

NON-EXPENDABLE TRUST FUNDS

Non-Expendable Trust Funds account for assets held by the State in a trustee capacity, where the State must preserve the principal intact, and may expend only income derived from the principal for the funds' designated operations.

The Land Endowments Fund receives monies from land and property rentals and interest on land grants and investments.

The Other Non-Expendable Trust Fund consists of the Les Arie Memorial Fund, Arizona Arts Endowment Trust Fund, Riparian Acquisition Trust Fund, Water Resources Flood Control Loan Fund, and Water Resources Alternative Flood Control Fund.

STATE OF ARIZONA
COMBINING BALANCE SHEET
NON-EXPENDABLE TRUST FUNDS
JUNE 30, 1999
(Expressed in Thousands)

	LAND ENDOWMENTS	OTHER	TOTAL
ASSETS			
Current Assets:			
Cash and investments	\$ 83,640	\$ 2,375	\$ 86,015
Receivables, net of allowances:			
Interest	14,147	9	14,156
Other	9,615	-	9,615
Due from other Funds	523	2,000	2,523
Total Current Assets	107,925	4,384	112,309
Long-term Assets:			
Investments	886,187	-	886,187
Receivables, net of allowances	17,857	-	17,857
Fixed assets:			
Property and equipment	11,966	-	11,966
Less: accumulated depreciation	(988)	-	(988)
Total Long-term Assets	915,022	-	915,022
Total Assets	\$ 1,022,947	\$ 4,384	\$ 1,027,331
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 2,158	\$ -	\$ 2,158
Accrued liabilities	3	-	3
Due to other Funds	202	-	202
Deferred revenue	16,934	-	16,934
Other	1,350	-	1,350
Total Liabilities	20,647	-	20,647
Reserved Fund Balances	1,002,300	4,384	1,006,684
Total Liabilities and Fund Equity	\$ 1,022,947	\$ 4,384	\$ 1,027,331

STATE OF ARIZONA
**COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND BALANCES**
NON-EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1999
(Expressed in Thousands)

	LAND ENDOWMENTS	OTHER	TOTAL
OPERATING REVENUES			
Sales and charges for services	\$ 17,576	\$ 1	\$ 17,577
Intergovernmental	46	-	46
Earnings on investments	29,105	99	29,204
Gain on sale of land	22,294	-	22,294
Other	2,521	126	2,647
Total Operating Revenues	71,542	226	71,768
OPERATING EXPENSES			
Personal services	73	-	73
Contractual services	1,115	-	1,115
Aid to local governments	108,856	-	108,856
Depreciation and amortization	281	-	281
Insurance	4	-	4
Other	9,361	2	9,363
Total Operating Expenses	119,690	2	119,692
Operating Income (Loss)	(48,148)	224	(47,924)
NON-OPERATING REVENUES			
Interest income	-	10	10
Other	42	-	42
Net Non-Operating Income	42	10	52
Income (Loss) Before Operating Transfers	(48,106)	234	(47,872)
OPERATING TRANSFERS			
Operating transfers in	-	4,010	4,010
Operating transfers out	(864)	(26)	(890)
Net Operating Transfers	(864)	3,984	3,120
Net Income (Loss)	(48,970)	4,218	(44,752)
Beginning Fund Balances	1,050,758	166	1,050,924
Residual Equity Transfers	512	-	512
Ending Fund Balances	\$ 1,002,300	\$ 4,384	\$ 1,006,684

STATE OF ARIZONA
COMBINING STATEMENT OF CASH FLOWS
NON-EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1999
(Expressed in Thousands)

	LAND ENDOWMENTS	OTHER	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (48,148)	\$ 224	\$ (47,924)
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation and amortization	281	-	281
Net decrease in fair value of investments	39,515	-	39,515
Total Adjustments	39,796	-	39,796
Changes in assets and liabilities:			
(Increase) decrease in receivables, net of allowances	9,724	(9)	9,715
(Increase) in due from other Funds	(523)	(2,000)	(2,523)
(Decrease) in accounts payable	(16,097)	-	(16,097)
(Decrease) in accrued liabilities	(4)	-	(4)
(Decrease) in due to other Funds	(7,414)	-	(7,414)
Increase in deferred revenue	1,477	-	1,477
Increase in other current liabilities	1,250	-	1,250
Net Changes in Assets and Liabilities	(11,587)	(2,009)	(13,596)
Net Cash (Used) by Operating Activities	(19,939)	(1,785)	(21,724)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Other non-operating revenue	42	10	52
Operating transfers in	-	4,010	4,010
Operating transfers out	(864)	(26)	(890)
Residual equity transfers	512	-	512
Net Cash Provided (Used) by Non-capital Financing Activities	(310)	3,994	3,684
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of fixed assets	(155)	-	(155)
Proceeds from sales of fixed assets	6,214	-	6,214
Net Cash Provided by Capital and Related Financing Activities	6,059	-	6,059
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	115,378	-	115,378
Purchase of investments	(168,558)	-	(168,558)
Net Cash (Used) by Investing Activities	(53,180)	-	(53,180)
Net Increase (Decrease) in Cash and Cash Equivalents	(67,370)	2,209	(65,161)
Cash and Cash Equivalents - Beginning	151,010	166	151,176
Cash and Cash Equivalents - Ending	\$ 83,640	\$ 2,375	\$ 86,015