

Nonmajor Enterprise Funds

Enterprise Funds account for any activity for which a fee is charged to external users for goods or services. If an activity's principal revenue source meets any one of the following criteria, it is required to be reported as an enterprise fund: (1) an activity financed with debt that is secured solely by pledge of the net revenues from fees and charges for the activity; (2) laws or regulations which require that the activity's costs of providing services, including capital costs, be recovered with fees and charges, rather than with taxes or similar revenues; or (3) pricing policies which establish fees and charges designed to recover the activity's costs, including capital costs. The Nonmajor Enterprise Funds are described below:

The Liquor Fund accounts for the administration and operation of state liquor stores, warehouses, and the distribution of net proceeds.

The Convention and Trade Fund accounts for the acquisition, design, construction, promotion, and operation of the State Convention and Trade Center.

The Lottery Fund accounts for lottery ticket revenues, administrative and operating expenses of the Lottery Commission, and the distribution of revenue.

The Institutional Fund accounts for the enterprise activities (industries) carried out through vocational/education programs at the correctional institutions.

The Other Activities Fund accounts for the following: (1) the guaranteed college tuition program; (2) the operation of computer systems for legislative information; (3) the production and sale of statute law publications and official reports; and (4) Judicial Information System users.

Combining Statement of Fund Net Assets Nonmajor Enterprise Funds

June 30, 2007

(expressed in thousands)

	Liquor	Convention and Trade	Lottery	Institutional
Assets				
Current Assets:				
Cash and pooled investments	\$ 36,963	\$ 68,398	\$ 37,269	\$ 9,343
Investments	-	-	62,871	-
Taxes receivable (net of allowance)	4,962	-	-	-
Other receivables (net of allowance)	6,473	5,284	17,770	656
Due from other funds	6,685	204	798	9,352
Due from other governments	-	-	-	403
Inventories	37,248	-	339	8,198
Prepaid expenses	66	266	848	127
Total Current Assets	92,397	74,152	119,895	28,079
Noncurrent Assets:				
Investments, noncurrent	-	-	338,585	-
Other noncurrent assets	-	-	-	-
Capital Assets:				
Land	177	77,356	-	1,540
Buildings	16,634	379,328	-	12,828
Other improvements	134	11,788	535	1,844
Furnishings, equipment, and collections	27,807	5,150	517	18,439
Accumulated depreciation	(20,888)	(92,564)	(664)	(11,605)
Construction in progress	10,857	-	-	-
Total Noncurrent Assets	34,721	381,058	338,973	23,046
Total Assets	\$ 127,118	\$ 455,210	\$ 458,868	\$ 51,125
Liabilities				
Current Liabilities:				
Accounts payable	\$ 38,526	\$ 364	\$ 4,782	\$ 4,629
Contracts and retainages payable	-	6,356	-	-
Accrued liabilities	19,560	3,226	89,723	1,917
Obligations under security lending agreements	-	-	-	-
Bonds and notes payable	2,040	19,897	-	434
Due to other funds	7,947	335	6,401	1,132
Due to other governments	-	-	51	-
Unearned revenues	3	66	-	24
Claims and judgments payable	-	-	-	-
Total Current Liabilities	68,076	30,244	100,957	8,136
Noncurrent Liabilities:				
Claims and judgments payable	-	-	-	-
Bonds and notes payable	14,485	226,303	-	8,650
Other long-term liabilities	3,997	-	326,911	1,312
Total Noncurrent Liabilities	18,482	226,303	326,911	9,962
Total Liabilities	86,558	256,547	427,868	18,098
Net Assets:				
Invested in capital assets, net of related debt	18,198	134,858	388	13,962
Unrestricted	22,362	63,805	30,612	19,065
Total Net Assets (Deficit)	\$ 40,560	\$ 198,663	\$ 31,000	\$ 33,027

Other Activities	Total
\$ 155,840	\$ 307,813
372,877	435,748
-	4,962
5,770	35,953
1,161	18,200
3,156	3,559
-	45,785
11	1,318
<u>538,815</u>	<u>853,338</u>
932,257	1,270,842
155,848	155,848
-	79,073
-	408,790
184	14,485
8,813	60,726
(7,140)	(132,861)
-	10,857
<u>1,089,962</u>	<u>1,867,760</u>
<u>\$ 1,628,777</u>	<u>\$ 2,721,098</u>
\$ 3,063	\$ 51,364
35,700	42,056
18,544	132,970
372,877	372,877
28,780	51,151
41,666	57,481
4,928	4,979
-	93
2,110	2,110
<u>507,668</u>	<u>715,081</u>
4,343	4,343
26	249,464
896,790	1,229,010
901,159	1,482,817
<u>1,408,827</u>	<u>2,197,898</u>
1,818	169,224
218,132	353,976
<u>\$ 219,950</u>	<u>\$ 523,200</u>

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2007

(expressed in thousands)

	Liquor	Convention and Trade	Lottery	Institutional
Operating Revenues:				
Sales	\$ 500,507	\$ -	\$ -	\$ 62,694
Less: Cost of goods sold	348,981	-	-	49,549
Gross profit	151,526	-	-	13,145
Charges for services	1,296	18,113	-	-
Lottery ticket proceeds	-	-	492,591	-
Miscellaneous revenue	347	3	24	2,109
Total Operating Revenues	153,169	18,116	492,615	15,254
Operating Expenses:				
Salaries and wages	37,148	6,692	6,909	11,522
Employee benefits	14,810	2,939	1,946	3,557
Personal services	704	5,819	9,898	-
Goods and services	47,015	5,640	54,230	792
Travel	718	27	477	153
Premiums and claims	-	-	-	27
Lottery prize payments	-	-	304,834	-
Depreciation and amortization	5,204	8,266	114	1,447
Miscellaneous expenses	41	-	19	21
Total Operating Expenses	105,640	29,383	378,427	17,519
Operating Income (Loss)	47,529	(11,267)	114,188	(2,265)
Nonoperating Revenues (Expenses):				
Earnings (loss) on investments	-	-	26,629	10
Interest expense	(257)	(14,590)	(27,100)	(350)
Distributions to other governments	(35,988)	-	(4,530)	-
Other revenue (expenses)	63,141	56,111	9	2
Total Nonoperating Revenues (Expenses)	26,896	41,521	(4,992)	(338)
Income (Loss) Before Contributions and Transfers	74,425	30,254	109,196	(2,603)
Transfers in	4,005	-	11,691	129
Transfers (out)	(89,047)	(5,150)	(125,081)	(434)
Net Contributions and Transfers	(85,042)	(5,150)	(113,390)	(305)
Change in Net Assets	(10,617)	25,104	(4,194)	(2,908)
Net Assets (Deficit) - Beginning, as restated	51,177	173,559	35,194	35,935
Net Assets (Deficit) - Ending	\$ 40,560	\$ 198,663	\$ 31,000	\$ 33,027

Other Activities	Total
\$ -	\$ 563,201
-	398,530
-	164,671
59,272	78,681
-	492,591
6,464	8,947
<u>65,736</u>	<u>744,890</u>
18,909	81,180
5,108	28,360
2,071	18,492
14,761	122,438
1,063	2,438
-	27
-	304,834
992	16,023
47,594	47,675
<u>90,498</u>	<u>621,467</u>
<u>(24,762)</u>	<u>123,423</u>
109,881	136,520
(2)	(42,299)
-	(40,518)
12,288	131,551
<u>122,167</u>	<u>185,254</u>
97,405	308,677
1,367	17,192
(538)	(220,250)
<u>829</u>	<u>(203,058)</u>
98,234	105,619
121,716	417,581
<u>\$ 219,950</u>	<u>\$ 523,200</u>

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2007

(expressed in thousands)

	Liquor	Convention and Trade	Lottery	Institutional
Cash Flows from Operating Activities:				
Receipts from customers	\$ 499,715	\$ 15,592	\$ 490,512	\$ 61,182
Payments to suppliers	(364,516)	(8,123)	(427,516)	(46,408)
Payments to employees	(51,652)	(9,553)	(8,636)	(14,925)
Other receipts (payments)	347	3	24	2,106
Net Cash Provided (Used) by Operating Activities	83,894	(2,081)	54,384	1,955
Cash Flows from Noncapital Financing Activities:				
Transfers in	4,005	-	11,691	129
Transfers out	(89,047)	(5,150)	(125,081)	(434)
Operating grants and donations received	5	-	-	-
Taxes and license fees collected	63,167	56,111	20	-
Distributions to other governments	(35,988)	-	(4,530)	-
Other noncapital financing sources	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	(57,858)	50,961	(117,900)	(305)
Cash Flows from Capital and				
Interest paid	(257)	(10,404)	-	(350)
Principal payments on long-term capital financing	(10,133)	(18,977)	-	(385)
Proceeds from long-term capital financing	16,525	-	-	449
Proceeds from sale of capital assets	31	175	115	283
Acquisitions of capital assets	(11,454)	(2,516)	(368)	(2,304)
Net Cash or Pooled Investments Provided by (Used in) Capital and Related Financing Activities	(5,288)	(31,722)	(253)	(2,307)
Cash Flows from Investing Activities:				
Receipt of interest	-	-	2,757	10
Proceeds from sale of investment securities	-	-	163,149	-
Purchases of investment securities	-	-	(103,894)	-
Net Cash Provided by (Used in) Investing Activities	-	-	62,012	10
Net Increase (Decrease) in Cash	20,748	17,158	(1,757)	(647)
Cash and Pooled Investments, July 1	16,215	51,240	39,026	9,990
Cash and Pooled Investments, June 30	\$ 36,963	\$ 68,398	\$ 37,269	\$ 9,343
Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ 47,529	\$ (11,267)	\$ 114,188	\$ (2,265)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:				
Depreciation	5,204	8,266	114	1,447
Change in Assets: Decrease (Increase)				
Receivables (net of allowance)	(2,067)	(2,543)	(2,066)	(1,515)
Inventories	(373)	-	(88)	3,054
Prepaid expenses	(66)	1	(326)	2
Change in Liabilities: Increase (Decrease)				
Payables	33,667	3,462	(57,438)	1,232
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	\$ 83,894	\$ (2,081)	\$ 54,384	\$ 1,955
Noncash Investing, Capital, and Financing Activities:				
Amortization of annuity prize liability	\$ -	\$ -	\$ (27,100)	\$ -
Increase (decrease) in fair value of investments	-	-	23,871	-
Accretion of interest on zero coupon bonds	-	(3,596)	-	-

Other Activities	Total
\$ 31,924	\$ 1,098,925
129,779	(716,784)
(23,934)	(108,700)
6,463	8,943
<u>144,232</u>	<u>282,384</u>
1,367	17,192
(538)	(220,250)
-	5
12,436	131,734
-	(40,518)
<u>3,240</u>	<u>3,240</u>
<u>16,505</u>	<u>(108,597)</u>
(2)	(11,013)
(49)	(29,544)
-	16,974
283	887
<u>(336)</u>	<u>(16,978)</u>
<u>(104)</u>	<u>(39,674)</u>
25,571	28,338
248,898	412,047
<u>(392,886)</u>	<u>(496,780)</u>
<u>(118,417)</u>	<u>(56,395)</u>
42,216	77,718
113,624	230,095
<u>\$ 155,840</u>	<u>\$ 307,813</u>
\$ (24,762)	\$ 123,423
992	16,023
(27,359)	(35,550)
-	2,593
1	(388)
<u>195,360</u>	<u>176,283</u>
<u>\$ 144,232</u>	<u>\$ 282,384</u>
\$ -	\$ (27,100)
83,647	107,518
<u>-</u>	<u>(3,596)</u>

