

**COMBINING FINANCIAL  
STATEMENTS AND  
SCHEDULES**

**COMBINING FINANCIAL STATEMENTS AND SCHEDULES**

## **NON-MAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

*Special Revenue Funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.*

### **Debt Service Funds**

*The Debt Service Funds account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.*

### **Capital Projects Funds**

*Capital Projects Funds account for financial resources used to acquire or construct major capital facilities (other than those financed by Proprietary Funds, Pension Trust Funds or Component Units).*

STATE OF ARIZONA  
**COMBINING BALANCE SHEET**  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2007  
(Expressed in Thousands)

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL
<b>ASSETS</b>				
Cash	\$ 5,052	\$ -	\$ -	\$ 5,052
Cash and pooled investments with State Treasurer	968,391	29,889	2,573	1,000,853
Receivables, net of allowances:				
Taxes	18,443	-	-	18,443
Interest	3,345	304	675	4,324
Other	27,701	-	-	27,701
Due from others	89	-	-	89
Due from other Funds	81,093	2,010	135	83,238
Inventories, at cost	156	-	-	156
Restricted assets:				
Cash and pooled investments with State Treasurer	1,543	2,196	206,271	210,010
Cash held by trustee	-	22	2,755	2,777
Other	1	-	-	1
<b>Total Assets</b>	<b>\$ 1,105,814</b>	<b>\$ 34,421</b>	<b>\$ 212,409</b>	<b>\$ 1,352,644</b>

**LIABILITIES AND FUND BALANCES**

Liabilities:

Accounts payable and other current

liabilities	\$ 35,601	\$ -	\$ 40	\$ 35,641
Accrued liabilities	81,415	-	-	81,415
Due to local governments	112,609	-	-	112,609
Due to others	29	-	-	29
Due to other Funds	11,056	-	-	11,056
Unavailable deferred revenue	1,203	-	-	1,203
Unearned deferred revenue	1,280	-	-	1,280
<b>Total Liabilities</b>	<b>243,193</b>	<b>-</b>	<b>40</b>	<b>243,233</b>

Fund Balances:

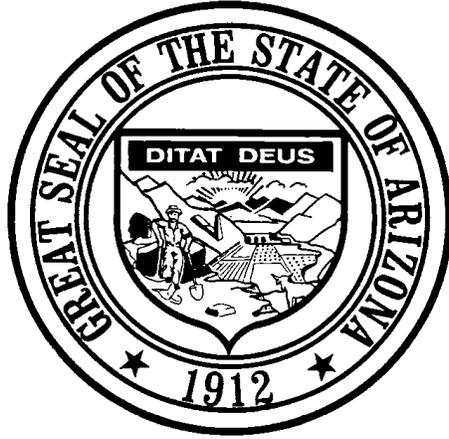
Reserved for:

Highway construction	-	-	207,081	207,081
Other construction	-	-	5,288	5,288
Continuing appropriations	39,842	-	-	39,842
Debt service	-	34,421	-	34,421
Unreserved	822,779	-	-	822,779
<b>Total Fund Balances</b>	<b>862,621</b>	<b>34,421</b>	<b>212,369</b>	<b>1,109,411</b>

<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,105,814</b>	<b>\$ 34,421</b>	<b>\$ 212,409</b>	<b>\$ 1,352,644</b>
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STATE OF ARIZONA  
**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES**  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(Expressed in Thousands)

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL
<b>REVENUES</b>				
Taxes:				
Sales	\$ 532,929	\$ 65,795	\$ -	\$ 598,724
Income	41	-	-	41
Tobacco	259,769	-	-	259,769
Motor vehicle and fuel	6,297	-	-	6,297
Other	91,090	-	-	91,090
Intergovernmental	51,372	-	-	51,372
Licenses, fees, and permits	198,128	-	-	198,128
Earnings on investments	25,997	4,936	9,212	40,145
Sales and charges for services	25,703	-	-	25,703
Fines, forfeitures, and penalties	158,114	-	-	158,114
Gaming	88,020	-	-	88,020
Other	100,434	1	-	100,435
Total Revenues	<u>1,537,894</u>	<u>70,732</u>	<u>9,212</u>	<u>1,617,838</u>
<b>EXPENDITURES</b>				
Current:				
General government	139,415	-	-	139,415
Health and welfare	340,142	-	-	340,142
Inspection and regulation	113,790	-	-	113,790
Education	641,492	-	-	641,492
Protection and safety	95,904	-	-	95,904
Transportation	-	-	4,438	4,438
Natural resources	156,975	-	-	156,975
Debt service:				
Principal	4,495	169,205	-	173,700
Interest and other fiscal charges	2,350	140,937	1,592	144,879
Capital outlay	61,442	-	167,366	228,808
Total Expenditures	<u>1,556,005</u>	<u>310,142</u>	<u>173,396</u>	<u>2,039,543</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(18,111)</u>	<u>(239,410)</u>	<u>(164,184)</u>	<u>(421,705)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	215,680	247,750	-	463,430
Transfers out	(117,784)	(11,711)	(1,348)	(130,843)
Capital lease and installment purchase contracts	47,304	-	-	47,304
Bonds issued	-	-	325,000	325,000
Premium on bonds issued	-	-	26,201	26,201
Total Other Financing Sources (Uses)	<u>145,200</u>	<u>236,039</u>	<u>349,853</u>	<u>731,092</u>
Net Change in Fund Balances	<u>127,089</u>	<u>(3,371)</u>	<u>185,669</u>	<u>309,387</u>
Fund Balances - Beginning	<u>735,532</u>	<u>37,792</u>	<u>26,700</u>	<u>800,024</u>
Fund Balances - Ending	<u>\$ 862,621</u>	<u>\$ 34,421</u>	<u>\$ 212,369</u>	<u>\$ 1,109,411</u>



## **NON-MAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS**

**The Public Safety and Correctional Programs Fund** accounts for law enforcement, military, custody, and related services provided to the general public.

**The Environmental Protection Fund** accounts for the protection of the State's public health by administering the State's environmental quality laws and delegating federal programs to prevent, control, and abate pollution of our air, water, and land resources.

**The Healthcare and Social Services Fund** accounts for health and welfare services provided to the general public.

**The Tobacco Tax and Healthcare Fund** accounts for the receipt of monies levied on tobacco products. The monies are used for health education programs; research, prevention and treatment of tobacco related diseases; to increase the quality of, and access to, the early childhood development and health system that ensures a child entering school comes healthy and ready to succeed; and for medically needy healthcare programs.

**The Judicial and Legal Services Fund** accounts for the anti-racketeering, consumer protection, consumer fraud, anti-trust, and collections enforcement programs of the Attorney General's Office and statewide court improvement functions supervised by the Arizona Supreme Court.

**The Regulating and Licensing Fund** accounts for inspection and regulatory services provided to the general public.

**The Game and Fish Fund** accounts for the receipt of monies collected by the Department of Game and Fish for various hunting and fishing licenses, for the purpose of conserving, enhancing, and restoring Arizona's diverse wildlife resources and habitats, as well as providing safe watercraft and off-highway vehicle recreation.

**The State Parks Development Fund** accounts for the receipt of monies collected by the State Parks Fund for the purpose of acquiring and developing State park lands, sites and facilities.

**The Business Development Fund** accounts for the promotion of statewide economic and community development, which supports a globally competitive Arizona.

**The Educational Programs Fund** accounts for supplemental building needs and instructional improvement programs specifically identified in a voter initiative that enacted a six-tenth of one percent statewide sales tax dedicated to education functions. The Educational Programs Fund supports programs from the kindergarten through university educational levels.

**The Groundwater Protection and Conservation Fund** accounts for strategic water resources planning, Colorado River water management, drought management planning, dam safety, flood mitigation, administration of the Arizona Groundwater Management Code, and administration of water rights. These programs are the responsibility of the Department of Water Resources.

**The Clean Elections System Fund** accounts for fines and fees collected to pay for campaign expenses of statewide candidates and State legislative candidates who choose not to accept private source campaign funds. The fund was established as a result of a voter initiative.

STATE OF ARIZONA  
**COMBINING BALANCE SHEET**  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2007  
(Expressed in Thousands)

	PUBLIC SAFETY & CORRECTIONAL PROGRAMS	ENVIRONMENTAL PROTECTION	HEALTHCARE & SOCIAL SERVICES	TOBACCO TAX & HEALTHCARE	JUDICIAL & LEGAL SERVICES	REGULATING & LICENSING
<b>ASSETS</b>						
Cash	\$ 4,980	\$ 14	\$ -	\$ -	\$ -	\$ 26
Cash and pooled investments with State Treasurer	132,543	108,572	54,045	95,408	52,439	114,024
Receivables, net of allowances:						
Taxes	4,176	-	575	13,692	-	-
Interest	468	515	85	375	178	178
Other	26	-	8,282	-	-	3,261
Due from others	89	-	-	-	-	-
Due from other Funds	4,707	10,727	7,756	482	1,799	191
Inventories, at cost	156	-	-	-	-	-
Restricted assets:						
Cash and pooled investments with State Treasurer	-	-	1,543	-	-	-
Other	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 147,145</b>	<b>\$ 119,828</b>	<b>\$ 72,286</b>	<b>\$ 109,957</b>	<b>\$ 54,416</b>	<b>\$ 117,680</b>

**LIABILITIES AND FUND BALANCES**

<b>Liabilities:</b>						
Accounts payable and other current liabilities	\$ 9,070	\$ 7,276	\$ 3,229	\$ 6,121	\$ 2,459	\$ 1,939
Accrued liabilities	614	58,016	16,646	117	988	2,820
Due to local governments	-	-	-	-	-	-
Due to others	10	-	-	-	-	19
Due to other Funds	10	-	2,118	7,682	222	717
Unavailable deferred revenue	-	-	1,203	-	-	-
Unearned deferred revenue	39	-	1,236	-	-	-
<b>Total Liabilities</b>	<b>9,743</b>	<b>65,292</b>	<b>24,432</b>	<b>13,920</b>	<b>3,669</b>	<b>5,495</b>
<b>Fund Balances:</b>						
Reserved for:						
Continuing appropriations	4,801	4,505	594	2,371	94	3,103
Unreserved	132,601	50,031	47,260	93,666	50,653	109,082
<b>Total Fund Balances</b>	<b>137,402</b>	<b>54,536</b>	<b>47,854</b>	<b>96,037</b>	<b>50,747</b>	<b>112,185</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 147,145</b>	<b>\$ 119,828</b>	<b>\$ 72,286</b>	<b>\$ 109,957</b>	<b>\$ 54,416</b>	<b>\$ 117,680</b>

GAME & FISH	STATE PARKS DEVELOPMENT	BUSINESS DEVELOPMENT	EDUCATIONAL PROGRAMS	GROUNDWATER PROTECTION & CONSERVATION	CLEAN ELECTIONS SYSTEM	TOTAL
\$ 30	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ 5,052
45,821	70,996	63,679	142,008	53,542	35,314	968,391
-	-	-	-	-	-	18,443
264	420	467	17	378	-	3,345
2,103	-	21	14,008	-	-	27,701
-	-	-	-	-	-	89
433	282	41,668	13,048	-	-	81,093
-	-	-	-	-	-	156
-	-	-	-	-	-	1,543
-	-	1	-	-	-	1
<u>\$ 48,651</u>	<u>\$ 71,700</u>	<u>\$ 105,836</u>	<u>\$ 169,081</u>	<u>\$ 53,920</u>	<u>\$ 35,314</u>	<u>\$ 1,105,814</u>

\$ 2,361	\$ 2,491	\$ 406	\$ 131	\$ 95	\$ 23	\$ 35,601
1,581	190	212	139	66	26	81,415
-	-	-	112,609	-	-	112,609
-	-	-	-	-	-	29
289	6	5	3	4	-	11,056
-	-	-	-	-	-	1,203
-	-	5	-	-	-	1,280
<u>4,231</u>	<u>2,687</u>	<u>628</u>	<u>112,882</u>	<u>165</u>	<u>49</u>	<u>243,193</u>

5,292	2,435	1	16,646	-	-	39,842
39,128	66,578	105,207	39,553	53,755	35,265	822,779
44,420	69,013	105,208	56,199	53,755	35,265	862,621
<u>\$ 48,651</u>	<u>\$ 71,700</u>	<u>\$ 105,836</u>	<u>\$ 169,081</u>	<u>\$ 53,920</u>	<u>\$ 35,314</u>	<u>\$ 1,105,814</u>

STATE OF ARIZONA  
**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES**  
NON-MAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

(Expressed in Thousands)

	PUBLIC		HEALTHCARE	TOBACCO	JUDICIAL	REGULATING
	SAFETY & CORRECTIONAL PROGRAMS	ENVIRONMENTAL PROTECTION	& SOCIAL SERVICES	TAX & HEALTHCARE	& LEGAL SERVICES	& LICENSING
<b>REVENUES</b>						
Taxes:						
Sales	\$ 22,421	\$ -	\$ 7,001	\$ -	\$ -	\$ -
Income	3	-	-	-	-	-
Tobacco	6,563	-	12,335	240,871	-	-
Motor vehicle and fuel	-	6,257	-	-	-	-
Other	52,802	2,449	1	502	-	35,336
Intergovernmental	6,807	227	15,580	-	926	1,452
Licenses, fees, and permits	16,116	42,235	10,502	-	7,803	74,119
Earnings on investments	3,844	4,266	719	1,516	1,181	1,443
Sales and charges for services	7,414	64	487	-	15,074	643
Fines, forfeitures, and penalties	63,802	2,069	12,356	-	65,729	4,482
Gaming	-	-	23,630	-	-	9,777
Other	5,325	326	5,353	91	561	6,757
Total Revenues	<u>185,097</u>	<u>57,893</u>	<u>87,964</u>	<u>242,980</u>	<u>91,274</u>	<u>134,009</u>
<b>EXPENDITURES</b>						
Current:						
General government	29,185	1,129	4,271	493	59,487	1,148
Health and welfare	-	98,162	77,445	164,495	-	40
Inspection and regulation	-	1,416	-	-	-	112,374
Education	-	-	-	353	-	-
Protection and safety	95,904	-	-	-	-	-
Natural resources	14,751	660	-	-	-	-
Debt service:						
Principal	4,405	-	-	-	-	82
Interest and other fiscal charges	2,341	-	-	-	9	-
Capital outlay	49,161	22	132	56	215	1,374
Total Expenditures	<u>195,747</u>	<u>101,389</u>	<u>81,848</u>	<u>165,397</u>	<u>59,711</u>	<u>115,018</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(10,650)</u>	<u>(43,496)</u>	<u>6,116</u>	<u>77,583</u>	<u>31,563</u>	<u>18,991</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	54,233	56,800	7,641	13	3,656	549
Transfers out	(61,439)	(1,305)	(2,954)	(1,842)	(26,728)	(13,517)
Capital lease and installment purchase contracts	46,955	-	-	-	-	217
Total Other Financing Sources (Uses)	<u>39,749</u>	<u>55,495</u>	<u>4,687</u>	<u>(1,829)</u>	<u>(23,072)</u>	<u>(12,751)</u>
Net Change in Fund Balances	29,099	11,999	10,803	75,754	8,491	6,240
Fund Balances - Beginning	108,303	42,537	37,051	20,283	42,256	105,945
Fund Balances - Ending	<u>\$ 137,402</u>	<u>\$ 54,536</u>	<u>\$ 47,854</u>	<u>\$ 96,037</u>	<u>\$ 50,747</u>	<u>\$ 112,185</u>

GAME & FISH	STATE PARKS DEVELOPMENT	BUSINESS DEVELOPMENT	EDUCATIONAL PROGRAMS	GROUNDWATER PROTECTION & CONSERVATION	CLEAN ELECTIONS SYSTEM	TOTAL
\$ -	\$ -	\$ -	\$ 503,507	\$ -	\$ -	\$ 532,929
-	-	-	38	-	-	41
-	-	-	-	-	-	259,769
-	-	-	40	-	-	6,297
-	-	-	-	-	-	91,090
22,683	-	2,063	1,634	-	-	51,372
35,937	3,031	2,482	66	5,837	-	198,128
2,016	3,284	3,818	412	3,498	-	25,997
357	-	425	1,195	44	-	25,703
150	-	-	-	-	9,526	158,114
6,751	-	-	47,862	-	-	88,020
3,255	248	43,163	25,768	3,097	6,490	100,434
<u>71,149</u>	<u>6,563</u>	<u>51,951</u>	<u>580,522</u>	<u>12,476</u>	<u>16,016</u>	<u>1,537,894</u>
-	-	32,658	-	-	11,044	139,415
-	-	-	-	-	-	340,142
-	-	-	-	-	-	113,790
-	-	-	641,139	-	-	641,492
-	-	-	-	-	-	95,904
62,323	16,304	233	-	62,704	-	156,975
8	-	-	-	-	-	4,495
-	-	-	-	-	-	2,350
6,701	3,274	35	472	-	-	61,442
<u>69,032</u>	<u>19,578</u>	<u>32,926</u>	<u>641,611</u>	<u>62,704</u>	<u>11,044</u>	<u>1,556,005</u>
<u>2,117</u>	<u>(13,015)</u>	<u>19,025</u>	<u>(61,089)</u>	<u>(50,228)</u>	<u>4,972</u>	<u>(18,111)</u>
10,880	21,468	2,933	43,407	14,100	-	215,680
(3,141)	(880)	(3,051)	(443)	(25)	(2,459)	(117,784)
132	-	-	-	-	-	47,304
<u>7,871</u>	<u>20,588</u>	<u>(118)</u>	<u>42,964</u>	<u>14,075</u>	<u>(2,459)</u>	<u>145,200</u>
9,988	7,573	18,907	(18,125)	(36,153)	2,513	127,089
<u>34,432</u>	<u>61,440</u>	<u>86,301</u>	<u>74,324</u>	<u>89,908</u>	<u>32,752</u>	<u>735,532</u>
<u>\$ 44,420</u>	<u>\$ 69,013</u>	<u>\$ 105,208</u>	<u>\$ 56,199</u>	<u>\$ 53,755</u>	<u>\$ 35,265</u>	<u>\$ 862,621</u>

STATE OF ARIZONA  
**BUDGETARY COMPARISON SCHEDULE, EXPENDITURES**  
NON-MAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(Expressed in Dollars)

	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
<b>OTHER GOVERNMENTAL FUNDS</b>		
<b>Board of Accountancy</b>		
Operating Lump Sum Appropriation FY05 - 06	\$ 590,422	\$ 394,701
Operating Lump Sum Appropriation FY06 - 07	2,287,400	1,003,907
<b>Department of Administration</b>		
Administrative Adjustments	712	712
Archives and History Building FY04 - 05	232,756	5,500
Department of Corrections Fort Grant Landfill Closure	43,123	0
Government Building Defibrillators FY01 - 02	16	0
Government Building Defibrillators FY02 - 03	293	0
New Prison Complex FY99 - 00	260,698	0
Operating Lump Sum Appropriation	717,000	651,758
Operating Lump Sum Appropriation	575,100	565,834
Pioneers' Home Plumbing Renovations FY01 - 02	2,590	0
Pioneers' Home Plumbing Renovations FY03 - 04	262,957	0
Yuma Prison Water Treatment Plant Upgrade	2,189,000	0
<b>Radiation Regulatory Agency</b>		
Administrative Adjustments	281	281
MRTB Assistant FY02 - 03	11,375	0
Operating Lump Sum Appropriation	281,800	275,124
<b>Attorney General</b>		
Administrative Adjustments	246,955	246,955
Administrative Adjustments	196	196
Operating Lump Sum Appropriation	2,135,000	1,341,950
Operating Lump Sum Appropriation	318,000	314,068
Operating Lump Sum Appropriation	4,585,200	3,821,455
Operating Lump Sum Appropriation	6,497,500	6,497,134
Victims' Rights	3,266,400	3,256,639
Victims' Rights/Non Reverting - HB2427	131,699	38,132
<b>Department of Agriculture</b>		
Administrative Adjustments	78	78
Administrative Adjustments	6,154	6,154
Administrative Adjustments	401	401
Operating Lump Sum Appropriation	71,700	67,544
Operating Lump Sum Appropriation	291,300	289,918
Operating Lump Sum Appropriation	721,300	584,347
Operating Lump Sum Appropriation	274,800	274,240
Operating Lump Sum Appropriation	21,400	21,400
Operating Lump Sum Appropriation	53,100	41,310
Operating Lump Sum Appropriation	79,400	73,300
Operating Lump Sum Appropriation	290,800	290,480
Operating Lump Sum Appropriation	1,042,800	861,947
Operating Lump Sum Appropriation	9,200	7,666
Operating Lump Sum Appropriation	186,100	113,258
Wine Promotion	54,858	0
<b>Acupuncture Board of Examiners</b>		
Operating Lump Sum Appropriation FY05 - 06	18,625	18,625
Operating Lump Sum Appropriation FY06 - 07	106,900	96,680

(Continued)

STATE OF ARIZONA  
**BUDGETARY COMPARISON SCHEDULE, EXPENDITURES**  
NON-MAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(Expressed in Dollars)

	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
<b>State Board of Appraisal</b>		
Operating Lump Sum Appropriation FY05 - 06	75,020	74,993
Operating Lump Sum Appropriation FY06 - 07	586,200	553,191
<b>Automobile Theft Authority</b>		
Administrative Adjustments	2,874	2,874
Automobile Theft Authority Grants	4,530,500	4,529,769
Operating Lump Sum Appropriation	671,100	670,085
Reimbursable Programs	50,000	0
<b>Board of Barbers</b>		
Operating Lump Sum Appropriation FY05 - 06	40,441	259
Operating Lump Sum Appropriation FY06 - 07	300,500	230,480
<b>Board of Behavioral Health Examiners</b>		
Operating Lump Sum Appropriation FY05 - 06	272,025	952
Operating Lump Sum Appropriation FY06 - 07	1,366,200	1,203,325
<b>State Board of Nursing</b>		
Operating Lump Sum Appropriation FY05 - 06	6,148	6,103
Operating Lump Sum Appropriation FY06 - 07	3,398,400	3,392,054
<b>Board of Cosmetology</b>		
Operating Lump Sum Appropriation FY05 - 06	80,558	80,188
Operating Lump Sum Appropriation FY06 - 07	1,673,600	1,662,463
<b>Corporation Commission</b>		
Administrative Adjustments	9,429	9,429
Administrative Adjustments	13,463	13,463
Administrative Adjustments	6,580	6,580
Annual Reversion per ARS 10-122	1,284,304	1,284,304
Annual Reversion per ARS 44-3298	977,599	977,599
Corporation Filings, Same Day Service	400,400	0
Investigation and Prosecution of Security Fraud	165,599	0
Operating Lump Sum Appropriation	12,720,600	12,515,650
Operating Lump Sum Appropriation	3,714,900	3,454,850
Operating Lump Sum Appropriation	3,416,900	3,336,696
Operating Lump Sum Appropriation	893,900	887,530
Utilities Audits, Studies, Investigations and Hearings FY01 - 02	369,620	180,937
Utilities Audits, Studies, Investigations and Hearings FY02 - 03	379,999	7,034
Utilities Audits, Studies, Investigations and Hearings FY03 - 04	379,999	18,650
Utilities Audits, Studies, Investigations and Hearings FY04 - 05	380,000	0
Utilities Audits, Studies, Investigations and Hearings FY05 - 06	380,000	0
Utilities Audits, Studies, Investigations and Hearings FY06 - 07	380,000	0
<b>State Board of Chiropractic Examiners</b>		
Operating Lump Sum Appropriation FY05 - 06	23,141	23,141
Operating Lump Sum Appropriation FY06 - 07	509,200	474,860
<b>Department of Corrections</b>		
Administrative Adjustments	3,494,342	3,494,342
Administrative Adjustments	46,263	46,263
Administrative Adjustments	48,834	48,834
Administrative Adjustments	19,792	19,792
Administrative Adjustments	334,834	334,834
Administrative Adjustments	640,814	640,814
Correctional Officer Personal Services	302,500	302,500
Drug Treatment Pilot Program	229,372	205,982
Employee Related Expenditures	63,600	63,600
Health Care All Other Operating Expenditures	10,250,000	10,250,000
Non-Health Care All Other Operating Expenditures	599,300	218,125
Non-Health Care All Other Operating Expenditures	600,000	258,958

(Continued)

STATE OF ARIZONA  
**BUDGETARY COMPARISON SCHEDULE, EXPENDITURES**  
NON-MAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(Expressed in Dollars)

	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
Non-Health Care All Other Operating Expenditures	869,200	821,010
Non-Health Care All Other Operating Expenditures	570,000	569,418
Private Prison Per Diem	28,674,300	28,640,784
Relief Bill	37,582	37,582
State Charitable, Penal and Reformatory Land Earnings	1,165,100	138,384
<b>Department of Economic Security</b>		
ADM Attorney General Legal Services	105,100	33,154
ADM Operating Lump Sum Appropriation	608,600	6
ADM Operating Lump Sum Appropriation	130,000	13,135
ADM Operating Lump Sum Appropriation	87,700	65,775
ADM Public Assistance Collections	267,500	257,184
Administrative Adjustments	1,019,128	1,019,128
Administrative Adjustments	2,200	2,200
Administrative Adjustments	12,490	12,490
Administrative Adjustments	382,172	382,172
Administrative Adjustments	233,587	233,587
DACS Community and Emergency Services	500,000	500,000
DACS Domestic Violence Prevention	1,700,000	1,699,953
DCYF Child Abuse Prevention	824,900	35,683
DCYF Children Support Services	750,000	750,000
DCYF Operating Lump Sum Appropriation	209,600	62,125
DDD Autism Training and Oversight	200,000	70,406
DERS Independent Living Rehabilitation Services	1,707,700	1,284,511
DERS JOBS	1,500,000	0
DERS Operating Lump Sum Appropriation	85,000	19,153
DERS Operating Lump Sum Appropriation	551,300	376,395
DERS Vocational Rehabilitation Services	204,700	165,745
<b>Commission for the Deaf and Hard of Hearing</b>		
Interpreters for Certification and Licensure	488,501	56,169
Operating Lump Sum Appropriation	5,391,300	4,076,234
<b>Department of Juvenile Corrections</b>		
Operating Lump Sum Appropriation	685,300	685,300
Operating Lump Sum Appropriation	1,094,900	1,094,900
<b>State Board of Dispensing Opticians</b>		
Operating Lump Sum Appropriation	110,100	109,775
<b>State Board of Dental Examiners</b>		
Operating Lump Sum Appropriation FY05 - 06	80,267	80,267
Operating Lump Sum Appropriation FY06 - 07	1,026,500	1,026,441
<b>Department of Education</b>		
Achievement Testing - Proposition 301 FY05 - 06	1,910,908	1,486,216
Achievement Testing - Proposition 301 FY06 - 07	2,340,300	0
Additional School Days - Proposition 301 FY05 - 06	7,190,042	7,190,042
Additional School Days - Proposition 301 FY06 - 07	86,280,500	79,090,458
Basic State Aid Entitlement	45,220,700	45,220,700
Character Education - Proposition 301 FY04 - 05	129,000	0
Character Education - Proposition 301 FY05 - 06	200,000	0
Character Education - Proposition 301 FY06 - 07	200,000	0
Failing School Tutoring Fund FY03 - 04	1,388,436	1,388,346
Failing School Tutoring Fund FY04 - 05	1,387,346	498,751
Failing School Tutoring Fund FY05 - 06	1,432,925	656,495
Failing School Tutoring Fund FY06 - 07	1,500,000	943,706
Hayden Winkelman Bond Redemption FY07	1,865,400	1,865,400
School Accountability - Proposition 301 FY02 - 03	12,527	0
School Accountability - Proposition 301 FY03 - 04	2,873,404	2,846,958

(Continued)

STATE OF ARIZONA  
**BUDGETARY COMPARISON SCHEDULE, EXPENDITURES**  
NON-MAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(Expressed in Dollars)

	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
School Accountability - Proposition 301 FY04 - 05	724,815	685,204
School Accountability - Proposition 301 FY05 - 06	3,373,056	3,265,624
School Accountability - Proposition 301 FY06 - 07	4,659,700	1,142,501
School Acct - School Safety - Proposition 301 FY03 - 04	4	0
School Acct - School Safety - Proposition 301 FY04 - 05	39,806	33,148
School Acct - School Safety - Proposition 301 FY05 - 06	324,045	319,835
School Acct - School Safety - Proposition 301 FY06 - 07	7,800,000	7,573,281
<b>Department of Commerce</b>		
Advertising and Promotion	659,200	625,766
Arizona Sonora Economic Development Study	6,139	6,139
Arizona Trade Office in Sonora	25,000	25,000
CEDC Commission	274,600	270,930
Economic Development Matching Funds	104,000	103,500
International Trade Offices	966,800	966,066
Lottery 1989	1	0
Main Street	130,000	113,978
Minority and Women Owned Business	121,000	120,985
National Law Center/Free Trade	200,000	200,000
Oil Overcharge Administration	175,600	122,669
Operating Lump Sum Appropriation	658,800	602,199
REDI Matching Grants	45,000	38,257
Small Business Advocate	118,800	114,279
<b>Department of Environmental Quality</b>		
Administrative Adjustments	26,837	26,837
Administrative Adjustments	24,470	24,470
Administrative Adjustments	251,355	251,355
Administrative Adjustments	527,208	527,208
Administrative Adjustments	2,947	2,947
Administrative Adjustments	22	22
Administrative Adjustments	40,008	40,008
Air Permits Administration Program	5,816,200	5,037,436
Air Quality Program	4,773,900	3,144,161
Air Quality Program - Continuing FY01 - 02	186,035	0
Air Quality Program - Continuing FY02 - 03	182,451	0
Emissions Cap & Trading Program FY01 - 02	70,576	0
Emissions Cap & Trading Program FY02 - 03	266,582	0
Emissions Control Contractor Payment	31,739,600	29,999,751
Emissions Control Program - Administration	4,179,700	2,532,143
Hazardous Waste Reserve FY94 - 95	64,000	0
Hazardous Waste Reserve FY95 - 96	29,273	0
Political Subdivisions Assistance FY01 - 02	18,500	0
Roadside Diesel Emissions Testing Program FY01 - 02	200,000	0
Roadside Diesel Emissions Testing Program FY02 - 03	200,000	0
School Bus and Air Quality Grants FY05 - 06	3,220,000	49,044
Solid Waste Program	780,000	246,924
Solid Waste Program	2,169,500	1,792,329
Solid Waste Program	1,263,100	765,559
Solid Waste Program	137,300	6,457
Transfers to Counties Program	165,000	165,000
Underground Storage Tank Policy Comm FY00 - 01	1	0
Underground Storage Tank Policy Comm FY99 - 00	18,857	0
Underground Storage Tank Program	22,000	2,308
Underground Storage Tank Technical Appeals FY00 - 01	7,500	0
Visibility Index Development FY01 - 02	80,589	0

(Continued)

STATE OF ARIZONA  
**BUDGETARY COMPARISON SCHEDULE, EXPENDITURES**  
NON-MAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(Expressed in Dollars)

	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
Visibility Index Development FY02 - 03	10,099	0
Waste Tire Program	219,800	45,558
Water Quality Program	4,200,400	2,748,755
<b>State Board of Funeral Directors &amp; Embalmers</b>		
Operating Lump Sum Appropriation FY05 - 06	4,147	4,147
Operating Lump Sum Appropriation FY06 - 07	333,100	333,090
<b>Game and Fish Department</b>		
Administrative Adjustments	41,479	41,479
Administrative Adjustments	358	358
Bellefont Shooting Range Improvement FY04 - 05	800,000	0
Black Canyon Dam Modifications FY05 - 06	500,000	1,000
Black Canyon Dam Modifications FY06 - 07	300,000	2,000
Building Renewal FY02 - 03	1	0
Building Renewal FY04 - 05	22,507	0
Building Renewal FY05 - 06	247,686	223,492
Building Renewal FY06 - 07	430,800	331,102
Cluff Ranch Access Improvements	50,000	0
DPS Microwave Communications System	207,000	207,000
Facility Improvements FY01 - 02	70,891	38,424
Facility Improvements FY02 - 03	134	129
Flagstaff Office Parking Gate	10,000	10,000
Flagstaff Shooting Range Development FY00 - 01	73,859	20,310
Flagstaff Shooting Range Development FY99 - 00	11,584	11,584
Flagstaff Shooting Range Planning FY01 - 02	459,179	0
Flagstaff Shooting Range Planning FY02 - 03	499,900	0
Flood Warning System	350,000	28,140
Headquarters Expansion and Renovation FY02 - 03	463,285	414,593
Headquarters Paving FY04 - 05	1	0
Headquarters Security System FY03 - 04	67	(4,121)
House Rock Driveway Surfacing	25,000	0
Lake Havasu Shooting Range Development FY03 - 04	298,464	962
Lower Colorado Multi-Species Conservation	350,000	350,000
Mesa Office Security System FY04 - 05	15,495	10,732
Migratory Waterfowl Development FY00 - 01	90,976	25,000
Migratory Waterfowl Development FY01 - 02	76,500	3,500
Migratory Waterfowl Development FY02 - 03	85,931	0
Migratory Waterfowl Development FY03 - 04	97,486	12,500
Migratory Waterfowl Development FY99 - 00	17,729	12,500
Migratory Waterfowl Habitat FY05 - 06	100,000	0
Migratory Waterfowl Habitat FY06 - 07	100,000	0
Migratory Waterfowl Habitat FY93 - 94	1,302	0
Operating Lump Sum Appropriation	24,201,800	22,680,468
Operating Lump Sum Appropriation	2,779,500	2,496,146
Operating Lump Sum Appropriation	328,200	187,579
Operating Lump Sum Appropriation	43,400	13,376
Operating Lump Sum Appropriation	16,000	0
Performance Based Incentives Program FY00 - 01	13	0
Performance Based Incentives Program FY01 - 02	2	0
Performance Based Incentives Program FY02 - 03	322	0
Performance Incentive Pay Program FY03 - 04	1,076	0
Performance Incentive Pay Program FY06 - 07	300,000	0
Performance Incentive Pay Program FY06 - 07	46,800	0
Pinetop Warehouse and Paving FY03 - 04	774	763
Pittman - Robertson/Dingell - Johnson Act	2,808,000	2,808,000

(Continued)

STATE OF ARIZONA  
**BUDGETARY COMPARISON SCHEDULE, EXPENDITURES**  
NON-MAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(Expressed in Dollars)

	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
Shade Canopies FY04 - 05	84,683	40,258
Shooting Range Access Improvements	200,000	807
Shooting Range Development FY01 - 02	2,601	2,601
Shooting Range Development FY02 - 03	13,783	12,536
Shooting Range Development/Grants Program FY05 - 06	92,250	86,246
Shooting Range Development/Grants Program FY06 - 07	100,000	8,462
Sierra Vista Shooting Range Improvement FY04 - 05	31,584	11,299
Silver Creek Hatchery Improvements FY04 - 05	76,704	2,800
Statewide Preventative Maintenance FY04 - 05	924	917
Statewide Preventative Maintenance FY05 - 06	1	0
Statewide Preventative Maintenance FY06 - 07	15,000	15,000
Tonto Creek Hatchery Improvements FY04 - 05	184,809	51,675
Tri-State Shooting Range Development FY04 - 05	300,000	0
Yuma Office Fence	10,000	0
Yuma Office Security System	30,000	0
Yuma Storage Canopy	35,000	35,000
<b>Department of Gaming</b>		
Casino Operation Certification	2,054,600	1,703,111
Operating Lump Sum Appropriation	8,000,000	7,959,796
Problem Gambling	300,000	300,000
Problem Gambling	1,512,800	1,493,421
<b>Arizona Health Care Cost Containment System</b>		
Administrative Adjustments	405,288	405,288
Capitation	58,840,800	58,832,410
Children's Health Insurance Program - Children	82,693,500	82,450,226
Children's Health Insurance Program - Parents	34,924,100	34,540,800
KidsCare - Administration	8,634,900	8,496,741
Proposition 204 - Capitation	24,321,700	17,416,457
Proposition 204 - Capitation	15,023,600	14,990,538
Proposition 204 - County Hold Harmless	4,825,600	4,825,600
Proposition 204 - Medicare	9,522,000	8,721,194
<b>Arizona Department of Housing</b>		
Operating Lump Sum Appropriation	728,100	704,026
<b>Homeopathic Medical Examiners</b>		
Operating Lump Sum Appropriation FY05 - 06	409	409
Operating Lump Sum Appropriation FY06 - 07	87,800	87,474
<b>Department of Health Services</b>		
Administrative Adjustments	231,250	231,250
Administrative Adjustments	306,429	306,429
Administrative Adjustments	378,362	378,362
Administrative Adjustments	33,000	33,000
Administrative Adjustments	19,869	19,869
Administrative Adjustments	417	417
Administrative Adjustments	31,479	31,479
Administrative Adjustments	25,115	25,115
Administrative Adjustments	595	595
Alzheimer's Disease Research	1,000,000	1,000,000
Assurance and Licensure	38,000	31,465
Attorney General Legal Services	50,000	50,000
Autism Services - Applied Behavioral Analysis	1,800,000	0
Autism Services - Intensive Early Intervention	500,000	236,000
Child Fatality Review Team	100,000	99,814
Community Health Centers	3,000,000	2,713,551
EMS Operations	3,163,800	2,887,672

(Continued)

STATE OF ARIZONA  
**BUDGETARY COMPARISON SCHEDULE, EXPENDITURES**  
NON-MAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(Expressed in Dollars)

	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
Folic Acid	200,000	193,307
High Risk Perinatal Services	450,000	395,030
Laboratory Services	946,100	583,099
Loan Repayment	150,000	51,625
Newborn Screening Fund - Indirect Costs	478,600	0
Newborn Screening Program	5,597,900	4,752,613
Nursing Care Institution Incentive Grants	128,500	70,196
Operating Lump Sum Appropriation	199,500	199,500
Operating Lump Sum Appropriation	825,600	712,331
Operating Lump Sum Appropriation	350,000	315,878
Operating Lump Sum Appropriation FY05 - 06	29,781	0
Primary Trauma Centers AZ	2,000,000	1,823,017
Relief Bill Cash Transfer	550	550
Seriously Mentally Ill Non-Title XIX	30,424,800	30,400,981
Statewide Emergency Medical Trauma System FY04 - 05	44,685	31,185
Substance Abuse - Non-Title XIX	2,500,000	2,500,000
Trauma Advisory Board	392,300	347,072
<b>Industrial Commission of Arizona</b>		
Administrative Adjustments	11,055	11,055
Operating Lump Sum Appropriation	18,938,900	17,955,260
Relief Bill	660	660
<b>Arizona Criminal Justice Commission</b>		
Crime Victim Compensation Special AG Transfer	8,202	0
Drug and Gang Prevention Resource Center	295,900	295,900
Operating Lump Sum Appropriation	606,700	567,703
State Aid to County Attorneys	877,500	877,500
State Aid to Indigent Attorneys	833,200	833,200
Victim Compensation and Assistance	3,400,000	2,873,267
<b>Land Department</b>		
Natural Resource Conservation Districts	220,000	214,643
<b>Division of Emergency Management &amp; Military Affairs</b>		
Operating Lump Sum Appropriation	132,700	95,524
<b>Medical Examiners Board</b>		
Litigation Expenses	326,000	0
Operating Lump Sum Appropriation FY05 - 06	160,606	(14,321)
Operating Lump Sum Appropriation FY06 - 07	5,697,300	5,184,792
Performance Based Incentive Program	126,757	122,900
<b>Naturopathic Physicians Board of Medical Examiners</b>		
Operating Lump Sum Appropriation FY05 - 06	31,613	31,456
Operating Lump Sum Appropriation FY06 - 07	493,700	493,114
<b>Nursing Care Examiners Board</b>		
Operating Lump Sum Appropriation FY05 - 06	155,681	26,281
Operating Lump Sum Appropriation FY06 - 07	406,600	236,135
<b>State Board of Optometry</b>		
Operating Lump Sum Appropriation FY05 - 06	51,342	51,342
Operating Lump Sum Appropriation FY06 - 07	193,900	167,484
<b>Arizona Board of Osteopathic Examiners</b>		
Operating Lump Sum Appropriation FY05 - 06	94,365	94,365
Operating Lump Sum Appropriation FY06 - 07	655,900	557,040
<b>Board of Occupational Therapy Examiners</b>		
Operating Lump Sum Appropriation FY05 - 06	46,416	799
Operating Lump Sum Appropriation FY06 - 07	239,000	179,535
<b>Commission for Postsecondary Education</b>		
Administrative Adjustments	401	401

(Continued)

STATE OF ARIZONA  
**BUDGETARY COMPARISON SCHEDULE, EXPENDITURES**  
NON-MAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(Expressed in Dollars)

	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
Arizona College and Career Guide	21,200	19,404
Arizona Minority Educational Policy Analysis Center	150,600	16,545
Family College Savings Program	108,600	90,938
Leveraging Educational Assistance Partnership	2,143,700	1,634,582
Operating Lump Sum Appropriation	387,100	263,313
Twelve Plus Partnership	119,600	84,821
<b>Arizona Pioneers' Home</b>		
Employee Related Expenditures	1,000,800	993,051
Employee Related Expenditures	563,700	549,509
Equipment	12,000	11,995
Other Operating Expenditures	18,000	13,604
Personal Services	2,139,724	2,129,071
Personal Services	1,043,176	1,019,669
Prescription Drugs	281,776	172,743
Prescription Drugs	24,624	0
Professional and Outside Services	3,200	0
<b>State Board of Pharmacy</b>		
Operating Lump Sum Appropriation FY05 - 06	98,093	98,073
Operating Lump Sum Appropriation FY06 - 07	1,566,200	1,551,457
<b>State Board of Podiatry Examiners</b>		
Operating Lump Sum Appropriation FY05 - 06	14,842	14,842
Operating Lump Sum Appropriation FY06 - 07	121,900	104,365
<b>State Parks Board</b>		
FY88 - 89 Pass Thru Grants	10,436	0
FY89 - 90 Pass Thru Grants	40,191	0
FY90 - 91 Pass Thru Grants	2,067,639	0
Land, Buildings and Improvements FY89 - 90	4,388	0
Land, Buildings and Improvements FY89 - 90	258,697	0
Land, Buildings and Improvements FY90 - 91	1,500	0
Land, Buildings and Improvements FY90 - 91	19,258	0
Land, Buildings and Improvements FY90 - 91	32,684	0
Off Highway Vehicle Parks Operations	692,100	657,578
Operating Lump Sum Appropriation	522,800	270,850
Operating Lump Sum Appropriation	2,392,700	2,323,800
<b>Department of Public Safety</b>		
Administrative Adjustments	700	700
Administrative Adjustments	296	296
DNA Testing FY02 - 03	1,342,849	84,518
DNA Testing FY03 - 04	994,119	57,883
Motor Vehicle Fuel	231,300	231,300
Operating Lump Sum Appropriation	10,000,000	10,000,000
Operating Lump Sum Appropriation	21,282,800	18,398,863
Operating Lump Sum Appropriation	5,282,400	5,282,400
Operating Lump Sum Appropriation	1,512,000	1,512,000
Operating Lump Sum Appropriation	3,286,200	3,119,574
Operating Lump Sum Appropriation	2,753,300	2,753,300
Operating Lump Sum Appropriation	10,000,000	10,000,000
Operating Lump Sum Appropriation	3,186,700	3,186,700
Patrol Officers FY02 - 03	41,570	0
Remote Officer Housing	21,311	18,837
Sworn Officer Salary Adjustments	2,768,100	2,768,100
<b>Physical Therapy Examiners Board</b>		
Operating Lump Sum Appropriation FY05 - 06	10,570	10,570
Operating Lump Sum Appropriation FY06 - 07	293,700	288,697

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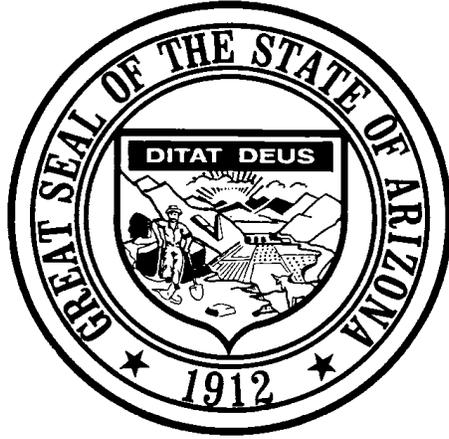
STATE OF ARIZONA  
**BUDGETARY COMPARISON SCHEDULE, EXPENDITURES**  
NON-MAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(Expressed in Dollars)

	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
<b>Private Postsecondary Education</b>		
Operating Lump Sum Appropriation FY05 - 06	21,117	881
Operating Lump Sum Appropriation FY06 - 07	318,400	310,364
<b>Board of Respiratory Care Examiners</b>		
Operating Lump Sum Appropriation FY05 - 06	59	(525)
Operating Lump Sum Appropriation FY06 - 07	239,100	232,948
<b>Department of Racing</b>		
Administrative Adjustments	1,041	1,041
Operating Lump Sum Appropriation	45,000	45,000
Operating Lump Sum Appropriation	300,000	298,596
<b>Registrar of Contractors</b>		
Incentive Pay	113,500	113,500
Office of Administrative Hearings	964,300	964,300
Operating Lump Sum Appropriation FY05 - 06	432,218	407,071
Operating Lump Sum Appropriation FY06 - 07	9,547,800	9,536,830
<b>Department of Revenue</b>		
Operating Lump Sum Appropriation	503,300	502,860
<b>Structural Pest Control Commission</b>		
Childcare Facilities Notification	100,000	100,000
Operating Lump Sum Appropriation FY05 - 06	66,335	66,332
Operating Lump Sum Appropriation FY06 - 07	2,153,500	2,135,548
<b>Schools for the Deaf and the Blind</b>		
Administrative Adjustments	25,274	25,274
Administrative Adjustments	155,231	155,231
Operating Lump Sum Appropriation - Phoenix	5,538,600	5,447,284
Operating Lump Sum Appropriation - Preschool/Outreach Programs	2,915,300	2,863,224
Operating Lump Sum Appropriation - Tucson	5,363,000	5,363,000
<b>Supreme Court</b>		
Administrative Adjustments	87	87
Community Punishment	1,830,400	865,186
Community Punishment	500,000	494,095
Confidential Intermediary FY02 - 03	147,839	0
Court Appointed Special Advocate	2,701,200	2,622,560
Drug Study	38,514	0
Foster Care Review Board	245,040	244,753
Juvenile Crime Reduction	5,198,200	4,951,073
Model Court	514,300	514,010
Operating Lump Sum Appropriation	477,500	408,439
State Aid	3,065,100	2,126,724
State Aid	2,444,700	2,444,519
<b>State Board of Psychologist Examiners</b>		
Operating Lump Sum Appropriation FY05 - 06	61,548	0
Operating Lump Sum Appropriation FY06 - 07	381,300	336,937
<b>State Board of Technical Registration</b>		
Operating Lump Sum Appropriation FY05 - 06	58,528	36,590
Operating Lump Sum Appropriation FY06 - 07	1,521,100	1,483,153
<b>Residential Utility Consumer Office</b>		
Administrative Adjustments	34	34
Operating Lump Sum Appropriation	1,130,400	1,087,115
Professional Witnesses FY00 - 01	2,270	0
Professional Witnesses FY01 - 02	32,293	1,733
Professional Witnesses FY02 - 03	9,943	0
Professional Witnesses FY03 - 04	29,054	0
Professional Witnesses FY04 - 05	137,091	45,962

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STATE OF ARIZONA  
**BUDGETARY COMPARISON SCHEDULE, EXPENDITURES**  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007  
 (Expressed in Dollars)

	FINAL BUDGET (Appropriations)	ACTUAL EXPENDITURE AMOUNTS
Professional Witnesses FY05 - 06	128,373	0
Professional Witnesses FY06 - 07	145,000	25,424
Professional Witnesses FY98 - 99	2,195	2,195
Professional Witnesses FY99 - 00	41,062	41,062
<b>Department of Veterans' Services</b>		
Administrative Adjustments	2,454	2,454
Operating Lump Sum Appropriation	721,000	677,919
<b>Veterinary Medical Examiners Board</b>		
Operating Lump Sum Appropriation FY05 - 06	35,041	1,246
Operating Lump Sum Appropriation FY06 - 07	442,900	401,416
<b>Water Resources Department</b>		
Assured and Adequate Water Supply Administration	1,100,000	156,614
<b>Weights and Measures Department</b>		
Administrative Adjustments	3,529	3,529
Administrative Adjustments	17,762	17,762
Operating Lump Sum Appropriation	115,200	109,400
Operating Lump Sum Appropriation - Oxygenated Fuel	884,000	847,012
Operating Lump Sum Appropriation - Vapor Recovery	561,800	557,479
<b>Total Other Governmental Funds Budgetary Expenditures</b>	<b>\$ 881,973,919</b>	<b>\$ 795,432,939</b>



## **NON-MAJOR GOVERNMENTAL FUNDS DEBT SERVICE FUNDS**

**The Department of Transportation Fund** administers the payment of principal and interest on the Highway Revenue Bonds issued by the Arizona Department of Transportation Board and the retirement of previously issued revenue bonds.

**The Certificates of Participation Fund** administers the payment of principal and interest on the certificates of participation issued by the State of Arizona (acting by and through the Director of the Department of Administration) and the retirement of previously issued certificates of participation.

**The School Facilities Debt Instrument Fund** administers the payment of principal and interest on revenue bonds issued by the State of Arizona's School Facilities Board and the retirement of previously issued revenue bonds.

**The Grant Anticipation Notes Fund** administers the payment of principal and interest on grant anticipation notes issued by the Arizona Department of Transportation Board and the retirement of previously issued grant anticipation notes.

STATE OF ARIZONA  
**COMBINING BALANCE SHEET**  
NON-MAJOR DEBT SERVICE FUNDS  
JUNE 30, 2007  
(Expressed in Thousands)

	DEPARTMENT OF TRANSPORTATION	CERTIFICATES OF PARTICIPATION	SCHOOL FACILITIES DEBT INSTRUMENT	GRANT ANTICIPATION NOTES
<b>ASSETS</b>				
Cash and pooled investments with State Treasurer	\$ -	\$ 2,207	\$ 27,682	\$ -
Interest receivable	258	-	46	-
Due from other Funds	-	2,010	-	-
Restricted assets:				
Cash and pooled investments with State Treasurer	2,092	-	-	104
Cash held by trustee	-	22	-	-
<b>Total Assets</b>	<b>\$ 2,350</b>	<b>\$ 4,239</b>	<b>\$ 27,728</b>	<b>\$ 104</b>
<b>FUND BALANCES</b>				
Reserved for debt service	\$ 2,350	\$ 4,239	\$ 27,728	\$ 104
<b>Total Fund Balances</b>	<b>\$ 2,350</b>	<b>\$ 4,239</b>	<b>\$ 27,728</b>	<b>\$ 104</b>

TOTAL

\$ 29,889  
304  
2,010

2,196  
22

\$ 34,421

\$ 34,421

\$ 34,421

STATE OF ARIZONA  
**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES**  
NON-MAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(Expressed in Thousands)

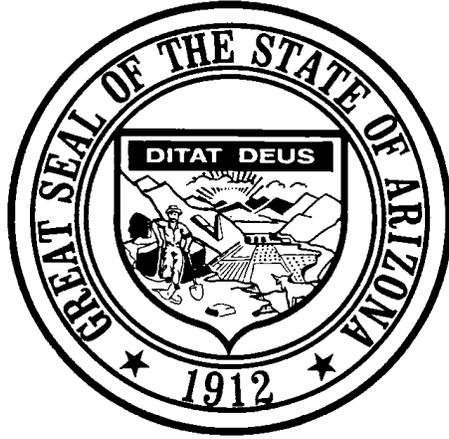
	DEPARTMENT OF TRANSPORTATION	CERTIFICATES OF PARTICIPATION	SCHOOL FACILITIES DEBT INSTRUMENT	GRANT ANTICIPATION NOTES
<b>REVENUES</b>				
Taxes:				
Sales	\$ -	\$ -	\$ 65,795	\$ -
Earnings on investments	2,274	73	2,584	5
Other	1	-	-	-
Total Revenues	<u>2,275</u>	<u>73</u>	<u>68,379</u>	<u>5</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	57,825	23,775	45,035	42,570
Interest and other fiscal charges	73,825	9,115	43,419	14,578
Total Expenditures	<u>131,650</u>	<u>32,890</u>	<u>88,454</u>	<u>57,148</u>
(Deficiency) of Revenues Over Expenditures	<u>(129,375)</u>	<u>(32,817)</u>	<u>(20,075)</u>	<u>(57,143)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	129,709	33,851	27,042	57,148
Transfers out	(44)	-	(11,667)	-
Total Other Financing Sources (Uses)	<u>129,665</u>	<u>33,851</u>	<u>15,375</u>	<u>57,148</u>
Net Change in Fund Balances	290	1,034	(4,700)	5
Fund Balances - Beginning	2,060	3,205	32,428	99
Fund Balances - Ending	<u>\$ 2,350</u>	<u>\$ 4,239</u>	<u>\$ 27,728</u>	<u>\$ 104</u>

TOTAL

\$	65,795
	4,936
	<u>1</u>
	<u>70,732</u>

	169,205
	140,937
	<u>310,142</u>
	<u>(239,410)</u>

	247,750
	(11,711)
	<u>236,039</u>
	(3,371)
	<u>37,792</u>
\$	<u>34,421</u>



## **NON-MAJOR GOVERNMENTAL FUNDS CAPITAL PROJECTS FUNDS**

**The Department of Transportation Financed Fund** administers the proceeds from the Highway Revenue Bonds issued by the Arizona Department of Transportation Board. These monies are expended for the construction of federal, state, and local highways.

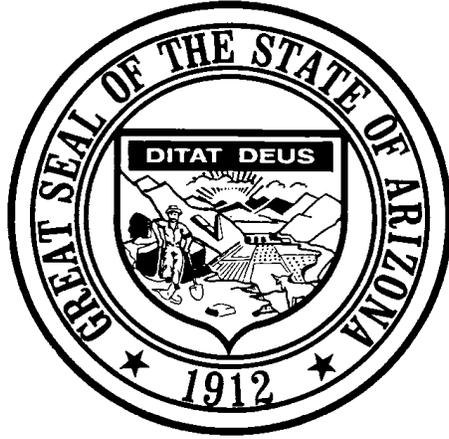
**Certificates of Participation Financed Fund** administers the proceeds from the certificates of participation issued by the State of Arizona (acting by and through the Director of the Department of Administration). These monies are expended on various projects including new building construction and the development of the Human Resource Information System.

STATE OF ARIZONA  
**COMBINING BALANCE SHEET**  
NON-MAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2007  
(Expressed in Thousands)

	DEPARTMENT OF TRANSPORTATION FINANCED	CERTIFICATES OF PARTICIPATION FINANCED	TOTAL
<b>ASSETS</b>			
Cash and pooled investments with State Treasurer	\$ -	\$ 2,573	\$ 2,573
Interest receivable	675	-	675
Due from other funds	135	-	135
Restricted assets:			
Cash and pooled investments with State Treasurer	206,271	-	206,271
Cash held by trustee	-	2,755	2,755
<b>Total Assets</b>	<b>\$ 207,081</b>	<b>\$ 5,328</b>	<b>\$ 212,409</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and other current liabilities	\$ -	\$ 40	\$ 40
<b>Total Liabilities</b>	<b>-</b>	<b>40</b>	<b>40</b>
Fund Balances:			
Reserved for:			
Highway construction	207,081	-	207,081
Other construction	-	5,288	5,288
<b>Total Fund Balances</b>	<b>207,081</b>	<b>5,288</b>	<b>212,369</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 207,081</b>	<b>\$ 5,328</b>	<b>\$ 212,409</b>

STATE OF ARIZONA  
**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES**  
NON-MAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(Expressed in Thousands)

	DEPARTMENT OF TRANSPORTATION FINANCED	CERTIFICATES OF PARTICIPATION FINANCED	TOTAL
<b>REVENUES</b>			
Earnings on investments	\$ 9,034	\$ 178	\$ 9,212
Total Revenues	<u>9,034</u>	<u>178</u>	<u>9,212</u>
<b>EXPENDITURES</b>			
Current:			
Transportation	4,438	-	4,438
Debt service:			
Interest and other fiscal charges	1,592	-	1,592
Capital outlay	166,220	1,146	167,366
Total Expenditures	<u>172,250</u>	<u>1,146</u>	<u>173,396</u>
(Deficiency) of Revenues Over Expenditures	<u>(163,216)</u>	<u>(968)</u>	<u>(164,184)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(1,348)	-	(1,348)
Bonds issued	325,000	-	325,000
Premium on bonds issued	26,201	-	26,201
Total Other Financing Sources (Uses)	<u>349,853</u>	<u>-</u>	<u>349,853</u>
Net Change in Fund Balances	186,637	(968)	185,669
Fund Balances - Beginning	<u>20,444</u>	<u>6,256</u>	<u>26,700</u>
Fund Balances - Ending	<u>\$ 207,081</u>	<u>\$ 5,288</u>	<u>\$ 212,369</u>



## NON-MAJOR ENTERPRISE FUNDS

*Enterprise Funds account for operations (a) financed and operated in a manner similar to private business enterprises, where the State intends that the cost of providing goods or services to the general public be financed or recovered primarily through service charges, or (b) where the State decides that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.*

**The Arizona Industries for the Blind Fund** accounts for the manufacturing, sale, distribution, and marketing of products manufactured by employees at training centers, workshops, business enterprises and home industries programs for the training and employment of adaptable visually impaired persons.

**The Arizona Correctional Industries Fund** employs prison inmates in its manufacturing, service, and agricultural operations for the sale of goods and services primarily to other State agencies (including the Arizona Department of Corrections) and political subdivisions.

**The Arizona Highways Magazine Fund** publishes and markets the Arizona Highways Magazine and various other products that promote the State of Arizona.

**The Coliseum & Exposition Center Fund** provides rental space to a variety of entertainment and promotional lessees, and sponsors the annual State Fair.

**Highway Expansion & Extension Loan Program** provides the State and communities in Arizona a new financing mechanism to stretch limited transportation dollars and bridge the gap between needs and available revenues.

**The Healthcare Group of Arizona** administers prepaid medical coverage primarily to small, uninsured businesses with 50 or fewer employees and employees of political subdivisions. The Healthcare Group of Arizona processes premium billing, collections and fund disbursements, performs data analysis, and is responsible for the regulatory oversight of the health plans.

**The Other Enterprise Funds** consist of the State Hospital Revolving Fund, the State Home for Veterans Trust Fund, and the Arizona Beef Council.

STATE OF ARIZONA  
**COMBINING STATEMENT OF NET ASSETS**  
NON-MAJOR ENTERPRISE FUNDS  
JUNE 30, 2007  
(Expressed in Thousands)

	ARIZONA INDUSTRIES FOR THE BLIND	ARIZONA CORRECTIONAL INDUSTRIES	ARIZONA HIGHWAYS MAGAZINE	COLISEUM & EXPOSITION CENTER	HIGHWAY EXPANSION & EXTENSION LOAN PROGRAM
<b>ASSETS</b>					
Current Assets:					
Cash	\$ 381	\$ 136	\$ -	\$ 21	\$ -
Cash and pooled investments with State Treasurer	2,082	1,741	2,095	6,782	-
Restricted cash and pooled investments with State Treasurer	-	-	-	2	130,135
Short-term investments	-	-	-	-	-
Receivables, net of allowances:					
Interest	12	20	14	-	746
Loans and notes	-	-	-	-	7,715
Other	1,104	3,848	403	47	-
Due from U.S. Government	144	-	-	-	-
Due from local governments	-	-	-	-	122
Due from other Funds	5	-	-	-	98,979
Inventories, at cost	2,826	3,413	1,057	-	-
Other current assets	10	128	237	36	-
Total Current Assets	<u>6,564</u>	<u>9,286</u>	<u>3,806</u>	<u>6,888</u>	<u>237,697</u>
Noncurrent Assets:					
Restricted assets:					
Loans and notes receivable, net of allowances	-	-	-	-	8,067
Capital assets:					
Infrastructure, land, and other non-depreciable	182	713	8	3,830	-
Depreciable buildings, property and equipment, net of accumulated depreciation	1,166	2,575	217	3,177	-
Total Noncurrent Assets	<u>1,348</u>	<u>3,288</u>	<u>225</u>	<u>7,007</u>	<u>8,067</u>
Total Assets	<u>7,912</u>	<u>12,574</u>	<u>4,031</u>	<u>13,895</u>	<u>245,764</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable and other current liabilities	596	1,049	259	68	-
Accrued liabilities	260	325	126	124	5
Due to other Funds	4	-	-	-	174,534
Unearned deferred revenue	35	-	3,196	-	-
Current portion of other long-term liabilities	170	243	137	192	14
Total Current Liabilities	<u>1,065</u>	<u>1,617</u>	<u>3,718</u>	<u>384</u>	<u>174,553</u>
Noncurrent Liabilities:					
Contracts Payable	-	-	-	-	-
Long-term debt	-	-	-	22	-
Other long-term liabilities	57	-	-	-	-
Total Noncurrent Liabilities	<u>57</u>	<u>-</u>	<u>-</u>	<u>22</u>	<u>-</u>
Total Liabilities	<u>1,122</u>	<u>1,617</u>	<u>3,718</u>	<u>406</u>	<u>174,553</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	1,348	3,288	225	6,985	-
Restricted for:					
Loans and other financial assistance:					
Expendable	-	-	-	-	71,211
Other	-	-	-	-	-
Unrestricted (deficit)	5,442	7,669	88	6,504	-
Total Net Assets	<u>\$ 6,790</u>	<u>\$ 10,957</u>	<u>\$ 313</u>	<u>\$ 13,489</u>	<u>\$ 71,211</u>

HEALTHCARE GROUP OF		
ARIZONA	OTHER	TOTAL
\$ -	\$ 105	\$ 643
12,520	154	25,374
-	-	130,137
-	97	97
-	1	793
-	-	7,715
25	1,905	7,332
-	-	144
-	-	122
-	57	99,041
-	-	7,296
-	-	411
<u>12,545</u>	<u>2,319</u>	<u>279,105</u>
-	-	8,067
-	980	5,713
<u>129</u>	<u>8,927</u>	<u>16,191</u>
<u>129</u>	<u>9,907</u>	<u>29,971</u>
<u>12,674</u>	<u>12,226</u>	<u>309,076</u>
892	135	2,999
7,328	422	8,590
-	-	174,538
10,054	-	13,285
109	-	865
<u>18,383</u>	<u>557</u>	<u>200,277</u>
18,031	-	18,031
-	-	22
-	-	57
<u>18,031</u>	<u>-</u>	<u>18,110</u>
<u>36,414</u>	<u>557</u>	<u>218,387</u>
129	9,907	21,882
-	-	71,211
12	-	12
<u>(23,881)</u>	<u>1,762</u>	<u>(2,416)</u>
<u>\$ (23,740)</u>	<u>\$ 11,669</u>	<u>\$ 90,689</u>

STATE OF ARIZONA  
**COMBINING STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN FUND NET ASSETS**  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(Expressed in Thousands)

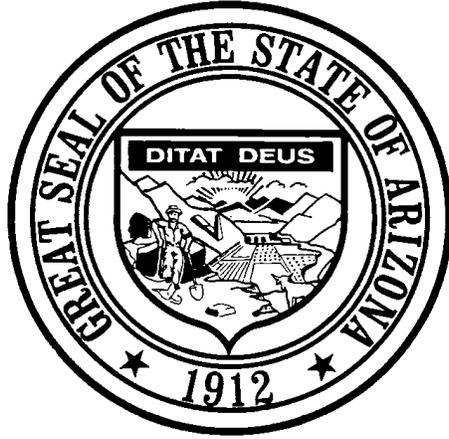
	ARIZONA INDUSTRIES FOR THE BLIND	ARIZONA CORRECTIONAL INDUSTRIES	ARIZONA HIGHWAYS MAGAZINE	COLISEUM & EXPOSITION CENTER	HIGHWAY EXPANSION & EXTENSION LOAN PROGRAM
<b>OPERATING REVENUES</b>					
Sales and charges for services	\$ 17,361	\$ 27,144	\$ 7,286	\$ 12,663	\$ -
Intergovernmental	795	-	-	-	-
Licenses, fees, and permits	-	-	-	-	-
Earnings on investments	-	-	-	-	2,909
Other	70	-	774	1,716	-
Total Operating Revenues	<u>18,226</u>	<u>27,144</u>	<u>8,060</u>	<u>14,379</u>	<u>2,909</u>
<b>OPERATING EXPENSES</b>					
Cost of sales and benefits	11,026	22,801	4,764	1,996	1
Interest on notes payable	-	-	-	-	4,040
Personal services	4,519	2,592	2,417	5,380	197
Contractual services	1,265	85	401	4,355	31
Depreciation and amortization	405	464	39	610	-
Insurance	-	-	-	310	-
Other	1,021	1,052	451	1,212	2
Total Operating Expenses	<u>18,236</u>	<u>26,994</u>	<u>8,072</u>	<u>13,863</u>	<u>4,271</u>
Operating Income (Loss)	<u>(10)</u>	<u>150</u>	<u>(12)</u>	<u>516</u>	<u>(1,362)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Gain (Loss) on sale of capital assets	-	4	(3)	-	-
Investment income	124	82	112	359	5,233
Other non-operating revenue	-	-	-	401	-
Other non-operating expense	-	-	(1)	-	(83)
Total Non-Operating Revenues (Expenses)	<u>124</u>	<u>86</u>	<u>108</u>	<u>760</u>	<u>5,150</u>
Income (Loss) Before Contributions and Transfers	<u>114</u>	<u>236</u>	<u>96</u>	<u>1,276</u>	<u>3,788</u>
Transfers in	<u>98</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	212	236	96	1,276	3,788
Total Net Assets - Beginning	<u>6,578</u>	<u>10,721</u>	<u>217</u>	<u>12,213</u>	<u>67,423</u>
Total Net Assets - Ending	<u>\$ 6,790</u>	<u>\$ 10,957</u>	<u>\$ 313</u>	<u>\$ 13,489</u>	<u>\$ 71,211</u>

HEALTHCARE		
GROUP OF		
ARIZONA	OTHER	TOTAL
\$ 70,007	\$ 13,065	\$ 147,526
-	-	795
-	665	665
-	-	2,909
-	27	2,587
<u>70,007</u>	<u>13,757</u>	<u>154,482</u>
82,562	352	123,502
-	-	4,040
3,114	11,285	29,504
3,546	44	9,727
49	321	1,888
-	157	467
1,437	2,099	7,274
<u>90,708</u>	<u>14,258</u>	<u>176,402</u>
<u>(20,701)</u>	<u>(501)</u>	<u>(21,920)</u>
-	-	1
451	18	6,379
206	-	607
-	-	(84)
<u>657</u>	<u>18</u>	<u>6,903</u>
<u>(20,044)</u>	<u>(483)</u>	<u>(15,017)</u>
-	-	98
(20,044)	(483)	(14,919)
<u>(3,696)</u>	<u>12,152</u>	<u>105,608</u>
<u>\$ (23,740)</u>	<u>\$ 11,669</u>	<u>\$ 90,689</u>

STATE OF ARIZONA  
**COMBINING STATEMENT OF CASH FLOWS**  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(Expressed in Thousands)

	ARIZONA INDUSTRIES FOR THE BLIND	ARIZONA CORRECTIONAL INDUSTRIES	ARIZONA HIGHWAYS MAGAZINE	COLISEUM & EXPOSITION CENTER	HIGHWAY EXPANSION & EXTENSION LOAN PROGRAM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 17,209	\$ 26,352	\$ 6,857	\$ 12,684	\$ 3,634
Receipts from federal and local governments	722	-	-	-	-
Receipts from other Funds	-	-	-	-	39,208
Payments to suppliers or insurance companies	(11,703)	(24,699)	(5,568)	(8,047)	(32)
Payments to employees	(4,499)	(2,404)	(2,382)	(5,421)	(197)
Payments to other Funds	-	-	-	-	(5,797)
Other receipts (payments)	(2,212)	-	769	1,716	(1)
Net Cash Provided (Used) by Operating Activities	(483)	(751)	(324)	932	36,815
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Transfers from other Funds	95	-	-	-	-
Transfers to other Funds	-	-	-	-	-
Grants and contributions received	-	-	-	-	-
Other receipts	-	-	-	401	-
Net Cash Provided by Non-capital Financing Activities	95	-	-	401	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(201)	(668)	(18)	(1,846)	-
Principal paid on capital debt, installment purchase contracts, and capital leases	-	-	-	(18)	-
Net Cash (Used) by Capital and Related Financing Activities	(201)	(668)	(18)	(1,864)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends from investments	117	76	113	359	4,917
Purchase of investments	-	-	-	-	-
Other payments	-	-	-	-	(83)
Net Cash Provided (Used) by Investing Activities	117	76	113	359	4,834
Net Increase (Decrease) in Cash and Cash Equivalents	(472)	(1,343)	(229)	(172)	41,649
Cash and Cash Equivalents - Beginning	2,935	3,220	2,324	6,977	88,486
Cash and Cash Equivalents - Ending	\$ 2,463	\$ 1,877	\$ 2,095	\$ 6,805	\$ 130,135
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (10)	\$ 150	\$ (12)	\$ 516	\$ (1,362)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	405	464	39	610	-
Net changes in assets and liabilities:					
(Increase) decrease in receivables, net of allowances	(187)	(728)	(37)	21	-
(Increase) in due from U.S. Government	(73)	-	-	-	-
(Increase) in due from local governments	-	-	-	-	(2)
(Increase) decrease in due from other Funds	-	-	-	-	34,138
(Increase) decrease in inventories, at cost	(451)	242	(33)	-	-
(Increase) decrease in other assets	(10)	(47)	62	216	-
Increase (decrease) in accounts payable	(264)	(1,020)	19	(390)	-
Increase (decrease) in accrued liabilities	76	208	19	(4)	-
(Decrease) in due to others	-	-	-	-	-
Increase (decrease) in due to other Funds	4	-	-	-	4,040
Increase in (decrease) deferred revenue	35	-	(397)	-	-
Increase (decrease) in other liabilities	(8)	(20)	16	(37)	1
Net Cash Provided (Used) by Operating Activities	\$ (483)	\$ (751)	\$ (324)	\$ 932	\$ 36,815
<b>SCHEDULE OF NONCASH INVESTING, CAPITAL AND NON-CAPITAL FINANCING ACTIVITIES</b>					
Change in fair value of investments	\$ (7)	\$ (4)	\$ (11)	\$ 3	\$ (207)
Total Noncash Investing, Capital and Non-capital Financing Activities	\$ (7)	\$ (4)	\$ (11)	\$ 3	\$ (207)

HEALTHCARE		
GROUP OF		
ARIZONA	OTHER	TOTAL
\$ 71,963	\$ 13,538	\$ 152,237
-	-	722
-	-	39,208
(71,262)	(2,897)	(124,208)
(3,057)	(11,239)	(29,199)
-	-	(5,797)
-	27	299
<u>(2,356)</u>	<u>(571)</u>	<u>33,262</u>
-	-	95
(65)	-	(65)
206	-	206
-	-	401
<u>141</u>	<u>-</u>	<u>637</u>
(26)	(4)	(2,763)
-	-	(18)
<u>(26)</u>	<u>(4)</u>	<u>(2,781)</u>
451	22	6,055
-	(55)	(55)
-	-	(83)
<u>451</u>	<u>(33)</u>	<u>5,917</u>
(1,790)	(608)	37,035
<u>14,310</u>	<u>867</u>	<u>119,119</u>
<u>\$ 12,520</u>	<u>\$ 259</u>	<u>\$ 156,154</u>
\$ (20,701)	\$ (501)	\$ (21,920)
49	321	1,888
-	(137)	(1,068)
-	-	(73)
-	-	(2)
-	(55)	34,083
-	-	(242)
(17)	-	204
411	(109)	(1,353)
15,889	46	16,234
-	(135)	(135)
-	(1)	4,043
1,956	-	1,594
57	-	9
<u>\$ (2,356)</u>	<u>\$ (571)</u>	<u>\$ 33,262</u>
<u>\$ 5</u>	<u>\$ -</u>	<u>\$ (221)</u>
<u>\$ 5</u>	<u>\$ -</u>	<u>\$ (221)</u>



STATE OF ARIZONA  
**COMBINING STATEMENT OF NET ASSETS**  
INTERNAL SERVICE FUNDS  
JUNE 30, 2007  
(Expressed in Thousands)

	RISK MANAGEMENT	TRANSPORTATION EQUIPMENT	EMPLOYEE BENEFITS	TELE- COMMUNICATION	TECHNOLOGY
<b>ASSETS</b>					
Current Assets:					
Cash	\$ -	\$ -	\$ -	\$ 2,339	\$ -
Cash and pooled investments with State Treasurer	43,657	8,302	78,505	1,008	6,228
Receivables, net of allowances:					
Interest	-	26	-	-	-
Other	57	-	5,040	530	2,833
Due from U.S. Government	-	-	1,000	-	-
Due from other Funds	5	-	-	-	1,016
Inventories, at cost	-	2,933	-	726	107
Other current assets	3,269	-	-	-	1,355
Total Current Assets	<u>46,988</u>	<u>11,261</u>	<u>84,545</u>	<u>4,603</u>	<u>11,539</u>
Noncurrent Assets:					
Capital assets:					
Depreciable buildings, property and equipment, net of accumulated depreciation	89	52,054	45	795	1,895
Total Noncurrent Assets	<u>89</u>	<u>52,054</u>	<u>45</u>	<u>795</u>	<u>1,895</u>
Total Assets	<u>47,077</u>	<u>63,315</u>	<u>84,590</u>	<u>5,398</u>	<u>13,434</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable and other current liabilities	2,297	238	71,854	41	907
Accrued liabilities	219	1,268	88	-	-
Due to other Funds	31	1	786	101	4
Current portion of accrued insurance losses	52,272	-	-	-	-
Current portion of long-term debt	-	2,672	-	-	-
Current portion of other long-term liabilities	266	-	120	27	431
Total Current Liabilities	<u>55,085</u>	<u>4,179</u>	<u>72,848</u>	<u>169</u>	<u>1,342</u>
Noncurrent Liabilities:					
Accrued insurance losses	291,833	-	-	-	-
Long-term debt	-	5,879	-	-	-
Other long-term liabilities	-	-	-	-	-
Total Noncurrent Liabilities	<u>291,833</u>	<u>5,879</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>346,918</u>	<u>10,058</u>	<u>72,848</u>	<u>169</u>	<u>1,342</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	89	43,503	45	795	1,895
Unrestricted (deficit)	(299,930)	9,754	11,697	4,434	10,197
Total Net Assets	<u>\$ (299,841)</u>	<u>\$ 53,257</u>	<u>\$ 11,742</u>	<u>\$ 5,229</u>	<u>\$ 12,092</u>

RETIREE SICK LEAVE	MOTOR POOL	TOTAL
\$ -	\$ -	\$ 2,339
10,748	11,215	159,663
-	-	26
-	-	8,460
-	-	1,000
-	1,264	2,285
-	14	3,780
-	7	4,631
<u>10,748</u>	<u>12,500</u>	<u>182,184</u>
-	13,607	68,485
-	13,607	68,485
<u>10,748</u>	<u>26,107</u>	<u>250,669</u>
-	406	75,743
-	-	1,575
-	1	924
-	-	52,272
-	-	2,672
6,790	32	7,666
<u>6,790</u>	<u>439</u>	<u>140,852</u>
-	-	291,833
-	-	5,879
4,026	-	4,026
<u>4,026</u>	<u>-</u>	<u>301,738</u>
<u>10,816</u>	<u>439</u>	<u>442,590</u>
-	13,607	59,934
(68)	12,061	(251,855)
<u>\$ (68)</u>	<u>\$ 25,668</u>	<u>\$ (191,921)</u>

STATE OF ARIZONA  
**COMBINING STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN FUND NET ASSETS**  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(Expressed in Thousands)

	RISK MANAGEMENT	TRANSPORTATION EQUIPMENT	EMPLOYEE BENEFITS	TELE- COMMUNICATION	TECHNOLOGY
<b>OPERATING REVENUES</b>					
Sales and charges for services	\$ 97,456	\$ 43,126	\$ 635,500	\$ 6,536	\$ 18,672
Other	-	52	-	-	-
Total Operating Revenues	<u>97,456</u>	<u>43,178</u>	<u>635,500</u>	<u>6,536</u>	<u>18,672</u>
<b>OPERATING EXPENSES</b>					
Cost of sales and benefits	-	17,531	620,826	16	6,554
Personal services	5,323	13,737	2,305	1,285	8,210
Contractual services	30,835	216	1,002	564	1,026
Depreciation and amortization	56	8,022	10	680	970
Insurance	26,418	605	42	66	187
Other	1,635	1,903	-	650	1,917
Total Operating Expenses	<u>64,267</u>	<u>42,014</u>	<u>624,185</u>	<u>3,261</u>	<u>18,864</u>
Operating Income (Loss)	<u>33,189</u>	<u>1,164</u>	<u>11,315</u>	<u>3,275</u>	<u>(192)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Gain (loss) on sale of capital assets	-	122	-	-	(6)
Investment income	-	333	-	-	-
Interest expense	-	(356)	-	-	-
Other non-operating revenue	1	699	-	-	-
Total Non-Operating Revenues (Expenses)	<u>1</u>	<u>798</u>	<u>-</u>	<u>-</u>	<u>(6)</u>
Income (Loss) Before Contributions and Transfers	<u>33,190</u>	<u>1,962</u>	<u>11,315</u>	<u>3,275</u>	<u>(198)</u>
Capital grants and contributions	-	2,314	-	-	23
Transfers out	<u>(2,212)</u>	<u>-</u>	<u>-</u>	<u>(5)</u>	<u>(9)</u>
Change in Net Assets	30,978	4,276	11,315	3,270	(184)
Total Net Assets - Beginning	<u>(330,819)</u>	<u>48,981</u>	<u>427</u>	<u>1,959</u>	<u>12,276</u>
Total Net Assets - Ending	<u>\$ (299,841)</u>	<u>\$ 53,257</u>	<u>\$ 11,742</u>	<u>\$ 5,229</u>	<u>\$ 12,092</u>

RETIREE SICK LEAVE	MOTOR POOL	TOTAL
\$ 13,186	\$ 10,876	\$ 825,352
-	3	55
<u>13,186</u>	<u>10,879</u>	<u>825,407</u>
9,940	4,564	659,431
43	777	31,680
4	130	33,777
-	2,103	11,841
4	1,429	28,751
-	1,821	7,926
<u>9,991</u>	<u>10,824</u>	<u>773,406</u>
<u>3,195</u>	<u>55</u>	<u>52,001</u>
-	110	226
-	-	333
-	-	(356)
-	-	700
<u>-</u>	<u>110</u>	<u>903</u>
<u>3,195</u>	<u>165</u>	<u>52,904</u>
-	750	3,087
<u>-</u>	<u>(2)</u>	<u>(2,228)</u>
3,195	913	53,763
<u>(3,263)</u>	<u>24,755</u>	<u>(245,684)</u>
<u>\$ (68)</u>	<u>\$ 25,668</u>	<u>\$ (191,921)</u>

STATE OF ARIZONA  
**COMBINING STATEMENT OF CASH FLOWS**  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(Expressed in Thousands)

	RISK MANAGEMENT	TRANSPORTATION EQUIPMENT	EMPLOYEE BENEFITS	TELE- COMMUNICATION
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from interfund services / premiums	\$ 97,925	\$ 43,127	\$ 634,346	\$ 6,359
Payments to suppliers or insurance companies	(80,659)	(20,173)	(600,530)	(3,090)
Payments to employees	(5,282)	(13,684)	(2,304)	(1,311)
Payments to retirees	-	-	-	-
Other receipts	-	36	-	-
Net Cash Provided (Used) by Operating Activities	<u>11,984</u>	<u>9,306</u>	<u>31,512</u>	<u>1,958</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers to other Funds	(2,212)	-	-	(5)
Other receipts	1	-	-	-
Net Cash (Used) by Non-capital Financing Activities	<u>(2,211)</u>	<u>-</u>	<u>-</u>	<u>(5)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from sale of capital assets	-	349	-	-
Acquisition and construction of capital assets	(52)	(4,607)	(28)	(207)
Interest paid on capital debt, installment purchase contracts and capital leases	-	(356)	-	-
Principal paid on capital debt, installment purchase contracts and capital leases	-	(2,579)	-	-
Other receipts	-	699	-	-
Net Cash (Used) by Capital and Related Financing Activities	<u>(52)</u>	<u>(6,494)</u>	<u>(28)</u>	<u>(207)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends from investments	-	333	-	-
Net Cash Provided by Investing Activities	<u>-</u>	<u>333</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	9,721	3,145	31,484	1,746
Cash and Cash Equivalents - Beginning	33,936	5,157	47,021	1,601
Cash and Cash Equivalents - Ending	<u>\$ 43,657</u>	<u>\$ 8,302</u>	<u>\$ 78,505</u>	<u>\$ 3,347</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 33,189	\$ 1,164	\$ 11,315	\$ 3,275
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	56	8,022	10	680
Net changes in assets and liabilities:				
(Increase) decrease in receivables, net of allowances	-	(15)	(1,154)	(177)
(Increase) in due from U.S. Government	-	-	(1,000)	-
(Increase) decrease in due from other Funds	469	-	-	-
(Increase) decrease in inventories, at cost	-	(9)	-	(726)
(Increase) decrease in other assets	1,651	-	72	-
Increase (decrease) in accounts payable	(329)	4	22,482	(93)
Increase in accrued liabilities	22	139	11	-
Increase (decrease) in due to other Funds	2	1	(225)	(975)
(Decrease) in accrued insurance losses	(23,095)	-	-	-
Increase (decrease) in other liabilities	19	-	1	(26)
Net Cash Provided (Used) by Operating Activities	<u>\$ 11,984</u>	<u>\$ 9,306</u>	<u>\$ 31,512</u>	<u>\$ 1,958</u>
<b>SCHEDULE OF NONCASH INVESTING, CAPITAL AND NON-CAPITAL FINANCING ACTIVITIES</b>				
Contribution of capital assets from other funds	\$ -	\$ 2,314	\$ -	\$ -
Total Noncash Investing, Capital and Non-capital Financing Activities	<u>\$ -</u>	<u>\$ 2,314</u>	<u>\$ -</u>	<u>\$ -</u>

TECHNOLOGY	RETIREE SICK LEAVE	MOTOR POOL	TOTAL
\$ 18,844	\$ 13,186	\$ 11,187	\$ 824,974
(11,269)	-	(8,077)	(723,798)
(8,278)	(43)	(778)	(31,680)
-	(10,527)	-	(10,527)
-	-	3	39
<u>(703)</u>	<u>2,616</u>	<u>2,335</u>	<u>59,008</u>

(9)	-	(2)	(2,228)
-	-	-	1
<u>(9)</u>	<u>-</u>	<u>(2)</u>	<u>(2,227)</u>

-	-	-	349
(791)	-	(1,966)	(7,651)
-	-	-	(356)
-	-	-	(2,579)
-	-	-	699
<u>(791)</u>	<u>-</u>	<u>(1,966)</u>	<u>(9,538)</u>

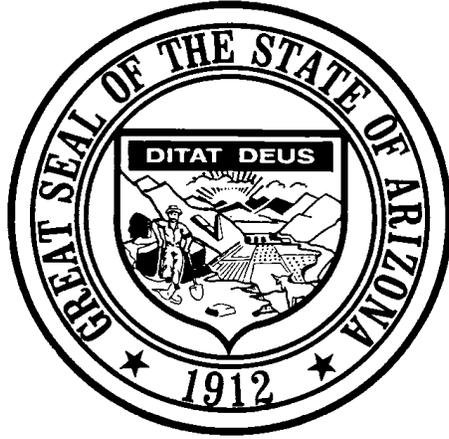
-	-	-	333
-	-	-	333

(1,503)	2,616	367	47,576
7,731	8,132	10,848	114,426
<u>\$ 6,228</u>	<u>\$ 10,748</u>	<u>\$ 11,215</u>	<u>\$ 162,002</u>

\$ (192)	\$ 3,195	\$ 55	\$ 52,001
970	-	2,103	11,841
(953)	-	723	(1,576)
-	-	-	(1,000)
1,125	-	(412)	1,182
(94)	-	21	(808)
823	-	(1)	2,545
(2,316)	-	(154)	19,594
-	-	-	172
2	-	1	(1,194)
-	-	-	(23,095)
<u>(68)</u>	<u>(579)</u>	<u>(1)</u>	<u>(654)</u>
<u>\$ (703)</u>	<u>\$ 2,616</u>	<u>\$ 2,335</u>	<u>\$ 59,008</u>

\$ 23	\$ -	\$ 750	\$ 3,087
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<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 750</u>	<u>\$ 3,087</u>
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# **PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS**

*Pension Trust Funds account for transactions of the four public employee retirement systems for which the State acts as trustee.*

**The Arizona State Retirement System (ASRS)** is a cost-sharing, multiple-employer pension system that benefits employees of public schools, the State and its political subdivisions.

**The Public Safety Personnel Retirement System** is an agent multiple-employer pension system that benefits fire fighters and police officers employed by the State and its political subdivisions.

**The Elected Officials' Retirement Plan** is a cost-sharing, multiple-employer pension plan that benefits all elected State and county officials and judges and certain elected city officials.

**The Corrections Officer Retirement Plan** is an agent multiple-employer pension plan that benefits town, city and county detention officers and certain employees of the State's Department of Corrections and Department of Juvenile Corrections.

*Other Employee Benefit Trust Funds account for health insurance premium subsidies and long-term disability benefits paid by the ASRS to State employees and employees of other governmental entities participating in the plans.*

**The Health Benefit Supplement Fund** is a benefit cost-sharing, multiple-employer post-employment benefit plan that provides for health insurance premium subsidies to eligible retired and disabled members.

**The Long-Term Disability Fund** is a benefit cost-sharing, multiple-employer post-employment benefit plan that provides for long term disability benefits to eligible participants.

STATE OF ARIZONA  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS  
JUNE 30, 2007  
(Expressed in Thousands)

	PENSION TRUST FUNDS			
	STATE RETIREMENT	PUBLIC SAFETY	ELECTED OFFICIALS'	CORRECTIONS OFFICER
<b>ASSETS</b>				
Cash	\$ 18,299	\$ 5,042	\$ 286	\$ 428
Prepaid benefits	129,917	-	-	-
Receivables, net of allowances:				
Accrued interest and dividends	56,296	19,684	1,396	3,836
Securities sold	663,703	18,048	1,202	3,268
Forward contract receivable	1,288,258	-	-	-
Contributions	35,216	5,286	277	2,182
Court fees	-	-	364	-
Due from other Funds	-	-	-	-
Miscellaneous receivables	5,364	1,367	18	5
Total receivables	<u>2,048,837</u>	<u>44,385</u>	<u>3,257</u>	<u>9,291</u>
Investments, at fair value:				
Temporary investments	2,491,214	-	-	-
Temporary investments from securities lending	3,396,838	-	-	-
U.S. Government securities	3,864,743	560,685	35,244	97,895
Corporate bonds	2,064,607	547,312	39,395	106,271
Corporate notes	-	202,011	11,589	45,860
Corporate stocks	18,604,089	4,037,779	270,935	731,764
Real estate mortgages and contracts	556,954	-	-	-
Collateral investment pool	-	1,330,488	103,894	263,196
Other investments	-	194,828	13,226	33,076
Total investments	<u>30,978,445</u>	<u>6,873,103</u>	<u>474,283</u>	<u>1,278,062</u>
Property and equipment, net of accumulated depreciation	-	4,126	275	726
Total Assets	<u>33,175,498</u>	<u>6,926,656</u>	<u>478,101</u>	<u>1,288,507</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	1,318,001	219	360	904
Payable for securities purchased	1,389,184	64,155	4,006	11,469
Obligation under securities loan agreements	3,396,838	1,330,488	103,894	263,196
Due to other Funds	1,917	-	-	-
Total Liabilities	<u>6,105,940</u>	<u>1,394,862</u>	<u>108,260</u>	<u>275,569</u>
<b>NET ASSETS</b>				
Held in Trust for Pension Benefits	<u>\$ 27,069,558</u>	<u>\$ 5,531,794</u>	<u>\$ 369,841</u>	<u>\$ 1,012,938</u>

OTHER EMPLOYEE  
BENEFIT TRUST FUNDS

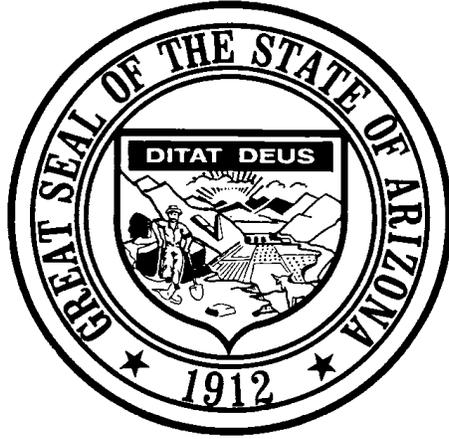
HEALTH BENEFIT SUPPLEMENT FUND		LONG-TERM DISABILITY FUND		TOTAL
\$	789	\$	4,621	\$ 29,465
	-		-	129,917
	2,426		19	83,657
	28,607		-	714,828
	55,526		-	1,343,784
	2,553		2,196	47,710
	-		-	364
	-		1,917	1,917
	205		1,812	8,771
	<u>89,317</u>		<u>5,944</u>	<u>2,201,031</u>
	107,375		6	2,598,595
	146,409		-	3,543,247
	166,577		35,341	4,760,485
	88,988		22,949	2,869,522
	-		-	259,460
	801,866		158,485	24,604,918
	24,006		16,367	597,327
	-		-	1,697,578
	<u>-</u>		<u>-</u>	<u>241,130</u>
	<u>1,335,221</u>		<u>233,148</u>	<u>41,172,262</u>
	-		-	5,127
	<u>1,425,327</u>		<u>243,713</u>	<u>43,537,802</u>
	56,089		227	1,375,800
	59,876		-	1,528,690
	146,409		-	5,240,825
	<u>-</u>		<u>-</u>	<u>1,917</u>
	<u>262,374</u>		<u>227</u>	<u>8,147,232</u>
\$	<u><u>1,162,953</u></u>	\$	<u><u>243,486</u></u>	\$ <u><u>35,390,570</u></u>

STATE OF ARIZONA  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(Expressed in Thousands)

	PENSION TRUST FUNDS			
	STATE RETIREMENT	PUBLIC SAFETY	ELECTED OFFICIALS'	CORRECTIONS OFFICER
<b>ADDITIONS:</b>				
Member contributions	\$ 766,962	\$ 84,630	\$ 4,090	\$ 41,355
Employer contributions	663,544	166,578	6,080	22,710
Member purchase of service credit	97,863	9,160	1,957	930
Court fees	-	-	3,978	-
Investment income:				
Net increase in fair value of investments	3,584,175	649,746	43,615	115,077
Interest income	290,703	89,695	6,114	16,746
Dividends	262,559	75,156	4,800	13,002
Real estate	11,997	-	-	-
Other investment income	7,064	-	-	-
Securities lending income	142,707	64,286	4,533	11,638
Total investment income	4,299,205	878,883	59,062	156,463
Less investment expenses:				
Investment activity expenses	57,437	1,426	109	259
Security lending expenses	136,124	61,933	4,355	11,354
Net investment income	4,105,644	815,524	54,598	144,850
Other additions	9,685	1,640	1,191	456
Total Additions	5,643,698	1,077,532	71,894	210,301
<b>DEDUCTIONS:</b>				
Retirement and disability benefits	1,650,818	439,336	28,717	39,717
Death benefits	21,590	-	-	-
Refunds to withdrawing members, including interest	77,910	8,709	128	16,634
Administrative expense	29,817	3,971	340	732
Other deductions	13,651	121	20	2,063
Total Deductions	1,793,786	452,137	29,205	59,146
Change in net assets held in trust for pension benefits	3,849,912	625,395	42,689	151,155
Net Assets - Beginning	23,219,646	4,906,399	327,152	861,783
Net Assets - Ending	\$ 27,069,558	\$ 5,531,794	\$ 369,841	\$ 1,012,938

OTHER EMPLOYEE  
BENEFIT TRUST FUNDS

HEALTH		
BENEFIT SUPPLEMENT FUND	LONG-TERM DISABILITY FUND	TOTAL
\$ -	\$ 44,518	\$ 941,555
103,473	44,518	1,006,903
-	-	109,910
-	-	3,978
152,519	29,395	4,574,527
12,370	176	415,804
11,173	14	366,704
511	-	12,508
(51)	941	7,954
6,073	-	229,237
182,595	30,526	5,606,734
2,454	-	61,685
5,793	-	219,559
174,348	30,526	5,325,490
-	-	12,972
277,821	119,562	7,400,808
83,236	69,221	2,311,045
-	-	21,590
-	-	103,381
1,270	2,575	38,705
108	282	16,245
84,614	72,078	2,490,966
193,207	47,484	4,909,842
969,746	196,002	30,480,728
\$ 1,162,953	\$ 243,486	\$ 35,390,570



## INVESTMENT TRUST FUNDS

*Investment Trust Funds account for assets held by the State in a trustee capacity for local governments and political subdivisions of the State of Arizona which have elected to invest idle cash with the State Treasurer's Office. The Treasurer acts as trustee for the deposits made by participants.*

**Central Arizona Water Conservation District** is an Investment Trust Account composed of corporate debt and United States Government securities. The Central Arizona Water Conservation District is the only participant in the account.

**Local Government Investment Pool** is an Investment Trust Account composed of corporate debt, negotiable certificates of deposit, and United States Government securities.

**Local Government Investment Pool – Long-Term** is an Investment Trust Account composed of corporate debt, negotiable certificates of deposit, and United States Government securities.

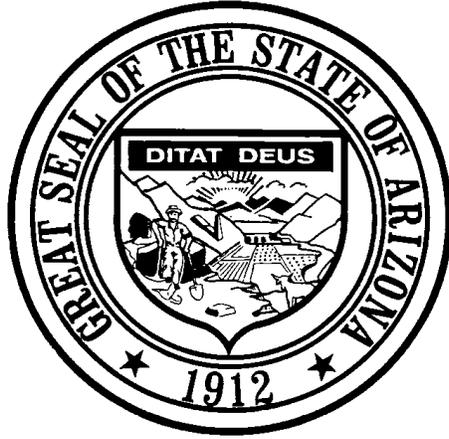
**Local Government Investment Pool – Government** is an Investment Trust Account composed of repurchase agreements and United States Government securities. All investments of the fund are backed by the full faith and credit of the United States Government.

STATE OF ARIZONA  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
INVESTMENT TRUST FUNDS  
JUNE 30, 2007  
(Expressed in Thousands)

	CENTRAL ARIZONA WATER CONSERVATION DISTRICT	LOCAL GOVERNMENT INVESTMENT POOL	LOCAL GOVERNMENT INVESTMENT POOL – LONG-TERM	LOCAL GOVERNMENT INVESTMENT POOL – GOVERNMENT	TOTAL
<b>ASSETS</b>					
Receivables, net of allowances:					
Accrued interest and dividends	\$ 835	\$ 6,565	\$ 240	\$ 4,823	\$ 12,463
Total receivables	<u>835</u>	<u>6,565</u>	<u>240</u>	<u>4,823</u>	<u>12,463</u>
Investments, at fair value:					
U.S. Government securities	70,214	712,547	20,487	245,780	1,049,028
Corporate bonds	30,964	1,154,702	6,605	-	1,192,271
Repurchase agreements	-	-	-	1,719,928	1,719,928
Money market mutual funds	4,646	-	479	-	5,125
Other	-	-	44	-	44
Total investments	<u>105,824</u>	<u>1,867,249</u>	<u>27,615</u>	<u>1,965,708</u>	<u>3,966,396</u>
Total Assets	<u>106,659</u>	<u>1,873,814</u>	<u>27,855</u>	<u>1,970,531</u>	<u>3,978,859</u>
<b>LIABILITIES</b>					
Due to local governments	<u>863</u>	<u>886</u>	<u>243</u>	<u>4,730</u>	<u>6,722</u>
Total Liabilities	<u>863</u>	<u>886</u>	<u>243</u>	<u>4,730</u>	<u>6,722</u>
<b>NET ASSETS</b>					
Held in trust for pool participants	<u>\$ 105,796</u>	<u>\$ 1,872,928</u>	<u>\$ 27,612</u>	<u>\$ 1,965,801</u>	<u>\$ 3,972,137</u>
Net assets consist of:					
Participant shares outstanding	105,796	1,872,928	27,935	1,965,801	3,972,460
Participants' net asset value (net assets/shares outstanding)	\$ 1.00	\$ 1.00	\$ 0.99	\$ 1.00	

STATE OF ARIZONA  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
INVESTMENT TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007  
(Expressed in Thousands)

	CENTRAL ARIZONA WATER CONSERVATION DISTRICT	LOCAL GOVERNMENT INVESTMENT POOL	LOCAL GOVERNMENT INVESTMENT POOL – LONG-TERM	LOCAL GOVERNMENT INVESTMENT POOL – GOVERNMENT	TOTAL
<b>ADDITIONS:</b>					
Investment income:					
Net increase in fair value of investments	\$ 813	\$ 493	\$ 172	\$ 2,457	\$ 3,935
Interest income	5,040	89,687	1,330	87,593	183,650
Total investment income	5,853	90,180	1,502	90,050	187,585
Less: Investment activity expenses	85	1,362	22	1,377	2,846
Net investment income	5,768	88,818	1,480	88,673	184,739
Capital share and individual account transactions:					
Shares sold	1,276	3,092,940	265	2,431,812	5,526,293
Reinvested interest income	4,881	82,355	1,391	83,118	171,745
Shares redeemed	(4,404)	(2,716,592)	(14,732)	(2,222,209)	(4,957,937)
Net capital share and individual account transactions	1,753	458,703	(13,076)	292,721	740,101
Total Additions	7,521	547,521	(11,596)	381,394	924,840
<b>DEDUCTIONS:</b>					
Dividends to investors	5,769	88,818	1,480	88,673	184,740
Total Deductions	5,769	88,818	1,480	88,673	184,740
Change in net assets held in trust for pool participants	1,752	458,703	(13,076)	292,721	740,100
Net Assets - Beginning	104,044	1,414,225	40,688	1,673,080	3,232,037
Net Assets - Ending	\$ 105,796	\$ 1,872,928	\$ 27,612	\$ 1,965,801	\$ 3,972,137



## AGENCY FUNDS

*Agency Funds account for the receipt and disbursement of various taxes, deposits, deductions, property collected by the State, and payment of the health insurance subsidy by the PSPRS, the EORP, and the CORP, where the State acts as an agent for distribution to other governmental units or organizations.*

**The Treasurer Custodial Securities Fund** consists of securities held by the State Treasurer for various State agencies as required by statute.

**The Health Insurance Subsidy Fund** accounts for other post-employment benefit payments of the health insurance subsidy by the PSPRS, the EORP, and the CORP for eligible retired and disabled members.

**The Other Treasurer Funds** account for other various deposits that are required to be made by other governmental units or organizations with the State Treasurer.

**The Other Funds** consist of various funds where the State acts as an agent for distribution to other governmental units or organizations.



STATE OF ARIZONA  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
 AGENCY FUNDS  
 JUNE 30, 2007  
 (Expressed in Thousands)

	TREASURER CUSTODIAL SECURITIES FUND	OTHER TREASURER FUNDS	OTHER FUNDS	TOTAL
<b>ASSETS</b>				
Cash	\$ -	\$ -	\$ 34,879	\$ 34,879
Cash and pooled investments with State Treasurer	-	30,250	239,812	270,062
Short-term investments	-	-	5,096	5,096
Receivables, net of allowances:				
Accrued interest and dividends	-	105	283	388
Due from others	-	-	76,257	76,257
Custodial securities in safekeeping	2,714,882	-	74,600	2,789,482
Other assets	-	-	4,917	4,917
<b>Total Assets</b>	<b>\$ 2,714,882</b>	<b>\$ 30,355</b>	<b>\$ 435,844</b>	<b>\$ 3,181,081</b>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	\$ -	\$ 580	\$ 189,004	\$ 189,584
Accrued liabilities	-	-	13,614	13,614
Due to local governments	-	10,254	948	11,202
Due to others	2,714,882	19,521	232,278	2,966,681
<b>Total Liabilities</b>	<b>\$ 2,714,882</b>	<b>\$ 30,355</b>	<b>\$ 435,844</b>	<b>\$ 3,181,081</b>

STATE OF ARIZONA  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
 AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007  
 (Expressed in Thousands)

	BALANCE JULY 1, 2006	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2007
<b>TREASURER CUSTODIAL SECURITIES FUND</b>				
Assets:				
Custodial securities in safekeeping	\$ 2,578,150	\$ 136,732	\$ -	\$ 2,714,882
Total Assets	<u>\$ 2,578,150</u>	<u>\$ 136,732</u>	<u>\$ -</u>	<u>\$ 2,714,882</u>
Liabilities:				
Due to others	\$ 2,578,150	\$ 136,732	\$ -	\$ 2,714,882
Total Liabilities	<u>\$ 2,578,150</u>	<u>\$ 136,732</u>	<u>\$ -</u>	<u>\$ 2,714,882</u>
 <b>OTHER TREASURER FUNDS</b>				
Assets:				
Cash and pooled investments with State Treasurer	\$ 38,059	\$ 652,837	\$ 660,646	\$ 30,250
Interest receivable	111	105	111	105
Total Assets	<u>\$ 38,170</u>	<u>\$ 652,942</u>	<u>\$ 660,757</u>	<u>\$ 30,355</u>
Liabilities:				
Accounts payable and other current liabilities	\$ 392	\$ 65,486	\$ 65,298	\$ 580
Due to local governments	18,210	565,819	573,775	10,254
Due to others	19,568	34,151	34,198	19,521
Total Liabilities	<u>\$ 38,170</u>	<u>\$ 665,456</u>	<u>\$ 673,271</u>	<u>\$ 30,355</u>
 <b>HEALTH INSURANCE SUBSIDY FUND</b>				
Assets:				
Cash	\$ -	\$ 13,773	\$ 13,773	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 13,773</u>	<u>\$ 13,773</u>	<u>\$ -</u>
Liabilities:				
Benefits payable	\$ -	\$ 13,773	\$ 13,773	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 13,773</u>	<u>\$ 13,773</u>	<u>\$ -</u>

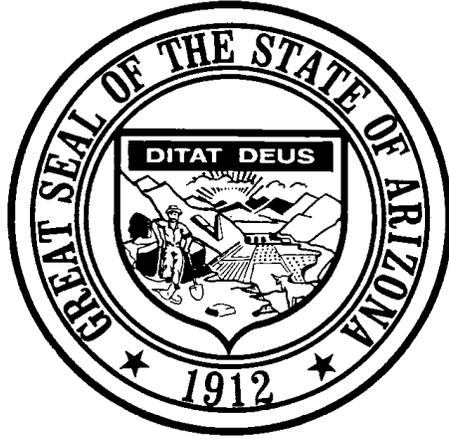
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STATE OF ARIZONA  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
 AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007  
 (Expressed in Thousands)

	BALANCE JULY 1, 2006	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2007
<b>OTHER FUNDS</b>				
Assets:				
Cash	\$ 41,132	\$ 712,675	\$ 718,928	\$ 34,879
Cash and pooled investments with State Treasurer	338,740	6,702,109	6,801,037	239,812
Short-term investments	5,906	5,096	5,906	5,096
Receivables, net of allowances:				
Interest	675	275	667	283
Due from others	92,983	76,257	92,983	76,257
Custodial securities in safekeeping	63,426	74,600	63,426	74,600
Other assets	4,072	4,917	4,072	4,917
<b>Total Assets</b>	<b>\$ 546,934</b>	<b>\$ 7,575,929</b>	<b>\$ 7,687,019</b>	<b>\$ 435,844</b>
Liabilities:				
Accounts payable and other current liabilities	\$ 187,882	\$ 9,185,600	\$ 9,184,478	\$ 189,004
Accrued liabilities	8,112	13,614	8,112	13,614
Due to local governments	845	3,176	3,073	948
Due to others	350,095	1,122,603	1,240,420	232,278
<b>Total Liabilities</b>	<b>\$ 546,934</b>	<b>\$ 10,324,993</b>	<b>\$ 10,436,083</b>	<b>\$ 435,844</b>

**COMBINED TOTAL ALL AGENCY FUNDS**

Assets:				
Cash	\$ 41,132	\$ 726,448	\$ 732,701	\$ 34,879
Cash and pooled investments with State Treasurer	376,799	7,354,946	7,461,683	270,062
Short-term investments	5,906	5,096	5,906	5,096
Receivables, net of allowances:				
Interest	786	380	778	388
Due from others	92,983	76,257	92,983	76,257
Custodial securities in safekeeping	2,641,576	211,332	63,426	2,789,482
Other assets	4,072	4,917	4,072	4,917
<b>Total Assets</b>	<b>\$ 3,163,254</b>	<b>\$ 8,379,376</b>	<b>\$ 8,361,549</b>	<b>\$ 3,181,081</b>
Liabilities:				
Accounts payable and other current liabilities	\$ 188,274	\$ 9,251,086	\$ 9,249,776	\$ 189,584
Benefits payable	-	13,773	13,773	-
Accrued liabilities	8,112	13,614	8,112	13,614
Due to local governments	19,055	568,995	576,848	11,202
Due to others	2,947,813	1,293,486	1,274,618	2,966,681
<b>Total Liabilities</b>	<b>\$ 3,163,254</b>	<b>\$ 11,140,954</b>	<b>\$ 11,123,127</b>	<b>\$ 3,181,081</b>



## **NON-MAJOR UNIVERSITIES – AFFILIATED COMPONENT UNITS**

*Component units affiliated with the Universities are legally separate, tax-exempt organizations controlled by separate Boards of Directors that meet the criteria established in GASB 39, with the exception of the Collegiate Golf Foundation and University of Arizona Campus Research Corporation (CRC). The Collegiate Golf Foundation is included because it is a legally separate organization that the State believes would be misleading to exclude due to its financial relationship to the State. The CRC is included because the U of A appoints a majority of the board of directors and approves the budget; the U of A can thus impose its will on the CRC.*

**The Northern Arizona University Foundation** receives gifts and bequests, administers and invests securities and property, and disburses payments to and on behalf of the NAU for advancement of its mission.

**The Northern Arizona Capital Facilities Finance Corporation** was established for the purpose of acquiring, developing, constructing, maintaining and operating student housing and other capital facilities and equipment for the use and benefit of the NAU's students.

**Mesa Student Housing, LLC** provides facilities for either the use by students of the ASU or the ASU itself.

**Sun Angel Foundation** receives funds primarily through donations and dues, and contribute funds to the ASU for support of various programs.

**Sun Angel Endowment** receives funds primarily through donations and dues, and contribute funds to the ASU for support of various programs.

**The Collegiate Golf Foundation** operates an ASU-owned golf course.

**Arizona State University Research Park, Inc.** is developing a research park to promote and support research activities in coordination with the ASU.

**The Arizona State University Alumni Association** receives funds primarily through donations and dues, and contribute funds to the ASU for support of various programs.

**The University of Arizona Law College Association** was established to provide support and financial assistance to the College of Law at the U of A. The Law Association funds provide support to the College on many levels, from endowed student scholarships to named faculty professorships.

**The University of Arizona Campus Research Corporation** was established to assist the U of A in the acquisition, improvement, and operation of the U of A Science and Technology Park (Park) and related properties. The CRC currently leases from the U of A the remaining 32% of building space of the Park not leased to the Arizona Research Park Authority. The CRC is responsible for assisting in the development of the presently undeveloped portions of the Park and for subleasing unoccupied space, newly developed space, and space now occupied by IBM or its subtenants once the current subleases expire. The U of A is responsible for payment of operational expenses associated with the space occupied by the U of A departments, offices and programs.

**The University of Arizona Alumni Association** was established to serve the U of A and its graduates, former students, and friends by attracting, organizing and encouraging them to advance the U of A's missions - teaching, research, and public service.

STATE OF ARIZONA  
**COMBINING STATEMENT OF FINANCIAL POSITION**  
NON-MAJOR UNIVERSITIES - AFFILIATED COMPONENT UNITS  
JUNE 30, 2007  
(Expressed in Thousands)

	NORTHERN ARIZONA UNIVERSITY FOUNDATION	NORTHERN ARIZONA CAPITAL FACILITIES FINANCE CORP.	MESA STUDENT HOUSING	SUN ANGEL FOUNDATION	SUN ANGEL ENDOWMENT
<b>ASSETS</b>					
Cash and cash equivalent investments	\$ 3,346	\$ 24	\$ 538	\$ 1,371	\$ 454
Receivables:					
Pledges receivable	11,847	-	-	5,050	-
Other receivables	302	558	45	249	-
Total receivables	12,149	558	45	5,299	-
Investments:					
Investments in securities	58,762	-	3,635	-	12,018
Investments held in trust for Universities	3,721	5,203	-	-	-
Other investments	-	-	-	-	-
Total investments	62,483	5,203	3,635	-	12,018
Net direct financing leases	-	35,277	-	-	-
Property and equipment, net of accumulated depreciation	88	9,209	14,351	260	-
Other assets	760	2,565	983	79	27
Total Assets	78,826	52,836	19,552	7,009	12,499
<b>LIABILITIES</b>					
Liability under Universities' endowment trust agreements	6,015	-	-	-	-
Bonds payable	-	47,778	19,583	-	-
Unearned revenue	-	-	86	-	-
Other liabilities	1,456	1,251	1,420	1,982	-
Total Liabilities	7,471	49,029	21,089	1,982	-
<b>NET ASSETS</b>					
Permanently restricted	34,193	-	-	-	1,843
Temporarily restricted	25,025	-	-	4,803	923
Unrestricted (deficit)	12,137	3,807	(1,537)	224	9,733
Total Net Assets	\$ 71,355	\$ 3,807	\$ (1,537)	\$ 5,027	\$ 12,499

COLLEGIATE GOLF FOUNDATION	ARIZONA STATE UNIVERSITY RESEARCH PARK, INC.	ARIZONA STATE UNIVERSITY ALUMNI ASSOCIATION	UNIVERSITY OF ARIZONA LAW COLLEGE ASSOCIATION	UNIVERSITY OF ARIZONA CAMPUS RESEARCH CORPORATION	UNIVERSITY OF ARIZONA ALUMNI ASSOCIATION	TOTALS
\$ 130	\$ 1,601	\$ 761	\$ 3,618	\$ 1,941	\$ 1,918	\$ 15,702
-	-	-	29,516	-	-	46,413
162	6,683	165	-	1,411	1,538	11,113
162	6,683	165	29,516	1,411	1,538	57,526
-	1,512	14,832	4,854	-	4,016	99,629
-	-	-	-	-	-	8,924
-	-	-	250	-	-	250
-	1,512	14,832	5,104	-	4,016	108,803
-	-	-	-	-	-	35,277
185	7,783	-	117	11,427	48	43,468
213	2,419	218	-	4,721	95	12,080
690	19,998	15,976	38,355	19,500	7,615	272,856
-	-	-	-	-	-	6,015
-	12,325	-	-	10,537	22	90,245
70	13,754	1,931	-	468	3,282	19,591
567	1,557	99	36	2,341	70	10,779
637	27,636	2,030	36	13,346	3,374	126,630
-	-	-	3,353	-	-	39,389
-	-	96	33,289	-	-	64,136
53	(7,638)	13,850	1,677	6,154	4,241	42,701
\$ 53	\$ (7,638)	\$ 13,946	\$ 38,319	\$ 6,154	\$ 4,241	\$ 146,226

STATE OF ARIZONA  
**COMBINING STATEMENT OF ACTIVITIES**  
NON-MAJOR UNIVERSITIES - AFFILIATED COMPONENT UNITS  
JUNE 30, 2007  
(Expressed in Thousands)

	NORTHERN ARIZONA UNIVERSITY FOUNDATION	NORTHERN ARIZONA CAPITAL FACILITIES FINANCE CORP.	MESA STUDENT HOUSING	SUN ANGEL FOUNDATION	SUN ANGEL ENDOWMENT
<b>REVENUES</b>					
Contributions	\$ 16,358	\$ -	\$ -	\$ 14,294	\$ 203
Rental revenue	-	711	5,577	-	-
Sales and services	-	-	145	553	-
Net investment income	7,043	1,375	195	361	1,675
Capital lease revenue	-	22,295	-	-	-
Other revenues	1,212	-	119	1,069	11
<b>Total Revenues</b>	<b>24,613</b>	<b>24,381</b>	<b>6,036</b>	<b>16,277</b>	<b>1,889</b>
<b>EXPENSES</b>					
Program services:					
Payments to Universities	-	-	-	14,850	-
Leasing related expenses	-	-	-	-	-
Payments on behalf of Universities	-	-	-	-	-
Other program services	4,333	-	-	-	408
Personal services, operations, and administrative expenses	303	295	3,996	883	92
Fundraising expenses	1,856	-	-	938	-
Interest	-	1,446	1,214	-	-
Assets expensed under capital lease agreement	-	19,928	-	-	-
Other expenses	-	40	802	91	-
<b>Total Expenses</b>	<b>6,492</b>	<b>21,709</b>	<b>6,012</b>	<b>16,762</b>	<b>500</b>
Increase (Decrease) in Net Assets	18,121	2,672	24	(485)	1,389
Net Assets - Beginning, as restated	53,234	1,135	(1,561)	5,512	11,110
Net Assets - Ending	\$ 71,355	\$ 3,807	\$ (1,537)	\$ 5,027	\$ 12,499

COLLEGIATE GOLF FOUNDATION	ARIZONA STATE UNIVERSITY RESEARCH PARK, INC.	ARIZONA STATE UNIVERSITY ALUMNI ASSOCIATION	UNIVERSITY OF ARIZONA LAW COLLEGE ASSOCIATION	UNIVERSITY OF ARIZONA CAMPUS RESEARCH CORPORATION	UNIVERSITY OF ARIZONA ALUMNI ASSOCIATION	TOTALS
\$ -	\$ -	\$ 1,267	\$ 4,377	\$ -	\$ 227	\$ 36,726
-	5,530	-	-	7,829	-	19,647
4,550	-	2,677	-	-	1,142	9,067
7	133	2,049	689	49	515	14,091
-	-	-	-	-	-	22,295
-	45	21	74	16	2,838	5,405
4,557	5,708	6,014	5,140	7,894	4,722	107,231
-	1,933	-	-	-	-	16,783
-	-	-	-	6,680	-	6,680
-	-	-	3,029	939	3,048	7,016
-	-	-	-	-	-	4,741
4,512	1,229	4,343	44	934	775	17,406
-	-	-	36	-	136	2,966
17	493	-	-	-	-	3,170
-	-	-	-	-	-	19,928
61	713	-	54	39	-	1,800
4,590	4,368	4,343	3,163	8,592	3,959	80,490
(33)	1,340	1,671	1,977	(698)	763	26,741
86	(8,978)	12,275	36,342	6,852	3,478	119,485
\$ 53	\$ (7,638)	\$ 13,946	\$ 38,319	\$ 6,154	\$ 4,241	\$ 146,226

