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# **BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**

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## **Comprehensive Annual Financial Report**

for the Fiscal Year Ended June 30, 2013



**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**

**PHOENIX, ARIZONA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Issued by:  
Business and Finance Department

# BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31

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## **INTRODUCTORY SECTION**



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December 19, 2013

Citizens and Governing Board  
Balsz Elementary School District No. 31  
4825 East Roosevelt Street  
Phoenix, Arizona 85008

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Balsz Elementary School District No. 31 (District) for the fiscal year ended June 30, 2013.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Reporting Package.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

## **PROFILE OF THE DISTRICT**

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from kindergarten through grade eight, with an estimated current enrollment of 2,534 students.

The District's Governing Board is organized under Section 15-321 of the Arizona Revised Statutes (A.R.S.). Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expenditures/expenses.

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools. The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, and food services.

The Balsz Elementary School District No. 31 has four K-6 schools (Balsz, Crockett, Griffith, and Brunson-Lee), and one Junior High Prep Academy (Orangedale). The community surrounding the District is characterized by low income and government-subsidized housing, and is located in an identified high crime area in the City of Phoenix. The student population is ethnically diverse and tends to be highly mobile. The vast majority of the students served in the District qualify for the Free and Reduced Lunch Program. Students in the District attend high school in the large Phoenix Union High School District, typically at Camelback High School.

## **MAJOR INITIATIVES**

The motto of the Balsz Elementary School District No. 31 is “Children First”. To achieve this goal, the District provides a full range of educational services; regular education, special education, English as a second language, and gifted education, and offers an extended learning calendar with two hundred days of instruction. The District’s curriculum is aligned with the Arizona Department of Education’s Standards and Performance objectives documents and meets or exceeds all of the requirements set by State law. The student assessment program aligns with the State standards. Each school has developed a consolidated plan for raising student achievement. The Balsz Elementary School District No. 31 is committed to providing quality programs for all of its students.

### **Programs**

- At-Risk Preschool/Head Start
- National Board Certified Teachers
- USDA Healthier Schools Fresh Fruits and Vegetables Program
- Full-Day Kindergarten
- Title I Consolidated Plans
- After School Extracurricular Activities
- Cultural Clubs
- Peer Mediation
- National Junior Honor Society
- Student Council/Student Publications
- Valley Big Brothers/Big Sisters on site
- City of Phoenix Parks and Recreation

### **Major Partnerships**

- ON Semi-Conductor
- Ellis Center
- Desert Schools Credit Union
- Arizona State University
- Grand Canyon University
- Rodel Foundation
- Balsz Community Education Foundation
- Valley of the Sun United Way
- Orangedale Neighborhood Association
- Assistance league
- Jobs for Arizona Graduates (JAG)
- West Ed

- Maricopa County Educational Service Agency
- Experience Matters
- Valley of the Sun United Way
- Gateway Community College
- University of Phoenix
- Discovery Triangle
- Scottsdale Health Care
- Educare
- The Tooth Doctor
- Phoenix Country Day School

For fiscal year 2013, the District implemented several cost saving measures that had an impact on the financial statements. In 2012, a committee was utilized to develop a recommendation for budget reductions to keep pace with declining budget capacity as a result of state budget cuts and declining enrollment.

The annual expenditure budget serves as the foundation for the District's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual expenditure budget approved by the District's Governing Board.

The expenditure budget is prepared by fund for all Governmental Funds, and includes function and object code-detail for the General Fund and some Special Revenue and Capital Projects Funds. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all funds. Funds that are not required to legally adopt a budget may have over-expenditures of budgeted funds. The budget for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented. However, this does not affect the District's ability to expend monies.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

**Local Economy.** The Phoenix metropolitan area and the rest of Maricopa County have become one of the fastest growing regional markets in the United States. The number of businesses located in the metropolitan Phoenix area is approximately 88,000. This growth has been stimulated by a combination of warm climate, a substantial well educated labor pool, a wide range of support industries, and a governmental climate that is supportive of economic growth and investment.

A few of the major firms represented in the Phoenix metropolitan area include Honeywell International, Inc., Banner Health Systems, Wal-Mart Stores, Inc., and Wells Fargo Company. In addition, the metropolitan area provides excellent educational and training opportunities through seven community colleges, four private colleges and graduate schools, and one state university.

Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,226 square miles. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such towns as Gilbert, Paradise Valley and Fountain Hills. Maricopa County is currently the nation's fourth largest county in terms of population size and the 14<sup>th</sup> in land area. The County's 2010 population was estimated at 4,071,611. Maricopa County has a very wide range of economic sectors supporting its substantial growth. Maricopa County has, for some time, enjoyed an unemployment rate that was somewhat lower than the national average.

Service is the largest employment sector in the County, partly fueled by the \$2+ billion per year tourist industry. The County has excellent accommodations, diverse cultural and recreational activities, and a favorable climate attracting millions to the area annually. Wholesale and retail trade is the second largest employment category, employing over a quarter million people.

Manufacturing consisting primarily of high technology companies is the third largest employer. Other factors aiding economic growth include major expansions of the international airport serving the area, a favorable business climate and the presence of a well-developed and expanding transportation infrastructure.

**Long-Term Financial Planning.** The Balsz Elementary School District No. 31 encompasses approximately 6 square miles in the central east portion of Phoenix. The District is located along two designated improvement zones - one running east and west along Van Buren Street and one running north and south along 44<sup>th</sup> Street.

The District is beginning to stabilize after the recession. Projections obtained from a demographic analysis of the population in 2012 indicate an average of 1.5% growth each year for the next ten years.

The average age of the five schools is approximately 45 years. With the exception of Brunson-Lee, built in 2003, all of the schools were extensively remodeled in 1996-97. The facilities have been well maintained and are reviewed comprehensively at least once each year. In November 2011 voters approved a twenty one million dollar bond program. The first sale of \$15.5 million of bonds closed on January 26, 2012. These funds will be used to replace aging air conditioning systems, enhance campus security, purchase technology, and new school buses. The remaining \$5.5 million of authorization was sold in the fall of 2013 and is designated for a Boy's and Girl's Club to be constructed on the Balsz Elementary campus.

The District has also made technology a major focus, along with supporting the District's goals of increasing student achievement, providing quality professional development opportunities, providing a safe school environment, recruiting and retaining highly qualified staff and actively seeking parent and community involvement.

While the District is facing some new challenges, the goals will be used to direct District resources.

## AWARDS AND ACKNOWLEDGMENTS

**Awards.** The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the eighteenth consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2012. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year 2012-13 certificates.

**Acknowledgments.** The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the business and finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Governing Board of the District, preparation of this report would not have been possible.

Respectfully submitted,



Dr. Jeffrey J. Smith  
Superintendent



Tim R. Leedy  
Director of Business Services

# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

## **Balsz Elementary School District No. 31**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2012*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, appearing to read 'Ron McCulley', is written over a horizontal line.

Ron McCulley, CPPB, RSBO  
President

A handwritten signature in black ink, appearing to read 'John D. Musso', is written over a horizontal line.

John D. Musso, CAE, RSBA  
Executive Director





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Balsz Elementary School  
District No. 31, Arizona**

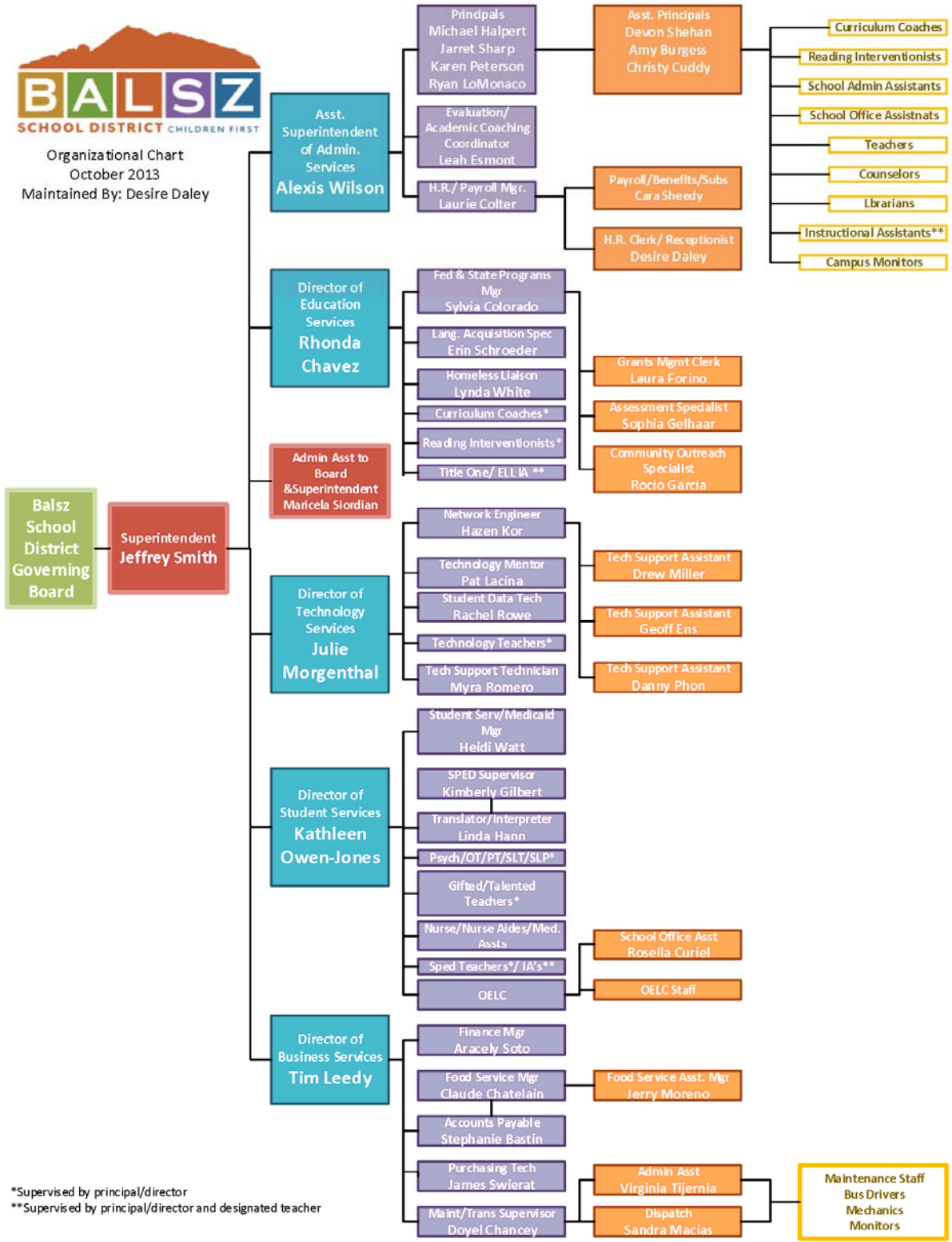
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO



Organizational Chart  
October 2013  
Maintained By: Desire Daley



\*Supervised by principal/director  
\*\*Supervised by principal/director and designated teacher

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**

**LIST OF PRINCIPAL OFFICIALS**

**GOVERNING BOARD**

Vic Grace  
President

Todd Schwarz  
Board Clerk

Channel Powe  
Member

Gail Q. Knight  
Member

Derrence B. White  
Member

**ADMINISTRATIVE STAFF**

Dr. Jeffrey J. Smith  
Superintendent

Alexis Wilson  
Assistant Superintendent of Administrative Services

Tim R. Leedy  
Director of Business Services

Kathleen Owen-Jones  
Director of Student Services

Rhonda Chaves  
Director of Education Services

Dr. Julie Morgenthal  
Director of Technology Services

## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Governing Board  
Balsz Elementary School District No. 31

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Balsz Elementary School District No. 31 (District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Balsz Elementary School District No. 31, as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, for the year ended June 30, 2013, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 and budgetary comparison information on pages 48 through and 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2013, on our consideration of Balsz Elementary School District No. 31's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Balsz Elementary School District No. 31's internal control over financial reporting and compliance.

*Heinfeld, Meech & Co., P.C.*

HEINFELD, MEECH & CO., P.C.  
CPAs and Business Consultants

December 19, 2013

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**(Required Supplementary Information)**



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**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

As management of the Balsz Elementary School District No. 31 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### **FINANCIAL HIGHLIGHTS**

- The District's total net position of governmental activities increased \$1.6 million, which represents a 4 percent increase from the prior fiscal year.
- General revenues accounted for \$18.8 million in revenue, or 74 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6.5 million or 26 percent of total current fiscal year revenues.
- The District had approximately \$23.8 million in expenses related to governmental activities, an increase of 2 percent from the prior fiscal year.
- Among major funds, the General Fund had \$15.3 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$14.9 million in expenditures. The General Fund's fund balance increase of \$714,049 to \$3.1 million at the end of the current fiscal year was primarily due to an increase in property tax revenue as a result of increased property tax rates.
- Fund balance for the Bond Building Fund decreased \$4.4 million from the prior fiscal year, due to the District utilizing bond proceeds for school improvement projects..

### **OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The accrual basis of accounting is used for the government-wide financial statements.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)**

The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues. The governmental activities of the District include instruction, support services, operation and maintenance of plant services, student transportation services, operation of non-instructional services, and interest on long-term debt.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting and focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)**

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Debt Service, and Bond Building Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Due to their custodial nature, fiduciary funds do not have a measurement focus.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances - budget and actual has been provided for the General Fund as required supplementary information.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$38.8 million at the current fiscal year end.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, and vehicles, furniture and equipment), less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted and may be used to meet the District's ongoing obligations to its citizens and creditors.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2013 and June 30, 2012.

	As of June 30, 2013	As of June 30, 2012
Current and other assets	\$ 18,257,655	\$ 21,899,900
Capital assets, net	40,515,693	37,538,820
<b>Total assets</b>	<u>58,773,348</u>	<u>59,438,720</u>
Current and other liabilities	1,548,731	1,571,696
Long-term liabilities	18,452,878	20,680,235
<b>Total liabilities</b>	<u>20,001,609</u>	<u>22,251,931</u>
<b>Net position:</b>		
Net investment in capital assets	28,771,451	28,482,376
Restricted	4,050,174	4,148,454
Unrestricted	5,950,114	4,555,959
<b>Total net position</b>	<u>\$ 38,771,739</u>	<u>\$ 37,186,789</u>

At the end of the current fiscal year the District reported positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following are significant current year transactions that had an impact on the Statement of Net Position.

- The principal retirement of \$2.2 million of bonds.
- The addition of \$5.3 million of capital assets.
- The disposal of \$1.6 million of land improvements, building improvements, vehicles, and equipment.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

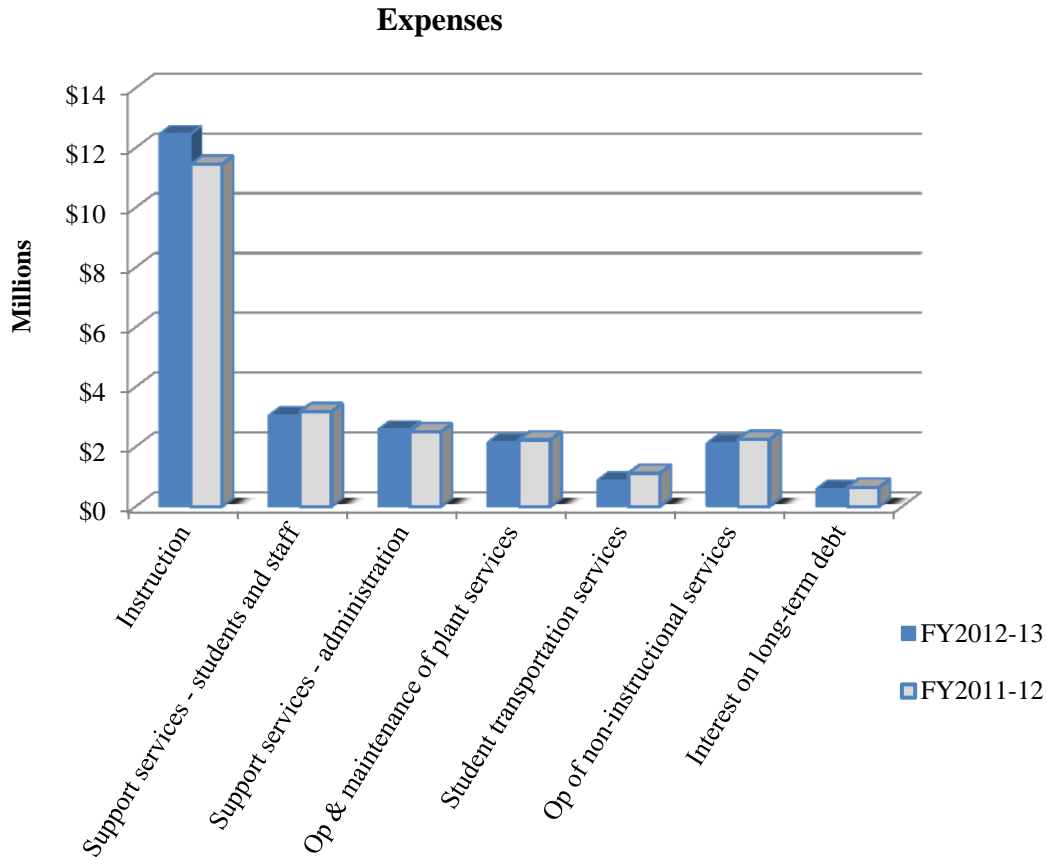
**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**

**Changes in net position.** The District's total revenues for the current fiscal year were \$25.4 million. The total cost of all programs and services was \$23.8 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2013 and June 30, 2012.

	<u>Fiscal Year Ended June 30, 2013</u>	<u>Fiscal Year Ended June 30, 2012</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 393,930	\$ 489,560
Operating grants and contributions	3,748,251	5,237,115
Capital grants and contributions	2,382,759	499,674
General revenues:		
Property taxes	10,128,972	9,989,796
Investment income	64,612	107,062
Unrestricted county aid	723,772	737,248
Unrestricted state aid	7,879,644	7,206,301
Unrestricted federal aid	40,252	26,372
<b>Total revenues</b>	<u>25,362,192</u>	<u>24,293,128</u>
<b>Expenses:</b>		
Instruction	12,454,261	11,440,196
Support services – students and staff	3,040,258	3,164,240
Support services – administration	2,572,218	2,488,738
Operation and maintenance of plant services	2,144,670	2,225,326
Student transportation services	869,168	1,104,718
Operation of non-instructional services	2,113,412	2,233,673
Interest on long-term debt	583,255	634,016
<b>Total expenses</b>	<u>23,777,242</u>	<u>23,290,907</u>
<b>Changes in net position</b>	<u>1,584,950</u>	<u>1,002,221</u>
<b>Net position, beginning</b>	<u>37,186,789</u>	<u>36,184,568</u>
<b>Net position, ending</b>	<u>\$ 38,771,739</u>	<u>\$ 37,186,789</u>

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**



The following significant current year transactions had an impact on the change in net position.

- The increase of \$1.9 million in capital grants and contributions due to increased E-Rate funding for District-wide network upgrades.
- The increase of \$673,343 in unrestricted state aid primarily due to an adjustment to the funding calculation for State Proposition 301 monies.
- Instruction expenses increased \$1.0 million primarily due to additional state funding available to spend on instructional items.
- The decrease of \$1.5 million in operating grants and contributions primarily due to a reduction in federal grant monies.

The following table presents the cost of the District's major functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)**

	Year Ended June 30, 2013		Year Ended June 30, 2012	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 12,454,261	\$ (8,899,950)	\$ 11,440,196	\$ (8,835,428)
Support services – students and staff	3,040,258	(2,451,850)	3,164,240	(2,042,987)
Support services – administration	2,572,218	(2,465,365)	2,488,738	(2,450,847)
Operation and maintenance of plant services	2,144,670	(1,949,560)	2,225,326	(2,048,765)
Student transportation services	869,168	(869,168)	1,104,718	(1,104,718)
Operation of non-instructional services	2,113,412	(33,154)	2,233,673	52,203
Interest on long-term debt	583,255	(583,255)	634,016	(634,016)
<b>Total</b>	<b>\$ 23,777,242</b>	<b>\$ (17,252,302)</b>	<b>\$ 23,290,907</b>	<b>\$ (17,064,558)</b>

- The cost of all governmental activities this year was \$23.8 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$6.5 million.
- Net cost of governmental activities of \$17.3 million was financed by general revenues, which are made up primarily of property taxes of \$10.1 million and state aid of \$7.9 million.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$13.2 million, a decrease of \$3.7 million.



**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Concl'd)**

The General Fund comprises 24 percent of the total fund balance. All of the General Fund's fund balance constitutes unassigned fund balance.

The General Fund is the principal operating fund of the District. The fund balance increased \$714,049 to \$3.1 million as a result of an increase in property tax revenues. General Fund revenues increased \$957,823 as a result of increased property tax rates. General Fund expenditures increased \$188,259.

The Bond Building Fund comprises 47 percent of total fund balance. The decrease in fund balance of \$4.4 million was due to the District utilizing bond proceeds for school improvement projects.

**BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in teacher compensation and decreases in weighted student counts. The difference between the original budget and the final amended budget was a \$388,398 increase, or 3 percent.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant variances are summarized as follows:

- The favorable variance of \$297,871 in instruction expenditures was a result of filling fewer positions than anticipated.
- The favorable variance of \$311,249 in support services-students and staff expenditures was a result of filling fewer positions than anticipated.
- The favorable variance of \$365,206 in operation and maintenance of plant services expenditures was due in part to lower than anticipated costs of purchased services.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At year end, the District had invested \$55.1 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$3.7 million from the prior fiscal year, primarily due to building improvements related to energy management projects. Total depreciation expense for the current fiscal year was \$1.4 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2013 and June 30, 2012.

	As of June 30, 2013	As of June 30, 2012
Capital assets – non-depreciable	\$ 10,182,006	\$ 8,743,787
Capital assets – depreciable, net	30,333,687	28,795,033
<b>Total</b>	<b>\$ 40,515,693</b>	<b>\$ 37,538,820</b>

The estimated cost to complete current construction projects is \$951,880.

Additional information on the District's capital assets can be found in Note 6.

**Debt Administration.** At year-end, the District had \$17.6 million in long-term debt outstanding, \$2.5 million due within one year. This represents a net decrease of \$2.2 million due to the principal retirement of existing bonds.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 5 percent of the secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$40.9 million, which is greater than the District's outstanding debt. The Class B debt limit is \$13.6 million. Legislation was passed to double the Class B debt limit to 10 percent, effective September 2013.

Additional information on the District's long-term debt can be found in Notes 7 and 8.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Many factors were considered by the District's administration during the process of developing the fiscal year 2013-14 budget. Among them:

- Fiscal year 2012-13 budget balance carry forward (estimated \$492,371).
- District student population (estimated 2,489).
- Local economy and population demographics of the District.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (Concl'd)**

Also considered in the development of the budget is the local economy and inflation of the surrounding area.

Budgeted expenditures in the General Fund decreased less than 1 percent to \$14.8 million in fiscal year 2013-14. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2013-14 budget.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Balsz Elementary School District No. 31, 4825 East Roosevelt Street, Phoenix, Arizona 85008.

## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

	Governmental Activities
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 14,320,237
Property taxes receivable	602,581
Due from governmental entities	3,044,640
Total current assets	17,967,458
Noncurrent assets:	
Deferred charges	290,197
Land	8,103,949
Land improvements	2,494,215
Buildings and improvements	38,805,027
Vehicles, furniture and equipment	3,649,399
Construction in progress	2,078,057
Accumulated depreciation	(14,614,954)
Total noncurrent assets	40,805,890
<b>Total assets</b>	<b>58,773,348</b>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	787,276
Construction contracts payable	419,426
Compensated absences payable	50,000
Accrued interest payable	273,919
Unearned revenues	68,110
Bonds payable	2,450,000
Total current liabilities	4,048,731
Noncurrent liabilities:	
Non-current portion of long-term obligations	15,952,878
Total noncurrent liabilities	15,952,878
<b>Total liabilities</b>	<b>20,001,609</b>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	28,771,451
Restricted for:	
Federal and state projects	2,509,709
Food service	352,990
Other local initiatives	314,343
Debt service	231,342
Capital outlay	641,790
Unrestricted	5,950,114
<b>Total net position</b>	<b>\$ 38,771,739</b>

The notes to the basic financial statements are an integral part of this statement.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2013**

<b>Functions/Programs</b>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
Instruction	\$ 12,454,261	\$ 355,140	\$ 816,412	\$ 2,382,759	\$ (8,899,950)
Support services - students and staff	3,040,258		588,408		(2,451,850)
Support services - administration	2,572,218		106,853		(2,465,365)
Operation and maintenance of plant services	2,144,670	5,031	190,079		(1,949,560)
Student transportation services	869,168				(869,168)
Operation of non-instructional services	2,113,412	33,759	2,046,499		(33,154)
Interest on long-term debt	583,255				(583,255)
<b>Total governmental activities</b>	<u>\$ 23,777,242</u>	<u>\$ 393,930</u>	<u>\$ 3,748,251</u>	<u>\$ 2,382,759</u>	<u>(17,252,302)</u>

**General revenues:**

Taxes:

Property taxes, levied for general purposes	7,535,311
Property taxes, levied for debt service	2,593,661
Investment income	64,612
Unrestricted county aid	723,772
Unrestricted state aid	7,879,644
Unrestricted federal aid	40,252
<b>Total general revenues</b>	<u>18,837,252</u>

**Changes in net position** 1,584,950

**Net position, beginning of year** 37,186,789

**Net position, end of year** \$ 38,771,739

The notes to the basic financial statements are an integral part of this statement.



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**FUND FINANCIAL STATEMENTS**

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2013**

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 1,119,874	\$ 2,887,084	\$ 6,697,954
Property taxes receivable	534,404	68,177	
Due from governmental entities	2,526,902		
<b>Total assets</b>	<u>\$ 4,181,180</u>	<u>\$ 2,955,261</u>	<u>\$ 6,697,954</u>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 541,155	\$	\$
Construction contracts payable			419,426
Deferred revenues	500,136	55,698	
Bonds payable		2,450,000	
Bond interest payable		273,919	
<b>Total liabilities</b>	<u>1,041,291</u>	<u>2,779,617</u>	<u>419,426</u>
Fund balances:			
Restricted		175,644	6,278,528
Unassigned	3,139,889		
<b>Total fund balances</b>	<u>3,139,889</u>	<u>175,644</u>	<u>6,278,528</u>
 <b>Total liabilities and fund balances</b>	 <u>\$ 4,181,180</u>	 <u>\$ 2,955,261</u>	 <u>\$ 6,697,954</u>

The notes to the basic financial statements are an integral part of this statement.

Non-Major Governmental Funds	Total Governmental Funds
\$ 3,615,325	\$ 14,320,237
	602,581
517,738	3,044,640
\$ 4,133,063	\$ 17,967,458

\$ 246,121	\$ 787,276
	419,426
258,189	814,023
	2,450,000
	273,919
504,310	4,744,644

3,628,753	10,082,925
	3,139,889
3,628,753	13,222,814
\$ 4,133,063	\$ 17,967,458

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**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

**Total governmental fund balances** **\$ 13,222,814**

Amounts reported for *governmental activities* in the Statement of Net Position are different because:

Capital assets are not current financial resources and, therefore, are not reported in the governmental funds.

Governmental capital assets	\$ 55,130,647	
Less accumulated depreciation	<u>(14,614,954)</u>	40,515,693

Some revenues will not be available to pay for current period expenditures and, therefore, deferred in the governmental funds.

Property taxes	555,834	
Intergovernmental	<u>190,079</u>	745,913

Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the governmental funds.

Deferred charges	290,197	
Deferred premium	<u>(467,770)</u>	(177,573)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(430,108)	
Bonds payable	<u>(15,105,000)</u>	<u>(15,535,108)</u>

**Net position of governmental activities** **\$ 38,771,739**

**The notes to the basic financial statements are an integral part of this statement.**

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
<b>Revenues:</b>			
Other local	\$ 900,798	\$ 11,359	\$ 32,940
Property taxes	7,558,265	2,634,167	
State aid and grants	6,768,083		
Federal aid, grants and reimbursements	40,252		
<b>Total revenues</b>	<u>15,267,398</u>	<u>2,645,526</u>	<u>32,940</u>
<b>Expenditures:</b>			
Current -			
Instruction	8,415,286		
Support services - students and staff	1,696,056		
Support services - administration	2,167,504		
Operation and maintenance of plant services	1,905,928		
Student transportation services	659,789		
Operation of non-instructional services	38,000		
Capital outlay	25,207		4,405,028
Debt service -			
Principal retirement		2,450,000	
Interest and fiscal charges		548,902	
<b>Total expenditures</b>	<u>14,907,770</u>	<u>2,998,902</u>	<u>4,405,028</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>359,628</u>	<u>(353,376)</u>	<u>(4,372,088)</u>
<b>Other financing sources (uses):</b>			
Transfers in	484,421	32,940	
Transfers out			(32,940)
<b>Total other financing sources (uses):</b>	<u>484,421</u>	<u>32,940</u>	<u>(32,940)</u>
<b>Changes in fund balances</b>	<u>844,049</u>	<u>(320,436)</u>	<u>(4,405,028)</u>
<b>Fund balances, beginning of year</b>	2,425,840	496,080	10,683,556
Increase (decrease) in reserve for prepaid items	(130,000)		
<b>Fund balances, end of year</b>	<u>\$ 3,139,889</u>	<u>\$ 175,644</u>	<u>\$ 6,278,528</u>

The notes to the basic financial statements are an integral part of this statement.

Non-Major Governmental Funds	Total Governmental Funds
\$ 316,504	\$ 1,261,601
6,004	10,198,436
1,129,464	7,897,547
6,019,043	6,059,295
<u>7,471,015</u>	<u>25,416,879</u>
1,848,003	10,263,289
1,145,070	2,841,126
200,969	2,368,473
24,671	1,930,599
8,942	668,731
2,032,384	2,070,384
1,455,348	5,885,583
	2,450,000
	548,902
<u>6,715,387</u>	<u>29,027,087</u>
<u>755,628</u>	<u>(3,610,208)</u>
	517,361
<u>(484,421)</u>	<u>(517,361)</u>
<u>(484,421)</u>	
<u>271,207</u>	<u>(3,610,208)</u>
3,357,546	16,963,022
	(130,000)
<u>\$ 3,628,753</u>	<u>\$ 13,222,814</u>



**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2013**

**Net changes in fund balances - total governmental funds** **\$ (3,740,208)**

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 5,272,586	
Less current year depreciation	<u>(1,358,127)</u>	3,914,459

Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(69,464)	
Intergovernmental	<u>14,777</u>	(54,687)

Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

2,450,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Loss on disposal of capital assets	(937,586)	
Amortization of deferred bond items	(34,353)	
Compensated absences	<u>(12,675)</u>	<u>(984,614)</u>

**Change in net assets in governmental activities** **\$ 1,584,950**

**The notes to the basic financial statements are an integral part of this statement.**

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
STATEMENT OF ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
JUNE 30, 2013**

	Agency
<b><u>ASSETS</u></b>	
Cash and investments	\$ 71,518
<b>Total assets</b>	<b>\$ 71,518</b>
 <b><u>LIABILITIES</u></b>	
Deposits held for others	\$ 47,566
Due to student groups	23,952
<b>Total liabilities</b>	<b>\$ 71,518</b>

The notes to the basic financial statements are an integral part of this statement.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Balsz Elementary School District No. 31 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2013, the District implemented the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 establishes reporting guidance for certain elements of the financial statements which are distinct from assets and liabilities.

The more significant of the District's accounting policies are described below.

**A. Reporting Entity**

The Governing Board is organized under Section 15-321 of the Arizona Revised Statutes (A.R.S.). Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expenditures/expenses.

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools.

The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction, maintenance of District facilities and food services.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted Federal, State and County aid, and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**Government-Wide Financial Statements** - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Fund Financial Statements** - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service resources are provided during the current year for payment of long-term debt principal and interest due early in the following year (not to exceed one month) and, therefore, the expenditures and related liabilities have been recognized. Compensated absences are recorded only when payment is due.

Property taxes, State and County aid and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Food services and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Deferred revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

Delinquent property taxes and other receivables that will not be collected within the available period have been reported as deferred revenue on the governmental fund financial statements.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The District reports the following major governmental funds:

**General Fund** – The General Fund is the District's primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General fund includes the District's Maintenance and Operations Fund as well as the Medicaid Reimbursement, School Plant, Gifts and Donations, Indirect Costs, Insurance Refund, Advertisement and Soft Capital Allocation Funds.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

Bond Building Fund – The Bond Building Fund accounts for proceeds from District bond issues that are expended on the acquisition or lease of sites, construction or renovation of school buildings, improving school grounds, or purchasing pupil transportation vehicles.

Additionally, the District reports the following fund type:

Fiduciary Funds – The Fiduciary Funds are Agency Funds which account for resources held by the District on behalf of others. This fund type includes the Student Activities Fund, which accounts for monies raised by students to finance student clubs and organizations held by the District as an agent. In addition, funds that account for employee withholdings before the monies are remitted to the appropriate entities are included in the Agency Funds.

The agency funds are custodial in nature and do not have a measurement focus. The agency funds are reported by fund type, using the accrual basis of accounting.

**D. Cash and Investments**

A.R.S. require the District to deposit certain cash with the County Treasurer. That cash is pooled for investment purposes, except for cash of the Debt Service and Bond Building Funds that may be invested separately. Interest earned from investments purchased with pooled monies is allocated to each of the District's funds based on their average balances. As required by statute, interest earnings of the Bond Building Fund are recorded initially in that fund, but then transferred to the Debt Service Fund. All investments are stated at fair value.

**E. Investment Income**

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment income is included in other local revenue in the governmental fund financial statements.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**F. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Interfund balances between governmental funds are eliminated on the Statement of Net Position.

All receivables, including property taxes receivable, are shown net of an allowance for uncollectibles.

**G. Property Tax Calendar**

Property tax levies are obtained by applying tax rates against either the primary assessed valuation or the secondary assessed valuation. Primary and secondary valuation categories are composed of the exact same properties. However, the primary category limits the increase in property values to 10% from the previous year, while there is no limit to the increase in property values for secondary valuation. Override and debt service tax rates are applied to the secondary assessed valuation and all other tax rates are applied to the primary assessed valuation.

The County levies real property taxes on or before the third Monday in August, which become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May. The billings are considered past due after these dates, at which time the applicable property is subject to penalties and interest.

The County also levies various personal property taxes during the year, which are due the second Monday of the month following receipt of the tax notice, and become delinquent 30 days thereafter.

Pursuant to A.R.S., a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**H. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as expenses when consumed in the government-wide financial statements and as expenditures when purchased in the fund financial statements.

**I. Capital Assets**

Capital assets, which include land and improvements, buildings and improvements, and vehicles, furniture and equipment, and construction progress are reported in the government-wide financial statements.

Capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	10 - 20 years
Buildings and improvements	10 - 50 years
Vehicles, furniture and equipment	5 - 20 years

**J. Compensated Absences**

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay in varying amounts. Only benefits considered vested are recognized in the financial statements. The liability for vacation and sick leave is reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.



**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concl'd)**

**K. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts, as well as issuance costs and the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight-line interest method over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**L. Interfund Activity**

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses in governmental funds.

**M. Net Position Flow Assumption**

In the government-wide fund financial statements the District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

**N. Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

***Nonspendable.*** The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.

***Restricted.*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

***Committed.*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District does not have a formal policy or procedures for the utilization of committed fund balance, accordingly, no committed fund balance amounts are reported.

***Assigned.*** Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or a management official delegated that authority by the formal Governing Board action. The District does not have a formal policy regarding the utilization of assigned fund balance, accordingly, no assigned fund balance amounts are reported.

***Unassigned.*** Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)**

The District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The table below provides detail of the major components of the District's fund balance classifications at year end.

	General Fund	Debt Service Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:				
Restricted:				
Debt Service	\$	\$ 175,644	\$	\$
Capital projects				641,790
Bond building projects			6,278,528	
Voter approved initiatives				1,805,095
Federal and State projects				514,535
Food service				352,990
Extracurricular activities				193,743
Other purposes				120,600
Unassigned	3,139,889			
Total fund balances	\$ 3,139,889	\$ 175,644	\$ 6,278,528	\$ 3,628,753

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Excess Expenditures Over Budget** – At year end, the District had expenditures in funds that exceeded the budgets; however, this does not constitute a violation of any legal provisions.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 4 – CASH AND INVESTMENTS**

A.R.S. authorize the District to invest public monies in the State Treasurer’s local government investment pools, the County Treasurer’s investment pool, obligations of the U.S. Government and its agencies, obligations of the State and certain local government subdivisions, interest-bearing savings accounts and certificates of deposit, collateralized repurchase agreements, certain obligations of U.S. corporations, and certain other securities. The statutes do not include any requirements for credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the District’s investments.

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$71,518 and the bank balance was \$71,771.

The County Treasurer’s pool is an external investment pool with no regulatory oversight. The pool is not required to register (and is not registered) with the Securities and Exchange Commission. The fair value of each participant’s position in the County Treasurer investment pool approximates the value of the participant’s shares in the pool and the participants’ shares are not identified with specific investments.

At year end, the District’s investments consisted of the following.

	<u>Average Maturities</u>	<u>Fair Value</u>
Arizona School Risk Retention Trust investment pool	264 days	\$ 3,203
County Treasurer’s investment pool	491 days	14,317,034
Total		<u>\$ 14,320,237</u>

*Interest Rate Risk.* The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* The District has no investment policy that would further limit its investment choices. As of year end, the District’s investment in the County Treasurer’s investment pool did not receive a credit quality rating from a national rating agency. All investments held in the Arizona School Risk Retention Trust investment pool were rated between AA+ and A- by Standard and Poor’s at year end.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 4 – CASH AND INVESTMENTS (Concl'd')**

*Custodial Credit Risk Investments.* The District's investment in the County Treasurer's investment pool represents a proportionate interest in the pool's portfolio; however the District's portion is not identified with specific investments and is not subject to custodial credit risk. The District's investments in the Arizona School Risk Retention Trust investments pool were subject to custodial credit risk as they were uninsured and uncollateralized.

**NOTE 5 – RECEIVABLES**

Receivable balances, net of allowance for uncollectibles, have been disaggregated by type and presented separately in the financial statements with the exception of due from governmental entities. Due from governmental entities, net of allowance for uncollectibles, as of year end for the District's individual major funds and non-major funds in the aggregate, were as follows.

	General Fund	Non-Major Governmental Funds
Due from other governmental entities:		
Due from Federal government	\$	\$ 349,271
Due from State government	2,526,902	168,467
Net due from governmental entities	\$ 2,526,902	\$ 517,738

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Delinquent property taxes receivable (General Fund)	\$ 500,136	\$
Delinquent property taxes receivable (Debt Service Fund)	55,698	
Grant drawdowns prior to meeting all eligibility requirements (Non-Major Governmental Funds)		68,110
Measurable but unavailable revenues (Non-Major Governmental Funds)	190,079	
Total deferred revenue for governmental funds	\$ 745,913	\$ 68,110

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 6 – CAPITAL ASSETS**

A summary of capital asset activity for the current fiscal year follows.

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 8,103,949	\$	\$	\$ 8,103,949
Construction in progress	639,838	2,671,117	1,232,898	2,078,057
Total capital assets, not being depreciated	<u>8,743,787</u>	<u>2,671,117</u>	<u>1,232,898</u>	<u>10,182,006</u>
Capital assets, being depreciated:				
Land improvements	2,181,166	427,183	114,134	2,494,215
Buildings and improvements	37,331,775	2,613,490	1,140,238	38,805,027
Vehicles, furniture and equipment	3,188,383	793,694	332,678	3,649,399
Total capital assets being depreciated	<u>42,701,324</u>	<u>3,834,367</u>	<u>1,587,050</u>	<u>44,948,641</u>
Less accumulated depreciation for:				
Land improvements	(1,406,283)	(137,672)	(93,113)	(1,450,842)
Buildings and improvements	(10,605,077)	(927,104)	(221,565)	(11,310,616)
Vehicles, furniture and equipment	(1,894,931)	(293,351)	(334,786)	(1,853,496)
Total accumulated depreciation	<u>(13,906,291)</u>	<u>(1,358,127)</u>	<u>(649,464)</u>	<u>(14,614,954)</u>
Total capital assets, being depreciated, net	<u>28,795,033</u>	<u>2,476,240</u>	<u>937,586</u>	<u>30,333,687</u>
Governmental activities capital assets, net	<u>\$ 37,538,820</u>	<u>\$ 5,147,357</u>	<u>\$ 2,170,484</u>	<u>\$ 40,515,693</u>

Depreciation expense was charged to governmental functions as follows.

Instruction	\$ 857,229
Support services – students and staff	117,900
Support services – administration	32,908
Operation and maintenance of plant services	177,053
Student transportation services	144,396
Operation of non-instructional services	28,641
Total depreciation expense – governmental activities	<u>\$ 1,358,127</u>

**Construction Commitments** - At year end, the District had contractual commitments related to capital projects for the construction of an exterior electric marquee and roofing project. At year end, the District had spent \$2.1 million on the projects and had estimated remaining contractual commitments of \$951,880. The projects are being funded with bond proceeds.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 7 – GENERAL OBLIGATION BONDS PAYABLE**

Bonds payable at year end, consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$5.4 million remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2013	Due Within One Year
<b>Governmental activities:</b>					
Refunding Bonds, Series 1998	\$ 6,410,000	5.375%	7/1/13	\$ 1,160,000	\$ 1,160,000
Refunding Bonds, Series 2003	9,000,000	4.0%	7/1/13	840,000	840,000
School Improvement Bonds, Project of 2011	15,555,000	2.0-5.0%	7/1/13-21	15,555,000	450,000
Total				<u>\$ 17,555,000</u>	<u>\$ 2,450,000</u>

Annual debt service requirements to maturity on general obligation bonds at year end, are summarized as follows.

Year ending June 30:	Governmental Activities	
	Principal	Interest
2014	\$ 2,450,000	\$ 495,363
2015	2,205,000	420,838
2016	2,250,000	365,038
2017	2,225,000	297,913
2018	1,970,000	234,988
2019-22	6,455,000	383,771
Total	<u>\$ 17,555,000</u>	<u>\$ 2,197,911</u>

**NOTE 8 – CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the current fiscal year was as follows.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable	\$ 19,740,000	\$	\$ 2,185,000	\$ 17,555,000	\$ 2,450,000
Compensated absences payable	417,433	381,166	368,491	430,108	50,000
Unamortized premium	522,802		55,032	467,770	
Governmental activity long-term liabilities	<u>\$ 20,680,235</u>	<u>\$ 381,166</u>	<u>\$ 2,608,523</u>	<u>\$ 18,452,878</u>	<u>\$ 2,500,000</u>

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

At year end, interfund balances were as follows.

**Interfund transfers:**

	Transfers in		
	General Fund	Debt Service Fund	Total
<u>Transfers out</u>			
Bond Building Fund	\$	\$ 32,940	\$ 32,940
Non-Major Governmental Funds	484,421		484,421
Total	<u>\$ 484,421</u>	<u>\$ 32,940</u>	<u>\$ 517,361</u>

Transfers between funds were used to (1) move investment income earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund and (2) move Federal grant funds restricted for indirect costs.

**NOTE 10 – CONTINGENT LIABILITIES**

**Compliance** - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures/expenses that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

**NOTE 11 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was unable to obtain general property and liability insurance at a cost it considered to be economically justifiable. Therefore, the District joined, and is covered by, three public entity risk pools, the Arizona School Risk Retention Trust, Inc. (ASRRT), the Valley Schools Employee Benefit Trust (VSEBT), and the Arizona School Alliance for Worker's Compensation, Inc., which are discussed below.



**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 11 – RISK MANAGEMENT (Concl'd)**

The District joined the Arizona School Risk Retention Trust, Inc. (ASRRT). ASRRT is a public entity risk pool currently operating as a common risk management and insurance program for school districts and community colleges in the State. The District pays an annual premium to ASRRT for its general insurance coverage. The agreement provides that ASRRT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

The District joined the Valley Schools Employee Benefit Trust (VSEBT) together with other districts in the state for risks of loss related to employee health and accident claims. VSEBT is a public entity risk pool currently operating as a group insurance program for several school districts. The District pays monthly premiums to VSEBT for its employee health and accident insurance coverage. The trust was fully insured for the current fiscal year, and does not pay claims, but rather provides coverage through the purchase of commercial insurance.

The District joined the Arizona School Alliance for Workers' Compensation, Inc. (Alliance) together with other school districts in the state for risks of loss related to workers' compensation claims. The Alliance is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays quarterly premiums to the Alliance for its employee workers' compensation coverage. The agreement provides that the Alliance will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

**NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The District contributes to the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined health insurance premium plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan that covers employees of the State of Arizona and employees of participating political subdivisions and school districts. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

**Plan Description** – Benefits are established by state statute and the plan generally provides retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retirees' average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation. Health insurance premium benefits are paid as a fixed dollar amount per month towards the retiree's healthcare insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or dependents.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Concl'd)**

The ASRS issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the ASRS, 3300 North Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910 or by calling (602) 240-2000 or (800) 621-3778. The report is also available on the ASRS' website at [www.azasrs.gov](http://www.azasrs.gov).

**Funding Policy** – The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.14 percent (10.90 percent for retirement and 0.24 percent for long-term disability) of the members' annual covered payroll and the District was required by statute to contribute at the actuarially determined rate of 11.14 percent (10.25 percent for retirement, 0.65 percent for health insurance premium, and 0.24 percent for long-term disability) of the members' annual covered payroll.

The District's contributions for the current and two preceding years, all of which were equal to the required contributions, were as follows.

	Retirement Fund	Health Benefit Supplement Fund	Long- Term Disability Fund
Year ending June 30:			
2013	\$ 1,187,711	\$ 75,318	\$ 27,810
2012	1,065,185	67,991	25,901
2011	995,360	65,179	27,618

**NOTE 13 – SUBSEQUENT EVENTS**

The District issued \$5.4 million in previously authorized school improvement bonds on November 6, 2013. The purpose of these bonds is to construct, renovate and remodel school facilities, finance technology and furniture improvements and upgrades, and to pay costs incurred in connection with the issuance of the bonds.

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**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
(Required Supplementary Information)**

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL  
YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other local	\$	\$	\$ 736,623	\$ 736,623
Property taxes			7,558,265	7,558,265
State aid and grants			6,692,619	6,692,619
<b>Total revenues</b>			<u>14,987,507</u>	<u>14,987,507</u>
<b>Expenditures:</b>				
Current -				
Instruction	8,228,190	7,976,509	8,274,380	(297,871)
Support services - students and staff	1,662,735	1,890,288	1,579,039	311,249
Support services - administration	1,943,836	1,999,844	1,978,670	21,174
Operation and maintenance of plant services	2,186,009	2,199,727	1,834,521	365,206
Student transportation services	418,056	740,856	658,661	82,195
Operation of non-instructional services		20,000	38,000	(18,000)
<b>Total expenditures</b>	<u>14,438,826</u>	<u>14,827,224</u>	<u>14,363,271</u>	<u>463,953</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(14,438,826)</u>	<u>(14,827,224)</u>	<u>624,236</u>	<u>15,451,460</u>
<b>Other financing sources (uses):</b>				
Transfers in			955,279	955,279
<b>Total other financing sources (uses):</b>			<u>955,279</u>	<u>955,279</u>
<b>Changes in fund balances</b>	<u>(14,438,826)</u>	<u>(14,827,224)</u>	<u>1,579,515</u>	<u>16,406,739</u>
<b>Fund balances, beginning of year</b>			590,674	590,674
Increase (decrease) in reserve for prepaid items			(130,000)	(130,000)
<b>Fund balances (deficits), end of year</b>	<u>\$ (14,438,826)</u>	<u>\$ (14,827,224)</u>	<u>\$ 2,040,189</u>	<u>\$ 16,867,413</u>

See accompanying notes to this schedule.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2013**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

The adopted budget of the District is prepared on a basis consistent with accounting principles generally accepted in the United States of America with the following exception: 1) a portion of the General Fund activity is budgeted for separately as special revenue and capital projects funds. Consequently, the following adjustments were necessary to present actual expenditures, fund balance at July 1, 2012, and fund balance at June 30, 2013 on a budgetary basis in order to provide a meaningful comparison.

	<u>Total Expenditures</u>	<u>Fund Balance, June 30, 2013</u>	<u>Fund Balance, July 1, 2012</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 14,907,770	\$ 3,139,889	\$ 2,425,840
Fiscal year 2012-13 activity budgeted as special revenue funds	(430,808)	(1,099,700)	(852,063)
Fiscal year 2012-13 activity budgeted as capital projects funds	<u>(113,691)</u>	<u>                    </u>	<u>(983,103)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 14,363,271</u>	<u>\$ 2,040,189</u>	<u>\$ 590,674</u>

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**COMBINING AND INDIVIDUAL  
FUND FINANCIAL STATEMENTS  
AND SCHEDULES**



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**GOVERNMENTAL FUNDS**

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**JUNE 30, 2013**

	Special Revenue	Capital Projects	Total Non-Major Governmental Fund
<b><u>ASSETS</u></b>			
Cash and investments	\$ 3,035,420	\$ 579,905	\$ 3,615,325
Due from governmental entities	449,918	67,820	517,738
<b>Total assets</b>	<b>\$ 3,485,338</b>	<b>\$ 647,725</b>	<b>\$ 4,133,063</b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 240,186	\$ 5,935	\$ 246,121
Deferred revenues	258,189		258,189
<b>Total liabilities</b>	<b>498,375</b>	<b>5,935</b>	<b>504,310</b>
Fund balances:			
Restricted	2,986,963	641,790	3,628,753
<b>Total fund balances</b>	<b>2,986,963</b>	<b>641,790</b>	<b>3,628,753</b>
 <b>Total liabilities and fund balances</b>	 <b>\$ 3,485,338</b>	 <b>\$ 647,725</b>	 <b>\$ 4,133,063</b>

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**YEAR ENDED JUNE 30, 2013**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues:</b>			
Other local	\$ 281,383	\$ 35,121	\$ 316,504
Property taxes		6,004	6,004
State aid and grants	953,791	175,673	1,129,464
Federal aid, grants and reimbursements	6,019,043		6,019,043
<b>Total revenues</b>	<u>7,254,217</u>	<u>216,798</u>	<u>7,471,015</u>
<b>Expenditures:</b>			
Current -			
Instruction	1,848,003		1,848,003
Support services - students and staff	1,145,070		1,145,070
Support services - administration	200,969		200,969
Operation and maintenance of plant services		24,671	24,671
Student transportation services	8,942		8,942
Operation of non-instructional services	2,032,384		2,032,384
Capital outlay	1,338,760	116,588	1,455,348
<b>Total expenditures</b>	<u>6,574,128</u>	<u>141,259</u>	<u>6,715,387</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>680,089</u>	<u>75,539</u>	<u>755,628</u>
<b>Other financing sources (uses):</b>			
Transfers out	(484,421)		(484,421)
<b>Total other financing sources (uses):</b>	<u>(484,421)</u>		<u>(484,421)</u>
<b>Changes in fund balances</b>	<u>195,668</u>	<u>75,539</u>	<u>271,207</u>
<b>Fund balances, beginning of year</b>	2,791,295	566,251	3,357,546
<b>Fund balances, end of year</b>	<u>\$ 2,986,963</u>	<u>\$ 641,790</u>	<u>\$ 3,628,753</u>

## **SPECIAL REVENUE FUNDS**

**Classroom Site** - to account for the financial activity for the portion of state sales tax collections and permanent state school fund earnings as approved by the voters in 2000.

**Instructional Improvement** - to account for the activity of monies received from gaming revenue.

**Compensatory Instruction** - to account for monies received for programs in addition to normal classroom instruction to improve the English proficiency of current English language learners.

**Title I Grants** - to account for financial assistance received for the purpose of improving the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards.

**Professional Development and Technology Grants** - to account for financial assistance received to increase student academic achievement through improving teacher quality.

**Title IV Grants** - to account for financial assistance received for chemical abuse awareness programs and expanding projects that benefit educational and health needs of the communities.

**Limited English and Immigrant Students** - to account for financial assistance received for educational services and costs for limited English and immigrant children.

**Special Education Grants** - to account for supplemental financial assistance received to provide a free, appropriate public education to disabled children.

**Medicaid Reimbursement** - to account for reimbursements related to specific health services provided to eligible students.

**E-Rate** - to account for financial assistance received for broadband internet and telecommunication costs.

**Other Federal Projects** - to account for financial assistance received for other supplemental federal projects.

**Other State Projects** - to account for financial assistance received for other State projects.

**School Plant** - to account for proceeds from the sale or lease of school property.

**Food Service** - to account for the financial activity of school activities that have as their purpose the preparation and serving of regular and incidental meals and snacks in connection with school functions.

**Civic Center** - to account for monies received from the rental of school facilities for civic activities.

**Community School** - to account for activity related to academic and skill development for all citizens.

**Extracurricular Activities Fees Tax Credit** - to account for activity related to monies collected in support of extracurricular activities to be taken as a tax credit by the tax payer in accordance with A.R.S. §43-1089.01.

**Gifts and Donations** - to account for activity related to gifts, donations, bequests and private grants made to the District.

**Fingerprint** - to account for activity of fingerprinting employees as mandated by the State.

**Textbooks** - to account for monies received from students to replace or repair lost or damaged textbooks.

**Indirect Costs** - to account for monies received from Federal projects for administrative costs.

**Insurance Refund** - to account for insurance premium payments that are refunded to the District.

**Advertisement** - to account for monies received from the sale of advertising.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
 COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2013**

	Classroom Site	Instructional Improvement	Compensatory Instruction
<b><u>ASSETS</u></b>			
Cash and investments	\$ 1,377,676	\$ 326,772	\$ 27,032
Due from governmental entities	55,819	44,828	
<b>Total assets</b>	<b>\$ 1,433,495</b>	<b>\$ 371,600</b>	<b>\$ 27,032</b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$
Deferred revenues			27,032
<b>Total liabilities</b>			27,032
Fund balances:			
Restricted	1,433,495	371,600	
<b>Total fund balances</b>	1,433,495	371,600	
 <b>Total liabilities and fund balances</b>	<b>\$ 1,433,495</b>	<b>\$ 371,600</b>	<b>\$ 27,032</b>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English and Immigrant Students</u>	<u>Special Education Grants</u>	<u>E-Rate</u>
\$ 67,108	\$ 39,579	\$ 5,062	\$ 1,340	\$ 9,379	\$ 519,335
27,881					190,079
<u>\$ 94,989</u>	<u>\$ 39,579</u>	<u>\$ 5,062</u>	<u>\$ 1,340</u>	<u>\$ 9,379</u>	<u>\$ 709,414</u>
\$ 94,989	\$ 33,472	\$ 5,062	\$ 1,340	\$ 9,379	\$ 7,820
	6,107				190,079
<u>94,989</u>	<u>39,579</u>	<u>5,062</u>	<u>1,340</u>	<u>9,379</u>	<u>197,899</u>
					511,515
					511,515
<u>\$ 94,989</u>	<u>\$ 39,579</u>	<u>\$ 5,062</u>	<u>\$ 1,340</u>	<u>\$ 9,379</u>	<u>\$ 709,414</u>

(Continued)



**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
 COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2013**

	Other Federal Projects	Other State Projects	Food Service
<b><u>ASSETS</u></b>			
Cash and investments	\$ 12,519	\$ 9,691	\$ 315,927
Due from governmental entities			131,311
<b>Total assets</b>	\$ 12,519	\$ 9,691	\$ 447,238
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$ 94,248
Deferred revenues	9,499	9,691	
<b>Total liabilities</b>	9,499	9,691	94,248
Fund balances:			
Restricted	3,020		352,990
<b>Total fund balances</b>	3,020		352,990
 <b>Total liabilities and fund balances</b>	 \$ 12,519	 \$ 9,691	 \$ 447,238

<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Totals</u>
\$ 97,715	\$ 7,545	\$ 203,400	\$ 227	\$ 15,113	\$ 3,035,420
<u>\$ 97,715</u>	<u>\$ 7,545</u>	<u>\$ 203,400</u>	<u>\$ 227</u>	<u>\$ 15,113</u>	<u>\$ 3,485,338</u>
\$	\$	\$ 9,657	\$	\$	\$ 240,186
		<u>9,657</u>			<u>258,189</u>
					<u>498,375</u>
97,715	7,545	193,743	227	15,113	2,986,963
<u>97,715</u>	<u>7,545</u>	<u>193,743</u>	<u>227</u>	<u>15,113</u>	<u>2,986,963</u>
<u>\$ 97,715</u>	<u>\$ 7,545</u>	<u>\$ 203,400</u>	<u>\$ 227</u>	<u>\$ 15,113</u>	<u>\$ 3,485,338</u>

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	Classroom Site	Instructional Improvement	Compensatory Instruction
<b>Revenues:</b>			
Other local	\$ 4,190	\$ 1,227	\$
State aid and grants	832,225	103,663	15,893
Federal aid, grants and reimbursements			
<b>Total revenues</b>	836,415	104,890	15,893
<b>Expenditures:</b>			
Current -			
Instruction	390,717	36,285	15,893
Support services - students and staff			
Support services - administration			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	390,717	36,285	15,893
<b>Excess (deficiency) of revenues over expenditures</b>	445,698	68,605	
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	445,698	68,605	
<b>Fund balances, beginning of year</b>	987,797	302,995	
<b>Fund balances, end of year</b>	\$ 1,433,495	\$ 371,600	\$

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Limited English and Immigrant Students</u>	<u>Special Education Grants</u>	<u>E-Rate</u>	<u>Other Federal Projects</u>
\$	\$	\$	\$	\$ 1,301	\$
<u>1,587,970</u>	<u>205,415</u>	<u>175,966</u>	<u>724,900</u>	<u>1,219,301</u>	<u>31,254</u>
<u>1,587,970</u>	<u>205,415</u>	<u>175,966</u>	<u>724,900</u>	<u>1,220,602</u>	<u>31,254</u>
827,772		110,913	413,180		
590,024	182,895	61,653	230,609	41,971	28,234
107,668	19,682		71,211	1,176	
<u>10,757</u>	<u>202,577</u>	<u>172,566</u>	<u>4,243</u>	<u>1,302,840</u>	<u>28,234</u>
<u>1,536,221</u>	<u>202,577</u>	<u>172,566</u>	<u>719,243</u>	<u>1,345,987</u>	<u>28,234</u>
<u>51,749</u>	<u>2,838</u>	<u>3,400</u>	<u>5,657</u>	<u>(125,385)</u>	<u>3,020</u>
<u>(51,749)</u>	<u>(2,838)</u>	<u>(3,400)</u>	<u>(5,657)</u>		
<u>(51,749)</u>	<u>(2,838)</u>	<u>(3,400)</u>	<u>(5,657)</u>		
				<u>(125,385)</u>	<u>3,020</u>
				636,900	
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 511,515</u>	<u>\$ 3,020</u>

(Continued)

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	Other State Projects	Food Service	Civic Center
<b>Revenues:</b>			
Other local	\$	\$ 36,020	\$ 5,031
State aid and grants	2,010		
Federal aid, grants and reimbursements		2,046,499	
<b>Total revenues</b>	2,010	2,082,519	5,031
<b>Expenditures:</b>			
Current -			
Instruction	2,010		
Support services - students and staff			
Support services - administration			
Student transportation services			
Operation of non-instructional services		1,845,902	
Capital outlay			7,350
<b>Total expenditures</b>	2,010	1,845,902	7,350
<b>Excess (deficiency) of revenues over expenditures</b>		236,617	(2,319)
<b>Other financing sources (uses):</b>			
Transfers out		(420,777)	
<b>Total other financing sources (uses):</b>		(420,777)	
<b>Changes in fund balances</b>		(184,160)	(2,319)
<b>Fund balances, beginning of year</b>		537,150	100,034
<b>Fund balances, end of year</b>	\$	\$ 352,990	\$ 97,715

Community School	Extracurricular Activities Fees Tax Credit	Fingerprint	Textbooks	Totals
\$ 152,149	\$ 80,174	\$ 1,222	\$ 69	\$ 281,383
27,738				953,791
<u>179,887</u>	<u>80,174</u>	<u>1,222</u>	<u>69</u>	<u>6,019,043</u>
				<u>7,254,217</u>
1,247	49,986			1,848,003
	9,684			1,145,070
		1,232		200,969
	8,942			8,942
186,482				2,032,384
	13,570			1,338,760
<u>187,729</u>	<u>82,182</u>	<u>1,232</u>		<u>6,574,128</u>
<u>(7,842)</u>	<u>(2,008)</u>	<u>(10)</u>	<u>69</u>	<u>680,089</u>
				(484,421)
				(484,421)
<u>(7,842)</u>	<u>(2,008)</u>	<u>(10)</u>	<u>69</u>	<u>195,668</u>
15,387	195,751	237	15,044	2,791,295
<u>\$ 7,545</u>	<u>\$ 193,743</u>	<u>\$ 227</u>	<u>\$ 15,113</u>	<u>\$ 2,986,963</u>

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 4,190	\$ 4,190
State aid and grants	822,666	832,225	9,559
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>822,666</u>	<u>836,415</u>	<u>13,749</u>
<b>Expenditures:</b>			
Current -			
Instruction	977,988	390,717	587,271
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>977,988</u>	<u>390,717</u>	<u>587,271</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(155,322)</u>	<u>445,698</u>	<u>601,020</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(155,322)</u>	<u>445,698</u>	<u>601,020</u>
<b>Fund balances, beginning of year</b>	718,181	987,797	269,616
<b>Fund balances, end of year</b>	<u>\$ 562,859</u>	<u>\$ 1,433,495</u>	<u>\$ 870,636</u>

Instructional Improvement			Compensatory Instruction		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 378,388	\$ 1,227 103,663	\$ 1,227 (274,725)	\$ 42,925	\$ 15,893	\$ (27,032)
<u>378,388</u>	<u>104,890</u>	<u>(273,498)</u>	<u>42,925</u>	<u>15,893</u>	<u>(27,032)</u>
	36,285	(36,285)	42,925	15,893	27,032
	<u>36,285</u>	<u>(36,285)</u>	<u>42,925</u>	<u>15,893</u>	<u>27,032</u>
<u>378,388</u>	<u>68,605</u>	<u>(309,783)</u>			
<u>378,388</u>	<u>68,605</u>	<u>(309,783)</u>			
481,270	302,995	(178,275)			
<u>\$ 859,658</u>	<u>\$ 371,600</u>	<u>\$ (488,058)</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>



**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	1,760,725	1,587,970	(172,755)
<b>Total revenues</b>	<u>1,760,725</u>	<u>1,587,970</u>	<u>(172,755)</u>
<b>Expenditures:</b>			
Current -			
Instruction	1,760,725	827,772	932,953
Support services - students and staff		590,024	(590,024)
Support services - administration		107,668	(107,668)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		10,757	(10,757)
<b>Total expenditures</b>	<u>1,760,725</u>	<u>1,536,221</u>	<u>224,504</u>
<b>Excess (deficiency) of revenues over expenditures</b>		<u>51,749</u>	<u>51,749</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(51,749)	(51,749)
<b>Total other financing sources (uses):</b>		<u>(51,749)</u>	<u>(51,749)</u>
<b>Changes in fund balances</b>			
<b>Fund balances, beginning of year</b>			
<b>Fund balances, end of year</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Professional Development and Technology Grants			Limited English and Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
232,523	205,415	(27,108)	200,401	175,966	(24,435)
<u>232,523</u>	<u>205,415</u>	<u>(27,108)</u>	<u>200,401</u>	<u>175,966</u>	<u>(24,435)</u>
232,523	182,895	49,628	200,401	110,913	89,488
	19,682	(19,682)		61,653	(61,653)
<u>232,523</u>	<u>202,577</u>	<u>29,946</u>	<u>200,401</u>	<u>172,566</u>	<u>27,835</u>
	<u>2,838</u>	<u>2,838</u>		<u>3,400</u>	<u>3,400</u>
	<u>(2,838)</u>	<u>(2,838)</u>		<u>(3,400)</u>	<u>(3,400)</u>
	<u>(2,838)</u>	<u>(2,838)</u>		<u>(3,400)</u>	<u>(3,400)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	942,294	724,900	(217,394)
<b>Total revenues</b>	<u>942,294</u>	<u>724,900</u>	<u>(217,394)</u>
<b>Expenditures:</b>			
Current -			
Instruction	942,294	413,180	529,114
Support services - students and staff		230,609	(230,609)
Support services - administration		71,211	(71,211)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		4,243	(4,243)
<b>Total expenditures</b>	<u>942,294</u>	<u>719,243</u>	<u>223,051</u>
<b>Excess (deficiency) of revenues over expenditures</b>		<u>5,657</u>	<u>5,657</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(5,657)	(5,657)
<b>Total other financing sources (uses):</b>		<u>(5,657)</u>	<u>(5,657)</u>
<b>Changes in fund balances</b>			
<b>Fund balances, beginning of year</b>			
<b>Fund balances, end of year</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Medicaid Reimbursement			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 161	\$ 161	\$	\$ 1,301	\$ 1,301
98,254	40,252	(58,002)		1,219,301	1,219,301
98,254	40,413	(57,841)		1,220,602	1,220,602
98,254	47,550	50,704			
	44,764	(44,764)		41,971	(41,971)
	648	(648)		1,176	(1,176)
				1,302,840	(1,302,840)
98,254	92,962	5,292		1,345,987	(1,345,987)
	(52,549)	(52,549)		(125,385)	(125,385)
	(52,549)	(52,549)		(125,385)	(125,385)
	81,591	81,591		636,900	636,900
\$	\$ 29,042	\$ 29,042	\$	\$ 511,515	\$ 511,515

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	Other Federal Projects		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	1,351,496	31,254	(1,320,242)
<b>Total revenues</b>	<u>1,351,496</u>	<u>31,254</u>	<u>(1,320,242)</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff	1,351,496	28,234	1,323,262
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>1,351,496</u>	<u>28,234</u>	<u>1,323,262</u>
<b>Excess (deficiency) of revenues over expenditures</b>		<u>3,020</u>	<u>3,020</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>		<u>3,020</u>	<u>3,020</u>
<b>Fund balances, beginning of year</b>			
<b>Fund balances, end of year</b>	<u>\$</u>	<u>\$ 3,020</u>	<u>\$ 3,020</u>

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 197,390	\$ 2,010	\$ (195,380)	\$ 19,373	\$ 19,373	\$
<u>197,390</u>	<u>2,010</u>	<u>(195,380)</u>	<u>19,373</u>	<u>19,373</u>	
197,390	2,010	195,380			
			11,600	702	10,898
<u>197,390</u>	<u>2,010</u>	<u>195,380</u>	<u>11,600</u>	<u>702</u>	<u>10,898</u>
			7,773	18,671	10,898
			7,773	18,671	10,898
			12,017	12,017	
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 19,790</u>	<u>\$ 30,688</u>	<u>\$ 10,898</u>

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	Food Service		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$ 35,822	\$ 36,020	\$ 198
State aid and grants			
Federal aid, grants and reimbursements	2,105,599	2,046,499	(59,100)
<b>Total revenues</b>	<u>2,141,421</u>	<u>2,082,519</u>	<u>(58,902)</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	2,108,495	1,845,902	262,593
Capital outlay			
<b>Total expenditures</b>	<u>2,108,495</u>	<u>1,845,902</u>	<u>262,593</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>32,926</u>	<u>236,617</u>	<u>203,691</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	420,777	(420,777)	(841,554)
<b>Total other financing sources (uses):</b>	<u>420,777</u>	<u>(420,777)</u>	<u>(841,554)</u>
<b>Changes in fund balances</b>	<u>453,703</u>	<u>(184,160)</u>	<u>(637,863)</u>
<b>Fund balances, beginning of year</b>	301,336	537,150	235,814
<b>Fund balances, end of year</b>	<u>\$ 755,039</u>	<u>\$ 352,990</u>	<u>\$ (402,049)</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 5,030	\$ 5,031	\$ 1	\$ 180,076	\$ 152,149	\$ (27,927)
<u>5,030</u>	<u>5,031</u>	<u>1</u>	<u>180,076</u>	<u>179,887</u>	<u>(189)</u>
				1,247	(1,247)
<u>8,000</u>	<u>7,350</u>	<u>650</u>	<u>192,990</u>	<u>186,482</u>	<u>6,508</u>
<u>8,000</u>	<u>7,350</u>	<u>650</u>	<u>192,990</u>	<u>187,729</u>	<u>5,261</u>
<u>(2,970)</u>	<u>(2,319)</u>	<u>651</u>	<u>(12,914)</u>	<u>(7,842)</u>	<u>5,072</u>
<u>(2,970)</u>	<u>(2,319)</u>	<u>651</u>	<u>(12,914)</u>	<u>(7,842)</u>	<u>5,072</u>
100,034	100,034		13,753	15,387	1,634
<u>\$ 97,064</u>	<u>\$ 97,715</u>	<u>\$ 651</u>	<u>\$ 839</u>	<u>\$ 7,545</u>	<u>\$ 6,706</u>

(Continued)



**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$ 80,172	\$ 80,174	\$ 2
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	80,172	80,174	2
<b>Expenditures:</b>			
Current -			
Instruction	273,777	49,986	223,791
Support services - students and staff		9,684	(9,684)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services		8,942	(8,942)
Operation of non-instructional services			
Capital outlay		13,570	(13,570)
<b>Total expenditures</b>	273,777	82,182	191,595
<b>Excess (deficiency) of revenues over expenditures</b>	(193,605)	(2,008)	191,597
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(193,605)	(2,008)	191,597
<b>Fund balances, beginning of year</b>	195,751	195,751	
<b>Fund balances, end of year</b>	\$ 2,146	\$ 193,743	\$ 191,597

Gifts and Donations			Fingerprint		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 124,778	\$ 125,281	\$ 503	\$ 1,222	\$ 1,222	\$
<u>124,778</u>	<u>125,281</u>	<u>503</u>	<u>1,222</u>	<u>1,222</u>	
284,905	57,212	(57,212)			
	61,588	223,317			
	12,886	(12,886)	1,338	1,232	106
	1,128	(1,128)			
	3,700	(3,700)			
<u>284,905</u>	<u>136,514</u>	<u>148,391</u>	<u>1,338</u>	<u>1,232</u>	<u>106</u>
<u>(160,127)</u>	<u>(11,233)</u>	<u>148,894</u>	<u>(116)</u>	<u>(10)</u>	<u>106</u>
<u>(160,127)</u>	<u>(11,233)</u>	<u>148,894</u>	<u>(116)</u>	<u>(10)</u>	<u>106</u>
202,360	202,360		237	237	
<u>\$ 42,233</u>	<u>\$ 191,127</u>	<u>\$ 148,894</u>	<u>\$ 121</u>	<u>\$ 227</u>	<u>\$ 106</u>

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	Textbooks		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$ 69	\$ 69	\$
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>69</u>	<u>69</u>	
<b>Expenditures:</b>			
Current -			
Instruction	14,000		14,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>14,000</u>		<u>14,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(13,931)</u>	<u>69</u>	<u>14,000</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(13,931)</u>	<u>69</u>	<u>14,000</u>
<b>Fund balances, beginning of year</b>	15,044	15,044	
<b>Fund balances, end of year</b>	<u>\$ 1,113</u>	<u>\$ 15,113</u>	<u>\$ 14,000</u>

Indirect Costs			Insurance Refund		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 2,287	\$ 2,287	\$	\$ 6,513	\$ 6,513
	<u>2,287</u>	<u>2,287</u>		<u>6,513</u>	<u>6,513</u>
261,171	4,816 175,300	(4,816) 85,871			
<u>261,171</u>	<u>181,366</u>	<u>79,805</u>			
<u>(261,171)</u>	<u>(179,079)</u>	<u>82,092</u>		<u>6,513</u>	<u>6,513</u>
486,706	484,421	(2,285)			
<u>486,706</u>	<u>484,421</u>	<u>(2,285)</u>			
<u>225,535</u>	<u>305,342</u>	<u>79,807</u>		<u>6,513</u>	<u>6,513</u>
521,782	521,782				
<u>\$ 747,317</u>	<u>\$ 827,124</u>	<u>\$ 79,807</u>	<u>\$</u>	<u>\$ 6,513</u>	<u>\$ 6,513</u>

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	Advertisement		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$ 158	\$ 157	\$ (1)
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>158</u>	<u>157</u>	<u>(1)</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	34,300	19,264	15,036
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>34,300</u>	<u>19,264</u>	<u>15,036</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(34,142)</u>	<u>(19,107)</u>	<u>15,035</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(34,142)</u>	<u>(19,107)</u>	<u>15,035</u>
<b>Fund balances, beginning of year</b>	34,313	34,313	
<b>Fund balances, end of year</b>	<u>\$ 171</u>	<u>\$ 15,206</u>	<u>\$ 15,035</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 446,700	\$ 435,155	\$ (11,545)
1,441,369	953,791	(487,578)
6,691,292	6,059,295	(631,997)
<u>8,579,361</u>	<u>7,448,241</u>	<u>(1,131,120)</u>
4,507,754	1,952,765	2,554,989
1,868,924	1,256,238	612,686
262,509	389,803	(127,294)
34,300	19,264	15,036
	10,070	(10,070)
2,301,485	2,032,384	269,101
19,600	1,344,412	(1,324,812)
<u>8,994,572</u>	<u>7,004,936</u>	<u>1,989,636</u>
<u>(415,211)</u>	<u>443,305</u>	<u>858,516</u>
486,706	484,421	(2,285)
420,777	(484,421)	(905,198)
<u>907,483</u>		<u>(907,483)</u>
<u>492,272</u>	<u>443,305</u>	<u>(48,967)</u>
2,596,078	3,643,358	1,047,280
<u>\$ 3,088,350</u>	<u>\$ 4,086,663</u>	<u>\$ 998,313</u>

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## **DEBT SERVICE FUND**

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



**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
DEBT SERVICE  
YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other local	\$	\$	\$ 11,359	\$ 11,359
Property taxes	47,744	47,744	2,634,167	2,586,423
<b>Total revenues</b>	<u>47,744</u>	<u>47,744</u>	<u>2,645,526</u>	<u>2,597,782</u>
<b>Expenditures:</b>				
Debt service -				
Principal retirement	2,450,000	2,450,000	2,450,000	
Interest and fiscal charges	402,644	303,063	548,902	(245,839)
<b>Total expenditures</b>	<u>2,852,644</u>	<u>2,753,063</u>	<u>2,998,902</u>	<u>(245,839)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,804,900)</u>	<u>(2,705,319)</u>	<u>(353,376)</u>	<u>2,351,943</u>
<b>Other financing sources (uses):</b>				
Transfers in			32,940	32,940
<b>Total other financing sources (uses):</b>			<u>32,940</u>	<u>32,940</u>
<b>Changes in fund balances</b>	<u>(2,804,900)</u>	<u>(2,705,319)</u>	<u>(320,436)</u>	<u>2,384,883</u>
<b>Fund balances, beginning of year</b>	2,962,864	2,962,864	496,080	(2,466,784)
<b>Fund balances, end of year</b>	<u>\$ 157,964</u>	<u>\$ 257,545</u>	<u>\$ 175,644</u>	<u>\$ (81,901)</u>

## CAPITAL PROJECTS FUNDS

**Insurance Proceeds** - to account for the monies received from insurance claims.

**Unrestricted Capital Outlay** - to account for transactions relating to the acquisition of capital items.

**Adjacent Ways** - to account for monies received to finance improvements of public ways adjacent to school property.

**Soft Capital Allocation** - to account for transactions relating to the acquisition of short-term capital items required to meet academic adequacy standards.

**Bond Building** - to account for proceeds from District bond issues that are expended on the acquisition or lease of sites, construction or renovation of school buildings, improving school grounds, or purchasing pupil transportation vehicles.

**Energy and Water Savings** – to account for capital investment monies, energy related rebate or grant monies, and monies from other funding sources to fund energy or water savings projects in school facilities in accordance with A.R.S. §15-910.02.

**Emergency Deficiencies Correction** - to account for monies received from the School Facilities Board to correct emergency deficiencies.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
 COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2013**

	Insurance Proceeds	Unrestricted Capital Outlay	Adjacent Ways
<b><u>ASSETS</u></b>			
Cash and investments	\$ 14,549	\$ 351,209	\$ 99,520
Due from governmental entities		67,820	
<b>Total assets</b>	\$ 14,549	\$ 419,029	\$ 99,520
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$ 5,935	\$
<b>Total liabilities</b>		5,935	
Fund balances:			
Restricted	14,549	413,094	99,520
<b>Total fund balances</b>	14,549	413,094	99,520
 <b>Total liabilities and fund balances</b>	 \$ 14,549	 \$ 419,029	 \$ 99,520

<u>Energy and Water Savings</u>	<u>Emergency Deficiencies Correction</u>	<u>Totals</u>
\$ 114,492	\$ 135	\$ 579,905
		67,820
<u>\$ 114,492</u>	<u>\$ 135</u>	<u>\$ 647,725</u>
<u>\$</u>	<u>\$</u>	<u>\$ 5,935</u>
		5,935
<u>114,492</u>	<u>135</u>	<u>641,790</u>
<u>114,492</u>	<u>135</u>	<u>641,790</u>
<u>\$ 114,492</u>	<u>\$ 135</u>	<u>\$ 647,725</u>

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	Insurance Proceeds	Unrestricted Capital Outlay	Adjacent Ways
<b>Revenues:</b>			
Other local	\$ 7,061	\$ 21,045	\$ 433
Property taxes		5,201	803
State aid and grants		175,673	
<b>Total revenues</b>	7,061	201,919	1,236
<b>Expenditures:</b>			
Current -			
Operation and maintenance of plant services		24,671	
Capital outlay		116,588	
<b>Total expenditures</b>		141,259	
<b>Changes in fund balances</b>	7,061	60,660	1,236
<b>Fund balances, beginning of year</b>	7,488	352,434	98,284
<b>Fund balances, end of year</b>	\$ 14,549	\$ 413,094	\$ 99,520

Energy and Water Savings	Emergency Deficiencies Correction	Totals
\$ 6,582	\$	\$ 35,121
		6,004
<u>6,582</u>		<u>175,673</u>
		<u>216,798</u>
		24,671
		<u>116,588</u>
		<u>141,259</u>
<u>6,582</u>		<u>75,539</u>
107,910	135	566,251
<u>\$ 114,492</u>	<u>\$ 135</u>	<u>\$ 641,790</u>

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$ 7,060	\$ 7,061	\$ 1
Property taxes			
State aid and grants			
<b>Total revenues</b>	<u>7,060</u>	<u>7,061</u>	<u>1</u>
<b>Expenditures:</b>			
Current -			
Instruction	84,321		84,321
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
<b>Total expenditures</b>	<u>84,321</u>		<u>84,321</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(77,261)</u>	<u>7,061</u>	<u>84,322</u>
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(77,261)</u>	<u>7,061</u>	<u>84,322</u>
<b>Fund balances (deficits), beginning of year</b>	7,488	7,488	
<b>Fund balances (deficits), end of year</b>	<u>\$ (69,773)</u>	<u>\$ 14,549</u>	<u>\$ 84,322</u>

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 21,044	\$ 21,045	\$ 1	\$ 433	\$ 433	\$
5,196	5,201	5	181,283	803	(180,480)
175,673	175,673				
<u>201,913</u>	<u>201,919</u>	<u>6</u>	<u>181,716</u>	<u>1,236</u>	<u>(180,480)</u>
	24,671	(24,671)			
158,547	116,588	41,959	280,000		280,000
<u>158,547</u>	<u>141,259</u>	<u>17,288</u>	<u>280,000</u>		<u>280,000</u>
<u>43,366</u>	<u>60,660</u>	<u>17,294</u>	<u>(98,284)</u>	<u>1,236</u>	<u>99,520</u>
<u>43,366</u>	<u>60,660</u>	<u>17,294</u>	<u>(98,284)</u>	<u>1,236</u>	<u>99,520</u>
352,434	352,434		98,284	98,284	
<u>\$ 395,800</u>	<u>\$ 413,094</u>	<u>\$ 17,294</u>	<u>\$</u>	<u>\$ 99,520</u>	<u>\$ 99,520</u>



**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	Soft Capital Allocation		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 10,403	\$ 10,403
Property taxes			
State aid and grants	75,464	75,464	
<b>Total revenues</b>	<u>75,464</u>	<u>85,867</u>	<u>10,403</u>
<b>Expenditures:</b>			
Current -			
Instruction	117,633	36,144	81,489
Support services - students and staff	12,022	5,849	6,173
Support services - administration	14,064		14,064
Operation and maintenance of plant services	55,984	52,143	3,841
Operation of non-instructional services	1,500		1,500
Capital outlay		19,555	(19,555)
Debt service -			
Principal retirement	1,170		1,170
<b>Total expenditures</b>	<u>202,373</u>	<u>113,691</u>	<u>88,682</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(126,909)</u>	<u>(27,824)</u>	<u>99,085</u>
<b>Other financing sources (uses):</b>			
Transfers out		(955,279)	(955,279)
<b>Total other financing sources (uses):</b>		<u>(955,279)</u>	<u>(955,279)</u>
<b>Changes in fund balances</b>	<u>(126,909)</u>	<u>(983,103)</u>	<u>(856,194)</u>
<b>Fund balances (deficits), beginning of year</b>	983,103	983,103	
<b>Fund balances (deficits), end of year</b>	<u>\$ 856,194</u>	<u>\$</u>	<u>\$ (856,194)</u>

<u>Bond Building</u>			<u>Energy and Water Savings</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 32,940	\$ 32,940	\$ 1	\$ 6,582	\$ 6,581
	<u>32,940</u>	<u>32,940</u>	<u>1</u>	<u>6,582</u>	<u>6,581</u>
10,683,556	4,405,028	6,278,528	65,000		65,000
<u>10,683,556</u>	<u>4,405,028</u>	<u>6,278,528</u>	<u>65,000</u>		<u>65,000</u>
<u>(10,683,556)</u>	<u>(4,372,088)</u>	<u>6,311,468</u>	<u>(64,999)</u>	<u>6,582</u>	<u>71,581</u>
	<u>(32,940)</u>	<u>(32,940)</u>			
	<u>(32,940)</u>	<u>(32,940)</u>			
<u>(10,683,556)</u>	<u>(4,405,028)</u>	<u>6,278,528</u>	<u>(64,999)</u>	<u>6,582</u>	<u>71,581</u>
10,683,556	10,683,556		(135)	107,910	108,045
<u>\$</u>	<u>\$ 6,278,528</u>	<u>\$ 6,278,528</u>	<u>\$ (65,134)</u>	<u>\$ 114,492</u>	<u>\$ 179,626</u>

(Continued)

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	Emergency Deficiencies Correction		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
Property taxes			
State aid and grants			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
<b>Total expenditures</b>			
<b>Excess (deficiency) of revenues over expenditures</b>			
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>			
<b>Fund balances (deficits), beginning of year</b>		135	135
<b>Fund balances, end of year</b>	\$	\$ 135	\$ 135

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 28,538	\$ 78,464	\$ 49,926
186,479	6,004	(180,475)
251,137	251,137	
<u>466,154</u>	<u>335,605</u>	<u>(130,549)</u>
201,954	36,144	165,810
12,022	5,849	6,173
14,064		14,064
55,984	76,814	(20,830)
1,500		1,500
11,187,103	4,541,171	6,645,932
<u>1,170</u>		<u>1,170</u>
<u>11,473,797</u>	<u>4,659,978</u>	<u>6,813,819</u>
<u>(11,007,643)</u>	<u>(4,324,373)</u>	<u>6,683,270</u>
	<u>(988,219)</u>	<u>(988,219)</u>
	<u>(988,219)</u>	<u>(988,219)</u>
<u>(11,007,643)</u>	<u>(5,312,592)</u>	<u>5,695,051</u>
12,124,730	12,232,910	108,180
<u>\$ 1,117,087</u>	<u>\$ 6,920,318</u>	<u>\$ 5,803,231</u>

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## **AGENCY FUNDS**

**Student Activities** - to account for monies raised by students to finance student clubs and organizations but held by the District as an agent.

**Employee Withholding** - to account for voluntary deductions and employee payroll checks temporarily held by the District as an agent.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
 COMBINING STATEMENT OF ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 JUNE 30, 2013**

	Student Activities	Employee Withholding	Totals
<b><u>ASSETS</u></b>			
Cash and investments	\$ 23,952	\$ 47,566	\$ 71,518
<b>Total assets</b>	\$ 23,952	\$ 47,566	\$ 71,518
 <b><u>LIABILITIES</u></b>			
Deposits held for others	\$	\$ 47,566	\$ 47,566
Due to student groups	23,952		23,952
<b>Total liabilities</b>	\$ 23,952	\$ 47,566	\$ 71,518

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
YEAR ENDED JUNE 30, 2013**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b><u>STUDENT ACTIVITIES FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ 32,339	\$ 18,161	\$ 26,548	\$ 23,952
Total assets	<u>\$ 32,339</u>	<u>\$ 18,161</u>	<u>\$ 26,548</u>	<u>\$ 23,952</u>
<u>Liabilities</u>				
Due to student groups	\$ 32,339	\$ 18,161	\$ 26,548	\$ 23,952
Total liabilities	<u>\$ 32,339</u>	<u>\$ 18,161</u>	<u>\$ 26,548</u>	<u>\$ 23,952</u>
<b><u>EMPLOYEE WITHHOLDING FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ 5,356	\$ 5,505,784	\$ 5,463,574	\$ 47,566
Total assets	<u>\$ 5,356</u>	<u>\$ 5,505,784</u>	<u>\$ 5,463,574</u>	<u>\$ 47,566</u>
<u>Liabilities</u>				
Deposits held for others	\$ 5,356	\$ 5,505,784	\$ 5,463,574	\$ 47,566
Total liabilities	<u>\$ 5,356</u>	<u>\$ 5,505,784</u>	<u>\$ 5,463,574</u>	<u>\$ 47,566</u>
<b><u>TOTAL AGENCY FUNDS</u></b>				
<u>Assets</u>				
Cash and investments	\$ 37,695	\$ 5,523,945	\$ 5,490,122	\$ 71,518
Total assets	<u>\$ 37,695</u>	<u>\$ 5,523,945</u>	<u>\$ 5,490,122</u>	<u>\$ 71,518</u>
<u>Liabilities</u>				
Deposits held for others	\$ 5,356	\$ 5,505,784	\$ 5,463,574	\$ 47,566
Due to student groups	32,339	18,161	26,548	23,952
Total liabilities	<u>\$ 37,695</u>	<u>\$ 5,523,945</u>	<u>\$ 5,490,122</u>	<u>\$ 71,518</u>



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## **STATISTICAL SECTION**

The statistical section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The statistical section is intended to enhance the reader's understanding of the information presented in the financial statements, notes to the financial statements, and other supplementary information presented in this report. The statistical section is comprised of the five categories of statistical information presented below.

### **Financial Trends**

These schedules contain information on financial trends to help the reader understand how the District's financial position and financial activities have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the District's ability to generate revenue.

### **Debt Capacity**

These schedules present information to help the reader evaluate the District's current levels of outstanding debt as well as assess the District's ability to make debt payments and/or issue additional debt in the future.

### **Demographic and Economic Information**

These schedules present various demographic and economic indicators to help the reader understand the environment in which the District's financial activities take place and to help make comparisons with other school districts.

### **Operating Information**

These schedules contain information about the District's operations and various resources to help the reader draw conclusions as to how the District's financial information relates to the services provided by the District.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**NET ASSETS BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	\$ 28,771,451	\$ 28,482,376	\$ 28,604,753	\$ 27,343,919	\$ 26,157,743
Restricted	4,050,174	4,148,454	2,992,009	3,254,584	867,394
Unrestricted	5,950,114	4,555,959	4,587,806	4,747,852	5,886,896
Total net position	\$ 38,771,739	\$ 37,186,789	\$ 36,184,568	\$ 35,346,355	\$ 32,912,033
	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	\$ 25,263,150	\$ 24,260,811	\$ 23,243,934	\$ 22,045,399	\$ 22,187,257
Restricted	1,475,002	2,479,842	2,008,102	1,501,477	1,502,672
Unrestricted	4,600,625	6,845,810	7,050,528	6,287,297	5,457,064
Total net position	\$ 31,338,777	\$ 33,586,463	\$ 32,302,564	\$ 29,834,173	\$ 29,146,993

**Source:** The source of this information is the District's financial records.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>
<b>Expenses</b>					
Instruction	\$ 12,454,261	\$ 11,440,196	\$ 12,732,049	\$ 14,447,135	\$ 15,895,707
Support services - students and staff	3,040,258	3,164,240	3,893,517	3,329,511	3,231,230
Support services - administration	2,572,218	2,488,738	2,415,304	2,401,212	2,330,333
Operation and maintenance of plant services	2,144,670	2,225,326	2,728,939	3,451,637	3,349,751
Student transportation services	869,168	1,104,718	1,225,373	926,422	899,076
Operation of non-instructional services	2,113,412	2,233,673	2,107,548	2,147,110	2,005,555
Interest on long-term debt	583,255	634,016	367,267	440,919	557,969
Total expenses	<u>23,777,242</u>	<u>23,290,907</u>	<u>25,469,997</u>	<u>27,143,946</u>	<u>28,269,621</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	355,140	310,249	223,032	56,031	580,944
Operation of non-instructional services	33,759	178,052	35,141	78,175	55,505
Other activities	5,031	1,259	529	94,818	7,208
Operating grants and contributions	3,748,251	5,237,115	6,613,262	7,585,665	6,760,786
Capital grants and contributions	2,382,759	499,674	1,107,568	498,545	65,361
Total program revenues	<u>6,524,940</u>	<u>6,226,349</u>	<u>7,979,532</u>	<u>8,313,234</u>	<u>7,469,804</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (17,252,302)</u>	<u>\$ (17,064,558)</u>	<u>\$ (17,490,465)</u>	<u>\$ (18,830,712)</u>	<u>\$ (20,799,817)</u>

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Expenses</b>					
Instruction	\$ 18,278,274	\$ 16,338,329	\$ 14,671,762	\$ 13,916,019	\$ 14,372,447
Support services - students and staff	3,284,996	2,938,359	2,574,905	2,723,835	2,537,327
Support services - administration	2,337,929	2,149,305	2,098,352	2,006,071	2,265,909
Operation and maintenance of plant services	3,339,877	3,043,088	2,363,333	2,438,810	2,530,839
Student transportation services	1,194,623	923,616	663,243	705,546	823,676
Operation of non-instructional services	2,125,284	2,309,398	2,148,513	2,121,744	1,861,328
Interest on long-term debt	616,665	673,963	743,884	836,005	975,765
Total expenses	<u>31,177,648</u>	<u>28,376,058</u>	<u>25,263,992</u>	<u>24,748,030</u>	<u>25,367,291</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	256,207	7,828	126,747	58,024	213,500
Operation of non-instructional services	45,476	257,708	202,586	203,993	139,633
Other activities		5,248	57,914	71,012	21,075
Operating grants and contributions	5,832,100	5,465,930	4,637,791	4,866,281	4,482,092
Capital grants and contributions	207,220	382,893	771,169	174,359	622,851
Total program revenues	<u>6,341,003</u>	<u>6,119,607</u>	<u>5,796,207</u>	<u>5,373,669</u>	<u>5,479,151</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (24,836,645)</u>	<u>\$ (22,256,451)</u>	<u>\$ (19,467,785)</u>	<u>\$ (19,374,361)</u>	<u>\$ (19,888,140)</u>

**Source:** The source of this information is the District's financial records.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>
<b>Net (Expense)/Revenue</b>	\$ (17,252,302)	\$ (17,064,558)	\$ (17,490,465)	\$ (18,830,712)	\$ (20,799,817)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	7,535,311	6,590,049	7,557,099	8,744,357	7,853,217
Property taxes, levied for debt service	2,593,661	3,052,773	2,392,296	2,533,961	2,275,724
Property taxes, levied for capital outlay		346,974	297,412	384,076	344,935
Investment income	64,612	107,062	42,048	62,230	106,229
Unrestricted county aid	723,772	737,248	716,484	842,960	
Unrestricted state aid	7,879,644	7,206,301	7,163,436	8,729,401	11,792,968
Unrestricted federal aid	40,252	26,372	159,903		
Special Items				(31,950)	
<b>Total general revenues</b>	<u>18,837,252</u>	<u>18,066,779</u>	<u>18,328,678</u>	<u>21,296,985</u>	<u>22,373,073</u>
<b>Changes in Net Position</b>	<u>\$ 1,584,950</u>	<u>\$ 1,002,221</u>	<u>\$ 838,213</u>	<u>\$ 2,466,273</u>	<u>\$ 1,573,256</u>

(Continued)

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual basis of accounting)**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Net (Expense)/Revenue</b>	\$ (24,836,645)	\$ (22,256,451)	\$ (19,467,785)	\$ (19,374,361)	\$ (19,888,140)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	6,606,775	7,821,432	7,225,285	7,616,521	7,052,165
Property taxes, levied for debt service	2,300,836	2,429,133	2,390,034	2,452,854	2,315,979
Property taxes, levied for capital outlay	32,825	243,881	354,532	119,241	1,059,814
Investment income	339,354	209,748	172,255	112,644	43,173
Unrestricted county aid		9,386	772,842	683,906	650,068
Unrestricted state aid	13,309,169	12,826,770	11,021,228	10,122,039	9,225,252
Unrestricted federal aid					
Special Items					
<b>Total general revenues</b>	<u>22,588,959</u>	<u>23,540,350</u>	<u>21,936,176</u>	<u>21,107,205</u>	<u>20,346,451</u>
<b>Changes in Net Position</b>	<u>\$ (2,247,686)</u>	<u>\$ 1,283,899</u>	<u>\$ 2,468,391</u>	<u>\$ 1,732,844</u>	<u>\$ 458,311</u>

**Source:** The source of this information is the District's financial records.

**Note:** The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

**(Concluded)**

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>
General Fund:					
Nonspendable	\$	\$ 130,000	\$	\$	\$
Unassigned	3,139,889	2,295,840	2,410,947		
Reserved				226,112	180,800
Unreserved				1,042,348	(489,579)
Total General Fund	<u>\$ 3,139,889</u>	<u>\$ 2,425,840</u>	<u>\$ 2,410,947</u>	<u>\$ 1,268,460</u>	<u>\$ (308,779)</u>
All Other Governmental Funds:					
Restricted	\$ 10,082,925	\$ 14,537,182	\$ 2,589,330	\$	\$
Unassigned			(24,135)		
Reserved					32,055
Unreserved, reported in:					
Special revenue funds				2,757,593	3,016,748
Capital projects funds				982,657	677,067
Debt service fund				120,740	30,473
Total all other governmental funds	<u>\$ 10,082,925</u>	<u>\$ 14,537,182</u>	<u>\$ 2,565,195</u>	<u>\$ 3,860,990</u>	<u>\$ 3,756,343</u>

**(Continued)**



**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund:					
Reserved	\$ 51,785	\$ 460,388	\$ 844,349	\$ 308,300	\$ 287,107
Unreserved	(157,947)	1,290,225	857,014	1,265,388	1,001,570
Total General Fund	<u>\$ (106,162)</u>	<u>\$ 1,750,613</u>	<u>\$ 1,701,363</u>	<u>\$ 1,573,688</u>	<u>\$ 1,288,677</u>
All Other Governmental Funds:					
Reserved	\$ 35,171	\$ 38,591	\$ 55,214	\$ 33,523	\$ 21,050
Unreserved, reported in:					
Special revenue funds	2,392,614	2,707,848	2,941,752	2,608,789	2,141,461
Capital projects funds	1,285,297	2,263,487	1,875,547	1,428,556	1,479,697
Debt service fund	144,139	164,759	76,410	30,441	(55,800)
Total all other governmental funds	<u>\$ 3,857,221</u>	<u>\$ 5,174,685</u>	<u>\$ 4,948,923</u>	<u>\$ 4,101,309</u>	<u>\$ 3,586,408</u>

**Source:** The source of this information is the District's financial records.

**Note:** The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54 were adopted in fiscal year 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

**(Concluded)**

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>
<b>Federal sources:</b>					
Federal grants	\$ 4,012,796	\$ 3,459,893	\$ 5,069,207	\$ 5,336,550	\$ 4,002,016
State Fiscal Stabilization (ARRA)			99,826		
Education Jobs		7,711	502,437		
National School Lunch Program	2,046,499	1,985,790	1,978,492	1,982,352	1,745,924
Total federal sources	<u>6,059,295</u>	<u>5,453,394</u>	<u>7,649,962</u>	<u>7,318,902</u>	<u>5,747,940</u>
<b>State sources:</b>					
State equalization assistance	6,943,756	6,410,246	6,470,264	9,616,856	9,809,220
State grants	17,903	131,142	284,283	449,523	458,515
School Facilities Board					
Other revenues	935,888	796,055	693,172	842,960	1,507,096
Total state sources	<u>7,897,547</u>	<u>7,337,443</u>	<u>7,447,719</u>	<u>10,909,339</u>	<u>11,774,831</u>
<b>Local sources:</b>					
Property taxes	10,198,436	10,088,673	10,313,452	11,408,301	10,188,461
County aid	723,772	737,248	716,484		
Food service sales	33,759	22,951	35,141	48,537	55,505
Investment income	64,612	107,062	42,048	62,230	96,272
Other revenues	439,458	550,068	302,252	340,640	759,183
Total local sources	<u>11,460,037</u>	<u>11,506,002</u>	<u>11,409,377</u>	<u>11,859,708</u>	<u>11,099,421</u>
<b>Total revenues</b>	<u><u>\$ 25,416,879</u></u>	<u><u>\$ 24,296,839</u></u>	<u><u>\$ 26,507,058</u></u>	<u><u>\$ 30,087,949</u></u>	<u><u>\$ 28,622,192</u></u>

(Continued)

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Federal sources:</b>					
Federal grants	\$ 3,617,671	\$ 3,421,356	\$ 2,680,090	\$ 2,652,141	\$ 2,890,749
State Fiscal Stabilization (ARRA) Education Jobs					
National School Lunch Program	1,855,872	1,975,846	1,974,870	1,911,828	1,616,687
Total federal sources	<u>5,473,543</u>	<u>5,397,202</u>	<u>4,654,960</u>	<u>4,563,969</u>	<u>4,507,436</u>
<b>State sources:</b>					
State equalization assistance	11,447,492	11,142,315	8,880,732	8,140,468	8,092,637
State grants	503,859	396,287	430,330	486,614	567,694
School Facilities Board		200,457	137,906	348,000	213,032
Other revenues	1,710,280	1,526,455	2,002,590	1,704,348	905,731
Total state sources	<u>13,661,631</u>	<u>13,265,514</u>	<u>11,451,558</u>	<u>10,679,430</u>	<u>9,779,094</u>
<b>Local sources:</b>					
Property taxes	8,959,416	10,511,301	9,956,328	10,159,156	10,410,739
County aid		9,386	772,842	736,655	650,068
Food service sales	45,326	40,750	84,000	212,000	113,606
Investment income	250,802	209,748	174,540	112,646	54,636
Other revenues	529,922	261,034	300,962	121,027	249,139
Total local sources	<u>9,785,466</u>	<u>11,032,219</u>	<u>11,288,672</u>	<u>11,341,484</u>	<u>11,478,188</u>
<b>Total revenues</b>	<u>\$ 28,920,640</u>	<u>\$ 29,694,935</u>	<u>\$ 27,395,190</u>	<u>\$ 26,584,883</u>	<u>\$ 25,764,718</u>

**Source:** The source of this information is the District's financial records.

**Note:** The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

**(Concluded)**

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 10,263,289	\$ 9,469,956	\$ 11,074,116	\$ 12,824,649	\$ 13,380,775
Support services - students and staff	2,841,126	2,846,260	3,475,937	3,242,297	3,158,334
Support services - administration	2,368,473	2,426,795	2,278,640	2,332,020	2,271,630
Operation and maintenance of plant services	1,930,599	2,081,048	2,632,510	3,509,666	3,418,779
Student transportation services	668,731	862,891	1,002,082	771,360	751,385
Operation of non-instructional services	2,070,384	2,175,459	2,041,353	1,962,737	1,924,939
Capital outlay	5,885,583	5,055,810	2,453,896	1,186,396	1,231,097
Debt service -					
Judgments against the district					48,399
Interest, premium and fiscal charges	548,902	575,320	308,571	382,223	499,273
Principal retirement	2,450,000	4,452,480	2,250,337	2,011,248	2,397,032
Bond issuance costs		291,542			
<b>Total expenditures</b>	<u><u>\$ 29,027,087</u></u>	<u><u>\$ 30,237,561</u></u>	<u><u>\$ 27,517,442</u></u>	<u><u>\$ 28,222,596</u></u>	<u><u>\$ 29,081,643</u></u>
Expenditures for capitalized assets	\$ 5,272,586	\$ 3,569,086	\$ 1,029,964	\$ 510,688	\$ 386,348
Debt service as a percentage of noncapital expenditures	13%	20%	10%	9%	10%

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 15,649,448	\$ 14,587,618	\$ 13,663,604	\$ 12,206,863	\$ 11,823,023
Support services - students and staff	3,020,697	2,816,771	2,596,834	2,679,174	2,268,598
Support services - administration	2,254,813	2,064,051	2,089,130	2,004,506	2,018,215
Operation and maintenance of plant services	3,029,490	2,887,948	2,321,145	2,258,046	2,476,096
Student transportation services	931,647	832,141	634,525	642,741	684,643
Operation of non-instructional services	2,102,278	2,201,959	2,145,780	2,067,603	1,895,246
Capital outlay	2,349,165	1,266,509	829,194	1,074,808	2,246,695
Debt service -					
Judgments against the district					
Interest, premium and fiscal charges	557,969	615,267	685,188	777,309	863,373
Principal retirement	2,086,539	2,192,501	2,058,340	2,107,587	2,010,887
Bond issuance costs					
<b>Total expenditures</b>	<u>\$ 31,982,046</u>	<u>\$ 29,464,765</u>	<u>\$ 27,023,740</u>	<u>\$ 25,818,637</u>	<u>\$ 26,286,776</u>
Expenditures for capitalized assets	\$ 569,596	\$ 678,702	\$ 161,361	\$ 12,622	\$ 460,555
Debt service as a percentage of noncapital expenditures	8%	10%	10%	11%	11%

**Source:** The source of this information is the District's financial records.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (3,610,208)	\$ (5,940,722)	\$ (1,010,384)	\$ 1,865,353	\$ (459,451)
<b>Other financing sources (uses):</b>					
School improvement bonds issued		15,555,000			
Premium on sale of bonds		522,802			
Capital lease agreements		1,719,800	691,546		30,057
Transfers in	517,361	582,400	506,107	238,745	275,727
Transfers out	(517,361)	(582,400)	(506,107)	(238,745)	(275,727)
Total other financing sources (uses)		<u>17,797,602</u>	<u>691,546</u>	<u>(238,745)</u>	<u>30,057</u>
<b>Changes in fund balances</b>	<u>\$ (3,610,208)</u>	<u>\$ 11,856,880</u>	<u>\$ (318,838)</u>	<u>\$ 1,865,353</u>	<u>\$ (429,394)</u>
	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (3,061,406)	\$ 230,170	\$ 371,450	\$ 766,246	\$ (522,058)
<b>Other financing sources (uses):</b>					
Capital lease agreements	299,190	445,426	46,099		260,894
Transfers in	188,084	137,345	122,553	104,522	80,534
Transfers out	(188,084)	(137,345)	(122,553)	(104,522)	(80,534)
Total other financing sources (uses)	<u>299,190</u>	<u>445,426</u>	<u>46,099</u>	<u>(104,522)</u>	<u>260,894</u>
<b>Changes in fund balances</b>	<u>\$ (2,762,216)</u>	<u>\$ 675,596</u>	<u>\$ 417,549</u>	<u>\$ 766,246</u>	<u>\$ (261,164)</u>

**Source:** The source of this information is the District's financial records.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Real Property</b>		<b>Personal Property</b>	<b>Less: Tax Exempt Real Property</b>	<b>Total Taxable Assessed Valuation</b>	<b>Total Direct Rate</b>	<b>Estimated Actual Value</b>	<b>Ratio of Net Assessed to Estimated Actual Value</b>	
	<b>Residential Property</b>	<b>Commercial Property</b>							
2013	\$ 75,493,945	\$ 289,273,950	\$ 31,261,405	\$ 123,240,707	\$ 272,788,593	3.71	\$2,508,746,505	10.87	%
2012	92,367,442	318,764,858	29,531,262	129,552,417	311,111,145	3.46	2,829,301,414	11.00	
2011	127,917,867	259,034,499	30,292,544	148,849,032	268,395,878	2.63	3,649,106,598	7.36	
2010	319,831,893	157,918,557	33,619,171	152,927,852	358,441,769	2.83	4,044,891,724	8.86	
2009					470,715,014	2.81	4,019,490,951	11.71	
2008					419,664,811	2.51	3,418,801,546	12.28	
2007					343,664,968	3.34	2,591,689,668	13.26	
2006					322,320,676	3.46	2,323,427,574	13.87	
2005					315,303,604	3.61	2,277,280,506	13.85	
2004					310,749,027	3.90	2,117,097,763	14.68	

**Source:** The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

**Note:** Total taxable assessed valuation is displayed by major component beginning with fiscal year ended June 30, 2010.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS**  
**LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
1 Commercial, Industrial, Utilities and Mining	\$ 185,769,317	\$ 204,895,827	\$ 277,710,706	\$ 296,793,043	\$ 292,087,411
2 Agricultural and Vacant	11,807,666	15,044,957	22,134,224	21,852,080	21,741,909
3 Residential (Owner Occupied)	39,473,268	47,161,689	71,429,173	95,732,150	95,113,688
4 Residential (Rental)	34,889,212	43,180,841	55,130,366	66,753,928	60,875,804
5 Railroad, Private Cars and Airlines	744,049	722,266	781,223	806,101	889,174
06, 07, 08 Historical Property	99,781	99,781	105,529	7,028	7,028
9 Certain Government Property Improvements	5,300	5,784			
<b>Total</b>	<b>\$ 272,788,593</b>	<b>\$ 311,111,145</b>	<b>\$ 427,291,221</b>	<b>\$ 481,944,330</b>	<b>\$ 470,715,014</b>

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
1 Commercial, Industrial, Utilities and Mining	\$ 267,178,951	\$ 235,859,011	\$ 215,910,853	\$ 215,223,144	\$ 212,134,978
2 Agricultural and Vacant	18,314,252	15,334,062	14,329,548	14,677,442	16,328,897
3 Residential (Owner Occupied)	79,529,325	47,554,506	47,462,950	42,316,078	41,560,768
4 Residential (Rental)	53,594,305	43,988,736	43,726,276	42,227,530	40,367,708
5 Railroad, Private Cars and Airlines	931,748	920,853	886,524	859,410	356,676
06, 07, 08 Historical Property	116,230	7,800	4,525		
9 Certain Government Property Improvements					
<b>Total</b>	<b>\$ 419,664,811</b>	<b>\$ 343,664,968</b>	<b>\$ 322,320,676</b>	<b>\$ 315,303,604</b>	<b>\$ 310,749,027</b>

**Source:** The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.



**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
PROPERTY TAX ASSESSMENT RATIOS  
LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	20 %	20 %	21 %	22 %	23 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	17	18	20

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Commercial, Industrial, Utilities and Mining	24 %	25 %	25 %	25 %	25 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	21	22	21	21	20

**Source:** The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

**Note:** Additional classes of property exist, but do not amount to a significant portion of the District's total valuation, therefore they are not included on this schedule.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates							District Direct Rates		
	State Equalization	County	Community College District	Central Arizona Water	City of Phoenix	City of Scottsdale	Phoenix Union High School District No. 210	Primary	Secondary	Total
	2013	0.47	1.24	1.38	0.10	1.82	1.23	4.27	2.09	1.62
2012	0.43	1.24	1.21	0.10	1.82	1.09	2.91	2.02	1.44	3.46
2011	0.36	1.05	0.97	0.10	1.82	0.75	2.43	1.63	1.00	2.63
2010	0.33	1.16	0.88	0.10	1.82	0.74	2.95	1.85	0.98	2.83
2009		1.03	0.94	0.10	1.82	0.79	3.06	1.96	0.85	2.81
2008		1.10	0.98	0.10	1.82	0.79	3.42	1.39	1.12	2.51
2007		1.18	1.06	0.01	1.82	0.97	3.79	1.97	1.37	3.34
2006		1.20	1.03	0.12	1.82	1.04	3.87	2.07	1.39	3.46
2005		1.28	1.04	0.12	1.82	1.07	6.68	2.20	1.41	3.61
2004		1.28	1.08	0.12	1.82	1.12	4.11	2.54	1.36	3.90

**Source:** The source of this information is the Property Tax Rates and Assessed Values, Arizona Tax Research Foundation.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Taxpayer</u>	<u>2013</u>		<u>2004</u>	
	<u>Secondary Assessed Valuation</u>	<u>Percentage of District's Net Assessed Valuation</u>	<u>Secondary Assessed Valuation</u>	<u>Percentage of District's Net Assessed Valuation</u>
Transwestern Phoenix Gateway LLC	\$ 8,483,725	3.11 %	\$	%
Fresscale Semiconductor Inc.	9,208,890	2.96		
USA 615 North 48 Street Holdco LLC	6,012,068	2.24		
Columbia Properties Phoenix LP	6,702,861	1.87	5,624,557	1.81
BP Gateway LLC/ETAL	8,567,013	1.82		
Talley Plaza LLC	6,127,106	1.46	5,904,232	1.90
Amerishop Arcadia LLC	4,914,409	1.43		
SCF Arizona	4,448,025	1.38		
Cofco Development Corporation	4,162,008	1.32		
Arizona Public Service	3,791,138	1.22		
Semiconductor Component Industries LLC			15,910,350	5.12
CMD Realty Investment Fund			10,938,366	3.52
State Farm Mutual			9,757,519	3.14
ON Semiconductor			6,774,329	2.18
American Greyhound Racing			6,339,280	2.04
The Garrett Corporation			5,220,584	1.68
Cresleigh Management			4,599,086	1.48
Peaks Park LLC			4,568,011	1.47
Total	<u>\$ 62,417,243</u>	<u>18.81 %</u>	<u>\$ 75,636,314</u>	<u>24.34 %</u>

**Source:** The source of this information is the Maricopa County Assessor's records.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Fiscal Years</b>	<b>Collected to the End of the Current Fiscal Year</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2013	\$ 10,271,758	\$ 9,885,232	96.24 %	\$	\$ 9,885,232	96.24 %
2012	10,939,878	10,379,764	94.88	217,791	10,597,555	96.87
2011	10,718,273	10,125,508	94.47	349,382	10,474,890	97.73
2010	12,076,051	11,325,897	93.79	690,289	12,016,186	99.50
2009	10,848,634	10,305,406	94.99	447,814	10,753,220	99.12
2008	9,877,612	9,685,737	98.06	118,763	9,804,500	99.26
2007	11,401,755	11,209,802	98.32	184,084	11,393,886	99.93
2006	10,600,741	10,354,854	97.68	241,162	10,596,016	99.96
2005	10,671,697	10,453,628	97.96	215,277	10,668,905	99.97
2004	10,924,741	10,653,856	97.52	266,514	10,920,370	99.96

**Source:** The source of this information is the Maricopa County Treasurer's records.

**Notes:** 1) Amounts collected are on a cash basis.

2) Unsecured personal property taxes are not included in this schedule because the dates of the monthly rolls vary each year. On the average, 90% of unsecured property taxes are collected within 90 days after the due date.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value	Per Capita	Percentage of Personal Income	
2013	\$ 18,022,770	\$ 175,644	\$ 17,847,126	0.71 %	\$ 600	\$	\$ 18,022,770	0.72 %	\$ 606	N/A %	
2012	20,262,802	496,080	19,766,722	0.70	658		20,262,802	0.72	674	0.01	
2011	6,280,000	133,752	6,146,248	0.17	109	547,680	6,827,680	0.19	121	0.00	
2010	8,280,000	120,740	8,159,260	0.20	145	11,471	8,291,471	0.20	147	0.01	
2009	10,200,000	30,473	10,169,527	0.25	339	22,719	10,222,719	0.25	341	0.01	
2008	12,035,000	144,139	11,890,861	0.35	396	469,694	12,504,694	0.37	417	0.01	
2007	13,825,000	164,759	13,660,241	0.53	455	422,043	14,247,043	0.55	475	0.01	
2006	15,545,000	76,410	15,468,590	0.67	516	379,118	15,924,118	0.69	531	0.01	
2005	17,215,000	30,441	17,184,559	0.75	573	671,359	17,886,359	0.79	596	0.02	
2004	18,805,000	1,590,000	17,215,000	0.81	574	1,108,946	19,913,946	0.94	664	0.02	

**Source:** The source of this information is the District's financial records.

**Note:** N/A indicates that the information is not available.

\* General obligation bonds are reported net of related premium.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2013**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa County Community College District	\$ 616,235,000	0.83 %	\$ 5,114,751
City of Phoenix	1,182,740,747	2.56	30,278,163
Phoenix Union High School District No. 210	274,745,000	5.81	15,962,685
Subtotal, Overlapping Debt			<u>51,355,599</u>
Direct:			
Balsz Elementary School District No. 31			<u>18,022,770</u>
Total Direct and Overlapping Debt			<u><u>\$ 69,378,369</u></u>

**Source:** The source of this information is the District's records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue and the applicable governmental unit.

- Notes:**
- 1) Estimated percentage of debt outstanding applicable to the District is calculated based on the District's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.
  - 2) Outstanding debt as of June 30, 2012 is presented for the overlapping governments as this is the most recent available information.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

**Class B Bond Legal Debt Margin Calculation for Fiscal Year 2013:**

Secondary assessed valuation	\$ 272,788,593
Debt limit (5% of assessed value)	13,639,430
Debt applicable to limit	17,555,000
Legal debt margin	<u>\$ (3,915,570)</u>

**Total Legal Debt Margin Calculation for Fiscal Year 2013:**

Secondary assessed valuation	\$ 272,788,593
Debt limit (15% of assessed value)	40,918,289
Debt applicable to limit	17,555,000
Legal debt margin	<u>\$ 23,363,289</u>

**Fiscal Year Ended June 30**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Debt Limit	\$ 40,918,289	\$ 46,666,672	\$ 64,093,683	\$ 72,291,650	\$ 70,607,252
Total net debt applicable to limit	<u>17,555,000</u>	<u>19,740,000</u>	<u>6,280,000</u>	<u>8,280,000</u>	<u>10,200,000</u>
Legal debt margin	<u>\$ 23,363,289</u>	<u>\$ 26,926,672</u>	<u>\$ 57,813,683</u>	<u>\$ 64,011,650</u>	<u>\$ 60,407,252</u>
Total net debt applicable to the limit as a percentage of debt limit	43%	42%	10%	11%	14%
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Debt Limit	\$ 62,949,722	\$ 51,549,745	\$ 48,348,101	\$ 47,295,541	\$ 46,612,354
Total net debt applicable to limit	<u>12,035,000</u>	<u>13,825,000</u>	<u>10,600,741</u>	<u>17,215,000</u>	<u>18,805,000</u>
Legal debt margin	<u>\$ 50,914,722</u>	<u>\$ 37,724,745</u>	<u>\$ 37,747,360</u>	<u>\$ 30,080,541</u>	<u>\$ 27,807,354</u>
Total net debt applicable to the limit as a percentage of debt limit	19%	27%	22%	36%	40%

**Source:** The source of this information is the District's financial records.

- Notes:** 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds and the statutory debt limit on Class B bonds. The calculations of the debt margins are presented in detail for the current fiscal year only.
- 2) Bond premium is not subject to the statutory debt limit.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2012	3,824,058	\$ 147,374,500	\$ 33,238	9.1 %	29,758
2011	3,843,370	142,864,275	37,352	8.4	30,056
2010	4,071,611	148,115,000	33,116	8.7	56,379
2009	4,023,331	149,611,000	34,282	7.1	56,379
2008	3,987,942	139,665,253	36,135	4.8	30,000
2007	3,907,492	132,423,154	35,046	3.2	30,000
2006	3,792,675	120,716,738	33,178	3.5	30,000
2005	3,648,545	111,103,576	31,757	4.1	30,000
2004	3,584,400	102,277,852	30,160	4.0	30,000
2003	3,598,440	96,998,974	29,020	5.0	30,000

**Sources:** The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2003 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 and 2012, the source of the information is the Arizona Office of Employment and Population Statistics.



**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
PRINCIPAL EMPLOYERS  
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2013</u>		<u>2004</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	52,076	3.05 %	50,363	2.99 %
Wal-Mart Stores Inc.	31,837	1.86	18,677	1.11
Banner Health Systems	25,126	1.47	13,756	0.82
City of Phoenix	14,983	0.88	13,095	0.78
Wells Fargo Company	13,679	0.80		
Maricopa County	13,308	0.78	13,482	0.80
Apollo Group Inc.	10,000	0.58		
Arizona State University	12,222	0.71	10,005	0.59
Raytheon Co.			10,200	0.60
Bank of America	12,500	0.73		
Honeywell			12,000	
Intel Corp.	11,000		9,500	
JP Morgan Chase & Co	11,407			
Mesa Public Schools	8,400			
U.S. Postal Service	8,150		11,406	
US Airways	9,237			
Albertson's			9,500	
Bashas' Inc.			9,374	0.56
Safeway Stores			9,100	0.54
Fry's Food and Drug			9,053	
Total	<u>233,925</u>	<u>10.86 %</u>	<u>199,511</u>	<u>8.79 %</u>
Total employment	<u>1,710,000</u>		<u>1,686,000</u>	

**Source:** The source of this information is Elliot D. Pollack & Co., the Greater Phoenix Economic Council, and the Arizona Department of Economic Security.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE  
 LAST TEN FISCAL YEARS**

	<b>Full-time Equivalent Employees as of June 30</b>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Supervisory</b>					
Consultants/supervisors of instruction	1	1	1	1	5
Principals	5	5	5	5	4
Assistant principals	1	1	1	3	
Total supervisory	<u>7</u>	<u>7</u>	<u>7</u>	<u>9</u>	<u>9</u>
<b>Instruction</b>					
Teachers	148	149	167	164	188
Aides	42	40	36	47	36
Total instruction	<u>190</u>	<u>189</u>	<u>203</u>	<u>211</u>	<u>224</u>
<b>Student Services</b>					
Librarians	4	5	5	4	3
Technicians	17	16	20	24	20
Total student services	<u>21</u>	<u>21</u>	<u>25</u>	<u>28</u>	<u>23</u>
<b>Support and Administration</b>					
Service workers	55	57	39	39	38
Unskilled laborers	15	10	20	20	32
Total support and administration	<u>70</u>	<u>67</u>	<u>59</u>	<u>59</u>	<u>70</u>
<b>Total</b>	<u><u>288</u></u>	<u><u>284</u></u>	<u><u>294</u></u>	<u><u>307</u></u>	<u><u>326</u></u>

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE  
LAST TEN FISCAL YEARS**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Supervisory</b>					
Consultants/supervisors of instruction	1	1	1	1	1
Principals	5	5	5	5	5
Assistant principals	4	4	4	4	4
Total supervisory	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
<b>Instruction</b>					
Teachers	188	193	199	206	196
Aides	38	43	46	55	61
Total instruction	<u>226</u>	<u>236</u>	<u>245</u>	<u>261</u>	<u>257</u>
<b>Student Services</b>					
Librarians	3	5	5	5	5
Technicians	20	19	20	20	13
Total student services	<u>23</u>	<u>24</u>	<u>25</u>	<u>25</u>	<u>18</u>
<b>Support and Administration</b>					
Service workers	40	36	36	37	35
Unskilled laborers	34	42	53	59	63
Total support and administration	<u>74</u>	<u>78</u>	<u>89</u>	<u>96</u>	<u>98</u>
<b>Total</b>	<u><u>333</u></u>	<u><u>348</u></u>	<u><u>369</u></u>	<u><u>392</u></u>	<u><u>383</u></u>

**Source:** The source of this information is District personnel records.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Average Daily Membership</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Expenses</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil-Teacher Ratio</b>	<b>Percentage of Free/Reduced Students</b>
2013	2,534	\$ 20,142,602	\$ 7,949	2.41 %	\$ 23,777,242	\$ 9,383	3.10 %	190	13.3	91.2 %
2012	2,559	19,862,409	7,762	(9.36)	23,290,907	9,102	(6.09)	189	13.5	88.4
2011	2,628	22,504,638	8,563	(8.29)	25,469,997	9,692	(5.77)	203	12.9	88.4
2010	2,639	24,642,729	9,338	4.08	27,143,946	10,286	1.00	211	12.5	88.4
2009	2,776	24,905,842	8,972	4.78	28,269,621	10,184	2.95	224	12.4	88.4
2008	3,152	26,988,373	8,562	11.96	31,177,648	9,891	15.73	226	13.9	80.0
2007	3,320	25,390,488	7,648	16.81	28,376,058	8,547	21.18	236	14.1	86.9
2006	3,582	23,451,018	6,547	(1.13)	25,263,992	7,053	(5.92)	245	14.6	86.9
2005	3,301	21,858,933	6,622	8.69	24,748,030	7,497	2.67	261	12.6	86.9
2004	3,474	21,165,821	6,093	(0.96)	25,367,291	7,302	3.78	257	13.5	86.9

**Source:** The source of this information is the District's financial records.

**Note:** Operating expenditures are total expenditures less debt service and capital outlay.

**BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31  
CAPITAL ASSETS INFORMATION  
LAST TEN FISCAL YEARS**

	<u>Fiscal Year Ended June 30</u>									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b><u>Schools</u></b>										
<b><u>Elementary</u></b>										
Buildings	5	5	5	5	5	5	5	5	5	5
Square feet	400,347	400,347	400,347	400,347	400,347	400,347	400,347	400,347	400,347	400,347
Capacity	3,954	3,954	3,954	3,954	3,954	3,954	3,954	3,954	3,954	3,954
Enrollment	2,681	2,671	2,750	2,750	2,813	3,403	3,403	3,586	3,617	3,617
<b><u>Administrative</u></b>										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b><u>Transportation</u></b>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	18	13	13	13	13	13	13	13	13	13
<b><u>Athletics</u></b>										
Baseball/softball	6	6	6	6	6	6	6	6	6	6
Playgrounds	6	6	6	6	6	6	6	6	6	6

**Source:** The source of this information is the District's facilities records.