
TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016



TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

TEMPE, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Issued by:
Finance Department

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	1
ASBO Certificate of Excellence	7
GFOA Certificate of Achievement	8
Organizational Chart	9
List of Principal Officials	10
 <u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR’S REPORT	13
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)	17
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	30
Statement of Activities	31
Fund Financial Statements:	
Balance Sheet – Governmental Funds	34
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	37
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	38
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	40

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
BASIC FINANCIAL STATEMENTS	
Statement of Net Position – Proprietary Fund	41
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund	42
Statement of Cash Flows – Proprietary Fund	43
Statement of Assets and Liabilities – Fiduciary Fund	44
Notes to Financial Statements	45
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	70
Schedule of Proportionate Share of the Net Pension Liability	71
Schedule of Contributions	71
Schedule of Funding Progress	72
Notes to Required Supplementary Information	73
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds – By Fund Type	79

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Special Revenue Funds:	
Combining Balance Sheet	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	88
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	94
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	118
Capital Projects Funds:	
Combining Balance Sheet	120
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	121
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	122
Agency Fund:	
Statement of Changes in Assets and Liabilities	128
<u>STATISTICAL SECTION</u>	
Financial Trends:	
Net Position by Component	131
Expenses, Program Revenues, and Net (Expense)/Revenue	132
General Revenues and Total Changes in Net Position	134
Fund Balances – Governmental Funds	136

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

TABLE OF CONTENTS

<u>STATISTICAL SECTION</u>	<u>Page</u>
Financial Trends:	
Governmental Funds Revenues	138
Governmental Funds Expenditures and Debt Service Ratio	140
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	142
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	143
Net Full Cash Assessed Value of Taxable Property By Class	144
Property Tax Assessment Ratios	145
Direct and Overlapping Property Tax Rates	146
Principal Property Taxpayers	147
Property Tax Levies and Collections	148
Debt Capacity:	
Outstanding Debt by Type	149
Direct and Overlapping Governmental Activities Debt	150
Direct and Overlapping General Bonded Debt Ratios	150
Legal Debt Margin Information	151
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	152
Principal Employers	153
Operating Information:	
Full-Time Equivalent District Employees by Type	154
Operating Statistics	156
Capital Assets Information	157

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INTRODUCTORY SECTION

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Dr. Kenneth R. Baca
Superintendent

December 13, 2016

Governing Board and Citizens
Tempe Union High School District No. 213
500 West Guadalupe Road
Tempe, Arizona 85283

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 Tempe Union High School District No. 213 (District) for the fiscal year ended June 30, 2016.

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, 2016, 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, 2016, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 for grade nine through grade twelve, with an estimated current enrollment of 13,861 students.

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement purposes and the

District is 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 District was formed in 1908, encompasses approximately 162 square miles and is situated in the southeastern portion of Maricopa County. Located within the greater Phoenix metropolitan area, the District lies about ten miles southeast of downtown Phoenix. The principal city within the District is the City of Tempe, Arizona, which represents approximately 53% of the District's population. The cities of Chandler, Guadalupe, Mesa, Scottsdale and Phoenix, Arizona, overlap other portions of the District. The southwestern portion of the District lies within the Gila River Indian Reservation and the Maricopa/Pinal County line forms the southern boundary. Two elementary school districts are contained within the District. The District's projected enrollment for the 2016-17 school year is 13,910. The District employs 51 principals and administrators, 745 certified personnel and 563 classified personnel. The District currently has one alternative high school and six comprehensive high schools, one of which includes a program for gifted students. The average age of the buildings in the District is approximately 39 years.

The District's mission is "Excellence in Teaching and Learning." The District goals are to: increase student achievement; optimize the use of all resources to accomplish District goals; recruit and retain highly-effective, diverse staff; and nurture positive relationships with our communities to support and advocate for District goals. The District continues to provide an excellent education to students with innovative programming, outstanding faculty and staff, and exceptional facilities and equipment. Tempe Union students consistently score above state and national average in standardized tests such as Stanford 9, AIMS, SAT, and ACT. The District is working toward meeting the needs of all of our students by offering an academy for gifted students and an International Baccalaureate World School, increasing career and technical education opportunities, and expanding our alternative learning environment for students who feel that the traditional high school setting does not meet their academic needs. Our higher education partners, Arizona State University and Maricopa Community College District, allow our students to take dual enrollment classes in Biotechnology and Engineering Programs, ASU's W.P. Carey School of Business and many other courses offered at the college level.

Each year many Tempe Union students are recognized for achievements with scholarships, grants, awards, and selection to competitive programs. Our students earned more than \$76.0 million in scholarships in 2016. Tempe Union is home to 27 2017 National Merit scholarship semi-finalists. The Class of 2016 included seven candidates for the U.S. Presidential Scholars Program. Many of the District's sports teams advanced to the state playoffs; our student-athletes earned 20 state championships in 2015-16. Five of Tempe Union's six marching bands qualified for state competition with Desert Vista bringing home the title. Coronado del Sol's "We the People" team and percussion team each won impressive fifth straight state titles and a JROTC student won a national title in armed drill solo. Many Tempe Union High School District faculty and staff members have been recognized locally, statewide and nationally for excellence. Sixty-six percent of teachers hold a master's degree or above and 68 percent of teachers have 10 or more years of experience.

All teachers are certified by the Arizona Department of Education. The District's schools meet stringent accreditation criteria from AdvanceED. The District earned the State 'A' rating with all six comprehensive schools receiving an 'A' rating. Five of our schools also earned the Arizona Educational Foundation A+ award of excellence.

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. Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,226 square miles. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such towns as Gilbert, Paradise Valley and Fountain Hills. Maricopa County is currently the nation's fourth largest county in terms of population size and the 14th in land area. The County's 2011 population was estimated at 3,884,705 and expected to reach 6.2 million by 2030.

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

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

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

Long-term Financial Planning. The District student population was stable in 2015-16. The stability is a result of our continuing academic success and marketing plan. Current school facilities are of adequate size to meet student needs.

In November 2015, District voters approved a seven year capital override of \$6.5 million per year. Fiscal year 2016-17 will be year one of seven of the capital override at \$6.5 million per year.

Fiscal year 2016-17 will be year three of seven of the 10 percent maintenance and operations override.

Major Initiatives.

- Increase the number of students going on to higher education.
- Continue efforts to close the achievement gap among all students.
- Continue to promote the District through our marketing and communication plan.
- Continue to expand educational opportunities for our students through alternative programs, academies and on-line courses.
- Continue a business partnership program to increase opportunities for additional resources.
- Continue research and identify non-traditional revenue resources.
- Development of a community education program.
- Continue energy management project.
- Continue a “go green” campaign with the schools and student clubs.
- Continue to solicit and utilize recommendations from community, business and education partners to create cost-saving opportunities for all entities.
- Recruiting and retaining highly-effective and diverse staff.
- Preparing for implementation of Arizona’s College and Career Ready Standards
- Continue exploration of the feasibility of a Montessori High School.
- Continue exploration of sale, lease, or exchange of our District owned properties.

To learn more about our District, please visit our website located at <http://www.tuhsd.k12.az.us>.

AWARDS AND ACKNOWLEDGMENTS

Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2015. 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, 2015. 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, 2016 certificates.

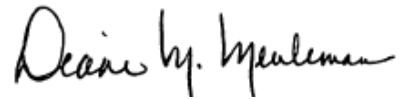
Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,



Dr. Kenneth R. Baca
Superintendent



Diane M. Meulemans, CPA
Assistant Superintendent for
Business Services



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Tempe Union High School District No. 213

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015.**

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



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

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

Presented to

**Tempe Union High School
District No. 213, Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

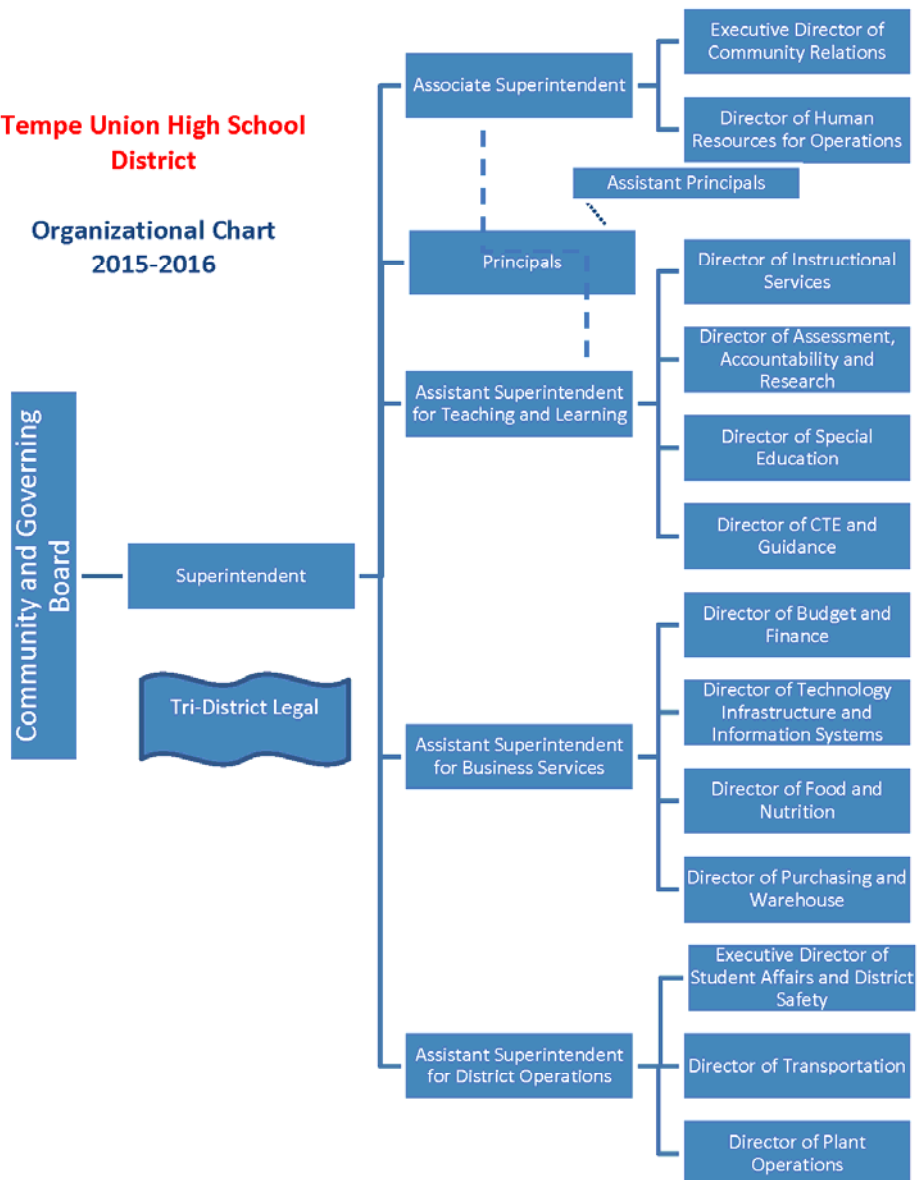
June 30, 2015

A handwritten signature in black ink, reading "Jeffrey R. Enos". The signature is written in a cursive, flowing style.

Executive Director/CEO

**Tempe Union High School
District**

**Organizational Chart
2015-2016**



TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Sandy Lowe, President

DeeAnne McClenahan, Vice President

Michelle Helm, Member

Moses Sanchez, Member

Brandon Schmoll, Member

ADMINISTRATIVE STAFF

Dr. Kenneth R. Baca, Superintendent

Dr. Kevin J. Mendivil, Associate Superintendent

Diane M. Meulemans, CPA, Assistant Superintendent for Business Services

Roland Carranza, Director of Finance and Budget

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Tempe Union High School District No. 213

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 Tempe Union High School District No. 213 (District), as of and for the year ended June 30, 2016, 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 Tempe Union High School District No. 213, as of June 30, 2016, 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. 72, *Fair Value Measurement and Application*, for the year ended June 30, 2016, 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, budgetary comparison information, net pension liability information and schedule of funding progress, as listed in the table of contents, 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 Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2016, on our consideration of Tempe Union High School District No. 213'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 Tempe Union High School District No. 213's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
December 13, 2016

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

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**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

As management of the Tempe Union High School District No. 213 (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, 2016. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. 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 \$7.8 million which represents a nine percent increase from the prior fiscal year as a result of changes in deferred inflows and outflows of resources related to pensions and total governmental fund balances.
- General revenues accounted for \$106.1 million in revenue, or 82 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$23.6 million or 18 percent of total current fiscal year revenues.
- The District had approximately \$121.9 million in expenses related to governmental activities, an increase of one percent from the prior fiscal year.
- Among major funds, the General Fund had \$85.3 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$81.5 million in expenditures. Revenues of the General Fund decreased \$6.1 million from the prior fiscal year primarily due to a decrease in the primary property tax rate, however, expenditures increased by \$1.1 million. The General Fund's fund balance was \$20.3 million in the current fiscal year which represents an increase of \$4.1 million from the prior fiscal year.
- The Debt Service Fund had \$7.6 million in current fiscal year revenues, which primarily consisted of property taxes, and \$7.8 million in expenditures. The Debt Service Fund's fund balance decreased from \$551,792 at the prior fiscal year end to \$468,701 at the end of the current fiscal year.
- The Unrestricted Capital Outlay Fund had \$10.6 million in current year revenues, which primarily consisted of property taxes, and \$6.5 million in expenditures. The Unrestricted Capital Outlay Fund's fund balance increased from \$6.4 million at the prior fiscal year end to \$10.5 million at the end of the current fiscal year as a result of an increase in property tax revenues due to the District's capital override.
- The Bond Building Fund had \$6.8 million of expenditures in the current fiscal year. The Bond Building Fund's fund balance decreased from \$15.2 million to \$8.4 million at the end of the current fiscal year due to increased expenditures for various capital improvement projects.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

OVERVIEW OF FINANCIAL STATEMENTS

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 decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

Proprietary fund. The District maintains one type of proprietary fund. The internal service fund is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District established its internal service fund to account for the financing of the District's self-insurance for employee benefits. Because this service predominantly benefits governmental functions, it has been included within governmental activities in the government-wide 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.

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, pension plan and other postemployment benefits plan. 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. Schedules for the pension plan have been provided as required supplementary information.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

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 and deferred inflows by \$90.8 million at the current fiscal year end.

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

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2016 and June 30, 2015.

	As of June 30, 2016	As of June 30, 2015
Current and other assets	\$ 94,481,715	\$ 92,185,961
Capital assets, net	219,893,360	219,554,373
Total assets	<u>314,375,075</u>	<u>311,740,334</u>
Deferred outflows	<u>10,436,805</u>	<u>13,108,154</u>
Current and other liabilities	9,474,780	8,271,238
Long-term liabilities	213,870,402	215,407,233
Total liabilities	<u>223,345,182</u>	<u>223,678,471</u>
Deferred inflows	<u>10,707,791</u>	<u>18,255,960</u>
Net position:		
Net investment in capital assets	125,889,982	127,758,710
Restricted	33,794,459	26,637,910
Unrestricted	(68,925,534)	(71,482,563)
Total net position	<u>\$ 90,758,907</u>	<u>\$ 82,914,057</u>

At the end of the current fiscal year, the District reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the District's mission, reported a deficit of \$68.9 million. The deficit is due to the District's proportionate share of the state pension plan's unfunded liability. The same situation held true for the prior fiscal year.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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.

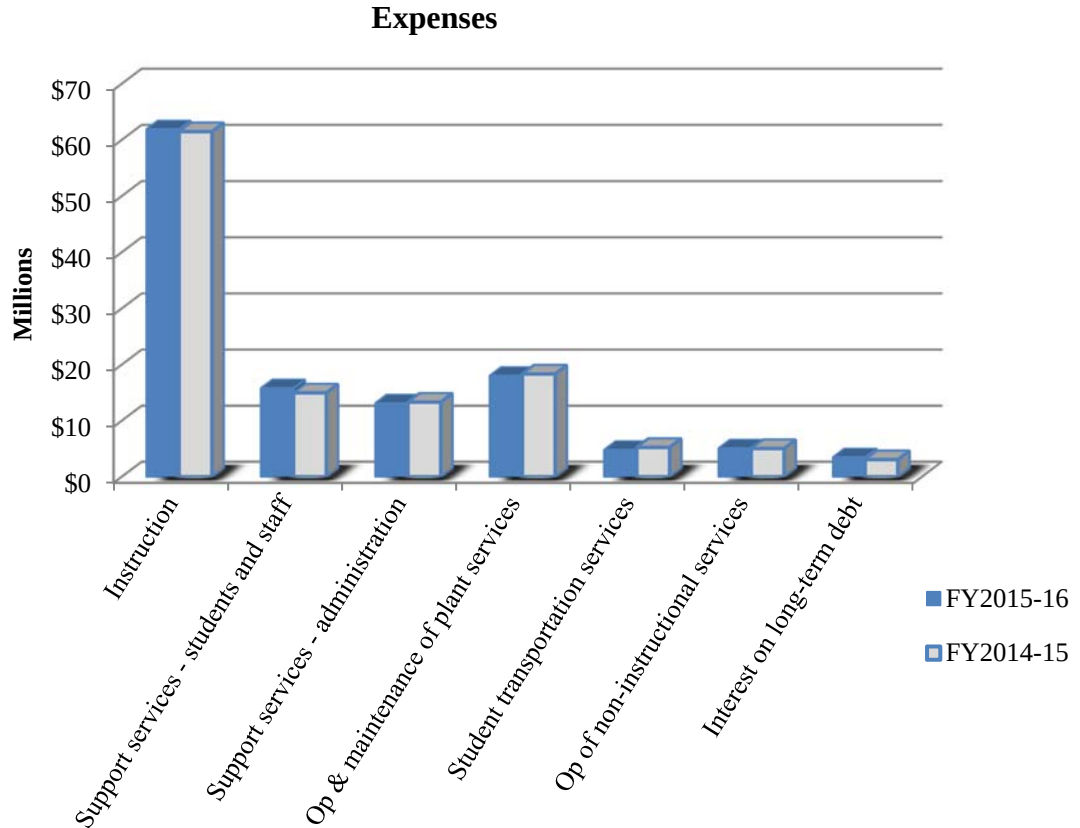
- The addition of \$8.1 million in capital assets primarily through purchases of vehicles, furniture, and equipment, land and building improvements, and the addition of \$7.4 million in accumulated depreciation through current year depreciation expense.
- The principal retirement of \$4.5 million of school improvement bonds.
- The increase of \$3.3 million in pension liabilities.

Changes in net position. The District's total revenues for the current fiscal year were \$129.8 million. The total cost of all programs and services was \$121.9 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2016 and June 30, 2015.

	Fiscal Year Ended <u>June 30, 2016</u>	Fiscal Year Ended <u>June 30, 2015</u>
Revenues:		
Program revenues:		
Charges for services	\$ 14,504,768	\$ 14,545,684
Operating grants and contributions	8,507,270	8,289,281
Capital grants and contributions	621,881	447,094
General revenues:		
Property taxes	79,209,977	85,459,506
Investment income	342,793	219,209
Unrestricted county aid	906,864	812,938
Unrestricted state aid	25,367,286	21,891,503
Unrestricted federal aid	307,847	163,816
Total revenues	<u>129,768,686</u>	<u>131,829,031</u>
Expenses:		
Instruction	61,859,899	61,429,367
Support services – students and staff	15,759,262	14,925,276
Support services – administration	13,082,671	13,269,868
Operation and maintenance of plant services	17,986,522	18,300,722
Student transportation services	4,755,985	5,196,208
Operation of non-instructional services	5,040,156	4,995,373
Interest on long-term debt	3,439,341	3,024,247
Total expenses	<u>121,923,836</u>	<u>121,141,061</u>
Changes in net position	<u>7,844,850</u>	<u>10,687,970</u>
Net position, beginning	<u>82,914,057</u>	<u>72,226,087</u>
Net position, ending	<u>\$ 90,758,907</u>	<u>\$ 82,914,057</u>

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- A decrease of \$6.2 million property tax revenue due to a decrease in the primary property tax rate.
- An increase of \$3.5 million in unrestricted state aid as a result of changes in legislation.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Year Ended June 30, 2016		Year Ended June 30, 2015	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 61,859,899	\$ (48,552,125)	\$ 61,429,367	\$ (46,426,973)
Support services – students and staff	15,759,262	(12,375,465)	14,925,276	(12,933,154)
Support services – administration	13,082,671	(12,445,853)	13,269,868	(13,118,379)
Operation and maintenance of plant services	17,986,522	(17,100,546)	18,300,722	(17,055,175)
Student transportation services	4,755,985	(4,754,085)	5,196,208	(5,196,208)
Operation of non-instructional services	5,040,156	377,498	4,995,373	(104,866)
Interest on long-term debt	3,439,341	(3,439,341)	3,024,247	(3,024,247)
Total	<u>\$121,923,836</u>	<u>\$ (98,289,917)</u>	<u>\$121,141,061</u>	<u>\$ (97,859,002)</u>

- The cost of all governmental activities this year was \$121.9 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$23.6 million.
- Net cost of governmental activities of \$98.3 million was financed by general revenues, which are made up of primarily property taxes of \$79.2 million and state aid of \$25.4 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$62.0 million, an increase of \$4.2 million due primarily to a decrease in capital outlay expenditures.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 33 percent of the total fund balance. Approximately \$19.2 million, or 94 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 \$4.1 million to \$20.3 million as of fiscal year end because revenues exceeded expenditures in the current year. Revenues of the General Fund decreased \$6.1 million from the prior fiscal year, however, expenditures increased by \$1.1 million.

The Debt Service Fund had \$7.6 million in fiscal year revenues, which consisted primarily of property taxes and \$7.8 million in expenditures. The Debt Service Fund's fund balance decreased \$83,091 to \$468,701 at current fiscal year end.

The Unrestricted Capital Outlay Fund's fund balance increased from \$6.4 million at the prior fiscal year end to \$10.5 million at the end of the current fiscal year as a result of an increase in property tax revenues.

The Bond Building Fund's fund balance decreased \$6.8 million from the prior fiscal year due to increased expenditures for various capital improvement projects.

Proprietary funds. Unrestricted net position of the Internal Service Fund at the end of the fiscal year amounted to \$12.9 million. Net position decreased \$198,800 from the prior year.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget to account for the passage of Proposition 123. The difference between the original budget and the final amended budget was a \$2.8 million increase, or three percent.

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

- The favorable variance of \$3.8 million in instruction was a result of planned budget carryover from fiscal year 2016 Proposition 123 funding and additional carryover with removal of the previous four percent carryover limit.
- The favorable variance of \$1.3 million in support services – administration was due to planned budget carryover from fiscal year 2016 Proposition 123 funding and additional carryover with removal of the previous four percent carryover limit.
- The favorable variance of \$1.5 million in operation and maintenance of plant services primarily as a result of planned budget carryover from fiscal year 2016 Proposition 123 funding and additional carryover with removal of the previous four percent carryover limit.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$325.8 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 \$6.3 million from the prior fiscal year primarily due to the completion of several school improvement projects funded by the prior year bond proceeds. Total depreciation expense for the current fiscal year was \$7.4 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2016 and June 30, 2015.

	As of <u>June 30, 2016</u>	As of <u>June 30, 2015</u>
Capital assets – non-depreciable	\$ 17,742,087	\$ 16,354,363
Capital assets – depreciable, net	<u>202,151,273</u>	<u>203,200,010</u>
Total	<u><u>\$ 219,893,360</u></u>	<u><u>\$ 219,554,373</u></u>

The estimated cost to complete current construction projects is \$2.2 million.

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

Debt Administration. At year end, the District had \$102.4 million in long-term debt outstanding, \$4.2 million due within one year. The long-term debt decreased by \$4.6 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 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$533.0 million and the Class B debt limit is \$355.3 million, which is more than the respective outstanding debt.

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

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

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 2016-17 budget. Among them:

- Fiscal year 2015-16 budget balance carry forward (estimated \$5.6 million).
- District student population (estimated 13,840).

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

Budgeted expenditures in the General Fund increased five percent to \$92.0 million in fiscal year 2016-17. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2016-17 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, Tempe Union High School District No. 213, 500 West Guadalupe Road, Tempe, Arizona 85283.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

STATEMENT OF NET POSITION

JUNE 30, 2016

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 78,355,740
Property taxes receivable	6,293,380
Deposits held by others	470,093
Accounts receivable	351,641
Deposits held with others	45,002
Due from governmental entities	7,828,437
Prepaid items	<u>1,137,422</u>
Total current assets	<u>94,481,715</u>
Noncurrent assets:	
Capital assets not being depreciated	17,742,087
Capital assets, net of accumulated depreciation	<u>202,151,273</u>
Total noncurrent assets	<u>219,893,360</u>
Total assets	<u>314,375,075</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	<u>10,436,805</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	2,464,676
Construction contracts payable	4,093,841
Claims payable	366,472
Accrued payroll and employee benefits	738,488
Compensated absences payable	843,234
Accrued interest payable	1,778,416
Unearned revenues	32,887
Bonds payable	<u>4,200,000</u>
Total current liabilities	<u>14,518,014</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>208,827,168</u>
Total noncurrent liabilities	<u>208,827,168</u>
Total liabilities	<u>223,345,182</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	<u>10,707,791</u>
<u>NET POSITION</u>	
Net investment in capital assets	125,889,982
Restricted for:	
Voter approved initiatives	5,043,591
Federal and state projects	1,067,757
Food service	338,745
Civic center	1,931,909
Community school	3,378,934
Auxiliary operations	1,429,377
Extracurricular Activities	1,169,221
Joint technical education	6,341,318
Other local initiatives	1,006,668
Debt service	558,279
Capital outlay	11,528,660
Unrestricted	<u>(68,925,534)</u>
Total net position	<u>\$ 90,758,907</u>

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 61,859,899	\$ 9,840,296	\$ 2,845,597	\$ 621,881	\$ (48,552,125)
Support services - students and staff	15,759,262		3,383,797		(12,375,465)
Support services - administration	13,082,671	121,726	515,092		(12,445,853)
Operation and maintenance of plant services	17,986,522	245,374	640,602		(17,100,546)
Student transportation services	4,755,985		1,900		(4,754,085)
Operation of non-instructional services	5,040,156	4,297,372	1,120,282		377,498
Interest on long-term debt	3,439,341				(3,439,341)
Total governmental activities	<u>\$ 121,923,836</u>	<u>\$ 14,504,768</u>	<u>\$ 8,507,270</u>	<u>\$ 621,881</u>	<u>(98,289,917)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	62,056,495
Property taxes, levied for debt service	7,569,968
Property taxes, levied for capital outlay	9,583,514
Investment income	342,793
Unrestricted county aid	906,864
Unrestricted state aid	25,367,286
Unrestricted federal aid	307,847
Total general revenues	<u>106,134,767</u>

Changes in net position 7,844,850

Net position, beginning of year 82,914,057

Net position, end of year \$ 90,758,907

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

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FUND FINANCIAL STATEMENTS

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Unrestricted Capital Outlay</u>
<u>ASSETS</u>			
Cash and investments	\$ 16,129,210	\$ 6,413,457	\$ 11,585,826
Property taxes receivable	5,750,876	123,238	419,266
Accounts receivable	152,058		
Deposits held with others			
Due from governmental entities	2,559,675		13,223
Due from other funds	1,546,176		
Prepaid items	1,137,422		
Total assets	<u><u>\$ 27,275,417</u></u>	<u><u>\$ 6,536,695</u></u>	<u><u>\$ 12,018,315</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 994,109	\$	\$ 1,158,649
Construction contracts payable			
Due to other funds			
Accrued payroll and employee benefits	488,909		
Unearned revenues			
Bonds payable		4,200,000	
Bond interest payable		1,778,416	
Total liabilities	<u><u>1,483,018</u></u>	<u><u>5,978,416</u></u>	<u><u>1,158,649</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	5,481,560	89,578	381,797
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	<u><u>5,481,560</u></u>	<u><u>89,578</u></u>	<u><u>381,797</u></u>
Fund balances (deficits):			
Nonspendable	1,137,422		
Restricted		468,701	10,477,869
Unassigned	19,173,417		
Total fund balances	<u><u>20,310,839</u></u>	<u><u>468,701</u></u>	<u><u>10,477,869</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 27,275,417</u></u>	<u><u>\$ 6,536,695</u></u>	<u><u>\$ 12,018,315</u></u>

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

<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 12,450,602	\$ 18,940,313	\$ 65,519,408
		6,293,380
	146,123	298,181
	45,002	45,002
	5,255,539	7,828,437
		1,546,176
		1,137,422
<u>\$ 12,450,602</u>	<u>\$ 24,386,977</u>	<u>\$ 82,668,006</u>

\$ 4,093,841	\$ 182,619	\$ 2,335,377
		4,093,841
	1,546,176	1,546,176
	249,579	738,488
	32,887	32,887
		4,200,000
		1,778,416
<u>4,093,841</u>	<u>2,011,261</u>	<u>14,725,185</u>

		5,952,935
	39,757	39,757
	<u>39,757</u>	<u>5,992,692</u>

		1,137,422
8,356,761	22,336,757	41,640,088
	(798)	19,172,619
<u>8,356,761</u>	<u>22,335,959</u>	<u>61,950,129</u>

<u>\$ 12,450,602</u>	<u>\$ 24,386,977</u>	<u>\$ 82,668,006</u>
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TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

Total governmental fund balances	\$	61,950,129
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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	\$ 325,762,594	
Less accumulated depreciation	<u>(105,869,234)</u>	219,893,360

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

Property taxes	5,952,935	
Intergovernmental	<u>39,757</u>	5,992,692

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. (1,860,139)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	10,436,805	
Deferred inflows of resources related to pensions	<u>(10,707,791)</u>	(270,986)

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position. 12,864,114

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

Other postemployment benefits payable	(768,291)	
Compensated absences payable	(3,025,801)	
Net pension liability	(107,716,171)	
Bonds payable	<u>(96,300,000)</u>	<u>(207,810,263)</u>

Net position of governmental activities	\$	<u>90,758,907</u>
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The notes to the basic financial statements are an integral part of this statement.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Unrestricted Capital Outlay</u>
Revenues:			
Other local	\$ 2,839,059	\$ 3,475	\$ 49,276
Property taxes	64,906,177	7,584,867	9,280,699
State aid and grants	17,248,306		1,231,073
Federal aid, grants and reimbursements	307,847		
Total revenues	<u>85,301,389</u>	<u>7,588,342</u>	<u>10,561,048</u>
Expenditures:			
Current -			
Instruction	44,903,697		
Support services - students and staff	9,317,967		
Support services - administration	10,804,842		
Operation and maintenance of plant services	12,506,562		
Student transportation services	3,314,681		
Operation of non-instructional services	625,246		
Capital outlay	15,371		6,483,060
Debt service -			
Principal retirement		4,200,000	
Interest and fiscal charges		3,557,130	
Total expenditures	<u>81,488,366</u>	<u>7,757,130</u>	<u>6,483,060</u>
Excess (deficiency) of revenues over expenditures	<u>3,813,023</u>	<u>(168,788)</u>	<u>4,077,988</u>
Other financing sources (uses):			
Transfer in	310,184	85,697	
Transfer out			
Total other financing sources (uses):	<u>310,184</u>	<u>85,697</u>	
Changes in fund balances	<u>4,123,207</u>	<u>(83,091)</u>	<u>4,077,988</u>
Fund balances, beginning of year	16,200,392	551,792	6,399,881
Increase (decrease) in reserve for prepaid items	(12,760)		
Fund balances, end of year	<u><u>\$ 20,310,839</u></u>	<u><u>\$ 468,701</u></u>	<u><u>\$ 10,477,869</u></u>

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

<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 89,300	\$ 13,866,660	\$ 16,847,770
		81,771,743
	8,478,101	26,957,480
	6,437,177	6,745,024
<u>89,300</u>	<u>28,781,938</u>	<u>132,322,017</u>
	10,793,280	55,696,977
	5,847,713	15,165,680
	1,267,459	12,072,301
	2,150,534	14,657,096
	379,832	3,694,513
	4,341,314	4,966,560
6,829,107	824,830	14,152,368
		4,200,000
		3,557,130
<u>6,829,107</u>	<u>25,604,962</u>	<u>128,162,625</u>
<u>(6,739,807)</u>	<u>3,176,976</u>	<u>4,159,392</u>
		395,881
<u>(85,697)</u>	<u>(310,184)</u>	<u>(395,881)</u>
<u>(85,697)</u>	<u>(310,184)</u>	
<u>(6,825,504)</u>	<u>2,866,792</u>	<u>4,159,392</u>
15,182,265	19,469,167	57,803,497
		(12,760)
<u>\$ 8,356,761</u>	<u>\$ 22,335,959</u>	<u>\$ 61,950,129</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

Changes in fund balances - total governmental funds **\$ 4,159,392**

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	\$ 8,136,334	
Less current year depreciation	<u>(7,417,369)</u>	718,965

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

Property taxes	(2,561,766)	
Intergovernmental	<u>6,146</u>	(2,555,620)

Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		4,200,000
--	--	-----------

Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred pension items, is reported as pension expense in the Statement of Activities.

Current year pension contributions	7,008,757	
Pension expense	<u>(5,450,261)</u>	1,558,496

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.

Prepaid items	(12,760)	
Other postemployment benefits	125,187	
Loss on disposal of assets	(379,978)	
Amortization of deferred bond items	117,789	
Compensated absences	<u>112,179</u>	(37,583)

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The changes in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities.		<u>(198,800)</u>
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Changes in net position in governmental activities **\$ 7,844,850**

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 12,836,332
Deposits held by others	470,093
Accounts receivable	53,460
Total current assets	<u>13,359,885</u>
Total assets	<u><u>13,359,885</u></u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	129,299
Claims payable	366,472
Total current liabilities	<u>495,771</u>
Total liabilities	<u><u>495,771</u></u>
<u>NET POSITION</u>	
Unrestricted	12,864,114
Total net position	<u><u>\$ 12,864,114</u></u>

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Governmental Activities: Internal Service Funds
Operating revenues:	
Contributions	\$ 10,053,418
Total operating revenues	<u>10,053,418</u>
Operating expenses:	
Claims	7,962,753
Premiums	1,172,500
Administrative Fees	1,119,254
Total operating expenses	<u>10,254,507</u>
Operating income (loss)	<u>(201,089)</u>
Nonoperating revenues (expenses):	
Investment income	2,289
Total nonoperating revenues (expenses)	<u>2,289</u>
Changes in net position	<u>(198,800)</u>
Total net position, beginning of year	13,062,914
Total net position, end of year	<u><u>\$ 12,864,114</u></u>

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2016

	Governmental Activities: Internal Service Fund
<u>Increase in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from contributions	\$ 10,020,171
Cash payments for claims	(8,316,123)
Cash payments to suppliers for goods and services	<u>(954,429)</u>
Net cash provided by operating activities	<u>749,619</u>
Cash flows from investing activities:	
Investment income	<u>2,289</u>
Net cash provided by investing activities	<u>2,289</u>
Net increase in cash and cash equivalents	<u>751,908</u>
Cash and cash equivalents, beginning of year	<u>12,084,424</u>
Cash and cash equivalents, end of year	<u><u>\$ 12,836,332</u></u>

Reconciliation of Operating Loss to Net Cash Provided by Operating Activities

Operating (loss)	\$ (201,089)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Changes in assets and liabilities:	
Decrease in deposits held by others	1,227,276
(Increase) in accounts receivable	(33,247)
Increase in accounts payable	110,049
(Decrease) in claims payable	<u>(353,370)</u>
Total adjustments	<u>950,708</u>
Net cash provided by operating activities	<u><u>\$ 749,619</u></u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2016

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 1,419,430
Total assets	<u>\$ 1,419,430</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 136,614
Due to student groups	<u>1,282,816</u>
Total liabilities	<u>\$ 1,419,430</u>

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Tempe Union High School District No. 213 (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, 2016, the District implemented the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements and establishes a hierarchy of inputs to valuation techniques used to measure fair value. This Statement also enhances accountability and transparency through revised note disclosures.

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

A. Reporting Entity

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

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

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, 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.

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.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, federal, state and county aid, tuition and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Food services and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. 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.

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 fund is 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.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Unrestricted Capital Outlay Fund – The Unrestricted Capital Outlay Fund accounts for transactions relating to the acquisition of capital items.

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

Additionally, the District reports the following fund types:

Proprietary Fund – The Proprietary Fund is an Internal Service Fund that accounts for the financing of the District’s self-insurance for employee benefits.

Fiduciary Fund – The Fiduciary Fund is an Agency Fund, 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.

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.

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 fund are charges for health and welfare benefits. Operating expenses for the internal service fund include the cost of goods and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Agency Fund is custodial in nature and does not have a measurement focus and is reported on the accrual basis of accounting. The Agency Fund is 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, money market accounts and certificates of deposit.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

Arizona statute requires a pooled collateral program for public deposits and a Statewide Collateral Pool Administrator (Administrator) in the State Treasurer's Office. The purpose of the pooled collateral program is to ensure that governmental entities' public deposits placed in participating depositories are secured with collateral of 102 percent of the public deposits, less any applicable deposit insurance. An eligible depository may not retain or accept any public deposit unless it has deposited the required collateral with a qualified escrow agent or the Administrator. The Administrator manages the pooled collateral program, including reporting on each depository's compliance with the program.

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.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The County Treasurer is responsible for collecting property taxes for all governmental entities within the county. The county levies real and personal property taxes on or before the third Monday in August that 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.

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. Prepaid Items

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

I. Capital Assets

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Land improvements	10 - 75 years
Buildings and improvements	5 - 75 years
Vehicles, furniture and equipment	5 - 25 years

J. 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.

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.

K. Compensated Absences

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

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.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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 for the utilization of assigned fund balance, accordingly, no assigned fund balance amounts are reported.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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.

The table below provides detail of the major components of the District's fund balance classifications at year end. Voter approved initiatives include monies restricted in the Classroom Site and Instructional Improvement Funds. The remainder of the restricted fund balances have been classified as other.

	General Fund	Debt Service Fund	Unrestricted Capital Outlay Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:					
Nonspendable:					
Prepaid items	\$ 1,137,422	\$	\$	\$	\$
Restricted:					
Debt service		468,701			
Capital projects			10,477,869		668,994
Bond building projects				8,356,761	
Voter approved initiatives					5,043,591
Federal projects					1,028,000
Auxiliary operations					1,429,377
Food service					338,745
Civic center					1,931,909
Community schools					3,378,934
Extracurricular activities					1,169,221
Joint technical education					6,341,318
Other purposes					1,006,668
Unassigned	19,173,417				(798)
Total fund balances	<u>\$20,310,839</u>	<u>\$ 468,701</u>	<u>\$10,477,869</u>	<u>\$ 8,356,761</u>	<u>\$ 22,335,959</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end, the Intergovernmental Agreements Fund, a non-major governmental fund, reported a deficit fund balance of \$798. The deficit arose because of operations during the year. Additional revenues received in fiscal year 2016-17 are expected to eliminate the deficit.

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 \$13,279,128, and the bank balance was \$13,279,129.

Fair Value Measurements. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs
- Level 3 inputs are significant unobservable inputs

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. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	342 days	\$66,496,042

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.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 4 – CASH AND INVESTMENTS

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.

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.

NOTE 5 – RECEIVABLES

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

	General Fund	Unrestricted Capital Outlay Fund	Non-Major Governmental Funds
Due from other governmental entities:			
Due from federal government	\$	\$	\$ 1,878,078
Due from state government	2,300,374	13,223	684,694
Due from county government	231,476		
Due from other districts	27,825		2,692,767
Net due from governmental entities	<u>\$ 2,559,675</u>	<u>\$ 13,223</u>	<u>\$ 5,255,539</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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	\$ 13,929,735	\$	\$	\$ 13,929,735
Construction in progress	2,424,628	4,053,036	2,665,312	3,812,352
Total capital assets, not being depreciated	16,354,363	4,053,036	2,665,312	17,742,087
Capital assets, being depreciated:				
Land improvements	27,143,999	1,062,247	24,991	28,181,255
Buildings and improvements	239,001,875	2,015,624	802,564	240,214,935
Vehicles, furniture and equipment	36,996,389	3,670,739	1,042,811	39,624,317
Total capital assets being depreciated	303,142,263	6,748,610	1,870,366	308,020,507
Less accumulated depreciation for:				
Land improvements	(14,825,815)	(1,043,376)	(22,633)	(15,846,558)
Buildings and improvements	(64,304,912)	(4,880,163)	(495,655)	(68,689,420)
Vehicles, furniture and equipment	(20,811,526)	(1,493,830)	(972,100)	(21,333,256)
Total accumulated depreciation	(99,942,253)	(7,417,369)	(1,490,388)	(105,869,234)
Total capital assets, being depreciated, net	203,200,010	(668,759)	379,978	202,151,273
Governmental activities capital assets, net	\$ 219,554,373	\$ 3,384,277	\$ 3,045,290	\$ 219,893,360

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 2,910,684
Support services – students and staff	23,100
Support services – administration	652,666
Operation and maintenance of plant services	3,226,107
Student transportation services	573,969
Operation of non-instructional services	30,843
Total depreciation expense – governmental activities	\$ 7,417,369

Construction Commitments – At year end, the District had contractual commitments related to various school renovation and energy efficiency projects. At year end the District had spent \$3.8 million on the projects and had estimated remaining contractual commitments of \$2.2 million. These projects are being funded with bond proceeds.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bonds. The bonds are callable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay the bonded debt.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2016	Due Within One Year
Governmental activities:					
School Improvement Bonds, Project of 2008, Series 2009 (Class B)	\$ 30,000,000	3.25-4.75%	7/1/16-28	\$ 28,500,000	\$ 1,600,000
School Improvement Bonds, Project of 2012, Series A (Class B)	33,000,000	1.75-4.0%	7/1/16-32	31,000,000	1,000,000
School Improvement Bonds, Project of 2012, Series B (Class B)	12,475,000	2.0-3.38%	7/1/16-32	11,475,000	575,000
School Improvement Bonds, Project of 2012, Series C (Class B)	29,525,000	2.0 – 4.0%	7/1/16-33	29,525,000	1,025,000
Total				<u>\$ 100,500,000</u>	<u>\$ 4,200,000</u>

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

		Governmental Activities	
Year ending June 30:		Principal	Interest
	2017	\$ 4,200,000	\$ 3,506,083
	2018	4,305,000	3,401,658
	2019	4,415,000	3,289,883
	2020	4,535,000	3,166,683
	2021	4,660,000	3,030,983
	2022-26	25,800,000	12,616,243
	2027-31	30,995,000	7,293,535
	2032-34	21,590,000	1,257,969
Total		<u>\$100,500,000</u>	<u>\$ 37,563,037</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8 – CHANGES IN LONG-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$105,000,000	\$	\$ 4,500,000	\$100,500,000	\$ 4,200,000
Premium	1,977,928		117,789	1,860,139	
Total bonds payable	<u>106,977,928</u>		<u>4,617,789</u>	<u>102,360,139</u>	<u>4,200,000</u>
Other postemployment benefits	893,478	53,503	178,690	768,291	
Net pension liability	104,397,847	3,318,324		107,716,171	
Compensated absences payable	<u>3,137,980</u>	<u>724,201</u>	<u>836,380</u>	<u>3,025,801</u>	<u>843,234</u>
Governmental activity long-term liabilities	<u>\$215,407,233</u>	<u>\$ 4,096,028</u>	<u>\$ 5,632,859</u>	<u>\$213,870,402</u>	<u>\$ 5,043,234</u>

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds – At year end, several non-major governmental funds had negative cash balances of \$1,546,176 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:

	<u>Transfers in</u>		
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<u>Transfers out</u>			
Bond Building Fund	\$	\$ 85,697	\$ 85,697
Non-Major Governmental Funds	310,184		310,184
Total	<u>\$ 310,184</u>	<u>\$ 85,697</u>	<u>\$ 395,881</u>

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 10 – CONTINGENT LIABILITIES

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

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 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District also continues to carry commercial insurance for dental and life. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District was unable to obtain general property and liability insurance at a cost it considered to be economically justifiable. Therefore, 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 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.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 11 – RISK MANAGEMENT

The District established an Employee Benefits Trust Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss related to health claims. The Fund was established in 1986, however in recent years the District was not self-insured for employee health claims. As of July 1, 2012, the District became self-insured for such claims. Under this program, the Fund provides coverage for up to a maximum of \$150,000 for each claim not to exceed an annual aggregate of \$9,871,812. The Fund purchases commercial insurance for claims in excess of this coverage. Settled claims did not exceed this coverage in the current fiscal year.

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 payouts), 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:

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Payable at End of Year
<u>Employee Benefit Trust</u>				
2015-16	\$ 719,842	\$ 7,962,753	\$ 8,316,123	\$ 366,472
2014-15	485,008	7,127,145	6,892,311	719,842

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description. District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at www.azasrs.gov.

Benefits Provided. The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* Any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* Any years age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.47 percent (11.35 percent for retirement and 0.12 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 11.47 percent (10.85 percent for retirement, 0.50 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2016 were \$7,008,757.

In addition, the District was required by statute to contribute at the actuarially determined rate of 9.36 percent (9.17 for retirement and 0.13 percent for health insurance premium benefit, and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS.

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

		Health Benefit Supplement Fund	Long-Term Disability Fund
Year ending June 30:			
2016	\$	322,984	\$ 77,516
2015		375,873	76,449
2014		382,099	152,840

Pension Liability. At June 30, 2016, the District reported a liability of \$107.7 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the District's proportion was 0.69 percent, which was a decrease of 0.02 percent from its proportion measured as of June 30, 2014.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2016, the District recognized pension expense of \$5.5 million and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,939,341	\$ 5,644,436
Net difference between projected and actual earnings on pension plan investments		3,452,065
Changes in proportion and differences between contributions and proportionate share of contributions	488,707	1,611,290
Contributions subsequent to the measurement date	7,008,757	
Total	<u>\$ 10,436,805</u>	<u>\$ 10,707,791</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:

2017	\$ (2,642,439)
2018	(4,488,310)
2019	(2,640,952)
2020	2,491,958

Actuarial Assumptions. The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2014
Actuarial roll forward date	June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return	8.0%
Projected salary increases	3.0-6.75%
Inflation	3.0%
Permanent base increases	Included
Mortality rates	1994 GAM Scale BB

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	58%	6.79
Fixed income	25	3.70
Real estate	10	4.25
Multi-asset	5	3.41
Commodities	2	3.93
Total	<u>100%</u>	

Discount Rate. The discount rate used to measure the ASRS total pension liability was 8.0 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Proportionate share of the net pension liability	\$141,144,995	\$107,716,171	\$84,806,473

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN

Plan Description. Under authority of the Governing Board, the District provides postretirement insurance (medical, prescription drugs, and vision) benefits, for certain retirees and their dependents, in accordance with the plan. The plan is a single-employer defined benefit plan administered by the District. The District contributes various percentages of these premiums based on the employees' consecutive years of service, date of declaration of intent to retire, age, and ASRS retirement eligibility status. In June 2008, the Governing Board passed a resolution to freeze the plan, as a result employees who meet eligibility requirements must have declared intent to retire on or before June 30, 2008 to participate. For the current fiscal year, the District contributed \$178,690 for these benefits, which was net of retiree contributions. The District's regular insurance providers underwrite the retiree policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. A separate financial report is not issued for the plan. The number of participants as of the effective date of the triannual OPEB valuation was 44 retirees.

Funding Policy. The District currently pays for postemployment benefits on a pay-as-you-go basis. Generally, resources from the General Fund are used to pay for post employment benefits. The District is studying the establishment of a trust that would be used to accumulate and invest assets necessary to pay for the accumulated liability. The District has set aside \$1.4 million in certificates of deposit, recorded in the Internal Service Fund; however, the trust account has not been established as an irrevocable trust; therefore, these financial statements assume that pay-as-you-go funding will continue. Generally, resources from the General Fund are used to pay for postemployment benefits.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN

Annual OPEB Cost and Net OPEB Obligation. The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation.

Annual required contribution	\$ 77,797
Interest on net OPEB obligation	39,687
Adjustment to annual required contribution	<u>(63,981)</u>
Annual OPEB cost (expense)	53,503
Contributions made	<u>178,690</u>
Decrease in net OPEB obligation	<u>(125,187)</u>
Net OPEB obligation – beginning of year	893,478
Net OPEB obligation – end of year	<u><u>\$ 768,291</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ended June 30, 2016 and the two preceding years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2016	\$ 53,503	\$ 178,690	334%	\$ 768,291
June 30, 2015	199,964	256,293	128	893,478
June 30, 2014	197,674	314,914	159	949,807

Funded Status and Funding Progress. As of June 30, 2015, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$1,072,382, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$1,072,382. The District did not have any covered payroll. The Schedule of Funding Progress for the postemployment defined benefit plan is disclosed immediately following the notes to the financial statements and includes multi-year trend information.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit cost between the employer and plan members to that point. The projection of the future benefit payments involves estimates of the value of reported amounts and assumptions about the probability of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Amounts determined the funded status of the plan and the annual required contributions of the District are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The more significant actuarial assumptions and methods used in the calculation of the employer contributions for the current fiscal year were as follows:

Valuation date	July 1, 2015
Actuarial cost method	Entry age normal
Amortization method for actuarial accrued liabilities	30 year amortization closed
Remaining amortization period	22 years as of July 1, 2015
Interest rate	4.50%
Inflation rate	N/A
Projected salary increases	N/A
Health care cost trend rate:	
Medical and Prescription Drug	8.0% graded down to an ultimate rate of 5% over 7 years
Retiree contribution increase	Consistent with medical/drug trends
ASRS subsidy increases	None
Cost of living adjustments	N/A

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of regular contractual funding limitations.

NOTE 14 – SUBSEQUENT EVENTS

On August 3, 2016, the District issued \$23.4 million in refunding bonds with an effective interest rate of 2.8 percent, to advance refund \$23.4 million of general obligation bonds, with an average interest rate of 4.0 percent.

On November 8, 2016, voters authorized the District to sell, lease, or exchange two District-owned undeveloped land parcels within its boundaries.

REQUIRED SUPPLEMENTARY INFORMATION

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 2,207,221	\$ 2,207,221
Property taxes			64,906,177	64,906,177
State aid and grants			17,167,747	17,167,747
Total revenues			<u>84,281,145</u>	<u>84,281,145</u>
Expenditures:				
Current -				
Instruction	47,701,573	48,399,163	44,568,230	3,830,933
Support services - students and staff	7,789,377	9,132,336	9,281,756	(149,420)
Support services - administration	11,194,285	11,810,659	10,473,798	1,336,861
Operation and maintenance of plant services	13,858,094	14,014,678	12,504,802	1,509,876
Student transportation services	3,886,277	3,762,129	3,292,386	469,743
Operation of non-instructional services	463,835	565,655	530,484	35,171
Total expenditures	<u>84,893,441</u>	<u>87,684,620</u>	<u>80,651,456</u>	<u>7,033,164</u>
Changes in fund balances	<u>(84,893,441)</u>	<u>(87,684,620)</u>	<u>3,629,689</u>	<u>91,314,309</u>
Fund balances, beginning of year			11,702,511	11,702,511
Increase (decrease) in reserve for prepaid items			(12,760)	(12,760)
Fund balances (deficits), end of year	<u>\$ (84,893,441)</u>	<u>\$ (87,684,620)</u>	<u>\$ 15,319,440</u>	<u>\$ 103,004,060</u>

See accompanying notes to this schedule.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST TWO FISCAL YEARS

	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.69%	0.71%
District's proportionate share of the net pension liability (asset)	\$ 107,716,171	\$ 104,397,847
District's covered payroll	\$ 63,707,208	\$ 63,683,243
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	169.08%	163.93%
Plan fiduciary net position as a percentage of the total pension liability	68.35%	69.49%

SCHEDULE OF CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST TWO FISCAL YEARS

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 7,008,757	\$ 6,937,715
Contributions in relation to the actuarially determined contribution	<u>7,008,757</u>	<u>6,937,715</u>
Contribution deficiency (excess)	<u><u>\$</u></u>	<u><u>\$</u></u>
District's covered payroll	\$ 64,596,839	\$ 63,707,208
Contributions as a percentage of covered payroll	10.85%	10.89%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS PLAN
LAST THREE ACTUARIAL VALUATIONS

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio		Covered Payroll	UAAL as a Percentage of Covered Payroll	
2015	0	\$1,072,382	\$1,072,382	0	%	N/A	N/A	%
2012	0	3,240,240	3,240,240	0		N/A	N/A	
2009	0	5,208,264	5,208,264	0		N/A	N/A	

See accompanying notes to this schedule.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

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 item.

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

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	\$ 81,488,366	\$ 20,310,839
Activity budgeted as special revenue funds	<u>(836,910)</u>	<u>(4,991,399)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 80,651,456</u>	<u>\$ 15,319,440</u>

NOTE 2 – PENSION PLAN SCHEDULES

Change in Accounting Principle. For the year ended June 30, 2016, the District implemented the provisions of GASB Statement No. 82, Pension Issues. The statement changed the measure of payroll that is required to be presented in required supplementary information from covered-employee payroll to covered payroll. Accordingly, payroll amounts presented in the pension plan schedules and related ratios for prior periods have been restated.

Actuarial Assumptions for Valuations Performed. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2014, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

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

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GOVERNMENTAL FUNDS

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2016

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 18,271,319	\$ 668,994	\$ 18,940,313
Accounts receivable	146,123		146,123
Deposits held with others	45,002		45,002
Due from governmental entities	5,255,539		5,255,539
Total assets	<u><u>\$ 23,717,983</u></u>	<u><u>\$ 668,994</u></u>	<u><u>\$ 24,386,977</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 182,619	\$	\$ 182,619
Due to other funds	1,546,176		1,546,176
Accrued payroll and employee benefits	249,579		249,579
Unearned revenues	32,887		32,887
Total liabilities	<u>2,011,261</u>		<u>2,011,261</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u>39,757</u>		<u>39,757</u>
Fund balances (deficits):			
Restricted	21,667,763	668,994	22,336,757
Unassigned	(798)		(798)
Total fund balances	<u>21,666,965</u>	<u>668,994</u>	<u>22,335,959</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 23,717,983</u></u>	<u><u>\$ 668,994</u></u>	<u><u>\$ 24,386,977</u></u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2016

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 13,863,183	\$ 3,477	\$ 13,866,660
State aid and grants	8,478,101		8,478,101
Federal aid, grants and reimbursements	6,437,177		6,437,177
Total revenues	<u>28,778,461</u>	<u>3,477</u>	<u>28,781,938</u>
Expenditures:			
Current -			
Instruction	10,793,280		10,793,280
Support services - students and staff	5,847,713		5,847,713
Support services - administration	1,267,459		1,267,459
Operation and maintenance of plant services	2,150,534		2,150,534
Student transportation services	379,832		379,832
Operation of non-instructional services	4,341,314		4,341,314
Capital outlay	824,830		824,830
Total expenditures	<u>25,604,962</u>	<u></u>	<u>25,604,962</u>
Excess (deficiency) of revenues over expenditures	<u>3,173,499</u>	<u>3,477</u>	<u>3,176,976</u>
Other financing sources (uses):			
Transfer out	(310,184)		(310,184)
Total other financing sources (uses):	<u>(310,184)</u>	<u></u>	<u>(310,184)</u>
Changes in fund balances	<u>2,863,315</u>	<u>3,477</u>	<u>2,866,792</u>
Fund balances, beginning of year	18,803,650	665,517	19,469,167
Fund balances, end of year	<u>\$ 21,666,965</u>	<u>\$ 668,994</u>	<u>\$ 22,335,959</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.

Structured English Immersion - to account for monies received to provide for the incremental cost of instruction to English language learners.

Student Success - to account for student success monies.

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.

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 monies received to reimburse the District for broadband internet and telecommunications 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Grants and Gifts to Teachers - to account for grants and gifts under \$1,500 received from private sources that are designated for use by a teacher for instructional purposes.

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

Print Shop - to account for revenues of the print shop, which are not presently structured to recover full costs, including depreciation, through user charges.

Intergovernmental Agreements - to account for the financial activities relating to agreements with other governments.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Structured English Immersion</u>
<u>ASSETS</u>			
Cash and investments	\$ 2,516,940	\$ 1,841,957	\$ 4,844
Accounts receivable			
Deposits held with others			
Due from governmental entities	520,781	163,913	
Total assets	<u><u>\$ 3,037,721</u></u>	<u><u>\$ 2,005,870</u></u>	<u><u>\$ 4,844</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues			4,844
Total liabilities			<u><u>4,844</u></u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	3,037,721	2,005,870	
Unassigned			
Total fund balances	<u><u>3,037,721</u></u>	<u><u>2,005,870</u></u>	
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 3,037,721</u></u>	<u><u>\$ 2,005,870</u></u>	<u><u>\$ 4,844</u></u>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Limited English and Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>	<u>Vocational Education</u>
\$	\$	\$	\$	\$	\$
460,359	213,529	27,719	37,231	653,759	153,389
<u>\$ 460,359</u>	<u>\$ 213,529</u>	<u>\$ 27,719</u>	<u>\$ 37,231</u>	<u>\$ 653,759</u>	<u>\$ 153,389</u>
\$ 9,982	\$ 13,262	\$	\$ 21,189	\$	\$
450,377	200,267	27,719	16,042	653,759	153,389
<u>460,359</u>	<u>213,529</u>	<u>27,719</u>	<u>37,231</u>	<u>653,759</u>	<u>153,389</u>
<u>\$ 460,359</u>	<u>\$ 213,529</u>	<u>\$ 27,719</u>	<u>\$ 37,231</u>	<u>\$ 653,759</u>	<u>\$ 153,389</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	<u>E-Rate</u>	<u>Other Federal Projects</u>	<u>State Vocational Education</u>
<u>ASSETS</u>			
Cash and investments	\$ 511,866	\$ 223,799	\$ 38,670
Accounts receivable			
Deposits held with others			
Due from governmental entities	275,008	57,084	
Total assets	<u><u>\$ 786,874</u></u>	<u><u>\$ 280,883</u></u>	<u><u>\$ 38,670</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 10,627
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues			28,043
Total liabilities			<u>38,670</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	39,757		
Fund balances (deficits):			
Restricted	747,117	280,883	
Unassigned			
Total fund balances	<u>747,117</u>	<u>280,883</u>	
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 786,874</u></u>	<u><u>\$ 280,883</u></u>	<u><u>\$ 38,670</u></u>

Food Service	Civic Center	Community School	Auxiliary Operations	Extracurricular Activities Fees Tax Credit	Gifts and Donations
\$ 268,792 24,951 45,002	\$ 1,950,491	\$ 3,595,043	\$ 1,453,925 20,265	\$ 1,142,457 35,832	\$ 311,734 21,250
		51,885			
<u>\$ 338,745</u>	<u>\$ 1,950,491</u>	<u>\$ 3,646,928</u>	<u>\$ 1,474,190</u>	<u>\$ 1,178,289</u>	<u>\$ 332,984</u>
\$	\$	\$ 66,302	\$ 44,813	\$ 9,068	\$ 7,376
	18,582	201,692			9,976
<u></u>	<u>18,582</u>	<u>267,994</u>	<u>44,813</u>	<u>9,068</u>	<u>17,352</u>
338,745	1,931,909	3,378,934	1,429,377	1,169,221	315,632
<u>338,745</u>	<u>1,931,909</u>	<u>3,378,934</u>	<u>1,429,377</u>	<u>1,169,221</u>	<u>315,632</u>
<u>\$ 338,745</u>	<u>\$ 1,950,491</u>	<u>\$ 3,646,928</u>	<u>\$ 1,474,190</u>	<u>\$ 1,178,289</u>	<u>\$ 332,984</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Grants and Gifts to Teachers</u>
<u>ASSETS</u>			
Cash and investments	\$ 510,861	\$ 167,757	\$ 1,321
Accounts receivable			
Deposits held with others			
Due from governmental entities			
Total assets	<u><u>\$ 510,861</u></u>	<u><u>\$ 167,757</u></u>	<u><u>\$ 1,321</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities	<u></u>	<u></u>	<u></u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	510,861	167,757	1,321
Unassigned			
Total fund balances	<u><u>510,861</u></u>	<u><u>167,757</u></u>	<u><u>1,321</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 510,861</u></u>	<u><u>\$ 167,757</u></u>	<u><u>\$ 1,321</u></u>

Joint Technical Education	Print Shop	Intergovernment al Agreements	Totals
\$ 3,719,765	\$ 11,097	\$ 43,825	\$ 18,271,319
			146,123
			45,002
2,640,882			5,255,539
<u>\$ 6,360,647</u>	<u>\$ 11,097</u>	<u>\$ 43,825</u>	<u>\$ 23,717,983</u>
\$	\$	\$	\$ 182,619
		44,623	1,546,176
19,329			249,579
			32,887
<u>19,329</u>		<u>44,623</u>	<u>2,011,261</u>
			39,757
6,341,318	11,097		21,667,763
		(798)	(798)
<u>6,341,318</u>	<u>11,097</u>	<u>(798)</u>	<u>21,666,965</u>
<u>\$ 6,360,647</u>	<u>\$ 11,097</u>	<u>\$ 43,825</u>	<u>\$ 23,717,983</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Classroom Site	Instructional Improvement	Structured English Immersion
Revenues:			
Other local	\$ 20,598	\$ 8,225	\$
State aid and grants	6,249,369	638,538	2,240
Federal aid, grants and reimbursements			
Total revenues	<u>6,269,967</u>	<u>646,763</u>	<u>2,240</u>
Expenditures:			
Current -			
Instruction	5,237,510	152,104	
Support services - students and staff	487,940	385,326	1,845
Support services - administration			395
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>5,725,450</u>	<u>537,430</u>	<u>2,240</u>
Excess (deficiency) of revenues over expenditures	<u>544,517</u>	<u>109,333</u>	
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>544,517</u>	<u>109,333</u>	
Fund balances, beginning of year	2,493,204	1,896,537	
Fund balances, end of year	<u>\$ 3,037,721</u>	<u>\$ 2,005,870</u>	<u>\$</u>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Limited English and Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>	<u>Johnson O'Malley</u>
\$	\$	\$	\$	\$	\$
1,617,263	391,811	27,719	138,067	1,804,580	12,600
<u>1,617,263</u>	<u>391,811</u>	<u>27,719</u>	<u>138,067</u>	<u>1,804,580</u>	<u>12,600</u>
1,051,145		26,559	20,111	1,254,574	7,545
396,898	299,413	704	100,193	416,525	4,193
43,402	63,831		4,791		
			1,799		86
9,949			1,091		
<u>1,501,394</u>	<u>363,244</u>	<u>27,263</u>	<u>127,985</u>	<u>1,671,099</u>	<u>11,824</u>
<u>115,869</u>	<u>28,567</u>	<u>456</u>	<u>10,082</u>	<u>133,481</u>	<u>776</u>
(115,869)	(28,567)	(456)	(10,082)	(133,481)	(776)
<u>(115,869)</u>	<u>(28,567)</u>	<u>(456)</u>	<u>(10,082)</u>	<u>(133,481)</u>	<u>(776)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Vocational Education	E-Rate	Other Federal Projects
Revenues:			
Other local	\$	\$ 306	\$
State aid and grants			
Federal aid, grants and reimbursements	548,033	375,560	401,353
Total revenues	<u>548,033</u>	<u>375,866</u>	<u>401,353</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	489,139	12,390	325,417
Support services - administration	6,915	118,399	
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	31,201		
Total expenditures	<u>527,255</u>	<u>130,789</u>	<u>325,417</u>
Excess (deficiency) of revenues over expenditures	<u>20,778</u>	<u>245,077</u>	<u>75,936</u>
Other financing sources (uses):			
Transfer out	(20,778)		(175)
Total other financing sources (uses):	<u>(20,778)</u>		<u>(175)</u>
Changes in fund balances		245,077	75,761
Fund balances, beginning of year		502,040	205,122
Fund balances, end of year	<u>\$</u>	<u>\$ 747,117</u>	<u>\$ 280,883</u>

State Vocational Education	Other State Projects	Food Service	Civic Center	Community School	Auxiliary Operations
\$	\$	\$	\$	\$	\$
984,661	603,293	1,888,078	256,120	2,417,125	1,798,779
		1,120,191			
984,661	603,293	3,008,269	256,120	2,417,125	1,798,779
331,748	2,078			412,289	585,592
131,131	612		14,621	165,309	424,746
12,753			40,496	36,865	3,019
	600,603	28,280	74,648	25,723	318,954
			23,303	20,946	5,836
		2,888,542	1,649	1,304,468	141,598
509,029		70,611		36,164	27,167
984,661	603,293	2,987,433	154,717	2,001,764	1,506,912
		20,836	101,403	415,361	291,867
		20,836	101,403	415,361	291,867
		317,909	1,830,506	2,963,573	1,137,510
\$	\$	\$	\$	\$	\$
		338,745	1,931,909	3,378,934	1,429,377

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Extracurricular Activities Fees Tax Credit	Gifts and Donations	Textbooks
Revenues:			
Other local	\$ 1,095,641	\$ 363,710	\$ 23,894
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>1,095,641</u>	<u>363,710</u>	<u>23,894</u>
Expenditures:			
Current -			
Instruction	366,040	104,235	102,467
Support services - students and staff	564,154	141,021	3,963
Support services - administration		20,306	
Operation and maintenance of plant services	19,607	8,434	
Student transportation services	119,921	9,994	
Operation of non-instructional services		371	
Capital outlay		11,375	
Total expenditures	<u>1,069,722</u>	<u>295,736</u>	<u>106,430</u>
Excess (deficiency) of revenues over expenditures	<u>25,919</u>	<u>67,974</u>	<u>(82,536)</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>25,919</u>	<u>67,974</u>	<u>(82,536)</u>
Fund balances, beginning of year	1,143,302	247,658	593,397
Fund balances (deficits), end of year	<u>\$ 1,169,221</u>	<u>\$ 315,632</u>	<u>\$ 510,861</u>

Insurance Refund	Grants and Gifts to Teachers	Joint Technical Education	Print Shop	Intergovernment al Agreements	Totals
\$ 59,753	\$ 13	\$ 4,915,288	\$ 121,726	\$ 893,927	\$ 13,863,183
					8,478,101
					6,437,177
<u>59,753</u>	<u>13</u>	<u>4,915,288</u>	<u>121,726</u>	<u>893,927</u>	<u>28,778,461</u>
	147	717,688		421,448	10,793,280
	1,008	1,208,811		272,354	5,847,713
	4	645,337	98,605	172,341	1,267,459
		1,062,261	12,024		2,150,534
		197,922		111	379,832
		4,600			4,341,314
		54,188		74,055	824,830
	<u>1,159</u>	<u>3,890,807</u>	<u>110,629</u>	<u>940,309</u>	<u>25,604,962</u>
<u>59,753</u>	<u>(1,146)</u>	<u>1,024,481</u>	<u>11,097</u>	<u>(46,382)</u>	<u>3,173,499</u>
					(310,184)
					<u>(310,184)</u>
<u>59,753</u>	<u>(1,146)</u>	<u>1,024,481</u>	<u>11,097</u>	<u>(46,382)</u>	<u>2,863,315</u>
108,004	2,467	5,316,837		45,584	18,803,650
<u>\$ 167,757</u>	<u>\$ 1,321</u>	<u>\$ 6,341,318</u>	<u>\$ 11,097</u>	<u>\$ (798)</u>	<u>\$ 21,666,965</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 20,598	\$ 20,598
State aid and grants		6,249,369	6,249,369
Federal aid, grants and reimbursements			
Total revenues		<u>6,269,967</u>	<u>6,269,967</u>
Expenditures:			
Current -			
Instruction	9,644,980	5,237,510	4,407,470
Support services - students and staff		487,940	(487,940)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>9,644,980</u>	<u>5,725,450</u>	<u>3,919,530</u>
Excess (deficiency) of revenues over expenditures	<u>(9,644,980)</u>	<u>544,517</u>	<u>10,189,497</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(9,644,980)</u>	<u>544,517</u>	<u>10,189,497</u>
Fund balances (deficits), beginning of year		2,493,204	2,493,204
Fund balances (deficits), end of year	<u>\$ (9,644,980)</u>	<u>\$ 3,037,721</u>	<u>\$ 12,682,701</u>

Instructional Improvement			Structured English Immersion		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 8,225 638,538	\$ 8,225 638,538	\$	\$ 2,240	\$ 2,240
	646,763	646,763		2,240	2,240
1,600,000	152,104 385,326	(152,104) 1,214,674	7,084	1,845 395	5,239 (395)
1,600,000	537,430	1,062,570	7,084	2,240	4,844
(1,600,000)	109,333	1,709,333	(7,084)		7,084
(1,600,000)	109,333	1,709,333	(7,084)		7,084
	1,896,537	1,896,537			
\$ (1,600,000)	\$ 2,005,870	\$ 3,605,870	\$ (7,084)	\$	\$ 7,084

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Student Success		
	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction	266,516	266,495	21
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>266,516</u>	<u>266,495</u>	<u>21</u>
Excess (deficiency) of revenues over expenditures	<u>(266,516)</u>	<u>(266,495)</u>	<u>21</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(266,516)</u>	<u>(266,495)</u>	<u>21</u>
Fund balances (deficits), beginning of year		266,495	266,495
Fund balances (deficits), end of year	<u>\$ (266,516)</u>	<u>\$</u>	<u>\$ 266,516</u>

Title I Grants			Professional Development and Technology Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	1,617,263	1,617,263		391,811	391,811
	1,617,263	1,617,263		391,811	391,811
2,394,339	1,051,145	1,343,194			
	396,898	(396,898)	561,006	299,413	261,593
	43,402	(43,402)		63,831	(63,831)
	9,949	(9,949)			
2,394,339	1,501,394	892,945	561,006	363,244	197,762
(2,394,339)	115,869	2,510,208	(561,006)	28,567	589,573
	(115,869)	(115,869)		(28,567)	(28,567)
	(115,869)	(115,869)		(28,567)	(28,567)
(2,394,339)		2,394,339	(561,006)		561,006
\$ (2,394,339)	\$	\$ 2,394,339	\$ (561,006)	\$	\$ 561,006

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Limited English and Immigrant Students		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		27,719	27,719
Total revenues		<u>27,719</u>	<u>27,719</u>
Expenditures:			
Current -			
Instruction	43,829	26,559	17,270
Support services - students and staff		704	(704)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>43,829</u>	<u>27,263</u>	<u>16,566</u>
Excess (deficiency) of revenues over expenditures	<u>(43,829)</u>	<u>456</u>	<u>44,285</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(456)	(456)
Total other financing sources (uses):		<u>(456)</u>	<u>(456)</u>
Changes in fund balances	<u>(43,829)</u>		<u>43,829</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$ (43,829)</u>	<u>\$</u>	<u>\$ 43,829</u>

Indian Education			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	138,067	138,067		1,804,580	1,804,580
	138,067	138,067		1,804,580	1,804,580
138,067	20,111	(20,111)	1,809,903	1,254,574	555,329
	100,193	37,874		416,525	(416,525)
	4,791	(4,791)			
	1,799	(1,799)			
	1,091	(1,091)			
138,067	127,985	10,082	1,809,903	1,671,099	138,804
(138,067)	10,082	148,149	(1,809,903)	133,481	1,943,384
	(10,082)	(10,082)		(133,481)	(133,481)
	(10,082)	(10,082)		(133,481)	(133,481)
(138,067)		138,067	(1,809,903)		1,809,903
\$ (138,067)	\$	\$ 138,067	\$ (1,809,903)	\$	\$ 1,809,903

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Johnson O'Malley		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		12,600	12,600
Total revenues		<u>12,600</u>	<u>12,600</u>
Expenditures:			
Current -			
Instruction	17,853	7,545	10,308
Support services - students and staff		4,193	(4,193)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services		86	(86)
Capital outlay			
Total expenditures	<u>17,853</u>	<u>11,824</u>	<u>6,029</u>
Excess (deficiency) of revenues over expenditures	<u>(17,853)</u>	<u>776</u>	<u>18,629</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(776)	(776)
Total other financing sources (uses):		<u>(776)</u>	<u>(776)</u>
Changes in fund balances	<u>(17,853)</u>		<u>17,853</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$ (17,853)</u>	<u>\$</u>	<u>\$ 17,853</u>

Vocational Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 126	\$ 126
	548,033	548,033		307,847	307,847
	548,033	548,033		307,973	307,973
553,857	489,139 6,915	64,718 (6,915)	500,000	12,148	487,852
	31,201	(31,201)			
553,857	527,255	26,602	500,000	12,148	487,852
(553,857)	20,778	574,635	(500,000)	295,825	795,825
	(20,778)	(20,778)			
	(20,778)	(20,778)			
(553,857)		553,857	(500,000)	295,825	795,825
				203,714	203,714
\$ (553,857)	\$	\$ 553,857	\$ (500,000)	\$ 499,539	\$ 999,539

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	E-Rate		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 306	\$ 306
State aid and grants			
Federal aid, grants and reimbursements		375,560	375,560
Total revenues		<u>375,866</u>	<u>375,866</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff		12,390	(12,390)
Support services - administration	300,000	118,399	181,601
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>300,000</u>	<u>130,789</u>	<u>169,211</u>
Excess (deficiency) of revenues over expenditures	<u>(300,000)</u>	<u>245,077</u>	<u>545,077</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(300,000)</u>	<u>245,077</u>	<u>545,077</u>
Fund balances (deficits), beginning of year		502,040	502,040
Fund balances (deficits), end of year	<u>\$ (300,000)</u>	<u>\$ 747,117</u>	<u>\$ 1,047,117</u>

Other Federal Projects			State Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	401,353	401,353		984,661	984,661
	401,353	401,353		984,661	984,661
475,593	325,417	150,176		331,748	(331,748)
				131,131	(131,131)
				12,753	(12,753)
475,593	325,417	150,176	1,012,699	509,029	503,670
			1,012,699	984,661	28,038
(475,593)	75,936	551,529	(1,012,699)		1,012,699
	(175)	(175)			
	(175)	(175)			
(475,593)	75,761	551,354	(1,012,699)		1,012,699
	205,122	205,122			
\$ (475,593)	\$ 280,883	\$ 756,476	\$ (1,012,699)	\$	\$ 1,012,699

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Other State Projects		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		603,293	603,293
Federal aid, grants and reimbursements			
Total revenues		<u>603,293</u>	<u>603,293</u>
Expenditures:			
Current -			
Instruction		2,078	(2,078)
Support services - students and staff		612	(612)
Support services - administration			
Operation and maintenance of plant services	714,643	600,603	114,040
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>714,643</u>	<u>603,293</u>	<u>111,350</u>
Excess (deficiency) of revenues over expenditures	<u>(714,643)</u>		<u>714,643</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(714,643)</u>		<u>714,643</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$ (714,643)</u>	<u>\$</u>	<u>\$ 714,643</u>

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 648,111	\$ 648,111	\$	\$ 1,888,078	\$ 1,888,078
				1,120,191	1,120,191
	648,111	648,111		3,008,269	3,008,269
	68,972	(68,972)			
	36,211	(36,211)			
1,050,000	86,439	963,561			
				28,280	(28,280)
	22,808	(22,808)	3,900,000	2,888,542	1,011,458
				70,611	(70,611)
1,050,000	214,430	835,570	3,900,000	2,987,433	912,567
(1,050,000)	433,681	1,483,681	(3,900,000)	20,836	3,920,836
(1,050,000)	433,681	1,483,681	(3,900,000)	20,836	3,920,836
	2,712,176	2,712,176		317,909	317,909
\$ (1,050,000)	\$ 3,145,857	\$ 4,195,857	\$ (3,900,000)	\$ 338,745	\$ 4,238,745

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Civic Center		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 256,120	\$ 256,120
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>256,120</u>	<u>256,120</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff		14,621	(14,621)
Support services - administration		40,496	(40,496)
Operation and maintenance of plant services	1,100,000	74,648	1,025,352
Student transportation services		23,303	(23,303)
Operation of non-instructional services		1,649	(1,649)
Capital outlay			
Total expenditures	<u>1,100,000</u>	<u>154,717</u>	<u>945,283</u>
Excess (deficiency) of revenues over expenditures	<u>(1,100,000)</u>	<u>101,403</u>	<u>1,201,403</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(1,100,000)</u>	<u>101,403</u>	<u>1,201,403</u>
Fund balances (deficits), beginning of year		1,830,506	1,830,506
Fund balances (deficits), end of year	<u>\$ (1,100,000)</u>	<u>\$ 1,931,909</u>	<u>\$ 3,031,909</u>

Community School			Auxiliary Operations		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 2,417,125	\$ 2,417,125	\$	\$ 1,798,779	\$ 1,798,779
	<u>2,417,125</u>	<u>2,417,125</u>		<u>1,798,779</u>	<u>1,798,779</u>
	412,289	(412,289)	3,000,000	585,592	2,414,408
	165,309	(165,309)		424,746	(424,746)
	36,865	(36,865)		3,019	(3,019)
	25,723	(25,723)		318,954	(318,954)
	20,946	(20,946)		5,836	(5,836)
3,600,000	1,304,468	2,295,532		141,598	(141,598)
	36,164	(36,164)		27,167	(27,167)
<u>3,600,000</u>	<u>2,001,764</u>	<u>1,598,236</u>	<u>3,000,000</u>	<u>1,506,912</u>	<u>1,493,088</u>
<u>(3,600,000)</u>	<u>415,361</u>	<u>4,015,361</u>	<u>(3,000,000)</u>	<u>291,867</u>	<u>3,291,867</u>
<u>(3,600,000)</u>	<u>415,361</u>	<u>4,015,361</u>	<u>(3,000,000)</u>	<u>291,867</u>	<u>3,291,867</u>
	2,963,573	2,963,573		1,137,510	1,137,510
<u>\$ (3,600,000)</u>	<u>\$ 3,378,934</u>	<u>\$ 6,978,934</u>	<u>\$ (3,000,000)</u>	<u>\$ 1,429,377</u>	<u>\$ 4,429,377</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,095,641	\$ 1,095,641
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>1,095,641</u>	<u>1,095,641</u>
Expenditures:			
Current -			
Instruction		366,040	(366,040)
Support services - students and staff	1,500,000	564,154	935,846
Support services - administration			
Operation and maintenance of plant services		19,607	(19,607)
Student transportation services		119,921	(119,921)
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>1,500,000</u>	<u>1,069,722</u>	<u>430,278</u>
Excess (deficiency) of revenues over expenditures	<u>(1,500,000)</u>	<u>25,919</u>	<u>1,525,919</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(1,500,000)</u>	<u>25,919</u>	<u>1,525,919</u>
Fund balances (deficits), beginning of year		1,143,302	1,143,302
Fund balances (deficits), end of year	<u>\$ (1,500,000)</u>	<u>\$ 1,169,221</u>	<u>\$ 2,669,221</u>

Gifts and Donations			Fingerprint		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 363,710	\$ 363,710	\$	\$	\$
	363,710	363,710			
450,000	104,235	(104,235)	20,000		20,000
	141,021	308,979			
	20,306	(20,306)			
	8,434	(8,434)			
	9,994	(9,994)			
	371	(371)			
	11,375	(11,375)			
450,000	295,736	154,264	20,000		20,000
(450,000)	67,974	517,974	(20,000)		20,000
(450,000)	67,974	517,974	(20,000)		20,000
	247,658	247,658			
\$ (450,000)	\$ 315,632	\$ 765,632	\$ (20,000)	\$	\$ 20,000

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Insurance Proceeds		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 57,993	\$ 57,993
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>57,993</u>	<u>57,993</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services		1,760	(1,760)
Student transportation services	150,000	22,295	127,705
Operation of non-instructional services			
Capital outlay		15,371	(15,371)
Total expenditures	<u>150,000</u>	<u>39,426</u>	<u>110,574</u>
Excess (deficiency) of revenues over expenditures	<u>(150,000)</u>	<u>18,567</u>	<u>168,567</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(150,000)</u>	<u>18,567</u>	<u>168,567</u>
Fund balances (deficits), beginning of year		668,555	668,555
Fund balances (deficits), end of year	<u>\$ (150,000)</u>	<u>\$ 687,122</u>	<u>\$ 837,122</u>

Textbooks			Litigation Recovery		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 23,894	\$ 23,894	\$	\$ 6,164	\$ 6,164
	23,894	23,894		6,164	6,164
500,000	102,467 3,963	397,533 (3,963)	110,000		110,000
500,000	106,430	393,570	110,000		110,000
(500,000)	(82,536)	417,464	(110,000)	6,164	116,164
(500,000)	(82,536)	417,464	(110,000)	6,164	116,164
	593,397	593,397		652,419	652,419
\$ (500,000)	\$ 510,861	\$ 1,010,861	\$ (110,000)	\$ 658,583	\$ 768,583

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Indirect Costs		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 3	\$ 3
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>3</u>	<u>3</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	500,000	232,457	267,543
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services		71,954	(71,954)
Capital outlay			
Total expenditures	<u>500,000</u>	<u>304,411</u>	<u>195,589</u>
Excess (deficiency) of revenues over expenditures	<u>(500,000)</u>	<u>(304,408)</u>	<u>195,592</u>
Other financing sources (uses):			
Transfer in		310,184	310,184
Transfer out			
Total other financing sources (uses):		<u>310,184</u>	<u>310,184</u>
Changes in fund balances	<u>(500,000)</u>	<u>5,776</u>	<u>505,776</u>
Fund balances (deficits), beginning of year		(5,478)	(5,478)
Fund balances (deficits), end of year	<u>\$ (500,000)</u>	<u>\$ 298</u>	<u>\$ 500,298</u>

Insurance Refund			Grants and Gifts to Teachers		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 59,753	\$ 59,753	\$	\$ 13	\$ 13
	59,753	59,753		13	13
15,000		15,000		147	(147)
			15,000	1,008	13,992
				4	(4)
15,000		15,000	15,000	1,159	13,841
(15,000)	59,753	74,753	(15,000)	(1,146)	13,854
(15,000)	59,753	74,753	(15,000)	(1,146)	13,854
	108,004	108,004		2,467	2,467
\$ (15,000)	\$ 167,757	\$ 182,757	\$ (15,000)	\$ 1,321	\$ 16,321

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Joint Technical Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 4,915,288	\$ 4,915,288
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>4,915,288</u>	<u>4,915,288</u>
Expenditures:			
Current -			
Instruction		717,688	(717,688)
Support services - students and staff	6,000,000	1,208,811	4,791,189
Support services - administration		645,337	(645,337)
Operation and maintenance of plant services		1,062,261	(1,062,261)
Student transportation services		197,922	(197,922)
Operation of non-instructional services		4,600	(4,600)
Capital outlay		54,188	(54,188)
Total expenditures	<u>6,000,000</u>	<u>3,890,807</u>	<u>2,109,193</u>
Excess (deficiency) of revenues over expenditures	<u>(6,000,000)</u>	<u>1,024,481</u>	<u>7,024,481</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(6,000,000)</u>	<u>1,024,481</u>	<u>7,024,481</u>
Fund balances (deficits), beginning of year		5,316,837	5,316,837
Fund balances (deficits), end of year	<u>\$ (6,000,000)</u>	<u>\$ 6,341,318</u>	<u>\$ 12,341,318</u>

Print Shop			Intergovernmental Agreements		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 121,726	\$ 121,726	\$	\$ 893,927	\$ 893,927
	121,726	121,726		893,927	893,927
150,000	98,605 12,024	51,395 (12,024)	1,030,000	421,448 272,354 172,341	608,552 (272,354) (172,341)
				111	(111)
				74,055	(74,055)
150,000	110,629	39,371	1,030,000	940,309	89,691
(150,000)	11,097	161,097	(1,030,000)	(46,382)	983,618
(150,000)	11,097	161,097	(1,030,000)	(46,382)	983,618
				45,584	45,584
\$ (150,000)	\$ 11,097	\$ 161,097	\$ (1,030,000)	\$ (798)	\$ 1,029,202

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 14,575,580	\$ 14,575,580
State aid and grants		8,478,101	8,478,101
Federal aid, grants and reimbursements		6,745,024	6,745,024
Total revenues		<u>29,798,705</u>	<u>29,798,705</u>
Expenditures:			
Current -			
Instruction	18,852,420	11,128,747	7,723,673
Support services - students and staff	11,300,607	5,883,924	5,416,683
Support services - administration	2,500,000	1,598,503	901,497
Operation and maintenance of plant services	1,814,643	2,152,294	(337,651)
Student transportation services	150,000	402,127	(252,127)
Operation of non-instructional services	7,500,000	4,436,076	3,063,924
Capital outlay	1,012,699	840,201	172,498
Total expenditures	<u>43,130,369</u>	<u>26,441,872</u>	<u>16,688,497</u>
Excess (deficiency) of revenues over expenditures	<u>(43,130,369)</u>	<u>3,356,833</u>	<u>46,487,202</u>
Other financing sources (uses):			
Transfer in		310,184	310,184
Transfer out		(310,184)	(310,184)
Total other financing sources (uses):			
Changes in fund balances	<u>(43,130,369)</u>	<u>3,356,833</u>	<u>46,487,202</u>
Fund balances (deficits), beginning of year		23,301,531	23,301,531
Fund balances (deficits), end of year	<u>\$ (43,130,369)</u>	<u>\$ 26,658,364</u>	<u>\$ 69,788,733</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.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2016

	Debt Service		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 3,475	\$ 3,475
Property taxes		7,584,867	7,584,867
Total revenues		7,588,342	7,588,342
Expenditures:			
Debt service -			
Principal retirement	4,200,000	4,200,000	
Interest and fiscal charges	3,706,832	3,557,130	149,702
Total expenditures	7,906,832	7,757,130	149,702
Excess (deficiency) of revenues over expenditures	(7,906,832)	(168,788)	7,738,044
Other financing sources (uses):			
Transfer in		85,697	85,697
Total other financing sources (uses):		85,697	85,697
Changes in fund balances	(7,906,832)	(83,091)	7,823,741
Fund balances, beginning of year		551,792	551,792
Fund balances (deficits), end of year	\$ (7,906,832)	\$ 468,701	\$ 8,375,533

CAPITAL PROJECTS FUNDS

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

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

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.

Condemnation - to account for monies received from sales proceeds for condemnation or right-of-way settlements.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2016

	<u>Adjacent Ways</u>	<u>Condemnation</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 507,571	\$ 161,423	\$ 668,994
Total assets	<u>\$ 507,571</u>	<u>\$ 161,423</u>	<u>\$ 668,994</u>
Fund balances:			
Restricted	\$ 507,571	\$ 161,423	\$ 668,994
Total fund balances	<u>507,571</u>	<u>161,423</u>	<u>668,994</u>
Total liabilities and fund balances	<u>\$ 507,571</u>	<u>\$ 161,423</u>	<u>\$ 668,994</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2016

	<u>Adjacent Ways</u>	<u>Condemnation</u>	<u>Totals</u>
Revenues:			
Other local	\$ 2,623	\$ 854	\$ 3,477
Total revenues	<u>2,623</u>	<u>854</u>	<u>3,477</u>
Changes in fund balances	<u>2,623</u>	<u>854</u>	<u>3,477</u>
Fund balances, beginning of year	504,948	160,569	665,517
Fund balances, end of year	<u>\$ 507,571</u>	<u>\$ 161,423</u>	<u>\$ 668,994</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2016

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 49,276	\$ 49,276
Property taxes		9,280,699	9,280,699
State aid and grants		1,231,073	1,231,073
Total revenues		<u>10,561,048</u>	<u>10,561,048</u>
Expenditures:			
Capital outlay	17,243,143	6,483,060	10,760,083
Total expenditures	<u>17,243,143</u>	<u>6,483,060</u>	<u>10,760,083</u>
Excess (deficiency) of revenues over expenditures	<u>(17,243,143)</u>	<u>4,077,988</u>	<u>21,321,131</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(17,243,143)</u>	<u>4,077,988</u>	<u>21,321,131</u>
Fund balances, beginning of year		6,399,881	6,399,881
Fund balances (deficits), end of year	<u>\$ (17,243,143)</u>	<u>\$ 10,477,869</u>	<u>\$ 27,721,012</u>

Adjacent Ways			Bond Building		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 2,623	\$ 2,623	\$	\$ 89,300	\$ 89,300
	<u>2,623</u>	<u>2,623</u>		<u>89,300</u>	<u>89,300</u>
150,000		150,000	14,953,453	6,829,107	8,124,346
<u>150,000</u>		<u>150,000</u>	<u>14,953,453</u>	<u>6,829,107</u>	<u>8,124,346</u>
<u>(150,000)</u>	<u>2,623</u>	<u>152,623</u>	<u>(14,953,453)</u>	<u>(6,739,807)</u>	<u>8,213,646</u>
				<u>(85,697)</u>	<u>(85,697)</u>
				<u>(85,697)</u>	<u>(85,697)</u>
<u>(150,000)</u>	<u>2,623</u>	<u>152,623</u>	<u>(14,953,453)</u>	<u>(6,825,504)</u>	<u>8,127,949</u>
	504,948	504,948		15,182,265	15,182,265
<u>\$ (150,000)</u>	<u>\$ 507,571</u>	<u>\$ 657,571</u>	<u>\$ (14,953,453)</u>	<u>\$ 8,356,761</u>	<u>\$ 23,310,214</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2016

	Condemnation		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 854	\$ 854
Property taxes			
State aid and grants			
Total revenues		854	854
Expenditures:			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures		854	854
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances		854	854
Fund balances, beginning of year		160,569	160,569
Fund balances (deficits), end of year	\$	\$ 161,423	\$ 161,423

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 142,053	\$ 142,053
	9,280,699	9,280,699
	1,231,073	1,231,073
	10,653,825	10,653,825
32,346,596	13,312,167	19,034,429
32,346,596	13,312,167	19,034,429
(32,346,596)	(2,658,342)	29,688,254
	(85,697)	(85,697)
	(85,697)	(85,697)
(32,346,596)	(2,744,039)	29,602,557
	22,247,663	22,247,663
\$ (32,346,596)	\$ 19,503,624	\$ 51,850,220

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AGENCY FUND

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
YEAR ENDED JUNE 30, 2016

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 1,278,086	\$ 2,251,986	\$ 2,110,642	\$ 1,419,430
Total assets	<u>\$ 1,278,086</u>	<u>\$ 2,251,986</u>	<u>\$ 2,110,642</u>	<u>\$ 1,419,430</u>
<u>Liabilities</u>				
Accounts payable	\$ 73,499	\$ 136,614	\$ 73,499	\$ 136,614
Due to student groups	<u>1,204,587</u>	<u>2,115,372</u>	<u>2,037,143</u>	<u>1,282,816</u>
Total liabilities	<u>\$ 1,278,086</u>	<u>\$ 2,251,986</u>	<u>\$ 2,110,642</u>	<u>\$ 1,419,430</u>

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.

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to 5 percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

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TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net Position:					
Net investment in capital assets	\$ 125,889,982	\$ 127,758,710	\$ 130,314,587	\$ 129,831,578	\$ 105,875,208
Restricted	33,794,459	26,637,910	25,065,982	25,519,627	37,727,315
Unrestricted	(68,925,534)	(71,482,563)	26,623,318	29,480,761	49,969,908
Total net position	<u>\$ 90,758,907</u>	<u>\$ 82,914,057</u>	<u>\$ 182,003,887</u>	<u>\$ 184,831,966</u>	<u>\$ 193,572,431</u>
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net Position:					
Net investment in capital assets	\$ 89,384,724	\$ 68,025,798	\$ 57,618,229	\$ 39,691,197	\$ 24,689,400
Restricted	34,830,933	28,662,141	24,561,606	22,291,019	16,496,842
Unrestricted	61,381,934	63,936,241	53,470,968	48,213,467	44,159,310
Total net position	<u>\$ 185,597,591</u>	<u>\$ 160,624,180</u>	<u>\$ 135,650,803</u>	<u>\$ 110,195,683</u>	<u>\$ 85,345,552</u>

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses					
Instruction	\$ 61,859,899	\$ 61,429,367	\$ 60,109,750	\$ 62,186,090	\$ 61,887,082
Support services - students and staff	15,759,262	14,925,276	14,024,771	14,610,026	13,508,070
Support services - administration	13,082,671	13,269,868	12,965,829	12,470,013	10,516,696
Operation and maintenance of plant services	17,986,522	18,300,722	17,376,781	16,321,184	14,232,487
Student transportation services	4,755,985	5,196,208	5,113,397	5,016,725	4,333,504
Operation of non-instructional services	5,040,156	4,995,373	4,853,906	4,776,848	5,315,715
Interest on long-term debt	3,439,341	3,024,247	3,382,036	2,288,152	2,726,898
Total expenses	<u>121,923,836</u>	<u>121,141,061</u>	<u>117,826,470</u>	<u>117,669,038</u>	<u>112,520,452</u>
Program Revenues					
Charges for services:					
Instruction	9,840,296	10,477,286	8,148,852	8,582,437	5,596,416
Operation of non-instructional services	4,297,372	3,753,595	3,780,569	4,361,627	4,444,213
Other activities	367,100	314,803	320,857	878,685	640,920
Operating grants and contributions	8,507,270	8,289,281	8,538,052	7,951,441	9,419,083
Capital grants and contributions	621,881	447,094	121,897	431,573	368,306
Total program revenues	<u>23,633,919</u>	<u>23,282,059</u>	<u>20,910,227</u>	<u>22,205,763</u>	<u>20,468,938</u>
Net (Expense)/Revenue	<u>\$ (98,289,917)</u>	<u>\$ (97,859,002)</u>	<u>\$ (96,916,243)</u>	<u>\$ (95,463,275)</u>	<u>\$ (92,051,514)</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenses					
Instruction	\$ 59,591,785	\$ 66,515,928	\$ 63,390,746	\$ 71,511,187	\$ 63,934,142
Support services - students and staff	14,822,289	14,429,897	13,246,465	11,908,804	11,929,322
Support services - administration	10,339,089	10,605,978	9,921,468	9,360,315	8,898,711
Operation and maintenance of plant services	14,993,585	13,881,686	14,467,336	13,033,113	12,983,185
Student transportation services	4,165,060	4,289,107	2,992,897	3,246,442	2,787,242
Operation of non-instructional services	4,570,286	4,176,508	3,593,877	4,209,647	3,852,277
Interest on long-term debt	3,585,486	4,789,141	3,994,186	4,864,530	6,240,063
Total expenses	<u>112,067,580</u>	<u>118,688,245</u>	<u>111,606,975</u>	<u>118,134,038</u>	<u>110,624,942</u>
Program Revenues					
Charges for services:					
Instruction	8,937,388	6,915,814	6,610,458	7,558,235	7,528,924
Operation of non-instructional services	4,127,075	8,613,109	6,008,530	6,058,733	6,315,978
Other activities	532,559	955,815	447,755	419,640	629,382
Operating grants and contributions	9,790,006	8,397,780	7,369,359	6,643,315	6,003,927
Capital grants and contributions	443,387	589,495	710,239	420,314	297,321
Total program revenues	<u>23,830,415</u>	<u>25,472,013</u>	<u>21,146,341</u>	<u>21,100,237</u>	<u>20,775,532</u>
Net (Expense)/Revenue	<u>\$ (88,237,165)</u>	<u>\$ (93,216,232)</u>	<u>\$ (90,460,634)</u>	<u>\$ (97,033,801)</u>	<u>\$ (89,849,410)</u>

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

(Concluded)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net (Expense)/Revenue	\$ (98,289,917)	\$ (97,859,002)	\$ (96,916,243)	\$ (95,463,275)	\$ (92,051,514)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	62,056,495	72,409,446	59,480,166	56,544,816	59,277,439
Property taxes, levied for debt service	7,569,968	7,089,589	6,040,746	7,120,488	23,486,448
Property taxes, levied for capital outlay	9,583,514	5,960,471	5,365,189	5,976,282	5,274,515
Investment income	342,793	219,209	213,632	177,920	317,483
Unrestricted county aid	906,864	812,938	994,455	725,751	655,473
Unrestricted state aid	25,367,286	21,891,503	20,264,106	15,907,946	10,752,661
Unrestricted federal aid	307,847	163,816	71,121	269,607	262,335
Total general revenues	<u>106,134,767</u>	<u>108,546,972</u>	<u>92,429,415</u>	<u>86,722,810</u>	<u>100,026,354</u>
Changes in Net Position	<u>\$ 7,844,850</u>	<u>\$ 10,687,970</u>	<u>\$ (4,486,828)</u>	<u>\$ (8,740,465)</u>	<u>\$ 7,974,840</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net (Expense)/Revenue	\$ (88,237,165)	\$ (93,216,232)	\$ (90,460,634)	\$ (97,033,801)	\$ (89,849,410)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	63,712,165	62,941,487	64,426,366	58,710,268	55,090,899
Property taxes, levied for debt service	27,010,562	27,015,448	23,128,864	26,774,825	23,782,946
Property taxes, levied for capital outlay	5,531,562	9,604,269	6,484,852	8,521,701	4,151,998
Investment income	711,455	839,427	1,843,222	2,142,758	1,976,788
Unrestricted county aid		582,151			2,896
Unrestricted state aid	16,016,749	15,054,157	20,032,450	25,734,380	23,702,617
Total general revenues	<u>113,210,576</u>	<u>118,189,609</u>	<u>115,915,754</u>	<u>121,883,932</u>	<u>108,708,144</u>
Changes in Net Position	<u>\$ 24,973,411</u>	<u>\$ 24,973,377</u>	<u>\$ 25,455,120</u>	<u>\$ 24,850,131</u>	<u>\$ 18,858,734</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)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:					
Nondisposable	\$ 1,137,422	\$ 1,150,182	\$ 1,138,273	\$ 1,285,931	\$ 3,360,675
Unassigned	19,173,417	15,050,210	3,774,937	8,934,837	10,795,232
Total General Fund	<u>\$ 20,310,839</u>	<u>\$ 16,200,392</u>	<u>\$ 4,913,210</u>	<u>\$ 10,220,768</u>	<u>\$ 14,155,907</u>
All Other Governmental Funds:					
Nondisposable	\$	\$	\$	\$ 63,910	\$ 86,072
Restricted	41,640,088	41,603,105	26,687,900	52,192,128	36,360,957
Unassigned	(798)			(637,900)	(108,115)
Total all other governmental funds	<u>\$ 41,639,290</u>	<u>\$ 41,603,105</u>	<u>\$ 26,687,900</u>	<u>\$ 51,618,138</u>	<u>\$ 36,338,914</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund:					
Nonspendable	\$ 910,355	\$	\$	\$	\$
Unassigned	25,046,751				
Reserved		2,529,175	191,463	923,138	1,467,895
Unreserved		7,743,525	9,541,760	3,997,760	3,806,681
Total General Fund	<u>\$ 25,957,106</u>	<u>\$ 10,272,700</u>	<u>\$ 9,733,223</u>	<u>\$ 4,920,898</u>	<u>\$ 5,274,576</u>
All Other Governmental Funds:					
Nonspendable	\$ 78,505	\$	\$	\$	\$
Restricted	36,523,361				
Unassigned	(47,807)				
Reserved		72,108	67,292	63,283	69,221
Unreserved, reported in:					
Special revenue funds		23,916,489	21,910,396	22,612,800	20,792,444
Capital projects funds		34,384,152	39,236,944	19,277,540	15,760,432
Debt service fund		1,794,671	1,293,651	2,403,522	268,540
Total all other governmental funds	<u>\$ 36,554,059</u>	<u>\$ 60,167,420</u>	<u>\$ 62,508,283</u>	<u>\$ 44,357,145</u>	<u>\$ 36,890,637</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)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Federal sources:					
Federal grants	\$ 5,624,833	\$ 4,991,155	\$ 4,723,230	\$ 5,722,536	\$ 5,667,066
Education Jobs					1,282,140
National School Lunch Program	1,120,191	1,136,912	930,548	906,753	567,858
Total federal sources	<u>6,745,024</u>	<u>6,128,067</u>	<u>5,653,778</u>	<u>6,629,289</u>	<u>7,517,064</u>
State sources:					
State equalization assistance	18,479,379	15,657,281	13,774,668	11,107,219	5,074,636
State grants	1,590,194	1,637,409	1,432,536	1,241,820	1,108,694
Other revenues	6,887,907	6,234,221	6,490,023	4,803,982	5,677,137
Total state sources	<u>26,957,480</u>	<u>23,528,911</u>	<u>21,697,227</u>	<u>17,153,021</u>	<u>11,860,467</u>
Local sources:					
Property taxes	81,771,743	85,633,367	70,686,459	69,551,857	88,178,915
County aid	906,864	812,938	994,455	725,751	655,473
Food service sales	1,845,413	1,904,838	1,977,377	2,107,033	2,542,887
Investment income	340,504	214,089	208,377	172,439	313,001
Other revenues	13,754,989	13,979,108	11,728,782	12,445,411	9,563,516
Total local sources	<u>98,619,513</u>	<u>102,544,340</u>	<u>85,595,450</u>	<u>85,002,491</u>	<u>101,253,792</u>
Total revenues	<u><u>\$ 132,322,017</u></u>	<u><u>\$ 132,201,318</u></u>	<u><u>\$ 112,946,455</u></u>	<u><u>\$ 108,784,801</u></u>	<u><u>\$ 120,631,323</u></u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Federal sources:					
Federal grants	\$ 6,545,450	\$ 6,642,337	\$ 5,537,442	\$ 4,286,369	\$ 5,049,856
State Fiscal Stabilization (ARRA)	228,083	2,152,670			
Education Jobs	1,381,297				
National School Lunch Program	224,128	91,647	98,703	19,471	47,058
Total federal sources	<u>8,378,958</u>	<u>8,886,654</u>	<u>5,636,145</u>	<u>4,305,840</u>	<u>5,096,914</u>
State sources:					
State equalization assistance	12,095,873	10,770,218	15,248,245	15,268,594	12,952,322
State grants	482,680	598,746	1,038,765	1,661,800	1,204,334
School Facilities Board				951,960	3,358,949
Other revenues	4,225,632	4,051,298	5,369,994	8,401,128	7,391,346
Total state sources	<u>16,804,185</u>	<u>15,420,262</u>	<u>21,657,004</u>	<u>26,283,482</u>	<u>24,906,951</u>
Local sources:					
Property taxes	94,685,405	97,910,610	90,713,382	93,306,744	85,003,949
County aid		582,151		(867)	2,896
Food service sales	2,801,851	2,838,506	3,194,465	3,307,040	3,386,410
Investment income	702,167	810,306	1,766,337	2,058,868	1,880,628
Other revenues	12,399,114	15,224,557	11,276,966	12,374,580	11,088,575
Total local sources	<u>110,588,537</u>	<u>117,366,130</u>	<u>106,951,150</u>	<u>111,046,365</u>	<u>101,362,458</u>
Total revenues	<u>\$ 135,771,680</u>	<u>\$ 141,673,046</u>	<u>\$ 134,244,299</u>	<u>\$ 141,635,687</u>	<u>\$ 131,366,323</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)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenditures:					
Current -					
Instruction	\$ 55,696,977	\$ 53,993,320	\$ 54,161,253	\$ 54,342,987	\$ 56,990,778
Support services - students and staff	15,165,680	14,229,851	13,725,010	13,548,557	13,155,119
Support services - administration	12,072,301	11,796,612	12,424,405	11,316,962	10,079,684
Operation and maintenance of plant services	14,657,096	14,553,806	14,844,638	14,392,666	14,178,512
Student transportation services	3,694,513	4,003,984	4,219,144	3,824,477	3,318,164
Operation of non-instructional services	4,966,560	4,783,835	4,679,928	4,615,772	4,289,609
Capital outlay	14,152,368	24,699,875	32,450,692	19,358,589	20,817,147
Debt service -					
Claims and judgements					
Interest and fiscal charges	3,557,130	3,142,036	3,376,362	2,070,658	2,702,272
Principal retirement	4,200,000	4,500,000	4,750,000	5,993,369	22,090,000
Bond issuance costs		178,594		160,000	
Total expenditures	<u><u>\$ 128,162,625</u></u>	<u><u>\$ 135,881,913</u></u>	<u><u>\$ 144,631,432</u></u>	<u><u>\$ 129,624,037</u></u>	<u><u>\$ 147,621,285</u></u>
Expenditures for capitalized assets	\$ 8,136,334	\$ 17,958,656	\$ 28,563,342	\$ 12,465,515	\$ 14,899,697
Debt service as a percentage of noncapital expenditures	6%	6%	7%	7%	19%

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenditures:					
Current -					
Instruction	\$ 53,704,911	\$ 58,499,122	\$ 53,964,171	\$ 59,073,389	\$ 55,417,451
Support services - students and staff	14,350,033	13,251,846	12,850,018	11,550,113	11,670,701
Support services - administration	9,725,142	9,463,534	9,214,128	8,837,230	8,362,378
Operation and maintenance of plant services	14,925,947	14,408,073	13,192,484	12,742,915	12,331,782
Student transportation services	3,165,396	2,813,664	2,418,493	2,205,371	2,100,660
Operation of non-instructional services	4,386,270	3,905,618	3,531,346	3,996,118	3,799,260
Capital outlay	15,419,653	16,655,588	20,284,047	10,428,785	7,284,107
Debt service -					
Claims and judgements			834,097		
Interest and fiscal charges	3,560,860	4,764,515	3,909,560	4,899,265	6,334,159
Principal retirement	22,850,000	22,055,000	20,535,000	19,540,000	18,385,000
Payment to refunded bond escrow agent				698,976	
Bond issuance costs			456,615	194,190	
Total expenditures	<u><u>\$ 142,088,212</u></u>	<u><u>\$ 145,816,960</u></u>	<u><u>\$ 141,189,959</u></u>	<u><u>\$ 134,166,352</u></u>	<u><u>\$ 125,685,498</u></u>
Expenditures for capitalized assets	\$ 8,833,631	\$ 14,216,407	\$ 13,745,600	\$ 1,408,101	\$ 1,008,000
Debt service as a percentage of noncapital expenditures	20%	20%	19%	19%	20%

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

(Concluded)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Excess (deficiency) of revenues over expenditures	\$ 4,159,392	\$ (3,680,595)	\$ (31,684,977)	\$ (20,839,236)	\$ (26,989,962)
Other financing sources (uses):					
School improvement bond issued		29,525,000		45,475,000	
Premium on sale of bonds		886,359		1,280,497	
Capital lease agreements					12,515,731
Transfers in	395,881	1,078,899	301,828	9,548,736	150,911
Transfers out	(395,881)	(1,078,899)	(301,828)	(9,548,736)	(150,911)
Payment to refunded bond escrow agent				(12,475,270)	
Total other financing sources (uses)		30,411,359		34,280,227	12,515,731
Changes in fund balances	<u>\$ 4,159,392</u>	<u>\$ 26,730,764</u>	<u>\$ (31,684,977)</u>	<u>\$ 13,440,991</u>	<u>\$ (14,474,231)</u>
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Excess (deficiency) of revenues over expenditures	\$ (6,316,532)	\$ (4,143,914)	\$ (6,945,660)	\$ 7,469,335	\$ 5,680,825
Other financing sources (uses):					
School improvement bond issued			30,000,000		
Refunding bonds issued				35,765,000	
Premium on sale of bonds			396,615	576,234	
Transfers in	318,294	219,532	265,328	29,950	185,112
Transfers out	(318,294)	(219,532)	(265,328)	(29,950)	(185,112)
Payment to refunded bond escrow agent				(36,147,044)	
Total other financing sources (uses)			30,396,615	194,190	
Changes in fund balances	<u>\$ (6,316,532)</u>	<u>\$ (4,143,914)</u>	<u>\$ 23,450,955</u>	<u>\$ 7,663,525</u>	<u>\$ 5,680,825</u>

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 1,369,931,990	\$ 1,344,952,918	\$ 1,375,228,054	\$ 1,574,745,806	\$ 1,748,519,619
Agricultural and Vacant	54,902,575	56,860,562	58,945,540	67,707,526	93,688,767
Residential (Owner Occupied)	1,114,603,844	1,076,970,077	1,007,930,407	1,156,618,558	1,370,279,537
Residential (Rental)	484,955,016	443,939,153	373,698,414	328,037,957	389,455,571
Railroad, Private Cars and Airlines	3,328,436	3,568,144	3,582,002	3,825,243	3,370,255
Historical Property	5,496,547	5,666,131	5,509,907	5,635,456	5,877,087
Certain Government Property Improvements	64,793	114,263	113,186	79,981	36,342
Total	<u>\$ 3,033,283,201</u>	<u>\$ 2,932,071,248</u>	<u>\$ 2,825,007,510</u>	<u>\$ 3,136,650,527</u>	<u>\$ 3,611,227,178</u>
Gross Full Cash Value	\$ 35,736,891,953	\$ 30,499,334,599	\$ 27,996,793,620	\$ 28,760,346,473	\$ 33,325,539,824
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	10%	10%	11%	11%
Total Direct Rate	2.87	3.06	2.66	2.42	2.57

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Commercial, Industrial, Utilities and Mining	\$ 2,222,001,023	\$ 2,213,628,087	\$ 2,066,762,088	\$ 1,970,164,042	\$ 1,878,466,628
Agricultural and Vacant	91,367,892	92,581,432	81,544,140	79,737,805	68,403,644
Residential (Owner Occupied)	1,605,545,969	1,728,016,334	1,566,297,297	1,379,193,342	1,188,027,372
Residential (Rental)	442,161,550	406,299,626	342,975,361	299,194,718	278,283,212
Railroad, Private Cars and Airlines	3,448,680	3,627,819	4,197,552	4,498,306	4,214,488
Historical Property	6,329,982	5,762,821	5,996,412	5,693,714	1,341,770
Certain Government Property Improvements	13,320	16,635	14,610	12,745	
Total	<u>\$ 4,370,868,416</u>	<u>\$ 4,449,932,754</u>	<u>\$ 4,067,787,460</u>	<u>\$ 3,738,494,672</u>	<u>\$ 3,418,737,114</u>
Gross Full Cash Value	\$ 39,732,436,063	\$ 43,380,165,352	\$ 41,713,648,470	\$ 37,092,511,154	\$ 27,879,895,164
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	10%	10%	10%	12%
Total Direct Rate	2.29	2.22	2.28	2.50	2.63

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

Note: On November 6, 2012, voters approved Proposition 117, and amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. Primary taxes are used for general District operations. Secondary taxes are used to service District bonded debt requirements and other voter-approved overrides.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 1,493,492,230	\$ 1,360,388,743	\$ 1,379,388,741	\$ 1,582,649,621	\$ 1,760,757,460
Agricultural and Vacant	66,215,014	59,501,866	60,526,613	69,316,147	100,091,144
Residential (Owner Occupied)	1,356,045,599	1,133,972,826	1,008,699,463	1,157,123,514	1,371,708,377
Residential (Rental)	627,612,627	502,084,882	384,459,642	328,114,802	390,480,501
Railroad, Private Cars and Airlines	3,394,858	3,603,253	3,616,683	3,900,144	3,771,696
Historical Property	6,446,828	7,125,835	7,197,393	7,158,425	8,013,466
Certain Government Property Improvements	67,979	114,263	113,186	79,981	36,359
Total	<u>\$ 3,553,275,135</u>	<u>\$ 3,066,791,668</u>	<u>\$ 2,844,001,721</u>	<u>\$ 3,148,342,634</u>	<u>\$ 3,634,859,003</u>
Gross Full Cash Value	\$ 35,736,891,953	\$ 30,499,334,599	\$ 27,996,793,620	\$ 28,760,346,473	\$ 33,325,539,824
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	10%	11%	11%
Total Direct Rate	2.87	3.06	2.66	2.42	2.57
<u>Class</u>	<u>Fiscal Year</u>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Commercial, Industrial, Utilities and Mining	\$ 2,415,393,187	\$ 2,582,124,689	\$ 2,376,170,362	\$ 2,161,316,073	\$ 2,024,212,165
Agricultural and Vacant	111,187,280	129,249,765	117,059,927	110,727,243	95,218,957
Residential (Owner Occupied)	1,611,953,345	1,910,957,731	2,088,749,232	1,889,743,413	1,201,822,047
Residential (Rental)	469,469,813	501,011,137	451,071,909	370,195,119	285,437,311
Railroad, Private Cars and Airlines	4,133,715	4,297,367	4,750,356	4,980,766	4,467,867
Historical Property	9,230,861	7,489,991	8,140,496	7,001,422	1,448,936
Certain Government Property Improvements	13,320	16,635	14,610	12,745	
Total	<u>\$ 4,621,381,521</u>	<u>\$ 5,135,147,315</u>	<u>\$ 5,045,956,892</u>	<u>\$ 4,543,976,781</u>	<u>\$ 3,612,607,283</u>
Gross Full Cash Value	\$ 39,732,436,063	\$ 43,380,165,352	\$ 41,713,648,470	\$ 37,092,511,154	\$ 27,879,895,164
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	12%	12%	12%	12%	13%
Total Direct Rate	2.29	2.22	2.28	2.50	2.63

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

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. The net full cash assessed value is used for determining the District's bonding capacity and as the ceiling for net limited assessed value.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	19 %	19 %	19 %	19 %	20 %
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	16	16	15	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Commercial, Industrial, Utilities and Mining	21 %	22 %	23 %	24 %	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	17	18	20	21	22

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.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates													District Direct Rates		
	State	County	County	Flood	Community	Fire District	Central	City of	City of	City of	Tempe	Kyrene	East Valley			
	Equalization		Free	Control	College	Assistance	Arizona	Tempe	Phoenix	Chandler	School District	School District	Inst. of	Primary	Secondary	Total
			Library	District	District		Water				No. 3	No. 28	Technology			
2016	0.51	1.36	0.06	0.16	1.49	0.01	0.14	2.52	1.82	1.18	5.47	4.01	0.05	2.22	0.66	2.88
2015	0.51	1.32	0.06	0.14	1.52	0.01	0.14	2.43	1.82	1.18	5.75	4.03	0.05	2.43	0.63	3.06
2014	0.51	1.28	0.04	0.14	1.53	0.01	0.14	2.66	1.82	N/A	6.16	4.28	0.05	2.01	0.64	2.66
2013	0.47	1.24	0.05	0.18	1.37	0.01	0.10	2.14	1.82	N/A	5.57	3.18	0.05	1.81	0.61	2.42
2012	N/A	1.24	0.05	0.18	1.21	0.01	0.10	1.79	1.82	N/A	3.99	3.35	0.05	1.61	0.96	2.57
2011	N/A	1.05	0.41	0.15	0.18	0.01	0.10	1.40	1.82	N/A	3.60	3.21	0.05	1.46	0.83	2.29
2010	N/A	0.99	0.04	0.14	0.16	0.01	0.10	1.40	1.82	N/A	3.28	2.27	0.05	1.71	0.51	2.22
2009	N/A	1.03	0.04	0.14	0.94	0.01	0.10	1.40	1.82	1.18	3.51	2.89	0.05	1.76	0.52	2.28
2008	N/A	1.10	0.04	0.14	0.94	0.01	0.10	1.40	1.82	1.20	3.82	3.49	0.05	1.74	0.76	2.50
2007	N/A	1.18	0.05	0.20	1.06	0.01	0.12	1.40	1.82	1.25	3.99	3.97	0.05	1.74	0.89	2.63

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

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

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

Taxpayer	2016		2007	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Verizon Wireless	\$ 27,595,389	0.91 %	\$	%
Arizona Public Service Comp	26,799,683	0.88	28,178,337	0.78
Arizona Mills Mall LLC	26,368,205	0.87		
TWC-Chandler LLC	23,799,666	0.78		
Intel Corporation	18,392,246	0.61		
Qwest Communications	16,870,282	0.56	33,597,248	0.93
Arizona Grant Resorts LLC	12,827,889	0.42		
DDRA Ahwatukee Foothills	12,472,867	0.41		
Liberty Property LP	12,140,156	0.40		
KBSII FountainHead LLC	10,455,795	0.34		
The Mills Corporation			29,984,640	0.83
MMA Realty Capital			23,481,947	0.65
Amberjack LTD			24,204,469	0.67
AT&T			22,036,904	0.61
Papago Buttes Corporate LLC			24,656,730	0.68
Bedford Property Investors			22,036,904	0.61
State Farm Insurance			26,733,294	0.74
Wells Fargo Home Mortgage			24,204,469	0.67
Total	<u>\$ 187,722,178</u>	<u>6.18 %</u>	<u>\$ 259,114,942</u>	<u>7.17 %</u>

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

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
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
2016	\$ 87,906,676	\$ 86,483,051	98.38 %	\$	\$ 86,483,051	98.38 %
2015	90,985,668	87,108,906	95.74	3,828,657	90,937,563	99.95
2014	75,484,758	71,528,341	94.76	3,918,663	75,447,004	99.95
2013	76,086,260	72,583,597	95.40	3,494,597	76,078,194	99.99
2012	93,031,771	88,830,837	95.48	3,428,770	92,259,607	99.17
2011	103,111,472	99,326,741	96.33	3,770,523	103,097,264	99.99
2010	104,461,819	96,677,562	92.55	4,545,569	101,223,131	96.90
2009	89,460,685	83,924,411	93.81	4,490,856	88,415,267	98.83
2008	91,593,527	89,346,476	97.55	2,247,051	91,593,527	100.00
2007	83,351,345	81,411,334	97.67	1,926,566	83,337,900	99.98

Source: The source of this information is the 2015 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.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
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
2016	\$102,360,139	\$ 558,279	\$101,801,860	0.28 %	\$ 336	\$	\$102,360,139	0.29 %	\$ 338	N/A %
2015	106,977,928	656,269	106,321,659	0.35	337		106,977,928	0.35	339	0.06
2014	81,434,358	377,221	81,057,137	0.29	273		81,434,358	0.29	274	0.05
2013	87,148,684	2,338,601	84,810,083	0.29	288		87,148,684	0.30	296	0.06
2012	62,560,000	1,359,299	61,200,701	0.18	206	12,515,731	75,075,731	0.23	253	0.05
2011	85,410,000	3,363,982	82,046,018	0.21	278		85,410,000	0.21	290	0.06
2010	107,465,000	2,465,286	104,999,714	0.24	274		107,465,000	0.25	280	0.08
2009	128,000,000	1,969,905	126,030,095	0.30	394		128,000,000	0.31	400	0.09
2008	117,540,000	2,826,238	114,713,762	0.31	381		117,540,000	0.32	390	0.08
2007	135,925,000	686,946	135,238,054	0.49	449		135,925,000	0.49	452	0.10

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2016

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa County Community College District	\$ 593,820,000	8.77 %	\$ 52,078,014
City of Chandler	332,870,000	20.95	69,736,265
City of Phoenix	1,338,739,053	8.68	116,202,550
City of Tempe	367,247,761	98.20	360,637,301
City of Mesa	334,200,000	0.34	1,136,280
Tempe Elementary School District No. 3	99,800,000	100.00	99,800,000
Kyrene Elementary School District No. 28	167,225,000	100.00	167,225,000
Subtotal, Overlapping Debt			<u>866,815,410</u>
Direct:			
Tempe Union High School District No. 213			<u>102,360,139</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 969,175,549</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt	
As a Percentage of Net Limited Assessed Valuation	3.36 %
Net Direct and Overlapping General Bonded Debt	
Per Capita	\$ 3,195
As a Percentage of Net Limited Assessed Valuation	31.93 %
As a Percentage of Gross 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 a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
- 2) Outstanding debt as of June 30, 2015 is presented for the overlapping governments as this is the most recent available information.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2016:

Net full cash assessed valuation	\$ 3,553,275,135
Debt limit (10% of assessed value)	355,327,514
Debt applicable to limit	<u>100,500,000</u>
Legal debt margin	<u><u>\$ 254,827,514</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2016:

Net full cash assessed valuation	\$ 3,553,275,135
Debt limit (15% of assessed value)	532,991,270
Debt applicable to limit	<u>100,500,000</u>
Legal debt margin	<u><u>\$ 432,491,270</u></u>

Fiscal Year Ended June 30

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$ 532,991,270	\$ 460,018,750	\$ 426,600,258	\$ 472,251,395	\$ 545,228,850
Total net debt applicable to limit	<u>100,500,000</u>	<u>105,000,000</u>	<u>75,475,000</u>	<u>85,945,000</u>	<u>62,560,000</u>
Legal debt margin	<u><u>\$ 432,491,270</u></u>	<u><u>\$ 355,018,750</u></u>	<u><u>\$ 351,125,258</u></u>	<u><u>\$ 386,306,395</u></u>	<u><u>\$ 482,668,850</u></u>
Total net debt applicable to the limit as a percentage of debt limit	19%	23%	18%	18%	11%

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt Limit	\$ 693,205,230	\$ 770,272,096	\$ 756,893,534	\$ 681,596,517	\$ 541,891,092
Total net debt applicable to limit	<u>85,410,000</u>	<u>107,465,000</u>	<u>128,000,000</u>	<u>117,540,000</u>	<u>135,925,000</u>
Legal debt margin	<u><u>\$ 607,795,230</u></u>	<u><u>\$ 662,807,096</u></u>	<u><u>\$ 628,893,534</u></u>	<u><u>\$ 564,056,517</u></u>	<u><u>\$ 405,966,092</u></u>
Total net debt applicable to the limit as a percentage of debt limit	12%	14%	17%	17%	25%

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

Notes: 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds and the statutory debt limit on Class B bonds. The calculations of the debt margins are presented in detail for the current fiscal year only.

2) Bond premium is not subject to the statutory debt limit.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Year	Population	Personal Income (thousands)	Per Capita Income	Unemployment Rate	Estimated District Population
2015	4,076,438	\$ 184,784,917	\$ 42,092	5.5 %	303,177
2014	4,087,191	168,483,421	41,222	5.9	315,198
2013	4,009,412	160,497,824	40,030	6.7	296,817
2012	3,884,705	154,926,697	39,300	7.1	294,788
2011	3,843,370	148,593,801	38,411	8.4	296,393
2010	4,192,887	142,864,275	37,352	9.2	294,889
2009	4,023,331	142,091,618	35,319	9.1	383,692
2008	3,958,263	147,122,078	37,168	4.9	320,000
2007	3,907,492	139,665,253	36,135	3.3	301,000
2006	3,792,675	132,423,154	35,046	3.6	301,000

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2005 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 and 2014, the source of the information is the Arizona Office of Employment and Population Statistics.

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR

Employer	2016		2007	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Intel	11,300	7.53 %		%
Arizona State University	11,185	7.46	10,568	8.89
Maricopa Community Colleges	4,611	3.07		
Salt River Project	4,374	2.92	1,958	1.65
Safeway Inc	3,996	2.66		
Wells Fargo Bank	3,576	2.38	7,832	6.59
Honeywell	3,000	2.00	2,853	2.40
Motorola	3,000	2.00		
Kyrene School District	2,401	1.60	2,205	1.85
Chase Manhattan Corporation	2,377	1.58		
US Airways			3,920	3.30
JP Morgan Chase			5,894	4.96
Freescale Semiconductor, Inc.			3,000	2.52
Tempe Elementary District			2,100	1.77
Total	<u>49,820</u>	<u>33.20 %</u>	<u>40,330</u>	<u>33.93 %</u>
Total employment	<u>150,000</u>		<u>118,902</u>	

Source: The source of this information is City of Tempe, Community Development Department.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents	3	3	3	2	2
Principals	7	7	7	7	7
Assistant principals	19	19	19	19	19
Total supervisory	<u>30</u>	<u>30</u>	<u>30</u>	<u>29</u>	<u>29</u>
Instruction					
Teachers	629	635	646	648	639
Other professionals (instructional)				21	19
Aides	73	76	85	97	100
Total instruction	<u>702</u>	<u>711</u>	<u>731</u>	<u>766</u>	<u>758</u>
Student Services					
Nurses	7	9	9	9	9
Counselors/Advisors	34	34	34	33	33
Librarians	6	6	6	6	6
Technicians					18
Other instructional support	59	53	55	39	58
Total student services	<u>106</u>	<u>102</u>	<u>104</u>	<u>87</u>	<u>124</u>
Support and Administration					
Clerical workers	68	78	69	115	124
Maintenance workers	122	123	125	133	131
Bus Drivers	53	48	45	46	53
Food Service workers	36	36	40	67	51
Other classified	191	183	205	34	23
Service Workers				122	71
Total support and administration	<u>470</u>	<u>468</u>	<u>484</u>	<u>517</u>	<u>453</u>
Total	<u><u>1,308</u></u>	<u><u>1,311</u></u>	<u><u>1,349</u></u>	<u><u>1,399</u></u>	<u><u>1,364</u></u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents					
Principals	7	7	7	7	7
Assistant principals	19	19	18	18	18
Total supervisory	<u>27</u>	<u>27</u>	<u>26</u>	<u>26</u>	<u>26</u>
Instruction					
Teachers	640	635	637	669	697
Other professionals (instructional)					
Aides	121	117	122	110	109
Total instruction	<u>761</u>	<u>752</u>	<u>759</u>	<u>779</u>	<u>806</u>
Student Services					
Nurses					
Counselors/Advisors					
Librarians	6	6	9	12	12
Technicians					
Other instructional support	107	101	98	100	72
Total student services	<u>113</u>	<u>107</u>	<u>107</u>	<u>112</u>	<u>84</u>
Support and Administration					
Clerical workers					
Maintenance workers					
Bus Drivers					
Food Service workers					
Other classified	282	244	243	251	267
Service Workers	170	186	180	177	186
Total support and administration	<u>452</u>	<u>430</u>	<u>423</u>	<u>428</u>	<u>453</u>
Total	<u>1,353</u>	<u>1,316</u>	<u>1,315</u>	<u>1,345</u>	<u>1,369</u>

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

(Concluded)

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
2016	13,861	\$ 106,253,127	\$ 7,666	1.79 %	\$ 121,923,836	\$ 8,796	(0.34) %	702	19.7	34.0 %
2015	13,725	103,361,408	7,531	(0.04)	121,141,061	8,826	3.46	711	19.3	27.6
2014	13,811	104,054,378	7,534	1.06	117,826,470	8,531	(0.76)	731	18.9	32.4
2013	13,688	102,041,421	7,455	(0.76)	117,669,038	8,597	3.75	766	17.9	28.9
2012	13,580	102,011,866	7,512	1.58	112,520,452	8,286	0.24	758	17.9	22.2
2011	13,558	100,257,699	7,395	(7.20)	112,067,580	8,266	(10.55)	761	17.8	61.9
2010	12,844	102,341,857	7,968	2.43	118,688,245	9,241	1.29	752	17.1	72.2
2009	12,234	95,170,640	7,779	1.43	111,606,975	9,123	(0.91)	759	16.1	69.0
2008	12,831	98,405,136	7,669	5.37	118,134,038	9,207	7.12	779	16.5	65.7
2007	12,871	93,682,232	7,279	5.05	110,624,942	8,595	3.83	806	16.0	63.6

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	<u>2016</u>	<u>2015</u>	<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>Schools</u>										
<u>High</u>										
Buildings	77	77	77	75	75	75	75	75	75	75
Square feet	2,218,103	2,218,103	2,218,103	2,051,028	2,051,028	2,051,028	2,051,028	2,051,028	2,131,028	2,131,028
Capacity	18,511	18,511	18,511	18,511	18,511	18,511	18,511	18,511	25,675	25,675
Enrollment	13,827	13,747	13,789	13,643	13,545	13,636	13,242	12,701	13,116	13,430
<u>Administrative</u>										
Buildings	8	8	8	8	8	8	8	8	8	8
Square feet	176,300	176,300	176,300	176,300	176,300	176,300	176,300	176,300	195,000	195,000
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	109	99	99	99	103	111	107	107	108	98
<u>Athletics</u>										
Football fields	12	12	12	12	12	12	12	12	12	12
Soccer fields	6	6	6	6	6	6	6	6	6	6
Running tracks	6	6	6	6	6	6	6	6	6	6
Baseball/softball	24	24	24	24	24	24	24	24	24	24
Swimming pools	1	1	1	1	1	1	1	1	1	1

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

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