



Arizona's Most Excelling School District!

SCOTTSDALE

UNIFIED SCHOOL DISTRICT NO. 48

3811 North 44th Street, Phoenix, Arizona 85018

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended June 30, 2011

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48

PHOENIX, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Issued by:
Finance Department

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48

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INTRODUCTORY SECTION

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3811 North 44th Street
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November 28, 2011

Citizens and Governing Board
Scottsdale Unified School District No. 48
3811 North 44th Street
Phoenix, Arizona 85018

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 Scottsdale Unified School District No. 48 (District) for the fiscal year ended June 30, 2011.

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, 2011, 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 unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' 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 twelve.

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, the component unit combined with the District for financial statement purposes and the District are not included in any other governmental 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, food services, bookstore and athletic functions.

The Scottsdale Unified School District No. 48 Insurance Trust (Trust) is governed by a five-member board appointed by the District's Governing Board. Although legally separate from the District, the Trust is blended as an Internal Service Fund as if it were part of the District because its sole purpose is to provide self-insurance for losses up to certain limits and to purchase insurance for losses above the limits.

The District was founded in 1896 and encompasses approximately 115 square miles. The District is situated in the central portion of Maricopa County, Arizona in the east sector of the greater Phoenix metropolitan area. The estimated population within the District is 284,440.

The District has 31 schools on 31 sites with a 2010-11 average daily membership of 24,802, a decrease of two percent from the previous school year. Over 3,500 employees work in the District. The District has a sizable tax base of above-average income and housing values.

Sixty-four percent of the District lies in the City of Scottsdale, but does not include the entire City of Scottsdale. Almost all of the Town of Paradise Valley, a section of the City of Phoenix, and a small section of the City of Tempe are also included within the District boundaries. The District's Northeast section includes the fastest growing area in Scottsdale in both population and housing.

The City of Scottsdale was founded in 1888 and incorporated in 1951. It is located in the northeastern portion of the "Valley of the Sun". Scottsdale had a 1990 population of 130,075 and a 2011 estimated population of 230,179, an increase of 77 percent.

The Scottsdale economy today contains, in addition to its resorts, a diverse mix of financial services from banking to insurance and investment: business services from advertising and public relations to software development; computer services, professional services from major health care providers anchored by Scottsdale Memorial Health systems and the world renowned Mayo Clinic. Scottsdale boasts a highly educated population with 46% of individuals 25 or older having at least a bachelor degree which is significantly higher than State or National percentages. Additionally income levels in Scottsdale are among the highest in the State.

The major business areas in Scottsdale are the Scottsdale Airpark, Downtown Scottsdale, Southern Scottsdale and Midtown Scottsdale.

The Scottsdale Airpark is the 3rd largest employment center in the Valley. The Greater Scottsdale Airpark Area is home to over 30,000 employees and more than 2,000 businesses thirty-five of which are corporate headquarters like GoDaddy.com, Henkel Corporation, JDA Software, Hypercom and Taser International. Strategically located along the loop 101 freeway, the Airpark is home to the Scottsdale Airport, the busiest single-runway general aviation airport in the country and the largest corporate jet facility in Arizona.

Downtown Scottsdale is considered by many as the Central Business District, featuring a roughly 2 mile square area. An estimated 40,000 people work in downtown and more than 200 times that number take advantage of the four million square feet of retail, restaurants and entertainment venues. It is the corporate headquarters for businesses like Medicis Pharmaceutical, Rural/Metro, Nighthawk Radiology and Trapeze Software. Visitors enjoy the close proximity to Scottsdale's Downtown district which is home to world class shopping at Scottsdale Fashion Square, vibrant nightlife, and luxury resorts like the Theodore, Hotel Valley Ho, and the W Hotel.

Southern Scottsdale has experienced a renaissance. As the city's oldest commercial corridor, the southern portion of the city has seen an influx of economic activity and neighborhood revitalization. At the center of this redevelopment is SkySong, ASU Scottsdale Innovation Center, a research, technology and innovation center at the site of the former Los Arcos Mall. At build out, SkySong is anticipated to have approximately 1.2 million square feet of space (about 90% office); 3,000-4,000 parking spaces; open space/public plazas; and could support as many as 4,000 relatively high paying jobs. Only 10 miles from Sky Harbor International Airport, this employment area is also located in close proximity to the Loop 101 freeway and Arizona State University.

The City of Phoenix is the capital and largest city of Arizona and is the county seat as well. The city encompasses an area of over 600 square miles. Phoenix is the sixth most populous city in the United States and according to the 2010 census estimate, the population of the city was 1,445,632. The Phoenix metropolitan area is the population and economic activity center of the entire state. Phoenix is one of the leaders in the economics of the Southwestern area of the United States and is currently home to seven Fortune 500 companies: waste management company Allied Waste, electronics corporation Avnet, Apollo Group (which operates the University of Phoenix), mining company Freeport-McMoRan (recently merged with Phoenix based Phelps Dodge), retailer PetSmart and energy supplier Pinnacle West. Honeywell's Aerospace division is headquartered in Phoenix, and the valley hosts many of their avionics and mechanical facilities. Intel has one of their largest sites here, employing about 10,000 employees and 7 chip manufacturing fabs. American Express hosts their financial transactions, customer information and their entire website in Phoenix.

As a result of the population boom, the economy of Phoenix has taken on new dimensions in recent decades by moving into technology and service industries. Tourism and business services in particular now account for nearly 77 percent of the area's total employment. Another sector of growth has been financial services and banking, as several significant processing and/or regional headquarters operations call Phoenix home: American Express, Chase Bank, Bank of America, Discover Card Services, and Wells Fargo Bank. High technology and aerospace firms hold a considerable share of the manufacturing jobs throughout the state (56 percent).

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 overexpenditures 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. Despite the national economic recession and foreclosure crisis, the City of Scottsdale retains fundamental economic strength due to its diversified employment base, attractiveness to new business, retail base, and strong tourism attraction. Interest remains high in the community because of its quality of life, value as a business location, its status as a premier tourism destination, and the economic and public infrastructure that have been put in place.

Long-term Financial Planning. The Scottsdale Unified School District is experiencing steady growth. The primary assessed value has grown at an average rate of 7.8 percent in the past eleven years. This recognized growth has allowed the District to utilize bond sale proceeds from past voter authorized bond issues. Under Arizona's "Student FIRST" school capital finance system enacted in 1998, the State of Arizona is to provide funding for the school district school capital needs. "Students FIRST" minimizes bonding for school construction, requiring a state school facilities board to approve any new school construction.

The District is in the process of implementing a \$118 million bond initiative that is being used to rebuild and remodel all 7 of our middle schools, create more energy efficiencies and improve security district wide. As part of our ongoing efforts to "go green" and produce additional revenue for the District, we've entered into a partnership with SunPower that will provide solar power generating parking and playground shades at 11 schools and a positive cash flow to the District. We have successfully negotiated a zero percent interest rate for the solar power generating project, and we have a 17 year lease/purchase agreement. The first year positive cash flow to the District is \$139,955 that can be used for maintenance, operations and energy projects. The 25 year positive cash flow to SUSD is estimated at more than \$22,000,000. The schools receiving the shade structures include Anasazi Elementary, Cheyenne Traditional School, Cherokee Elementary, Cochise Elementary, Laguna Elementary, Redfield Elementary, Sequoia Elementary, Copper Ridge School, Mountainside Middle, Chaparral High and Desert Mountain High. These are all A.P.S. served campuses.

AWARDS AND ACKNOWLEDGMENT

Awards. The Association of School Business Officials (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, 2010. 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, 2010. 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 2010-11 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 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. David Peterson
Interim Superintendent



Sherry Celaya
Interim Director of Business Services/CFO

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2010

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Scottsdale Unified School
District No. 48, Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

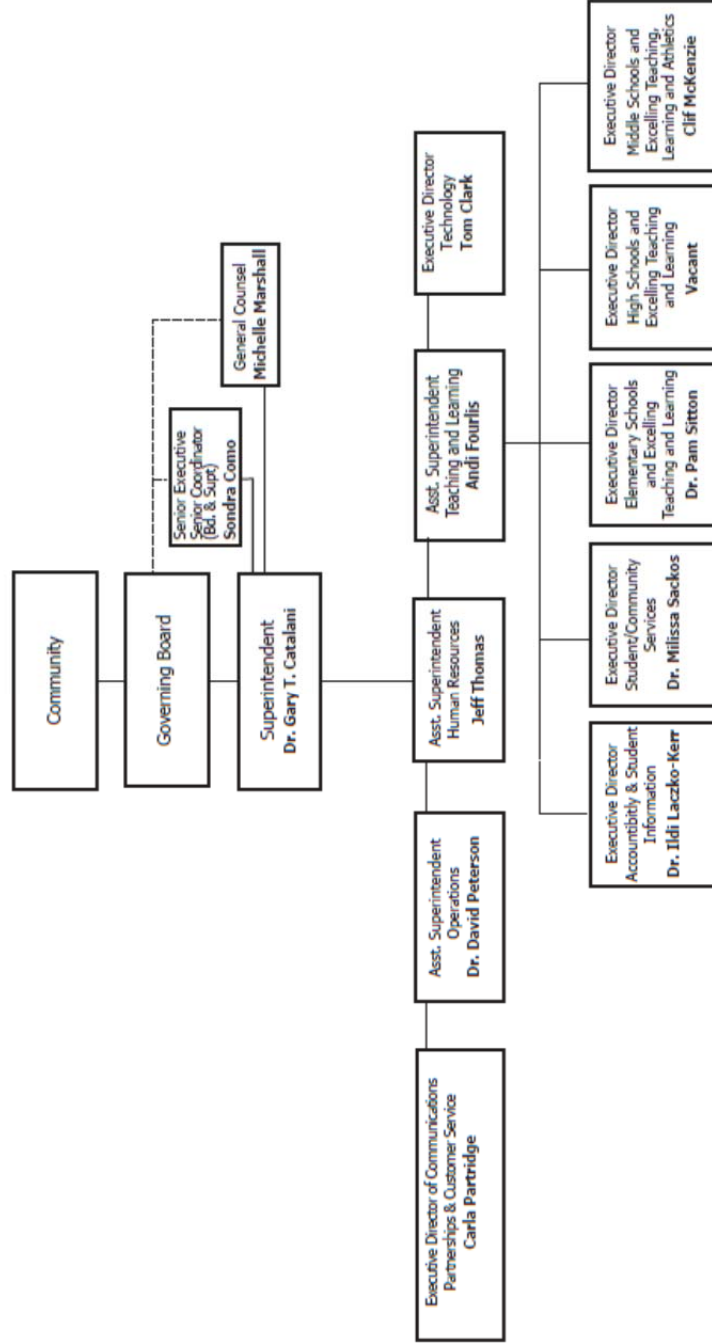


Linda C. Danison

President

Jeffrey R. Enos

Executive Director



For additional info refer to the departmental table of organization

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48

**LIST OF PRINCIPAL OFFICIALS
AS OF JUNE 30, 2011**

GOVERNING BOARD

Jennifer Peterson
President

Eric Meyer
Vice President

Pam Kirby
Member

Bonnie Sneed
Member

Denny Brown
Member

ADMINISTRATIVE STAFF

Dr. Gary Catalani, Superintendent

Dr. David Peterson, Assistant Superintendent for Facilities and Operations

Dr. Andi Fourlis, Assistant Superintendent for Teaching and Learning

Michelle Marshall, General Counsel

Jeff Thomas, Assistant Superintendent for Human Resources

Clif McKenzie, Executive Director for Secondary Schools and Athletics

Dr. Milissa Sackos, Executive Director for Middle Schools

Pam Sitton, Executive Director for Elementary Schools

Dr. David McNeil, Director of Assessment, Accountability and Research

Mary Lou Muccino, Director of Special Education

Tom Clark, Executive Director for Technology & Information Systems

Carla Partridge, Coordinator Communications and Business Partnerships

Sherry Celaya, Director of Finance

FINANCIAL SECTION

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HEINFELD, MEECH & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS



INDEPENDENT AUDITORS' REPORT

Governing Board
Scottsdale Unified School District No. 48

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Scottsdale Unified School District No. 48 (District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Scottsdale Unified School District No. 48, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the year ended June 30, 2011, which represents a change in accounting principle.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2011, on our consideration of the Scottsdale Unified School District No. 48'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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 15 and budgetary comparison information on pages 58 and 59 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The accompanying supplementary information such as 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

November 28, 2011

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

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**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

As management of the Scottsdale Unified School District No. 48 (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, 2011. 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 assets of governmental activities increased \$38.1 million, which represents a 17 percent increase from the prior fiscal year, as a result of a decrease in expenses and an increase in operating grants and contributions.
- General revenues accounted for \$236.2 million in revenue, or 85 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$40.8 million or 15 percent of total current fiscal year revenues.
- The District had approximately \$238.9 million in expenses related to governmental activities, a decrease of 6 percent from the prior fiscal year.
- Among major funds, the General Fund had \$159.6 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$155.8 million in expenditures. The General Fund's fund balance increase from \$25.1 million at the prior fiscal year end to \$31.4 million at the end of the current fiscal year was primarily due to an increase in the prepayment of insurance.
- Net assets for the Internal Service Funds increased \$2.5 million from the prior fiscal year. Operating revenues of \$5.3 million exceeded operating expenses of \$3.1 million at the end of the current fiscal year.

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.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

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.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 three categories: governmental funds, proprietary 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.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

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.

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 Fund, Debt Service Fund and the Bond Building Fund, 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.

Proprietary funds. The District maintains one type of proprietary fund. The internal service funds are accounting devices used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds to account for its Insurance Trust activity. Because this service predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements. The Insurance Trust, although a legally separate component unit, functions for all employees of the District, and therefore has been included as an internal service fund. Other internal service funds include (1) the Print Shop Fund, which accounts for District charges to other departments for printing and copying services, and (2) the Intergovernmental Agreements Fund, which accounts for financial activities relating to agreements with other governments not required to be accounted for elsewhere. Because these activities predominately benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

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.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)

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.

During the year ended June 30, 2011, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB Statement No. 54 establishes standards for financial reporting, including note disclosure requirements, for fund balance classifications of the governmental funds and clarifies existing governmental fund type definitions. Additional information on the fund balance classifications, components of fund balance, and other information related to fund balance can be found in Note 2.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$265.0 million at the current year end.

The largest portion of the District's net assets reflects its investment in capital assets (e.g., land, land and improvements, buildings and improvements, and vehicles, and furniture and equipment), less any related debt used to acquire those assets that is still outstanding. 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 assets are restricted by statute for special purposes, debt service repayment and capital outlay investment.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

The following table presents a summary of the District's net assets for the fiscal years ended June 30, 2011 and June 30, 2010.

	As of <u>June 30, 2011</u>	As of <u>June 30, 2010</u>
Current and other assets	\$ 211,332,149	\$ 130,321,328
Capital assets, net	397,535,385	399,470,309
Total assets, net	<u>608,867,534</u>	<u>529,791,637</u>
Current and other liabilities	20,796,419	12,691,829
Long-term liabilities	323,072,917	290,197,646
Total liabilities	<u>343,869,336</u>	<u>302,889,475</u>
Net assets:		
Invested in capital assets, net of related debt	132,040,763	119,641,050
Restricted	34,824,511	21,350,236
Unrestricted	98,132,924	85,910,876
Total net assets	<u>\$ 264,998,198</u>	<u>\$ 226,902,162</u>

At the end of the current fiscal year the District reported positive balances in all three categories of net assets. 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 result 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 Assets.

- The issuance of \$59.0 million of school improvement bonds.
- The principal retirement of \$32.0 million of bonds.
- The addition of \$14.6 million in capital assets.
- The disposal of \$87.5 million of capital assets.
- The addition of \$6.6 million in capital leases.
- The increase of \$1.5 million in prepaid items.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

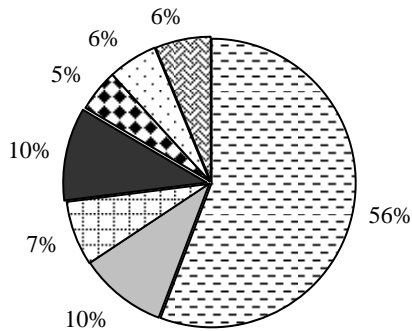
Changes in net assets. The District's total revenues for the current fiscal year were \$277.0 million. The total cost of all programs and services was \$238.9 million. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2011 and June 30, 2010.

	<u>Fiscal Year Ended June 30, 2011</u>	<u>Fiscal Year Ended June 30, 2010</u>
Revenues:		
Program revenues:		
Charges for services	\$ 18,441,709	\$ 19,722,746
Operating grants and contributions	21,362,077	18,447,066
Capital grants and contributions	998,268	715,787
General revenues:		
Property taxes	198,467,333	221,355,895
Investment income	1,283,196	1,202,937
Unrestricted county aid		229,750
Unrestricted state aid	35,244,246	28,969,013
Unrestricted federal aid	1,212,659	4,059,463
Total revenues	<u>277,009,488</u>	<u>294,702,657</u>
Expenses:		
Instruction	133,239,099	147,449,327
Support services – students and staff	23,699,221	23,564,220
Support services – administration	17,478,195	17,511,969
Operation and maintenance of plant services	24,948,100	23,374,438
Student transportation services	11,353,011	12,897,691
Operation of non-instructional services	13,267,755	14,916,136
Interest on long-term debt	14,928,071	15,545,637
Total expenses	<u>238,913,452</u>	<u>255,259,418</u>
Change in net assets	<u>\$ 38,096,036</u>	<u>\$ 39,443,239</u>

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

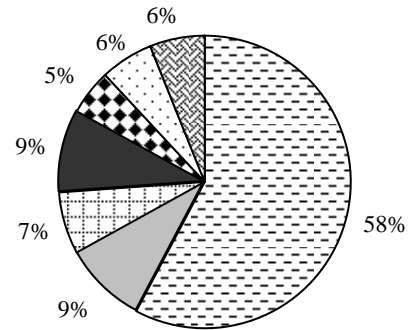
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Fiscal Year 2010-11 Expenses



- ☐ Instruction
- ☐ Support services - administration
- ▣ Student transportation services
- ▣ Interest on long-term debt

Fiscal Year 2009-10 Expenses



- ☐ Support services - students and staff
- ▣ Operation and maintenance of plant services
- ☐ Operation of non-instructional services

The following are significant current year transactions that had an impact on the change in net assets.

- Unrestricted state aid increased \$6.3 million to \$35.2 million for the current fiscal year primarily due to a decrease in due from state government.
- Property taxes decreased \$22.9 million due to decreased assessed value of properties surrounding the District.
- Unrestricted federal aid decreased \$2.8 million due to less monies received from the American Recovery and Reinvestment Act.

The following table presents the cost of the 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.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

	Year Ended June 30, 2011		Year Ended June 30, 2010	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 133,239,099	\$(111,697,405)	\$ 147,449,327	\$ (129,332,018)
Support services – students and staff	23,699,221	(20,399,369)	23,564,220	(19,656,167)
Support services – administration	17,478,195	(17,026,236)	17,511,969	(17,369,806)
Operation and maintenance of plant services	24,948,100	(24,878,327)	23,374,438	(22,123,912)
Student transportation services	11,353,011	(11,311,892)	12,897,691	(12,755,528)
Operation of non-instructional services	13,267,755	1,087,723	14,916,136	409,249
Interest on long-term debt	14,928,071	(13,885,892)	15,545,637	(15,545,637)
Total	\$ 238,913,452	\$(198,111,398)	\$ 255,259,418	\$ (216,373,819)

- The cost of all governmental activities this year was \$238.9 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$40.8 million.
- Net cost of governmental activities of \$198.1 million was financed by general revenues, which are made up of primarily property taxes of \$198.5 million and state aid of \$35.2 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 \$109.0 million, an increase of \$59.5 million due primarily to the issuance of \$59.0 of school improvement bonds.

The General Fund comprises 29 percent of the total fund balance. Approximately \$16.3 million, or 52 percent of the General Fund's fund balance, constitutes unassigned fund balance.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

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

The General Fund is the principal operating fund of the District. The increase in fund balance of \$6.3 million to \$31.4 million as of fiscal year end was a result of an increase in prepaid insurance. General Fund revenues increased \$7.2 million. General Fund expenditures decreased \$5.8 million.

The fund balance in the Debt Service Fund decreased \$2,855.

The fund balance in the Bond Building Fund was \$46.1 million as of year end. The increase in fund balance of \$46.1 million during the year was primarily due to the issuance of \$59.0 million in school improvement bonds.

Proprietary funds. Unrestricted net assets of the Internal Service Funds at the end of the fiscal year amounted to \$15.6 million. The increase of \$2.5 million from the prior fiscal year was due to an increase in contributions.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in budget cuts and reduction in staff. The difference between the original budget and the final amended budget was a \$703,768 decrease, or less than 1 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 \$1.8 million in special education – support services – students and staff was the result of an increase in classroom support staff and a reduction of specialized support staff.
- The favorable variance of \$3.0 million in regular education – support services – students and staff was a result of an increase in classroom support staff and a reduction of specialized support staff.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$567.3 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net decrease prior to depreciation of \$72.9 million from the prior fiscal year, primarily due to the disposal of several school buildings. Total depreciation expense for the current fiscal year was \$16.5 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2011 and June 30, 2010.

	As of <u>June 30, 2011</u>	As of <u>June 30, 2010</u>
Capital assets – non-depreciable	\$ 38,099,509	\$ 26,951,811
Capital assets – depreciable, net	<u>359,435,876</u>	<u>372,518,498</u>
Total	<u>\$ 397,535,385</u>	<u>\$ 399,470,309</u>

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

Debt Administration. At year-end, the District had \$311.6 million in long-term debt outstanding, \$48.4 million due within one year. This represents a net increase of \$31.8 million.

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 30 percent of the total secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$1.9 billion and the Class B debt limit is \$631.9 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 7 - 9.

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 2011-12 budget. Among them:

- Fiscal year 2010-11 budget balance carry forward (estimated \$5.0 million).
- District student population (estimated 26,000).
- Employee salaries were reduced \$7.0 million due to budget reductions at the state level. This was done through the use of ARRA funds and attrition.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

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 \$156.8 million in fiscal year 2011-12. An expected decrease in revenues is the primary reason for the decrease. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2011-12 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 Finance Department, Scottsdale Unified School District No. 48, 3811 North 44th Street, Phoenix, Arizona 85018.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental Activites
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 165,277,431
Property taxes receivable	21,083,918
Accounts receivable	214,224
Deposits	200,000
Due from governmental entities	9,287,080
Prepaid items	15,000,000
Inventory	269,496
Total current assets	211,332,149
Noncurrent assets:	
Land	26,951,811
Land improvements	16,570,332
Buildings and improvements	482,058,257
Vehicles, furniture and equipment	30,611,348
Construction in progress	11,147,698
Accumulated depreciation	(169,804,061)
Total noncurrent assets	397,535,385
Total assets	608,867,534
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	3,627,497
Construction contracts payable	8,176,801
Claims payable	80,500
Accrued payroll and employee benefits	1,340,802
Compensated absences payable	546,324
Accrued interest payable	7,248,278
Unearned revenues	322,541
Obligations under capital leases	2,292,732
Bonds payable	46,080,000
Total current liabilities	69,715,475
Noncurrent liabilities:	
Non-current portion of long-term obligations	274,153,861
Total noncurrent liabilities	274,153,861
Total liabilities	343,869,336
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	132,040,763
Restricted for:	
Special purposes	7,125,638
Debt service	10,395,594
Capital outlay	17,303,279
Unrestricted	98,132,924
Total net assets	\$ 264,998,198

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 133,239,099	\$ 8,416,951	\$ 12,126,475	\$ 998,268	\$ (111,697,405)
Support services - students and staff	23,699,221		3,299,852		(20,399,369)
Support services - administration	17,478,195		451,959		(17,026,236)
Operation and maintenance of plant services	24,948,100	39,608	30,165		(24,878,327)
Student transportation services	11,353,011		41,119		(11,311,892)
Operation of non-instructional services	13,267,755	9,985,150	4,370,328		1,087,723
Interest on long-term debt	14,928,071		1,042,179		(13,885,892)
Total governmental activities	<u>\$ 238,913,452</u>	<u>\$ 18,441,709</u>	<u>\$ 21,362,077</u>	<u>\$ 998,268</u>	<u>(198,111,398)</u>
 General revenues:					
Taxes:					
					124,543,508
					58,885,879
					15,037,946
					1,283,196
					35,244,246
					1,212,659
					<u>236,207,434</u>
					Changes in net assets
					38,096,036
					Net assets, beginning of year
					<u>226,902,162</u>
					Net assets, end of year
					<u>\$ 264,998,198</u>

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

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FUND FINANCIAL STATEMENTS

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2011

	General	Debt Service	Bond Building
<u>ASSETS</u>			
Cash and investments	\$ 11,483,360	\$ 60,425,346	\$ 54,292,178
Property taxes receivable	18,192,989	1,756,347	
Accounts receivable	76,051		
Deposits			
Due from governmental entities	4,571,829	1,042,179	
Due from other funds	3,182,865		
Prepaid items	15,000,000		
Inventory	100,900		
Total assets	\$ 52,607,994	\$ 63,223,872	\$ 54,292,178
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 3,002,938	\$	\$
Construction contracts payable			8,176,801
Due to other funds			
Accrued payroll and employee benefits	829,884		
Deferred revenues	17,392,355	1,453,500	
Bonds payable		46,080,000	
Bond interest payable		7,248,278	
Total liabilities	21,225,177	54,781,778	8,176,801
Fund balances:			
Nonspendable	15,100,900		
Restricted		8,442,094	46,115,377
Unassigned	16,281,917		
Total fund balances	31,382,817	8,442,094	46,115,377
 Total liabilities and fund balances	\$ 52,607,994	\$ 63,223,872	\$ 54,292,178

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 23,507,564	\$ 149,708,448
1,134,582	21,083,918
20,530	96,581
200,000	200,000
3,673,072	9,287,080
	3,182,865
	15,000,000
168,596	269,496
<u>\$ 28,704,344</u>	<u>\$ 198,828,388</u>

\$ 571,644	\$ 3,574,582
	8,176,801
3,182,865	3,182,865
510,918	1,340,802
1,391,415	20,237,270
	46,080,000
	7,248,278
<u>5,656,842</u>	<u>89,840,598</u>

168,596	15,269,496
24,198,068	78,755,539
(1,319,162)	14,962,755
<u>23,047,502</u>	<u>108,987,790</u>
<u>\$ 28,704,344</u>	<u>\$ 198,828,388</u>

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SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

Total governmental fund balances **\$ 108,987,790**

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

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

Governmental capital assets	\$ 567,339,446	
Less accumulated depreciation	<u>(169,804,061)</u>	397,535,385

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

Property taxes	19,894,061	
Intergovernmental	<u>20,668</u>	19,914,729

The Internal Service Funds are used by management to charge certain costs to individual funds. The assets and liabilities of the Internal Service Funds are included in the Statement of Net Assets.

15,553,211

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

Compensated absences payable	(11,435,335)	
Obligations under capital leases	(13,007,582)	
Bonds payable	<u>(252,550,000)</u>	<u>(276,992,917)</u>

Net assets of governmental activities **\$ 264,998,198**

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 4,051,755	\$ 280,373	\$ 448,909
Property taxes	126,498,247	59,129,228	
State aid and grants	27,865,791		
Federal aid, grants and reimbursements	1,212,659	1,042,179	
Total revenues	<u>159,628,452</u>	<u>60,451,780</u>	<u>448,909</u>
Expenditures:			
Current -			
Instruction	89,689,313		
Support services - students and staff	17,093,204		
Support services - administration	15,898,783		
Operation and maintenance of plant services	23,788,868		
Student transportation services	8,370,399		
Operation of non-instructional services	360,686		
Capital outlay	323,726		13,170,543
Debt service -			
Principal retirement	222,622	46,080,000	
Interest and fiscal charges	33,804	12,636,091	
Bond issuance costs		269,950	527,030
Payment to refunded bond escrow agent		2,085,933	
Total expenditures	<u>155,781,405</u>	<u>61,071,974</u>	<u>13,697,573</u>
Excess (deficiency) of revenues over expenditures	<u>3,847,047</u>	<u>(620,194)</u>	<u>(13,248,664)</u>
Other financing sources (uses):			
Transfers in	1,366,348	347,388	
Transfers out	(361,375)		(347,388)
Capital lease agreements			
Issuance of school improvement bonds			59,000,000
Issuance of refunding bonds		31,000,000	
Premium on sale of bonds		1,442,731	711,429
Payment to refunded bond escrow agent		(32,172,780)	
Total other financing sources (uses):	<u>1,004,973</u>	<u>617,339</u>	<u>59,364,041</u>
Changes in fund balances	<u>4,852,020</u>	<u>(2,855)</u>	<u>46,115,377</u>
Fund balances, beginning of year	25,100,819	8,444,949	
Increase (decrease) in reserve for prepaid items	1,481,993		
Increase (decrease) in reserve for inventory	(52,015)		
Fund balances, end of year	<u>\$ 31,382,817</u>	<u>\$ 8,442,094</u>	<u>\$ 46,115,377</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 14,665,635	\$ 19,446,672
15,083,223	200,710,698
8,805,277	36,671,068
20,916,456	23,171,294
<u>59,470,591</u>	<u>279,999,732</u>
20,404,035	110,093,348
5,074,676	22,167,880
707,550	16,606,333
403,498	24,192,366
648,842	9,019,241
13,481,498	13,842,184
15,217,375	28,711,644
1,607,515	47,910,137
356,643	13,026,538
	796,980
	<u>2,085,933</u>
<u>57,901,632</u>	<u>288,452,584</u>
<u>1,568,959</u>	<u>(8,452,852)</u>
361,375	2,075,111
(1,366,348)	(2,075,111)
6,593,460	6,593,460
	59,000,000
	31,000,000
	2,154,160
	(32,172,780)
<u>5,588,487</u>	<u>66,574,840</u>
<u>7,157,446</u>	<u>58,121,988</u>
15,915,843	49,461,611
	1,481,993
(25,787)	(77,802)
<u>\$ 23,047,502</u>	<u>\$ 108,987,790</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

Net changes in fund balances - total governmental funds **\$ 59,526,179**

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	\$ 14,584,615	
Less current year depreciation	<u>(16,519,539)</u>	(1,934,924)

Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Assets.

Issuance of school improvement bonds	(59,000,000)	
Obligations under capital leases	<u>(6,593,460)</u>	(65,593,460)

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

Property taxes	(2,243,365)	
Intergovernmental	<u>(1,025,112)</u>	(3,268,477)

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

Capital lease principal retirement	1,830,137	
Bond principal retirement	<u>46,080,000</u>	47,910,137

Compensated absences 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.		(1,066,948)
--	--	-------------

The Internal Service Funds are used by management to charge certain costs to individual funds. The changes in net assets of the Internal Service Funds are reported with governmental activities in the Statement of Activities.		<u>2,523,529</u>
--	--	------------------

Change in net assets in governmental activities **\$ 38,096,036**

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 15,568,983
Accounts receivable	117,643
Total current assets	15,686,626
Total assets	15,686,626
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	52,915
Claims payable	80,500
Total current liabilities	133,415
Total liabilities	133,415
<u>NET ASSETS</u>	
Unrestricted	15,553,211
Total net assets	\$ 15,553,211

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Governmental Activities: Internal Service Funds
Operating revenues:	
Other	\$ 651,212
Contributions	4,621,490
Total operating revenues	<u>5,272,702</u>
Operating expenses:	
Other	741,762
Claims	247,518
Adjustment to the prior year claims reserve	(35,194)
Premiums	2,021,611
Administrative fees	51,709
Total operating expenses	<u>3,027,406</u>
Operating income (loss)	<u>2,245,296</u>
Nonoperating revenues (expenses):	
Investment income	<u>278,233</u>
Total nonoperating revenues (expenses)	<u>278,233</u>
Changes in net assets	<u>2,523,529</u>
Total net assets, beginning of year	13,029,682
Total net assets, end of year	<u><u>\$ 15,553,211</u></u>

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2011

	Governmental Activities: Internal Service Funds
<u>Increase in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from contributions	\$ 4,503,847
Cash received from charges for services	651,212
Cash payments to suppliers for goods and services	(2,857,476)
Cash payments for claims	<u>(247,518)</u>
Net cash provided by operating activities	<u>2,050,065</u>
Cash flows from investing activities:	
Proceeds from sale of investments	3,182,835
Purchase of investments	(3,164,163)
Investment income	<u>278,233</u>
Net cash used for investing activities	<u>296,905</u>
Net increase in cash and cash equivalents	<u>2,346,970</u>
Cash and cash equivalents, beginning of year	<u>2,719,114</u>
Cash and cash equivalents, end of year	<u><u>\$ 5,066,084</u></u>
<u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets</u>	
Cash and investments	\$ 15,568,983
Less investments not maturing in less than three months	<u>10,502,899</u>
Total cash and cash equivalents	<u><u>\$ 5,066,084</u></u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u>	
Operating income	\$ 2,245,296
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Increase in accounts receivable	(117,643)
Decrease in accounts payable	(42,394)
Decrease in claims payable	<u>(35,194)</u>
Total adjustments	<u>(195,231)</u>
Net cash provided by operating activities	<u><u>\$ 2,050,065</u></u>

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2011

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 2,113,262
Total assets	<u>\$ 2,113,262</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 18,187
Deposits held for others	794,686
Due to student groups	<u>1,300,389</u>
Total liabilities	<u>\$ 2,113,262</u>

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Scottsdale Unified School District No. 48 (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, 2011, the District implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB Statement No. 54 establishes standards for financial reporting, including note disclosure requirements, for fund balance classifications of the governmental funds, and clarifies existing governmental fund type definitions.

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, the component unit combined with the District for financial statement presentation purposes, and the District, are 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, food services, bookstore and athletic functions.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

Blended Component Unit - Blended component units, although legally separate entities, are, in substance, part of the District's operations. The Scottsdale Unified School District No. 48 Insurance Trust is responsible for providing self-insurance losses up to certain limits and to purchase insurance for losses above the limits. The District's Governing Board appoints the Trust's Board of Directors. The Scottsdale Unified School District No. 48 Insurance Trust provides services entirely to the District and therefore has been included as an Internal Service Fund in accordance with the criteria established by GASB.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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 and its component unit. 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, proprietary 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.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

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.

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, tuition 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.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

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. The internal service funds are presented in a single column on the face of the proprietary fund statements. 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 Operation Fund as well as the Medicaid Reimbursement, School Plant, Advertisement, Auxiliary Operations, Gifts and Donations, Insurance Proceeds, Litigation Recovery, Indirect Costs, and Soft Capital Allocation Funds. These funds are maintained as separate funds for accounting and budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

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 types:

Proprietary Funds – The Proprietary Funds are Internal Service Funds that account for activities related to the District’s self-insurance program, (2) the operation of District functions that provide goods and services to other District departments on a cost reimbursement basis and (3) for the financial activities relating to agreements with other governments not required to be accounted for elsewhere.

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 proprietary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting and are presented in a single column.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges for insurance and other goods and services. Operating expenses for internal service funds include the cost of insurance, claims, other goods and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Cash and Investments

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at year-end were cash in bank and cash and investments held by the County Treasurer.

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 and in nonoperating revenues in the proprietary fund financial statements.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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.”

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 percent 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.

H. Inventory

All inventories are valued at cost using the average cost and first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

The United States Department of Agriculture (USDA) commodity portion of the food services inventory consists of food donated by the USDA. It is valued at estimated market prices paid by the USDA.

I. 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.

J. Capital Assets

Capital assets, which include land and improvements, buildings and improvements, vehicles, furniture, equipment and construction in 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	7 - 40 years
Buildings and improvements	7 - 40 years
Vehicles, furniture and equipment	3 - 25 years

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

K. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Certified and classified employees earn varying days of vacation and sick leave each contract year. In the event of termination, an employee is reimbursed for accrued vacation and sick leave at varying rates depending on position of classified or certified and the number of vacation and sick days accumulated. The current and long-term liabilities, including related benefits, for accumulated vacation and sick leave are reported on 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.

L. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net assets. 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 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.

M. 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 and after nonoperating revenues/expenses in proprietary funds.

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.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 accounts.

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.

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.

The District applies restricted resources first when expenditures 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.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Bond Building Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:				
Nonspendable:				
Inventory	\$ 100,900	\$	\$	\$ 168,596
Prepaid items	15,000,000			
Restricted:				
Debt service		8,442,094		
Capital projects				16,265,073
Bond building projects			46,115,377	
Voter approved initiatives				689,628
Food service				1,998,151
JTED				1,204,464
Other purposes				4,040,752
Unassigned	<u>16,281,917</u>			<u>(1,319,162)</u>
Total fund balances	<u>\$ 31,382,817</u>	<u>\$ 8,442,094</u>	<u>\$ 46,115,377</u>	<u>\$ 23,047,502</u>

The July 1, 2010 fund balances of the General Fund, Non-Major Governmental Funds, and Internal Service Funds do not agree to the prior year financial statements for the reclassification of certain funds due to the new fund type definitions specified in GASB Statement No. 54.

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Internal Service Funds</u>
Fund balance, June 30, 2010, as previously reported	\$ 17,578,590	\$ 23,925,546	\$ 12,542,208
Reclassification of funds	<u>7,522,229</u>	<u>(8,009,703)</u>	<u>487,474</u>
Fund balance, July 1, 2010, as restated	<u>\$ 25,100,819</u>	<u>\$ 15,915,843</u>	<u>\$ 13,029,682</u>

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual fund balances- At year end, the Classroom Site Fund and Other Federal Projects Fund, both non-major governmental funds, reported deficit fund balances of \$1,211,556 and \$107,606, respectively.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Concl'd)

The deficits arose because of operations during the year and prior years. Additional revenues received in fiscal year 2011-12 are expected to eliminate the deficit in the Other Federal Projects Fund. To eliminate the Classroom Site Fund deficit, the District plans to decrease budgeted expenditures in the fund.

Excess Expenditures Over Budget – At year end, District had expenditures in several funds that exceeded the budgets, or, in some instances the funds were budgeted for no expenditures. This does not constitute a violation of any legal provisions.

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 \$3,360,144 and the bank balance was \$3,162,341. At year end, \$3,269,987 of the District's deposits were covered by Federal Depository Insurance and \$90,157 was uninsured and uncollateralized. In addition, the District had \$3,595,307 of cash held with trustee and \$289 of cash on hand at year end.

The State Treasurer's pools are external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool-Government (Pool 7), with no regulatory oversight. The pools are not required to register (and are not registered) with the Securities and Exchange Commission. The activity and performance of the pools are reviewed monthly with the Securities and Exchange Commission. The fair value of each participant's position in the State Treasurer investment pools approximates the value of the participant's shares in the pool and the participants' shares are not identified with specific investments. No regulatory oversight is provided for the County Treasurer's Investment Pool and that pool's structure does not provide for shares.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 4 - CASH AND INVESTMENTS (Concl'd)

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
Corporate Bonds	\$ 6,158,832	\$ 1,045,834	\$ 4,825,117	\$ 287,881	\$
Government Bonds	1,290,403		364,670	682,433	243,300
Government Assets Backed/CMO Securities	25,776		25,776		
Taxable Municipal Bonds	889,853		791,774	98,079	
Certificates of Deposit	2,138,035	938,591	1,199,444		
		<u>\$ 1,984,425</u>	<u>\$ 7,206,781</u>	<u>\$ 1,068,393</u>	<u>\$ 243,300</u>
County Treasurer's investment pool	<u>149,932,054</u>	643 days average maturities			
Total	<u>\$160,434,953</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. The District's investments in Corporate Bonds were rated from A1 to AAA by Moody's Investors Service and from BBB+ to AAA by Standard and Poor's. The District's investments in Government Bonds were rated AAA by Moody's Investors Service and AAA by Standard & Poor's. The District's investments in Taxable Municipal Bonds were rated from A1 to AA3 by Moody's Investors Service and from A to AA- by Standard & Poor's. The District's investments in Government Asset Backed Securities and Certificates of Deposits were unrated by both Moody's Investors Service and Standard & Poor's.

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.

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 fund and non-major governmental funds in the aggregate, were as follows.

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Non-Major Governmental Funds</u>
Due from governmental entities:			
Due from Federal government	\$ 42,097	\$ 1,042,179	\$ 1,146,787
Due from State government	4,529,732		1,479,322
Due from other districts			1,046,963
Net due from governmental entities	<u>\$ 4,571,829</u>	<u>\$ 1,042,179</u>	<u>\$ 3,673,072</u>

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.

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (General Fund)	\$ 17,392,355	\$
Delinquent property taxes receivable (Debt Service Fund)	1,453,500	
Delinquent property taxes receivable (Non-Major Governmental funds)	1,048,206	
Grant drawdowns prior to meeting all eligibility requirements (Non-Major Governmental Funds)		123,520
Unearned charges for services		199,021
Measurable but unavailable revenues (Non-Major Governmental Funds)	20,668	
Total deferred revenue for governmental funds	<u>\$ 19,914,729</u>	<u>\$ 322,541</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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	\$ 26,951,811	\$	\$	\$ 26,951,811
Construction in progress		11,147,698		11,147,698
Total capital assets, not being depreciated	<u>26,951,811</u>	<u>11,147,698</u>		<u>38,099,509</u>
Capital assets, being depreciated:				
Land improvements	27,754,707	1,090,527	12,274,902	16,570,332
Buildings and improvements	555,409,302	1,095,140	74,446,185	482,058,257
Vehicles, furniture and equipment	30,135,410	1,251,250	775,312	30,611,348
Total capital assets being depreciated	<u>613,299,419</u>	<u>3,436,917</u>	<u>87,496,399</u>	<u>529,239,937</u>
Less accumulated depreciation for:				
Land improvements	(16,393,658)	(749,469)	(12,274,902)	(4,868,225)
Buildings and improvements	(205,924,761)	(13,364,926)	(74,446,185)	(144,843,502)
Vehicles, furniture and equipment	<u>(18,462,502)</u>	<u>(2,405,144)</u>	<u>(775,312)</u>	<u>(20,092,334)</u>
Total accumulated depreciation	<u>(240,780,921)</u>	<u>(16,519,539)</u>	<u>(87,496,399)</u>	<u>(169,804,061)</u>
Total capital assets, being depreciated, net	<u>372,518,498</u>	<u>(13,082,622)</u>		<u>359,435,876</u>
Governmental activities capital assets, net	<u>\$ 399,470,309</u>	<u>\$ (1,934,924)</u>	<u>\$</u>	<u>\$ 397,535,385</u>

Depreciation expense was charged to governmental functions as follows.

Instruction	\$ 14,456,735
Support services – students and staff	2,045
Support services – administration	50,051
Operation and maintenance of plant services	202,526
Student transportation services	1,722,115
Operation of non-instructional services	86,067
Total depreciation expense – governmental activities	<u>\$ 16,519,539</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for renovations at multiple schools. At year end the District had spent \$11.1 million on the projects and had estimated remaining contractual commitments of \$95.1 million. These projects are being funded with bond proceeds.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES

The District has acquired copiers, information technology equipment and building improvements under the provisions of long-term lease agreements classified as capital leases. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the School Plant Fund, Unrestricted Capital Outlay Fund, Soft Capital Allocation Fund, and Energy and Water Savings Fund, are used to pay the capital lease obligations.

The assets acquired through capital leases that meet the District’s capitalization threshold are as follows.

	Governmental Activities
Asset:	
Land improvements	\$ 305,866
Building improvements	2,845,537
Vehicles, furniture and equipment	2,580,402
Construction in progress	2,999,004
Less: Accumulated depreciation	2,385,349
Total	\$ 6,345,460

The future minimum lease obligations and the net present value of these minimum lease payments at year end were as follows.

		Governmental Activities
Year Ending June 30:		
	2012	\$ 3,064,773
	2013	3,078,880
	2014	1,195,016
	2015	1,170,440
	2016	1,075,703
	2017-21	4,688,164
	2022-26	2,503,337
Total minimum lease payments		16,776,313
Less: amount representing interest		3,768,731
Present value of minimum lease payments		\$ 13,007,582
Due within one year		\$ 2,292,732

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bonds. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. In addition, a portion of the District's school improvement bonds are Qualified Build America Bonds and Qualified School Construction Bonds, as such the District will receive direct subsidy payments from the United States of America for a portion of the interest due on the bonds.

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Maturity</u>	<u>Outstanding Principal June 30, 2011</u>	<u>Due Within One Year</u>
Governmental activities:					
School Improvement Bonds, Series 1995	\$ 16,500,000	6.6%	7/1/12	\$ 4,900,000	\$
Refunding Bonds, Series 2003A	75,935,000	4.43-4.85%	7/1/11-15	64,480,000	13,040,000
Refunding Bonds, Series 2003B	57,740,000	4.0-4.75%	7/1/11-13	10,855,000	2,405,000
Refunding Bonds, Series 2004	32,190,000	4.01-5.0%	7/1/11-12	11,470,000	6,730,000
School Improvement Bonds, Project 2004, Series A (2005)	100,000,000	3.75-5.0%	7/1/11-24	21,500,000	2,000,000
School Improvement Bonds, Project 2004, Series B (2006)	117,000,000	4.0-4.75%	7/1/16-19	24,300,000	
Refunding Bonds, Series 2007	100,600,000	4.0-5.0%	7/1/11-23	71,125,000	905,000
Refunding Bonds, Series 2010	31,000,000	2.5%	7/1/11-24	31,000,000	21,000,000
School Improvement Bonds, Project 2010, Series A-1 (2010)	10,000,000	3.0-4.0%	7/1/14-16	10,000,000	
School Improvement Bonds, Project 2010, Series A-2 (2010)	25,000,000	6.21%	7/1/28	25,000,000	
School Improvement Bonds, Project 2010, Series A-3 (2010)	24,000,000	5.73-6.41%	7/1/25-30	24,000,000	
Total				<u>\$ 298,630,000</u>	<u>\$ 46,080,000</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE (Concl'd)

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

Year ending June 30:	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 46,080,000	\$ 13,523,320
2013	23,205,000	11,961,484
2014	23,485,000	10,828,984
2015	20,635,000	9,806,284
2016	15,970,000	9,005,634
2017-21	69,180,000	35,196,302
2022-26	55,075,000	19,916,311
2027-31	45,000,000	7,025,125
Total	<u>\$ 298,630,000</u>	<u>\$ 117,263,444</u>

During the year ended June 30, 2011, the District issued \$31,000,000 in refunding bonds, with an effective interest rate of 3.15 percent, to refund \$31,000,000 of outstanding general obligation bonds, with an average interest rate of 4.25 percent. The net proceeds of \$32,172,780, which includes \$1,442,730 of bond premium, (less \$269,950 in issuance costs) plus an additional \$2,085,933 in debt service funds, were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent, to provide for all future debt service payments of the refunded general obligation bonds. As a result, the refunded general obligation bonds are considered to be defeased, and the liability for those bonds has been removed from the government-wide financial statements. This refunding was undertaken to restructure future debt payments over the next 14 years. The refunding resulted in an economic loss of \$1,999,603.

In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At year end, \$100,600,000 of defeased bonds are still outstanding.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 9 - 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
Governmental activities:					
Bonds payable	\$ 271,585,000	\$ 90,000,000	\$ 62,955,000	\$ 298,630,000	\$ 46,080,000
Obligations under capital leases	8,244,259	6,593,460	1,830,137	13,007,582	2,292,732
Compensated absences payable	10,368,387	3,890,935	2,823,987	11,435,335	546,324
Governmental activity long-term liabilities	<u>\$ 290,197,646</u>	<u>\$100,484,395</u>	<u>\$ 67,636,707</u>	<u>\$ 323,072,917</u>	<u>\$ 48,919,056</u>

NOTE 10 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows.

Due to/from other funds:

Due to	Due from Non-Major Governmental Funds
General Fund	\$ 3,182,865
Total	<u>\$ 3,182,865</u>

At year end several funds had negative cash balances in the Treasurer's pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers:

	Transfers in			Total
	General Fund	Debt Service Fund	Non-Major Governmental Funds	
Transfers out				
General Fund	\$	\$	\$ 361,375	\$ 361,375
Bond Building Fund		347,388		347,388
Non-Major Governmental Funds	1,366,348			1,366,348
Total	<u>\$ 1,366,348</u>	<u>\$ 347,388</u>	<u>\$ 361,375</u>	<u>\$ 2,075,111</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 10 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Concl'd)

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, (2) to charge indirect costs to the applicable federal programs fund, and (3) to transfer savings from companies providing utility, energy and water services as required by statute.

NOTE 11 - 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.

Lawsuits - The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

Arbitrage - Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense or expenditure prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage rebate liability at year-end.

NOTE 12 - 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 became self-insured for property and liability claims up to \$10,000 and for claims in excess of \$10,000, 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.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 12 - RISK MANAGEMENT (Cont'd)

The District joined the Valley Schools Employee Benefit Trust (VSEBT) for risks of loss related to employee health and accident claims. VSEBT 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 a monthly premium to VSEBT for employees' health and accident insurance coverage. The agreement provides that VSEBT will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

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.

The District established the Insurance Trust Fund (an Internal Service Fund) to account for risk financing of certain benefits and losses through combinations of cost-reimbursement, self-insurance for losses up to certain limits, and the purchase of insurance for losses above the limits. Under this program, the Fund provides coverage for up to a maximum of \$10,000 for each claim, not to exceed an annual aggregate of \$10,000,000. Settled claims have not exceeded this coverage in any of the past three fiscal years.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Changes in the balances of claims liabilities during the past two years are as follows.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 12 - RISK MANAGEMENT (Concl'd)

<u>Insurance Trust</u>	<u>Claims Payable Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Claims Payable at End of Year</u>
2010-11	\$ 115,694	\$ 212,324	\$ 247,518	\$ 80,500
2009-10	51,083	412,620	348,009	115,694

NOTE 13 – 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 her dependents.

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.

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 9.85 percent (9.60 percent for retirement and 0.25 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 9.85 percent (9.01 percent for retirement, 0.59 percent for health insurance premium, and 0.25 percent for long-term disability) of the members’ annual covered payroll.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Concl'd)

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

	<u>Retirement Fund</u>	<u>Health Benefit Supplement Fund</u>	<u>Long-Term Disability Fund</u>
Years ended June 30:			
2011	\$ 10,854,460	\$ 710,780	\$ 301,178
2010	10,671,703	844,523	511,832
2009	10,597,087	1,273,242	663,147

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL
YEAR ENDED JUNE 30, 2011

	Original	Final	Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
Revenues:				
Other local	\$ 950,000	\$ 950,000	\$ 273,993	\$ (676,007)
Property taxes	113,993,339	113,993,339	126,012,090	12,018,751
State aid and grants	22,301,075	22,301,075	27,698,289	5,397,214
Federal aid, grants and reimbursements	350,000	350,000	317,354	(32,646)
Total revenues	<u>137,594,414</u>	<u>137,594,414</u>	<u>154,301,726</u>	<u>16,707,312</u>
Expenditures:				
Regular education				
Instruction	64,640,724	61,051,482	60,253,881	797,601
Support services - students and staff	11,572,795	11,258,924	8,258,811	3,000,113
Support services - administration	16,206,088	15,520,753	15,641,670	(120,917)
Operation and maintenance of plant services	21,464,489	24,410,395	23,265,028	1,145,367
Operation of non-instructional services	343,622	340,120	328,680	11,440
Total regular education	<u>114,227,718</u>	<u>112,581,674</u>	<u>107,748,070</u>	<u>4,833,604</u>
Special education				
Instruction	17,236,588	17,757,114	18,764,463	(1,007,349)
Support services - students and staff	8,005,035	8,174,582	6,402,481	1,772,101
Support services - administration	1,500	1,500	57,445	(55,945)
Total special education	<u>25,243,123</u>	<u>25,933,196</u>	<u>25,224,389</u>	<u>708,807</u>
Pupil transportation				
Student transportation services	8,153,687	8,197,205	8,215,019	(17,814)
Total pupil transportation	<u>8,153,687</u>	<u>8,197,205</u>	<u>8,215,019</u>	<u>(17,814)</u>
Desegregation				
Instruction	5,409,354	5,235,572	5,306,651	(71,079)
Support services - students and staff	1,689,814	1,877,814	1,615,442	262,372
Support services - administration	3,000	3,000	32,025	(29,025)
Operation and maintenance of plant services	5,000	5,000	211,869	(206,869)
Student transportation services	75,000	50,000	5,400	44,600
Total desegregation	<u>7,182,168</u>	<u>7,171,386</u>	<u>7,171,387</u>	<u>(1)</u>
Special k-3 program override				
Instruction	3,446,731	3,445,068	3,445,072	(4)
Total special k-3 program override	<u>3,446,731</u>	<u>3,445,068</u>	<u>3,445,072</u>	<u>(4)</u>
Dropout prevention programs				
Instruction		221,130	3,245	217,885
Support services - students and staff			194,611	(194,611)
Support services - administration			5,493	(5,493)
Operation and maintenance of plant services			16,573	(16,573)
Student transportation services			1,209	(1,209)
Total dropout prevention programs		<u>221,130</u>	<u>221,131</u>	<u>(1)</u>
Total expenditures	<u>158,253,427</u>	<u>157,549,659</u>	<u>152,025,068</u>	<u>5,524,591</u>
Excess (deficiency) of revenues over expenditures	<u>(20,659,013)</u>	<u>(19,955,245)</u>	<u>2,276,658</u>	<u>22,231,903</u>
Other financing sources (uses):				
Transfers out			(361,375)	(361,375)
Total other financing sources (uses):			<u>(361,375)</u>	<u>(361,375)</u>
Changes in fund balances	<u>(20,659,013)</u>	<u>(19,955,245)</u>	<u>1,915,283</u>	<u>21,870,528</u>
Fund balances, beginning of year			17,579,490	17,579,490
Increase (decrease) in reserve for prepaid items			1,481,993	1,481,993
Increase (decrease) in reserve for inventory			(52,015)	(52,015)
Fund balances (deficits), end of year	<u>\$ (20,659,013)</u>	<u>\$ (19,955,245)</u>	<u>\$ 20,924,751</u>	<u>\$ 40,879,996</u>

See accompanying notes to this schedule

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

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GOVERNMENTAL FUNDS

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2011

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 6,919,844	\$ 16,587,720	\$ 23,507,564
Property taxes receivable		1,134,582	1,134,582
Accounts receivable	20,530		20,530
Deposits	200,000		200,000
Due from governmental entities	3,655,222	17,850	3,673,072
Inventory	168,596		168,596
Total assets	<u>\$ 10,964,192</u>	<u>\$ 17,740,152</u>	<u>\$ 28,704,344</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 144,771	\$ 426,873	\$ 571,644
Due to other funds	3,182,865		3,182,865
Accrued payroll and employee benefits	510,918		510,918
Deferred revenues	343,209	1,048,206	1,391,415
Total liabilities	<u>4,181,763</u>	<u>1,475,079</u>	<u>5,656,842</u>
Fund balances (deficits):			
Nonspendable	168,596		168,596
Restricted	7,932,995	16,265,073	24,198,068
Unassigned	(1,319,162)		(1,319,162)
Total fund balances	<u>6,782,429</u>	<u>16,265,073</u>	<u>23,047,502</u>
 Total liabilities and fund balances	 <u>\$ 10,964,192</u>	 <u>\$ 17,740,152</u>	 <u>\$ 28,704,344</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2011

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 14,421,203	\$ 243,581	\$ 14,664,784
Property taxes		15,084,074	15,084,074
State aid and grants	7,918,487	886,790	8,805,277
Federal aid, grants and reimbursements	20,916,456		20,916,456
Total revenues	<u>43,256,146</u>	<u>16,214,445</u>	<u>59,470,591</u>
Expenditures:			
Current -			
Instruction	20,404,035		20,404,035
Support services - students and staff	5,074,676		5,074,676
Support services - administration	707,550		707,550
Operation and maintenance of plant services	403,498		403,498
Student transportation services	648,842		648,842
Operation of non-instructional services	13,481,498		13,481,498
Capital outlay	1,201,180	14,016,195	15,217,375
Debt service -			
Principal retirement		1,607,515	1,607,515
Interest and fiscal charges		356,643	356,643
Total expenditures	<u>41,921,279</u>	<u>15,980,353</u>	<u>57,901,632</u>
Excess (deficiency) of revenues over expenditures	<u>1,334,867</u>	<u>234,092</u>	<u>1,568,959</u>
Other financing sources (uses):			
Transfers in		361,375	361,375
Transfers out	(1,366,348)		(1,366,348)
Capital lease agreements		6,593,460	6,593,460
Total other financing sources (uses):	<u>(1,366,348)</u>	<u>6,954,835</u>	<u>5,588,487</u>
Changes in fund balances	<u>(31,481)</u>	<u>7,188,927</u>	<u>7,157,446</u>
Fund balances, beginning of year	6,839,697	9,076,146	15,915,843
Increase (decrease) in reserve for inventory	(25,787)		(25,787)
Fund balances, end of year	<u>\$ 6,782,429</u>	<u>\$ 16,265,073</u>	<u>\$ 23,047,502</u>

SPECIAL REVENUE FUNDS

The following Special Revenue Funds are maintained by the District. Arizona Revised Statutes (A.R.S.) and the Uniform System of Financial Records (USFR) require the establishment of these funds for the specified financial activities.

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.

County, City and Town Grants - to account for monies received from county, city and town grants.

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

Indian Education - to account for financial assistance received for Indian education at preschool, elementary, secondary and adult levels.

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

Johnson-O'Malley - to account for financial assistance received to meet the unique educational needs of eligible Indian children.

Vocational Education - to account for financial assistance received for preparation of individuals for employment or advancement in a career not requiring a baccalaureate or advanced degree.

Homeless Education - to account for financial assistance received for the education of homeless students.

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

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

State Vocational Education - to account for financial assistance received for the preparation of individuals for employment.

Academic Contests - to account for financial assistance received for participation in academic contests.

Gifted - to account for financial assistance received for programs for gifted students.

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.

Auxiliary Operations - to account for activity arising from bookstore, athletic and miscellaneous District related operations.

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.

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

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

Litigation Recovery - to account for monies received for and derived from litigation.

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

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

**SPECIAL REVENUE FUNDS
(Concluded)**

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

Joint Technical Education - to account for monies received from Joint Technical Education Districts for vocational education programs.

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SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Title I Grants</u>
<u>ASSETS</u>			
Cash and investments	\$	\$ 290,467	\$
Accounts receivable			
Deposits			
Due from governmental entities	1,062,311	399,161	322,026
Inventory			
Total assets	<u>\$ 1,062,311</u>	<u>\$ 689,628</u>	<u>\$ 322,026</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 29,272
Due to other funds	2,273,867		238,968
Accrued payroll and employee benefits			53,786
Deferred revenues			
Total liabilities	<u>2,273,867</u>		<u>322,026</u>
Fund balances (deficits):			
Nonspendable			
Restricted		689,628	
Unassigned	(1,211,556)		
Total fund balances	<u>(1,211,556)</u>	<u>689,628</u>	
Total liabilities and fund balances	<u>\$ 1,062,311</u>	<u>\$ 689,628</u>	<u>\$ 322,026</u>

<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>	<u>Johnson O'Malley</u>
\$	\$	\$	\$	\$	\$ 528
98,113	103,243	42,611	58,554	371,423	
<u>\$ 98,113</u>	<u>\$ 103,243</u>	<u>\$ 42,611</u>	<u>\$ 58,554</u>	<u>\$ 371,423</u>	<u>\$ 528</u>
\$ 31,571 66,542	\$ 1,668 72,617 28,958	\$ 3,225 18,459 20,927	\$ 5,008 53,546	\$ 303 357,642 13,478	\$
<u>98,113</u>	<u>103,243</u>	<u>42,611</u>	<u>58,554</u>	<u>371,423</u>	<u>528</u> <u>528</u>
<u>\$ 98,113</u>	<u>\$ 103,243</u>	<u>\$ 42,611</u>	<u>\$ 58,554</u>	<u>\$ 371,423</u>	<u>\$ 528</u>

(Continued)

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	<u>Vocational Education</u>	<u>Homeless Education</u>	<u>Other Federal Projects</u>
<u>ASSETS</u>			
Cash and investments	\$	\$	\$
Accounts receivable			
Deposits			
Due from governmental entities	14,252	834	20,739
Inventory			
Total assets	<u>\$ 14,252</u>	<u>\$ 834</u>	<u>\$ 20,739</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 6,362	\$ 400	\$ 4,159
Due to other funds	7,890	434	92,900
Accrued payroll and employee benefits			10,618
Deferred revenues			20,668
Total liabilities	<u>14,252</u>	<u>834</u>	<u>128,345</u>
Fund balances (deficits):			
Nonspendable			
Restricted			
Unassigned			(107,606)
Total fund balances			<u>(107,606)</u>
Total liabilities and fund balances	<u>\$ 14,252</u>	<u>\$ 834</u>	<u>\$ 20,739</u>

<u>State Vocational Education</u>	<u>Academic Contests</u>	<u>Gifted</u>	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>
\$ 116,634	\$ 12,553	\$ 1,979	\$ 1,632	\$ 1,951,161	\$ 803,019
				20,530	
				200,000	
				114,992	
				168,596	
<u>\$ 116,634</u>	<u>\$ 12,553</u>	<u>\$ 1,979</u>	<u>\$ 1,632</u>	<u>\$ 2,455,279</u>	<u>\$ 803,019</u>
\$ 9,806	\$	\$	\$	\$ 29,327	\$ 3,439
				60,184	
<u>106,828</u>	<u>12,553</u>	<u>1,979</u>	<u>1,632</u>	<u>199,021</u>	
<u>116,634</u>	<u>12,553</u>	<u>1,979</u>	<u>1,632</u>	<u>288,532</u>	<u>3,439</u>
				168,596	
				1,998,151	799,580
				<u>2,166,747</u>	<u>799,580</u>
<u>\$ 116,634</u>	<u>\$ 12,553</u>	<u>\$ 1,979</u>	<u>\$ 1,632</u>	<u>\$ 2,455,279</u>	<u>\$ 803,019</u>

(Continued)

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,090,978	\$ 2,090,243	\$ 6,316
Accounts receivable			
Deposits			
Due from governmental entities			
Inventory			
Total assets	<u>\$ 1,090,978</u>	<u>\$ 2,090,243</u>	<u>\$ 6,316</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 6,769	\$
Due to other funds			
Accrued payroll and employee benefits	309,213	13,754	
Deferred revenues			
Total liabilities	<u>309,213</u>	<u>20,523</u>	
Fund balances (deficits):			
Nonspendable			
Restricted	781,765	2,069,720	6,316
Unassigned			
Total fund balances	<u>781,765</u>	<u>2,069,720</u>	<u>6,316</u>
Total liabilities and fund balances	<u>\$ 1,090,978</u>	<u>\$ 2,090,243</u>	<u>\$ 6,316</u>

<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Joint Technical Education</u>	<u>Totals</u>
\$ 371,951	\$ 11,782	\$ 170,601	\$ 6,919,844
			20,530
			200,000
		1,046,963	3,655,222
			168,596
<u>\$ 371,951</u>	<u>\$ 11,782</u>	<u>\$ 1,217,564</u>	<u>\$ 10,964,192</u>
\$ 362	\$	\$ 13,100	\$ 144,771
			3,182,865
			510,918
			343,209
<u>362</u>	<u></u>	<u>13,100</u>	<u>4,181,763</u>
371,589	11,782	1,204,464	168,596
			7,932,995
<u>371,589</u>	<u>11,782</u>	<u>1,204,464</u>	<u>(1,319,162)</u>
			6,782,429
<u>\$ 371,951</u>	<u>\$ 11,782</u>	<u>\$ 1,217,564</u>	<u>\$ 10,964,192</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$	\$ 5,115	\$ 50,000
State aid and grants	6,510,735	940,610	
Federal aid, grants and reimbursements			
Total revenues	6,510,735	945,725	50,000
Expenditures:			
Current -			
Instruction	5,620,927	621,072	50,000
Support services - students and staff	594,124	256,756	
Support services - administration		1,649	
Operation and maintenance of plant services			
Student transportation services		250	
Operation of non-instructional services			
Capital outlay			
Total expenditures	6,215,051	879,727	50,000
Excess (deficiency) of revenues over expenditures	295,684	65,998	
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	295,684	65,998	
Fund balances (deficits), beginning of year	(1,507,240)	623,630	
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (1,211,556)	\$ 689,628	\$

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>
\$	\$	\$	\$	\$	\$
4,301,571	699,448	390,015	148,236	101,456	4,274,308
<u>4,301,571</u>	<u>699,448</u>	<u>390,015</u>	<u>148,236</u>	<u>101,456</u>	<u>4,274,308</u>
1,908,714	310	233,752	105,914	85,386	2,928,948
1,432,187	624,960	64,948	17,540	2,456	962,135
240,076	28,405	56,512	4,892	1,674	65,709
9,908			821	4,050	
33,248		5,542	12,900	375	
430,871	506	2,118			1,452
<u>4,055,004</u>	<u>654,181</u>	<u>362,872</u>	<u>142,067</u>	<u>93,941</u>	<u>3,958,244</u>
<u>246,567</u>	<u>45,267</u>	<u>27,143</u>	<u>6,169</u>	<u>7,515</u>	<u>316,064</u>
<u>(246,567)</u>	<u>(45,267)</u>	<u>(27,143)</u>	<u>(6,169)</u>	<u>(7,515)</u>	<u>(316,064)</u>
<u>(246,567)</u>	<u>(45,267)</u>	<u>(27,143)</u>	<u>(6,169)</u>	<u>(7,515)</u>	<u>(316,064)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Johnson O'Malley	Vocational Education	Homeless Education
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	8,181	411,875	11,262
Total revenues	8,181	411,875	11,262
Expenditures:			
Current -			
Instruction	7,468	66,499	
Support services - students and staff		20,358	10,428
Support services - administration		2,014	
Operation and maintenance of plant services			
Student transportation services	675	2,800	
Operation of non-instructional services			
Capital outlay		313,270	
Total expenditures	8,143	404,941	10,428
Excess (deficiency) of revenues over expenditures	38	6,934	834
Other financing sources (uses):			
Transfers out	(38)	(6,934)	(834)
Total other financing sources (uses):	(38)	(6,934)	(834)
Changes in fund balances			
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$	\$	\$

<u>E-Rate</u>	<u>Other Federal Projects</u>	<u>State Vocational Education</u>	<u>Gifted</u>	<u>Other State Projects</u>	<u>Food Service</u>
\$	\$	\$	\$	\$	\$
		129,578	3,467	334,097	5,236,956
1,068,819	5,130,957				4,370,328
<u>1,068,819</u>	<u>5,130,957</u>	<u>129,578</u>	<u>3,467</u>	<u>334,097</u>	<u>9,607,284</u>
955,326	4,300,099	63,489	393	293,936	
617	653,351	34,891	3,074	520	
	231,741	8,090			
112,876	1,891	2,170		3,816	
		2,506			
	16,631	18,432		35,825	8,682,852
<u>1,068,819</u>	<u>5,203,713</u>	<u>129,578</u>	<u>3,467</u>	<u>334,097</u>	<u>179,669</u>
	(72,756)				<u>8,862,521</u>
					<u>744,763</u>
	(71)				(709,746)
	(71)				(709,746)
	(72,827)				35,017
	(34,779)				2,157,517
					(25,787)
<u>\$</u>	<u>\$ (107,606)</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,166,747</u>

(Continued)

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Civic Center	Community School	Extracurricular Activities Fees Tax Credit
Revenues:			
Other local	\$ 47,855	\$ 4,771,863	\$ 2,266,953
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>47,855</u>	<u>4,771,863</u>	<u>2,266,953</u>
Expenditures:			
Current -			
Instruction		8,830	1,461,821
Support services - students and staff		215	10,010
Support services - administration	18,184	28,094	
Operation and maintenance of plant services	6,362		57,510
Student transportation services			437,531
Operation of non-instructional services		4,714,738	83,908
Capital outlay		102,549	37,758
Total expenditures	<u>24,546</u>	<u>4,854,426</u>	<u>2,088,538</u>
Excess (deficiency) of revenues over expenditures	<u>23,309</u>	<u>(82,563)</u>	<u>178,415</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>23,309</u>	<u>(82,563)</u>	<u>178,415</u>
Fund balances (deficits), beginning of year	776,271	864,328	1,891,305
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 799,580</u>	<u>\$ 781,765</u>	<u>\$ 2,069,720</u>

<u>Fingerprint</u>	<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Joint Technical Education</u>	<u>Totals</u>
\$ 5,769	\$ 44,228	\$ 125	\$ 1,992,339	\$ 14,421,203
				7,918,487
				20,916,456
<u>5,769</u>	<u>44,228</u>	<u>125</u>	<u>1,992,339</u>	<u>43,256,146</u>
	34,603		1,656,548	20,404,035
	11,649		374,457	5,074,676
5,465	1,622		13,423	707,550
	3,711		200,383	403,498
			153,015	648,842
				13,481,498
			62,099	1,201,180
<u>5,465</u>	<u>51,585</u>		<u>2,459,925</u>	<u>41,921,279</u>
<u>304</u>	<u>(7,357)</u>	<u>125</u>	<u>(467,586)</u>	<u>1,334,867</u>
				(1,366,348)
				(1,366,348)
<u>304</u>	<u>(7,357)</u>	<u>125</u>	<u>(467,586)</u>	<u>(31,481)</u>
6,012	378,946	11,657	1,672,050	6,839,697
				(25,787)
<u>\$ 6,316</u>	<u>\$ 371,589</u>	<u>\$ 11,782</u>	<u>\$ 1,204,464</u>	<u>\$ 6,782,429</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants	7,500,000	6,510,735	(989,265)
Federal aid, grants and reimbursements			
Total revenues	<u>7,500,000</u>	<u>6,510,735</u>	<u>(989,265)</u>
Expenditures:			
Current -			
Instruction	8,059,198	5,620,927	2,438,271
Support services - students and staff	390,157	594,124	(203,967)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>8,449,355</u>	<u>6,215,051</u>	<u>2,234,304</u>
Excess (deficiency) of revenues over expenditures	<u>(949,355)</u>	<u>295,684</u>	<u>1,245,039</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(949,355)</u>	<u>295,684</u>	<u>1,245,039</u>
Fund balances (deficits), beginning of year	(1,507,240)	(1,507,240)	
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (2,456,595)</u>	<u>\$ (1,211,556)</u>	<u>\$ 1,245,039</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 5,115 940,610	\$ 5,115 940,610	\$	\$ 50,000	\$ 50,000
	<u>945,725</u>	<u>945,725</u>		<u>50,000</u>	<u>50,000</u>
822,526	621,072	201,454		50,000	(50,000)
340,038	256,756	83,282			
2,184	1,649	535			
331	250	81			
<u>1,165,079</u>	<u>879,727</u>	<u>285,352</u>		<u>50,000</u>	<u>(50,000)</u>
<u>(1,165,079)</u>	<u>65,998</u>	<u>1,231,077</u>			
<u>(1,165,079)</u>	<u>65,998</u>	<u>1,231,077</u>			
	623,630	623,630			
<u>\$ (1,165,079)</u>	<u>\$ 689,628</u>	<u>\$ 1,854,707</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	5,570,330	4,301,571	(1,268,759)
Total revenues	<u>5,570,330</u>	<u>4,301,571</u>	<u>(1,268,759)</u>
Expenditures:			
Current -			
Instruction	2,471,694	1,908,714	562,980
Support services - students and staff	1,854,614	1,432,187	422,427
Support services - administration	310,887	240,076	70,811
Operation and maintenance of plant services	12,830	9,908	2,922
Student transportation services	43,055	33,248	9,807
Operation of non-instructional services			
Capital outlay	557,957	430,871	127,086
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>5,251,037</u>	<u>4,055,004</u>	<u>1,196,033</u>
Excess (deficiency) of revenues over expenditures	<u>319,293</u>	<u>246,567</u>	<u>(72,726)</u>
Other financing sources (uses):			
Transfers in			
Transfers out	(319,293)	(246,567)	72,726
Total other financing sources (uses):	<u>(319,293)</u>	<u>(246,567)</u>	<u>72,726</u>
Changes in fund balances			
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

Professional Development and Technology Grants			Title IV Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
856,947	699,448	(157,499)	501,804	390,015	(111,789)
<u>856,947</u>	<u>699,448</u>	<u>(157,499)</u>	<u>501,804</u>	<u>390,015</u>	<u>(111,789)</u>
380	310	70	300,752	233,752	67,000
765,686	624,960	140,726	83,564	64,948	18,616
34,801	28,405	6,396	72,710	56,512	16,198
			7,130	5,542	1,588
620	506	114	2,725	2,118	607
<u>801,487</u>	<u>654,181</u>	<u>147,306</u>	<u>466,881</u>	<u>362,872</u>	<u>104,009</u>
<u>55,460</u>	<u>45,267</u>	<u>(10,193)</u>	<u>34,923</u>	<u>27,143</u>	<u>(7,780)</u>
<u>(55,460)</u>	<u>(45,267)</u>	<u>10,193</u>	<u>(34,923)</u>	<u>(27,143)</u>	<u>7,780</u>
<u>(55,460)</u>	<u>(45,267)</u>	<u>10,193</u>	<u>(34,923)</u>	<u>(27,143)</u>	<u>7,780</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Limited English & Immigrant Students		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	552,279	148,236	(404,043)
Total revenues	552,279	148,236	(404,043)
Expenditures:			
Current -			
Instruction	394,601	105,914	288,687
Support services - students and staff	65,348	17,540	47,808
Support services - administration	18,226	4,892	13,334
Operation and maintenance of plant services	3,059	821	2,238
Student transportation services	48,061	12,900	35,161
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	529,295	142,067	387,228
Excess (deficiency) of revenues over expenditures	22,984	6,169	(16,815)
Other financing sources (uses):			
Transfers in			
Transfers out	(22,984)	(6,169)	16,815
Total other financing sources (uses):	(22,984)	(6,169)	16,815
Changes in fund balances			
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances, end of year	\$	\$	\$

Indian Education			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
102,359	101,456	(903)	4,281,932	4,274,308	(7,624)
<u>102,359</u>	<u>101,456</u>	<u>(903)</u>	<u>4,281,932</u>	<u>4,274,308</u>	<u>(7,624)</u>
86,146	85,386	760	2,934,172	2,928,948	5,224
2,478	2,456	22	963,851	962,135	1,716
1,689	1,674	15	65,826	65,709	117
4,086	4,050	36			
378	375	3			
			1,455	1,452	3
<u>94,777</u>	<u>93,941</u>	<u>836</u>	<u>3,965,304</u>	<u>3,958,244</u>	<u>7,060</u>
<u>7,582</u>	<u>7,515</u>	<u>(67)</u>	<u>316,628</u>	<u>316,064</u>	<u>(564)</u>
<u>(7,582)</u>	<u>(7,515)</u>	<u>67</u>	<u>(316,628)</u>	<u>(316,064)</u>	<u>564</u>
<u>(7,582)</u>	<u>(7,515)</u>	<u>67</u>	<u>(316,628)</u>	<u>(316,064)</u>	<u>564</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Johnson O'Malley		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	8,412	8,181	(231)
Total revenues	<u>8,412</u>	<u>8,181</u>	<u>(231)</u>
Expenditures:			
Current -			
Instruction	7,679	7,468	211
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	694	675	19
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>8,373</u>	<u>8,143</u>	<u>230</u>
Excess (deficiency) of revenues over expenditures	<u>39</u>	<u>38</u>	<u>(1)</u>
Other financing sources (uses):			
Transfers in			
Transfers out	(39)	(38)	1
Total other financing sources (uses):	<u>(39)</u>	<u>(38)</u>	<u>1</u>
Changes in fund balances			
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

Vocational Education			Homeless Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
436,482	411,875	(24,607)	10,528	11,262	734
<u>436,482</u>	<u>411,875</u>	<u>(24,607)</u>	<u>10,528</u>	<u>11,262</u>	<u>734</u>
70,472	66,499	3,973			
21,574	20,358	1,216	10,528	10,428	100
2,134	2,014	120			
2,967	2,800	167			
331,987	313,270	18,717			
<u>429,134</u>	<u>404,941</u>	<u>24,193</u>	<u>10,528</u>	<u>10,428</u>	<u>100</u>
<u>7,348</u>	<u>6,934</u>	<u>(414)</u>		<u>834</u>	<u>834</u>
<u>(7,348)</u>	<u>(6,934)</u>	<u>414</u>		<u>(834)</u>	<u>(834)</u>
<u>(7,348)</u>	<u>(6,934)</u>	<u>414</u>		<u>(834)</u>	<u>(834)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	985,150	895,305	(89,845)
Total revenues	<u>985,150</u>	<u>895,305</u>	<u>(89,845)</u>
Expenditures:			
Current -			
Instruction	677,607	261,857	415,750
Support services - students and staff	300,000	283,359	16,641
Support services - administration			
Operation and maintenance of plant services	595	332	263
Student transportation services			
Operation of non-instructional services			
Capital outlay	6,948	3,875	3,073
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>985,150</u>	<u>549,423</u>	<u>435,727</u>
Excess (deficiency) of revenues over expenditures		<u>345,882</u>	<u>345,882</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances		<u>345,882</u>	<u>345,882</u>
Fund balances (deficits), beginning of year		223,572	223,572
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 569,454</u>	<u>\$ 569,454</u>

E-Rate			Other Federal Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	1,068,819	1,068,819	5,379,368	5,130,957	(248,411)
	1,068,819	1,068,819	5,379,368	5,130,957	(248,411)
	955,326	(955,326)	4,445,191	4,300,099	145,092
	617	(617)	675,396	653,351	22,045
			239,560	231,741	7,819
	112,876	(112,876)	1,955	1,891	64
			17,192	16,631	561
	1,068,819	(1,068,819)	5,379,294	5,203,713	175,581
			74	(72,756)	(72,830)
			(74)	(71)	3
			(74)	(71)	3
				(72,827)	(72,827)
				(34,779)	(34,779)
\$	\$	\$	\$	\$ (107,606)	\$ (107,606)

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants	236,402	129,578	(106,824)
Federal aid, grants and reimbursements			
Total revenues	<u>236,402</u>	<u>129,578</u>	<u>(106,824)</u>
Expenditures:			
Current -			
Instruction	115,830	63,489	52,341
Support services - students and staff	63,655	34,891	28,764
Support services - administration	14,759	8,090	6,669
Operation and maintenance of plant services	3,959	2,170	1,789
Student transportation services	4,572	2,506	2,066
Operation of non-instructional services			
Capital outlay	33,627	18,432	15,195
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>236,402</u>	<u>129,578</u>	<u>106,824</u>
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances			
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

Gifted			Other State Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 3,467	\$ 3,467	\$ 334,100	\$ 334,097	\$ (3)
	<u>3,467</u>	<u>3,467</u>	<u>334,100</u>	<u>334,097</u>	<u>(3)</u>
	393	(393)	293,939	293,936	3
	3,074	(3,074)	520	520	
			3,816	3,816	
			35,825	35,825	
	<u>3,467</u>	<u>(3,467)</u>	<u>334,100</u>	<u>334,097</u>	<u>3</u>
\$	\$	\$	\$	\$	\$

(Continued)

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	School Plant		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$ 1,600,000	\$ 892,742	\$ (707,258)
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>1,600,000</u>	<u>892,742</u>	<u>(707,258)</u>
Expenditures:			
Current -			
Instruction	350,283	103,528	246,755
Support services - students and staff	3,901	1,153	2,748
Support services - administration	21,485	6,350	15,135
Operation and maintenance of plant services	411,567	121,641	289,926
Student transportation services	150,212	44,396	105,816
Operation of non-instructional services			
Capital outlay	919,556	91,142	828,414
Debt service -			
Principal retirement	222,622	222,622	
Interest and fiscal charges	33,804	33,804	
Total expenditures	<u>2,113,430</u>	<u>624,636</u>	<u>1,488,794</u>
Excess (deficiency) of revenues over expenditures	<u>(513,430)</u>	<u>268,106</u>	<u>781,536</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(513,430)</u>	<u>268,106</u>	<u>781,536</u>
Fund balances (deficits), beginning of year	2,264,773	2,264,773	
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ 1,751,343</u>	<u>\$ 2,532,879</u>	<u>\$ 781,536</u>

Food Service			Civic Center		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 5,178,475	\$ 5,236,956	\$ 58,481	\$ 50,000	\$ 47,855	\$ (2,145)
4,321,525	4,370,328	48,803			
<u>9,500,000</u>	<u>9,607,284</u>	<u>107,284</u>	<u>50,000</u>	<u>47,855</u>	<u>(2,145)</u>
			518,569	18,184	500,385
			181,431	6,362	175,069
11,229,430	8,682,852	2,546,578			
245,052	179,669	65,383			
<u>11,474,482</u>	<u>8,862,521</u>	<u>2,611,961</u>	<u>700,000</u>	<u>24,546</u>	<u>675,454</u>
<u>(1,974,482)</u>	<u>744,763</u>	<u>2,719,245</u>	<u>(650,000)</u>	<u>23,309</u>	<u>673,309</u>
<u>(750,000)</u>	<u>(709,746)</u>	<u>40,254</u>			
<u>(750,000)</u>	<u>(709,746)</u>	<u>40,254</u>			
<u>(2,724,482)</u>	<u>35,017</u>	<u>2,759,499</u>	<u>(650,000)</u>	<u>23,309</u>	<u>673,309</u>
1,963,134	2,157,517	194,383	776,271	776,271	
	(25,787)	(25,787)			
<u>\$ (761,348)</u>	<u>\$ 2,166,747</u>	<u>\$ 2,928,095</u>	<u>\$ 126,271</u>	<u>\$ 799,580</u>	<u>\$ 673,309</u>

(Continued)

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Community School		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$ 5,000,000	\$ 4,771,863	\$ (228,137)
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>5,000,000</u>	<u>4,771,863</u>	<u>(228,137)</u>
Expenditures:			
Current -			
Instruction	7,276	8,830	(1,554)
Support services - students and staff	177	215	(38)
Support services - administration	23,149	28,094	(4,945)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	3,884,899	4,714,738	(829,839)
Capital outlay	84,499	102,549	(18,050)
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>4,000,000</u>	<u>4,854,426</u>	<u>(854,426)</u>
Excess (deficiency) of revenues over expenditures	<u>1,000,000</u>	<u>(82,563)</u>	<u>(1,082,563)</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>1,000,000</u>	<u>(82,563)</u>	<u>(1,082,563)</u>
Fund balances (deficits), beginning of year	864,328	864,328	
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 1,864,328</u>	<u>\$ 781,765</u>	<u>\$ (1,082,563)</u>

Auxiliary Operations			Extracurricular Activities Fees Tax Credit		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 1,900,000	\$ 1,761,390	\$ (138,610)	\$ 2,500,000	\$ 2,266,953	\$ (233,047)
<u>1,900,000</u>	<u>1,761,390</u>	<u>(138,610)</u>	<u>2,500,000</u>	<u>2,266,953</u>	<u>(233,047)</u>
860,563	989,672	(129,109)	1,526,352	1,461,821	64,531
88,216	101,451	(13,235)	10,452	10,010	442
81,348	93,552	(12,204)			
118,535	136,318	(17,783)	60,049	57,510	2,539
79,316	91,215	(11,899)	456,845	437,531	19,314
27,831	32,006	(4,175)	87,612	83,908	3,704
54,853	63,082	(8,229)	39,425	37,758	1,667
<u>1,310,662</u>	<u>1,507,296</u>	<u>(196,634)</u>	<u>2,180,735</u>	<u>2,088,538</u>	<u>92,197</u>
<u>589,338</u>	<u>254,094</u>	<u>(335,244)</u>	<u>319,265</u>	<u>178,415</u>	<u>(140,850)</u>
<u>589,338</u>	<u>254,094</u>	<u>(335,244)</u>	<u>319,265</u>	<u>178,415</u>	<u>(140,850)</u>
1,903,661	1,903,662	1	1,891,305	1,891,305	
<u>\$ 2,492,999</u>	<u>\$ 2,157,756</u>	<u>\$ (335,243)</u>	<u>\$ 2,210,570</u>	<u>\$ 2,069,720</u>	<u>\$ (140,850)</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Gifts and Donations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 1,000,000	\$ 1,028,101	\$ 28,101
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>1,000,000</u>	<u>1,028,101</u>	<u>28,101</u>
Expenditures:			
Current -			
Instruction	1,083,482	545,979	537,503
Support services - students and staff	468,130	235,896	232,234
Support services - administration	119,311	60,122	59,189
Operation and maintenance of plant services	73,637	37,107	36,530
Student transportation services	26,116	13,160	12,956
Operation of non-instructional services			
Capital outlay	229,324	115,559	113,765
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>2,000,000</u>	<u>1,007,823</u>	<u>992,177</u>
Excess (deficiency) of revenues over expenditures	<u>(1,000,000)</u>	<u>20,278</u>	<u>1,020,278</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(1,000,000)</u>	<u>20,278</u>	<u>1,020,278</u>
Fund balances (deficits), beginning of year	1,410,042	1,409,936	(106)
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 410,042</u>	<u>\$ 1,430,214</u>	<u>\$ 1,020,172</u>

Fingerprint			Insurance Proceeds		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 10,000	\$ 5,769	\$ (4,231)	\$ 50,000	\$ 63,099	\$ 13,099
<u>10,000</u>	<u>5,769</u>	<u>(4,231)</u>	<u>50,000</u>	<u>63,099</u>	<u>13,099</u>
10,000	5,465	4,535	14,000	1,598	12,402
<u>10,000</u>	<u>5,465</u>	<u>4,535</u>	<u>14,000</u>	<u>1,598</u>	<u>12,402</u>
	<u>304</u>	<u>304</u>	<u>36,000</u>	<u>61,501</u>	<u>25,501</u>
	<u>304</u>	<u>304</u>	<u>36,000</u>	<u>61,501</u>	<u>25,501</u>
6,076	6,012	(64)	31,421	34,150	2,729
<u>\$ 6,076</u>	<u>\$ 6,316</u>	<u>\$ 240</u>	<u>\$ 67,421</u>	<u>\$ 95,651</u>	<u>\$ 28,230</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Textbooks		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$ 50,000	\$ 44,228	\$ (5,772)
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>50,000</u>	<u>44,228</u>	<u>(5,772)</u>
Expenditures:			
Current -			
Instruction	241,486	34,603	206,883
Support services - students and staff	81,296	11,649	69,647
Support services - administration	11,320	1,622	9,698
Operation and maintenance of plant services	25,898	3,711	22,187
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>360,000</u>	<u>51,585</u>	<u>308,415</u>
Excess (deficiency) of revenues over expenditures	<u>(310,000)</u>	<u>(7,357)</u>	<u>302,643</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(310,000)</u>	<u>(7,357)</u>	<u>302,643</u>
Fund balances (deficits), beginning of year	378,946	378,946	
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 68,946</u>	<u>\$ 371,589</u>	<u>\$ 302,643</u>

Litigation Recovery			Indirect Costs		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 10,000	\$ 3,587	\$ (6,413)	\$	\$ 5,936	\$ 5,936
<u>10,000</u>	<u>3,587</u>	<u>(6,413)</u>		<u>5,936</u>	<u>5,936</u>
			1,286,578	14,965	1,271,613
			45,393	528	44,865
28,000	50,068	(22,068)			
<u>28,000</u>	<u>50,068</u>	<u>(22,068)</u>	<u>1,331,971</u>	<u>15,493</u>	<u>1,316,478</u>
<u>(18,000)</u>	<u>(46,481)</u>	<u>(28,481)</u>	<u>(1,331,971)</u>	<u>(9,557)</u>	<u>1,322,414</u>
			1,550,000	1,366,348	(183,652)
			<u>1,550,000</u>	<u>1,366,348</u>	<u>(183,652)</u>
<u>(18,000)</u>	<u>(46,481)</u>	<u>(28,481)</u>	<u>218,029</u>	<u>1,356,791</u>	<u>1,138,762</u>
92,493	92,493		507,080	507,080	
<u>\$ 74,493</u>	<u>\$ 46,012</u>	<u>\$ (28,481)</u>	<u>\$ 725,109</u>	<u>\$ 1,863,871</u>	<u>\$ 1,138,762</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Insurance Refund		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$ 125	\$ 125	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>125</u>	<u>125</u>	
Expenditures:			
Current -			
Instruction	11,000		11,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>11,000</u>		<u>11,000</u>
Excess (deficiency) of revenues over expenditures	<u>(10,875)</u>	<u>125</u>	<u>11,000</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(10,875)</u>	<u>125</u>	<u>11,000</u>
Fund balances (deficits), beginning of year	11,657	11,657	
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ 782</u>	<u>\$ 11,782</u>	<u>\$ 11,000</u>

Advertisement			Joint Technical Education		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 5,000	\$ 6,636	\$ 1,636	\$ 2,000,000	\$ 1,992,339	\$ (7,661)
<u>5,000</u>	<u>6,636</u>	<u>1,636</u>	<u>2,000,000</u>	<u>1,992,339</u>	<u>(7,661)</u>
135,000		135,000	2,512,096	1,656,548	855,548
			567,851	374,457	193,394
			201,356	13,423	187,933
			303,874	200,383	103,491
			232,042	153,015	79,027
			94,171	62,099	32,072
<u>135,000</u>	<u></u>	<u>135,000</u>	<u>3,911,390</u>	<u>2,459,925</u>	<u>1,451,465</u>
<u>(130,000)</u>	<u>6,636</u>	<u>136,636</u>	<u>(1,911,390)</u>	<u>(467,586)</u>	<u>1,443,804</u>
<u>(130,000)</u>	<u>6,636</u>	<u>136,636</u>	<u>(1,911,390)</u>	<u>(467,586)</u>	<u>1,443,804</u>
141,402	138,018	(3,384)		1,672,050	1,672,050
<u>\$ 11,402</u>	<u>\$ 144,654</u>	<u>\$ 133,252</u>	<u>\$ (1,911,390)</u>	<u>\$ 1,204,464</u>	<u>\$ 3,115,854</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 19,353,600	\$ 18,182,694	\$ (1,170,906)
State aid and grants	8,070,502	7,918,487	(152,015)
Federal aid, grants and reimbursements	23,007,116	21,811,761	(1,195,355)
Total revenues	<u>50,431,218</u>	<u>47,912,942</u>	<u>(2,518,276)</u>
Expenditures:			
Current -			
Instruction	28,694,303	22,320,036	6,374,267
Support services - students and staff	6,757,432	5,696,535	1,060,897
Support services - administration	1,808,707	869,700	939,007
Operation and maintenance of plant services	1,205,291	698,896	506,395
Student transportation services	1,051,719	797,613	254,106
Operation of non-instructional services	15,229,772	13,513,504	1,716,268
Capital outlay	2,683,216	1,524,906	1,158,310
Debt service -			
Principal retirement	222,622	222,622	
Interest and fiscal charges	33,804	33,804	
Total expenditures	<u>57,686,866</u>	<u>45,677,616</u>	<u>12,009,250</u>
Excess (deficiency) of revenues over expenditures	<u>(7,255,648)</u>	<u>2,235,326</u>	<u>9,490,974</u>
Other financing sources (uses):			
Transfers in	1,550,000	1,366,348	(183,652)
Transfers out	(1,514,331)	(1,366,348)	147,983
Total other financing sources (uses):	<u>35,669</u>	<u></u>	<u>(35,669)</u>
Changes in fund balances	<u>(7,219,979)</u>	<u>2,235,326</u>	<u>9,455,305</u>
Fund balances (deficits), beginning of year	10,735,349	13,413,381	2,678,032
Increase (decrease) in reserve for inventory		(25,787)	(25,787)
Fund balances, end of year	<u>\$ 3,515,370</u>	<u>\$ 15,622,920</u>	<u>\$ 12,107,550</u>

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.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2011

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$ 550,000	\$ 280,373	\$ (269,627)
Property taxes		59,129,228	59,129,228
Federal aid, grants and reimbursements		1,042,179	1,042,179
Total revenues	<u>550,000</u>	<u>60,451,780</u>	<u>59,901,780</u>
Expenditures:			
Debt service -			
Principal retirement	46,080,000	46,080,000	
Interest and fiscal charges	11,320,000	12,636,091	(1,316,091)
Bond issuance costs		269,950	(269,950)
Payment to refunded bond escrow agent		2,085,933	(2,085,933)
Total expenditures	<u>57,400,000</u>	<u>61,071,974</u>	<u>(3,671,974)</u>
Excess (deficiency) of revenues over expenditures	<u>(56,850,000)</u>	<u>(620,194)</u>	<u>56,229,806</u>
Other financing sources (uses):			
Transfers in		347,388	347,388
Issuance of refunding bonds		31,000,000	31,000,000
Premium on sale of bonds		1,442,731	1,442,731
Payment to refunded bond escrow agent		(32,172,780)	(32,172,780)
Total other financing sources (uses):		<u>617,339</u>	<u>617,339</u>
Changes in fund balances	<u>(56,850,000)</u>	<u>(2,855)</u>	<u>56,847,145</u>
Fund balances, beginning of year	43,617,456	8,444,949	(35,172,507)
Fund balances (deficits), end of year	<u>\$ (13,232,544)</u>	<u>\$ 8,442,094</u>	<u>\$ 21,674,638</u>

CAPITAL PROJECTS FUNDS

The following Capital Projects Funds are maintained by the District. Arizona Revised Statutes (A.R.S.) and the Uniform System of Financial Records (USFR) require the establishment of these funds for the specified financial activities.

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.

Energy and Water Savings – to account for a designated pool of capital investment monies to fund energy or water saving projects in school facilities.

Building Renewal - to account for monies received from the School Facilities Board that are used for infrastructure or for major upgrades, repairs, or renovations to areas, systems or buildings that will maintain or extend their useful life.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2011

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Energy and Water Savings</u>
<u>ASSETS</u>			
Cash and investments	\$ 7,270,123	\$ 5,519,269	\$ 3,738,016
Property taxes receivable	1,093,656	40,926	
Due from governmental entities	17,850		
Total assets	<u><u>\$ 8,381,629</u></u>	<u><u>\$ 5,560,195</u></u>	<u><u>\$ 3,738,016</u></u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 315,761	\$ 89,535	\$
Deferred revenues	1,010,626	37,580	
Total liabilities	<u><u>1,326,387</u></u>	<u><u>127,115</u></u>	
Fund balances:			
Restricted	7,055,242	5,433,080	3,738,016
Total fund balances	<u><u>7,055,242</u></u>	<u><u>5,433,080</u></u>	<u><u>3,738,016</u></u>
 Total liabilities and fund balances	 <u><u>\$ 8,381,629</u></u>	 <u><u>\$ 5,560,195</u></u>	 <u><u>\$ 3,738,016</u></u>

<u>Building Renewal</u>	<u>Totals</u>
\$ 60,312	\$ 16,587,720
	1,134,582
	<u>17,850</u>
<u>\$ 60,312</u>	<u>\$ 17,740,152</u>

\$ 21,577	\$ 426,873
	1,048,206
<u>21,577</u>	<u>1,475,079</u>

<u>38,735</u>	<u>16,265,073</u>
<u>38,735</u>	<u>16,265,073</u>

<u>\$ 60,312</u>	<u>\$ 17,740,152</u>
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SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2011

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Energy and Water Savings</u>
Revenues:			
Other local	\$ 30,693	\$ 64,702	\$ 147,578
Property taxes	14,700,205	383,018	
State aid and grants	886,790		
Total revenues	<u>15,617,688</u>	<u>447,720</u>	<u>147,578</u>
Expenditures:			
Capital outlay	9,987,238	859,163	3,003,021
Debt service -			
Principal retirement	1,411,360		196,155
Interest and fiscal charges	191,422		165,221
Total expenditures	<u>11,590,020</u>	<u>859,163</u>	<u>3,364,397</u>
Excess (deficiency) of revenues over expenditures	<u>4,027,668</u>	<u>(411,443)</u>	<u>(3,216,819)</u>
Other financing sources (uses):			
Transfers in			361,375
Capital lease agreements			6,593,460
Total other financing sources (uses):			<u>6,954,835</u>
Changes in fund balances	<u>4,027,668</u>	<u>(411,443)</u>	<u>3,738,016</u>
Fund balances, beginning of year	3,027,574	5,844,523	
Fund balances, end of year	<u>\$ 7,055,242</u>	<u>\$ 5,433,080</u>	<u>\$ 3,738,016</u>

<u>Building Renewal</u>	<u>Totals</u>
\$ 1,459	\$ 244,432
	15,083,223
	886,790
<u>1,459</u>	<u>16,214,445</u>
166,773	14,016,195
	1,607,515
	356,643
<u>166,773</u>	<u>15,980,353</u>
<u>(165,314)</u>	<u>234,092</u>
	361,375
	6,593,460
	<u>6,954,835</u>
<u>(165,314)</u>	<u>7,188,927</u>
204,049	9,076,146
<u>\$ 38,735</u>	<u>\$ 16,265,073</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2011

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 100,000	\$ 30,693	\$ (69,307)
Property taxes	128,680	14,700,205	14,571,525
State aid and grants	868,940	886,790	17,850
Total revenues	<u>1,097,620</u>	<u>15,617,688</u>	<u>14,520,068</u>
Expenditures:			
Capital outlay	25,627,128	9,987,238	15,639,890
Debt service -			
Principal retirement	1,411,360	1,411,360	
Interest and fiscal charges	191,422	191,422	
Bond issuance costs			
Total expenditures	<u>27,229,910</u>	<u>11,590,020</u>	<u>15,639,890</u>
Excess (deficiency) of revenues over expenditures	<u>(26,132,290)</u>	<u>4,027,668</u>	<u>30,159,958</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Capital lease agreements			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):	<u> </u>	<u> </u>	<u> </u>
Changes in fund balances	<u>(26,132,290)</u>	<u>4,027,668</u>	<u>30,159,958</u>
Fund balances, beginning of year	2,919,784	3,027,574	107,790
Fund balances (deficits), end of year	<u>\$ (23,212,506)</u>	<u>\$ 7,055,242</u>	<u>\$ 30,267,748</u>

Adjacent Ways			Soft Capital Allocation		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 70,000	\$ 64,702	\$ (5,298)	\$ 30,000	\$ 16,271	\$ (13,729)
119,770	383,018	263,248	176,501	486,157	309,656
<u>189,770</u>	<u>447,720</u>	<u>257,950</u>	<u>355,531</u>	<u>669,930</u>	<u>314,399</u>
6,000,000	859,163	5,140,837	1,295,990		1,295,990
<u>6,000,000</u>	<u>859,163</u>	<u>5,140,837</u>	<u>1,295,990</u>		<u>1,295,990</u>
<u>(5,810,230)</u>	<u>(411,443)</u>	<u>5,398,787</u>	<u>(940,459)</u>	<u>669,930</u>	<u>1,610,389</u>
<u>(5,810,230)</u>	<u>(411,443)</u>	<u>5,398,787</u>	<u>(940,459)</u>	<u>669,930</u>	<u>1,610,389</u>
5,810,230	5,844,523	34,293	945,459	947,645	2,186
<u>\$</u>	<u>\$ 5,433,080</u>	<u>\$ 5,433,080</u>	<u>\$ 5,000</u>	<u>\$ 1,617,575</u>	<u>\$ 1,612,575</u>

(Continued)

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2011

	Bond Building		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 448,909	\$ 448,909
Property taxes			
State aid and grants			
Total revenues		<u>448,909</u>	<u>448,909</u>
Expenditures:			
Capital outlay	59,000,000	13,170,543	45,829,457
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs		527,030	(527,030)
Total expenditures	<u>59,000,000</u>	<u>13,697,573</u>	<u>45,302,427</u>
Excess (deficiency) of revenues over expenditures	<u>(59,000,000)</u>	<u>(13,248,664)</u>	<u>45,751,336</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(347,388)	(347,388)
Capital lease agreements			
Issuance of school improvement bonds		59,000,000	59,000,000
Premium on sale of bonds		711,429	711,429
Total other financing sources (uses):		<u>59,364,041</u>	<u>59,364,041</u>
Changes in fund balances	<u>(59,000,000)</u>	<u>46,115,377</u>	<u>105,115,377</u>
Fund balances, beginning of year	59,285,918		(59,285,918)
Fund balances (deficits), end of year	<u>\$ 285,918</u>	<u>\$ 46,115,377</u>	<u>\$ 45,829,459</u>

Energy and Water Savings			Building Renewal		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 150,000	\$ 147,578	\$ (2,422)	\$	\$ 1,459	\$ 1,459
<u>150,000</u>	<u>147,578</u>	<u>(2,422)</u>		<u>1,459</u>	<u>1,459</u>
	3,003,021	(3,003,021)	201,000	166,773	34,227
196,155	196,155				
165,220	165,221	(1)			
<u>361,375</u>	<u>3,364,397</u>	<u>(3,003,022)</u>	<u>201,000</u>	<u>166,773</u>	<u>34,227</u>
<u>(211,375)</u>	<u>(3,216,819)</u>	<u>(3,005,444)</u>	<u>(201,000)</u>	<u>(165,314)</u>	<u>35,686</u>
	361,375	361,375			
	6,593,460	6,593,460			
	<u>6,954,835</u>	<u>6,954,835</u>			
<u>(211,375)</u>	<u>3,738,016</u>	<u>3,949,391</u>	<u>(201,000)</u>	<u>(165,314)</u>	<u>35,686</u>
				204,049	204,049
<u>\$ (211,375)</u>	<u>\$ 3,738,016</u>	<u>\$ 3,949,391</u>	<u>\$ (201,000)</u>	<u>\$ 38,735</u>	<u>\$ 239,735</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2011

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 350,000	\$ 709,612	\$ 359,612
Property taxes	424,951	15,569,380	15,144,429
State aid and grants	1,017,970	1,054,292	36,322
Total revenues	<u>1,792,921</u>	<u>17,333,284</u>	<u>15,540,363</u>
Expenditures:			
Capital outlay	92,124,118	27,186,738	64,937,380
Debt service -			
Principal retirement	1,607,515	1,607,515	
Interest and fiscal charges	356,642	356,643	(1)
Bond issuance costs		527,030	(527,030)
Total expenditures	<u>94,088,275</u>	<u>29,677,926</u>	<u>64,410,349</u>
Excess (deficiency) of revenues over expenditures	<u>(92,295,354)</u>	<u>(12,344,642)</u>	<u>79,950,712</u>
Other financing sources (uses):			
Transfers in		361,375	361,375
Transfers out		(347,388)	(347,388)
Capital lease agreements		6,593,460	6,593,460
Issuance of school improvement bonds		59,000,000	59,000,000
Premium on sale of bonds		711,429	711,429
Total other financing sources (uses):		<u>66,318,876</u>	<u>66,318,876</u>
Changes in fund balances	<u>(92,295,354)</u>	<u>53,974,234</u>	<u>146,269,588</u>
Fund balances, beginning of year	68,961,391	10,023,791	(58,937,600)
Fund balances (deficits), end of year	<u>\$ (23,333,963)</u>	<u>\$ 63,998,025</u>	<u>\$ 87,331,988</u>

INTERNAL SERVICE FUNDS

Print Shop - to account for charges to other departments for printing and copying services.

Intergovernmental Agreements - to account for the financial activities relating to agreements with other governments not required to be accounted for elsewhere.

Insurance Trust - to account for the financial activity associated with the District's self-insurance program for employee workers' compensation and for property and casualty losses.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING STATEMENT OF NET ASSETS -
ALL INTERNAL SERVICE FUNDS
JUNE 30, 2011

	Print Shop	Intergovernmental Agreements	Insurance Trust
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 56,040	\$ 414,544	\$ 15,098,399
Accounts receivable			117,643
Total current assets	56,040	414,544	15,216,042
Total assets	56,040	414,544	15,216,042
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	616	3,541	48,758
Claims payable			80,500
Total current liabilities	616	3,541	129,258
Total liabilities	616	3,541	129,258
<u>NET ASSETS</u>			
Unrestricted	55,424	411,003	15,086,784
Total net assets	\$ 55,424	\$ 411,003	\$ 15,086,784

Totals

\$ 15,568,983
117,643
15,686,626
15,686,626

52,915
80,500
133,415
133,415

15,553,211
\$ 15,553,211

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Print Shop</u>	<u>Intergovernmental Agreements</u>	<u>Insurance Trust</u>
Operating revenues:			
Other	\$ 80,581	\$ 570,631	\$
Contributions			4,621,490
Total operating revenues	<u>80,581</u>	<u>570,631</u>	<u>4,621,490</u>
Operating expenses:			
Other	64,832	652,393	24,537
Claims			247,518
Adjustment to the prior year claims reserve			(35,194)
Premiums			2,021,611
Administrative fees			51,709
Total operating expenses	<u>64,832</u>	<u>652,393</u>	<u>2,310,181</u>
Operating income (loss)	<u>15,749</u>	<u>(81,762)</u>	<u>2,311,309</u>
Nonoperating revenues (expenses):			
Investment income	495	4,391	273,347
Total nonoperating revenues (expenses)	<u>495</u>	<u>4,391</u>	<u>273,347</u>
Changes in net assets	<u>16,244</u>	<u>(77,371)</u>	<u>2,584,656</u>
Total net assets, beginning of year	39,180	488,374	12,502,128
Total net assets, end of year	<u>\$ 55,424</u>	<u>\$ 411,003</u>	<u>\$ 15,086,784</u>

Totals

\$ 651,212
4,621,490
5,272,702

741,762
247,518
(35,194)
2,021,611
51,709
3,027,406

2,245,296

278,233
278,233

2,523,529

13,029,682

\$ 15,553,211

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING STATEMENT OF CASH FLOWS - ALL INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2011

	<u>Print Shop</u>	<u>Intergovernmental Agreements</u>	<u>Insurance Trust</u>	<u>Totals</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>				
Cash flows from operating activities:				
Cash received from contributions	\$	\$	\$ 4,503,847	\$ 4,503,847
Cash received from charges for services	80,581	570,631		651,212
Cash payments to suppliers for goods and services	(67,641)	(649,885)	(2,139,950)	(2,857,476)
Cash payments for claims			(247,518)	(247,518)
Net cash provided by (used for) operating activities	<u>12,940</u>	<u>(79,254)</u>	<u>2,116,379</u>	<u>2,050,065</u>
Cash flows from investing activities:				
Proceeds from sale of investments			3,182,835	3,182,835
Purchase of investments			(3,164,163)	(3,164,163)
Investment income	495	4,391	273,347	278,233
Net cash provided by investing activities	<u>495</u>	<u>4,391</u>	<u>292,019</u>	<u>296,905</u>
Net increase (decrease) in cash and cash equivalents	<u>13,435</u>	<u>(74,863)</u>	<u>2,408,398</u>	<u>2,346,970</u>
Cash and cash equivalents, beginning of year	<u>42,605</u>	<u>489,407</u>	<u>2,187,102</u>	<u>2,719,114</u>
Cash and cash equivalents, end of year	<u>\$ 56,040</u>	<u>\$ 414,544</u>	<u>\$ 4,595,500</u>	<u>\$ 5,066,084</u>
<u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets</u>				
Cash and investments	\$ 56,040	\$ 414,544	\$ 15,098,399	\$ 15,568,983
Less investments not maturing in less than three months			10,502,899	10,502,899
Total cash and cash equivalents	<u>\$ 56,040</u>	<u>\$ 414,544</u>	<u>\$ 4,595,500</u>	<u>\$ 5,066,084</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>				
Operating income (loss)	\$ 15,749	\$ (81,762)	\$ 2,311,309	\$ 2,245,296
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Changes in assets and liabilities:				
Increase in accounts receivable			(117,643)	(117,643)
Increase (decrease) in accounts payable	(2,809)	2,508	(42,093)	(42,394)
Decrease in claims payable			(35,194)	(35,194)
Total adjustments	<u>(2,809)</u>	<u>2,508</u>	<u>(194,930)</u>	<u>(195,231)</u>
Net cash provided by (used for) operating activities	<u>\$ 12,940</u>	<u>\$ (79,254)</u>	<u>\$ 2,116,379</u>	<u>\$ 2,050,065</u>

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.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2011

	<u>Student Activities</u>	<u>Employee Insurance</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,318,576	\$ 794,686	\$ 2,113,262
Total assets	<u>\$ 1,318,576</u>	<u>\$ 794,686</u>	<u>\$ 2,113,262</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 18,187	\$	\$ 18,187
Deposits held for others		794,686	794,686
Due to student groups	1,300,389		1,300,389
Total liabilities	<u>\$ 1,318,576</u>	<u>\$ 794,686</u>	<u>\$ 2,113,262</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 1,274,929	\$ 2,046,271	\$ 2,002,624	\$ 1,318,576
Total assets	\$ 1,274,929	\$ 2,046,271	\$ 2,002,624	\$ 1,318,576
<u>Liabilities</u>				
Accounts payable	\$	\$ 18,187	\$	\$ 18,187
Due to student groups	1,274,929	2,028,084	2,002,624	1,300,389
Total liabilities	\$ 1,274,929	\$ 2,046,271	\$ 2,002,624	\$ 1,318,576
<u>EMPLOYEE WITHHOLDING FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 1,656,578	\$ 179,198,683	\$ 180,060,575	\$ 794,686
Total assets	\$ 1,656,578	\$ 179,198,683	\$ 180,060,575	\$ 794,686
<u>Liabilities</u>				
Deposits held for others	\$ 1,656,578	\$ 179,198,683	\$ 180,060,575	\$ 794,686
Total liabilities	\$ 1,656,578	\$ 179,198,683	\$ 180,060,575	\$ 794,686
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 2,931,507	\$ 181,244,954	\$ 182,063,199	\$ 2,113,262
Total assets	\$ 2,931,507	\$ 181,244,954	\$ 182,063,199	\$ 2,113,262
<u>Liabilities</u>				
Accounts payable	\$	\$ 18,187	\$	\$ 18,187
Deposits held for others	1,656,578	179,198,683	180,060,575	794,686
Due to student groups	1,274,929	2,028,084	2,002,624	1,300,389
Total liabilities	\$ 2,931,507	\$ 181,244,954	\$ 182,063,199	\$ 2,113,262

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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.

Due to cost considerations for the accumulation of data, the District has elected to present less than ten years of data, or data from less than nine years prior, for certain statistical schedules. This information will be accumulated and reported each year until the complete ten years of data is presented.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net Assets:					
Invested in capital assets, net of related debt	\$ 132,040,763	\$ 119,641,050	\$ 91,163,244	\$ 48,192,458	\$ 28,216,895
Restricted	34,824,511	21,350,236	18,163,103	27,247,992	18,271,392
Unrestricted	98,132,924	85,910,876	78,132,576	89,764,742	69,051,591
Total net assets	\$ 264,998,198	\$ 226,902,162	\$ 187,458,923	\$ 165,205,192	\$ 115,539,878
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Net Assets:					
Invested in capital assets, net of related debt	\$ (3,844,072)	\$ (18,933,672)	\$ (20,385,972)	\$ (38,250,796)	\$ (82,114,979)
Restricted	31,303,375	32,039,859	41,699,597	40,337,991	63,063,795
Unrestricted	76,978,447	77,813,485	51,099,438	37,815,680	35,169,910
Total net assets	\$ 104,437,750	\$ 90,919,672	\$ 72,413,063	\$ 39,902,875	\$ 16,118,726

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenses					
Instruction	\$ 133,239,099	\$ 147,449,327	\$ 150,232,317	\$ 145,496,792	\$ 143,954,535
Support services - students and staff	23,699,221	23,564,220	30,423,170	28,109,615	24,790,839
Support services - administration	17,478,195	17,511,969	18,696,791	18,985,110	20,461,956
Operation and maintenance of plant services	24,948,100	23,374,438	19,134,847	17,914,152	19,046,976
Student transportation services	11,353,011	12,897,691	12,352,644	10,392,338	9,784,345
Operation of non-instructional services	13,267,755	14,916,136	14,187,121	12,901,527	9,332,698
Interest on long-term debt	14,928,071	15,545,637	15,314,478	16,893,641	14,244,381
Total expenses	<u>238,913,452</u>	<u>255,259,418</u>	<u>260,341,368</u>	<u>250,693,175</u>	<u>241,615,730</u>
Program Revenues					
Charges for services:					
Instruction	8,416,951	7,450,076	4,397,975	10,664,507	2,068,694
Operation of non-instructional services	9,985,150	11,105,694	11,458,984	7,708,709	13,175,203
Other activities	39,608	1,166,976	247,509	645,791	1,674,402
Operating grants and contributions	21,362,077	18,447,066	20,397,423	12,724,841	14,399,291
Capital grants and contributions	998,268	715,787	373,869	319,049	625,655
Total program revenues	<u>40,802,054</u>	<u>38,885,599</u>	<u>36,875,760</u>	<u>32,062,897</u>	<u>31,943,245</u>
Net (Expense)/Revenue	<u>\$ (198,111,398)</u>	<u>\$ (216,373,819)</u>	<u>\$ (223,465,608)</u>	<u>\$ (218,630,278)</u>	<u>\$ (209,672,485)</u>

(Continued)

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Expenses					
Instruction	\$ 125,490,708	\$ 113,869,184	\$ 104,905,767	\$ 101,500,930	\$ 82,769,543
Support services - students and staff	23,197,071	19,770,331	60,012,716	57,740,350	58,835,800
Support services - administration	18,046,295	14,530,553			
Operation and maintenance of plant services	16,544,450	16,857,928			
Student transportation services	9,964,930	7,124,752			
Operation of non-instructional services	9,570,555	9,152,610	7,585,488	6,156,758	7,091,294
Interest on long-term debt	15,503,270	9,504,598	12,190,328	13,009,151	15,937,194
Total expenses	<u>218,317,279</u>	<u>190,809,956</u>	<u>184,694,299</u>	<u>178,407,189</u>	<u>164,633,831</u>
Program Revenues					
Charges for services:					
Instruction	4,085,434	4,116,597	6,434,558		1,610,663
Operation of non-instructional services	9,378,869	7,514,151	1,689,375	4,367,466	4,323,480
Other activities	896,798	456,496	2,581,336	6,587,113	1,534,703
Operating grants and contributions	12,386,532	10,373,287	10,705,269	16,727,652	9,974,891
Capital grants and contributions	326,591	822,494	5,409,143	10,925,521	12,369,886
Total program revenues	<u>27,074,224</u>	<u>23,283,025</u>	<u>26,819,681</u>	<u>38,607,752</u>	<u>29,813,623</u>
Net (Expense)/Revenue	<u>\$ (191,243,055)</u>	<u>\$ (167,526,931)</u>	<u>\$ (157,874,618)</u>	<u>\$ (139,799,437)</u>	<u>\$ (134,820,208)</u>

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

(Concluded)

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net (Expense)/Revenue	\$ (198,111,398)	\$ (216,373,819)	\$ (223,465,608)	\$ (218,630,278)	\$ (209,672,485)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	124,543,508	135,372,331	138,501,230	131,582,423	117,420,864
Property taxes, levied for debt service	58,885,879	69,711,445	50,257,693	62,310,748	38,793,771
Property taxes, levied for capital outlay	15,037,946	16,272,119	17,859,641	17,760,121	10,697,664
Investment income	1,283,196	1,202,937	2,717,214	6,525,102	8,737,938
Unrestricted county aid		229,750			7,383
Unrestricted state aid	35,244,246	28,969,013	36,383,561	50,117,198	45,116,993
Unrestricted federal aid	1,212,659	4,059,463			
Total general revenues	<u>236,207,434</u>	<u>255,817,058</u>	<u>245,719,339</u>	<u>268,295,592</u>	<u>220,774,613</u>
Changes in Net Assets	<u>\$ 38,096,036</u>	<u>\$ 39,443,239</u>	<u>\$ 22,253,731</u>	<u>\$ 49,665,314</u>	<u>\$ 11,102,128</u>

(Continued)

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Net (Expense)/Revenue	\$ (191,243,055)	\$ (167,526,931)	\$ (157,874,618)	\$ (139,799,437)	\$ (134,820,208)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	114,142,175	112,044,640	148,301,263	135,959,661	132,106,763
Property taxes, levied for debt service	35,170,878	36,388,998			
Property taxes, levied for capital outlay	7,725,283	7,740,724			
Investment income	5,422,202	3,514,667	2,056,031	4,286,567	5,045,102
Unrestricted county aid	621,810	586,711	947,024	1,108,707	1,201,125
Unrestricted state aid	41,678,785	38,994,453	39,176,216	31,403,378	40,241,296
Unrestricted federal aid					
Total general revenues	<u>204,761,133</u>	<u>199,270,193</u>	<u>190,480,534</u>	<u>172,758,313</u>	<u>178,594,286</u>
Changes in Net Assets	<u>\$ 13,518,078</u>	<u>\$ 31,743,262</u>	<u>\$ 32,605,916</u>	<u>\$ 32,958,876</u>	<u>\$ 43,774,078</u>

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

Notes: 1) The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

(Concluded)

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund:					
Nonspendable	\$ 15,100,900				
Restricted					
Committed					
Assigned					
Unassigned	16,281,917				
Reserved		\$ 13,670,922	\$ 2,520,492	\$ 121,451	\$ 81,599
Unreserved		3,907,668	7,164,705	12,137,521	7,658,579
Total General Fund	<u>\$ 31,382,817</u>	<u>\$ 17,578,590</u>	<u>\$ 9,685,197</u>	<u>\$ 12,258,972</u>	<u>\$ 7,740,178</u>
All Other Governmental Funds:					
Nonspendable	\$ 168,596				
Restricted	78,755,539				
Committed					
Assigned					
Unassigned	(1,319,162)				
Reserved		\$ 194,383	\$ 1,319,395	\$ 203,641	\$ 126,061
Unreserved, reported in:					
Special revenue funds		13,707,372	20,986,930	27,079,146	29,549,369
Capital projects funds		10,023,791	12,781,771	23,252,334	88,135,713
Debt service fund		8,444,949	3,732,794	9,474,851	5,949,241
Total all other governmental funds	<u>\$ 77,604,973</u>	<u>\$ 32,370,495</u>	<u>\$ 38,820,890</u>	<u>\$ 60,009,972</u>	<u>\$ 123,760,384</u>

(Continued)

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Fund:					
Reserved	\$ 94,307	\$ 43,707	\$ 5,231,155	\$ 404,026	\$ 1,063,324
Unreserved	13,770,712	12,720,739	5,041,494	293,654	4,316,233
Total General Fund	<u>\$ 13,865,019</u>	<u>\$ 12,764,446</u>	<u>\$ 10,272,649</u>	<u>\$ 697,680</u>	<u>\$ 5,379,557</u>
All Other Governmental Funds:					
Reserved	\$ 122,710	\$ 20,798		\$ 702,272	\$ 61,755
Unreserved, reported in:					
Special revenue funds	31,511,380	29,568,588	27,411,426	27,268,092	25,408,960
Capital projects funds	60,378,532	109,409,992	16,520,576	16,755,044	29,442,263
Debt service fund	15,953,214	15,041,608	9,193,331	7,937,135	7,691,483
Total all other governmental funds	<u>\$ 107,965,836</u>	<u>\$ 154,040,986</u>	<u>\$ 53,125,333</u>	<u>\$ 52,662,543</u>	<u>\$ 62,604,461</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)

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Federal sources:					
Federal grants	\$ 13,460,104	\$ 15,437,856	\$ 11,763,005	\$ 9,446,124	\$ 10,521,632
State Fiscal Stabilization (ARRA)	317,354	4,059,463			
Education Jobs (ARRA)	5,023,508				
National School Lunch Program	4,370,328	4,077,528	3,109,392	2,829,134	2,568,175
Total federal sources	<u>23,171,294</u>	<u>23,574,847</u>	<u>14,872,397</u>	<u>12,275,258</u>	<u>13,089,807</u>
State sources:					
State equalization assistance	28,752,581	21,210,753	28,018,928	34,419,996	31,909,143
State grants	467,142	416,900	1,720,544	768,632	477,755
School Facilities Board				1,409,087	2,759,082
Other revenues	7,451,345	6,798,580	8,802,149	13,850,599	11,664,869
Total state sources	<u>36,671,068</u>	<u>28,426,233</u>	<u>38,541,621</u>	<u>50,448,314</u>	<u>46,810,849</u>
Local sources:					
Property taxes	200,710,698	212,292,088	198,914,373	211,328,645	168,550,763
County aid		229,750			7,383
Food service sales	5,236,956	5,953,610	6,743,401	6,477,759	5,605,694
Investment income	1,004,963	772,592	2,165,185	5,886,443	8,112,267
Other revenues	13,204,753	13,769,136	13,025,569	12,541,248	11,312,605
Total local sources	<u>220,157,370</u>	<u>233,017,176</u>	<u>220,848,528</u>	<u>236,234,095</u>	<u>193,588,712</u>
Total revenues	<u>\$ 279,999,732</u>	<u>\$ 285,018,256</u>	<u>\$ 274,262,546</u>	<u>\$ 298,957,667</u>	<u>\$ 253,489,368</u>

(Continued)

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Federal sources:					
Federal grants	\$ 10,080,194	\$ 7,918,482	\$ 5,919,742	\$ 7,013,078	\$ 5,587,741
State Fiscal Stabilization (ARRA) Education Jobs (ARRA)					
National School Lunch Program	2,251,152	2,094,378	1,689,375	1,690,509	1,285,941
Total federal sources	<u>12,331,346</u>	<u>10,012,860</u>	<u>7,609,117</u>	<u>8,703,587</u>	<u>6,873,682</u>
State sources:					
State equalization assistance	28,415,236	27,776,834	31,509,424	31,403,378	40,241,296
State grants	11,609,981	10,060,396	7,632,066	8,024,065	556,822
School Facilities Board	2,152,779	2,609,764	59,190	2,440,607	12,369,886
Other revenues					75,556
Total state sources	<u>42,177,996</u>	<u>40,446,994</u>	<u>39,200,680</u>	<u>41,868,050</u>	<u>53,243,560</u>
Local sources:					
Property taxes	155,533,225	155,758,869	149,377,823	135,859,575	132,106,763
County aid	621,810	586,711	947,024	1,108,707	1,201,125
Food service sales	5,461,309	4,821,990	4,404,906	4,367,466	4,323,440
Investment income	5,422,202	3,514,667	776,009	2,167,474	5,045,102
Other revenues	8,899,792	8,319,703	8,861,639	6,779,505	5,614,237
Total local sources	<u>175,938,338</u>	<u>173,001,940</u>	<u>164,367,401</u>	<u>150,282,727</u>	<u>148,290,667</u>
Total revenues	<u>\$ 230,447,680</u>	<u>\$ 223,461,794</u>	<u>\$ 211,177,198</u>	<u>\$ 200,854,364</u>	<u>\$ 208,407,909</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)

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenditures:					
Current -					
Instruction	\$ 110,093,348	\$ 122,750,360	\$ 127,153,635	\$ 120,381,294	\$ 117,678,953
Support services - students and staff	22,167,880	22,795,238	29,827,558	27,990,156	24,025,178
Support services - administration	16,606,333	17,027,190	17,573,126	18,852,748	18,845,652
Operation and maintenance of plant services	24,192,366	23,245,880	18,574,493	17,565,176	18,610,793
Student transportation services	9,019,241	9,147,622	8,781,402	8,821,119	8,325,830
Operation of non-instructional services	13,842,184	14,466,608	13,811,574	12,701,796	10,308,291
Capital outlay	28,711,644	25,897,304	28,265,833	90,509,728	108,363,299
Debt service -					
Judgments against the district			1,037,611		
Capital lease payments					
Interest, premium and fiscal charges	13,026,538	15,545,637	15,314,478	16,893,641	15,630,522
Principal retirement	47,910,137	51,876,240	42,208,349	45,658,288	40,696,264
Payment to refunded bond escrow agent	2,085,933				
Bond issuance costs	796,980				946,477
Total expenditures	<u>\$ 288,452,584</u>	<u>\$ 302,752,079</u>	<u>\$ 302,548,059</u>	<u>\$ 359,373,946</u>	<u>\$ 363,431,259</u>
Expenditures for capitalized assets	\$ 14,584,385	\$ 8,322,513	\$ 15,287,498	\$ 75,919,035	\$ 93,375,356
Debt service as a percentage of noncapital expenditures	23%	23%	20%	22%	21%

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Expenditures:					
Current -					
Instruction	\$ 105,288,856	\$ 103,761,206	\$ 100,457,352	\$ 99,743,567	\$ 92,041,416
Support services - students and staff	22,108,327	19,325,577	55,079,972	58,225,075	62,984,498
Support services - administration	16,604,220	13,966,028			
Operation and maintenance of plant services	15,941,269	15,166,294			
Student transportation services	7,437,871	5,975,282			
Operation of non-instructional services	8,392,428	9,126,402	7,406,004	6,172,603	6,120,433
Capital outlay	62,256,553	21,184,648	3,325,950	15,102,923	45,702,998
Debt service -					
Judgments against the district					
Capital lease payments			348,545	316,685	274,222
Interest, premium and fiscal charges	15,503,270	11,249,997	12,175,328	13,009,151	15,937,194
Principal retirement	22,131,108	23,370,540	20,120,000	17,730,000	14,680,000
Payment to refunded bond escrow agent			2,000,000	5,000,000	675,000
Bond issuance costs		254,018			
Total expenditures	<u>\$ 275,663,902</u>	<u>\$ 223,379,992</u>	<u>\$ 200,913,151</u>	<u>\$ 215,300,004</u>	<u>\$ 238,415,761</u>
Expenditures for capitalized assets	\$ 50,898,850	\$ 15,108,111	\$ 9,561,463	\$ 33,523,096	\$ 80,447,954
Debt service as a percentage of noncapital expenditures	17%	17%	18%	20%	20%

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Excess (deficiency) of revenues over expenditures	\$ (8,452,852)	\$ (17,733,823)	\$ (28,285,513)	\$ (60,416,279)	\$ (109,941,891)
Other financing sources (uses):					
General obligation bonds issued	59,000,000				117,000,000
Refunding bonds issued	31,000,000				100,600,000
Premium on sale of refunding bonds					8,163,526
Premium on sale of bonds	2,154,160				1,977,144
Capital lease agreements	6,593,460	9,151,403	1,007,861	1,067,229	288,337
Transfers in	2,075,111	6,409,941	3,441,638	1,903,033	6,293,185
Transfers out	(2,075,111)	(6,409,941)	(3,441,638)	(1,903,033)	(6,293,185)
Payment to refunded bond escrow agent	(32,172,780)				(108,408,052)
Total other financing sources (uses)	<u>66,574,840</u>	<u>9,151,403</u>	<u>1,007,861</u>	<u>1,067,229</u>	<u>119,620,955</u>
Changes in fund balances	<u>\$ 58,121,988</u>	<u>\$ (8,582,420)</u>	<u>\$ (27,277,652)</u>	<u>\$ (59,349,050)</u>	<u>\$ 9,679,064</u>
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Excess (deficiency) of revenues over expenditures	\$ (45,216,222)	\$ 81,802	\$ 10,264,047	\$ (14,445,640)	\$ (30,007,852)
Other financing sources (uses):					
General obligation bonds issued		100,000,000			
Refunding bonds issued			34,183,640	133,675,000	37,517,122
Premium on sale of bonds		1,999,417			
Proceeds from sale of capital assets			33,577	161,808	30,143
Capital lease agreements	89,133	1,392,881	15,278	15,818	73,063
Transfers in	2,371,905	3,016,380	350,370	525,752	1,676,186
Transfers out	(2,371,905)	(3,016,380)	(350,370)	(525,752)	(1,676,186)
Payment to refunded bond escrow agent			(34,183,640)	(133,675,000)	(37,517,122)
Total other financing sources (uses)	<u>89,133</u>	<u>103,392,298</u>	<u>48,855</u>	<u>177,626</u>	<u>103,206</u>
Changes in fund balances	<u>\$ (45,127,089)</u>	<u>\$ 103,474,100</u>	<u>\$ 10,312,902</u>	<u>\$ (14,268,014)</u>	<u>\$ (29,904,646)</u>

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Real Property		Personal Property	Historical Property	Less: Tax Exempt Real Property	Secondary Assessed Valuation	Total Direct Rate	Estimated Actual Value	Ratio of Net Assessed to Estimated Actual Value
	Residential Property	Commercial Property							
2011	\$ 4,161,468,808	\$ 2,743,353,679	\$ 202,822,119	\$5,845,523	\$ 794,135,691	\$ 6,319,354,438	3.75	\$ 57,348,835,479	11.02 %
2010	4,855,725,851	3,035,600,220	213,010,930	2,433,946	905,091,342	7,201,679,605	3.78	65,521,183,653	10.99
2009						7,159,783,184	3.89	65,628,952,152	10.91
2008						6,183,080,117	4.68	55,670,082,475	11.11
2007						4,363,145,629	4.71	37,133,132,154	11.75
2006						4,062,407,764	4.68	34,914,943,036	11.64
2005						3,746,387,346	5.03	31,776,527,063	11.79
2004						3,496,719,828	5.19	28,139,955,079	12.43
2003						3,098,562,046	5.30	24,134,530,787	12.84
2002						2,979,814,139	5.44	23,423,772,659	12.72

PROPERTY TAX ASSESSMENT RATIOS

Fiscal Year Ended June 30	Mining, Utilities, Commercial and Industrial Property	Agriculture and Vacant Land	Owner Occupied Residential Property	Leased or Rented Residential Property	Railroad, Private Car Company and Airline Flight Property
2011	20%	16%	10%	10%	15%
2010	21%	16%	10%	10%	17%
2009	22%	16%	10%	10%	18%
2008	23%	16%	10%	10%	20%
2007	24%	16%	10%	10%	21%

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.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates							District Direct Rates		
	State	County	Community College District	City of Scottsdale	City of Phoenix	City of Tempe	East Valley Institute of Technology School District No. 401	Primary	Secondary	Total
	Equalization									
2011	0.36	1.05	0.97	0.90	1.82	1.40	0.05	2.40	1.35	3.75
2010	0.33	0.99	0.88	0.74	1.82	1.40	0.05	2.44	1.34	3.78
2009		1.03	0.94	0.79	1.82	1.40	0.05	2.82	1.07	3.89
2008		1.10	0.98	0.79	1.82	1.40	0.05	3.42	1.26	4.68
2007		1.18	1.06	0.97	1.82	1.40	0.05	3.45	1.26	4.71
2006		1.20	1.03	1.04	1.82	1.40	0.06	3.46	1.22	4.68
2005		1.21	1.04	1.07	1.82	1.40	0.10	3.77	1.26	5.03
2004		1.55	1.08	1.12	1.82	1.40	0.10	3.89	1.30	5.19
2003		1.54	1.11	1.16	1.82	1.40	0.12	3.94	1.36	5.30
2002		1.55	1.11	1.15	1.82	1.40	0.11	4.08	1.36	5.44

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

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Taxpayer</u>	<u>2011</u>		<u>2002</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>
Scottsdale Fashion Square	\$ 61,195,003	0.97 %	\$ 48,645,138	1.57 %
Arizona Public Service Company	48,136,388	0.76		
Starwood Phoenician CMBA 1 LLC	36,911,637	0.58	38,355,879	1.24
Portales Corporate Center LLC	24,596,952	0.39		
Gainey Ranch Financial	23,045,211	0.36	16,171,688	0.52
Qwest Corporation	21,763,893	0.34	30,441,965	0.98
EHNY Montelucia Resort LLC	21,519,378	0.34		
JEMB Scottsdale LLC	19,341,848	0.31		
Scottsdale Fiesta Retail Center LLC	15,750,003	0.25		
KBS TRS Fund IV	15,348,261	0.24		
Gainey Drive Associates			15,938,660	0.51
MCI World Com			23,195,404	0.75
General Dynamics System			19,721,311	0.64
Marriot Corporation			11,157,802	0.36
Scottsdale Plaza Resort			9,482,053	0.31
	<u>\$ 287,608,574</u>	<u>4.54 %</u>	<u>\$ 213,109,900</u>	<u>6.88 %</u>

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 227,752,165	\$ 217,680,125	95.58 %	\$	\$ 217,680,125	95.58 %
2010	242,359,809	220,594,794	91.02	12,621,425	233,216,219	96.23
2009	227,393,423	212,062,159	93.26	12,904,511	224,966,670	98.93
2008	237,417,646	230,341,958	97.02	7,058,598	237,400,556	99.99
2007	193,926,037	188,685,468	97.30	5,229,951	193,915,419	99.99
2006	178,630,188	171,535,877	96.03	7,066,218	178,602,095	99.98
2005	177,711,029	171,309,334	96.40	6,372,466	177,681,800	99.98
2004	168,823,363	162,620,956	96.33	6,182,031	168,802,987	99.99
2003	156,676,979	149,423,536	95.37	7,240,479	156,664,015	99.99
2002	151,152,592	146,928,218	97.21	4,214,789	151,143,007	99.99

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.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
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	
2011	\$ 252,550,000	\$ 8,442,094	\$244,107,906	0.43 %	\$ 858	\$ 13,007,582	\$257,115,488	0.45 %	\$ 904	1.81 %	
2010	271,585,000	31,955,000	239,630,000	0.37	911	8,244,259	247,874,259	0.38	942	1.68	
2009	321,805,000	32,990,000	288,815,000	0.44	1,097	1,784,096	290,599,096	0.44	1,104	2.08	
2008	375,460,000	45,155,000	330,305,000	0.59	1,397	1,494,584	331,799,584	0.60	1,404	2.51	
2007	402,600,000	27,140,000	375,460,000	1.01	1,235	930,643	376,390,643	1.01	1,238	3.12	
2006	320,655,000	21,855,000	298,800,000	0.86	1,183	998,570	299,798,570	0.86	1,187	2.70	
2005	343,605,000	22,950,000	320,655,000	1.01	1,474	1,185,545	321,840,545	1.01	1,479	3.15	
2004	263,725,000	20,120,000	243,605,000	0.87	1,133	213,204	243,818,204	0.87	1,134	2.51	
2003	283,440,000	17,730,000	265,710,000	1.10	1,311	546,471	266,256,471	1.10	1,314	2.85	
2002	300,265,000	14,680,000	285,585,000	1.22	1,462	847,338	286,432,338	1.22	1,466	3.19	

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2011

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Maricopa County Community College District	\$ 587,930,000	12.72 %	\$ 74,784,696
City of Scottsdale	578,190,000	59.85	346,046,715
City of Phoenix	1,631,804,000	5.42	88,443,777
City of Tempe	462,560,000	0.67	3,099,152
DC Ranch Community Facilities District	16,290,000	100.00	16,290,000
McDowell Mountain Ranch Community Facilities District	13,265,000	100.00	13,265,000
Scottsdale Mountain Community Facilities District	3,005,000	100.00	3,005,000
Via Linda Road Community Facilities District	2,455,000	100.00	2,455,000
Waterfront Community Facilities District	3,745,000	100.00	3,745,000
Subtotal, Overlapping Debt			<u>551,134,340</u>
Direct:			
Scottsdale Unified School District No. 48			<u>244,107,906</u>
Total Direct and Overlapping Debt			<u><u>\$ 795,242,246</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, 2010 is presented for the overlapping governments as this is the most recent available information.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2011:

Secondary assessed valuation	\$ 6,319,354,438
Debt limit (10% of assessed value)	631,935,444
Debt applicable to limit	<u>247,650,000</u>
Legal debt margin	<u><u>\$ 384,285,444</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2011:

Secondary assessed valuation	\$ 6,319,354,438
Debt limit (30% of assessed value)	1,895,806,331
Debt applicable to limit	<u>252,550,000</u>
Legal debt margin	<u><u>\$ 1,643,256,331</u></u>

Fiscal Year Ended June 30

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Debt limit	\$ 1,895,806,331	\$ 2,160,503,882	\$ 2,147,934,955	\$ 1,854,924,035	\$ 1,308,943,689
Total net debt applicable to limit	<u>252,550,000</u>	<u>239,630,000</u>	<u>288,815,000</u>	<u>330,305,000</u>	<u>375,460,000</u>
Legal debt margin	<u><u>\$ 1,643,256,331</u></u>	<u><u>\$ 1,920,873,882</u></u>	<u><u>\$ 1,859,119,955</u></u>	<u><u>\$ 1,524,619,035</u></u>	<u><u>\$ 933,483,689</u></u>
Total net debt applicable to the limit as a percentage of debt limit	13%	11%	13%	18%	29%
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Debt limit	\$ 1,218,722,329	\$ 1,123,916,204	\$ 1,049,015,948	\$ 929,568,614	\$ 893,944,242
Total net debt applicable to limit	<u>298,800,000</u>	<u>320,655,000</u>	<u>243,605,000</u>	<u>265,710,000</u>	<u>285,585,000</u>
Legal debt margin	<u><u>\$ 919,922,329</u></u>	<u><u>\$ 803,261,204</u></u>	<u><u>\$ 805,410,948</u></u>	<u><u>\$ 663,858,614</u></u>	<u><u>\$ 608,359,242</u></u>
Total net debt applicable to the limit as a percentage of debt limit	25%	29%	23%	29%	32%

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.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
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>
2010	4,023,331	\$ 142,091,618	\$ 35,319	9.1 %	284,440
2009	3,862,036	147,122,078	37,168	8.7	263,061
2008	3,987,942	139,665,253	36,135	4.9	263,192
2007	3,907,492	132,423,154	35,046	3.2	236,373
2006	3,792,675	120,716,738	33,178	3.5	304,000
2005	3,895,205	111,103,576	31,757	4.4	252,500
2004	3,742,460	102,277,852	30,160	4.6	217,555
2003	3,598,440	96,998,974	29,020	5.0	215,090
2002	3,296,300	93,544,549	29,117	5.3	202,705
2001	3,192,100	89,771,608	28,329	4.1	195,398

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 is University of Arizona, Eller College of Management, Economic and Business Research Center.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2011</u>		<u>2002</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	49,958	3.14 %	59,348	3.36 %
Wal-Mart Stores Inc.	28,246	1.78	13,800	0.78
Banner Health Systems	19,250	1.21	13,913	0.79
City of Phoenix	13,844	0.87	12,917	0.73
Maricopa County	13,002	0.82	13,860	0.79
Wells Fargo Company	11,533	0.73	7,640	0.43
Arizona State University	11,202	0.71	8,000	0.45
U.S. Postal Service	11,000	0.69	9,756	0.55
Honeywell	10,700	0.67	16,500	0.93
Intel Corp.	10,100	0.64	9,000	0.51
US Airways	9,940	0.63	8,616	0.49
Bashas' Inc.	9,902	0.62		
Albertsons/Osco	9,500	0.60		
Safeway Inc.	9,286	0.58	8,500	0.48
Fry's Food and Drug Stores	9,200	0.58	7,500	0.42
Mesa Public Schools	8,716	0.55	6,754	0.38
JP Morgan Chase & Co	8,700	0.55	9,000	0.51
Target Corp.	8,246	0.52		
Luke Air Force Base	8,000	0.50	5,455	0.31
Bank of America	7,268	0.46	5,458	0.31
American Express Co.	7,000	0.44	9,000	0.51
Apollo Group Inc.	6,291	0.40		
Arizona Public Service			6,300	0.36
Qwest Communications Inc.			7,500	0.42
Tosco Marketing Co.			5,801	0.33
Total	<u>280,884</u>	<u>17.69</u> %	<u>244,618</u>	<u>13.84</u> %
Total employment	<u>1,588,700</u>		<u>1,764,964</u>	

Source: The Business Journal Book of Lists and the Arizona Workforce Informer.

Note: The information presented is county-wide.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST EIGHT FISCAL YEARS

	Full-time Equivalent Employees as of June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Supervisory					
Consultants/supervisors of instruction	15	14	18	17	16
Principals	29	31	31	32	27
Assistant principals	38	38	45	43	35
Total supervisory	<u>82</u>	<u>83</u>	<u>94</u>	<u>92</u>	<u>78</u>
Instruction					
Teachers	1,402	1,480	1,590	1,608	1,580
Other professionals (instructional)	118	113	112	89	65
Aides	353	317	314	282	166
Total instruction	<u>1,873</u>	<u>1,910</u>	<u>2,016</u>	<u>1,979</u>	<u>1,811</u>
Student Services					
Librarians	9	11	11	31	37
Technicians	27	28	28	41	3
Total student services	<u>36</u>	<u>39</u>	<u>39</u>	<u>72</u>	<u>40</u>
Support and Administration					
Service Workers	447	569	613	618	595
Unskilled laborers	353	255	250	242	240
Total support and administration	<u>800</u>	<u>824</u>	<u>863</u>	<u>860</u>	<u>835</u>
Total	<u><u>2,791</u></u>	<u><u>2,856</u></u>	<u><u>3,012</u></u>	<u><u>3,003</u></u>	<u><u>2,764</u></u>

(Continued)

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST EIGHT FISCAL YEARS

	Full-time Equivalent Employees as of June 30		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Supervisory			
Consultants/supervisors of instruction	16	16	16
Principals	32	32	31
Assistant principals	36	36	36
Total supervisory	<u>84</u>	<u>84</u>	<u>83</u>
Instruction			
Teachers	1,462	1,457	1,447
Other professionals (instructional)	87	86	85
Aides	197	187	182
Total instruction	<u>1,746</u>	<u>1,730</u>	<u>1,714</u>
Student Services			
Librarians	27	25	24
Technicians	3	19	17
Total student services	<u>30</u>	<u>44</u>	<u>41</u>
Support and Administration			
Service Workers	600	525	522
Unskilled laborers	234	235	234
Total support and administration	<u>834</u>	<u>760</u>	<u>756</u>
Total	<u><u>2,694</u></u>	<u><u>2,618</u></u>	<u><u>2,594</u></u>

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

(Concluded)

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2011	24,802	\$ 195,921,352	\$ 7,899	(4.08) %	\$ 238,913,452	\$ 9,633	(4.03) %	1,873	13.2	25.7 %
2010	25,432	209,432,898	8,235	(2.11)	255,259,418	10,037	(1.14)	1,593	16.0	24.7
2009	25,642	215,721,788	8,413	2.10	260,341,368	10,153	1.40	1,702	15.1	22.1
2008	25,038	206,312,289	8,240	5.64	250,693,175	10,013	5.08	1,697	14.8	19.3
2007	25,358	197,794,697	7,800	13.31	241,615,730	9,528	11.44	1,645	15.4	19.9
2006	25,534	175,772,971	6,884	3.99	218,317,279	8,550	13.26	1,592	16.0	18.1
2005	25,277	167,320,789	6,619	3.64	190,809,956	7,549	4.27	1,825	13.9	18.1
2004	25,511	162,943,328	6,387	1.55	184,694,299	7,240	5.91	1,590	16.0	16.2
2003	26,098	164,141,245	6,289	1.73	178,407,189	6,836	8.22	1,680	15.5	15.0
2002	26,064	161,146,347	6,183	N/A	164,633,831	6,317	N/A	1,628	16.0	N/A

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

Notes: 1) Operating expenditures are total expenditures less debt service and capital outlay.

2) N/A indicates that the information is not available.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<u>Schools</u>										
Elementary										
Buildings	166	166	166	166	166	160	160	160	160	160
Square feet	1,399,949	1,399,949	1,399,949	1,399,949	1,399,949	1,389,364	1,389,364	1,389,364	1,389,364	1,380,364
Capacity	15,336	15,336	15,336	15,336	15,336	15,336	15,336	15,336	15,336	15,336
Enrollment	12,816	13,694	13,727	11,734	11,674	11,826	10,471	11,947	11,964	14,563
Middle										
Buildings	78	78	78	78	78	78	78	78	78	78
Square feet	859,360	859,360	859,360	859,360	859,360	859,360	859,360	859,360	859,360	859,360
Capacity	8,592	8,592	8,592	8,592	8,592	8,592	8,592	8,592	8,592	8,592
Enrollment	4,349	4,566	4,640	5,231	5,091	5,105	6,400	5,838	5,830	4,200
High										
Buildings	48	48	48	42	42	49	49	49	49	49
Square feet	1,729,392	1,729,392	1,729,392	1,665,520	1,405,247	1,424,419	1,429,419	1,424,419	1,424,419	1,424,419
Capacity	11,784	11,784	11,784	12,598	10,630	10,630	10,630	10,630	10,630	10,630
Enrollment	8,724	8,724	8,510	8,858	8,498	8,514	8,318	8,167	8,205	8,124
Other										
Buildings	4	4	4	4	4	1	1	1	1	N/A
Square feet	33,998	33,998	33,998	33,998	33,998	18,000	18,000	18,000	18,000	N/A
Capacity	250	250	250	250	250	250	250	250	250	N/A
Enrollment	82	98	115	100	100	72	93	81	90	N/A
<u>Administrative</u>										
Buildings	3	3	3	3	3	3	3	3	3	3
Square feet	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
<u>Transportation</u>										
Garages	2	2	2	2	2	2	2	2	2	2
Buses	211	202	202	202	202	202	204	159	151	143
<u>Athletics</u>										
Football fields	5	5	5	5	5	5	5	5	5	5
Soccer fields	7	0	0	0	0	0	0	0	0	0
Running tracks	5	5	5	5	5	5	5	5	5	5
Baseball/softball	63	63	63	63	63	59	59	59	59	59
Swimming pools	0	0	0	0	0	0	0	0	0	0
Playgrounds	67	22	22	22	22	22	22	22	22	22

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