

# STATISTICAL SECTION

(Not Covered by the Independent Auditors' Report)



## STATISTICAL SECTION

This part of the State of Arizona's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

**Financial Trends** – *Schedules 1 thru 4* contain trend information to help the reader understand how the State's financial performance and well-being have changed over time.

**Revenue Capacity** – *Schedules 5 thru 6* contain information to help the reader assess the State's most significant own-source revenue, the sales tax.

**Debt Capacity** – *Schedules 7 thru 15* present information to help the reader assess the affordability of the State's current levels of outstanding debt and the State's ability to issue additional debt in the future.

**Demographic and Economic Information** – *Schedules 16 thru 17* offer demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place and to help make comparisons over time and among other governments.

**Operating Information** – *Schedules 18 thru 20* contain service and infrastructure data to help the reader understand how the information in the State's financial report relates to the services the State provides and the activities it performs.

STATE OF ARIZONA  
SCHEDULE 1  
**NET ASSETS BY COMPONENT (1)**  
FOR THE LAST FIVE FISCAL YEARS (2)  
FISCAL YEAR ENDED JUNE 30, 2006  
(Expressed in Thousands)

	Fiscal Year				
	2006	2005	2004, as restated	2003, as restated	2002, as restated (2)
<b>GOVERNMENTAL ACTIVITIES:</b>					
Invested in capital assets, net of related debt (3) \$	12,878,151	\$ 11,825,961	\$ 11,226,325	\$ 10,690,782	\$ 10,043,985
Restricted for:					
Federal grants	63,219	102,794	73,466	108,268	158,424
Capital projects	561,795	548,488	414,113	495,663	589,996
Debt service	44,846	28,708	31,302	30,470	51,861
Permanent funds:					
Expendable	19,244	5,106	-	20,082	56,697
Nonexpendable	2,785,419	2,164,200	1,550,247	1,395,750	1,243,389
Other purposes	86,345	88,992	31,447	21,080	24,132
Unrestricted	784,520	(412,450)	(633,427)	(748,522)	409,871
Total Governmental Activities Net Assets	<u>\$ 17,223,539</u>	<u>\$ 14,351,799</u>	<u>\$ 12,693,473</u>	<u>\$ 12,013,573</u>	<u>\$ 12,578,355</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>					
Invested in capital assets, net of related debt \$	1,144,374	\$ 1,166,954	\$ 1,163,539	\$ 1,147,769	\$ 1,159,647
Restricted for:					
Capital projects	6,106	2,657	3,023	21,842	33,515
Unemployment compensation	949,919	820,383	796,119	893,470	1,055,543
Debt service	9,198	8,203	16,940	24,715	30,153
University funds:					
Expendable (4)	189,746	171,976	157,595	143,683	-
Nonexpendable (4)	178,001	163,922	153,073	141,281	-
Loans and other financial assistance (4)	67,423	64,875	63,500	63,249	258,954
Other purposes (4)	62	-	-	2,763	95,146
Unrestricted	201,015	105,739	137,477	272,906	298,686
Total Business-type Activities Net Assets	<u>\$ 2,745,844</u>	<u>\$ 2,504,709</u>	<u>\$ 2,491,266</u>	<u>\$ 2,711,678</u>	<u>\$ 2,931,644</u>
<b>PRIMARY GOVERNMENT:</b>					
Invested in capital assets, net of related debt \$	14,022,525	\$ 12,992,915	\$ 12,389,864	\$ 11,838,551	\$ 11,203,632
Restricted for:					
Federal grants	63,219	102,794	73,466	108,268	158,424
Capital projects	567,901	551,145	417,136	517,505	623,511
Unemployment compensation	949,919	820,383	796,119	893,470	1,055,543
Debt service	54,044	36,911	48,242	55,185	82,014
Permanent funds / University funds:					
Expendable (4)	208,990	177,082	157,595	163,765	56,697
Nonexpendable (4)	2,963,420	2,328,122	1,703,320	1,537,031	1,243,389
Loans and other financial assistance (4)	67,423	64,875	63,500	63,249	258,954
Other purposes (4)	86,407	88,992	31,447	23,843	119,278
Unrestricted	985,535	(306,711)	(495,950)	(475,616)	708,557
Total Primary Government Net Assets	<u>\$ 19,969,383</u>	<u>\$ 16,856,508</u>	<u>\$ 15,184,739</u>	<u>\$ 14,725,251</u>	<u>\$ 15,509,999</u>

- (1) This schedule reports using the accrual basis of accounting.
- (2) The State implemented GASB Statement 34 in fiscal year 2002. Therefore, ten years of data is not available, but will be accumulated over time.
- (3) For fiscal year 2006, net assets for governmental activities were increased by the capitalization of \$302,375 of capital assets that were previously recorded as transportation expenses.
- (4) For fiscal year 2002, net assets restricted for expendable University funds of \$130,735 and for nonexpendable University funds of \$137,854 were classified as net assets restricted for loans and other financial assistance of \$175,661 and for other purposes of \$92,928.

STATE OF ARIZONA  
SCHEDULE 2  
**CHANGES IN NET ASSETS (1)**  
FOR THE LAST FIVE FISCAL YEARS (2)  
FISCAL YEAR ENDED JUNE 30, 2006  
(Expressed in Thousands)

	Fiscal Year				
	2006	2005	2004, as restated	2003, as restated	2002, as restated (2)
<b>EXPENSES</b>					
<b>Governmental Activities:</b>					
General government	\$ 781,542	\$ 646,452	\$ 726,525	\$ 694,173	\$ 852,417
Health and welfare	9,057,733	8,494,206	7,717,148	6,848,087	5,960,399
Inspection and regulation	159,766	149,238	138,281	141,673	135,784
Education	5,304,555	4,853,458	4,703,685	4,795,566	4,277,635
Protection and safety	1,279,129	1,171,340	1,059,047	982,839	931,292
Transportation (8)	386,777	589,966	731,522	598,375	411,108
Natural resources	187,947	184,538	162,366	175,312	152,772
Intergovernmental revenue sharing	2,658,636	2,335,828	2,144,438	2,159,691	2,190,160
Interest on long-term debt	172,439	182,852	176,035	135,775	131,206
Total Governmental Activities Expenses	<u>19,988,524</u>	<u>18,607,878</u>	<u>17,559,047</u>	<u>16,531,491</u>	<u>15,042,773</u>
<b>Business-type Activities:</b>					
Universities	2,759,142	2,540,193	2,355,418	2,181,311	2,039,832
Unemployment compensation	226,171	292,127	397,657	455,685	406,406
Industrial Commission special fund (6)	(18,300)	106,295	167,331	73,586	57,503
Lottery	377,104	317,226	303,996	263,321	239,648
Other	136,894	120,629	109,944	107,740	95,164
Total Business-type Activities Expenses	<u>3,481,011</u>	<u>3,376,470</u>	<u>3,334,346</u>	<u>3,081,643</u>	<u>2,838,553</u>
Total Primary Government Expenses	<u>\$ 23,469,535</u>	<u>\$ 21,984,348</u>	<u>\$ 20,893,393</u>	<u>\$ 19,613,134</u>	<u>\$ 17,881,326</u>
<b>PROGRAM REVENUES</b>					
<b>Governmental Activities:</b>					
Charges for services:					
General government	\$ 161,664	\$ 139,486	\$ 140,791	\$ 106,876	\$ 120,514
Inspection and regulation	146,191	133,073	133,510	120,045	117,606
Transportation (7)	134,068	88,296	114,097	112,466	112,725
Other activities	279,836	256,804	248,446	192,332	230,409
Operating grants and contributions (5)	7,941,223	7,544,370	6,981,748	5,940,007	4,996,539
Capital grants and contributions	388,646	497,140	421,251	460,364	471,020
Total Governmental Activities Program Revenues	<u>9,051,628</u>	<u>8,659,169</u>	<u>8,039,843</u>	<u>6,932,090</u>	<u>6,048,813</u>
<b>Business-type Activities:</b>					
Charges for services:					
Universities	962,967	863,042	778,047	675,089	639,050
Lottery	468,697	397,561	366,582	322,267	294,848
Other activities (4)	474,801	440,646	305,221	259,676	254,984
Operating grants and contributions (9)	852,788	834,421	836,076	810,549	737,170
Capital grants and contributions	30,056	19,774	18,513	23,090	48,180
Total Business-type Activities Program Revenues	<u>2,789,309</u>	<u>2,555,444</u>	<u>2,304,439</u>	<u>2,090,671</u>	<u>1,974,232</u>
Total Primary Government Program Revenues	<u>\$ 11,840,937</u>	<u>\$ 11,214,613</u>	<u>\$ 10,344,282</u>	<u>\$ 9,022,761</u>	<u>\$ 8,023,045</u>
<b>NET (EXPENSE) REVENUE</b>					
Governmental activities	\$ (10,936,896)	\$ (9,948,709)	\$ (9,519,204)	\$ (9,599,401)	\$ (8,993,960)
Business-type activities	(691,702)	(821,026)	(1,029,907)	(990,972)	(864,321)
Total Primary Government Net (Expense)	<u>\$ (11,628,598)</u>	<u>\$ (10,769,735)</u>	<u>\$ (10,549,111)</u>	<u>\$ (10,590,373)</u>	<u>\$ (9,858,281)</u>

(Continued)

STATE OF ARIZONA  
SCHEDULE 2  
**CHANGES IN NET ASSETS (1)**  
FOR THE LAST FIVE FISCAL YEARS (2)  
FISCAL YEAR ENDED JUNE 30, 2006  
(Expressed in Thousands)

	Fiscal Year				
	2006	2005	2004, as restated	2003, as restated	2002, as restated (2)
<b>GENERAL REVENUES AND OTHER</b>					
<b>CHANGES IN NET ASSETS</b>					
<b>Governmental Activities:</b>					
Taxes:					
Sales	\$ 6,322,311	\$ 5,421,949	\$ 5,016,585	\$ 4,551,804	\$ 4,450,691
Income	4,548,843	3,562,916	2,800,461	2,371,005	2,442,320
Tobacco (3)	248,122	237,430	223,804	-	-
Property	43,035	46,148	50,455	37,470	49,611
Motor vehicle and fuel (7)	1,857,293	1,758,950	1,613,952	1,563,876	1,493,259
Other (3)	575,946	493,501	539,218	632,896	544,514
Unrestricted investment earnings	172,311	106,362	24,227	77,914	116,614
Unrestricted grants and contributions	12,293	11,624	8,502	7,222	8,518
Miscellaneous general revenues (5)	235,610	387,269	281,109	319,873	186,917
Gain on sale of trust land	567,364	288,483	319,517	137,563	137,565
Transfers	(774,492)	(707,597)	(678,726)	(665,004)	(709,916)
<b>Total Governmental Activities</b>	<b>13,808,636</b>	<b>11,607,035</b>	<b>10,199,104</b>	<b>9,034,619</b>	<b>8,720,093</b>
<b>Business-type Activities:</b>					
Sales taxes	54,550	57,584	50,050	43,450	41,367
Unrestricted investment earnings	49,050	40,311	38,753	32,527	29,327
Unrestricted grants and contributions (9)	-	5	-	3	83,108
Miscellaneous general revenues (4)	58,816	26,017	46,615	26,985	12,447
Contributions to permanent endowments	3,803	2,955	2,231	3,037	2,723
Special items	(7,874)	-	(6,880)	-	-
Transfers	774,492	707,597	678,726	665,004	709,916
<b>Total Business-type Activities</b>	<b>932,837</b>	<b>834,469</b>	<b>809,495</b>	<b>771,006</b>	<b>878,888</b>
<b>Total Primary Government</b>	<b>\$ 14,741,473</b>	<b>\$ 12,441,504</b>	<b>\$ 11,008,599</b>	<b>\$ 9,805,625</b>	<b>\$ 9,598,981</b>
<b>CHANGE IN NET ASSETS</b>					
Governmental activities (8)	\$ 2,871,740	\$ 1,658,326	\$ 679,900	\$ (564,782)	\$ (273,867)
Business-type activities	241,135	13,443	(220,412)	(219,966)	14,567
<b>Total Primary Government</b>	<b>\$ 3,112,875</b>	<b>\$ 1,671,769</b>	<b>\$ 459,488</b>	<b>\$ (784,748)</b>	<b>\$ (259,300)</b>

- (1) This schedule reports using the accrual basis of accounting.
- (2) The State implemented GASB Statement 34 in fiscal year 2002. Therefore, ten years of data is not available, but will be accumulated over time.
- (3) Prior to fiscal year 2004, tobacco tax revenue was included in other tax revenue.
- (4) Beginning in fiscal year 2005, settlement income for the Industrial Commission Special Fund is classified as a program revenue, charges for services. Prior to this, it was classified as a miscellaneous general revenue. In fiscal year 2005, settlement income was \$41,554.
- (5) Beginning in fiscal year 2004, operating grants and contributions included Indian gaming revenue and tobacco settlement revenue. For fiscal year 2004, gaming revenue was \$57,517 and this was the first year that gaming revenue was earned, as a result of Proposition 202. For fiscal year 2004, tobacco settlement revenue was \$91,601. Prior to fiscal year 2004, tobacco settlement revenue was included in miscellaneous general revenues.
- (6) The Industrial Commission Special Fund's cost of sales and benefits expense decreased \$125,828 during fiscal year 2006, primarily due to a decrease in insolvent carrier liabilities. During fiscal years 2005 and 2004, insolvent carrier liability increased, primarily as the result of \$67,423 and \$107,600, respectively, in Arizona workers' compensation claims from the defunct California domiciled Fremont Companies.
- (7) \$31,804 of transportation's charges for services for fiscal year 2005 were classified as motor vehicle and fuel tax revenues.
- (8) For fiscal year 2006, net assets for governmental activities were increased by the capitalization of \$302,375 of capital assets that were previously recorded as transportation expenses.
- (9) In fiscal year 2002, private gifts not restricted for capital purposes of \$83,100 for the Universities were classified as general revenues. In future fiscal years, these gifts are classified as program revenues.

STATE OF ARIZONA  
SCHEDULE 3  
**FUND BALANCES, GOVERNMENTAL FUNDS (1)**  
FOR THE LAST FIVE FISCAL YEARS (2)  
FISCAL YEAR ENDED JUNE 30, 2006  
(Expressed in Thousands)

	Fiscal Year				
	2006	2005	2004	2003	2002, as restated (2)
<b>GENERAL FUND:</b>					
Reserved for:					
Budget stabilization fund	\$ 651,020	\$ 160,873	\$ 13,545	\$ 13,737	\$ 67,700
School facilities improvements	110,149	107,260	96,714	101,944	-
Continuing appropriations	69,861	55,727	74,973	87,131	105,816
Other fund balance reservations	302	374	377	598	611
Unreserved	1,434,806	986,168	561,029	343,012	574,146
<b>Total General Fund</b>	<b>\$ 2,266,138</b>	<b>\$ 1,310,402</b>	<b>\$ 746,638</b>	<b>\$ 546,422</b>	<b>\$ 748,273</b>
<b>ALL OTHER GOVERNMENTAL FUNDS:</b>					
Reserved for:					
Highway construction	\$ 426,015	\$ 419,072	\$ 321,401	\$ 342,324	\$ 277,321
Other construction	6,256	7,307	41,165	33,477	53,088
School facilities improvements	-	5,386	17,808	33,893	262,654
Permanent funds	2,043,591	1,716,404	1,361,366	1,123,523	1,082,018
Continuing appropriations	118,671	120,752	114,948	90,238	103,312
Debt service	37,792	21,992	27,693	23,273	61,123
Other fund balance reservations	5,145	25,375	25,138	38,945	38,382
Unreserved, reported in:					
Special revenue funds	657,371	574,938	463,738	444,301	634,710
Capital projects funds	-	-	-	-	29,661
<b>Total All Other Governmental Funds</b>	<b>\$ 3,294,841</b>	<b>\$ 2,891,226</b>	<b>\$ 2,373,257</b>	<b>\$ 2,129,974</b>	<b>\$ 2,542,269</b>

(1) This schedule reports using the modified accrual basis of accounting.

(2) Due to changes in the State's fund structure initiated when GASB Statement 34 was implemented, the fund balance information is available only beginning in fiscal year 2002.

STATE OF ARIZONA  
SCHEDULE 4  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1)**  
FOR THE LAST FIVE FISCAL YEARS (2)  
FISCAL YEAR ENDED JUNE 30, 2006  
(Expressed in Thousands)

	Fiscal Year				
	2006	2005	2004	2003	2002, as restated (2)
<b>REVENUES</b>					
Taxes:					
Sales	\$ 6,313,090	\$ 5,410,383	\$ 4,985,424	\$ 4,555,389	\$ 4,424,528
Income	4,535,492	3,528,565	2,818,778	2,387,369	2,410,342
Tobacco (3)	248,122	237,430	223,804	-	-
Property	43,035	46,148	50,455	37,470	49,611
Motor vehicle and fuel	1,857,293	1,758,950	1,613,952	1,563,876	1,493,259
Other (3)	575,946	493,501	539,218	632,896	543,055
Intergovernmental	8,019,509	7,714,012	7,159,976	6,141,218	5,182,770
Licenses, fees, and permits	410,069	335,760	349,938	320,564	330,041
Earnings on investments	247,250	190,499	131,715	111,771	136,761
Sales and charges for services	162,048	154,251	161,170	111,438	157,912
Fines, forfeitures, and penalties	138,354	121,123	120,032	96,192	98,791
Gaming (4)	84,794	67,658	57,517	-	-
Tobacco settlement (5)	86,231	93,933	92,550	-	-
Other (5)	269,411	430,097	313,220	337,930	324,433
Total Revenues	<u>22,990,644</u>	<u>20,582,310</u>	<u>18,617,749</u>	<u>16,296,113</u>	<u>15,151,503</u>
<b>EXPENDITURES</b>					
Current:					
General government	861,373	758,149	718,229	689,603	511,167
Health and welfare	8,995,430	8,419,913	7,733,516	6,652,661	5,788,774
Inspection and regulation	157,401	146,523	136,189	139,863	133,584
Education	5,302,942	4,852,099	4,702,609	4,882,516	4,188,501
Protection and safety	1,247,508	1,132,473	1,028,134	925,667	892,986
Transportation (6)	373,603	564,574	717,463	463,756	401,372
Natural resources	178,832	175,593	153,533	163,946	140,600
Intergovernmental revenue sharing	2,661,894	2,335,828	2,144,438	2,159,691	2,190,211
Debt service:					
Principal	261,277	381,512	327,595	297,508	270,912
Interest and other fiscal charges	176,933	200,731	188,247	140,613	125,594
Capital outlay (6)	1,066,815	710,688	695,289	1,041,038	1,127,411
Total Expenditures	<u>21,284,008</u>	<u>19,678,083</u>	<u>18,545,242</u>	<u>17,556,862</u>	<u>15,771,112</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,706,636</u>	<u>904,227</u>	<u>72,507</u>	<u>(1,260,749)</u>	<u>(619,609)</u>

(Continued)

STATE OF ARIZONA  
SCHEDULE 4  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1)**  
FOR THE LAST FIVE FISCAL YEARS (2)  
FISCAL YEAR ENDED JUNE 30, 2006  
(Expressed in Thousands)

	Fiscal Year				2002, as restated (2)
	2006	2005	2004	2003	
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	812,083	1,011,456	940,050	1,053,862	848,252
Transfers out	(1,585,754)	(1,714,562)	(1,616,105)	(1,690,443)	(1,549,833)
Proceeds from sale of trust land	284,293	274,127	149,001	88,066	51,265
Proceeds from sale of capital assets	11,118	-	-	-	-
Capital lease and installment purchase contracts	3,543	5,350	24,349	101,473	4,167
Refunding bonds issued	596,160	224,283	107,940	90,530	74,250
Payment to refunded bond escrow agent	(646,689)	(247,417)	(145,965)	(107,735)	(77,135)
Bonds issued	118,250	210,577	389,746	662,975	148,350
Premium on bonds issued	59,711	38,651	22,024	46,377	10,142
Refunding grant anticipation notes issued	-	-	22,633	-	-
Grant anticipation notes issued	-	104,385	177,322	-	-
Premium on grant anticipation notes issued	-	11,551	9,623	-	-
Refunding certificates of participation issued	-	334,225	16,725	75,295	71,051
Payment to refunded certificates of participation escrow agent	-	(363,052)	(17,273)	(80,713)	(65,087)
Certificates of participation issued	-	237,625	273,735	372,730	68,203
Premium on certificates of participation issued	-	50,307	17,187	34,186	4,674
Total Other Financing Sources (Uses)	<u>(347,285)</u>	<u>177,506</u>	<u>370,992</u>	<u>646,603</u>	<u>(411,701)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 1,359,351</u>	<u>\$ 1,081,733</u>	<u>\$ 443,499</u>	<u>\$ (614,146)</u>	<u>\$ (1,031,310)</u>

**DEBT SERVICE AS A PERCENTAGE OF  
NONCAPITAL EXPENDITURES**

	2.2%	3.1%	2.9%	2.7%	2.7%
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- (1) This schedule reports using the modified accrual basis of accounting.
- (2) Due to changes in the State's fund structure initiated when GASB Statement 34 was implemented, the changes in fund balance information is available only beginning in fiscal year 2002.
- (3) Prior to fiscal year 2004, tobacco tax revenue was included in other tax revenue.
- (4) Beginning in fiscal year 2004, Indian gaming revenue was earned as a result of Proposition 202.
- (5) Prior to fiscal year 2004, tobacco settlement revenue was included in other revenue.
- (6) For fiscal year 2006, transportation expenditures were reduced and capital outlay was increased by \$302,375 for addition of capital assets that were previously recorded as transportation expenditures.

STATE OF ARIZONA  
SCHEDULE 5  
**NET TAXABLE SALES BY CLASSIFICATION (1)**  
FOR THE LAST TEN FISCAL YEARS  
FISCAL YEAR ENDED JUNE 30, 2006  
(Expressed in Thousands)

	Fiscal Year					
	2006	2005	2004	2003	2002	2001
<b>CLASSIFICATION (9)</b>						
Transporting (6)	\$ 59,801	\$ 53,371	\$ 67,486	\$ 26,106	\$ 96,356	\$ 138,656
Mining, oil and gas	321,538	317,202	287,787	268,073	208,310	224,834
Mining severance	1,219,984	656,631	261,623	45,049	(4,264)	168,695
Timber severance (3)	-	-	-	-	766	-
Utilities	7,679,982	6,828,179	6,430,306	5,940,826	5,919,273	5,814,282
Communications	3,220,062	2,934,858	2,809,508	2,869,499	2,945,681	2,870,089
Private car and pipelines	25,751	14,832	15,920	12,493	7,134	15,486
Publishing	133,680	134,925	128,911	133,229	82,843	124,462
Job printing	403,686	367,010	348,924	427,730	351,142	402,934
Local advertising (7)	-	-	-	-	-	-
Restaurants and bars	8,933,459	7,939,964	7,202,034	6,655,028	6,428,712	6,300,820
Amusements	998,767	872,520	813,489	782,670	743,800	760,838
Commercial lease (4)	(120)	919	(6,518)	(7,579)	36,913	182,691
Personal property rentals	3,633,374	3,242,363	3,174,945	3,319,778	3,607,519	3,658,549
Contracting	20,487,917	16,044,847	13,156,490	11,563,726	11,820,597	11,250,538
Feed wholesale (2)	-	-	(8)	(67)	(1,806)	(42)
Retail	53,147,971	46,378,344	42,409,055	39,408,769	38,432,860	38,282,337
Hotel/motel	2,268,776	2,063,973	1,831,153	1,698,499	1,659,761	1,871,009
Rental occupancy tax	3,471	2,414	4,202	1,428	5,968	4,897
Use tax	6,155,959	5,218,535	4,644,319	3,793,691	3,240,460	3,922,953
Membership camping	2,785	2,897	2,998	2,406	2,741	2,420
Agriculture equipment (5)	-	-	-	-	2,107	1,213
Other	-	-	119	-	-	-
<b>Total</b>	<b>\$ 108,696,843</b>	<b>\$ 93,073,784</b>	<b>\$ 83,582,743</b>	<b>\$ 76,941,354</b>	<b>\$ 75,586,873</b>	<b>\$ 75,997,661</b>
Direct sales tax rate (8)	5.60%	5.60%	5.60%	5.60%	5.60%	5.00%

N/A = Not available

- (1) Net taxable sales are based upon tax receipts.
- (2) Feed wholesale dropped to 0% effective July 17, 1994 and was repealed effective October 1, 1994.
- (3) Effective July 13, 1995, the tax rate on timber severance was changed to a dollar amount per 1,000 board feet. Timber severance includes only sales subject to the repealed rate.
- (4) Commercial lease rate dropped to 0% effective July 1, 1997.
- (5) Agriculture equipment was phased out on July 1, 1988 and is not a current business classification.
- (6) The transporting/towing and railroads/aircraft business classifications have been combined into one category and renamed "transporting."
- (7) Local advertising was phased out on January 1, 1986.
- (8) A significant portion of the revenue base was subject to a sales tax rate of 5.6% for fiscal years 2002 thru 2006 and 5.0% for most of fiscal year 2001 (rate increased to 5.6% during fiscal year 2001 on June 1, 2001). For fiscal years 2000 thru 2006, the tax rate for non-metal mining, oil and gas was 3.125%, the mining severance was 2.5%, the timbering severance for ponderosa and other was \$2.13 and \$1.51 per thousand board feet, respectively, the hotel/motel tax was 5.5%, the rental occupancy tax was 3.0%, and the jet fuel and jet fuel use tax was \$.0305 per gallon. Tax rates for fiscal years 1997 thru 1999 are not available.
- (9) The names of the ten largest revenue payers are not available. Therefore, the categories are intended to provide alternative information regarding the sources of the State's revenue.

Source: Arizona Department of Revenue Annual Report.

Fiscal Year

	2000	1999	1998	1997
\$	89,506	\$ 94,360	\$ 100,970	\$ 87,696
	193,934	204,731	190,473	169,156
	481,583	749,257	1,082,898	1,082,132
	-	-	(1)	1
	5,268,208	5,066,644	4,923,558	4,662,480
	2,453,094	2,153,028	1,919,237	1,649,990
	5,612	15,556	12,774	19,794
	112,358	119,042	110,593	110,799
	418,678	418,740	405,093	389,732
	27	(2)	-	24
	5,976,371	5,476,713	5,095,504	4,779,738
	758,823	680,141	672,757	622,831
	659,199	(133,064)	386,200	3,541,062
	3,412,996	3,170,338	2,909,346	2,550,875
	10,847,157	10,021,561	8,568,022	7,777,804
	382	270	(6,707)	(11,278)
	36,403,862	32,964,475	30,469,141	28,256,623
	1,818,474	1,679,515	1,609,506	1,527,986
	3,734	3,931	4,211	3,292
	3,514,613	2,951,224	2,729,476	2,392,016
	1,411	1,682	1,622	1,479
	-	-	-	-
	-	-	-	-
\$	<u>72,420,022</u>	<u>\$ 65,638,142</u>	<u>\$ 61,184,673</u>	<u>\$ 59,614,232</u>
	5.00%	N/A	N/A	N/A

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STATE OF ARIZONA  
SCHEDULE 6  
**SALES TAX REVENUE PAYERS BY CLASSIFICATION**  
CURRENT YEAR AND NINE YEARS AGO  
(Expressed in Thousands)

CLASSIFICATION	Fiscal Year 2006		Fiscal Year 1997	
	Tax	Percentage	Tax	Percentage
	Collections (4)	of Total	Collections (5)	of Total
Transporting (3)	\$ 2,984	0.05 %	\$ 2,898	0.10 %
Non-metal mining, oil and gas	10,022	0.17	5,286	0.19
Mining severance	30,440	0.50	27,053	0.96
Timbering severance - ponderosa	33	-	37	-
Timbering severance - other	(1)	-	4	-
Utilities	382,991	6.35	233,124	8.24
Communications	160,610	2.66	82,500	2.91
Railroads and aircraft (3)	-	-	1,487	0.05
Private car and pipelines	1,284	0.02	990	0.03
Publishing	6,666	0.11	5,540	0.20
Printing	20,136	0.33	19,487	0.69
Restaurants and bars	445,591	7.39	238,986	8.44
Amusements	49,829	0.83	31,139	1.10
Commercial lease (2)	(3)	-	43,000	1.52
Personal property rentals	181,224	3.01	127,544	4.51
Contracting	1,017,224	16.88	388,889	13.74
Feed wholesale (1)	-	-	(53)	-
Retail	2,650,935	43.98	1,412,827	49.92
Hotel/motel	124,483	2.07	84,039	2.97
Rental occupancy tax	104	-	99	-
Use tax utilities	828	0.01	-	-
Use tax	306,199	5.08	119,601	4.23
License fees	1,039	0.02	523	0.02
Membership camping	139	-	74	-
Jet fuel tax	6,060	0.10	4,624	0.16
Jet fuel use tax	724	0.01	532	0.02
Non sufficient funds	1	-	74	-
Telecommunications service assistance	(262)	-	(112)	-
Education tax (4)	628,471	10.43	-	-
<b>Total</b>	<b>\$ 6,027,751</b>	<b>100.00 %</b>	<b>\$ 2,830,192</b>	<b>100.00 %</b>

(1) Feed wholesale dropped to 0% effective July 17, 1994 and was repealed effective October 1, 1994.

(2) Commercial lease rate dropped to 0% effective July 17, 1997.

(3) Transporting/towing was combined with railroads/aircraft for confidentiality purposes beginning in fiscal year 2004.

(4) The education tax is .6% of net taxable sales for most classifications. The ones that do not collect the education tax are nonmetal mining, oil and gas, mining and timbering severances, hotel/motel, rental occupancy, and jet fuel taxes. The Arizona Department of Revenue's annual report does not include the amount of education tax collected from each classification, rather it reports the total collected from all classifications. The education tax became effective June 1, 2001.

(5) Does not reflect the balance of undistributed estimated payments of \$10,550 at the end of fiscal year 1997.

Source: Arizona Department of Revenue Annual Report.

STATE OF ARIZONA  
SCHEDULE 7  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
FOR THE LAST TEN FISCAL YEARS  
FISCAL YEAR ENDED JUNE 30, 2006  
(Expressed in Thousands)

	Fiscal Year					
	2006	2005	2004	2003	2002, as restated (1)	2001, as restated (2)
<b>GOVERNMENTAL ACTIVITIES:</b>						
Revenue bonds	\$ 2,106,700	\$ 2,170,845	\$ 2,278,225	\$ 2,173,055	\$ 1,782,510	\$ 1,882,765
Grant anticipation notes	325,430	363,970	308,585	169,145	182,295	182,295
Certificates of participation	1,020,810	1,054,677	845,804	582,511	231,904	186,447
Capital leases	129,808	126,676	125,974	104,644	8,517	9,390
Installment purchase contracts	6,815	6,926	4,602	6,188	10,228	9,767
Notes payable	-	-	562	10,301	38,859	-
Premiums and discounts on debt	219,958	197,479	144,759	108,732	32,700	19,766
Deferred amount on refundings	(17,832)	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>3,791,689</b>	<b>3,920,573</b>	<b>3,708,511</b>	<b>3,154,576</b>	<b>2,287,013</b>	<b>2,290,430</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>						
Revenue bonds	802,600	768,000	756,781	597,238	596,403	540,019
Certificates of participation	946,766	860,759	641,315	429,144	422,010	244,934
Capital leases	113,388	120,361	80,338	31,923	37,758	29,259
Installment purchase contracts	10,279	7,276	5,038	3,823	3,832	1,634
Notes payable	-	30	80	129	-	-
Premiums and discounts on debt	38,331	36,133	28,184	21,686	20,794	-
Deferred amount on refundings	(21,606)	(20,821)	(10,970)	(11,305)	(8,999)	-
<b>Total Business-type Activities</b>	<b>1,889,758</b>	<b>1,771,738</b>	<b>1,500,766</b>	<b>1,072,638</b>	<b>1,071,798</b>	<b>815,846</b>
<b>Total Primary Government</b>	<b>\$ 5,681,447</b>	<b>\$ 5,692,311</b>	<b>\$ 5,209,277</b>	<b>\$ 4,227,214</b>	<b>\$ 3,358,811</b>	<b>\$ 3,106,276</b>
Debt as a Percentage of						
Personal Income (3)	3.2%	3.5%	3.5%	2.9%	2.4%	2.3%
Amount of Debt per Capita (3)						
	\$ 957	\$ 992	\$ 934	\$ 777	\$ 634	\$ 601

Note: Details regarding the State's outstanding debt can be found in the notes to the financial statements.

- (1) The State of Arizona implemented GASB 34 in fiscal year 2002.
- (2) For fiscal years 2001 and prior, any premiums, discounts, or deferred amounts on refundings are combined in the respective revenue bond, grant anticipation note, or certificate of participation line items.
- (3) See Schedule 16 for personal income and population data. These ratios are calculated using personal income and population data for the calendar year that ends during that fiscal year. For example, fiscal year 2005 contains data for the calendar year ending December 31, 2004.

Fiscal Year

	2000 (2)	1999 (2)	1998 (2)	1997, as restated (2)
\$	1,337,108	\$ 1,257,492	\$ 1,257,156	\$ 1,379,836
	-	-	-	-
	201,639	215,989	242,052	278,662
	21,115	10,317	11,883	12,113
	6,415	11,917	15,107	20,335
	-	-	-	-
	-	-	-	-
	-	-	-	-
	<u>1,566,277</u>	<u>1,495,715</u>	<u>1,526,198</u>	<u>1,690,946</u>
	567,659	559,109	585,413	580,399
	191,899	110,884	118,129	121,715
	12,525	4,931	5,711	9,107
	9,835	2,156	2,085	2,898
	-	-	-	-
	-	-	-	-
	-	-	-	-
	<u>781,918</u>	<u>677,080</u>	<u>711,338</u>	<u>714,119</u>
\$	<u>2,348,195</u>	<u>\$ 2,172,795</u>	<u>\$ 2,237,536</u>	<u>\$ 2,405,065</u>
	1.9%	1.9%	2.2%	2.5%
\$	467	\$ 445	\$ 472	\$ 524

STATE OF ARIZONA  
SCHEDULE 8  
**LEGAL DEBT MARGIN INFORMATION**  
**ARIZONA TRANSPORTATION BOARD HIGHWAY REVENUE BONDS**  
FOR THE LAST TEN FISCAL YEARS  
FISCAL YEAR ENDED JUNE 30, 2006  
(Expressed in Thousands)

Fiscal Year	Total Principal Outstanding Debt Limit (1)			Highest Annual Principal and Interest Payment Debt Limit (1), (2)				
	Debt Limit	Total Principal Applicable to Limit	Legal Debt Margin	Total Principal Applicable to the Limit as a Percentage of Debt Limit	(3) Debt Limit	Highest Annual Principal and Interest Payment	Legal Debt Margin	Highest Annual Principal and Interest Payment as a Percentage of Debt Limit
2006	\$ 1,300,000	\$ 1,223,425	\$ 76,575	94.11 %	\$ 312,204	\$ 121,025	\$ 191,179	\$ 38.76 %
2005	1,300,000	1,161,355	138,645	89.34	230,882	115,633	115,249	50.08
2004	1,300,000	1,017,360	282,640	78.26	278,927	106,220	172,707	38.08
2003	1,300,000	932,700	367,300	71.75	270,270	99,923	170,347	36.97
2002	1,000,000	734,155	265,845	73.42	261,663	86,496	175,167	33.06
2001	800,000	700,280	99,720	87.54	256,945	82,712	174,233	32.19
2000	800,000	608,500	191,500	76.06	264,361	N/A	N/A	N/A
1999	800,000	524,345	275,655	65.54	254,968	N/A	N/A	N/A
1998	800,000	568,150	231,850	71.02	234,120	N/A	N/A	N/A
1997	800,000	611,555	188,445	76.44	234,271	N/A	N/A	N/A

- (1) Arizona Revised Statutes restrict the total principal amount of Arizona Highway Revenue Bonds that may be outstanding at any time, excluding refunded bonds, from exceeding \$1.3 billion. Also, the monies subject to pledge for the preceding twelve months must exceed, by two times, the highest annual principal and interest payments on all of the outstanding Arizona Highway Revenue Bonds for the highest one year period during the life of the outstanding bonds. Also, as stated in House Bill 2206 of the Second Regular Session of the Forty-seventh Legislature, the \$1.3 billion debt limit is eliminated from ARS §28-7510 and the amount that pledged monies are required to exceed the highest annual principal and interest payments is amended from two to three times. The general effective date of this change is September 21, 2006.
- (2) For fiscal years 1997 to 2000, information for calculating the legal debt margin information for the highest annual principal and interest payment limit is unavailable.
- (3) The debt limit is calculated by dividing pledged revenues for the Arizona Highway Transportation Board Highway Revenue Bonds (see schedule 9) by two. Fiscal year 2005 pledged revenues are net of a \$118 million distribution to the State General Fund.

STATE OF ARIZONA  
SCHEDULE 9  
**PLEDGED-REVENUE COVERAGE**  
**ARIZONA TRANSPORTATION BOARD HIGHWAY REVENUE BONDS**  
FOR THE LAST TEN FISCAL YEARS  
FISCAL YEAR ENDED JUNE 30, 2006  
(Expressed in Thousands)

Fiscal Year	(1), (2) Pledged Revenue	Debt Service			Coverage
		Principal	Interest	Total	
2006	\$ 624,408	\$ 54,830	\$ 62,222	\$ 117,052	5.3
2005	461,763	44,265	60,459	104,724	4.4
2004	557,854	51,155	53,149	104,304	5.3
2003	540,540	44,490	41,932	86,422	6.3
2002	523,326	45,365	38,534	83,899	6.2
2001	513,890	52,055	36,581	88,636	5.8
2000	528,721	46,270	33,994	80,264	6.6
1999	509,935	43,805	31,090	74,895	6.8
1998	468,240	43,405	33,266	76,671	6.1
1997	468,542	40,970	36,148	77,118	6.1

- (1) The Highway Revenue Bonds are secured by a prior lien on and pledge of motor vehicle and related fuel fees and taxes.
- (2) Includes vehicle license tax revenues distributed directly to the State Highway Fund. Fiscal year 2005 is net of a \$118 million distribution to the State General Fund.

STATE OF ARIZONA  
SCHEDULE 10  
**PLEDGED-REVENUE COVERAGE**  
**ARIZONA TRANSPORTATION BOARD TRANSPORTATION EXCISE TAX REVENUE BONDS**  
FOR THE LAST TEN FISCAL YEARS  
FISCAL YEAR ENDED JUNE 30, 2006  
(Expressed in Thousands)

Fiscal Year	(1) Pledged Revenue	Debt Service			Coverage
		Principal	Interest	Total	
2006	\$ 316,491	\$ 80,375	\$ 1,566	\$ 81,941	3.9
2005	316,806	208,625	14,318	222,943	1.4
2004	288,600	199,400	23,553	222,953	1.3
2003	268,721	190,415	31,533	221,948	1.2
2002	267,563	163,455	35,445	198,900	1.3
2001	264,722	156,865	40,035	196,900	1.3
2000	248,596	128,805	42,609	171,414	1.5
1999	229,470	106,765	43,251	150,016	1.5
1998	209,263	82,765	40,512	123,277	1.7
1997	192,257	78,015	45,248	123,263	1.6

- (1) The Bonds are secured by transportation excise taxes collected by the Arizona Department of Revenue on behalf of Maricopa County.

STATE OF ARIZONA  
SCHEDULE 11  
**PLEDGED-REVENUE COVERAGE**  
**SCHOOL FACILITIES BOARD STATE SCHOOL IMPROVEMENT REVENUE BONDS**  
FOR THE LAST FIVE FISCAL YEARS (1)  
FISCAL YEAR ENDED JUNE 30, 2006  
(Expressed in Thousands)

Fiscal Year	(2) Pledged Revenue	(3) Debt Service			Coverage
		Principal	Interest	Total	
2006	\$ 628,471	\$ 34,480	\$ 30,052	\$ 64,532	9.74
2005	538,346	28,485	36,060	64,545	8.34
2004	487,215	27,215	37,568	64,783	7.52
2003	447,841	25,010	36,901	61,911	7.23
2002	439,005	43,035	26,962	69,997	6.27

- (1) No debt service payments were due prior to fiscal year 2002.
- (2) Pledged revenues consist of education transaction privilege tax revenues. These revenues result from a .6% increase in the State transaction privilege and use tax rate that was approved by a statewide vote at the November 2000 election.
- (3) Principal does not include sinking fund deposits of \$1,270 each year, beginning in fiscal year 2003 and ending in fiscal year 2007, that will be sufficient to retire bonds with a par amount of \$6,350 upon maturity, in fiscal year 2016.

STATE OF ARIZONA  
SCHEDULE 12  
**PLEDGED-REVENUE COVERAGE**  
**SCHOOL FACILITIES BOARD STATE SCHOOL TRUST REVENUE BONDS**  
FOR THE LAST THREE FISCAL YEARS (1)  
FISCAL YEAR ENDED JUNE 30, 2006  
(Expressed in Thousands)

Fiscal Year	(2) Pledged Revenue	(3) Debt Service			Coverage
		Principal	Interest	Total	
2006	\$ 90,097	\$ 13,440	\$ 12,061	\$ 25,501	3.53
2005	85,195	13,740	11,960	25,700	3.31
2004	64,903	-	8,634	8,634	7.52

- (1) No debt service payments were due prior to fiscal year 2004.
- (2) Pledged revenues consist of expendable revenue from the State School Trust. This revenue includes the State Treasurer's formula distribution of earnings on permanent fund investments as specified in the Arizona Constitution. Additionally, the State Land Commissioner distributes interest received from financed sales of trust lands and revenue received from land trust leases.
- (3) Principal does not include sinking fund deposits of \$1,538 each year, beginning in fiscal year 2006 and ending in fiscal year 2018, that will be sufficient to retire bonds with a par amount of \$20,000 upon maturity, in fiscal year 2018.

STATE OF ARIZONA  
SCHEDULE 13  
**PLEDGED-REVENUE COVERAGE**  
**ARIZONA STATE UNIVERSITY REVENUE BONDS**  
FOR THE LAST TEN FISCAL YEARS  
FISCAL YEAR ENDED JUNE 30, 2006  
(Expressed in Thousands)

Fiscal Year	(1)					
	Pledged Revenue	Debt Service			Coverage	
		Principal	Interest	Total		
2006	\$ 458,177	\$ 11,205	\$ 16,307	\$ 27,512	16.65	
2005	383,756	1,340	16,260	17,600	21.80	
2004	325,626	-	13,754	13,754	23.68	
2003	297,691	9,695	9,575	19,270	15.45	
2002	274,596	9,785	12,139	21,924	12.52	
2001	261,328	8,995	11,766	20,761	12.59	
2000	242,764	9,640	12,245	21,885	11.09	
1999	233,404	9,205	12,685	21,890	10.66	
1998	210,397	8,780	13,113	21,893	9.61	
1997	196,143	8,330	13,563	21,893	8.96	

(1) Pledged revenues include student tuition and fees, auxiliary enterprises revenue, investment income, and indirect cost recovery revenue.

STATE OF ARIZONA  
SCHEDULE 14  
**PLEDGED-REVENUE COVERAGE**  
**UNIVERSITY OF ARIZONA REVENUE BONDS**  
FOR THE LAST TEN FISCAL YEARS  
FISCAL YEAR ENDED JUNE 30, 2006  
(Expressed in Thousands)

Fiscal Year	(1), (2) Gross Revenues	(1)		Net Revenue Available for Debt Service	Debt Service			Coverage
		Direct Operating Expenses			Principal	Interest	Total	
2006	\$ 897,706	\$ 836,657	\$ 61,049	\$ 12,355	\$ 13,433	\$ 25,788	2.37	
2005	830,077	774,014	56,063	11,815	11,817	23,632	2.37	
2004	778,939	727,161	51,778	10,970	11,706	22,676	2.28	
2003	726,258	667,627	58,631	12,625	12,156	24,781	2.37	
2002	670,326	625,664	44,662	9,946	15,500	25,446	1.76	
2001	710,423	663,284	47,139	12,415	16,359	28,774	1.64	
2000	674,330	625,318	49,012	11,700	13,081	24,781	1.98	
1999	650,201	580,292	69,909	10,714	14,869	25,583	2.73	
1998	605,197	555,733	49,464	9,830	14,463	24,293	2.04	
1997	577,412	535,178	42,234	9,360	14,935	24,295	1.74	

- (1) Gross Revenues and Direct Operating Expenses include current operating unrestricted funds only since these are the funds that are pledged for debt service payments under the System Revenue Bond Indentures. Also excluded from expenses is interest, depreciation, and amortization. Fiscal year 2002 Gross Revenues and Direct Operating Expenses include accounting changes applied to scholarship and allowance due to implementation of GASB Statements 34 and 35.
- (2) Payment of principal and interest on revenue bonds are secured by a pledge of tuition and fees, sales and services, auxiliary enterprises, and other charges.

STATE OF ARIZONA  
SCHEDULE 15  
**PLEDGED-REVENUE COVERAGE**  
**NORTHERN ARIZONA UNIVERSITY REVENUE BONDS**  
FOR THE LAST TEN FISCAL YEARS  
FISCAL YEAR ENDED JUNE 30, 2006  
(Expressed in Thousands)

Fiscal Year	(1) Gross Revenues	Debt Service			Coverage
		Principal	Interest	Total	
2006	\$ 129,608	\$ 10,310	\$ 6,603	\$ 16,913	7.66
2005	110,981	10,065	6,060	16,125	6.88
2004	103,192	10,294	5,778	16,072	6.42
2003	85,294	9,426	5,066	14,492	5.89
2002	82,839	6,932	3,949	10,881	7.61
2001	78,907	6,214	5,246	11,460	6.89
2000	75,852	6,119	5,488	11,607	6.54
1999	73,467	6,075	5,810	11,885	6.18
1998	71,743	5,743	6,145	11,888	6.03
1997	70,036	5,677	4,859	10,536	6.65

- (1) Revenue bonds are repaid from pledged gross revenues that primarily consist of student tuition and fees and certain auxiliary revenues.

STATE OF ARIZONA  
 SCHEDULE 16  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 FOR THE LAST TEN CALENDAR YEARS

Calendar Year Ended	Population (1)	Personal Income (in thousands)	Per Capita Personal Income (2)	Unemployment Rate (3)
December 31				
2005	5,939,292	\$ 179,113,939	\$ 30,157	4.7
2004	5,739,879	164,413,154	28,644	5.0
2003	5,577,784	150,846,681	27,044	5.7
2002	5,438,159	144,150,287	26,507	6.1
2001	5,295,929	138,853,800	26,219	4.7
2000	5,165,993	132,557,859	25,660	4.0
1999	5,023,823	120,857,125	24,057	4.5
1998	4,883,342	113,370,224	23,216	4.3
1997	4,736,990	103,557,083	21,861	4.6
1996	4,586,940	95,514,037	20,823	5.5

- (1) Population has been revised to show midyear population estimates of the Bureau of the Census.
- (2) Per capita personal income is total personal income divided by total midyear population estimates of the Bureau of the Census. Years 2001 through 2004 have been revised to incorporate newly available source data.
- (3) The unemployment rate for 2002 was revised.

Sources: Bureau of Economic Analysis (for population, personal income, and per capita personal income figures).  
 Arizona Department of Economic Security's website, www.workforce.az.gov (for unemployment rates).

STATE OF ARIZONA  
 SCHEDULE 17  
**PRINCIPAL EMPLOYERS**  
 CURRENT YEAR AND NINE YEARS AGO

Employer	Calendar Year Ended December 31, 2005			Calendar Year Ended December 31, 1996		
	Full-Time Equivalent Employees	Rank	Percentage of Total State Employment	Full-Time Equivalent Employees	Rank	Percentage of Total State Employment
	State of Arizona	49,958	1	1.84 %	60,592	1
Wal-Mart Stores Inc.	28,246	2	1.04	-	-	-
Banner Health (1)	19,250	3	0.71	10,800	7	0.50
City of Phoenix	13,844	4	0.51	11,393	4	0.53
U.S. Army Intelligence Center and Fort Huachuca	13,098	5	0.48	11,193	5	0.52
Maricopa County	13,002	6	0.48	12,025	3	0.56
Wells Fargo & Co.	11,533	7	0.43	-	-	-
Arizona State University	11,202	8	0.41	-	-	-
U.S. Postal Service	11,000	9	0.41	10,833	6	0.50
Raytheon Missile Systems	10,756	10	0.40	-	-	-
Motorola	-	-	-	19,350	2	0.91
University of Arizona	-	-	-	10,311	8	0.48
Allied Signal	-	-	-	8,750	9	0.41
Tucson Unified School District	-	-	-	8,362	10	0.39
<b>Total</b>	<b>181,889</b>		<b>6.71 %</b>	<b>163,609</b>		<b>7.63 %</b>

- (1) Formerly known as Samaritan Health Systems.

Sources: The Business Journal, Book of Lists 2006 and 1997 (for Maricopa County employers).  
 The Arizona Daily Star, Star 200, March 2006 and March 1997 (for Pima County employers, which include the U.S. Army Intelligence Center and Fort Huachuca, Raytheon Missile Systems, University of Arizona, and Tucson Unified School District).  
 Arizona Department of Economic Security's website, www.workforce.az.gov (for annual State employment).

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STATE OF ARIZONA  
SCHEDULE 18  
**STATE EMPLOYEES BY FUNCTION (1)**  
FOR THE LAST THREE FISCAL YEARS  
FISCAL YEAR ENDED JUNE 30, 2006

	Fiscal Year		
	2006	2005	2004 (2)
<b>FULL-TIME EQUIVALENT EMPLOYEES</b>			
General government:			
Lottery	110.0	110.0	110.0
Arizona State Retirement System	221.0	199.0	197.0
Department of Revenue	1,146.0	1,024.0	1,134.0
All other	2,898.6	2,944.3	3,003.0
Health and welfare:			
Department of Economic Security	3,953.7	3,902.7	3,592.9
Arizona Health Care Cost Containment System	1,583.5	1,574.5	1,530.1
Department of Health Services	1,735.5	1,734.5	1,701.5
All other	858.5	924.2	933.2
Inspection and regulation	1,827.3	1,818.5	1,815.3
Education:			
Universities	16,419.5	16,027.5	15,467.4
All other	913.8	949.5	948.1
Protection and safety:			
Department of Corrections	9,726.9	10,322.4	10,295.4
Department of Juvenile Corrections	1,160.5	1,151.5	1,214.4
Department of Public Safety	1,901.8	1,872.0	1,853.0
All other	127.4	120.6	149.6
Transportation:			
Department of Transportation	4,649.0	4,626.0	4,605.0
Natural resources	926.9	903.2	856.9
<b>Total</b>	<b>50,159.9</b>	<b>50,204.4</b>	<b>49,406.8</b>

(1) Full-time equivalent employees are categorized by the function of government that their respective agency generally serves. Information is not available to distinguish between governmental, business-type, or fiduciary activities.

(2) Ten years of data is not available, but will be accumulated over time.

Source: The Executive Budget (Detail).

STATE OF ARIZONA  
 SCHEDULE 19  
**OPERATING INDICATORS BY FUNCTION**  
 FOR THE LAST TEN FISCAL YEARS (1)  
 FISCAL YEAR ENDED JUNE 30, 2006

FUNCTIONS/PROGRAMS	Fiscal Year						
	2006	2005	2004	2003	2002	2001	2000
<b>General government:</b>							
Number of tax returns received (in millions)	6.1	6.0	6.0	5.3	6.3	N/A	N/A
<b>Health and welfare:</b>							
Arizona Health Care Cost Containment System membership (6)	1,065,444	1,075,873	971,292	955,600	791,000	609,000	N/A
Average monthly number of recipients of temporary assistance for needy families	N/A	105,517	122,577	121,193	109,547	93,857	89,770
Average monthly number of persons receiving food stamp benefits	N/A	546,369	521,992	442,320	355,722	277,192	257,989
<b>Inspection and regulation:</b>							
<b>Nonfatal occupational injuries and illnesses:</b>							
Total recordable cases (in thousands) (9)	97.0	87.1	85.7	95.9	113.1	112.8	111.8
Incident rate per 100 full-time workers (9)	4.9	4.7	4.8	5.1	5.9	6.0	6.1
<b>Education:</b>							
Public school enrollment, grades K-12 (2)	1,084,247	1,043,704	1,002,630	970,283	915,656	878,987	866,626
<b>Protection and safety:</b>							
Number of miles patrolled by the Highway Patrol	N/A	19,922,704	19,229,079	18,363,977	18,160,134	N/A	N/A
State prison adult inmate population	34,864	32,710	31,937	30,898	29,273	27,451	26,402
<b>Transportation:</b>							
Number of registered vehicles (3)	6,318,402	5,945,131	5,638,799	5,311,590	5,118,115	4,639,405	4,407,098
Number of driver licenses issued (4)	1,205,068	1,158,223	1,122,893	1,039,780	1,072,245	973,476	967,086
<b>Natural resources:</b>							
Game and Fish Department's license and tag sales (7)	N/A	808,055	835,669	865,634	898,453	986,691	918,038
<b>Universities:</b>							
University full-time equivalent students (5)	107,765	104,685	102,461	100,258	96,603	92,725	92,211
<b>Unemployment compensation:</b>							
Number of initial unemployment claims filed	161,869	200,282	227,585	255,579	255,303	187,697	155,675
<b>Industrial Commission special fund:</b>							
No-insurance awards issued	2,744	3,281	3,300	2,954	3,986	N/A	N/A
Number of vocational rehabilitation awards issued	124	102	139	150	121	N/A	N/A
<b>Lottery:</b>							
Total lottery sales (in millions)	468.7	397.6	366.6	322.3	294.8	272.7	255.6
<b>Other business-type activities:</b>							
Arizona Health Care Cost Containment System's Healthcare Group membership (8)	21,600	14,626	11,218	11,400	12,100	N/A	N/A

N/A = Not available

- (1) Ten years of data may not be available for some statistics, but will be accumulated over time. Also, some figures may represent time periods other than a fiscal year (such as an academic or calendar year), as indicated in the notes below.
- (2) These enrollment counts represent a head count of all active enrollments on October 1st of each school year. The fiscal years above contain data for the academic year that occurs during that fiscal year. For example, fiscal year 2005 contains data from the October 1, 2004 enrollment figures. Please note that these counts are not unduplicated counts; concurrently enrolled students are counted as having an active membership in each school. Also, be aware there was a change in data collection in 2003. From 2003 forward, concurrent enrollments in technology schools are included, which may additionally overstate aggregated enrollment figures.
- (3) Count represents the total number of vehicles registered as of the end of the fiscal year. Starting with fiscal year 2002, a new category for "unassigned vehicles" was added to more fully reflect the total count of all registered vehicles.
- (4) Count represents the number of driver licenses issued during that fiscal year, beginning July 1 and ending June 30. The drop in count from fiscal year 1999 to fiscal year 2000 was due to the change from a five-year driver license to an extended driver license, where expiration occurs on the licensee's 65th birthday. Although the extended driver license was fully implemented at all offices in July 1993, it was not until the end of 1999 that the last of the licenses with five-year expirations were converted to extended licenses.
- (5) Enrollment figures represent the number of full-time equivalent students for the fall semester. The fiscal years above contain data for the fall semester that occurs during that fiscal year. For example, fiscal year 2005 contains data for the fall 2004 semester. These figures are generated by calculating one full-time equivalent student for each 15 student credit hours produced in lower-division undergraduate courses, each 12 student credit hours produced in upper-division undergraduate courses, and each 10 student credit hours produced in graduate courses.
- (6) Approximate number of members enrolled as of June 1. Excludes membership in the Healthcare Group, which is listed separately as other business-type activities, beginning in fiscal year 2002. In November 2000, Arizona voters approved Proposition 204, the Healthy Arizona Initiative, which expanded eligibility to 100% of the federal poverty level. This added 142,800 members and accounted for 28.5% of the overall growth since March 1, 2001.
- (7) Numbers represent sales for licenses, stamps, and tags for the calendar year ended December 31. The fiscal years above contain data for the calendar year that ends during that fiscal year. For example, fiscal year 2005 contains data for the calendar year ending December 31, 2004.
- (8) Approximate number of members enrolled as of June 1.
- (9) Numbers represent total recordable cases and incident rates for the calendar year ended December 31. The fiscal years above contain data for the calendar year that ends during that fiscal year. For example, fiscal year 2005 contains data for the calendar year ending December 31, 2004. One hundred full-time workers represent 200,000 hours worked (100 times 40 hours per week times 50 weeks per year).

Sources: The State Departments of Transportation, Public Safety, Corrections, Education, Game and Fish, Economic Security, and Revenue, the Industrial Commission of Arizona, Arizona Lottery, Arizona Health Care Cost Containment System, Arizona Board of Regents, and the U.S. Department of Labor.

Fiscal Year		
1999	1998	1997
N/A	N/A	N/A
N/A	N/A	N/A
95,556	119,011	155,037
260,736	311,142	385,061
111.4	111.7	126.1
6.2	6.6	7.7
833,301	766,152	786,827
N/A	N/A	N/A
26,169	23,884	22,383
4,159,576	4,013,987	N/A
1,293,425	1,144,700	1,599,773
N/A	N/A	N/A
91,163	90,691	87,827
161,006	158,243	154,998
N/A	N/A	N/A
N/A	N/A	N/A
268.3	250.7	249.8
N/A	N/A	N/A

STATE OF ARIZONA  
 SCHEDULE 20  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
 FOR THE LAST TEN FISCAL YEARS (1)  
 FISCAL YEAR ENDED JUNE 30, 2006

	Fiscal Year						
	2006	2005	2004	2003	2002	2001	2000
<b><u>FUNCTIONS/PROGRAMS</u></b>							
Protection and safety:							
Number of adult prison facilities (3)	10	10	10	10	10	10	10
Transportation:							
Public road mileage (center lane miles) (2)	6,922	6,816	6,912	6,801	6,650	N/A	N/A
Number of bridges (2)	4,676	4,608	4,488	4,463	4,378	N/A	N/A
Natural resources:							
State Trust acres	9,267,377	9,269,723	9,271,580	9,279,243	9,266,158	9,271,921	9,273,846

N/A = Not available

Note: No capital asset indicators are available for the general government, health and welfare, inspection and regulation, education, universities, unemployment compensation, Industrial Commission special fund, Lottery, and other business-type activity functions.

- (1) Ten years of data may not be available for some statistics, but will be accumulated over time. Also, some figures may represent time periods other than a fiscal year (such as a calendar year), as indicated in the notes below.
- (2) These are the number of center lane miles and bridges that the Arizona Department of Transportation accounts for under the modified approach, which is discussed in the Required Supplementary Information portion of this report. The number of center lane miles are for the calendar year ended December 31. The fiscal years above contain the number of center lane miles for the calendar year that ends during that fiscal year. For example, fiscal year 2005 contains the number of center lane miles for the calendar year ending December 31, 2004.
- (3) The Arizona Department of Corrections also contracts with private prison facilities to provide custody and treatment.

Sources: The State Departments of Transportation, Land, and Corrections.

Fiscal Year		
1999	1998	1997
10	9	9
N/A	N/A	N/A
N/A	N/A	N/A
9,277,496	9,280,421	9,363,889