2,795	14,349	4,187	21,033
NET ASSETS					
Invested in capital assets, net of related debt	6,370	59,803	98	4,960	105
Unrestricted	122	(1,337)	21,143	1,255	(9,815)
Total net assets	\$ 6,492	\$ 58,466	\$ 21,241	\$ 6,215	\$ (9,710)

ADMIN SUPPLY	MOTOR POOL	PRINT & MAIL SERVICES	BUILDINGS & GROUNDS	ADMIN CENTRAL SERVICES	LABOR CENTRAL SERVICES	COMMERCE CENTRAL SERVICES	OPI CENTRAL SERVICES
\$ 160	\$ 16	\$ 379	\$ 1,291	\$ 167	\$ 691	\$ 303	\$ 178
20	-	12	1	-	1	-	-
146	-	-	-	-	-	-	-
-	1	-	-	-	-	-	-
131	366	676	54	4	221	56	253
9	2	33	-	-	12	12	-
402	11	152	-	-	-	-	-
-	-	-	-	-	-	-	-
8	-	484	-	-	-	1	-
876	396	1,736	1,346	171	925	372	431
-	-	-	-	-	-	-	-
-	236	-	-	-	-	-	-
-	-	-	95	-	-	-	-
-	-	-	32	-	-	-	-
115	14,587	1,637	335	-	293	33	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(98)	(4,959)	(929)	(263)	-	(208)	(25)	-
17	9,864	708	199	-	85	8	-
17	9,864	708	199	-	85	8	-
893	10,260	2,444	1,545	171	1,010	380	431
122	227	243	331	40	313	60	147
-	1,300	-	-	29	2	-	-
2	2,201	9	7	2	27	5	31
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	3	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
18	20	59	111	36	245	61	94
142	3,748	311	452	107	587	126	272
-	4,292	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
32	14	50	15	93	158	89	34
32	4,306	50	15	93	158	89	34
174	8,054	361	467	200	745	215	306
17	9,864	708	199	-	85	8	-
702	(7,658)	1,375	879	(29)	180	157	125
\$ 719	\$ 2,206	\$ 2,083	\$ 1,078	\$ (29)	\$ 265	\$ 165	\$ 125

(Continued on Next Page)

COMBINING STATEMENT OF NET ASSETS - Continued
INTERNAL SERVICE FUNDS
 JUNE 30, 2005
 (expressed in thousands)

	DEQ INDIRECT COST POOL	PAYROLL PROCESSING	WARRANT PROCESSING	INVESTMENT DIVISION
ASSETS				
Current assets:				
Cash/cash equivalents	\$ 978	\$ 181	\$ 150	\$ 742
Receivables (net)	-	-	-	-
Interfund loans receivable	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	253	-	53	45
Due from component units	14	-	27	30
Inventories	-	-	-	-
Securities lending collateral	-	-	-	-
Other current assets	-	-	-	31
Total current assets	1,245	181	230	848
Noncurrent assets:				
Long-term investments	-	-	-	-
Capital assets:				
Land	-	-	-	-
Land improvements	-	-	-	-
Buildings/improvements	-	-	-	-
Equipment	404	-	34	18
Construction in progress	10	-	-	-
Intangible assets	-	-	-	-
Less accumulated depreciation	(243)	-	(32)	(17)
Total capital assets	171	-	2	1
Total noncurrent assets	171	-	2	1
Total assets	1,416	181	232	849
LIABILITIES				
Current liabilities:				
Accounts payable	237	16	11	109
Interfund loans payable	-	-	-	-
Due to other funds	20	6	63	20
Due to component units	3	-	-	5
Deferred revenue	-	-	-	-
Lease/installment purchase payable	-	-	-	-
Amounts held in custody for others	-	-	-	-
Securities lending liability	-	-	-	-
Estimated insurance claims	-	-	-	-
Compensated absences payable	164	27	13	108
Total current liabilities	424	49	87	242
Noncurrent liabilities:				
Advances from other funds	-	-	-	-
Lease/installment purchase payable	-	-	-	-
Estimated insurance claims	-	-	-	-
Compensated absences payable	150	2	-	129
Total noncurrent liabilities	150	2	-	129
Total liabilities	574	51	87	371
NET ASSETS				
Invested in capital assets, net of related debt	171	-	2	1
Unrestricted	671	130	143	477
Total net assets	\$ 842	\$ 130	\$ 145	\$ 478

AIRCRAFT OPERATION	JUSTICE LEGAL SERVICES	PERSONNEL TRAINING	DEBT COLLECTION	PRISON INDUSTRIES	OTHER INTERNAL SERVICES	TOTAL
\$ 136	\$ 33	\$ 45	\$ 175	\$ 487	\$ 148	\$ 37,376
-	-	2	-	12	-	3,903
-	-	-	-	-	-	607
-	-	-	-	-	-	2
41	98	12	-	284	5	5,475
-	-	-	-	-	-	454
-	-	-	-	129	105	2,082
-	-	-	-	-	-	232
-	-	-	-	-	-	535
177	131	59	175	912	258	50,666
-	-	-	-	-	-	12,898
-	-	-	-	-	-	236
-	-	-	-	-	-	95
-	-	-	-	2,820	-	2,852
41	-	-	-	1,191	69	183,514
-	-	-	-	-	-	3,471
-	-	-	-	-	-	1,157
(22)	-	-	-	(742)	(54)	(104,775)
19	-	-	-	3,269	15	86,550
19	-	-	-	3,269	15	99,448
196	131	59	175	4,181	273	150,114
47	54	10	2	66	3	6,890
-	-	-	-	-	-	2,431
-	3	1	13	12	3	2,508
-	-	-	-	-	-	22
-	-	-	-	-	-	965
-	-	-	-	-	-	118
-	-	-	-	-	-	31
-	-	-	-	-	-	232
-	-	-	-	-	-	16,264
18	68	7	3	40	1	2,470
65	125	18	18	118	7	31,931
-	-	-	-	120	-	4,412
-	-	-	-	-	-	738
-	-	-	-	-	-	15,739
44	76	22	-	12	-	1,993
44	76	22	-	132	-	22,882
109	201	40	18	250	7	54,813
19	-	-	-	3,269	15	85,694
68	(70)	19	157	662	251	9,607
\$ 87	\$ (70)	\$ 19	\$ 157	\$ 3,931	\$ 266	\$ 95,301

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

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

(expressed in thousands)

	FWP EQUIPMENT	HIGHWAY EQUIPMENT	EMPLOYEE GROUP BENEFITS	INFO TECH SERVICES DIVISION	ADMIN INSURANCE
Operating revenues:					
Charges for services	\$ 2,224	\$ 18,524	\$ 10	\$ 32,234	\$ -
Investment earnings	-	-	576	-	283
Securities lending income	-	-	21	-	-
Contributions/premiums	-	-	93,656	-	15,284
Other operating revenues	8	14	924	31	24
Total operating revenues	2,232	18,538	95,187	32,265	15,591
Operating expenses:					
Personal services	96	6,133	829	10,557	656
Contractual services	80	469	3,231	3,038	4,257
Supplies/materials	867	908	33	1,698	21
Benefits/claims	-	-	81,569	-	88
Depreciation	609	5,875	-	2,719	-
Amortization	-	-	11	643	-
Utilities/rent	17	108	26	5,048	62
Communications	5	9	59	5,468	16
Travel	14	32	12	157	16
Repair/maintenance	505	3,077	14	1,995	1
Interest expense	-	-	-	32	-
Securities lending expense	-	-	20	-	-
Other operating expenses	3	228	297	866	95
Total operating expenses	2,196	16,839	86,101	32,221	5,212
Operating income (loss)	36	1,699	9,086	44	10,379
Nonoperating revenues (expenses):					
Gain (loss) on sale of capital assets	(297)	(66)	-	(30)	-
Federal indirect cost recoveries	-	-	-	-	-
Total nonoperating revenues (expenses)	(297)	(66)	-	(30)	-
Income (loss) before contributions and transfers	(261)	1,633	9,086	14	10,379
Transfers in	158	-	-	-	1,134
Transfers out	-	-	(150)	-	(10)
Change in net assets	(103)	1,633	8,936	14	11,503
Total net assets - July 1 - as previously reported	6,595	56,819	9,563	6,335	(21,213)
Prior period adjustments	-	14	2,742	(134)	-
Total net assets - July 1 - as restated	6,595	56,833	12,305	6,201	(21,213)
Total net assets - June 30	\$ 6,492	\$ 58,466	21,241	\$ 6,215	\$ (9,710)

ADMIN SUPPLY	MOTOR POOL	PRINT & MAIL SERVICES	BUILDINGS & GROUNDS	ADMIN CENTRAL SERVICES	LABOR CENTRAL SERVICES	COMMERCE CENTRAL SERVICES	OPI CENTRAL SERVICES
\$ 4,567	\$ 3,668	\$ 9,058	\$ 6,530	\$ 775	\$ 3,873	\$ 26	\$ 670
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	30	-	-	-	-	844	3
4,567	3,698	9,058	6,530	775	3,873	870	673
316	285	1,118	1,186	640	3,731	911	1,044
62	186	81	2,530	37	324	43	279
4,106	1,136	4,080	150	12	144	43	70
-	-	-	-	-	-	-	-
5	1,584	164	26	-	24	6	-
-	-	-	-	-	-	-	-
96	146	174	2,167	31	335	85	128
24	3	2,831	25	9	54	16	72
-	-	5	12	9	26	6	4
2	204	276	995	2	20	1	33
-	239	-	-	-	-	-	-
-	-	-	-	-	-	-	-
23	11	55	166	16	256	4	13
4,634	3,794	8,784	7,257	756	4,914	1,115	1,643
(67)	(96)	274	(727)	19	(1,041)	(245)	(970)
(5)	(335)	(17)	-	-	-	-	-
-	-	-	-	-	1,088	111	1,139
(5)	(335)	(17)	-	-	1,088	111	1,139
(72)	(431)	257	(727)	19	47	(134)	169
-	-	-	1,037	-	-	-	-
-	-	-	(21)	-	-	-	-
(72)	(431)	257	289	19	47	(134)	169
790	2,651	1,662	781	(48)	218	299	(44)
1	(14)	164	8	-	-	-	-
791	2,637	1,826	789	(48)	218	299	(44)
\$ 719	\$ 2,206	\$ 2,083	\$ 1,078	\$ (29)	\$ 265	\$ 165	\$ 125

(Continued on Next Page)

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - Continued
INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005
 (expressed in thousands)

	DEQ INDIRECT COST POOL	PAYROLL PROCESSING	WARRANT PROCESSING	INVESTMENT DIVISION
Operating revenues:				
Charges for services	\$ 2,105	\$ 463	\$ 813	\$ 2,963
Investment earnings	-	-	-	-
Securities lending income	-	-	-	-
Contributions/premiums	-	-	-	-
Other operating revenues	-	-	-	-
Total operating revenues	2,105	463	813	2,963
Operating expenses:				
Personal services	2,692	246	206	1,779
Contractual services	906	90	105	921
Supplies/materials	178	12	4	57
Benefits/claims	-	-	-	-
Depreciation	52	-	-	1
Amortization	-	-	-	-
Utilities/rent	122	11	12	143
Communications	40	7	425	43
Travel	29	1	-	31
Repair/maintenance	14	1	-	24
Interest expense	-	-	-	-
Securities lending expense	-	-	-	-
Other operating expenses	77	9	50	257
Total operating expenses	4,110	377	802	3,256
Operating income (loss)	(2,005)	86	11	(293)
Nonoperating revenues (expenses):				
Gain (loss) on sale of capital assets	-	-	-	(3)
Federal indirect cost recoveries	1,665	-	-	-
Total nonoperating revenues (expenses)	1,665	-	-	(3)
Income (loss) before contributions and transfers	(340)	86	11	(296)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in net assets	(340)	86	11	(296)
Total net assets - July 1 - as previously reported	1,183	44	134	774
Prior period adjustments (Note 3)	(1)	-	-	-
Total net assets - July 1 - as restated	1,182	44	134	774
Total net assets - June 30	\$ 842	\$ 130	\$ 145	\$ 478

AIRCRAFT OPERATION	JUSTICE LEGAL SERVICES	PERSONNEL TRAINING	DEBT COLLECTION	PRISON INDUSTRIES	OTHER INTERNAL SERVICES	TOTAL
\$ 339	\$ 1,111	\$ 241	\$ 184	\$ 3,319	\$ 214	\$ 93,911
-	-	-	-	-	-	859
-	-	-	-	-	-	21
-	-	-	-	-	-	108,940
-	-	-	-	-	28	1,906
339	1,111	241	184	3,319	242	205,637
413	885	127	131	951	83	35,015
88	115	28	14	20	9	16,913
67	16	21	-	2,007	133	15,763
-	-	-	-	-	-	81,657
2	-	-	-	205	4	11,276
-	-	-	-	-	-	654
72	42	23	3	70	5	8,926
5	18	9	7	1	4	9,150
16	5	18	-	3	1	397
269	3	1	-	21	15	7,473
-	-	-	-	-	-	271
-	-	-	-	-	-	20
4	11	7	1	6	1	2,456
936	1,095	234	156	3,284	255	189,971
(597)	16	7	28	35	(13)	15,666
(1)	-	-	-	-	-	(754)
-	-	-	-	-	-	4,003
(1)	-	-	-	-	-	3,249
(598)	16	7	28	35	(13)	18,915
586	-	-	-	-	-	2,915
-	-	(9)	-	-	-	(190)
(12)	16	(2)	28	35	(13)	21,640
99	(86)	21	129	3,896	279	70,881
-	-	-	-	-	-	2,780
99	(86)	21	129	3,896	279	73,661
\$ 87	\$ (70)	\$ 19	\$ 157	\$ 3,931	\$ 266	\$ 95,301

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005
 (expressed in thousands)

	FWP EQUIPMENT	HIGHWAY EQUIPMENT	EMPLOYEE GROUP BENEFITS	INFO TECH SERVICES DIVISION	ADMIN INSURANCE
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from sales and services	\$ 2,237	\$ 19,420	\$ 96,092	\$ 31,817	\$ 15,309
Payments to suppliers for goods and services	(1,598)	(5,888)	(3,692)	(19,442)	(4,273)
Payments to employees	(91)	(5,987)	(800)	(10,629)	(646)
Grant receipts	-	-	-	-	-
Cash payments for claims	-	-	(81,894)	-	(5,286)
Other operating revenues	8	-	675	19	24
Net cash provided by (used for) operating activities	556	7,545	10,381	1,765	5,128
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payment of principal and interest on bonds and notes	-	-	-	-	-
Transfers to other funds	-	-	(150)	(124)	(122)
Transfers from other funds	159	14	-	-	1,134
Proceeds from interfund loans/advances	300	3,000	-	374	-
Payment of interfund loans/advances	(350)	(2,000)	(25)	(436)	-
Net cash provided by (used for) noncapital financing activities	109	1,014	(175)	(186)	1,012
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(863)	(9,005)	(98)	(2,333)	(103)
Proceeds from sale of capital assets	136	519	-	-	-
Principal and interest payments on bonds and notes	-	-	-	(120)	-
Net cash used for capital and related financing activities	(727)	(8,486)	(98)	(2,453)	(103)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	-	-	(10,000)	-	-
Proceeds from sales or maturities of investments	-	-	1,350	-	-
Proceeds from securities lending transactions	-	-	21	-	-
Interest and dividends on investments	-	-	593	-	283
Payment of securities lending costs	-	-	(20)	-	-
Net cash provided by (used for) investing activities	-	-	(8,056)	-	283
Net increase (decrease) in cash and cash equivalents	(62)	73	2,052	(874)	6,320
Cash and cash equivalents, July 1	162	52	16,532	1,971	4,890
Cash and cash equivalents, June 30	\$ 100	\$ 125	\$ 18,584	\$ 1,097	\$ 11,210

ADMIN SUPPLY	MOTOR POOL	PRINT & MAIL SERVICES	BUILDINGS & GROUNDS	ADMIN CENTRAL SERVICES	LABOR CENTRAL SERVICES	COMMERCE CENTRAL SERVICES	OPI CENTRAL SERVICES
\$ 4,654	\$ 3,643	\$ 8,954	\$ 6,696	\$ 775	\$ 3,850	\$ 106	\$ 619
(4,456)	(1,586)	(7,560)	(6,110)	(115)	(1,314)	(194)	(608)
(317)	(280)	(1,147)	(1,178)	(635)	(3,797)	(929)	(922)
-	-	-	-	-	1,091	103	1,043
-	-	-	-	-	-	-	-
-	29	-	-	-	-	844	3
(119)	1,806	247	(592)	25	(170)	(70)	135
-	(199)	-	-	-	-	-	-
-	(14)	-	(21)	-	-	-	-
-	-	-	1,119	-	-	-	-
175	6,683	-	-	29	2	25	-
(146)	(5,923)	-	-	(10)	(7)	-	-
29	547	-	1,098	19	(5)	25	-
-	(3,678)	(61)	(14)	-	(23)	-	-
-	828	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(2,850)	(61)	(14)	-	(23)	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(90)	(497)	186	492	44	(198)	(45)	135
250	513	193	799	123	889	348	43
\$ 160	\$ 16	\$ 379	\$ 1,291	\$ 167	\$ 691	\$ 303	\$ 178

(Continued on Next Page)

COMBINING STATEMENT OF CASH FLOWS - Continued

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

(expressed in thousands)

	DEQ INDIRECT COST POOL	PAYROLL PROCESSING	WARRANT PROCESSING	INVESTMENT DIVISION
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from sales and services	\$ 2,150	\$ 463	\$ 823	\$ 2,983
Payments to suppliers for goods and services	(1,407)	(130)	(593)	(1,491)
Payments to employees	(2,736)	(253)	(202)	(1,861)
Grant receipts	1,663	-	-	-
Cash payments for claims	-	-	-	-
Other operating revenues	6	-	-	-
Net cash provided by (used for) operating activities	(324)	80	28	(369)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Payment of principal and interest on bonds and notes	-	-	-	-
Transfers to other funds	(1)	-	-	-
Transfers from other funds	-	-	-	-
Proceeds from interfund loans/advances	-	-	-	-
Payment of interfund loans/advances	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(1)	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(87)	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Principal and interest payments on bonds and notes	-	-	-	-
Net cash used for capital and related financing activities	(87)	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	-	-	-	-
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	-	-	-	-
Net increase (decrease) in cash and cash equivalents	(412)	80	28	(369)
Cash and cash equivalents, July 1	1,390	101	122	1,111
Cash and cash equivalents, June 30	\$ 978	\$ 181	\$ 150	\$ 742

AIRCRAFT OPERATION	JUSTICE LEGAL SERVICES	PERSONNEL TRAINING	DEBT COLLECTION	PRISON INDUSTRIES	OTHER INTERNAL SERVICES	TOTAL
\$ 341	\$ 1,106	\$ 235	\$ 184	\$ 3,303	\$ 219	\$ 205,979
(526)	(213)	(113)	(27)	(2,043)	(157)	(63,536)
(382)	(860)	(124)	(122)	(972)	(84)	(34,954)
-	-	-	-	-	-	3,900
-	-	-	-	-	-	(87,180)
-	-	-	-	-	28	1,636
(567)	33	(2)	35	288	6	25,845
-	-	-	-	-	-	(199)
-	-	(9)	-	-	-	(441)
623	-	-	-	-	-	3,049
-	160	-	-	-	-	10,748
-	(260)	-	-	(60)	-	(9,217)
623	(100)	(9)	-	(60)	-	3,940
(6)	-	-	-	(7)	-	(16,278)
-	-	-	-	-	-	1,483
-	-	-	-	-	-	(120)
(6)	-	-	-	(7)	-	(14,915)
-	-	-	-	-	-	(10,000)
-	-	-	-	-	-	1,350
-	-	-	-	-	-	21
-	-	-	-	-	-	876
-	-	-	-	-	-	(20)
-	-	-	-	-	-	(7,773)
50	(67)	(11)	35	221	6	7,097
86	100	56	140	266	142	30,279
\$ 136	\$ 33	\$ 45	\$ 175	\$ 487	\$ 148	\$ 37,376

(Continued on Next Page)

COMBINING STATEMENT OF CASH FLOWS - Continued

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

(expressed in thousands)

	FWP EQUIPMENT	HIGHWAY EQUIPMENT	EMPLOYEE GROUP BENEFITS	INFO TECH SERVICES DIVISION	ADMIN INSURANCE
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ 36	\$ 1,699	\$ 9,086	\$ 44	\$ 10,379
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:					
Depreciation	609	5,875	-	2,719	-
Amortization	-	-	11	643	-
Interest expense	-	-	-	32	-
Securities lending expense	-	-	20	-	-
Investment earnings	-	-	(576)	-	(283)
Securities lending income	-	-	(21)	-	-
Federal indirect cost recoveries	-	-	-	-	-
Change in assets and liabilities:					
Decr (incr) in accounts receivable	(1)	(33)	2,100	(11)	-
Decr (incr) in due from other funds	(8)	914	1	(534)	20
Decr (incr) in due from component units	-	-	-	38	6
Decr (incr) in due from other governments	-	-	-	-	-
Decr (incr) in inventories	-	(1,283)	-	-	-
Decr (incr) in other assets	-	-	(4)	2	-
Incr (decr) in accounts payable	(87)	318	(787)	(1,009)	280
Incr (decr) in due to other funds	3	1	(5)	(48)	(40)
Incr (decr) in due to component units	-	-	-	(21)	(15)
Incr (decr) in deferred revenue	-	-	56	-	-
Incr (decr) in amounts held in custody for others	-	-	-	(16)	-
Incr (decr) in compensated absences payable	4	54	20	(74)	11
Incr (decr) in estimated claims	-	-	480	-	(5,230)
Net cash provided by (used for) operating activities	<u>\$ 556</u>	<u>\$ 7,545</u>	<u>\$ 10,381</u>	<u>\$ 1,765</u>	<u>\$ 5,128</u>
Schedule of noncash transactions:					
Capital asset acquisitions from capital leases	\$ -	\$ -	\$ -	\$ 793	\$ -
Incr (decr) in fair value of investments	-	-	(31)	-	-
Total noncash transactions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (31)</u>	<u>\$ 793</u>	<u>\$ -</u>

ADMIN SUPPLY	MOTOR POOL	PRINT & MAIL SERVICES	BUILDINGS & GROUNDS	ADMIN CENTRAL SERVICES	LABOR CENTRAL SERVICES	COMMERCE CENTRAL SERVICES	OPI CENTRAL SERVICES
\$ (67)	\$ (96)	\$ 274	\$ (727)	\$ 19	\$ (1,041)	\$ (245)	\$ (970)
5	1,584	164	26	-	24	6	-
-	-	-	-	-	-	-	-
-	239	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,088	111	1,139
49	-	-	2	-	(1)	-	-
37	19	(73)	241	(4)	96	65	(139)
(1)	-	5	1	-	(6)	11	-
-	-	-	-	-	-	-	-
(69)	(11)	(5)	-	-	-	-	-
(1)	-	3	-	-	3	-	-
(70)	111	(42)	(64)	13	(29)	14	103
(1)	(43)	(11)	(78)	-	(229)	(1)	(12)
-	-	-	-	-	-	-	-
-	-	(36)	-	-	-	-	-
-	-	-	3	-	(1)	-	-
(1)	3	(32)	4	(3)	(74)	(31)	14
-	-	-	-	-	-	-	-
<u>\$ (119)</u>	<u>\$ 1,806</u>	<u>\$ 247</u>	<u>\$ (592)</u>	<u>\$ 25</u>	<u>\$ (170)</u>	<u>\$ (70)</u>	<u>\$ 135</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued on Next Page)

COMBINING STATEMENT OF CASH FLOWS - Continued

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

(expressed in thousands)

	DEQ INDIRECT COST POOL	PAYROLL PROCESSING	WARRANT PROCESSING	INVESTMENT DIVISION
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ (2,005)	\$ 86	\$ 11	\$ (293)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation	52	-	-	1
Amortization	-	-	-	-
Interest expense	-	-	-	-
Securities lending expense	-	-	-	-
Investment earnings	-	-	-	-
Securities lending income	-	-	-	-
Federal indirect cost recoveries	1,665	-	-	-
Change in assets and liabilities:				
Decr (incr) in accounts receivable	-	-	-	-
Decr (incr) in due from other funds	10	-	1	6
Decr (incr) in due from component units	(5)	-	8	15
Decr (incr) in due from other governments	-	-	-	-
Decr (incr) in inventories	-	-	-	-
Decr (incr) in other assets	-	-	-	(19)
Incr (decr) in accounts payable	67	4	(1)	15
Incr (decr) in due to other funds	(56)	1	6	(19)
Incr (decr) in due to component units	3	-	-	5
Incr (decr) in deferred revenue	-	-	-	-
Incr (decr) in amounts held in custody for others	-	-	-	-
Incr (decr) in compensated absences payable	(55)	(11)	3	(80)
Incr (decr) in estimated claims	-	-	-	-
Net cash provided by (used for) operating activities	<u>\$ (324)</u>	<u>\$ 80</u>	<u>\$ 28</u>	<u>\$ (369)</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>

AIRCRAFT OPERATION	JUSTICE LEGAL SERVICES	PERSONNEL TRAINING	DEBT COLLECTION	PRISON INDUSTRIES	OTHER INTERNAL SERVICES	TOTAL
\$ (597)	\$ 16	\$ 7	\$ 28	\$ 35	\$ (13)	15,666
2	-	-	-	205	4	11,276
-	-	-	-	-	-	654
-	-	-	-	-	-	271
-	-	-	-	-	-	20
-	-	-	-	-	-	(859)
-	-	-	-	-	-	(21)
-	-	-	-	-	-	4,003
-	-	(1)	-	(5)	-	2,099
2	7	(3)	-	9	4	671
-	3	-	-	-	-	75
-	1	-	-	-	-	1
-	-	-	-	87	18	(1,263)
-	-	2	-	-	-	(14)
7	6	(7)	(3)	1	(9)	(1,169)
-	-	(3)	11	(26)	2	(548)
-	-	-	-	-	-	(28)
-	-	(1)	-	(22)	-	(3)
-	-	-	-	-	-	(14)
19	-	4	(1)	4	-	(222)
-	-	-	-	-	-	(4,750)
<u>\$ (567)</u>	<u>\$ 33</u>	<u>\$ (2)</u>	<u>\$ 35</u>	<u>\$ 288</u>	<u>\$ 6</u>	<u>25,845</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	793
-	-	-	-	-	-	(31)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>762</u>

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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, 2005
(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	\$ 59,799	\$ 2,251	\$ 2,647	\$ 3,446	\$ 1,983	\$ 1,289
Receivables (net):						
Accounts receivable	1,424	85	56	162	-	-
Interest	7,466	355	338	344	190	110
Due from primary government	136	7,705	6,719	-	18	-
Due from other PERB plans	293	-	-	-	-	-
Long-term notes/loans receivable	167	-	-	-	-	-
Total receivables	9,486	8,145	7,113	506	208	110
Investments at fair value:						
Equity in pooled investments	3,115,493	151,479	144,045	147,565	81,601	47,140
Other investments	59,184	-	-	-	-	-
Total investments	3,174,677	151,479	144,045	147,565	81,601	47,140
Securities lending collateral	140,880	7,083	6,725	6,858	3,779	2,191
Capital assets:						
Land	-	-	-	-	-	-
Buildings/improvements	-	-	-	-	-	-
Equipment	5	-	-	-	-	-
Accumulated depreciation	(4)	-	-	-	-	-
Intangible assets	319	4	4	4	3	3
Total capital assets	320	4	4	4	3	3
Other assets	-	-	-	-	-	-
Total assets	3,385,162	168,962	160,534	158,379	87,574	50,733
LIABILITIES						
Accounts payable	440	4	-	-	2	-
Due to primary government	46	-	-	-	-	-
Due to other PERB plans	57	59	49	52	26	7
Due to other funds	-	-	-	-	-	-
Advances from primary government	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Deferred revenue	55	1	4	-	-	-
Securities lending liability	140,880	7,083	6,725	6,858	3,779	2,191
Compensated absences payable	265	-	-	-	-	-
Total liabilities	141,743	7,147	6,778	6,910	3,807	2,198
NET ASSETS						
Held in trust for pension benefits and other purposes	\$ 3,243,419	\$ 161,815	\$ 153,756	\$ 151,469	\$ 83,767	\$ 48,535

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	
\$ 3,299	\$ 2,041	\$ 548	\$ 303	\$ 31,856	\$ 67	\$ 109,529	
-	-	-	-	15,335	18	17,080	
115	46	-	-	5,709	-	14,673	
1	-	-	-	153	-	14,732	
-	-	57	-	-	-	350	
-	-	-	-	-	-	167	
116	46	57	-	21,197	18	47,002	
48,458	19,552	-	-	2,382,434	-	6,137,767	
-	-	24,948	239,143	51,102	494	374,871	
48,458	19,552	24,948	239,143	2,433,536	494	6,512,638	
2,296	922	-	-	107,021	-	277,755	
-	-	-	-	35	-	35	
-	-	-	-	158	-	158	
-	-	-	-	147	-	152	
-	-	-	-	(260)	-	(264)	
4	5	4	145	692	-	1,187	
4	5	4	145	772	-	1,268	
-	-	-	-	3	18	21	
54,173	22,566	25,557	239,591	2,594,385	597	6,948,213	
12	-	13	166	78	35	750	
-	-	31	4	32	-	113	
37	43	15	5	-	-	350	
-	-	-	-	-	26	26	
-	-	1,380	-	-	-	1,380	
-	-	-	-	-	181	181	
2	-	-	-	-	-	62	
2,296	922	-	-	107,021	-	277,755	
-	-	9	11	117	1	403	
2,347	965	1,448	186	107,248	243	281,020	
\$ 51,826	\$ 21,601	\$ 24,109	\$ 239,405	\$ 2,487,137	\$ 354	\$ 6,667,193	

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(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	\$ 60,297	\$ 3,791	\$ 2,959	\$ 2,813	\$ 3,324	\$ 1,162
Employee	66,914	2,424	2,330	2,975	862	394
Other contributions	647	7,705	6,718	13	669	18
Net investment earnings:						
Investment earnings	249,528	11,917	11,340	11,584	6,467	3,705
Administrative investment expense	(4,778)	(220)	(209)	(214)	(120)	(68)
Securities lending income	3,224	162	155	157	87	50
Securities lending expense	(2,998)	(151)	(144)	(146)	(81)	(47)
Charges for services	-	-	-	-	-	-
Other additions	3	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total additions	372,837	25,628	23,149	17,182	11,208	5,214
DEDUCTIONS						
Benefits	142,789	11,363	10,386	5,527	5,790	1,624
Refunds	13,678	798	101	633	230	-
Administrative expenses:						
Personal services	1,309	-	-	-	-	-
Contractual services	649	2	-	-	-	-
Supplies/materials	32	1	1	2	-	-
Depreciation	-	-	-	-	-	-
Amortization	256	3	3	3	3	3
Utilities/rent	178	-	-	-	-	-
Communications	117	-	-	-	-	-
Travel	27	-	-	-	-	-
Repair/maintenance	2	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Other operating expenses	-	58	49	53	27	6
Local assistance	-	-	-	-	-	-
Transfers to ORP	159	-	-	-	-	-
Transfers to PERS-DCRP	914	-	-	-	-	-
Total deductions	160,110	12,225	10,540	6,218	6,050	1,633
Change in net assets	212,727	13,403	12,609	10,964	5,158	3,581
Net assets - July 1 - as previously reported	3,030,679	148,411	141,146	140,504	78,609	44,955
Prior period adjustments	13	1	1	1	-	(1)
Net assets - July 1 - as restated	3,030,692	148,412	141,147	140,505	78,609	44,954
Net assets - June 30	\$ 3,243,419	\$ 161,815	\$ 153,756	\$ 151,469	\$ 83,767	\$ 48,535

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
\$ 2,054	\$ -	\$ 1,856	\$ 55	\$ 57,150	\$ 468	\$ 135,929
3,015	-	3,184	15,501	52,900	-	150,499
8	1,527	-	-	656	-	17,961
3,761	1,578	1,768	15,727	192,263	11	509,649
(68)	(30)	-	(461)	(3,701)	-	(9,869)
52	22	-	-	2,460	-	6,369
(48)	(20)	-	-	(2,287)	-	(5,922)
-	-	178	167	-	-	345
-	-	192	-	-	-	195
-	-	-	-	-	150	150
8,774	3,077	7,178	30,989	299,441	629	805,306
1,539	1,517	1,873	15,591	161,247	83	359,329
613	-	-	-	4,340	-	20,393
-	-	102	108	770	22	2,311
-	1	293	795	481	62	2,283
1	3	5	5	25	-	75
-	-	-	-	5	-	5
3	-	3	41	85	-	403
-	-	16	14	42	-	250
-	-	3	16	38	-	174
-	-	4	5	13	-	49
-	-	-	-	53	-	55
-	-	44	-	-	7	51
39	42	16	4	49	6	349
-	11	-	-	-	-	11
-	-	-	-	-	-	159
-	-	-	-	-	-	914
2,195	1,574	2,359	16,579	167,148	180	386,811
6,579	1,503	4,819	14,410	132,293	449	418,495
45,246	20,095	19,298	224,749	2,354,844	(95)	6,248,441
1	3	(8)	246	-	-	257
45,247	20,098	19,290	224,995	2,354,844	(95)	6,248,698
\$ 51,826	\$ 21,601	\$ 24,109	\$ 239,405	\$ 2,487,137	\$ 354	\$ 6,667,193

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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:

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.

Moore-Sipple Connector – Money is held in trust to ensure 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 Central Montana Rail, Inc. 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, 2005
 (expressed in thousands)

	ESCHEATED PROPERTY	PLAN 1 SECURITIES	WOODVILLE HIGHWAY REPLACEMENT
ASSETS			
Cash/cash equivalents	\$ 527	\$ -	\$ 41
Receivables (net):			
Accounts receivable	-	-	-
Total receivables	-	-	-
Other assets	-	4,642	-
Total assets	527	4,642	41
LIABILITIES			
Accounts payable	1	-	-
Total liabilities	1	-	-
NET ASSETS			
Held in trust for other purposes	\$ 526	\$ 4,642	\$ 41

	MOORE- SIPPLE CONNECTOR		ENVIRONMENTAL RECLAMATION		TOTAL
\$	240	\$	1,673	\$	2,481
	-		8		8
	-		8		8
	-		2,489		7,131
	240		4,170		9,620
	-		17		18
	-		17		18
\$	240	\$	4,153	\$	9,602

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(expressed in thousands)**

	ESCHEATED PROPERTY	PLAN 1 SECURITIES	WOODVILLE HIGHWAY REPLACEMENT
ADDITIONS			
Net investment earnings:			
Investment earnings	\$ 8	\$ -	\$ 1
Other additions	1,911	1,238	-
Total additions	<u>1,919</u>	<u>1,238</u>	<u>1</u>
DEDUCTIONS			
Distributions	1,781	-	-
Administrative expenses:			
Grants	-	-	-
Total deductions	<u>1,781</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>138</u>	<u>1,238</u>	<u>1</u>
Net assets - July 1 - as previously reported	396	3,404	40
Prior period adjustments	(8)	-	-
Net assets - July 1 - as restated	<u>388</u>	<u>3,404</u>	<u>40</u>
Net assets - June 30	<u>\$ 526</u>	<u>\$ 4,642</u>	<u>\$ 41</u>

	MOORE- SIPPLE CONNECTOR		ENVIRONMENTAL RECLAMATION		TOTAL
\$	5	\$	18	\$	32
	-		851		4,000
	5		869		4,032
	-		672		2,453
	4		-		4
	4		672		2,457
	1		197		1,575
	239		3,956		8,035
	-		-		(8)
	239		3,956		8,027
\$	240	\$	4,153	\$	9,602

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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:

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.

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. This fund also accounts for wages collected from employers on behalf of employee wage complaints filed under authority of the Montana Wages and Wage Protection Act.

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.

Uncleared Collections – This fund accounts for resources held pending distribution to other funds and local governments. The balances in this fund related to other fund types are distributed to those funds each fiscal year-end. Balances remaining relate to external parties.

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.

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

AGENCY FUNDS

JUNE 30, 2005

(expressed in thousands)

	PERFORMANCE DEPOSITS	CENTRAL PAYROLL	CRIMINAL OFFENDER RESTITUTION	CUSTODIAL ACCOUNTS
ASSETS				
Cash/cash equivalents	\$ 5,620	\$ 315	\$ 257	\$ 1,019
Receivables (net):				
Accounts receivable	-	1	345	-
Total receivables	-	1	345	-
Other assets	12,201	-	-	-
Total assets	<u>17,821</u>	<u>316</u>	<u>602</u>	<u>1,019</u>
LIABILITIES				
Accounts payable	44	-	347	4
Amounts held in custody for others	17,777	316	255	1,015
Total liabilities	<u>17,821</u>	<u>316</u>	<u>602</u>	<u>1,019</u>

CHILD SUPPORT COLLECTIONS	UNCLEARED COLLECTIONS	INTER- GOVERNMENTAL	DEBT COLLECTION	MILK PASS- THROUGH	TOTAL
\$ 552	\$ 162	\$ 168	\$ 111	\$ 54	\$ 8,258
300	-	-	13	-	659
300	-	-	13	-	659
-	-	-	-	-	12,201
852	162	168	124	54	21,118
106	156	104	1	50	812
746	6	64	123	4	20,306
852	162	168	124	54	21,118

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

(expressed in thousands)

FUND	BALANCE JUNE 30, 2004		ADDITIONS	DEDUCTIONS		BALANCE JUNE 30, 2005	
PERFORMANCE DEPOSITS:							
ASSETS							
Cash/cash equivalents	\$	5,436	\$ 189,411	\$ 189,227	\$	5,620	
Receivables (net)		-	7,695	7,695		-	
Investments		-	3	3		-	
Other assets		11,672	616	87		12,201	
Total assets	\$	17,108	\$ 197,725	\$ 197,012	\$	17,821	
LIABILITIES							
Accounts payable	\$	27	\$ 20,039	\$ 20,022	\$	44	
Amounts held in custody for others		17,081	61,297	60,601		17,777	
Other liabilities		-	72,153	72,153		-	
Total liabilities	\$	17,108	\$ 153,489	\$ 152,776	\$	17,821	
CENTRAL PAYROLL:							
ASSETS							
Cash/cash equivalents	\$	248	\$ 603,740	\$ 603,673	\$	315	
Receivables (net)		1	-	-		1	
Total assets	\$	249	\$ 603,740	\$ 603,673	\$	316	
LIABILITIES							
Accounts payable	\$	10	\$ 10,566	\$ 10,576	\$	-	
Amounts held in custody for others		239	603,739	603,662		316	
Total liabilities	\$	249	\$ 614,305	\$ 614,238	\$	316	
CRIMINAL OFFENDER RESTITUTION:							
ASSETS							
Cash/cash equivalents	\$	146	\$ 115	\$ 4	\$	257	
Receivables (net)		413	1	69		345	
Total assets	\$	559	\$ 116	\$ 73	\$	602	
LIABILITIES							
Accounts payable	\$	415	1	69		347	
Amounts held in custody for others		144	4,832	4,721		255	
Total liabilities	\$	559	\$ 4,833	\$ 4,790	\$	602	
CUSTODIAL ACCOUNTS:							
ASSETS							
Cash/cash equivalents	\$	1,207	\$ 4,362	\$ 4,550	\$	1,019	
Receivables (net)		-	1	1		-	
Total assets	\$	1,207	\$ 4,363	\$ 4,551	\$	1,019	
LIABILITIES							
Accounts payable	\$	9	\$ 707	\$ 712	\$	4	
Amounts held in custody for others		1,198	7,377	7,560		1,015	
Total liabilities	\$	1,207	\$ 8,084	\$ 8,272	\$	1,019	

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FUND	BALANCE JUNE 30, 2004	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2005
CHILD SUPPORT COLLECTIONS:				
ASSETS				
Cash/cash equivalents	\$ 993	\$ 69,214	\$ 69,655	\$ 552
Receivables (net)	292	11	3	300
Total assets	<u>\$ 1,285</u>	<u>\$ 69,225</u>	<u>\$ 69,658</u>	<u>\$ 852</u>
LIABILITIES				
Accounts payable	\$ 457	\$ 39,413	\$ 39,764	\$ 106
Amounts held in custody for others	828	69,196	69,278	746
Total liabilities	<u>\$ 1,285</u>	<u>\$ 108,609</u>	<u>\$ 109,042</u>	<u>\$ 852</u>
UNCLEARED COLLECTIONS:				
ASSETS				
Cash/cash equivalents	\$ 91	\$ 10,992,885	\$ 10,992,814	\$ 162
Receivables (net)	-	68,643	68,643	-
Investments	-	19	19	-
Other assets	-	3	3	-
Total assets	<u>\$ 91</u>	<u>\$ 11,061,550</u>	<u>\$ 11,061,479</u>	<u>\$ 162</u>
LIABILITIES				
Accounts payable	\$ 91	\$ 1,370	\$ 1,305	\$ 156
Due to other governments	-	3,518	3,518	-
Amounts held in custody for others	-	708	702	6
Other liabilities	-	551,661	551,661	-
Total liabilities	<u>\$ 91</u>	<u>\$ 557,257</u>	<u>\$ 557,186</u>	<u>\$ 162</u>
INTERGOVERNMENTAL:				
ASSETS				
Cash/cash equivalents	\$ 973	\$ 419,887	\$ 420,692	\$ 168
Receivables (net)	-	63	63	-
Total assets	<u>\$ 973</u>	<u>\$ 419,950</u>	<u>\$ 420,755</u>	<u>\$ 168</u>
LIABILITIES				
Accounts payable	\$ 101	\$ 2,701	\$ 2,698	\$ 104
Due to other governments	-	3	3	-
Amounts held in custody for others	872	9,628	10,436	64
Other liabilities	-	2	2	-
Total liabilities	<u>\$ 973</u>	<u>\$ 12,334</u>	<u>\$ 13,139</u>	<u>\$ 168</u>

(Continued on Next Page)

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - Continued

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

(expressed in thousands)

FUND	BALANCE JUNE 30, 2004		ADDITIONS	DEDUCTIONS		BALANCE JUNE 30, 2005	
DEBT COLLECTION:							
ASSETS							
Cash/cash equivalents	\$	123	\$ 2,339	\$ 2,351	\$	111	
Receivables (net)		13	2	2		13	
Total assets	\$	136	\$ 2,341	\$ 2,353	\$	124	
LIABILITIES							
Accounts payable	\$	17	\$ 2,626	\$ 2,642	\$	1	
Amounts held in custody for others		119	1,847	1,843		123	
Other liabilities		-	154	154		-	
Total liabilities	\$	136	\$ 4,627	\$ 4,639	\$	124	
MILK PASSTHROUGH:							
ASSETS							
Cash/cash equivalents	\$	58	\$ 1,627	\$ 1,631	\$	54	
Total assets	\$	58	\$ 1,627	\$ 1,631	\$	54	
LIABILITIES							
Accounts payable	\$	-	\$ 1,681	\$ 1,631	\$	50	
Amounts held in custody for others		58	2,651	2,705		4	
Total liabilities	\$	58	\$ 4,332	\$ 4,336	\$	54	
TOTAL - ALL AGENCY FUNDS							
ASSETS							
Cash/cash equivalents	\$	9,275	\$ 12,283,580	\$ 12,284,597	\$	8,258	
Receivables (net)		719	76,416	76,476		659	
Investments		-	19	19		-	
Other assets		11,672	619	90		12,201	
Total assets	\$	21,666	\$ 12,360,634	\$ 12,361,182	\$	21,118	
LIABILITIES							
Accounts payable	\$	1,127	\$ 79,104	\$ 79,419	\$	812	
Due to other governments		-	3,518	3,518		-	
Amounts held in custody for others		20,539	761,275	761,508		20,306	
Other liabilities		-	623,970	623,970		-	
Total liabilities	\$	21,666	\$ 1,467,867	\$ 1,468,415	\$	21,118	