

REQUIRED
SUPPLEMENTARY
INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE, EXPENDITURES
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2006
 (Expressed in Dollars)

GENERAL FUND	ORIGINAL BUDGET (Appropriations)	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
GENERAL FUND			
General Accounting Office			
Capital Outlay - Cochise	\$ 965,600	\$ 965,600	\$ 965,600
Capital Outlay - Coconino	383,000	383,000	383,000
Capital Outlay - Gila	61,100	61,100	61,100
Capital Outlay - Graham	535,700	535,700	535,700
Capital Outlay - Maricopa	10,977,900	10,977,900	10,977,900
Capital Outlay - Mohave	491,000	491,000	491,000
Capital Outlay - Navajo	576,900	576,900	576,900
Capital Outlay - Pima	3,268,000	3,268,000	3,268,000
Capital Outlay - Pinal	768,200	768,200	768,200
Capital Outlay - Yavapai	686,900	686,900	686,900
Capital Outlay - Yuma/La Paz	865,400	865,400	865,400
Equalization Aid - Cochise	3,441,800	3,441,800	3,441,800
Equalization Aid - Graham	10,417,100	10,417,100	10,417,100
Equalization Aid - Navajo	2,735,700	2,735,700	2,735,700
Equalization Aid - Yuma/La Paz	848,800	848,800	848,800
General Relief	0	309,383	309,383
Nursing Education Demonstration Project	0	4,000,000	4,000,000
Operating State Aid - Cochise	7,828,500	7,828,500	7,828,500
Operating State Aid - Coconino	3,147,700	3,147,700	3,147,700
Operating State Aid - Gila	274,600	274,600	274,600
Operating State Aid - Graham	5,370,400	5,370,400	5,370,400
Operating State Aid - Maricopa	54,863,300	54,863,300	54,863,300
Operating State Aid - Mohave	3,710,000	3,710,000	3,710,000
Operating State Aid - Navajo	4,412,300	4,412,300	4,412,300
Operating State Aid - Pima	19,593,500	19,593,500	19,593,500
Operating State Aid - Pinal	5,915,800	5,915,800	5,915,800
Operating State Aid - Yavapai	4,738,700	4,738,700	4,738,700
Operating State Aid - Yuma/La Paz	5,447,800	5,447,800	5,447,800
Salary Adjustment	0	500,900	0
Transfer To Tourism Fund	0	13,203,475	13,203,475
Woolsey Flood District	0	66,975	66,975
Department of Administration			
Administrative Adjustments	0	219,132	219,132
Administrative Adjustments	0	135,459	135,459
Administrative Adjustments	0	2,649	2,649
Administrative Adjustments	0	118,818	118,818
Annual Reversion per ARS 41-764C	0	328,486	328,486
Arizona Financial Information System	939,800	939,800	890,519
Building Renewal FY00 - 01	38,044	35,200	25,014
Building Renewal FY01 - 02	2,154	0	0
Building Renewal FY02 - 03	8,303	4,971	4,971
Building Renewal FY03 - 04	716,190	716,519	715,597
Building Renewal FY04 - 05	1,563,458	1,112,198	954,031
Building Renewal FY05 - 06	3,400,000	3,109,077	1,092,406
Building Renewal FY97 - 98	2,103	0	0
Building Renewal FY98 - 99	2,345	2,345	2,345
Classification Pilot Program	122,454	122,454	0
ENSCO	5,310,300	5,310,300	5,310,300
General Fund HITF Transfer	0	10,000,000	10,000,000
HB1464 Personnel Reform	273,045	273,045	0

The Notes to Required Supplementary Information are an integral part of this schedule.

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BUDGETARY COMPARISON SCHEDULE, EXPENDITURES
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2006
 (Expressed in Dollars)

	ORIGINAL BUDGET (Appropriations)	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
HRIS Certificate of Participation	2,838,600	2,838,600	2,838,600
Operating Lump Sum Appropriation	18,319,400	18,782,700	18,178,987
Operating Lump Sum Appropriation	12,054,500	12,346,600	12,095,270
Operating Lump Sum Appropriation	1,150,155	1,172,155	1,046,433
Operating Lump Sum Appropriation	394,245	403,045	63,145
Operating Lump Sum Appropriation FY04 - 05	852,736	852,736	36,707
Operating Lump Sum Appropriation FY05 - 06	5,191,800	5,287,200	4,773,316
PLTO 1 Backfill Agency Relocations FY01 - 02	4	4	0
PLTO 1 Backfill Agency Relocations FY02 - 03	244,766	244,766	1,313
PLTO 1 Backfill Space Renovations	106,402	106,402	0
PLTO 1 Backfill Space Renovations FY01 - 02	847	847	0
PLTO 1 Backfill Space Renovations FY02 - 03	348,161	348,161	0
PLTO 1 Project Management FY01 - 02	1	1	0
PLTO 1 Project Management FY02 - 03	55,659	55,659	0
PLTO 1 Project Management FY03 - 04	144,694	144,694	0
Relocation FY00 - 01	60,000	60,000	0
Relocation FY01 - 02	59,866	59,866	0
Relocation FY02 - 03	59,775	59,775	0
Relocation FY03 - 04	25,133	25,133	372
Relocation FY04 - 05	60,000	60,000	0
Relocation FY05 - 06	60,000	60,000	0
Relocation FY99 - 00	46,526	46,526	0
State Boards Lump Sum Appropriation	176,000	179,100	155,779
State Surplus Property Sales Proceeds	3,000,000	3,000,000	1,552,647
Utilities FY04 - 05	459,572	459,572	85,029
Utilities FY05 - 06	5,733,800	5,733,800	5,687,895
Zuni Indian Tribe Water Right Settlement	800,000	800,000	800,000
Radiation Regulatory Agency			
Administrative Adjustments	0	3,534	3,534
Off-Site Nuclear Emergency Response Plan	0	509,974	509,974
Operating Lump Sum Appropriation	1,131,100	1,174,400	1,140,392
Office of Equal Opportunity			
Administrative Adjustments	0	6	6
Operating Lump Sum Appropriation	224,600	230,800	227,426
Attorney General			
Administrative Adjustments	0	17,459	17,459
Administrative Adjustments	0	17,540	17,540
Crane Elementary School Case	33,422	33,422	3,774
Military Installation/Planning FY04 - 05	28,694	28,694	28,694
Military Installation/Planning FY05 - 06	0	100,000	64,825
Operating Lump Sum Appropriation	23,837,700	25,085,200	24,985,418
Operating Lump Sum Appropriation	10,691,100	11,430,400	11,188,547
Property Tax Supplemental	301	301	0
State Grand Jury	160,100	160,100	159,511
Department of Agriculture			
Administrative Adjustments	0	46,176	46,176
Agricultural Employment Relations Board	23,300	23,300	20,801
Animal Damage Control	65,000	65,000	65,000
Operating Lump Sum Appropriation	10,327,600	10,613,600	10,606,037
Red Imported Fire Ant	23,200	23,200	23,200
Arizona State University			
East Campus - Operating Lump Sum Appropriation	15,040,900	15,811,700	15,811,700

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 (Expressed in Dollars)

	ORIGINAL BUDGET (Appropriations)	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
Main Campus - Operating Lump Sum Appropriation	293,631,300	306,911,900	306,911,900
Phoenix Medical Campus	0	1,000,000	1,000,000
West Campus - Operating Lump Sum Appropriation	43,279,800	44,844,300	44,844,300
Auditor General			
Operating Lump Sum Appropriation FY00 - 01	365,493	365,493	365,493
Operating Lump Sum Appropriation FY01 - 02	233,944	233,944	0
Operating Lump Sum Appropriation FY02 - 03	293,330	293,330	0
Operating Lump Sum Appropriation FY03 - 04	375,664	375,664	0
Operating Lump Sum Appropriation FY04 - 05	405,887	405,887	60
Operating Lump Sum Appropriation FY05 - 06	12,781,700	13,135,600	12,551,042
Department of Financial Institutions			
Administrative Adjustments	0	2,699	2,699
Operating Lump Sum Appropriation	3,219,800	3,316,000	3,309,490
State Board of Nursing			
CNA Fingerprinting	162,100	163,500	163,449
Fingerprinting Nursing Assistants	90,198	90,198	0
Arizona Board of Regents			
Administrative Adjustments	0	1,249,140	1,249,140
Arizona Teachers Incentive Program	90,000	90,000	90,000
AZ Transfer Articulation Support System	213,700	213,700	213,700
Operating Lump Sum Appropriation	2,165,900	2,224,300	0
Student Financial Assistance	2,161,200	2,161,200	2,161,200
Western Interstate Commission Office	103,000	108,000	108,000
WICHE Student Subsidies	2,908,100	2,903,100	2,895,599
Corporation Commission			
Administrative Adjustments	0	4,501	4,501
Operating Lump Sum Appropriation	5,071,700	5,216,200	5,212,920
Operating Lump Sum Appropriation	43,500	45,000	43,982
Railroad Warning Systems	47,510	47,510	0
Court of Appeals Division I			
Administrative Adjustments	0	4,306	4,306
Division I - Operating Lump Sum Appropriation	8,236,900	8,411,300	8,364,217
State Board for Charter Schools			
Administrative Adjustments	0	4,527	4,527
Operating Lump Sum Appropriation	726,000	743,600	707,996
Court of Appeals Division II			
Division II - Operating Lump Sum Appropriation	3,755,700	3,817,800	3,817,211
Department of Corrections			
Administrative Adjustments	0	2,000,000	2,000,000
Administrative Adjustments	0	4,284,120	4,284,120
Administrative Adjustments	0	184,475	184,475
All Other Operating Expenditures	351,400	351,400	70,196
All Other Operating Expenditures	95,500	95,500	52,378
Employee Related Expenditures	250,400	253,800	251,790
Employee Related Expenditures	133,073,800	121,127,000	120,455,040
Operating Lump Sum Appropriation	150,966,500	185,846,700	180,344,162
Overtime Compensatory Time	18,136,900	40,655,500	40,605,657
Personal Services	335,007,700	344,905,400	343,367,021
Personal Services	1,159,900	1,196,400	1,080,360
Private Prison Per Diem	45,444,100	24,044,100	22,943,541
Department of Economic Security			
ADM Attorney General Legal Services	320,700	402,600	402,600

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 (Expressed in Dollars)

	ORIGINAL BUDGET (Appropriations)	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
ADM Attorney General Legal Services	147,600	152,100	91,652
ADM Attorney General Legal Services	15,400	15,700	15,591
ADM Finger Imaging	452,300	454,700	454,700
ADM Finger Imaging	272,800	123,900	50,033
ADM High Performance Bonus	27,859	27,859	3,583
ADM Lease Purchase Equipment	1,138,000	1,138,000	1,138,000
ADM Lease Purchase Equipment	661,000	661,000	380,141
ADM Operating Lump Sum Appropriation	27,808,900	29,703,400	29,703,400
ADM Operating Lump Sum Appropriation	4,597,700	4,644,800	4,644,256
ADM Operating Lump Sum Appropriation	1,087,200	1,096,900	1,043,070
ADM Public Assistance Collections	235,500	240,300	135,515
ADM Statewide Cost Allocation Plan	1,000,000	1,000,000	0
ADM Triagency Disaster Recovery	271,500	271,500	0
ADM Workforce Investment Act Operating Lump Sum	0	300,000	0
Administrative Adjustments	0	6,359,587	6,359,587
Administrative Adjustments	0	6,559,318	6,559,318
Administrative Adjustments	0	26,924,753	26,924,753
Administrative Adjustments	0	361,216	361,216
Administrative Adjustments	0	445,072	444,929
Administrative Adjustments	0	9,589,821	9,589,821
Central Payment Processing	444,700	374,700	374,700
Coolidge Environmental Impact Study	4,948	4,948	0
DACS Adult Services	11,599,300	11,599,300	10,940,279
DACS Community and Emergency Services	5,424,900	5,424,900	4,078,423
DACS Coordinated Homeless Program	1,155,400	1,155,400	1,136,214
DACS Coordinated Homeless Program	1,649,500	1,649,500	1,401,471
DACS Coordinated Hunger Program	1,286,600	1,286,600	1,235,794
DACS Coordinated Hunger Program	500,000	500,000	413,066
DACS Domestic Violence Prevention	2,507,900	2,507,900	2,229,144
DACS Domestic Violence Prevention	6,620,700	6,620,700	5,278,976
DACS Hopi Senior Center - Kykotsmovi	22,097	22,097	0
DACS Marriage & Communication Skills	1,200,000	1,200,000	1,200,000
DACS Marriage & Communication Skills	30,473	30,473	9,490
DACS Marriage Handbook	725	725	176
DACS Marriage Skills Training	10,248	10,248	947
DACS Navajo Senior Center Services	25,000	25,000	25,000
DACS Navajo Senior Centers - Birdsprings	65,000	65,000	0
DACS Navajo Senior Centers - Chilchenbento	45,000	45,000	0
DACS Navajo Senior Centers - Chinle	10,000	10,000	10,000
DACS Navajo Senior Centers - Dilcon	30,000	30,000	0
DACS Navajo Senior Centers - Fort Defiance	9,007	9,007	9,007
DACS Navajo Senior Centers - St Michael's	1,961	1,961	0
DACS Navajo Senior Centers - White Cone	30,000	30,000	0
DACS Operating Lump Sum Appropriation	5,012,100	5,028,900	5,028,900
DACS TANF Operating Lump Sum Appropriation	220,100	226,400	159,016
DACS TANF Short-Term Crisis Services FY00 - 01	47,817	47,817	47,817
DACS TANF Short-Term Crisis Services FY99 - 00	2	2	0
DACS Tribal Senior Centers - Navajo	0	0	135,997
DBME General Assistance FY05 - 06	4,260,800	3,060,800	2,816,023
DBME Operating Lump Sum Appropriation	22,829,700	26,965,400	26,961,300
DBME Operating Lump Sum Appropriation	9,037,300	12,467,900	9,317,900
DBME TANF Cash Benefits	56,308,200	47,308,200	47,288,363

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STATE OF ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE, EXPENDITURES
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2006
 (Expressed in Dollars)

	ORIGINAL BUDGET (Appropriations)	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
DBME TANF Cash Benefits	96,550,900	92,050,900	91,959,007
DBME TANF FLSA Supplemental	508,900	508,900	441,578
DBME Tribal Pass-Thru Funding	4,288,700	4,288,700	4,288,700
DBME Tuberculosis Control	32,200	32,200	30,665
DCSE Attorney General Legal Services	492,100	683,600	683,600
DCSE Attorney General Legal Services	7,898,100	8,664,800	7,245,700
DCSE Central Payment Processing	3,275,700	2,805,700	1,983,701
DCSE County Participation	6,845,200	6,845,200	5,285,804
DCSE Genetic Testing	72,400	42,400	42,400
DCSE Genetic Testing	723,600	393,600	221,983
DCSE Operating Lump Sum Appropriation	4,233,700	4,404,700	4,404,700
DCSE Operating Lump Sum Appropriation	37,807,900	39,643,300	34,236,843
DCYF Adoption Services	23,560,700	24,660,700	24,660,700
DCYF Adoption Services	10,686,100	10,686,100	10,686,100
DCYF Adoption Services - Family Preservation Projects	1,000,000	1,000,000	0
DCYF Attorney General Legal Services	8,518,000	8,746,900	8,746,900
DCYF Attorney General Legal Services	47,100	48,400	48,400
DCYF Children Support Services	29,316,600	34,916,600	34,916,600
DCYF Children Support Services	6,757,400	8,257,400	6,588,218
DCYF Children Support Services - SSBG	5,371,700	5,371,700	5,371,700
DCYF Comprehensive Medical and Dental Program	2,057,000	2,057,000	2,057,000
DCYF CPS Appeals	650,800	669,500	669,500
DCYF CPS Substance Abuse Treatment	224,500	224,500	224,500
DCYF Emergency Placement	3,685,800	5,085,800	5,085,800
DCYF Emergency Placement	1,872,700	472,700	357,057
DCYF Emergency Placement - SSBG	2,333,700	2,333,700	2,333,700
DCYF Family Builders Program	5,200,000	5,200,000	4,208,126
DCYF Foster Care Placement	6,004,400	8,304,400	8,304,400
DCYF Foster Care Placement	1,148,700	848,700	750,527
DCYF Foster Care Placement - SSBG	5,074,400	5,074,400	4,664,594
DCYF Healthy Families	8,715,800	5,715,800	5,715,800
DCYF Healthy Families	5,034,200	5,034,200	5,034,000
DCYF Homeless Youth Intervention	400,000	400,000	379,700
DCYF Intensive Family Services	1,985,600	1,985,600	1,985,600
DCYF Joint Substance Abuse Treatment	3,000,000	3,400,000	3,057,694
DCYF Operating Lump Sum Appropriation	47,403,900	43,872,800	43,872,800
DCYF Operating Lump Sum Appropriation	26,998,800	31,686,700	27,620,936
DCYF Permanent Guardianship Subsidy	3,337,200	4,337,200	3,684,803
DCYF Permanent Guardianship Subsidy	859,300	859,300	859,300
DCYF Residential Drug Treatment	0	75,000	0
DCYF Residential Drug Treatment	250,000	0	0
DCYF Residential Placement	7,788,000	10,088,000	10,088,000
DCYF Residential Placement	4,133,300	1,833,300	1,509,273
DCYF Residential Placement - SSBG	9,833,300	9,833,300	9,305,584
DCYF TANF Deposit to Joint Substance Abuse Treatment Fund	2,000,000	2,000,000	1,699,707
DDD Arizona Training Program At Coolidge	3,101,600	1,755,300	640,435
DDD Case Management	3,995,700	4,315,900	4,315,900
DDD Home and Community Based Services	33,148,400	33,219,000	29,068,410
DDD Home and Community Based Services	848,100	848,100	0
DDD Institutional Services	294,900	294,900	117,588
DDD Operating Lump Sum Appropriation	3,694,300	3,796,500	3,796,500
DDD State Funded Long Term Care Services	21,038,200	21,041,300	19,169,597

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 (Expressed in Dollars)

	ORIGINAL BUDGET (Appropriations)	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
DDD State Funded LTC Services	762,900	762,900	739,662
DDD Training Program at Coolidge	2,515,700	0	0
DERS Child Care Sliding Fee Scales	1,076,118	1,076,118	0
DERS Day Care Subsidy	73,066,900	69,066,900	63,019,497
DERS Day Care Subsidy	8,020,300	8,020,300	5,384,069
DERS Daycare Subsidy	67,632,900	67,632,900	66,982,660
DERS Independent Living Rehabilitation Services	784,200	784,200	638,386
DERS Job Search Stipends	1,823,500	1,823,500	1,823,500
DERS Jobs	2,000,000	2,000,000	826,096
DERS Jobs	17,618,800	17,618,800	17,618,756
DERS Operating Lump Sum Appropriation	7,982,200	8,084,000	8,084,000
DERS Operating Lump Sum Appropriation	5,140,300	5,310,100	5,309,268
DERS Operating Lump Sum Appropriation	8,979,900	9,264,300	9,264,300
DERS Transitional Child Care	32,911,900	36,911,900	33,534,708
DERS Vocational Rehabilitation Services	3,285,100	3,285,100	3,285,100
DERS Workforce Investment Act Discretionary	3,614,000	3,614,000	2,711,773
DERS Workforce Investment Act Operating Lump Sum	2,029,500	2,081,500	0
DERS Workforce Investment Act Programs	48,040,600	47,740,600	36,458,548
DES Property Conveyance	0	150,000	0
LTC Arizona Training Program at Coolidge	3,926,000	5,279,900	5,279,900
LTC Arizona Training Program at Coolidge	11,967,700	16,228,200	13,975,809
LTC Case Management	10,305,000	10,382,100	10,268,600
LTC Case Management	31,143,300	30,879,800	26,367,932
LTC Home and Community Based Services	152,268,500	152,300,100	152,300,100
LTC Home and Community Based Services	461,024,800	461,167,600	386,341,646
LTC Institutional Services	5,411,700	5,434,800	5,434,800
LTC Institutional Services	16,477,000	14,585,200	12,464,273
LTC Medical Services	28,213,100	28,226,600	28,226,600
LTC Medical Services	87,725,500	91,087,700	84,402,059
LTC Operating Lump Sum Appropriation	9,385,800	9,500,200	9,500,200
LTC Operating Lump Sum Appropriation	28,524,500	28,971,300	27,158,719
Statewide Building Renewal FY04 - 05	0	84,000	64,000
Statewide Building Renewal FY05 - 06	0	112,000	112,000
Statewide Building Renewal FY92 - 93	20	20	0
Summer Youth Program FY00 - 01	32,446	32,446	0
Department of Juvenile Corrections			
Administrative Adjustments	0	338,431	338,431
Ams Health Facility Upgrades	0	0	(13,041)
Building Renewal FY91 - 92	39	39	0
Building Renewal FY94 - 95	3,794	3,794	0
DOA Building Renewal - Restore Fire Pump FY04 - 05	34,763	34,763	407
DOA Building Renewal - Restore Fire Pump FY05 - 06	0	32,175	0
Operating Lump Sum Appropriation	68,330,100	70,925,200	70,562,322
Operating Lump Sum Appropriation	2,265,900	2,301,500	2,301,500
Department of Transportation			
Operating Lump Sum Appropriation	73,800	76,400	76,400
Department of Education			
Accountability Measures FY00 - 01	50	50	0
Achievement Testing FY04 - 05	5,301,295	5,301,295	0
Achievement Testing FY05 - 06	4,827,600	6,231,800	6,231,800
Additional State Aid To Schools	297,213,200	294,126,200	294,126,200
Administrative Adjustments	0	18,727,811	18,727,811

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	ORIGINAL BUDGET (Appropriations)	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
Adult Education Assistance	4,447,900	4,454,786	4,454,786
Aims Intervention; Dropout Prevention	5,550,000	5,550,000	5,358,844
Arizona Teacher Evaluation	202,800	205,706	203,122
Assistance to Schools - Child of State Employee	99,500	99,500	87,445
Basic Aid and Additional State Aid Entitlement	0	191,293,800	191,293,800
Basic State Aid Entitlement	2,714,552,500	2,731,970,600	2,726,699,133
Certificates of Educational Convenience	269,900	852,000	533,465
Chemical Abuse	803,700	809,146	790,289
English Learner FTE FY02 - 03	2,389	2,389	0
English Learner FTE FY03 - 04	2,634	2,634	0
English Learner FTE FY04 - 05	262,971	262,971	156,732
English Learner Instruction FY02 - 03	272,587	272,587	(10,953)
English Learner Instruction FY03 - 04	4,146	4,146	(4,122)
English Learner Instruction FY04 - 05	1,043,785	1,043,785	56,145
English Learner Materials & Supplies FY02 - 03	0	0	(70)
English Learner Materials & Supplies FY03 - 04	108,925	108,925	(108,884)
English Learner Materials & Supplies FY04 - 05	394,641	394,641	165,295
English Learner Monitoring	328,000	337,415	336,967
English Learner Pilot FY03 - 04	0	0	(342)
English Learner Pilot FY04 - 05	13,510	13,510	1,997
English Learner Teacher FY02 - 03	4,500,000	4,500,000	3,395,844
English Learner Teacher FY03 - 04	4,499,709	4,499,709	0
English Learner Teacher FY04 - 05	4,500,291	4,500,291	253,593
Extended School Year	500,000	500,000	500,000
Family Literacy Program FY05 - 06	1,004,300	1,005,782	1,005,782
Family Literacy Program FY98 - 99	1,373	1,373	0
Full-Day Kindergarten	0	38,050,000	38,050,000
Gifted Support	1,306,500	1,311,075	1,283,841
Operating Lump Sum Appropriation	619,200	632,619	546,473
Operating Lump Sum Appropriation	8,272,600	8,482,990	8,472,091
Optional Performance Incentive Programs	120,000	0	0
Parental Choice For Reading Success	1,000,000	1,000,000	965,050
Residential Placement	10,000	10,000	2,640
School Report Cards	446,700	449,400	438,757
School Safety Program	6,707,700	6,712,429	5,060,532
School Safety Program FY00 - 01	2,044	2,044	0
School Safety Program FY01 - 02	2,810	2,810	2,810
School Safety Program FY02 - 03	67,484	67,484	0
School Safety Program FY03 - 04	85,167	85,167	85,167
School Safety Program FY04 - 05	2,288,436	2,288,436	2,242,983
Small Pass-Through Programs	581,600	581,600	581,600
Special Education Audit	296,800	301,354	248,490
Special Education Fund	33,129,700	33,130,500	33,130,500
State Block Grant For Early Childhood Education	19,420,500	19,428,873	19,428,873
State Block Grant For Vocational Education	11,232,200	11,287,266	11,287,263
Teacher Certification	1,422,500	1,458,159	1,429,724
Vocational Education Extended Year	600,000	600,000	356,148
Department of Commerce			
Administrative Adjustments	0	43,190	43,190
Agriculture Preservation District	32,514	32,514	5,767
Apprenticeship Services Office	162,500	167,400	135,390
International Trade Offices	347,300	357,500	335,719

The Notes to Required Supplementary Information are an integral part of this schedule.

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STATE OF ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE, EXPENDITURES
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2006
 (Expressed in Dollars)

	ORIGINAL BUDGET (Appropriations)	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
Military Installation Gf Transfer	0	4,825,000	4,825,000
Military Installation Operating FY04 - 05	24,830	24,830	0
Military Installation Operating FY05 - 06	0	75,000	68,828
Motion Picture Development	304,100	313,600	248,790
NAFTA Agreement Projects FY95 - 96	37,777	37,777	0
NAFTA Projects - Initial Phase FY95 - 96	19,874	19,874	0
Operating Lump Sum Appropriation	2,820,800	2,894,100	2,663,538
Operating Lump Sum Appropriation	129,700	132,600	108,697
Rural Economic Development	300,500	308,300	281,887
State Board of Equalization			
Designing & Programming Computer System	0	323,200	0
Operating Lump Sum Appropriation	577,300	591,700	574,574
Department of Environmental Quality			
Administrative Adjustments	0	913	913
Administrative Adjustments	0	51,542	51,542
Aquifer Protection Permit Program	761,900	778,600	771,259
Operating Lump Sum Appropriation	9,989,800	10,286,600	10,277,933
Operating Lump Sum Appropriation	12,013,600	12,213,200	3,090,097
Water Infrastructure Finance Authority	2,445,100	2,445,100	2,445,100
Arizona Geological Survey			
Operating Lump Sum Appropriation	807,100	827,000	825,132
Government Information Technology Agency			
Operating Lump Sum Appropriation	2,578,600	2,636,300	2,393,965
Governor's Office			
Administrative Adjustments	0	388	388
Arizona - Sonora Study	5,200	5,200	0
Border Volunteer Corps FY94 - 95	34,705	34,705	0
Border Volunteer Corps FY95 - 96	65,374	65,374	0
Governor's Telecommunication	504	504	0
Office of Sonora	7,783	7,783	0
Operating Lump Sum Appropriation - OSPB	2,051,800	2,103,900	2,096,543
Operating Lump Sum Appropriation FY00 - 01	1	1	0
Operating Lump Sum Appropriation FY01 - 02	33,017	33,017	30,496
Operating Lump Sum Appropriation FY02 - 03	196,358	196,358	115,359
Operating Lump Sum Appropriation FY03 - 04	101,011	101,011	3,121
Operating Lump Sum Appropriation FY04 - 05	86,206	86,206	61,626
Operating Lump Sum Appropriation FY05 - 06	6,218,200	6,360,600	6,101,561
Arizona Health Care Cost Containment System			
Administrative Adjustments	0	36,384,222	36,384,222
Administrative Adjustments	0	41,634,198	41,634,198
Administrative Adjustments	0	31,107,921	31,107,921
Board of Nursing	209,700	339,200	339,200
Breast and Cervical Cancer	565,100	565,100	426,816
Breast and Cervical Cancer FY01 - 02	73	73	0
Breast and Cervical Cancer FY05 - 06	167,200	137,166	127,166
Breast and Cervical Cancer Treatment Fed Administration	52,730	52,730	0
Breast and Cervical Cancer Treatment Fed Program	745,860	745,860	0
Capitation	433,284,800	419,593,300	419,489,644
Capitation	1,200,554,600	1,200,554,600	1,200,366,124
Chip - Parents	8,035,700	8,935,700	8,877,956
Chip - Services	18,246,900	18,937,500	18,833,560
Critical Access Hospitals	559,300	561,340	561,266

The Notes to Required Supplementary Information are an integral part of this schedule.

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STATE OF ARIZONA
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BUDGETARY COMPARISON SCHEDULE, EXPENDITURES
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2006
 (Expressed in Dollars)

	ORIGINAL BUDGET (Appropriations)	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
Critical Access Hospitals	1,140,700	1,140,700	1,138,509
DES Eligibility	22,091,600	26,563,700	26,007,217
DES Eligibility	24,655,300	25,973,500	23,198,917
DES Title XIX Pass Through	137,200	139,900	124,353
DES Title XIX Pass Through	182,100	185,900	146,455
Disproportionate Share Payments	40,347,600	45,684,623	37,050,652
Disproportionate Share Payments	81,843,900	92,669,778	75,156,048
DOA Data Center Charges	1,724,700	2,623,300	2,328,561
DOA Data Center Charges	3,992,800	5,110,800	4,675,908
Fee For Service	89,975,500	88,843,000	84,046,184
Fee For Service	346,364,900	346,364,900	319,379,128
Graduate Medical Education	7,179,300	7,204,964	7,204,964
Graduate Medical Education	14,640,700	14,615,036	14,615,036
Indian Advisory Council	104,800	107,600	80,082
Indian Advisory Council	104,500	107,300	70,851
Kidscare Administration	1,880,600	2,008,100	1,973,233
Medicare Clawback Payments	0	13,013,377	13,013,377
Medicare Premiums	20,512,700	22,883,784	22,879,098
Medicare Premiums	50,037,200	56,557,110	56,551,225
Mental Health - Adults FY91 - 92	45,368	45,368	0
Office of Administrative Hearings	199,500	246,400	220,946
Operating Lump Sum Appropriation	25,249,900	27,951,500	27,795,641
Operating Lump Sum Appropriation	107,156,600	106,238,036	106,238,036
Operating Lump Sum Appropriation	37,132,700	37,437,000	35,928,575
Operating Lump Sum Appropriation	892,290,800	887,701,100	818,592,584
Proposition 204 - Administration	5,029,000	5,906,700	5,691,378
Proposition 204 - Capitation	170,347,100	139,920,696	138,163,726
Proposition 204 - Capitation	29,872,800	29,872,800	29,872,800
Proposition 204 - Capitation	683,316,300	635,866,600	635,866,600
Proposition 204 - Capitation	89,553,200	89,553,200	86,364,790
Proposition 204 - Fee-for-Service	2,000,000	7,867,700	465,714
Proposition 204 - Fee-for-Service	28,765,200	28,765,200	28,711,689
Proposition 204 - Fee-for-Service	108,394,900	124,394,900	101,639,032
Proposition 204 - Medicare Premiums	15,972,200	16,097,200	15,961,866
Proposition 204 - Pass Through Administration	14,046,300	14,887,100	12,458,000
Proposition 204 - Pass-Through Administration	2,395,400	2,395,400	0
Proposition 204 - Reinsurance	26,198,300	39,393,846	26,054,236
Proposition 204 - Reinsurance	54,156,000	69,866,000	53,103,163
Proposition 204 AHCCCS Administration	5,088,900	4,438,100	4,405,425
Proposition 204 Pass Through Administration	17,486,200	14,388,200	14,388,200
Reinsurance	30,685,700	37,740,668	27,934,490
Reinsurance	62,573,700	68,089,476	57,065,654
Rural Hospital Reimbursement	4,000,000	4,000,000	4,000,000
Rural Hospital Reimbursement	8,158,100	8,158,100	8,158,100
Ticket To Work	1,670,700	1,688,600	1,687,857
Ticket to Work	3,405,200	3,620,200	3,453,468
Office of Administrative Hearings			
Operating Lump Sum Appropriation	1,124,000	1,151,800	1,151,800
Operating Lump Sum Appropriation	0	100	100
Operating Lump Sum Appropriation	14,000	14,100	14,100
Historical Society			
Administrative Adjustments	0	643	643
Field Services and Grants	80,000	80,000	80,000

The Notes to Required Supplementary Information are an integral part of this schedule.

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STATE OF ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE, EXPENDITURES
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2006
 (Expressed in Dollars)

	ORIGINAL BUDGET (Appropriations)	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
Operating Lump Sum Appropriation	2,046,450	2,111,550	2,111,550
Papago Park Museum	1,902,950	1,923,050	1,923,050
Papago Park Museum	193,700	193,700	193,700
House of Representatives			
Operating Lump Sum Appropriation FY00 - 01	853,257	853,257	(184)
Operating Lump Sum Appropriation FY01 - 02	425,012	425,012	(301)
Operating Lump Sum Appropriation FY02 - 03	841,747	841,747	(307)
Operating Lump Sum Appropriation FY03 - 04	593,397	593,397	(279)
Operating Lump Sum Appropriation FY04 - 05	1,038,121	1,038,121	25,535
Operating Lump Sum Appropriation FY05 - 06	12,262,100	12,592,400	10,690,094
Operating Lump Sum Appropriation FY99 - 00	360,028	360,028	360,028
Department of Health Services			
Abstinence Funding	1,000,000	1,000,000	638,026
ADM Assurance and Licensure	742,600	760,900	727,227
Administrative Adjustments	0	3,224,416	3,224,416
Administrative Adjustments	0	50,289	50,289
Administrative Adjustments	0	44,364	44,364
Administrative Adjustments	0	371,317	371,317
Adult Cystic Fibrosis	105,200	105,200	105,200
Adult Sickle Cell Anemia	33,000	33,000	33,000
AHCCCS Children's Rehabilitative Services	17,745,900	17,745,900	17,745,900
AHCCCS Children's Rehabilitative Services	36,189,000	36,189,000	0
Aids Reporting and Surveillance	1,125,000	1,125,000	1,061,804
Alzheimer Disease Research	1,000,000	1,000,000	1,000,000
Arizona State Hospital Accreditation	3,140	3,140	0
Arnold v. Sarn	27,500,000	27,500,000	27,500,000
Arnold v. Sarn	10,196,400	10,196,400	0
ASH Condensate Receiver	4,700	4,700	0
Assurance and Licensure	7,636,700	7,884,259	7,802,578
Assurance and Licensure	299,000	307,800	152,083
Assurance and Licensure	636,900	655,954	0
Attorney General Legal Services	362,800	394,900	394,900
AZ Statewide Immunization Information System	467,600	478,247	472,453
Breast and Cervical Cancer Screening	1,090,600	1,092,644	909,873
Building Renewal - Tucson FY00 - 01	6,109	6,109	0
Building Renewal - Tucson FY98 - 99	2,221	2,221	0
Building Renewal - Tucson FY99 - 00	37,168	37,168	0
Building Renewal FY91 - 92	3,548	3,548	0
Building Renewal FY96 - 97	30	30	0
Children's Behavioral Health - Tobacco Settlement Account	260,641	260,641	101,002
Children's Behavioral Health Services	9,351,800	9,351,800	9,351,800
Children's Behavioral State Match for Title XIX	87,498,400	87,498,400	87,498,400
Children's Behavioral Health State Match for Title XIX	178,433,800	178,433,800	0
Children's Rehabilitative Services	3,587,000	3,587,000	3,587,000
Cholla - Sexual Predator	11,655	11,655	0
Community Health Centers	10,420,800	10,433,316	10,243,350
Community Placement Treatment	5,574,100	5,574,100	5,574,100
Community Placement Treatment	1,130,700	1,130,700	1,130,700
Corrective Action Plan FY04 - 05	398,060	398,060	0
Corrective Action Plan FY05 - 06	3,564,600	3,564,600	651,176
County Nutrition Services	330,300	330,300	316,566
County Prenatal Services Grant	1,148,500	1,148,500	938,807

The Notes to Required Supplementary Information are an integral part of this schedule.

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STATE OF ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE, EXPENDITURES
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2006
 (Expressed in Dollars)

	ORIGINAL BUDGET (Appropriations)	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
County Public Health	200,000	200,000	200,000
County Tuberculosis Provider Care & Control	1,010,500	1,010,500	816,400
Court Monitoring	197,500	338,767	338,767
Diabetes Prevention and Control	100,000	100,000	80,073
Direct Grants	460,300	460,300	460,300
Environmental Assess Phoenix FY91 - 92	8,849	8,849	0
Health Start	226,600	226,600	226,467
Hearing and Speech Professionals Regulation	62,243	62,243	0
Hepatitis C Surveillance	366,900	375,556	303,854
High Risk Prenatal Services	3,180,600	3,180,600	2,685,739
Indirect Cost Fund	7,250,900	7,379,200	6,635,401
Indirect Costs AHCCCS - Children's Rehabilitative Services	350,000	350,000	244,502
Kidney Program	50,500	50,500	50,500
Laboratory Services	3,097,600	3,206,530	3,054,811
Laboratory Services Operating	0	175,000	18,228
Medicaid Special Exemption Payments	387,200	387,200	387,200
Medicaid Special Exemption Payments	789,700	789,700	0
Medicaid Special Exemption Payments Behavioral Health	5,215,200	5,215,200	5,215,200
Medicaid Special Exemption Payments	10,635,100	10,635,100	0
Medicare Clawback Payments	0	3,715,200	2,812,910
Mental Health and Substance Abuse State Match Title XIX	26,598,200	26,598,200	26,598,200
Mental Health and Substance Abuse State Match Title XIX	54,241,100	54,241,100	0
Mental Health Non-Title XIX	2,447,300	2,447,300	2,374,020
Nonrenal Disease Management Program	0	50,000	0
Operating Lump Sum Appropriation	14,090,100	14,472,844	14,249,746
Operating Lump Sum Appropriation	37,832,600	38,839,533	38,277,639
Operating Lump Sum Appropriation	4,232,900	4,190,064	4,167,215
Operating Lump Sum Appropriation	4,555,600	4,636,483	0
Operating Lump Sum Appropriation	3,357,700	3,496,953	3,207,277
Operating Lump Sum Appropriation	1,966,300	2,009,788	0
Operating Lump Sum Appropriation	5,030,900	5,228,010	5,174,770
Operating Lump Sum Appropriation	6,469,300	6,469,300	5,844,657
Operating Lump Sum Appropriation FY04 - 05	41,807	41,807	41,796
Operating Lump Sum Appropriation FY05 - 06	1,576,100	1,576,100	1,406,232
Poison Control Center Funding	0	175,000	175,000
Proposition 204 Administration	2,012,700	2,054,994	2,054,994
Proposition 204 - Administration Title XIX Match	4,161,700	4,235,775	0
Proposition 204 Children's Behavioral Health Services	1,035,400	706,375	706,375
Proposition 204 - CBH Title XIX Match	2,111,500	2,111,500	0
Proposition 204 MH/SA Title XIX	24,871,900	24,082,240	24,082,240
Proposition 204 - MH/SA Title XIX Match	50,720,600	50,720,600	0
Proposition 204 Seriously Mentally Ill Services	52,252,900	53,371,585	53,371,585
Proposition 204 - SMI Title XIX Match	106,558,600	106,558,600	0
Reimbursement To Counties	67,900	67,900	67,900
Renal & Non-Renal Disease Management	468,000	468,000	429,493
Rural Modular Dental Buildings	0	200,000	200,000
Scorpion Antivenom	150,000	150,000	111,835
Seriously Emotionally Handicapped Child	500,000	500,000	0
Seriously Mentally Ill Non-Title XIX	30,691,900	30,691,900	30,326,765
Seriously Mentally Ill State Match for Title XIX	53,013,200	53,013,200	53,013,200
Seriously Mentally Ill State Match for Title XIX	108,108,800	108,108,800	0
Sexually Violent Persons	10,178,500	10,365,483	9,919,242

The Notes to Required Supplementary Information are an integral part of this schedule.

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STATE OF ARIZONA
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BUDGETARY COMPARISON SCHEDULE, EXPENDITURES
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2006
 (Expressed in Dollars)

	ORIGINAL BUDGET (Appropriations)	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
Standard Control Subventions	26,300	26,300	24,936
Substance Abuse Non-Title XIX	12,135,400	12,135,400	12,135,400
TANF Prenatal Services FY99 - 00	46,969	46,969	(301)
Telemedicine	260,000	260,000	221,479
Title XIX Behavioral Health Support	0	2,500,000	0
Title XIX Behavioral Health Support	7,600,000	7,600,000	0
U of A Poison Center Funding	0	175,000	175,000
Vaccines	3,784,300	3,784,300	3,782,911
Vital Records	25,526	25,526	1,741
Arizona Commission on the Arts			
Arts Endowment Fund	2,000,000	2,000,000	2,000,000
Community Service Projects	1,263,100	1,263,100	1,263,100
Operating Lump Sum Appropriation	565,900	584,600	584,600
Arizona Commission of Indian Affairs			
Administrative Adjustments	0	1,630	1,630
Operating Lump Sum Appropriation	207,600	212,900	204,065
Occupational Safety & Health Review Board			
Employee Related Expenditures FY91 - 92	75	75	0
Operating Lump Sum Appropriation FY00 - 01	1,000	1,000	0
Operating Lump Sum Appropriation FY01 - 02	6,947	6,947	0
Operating Lump Sum Appropriation FY02 - 03	4,800	4,800	0
Operating Lump Sum Appropriation FY03 - 04	4,800	4,800	0
Operating Lump Sum Appropriation FY04 - 05	4,800	4,800	0
Operating Lump Sum Appropriation FY98 - 99	6,023	6,023	2,669
Operating Lump Sum Appropriation FY99 - 00	1,000	1,000	0
Personal Services FY91 - 92	53	53	0
Department of Insurance			
Managed Care and Dental Plan Oversight	525,600	533,800	533,800
NCOIL Participation	25,000	25,000	25,000
Operating Lump Sum Appropriation	5,948,400	6,130,100	6,101,534
Arizona Criminal Justice Commission			
Administrative Adjustments	0	162,722	162,722
Operating Lump Sum Appropriation	994,200	994,200	810,187
Rural State Aid To County Attorneys	157,700	157,700	157,700
Rural State Aid To Indigent Defense	150,100	150,100	150,100
Joint Legislative Budget Committee			
Operating Lump Sum Appropriation FY04 - 05	1,523,281	1,523,281	1,523,281
Operating Lump Sum Appropriation FY05 - 06	2,743,300	2,811,300	1,152,926
Department of Library, Archives and Public Records			
Grants-In-Aid FY01 - 02	1,343	1,343	1,343
Grants-In-Aid FY02 - 03	4,400	4,400	4,400
Grants-In-Aid FY03 - 04	66,381	66,381	57,644
Grants-In-Aid FY04 - 05	115,400	115,400	60,000
Grants-In-Aid FY05 - 06	651,400	651,400	560,829
Operating Lump Sum Appropriation FY00 - 01	38,021	38,021	38,021
Operating Lump Sum Appropriation FY01 - 02	72,917	72,917	15,732
Operating Lump Sum Appropriation FY03 - 04	9,487	9,487	5,103
Operating Lump Sum Appropriation FY04 - 05	56,842	56,842	29,220
Operating Lump Sum Appropriation FY04 - 05	137,011	137,011	111,809
Operating Lump Sum Appropriation FY05 - 06	6,227,800	6,411,200	6,406,800
Operating Lump Sum Appropriation FY05 - 06	620,500	634,200	634,200
Statewide Radio Reading Svc For Blind	97,000	97,000	97,000

The Notes to Required Supplementary Information are an integral part of this schedule.

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STATE OF ARIZONA
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BUDGETARY COMPARISON SCHEDULE, EXPENDITURES
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 FOR THE YEAR ENDED JUNE 30, 2006
 (Expressed in Dollars)

	ORIGINAL BUDGET (Appropriations)	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
Legislative Council			
Juvenile Study FY97 - 98	19,520	19,520	0
Ombudsman Citizens Aid Office FY04 - 05	16,159	16,159	16,159
Ombudsman Citizens Aid Office FY05 - 06	371,700	371,700	344,290
Ombudsman Citizens Aid Office FY93 - 94	43,000	43,000	0
Ombudsman Citizens Aid Office FY94 - 95	95,169	95,169	0
Operating Lump Sum Appropriation FY00 - 01	158,981	158,981	0
Operating Lump Sum Appropriation FY04 - 05	325,116	325,116	135,199
Operating Lump Sum Appropriation FY05 - 06	4,720,700	4,824,000	4,649,733
Operating Lump Sum Appropriation FY99 - 00	886,420	886,420	0
State Archives and History Building	15,000,000	15,000,000	0
Land Department			
Administrative Adjustments	0	56,555	56,555
Administrative Adjustments	0	51,081	51,081
Cap User Fees	1,859,300	1,859,300	1,859,300
Environmental County Grants	125,000	125,000	125,000
In/Out of State Fire Costs	0	3,000,000	3,000,000
Inmate Fire Crews	1,156,400	1,191,600	1,191,501
Natural Resource Conservation Districts	180,000	180,000	180,000
New Fire Suppression Services	0	2,200,000	2,200,000
Operating Lump Sum Appropriation	16,339,400	16,663,400	16,650,796
Operating Lump Sum Appropriation	319,600	319,600	318,600
Outstanding Fire Suppression Expenses	0	4,000,000	4,000,000
Department of Liquor Licenses and Control			
Improvement of Data Processing System	0	1,250,000	0
Operating Lump Sum Appropriation	2,851,400	2,924,000	2,923,880
Law Enforcement Merit System Council			
Administrative Adjustments	0	0	0
Operating Lump Sum Appropriation	70,400	72,600	70,805
Division of Emergency Management & Military Affairs			
Apache Cnty River Reservoir Dam Emerg	57,141	1,306	1,306
Aspen Fire Emergency	745,010	745,010	24,770
AZ Pre-Suppression Wildfire Resources	0	200,000	162,997
AZ/Mexico International Border Security	0	1,500,000	863,238
Bellefont/Prescott Boilers	8,724	8,724	0
Brins Wildfire Emergency	0	25,000	1,292
Civil Air Patrol	54,200	54,200	54,200
Clifton Flash Flood Emergency	0	41,965	41,965
EUZ701 Search & Rescue	0	125,000	113,652
EUZ701 Search & Rescue	50,996	50,996	50,996
EUZHAZ - Hazard Material Contingency	11,485	11,485	5,940
February 2005 Winter Storms & Flooding	0	450,000	0
February 2005 Winter Storms & Flooding	1,059,934	1,059,934	676,869
Forest Heath Emergency-Pine Bark Beetle	452,696	452,696	406,817
Forest Heath Emergency-Pine Bark Beetle	264,480	264,480	251,857
Glassy-Winged Sharpshooter Emergency	0	200,000	0
Hazard Materials Contingency	48,319	48,319	33,725
Kinishba Fire Emergency	0	(30,603)	(30,603)
La Paz County Summer Monsoon Emergency	0	350,000	50,670
La Paz/Maricopa Counties Storm Emergency	105,785	105,785	449
La Paz/Maricopa Counties Storm Emergency	61,593	61,593	1,920
La Paz/Maricopa Counties Storm Emergency	21	21	21

The Notes to Required Supplementary Information are an integral part of this schedule.

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STATE OF ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE, EXPENDITURES
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2006
 (Expressed in Dollars)

	ORIGINAL BUDGET (Appropriations)	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
Mediterranean Fruit Fly Emergency	3,541	962	962
Mitigation Projects 2004 Emergency Funds	923,542	923,542	578,048
Navajo County Severe Weather Emergency	69,942	5,493	5,493
Navajo, Gila & Coconino Cts Rodeo Fire	333,254	333,254	2,476
Navajo, Gila & Coconino Cts Rodeo Fire	3	3	3
Nogales and 52nd Street Building Renewal	12,032	12,032	0
Northern Arizona Winter Storm Emergency	464,271	464,271	252,461
Northern Arizona Winter Storm Emergency	0	508,035	0
Nuclear Emergency Management Fund	0	305,043	305,043
Nuclear Emergency Mgmt Fund - Buckeye	0	53,907	53,907
Nuclear Emergency Mgmt Fund - Maricopa	0	299,626	299,626
Nuttall Complex and Willow Fire Emergency	352,031	73,329	73,329
Off Site Nuclear Emergency FY89 - 90	1,708	1,708	0
Operating Lump Sum - Administration	1,846,252	1,881,234	1,880,527
Operating Lump Sum - DEMA	835,741	860,633	858,890
Operating Lump Sum - Military Affairs	3,092,581	3,143,340	2,954,910
Operation Good Neighbor	0	250,000	167,633
Pima County Flash Flood Emergency	0	350,000	81,122
Project Challenge Construction	0	500,000	0
Project Challenge Program	2,076,126	1,614,393	1,606,221
Queen Valley Flash Flood Emergency	99,105	58,640	58,640
Replace Cooling Tower at Roosevelt	0	50,000	0
Re-Roofing Mesa Armory	1,325	1,325	0
Safford and Sunnyslope Building Renewal	141	0	0
September Terrorism Incident Emergency	107,024	107,024	47
Service Contracts - FY04 - 05	246,488	246,488	246,488
Service Contracts - FY05 - 06	1,215,000	1,215,000	813,644
Mine Inspector			
Operating Lump Sum Appropriation	1,137,500	1,162,400	1,161,930
Department of Building and Fire Safety			
Administrative Adjustments	0	250	250
Operating Lump Sum Appropriation	3,335,000	3,421,700	3,187,444
Mines and Mineral Resources			
Administrative Adjustments	0	2,939	2,939
Operating Lump Sum Appropriation	801,500	814,300	798,827
Medical Student Loans Board			
Medical Student Loans	13,200	13,200	9,256
Medical Student Scholarships	0	1,500,000	323,148
Northern Arizona University			
Main Campus - Operating Lump Sum Appropriation	118,166,400	122,314,100	122,314,100
Yuma Campus - Operating Lump Sum Appropriation	2,192,300	2,192,300	2,192,300
Navigable Streams Adjudication Commission			
Administrative Adjustments	0	9,332	9,332
Operating Lump Sum Appropriation	50,000	50,000	0
Operating Lump Sum Appropriation	163,200	166,700	164,930
Personnel Board			
Administrative Adjustments	0	50	50
Operating Lump Sum Appropriation	341,600	346,700	301,897
Commission for Postsecondary Education			
Leveraging Educational Assistance Prtshp	1,220,800	1,220,800	1,220,800
Private Postsecondary Education Student Financial Assistance	170,700	171,000	170,500

The Notes to Required Supplementary Information are an integral part of this schedule.

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STATE OF ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE, EXPENDITURES
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2006
 (Expressed in Dollars)

	ORIGINAL BUDGET (Appropriations)	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
Prescott Historical Society			
Administrative Adjustments	0	10,236	10,236
Building Renewal - Sharlot Hall Reroof	19	19	0
Operating Lump Sum Appropriation	655,200	678,000	652,773
Board of Executive Clemency			
Operating Lump Sum Appropriation	974,400	1,000,100	919,252
State Parks Board			
Acquisition and Development	107,100	107,100	0
Administrative Adjustments	0	8,398	8,398
Administrative Adjustments	0	7,256	7,256
Growing Smarter Transfer to Land Conservation Fund	0	20,000,000	20,000,000
Kartchner Caverns	1,719,400	1,747,500	1,444,298
Operating Lump Sum Appropriation	2,421,500	2,662,100	2,526,610
Operating Lump Sum Appropriation	9,019,500	9,121,100	8,952,918
Tonto Lodge Roof Replacement	0	100,000	34
Department of Public Safety			
Administrative Adjustments	0	4,034	4,034
Building Renewal FY00 - 01	0	2,844	2,844
Building Renewal FY01 - 02	77	77	77
Building Renewal FY03 - 04	10	10	10
Building Renewal FY03 - 04	221	221	221
Building Renewal FY04 - 05	2	2	0
Building Renewal FY04 - 05	924	26,924	21,121
Building Renewal FY04 - 05	0	9,000	5,682
Building Renewal FY05 - 06	0	96,748	45,399
GITEM	4,988,600	5,055,900	5,052,499
GITEM Supplemental	0	3,897,000	1,373,880
Operating Lump Sum Appropriation	30,888,800	31,901,200	31,901,200
Operating Lump Sum Appropriation	296,200	296,200	209,988
Operating Lump Sum Appropriation	205,000	205,000	153,750
Operating Lump Sum Appropriation	354,500	355,500	85,000
Safety Equipment	0	3,000,000	2,802,245
Statewide Interoperability - Phase II	3,000,000	3,000,000	12,500
Statewide Interoperability Design	1,249,300	1,258,100	621,331
Department of Racing			
Operating Lump Sum Appropriation	2,538,100	2,606,800	2,606,784
Independent Redistricting Commission			
Operating Lump Sum Appropriation FY03 - 04	2,021,370	2,021,370	423,404
Real Estate Department			
Operating Lump Sum Appropriation	3,610,900	3,718,800	3,694,436
Ranger's Pension			
Operating Lump Sum Appropriation	12,800	12,800	12,800
Department of Revenue			
Administrative Adjustments	0	42,857	42,857
Administrative Adjustments	0	275	275
Administrative Adjustments	0	0	0
Kerr v. State of Arizona Lawsuit	0	975,000	342,621
Ladewig v. AZ - Administrative Costs	1,424,700	1,424,700	807,697
Operating Lump Sum Appropriation	57,053,500	65,576,600	65,191,447
Operating Lump Sum Appropriation	1,513,100	1,677,500	1,564,478
Operating Lump Sum Appropriation	390,300	398,000	316,285
Revenue Generating Program	6,788,900	0	0

The Notes to Required Supplementary Information are an integral part of this schedule.

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STATE OF ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE, EXPENDITURES
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2006
 (Expressed in Dollars)

	ORIGINAL BUDGET (Appropriations)	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
Schools for the Deaf and the Blind			
Administrative Adjustments	0	959,141	959,141
Capital and Building Renewal Projects	2,000,000	2,000,000	1,890,527
Operating Lump Sum Appropriation - Administration	5,356,446	5,533,172	5,278,499
Operating Lump Sum Appropriation - Phoenix	2,143,357	2,332,528	2,049,387
Operating Lump Sum Appropriation - Tucson	8,496,697	8,836,800	8,479,581
Schools Facilities Board			
Full Day Kindergarten Capital Grants	1,315,352	1,315,352	591,980
New School Facilities Debt Service	50,940,100	50,940,100	50,757,370
Operating Lump Sum Appropriation	1,623,800	1,666,000	1,643,660
Senate			
Operating Lump Sum Appropriation FY04 - 05	500,486	500,486	62,393
Operating Lump Sum Appropriation FY05 - 06	8,023,600	8,224,600	7,619,985
Supreme Court			
4th Floor Chiller	2,528	2,528	0
Administrative Adjustments	0	25,888	25,888
Adult Intensive Probation	10,289,100	11,113,047	11,080,148
Adult Standard Probation	11,599,900	12,249,253	12,220,466
Automation	4,969,000	4,992,700	3,313,730
Automation	9,886,100	9,893,800	8,288,931
Commission on Judicial Conduct	355,300	365,800	362,545
Community Punishment	424,000	480,600	477,517
County Reimbursements	246,000	634,700	507,799
Domestic Relations	720,500	731,000	701,774
Foster Care Review Board	1,938,400	1,997,600	1,995,373
HVAC Piping and Pump - Courts Building	329	0	0
HVAC Storage Tank	1,211	1,211	0
Interstate Compact	578,800	625,400	622,472
Judges Compensation	15,813,100	15,213,100	15,107,698
Judicial Nomination and Performance Review	288,900	297,300	287,879
Juvenile Family Counseling	660,400	660,400	622,078
Juvenile Intensive Probation	13,360,000	13,697,500	13,570,505
Juvenile Standard Probation	7,734,600	7,998,800	7,981,526
Juvenile Treatment Services	22,141,900	22,239,400	22,085,024
Operating Lump Sum Appropriation	8,456,900	8,660,600	8,299,242
Operating Lump Sum Appropriation	759,500	770,500	529,667
Operating Lump Sum Appropriation	4,893,600	4,900,700	4,269,124
Progressively Increasing Consequences	9,465,300	9,674,900	9,674,900
Repair/Rehab Cooling Tower - Courts Building	195,078	427,338	316,851
Rural State Aid to the Courts	418,500	418,500	418,500
Special Water Master	20,000	20,000	20,000
State Aid	84,700	84,700	21,560
Secretary of State			
Administrative Adjustments	0	8,450	8,450
Election Services	794,100	809,600	796,336
Help America Vote Act	697,317	697,317	277,792
Help America Vote Act - Federal Funds	40,000,000	40,000,000	9,588,662
Operating Lump Sum Appropriation	2,245,700	2,306,000	2,230,055
State Treasurer			
Administrative Adjustments	0	143,201	143,201
Community College Reimbursement	0	3,063,541	3,063,541
Corporate Income Tax Transfer	0	11,000,000	11,000,000

The Notes to Required Supplementary Information are an integral part of this schedule.

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STATE OF ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE, EXPENDITURES
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2006
 (Expressed in Dollars)

	ORIGINAL BUDGET (Appropriations)	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
Justice of the Peace Salaries	2,775,500	2,775,500	2,361,979
Operating Lump Sum Appropriation	2,584,300	2,650,400	2,615,180
Tax Appeals Board			
Administrative Adjustments	0	314	314
Operating Lump Sum Appropriation	281,900	289,900	276,088
University of Arizona			
Agriculture	40,787,700	41,436,700	41,436,700
Clinical Rural Rotation	471,100	489,900	489,900
Clinical Teaching Support	9,573,100	9,733,000	9,733,000
Liver Research Institute	501,200	517,400	517,400
Main Campus - Operating Lump Sum Appropriation	239,671,100	249,967,300	249,967,300
Operating Lump Sum Appropriation	44,428,200	46,314,800	46,314,800
Phoenix Medical Campus	0	6,006,900	6,006,900
Sierra Vista Campus	2,335,100	2,381,200	2,381,200
Telemedicine Network	1,185,400	1,199,300	1,199,300
Uniform State Law Commission			
Operating Lump Sum Appropriation	52,300	52,300	44,784
Department of Veterans' Services			
Administrative Adjustments	0	77	77
Nursing Home Project FY91 - 92	3,605	3,605	0
Nursing Home Project FY91 - 92	13,284	13,284	0
Nursing Home Project FY91 - 92	18,934	18,934	0
Operating Lump Sum Appropriation	2,142,500	2,214,752	2,201,313
Southern Arizona Cemetery	134,700	141,448	141,447
Veterans' Organizations Contracts	29,200	29,200	29,200
Water Resources Department			
Operating Lump Sum Appropriation	16,722,200	17,085,800	17,007,372
Rural Water Studies	1,900,000	1,900,000	1,891,539
Weights & Measures Department			
Administrative Adjustments	0	12,843	12,843
Operating Lump Sum Appropriation	1,556,200	1,595,200	1,590,146
Total General Fund Budgetary Expenditures before Adjustments	13,210,557,642	13,867,632,771	12,747,104,700
Less:			
Department of Health Services appropriations for Children's Rehabilitative Services, Arnold v. Sarn, Assurance and Licensure, Title XIX State Match, and Medicaid Special Exemption that were duplicate expenditure authorizations	(576,905,100)	(577,122,600)	0
Total General Fund Budgetary Expenditures after Adjustments	\$ 12,633,652,542	\$ 13,290,510,171	\$ 12,747,104,700

The Notes to Required Supplementary Information are an integral part of this schedule.

STATE OF ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE, EXPENDITURES
 TRANSPORTATION AND AVIATION PLANNING,
 HIGHWAY MAINTENANCE AND SAFETY FUND
 FOR THE YEAR ENDED JUNE 30, 2006
 (Expressed in Dollars)

	ORIGINAL BUDGET (Appropriations)	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
TRANSPORTATION AND AVIATION PLANNING, HIGHWAY MAINTENANCE AND SAFETY FUND			
Department of Transportation			
Airport Planning and Development FY04 - 05	\$ 7,221,852	\$ 7,221,852	\$ 7,221,852
Airport Planning and Development FY05 - 06	16,956,000	16,956,000	14,645,980
Alternate Truck Route - Douglas Chino Road	250,000	250,000	0
Arizona-Mexico Border Points FY97 - 98	569	569	0
Asbestos and Lead Inspections FY01 - 02	211,173	211,173	82,994
Asbestos and Lead Inspections FY02 - 03	598,039	598,039	8,574
Building Renewal FY03 - 04	26,502	26,502	26,502
Building Renewal FY04 - 05	65,900	65,900	65,900
Building Renewal FY04 - 05	4,969	4,969	4,969
Building Renewal FY04 - 05	1,769,796	1,769,796	1,294,073
Building Renewal FY05 - 06	75,800	75,800	33,887
Building Renewal FY05 - 06	3,627,100	3,627,100	553,536
Certified Ignition Interlock Devices	0	444,600	309,425
De-Icer Buildings	1,089,000	1,089,000	364,076
Douglas Maintenance Yard Admin Adjustment FY90 - 91	2,000	2,000	0
Douglas Weigh Station	178,000	178,000	0
East Valley Maintenance Yard FY02 - 03	351,456	351,456	39,685
Fee Accounting and Revenue Management System	2,902	2,902	2,902
Grants - Sm Comm Air Service and Airport Upgrade	0	500,000	500,000
Highway Construction FY04 - 05	66,310,936	66,310,936	66,310,936
Highway Construction FY05 - 06	275,000,000	275,000,000	211,685,690
Highway Maintenance	109,263,500	110,818,700	107,975,542
Integrated Inventory System	50	50	50
Lump Sum Appropriation - Highway Maintenance	558,700	558,700	558,507
Lump Sum Appropriation - Highway Maintenance FY04 - 05	1	2	0
Lump Sum Appropriation - Highway Maintenance FY04 - 05	3,214,512	3,214,512	3,159,335
Modular Trailer Operating Expenses	7,519	7,519	0
Motor Carrier Towing Regulation	11,108	11,108	0
Motor Vehicle - Electronic Certificate of Title System FY01 - 02	4,852	4,852	0
Motor Vehicle - Electronic Certificate of Title System FY02 - 03	13,488	13,488	0
Motor Vehicle - Nogales Port Facility FY00 - 01	5,481	5,481	5,481
Motor Vehicle - Nogales Port Facility FY99 - 00	3,338	3,338	3,338
Motor Vehicle - One-Time Trailer Fees Implementation	43,724	43,724	0
Motor Vehicle - Security Enhancement Issues FY01 - 02	1,151	1,151	1,150
Motor Vehicle - Security Enhancement Issues FY02 - 03	1,539,584	1,539,584	456,013
Nogales Cyber Port Study	300,000	300,000	0
Nogales Port of Entry FY98 - 99	2	2	0
Oil Storage Tanks	637,600	637,600	76
On-Line Verification of Social Security Numbers	797	797	0
Operating Lump Sum Appropriation	2,014,200	2,057,800	2,056,235
Operating Lump Sum Appropriation	60,800	62,800	62,800
Operating Lump Sum Appropriation - Administration	41,360,100	42,887,800	42,874,701
Operating Lump Sum Appropriation - Highway	120,578,700	122,952,400	122,368,429
Operating Lump Sum Appropriation - Motor Vehicle	88,955,100	91,267,800	91,042,771
Operating Lump Sum Appropriation - Motor Vehicle	1,575,200	1,604,400	1,240,749
Operating Lump Sum Appropriation - Motor Vehicle	1,935,500	1,980,200	1,233,978
Operating Lump Sum Appropriation - Motor Vehicle	383,300	383,300	383,192
Operating Lump Sum Appropriation - Motor Vehicle	1,456,000	1,487,700	1,208,549

The Notes to Required Supplementary Information are an integral part of this schedule.

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STATE OF ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE, EXPENDITURES
 TRANSPORTATION AND AVIATION PLANNING,
 HIGHWAY MAINTENANCE AND SAFETY FUND
 FOR THE YEAR ENDED JUNE 30, 2006
 (Expressed in Dollars)

	ORIGINAL BUDGET (Appropriations)	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
Payson Equipment Shop	1,536,500	1,536,500	653,963
Payson MVD Service Center	915,900	915,900	19,425
Safety, Security, Traffic Management, and Control	18,000	18,000	0
San Luis Poe Connector Road	200,000	200,000	0
Site Improvement - Nogales Inspection Station	54,000	54,000	0
Special Projects FY98 - 99	30,868	30,868	0
Sprinklers and Fire Alarms	1,265,000	1,265,000	61,200
Third Party for Driver License Exams	0	254,600	254,600
Traffic Safety Improvement Agreements	600,000	600,000	400,000
Transfer to Department of Public Safety	41,187,500	42,197,600	42,197,600
Transfer to Department of Public Safety	1,333,600	1,372,000	1,372,000
Transfer to Department of Public Safety	62,617,300	63,999,300	63,999,300
Vehicles and Heavy Equipment Fuel Surcharge	1,000,000	1,000,000	1,000,000
Total Transportation and Aviation Planning, Highway Maintenance and Safety Fund Budgetary Expenditures	\$ 858,424,969	\$ 869,975,170	\$ 787,739,965

The Notes to Required Supplementary Information are an integral part of this schedule.

STATE OF ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY COMPARISON SCHEDULES
 JUNE 30, 2006

A. RECONCILIATION OF BUDGETARY TO GAAP EXPENDITURES

The accompanying Budgetary Comparison Schedules for the General Fund and the Transportation and Aviation Planning, Highway Maintenance and Safety Fund present comparisons of the legally adopted budget with actual expenditure data on the budgetary basis. The original budget represents any appropriation bills passed by June 30, 2005 that affect available appropriations during fiscal year 2006. The final budget represents any appropriation bills passed during fiscal year 2006 for fiscal year 2006 plus the original budget. Appropriation bills passed after the end of fiscal year 2006 for fiscal year 2006 would also be included in the final budget.

The Budgetary Comparison Schedules present actual amounts on the State's budgetary basis for expenditures only. The Schedules include appropriations authorized in one fund and transferred, by legislation, to another fund. The State does not have a legally adopted budget for revenues; therefore, only expenditures are presented on the Budgetary Comparison Schedule, Expenditures for the General Fund and the Transportation and Aviation Planning, Highway Maintenance and Safety Fund. As the budgetary and GAAP presentations of actual data differ, a reconciliation of the two follows (amounts expressed in thousands):

	General Fund	Transportation & Aviation Planning, Highway Maintenance & Safety Fund
Uses/outflows of resources		
Actual expenditure amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 12,747,105	\$ 787,740
Differences - budget to GAAP:		
Increase in unpaid incurred expenditures from fiscal year end 2005 to fiscal year end 2006.	30,152	411,470
Increase in unpaid payroll expenditures from fiscal year end 2005 to fiscal year end 2006. For budgetary reporting, final June 2006 payroll expenditures were charged to fiscal year 2007 budget.	5,180	-
Distributions to counties and cities of sales taxes are recognized as expenditures on the modified accrual basis, but have no effect on budgetary expenditures.	1,045,702	-
Distribution to counties and cities for Urban Revenue Sharing, derived from the State's income tax collections, is recognized as an expenditure on the modified accrual basis, but has no effect on budgetary expenditures.	425,229	-
Capital leases and installment purchase contracts initiated during the fiscal year, which are not reported in budgetary expenditures.	2,729	-
Programs which are not controlled by legislative appropriations but have disbursed cash or incurred obligations during fiscal year 2006.	3,646,467	1,553,788
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(917,492)	(457,857)
Total expenditures, as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 16,985,072	\$ 2,295,141

There were no expenditures in excess of appropriations or allotments in the individual budget accounts for the year.

STATE OF ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2006

B. BUDGETARY BASIS OF ACCOUNTING

Formulation of the budget begins with the preparation of estimates of expenditure requirements by the head of each budgeted agency and institution. These estimates are submitted no later than September 1 of each year to the Governor's Office of Strategic Planning and Budgeting. The budget is prepared by line item and/or program elements for each agency.

The budget document, as finally developed by the Governor, must be submitted to the Legislature no later than five days after the regular session convenes. The Legislature must approve the budget by passing a general and a capital outlay appropriation bill. The Governor may veto any item in an appropriation bill. Such vetoes are subject to legislative overrides. The budget can be amended throughout the year by special legislative appropriations and/or budget transfers. The State's Constitution prohibits the appropriation of certain state revenues (primarily tax and fee collections) from exceeding 7.41 percent of Arizona personal income as estimated by the Economic Estimates Commission.

The State prepares its operating budget on the cash basis of accounting. Encumbrances as of June 30 can be liquidated during a four-week administrative period known as the 13th month. At the time of the appropriation bill's passage, estimates prepared by legislative and executive branch professional staff assure the State Legislature that adequate revenues will be available to meet the level of appropriations approved. Anticipated revenue is estimated on the cash basis but is not part of the legally adopted budget. Consequently, the accompanying Budgetary Comparison Schedules only present budget to actual expenditure comparisons.

The Budgetary Comparison Schedules present all appropriation line items as passed by the State Legislature in order to demonstrate compliance with the legal level of budgetary control.

The State budgets on both an annual and biennial basis. Laws 1997, Chapter 210 required appropriated biennial budgets for all state agencies. In biennial budgets, an agency receives a separate appropriation for each of two fiscal years. For "small" regulatory agencies, comprised of five to ten people, whose budgets were merely amended for technical adjustments in Laws 2002, Chapter 327, the first year appropriations do not lapse until the end of the second year. Except where specifically noted by the appropriation bills, the appropriations for all other agencies lapse at the end of each fiscal year. For the "large" seventeen state agencies, Laws 2002, Chapter 210 returned their budgets to a "one" year cycle beginning with the 2003 Legislative Session (fiscal year 2004 budget request). In prior years the "large" agencies have accounted for approximately ninety percent or more of the appropriations for the General Fund.

The budget format used by the State Legislature determines how an agency's appropriation appears in the General Appropriation Act. A less detailed format provides an agency with more discretion in implementing the budget. Conversely, a more detailed format may require an agency to use formal processes for redirecting appropriated funding. Among the possible format choices are the following:

Lump Sum – The appropriation of an agency for each fiscal year consists of a single dollar amount, thereby allowing the agency to shift funds among line items, programs and subprograms without further Legislative or Executive Branch review. Within this format, any programs or Special Line Items may be listed separately.

Modified Lump Sum – The appropriation of an agency for each fiscal year consists of at least three lines: Personal Services, Employee Related Expenditures, and All Other Operating Expenditures. Any Special Line Items would be listed separately. Under this format, pursuant to ARS §35-173, an agency must seek approval of the Joint Legislative Budget Committee before moving any funding into or out of the Personal Services and Employee Related Expenditures line items. Any other funding transfers would require approval by the Arizona Department of Administration (ADOA), but not the Joint Legislative Budget Committee.

Detailed Line Item – The agency appropriation for each fiscal year consists of each line item listed in the Appropriations Report including Professional and Outside Services, Travel, Other Operating Expenditures, Equipment, Food, and any Special Line Items. The same rules govern Personal Services and Employee Related Expenditures funding transfers as noted in the Modified Lump Sum description. This appropriation format requires an agency to seek ADOA approval before initiating funding transfers between all other line items.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY COMPARISON SCHEDULES
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During the fiscal year, \$807.848 million in supplemental appropriations, net of increases and reversions, were provided to major and non-major governmental funds to enhance various programs. The General Fund and the Transportation and Aviation Planning, Highway Maintenance and Safety Fund received \$657.075 and \$11.550 million, respectively, and those amounts are included in the Budgetary Comparison Schedules.

State agencies are responsible for exercising budgetary control and ensuring that expenditures do not exceed appropriations. The State Department of Administration – General Accounting Office exercises oversight and does not disburse funds in excess of appropriations.

The Governor shall have in continuous process of preparation and revision a tentative budget report for the next two ensuing years for which a budget report is required to be prepared.

Whenever the expenses of any fiscal year shall exceed the income, the Legislature *may* provide for levying a tax for the ensuing fiscal year sufficient, with other sources of income, to pay the deficiency, as well as the estimated expenses of the ensuing fiscal year.

All expenditure of the State's money must be authorized by law. Authorization can be granted directly by law or contingent upon appropriation from the State Legislature. Periodically, the State Legislature may appropriate monies for program expenditures already authorized by law, resulting in duplicate spending authority. In appropriating monies, the State Legislature has, in some cases, included external funding sources as a portion of an agency's total program expenditure authorization (budget) and has identified the external funding sources as an offset against the program appropriations total in order to reflect the State funding amount. An example of this is found in the \$178.434 million Department of Health Services Children's Behavioral Health State Match for Title XIX on page 138. Accordingly, sometimes program expenditures may not exhaust specific legislative appropriations. To properly present the total budget (appropriation) information, in relationship to "actual" expenditure amounts, duplicate expenditure authorizations have been eliminated from general fund budget (appropriation) totals on page 145.

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INFRASTRUCTURE ASSETS
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Information About Infrastructure Assets Reported Using the Modified Approach

As allowed by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* (GASB 34), the State of Arizona reports its roads and bridges using the modified approach. Assets accounted for under the modified approach include 6,922 center lane miles (18,668 travel lane miles) of roads and 4,676 bridges that the State is responsible to maintain.

In order to utilize the modified approach, the State is required to:

- Maintain an asset management system that includes an up to date inventory of eligible infrastructure assets
- Perform condition assessments of eligible assets and summarize the results using a measurement scale
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the State
- Document that the assets are being preserved approximately at or above the established condition level

As adopted by the State Transportation Board on an annual basis, the Five-Year Transportation Facilities Construction Program (Program) contains estimated expenditures for highway system improvements and the preservation of existing roadways and bridges. Both of these factors impact the condition assessment of the roads and bridges as described in the following sections. The Program in effect for fiscal year 2007 and beyond was adopted by the Transportation Board on June 23, 2006.

This Program is a dynamic instrument and adjustments are made to the annual plans based on the needs of the State to maintain the condition level of the roads and bridges at a level equal to, or greater than, the goals established by the State. In addition, not only are adjustments made during the life of the Program, circumstances may require that refinements to the individual components of the Program be made during the fiscal year.

In comparing Estimated to Actual Expenditures in the tables that follow, significant variances can occur. These variances are primarily due to the methodology used in the preparation of the Program. In this Program, the Estimated Expenditures for the current year are based on “programmed” projects which may or may not be spent in the current year of the Program. “Programmed” expenditures consist of those items that are planned for the future and contracts that have not yet been awarded. Furthermore, the Actual Expenditures will include projects that were “programmed” for a prior year’s Estimated Expenditures but which did not occur, or were not completed, in the prior year.

The following information pertains to the condition assessment and maintenance of infrastructure assets and reflects the State’s success in achieving condition levels that exceed the established levels.

Roads

The mission of the Arizona Department of Transportation’s (ADOT) Pavement Management Section (PMS) is to develop and provide a cost effective pavement rehabilitation construction program that preserves the State’s investment in its highway system and enhances public transportation and safety. The requirements of GASB 34 and the ADOT PMS both work toward the same basic goal, the efficient, effective management of the State’s assets to produce long term benefits, while minimizing expenditures.

The PMS has developed performance goals for the condition level of the pavement in the State’s highway system. These goals require periodic assessment of pavement conditions and the budget level needed to meet that goal. The goal is expressed as a measure called “Serviceability”, which can be defined as the ability of a pavement to serve the traveling public (as documented in 1961 after AASHTO Road Test, 1956-1961). Serviceability is based on detailed measurements of objective features of the pavement and many surveys since the original road test have shown that these measurements closely track the subjective opinion of the traveling public. Most commonly, this

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number is called “Present Serviceability Rating” (PSR). PSR is a five-point scale (5 excellent, 0 impassable), similar to the Weaver/AASHTO Scale shown as follows:

Numerical Rating	PSR	Weaver/AASHTO Scale
5	Excellent	Perfect
4	Good	Very Good
3	Fair	Good
2	Poor	Fair
1	Very Poor	Poor
0	Impassable	Very Poor

The goal of the State is to maintain a condition level (PSR) rating of 3.23 or better for all roads in the State’s highway system. Annually, Transportation Material Technicians drive over the system with inertial profiling equipment and measure the roughness of the pavement. This process is continuous throughout the year in order to assess the condition level of all pavement on an annual basis. As of the end of fiscal year 2006, an overall rating of 3.52 was achieved, as shown in the following graph:

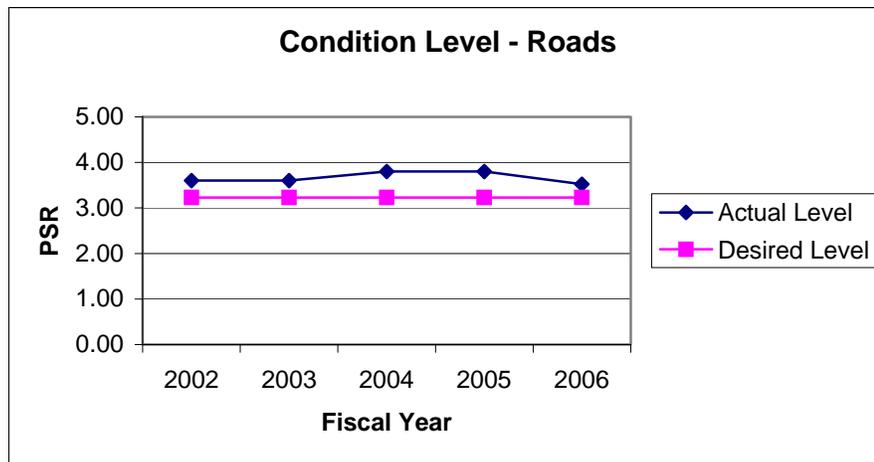


Figure 1

Preservation of the roads is accomplished through programs managed primarily by the ADOT PMS, as well as other units within ADOT. The estimated (as specified in the Program as programmed amounts) and actual expenditures for fiscal years 2002 through 2006 were as follows:

Fiscal Year	Estimated Expenditures (in millions)	Actual Expenditures (in millions)
2002	\$227.4	\$234.8
2003	\$243.5	\$220.8
2004	\$198.5	\$215.5
2005	\$235.7	\$196.0
2006	\$218.5	\$214.5

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Bridges

Bridges constitute a significant portion of all infrastructure assets in Arizona. As of June 30, 2006, the State owns and maintains 4,676 bridges with an approximate total deck area of 44,212,631 square feet. Bridges, for purposes of this report, include all structures erected over an opening or depression with a centerline of 20 feet or more. Information related to these bridges is stored and updated in the Arizona Bridge Information and Storage System (ABISS). This system is used to efficiently manage the bridge inventory through storing all bridge related data and assist bridge engineers in arriving at appropriate bridge preservation decisions. Also, ABISS is used for reporting bridge inventory and condition, on a biennial basis, to the Federal Highway Administration (FHWA).

A Condition Rating Index (CRI) is used to track the condition of the bridge network. The CRI is based on four selected bridge inspection condition ratings, which in turn are based on standards established in the FHWA’s “Recording and Coding Guide for the Structural Inventory of the Nation’s Bridges”. The four selected condition ratings that are included in the CRI computation are: the bridge joints condition, the deck condition, the superstructure condition, and the substructure condition. The bridge joints condition rating is an Arizona specific rating item not included in the FHWA condition rating guidelines, whereas the three other condition ratings are federally mandated condition ratings. The CRI is computed by subtracting from one, the ratio of the sum of the deck areas of all bridges with a condition rating of four or less, which indicates that the rated element is at best in a poor condition, to the total sum of the deck areas. The rating system in this guide is as follows:

Numerical Rating	Condition Rating
9	Excellent
8	Very Good
7	Good
6	Satisfactory
5	Fair
4	Poor
3	Serious
2	Critical
1	Imminent Failure

Management of the bridge inventory is a major function of ADOT’s Bridge Group and regularly scheduled biennial inspections are made of all bridges. A civil or structural engineer, licensed to practice in Arizona, performs these inspections. It is the policy of the State to maintain State highway bridges so that the CRI exceeds 92.5%. In fiscal year 2006, the CRI was computed at 93.8%.

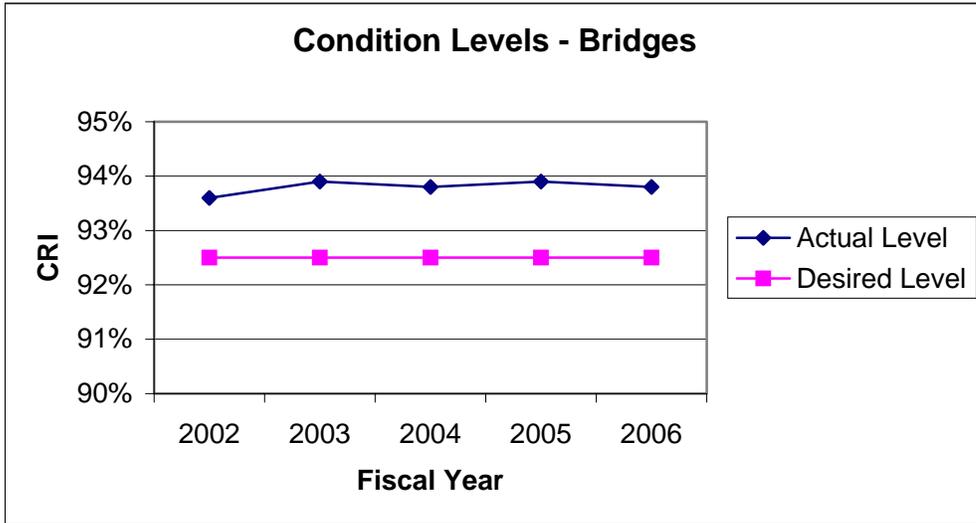


Figure 2

Bridges represent a major public investment and their inspection and maintenance is an essential function of the State in its mission of products and services for a safe, efficient, and cost effective transportation system. Figure 3 indicates that approximately 62% of the bridges in the State were constructed prior to the 1970s while only 16% have been constructed in the last two decades.

Age of ADOT's Bridge Population

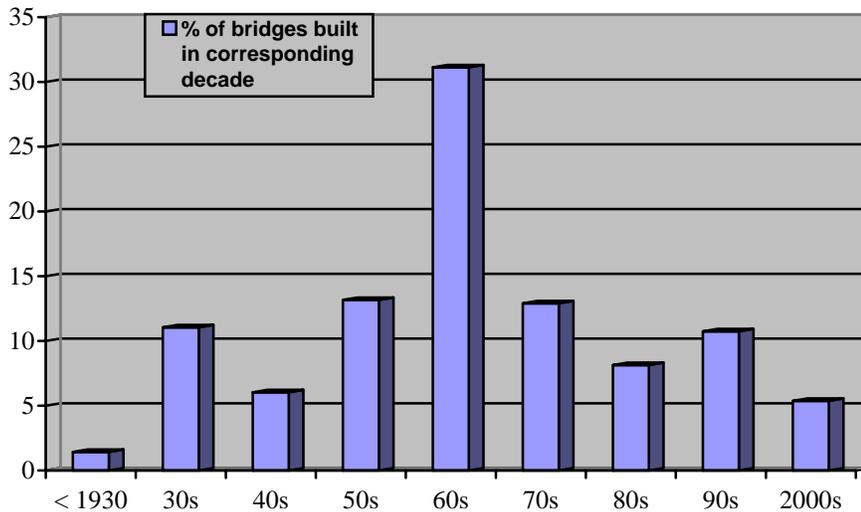


Figure 3

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INFRASTRUCTURE ASSETS
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Preservation of the bridges is accomplished through programs managed by the Bridge Group. The estimated (as specified in the Program as programmed amounts) and actual expenditures for fiscal years 2002 through 2006 were as follows:

Fiscal Year	Estimated Expenditures (in millions)	Actual Expenditures (in millions)
2002	\$14.4	\$18.2
2003	\$13.6	\$15.8
2004	\$12.1	\$12.2
2005	\$ 9.4	\$10.0
2006	\$ 8.8	\$ 8.3

STATE OF ARIZONA
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AGENT RETIREMENT PLANS' FUNDING PROGRESS
 JUNE 30, 2006

Analysis of the funding progress for each of the agent, multiple-employer defined benefit plans, as of the most recent actuarial valuations, is as follows (expressed in thousands).

Plan	Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability	(Unfunded)/Funding Excess	Funded Ratio	Annual Covered Payroll	(Unfunded)/Funding Excess as Percentage of Covered Payroll
PSPRS	6/30/2006	\$ 569,832	\$ 764,616	\$ (194,783)	74.5%	\$ 80,887	(240.8)%
	6/30/2005	573,536	718,353	(144,817)	79.8%	73,779	(196.3)%
	6/30/2004	588,237	635,120	(46,883)	92.6%	69,576	(67.4)%
CORP	6/30/2006	703,316	743,593	(40,277)	94.6%	311,118	(12.9)%
	6/30/2005	674,749	696,396	(21,647)	96.9%	295,772	(7.3)%
	6/30/2004	649,029	618,373	30,656	105.0%	296,028	10.4%