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# SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48

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## Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014



*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, 2014**

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

Web site: [www.susd.org](http://www.susd.org)

November 13, 2014

Citizens and Governing Board  
Scottsdale Unified School District No. 48  
3811 North 44<sup>th</sup> 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, 2014.

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, 2014, 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, 2014, 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 280,000.

The District has 31 schools on 30 sites with a 2013-14 average daily membership of 23,762, a decrease of two percent from the previous school year. Over 3,500 employees work in the District. The District has a sizable tax base of above-average income and housing values.

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

The City of Scottsdale was founded in 1888 and incorporated in 1951. It is located in the northeastern portion of the "Valley of the Sun". Scottsdale had a 1990 population of 130,075 and a 2011 estimated population of 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 30,000 employees and more than 2,000 businesses thirty-five of which are corporate headquarters like GoDaddy.com, Henkel Corporation, JDA Software, Hypercom and Taser International. Strategically located along the loop 101 freeway, the Airpark is home to the Scottsdale Airport, the busiest single-runway general aviation airport in the country and the largest corporate jet facility in Arizona.

Downtown Scottsdale is considered by many as the Central Business District, featuring a roughly 2 mile square area. An estimated 39,000 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 six 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 \$450,000 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, 2013. 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, 2013. 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 ended June 30, 2014 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, 2013*

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



A handwritten signature in black ink, reading 'Terrie S. Simmons'.

Terrie S. Simmons, RSBA, CSBO  
President

A handwritten signature in black ink, reading 'John D. Musso'.

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**

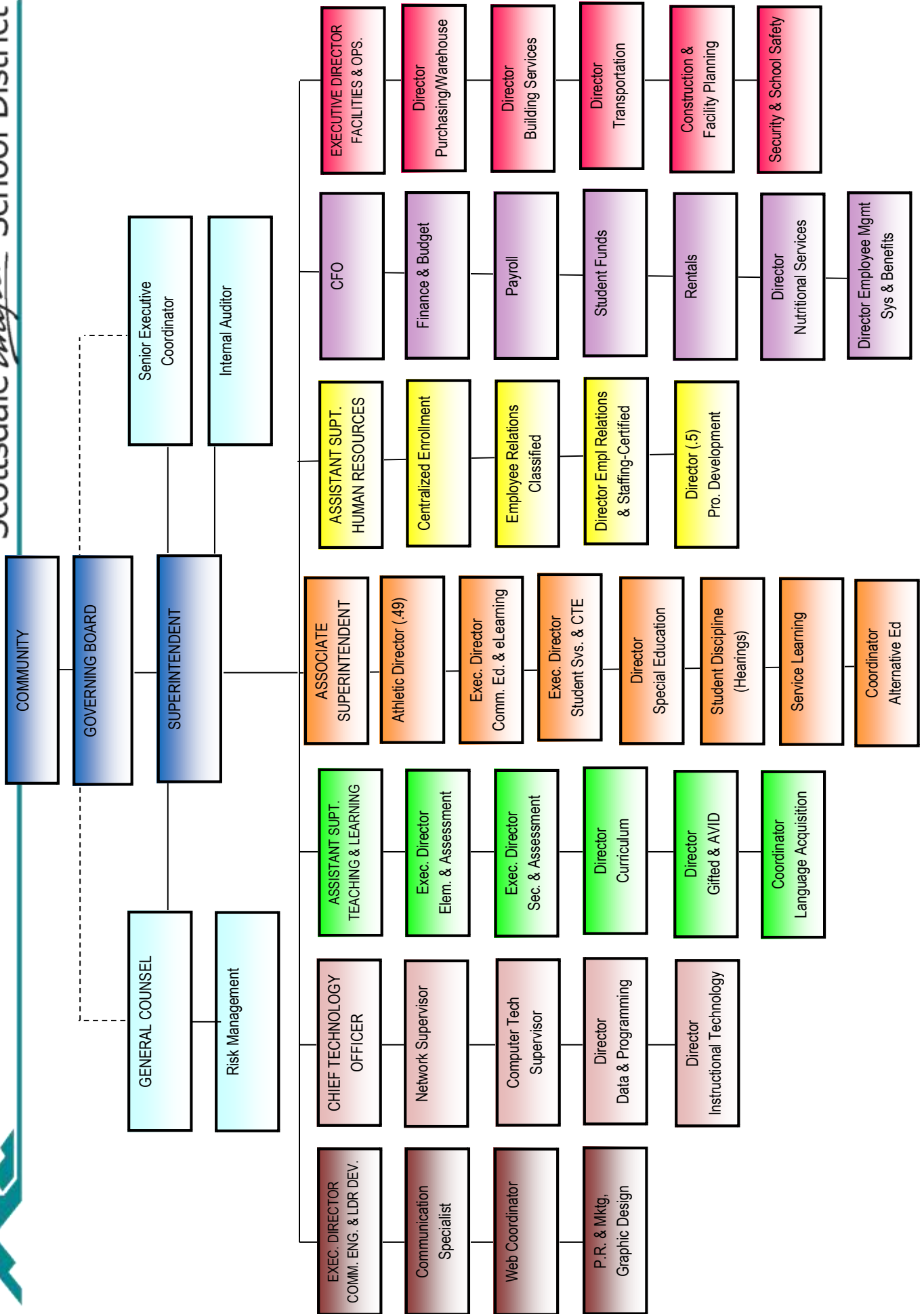
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO



# Scottsdale Unified School District



**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**

**LIST OF PRINCIPAL OFFICIALS  
AS OF JUNE 30, 2014**

**GOVERNING BOARD**

Bonnie Sneed  
President

Denny Brown  
Vice President

Barbara Perleberg  
Member

Pam Kirby  
Member

George Jackson  
Member

**ADMINISTRATIVE STAFF**

Dr. David Peterson, Superintendent

Terry Worcester, Executive Director of Facilities and Operations

Daniel O'Brien, Chief Financial Officer

Dr. Andi Furlis, Director of Instructional Services

Michelle Marshall, General Counsel

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

Kristine Harrington, Public Information and Marketing Officer

## **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, 2014, 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 entity'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 entity'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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance 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. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended June 30, 2014, 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 60 and 61 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 November 13, 2014, 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.  
CPAs and Business Consultants

November 13, 2014

**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, 2014**

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, 2014. 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 \$14.0 million, which represents a 5 percent increase from the prior fiscal year, as a result of the completion of several school renovation projects.
- General revenues accounted for \$202.6 million in revenue, or 85 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$37.1 million or 15 percent of total current fiscal year revenues.
- The District had approximately \$225.7 million in expenses related to governmental activities, a decrease of 3 percent from the prior fiscal year.
- Among major funds, the General Fund had \$149.6 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$148.1 million in expenditures. The General Fund's fund balance increase from \$12.7 million at the prior fiscal year end to \$15.5 million at the end of the current fiscal year was primarily due to the transfer of excess cash from the Unrestricted Capital Outlay Fund.
- Net position for the Internal Service Funds increased \$413,994 from the prior fiscal year. Operating revenues of \$1.6 million exceeded operating expenses of \$1.5 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, 2014**

**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, 2014**

**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 and the Debt Service Funds, both 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, 2014**

**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 and deferred outflows exceeded liabilities by \$282.7 million at the current year end.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, 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 outstanding 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, 2014**

**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, 2014 and June 30, 2013.

	As of June 30, 2014	As of June 30, 2013
Current and other assets	\$ 115,988,729	\$ 121,245,829
Capital assets, net	484,764,956	500,697,193
Total assets	<u>600,753,685</u>	<u>621,943,022</u>
Deferred outflows	2,327,653	
Current and other liabilities	13,493,714	20,172,060
Long-term liabilities	306,906,459	330,884,021
Total liabilities	<u>320,400,173</u>	<u>351,056,081</u>
Net position:		
Net investment in capital assets	192,343,223	185,819,660
Restricted	26,778,930	21,654,982
Unrestricted	63,559,012	63,412,299
Total net position	<u>\$ 282,681,165</u>	<u>\$ 270,886,941</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 \$25.0 million of bonds.
- The addition of \$6.0 million in capital assets.
- The principal retirement of \$2.4 million of capital leases.
- The decrease of \$2.1 million in prepaid items.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

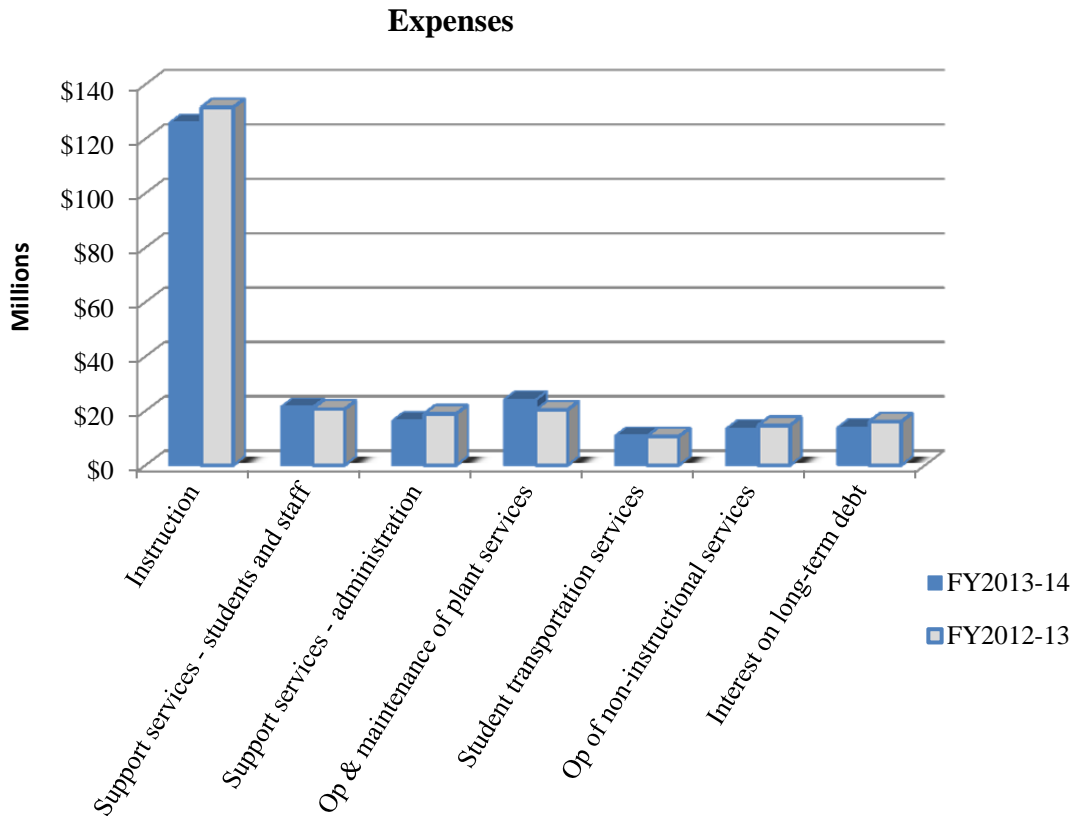
**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**

**Changes in net position.** The District's total revenues for the current fiscal year were \$239.7 million. The total cost of all programs and services was \$225.7 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2014 and June 30, 2013.

	Fiscal Year Ended <u>June 30, 2014</u>	Fiscal Year Ended <u>June 30, 2013</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 18,934,927	\$ 19,564,131
Operating grants and contributions	17,700,029	18,459,174
Capital grants and contributions	482,642	1,134,264
General revenues:		
Property taxes	167,267,632	171,512,451
Investment income	493,122	530,349
Unrestricted state aid	34,191,280	32,456,652
Unrestricted federal aid	667,006	748,901
<b>Total revenues</b>	<u>239,736,638</u>	<u>244,405,922</u>
<b>Expenses:</b>		
Instruction	125,817,758	131,532,492
Support services – students and staff	21,387,477	20,600,353
Support services – administration	16,360,490	18,881,552
Operation and maintenance of plant services	24,043,217	20,336,972
Student transportation services	10,812,339	10,525,225
Operation of non-instructional services	13,437,529	14,585,168
Interest on long-term debt	13,853,807	16,005,484
<b>Total expenses</b>	<u>225,712,617</u>	<u>232,467,246</u>
<b>Changes in net position</b>	<u>14,024,021</u>	<u>11,938,676</u>
<b>Net position, beginning (as restated)</b>	<u>268,657,144</u>	<u>258,948,265</u>
<b>Net position, ending</b>	<u>\$ 282,681,165</u>	<u>\$ 270,886,941</u>

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

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



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

- Instruction expense decreased \$5.7 million due to budget reductions related to the District being in the first year of the phase out of the M&O override.
- Operation and maintenance of plant services expense increased \$3.7 million due to an increase in insurance costs.



**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**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.

	Year Ended June 30, 2014		Year Ended June 30, 2013	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 125,817,758	\$(111,975,645)	\$ 131,532,492	\$ (117,379,368)
Support services – students and staff	21,387,477	(16,974,129)	20,600,353	(16,761,662)
Support services – administration	16,360,490	(16,157,773)	18,881,552	(18,514,866)
Operation and maintenance of plant services	24,043,217	(22,855,108)	20,336,972	(17,951,407)
Student transportation services	10,812,339	(10,791,252)	10,525,225	(10,499,793)
Operation of non-instructional services	13,437,529	1,008,034	14,585,168	(22,428)
Interest on long-term debt	13,853,807	(10,849,146)	16,005,484	(12,180,153)
<b>Total</b>	<u>\$ 225,712,617</u>	<u>\$(188,595,019)</u>	<u>\$ 232,467,246</u>	<u>\$(193,309,677)</u>

- The cost of all governmental activities this year was \$225.7 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$37.1 million.
- Net cost of governmental activities of \$188.6 million was financed by general revenues, which are made up of primarily property taxes of \$167.3 million and state aid of \$34.2 million.

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

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

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

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**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 \$42.8 million, an increase of \$3.9 million due primarily to a decrease in expenditures.

The General Fund comprises 36 percent of the total fund balance. Approximately \$15.0 million, or 97 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$2.8 million to \$15.5 million as of fiscal year end was a result of a decrease in expenditures. General Fund revenues decreased \$6.5 million. General Fund expenditures decreased \$9.8 million. The primary reason for the decreases is due to the District being required to reduce expenditures due to statutory mandates related to the maintenance and operations override.

The fund balance in the Debt Service Fund decreased \$2.9 million. Fund balance in this fund changes as resources needed to service the District's debt fluctuates.

Unrestricted net position of the Internal Service Funds increased \$413,994 to \$14.1 million. Operating revenues decreased \$238,374 while operating expenses decreased \$498,582.

**BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in student counts. The difference between the original budget and the final amended budget was a \$141,400 decrease, or less than 1 percent.

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

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**BUDGETARY HIGHLIGHTS (Concl'd)**

- The favorable variance of \$2.1 million in instruction expenditures was due to higher than expected funding related to proposition 301 monies.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At year end, the District had invested \$707.2 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 \$5.7 million from the prior fiscal year, primarily due to construction/remodeling of several school sites. Total depreciation expense for the current fiscal year was \$21.9 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2014 and June 30, 2013.

	As of <u>June 30, 2014</u>	As of <u>June 30, 2013</u>
Capital assets – non-depreciable	\$ 28,464,175	\$ 93,158,665
Capital assets – depreciable, net	<u>456,300,781</u>	<u>407,538,528</u>
<b>Total</b>	<b><u>\$ 484,764,956</u></b>	<b><u>\$ 500,697,193</u></b>

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

**Debt Administration.** At year-end, the District had \$297.2 million in long-term debt outstanding, \$24.5 million due within one year. This represents a net decrease of \$27.8 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 20 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 \$841.2 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, 2014**

**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 2014-15 budget. Among them:

- Fiscal year 2013-14 budget balance carry forward (\$2,903,910 for Maintenance and Operations and \$49,030 for Career Ladder)
- District student population (23,791)

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 3 percent to \$143.1 million in fiscal year 2014-15. In fiscal year 2014-2015, the District will be in the second year of the phase out of the M&O override. The phase out will result in a reduction of \$8.2 million in budget capacity. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2014-15 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 44<sup>th</sup> 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, 2014**

	Governmental Activities
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 77,937,105
Property taxes receivable	24,451,279
Accounts receivable	569,549
Deposits	200,000
Due from governmental entities	12,618,875
Inventory	211,921
Total current assets	115,988,729
Noncurrent assets:	
Land	26,951,811
Land improvements	19,116,345
Buildings and improvements	620,000,155
Vehicles, furniture and equipment	39,639,071
Construction in progress	1,512,364
Accumulated depreciation	(222,454,790)
Total noncurrent assets	484,764,956
<b>Total assets</b>	<b>600,753,685</b>
 <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Deferred charge on refunding	2,327,653
 <b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	4,149,493
Accrued payroll and employee benefits	2,296,824
Compensated absences payable	483,964
Accrued interest payable	6,329,543
Unearned revenues	717,854
Obligations under capital leases	2,404,968
Bonds payable	22,116,250
Total current liabilities	38,498,896
Noncurrent liabilities:	
Non-current portion of long-term obligations	281,901,277
Total noncurrent liabilities	281,901,277
<b>Total liabilities</b>	<b>320,400,173</b>
 <b><u>NET POSITION</u></b>	
Net investment in capital assets	192,343,223
Restricted for:	
Voter approved initiatives	4,134,188
Federal and state projects	542,250
Food service	1,816,400
Extracurricular activities	3,135,555
Other local initiatives	2,255,195
Debt service	4,614,071
Capital outlay	10,281,271
Unrestricted	63,559,012
<b>Total net position</b>	<b>\$ 282,681,165</b>

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, 2014**

<b>Functions/Programs</b>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
Instruction	\$ 125,817,758	\$ 7,601,228	\$ 5,758,243	\$ 482,642	\$ (111,975,645)
Support services - students and staff	21,387,477		4,413,348		(16,974,129)
Support services - administration	16,360,490		202,717		(16,157,773)
Operation and maintenance of plant services	24,043,217	1,117,379	70,730		(22,855,108)
Student transportation services	10,812,339		21,087		(10,791,252)
Operation of non-instructional services	13,437,529	10,216,320	4,229,243		1,008,034
Interest on long-term debt	13,853,807		3,004,661		(10,849,146)
<b>Total governmental activities</b>	<u>\$ 225,712,617</u>	<u>\$ 18,934,927</u>	<u>\$ 17,700,029</u>	<u>\$ 482,642</u>	<u>(188,595,019)</u>

**General revenues:**

Taxes:

Property taxes, levied for general purposes	120,551,271
Property taxes, levied for debt service	29,736,719
Property taxes, levied for capital outlay	16,979,642
Investment income	493,122
Unrestricted state aid	34,191,280
Unrestricted federal aid	667,006
<b>Total general revenues</b>	<u>202,619,040</u>

**Changes in net position**

14,024,021

**Net position, beginning of year, as restated**

268,657,144

**Net position, end of year**

\$ 282,681,165

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, 2014**

	General	Debt Service	Non-Major Governmental Funds
<b><u>ASSETS</u></b>			
Cash and investments	\$ 9,733,091	\$ 31,689,755	\$ 22,453,301
Property taxes receivable	22,888,157	481,917	1,081,205
Accounts receivable	118,517		391,824
Deposits			200,000
Due from governmental entities	8,039,076	888,192	3,691,607
Due from other funds	1,823,454		
Inventory	25,774		186,147
<b>Total assets</b>	<b>\$ 42,628,069</b>	<b>\$ 33,059,864</b>	<b>\$ 28,004,084</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 3,357,516	\$	\$ 791,977
Due to other funds			1,823,454
Accrued payroll and employee benefits	1,701,635		595,189
Unearned revenues	61,502		656,352
Bonds payable		22,116,250	
Bond interest payable		6,329,543	
<b>Total liabilities</b>	<b>5,120,653</b>	<b>28,445,793</b>	<b>3,866,972</b>
Deferred inflows of resources:			
Unavailable revenues - property taxes	22,037,520	273,127	973,168
Unavailable revenues - intergovernmental			148,015
<b>Total deferred inflows of resources</b>	<b>22,037,520</b>	<b>273,127</b>	<b>1,121,183</b>
Fund balances (deficits):			
Nonspendable	25,774		186,147
Restricted	459,656	4,340,944	22,875,676
Unassigned	14,984,466		(45,894)
<b>Total fund balances</b>	<b>15,469,896</b>	<b>4,340,944</b>	<b>23,015,929</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 42,628,069</b>	 <b>\$ 33,059,864</b>	 <b>\$ 28,004,084</b>

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

Total  
Governmental  
Funds

\$ 63,876,147  
24,451,279  
510,341  
200,000  
12,618,875  
1,823,454  
211,921  
\$ 103,692,017

\$ 4,149,493  
1,823,454  
2,296,824  
717,854  
22,116,250  
6,329,543  
37,433,418

23,283,815  
148,015  
23,431,830

211,921  
27,676,276  
14,938,572  
42,826,769

\$ 103,692,017

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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, 2014**

**Total governmental fund balances** **\$ 42,826,769**

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

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

Governmental capital assets	\$ 707,219,746	
Less accumulated depreciation	<u>(222,454,790)</u>	484,764,956

Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.

Property taxes	23,283,815	
Intergovernmental	<u>148,015</u>	23,431,830

Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds. 2,327,653

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. 14,120,166

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

Compensated absences payable	(9,679,270)	
Obligations under capital leases	(30,871,667)	
Bonds payable	<u>(244,239,272)</u>	<u>(284,790,209)</u>

**Net position of governmental activities** **\$ 282,681,165**

**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, 2014**

	<u>General</u>	<u>Debt Service</u>	<u>Non-Major Governmental Funds</u>
<b>Revenues:</b>			
Other local	\$ 4,620,034	\$ 77,768	\$ 15,942,564
Property taxes	121,224,078	29,961,802	16,209,443
State aid and grants	23,116,802		11,291,888
Federal aid, grants and reimbursements	667,006	1,776,384	14,630,360
<b>Total revenues</b>	<u>149,627,920</u>	<u>31,815,954</u>	<u>58,074,255</u>
<b>Expenditures:</b>			
Current -			
Instruction	86,610,006		14,769,236
Support services - students and staff	15,190,306		5,265,581
Support services - administration	15,725,543		292,037
Operation and maintenance of plant services	21,789,113		358,067
Student transportation services	7,704,010		675,483
Operation of non-instructional services	377,013		12,838,542
Capital outlay	487,887		13,346,212
Debt service -			
Principal retirement	211,901	22,116,250	2,143,045
Interest and fiscal charges	30,400	12,636,753	1,467,332
<b>Total expenditures</b>	<u>148,126,179</u>	<u>34,753,003</u>	<u>51,155,535</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,501,741</u>	<u>(2,937,049)</u>	<u>6,918,720</u>
<b>Other financing sources (uses):</b>			
Transfers in	6,429,090	11,534	3,575,932
Transfers out	(3,575,932)		(6,440,624)
<b>Total other financing sources (uses):</b>	<u>2,853,158</u>	<u>11,534</u>	<u>(2,864,692)</u>
<b>Changes in fund balances</b>	<u>4,354,899</u>	<u>(2,925,515)</u>	<u>4,054,028</u>
<b>Fund balances, beginning of year</b>	12,691,009	7,266,459	18,947,672
Increase (decrease) in reserve for prepaid items	(1,592,417)		
Increase (decrease) in reserve for inventory	16,405		14,229
<b>Fund balances, end of year</b>	<u>\$ 15,469,896</u>	<u>\$ 4,340,944</u>	<u>\$ 23,015,929</u>

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

Total  
Governmental  
Funds

---

\$ 20,640,366  
167,395,323  
34,408,690  
17,073,750  

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239,518,129

101,379,242  
20,455,887  
16,017,580  
22,147,180  
8,379,493  
13,215,555  
13,834,099

24,471,196  
14,134,485  

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234,034,717

---

5,483,412

10,016,556  

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(10,016,556)

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5,483,412

38,905,140

(1,592,417)  
30,634

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\$ 42,826,769

**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, 2014**

**Net changes in fund balances - total governmental funds** **\$ 3,921,629**

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	\$ 6,003,112	
Less current year depreciation	<u>(21,935,349)</u>	(15,932,237)

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

Property taxes	(127,691)	
Intergovernmental	<u>63,314</u>	(64,377)

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	2,354,946	
Bond principal retirement	<u>22,116,250</u>	24,471,196

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.

Amortization of issuance premium and deferred bond items	280,678	
Compensated absences	<u>933,138</u>	1,213,816

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.

		<u>413,994</u>
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**Change in net position in governmental activities** **\$ 14,024,021**

**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, 2014**

	Governmental Activities: Internal Service Funds
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 14,060,958
Accounts receivable	59,208
Total current assets	<u>14,120,166</u>
<b>Total assets</b>	<u><u>14,120,166</u></u>
 <b><u>NET POSITION</u></b>	
Unrestricted	<u>14,120,166</u>
<b>Total net position</b>	<u><u>\$ 14,120,166</u></u>

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, 2014**

	Governmental Activities: Internal Service Funds
<b>Operating revenues:</b>	
Other	\$ 774,037
Contributions	815,821
<b>Total operating revenues</b>	<b>1,589,858</b>
<b>Operating expenses:</b>	
Other	818,619
Claims	91,241
Premiums	479,128
Administrative fees	69,762
<b>Total operating expenses</b>	<b>1,458,750</b>
<b>Operating income (loss)</b>	<b>131,108</b>
<b>Nonoperating revenues (expenses):</b>	
Investment income	282,886
<b>Total nonoperating revenues (expenses)</b>	<b>282,886</b>
<b>Changes in net position</b>	<b>413,994</b>
<b>Total net position, beginning of year</b>	13,706,172
<b>Total net position, end of year</b>	<b>\$ 14,120,166</b>

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, 2014**

	<b>Governmental Activities: Internal Service Funds</b>
<b><u>Increase in Cash and Cash Equivalents</u></b>	
<b>Cash flows from operating activities:</b>	
Cash received from contributions	\$ 815,821
Cash received from charges for services	714,829
Cash payments to suppliers for goods and services	(902,807)
Cash payments for claims	<u>(91,241)</u>
<b>Net cash provided by operating activities</b>	<u>536,602</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sale of investments	2,274,700
Purchase of investments	(2,089,209)
Investment income	<u>282,886</u>
<b>Net cash used for investing activities</b>	<u>468,377</u>
<b>Net increase in cash and cash equivalents</b>	<u>1,004,979</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>1,196,078</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 2,201,057</u>
 <b><u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u></b>	
Cash and investments	\$ 14,060,958
Less investments not maturing in less than three months	<u>11,859,901</u>
<b>Total cash and cash equivalents</b>	<u>\$ 2,201,057</u>
 <b><u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u></b>	
Operating income	\$ 131,108
Adjustments to reconcile operating income to net cash used for operating activities:	
Changes in assets and liabilities:	
Increase in accounts receivable	(59,208)
Decrease in prepaid items	472,798
Decrease in accounts payable	<u>(8,096)</u>
<b>Total adjustments</b>	<u>405,494</u>
<b>Net cash provided by operating activities</b>	<u>\$ 536,602</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, 2014**

	Agency
<b><u>ASSETS</u></b>	
Cash and investments	\$ 17,804,021
<b>Total assets</b>	<b>\$ 17,804,021</b>
 <b><u>LIABILITIES</u></b>	
Deposits held for others	\$ 16,429,835
Due to student groups	1,374,186
<b>Total liabilities</b>	<b>\$ 17,804,021</b>

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, 2014**

**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, 2014, the District implemented the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as 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, 2014**

**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, 2014**

**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 expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. As permitted by generally accepted accounting principles the District applies the “early recognition” option for debt service payments. Property tax resources are provided in the Debt Service Fund during the current year for the payment of debt service principal and interest due early in the following year (less than one month). Therefore, the expenditures and related liabilities have been recognized in the current period.

Property taxes, State 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. Unearned 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 unavailable revenues on the governmental fund financial statements.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**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 certain activities budgeted in separate funds in accordance with A.R.S. These funds are maintained as separate funds for 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.

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, 2014**

**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 all cash with the County Treasurer, except as discussed below. Cash with the County Treasurer 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.

Statute authorizes the District to separately invest monies of the Bond Building and Debt Service Funds in the State Treasurer's investment pools; obligations issued and guaranteed by the United States or any of its agencies or instrumentalities; specified state and local government bonds and notes; and interest bearing savings accounts or certificates of deposit.

Statute authorizes the District to deposit monies of the Auxiliary Operations and Student Activities Funds in bank accounts. Monies in these funds may also be invested. In addition, statute authorizes the District to maintain various bank accounts such as clearing accounts to temporarily deposit receipts before they are transmitted to the County Treasurer; revolving accounts to pay minor disbursements; and withholdings accounts for taxes and employee insurance programs. Some of these bank accounts may be interest bearing.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Statute requires collateral for deposits of Bond Building and Debt Service Funds monies in interest bearing savings accounts and certificates of deposit at 101 percent of all deposits not covered by federal depository insurance.

**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.

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

**G. Property Tax Calendar**

Property tax levies are calculated by applying tax rates against both the primary assessed valuation and 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.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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

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.

**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, and 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.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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

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

Land improvements	7 - 40 years
Buildings and improvements	5 - 40 years
Vehicles, furniture and equipment	3 - 20 years

**K. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District did not have any items that qualified for reporting in this category.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

**L. 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.

**M. 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 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.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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

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.

**N. 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.

**O. 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.

**P. 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.

**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.



**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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

***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, 2014**

**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>Non-Major Governmental Funds</u>
Fund Balances:			
Nonspendable:			
Inventory	\$ 25,774		\$ 186,147
Restricted:			
Debt service		4,340,944	
Capital projects	459,656		8,848,447
Bond building projects			2,477,803
Voter approved initiatives			4,134,188
Federal projects			394,235
Food service			1,630,253
Civic center			838,804
Community school			580,857
Extracurricular activities			3,135,555
Other purposes			835,534
Unassigned	14,984,466		(45,894)
Total fund balances	<u>\$ 15,469,896</u>	<u>\$ 4,340,944</u>	<u>\$ 23,015,929</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 \$45,894.

The deficit arose because of operations during the year and prior years. Additional revenues received in fiscal year 2014-15 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, 2014**

**NOTE 4 - CASH AND 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 \$18,819,302 and the bank balance was \$18,850,152. At year end, \$18,488,812 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 \$15,313 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	\$ 7,575,284	\$ 465,702	\$ 7,109,582	\$
Government Bonds	2,194,322	1,020,801	330,720	842,801
Taxable Municipal Bonds	105,690			105,690
Certificates of Deposit	2,184,650	653,375	1,531,275	
		<u>\$ 2,139,878</u>	<u>\$ 8,971,577</u>	<u>\$ 948,491</u>
County Treasurer’s investment pool	64,846,565	374 days average maturities		
Total	<u>\$ 76,906,511</u>			

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

*Credit Risk.* The District has no investment policy that would further limit its investment choices. As of year end, the District’s investment in the County Treasurer’s investment pool did not receive a credit quality rating from a national rating agency. The District’s investments in Corporate Bonds were rated from Baa2 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 Aaa by Moody’s Investors Service and AAA by Standard & Poor’s. The District’s investments in Certificates of Deposits were unrated by both Moody’s Investors Service and Standard & Poor’s.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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

*Custodial Credit Risk - Investments.* The District's investment in the County Treasurer's investment pool represents a proportionate interest in the pool's portfolio; however the District's portion is not identified with specific investments and is not subject to custodial credit risk.

*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	\$	\$ 888,192	\$ 2,314,819
Due from State government	8,039,076		775,666
Due from other Districts			601,122
Net due from governmental entities	<u>\$ 8,039,076</u>	<u>\$ 888,192</u>	<u>\$ 3,691,607</u>

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 6 - CAPITAL ASSETS**

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 26,951,811	\$	\$	\$ 26,951,811
Construction in progress	66,206,854	3,932,421	68,626,911	1,512,364
Total capital assets, not being depreciated	<u>93,158,665</u>	<u>3,932,421</u>	<u>68,626,911</u>	<u>28,464,175</u>
Capital assets, being depreciated:				
Land improvements	18,507,774	608,571		19,116,345
Buildings and improvements	550,472,486	69,527,669		620,000,155
Vehicles, furniture and equipment	39,397,286	561,362	319,577	39,639,071
Total capital assets being depreciated	<u>608,377,546</u>	<u>70,697,602</u>	<u>319,577</u>	<u>678,755,571</u>
Less accumulated depreciation for:				
Land improvements	(6,614,323)	(859,736)		(7,474,059)
Buildings and improvements	(173,652,538)	(18,106,106)		(191,758,644)
Vehicles, furniture and equipment	(20,572,157)	(2,969,507)	(319,577)	(23,222,087)
Total accumulated depreciation	<u>(200,839,018)</u>	<u>(21,935,349)</u>	<u>(319,577)</u>	<u>(222,454,790)</u>
Total capital assets, being depreciated, net	<u>407,538,528</u>	<u>48,762,253</u>		<u>456,300,781</u>
Governmental activities capital assets, net	<u>\$ 500,697,193</u>	<u>\$ 52,694,674</u>	<u>\$ 68,626,911</u>	<u>\$484,764,956</u>

Depreciation expense was charged to governmental functions as follows.

Instruction	\$ 20,032,029
Support services - students and staff	2,814
Support services - administration	12,675
Operation and maintenance of plant services	57,722
Student transportation services	1,743,181
Operation of non-instructional services	86,928
Total depreciation expense - governmental activities	<u>\$ 21,935,349</u>

**Construction Commitments** – At year end, the District had contractual commitments related to various capital projects for renovations at Apache Transportation Management Facility and Lounge and Tonalea Elementary. At year end, the District had spent \$1,512,364 on the projects and had estimated remaining contractual commitments of \$559,978. These projects are being funded with bond proceeds.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**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	\$	\$ 29,888,000	\$ 29,888,000	\$

**NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES**

The District has acquired copiers, 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 and Energy and Water Savings Fund are used to pay the capital lease obligations. The District receives a Federal interest subsidy to fund the interest payments for the District-wide energy project. Depreciation of assets held under capital leases is included with depreciation expense.

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	(4,300,854)
Total	\$ 32,672,420

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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

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

Year Ending June 30:	<u>Governmental Activities</u>
2015	\$ 3,792,534
2016	3,662,031
2017	3,323,136
2018	3,226,397
2019	3,165,710
2020-2024	14,662,080
2025-2029	<u>8,989,142</u>
Total minimum lease payments	40,821,030
Less: amount representing interest	<u>9,949,363</u>
Present value of minimum lease payments	<u>30,871,667</u>
Due within one year	<u>\$ 2,404,968</u>

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**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, 2014	Due Within One Year
<b>Governmental activities:</b>					
Refunding Bonds, Series 2003A	\$ 75,935,000	3.6-5.0%	7/1/14-15	\$ 23,780,000	\$15,620,000
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	1,015,000
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	4,000,000
School Improvement Bonds, Project 2010, Series A-2 (2010)	25,000,000	6.21%	7/1/28	22,218,750	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 (2012)	59,000,000	2.0-4.75%	7/1/15-31	59,000,000	
Total				<u>\$ 262,078,750</u>	<u>\$22,116,250</u>



**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**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>
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	16,156,250	9,348,410
2020-24	78,216,250	36,828,800
2025-29	63,306,250	20,726,358
2030-32	29,225,000	2,034,720
<b>Total</b>	<b><u>\$ 262,078,750</u></b>	<b><u>\$ 113,203,153</u></b>

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, \$126,350,000 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>
<b>Governmental activities:</b>					
Bonds payable	\$ 287,045,000	\$	\$ 24,966,250	\$ 262,078,750	\$ 22,116,250
Premium payable	4,790,215		513,443	4,276,772	
Total bonds payable	<u>291,835,215</u>		<u>25,479,693</u>	<u>266,355,522</u>	<u>22,116,250</u>
Obligations under capital leases	33,226,613		2,354,946	30,871,667	2,404,968
Compensated absences payable	10,612,408	1,571,562	2,504,700	9,679,270	483,964
Governmental activity long-term liabilities	<b><u>\$ 335,674,236</u></b>	<b><u>\$ 1,517,562</u></b>	<b><u>\$ 30,339,339</u></b>	<b><u>\$ 306,906,459</u></b>	<b><u>\$ 25,005,182</u></b>

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 11 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

At year end, interfund balances were as follows.

**Due to/from other funds:**

	Non-Major Governmental Funds
General Fund	\$ 1,823,454
Total	\$ 1,823,454

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			
	General Fund	Debt Service Fund	Non-Major Governmental Funds	Total
Transfers out				
General Fund	\$	\$	\$ 3,575,932	\$ 3,575,932
Non-Major Governmental Funds	6,429,090	11,534		6,440,624
Total	\$ 6,429,090	\$ 11,534	\$ 3,575,932	\$ 10,016,556

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) charge indirect costs to the applicable federal programs fund, (3) transfer savings from companies providing utility, energy and water services as required by statute, (4) close out an inactive fund and (5) to transfer excess cash in the Unrestricted Capital Outlay Fund to the General Fund to reduce District taxes in accordance with A.R.S. §15-906(B).

**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, 2014**

**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, 2014**

**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.

<u>Insurance Trust</u>	<u>Claims Payable Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Claims Payable at End of Year</u>
2013-14	\$	\$ 91,241	\$ 91,241	\$
2012-13	50,307	235,061	285,368	

**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, 2014**

**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](http://www.azasrs.gov).

**Funding Policy** – The Arizona State Legislature establishes and may amend active plan members’ and the District’s contribution rates. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.54 percent (11.30 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 11.54 percent (10.70 percent for retirement, 0.60 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:			
2014	\$ 11,973,323	\$ 671,401	\$ 268,561
2013	12,323,249	781,474	288,544
2012	11,589,557	739,759	281,813

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 15 – NEW ACCOUNTING PRONOUNCEMENT**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* will be effective for the District’s June 30, 2015 fiscal year end. This Statement replaces the requirements of prior GASB standards for pensions accounting and reporting. This Statement requires governments providing defined benefit pensions to recognize the long-term obligation for pension benefits as a liability, and to more comprehensively and comparably measure the annual costs of pension benefits. Each employer participating in a multiple-employer defined benefit pension plan will be required to record a liability representing their “proportionate share” of the plan’s total net pension liability. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

**NOTE 16 – PRIOR PERIOD ADJUSTMENT**

The July 1, 2013, government-wide net position does not agree to the prior year financial statements due to the implementation of GASB Statement 65, *Items Previously Reported as Assets and Liabilities*.

	Statement of Activities
Net position, June 30, 2013, as previously reported	\$ 270,886,941
Implementation of GASB Statement No. 65	(2,229,797)
Net position, July 1, 2013, as restated	\$ 268,657,144

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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, 2014**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Other local	\$	\$	\$ 166,254	\$ 166,254
Property taxes			121,224,078	121,224,078
State aid and grants			23,116,802	23,116,802
<b>Total revenues</b>			<u>144,507,134</u>	<u>144,507,134</u>
<b>Expenditures:</b>				
Current -				
Instruction	85,603,972	87,880,694	85,792,077	2,088,617
Support services - students and staff	14,211,070	14,419,992	14,848,946	(428,954)
Support services - administration	17,354,433	15,406,216	14,493,818	912,398
Operation and maintenance of plant services	22,529,746	22,143,354	22,295,561	(152,207)
Student transportation services	8,030,442	7,726,916	7,229,022	497,894
Operation of non-instructional services	341,883	352,974	331,785	21,189
<b>Total expenditures</b>	<u>148,071,546</u>	<u>147,930,146</u>	<u>144,991,209</u>	<u>2,938,937</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(148,071,546)</u>	<u>(147,930,146)</u>	<u>(484,075)</u>	<u>147,446,071</u>
<b>Other financing sources (uses):</b>				
Transfers in			5,221,277	5,221,277
Transfers out			(2,382,097)	(2,382,097)
<b>Total other financing sources (uses):</b>			<u>2,839,180</u>	<u>2,839,180</u>
<b>Changes in fund balances</b>	<u>(148,071,546)</u>	<u>(147,930,146)</u>	<u>2,355,105</u>	<u>150,285,251</u>
<b>Fund balances, beginning of year</b>			243,547	243,547
Increase (decrease) in reserve for prepaid items			1,331,739	1,331,739
Increase (decrease) in reserve for inventory			16,405	16,405
<b>Fund balances (deficits), end of year</b>	<u>\$ (148,071,546)</u>	<u>\$ (147,930,146)</u>	<u>\$ 3,946,796</u>	<u>\$ 151,876,942</u>

See accompanying notes to this schedule.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2014**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

The District budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for the following items.

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.
- Prepaid items are budgeted in the year prepaid.

The following schedule reconciles expenditures and fund balances at the end of year.

	<u>Total Expenditures</u>	<u>Fund Balances End of Year</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 148,126,179	\$ 15,469,896
Activity budgeted as special revenue funds	(5,284,823)	(11,063,444)
Activity budgeted as capital projects funds		(459,656)
Current-year prepaid items	<u>2,149,853</u>	<u>                    </u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 144,991,209</u>	<u>\$ 3,946,796</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, 2014**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 11,312,479	\$ 11,140,822	\$ 22,453,301
Property taxes receivable		1,081,205	1,081,205
Accounts receivable	138,916	252,908	391,824
Deposits	200,000		200,000
Due from governmental entities	3,341,932	349,675	3,691,607
Inventory	186,147		186,147
<b>Total assets</b>	<b><u>\$ 15,179,474</u></b>	<b><u>\$ 12,824,610</u></b>	<b><u>\$ 28,004,084</u></b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 266,785	\$ 525,192	\$ 791,977
Due to other funds	1,823,454		1,823,454
Accrued payroll and employee benefits	595,189		595,189
Unearned revenues	656,352		656,352
<b>Total liabilities</b>	<b><u>3,341,780</u></b>	<b><u>525,192</u></b>	<b><u>3,866,972</u></b>
Deferred inflows of resources:			
Unavailable revenues - property taxes		973,168	973,168
Unavailable revenues - intergovernmental	148,015		148,015
<b>Total deferred inflows of resources</b>	<b><u>148,015</u></b>	<b><u>973,168</u></b>	<b><u>1,121,183</u></b>
Fund balances (deficits):			
Nonspendable	186,147		186,147
Restricted	11,549,426	11,326,250	22,875,676
Unassigned	(45,894)		(45,894)
<b>Total fund balances</b>	<b><u>11,689,679</u></b>	<b><u>11,326,250</u></b>	<b><u>23,015,929</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 15,179,474</u></b>	<b><u>\$ 12,824,610</u></b>	<b><u>\$ 28,004,084</u></b>

**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, 2014**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues:</b>			
Other local	\$ 15,221,940	\$ 720,624	\$ 15,942,564
Property taxes		16,209,443	16,209,443
State aid and grants	10,302,748	989,140	11,291,888
Federal aid, grants and reimbursements	<u>13,402,083</u>	<u>1,228,277</u>	<u>14,630,360</u>
<b>Total revenues</b>	<u>38,926,771</u>	<u>19,147,484</u>	<u>58,074,255</u>
<b>Expenditures:</b>			
Current -			
Instruction	14,769,236		14,769,236
Support services - students and staff	5,265,581		5,265,581
Support services - administration	292,037		292,037
Operation and maintenance of plant services	358,067		358,067
Student transportation services	675,483		675,483
Operation of non-instructional services	12,838,542		12,838,542
Capital outlay	320,533	13,025,679	13,346,212
Debt service -			
Principal retirement		2,143,045	2,143,045
Interest and fiscal charges		<u>1,467,332</u>	<u>1,467,332</u>
<b>Total expenditures</b>	<u>34,519,479</u>	<u>16,636,056</u>	<u>51,155,535</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>4,407,292</u>	<u>2,511,428</u>	<u>6,918,720</u>
<b>Other financing sources (uses):</b>			
Transfers in		3,575,932	3,575,932
Transfers out	<u>(1,207,813)</u>	<u>(5,232,811)</u>	<u>(6,440,624)</u>
<b>Total other financing sources (uses):</b>	<u>(1,207,813)</u>	<u>(1,656,879)</u>	<u>(2,864,692)</u>
<b>Changes in fund balances</b>	<u>3,199,479</u>	<u>854,549</u>	<u>4,054,028</u>
<b>Fund balances, beginning of year</b>	8,475,971	10,471,701	18,947,672
Increase (decrease) in reserve for inventory	14,229		14,229
<b>Fund balances, end of year</b>	<u>\$ 11,689,679</u>	<u>\$ 11,326,250</u>	<u>\$ 23,015,929</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.

**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.

**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.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2014**

	Classroom Site	Instructional Improvement	County, City, and Town Grants
<b><u>ASSETS</u></b>			
Cash and investments	\$ 3,088,410	\$ 619,787	\$
Accounts receivable			20,000
Deposits			
Due from governmental entities		425,991	
Inventory			
<b>Total assets</b>	<b>\$ 3,088,410</b>	<b>\$ 1,045,778</b>	<b>\$ 20,000</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			5,706
Accrued payroll and employee benefits			
Unearned revenues			
<b>Total liabilities</b>			<b>5,706</b>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			
Restricted	3,088,410	1,045,778	14,294
Unassigned			
<b>Total fund balances</b>	<b>3,088,410</b>	<b>1,045,778</b>	<b>14,294</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 3,088,410</b>	 <b>\$ 1,045,778</b>	 <b>\$ 20,000</b>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English &amp; Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>
\$	\$	\$	\$	\$	\$
827,052	133,667	87,356	26,292	58,422	492,548
<u>\$ 827,052</u>	<u>\$ 133,667</u>	<u>\$ 87,356</u>	<u>\$ 26,292</u>	<u>\$ 58,422</u>	<u>\$ 492,548</u>
\$ 26,576 745,377 55,099	\$ 133,667	\$ 76,912 10,444	\$ 26,292	\$ 10,638 36,758 11,026	\$ 41,203 451,345
<u>827,052</u>	<u>133,667</u>	<u>87,356</u>	<u>26,292</u>	<u>58,422</u>	<u>492,548</u>
<u>\$ 827,052</u>	<u>\$ 133,667</u>	<u>\$ 87,356</u>	<u>\$ 26,292</u>	<u>\$ 58,422</u>	<u>\$ 492,548</u>

(Continued)

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2014**

	Vocational Education	E-Rate	Other Federal Projects
<b><u>ASSETS</u></b>			
Cash and investments	\$	\$	\$
Accounts receivable			
Deposits			
Due from governmental entities	45,471	551,391	
Inventory			
<b>Total assets</b>	\$ 45,471	\$ 551,391	\$
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds	45,471	9,141	45,894
Accrued payroll and employee benefits			
Unearned revenues			
<b>Total liabilities</b>	45,471	9,141	45,894
Deferred inflows of resources:			
Unavailable revenues - intergovernmental		148,015	
Fund balances (deficits):			
Nonspendable			
Restricted		394,235	
Unassigned			(45,894)
<b>Total fund balances</b>		394,235	(45,894)
<b>Total liabilities, deferred inflows of resources and fund balances</b>	\$ 45,471	\$ 551,391	\$

<u>State Vocational Education</u>	<u>Academic Contests</u>	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>
\$ 28,771	\$ 12,554	\$ 1,632	\$ 1,582,975	\$ 814,504	\$ 1,527,714
			94,616	24,300	
			200,000		
			92,620		
			186,147		
<u>\$ 28,771</u>	<u>\$ 12,554</u>	<u>\$ 1,632</u>	<u>\$ 2,156,358</u>	<u>\$ 838,804</u>	<u>\$ 1,527,714</u>
\$	\$	\$	\$ 79,400	\$	\$ 93,097
			72,076		428,847
28,771	12,554	1,632	188,482		424,913
<u>28,771</u>	<u>12,554</u>	<u>1,632</u>	<u>339,958</u>		<u>946,857</u>
			186,147		
			1,630,253	838,804	580,857
			<u>1,816,400</u>	<u>838,804</u>	<u>580,857</u>
<u>\$ 28,771</u>	<u>\$ 12,554</u>	<u>\$ 1,632</u>	<u>\$ 2,156,358</u>	<u>\$ 838,804</u>	<u>\$ 1,527,714</u>

(Continued)

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2014**

	Extracurricular Activities Fees Tax Credit	Fingerprint	Textbooks
<b><u>ASSETS</u></b>			
Cash and investments	\$ 3,169,123	\$ 8,989	\$ 446,078
Accounts receivable			
Deposits			
Due from governmental entities			
Inventory			
<b>Total assets</b>	<b>\$ 3,169,123</b>	<b>\$ 8,989</b>	<b>\$ 446,078</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 15,871	\$	\$
Due to other funds			
Accrued payroll and employee benefits	17,697		
Unearned revenues			
<b>Total liabilities</b>	<b>33,568</b>		
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			
Restricted	3,135,555	8,989	446,078
Unassigned			
<b>Total fund balances</b>	<b>3,135,555</b>	<b>8,989</b>	<b>446,078</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 3,169,123</b>	<b>\$ 8,989</b>	<b>\$ 446,078</b>

<u>Insurance Refund</u>	<u>Joint Technical Education</u>	<u>Totals</u>
\$ 11,942	\$	\$ 11,312,479
		138,916
		200,000
	601,122	3,341,932
		186,147
<u>\$ 11,942</u>	<u>\$ 601,122</u>	<u>\$ 15,179,474</u>
\$	\$	\$ 266,785
	246,891	1,823,454
		595,189
		656,352
	<u>246,891</u>	<u>3,341,780</u>
		<u>148,015</u>
		186,147
11,942	354,231	11,549,426
		(45,894)
<u>11,942</u>	<u>354,231</u>	<u>11,689,679</u>
<u>\$ 11,942</u>	<u>\$ 601,122</u>	<u>\$ 15,179,474</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, 2014**

	Classroom Site	Instructional Improvement	County, City, and Town Grants
<b>Revenues:</b>			
Other local	\$ 6,493	\$ 3,123	\$ 20,001
State aid and grants	9,175,510	994,337	
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<b>9,182,003</b>	<b>997,460</b>	<b>20,001</b>
<b>Expenditures:</b>			
Current -			
Instruction	6,490,736	632,614	1,687
Support services - students and staff	219,860	192,452	17,726
Support services - administration		10,731	550
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<b>6,710,596</b>	<b>835,797</b>	<b>19,963</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>2,471,407</b>	<b>161,663</b>	<b>38</b>
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<b>2,471,407</b>	<b>161,663</b>	<b>38</b>
<b>Fund balances (deficits), beginning of year</b>	617,003	884,115	14,256
Increase (decrease) in reserve for inventory			
<b>Fund balances, end of year</b>	<b>\$ 3,088,410</b>	<b>\$ 1,045,778</b>	<b>\$ 14,294</b>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English &amp; Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>
\$	\$	\$	\$	\$	\$
3,216,963	472,163	378,230	265,126	106,242	3,441,349
<u>3,216,963</u>	<u>472,163</u>	<u>378,230</u>	<u>265,126</u>	<u>106,242</u>	<u>3,441,349</u>
1,640,696		56,424	105,677		1,433,404
1,263,069	451,565	271,597	150,431	99,594	1,865,504
149,590	1,000	31,990	8,652	996	3,213
5,437			366	1,098	232
16,900		600		213	
					413
<u>3,075,692</u>	<u>452,565</u>	<u>360,611</u>	<u>265,126</u>	<u>101,901</u>	<u>3,302,766</u>
<u>141,271</u>	<u>19,598</u>	<u>17,619</u>		<u>4,341</u>	<u>138,583</u>
<u>(141,271)</u>	<u>(19,598)</u>	<u>(17,619)</u>		<u>(4,341)</u>	<u>(138,583)</u>
<u>(141,271)</u>	<u>(19,598)</u>	<u>(17,619)</u>		<u>(4,341)</u>	<u>(138,583)</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, 2014**

	Johnson O'Malley	Vocational Education	E-Rate
<b>Revenues:</b>			
Other local	\$	\$	\$ 1,125
State aid and grants			
Federal aid, grants and reimbursements	10,269	177,281	1,058,253
<b>Total revenues</b>	10,269	177,281	1,059,378
<b>Expenditures:</b>			
Current -			
Instruction	9,508	27,295	1,090,729
Support services - students and staff		76,226	
Support services - administration			5,515
Operation and maintenance of plant services			218,190
Student transportation services			
Operation of non-instructional services			
Capital outlay		68,115	
<b>Total expenditures</b>	9,508	171,636	1,314,434
<b>Excess (deficiency) of revenues over expenditures</b>	761	5,645	(255,056)
<b>Other financing sources (uses):</b>			
Transfers out	(761)	(5,645)	
<b>Total other financing sources (uses):</b>	(761)	(5,645)	
<b>Changes in fund balances</b>			(255,056)
<b>Fund balances (deficits), beginning of year</b>			649,291
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$	\$	\$ 394,235

Other Federal Projects	State Vocational Education	Other State Projects	Food Service	Civic Center	Community School
\$	\$	\$	\$	\$	\$
	125,001	7,900	4,598,893	57,646	5,623,367
46,964			4,229,243		
<u>46,964</u>	<u>125,001</u>	<u>7,900</u>	<u>8,828,136</u>	<u>57,646</u>	<u>5,623,367</u>
	110,261	7,900			26,639
41,366	5,455				16,154
	2,570				72,654
			7,614,537		520
	6,715		135,592		5,162,082
<u>41,366</u>	<u>125,001</u>	<u>7,900</u>	<u>7,750,129</u>		<u>54,806</u>
					<u>5,332,855</u>
<u>5,598</u>			<u>1,078,007</u>	<u>57,646</u>	<u>290,512</u>
(2,441)			(877,554)		
<u>(2,441)</u>			<u>(877,554)</u>		
3,157			200,453	57,646	290,512
(49,051)			1,601,718	781,158	290,345
			14,229		
<u>\$ (45,894)</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,816,400</u>	<u>\$ 838,804</u>	<u>\$ 580,857</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, 2014**

	Extracurricular Activities Fees Tax Credit	Fingerprint	Textbooks
<b>Revenues:</b>			
Other local	\$ 3,083,856	\$ 7,291	\$ 42,529
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	3,083,856	7,291	42,529
<b>Expenditures:</b>			
Current -			
Instruction	1,690,258		488
Support services - students and staff	363,511		5,724
Support services - administration		6,513	
Operation and maintenance of plant services	125,784		1,935
Student transportation services	511,012		
Operation of non-instructional services	61,923		
Capital outlay	43,376		
<b>Total expenditures</b>	2,795,864	6,513	8,147
<b>Excess (deficiency) of revenues over expenditures</b>	287,992	778	34,382
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	287,992	778	34,382
<b>Fund balances (deficits), beginning of year</b>	2,847,563	8,211	411,696
Increase (decrease) in reserve for inventory			
<b>Fund balances, end of year</b>	\$ 3,135,555	\$ 8,989	\$ 446,078

Insurance Refund	Joint Technical Education	Totals
\$ 49	\$ 1,777,567	\$ 15,221,940
		10,302,748
		13,402,083
<u>49</u>	<u>1,777,567</u>	<u>38,926,771</u>
	1,444,920	14,769,236
	225,347	5,265,581
	633	292,037
	4,505	358,067
	144,188	675,483
		12,838,542
	11,516	320,533
	<u>1,831,109</u>	<u>34,519,479</u>
<u>49</u>	<u>(53,542)</u>	<u>4,407,292</u>
		(1,207,813)
		<u>(1,207,813)</u>
<u>49</u>	<u>(53,542)</u>	<u>3,199,479</u>
11,893	407,773	8,475,971
		14,229
<u>\$ 11,942</u>	<u>\$ 354,231</u>	<u>\$ 11,689,679</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, 2014**

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 6,493	\$ 6,493
State aid and grants		9,175,510	9,175,510
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>9,182,003</u>	<u>9,182,003</u>
<b>Expenditures:</b>			
Current -			
Instruction	9,718,178	6,490,736	3,227,442
Support services - students and staff	206,042	219,860	(13,818)
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			
<b>Total expenditures</b>	<u>9,924,220</u>	<u>6,710,596</u>	<u>3,213,624</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(9,924,220)</u>	<u>2,471,407</u>	<u>12,395,627</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(9,924,220)</u>	<u>2,471,407</u>	<u>12,395,627</u>
<b>Fund balances (deficits), beginning of year</b>		617,003	617,003
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (9,924,220)</u>	<u>\$ 3,088,410</u>	<u>\$ 13,012,630</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 3,123 994,337	\$ 3,123 994,337	\$	\$ 20,001	\$ 20,001
	<u>997,460</u>	<u>997,460</u>		<u>20,001</u>	<u>20,001</u>
1,672,114	632,614	1,039,500	2,000	1,687	313
200,000	192,452	7,548	17,000	17,726	(726)
12,000	10,731	1,269	1,000	550	450
<u>1,884,114</u>	<u>835,797</u>	<u>1,048,317</u>	<u>20,000</u>	<u>19,963</u>	<u>37</u>
<u>(1,884,114)</u>	<u>161,663</u>	<u>2,045,777</u>	<u>(20,000)</u>	<u>38</u>	<u>20,038</u>
<u>(1,884,114)</u>	<u>161,663</u>	<u>2,045,777</u>	<u>(20,000)</u>	<u>38</u>	<u>20,038</u>
	884,115	884,115		14,256	14,256
<u>\$ (1,884,114)</u>	<u>\$ 1,045,778</u>	<u>\$ 2,929,892</u>	<u>\$ (20,000)</u>	<u>\$ 14,294</u>	<u>\$ 34,294</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, 2014**

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		3,216,963	3,216,963
<b>Total revenues</b>		<u>3,216,963</u>	<u>3,216,963</u>
<b>Expenditures:</b>			
Current -			
Instruction	2,078,308	1,640,696	437,612
Support services - students and staff	1,341,000	1,263,069	77,931
Support services - administration	152,000	149,590	2,410
Operation and maintenance of plant services	6,000	5,437	563
Student transportation services	17,000	16,900	100
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>3,594,308</u>	<u>3,075,692</u>	<u>518,616</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,594,308)</u>	<u>141,271</u>	<u>3,735,579</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(141,271)	(141,271)
<b>Total other financing sources (uses):</b>		<u>(141,271)</u>	<u>(141,271)</u>
<b>Changes in fund balances</b>	<u>(3,594,308)</u>		<u>3,594,308</u>
<b>Fund balances (deficits), beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (3,594,308)</u>	<u>\$</u>	<u>\$ 3,594,308</u>

Professional Development and Technology Grants			Title IV Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	472,163	472,163		378,230	378,230
	472,163	472,163		378,230	378,230
530,790	451,565	79,225	60,000	56,424	3,576
1,000	1,000		415,987	271,597	144,390
			33,000	31,990	1,010
			1,000	600	400
531,790	452,565	79,225	509,987	360,611	149,376
(531,790)	19,598	551,388	(509,987)	17,619	527,606
	(19,598)	(19,598)		(17,619)	(17,619)
	(19,598)	(19,598)		(17,619)	(17,619)
(531,790)		531,790	(509,987)		509,987
\$ (531,790)	\$	\$ 531,790	\$ (509,987)	\$	\$ 509,987

**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, 2014**

	Limited English & Immigrant Students		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		265,126	265,126
<b>Total revenues</b>		265,126	265,126
<b>Expenditures:</b>			
Current -			
Instruction	332,966	105,677	227,289
Support services - students and staff	151,000	150,431	569
Support services - administration	9,000	8,652	348
Operation and maintenance of plant services	1,000	366	634
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	493,966	265,126	228,840
<b>Excess (deficiency) of revenues over expenditures</b>	(493,966)		493,966
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(493,966)		493,966
<b>Fund balances (deficits), beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (493,966)	\$	\$ 493,966

Indian Education			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	106,242	106,242		3,441,349	3,441,349
	106,242	106,242		3,441,349	3,441,349
102,748	99,594	3,154	1,500,000	1,433,404	66,596
1,000	996	4	3,062,189	1,865,504	1,196,685
2,000	1,098	902	4,000	3,213	787
500	213	287	500	232	268
			500	413	87
106,248	101,901	4,347	4,567,189	3,302,766	1,264,423
(106,248)	4,341	110,589	(4,567,189)	138,583	4,705,772
	(4,341)	(4,341)		(138,583)	(138,583)
	(4,341)	(4,341)		(138,583)	(138,583)
(106,248)		106,248	(4,567,189)		4,567,189
\$ (106,248)	\$	\$ 106,248	\$ (4,567,189)	\$	\$ 4,567,189

**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, 2014**

	Johnson O'Malley		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		10,269	10,269
<b>Total revenues</b>		<u>10,269</u>	<u>10,269</u>
<b>Expenditures:</b>			
Current -			
Instruction	20,408	9,508	10,900
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			
<b>Total expenditures</b>	<u>20,408</u>	<u>9,508</u>	<u>10,900</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(20,408)</u>	<u>761</u>	<u>21,169</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(761)	(761)
<b>Total other financing sources (uses):</b>		<u>(761)</u>	<u>(761)</u>
<b>Changes in fund balances</b>	<u>(20,408)</u>		<u>20,408</u>
<b>Fund balances (deficits), beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (20,408)</u>	<u>\$</u>	<u>\$ 20,408</u>

Vocational Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 62	\$ 62
	177,281	177,281		667,006	667,006
	177,281	177,281		667,068	667,068
30,000	27,295	2,705	42,000	41,066	934
270,288	76,226	194,062	2,000	1,730	270
			637,829	376,078	261,751
70,000	68,115	1,885	26,000	25,639	361
370,288	171,636	198,652	707,829	444,513	263,316
(370,288)	5,645	375,933	(707,829)	222,555	930,384
	(5,645)	(5,645)			
	(5,645)	(5,645)			
(370,288)		370,288	(707,829)	222,555	930,384
				349,966	349,966
\$ (370,288)	\$	\$ 370,288	\$ (707,829)	\$ 572,521	\$ 1,280,350

(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, 2014**

	E-Rate		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 1,125	\$ 1,125
State aid and grants			
Federal aid, grants and reimbursements		1,058,253	1,058,253
<b>Total revenues</b>		<u>1,059,378</u>	<u>1,059,378</u>
<b>Expenditures:</b>			
Current -			
Instruction		1,090,729	(1,090,729)
Support services - students and staff			
Support services - administration		5,515	(5,515)
Operation and maintenance of plant services		218,190	(218,190)
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>		<u>1,314,434</u>	<u>(1,314,434)</u>
<b>Excess (deficiency) of revenues over expenditures</b>		<u>(255,056)</u>	<u>(255,056)</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>		<u>(255,056)</u>	<u>(255,056)</u>
<b>Fund balances (deficits), beginning of year</b>		649,291	649,291
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$</u>	<u>\$ 394,235</u>	<u>\$ 394,235</u>

Other Federal Projects			State Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	46,964	46,964		125,001	125,001
	46,964	46,964		125,001	125,001
101,557	41,366	60,191	112,100	110,261	1,839
			6,000	5,455	545
			3,000	2,570	430
			7,000	6,715	285
101,557	41,366	60,191	128,100	125,001	3,099
(101,557)	5,598	107,155	(128,100)		128,100
	(2,441)	(2,441)			
	(2,441)	(2,441)			
(101,557)	3,157	104,714	(128,100)		128,100
	(49,051)	(49,051)			
\$ (101,557)	\$ (45,894)	\$ 55,663	\$ (128,100)	\$	\$ 128,100



**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, 2014**

	Other State Projects		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants		7,900	7,900
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>7,900</u>	<u>7,900</u>
<b>Expenditures:</b>			
Current -			
Instruction	3,700	7,900	(4,200)
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			
<b>Total expenditures</b>	<u>3,700</u>	<u>7,900</u>	<u>(4,200)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,700)</u>		<u>3,700</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(3,700)</u>		<u>3,700</u>
<b>Fund balances (deficits), beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (3,700)</u>	<u>\$</u>	<u>\$ 3,700</u>

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,070,677	\$ 1,070,677	\$	\$ 4,598,893	\$ 4,598,893
	<u>1,070,677</u>	<u>1,070,677</u>		<u>4,229,243</u>	<u>4,229,243</u>
				<u>8,828,136</u>	<u>8,828,136</u>
27,000	26,763	237			
2,800	2,287	513			
207,000	205,445	1,555			
1,829,671	366,679	1,462,992			
1,700	1,650	50			
26,000	25,796	204	11,304,938	7,614,537	3,690,401
			140,000	135,592	4,408
211,901	211,901				
30,400	30,400				
<u>2,336,472</u>	<u>870,921</u>	<u>1,465,551</u>	<u>11,444,938</u>	<u>7,750,129</u>	<u>3,694,809</u>
<u>(2,336,472)</u>	<u>199,756</u>	<u>2,536,228</u>	<u>(11,444,938)</u>	<u>1,078,007</u>	<u>12,522,945</u>
				<u>(877,554)</u>	<u>(877,554)</u>
				<u>(877,554)</u>	<u>(877,554)</u>
<u>(2,336,472)</u>	<u>199,756</u>	<u>2,536,228</u>	<u>(11,444,938)</u>	<u>200,453</u>	<u>11,645,391</u>
	2,112,028	2,112,028		1,601,718	1,601,718
				14,229	14,229
<u>\$ (2,336,472)</u>	<u>\$ 2,311,784</u>	<u>\$ 4,648,256</u>	<u>\$ (11,444,938)</u>	<u>\$ 1,816,400</u>	<u>\$ 13,261,338</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, 2014**

	Civic Center		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 57,646	\$ 57,646
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>57,646</u>	<u>57,646</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	726,418		726,418
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>726,418</u>		<u>726,418</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(726,418)</u>	<u>57,646</u>	<u>784,064</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(726,418)</u>	<u>57,646</u>	<u>784,064</u>
<b>Fund balances (deficits), beginning of year</b>		781,158	781,158
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (726,418)</u>	<u>\$ 838,804</u>	<u>\$ 1,565,222</u>

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 5,623,367	\$ 5,623,367	\$	\$ 1,797,205	\$ 1,797,205
	<u>5,623,367</u>	<u>5,623,367</u>		<u>1,797,205</u>	<u>1,797,205</u>
27,000	26,639	361	890,779	890,779	
17,000	16,154	846	145,000	144,020	980
73,000	72,654	346	161,000	160,313	687
600	520	80	84,221	308,806	(224,585)
			83,000	82,088	912
5,358,645	5,162,082	196,563		41,888	(41,888)
55,000	54,806	194		89,664	(89,664)
<u>5,531,245</u>	<u>5,332,855</u>	<u>198,390</u>	<u>1,364,000</u>	<u>1,717,558</u>	<u>(353,558)</u>
<u>(5,531,245)</u>	<u>290,512</u>	<u>5,821,757</u>	<u>(1,364,000)</u>	<u>79,647</u>	<u>1,443,647</u>
<u>(5,531,245)</u>	<u>290,512</u>	<u>5,821,757</u>	<u>(1,364,000)</u>	<u>79,647</u>	<u>1,443,647</u>
	290,345	290,345		2,093,482	2,093,482
<u>\$ (5,531,245)</u>	<u>\$ 580,857</u>	<u>\$ 6,112,102</u>	<u>\$ (1,364,000)</u>	<u>\$ 2,173,129</u>	<u>\$ 3,537,129</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, 2014**

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 3,083,856	\$ 3,083,856
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		3,083,856	3,083,856
<b>Expenditures:</b>			
Current -			
Instruction	1,247,000	1,690,258	(443,258)
Support services - students and staff	364,000	363,511	489
Support services - administration			
Operation and maintenance of plant services	126,000	125,784	216
Student transportation services	600,000	511,012	88,988
Operation of non-instructional services	62,000	61,923	77
Capital outlay	44,000	43,376	624
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	2,443,000	2,795,864	(352,864)
<b>Excess (deficiency) of revenues over expenditures</b>	(2,443,000)	287,992	2,730,992
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(2,443,000)	287,992	2,730,992
<b>Fund balances (deficits), beginning of year</b>		2,847,563	2,847,563
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (2,443,000)	\$ 3,135,555	\$ 5,578,555

Gifts and Donations			Fingerprint		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,478,789	\$ 1,478,789	\$	\$ 7,291	\$ 7,291
	<u>1,478,789</u>	<u>1,478,789</u>		<u>7,291</u>	<u>7,291</u>
1,170,000	851,992	318,008			
151,000	149,235	1,765			
84,000	82,459	1,541	8,000	6,513	1,487
17,000	16,035	965			
14,000	13,104	896			
1,000	963	37			
323,000	322,890	110			
<u>1,760,000</u>	<u>1,436,678</u>	<u>323,322</u>	<u>8,000</u>	<u>6,513</u>	<u>1,487</u>
<u>(1,760,000)</u>	<u>42,111</u>	<u>1,802,111</u>	<u>(8,000)</u>	<u>778</u>	<u>8,778</u>
<u>(1,760,000)</u>	<u>42,111</u>	<u>1,802,111</u>	<u>(8,000)</u>	<u>778</u>	<u>8,778</u>
	1,562,553	1,562,553		8,211	8,211
<u>\$ (1,760,000)</u>	<u>\$ 1,604,664</u>	<u>\$ 3,364,664</u>	<u>\$ (8,000)</u>	<u>\$ 8,989</u>	<u>\$ 16,989</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, 2014**

	Textbooks		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 42,529	\$ 42,529
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>42,529</u>	<u>42,529</u>
<b>Expenditures:</b>			
Current -			
Instruction	500	488	12
Support services - students and staff	386,778	5,724	381,054
Support services - administration			
Operation and maintenance of plant services	2,000	1,935	65
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>389,278</u>	<u>8,147</u>	<u>381,131</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(389,278)</u>	<u>34,382</u>	<u>423,660</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(389,278)</u>	<u>34,382</u>	<u>423,660</u>
<b>Fund balances (deficits), beginning of year</b>		411,696	411,696
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (389,278)</u>	<u>\$ 446,078</u>	<u>\$ 835,356</u>

Litigation Recovery			Indirect Costs		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 892	\$ 892	\$	\$ 15,685	\$ 15,685
	<u>892</u>	<u>892</u>		<u>15,685</u>	<u>15,685</u>
80,000		80,000	4,800	4,752	48
			4,287,779	744,473	3,543,306
			2,400	2,377	23
			21,000	20,039	961
<u>80,000</u>		<u>80,000</u>	<u>4,315,979</u>	<u>771,641</u>	<u>3,544,338</u>
<u>(80,000)</u>	<u>892</u>	<u>80,892</u>	<u>(4,315,979)</u>	<u>(755,956)</u>	<u>3,560,023</u>
				1,207,813	1,207,813
				<u>1,207,813</u>	<u>1,207,813</u>
<u>(80,000)</u>	<u>892</u>	<u>80,892</u>	<u>(4,315,979)</u>	<u>451,857</u>	<u>4,767,836</u>
	90,797	90,797		3,788,908	3,788,908
<u>\$ (80,000)</u>	<u>\$ 91,689</u>	<u>\$ 171,689</u>	<u>\$ (4,315,979)</u>	<u>\$ 4,240,765</u>	<u>\$ 8,556,744</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, 2014**

	Insurance Refund		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 49	\$ 49
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>                    </u>	<u>                    49</u>	<u>                    49</u>
<b>Expenditures:</b>			
Current -			
Instruction	12,000		12,000
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			
<b>Total expenditures</b>	<u>                    12,000</u>	<u>                                    </u>	<u>                    12,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>                    (12,000)</u>	<u>                                    49</u>	<u>                    12,049</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>	<u>                                    </u>	<u>                                    </u>	<u>                                    </u>
<b>Changes in fund balances</b>	<u>                    (12,000)</u>	<u>                                    49</u>	<u>                    12,049</u>
<b>Fund balances (deficits), beginning of year</b>		11,893	11,893
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>                    \$ (12,000)</u>	<u>                    \$ 11,942</u>	<u>                    \$ 23,942</u>

Advertisement			Joint Technical Education		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 41,987	\$ 41,987	\$	\$ 1,777,567	\$ 1,777,567
	<u>41,987</u>	<u>41,987</u>		<u>1,777,567</u>	<u>1,777,567</u>
			1,586,839	1,444,920	141,919
			227,000	225,347	1,653
67,600	37,305	30,295	700	633	67
300	280	20	4,600	4,505	95
2,100	2,068	32	145,000	144,188	812
4,000	3,859	141	12,000	11,516	484
<u>74,000</u>	<u>43,512</u>	<u>30,488</u>	<u>1,976,139</u>	<u>1,831,109</u>	<u>145,030</u>
<u>(74,000)</u>	<u>(1,525)</u>	<u>72,475</u>	<u>(1,976,139)</u>	<u>(53,542)</u>	<u>1,922,597</u>
<u>(74,000)</u>	<u>(1,525)</u>	<u>72,475</u>	<u>(1,976,139)</u>	<u>(53,542)</u>	<u>1,922,597</u>
	70,417	70,417		407,773	407,773
<u>\$ (74,000)</u>	<u>\$ 68,892</u>	<u>\$ 142,892</u>	<u>\$ (1,976,139)</u>	<u>\$ 354,231</u>	<u>\$ 2,330,370</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, 2014**

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 19,627,237	\$ 19,627,237
State aid and grants		10,302,748	10,302,748
Federal aid, grants and reimbursements		14,069,089	14,069,089
<b>Total revenues</b>		<u>43,999,074</u>	<u>43,999,074</u>
<b>Expenditures:</b>			
Current -			
Instruction	20,570,892	16,538,770	4,032,122
Support services - students and staff	7,744,979	5,606,941	2,138,038
Support services - administration	5,104,079	1,523,762	3,580,317
Operation and maintenance of plant services	2,073,892	1,049,867	1,024,025
Student transportation services	1,505,129	1,150,471	354,658
Operation of non-instructional services	17,455,401	12,883,770	4,571,631
Capital outlay	728,500	808,420	(79,920)
Debt service -			
Principal retirement	211,901	211,901	
Interest and fiscal charges	30,400	30,400	
<b>Total expenditures</b>	<u>55,425,173</u>	<u>39,804,302</u>	<u>15,620,871</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(55,425,173)</u>	<u>4,194,772</u>	<u>59,619,945</u>
<b>Other financing sources (uses):</b>			
Transfers in		1,207,813	1,207,813
Transfers out		(1,207,813)	(1,207,813)
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(55,425,173)</u>	<u>4,194,772</u>	<u>59,619,945</u>
<b>Fund balances (deficits), beginning of year</b>		18,544,122	18,544,122
Increase (decrease) in reserve for inventory		14,229	14,229
<b>Fund balances (deficits), end of year</b>	<u>\$ (55,425,173)</u>	<u>\$ 22,753,123</u>	<u>\$ 78,178,296</u>

## **DEBT SERVICE FUND**

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

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DEBT SERVICE**  
**YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other local	\$	\$	\$ 77,768	\$ 77,768
Property taxes			29,961,802	29,961,802
Federal aid, grants and reimbursements			1,776,384	1,776,384
<b>Total revenues</b>			<u>31,815,954</u>	<u>31,815,954</u>
<b>Expenditures:</b>				
Debt service -				
Principal retirement	22,116,250	22,116,250	22,116,250	
Interest and fiscal charges	12,659,085	12,659,085	12,636,753	22,332
<b>Total expenditures</b>	<u>34,775,335</u>	<u>34,775,335</u>	<u>34,753,003</u>	<u>22,332</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(34,775,335)</u>	<u>(34,775,335)</u>	<u>(2,937,049)</u>	<u>31,838,286</u>
<b>Other financing sources (uses):</b>				
Transfers in			11,534	11,534
<b>Total other financing sources (uses):</b>			<u>11,534</u>	<u>11,534</u>
<b>Changes in fund balances</b>	<u>(34,775,335)</u>	<u>(34,775,335)</u>	<u>(2,925,515)</u>	<u>31,849,820</u>
<b>Fund balances, beginning of year</b>			7,266,459	7,266,459
<b>Fund balances (deficits), end of year</b>	<u>\$ (34,775,335)</u>	<u>\$ (34,775,335)</u>	<u>\$ 4,340,944</u>	<u>\$ 39,116,279</u>

## CAPITAL PROJECTS FUNDS

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

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

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

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

**Bond Building** - to account for proceeds from District bond issues that are expended on the acquisition or lease of sites; construction or renovation of school buildings; supplying school buildings with furniture, equipment, and technology; 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, 2014**

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Bond Building</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 5,991,519	\$ 1,976,218	\$ 2,705,939
Property taxes receivable	702,288	378,917	
Accounts receivable			
Due from governmental entities	314,593		
<b>Total assets</b>	<u><u>\$ 7,008,400</u></u>	<u><u>\$ 2,355,135</u></u>	<u><u>\$ 2,705,939</u></u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 265,470	\$ _____	\$ 228,136
<b>Total liabilities</b>	<u>265,470</u>	_____	<u>228,136</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u>608,217</u>	<u>364,951</u>	_____
Fund balances:			
Restricted	<u>6,134,713</u>	<u>1,990,184</u>	<u>2,477,803</u>
<b>Total fund balances</b>	<u><u>6,134,713</u></u>	<u><u>1,990,184</u></u>	<u><u>2,477,803</u></u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u><u>\$ 7,008,400</u></u>	<u><u>\$ 2,355,135</u></u>	<u><u>\$ 2,705,939</u></u>

<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$ 389,988	\$ 77,158	\$ 11,140,822
252,908		1,081,205
	35,082	252,908
		349,675
<u>\$ 642,896</u>	<u>\$ 112,240</u>	<u>\$ 12,824,610</u>
<u>\$</u>	<u>\$ 31,586</u>	<u>\$ 525,192</u>
 	<u>31,586</u>	<u>525,192</u>
 	 	<u>973,168</u>
<u>642,896</u>	<u>80,654</u>	<u>11,326,250</u>
<u>642,896</u>	<u>80,654</u>	<u>11,326,250</u>
<u>\$ 642,896</u>	<u>\$ 112,240</u>	<u>\$ 12,824,610</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, 2014**

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Bond Building</u>
<b>Revenues:</b>			
Other local	\$ 35,937	\$ 3,900	\$ 208,016
Property taxes	14,073,238	2,136,205	
State aid and grants	904,631		
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>15,013,806</u>	<u>2,140,105</u>	<u>208,016</u>
<b>Expenditures:</b>			
Capital outlay	9,334,365	270,621	3,112,759
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>9,334,365</u>	<u>270,621</u>	<u>3,112,759</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>5,679,441</u>	<u>1,869,484</u>	<u>(2,904,743)</u>
<b>Other financing sources (uses):</b>			
Transfers in	1,193,835		
Transfers out	<u>(5,221,277)</u>		<u>(11,534)</u>
<b>Total other financing sources (uses):</b>	<u>(4,027,442)</u>		<u>(11,534)</u>
<b>Changes in fund balances</b>	<u>1,651,999</u>	<u>1,869,484</u>	<u>(2,916,277)</u>
<b>Fund balances, beginning of year</b>	4,482,714	120,700	5,394,080
<b>Fund balances, end of year</b>	<u>\$ 6,134,713</u>	<u>\$ 1,990,184</u>	<u>\$ 2,477,803</u>

<u>Energy and Water Savings</u>	<u>Building Renewal</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$ 472,460	\$	\$ 311	\$ 720,624
		84,509	16,209,443
<u>1,228,277</u>			989,140
<u>1,700,737</u>		<u>84,820</u>	<u>1,228,277</u>
			<u>19,147,484</u>
215,685	22,348	69,901	13,025,679
2,143,045			2,143,045
<u>1,467,332</u>			<u>1,467,332</u>
<u>3,826,062</u>	<u>22,348</u>	<u>69,901</u>	<u>16,636,056</u>
<u>(2,125,325)</u>	<u>(22,348)</u>	<u>14,919</u>	<u>2,511,428</u>
2,382,097			3,575,932
<u>2,382,097</u>			<u>(5,232,811)</u>
<u>256,772</u>	<u>(22,348)</u>	<u>14,919</u>	<u>(1,656,879)</u>
386,124	22,348	65,735	854,549
<u>\$ 642,896</u>	<u>\$</u>	<u>\$ 80,654</u>	<u>\$ 10,471,701</u>
			<u>\$ 11,326,250</u>

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$ 48,483	\$ 48,483
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>48,483</u>	<u>48,483</u>
<b>Expenditures:</b>			
Current -			
Instruction	200,000		200,000
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>200,000</u>		<u>200,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(200,000)</u>	<u>48,483</u>	<u>248,483</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(200,000)</u>	<u>48,483</u>	<u>248,483</u>
<b>Fund balances, beginning of year</b>		411,173	411,173
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	<u>\$ (200,000)</u>	<u>\$ 459,656</u>	<u>\$ 659,656</u>

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 35,937	\$ 35,937	\$	\$ 3,900	\$ 3,900
	14,073,238	14,073,238		2,136,205	2,136,205
	904,631	904,631			
	<u>15,013,806</u>	<u>15,013,806</u>		<u>2,140,105</u>	<u>2,140,105</u>
14,661,047	9,334,365	5,326,682	2,000,000	270,621	1,729,379
<u>14,661,047</u>	<u>9,334,365</u>	<u>5,326,682</u>	<u>2,000,000</u>	<u>270,621</u>	<u>1,729,379</u>
<u>(14,661,047)</u>	<u>5,679,441</u>	<u>20,340,488</u>	<u>(2,000,000)</u>	<u>1,869,484</u>	<u>3,869,484</u>
	1,193,835	1,193,835			
	(5,221,277)	(5,221,277)			
	<u>(4,027,442)</u>	<u>(4,027,442)</u>			
<u>(14,661,047)</u>	<u>1,651,999</u>	<u>16,313,046</u>	<u>(2,000,000)</u>	<u>1,869,484</u>	<u>3,869,484</u>
	4,482,714	4,482,714		120,700	120,700
<u>\$ (14,661,047)</u>	<u>\$ 6,134,713</u>	<u>\$ 20,795,760</u>	<u>\$ (2,000,000)</u>	<u>\$ 1,990,184</u>	<u>\$ 3,990,184</u>

(Continued)

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Soft Capital Allocation		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current -			
Instruction			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>			
<b>Excess (deficiency) of revenues over expenditures</b>			
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(1,193,835)	(1,193,835)
<b>Total other financing sources (uses):</b>		(1,193,835)	(1,193,835)
<b>Changes in fund balances</b>		(1,193,835)	(1,193,835)
<b>Fund balances, beginning of year</b>		1,968,138	1,968,138
Increase (decrease) in reserve for prepaid items		(774,303)	(774,303)
<b>Fund balances (deficits), end of year</b>	\$	\$	\$

<u>Bond Building</u>			<u>Energy and Water Savings</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 208,016	\$ 208,016	\$	\$ 472,460	\$ 472,460
				1,228,277	1,228,277
	<u>208,016</u>	<u>208,016</u>		<u>1,700,737</u>	<u>1,700,737</u>
6,213,742	3,112,759	3,100,983		215,685	(215,685)
			2,143,045	2,143,045	
			847,118	1,467,332	(620,214)
<u>6,213,742</u>	<u>3,112,759</u>	<u>3,100,983</u>	<u>2,990,163</u>	<u>3,826,062</u>	<u>(835,899)</u>
<u>(6,213,742)</u>	<u>(2,904,743)</u>	<u>3,308,999</u>	<u>(2,990,163)</u>	<u>(2,125,325)</u>	<u>864,838</u>
				2,382,097	2,382,097
	(11,534)	(11,534)			
	<u>(11,534)</u>	<u>(11,534)</u>		<u>2,382,097</u>	<u>2,382,097</u>
<u>(6,213,742)</u>	<u>(2,916,277)</u>	<u>3,297,465</u>	<u>(2,990,163)</u>	<u>256,772</u>	<u>3,246,935</u>
	5,394,080	5,394,080		386,124	386,124
<u>\$ (6,213,742)</u>	<u>\$ 2,477,803</u>	<u>\$ 8,691,545</u>	<u>\$ (2,990,163)</u>	<u>\$ 642,896</u>	<u>\$ 3,633,059</u>

(Continued)

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Building Renewal		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current -			
Instruction			
Capital outlay		22,348	(22,348)
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>		22,348	(22,348)
<b>Excess (deficiency) of revenues over expenditures</b>		(22,348)	(22,348)
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>		(22,348)	(22,348)
<b>Fund balances, beginning of year</b>		22,348	22,348
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	\$	\$	\$

Building Renewal Grant			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 311	\$ 311	\$	\$ 769,107	\$ 769,107
	84,509	84,509		16,209,443	16,209,443
				989,140	989,140
				1,228,277	1,228,277
	<u>84,820</u>	<u>84,820</u>		<u>19,195,967</u>	<u>19,195,967</u>
	69,901	(69,901)	200,000		200,000
			22,874,789	13,025,679	9,849,110
			2,143,045	2,143,045	
			847,118	1,467,332	(620,214)
	<u>69,901</u>	<u>(69,901)</u>	<u>26,064,952</u>	<u>16,636,056</u>	<u>9,428,896</u>
	<u>14,919</u>	<u>14,919</u>	<u>(26,064,952)</u>	<u>2,559,911</u>	<u>28,624,863</u>
				3,575,932	3,575,932
				(6,426,646)	(6,426,646)
				(2,850,714)	(2,850,714)
	<u>14,919</u>	<u>14,919</u>	<u>(26,064,952)</u>	<u>(290,803)</u>	<u>25,774,149</u>
	65,735	65,735		12,851,012	12,851,012
				(774,303)	(774,303)
<u>\$</u>	<u>\$ 80,654</u>	<u>\$ 80,654</u>	<u>\$ (26,064,952)</u>	<u>\$ 11,785,906</u>	<u>\$ 37,850,858</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, 2014**

	<u>Print Shop</u>	<u>Intergovernmental Agreements</u>	<u>Insurance Trust</u>
<b><u>ASSETS</u></b>			
Current assets:			
Cash and investments	\$ 128,447	\$ 508,338	\$ 13,424,173
Accounts receivable		59,208	
Total current assets	<u>128,447</u>	<u>567,546</u>	<u>13,424,173</u>
<b>Total assets</b>	<u>128,447</u>	<u>567,546</u>	<u>13,424,173</u>
<b><u>NET POSITION</u></b>			
Unrestricted	<u>128,447</u>	<u>567,546</u>	<u>13,424,173</u>
<b>Total net position</b>	<u>\$ 128,447</u>	<u>\$ 567,546</u>	<u>\$ 13,424,173</u>

Totals

\$ 14,060,958  
59,208  
14,120,166  
14,120,166

14,120,166  
\$ 14,120,166

**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, 2014**

	<u>Print Shop</u>	<u>Intergovernmental Agreements</u>	<u>Insurance Trust</u>
<b>Operating revenues:</b>			
Other	\$ 142,217	\$ 631,820	\$
Contributions			815,821
<b>Total operating revenues</b>	<u>142,217</u>	<u>631,820</u>	<u>815,821</u>
<b>Operating expenses:</b>			
Other	91,723	686,127	40,769
Claims			91,241
Premiums			479,128
Administrative fees			69,762
<b>Total operating expenses</b>	<u>91,723</u>	<u>686,127</u>	<u>680,900</u>
<b>Operating income (loss)</b>	<u>50,494</u>	<u>(54,307)</u>	<u>134,921</u>
<b>Nonoperating revenues (expenses):</b>			
Investment income	435	2,159	280,292
<b>Total nonoperating revenues (expenses)</b>	<u>435</u>	<u>2,159</u>	<u>280,292</u>
<b>Changes in net position</b>	<u>50,929</u>	<u>(52,148)</u>	<u>415,213</u>
<b>Total net position, beginning of year</b>	77,518	619,694	13,008,960
<b>Total net position, end of year</b>	<u>\$ 128,447</u>	<u>\$ 567,546</u>	<u>\$ 13,424,173</u>

Totals

\$ 774,037  
815,821  
1,589,858

818,619  
91,241  
479,128  
69,762  
1,458,750

131,108

282,886  
282,886

413,994

13,706,172

\$ 14,120,166

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**COMBINING STATEMENT OF CASH FLOWS - ALL INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	<u>Print Shop</u>	<u>Intergovernmental Agreements</u>	<u>Insurance Trust</u>	<u>Totals</u>
<b><u>Increase (Decrease) in Cash and Cash Equivalents</u></b>				
<b>Cash flows from operating activities:</b>				
Cash received from contributions	\$	\$	\$ 815,821	\$ 815,821
Cash received from charges for services	142,217	572,612		714,829
Cash payments to suppliers for goods and services	(91,723)	(686,127)	(124,957)	(902,807)
Cash payments for claims			(91,241)	(91,241)
<b>Net cash provided by (used for) operating activities</b>	<u>50,494</u>	<u>(113,515)</u>	<u>599,623</u>	<u>536,602</u>
<b>Cash flows from investing activities:</b>				
Proceeds from sale of investments			2,274,700	2,274,700
Purchase of investments			(2,089,209)	(2,089,209)
Investment income	435	2,159	280,292	282,886
<b>Net cash provided by investing activities</b>	<u>435</u>	<u>2,159</u>	<u>465,783</u>	<u>468,377</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>50,929</u>	<u>(111,356)</u>	<u>1,065,406</u>	<u>1,004,979</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>77,518</u>	<u>619,694</u>	<u>498,866</u>	<u>1,196,078</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 128,447</u>	<u>\$ 508,338</u>	<u>\$ 1,564,272</u>	<u>\$ 2,201,057</u>
<b><u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u></b>				
Cash and investments	\$ 128,447	\$ 508,338	\$ 13,424,173	\$ 14,060,958
Less investments not maturing in less than three months			11,859,901	11,859,901
Total cash and cash equivalents	<u>\$ 128,447</u>	<u>\$ 508,338</u>	<u>\$ 1,564,272</u>	<u>\$ 2,201,057</u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u></b>				
Operating income (loss)	\$ 50,494	\$ (54,307)	\$ 134,921	\$ 131,108
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Changes in assets and liabilities:				
Increase in accounts receivable		(59,208)		(59,208)
Decrease in prepaid items			472,798	472,798
Decrease in accounts payable			(8,096)	(8,096)
<b>Total adjustments</b>	<u></u>	<u>(59,208)</u>	<u>464,702</u>	<u>405,494</u>
<b>Net cash provided by (used for) operating activities</b>	<u>\$ 50,494</u>	<u>\$ (113,515)</u>	<u>\$ 599,623</u>	<u>\$ 536,602</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, 2014**

	<u>Student Activities</u>	<u>Employee Insurance</u>	<u>Totals</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 1,374,186	\$ 16,429,835	\$ 17,804,021
<b>Total assets</b>	<u>\$ 1,374,186</u>	<u>\$ 16,429,835</u>	<u>\$ 17,804,021</u>
<b><u>LIABILITIES</u></b>			
Deposits held for others	\$	\$ 16,429,835	\$ 16,429,835
Due to student groups	1,374,186		1,374,186
<b>Total liabilities</b>	<u>\$ 1,374,186</u>	<u>\$ 16,429,835</u>	<u>\$ 17,804,021</u>

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>
<b><u>STUDENT ACTIVITIES FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ 1,323,052	\$ 2,012,358	\$ 1,961,224	\$ 1,374,186
Total assets	\$ 1,323,052	\$ 2,012,358	\$ 1,961,224	\$ 1,374,186
<u>Liabilities</u>				
Accounts payable	\$	\$	\$	\$
Due to student groups	1,323,052	2,012,358	1,961,224	1,374,186
Total liabilities	\$ 1,323,052	\$ 2,012,358	\$ 1,961,224	\$ 1,374,186
<b><u>EMPLOYEE WITHHOLDING FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ 11,184,258	\$ 151,685,920	\$ 146,440,343	\$ 16,429,835
Total assets	\$ 11,184,258	\$ 151,685,920	\$ 146,440,343	\$ 16,429,835
<u>Liabilities</u>				
Deposits held for others	\$ 11,184,258	\$ 151,685,920	\$ 146,440,343	\$ 16,429,835
Total liabilities	\$ 11,184,258	\$ 151,685,920	\$ 146,440,343	\$ 16,429,835
<b><u>TOTAL AGENCY FUNDS</u></b>				
<u>Assets</u>				
Cash and investments	\$ 12,507,310	\$ 153,698,278	\$ 148,401,567	\$ 17,804,021
Total assets	\$ 12,507,310	\$ 153,698,278	\$ 148,401,567	\$ 17,804,021
<u>Liabilities</u>				
Accounts payable	\$	\$	\$	\$
Deposits held for others	11,184,258	151,685,920	146,440,343	16,429,835
Due to student groups	1,323,052	2,012,358	1,961,224	1,374,186
Total liabilities	\$ 12,507,310	\$ 153,698,278	\$ 148,401,567	\$ 17,804,021

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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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 192,343,223	\$ 185,819,660	\$ 171,205,695	\$ 132,040,763	\$ 119,641,050
Restricted	26,778,930	21,654,982	38,009,432	34,824,511	21,350,236
Unrestricted	63,559,012	63,412,299	49,733,138	98,132,924	85,910,876
Total net position	\$ 282,681,165	\$ 270,886,941	\$ 258,948,265	\$ 264,998,198	\$ 226,902,162
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 91,163,244	\$ 48,192,458	\$ 28,216,895	\$ (3,844,072)	\$ (18,933,672)
Restricted	18,163,103	27,247,992	18,271,392	31,303,375	32,039,859
Unrestricted	78,132,576	89,764,742	69,051,591	76,978,447	77,813,485
Total net position	\$ 187,458,923	\$ 165,205,192	\$ 115,539,878	\$ 104,437,750	\$ 90,919,672

**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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Expenses</b>					
Instruction	\$ 125,817,758	\$ 131,532,492	\$ 145,322,440	\$ 133,239,099	\$ 147,449,327
Support services - students and staff	21,387,477	20,600,353	23,705,530	23,699,221	23,564,220
Support services - administration	16,360,490	18,881,552	19,752,995	17,478,195	17,511,969
Operation and maintenance of plant services	24,043,217	20,336,972	23,521,103	24,948,100	23,374,438
Student transportation services	10,812,339	10,525,225	12,543,222	11,353,011	12,897,691
Operation of non-instructional services	13,437,529	14,585,168	15,497,702	13,267,755	14,916,136
Interest on long-term debt	13,853,807	16,005,484	11,911,009	14,928,071	15,545,637
Total expenses	<u>225,712,617</u>	<u>232,467,246</u>	<u>252,254,001</u>	<u>238,913,452</u>	<u>255,259,418</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	7,601,228	8,214,022	11,142,937	8,416,951	7,450,076
Operation of non-instructional services	10,216,320	10,238,797	7,021,439	9,985,150	11,105,694
Other activities	1,117,379	1,111,312	965,113	39,608	1,166,976
Operating grants and contributions	17,700,029	18,459,174	17,597,115	21,362,077	18,447,066
Capital grants and contributions	482,642	1,134,264	741,507	998,268	715,787
Total program revenues	<u>37,117,598</u>	<u>39,157,569</u>	<u>37,468,111</u>	<u>40,802,054</u>	<u>38,885,599</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (188,595,019)</u>	<u>\$ (193,309,677)</u>	<u>\$ (214,785,890)</u>	<u>\$ (198,111,398)</u>	<u>\$ (216,373,819)</u>

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Expenses</b>					
Instruction	\$ 150,232,317	\$ 145,496,792	\$ 143,954,535	\$ 125,490,708	\$ 113,869,184
Support services - students and staff	30,423,170	28,109,615	24,790,839	23,197,071	19,770,331
Support services - administration	18,696,791	18,985,110	20,461,956	18,046,295	14,530,553
Operation and maintenance of plant services	19,134,847	17,914,152	19,046,976	16,544,450	16,857,928
Student transportation services	12,352,644	10,392,338	9,784,345	9,964,930	7,124,752
Operation of non-instructional services	14,187,121	12,901,527	9,332,698	9,570,555	9,152,610
Interest on long-term debt	15,314,478	16,893,641	14,244,381	15,503,270	9,504,598
Total expenses	<u>260,341,368</u>	<u>250,693,175</u>	<u>241,615,730</u>	<u>218,317,279</u>	<u>190,809,956</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	4,397,975	10,664,507	2,068,694	4,085,434	4,116,597
Operation of non-instructional services	11,458,984	7,708,709	13,175,203	9,378,869	7,514,151
Other activities	247,509	645,791	1,674,402	896,798	456,496
Operating grants and contributions	20,397,423	12,724,841	14,399,291	12,386,532	10,373,287
Capital grants and contributions	373,869	319,049	625,655	326,591	822,494
Total program revenues	<u>36,875,760</u>	<u>32,062,897</u>	<u>31,943,245</u>	<u>27,074,224</u>	<u>23,283,025</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (223,465,608)</u>	<u>\$ (218,630,278)</u>	<u>\$ (209,672,485)</u>	<u>\$ (191,243,055)</u>	<u>\$ (167,526,931)</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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Net (Expense)/Revenue</b>	\$ (188,595,019)	\$ (193,309,677)	\$ (214,785,890)	\$ (198,111,398)	\$ (216,373,819)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	120,551,271	129,017,671	127,589,580	124,543,508	135,372,331
Property taxes, levied for debt service	29,736,719	33,018,404	35,177,583	58,885,879	69,711,445
Property taxes, levied for capital outlay	16,979,642	9,476,376	11,078,942	15,037,946	16,272,119
Investment income	493,122	530,349	599,421	1,283,196	1,202,937
Unrestricted county aid					229,750
Unrestricted state aid	34,191,280	32,456,652	33,672,103	35,244,246	28,969,013
Unrestricted federal aid	667,006	748,901	618,328	1,212,659	4,059,463
<b>Total general revenues</b>	<b><u>202,619,040</u></b>	<b><u>205,248,353</u></b>	<b><u>208,735,957</u></b>	<b><u>236,207,434</u></b>	<b><u>255,817,058</u></b>
<b>Changes in Net Position</b>	<b><u>\$ 14,024,021</u></b>	<b><u>\$ 11,938,676</u></b>	<b><u>\$ (6,049,933)</u></b>	<b><u>\$ 38,096,036</u></b>	<b><u>\$ 39,443,239</u></b>



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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Net (Expense)/Revenue</b>	\$ (223,465,608)	\$ (218,630,278)	\$ (209,672,485)	\$ (191,243,055)	\$ (167,526,931)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	138,501,230	131,582,423	117,420,864	114,142,175	112,044,640
Property taxes, levied for debt service	50,257,693	62,310,748	38,793,771	35,170,878	36,388,998
Property taxes, levied for capital outlay	17,859,641	17,760,121	10,697,664	7,725,283	7,740,724
Investment income	2,717,214	6,525,102	8,737,938	5,422,202	3,514,667
Unrestricted county aid			7,383	621,810	586,711
Unrestricted state aid	36,383,561	50,117,198	45,116,993	41,678,785	38,994,453
Unrestricted federal aid					
<b>Total general revenues</b>	<u>245,719,339</u>	<u>268,295,592</u>	<u>220,774,613</u>	<u>204,761,133</u>	<u>199,270,193</u>
<b>Changes in Net Position</b>	<u>\$ 22,253,731</u>	<u>\$ 49,665,314</u>	<u>\$ 11,102,128</u>	<u>\$ 13,518,078</u>	<u>\$ 31,743,262</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)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>
General Fund:					
Nonspendable	\$ 25,774	\$ 1,601,786	\$ 39,353	\$ 15,100,900	\$
Restricted	459,656	411,173			
Unassigned	14,984,466	10,678,050	14,121,100	16,281,917	
Reserved					13,670,922
Unreserved					3,907,668
Total General Fund	<u>\$ 15,469,896</u>	<u>\$ 12,691,009</u>	<u>\$ 14,160,453</u>	<u>\$ 31,382,817</u>	<u>\$ 17,578,590</u>
All Other Governmental Funds:					
Nonspendable	\$ 186,147	\$ 171,918	\$ 230,174	\$ 168,596	\$
Restricted	27,216,620	26,091,264	72,266,270	78,755,539	
Unassigned	(45,894)	(49,051)	(265,064)	(1,319,162)	
Reserved					194,383
Unreserved, reported in:					
Special revenue funds					13,707,372
Capital projects funds					10,023,791
Debt service fund					8,444,949
Total all other governmental funds	<u>\$ 27,356,873</u>	<u>\$ 26,214,131</u>	<u>\$ 72,231,380</u>	<u>\$ 77,604,973</u>	<u>\$ 32,370,495</u>

(Continued)

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund:					
Reserved	2,520,492	121,451	81,599	94,307	43,707
Unreserved	7,164,705	12,137,521	7,658,579	13,770,712	12,720,739
Total General Fund	<u>\$ 9,685,197</u>	<u>\$ 12,258,972</u>	<u>\$ 7,740,178</u>	<u>\$ 13,865,019</u>	<u>\$ 12,764,446</u>
All Other Governmental Funds:					
Reserved	1,319,395	203,641	126,061	122,710	20,798
Unreserved, reported in:					
Special revenue funds	20,986,930	27,079,146	29,549,369	31,511,380	29,568,588
Capital projects funds	12,781,771	23,252,334	88,135,713	60,378,532	109,409,992
Debt service fund	3,732,794	9,474,851	5,949,241	15,953,214	15,041,608
Total all other governmental funds	<u>\$ 38,820,890</u>	<u>\$ 60,009,972</u>	<u>\$ 123,760,384</u>	<u>\$ 107,965,836</u>	<u>\$ 154,040,986</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)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>
<b>Federal sources:</b>					
Federal grants	\$ 12,844,506	\$ 15,938,257	\$ 14,017,649	\$ 13,460,104	\$ 15,437,856
State Fiscal Stabilization (ARRA)				317,354	4,059,463
Education Jobs				5,023,508	
National School Lunch Program	4,229,244	4,296,561	4,263,960	4,370,328	4,077,528
Total federal sources	<u>17,073,750</u>	<u>20,234,818</u>	<u>18,281,609</u>	<u>23,171,294</u>	<u>23,574,847</u>
<b>State sources:</b>					
State equalization assistance	24,021,433	24,256,964	25,977,703	28,752,581	21,210,753
State grants	132,901	273,037	540,605	467,142	416,900
School Facilities Board	84,509				
Other revenues	10,169,847	8,104,875	7,694,400	7,451,345	6,798,580
Total state sources	<u>34,408,690</u>	<u>32,634,876</u>	<u>34,212,708</u>	<u>36,671,068</u>	<u>28,426,233</u>
<b>Local sources:</b>					
Property taxes	167,395,323	169,277,911	172,517,119	200,710,698	212,292,088
County aid					229,750
Food service sales	4,583,563	4,557,054	5,300,664	5,236,956	5,953,610
Investment income	210,236	301,051	278,734	1,004,963	772,592
Other revenues	15,846,567	15,007,077	13,828,760	13,204,753	13,769,136
Total local sources	<u>188,035,689</u>	<u>189,143,093</u>	<u>191,925,277</u>	<u>220,157,370</u>	<u>233,017,176</u>
<b>Total revenues</b>	<u><u>\$ 239,518,129</u></u>	<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>

(Continued)

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Federal sources:</b>					
Federal grants	\$ 11,763,005	\$ 9,446,124	\$ 10,521,632	\$ 10,080,194	\$ 7,918,482
State Fiscal Stabilization (ARRA) Education Jobs					
National School Lunch Program	3,109,392	2,829,134	2,568,175	2,251,152	2,094,378
Total federal sources	<u>14,872,397</u>	<u>12,275,258</u>	<u>13,089,807</u>	<u>12,331,346</u>	<u>10,012,860</u>
<b>State sources:</b>					
State equalization assistance	28,018,928	34,419,996	31,909,143	28,415,236	27,776,834
State grants	1,720,544	768,632	477,755	11,609,981	10,060,396
School Facilities Board		1,409,087	2,759,082	2,152,779	2,609,764
Other revenues	8,802,149	13,850,599	11,664,869		
Total state sources	<u>38,541,621</u>	<u>50,448,314</u>	<u>46,810,849</u>	<u>42,177,996</u>	<u>40,446,994</u>
<b>Local sources:</b>					
Property taxes	198,914,373	211,328,645	168,550,763	155,533,225	155,758,869
County aid			7,383	621,810	586,711
Food service sales	6,743,401	6,477,759	5,605,694	5,461,309	4,821,990
Investment income	2,165,185	5,886,443	8,112,267	5,422,202	3,514,667
Other revenues	13,025,569	12,541,248	11,312,605	8,899,792	8,319,703
Total local sources	<u>220,848,528</u>	<u>236,234,095</u>	<u>193,588,712</u>	<u>175,938,338</u>	<u>173,001,940</u>
<b>Total revenues</b>	<u>\$ 274,262,546</u>	<u>\$ 298,957,667</u>	<u>\$ 253,489,368</u>	<u>\$ 230,447,680</u>	<u>\$ 223,461,794</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)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 101,379,242	\$ 108,304,313	\$ 109,461,502	\$ 110,093,348	\$ 122,750,360
Support services - students and staff	20,455,887	20,278,372	20,375,974	22,167,880	22,795,238
Support services - administration	16,017,580	18,045,680	17,050,586	16,606,333	17,027,190
Operation and maintenance of plant services	22,147,180	21,445,449	21,444,896	24,192,366	23,245,880
Student transportation services	8,379,493	8,781,133	9,262,637	9,019,241	9,147,622
Operation of non-instructional services	13,215,555	14,244,468	14,123,546	13,842,184	14,466,608
Capital outlay	13,834,099	54,158,684	107,919,368	28,711,644	25,897,304
Debt service -					
Judgments against the district					
Interest, premium and fiscal charges	14,134,485	16,005,484	14,486,720	13,026,538	15,545,637
Principal retirement	24,471,196	29,740,074	26,885,889	47,910,137	51,876,240
Payment to refunded bond escrow agent				2,085,933	
Bond issuance costs			369,500	796,980	
<b>Total expenditures</b>	<u><u>\$ 234,034,717</u></u>	<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>
Expenditures for capitalized assets	\$ 6,003,112	\$ 44,650,197	\$ 94,858,506	\$ 14,584,385	\$ 8,322,513
Debt service as a percentage of noncapital expenditures	17%	19%	17%	23%	23%

(Continued)

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 127,153,635	\$ 120,381,294	\$ 117,678,953	\$ 105,288,856	\$ 103,761,206
Support services - students and staff	29,827,558	27,990,156	24,025,178	22,108,327	19,325,577
Support services - administration	17,573,126	18,852,748	18,845,652	16,604,220	13,966,028
Operation and maintenance of plant services	18,574,493	17,565,176	18,610,793	15,941,269	15,166,294
Student transportation services	8,781,402	8,821,119	8,325,830	7,437,871	5,975,282
Operation of non-instructional services	13,811,574	12,701,796	10,308,291	8,392,428	9,126,402
Capital outlay	28,265,833	90,509,728	108,363,299	62,256,553	21,184,648
Debt service -					
Judgments against the district	1,037,611				
Interest, premium and fiscal charges	15,314,478	16,893,641	15,630,522	15,503,270	11,249,997
Principal retirement	42,208,349	45,658,288	40,696,264	22,131,108	23,370,540
Payment to refunded bond escrow agent					
Bond issuance costs			946,477		254,018
<b>Total expenditures</b>	<u>\$ 302,548,059</u>	<u>\$ 359,373,946</u>	<u>\$ 363,431,259</u>	<u>\$ 275,663,902</u>	<u>\$ 223,379,992</u>
Expenditures for capitalized assets	\$ 15,287,498	\$ 75,919,035	\$ 93,375,356	\$ 50,898,850	\$ 15,108,111
Debt service as a percentage of noncapital expenditures	20%	22%	21%	17%	17%

**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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ 5,483,412	\$ (48,990,870)	\$ (96,961,024)	\$ (8,452,852)	\$ (17,733,823)
<b>Other financing sources (uses):</b>					
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
Transfers in	10,016,556	4,686,377	4,597,473	2,075,111	6,409,941
Transfers out	(10,016,556)	(4,686,377)	(4,597,473)	(2,075,111)	(6,409,941)
Payment to refunded bond escrow agent				(32,172,780)	
<b>Total other financing sources (uses)</b>	<b>10,016,556</b>	<b>(4,686,377)</b>	<b>89,365,036</b>	<b>66,574,840</b>	<b>9,151,403</b>
<b>Changes in fund balances</b>	<b>\$ 5,483,412</b>	<b>\$ (48,990,870)</b>	<b>\$ (7,595,988)</b>	<b>\$ 58,121,988</b>	<b>\$ (8,582,420)</b>
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (28,285,513)	\$ (60,416,279)	\$ (109,941,891)	\$ (45,216,222)	\$ 81,802
<b>Other financing sources (uses):</b>					
General obligation bonds issued			117,000,000		100,000,000
Refunding bonds issued			100,600,000		
Premium on sale of bonds			10,140,670		1,999,417
Proceeds from sale of capital assets					
Capital lease agreements	1,007,861	1,067,229	288,337	89,133	1,392,881
Transfers in	3,441,638	1,903,033	6,293,185	2,371,905	3,016,380
Transfers out	(3,441,638)	(1,903,033)	(6,293,185)	(2,371,905)	(3,016,380)
Payment to refunded bond escrow agent			(108,408,052)		
<b>Total other financing sources (uses)</b>	<b>1,007,861</b>	<b>1,067,229</b>	<b>119,620,955</b>	<b>89,133</b>	<b>103,392,298</b>
<b>Changes in fund balances</b>	<b>\$ (27,277,652)</b>	<b>\$ (59,349,050)</b>	<b>\$ 9,679,064</b>	<b>\$ (45,127,089)</b>	<b>\$ 103,474,100</b>

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



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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 1,024,532,175	\$ 1,169,459,743	\$ 1,303,736,413	\$ 1,581,451,109	\$ 1,525,654,452
Agricultural and Vacant	148,742,499	167,914,822	218,927,564	280,602,532	291,448,753
Residential (Owner Occupied)	2,423,307,221	2,734,490,682	3,051,154,820	3,650,775,515	3,730,397,341
Residential (Rental)	588,050,363	326,706,771	364,010,143	419,053,354	400,675,506
Railroad, Private Cars and Airlines	-	-	-	-	-
Historical Property	809,815	812,610	541,040	436,781	496,451
Certain Government Property Improvements	68,646	78,581	50,238	-	-
<b>Total</b>	<b>\$ 4,185,510,719</b>	<b>\$ 4,399,463,209</b>	<b>\$ 4,938,420,218</b>	<b>\$ 5,932,319,291</b>	<b>\$ 5,948,672,503</b>
Estimated Actual Value (Full Cash Value)	\$ 39,594,749,637	\$ 40,960,626,918	\$ 45,973,224,668	\$ 57,348,835,479	\$ 65,521,183,653
Ratio of Primary Assessed Value to Estimated Actual Value	10.57%	10.74%	10.74%	10.34%	9.08%

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Commercial, Industrial, Utilities and Mining	\$ 1,427,529,828	\$ 1,310,952,615	\$ 1,213,926,599	\$ 1,133,985,299	\$ 1,082,921,335
Agricultural and Vacant	247,668,199	198,356,772	193,371,805	148,541,967	151,947,209
Residential (Owner Occupied)	3,326,212,237	2,836,682,413	2,388,639,166	2,227,398,136	2,023,397,965
Residential (Rental)	359,324,304	303,773,760	264,276,730	237,110,252	216,044,342
Railroad, Private Cars and Airlines	-	-	-	-	-
Historical Property	1,577,460	1,471,903	1,622,543	1,057,725	1,042,276
Certain Government Property Improvements	-	-	-	-	-
<b>Total</b>	<b>\$ 5,362,312,028</b>	<b>\$ 4,651,237,463</b>	<b>\$ 4,061,836,843</b>	<b>\$ 3,748,093,379</b>	<b>\$ 3,475,353,127</b>
Estimated Actual Value (Full Cash Value)	\$ 65,628,952,152	\$ 55,670,082,475	\$ 37,133,132,154	\$ 34,914,943,036	\$ 31,776,527,063
Ratio of Primary Value to Estimated Actual Value	8.17%	8.36%	10.94%	10.73%	10.94%

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

**Note:** The primary assessed value generates revenues for general District operations.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**SECONDARY ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS**  
**LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 1,028,997,896	\$ 1,171,611,166	\$ 1,310,074,799	\$ 1,819,016,886	\$ 1,916,938,893
Agricultural and Vacant	152,661,736	170,198,253	227,044,993	342,770,214	435,895,590
Residential (Owner Occupied)	2,427,195,332	2,737,541,354	3,057,814,095	3,715,887,079	4,354,159,135
Residential (Rental)	596,144,005	327,329,732	364,685,348	441,222,136	494,065,266
Railroad, Private Cars and Airlines					
Historical Property	851,441	813,028	541,040	458,123	620,721
Certain Government Property Improvements	68,646	78,581			
<b>Total</b>	<b>\$ 4,205,919,056</b>	<b>\$ 4,407,572,114</b>	<b>\$ 4,960,210,513</b>	<b>\$ 6,319,354,438</b>	<b>\$ 7,201,679,605</b>
Ratio of Secondary Assessed Value to Estimated Actual Value	10.62%	10.76%	10.79%	11.02%	10.99%

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Commercial, Industrial, Utilities and Mining	\$ 1,715,892,138	\$ 1,508,612,264	\$ 1,341,862,915	\$ 1,202,749,805	\$ 1,173,458,572
Agricultural and Vacant	400,386,649	314,361,475	275,693,837	190,739,661	214,630,702
Residential (Owner Occupied)	4,556,663,940	3,949,006,584	2,466,739,850	2,412,915,141	2,132,802,652
Residential (Rental)	484,830,683	409,290,421	276,878,715	254,471,506	223,826,894
Railroad, Private Cars and Airlines					
Historical Property	2,009,774	1,809,373	1,970,312	1,531,651	1,668,526
Certain Government Property Improvements					
<b>Total</b>	<b>\$ 7,159,783,184</b>	<b>\$ 6,183,080,117</b>	<b>\$ 4,363,145,629</b>	<b>\$ 4,062,407,764</b>	<b>\$ 3,746,387,346</b>
Ratio of Secondary Assessed Value to Estimated Actual Value	10.91%	11.11%	11.75%	11.64%	11.79%

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

**Note:** The secondary assessed value generates revenues to service District bonded debt requirements and other voter-approved overrides.

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	20 %	20 %	20 %	21 %	22 %
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	15	17	18

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Commercial, Industrial, Utilities and Mining	23 %	24 %	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	20	21	22	21	21

**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									
2014	0.51	1.28	1.53	1.29	1.82	2.49	0.05	3.35	1.22	4.58
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

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

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

<u>Taxpayer</u>	<u>2014</u>		<u>2005</u>	
	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation
Scottsdale Fashion Square LLC	42,059,191	1.00 %	46,344,826	1.24 %
Arizona Public Service Company	39,535,639	0.94	39,393,942	1.05
Starwood Phoenician CMBA LLC	21,029,595	0.50	42,808,602	1.14
Qwest Corporation	16,823,676	0.40	38,357,777	1.02
General Dynamics System	13,038,349	0.31		
W J Small Grandchildren Trust	12,617,757	0.30		
Portales Corporation Center LLC	11,776,573	0.28		
M L Resort Holding LLC	11,355,981	0.27		
Scottsdale Fashion Square Partership	11,355,981	0.27		
Drug (AZ) QRS 14-42 Inc.	10,514,798	0.25		
DC Ranch LLC			26,447,910	0.71
MCI WorldCom Network Services			25,239,227	0.67
Gainey Ranch Financial			20,327,508	0.54
Marriot Corporation			19,438,439	0.52
Gainey Drive Associates			19,047,597	0.51
Scottsdale Acquisition LLC			15,497,064	0.41
<b>Total</b>	<u><u>\$ 190,107,540</u></u>	<u><u>4.52 %</u></u>	<u><u>\$ 292,902,892</u></u>	<u><u>7.81 %</u></u>

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

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 191,253,984	\$ 180,236,461	94.24 %	\$	\$ 180,236,461	94.24 %
2013	194,571,811	182,955,919	94.03	11,587,592	194,543,511	99.99
2012	197,438,367	185,889,225	94.15	9,240,985	195,130,210	98.83
2011	227,752,165	217,680,125	95.58	10,054,559	227,734,684	99.99
2010	242,359,809	220,594,794	91.02	12,753,889	233,348,683	96.28
2009	227,393,423	212,062,159	93.26	12,954,168	225,016,327	98.95
2008	237,417,646	230,341,958	97.02	7,062,113	237,404,071	99.99
2007	193,926,037	188,685,468	97.30	5,232,601	193,918,069	100.00
2006	178,630,188	171,535,877	96.03	7,069,769	178,605,646	99.99
2005	177,711,029	171,309,334	96.40	6,375,711	177,685,045	99.99

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

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

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

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**  
**OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income	
2014	\$262,078,750	\$ 4,340,944	\$ 257,737,806	0.65 %	\$ 920	\$ 30,871,667	\$292,950,417	0.74 %	\$ 1,046	N/A %	
2013	287,045,000	7,266,459	279,778,541	0.68	985	33,226,613	320,271,613	0.78	1,128	0.22	
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	

**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, 2014**

<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	\$ 766,085,000	12.80 %	\$ 98,058,880
City of Scottsdale	983,764,000	60.98	599,899,287
City of Phoenix	1,544,830,000	5.55	85,738,065
City of Tempe	350,277,257	0.71	2,486,969
DC Ranch Communities Facilities District	14,115,000	100.00	14,115,000
McDowell Mountain Ranch Community Facilities District	10,480,000	100.00	10,480,000
Scottsdale Mountain Community Facilities District	1,880,000	100.00	1,880,000
Via Linda Road Community Facilities District	1,865,000	50.91	949,472
Waterfront Community Facilities District	3,545,000	100.00	3,545,000
Subtotal, Overlapping Debt			<u>817,152,672</u>
Direct:			
Scottsdale Unified School District No. 48			<u>292,950,417</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 1,110,103,089</u></u>

**DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS**

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Secondary Assessed Valuation		6.12 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 3,785	
As a Percentage of Net Secondary Assessed Valuation		25.55 %
As a Percentage of Estimated Actual Value (Full Cash Value)		2.71 %

**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, 2013 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 2014:**

Secondary assessed valuation	\$ 4,205,919,056
Debt limit (20% of assessed value)	841,183,811
Debt applicable to limit	<u>238,298,750</u>
Legal debt margin	<u>\$ 602,885,061</u>

**Total Legal Debt Margin Calculation for Fiscal Year 2014:**

Secondary assessed valuation	\$ 4,205,919,056
Debt limit (30% of assessed value)	1,261,775,717
Debt applicable to limit	<u>262,078,750</u>
Legal debt margin	<u>\$ 999,696,967</u>

**Fiscal Year Ended June 30**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt Limit	\$ 1,261,775,717	\$ 1,322,271,634	\$ 1,488,063,154	\$ 1,895,806,331	\$ 2,160,503,882
Total net debt applicable to limit	<u>262,078,750</u>	<u>287,045,000</u>	<u>311,050,000</u>	<u>252,550,000</u>	<u>271,585,000</u>
Legal debt margin	<u>\$ 999,696,967</u>	<u>\$ 1,035,226,634</u>	<u>\$ 1,177,013,154</u>	<u>\$ 1,643,256,331</u>	<u>\$ 1,888,918,882</u>
Total net debt applicable to the limit as a percentage of debt limit	21%	22%	21%	13%	13%

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Debt Limit	\$ 2,147,934,955	\$ 1,854,924,035	\$ 1,308,943,689	\$ 1,218,722,329	\$ 1,123,916,204
Total net debt applicable to limit	<u>321,805,000</u>	<u>375,460,000</u>	<u>402,600,000</u>	<u>320,655,000</u>	<u>343,605,000</u>
Legal debt margin	<u>\$ 1,826,129,955</u>	<u>\$ 1,479,464,035</u>	<u>\$ 906,343,689</u>	<u>\$ 898,067,329</u>	<u>\$ 780,311,204</u>
Total net debt applicable to the limit as a percentage of debt limit	15%	20%	31%	26%	31%

**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>
2013	4,009,412	\$ 147,700,000	\$ 27,552	6.2 %	280,000
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

**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 2004 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2013, 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>2014</u>		<u>2005</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	49,278	2.59 %	49,150	2.92 %
Wal-Mart Stores Inc.	32,169	1.69	19,510	1.16
Banner Health Systems	25,270	1.33	14,445	0.86
City of Phoenix	14,983	0.79	13,615	0.81
Wells Fargo Company	14,713	0.77	11,535	0.68
Maricopa County	12,698	0.67	15,220	0.90
Apollo Group Inc.	10,000	0.53	6,295	0.37
Arizona State University	12,222	0.64	10,530	0.62
Bank of America	11,000	0.58	7,270	0.43
Honeywell	10,000	0.53	12,200	0.72
Intel Corp.	11,900	0.63	9,500	0.56
JP Morgan Chase & Co	11,042	0.58	9,200	0.55
US Airways	9,306	0.49	8,540	0.51
Mesa Public Schools	8,217	0.43	8,685	0.52
U.S. Postal Service	7,312	0.38	11,405	0.68
Target Corp.			7,640	0.45
Fry's Food and Drug			8,235	0.49
American Express			7,000	0.42
Pinnacle West Capital Corp.			6,400	0.38
Qwest Communications International Inc.			6,300	0.37
Total	<u>240,110</u>	<u>12.63 %</u>	<u>242,675</u>	<u>14.40 %</u>
Total employment	<u>1,903,173</u>		<u>1,686,000</u>	

**Source:** The source of this county-wide 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**

	<b>Full-time Equivalent Employees as of June 30</b>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Supervisory</b>					
Consultants/supervisors of instruction	15	18	14	15	14
Principals	30	30	30	29	31
Assistant principals	36	36	43	38	38
Total supervisory	<u>81</u>	<u>84</u>	<u>87</u>	<u>82</u>	<u>83</u>
<b>Instruction</b>					
Teachers	1,308	1,443	1,437	1,402	1,480
Other professionals (instructional)	51		193	118	113
Aides	368	329	305	353	317
Total instruction	<u>1,727</u>	<u>1,772</u>	<u>1,935</u>	<u>1,873</u>	<u>1,910</u>
<b>Student Services</b>					
Librarians	28	13	2	9	11
Technicians	60	22	43	27	28
Total student services	<u>88</u>	<u>35</u>	<u>45</u>	<u>36</u>	<u>39</u>
<b>Support and Administration</b>					
Service Workers	442	342	524	447	569
Other Laborers	402	708	341	353	255
Total support and administration	<u>844</u>	<u>1,050</u>	<u>865</u>	<u>800</u>	<u>824</u>
<b>Total</b>	<u><u>2,740</u></u>	<u><u>2,941</u></u>	<u><u>2,932</u></u>	<u><u>2,791</u></u>	<u><u>2,856</u></u>

(Continued)

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Supervisory</b>					
Consultants/supervisors of instruction	18	17	16	16	16
Principals	31	32	27	32	32
Assistant principals	45	43	35	36	36
Total supervisory	<u>94</u>	<u>92</u>	<u>78</u>	<u>84</u>	<u>84</u>
<b>Instruction</b>					
Teachers	1,590	1,608	1,580	1,462	1,457
Other professionals (instructional)	112	89	65	87	86
Aides	314	282	166	197	187
Total instruction	<u>2,016</u>	<u>1,979</u>	<u>1,811</u>	<u>1,746</u>	<u>1,730</u>
<b>Student Services</b>					
Librarians	11	31	37	27	25
Technicians	28	41	3	3	19
Total student services	<u>39</u>	<u>72</u>	<u>40</u>	<u>30</u>	<u>44</u>
<b>Support and Administration</b>					
Service Workers	613	618	595	600	525
Other Laborers	250	242	240	234	235
Total support and administration	<u>863</u>	<u>860</u>	<u>835</u>	<u>834</u>	<u>760</u>
<b>Total</b>	<u><u>3,012</u></u>	<u><u>3,003</u></u>	<u><u>2,764</u></u>	<u><u>2,694</u></u>	<u><u>2,618</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**

<b>Fiscal Year Ended June 30</b>	<b>Average Daily Membership</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Expenses</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil-Teacher Ratio</b>	<b>Percentage of Free/Reduced Students</b>
2014	23,762	\$ 181,594,937	\$ 7,642	(3.29) %	\$ 225,712,617	\$ 9,499	(1.18) %	1,727	13.8	31.0 %
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	5.25	190,809,956	7,549	10.43	1,730	14.6	18.1

**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**

	<b>Fiscal Year Ended June 30</b>									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b><u>Schools</u></b>										
<b><u>Elementary</u></b>										
Buildings	163	163	163	166	166	166	166	166	160	160
Square feet	1,427,918	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
Capacity	15,336	15,336	15,336	15,336	15,336	15,336	15,336	15,336	15,336	15,336
Enrollment	11,845	11,845	11,707	12,816	13,694	13,727	11,734	11,674	11,826	10,471
<b><u>Middle</u></b>										
Buildings	62	62	62	78	78	78	78	78	78	78
Square feet	960,988	960,988	852,118	859,360	859,360	859,360	859,360	859,360	859,360	859,360
Capacity	9,608	9,608	8,592	8,592	8,592	8,592	8,592	8,592	8,592	8,592
Enrollment	5,813	5,813	4,277	4,349	4,566	4,640	5,231	5,091	5,105	6,400
<b><u>High</u></b>										
Buildings	48	48	48	48	48	48	42	42	49	49
Square feet	1,729,392	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
Capacity	11,784	11,784	11,784	11,784	11,784	11,784	12,598	10,630	10,630	10,630
Enrollment	8,551	8,551	8,731	8,724	8,724	8,510	8,858	8,498	8,514	8,318
<b><u>Other</u></b>										
Buildings	4	4	4	4	4	4	4	4	1	1
Square feet	33,998	33,998	33,998	33,998	33,998	33,998	33,998	33,998	18,000	18,000
Capacity	250	250	250	250	250	250	250	250	250	250
Enrollment	59	59	59	82	98	115	100	100	72	93
<b><u>Administrative</u></b>										
Buildings	4	4	4	3	3	3	3	3	3	3
Square feet	36,651	36,651	36,651	35,000	35,000	35,000	35,000	35,000	35,000	35,000
<b><u>Transportation</u></b>										
Garages	2	2	2	2	2	2	2	2	2	2
Buses	226	226	218	211	202	202	202	202	202	204
<b><u>Athletics</u></b>										
Football fields	5	5	5	5	5	5	5	5	5	5
Soccer fields	7	7	7	7						
Running tracks	5	5	5	5	5	5	5	5	5	5
Baseball/softball	62	62	62	63	63	63	63	63	59	59
Playgrounds	67	67	67	67	22	22	22	22	22	22

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