

**STATE OF ARIZONA
GENERAL FUND
COMPARATIVE BALANCE SHEET
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(expressed in thousands)**

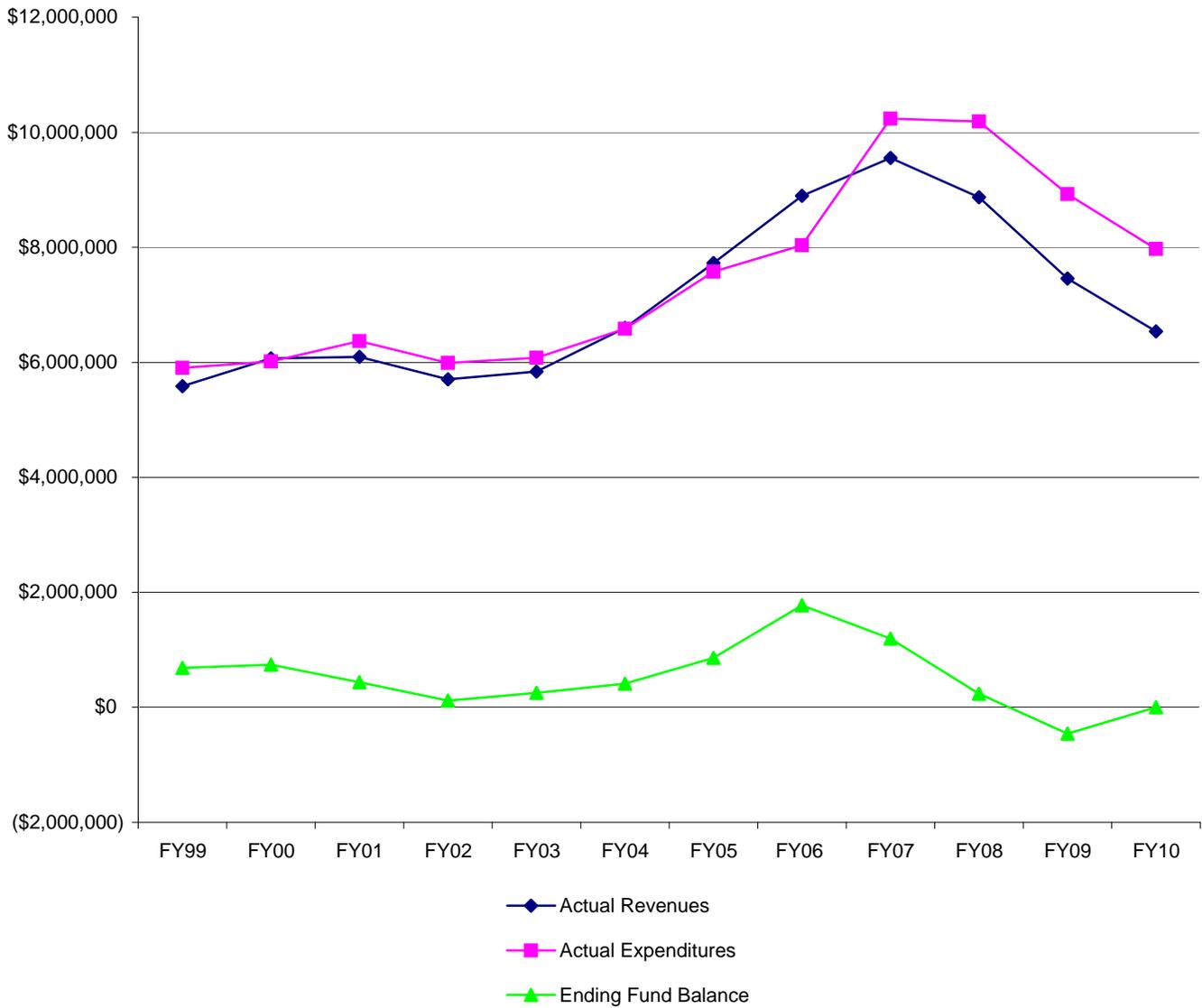
	June 30, 2010	June 30, 2009	Increase (Decrease)
<u>ASSETS</u>			
Cash With The State Treasurer	\$ 39,675	\$ (402,354)	\$ 442,029
Less: Payments Outstanding	15,606	20,924	(5,318)
Net Cash With the State Treasurer	24,069	(423,278)	447,347
Cash Not With The State Treasurer	203	223	(20)
Total Cash	24,272	(423,055)	447,327
Net Receivables	8,576	3,016	5,560
TOTAL ASSETS	\$ 32,848	\$ (420,039)	\$ 452,887
 <u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Claims Payable	\$ 29,282	30,622	(1,340)
Other Payables	1,706	5,230	(3,524)
TOTAL LIABILITIES	\$ 30,988	\$ 35,852	\$ (4,864)
 FUND BALANCE			
Restricted:			
Budget Stabilization Fund	\$ 0	\$ 2,767	\$ (2,767)
School Accountability Account (Proposition 301)	7,380	21,832	(14,452)
Reserved For:			
Continuing Appropriations	0	0	0
Revolving Funds	203	223	(20)
Unreserved	(5,723)	(480,713)	474,990
TOTAL FUND BALANCE	\$ 1,860	\$ (455,891)	\$ 457,751
TOTAL LIABILITIES AND FUND BALANCE	\$ 32,848	\$ (420,039)	\$ 452,887

**STATE OF ARIZONA
GENERAL FUND
STATEMENT OF CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(expressed in thousands)**

FUND BALANCE, JULY 1, 2009		\$ (455,891)
CHANGES IN FUND BALANCE:		
General Operating Fund		
Revenues	\$ 6,537,790	
Expenditures	(7,969,020)	
Interest and Other Fees Paid on Treasurer's Warrant Notes	(3,885)	
Other Financing Sources (Uses):		
Transfers In - Treasurer's Warrant Notes	94,648,355	
Transfers In - From Budget Stabilization Fund	2,767	
Transfers In - Lease Purchase Finance Agreement	1,035,419	
Transfers In - Lottery Bond Proceeds	450,000	
Transfers In - Other	407,447	
Transfers Out - Treasurer's Warrant Notes	(94,648,355)	460,518
Budget Stabilization Fund		
Interest Earnings	0	
Transfers In	0	
Transfers Out - To General Operating Fund	(2,767)	(2,767)
TOTAL CHANGES IN FUND BALANCE		\$ 457,751
FUND BALANCE, JUNE 30, 2010		\$ 1,860

See accompanying notes to financial statements.

General Fund Revenues, Expenditures, and Ending Fund Balance

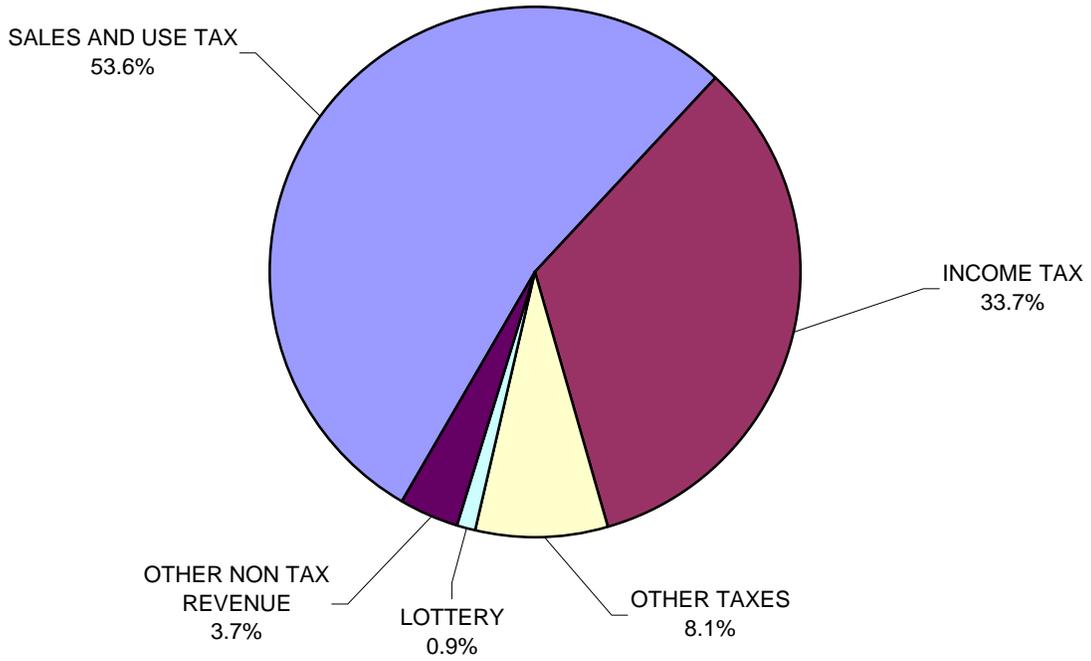


**STATE OF ARIZONA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
APPROPRIATION (BUDGET) TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(expressed in thousands)**

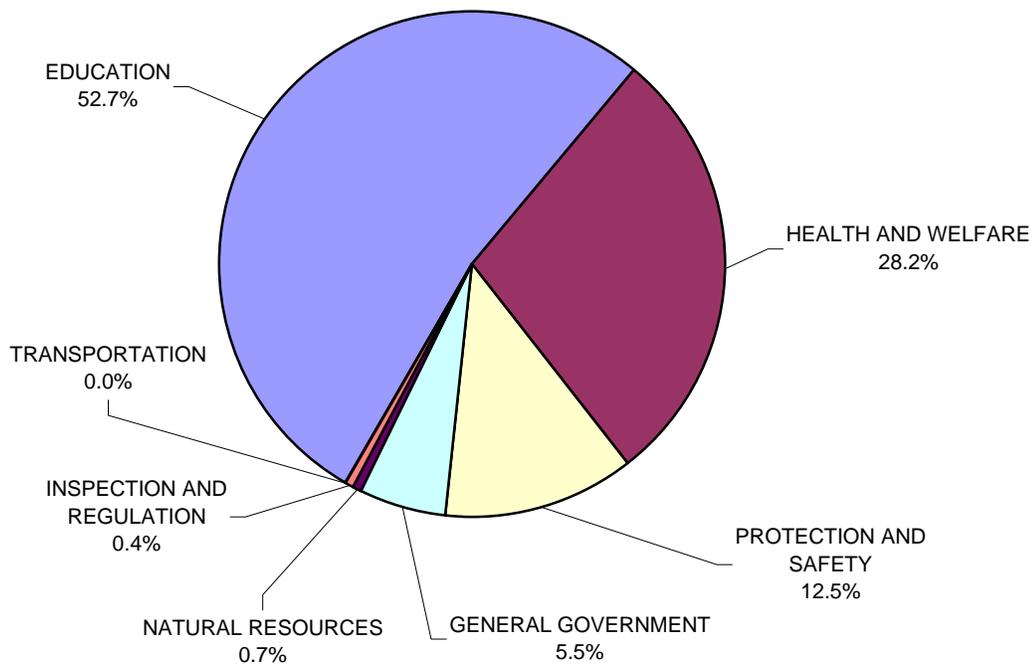
REVENUES:	Appropriation (Budget)	Actual	Favorable (Unfavorable)
Taxes:			
Sales and Use	\$ 3,440,152	\$ 3,503,809	\$ 63,657
Income	2,154,945	2,200,878	45,933
Property	17,000	21,890	4,890
Luxury	60,377	55,352	(5,025)
Insurance Premium	398,000	406,613	8,613
Motor Vehicle License	0	42,419	42,419
Estate	0	364	364
Other Taxes	630	808	178
Total Tax Revenues	<u>\$ 6,071,104</u>	<u>\$ 6,232,132</u>	<u>\$ 161,028</u>
Non-Tax Revenues:			
Lottery Proceeds	\$ 41,847	\$ 61,888	\$ 20,041
Disproportionate Share, Net	69,105	18,722	(50,383)
State & Local Governments	0	22,000	22,000
Licenses, Fees, Sales and Permits	24,000	70,776	46,776
Other Miscellaneous	92,523	132,060	39,537
Interest Earnings	0	212	212
Total Non-Tax Revenues	<u>\$ 227,475</u>	<u>\$ 305,658</u>	<u>\$ 78,183</u>
TOTAL REVENUES	<u>\$ 6,298,579</u>	<u>\$ 6,537,790</u>	<u>\$ 239,211</u>
EXPENDITURES:			
General Government	\$ 462,794	\$ 435,659	\$ (27,135)
Health and Welfare	2,338,256	2,251,377	(86,879)
Inspection and Regulation	35,011	33,330	(1,681)
Education	4,224,897	4,205,552	(19,345)
Protection and Safety	1,021,421	993,615	(27,806)
Transportation	58	57	(1)
Natural Resources	55,275	53,314	(1,961)
TOTAL EXPENDITURES	<u>\$ 8,137,712</u>	<u>\$ 7,972,905</u>	<u>\$ (164,807)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (1,839,133)</u>	<u>\$ (1,435,115)</u>	<u>\$ 74,404</u>
OTHER FINANCING SOURCES (USES):			
General Operating Fund			
Transfers In - Treasurer's Warrant Notes	\$ 0	\$ 94,648,355	\$ 94,648,355
Transfers In - From Budget Stabilization Fund	0	2,767	2,767
Transfers In - Lease Purchase Finance Agreement	0	1,035,419	
Transfers In - Lottery Bond Proceeds	0	450,000	
Transfers In - Other	2,047,542	407,447	(1,640,095)
Transfers Out - Treasurer's Warrant Notes	0	(94,648,355)	(94,648,355)
Budget Stabilization Fund			
Interest Earnings	0	0	0
Transfers In	0	0	0
Transfers Out - To General Operating Fund	0	(2,767)	(2,767)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 2,047,542</u>	<u>\$ 1,892,866</u>	<u>\$ (1,640,095)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 208,409</u>	<u>\$ 457,751</u>	<u>\$ (1,565,691)</u>
FUND BALANCE, JULY 1, 2009	<u>\$ (455,891)</u>	<u>\$ (455,891)</u>	<u>\$ 0</u>
FUND BALANCE, JUNE 30, 2010	<u><u>\$ (247,482)</u></u>	<u><u>\$ 1,860</u></u>	<u><u>\$ (1,565,691)</u></u>

See accompanying notes to financial statements.

FY10 Total General Fund Revenues: \$6,537,790 (in thousands)



FY10 Total General Fund Expenditures: \$7,972,905 (in thousands)



**STATE OF ARIZONA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009
(expressed in thousands)**

REVENUES:	Fiscal Year 2009-2010	Fiscal Year 2008-2009	Increase (Decrease)
Taxes:			
Sales and Use	\$ 3,503,809	\$ 3,837,688	\$ (333,879)
Income	2,200,878	2,432,575	(231,697)
Property	21,890	20,589	1,301
Luxury	55,352	57,878	(2,526)
Insurance Premium	406,613	411,049	(4,436)
Motor Vehicle License	42,419	59,194	(16,775)
Estate	364	210	153
Other Taxes	808	860	(52)
Total Tax Revenues	<u>\$ 6,232,132</u>	<u>\$ 6,820,043</u>	<u>\$ (587,911)</u>
Non-Tax Revenues:			
Lottery Proceeds	\$ 61,888	\$ 33,008	\$ 28,880
Disproportionate Share, Net	18,722	67,687	(48,965)
State and Local Governments	22,000	27,963	(5,963)
Licenses, Fees, Sales and Permits	70,776	91,219	(20,443)
Other Miscellaneous	132,060	397,830	(265,770)
Interest Earnings	212	19,867	(19,655)
Total Non-Tax Revenues	<u>\$ 305,658</u>	<u>\$ 637,574</u>	<u>\$ (331,916)</u>
TOTAL REVENUES	<u>\$ 6,537,790</u>	<u>\$ 7,457,617</u>	<u>\$ (919,827)</u>
EXPENDITURES:			
General Government	\$ 435,659	\$ 516,704	\$ (81,045)
Health and Welfare	2,251,377	2,443,607	(192,230)
Inspection and Regulation	33,330	41,762	(8,432)
Education	4,205,552	4,804,350	(598,798)
Protection and Safety	993,615	1,066,526	(72,911)
Transportation	57	70	(13)
Natural Resources	53,314	53,650	(336)
TOTAL EXPENDITURES	<u>\$ 7,972,905</u>	<u>\$ 8,926,669</u>	<u>\$ (953,764)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (1,435,115)</u>	<u>\$ (1,469,052)</u>	<u>\$ 33,937</u>
OTHER FINANCING SOURCES (USES):			
General Operating Fund			
Transfers In - Treasurer's Warrant Notes	\$ 94,648,355	\$ 2,146,439	\$ 92,501,916
Transfers In - From Budget Stabilization Fund	2,767	150,000	(147,233)
Transfers In - Lease Purchase Finance Agreement	1,035,419	0	
Transfers In - Lottery Bond Proceeds	450,000	0	
Transfers In - Other	407,447	770,220	(362,773)
Transfers Out from Treasurer's Warrant Notes	(94,648,355)	(2,146,439)	(92,501,916)
Budget Stabilization Fund			
Interest Earnings	0	5,536	(5,536)
Transfers In	0	19	(19)
Transfers Out - To General Operating Fund	(2,767)	(150,000)	147,233
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 1,892,866</u>	<u>\$ 775,775</u>	<u>\$ 1,117,091</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 457,751</u>	<u>\$ (693,277)</u>	<u>\$ 1,151,028</u>
BEGINNING FUND BALANCES	<u>(455,891)</u>	<u>237,386</u>	<u>(693,277)</u>
ENDING FUND BALANCES	<u><u>\$ 1,860</u></u>	<u><u>\$ (455,891)</u></u>	<u><u>\$ 457,751</u></u>

See accompanying notes to financial statements.