

# MISSOURI

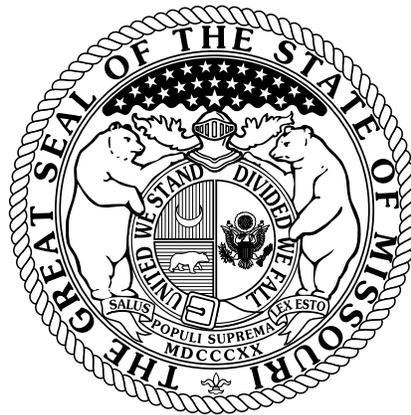
**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

*On the cover – Meramec River*

*Photo courtesy of the Missouri Division of Tourism*

*STATE OF MISSOURI*  
*COMPREHENSIVE ANNUAL*  
*FINANCIAL REPORT*

*Fiscal Year Ended June 30, 2003*



***BOB HOLDEN***

*Governor*

***JACQUELYN D. WHITE***

*Commissioner*

*Office of Administration*

***JAMES A. CARDER***

*Director*

*Division of Accounting*

STATE OF MISSOURI  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2003

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*The **Introductory Section** includes material to familiarize the reader with the organizational structure of the State, the nature and scope of services the State provides, and a summary of the financial activities of the State and the factors that influence these activities.*

**Bob Holden**  
Governor



**Jacquelyn D. White**  
Commissioner

State of Missouri  
**OFFICE OF ADMINISTRATION**  
Post Office Box 809  
Jefferson City, Missouri 65102  
(573) 751-2971  
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**James A. Carder**  
Director  
Division of Accounting

December 31, 2003

The Honorable Bob Holden  
Governor  
State of Missouri  
State Capitol  
Jefferson City, Missouri 65101

Dear Governor Holden:

In accordance with generally accepted accounting principles, I submit to you the Comprehensive Annual Financial Report of the State of Missouri for the fiscal year 2003. This report was prepared by the Office of Administration, Division of Accounting, whose management is responsible for its contents. The report is prepared to show the financial position and operating results of the State. We believe the data presented is accurate in all material respects and that all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial activities have been included.

#### **Method of Presentation**

The report is divided into an Introductory Section, a Financial Section, and a Statistical Section. The Introductory Section contains the transmittal letter, the State organizational chart, and a list of principal officials. The Financial Section is composed of the Auditor's Opinion, Management's Discussion and Analysis (MD&A), the Basic Financial Statements, Required Supplementary Information, and Supplementary Information. The Statistical Section provides various financial, economic, and demographic data about the State.

#### **PROFILE OF THE GOVERNMENT**

This report includes funds of various departments, agencies, and other organizational units for which the State is financially accountable. The following criteria were considered in determining financial accountability: appointment of a governing body, ability to impose the State's will on the organization or the organization can provide specific financial benefits to, or impose specific financial burdens on, the primary government. The following organizations are considered component units and are included in the State's reporting entity:

- Board of Public Buildings
- Conservation Employees' Insurance Plan
- Transportation Self-Insurance Plan
- Missouri Consolidated Health Care Plan
- Highway and Transportation Employees' and Highway Patrol Insurance Plan
- Missouri State Employees' Retirement System
- Highway and Transportation Employees' and Highway Patrol Retirement System
- Missouri State Public Employees' Deferred Compensation Commission
- State Colleges and Universities
- Development Finance Board
- Agricultural and Small Business Development Authority
- Fulton 54 Transportation Corporation
- Missouri Transportation Finance Corporation
- Missouri Highway 179 Transportation Corporation
- Missouri Highway 63 Transportation Corporation
- Springfield, MO State Highway Improvement Corporation
- Wentzville Parkway Transportation Corporation

The State provides a range of services in the areas of agriculture, education, health and social services, transportation systems, public safety, law enforcement, judicial systems, economic development, conservation and natural resources, labor relations, and general administration.

The State operates on a legally adopted budget in order to ensure compliance with legal provisions embodied in the annual appropriated budget passed by the General Assembly and approved by the Governor prior to the beginning of the fiscal year. If appropriations are not sufficient for a fiscal year, supplemental amounts are requested during the next legislative session by the same process that original appropriations are requested. Budgetary control is maintained at the departmental level. Expenditures cannot exceed the appropriation amounts at the individual appropriation level. Also, the Governor has the authority to reduce the allotments of appropriations in any fund if it appears that the revenue estimate will not be met. Unexpended appropriations lapse at the end of each appropriation year, unless reappropriated to the following appropriation year.

## **MAJOR INITIATIVES**

Balancing Missouri's budget in fiscal year 2003 was achieved through sound financial management. A conservative consensus revenue estimate was agreed to by the Governor and General Assembly. However, the estimate was revised in December 2002 and May 2003 as the continued effect of the recession, the terrorist attacks, the war in Iraq, and the falling stock market on the State's revenue collections became clearer. Personal income trends indicate that Missouri can expect moderate growth during fiscal year 2004. In future years, Missouri will continue to focus on controlling the growth of mandatory programs through various cost-effective alternatives. Major funding priorities include education, health care, correctional facilities, and economic development.

## **FINANCIAL INFORMATION**

The State's financial statements have been prepared using the financial reporting model set forth by the Governmental Accounting Standards Board Statement No. 34. This is explained further in the Management's Discussion and Analysis (MD&A) in this report. Other necessary disclosures are included in the notes to the financial statements.

The State's internal accounting controls provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposal and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the resulting benefit.

Encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve part of the appropriation, is employed for purposes of budgetary control and contract compliance. Encumbrances at year end do not constitute expenditures or liabilities.

### **Tax Limitation**

Article X, Sections 16-24 of the Constitution of Missouri (the "Tax Limitation Amendment"), imposes a limit on the amount of taxes which may be imposed by the General Assembly in any fiscal year. This limit is tied to total State revenues for fiscal year 1981, as defined in the Tax Limitation Amendment and adjusted annually, in accordance with the formula set forth in the amendment which is tied to increases in the personal income of Missouri for certain designated periods. If the revenue limit is exceeded by 1% or more in any fiscal year, the excess revenue will be refunded pro-rata based on the liability reported on State income tax returns. If the excess revenue collected is less than 1% of the revenue limit, the excess revenue shall be transferred to the General Revenue Fund. The revenue limit can be exceeded by a constitutional amendment duly adopted by the people or if the General Assembly approves by a two-thirds vote an emergency declaration by the Governor.

Strong economic growth resulted in revenues above the total state revenue limit in fiscal years 1995 through 1999. The State has refunded to Missouri income taxpayers the entire \$978.7 million in excess revenue for those years. All Article X refunds were initially paid from the General Revenue Fund and various other funds reimbursed their share of the refund liability through operating transfers to the General Revenue Fund as appropriated by the General Assembly. The total amount reimbursed from other funds is \$168.1 million. However, in the fiscal years 2000-2003, the State was well below the revenue limit. Currently, revenue is under the limit by more than \$1 billion.

The Missouri Merchants and Manufacturer's Association filed a lawsuit to obtain a judicial determination of certain issues relative to this calculation. The lawsuit (Missouri Merchants and Manufacturer's Association et al v. State of Missouri Case No. 99-CV-323530) was remanded with instructions to the Circuit Court of Cole County after an appeal to the Missouri Supreme Court. In fiscal year 2003, \$6 million of Article X refunds relating to prior years revenue receipts were paid based on the Cole County Circuit Court decision regarding the treatment of refundable tax credits in the total state revenue calculation.

The Missouri Merchants and Manufacturer's Association filed an additional lawsuit to obtain a judicial determination of certain issues relative to this calculation. The lawsuit (Missouri Merchants and Manufacturer's Association et al v. State of Missouri, Case No. 00-CV-325457) was dismissed on April 22, 2002.

**Proprietary Operations**

The State has several significant proprietary entities which contribute a vital part of governmental services. The Board of Public Buildings operates and maintains certain State buildings. The State Lottery Commission oversees the lottery operations and controls. The Department of Labor and Industrial Relations pays benefits based on the Unemployment Compensation Law. The Development Finance Board is authorized to make loans for projects that benefit the economy or infrastructure of the State and its political subdivisions. The Petroleum Storage Tank Insurance provides insurance against leakage from underground storage tanks. Transportation Corporations promote and develop public transportation facilities and systems by new and alternative means.

**Pension Plans**

The State has two retirement systems, the Missouri State Employees' Retirement System (MOSERS) and the Highway and Transportation Employees' and Highway Patrol Retirement System (HEHPRS). Total assets of MOSERS and HEHPRS at June 30, 2003, were \$6,743,389,000 and \$1,263,175,000, respectively. The net pension obligation for MOSERS at June 30, 2003, was \$96,516,000. There was no net pension obligation for HEHPRS at June 30, 2003. The State sponsors the Missouri State Employees' Deferred Compensation Incentive Plan which had total assets of \$112,945,000 at June 30, 2003.

**Debt Administration**

The amount of general obligation debt that can be issued by the State is limited to the amount approved by popular vote plus the amount of \$1 million. The State's general obligation debt limit at June 30, 2003, was \$1,776,000,000 of which \$336,505,760 was unissued. The general obligation debt position of the State at June 30, 2003, was as follows:

|  |                |
|--|----------------|
| General obligation bonded debt<br>(net of amount available in<br>governmental funds) | \$ 860,730,000 |
| Debt per capita for<br>general obligation debt                                       | \$ 151.06      |

During fiscal year 2003, \$52,155,000 of the bonds were retired and \$45,000,000 of new bonds were issued. At year end, the total general obligation debt outstanding was \$900,745,000 and the interest rate range was 3.0-7.0%.

The State's general obligation bond issues received triple "A" ratings from Moody's Investors Service, Inc., Standard & Poor's Ratings Group, and Fitch IBCA, Inc.

## Cash Management

During the year, cash from the various State funds is invested by the State Treasurer. Most of these funds' cash balances are pooled for investment purposes. The State also invests its "float" which increases the earning power. Cash was invested in time deposits with maturities ranging from 30 to 1,096 days, in U.S. Treasury and federal agency securities with maturities ranging from 1 to 1,826 days, in repurchase agreements with maturities ranging from 1 to 90 days, and in commercial paper with maturities ranging from 1 to 90 days. At June 30, 2003, these investments consisted of:

|                                 | <u>Amount</u>  | <u>Interest Rates</u> | <u>Market Value</u> |
|---------------------------------|----------------|-----------------------|---------------------|
| Time Deposits                   | \$ 326,995,334 | 0.90 - 3.151%         | \$ 326,995,334      |
| Treasurer and Agency Securities | 1,689,789,228  | 1.171 - 5.777%        | 1,700,608,829       |
| Repurchase Agreements           | 361,795,000    | 1.21%                 | 361,795,000         |
| Commercial Paper                | 516,971,919    | 1.055 - 1.288%        | 516,975,345         |

The average yield on maturing investments during the year was 2.19% and the amount of interest earned was \$59,579,598.

The State attempts to minimize credit and market risks while maintaining a competitive yield on its investments. Approximately 82% of investments held by the State and subject to risk categorization at June 30, 2003, are classified in the lowest risk category as defined by the Governmental Accounting Standards Board. All deposits invested by the State Treasurer are either insured by federal depository insurance or collateralized.

## Risk Management

The State currently assumes substantially all risks associated with:

- Claims of State employees for unemployment compensation benefits
- Claims of covered employees for Workers' Compensation Fund and Second Injury Fund benefits
- Claims of State employees, covered under the Conservation Employees' Insurance Plan and the Highway and Transportation Employees' and Highway Patrol Insurance Plan, for medical insurance
- Liability claims against the State or its agencies for the dangerous conditions of property and operation of motor vehicle and watercraft
- Liability claims actionable under the law that parties may file against the State, its officials, employees, or appointees

The State maintains the Legal Expense Fund which purchases insurance coverage for:

- Aircraft liability and hull insurance
- Faithful performance employee bond

The State purchases insurance coverage through various funds for:

- Group life insurance
- Long-term disability insurance
- Medical insurance

## OTHER INFORMATION

### Independent Audit

An annual audit of the general purpose financial statements is completed each year by the State of Missouri Auditor's Office. The State Auditor conducts the audit in accordance with generally accepted government auditing standards, and her opinion has been included in this report. The State Auditor conducts a "Single Audit" of all federal funds.

### Acknowledgements

We wish to express our sincere appreciation to the staff of the various State agencies and other organizational units, who provided necessary financial information. The preparation of this report could not have been accomplished without the professionalism and dedication demonstrated by technical and management personnel within the State Auditor's Office, the State Treasurer's Office, Office of Administration, and numerous other State agencies. We would like to convey a special thanks to the State Printing Center for their dedicated efforts in assisting us in the preparation of this report.

Sincerely,

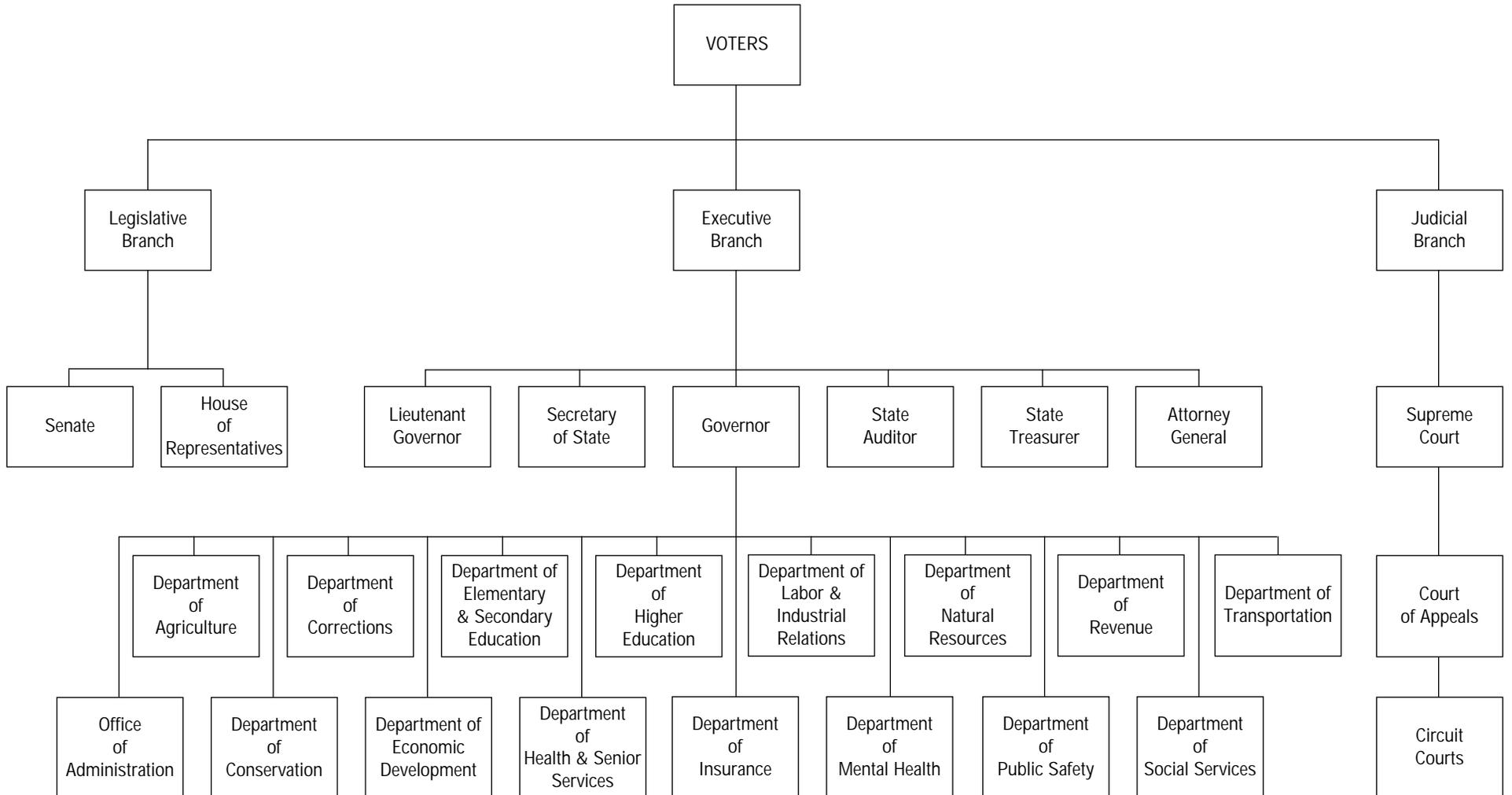
A handwritten signature in black ink, appearing to read "James A. Carder". The signature is fluid and cursive, written in a professional style.

James A. Carder, Director  
Division of Accounting

# STATE OF MISSOURI

## ORGANIZATIONAL CHART

June 30, 2003



STATE OF MISSOURI  
PRINCIPAL STATE OFFICIALS  
as of June 30, 2003

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**EXECUTIVE**

Bob Holden  
*Governor*

Joe Maxwell  
*Lieutenant Governor*

Matt Blunt  
*Secretary of State*

Claire McCaskill  
*State Auditor*

Nancy Farmer  
*State Treasurer*

Jeremiah W. (Jay) Nixon  
*Attorney General*

**LEGISLATIVE**

Peter Kinder  
*President Pro Tem of the Senate*

Catherine Hanaway  
*Speaker of the House of Representatives*

**JUDICIAL**

Stephen N. Limbaugh, Jr.  
*Chief Justice of the Supreme Court*



*The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis, Basic Financial Statements, Required Supplementary Information, and Supplementary Information.*



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT

Honorable Bob Holden, Governor  
and  
Members of the General Assembly

We have audited the accompanying financial statements of the governmental activities, the business-type activities, discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2003, which collectively comprise the state's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the state's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Missouri Department of Transportation, the Consolidated Health Care Plan, the State Employees' Insurance Plan, the Transportation Employees' and Highway Patrol Insurance Plan, and the Transportation Self-Insurance Plan, which represents 79 percent and 12 percent of the assets and revenues, respectively, of the governmental activities. We did not audit the State Lottery and the Petroleum Storage Tank Insurance Fund, which represents 60 percent and 58 percent of the assets and revenues, respectively, of the business-type activities. We did not audit the component units. We did not audit the pension trust funds and the Public Employees' Deferred Compensation Plan, which represents 94 percent and 95 percent of the assets and additions, respectively, of the fiduciary funds. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to these amounts, are based on the reports of the other auditors.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

We were not allowed access to tax returns and related source documents for income taxes. Access was denied by the Director of Revenue based on her interpretation of the decision rendered by the Missouri Supreme Court in the case of Director of Revenue v. State Auditor 511 S.W.2d 779 (Mo. 1974). Approximately 28 percent of governmental activity revenues are from this source. We were unable to satisfy ourselves by appropriate audit tests or other means as to the income tax revenue beyond the amounts recorded.

In our opinion, based on our audit and the reports of other auditors, and except for the effects of such adjustments, if any, as might have been necessary had we been allowed access to tax returns and related source documents for income taxes, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, the state of Missouri implemented the Government Accounting Standards Board statement Number 38, *Certain Financial Statement Note Disclosures, paragraphs 12 and 13*.

In accordance with *Government Auditing Standards*, our report on our consideration of the state of Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants is issued under separate cover in the Single Audit Report. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and the budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

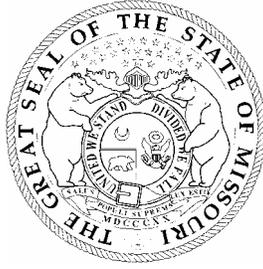
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the state's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, and except for the effects, if any, of the matter discussed in paragraph three, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The information in the introductory section and statistical section, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

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

Claire McCaskill  
State Auditor

December 19, 2003 (fieldwork completion date)



*The Management's Discussion and Analysis provides a narrative overview and analysis of the financial activities of the State.*

# Management's Discussion and Analysis

The following is a discussion and analysis of the State of Missouri's (the State's) financial activities for the fiscal year ended June 30, 2003. Readers are encouraged to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. **All amounts, unless otherwise indicated, are expressed in thousands of dollars.**

## HIGHLIGHTS

Highlights of fiscal year 2003 include:

- continued increased funding for the school foundation formula for local schools;
- investments in operating costs for new prisons;
- funding for a prescription drug plan for the elderly;
- an intensive core budget review resulting in \$687 million in core cuts or redirections in fiscal year 2003.

In fiscal year 2003, Missouri invested a total of \$101 million in its capital assets with appropriations for construction and maintenance projects throughout the State. Missouri also invested \$1.127 billion in road and bridge construction and maintenance as part of a long-range plan to improve highways using State gasoline tax revenues and matching federal dollars.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This section serves as an introduction to the State's basic financial statements. The State's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### Government-wide financial statements:

The government-wide financial statements are designed to provide readers with a broad overview of the State's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the State's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of the State's financial position.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of when the cash is received. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements report three activities:

*Governmental Activities* are primarily supported by taxes and intergovernmental revenues. They include general government, education, natural and economic resources, transportation and law enforcement, and human services.

*Business-Type Activities* are intended to recover all or a significant portion of their costs through user fees and charges. They include constructing and operating State park facilities, fairgrounds, historical properties and office buildings, hospital services, warehousing, merchandising, publishing maps and documents, insurance coverage, and the operation of the State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance Fund.

*Discretely Presented Component Units* are operations for which the State has financial accountability, but are legally separate. They include colleges and universities, the Development Finance Board, Agricultural and Small Business Development Authority, and various highway transportation corporations.

**Fund financial statements:**

A *fund* is a group of related accounts that is used to keep track of specific activities or objectives. Some funds are required by law, while others are established internally to maintain control over a particular activity. All of the funds of the State can be divided into three categories: governmental, proprietary, and fiduciary funds.

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of current financial resources, as well as on balances that can be converted to cash and the balances left at year-end that are available for future spending. Such information may be useful in evaluating a government's financing requirements in the near future.

Governmental funds include the General Fund, special revenue, capital projects, debt service, and permanent funds. Of these, the General Fund, Public Education, Conservation and Environmental Protection, Transportation and Law Enforcement, and the State Road Fund are shown as major funds and are presented in separate columns. Data from other governmental funds are combined into a single column for aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

In order for the user to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements, a reconciliation to facilitate this comparison between governmental funds and governmental activities is provided on the page immediately following each governmental fund financial statement.

*Proprietary funds.* The State maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The State uses enterprise funds to account for activities that provide supplies and services to the general public. These include constructing and operating State park facilities, fairgrounds, historical properties and office buildings, hospital services, warehousing, merchandising, publishing maps and documents, and the operation of the State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance Fund. Internal service funds report activities that provide supplies and services for the State's other programs and activities. The State uses internal service funds to account for insurance and health-care plans, as well as administrative services for other State agencies, such as fleet management and data processing and telecommunication services. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the State Lottery, Unemployment Compensation, and Petroleum Storage Tank Insurance, which are considered major enterprise funds. All internal service funds are combined into a single column in the proprietary fund financial statements. Individual fund data for the non-major enterprise and internal service funds is provided in the form of combining statements in supplementary information.

*Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the state government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are not available to support the State's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* including a budgetary comparison schedule.

The combining statements referred to earlier concerning non-major governmental funds, non-major enterprise funds, and internal service funds are presented in supplementary information.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The State of Missouri completed fiscal year 2003 with a balanced budget. Net general revenue collections in fiscal year 2003 were \$5,926 million, 4.6% lower than fiscal year 2002 collections. Net general revenue collections were lower than the original estimate of \$6,568.7 million.

The fiscal year 2004 budget approved by the general assembly assumes net general revenue collections of \$6,227 million. This would require growth of 5.1% over fiscal year 2003.

As a major manufacturing, financial, and agricultural State, Missouri's economic health is tied closely to that of the nation. The economic outlook is for a slowly growing economy in fiscal year 2004. Missouri's personal income, which directly impacts individual income tax and sales tax, rose at a 2.8% rate during calendar year 2002. Missouri's employment stood at 2,816,812 in June 2003. The State seasonably adjusted unemployment rate was 5.7% in June 2003 compared to 5.6% in June 2002. The national rate was 6.4% in June 2003.

| <b>STATEMENT OF NET ASSETS</b> |                         |                      |                          |                   |                      |                      |
|--------------------------------|-------------------------|----------------------|--------------------------|-------------------|----------------------|----------------------|
|                                | Governmental Activities |                      | Business-Type Activities |                   | Total                |                      |
|                                | 2003                    | 2002*                | 2003                     | 2002*             | 2003                 | 2002*                |
| <b>ASSETS:</b>                 |                         |                      |                          |                   |                      |                      |
| Current and Other Assets       | \$ 5,232,325            | \$ 5,084,813         | \$ 290,319               | \$ 547,706        | \$ 5,522,644         | \$ 5,632,519         |
| Capital Assets, Net            | 27,033,758              | 26,707,575           | 34,772                   | 35,510            | 27,068,530           | 26,743,085           |
| <i>Total Assets</i>            | 32,266,083              | 31,792,388           | 325,091                  | 583,216           | 32,591,174           | 32,375,604           |
| <b>LIABILITIES:</b>            |                         |                      |                          |                   |                      |                      |
| Long-Term Liabilities          |                         |                      |                          |                   |                      |                      |
| Outstanding                    | 3,123,575               | 2,874,762            | 228,036                  | 202,992           | 3,351,611            | 3,077,754            |
| Other Liabilities              | 1,386,139               | 1,649,407            | 16,005                   | 30,619            | 1,402,144            | 1,680,026            |
| <i>Total Liabilities</i>       | 4,509,714               | 4,524,169            | 244,041                  | 233,611           | 4,753,755            | 4,757,780            |
| <b>NET ASSETS:</b>             |                         |                      |                          |                   |                      |                      |
| Invested in Capital Assets,    |                         |                      |                          |                   |                      |                      |
| Net of Related Debt            | 26,787,048              | 26,345,659           | 34,772                   | 35,510            | 26,821,820           | 26,381,169           |
| Restricted                     | 1,048,718               | 998,138              | 113,109                  | 358,666           | 1,161,827            | 1,356,804            |
| Unrestricted                   | (79,397)                | (75,578)             | (66,831)                 | (44,571)          | (146,228)            | (120,149)            |
| <i>Total Net Assets</i>        | <u>\$ 27,756,369</u>    | <u>\$ 27,268,219</u> | <u>\$ 81,050</u>         | <u>\$ 349,605</u> | <u>\$ 27,837,419</u> | <u>\$ 27,617,824</u> |

\*Fiscal year 2002 amounts have been restated.

## STATEMENT OF ACTIVITIES

|  | Governmental Activities |                      | Business-Type Activities |                   | Total                |                      |
|--|-------------------------|----------------------|--------------------------|-------------------|----------------------|----------------------|
|  | 2003                    | 2002*                | 2003                     | 2002*             | 2003                 | 2002*                |
| <b>REVENUES:</b>   |                         |                      |                          |                   |                      |                      |
| Program Revenues:  |                         |                      |                          |                   |                      |                      |
| Charges for Services   | \$ 1,514,807            | \$ 1,699,806         | \$ 784,075               | \$ 639,070        | \$ 2,298,882         | \$ 2,338,876         |
| Operating Grants and Contributions                                   | 7,195,302               | 6,425,450            | 507,832                  | 524,808           | 7,703,134            | 6,950,258            |
| Capital Grants and Contributions                                     | 9,370                   | 7,722                | ---                      | ---               | 9,370                | 7,722                |
| General Revenues:  |                         |                      |                          |                   |                      |                      |
| Sales and Use Taxes  | 2,668,522               | 2,493,521            | ---                      | ---               | 2,668,522            | 2,493,521            |
| Income Taxes   | 4,733,323               | 4,555,621            | ---                      | ---               | 4,733,323            | 4,555,621            |
| Unemployment and Other Taxes   | 1,528,952               | 1,360,717            | ---                      | ---               | 1,528,952            | 1,360,717            |
| Other Revenues   | 70,564                  | 95,616               | 16,155                   | 24,770            | 86,719               | 120,386              |
| <i>Total Revenues</i>  | <u>17,720,840</u>       | <u>16,638,453</u>    | <u>1,308,062</u>         | <u>1,188,648</u>  | <u>19,028,902</u>    | <u>17,827,101</u>    |
| <b>EXPENSES:</b>   |                         |                      |                          |                   |                      |                      |
| General Government   | 569,005                 | 871,910              | ---                      | ---               | 569,005              | 871,910              |
| Education  | 5,302,896               | 5,298,468            | ---                      | ---               | 5,302,896            | 5,298,468            |
| Natural and Economic Transportation and Law Enforcement              | 484,046                 | 818,268              | ---                      | ---               | 484,046              | 818,268              |
| Human Services   | 1,858,112               | 1,909,275            | ---                      | ---               | 1,858,112            | 1,909,275            |
| State Lottery  | 8,490,784               | 8,093,552            | ---                      | ---               | 8,490,784            | 8,093,552            |
| Unemployment Compensation  | ---                     | ---                  | 521,340                  | 433,265           | 521,340              | 433,265              |
| Petroleum Storage Tank   | ---                     | ---                  | 747,531                  | 642,045           | 747,531              | 642,045              |
| All Other Expenses   | ---                     | ---                  | 49,012                   | 25,915            | 49,012               | 25,915               |
| <i>Total Expenses</i>  | <u>728,511</u>          | <u>698,630</u>       | <u>58,070</u>            | <u>52,556</u>     | <u>786,581</u>       | <u>751,186</u>       |
| <i>Total Expenses</i>  | <u>17,433,354</u>       | <u>17,690,103</u>    | <u>1,375,953</u>         | <u>1,153,781</u>  | <u>18,809,307</u>    | <u>18,843,884</u>    |
| Increase (Decrease) in Net Assets before Contributions and Transfers |                         |                      |                          |                   |                      |                      |
| Contributions and Transfers  | 287,486                 | (1,051,650)          | (67,891)                 | 34,867            | 219,595              | (1,016,783)          |
| <i>Transfers</i>   | <u>200,664</u>          | <u>156,012</u>       | <u>(200,664)</u>         | <u>(156,012)</u>  | <u>---</u>           | <u>---</u>           |
| Change in Net Assets   | 488,150                 | (895,638)            | (268,555)                | (121,145)         | 219,595              | (1,016,783)          |
| <i>Net Assets—July 1</i>   | <u>27,268,219</u>       | <u>28,163,857</u>    | <u>349,605</u>           | <u>470,750</u>    | <u>27,617,824</u>    | <u>28,634,607</u>    |
| <i>Net Assets—June 30</i>  | <u>\$ 27,756,369</u>    | <u>\$ 27,268,219</u> | <u>\$ 81,050</u>         | <u>\$ 349,605</u> | <u>\$ 27,837,419</u> | <u>\$ 27,617,824</u> |

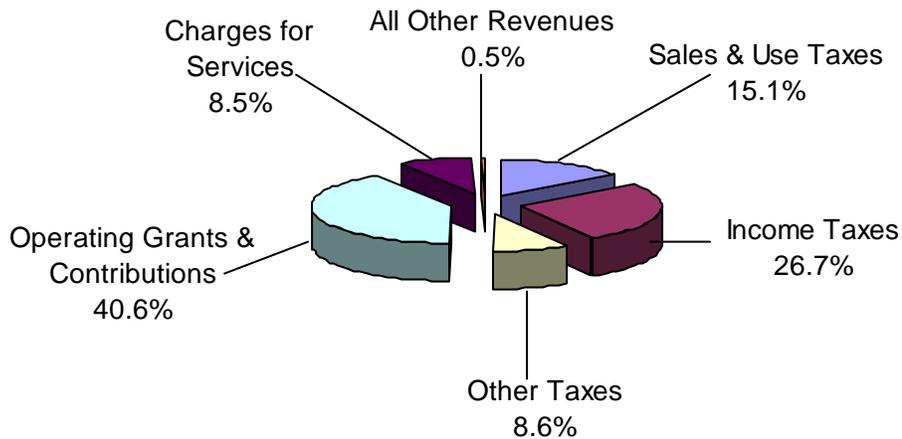
\*Fiscal year 2002 amounts have been restated.

**Governmental Activities:**

Governmental activities increased the State's net assets by \$488 million due to increases in individual income tax revenue, donations, and contributions from the federal government and decreases in general government and natural and economic expenditures. Individual income taxes increased by \$200 million and donations and contributions from the federal government increased by \$772 million. General government and natural and economic expenditures decreased by \$637 million which was offset by \$397 million increase of human service expenditures.

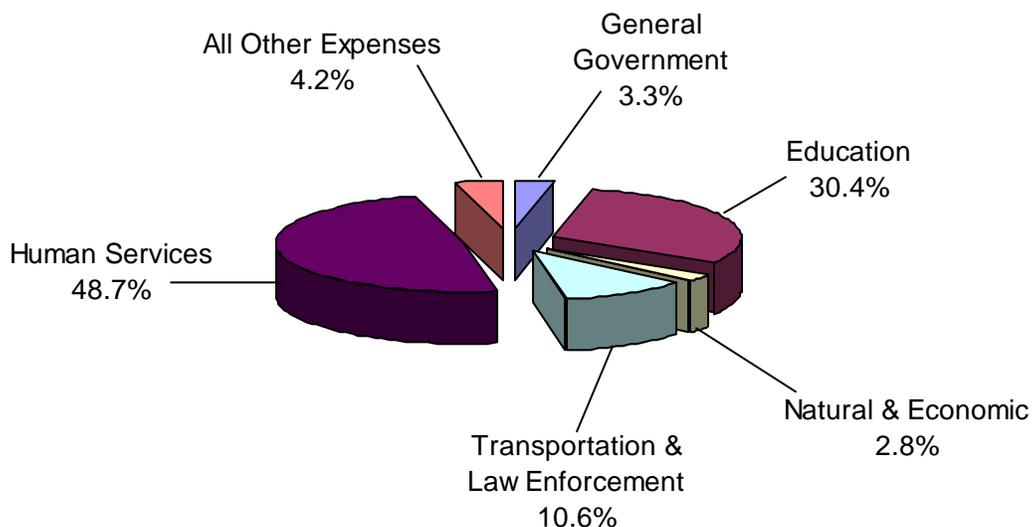
The following chart depicts revenues of the governmental activities for the fiscal year:

**Revenues by Source**



The following chart depicts expenses of the governmental activities for the fiscal year:

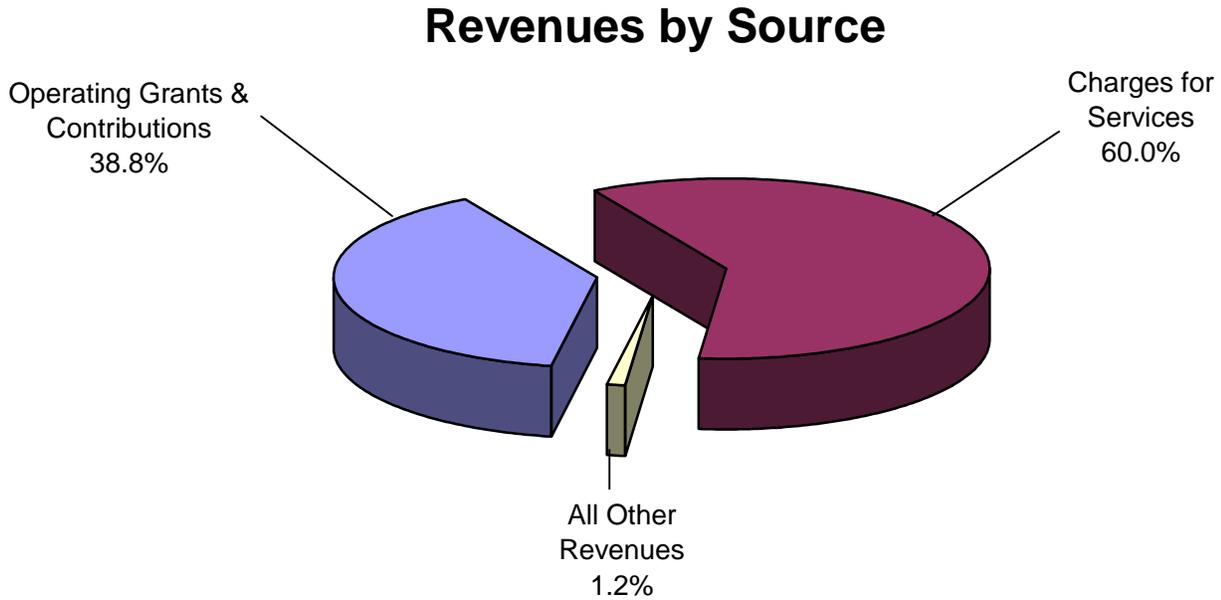
**Expenses by Function**



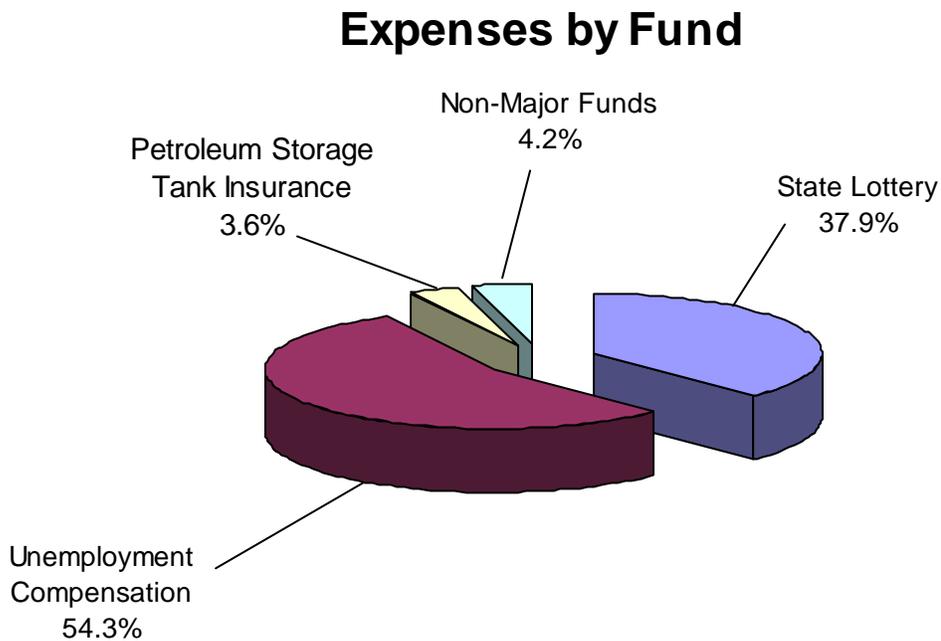
**Business-Type Activities:**

Net assets of the business-type activities decreased by \$269 million during the fiscal year. Factors contributing to these results include increased spending for unemployment compensation and a decline in revenues from operating grants and other revenues.

The following chart depicts revenues of the business-type activities for the fiscal year:



The following chart depicts expenses of the business-type activities for the fiscal year:



## FINANCIAL ANALYSIS OF THE STATE'S FUNDS

The State uses fund accounting to ensure and demonstrate compliance with statutory requirements for financial reporting.

### Governmental Funds:

As of the end of fiscal year 2003, the State's governmental funds reported combined ending fund balances of \$3.16 billion, an increase of \$67.7 million over fiscal year 2002. Approximately 62.9% of this amount constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) for budget reserve, 2) to pay debt service, 3) for loans receivable, and 4) for a variety of other restricted purposes.

The general fund is the chief operating fund of the State. At the end of fiscal year 2003, unreserved fund balance of the general fund was \$476.8 million, while total fund balance reached \$1.0 billion. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 4.2% of the total general fund expenditures, while total fund balance represents 9.1% of that same amount.

The fund balance of the general fund increased by \$127 million during fiscal year 2003. Total revenues for the general fund increased \$496 million. A key factor was an increase in contributions and intergovernmental revenue of \$731 million from fiscal year 2002. Total general fund expenditures increased by \$1.3 billion. This is the result of an increase in human services expenditures of \$487 million and an increase in education expenditures of \$700 million, while other expenditure categories showed lesser increases. The rate at which expenditures increased was limited through the Governor's use of withholdings as needed to match the revised revenue estimates and maintain a balanced budget.

Major Special Revenue Fund categories include Public Education, Conservation and Environmental Protection, and Transportation and Law Enforcement. The State Road Fund is a major Capital Projects Fund.

The Public Education Fund category provides general and special education needs of the State and other related areas such as library services and student loans. Total fund balance decreased by \$124 million due to an increase in expenditures.

Conservation and Environmental Protection Fund category provides for the preservation of the State's wildlife and environment. The fund balance increased by \$98 million due to increases in taxes and contributions and intergovernmental revenue. Fund balance in the amount of \$437 million is reserved for loans receivable.

Transportation and Law Enforcement Fund category provides transportation services, road construction and maintenance, and the enforcement of vehicle laws and traffic safety. The fund balance decreased by \$23 million due to an increase in transfers to the State Road Fund.

The State Road Fund accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system. The fund balance decreased by \$136 million in fiscal year 2003 due to a decrease in contributions and intergovernmental revenue and an increase in debt service expenditures.

Fund balances for governmental funds are as follows:

|              | General<br>Fund     | Public<br>Education | Conservation<br>and<br>Environmental<br>Protection | Transportation<br>and Law<br>Enforcement | State<br>Road     | Non-<br>Major     | Total               |
|--------------|---------------------|---------------------|--|--|-------------------|-------------------|---------------------|
| Unreserved   | \$ 476,825          | \$ 176,322          | \$ 418,396   | \$ 109,456                               | \$ 283,236        | \$ 525,793        | \$ 1,990,028        |
| Reserved     | 557,217             | 58                  | 437,587  | 7,052                                    | 25,750            | 146,650           | 1,174,314           |
| <b>Total</b> | <b>\$ 1,034,042</b> | <b>\$ 176,380</b>   | <b>\$ 855,983</b>                                  | <b>\$ 116,508</b>                        | <b>\$ 308,986</b> | <b>\$ 672,443</b> | <b>\$ 3,164,342</b> |

### **Proprietary Funds:**

The State has three major proprietary funds: State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance Fund. The State Lottery accounts for the sale of lottery tickets and all other moneys credited or transferred to this fund. The Unemployment Compensation accounts for contributions and payments collected under the provision of the "Unemployment Compensation Law" to pay benefits. The Petroleum Storage Tank Insurance fund accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks for cleanup of contamination caused by releases from petroleum storage tanks.

The State Lottery net assets increased by \$5 million due to increased sales and other revenues.

The Unemployment Compensation net assets decreased by \$251 million due to additional payments for benefits and a decrease in contributions and intergovernmental revenues. Net assets in the amount of \$97 million are restricted for unemployment compensation.

The Petroleum Storage Tank Insurance Fund balance decreased by \$24 million due to insufficient fees collected to cover the estimated claims liability for clean up of petroleum storage tank leaks.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget is the first complete appropriated budget that is truly agreed to and finally passed, and signed by the Governor. The final budget includes emergency and supplemental appropriations, transfers, and increases to appropriations.

Budgeted appropriations for fiscal year 2003 from the general fund were \$15,283 million original budget and \$15,257 million revised budget. Actual spending was \$14,436 million. The two main reasons for the difference were decreased spending as a result of withholdings of \$450.1 million and increased spending of \$88.2 million, mainly on mandatory Medicaid costs, through the supplemental spending bill. The withholdings were put in place not only to deal with the projected revenue shortfall, but also to make sure sufficient funds were available to pay the mandatory supplemental costs.

Budgeted revenues/transfers in for fiscal year 2003 for the general fund was \$14,514 million original budget and \$14,122 million revised budget. Actual revenue/transfers in was \$14,469 million. The main reasons for the difference were:

- A second year of weak stock market performance.
- Continued weakness in the national economy made worse by concerns over the Iraq situation.
- Lingering weakness in the Missouri airline and aerospace industries stemming from the September 11, 2001 terrorist attack.

Refer to the Notes to RSI, Budgetary Reporting, for more information on budgetary variances.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** The State's investment in capital assets for its governmental and business-type activities as of June 30, 2003, amounts to \$27,068,530 (net of accumulated depreciation). This investment in capital assets includes construction in progress, infrastructure in progress, land, land improvements, buildings and improvements, equipment, and infrastructure. The total increase in the State's investment in capital assets for the current fiscal year was 1.2%.

|                            | Governmental<br>Activities | Business-Type<br>Activities | Total                |
|----------------------------|----------------------------|-----------------------------|----------------------|
| Construction in Progress   | \$ 686,489                 | \$ 2,590                    | \$ 689,079           |
| Infrastructure in Progress | 2,563,943                  | ---                         | 2,563,943            |
| Land                       | 2,336,674                  | 10,563                      | 2,347,237            |
| Land Improvements          | 76,877                     | 3,405                       | 80,282               |
| Buildings and Improvements | 1,865,267                  | 15,999                      | 1,881,266            |
| Equipment                  | 1,108,724                  | 44,644                      | 1,153,368            |
| Infrastructure             | 36,638,118                 | ---                         | 36,638,118           |
| <b>Total</b>               | <b>\$ 45,276,092</b>       | <b>\$ 77,201</b>            | <b>\$ 45,353,293</b> |

Additional information on capital assets can be found in *Note 5* of this report.

**Long-term debt.** At the end of fiscal year 2003, the State had total bonded debt outstanding of \$3.2 billion. Of this amount, \$900.7 million comprises debt backed by the full faith and credit of the government.

During fiscal year 2003, \$514,180,000 of General Obligation Refunding Bonds were issued to refund \$530,075,000 of General Obligation Bonds and to take advantage of lower interest rates. New General Obligation Bonds and Other Revenue Bonds were issued in the amounts of \$45,000,000 and \$387,425,000, respectively. Principal amounts retired in fiscal year 2003 were \$52,155,000 for General Obligation Bonds and \$30,885,000 for Other Revenue Bonds.

|                          | Governmental<br>Activities | Component<br>Units | Total               |
|--------------------------|----------------------------|--------------------|---------------------|
| General Obligation Bonds | \$ 900,745                 | \$ ---             | \$ 900,745          |
| Other Bonds              | 1,410,955                  | 835,280            | 2,246,235           |
| <b>Total</b>             | <b>\$ 2,311,700</b>        | <b>\$ 835,280</b>  | <b>\$ 3,146,980</b> |

Additional information on long-term debt can be found in *Notes 12 and 13* of this report.

## ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

The outlook for general revenue growth for fiscal year 2004 and beyond remains guarded. This is because there are several factors that will negatively impact general revenue. These include:

- A decline in general revenue due to the Jobs and Growth Tax Relief Reconciliation Act of 2003.
- Uncertainty over the magnitude and timing of tax credit utilization.
- Additional uncertainty with respect to the pace of the national economic recovery in general and the growth in stock prices in particular.
- International Relations – A terrorist attack against the United States or its interests or a disruption in world oil markets could seriously inhibit economic growth and lead to reduced state general revenue collections.

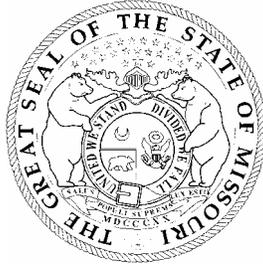
In summary, while general revenue collections are expected to stabilize in fiscal year 2004 and beyond, there remains substantial risk.

Events taking place after the State's fiscal year end include:

- The Governor asked for drought relief from the U.S. Department of Agriculture for 39 counties in Missouri. Farmers are facing crop and livestock losses for the second straight year because of drought conditions.
- The Missouri Department of Economic Development's Division of Workforce Development was notified in July that National Emergency Grant funds had been approved for approximately 340 workers dislocated from the St. Louis area, and approximately 800 workers in the south central and mid-Missouri regions.
- A disaster recovery fund was created by the Department of Economic Development to help provide long term relief to communities, businesses, and families that sustained damages from a series of tornadoes and severe storms last May. More than 70 counties were designated as disaster areas by the Federal Emergency Management Agency.
- State tax credits will be given to community-based organizations throughout the State to help raise funds for projects that strengthen and revitalize Missouri neighborhoods.
- After 26 years of costly litigation, the Kansas City School District's \$2 billion federal desegregation case ended in September.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the State's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Office of Administration, Division of Accounting, P.O. Box 809, Jefferson City, MO 65102.



*The **Basic Financial Statements** include the Government-Wide Financial Statements, the Governmental Fund Financial Statements, the Proprietary Fund Financial Statements, the Fiduciary Fund Financial Statements, the Component Unit Financial Statements and the accompanying notes to the statements.*

**STATE OF MISSOURI**  
**COMBINED STATEMENT OF NET ASSETS**  
**June 30, 2003**  
**(In Thousands of Dollars)**

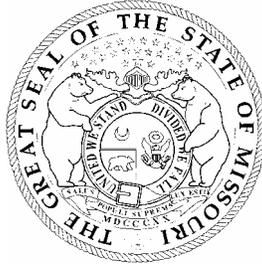
|   | Primary Government         |                             |                      | Component<br>Units  |
|---|----------------------------|-----------------------------|----------------------|---------------------|
|   | Governmental<br>Activities | Business-Type<br>Activities | Total                |                     |
| <b>Assets</b>                                   |                            |                             |                      |                     |
| Cash and Cash Equivalents (Note 3)              | \$ 2,744,733               | \$ 83,012                   | \$ 2,827,745         | \$ 373,705          |
| Investments (Note 3)                            | 96,543                     | 95,243                      | 191,786              | 1,285,129           |
| Receivables, Net (Note 15)                      | 2,081,692                  | 129,264                     | 2,210,956            | 434,325             |
| Internal Balances                               | 18,571                     | (18,571)                    | ---                  | ---                 |
| Inventory                                       | 65,153                     | 1,220                       | 66,373               | 35,858              |
| Deposits and Prepaid Expenses                   | 16                         | 36                          | 52                   | 23,634              |
| Restricted Assets:                              |                            |                             |                      |                     |
| Cash and Cash Equivalents (Note 3)              | 194,102                    | ---                         | 194,102              | 86,415              |
| Investments (Note 3)                            | ---                        | ---                         | ---                  | 40,581              |
| Deferred Costs and Other Assets                 | 31,515                     | ---                         | 31,515               | 22,280              |
| Assets Held for Resale                          | ---                        | 115                         | 115                  | ---                 |
| Capital Assets, Net (Note 5)                    | 27,033,758                 | 34,772                      | 27,068,530           | 2,724,107           |
| Total Assets                                    | <u>32,266,083</u>          | <u>325,091</u>              | <u>32,591,174</u>    | <u>5,026,034</u>    |
| <b>Liabilities</b>                              |                            |                             |                      |                     |
| Bank Overdraft (Note 3)                         | 3                          | ---                         | 3                    | ---                 |
| Payables (Note 15)                              | 1,280,154                  | 15,396                      | 1,295,550            | 419,867             |
| Securities Lending Collateral (Note 3)          | ---                        | ---                         | ---                  | 44,148              |
| Deferred Revenue                                | 105,982                    | 609                         | 106,591              | 76,168              |
| Long-Term Liabilities (Note 12):                |                            |                             |                      |                     |
| Due within one year                             | 332,537                    | 61,205                      | 393,742              | 48,645              |
| Due in more than one year                       | 2,791,038                  | 166,831                     | 2,957,869            | 835,936             |
| Total Liabilities                               | <u>4,509,714</u>           | <u>244,041</u>              | <u>4,753,755</u>     | <u>1,424,764</u>    |
| <b>Net Assets</b>                               |                            |                             |                      |                     |
| Invested in Capital Assets, Net of Related Debt | 26,787,048                 | 34,772                      | 26,821,820           | 1,994,891           |
| Restricted for:                                 |                            |                             |                      |                     |
| Budget Reserve                                  | 463,003                    | ---                         | 463,003              | ---                 |
| Debt Service                                    | 107,746                    | ---                         | 107,746              | ---                 |
| Loans Receivable                                | 439,991                    | ---                         | 439,991              | ---                 |
| Unemployment Compensation                       | ---                        | 97,025                      | 97,025               | ---                 |
| Permanent Trusts:                               |                            |                             |                      |                     |
| Expendable                                      | 88                         | ---                         | 88                   | ---                 |
| Non-Expendable                                  | 37,890                     | ---                         | 37,890               | ---                 |
| Colleges and Universities:                      |                            |                             |                      |                     |
| Expendable                                      | ---                        | ---                         | ---                  | 202,692             |
| Non-Expendable                                  | ---                        | ---                         | ---                  | 627,942             |
| Other Purposes                                  | ---                        | 16,084                      | 16,084               | 3,560               |
| Unrestricted                                    | (79,397)                   | (66,831)                    | (146,228)            | 772,186             |
| Total Net Assets                                | <u>\$ 27,756,369</u>       | <u>\$ 81,050</u>            | <u>\$ 27,837,419</u> | <u>\$ 3,601,271</u> |

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

**STATE OF MISSOURI  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2003  
(In Thousands of Dollars)**

| Functions/Programs   | Program Revenues     |                      |                                    |                                  | Net (Expenses) Revenue and Changes in Net Assets |                          |                      |                     |
|--|----------------------|----------------------|------------------------------------|----------------------------------|--|--------------------------|----------------------|---------------------|
|  | Expenses             | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                          | Business-Type Activities | Total                | Component Units     |
| <b>Primary Government:</b>                                   |                      |                      |                                    |                                  |  |                          |                      |                     |
| Governmental Activities:                                     |                      |                      |                                    |                                  |  |                          |                      |                     |
| General Government   | \$ 569,005           | \$ 781,127           | \$ 141,028                         | \$ ---                           | \$ 353,150                                       | \$ ---                   | \$ 353,150           | \$ ---              |
| Education  | 5,302,896            | 26,304               | 846,887                            | ---                              | (4,429,705)                                      | ---                      | (4,429,705)          | ---                 |
| Natural and Economic   | 484,046              | 150,959              | 312,276                            | ---                              | (20,811)   | ---                      | (20,811)             | ---                 |
| Transportation and Law Enforcement                           | 1,858,112            | 105,724              | 1,032,526                          | ---                              | (719,862)  | ---                      | (719,862)            | ---                 |
| Human Services   | 8,490,784            | 449,511              | 4,862,585                          | 9,370                            | (3,169,318)                                      | ---                      | (3,169,318)          | ---                 |
| Intergovernmental  | 619,371              | ---                  | ---                                | ---                              | (619,371)  | ---                      | (619,371)            | ---                 |
| Interest on Debt   | 109,140              | 1,182                | ---                                | ---                              | (107,958)  | ---                      | (107,958)            | ---                 |
| Total Governmental Activities                                | <u>17,433,354</u>    | <u>1,514,807</u>     | <u>7,195,302</u>                   | <u>9,370</u>                     | <u>(8,713,875)</u>                               | <u>---</u>               | <u>(8,713,875)</u>   | <u>---</u>          |
| Business-Type Activities:                                    |                      |                      |                                    |                                  |  |                          |                      |                     |
| State Lottery Fund   | 521,340              | 725,308              | ---                                | ---                              | ---  | 203,968                  | 203,968              | ---                 |
| Unemployment Compensation Fund                               | 747,531              | ---                  | 487,236                            | ---                              | ---  | (260,295)                | (260,295)            | ---                 |
| Petroleum Storage Tank Insurance                             | 49,012               | 24,582               | ---                                | ---                              | ---  | (24,430)                 | (24,430)             | ---                 |
| Non-Major Funds  | 58,070               | 34,185               | 20,596                             | ---                              | ---  | (3,289)                  | (3,289)              | ---                 |
| Total Business-Type Activities                               | <u>1,375,953</u>     | <u>784,075</u>       | <u>507,832</u>                     | <u>---</u>                       | <u>---</u>                                       | <u>(84,046)</u>          | <u>(84,046)</u>      | <u>---</u>          |
| Total Primary Government                                     | <u>\$ 18,809,307</u> | <u>\$ 2,298,882</u>  | <u>\$ 7,703,134</u>                | <u>\$ 9,370</u>                  | <u>(8,713,875)</u>                               | <u>(84,046)</u>          | <u>(8,797,921)</u>   | <u>---</u>          |
| Component Units:   |                      |                      |                                    |                                  |  |                          |                      |                     |
| Colleges and Universities                                    | \$ 2,430,852         | \$ 1,330,125         | \$ 1,159,889                       | \$ 54,308                        | ---  | ---                      | ---                  | 113,470             |
| Non-Major Component Units                                    | 10,556               | 7,548                | 11,986                             | ---                              | ---  | ---                      | ---                  | 8,978               |
| Total Component Units  | <u>\$ 2,441,408</u>  | <u>\$ 1,337,673</u>  | <u>\$ 1,171,875</u>                | <u>\$ 54,308</u>                 | <u>---</u>                                       | <u>---</u>               | <u>---</u>           | <u>122,448</u>      |
| General Revenues:  |                      |                      |                                    |                                  |  |                          |                      |                     |
| Taxes:   |                      |                      |                                    |                                  |  |                          |                      |                     |
| Sales and Use  |                      |                      |                                    |                                  | 2,668,522  | ---                      | 2,668,522            | ---                 |
| Individual Income  |                      |                      |                                    |                                  | 4,368,053  | ---                      | 4,368,053            | ---                 |
| Corporate Income   |                      |                      |                                    |                                  | 365,270  | ---                      | 365,270              | ---                 |
| County Foreign Insurance                                     |                      |                      |                                    |                                  | 156,289  | ---                      | 156,289              | ---                 |
| Alcoholic Beverage   |                      |                      |                                    |                                  | 26,793   | ---                      | 26,793               | ---                 |
| Corporate Franchise  |                      |                      |                                    |                                  | 69,660   | ---                      | 69,660               | ---                 |
| Inheritance  |                      |                      |                                    |                                  | 81,270   | ---                      | 81,270               | ---                 |
| Miscellaneous Taxes  |                      |                      |                                    |                                  | 1,194,940  | ---                      | 1,194,940            | ---                 |
| Grants and Contributions not Restricted to Specific Programs |                      |                      |                                    |                                  | 4,304  | ---                      | 4,304                | 20,254              |
| Unrestricted Investment Earnings                             |                      |                      |                                    |                                  | 68,982   | 16,115                   | 85,097               | 81,629              |
| Gain (Loss) on Sale of Capital Assets                        |                      |                      |                                    |                                  | (2,722)  | 40                       | (2,682)              | (3,300)             |
| Transfers  |                      |                      |                                    |                                  | 200,664  | (200,664)                | ---                  | ---                 |
| Total General Revenues and Transfers                         |                      |                      |                                    |                                  | <u>9,202,025</u>                                 | <u>(184,509)</u>         | <u>9,017,516</u>     | <u>98,583</u>       |
| Change in Net Assets   |                      |                      |                                    |                                  | 488,150  | (268,555)                | 219,595              | 221,031             |
| Net Assets - Beginning                                       |                      |                      |                                    |                                  | 27,268,219                                       | 349,605                  | 27,617,824           | 3,380,240           |
| Net Assets - Ending  |                      |                      |                                    |                                  | <u>\$ 27,756,369</u>                             | <u>\$ 81,050</u>         | <u>\$ 27,837,419</u> | <u>\$ 3,601,271</u> |

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



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*The Governmental Funds focus on current financial resources.*

## ***Governmental Fund Financial Statements***

### **Major Funds**

**General Fund** – Accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

See the General Fund Combining Statements presented as part of Supplementary Information for listings of all funds included in the General Fund.

#### **Major Special Revenue Fund Categories:**

**Public Education** – Provide general and special education needs of the State and other related areas such as library services and student loans.

**Conservation and Environmental Protection** – Provides for the preservation of the State's wildlife and environment.

**Transportation and Law Enforcement** – Provides transportation services, road construction and maintenance, and the enforcement of vehicle laws and traffic safety.

The State has numerous individual Special Revenue Funds. Therefore, the funds have been combined into specific functional areas. See the following pages for a listing of the individual funds that make up our Major Special Revenue Fund categories.

#### **Major Capital Projects Fund:**

**State Road** – Accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system.

### **Non-Major Funds**

Non-Major Governmental Funds are presented in the Combining and Individual Fund Statements and Schedules for non-major funds as part of Supplementary Information.

**Special Revenue – Public Education:** Provides general and special education needs of the State and other related areas such as library services and student loans.

*Marguerite Ross Barnett Scholarship* – Accounts for money refunded from scholarships to be reissued.

*School District Bond* – Accounts for moneys to be used by the Missouri Health and Educational Facilities Authority for the issuance of school district bonds.

*Missouri Student Grant Program Gift* – Accounts for moneys received from private sources to be used for student grants.

*School Building Revolving* – Accounts for moneys transferred from the Gaming Proceeds for Education Fund to be used for loans to school districts for specific capital improvement projects.

*Gaming Proceeds for Education* – Accounts for proceeds of taxes paid and interest earned from taxes paid on the gross receipts of excursion boat gambling to be used for education.

*Outstanding Schools Trust* – Accounts for moneys to be used to revise the mechanism which distributes basic state aid to schools and for various education programs.

*Bingo Proceeds for Education* – Accounts for fees and taxes collected relating to bingo to be used for education.

*Lottery Proceeds* – Accounts for the net proceeds from the State Lottery to be used for public institutions of elementary, secondary and higher education.

*Missouri Community College Job Training Program* – Accounts for moneys to be used for the New Jobs Training Program administered by the Department of Economic Development.

*Professional and Practical Nursing Student Loan and Nurse Loan Repayment* – Moneys will be used to make student loans to nursing students and for the repayment of principal and interest for students who work in specified areas of nursing.

*Video Instructional Development and Educational Opportunity* – Accounts for sales tax revenues on rental of sound or picture transcriptions and used for instructional television programming.

*Missouri Job Development* – Accounts for moneys from any source and used for vocational training or retraining.

*State School Money* – Accounts for funds distributed to public school districts.

*Department of Social Services Educational Improvement* – Accounts for moneys from the Department of Elementary and Secondary Education and is used for school foundation money for children placed in Division of Youth Services' custody.

*State Seminary Money* – Accounts for interest earnings to be spent for maintenance of the State university.

*State Guaranty Student Loan* – Accounts for funds from any source to assist students in financing their education.

*Excellence in Education* – Accounts for moneys to be spent for education programs.

*Missouri Prospective Teachers Loan* – Accounts for funds from any source to assist students in financing their education to become teachers.

*Fair Share* – Accounts for additional tax on cigarettes for distribution to schools.

*School District Trust* – Accounts for sales tax moneys to be distributed to the public school districts of the State.

*GEAR UP Scholarship* – Accounts for moneys to be used for awarding scholarships who meet the requirements of the GEAR UP for Education Program.

*Schools for the Future* – Accounts for moneys received as a result of the amnesty program to be transferred to the State Schools Money Fund, and subsequently paid out to school districts as part of the monthly school foundation formula.

*Library Networking* – Accounts for bequests received to be used for library networking expenses.

*Student Grant* – Accounts for moneys used to provide financial aid to eligible students.

*Academic Scholarship* – Accounts for moneys to be used to provide scholarships based on academic ability.

*Bridge Scholarship* – Accounts for moneys transferred from General Revenue to fund scholarships of up to \$1,500 for eligible students who demonstrate financial need.

*U.S. Department of Education/Coordinating Board for Higher Education P.L. 105-33 Recall Account* – Accounts for Federal recalled reserve funds. The Coordinating Board for Higher Education will transfer an amount equal to 20% of the total recalled reserve to this fund. These funds cannot be withdrawn without the U.S. Department of Education's written approval.

*U.S. Department of Education/Coordinating Board for Higher Education P.L. 105-33 Interest Account* – Accounts for moneys earned on and transferred from the U.S. Department of Education P.L. 105-33 Recall Account Fund. The moneys are used for the sole purpose of performing default reduction activities applicable to the Title IV student loan programs.

*Advantage Missouri Trust* – Accounts for moneys to provide loans and loan forgiveness programs.

*Missouri College Guarantee* – Accounts for moneys transferred from the Gaming Commission Fund to be used by the Coordinating Board for Higher Education for awarding scholarships to eligible students.

*Early Childhood Development Education and Care* – Accounts for moneys transferred from the Gaming Commission Fund to be used for programs that prepare children for kindergarten.

*Kids Chance Scholarship* – Accounts for moneys transferred from the Workers' Compensation Fund to be used for children of job injured workers.

*Guaranty Agency Operating* – Accounts for moneys transferred from the State Guaranty Student Loan Fund to be used for administrative purposes.

*Federal Student Loan Reserve* – To account for moneys to pay lender claims.

*Secretary of State – Wolfner State Library* – Accounts for moneys to be used to ensure library services to the eligible blind and physically handicapped residents of the State.

**Special Revenue – Conservation and Environmental Protection:** Provides for the preservation of the State's wildlife and environment.

*Missouri Air Emission Reduction* – Accounts for fees collected under the Emissions Inspections Program.

*Natural Resources Protection* – Accounts for moneys collected for examinations, applications, certifications and inspections used for the purpose of protecting the air, water and land resources of the State.

*Natural Resources Protection – Water Pollution Permit Fee Subaccount* – Accounts for moneys to be used for the protection of State water.

*Solid Waste Management – Scrap Tire Subaccount* – Accounts for moneys to be used for the protection of the State’s public health and safety in regards to the disposition of scrap tires.

*Solid Waste Management* – Accounts for moneys used to promote the development of markets for recovered materials and other activities to protect the environment.

*Metallic Minerals Waste Management* – Accounts for moneys collected from any forfeiture of a financial assurance instrument, civil penalties collected and administrative penalties collected for the safe disposal of waste from metallic minerals.

*Natural Resources Protection – Air Pollution Asbestos Fee Subaccount* – Accounts for moneys to be used to administer requirements relating to asbestos abatement projects that protect public health and the environment.

*Underground Storage Tank Regulation Program* – Accounts for fees collected for registration of underground storage tanks and used for costs related to their regulation.

*Chemical Emergency Preparedness* – Accounts for moneys provided to the Missouri Response Commission and Department of Natural Resources for expenses of the commission.

*Natural Resources Protection – Air Pollution Permit Fee Subaccount* – Accounts for moneys to be used to protect the air, water and land resources of the State.

*Water and Wastewater Loan Revolving* – Accounts for loans and loan repayments under the Wastewater Loan Program.

*Conservation Commission* – Accounts for fees and a special sales tax used to administer laws and regulations pertaining to forestry and wildlife resources.

*Parks Sales Tax* – Accounts for sales tax moneys spent to control, manage and regulate State parks.

*Soil and Water Sales Tax* – Accounts for sales tax moneys used for the conservation and management of the soil and water resources of the State.

*Water and Wastewater Loan* – Accounts for moneys from any source received for wastewater construction loans.

*Groundwater Protection* – Accounts for fees collected for permits and is used for the administration and enforcement of water well drillers’ laws.

*Energy Set-Aside Program* – Accounts for moneys appropriated and any gifts, grants and bequests. These moneys are loaned to public school districts to implement energy conservation projects.

*State Land Survey Program* – Accounts for fees collected from State recorders and used for land survey programs.

*Petroleum Violation Escrow* – Accounts for fines collected from petroleum companies for petroleum violations and is used for energy programs.

*Hazardous Waste* – Accounts for moneys from fees and permits and from any other source for hazardous waste management and cleanup.

*Safe Drinking Water* – Accounts for fees and grants from any source for the administration of safe drinking water laws.

*Coal Mine Land Reclamation* – Accounts for fees assessed on the amount of coal processed and is used to restore the land.

*Hazardous Waste Remedial* – Accounts for moneys from fees, penalties and from any other source for administering hazardous waste services.

*Missouri Air Pollution Control* – Accounts for fees collected from automobile emissions inspection stations and is used for air pollution control programs.

*Meramec-Onondaga State Parks* – Accounts for proceeds from the sale of this land by the federal government and is used for the support and maintenance of these parks by the State.

*Oil and Gas Remedial* – Accounts for the proceeds from the sale of illegal oil products and used for costs of administering these laws.

*Biodiesel Fuel Revolving* – Accounts for moneys to be used to pay for incremental cost of biodiesel fuel for use in state vehicles, and for administration costs of the program.

*Stormwater Loan Revolving* – Accounts for the receipt of repayment for stormwater control project loans to be used for the construction of stormwater control projects.

*Rural Water and Sewer Loan Revolving* – Accounts for the receipt of repayment for rural water and sewer control project loans to be used for the construction of rural water and sewer loan projects.

*Concentrated Animal Feeding Operation Indemnity* – Accounts for moneys to be used to close concentrated animal feeding operation waste water lagoons.

*Missouri Alternative Fuel Vehicle Loan* – Accounts for moneys to be used to issue loans to political subdivisions in order to purchase new vehicles capable of using alternative fuels.

*Petroleum Violation Escrow Interest Subaccount* – Accounts for interest earnings to be used for administrative costs of energy programs.

*Missouri Lead Abatement Loan* – Accounts for moneys to be used in carrying out lead abatement projects.

*Dry-Cleaning Environmental Response Trust* – Accounts for moneys received from surcharges, fees, gifts, bequests, donations and moneys recovered by the State to be used to protect human health and natural resources.

*Mined Land Reclamation* – Accounts for fees, forfeiture of bonds, penalties and gifts and used for the administration and enforcement of these laws.

*Babler State Park* – Accounts for assets donated, bequeathed, or devised to the State for the benefit of the Doctor Edmund A. Babler Memorial State Park used solely for the maintenance and development of this park.

**Special Revenue – Transportation and Law Enforcement:** Provides transportation services, road construction and maintenance, and the enforcement of vehicle laws and traffic safety.

*Peace Officer Standards and Training Commission* – Accounts for fees assessed as court costs to be used for training peace officers or other law enforcement employees.

*Transportation Department Grade Crossing Safety Account* – Accounts for moneys to be used to improve safety at the crossings of public roads with railroad tracks.

*Highway Patrol Inspection* – Accounts for fees collected for certificates of inspection and approval used by the State Highway Patrol for administration and enforcement of the various motor vehicle inspection programs.

*Firing Range Fee* – Accounts for fees collected from law enforcement agencies for use of the firing range operated by the Department of Public Safety to be used for its operations.

*Highway and Transportation Department* – Accounts for fees paid by highway users to operate the Highway Commission and the Department of Transportation. Also used to administer and enforce State motor vehicle laws or traffic regulations.

*Railroad Expense* – Accounts for assessments used to administer and enforce railroad regulations.

*Motor Fuel Tax* – Accounts for motor fuel taxes to be distributed to other governments and to the Department of Transportation Funds.

*Highway Patrol Academy* – Accounts for fees charged for the training of peace officers and is used solely for the maintenance and operation of the Highway Patrol Academy.

*State Transportation* – Accounts for moneys from sales taxes and other sources to be used for State transportation purposes other than construction or maintenance of roads.

*Highway Patrol's Motor Vehicle and Aircraft Revolving* – Accounts for proceeds from government agencies to be used solely for the purchase of Highway Patrol vehicles or aircraft.

*Light Rail Safety* – Accounts for moneys to be used for paying the costs of enforcing the rules relating to the safe operation, maintenance and use of light rail, and the construction of light rail-highway crossings.

*State Transportation Assistance Revolving* – Accounts for moneys to be used for loans for the development of transportation of elderly or handicapped persons or the purchase of rolling stock for transit purpose.

*Aviation Trust* – Accounts for fuel taxes not refunded to the users of fuel used in aircraft engines. These moneys are used as matching funds for the preventive maintenance of runways, taxiways, aprons and safety-related items.

**STATE OF MISSOURI  
COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2003  
(In Thousands of Dollars)**

|  | General<br>Fund     | Public<br>Education | Conservation<br>and<br>Environmental<br>Protection | Transportation<br>and Law<br>Enforcement | State<br>Road     | Non-Major<br>Funds | Totals<br>June 30,<br>2003 |
|--|---------------------|---------------------|--|--|-------------------|--------------------|----------------------------|
| <b>ASSETS</b>                                  |                     |                     |  |  |                   |                    |                            |
| Cash and Cash Equivalents (Note 3)             | \$ 1,061,855        | \$ 156,555          | \$ 410,467   | \$ 53,300                                | \$ 332,452        | \$ 625,919         | \$ 2,640,548               |
| Investments (Note 3)                           | 13,210              | 2,096               | 480  | 855                                      | ---               | 46,775             | 63,416                     |
| Accounts Receivable, Net                       | 1,308,920           | 59,176              | 19,549   | 101,160                                  | 96,291            | 10,502             | 1,595,598                  |
| Interest Receivable                            | 4,226               | 517                 | 1,624  | 256                                      | 2,209             | 1,456              | 10,288                     |
| Due from Other Funds (Note 16)                 | 42                  | 18,615              | 46   | 86                                       | 1,782             | 70                 | 20,641                     |
| Due from Component Units (Note 16)             | ---                 | ---                 | 602  | ---                                      | 1,146             | ---                | 1,748                      |
| Inventory                                      | 23,584              | 58                  | 916  | 4,622                                    | 25,750            | 124                | 55,054                     |
| Advance to Component Units (Note 16)           | ---                 | ---                 | 4,193  | ---                                      | 3,333             | ---                | 7,526                      |
| Loans Receivable                               | ---                 | ---                 | 436,671  | 2,430                                    | ---               | 890                | 439,991                    |
| Restricted Assets:                             |                     |                     |  |  |                   |                    |                            |
| Cash and Cash Equivalents (Note 3)             | ---                 | ---                 | ---  | ---                                      | 54,541            | ---                | 54,541                     |
| <b>Total Assets</b>                            | <b>\$ 2,411,837</b> | <b>\$ 237,017</b>   | <b>\$ 874,548</b>                                  | <b>\$ 162,709</b>                        | <b>\$ 517,504</b> | <b>\$ 685,736</b>  | <b>\$ 4,889,351</b>        |
| <b>LIABILITIES AND FUND BALANCES</b>           |                     |                     |  |  |                   |                    |                            |
| Liabilities:                                   |                     |                     |  |  |                   |                    |                            |
| Accounts Payable                               | \$ 698,475          | \$ 39,730           | \$ 2,805   | \$ 24,281                                | \$ 110,479        | \$ 4,276           | \$ 880,046                 |
| Accrued Payroll                                | 54,950              | 504                 | 4,499  | 18,805                                   | ---               | 2,808              | 81,566                     |
| Due to Other Funds (Note 16)                   | 22,708              | 228                 | 1,487  | 1,868                                    | 114               | 1,394              | 27,799                     |
| Due to Component Units (Note 16)               | ---                 | ---                 | ---  | ---                                      | 12,422            | ---                | 12,422                     |
| Deferred Revenue                               | 551,615             | 20,175              | 9,774  | 1,247                                    | 32,316            | 4,815              | 619,942                    |
| Advance from Other Funds (Note 16)             | 49,552              | ---                 | ---  | ---                                      | ---               | ---                | 49,552                     |
| Advance from Component<br>Units (Note 16)      | ---                 | ---                 | ---  | ---                                      | 53,187            | ---                | 53,187                     |
| Arbitrage Liability                            | 495                 | ---                 | ---  | ---                                      | ---               | ---                | 495                        |
| <b>Total Liabilities</b>                       | <b>1,377,795</b>    | <b>60,637</b>       | <b>18,565</b>                                      | <b>46,201</b>                            | <b>208,518</b>    | <b>13,293</b>      | <b>1,725,009</b>           |
| Fund Balances:                                 |                     |                     |  |  |                   |                    |                            |
| Reserved for:                                  |                     |                     |  |  |                   |                    |                            |
| Budget Reserve                                 | 463,003             | ---                 | ---  | ---                                      | ---               | ---                | 463,003                    |
| Inventory                                      | 23,584              | 58                  | 916  | 4,622                                    | 25,750            | 124                | 55,054                     |
| Future Distribution                            | 66,388              | ---                 | ---  | ---                                      | ---               | ---                | 66,388                     |
| Taxes  | 4,242               | ---                 | ---  | ---                                      | ---               | ---                | 4,242                      |
| Debt Service                                   | ---                 | ---                 | ---  | ---                                      | ---               | 107,746            | 107,746                    |
| Loans Receivable                               | ---                 | ---                 | 436,671  | 2,430                                    | ---               | 890                | 439,991                    |
| Trust Principal                                | ---                 | ---                 | ---  | ---                                      | ---               | 37,890             | 37,890                     |
| Unreserved, Reported In:                       |                     |                     |  |  |                   |                    |                            |
| General Fund                                   | 476,825             | ---                 | ---  | ---                                      | ---               | ---                | 476,825                    |
| Special Revenue Funds                          | ---                 | 176,322             | 418,396  | 109,456                                  | ---               | 193,026            | 897,200                    |
| Capital Projects Funds                         | ---                 | ---                 | ---  | ---                                      | 283,236           | 332,679            | 615,915                    |
| Permanent Funds                                | ---                 | ---                 | ---  | ---                                      | ---               | 88                 | 88                         |
| <b>Total Fund Balances</b>                     | <b>1,034,042</b>    | <b>176,380</b>      | <b>855,983</b>                                     | <b>116,508</b>                           | <b>308,986</b>    | <b>672,443</b>     | <b>3,164,342</b>           |
| <b>Total Liabilities<br/>and Fund Balances</b> | <b>\$ 2,411,837</b> | <b>\$ 237,017</b>   | <b>\$ 874,548</b>                                  | <b>\$ 162,709</b>                        | <b>\$ 517,504</b> | <b>\$ 685,736</b>  | <b>\$ 4,889,351</b>        |

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

**STATE OF MISSOURI  
RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS  
For the Year Ended June 30, 2003  
(In Thousands of Dollars)**

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Total Fund Balances – Governmental Funds \$ 3,164,342

Amounts reported for governmental activities in the statement of activities are different because:

Capital assets used in governmental funds are not financial resources and they are not reported in the funds. These assets consist of (Note 5):

|                            |                     |            |
|----------------------------|---------------------|------------|
| Construction in Progress   | 591,811             |            |
| Infrastructure in Progress | 2,563,943           |            |
| Land                       | 2,328,253           |            |
| Land Improvements          | 74,025              |            |
| Buildings and Improvements | 1,628,273           |            |
| Equipment                  | 1,042,003           |            |
| Infrastructure             | 36,638,118          |            |
| Accumulated Depreciation   | <u>(18,079,378)</u> |            |
|                            |                     | 26,787,048 |

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds (Note 1). 532,123

Long-term assets held for the State with a paying agent to make interest payments on bonds. 55,599

Bonds issued by the State have associated cost that are paid from current available financial resources in the funds. However, these costs are deferred on the statement of net assets. 31,515

Refunds for taxes and other revenues that are not payable in the current period are not reported in the funds. (56,775)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of (Notes 12 and 13):

|                                      |                 |             |
|--------------------------------------|-----------------|-------------|
| Due to Other Entities                | (29,105)        |             |
| General Obligation and Revenue Bonds | (2,311,700)     |             |
| Capital Leases                       | (231,368)       |             |
| Compensated Absences                 | (151,310)       |             |
| Claims and Judgements                | (312,912)       |             |
| Accrued Interest on Bonds            | (36,201)        |             |
| Unamortized Bond Premium             | <u>(80,145)</u> |             |
|                                      |                 | (3,152,741) |

Internal Service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets. 395,258

Net Assets of Governmental Activities \$ 27,756,369

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

**STATE OF MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2003**  
**(In Thousands of Dollars)**

|   | General<br>Fund     | Public<br>Education | Conservation<br>and<br>Environmental<br>Protection | Transportation<br>and Law<br>Enforcement | State<br>Road     | Non-Major<br>Funds | Totals<br><br>June 30,<br>2003 |
|---|---------------------|---------------------|--|--|-------------------|--------------------|--------------------------------|
| <b>Revenues:</b>  |                     |                     |  |  |                   |                    |                                |
| Taxes   | \$ 6,506,760        | \$ 1,046,953        | \$ 162,858   | \$ 729,969                               | \$ 132,687        | \$ 110,008         | \$ 8,689,235                   |
| Licenses, Fees and Permits  | 65,101              | 382                 | 71,375   | 177,523                                  | 99,401            | 144,148            | 557,930                        |
| Sales   | 995                 | ---                 | 6,687  | 5,002                                    | ---               | 1,227              | 13,911                         |
| Leases and Rentals  | 314                 | ---                 | 108  | 129                                      | ---               | ---                | 551                            |
| Services  | 190,415             | 1                   | ---  | ---                                      | ---               | 246                | 190,662                        |
| Contributions and<br>Intergovernmental                                | 6,240,791           | 26,336              | 89,770   | 6  | 742,415           | 13,112             | 7,112,430                      |
| Investment Earnings:  |                     |                     |  |  |                   |                    |                                |
| Net Decrease in the Fair<br>Value of Investments                      | ---                 | ---                 | ---  | ---                                      | ---               | (145)              | (145)                          |
| Interest  | 28,905              | 5,173               | 8,229  | 2,046                                    | 14,833            | 9,645              | 68,831                         |
| Penalties and Unclaimed Properties                                    | 418                 | 2,073               | 290  | 363                                      | ---               | 15,153             | 18,297                         |
| Cost Reimbursement/<br>Miscellaneous                                  | 291,941             | 272                 | ---  | 898                                      | 69,873            | 191,213            | 554,197                        |
| Total Revenues  | <u>13,325,640</u>   | <u>1,081,190</u>    | <u>339,317</u>                                     | <u>915,936</u>                           | <u>1,059,209</u>  | <u>484,607</u>     | <u>17,205,899</u>              |
| <b>Expenditures:</b>  |                     |                     |  |  |                   |                    |                                |
| Current:  |                     |                     |  |  |                   |                    |                                |
| General Government  | 430,978             | ---                 | 1,288  | 54,013                                   | ---               | 19,277             | 505,556                        |
| Education   | 1,790,644           | 3,505,229           | ---  | ---                                      | ---               | 3,335              | 5,299,208                      |
| Natural and Economic Resources  | 218,814             | 15,389              | 113,065  | 3,660                                    | ---               | 162,199            | 513,127                        |
| Transportation and Law<br>Enforcement                                 | 171,964             | ---                 | 229  | 484,477                                  | 227,006           | 28,256             | 911,932                        |
| Human Services  | 8,303,845           | 35,587              | 223  | 1  | ---               | 148,270            | 8,487,926                      |
| Capital Outlay:   |                     |                     |  |  |                   |                    |                                |
| Current Expenditures  | 145,542             | 6,192               | 29,907   | 10,039                                   | 1,032,931         | 17,128             | 1,241,739                      |
| Capital Lease Purchases   | 20,798              | ---                 | 774  | 55                                       | 5,307             | 235                | 27,169                         |
| Debt Service:   |                     |                     |  |  |                   |                    |                                |
| Principal   | 78,637              | ---                 | 35   | 259                                      | 15,935            | 52,506             | 147,372                        |
| Interest  | 32,458              | ---                 | 131  | 173                                      | 28,750            | 43,764             | 105,276                        |
| Bond Issuance Costs   | ---                 | ---                 | ---  | ---                                      | ---               | 385                | 385                            |
| Underwriter's Discount  | ---                 | ---                 | ---  | ---                                      | ---               | 2,136              | 2,136                          |
| Article X Distribution  | 5,950               | ---                 | ---  | ---                                      | ---               | ---                | 5,950                          |
| Intergovernmental   | 194,530             | 14                  | 102,830  | 193,039                                  | 80,669            | 21,086             | 592,168                        |
| Total Expenditures  | <u>11,394,160</u>   | <u>3,562,411</u>    | <u>248,482</u>                                     | <u>745,716</u>                           | <u>1,390,598</u>  | <u>498,577</u>     | <u>17,839,944</u>              |
| Excess Revenues<br>(Expenditures)                                     | <u>1,931,480</u>    | <u>(2,481,221)</u>  | <u>90,835</u>                                      | <u>170,220</u>                           | <u>(331,389)</u>  | <u>(13,970)</u>    | <u>(634,045)</u>               |
| <b>Other Financing Sources (Uses):</b>                                |                     |                     |  |  |                   |                    |                                |
| Proceeds from Capital Leases  | 20,798              | ---                 | 774  | 55                                       | 5,307             | 235                | 27,169                         |
| Proceeds from General<br>Obligation/Other Bonds                       | ---                 | ---                 | ---  | ---                                      | ---               | 946,605            | 946,605                        |
| Proceeds from Fixed Asset Sale  | ---                 | ---                 | ---  | ---                                      | 2,598             | ---                | 2,598                          |
| Proceeds from Tobacco Note  | 3,685               | ---                 | ---  | ---                                      | ---               | 46,150             | 49,835                         |
| Payments to Escrow Agent  | ---                 | ---                 | ---  | ---                                      | ---               | (615,438)          | (615,438)                      |
| Bond Premium  | ---                 | ---                 | ---  | ---                                      | 22                | 69,331             | 69,353                         |
| Transfers In (Note 17)  | 407,608             | 2,393,232           | 12,043   | 3,730                                    | 187,893           | 95,608             | 3,100,114                      |
| Transfers Out (Note 17)   | <u>(2,241,768)</u>  | <u>(36,364)</u>     | <u>(5,252)</u>                                     | <u>(197,532)</u>                         | <u>(28)</u>       | <u>(402,972)</u>   | <u>(2,883,916)</u>             |
| Total Other Financing<br>Sources (Uses)                               | <u>(1,809,677)</u>  | <u>2,356,868</u>    | <u>7,565</u>                                       | <u>(193,747)</u>                         | <u>195,792</u>    | <u>139,519</u>     | <u>696,320</u>                 |
| Excess Revenues and Other<br>Sources (Expenditures and<br>Other Uses) | 121,803             | (124,353)           | 98,400   | (23,527)                                 | (135,597)         | 125,549            | 62,275                         |
| Fund Balances – Beginning (Note 18)                                   | 906,954             | 300,743             | 757,656  | 139,733                                  | 444,583           | 546,973            | 3,096,642                      |
| Increase (Decrease) in Reserve<br>for Inventory                       | 5,285               | (10)                | (73)   | 302                                      | ---               | (79)               | 5,425                          |
| Fund Balances – Ending  | <u>\$ 1,034,042</u> | <u>\$ 176,380</u>   | <u>\$ 855,983</u>                                  | <u>\$ 116,508</u>                        | <u>\$ 308,986</u> | <u>\$ 672,443</u>  | <u>\$ 3,164,342</u>            |

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

**STATE OF MISSOURI  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES IN  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2003  
(In Thousands of Dollars)**

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Net Change in Fund Balances – Total Governmental Funds \$ 62,275

Amounts reported for governmental activities in the statement of activities are different because:

Inventories, which are recorded under the purchases method for governmental fund reporting, are reported under the consumption approach on the Statement of Activities. As a result of this change, the Increase in Reserve for Inventories on the fund statement has been reclassified as a functional expense on the government-wide statement. 5,425

Governmental funds report capital outlays as expenditures. In the statement of activities, however, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount that capital outlays \$1,268,908 exceeds depreciation \$1,009,582 in the current period (Note 5). 259,326

Only the gain (loss) on the sale is reported in the statement of activities, whereas in the governmental funds, the proceeds from the sale increases financial resources. The change in net assets differs from the change in fund balance by the cost of the item sold. (5,128)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 302,833

Proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. In governmental funds, repayment of principal is an expenditure, but the repayment reduces long-term liabilities in the statement of net assets (Notes 6 and 13).

|                                  |               |           |
|----------------------------------|---------------|-----------|
| Bonds Issued                     | (946,605)     |           |
| Bond Premiums and Issuance Costs | (39,204)      |           |
| Bond Principal Payments          | 613,115       |           |
| Payments to Bond Paying Agent    | 55,599        |           |
| Capital Leases Issued            | (27,169)      |           |
| Capital Lease Payments           | <u>25,277</u> |           |
|                                  |               | (318,987) |

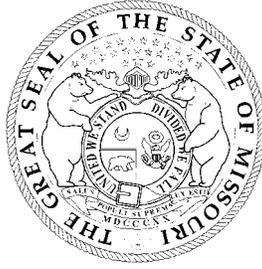
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds (Notes 12 and 13).

|  |                |         |
|--|----------------|---------|
| Amortization of Bond Premiums and Issuance Costs | 2,853          |         |
| Net Increase in Accrued Interest                 | (6,000)        |         |
| Increase in Due to Other Entities                | (8,954)        |         |
| Decrease in Compensated Absences                 | 2,478          |         |
| Decrease in Claims and Judgements                | <u>155,977</u> |         |
|  |                | 146,354 |

Internal Service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue and expense of certain Internal Service funds are reported with governmental activities. 36,052

Change in Net Assets of Governmental Activities \$ 488,150

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



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*The **Proprietary Funds** focus on economic resources and are operated in a manner similar to private business enterprises.*

## ***Proprietary Fund Financial Statements***

### **Major Funds**

**State Lottery** – Accounts for proceeds from the sale of lottery tickets and all other moneys credited or transferred to this fund. A minimum of 45% of the moneys are used for prizes.

**Unemployment Compensation** – Accounts for contributions and payments collected under the provisions of the “Unemployment Compensation Law” to pay benefits.

**Petroleum Storage Tank Insurance** – Accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks for cleanup of contamination caused by releases from petroleum storage tanks.

### **Non-Major Funds**

Non-Major Enterprise Funds and all Internal Service Funds are presented in our combining non-major fund financial statements as part of Supplementary Information.

**STATE OF MISSOURI  
COMBINING STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2003  
(In Thousands of Dollars)**

|  | Business-Type Activities – Enterprise Funds |                              |   |                    |   |   |
|--|---|------------------------------|---|--------------------|---|---|
|  | Major                                       |                              |   |                    | Totals<br>June 30,<br>2003  | Governmental<br>Activities –<br>Internal<br>Service |
|  | State<br>Lottery                            | Unemployment<br>Compensation | Petroleum<br>Storage<br>Tank<br>Insurance | Non-Major<br>Funds |   |   |
| <b>ASSETS</b>  |   |                              |   |                    |   |   |
| Current Assets:  |   |                              |   |                    |   |   |
| Cash and Cash Equivalents (Note 3)                     | \$ 10,748                                   | \$ 19,916                    | \$ 42,382                                 | \$ 9,966           | \$ 83,012   | \$ 104,185  |
| Investments (Note 3)                                   | 10,391                                      | ---                          | ---                                       | ---                | 10,391  | 33,127  |
| Accounts Receivable, Net                               | 36,905                                      | 87,643                       | 3,082                                     | 614                | 128,244   | 14,463  |
| Interest Receivable                                    | 34  | ---                          | 142                                       | 7                  | 183   | 199   |
| Due from Other Funds (Note 16)                         | ---   | ---                          | ---                                       | 90                 | 90  | 15,497  |
| Inventories  | ---   | ---                          | ---                                       | 1,220              | 1,220   | 10,111  |
| Prepaid Items  | ---   | ---                          | ---                                       | 36                 | 36  | 4   |
| Loans Receivable                                       | ---   | ---                          | ---                                       | 576                | 576   | ---   |
| Non-Current Assets:                                    |   |                              |   |                    |   |   |
| Restricted Cash and Cash Equivalents (Note 3)          | ---   | ---                          | ---                                       | ---                | ---   | 83,962  |
| Investments and Assets Held for Resale                 | 84,852                                      | ---                          | ---                                       | 115                | 84,967  | ---   |
| Capital Assets (Note 5):                               |   |                              |   |                    |   |   |
| Construction in Progress                               | ---   | ---                          | ---                                       | 2,590              | 2,590   | 94,678  |
| Land   | 353   | ---                          | ---                                       | 10,210             | 10,563  | 8,421   |
| Land Improvements                                      | ---   | ---                          | ---                                       | 3,405              | 3,405   | 2,852   |
| Buildings  | 4,292                                       | ---                          | 127                                       | 11,580             | 15,999  | 236,994   |
| Equipment  | 16,370                                      | ---                          | 302                                       | 27,972             | 44,644  | 66,721  |
| Less Accumulated Depreciation (Note 5)                 | (16,028)                                    | ---                          | (246)                                     | (26,155)           | (42,429)  | (162,956)   |
| Total Capital Assets (Net of Accumulated Depreciation) | 4,987                                       | ---                          | 183                                       | 29,602             | 34,772  | 246,710   |
| Total Assets   | <u>147,917</u>                              | <u>107,559</u>               | <u>45,789</u>                             | <u>42,226</u>      | <u>343,491</u>  | <u>508,258</u>                                      |
| <b>LIABILITIES</b>                                     |   |                              |   |                    |   |   |
| Current Liabilities:                                   |   |                              |   |                    |   |   |
| Bank Overdraft (Note 3)                                | ---   | ---                          | ---                                       | ---                | ---   | 3   |
| Accounts Payable                                       | 2,041                                       | 10,534                       | 13  | 929                | 13,517  | 85,650  |
| Accrued Payroll  | 273   | ---                          | 43  | 1,089              | 1,405   | 1,577   |
| Due to Other Funds (Note 16)                           | 18,706                                      | ---                          | 20  | 432                | 19,158  | 547   |
| Deferred Revenue                                       | ---   | ---                          | 567                                       | 42                 | 609   | 18,165  |
| Claims Liability (Note 12)                             | ---   | ---                          | 22,000                                    | ---                | 22,000  | ---   |
| Grand Prize Winner Liability (Note 12)                 | 37,240                                      | ---                          | ---                                       | ---                | 37,240  | ---   |
| Obligations under Lease Purchase (Note 12)             | ---   | ---                          | 5   | ---                | 5   | 1,384   |
| Compensated Absences (Note 12)                         | 522   | ---                          | 87  | 1,351              | 1,960   | 2,954   |
| Non-Current Liabilities:                               |   |                              |   |                    |   |   |
| Claims Liability (Note 12)                             | ---   | ---                          | 97,990                                    | ---                | 97,990  | ---   |
| Grand Prize Winner Liability (Note 12)                 | 68,725                                      | ---                          | ---                                       | ---                | 68,725  | ---   |
| Obligations under Lease Purchase (Note 12)             | ---   | ---                          | 116                                       | ---                | 116   | 2,219   |
| Compensated Absences (Note 12)                         | ---   | ---                          | ---                                       | ---                | ---   | 478   |
| Total Liabilities                                      | <u>127,507</u>                              | <u>10,534</u>                | <u>120,841</u>                            | <u>3,843</u>       | <u>262,725</u>  | <u>112,977</u>                                      |
| <b>NET ASSETS</b>                                      |   |                              |   |                    |   |   |
| Invested in Capital Assets, Net of Related Debt        | 4,987                                       | ---                          | 183                                       | 29,602             | 34,772  | 246,710   |
| Restricted for:  |   |                              |   |                    |   |   |
| Unemployment Compensation                              | ---   | 97,025                       | ---                                       | ---                | 97,025  | ---   |
| Other Purposes   | 16,084                                      | ---                          | ---                                       | ---                | 16,084  | ---   |
| Unrestricted   | (661)                                       | ---                          | (75,235)                                  | 8,781              | (67,115)  | 148,571   |
| Total Net Assets                                       | <u>\$ 20,410</u>                            | <u>\$ 97,025</u>             | <u>\$ (75,052)</u>                        | <u>\$ 38,383</u>   | <u>\$ 80,766</u>  | <u>\$ 395,281</u>                                   |
|  |   |                              |   |                    | Total Net Assets Reported Above   | \$ 80,766   |
|  |   |                              |   |                    | Consolidation Adjustment of Internal Service Activities Related to Enterprise Funds | 284   |
|  |   |                              |   |                    | Net Assets of Business-Type Activities  | <u>\$ 81,050</u>                                    |

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

**STATE OF MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2003**  
**(In Thousands of Dollars)**

|   | Business-Type Activities – Enterprise Funds |                              |   |                    |  | Governmental<br>Activities –<br>Internal<br>Service |
|---|---|------------------------------|---|--------------------|--|---|
|   | Major                                       |                              |   |                    | Totals   |   |
|   | State<br>Lottery                            | Unemployment<br>Compensation | Petroleum<br>Storage<br>Tank<br>Insurance | Non-Major<br>Funds | June 30,<br>2003   |   |
| <b>Operating Revenues:</b>                                  |   |                              |   |                    |  |   |
| Employer Contributions                                      | \$ ---                                      | \$ 340,737                   | \$ ---                                    | \$ ---             | \$ 340,737   | \$ 368,744  |
| Employee Contributions                                      | ---   | ---                          | ---                                       | ---                | ---  | 135,307   |
| Taxes   | ---   | ---                          | ---                                       | 356                | 356  | ---   |
| Licenses, Fees and Permits                                  | ---   | ---                          | 24,564                                    | 7,323              | 31,887   | 6,446   |
| Sales   | 708,047                                     | ---                          | ---                                       | 5,235              | 713,282  | 32,460  |
| Leases and Rentals  | ---   | ---                          | ---                                       | 2,734              | 2,734  | 20,278  |
| Charges for Services  | ---   | ---                          | ---                                       | 16,876             | 16,876   | 111,200   |
| Cost Reimbursement/Miscellaneous                            | 540   | ---                          | 18  | 1,857              | 2,415  | 4,944   |
| Total Operating Revenues                                    | <u>708,587</u>                              | <u>340,737</u>               | <u>24,582</u>                             | <u>34,381</u>      | <u>1,108,287</u>   | <u>679,379</u>                                      |
| <b>Operating Expenses:</b>                                  |   |                              |   |                    |  |   |
| Cost of Goods Sold  | 16,712                                      | ---                          | ---                                       | 850                | 17,562   | 16,544  |
| Personal Service  | 8,276                                       | ---                          | 2,207                                     | 32,834             | 43,317   | 48,181  |
| Operations  | 51,413                                      | ---                          | 1,827                                     | 15,114             | 68,354   | 116,594   |
| Prizes Expense  | 434,559                                     | ---                          | ---                                       | ---                | 434,559  | ---   |
| Inventories   | ---   | ---                          | ---                                       | 4,922              | 4,922  | 1,269   |
| Specific Programs   | ---   | ---                          | 44,591                                    | 353                | 44,944   | 3,879   |
| Insurance Benefits  | ---   | ---                          | ---                                       | ---                | ---  | 444,889   |
| Unemployment Benefits                                       | ---   | 747,531                      | ---                                       | ---                | 747,531  | ---   |
| Depreciation  | 1,677                                       | ---                          | 37  | 3,193              | 4,907  | 9,512   |
| Other Charges   | 9,491                                       | ---                          | 335                                       | 755                | 10,581   | 3,260   |
| Total Operating Expenses                                    | <u>522,128</u>                              | <u>747,531</u>               | <u>48,997</u>                             | <u>58,021</u>      | <u>1,376,677</u>   | <u>644,128</u>                                      |
| Operating Income (Loss)                                     | <u>186,459</u>                              | <u>(406,794)</u>             | <u>(24,415)</u>                           | <u>(23,640)</u>    | <u>(268,390)</u>   | <u>35,251</u>                                       |
| <b>Non-Operating Revenues (Expenses):</b>                   |   |                              |   |                    |  |   |
| Contributions and Intergovernmental                         | ---   | 146,499                      | ---                                       | 21,257             | 167,756  | 700   |
| Interest Expense  | ---   | ---                          | (15)                                      | ---                | (15)   | (907)   |
| Investment Earnings:  |   |                              |   |                    |  |   |
| Net Increase (Decrease) in the Fair Value<br>of Investments | 5,786                                       | ---                          | ---                                       | ---                | 5,786  | (174)   |
| Interest  | 333   | 8,952                        | 932                                       | 112                | 10,329   | 3,901   |
| Penalties and Unclaimed Properties                          | ---   | ---                          | ---                                       | 1                  | 1  | 1   |
| Disposal of Fixed Assets                                    | 66  | ---                          | 3   | (29)               | 40   | (193)   |
| Miscellaneous Revenues                                      | 16,721                                      | ---                          | ---                                       | 24                 | 16,745   | (8)   |
| Total Non-Operating Revenues (Expenses)                     | <u>22,906</u>                               | <u>155,451</u>               | <u>920</u>                                | <u>21,365</u>      | <u>200,642</u>   | <u>3,320</u>  |
| Income (Loss) Before Transfers                              | 209,365                                     | (251,343)                    | (23,495)                                  | (2,275)            | (67,748)   | 38,571  |
| Transfers In  | ---   | ---                          | 104                                       | 6,287              | 6,391  | ---   |
| Transfers Out   | (204,444)                                   | ---                          | (168)                                     | (2,870)            | (207,482)  | (2,542)   |
| Change in Net Assets  | 4,921                                       | (251,343)                    | (23,559)                                  | 1,142              | (268,839)  | 36,029  |
| Total Net Assets – Beginning (Note 18)                      | 15,489                                      | 348,368                      | (51,493)                                  | 37,241             | 349,605  | 359,252   |
| Total Net Assets – Ending                                   | <u>\$ 20,410</u>                            | <u>\$ 97,025</u>             | <u>\$ (75,052)</u>                        | <u>\$ 38,383</u>   | <u>\$ 80,766</u>   | <u>\$ 395,281</u>                                   |
|   |   |                              |   |                    | Total Net Change in Net Assets Reported Above  | \$ (268,839)  |
|   |   |                              |   |                    | Consolidation Adjustment of Internal Services Activities Related to Enterprise Funds | 284   |
|   |   |                              |   |                    | Change in Net Assets of Business-Type Activities                                     | <u>\$ (268,555)</u>                                 |

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

**STATE OF MISSOURI  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2003  
(In Thousands of Dollars)**

| Business-Type Activities – Enterprise Funds                          |                  |                              |   |                    |                            |   |
|--|------------------|------------------------------|---|--------------------|----------------------------|---|
| Major  |                  |                              |   |                    |                            |   |
|  | State<br>Lottery | Unemployment<br>Compensation | Petroleum<br>Storage<br>Tank<br>Insurance | Non-Major<br>Funds | Totals<br>June 30,<br>2003 | Governmental<br>Activities –<br>Internal<br>Service |
| <b>Cash Flows from Operating Activities:</b>                         |                  |                              |   |                    |                            |   |
| Receipts from Customers and Users                                    | \$ 694,958       | \$ ---                       | \$ 24,023                                 | \$ 32,532          | \$ 751,513                 | \$ 664,140  |
| Receipts from Employer Contributions                                 | ---              | 320,846                      | ---                                       | ---                | 320,846                    | ---   |
| Payments to Suppliers  | (21,013)         | ---                          | (2,145)                                   | (19,912)           | (43,070)                   | (202,262)   |
| Payments to Employees  | (8,296)          | ---                          | (2,211)                                   | (32,626)           | (43,133)                   | (47,894)  |
| Payments Made for Program Expense                                    | (490,617)        | ---                          | (44,591)                                  | (353)              | (535,561)                  | (382,000)   |
| Payments for Unemployment Benefits                                   | ---              | (754,109)                    | ---                                       | ---                | (754,109)                  | ---   |
| Other Receipts (Payments)  | (8,951)          | ---                          | (317)                                     | 1,047              | (8,221)                    | 1,393   |
| Net Cash Provided (Used) by Operating Activities                     | <u>166,081</u>   | <u>(433,263)</u>             | <u>(25,241)</u>                           | <u>(19,312)</u>    | <u>(311,735)</u>           | <u>33,377</u>                                       |
| <b>Cash Flows from Non-Capital Operating Activities:</b>             |                  |                              |   |                    |                            |   |
| Due to/from Other Funds  | 10,361           | ---                          | 20  | 23                 | 10,404                     | (6,612)   |
| Contributions and Intergovernmental                                  | ---              | 146,499                      | ---                                       | 21,257             | 167,756                    | 700   |
| Transfers to/from Other Funds  | (204,444)        | ---                          | (64)                                      | 3,417              | (201,091)                  | (2,542)   |
| Other Receipts (Expenses)  | 16,721           | ---                          | ---                                       | (431)              | 16,290                     | (8)   |
| Net Cash Provided (Used) by Non-Capital Operating Activities         | <u>(177,362)</u> | <u>146,499</u>               | <u>(44)</u>                               | <u>24,266</u>      | <u>(6,641)</u>             | <u>(8,462)</u>                                      |
| <b>Cash Flows from Capital and Related Financing Activities:</b>     |                  |                              |   |                    |                            |   |
| Interest Expense   | ---              | ---                          | ---                                       | ---                | ---                        | (907)   |
| Purchases and Construction of Capital Assets                         | (751)            | ---                          | ---                                       | (3,270)            | (4,021)                    | (74,243)  |
| Principal Paid on Capital Debt                                       | ---              | ---                          | 29,513                                    | ---                | 29,513                     | ---   |
| Capital Lease Downpayment/Obligations                                | ---              | ---                          | 93  | ---                | 93                         | (1,698)   |
| Disposal of Capital Assets   | 66               | ---                          | (144)                                     | (29)               | (107)                      | 284   |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(685)</u>     | <u>---</u>                   | <u>29,462</u>                             | <u>(3,299)</u>     | <u>25,478</u>              | <u>(76,564)</u>                                     |
| <b>Cash Flows from Investing Activities:</b>                         |                  |                              |   |                    |                            |   |
| Proceeds from Investment Maturities                                  | 5,525            | ---                          | ---                                       | ---                | 5,525                      | 516,885   |
| Purchase of Investments  | ---              | ---                          | ---                                       | ---                | ---                        | (526,770)   |
| Interest and Dividends Received                                      | 383              | 8,952                        | 962                                       | 120                | 10,417                     | 3,899   |
| Other Receipts   | ---              | ---                          | ---                                       | 25                 | 25                         | 1   |
| Net Cash Provided by Investing Activities                            | <u>5,908</u>     | <u>8,952</u>                 | <u>962</u>                                | <u>145</u>         | <u>15,967</u>              | <u>(5,985)</u>                                      |
| Net Increase (Decrease) in Cash                                      | (6,058)          | (277,812)                    | 5,139                                     | 1,800              | (276,931)                  | (57,634)  |
| Cash and Cash Equivalents, Beginning of Year                         | 16,806           | 297,728                      | 37,243                                    | 8,166              | 359,943                    | 245,778   |
| Cash and Cash Equivalents, End of Year                               | <u>\$ 10,748</u> | <u>\$ 19,916</u>             | <u>\$ 42,382</u>                          | <u>\$ 9,966</u>    | <u>\$ 83,012</u>           | <u>\$ 188,144</u>                                   |

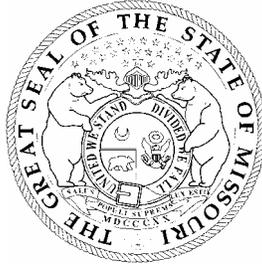
**Reconciliation of Operating Income of Net Cash Provided (Used) by Operating Activities:**

|   |                   |                     |                    |                    |                     |                  |
|---|-------------------|---------------------|--------------------|--------------------|---------------------|------------------|
| Operating Income (Loss)                                 | \$ 186,459        | \$ (406,794)        | \$ (24,415)        | \$ (23,640)        | \$ (268,390)        | \$ 35,251        |
| Depreciation Expense                                    | 1,677             | ---                 | 37                 | 3,193              | 4,907               | 9,512            |
| Changes in Assets and Liabilities:                      |                   |                     |                    |                    |                     |                  |
| Accounts Receivable                                     | (13,089)          | (19,891)            | (539)              | ---                | (33,519)            | (3,890)          |
| Interest Receivable                                     | ---               | ---                 | ---                | ---                | ---                 | 83               |
| Inventories   | (4,160)           | ---                 | ---                | 259                | (3,901)             | 461              |
| Prepaid Items   | 109               | ---                 | ---                | 45                 | 154                 | 173              |
| Accounts Payable  | (250)             | (6,578)             | (318)              | 628                | (6,518)             | (120)            |
| Accrued Payroll   | ---               | ---                 | (4)                | 106                | 102                 | (6)              |
| Deferred Revenue  | ---               | ---                 | (2)                | (4)                | (6)                 | (8,354)          |
| Grand Prize Winner Liability                            | (4,645)           | ---                 | ---                | ---                | (4,645)             | ---              |
| Compensated Absences Payable                            | (20)              | ---                 | ---                | 101                | 81                  | 267              |
| <b>Net Cash Provided (Used) by Operating Activities</b> | <u>\$ 166,081</u> | <u>\$ (433,263)</u> | <u>\$ (25,241)</u> | <u>\$ (19,312)</u> | <u>\$ (311,735)</u> | <u>\$ 33,377</u> |

**Non-Cash Financing Activities:**

During fiscal year 2003, the fair value of investments increased by \$5,786,000 for the State Lottery.  
During fiscal year 2003, the Petroleum Storage Tank Insurance Fund entered into a building capital lease agreement for \$97,000  
During fiscal year 2003, the the fair market value of investments decreased by \$174,000 for the Transportation Self-Insurance Plan

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



*The **Fiduciary Funds** account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.*

Individual fund financial statements for Pension Trust Funds, Agency Funds, and Private-Purpose Trust Funds are presented as part of Supplementary Information.

**STATE OF MISSOURI**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**June 30, 2003**  
**(In Thousands of Dollars)**

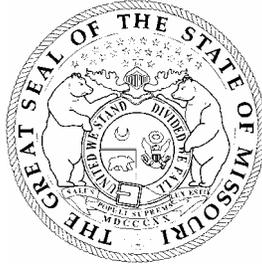
|   | Pension<br>Trust Funds | Private-<br>Purpose<br>Trust Funds | Agency<br>Funds   |
|---|------------------------|------------------------------------|-------------------|
| <b>ASSETS</b>   |                        |                                    |                   |
| Cash and Cash Equivalents (Note 3)  | \$ 306,250             | \$ 8,422                           | \$ 46,792         |
| Investments at Fair Value (Note 3)  | 6,348,578              | 742,681                            | 246,676           |
| Receivables:  |                        |                                    |                   |
| Accounts Receivable   | 159,376                | ---                                | 177,490           |
| Interest Receivable   | 36,387                 | 11                                 | 179               |
| Due from Other Funds (Note 16)  | 7,013                  | ---                                | 23,156            |
| Advance to Other Funds (Note 16)  | ---                    | 49,552                             | ---               |
| Invested Securities Lending Collateral (Note 3)                             | 1,257,557              | ---                                | ---               |
| Prepaid Expenses  | 49                     | ---                                | ---               |
| Capital Assets:   |                        |                                    |                   |
| Land  | 351                    | ---                                | ---               |
| Buildings   | 3,895                  | ---                                | ---               |
| Equipment   | 1,996                  | 18                                 | ---               |
| Accumulated Depreciation  | (1,943)                | (13)                               | ---               |
| Total Capital Assets, Net   | <u>4,299</u>           | <u>5</u>                           | <u>---</u>        |
| <b>Total Assets</b>   | <u>8,119,509</u>       | <u>800,671</u>                     | <u>\$ 494,293</u> |
| <b>LIABILITIES</b>  |                        |                                    |                   |
| Accounts Payable  | 272,524                | 903                                | \$ 24             |
| Securities Lending Collateral (Note 3)                                      | 1,257,336              | ---                                | ---               |
| Due to Other Entities   | ---                    | ---                                | 431,095           |
| Due to Individuals  | ---                    | ---                                | 44,282            |
| Due to Other Funds (Note 16)  | ---                    | ---                                | 18,892            |
| Escheats/Unclaimed Property   | ---                    | 52,482                             | ---               |
| Compensated Absences  | 308                    | ---                                | ---               |
| <b>Total Liabilities</b>  | <u>1,530,168</u>       | <u>53,385</u>                      | <u>\$ 494,293</u> |
| <b>Net Assets Held in Trust for<br/>Pension Benefits and Other Purposes</b> | <u>\$ 6,589,341</u>    | <u>\$ 747,286</u>                  |                   |

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

**STATE OF MISSOURI**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**For the Fiscal Year Ended June 30, 2003**  
**(In Thousands of Dollars)**

|  | <u>Pension</u><br><u>Trust Funds</u> | <u>Private-<br/>Purpose</u><br><u>Trust Funds</u> |
|--|--------------------------------------|---|
| <b>Additions:</b>  |                                      |   |
| Contributions:   |                                      |   |
| Employer   | \$ 271,962                           | \$ ---  |
| Plan Member  | 4,224                                | 63,183  |
| Other  | 28,654                               | ---   |
| Investment Earnings:                                     |                                      |   |
| Net Increase (Decrease) in the Fair Value of Investments | 324,798                              | (75,490)  |
| Interest, Dividends, and Other                           | 193,334                              | 21,559  |
| Securities Lending Income                                | 19,172                               | ---   |
| Net Gain on Sale of Investments                          | ---                                  | 12,399  |
| Total Investment Earnings                                | <u>537,304</u>                       | <u>(41,532)</u>                                   |
| Less Investment Expenses:                                |                                      |   |
| Investment Activity Expense                              | (21,463)                             | ---   |
| Securities Lending Expense                               | (15,087)                             | ---   |
| Net Loss on Sale of Investments                          | (125,560)                            | ---   |
| Total Investment Expense                                 | <u>(162,110)</u>                     | <u>---</u>  |
| Net Investment Earnings                                  | <u>375,194</u>                       | <u>(41,532)</u>                                   |
| Unclaimed Property                                       | ---                                  | 23,266  |
| Cost Reimbursement/Miscellaneous Income                  | 441                                  | 11,193  |
| Transfers In   | ---                                  | 147   |
| <br>Total Additions                                      | <br><u>680,475</u>                   | <br><u>56,257</u>                                 |
| <b>Deductions:</b>                                       |                                      |   |
| Benefits   | 487,546                              | ---   |
| Administrative Expenses                                  | 7,027                                | 272   |
| Program Distributions                                    | ---                                  | 76,261  |
| Service Transfer Payments                                | 2,191                                | ---   |
| Depreciation   | 469                                  | 4   |
| Transfers Out  | ---                                  | 27,538  |
| <br>Total Deductions                                     | <br><u>497,233</u>                   | <br><u>104,075</u>                                |
| <br>Change in Net Assets                                 | <br>183,242                          | <br>(47,818)                                      |
| Net Assets held in Trust – Beginning of Year (Note 18)   | <u>6,406,099</u>                     | <u>795,104</u>                                    |
| Net Assets held in Trust – End of Year                   | <u>\$ 6,589,341</u>                  | <u>\$ 747,286</u>                                 |

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



*The **Component Units** account for all transactions relating to legally separate entities which for reporting purposes are a part of the State.*

### ***Component Unit Financial Statements***

#### **Major**

**Colleges and Universities**

#### **Non-Major**

Non-Major proprietary component unit statements are found in the combining fund financial statements as part of Supplementary Information.

**STATE OF MISSOURI  
COMBINING STATEMENT OF NET ASSETS  
COMPONENT UNITS  
June 30, 2003  
(In Thousands of Dollars)**

|  | Colleges and<br>Universities | Non-Major         | Totals<br>June 30,<br>2003 |
|--|------------------------------|-------------------|----------------------------|
| <b>ASSETS</b>  |                              |                   |                            |
| Current Assets:  |                              |                   |                            |
| Cash and Cash Equivalents (Note 3)                       | \$ 357,406                   | \$ 16,299         | \$ 373,705                 |
| Investments (Note 3)                                     | 79,610                       | 20,878            | 100,488                    |
| Receivables, Net   | 245,244                      | 13,139            | 258,383                    |
| Due from Primary Government/Component Unit (Note 16)     | ---                          | 13,602            | 13,602                     |
| Inventory  | 35,858                       | ---               | 35,858                     |
| Deposits and Prepaid Expenses                            | 23,605                       | 29                | 23,634                     |
| Noncurrent Assets:                                       |                              |                   |                            |
| Investments (Note 3)                                     | 1,184,641                    | ---               | 1,184,641                  |
| Receivables, Net   | 80,993                       | 29,340            | 110,333                    |
| Advance to Primary Government/Component Unit (Note 16)   | ---                          | 60,877            | 60,877                     |
| Restricted Assets (Note 3):                              |                              |                   |                            |
| Cash and Cash Equivalents                                | 31,998                       | 54,417            | 86,415                     |
| Investments  | 17,156                       | 23,425            | 40,581                     |
| Deferred Costs and Other Assets                          | 22,076                       | 204               | 22,280                     |
| Capital Assets, Net of Accumulated Depreciation (Note 5) | 2,695,989                    | 28,118            | 2,724,107                  |
| Total Assets   | <u>4,774,576</u>             | <u>260,328</u>    | <u>5,034,904</u>           |
| <b>LIABILITIES</b>                                       |                              |                   |                            |
| Current Liabilities:                                     |                              |                   |                            |
| Accounts Payable and Accrued Liabilities                 | 330,841                      | 190               | 331,031                    |
| Securities Lending Collateral (Note 3)                   | 44,148                       | ---               | 44,148                     |
| Due to Primary Government/Component Unit (Note 16)       | ---                          | 2,929             | 2,929                      |
| Deferred Revenue   | 60,762                       | 7,188             | 67,950                     |
| Deposits   | 51,381                       | ---               | 51,381                     |
| Compensated Absences                                     | 13,018                       | ---               | 13,018                     |
| Capital Lease Obligations (Note 6)                       | 2,025                        | ---               | 2,025                      |
| Bonds and Notes Payable (Note 13)                        | 24,568                       | 9,034             | 33,602                     |
| Noncurrent Liabilities:                                  |                              |                   |                            |
| Accounts Payable and Accrued Liabilities                 | 7,932                        | ---               | 7,932                      |
| Advance from Primary Government/Component Unit (Note 16) | ---                          | 15,216            | 15,216                     |
| Deferred Revenue   | 3,514                        | 4,704             | 8,218                      |
| Deposits and Reserves                                    | 56                           | 20,191            | 20,247                     |
| Compensated Absences                                     | 5,214                        | ---               | 5,214                      |
| Capital Lease Obligations (Note 6)                       | 12,498                       | ---               | 12,498                     |
| Bonds and Notes Payable (Note 13)                        | 747,044                      | 71,180            | 818,224                    |
| Total Liabilities  | <u>1,303,001</u>             | <u>130,632</u>    | <u>1,433,633</u>           |
| <b>NET ASSETS</b>  |                              |                   |                            |
| Invested in Capital Assets, Net                          | 1,966,773                    | 28,118            | 1,994,891                  |
| Restricted for:  |                              |                   |                            |
| Expendable   | 202,692                      | ---               | 202,692                    |
| Non-Expendable   | 627,942                      | ---               | 627,942                    |
| Other Purposes   | ---                          | 3,560             | 3,560                      |
| Unrestricted   | 674,168                      | 98,018            | 772,186                    |
| Total Net Assets   | <u>\$ 3,471,575</u>          | <u>\$ 129,696</u> | <u>\$ 3,601,271</u>        |

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

**STATE OF MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**COMPONENT UNITS**  
**For the Fiscal Year Ended June 30, 2003**  
**(In Thousands of Dollars)**

|  | Colleges and<br>Universities | Non-Major         | Totals<br>June 30,<br>2003 |
|--|------------------------------|-------------------|----------------------------|
| <b>Revenues:</b>   |                              |                   |                            |
| Operating Revenues:  |                              |                   |                            |
| Licenses, Fees and Permits                                   | \$ ---                       | \$ 1,047          | \$ 1,047                   |
| Student Tuition and Fees (Net of Scholarship Allow.)         | 473,018                      | ---               | 473,018                    |
| Federal Appropriations, Grants and Contracts                 | 222,777                      | ---               | 222,777                    |
| State Grants and Contracts                                   | 47,104                       | ---               | 47,104                     |
| Private Gifts, Grants and Contracts                          | 59,888                       | ---               | 59,888                     |
| Interest Revenue   | 1,218                        | 2,951             | 4,169                      |
| Sales and Services of Educational Departments                | 32,215                       | ---               | 32,215                     |
| Auxiliary Enterprises  | 753,070                      | ---               | 753,070                    |
| Leases and Rentals   | ---                          | 812               | 812                        |
| Cost Reimbursement/Miscellaneous                             | 71,169                       | 5,689             | 76,858                     |
| Total Operating Revenues                                     | <u>1,660,459</u>             | <u>10,499</u>     | <u>1,670,958</u>           |
| <b>Expenses:</b>   |                              |                   |                            |
| Operating Expenses:  |                              |                   |                            |
| Personal Services  | 1,502,896                    | 610               | 1,503,506                  |
| Operations   | ---                          | 1,017             | 1,017                      |
| Specific Programs  | ---                          | 1,150             | 1,150                      |
| Scholarships and Fellowships                                 | 61,170                       | ---               | 61,170                     |
| Utilities  | 22,592                       | ---               | 22,592                     |
| Supplies and Other Services                                  | 628,041                      | ---               | 628,041                    |
| Contracted Services  | 23,324                       | ---               | 23,324                     |
| Interest Expense   | ---                          | 2,743             | 2,743                      |
| Depreciation and Amortization                                | 138,407                      | 516               | 138,923                    |
| Miscellaneous  | 22,265                       | 4,510             | 26,775                     |
| Total Operating Expenses                                     | <u>2,398,695</u>             | <u>10,546</u>     | <u>2,409,241</u>           |
| Operating Loss   | <u>(738,236)</u>             | <u>(47)</u>       | <u>(738,283)</u>           |
| <b>Non-Operating Revenues (Expenses):</b>                    |                              |                   |                            |
| Federal Appropriations, Grants and Contracts                 | 42,572                       | ---               | 42,572                     |
| State Appropriations, Grants and Contracts                   | 732,601                      | ---               | 732,601                    |
| Private Gifts, Grants and Contracts                          | 54,947                       | ---               | 54,947                     |
| Contributions and Intergovernmental                          | ---                          | 11,986            | 11,986                     |
| Investment Earnings:   |                              |                   |                            |
| Decrease in Fair Value of Investments                        | ---                          | (23)              | (23)                       |
| Interest/Investment and Endowment Income                     | 76,198                       | 1,285             | 77,483                     |
| Interest Expense   | (32,157)                     | ---               | (32,157)                   |
| Miscellaneous Revenues                                       | 267                          | ---               | 267                        |
| Total Non-Operating Revenues (Expenses)                      | <u>874,428</u>               | <u>13,248</u>     | <u>887,676</u>             |
| Income Before Other Revenues (Expenses)<br>Or Gains (Losses) | 136,192                      | 13,201            | 149,393                    |
| Capital Gifts and Grants                                     | 39,028                       | ---               | 39,028                     |
| Private Gifts  | 20,254                       | ---               | 20,254                     |
| Additions to Endowments                                      | 386                          | ---               | 386                        |
| Disposal of Fixed Assets                                     | (3,300)                      | ---               | (3,300)                    |
| State Capital Appropriations                                 | 15,280                       | ---               | 15,280                     |
| Transfers Out  | ---                          | (10)              | (10)                       |
| Change in Net Assets   | <u>207,840</u>               | <u>13,191</u>     | <u>221,031</u>             |
| Net Assets – Beginning of Year (Note 18)                     | <u>3,263,735</u>             | <u>116,505</u>    | <u>3,380,240</u>           |
| Net Assets – End of Year                                     | <u>\$ 3,471,575</u>          | <u>\$ 129,696</u> | <u>\$ 3,601,271</u>        |

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



*The Notes to the Financial Statements provide a summary of significant accounting policies and other disclosures required for a fair presentation of the basic financial statements.*

STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

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***Index of Notes***

***[Link to Notes to the Financial Statements](#)***

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- Note 2 – Reporting Changes and Reclassifications**
- Note 3 – Deposits, Investments and Securities Lending Program**
- Note 4 – Federal Surplus Commodities Inventory**
- Note 5 – Capital Assets**
- Note 6 – Leases**
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- Note 10 – Missouri State Public Employees’ Deferred Compensation Plan**
- Note 11 – Changes in Short-Term Liabilities**
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STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

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**Note 1 – Significant Accounting Policies**

**A. Financial Statements and Reporting Entity**

The accompanying financial statements of the State of Missouri and its component units have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. The State has elected to not follow the Financial Accounting Standards Board's pronouncements issued after November 30, 1989 for proprietary activities.

The financial statements include the departments, agencies, boards, commissions and other organizational units over which the State has financial accountability. In addition to the Legislative, Executive and Judicial agencies, the following organizations are included in these financial statements:

Primary Government (Blended):

Board of Public Buildings – The Board was created by State law and its governing body is made up of the Governor, the Lieutenant Governor and the Attorney General. Its purpose is to provide State buildings by issuing revenue bonds and to supervise the operations of these facilities. All construction contracts must be approved by the Division of Design and Construction and its projects must be approved by the General Assembly. The Board can require State agencies to occupy its projects. The General Assembly appropriates to the Board, on behalf of the State agencies, amounts sufficient to pay the principal and interest on the bonds, maintain certain required reserves and pay the costs of operations. Copies of the Board of Public Buildings' financial statements can be requested from:

Office of Administration  
Deputy Commissioner's Office  
P.O. Box 809  
Jefferson City, Missouri 65102

Conservation Employees' Insurance Plan – The Plan provides health and life insurance coverage to eligible employees and retirees of the Missouri Department of Conservation. The Plan is administered by a board of trustees. Copies of the Plan's financial statements can be requested from:

Missouri Department of Conservation  
P.O. Box 180  
Jefferson City, Missouri 65110

Transportation Self-Insurance Plan – The Plan provides fleet vehicle liability, workers' compensation and general liability. The Plan is administered by the Office of Risk Management, which is a Division of the Missouri Department of Transportation. Copies of the financial statements can be requested from:

Missouri Department of Transportation  
P.O. Box 270  
105 West Capitol  
Jefferson City, Missouri 65102

STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

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**Note 1 – Significant Accounting Policies (cont.)**

Missouri Consolidated Health Care Plan (MCHCP) – The Plan was created by State law to provide medical benefits to its members and is administered by a board of trustees. The board consists of two members of the Senate, two members of the House, six members appointed by the Governor, the Director of the Department of Health and Human Services, the Director of the Department of Insurance and the Commissioner of Administration. The management of MCHCP is the responsibility of the Executive Director who is appointed by the board. Copies of the Plan's financial statements can be requested from:

Missouri Consolidated Health Care Plan  
P.O. Box 104355  
832 Weathered Rock Court  
Jefferson City, Missouri 65110-4355

Highway and Transportation Employees' and Highway Patrol Insurance Plan – The Plan provides health and life insurance coverage to eligible employees, retirees and their dependents of the Missouri Department of Transportation and the Missouri State Highway Patrol. The Plan is administered by a board of trustees. Copies of the Plan's financial statements can be requested from:

Missouri Department of Transportation  
P.O. Box 270  
105 West Capitol  
Jefferson City, Missouri 65102

Missouri State Employees' Retirement System (MOSERS) – The System was created by State law and provides retirement, survivor, disability and life insurance to its members and is administered by a board of trustees. The board consists of two members of the Senate, two members of the House, two members appointed by the Governor, three members elected by the System's members, the State Treasurer and the Commissioner of Administration. The management of MOSERS is the responsibility of the Executive Director who is appointed by the board. Copies of the System's financial statements can be requested from:

Missouri State Employees' Retirement System  
P.O. Box 209  
907 Wildwood  
Jefferson City, Missouri 65102-0209

Highway and Transportation Employees' and Highway Patrol Retirement System – The System provides retirement, death and disability benefits to qualified employees of the Missouri Highways and Transportation Commission (includes employees of the Department of Transportation), and uniformed and non-uniformed members of the State Highway Patrol. The System is administered by a board of trustees consisting of three members of the Missouri Highways and Transportation Commission, the director of the Missouri Department of Transportation, the superintendent of the State Highway Patrol, one member of the Senate, one member of the House, one member elected by MoDOT employees, one member elected by Patrol employees, and one retired member elected by retirees of the system. Copies of the System's financial statements can be requested from:

Missouri Highway and Transportation Employees'  
and Highway Patrol Retirement System  
P.O. Box 1930  
Jefferson City, Missouri 65102-1930

STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

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**Note 1 – Significant Accounting Policies (cont.)**

Missouri State Public Employees' Deferred Compensation Commission – The Commission consists of one member of the House of Representatives, one member of the Senate and three other members appointed by the Governor with the advice and consent of the Senate. The Commission offers all employees the opportunity to participate in the Missouri State Public Employees' Deferred Compensation Plan. Under this Plan, employees are permitted to defer a portion of their current salary until future years. This Plan's fiscal year ends December 31, therefore, financial statements for its reporting period ending December 31, 2002, have been included in this report. In addition, the Commission offers eligible employees the opportunity to participate in the Missouri State Employees' Deferred Compensation Incentive Plan. Under this Plan, the State contributes \$25 per month on behalf of any employee who contributes at least that amount to the Missouri State Public Employees' Deferred Compensation Plan and who has been an employee of the State for at least one year. Copies of financial statements for both Plans can be requested from:

PEBSCO – A Division of Nationwide  
Retirement Solutions, Inc.  
One Nationwide Plaza, 1-13-G1  
Columbus, Ohio 43215-2220

Component Units (Discretely Presented):

Major

Colleges and Universities – The Coordinating Board for Higher Education has certain responsibilities for these institutions and they receive State support. Following are the public colleges and universities included in the financial statements:

**Central Missouri State University**  
213 Administration Building  
Warrensburg, Missouri 64093

**Harris-Stowe State College**  
3026 Laclede Avenue  
St. Louis, Missouri 63103

**Lincoln University**  
207 Young Hall  
Jefferson City, Missouri 65101

**Linn State Technical College**  
1 Technology Drive  
Linn, Missouri 65051

**Missouri Southern State College**  
3950 East Newman Road  
Joplin, Missouri 64801-1595

**Missouri Western State College**  
4525 Downs Drive  
St. Joseph, Missouri 64507

**Northwest Missouri State University**  
105 Administration Building  
800 University Drive  
Maryville, Missouri 64468-6001

**Southeast Missouri State University**  
One University Plaza, Mail Stop 3000  
Cape Girardeau, Missouri 63701

**Southwest Missouri State University**  
901 South National, Room 119  
Springfield, Missouri 65804

**Truman State University**  
McClain Hall, Room 105  
Kirksville, Missouri 63501

**University of Missouri System**  
118 University Hall  
Columbia, Missouri 65211

STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

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**Note 1 – Significant Accounting Policies (cont.)**

Non-Major

Development Finance Board – The Board was created by State law as an independent, self-supporting, body corporate and politic to promote economic development of the State and is assigned to the Department of Economic Development for governmental classification purposes. The twelve member board is made up of the Lieutenant Governor and the Directors of the Department of Economic Development and the Department of Agriculture, who serve as ex-officio voting members, and nine members appointed by the Governor and confirmed by the Senate. The Board is empowered to issue taxable and tax-exempt industrial revenue bonds or notes; provide loans or loan guarantees to eligible businesses; provide loans and grants to political subdivisions to fund public infrastructure improvements; and issue tax credits against certain State income taxes in exchange for contributions made to the Board. Copies of the Board's financial statements can be requested from:

Missouri Development Finance Board  
Harry S Truman State Office Building, Room 680  
301 West High Street  
Jefferson City, Missouri 65101

Agricultural and Small Business Development Authority – The Authority was created by State law and is authorized to issue bonds to finance agricultural and small business development loans for property acquisitions/renovations and pollution control facilities throughout the State. Its governing body consists of seven members appointed by the Governor with the advice and consent of the Senate. If for any reason, the Authority ceases to exist, all rights and properties of the Authority will pass to the State. Copies of the Authority's financial statements can be requested from:

Missouri Agricultural and Small  
Business Development Authority  
P.O. Box 630  
1616 Missouri Boulevard  
Jefferson City, Missouri 65102

Fulton 54 Transportation Corporation – The Corporation is a not-for-profit corporation organized under the Missouri Transportation Corporation Act. It is authorized to issue revenue bonds for the purpose of paying all or any part of the cost for the acquisition and construction of an overpass at the intersection of Route HH and U.S. Highway 54. Its governing body consists of a board of directors appointed by the Missouri Highways and Transportation Commission. When the purpose for which the Corporation was formed have been complied with and all obligations of the Corporation have been paid, the board shall, with the approval of the Commission, dissolve the Corporation. Upon dissolution, any assets of the Corporation will be liquidated and deposited in the State Road Fund and will become the property of the Commission. Copies of the Corporation's financial statements can be requested from:

Missouri Department of Transportation  
P.O. Box 270  
105 West Capitol  
Jefferson City, Missouri 65102

**STATE OF MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2003**

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**Note 1 – Significant Accounting Policies (cont.)**

Missouri Transportation Finance Corporation – The Corporation is a not-for-profit corporation organized under the Missouri Nonprofit Corporation Law. The Corporation is financed by federal highway and transit dollars, plus State and local matching funds. It is authorized to issue revenue bonds. The Corporation provides loans to assist public and private entities fund highway and transportation projects throughout the State. The Missouri Highways and Transportation Commission determines which applicants are extended loans from the Missouri Transportation Finance Corporation. Copies of the Corporation's financial statements can be requested from:

Missouri Department of Transportation  
P.O. Box 270  
105 West Capitol  
Jefferson City, Missouri 65102

Missouri Highway 179 Transportation Corporation – The Corporation is a not-for-profit corporation organized under the Missouri Transportation Corporation Act. It is authorized to issue revenue bonds for the purpose of paying all or any part of the cost of paving, grading, constructing, expanding, improving, or financing any facility constituting a "project" under the Missouri Transportation Corporation Act. Its governing body consists of a board of directors appointed by the Missouri Highways and Transportation Commission. When the purpose for which the Corporation was formed have been complied with and all obligations of the Corporation have been paid, the board shall, with the approval of the Commission, dissolve the Corporation. Upon dissolution, any assets of the Corporation will be liquidated and deposited in the State Road Fund and will become the property of the Commission. Copies of the Corporation's financial statements can be requested from:

Missouri Department of Transportation  
P.O. Box 270  
105 West Capitol  
Jefferson City, Missouri 65102

Missouri Highway 63 Transportation Corporation – The Corporation is a not-for-profit corporation organized under the Missouri Transportation Corporation Act. The Corporation was formed to facilitate the addition of two lanes to US Highway 63 from Macon, Missouri to Millard, Missouri. The Corporation entered into an agreement with the City of Kirksville for passage of a sales tax to fund the project. The Corporation is governed by a Board of Directors consisting of 15 representatives from cities and counties along the expansion area, who are selected by the Kirksville Chamber of Commerce. When the purpose for which the Corporation was formed have been complied with and all obligations of the Corporation have been paid, the board shall, with the approval of the Commission, dissolve the Corporation. Upon dissolution, any assets of the Corporation will be liquidated and deposited in the State Road Fund and will become property of the Commission. Copies of the Corporation's financial statements can be requested from:

Missouri Department of Transportation  
P.O. Box 270  
105 West Capitol  
Jefferson City, Missouri 65102

STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

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**Note 1 – Significant Accounting Policies (cont.)**

Springfield, MO State Highway Improvement Corporation – The Corporation is a not-for-profit corporation organized under the Missouri Transportation Corporation Act. It is authorized to issue revenue bonds for the purpose of paying all or any part of the cost of paving, grading, constructing, expanding, improving, or financing any facility constituting a "project" under the Missouri Transportation Corporation Act. Its governing body consists of a board of directors appointed by the Missouri Highways and Transportation Commission. When the purpose for which the Corporation was formed have been complied with and all obligations of the Corporation have been paid, the board shall, with the approval of the Commission, dissolve the Corporation. Upon dissolution, any assets of the Corporation will be liquidated and deposited in the State Road Fund and will become the property of the Commission. Copies of the Corporation's financial statements can be requested from:

Missouri Department of Transportation  
P.O. Box 270  
105 West Capitol  
Jefferson City, Missouri 65102

Wentzville Parkway Transportation Corporation – The Corporation is a not-for-profit corporation organized under the Missouri Transportation Corporation Act. The Corporation has issued bonds to finance the expansion and reconstruction of the Pearce Boulevard Interchange. Its governing body consists of a board of directors appointed by the Missouri Highways and Transportation Commission. When the purpose for which the Corporation was formed have been complied with and all obligations have been paid, the board shall, with the approval of the Commission, dissolve the Corporation. Upon dissolution, any assets of the Corporation will be liquidated and deposited in the State Road Fund and will become the property of the Commission. Copies of the Corporation's financial statements can be requested from:

Missouri Department of Transportation  
P.O. Box 270  
105 West Capitol  
Jefferson City, Missouri 65102

**B. Government-Wide and Fund Financial Statements**

Government-Wide Financial Statements:

The Statement of Net Assets and Statement of Activities report information on all non-fiduciary activities of the primary government and its discretely presented component units. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Governmental activities include governmental type funds and internal service funds. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services and consist of Enterprise funds.

The **Statement of Net Assets** presents the reporting entity's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

- **Invested in capital assets, net of related debt** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.
- **Restricted net assets** result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, or imposed by law through constitutional provisions or enabling legislation. Net assets restricted by enabling legislation are subject to change by a majority vote of the Legislative Assembly.

STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

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**Note 1 – Significant Accounting Policies (cont.)**

- **Unrestricted net assets** consist of net assets which do not meet the definition of the two preceding categories. Unrestricted net assets often are designated, to indicate that management does not consider them to be available for general operations. Unrestricted net assets often have constraints on resources which are imposed by management, but can be removed or modified.

The **Statement of Activities** demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Certain indirect costs are included in the direct expenses reported for individual functions. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenue.

Fund Financial Statements:

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide statements. For governmental and proprietary funds financial statements, the emphasis is on major individual governmental and enterprise fund categories, with each displayed in a separate column. All remaining governmental and enterprise fund categories are aggregated and reported as non-major funds. Internal service fund categories are also aggregated and reported in a separate column on the proprietary funds financial statements.

**C. Basis of Presentation**

The State's financial practices are based upon fund accounting concepts. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and fund balances, and changes therein.

The accompanying financial statements are structured into three categories of funds and discretely presented component units:

Primary Government:

Governmental Funds include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, and Permanent Funds. These funds account for the revenues and expenditures, capital outlay, and certain debt service of the State.

Proprietary Funds include Enterprise Funds and Internal Service Funds. These funds account for the cost of certain services provided by the State, presenting the assets and liabilities associated with the service on the Statement of Changes in Net Assets, and presenting the revenues, expenses and net income on the Statement of Revenues, Expenses, and Changes in Net Assets.

Fiduciary Funds include Pension Trust Funds, Private-Purpose Trust Funds, and Agency Funds. These funds account for assets held by the State in a trustee capacity or as an agent for individuals, other governments and other funds.

STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

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**Note 1 – Significant Accounting Policies (cont.)**

Discretely Presented Component Units:

Major

College and University Funds account for moneys from federal and state grants, debt proceeds, gifts and contributions, state appropriations, investments, and endowments. Assets and liabilities are accounted for on the Statement of Changes in Net Assets. Revenues, expenses, gains, and losses are reported on the Statement of Revenues, Expenses, and Changes in Net Assets.

Non-Major

Development Finance Board accounts for moneys from bond proceeds, loans, and contributions to fund economic development projects.

Agricultural and Small Business Development Authority accounts for moneys from bond proceeds, gifts, and grants to make loans for property acquisitions/renovations and pollution control facilities.

Fulton 54 Transportation Corporation accounts for moneys from bond proceeds to pay for projects under the Missouri Transportation Corporation Act.

Missouri Transportation Finance Corporation accounts for moneys from federal, State or local sources and from bond proceeds to be used for projects approved by the Missouri Highways and Transportation Commission.

Missouri Highway 179 Transportation Corporation accounts for moneys from bond proceeds to pay for projects under the Missouri Transportation Corporation Act.

Missouri Highway 63 Transportation Corporation accounts for moneys from sales tax proceeds to pay for projects under the Missouri Transportation Corporation Act.

Springfield, MO State Highway Improvement Corporation accounts for moneys from bond proceeds to pay for projects under the Missouri Transportation Corporation Act.

Wentzville Parkway Transportation Corporation accounts for moneys from bond proceeds to pay for projects under the Missouri Transportation Corporation Act.

**D. Measurement Focus and Basis of Accounting**

Government-Wide Financial Statements:

The government-wide financial statements are presented using the economic resources management focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when incurred. Fiduciary Funds have been excluded from the government-wide financial statements because by definition, the resources of these funds cannot be used to support government operations. Generally, interfund transactions have also been eliminated. Some interfund transactions, such as the exchange of services, were not eliminated because doing so would mistakenly understate both expenses of the buyer and revenues of the seller.

STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

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**Note 1 – Significant Accounting Policies (cont.)**

Fund Financial Statements:

Governmental Funds are presented on a modified accrual basis of accounting and a current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to pay current period liabilities. With the current financial resources measurement focus, only current assets and current liabilities are included on the balance sheet. Operating statements of governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net assets. Material revenues susceptible to accrual include federal grants, income tax and sales tax. Expenditures are recognized when the related fund liability is incurred except for the following:

- Principal and interest on general long-term debt is recorded as an expenditure when due.
- Compensated absences (accumulated vacation and compensatory time) and sick pay are recorded as expenditures when paid.
- Inventories are reported as expenditures when purchased, except for the State Road Fund, which updates inventory perpetually under the consumption method.

Proprietary, Pension Trust, and Private-Purpose Trust Funds are presented on the accrual basis of accounting and the economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred. With the economic resources measurement focus, assets and liabilities associated with the operation of these funds are included on the Statement of Net Assets. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Agency Funds are presented on the accrual basis of accounting. These funds are custodial in nature and do not present results of operations or have a measurement focus.

Discretely presented component units are presented on the accrual basis of accounting with the following exception in regard to colleges and universities. Revenues and related expenditures in connection with the summer sessions in progress at June 30 are deferred at that date. Component units are accounted for on a flow of economic resources measurement focus.

The State reports the following major funds categories:

General Fund – accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

Public Education – provides general and special education needs of the State and other related areas such as library services and student loans.

Conservation and Environmental Protection – provides for the preservation of the State's wildlife and environment.

Transportation and Law Enforcement – provides transportation services, road construction and maintenance, and the enforcement of vehicle laws and traffic safety.

State Road – accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system.

STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

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**Note 1 – Significant Accounting Policies (cont.)**

State Lottery – accounts for proceeds from the sale of lottery tickets and all other moneys credited or transferred to this fund. A minimum of 45% of the moneys are used for prizes.

Unemployment Compensation – accounts for contributions and payments collected under the provisions of the “Unemployment Compensation Law” to pay benefits.

Petroleum Storage Tank Insurance – accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks for cleanup of contamination caused by releases from petroleum storage tanks.

The State also reports the following non-major fund types:

Governmental – accounts for current financial resources of the government. Governmental Funds include Special Revenue Funds which are established for a specific function, Debt Service Funds which accumulate resources for the payment of long-term debt principal and interest, Capital Projects Funds which accumulate resources for the acquisition of capital assets, and Permanent Funds which are legally restricted.

Proprietary – accounts for operations that are funded through fees or a cost reimbursement basis. Proprietary Funds include Enterprise Funds which sell products and services to external parties and Internal Service Funds which sell products and services to other government agencies.

Fiduciary – accounts for assets held by the State in a trustee or agent capacity. Examples of such assets include Missouri State Employees’ Retirement System, social security contributions, and unclaimed property.

**E. Budgets**

The State’s annual budget is prepared principally on the cash basis and represents departmental appropriations recommended by the Governor and passed by the General Assembly prior to the beginning of the fiscal year. Appropriations can only be amended through the normal appropriation process which requires approval of the General Assembly and the Governor. Certain estimated original appropriation amounts may be increased as necessary. If supplemental appropriations are required for an appropriation year, they are enacted during the next General Assembly by the same process used for original appropriations. During the year supplemental appropriations of \$275,435,626 were required, 94% for Human Services, 5% for Education, and the remainder for other functions. Estimated appropriations were increased by \$936,014,417.

Budgetary control is maintained at the individual appropriation level since expenditures cannot exceed the appropriation amounts. Also, the Governor has the authority to reduce the allotments of appropriations in any fund if it appears that revenues for the fiscal year will fall below estimated revenues. Unexpended appropriations lapse at the end of each appropriation year. Certain appropriations referred to as “reappropriations” represent the continuation of a prior year’s program or project which requires additional time for completion. Reappropriations to fiscal year 2004 totaled \$659,607,435.

**F. Cash and Cash Equivalents**

For reporting purposes, cash and cash equivalents include bank accounts, petty cash and all investments with an original maturity of three months or less such as certificates of deposit, money market certificates and repurchase agreements. Cash balances of most State funds are pooled and invested by the State Treasurer.

STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

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**Note 1 – Significant Accounting Policies (cont.)**

**G. Investments**

These are long-term investments which are expected to be held to maturity and redeemed at face value. The majority are investments of the Pension Trust Funds and are stated at fair value. The remainder belong to the General, various Special Revenue, Permanent, Enterprise, Internal Service, Private-Purpose Trust, and Agency Funds and are stated at fair value. The Missouri State Public Employees' Deferred Compensation Plan's investments are reported in units of fixed and variable annuities at fair value.

**H. Receivables**

Receivables include primarily federal revenue amounts, accrued interest on investments and taxes receivable. Receivables are reported net of allowances for uncollectibles of \$912,063,743, where applicable.

**I. Interfund Receivables/Payables**

The State makes various transactions between funds or between primary government and component units to distribute interest earnings, finance operations, provide services, service debt and for capital outlay. These receivables at June 30 are classified as "due from other funds" or "due from primary government/component units" on the Statement of Net Assets. Payables are classified as "due to other funds" or "due to primary government/component units" on the Statement of Net Assets.

**J. Advances to/from Other Funds**

Long-term interfund receivables are classified as "advances to other funds" or "advances to primary government/component units" on the Statement of Net Assets. Long-term interfund payables are classified as "advances from other funds" or "advances from primary government/component units" on the Statement of Net Assets.

Long-term interfund payables and receivables of the State Lottery, which are not expected to be paid within a reasonable time period, have been reclassified as transfers on the Statement of Revenues, Expenditures/Expenses, and Changes in Fund Balance/Net Assets.

**K. Inventories**

Inventories in the Governmental Funds consist of expendable supplies held for consumption, the cost of which is recorded as an expenditure at the time of purchase, except for the State Road Fund, which updates inventory perpetually under the consumption method. Reserves of fund balance have been established for the inventory balances. Inventories in the Proprietary Funds consist of both expendable supplies held for consumption and the cost of goods held for resale, the cost of which is recorded as an expense as they are used. Inventories are valued at cost using various methods such as moving average, weighted average and first-in, first-out.

**L. Deferred Charges**

Deferred charges represent issuance costs on bonds and are amortized over the life of the related issue.

**M. Restricted Assets**

These moneys are restricted by donors and applicable bond indentures.

STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

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**Note 1 – Significant Accounting Policies (cont.)**

**N. Capital Assets**

Capital assets, which include construction in progress, infrastructure in progress, land, land improvements, buildings, equipment, and infrastructure assets, are valued at historical cost or estimated historical cost if actual historical cost is not available. The estimate of historical cost was based on current appraised value indexed to the date of acquisition. Donated capital assets are reported at estimated fair value at the time received. Capital assets acquired through lease agreements are capitalized at the inception of the agreement (see *Note 5 and 6*).

Infrastructure assets (including highways, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items) are capitalized. Interest costs incurred during construction of fixed assets are not capitalized.

The capitalization threshold for all fixed assets is as follows: land improvements, \$15,000; buildings and improvements, \$15,000; and equipment, \$1,000. No dollar threshold is set for land or infrastructure.

Capital assets are depreciated using the straight-line method of depreciation over the following useful lives: buildings – 40 years, land improvements and building improvements – 20 years, equipment – 5 years, and infrastructure 12 to 50 years. Construction in progress, infrastructure in progress, and land are not depreciated.

Most works of art and historical treasures are not capitalized or depreciated. The State's non-capitalized collections include the historical artifacts at the various state museums and historical sites, and monuments and other art throughout the capital grounds. Assets that were previously capitalized continue to be reported in the government-wide financial statements.

Component Units fixed assets are stated at cost and are depreciated for the full year using the straight-line method of depreciation over the following useful lives: buildings – 40 years, land improvements and building improvements – 20 years, and equipment – 5 years.

**O. Deferred Revenues**

Primary Government

Deferred revenues are those for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met for governmental funds, which use the modified accrual basis of accounting on the fund financial statements. Therefore, such amounts are reported within the governmental fund financial statements as receivables and offset by a deferred revenue account. These amounts include \$493,097,000 within the General Fund, \$29,319,000 within the Major Special Revenue Funds, \$4,892,000 within the State Road Fund, and \$4,815,000 within Non-Major Governmental Funds. Such amounts have been deemed to be measurable but not available. For the State of Missouri, the availability period is 60 days.

Deferred revenues also include amounts collected in advance of the year in which earned. The State has reported as such deferred revenues the amount of \$58,518,000 within the General Fund, \$1,877,000 within Major Special Revenue Funds, \$27,424,000 within the State Road Fund, \$567,000 within the Petroleum Storage Tank Insurance Fund, \$42,000 within the Non-Major Enterprise Funds, and \$18,165,000 within the Internal Service Funds.

Component Units

Deferred revenue amounts collected in advance of the year in which earned are reported in the amount of \$64,276,000 within the College and University Funds and \$11,892,000 within the Non-Major Component Units.

STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

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**Note 1 – Significant Accounting Policies (cont.)**

**P. Long-Term Debt**

Long-term liabilities that will be financed from Governmental Funds are not reported on the fund financial statements. However, the long-term liabilities are reported on the government-wide financial statements. The reconciliation between fund financial statements and government-wide financial statements includes a line item for governmental funds long-term liabilities. These long-term liabilities include the following:

1. Due to Other Entities includes outstanding principal on advances from other governments and loans from other entities. The expenditures are recorded in the funds when the liability is paid.
2. Outstanding principal for general obligation debt. The expenditure and any related liability for payment of principal and interest for general obligation debt are recorded in the Debt Service Funds when paid (see *Note 13*).
3. Outstanding principal for revenue bonds issued by the Board of Public Buildings, bonds issued by the Health and Educational Facilities Authority, bonds issued by the Regional Convention and Sports Complex Authority, and State Road bonds issued by the Missouri Highways and Transportation Commission. The expenditure and any related liability for payment of principal and interest for these bonds are recorded in the appropriate governmental funds when paid (see *Note 13*).
4. Bond premiums are deferred and amortized over the life of the bonds using the effective interest methods in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium.

In the fund financial statements, governmental fund types recognize bond premiums during the current period. Premiums on debt issuances are reported as other financing sources (see *Note 12*).

5. Obligations under lease/purchases reported include the present value of net minimum future lease payments, which will be paid from the General Fund, various Special Revenue funds, the State Road Fund, as well as Enterprise Funds and Internal Service Funds (see *Note 6*).
6. Compensated absences include accumulated unpaid vacation and compensatory time accruals and additional amounts for salary-related payments associated with the payment of vacation and compensatory time. These amounts are not accrued in the Governmental Funds but are recorded as expenditures when paid (see *Note 12*).

Vacation leave is accumulated at a rate of 10 to 14 hours a month depending on the number of years of employment. Accumulated vacation leave cannot exceed the number of vacation hours earned in a two year period. Compensatory time is accumulated as earned by an individual employee.

Sick leave is accumulated at a rate of 10 hours per month with no limit to the amount which can be accumulated. Accumulated sick leave is not paid upon employee termination and does not represent a liability of the State.

The expenditures for all compensated absences are made primarily from the General Fund and Special Revenue Funds.

STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

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**Note 1 – Significant Accounting Policies (cont.)**

7. Claims and judgements include estimates of the risk of loss related to tort liability, general liability, motor vehicle liability, contractor liability, injuries to employees and desegregation. Claims liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Expenditures are recorded in the fund from which the liability is paid. This is included with payables on the combined balance sheet (see *Note 12*).

Long-term liabilities of all Proprietary, Pension Trust, and Private-Purpose Trust Funds are accounted for in the respective funds.

**Q. Net Assets/Fund Balance**

The difference between fund assets and liabilities is reported as “Net Assets” on the government-wide, proprietary, and fiduciary fund statements, and “Fund Balance” on the governmental fund financial statements. A description of “Restricted Net Assets” is presented in Part B of this note.

On the governmental statements, “reserves” represent those portions of fund balance not available for expenditure or legally segregated for a specific future use. Following is a list of reserves used by the State of Missouri and a description of each:

Reserved for Budget Reserve – An account which includes \$463,002,788 in the Budget Reserve Fund used to meet the cash flow requirements and program funding requirements of the State.

Reserved for Inventory – An account used to segregate a portion of fund balance to indicate that inventory does not represent available, spendable resources even though it is a component of assets.

Reserved for Future Distribution – An account used to segregate a portion of fund balance for the specific future use of other entities.

Reserved for Taxes – An account used to segregate a portion of fund balance for taxes received for which payment was made under protest and for bonds filed by license holders for security against default of payment of tax liabilities.

Reserved for Debt Service – An account used to segregate a portion of fund balance for debt service resources legally restricted to the payment of general long-term debt principal and interest amounts maturing in future years.

Reserved for Loans Receivable – An account used to segregate portions of fund balance and retained earnings to indicate that the long-term portion of loans receivable does not represent available, spendable resources even though it is a component of assets, or to meet requirements of loan agreements.

Reserved for Trust Principal – An account used to segregate a portion of fund balance to indicate the principal amount of Permanent Funds that is legally restricted for a specific future purpose.

**R. Revenues**

The revenues of the General Fund include federal grants and contributions of \$6,225,083,000. Revenues for all funds are reported net of refunds of \$1,590,510,000.

STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

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**Note 1 – Significant Accounting Policies (cont.)**

**S. Interfund Transactions**

During the fiscal year the State incurs various transactions between funds, including expenditures and transfers of resources to distribute interest earnings, finance operations, provide services, construct assets and service debt. Interfund transactions basically consist of these two types:

1. Transactions that would be treated as revenues, expenditures or expenses if they involved organizations external to the State are similarly treated when involving other funds of the State. Major transactions that fall into this category include payments to Internal Service Funds from other funds for services rendered and to Agency Funds for contributions for employee benefits.
2. Transfers from funds receiving revenues to funds through which the resources are to be expended and operating subsidies are classified as transfers (see *Note 17*).

**T. Expenditures and Expenses**

Expenditures and expenses are reported net of revenue overcollections of \$1,294,586,000 and \$2,553,000, respectively. Expenditures and expenses are reported net of overpayments to vendors, individuals, school districts and for cost reimbursements of \$292,414,000 and \$956,000, respectively.

**U. Property Taxes**

Presently there is a State property tax of three cents on each hundred dollars assessed valuation on all real estate and personal property. The tax collected is deposited into the Blind Pension Fund.

The property taxes in Missouri are levied by October 31 of each year on assessed valuation as of January 1 of that year. Property taxes are due and payable by December 31 and penalties on unpaid taxes are imposed after that date. Assessed values are established by each county assessor's office and are calculated as a percent of market value except for agricultural land which is calculated on productive capability. The percentage for real property varies according to use: residential at 19%, commercial at 32% and agricultural at 12%. Personal property is assessed according to type with the majority at 33 1/3% of market value.

**Note 2 – Reporting Changes and Reclassifications**

The Petroleum Storage Tank Insurance Fund is presented as a Major Enterprise Fund for the fiscal year ended June 30, 2003 because it meets the liability criteria of a major fund set out in GASB Statement 34. Specifically, total liabilities of the fund are more than 10% of Total Enterprise Funds, and they are more than 5% of total liabilities for Governmental and Enterprise Funds combined. Last year, this fund was included with Non-Major Enterprise Funds.

The State of Missouri implemented the following new accounting standards issued by the Governmental Accounting Standards Board (GASB) for the fiscal year ended June 30, 2003:

- Statement No. 38, *Certain Financial Statement Note Disclosures*, (paragraph 12 "Short-Term Debt" and paragraph 13 "Disaggregation of Receivable and Payable Balances"). The rest of GASB Statement No. 38 was implemented for the fiscal year ended June 30, 2002.
- Technical Bulletin No. 94-1, *Disclosures about Derivatives and Similar Debt and Investment Transactions*. The Missouri State Employees' Retirement System (MOSERS) (see *Note 3*) and the Missouri Development Finance Board (see *Note 13*) were the only State entities which had derivatives for the fiscal year ended June 30, 2003.

STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

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**Note 2 – Reporting Changes and Reclassifications (cont.)**

GASB Statement No. 41, *Budgetary Comparison Schedules—Perspective Differences*, does not apply to the State of Missouri. This statement only applies to governments with significant budgetary perspective differences that prevent them from presenting budgetary comparison information for their general funds and major special revenue funds, as required by GASB Statement 34. The State of Missouri presents this schedule in the Required Supplementary Information (RSI) section of CAFR.

**Note 3 – Deposits, Investments and Securities Lending Program**

The State Treasurer maintains a cash and short-term investment pool that is used by substantially all State funds. These funds do not include accrued interest. Certain organizational units are authorized to administer assets designated to their organization in a manner similar to the deposit and investment activities of the State as a whole. Summarized below is the portfolio that represents the "Cash and Cash Equivalents", "Investments", "Restricted Assets – Cash and Cash Equivalents", "Restricted Assets – Investment" and "Bank Overdraft" as reported at June 30, 2003.

**A. Deposits**

Primary Government

At June 30, 2003, the reported amount of the primary government's deposits was \$877,971,000 and the bank balance was \$906,623,000. Of the bank amount, \$886,707,000 was insured or collateralized with securities held by the State or its agent in the State's name, \$19,916,000 was collateralized with securities held by the counterparty's trust department or agent in the State's name.

Fiduciary

At June 30, 2003, the reported amount of the deposits of the Fiduciary Funds was \$362,710,000 and the bank balance was \$362,710,000. All of the bank amount was insured or collateralized with securities held by the entity or its agent in the entity's name.

Component Units

At June 30, 2003, the reported amount of the deposits of the Component Units was \$439,972,000 and the bank balance was \$446,931,000. Of the bank amount, \$91,758,000 was insured or collateralized with securities held by the Component Units or its agent in the Component Units' name, \$174,427,000 was collateralized with securities held by the counterparty's trust department or agent in the Component Units' name, and \$180,746,000 was uninsured and uncollateralized with securities held by the counterparty, trust department or agent not in the Component Units' name.

**B. Investments**

Statutes authorize the State Treasurer to invest in U.S. Treasury or Agency securities maturing within five years or in repurchase agreements maturing within ninety days secured by U.S. Treasury or Agency securities of any maturity. The Internal Service Funds, the Agency and Pension Trust Funds, and the Component Units, in accordance with statutory authority, invest primarily in U.S. Government securities, repurchase agreements, preferred and common stocks, bonds, real estate, and fixed income securities. There have been no violations of these investment restrictions during fiscal year 2003.

**STATE OF MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 3 – Deposits, Investments and Securities Lending Program (cont.)**

The following table (in thousands of dollars) provides information about the credit risks associated with the State's investments. The investments include certain short-term cash equivalents, various long-term items, and restricted assets. Category 1 includes investments that are insured or registered, or for which securities are held by the State or its agent in the State's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the State's name. Category 3 includes uninsured and unregistered investments, for which securities are held by the counterparty or by its trust department or agent but not in the State's name. The State's ratings for these investments from Fitch IBCA, Incorporated and Standard and Poor's is rating group AAA and from Moody's Investors Services is rating group Aaa.

|  | <u>Category 1</u> | <u>Category 2</u> | <u>Category 3</u> | <u>Reported<br/>Amount</u> | <u>Fair<br/>Value</u> |
|--|-------------------|-------------------|-------------------|----------------------------|-----------------------|
| All Fund Types except<br>Fiduciary Funds and<br>Component Units: |                   |                   |                   |                            |                       |
| U.S. Government Securities                                       | \$ 1,879,826      | \$ ---            | \$ ---            | \$ 1,879,826               | \$ 1,806,002          |
| Repurchase Agreements  | <u>400,234</u>    | <u>---</u>        | <u>---</u>        | <u>400,234</u>             | <u>400,234</u>        |
| Subtotal   | <u>2,280,060</u>  | <u>---</u>        | <u>---</u>        | <u>2,280,060</u>           | <u>2,206,236</u>      |
| Fiduciary Funds:   |                   |                   |                   |                            |                       |
| U.S. Government Securities                                       | 196,053           | ---               | 200,317           | 396,370                    | 396,370               |
| Repurchase Agreements  | 245,418           | ---               | ---               | 245,418                    | 245,418               |
| Stocks   | 1,093,850         | ---               | 754,925           | 1,848,775                  | 1,848,801             |
| Bonds  | 272,382           | ---               | 86,738            | 359,120                    | 359,120               |
| International Equities   | 757,243           | ---               | ---               | 757,243                    | 757,243               |
| International Corp. Bonds  | 24,566            | ---               | ---               | 24,566                     | 24,566                |
| Short-Term Securities  | ---               | ---               | 27,640            | 27,640                     | 27,640                |
| Debentures   | <u>---</u>        | <u>---</u>        | <u>130,630</u>    | <u>130,630</u>             | <u>130,630</u>        |
| Subtotal   | <u>2,589,512</u>  | <u>---</u>        | <u>1,200,250</u>  | 3,789,762                  | 3,789,788             |
| Investments Not Subject to<br>Categorization:                    |                   |                   |                   |                            |                       |
| Real Estate  |                   |                   |                   | 250,722                    | 250,722               |
| Investments Made With<br>Another Party                           |                   |                   |                   | 1,219,989                  | 1,219,989             |
| Deferred Compensation  |                   |                   |                   | 855,143                    | 855,143               |
| Foreign Securities   |                   |                   |                   | 30,943                     | 30,943                |
| EAFE Index Fund  |                   |                   |                   | 198,123                    | 198,123               |
| Venture Capital Limited<br>Partnership                           |                   |                   |                   | <u>992,007</u>             | <u>992,007</u>        |
| Subtotal   |                   |                   |                   | <u>7,336,689</u>           | <u>7,336,715</u>      |

**STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003**

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**Note 3 – Deposits, Investments and Securities Lending Program (cont.)**

|  | <u>Category 1</u> | <u>Category 2</u> | <u>Category 3</u> | <u>Reported<br/>Amount</u> | <u>Fair<br/>Value</u> |
|--|-------------------|-------------------|-------------------|----------------------------|-----------------------|
| <b>Component Units:</b>                                    |                   |                   |                   |                            |                       |
| U.S. Government Securities                                 | 515,118           | 100,396           | 12,185            | 627,699                    | 627,779               |
| Repurchase Agreements                                      | ---               | 15,146            | ---               | 15,146                     | 15,146                |
| Stocks   | 346,104           | ---               | ---               | 346,104                    | 346,104               |
| Bonds  | 203,219           | ---               | ---               | 203,219                    | 203,219               |
| Other  | ---               | 1,223             | ---               | 1,223                      | 1,223                 |
|  | <u>1,064,441</u>  | <u>116,765</u>    | <u>12,185</u>     | <u>1,193,391</u>           | <u>1,193,471</u>      |
| <b>Investments Not Subject to<br/>Categorization:</b>      |                   |                   |                   |                            |                       |
| Money Market   |                   |                   |                   | 8,219                      | 8,219                 |
| Real Estate  |                   |                   |                   | 57,945                     | 57,945                |
| Mutual Funds   |                   |                   |                   | 4,259                      | 4,245                 |
| Securities Lending   |                   |                   |                   |                            |                       |
| Collateral   |                   |                   |                   | 44,148                     | 44,148                |
| Other  |                   |                   |                   | 37,896                     | 37,896                |
|  |                   |                   |                   | <u>1,345,858</u>           | <u>1,345,924</u>      |
| <b>Total Investments<br/>Subject to<br/>Categorization</b> |                   |                   |                   | <u>\$ 5,934,013</u>        | <u>\$ 116,765</u>     |
| <b>Total Investments</b>                                   |                   |                   |                   | <u>\$ 10,962,607</u>       | <u>\$ 10,888,875</u>  |

**C. Securities Lending Program**

State Treasurer's Office:

The Missouri State Treasurer's Office participates in a securities lending program to augment investment income. Authority to participate rests in Section 30.260.5 RSMo. The program is administered by U.S. Bank as the State Treasurer's custodial agent bank, which lends certain securities to registered broker-dealers as approved by the State Treasurer's Office in exchange for collateral. At least 75% of the collateral received must match the maturities of the securities lent with a maximum duration gap between loans and investments of 15 days. The maximum life of term loans shall be 90 days. Collateral may be in the form of cash, securities issued or guaranteed by the United States Government or its agencies, or bank letters of credit or equivalent obligation if pre-approved by the State Treasurer's Office. Collateral must be provided in the amount of 102% of the then market value of the loaned securities and accrued interest, if any. The Custodian (U.S. Bank) provides for full indemnification to the State Treasurer's Office for any losses that might occur in the program due to borrower default, insolvency, or failure to return loaned securities.

**STATE OF MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 3 – Deposits, Investments and Securities Lending Program (cont.)**

Missouri State Employees' Retirement System:

The Missouri State Employees' Retirement System's (MOSERS) Board of Trustees' policies permits the Pension Trust Funds to participate in securities lending programs. Lehman Brothers, who acts as the exclusive borrower of the domestic equity securities and Credit Suisse/First Boston, who manages the lending of fixed income and international securities, manage the programs. Certain securities of the Pension Trust Funds are loaned to participating brokers who provide collateral in the form of cash, U.S. Treasury or Government Agency securities, or letters of credit issued by approved banks. Collateral must be provided in the amount of 102% for domestic loans and 105% for international loans. In order to reduce credit risk in this exclusive agreement, MOSERS has placed a cap of \$250 million on the amount of securities that can be on loan at any given time. The Custodian (Bankers Trust Company) provides for full indemnification to the Pension Trust Funds for any losses that might occur in the program due to broker default, insufficiency of collateral, or operations risk associated with corporate actions and income collection. Full indemnification and daily monitoring of securities that are on loan ensure proper collateralization levels and mitigate counterparty risk.

The majority of the security loans are open loans and can be terminated on demand by either MOSERS or the borrower. Cash collateral is invested in short-term investment funds. The cash collateral investments of the Lehman Brothers and Credit Suisse program each had a weighted average maturity of 30 days as of June 30, 2003.

Investment income derived from the domestic loans and international equity lending programs are subject to minimum guarantees.

Missouri Highway and Transportation Employees' and Highway Patrol Retirement System:

In accordance with the policies set by the Board of Trustees, the Missouri Highway and Transportation Employees' and Highway Patrol Retirement System (the System), lends its securities to broker-dealers and banks pursuant to a form of loan agreement. The System's custodial bank is authorized to lend available securities to approved broker-dealers and banks subject to the receipt of acceptable collateral.

During the fiscal year, the System lent securities and received cash, securities insured or guaranteed by the U.S. government or its agencies, and irrevocable bank letters of credit as collateral. The System did not have the ability to pledge or sell collateral securities absent a borrower default. Borrowers were required to deliver collateral for each loan equal to: (1) in the case of loaned securities denominated in dollars or whose primary trading market was located in the United States, 102% of the market value of the loaned securities; and (2) in the case of loaned securities not denominated in U.S. dollars or whose primary trading market was not located in the United States, 105% of the market value of the loaned securities.

The System did not impose any restrictions during the fiscal year on the amount of the loans that the custodial bank made on its behalf. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the year.

The System and borrowers maintained the right to terminate all securities lending transactions on demand. The collateral held and the market value of securities on loan for the System were unavailable as of the System's report date.

At June 30, 2003 and 2002, the System earned \$129,258 and \$98,402, respectively, on the securities lending program.

STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

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**Note 3 – Deposits, Investments and Securities Lending Program (cont.)**

University of Missouri System:

The University participates in a securities lending program to augment income. The program is administered by the University's custodial agent bank, which lends certain securities for a predetermined period of time, to an independent broker/dealer (borrower) in exchange for collateral. Collateral may be cash, U.S. government securities, defined letters of credit or other collateral approved by the University. Loans of domestic securities are initially collateralized at 102% of the fair value of securities lent. Loans of international securities are initially collateralized at 105% of the fair value of securities lent. The University has minimized its exposure to credit risk from borrower default by having the custodial agent bank determine daily that required collateral meets 100% of the market value of securities on loan for domestic securities lent and 105% for international securities lent. The University continues to receive interest and dividends during the loan period as well as a fee from the borrower. At June 30, 2003, the University has no credit risk exposure since the collateral held exceeds the value of the securities lent. The University is fully indemnified by its custodial bank against any losses incurred as a result of borrower default.

In addition, at June 30, 2003, letters of credit and security collateral, not meeting the criteria for inclusion on the Combined Statement of Net Assets, totaled \$12,685,000. At June 30, 2003, the aggregate fair value of the securities lent was \$128,487,000 and the aggregate fair value of the collateral received was \$134,043,000.

**D. Derivatives**

Missouri State Employees' Retirement System (MOSERS), through its external investment managers, has an investment policy which holds investments in futures contracts, swap contracts, and forward foreign currency exchange contracts. MOSERS does not anticipate additional significant market risk from the swap arrangements. The forward foreign currency exchange contracts are used primarily to hedge against changes in exchange rates related to foreign equities. MOSERS could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. MOSERS anticipates that the counterparties will be able to satisfy their obligation as credit evaluations and credit limits are monitored by the investment managers. MOSERS also invests in mortgage-backed securities to diversify the portfolio and increase the return while minimizing the extent of risk.

The following table (in thousands of dollars) summarizes the various contracts in MOSERS portfolio as of June 30, 2003. The investments are reported at fair value and are included on the Statement of Plan Net Assets of the Pension Trust Funds.

Futures Contracts:

| National Amount | Exposure |
|-----------------|----------|
| \$2,324,474     | \$2,342  |

Currency Forwards:

| Book Value | Fair Value | Gain/(Loss) |
|------------|------------|-------------|
| \$4,048    | \$4,073    | \$25        |

Swaps:

| National Amount | Exposure |
|-----------------|----------|
| \$98,216        | \$9,148  |

**STATE OF MISSOURI**  
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**June 30, 2003**

**Note 4 – Federal Surplus Commodities Inventory**

The federal surplus commodities inventory for the Department of Social Services and the Department of Health and Senior Services were \$190,947 and \$5,138,173, respectively, as of June 30, 2003. This inventory is not considered to be an asset of the State and is not included in the financial statements.

**Note 5 – Capital Assets**

Capital asset activity for the year ended June 30, 2003, was as follows (in thousands of dollars):

|  | Balance<br>July 1, 2002 | Increases         | Decreases           | Adjustments<br>and<br>Reclassifications | Balance<br>June 30, 2003 |
|--|-------------------------|-------------------|---------------------|---|--------------------------|
| <b>Governmental Activities:</b>              |                         |                   |                     |   |                          |
| Capital Assets not being Depreciated:        |                         |                   |                     |   |                          |
| Construction in Progress .....               | \$ 637,165              | \$ 200,201        | \$ (131,962)        | \$ (18,915)                             | \$ 686,489               |
| Infrastructure in Progress .....             | 2,287,153               | 941,438           | (650,566)           | (14,082)                                | 2,563,943                |
| Land.....                                    | <u>2,258,148</u>        | <u>980</u>        | <u>(2,365)</u>      | <u>79,911</u>                           | <u>2,336,674</u>         |
| Total Capital Assets not being Depreciated   | <u>5,182,466</u>        | <u>1,142,619</u>  | <u>(784,893)</u>    | <u>46,914</u>                           | <u>5,587,106</u>         |
| Capital Assets being Depreciated:            |                         |                   |                     |   |                          |
| Land Improvements.....                       | 76,331                  | 5,280             | (377)               | (4,357)                                 | 76,877                   |
| Buildings and Improvements .....             | 1,854,503               | 7,633             | (5,339)             | 8,470                                   | 1,865,267                |
| Equipment.....                               | 1,136,212               | 90,741            | (109,581)           | (8,648)                                 | 1,108,724                |
| Infrastructure .....                         | <u>36,046,230</u>       | <u>650,566</u>    | <u>(46,767)</u>     | <u>(11,911)</u>                         | <u>36,638,118</u>        |
| Total Capital Assets being Depreciated.....  | <u>39,113,276</u>       | <u>754,220</u>    | <u>(162,064)</u>    | <u>(16,446)</u>                         | <u>39,688,986</u>        |
| Less Accumulated Depreciation for:           |                         |                   |                     |   |                          |
| Land Improvements.....                       | 41,141                  | 9,226             | (301)               | (4,997)                                 | 45,069                   |
| Buildings and Improvements .....             | 653,299                 | 3,312             | (2,866)             | (122,680)                               | 531,065                  |
| Equipment.....                               | 721,241                 | 123,749           | (86,846)            | (94,058)                                | 664,086                  |
| Infrastructure .....                         | <u>16,172,486</u>       | <u>877,342</u>    | <u>(46,767)</u>     | <u>(947)</u>                            | <u>17,002,114</u>        |
| Total Accumulated Depreciation.....          | <u>17,588,167</u>       | <u>1,013,629</u>  | <u>(136,780)</u>    | <u>(222,682)</u>                        | <u>18,242,334</u>        |
| Total Capital Assets being Depreciated, Net  | <u>21,525,109</u>       | <u>(259,409)</u>  | <u>(25,284)</u>     | <u>206,236</u>                          | <u>21,446,652</u>        |
| Governmental Activities Capital Assets, Net  | <u>\$ 26,707,575</u>    | <u>\$ 883,210</u> | <u>\$ (810,177)</u> | <u>\$ 253,150</u>                       | <u>\$ 27,033,758</u>     |
| <b>Business-Type Activities:</b>             |                         |                   |                     |   |                          |
| Capital Assets not being Depreciated:        |                         |                   |                     |   |                          |
| Construction in Progress .....               | \$ 2,737                | \$ 1,400          | \$ (1,627)          | \$ 80                                   | \$ 2,590                 |
| Land.....                                    | <u>9,572</u>            | <u>467</u>        | <u>---</u>          | <u>524</u>                              | <u>10,563</u>            |
| Total Capital Assets not being Depreciated   | <u>12,309</u>           | <u>1,867</u>      | <u>(1,627)</u>      | <u>604</u>                              | <u>13,153</u>            |
| Capital Assets being Depreciated:            |                         |                   |                     |   |                          |
| Land Improvements.....                       | 3,397                   | 4                 | ---                 | 4                                       | 3,405                    |
| Buildings and Improvements .....             | 15,800                  | 112               | ---                 | 87                                      | 15,999                   |
| Equipment.....                               | <u>42,268</u>           | <u>4,393</u>      | <u>(829)</u>        | <u>(1,188)</u>                          | <u>44,644</u>            |
| Total Capital Assets being Depreciated.....  | <u>61,465</u>           | <u>4,509</u>      | <u>(829)</u>        | <u>(1,097)</u>                          | <u>64,048</u>            |
| Less Accumulated Depreciation for:           |                         |                   |                     |   |                          |
| Land Improvements.....                       | 2,420                   | ---               | ---                 | 133                                     | 2,553                    |
| Buildings and Improvements .....             | 6,728                   | 226               | ---                 | 125                                     | 7,079                    |
| Equipment.....                               | <u>29,116</u>           | <u>5,007</u>      | <u>(1,649)</u>      | <u>323</u>                              | <u>32,797</u>            |
| Total Accumulated Depreciation.....          | <u>38,264</u>           | <u>5,233</u>      | <u>(1,649)</u>      | <u>581</u>                              | <u>42,429</u>            |
| Total Capital Assets being Depreciated, Net  | <u>23,201</u>           | <u>(724)</u>      | <u>820</u>          | <u>(1,678)</u>                          | <u>21,619</u>            |
| Business-Type Activities Capital Assets, Net | <u>\$ 35,510</u>        | <u>\$ 1,143</u>   | <u>\$ (807)</u>     | <u>\$ (1,074)</u>                       | <u>\$ 34,772</u>         |

**STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 5 – Capital Assets (cont.)**

Depreciation expense of governmental activities was charged to functions as follows (in thousands of dollars):

|  |                     |
|--|---------------------|
| General Government.....                  | \$ 9,816            |
| Education .....                          | 1,757               |
| Natural and Economic Resources .....     | 9,597               |
| Transportation and Law Enforcement ..... | 931,772             |
| Human Services .....                     | <u>66,152</u>       |
| Total.....                               | <u>\$ 1,019,094</u> |

**Discretely Presented Component Units**

The following table summarizes net capital assets reported by the discretely presented component units (in thousands of dollars):

|   | College and<br>Universities | Non-Major<br>Component<br>Units | Total               |
|---|-----------------------------|---------------------------------|---------------------|
| Capital Assets not being Depreciated:             |                             |                                 |                     |
| Construction in Progress .....                    | \$ 227,807                  | \$ 1,684                        | \$ 229,491          |
| Land .....  | 116,464                     | 8,040                           | 124,504             |
| Other Non-Depreciable Assets .....                | <u>18,534</u>               | <u>---</u>                      | <u>18,534</u>       |
| Total Capital Assets not being Depreciated .....  | <u>362,805</u>              | <u>9,724</u>                    | <u>372,529</u>      |
| Capital Assets being Depreciated:                 |                             |                                 |                     |
| Land Improvements .....                           | 13,783                      | ---                             | 13,783              |
| Buildings and Improvements .....                  | 2,702,059                   | 19,609                          | 2,721,668           |
| Equipment, Fixtures, and Books .....              | 926,434                     | 138                             | 926,572             |
| Infrastructure .....                              | <u>245,763</u>              | <u>---</u>                      | <u>245,763</u>      |
| Total Capital Assets being Depreciated.....       | <u>3,888,039</u>            | <u>19,747</u>                   | <u>3,907,786</u>    |
| Less Total Accumulated Depreciation .....         | <u>(1,554,855)</u>          | <u>(1,353)</u>                  | <u>(1,556,208)</u>  |
| Total Capital Assets being Depreciated, Net ..... | <u>2,333,184</u>            | <u>18,394</u>                   | <u>2,351,578</u>    |
| Discretely Presented Component Units -            |                             |                                 |                     |
| Capital Assets, Net.....                          | <u>\$ 2,695,989</u>         | <u>\$ 28,118</u>                | <u>\$ 2,724,107</u> |

**Note 6 – Leases**

**Capital**

The State has entered into various agreements to lease land, buildings and equipment. FASB Statement No. 13, *Accounting For Leases*, requires a lease that transfers substantially all of the benefits and risks of ownership to the lessee to be accounted for as the acquisition of a fixed asset and the incurrence of an obligation by the lessee (a capital lease).

**STATE OF MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2003**

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**Note 6 – Leases (cont.)**

Capital leases for the Enterprise, Internal Service and College and University Funds are reported as a long-term obligation in those funds along with the related assets. Capital leases and the related assets are not reported on the fund financial statements of Governmental type funds. However, the capital leases and related assets of Governmental funds are included on the government-wide financial statements and they are shown on the reconciliation between fund financial statements and government-wide statements.

Following is a summary of the future minimum lease payments for capital leases (in thousands of dollars):

| <u>Fiscal Year<br/>Ending June 30</u>          | <u>Governmental<br/>Funds</u> | <u>Enterprise<br/>Funds</u> | <u>Internal Service<br/>Funds</u> | <u>College and<br/>University</u> |
|--|-------------------------------|-----------------------------|-----------------------------------|-----------------------------------|
| 2004   | \$ 36,570                     | \$ 24                       | \$ 1,523                          | \$ 3,087                          |
| 2005   | 35,829                        | 24                          | 813                               | 2,948                             |
| 2006   | 34,709                        | 24                          | 602                               | 1,526                             |
| 2007   | 25,997                        | 24                          | 333                               | 1,223                             |
| 2008   | 25,896                        | 24                          | 114                               | 1,216                             |
| 2009–2013                                      | 109,866                       | 119                         | 568                               | 6,075                             |
| 2014–2018                                      | 64,019                        | 10                          | 222                               | 6,075                             |
| 2019–2023                                      | 8,402                         | ---                         | ---                               | 1,519                             |
| Total minimum lease payments                   | <u>341,288</u>                | <u>249</u>                  | <u>4,175</u>                      | <u>23,669</u>                     |
| Less amount representing interest              | <u>109,920</u>                | <u>128</u>                  | <u>572</u>                        | <u>9,146</u>                      |
| Present value of net<br>minimum lease payments | <u>\$ 231,368</u>             | <u>\$ 121</u>               | <u>\$ 3,603</u>                   | <u>\$ 14,523</u>                  |

Assets acquired through these capital lease agreements are recorded as fixed assets at the lower of the present value of the minimum lease payments or the fair value at the time of acquisition. The following is an analysis of the property under capital lease by asset category as of June 30, 2003 (in thousands of dollars):

|                    | <u>Governmental<br/>Funds</u> | <u>Enterprise<br/>Funds</u> | <u>Internal Service<br/>Funds</u> | <u>College and<br/>University</u> |
|--------------------|-------------------------------|-----------------------------|-----------------------------------|-----------------------------------|
| Land               | \$ ---                        | \$ ---                      | \$ ---                            | \$ 152                            |
| Buildings          | 262,157                       | 127                         | 997                               | 16,099                            |
| Equipment          | <u>53,283</u>                 | <u>---</u>                  | <u>8,971</u>                      | <u>3,969</u>                      |
| Total Fixed Assets | <u>\$ 315,440</u>             | <u>\$ 127</u>               | <u>\$ 9,968</u>                   | <u>\$ 20,220</u>                  |

**STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 6 – Leases (cont.)**

**Operating**

The State has entered into various operating leases for land, buildings, and equipment. Each lease contains a fiscal funding clause indicating that continuation of the lease is subject to annual funding by the General Assembly. It is expected that in the normal course of business most of the leases will be renewed or replaced by similar leases. Future minimum commitments due under operating leases as of June 30, 2003, were as follows (in thousands of dollars):

| <u>Year Ending<br/>June 30</u> | <u>Primary<br/>Government</u> | <u>Component<br/>Units</u> |
|--------------------------------|-------------------------------|----------------------------|
| 2004                           | \$ 35,502                     | \$ 2,668                   |
| 2005                           | 24,316                        | 1,644                      |
| 2006                           | 19,323                        | 863                        |
| 2007                           | 13,654                        | 295                        |
| 2008                           | 11,714                        | 213                        |
| 2009–2013                      | 17,396                        | 1,356                      |
| 2014–2018                      | 135                           | ---                        |
| 2019–2020                      | <u>27</u>                     | <u>---</u>                 |
| Total Minimum Commitments      | <u>\$ 122,067</u>             | <u>\$ 7,039</u>            |

Expenditures for rent under operating leases for the years ended June 30, 2003 and June 30, 2002 were \$33,508,501 and \$34,559,264, respectively.

**Note 7 – Total State Revenue Refund**

Article X, Sections 16 through 24 of the Missouri Constitution establishes a revenue limit for Missouri State Government. As of June 30, 2003, the State has refunded \$978.7 million to taxpayers including \$147.2 million in fiscal year 1995, \$229.1 million in fiscal year 1996, \$318.8 million in fiscal year 1997, \$178.8 million in fiscal year 1998, \$98.8 million in fiscal year 1999, and \$6.0 million in fiscal year 2003. All \$978.7 million of refunds were initially paid from the General Revenue Fund and various other funds reimbursed their share of the refund liability through transfers to the General Revenue Fund as appropriated by the General Assembly. The total amount reimbursed from other funds was \$168.1 million. This calculation is based on Missouri court rulings regarding calculation of the limit and construing the term "total state revenues," including Buechner v. Bond 650 S.W. 2d 611 (Mo. banc 1983), Hancock v. Secretary of State 885 S.W. 2d 42 (Mo. App. W.D. 1994), and Kelly v. Hanson and Ward 959 S.W. 2d 107 (Mo. banc 1997) and other court cases. Currently, the State's revenues are more than \$1 billion below the revenue limitation.

**Note 8 – Retirement Systems**

The State has two major retirement systems which cover substantially all State employees. These systems are Missouri State Employees' Retirement System (MOSERS) and Highway and Transportation Employees' and Highway Patrol Retirement System (HEHPRS). The University of Missouri Retirement Plan is included as a college and university component unit. The Public School Retirement System is included in this note disclosure as the State contributes to it. The Missouri State Employees' Deferred Compensation Incentive Plan is a defined contribution pension plan, to which the State also contributes.

**STATE OF MISSOURI**  
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**Note 8 – Retirement Systems (cont.)**

Plan Descriptions

The Missouri State Employees' Plan (MSEP), Administrative Law Judges and Legal Advisors Plan (ALJLAP) and the Judicial Plan are single-employer defined benefit public employees' retirement plans administered by MOSERS. The Plans are administered in accordance with the Revised Statutes of Missouri Sections 104.010 and 104.312-104.1215, 287.812-287.856 and 476.445-476.690, respectively.

The MSEP has two benefit structures known as MSEP (closed plan) and MSEP 2000 (new plan). The MSEP covers all full-time employees hired before July 1, 2000, who are not covered under another state-sponsored retirement plan. MSEP 2000 covers all full-time employees hired on or after July 1, 2000. Members in the closed plan have the option at retirement to choose between the benefit structure of the closed plan or new plan. Retirement benefits for members of the ALJLAP and Judicial Plan are administered and paid by MOSERS.

MOSERS provides retirement, death and disability benefits to its members. MOSERS employees are fully vested after 5 years of creditable service (4 years for elected officials and 6 years for legislators). The retirement eligibility requirements are as follows:

**MSEP**

Age 65 and active with 4 years of service  
Age 65 with 5 years of service  
Age 60 with 15 years of service  
Age 50 with age and service equaling 80  
or more (Rule of 80)  
Employees may retire early at age 55 with at  
least 10 years of service with reduced benefits.

**MSEP 2000**

Age 62 with 5 years of service  
Age 50 with age and service equaling 80  
or more (Rule of 80)  
Employees may retire early at age 57 with at  
least 5 years of service with reduced benefits.

**ALJLAP**

Age 62 with 12 years of service  
Age 60 with 15 years of service  
Age 55 with 20 years of service  
Employees may retire early at age 65 with less  
than 12 years of service with a reduced  
benefit that is based upon years of  
service relative to 12 years.

**Judicial Plan**

Age 62 with 12 years of service  
Age 60 with 15 years of service  
Age 55 with 20 years of service  
Employees may retire early at age 62 with less  
than 12 years of service or age 60 with less  
than 15 years of service with reduced benefit  
that is based upon years of service relative to  
12 or 15 years.

For members hired prior to August 28, 1997, cost of living adjustments (COLA's) are provided annually based on 80% of the change in the Consumer Price Index (CPI) with a floor of 4% and a ceiling of 5%, until the cumulative amount of COLA's equal 65% of the original benefit, thereafter the 4% floor is eliminated. For members hired on or after August 28, 1997, COLA's are provided annually based on 80% of the change in the CPI up to a maximum rate of 5%. Qualified, terminated-vested members of MSEP, ALJLAP, and Judicial Plan may make a one-time election to receive the present value of benefit in a lump sum payment. To qualify, a member must have terminated with at least 5, but less than 10 years of service, be less than age 60, and have a benefit present value of less than \$10,000.

The Highway and Transportation Employees' and Highway Patrol Retirement System (HEHPRS) is a single-employer defined benefit public employees' retirement system administered in accordance with the Revised Statutes of Missouri Sections 104.010-104.270.

HEHPRS membership is composed of qualified employees of the Missouri Highways and Transportation Commission (includes employees of the Department of Transportation), and uniformed and non-uniformed members of the State Highway Patrol.

**STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 8 – Retirement Systems (cont.)**

HEHPRS provides retirement, death and disability benefits to its members. HEHPRS employees are fully vested after 5 years of creditable service. Employees may retire at age 65 with 4 years of service; age 60 with 15 years of service; or age 50 with age and service equaling 80 or more. Employees may retire at or after age 55 and receive a reduced benefit if they have at least 10 years of service. For members hired prior to August 28, 1997, cost of living adjustments (COLA's) are provided annually based on 80% of the change in the Consumer Price Index (CPI) with a floor of 4% and a ceiling of 5%, until the cumulative amount of COLA's equal 65% of the original benefit, thereafter the 4% floor is eliminated. For members hired on or after August 28, 1997, COLA's are provided annually based on 80% of the CPI. Effective August 28, 1994, uniformed patrol members who previously served in the police force of any city will be allowed to purchase creditable service time of up to 4 years maximum.

Copies of financial reports issued by MOSERS and HEHPRS can be requested from:

Missouri State Employees' Retirement System  
P.O. Box 209  
907 Wildwood  
Jefferson City, Missouri 65102-0209

Missouri Highway and Transportation Employees'  
and Highway Patrol Retirement System  
P.O. Box 1930  
Jefferson City, Missouri 65102-1930

Funding Requirement

MOSERS administers plans which cover substantially all State of Missouri employees. The State of Missouri is obligated by State law to make all required contributions to the System. The actuarially determined contributions are expressed as a level percentage of covered payroll. Current year actuarially determined contribution rates for the MSEP, ALJLAP and the Judicial Plan are 8.81%, 20.02% and 52.12%, respectively. Actual contribution rates are the same as the actuarially determined rates.

The State of Missouri makes all contributions to HEHPRS. Current year calculated contribution rates are 32.93% for uniformed members of the Highway Patrol and 22.60% for non-uniformed members of the Highway Patrol and employees of the Department of Transportation. Actual contribution rates are 34.94% for uniformed and 23.29% for non-uniformed members of the Highway Patrol and employees of the Department of Transportation.

Annual Pension Cost and Net Pension Obligation

The annual pension cost and net pension obligation for the current year were as follows (in thousands of dollars):

|  | MSEP       | ALJLAP | Judicial Plan | HEHPRS    |
|--|------------|--------|---------------|-----------|
| Annual required contribution                         | \$ 156,576 | \$ 951 | \$ 20,802     | \$ 82,039 |
| Interest on net pension obligation                   | 4,729      | 8      | 3,266         | ---       |
| Actuarial adjustment to annual required contribution | (3,308)    | (6)    | (2,320)       | ---       |
| Annual pension cost                                  | 157,997    | 953    | 21,748        | 82,039    |
| Contributions made                                   | (156,576)  | (951)  | (20,802)      | (82,039)  |
| Increase in net pension obligation                   | 1,421      | 2      | 946           | ---       |
| Net pension obligation, beginning of year            | 55,638     | 92     | 38,417        | ---       |
| Net pension obligation, end of year                  | \$ 57,059  | \$ 94  | \$ 39,363     | \$ ---    |

**STATE OF MISSOURI  
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**Note 8 – Retirement Systems (cont.)**

The annual required contribution for MOSERS for the current year was determined as part of an actuarial valuation of the Systems as of June 30, 2001, using the entry age normal actuarial cost method. Significant actuarial assumptions used in the valuation for MOSERS include (a) rate of return on the investment of present and future assets of 8.5% per year compounded annually, (b) projected salary increases of 4.0% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0% to 2.7% per year for MSEP and 0% to 1.6% for ALJLAP and Judicial Plan, depending on age, attributable to seniority and/or merit and (d) the assumption that benefits will increase 4.0% per year after retirement.

The actuarial valuation of the System dated June 30, 2003, will set the required contribution rates for the fiscal year ending June 30, 2005. The actuarial value of assets was determined using a 5-year valuation method which fully recognizes expected investment return and averages unanticipated market return. The unfunded actuarial accrued liabilities are amortized on a closed basis as a level percentage of payroll over 32 years.

The annual required contribution for HEHPRS for the current year was determined as part of an actuarial valuation as of June 30, 2002, using the normal entry age actuarial cost method. Significant actuarial assumptions used in the valuation for HEHPRS include (a) rate of return on the investment of 8.25% and (b) projected wage inflation rate of 4.0%.

As of June 30, 2003, the actuarial valuation of assets was determined using a 5-year adjusted value average. The unfunded actuarial accrued liabilities are amortized as closed, level percentage over 33 years.

Trend Information (in thousands of dollars)

|                               | MSEP               |            |            | ALJLAP             |           |           |
|-------------------------------|--------------------|------------|------------|--------------------|-----------|-----------|
|                               | Fiscal Year Ending |            |            | Fiscal Year Ending |           |           |
|                               | 06/30/03           | 06/30/02   | 06/30/01   | 06/30/03           | 06/30/02  | 06/30/01  |
| Annual Pension Cost (APC)     | \$ 157,997         | \$ 210,897 | \$ 217,459 | \$ 953             | \$ 1,075  | \$ 1,078  |
| Percentage of APC Contributed | 99.10%             | 99.34%     | 99.21%     | 99.79%             | 99.77%    | 99.74%    |
| Net Pension Obligation        | \$ 57,059          | \$ 55,638  | \$ 54,256  | \$ 94              | \$ 93     | \$ 90     |
|                               | Judicial Plan      |            |            | HEHPRS             |           |           |
|                               | Fiscal Year Ending |            |            | Fiscal Year Ending |           |           |
|                               | 06/30/03           | 06/30/02   | 06/30/01   | 06/30/03           | 06/30/02  | 06/30/01  |
| Annual Pension Cost (APC)     | \$ 21,748          | \$ 23,121  | \$ 23,651  | \$ 82,039          | \$ 77,440 | \$ 81,155 |
| Percentage of APC Contributed | 95.65%             | 95.53%     | 95.02%     | 100%               | 100%      | 100%      |
| Net Pension Obligation        | \$ 39,363          | \$ 38,417  | \$ 37,384  | \$ ---             | \$ ---    | \$ ---    |

**STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 8 – Retirement Systems (cont.)**

**Public School Retirement System of Missouri:**

The State of Missouri also made employer contributions to the Public School Retirement System of Missouri which is a cost-sharing multiple-employer defined benefit public employees' retirement system. The System includes all public school districts within the State except for the two districts covering the major metropolitan areas. It also includes certain public colleges and universities and some State employees.

The benefit provisions include retirement annuities, death benefits and disability benefits. A member is vested after acquiring five years of membership credit for Missouri service.

The System was created and is governed by Chapter 169 of the Revised Statutes of Missouri. State employees who elect to remain with the Public School Retirement System under the Revised Statutes of Missouri, Section 104.342, are covered by the System.

Employees of the State are not required to contribute. The State, as employer, contributed \$2,950,949, \$3,056,577, and \$3,514,745 for the years ending June 30, 2003, 2002 and 2001, respectively, to the System, equal to the required contributions for each year.

Copies of the System's June 30, 2003, Comprehensive Annual Financial Report can be requested from:

Public School Retirement System of Missouri  
P.O. Box 268  
3210 West Truman Boulevard  
Jefferson City, Missouri 65109

**Missouri State Employees' Deferred Compensation Incentive Plan:**

The Plan was established by the Missouri State Public Employees' Deferred Compensation Commission in July 1995 pursuant to Section 401(a) of the Internal Revenue Code. It is administered by the Public Employees Benefit Services Corporation (PEBSCO).

Under the Plan provisions, any employee of the State is eligible to participate in the Plan if he/she has been an employee of the State for at least 12 consecutive months immediately preceding any employer contributions to the Plan, and is making continuous monthly deferrals of at least \$25 to the Missouri State Public Employees' Deferred Compensation Plan. The State, subject to appropriation, contributes \$25 per month for each employee that meets these requirements. Participating employees are 100% vested.

The first employer contributions to the Plan were made in January 1996. During fiscal year 2003, employer contributions were \$11,593,862. No employee contributions are made to the Plan.

Copies of the Plan's financial statements can be requested from:

PEBSCO – A Division of Nationwide  
Retirement Solutions, Inc.  
One Nationwide Plaza, 1-13-G1  
Columbus, Ohio 43215-2220

STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 8 – Retirement Systems (cont.)**

**College and University:**

University of Missouri Retirement System

Plan Description

The University of Missouri Retirement, Disability and Death Benefit Plan is a single employer, defined benefit Plan for all qualified employees. The University's Board of Curators establishes the terms of the Plan, and the University, as authorized by State statute, administers it.

All full-time employees are eligible for benefits after five years of credited service. Full benefits are available to members who retire at age 65 or after. Early retirement may be taken, at member's option, after age 55 with at least ten years of credited service, or age 60 with five years of credited service. Benefits are reduced for those who retire early, unless they retire at age 62 or later with at least 25 years of credited service. At retirement, up to 30% of the value of the retirement annuity can be taken in a lump sum; also the single life annuity can be exchanged for an actuarially annuity option.

Separate financial statements and supplemental schedules are not prepared for the Plan.

Detailed information concerning the Plan is presented in the University's 2003 Financial Report, which is publicly available. Copies of this report can be requested from:

University of Missouri System  
Office of the Controller  
118 University Hall  
Columbia, Missouri 65211

Funding Requirement

The University's contributions to the Plan are equal to the actuarially determined contribution requirement, as a percent of payroll, which averaged 2.6% for the year ended June 30, 2003. The Plan is funded 100% by University contributions and does not require employee contributions. The contribution rate is updated annually at the beginning of the University's fiscal year on July 1 to reflect the actuarially determined funding requirement from the most recent valuation, as of the preceding October 1, and the adoption of any Plan amendments during the interim.

Annual Pension Cost and Net Pension Obligation

The annual pension cost and net pension obligation for the current year were as follows (in thousands of dollars):

|  |                      |
|--|----------------------|
| Annual required contribution               | \$ 17,962            |
| Interest on net pension obligation         | ---                  |
| Adjustment to annual required contribution | ---                  |
| Annual pension cost                        | <u>17,962</u>        |
| Contributions made                         | <u>(17,962)</u>      |
| Change in net pension obligation           | ---                  |
| Net pension obligation, beginning of year  | <u>---</u>           |
| Net pension obligation, end of year        | <u><u>\$ ---</u></u> |

**STATE OF MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 8 – Retirement Systems (cont.)**

The annual required contribution for the University for the current year was determined as part of an actuarial valuation of the System as of October 1, 2001, using the entry age normal actuarial cost method and adjusted for the Plan amendments effective September 1, 2002. Significant actuarial assumptions used in the valuation include (a) assumed rate of return on investments of 8.0% per year, (b) projected salary increases for academic and administrative employees averaging 5.2% per year, (c) projected salary increases for clerical and service employees averaging 4.5% per year and, (d) assumed no future retiree ad-hoc increases or cost of living adjustments.

Trend Information (in thousands of dollars)

|                               | Fiscal Year Ending |           |           |
|-------------------------------|--------------------|-----------|-----------|
|                               | 06/30/03           | 06/30/02  | 06/30/01  |
| Annual Pension Cost (APC)     | \$ 17,962          | \$ 25,319 | \$ 29,272 |
| Percentage of APC Contributed | 100%               | 100%      | 100%      |
| Net Pension Obligation        | \$ ---             | \$ ---    | \$ ---    |

**Note 9 – Other Postemployment Benefits**

In addition to the retirement benefits described in *Note 8*, the State provides postemployment health care and life insurance benefits, in accordance with State statutes, to the majority of employees who either retire from the State or receive long-term disability benefits. These benefits are administered by the Missouri Consolidated Health Care Plan (MCHCP), the Missouri State Employees' Retirement System (MOSERS), the Highway and Transportation Employees' and Highway Patrol Insurance Plan (HEHPIP), and the Conservation Employees' Insurance Plan (CEIP). The eligible number of retirees/long-term disability claimants for MCHCP, HEHPIP, and CEIP for health care benefits are approximately 10,399, 3,798, and 491, respectively. The eligible number of retirees/long-term disability claimants for MOSERS, HEHPIP, and CEIP for life insurance benefits are 12,218, 3,004, and 357, respectively. Health care benefits are funded through both employer and employee contributions. MOSERS life insurance benefits are funded through employer and employee contributions. HEHPIP and CEIP life insurance benefits are funded through employee contributions. Employer contribution rates are set in accordance with Section 103.100 of the Revised Statutes of Missouri. Retiree contribution rates are established based on projected claims experience and funding provided by employer contributions. Insurance policies are purchased for life insurance benefits and are the liability of the insurance carrier. For fiscal year 2003 the State's contributions were 50.40% of the total (employer/employee) contributions made for other postemployment benefits.

Currently, the number of retirees/long-term disability claimants participating in each plan is as follows:

|        | Health Care | Life Insurance |
|--------|-------------|----------------|
| MCHCP  | 10,399      | ---            |
| MOSERS | ---         | 12,218         |
| HEHPIP | 3,798       | 3,004          |
| CEIP   | 491         | 357            |
| Total  | 14,688      | 15,579         |

**STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 9 – Other Postemployment Benefits**

During fiscal year 2003 the State contributed the following amounts:

|        | <u>Health Care</u>   | <u>Life Insurance</u> |
|--------|----------------------|-----------------------|
| MCHCP  | \$ 30,070,708        | \$ ---                |
| MOSERS | ---                  | 1,353,292             |
| HEHPIP | 8,957,517            | ---                   |
| CEIP   | <u>1,193,826</u>     | <u>---</u>            |
| Total  | <u>\$ 40,222,051</u> | <u>\$ 1,353,292</u>   |

During fiscal year 2003 the expenditures recognized by the State for (employer/employee) other postemployment benefits were as follows:

|        | <u>Health Care</u>   | <u>Life Insurance</u> |
|--------|----------------------|-----------------------|
| MCHCP  | \$ 58,227,976        | \$ ---                |
| MOSERS | ---                  | ---                   |
| HEHPIP | 22,755,595           | 1,700,000             |
| CEIP   | <u>2,247,433</u>     | <u>227,885</u>        |
| Total  | <u>\$ 83,231,004</u> | <u>\$ 1,927,885</u>   |

**College and University Funds:**

University of Missouri

In addition to the retirement benefits described in *Note 8*, the University provides postemployment medical care, dental care and life insurance benefits to eligible employees who retire from the University and to employees receiving long-term disability benefits. Currently, 5,694 retirees/long-term disability claimants meet the eligibility requirements. These postemployment benefits are funded through both employer and employee contributions. For fiscal year 2003 the University's contributions were 50.79% of the total (employer/employee) contributions made for other postemployment benefits.

Currently, the numbers of retirees/long-term disability claimants participating are 5,025 for medical care, 4,462 for dental care, 2,868 for life insurance, and 4,103 for Accidental Death and Dismemberment, Dependent Life and Long-Term Care. During fiscal year 2003, the University contributed \$13,021,411 for other postemployment benefits. During fiscal year 2003, the expenditures recognized by the University for (employer/employee) other postemployment benefits were \$26,847,916.

**STATE OF MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 10 – Missouri State Public Employees’ Deferred Compensation Plan**

In accordance with Internal Revenue Code Section 457, the State offers all employees the opportunity to participate in the Missouri State Public Employees’ Deferred Compensation Plan. Under the Plan, employees are permitted to defer a portion of their current salary until future years.

All amounts of compensation deferred under the Plan must be held in a trust, custodial account or annuity contract for the exclusive benefit of plan participants and their beneficiaries. Investments are managed by the Plan’s trustee under one of several investment options, or a combination thereof. The choice of investment option(s) is made by the participants.

Copies of the Plan’s financial statements can be requested from:

PEBSCO – A Division of Nationwide  
 Retirement Solutions, Inc.  
 One Nationwide Plaza, 1-13-G1  
 Columbus, Ohio 43215-2220

**Note 11 – Changes in Short-Term Liabilities**

The State uses a bank overdraft line of credit to compensate for timing in cash payments and receipts. Budget reserve loans are also issued to the General Revenue Fund and other Funds to maintain adequate cash balances for anticipated payments. Temporary notes were issued, on a one-time basis, by the Tobacco Settlement Financing Authority to pay certain principal amounts of outstanding General Obligation, Convention Center, and Public Facilities Acute Care debt.

The following is a summary of the changes in short-term liabilities for the year ended June 30, 2003 (in thousands of dollars):

|                                 | <u>Balance</u><br><u>July 1, 2002</u> | <u>Increases</u>  | <u>Decreases</u>    | <u>Balance</u><br><u>June 30, 2003</u> |
|---------------------------------|---------------------------------------|-------------------|---------------------|--|
| <b>Governmental Activities:</b> |                                       |                   |                     |  |
| Bank Overdraft                  | \$ 6                                  | \$ 520,585        | \$ (520,588)        | \$ 3                                   |
| Budget Reserve Loans            | ---                                   | 400,413           | (400,413)           | ---                                    |
| Temporary Notes                 | ---                                   | 49,835            | (49,835)            | ---                                    |
| Total Governmental Activities   | <u>\$ 6</u>                           | <u>\$ 970,833</u> | <u>\$ (970,836)</u> | <u>\$ 3</u>                            |

**STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 12 – Changes in Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2003 (in thousands of dollars):

|                                   | Balance<br>July 1, 2002 | Increases           | Decreases           | Balance<br>June 30, 2003 | Due<br>Within<br>One Year |
|-----------------------------------|-------------------------|---------------------|---------------------|--------------------------|---------------------------|
| <b>Governmental Activities:</b>   |                         |                     |                     |                          |                           |
| Due to Other Entities             | \$ 20,151               | \$ 9,954            | \$ (1,000)          | \$ 29,105                | \$ 1,526                  |
| General Obligation Bonds Payable  | 923,795                 | 559,180             | (582,230)           | 900,745                  | 40,015                    |
| Other Bonds Payable               | 1,054,415               | 387,425             | (30,885)            | 1,410,955                | 40,115                    |
| Unamortized Bond Premium          | 15,343                  | 69,354              | (4,552)             | 80,145                   | ---                       |
| Obligations Under Lease/Purchases | 235,196                 | 27,169              | (27,394)            | 234,971                  | 22,706                    |
| Compensated Absences              | 156,972                 | 141,408             | (143,638)           | 154,742                  | 143,638                   |
| Claims/Judgements                 | 226,293                 | 34,113              | (148,622)           | 111,784                  | 34,328                    |
| 2 <sup>nd</sup> Injury Fund       |                         |                     |                     |                          |                           |
| Claims/Judgements                 | 242,596                 | 8,741               | (50,209)            | 201,128                  | 50,209                    |
| Total Governmental Activities     | <u>\$ 2,874,761</u>     | <u>\$ 1,237,344</u> | <u>\$ (988,530)</u> | <u>\$ 3,123,575</u>      | <u>\$ 332,537</u>         |
| <b>Business-Type Activities:</b>  |                         |                     |                     |                          |                           |
| Claims Liability                  | \$ 90,477               | \$ 44,591           | \$ (15,078)         | \$ 119,990               | \$ 22,000                 |
| Grand Prize Winner Liability      | 110,609                 | 46,073              | (50,717)            | 105,965                  | 37,240                    |
| Obligations Under Lease/Purchases | 28                      | 96                  | (3)                 | 121                      | 5                         |
| Compensated Absences              | 1,878                   | 2,713               | (2,631)             | 1,960                    | 1,960                     |
| Total Business-Type Activities    | <u>\$ 202,992</u>       | <u>\$ 93,473</u>    | <u>\$ (68,429)</u>  | <u>\$ 228,036</u>        | <u>\$ 61,205</u>          |

**Note 13 – Bonds Payable**

Bonds are long-term liabilities and are reconciling items from fund financial statements to government-wide financial statements. On the Government-Wide Statement of Net Assets, the long-term liabilities are shown as the amounts due within one year from the date of the statement and the amounts due in more than one year from the date of the statement. These bonds are included as long-term liabilities because the principal and interest payments required for retirement of the bonds are made from governmental funds.

**General Obligation Bonds:**

The Board of Fund Commissioner's of the State of Missouri, upon voter approval and subsequent authorization of the General Assembly, issues general obligation bonds that are secured by a pledge of the full faith, credit and resources of the State. The principal and interest amounts are transferred one year in advance from the General Fund to the Debt Service Funds from which principal and interest payments are made. Four types of general obligation bonds are currently outstanding. The Water Pollution Control Bonds are used to provide funds for the protection of the environment through the control of water pollution. The total amount authorized for issue is \$725,000,000. Proceeds from the \$600,000,000 Third State Building Bonds were used to provide funds for improvements of State buildings and property. Proceeds from the \$250,000,000 Fourth State Building Bonds are used to provide funds for improvements of buildings and property of higher education institutions, Department of Corrections, and the Division of Youth Services. Proceeds from the Stormwater Control Bonds are used to provide funds to protect the environment through the control of stormwater. The total amount authorized for issue is \$200,000,000.

**STATE OF MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2003**

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**Note 13 – Bonds Payable (cont.)**

To take advantage of lower interest rates, the Board of Fund Commissioners has issued bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Board (in thousands of dollars):

|                                | <u>Date<br/>Issued</u> | <u>Amount<br/>Issued</u> | <u>Series<br/>Refunded</u> | <u>Amount<br/>Refunded</u> |
|--------------------------------|------------------------|--------------------------|----------------------------|----------------------------|
| Water Pollution Control Bonds: |                        |                          |                            |                            |
| Series A 1987 Refunding        | 8/1/87                 | \$ 49,715                | A 1981                     | \$ 16,940                  |
|                                |                        |                          | B 1983                     | 9,625                      |
|                                |                        |                          | A 1985                     | 19,575                     |
| Series B 1991 Refunding        | 11/1/91                | 17,435                   | A 1983                     | 16,415                     |
| Series C 1991 Refunding        | 11/1/91                | 33,575                   | B 1987                     | 30,695                     |
| Series B 1992 Refunding        | 8/15/92                | 50,435                   | A 1986                     | 46,400                     |
| Series B 1993 Refunding        | 8/1/93                 | 109,415                  | A 1987 Refunding           | 33,240                     |
|                                |                        |                          | A 1989                     | 27,280                     |
|                                |                        |                          | A 1991                     | 27,350                     |
|                                |                        |                          | B 1991 Refunding           | 11,355                     |
| Series B 2002 Refunding        | 10/15/02               | 147,710                  | C 1991 Refunding           | 21,875                     |
|                                |                        |                          | A 1992                     | 26,560                     |
|                                |                        |                          | B 1992 Refunding           | 33,595                     |
|                                |                        |                          | A 1993                     | 22,350                     |
|                                |                        |                          | A 1995                     | 22,520                     |
|                                |                        |                          | A 1996                     | 25,900                     |
| Third State Building Bonds:    |                        |                          |                            |                            |
| Series A 1987 Refunding        | 8/1/87                 | 170,115                  | B 1983                     | 33,675                     |
|                                |                        |                          | A 1984                     | 48,130                     |
|                                |                        |                          | A 1985                     | 73,375                     |
| Series A 1991 Refunding        | 11/1/91                | 34,870                   | A 1983                     | 32,835                     |
| Series B 1991 Refunding        | 11/1/91                | 71,955                   | B 1987                     | 65,780                     |
| Series A 1992 Refunding        | 8/15/92                | 273,205                  | A 1986                     | 251,355                    |
| Series A 1993 Refunding        | 8/1/93                 | 148,480                  | A 1987 Refunding           | 113,725                    |
|                                |                        |                          | A 1991 Refunding           | 22,935                     |
| Series A 2002 Refunding        | 10/15/02               | 211,630                  | B 1991 Refunding           | 47,320                     |
|                                |                        |                          | A 1992 Refunding           | 181,170                    |
| Fourth State Building Bonds:   |                        |                          |                            |                            |
| Series A 2002 Refunding        | 10/15/02               | 154,840                  | A 1995                     | 56,300                     |
|                                |                        |                          | A 1996                     | 92,485                     |

The additional principal amount of the refunding bonds does not decrease the amount of the authorization.

As of June 30, 2003, \$544,494,240 of the Water Pollution Control Bonds; \$600,000,000 of the Third State Building Bonds; \$250,000,000 of the Fourth State Building Bonds; and \$45,000,000 of the Stormwater Control Bonds have been issued. The remaining authorization for the Water Pollution Control Bonds is \$180,505,760 and Stormwater Control Bonds is \$155,000,000. There is no remaining authorization for the Third State Building Bonds and the Fourth State Buildings Bonds.

**STATE OF MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2003**

**Note 13 – Bonds Payable (cont.)**

General obligation bonds issued and outstanding as of June 30, 2003, were as follows (in thousands of dollars):

|                                       | Interest<br>Rates | Payment<br>Dates | Issue<br>Date | Final<br>Maturity<br>Date | Issued              | Outstanding       |
|---------------------------------------|-------------------|------------------|---------------|---------------------------|---------------------|-------------------|
| <b>Water Pollution Control Bonds:</b> |                   |                  |               |                           |                     |                   |
| Series A 1993                         | 4.3 – 7.3%        | 2/1; 8/1         | 8/93          | 8/1/18                    | \$ 30,000           | \$ 945            |
| Series B 1993 – Refunding             | 4.3 – 7.3%        | 2/1; 8/1         | 8/93          | 8/1/16                    | 109,415             | 83,540            |
| Series A 1995                         | 5.125– 8.0%       | 4/1; 10/1        | 4/95          | 4/1/20                    | 30,000              | 1,850             |
| Series A 1996                         | 5.2 – 6.25%       | 2/1; 8/1         | 8/96          | 8/1/21                    | 35,000              | 4,125             |
| Series A 1998                         | 4.25 – 6.25%      | 12/1; 6/1        | 6/98          | 6/1/23                    | 35,000              | 30,660            |
| Series A 1999                         | 4.5 – 7.5%        | 10/1; 4/1        | 10/99         | 10/1/24                   | 20,000              | 18,615            |
| Series A 2001                         | 4.0 – 7.0%        | 12/1; 6/1        | 6/01          | 6/1/26                    | 20,000              | 19,045            |
| Series A 2002                         | 3.0 – 5.25%       | 2/1; 8/1         | 8/02          | 8/1/27                    | 30,000              | 30,000            |
| Series B 2002 – Refunding             | 3.375– 5.0%       | 4/1; 10/1        | 10/02         | 10/1/21                   | 147,710             | 147,710           |
| <b>Third State Building Bonds:</b>    |                   |                  |               |                           |                     |                   |
| Series A 1993 – Refunding             | 4.3 – 7.3%        | 2/1; 8/1         | 8/93          | 8/1/12                    | 148,480             | 91,475            |
| Series A 2002 – Refunding             | 4.0 – 5.0%        | 4/1; 10/1        | 10/02         | 10/1/12                   | 211,630             | 211,630           |
| <b>Fourth State Building Bonds:</b>   |                   |                  |               |                           |                     |                   |
| Series A 1995                         | 5.125– 8.0%       | 4/1; 10/1        | 4/95          | 4/1/20                    | 75,000              | 4,625             |
| Series A 1996                         | 5.2 – 6.25%       | 2/1; 8/1         | 8/96          | 8/1/21                    | 125,000             | 14,745            |
| Series A 1998                         | 4.25 – 6.25%      | 12/1; 6/1        | 6/98          | 6/1/23                    | 50,000              | 43,805            |
| Series A 2002 – Refunding             | 3.375– 5.0%       | 4/1; 10/1        | 10/02         | 10/1/21                   | 154,840             | 154,840           |
| <b>Stormwater Control Bonds:</b>      |                   |                  |               |                           |                     |                   |
| Series A 1999                         | 4.5 – 7.5%        | 10/1; 4/1        | 10/99         | 10/1/24                   | 20,000              | 18,615            |
| Series A 2001                         | 4.0 – 7.0%        | 12/1; 6/1        | 6/01          | 6/1/26                    | 10,000              | 9,520             |
| Series A 2002                         | 3.0 – 5.25%       | 2/1; 8/1         | 8/02          | 8/1/27                    | 15,000              | 15,000            |
| Total General<br>Obligation Bonds     |                   |                  |               |                           | <u>\$ 1,267,075</u> | <u>\$ 900,745</u> |

As of June 30, 2003, general obligation debt service requirements for principal and interest in future years were as follows (in thousands of dollars):

| Fiscal Year<br>Ended June 30 | Principal         | Interest          | Totals              |
|------------------------------|-------------------|-------------------|---------------------|
| 2004                         | \$ 40,015         | \$ 42,724         | \$ 82,739           |
| 2005                         | 64,275            | 40,246            | 104,521             |
| 2006                         | 67,050            | 36,977            | 104,027             |
| 2007                         | 72,340            | 33,505            | 105,845             |
| 2008                         | 78,840            | 29,998            | 108,838             |
| 2009–2013                    | 285,105           | 100,289           | 385,394             |
| 2014–2018                    | 153,775           | 53,012            | 206,787             |
| 2019–2023                    | 114,950           | 18,670            | 133,620             |
| 2024–2028                    | 24,395            | 2,587             | 26,982              |
| Totals                       | <u>\$ 900,745</u> | <u>\$ 358,008</u> | <u>\$ 1,258,753</u> |

**STATE OF MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2003**

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**Note 13 – Bonds Payable (cont.)**

Other Bonds:

The Board of Public Buildings of the State of Missouri, upon the approval of the General Assembly, issues revenue bonds for building projects and commits State agencies to lease space in these buildings. The General Assembly appropriates to the Board, on behalf of the State agencies, amounts sufficient to pay the principal and interest on the bonds, maintain certain required reserves and to pay the costs of operations. The total amount authorized for the Board equals \$825,000,000.

To take advantage of lower interest rates, the Board of Public Buildings has issued bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Board (in thousands of dollars):

|                            | <u>Date<br/>Issued</u> | <u>Amount<br/>Issued</u> | <u>Series<br/>Refunded</u> | <u>Amount<br/>Refunded</u> |
|----------------------------|------------------------|--------------------------|----------------------------|----------------------------|
| Board of Public Buildings: |                        |                          |                            |                            |
| Series A 1983 Refunding    | 10/1/83                | \$ 43,445                | A 1981                     | \$ 43,445                  |
| Series A 1985 Refunding    | 12/1/85                | 150,560                  | 1966                       | 2,160                      |
|                            |                        |                          | 1967                       | 825                        |
|                            |                        |                          | A 1978                     | 11,745                     |
|                            |                        |                          | A 1979                     | 2,260                      |
|                            |                        |                          | A 1980                     | 3,795                      |
|                            |                        |                          | A 1983 Refunding           | 39,875                     |
|                            |                        |                          | A 1984                     | 89,900                     |
| Series A 1991 Refunding    | 12/1/91                | 148,500                  | A 1985 Refunding           | 107,700                    |
|                            |                        |                          | A 1988                     | 19,165                     |
|                            |                        |                          | B 1988                     | 2,550                      |
|                            |                        |                          | C 1988                     | 2,145                      |
| Series A 2001 Refunding    | 10/1/01                | 83,465                   | A 1991 Refunding           | 86,810                     |

The additional principal amount of the refunding bonds does not decrease the amount of the authorization.

As of June 30, 2003, the Board of Public Buildings Bonds had used \$751,205,000 of the bond authorization. The remaining authorization is \$73,795,000.

The Board of Public Buildings Bonds issued and outstanding as of June 30, 2003, were as follows (in thousands of dollars):

|  | <u>Interest<br/>Rates</u> | <u>Payment<br/>Dates</u> | <u>Issue<br/>Date</u> | <u>Final<br/>Maturity<br/>Date</u> | <u>Issued</u>     | <u>Outstanding</u> |
|--|---------------------------|--------------------------|-----------------------|------------------------------------|-------------------|--------------------|
| Board of Public Buildings:               |                           |                          |                       |                                    |                   |                    |
| Series A 2001                            | 4.25 – 5.5%               | 5/1; 11/1                | 5/01                  | 5/1/26                             | \$ 173,870        | \$ 166,140         |
| Series B 2001 – Refunding                | 3.5 – 5.5%                | 6/1; 12/1                | 10/01                 | 12/1/12                            | 83,465            | 75,920             |
| Series A 2003                            | 4.0 – 6.0%                | 4/15;10/15               | 4/03                  | 10/15/28                           | 387,425           | 387,425            |
| Total Board of Public<br>Buildings Bonds |                           |                          |                       |                                    | <u>\$ 644,760</u> | <u>\$ 629,485</u>  |

**STATE OF MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2003**

**Note 13 – Bonds Payable (cont.)**

As of June 30, 2003, the debt service requirements for principal and interest in future years for the Board of Public Buildings Bonds were as follows (in thousands of dollars):

| <u>Fiscal Year<br/>Ended June 30</u> | <u>Principal</u>  | <u>Interest</u>   | <u>Totals</u>       |
|--------------------------------------|-------------------|-------------------|---------------------|
| 2004                                 | \$ 13,005         | \$ 30,616         | \$ 43,621           |
| 2005                                 | 13,560            | 30,506            | 44,066              |
| 2006                                 | 14,130            | 29,892            | 44,022              |
| 2007                                 | 25,715            | 29,043            | 54,758              |
| 2008                                 | 26,535            | 27,764            | 54,299              |
| 2009–2013                            | 117,950           | 118,672           | 236,622             |
| 2014–2018                            | 109,060           | 90,206            | 199,266             |
| 2019–2023                            | 136,105           | 60,528            | 196,633             |
| 2024–2028                            | 147,245           | 24,175            | 171,420             |
| 2029                                 | 26,180            | 622               | 26,802              |
| <b>Totals</b>                        | <b>\$ 629,485</b> | <b>\$ 442,024</b> | <b>\$ 1,071,509</b> |

The Health and Educational Facilities Authority issued \$35,000,000 of Educational Facilities Revenue Bonds (University of Missouri–Columbia Arena Project), Series 2001, dated November 1, 2001. These bonds are limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement dated November 1, 2001, the Office of Administration will request that the Governor’s annual budget request to the General Assembly include the State’s financing amount for principal and interest each year. These bonds are included as Long-Term Liabilities since they will be repaid with moneys from the General Fund.

The Educational Facilities Revenue Bonds issued and outstanding as of June 30, 2003 were as follows (in thousands of dollars):

|   | <u>Interest<br/>Rates</u> | <u>Payment<br/>Dates</u> | <u>Issue<br/>Date</u> | <u>Final<br/>Maturity<br/>Date</u> | <u>Issued</u> | <u>Outstanding</u> |
|---|---------------------------|--------------------------|-----------------------|------------------------------------|---------------|--------------------|
| Educational Facilities<br>Revenue Bonds:<br>Series 2001 | 3.0 – 5.0%                | 5/1; 11/1                | 11/01                 | 11/1/21                            | \$ 35,000     | \$ 35,000          |

As of June 30, 2003, the debt service requirement of the State for principal and interest in future years for the Educational Facilities Revenue Bonds (based on the financing agreement between the State and the Authority) were as follows (in thousands of dollars):

| <u>Fiscal Year<br/>Ended June 30</u> | <u>Principal</u> | <u>Interest</u>  | <u>Totals</u>    |
|--------------------------------------|------------------|------------------|------------------|
| 2004                                 | \$ ---           | \$ 1,554         | \$ 1,554         |
| 2005                                 | 1,335            | 1,534            | 2,869            |
| 2006                                 | 1,380            | 1,493            | 2,873            |
| 2007                                 | 1,430            | 1,450            | 2,880            |
| 2008                                 | 1,485            | 1,402            | 2,887            |
| 2009–2013                            | 8,435            | 5,972            | 14,407           |
| 2014–2018                            | 10,505           | 3,844            | 14,349           |
| 2019–2022                            | 10,430           | 1,034            | 11,464           |
| <b>Totals</b>                        | <b>\$ 35,000</b> | <b>\$ 18,283</b> | <b>\$ 53,283</b> |

**STATE OF MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2003**

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**Note 13 – Bonds Payable (cont.)**

The Regional Convention and Sports Complex Authority issued \$132,910,000 of Convention and Sports Facility Project Bonds, Series A 1991, dated August 15, 1991. On December 15, 1993, the Authority issued \$121,705,000 of Convention and Sports Facility Project Refunding Bonds, Series A 1993, for the purpose of refunding the callable portions of the outstanding bonds issued in August 1991 and to pay the costs of additions and enhancements to the project. The outstanding principal amount refunded was \$101,410,000. These bonds are limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement dated August 1, 1991, the Office of Administration will request that the Governor’s annual budget request to the General Assembly include the State’s financing amount of \$10,000,000 for principal and interest and \$2,000,000 for maintenance each year. These bonds are included as Long-Term Liabilities since they will be repaid with moneys from the General Fund.

The Convention and Sports Facility Project Bonds issued and outstanding as of June 30, 2003 were as follows (in thousands of dollars):

|   | <u>Interest<br/>Rates</u> | <u>Payment<br/>Dates</u> | <u>Issue<br/>Date</u> | <u>Final<br/>Maturity<br/>Date</u> | <u>Issued</u>     | <u>Outstanding</u> |
|---|---------------------------|--------------------------|-----------------------|------------------------------------|-------------------|--------------------|
| Convention and Sports<br>Facility Project Bonds:      |                           |                          |                       |                                    |                   |                    |
| Series A 1991   | 4.9 – 6.9%                | 2/15; 8/15               | 8/91                  | 8/15/03                            | \$ 132,910        | \$ 2,845           |
| Series A 1993 – Refunding                             | 2.75 – 5.6%               | 2/15; 8/15               | 12/93                 | 8/15/21                            | <u>121,705</u>    | <u>113,170</u>     |
| Total Convention and<br>Sports Facility Project Bonds |                           |                          |                       |                                    | <u>\$ 254,615</u> | <u>\$ 116,015</u>  |

As of June 30, 2003, the debt service requirement of the State for principal and interest in future years for the Convention and Sports Facility Project Bonds (based on the financing agreement between the State and the Authority) were as follows (in thousands of dollars):

| <u>Fiscal Year<br/>Ended June 30</u> | <u>Principal</u>  | <u>Interest</u>  | <u>Totals</u>     |
|--------------------------------------|-------------------|------------------|-------------------|
| 2004                                 | \$ 3,655          | \$ 6,345         | \$ 10,000         |
| 2005                                 | 3,880             | 6,120            | 10,000            |
| 2006                                 | 4,065             | 5,935            | 10,000            |
| 2007                                 | 4,265             | 5,735            | 10,000            |
| 2008                                 | 4,480             | 5,520            | 10,000            |
| 2009–2013                            | 26,280            | 18,720           | 45,000            |
| 2014–2018                            | 34,360            | 10,640           | 45,000            |
| 2019–2022                            | <u>35,030</u>     | <u>9,970</u>     | <u>45,000</u>     |
| Totals                               | <u>\$ 116,015</u> | <u>\$ 68,985</u> | <u>\$ 185,000</u> |

**STATE OF MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2003**

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**Note 13 – Bonds Payable (cont.)**

The Missouri Highways and Transportation Commission authorized by Section 226.133 of the State Highway Act, issues bonds for highway construction and repairs. Under the Missouri Constitution, the principal and interest of the State Road Bonds are payable solely from the revenues of the State Road Fund.

The total amount authorized for the Commission equals \$2,250,000,000. On December 1, 2000, the Commission issued \$250,000,000 principal amount of State Road Bonds, Series A 2000. In October 2001, the Commission issued \$200,000,000 principal amount of State Road Bonds, Series A 2001. State Road Bonds, Series A 2002, were issued by the Commission in June 2002 with principal amount of \$203,000,000. As of June 2003, the Missouri Highways and Transportation Commission had used \$653,000,000 of the bond authorization.

The State Road Bonds issued and outstanding as of June 30, 2003, were as follows (in thousands of dollars):

|   | <u>Interest Rates</u> | <u>Payment Dates</u> | <u>Issue Date</u> | <u>Final Maturity Date</u> | <u>Issued</u>     | <u>Outstanding</u> |
|---|-----------------------|----------------------|-------------------|----------------------------|-------------------|--------------------|
| Missouri Highways and Transportation Commission:      |                       |                      |                   |                            |                   |                    |
| State Road Bonds                                      |                       |                      |                   |                            |                   |                    |
| Series A 2000   | 4.30–5.625%           | 2/1; 8/1             | 12/00             | 2/1/20                     | \$ 250,000        | \$ 234,875         |
| Series A 2001   | 2.25–5.125%           | 2/1; 8/1             | 10/01             | 2/1/21                     | 200,000           | 192,580            |
| Series A 2002   | 3.00–5.25%            | 2/1; 8/1             | 6/02              | 2/1/22                     | <u>203,000</u>    | <u>203,000</u>     |
| Total Missouri Highways and Transportation Commission |                       |                      |                   |                            | <u>\$ 653,000</u> | <u>\$ 630,455</u>  |

As of June 30, 2003 debt service requirements for principal and interest in future years for the Missouri Highways and Transportation Commission State Road Bonds were as follows (in thousands of dollars):

| <u>Fiscal Year Ended June 30</u> | <u>Principal</u>  | <u>Interest</u>   | <u>Totals</u>     |
|----------------------------------|-------------------|-------------------|-------------------|
| 2004                             | \$ 23,455         | \$ 31,086         | \$ 54,541         |
| 2005                             | 24,375            | 30,126            | 54,501            |
| 2006                             | 25,340            | 29,154            | 54,494            |
| 2007                             | 26,400            | 28,107            | 54,507            |
| 2008                             | 27,405            | 26,953            | 54,358            |
| 2009–2013                        | 158,015           | 113,757           | 271,772           |
| 2014–2018                        | 202,380           | 69,528            | 271,908           |
| 2019–2022                        | <u>143,085</u>    | <u>15,337</u>     | <u>158,422</u>    |
| Totals                           | <u>\$ 630,455</u> | <u>\$ 344,048</u> | <u>\$ 974,503</u> |

**STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003**

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**Note 13 – Bonds Payable (cont.)**

**Component Units' Long-Term Debt** – The following bonds are included in the balance sheet of the College and University Funds and the Non-Major Component Units.

Major

College and University Funds:

The colleges and universities of the State issue revenue bonds for various projects on each respective campus. Bonds are payable, both principal and interest, only out of net income and revenues arising from operations of facilities funded by the bonds. As of June 30, 2003, debt service requirements for principal and interest for the colleges and universities were as follows (in thousands of dollars):

| <u>Fiscal Year<br/>Ended June 30</u> | <u>Principal</u>  | <u>Interest</u>   | <u>Totals</u>       |
|--------------------------------------|-------------------|-------------------|---------------------|
| 2004                                 | \$ 23,236         | \$ 34,442         | \$ 57,678           |
| 2005                                 | 24,523            | 33,493            | 58,016              |
| 2006                                 | 26,132            | 32,478            | 58,610              |
| 2007                                 | 26,821            | 31,391            | 58,212              |
| 2008                                 | 25,965            | 30,239            | 56,204              |
| 2009–2013                            | 137,197           | 132,460           | 269,657             |
| 2014–2018                            | 148,326           | 98,167            | 246,493             |
| 2019–2023                            | 134,225           | 63,258            | 197,483             |
| 2024–2028                            | 128,775           | 30,340            | 159,115             |
| 2029                                 | <u>80,970</u>     | <u>7,877</u>      | <u>88,847</u>       |
| Totals <sup>(1)</sup>                | <u>\$ 756,170</u> | <u>\$ 494,145</u> | <u>\$ 1,250,315</u> |

<sup>(1)</sup> The bond schedule does not include notes payable, therefore, it differs from the bonds and notes payable amount reported in the statements.

Non-Major

Development Finance Board:

On July 1, 2000, the Development Finance Board issued \$7,700,000 in Infrastructure Facilities Grant Anticipation Bonds, Series 2000A. The Series 2000A bonds is not an obligation of the Board and do not constitute a pledge of the full faith and credit of the State. In December 2000, the Board issued \$39,555,000 in Facilities Revenue Bonds for the purpose of paying the costs of acquiring and constructing a convention center hotel and hotel garage in St. Louis. Bonds are payable, both principal and interest, only out of revenues derived from the operation of the convention center.

The Development Finance Board Revenue Bonds issued and outstanding as of June 30, 2003, were as follows (in thousands of dollars):

|   | <u>Interest<br/>Rates</u> | <u>Payment<br/>Dates</u> | <u>Issue<br/>Date</u> | <u>Final<br/>Maturity<br/>Date</u> | <u>Issued</u>    | <u>Outstanding</u> |
|---|---------------------------|--------------------------|-----------------------|------------------------------------|------------------|--------------------|
| Development Finance Board:                          |                           |                          |                       |                                    |                  |                    |
| Revenue Bonds                                       |                           |                          |                       |                                    |                  |                    |
| Series 2000A  | 5.75%                     | 8/1                      | 7/00                  | 8/1/04                             | \$ 7,700         | \$ 7,700           |
| Series 2000B  | up to 8.5%                | 12/1                     | 12/00                 | 12/1/20                            | 6,500            | 6,500              |
| Series 2000C  | up to 6.7%                | 12/1                     | 12/00                 | 12/1/20                            | <u>14,600</u>    | <u>14,600</u>      |
| Total Development<br>Finance Board<br>Revenue Bonds |                           |                          |                       |                                    | <u>\$ 28,800</u> | <u>\$ 28,800</u>   |

**STATE OF MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2003**

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**Note 13 – Bonds Payable (cont.)**

As of June 30, 2003, the debt service requirements for principal and interest in future years for the Development Finance Board Revenue Bonds were as follows (in thousands of dollars):

| <u>Fiscal Year<br/>Ended June 30</u> | <u>Principal</u> | <u>Interest</u>  | <u>Totals</u>    |
|--------------------------------------|------------------|------------------|------------------|
| 2004                                 | \$ ---           | \$ 2,237         | \$ 2,237         |
| 2005                                 | 7,700            | 2,019            | 9,719            |
| 2006                                 | ---              | 1,793            | 1,793            |
| 2007                                 | 300              | 1,793            | 2,093            |
| 2008                                 | 300              | 1,768            | 2,068            |
| 2009–2013                            | 1,600            | 8,467            | 10,067           |
| 2014–2018                            | 2,100            | 7,697            | 9,797            |
| 2019–2021                            | 16,800           | 4,135            | 20,935           |
| <b>Totals</b>                        | <b>\$ 28,800</b> | <b>\$ 29,909</b> | <b>\$ 58,709</b> |

In December 2002, the Development Finance Board purchased a rate cap agreement of 8.5% for Series 2000B bonds and 6.7% for Series 2000C bonds with an expiration date of December 1, 2007. The Board has the option in the future to restructure the bond debt to acquire a fixed interest rate. The annual debt service schedule above uses an interest rate of 8.5% for the Series 2000B and Series 2000C bonds, which represents the maximum interest rate under the rate cap agreement.

Under a financing agreement dated July 1, 2000, the Missouri Highways and Transportation Commission will make payments to the Development Finance Board in the amount of \$7,700,000 to pay the principal on the Series 2000A bond. The future payments to the Corporation are as follows (in thousands of dollars):

| <u>Fiscal Year<br/>Ended June 30</u> | <u>Commission<br/>Payments</u> |
|--------------------------------------|--------------------------------|
| 2004                                 | \$ ---                         |
| 2005                                 | 7,700                          |
| <b>Totals</b>                        | <b>\$ 7,700</b>                |

**Transportation Corporations:**

The Fulton 54 Transportation Corporation issued \$8,705,000 of Highway Revenue Bonds Series 2000 dated September 1, 2000. These bonds are not an obligation of the Corporation and do not constitute a pledge of the full faith and credit of the State.

The Fulton 54 Transportation Corporation Highway Revenue Bonds issued and outstanding as of June 30, 2003, were as follows (in thousands of dollars):

|  | <u>Interest<br/>Rates</u> | <u>Payment<br/>Dates</u> | <u>Issue<br/>Date</u> | <u>Final<br/>Maturity<br/>Date</u> | <u>Issued</u> | <u>Outstanding</u> |
|--|---------------------------|--------------------------|-----------------------|------------------------------------|---------------|--------------------|
| Fulton 54 Transportation Corporation:<br>Highway Revenue Bonds Series 2000 | 4.60–5.00%                | 9/1                      | 9/00                  | 9/1/07                             | \$ 8,705      | \$ 8,705           |

**STATE OF MISSOURI  
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June 30, 2003**

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**Note 13 – Bonds Payable (cont.)**

As of June 30, 2003, debt service requirements for principal and interest in future years for the Fulton 54 Transportation Corporation Revenue Bonds were as follows (in thousands of dollars):

| <u>Fiscal Year<br/>Ended June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u>   |
|--------------------------------------|------------------|-----------------|-----------------|
| 2004                                 | \$ ---           | \$ 412          | \$ 412          |
| 2005                                 | 2,165            | 363             | 2,528           |
| 2006                                 | 2,165            | 262             | 2,427           |
| 2007                                 | 2,180            | 158             | 2,338           |
| 2008                                 | <u>2,195</u>     | <u>52</u>       | <u>2,247</u>    |
| Totals                               | <u>\$ 8,705</u>  | <u>\$ 1,247</u> | <u>\$ 9,952</u> |

Under a financing agreement dated September 1, 2000, the Missouri Highways and Transportation Commission will make payments to the Fulton 54 Transportation Corporation in the amount of \$7,695,000 to pay a portion of the principal on the bonds. The future payments to the Corporation are as follows (in thousands of dollars):

| <u>Fiscal Year<br/>Ended June 30</u> | <u>Commission<br/>Payments</u> |
|--------------------------------------|--------------------------------|
| 2004                                 | \$ ---                         |
| 2005                                 | 2,165                          |
| 2006                                 | 2,165                          |
| 2007                                 | 2,165                          |
| 2008                                 | <u>1,200</u>                   |
| Totals                               | <u>\$ 7,695</u>                |

The Missouri Highway 179 Transportation Corporation issued \$22,930,000 of Highway Revenue Bonds Series 1997 dated September 1, 1997. These bonds are not an obligation of the Corporation and do not constitute a pledge of the full faith and credit of the State.

The Missouri Highway 179 Transportation Corporation Highway Revenue Bonds issued and outstanding as of June 30, 2003, were as follows (in thousands of dollars):

|   | <u>Interest<br/>Rates</u> | <u>Payment<br/>Dates</u> | <u>Issue<br/>Date</u> | <u>Final<br/>Maturity<br/>Date</u> | <u>Issued</u>    | <u>Outstanding</u> |
|---|---------------------------|--------------------------|-----------------------|------------------------------------|------------------|--------------------|
| Missouri Highway 179<br>Transportation Corporation:<br>Highway Revenue Bonds<br>Series 1997 | 3.95 – 5.25%              | 3/1; 9/1                 | 9/97                  | 9/1/08                             | <u>\$ 22,930</u> | <u>\$ 14,915</u>   |

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**Note 13 – Bonds Payable (cont.)**

As of June 30, 2003, debt service requirements for principal and interest in future years for the Missouri Highway 179 Transportation Corporation Highway Revenue Bonds were as follows (in thousands of dollars):

| <u>Fiscal Year<br/>Ended June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u>    |
|--------------------------------------|------------------|-----------------|------------------|
| 2004                                 | \$ 2,220         | \$ 664          | \$ 2,884         |
| 2005                                 | 2,315            | 563             | 2,878            |
| 2006                                 | 2,420            | 456             | 2,876            |
| 2007                                 | 2,530            | 344             | 2,874            |
| 2008                                 | 2,645            | 216             | 2,861            |
| 2009                                 | <u>2,785</u>     | <u>73</u>       | <u>2,858</u>     |
| Totals                               | <u>\$ 14,915</u> | <u>\$ 2,316</u> | <u>\$ 17,231</u> |

Under a financing agreement dated August 1, 1997, the Missouri Highways and Transportation Commission will make payments to the Highway 179 Transportation Corporation in the amount of \$24,910,000 to pay a portion of the principal and interest on the bonds. The remaining payments are as follows (in thousands of dollars):

| <u>Fiscal Year<br/>Ended June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Commission's<br/>Total<br/>Payments</u> |
|--------------------------------------|------------------|-----------------|--|
| 2004                                 | \$ 1,824         | \$ 546          | \$ 2,370                                   |
| 2005                                 | 1,782            | 658             | 2,440                                      |
| 2006                                 | 1,755            | 759             | 2,514                                      |
| 2007                                 | 1,709            | 880             | 2,589                                      |
| 2008                                 | 1,580            | 1,087           | 2,667                                      |
| 2009                                 | <u>1,742</u>     | <u>1,358</u>    | <u>3,100</u>                               |
| Totals                               | <u>\$ 10,392</u> | <u>\$ 5,288</u> | <u>\$ 15,680</u>                           |

In April 1997, the Springfield, MO State Highway Improvement Corporation issued \$16,440,000 of Transportation Revenue Bonds, Series 1997. On August 1, 1999, the Corporation issued \$17,240,000 of Transportation Revenue Bonds, Series 1999. These bonds are not an obligation of the Corporation and do not constitute a pledge of the full faith and credit of the State.

The Springfield, MO State Highway Improvement Corporation Transportation Revenue Bonds issued and outstanding as of June 30, 2003, were as follows (in thousands of dollars):

|  | <u>Interest<br/>Rates</u> | <u>Payment<br/>Dates</u> | <u>Issue<br/>Date</u> | <u>Final<br/>Maturity<br/>Date</u> | <u>Issued</u>    | <u>Outstanding</u> |
|--|---------------------------|--------------------------|-----------------------|------------------------------------|------------------|--------------------|
| Springfield, MO State Highway<br>Improvement Corporation:<br>Transportation Revenue<br>Bonds Series 1997 | 5.0 – 5.25%               | 2/1; 8/1                 | 4/97                  | 8/1/03                             | \$ 16,440        | \$ 2,520           |
| Bonds Series 1999  | 3.6 – 4.75%               | 2/1; 8/1                 | 8/99                  | 8/1/05                             | <u>17,240</u>    | <u>11,580</u>      |
| Total Springfield, MO<br>State Highway Improvement<br>Corporation Bonds                                  |                           |                          |                       |                                    | <u>\$ 33,680</u> | <u>\$ 14,100</u>   |

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**Note 13 – Bonds Payable (cont.)**

As of June 30, 2003, debt service requirements for principal and interest in future years for the Springfield, MO State Highway Improvement Corporation Transportation Revenue Bonds were as follows (in thousands of dollars):

| <u>Fiscal Year<br/>Ended June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u>    |
|--------------------------------------|------------------|-----------------|------------------|
| 2004                                 | \$ 5,630         | \$ 527          | \$ 6,157         |
| 2005                                 | 5,000            | 275             | 5,275            |
| 2006                                 | <u>3,470</u>     | <u>78</u>       | <u>3,548</u>     |
| Totals                               | <u>\$ 14,100</u> | <u>\$ 880</u>   | <u>\$ 14,980</u> |

Under an amended financing agreement dated August 5, 1999, the Missouri Highways and Transportation Commission will make payments to the Springfield, MO Highway Improvement Corporation in the amount of \$28,667,000 to pay a portion of the principal of the bonds. The remaining payments are as follows (in thousands of dollars):

| <u>Fiscal Year<br/>Ended June 30</u> | <u>Commission<br/>Payments</u> |
|--------------------------------------|--------------------------------|
| 2004                                 | \$ 5,000                       |
| 2005                                 | 5,000                          |
| 2006                                 | <u>3,667</u>                   |
| Totals                               | <u>\$ 13,667</u>               |

The Wentzville Parkway Transportation Corporation issued \$12,935,000 of Transportation Revenue Bonds, Series 2001 dated May 1, 2001. These bonds are not an obligation of the Corporation and do not constitute a pledge of the full faith and credit of the State.

The Wentzville Parkway Transportation Corporation Transportation Revenue Bonds issued and outstanding as of June 30, 2003, were as follows (in thousands of dollars):

|  | <u>Interest<br/>Rates</u> | <u>Payment<br/>Dates</u> | <u>Issue<br/>Date</u> | <u>Final<br/>Maturity<br/>Date</u> | <u>Issued</u>    | <u>Outstanding</u> |
|--|---------------------------|--------------------------|-----------------------|------------------------------------|------------------|--------------------|
| Wentzville Parkway<br>Transportation Corporation:<br>Transportation Revenue<br>Bonds Series 2001 | 3.4 – 4.9%                | 2/1; 8/1                 | 5/01                  | 8/1/10                             | <u>\$ 12,935</u> | <u>\$ 12,590</u>   |

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**Note 13 – Bonds Payable (cont.)**

As of June 30, 2003, debt service requirements for principal and interest in future years for the Wentzville Parkway Transportation Corporation Transportation Revenue Bonds were as follows (in thousands of dollars):

| <u>Fiscal Year<br/>Ended June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u>    |
|--------------------------------------|------------------|-----------------|------------------|
| 2004                                 | \$ 80            | \$ 570          | \$ 650           |
| 2005                                 | 85               | 566             | 651              |
| 2006                                 | 100              | 562             | 662              |
| 2007                                 | 8,935            | 362             | 9,297            |
| 2008                                 | 485              | 152             | 637              |
| 2009–2011                            | <u>2,905</u>     | <u>278</u>      | <u>3,183</u>     |
| Totals                               | <u>\$ 12,590</u> | <u>\$ 2,490</u> | <u>\$ 15,080</u> |

Under a funding agreement dated April 6, 2001, the Missouri Highways and Transportation Commission will make a fixed sum payment to the Wentzville Parkway Transportation Corporation in the amount of \$8,849,000 to pay a portion of the principal of the bonds. The future payments to the Corporation are as follows (in thousands of dollars):

| <u>Fiscal Year<br/>Ended June 30</u> | <u>Commission<br/>Payments</u> |
|--------------------------------------|--------------------------------|
| 2004                                 | \$ ---                         |
| 2005                                 | ---                            |
| 2006                                 | ---                            |
| 2007                                 | <u>8,849</u>                   |
| Totals                               | <u>\$ 8,849</u>                |

**Bond Transactions of the State of Missouri** – The following schedule is a summary of bond activity for the fiscal year ended June 30, 2003 (in thousands of dollars):

|   | <u>Governmental Funds</u> |                     | <u>Component Units</u> |                     |
|---|---------------------------|---------------------|------------------------|---------------------|
|   | General                   |                     | Revenue Bonds          | Totals              |
|   | Obligation<br>Bonds       | Other<br>Bonds      |                        |                     |
| Bonds Payable at July 1, 2002                 | \$ 923,795                | \$ 1,054,415        | \$ ---                 | \$ 1,978,210        |
| Bond Issuance                                 | 559,180                   | 387,425             | ---                    | 946,605             |
| Bonds Retired                                 | <u>(582,230)</u>          | <u>(30,885)</u>     | ---                    | <u>(613,115)</u>    |
| Subtotal                                      | 900,745                   | 1,410,955           | ---                    | 2,311,700           |
| College and University <sup>(1)</sup>         | ---                       | ---                 | 756,170                | 756,170             |
| Development Finance Board                     | ---                       | ---                 | 28,800                 | 28,800              |
| Fulton 54 Transportation Corporation          | ---                       | ---                 | 8,705                  | 8,705               |
| Highway 179 Transportation Corporation        | ---                       | ---                 | 14,915                 | 14,915              |
| Springfield, MO State Highway Improvement     | ---                       | ---                 | 14,100                 | 14,100              |
| Wentzville Parkway Transportation Corporation | <u>---</u>                | <u>---</u>          | <u>12,590</u>          | <u>12,590</u>       |
| Bonds Payable at June 30, 2003                | <u>\$ 900,745</u>         | <u>\$ 1,410,955</u> | <u>\$ 835,280</u>      | <u>\$ 3,146,980</u> |

<sup>(1)</sup> Detailed information for College and University Funds are not shown.

**STATE OF MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 14 – Defeased Debt**

**A. Current Year Debt Defeasance**

On October 15, 2002, the State of Missouri issued \$147,710,000 in Water Pollution Control General Obligation Refunding Bonds, Series B 2002, with interest rates ranging from 3.375% to 5.00% to refund \$82,030,000 of outstanding Water Pollution Control, Series C 1991–Refunding, Series A 1992 and Series B 1992–Refunding bonds with interest rates ranging from 5.00% to 7.75% and to advance refund \$70,770,000 (callable portions) of outstanding Series A 1993, Series A 1995, and Series A 1996 bonds with interest rates ranging from 4.30% to 8.00%. The securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for the bonds have been removed from the financial statements. The State reduced its total debt service payments over the next 18 years by \$19,050,322 to obtain an economic gain (difference between the present values of the old and the new debt service payments) of \$14,489,404.

On October 15, 2002, the State of Missouri issued \$211,630,000 in Third State Building General Obligation Refunding Bonds, Series A 2002, with interest rates ranging from 4.00% to 5.00% to refund \$228,490,000 of outstanding Third State Building, Series B 1991–Refunding and Series A 1992–Refunding bonds with interest rates ranging from 5.00% to 7.75%. The securities were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for the bonds has been removed from the financial statements. The State reduced its total debt service payments over the next 10 years by \$20,420,109 to obtain an economic gain (difference between the present values of the old and the new debt service payments) of \$17,983,782.

On October 15, 2002, the State of Missouri issued \$154,840,000 in Fourth State Building General Obligation Refunding Bonds, Series A 2002, with interest rates ranging from 3.375% to 5.00% to advance refund \$148,785,000 (callable portions) of outstanding Fourth State Building, Series A 1995 and Series A 1996 bonds with interest rates ranging from 5.125% to 8.00%. The securities were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for the bonds has been removed from the financial statements. The State reduced its total debt service payments over the next 16 years by \$25,998,458 to obtain an economic gain (difference between the present values of the old and the new debt service payments) of \$17,734,348.

On December 23, 2002, Central Missouri State University issued \$14,340,000 of Series 2002, Revenue Bonds. The bonds bear interest at rates of 1.25% to 4.35% paid semiannually. Proceeds from the issuance of these bonds were used to fund the energy savings program and to refund the Library Facility, Series 1995 Bonds. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$667,222. The difference is reported as a deduction from bonds payable and is being amortized to interest expense through the year 2017. The University completed the advance refunding to reduce its total debt service payments over the next 22 years by \$2,356,927 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately \$645,000. On June 30, 2003, \$7,720,000 of bonds outstanding are considered defeased.

STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 14 – Defeased Debt (cont.)**

During fiscal year 2003, Southwest Missouri State University issued \$16,510,000 of Auxiliary Enterprise System Bonds, Series A 2002 and \$5,445,000 of Classroom Buildings Bonds, Series 2002. The Series 2002 Bonds refunded \$5,295,000 of Auxiliary Enterprise System Bonds, Series A 1993, \$14,235,000 of Auxiliary Enterprise System Bonds, Series B 1993, and \$5,155,000 of Classroom Building Bonds, Series 1996. The bonds are considered to be defeased and the liability for these bonds has been removed from the financial statements of the University. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,940,669 for the Auxiliary Enterprise System Bonds and \$488,989 for the Classroom Building Bonds. This difference is reported as a deduction from bonds payable and is being amortized to interest expense through year 2010 for the Auxiliary Enterprise System Bonds and through year 2016 for the Classroom Building Bonds. The University completed the refunding to reduce its total debt service payments over the next 13 years and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,787,134 for the Auxiliary Enterprise System Bonds and \$379,173 for the Classroom Building Bonds. At June 30, 2003, defeased bonds aggregating \$30,470,000 are outstanding.

**B. Prior Year Debt Defeasances**

In prior years, various bond issues were defeased by creating separate irrevocable trust funds.

Either new debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds or sufficient funds have been deposited in an irrevocable escrow to pay principal and interest as they become due.

For financial reporting purposes, the following debt has been defeased and therefore removed as a liability from the Governmental Activities or College and University Funds statement of net assets.

Governmental Activities – As of June 30, 2003, bonds outstanding of \$995,645,000 are defeased.

College and University Funds – As of June 30, 2003, bonds outstanding of \$105,046,000 are defeased.

**STATE OF MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2003**

**Note 15 – Payables and Receivables**

|   | Governmental<br>Activities | Business-Type<br>Activities | Balance<br>June 30, 2003 |
|---|----------------------------|-----------------------------|--------------------------|
| Accounts Payable:                       |                            |                             |                          |
| Taxpayers                               | \$ 96,758                  | \$ ---                      | \$ 96,758                |
| Other Governments                       | 211,344                    | 474                         | 211,818                  |
| Vendors                                 | 781,041                    | 13,332                      | 794,373                  |
| Beneficiaries                           | 40,870                     | ---                         | 40,870                   |
| Employees                               | 102,827                    | 1,405                       | 104,232                  |
| Other                                   | 47,314                     | 185                         | 47,499                   |
| Total Accounts Payable                  | \$ 1,280,154               | \$ 15,396                   | \$ 1,295,550             |
| Accounts Receivable:                    |                            |                             |                          |
| Taxpayers                               | \$ 1,089,721               | \$ 3,082                    | \$ 1,092,803             |
| Other Governments                       | 547,503                    | 261                         | 547,764                  |
| Vendors                                 | 713,735                    | ---                         | 713,735                  |
| Customers                               | 581,434                    | 125,497                     | 706,931                  |
| Other                                   | 61,347                     | 440                         | 61,787                   |
| Accounts Receivable                     | 2,993,740                  | 129,280                     | 3,123,020                |
| Amounts not expected<br>to be collected | (912,048)                  | (16)                        | (912,064)                |
| Accounts Receivable, net                | \$ 2,081,692               | \$ 129,264                  | \$ 2,210,956             |

**Note 16 – Interfund Assets and Liabilities**

A summary of interfund assets and liabilities at June 30, 2003, is shown below (in thousands of dollars):

| Due From/To Other Funds, Component Units,<br>and Primary Government | Assets    | Liabilities |
|---|-----------|-------------|
| General Fund  | \$ 42     | \$ 22,708   |
| Public Education  | 18,615    | 228         |
| Conservation and Environmental Protection                           | 648       | 1,487       |
| Transportation and Law Enforcement                                  | 86        | 1,868       |
| State Road Fund   | 2,928     | 12,536      |
| Non-Major Governmental Funds  | 70        | 1,394       |
| State Lottery   | ---       | 18,706      |
| Petroleum Storage Tank Insurance                                    | ---       | 20          |
| Non-Major Enterprise Funds  | 90        | 432         |
| Internal Service Funds  | 15,497    | 547         |
| Fiduciary Funds   | 30,169    | 18,892      |
| Non-Major Component Units   | 13,602    | 2,929       |
|   | \$ 81,747 | \$ 81,747   |

**STATE OF MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2003**

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**Note 16 – Interfund Assets and Liabilities (cont.)**

Interfund assets and liabilities are recorded for payroll liabilities, group insurance, deferred compensation, retirement, and interfund sales and services. Interfund assets and liabilities are also recorded for transfers of money to Public Education from the State Lottery, to the State Road Fund from Fiduciary Funds, to Conservation and Environmental Protection from the Non-Major Component Units, and between the Non-Major Component Units and the State Road Fund.

| Advances To/From Other Funds, Component Units,<br>and Primary Government | Assets     | Liabilities |
|--|------------|-------------|
| General Fund   | \$ ---     | \$ 49,552   |
| Conservation and Environmental Protection                                | 4,193      | ---         |
| State Road Fund  | 3,333      | 53,187      |
| Fiduciary Funds  | 49,552     | ---         |
| Non-Major Component Units  | 60,877     | 15,216      |
|  | \$ 117,955 | \$ 117,955  |

Interfund advances, which are not expected to be repaid within one year, include \$53.2 million due from the State Road Fund to the Non-Major Component Units, \$49.6 million due from the General Fund to Unclaimed Property, a Fiduciary Fund, \$4.2 million due from the Non-Major Component Units to Conservation and Environmental Protection, \$7.7 million between the Non-Major Component Units, and \$3.3 million due to the State Road Fund from the Non-Major Component Units.

The loans from the Component Units were for the construction of additional state highways. Loans from the Unclaimed Property Fund were to provide for cash flow requirements.

During the consolidation process to the Government-Wide Combined Statement of Net Assets, interfund payables and receivables were eliminated as follows: Business-Type Activities in the amount of \$9,000, Governmental Activities in the amount of \$5,584,000 and Component Units in the amount of \$1,180,000.

Advances between Non-Major Component Units of \$7,690,000 have been eliminated on the Government-Wide Combined Statement of Net Assets.

**STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003**

**Note 17 – Interfund Transfers**

All transfers must be legally authorized by the legislature through transfer appropriations. Interfund transfers for the fiscal year ended June 30, 2003 are as follows (in thousands of dollars):

| <b>Transfers In:</b>                            |                   |                     |  |  |                       |
|---|-------------------|---------------------|--|--|-----------------------|
|   | General<br>Fund   | Public<br>Education | Conservation<br>and<br>Environmental<br>Protection | Transportation<br>and Law<br>Enforcement | State<br>Road<br>Fund |
| <b>Transfers Out:</b>                           |                   |                     |  |  |                       |
| General Fund                                    | \$ ---            | \$ 2,150,227        | \$ 116   | \$ 2,804                                 | \$ ---                |
| Public Education                                | 36,239            | ---                 | ---  | ---                                      | ---                   |
| Conservation and<br>Environmental<br>Protection | 3,256             | ---                 | ---  | ---                                      | ---                   |
| Transportation and<br>Law Enforcement           | 3,123             | ---                 | ---  | ---                                      | 187,893               |
| State Road                                      | 28                | ---                 | ---  | ---                                      | ---                   |
| Non-Major Governmental<br>Funds                 | 321,445           | 38,723              | 11,927   | ---                                      | ---                   |
| State Lottery                                   | 78                | 204,282             | ---  | ---                                      | ---                   |
| Petroleum Storage Tank                          | 150               | ---                 | ---  | ---                                      | ---                   |
| Non-Major Enterprise<br>Funds                   | 1,598             | ---                 | ---  | 925                                      | ---                   |
| Internal Service Funds                          | 2,249             | ---                 | ---  | ---                                      | ---                   |
| Fiduciary Funds                                 | 39,432            | ---                 | ---  | 1  | ---                   |
| Non-Major Component<br>Units                    | 10                | ---                 | ---  | ---                                      | ---                   |
| <b>Totals</b>                                   | <b>\$ 407,608</b> | <b>\$ 2,393,232</b> | <b>\$ 12,043</b>                                   | <b>\$ 3,730</b>                          | <b>\$ 187,893</b>     |

**Continues Below**

|   | Non-Major<br>Governmental | Petroleum<br>Storage Tank | Non-Major<br>Enterprise | Fiduciary        | Totals              |
|---|---------------------------|---------------------------|-------------------------|------------------|---------------------|
| <b>Transfers Out:</b>                           |                           |                           |                         |                  |                     |
| General Fund                                    | \$ 68,971                 | \$ 104                    | \$ 13                   | \$ 19,533        | \$ 2,241,768        |
| Public Education                                | ---                       | ---                       | ---                     | 125              | 36,364              |
| Conservation and<br>Environmental<br>Protection | 1,000                     | ---                       | ---                     | 996              | 5,252               |
| Transportation and<br>Law Enforcement           | 11                        | ---                       | ---                     | 6,505            | 197,532             |
| State Road                                      | ---                       | ---                       | ---                     | ---              | 28                  |
| Non-Major Governmental<br>Funds                 | 23,852                    | ---                       | 6,274                   | 751              | 402,972             |
| State Lottery                                   | ---                       | ---                       | ---                     | 84               | 204,444             |
| Petroleum Storage Tank                          | ---                       | ---                       | ---                     | 18               | 168                 |
| Non-Major Enterprise<br>Funds                   | 22                        | ---                       | ---                     | 325              | 2,870               |
| Internal Service Funds                          | ---                       | ---                       | ---                     | 293              | 2,542               |
| Fiduciary Funds                                 | 1,752                     | ---                       | ---                     | ---              | 41,185              |
| Non-Major Component<br>Units                    | ---                       | ---                       | ---                     | ---              | 10                  |
| <b>Totals</b>                                   | <b>\$ 95,608</b>          | <b>\$ 104</b>             | <b>\$ 6,287</b>         | <b>\$ 28,630</b> | <b>\$ 3,135,135</b> |

Principle reasons for interfund transfers include:

- move general revenue funds to support elementary and secondary education
- move State Lottery revenue to support elementary and secondary education
- move general revenue funds to support social assistance programs reported in non-major governmental funds
- move funds related to the construction of capital assets.

During fiscal year 2003, certain funds were required to reimburse the central service agencies for overhead costs incurred on their behalf. The total amount reimbursed was \$13.5 million.

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**Note 18 – Restatements**

During fiscal year 2003, additional information became available which required the restatement of fund equity amounts. The following table presents a summary of these restatements by fund categories (in thousands of dollars):

|  | June 30, 2002<br>Fund Balance/<br>Net Assets<br>Previously<br>Reported | Prior<br>Period<br>Adjustments | June 30, 2002<br>Fund Balance/<br>Net Assets<br>Restated |
|--|--|--------------------------------|--|
| <b>GOVERNMENTAL FUNDS</b>                    |  |                                |  |
| <b>Major Governmental Funds</b>              |  |                                |  |
| General Fund                                 | \$ 1,193,529   | \$ (286,575)                   | \$ 906,954   |
| Public Education                             | 300,745  | (2)                            | 300,743  |
| Conservation and Environmental<br>Protection | 757,964  | (308)                          | 757,656  |
| Transportation and Law Enforcement           | 143,374  | (3,641)                        | 139,733  |
| State Road Fund                              | 444,583  | ---                            | 444,583  |
| <b>Non-Major Governmental Funds</b>          |  |                                |  |
| Special Revenue                              | 273,757  | (316)                          | 273,441  |
| Debt Service                                 | 110,288  | ---                            | 110,288  |
| Capital Projects                             | 127,014  | ---                            | 127,014  |
| Permanent                                    | 36,237   | (7)                            | 36,230   |
| Total Governmental Funds                     | <u>\$ 3,387,491</u>  | <u>\$ (290,849)</u>            | <u>\$ 3,096,642</u>                                      |
| <b>PROPRIETARY FUNDS</b>                     |  |                                |  |
| <b>Major Enterprise Funds</b>                |  |                                |  |
| State Lottery                                | \$ 15,489  | \$ ---                         | \$ 15,489  |
| Unemployment Compensation                    | 348,368  | ---                            | 348,368  |
| Petroleum Storage Tank Insurance             | (51,222) *   | (271)                          | (51,493)   |
| <b>Non-Major Proprietary Funds</b>           |  |                                |  |
| Enterprise                                   | 36,840 *   | 401                            | 37,241   |
| Internal Service                             | 345,105  | 14,147                         | 359,252  |
| Total Proprietary Funds                      | <u>\$ 694,580</u>  | <u>\$ 14,277</u>               | <u>\$ 708,857</u>  |
| <b>FIDUCIARY FUNDS</b>                       |  |                                |  |
| Pension Trust                                | \$ 6,406,099   | \$ ---                         | \$ 6,406,099   |
| Private-Purpose Trust                        | 795,104  | ---                            | 795,104  |
| Total Fiduciary Funds                        | <u>\$ 7,201,203</u>  | <u>\$ ---</u>                  | <u>\$ 7,201,203</u>                                      |
| <b>DISCRETELY PRESENTED COMPONENT UNITS</b>  |  |                                |  |
| Colleges and Universities                    | \$ 3,255,983   | \$ 7,752                       | \$ 3,263,735   |
| Non-Major Funds                              | 124,521  | (8,016)                        | 116,505  |
| Total Component Units                        | <u>\$ 3,380,504</u>  | <u>\$ (264)</u>                | <u>\$ 3,380,240</u>                                      |

\* The Petroleum Storage Tank Insurance Fund is classified as a Major Enterprise Fund for the fiscal year ended June 30, 2003. It was a Non-Major Enterprise Fund for the fiscal year ended June 30, 2002 (see *Note 2*).

Purpose for restatements:

Governmental funds were restated as a result of additional information received relating to prior year revenue recognition for receivables and other revenue corrections, increases/decreases in accrued payroll, accounts payable, and inventory.

Proprietary funds were restated primarily to record adjustments made to fixed assets, accumulated depreciation, and depreciation expense.

College and University net assets were restated for a change in accounting method for Federal Perkins and Nursing Student Loan Programs, increases/decreases to accounts receivable and payable, and to increase fixed assets.

**STATE OF MISSOURI**  
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**Note 18 – Restatements (cont.)**

Non-major component units were restated for increases in bonds payable and interest payable.

On the Government-Wide Statement of Activities, Net Assets for Governmental Activities were restated by the amounts shown on the Restatement schedule for Governmental Funds and Internal Service Funds. In addition, Long-Term Claims/Judgments Liabilities for Governmental Activities increased due to the inclusion of the additional liability for the State's Second Injury Fund. Immaterial restatements were also made to other long-term liability accounts and other government-wide reconciling items.

Net assets for Business-Type Activities on the Government-Wide Statement of Activities were restated by the sum of all amounts shown on the Restatement schedule for Enterprise Funds. As mentioned earlier, these restatements were primarily for fixed assets, accumulated depreciation, and depreciation expense.

**Note 19 – Fund Deficit**

The following funds had deficit balances:

Enterprise Fund – Petroleum Storage Tank – At June 30, 2003, this fund had a net asset deficit of \$75,052,000. The deficit was \$51,222,000 at June 30, 2002. The deficit occurred when transport load fees collected were not sufficient to cover the estimated claims liability for clean up of petroleum storage tank leaks. This liability amount is the cumulative result of numerous years of petroleum storage tank leaks. Per Section 319.129, RSMo, this fund will be closed on December 31, 2010, or upon revocation of federal regulation 40 CFR, whichever occurs first, unless extended by action of the general assembly. Various alternatives are being considered to pay off the claims liability amount of this fund. Per Section 319.131, RSMo, the liability of the petroleum storage tank fund is not the liability of the State. Upon dissolution of this fund, the liability would be liquidated.

Internal Service Fund – Conservation Employees' Insurance Plan – At June 30, 2003, this fund had a net asset deficit of \$14,000. This deficit was \$1,012,000 at June 30, 2002. The significant improvement in fund net assets was caused by a one-time transfer of \$1,598,000. The deficit occurred when revenue from insurance premiums was not sufficient to cover the cost of claims. In fiscal year 2002, there were a few exceptionally large claims processed which caused the fund deficit. The Board will continue to monitor the deficit and may increase contribution rates, if required.

Internal Service Fund – Transportation Self-Insurance Plan – At June 30, 2003, this fund had a net assets deficit of \$5,282,000. This deficit was \$12,761,000 at June 30, 2002. The deficit occurred when revenue from insurance premiums were not sufficient to cover the cost of claims. The self-insurance plan is subject to annual actuarial review which is done on a calendar year basis. An actuarial study was completed in May 2003. The fiscal year 2004 appropriations were increased by 25% based on the actuarial study. The increase in appropriations should eliminate the deficit over time.

Internal Service Fund – Highway and Transportation Employees' and Highway Patrol Insurance Plan – At June 30, 2003, this fund had a net assets deficit of \$556,000. This deficit was \$5,675,000 at June 30, 2002. On January 1, 2002, the contribution rates increased resulting in a fiscal year 2002 increase to net assets of \$1,775,000. In January 2003, MoDOT and the Medical Board increased the State contribution rates resulting in a fiscal year 2003 increase of net assets of \$5,119,000. MoDOT and the Medical Board will continue to monitor ways to recover this deficit. This may include future increases to State and member contribution rates.

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**Note 19 – Fund Deficit (cont.)**

Component Unit – Missouri Highway 63 Transportation Corporation – At June 30, 2003, the transportation corporation had a net asset deficit of \$94,000. This deficit occurred because the corporation was recently established and incurred one-time start up expenses. According to the Missouri Highway 63 Transportation Corporation's audited financial statements, the City of Kirksville has agreed to fund any corporation net asset deficits.

**Note 20 – Related Party Transactions**

The Missouri State Public Employees' Deferred Compensation Plan is administered by the Public Employees Benefit Services Corporation of Missouri (PEBSCO) under a contract for a term ending June 1, 2004. PEBSCO is a wholly-owned subsidiary of Nationwide Corporation of Columbus, Ohio. Nationwide Life Insurance Company, one of the guaranteed fixed annuity and variable annuity underwriters for the Plan, is also a subsidiary of Nationwide Corporation. At December 31, 2002, total investments of the Plan were \$736,708,576 and investments in Nationwide Life Insurance Company were \$627,190,736.

The Highway and Transportation Employees' and Highway Patrol Retirement Plan reimburses the Missouri Highways and Transportation Commission for accounting, management, legal, and data processing services. The total reimbursement for fiscal year 2003 was \$262,723.

**Note 21 – Commitments**

**Contracts**

The Department of Conservation had contracts outstanding of \$553,100 for land acquisition and \$2,588,533 for construction contracts at June 30, 2003. These contracts are funded through the Special Revenue Funds from specific sales tax, fees and permits.

The Department of Transportation had long-term contracts of \$981,414,923 outstanding at June 30, 2003. These contracts are paid from Capital Projects Funds with approximately 77.39% federal reimbursement expected.

The Office of Administration, Division of Design and Construction, had construction contracts outstanding at June 30, 2003, of \$89,840,814. Approximately 17% will be paid from the General Fund, 1% from the Special Revenue Funds, 5% from the Capital Projects Funds, 2% from the Enterprise Funds and 75% from the Internal Service Funds.

On March 10, 1988, the State of Missouri entered into a contract with the United States Army Corps of Engineers confirming an assurance agreement of April 8, 1965. The State obtained rights to a portion of the water supply storage from the Clarence Cannon Dam and Mark Twain Lake Project. The State agreed to pay up to \$10.8 million plus interest for the investment costs allocated to the water supply storage, the amount of such payments to be determined by the portion of the water storage space put in use by the State for that purpose. The contract provides a ten year interest free period running from 1984 to 1994. In fiscal year 1995, the State began making interest payments. The interest payment amount for fiscal year 2003 was \$424,647. Payment of principal and interest must be completed by the end of a 50 year period beginning from the date of the contract (March 1988).

**Note 22 – Contingencies**

The State is exposed to various risks of loss related to tort liability, general liability, motor vehicle liability, contractor liability, injuries to employees and desegregation. The State assumes its own liability for risks except for the purchase of surety bond, aircraft and boiler coverage.

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**Note 22 – Contingencies (cont.)**

Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported including the effects of specific, incremental claim adjustment expenditures/expenses, salvage, and subrogation, and other allocated or unallocated claim adjustment expenditures/expenses. Liabilities are reported as a reconciling item to the Government-Wide Statement of Net Assets. The current portion of the liability (excluding the Second Injury Fund) will be presented in the General Fund. Expenditures are recognized as payments are made.

At June 30, 2003, the amount of these liabilities was \$112 million. Changes in the reported liability since June 30, 2002, resulted from the following:

|             | Beginning of<br>Fiscal Year<br>Liability | Current Year<br>Claims and<br>Changes in<br>Estimates | Claim<br>Payments | Balance<br>Fiscal Year<br>End |
|-------------|--|---|-------------------|-------------------------------|
| 2002-2003   | \$ 226,293,410                           | \$ (84,500,674)                                       | \$ (30,008,289)   | \$ 111,784,447                |
| 2001-2002 * | 33,197,671                               | 223,770,916   | (30,675,177)      | 226,293,410                   |
| 2000-2001 * | 65,069,624                               | (14,721,564)  | (17,150,389)      | 33,197,671                    |

\*Restated to exclude Second Injury Fund.

RSMo 287.220.6 requires that an actuarial study of the Second Injury Fund be made every three years to determine the solvency of the Fund. Figures presented below for current year claims and changes in estimates are based on the most recent actuarial study; the next actuarial study is due to be completed by July 1, 2004. At June 30, 2003, the amount of liabilities for the Second Injury Fund was \$201 million. Changes in the reported liability since June 30, 2002, resulted from the following:

|           | Beginning of<br>Fiscal Year<br>Liability | Current Year<br>Claims and<br>Changes in<br>Estimates | Claim<br>Payments | Balance<br>Fiscal Year<br>End |
|-----------|--|---|-------------------|-------------------------------|
| 2002-2003 | \$ 242,596,242                           | \$ 8,740,950  | \$ (50,209,437)   | \$ 201,127,755                |
| 2001-2002 | 280,087,260                              | 7,265,256   | (44,756,274)      | 242,596,242                   |
| 2000-2001 | 310,892,156                              | 1,513,566   | (32,318,462)      | 280,087,260                   |

The State receives federal grants which are subject to review and audit by federal grantor agencies. This could result in requests for reimbursements to the grantor agency for expenditures which are disallowed under grant terms. The State believes that such disallowances, if any, would be immaterial.

**Loan Guarantees:**

The State appropriates money to the Agricultural and Small Business Development Authority for the purpose of making loan guarantees. Upon default of a guaranteed loan, the Authority makes the payment for default from State appropriations. The Authority administers the Single-Purpose Animal Facilities Loan Program and the Value Added Loan Guarantee Program, which provides a 25% first-loss guarantee on loans up to \$250,000. The total of loans outstanding at June 30, 2003, for which the Authority has guaranteed payment is \$4,247,821 and \$925,969, respectively. There were no payments by the Authority for loan defaults in fiscal year 2003.

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**Note 22 – Contingencies (cont.)**

Medicaid Lawsuits:

In October of 2001, the University of Kansas Hospital Authority filed a lawsuit against the Department of Social Services/Division of Medical Services in the Circuit Court of Cole County, Missouri, challenging the reimbursement rate paid by Missouri to out of state hospitals on behalf of Missouri Medicaid beneficiaries. This action is being contested in Court and the fiscal impact is under review. In the event that plaintiff prevails in the action, the Division of Medical Services estimates that the relief KU Hospital seeks amounts to approximately \$3,710,758 for fiscal year 2002 alone. If the plaintiff prevails in their claim to collect damages for each year since 1991 the total liability of the Division of Medical Services may reach \$30,000,000, excluding interest. This is considered unlikely. The risk of loss would be shared with the federal government, approximately 40% state and 60% federal. Previous estimates had placed the risk of loss at an amount between \$11,000,000 and \$18,000,000 if the plaintiff were to prevail on the claim. However, a settlement of \$5,897,265 was reached in the matter. For additional information also see *Note 25 – Subsequent Events*.

Cheri White v. Dana Katherine Martin, et al (Case No. 02-4154-CV-C-NKL) was filed in the United States District Court for the Western District of Missouri, Central Division in July 2002. The plaintiffs requested that the court order that transitional Medicaid assistance be provided to a class of Missourians whose Medicaid benefits were terminated. In October 2002, the district court entered a preliminary injunction directing the State to continue the benefits. The trial court entered a permanent injunction on March 24, 2003. The Department of Social Services' TMA obligations under the injunction expire on June 30, 2004. The decision was not appealed. Plaintiff was awarded \$180,000 in attorney fees. A decision will be made about whether to appeal the attorney fee award. The State cost in fiscal year 2003 of providing these benefits was about \$9 million, and is expected to be less than \$6 million in fiscal year 2004.

Foster Care Claims:

In a letter dated December 4, 2001, the United States Department of Health and Human Services sent a notice disallowing payment of the federal share of certain Title IV-E foster care claims reported since the quarter ending March 31, 2001. This issue is being disputed and is under appeal; however, Health and Human Services continues to make disallowances and withhold monies from the grant. The total cumulative disallowance as of June 30, 2003, is \$13,172,236 with a balance remaining that has not been recovered by Health and Human Services of \$2,401,541.

Sales Tax Lawsuits:

Southwestern Bell Telephone Company vs. Director of Revenue (Case No. SC83859). The Missouri Supreme Court held that Southwestern Bell Telephone Company was entitled to a refund of sales and use tax paid on machinery and equipment used to create its digital phone service product. Manufacturing was found to include producing taxable services as well as tangible personal property products. The case was remanded to the Administrative Hearing Commission for further determination as to which items are used in manufacturing the digital phone service product. Refunds to Southwestern Bell and other related companies could adversely affect the State's General Revenue Fund by \$58.1 million.

The Missouri Supreme Court has ruled that hotel guests in effect purchase the electricity used in their room during their stay at the hotel and, therefore, applicable charges are exempt from sales tax. This pertains to water, gas, and other items used in hotel rooms as well. Requests by hotels/motels for refunds could adversely affect the State's General Revenue Fund by \$3.1 million.

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**Note 22 – Contingencies (cont.)**

The State has brought an appeal before the Missouri Supreme Court of a lower court's decision to classify caskets and vaults as fixtures of a funeral home until being sold to a customer. This would make the funeral home's purchase price, but not the sales price, taxable to the funeral home. Requests by funeral homes for refunds could adversely affect the State's General Revenue Fund by \$1.4 million.

The Missouri Supreme Court has ruled that a business that operates a cafeteria solely for the benefit of its employees is not serving food to the general public and is exempt from sales tax on food items sold to the business' employees. Requests by businesses for refunds could adversely affect the State's General Revenue Fund by \$1 million.

**Note 23 – Joint Ventures**

The Regional Convention and Sports Complex Authority was created by State law for the purpose of financing, constructing, operating and maintaining a multipurpose convention and sports facility to be located in the City of St. Louis. The Authority operates under a Board of Commissioners of whom five are appointed by the Governor of the State, three by the Mayor of the City of St. Louis, and three by the County Executive of St. Louis County. The Authority is granted all rights and powers necessary to plan, finance, construct, equip and maintain the facility.

The Authority is considered a joint venture of the State, City and County because it constitutes a contractual agreement for public benefit in which the State, City and County retain an ongoing financial responsibility for the Convention and Sports Facility Project Bonds. In August 1991, the Authority issued \$258,670,000 of Convention and Sports Facility Project Bonds. The bonds were sponsored in the amount of \$132,910,000 by the State (Series A), \$65,685,000 by the County (Series B) and \$60,075,000 by the City (Series C). In December 1993, the Authority issued \$181,885,000 in Convention and Sports Facility Project and Refunding Bonds to advance refund \$101,410,000 and \$50,275,000 of the outstanding 1991 Series A and Series B bonds, respectively, and for additional construction costs. The bonds were sponsored in the amount of \$121,705,000 by the State (Series A) and \$60,180,000 by the County (Series B). In February 1997, the Authority issued \$61,285,000 in Series C Refunding bonds to advance refund \$47,155,000 of the outstanding 1991 Series C bonds.

Pursuant to a financing agreement entered into in August 1991, the Authority leased the facility to the sponsors who subleased the facility back to the Authority. The payments made by the State, City and County under the financing agreement are sufficient to pay the principal and interest on the bonds. See *Note 13* for more information on the 1991 and 1993 Series A Bonds sponsored by the State.

Summary financial information for the Authority as of, and for the fiscal year ended December 31, 2002, is presented below (in thousands of dollars):

|                                   |                   |
|-----------------------------------|-------------------|
| Total Assets                      | \$ 315,513        |
| Total Liabilities                 | \$ 219,123        |
| Total Equity                      | 96,390            |
| Total Liabilities and Equity      | <u>\$ 315,513</u> |
| Total Revenues                    | \$ 27,116         |
| Total Expenses                    | 25,644            |
| Net Increase in Retained Earnings | <u>\$ 1,472</u>   |

Copies of the Authority's financial statements can be requested from:

St. Louis Regional Convention  
and Sports Complex Authority  
901 North Broadway  
St. Louis, Missouri 63101

STATE OF MISSOURI  
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**Note 24 – Related Organizations**

The State is responsible for appointing all or part of the members of the boards of other organizations, but the State's accountability for these organizations does not extend beyond making the appointments.

The following organizations are considered to be related organizations of the State of Missouri:

Health and Educational Facilities Authority – The Authority was created by State law and is authorized to issue revenue bonds to finance health and educational facilities for institutions within the State. The Authority also assists institutions in borrowing funds at the lowest possible cost in order to provide quality medical and educational services to State residents. These bonds do not constitute a debt or liability of the Authority or the State. Its governing body consists of seven members appointed by the Governor with the advice and consent of the Senate. The Authority's fiscal year ends December 31. Copies of the Authority's financial statements can be requested from:

Missouri Health and Educational  
Facilities Authority  
15450 South Outer Forty Road, Suite 230  
Chesterfield, Missouri 63017

Missouri Higher Education Loan Authority – The Authority was created by State law and is authorized to issue debt to provide a secondary market for loans made under the Federal Family Education Loan Program provided for by the Higher Education Act. Its governing body consists of seven members, five of whom shall be appointed by the Governor with the advice and consent of the Senate, each of whom shall be a resident of the State; and a member of the Coordinating Board of Higher Education; and the Commissioner of Higher Education. Copies of the Authority's financial statements can be requested from:

Missouri Higher Education Loan Authority  
633 Spirit Drive  
Chesterfield, Missouri 63005

Housing Development Commission – The Commission was created by State law and is authorized to make or purchase mortgage loans and to insure mortgage loans, the funds of which are used to develop new or rehabilitate low and moderate income housing. The Commission is also authorized to issue bonds and notes for making or purchasing such loans. Bonds and notes issued by the Commission are not a debt of the State. The Commission has entered into a contract with the Department of Economic Development whereby the Department pays the Commission's staff salaries and related benefits from cash advanced monthly by the Commission. Its governing body is made up of the Governor, the Lieutenant Governor, the State Treasurer, the Attorney General and six members appointed by the Governor with the advice and consent of the Senate. If for any reason the Commission ceases to exist, its rights and properties shall pass to and be vested in the State, subject to the rights of lienholders and other creditors. Copies of the Commission's financial statements can be requested from:

Missouri Housing Development Commission  
3435 Broadway  
Kansas City, Missouri 64111

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**Note 24 – Related Organizations (cont.)**

Missouri Technology Corporation – The Corporation was created by State law and contributes to the strengthening of the State’s economy through the development of science and technology, promotes the modernization of Missouri businesses by supporting the transfer of science, technology and quality improvement methods to the workplace and enhances the productivity and modernization of Missouri businesses by providing leadership in the establishment of methods of technology application, technology commercialization and technology development. Its governing body consists of eleven members appointed by the Governor, the director of the Department of Economic Development, the president of the University of Missouri, a member of the Senate and a member of the House of Representatives. Copies of the Corporation’s financial statements can be requested from:

Department of Economic Development  
Division of Administration  
P.O. Box 1157  
Jefferson City, Missouri 65102

Missouri Public Entity Risk Management Fund – The Fund was created by State law and is authorized to provide liability protection to participating public entities, their officials and employees. The Fund reimburses the State of Missouri for all administrative costs. Its governing body consists of six members; the Attorney General, the Commissioner of Administration and four members appointed by the Governor with the advice and consent of the Senate. Copies of the Fund’s financial statements can be requested from:

Missouri Public Entity Risk  
Management Fund  
P.O. Box 105080  
2010 Williams Street  
Jefferson City, Missouri 65110-5080

Public School Retirement System – The System was created by State law and provides retirement benefits to employees of public school districts in the State, with the exception of the St. Louis and Kansas City districts. The State participates in the System as an employer of certified teachers who are members. However, the major financial support is from the public school districts. Its governing body consists of seven members; four elected by the System’s members, and three members appointed by the Governor with the advice and consent of the Senate. Copies of the System’s financial statements can be requested from:

Public School Retirement System  
of Missouri  
P.O. Box 268  
3210 West Truman Boulevard  
Jefferson City, Missouri 65109

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**Note 24 – Related Organizations (cont.)**

State Environmental Improvement and Energy Resources Authority – The Authority, created by State law, is an independent, self-supporting, quasi-governmental agency, governed by a five member Board appointed by the Governor with the advice and consent of the Senate. The Authority is administratively placed in the Department of Natural Resources. The Authority is authorized to finance, acquire, construct and equip projects for the purpose of reducing, preventing or controlling pollution and to provide for the development of energy resources of the State. The usual method of financing is through the issuance of tax-exempt revenue bonds and notes. In March 1992, pursuant to Senate Bill #530, Section 260.335, RSMo, the Authority entered into an interagency agreement with the Department of Natural Resources (DNR) and the Department of Economic Development (DED) to promote markets for recycled materials. As required in that legislation, the program has been provided annual funding of \$1,000,000 upon appropriation by the Missouri Legislature, from the Solid Waste Management Fund, through fiscal year 1997. In fiscal year 1998, the funding changed to 10% of the Fund, not to exceed \$1,000,000. The Authority, in cooperation with the Missouri Clean Water Commission and other agencies, established and operates the State Revolving Fund (SRF), which provides financing to communities and districts for construction of clean water and drinking water projects. The Authority is a provider of technical research for the State. Partnerships have been created with entities, both public and private, to promote and educate Missouri's citizens on a variety of environmental and energy related topics. The Authority's employees are covered under the State retirement system with all contributions being made by the Authority. Upon termination or dissolution of the Authority, all rights and properties shall pass to and be vested in the State, subject to the rights of noteholders, bondholders and other creditors. Copies of the Authority's financial statements can be requested from:

State Environmental Improvement and  
Energy Resources Authority  
325 Jefferson Street, Suite 200  
Jefferson City, Missouri 65101

Jackson County Sports Complex Authority – The Authority was created by State law and is responsible for the construction, operation and financing of the Jackson County Sports Complex. The funds and related accounts are maintained by fiscal agents who administer all investment transactions and act as paying agents for bond transactions. Its governing body consists of five members appointed by the Governor with the advice and consent of the Senate. Copies of the Authority's financial statements can be requested from:

Jackson County Sports Complex Authority  
8501 Stadium Drive  
Kansas City, Missouri 64129-1698

Kansas City Regional Sports Complex Authority – The Authority was created by State law and is responsible for the study and review of all current major sports leagues, clubs, or franchises operating in Kansas City and analyzing the possibilities of future growth. Its governing body consists of the director of the Department of Economic Development, as well as seven members appointed by the Governor with the advice and consent of the Senate. Copies of the Authority's financial statements can be requested from:

City of Kansas  
Finance Department  
1<sup>st</sup> Floor, City Hall  
414 East 12<sup>th</sup> Street  
Kansas City, Missouri 64106-2793

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**Note 24 – Related Organizations (cont.)**

St. Charles County Convention and Sports Facility Authority – The Authority was created by State law and is responsible for planning, constructing, and managing convention and sports facilities in the St. Charles area. Its governing body consists of five members appointed by the Governor with the advice and consent of the Senate. Copies of the Authority's financial statements can be requested from:

St. Charles County Convention and  
Sports Facility Authority  
P.O. Box 858  
St. Charles, Missouri 63302

Springfield Convention Center Authority – The Authority was created by State law and is responsible for the construction, operation and financing of the Ozark Empire Fairgrounds Project. The funds and related accounts are maintained by fiscal agents who administer all investment transactions and act as paying agents for land transactions. Its governing body consists of five members appointed by the Governor with the advice and consent of the Senate. Copies of the Authority's financial statements can be requested from:

City of Springfield  
Finance Department  
P.O. Box 8368  
840 Boonville Avenue  
Springfield, Missouri 65801-8368

Cotton Growers Organization, Inc. – The organization was created by State law and is designated as the official organization for boll weevil eradication in Missouri. The organization operates under the guidance of a ten member Board of Directors with oversight from the U.S. Department of Agriculture and Missouri Department of Agriculture. Copies of the Organization's financial statements can be requested from:

Certified Cotton Growers Association  
P.O. Box 160  
Portageville, Missouri 63873

KCT Intermodal Transportation Corporation (KCT-ITC) – The Corporation is a not-for-profit corporation organized under the Missouri Transportation Corporation Act. KCT-ITC is authorized to issue revenue bonds for the purpose of paying all or any part of the cost of constructing a railroad bridge to effectuate a grade separation of two at-grade rail crossings in the Blue Valley Industrial District in Kansas City, Missouri. The KCT-ITC's obligations are financed by a cost-sharing agreement of the member railroads of Kansas City Terminal. The Missouri Highways and Transportation Commission has no control over toll rates or corporation management and does not approve any debt of the KCT-ITC. Therefore, the Missouri Highways and Transportation Commission is not considered financially accountable and information for the KCT-ITC is not included within the accompanying combined financial statements. The governing body consists of a board of directors appointed by the Missouri Highways and Transportation Commission. Copies of the Corporation's financial statements can be requested from:

Missouri Department of Transportation  
Controller's Office  
1445 Christy Drive  
Jefferson City, Missouri 65109

STATE OF MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

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**Note 24 – Related Organizations (cont.)**

Lake of the Ozarks Community Bridge Corporation – The Corporation is a not-for-profit corporation organized under the Missouri Transportation Corporation Act. It is authorized to issue revenue bonds for the purpose of paying all or any part of the cost for acquisition and construction of a toll bridge over the Lake of the Ozarks in Camden County. Its governing body consists of a seven member board of directors each of whom is appointed by the Missouri Highways and Transportation Commission. When the purpose for which the Corporation was formed have been complied with and all obligations of the Corporation have been paid, the board shall, with the approval of the Commission, dissolve the Corporation. Upon dissolution, any assets of the Corporation will be liquidated and deposited in the State Road Fund and will become the property of the Commission. The Corporation's fiscal year ends April 30. Copies of the Corporation's financial statements can be requested from:

Missouri Department of Transportation  
Controller's Office  
1445 Christy Drive  
Jefferson City, Missouri 65109

Highway 19 Missouri River Bridge Transportation Corporation – The Corporation is a not-for-profit corporation organized under the Missouri Transportation Corporation Act. It is authorized to establish, promote, acquire, develop, construct, own, operate, maintain rights-of-way, and highway projects and facilities which the Commission either owns or in which the Commission has a beneficial interest, desirable to the provision of public highways, which are approved by the Commission, the County Commissions of the counties of Gasconade and Montgomery, Missouri, and the Board of Alderman of the City of Hermann, Missouri. Its governing body consists of any number of persons, not less than six. Upon dissolution, any assets of the Corporation will be liquidated and deposited in the State Road Fund and will become the property of the Commission. Copies of the Corporation's financial statements can be requested from:

Highway 19 Missouri River Bridge  
Transportation Corporation  
c/o Jon Held  
1110 Stone Hill Highway  
Hermann, Missouri 65041

Westside Intermodal Transportation Corporation – The Corporation is a not-for-profit corporation organized under the Missouri Transportation Corporation Act. It is authorized to issue revenue bonds for the purpose of paying all or any part of the cost of constructing an elevated rail structure to allow for the connecting of the Kansas City Terminal Railway (KTCR) Company's main line to the Union Pacific Railroad Company's yards and main lines and to effectuate a grade separation of certain main line rail tracks near Burlington Northern Santa Fe Argentine Yard and KTCR's main lines. Its governing body consists of any number of persons, not less than six. Upon dissolution, any assets of the Corporation will be liquidated and deposited in the State Road Fund and will become the property of the Commission. Copies of the Corporation's financial statements can be requested from:

Westside Intermodal Transportation Corporation  
c/o Kansas City Terminal Railway Company  
4501 Kansas Avenue  
Kansas City, Kansas 66106

**STATE OF MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2003**

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**Note 25 – Subsequent Events**

General Obligation Bonds – New Issue:

On October 7, 2003, the State of Missouri, Board of Fund Commissioners issued \$74,655,000 of State Water Pollution Control General Obligation Refunding Bonds, Series A 2003; and \$75,650,000 of Third State Building General Obligation Refunding Bonds, Series A 2003. The bond proceeds will be used to refund \$155,920,000 aggregate principal amount of outstanding bonds. The interest rates range from 3.25% to 6% and have a final maturity date of August 1, 2016.

Other Bonds – New Issue:

On August 1, 2003, the St. Louis Regional Convention and Sports Complex Authority issued \$110,235,000 of Convention and Sports Facility Project and Refunding Bonds, Series A-1 2003; and \$5,795,000 of Convention and Sports Facility Project and Refunding Bonds, Series A-2 2003. The bond proceeds will be used to refund \$116,015,000 aggregate principal amount of outstanding bonds. The interest rates for the Series A-1 2003 Bonds range from 2.5% to 5.38% and have a final maturity date of August 15, 2021. The interest rates for the Series A-2 2003 Bonds range from 1.42% to 2.13% and have a maturity date of August 15, 2005.

On November 12, 2003, the Missouri Department of Transportation issued \$254,000,000 of State Road Bonds, Series A 2003. The bonds have interest rates ranging from 2% to 5% and have a final maturity of February 1, 2023. The bond proceeds will be used for highway and transportation projects as stated in House Bill 1742.

Agricultural and Small Business Development Authority:

Between July 1 and September 5, 2003, the Authority issued Certificates of Guarantee in the amount of \$135,023 guaranteeing 25% of the \$540,092 loans issued.

Petroleum Storage Tank Insurance Fund (PSTIF):

On July 23, 2003, the Petroleum Storage Tank Insurance Board released seven remedial claims, which increased the claims payable by approximately \$430,000. These remedial claims had been filed since May 1, 2003. Remedial claims are those claims filed by tank owners and operators who do not have a contract for insurance with the PSTIF, but for which the PSTIF may extend coverage.

Southeast Missouri State University:

On October 1, 2003, the Missouri Development Finance Board issued \$9,975,000 Educational Facilities Revenue Bonds (Southeast Missouri State University River Campus Project) Series 2003A and \$26,360,000 Variable Rate Demand Educational Facilities Revenue Bonds (Southeast Missouri State University River Campus Project) Series 2003B. The bond proceeds will be used for the planning, design, and construction of a School of Visual and Performing Arts at the River Campus.

Medicaid Lawsuits:

On October 28, 2003, the Department of Social Services, Division of Medical Services, agreed to settle the lawsuit filed against it by the University of Kansas Hospital Authority. The amount of the settlement was \$5,897,265.



*Required Supplementary Information (RSI) includes the Budgetary Comparison Schedule for the General Fund and Major Special Revenue Fund Categories, as well as the Budget to Generally Accepted Accounting Principles (GAAP) reconciliation, and the Notes to RSI on Budgetary Reporting.*

**STATE OF MISSOURI  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND, MAJOR SPECIAL REVENUE FUNDS  
For the Fiscal Year Ended June 30, 2003  
(In Thousands of Dollars)**

|                                       | General         |              |              |                            | Public Education |              |            |                            | Conservation and Environmental Protection |              |            |                            | Transportation and Law Enforcement |              |           |                            |
|---------------------------------------|-----------------|--------------|--------------|----------------------------|------------------|--------------|------------|----------------------------|---|--------------|------------|----------------------------|------------------------------------|--------------|-----------|----------------------------|
|                                       | Original Budget | Final Budget | Actual       | Variance with Final Budget | Original Budget  | Final Budget | Actual     | Variance with Final Budget | Original Budget                           | Final Budget | Actual     | Variance with Final Budget | Original Budget                    | Final Budget | Actual    | Variance with Final Budget |
| Beginning Budgetary Fund Balance      | \$ 1,028,997    | \$ 1,028,997 | \$ 1,028,997 | \$ ---                     | \$ 296,128       | \$ 296,128   | \$ 296,128 | \$ ---                     | \$ 370,485                                | \$ 370,485   | \$ 370,485 | \$ ---                     | \$ 64,267                          | \$ 64,267    | \$ 64,267 | \$ ---                     |
| Resources (Inflows):                  |                 |              |              |                            |                  |              |            |                            |   |              |            |                            |                                    |              |           |                            |
| Taxes:                                |                 |              |              |                            |                  |              |            |                            |   |              |            |                            |                                    |              |           |                            |
| Sales and Use                         | 1,878,122       | 1,747,664    | 1,799,486    | 51,822                     | 660,481          | 660,481      | 676,665    | 16,184                     | 156,668                                   | 156,668      | 161,743    | 5,075                      | 45,302                             | 45,302       | 45,672    | 370                        |
| Individual Income                     | 4,559,003       | 4,242,326    | 4,369,513    | 127,187                    | 22,715           | 22,715       | 23,237     | 522                        | ---                                       | ---          | ---        | ---                        | ---                                | ---          | ---       | ---                        |
| Corporate Income                      | 349,473         | 325,198      | 335,188      | 9,990                      | 30,901           | 30,901       | 31,662     | 761                        | ---                                       | ---          | ---        | ---                        | ---                                | ---          | ---       | ---                        |
| County Foreign Insurance              | 164,039         | 152,644      | 157,210      | 4,566                      | ---              | ---          | ---        | ---                        | ---                                       | ---          | ---        | ---                        | ---                                | ---          | ---       | ---                        |
| Beer                                  | 8,717           | 8,112        | 8,214        | 102                        | ---              | ---          | ---        | ---                        | ---                                       | ---          | ---        | ---                        | ---                                | ---          | ---       | ---                        |
| Liquor                                | 18,227          | 16,960       | 17,632       | 672                        | ---              | ---          | ---        | ---                        | ---                                       | ---          | ---        | ---                        | ---                                | ---          | ---       | ---                        |
| Cigarette                             | ---             | ---          | ---          | ---                        | 73,057           | 73,057       | 74,900     | 1,843                      | ---                                       | ---          | ---        | ---                        | ---                                | ---          | ---       | ---                        |
| Fuel                                  | ---             | ---          | ---          | ---                        | ---              | ---          | ---        | ---                        | ---                                       | ---          | ---        | ---                        | 709,279                            | 709,279      | 714,574   | 5,295                      |
| Corporation Franchise                 | 71,321          | 66,367       | 68,363       | 1,996                      | 1,842            | 1,842        | 1,902      | 60                         | ---                                       | ---          | ---        | ---                        | ---                                | ---          | ---       | ---                        |
| Inheritance                           | 82,415          | 76,691       | 79,071       | 2,380                      | 2,353            | 2,353        | 2,426      | 73                         | ---                                       | ---          | ---        | ---                        | ---                                | ---          | ---       | ---                        |
| Reimbursement/Miscellaneous           | 793,249         | 738,149      | 760,229      | 22,080                     | 231,859          | 231,859      | 237,505    | 5,646                      | 157                                       | 157          | 161        | 4                          | 453                                | 453          | 457       | 4                          |
| Total Taxes                           | 7,924,566       | 7,374,111    | 7,594,906    | 220,795                    | 1,023,208        | 1,023,297    | 1,048,297  | 25,089                     | 156,825                                   | 156,825      | 161,904    | 5,079                      | 755,034                            | 755,034      | 760,703   | 5,669                      |
| Licenses, Fees and Permits            | 71,048          | 66,146       | 68,320       | 2,174                      | 992              | 992          | 1,037      | 45                         | 69,748                                    | 69,748       | 72,007     | 2,259                      | 171,846                            | 171,846      | 173,118   | 1,272                      |
| Sales                                 | 954             | 887          | 995          | 108                        | ---              | ---          | ---        | ---                        | 6,447                                     | 6,447        | 6,669      | 222                        | 4,966                              | 4,966        | 5,002     | 36                         |
| Leases and Rentals                    | ---             | ---          | 314          | 314                        | ---              | ---          | ---        | ---                        | 110                                       | 110          | 108        | (2)                        | 94                                 | 94           | 60        | (34)                       |
| Services                              | 195,360         | 185,424      | 190,165      | 4,741                      | ---              | ---          | 1          | 1                          | ---                                       | ---          | ---        | ---                        | ---                                | ---          | ---       | ---                        |
| Contributions and Intergovernmental   | 5,593,086       | 5,512,340    | 5,651,535    | 139,195                    | 33,629           | 33,629       | 34,384     | 755                        | 87,259                                    | 87,259       | 90,115     | 2,856                      | 1,031                              | 1,031        | 1,095     | 64                         |
| Interest                              | 31,949          | 29,764       | 31,022       | 1,258                      | 5,513            | 5,513        | 5,666      | 153                        | 8,243                                     | 8,243        | 8,501      | 258                        | 2,155                              | 2,155        | 2,168     | 13                         |
| Penalties and Unclaimed Property      | 953             | 887          | 544          | (343)                      | 1,985            | 1,985        | 2,073      | 88                         | 293                                       | 293          | 297        | 4                          | 375                                | 375          | 407       | 32                         |
| Cost Reimbursement/Miscellaneous      | ---             | ---          | ---          | ---                        | ---              | ---          | ---        | ---                        | ---                                       | ---          | ---        | ---                        | ---                                | ---          | ---       | ---                        |
| Miscellaneous                         | 517,989         | 503,946      | 517,263      | 13,317                     | 37,268           | 37,268       | 38,163     | 895                        | 37,402                                    | 37,402       | 38,610     | 1,208                      | 1,499                              | 1,499        | 1,491     | (8)                        |
| Bond Sales Proceeds                   | ---             | ---          | 4            | 4                          | ---              | ---          | ---        | ---                        | ---                                       | ---          | ---        | ---                        | ---                                | ---          | ---       | ---                        |
| Transfers In                          | 177,864         | 448,960      | 413,534      | (35,426)                   | 2,629,736        | 2,382,971    | 2,382,891  | (80)                       | 68,400                                    | 12,041       | 12,043     | 2                          | 5,220                              | 4,261        | 3,730     | (531)                      |
| Total Resources (Inflows)             | 14,513,769      | 14,122,465   | 14,468,602   | 346,137                    | 3,732,331        | 3,485,566    | 3,512,512  | 26,946                     | 434,727                                   | 378,368      | 390,254    | 11,886                     | 942,220                            | 941,261      | 947,774   | 6,513                      |
| Amount Available for Appropriation    | 15,542,766      | 15,151,462   | 15,497,599   | 346,137                    | 4,028,459        | 3,781,694    | 3,808,640  | 26,946                     | 805,212                                   | 748,853      | 760,739    | 11,886                     | 1,006,487                          | 1,005,528    | 1,012,041 | 6,513                      |
| Charges to Appropriations (Outflows): |                 |              |              |                            |                  |              |            |                            |   |              |            |                            |                                    |              |           |                            |
| Current:                              |                 |              |              |                            |                  |              |            |                            |   |              |            |                            |                                    |              |           |                            |
| General Government                    | 1,555,252       | 1,529,004    | 1,495,946    | 33,058                     | 163              | 217          | 84         | 133                        | 1,692                                     | 2,019        | 1,861      | 158                        | 88,793                             | 88,585       | 82,598    | 5,987                      |
| Education                             | 2,137,347       | 1,963,206    | 1,777,901    | 185,305                    | 3,774,119        | 3,647,544    | 3,554,592  | 92,952                     | ---                                       | ---          | ---        | ---                        | ---                                | ---          | ---       | ---                        |
| Natural and Economic Resources        | 273,857         | 268,731      | 197,409      | 71,322                     | 35,982           | 33,509       | 15,382     | 18,127                     | 424,386                                   | 200,976      | 182,201    | 18,775                     | 7,842                              | 7,758        | 3,371     | 4,387                      |
| Transportation and Law Enforcement    | 181,686         | 216,347      | 161,370      | 54,977                     | 5                | 5            | ---        | 5                          | 388                                       | 388          | 202        | 186                        | 465,643                            | 468,892      | 445,202   | 23,690                     |
| Human Services                        | 7,576,155       | 8,016,897    | 7,637,392    | 379,505                    | 38,842           | 38,842       | 37,895     | 947                        | 483                                       | 483          | 179        | 304                        | ---                                | ---          | ---       | ---                        |
| Capital Outlay                        | 157,522         | 170,768      | 145,338      | 25,430                     | 6,445            | 6,242        | 6,162      | 80                         | 69,083                                    | 32,758       | 29,686     | 3,072                      | 10,720                             | 10,784       | 10,026    | 758                        |
| Debt Service                          | 96,300          | 94,738       | 93,587       | 1,151                      | ---              | ---          | ---        | ---                        | ---                                       | ---          | ---        | ---                        | 5                                  | 5            | 4         | 1                          |
| Article X Distribution                | 5,950           | 5,950        | ---          | ---                        | ---              | ---          | ---        | ---                        | ---                                       | ---          | ---        | ---                        | ---                                | ---          | ---       | ---                        |
| Intergovernmental                     | 223,144         | 236,000      | 190,762      | 45,238                     | 27               | 37           | 14         | 23                         | 237,694                                   | 112,975      | 102,121    | 10,854                     | 206,467                            | 206,090      | 192,320   | 13,770                     |
| Transfers Out                         | 3,075,455       | 2,754,965    | 2,730,089    | 24,876                     | 7,749            | 41,126       | 37,956     | 3,170                      | 55,779                                    | 57,859       | 34,022     | 23,837                     | 240,242                            | 243,070      | 225,220   | 17,850                     |
| Total Charges to Appropriations       | 15,282,668      | 15,256,606   | 14,435,744   | 820,862                    | 3,863,332        | 3,767,522    | 3,652,085  | 115,437                    | 789,505                                   | 407,458      | 350,272    | 57,186                     | 1,019,712                          | 1,025,184    | 958,741   | 66,443                     |
| Ending Budgetary Fund Balance         | \$ 260,098      | \$ (105,144) | \$ 1,061,855 | \$ 1,166,999               | \$ 165,127       | \$ 14,172    | \$ 156,555 | \$ 142,383                 | \$ 15,707                                 | \$ 341,395   | \$ 410,467 | \$ 69,072                  | \$ (13,225)                        | \$ (19,656)  | \$ 53,300 | \$ 72,956                  |
| Reconciling Items:                    |                 |              |              |                            |                  |              |            |                            |   |              |            |                            |                                    |              |           |                            |
| Investments                           | ---             | ---          | 13,210       | ---                        | ---              | ---          | 2,096      | ---                        | ---                                       | ---          | 480        | ---                        | ---                                | ---          | 855       | ---                        |
| Receivables                           | ---             | ---          | 1,313,146    | ---                        | ---              | ---          | 59,693     | ---                        | ---                                       | ---          | 457,844    | ---                        | ---                                | ---          | 103,846   | ---                        |
| Due from Other Funds                  | ---             | ---          | 42           | ---                        | ---              | ---          | 18,615     | ---                        | ---                                       | ---          | 46         | ---                        | ---                                | ---          | 86        | ---                        |
| Due from Component Units              | ---             | ---          | ---          | ---                        | ---              | ---          | ---        | ---                        | ---                                       | ---          | ---        | ---                        | ---                                | ---          | ---       | ---                        |
| Inventory                             | ---             | ---          | 23,584       | ---                        | ---              | ---          | 58         | ---                        | ---                                       | ---          | 602        | ---                        | ---                                | ---          | 4,622     | ---                        |
| Advance to Component Units            | ---             | ---          | ---          | ---                        | ---              | ---          | ---        | ---                        | ---                                       | ---          | 4,193      | ---                        | ---                                | ---          | ---       | ---                        |
| Accounts Payable                      | ---             | (698,475)    | ---          | ---                        | ---              | ---          | (39,730)   | ---                        | ---                                       | ---          | (2,805)    | ---                        | ---                                | ---          | (24,281)  | ---                        |
| Accrued Payroll                       | ---             | (54,950)     | ---          | ---                        | ---              | ---          | (504)      | ---                        | ---                                       | ---          | (4,499)    | ---                        | ---                                | ---          | (18,805)  | ---                        |
| Due to Other Funds                    | ---             | (22,708)     | ---          | ---                        | ---              | ---          | (228)      | ---                        | ---                                       | ---          | (1,487)    | ---                        | ---                                | ---          | (1,868)   | ---                        |
| Advance from Other Funds              | ---             | (49,552)     | ---          | ---                        | ---              | ---          | ---        | ---                        | ---                                       | ---          | ---        | ---                        | ---                                | ---          | ---       | ---                        |
| Arbitrage Liability                   | ---             | (495)        | ---          | ---                        | ---              | ---          | ---        | ---                        | ---                                       | ---          | ---        | ---                        | ---                                | ---          | ---       | ---                        |
| Deferred Revenue                      | ---             | (551,615)    | ---          | ---                        | ---              | ---          | (20,175)   | ---                        | ---                                       | ---          | (9,774)    | ---                        | ---                                | ---          | (1,247)   | ---                        |
| Fund Balance – GAAP Basis             |                 | \$ 1,034,042 |              |                            | \$ 176,380       |              |            |                            | \$ 855,983                                |              |            |                            | \$ 116,508                         |              |           |                            |

**STATE OF MISSOURI**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY REPORTING**  
**June 30, 2003**

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The Budgetary Comparison Schedule in Required Supplementary Information (RSI) presents comparisons of the original and revised legally adopted budgets with actual data on a budgetary basis for the General Fund, and the major Special Revenue Funds. The major Special Revenue Fund categories presented for the State of Missouri are: Public Education, Conservation and Environmental Protection, and Transportation and Law Enforcement. The General Fund is composed of two fund categories, General and Federal funds. The State Road Fund is a major Capital Projects Fund, but must be presented on a separate schedule in Supplementary Information.

The Budgetary Comparison Schedule reports revenues and expenditures on a budgetary basis. Under this basis, "actual" revenues are recognized when cash is received, and "actual" expenditures are recognized for cash disbursements. The accounting principles applied for reporting on a budgetary basis differ from those used to present the financial statements in accordance with GAAP. A reconciliation of the two for the fiscal year ended June 30, 2003, has been presented at the bottom of the Budgetary Comparison Schedule shown on the previous pages of RSI. The Budgetary Comparison Schedule includes data presented on this basis for the fiscal year, and for adjustments made in the two-month lapse period, July 1 through August 31.

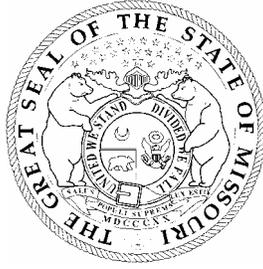
The budgetary expenditures are included in the current year's Appropriation Activity Report, which demonstrates legal compliance with the current year's budget. This report can be viewed at <http://www.oa.mo.gov/acct/AAR>. The "original budget" expenditures and transfers are for what was originally appropriated for each fund. The "final budget" expenditures and transfers takes into account any increases and decreases to appropriations during the fiscal year less what was re-appropriated to the next fiscal year less the Governor's amounts reverted (withheld) for each fund.

On the budgetary schedule, "original budget" revenues are equal to "revised budget" revenues for all funds except for the State's General Revenue Fund. State agencies budget revenues for each of their funds once during the year and send the revenue estimates to the Office of Administration-Division of Budget & Planning for their use in budgetary reporting, and for the CAFR budgetary schedule presentation. The State's General Revenue Fund has a revised revenue estimate amount available each spring from the Office of Administration-Division of Budget and Planning for use in the "Final Budget" revenue column on the Budgetary Schedules.

In accordance with State statute, all state funds must have an appropriation before amounts can be expended or transferred to another state fund. Therefore, the variances between "budgeted" and "actual" expenditures and transfers on the budgetary schedule will always be positive. The variance amounts in RSI this year are rather large. This is due to agency-imposed withholding amounts not being taken into account on this schedule. This schedule does include any "reverted" amounts or Governor withholdings of funds to agencies. If an amount is reverted, an agency does not have authority to spend that money.

Budgetary comparisons are also required for any other individual governmental funds for which annual appropriated budgets have been adopted. Therefore, budget to actual statements have been provided in the Supplementary Information section of CAFR for the following non-major governmental fund categories: Special Revenue, Debt Service, and Permanent funds. These schedules provide similar information to the schedule in RSI with the exception of the original budget data, which is not required for non-major governmental funds under GASB Statement 34.

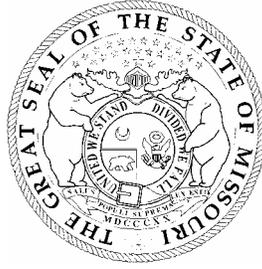
We have not included a budgetary comparison for non-major capital projects funds. These funds are funded by bond proceeds or grants for various projects that require several years to complete. Generally, the bond authorization or grant is appropriated in total the first year even though the bond sales or grant receipts are received over a period of years as required by the projects. Therefore, these funds do not have annual budgets and their budget data is not comparative to the actual data for the fiscal year.



*Supplementary Information includes the Budgetary Comparison Schedule and Reconciliation for the Major Capital Projects Fund (State Road), as well as the Combining and Individual Fund Statements and Schedules for the General Fund and all Non-Major Funds.*

**STATE OF MISSOURI  
SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
MAJOR CAPITAL PROJECT FUND  
STATE ROAD FUND  
For the Fiscal Year Ended June 30, 2003  
(In Thousands of Dollars)**

|  | State Road         |                   |                   | Variance<br>with Final<br>Budget |
|--|--------------------|-------------------|-------------------|----------------------------------|
|  | Original<br>Budget | Final<br>Budget   | Actual            |                                  |
| Beginning Budgetary Fund Balance       | \$ 535,913         | \$ 535,913        | \$ 535,913        | \$ ---                           |
| Resources (Inflows):                   |                    |                   |                   |                                  |
| Taxes:                                 |                    |                   |                   |                                  |
| Vehicle Sales and Use                  | 136,777            | 136,777           | 131,219           | (5,558)                          |
| Fuel                                   | 87                 | 87                | 84                | (3)                              |
| Total Taxes                            | <u>136,864</u>     | <u>136,864</u>    | <u>131,303</u>    | <u>(5,561)</u>                   |
| Licenses, Fees and Permits             | 87,296             | 87,296            | 93,092            | 5,796                            |
| Contributions and<br>Intergovernmental | 693,057            | 698,548           | 739,347           | 40,799                           |
| Interest                               | 12,064             | 12,064            | 10,079            | (1,985)                          |
| Cost Reimbursement/Miscellaneous       | 77,749             | 77,749            | 100,667           | 22,918                           |
| Bond Sales Proceeds                    | 250,000            | ---               | 22                | 22                               |
| Transfers In from Highway Fund         | <u>153,221</u>     | <u>153,221</u>    | <u>187,893</u>    | <u>34,672</u>                    |
| Total Resources (Inflows)              | <u>1,410,251</u>   | <u>1,165,742</u>  | <u>1,262,403</u>  | <u>96,661</u>                    |
| Amount Available for Appropriation     | <u>1,946,164</u>   | <u>1,701,655</u>  | <u>1,798,316</u>  | <u>96,661</u>                    |
| Charges to Appropriations (Outflows):  |                    |                   |                   |                                  |
| Current:                               |                    |                   |                   |                                  |
| Transportation and Law<br>Enforcement  | 271,288            | 278,063           | 262,271           | 15,792                           |
| Capital Outlay                         | 1,084,047          | 1,111,121         | 1,048,019         | 63,102                           |
| Debt Service                           | 54,880             | 43,977            | 43,977            | ---                              |
| Intergovernmental                      | 84,216             | 86,319            | 81,417            | 4,902                            |
| Transfers Out                          | <u>28</u>          | <u>28</u>         | <u>28</u>         | <u>---</u>                       |
| Total Charges to Appropriations        | <u>1,494,459</u>   | <u>1,519,508</u>  | <u>1,435,712</u>  | <u>83,796</u>                    |
| Ending Budgetary Fund Balance          | <u>\$ 451,705</u>  | <u>\$ 182,147</u> | <u>\$ 362,604</u> | <u>\$ 180,457</u>                |
| Reconciling Items:                     |                    |                   |                   |                                  |
| Receivables                            |                    |                   | 98,500            |                                  |
| Due from Other Funds                   |                    |                   | 1,782             |                                  |
| Due from Component Units               |                    |                   | 1,146             |                                  |
| Inventories                            |                    |                   | 25,750            |                                  |
| Advance to Component Units             |                    |                   | 3,333             |                                  |
| Accounts Payable                       |                    |                   | (110,479)         |                                  |
| Due to Other Funds                     |                    |                   | (114)             |                                  |
| Due to Component Units                 |                    |                   | (12,422)          |                                  |
| Deferred Revenues                      |                    |                   | (32,316)          |                                  |
| Advance from Component Units           |                    |                   | (53,187)          |                                  |
| Investment Market Value Adjustment     |                    |                   | <u>24,389</u>     |                                  |
| Fund Balance – GAAP Basis              |                    |                   | <u>\$ 308,986</u> |                                  |



## *The Combining and Individual Fund Statements and Schedules*

### **Major Funds**

**General Fund** – Accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

### **Non-Major Funds**

This includes all non-major governmental, proprietary, and fiduciary funds, as well as non-major component units.

A budgetary comparison schedule is provided for all non-major governmental funds with the exception of capital project funds.

## **General Fund:**

### **General:**

**General Revenue** – All moneys received by the State unless required by statute or constitutional provision to be deposited elsewhere in a specifically named fund.

**Budget Reserve** – Moneys used when there are revenue shortfalls that require the Governor to reduce expenditures of agencies below the level of their appropriations or when there is a financial need due to a disaster.

**Uncompensated Care** – Accounts for moneys used for the non-federal share of uncompensated care and other services under Title XIX Medicaid Program.

**Department of Health Interagency Payments** – Accounts for reimbursed moneys to be used for program disbursements.

**Facilities Maintenance Reserve** – General Revenue moneys to be used for maintaining, repairing and renovating State facilities.

**Intergovernmental Transfers** – Moneys from publicly owned nursing facilities to be used for Medicaid and other related charges.

**Federal Reimbursement Allowance** – Moneys received for payment of Title XIX services.

**Pharmacy Reimbursement Allowance** – Tax moneys received from retail pharmacies to be used for funding payments under the Medicaid fee-for-service and managed care programs.

**Title XIX–Patient Placement – General Revenue** – Moneys received from the federal government to be used for medical assistance to eligible recipients pursuant to Title XIX.

**Child Support Enforcement Collections** – Moneys received from individuals to be used for the expenditures of the Division of Child Support Enforcement.

**Missouri Technology Investment** – Moneys received from various sources to be used for technology development programs.

**Microenterprise Loan** – Moneys received from various sources to be used in assisting new or expanding microenterprise.

**Missouri Water Development** – General Revenue moneys to be used to purchase water supply storage.

**General Revenue Reimbursements** – Federal moneys received by the Department of Mental Health and the Department of Social Services to be used by the Department of Mental Health as appropriated.

**Missouri Humanities Council Trust** – Moneys from various sources to be used for promotion of the humanities.

**General Revenue – Cultural Sub-Account** – General Revenue moneys to be used by the Missouri Art Council Trust Fund.

**Nursing Facility Federal Reimbursement Allowance** – Tax moneys used for expenditures of nursing facilities.

**Post Closure** – Moneys from forfeited collateral to be used for costs related to closure and post closure activities of landfills.

**Attorney General’s Court Cost** – General Revenue moneys to be used for payment of court costs.

**Disproportionate Share** – Moneys received from hospitals to be used for Title XIX hospital care.

**Attorney General's Anti-Trust** – General Revenue moneys to be used for expenses related to anti-trust activities.

**State Elections Subsidy** – Appropriated moneys to be used for payment of advance election costs.

**State Legal Expense** – General Revenue, Transportation and Conservation moneys to be used for claims against State departments or employees.

**General Fund – Federal:** Accounts for moneys received or reimbursed by the federal government to cover costs of federally funded grants and programs. Each program or grant has its own fund to account for its operations as follows:

*Vocational Rehabilitation – Federal  
Elementary and Secondary Education –  
Federal and Other  
General Assembly – Federal  
Division of Youth Services –  
Federal and Other  
Office of the State Public Defender –  
Federal and Other  
Pharmacy Rebates  
State Auditor – Federal  
Department of Higher Education – Federal  
Department of Labor and Industrial  
Relations – Commission on Human  
Rights – Federal  
Department of Economic Development –  
Community Development Block Grant  
(Passthrough)  
Department of Economic Development –  
Women's Council – Federal  
Third Party Liability Collections  
Department of Public Safety – Juvenile  
Accountability Incentive Block Grant  
Department of Labor and Industrial  
Relations Administrative  
Department of Economic Development –  
Community Development Block Grant  
(Administration)  
Food Stamp EBT Settlement  
Multimodal Operations – Federal  
Department of Economic Development –  
Federal and Other  
Department of Corrections – Federal  
Department of Revenue – Federal  
Department of Agriculture –  
Federal and Other  
Office of Administration – Federal and Other  
Attorney General – Federal and Other  
Supreme Court – Federal and Other  
Department of Economic Development –  
Missouri Council of the Arts –  
Federal and Other  
Department of Natural Resources –  
Federal and Other*

*Department of Economic Development –  
Management Information Systems –  
Federal and Other  
Department of Health – Federal  
State Emergency Management –  
Federal and Other  
Mental Health Intergovernmental Transfer  
Department of Mental Health – Federal  
Department of Public Safety –  
Highway Safety  
Secretary of State Records – Federal  
National Endowment for the Humanities –  
Save America's Treasures  
Department of Public Safety – Federal  
Division of Aging – Federal and Other  
Homeland Security  
Job Development and Training  
Department of Social Services – Federal and Other  
Election Administration Improvement  
ADC – Federal  
Title XIX – Federal  
Division of Family Services Donations  
Division of Aging Donations  
Medicaid Fraud Reimbursements  
Revenue Sharing Trust  
Missouri Veterans Commission – Federal  
MCSAP/Division of Transportation – Federal  
Division of Labor Standards – Federal  
Governor's Committee on Employment of the  
Handicapped – Federal  
Federal and Other  
Adjutant General – Federal  
Department of Labor and Industrial Relations –  
Crime Victims – Federal  
Federal – MDI  
Federal Drug Seizure  
Secretary of State – Federal  
Community Service Commission – Federal and Other  
Temporary Assistance for Needy Families – Federal  
Division of Family Services – Administrative  
Missouri Disaster  
Abandoned Mined Reclamation  
Unemployment Compensation Administration*

**STATE OF MISSOURI  
BALANCE SHEET  
GENERAL FUND  
June 30, 2003  
(In Thousands of Dollars)**

|  | <u>General Fund</u> |                   | <u>Totals</u>            |
|--|---------------------|-------------------|--------------------------|
|  | <u>General</u>      | <u>Federal</u>    | <u>June 30,<br/>2003</u> |
| <b>ASSETS</b>                          |                     |                   |                          |
| Cash and Cash Equivalents              | \$ 889,523          | \$ 172,332        | \$ 1,061,855             |
| Investments                            | 13,210              | ---               | 13,210                   |
| Accounts Receivable, Net               | 859,249             | 449,671           | 1,308,920                |
| Interest Receivable                    | 4,173               | 53                | 4,226                    |
| Due from other funds                   | 5                   | 37                | 42                       |
| Inventory                              | 22,779              | 805               | 23,584                   |
|  | <u>          </u>   | <u>          </u> | <u>          </u>        |
| Total Assets                           | <u>\$ 1,788,939</u> | <u>\$ 622,898</u> | <u>\$ 2,411,837</u>      |
| <b>LIABILITIES AND FUND BALANCES</b>   |                     |                   |                          |
| Liabilities:                           |                     |                   |                          |
| Accounts Payable                       | \$ 298,453          | \$ 400,022        | \$ 698,475               |
| Accrued Payroll                        | 41,830              | 13,120            | 54,950                   |
| Due to Other Funds                     | 17,238              | 5,470             | 22,708                   |
| Deferred Revenue                       | 477,685             | 73,930            | 551,615                  |
| Advance from Other Funds               | 49,552              | ---               | 49,552                   |
| Arbitrage Liability                    | 495                 | ---               | 495                      |
|  | <u>          </u>   | <u>          </u> | <u>          </u>        |
| Total Liabilities                      | <u>885,253</u>      | <u>492,542</u>    | <u>1,377,795</u>         |
| Fund Balances:                         |                     |                   |                          |
| Reserved for:                          |                     |                   |                          |
| Budget Reserve                         | 463,003             | ---               | 463,003                  |
| Inventory                              | 22,779              | 805               | 23,584                   |
| Future Distribution                    | 66,388              | ---               | 66,388                   |
| Taxes                                  | 4,242               | ---               | 4,242                    |
| Unreserved                             | 347,274             | 129,551           | 476,825                  |
|  | <u>          </u>   | <u>          </u> | <u>          </u>        |
| Total Fund Balances                    | <u>903,686</u>      | <u>130,356</u>    | <u>1,034,042</u>         |
|  | <u>          </u>   | <u>          </u> | <u>          </u>        |
| Total Liabilities<br>and Fund Balances | <u>\$ 1,788,939</u> | <u>\$ 622,898</u> | <u>\$ 2,411,837</u>      |

**STATE OF MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2003**  
**(In Thousands of Dollars)**

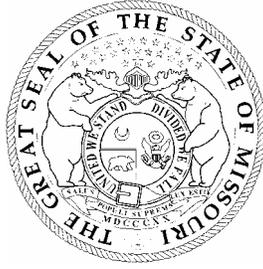
|  | General Fund       |                   |               | Totals              |
|--|--------------------|-------------------|---------------|---------------------|
|  | General            | Federal           | Eliminations  | June 30,<br>2003    |
| <b>Revenues:</b>                             |                    |                   |               |                     |
| Taxes  | \$ 6,506,760       | \$ ---            | \$ ---        | \$ 6,506,760        |
| Licenses, Fees and Permits                   | 64,945             | 156               | ---           | 65,101              |
| Sales  | 984                | 11                | ---           | 995                 |
| Leases and Rentals                           | 314                | ---               | ---           | 314                 |
| Services                                     | 138,916            | 51,499            | ---           | 190,415             |
| Contributions and Intergovernmental          | 1,113,028          | 5,127,763         | ---           | 6,240,791           |
| Investment Earnings                          | 28,399             | 506               | ---           | 28,905              |
| Penalties and Unclaimed Properties           | 412                | 6                 | ---           | 418                 |
| Cost Reimbursement/Miscellaneous             | 187,395            | 104,546           | ---           | 291,941             |
| Total Revenues                               | <u>8,041,153</u>   | <u>5,284,487</u>  | <u>---</u>    | <u>13,325,640</u>   |
| <b>Expenditures:</b>                         |                    |                   |               |                     |
| Current:                                     |                    |                   |               |                     |
| General Government                           | 423,456            | 7,522             | ---           | 430,978             |
| Education                                    | 1,062,014          | 728,630           | ---           | 1,790,644           |
| Natural and Economic Resources               | 54,014             | 164,800           | ---           | 218,814             |
| Transportation and Law Enforcement           | 53,740             | 118,224           | ---           | 171,964             |
| Human Services                               | 4,276,203          | 4,027,642         | ---           | 8,303,845           |
| Capital Outlay:                              |                    |                   |               |                     |
| Current Expenditures                         | 84,791             | 60,751            | ---           | 145,542             |
| Capital Lease Purchases                      | 12,998             | 7,800             | ---           | 20,798              |
| Debt Service:                                |                    |                   |               |                     |
| Principal                                    | 74,722             | 3,915             | ---           | 78,637              |
| Interest                                     | 30,124             | 2,334             | ---           | 32,458              |
| Article X Distributions                      | 5,950              | ---               | ---           | 5,950               |
| Intergovernmental                            | 89,621             | 104,909           | ---           | 194,530             |
| Total Expenditures                           | <u>6,167,633</u>   | <u>5,226,527</u>  | <u>---</u>    | <u>11,394,160</u>   |
| Excess Revenues                              | <u>1,873,520</u>   | <u>57,960</u>     | <u>---</u>    | <u>1,931,480</u>    |
| <b>Other Financing Sources (Uses):</b>       |                    |                   |               |                     |
| Proceeds from Capital Leases                 | 12,998             | 7,800             | ---           | 20,798              |
| Note Proceeds                                | 3,685              | ---               | ---           | 3,685               |
| Transfers In                                 | 420,896            | 29,021            | (42,309)      | 407,608             |
| Transfers Out                                | (2,250,031)        | (34,046)          | 42,309        | (2,241,768)         |
| Total Other Financing Sources (Uses)         | <u>(1,812,452)</u> | <u>2,775</u>      | <u>---</u>    | <u>(1,809,677)</u>  |
| Excess Revenues and Other Sources            | 61,068             | 60,735            | ---           | 121,803             |
| Fund Balances – Beginning                    | 837,061            | 69,893            | ---           | 906,954             |
| Increase (Decrease) in Reserve for Inventory | 5,557              | (272)             | ---           | 5,285               |
| Fund Balances – Ending                       | <u>\$ 903,686</u>  | <u>\$ 130,356</u> | <u>\$ ---</u> | <u>\$ 1,034,042</u> |

**STATE OF MISSOURI  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE  
June 30, 2003  
(In Thousands of Dollars)**

|  | Special<br>Revenue       | Debt<br>Service          | Capital<br>Projects      | Permanent               | Totals<br>June 30,<br>2003 |
|--|--------------------------|--------------------------|--------------------------|-------------------------|----------------------------|
| <b>ASSETS</b>                                  |                          |                          |                          |                         |                            |
| Cash and Cash Equivalents                      | \$ 185,373               | \$ 107,551               | \$ 332,442               | \$ 553                  | \$ 625,919                 |
| Investments                                    | 9,351                    | ---                      | ---                      | 37,424                  | 46,775                     |
| Accounts Receivable, Net                       | 10,502                   | ---                      | ---                      | ---                     | 10,502                     |
| Interest Receivable                            | 368                      | 349                      | 738                      | 1                       | 1,456                      |
| Due from Other Funds                           | 70                       | ---                      | ---                      | ---                     | 70                         |
| Inventory                                      | 124                      | ---                      | ---                      | ---                     | 124                        |
| Loans Receivable                               | 890                      | ---                      | ---                      | ---                     | 890                        |
| <b>Total Assets</b>                            | <b><u>\$ 206,678</u></b> | <b><u>\$ 107,900</u></b> | <b><u>\$ 333,180</u></b> | <b><u>\$ 37,978</u></b> | <b><u>\$ 685,736</u></b>   |
| <b>LIABILITIES AND FUND BALANCES</b>           |                          |                          |                          |                         |                            |
| Liabilities:                                   |                          |                          |                          |                         |                            |
| Accounts Payable                               | \$ 4,258                 | \$ ---                   | \$ 18                    | \$ ---                  | \$ 4,276                   |
| Accrued Payroll                                | 2,776                    | ---                      | 32                       | ---                     | 2,808                      |
| Due to Other Funds                             | 1,270                    | ---                      | 124                      | ---                     | 1,394                      |
| Deferred Revenue                               | 4,334                    | 154                      | 327                      | ---                     | 4,815                      |
| <b>Total Liabilities</b>                       | <b><u>12,638</u></b>     | <b><u>154</u></b>        | <b><u>501</u></b>        | <b><u>---</u></b>       | <b><u>13,293</u></b>       |
| Fund Balances:                                 |                          |                          |                          |                         |                            |
| Reserved for Inventory                         | 124                      | ---                      | ---                      | ---                     | 124                        |
| Reserved for Debt Service                      | ---                      | 107,746                  | ---                      | ---                     | 107,746                    |
| Reserved for Loans Receivable                  | 890                      | ---                      | ---                      | ---                     | 890                        |
| Reserved for Trust Principal                   | ---                      | ---                      | ---                      | 37,890                  | 37,890                     |
| Unreserved                                     | 193,026                  | ---                      | 332,679                  | 88                      | 525,793                    |
| <b>Total Fund Balances</b>                     | <b><u>194,040</u></b>    | <b><u>107,746</u></b>    | <b><u>332,679</u></b>    | <b><u>37,978</u></b>    | <b><u>672,443</u></b>      |
| <b>Total Liabilities<br/>and Fund Balances</b> | <b><u>\$ 206,678</u></b> | <b><u>\$ 107,900</u></b> | <b><u>\$ 333,180</u></b> | <b><u>\$ 37,978</u></b> | <b><u>\$ 685,736</u></b>   |

**STATE OF MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS – BY FUND TYPE**  
**For the Fiscal Year Ended June 30, 2003**  
**(In Thousands of Dollars)**

|   | Special<br>Revenue | Debt<br>Service   | Capital<br>Projects | Permanent        | Totals<br>June 30,<br>2003 |
|---|--------------------|-------------------|---------------------|------------------|----------------------------|
| <b>Revenues:</b>  |                    |                   |                     |                  |                            |
| Taxes   | \$ 110,008         | \$ ---            | \$ ---              | \$ ---           | \$ 110,008                 |
| Licenses, Fees and Permits  | 144,148            | ---               | ---                 | ---              | 144,148                    |
| Sales   | 1,227              | ---               | ---                 | ---              | 1,227                      |
| Services  | 246                | ---               | ---                 | ---              | 246                        |
| Contributions and Intergovernmental                                   | 12,997             | ---               | 115                 | ---              | 13,112                     |
| Investment Earnings:  |                    |                   |                     |                  |                            |
| Net Decrease in the Fair Value<br>of Investments                      | ---                | ---               | ---                 | (145)            | (145)                      |
| Interest  | 3,969              | 2,156             | 3,507               | 13               | 9,645                      |
| Penalties and Unclaimed Properties                                    | 14,974             | ---               | ---                 | 179              | 15,153                     |
| Cost Reimbursement/Miscellaneous                                      | 191,030            | 183               | ---                 | ---              | 191,213                    |
| Total Revenues  | <u>478,599</u>     | <u>2,339</u>      | <u>3,622</u>        | <u>47</u>        | <u>484,607</u>             |
| <b>Expenditures:</b>  |                    |                   |                     |                  |                            |
| Current:  |                    |                   |                     |                  |                            |
| General Government  | 19,227             | ---               | 50                  | ---              | 19,277                     |
| Education   | 3,331              | ---               | 4                   | ---              | 3,335                      |
| Natural and Economic Resources  | 162,199            | ---               | ---                 | ---              | 162,199                    |
| Transportation and Law Enforcement                                    | 24,754             | ---               | 3,502               | ---              | 28,256                     |
| Human Services  | 148,056            | ---               | 179                 | 35               | 148,270                    |
| Capital Outlay:   |                    |                   |                     |                  |                            |
| Current Expenditures  | 6,566              | ---               | 10,562              | ---              | 17,128                     |
| Capital Lease Purchases   | 235                | ---               | ---                 | ---              | 235                        |
| Debt Service:   |                    |                   |                     |                  |                            |
| Principal   | 351                | 52,155            | ---                 | ---              | 52,506                     |
| Interest  | 431                | 43,333            | ---                 | ---              | 43,764                     |
| Bond Issuance Costs   | ---                | ---               | 385                 | ---              | 385                        |
| Underwriter's Discount  | ---                | 1,323             | 813                 | ---              | 2,136                      |
| Intergovernmental   | 4,469              | ---               | 16,617              | ---              | 21,086                     |
| Total Expenditures  | <u>369,619</u>     | <u>96,811</u>     | <u>32,112</u>       | <u>35</u>        | <u>498,577</u>             |
| Excess Revenues (Expenditures)  | <u>108,980</u>     | <u>(94,472)</u>   | <u>(28,490)</u>     | <u>12</u>        | <u>(13,970)</u>            |
| <b>Other Financing Sources (Uses):</b>                                |                    |                   |                     |                  |                            |
| Proceeds from General<br>Obligation/Other Bonds                       | ---                | 514,180           | 432,425             | ---              | 946,605                    |
| Proceeds from Capital Leases  | 235                | ---               | ---                 | ---              | 235                        |
| Proceeds from Tobacco Note  | ---                | 46,150            | ---                 | ---              | 46,150                     |
| Payments to Escrow Agent  | ---                | (559,839)         | (55,599)            | ---              | (615,438)                  |
| Bond Premium  | ---                | 46,981            | 22,350              | ---              | 69,331                     |
| Transfers In  | 46,410             | 44,462            | 3,000               | 1,736            | 95,608                     |
| Transfers Out   | (234,947)          | (4)               | (168,021)           | ---              | (402,972)                  |
| Total Other Financing<br>Sources (Uses)                               | <u>(188,302)</u>   | <u>91,930</u>     | <u>234,155</u>      | <u>1,736</u>     | <u>139,519</u>             |
| Excess Revenues and Other<br>Sources (Expenditures and<br>Other Uses) | (79,322)           | (2,542)           | 205,665             | 1,748            | 125,549                    |
| Fund Balances – Beginning   | 273,441            | 110,288           | 127,014             | 36,230           | 546,973                    |
| Increase in Reserve for Inventory                                     | (79)               | ---               | ---                 | ---              | (79)                       |
| Fund Balances – Ending  | <u>\$ 194,040</u>  | <u>\$ 107,746</u> | <u>\$ 332,679</u>   | <u>\$ 37,978</u> | <u>\$ 672,443</u>          |



*The **Special Revenue Funds** account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The State has numerous individual Special Revenue Funds. Therefore, the funds have been combined into specific functional areas.*

## **Non-Major Special Revenue Funds:**

**Professional Registration:** Provides for the control and regulation of various professions. Each profession has its own fund to account for its operation.

|   |  |
|---|--|
| <i>Hearing Instrument Specialist</i>            | <i>Board of Nursing</i>  |
| <i>State Committee of Interpreters</i>          | <i>Board of Optometry</i>                                      |
| <i>Board of Geologist Registration</i>          | <i>Board of Pharmacy</i>                                       |
| <i>Missouri Commission for the Deaf</i>         | <i>Missouri Real Estate Commission</i>                         |
| <i>Board of Certification of Interpreters</i>   | <i>Veterinary Medical Board</i>                                |
| <i>Escrow Agent Administration</i>              | <i>Committee of Professional Counselors</i>                    |
| <i>Real Estate Appraisers</i>                   | <i>Dental Board</i>  |
| <i>Clinical Social Workers</i>                  | <i>State Board of Architects, Engineers and Land Surveyors</i> |
| <i>Landscape Architectural Council</i>          | <i>Athletic</i>  |
| <i>State Committee of Psychologists</i>         | <i>Marital and Family Therapists'</i>                          |
| <i>Missouri Health Care Providers</i>           | <i>Respiratory Care Practitioners</i>                          |
| <i>Board of Accountancy</i>                     | <i>Board of Occupational Therapy</i>                           |
| <i>Board of Barber Examiners</i>                | <i>Licensed Perfusionist</i>                                   |
| <i>State Board of Podiatric Medicine</i>        | <i>Dietitian</i>   |
| <i>Board of Chiropractic Examiners</i>          | <i>Interior Designer Council</i>                               |
| <i>Board of Cosmetology</i>                     | <i>Acupuncturist</i>   |
| <i>Board of Embalmers and Funeral Directors</i> | <i>Tattoo</i>  |
| <i>Board of Registration for Healing Arts</i>   | <i>Massage Therapy</i>   |

**Judicial Protection and Assistance:** Provides for protection of public employees by the Attorney General's Office, conviction of criminal offenders by prosecuting attorneys and assistance to victims of criminal offenses.

*Missouri Crime Prevention Information and Programming* – Accounts for moneys from various sources to be used by local government/school district partnerships to operate crime prevention programs.

*Statewide Court Automation* – Accounts for additional court costs assessed in certain cases. Moneys are used for a statewide court automation system.

*Missouri CASA* – Accounts for money to be used for Court Appointed Special Advocate (CASA) Programs.

*State Forensic Laboratory* – Accounts for moneys used to defray costs of registered laboratories.

*Services to Victims* – Accounts for fees assessed as costs in criminal cases. Moneys are used to provide services to victims of crimes.

*Tort Victims' Compensation* – Accounts for a portion of any final judgment awarding punitive damages after the deduction of attorneys' fees and expenses.

*Merchandising Practices Revolving* – Accounts for general revenues and moneys required to be deposited in this fund. These moneys are used to pay costs incurred by the Attorney General in cases concerning merchandising practices.

*Legal Defense and Defender* – Accounts for moneys from services rendered. The moneys are used for training public defenders and for other lawful expenses as authorized by the Public Defender Commission.

*Criminal Record System* – Accounts for fees collected from federal and non-state agencies for administering criminal history record information and fingerprint searches.

*Missouri Office of Prosecution Services* – Accounts for fees assessed as costs in most criminal proceedings. These moneys are used to assist the prosecuting attorneys throughout the State in their efforts against criminal activity.

*Crime Victims' Compensation* – Accounts for fees assessed as costs against a convicted criminal. These moneys are used to compensate victims of crime.

*Drug Court Resources* – Accounts for moneys available for distribution by the Drug Courts Coordinating Commission to the various drug courts operating within the State.

*Legal Services for Low Income People* – Accounts for moneys to be used to provide legal services for individuals with low income.

*Investors Restitution* – Accounts for fines collected relating to securities fraud to be used to reimburse the victims of the fraudulent acts.

*Child Labor Enforcement* – Accounts for moneys to be used for investigations and enforcement of child labor laws.

*Inmate Incarceration Reimbursement Act Revolving* – Accounts for moneys collected for reimbursement of the expenses of the State for the cost of care of offenders.

*State Courts Administration Revolving* – Accounts for moneys received for registration fees, grants, or other sources to be used to provide training and purchase goods and services related to the training and education of court personnel.

*Criminal Justice Network and Technology Revolving* – Accounts for moneys to be used for the procurement of telecommunications and computer equipment, services, and software associated with connection to the criminal justice network.

*Missouri Office of Prosecution Services Revolving* – Accounts for moneys received by or on behalf of the Missouri Office of Prosecution Services.

*Judiciary Education and Training* – Accounts for fees collected to be used for training and education of judicial personnel.

*Fine Collections Center Interest Revolving* – Accounts for interest moneys to be used for goods and services related to the administration of the judicial system by the judicial branch.

**Agriculture and State Fair:** Provides for inspections of products, market development and awards for competition at the State fair.

*Animal Health Laboratory Fee* – Accounts for laboratory fees to be used to defray expenses of diagnosing animal disease.

*Animal Care Reserve* – Accounts for fees from businesses engaged in breeding, selling and caring for cats and dogs to be used to administer the Animal Care Program.

*Livestock Brands* – Accounts for fees collected for brand applications, transfer of brand ownership and maintenance of brands and is used by Division of Animal Health for program administration.

*Commodity Council Merchandising* – Accounts for fees imposed under the Commodity Merchandising Program for the use and benefit of the commodity councils.

*Missouri Qualified Fuel Ethanol Producer Incentive* – Accounts for moneys used to provide subsidies to Missouri qualified fuel ethanol producers.

*Aquaculture Marketing Development* – Accounts for fees collected on fish food purchased by commercial producers and used for the marketing of fish and fish products.

*Livestock Sales and Markets Fees* – Accounts for license fees collected for the licensing of livestock sales and markets used for the benefit of the Division of Animal Health.

*Missouri Breeders* – Accounts for moneys received for horse racing application and handling fees.

*Apple Merchandising* – Accounts for fees imposed on apples grown in the State which are sold for consumption. These moneys are used only for the costs of administering and enforcing laws concerning apple merchandising.

*Livestock Dealer Law Enforcement and Administration* – Accounts for penalties assessed for violations of the "Missouri Livestock Dealer Law" and is used for the benefit of the Division of Animal Health.

*Milk Inspection Fees* – Accounts for fees received from State milk inspections and is used to pay the costs of performing this inspection.

*Grain Inspection Fees* – Accounts for fees received for providing grain inspection services and is used to pay the cost of providing this service.

*Marketing Development* – Accounts for moneys received by the Department of Agriculture from any source to be spent for marketing development only.

*Boll Weevil Suppression and Eradication* – Accounts for moneys for the sound program of eradication and suppression of boll weevil.

*Missouri Wine Marketing and Research Development* – Accounts for pro rata charges to commercial grape producers in Missouri to be used for enology research, education, and marketing of wine produced in Missouri.

*State Fair Trust* – Accounts for moneys received as gifts, grants, legacies or devises and is used as prizes to the winners of five-gaited saddle horse stakes at the State fair.

*Agriculture Development* – Accounts for assets from the Federal Secretary of Agriculture and earnings from those assets to be used for agricultural development in accordance with a written agreement with the U.S. Department of Agriculture.

**Social Assistance:** Provides financial, health and other services to qualifying individuals.

*Utilicare Stabilization* – Moneys from various sources to be used for financial assistance of heating and cooling costs for the needy.

*Motorcycle Safety Trust* – Accounts for fees collected from persons who violate laws relating to motorcycles or causes accidents involving motorcycles.

*Compulsive Gamblers* – Accounts for moneys received from cities and counties that have licensed excursion gambling boats. These moneys are used to provide services for compulsive gamblers and their families.

*Missouri Housing Trust* – Accounts for moneys received from any source to be used for loans or grants for assistance to low-income families.

*Health Initiatives* – Accounts for additional taxes on cigarettes and other moneys to fund health care incentives and other programs.

*Health Access Incentive* – Accounts for moneys appropriated and received by law to be used to implement and encourage a program to provide incentives in exchange for location of health providers who agree to serve all persons in need of health services regardless of ability to pay.

*Mental Health Housing Trust* – Accounts for moneys received from the sale of surplus real property formerly used by the Department of Mental Health. Moneys are used for the construction or renovation of Mental Health Centers, or to finance the rental, purchase, construction or renovation of community based housing for clients.

*Family Support Loan Program* – Accounts for moneys appropriated to be used for low interest, short-term loans to families with a member with a developmental disability.

*Independent Living Center* – Accounts for fees received from persons convicted of or pleading guilty to a drug-related or an intoxicated-related traffic offense. Moneys are used to establish and maintain independent living centers for persons with disabilities.

*Mental Health Earnings* – Accounts for fees assessed on individuals due to alcohol and drug-related traffic offenses. Moneys are used to develop and certify alcohol related traffic offender programs and provide rehabilitation services to persons unable to pay.

*Division of Aging Elderly Home Delivered Meals Trust* – Accounts for moneys contributed by taxpayers and other designated moneys to be used in preparing and delivering meals to elderly persons.

*Missouri Public Health Services* – Accounts for fees collected for health purposes.

*Deaf Relay Service and Equipment Distribution Program* – Accounts for fees collected to fund a program for providing a telecommunications device for the deaf to transmit messages over basic telephone lines.

*Veterans' Trust* – Accounts for moneys contributed by taxpayers, grants, gifts, bequests, federal sources or other sources to be used for the benefit of the State's veterans.

*Economy Rate Telephone Service* – Accounts for moneys appropriated by the General Assembly to be used for eligible subscribers to meet their minimum communication requirements.

*Medical School Loan and Loan Repayment Program* – Accounts for moneys used to pay the principal, interest and related costs of government and commercial loans on behalf of individuals working in a specified area of need.

*Children's Service Commission* – Accounts for gifts and grants from various sources to be spent for children's services as provided by law.

*Handicapped Children's Trust* – Accounts for grants, gifts, donations, or bequests to be spent as requested by the donor of the handicapped children.

*Blind Pension* – Accounts for State property tax moneys used to provide a pension to certain blind people.

*Healthy Families Trust Funds* – To account for moneys received from the Tobacco Settlement.

*Department of Health – Donated* – Accounts for moneys received from donations and spent for various health programs.

*Children's Trust* – Accounts for grants or gifts from any source to pay the administration costs of and for establishing programs to prevent or alleviate child abuse or neglect.

*ADA Compliance* – Accounts for moneys from various funds to be used for projects to comply with the Americans with Disabilities Act.

*Head Injury* – Accounts for fees, grants, donations, and other moneys designated for the Head Injury Fund. Moneys are spent by the Head Advisory Council to help support individuals with traumatic head injury and their families by providing a wide range of services.

*Organ Donor Program* – Accounts for moneys to be used for implementation of organ donor awareness programs.

*Property Reuse* – Accounts for moneys appropriated and gifts, contributions, grants or bequests from federal, private, or other sources for direct loans, guarantees and grants to create and preserve jobs, attract and retain businesses, and improve economic welfare.

*Domestic Relations Resolution* – Accounts for moneys received from surcharges and fines for disputes in marriage dissolutions and custody orders. Moneys are used for creating and approving a handbook dealing with divorce and child custody and to reimburse local judicial circuits for the costs associated with the implementation of this act.

*Correctional Substance Abuse Earnings* – Accounts for fees charged to persons required by the court to begin an Educational Assessment and Community Treatment Program. Moneys are used solely for assistance in securing alcohol and drug rehabilitation services.

*Assistive Technology Loan Revolving* – Accounts for appropriated moneys to be used for loans to qualified individuals for the purchase of assistive technology devices and services.

*Blindness Education, Screening and Treatment Program* – Accounts for donated moneys used to provide blindness prevention education, screenings and treatments for persons not covered under a healthcare benefit plan.

*Missouri National Guard Trust* – Accounts for moneys received through contributions, gifts, bequests, grants and federal funds to be used for providing military honors at veterans' burials, interments, or memorial services.

*School for the Blind* – Accounts for grants, gifts, donations or bequests for the sole use of the Missouri School for the Blind.

*School for the Deaf* – Accounts for grants, gifts, donations or bequests for the sole use of the Missouri School for the Deaf.

*Governor's Council on Physical Fitness – Institution Gift Trust* – Accounts for gifts, bequests, or donations to the Governor's Council on Physical Fitness to be spent as requested by the donor.

*Institution Gift Trust* – Accounts for grants, gifts, donations, devises or bequests to various institutions to be spent as requested by the donor.

*Mental Health Trust* – Accounts for moneys to be used for the purpose of carrying out the objects for which the grants, gifts, donations or bequests were made, or for the purposes of funding special projects or purchasing special equipment from escheated moneys.

*Crippled Children's Services* – Accounts for moneys from various sources to be used for costs of crippled children's services.

**Unemployment and Workers' Compensation:** Provides for the administration of these laws and benefits to workers who qualify for workers' compensation.

*Workers' Compensation* – Accounts for taxes paid by insurance carriers and is used for victims of industrial injuries.

*Workers' Compensation – Second Injury* – Accounts for taxes paid by insurance carriers and is used for victims of industrial injuries where permanent disability occurs.

*Special Employment Security* – Accounts for moneys paid as interest and penalties by the employer for unemployment fees not paid. These moneys are used to pay interest on advances from the federal government and for other costs necessary and proper under the unemployment compensation laws.

**Reimbursements and Other:** Provides various reimbursements of costs to other governments and various regulatory commissions not included in other functional areas.

*Missouri Capital Access Program* – Accounts for interest earned and excess balances transferred from program reserve accounts by financial institutions, and collections made by the State on defaulted loans.

*Statutory County Recorder's* – Accounts for moneys to be used to subsidize the fees collected by counties that hereafter elect or have heretofore elected to separate the offices of circuit court clerk and recorder.

*Treasurer's Information* – Accounts for funds received for the preparation, reproduction, or dissemination of information or publications.

*Elevator Safety Board* – Accounts for moneys collected for inspections, permits, licenses and certificates to be used for the operation and expenses of the board.

*Residential Mortgage Licensing* – Accounts for fees set and collected for application fees, investigation of license applicant fees, examination fees, contingent fees, and any other miscellaneous fee.

*Missouri Arts Council Trust* – Accounts for moneys to be used for the administration of the Missouri Arts Council.

*Gaming Commission Bingo* – Accounts for moneys collected for license fees, penalties and administration fees to be used for the administration cost of the commission.

*Secretary of State's Technology Trust* – Accounts for fees received from the issuance of notary commissions to be used for establishing and maintaining a data processing system and other administrative costs for services.

*Missouri National Guard Training Site* – Accounts for fees collected for use of training sites from persons or organizations not connected with the militia. The moneys are used for operating costs of the facilities.

*Nursing Facility Quality of Care* – Accounts for certification fees collected from nursing home facilities to be used for assistance to the facilities and for conducting surveys and inspections.

*Division of Tourism Supplemental Revenue* – Accounts for additional sales tax collected from tourism-oriented goods and services to be used for promotional marketing strategies.

*Business Extension Service Team* – Accounts for moneys used to help Missouri companies in financial difficulty to regain financial stability by a plan developed by a team of knowledgeable and experienced persons.

*Gaming Commission* – Accounts for moneys received from licenses, fees, and permits to be used to fund the administrative costs of the Gaming Commission.

*Mammography* – Accounts for fees collected from licensing of specific sources of ionizing radiation and from other nonrefundable fees collected in connection with mammography authorization to be used for program administration.

*Statutory Revision* – Accounts for money received from the sale of the Revised Statutes of Missouri and supplements and from fees for any services rendered by the Committee on Legislative Research. The moneys are used for enhancing or producing the statutes and supplements.

*Division of Credit Unions* – Accounts for moneys assessed on credit unions and used for costs related to their regulation.

*Division of Savings and Loan Supervision* – Accounts for moneys assessed on savings and loan associations and other corporations and used for costs related to their regulation.

*Division of Finance* – Accounts for moneys assessed on banks, trust companies and other corporations and used for costs related to their regulation.

*Insurance Examiners* – Accounts for fees assessed against organizations which are engaged in the business of insurance within the State. The moneys are used for costs incurred by insurance examiners.

*Design and Construction – Donated* – Accounts for donations to be used for the repair, replacement and refurbishing of artwork, statuary work and monuments of historical importance to Missouri.

*Endowed Care Cemetery Audit* – Accounts for fees from the issuance of birth and death certificates. The moneys are used to administer the auditing of endowed care cemetery funds.

*Department of Insurance Dedicated* – Accounts for moneys from licensing, renewals and regulatory fees and used for expenditures of the Department of Insurance.

*International Promotions Revolving* – Accounts for moneys from gifts, contributions, grants and other sources and is used for costs associated with attendance at international trade shows.

*Local Records Preservation* – Accounts for moneys charged and collected for the recording of various deeds and documents and used by the Secretary of State for additional preservation of local records.

*Spinal Cord Injury* – Accounts for moneys to be used to fund research projects that promote an advancement of knowledge in the area of spinal cord injury.

*Manufactured Housing* – Accounts for fees collected for seals or inspection of manufacturing and dealer premises for manufactured homes, recreational vehicles and modular homes.

*Motor Vehicle Commission* – Accounts for fees established by the Missouri Motor Vehicle Commission to pay its operational costs.

*Health Spa Regulatory* – Accounts for health spa registration fees. These moneys are used to administer the regulation of health spas.

*Missouri Main Street Program* – Accounts for moneys appropriated and gifts, contributions, grants or bequests from federal, private, or other sources to accomplish community and economic revitalization and development of older business districts and neighborhoods.

*Public Service Commission* – Accounts for moneys assessed on public utilities and used for costs related to their regulation.

*Department of Health Document Services* – Accounts for fees collected for publications and used to pay the costs of providing this information.

*Petition Audit Revolving Trust* – Accounts for moneys received and costs incurred as a result of audits petitioned by the requisite percent of the qualified voters of a subdivision.

*Tourism Marketing* – Accounts for receipts from promotional items and used for the marketing of items which promote and develop tourism in the State.

*Petroleum Inspection* – Accounts for fees collected for inspections of petroleum products and equipment. The fees are used for costs of administering, regulating, testing and inspecting these products and equipment.

*Missouri Horse Racing Commission* – Accounts for moneys received from the licensing of race tracks and authorization of races and pari-mutuel wagering pools. These moneys are used for the operation of the Horse Racing Commission.

*Missouri Senior Rx* – Accounts for moneys collected to be used by the commission for medical assistance to seniors covered under the Missouri Senior Rx program.

*Boiler and Pressure Vessels Safety* – Accounts for licenses, permits, and fees established by the Boiler and Pressure Vessels Safety Board for the purpose of regulating boiler and pressure vessels.

*Secretary of State's Investor Education* – Accounts for moneys to be used as a source of funding in support of activities related to the Secretary of State's investor education responsibilities.

*State Document Preservation* – Accounts for moneys to be used to preserve State documents and making them available to the public.

*Missouri Supplemental Tax Increment Financing* – Accounts for moneys generated by redevelopment projects and income taxes withheld by jobs created by redevelopment projects to be used to pay loans for the project.

*Premium* – To account for moneys received from parents or guardians of uninsured children.

*Missouri Public Broadcasting Corporation Special* – Accounts for moneys generated from the nonresident entertainer and professional athletic team income taxes to be used for basic service and operating grants of public television stations.

*World War II Memorial Trust* – Accounts for contributions to be used to participate in the funding of the National World War II Memorial.

*Workers Memorial* – Accounts for contributions to be used for a memorial for workers who have been killed or permanently disabled and reimbursement of expenses to committee members.

*Secretary of State Institution Gift Trust* – Accounts for moneys derived from gifts, bequests, or donations to the secretary of state to carry out the objectives of the gift, bequest, or donation.

**STATE OF MISSOURI  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
June 30, 2003  
(In Thousands of Dollars)**

|  | Professional<br>Registration | Judicial<br>Protection<br>and<br>Assistance | Agriculture<br>and State<br>Fair | Social<br>Assistance    | Unemployment<br>and Workers'<br>Compensation | Reimbursements<br>and Other | Totals<br>June 30,<br>2003 |
|--|------------------------------|---|----------------------------------|-------------------------|--|-----------------------------|----------------------------|
| <b>ASSETS</b>                                  |                              |   |                                  |                         |  |                             |                            |
| Cash and Cash Equivalents                      | \$ 30,730                    | \$ 28,888                                   | \$ 2,361                         | \$ 55,943               | \$ 18,371                                    | \$ 49,080                   | \$ 185,373                 |
| Investments                                    | ---                          | ---   | 3,211                            | 6,120                   | ---  | 20                          | 9,351                      |
| Accounts Receivable, Net                       | ---                          | 1,288                                       | 53                               | 3,781                   | 3,739  | 1,641                       | 10,502                     |
| Interest Receivable                            | ---                          | 29  | 12                               | 131                     | 42   | 154                         | 368                        |
| Due from Other Funds                           | ---                          | 66  | ---                              | 1                       | ---  | 3                           | 70                         |
| Inventory                                      | 27                           | 3   | ---                              | 8                       | ---  | 86                          | 124                        |
| Loans Receivable                               | ---                          | ---   | 890                              | ---                     | ---  | ---                         | 890                        |
| <b>Total Assets</b>                            | <b><u>\$ 30,757</u></b>      | <b><u>\$ 30,274</u></b>                     | <b><u>\$ 6,527</u></b>           | <b><u>\$ 65,984</u></b> | <b><u>\$ 22,152</u></b>                      | <b><u>\$ 50,984</u></b>     | <b><u>\$ 206,678</u></b>   |
| <b>LIABILITIES AND FUND BALANCES</b>           |                              |   |                                  |                         |  |                             |                            |
| Liabilities:                                   |                              |   |                                  |                         |  |                             |                            |
| Accounts Payable                               | \$ 156                       | \$ 128                                      | \$ 62                            | \$ 1,658                | \$ 473                                       | \$ 1,781                    | \$ 4,258                   |
| Accrued Payroll                                | 178                          | 250   | 72                               | 192                     | 411  | 1,673                       | 2,776                      |
| Due to Other Funds                             | 102                          | 212   | 32                               | 64                      | 306  | 554                         | 1,270                      |
| Deferred Revenue                               | ---                          | 13  | 1                                | 859                     | 3,392  | 69                          | 4,334                      |
| <b>Total Liabilities</b>                       | <b><u>436</u></b>            | <b><u>603</u></b>                           | <b><u>167</u></b>                | <b><u>2,773</u></b>     | <b><u>4,582</u></b>                          | <b><u>4,077</u></b>         | <b><u>12,638</u></b>       |
| Fund Balances:                                 |                              |   |                                  |                         |  |                             |                            |
| Reserved for:                                  |                              |   |                                  |                         |  |                             |                            |
| Inventory                                      | 27                           | 3   | ---                              | 8                       | ---  | 86                          | 124                        |
| Loans Receivable                               | ---                          | ---   | 890                              | ---                     | ---  | ---                         | 890                        |
| Unreserved                                     | 30,294                       | 29,668                                      | 5,470                            | 63,203                  | 17,570                                       | 46,821                      | 193,026                    |
| <b>Total Fund Balances</b>                     | <b><u>30,321</u></b>         | <b><u>29,671</u></b>                        | <b><u>6,360</u></b>              | <b><u>63,211</u></b>    | <b><u>17,570</u></b>                         | <b><u>46,907</u></b>        | <b><u>194,040</u></b>      |
| <b>Total Liabilities<br/>and Fund Balances</b> | <b><u>\$ 30,757</u></b>      | <b><u>\$ 30,274</u></b>                     | <b><u>\$ 6,527</u></b>           | <b><u>\$ 65,984</u></b> | <b><u>\$ 22,152</u></b>                      | <b><u>\$ 50,984</u></b>     | <b><u>\$ 206,678</u></b>   |

**STATE OF MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 2003**  
**(In Thousands of Dollars)**

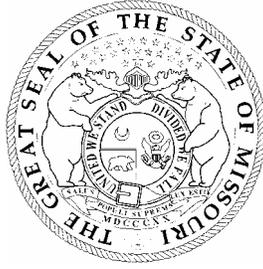
|   |                              |   |                                  |                      |  |                             | Totals            |
|---|------------------------------|---|----------------------------------|----------------------|--|-----------------------------|-------------------|
|   | Professional<br>Registration | Judicial<br>Protection<br>and<br>Assistance | Agriculture<br>and State<br>Fair | Social<br>Assistance | Unemployment<br>and Workers'<br>Compensation | Reimbursements<br>and Other | June 30,<br>2003  |
| <b>Revenues:</b>  |                              |   |                                  |                      |  |                             |                   |
| Taxes   | \$ 58                        | \$ ---                                      | \$ 962                           | \$ 54,803            | \$ 54,165                                    | \$ 20                       | \$ 110,008        |
| Licenses, Fees and Permits  | 17,538                       | 10,307                                      | 3,921                            | 14,484               | ---  | 97,898                      | 144,148           |
| Sales   | ---                          | ---   | ---                              | 633                  | ---  | 594                         | 1,227             |
| Services  | 89                           | 87  | ---                              | 64                   | ---  | 6                           | 246               |
| Contributions and<br>Intergovernmental                                | 3                            | 1,022                                       | 3                                | 11,416               | 213  | 340                         | 12,997            |
| Investment Earnings   | ---                          | 199   | 380                              | 1,844                | 334  | 1,212                       | 3,969             |
| Penalties and Unclaimed Properties                                    | 331                          | 9,675                                       | ---                              | 1,186                | 2,581  | 1,201                       | 14,974            |
| Cost Reimbursement/Miscellaneous                                      | 2                            | 1,471                                       | 28                               | 168,567              | 180  | 20,782                      | 191,030           |
| Total Revenues  | <u>18,021</u>                | <u>22,761</u>                               | <u>5,294</u>                     | <u>252,997</u>       | <u>57,473</u>                                | <u>122,053</u>              | <u>478,599</u>    |
| <b>Expenditures:</b>  |                              |   |                                  |                      |  |                             |                   |
| Current:  |                              |   |                                  |                      |  |                             |                   |
| General Government  | ---                          | 11,151                                      | ---                              | 379                  | 2,978  | 4,719                       | 19,227            |
| Education   | 84                           | ---   | ---                              | 3,246                | ---  | 1                           | 3,331             |
| Natural and Economic Resources  | 14,070                       | 6,811                                       | 7,490                            | 10,906               | 64,841                                       | 58,081                      | 162,199           |
| Transportation and Law<br>Enforcement                                 | ---                          | 6,900                                       | ---                              | 3,985                | ---  | 13,869                      | 24,754            |
| Human Services  | ---                          | 1,093                                       | ---                              | 127,037              | 95   | 19,831                      | 148,056           |
| Capital Outlay:   |                              |   |                                  |                      |  |                             |                   |
| Current Expenditures  | 250                          | 2,586                                       | 80                               | 382                  | 623  | 2,645                       | 6,566             |
| Capital Lease Purchases   | ---                          | ---   | ---                              | ---                  | 120  | 115                         | 235               |
| Debt Service:   |                              |   |                                  |                      |  |                             |                   |
| Principal   | ---                          | ---   | ---                              | ---                  | 36   | 315                         | 351               |
| Interest  | ---                          | ---   | ---                              | ---                  | 15   | 416                         | 431               |
| Intergovernmental   | ---                          | ---   | ---                              | 246                  | ---  | 4,223                       | 4,469             |
| Total Expenditures  | <u>14,404</u>                | <u>28,541</u>                               | <u>7,570</u>                     | <u>146,181</u>       | <u>68,708</u>                                | <u>104,215</u>              | <u>369,619</u>    |
| Excess Revenues (Expenditures)  | <u>3,617</u>                 | <u>(5,780)</u>                              | <u>(2,276)</u>                   | <u>106,816</u>       | <u>(11,235)</u>                              | <u>17,838</u>               | <u>108,980</u>    |
| <b>Other Financing Sources (Uses):</b>                                |                              |   |                                  |                      |  |                             |                   |
| Proceeds from Capital Lease   | ---                          | ---   | ---                              | ---                  | 120  | 115                         | 235               |
| Transfers In  | 8                            | 7,796                                       | 3,116                            | 4,236                | 3,619  | 27,635                      | 46,410            |
| Transfers Out   | (1,127)                      | (4,038)                                     | (130)                            | (174,141)            | (6,646)                                      | (48,865)                    | (234,947)         |
| Total Other Financing<br>Sources (Uses)                               | <u>(1,119)</u>               | <u>3,758</u>                                | <u>2,986</u>                     | <u>(169,905)</u>     | <u>(2,907)</u>                               | <u>(21,115)</u>             | <u>(188,302)</u>  |
| Excess Revenues and Other<br>Sources (Expenditures and<br>Other Uses) | 2,498                        | (2,022)                                     | 710                              | (63,089)             | (14,142)                                     | (3,277)                     | (79,322)          |
| Fund Balances – Beginning   | 27,823                       | 31,694                                      | 5,650                            | 126,306              | 31,712                                       | 50,256                      | 273,441           |
| Decrease in Reserve for Inventory                                     | ---                          | (1)   | ---                              | (6)                  | ---  | (72)                        | (79)              |
| Fund Balances – Ending  | <u>\$ 30,321</u>             | <u>\$ 29,671</u>                            | <u>\$ 6,360</u>                  | <u>\$ 63,211</u>     | <u>\$ 17,570</u>                             | <u>\$ 46,907</u>            | <u>\$ 194,040</u> |

**STATE OF MISSOURI**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 2003**  
**(In Thousands of Dollars)**

|   | Professional Registration |           |           | Judicial Protection and Assistance |           |           | Agriculture and State Fair |          |          | Social Assistance |           |           |
|---|---------------------------|-----------|-----------|------------------------------------|-----------|-----------|----------------------------|----------|----------|-------------------|-----------|-----------|
|   | Budget                    | Actual    | Variance  | Budget                             | Actual    | Variance  | Budget                     | Actual   | Variance | Budget            | Actual    | Variance  |
| <b>Revenues:</b>  |                           |           |           |                                    |           |           |                            |          |          |                   |           |           |
| Taxes:  |                           |           |           |                                    |           |           |                            |          |          |                   |           |           |
| Cigarette   | \$ ---                    | \$ ---    | \$ ---    | \$ ---                             | \$ ---    | \$ ---    | \$ ---                     | \$ ---   | \$ ---   | \$ 32,402         | \$ 33,250 | \$ 848    |
| Liquor  | ---                       | ---       | ---       | ---                                | ---       | ---       | 1,321                      | 962      | (359)    | ---               | ---       | ---       |
| Reimbursement/Miscellaneous                                     | 52                        | 58        | 6         | ---                                | ---       | ---       | ---                        | ---      | ---      | 20,943            | 21,490    | 547       |
| Total Taxes   | 52                        | 58        | 6         | ---                                | ---       | ---       | 1,321                      | 962      | (359)    | 53,345            | 54,740    | 1,395     |
| Licenses, Fees and Permits                                      | 15,897                    | 17,573    | 1,676     | 10,837                             | 10,266    | (571)     | 5,748                      | 4,187    | (1,561)  | 13,903            | 14,280    | 377       |
| Sales   | ---                       | ---       | ---       | ---                                | ---       | ---       | ---                        | ---      | ---      | 616               | 633       | 17        |
| Services  | 80                        | 88        | 8         | 93                                 | 87        | (6)       | ---                        | ---      | ---      | 74                | 64        | (10)      |
| Contributions and Intergovernmental                             | 3                         | 3         | ---       | 1,045                              | 990       | (55)      | 4                          | 4        | ---      | 11,217            | 11,499    | 282       |
| Interest  | ---                       | ---       | ---       | 221                                | 210       | (11)      | 99                         | 72       | (27)     | 1,627             | 1,674     | 47        |
| Penalties and Unclaimed Property                                | 299                       | 331       | 32        | 11,928                             | 11,299    | (629)     | ---                        | ---      | ---      | 1,085             | 1,104     | 19        |
| Cost Reimbursement/Miscellaneous                                | 2                         | 2         | ---       | 1,556                              | 1,474     | (82)      | 318                        | 232      | (86)     | 164,645           | 168,939   | 4,294     |
| Total Revenues  | 16,333                    | 18,055    | 1,722     | 25,680                             | 24,326    | (1,354)   | 7,490                      | 5,457    | (2,033)  | 246,512           | 252,933   | 6,421     |
| <b>Expenditures:</b>  |                           |           |           |                                    |           |           |                            |          |          |                   |           |           |
| Current:  |                           |           |           |                                    |           |           |                            |          |          |                   |           |           |
| General Government  | ---                       | ---       | ---       | 12,717                             | 10,388    | 2,329     | 22                         | 10       | 12       | 4,777             | 3,226     | 1,551     |
| Education   | 89                        | 82        | 7         | ---                                | ---       | ---       | ---                        | ---      | ---      | 2,420             | 1,938     | 482       |
| Natural and Economic Resources                                  | 8,621                     | 6,720     | 1,901     | 7,868                              | 6,716     | 1,152     | 11,384                     | 7,204    | 4,180    | 17,635            | 10,814    | 6,821     |
| Transportation and Law Enforcement                              | ---                       | ---       | ---       | 12,589                             | 8,279     | 4,310     | 5                          | ---      | 5        | 5,307             | 3,870     | 1,437     |
| Human Services  | ---                       | ---       | ---       | 1,093                              | 1,093     | ---       | ---                        | ---      | ---      | 134,140           | 123,673   | 10,467    |
| Capital Outlay  | 318                       | 250       | 68        | 3,524                              | 2,583     | 941       | 127                        | 80       | 47       | 442               | 374       | 68        |
| Debt Service  | ---                       | ---       | ---       | ---                                | ---       | ---       | ---                        | ---      | ---      | ---               | ---       | ---       |
| Intergovernmental   | ---                       | ---       | ---       | ---                                | ---       | ---       | ---                        | ---      | ---      | 272               | 246       | 26        |
| Total Expenditures  | 9,028                     | 7,052     | 1,976     | 37,791                             | 29,059    | 8,732     | 11,538                     | 7,294    | 4,244    | 164,993           | 144,141   | 20,852    |
| Excess Revenues (Expenditures)                                  | 7,305                     | 11,003    | 3,698     | (12,111)                           | (4,733)   | 7,378     | (4,048)                    | (1,837)  | 2,211    | 81,519            | 108,792   | 27,273    |
| <b>Other Financing Sources (Uses):</b>                          |                           |           |           |                                    |           |           |                            |          |          |                   |           |           |
| Transfers In  | ---                       | 8         | 8         | 7,795                              | 7,796     | 1         | 3,115                      | 3,116    | 1        | 4,269             | 4,236     | (33)      |
| Transfers Out   | (9,976)                   | (8,473)   | 1,503     | (5,723)                            | (5,026)   | 697       | (961)                      | (591)    | 370      | (181,519)         | (175,409) | 6,110     |
| Total Other Financing Sources (Uses)                            | (9,976)                   | (8,465)   | 1,511     | 2,072                              | 2,770     | 698       | 2,154                      | 2,525    | 371      | (177,250)         | (171,173) | 6,077     |
| Excess Revenues and Other Sources (Expenditures and Other Uses) | (2,671)                   | 2,538     | 5,209     | (10,039)                           | (1,963)   | 8,076     | (1,894)                    | 688      | 2,582    | (95,731)          | (62,381)  | 33,350    |
| Fund Balances - Beginning                                       | 28,192                    | 28,192    | ---       | 30,851                             | 30,851    | ---       | 1,673                      | 1,673    | ---      | 118,324           | 118,324   | ---       |
| Fund Balances - Ending  | \$ 25,521                 | \$ 30,730 | \$ 5,209  | \$ 20,812                          | \$ 28,888 | \$ 8,076  | \$ (221)                   | \$ 2,361 | \$ 2,582 | \$ 22,593         | \$ 55,943 | \$ 33,350 |
| <b>Reconciling Items:</b>                                       |                           |           |           |                                    |           |           |                            |          |          |                   |           |           |
| Investments   | ---                       | ---       | ---       | ---                                | ---       | ---       | ---                        | 3,211    | ---      | ---               | 6,120     | ---       |
| Receivables   | ---                       | ---       | ---       | ---                                | 1,317     | ---       | ---                        | 955      | ---      | ---               | 3,912     | ---       |
| Due from Other Funds  | ---                       | ---       | ---       | ---                                | 66        | ---       | ---                        | ---      | ---      | ---               | 1         | ---       |
| Inventory   | ---                       | 27        | ---       | ---                                | 3         | ---       | ---                        | ---      | ---      | ---               | 8         | ---       |
| Accounts Payable  | ---                       | (156)     | ---       | ---                                | (128)     | ---       | ---                        | (62)     | ---      | ---               | (1,658)   | ---       |
| Accrued Payroll   | ---                       | (178)     | ---       | ---                                | (250)     | ---       | ---                        | (72)     | ---      | ---               | (192)     | ---       |
| Due to Other Funds  | ---                       | (102)     | ---       | ---                                | (212)     | ---       | ---                        | (32)     | ---      | ---               | (64)      | ---       |
| Deferred Revenue  | ---                       | ---       | ---       | ---                                | (13)      | ---       | ---                        | (1)      | ---      | ---               | (859)     | ---       |
| Fund Balance per GAAP   | \$ 30,321                 | \$ 30,321 | \$ 30,321 | \$ 29,671                          | \$ 29,671 | \$ 29,671 | \$ 6,360                   | \$ 6,360 | \$ 6,360 | \$ 63,211         | \$ 63,211 | \$ 63,211 |

This schedule is continued on pages 99-100.

|   | Unemployment and Workers' Compensation |           |           | Reimbursements and Other |           |           | Totals    |            |            |
|---|--|-----------|-----------|--------------------------|-----------|-----------|-----------|------------|------------|
|   | Budget                                 | Actual    | Variance  | Budget                   | Actual    | Variance  | Budget    | Actual     | Variance   |
| <b>Revenues:</b>  |  |           |           |                          |           |           |           |            |            |
| Taxes:  |  |           |           |                          |           |           |           |            |            |
| Cigarette   | \$ ---                                 | \$ ---    | \$ ---    | \$ ---                   | \$ ---    | \$ ---    | \$ 32,402 | \$ 33,250  | \$ 848     |
| Liquor  | ---                                    | ---       | ---       | ---                      | ---       | ---       | 1,321     | 962        | (359)      |
| Reimbursement/Miscellaneous   | 49,854                                 | 62,049    | 12,195    | ---                      | ---       | ---       | 70,849    | 83,597     | 12,748     |
| Total Taxes   | 49,854                                 | 62,049    | 12,195    | ---                      | ---       | ---       | 104,572   | 117,809    | 13,237     |
| Licenses, Fees and Permits  | ---                                    | ---       | ---       | 95,835                   | 98,063    | 2,228     | 142,220   | 144,369    | 2,149      |
| Sales   | ---                                    | ---       | ---       | 574                      | 593       | 19        | 1,190     | 1,226      | 36         |
| Services  | ---                                    | ---       | ---       | 12                       | 6         | (6)       | 259       | 245        | (14)       |
| Contributions and   |  |           |           |                          |           |           |           |            |            |
| Intergovernmental   | 168                                    | 213       | 45        | 597                      | 606       | 9         | 13,034    | 13,315     | 281        |
| Interest  | 316                                    | 391       | 75        | 1,207                    | 1,241     | 34        | 3,470     | 3,588      | 118        |
| Penalties and Unclaimed Property                                      | 2,074                                  | 2,581     | 507       | 1,135                    | 1,164     | 29        | 16,521    | 16,479     | (42)       |
| Cost Reimbursement/<br>Miscellaneous                                  | 221                                    | 277       | 56        | 20,135                   | 20,598    | 463       | 186,877   | 191,522    | 4,645      |
| Total Revenues  | 52,633                                 | 65,511    | 12,878    | 119,495                  | 122,271   | 2,776     | 468,143   | 488,553    | 20,410     |
| <b>Expenditures:</b>  |  |           |           |                          |           |           |           |            |            |
| Current:  |  |           |           |                          |           |           |           |            |            |
| General Government  | 4,811                                  | 3,289     | 1,522     | 5,442                    | 4,215     | 1,227     | 27,769    | 21,128     | 6,641      |
| Education   | ---                                    | ---       | ---       | 375                      | 1         | 374       | 2,884     | 2,021      | 863        |
| Natural and Economic Resources  | 69,833                                 | 62,242    | 7,591     | 63,961                   | 50,067    | 13,894    | 179,302   | 143,763    | 35,539     |
| Transportation and Law  |  |           |           |                          |           |           |           |            |            |
| Enforcement   | ---                                    | ---       | ---       | 17,560                   | 12,473    | 5,087     | 35,461    | 24,622     | 10,839     |
| Human Services  | 139                                    | 75        | 64        | 49,411                   | 18,751    | 30,660    | 184,783   | 143,592    | 41,191     |
| Capital Outlay  | 696                                    | 592       | 104       | 3,726                    | 2,614     | 1,112     | 8,833     | 6,493      | 2,340      |
| Debt Service  | ---                                    | ---       | ---       | 20                       | 15        | 5         | 20        | 15         | 5          |
| Intergovernmental   | ---                                    | ---       | ---       | 6,126                    | 4,224     | 1,902     | 6,398     | 4,470      | 1,928      |
| Total Expenditures  | 75,479                                 | 66,198    | 9,281     | 146,621                  | 92,360    | 54,261    | 445,450   | 346,104    | 99,346     |
| Excess Revenues<br>(Expenditures)                                     | (22,846)                               | (687)     | 22,159    | (27,126)                 | 29,911    | 57,037    | 22,693    | 142,449    | 119,756    |
| <b>Other Financing Sources (Uses):</b>                                |  |           |           |                          |           |           |           |            |            |
| Transfers In  | 3,650                                  | 3,619     | (31)      | 28,312                   | 27,635    | (677)     | 47,141    | 46,410     | (731)      |
| Transfers Out   | (11,698)                               | (9,847)   | 1,851     | (64,224)                 | (59,211)  | 5,013     | (274,101) | (258,557)  | 15,544     |
| Total Other Financing<br>Sources (Uses)                               | (8,048)                                | (6,228)   | 1,820     | (35,912)                 | (31,576)  | 4,336     | (226,960) | (212,147)  | 14,813     |
| Excess Revenues and<br>Other Sources (Expenditures<br>and Other Uses) | (30,894)                               | (6,915)   | 23,979    | (63,038)                 | (1,665)   | 61,373    | (204,267) | (69,698)   | 134,569    |
| Fund Balances – Beginning   | 25,286                                 | 25,286    | ---       | 50,745                   | 50,745    | ---       | 255,071   | 255,071    | ---        |
| Fund Balances – Ending  | \$ (5,608)                             | \$ 18,371 | \$ 23,979 | \$ (12,293)              | \$ 49,080 | \$ 61,373 | \$ 50,804 | \$ 185,373 | \$ 134,569 |
| <b>Reconciling Items:</b>   |  |           |           |                          |           |           |           |            |            |
| Investments   |  | ---       |           |                          | 20        |           |           | 9,351      |            |
| Receivables   |  | 3,781     |           |                          | 1,795     |           |           | 11,760     |            |
| Due from Other Funds  |  | ---       |           |                          | 3         |           |           | 70         |            |
| Inventory   |  | ---       |           |                          | 86        |           |           | 124        |            |
| Accounts Payable  |  | (473)     |           |                          | (1,781)   |           |           | (4,258)    |            |
| Accrued Payroll   |  | (411)     |           |                          | (1,673)   |           |           | (2,776)    |            |
| Due to Other Funds  |  | (306)     |           |                          | (554)     |           |           | (1,270)    |            |
| Deferred Revenue  |  | (3,392)   |           |                          | (69)      |           |           | (4,334)    |            |
| Fund Balance per GAAP   |  | \$ 17,570 |           |                          | \$ 46,907 |           |           | \$ 194,040 |            |



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*The **Debt Service Funds** account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.*

## **Debt Service Funds:**

**Water Pollution Control Bond and Interest** – Accounts for moneys used to pay the principal of the Water Pollution Control Bonds and the interest thereon.

**Third State Building Bond Interest and Sinking** – Accounts for moneys used to pay the principal of the Third State Building Bonds and the interest thereon.

**Fourth State Building Bond and Interest** – Accounts for moneys used to pay the principal of the Fourth State Building Bonds and the interest thereon.

**Stormwater Control Bond and Interest** – Accounts for moneys used to pay the principal of the Stormwater Control Bonds and the interest thereon.

**STATE OF MISSOURI  
COMBINING BALANCE SHEET  
DEBT SERVICE FUNDS  
June 30, 2003  
(In Thousands of Dollars)**

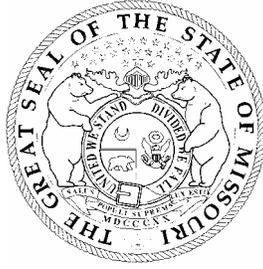
|  | Water<br>Pollution<br>Control Bond<br>and Interest | Third State<br>Building Bond<br>Interest and<br>Sinking | Fourth State<br>Building Bond<br>and Interest | Stormwater<br>Control Bond<br>and Interest | Totals<br>June 30,<br>2003 |
|--|--|---|---|--|----------------------------|
| <b>ASSETS</b>                            |  |   |   |  |                            |
| Cash and Cash Equivalents                | \$ 32,817  | \$ 47,735   | \$ 23,753                                     | \$ 3,246                                   | \$ 107,551                 |
| Interest Receivable                      | 106  | 154   | 79  | 10   | 349                        |
| Total Assets                             | <u>\$ 32,923</u>                                   | <u>\$ 47,889</u>  | <u>\$ 23,832</u>                              | <u>\$ 3,256</u>                            | <u>\$ 107,900</u>          |
| <b>LIABILITIES AND<br/>FUND BALANCES</b> |  |   |   |  |                            |
| Liabilities:                             |  |   |   |  |                            |
| Deferred Revenue                         | \$ 47  | \$ 68   | \$ 35   | \$ 4                                       | \$ 154                     |
| Total Liabilities                        | <u>47</u>  | <u>68</u>   | <u>35</u>                                     | <u>4</u>                                   | <u>154</u>                 |
| Fund Balances:                           |  |   |   |  |                            |
| Reserved for Debt Service                | <u>32,876</u>                                      | <u>47,821</u>   | <u>23,797</u>                                 | <u>3,252</u>                               | <u>107,746</u>             |
| Total Fund Balances                      | <u>32,876</u>                                      | <u>47,821</u>   | <u>23,797</u>                                 | <u>3,252</u>                               | <u>107,746</u>             |
| Total Liabilities<br>and Fund Balances   | <u>\$ 32,923</u>                                   | <u>\$ 47,889</u>  | <u>\$ 23,832</u>                              | <u>\$ 3,256</u>                            | <u>\$ 107,900</u>          |

**STATE OF MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**DEBT SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 2003**  
**(In Thousands of Dollars)**

|  | Water<br>Pollution<br>Control Bond<br>and Interest | Third State<br>Building Bond<br>Interest and<br>Sinking | Fourth State<br>Building Bond<br>and Interest | Stormwater<br>Control Bond<br>and Interest | Totals<br><br>June 30,<br>2003 |
|--|--|---|---|--|--------------------------------|
| <b>Revenues:</b>   |  |   |   |  |                                |
| Investment Earnings  | \$ 676   | \$ 971  | \$ 453  | \$ 56                                      | \$ 2,156                       |
| Cost Reimbursement/<br>Miscellaneous   | ---  | ---   | 183   | ---  | 183                            |
| <b>Total Revenues</b>  | <b>676</b>   | <b>971</b>  | <b>636</b>                                    | <b>56</b>                                  | <b>2,339</b>                   |
| <b>Expenditures:</b>   |  |   |   |  |                                |
| Debt Service:  |  |   |   |  |                                |
| Principal  | 15,325   | 29,340  | 6,765   | 725  | 52,155                         |
| Interest   | 15,878   | 14,478  | 11,156  | 1,821                                      | 43,333                         |
| Underwriter's Discount   | 380  | 544   | 399   | ---  | 1,323                          |
| <b>Total Expenditures</b>  | <b>31,583</b>                                      | <b>44,362</b>   | <b>18,320</b>                                 | <b>2,546</b>                               | <b>96,811</b>                  |
| <b>Excess Expenditures</b>   | <b>(30,907)</b>                                    | <b>(43,391)</b>   | <b>(17,684)</b>                               | <b>(2,490)</b>                             | <b>(94,472)</b>                |
| <b>Other Financing Sources:</b>  |  |   |   |  |                                |
| <b>(Uses):</b>   |  |   |   |  |                                |
| Proceeds from General<br>Obligation Bonds                                      | 147,710  | 211,630   | 154,840                                       | ---  | 514,180                        |
| Proceeds from Tobacco Note   | 13,045   | 29,340  | 3,285   | 480  | 46,150                         |
| Payments to Escrow Agent   | (161,187)  | (232,277)   | (166,375)                                     | ---  | (559,839)                      |
| Bond Premium   | 13,856   | 21,191  | 11,934  | ---  | 46,981                         |
| Transfers In   | 14,800   | 8,429   | 18,284  | 2,949                                      | 44,462                         |
| Transfers Out  | (1)  | (2)   | (1)   | ---  | (4)                            |
| <b>Total Other<br/>Financing Sources (Uses)</b>                                | <b>28,223</b>                                      | <b>38,311</b>   | <b>21,967</b>                                 | <b>3,429</b>                               | <b>91,930</b>                  |
| <b>Excess Revenues and Other<br/>Sources (Expenditures and<br/>Other Uses)</b> | <b>(2,684)</b>                                     | <b>(5,080)</b>  | <b>4,283</b>                                  | <b>939</b>                                 | <b>(2,542)</b>                 |
| Fund Balances – Beginning  | 35,560   | 52,901  | 19,514  | 2,313                                      | 110,288                        |
| Fund Balances – Ending   | <u>\$ 32,876</u>                                   | <u>\$ 47,821</u>  | <u>\$ 23,797</u>                              | <u>\$ 3,252</u>                            | <u>\$ 107,746</u>              |

**STATE OF MISSOURI**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**DEBT SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 2003**  
**(In Thousands of Dollars)**

|   | Water Pollution Control Bond and Interest |                  |                  | Third State Building Bond Interest and Sinking |                  |                  | Fourth State Building Bond and Interest |                  |                 | Stormwater Control Bond and Interest |                 |               | Totals           |                   |                  |
|---|---|------------------|------------------|--|------------------|------------------|---|------------------|-----------------|--------------------------------------|-----------------|---------------|------------------|-------------------|------------------|
|   | Budget                                    | Actual           | Variance         | Budget   | Actual           | Variance         | Budget                                  | Actual           | Variance        | Budget                               | Actual          | Variance      | Budget           | Actual            | Variance         |
| <b>Revenues:</b>  |   |                  |                  |  |                  |                  |   |                  |                 |                                      |                 |               |                  |                   |                  |
| Interest  | \$ 1,065                                  | \$ 732           | \$ (333)         | \$ 975   | \$ 1,058         | \$ 83            | \$ 778                                  | \$ 656           | \$ (122)        | \$ 92                                | \$ 58           | \$ (34)       | \$ 2,910         | \$ 2,504          | \$ (406)         |
| Total Revenues  | 1,065                                     | 732              | (333)            | 975  | 1,058            | 83               | 778                                     | 656              | (122)           | 92                                   | 58              | (34)          | 2,910            | 2,504             | (406)            |
| <b>Expenditures:</b>  |   |                  |                  |  |                  |                  |   |                  |                 |                                      |                 |               |                  |                   |                  |
| Debt Service  | 35,085                                    | 18,158           | 16,927           | 50,712   | 14,483           | 36,229           | 18,709                                  | 14,636           | 4,073           | 2,750                                | 2,066           | 684           | 107,256          | 49,343            | 57,913           |
| Total Expenditures  | 35,085                                    | 18,158           | 16,927           | 50,712   | 14,483           | 36,229           | 18,709                                  | 14,636           | 4,073           | 2,750                                | 2,066           | 684           | 107,256          | 49,343            | 57,913           |
| Excess Expenditures   | (34,020)                                  | (17,426)         | 16,594           | (49,737)                                       | (13,425)         | 36,312           | (17,931)                                | (13,980)         | 3,951           | (2,658)                              | (2,008)         | 650           | #####            | (46,839)          | 57,507           |
| <b>Other Financing Sources (Uses):</b>                          |   |                  |                  |  |                  |                  |   |                  |                 |                                      |                 |               |                  |                   |                  |
| Transfers In  | 14,800                                    | 14,800           | ---              | 8,429  | 8,429            | ---              | 18,284                                  | 18,284           | ---             | 2,949                                | 2,949           | ---           | 44,462           | 44,462            | ---              |
| Transfers Out   | (2)                                       | (1)              | 1                | (2)  | (2)              | ---              | (1)                                     | (1)              | ---             | ---                                  | ---             | ---           | (5)              | (4)               | 1                |
| Total Other Financing Sources (Uses)                            | 14,798                                    | 14,799           | 1                | 8,427  | 8,427            | ---              | 18,283                                  | 18,283           | ---             | 2,949                                | 2,949           | ---           | 44,457           | 44,458            | 1                |
| Excess Revenues and Other Sources (Expenditures and Other Uses) | (19,222)                                  | (2,627)          | 16,595           | (41,310)                                       | (4,998)          | 36,312           | 352                                     | 4,303            | 3,951           | 291                                  | 941             | 650           | (59,889)         | (2,381)           | 57,508           |
| Fund Balances – Beginning                                       | 35,444                                    | 35,444           | ---              | 52,733   | 52,733           | ---              | 19,450                                  | 19,450           | ---             | 2,305                                | 2,305           | ---           | 109,932          | 109,932           | ---              |
| Fund Balances – Ending  | <u>\$ 16,222</u>                          | <u>\$ 32,817</u> | <u>\$ 16,595</u> | <u>\$ 11,423</u>                               | <u>\$ 47,735</u> | <u>\$ 36,312</u> | <u>\$ 19,802</u>                        | <u>\$ 23,753</u> | <u>\$ 3,951</u> | <u>\$ 2,596</u>                      | <u>\$ 3,246</u> | <u>\$ 650</u> | <u>\$ 50,043</u> | <u>\$ 107,551</u> | <u>\$ 57,508</u> |
| Reconciling Items:  |   |                  |                  |  |                  |                  |   |                  |                 |                                      |                 |               |                  |                   |                  |
| Interest Receivable   |   | 106              |                  |  | 154              |                  |   | 79               |                 |                                      | 10              |               |                  | 349               |                  |
| Deferred Revenues   |   | (47)             |                  |  | (68)             |                  |   | (35)             |                 |                                      | (4)             |               |                  | (154)             |                  |
| Fund Balances – GAAP Basis                                      |   | <u>\$ 32,876</u> |                  |  | <u>\$ 47,821</u> |                  |   | <u>\$ 23,797</u> |                 |                                      | <u>\$ 3,252</u> |               |                  | <u>\$ 107,746</u> |                  |



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*The **Capital Projects Funds** account for financial resources to be used for the acquisition or construction of major capital facilities.*

## **Non-Major Capital Projects Funds:**

**Veterans' Homes Capital Improvement** – Accounts for fees collected from the sale of bingo cards to be used for the construction or renovation of veterans' homes and cemeteries in the State.

**Water Pollution Control** – Accounts for bond sale proceeds to be used for the protection of the environment through the control of water pollution.

**Fourth State Building** – Accounts for bond sale proceeds to be used for capital improvements of institutions of higher education, the Department of Corrections and the Division of Youth Services.

**Stormwater Control** – Accounts for bond sale proceeds to be used for financing and construction of stormwater control.

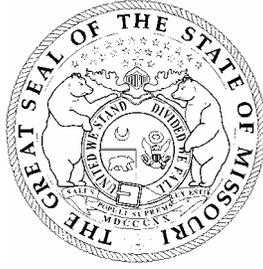
**Board of Public Building Revenue Bonds** – Accounts for bond sale proceeds to be used for renovating state buildings and structures, as well as refinancing the payment of temporary notes issued by the Tobacco Settlement Financing Authority.

**STATE OF MISSOURI  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
June 30, 2003  
(In Thousands of Dollars)**

|  | Veterans'<br>Homes<br>Capital<br>Improvement | Water<br>Pollution<br>Control | Fourth<br>State<br>Building | Stormwater<br>Control   | Board of<br>Public Building<br>Revenue Bond | Totals<br>June 30,<br>2003 |
|--|--|-------------------------------|-----------------------------|-------------------------|---|----------------------------|
| <b>ASSETS</b>                                  |  |                               |                             |                         |   |                            |
| Cash and Cash Equivalents                      | \$ 37,720                                    | \$ 51,567                     | \$ 10,118                   | \$ 29,809               | \$ 203,228                                  | \$ 332,442                 |
| Interest Receivable                            | 139  | 86                            | 33                          | 49                      | 431   | 738                        |
| <b>Total Assets</b>                            | <b><u>\$ 37,859</u></b>                      | <b><u>\$ 51,653</u></b>       | <b><u>\$ 10,151</u></b>     | <b><u>\$ 29,858</u></b> | <b><u>\$ 203,659</u></b>                    | <b><u>\$ 333,180</u></b>   |
| <b>LIABILITIES AND<br/>FUND BALANCES</b>       |  |                               |                             |                         |   |                            |
| Liabilities:                                   |  |                               |                             |                         |   |                            |
| Accounts Payable                               | \$ 18  | \$ ---                        | \$ ---                      | \$ ---                  | \$ ---                                      | \$ 18                      |
| Accrued Payroll                                | 32   | ---                           | ---                         | ---                     | ---   | 32                         |
| Due to Other Funds                             | 16   | ---                           | ---                         | ---                     | 108   | 124                        |
| Deferred Revenue                               | 62   | 38                            | 15                          | 22                      | 190   | 327                        |
| <b>Total Liabilities</b>                       | <b><u>128</u></b>                            | <b><u>38</u></b>              | <b><u>15</u></b>            | <b><u>22</u></b>        | <b><u>298</u></b>                           | <b><u>501</u></b>          |
| Fund Balances:                                 |  |                               |                             |                         |   |                            |
| Unreserved                                     | <u>37,731</u>                                | <u>51,615</u>                 | <u>10,136</u>               | <u>29,836</u>           | <u>203,361</u>                              | <u>332,679</u>             |
| <b>Total Fund Balances</b>                     | <b><u>37,731</u></b>                         | <b><u>51,615</u></b>          | <b><u>10,136</u></b>        | <b><u>29,836</u></b>    | <b><u>203,361</u></b>                       | <b><u>332,679</u></b>      |
| <b>Total Liabilities<br/>and Fund Balances</b> | <b><u>\$ 37,859</u></b>                      | <b><u>\$ 51,653</u></b>       | <b><u>\$ 10,151</u></b>     | <b><u>\$ 29,858</u></b> | <b><u>\$ 203,659</u></b>                    | <b><u>\$ 333,180</u></b>   |

**STATE OF MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**For the Fiscal Year Ended June 30, 2003**  
**(In Thousands of Dollars)**

|  | Veterans'<br>Homes<br>Capital<br>Improvement | Water<br>Pollution<br>Control | Fourth<br>State<br>Building | Stormwater<br>Control | Board of<br>Public Building<br>Revenue Bond | Totals<br>June 30,<br>2003 |
|--|--|-------------------------------|-----------------------------|-----------------------|---|----------------------------|
| <b>Revenues:</b>   |  |                               |                             |                       |   |                            |
| Contributions and Intergovernmental                                    | \$ 115                                       | \$ ---                        | \$ ---                      | \$ ---                | \$ ---                                      | \$ 115                     |
| Investment Earnings  | 1,103  | 1,146                         | 208                         | 559                   | 491   | 3,507                      |
| <b>Total Revenues</b>  | <b>1,218</b>                                 | <b>1,146</b>                  | <b>208</b>                  | <b>559</b>            | <b>491</b>                                  | <b>3,622</b>               |
| <b>Expenditures:</b>   |  |                               |                             |                       |   |                            |
| Current:   |  |                               |                             |                       |   |                            |
| General Government   | 4  | 31                            | ---                         | 15                    | ---   | 50                         |
| Education  | ---  | ---                           | 4                           | ---                   | ---   | 4                          |
| Transportation and Law Enforcement                                     | 3,502  | ---                           | ---                         | ---                   | ---   | 3,502                      |
| Human Services   | ---  | ---                           | 179                         | ---                   | ---   | 179                        |
| Capital Outlay:  |  |                               |                             |                       |   |                            |
| Current Expenditures   | 8,870  | ---                           | 1,584                       | ---                   | 108   | 10,562                     |
| Debt Service:  |  |                               |                             |                       |   |                            |
| Bond Issuance Costs  | ---  | ---                           | ---                         | ---                   | 385   | 385                        |
| Underwriter's Discount   | ---  | ---                           | ---                         | ---                   | 813   | 813                        |
| Intergovernmental  | ---  | 11,459                        | ---                         | 5,158                 | ---   | 16,617                     |
| <b>Total Expenditures</b>  | <b>12,376</b>                                | <b>11,490</b>                 | <b>1,767</b>                | <b>5,173</b>          | <b>1,306</b>                                | <b>32,112</b>              |
| <b>Excess Expenditures</b>   | <b>(11,158)</b>                              | <b>(10,344)</b>               | <b>(1,559)</b>              | <b>(4,614)</b>        | <b>(815)</b>                                | <b>(28,490)</b>            |
| <b>Other Financing Sources (Uses):</b>                                 |  |                               |                             |                       |   |                            |
| Proceeds from General Obligation/Other Bonds                           | ---  | 30,000                        | ---                         | 15,000                | 387,425                                     | 432,425                    |
| Payments to Escrow Agent   | ---  | ---                           | ---                         | ---                   | (55,599)                                    | (55,599)                   |
| Bond Premium   | ---  | ---                           | ---                         | ---                   | 22,350                                      | 22,350                     |
| Transfers In   | 3,000  | ---                           | ---                         | ---                   | ---   | 3,000                      |
| Transfers Out  | (6,361)                                      | (11,657)                      | (3)                         | ---                   | (150,000)                                   | (168,021)                  |
| <b>Total Other Financing Sources (Uses)</b>                            | <b>(3,361)</b>                               | <b>18,343</b>                 | <b>(3)</b>                  | <b>15,000</b>         | <b>204,176</b>                              | <b>234,155</b>             |
| <b>Excess Revenues and Other Sources (Expenditures and Other Uses)</b> | <b>(14,519)</b>                              | <b>7,999</b>                  | <b>(1,562)</b>              | <b>10,386</b>         | <b>203,361</b>                              | <b>205,665</b>             |
| Fund Balances – Beginning  | 52,250                                       | 43,616                        | 11,698                      | 19,450                | ---   | 127,014                    |
| <b>Fund Balances – Ending</b>  | <b>\$ 37,731</b>                             | <b>\$ 51,615</b>              | <b>\$ 10,136</b>            | <b>\$ 29,836</b>      | <b>\$ 203,361</b>                           | <b>\$ 332,679</b>          |



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*The **Permanent Funds** account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs.*

## **Permanent Funds:**

**Arrow Rock State Historic Site Endowment** – Accounts for moneys transferred from the State Parks Earnings fund, as well as other moneys or property received by grant, gift, donation, or bequest specified for the enhancement of the Arrow Rock State Historic Site.

**Confederate Memorial Park** – Accounts for the income from investments acquired by gifts, donations and bequests to be used for the maintenance of the Confederate Memorial Park.

**State Public School** – Accounts for all moneys, bonds, lands and other properties belonging to or donated to the State for public school use in establishing and maintaining free public schools.

**Smith Memorial Endowment Trust** – Accounts for moneys bequeathed for the use and benefit of the Crippled Children's Service.

**Missouri Investment Trust** – Accounts for moneys transferred from the Missouri Arts Council Trust Fund, the Missouri Humanities Council Trust Fund, the Johnson-Travis Memorial Trust Fund, and the Secretary of State Wolfner Library Fund to be invested by the Missouri Investment Trust's Board of Trustees.

**STATE OF MISSOURI  
COMBINING BALANCE SHEET  
PERMANENT FUNDS  
June 30, 2003  
(In Thousands of Dollars)**

|  | Arrow Rock<br>State Historic<br>Site | Confederate<br>Memorial<br>Park | State Public<br>School  | Smith<br>Memorial<br>Endowment<br>Trust | Missouri<br>Investment<br>Trust | Totals<br>June 30,<br>2003 |
|--|--------------------------------------|---------------------------------|-------------------------|---|---------------------------------|----------------------------|
| <b>ASSETS</b>                                  |                                      |                                 |                         |   |                                 |                            |
| Cash and Cash Equivalents                      | \$ 22                                | \$ 139                          | \$ 4                    | \$ 388                                  | \$ ---                          | \$ 553                     |
| Investments                                    | ---                                  | ---                             | 19,508                  | ---                                     | 17,916                          | 37,424                     |
| Interest Receivable                            | ---                                  | ---                             | ---                     | 1                                       | ---                             | 1                          |
| <b>Total Assets</b>                            | <b><u>\$ 22</u></b>                  | <b><u>\$ 139</u></b>            | <b><u>\$ 19,512</u></b> | <b><u>\$ 389</u></b>                    | <b><u>\$ 17,916</u></b>         | <b><u>\$ 37,978</u></b>    |
| <b>LIABILITIES AND FUND BALANCES</b>           |                                      |                                 |                         |   |                                 |                            |
| Fund Balances:                                 |                                      |                                 |                         |   |                                 |                            |
| Reserved for Trust Principal                   | \$ 22                                | \$ 75                           | \$ 19,512               | \$ 365                                  | \$ 17,916                       | \$ 37,890                  |
| Unreserved                                     | ---                                  | 64                              | ---                     | 24                                      | ---                             | 88                         |
| <b>Total Fund Balances</b>                     | <b><u>22</u></b>                     | <b><u>139</u></b>               | <b><u>19,512</u></b>    | <b><u>389</u></b>                       | <b><u>17,916</u></b>            | <b><u>37,978</u></b>       |
| <b>Total Liabilities<br/>and Fund Balances</b> | <b><u>\$ 22</u></b>                  | <b><u>\$ 139</u></b>            | <b><u>\$ 19,512</u></b> | <b><u>\$ 389</u></b>                    | <b><u>\$ 17,916</u></b>         | <b><u>\$ 37,978</u></b>    |

Note: There were no liabilities in Permanent Funds at June 30, 2003.

**STATE OF MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**PERMANENT FUNDS**  
**For the Fiscal Year Ended June 30, 2003**  
**(In Thousands of Dollars)**

|   | Arrow Rock<br>State Historic<br>Site | Confederate<br>Memorial<br>Park | State Public<br>School | Smith<br>Memorial<br>Endowment<br>Trust | Missouri<br>Investment<br>Trust | Totals<br>June 30,<br>2003 |
|---|--------------------------------------|---------------------------------|------------------------|---|---------------------------------|----------------------------|
| <b>Revenues:</b>  |                                      |                                 |                        |   |                                 |                            |
| Investment Earnings:  |                                      |                                 |                        |   |                                 |                            |
| Net Decrease in the Fair Value<br>of Investments                      | \$     ---                           | \$     ---                      | \$     ---             | \$     ---                              | \$    (145)                     | \$    (145)                |
| Interest  | ---                                  | 3                               | ---                    | 10                                      | ---                             | 13                         |
| Penalties and Unclaimed<br>Properties                                 | ---                                  | ---                             | 179                    | ---                                     | ---                             | 179                        |
| Total Revenues  | ---                                  | 3                               | 179                    | 10                                      | (145)                           | 47                         |
| <b>Expenditures:</b>  |                                      |                                 |                        |   |                                 |                            |
| Human Services  | ---                                  | ---                             | ---                    | 35                                      | ---                             | 35                         |
| Total Expenditures  | ---                                  | ---                             | ---                    | 35                                      | ---                             | 35                         |
| Excess Revenues<br>(Expenditures)                                     | ---                                  | 3                               | 179                    | (25)                                    | (145)                           | 12                         |
| <b>Other Financing Sources:</b>                                       |                                      |                                 |                        |   |                                 |                            |
| Transfers In  | 22                                   | ---                             | 1,714                  | ---                                     | ---                             | 1,736                      |
| Total Other Financing Sources   | 22                                   | ---                             | 1,714                  | ---                                     | ---                             | 1,736                      |
| Excess Revenues and Other<br>Sources (Expenditures and<br>Other Uses) | 22                                   | 3                               | 1,893                  | (25)                                    | (145)                           | 1,748                      |
| Fund Balances – Beginning   | ---                                  | 136                             | 17,619                 | 414                                     | 18,061                          | 36,230                     |
| Fund Balances – Ending  | <u>\$     22</u>                     | <u>\$    139</u>                | <u>\$  19,512</u>      | <u>\$     389</u>                       | <u>\$  17,916</u>               | <u>\$  37,978</u>          |

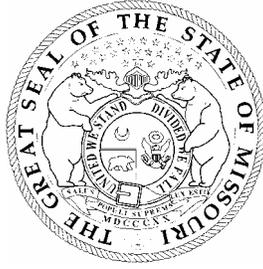
**STATE OF MISSOURI**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**ALL APPROPRIATED PERMANENT FUNDS**  
**For the Fiscal Year Ended June 30, 2003**  
**(In Thousands of Dollars)**

|   | Arrow Rock State Historic Site |              |               | Confederate Memorial Park |               |               | State Public School |                  |                  | Smith Memorial Endowment Trust |               |                |
|---|--------------------------------|--------------|---------------|---------------------------|---------------|---------------|---------------------|------------------|------------------|--------------------------------|---------------|----------------|
|   | Budget                         | Actual       | Variance      | Budget                    | Actual        | Variance      | Budget              | Actual           | Variance         | Budget                         | Actual        | Variance       |
| <b>Revenues:</b>  |                                |              |               |                           |               |               |                     |                  |                  |                                |               |                |
| Redeposit of Investment Principal                               | \$ ---                         | \$ ---       | \$ ---        | \$ ---                    | \$ ---        | \$ ---        | \$ 10,698           | \$ 35,069        | \$ 24,371        | \$ ---                         | \$ ---        | \$ ---         |
| Interest  | ---                            | ---          | ---           | 4                         | 4             | ---           | 131                 | 429              | 298              | 20                             | 10            | (10)           |
| Penalties and Unclaimed Property                                | ---                            | ---          | ---           | ---                       | ---           | ---           | 54                  | 178              | 124              | ---                            | ---           | ---            |
| <b>Total Revenues</b>   | <b>---</b>                     | <b>---</b>   | <b>---</b>    | <b>4</b>                  | <b>4</b>      | <b>---</b>    | <b>10,883</b>       | <b>35,676</b>    | <b>24,793</b>    | <b>20</b>                      | <b>10</b>     | <b>(10)</b>    |
| <b>Expenditures:</b>  |                                |              |               |                           |               |               |                     |                  |                  |                                |               |                |
| Education   | ---                            | ---          | ---           | ---                       | ---           | ---           | 37,402              | 37,399           | 3                | ---                            | ---           | ---            |
| Human Services  | ---                            | ---          | ---           | ---                       | ---           | ---           | ---                 | ---              | ---              | 35                             | 35            | ---            |
| <b>Total Expenditures</b>                                       | <b>---</b>                     | <b>---</b>   | <b>---</b>    | <b>---</b>                | <b>---</b>    | <b>---</b>    | <b>37,402</b>       | <b>37,399</b>    | <b>3</b>         | <b>35</b>                      | <b>35</b>     | <b>---</b>     |
| Excess Revenues (Expenditures)                                  | ---                            | ---          | ---           | 4                         | 4             | ---           | (26,519)            | (1,723)          | 24,796           | (15)                           | (25)          | (10)           |
| <b>Other Financing Sources:</b>                                 |                                |              |               |                           |               |               |                     |                  |                  |                                |               |                |
| Transfers In  | 22                             | 22           | ---           | ---                       | ---           | ---           | 2,112               | 1,714            | (398)            | ---                            | ---           | ---            |
| <b>Total Other Financing Sources</b>                            | <b>22</b>                      | <b>22</b>    | <b>---</b>    | <b>---</b>                | <b>---</b>    | <b>---</b>    | <b>2,112</b>        | <b>1,714</b>     | <b>(398)</b>     | <b>---</b>                     | <b>---</b>    | <b>---</b>     |
| Excess Revenues and Other Sources (Expenditures and Other Uses) | 22                             | 22           | ---           | 4                         | 4             | ---           | (24,407)            | (9)              | 24,398           | (15)                           | (25)          | (10)           |
| Fund Balances – Beginning                                       | ---                            | ---          | ---           | 135                       | 135           | ---           | 13                  | 13               | ---              | 413                            | 413           | ---            |
| Fund Balances – Ending  | <u>\$ 22</u>                   | <u>\$ 22</u> | <u>\$ ---</u> | <u>\$ 139</u>             | <u>\$ 139</u> | <u>\$ ---</u> | <u>\$ (24,394)</u>  | <u>\$ 4</u>      | <u>\$ 24,398</u> | <u>\$ 398</u>                  | <u>\$ 388</u> | <u>\$ (10)</u> |
| <b>Reconciling Items:</b>                                       |                                |              |               |                           |               |               |                     |                  |                  |                                |               |                |
| Investments   |                                | ---          |               |                           | ---           |               |                     | 19,508           |                  |                                | ---           |                |
| Interest Receivable   |                                | ---          |               |                           | ---           |               |                     | ---              |                  |                                | 1             |                |
| Fund Balance – GAAP Basis                                       |                                | <u>\$ 22</u> |               |                           | <u>\$ 139</u> |               |                     | <u>\$ 19,512</u> |                  |                                | <u>\$ 389</u> |                |

Note: The Missouri Investment Trust Fund is not presented on the budgetary comparison schedule because it is a non-appropriated fund, and does not have a legally adopted budget.

This schedule is continued on page 111.

|   | Totals             |                  |                  |
|---|--------------------|------------------|------------------|
|   | Budget             | Actual           | Variance         |
| <b>Revenues:</b>  |                    |                  |                  |
| Redeposit of Investment Principal                               | \$ 10,698          | \$ 35,069        | \$ 24,371        |
| Interest  | 155                | 443              | 288              |
| Penalties and Unclaimed Property                                | 54                 | 178              | 124              |
| <b>Total Revenues</b>   | <b>10,907</b>      | <b>35,690</b>    | <b>24,783</b>    |
| <b>Expenditures:</b>  |                    |                  |                  |
| Education   | 37,402             | 37,399           | 3                |
| Human Services  | 35                 | 35               | ---              |
| <b>Total Expenditures</b>                                       | <b>37,437</b>      | <b>37,434</b>    | <b>3</b>         |
| Excess Revenues (Expenditures)                                  | (26,530)           | (1,744)          | 24,786           |
| <b>Other Financing Sources:</b>                                 |                    |                  |                  |
| Transfers In  | 2,134              | 1,736            | (398)            |
| <b>Total Other Financing Sources</b>                            | <b>2,134</b>       | <b>1,736</b>     | <b>(398)</b>     |
| Excess Revenues and Other Sources (Expenditures and Other Uses) | (24,396)           | (8)              | 24,388           |
| Fund Balances – Beginning                                       | 561                | 561              | ---              |
| Fund Balances – Ending  | <u>\$ (23,835)</u> | <u>\$ 553</u>    | <u>\$ 24,388</u> |
| <b>Reconciling Items:</b>                                       |                    |                  |                  |
| Investments   |                    | 19,508           |                  |
| Interest Receivable   |                    | 1                |                  |
| Fund Balance – GAAP Basis                                       |                    | <u>\$ 20,062</u> |                  |



*The **Enterprise Funds** account for operations that are financed and operated in a manner similar to private business enterprises.*

## **Non-Major Enterprise Funds:**

**State Fair Fees** – Accounts for the fairground admission fees used to improve the grounds and to pay the operating costs of the State fair.

**State Parks** – Accounts for park concessions and contributions which are used to acquire and operate State parks.

**Natural Resources Revolving Services** – Accounts for moneys received from delivery of services and the sale or resale of maps, plats, reports, studies, records and other publications and documents.

**Historic Preservation Revolving** – Accounts for gifts, grants, and contributions used to acquire, preserve, restore, maintain or operate any historical properties.

**Missouri Veterans' Homes** – Accounts for fees to provide services for persons confined to one of the institutions.

**State Agency for Surplus Property** – Accounts for the surplus property operation.

**Department of Revenue Information** – Accounts for fees received by the Department of Revenue for publications and used to pay the costs of providing this information.

**STATE OF MISSOURI**  
**COMBINING STATEMENT OF NET ASSETS**  
**NON-MAJOR ENTERPRISE FUNDS**  
**June 30, 2003**  
(In Thousands of Dollars)

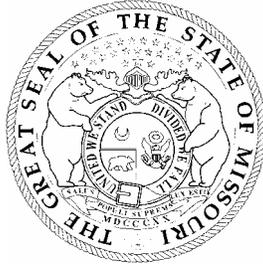
|   | State Fair<br>Fees | State<br>Parks | Natural<br>Resources<br>Revolving<br>Services | Historic<br>Preservation<br>Revolving | Missouri<br>Veterans'<br>Homes | State Agency<br>for Surplus<br>Property | Department<br>of Revenue<br>Information | Totals<br>June 30,<br>2003 |
|---|--------------------|----------------|---|---------------------------------------|--------------------------------|---|---|----------------------------|
| <b>ASSETS</b>   |                    |                |   |                                       |                                |   |   |                            |
| Current Assets:   |                    |                |   |                                       |                                |   |   |                            |
| Cash and Cash Equivalents                                 | \$ 264             | \$ 5,379       | \$ 382  | \$ 854                                | \$ 473                         | \$ 1,995                                | \$ 619                                  | \$ 9,966                   |
| Accounts Receivable, Net                                  | ---                | 59             | 25  | ---                                   | 204                            | 154                                     | 172                                     | 614                        |
| Interest Receivable                                       | ---                | ---            | ---   | 3                                     | 4                              | ---                                     | ---                                     | 7                          |
| Due from Other Funds                                      | 10                 | 49             | 31  | ---                                   | ---                            | ---                                     | ---                                     | 90                         |
| Inventories   | ---                | 237            | 434   | ---                                   | 248                            | 142                                     | 159                                     | 1,220                      |
| Prepaid Items   | ---                | ---            | 34  | ---                                   | ---                            | 2                                       | ---                                     | 36                         |
| Loans Receivable  | ---                | ---            | ---   | 576                                   | ---                            | ---                                     | ---                                     | 576                        |
| Noncurrent Assets:  |                    |                |   |                                       |                                |   |   |                            |
| Assets Held for Resale                                    | ---                | ---            | ---   | 115                                   | ---                            | ---                                     | ---                                     | 115                        |
| Capital Assets:   |                    |                |   |                                       |                                |   |   |                            |
| Construction in Progress                                  | ---                | 2,521          | ---   | 44                                    | 25                             | ---                                     | ---                                     | 2,590                      |
| Land  | ---                | 10,025         | ---   | 185                                   | ---                            | ---                                     | ---                                     | 10,210                     |
| Land Improvements   | 59                 | 3,099          | ---   | ---                                   | ---                            | 247                                     | ---                                     | 3,405                      |
| Buildings   | 3                  | 11,213         | ---   | ---                                   | 139                            | 225                                     | ---                                     | 11,580                     |
| Equipment   | 205                | 7,210          | 14,824  | 41                                    | 4,575                          | 721                                     | 396                                     | 27,972                     |
| Less Accumulated Depreciation                             | (158)              | (10,340)       | (12,069)                                      | (36)                                  | (2,166)                        | (1,057)                                 | (329)                                   | (26,155)                   |
| Total Capital Assets (Net of<br>Accumulated Depreciation) | 109                | 23,728         | 2,755   | 234                                   | 2,573                          | 136                                     | 67                                      | 29,602                     |
| Total Assets  | 383                | 29,452         | 3,661   | 1,782                                 | 3,502                          | 2,429                                   | 1,017                                   | 42,226                     |
| <b>LIABILITIES</b>  |                    |                |   |                                       |                                |   |   |                            |
| Current Liabilities:                                      |                    |                |   |                                       |                                |   |   |                            |
| Accounts Payable  | 49                 | 46             | 7   | 6                                     | 797                            | 13                                      | 11                                      | 929                        |
| Accrued Payroll   | 22                 | 43             | ---   | 1                                     | 992                            | 25                                      | 6                                       | 1,089                      |
| Due to Other Funds  | 9                  | 17             | 13  | ---                                   | 369                            | 14                                      | 10                                      | 432                        |
| Deferred Revenue  | ---                | ---            | 42  | ---                                   | ---                            | ---                                     | ---                                     | 42                         |
| Compensated Absences                                      | 3                  | 32             | 6   | 1                                     | 1,253                          | 49                                      | 7                                       | 1,351                      |
| Total Liabilities   | 83                 | 138            | 68  | 8                                     | 3,411                          | 101                                     | 34                                      | 3,843                      |
| <b>NET ASSETS</b>   |                    |                |   |                                       |                                |   |   |                            |
| Invested in Capital Assets, Net of Related Debt           | 109                | 23,728         | 2,755   | 234                                   | 2,573                          | 136                                     | 67                                      | 29,602                     |
| Unrestricted  | 191                | 5,586          | 838   | 1,540                                 | (2,482)                        | 2,192                                   | 916                                     | 8,781                      |
| Total Net Assets  | \$ 300             | \$ 29,314      | \$ 3,593                                      | \$ 1,774                              | \$ 91                          | \$ 2,328                                | \$ 983                                  | \$ 38,383                  |

**STATE OF MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**NON-MAJOR ENTERPRISE FUNDS**  
**For the Year Ended June 30, 2003**  
**(In Thousands of Dollars)**

|   | State Fair<br>Fees | State<br>Parks   | Natural<br>Resources<br>Revolving<br>Service | Historic<br>Preservation<br>Revolving | Missouri<br>Veterans'<br>Homes | State Agency<br>for Surplus<br>Property | Department<br>of Revenue<br>Information | Totals<br>June 30,<br>2003 |
|---|--------------------|------------------|--|---------------------------------------|--------------------------------|---|---|----------------------------|
| <b>Operating Revenues:</b>                |                    |                  |  |                                       |                                |   |   |                            |
| Taxes                                     | \$ 87              | \$ 215           | \$ ---                                       | \$ ---                                | \$ ---                         | \$ ---                                  | \$ 54                                   | \$ 356                     |
| Licenses, Fees and Permits                | 3,038              | 4,284            | ---  | ---                                   | 1                              | ---                                     | ---                                     | 7,323                      |
| Sales                                     | ---                | 516              | 317  | ---                                   | 173                            | 2,264                                   | 1,965                                   | 5,235                      |
| Leases and Rentals                        | 848                | 1,886            | ---  | ---                                   | ---                            | ---                                     | ---                                     | 2,734                      |
| Charges for Services                      | ---                | ---              | 468  | ---                                   | 16,408                         | ---                                     | ---                                     | 16,876                     |
| Cost Reimbursement/Miscellaneous          | 6                  | 1,806            | 36   | ---                                   | 9                              | ---                                     | ---                                     | 1,857                      |
| Total Operating Revenues                  | <u>3,979</u>       | <u>8,707</u>     | <u>821</u>                                   | <u>---</u>                            | <u>16,591</u>                  | <u>2,264</u>                            | <u>2,019</u>                            | <u>34,381</u>              |
| <b>Operating Expenses:</b>                |                    |                  |  |                                       |                                |   |   |                            |
| Cost of Goods Sold                        | ---                | ---              | ---  | ---                                   | ---                            | 850                                     | ---                                     | 850                        |
| Personal Service                          | 844                | 1,003            | 44   | 56                                    | 29,551                         | 790                                     | 546                                     | 32,834                     |
| Operations                                | 2,713              | 3,424            | 434  | 31                                    | 7,599                          | 523                                     | 390                                     | 15,114                     |
| Inventories                               | 36                 | 71               | 373  | ---                                   | 4,430                          | 9                                       | 3                                       | 4,922                      |
| Specific Programs                         | 13                 | 8                | ---  | ---                                   | 332                            | ---                                     | ---                                     | 353                        |
| Depreciation                              | 21                 | 1,194            | 1,399  | 1                                     | 492                            | 62                                      | 24                                      | 3,193                      |
| Other Charges                             | 140                | 277              | ---  | ---                                   | 294                            | ---                                     | 44                                      | 755                        |
| Total Operating Expenses                  | <u>3,767</u>       | <u>5,977</u>     | <u>2,250</u>                                 | <u>88</u>                             | <u>42,698</u>                  | <u>2,234</u>                            | <u>1,007</u>                            | <u>58,021</u>              |
| Operating Income (Loss)                   | <u>212</u>         | <u>2,730</u>     | <u>(1,429)</u>                               | <u>(88)</u>                           | <u>(26,107)</u>                | <u>30</u>                               | <u>1,012</u>                            | <u>(23,640)</u>            |
| <b>Non-Operating Revenues (Expenses):</b> |                    |                  |  |                                       |                                |   |   |                            |
| Contributions and Intergovernmental       | ---                | 226              | 38   | 1                                     | 20,992                         | ---                                     | ---                                     | 21,257                     |
| Interest                                  | 4                  | ---              | ---  | 25                                    | 39                             | 44                                      | ---                                     | 112                        |
| Penalties and Unclaimed Properties        | ---                | 1                | ---  | ---                                   | ---                            | ---                                     | ---                                     | 1                          |
| Disposal of Fixed Assets                  | ---                | (13)             | (11)   | ---                                   | (5)                            | ---                                     | ---                                     | (29)                       |
| Miscellaneous Revenues                    | ---                | ---              | ---  | ---                                   | ---                            | 24                                      | ---                                     | 24                         |
| Total Non-Operating Revenues (Expenses)   | <u>4</u>           | <u>214</u>       | <u>27</u>                                    | <u>26</u>                             | <u>21,026</u>                  | <u>68</u>                               | <u>---</u>                              | <u>21,365</u>              |
| Income (Loss) Before Transfers            | 216                | 2,944            | (1,402)                                      | (62)                                  | (5,081)                        | 98                                      | 1,012                                   | (2,275)                    |
| Transfers In                              | ---                | ---              | ---  | ---                                   | 6,275                          | 1                                       | 11                                      | 6,287                      |
| Transfers Out                             | (57)               | (137)            | (22)   | (5)                                   | (1,656)                        | (19)                                    | (974)                                   | (2,870)                    |
| Change in Net Assets                      | 159                | 2,807            | (1,424)                                      | (67)                                  | (462)                          | 80                                      | 49                                      | 1,142                      |
| Total Net Assets - Beginning              | 141                | 26,507           | 5,017  | 1,841                                 | 553                            | 2,248                                   | 934                                     | 37,241                     |
| Total Net Assets - Ending                 | <u>\$ 300</u>      | <u>\$ 29,314</u> | <u>\$ 3,593</u>                              | <u>\$ 1,774</u>                       | <u>\$ 91</u>                   | <u>\$ 2,328</u>                         | <u>\$ 983</u>                           | <u>\$ 38,383</u>           |

**STATE OF MISSOURI  
STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS  
For the Year Ended June 30, 2003  
(In Thousands of Dollars)**

|  | State Fair<br>Fees | State<br>Parks  | Natural<br>Resources<br>Revolving<br>Service | Historic<br>Preservation<br>Revolving | Missouri<br>Veterans'<br>Homes | State Agency<br>for Surplus<br>Property | Department<br>of Revenue<br>Information | Totals<br><br>June 30,<br>2003 |
|--|--------------------|-----------------|--|---------------------------------------|--------------------------------|---|---|--------------------------------|
| <b>Cash Flows from Operating Activities:</b>   |                    |                 |  |                                       |                                |   |   |                                |
| Receipts from Customers and Users  | \$ 3,973           | \$ 6,842        | \$ 785                                       | \$ ---                                | \$ 16,582                      | \$ 2,315                                | \$ 2,035                                | \$ 32,532                      |
| Payments to Suppliers  | (2,693)            | (3,487)         | (654)  | (31)                                  | (11,429)                       | (1,215)                                 | (403)                                   | (19,912)                       |
| Payments to Employees  | (858)              | (1,047)         | (45)   | (55)                                  | (29,269)                       | (797)                                   | (555)                                   | (32,626)                       |
| Payments Made for Program Expense  | (13)               | (8)             | ---  | ---                                   | (332)                          | ---                                     | ---                                     | (353)                          |
| Other Receipts (Payments)  | (170)              | 1,529           | 23   | 6                                     | (285)                          | (9)                                     | (47)                                    | 1,047                          |
| Net Cash Provided (Used) by Operating Activities   | <u>239</u>         | <u>3,829</u>    | <u>109</u>                                   | <u>(80)</u>                           | <u>(24,733)</u>                | <u>294</u>                              | <u>1,030</u>                            | <u>(19,312)</u>                |
| <b>Cash Flows from Non-Capital Operating Activities:</b>                                       |                    |                 |  |                                       |                                |   |   |                                |
| Loans Made to Outside Entities   | ---                | ---             | ---  | (431)                                 | ---                            | ---                                     | ---                                     | (431)                          |
| Due to/from Other Funds  | (4)                | (42)            | (18)   | (1)                                   | 77                             | 5                                       | 6                                       | 23                             |
| Contributions and Intergovernmental  | ---                | 226             | 38   | 1                                     | 20,992                         | ---                                     | ---                                     | 21,257                         |
| Transfers to/from Other Funds  | (57)               | (137)           | (22)   | (5)                                   | 4,619                          | (18)                                    | (963)                                   | 3,417                          |
| Net Cash Provided (Used) by Non-Capital Operating Activities                                   | <u>(61)</u>        | <u>47</u>       | <u>(2)</u>                                   | <u>(436)</u>                          | <u>25,688</u>                  | <u>(13)</u>                             | <u>(957)</u>                            | <u>24,266</u>                  |
| <b>Cash Flows from Capital and Related Financing Activities:</b>                               |                    |                 |  |                                       |                                |   |   |                                |
| Purchases and Construction of Capital Assets   | (82)               | (2,292)         | (300)  | (50)                                  | (543)                          | (3)                                     | ---                                     | (3,270)                        |
| Disposal of Capital Assets   | ---                | (13)            | (11)   | ---                                   | (5)                            | ---                                     | ---                                     | (29)                           |
| Net Cash Used by Capital and Related Financing Activities                                      | <u>(82)</u>        | <u>(2,305)</u>  | <u>(311)</u>                                 | <u>(50)</u>                           | <u>(548)</u>                   | <u>(3)</u>                              | <u>---</u>                              | <u>(3,299)</u>                 |
| <b>Cash Flows from Investing Activities:</b>   |                    |                 |  |                                       |                                |   |   |                                |
| Interest and Dividends Received  | 5                  | ---             | ---  | 29                                    | 42                             | 44                                      | ---                                     | 120                            |
| Penalties and Other Receipts   | ---                | 1               | ---  | ---                                   | ---                            | 24                                      | ---                                     | 25                             |
| Net Cash Provided by Investing Activities  | <u>5</u>           | <u>1</u>        | <u>---</u>                                   | <u>29</u>                             | <u>42</u>                      | <u>68</u>                               | <u>---</u>                              | <u>145</u>                     |
| Net Increase (Decrease) in Cash  | 101                | 1,572           | (204)  | (537)                                 | 449                            | 346                                     | 73                                      | 1,800                          |
| Cash and Cash Equivalents, Beginning of Year   | 163                | 3,807           | 586  | 1,391                                 | 24                             | 1,649                                   | 546                                     | 8,166                          |
| Cash and Cash Equivalents, End of Year   | <u>\$ 264</u>      | <u>\$ 5,379</u> | <u>\$ 382</u>                                | <u>\$ 854</u>                         | <u>\$ 473</u>                  | <u>\$ 1,995</u>                         | <u>\$ 619</u>                           | <u>\$ 9,966</u>                |
| <b>Reconciliation of Operating Income of Net Cash Provided (Used) by Operating Activities:</b> |                    |                 |  |                                       |                                |   |   |                                |
| Operating Income (Loss)  | \$ 212             | \$ 2,730        | \$ (1,429)                                   | \$ (88)                               | \$ (26,107)                    | \$ 30                                   | \$ 1,012                                | \$ (23,640)                    |
| Depreciation Expense   | 21                 | 1,194           | 1,399  | 1                                     | 492                            | 62                                      | 24                                      | 3,193                          |
| Changes in Assets and Liabilities:   |                    |                 |  |                                       |                                |   |   |                                |
| Accounts Receivable  | ---                | (59)            | (14)   | ---                                   | 6                              | 51                                      | 16                                      | ---                            |
| Inventories  | ---                | (17)            | 111  | ---                                   | (8)                            | 173                                     | ---                                     | 259                            |
| Prepaid Items  | ---                | ---             | 46   | ---                                   | ---                            | (1)                                     | ---                                     | 45                             |
| Accounts Payable   | 20                 | 25              | (4)  | 6                                     | 608                            | (14)                                    | (13)                                    | 628                            |
| Accrued Payroll  | (2)                | (17)            | ---  | ---                                   | 129                            | ---                                     | (4)                                     | 106                            |
| Deferred Revenue   | ---                | ---             | 1  | ---                                   | (5)                            | ---                                     | ---                                     | (4)                            |
| Compensated Absences Payable   | (12)               | (27)            | (1)  | 1                                     | 152                            | (7)                                     | (5)                                     | 101                            |
| Net Cash Provided (Used) by Operating Activities   | <u>\$ 239</u>      | <u>\$ 3,829</u> | <u>\$ 109</u>                                | <u>\$ (80)</u>                        | <u>\$ (24,733)</u>             | <u>\$ 294</u>                           | <u>\$ 1,030</u>                         | <u>\$ (19,312)</u>             |



*The **Internal Service Funds** account for the financing of goods or services provided by one department or agency to other departments or agencies of the State on a cost-reimbursement basis.*

**Natural Resources Cost Allocation** – Accounts for the administrative costs of the Department of Natural Resources.

**Mental Health Interagency Payments** – Accounts for moneys received through interagency agreements for services provided by other agencies.

**State Facility Maintenance and Operation** – Accounts for moneys transferred or paid to the Office of Administration as operating expenses and for rent expenses of certain state-owned facilities.

**Office of Administration Revolving** – Accounts for the following operations: printing services, flight operations, vehicle management, garage services, data processing and telecommunication services, building and grounds, insurance services, postage, and personnel administration.

**Working Capital Revolving** – Accounts for the operation of correctional industry programs and correctional farm programs.

**Microfilming Service Revolving** – Accounts for microfilming service operations.

**General Government Revolving** – Accounts for various service operations of the House of Representatives, Supreme Court, Adjutant General, Senate, Treasurer and Department of Corrections.

**Social Services Administrative Trust** – Accounts for moneys transferred or paid to the Department of Social Services from any governmental entity or the public for goods and services provided.

**Economic Development – Administrative** – Accounts for moneys collected for goods and services provided to other divisions and used to pay the cost of providing such services.

**Professional Registration Fees** – Accounts for moneys received from the professional boards for administrative services.

**Conservation Employees' Insurance Plan** – Accounts for health insurance coverage on a self-insured basis and life insurance coverage by a third party provider for the Department of Conservation employees.

**Transportation Self-Insurance Plan** – Accounts for highway and highway patrol moneys used to pay workers' compensation claims. Moneys are also used to pay auto claims against the Department of Transportation.

**Missouri State Employees' Insurance Plan** – Accounts for long-term disability and death benefits provided on a self-insured basis for State employees.

**Missouri Consolidated Health Care Plan** – Accounts for medical care benefits provided on a self-insured basis for State employees.

**Highway and Transportation Employees' and Highway Patrol Insurance Plan** – Accounts for the medical coverage provided on a self-insured basis and death benefits provided on an insured basis to Department of Transportation employees and members of the Missouri State Highway Patrol.

**STATE OF MISSOURI  
COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
June 30, 2003  
(In Thousands of Dollars)**

|  | Natural Resources Cost Allocation | Mental Health Interagency Payments | State Facility Maintenance and Operation | Office of Administration Revolving | Working Capital Revolving | General Government Revolving | Social Services Administrative Trust | Economic Development Administrative | Professional Registration Fee | Conservation Employees' Insurance Plan | Transportation Self-Insurance Plan | Missouri State Employees' Insurance Plan | Missouri Consolidated Health Care Plan | Highway and Transportation Employees' and Highway Patrol Insurance Plan | Totals<br>June 30, 2003 |
|--|-----------------------------------|------------------------------------|--|------------------------------------|---------------------------|------------------------------|--------------------------------------|-------------------------------------|-------------------------------|--|------------------------------------|--|--|---|-------------------------|
| <b>ASSETS</b>  |                                   |                                    |  |                                    |                           |                              |                                      |                                     |                               |  |                                    |  |  |   |                         |
| Current Assets:  |                                   |                                    |  |                                    |                           |                              |                                      |                                     |                               |  |                                    |  |  |   |                         |
| Cash and Cash Equivalents                              | \$ 1,127                          | \$ 565                             | \$ 950                                   | \$ 10,602                          | \$ 10,128                 | \$ 1,375                     | \$ 704                               | \$ 572                              | \$ 369                        | \$ 1,324                               | \$ 594                             | \$ ---                                   | \$ 61,123                              | \$ 14,752   | \$ 104,185              |
| Investments  | ---                               | ---                                | ---                                      | ---                                | ---                       | ---                          | ---                                  | ---                                 | ---                           | ---                                    | 31,377                             | 1,750                                    | ---                                    | ---   | 33,127                  |
| Accounts Receivable, Net                               | ---                               | ---                                | 31                                       | 1,932                              | 1,987                     | 6,632                        | ---                                  | 1                                   | ---                           | 356                                    | ---                                | 911                                      | 2,598                                  | 15  | 14,463                  |
| Interest Receivable                                    | ---                               | ---                                | ---                                      | ---                                | ---                       | ---                          | ---                                  | ---                                 | ---                           | ---                                    | 154                                | ---                                      | 45                                     | ---   | 199                     |
| Due from Other Funds                                   | ---                               | 479                                | 26                                       | 3,172                              | 1,160                     | ---                          | 157                                  | 1                                   | ---                           | ---                                    | ---                                | 121                                      | 10,381                                 | ---   | 15,497                  |
| Inventories  | ---                               | 16                                 | ---                                      | 259                                | 9,822                     | ---                          | ---                                  | 2                                   | 12                            | ---                                    | ---                                | ---                                      | ---                                    | ---   | 10,111                  |
| Prepaid Items  | ---                               | ---                                | ---                                      | ---                                | ---                       | ---                          | ---                                  | ---                                 | ---                           | ---                                    | ---                                | ---                                      | 4                                      | ---   | 4                       |
| Noncurrent Assets:                                     |                                   |                                    |  |                                    |                           |                              |                                      |                                     |                               |  |                                    |  |  |   |                         |
| Restricted Cash and Cash Equivalents                   | ---                               | ---                                | 83,962                                   | ---                                | ---                       | ---                          | ---                                  | ---                                 | ---                           | ---                                    | ---                                | ---                                      | ---                                    | ---   | 83,962                  |
| Capital Assets:  |                                   |                                    |  |                                    |                           |                              |                                      |                                     |                               |  |                                    |  |  |   |                         |
| Construction in Progress                               | ---                               | ---                                | 89,874                                   | 4,804                              | ---                       | ---                          | ---                                  | ---                                 | ---                           | ---                                    | ---                                | ---                                      | ---                                    | ---   | 94,678                  |
| Land   | ---                               | ---                                | 8,307                                    | 11                                 | 103                       | ---                          | ---                                  | ---                                 | ---                           | ---                                    | ---                                | ---                                      | ---                                    | ---   | 8,421                   |
| Land Improvements                                      | ---                               | ---                                | 2,852                                    | ---                                | ---                       | ---                          | ---                                  | ---                                 | ---                           | ---                                    | ---                                | ---                                      | ---                                    | ---   | 2,852                   |
| Buildings  | 2                                 | ---                                | 222,506                                  | 5,792                              | 6,394                     | ---                          | ---                                  | ---                                 | 2,300                         | ---                                    | ---                                | ---                                      | ---                                    | ---   | 236,994                 |
| Equipment  | 4,797                             | 461                                | 3,087                                    | 30,565                             | 22,261                    | 54                           | 592                                  | 792                                 | 1,485                         | ---                                    | ---                                | ---                                      | 2,627                                  | ---   | 66,721                  |
| Less Accumulated Depreciation                          | (3,450)                           | (60)                               | (110,415)                                | (23,947)                           | (20,849)                  | (29)                         | (235)                                | (550)                               | (1,383)                       | ---                                    | ---                                | ---                                      | (2,038)                                | ---   | (162,956)               |
| Total Capital Assets (Net of Accumulated Depreciation) | 1,349                             | 401                                | 216,211                                  | 17,225                             | 7,909                     | 25                           | 357                                  | 242                                 | 2,402                         | ---                                    | ---                                | ---                                      | 589                                    | ---   | 246,710                 |
| Total Assets   | 2,476                             | 1,461                              | 301,180                                  | 33,190                             | 31,006                    | 8,032                        | 1,218                                | 818                                 | 2,783                         | 1,680                                  | 32,125                             | 2,782                                    | 74,740                                 | 14,767  | 508,258                 |
| <b>LIABILITIES</b>                                     |                                   |                                    |  |                                    |                           |                              |                                      |                                     |                               |  |                                    |  |  |   |                         |
| Current Liabilities:                                   |                                   |                                    |  |                                    |                           |                              |                                      |                                     |                               |  |                                    |  |  |   |                         |
| Bank Overdraft   | ---                               | ---                                | ---                                      | ---                                | ---                       | ---                          | ---                                  | ---                                 | ---                           | ---                                    | ---                                | 3  | ---                                    | ---   | 3                       |
| Accounts Payable                                       | 5                                 | ---                                | 439                                      | 2,372                              | 2,949                     | 88                           | 32                                   | 7                                   | 80                            | 1,694                                  | 37,407                             | 2,448                                    | 28,131                                 | 9,998   | 85,650                  |
| Accrued Payroll  | 190                               | 3                                  | 248                                      | 451                                | 487                       | 36                           | 2                                    | 46                                  | 114                           | ---                                    | ---                                | ---                                      | ---                                    | ---   | 1,577                   |
| Due to Other Funds                                     | 66                                | ---                                | 115                                      | 145                                | 127                       | 20                           | 7                                    | 17                                  | 50                            | ---                                    | ---                                | ---                                      | ---                                    | ---   | 547                     |
| Deferred Revenue                                       | ---                               | ---                                | ---                                      | 180                                | ---                       | ---                          | ---                                  | ---                                 | ---                           | ---                                    | ---                                | ---                                      | 12,660                                 | 5,325   | 18,165                  |
| Obligations under Lease Purchase                       | ---                               | ---                                | 44                                       | 1,336                              | 4                         | ---                          | ---                                  | ---                                 | ---                           | ---                                    | ---                                | ---                                      | ---                                    | ---   | 1,384                   |
| Compensated Absences                                   | 400                               | ---                                | 504                                      | 978                                | 583                       | 57                           | 2                                    | 76                                  | 191                           | ---                                    | ---                                | ---                                      | 163                                    | ---   | 2,954                   |
| Noncurrent Liabilities:                                |                                   |                                    |  |                                    |                           |                              |                                      |                                     |                               |  |                                    |  |  |   |                         |
| Obligations under Lease Purchase                       | ---                               | ---                                | 813                                      | 1,406                              | ---                       | ---                          | ---                                  | ---                                 | ---                           | ---                                    | ---                                | ---                                      | ---                                    | ---   | 2,219                   |
| Compensated Absences                                   | 65                                | ---                                | 82                                       | 158                                | 95                        | 9                            | ---                                  | 12                                  | 31                            | ---                                    | ---                                | ---                                      | 26                                     | ---   | 478                     |
| Total Liabilities                                      | 726                               | 3                                  | 2,245                                    | 7,026                              | 4,245                     | 210                          | 43                                   | 158                                 | 466                           | 1,694                                  | 37,407                             | 2,451                                    | 40,980                                 | 15,323  | 112,977                 |
| <b>NET ASSETS</b>                                      |                                   |                                    |  |                                    |                           |                              |                                      |                                     |                               |  |                                    |  |  |   |                         |
| Invested in Capital Assets, Net of Related Debt        | 1,349                             | 401                                | 216,211                                  | 17,225                             | 7,909                     | 25                           | 357                                  | 242                                 | 2,402                         | ---                                    | ---                                | ---                                      | 589                                    | ---   | 246,710                 |
| Unrestricted   | 401                               | 1,057                              | 82,724                                   | 8,939                              | 18,852                    | 7,797                        | 818                                  | 418                                 | (85)                          | (14)                                   | (5,282)                            | 331                                      | 33,171                                 | (556)   | 148,571                 |
| Total Net Assets                                       | \$ 1,750                          | \$ 1,458                           | \$ 298,935                               | \$ 26,164                          | \$ 26,761                 | \$ 7,822                     | \$ 1,175                             | \$ 660                              | \$ 2,317                      | \$ (14)                                | \$ (5,282)                         | \$ 331                                   | \$ 33,760                              | \$ (556)  | \$ 395,281              |

**STATE OF MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 2003**  
**(In Thousands of Dollars)**

|  | Natural Resources Cost Allocation | Mental Health Interagency Payments | State Facility Maintenance and Operation | Office of Administration Revolving | Working Capital Revolving | General Government Revolving | Social Services Administrative Trust | Economic Development Administrative | Professional Registration Fee | Conservation Employees' Insurance Plan | Transportation Self-Insurance Plan | Missouri State Employees' Insurance Plan | Missouri Consolidated Health Care Plan | Highway and Transportation Employees' and Highway Patrol Insurance Plan | Totals June 30, 2003 |
|--|-----------------------------------|------------------------------------|--|------------------------------------|---------------------------|------------------------------|--------------------------------------|-------------------------------------|-------------------------------|--|------------------------------------|--|--|---|----------------------|
| <b>Operating Revenues:</b>                           |                                   |                                    |  |                                    |                           |                              |                                      |                                     |                               |  |                                    |  |  |   |                      |
| Employer Contributions                               | \$ ---                            | \$ ---                             | \$ ---                                   | \$ ---                             | \$ ---                    | \$ ---                       | \$ ---                               | \$ ---                              | \$ ---                        | \$ 7,509                               | \$ 22,044                          | \$ ---                                   | \$ 292,123                             | \$ 47,068   | \$ 368,744           |
| Employee Contributions                               | ---                               | ---                                | ---                                      | ---                                | ---                       | ---                          | ---                                  | ---                                 | ---                           | 4,207                                  | ---                                | 25,223                                   | 84,373                                 | 21,504  | 135,307              |
| Licenses, Fees and Permits                           | ---                               | ---                                | 9  | ---                                | ---                       | 6,437                        | ---                                  | ---                                 | ---                           | ---                                    | ---                                | ---                                      | ---                                    | ---   | 6,446                |
| Sales  | ---                               | ---                                | ---                                      | ---                                | 32,438                    | 17                           | 3                                    | 2                                   | ---                           | ---                                    | ---                                | ---                                      | ---                                    | ---   | 32,460               |
| Leases and Rentals                                   | ---                               | ---                                | 20,037                                   | ---                                | 89                        | 8                            | 144                                  | ---                                 | ---                           | ---                                    | ---                                | ---                                      | ---                                    | ---   | 20,278               |
| Charges for Services                                 | 9,205                             | 7,515                              | 531                                      | 76,776                             | ---                       | 3,783                        | 5,122                                | 1,978                               | 6,290                         | ---                                    | ---                                | ---                                      | ---                                    | ---   | 111,200              |
| Cost Reimbursement/Miscellaneous                     | 2                                 | ---                                | ---                                      | 2,783                              | 4                         | 50                           | 23                                   | 163                                 | ---                           | 516                                    | 336                                | 436                                      | ---                                    | 631   | 4,944                |
| <b>Total Operating Revenues</b>                      | <b>9,207</b>                      | <b>7,515</b>                       | <b>20,577</b>                            | <b>79,559</b>                      | <b>32,531</b>             | <b>10,295</b>                | <b>5,292</b>                         | <b>2,143</b>                        | <b>6,290</b>                  | <b>12,232</b>                          | <b>22,380</b>                      | <b>25,659</b>                            | <b>376,496</b>                         | <b>69,203</b>   | <b>679,379</b>       |
| <b>Operating Expenses:</b>                           |                                   |                                    |  |                                    |                           |                              |                                      |                                     |                               |  |                                    |  |  |   |                      |
| Cost of Goods Sold                                   | ---                               | ---                                | ---                                      | 3,875                              | 12,669                    | ---                          | ---                                  | ---                                 | ---                           | ---                                    | ---                                | ---                                      | ---                                    | ---   | 16,544               |
| Personal Service                                     | 5,936                             | 62                                 | 8,090                                    | 14,037                             | 10,032                    | 1,188                        | 9                                    | 1,352                               | 3,431                         | ---                                    | ---                                | 291                                      | 3,753                                  | ---   | 48,181               |
| Operations   | 1,703                             | 2,495                              | 25,837                                   | 53,396                             | 4,466                     | 3,338                        | 4,694                                | 231                                 | 1,776                         | 1,466                                  | 843                                | 183                                      | 9,066                                  | 7,100   | 116,594              |
| Inventories  | 76                                | 12                                 | 90                                       | 768                                | 172                       | 6                            | ---                                  | 20                                  | 125                           | ---                                    | ---                                | ---                                      | ---                                    | ---   | 1,269                |
| Specific Programs                                    | 1                                 | 3,851                              | 11                                       | ---                                | 13                        | ---                          | ---                                  | ---                                 | 3                             | ---                                    | ---                                | ---                                      | ---                                    | ---   | 3,879                |
| Insurance Benefits                                   | ---                               | ---                                | ---                                      | ---                                | ---                       | ---                          | ---                                  | ---                                 | ---                           | 9,776                                  | 14,660                             | 25,170                                   | 338,174                                | 57,109  | 444,889              |
| Depreciation   | 978                               | 57                                 | 450                                      | 5,687                              | 1,638                     | 8                            | 54                                   | 91                                  | 268                           | ---                                    | ---                                | ---                                      | 281                                    | ---   | 9,512                |
| Other Charges  | 66                                | 8                                  | 52                                       | 1,628                              | 1,397                     | 5                            | ---                                  | 53                                  | 49                            | 2                                      | ---                                | ---                                      | ---                                    | ---   | 3,260                |
| <b>Total Operating Expenses</b>                      | <b>8,760</b>                      | <b>6,485</b>                       | <b>34,530</b>                            | <b>79,391</b>                      | <b>30,387</b>             | <b>4,545</b>                 | <b>4,757</b>                         | <b>1,747</b>                        | <b>5,652</b>                  | <b>11,244</b>                          | <b>15,503</b>                      | <b>25,644</b>                            | <b>351,274</b>                         | <b>64,209</b>   | <b>644,128</b>       |
| <b>Operating Income (Loss)</b>                       | <b>447</b>                        | <b>1,030</b>                       | <b>(13,953)</b>                          | <b>168</b>                         | <b>2,144</b>              | <b>5,750</b>                 | <b>535</b>                           | <b>396</b>                          | <b>638</b>                    | <b>988</b>                             | <b>6,877</b>                       | <b>15</b>                                | <b>25,222</b>                          | <b>4,994</b>  | <b>35,251</b>        |
| <b>Non-Operating Revenues (Expenses):</b>            |                                   |                                    |  |                                    |                           |                              |                                      |                                     |                               |  |                                    |  |  |   |                      |
| Contributions and Intergovernmental                  | ---                               | 479                                | 37                                       | ---                                | ---                       | 26                           | 157                                  | 1                                   | ---                           | ---                                    | ---                                | ---                                      | ---                                    | ---   | 700                  |
| Interest Expense                                     | ---                               | ---                                | (552)                                    | (353)                              | (2)                       | ---                          | ---                                  | ---                                 | ---                           | ---                                    | ---                                | ---                                      | ---                                    | ---   | (907)                |
| Investment Earnings:                                 |                                   |                                    |  |                                    |                           |                              |                                      |                                     |                               |  |                                    |  |  |   |                      |
| Net Increase (Decrease) in Fair Value of Investments | ---                               | ---                                | ---                                      | ---                                | ---                       | ---                          | ---                                  | ---                                 | ---                           | ---                                    | (174)                              | ---                                      | ---                                    | ---   | (174)                |
| Interest   | ---                               | ---                                | 2,290                                    | ---                                | ---                       | ---                          | ---                                  | ---                                 | ---                           | 10                                     | 776                                | 32                                       | 668                                    | 125   | 3,901                |
| Penalties and Unclaimed Properties                   | ---                               | ---                                | ---                                      | ---                                | ---                       | ---                          | 1                                    | ---                                 | ---                           | ---                                    | ---                                | ---                                      | ---                                    | ---   | 1                    |
| Disposal of Fixed Assets                             | 1                                 | ---                                | (15)                                     | 283                                | (443)                     | ---                          | (7)                                  | (1)                                 | (11)                          | ---                                    | ---                                | ---                                      | ---                                    | ---   | (193)                |
| Other Non-Operating Revenues (Expenses)              | ---                               | ---                                | ---                                      | ---                                | ---                       | ---                          | ---                                  | ---                                 | ---                           | ---                                    | ---                                | ---                                      | (8)                                    | ---   | (8)                  |
| <b>Total Non-Operating Revenues (Expenses)</b>       | <b>1</b>                          | <b>479</b>                         | <b>1,760</b>                             | <b>(70)</b>                        | <b>(445)</b>              | <b>26</b>                    | <b>151</b>                           | <b>---</b>                          | <b>(11)</b>                   | <b>10</b>                              | <b>602</b>                         | <b>32</b>                                | <b>660</b>                             | <b>125</b>  | <b>3,320</b>         |
| <b>Income (Loss) Before Transfers</b>                | <b>448</b>                        | <b>1,509</b>                       | <b>(12,193)</b>                          | <b>98</b>                          | <b>1,699</b>              | <b>5,776</b>                 | <b>686</b>                           | <b>396</b>                          | <b>627</b>                    | <b>998</b>                             | <b>7,479</b>                       | <b>47</b>                                | <b>25,882</b>                          | <b>5,119</b>  | <b>38,571</b>        |
| Transfers Out  | (326)                             | (54)                               | (397)                                    | (532)                              | (664)                     | (68)                         | (18)                                 | (86)                                | (397)                         | ---                                    | ---                                | ---                                      | ---                                    | ---   | (2,542)              |
| <b>Change in Net Assets</b>                          | <b>122</b>                        | <b>1,455</b>                       | <b>(12,590)</b>                          | <b>(434)</b>                       | <b>1,035</b>              | <b>5,708</b>                 | <b>668</b>                           | <b>310</b>                          | <b>230</b>                    | <b>998</b>                             | <b>7,479</b>                       | <b>47</b>                                | <b>25,882</b>                          | <b>5,119</b>  | <b>36,029</b>        |
| Total Net Assets - Beginning                         | 1,628                             | 3                                  | 311,525                                  | 26,598                             | 25,726                    | 2,114                        | 507                                  | 350                                 | 2,087                         | (1,012)                                | (12,761)                           | 284                                      | 7,878                                  | (5,675)   | 359,252              |
| <b>Total Net Assets - Ending</b>                     | <b>\$ 1,750</b>                   | <b>\$ 1,458</b>                    | <b>\$ 298,935</b>                        | <b>\$ 26,164</b>                   | <b>\$ 26,761</b>          | <b>\$ 7,822</b>              | <b>\$ 1,175</b>                      | <b>\$ 660</b>                       | <b>\$ 2,317</b>               | <b>\$ (14)</b>                         | <b>\$ (5,282)</b>                  | <b>\$ 331</b>                            | <b>\$ 33,760</b>                       | <b>\$ (556)</b>   | <b>\$ 395,281</b>    |

**STATE OF MISSOURI  
STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2003  
(In Thousands of Dollars)**

|   | Natural Resources Cost Allocation | Mental Health Interagency Payments | State Facility Maintenance and Operation | Office of Administration Revolving | Working Capital Revolving | General Government Revolving | Social Services Administrative Trust | Economic Development Administrative | Professional Registration Fee | Conservation Employees' Insurance Plan | Transportation Self-Insurance Plan | Missouri State Employees' Insurance Plan | Missouri Consolidated Health Care Plan | Highway and Transportation Employees' and Highway Patrol Insurance Plan | Totals June 30, 2003 |
|---|-----------------------------------|------------------------------------|--|------------------------------------|---------------------------|------------------------------|--------------------------------------|-------------------------------------|-------------------------------|--|------------------------------------|--|--|---|----------------------|
| <b>Cash Flows from Operating Activities:</b>  |                                   |                                    |  |                                    |                           |                              |                                      |                                     |                               |  |                                    |  |  |   |                      |
| Receipts from Customers and Users   | \$ 9,205                          | \$ 7,515                           | \$ 20,625                                | \$ 79,323                          | \$ 32,048                 | \$ 4,093                     | \$ 5,270                             | \$ 2,042                            | \$ 6,290                      | \$ 12,185                              | \$ 22,445                          | \$ 25,769                                | \$ 367,090                             | \$ 70,240   | \$ 664,140           |
| Payments to Suppliers   | (1,783)                           | (2,750)                            | (25,489)                                 | (58,983)                           | (17,265)                  | (3,256)                      | (4,671)                              | (243)                               | (1,846)                       | (11,238)                               | (992)                              | (208)                                    | (8,979)                                | (64,559)  | (202,262)            |
| Payments to Employees   | (5,750)                           | (66)                               | (8,132)                                  | (14,140)                           | (9,793)                   | (1,218)                      | (8)                                  | (1,341)                             | (3,440)                       | ---                                    | ---                                | (265)                                    | (3,741)                                | ---   | (47,894)             |
| Payments Made for Program Expense   | (1)                               | (3,851)                            | (11)                                     | ---                                | (13)                      | ---                          | ---                                  | ---                                 | (3)                           | ---                                    | (11,892)                           | (25,175)                                 | (341,054)                              | ---   | (382,000)            |
| Other Receipts (Payments)   | (64)                              | (8)                                | (52)                                     | 2,783                              | (1,393)                   | 45                           | 23                                   | 110                                 | (49)                          | (2)                                    | ---                                | ---                                      | ---                                    | ---   | 1,393                |
| Net Cash Provided (Used) by Operating Activities  | 1,607                             | 840                                | (13,059)                                 | 8,983                              | 3,584                     | (336)                        | 614                                  | 568                                 | 952                           | 945                                    | 9,561                              | 121                                      | 13,316                                 | 5,681   | 33,377               |
| <b>Cash Flows from Non-Capital Operating Activities:</b>  |                                   |                                    |  |                                    |                           |                              |                                      |                                     |                               |  |                                    |  |  |   |                      |
| Due to/from Other Funds   | 12                                | (480)                              | (4)                                      | (3,176)                            | (1,139)                   | 7                            | (150)                                | 3                                   | 13                            | ---                                    | ---                                | (6)                                      | (1,692)                                | ---   | (6,612)              |
| Contributions and Intergovernmental   | ---                               | 479                                | 37                                       | ---                                | ---                       | 26                           | 157                                  | 1                                   | ---                           | ---                                    | ---                                | ---                                      | ---                                    | ---   | 700                  |
| Transfers to/from Other Funds   | (326)                             | (54)                               | (397)                                    | (532)                              | (664)                     | (68)                         | (18)                                 | (86)                                | (397)                         | ---                                    | ---                                | ---                                      | ---                                    | ---   | (2,542)              |
| Other Payments  | ---                               | ---                                | ---                                      | ---                                | ---                       | ---                          | ---                                  | ---                                 | ---                           | ---                                    | ---                                | ---                                      | (8)                                    | ---   | (8)                  |
| Net Cash Used by Non-Capital Operating Activities   | (314)                             | (55)                               | (364)                                    | (3,708)                            | (1,803)                   | (35)                         | (11)                                 | (82)                                | (384)                         | ---                                    | ---                                | (6)                                      | (1,700)                                | ---   | (8,462)              |
| <b>Cash Flows from Capital and Related Financing Activities:</b>  |                                   |                                    |  |                                    |                           |                              |                                      |                                     |                               |  |                                    |  |  |   |                      |
| Interest Expense  | ---                               | ---                                | (552)                                    | (353)                              | (2)                       | ---                          | ---                                  | ---                                 | ---                           | ---                                    | ---                                | ---                                      | ---                                    | ---   | (907)                |
| Purchases and Construction of Capital Assets  | (1,073)                           | (455)                              | (65,803)                                 | (5,241)                            | (906)                     | (3)                          | (70)                                 | (122)                               | (391)                         | ---                                    | ---                                | ---                                      | (179)                                  | ---   | (74,243)             |
| Capital Lease Downpayment/Obligations   | ---                               | ---                                | (41)                                     | (1,613)                            | (44)                      | ---                          | ---                                  | ---                                 | ---                           | ---                                    | ---                                | ---                                      | ---                                    | ---   | (1,698)              |
| Disposal of Capital Assets  | 1                                 | ---                                | ---                                      | 283                                | ---                       | ---                          | ---                                  | ---                                 | ---                           | ---                                    | ---                                | ---                                      | ---                                    | ---   | 284                  |
| Net Cash Used by Capital and Related Financing Activities   | (1,072)                           | (455)                              | (66,396)                                 | (6,924)                            | (952)                     | (3)                          | (70)                                 | (122)                               | (391)                         | ---                                    | ---                                | ---                                      | (179)                                  | ---   | (76,564)             |
| <b>Cash Flows from Investing Activities:</b>  |                                   |                                    |  |                                    |                           |                              |                                      |                                     |                               |  |                                    |  |  |   |                      |
| Proceeds from Investment Maturities   | ---                               | ---                                | ---                                      | ---                                | ---                       | ---                          | ---                                  | ---                                 | ---                           | ---                                    | 22,092                             | 494,793                                  | ---                                    | ---   | 516,885              |
| Purchase of Investments   | ---                               | ---                                | ---                                      | ---                                | ---                       | ---                          | ---                                  | ---                                 | ---                           | ---                                    | (31,833)                           | (494,937)                                | ---                                    | ---   | (526,770)            |
| Interest and Dividends Received   | ---                               | ---                                | 2,290                                    | ---                                | ---                       | ---                          | ---                                  | ---                                 | ---                           | 10                                     | 774                                | 32                                       | 668                                    | 125   | 3,899                |
| Penalties and Other Receipts  | ---                               | ---                                | ---                                      | ---                                | ---                       | ---                          | 1                                    | ---                                 | ---                           | ---                                    | ---                                | ---                                      | ---                                    | ---   | 1                    |
| Net Cash Provided (Used) by Investing Activities  | ---                               | ---                                | 2,290                                    | ---                                | ---                       | ---                          | 1                                    | ---                                 | ---                           | 10                                     | (8,967)                            | (112)                                    | 668                                    | 125   | (5,985)              |
| Net Increase (Decrease) in Cash   | 221                               | 330                                | (77,529)                                 | (1,649)                            | 829                       | (374)                        | 534                                  | 364                                 | 177                           | 955                                    | 594                                | 3  | 12,105                                 | 5,806   | (57,634)             |
| Cash and Cash Equivalents, Beginning of Year  | 906                               | 235                                | 162,441                                  | 12,251                             | 9,299                     | 1,749                        | 170                                  | 208                                 | 192                           | 369                                    | ---                                | (6)                                      | 49,018                                 | 8,946   | 245,778              |
| Cash and Cash Equivalents, End of Year  | \$ 1,127                          | \$ 565                             | \$ 84,912                                | \$ 10,602                          | \$ 10,128                 | \$ 1,375                     | \$ 704                               | \$ 572                              | \$ 369                        | \$ 1,324                               | \$ 594                             | \$ (3)                                   | \$ 61,123                              | \$ 14,752   | \$ 188,144           |
| <b>Reconciliation of Operating Income of Net Cash Provided (Used) by Operating Activities:</b>                            |                                   |                                    |  |                                    |                           |                              |                                      |                                     |                               |  |                                    |  |  |   |                      |
| Operating Income (Loss)   | \$ 447                            | \$ 1,030                           | \$ (13,953)                              | \$ 168                             | \$ 2,144                  | \$ 5,750                     | \$ 535                               | \$ 396                              | \$ 638                        | \$ 988                                 | \$ 6,877                           | \$ 15                                    | \$ 25,222                              | \$ 4,994  | \$ 35,251            |
| Depreciation Expense  | 978                               | 57                                 | 450                                      | 5,687                              | 1,638                     | 8                            | 54                                   | 91                                  | 268                           | ---                                    | ---                                | ---                                      | 281                                    | ---   | 9,512                |
| Changes in Assets and Liabilities:  |                                   |                                    |  |                                    |                           |                              |                                      |                                     |                               |  |                                    |  |  |   |                      |
| Accounts Receivable   | ---                               | ---                                | 48                                       | 2,512                              | (479)                     | (6,152)                      | 1                                    | 62                                  | ---                           | (47)                                   | ---                                | 162                                      | (136)                                  | 139   | (3,890)              |
| Interest Receivable   | ---                               | ---                                | ---                                      | ---                                | ---                       | ---                          | ---                                  | ---                                 | ---                           | ---                                    | 65                                 | ---                                      | 18                                     | ---   | 83                   |
| Inventories   | ---                               | (15)                               | 1  | 130                                | 344                       | ---                          | ---                                  | 1                                   | ---                           | ---                                    | ---                                | ---                                      | ---                                    | ---   | 461                  |
| Prepaid Items   | ---                               | ---                                | ---                                      | ---                                | ---                       | ---                          | ---                                  | ---                                 | ---                           | ---                                    | ---                                | ---                                      | 55                                     | 118   | 173                  |
| Accounts Payable  | (4)                               | (228)                              | 437                                      | 554                                | (302)                     | 88                           | 23                                   | 7                                   | 55                            | 4                                      | 2,619                              | (56)                                     | (2,848)                                | (469)   | (120)                |
| Accrued Payroll   | 17                                | (4)                                | (12)                                     | (25)                               | 10                        | (1)                          | 1                                    | 2                                   | 6                             | ---                                    | ---                                | ---                                      | ---                                    | ---   | (6)                  |
| Deferred Revenue  | ---                               | ---                                | ---                                      | 35                                 | ---                       | ---                          | ---                                  | ---                                 | ---                           | ---                                    | ---                                | ---                                      | (9,288)                                | 899   | (8,354)              |
| Compensated Absences Payable  | 169                               | ---                                | (30)                                     | (78)                               | 229                       | (29)                         | ---                                  | 9                                   | (15)                          | ---                                    | ---                                | ---                                      | 12                                     | ---   | 267                  |
| Net Cash Provided (Used) by Operating Activities  | \$ 1,607                          | \$ 840                             | \$ (13,059)                              | \$ 8,983                           | \$ 3,584                  | \$ (336)                     | \$ 614                               | \$ 568                              | \$ 952                        | \$ 945                                 | \$ 9,561                           | \$ 121                                   | \$ 13,316                              | \$ 5,681  | \$ 33,377            |
| <b>Non-Cash Financing Activities:</b>   |                                   |                                    |  |                                    |                           |                              |                                      |                                     |                               |  |                                    |  |  |   |                      |
| During fiscal year 2003, the fair value of investments decreased by \$174,000 for the Transportation Self-Insurance Plan. |                                   |                                    |  |                                    |                           |                              |                                      |                                     |                               |  |                                    |  |  |   |                      |



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*The **Fiduciary Funds** account for assets held by the State in a trustee or agent capacity.*

## **Pension Trust Funds:**

### **Missouri State Employees' Retirement System:**

**Missouri State Employees' Plan** – Accounts for retirement, survivor and disability benefits paid to employees of the State who are not covered under another state-sponsored retirement plan.

**Administrative Law Judges' and Advisors' Plan** – Accounts for retirement, survivor and disability benefits paid to individuals appointed as administrative law judges or legal advisors in the Division of Workers' Compensation, members of the Labor and Industrial Relations Commission and their attorneys, the chairperson of the State Board of Mediation, and administrative hearing commissioners.

**Judicial Plan** – Accounts for retirement, survivor and disability benefits to those serving as judges in the State of Missouri.

**Highway and Transportation Employees' and Highway Patrol Retirement Plan** – Accounts for retirement, survivor and disability benefits paid to Department of Transportation employees and members of the Missouri State Highway Patrol.

**Missouri State Employees' Deferred Compensation Incentive Plan** – Accounts for retirement benefits paid to employees of the State.

## **Private-Purpose Trust Funds:**

**Alternative Care Trust** – Accounts for all moneys received and spent by the Division of Family Services on behalf of children in their custody.

**Johnson-Travis Memorial Trust** – Accounts for all moneys, stocks and securities given to the State by Miss Pansy Johnson or for the benefit of the Pansy Johnson-Travis Memorial State Gardens. Moneys will be used solely to establish, develop and maintain the gardens.

**Unclaimed Property** – Accounts for moneys unpaid or unclaimed within one year after final settlement of any executor or administrator, assignee, sheriff or receiver and all unclaimed deposits, dividends and interest of banks unable to locate the owners.

**Missouri State Public Employees' Deferred Compensation Plan** – Accounts for deposits from State employees which are invested for the benefit of the employees until properly authorized to distribute.

## **Agency Funds:**

**State Retirement Contributions** – Accounts for receipt of contributions from various State funds which are to be transferred to the Missouri State Employees' Retirement Plan Trust Fund.

**Social Security Contributions** – Accounts for receipt of contributions from various State funds for the State's share of social security contributions which are due to the Federal Social Security Administration.

**Missouri State Employees' Deferred Compensation Incentive Plan Administration** – Accounts for moneys to be used for the payment by the State to deferred compensation investment companies on behalf of qualified state employees.

**Missouri Consolidated Health Care Plan Benefit** – Accounts for receipt of contributions from various State funds which are to be transferred to the Missouri Consolidated Health Care Plan Fund.

**Missouri State Employees' Voluntary Life Insurance** – Accounts for moneys withheld from employees' compensation for the contracts entered into with life insurance companies.

**Program** – Accounts for the receipt of various taxes, refundable deposits and other moneys to be held until the State has the right or obligation to distribute them to various entities or individuals.

**Institution** – Accounts for deposits to various institutional accounts and other receipts held by the State until there is proper authorization to disburse them directly to others.

**STATE OF MISSOURI  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
PENSION TRUST FUNDS  
June 30, 2003  
(In Thousands of Dollars)**

|  | Missouri State Employees' Retirement System |  |                      | Highway and<br>Transportation<br>Employees'<br>and Highway<br>Patrol<br>Retirement<br>Plan | Missouri State<br>Employees'<br>Deferred<br>Compensation<br>Incentive Plan | Totals<br>June 30,<br>2003 |
|--|---|--|----------------------|--|--|----------------------------|
|  | Missouri<br>State<br>Employees'<br>Plan     | Administrative<br>Law Judges'<br>and<br>Advisors' Plan | Judicial<br>Plan     |  |  |                            |
| <b>ASSETS</b>  |   |  |                      |  |  |                            |
| Cash and Cash Equivalents                            | \$ 303,149                                  | \$ 785   | \$ 1,760             | \$ 556   | \$ ---   | \$ 306,250                 |
| Investments at Fair Value                            | 4,954,326                                   | 12,834   | 28,765               | 1,240,181  | 112,472  | 6,348,578                  |
| Receivables:   |   |  |                      |  |  |                            |
| Accounts Receivable                                  | 140,528                                     | 400  | 1,681                | 16,763   | 4  | 159,376                    |
| Interest Receivable                                  | 31,141                                      | 81   | 180                  | 4,985  | ---  | 36,387                     |
| Due from Other Funds                                 | 6,544                                       | ---  | ---                  | ---  | 469  | 7,013                      |
| Invested Securities Lending                          |   |  |                      |  |  |                            |
| Collateral   | 1,247,085                                   | 3,231  | 7,241                | ---  | ---  | 1,257,557                  |
| Prepaid Expenses                                     | 47  | ---  | ---                  | 2  | ---  | 49                         |
| Capital Assets:                                      |   |  |                      |  |  |                            |
| Land   | 265   | ---  | 2                    | 84   | ---  | 351                        |
| Buildings  | 3,305                                       | 9  | 19                   | 562  | ---  | 3,895                      |
| Equipment  | 1,899                                       | 5  | 11                   | 81   | ---  | 1,996                      |
| Accumulated Depreciation                             | (1,888)                                     | (5)  | (11)                 | (39)   | ---  | (1,943)                    |
| Total Capital Assets, Net                            | <u>3,581</u>                                | <u>9</u>   | <u>21</u>            | <u>688</u>   | <u>---</u>   | <u>4,299</u>               |
| <br>Total Assets                                     | <br><u>6,686,401</u>                        | <br><u>17,340</u>                                      | <br><u>39,648</u>    | <br><u>1,263,175</u>   | <br><u>112,945</u>   | <br><u>8,119,509</u>       |
| <b>LIABILITIES</b>                                   |   |  |                      |  |  |                            |
| Accounts Payable                                     | 248,865                                     | 645  | 1,445                | 21,569   | ---  | 272,524                    |
| Securities Lending Collateral                        | 1,246,867                                   | 3,230  | 7,239                | ---  | ---  | 1,257,336                  |
| Compensated Absences                                 | 250   | ---  | 2                    | 56   | ---  | 308                        |
| <br>Total Liabilities                                | <br><u>1,495,982</u>                        | <br><u>3,875</u>                                       | <br><u>8,686</u>     | <br><u>21,625</u>  | <br><u>---</u>   | <br><u>1,530,168</u>       |
| <br>Net Assets Held in Trust<br>for Pension Benefits | <br><u>\$ 5,190,419</u>                     | <br><u>\$ 13,465</u>                                   | <br><u>\$ 30,962</u> | <br><u>\$ 1,241,550</u>  | <br><u>\$ 112,945</u>  | <br><u>\$ 6,589,341</u>    |

**STATE OF MISSOURI**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**PENSION TRUST FUNDS**  
**For the Fiscal Year Ended June 30, 2003**  
**(In Thousands of Dollars)**

|  | Missouri State Employees' Retirement System |  |                  | Highway and<br>Transportation<br>Employees'<br>and Highway<br>Patrol<br>Retirement<br>Plan | Missouri State<br>Employees'<br>Deferred<br>Compensation<br>Incentive Plan | Totals<br><br>June 30,<br>2003 |
|--|---|--|------------------|--|--|--------------------------------|
|  | Missouri<br>State<br>Employees'<br>Plan     | Administrative<br>Law Judges'<br>and<br>Advisors' Plan | Judicial<br>Plan |  |  |                                |
| <b>Additions:</b>                                |   |  |                  |  |  |                                |
| Contributions:                                   |   |  |                  |  |  |                                |
| Employer   | \$ 156,576                                  | \$ 951   | \$ 20,802        | \$ 82,039  | \$ 11,594  | \$ 271,962                     |
| Plan Member                                      | 3,691                                       | ---  | ---              | 533  | ---  | 4,224                          |
| Other  | 53  | ---  | ---              | ---  | 28,601   | 28,654                         |
| Investment Earnings:                             |   |  |                  |  |  |                                |
| Net Increase in the                              |   |  |                  |  |  |                                |
| Fair Value of Investments                        | 193,732                                     | 502  | 1,125            | 129,261  | 178  | 324,798                        |
| Interest, Dividends, Other                       | 153,544                                     | 398  | 891              | 35,708   | 2,793  | 193,334                        |
| Securities Lending Income                        | 18,884                                      | 49   | 110              | 129  | ---  | 19,172                         |
| Total Investment Earnings                        | <u>366,160</u>                              | <u>949</u>   | <u>2,126</u>     | <u>165,098</u>   | <u>2,971</u>   | <u>537,304</u>                 |
| Less Investment Expenses:                        |   |  |                  |  |  |                                |
| Investment Activity Expense                      | (18,298)                                    | (47)   | (106)            | (3,012)  | ---  | (21,463)                       |
| Securities Lending Expense                       | (14,961)                                    | (39)   | (87)             | ---  | ---  | (15,087)                       |
| Net Loss from Sale of<br>Investments             | ---   | ---  | ---              | (125,560)  | ---  | (125,560)                      |
| Total Investment Expense                         | <u>(33,259)</u>                             | <u>(86)</u>  | <u>(193)</u>     | <u>(128,572)</u>   | <u>---</u>   | <u>(162,110)</u>               |
| Net Investment Earnings                          | <u>332,901</u>                              | <u>863</u>   | <u>1,933</u>     | <u>36,526</u>  | <u>2,971</u>   | <u>375,194</u>                 |
| Cost Reimbursement/<br>Miscellaneous             | 437   | 1  | 3                | ---  | ---  | 441                            |
| Total Additions                                  | <u>493,658</u>                              | <u>1,815</u>   | <u>22,738</u>    | <u>119,098</u>   | <u>43,166</u>  | <u>680,475</u>                 |
| <b>Deductions:</b>                               |   |  |                  |  |  |                                |
| Benefits   | 319,611                                     | 970  | 16,870           | 144,334  | 5,761  | 487,546                        |
| Administrative Expenses                          | 5,517                                       | 15   | 32               | 1,424  | 39   | 7,027                          |
| Service Transfer Payments                        | 2,191                                       | ---  | ---              | ---  | ---  | 2,191                          |
| Depreciation                                     | 437   | 1  | 3                | 28   | ---  | 469                            |
| Total Deductions                                 | <u>327,756</u>                              | <u>986</u>   | <u>16,905</u>    | <u>145,786</u>   | <u>5,800</u>   | <u>497,233</u>                 |
| Change in Net Assets                             | 165,902                                     | 829  | 5,833            | (26,688)   | 37,366   | 183,242                        |
| Net Assets Held in Trust<br>for Pension Benefits |   |  |                  |  |  |                                |
| Beginning of Year                                | <u>5,024,517</u>                            | <u>12,636</u>  | <u>25,129</u>    | <u>1,268,238</u>   | <u>75,579</u>  | <u>6,406,099</u>               |
| End of Year                                      | <u>\$ 5,190,419</u>                         | <u>\$ 13,465</u>                                       | <u>\$ 30,962</u> | <u>\$ 1,241,550</u>  | <u>\$ 112,945</u>  | <u>\$ 6,589,341</u>            |

**STATE OF MISSOURI  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
PRIVATE-PURPOSE TRUST FUNDS  
June 30, 2003  
(In Thousands of Dollars)**

|  | Alternative<br>Care Trust | Johnson-<br>Travis<br>Memorial<br>Trust | Unclaimed<br>Property | Missouri State<br>Public<br>Employees'<br>Deferred<br>Compensation<br>Plan | <u>Totals</u><br>June 30,<br>2003 |
|--|---------------------------|---|-----------------------|--|-----------------------------------|
| <b>ASSETS</b>                                  |                           |   |                       |  |                                   |
| Cash and Cash Equivalents                      | \$ 2,972                  | \$ 20                                   | \$ 2,925              | \$ 2,505   | \$ 8,422                          |
| Investments at Fair Value                      | ---                       | 10                                      | ---                   | 742,671  | 742,681                           |
| Interest Receivable                            | 11                        | ---                                     | ---                   | ---  | 11                                |
| Advance to Other Funds                         | ---                       | ---                                     | 49,552                | ---  | 49,552                            |
| Equipment                                      | ---                       | ---                                     | 18                    | ---  | 18                                |
| Less: Accumulated Depreciation                 | ---                       | ---                                     | (13)                  | ---  | (13)                              |
| <b>Total Assets</b>                            | <u>2,983</u>              | <u>30</u>                               | <u>52,482</u>         | <u>745,176</u>   | <u>800,671</u>                    |
| <b>LIABILITIES</b>                             |                           |   |                       |  |                                   |
| Accounts Payable                               | 903                       | ---                                     | ---                   | ---  | 903                               |
| Escheats/Unclaimed Property                    | ---                       | ---                                     | 52,482                | ---  | 52,482                            |
| <b>Total Liabilities</b>                       | <u>903</u>                | <u>---</u>                              | <u>52,482</u>         | <u>---</u>   | <u>53,385</u>                     |
| <b>NET ASSETS</b>                              |                           |   |                       |  |                                   |
| Net Assets Held in Trust<br>for Other Purposes | <u>\$ 2,080</u>           | <u>\$ 30</u>                            | <u>\$ ---</u>         | <u>\$ 745,176</u>  | <u>\$ 747,286</u>                 |

**STATE OF MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**PRIVATE-PURPOSE TRUST FUNDS**  
**For the Fiscal Year Ended June 30, 2003**

|  | Alternative<br>Care Trust | Johnson-<br>Travis<br>Memorial<br>Trust | Unclaimed<br>Property | Missouri State<br>Public<br>Employees'<br>Deferred<br>Compensation<br>Plan | Totals<br><br>June 30,<br>2003 |
|--|---------------------------|---|-----------------------|--|--------------------------------|
| <b>Additions:</b>                                |                           |   |                       |  |                                |
| Contributions:                                   |                           |   |                       |  |                                |
| Plan Member                                      | \$ ---                    | \$ ---                                  | \$ ---                | \$ 63,183  | \$ 63,183                      |
| Investment Earnings:                             |                           |   |                       |  |                                |
| Net Decrease in the Fair Value<br>of Investments | ---                       | ---                                     | ---                   | (75,490)   | (75,490)                       |
| Interest   | 71                        | 2                                       | 62                    | 21,424   | 21,559                         |
| Net Gain on Sale of Investments                  | ---                       | ---                                     | ---                   | 12,399   | 12,399                         |
| Unclaimed Property                               | ---                       | ---                                     | 23,266                | ---  | 23,266                         |
| Cost Reimbursement/Miscellaneous<br>Transfers In | 11,193                    | ---                                     | ---                   | ---  | 11,193                         |
|  | ---                       | ---                                     | 147                   | ---  | 147                            |
| <b>Total Additions</b>                           | <b>11,264</b>             | <b>2</b>                                | <b>23,475</b>         | <b>21,516</b>  | <b>56,257</b>                  |
| <b>Deductions:</b>                               |                           |   |                       |  |                                |
| Administrative Expenses                          | 23                        | ---                                     | 249                   | ---  | 272                            |
| Program Distributions                            | 11,000                    | ---                                     | ---                   | 65,261   | 76,261                         |
| Depreciation                                     | ---                       | ---                                     | 4                     | ---  | 4                              |
| Transfers Out                                    | ---                       | ---                                     | 27,538                | ---  | 27,538                         |
| <b>Total Deductions</b>                          | <b>11,023</b>             | <b>---</b>                              | <b>27,791</b>         | <b>65,261</b>  | <b>104,075</b>                 |
| <b>Change in Net Assets</b>                      | <b>241</b>                | <b>2</b>                                | <b>(4,316)</b>        | <b>(43,745)</b>  | <b>(47,818)</b>                |
| Net Assets - Beginning                           | 1,839                     | 28                                      | 4,316                 | 788,921  | 795,104                        |
| <b>Net Assets - Ending</b>                       | <b>\$ 2,080</b>           | <b>\$ 30</b>                            | <b>\$ ---</b>         | <b>\$ 745,176</b>  | <b>\$ 747,286</b>              |

**STATE OF MISSOURI  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
June 30, 2003  
(In Thousands of Dollars)**

|                              | <u>State<br/>Retirement<br/>Contributions</u> | <u>Social<br/>Security<br/>Contributions</u> | <u>Missouri State<br/>Employees'<br/>Deferred<br/>Compensation<br/>Incentive Plan<br/>Administration</u> | <u>Missouri<br/>Consolidated<br/>Health Care<br/>Plan Benefit</u> | <u>Program</u>    | <u>Institution</u> | <u>Totals<br/>June 30,<br/>2003</u> |
|------------------------------|---|--|--|---|-------------------|--------------------|-------------------------------------|
| <b>ASSETS</b>                |   |  |  |   |                   |                    |                                     |
| Cash and Cash<br>Equivalents | \$ ---  | \$ 110                                       | \$ 1   | \$ 11   | \$ 32,025         | \$ 14,645          | \$ 46,792                           |
| Investments at<br>Fair Value | ---   | ---  | ---  | ---   | 245,418           | 1,258              | 246,676                             |
| Receivables:                 |   |  |  |   |                   |                    |                                     |
| Accounts Receivable          | ---   | ---  | ---  | ---   | 177,490           | ---                | 177,490                             |
| Interest Receivable          | ---   | ---  | ---  | ---   | 179               | ---                | 179                                 |
| Due from Other Funds         | 6,667   | 5,651  | 468  | 10,370  | ---               | ---                | 23,156                              |
| Total Assets                 | <u>\$ 6,667</u>                               | <u>\$ 5,761</u>                              | <u>\$ 469</u>  | <u>\$ 10,381</u>  | <u>\$ 455,112</u> | <u>\$ 15,903</u>   | <u>\$ 494,293</u>                   |
| <b>LIABILITIES</b>           |   |  |  |   |                   |                    |                                     |
| Accounts Payable             | \$ ---  | \$ ---                                       | \$ ---   | \$ ---  | \$ 24             | \$ ---             | \$ 24                               |
| Due to Other Entities        | ---   | 5,761  | ---  | ---   | 425,334           | ---                | 431,095                             |
| Due to Individuals           | ---   | ---  | ---  | ---   | 28,379            | 15,903             | 44,282                              |
| Due to Other Funds           | 6,667   | ---  | 469  | 10,381  | 1,375             | ---                | 18,892                              |
| Total Liabilities            | <u>\$ 6,667</u>                               | <u>\$ 5,761</u>                              | <u>\$ 469</u>  | <u>\$ 10,381</u>  | <u>\$ 455,112</u> | <u>\$ 15,903</u>   | <u>\$ 494,293</u>                   |

NOTE: The Missouri State Employees' Voluntary Life Insurance is not included in the Agency Funds Combining Balance Sheet because there were no assets or liabilities at June 30, 2003.

**STATE OF MISSOURI**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Fiscal Year Ended June 30, 2003**  
**(In Thousands of Dollars)**

|   | Balance<br>July 1, 2002 | Additions           | Deductions          | Balance<br>June 30, 2003 |
|---|-------------------------|---------------------|---------------------|--------------------------|
| <b>STATE RETIREMENT CONTRIBUTIONS</b>                             |                         |                     |                     |                          |
| <b>ASSETS</b>   |                         |                     |                     |                          |
| Cash and Cash Equivalents   | \$ ---                  | \$ 173,843          | \$ 173,843          | \$ ---                   |
| Due from Other Funds  | 8,576                   | 6,667               | 8,576               | 6,667                    |
| Total Assets  | <u>\$ 8,576</u>         | <u>\$ 180,510</u>   | <u>\$ 182,419</u>   | <u>\$ 6,667</u>          |
| <b>LIABILITIES</b>  |                         |                     |                     |                          |
| Due to Other Funds  | <u>\$ 8,576</u>         | <u>\$ 516,223</u>   | <u>\$ 518,132</u>   | <u>\$ 6,667</u>          |
| <b>SOCIAL SECURITY CONTRIBUTIONS</b>                              |                         |                     |                     |                          |
| <b>ASSETS</b>   |                         |                     |                     |                          |
| Cash and Cash Equivalents   | \$ 31                   | \$ 140,095          | \$ 140,016          | \$ 110                   |
| Due from Other Funds  | 5,753                   | 5,651               | 5,753               | 5,651                    |
| Total Assets  | <u>\$ 5,784</u>         | <u>\$ 145,746</u>   | <u>\$ 145,769</u>   | <u>\$ 5,761</u>          |
| <b>LIABILITIES</b>  |                         |                     |                     |                          |
| Due to Other Entities   | <u>\$ 5,784</u>         | <u>\$ 425,920</u>   | <u>\$ 425,943</u>   | <u>\$ 5,761</u>          |
| <b>DEFERRED COMPENSATION</b>                                      |                         |                     |                     |                          |
| <b>INCENTIVE PLAN ADMINISTRATION</b>                              |                         |                     |                     |                          |
| <b>ASSETS</b>   |                         |                     |                     |                          |
| Cash and Cash Equivalents   | \$ 1                    | \$ 11,725           | \$ 11,725           | \$ 1                     |
| Due from Other Funds  | 486                     | 468                 | 486                 | 468                      |
| Total Assets  | <u>\$ 487</u>           | <u>\$ 12,193</u>    | <u>\$ 12,211</u>    | <u>\$ 469</u>            |
| <b>LIABILITIES</b>  |                         |                     |                     |                          |
| Due to Other Funds  | <u>\$ 487</u>           | <u>\$ 35,638</u>    | <u>\$ 35,656</u>    | <u>\$ 469</u>            |
| <b>MISSOURI CONSOLIDATED HEALTH CARE PLAN BENEFIT</b>             |                         |                     |                     |                          |
| <b>ASSETS</b>   |                         |                     |                     |                          |
| Cash and Cash Equivalents   | \$ 12                   | \$ 262,824          | \$ 262,825          | \$ 11                    |
| Due from Other Funds  | 8,677                   | 10,370              | 8,677               | 10,370                   |
| Total Assets  | <u>\$ 8,689</u>         | <u>\$ 273,194</u>   | <u>\$ 271,502</u>   | <u>\$ 10,381</u>         |
| <b>LIABILITIES</b>  |                         |                     |                     |                          |
| Due to Other Funds  | <u>\$ 8,689</u>         | <u>\$ 730,460</u>   | <u>\$ 728,768</u>   | <u>\$ 10,381</u>         |
| <b>MISSOURI STATE EMPLOYEES' VOLUNTARY LIFE INSURANCE PROGRAM</b> |                         |                     |                     |                          |
| <b>ASSETS</b>   |                         |                     |                     |                          |
| Cash and Cash Equivalents   | \$ ---                  | \$ 749              | \$ 749              | \$ ---                   |
| <b>LIABILITIES</b>  |                         |                     |                     |                          |
| Due to Other Entities   | <u>\$ ---</u>           | <u>\$ 749</u>       | <u>\$ 749</u>       | <u>\$ ---</u>            |
| <b>PROGRAM</b>  |                         |                     |                     |                          |
| <b>ASSETS</b>   |                         |                     |                     |                          |
| Cash and Cash Equivalents   | \$ 54,003               | \$ 3,191,791        | \$ 3,213,769        | \$ 32,025                |
| Investments at Fair Value   | 252,762                 | 1,172,155           | 1,179,499           | 245,418                  |
| Receivables:  |                         |                     |                     |                          |
| Accounts Receivable   | 138,111                 | 53,578              | 14,199              | 177,490                  |
| Interest Receivable   | 361                     | 2,189               | 2,371               | 179                      |
| Total Assets  | <u>\$ 445,237</u>       | <u>\$ 4,419,713</u> | <u>\$ 4,409,838</u> | <u>\$ 455,112</u>        |
| <b>LIABILITIES</b>  |                         |                     |                     |                          |
| Accounts Payable  | \$ 22                   | \$ 8,880            | \$ 8,878            | \$ 24                    |
| Due to Other Entities   | 387,387                 | 3,542,073           | 3,504,126           | 425,334                  |
| Due to Individuals  | 52,147                  | 873,126             | 896,894             | 28,379                   |
| Due to Other Funds  | 2,479                   | 1,375               | 2,479               | 1,375                    |
| Advance from Component Units                                      | 3,202                   | ---                 | 3,202               | ---                      |
| Total Liabilities   | <u>\$ 445,237</u>       | <u>\$ 4,425,454</u> | <u>\$ 4,415,579</u> | <u>\$ 455,112</u>        |
| <b>INSTITUTION</b>  |                         |                     |                     |                          |
| <b>ASSETS</b>   |                         |                     |                     |                          |
| Cash and Cash Equivalents   | \$ 16,645               | \$ 125,976          | \$ 127,976          | \$ 14,645                |
| Investments at Fair Value   | 969                     | 389                 | 100                 | 1,258                    |
| Total Assets  | <u>\$ 17,614</u>        | <u>\$ 126,365</u>   | <u>\$ 128,076</u>   | <u>\$ 15,903</u>         |
| <b>LIABILITIES</b>  |                         |                     |                     |                          |
| Due to Individuals  | <u>\$ 17,614</u>        | <u>\$ 126,365</u>   | <u>\$ 128,076</u>   | <u>\$ 15,903</u>         |
| <b>TOTALS - ALL AGENCY FUNDS</b>                                  |                         |                     |                     |                          |
| <b>ASSETS</b>   |                         |                     |                     |                          |
| Cash and Cash Equivalents   | \$ 70,692               | \$ 3,907,003        | \$ 3,930,903        | \$ 46,792                |
| Investments at Fair Value   | 253,731                 | 1,172,544           | 1,179,599           | 246,676                  |
| Receivables:  |                         |                     |                     |                          |
| Accounts Receivable   | 138,111                 | 53,578              | 14,199              | 177,490                  |
| Interest Receivable   | 361                     | 2,189               | 2,371               | 179                      |
| Due from Other Funds  | 23,492                  | 23,156              | 23,492              | 23,156                   |
| Total Assets  | <u>\$ 486,387</u>       | <u>\$ 5,158,470</u> | <u>\$ 5,150,564</u> | <u>\$ 494,293</u>        |
| <b>LIABILITIES</b>  |                         |                     |                     |                          |
| Accounts Payable  | \$ 22                   | \$ 8,880            | \$ 8,878            | \$ 24                    |
| Due to Other Entities   | 393,171                 | 3,968,742           | 3,930,818           | 431,095                  |
| Due to Individuals  | 69,761                  | 999,491             | 1,024,970           | 44,282                   |
| Due to Other Funds  | 20,231                  | 1,283,696           | 1,285,035           | 18,892                   |
| Advance from Component Units                                      | 3,202                   | ---                 | 3,202               | ---                      |
| Total Liabilities   | <u>\$ 486,387</u>       | <u>\$ 6,260,809</u> | <u>\$ 6,252,903</u> | <u>\$ 494,293</u>        |



*The **Component Units** account for all transactions relating to legally separate entities which for reporting purposes are a part of the State.*

## **Non-Major Component Units:**

### **Proprietary Funds:**

**Development Finance Board** – Accounts for moneys from bond proceeds, gifts and grants to make loans for industrial development.

**Agricultural and Small Business Development Authority** – Accounts for moneys from bond proceeds, gifts and grants to make loans for property acquisitions/renovations and pollution control facilities.

**Fulton 54 Transportation Corporation** – Accounts for moneys from bond proceeds to pay for an overpass at the intersection of Route HH and U.S. Highway 54.

**Missouri Transportation Finance Corporation** – Accounts for moneys from federal, state or local sources and from bond proceeds to be used for projects approved by the Missouri Highways and Transportation Commission.

**Missouri Highway 179 Transportation Corporation** – Accounts for moneys from bond proceeds to pay for projects under the Missouri Transportation Corporation Act.

**Missouri Highway 63 Transportation Corporation** – Accounts for moneys from sales tax proceeds to pay for projects under the Missouri Transportation Corporation Act.

**Springfield, MO State Highway Improvement Corporation** – Accounts for moneys from bond proceeds to pay for projects under the Missouri Transportation Corporation Act.

**Wentzville Parkway Transportation Corporation** – Accounts for moneys from bond proceeds to promote and develop public transportation facilities under the Missouri Transportation Corporation Act.

**STATE OF MISSOURI  
COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR COMPONENT UNITS  
June 30, 2003  
(In Thousands of Dollars)**

|  | Development<br>Finance<br>Board | Agricultural<br>and Small<br>Business<br>Development<br>Authority | Fulton 54<br>Transportation<br>Corporation | Missouri<br>Transportation<br>Finance<br>Corporation | Missouri<br>Highway 179<br>Transportation<br>Corporation | Missouri<br>Highway 63<br>Transportation<br>Corporation | Springfield, MO<br>State<br>Highway<br>Improvement<br>Corporation | Wentzville<br>Parkway<br>Transportation<br>Corporation | Totals<br><br>June 30,<br>2003 |
|--|---------------------------------|---|--|--|--|---|---|--|--------------------------------|
| <b>ASSETS</b>  |                                 |   |  |  |  |   |   |  |                                |
| Current Assets:  |                                 |   |  |  |  |   |   |  |                                |
| Cash and Cash Equivalents                              | \$ 697                          | \$ 4,881  | \$ ---                                     | \$ 4,612   | \$ 5,689   | \$ 420  | \$ ---  | \$ ---   | \$ 16,299                      |
| Investments  | 20,878                          | ---   | ---  | ---  | ---  | ---   | ---   | ---  | 20,878                         |
| Accounts Receivable, Net                               | ---                             | 14  | ---  | ---  | ---  | ---   | ---   | ---  | 14                             |
| Interest Receivable                                    | 299                             | ---   | 20   | 288  | 2,114  | ---   | ---   | ---  | 2,721                          |
| Prepaid Items  | 29                              | ---   | ---  | ---  | ---  | ---   | ---   | ---  | 29                             |
| Due from Other Governments                             | ---                             | ---   | ---  | ---  | ---  | 1,001   | 2,126   | 3,774  | 6,901                          |
| Due from Primary Government/Component Unit             | ---                             | ---   | ---  | 6,180  | 2,422  | ---   | 5,000   | ---  | 13,602                         |
| Loans Receivable                                       | 1,296                           | 518   | ---  | 1,689  | ---  | ---   | ---   | ---  | 3,503                          |
| Noncurrent Assets:                                     |                                 |   |  |  |  |   |   |  |                                |
| Accounts Receivable, Net                               | ---                             | ---   | 1,010                                      | ---  | ---  | ---   | ---   | ---  | 1,010                          |
| Due from Other Governments                             | ---                             | ---   | ---  | ---  | ---  | 2,967   | 1,493   | ---  | 4,460                          |
| Advance to Primary Government/Component Unit           | 7,700                           | ---   | 7,695                                      | 12,742   | 15,223   | ---   | 8,667   | 8,850  | 60,877                         |
| Loans Receivable                                       | 8,643                           | 3,222   | ---  | 12,005   | ---  | ---   | ---   | ---  | 23,870                         |
| Restricted Assets - Cash and Cash Equivalents          | 13,978                          | 504   | 413  | 35,270   | ---  | ---   | ---   | 4,252  | 54,417                         |
| Restricted Assets - Investments                        | 22,564                          | ---   | 861  | ---  | ---  | ---   | ---   | ---  | 23,425                         |
| Deferred Charges                                       | 17                              | ---   | ---  | ---  | ---  | ---   | ---   | 187  | 204                            |
| Capital Assets:  |                                 |   |  |  |  |   |   |  |                                |
| Construction in Progress                               | 1,684                           | ---   | ---  | ---  | ---  | ---   | ---   | ---  | 1,684                          |
| Land   | 8,040                           | ---   | ---  | ---  | ---  | ---   | ---   | ---  | 8,040                          |
| Buildings  | 19,609                          | ---   | ---  | ---  | ---  | ---   | ---   | ---  | 19,609                         |
| Equipment  | 138                             | ---   | ---  | ---  | ---  | ---   | ---   | ---  | 138                            |
| Less Accumulated Depreciation                          | (1,353)                         | ---   | ---  | ---  | ---  | ---   | ---   | ---  | (1,353)                        |
| Total Capital Assets (Net of Accumulated Depreciation) | 28,118                          | ---   | ---  | ---  | ---  | ---   | ---   | ---  | 28,118                         |
| Total Assets   | 104,219                         | 9,139   | 9,999                                      | 72,786   | 25,448   | 4,388   | 17,286  | 17,063   | 260,328                        |
| <b>LIABILITIES</b>                                     |                                 |   |  |  |  |   |   |  |                                |
| Current Liabilities:                                   |                                 |   |  |  |  |   |   |  |                                |
| Accounts Payable                                       | 55                              | 127   | ---  | 3  | 2  | 3   | ---   | ---  | 190                            |
| Due to Primary Government/Component Unit               | ---                             | 603   | ---  | ---  | ---  | 1,146   | 1,180   | ---  | 2,929                          |
| Deferred Revenue                                       | 5,000                           | ---   | ---  | ---  | 2,108  | ---   | ---   | 80   | 7,188                          |
| Interest Payable                                       | 22                              | ---   | 137  | ---  | 391  | ---   | 316   | 238  | 1,104                          |
| Bonds Payable  | ---                             | ---   | ---  | ---  | 2,220  | ---   | 5,630   | 80   | 7,930                          |
| Noncurrent Liabilities:                                |                                 |   |  |  |  |   |   |  |                                |
| Advance from Primary Government/<br>Component Unit     | ---                             | 4,193   | ---  | ---  | 6,000  | 3,333   | 1,690   | ---  | 15,216                         |
| Deferred Revenue                                       | ---                             | ---   | 1,010                                      | ---  | ---  | ---   | ---   | 3,694  | 4,704                          |
| Deposits and Reserves                                  | 20,191                          | ---   | ---  | ---  | ---  | ---   | ---   | ---  | 20,191                         |
| Bonds Payable  | 28,800                          | ---   | 8,705                                      | ---  | 12,695   | ---   | 8,470   | 12,510   | 71,180                         |
| Total Liabilities                                      | 54,068                          | 4,923   | 9,852                                      | 3  | 23,416   | 4,482   | 17,286  | 16,602   | 130,632                        |
| <b>NET ASSETS</b>                                      |                                 |   |  |  |  |   |   |  |                                |
| Invested in Capital Assets, Net                        | 28,118                          | ---   | ---  | ---  | ---  | ---   | ---   | ---  | 28,118                         |
| Restricted for:  |                                 |   |  |  |  |   |   |  |                                |
| Other Purposes   | ---                             | 3,560   | ---  | ---  | ---  | ---   | ---   | ---  | 3,560                          |
| Unrestricted   | 22,033                          | 656   | 147  | 72,783   | 2,032  | (94)  | ---   | 461  | 98,018                         |
| Total Net Assets                                       | \$ 50,151                       | \$ 4,216  | \$ 147                                     | \$ 72,783  | \$ 2,032   | \$ (94)   | \$ ---  | \$ 461   | \$ 129,696                     |

**STATE OF MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**NON-MAJOR COMPONENT UNITS**  
**For the Fiscal Year Ended June 30, 2003**  
**(In Thousands of Dollars)**

|                                       | Development<br>Finance<br>Board | Agricultural<br>and Small<br>Business<br>Development<br>Authority | Fulton 54<br>Transportation<br>Corporation | Missouri<br>Transportation<br>Finance<br>Corporation | Missouri<br>Highway 179<br>Transportation<br>Corporation | Missouri<br>Highway 63<br>Transportation<br>Corporation | Springfield, MO<br>State<br>Highway<br>Improvement<br>Corporation | Wentzville<br>Parkway<br>Transportation<br>Corporation | Totals<br><br>June 30,<br>2003 |
|---------------------------------------|---------------------------------|---|--|--|--|---|---|--|--------------------------------|
| <b>Operating Revenues:</b>            |                                 |   |  |  |  |   |   |  |                                |
| Licenses, Fees and Permits            | \$ 774                          | \$ 273  | \$ ---                                     | \$ ---   | \$ ---   | \$ ---  | \$ ---  | \$ ---   | \$ 1,047                       |
| Interest on Receivables               | 827                             | ---   | 67   | 967  | 531  | ---   | ---   | 559  | 2,951                          |
| Leases and Rentals                    | 812                             | ---   | ---  | ---  | ---  | ---   | ---   | ---  | 812                            |
| Cost Reimbursement/Miscellaneous      | 1                               | ---   | 371  | ---  | ---  | 4,499   | 738   | 80   | 5,689                          |
| Total Operating Revenues              | <u>2,414</u>                    | <u>273</u>  | <u>438</u>                                 | <u>967</u>   | <u>531</u>   | <u>4,499</u>  | <u>738</u>  | <u>639</u>   | <u>10,499</u>                  |
| <b>Operating Expenses:</b>            |                                 |   |  |  |  |   |   |  |                                |
| Personal Service                      | 498                             | 79  | ---  | 33   | ---  | ---   | ---   | ---  | 610                            |
| Operations                            | 687                             | 42  | 5  | 10   | 151  | 117   | ---   | 5  | 1,017                          |
| Specific Programs                     | ---                             | 1,150   | ---  | ---  | ---  | ---   | ---   | ---  | 1,150                          |
| Interest Expense                      | ---                             | ---   | 413  | ---  | 904  | 1   | 792   | 633  | 2,743                          |
| Depreciation                          | 490                             | ---   | ---  | ---  | ---  | ---   | ---   | ---  | 490                            |
| Amortization                          | 4                               | ---   | ---  | ---  | ---  | ---   | ---   | 22   | 26                             |
| Other Charges                         | 30                              | ---   | ---  | 1  | ---  | 4,479   | ---   | ---  | 4,510                          |
| Total Operating Expenses              | <u>1,709</u>                    | <u>1,271</u>  | <u>418</u>                                 | <u>44</u>  | <u>1,055</u>   | <u>4,597</u>  | <u>792</u>  | <u>660</u>   | <u>10,546</u>                  |
| Operating Income (Loss)               | <u>705</u>                      | <u>(998)</u>  | <u>20</u>                                  | <u>923</u>   | <u>(524)</u>   | <u>(98)</u>   | <u>(54)</u>   | <u>(21)</u>  | <u>(47)</u>                    |
| <b>Non-Operating Revenues:</b>        |                                 |   |  |  |  |   |   |  |                                |
| Contributions and Intergovernmental   | 10,000                          | 1,986   | ---  | ---  | ---  | ---   | ---   | ---  | 11,986                         |
| Investment Earnings:                  |                                 |   |  |  |  |   |   |  |                                |
| Decrease in Fair Value of Investments | ---                             | ---   | (23)                                       | ---  | ---  | ---   | ---   | ---  | (23)                           |
| Interest                              | 256                             | 215   | ---  | 672  | ---  | 4   | ---   | 138  | 1,285                          |
| Total Non-Operating Revenues          | <u>10,256</u>                   | <u>2,201</u>  | <u>(23)</u>                                | <u>672</u>   | <u>---</u>   | <u>4</u>  | <u>---</u>  | <u>138</u>   | <u>13,248</u>                  |
| Income (Loss) Before Transfers        | <u>10,961</u>                   | <u>1,203</u>  | <u>(3)</u>                                 | <u>1,595</u>   | <u>(524)</u>   | <u>(94)</u>   | <u>(54)</u>   | <u>117</u>   | <u>13,201</u>                  |
| Transfers Out                         | ---                             | (10)  | ---  | ---  | ---  | ---   | ---   | ---  | (10)                           |
| Change in Net Assets                  | <u>10,961</u>                   | <u>1,193</u>  | <u>(3)</u>                                 | <u>1,595</u>   | <u>(524)</u>   | <u>(94)</u>   | <u>(54)</u>   | <u>117</u>   | <u>13,191</u>                  |
| Total Net Assets - Beginning          | <u>39,190</u>                   | <u>3,023</u>  | <u>150</u>                                 | <u>71,188</u>  | <u>2,556</u>   | <u>---</u>  | <u>54</u>   | <u>344</u>   | <u>116,505</u>                 |
| Total Net Assets - Ending             | <u>\$ 50,151</u>                | <u>\$ 4,216</u>   | <u>\$ 147</u>                              | <u>\$ 72,783</u>                                     | <u>\$ 2,032</u>  | <u>\$ (94)</u>  | <u>\$ ---</u>   | <u>\$ 461</u>  | <u>\$ 129,696</u>              |

**STATE OF MISSOURI  
STATEMENT OF CASH FLOWS  
NON-MAJOR COMPONENT UNITS  
June 30, 2003  
(In Thousands of Dollars)**

|  | Development<br>Finance<br>Board | Agriculture<br>and Small<br>Business<br>Development<br>Authority | Fulton 54<br>Transportation<br>Corporation | Missouri<br>Transportation<br>Finance<br>Corporation | Missouri<br>Highway 179<br>Transportation<br>Corporation | Missouri<br>Highway 63<br>Transportation<br>Corporation | Springfield, MO<br>State<br>Highway<br>Improvement<br>Corporation | Wentzville<br>Parkway<br>Transportation<br>Corporation | Totals<br>June 30,<br>2003 |
|--|---------------------------------|--|--|--|--|---|---|--|----------------------------|
| <b>Cash Flows from Operating Activities:</b>                         |                                 |  |  |  |  |   |   |  |                            |
| Receipts from Customers and Users                                    | \$ 4,052                        | \$ 273   | \$ ---                                     | \$ 1,024   | \$ 534   | \$ 511  | \$ ---  | \$ 559   | \$ 6,953                   |
| Loans Made to Outside Entities                                       | ---                             | 584  | ---  | ---  | ---  | ---   | ---   | ---  | 584                        |
| Payments to Vendors and Suppliers                                    | (814)                           | (50)   | (5)  | (12)   | (151)  | (114)   | ---   | (14)   | (1,160)                    |
| Payments to Employees  | (496)                           | (79)   | ---  | (33)   | ---  | ---   | ---   | ---  | (608)                      |
| Payments to Tax Credit Projects                                      | (6,692)                         | ---  | ---  | ---  | ---  | ---   | ---   | ---  | (6,692)                    |
| Payments Made for Program Expenses                                   | ---                             | (1,150)  | ---  | ---  | ---  | ---   | ---   | ---  | (1,150)                    |
| Payments Made for Interest Expenses                                  | ---                             | ---  | (413)                                      | ---  | (780)  | ---   | (951)   | (567)  | (2,711)                    |
| Other Receipts   | ---                             | ---  | 418  | 1,716  | ---  | 19  | 738   | 80   | 2,971                      |
| Net Cash Provided (Used) by Operating Activities                     | (3,950)                         | (422)  | ---  | 2,695  | (397)  | 416   | (213)   | 58   | (1,813)                    |
| <b>Cash Flows from Non-Capital Financing Activities:</b>             |                                 |  |  |  |  |   |   |  |                            |
| Loans Receivable Principal Receipts                                  | 18,095                          | ---  | ---  | ---  | ---  | ---   | ---   | ---  | 18,095                     |
| Loans Receivable Issuance  | (377)                           | ---  | ---  | ---  | ---  | ---   | ---   | ---  | (377)                      |
| Due to/from Primary Government                                       | ---                             | (141)  | ---  | ---  | ---  | ---   | 2,754   | ---  | 2,613                      |
| Advance to/from Other Funds, Entities, and Primary Government        | ---                             | 1,986  | ---  | (4,052)  | (3,552)  | ---   | 4,990   | (1)  | (629)                      |
| Transfers to Other Funds   | ---                             | (10)   | ---  | ---  | ---  | ---   | ---   | ---  | (10)                       |
| Net Cash Provided (Used) by Non-Capital Financing Activities         | 17,718                          | 1,835  | ---  | (4,052)  | (3,552)  | ---   | 7,744   | (1)  | 19,692                     |
| <b>Cash Flows from Capital and Related Financing Activities:</b>     |                                 |  |  |  |  |   |   |  |                            |
| Interest Expense   | (641)                           | (73)   | ---  | ---  | ---  | ---   | ---   | ---  | (714)                      |
| Purchases, Construction, Contributions of Capital Assets             | 6,688                           | ---  | ---  | ---  | ---  | ---   | ---   | ---  | 6,688                      |
| Bond Issuance  | ---                             | ---  | ---  | ---  | ---  | ---   | ---   | ---  | ---                        |
| Bond Principal Payments  | (13,455)                        | ---  | ---  | ---  | (2,130)  | ---   | (7,585)   | (80)   | (23,250)                   |
| Loan Proceeds  | ---                             | ---  | ---  | ---  | 6,000  | ---   | ---   | ---  | 6,000                      |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (7,408)                         | (73)   | ---  | ---  | 3,870  | ---   | (7,585)   | (80)   | (11,276)                   |
| <b>Cash Flows from Investing Activities:</b>                         |                                 |  |  |  |  |   |   |  |                            |
| Proceeds from Investment Maturities                                  | 76,327                          | ---  | ---  | ---  | ---  | ---   | ---   | ---  | 76,327                     |
| Purchase of Investments  | (79,704)                        | ---  | ---  | ---  | ---  | ---   | ---   | ---  | (79,704)                   |
| Interest and Dividends Received                                      | 579                             | 288  | ---  | 672  | ---  | 4   | ---   | 138  | 1,681                      |
| Net Cash Provided (Used) by Investing Activities                     | (2,798)                         | 288  | ---  | 672  | ---  | 4   | ---   | 138  | (1,696)                    |
| Net Increase (Decrease) in Cash                                      | 3,562                           | 1,628  | ---  | (685)  | (79)   | 420   | (54)  | 115  | 4,907                      |
| Cash - Beginning of Year   | 11,113                          | 3,757  | 413  | 40,567   | 5,768  | ---   | 54  | 4,137  | 65,809                     |
| Cash - End of Year   | \$ 14,675                       | \$ 5,385   | \$ 413                                     | \$ 39,882  | \$ 5,689   | \$ 420  | \$ ---  | \$ 4,252   | \$ 70,716                  |

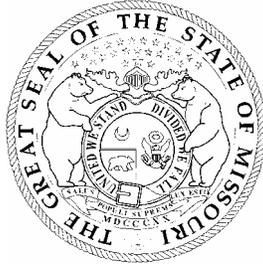
**Reconciliation of Net Operating Revenues (Expenses) to**

**Net Cash Provided (Used) by Operating Activities:**

|  |            |          |        |          |          |         |          |         |            |
|--|------------|----------|--------|----------|----------|---------|----------|---------|------------|
| Operating Income (Loss)  | \$ 705     | \$ (998) | \$ 20  | \$ 923   | \$ (524) | \$ (98) | \$ (54)  | \$ (21) | \$ (47)    |
| Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities: |            |          |        |          |          |         |          |         |            |
| Depreciation/Amortization Expense  | 494        | ---      | ---    | ---      | ---      | ---     | ---      | 22      | 516        |
| Changes in Assets and Liabilities:   |            |          |        |          |          |         |          |         |            |
| Accounts Receivables   | ---        | 1        | ---    | ---      | ---      | ---     | ---      | ---     | 1          |
| Interest Receivable  | 1,562      | ---      | (20)   | 57       | 453      | ---     | ---      | ---     | 2,052      |
| Prepaid Items  | (441)      | ---      | ---    | ---      | ---      | ---     | ---      | ---     | (441)      |
| Due to/from and Advances to/from Other Governments                                       | ---        | ---      | ---    | ---      | ---      | 511     | ---      | 80      | 591        |
| Loans Receivable   | ---        | 584      | ---    | 1,717    | ---      | ---     | ---      | ---     | 2,301      |
| Accounts Payable   | 421        | (9)      | ---    | (2)      | ---      | 3       | ---      | (9)     | 404        |
| Deferred Revenues  | (1,046)    | ---      | ---    | ---      | (450)    | ---     | ---      | (80)    | (1,576)    |
| Deposits and Reserves  | (5,645)    | ---      | ---    | ---      | ---      | ---     | ---      | ---     | (5,645)    |
| Interest Payable   | ---        | ---      | ---    | ---      | 124      | ---     | (159)    | 66      | 31         |
| Net Cash Provided (Used) by Operating Activities   | \$ (3,950) | \$ (422) | \$ --- | \$ 2,695 | \$ (397) | \$ 416  | \$ (213) | \$ 58   | \$ (1,813) |

**Non-Cash Financing Activities:**

During fiscal year 2003, the fair value of investments decreased \$23,000 for the Fulton 54 Transportation Corporation.



*The Statistical Section presentations include comparisons of economic and social characteristics and financial trends over a ten-year period. The statistical data presented is intended to provide report users with a broader understanding of the environment in which the State operates.*

**STATE OF MISSOURI**  
**REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION**  
**ALL GOVERNMENTAL FUNDS (1)**  
**For the Last Ten Fiscal Years**  
**(In Thousands of Dollars)**

| Revenues<br>by Source   | Fiscal Years Ended June 30 |                   |                   |                   |                   |                   |                   |                     |                     |                   |
|---|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|-------------------|
|   | 2003                       | 2002              | 2001              | 2000              | 1999              | 1998              | 1997              | 1996                | 1995                | 1994              |
| Taxes   | \$ 8,689,235               | \$ 8,596,690      | \$ 8,894,790      | \$ 8,115,787      | \$ 8,711,625      | \$ 7,885,370      | \$ 7,595,565      | \$ 7,151,671        | \$ 6,810,041        | \$ 5,770,220      |
| Licenses,<br>Fees and<br>Permits                                    | 557,930                    | 543,824           | 558,439           | 509,953           | 516,032           | 517,813           | 506,412           | 463,290             | 435,032             | 395,488           |
| Sales   | 13,911                     | 16,082            | 22,525            | 21,528            | 21,919            | 20,100            | 20,583            | 24,454              | 20,828              | 17,379            |
| Leases and<br>Rentals   | 551                        | 732               | 7,275             | 2,202             | 4,907             | 4,597             | 3,715             | 5,556               | 3,706               | 3,261             |
| Services  | 190,662                    | 152,232           | 131,283           | 161,184           | 208,680           | 209,765           | 211,750           | 137,751             | 221,453             | 204,451           |
| Contributions<br>and Intergov-<br>ernmental                         | 7,112,430                  | 6,435,840         | 5,720,071         | 5,349,315         | 4,970,880         | 4,503,133         | 4,021,224         | 4,095,494           | 4,042,760           | 3,448,419         |
| Investment<br>Earnings,<br>Penalties and<br>Unclaimed<br>Properties | 86,983                     | 122,896           | 181,949           | 186,289           | 192,987           | 206,074           | 178,371           | 151,582             | 110,882             | 72,653            |
| Miscellaneous<br>Revenues   | 554,197                    | 783,035           | 821,560           | 307,321           | 114,615           | 92,465            | 91,257            | 110,761             | 103,735             | 93,759            |
| <b>Total<br/>Revenues</b>   | <b>17,205,899</b>          | <b>16,651,331</b> | <b>16,337,892</b> | <b>14,653,579</b> | <b>14,741,645</b> | <b>13,439,317</b> | <b>12,628,877</b> | <b>12,140,559</b>   | <b>11,748,437</b>   | <b>10,005,630</b> |
| <b>Expenditures<br/>by Function</b>                                 |                            |                   |                   |                   |                   |                   |                   |                     |                     |                   |
| General<br>Government   | 505,556                    | 521,915           | 476,351           | 365,872           | 839,252           | 446,466           | 404,239           | 370,800             | 353,095             | 332,861           |
| Education   | 5,299,208                  | 4,544,947         | 4,346,419         | 4,096,797         | 3,878,866         | 3,742,716         | 3,474,767         | 3,234,542           | 2,973,917           | 2,777,888         |
| Natural and<br>Economic<br>Resources                                | 513,127                    | 536,194           | 553,760           | 484,432           | 490,761           | 494,247           | 460,792           | 431,458             | 452,230             | 436,465           |
| Transportation<br>and Law<br>Enforcement                            | 911,932                    | 861,789           | 829,251           | 766,534           | 1,501,163         | 1,336,898         | 1,366,067         | 1,299,962           | 1,252,627           | 1,273,238         |
| Human<br>Services   | 8,487,926                  | 7,988,081         | 7,540,546         | 6,668,492         | 6,433,590         | 5,663,384         | 5,151,585         | 4,973,129           | 4,835,118           | 3,976,063         |
| Capital<br>Outlay   | 1,268,908                  | 1,308,980         | 1,228,401         | 1,281,802         | 314,903           | 335,027           | 404,043           | 302,058             | 220,250             | 140,320           |
| Debt<br>Service   | 255,169                    | 189,276           | 166,971           | 150,851           | 126,674           | 138,946           | 202,245           | 132,174             | 117,150             | 107,170           |
| Article X<br>Distribution   | 5,950                      | 571,652           | 98,856            | 178,842           | 318,792           | 376,283           | ---               | ---                 | ---                 | ---               |
| Intergov-<br>ernmental  | 592,168                    | ---               | 439,442           | 457,744           | 358,181           | 334,252           | 363,882           | 349,327             | 322,179             | 233,465           |
| <b>Total<br/>Expenditures</b>                                       | <b>17,839,944</b>          | <b>16,522,834</b> | <b>15,679,997</b> | <b>14,451,366</b> | <b>14,262,182</b> | <b>12,868,219</b> | <b>11,827,620</b> | <b>11,093,450</b>   | <b>10,526,566</b>   | <b>9,277,470</b>  |
| <b>Excess<br/>Revenues</b>  | <b>\$ (634,045)</b>        | <b>\$ 128,497</b> | <b>\$ 657,895</b> | <b>\$ 202,213</b> | <b>\$ 479,463</b> | <b>\$ 571,098</b> | <b>\$ 801,257</b> | <b>\$ 1,047,109</b> | <b>\$ 1,221,871</b> | <b>\$ 728,160</b> |

(1) Includes General, Special Revenue, Debt Service, Capital Projects, and Permanent Funds.

Note: For comparability with past years data, "Investment Earnings" and "Penalties and Unclaimed Properties" have been combined above under "Revenues by Source."

**STATE OF MISSOURI**  
**REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION**  
**GENERAL FUND – GENERAL**  
**For the Last Ten Fiscal Years**  
**(In Thousands of Dollars)**

| Revenues<br>by Source   | Fiscal Years Ended June 30 |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|---|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2003                       | 2002                | 2001                | 2000                | 1999                | 1998                | 1997                | 1996                | 1995                | 1994                |
| Taxes   | \$ 6,506,760               | \$ 6,545,160        | \$ 6,796,005        | \$ 6,127,541        | \$ 6,740,665        | \$ 6,019,057        | \$ 5,830,807        | \$ 5,507,457        | \$ 5,248,525        | \$ 4,388,462        |
| Licenses,<br>Fees and<br>Permits                                    | 64,945                     | 65,123              | 65,581              | 64,061              | 53,802              | 51,138              | 48,373              | 46,721              | 45,186              | 44,886              |
| Sales   | 984                        | 783                 | 748                 | 825                 | 1,187               | 1,177               | 1,164               | 2,418               | 1,572               | 1,657               |
| Leases and<br>Rentals   | 314                        | 411                 | 5,909               | 870                 | 650                 | 537                 | 122                 | 487                 | 408                 | 118                 |
| Services  | 138,916                    | 122,859             | 100,397             | 102,948             | 203,545             | 209,422             | 211,476             | 137,498             | 191,176             | 197,235             |
| Contributions<br>and Intergov-<br>ernmental                         | 1,113,028                  | 704,966             | 694,938             | 240,677             | 599,422             | 549,649             | 413,094             | 477,080             | 803,981             | 269,301             |
| Investment<br>Earnings,<br>Penalties and<br>Unclaimed<br>Properties | 28,811                     | 54,692              | 81,265              | 96,576              | 108,285             | 119,789             | 104,947             | 84,870              | 58,685              | 34,837              |
| Miscellaneous<br>Revenues   | 187,395                    | 392,256             | 249,850             | 36,607              | 24,090              | 20,910              | 16,354              | 33,291              | 26,363              | 27,107              |
| <b>Total<br/>Revenues</b>   | <b>8,041,153</b>           | <b>7,886,250</b>    | <b>7,994,693</b>    | <b>6,670,105</b>    | <b>7,731,646</b>    | <b>6,971,679</b>    | <b>6,626,337</b>    | <b>6,289,822</b>    | <b>6,375,896</b>    | <b>4,963,603</b>    |
| <b>Expenditures<br/>by Function</b>                                 |                            |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| General<br>Government   | 423,456                    | 434,817             | 379,780             | 264,579             | 748,230             | 375,332             | 330,882             | 302,813             | 293,870             | 280,562             |
| Education   | 1,062,014                  | 430,398             | 455,434             | 539,009             | 732,129             | 680,582             | 609,344             | 631,686             | 567,868             | 519,484             |
| Natural and<br>Economic<br>Resources                                | 54,014                     | 60,290              | 75,909              | 77,663              | 76,679              | 59,388              | 54,685              | 68,650              | 49,160              | 45,655              |
| Transportation<br>and Law<br>Enforcement                            | 53,740                     | 53,593              | 62,160              | 59,796              | 55,505              | 54,931              | 43,792              | 37,493              | 31,629              | 29,179              |
| Human<br>Services   | 4,276,203                  | 4,013,189           | 3,873,992           | 2,978,688           | 3,276,374           | 2,922,627           | 2,694,660           | 2,474,625           | 2,741,580           | 2,046,075           |
| Capital<br>Outlay   | 97,789                     | 81,019              | 171,240             | 225,090             | 141,148             | 143,947             | 187,816             | 126,915             | 79,236              | 38,186              |
| Debt<br>Service   | 104,846                    | 46,440              | 41,937              | 33,868              | 14,065              | 23,889              | 98,999              | 37,785              | 31,035              | 29,089              |
| Article X<br>Distribution   | 5,950                      | ---                 | 98,856              | 178,842             | 318,792             | 376,283             | ---                 | ---                 | ---                 | ---                 |
| Intergov-<br>ernmental  | 89,621                     | 90,833              | 76,277              | 84,694              | 67,535              | 48,691              | 51,812              | 41,840              | 35,683              | 33,580              |
| <b>Total<br/>Expenditures</b>                                       | <b>6,167,633</b>           | <b>5,210,579</b>    | <b>5,235,585</b>    | <b>4,442,229</b>    | <b>5,430,457</b>    | <b>4,685,670</b>    | <b>4,071,990</b>    | <b>3,721,807</b>    | <b>3,830,061</b>    | <b>3,021,810</b>    |
| <b>Excess<br/>Revenues</b>  | <b>\$ 1,873,520</b>        | <b>\$ 2,675,671</b> | <b>\$ 2,759,108</b> | <b>\$ 2,227,876</b> | <b>\$ 2,301,189</b> | <b>\$ 2,286,009</b> | <b>\$ 2,554,347</b> | <b>\$ 2,568,015</b> | <b>\$ 2,545,835</b> | <b>\$ 1,941,793</b> |

Note: For comparability with past years data, "Investment Earnings" and "Penalties and Unclaimed Properties" have been combined above under "Revenues by Source."

**STATE OF MISSOURI  
TAXES**

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The Constitution of Missouri, Article X, Section 8, provides general guidelines for property taxes within the State. It limits the State tax on real and tangible personal property to ten cents on each hundred dollars assessed valuation, excluding any tax necessary to pay any bonded debt of the State.

Presently there is a State property tax of three cents on each hundred dollars assessed valuation on all real estate and tangible personal property in the State. This tax collects approximately twenty-two million dollars a year and is paid into the Blind Pension Fund, a Special Revenue Fund.

Assessed and Estimated Actual Value of Taxable Property  
For the Last Ten Years  
(In Thousands of Dollars)

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| Year (3) | Assessed Value |                            |  | Total Taxable Property |                            |
|----------|----------------|----------------------------|--|------------------------|----------------------------|
|          | Real Estate    | Tangible Personal Property | Distributable Property of Public Utility Companies | Assessed Value (1)     | Estimated Actual Value (2) |
| 2002     | \$ 48,990,936  | \$ 16,827,556              | \$ 3,523,243                                       | \$ 69,341,735          | \$ 296,021,155             |
| 2001     | 48,091,934     | 16,630,805                 | 3,648,150  | 68,370,889             | 291,443,564                |
| 2000     | 43,450,656     | 15,893,447                 | 3,531,220  | 62,875,323             | 267,060,094                |
| 1999     | 42,064,375     | 14,797,778                 | 3,461,735  | 60,323,888             | 257,151,302                |
| 1998     | 39,066,562     | 13,961,314                 | 3,279,016  | 56,306,892             | 239,898,361                |
| 1997     | 37,902,282     | 13,236,610                 | 3,249,863  | 54,388,755             | 232,113,244                |
| 1996     | 34,138,325     | 12,458,792                 | 3,153,027  | 49,750,144             | 211,382,255                |
| 1995     | 33,181,619     | 11,269,545                 | 3,078,181  | 47,529,345             | 202,537,140                |
| 1994     | 31,335,588     | 10,199,469                 | 3,059,585  | 44,594,642             | 187,664,425                |
| 1993     | 30,668,645     | 9,649,537                  | 2,958,271  | 43,276,453             | 182,352,275                |

(1) Data Source: State Tax Commission of Missouri.

(2) Based on residential property assessed at 19%, agricultural property assessed at 12% and commercial property assessed at 32%.

(3) The data for 2003 was not available at publication date.

**STATE OF MISSOURI  
DEBT**

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The limitations on State debts and bond issues are contained in the Constitution of Missouri, Article III, Section 37. This section restricts the general assembly from contracting or authorizing the contracting of any liability of the State or the issuing of bonds therefore, except:

1. To refund outstanding bonds, the refunding bonds must have a maturity date of not more than twenty-five years from the date of issue.
2. Upon the recommendation of the governor for a temporary liability incurred by an unforeseen emergency or casual deficiency in revenues for an amount not to exceed one million dollars for any one year and to be paid in five years or less.
3. When the liability exceeds one million dollars, the general assembly as on constitutional amendments, or the people by the initiative, may submit a measure containing the amount, purpose and terms of the liability and if the measure is approved by a majority of those voting the liability may be incurred.

Computation of Legal Debt Margin  
June 30, 2003  
(In Thousands of Dollars)

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|   |                          |
|---|--------------------------|
| General Obligation Bonds Authorized       | \$ 1,775,000             |
| Unforeseen Emergency or Casual Deficiency | 1,000                    |
| Less General Obligation Bonds Issued      | <u>1,439,494</u>         |
| Legal Debt Margin                         | <u><u>\$ 336,506</u></u> |

STATE OF MISSOURI  
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED  
DEBT TO TOTAL EXPENDITURES  
ALL GOVERNMENTAL FUNDS (1)  
For the Last Ten Fiscal Years  
(In Thousands of Dollars Except Ratio Data)

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| <u>For the<br/>Fiscal Year<br/>Ended June 30</u> | <u>Debt<br/>Service</u> | <u>Total<br/>Expenditures</u> | <u>Ratio</u> |
|--|-------------------------|-------------------------------|--------------|
| 2003   | \$ 255,169              | \$ 17,839,944                 | 1.43%        |
| 2002   | 189,276                 | 16,522,834                    | 1.15         |
| 2001   | 166,971                 | 15,679,997                    | 1.06         |
| 2000   | 150,851                 | 14,451,366                    | 1.04         |
| 1999   | 126,674                 | 14,262,182                    | 0.89         |
| 1998   | 138,946                 | 12,868,219                    | 1.08         |
| 1997   | 202,245                 | 11,106,474                    | 1.82         |
| 1996   | 132,174                 | 11,093,450                    | 1.19         |
| 1995   | 117,150                 | 10,526,566                    | 1.11         |
| 1994   | 107,170                 | 9,277,470                     | 1.16         |

(1) Includes General, Special Revenue, Debt Service, Capital Projects Funds, and Permanent Funds.

**STATE OF MISSOURI**  
**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE**  
**AND NET GENERAL BONDED DEBT PER CAPITA**  
**For the Last Ten Fiscal Years**  
**(In Thousands of Dollars Except Ratio and Per Capita Data)**

| For the<br>Fiscal Year<br>Ended June 30 | Population<br>(1) | Assessed<br>Value (2) | General Bonded Debt |  |              | Net General Bonded Debt       |            |
|---|-------------------|-----------------------|---------------------|--|--------------|-------------------------------|------------|
|   |                   |                       | Total               | Less Debt<br>Service Monies<br>Available | Net          | Ratio to<br>Assessed<br>Value | Per Capita |
| 2003                                    | 5,698             | \$ N/A                | \$ 2,311,700        | \$ 80,130                                | \$ 2,231,570 | N/A                           | \$ 391.64  |
| 2002                                    | 5,673             | 69,341,735            | 1,978,210           | 88,970                                   | \$ 1,889,240 | 2.72                          | 333.02     |
| 2001                                    | 5,637             | 68,370,889            | 1,612,340           | 90,477                                   | 1,521,863    | 2.23                          | 269.98     |
| 2000                                    | 5,605             | 62,875,323            | 1,269,225           | 63,002                                   | 1,206,223    | 1.92                          | 215.20     |
| 1999                                    | 5,562             | 60,323,888            | 1,273,113           | 64,610                                   | 1,208,503    | 2.00                          | 217.28     |
| 1998                                    | 5,522             | 56,306,892            | 1,333,318           | 60,205                                   | 1,273,113    | 2.26                          | 230.55     |
| 1997                                    | 5,481             | 54,388,755            | 1,288,678           | 58,746                                   | 1,229,932    | 2.26                          | 224.40     |
| 1996                                    | 5,432             | 49,750,144            | 1,187,926           | 56,055                                   | 1,131,871    | 2.28                          | 208.37     |
| 1995                                    | 5,378             | 47,529,345            | 1,255,827           | 50,852                                   | 1,204,975    | 2.54                          | 224.06     |
| 1994                                    | 5,324             | 44,594,642            | 1,194,306           | 50,387                                   | 1,143,919    | 2.57                          | 214.86     |

Includes general obligation bonds and other bonds which relate to governmental funds.

N/A – Information not available.

Data Sources:

- (1) U.S. Department of Commerce – Bureau of Economic Analysis.
- (2) State Tax Commission of Missouri – For the year ended December 31.

**STATE OF MISSOURI  
ECONOMIC DATA**

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Industrial Growth

| <u>Fiscal Year</u> | <u>Expanding Companies</u> | <u>New Companies</u> | <u>New Jobs</u> | <u>Investment (In Thousands)</u> |
|--------------------|----------------------------|----------------------|-----------------|----------------------------------|
| 2003               | 44                         | 27                   | 7,399           | \$ 695,461                       |
| 2002               | 83                         | 39                   | 12,176          | 1,531,699                        |
| 2001               | 69                         | 29                   | 10,246          | 849,447                          |
| 2000               | 129                        | 53                   | 11,732          | 1,204,065                        |
| 1999               | 301                        | 28                   | 7,687           | 1,582,768                        |
| 1998               | 303                        | 78                   | 11,322          | 2,404,156                        |
| 1997               | 245                        | 48                   | 13,593          | 2,503,116                        |
| 1996               | 162                        | 85                   | 8,291           | 1,154,439                        |
| 1995               | 156                        | 115                  | 14,236          | 889,919                          |
| 1994               | 82                         | 57                   | 8,940           | 768,838                          |

Data Source: Missouri Department of Economic Development.

Bank Deposits  
(In Millions)

| <u>Fiscal Year</u> | <u>State Banks</u> | <u>National Banks</u> | <u>Total Deposits</u> |
|--------------------|--------------------|-----------------------|-----------------------|
| 2003               | \$ 41,407          | \$ 21,039             | \$ 62,446             |
| 2002               | 41,184             | 21,768                | 62,952                |
| 2001               | 32,950             | 20,219                | 53,169                |
| 2000               | 29,990             | 30,618                | 60,608                |
| 1999               | 31,634             | 34,945                | 66,579                |
| 1998               | 31,111             | 22,370                | 53,481                |
| 1997               | 28,167             | 20,002                | 48,169                |
| 1996               | 29,303             | 33,705                | 63,008                |
| 1995               | 30,152             | 27,297                | 57,449                |
| 1994               | 28,939             | 25,649                | 54,588                |

Data Source: Missouri Department of Economic Development.

**STATE OF MISSOURI  
ECONOMIC DATA**

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Retail Sales by Store Group  
(In Thousands)

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| Year | Food         | General<br>Merchandise | Furniture,<br>Furnishings<br>and<br>Appliances | Automotive    | Health/<br>Personal<br>Care | All Other     | Totals        |
|------|--------------|------------------------|--|---------------|-----------------------------|---------------|---------------|
| 2003 | \$ 8,023,131 | \$ 10,447,515          | \$ 3,369,425                                   | \$ 20,291,535 | \$ 2,669,433                | \$ 15,523,282 | \$ 60,324,321 |
| 2002 | 7,866,518    | 9,848,102              | 3,251,995                                      | 18,897,240    | 2,549,175                   | 15,203,018    | 57,616,048    |
| 2001 | 7,741,561    | 9,676,695              | 3,200,033                                      | 18,572,559    | 2,508,497                   | 14,946,218    | 56,645,563    |
| 2000 | 9,708,109    | 9,978,604              | 3,278,017                                      | 18,666,625    | 2,188,964                   | 11,906,129    | 55,726,448    |
| 1999 | 9,912,908    | 9,525,196              | 3,210,288                                      | 16,561,707    | 1,892,555                   | 10,923,604    | 52,026,258    |
| 1998 | 9,619,227    | 8,992,504              | 2,925,982                                      | 15,507,470    | 1,858,292                   | 10,461,323    | 49,364,798    |
| 1997 | 10,377,890   | 8,578,221              | 2,496,712                                      | 12,683,473    | 1,844,231                   | 10,626,251    | 46,606,778    |
| 1996 | 6,909,793    | 5,341,199              | 1,644,656                                      | 8,431,367     | 1,220,947                   | 7,069,636     | 30,617,598    |
| 1995 | 8,430,568    | 6,453,336              | 1,984,645                                      | 10,717,139    | 1,547,532                   | 7,870,303     | 37,003,523    |
| 1994 | 8,243,615    | 5,710,308              | 1,875,115                                      | 10,081,481    | 1,411,536                   | 7,642,631     | 34,964,686    |

Data Source: Reprinted by permission of Editor and Publisher Market Guide from VNU Business Media, Inc. Copyright 1989–2003.

**STATE OF MISSOURI  
ECONOMIC DATA**

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Privately Owned Housing Units Authorized by Building Permits

| <u>Year</u> | <u>Number of Units</u> | <u>Valuation<br/>(In Thousands)</u> |
|-------------|------------------------|-------------------------------------|
| 2002        | 28,255                 | \$ 3,186,632                        |
| 2001        | 24,739                 | 2,750,047                           |
| 2000        | 24,321                 | 2,569,405                           |
| 1999        | 26,840                 | 2,739,418                           |
| 1998        | 25,657                 | 2,424,875                           |
| 1997        | 25,156                 | 2,265,005                           |
| 1996        | 26,298                 | 2,275,667                           |
| 1995        | 24,282                 | 2,032,503                           |
| 1994        | 26,374                 | 2,149,313                           |
| 1993        | 21,702                 | 1,749,828                           |

Data Source: U.S. Department of Commerce – Bureau of the Census.

Major Private Employers

The State's major private employers and the approximate number employed by each in 2002 were as follows:

| <u>Employer</u>                        | <u>Number Employed</u> |
|--|------------------------|
| 1. Wal-Mart Associates, Inc.           | 32,500 – 35,000        |
| 2. Boeing Corporation                  | 12,500 – 15,000        |
| 3. Washington University               | 12,500 – 15,000        |
| 4. Schnuck Markets, Inc.               | 10,000 – 12,500        |
| 5. Barnes-Jewish Hospital              | 7,500 – 10,000         |
| 6. May Department Stores               | 7,500 – 10,000         |
| 7. Ford Motor Company                  | 7,500 – 10,000         |
| 8. Daimler Chrysler                    | 5,000 – 7,500          |
| 9. Lester E Cox Medical                | 5,000 – 7,500          |
| 10. American Airlines, Inc.            | 5,000 – 7,500          |
| 11. SBC (Southwestern Bell) Management | 5,000 – 7,500          |
| 12. Hallmark Cards                     | 5,000 – 7,500          |
| 13. AT&T Corporation                   | 5,000 – 7,500          |
| 14. United Parcel Service, Inc.        | 5,000 – 7,500          |
| 15. St. John's Regional Health Center  | 5,000 – 7,500          |

Data Source: Missouri Department of Economic Development.

**STATE OF MISSOURI  
DEMOGRAPHIC STATISTICS**

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Population Statistics

| <u>Year</u> | <u>Population<br/>(In Thousands)</u> | <u>% Change</u> | <u>% of Total</u> |              |
|-------------|--------------------------------------|-----------------|-------------------|--------------|
|             |                                      |                 | <u>Urban</u>      | <u>Rural</u> |
| 2000        | 5,605                                | 9.5%            | 67.8%             | 32.2%        |
| 1990        | 5,117                                | 4.1             | 68.7              | 31.3         |
| 1980        | 4,917                                | 5.1             | 68.1              | 31.9         |
| 1970        | 4,677                                | 8.3             | 70.1              | 29.9         |
| 1960        | 4,320                                | 9.2             | 66.6              | 33.4         |
| 1950        | 3,955                                | 4.5             | 61.5              | 38.5         |
| 1940        | 3,785                                | 4.3             | 51.8              | 48.2         |
| 1930        | 3,629                                | 6.6             | 51.2              | 48.8         |
| 1920        | 3,404                                | 3.4             | 46.6              | 53.4         |
| 1910        | 3,293                                | 6.0             | 42.3              | 57.7         |

Data Sources: U.S. Department of Commerce – Bureau of the Census.

Office of Social and Economic Data Analysis: Demographics.

School Enrollment  
(In Thousands)

| <u>Academic<br/>Year</u> | <u>Elementary<br/>and Secondary<br/>Enrollment (1)</u> | <u>Higher<br/>Education<br/>Enrollment (2)</u> | <u>Totals</u> | <u>% Change<br/>From Prior Year</u> |
|--------------------------|--|--|---------------|-------------------------------------|
| 2002-03                  | 894  | 224  | 1,118         | 1.4%                                |
| 2001-02                  | 890  | 213  | 1,103         | 0.3                                 |
| 2000-01                  | 894  | 206  | 1,100         | 0.2                                 |
| 1999-00                  | 895  | 203  | 1,098         | 0.5                                 |
| 1998-99                  | 895  | 198  | 1,093         | 0.6                                 |
| 1997-98                  | 893  | 194  | 1,087         | 1.4                                 |
| 1996-97                  | 883  | 189  | 1,072         | 1.1                                 |
| 1995-96                  | 874  | 186  | 1,060         | 1.0                                 |
| 1994-95                  | 862  | 188  | 1,050         | 0.9                                 |
| 1993-94                  | 852  | 189  | 1,041         | 0.8                                 |

Data Sources: (1) Missouri Department of Elementary and Secondary Education.

(2) Missouri Department of Higher Education. These statistics are based on full-time equivalent enrollment and do not include professional/technical schools.

**STATE OF MISSOURI  
DEMOGRAPHIC STATISTICS**

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Personal Income

| <u>Year</u> | <u>Missouri<br/>Total Personal<br/>Income<br/>(In Millions)</u> | <u>U.S.<br/>Total Personal<br/>Income<br/>(In Millions)</u> | <u>Missouri<br/>Per Capita<br/>Personal<br/>Income</u> | <u>U.S.<br/>Per Capita<br/>Personal<br/>Income</u> | <u>Missouri<br/>% Change<br/>From<br/>Prior Year</u> | <u>U.S.<br/>% Change<br/>From<br/>Prior Year</u> |
|-------------|---|---|--|--|--|--|
| 2002        | \$ 164,143  | \$ 8,922,320  | \$ 28,936  | \$ 30,941  | 2.5%   | 1.7%   |
| 2001        | 159,093   | 8,677,490   | 28,221   | 30,413   | 2.6  | 2.2  |
| 2000        | 154,099   | 8,398,871   | 27,493   | 29,760   | 6.3  | 6.7  |
| 1999        | 143,814   | 7,779,521   | 25,857   | 27,880   | 2.7  | 3.7  |
| 1998        | 138,987   | 7,418,497   | 25,171   | 26,893   | 5.2  | 5.8  |
| 1997        | 131,144   | 6,928,545   | 23,926   | 25,412   | 4.8  | 4.7  |
| 1996        | 123,992   | 6,538,103   | 22,828   | 24,270   | 4.4  | 4.4  |
| 1995        | 117,640   | 6,192,235   | 21,873   | 23,255   | 3.7  | 4.1  |
| 1994        | 112,314   | 5,878,362   | 21,094   | 22,340   | 4.6  | 3.7  |
| 1993        | 106,298   | 5,598,446   | 20,166   | 21,539   | 3.7  | 2.8  |

Data Source: U.S. Department of Commerce – Bureau of Economic Analysis.

Employment  
(In Thousands Except Unemployment Rates Data)

| <u>Year</u> | <u>Civilian<br/>Labor Force</u> | <u>Total<br/>Employed</u> | <u>Total<br/>Unemployed</u> | <u>Missouri<br/>Unemployment<br/>Rate</u> | <u>U.S.<br/>Unemployment<br/>Rate</u> |
|-------------|---------------------------------|---------------------------|-----------------------------|---|---------------------------------------|
| 2002        | 2,990                           | 2,825                     | 165                         | 5.5%                                      | 5.8%                                  |
| 2001        | 2,970                           | 2,830                     | 140                         | 4.7                                       | 4.7                                   |
| 2000        | 2,930                           | 2,828                     | 102                         | 3.5                                       | 4.0                                   |
| 1999        | 2,841                           | 2,745                     | 96                          | 3.4                                       | 4.2                                   |
| 1998        | 2,854                           | 2,735                     | 119                         | 4.2                                       | 4.5                                   |
| 1997        | 2,891                           | 2,769                     | 122                         | 4.2                                       | 4.9                                   |
| 1996        | 2,905                           | 2,772                     | 133                         | 4.6                                       | 5.4                                   |
| 1995        | 2,833                           | 2,698                     | 135                         | 4.8                                       | 5.6                                   |
| 1994        | 2,698                           | 2,567                     | 131                         | 4.9                                       | 6.1                                   |
| 1993        | 2,661                           | 2,489                     | 172                         | 6.5                                       | 6.9                                   |
| 1992        | 2,668                           | 2,515                     | 153                         | 5.7                                       | 7.5                                   |

Data Source: Missouri State Web Page – Missouri Economic Research and Information Center and U.S. Labor Market Information Web Page.

**STATE OF MISSOURI  
SCHEDULE OF MISCELLANEOUS STATISTICS  
As of June 30, 2003**

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**Adoption of State Constitution** ..... 1821, 1865, 1877, 1945

**Land Area (Square Miles)** .....68,945

**Miles of State Highway** .....32,340

**State Highway Patrol Protection:**

Number of Troops (Stations) .....9  
Number of Commissioned Highway Patrol Officers ..... 1,045

**Higher Education:**

Public Community Colleges -  
Number of Campuses ..... 18  
Number of Students [average annual full-time equivalent (FTE)] ..... 50,373  
Number of Regular Term Teaching Positions (FTE) ..... 1,220

State Technical College -  
Number of Campuses ..... 1  
Number of Students (FTE) ..... 860  
Number of Regular Term Teaching Positions (FTE) ..... 42

State Colleges/Universities -  
Number of Campuses ..... 14  
Number of Regular Term Students (FTE) ..... 98,633  
Number of Regular Term Teaching Positions (FTE) ..... 4,455

**Recreation:**

Number of State Parks and Historic Sites ..... 83  
Acres of State Parks and Historic Sites ..... 139,730  
Number of State Conservation Areas ..... 1,125  
Acres of State Conservation Areas ..... 975,298

**Sources:**

Land Area ..... Missouri State Manual  
Miles of Highway..... Department of Transportation  
State Highway Patrol Protection ..... Department of Public Safety/Highway Patrol  
Higher Education ..... Department of Higher Education  
Recreation..... Department of Conservation  
Department of Natural Resources/Division of State Parks

STATE OF MISSOURI  
ACKNOWLEDGEMENTS

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