

MONTANA STATE FUND
 FASB BALANCE SHEET
 OLD FUND

Montana State Fund is a component unit of the State of Montana

	As Of		Variance Increase (Decrease)
	December 31, 2003 (UNAUDITED)	June 30, 2003 (UNAUDITED)	
ASSETS			
Cash in Treasury	\$ 1,774,207	\$ 4,521	\$ 1,769,686
Short-term Investment Pool	8,008,760	4,738,975	3,269,785
Accounts Receivable	168,303	99,552	68,751
Allowance for Doubtful Accounts	(1,038)	(1,038)	(0)
Due from Other Funds			
Interest Receivable	1,030,898	1,183,328	(152,430)
Long Term Securities	67,446,300	76,523,173	(9,076,873)
Securities Lending Collateral	17,938,548	6,099,450	11,839,098
Total Assets	\$ 96,365,978	\$ 88,647,961	\$ 7,718,017
LIABILITIES AND FUND EQUITY			
Liabilities			
Estimated Claims Liability	\$ 76,329,535	\$ 80,900,000	\$ (4,570,465)
Securities Lending Liability	17,938,548	6,099,450	11,839,098
Deferred Revenue	0	-	0
Due to Other Funds	1,252,044	187,006	1,065,038
Other Liabilities	84,032	645,900	(561,868)
Total Liabilities	\$ 95,604,159	\$ 87,832,356	\$ 7,771,803
Fund Equity			
Contributed Capital	\$ 154,467,898	\$ 154,467,898	\$ -
Restricted Retained Earnings	(153,706,079)	(153,652,293)	(53,786)
Unrestricted Retained Earnings	761,819	815,605	(53,786)
Total Fund Equity	\$ 96,365,978	\$ 88,647,961	\$ 7,718,017
Total Liabilities and Fund Equity	\$ 96,365,978	\$ 88,647,961	\$ 7,718,017

**MONTANA STATE FUND
 FASB STATEMENT OF OPERATIONS AND CHANGES IN FUND EQUITY
 OLD FUND**

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	PROJECTED FISCAL YEAR END June 30, 2004	6 Months Ended December 31, 2003 (UNAUDITED)	6 Months Ended December 31, 2002 (UNAUDITED)	2003 to 2002 Variance Favorable (Unfavorable)
Premium	\$ -	\$ -	\$ -	\$ -
Claims Expenses:				
Compensation Benefits Paid	5,119,146	2,011,346	2,666,936	655,590
Medical Benefits Paid	7,649,294	3,005,458	3,754,438	748,980
Allocated Loss Adjustment Expenses	160,827	77,744	67,638	(10,106)
Change in Estimated Claims Liability	(10,385,681)	(4,570,465)	(7,580,000)	(3,009,535)
Other Expenses:				
Administrative Expenses	1,527,423	921,050	747,618	(173,432)
Underwriting Gain (Loss)	\$ (4,071,009)	\$ (1,445,133)	\$ 343,370	\$ (1,788,503)
Old Fund Liability Tax Revenue	56,917	51,743	(15,142)	66,885
Investment Income	4,019,149	1,962,295	2,955,611	(993,316)
Net Realized Capital Gains (Losses)	414,179	188,263	357,809	(169,546)
Securities Lending Income	211,254	4,651	11,006	(6,355)
Security Lending Expense	(185,795)	-	-	-
Other Income (Expense)	-	-	-	-
Results of Operations	\$ 444,695	\$ 761,819	\$ 3,652,654	\$ (2,890,835)
Transfers Out	(815,605)	(815,605)	(13,177,907)	12,362,302
Net Income (Loss)	\$ (370,910)	\$ (53,786)	\$ (9,525,253)	\$ 9,471,467
Prior Year End Fund Equity	815,605	815,605	22,905,128	(22,089,523)
End of Period Fund Equity	\$ 444,695	\$ 761,819	\$ 13,379,875	\$ (12,618,056)