

**STATE OF ARIZONA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2008 AND 2007
(expressed in thousands)**

REVENUES:	Fiscal Year 2007-2008	Fiscal Year 2006-2007	Increase (Decrease)
Taxes:			
Sales and Use	\$ 4,434,845	\$ 4,538,810	\$ (103,965)
Income	3,506,425	4,090,276	(583,851)
Property	22,910	28,433	(5,523)
Luxury	61,037	65,809	(4,772)
Insurance Premium	407,712	398,450	9,262
Motor Vehicle License	915	686	229
Estate	320	(551)	871
Other Taxes	443	734	(291)
Total Tax Revenues	<u>\$ 8,434,607</u>	<u>\$ 9,122,647</u>	<u>\$ (688,040)</u>
Non-Tax Revenues:			
Lottery Proceeds	\$ 47,420	\$ 52,922	\$ (5,502)
Disproportionate Share, Net	72,189	113,127	(40,938)
Licenses, Fees, Sales and Permits	102,070	102,663	(593)
Other Miscellaneous	118,741	56,008	62,733
Interest Earnings	95,161	104,756	(9,595)
Total Non-Tax Revenues	<u>\$ 435,581</u>	<u>\$ 429,476</u>	<u>\$ 6,105</u>
TOTAL REVENUES	<u>\$ 8,870,188</u>	<u>\$ 9,552,123</u>	<u>\$ (681,935)</u>
EXPENDITURES:			
General Government	\$ 600,637	\$ 842,625	\$ (241,988)
Health and Welfare	2,688,720	2,480,757	207,963
Inspection and Regulation	48,489	46,163	2,326
Education	5,651,242	5,713,132	(61,890)
Protection and Safety	1,118,168	1,074,694	43,474
Transportation	76	1,188	(1,112)
Natural Resources	77,852	80,829	(2,977)
TOTAL EXPENDITURES	<u>\$ 10,185,184</u>	<u>\$ 10,239,388</u>	<u>\$ (54,204)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (1,314,996)</u>	<u>\$ (687,265)</u>	<u>\$ (627,731)</u>
OTHER FINANCING SOURCES (USES):			
General Operating Fund			
Transfers In	\$ 322,122	\$ 90,748	\$ 231,374
Transfers In from Budget Stabilization Fund	560,208	0	560,208
Transfers Out to Budget Stabilization Fund	0	(9,809)	9,809
Budget Stabilization Fund			
Interest Earnings	33,889	29,069	4,820
Transfer In from General Operating Fund	0	9,809	(9,809)
Transfers Out to General Operating Fund	(560,208)	0	(560,208)
Transfers Out - Alternative Fuel Recovery	0	(7)	7
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 356,011</u>	<u>\$ 119,810</u>	<u>\$ 236,201</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (958,985)</u>	<u>\$ (567,455)</u>	<u>\$ (391,530)</u>
BEGINNING FUND BALANCES (July 1, 2006 as restated)	<u>1,196,371</u>	<u>1,763,826</u>	<u>(567,455)</u>
ENDING FUND BALANCES (June 30, 2007 as restated)	<u><u>\$ 237,386</u></u>	<u><u>\$ 1,196,371</u></u>	<u><u>\$ (958,985)</u></u>

See accompanying notes to financial statements.