
SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013



Arizona's Most Excelling School District!

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48

PHOENIX, ARIZONA

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

Issued by:
Finance Department

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48

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INTRODUCTORY SECTION

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Education Center
3811 North 44th Street
Phoenix, Arizona 85018-5420

Telephone: 480-484-6100
FAX: 480-484-6295
Web site: www.susd.org

December 10, 2013

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, 2013.

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

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

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

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

PROFILE OF THE DISTRICT

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from kindergarten through grade 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 283,918.

The District has 31 schools on 30 sites with a 2012-13 average daily membership of 24,184, a decrease of one percent from the previous school year. Over 3,700 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 283,918, an increase of 118 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 32,000 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 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 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. The City has seen growth in the housing and commercial sector in 2013. 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 has seen student counts remain flat over the past 10 years. The primary assessed value has grown at an average rate of 5.0 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 "Students 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 completing 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 is providing 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 positive cash flow this has created to the District is \$295,000 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 elevated solar structures include Anasazi Elementary, Cheyenne Traditional School, Cherokee Elementary, Cochise Elementary, Laguna Elementary, Redfield Elementary, Sequoya 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, 2012. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2012. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the 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,

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal line at the end.

Dr. David Peterson
Superintendent

A handwritten signature in black ink, featuring a stylized 'D' and 'B' followed by a horizontal line.

Daniel O'Brien
CFO

Association of School Business Officials International



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

Scottsdale Unified School District No. 48

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

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



A handwritten signature in cursive script, reading 'Ron McCulley', written over a horizontal line.

Ron McCulley, CPPB, RSBO
President

A handwritten signature in cursive script, reading 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Scottsdale Unified School
District No. 48, Arizona**

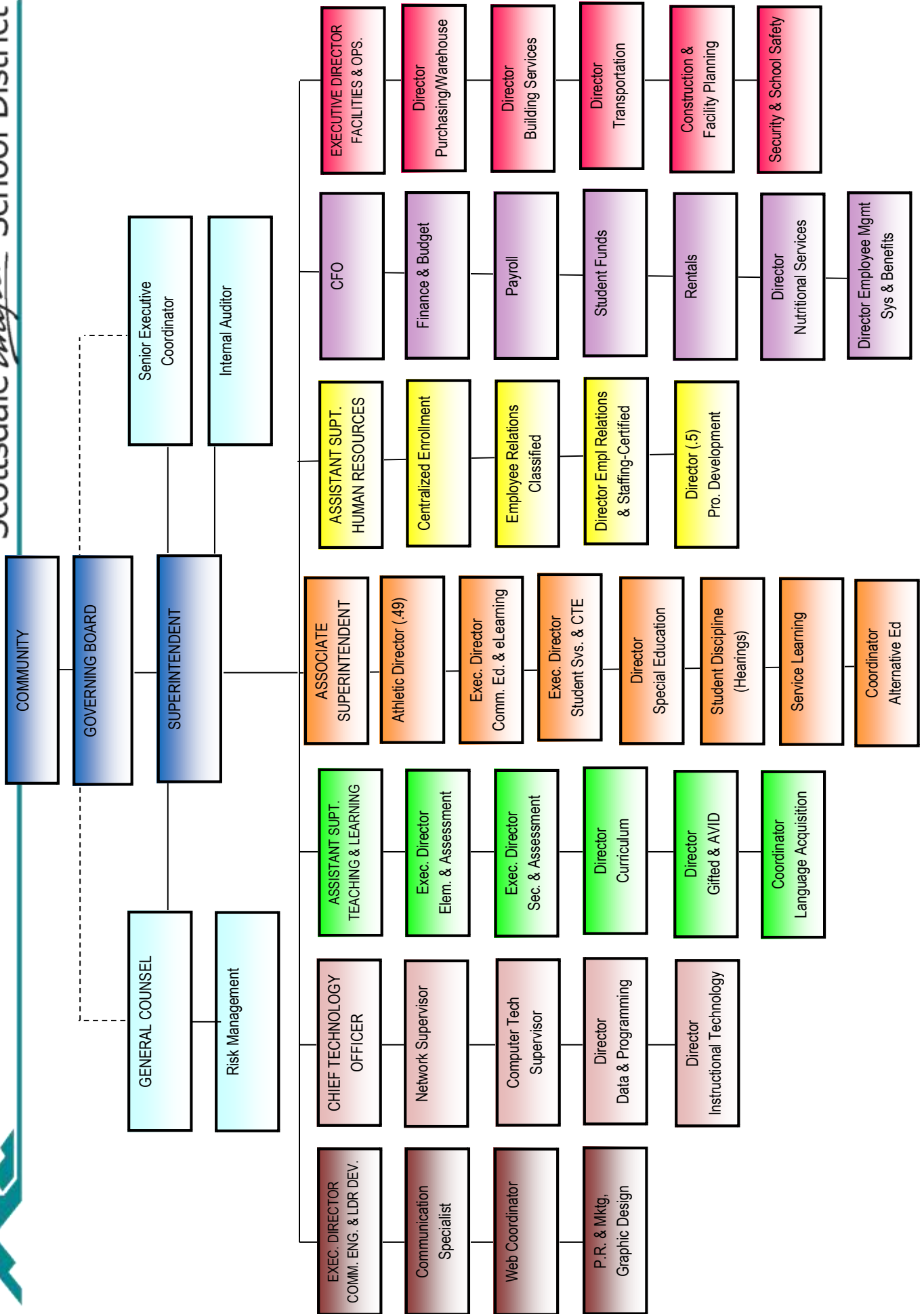
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO



Scottsdale Unified School District



SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48

**LIST OF PRINCIPAL OFFICIALS
AS OF JUNE 30, 2013**

GOVERNING BOARD

Pam Kirby
President

Denny Brown
Vice President

Barbara Perleberg
Member

Bonnie Sneed
Member

George Jackson
Member

ADMINISTRATIVE STAFF

Dr. David Peterson, Superintendent

Rick Freeman, Executive Director of Facilities and Operations

Daniel O'Brien, Chief Financial Officer

Dr. Andi Fournalis, Assistant Superintendent for Teaching and Learning

Michelle Marshall, General Counsel

Dr. Jeff Thomas, Associate Superintendent

Clif McKenzie, Executive Director for K-12 Athletics

Dr. Milissa Sackos, Executive Director for Student Services and CTE

Dr. Pam Sitton, Assistant Superintendent for Human Resources

Dr. Mitch von Gnechten, Executive Director of Secondary Education and Assessment

Dr. David McNeil, Executive Director of Elementary Education and Assessment

Dr. Chris Thuman, Executive Director of Community Education and On-Line Learning

Tom Clark, Chief Technology Officer

Dr. Anne-Marie Woolsey, Executive Director for Community Engagement and Leadership
Development

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Scottsdale Unified School District No. 48

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Scottsdale Unified School District No. 48 (District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Scottsdale Unified School District No. 48, as of June 30, 2013, 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.

Change in Accounting Principle

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 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.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2013, on our consideration of 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* in considering Scottsdale Unified School District No. 48's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

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

December 10, 2013

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, 2013**

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, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$11.9 million, which represents a 5 percent increase from the prior fiscal year, as a result of the completion of several school construction/remodeling projects and solar installation projects.
- General revenues accounted for \$205.2 million in revenue, or 84 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$39.2 million or 16 percent of total current fiscal year revenues.
- The District had approximately \$232.5 million in expenses related to governmental activities, a decrease of 8 percent from the prior fiscal year.
- Among major funds, the General Fund had \$156.1 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$158.0 million in expenditures. The General Fund's fund balance decrease from \$14.2 million at the prior fiscal year end to \$12.7 million at the end of the current fiscal year was primarily due to a transfer of energy savings to the Energy and Water Savings Fund.
- Net position for the Internal Service Funds increased \$1.1 million from the prior fiscal year as a result of premium expenses being paid out of other governmental funds to take advantage of excess budget capacity. Operating expenses of \$960,168 exceeded operating revenues of \$1.8 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, 2013

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

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

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into 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, 2013

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, Debt Service and Bond Building Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

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, 2013**

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$270.9 million at the current year end.

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

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

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

	As of <u>June 30, 2013</u>	As of <u>June 30, 2012</u>
Current and other assets	\$ 121,245,829	\$ 182,115,866
Capital assets, net	500,697,193	474,352,383
Total assets	<u>621,943,022</u>	<u>656,468,249</u>
Current and other liabilities	20,172,060	37,777,853
Long-term liabilities	<u>330,884,021</u>	<u>359,742,131</u>
Total liabilities	<u>351,056,081</u>	<u>397,519,984</u>
Net position:		
Net investment in capital assets	185,819,660	171,205,695
Restricted	21,654,982	38,009,432
Unrestricted	<u>63,412,299</u>	<u>49,733,138</u>
Total net position	<u>\$ 270,886,941</u>	<u>\$ 258,948,265</u>

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

The District's financial position is the product of several financial transactions including the net 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 Position.

- The principal retirement of \$24.0 million of bonds.
- The addition of \$44.7 million in capital assets.
- The principal retirement of \$4.8 million of capital leases.
- The increase of \$1.6 million in prepaid items.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

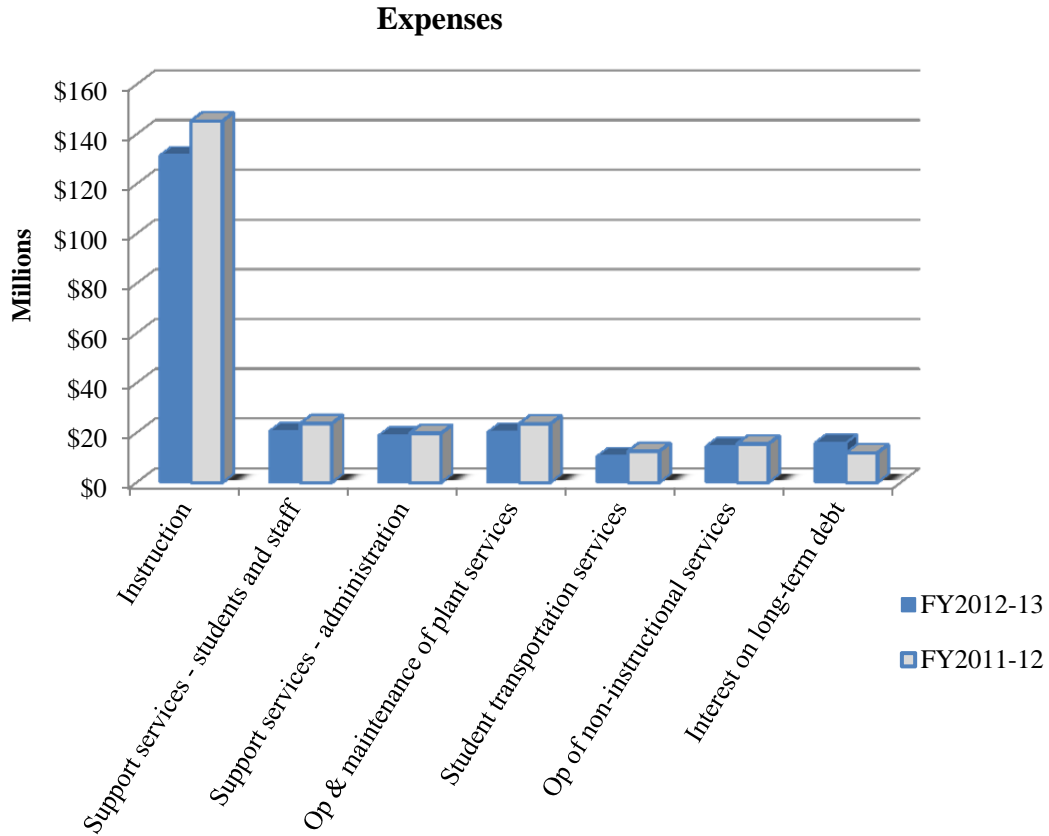
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Changes in net position. The District's total revenues for the current fiscal year were \$244.4 million. The total cost of all programs and services was \$232.5 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2013 and June 30, 2012.

	Fiscal Year Ended <u>June 30, 2013</u>	Fiscal Year Ended <u>June 30, 2012</u>
Revenues:		
Program revenues:		
Charges for services	\$ 19,564,131	\$ 19,129,489
Operating grants and contributions	18,459,174	17,597,115
Capital grants and contributions	1,134,264	741,507
General revenues:		
Property taxes	171,512,451	173,846,105
Investment income	530,349	599,421
Unrestricted state aid	32,456,652	33,672,103
Unrestricted federal aid	748,901	618,328
Total revenues	<u>244,405,922</u>	<u>246,204,068</u>
Expenses:		
Instruction	131,532,492	145,322,440
Support services – students and staff	20,600,353	23,705,530
Support services – administration	18,881,552	19,752,995
Operation and maintenance of plant services	20,336,972	23,521,103
Student transportation services	10,525,225	12,543,222
Operation of non-instructional services	14,585,168	15,497,702
Interest on long-term debt	16,005,484	11,911,009
Total expenses	<u>232,467,246</u>	<u>252,254,001</u>
Changes in net position	<u>11,938,676</u>	<u>(6,049,933)</u>
Net position, beginning	<u>258,948,265</u>	<u>264,998,198</u>
Net position, ending	<u>\$ 270,886,941</u>	<u>\$ 258,948,265</u>

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)



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

- Instruction expenses decreased \$13.8 million due to a combination of budget reductions and decreased funding in Classroom Site monies.
- Interest on long-term debt expenses increased \$4.1 million due to an increase in capital lease interest expense, as well as changes in interest expenses in accordance with bond requirements.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

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.

	<u>Year Ended June 30, 2013</u>		<u>Year Ended June 30, 2012</u>	
	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>
Instruction	\$ 131,532,492	\$(117,379,368)	\$ 145,322,440	\$(127,319,951)
Support services – students and staff	20,600,353	(16,761,662)	23,705,530	(19,615,236)
Support services – administration	18,881,552	(18,514,866)	19,752,995	(19,273,846)
Operation and maintenance of plant services	20,336,972	(17,951,407)	23,521,103	(22,316,896)
Student transportation services	10,525,225	(10,499,793)	12,543,222	(12,468,211)
Operation of non-instructional services	14,585,168	(22,428)	15,497,702	(4,212,303)
Interest on long-term debt	16,005,484	(12,180,153)	11,911,009	(9,579,447)
Total	<u>\$ 232,467,246</u>	<u>(193,309,677)</u>	<u>\$ 252,254,001</u>	<u>\$(214,785,890)</u>

- The cost of all governmental activities this year was \$232.5 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$39.2 million.
- Net cost of governmental activities of \$193.3 million was financed by general revenues, which are made up of primarily property taxes of \$171.5 million and state aid of \$32.5 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.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

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

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 \$38.9 million, a decrease of \$47.5 million due primarily to the construction and remodeling of schools utilizing bond proceeds.

The General Fund comprises 33 percent of the total fund balance. Approximately \$10.7 million, or 84 percent of the General Fund's fund balance, is unassigned fund balance.

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$1.5 million to \$12.7 million as of fiscal year end was a result of a transfer of energy savings to the Energy and Water Savings Fund. General Fund revenues increased \$1.0 million. General Fund expenditures decreased \$699,681.

The fund balance in the Debt Service Fund decreased \$3.8 million. Fund balance in this fund changes as resources needed to service the District's debt fluctuates.

The fund balance in the Bond Building Fund was \$5.4 million as of year end. The decrease in fund balance of \$30.2 million during the year was primarily due to spending bond proceeds.

Proprietary funds. Unrestricted net position of the Internal Service Funds at the end of the fiscal year amounted to \$13.7 million. The increase of \$1.1 million from the prior fiscal year was due to a decrease in premium expense.

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 \$1.1 million decrease, or less than one 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 expenditure variances are summarized as follows:

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

BUDGETARY HIGHLIGHTS (Concl'd)

- The unfavorable variance of \$1.5 million in instruction expenditures was because of budget updates in anticipation of the phase out of the M&O override.
- The favorable variance of \$1.7 million in student transportation services was a result of increased operational efficiencies.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$701.5 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$41.9 million from the prior fiscal year, primarily due to the construction/remodeling of several schools. Total depreciation expense for the current fiscal year was \$18.3 million.

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

	As of <u>June 30, 2013</u>	As of <u>June 30, 2012</u>
Capital assets – non-depreciable	\$ 93,158,665	\$ 117,868,527
Capital assets – depreciable, net	407,538,528	356,483,856
Total	<u>\$ 500,697,193</u>	<u>\$ 474,352,383</u>

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

Debt Administration. At year-end, the District had \$320.3 million in long-term debt outstanding, \$27.3 million due within one year. This represents a net decrease of \$28.8 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 \$1.3 billion and the Class B debt limit is \$440.8 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 8 - 10.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

- Fiscal year 2012-13 budget balance carry forward (\$2,779,298 for Maintenance and Operations and \$57,451 for Career Ladder)
- District student population (24,518)

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 4 percent to \$148.0 million in fiscal year 2013-14. In fiscal year 2013-2014, the District will be in the first year of the phase out of the M&O override. The phase out will result in a reduction of \$4.3 million in budget capacity. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2013-14 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the 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 POSITION
JUNE 30, 2013

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 81,218,111
Property taxes receivable	24,859,216
Accounts receivable	221,664
Deposits	200,000
Due from governmental entities	12,500,336
Prepaid items	2,065,215
Inventory	181,287
Total current assets	<u>121,245,829</u>
Noncurrent assets:	
Land	26,951,811
Land improvements	18,507,774
Buildings and improvements	550,472,486
Vehicles, furniture and equipment	39,397,286
Construction in progress	66,206,854
Accumulated depreciation	(200,839,018)
Total noncurrent assets	<u>500,697,193</u>
Total assets	<u>621,943,022</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	3,941,081
Construction contracts payable	2,314,833
Accrued payroll and employee benefits	6,814,775
Compensated absences payable	530,620
Accrued interest payable	6,873,443
Unearned revenues	227,928
Obligations under capital leases	2,354,946
Bonds payable	24,966,250
Total current liabilities	<u>48,023,876</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>303,032,205</u>
Total noncurrent liabilities	<u>303,032,205</u>
Total liabilities	<u>351,056,081</u>
<u>NET POSITION</u>	
Net investment in capital assets	185,819,660
Restricted for:	
Federal and state projects	2,235,110
Food service	1,601,718
Other local initiatives	4,772,895
Debt service	7,764,669
Capital outlay	5,280,590
Unrestricted	63,412,299
Total net position	<u>\$ 270,886,941</u>

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, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 131,532,492	\$ 8,214,022	\$ 4,804,838	\$ 1,134,264	\$ (117,379,368)
Support services - students and staff	20,600,353		3,838,691		(16,761,662)
Support services - administration	18,881,552		366,686		(18,514,866)
Operation and maintenance of plant services	20,336,972	1,111,312	1,274,253		(17,951,407)
Student transportation services	10,525,225		25,432		(10,499,793)
Operation of non-instructional services	14,585,168	10,238,797	4,323,943		(22,428)
Interest on long-term debt	16,005,484		3,825,331		(12,180,153)
Total governmental activities	<u>\$ 232,467,246</u>	<u>\$ 19,564,131</u>	<u>\$ 18,459,174</u>	<u>\$ 1,134,264</u>	<u>(193,309,677)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	129,017,671
Property taxes, levied for debt service	33,018,404
Property taxes, levied for capital outlay	9,476,376
Investment income	530,349
Unrestricted state aid	32,456,652
Unrestricted federal aid	748,901

Total general revenues 205,248,353

Changes in net position 11,938,676

Net position, beginning of year 258,948,265

Net position, end of year \$ 270,886,941

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, 2013

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
<u>ASSETS</u>			
Cash and investments	\$ 9,316,365	\$ 37,961,337	\$ 7,588,433
Property taxes receivable	23,794,028	769,190	
Accounts receivable			
Deposits			
Due from governmental entities	7,949,370	873,835	
Due from other funds	1,116,219		
Prepaid items	1,592,417		
Inventory	9,369		
Total assets	<u><u>\$ 43,777,768</u></u>	<u><u>\$ 39,604,362</u></u>	<u><u>\$ 7,588,433</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 3,176,008	\$	\$
Construction contracts payable			2,194,353
Due to other funds			
Accrued payroll and employee benefits	5,200,424		
Deferred revenues	22,710,327	498,210	
Bonds payable		24,966,250	
Bond interest payable		6,873,443	
Total liabilities	<u><u>31,086,759</u></u>	<u><u>32,337,903</u></u>	<u><u>2,194,353</u></u>
Fund balances (deficits):			
Nonspendable	1,601,786		
Restricted	411,173	7,266,459	5,394,080
Unassigned	10,678,050		
Total fund balances	<u><u>12,691,009</u></u>	<u><u>7,266,459</u></u>	<u><u>5,394,080</u></u>
Total liabilities and fund balances	<u><u>\$ 43,777,768</u></u>	<u><u>\$ 39,604,362</u></u>	<u><u>\$ 7,588,433</u></u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 13,110,506	\$ 67,976,641
295,998	24,859,216
221,664	221,664
200,000	200,000
3,677,131	12,500,336
	1,116,219
	1,592,417
171,918	181,287
\$ 17,677,217	\$ 108,647,780

\$ 756,977	\$ 3,932,985
120,480	2,314,833
1,116,219	1,116,219
1,614,351	6,814,775
515,598	23,724,135
	24,966,250
	6,873,443
4,123,625	69,742,640

171,918	1,773,704
13,430,725	26,502,437
(49,051)	10,628,999
13,553,592	38,905,140
\$ 17,677,217	\$ 108,647,780

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SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

Total governmental fund balances		\$ 38,905,140
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 701,536,211	
Less accumulated depreciation	<u>(200,839,018)</u>	500,697,193
<p>Some revenues will not be available to pay for current period expenditures and, therefore, are deferred in the funds.</p>		
Property taxes	23,411,506	
Intergovernmental	<u>84,701</u>	23,496,207
<p>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 Position.</p>		
		13,706,172
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(10,612,408)	
Obligations under capital leases	(33,226,613)	
Bonds payable	<u>(262,078,750)</u>	<u>(305,917,771)</u>
Net position of governmental activities		<u>\$ 270,886,941</u>

The notes to the basic 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, 2013

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 4,583,831	\$ 82,636	\$ 103,805
Property taxes	126,559,701	32,940,414	
State aid and grants	24,256,964		
Federal aid, grants and reimbursements	748,901	1,830,938	
Total revenues	<u>156,149,397</u>	<u>34,853,988</u>	<u>103,805</u>
Expenditures:			
Current -			
Instruction	93,903,873		
Support services - students and staff	15,260,880		
Support services - administration	17,625,221		
Operation and maintenance of plant services	20,723,592		
Student transportation services	8,153,565		
Operation of non-instructional services	352,873		
Capital outlay	1,453,728		30,211,392
Debt service -			
Principal retirement	474,202	24,966,250	
Interest and fiscal charges	24,525	13,751,500	
Total expenditures	<u>157,972,459</u>	<u>38,717,750</u>	<u>30,211,392</u>
Excess (deficiency) of revenues over expenditures	<u>(1,823,062)</u>	<u>(3,863,762)</u>	<u>(30,107,587)</u>
Other financing sources (uses):			
Transfers in	1,706,102	65,358	
Transfers out	(2,914,917)		(65,358)
Total other financing sources (uses):	<u>(1,208,815)</u>	<u>65,358</u>	<u>(65,358)</u>
Changes in fund balances	<u>(3,031,877)</u>	<u>(3,798,404)</u>	<u>(30,172,945)</u>
Fund balances, beginning of year	14,160,453	11,064,863	35,567,025
Increase (decrease) in reserve for prepaid items	1,592,417		
Increase (decrease) in reserve for inventory	(29,984)		
Fund balances, end of year	<u>\$ 12,691,009</u>	<u>\$ 7,266,459</u>	<u>\$ 5,394,080</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 15,094,910	\$ 19,865,182
9,777,796	169,277,911
8,377,912	32,634,876
17,654,979	20,234,818
<u>50,905,597</u>	<u>242,012,787</u>
14,400,440	108,304,313
5,017,492	20,278,372
420,459	18,045,680
721,857	21,445,449
627,568	8,781,133
13,891,595	14,244,468
22,493,564	54,158,684
4,299,622	29,740,074
2,229,459	16,005,484
<u>64,102,056</u>	<u>291,003,657</u>
<u>(13,196,459)</u>	<u>(48,990,870)</u>
2,914,917	4,686,377
<u>(1,706,102)</u>	<u>(4,686,377)</u>
<u>1,208,815</u>	
<u>(11,987,644)</u>	<u>(48,990,870)</u>
25,599,492	86,391,833
(58,256)	1,592,417
	(88,240)
<u>\$ 13,553,592</u>	<u>\$ 38,905,140</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, 2013

Net changes in fund balances - total governmental funds **\$ (47,486,693)**

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	\$ 44,650,197	
Less current year depreciation	<u>(18,261,436)</u>	26,388,761

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

Property taxes	2,234,540	
Intergovernmental	<u>(70,703)</u>	2,163,837

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

Capital lease principal retirement	4,773,824	
Bond principal retirement	<u>24,966,250</u>	29,740,074

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

Loss on disposal of capital assets	(43,951)	
Compensated absences	<u>79,286</u>	35,335

The Internal Service Funds are used by management to charge certain costs to individual funds. The changes in net position of the Internal Service Funds are reported with governmental activities in the Statement of Activities.

1,097,362

Change in net position in governmental activities **\$ 11,938,676**

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 13,241,470
Prepaid items	472,798
Total current assets	13,714,268
Total assets	13,714,268
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	8,096
Total current liabilities	8,096
Total liabilities	8,096
 <u>NET POSITION</u>	
Unrestricted	13,706,172
Total net position	\$ 13,706,172

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 POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Governmental Activities: Internal Service Funds
Operating revenues:	
Other	\$ 760,617
Contributions	1,067,615
Total operating revenues	<u>1,828,232</u>
Operating expenses:	
Other	664,605
Claims	235,061
Administrative fees	60,502
Total operating expenses	<u>960,168</u>
Operating income (loss)	<u>868,064</u>
Nonoperating revenues (expenses):	
Investment income	229,298
Total nonoperating revenues (expenses)	<u>229,298</u>
Changes in net position	<u>1,097,362</u>
Total net position, beginning of year	12,608,810
Total net position, end of year	<u>\$ 13,706,172</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, 2013

	<u>Governmental Activities: Internal Service Funds</u>
<u>Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from contributions	\$ 1,257,237
Cash received from charges for services	760,617
Cash payments to suppliers for goods and services	(3,363,083)
Cash payments for claims	<u>(285,368)</u>
Net cash used for operating activities	<u>(1,630,597)</u>
Cash flows from investing activities:	
Proceeds from sale of investments	769,514
Purchase of investments	(1,316,344)
Investment income	<u>229,298</u>
Net cash used for investing activities	<u>(317,532)</u>
Net decrease in cash and cash equivalents	<u>(1,948,129)</u>
Cash and cash equivalents, beginning of year	<u>3,144,207</u>
Cash and cash equivalents, end of year	<u>\$ 1,196,078</u>
<u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u>	
Cash and investments	\$ 13,241,470
Less investments not maturing in less than three months	<u>12,045,392</u>
Total cash and cash equivalents	<u>\$ 1,196,078</u>
<u>Reconciliation of Operating Income to Net Cash Used for Operating Activities</u>	
Operating income	\$ 868,064
Adjustments to reconcile operating income to net cash used for operating activities:	
Changes in assets and liabilities:	
Decrease in accounts receivable	189,622
Increase in prepaid items	(472,798)
Decrease in accounts payable	(2,165,178)
Decrease in claims payable	<u>(50,307)</u>
Total adjustments	<u>(2,498,661)</u>
Net cash used for operating activities	<u>\$ (1,630,597)</u>

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2013

	Agency
<u>ASSETS</u>	
Cash and investments	\$ 12,507,310
Total assets	\$ 12,507,310
 <u>LIABILITIES</u>	
Deposits held for others	\$ 11,184,258
Due to student groups	1,323,052
Total liabilities	\$ 12,507,310

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, 2013

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

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

A. Reporting Entity

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

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, 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, 2013

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.

The component unit is an internal service fund and does not issue separate financial statements.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District 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, 2013

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, 2013

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, 2013

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.

F. Receivables and Payables

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

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.

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.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

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 and proprietary fund financial statements and as expenditures when purchased on the governmental fund 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

K. Compensated Absences

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

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 position. Bond premiums and discounts, as well as issuance costs and the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight-line 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. Net Position Flow Assumption

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

O. 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, 2013

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

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

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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	\$ 9,369			\$ 171,918
Prepaid items	1,592,417			
Restricted:				
Debt service		7,266,459		
Capital projects	411,173			5,077,621
Bond building projects			5,394,080	
Voter approved initiatives				1,501,118
Federal and State projects				649,291
Extracurricular Activities				2,847,563
Food service				1,429,800
Other purposes				1,925,332
Unassigned	10,678,050			(49,051)
Total fund balances	<u>\$ 12,691,009</u>	<u>\$ 7,266,459</u>	<u>\$ 5,394,080</u>	<u>\$ 13,553,592</u>

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balances- At year end, the Other Federal Projects Fund, a non-major governmental fund, reported a deficit fund balance of \$49,051.

The deficit arose because of operations during the year and prior years. Additional revenues received in fiscal year 2013-14 are expected to eliminate the deficit in the Other Federal Projects 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.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4 - CASH AND INVESTMENTS

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$12,857,866 and the bank balance was \$13,037,423. At year end, \$12,787,423 of the District's deposits were covered by collateral held by the pledging financial institution in the District's name. In addition, the District had \$15,862 of cash on hand at year end.

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

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

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-5	6-10
Corporate Bonds	\$ 8,153,444	\$ 1,720,520	\$ 6,127,366	\$ 305,558
Government Bonds	949,593		124,138	825,455
Taxable Municipal Bonds	519,587	415,849		103,738
Certificates of Deposit	2,422,768	580,419	1,842,349	
		<u>\$ 2,716,788</u>	<u>\$ 8,093,853</u>	<u>\$ 1,234,751</u>
County Treasurer's investment pool	68,806,301	491 days average maturities		
Total	<u>\$ 80,851,693</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.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4 - CASH AND INVESTMENTS (Concl'd)

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 Baa1 to Aa1 by Moody's Investors Service and from AA+ to A- by Standard and Poor's. The District's investments in Government Bonds were rated Aaa by Moody's Investors Service and AA+ by Standard & Poor's. The District's investments in Taxable Municipal Bonds were rated from Aaa to A1 by Moody's Investors Service and AAA to A+ by Standard & Poor's. The District's investments in 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.

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.

	General Fund	Debt Service Fund	Non-Major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Due from governmental entities:			
Due from Federal government	\$ 158,360	\$ 873,835	\$ 2,253,442
Due from State government	7,791,010		1,012,971
Due from other Districts			410,718
Net due from governmental entities	<u>\$7,949,370</u>	<u>\$ 873,835</u>	<u>\$ 3,677,131</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 5 – RECEIVABLES (Concl'd)

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)	\$ 22,710,327	\$
Delinquent property taxes receivable (Debt Service Fund)	498,210	
Delinquent property taxes receivable (Non-Major Governmental funds)	202,969	
Grant drawdowns prior to meeting all eligibility requirements (Non-Major Governmental Funds)		50,293
Unearned charges for services		177,635
Measurable but unavailable revenues (Non-Major Governmental Funds)	84,701	
Total deferred revenue for governmental funds	<u>\$ 23,496,207</u>	<u>\$ 227,928</u>

NOTE 6 - CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 26,951,811	\$	\$	\$ 26,951,811
Construction in progress	90,916,716	26,517,989	51,227,851	66,206,854
Total capital assets, not being depreciated	<u>117,868,527</u>	<u>26,517,989</u>	<u>51,227,851</u>	<u>93,158,665</u>
Capital assets, being depreciated:				
Land improvements	17,591,774	916,000		18,507,774
Buildings and improvements	486,629,496	63,842,990		550,472,486
Vehicles, furniture and equipment	37,500,462	4,601,069	2,704,245	39,397,286
Total capital assets being depreciated	<u>541,721,732</u>	<u>69,360,059</u>	<u>2,704,245</u>	<u>608,377,546</u>
Less accumulated depreciation for:				
Land improvements	(5,706,701)	(907,622)		(6,614,323)
Buildings and improvements	(158,751,658)	(14,900,880)		(173,652,538)
Vehicles, furniture and equipment	(20,779,517)	(2,452,934)	(2,660,294)	(20,572,157)
Total accumulated depreciation	<u>(185,237,876)</u>	<u>(18,261,436)</u>	<u>(2,660,294)</u>	<u>(200,839,018)</u>
Total capital assets, being depreciated, net	<u>356,483,856</u>	<u>51,098,623</u>	<u>43,951</u>	<u>407,538,528</u>
Governmental activities capital assets, net	<u>\$ 474,352,383</u>	<u>\$ 77,616,612</u>	<u>\$ 51,271,802</u>	<u>\$500,697,193</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 6 - CAPITAL ASSETS (Concl'd)

Depreciation expense was charged to governmental functions as follows.

Instruction	\$ 17,196,927
Support services - students and staff	2,918
Support services - administration	23,646
Operation and maintenance of plant services	60,010
Student transportation services	914,838
Operation of non-instructional services	63,097
Total depreciation expense - governmental activities	\$ 18,261,436

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for renovations at Ingleside, Mohave, and Cocopah Middle Schools. At year end the District had spent \$66.2 million on the projects and had estimated remaining contractual commitments of \$1.9 million. These projects are being funded with bond proceeds.

NOTE 7 – SHORT TERM DEBT – REVOLVING LINE OF CREDIT

The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. General Fund revenues were used to repay the line of credit. Short-term debt activity for the current fiscal year was as follows.

	Beginning Balance	Issued	Redeemed	Ending Balance
Revolving line of credit	\$ _____	\$46,664,000	\$46,664,000	\$ _____

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

The District has acquired copiers, information technology equipment, artificial turf, solar equipment and energy saving 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.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES (Concl'd)

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	35,857,389
Vehicles, furniture and equipment	810,019
Less: Accumulated depreciation	(1,358,683)
Total	\$ 35,614,591

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:		
	2014	\$ 3,852,678
	2015	3,792,534
	2016	3,662,031
	2017	3,323,136
	2018	3,226,397
	2019-2023	15,218,263
	2024-2028	10,671,358
	2029	927,311
Total minimum lease payments		44,673,708
Less: amount representing interest		11,447,095
Present value of minimum lease payments		33,226,613
Due within one year		\$ 2,354,946

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 9 – 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.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2013	Due Within One Year
Governmental activities:					
Refunding Bonds, Series 2003A	\$ 75,935,000	3.6-5.0%	7/1/13-15	\$ 41,220,000	\$17,440,000
Refunding Bonds, Series 2003B	57,740,000	4.00%	7/1/13	6,045,000	6,045,000
School Improvement Bonds, Project 2004, Series A (2005)	100,000,000	4.0-5.0%	7/1/15-24	19,500,000	
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%	7/1/14-23	69,280,000	
Refunding Bonds, Series 2010	31,000,000	5.0%	7/1/23-24	10,000,000	
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	23,700,000	1,481,250
School Improvement Bonds, Project 2010, Series A-3 (2010)	24,000,000	5.7-6.4%	7/1/25-30	24,000,000	
School Improvement Bonds, Project 2010, Series B (2010)	59,000,000	2.0-4.75%	7/1/15-31	59,000,000	
Total				<u>\$ 287,045,000</u>	<u>\$24,966,250</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 9 – 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>
2014	\$ 24,966,250	\$ 13,202,985
2015	22,116,250	12,180,285
2016	18,801,250	11,366,135
2017	18,281,250	10,691,785
2018	15,976,250	10,026,660
2019-23	78,341,250	40,123,176
2024-28	68,156,250	24,308,617
2029-33	40,406,250	4,506,495
Total	<u>\$ 287,045,000</u>	<u>\$ 126,406,138</u>

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, \$128,350,000 of defeased bonds are still outstanding.

NOTE 10 - CHANGES IN LONG-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable	\$ 311,050,000	\$	\$24,005,000	\$ 287,045,000	\$ 24,966,250
Obligations under capital leases	38,000,437		4,773,824	33,226,613	2,354,946
Compensated absences payable	10,691,694	2,623,125	2,702,411	10,612,408	530,620
Governmental activity long-term liabilities	<u>\$ 359,742,131</u>	<u>\$ 2,623,125</u>	<u>\$31,481,235</u>	<u>\$ 330,884,021</u>	<u>\$ 27,851,816</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 11 - 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	\$ 1,116,219
Total	\$ 1,116,219

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	\$	\$	\$ 2,914,917	\$ 2,914,917
Bond Building Fund		65,358		65,358
Non-Major Governmental Funds	1,706,102			1,706,102
Total	\$ 1,706,102	\$ 65,358	\$ 2,914,917	\$ 4,686,377

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 12 - 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.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 12 - CONTINGENT LIABILITIES (Concl'd)

Lawsuits – The District is a party to a number of various types of lawsuits, many of which normally occur in governmental operations. The ultimate outcome of the actions is not determinable, however, District management believes that the outcome of these proceedings, either individually or in the aggregate, will not have a materially adverse effect on the accompanying financial statements.

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

The District joined the Valley Schools Employee Benefit Trust (VSEBT) 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.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 13 - RISK MANAGEMENT (Concl'd)

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.

Insurance Trust	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Payable at End of Year
2012-13	\$ 50,307	\$ 235,061	\$ 285,368	\$
2011-12	80,500	339,278	369,471	50,307

NOTE 14 – 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.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Concl'd)

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 11.14 percent (10.90 percent for retirement and 0.24 percent for long-term disability) of the members’ annual covered payroll and the District was required by statute to contribute at the actuarially determined rate of 11.14 percent (10.25 percent for retirement, 0.65 percent for health insurance premium, and 0.24 percent for long-term disability) of the members’ annual covered payroll.

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

	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
Years ended June 30:			
2013	\$ 12,323,249	\$ 781,474	\$ 288,544
2012	11,589,557	739,759	281,813
2011	10,854,460	710,780	301,178

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**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, 2013

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Other local	\$	\$	\$ 286,814	\$ 286,814
Property taxes			126,241,590	126,241,590
State aid and grants			24,107,872	24,107,872
Total revenues			<u>150,636,276</u>	<u>150,636,276</u>
Expenditures:				
Current -				
Instruction	92,222,738	90,616,769	92,075,878	(1,459,109)
Support services - students and staff	15,391,481	15,441,288	14,726,154	715,134
Support services - administration	16,549,799	17,024,095	16,987,153	36,942
Operation and maintenance of plant services	21,256,566	21,513,171	19,664,729	1,848,442
Student transportation services	9,551,250	9,301,076	7,636,351	1,664,725
Operation of non-instructional services	340,085	344,278	319,756	24,522
Total expenditures	<u>155,311,919</u>	<u>154,240,677</u>	<u>151,410,021</u>	<u>2,830,656</u>
Excess (deficiency) of revenues over expenditures	<u>(155,311,919)</u>	<u>(154,240,677)</u>	<u>(773,745)</u>	<u>153,466,932</u>
Other financing sources (uses):				
Transfers out			(2,914,917)	(2,914,917)
Total other financing sources (uses):			<u>(2,914,917)</u>	<u>(2,914,917)</u>
Changes in fund balances	<u>(155,311,919)</u>	<u>(154,240,677)</u>	<u>(3,688,662)</u>	<u>150,552,015</u>
Fund balances, beginning of year			3,144,079	3,144,079
Increase (decrease) in reserve for prepaid items			818,114	818,114
Increase (decrease) in reserve for inventory			(29,984)	(29,984)
Fund balances (deficits), end of year	<u>\$ (155,311,919)</u>	<u>\$ (154,240,677)</u>	<u>\$ 243,547</u>	<u>\$ 154,484,224</u>

See accompanying notes to this schedule.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2013

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The adopted budget of the District is prepared on a basis consistent with accounting principles generally accepted in the United States of America with the following exceptions: 1) a portion of the General Fund activity is budgeted for separately as special revenue and capital projects funds, and 2) a portion of the fiscal year 2012-13 insurance payments were budgeted for in fiscal year 2011-12. Consequently, the following adjustments were necessary to present actual expenditures, increase for prepaid items, fund balance at July 1, 2012, and fund balance at June 30, 2013 on a budgetary basis in order to provide a meaningful comparison.

	<u>Total Expenditures</u>	<u>Increase for Prepaid Items</u>	<u>Fund Balance, June 30, 2013</u>	<u>Fund Balance, July 1, 2012</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 157,972,459	\$ 1,592,417	\$ 12,691,009	\$ 14,160,453
Fiscal year 2012-13 activity budgeted as special revenue funds	(5,225,316)		(10,479,324)	(8,960,242)
Fiscal year 2012-13 activity budgeted as capital projects funds	(937,122)	(774,303)	(1,968,138)	(1,656,132)
Fiscal year 2012-13 insurance payments budgeted in 2011-12	<u>(400,000)</u>	<u> </u>	<u> </u>	<u>(400,000)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 151,410,021</u>	<u>\$ 818,114</u>	<u>\$ 243,547</u>	<u>\$ 3,144,079</u>

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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, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 7,866,292	\$ 5,244,214	\$ 13,110,506
Property taxes receivable		295,998	295,998
Accounts receivable	64,394	157,270	221,664
Deposits	200,000		200,000
Due from governmental entities	3,537,447	139,684	3,677,131
Inventory	171,918		171,918
Total assets	<u>\$ 11,840,051</u>	<u>\$ 5,837,166</u>	<u>\$ 17,677,217</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 320,881	\$ 436,096	\$ 756,977
Construction contracts payable		120,480	120,480
Due to other funds	1,116,219		1,116,219
Accrued payroll and employee benefits	1,614,351		1,614,351
Deferred revenues	312,629	202,969	515,598
Total liabilities	<u>3,364,080</u>	<u>759,545</u>	<u>4,123,625</u>
Fund balances (deficits):			
Nonspendable	171,918		171,918
Restricted	8,353,104	5,077,621	13,430,725
Unassigned	(49,051)		(49,051)
Total fund balances	<u>8,475,971</u>	<u>5,077,621</u>	<u>13,553,592</u>
 Total liabilities and fund balances	 <u>\$ 11,840,051</u>	 <u>\$ 5,837,166</u>	 <u>\$ 17,677,217</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, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 14,803,369	\$ 291,541	\$ 15,094,910
Property taxes		9,777,796	9,777,796
State aid and grants	8,283,099	94,813	8,377,912
Federal aid, grants and reimbursements	<u>15,660,586</u>	<u>1,994,393</u>	<u>17,654,979</u>
Total revenues	<u>38,747,054</u>	<u>12,158,543</u>	<u>50,905,597</u>
Expenditures:			
Current -			
Instruction	14,400,440		14,400,440
Support services - students and staff	5,017,492		5,017,492
Support services - administration	420,459		420,459
Operation and maintenance of plant services	721,857		721,857
Student transportation services	627,568		627,568
Operation of non-instructional services	13,891,595		13,891,595
Capital outlay	1,134,264	21,359,300	22,493,564
Debt service -			
Principal retirement		4,299,622	4,299,622
Interest and fiscal charges		<u>2,229,459</u>	<u>2,229,459</u>
Total expenditures	<u>36,213,675</u>	<u>27,888,381</u>	<u>64,102,056</u>
Excess (deficiency) of revenues over expenditures	<u>2,533,379</u>	<u>(15,729,838)</u>	<u>(13,196,459)</u>
Other financing sources (uses):			
Transfers in		2,914,917	2,914,917
Transfers out	<u>(1,706,102)</u>		<u>(1,706,102)</u>
Total other financing sources (uses):	<u>(1,706,102)</u>	<u>2,914,917</u>	<u>1,208,815</u>
Changes in fund balances	<u>827,277</u>	<u>(12,814,921)</u>	<u>(11,987,644)</u>
Fund balances, beginning of year	7,706,950	17,892,542	25,599,492
Increase (decrease) in reserve for inventory	(58,256)		(58,256)
Fund balances, end of year	<u>\$ 8,475,971</u>	<u>\$ 5,077,621</u>	<u>\$ 13,553,592</u>

SPECIAL REVENUE FUNDS

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

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

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 and 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.

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

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

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

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.

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 received 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, 2013

	Classroom Site	Instructional Improvement	County, City, and Town Grants
<u>ASSETS</u>			
Cash and investments	\$ 194,752	\$ 441,510	\$ 14,256
Accounts receivable			
Deposits			
Due from governmental entities	570,366	442,605	
Inventory			
Total assets	\$ 765,118	\$ 884,115	\$ 14,256
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits	148,115		
Deferred revenues			
Total liabilities	148,115		
Fund balances (deficits):			
Nonspendable			
Restricted	617,003	884,115	14,256
Unassigned			
Total fund balances	617,003	884,115	14,256
 Total liabilities and fund balances	\$ 765,118	\$ 884,115	\$ 14,256

<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>
\$	\$	\$	\$	\$	\$
913,553	157,584	24,499	153,845	48,070	320,392
<u>\$ 913,553</u>	<u>\$ 157,584</u>	<u>\$ 24,499</u>	<u>\$ 153,845</u>	<u>\$ 48,070</u>	<u>\$ 320,392</u>
\$ 15,959 705,920 191,674	\$ 157,584	\$ 24,499	\$ 90,661 2,404 60,780	\$ 48,070	\$ 62,311 258,081
<u>913,553</u>	<u>157,584</u>	<u>24,499</u>	<u>153,845</u>	<u>48,070</u>	<u>320,392</u>
<u>\$ 913,553</u>	<u>\$ 157,584</u>	<u>\$ 24,499</u>	<u>\$ 153,845</u>	<u>\$ 48,070</u>	<u>\$ 320,392</u>

(Continued)

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	Johnson O'Malley	Vocational Education	E-Rate
<u>ASSETS</u>			
Cash and investments	\$	\$	\$ 427,836
Accounts receivable			
Deposits			
Due from governmental entities	48	66,332	306,156
Inventory			
Total assets	\$ 48	\$ 66,332	\$ 733,992
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds	48	66,332	
Accrued payroll and employee benefits			
Deferred revenues			84,701
Total liabilities	48	66,332	84,701
Fund balances (deficits):			
Nonspendable			
Restricted			649,291
Unassigned			
Total fund balances			649,291
Total liabilities and fund balances	\$ 48	\$ 66,332	\$ 733,992

<u>Other Federal Projects</u>	<u>State Vocational Education</u>	<u>Academic Contests</u>	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>
\$	\$ 29,030	\$ 12,553	\$ 8,710	\$ 1,569,411	\$ 781,158
				64,394	
				200,000	
				123,279	
				171,918	
<u>\$</u>	<u>\$ 29,030</u>	<u>\$ 12,553</u>	<u>\$ 8,710</u>	<u>\$ 2,129,002</u>	<u>\$ 781,158</u>
\$	\$	\$	\$	\$ 41,618	\$
49,051				308,031	
	29,030	12,553	8,710	177,635	
<u>49,051</u>	<u>29,030</u>	<u>12,553</u>	<u>8,710</u>	<u>527,284</u>	
				171,918	
(49,051)				1,429,800	781,158
<u>(49,051)</u>				<u>1,601,718</u>	<u>781,158</u>
<u>\$</u>	<u>\$ 29,030</u>	<u>\$ 12,553</u>	<u>\$ 8,710</u>	<u>\$ 2,129,002</u>	<u>\$ 781,158</u>

(Continued)

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	Community School	Extracurricular Activities Fees Tax Credit	Fingerprint
<u>ASSETS</u>			
Cash and investments	\$ 1,025,337	\$ 2,858,962	\$ 8,211
Accounts receivable			
Deposits			
Due from governmental entities			
Inventory			
Total assets	\$ 1,025,337	\$ 2,858,962	\$ 8,211
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 161,244	\$ 11,399	\$
Due to other funds			
Accrued payroll and employee benefits	573,748		
Deferred revenues			
Total liabilities	734,992	11,399	
Fund balances (deficits):			
Nonspendable			
Restricted	290,345	2,847,563	8,211
Unassigned			
Total fund balances	290,345	2,847,563	8,211
Total liabilities and fund balances	\$ 1,025,337	\$ 2,858,962	\$ 8,211

<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Joint Technical Education</u>	<u>Totals</u>
\$ 411,696	\$ 11,893	\$ 70,977	\$ 7,866,292
			64,394
			200,000
		410,718	3,537,447
			171,918
<u>\$ 411,696</u>	<u>\$ 11,893</u>	<u>\$ 481,695</u>	<u>\$ 11,840,051</u>
\$	\$	\$	\$ 320,881
			1,116,219
		73,922	1,614,351
			312,629
<u></u>	<u></u>	<u>73,922</u>	<u>3,364,080</u>
411,696	11,893	407,773	171,918
			8,353,104
<u>411,696</u>	<u>11,893</u>	<u>407,773</u>	<u>(49,051)</u>
			8,475,971
<u>\$ 411,696</u>	<u>\$ 11,893</u>	<u>\$ 481,695</u>	<u>\$ 11,840,051</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, 2013

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$	\$ 2,106	\$ 20,001
State aid and grants	7,081,364	1,023,511	
Federal aid, grants and reimbursements			
Total revenues	7,081,364	1,025,617	20,001
Expenditures:			
Current -			
Instruction	6,052,484	702,296	4,195
Support services - students and staff	148,902	174,004	15,269
Support services - administration		4,371	
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	6,201,386	880,671	19,464
Excess (deficiency) of revenues over expenditures	879,978	144,946	537
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	879,978	144,946	537
Fund balances (deficits), beginning of year	(262,975)	739,169	13,719
Increase (decrease) in reserve for inventory			
Fund balances, end of year	\$ 617,003	\$ 884,115	\$ 14,256

<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>
\$	\$	\$	\$	\$	\$
4,470,357	556,546	554,924	368,231	94,743	3,815,948
<u>4,470,357</u>	<u>556,546</u>	<u>554,924</u>	<u>368,231</u>	<u>94,743</u>	<u>3,815,948</u>
2,250,354		73,036	157,768	86,266	2,299,245
1,448,341	514,234	290,602	176,184		1,227,380
205,915	1,315	149,816	4,547	163	6,660
8,842			5,596	1,296	
15,200		3,400			
243,269			24,136		
<u>4,171,921</u>	<u>515,549</u>	<u>516,854</u>	<u>368,231</u>	<u>87,725</u>	<u>3,533,285</u>
<u>298,436</u>	<u>40,997</u>	<u>38,070</u>		<u>7,018</u>	<u>282,663</u>
(298,436)	(40,997)	(38,070)		(7,018)	(282,663)
<u>(298,436)</u>	<u>(40,997)</u>	<u>(38,070)</u>		<u>(7,018)</u>	<u>(282,663)</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, 2013

	Johnson O'Malley	Vocational Education	E-Rate
Revenues:			
Other local	\$	\$	\$ 413
State aid and grants			
Federal aid, grants and reimbursements	7,703	294,270	1,173,921
Total revenues	7,703	294,270	1,174,334
Expenditures:			
Current -			
Instruction	6,719	46,821	
Support services - students and staff	600	78,055	
Support services - administration			
Operation and maintenance of plant services			581,257
Student transportation services		4,100	
Operation of non-instructional services			
Capital outlay		155,390	35,822
Total expenditures	7,319	284,366	617,079
Excess (deficiency) of revenues over expenditures	384	9,904	557,255
Other financing sources (uses):			
Transfers out	(384)	(9,904)	
Total other financing sources (uses):	(384)	(9,904)	
Changes in fund balances			557,255
Fund balances (deficits), beginning of year			92,036
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$	\$	\$ 649,291

<u>Other Federal Projects</u>	<u>State Vocational Education</u>	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>
\$	\$	\$	\$	\$	\$
	127,101	51,123	4,561,976	55,989	5,683,248
			4,323,943		
	<u>127,101</u>	<u>51,123</u>	<u>8,885,919</u>	<u>55,989</u>	<u>5,683,248</u>
	69,171	3,600			9,750
46,962	34,145	47,523			13,698
	690			15,299	22,030
	2,900			5,551	3,799
			8,188,149		5,637,102
	20,195		455,926		34,595
<u>46,962</u>	<u>127,101</u>	<u>51,123</u>	<u>8,644,075</u>	<u>20,850</u>	<u>5,720,974</u>
<u>(46,962)</u>			<u>241,844</u>	<u>35,139</u>	<u>(37,726)</u>
			(1,028,630)		
			<u>(1,028,630)</u>		
<u>(46,962)</u>			<u>(786,786)</u>	<u>35,139</u>	<u>(37,726)</u>
(2,089)			2,446,760	746,019	328,071
			(58,256)		
<u>\$ (49,051)</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,601,718</u>	<u>\$ 781,158</u>	<u>\$ 290,345</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, 2013

	Extracurricular Activities Fees Tax Credit	Fingerprint	Textbooks
Revenues:			
Other local	\$ 2,899,080	\$ 6,163	\$ 38,935
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	2,899,080	6,163	38,935
Expenditures:			
Current -			
Instruction	1,118,337		3,405
Support services - students and staff	551,770		9,743
Support services - administration		4,641	
Operation and maintenance of plant services	111,399		1,369
Student transportation services	467,654		
Operation of non-instructional services	66,344		
Capital outlay	84,203		
Total expenditures	2,399,707	4,641	14,517
Excess (deficiency) of revenues over expenditures	499,373	1,522	24,418
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	499,373	1,522	24,418
Fund balances (deficits), beginning of year	2,348,190	6,689	387,278
Increase (decrease) in reserve for inventory			
Fund balances, end of year	\$ 2,847,563	\$ 8,211	\$ 411,696

Insurance Refund	Joint Technical Education	Totals
\$ 46	\$ 1,535,412	\$ 14,803,369
		8,283,099
		15,660,586
<u>46</u>	<u>1,535,412</u>	<u>38,747,054</u>
	1,516,993	14,400,440
	240,080	5,017,492
	5,012	420,459
	2,748	721,857
	134,314	627,568
		13,891,595
	80,728	1,134,264
	<u>1,979,875</u>	<u>36,213,675</u>
<u>46</u>	<u>(444,463)</u>	<u>2,533,379</u>
		(1,706,102)
		<u>(1,706,102)</u>
<u>46</u>	<u>(444,463)</u>	<u>827,277</u>
11,847	852,236	7,706,950
		(58,256)
<u>\$ 11,893</u>	<u>\$ 407,773</u>	<u>\$ 8,475,971</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, 2013

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		7,081,364	7,081,364
Federal aid, grants and reimbursements			
Total revenues		<u>7,081,364</u>	<u>7,081,364</u>
Expenditures:			
Current -			
Instruction	6,805,772	6,052,484	753,288
Support services - students and staff	146,552	148,902	(2,350)
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>6,952,324</u>	<u>6,201,386</u>	<u>750,938</u>
Excess (deficiency) of revenues over expenditures	<u>(6,952,324)</u>	<u>879,978</u>	<u>7,832,302</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(6,952,324)</u>	<u>879,978</u>	<u>7,832,302</u>
Fund balances (deficits), beginning of year		(262,975)	(262,975)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (6,952,324)</u>	<u>\$ 617,003</u>	<u>\$ 7,569,327</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,106 1,023,511	\$ 2,106 1,023,511	\$	\$ 20,001	\$ 20,001
	<u>1,025,617</u>	<u>1,025,617</u>		<u>20,001</u>	<u>20,001</u>
1,739,168	702,296 174,004 4,371	1,036,872 (174,004) (4,371)	20,000	4,195 15,269	(4,195) 4,731
<u>1,739,168</u>	<u>880,671</u>	<u>858,497</u>	<u>20,000</u>	<u>19,464</u>	<u>536</u>
<u>(1,739,168)</u>	<u>144,946</u>	<u>1,884,114</u>	<u>(20,000)</u>	<u>537</u>	<u>20,537</u>
<u>(1,739,168)</u>	<u>144,946</u>	<u>1,884,114</u>	<u>(20,000)</u>	<u>537</u>	<u>20,537</u>
	739,169	739,169		13,719	13,719
<u>\$ (1,739,168)</u>	<u>\$ 884,115</u>	<u>\$ 2,623,283</u>	<u>\$ (20,000)</u>	<u>\$ 14,256</u>	<u>\$ 34,256</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, 2013

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		4,470,357	4,470,357
Total revenues		<u>4,470,357</u>	<u>4,470,357</u>
Expenditures:			
Current -			
Instruction	3,352,388	2,250,354	1,102,034
Support services - students and staff	2,000,000	1,448,341	551,659
Support services - administration		205,915	(205,915)
Operation and maintenance of plant services		8,842	(8,842)
Student transportation services		15,200	(15,200)
Operation of non-instructional services			
Capital outlay		243,269	(243,269)
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>5,352,388</u>	<u>4,171,921</u>	<u>1,180,467</u>
Excess (deficiency) of revenues over expenditures	<u>(5,352,388)</u>	<u>298,436</u>	<u>5,650,824</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(298,436)	(298,436)
Total other financing sources (uses):		<u>(298,436)</u>	<u>(298,436)</u>
Changes in fund balances	<u>(5,352,388)</u>		<u>5,352,388</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (5,352,388)</u>	<u>\$</u>	<u>\$ 5,352,388</u>

Professional Development and Technology Grants			Title IV Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	556,546	556,546		554,924	554,924
	556,546	556,546		554,924	554,924
598,624	514,234	84,390	692,261	73,036	(73,036)
	1,315	(1,315)		290,602	401,659
				149,816	(149,816)
				3,400	(3,400)
598,624	515,549	83,075	692,261	516,854	175,407
(598,624)	40,997	639,621	(692,261)	38,070	730,331
	(40,997)	(40,997)		(38,070)	(38,070)
	(40,997)	(40,997)		(38,070)	(38,070)
(598,624)		598,624	(692,261)		692,261
\$ (598,624)	\$	\$ 598,624	\$ (692,261)	\$	\$ 692,261

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, 2013

	Limited English & Immigrant Students		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		368,231	368,231
Total revenues		368,231	368,231
Expenditures:			
Current -			
Instruction	349,380	157,768	191,612
Support services - students and staff	300,000	176,184	123,816
Support services - administration		4,547	(4,547)
Operation and maintenance of plant services		5,596	(5,596)
Student transportation services			
Operation of non-instructional services			
Capital outlay		24,136	(24,136)
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	649,380	368,231	281,149
Excess (deficiency) of revenues over expenditures	(649,380)		649,380
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(649,380)		649,380
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (649,380)	\$	\$ 649,380

Indian Education			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	94,743	94,743		3,815,948	3,815,948
	94,743	94,743		3,815,948	3,815,948
108,530	86,266	22,264	2,366,187	2,299,245	66,942
	163	(163)	2,000,000	1,227,380	772,620
	1,296	(1,296)		6,660	(6,660)
108,530	87,725	20,805	4,366,187	3,533,285	832,902
(108,530)	7,018	115,548	(4,366,187)	282,663	4,648,850
	(7,018)	(7,018)		(282,663)	(282,663)
	(7,018)	(7,018)		(282,663)	(282,663)
(108,530)		108,530	(4,366,187)		4,366,187
\$ (108,530)	\$	\$ 108,530	\$ (4,366,187)	\$	\$ 4,366,187

(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, 2013

	Johnson O'Malley		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		7,703	7,703
Total revenues		<u>7,703</u>	<u>7,703</u>
Expenditures:			
Current -			
Instruction	18,203	6,719	11,484
Support services - students and staff		600	(600)
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>18,203</u>	<u>7,319</u>	<u>10,884</u>
Excess (deficiency) of revenues over expenditures	<u>(18,203)</u>	<u>384</u>	<u>18,587</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(384)	(384)
Total other financing sources (uses):		<u>(384)</u>	<u>(384)</u>
Changes in fund balances	<u>(18,203)</u>		<u>18,203</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (18,203)</u>	<u>\$</u>	<u>\$ 18,203</u>

Vocational Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	294,270	294,270		748,901	748,901
	294,270	294,270		748,901	748,901
200,000	46,821	153,179	480,369	20,866	459,503
208,338	78,055	130,283		320,202	(320,202)
				4,539	(4,539)
	4,100	(4,100)	500,000	250	(250)
	155,390	(155,390)		430,888	69,112
				43,448	(43,448)
408,338	284,366	123,972	980,369	820,193	160,176
(408,338)	9,904	418,242	(980,369)	(71,292)	909,077
	(9,904)	(9,904)			
	(9,904)	(9,904)			
(408,338)		408,338	(980,369)	(71,292)	909,077
				421,258	421,258
\$ (408,338)	\$	\$ 408,338	\$ (980,369)	\$ 349,966	\$ 1,330,335

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, 2013

	E-Rate		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 413	\$ 413
State aid and grants			
Federal aid, grants and reimbursements		1,173,921	1,173,921
Total revenues		<u>1,174,334</u>	<u>1,174,334</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services		581,257	(581,257)
Student transportation services			
Operation of non-instructional services			
Capital outlay		35,822	(35,822)
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures		<u>617,079</u>	<u>(617,079)</u>
Excess (deficiency) of revenues over expenditures		<u>557,255</u>	<u>557,255</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances		<u>557,255</u>	<u>557,255</u>
Fund balances (deficits), beginning of year		92,036	92,036
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 649,291</u>	<u>\$ 649,291</u>

Other Federal Projects			State Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				127,101	127,101
				127,101	127,101
	46,962	(46,962)	156,130	69,171	86,959
				34,145	(34,145)
				690	(690)
				2,900	(2,900)
				20,195	(20,195)
	46,962	(46,962)	156,130	127,101	29,029
	(46,962)	(46,962)	(156,130)		156,130
	(46,962)	(46,962)	(156,130)		156,130
	(2,089)	(2,089)			
\$	\$ (49,051)	\$ (49,051)	\$ (156,130)	\$	\$ 156,130

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, 2013

	Other State Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		51,123	51,123
Federal aid, grants and reimbursements			
Total revenues		51,123	51,123
Expenditures:			
Current -			
Instruction		3,600	(3,600)
Support services - students and staff	340,500	47,523	292,977
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	340,500	51,123	289,377
Excess (deficiency) of revenues over expenditures	(340,500)		340,500
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(340,500)		340,500
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (340,500)	\$	\$ 340,500

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,058,170	\$ 1,058,170	\$	\$ 4,561,976	\$ 4,561,976
	<u>1,058,170</u>	<u>1,058,170</u>		<u>4,323,943</u>	<u>4,323,943</u>
				<u>8,885,919</u>	<u>8,885,919</u>
	68,187	(68,187)			
	3,945	(3,945)			
	8,877	(8,877)			
1,000,000	313,321	686,679			
	1,400	(1,400)			
	96,869	(96,869)	11,596,922	8,188,149	3,408,773
				455,926	(455,926)
1,630,000	474,202	1,155,798			
	24,525	(24,525)			
<u>2,630,000</u>	<u>991,326</u>	<u>1,638,674</u>	<u>11,596,922</u>	<u>8,644,075</u>	<u>2,952,847</u>
<u>(2,630,000)</u>	<u>66,844</u>	<u>2,696,844</u>	<u>(11,596,922)</u>	<u>241,844</u>	<u>11,838,766</u>
				(1,028,630)	(1,028,630)
				<u>(1,028,630)</u>	<u>(1,028,630)</u>
<u>(2,630,000)</u>	<u>66,844</u>	<u>2,696,844</u>	<u>(11,596,922)</u>	<u>(786,786)</u>	<u>10,810,136</u>
	2,045,184	2,045,184		2,446,760	2,446,760
				(58,256)	(58,256)
<u>\$ (2,630,000)</u>	<u>\$ 2,112,028</u>	<u>\$ 4,742,028</u>	<u>\$ (11,596,922)</u>	<u>\$ 1,601,718</u>	<u>\$ 13,198,640</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, 2013

	Civic Center		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 55,989	\$ 55,989
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u> </u>	<u>55,989</u>	<u>55,989</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	750,000	15,299	734,701
Operation and maintenance of plant services		5,551	(5,551)
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>750,000</u>	<u>20,850</u>	<u>729,150</u>
Excess (deficiency) of revenues over expenditures	<u>(750,000)</u>	<u>35,139</u>	<u>785,139</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):	<u> </u>	<u> </u>	<u> </u>
Changes in fund balances	<u>(750,000)</u>	<u>35,139</u>	<u>785,139</u>
Fund balances (deficits), beginning of year		746,019	746,019
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (750,000)</u>	<u>\$ 781,158</u>	<u>\$ 1,531,158</u>

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 5,683,248	\$ 5,683,248	\$	\$ 1,664,442	\$ 1,664,442
	<u>5,683,248</u>	<u>5,683,248</u>		<u>1,664,442</u>	<u>1,664,442</u>
	9,750	(9,750)	1,482,000	1,127,310	354,690
	13,698	(13,698)		15,574	(15,574)
	22,030	(22,030)		108,761	(108,761)
	3,799	(3,799)		337,109	(337,109)
5,933,806	5,637,102	296,704		70,664	(70,664)
	34,595	(34,595)		32,519	(32,519)
				65,478	(65,478)
<u>5,933,806</u>	<u>5,720,974</u>	<u>212,832</u>	<u>1,482,000</u>	<u>1,757,415</u>	<u>(275,415)</u>
<u>(5,933,806)</u>	<u>(37,726)</u>	<u>5,896,080</u>	<u>(1,482,000)</u>	<u>(92,973)</u>	<u>1,389,027</u>
<u>(5,933,806)</u>	<u>(37,726)</u>	<u>5,896,080</u>	<u>(1,482,000)</u>	<u>(92,973)</u>	<u>1,389,027</u>
	328,071	328,071		2,186,455	2,186,455
<u>\$ (5,933,806)</u>	<u>\$ 290,345</u>	<u>\$ 6,224,151</u>	<u>\$ (1,482,000)</u>	<u>\$ 2,093,482</u>	<u>\$ 3,575,482</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, 2013

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 2,899,080	\$ 2,899,080
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		2,899,080	2,899,080
Expenditures:			
Current -			
Instruction	1,976,000	1,118,337	857,663
Support services - students and staff		551,770	(551,770)
Support services - administration			
Operation and maintenance of plant services		111,399	(111,399)
Student transportation services		467,654	(467,654)
Operation of non-instructional services		66,344	(66,344)
Capital outlay		84,203	(84,203)
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	1,976,000	2,399,707	(423,707)
Excess (deficiency) of revenues over expenditures	(1,976,000)	499,373	2,475,373
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(1,976,000)	499,373	2,475,373
Fund balances (deficits), beginning of year		2,348,190	2,348,190
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (1,976,000)	\$ 2,847,563	\$ 4,823,563

Gifts and Donations			Fingerprint		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,309,497	\$ 1,309,497	\$	\$ 6,163	\$ 6,163
	<u>1,309,497</u>	<u>1,309,497</u>		<u>6,163</u>	<u>6,163</u>
800,000	611,632	188,368			
	193,536	(193,536)			
	68,904	(68,904)	15,000	4,641	10,359
	8,029	(8,029)			
	9,525	(9,525)			
700,000	598	699,402			
	299,655	(299,655)			
<u>1,500,000</u>	<u>1,191,879</u>	<u>308,121</u>	<u>15,000</u>	<u>4,641</u>	<u>10,359</u>
<u>(1,500,000)</u>	<u>117,618</u>	<u>1,617,618</u>	<u>(15,000)</u>	<u>1,522</u>	<u>16,522</u>
<u>(1,500,000)</u>	<u>117,618</u>	<u>1,617,618</u>	<u>(15,000)</u>	<u>1,522</u>	<u>16,522</u>
	1,444,935	1,444,935		6,689	6,689
<u>\$ (1,500,000)</u>	<u>\$ 1,562,553</u>	<u>\$ 3,062,553</u>	<u>\$ (15,000)</u>	<u>\$ 8,211</u>	<u>\$ 23,211</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, 2013

	Insurance Proceeds		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 222,826	\$ 222,826
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>222,826</u>	<u>222,826</u>
Expenditures:			
Current -			
Instruction	120,000		120,000
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>120,000</u>		<u>120,000</u>
Excess (deficiency) of revenues over expenditures	<u>(120,000)</u>	<u>222,826</u>	<u>342,826</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(120,000)</u>	<u>222,826</u>	<u>342,826</u>
Fund balances (deficits), beginning of year		188,347	188,347
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (120,000)</u>	<u>\$ 411,173</u>	<u>\$ 531,173</u>

Textbooks			Litigation Recovery		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 38,935	\$ 38,935	\$	\$ 13,462	\$ 13,462
	<u>38,935</u>	<u>38,935</u>		<u>13,462</u>	<u>13,462</u>
375,000	3,405	(3,405)			
	9,743	365,257	90,000	3,913	86,087
	1,369	(1,369)			
<u>375,000</u>	<u>14,517</u>	<u>360,483</u>	<u>90,000</u>	<u>3,913</u>	<u>86,087</u>
<u>(375,000)</u>	<u>24,418</u>	<u>399,418</u>	<u>(90,000)</u>	<u>9,549</u>	<u>99,549</u>
<u>(375,000)</u>	<u>24,418</u>	<u>399,418</u>	<u>(90,000)</u>	<u>9,549</u>	<u>99,549</u>
	387,278	387,278		81,248	81,248
<u>\$ (375,000)</u>	<u>\$ 411,696</u>	<u>\$ 786,696</u>	<u>\$ (90,000)</u>	<u>\$ 90,797</u>	<u>\$ 180,797</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, 2013

	Indirect Costs		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 10,670	\$ 10,670
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>10,670</u>	<u>10,670</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff		1,469	(1,469)
Support services - administration	3,732,902	406,219	3,326,683
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		11,156	(11,156)
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>3,732,902</u>	<u>418,844</u>	<u>3,314,058</u>
Excess (deficiency) of revenues over expenditures	<u>(3,732,902)</u>	<u>(408,174)</u>	<u>3,324,728</u>
Other financing sources (uses):			
Transfers in		1,706,102	1,706,102
Transfers out			
Total other financing sources (uses):		<u>1,706,102</u>	<u>1,706,102</u>
Changes in fund balances	<u>(3,732,902)</u>	<u>1,297,928</u>	<u>5,030,830</u>
Fund balances (deficits), beginning of year		2,490,980	2,490,980
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (3,732,902)</u>	<u>\$ 3,788,908</u>	<u>\$ 7,521,810</u>

Insurance Refund			Advertisement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 46	\$ 46	\$	\$ 10,328	\$ 10,328
	46	46		10,328	10,328
12,000		12,000			
			102,000	36,855	65,145
				154	(154)
				4,737	(4,737)
12,000		12,000			
(12,000)	46	12,046	(102,000)	(31,418)	70,582
(12,000)	46	12,046	(102,000)	(31,418)	70,582
	11,847	11,847		101,835	101,835
\$ (12,000)	\$ 11,893	\$ 23,893	\$ (102,000)	\$ 70,417	\$ 172,417

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, 2013

	Joint Technical Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,535,412	\$ 1,535,412
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>1,535,412</u>	<u>1,535,412</u>
Expenditures:			
Current -			
Instruction	2,349,831	1,516,993	832,838
Support services - students and staff		240,080	(240,080)
Support services - administration		5,012	(5,012)
Operation and maintenance of plant services		2,748	(2,748)
Student transportation services		134,314	(134,314)
Operation of non-instructional services			
Capital outlay		80,728	(80,728)
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>2,349,831</u>	<u>1,979,875</u>	<u>369,956</u>
Excess (deficiency) of revenues over expenditures	<u>(2,349,831)</u>	<u>(444,463)</u>	<u>1,905,368</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(2,349,831)</u>	<u>(444,463)</u>	<u>1,905,368</u>
Fund balances (deficits), beginning of year		852,236	852,236
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (2,349,831)</u>	<u>\$ 407,773</u>	<u>\$ 2,757,604</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 19,092,764	\$ 19,092,764
	8,283,099	8,283,099
	16,409,487	16,409,487
	<u>43,785,350</u>	<u>43,785,350</u>
22,315,958	16,228,435	6,087,523
6,681,275	5,552,218	1,129,057
4,689,902	1,058,527	3,631,375
1,000,000	1,380,720	(380,720)
500,000	1,144,782	(644,782)
18,230,728	13,924,712	4,306,016
	1,650,870	(1,650,870)
1,630,000	474,202	1,155,798
	24,525	(24,525)
<u>55,047,863</u>	<u>41,438,991</u>	<u>13,608,872</u>
<u>(55,047,863)</u>	<u>2,346,359</u>	<u>57,394,222</u>
	1,706,102	1,706,102
	<u>(1,706,102)</u>	<u>(1,706,102)</u>
<u>(55,047,863)</u>	<u>2,346,359</u>	<u>57,394,222</u>
	16,667,192	16,667,192
	(58,256)	(58,256)
<u>\$ (55,047,863)</u>	<u>\$ 18,955,295</u>	<u>\$ 74,003,158</u>

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DEBT SERVICE FUND

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE
YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	
Revenues:			
Other local	\$	\$ 82,636	\$ 82,636
Property taxes		32,940,414	32,940,414
Federal aid, grants and reimbursements		1,830,938	1,830,938
Total revenues		<u>34,853,988</u>	<u>34,853,988</u>
Expenditures:			
Debt service -			
Principal retirement	24,966,250	24,966,250	
Interest and fiscal charges	45,194,144	13,751,500	31,442,644
Total expenditures	<u>70,160,394</u>	<u>38,717,750</u>	<u>31,442,644</u>
Excess (deficiency) of revenues over expenditures	<u>(70,160,394)</u>	<u>(3,863,762)</u>	<u>66,296,632</u>
Other financing sources (uses):			
Transfers in		65,358	65,358
Total other financing sources (uses):		<u>65,358</u>	<u>65,358</u>
Changes in fund balances	<u>(70,160,394)</u>	<u>(3,798,404)</u>	<u>66,361,990</u>
Fund balances, beginning of year		11,064,863	11,064,863
Fund balances (deficits), end of year	<u>\$ (70,160,394)</u>	<u>\$ 7,266,459</u>	<u>\$ 77,426,853</u>

CAPITAL PROJECTS FUNDS

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

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

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

Bond Building - 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.

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

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.

Building Renewal Grant - to account for building renewal grant monies requested 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, 2013

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Energy and Water Savings</u>
<u>ASSETS</u>			
Cash and investments	\$ 4,825,781	\$ 241,180	\$ 89,170
Property taxes receivable	295,998		
Accounts receivable			157,270
Due from governmental entities			139,684
Total assets	<u><u>\$ 5,121,779</u></u>	<u><u>\$ 241,180</u></u>	<u><u>\$ 386,124</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 436,096	\$ 120,480	\$
Construction contracts payable		120,480	
Deferred revenues	202,969		
Total liabilities	<u><u>639,065</u></u>	<u><u>120,480</u></u>	<u><u></u></u>
Fund balances:			
Restricted	4,482,714	120,700	386,124
Total fund balances	<u><u>4,482,714</u></u>	<u><u>120,700</u></u>	<u><u>386,124</u></u>
Total liabilities and fund balances	<u><u>\$ 5,121,779</u></u>	<u><u>\$ 241,180</u></u>	<u><u>\$ 386,124</u></u>

<u>Building Renewal</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$ 22,348	\$ 65,735	\$ 5,244,214
		295,998
		157,270
		139,684
<u>\$ 22,348</u>	<u>\$ 65,735</u>	<u>\$ 5,837,166</u>
\$	\$	\$ 436,096
		120,480
		202,969
		<u>759,545</u>
<u>22,348</u>	<u>65,735</u>	<u>5,077,621</u>
<u>22,348</u>	<u>65,735</u>	<u>5,077,621</u>
<u>\$ 22,348</u>	<u>\$ 65,735</u>	<u>\$ 5,837,166</u>

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, 2013

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Energy and Water Savings</u>
Revenues:			
Other local	\$ 21,116	\$ 3,217	\$ 267,089
Property taxes	9,764,875	12,921	
State aid and grants			
Federal aid, grants and reimbursements			1,994,393
Total revenues	<u>9,785,991</u>	<u>16,138</u>	<u>2,261,482</u>
Expenditures:			
Capital outlay	10,498,083	542,834	10,277,959
Debt service -			
Principal retirement	1,528,396		2,771,226
Interest and fiscal charges	74,387		2,155,072
Total expenditures	<u>12,100,866</u>	<u>542,834</u>	<u>15,204,257</u>
Excess (deficiency) of revenues over expenditures	<u>(2,314,875)</u>	<u>(526,696)</u>	<u>(12,942,775)</u>
Other financing sources (uses):			
Transfers in			2,914,917
Total other financing sources (uses):			<u>2,914,917</u>
Changes in fund balances	<u>(2,314,875)</u>	<u>(526,696)</u>	<u>(10,027,858)</u>
Fund balances, beginning of year	6,797,589	647,396	10,413,982
Fund balances, end of year	<u>\$ 4,482,714</u>	<u>\$ 120,700</u>	<u>\$ 386,124</u>

Building Renewal	Building Renewal Grant	Totals
\$ 119	\$	\$ 291,541
	94,813	9,777,796
		94,813
		1,994,393
<u>119</u>	<u>94,813</u>	<u>12,158,543</u>
11,346	29,078	21,359,300
		4,299,622
		2,229,459
<u>11,346</u>	<u>29,078</u>	<u>27,888,381</u>
<u>(11,227)</u>	<u>65,735</u>	<u>(15,729,838)</u>
		2,914,917
		2,914,917
<u>(11,227)</u>	<u>65,735</u>	<u>(12,814,921)</u>
33,575		17,892,542
<u>\$ 22,348</u>	<u>\$ 65,735</u>	<u>\$ 5,077,621</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, 2013

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 21,116	\$ 21,116
Property taxes		9,764,875	9,764,875
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>9,785,991</u>	<u>9,785,991</u>
Expenditures:			
Capital outlay	13,499,986	10,498,083	3,001,903
Debt service -			
Principal retirement	1,528,396	1,528,396	
Interest and fiscal charges	74,387	74,387	
Total expenditures	<u>15,102,769</u>	<u>12,100,866</u>	<u>3,001,903</u>
Excess (deficiency) of revenues over expenditures	<u>(15,102,769)</u>	<u>(2,314,875)</u>	<u>12,787,894</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(15,102,769)</u>	<u>(2,314,875)</u>	<u>12,787,894</u>
Fund balances, beginning of year		6,797,589	6,797,589
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (15,102,769)</u>	<u>\$ 4,482,714</u>	<u>\$ 19,585,483</u>

Adjacent Ways			Soft Capital Allocation		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 3,217 12,921	\$ 3,217 12,921	\$	\$ 7,622 318,111 149,092	\$ 7,622 318,111 149,092
	<u>16,138</u>	<u>16,138</u>		<u>474,825</u>	<u>474,825</u>
1,500,000	542,834	957,166	2,262,507	937,122	1,325,385
<u>1,500,000</u>	<u>542,834</u>	<u>957,166</u>	<u>2,262,507</u>	<u>937,122</u>	<u>1,325,385</u>
<u>(1,500,000)</u>	<u>(526,696)</u>	<u>973,304</u>	<u>(2,262,507)</u>	<u>(462,297)</u>	<u>1,800,210</u>
<u>(1,500,000)</u>	<u>(526,696)</u>	<u>973,304</u>	<u>(2,262,507)</u>	<u>(462,297)</u>	<u>1,800,210</u>
	647,396	647,396		1,656,132	1,656,132
				774,303	774,303
<u>\$ (1,500,000)</u>	<u>\$ 120,700</u>	<u>\$ 1,620,700</u>	<u>\$ (2,262,507)</u>	<u>\$ 1,968,138</u>	<u>\$ 4,230,645</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, 2013

	Bond Building		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 103,805	\$ 103,805
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	_____	103,805	103,805
Expenditures:			
Capital outlay	36,509,587	30,211,392	6,298,195
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	36,509,587	30,211,392	6,298,195
Excess (deficiency) of revenues over expenditures	(36,509,587)	(30,107,587)	6,402,000
Other financing sources (uses):			
Transfers in			
Transfers out		(65,358)	(65,358)
Total other financing sources (uses):	_____	(65,358)	(65,358)
Changes in fund balances	(36,509,587)	(30,172,945)	6,336,642
Fund balances, beginning of year		35,567,025	35,567,025
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ (36,509,587)	\$ 5,394,080	\$ 41,903,667

Energy and Water Savings			Building Renewal		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 267,089	\$ 267,089	\$	\$ 119	\$ 119
	1,994,393	1,994,393			
	<u>2,261,482</u>	<u>2,261,482</u>		<u>119</u>	<u>119</u>
	256,582	(256,582)	37,000	11,346	25,654
2,771,226	2,771,226				
845,957	2,155,072	(1,309,115)			
<u>3,617,183</u>	<u>5,182,880</u>	<u>(1,565,697)</u>	<u>37,000</u>	<u>11,346</u>	<u>25,654</u>
<u>(3,617,183)</u>	<u>(2,921,398)</u>	<u>695,785</u>	<u>(37,000)</u>	<u>(11,227)</u>	<u>25,773</u>
	2,914,917	2,914,917			
	<u>2,914,917</u>	<u>2,914,917</u>			
<u>(3,617,183)</u>	<u>(6,481)</u>	<u>3,610,702</u>	<u>(37,000)</u>	<u>(11,227)</u>	<u>25,773</u>
	392,605	392,605		33,575	33,575
<u>\$ (3,617,183)</u>	<u>\$ 386,124</u>	<u>\$ 4,003,307</u>	<u>\$ (37,000)</u>	<u>\$ 22,348</u>	<u>\$ 59,348</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, 2013

	Building Renewal Grant		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
Property taxes			
State aid and grants		94,813	94,813
Federal aid, grants and reimbursements			
Total revenues		94,813	94,813
Expenditures:			
Capital outlay		29,078	(29,078)
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures		29,078	(29,078)
Excess (deficiency) of revenues over expenditures		65,735	65,735
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances		65,735	65,735
Fund balances, beginning of year			
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$	\$ 65,735	\$ 65,735

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 402,968	\$ 402,968
	10,095,907	10,095,907
	243,905	243,905
	<u>1,994,393</u>	<u>1,994,393</u>
	<u>12,737,173</u>	<u>12,737,173</u>
53,809,080	42,486,437	11,322,643
4,299,622	4,299,622	
920,344	2,229,459	(1,309,115)
<u>59,029,046</u>	<u>49,015,518</u>	<u>10,013,528</u>
<u>(59,029,046)</u>	<u>(36,278,345)</u>	<u>22,750,701</u>
	2,914,917	2,914,917
	<u>(65,358)</u>	<u>(65,358)</u>
	<u>2,849,559</u>	<u>2,849,559</u>
<u>(59,029,046)</u>	<u>(33,428,786)</u>	<u>25,600,260</u>
	45,094,322	45,094,322
	774,303	774,303
<u>\$ (59,029,046)</u>	<u>\$ 12,439,839</u>	<u>\$ 71,468,885</u>

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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 POSITION -
ALL INTERNAL SERVICE FUNDS
JUNE 30, 2013

	Print Shop	Intergovernment al Agreements	Insurance Trust
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 77,518	\$ 619,694	\$ 12,544,258
Prepaid items			472,798
Total current assets	77,518	619,694	13,017,056
Total assets	77,518	619,694	13,017,056
 <u>LIABILITIES</u>			
Current liabilities:			
Accounts payable			8,096
Total current liabilities			8,096
Total liabilities			8,096
 <u>NET POSITION</u>			
Unrestricted	77,518	619,694	13,008,960
Total net position	\$ 77,518	\$ 619,694	\$ 13,008,960

Totals

\$ 13,241,470
472,798
13,714,268
13,714,268

8,096

8,096

8,096

13,706,172

\$ 13,706,172

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Print Shop</u>	<u>Intergovernmental Agreements</u>	<u>Insurance Trust</u>
Operating revenues:			
Other	\$ 91,715	\$ 668,902	\$
Contributions			1,067,615
Total operating revenues	<u>91,715</u>	<u>668,902</u>	<u>1,067,615</u>
Operating expenses:			
Other	88,352	541,203	35,050
Claims			235,061
Administrative fees			60,502
Total operating expenses	<u>88,352</u>	<u>541,203</u>	<u>330,613</u>
Operating income (loss)	<u>3,363</u>	<u>127,699</u>	<u>737,002</u>
Nonoperating revenues (expenses):			
Investment income	299	2,103	226,896
Total nonoperating revenues (expenses)	<u>299</u>	<u>2,103</u>	<u>226,896</u>
Changes in net position	<u>3,662</u>	<u>129,802</u>	<u>963,898</u>
Total net position, beginning of year	73,856	489,892	12,045,062
Total net position, end of year	<u>\$ 77,518</u>	<u>\$ 619,694</u>	<u>\$ 13,008,960</u>

Totals

\$ 760,617
1,067,615
1,828,232

664,605
235,061
60,502
960,168

868,064

229,298
229,298

1,097,362

12,608,810

\$ 13,706,172

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING STATEMENT OF CASH FLOWS - ALL INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013

	<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	\$	\$	\$ 1,257,237	\$ 1,257,237
Cash received from charges for services	91,715	668,902		760,617
Cash payments to suppliers for goods and services	(88,352)	(541,203)	(2,733,528)	(3,363,083)
Cash payments for claims			(285,368)	(285,368)
Net cash provided by (used for) operating activities	<u>3,363</u>	<u>127,699</u>	<u>(1,761,659)</u>	<u>(1,630,597)</u>
Cash flows from investing activities:				
Proceeds from sale of investments			769,514	769,514
Purchase of investments			(1,316,344)	(1,316,344)
Investment income	299	2,103	226,896	229,298
Net cash provided by investing activities	<u>299</u>	<u>2,103</u>	<u>(319,934)</u>	<u>(317,532)</u>
Net increase (decrease) in cash and cash equivalents	<u>3,662</u>	<u>129,802</u>	<u>(2,081,593)</u>	<u>(1,948,129)</u>
Cash and cash equivalents, beginning of year	<u>73,856</u>	<u>489,892</u>	<u>2,580,459</u>	<u>3,144,207</u>
Cash and cash equivalents, end of year	<u>\$ 77,518</u>	<u>\$ 619,694</u>	<u>\$ 498,866</u>	<u>\$ 1,196,078</u>
<u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u>				
Cash and investments	\$ 77,518	\$ 619,694	\$ 12,544,258	\$ 13,241,470
Less investments not maturing in less than three months			12,045,392	12,045,392
Total cash and cash equivalents	<u>\$ 77,518</u>	<u>\$ 619,694</u>	<u>\$ 498,866</u>	<u>\$ 1,196,078</u>
<u>Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities</u>				
Operating income	\$ 3,363	\$ 127,699	\$ 737,002	\$ 868,064
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Changes in assets and liabilities:				
Decrease in accounts receivable			189,622	189,622
Increase in prepaid items			(472,798)	(472,798)
Decrease in accounts payable			(2,165,178)	(2,165,178)
Decrease in claims payable			(50,307)	(50,307)
Total adjustments	<u></u>	<u></u>	<u>(2,498,661)</u>	<u>(2,498,661)</u>
Net cash provided by (used for) operating activities	<u>\$ 3,363</u>	<u>\$ 127,699</u>	<u>\$ (1,761,659)</u>	<u>\$ (1,630,597)</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 ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2013

	Student Activities	Employee Insurance	Totals
<u>ASSETS</u>			
Cash and investments	\$ 1,323,052	\$ 11,184,258	\$ 12,507,310
Total assets	\$ 1,323,052	\$ 11,184,258	\$ 12,507,310
 <u>LIABILITIES</u>			
Deposits held for others	\$	\$ 11,184,258	\$ 11,184,258
Due to student groups	1,323,052		1,323,052
Total liabilities	\$ 1,323,052	\$ 11,184,258	\$ 12,507,310

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
YEAR ENDED JUNE 30, 2013

	Beginning Balance	Additions	Deductions	Ending Balance
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 1,375,859	\$ 1,875,538	\$ 1,928,345	\$ 1,323,052
Total assets	\$ 1,375,859	\$ 1,875,538	\$ 1,928,345	\$ 1,323,052
<u>Liabilities</u>				
Accounts payable	\$ 51,202	\$	\$ 51,202	\$
Due to student groups	1,324,657	1,875,538	1,877,143	1,323,052
Total liabilities	\$ 1,375,859	\$ 1,875,538	\$ 1,928,345	\$ 1,323,052
<u>EMPLOYEE WITHHOLDING FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 14,821,275	\$ 152,364,551	\$ 156,001,568	\$ 11,184,258
Total assets	\$ 14,821,275	\$ 152,364,551	\$ 156,001,568	\$ 11,184,258
<u>Liabilities</u>				
Deposits held for others	\$ 14,821,275	\$ 152,364,551	\$ 156,001,568	\$ 11,184,258
Total liabilities	\$ 14,821,275	\$ 152,364,551	\$ 156,001,568	\$ 11,184,258
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 16,197,134	\$ 154,240,089	\$ 157,929,913	\$ 12,507,310
Total assets	\$ 16,197,134	\$ 154,240,089	\$ 157,929,913	\$ 12,507,310
<u>Liabilities</u>				
Accounts payable	\$ 51,202	\$	\$ 51,202	\$
Deposits held for others	14,821,275	152,364,551	156,001,568	11,184,258
Due to student groups	1,324,657	1,875,538	1,877,143	1,323,052
Total liabilities	\$ 16,197,134	\$ 154,240,089	\$ 157,929,913	\$ 12,507,310

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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.

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

	Fiscal Year Ended June 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net Position:					
Net investment in capital assets	\$ 185,819,660	\$ 171,205,695	\$ 132,040,763	\$ 119,641,050	\$ 91,163,244
Restricted	21,654,982	38,009,432	34,824,511	21,350,236	18,163,103
Unrestricted	63,412,299	49,733,138	98,132,924	85,910,876	78,132,576
Total net position	<u><u>\$ 270,886,941</u></u>	<u><u>\$ 258,948,265</u></u>	<u><u>\$ 264,998,198</u></u>	<u><u>\$ 226,902,162</u></u>	<u><u>\$ 187,458,923</u></u>
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net Position:					
Net investment in capital assets	\$ 48,192,458	\$ 28,216,895	\$ (3,844,072)	\$ (18,933,672)	\$ (20,385,972)
Restricted	27,247,992	18,271,392	31,303,375	32,039,859	41,699,597
Unrestricted	89,764,742	69,051,591	76,978,447	77,813,485	51,099,438
Total net position	<u><u>\$ 165,205,192</u></u>	<u><u>\$ 115,539,878</u></u>	<u><u>\$ 104,437,750</u></u>	<u><u>\$ 90,919,672</u></u>	<u><u>\$ 72,413,063</u></u>

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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenses					
Instruction	\$ 131,532,492	\$ 145,322,440	\$ 133,239,099	\$ 147,449,327	\$ 150,232,317
Support services - students and staff	20,600,353	23,705,530	23,699,221	23,564,220	30,423,170
Support services - administration	18,881,552	19,752,995	17,478,195	17,511,969	18,696,791
Operation and maintenance of plant services	20,336,972	23,521,103	24,948,100	23,374,438	19,134,847
Student transportation services	10,525,225	12,543,222	11,353,011	12,897,691	12,352,644
Operation of non-instructional services	14,585,168	15,497,702	13,267,755	14,916,136	14,187,121
Interest on long-term debt	16,005,484	11,911,009	14,928,071	15,545,637	15,314,478
Total expenses	<u>232,467,246</u>	<u>252,254,001</u>	<u>238,913,452</u>	<u>255,259,418</u>	<u>260,341,368</u>
Program Revenues					
Charges for services:					
Instruction	8,214,022	11,142,937	8,416,951	7,450,076	4,397,975
Operation of non-instructional services	10,238,797	7,021,439	9,985,150	11,105,694	11,458,984
Other activities	1,111,312	965,113	39,608	1,166,976	247,509
Operating grants and contributions	18,459,174	17,597,115	21,362,077	18,447,066	20,397,423
Capital grants and contributions	1,134,264	741,507	998,268	715,787	373,869
Total program revenues	<u>39,157,569</u>	<u>37,468,111</u>	<u>40,802,054</u>	<u>38,885,599</u>	<u>36,875,760</u>
Net (Expense)/Revenue	<u>\$ (193,309,677)</u>	<u>\$ (214,785,890)</u>	<u>\$ (198,111,398)</u>	<u>\$ (216,373,819)</u>	<u>\$ (223,465,608)</u>

(Continued)

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenses					
Instruction	\$ 145,496,792	\$ 143,954,535	\$ 125,490,708	\$ 113,869,184	\$ 104,905,767
Support services - students and staff	28,109,615	24,790,839	23,197,071	19,770,331	60,012,716
Support services - administration	18,985,110	20,461,956	18,046,295	14,530,553	
Operation and maintenance of plant services	17,914,152	19,046,976	16,544,450	16,857,928	
Student transportation services	10,392,338	9,784,345	9,964,930	7,124,752	
Operation of non-instructional services	12,901,527	9,332,698	9,570,555	9,152,610	7,585,488
Interest on long-term debt	16,893,641	14,244,381	15,503,270	9,504,598	12,190,328
Total expenses	<u>250,693,175</u>	<u>241,615,730</u>	<u>218,317,279</u>	<u>190,809,956</u>	<u>184,694,299</u>
Program Revenues					
Charges for services:					
Instruction	10,664,507	2,068,694	4,085,434	4,116,597	6,434,558
Operation of non-instructional services	7,708,709	13,175,203	9,378,869	7,514,151	1,689,375
Other activities	645,791	1,674,402	896,798	456,496	2,581,336
Operating grants and contributions	12,724,841	14,399,291	12,386,532	10,373,287	10,705,269
Capital grants and contributions	319,049	625,655	326,591	822,494	5,409,143
Total program revenues	<u>32,062,897</u>	<u>31,943,245</u>	<u>27,074,224</u>	<u>23,283,025</u>	<u>26,819,681</u>
Net (Expense)/Revenue	<u>\$ (218,630,278)</u>	<u>\$ (209,672,485)</u>	<u>\$ (191,243,055)</u>	<u>\$ (167,526,931)</u>	<u>\$ (157,874,618)</u>

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

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

	Fiscal Year Ended June 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net (Expense)/Revenue	\$ (193,309,677)	\$ (214,785,890)	\$ (198,111,398)	\$ (216,373,819)	\$ (223,465,608)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	129,017,671	127,589,580	124,543,508	135,372,331	138,501,230
Property taxes, levied for debt service	33,018,404	35,177,583	58,885,879	69,711,445	50,257,693
Property taxes, levied for capital outlay	9,476,376	11,078,942	15,037,946	16,272,119	17,859,641
Investment income	530,349	599,421	1,283,196	1,202,937	2,717,214
Unrestricted county aid				229,750	
Unrestricted state aid	32,456,652	33,672,103	35,244,246	28,969,013	36,383,561
Unrestricted federal aid	748,901	618,328	1,212,659	4,059,463	
Total general revenues	<u>205,248,353</u>	<u>208,735,957</u>	<u>236,207,434</u>	<u>255,817,058</u>	<u>245,719,339</u>
Changes in Net Position	<u>\$ 11,938,676</u>	<u>\$ (6,049,933)</u>	<u>\$ 38,096,036</u>	<u>\$ 39,443,239</u>	<u>\$ 22,253,731</u>

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net (Expense)/Revenue	\$ (218,630,278)	\$ (209,672,485)	\$ (191,243,055)	\$ (167,526,931)	\$ (157,874,618)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	131,582,423	117,420,864	114,142,175	112,044,640	148,301,263
Property taxes, levied for debt service	62,310,748	38,793,771	35,170,878	36,388,998	
Property taxes, levied for capital outlay	17,760,121	10,697,664	7,725,283	7,740,724	
Investment income	6,525,102	8,737,938	5,422,202	3,514,667	2,056,031
Unrestricted county aid		7,383	621,810	586,711	947,024
Unrestricted state aid	50,117,198	45,116,993	41,678,785	38,994,453	39,176,216
Unrestricted federal aid					
Total general revenues	<u>268,295,592</u>	<u>220,774,613</u>	<u>204,761,133</u>	<u>199,270,193</u>	<u>190,480,534</u>
Changes in Net Position	<u>\$ 49,665,314</u>	<u>\$ 11,102,128</u>	<u>\$ 13,518,078</u>	<u>\$ 31,743,262</u>	<u>\$ 32,605,916</u>

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

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

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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund:					
Nonspendable	\$ 1,601,786	\$ 39,353	\$ 15,100,900	\$	\$
Restricted	411,173				
Unassigned	10,678,050	14,121,100	16,281,917		
Reserved				13,670,922	2,520,492
Unreserved				3,907,668	7,164,705
Total General Fund	<u>\$ 12,691,009</u>	<u>\$ 14,160,453</u>	<u>\$ 31,382,817</u>	<u>\$ 17,578,590</u>	<u>\$ 9,685,197</u>
All Other Governmental Funds:					
Nonspendable	\$ 171,918	\$ 230,174	\$ 168,596	\$	\$
Restricted	26,091,264	72,266,270	78,755,539		
Unassigned	(49,051)	(265,064)	(1,319,162)		
Reserved				194,383	1,319,395
Unreserved, reported in:					
Special revenue funds				13,707,372	20,986,930
Capital projects funds				10,023,791	12,781,771
Debt service fund				8,444,949	3,732,794
Total all other governmental funds	<u>\$ 26,214,131</u>	<u>\$ 72,231,380</u>	<u>\$ 77,604,973</u>	<u>\$ 32,370,495</u>	<u>\$ 38,820,890</u>

(Continued)

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund:					
Reserved	121,451	81,599	94,307	43,707	5,231,155
Unreserved	12,137,521	7,658,579	13,770,712	12,720,739	5,041,494
Total General Fund	<u>\$ 12,258,972</u>	<u>\$ 7,740,178</u>	<u>\$ 13,865,019</u>	<u>\$ 12,764,446</u>	<u>\$ 10,272,649</u>
All Other Governmental Funds:					
Reserved	203,641	126,061	122,710	20,798	
Unreserved, reported in:					
Special revenue funds	27,079,146	29,549,369	31,511,380	29,568,588	27,411,426
Capital projects funds	23,252,334	88,135,713	60,378,532	109,409,992	16,520,576
Debt service fund	9,474,851	5,949,241	15,953,214	15,041,608	9,193,331
Total all other governmental funds	<u>\$ 60,009,972</u>	<u>\$ 123,760,384</u>	<u>\$ 107,965,836</u>	<u>\$ 154,040,986</u>	<u>\$ 53,125,333</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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Federal sources:					
Federal grants	\$ 15,938,257	\$ 14,017,649	\$ 13,460,104	\$ 15,437,856	\$ 11,763,005
State Fiscal Stabilization (ARRA)			317,354	4,059,463	
Education Jobs			5,023,508		
National School Lunch Program	4,296,561	4,263,960	4,370,328	4,077,528	3,109,392
Total federal sources	<u>20,234,818</u>	<u>18,281,609</u>	<u>23,171,294</u>	<u>23,574,847</u>	<u>14,872,397</u>
State sources:					
State equalization assistance	24,256,964	25,977,703	28,752,581	21,210,753	28,018,928
State grants	273,037	540,605	467,142	416,900	1,720,544
School Facilities Board					
Other revenues	8,104,875	7,694,400	7,451,345	6,798,580	8,802,149
Total state sources	<u>32,634,876</u>	<u>34,212,708</u>	<u>36,671,068</u>	<u>28,426,233</u>	<u>38,541,621</u>
Local sources:					
Property taxes	169,277,911	172,517,119	200,710,698	212,292,088	198,914,373
County aid				229,750	
Food service sales	4,557,054	5,300,664	5,236,956	5,953,610	6,743,401
Investment income	301,051	278,734	1,004,963	772,592	2,165,185
Other revenues	15,007,077	13,828,760	13,204,753	13,769,136	13,025,569
Total local sources	<u>189,143,093</u>	<u>191,925,277</u>	<u>220,157,370</u>	<u>233,017,176</u>	<u>220,848,528</u>
Total revenues	<u><u>\$ 242,012,787</u></u>	<u><u>\$ 244,419,594</u></u>	<u><u>\$ 279,999,732</u></u>	<u><u>\$ 285,018,256</u></u>	<u><u>\$ 274,262,546</u></u>

(Continued)

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Federal sources:					
Federal grants	\$ 9,446,124	\$ 10,521,632	\$ 10,080,194	\$ 7,918,482	\$ 5,919,742
State Fiscal Stabilization (ARRA) Education Jobs					
National School Lunch Program	2,829,134	2,568,175	2,251,152	2,094,378	1,689,375
Total federal sources	<u>12,275,258</u>	<u>13,089,807</u>	<u>12,331,346</u>	<u>10,012,860</u>	<u>7,609,117</u>
State sources:					
State equalization assistance	34,419,996	31,909,143	28,415,236	27,776,834	31,509,424
State grants	768,632	477,755	11,609,981	10,060,396	7,632,066
School Facilities Board	1,409,087	2,759,082	2,152,779	2,609,764	59,190
Other revenues	13,850,599	11,664,869			
Total state sources	<u>50,448,314</u>	<u>46,810,849</u>	<u>42,177,996</u>	<u>40,446,994</u>	<u>39,200,680</u>
Local sources:					
Property taxes	211,328,645	168,550,763	155,533,225	155,758,869	149,377,823
County aid		7,383	621,810	586,711	947,024
Food service sales	6,477,759	5,605,694	5,461,309	4,821,990	4,404,906
Investment income	5,886,443	8,112,267	5,422,202	3,514,667	776,009
Other revenues	12,541,248	11,312,605	8,899,792	8,319,703	8,861,639
Total local sources	<u>236,234,095</u>	<u>193,588,712</u>	<u>175,938,338</u>	<u>173,001,940</u>	<u>164,367,401</u>
Total revenues	<u>\$ 298,957,667</u>	<u>\$ 253,489,368</u>	<u>\$ 230,447,680</u>	<u>\$ 223,461,794</u>	<u>\$ 211,177,198</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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenditures:					
Current -					
Instruction	\$ 108,304,313	\$ 109,461,502	\$ 110,093,348	\$ 122,750,360	\$ 127,153,635
Support services - students and staff	20,278,372	20,375,974	22,167,880	22,795,238	29,827,558
Support services - administration	18,045,680	17,050,586	16,606,333	17,027,190	17,573,126
Operation and maintenance of plant services	21,445,449	21,444,896	24,192,366	23,245,880	18,574,493
Student transportation services	8,781,133	9,262,637	9,019,241	9,147,622	8,781,402
Operation of non-instructional services	14,244,468	14,123,546	13,842,184	14,466,608	13,811,574
Capital outlay	54,158,684	107,919,368	28,711,644	25,897,304	28,265,833
Debt service -					
Judgments against the district					1,037,611
Interest, premium and fiscal charges	16,005,484	14,486,720	13,026,538	15,545,637	15,314,478
Principal retirement	29,740,074	26,885,889	47,910,137	51,876,240	42,208,349
Payment to refunded bond escrow agent			2,085,933		
Bond issuance costs		369,500	796,980		
Total expenditures	<u><u>\$ 291,003,657</u></u>	<u><u>\$ 341,380,618</u></u>	<u><u>\$ 288,452,584</u></u>	<u><u>\$ 302,752,079</u></u>	<u><u>\$ 302,548,059</u></u>
Expenditures for capitalized assets	\$ 44,650,197	\$ 94,858,506	\$ 14,584,385	\$ 8,322,513	\$ 15,287,498
Debt service as a percentage of noncapital expenditures	19%	17%	23%	23%	20%

(Continued)

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenditures:					
Current -					
Instruction	\$ 120,381,294	\$ 117,678,953	\$ 105,288,856	\$ 103,761,206	\$ 100,457,352
Support services - students and staff	27,990,156	24,025,178	22,108,327	19,325,577	55,079,972
Support services - administration	18,852,748	18,845,652	16,604,220	13,966,028	
Operation and maintenance of plant services	17,565,176	18,610,793	15,941,269	15,166,294	
Student transportation services	8,821,119	8,325,830	7,437,871	5,975,282	
Operation of non-instructional services	12,701,796	10,308,291	8,392,428	9,126,402	7,406,004
Capital outlay	90,509,728	108,363,299	62,256,553	21,184,648	3,325,950
Debt service -					
Judgments against the district					
Interest, premium and fiscal charges	16,893,641	15,630,522	15,503,270	11,249,997	12,175,328
Principal retirement	45,658,288	40,696,264	22,131,108	23,370,540	20,468,545
Payment to refunded bond escrow agent					2,000,000
Bond issuance costs		946,477		254,018	
Total expenditures	<u>\$ 359,373,946</u>	<u>\$ 363,431,259</u>	<u>\$ 275,663,902</u>	<u>\$ 223,379,992</u>	<u>\$ 200,913,151</u>
Expenditures for capitalized assets	\$ 75,919,035	\$ 93,375,356	\$ 50,898,850	\$ 15,108,111	\$ 9,561,463
Debt service as a percentage of noncapital expenditures	22%	21%	17%	17%	18%

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

(Concluded)

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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Excess (deficiency) of revenues over expenditures	\$ (48,990,870)	\$ (96,961,024)	\$ (8,452,852)	\$ (17,733,823)	\$ (28,285,513)
Other financing sources (uses):					
General obligation bonds issued		59,000,000	59,000,000		
Refunding bonds issued			31,000,000		
Premium on sale of bonds		2,991,292	2,154,160		
Capital lease agreements		27,373,744	6,593,460	9,151,403	1,007,861
Transfers in	4,686,377	4,597,473	2,075,111	6,409,941	3,441,638
Transfers out	(4,686,377)	(4,597,473)	(2,075,111)	(6,409,941)	(3,441,638)
Payment to refunded bond escrow agent			(32,172,780)		
Total other financing sources (uses)		<u>89,365,036</u>	<u>66,574,840</u>	<u>9,151,403</u>	<u>1,007,861</u>
Changes in fund balances	<u>\$ (48,990,870)</u>	<u>\$ (7,595,988)</u>	<u>\$ 58,121,988</u>	<u>\$ (8,582,420)</u>	<u>\$ (27,277,652)</u>
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Excess (deficiency) of revenues over expenditures	\$ (60,416,279)	\$ (109,941,891)	\$ (45,216,222)	\$ 81,802	\$ 10,264,047
Other financing sources (uses):					
General obligation bonds issued		117,000,000		100,000,000	
Refunding bonds issued		100,600,000			34,183,640
Premium on sale of bonds		10,140,670		1,999,417	
Proceeds from sale of capital assets					33,577
Capital lease agreements	1,067,229	288,337	89,133	1,392,881	15,278
Transfers in	1,903,033	6,293,185	2,371,905	3,016,380	350,370
Transfers out	(1,903,033)	(6,293,185)	(2,371,905)	(3,016,380)	(350,370)
Payment to refunded bond escrow agent		(108,408,052)			(34,183,640)
Total other financing sources (uses)	<u>1,067,229</u>	<u>119,620,955</u>	<u>89,133</u>	<u>103,392,298</u>	<u>48,855</u>
Changes in fund balances	<u>\$ (59,349,050)</u>	<u>\$ 9,679,064</u>	<u>\$ (45,127,089)</u>	<u>\$ 103,474,100</u>	<u>\$ 10,312,902</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	Total Taxable Assessed Valuation	Total Direct Rate	Estimated Actual Value	Ratio of Net Assessed to Estimated Actual Value	
	Residential Property	Commercial Property								
2013	\$ 3,068,143,850	\$ 1,689,242,406	\$ 189,371,195	\$ 3,246,184	\$ 542,431,521	\$ 4,407,572,114	4.43	\$ 40,960,626,918	10.76	%
2012	3,425,628,842	1,946,174,054	186,420,555	4,467,661	602,480,599	4,960,210,513	4.00	45,973,224,668	10.79	
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	

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
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
1 Commercial, Industrial, Utilities and Mining	\$ 1,171,611,166	\$ 1,310,074,799	\$ 1,819,016,886	\$ 1,916,938,893	\$ 1,715,892,138
2 Agricultural and Vacant	170,198,253	227,044,993	342,770,214	435,895,590	400,386,649
3 Residential (Owner Occupied)	2,737,541,354	3,057,814,095	3,715,887,079	4,354,159,135	4,556,663,940
4 Residential (Rental)	327,329,732	364,685,348	441,222,136	494,065,266	484,830,683
5 Railroad, Private Cars and Airlines					
06, 07, 08 Historical Property	813,028	541,040	458,123	620,721	2,009,774
9 Certain Government Property Improvements	78,581	50,238			
Total	\$ 4,407,572,114	\$ 4,960,210,513	\$ 6,319,354,438	\$ 7,201,679,605	\$ 7,159,783,184

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
1 Commercial, Industrial, Utilities and Mining	\$ 1,508,612,264	\$ 1,341,862,915	\$ 1,202,749,805	\$ 1,173,458,572	\$ 1,051,205,557
2 Agricultural and Vacant	314,361,475	275,693,837	190,739,661	214,630,702	141,806,964
3 Residential (Owner Occupied)	3,949,006,584	2,466,739,850	2,412,915,141	2,132,802,652	2,077,018,471
4 Residential (Rental)	409,290,421	276,878,715	254,471,506	223,826,894	225,511,718
5 Railroad, Private Cars and Airlines					
06, 07, 08 Historical Property	1,809,373	1,970,312	1,531,651	1,668,526	1,177,118
9 Certain Government Property Improvements					
Total	\$ 6,183,080,117	\$ 4,363,145,629	\$ 4,062,407,764	\$ 3,746,387,346	\$ 3,496,719,828

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

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
PROPERTY TAX ASSESSMENT RATIOS
LAST 10 FISCAL YEARS**

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

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

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

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

**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									
2013	0.47	1.24	1.38	1.23	1.82	2.14	0.05	3.09	1.34	4.43
2012	0.43	1.24	1.21	1.09	1.82	1.79	0.05	2.75	1.25	4.00
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

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**

Taxpayer	2013		2004	
	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation
Scottsdale Fashion Square LLC	44,075,721	1.00 %	56,297,189	1.61 %
Arizona Public Service Company	41,431,178	0.94	46,856,046	1.34
Starwood Phoenician CMBA LLC	22,037,861	0.50	41,960,638	1.20
Qwest Corporation	17,630,288	0.40	35,666,542	1.02
General Dynamics System	13,663,474	0.31	20,980,319	0.60
W J Small Grandchildren Trust	13,222,716	0.30		
Portales Corporation Center LLC	12,341,202	0.28		
M L Resort Holding LLC	11,900,445	0.27		
Scottsdale Fashion Square Partership	11,900,445	0.27		
Drug (AZ) QRS 14-42 Inc.	11,018,930	0.25		
Gainey Ranch Financial			21,329,991	0.61
Gainey Drive Associates			21,679,663	0.62
Gainey Ranch Corp Center			20,280,975	0.58
Marriot Corporation			17,833,271	0.51
Scottsdale Plaza Resort			12,238,519	0.35
Total	\$ 199,222,260	4.52 %	\$ 238,825,964	8.44 %

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
2013	\$ 194,571,811	\$ 182,955,919	94.03 %	\$	\$ 182,955,919	94.03 %
2012	197,438,367	185,889,225	94.15	7,629,456	193,518,681	98.01
2011	227,752,165	217,680,125	95.58	8,745,169	226,425,294	99.42
2010	242,359,809	220,594,794	91.02	10,908,411	231,503,205	95.52
2009	227,393,423	212,062,159	93.26	11,827,874	223,890,033	98.46
2008	237,417,646	230,341,958	97.02	6,405,995	236,747,953	99.72
2007	193,926,037	188,685,468	97.30	4,226,634	192,912,102	99.48
2006	178,630,188	171,535,877	96.03	6,434,861	177,970,738	99.63
2005	177,711,029	171,309,334	96.40	6,373,905	177,683,239	99.98
2004	168,823,363	162,620,956	96.33	6,176,034	168,796,990	99.98

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	
2013	\$287,045,000	\$ 7,266,459	\$ 279,778,541	0.68 %	\$ 985	\$ 33,226,613	\$320,271,613	0.78 %	\$ 1,128	N/A %	
2012	311,050,000	11,064,863	299,985,137	0.65	1,057	38,000,437	349,050,437	0.76	1,229	0.24	
2011	252,550,000	8,442,094	244,107,906	0.43	858	13,007,582	265,557,582	0.46	934	0.19	
2010	271,585,000	31,955,000	239,630,000	0.37	911	8,244,259	279,829,259	0.43	1,064	0.19	
2009	321,805,000	32,990,000	288,815,000	0.44	1,097	1,784,096	323,589,096	0.49	1,229	0.23	
2008	375,460,000	45,155,000	330,305,000	0.59	1,397	1,494,584	376,954,584	0.68	1,595	0.28	
2007	402,600,000	27,140,000	375,460,000	1.01	1,235	930,643	403,530,643	1.09	1,327	0.33	
2006	320,655,000	21,855,000	298,800,000	0.86	1,183	998,570	321,653,570	0.92	1,274	0.29	
2005	343,605,000	22,950,000	320,655,000	1.01	1,474	1,185,545	344,790,545	1.09	1,585	0.34	
2004	263,725,000	20,120,000	243,605,000	0.87	1,133	213,204	263,938,204	0.94	1,227	0.27	

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

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2013

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa Community College District	\$ 616,235,000	12.80 %	\$ 78,878,080
City of Scottsdale	334,020,000	60.98	203,685,396
City of Phoenix	1,182,740,747	5.55	65,642,111
City of Tempe	492,300,000	0.71	3,495,330
DC Ranch Communities Facilities District	14,670,000	100.00	14,670,000
McDowell Mountain Ranch Community Facilities District	11,555,000	100.00	11,555,000
Scottsdale Mountain Community Facilities District	3,630,000	100.00	3,630,000
Via Linda Road Community Facilities District	2,000,000	50.91	1,018,200
Waterfront Community Facilities District	6,670,400	100.00	6,670,400
Subtotal, Overlapping Debt			<u>389,244,517</u>
Direct:			
Scottsdale Unified School District No. 48			<u>320,271,613</u>
Total Direct and Overlapping Debt			<u><u>\$ 709,516,130</u></u>

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

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

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

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

Secondary assessed valuation	\$ 4,407,572,114
Debt limit (10% of assessed value)	440,757,211
Debt applicable to limit	<u>239,780,000</u>
Legal debt margin	<u>\$ 200,977,211</u>

Total Legal Debt Margin Calculation for Fiscal Year 2013:

Secondary assessed valuation	\$ 4,407,572,114
Debt limit (30% of assessed value)	1,322,271,634
Debt applicable to limit	<u>287,045,000</u>
Legal debt margin	<u>\$ 1,035,226,634</u>

Fiscal Year Ended June 30

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Debt Limit	\$ 1,322,271,634	\$ 1,488,063,154	\$ 1,895,806,331	\$ 2,160,503,882	\$ 2,147,934,955
Total net debt applicable to limit	<u>287,045,000</u>	<u>311,050,000</u>	<u>252,550,000</u>	<u>271,585,000</u>	<u>321,805,000</u>
Legal debt margin	<u>\$ 1,035,226,634</u>	<u>\$ 1,177,013,154</u>	<u>\$ 1,643,256,331</u>	<u>\$ 1,888,918,882</u>	<u>\$ 1,826,129,955</u>
Total net debt applicable to the limit as a percentage of debt limit	22%	21%	13%	13%	15%

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Debt Limit	\$ 1,854,924,035	\$ 1,308,943,689	\$ 1,218,722,329	\$ 1,123,916,204	\$ 1,049,015,948
Total net debt applicable to limit	<u>375,460,000</u>	<u>402,600,000</u>	<u>320,655,000</u>	<u>343,605,000</u>	<u>263,725,000</u>
Legal debt margin	<u>\$ 1,479,464,035</u>	<u>\$ 906,343,689</u>	<u>\$ 898,067,329</u>	<u>\$ 780,311,204</u>	<u>\$ 785,290,948</u>
Total net debt applicable to the limit as a percentage of debt limit	20%	31%	26%	31%	25%

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 10 CALENDAR YEARS

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2012	3,824,058	\$ 147,374,500	\$ 38,238	9.1 %	283,918
2011	3,843,370	142,864,275	37,352	8.4	283,918
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

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

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

<u>Employer</u>	<u>2013</u>		<u>2004</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	52,076	3.05 %	50,363	2.99 %
Wal-Mart Stores Inc.	31,837	1.86	18,677	1.11
Banner Health Systems	25,126	1.47	13,756	0.82
City of Phoenix	14,983	0.88	13,095	0.78
Wells Fargo Company	13,679	0.80		
Maricopa County	13,308	0.78	13,482	0.80
Apollo Group Inc.	10,000	0.58		
Arizona State University	12,222	0.71	10,005	0.59
Raytheon Co.			10,200	0.60
Bank of America	12,500	0.73		
Honeywell			12,000	0.71
Intel Corp.	11,000	0.64	9,500	0.56
JP Morgan Chase & Co	11,407	0.67		
Mesa Public Schools	8,400	0.49		
U.S. Postal Service	8,150	0.48	11,406	0.68
US Airways	9,237	0.54		
Albertson's			9,500	0.56
Bashas' Inc.			9,374	0.56
Safeway Stores			9,100	0.54
Fry's Food and Drug			9,053	0.54
Total	<u>233,925</u>	<u>13.68 %</u>	<u>199,511</u>	<u>11.84 %</u>
Total employment	<u>1,710,000</u>		<u>1,686,000</u>	

Source: The source of this information is the Business Journal Book of Lists.

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

	Full-time Equivalent Employees as of June 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Supervisory					
Consultants/supervisors of instruction	18	14	15	14	18
Principals	30	30	29	31	31
Assistant principals	36	43	38	38	45
Total supervisory	<u>84</u>	<u>87</u>	<u>82</u>	<u>83</u>	<u>94</u>
Instruction					
Teachers	1,443	1,437	1,402	1,480	1,590
Other professionals (instructional)		193	118	113	112
Aides	329	305	353	317	314
Total instruction	<u>1,772</u>	<u>1,935</u>	<u>1,873</u>	<u>1,910</u>	<u>2,016</u>
Student Services					
Librarians	13	2	9	11	11
Technicians	22	43	27	28	28
Total student services	<u>35</u>	<u>45</u>	<u>36</u>	<u>39</u>	<u>39</u>
Support and Administration					
Service Workers	342	524	447	569	613
Other Laborers	708	341	353	255	250
Total support and administration	<u>1,050</u>	<u>865</u>	<u>800</u>	<u>824</u>	<u>863</u>
Total	<u><u>2,941</u></u>	<u><u>2,932</u></u>	<u><u>2,791</u></u>	<u><u>2,856</u></u>	<u><u>3,012</u></u>

(Continued)

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Supervisory					
Consultants/supervisors of instruction	17	16	16	16	16
Principals	32	27	32	32	31
Assistant principals	43	35	36	36	36
Total supervisory	<u>92</u>	<u>78</u>	<u>84</u>	<u>84</u>	<u>83</u>
Instruction					
Teachers	1,608	1,580	1,462	1,457	1,447
Other professionals (instructional)	89	65	87	86	85
Aides	282	166	197	187	182
Total instruction	<u>1,979</u>	<u>1,811</u>	<u>1,746</u>	<u>1,730</u>	<u>1,714</u>
Student Services					
Librarians	31	37	27	25	24
Technicians	41	3	3	19	17
Total student services	<u>72</u>	<u>40</u>	<u>30</u>	<u>44</u>	<u>41</u>
Support and Administration					
Service Workers	618	595	600	525	522
Other Laborers	242	240	234	235	234
Total support and administration	<u>860</u>	<u>835</u>	<u>834</u>	<u>760</u>	<u>756</u>
Total	<u><u>3,003</u></u>	<u><u>2,764</u></u>	<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
2013	24,184	\$ 191,099,415	\$ 7,902	0.58 %	\$ 232,467,246	\$ 9,612	(7.01) %	1,772	13.6	27.9 %
2012	24,402	191,719,141	7,857	(0.54)	252,254,001	10,337	7.31	1,935	12.6	26.3
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)	1,910	13.3	24.7
2009	25,642	215,721,788	8,413	2.10	260,341,368	10,153	1.40	2,016	12.7	22.1
2008	25,038	206,312,289	8,240	5.64	250,693,175	10,013	5.08	1,979	12.7	19.3
2007	25,358	197,794,697	7,800	13.31	241,615,730	9,528	11.44	1,811	14.0	19.9
2006	25,534	175,772,971	6,884	3.99	218,317,279	8,550	13.26	1,746	14.6	18.1
2005	25,277	167,320,789	6,619	3.64	190,809,956	7,549	4.27	1,730	14.6	18.1
2004	25,511	162,943,328	6,387	1.55	184,694,299	7,240	5.91	1,714	14.9	16.2

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

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

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

	Fiscal Year Ended June 30									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>Schools</u>										
Elementary										
Buildings	163	163	166	166	166	166	166	160	160	160
Square feet	1,427,918	1,427,918	1,399,949	1,399,949	1,399,949	1,399,949	1,399,949	1,389,364	1,389,364	1,389,364
Capacity	15,336	15,336	15,336	15,336	15,336	15,336	15,336	15,336	15,336	15,336
Enrollment	11,845	11,707	12,816	13,694	13,727	11,734	11,674	11,826	10,471	11,947
Middle										
Buildings	62	62	78	78	78	78	78	78	78	78
Square feet	960,988	852,118	859,360	859,360	859,360	859,360	859,360	859,360	859,360	859,360
Capacity	9,608	8,592	8,592	8,592	8,592	8,592	8,592	8,592	8,592	8,592
Enrollment	5,813	4,277	4,349	4,566	4,640	5,231	5,091	5,105	6,400	5,838
High										
Buildings	48	48	48	48	48	42	42	49	49	49
Square feet	1,729,392	1,729,392	1,729,392	1,729,392	1,729,392	1,665,520	1,405,247	1,424,419	1,429,419	1,424,419
Capacity	11,784	11,784	11,784	11,784	11,784	12,598	10,630	10,630	10,630	10,630
Enrollment	8,551	8,731	8,724	8,724	8,510	8,858	8,498	8,514	8,318	8,167
Other										
Buildings	4	4	4	4	4	4	4	1	1	1
Square feet	33,998	33,998	33,998	33,998	33,998	33,998	33,998	18,000	18,000	18,000
Capacity	250	250	250	250	250	250	250	250	250	250
Enrollment	59	59	82	98	115	100	100	72	93	81
<u>Administrative</u>										
Buildings	4	4	3	3	3	3	3	3	3	3
Square feet	36,651	36,651	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	226	218	211	202	202	202	202	202	204	159
<u>Athletics</u>										
Football fields	5	5	5	5	5	5	5	5	5	5
Soccer fields	7	7	7							
Running tracks	5	5	5	5	5	5	5	5	5	5
Baseball/softball	62	62	63	63	63	63	63	59	59	59
Playgrounds	67	67	67	22	22	22	22	22	22	22

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