STATEMENT OF NET ASSETS

June 30, 2008 *Exhibit A-1*

(Dollars in Thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and cash equivalents (Note 3)	$ 5,052,983	$ 859,534	$ 5,912,517	$ 1,814,547
Investments (Note 3)	477,021	60,587	537,608	2,853,932
Securities lending collateral (Note 3)	4,815,114	262,094	5,077,208	—
Receivables, net (Note 4)	3,010,784	411,266	3,422,050	980,522
Due from component units (Note 18)	15,693	—	15,693	15,806
Due from primary government (Note 18)	—	—	—	77,923
Internal balances	719	(719)	—	—
Inventories	183,893	1,408	185,301	97,016
Prepaid items	6,173	2,662	8,835	19,477
Advances to component units (Note 18)	32,922	—	32,922	—
Notes receivable, net (Note 4)	344,127	655,446	999,573	5,024,704
Investment in joint venture	—	—	—	8,319
Deferred charges	—	—	—	34,184
Securities held in trust	60,735	—	60,735	—
Pension assets (Note 11)	3,527	—	3,527	—
Restricted/designated cash and cash equivalents	529,495	—	529,495	1,990,191
Restricted investments (Note 3)	690,443	—	690,443	3,980,283
Restricted due from primary government (Note 18)	—	—	—	191,288
Restricted due from component units (Note 18)	—	—	—	103,263
Capital assets-nondepreciable (Note 5)	12,852,734	3,984	12,856,718	2,114,824
Capital assets-depreciable, net (Note 5)	19,769,987	28,531	19,798,518	8,629,643
Total Assets	47,846,350	2,284,793	50,131,143	27,935,922
Liabilities				
Accounts payable and accrued liabilities	1,472,468	88,690	1,561,158	645,774
Medical claims payable	871,345	—	871,345	—
Unemployment benefits payable	—	12,216	12,216	—
Tax refunds payable	1,286,033	—	1,286,033	—
Obligations under securities lending	4,815,114	262,094	5,077,208	—
Interest payable	84,248	—	84,248	84,523
Short-term debt (Note 6)	—	—	—	176,657
Due to component units (Note 18)	269,211	—	269,211	119,069
Due to primary government (Note 18)	—	—	—	15,693
Unearned revenue	395,490	20,340	415,830	169,783
Advance from primary government (Note 18)	—	—	—	32,922
Deposits payable	86	2	88	9,726
Funds held for others	109,825	—	109,825	1,218,689
Long-term liabilities (Note 7):				
Due within one year	533,211	260	533,471	860,443
Due in more than one year	8,038,404	4,422	8,042,826	8,021,316
Total Liabilities	17,875,435	388,024	18,263,459	11,354,595
Net Assets				
Invested in capital assets, net of related debt	30,931,799	32,515	30,964,314	7,656,986
Restricted for:				
Nonexpendable:				
Environment and natural resources	66,976	—	66,976	—
Higher education	552	—	552	1,594,039
Expendable:				
Primary and secondary education	4,788	—	4,788	—
Higher education	643,480	—	643,480	3,409,133
Health and human services	12,828	—	12,828	4,597
Economic development	13,577	—	13,577	597,356
Environment and natural resources	17,617	—	17,617	—
Public safety, corrections, and regulation	14,086	—	14,086	—
Transportation	12,398	—	12,398	—
Unemployment compensation	—	847,690	847,690	—
EPA revolving loan	—	922,784	922,784	—
Other purposes	92,554	2,544	95,098	—
Unrestricted	(1,839,740)	91,236	(1,748,504)	3,319,216
Total Net Assets	$ 29,970,915	$ 1,896,769	$ 31,867,684	$ 16,581,327

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