CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Fiscal Years 1997-2006

(Dollars in Thousands)

		2006	2005	2004	2003	2002
Revenues						
Taxes	[5]	$ 19,848,465	$ 17,618,730	$ 15,961,629	$ 15,394,024	$ 14,894,796
Federal funds		11,315,722	11,287,454	10,089,075	8,672,065	8,459,344
Local funds		610,501	767,067	657,954	586,638	702,076
Investment earnings	[2]	384,014	292,406	160,846	320,023	335,082
Interest earnings on loans		5,405	5,664	5,801	7,165	47,421
Sales and services		260,538	235,894	210,161	184,739	194,548
Rental and lease of property		25,982	38,585	27,848	22,175	24,359
Fees, licenses and fines		1,405,569	1,218,431	1,035,303	915,380	864,912
Tobacco settlement		136,453	148,641	146,452	173,256	175,836
Contributions, gifts, and grants		118,936	108,450	150,731	90,486	93,802
Funds escheated		108,075	49,684	55,330	41,369	90,181
Federal funds for fiscal relief		—	—	136,859	136,859	N/A
Miscellaneous		161,052	146,529	196,937	147,777	145,887
Total revenues	[3]	34,380,712	31,917,535	28,834,926	26,691,956	26,028,244
Expenditures						
Current:						
General government		963,899	754,175	711,327	691,267	809,398
Education	[4]	N/A	N/A	N/A	N/A	N/A
Primary and secondary education	[4]	8,211,998	7,713,265	7,223,143	6,863,338	6,802,662
Higher education	[4]	3,471,604	3,576,766	3,140,698	2,813,629	2,519,624
Health and human services	[1]	13,318,071	13,376,364	11,722,721	10,583,184	10,398,386
Economic development		643,510	622,000	532,674	484,298	498,644
Environment and natural resources	[1]	626,442	579,853	581,726	534,405	574,871
Public safety, corrections, and regulation		2,291,596	2,123,837	2,073,338	1,998,576	2,070,166
Transportation		3,219,549	3,511,161	3,389,042	2,967,551	2,992,187
Agriculture		110,626	82,508	81,488	81,857	122,337
Retiree tax judgements		—	—	—	—	—
Capital outlay		270,882	313,932	385,506	104,379	126,011
Debt service:						
Principal		367,946	303,818	235,792	168,009	180,398
Interest		288,088	241,936	185,350	152,110	147,580
Debt issuance cost		1,645	7,454	4,830	1,410	734
Total expenditures	[3]	33,785,856	33,207,069	30,267,635	27,444,013	27,242,998
Excess revenues over (under) expenditures		594,856	(1,289,534)	(1,432,709)	(752,057)	(1,214,754)
Other Financing Sources (Uses)						
Bonds issued		370,000	1,075,140	1,377,560	711,600	605,000
Certificates of participation issued		—	188,385	283,955	17,500	—
Refunding bonds issued		—	959,665	326,710	556,350	—
Other debt issued		30,688	12,686	17,597	—	4,832
Premium on debt issued		16,338	210,116	137,256	25,017	14,733
Discount on debt issued		—	—	—	(254)	—
Payments to refunded bond escrow agent		—	(1,059,663)	(346,915)	(558,444)	—
Capital leases		26,745	212	—	150	216
Sale of capital assets		20,131	14,674	10,105	8,882	12,570
Insurance recoveries		6,537				
Transfers in		1,784,222	1,754,448	1,566,520	1,587,388	1,478,308
Transfers out		(1,718,585)	(1,760,801)	(1,557,208)	(1,583,075)	(1,414,418)
Total other financing sources (uses)		536,076	1,394,862	1,815,580	765,114	701,241
Net change in fund balances		$ 1,130,932	$ 105,328	$ 382,871	$ 13,057	$ (513,513)
Debt service as a percentage of noncapital expenditures		2.07%	1.80%	1.53%	1.26%	1.30%

All governmental fund types consist of the General Fund, special revenue funds, capital projects funds, and permanent funds. Years prior to 2002 do not include permanent funds.

Table 4

2001	2000	1999	1998	1997
$ 15,147,177	$ 14,569,104	$ 13,817,577	$ 13,287,609	$ 12,177,605
7,924,893	7,253,282	6,297,196	5,983,003	5,857,680
760,607	511,350	469,539	462,879	427,306
487,824	500,854	529,028	575,901	454,678
5,789	5,356	6,665	5,676	4,280
97,686	94,751	92,237	84,087	76,130
43,046	25,059	26,913	26,321	24,738
896,435	1,046,042	895,892	826,491	814,690
140,272	—	N/A	N/A	N/A
122,871	79,554	71,787	61,189	31,805
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
165,349	147,816	172,103	148,794	182,247
25,791,949	24,233,168	22,378,937	21,461,950	20,051,159
1,035,440	1,229,513	1,039,855	1,115,763	921,406
6,964,812	6,674,757	6,253,838	5,416,486	4,775,741
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
9,617,423	8,411,025	7,665,461	7,300,262	6,822,624
453,931	428,819	370,124	321,613	294,787
459,170	371,238	354,025	332,803	668,402
1,948,423	1,999,894	1,670,703	1,578,985	1,613,757
2,820,290	2,598,605	2,508,886	2,384,455	2,205,494
88,623	143,936	72,562	68,573	65,421
58,679	440,000	399,000	400,000	—
155,228	159,241	182,793	203,605	147,194
151,120	141,934	123,952	91,585	82,710
130,343	122,943	103,678	78,454	48,539
N/A	N/A	N/A	N/A	N/A
23,883,482	22,721,905	20,744,877	19,292,584	17,646,075
1,908,467	1,511,263	1,634,060	2,169,366	2,405,084
680,000	200,000	450,055	700,000	645,000
—	—	—	—	—
—	—	26,182	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	(26,182)	—	—
—	339	841	—	247
—	—	—	—	—
1,415,317	1,573,875	1,273,470	1,215,549	1,205,077
(1,427,607)	(1,576,980)	(1,307,996)	(1,217,753)	1,190,085
667,710	197,234	416,370	697,796	3,040,409
$ 2,576,177	$ 1,708,497	$ 2,050,430	$ 2,867,162	$ 5,445,493
1.26%	1.24%	1.17%	0.94%	0.79%

[1] In fiscal years prior to 1998, health expenditures were included in the environment, health and natural resources expenditure function. In the 1998 fiscal year, health expenditures were shifted and are now reflected in the health and human services function.

[2] Fiscal years prior to 1998 do not reflect the implementation of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

[3] Fiscal years prior to 2001 do not reflect the implementation of GASB Statement No. 33, *Accounting for NonexchangeTransactions*. This statement provided new rules on the timing of recognition of nonexchange transactions involving financial or capital resources.

[4] Fiscal years prior to 2002 do not reflect the implementation of GASB - Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (as amended by Statement No. 37), This statement establishes new financial reporting requirements for state and local governments throughout the United States.

[5] For fiscal year ended June 30, 2006, the State changed its methodology for applying GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions to individual income taxes. The State now reports an estimate of underpayments of individual income taxes. The State has also changed its method to estimate overpayments of individual income taxes (i.e., income tax refunds payable and applied refunds). For the purpose of reporting underpayments, the availability period for General Fund individual income taxes was extended from thirty-one days to twelve months after year-end. Where underpayments exceed overpayments, individual income tax revenues are recognized to the extent of estimated overpayments (i.e., income tax refunds payable and applied refunds).