STATEMENT OF NET ASSETS

June 30, 2005 *Exhibit A-1*

(Dollars in Thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and cash equivalents (Note 3)	$ 3,521,256	$ 288,222	$ 3,809,478	$ 2,861,465
Investments (Note 3)	1,601,593	44,679	1,646,272	2,144,508
Securities lending collateral (Note 3)	3,957,210	215,140	4,172,350	—
Receivables, net (Note 4)	2,239,883	396,854	2,636,737	728,808
Due from component units (Note 17)	14,350	—	14,350	61,258
Due from primary government (Note 17)	—	—	—	347,904
Internal balances	(79)	79	—	—
Inventories	164,647	575	165,222	73,242
Prepaid items	15,362	1,730	17,092	13,533
Advances to component units (Note 17)	21,800	—	21,800	—
Notes receivable, net (Note 4)	321,186	492,103	813,289	3,309,361
Endowment investments (Note 3)	58,080	—	58,080	2,010,591
Investment in joint venture	—	—	—	8,319
Deferred charges	—	112	112	21,541
Securities held in trust	43,089	—	43,089	—
Pension assets (Note 11)	407	—	407	—
Capital assets-nondepreciable (Note 5)	10,931,358	4,957	10,936,315	1,813,183
Capital assets-depreciable, net (Note 5)	16,580,249	49,688	16,629,937	5,913,455
Total Assets	39,470,391	1,494,139	40,964,530	19,307,168
Liabilities				
Accounts payable and accrued liabilities	1,326,715	26,085	1,352,800	555,480
Medical claims payable	928,501	—	928,501	3,975
Unemployment benefits payable	—	19,728	19,728	—
Tax refunds payable	1,279,117	—	1,279,117	—
Obligations under securities lending	3,957,210	215,140	4,172,350	—
Interest payable	87,523	34	87,557	34,411
Short-term debt (Note 6)	—	113,690	113,690	143,141
Due to component units (Note 17)	347,904	—	347,904	61,258
Due to primary government (Note 17)	—	—	—	14,350
Unearned revenue	517,941	14,644	532,585	122,385
Advance from primary government (Note 17)	—	—	—	21,800
Obligations under reverse repurchase agreements	—	—	—	9,992
Deposits payable	60	77	137	10,668
Funds held for others	84,987	—	84,987	584,013
Long-term liabilities (Note 7):				
Due within one year	405,364	572	405,936	238,292
Due in more than one year	6,626,027	12,559	6,638,586	5,417,951
Total Liabilities	15,561,349	402,529	15,963,878	7,217,716
Net Assets				
Invested in capital assets, net of related debt	26,434,617	44,007	26,478,624	5,809,196
Restricted for:				
Nonexpendable:				
Environment and natural resources	55,152	—	55,152	—
Higher education	553	—	553	1,146,142
Health and human services	200	—	200	—
Expendable:				
Primary and secondary education	155,679	—	155,679	—
Higher education	393,406	—	393,406	2,456,903
Health and human services	173,539	—	173,539	762
Economic development	26,522	—	26,522	345,980
Environment and natural resources	38,126	—	38,126	—
Public safety, corrections, and regulation	67,640	—	67,640	—
Transportation	359,907	—	359,907	—
Unemployment compensation	—	258,455	258,455	—
EPA revolving loan	—	708,496	708,496	—
Other purposes	43,673	3,664	47,337	24
Unrestricted	(3,839,972)	76,988	(3,762,984)	2,330,445
Total Net Assets	$ 23,909,042	$ 1,091,610	$ 25,000,652	$ 12,089,452

The accompanying Notes to the Financial Statements are an integral part of this statement.