

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

TEMPE, ARIZONA

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

Issued by:
Finance Department

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

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INTRODUCTORY SECTION

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500 West Guadalupe Road • Tempe, Arizona • 85283-3599 • (480) 839-0292 • www.tuhsd.k12.az.us

Dr. Kenneth R. Baca
Superintendent

December 17, 2013

Governing Board
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, 2013.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting

Governing Board

Michelle I. Helm

Sandy Lowe

Moses Sanchez

David Schapira

Mary Lou Taylor

principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE DISTRICT

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education for grade nine through grade twelve, with an estimated current enrollment of 13,544 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, which operates 47 separate elementary/middle school facilities. The District's 2012-13 average daily membership was 13,544. The District employs 45 principals and administrators, 739 certified personnel and 629 classified personnel. Our student teacher ratio is approximately 20.1:1. The District currently has one alternative high school and six comprehensive high schools, one of which includes a program for gifted students. The District is in the process of expanding its alternative high school by 60,000 square feet. Completion of the expansion is scheduled for August 2014. The average age of the buildings in the District is approximately 36 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 consistently receive over \$50.0 million in scholarships each year. The District is home to 44 National Merit finalists (323 in the last eight years). The Class of 2013 included five of Arizona's 20 Flinn Scholars. Many Tempe Union High School District faculty and staff members have been recognized locally, statewide and nationally for excellence. Sixty-one percent of teachers hold a master's degree or above and 53 percent of teachers have ten 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 received the State 'A' rating with 4 of 7 schools receiving an 'A+' rating.

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, Intel, and US Airways. 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 continued to grow in 2012-13. The growth is a result of our continuing academic success, marketing plan, and expansion of alternative programs. Current school facilities are of adequate size to meet student needs.

The November 2013 election initiative for continuation of our 10% maintenance and operation override was passed. As a result, the District's maintenance and operation override will remain at 10% going into fiscal year 2013-14.

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.
- Organize and implement a business partnership program to increase opportunities for additional resources.
- Research and identify non-traditional revenue resources.
- Development of a community education program.
- Implement sustainability energy management project.
- Organize and implement a “go green” campaign with the schools and student clubs.
- 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.

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

AWARDS AND ACKNOWLEDGMENTS

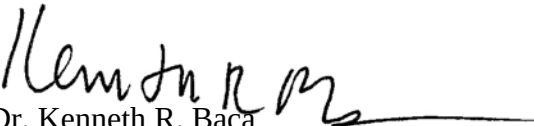
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2012. In addition, the Government Finance Officers Association (GFOA) awarded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

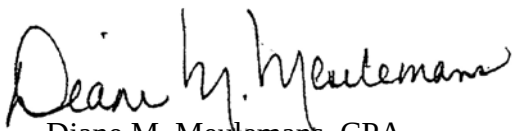
These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year 2012-13 certificates.

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

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

Respectfully submitted,


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, 2012*

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



A handwritten signature in black ink, reading "Ron McCulley", is written over a horizontal line.

Ron McCulley, CPPB, RSBO
President

A handwritten signature in black ink, reading "John D. Musso", is written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

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

Presented to

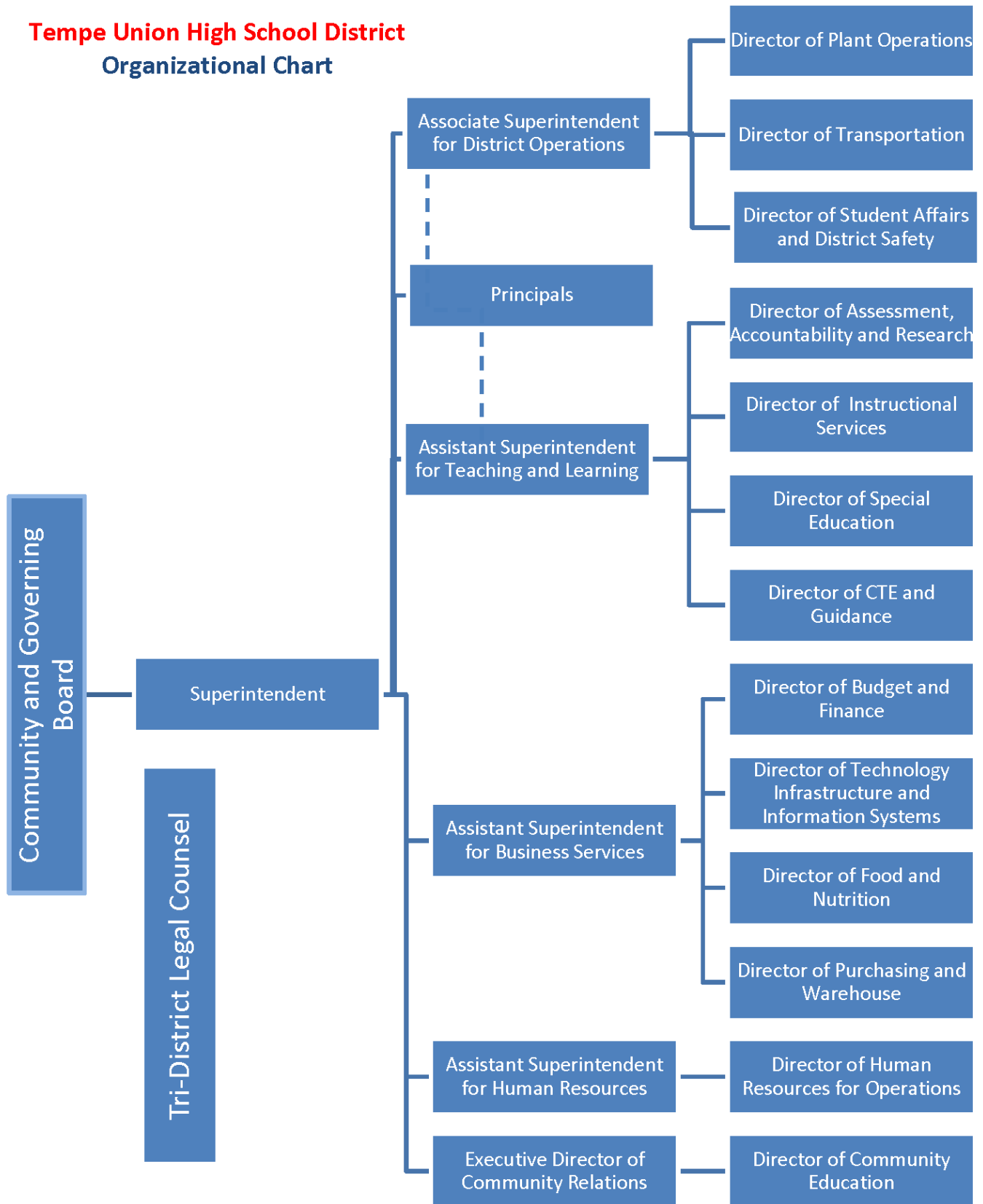
**Tempe Union High School
District No. 213, Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Tempe Union High School District Organizational Chart



TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Michelle I. Helm
President

Mary Lou Taylor
Vice President

Moses Sanchez
Member

David Schapira
Member

Sandy Lowe
Member

ADMINISTRATIVE STAFF

Dr. Kenneth R. Baca, Superintendent

Dr. Gregory A. Wyman, Associate Superintendent

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

Roland Carranza, Director of Finance and Budget

Dr. Kevin Mendivil, Assistant Superintendent for Human Resources

Kim Hilgers, Assistant Superintendent for Teaching and Learning

Dr. Linda Littell, Executive Director Community Relations

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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Tempe Union High School District No. 213, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 and budgetary comparison information on pages 56 and 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2013, 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.
CPAs and Business Consultants

December 17, 2013

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, 2013**

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

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities decreased \$8.7 million which represents a 5 percent decrease from the prior fiscal year.
- General revenues accounted for \$86.7 million in revenue, or 80 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$22.2 million or 20 percent of total current fiscal year revenues.
- The District had approximately \$117.7 million in expenses related to governmental activities, an increase of 5 percent from the prior fiscal year.
- Among major funds, the General Fund had \$70.1 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$80.2 million in expenditures. Revenues of the General Fund increased \$4.4 million from the prior fiscal year, however, expenditures remained consistent. In addition, the District transferred \$8.0 million from the Unrestricted Capital Outlay Fund, a non-major governmental fund, to the General Fund to reduce taxpayer burden during the current fiscal year. This activity resulted in a decrease in fund balance of \$3.9 million in the current fiscal year which was significantly less than the decrease of \$11.8 million in the prior fiscal year.
- The Debt Service Fund had \$7.5 million in current fiscal year revenues, which primarily consisted of property taxes, and \$7.5 million in expenditures. The Debt Service Fund's fund balance increased from \$523,086 at the prior fiscal year end to \$1.8 million at the end of the current fiscal year due to premiums associated with the issuance of school improvement bonds.
- The Bond Building Fund had \$16,727 in current fiscal year revenues and \$5.2 million of expenditures. The Bond Building Fund's fund balance increased from \$178,171 to \$28.0 million at the end of the current fiscal year due to the issuance of school improvement bonds.
- Net position for the Internal Service Funds increased \$1.1 million from the prior fiscal year. Operating revenues of \$9.5 million exceeded operating expenses of \$8.3 million at the end of the current fiscal year.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

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, 2013**

OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing 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, 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. 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.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$184.7 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, 2013 and June 30, 2012.

	As of <u>June 30, 2013</u>	As of <u>June 30, 2012</u>
Current and other assets	\$ 97,340,120	\$ 100,032,904
Capital assets, net	<u>187,767,365</u>	<u>180,772,768</u>
Total assets	<u>285,107,485</u>	<u>280,805,672</u>
Current and other liabilities	10,150,901	7,995,682
Long-term liabilities	<u>90,124,618</u>	<u>79,237,559</u>
Total liabilities	<u>100,275,519</u>	<u>87,233,241</u>
Net position:		
Net investment in capital assets	129,831,578	105,875,208
Restricted	25,519,627	37,727,315
Unrestricted	<u>29,480,761</u>	<u>49,969,908</u>
Total net position	<u>\$ 184,831,966</u>	<u>\$ 193,572,431</u>

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

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

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.

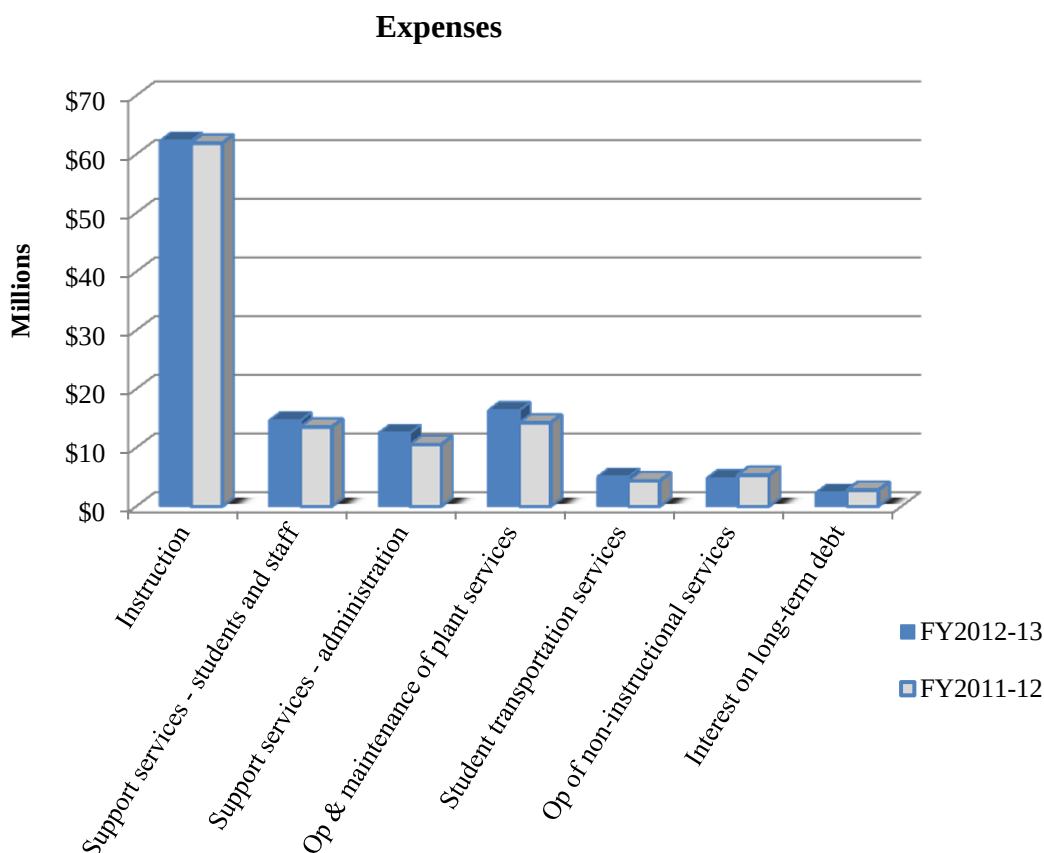
- The issuance of \$45.5 million of school improvement bonds.
- The addition of \$12.5 million in capital assets primarily through purchases of vehicles, furniture, and equipment, land and building improvements, and the addition of \$5.4 million in accumulated depreciation through current year depreciation expense.
- The retirement of \$12.5 million in capital lease obligations.
- The retirement of \$22.1 million of school improvement bonds.

Changes in net position. The District's total revenues for the current fiscal year were \$108.9 million. The total cost of all programs and services was \$117.7 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2013 and June 30, 2012.

	Fiscal Year Ended <u>June 30, 2013</u>	Fiscal Year Ended <u>June 30, 2012</u>
Revenues:		
Program revenues:		
Charges for services	\$ 13,822,749	\$ 10,681,549
Operating grants and contributions	7,951,441	9,419,083
Capital grants and contributions	431,573	368,306
General revenues:		
Property taxes	69,641,586	88,038,402
Investment income	177,920	317,483
Unrestricted county aid	725,751	655,473
Unrestricted state aid	15,907,946	10,752,661
Unrestricted federal aid	269,607	262,335
Total revenues	<u>108,928,573</u>	<u>120,495,292</u>
Expenses:		
Instruction	62,186,090	61,887,082
Support services – students and staff	14,610,026	13,508,070
Support services – administration	12,470,013	10,516,696
Operation and maintenance of plant services	16,321,184	14,232,487
Student transportation services	5,016,725	4,333,504
Operation of non-instructional services	4,776,848	5,315,715
Interest on long-term debt	2,288,152	2,726,898
Total expenses	<u>117,669,038</u>	<u>112,520,452</u>
Changes in net position	<u>(8,740,465)</u>	<u>7,974,840</u>
Net position, beginning	<u>193,572,431</u>	<u>185,597,591</u>
Net position, ending	<u><u>\$ 184,831,966</u></u>	<u><u>\$ 193,572,431</u></u>

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)



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

- The increase of \$3.1 million in charges for services was primarily due to an increase in joint technical education funding due to a late prior year payment received.
- The decrease of \$1.5 million in operating grants and contributions was primarily due to an overall decrease in federal funding, which is due to the expiration of the Education Jobs Fund grant.
- The decrease in property taxes of \$18.4 million was due primarily to a decrease in the amount levied for debt service.
- The increase in unrestricted state aid of \$5.2 million was due to an increase in state equalization funding as a result of the state funding formula.
- The increase of \$2.1 million in operation and maintenance of plant services was primarily due to an increase in depreciation expense as a result of construction in progress items becoming complete.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

The following table presents the cost of the 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, 2013		Year Ended June 30, 2012	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 62,186,090	\$ (49,516,648)	\$ 61,887,082	\$ (50,581,120)
Support services – students and staff	14,610,026	(11,922,621)	13,508,070	(10,674,202)
Support services – administration	12,470,013	(12,320,268)	10,516,696	(10,413,648)
Operation and maintenance of plant services	16,321,184	(14,890,920)	14,232,487	(13,021,816)
Student transportation services	5,016,725	(5,016,198)	4,333,504	(4,330,186)
Operation of non-instructional services	4,776,848	491,532	5,315,715	(303,644)
Interest on long-term debt	2,288,152	(2,288,152)	2,726,898	(2,726,898)
Total	\$117,669,038	\$ (95,463,275)	\$ 112,520,452	\$ (92,051,514)

- The cost of all governmental activities this year was \$117.7 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$22.2 million.
- Net cost of governmental activities of \$95.5 million was financed by general revenues, which are made up of primarily property taxes of \$69.6 million and state aid of \$15.9 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$61.8 million, an increase of \$11.3 million due primarily to the issuance of school improvement bonds.

The General Fund comprises 17 percent of the total fund balance. Approximately \$8.9 million, or 87 percent of the General Fund's fund balance constitutes unassigned fund balance.

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$3.9 million to \$10.2 million as of fiscal year end was a result of utilization of prior year fund balance to supplement the loss of revenue received in recent years. Revenues of the General Fund increased \$4.4 million from the prior fiscal year, however, expenditures remained consistent. In addition, the District transferred \$8 million from the Unrestricted Capital Outlay Fund, a non-major governmental fund, to the General Fund to reduce taxpayer burden during the current fiscal year. This activity resulted in a decrease in fund balance of \$3.9 million in the current fiscal year which was significantly less than the decrease of \$11.8 million in the prior fiscal year.

The Debt Service Fund had \$7.5 million in fiscal year revenues, which consisted primarily of property taxes and \$7.5 million in expenditures. The Debt Service Fund's fund balance increased \$1.3 million to \$1.8 million at current fiscal year end due to premiums associated with the issuance of school improvement bonds.

The Bond Building Fund's fund balance increased \$27.8 million from the prior fiscal year due to the issuance of school improvement bonds.

Proprietary funds. Unrestricted net position of the Internal Service Fund at the end of the fiscal year amounted to \$11.6 million. Net position increased \$1.1 million from the prior year due to decreased premium expense as a result of the District becoming self-insured.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget to help offset state budget cuts. The difference between the original budget and the final amended budget was a \$295,435 increase, or less than one percent.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The favorable variance of \$859,899 in operation and maintenance of plant services was a result of lower than anticipated contractor expenses.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$273.9 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 \$11.5 million from the prior fiscal year primarily due to bond funded building improvements. Total depreciation expense for the current fiscal year was \$5.4 million.

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

	As of <u>June 30, 2013</u>	As of <u>June 30, 2012</u>
Capital assets – non-depreciable	\$ 19,844,675	\$ 20,358,062
Capital assets – depreciable, net	<u>167,922,690</u>	<u>160,414,706</u>
Total	<u><u>\$ 187,767,365</u></u>	<u><u>\$ 180,772,768</u></u>

The estimated cost to complete current construction projects is \$10.1 million.

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

Debt Administration. At year end, the District had \$85.9 million in long-term debt outstanding, \$5.7 million due within one year. This represents a net increase of \$10.9 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 secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 5 percent of the secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$472.3 million and the Class B debt limit is \$157.4 million, which is more than the respective outstanding debt.

Additional information on the District's long-term debt can be found in Notes 8 and 9.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

- Fiscal year 2012-13 budget balance carry forward.
- District student population.
- Various other budget increases.

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 less than one percent to \$78.5 million in fiscal year 2013-14. No new programs were added to the 2013-14 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 80,927,006
Property taxes receivable	8,902,020
Accounts receivable	148,320
Due from governmental entities	5,313,957
Prepaid items	1,132,737
Inventory	217,104
Total current assets	<u>96,641,144</u>
Noncurrent assets:	
Deferred charges	698,976
Land	14,067,323
Land improvements	21,287,605
Buildings and improvements	205,370,136
Vehicles, furniture and equipment	27,376,832
Construction in progress	5,777,352
Accumulated depreciation	<u>(86,111,883)</u>
Total noncurrent assets	<u>188,466,341</u>
Total assets	<u>285,107,485</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	4,011,987
Construction contracts payable	3,491,816
Claims payable	459,376
Compensated absences payable	792,887
Accrued interest payable	868,512
Unearned revenues	115,526
Bonds payable	<u>5,720,000</u>
Total current liabilities	<u>15,460,104</u>
Noncurrent liabilities:	
Deferred bond items	1,203,684
Non-current portion of long-term obligations	<u>83,611,731</u>
Total noncurrent liabilities	<u>84,815,415</u>
Total liabilities	<u>100,275,519</u>
<u>NET POSITION</u>	
Net investment in capital assets	129,831,578
Restricted for:	
Federal and state projects	3,307,237
Food service	398,999
Other local initiatives	11,127,424
Debt service	2,338,601
Capital outlay	8,347,366
Unrestricted	<u>29,480,761</u>
Total net position	<u>\$ 184,831,966</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, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 62,186,090	\$ 8,582,437	\$ 3,655,432	\$ 431,573	\$ (49,516,648)
Support services - students and staff	14,610,026		2,687,405		(11,922,621)
Support services - administration	12,470,013	64,879	84,866		(12,320,268)
Operation and maintenance of plant services	16,321,184	813,806	616,458		(14,890,920)
Student transportation services	5,016,725		527		(5,016,198)
Operation of non-instructional services	4,776,848	4,361,627	906,753		491,532
Interest on long-term debt	2,288,152				(2,288,152)
Total governmental activities	<u>\$ 117,669,038</u>	<u>\$ 13,822,749</u>	<u>\$ 7,951,441</u>	<u>\$ 431,573</u>	<u>(95,463,275)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					56,544,816
Property taxes, levied for debt service					7,120,488
Property taxes, levied for capital outlay					5,976,282
Investment income					177,920
Unrestricted county aid					725,751
Unrestricted state aid					15,907,946
Unrestricted federal aid					269,607
Total general revenues					<u>86,722,810</u>
Changes in net position					(8,740,465)
Net position, beginning of year					<u>193,572,431</u>
Net position, end of year					<u>\$ 184,831,966</u>

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, 2013

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
<u>ASSETS</u>			
Cash and investments	\$ 6,545,037	\$ 8,410,513	\$ 31,501,029
Property taxes receivable	7,618,487	516,600	
Accounts receivable			
Due from governmental entities	3,716,827		
Due from other funds	1,215,306		
Prepaid items	1,132,737		
Inventory	153,194		
Total assets	<u><u>\$ 20,381,588</u></u>	<u><u>\$ 8,927,113</u></u>	<u><u>\$ 31,501,029</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 2,895,835	\$	\$
Construction contracts payable			3,491,816
Due to other funds			
Deferred revenues	7,264,985	494,466	
Bonds payable		5,720,000	
Bond interest payable		868,512	
Total liabilities	<u><u>10,160,820</u></u>	<u><u>7,082,978</u></u>	<u><u>3,491,816</u></u>
Fund balances (deficits):			
Nonspendable	1,285,931		
Restricted		1,844,135	28,009,213
Unassigned	8,934,837		
Total fund balances	<u><u>10,220,768</u></u>	<u><u>1,844,135</u></u>	<u><u>28,009,213</u></u>
Total liabilities and fund balances	<u><u>\$ 20,381,588</u></u>	<u><u>\$ 8,927,113</u></u>	<u><u>\$ 31,501,029</u></u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 22,341,462	\$ 68,798,041
766,933	8,902,020
142,592	142,592
1,597,130	5,313,957
	1,215,306
	1,132,737
63,910	217,104
<u>\$ 24,912,027</u>	<u>\$ 85,721,757</u>

\$ 1,038,069	\$ 3,933,904
	3,491,816
1,215,306	1,215,306
893,862	8,653,313
	5,720,000
	868,512
<u>3,147,237</u>	<u>23,882,851</u>

63,910	1,349,841
22,338,780	52,192,128
(637,900)	8,296,937
<u>21,764,790</u>	<u>61,838,906</u>
<u>\$ 24,912,027</u>	<u>\$ 85,721,757</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, 2013

Total governmental fund balances	\$	61,838,906
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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	\$ 273,879,248	
Less accumulated depreciation	<u>(86,111,883)</u>	187,767,365

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

Property taxes	8,488,920	
Intergovernmental	<u>48,867</u>	8,537,787

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.

Deferred charges	698,976	
Deferred bond items	<u>(1,203,684)</u>	(504,708)

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.

11,597,234

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

Other postemployment healthcare benefits payable	(1,067,047)	
Compensated absences payable	(3,112,571)	
Bonds payable	<u>(80,225,000)</u>	<u>(84,404,618)</u>

Net position of governmental activities	\$	<u>184,831,966</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, 2013

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 2,529,159	\$ 18,885	\$ 16,727
Property taxes	56,220,565	7,462,235	
State aid and grants	11,107,219		
Federal aid, grants and reimbursements	220,740		
Total revenues	<u>70,077,683</u>	<u>7,481,120</u>	<u>16,727</u>
Expenditures:			
Current -			
Instruction	43,480,772		
Support services - students and staff	8,125,739		
Support services - administration	10,093,476		
Operation and maintenance of plant services	12,474,682		
Student transportation services	3,472,300		
Operation of non-instructional services	552,684		
Capital outlay	1,989,938		5,008,959
Debt service -			
Principal retirement		5,720,000	
Interest and fiscal charges		1,737,024	
Bond issuance costs			160,000
Total expenditures	<u>80,189,591</u>	<u>7,457,024</u>	<u>5,168,959</u>
Excess (deficiency) of revenues over expenditures	<u>(10,111,908)</u>	<u>24,096</u>	<u>(5,152,232)</u>
Other financing sources (uses):			
Transfer in	8,251,513	1,297,223	
Transfer out			(1,297,223)
Issuance of school improvement bonds		12,475,000	33,000,000
Premium on sale of bonds			1,280,497
Payment to refunding escrow agent		(12,475,270)	
Total other financing sources (uses):	<u>8,251,513</u>	<u>1,296,953</u>	<u>32,983,274</u>
Changes in fund balances	<u>(1,860,395)</u>	<u>1,321,049</u>	<u>27,831,042</u>
Fund balances, beginning of year	14,155,907	523,086	178,171
Increase (decrease) in reserve for prepaid items	(2,102,663)		
Increase (decrease) in reserve for inventory	27,919		
Fund balances, end of year	<u>\$ 10,220,768</u>	<u>\$ 1,844,135</u>	<u>\$ 28,009,213</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 12,885,863	\$ 15,450,634
5,869,057	69,551,857
6,045,802	17,153,021
6,408,549	6,629,289
<u>31,209,271</u>	<u>108,784,801</u>
10,862,215	54,342,987
5,422,818	13,548,557
1,223,486	11,316,962
1,917,984	14,392,666
352,177	3,824,477
4,063,088	4,615,772
12,359,692	19,358,589
273,369	5,993,369
333,634	2,070,658
	160,000
<u>36,808,463</u>	<u>129,624,037</u>
<u>(5,599,192)</u>	<u>(20,839,236)</u>
(8,251,513)	9,548,736
	(9,548,736)
	45,475,000
	1,280,497
	(12,475,270)
<u>(8,251,513)</u>	<u>34,280,227</u>
<u>(13,850,705)</u>	<u>13,440,991</u>
35,637,657	50,494,821
	(2,102,663)
(22,162)	5,757
<u>\$ 21,764,790</u>	<u>\$ 61,838,906</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, 2013

Net changes in fund balances - total governmental funds	\$	11,344,085
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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	\$ 12,465,515		
Less current year depreciation	<u>(5,427,865)</u>		7,037,650

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

Issuance of school improvement bonds	(45,475,000)		
Payment to refunding escrow agent	<u>12,475,270</u>		(32,999,730)

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

Property taxes	89,729		
Intergovernmental	<u>48,867</u>		138,596

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds for government-wide reporting, but are reported as sources and uses or expenditures as applicable in the funds.

(1,337,991)

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

Capital lease principal retirement	273,369		
Bond principal retirement	<u>5,720,000</u>		5,993,369

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.

Other postemployment healthcare benefits	250,071		
Loss on disposal of capital assets	(43,053)		
Compensated absences	<u>(267,861)</u>		(60,843)

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.

1,144,399

Change in net position in governmental activities	\$	<u>(8,740,465)</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 NET POSITION
PROPRIETARY FUND
JUNE 30, 2013

	Governmental Activities: Internal Service Fund
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 12,128,965
Accounts receivable	5,728
Total current assets	<u>12,134,693</u>
Total assets	<u>12,134,693</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	78,083
Claims payable	459,376
Total current liabilities	<u>537,459</u>
Total liabilities	<u>537,459</u>
<u>NET POSITION</u>	
Unrestricted	11,597,234
Total net position	<u><u>\$ 11,597,234</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 FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Governmental Activities: Internal Service Fund
Operating revenues:	
Contributions	\$ 9,454,893
Total operating revenues	<u>9,454,893</u>
Operating expenses:	
Claims	7,556,065
Administrative Fees	759,605
Total operating expenses	<u>8,315,670</u>
Operating income (loss)	<u>1,139,223</u>
Nonoperating revenues (expenses):	
Investment income	5,176
Total nonoperating revenues (expenses)	<u>5,176</u>
Changes in net position	<u>1,144,399</u>
Total net position, beginning of year	10,452,835
Total net position, end of year	<u><u>\$ 11,597,234</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, 2013

	Governmental Activities: Internal Service Fund
<u>Increase in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from contributions	\$ 11,483,155
Cash payments to suppliers for goods and services	<u>(7,804,888)</u>
Net cash provided by operating activities	<u>3,678,267</u>
Cash flows from investing activities:	
Investment income	<u>5,176</u>
Net cash provided by investing activities	<u>5,176</u>
Net increase in cash and cash equivalents	<u>3,683,443</u>
Cash and cash equivalents, beginning of year	<u>8,445,522</u>
Cash and cash equivalents, end of year	<u><u>\$ 12,128,965</u></u>

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

Operating income	\$ 1,139,223
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Decrease in accounts receivable	2,028,262
Increase in accounts payable	51,406
Increase in claims payable	<u>459,376</u>
Total adjustments	<u>2,539,044</u>
Net cash provided by operating activities	<u><u>\$ 3,678,267</u></u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2013

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 1,223,519
Total assets	<u>\$ 1,223,519</u>
<u>LIABILITIES</u>	
Deposits held for others	\$ 5,442
Due to student groups	1,218,077
Total liabilities	<u>\$ 1,223,519</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, 2013

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

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

A. Reporting Entity

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

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

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

B. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, 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, 2013

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

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

Property taxes, 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. Deferred revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

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

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. 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 the Medicaid Reimbursement, School Plant, Insurance Proceeds, Litigation Recovery, Indirect Costs, and Soft Capital Allocation Funds. These funds are maintained as separate funds for accounting and budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

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

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

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

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

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 Funds are custodial in nature and do not have a measurement focus and are reported on the accrual basis of accounting. The Agency Funds are reported by fund type.

D. Cash and Investments

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

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

E. Investment Income

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

F. Receivables and Payables

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

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

G. Property Tax Calendar

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

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

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

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

H. Inventory

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

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

I. Prepaid Items

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

J. Capital Assets

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

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	25 - 75 years
Buildings and improvements	15 - 75 years
Vehicles, furniture and equipment	5 - 75 years

K. Compensated Absences

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

L. Long-term Obligations

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

M. Interfund Activity

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

N. Net Position Flow Assumption

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

O. Estimates

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

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.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Cont'd)

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.

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.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)

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

	General Fund	Debt Service Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	\$ 153,194	\$	\$	\$ 63,910
Prepaid items	1,132,737			
Restricted:				
Debt service		1,844,135		
Capital projects			28,009,213	7,617,897
Voter approved initiatives				3,107,506
Federal and State projects				150,864
Auxiliary operations				1,012,710
Extracurricular activities				448,725
Joint Technical Education				4,310,501
Food service				353,629
Community schools				2,627,013
Other purposes				2,709,935
Unassigned	8,934,837			(637,900)
Total fund balances	<u>\$ 10,220,768</u>	<u>\$ 1,844,135</u>	<u>\$ 28,009,213</u>	<u>\$ 21,764,790</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balances – At year end, the following individual non-major governmental funds reported deficits in fund balance.

	<u>Deficit</u>
Non-Major Governmental Funds:	
E-Rate	\$ 7,626
Print Shop	23,271
Energy and Water Savings	607,003

The deficits arose because of operations during the year. Additional revenues received in fiscal year 2013-14 are expected to eliminate the deficits.

Excess Expenditures Over Budget – At year end, the District had expenditures in a non-major governmental fund that exceeded the budget, however, this does not constitute a violation of any legal provisions.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4 – CASH AND INVESTMENTS

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$14,439,823, and the bank balance was \$15,331,394. At year end, \$14,042,283 of the District's deposits were covered by collateral held by the pledging financial institution in the District's name, and \$789,111 was uninsured and uncollateralized.

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	491 days	<u>\$67,710,702</u>
Total		<u>\$67,710,702</u>

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

Credit Risk. The District has no investment policy that would further limit its investment choices. As of year end, the District's investment in the County Treasurer's investment pool did not receive a credit quality rating from a national rating agency.

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.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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	Non-Major Governmental Funds
Due from other governmental entities:		
Due from Federal government	\$ 40,008	\$ 651,360
Due from State government	3,676,819	945,770
Net due from governmental entities	<u>\$ 3,716,827</u>	<u>\$ 1,597,130</u>

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

	Unavailable	Unearned
Delinquent property taxes receivable (General Fund)	\$ 7,264,985	\$
Delinquent property taxes receivable (Debt Service Fund)	494,466	
Delinquent property taxes receivable (Non-Major Governmental Funds)	729,469	
Grant drawdowns prior to meeting all eligibility requirements (Non-Major Governmental Funds)		115,526
Measurable but unavailable revenues (Non-Major Governmental Funds)	<u>48,867</u>	
Total deferred revenue for governmental funds	<u>\$ 8,537,787</u>	<u>\$ 115,526</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 6 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 14,067,323	\$	\$	\$ 14,067,323
Construction in progress	6,290,739	9,077,486	9,590,873	5,777,352
Total capital assets, not being depreciated	20,358,062	9,077,486	9,590,873	19,844,675
Capital assets, being depreciated:				
Land improvements	21,153,427	134,178		21,287,605
Buildings and improvements	193,875,510	11,501,380	6,754	205,370,136
Vehicles, furniture and equipment	26,945,666	1,343,344	912,178	27,376,832
Total capital assets being depreciated	241,974,603	12,978,902	918,932	254,034,573
Less accumulated depreciation for:				
Land improvements	(12,405,340)	(692,277)		(13,097,617)
Buildings and improvements	(52,046,049)	(3,377,773)	(2,544)	(55,421,278)
Vehicles, furniture and equipment	(17,108,508)	(1,357,815)	(873,335)	(17,592,988)
Total accumulated depreciation	(81,559,897)	(5,427,865)	(875,879)	(86,111,883)
Total capital assets, being depreciated, net	160,414,706	7,551,037	43,053	167,922,690
Governmental activities capital assets, net	<u>\$ 180,772,768</u>	<u>\$16,628,523</u>	<u>\$ 9,633,926</u>	<u>\$187,767,365</u>

Depreciation expense was charged to governmental functions as follows.

Instruction	\$3,056,531
Support services – students and staff	14,556
Support services – administration	336,706
Operation and maintenance of plant services	1,418,586
Student transportation services	572,706
Operation of non-instructional services	28,780
Total depreciation expense – governmental activities	<u>\$5,427,865</u>

The beginning balances for buildings and improvements and vehicles, furniture, and equipment do not agree to the prior year due to category reclassifications made during the year to properly state ending balances.

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the renovations of parking lots, fields, schools, and for energy efficiency projects. At year end the District had spent \$5.8 million on the projects and had estimated remaining contractual commitments of \$10.1 million. These projects are being funded with bond proceeds.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 7 – SHORT TERM DEBT – REVOLVING LINE OF CREDIT

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

	Beginning Balance	Issued	Redeemed	Ending Balance
Revolving line of credit	\$	\$ 1,129,000	\$ 1,129,000	\$

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$29.5 million remains unissued. 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, 2013	Due Within One Year
Governmental activities:					
Refunding Bonds, Series 2003	\$ 31,605,000	5.00%	7/1/13-14	\$ 10,470,000	\$ 5,720,000
School Improvement Bonds, Project of 2008, Series 2009 (Class B)	30,000,000	3.25-4.75%	7/1/15-28	30,000,000	
School Improvement Bonds, Project of 2012, Series A (Class B)	33,000,000	3.00-4.00%	7/1/15-32	33,000,000	
School Improvement Bonds, Project of 2012, Series B (Class B)	12,475,000	3.00-3.38%	7/1/15-32	12,475,000	
Total				<u>\$ 85,945,000</u>	<u>\$ 5,720,000</u>

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

Year ending June 30:		Governmental Activities	
		Principal	Interest
	2014	\$ 5,720,000	\$ 2,444,925
	2015	4,750,000	2,956,789
	2016	4,500,000	2,670,248
	2017	3,175,000	2,549,245
	2018	3,255,000	2,461,320
	2019-23	17,740,000	10,772,025
	2024-28	21,135,000	7,279,548
	2029-33	25,670,000	2,654,786
Total		<u>\$ 85,945,000</u>	<u>\$ 33,788,886</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

During the year ended June 30, 2013, the District issued \$12.5 million in school improvement bonds, to advance refund \$12.5 million of outstanding capital lease obligations. The net proceeds of \$12.5 million, which includes bond issuance costs were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent, to provide for all future debt service payments of the capital lease. As a result, the capital leases are considered to be defeased, and the liability for those leases has been removed from the government wide financial statements. This advance refunding was undertaken to reduce the total capital lease payments over the next 14 years by \$12.2 million in order for the District to be able to utilize additional budget capacity.

NOTE 9 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 62,560,000	\$45,475,000	\$ 22,090,000	\$ 85,945,000	\$ 5,720,000
Obligations under capital leases	12,515,731		12,515,731		
Compensated absences payable	2,844,710	1,412,377	1,144,516	3,112,571	792,887
Other postemployment healthcare benefits payable	1,317,118	192,789	442,860	1,067,047	
Governmental activity long-term liabilities	<u>\$ 79,237,559</u>	<u>\$ 47,080,166</u>	<u>\$ 36,193,107</u>	<u>\$ 90,124,618</u>	<u>\$ 6,512,887</u>

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds – At year end, several non-major governmental funds had negative cash balances of \$1,215,306 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.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers:

	Transfers in		
	Debt		
	General	Service	
Transfers out	Fund	Fund	Total
Bond Building Fund	\$	\$1,297,223	\$1,297,223
Non-Major Governmental Funds	8,251,513		8,251,513
Total	\$ 8,251,513	\$1,297,223	\$9,548,736

Transfers between funds were used to (1) move investment income earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund, (2) to move Federal grant funds restricted for indirect costs, and (3) to move cash balances between levy funds in order to reduce taxes.

NOTE 11 – CONTINGENT LIABILITIES

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

Lawsuits – The District is a 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.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 12 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

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. 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 pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 12 – RISK MANAGEMENT (Concl'd)

Changes in the balances of claims liabilities during the past fiscal year 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>				
2012-13	\$ - 0 -	\$ 8,015,441	\$ 7,556,065	\$ 459,376

The District also continues to carry commercial insurance for life and short-term disability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

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

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

	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
Year ending June 30:			
2013	\$ 6,387,178	\$ 405,041	\$ 149,553
2012	5,896,106	376,347	143,370
2011	5,223,676	342,061	144,941

NOTE 14 – 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 \$442,860 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 biannual OPEB valuation was 125 retirees.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN
(Concl'd)

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 a certificate of deposit, recorded in the Employee Benefit Trust 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.

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	\$ 218,519
Interest on net OPEB obligation	59,270
Adjustment to annual required contribution	<u>(85,000)</u>
Annual OPEB cost (expense)	192,789
Contributions made	(442,860)
Decrease in net OPEB obligation	<u>(250,071)</u>
Net OPEB obligation – beginning of year	<u>1,317,118</u>
Net OPEB obligation – end of year	<u>\$ 1,067,047</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, 2013 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, 2013	\$ 192,789	\$ 442,860	230%	\$1,067,047
June 30, 2012	216,001	531,453	246	1,317,118
June 30, 2011	294,206	476,678	162	1,632,570

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

**NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN
(Cont'd)**

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, 2012
Actuarial cost method	Entry age normal
Amortization method for actuarial accrued liabilities	30 year amortization closed
Remaining amortization period	24 years as of June 30, 2013
Interest rate	4.50%
Inflation rate	N/A
Projected salary increases	N/A
Health care cost trend rate:	
Medical and Prescription Drug	8.5% graded down to an ultimate rate of 5% over 8 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.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

**NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN
(Concl'd)**

Schedule of Funding Progress – The following schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2012	- 0 -	\$ 3,240,240	\$ 3,240,240	0%	N/A	N/A
July 1, 2009	- 0 -	5,208,264	5,208,264	0	N/A	N/A
July 1, 2007	- 0 -	3,240,240	3,240,240	0	\$63,409,415	27.51%

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
(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, 2013

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 1,807,747	\$ 1,807,747
Property taxes			56,220,312	56,220,312
State aid and grants			11,076,270	11,076,270
Total revenues			<u>69,104,329</u>	<u>69,104,329</u>
Expenditures:				
Current -				
Instruction	43,202,932	43,492,651	43,388,657	103,994
Support services - students and staff	8,090,372	7,898,924	7,770,454	128,470
Support services - administration	9,605,974	9,375,503	9,494,052	(118,549)
Operation and maintenance of plant services	12,690,268	13,079,712	12,219,813	859,899
Student transportation services	3,559,890	3,595,083	3,452,854	142,229
Operation of non-instructional services	473,317	476,315	386,835	89,480
Total expenditures	<u>77,622,753</u>	<u>77,918,188</u>	<u>76,712,665</u>	<u>1,205,523</u>
Excess (deficiency) of revenues over expenditures	<u>(77,622,753)</u>	<u>(77,918,188)</u>	<u>(7,608,336)</u>	<u>70,309,852</u>
Other financing sources (uses):				
Transfer in			14,074,332	14,074,332
Total other financing sources (uses):			<u>14,074,332</u>	<u>14,074,332</u>
Changes in fund balances	<u>(77,622,753)</u>	<u>(77,918,188)</u>	<u>6,465,996</u>	<u>84,384,184</u>
Fund balances, beginning of year			1,432,431	1,432,431
Increase (decrease) in reserve for prepaid items			(2,102,663)	(2,102,663)
Increase (decrease) in reserve for inventory			27,919	27,919
Fund balances (deficits), end of year	<u>\$ (77,622,753)</u>	<u>\$ (77,918,188)</u>	<u>\$ 5,823,683</u>	<u>\$ 83,741,871</u>

See accompanying notes to this schedule.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2013

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

	<u>Total Expenditures</u>	<u>Fund Balance, June 30, 2013</u>	<u>Fund Balance, July 1, 2012</u>
Statement of Revenues,			
Expenditures and Changes in Fund			
Balances – Governmental Funds	\$ 80,189,591	\$ 10,220,768	\$ 14,155,907
Fiscal year 2012-13 activity			
budgeted as special revenue funds	(1,288,189)	(4,397,085)	(4,529,248)
Fiscal year 2012-13 activity			
budgeted as capital projects funds	<u>(2,188,737)</u>	<u> </u>	<u>(8,194,228)</u>
Schedule of Revenues, Expenditures			
and Changes in Fund Balances –			
Budget and Actual – General Fund	<u>\$ 76,712,665</u>	<u>\$ 5,823,683</u>	<u>\$ 1,432,431</u>

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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, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 14,761,029	\$ 7,580,433	\$ 22,341,462
Property taxes receivable		766,933	766,933
Accounts receivable	142,592		142,592
Due from governmental entities	1,597,130		1,597,130
Inventory	63,910		63,910
Total assets	<u><u>\$ 16,564,661</u></u>	<u><u>\$ 8,347,366</u></u>	<u><u>\$ 24,912,027</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 1,038,069	\$	\$ 1,038,069
Due to other funds	608,303	607,003	1,215,306
Deferred revenues	164,393	729,469	893,862
Total liabilities	<u>1,810,765</u>	<u>1,336,472</u>	<u>3,147,237</u>
Fund balances (deficits):			
Nonspendable	63,910		63,910
Restricted	14,720,883	7,617,897	22,338,780
Unassigned	(30,897)	(607,003)	(637,900)
Total fund balances	<u>14,753,896</u>	<u>7,010,894</u>	<u>21,764,790</u>
Total liabilities and fund balances	<u><u>\$ 16,564,661</u></u>	<u><u>\$ 8,347,366</u></u>	<u><u>\$ 24,912,027</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, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 12,851,424	\$ 34,439	\$ 12,885,863
Property taxes		5,869,057	5,869,057
State aid and grants	5,920,049	125,753	6,045,802
Federal aid, grants and reimbursements	6,408,549		6,408,549
Total revenues	<u>25,180,022</u>	<u>6,029,249</u>	<u>31,209,271</u>
Expenditures:			
Current -			
Instruction	10,862,215		10,862,215
Support services - students and staff	5,422,818		5,422,818
Support services - administration	1,223,486		1,223,486
Operation and maintenance of plant services	1,917,984		1,917,984
Student transportation services	352,177		352,177
Operation of non-instructional services	4,063,088		4,063,088
Capital outlay	2,117,941	10,241,751	12,359,692
Debt service -			
Principal retirement		273,369	273,369
Interest and fiscal charges		333,634	333,634
Total expenditures	<u>25,959,709</u>	<u>10,848,754</u>	<u>36,808,463</u>
Excess (deficiency) of revenues over expenditures	<u>(779,687)</u>	<u>(4,819,505)</u>	<u>(5,599,192)</u>
Other financing sources (uses):			
Transfer out	(251,513)	(8,000,000)	(8,251,513)
Total other financing sources (uses):	<u>(251,513)</u>	<u>(8,000,000)</u>	<u>(8,251,513)</u>
Changes in fund balances	<u>(1,031,200)</u>	<u>(12,819,505)</u>	<u>(13,850,705)</u>
Fund balances, beginning of year	15,807,258	19,830,399	35,637,657
Increase (decrease) in reserve for inventory	(22,162)		(22,162)
Fund balances, end of year	<u>\$ 14,753,896</u>	<u>\$ 7,010,894</u>	<u>\$ 21,764,790</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.

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.

Adult Education - to account for financial assistance received for adult education programs.

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

Homeless Education – to account for financial assistance received for support of homeless children.

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.

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

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

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

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

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

**SPECIAL REVENUE FUNDS
(Concluded)**

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.

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TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Structured English Immersion</u>
<u>ASSETS</u>			
Cash and investments	\$ 518,623	\$ 1,643,113	\$ 8,393
Accounts receivable			
Due from governmental entities	706,536	239,234	
Inventory			
Total assets	<u><u>\$ 1,225,159</u></u>	<u><u>\$ 1,882,347</u></u>	<u><u>\$ 8,393</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Deferred revenues			8,393
Total liabilities			<u><u>8,393</u></u>
Fund balances (deficits):			
Nonspendable			
Restricted	1,225,159	1,882,347	
Unassigned			
Total fund balances	<u><u>1,225,159</u></u>	<u><u>1,882,347</u></u>	
Total liabilities and fund balances	<u><u>\$ 1,225,159</u></u>	<u><u>\$ 1,882,347</u></u>	<u><u>\$ 8,393</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>Adult Education</u>
\$	\$	\$	\$	\$ 30,000	\$
253,097	46,953	2,557	35,531	114,680	71,365
<u>\$ 253,097</u>	<u>\$ 46,953</u>	<u>\$ 2,557</u>	<u>\$ 35,531</u>	<u>\$ 144,680</u>	<u>\$ 71,365</u>
\$	\$	\$	\$ 22,516	\$	\$
253,097	46,953	2,557	13,015	144,680	71,365
<u>253,097</u>	<u>46,953</u>	<u>2,557</u>	<u>35,531</u>	<u>144,680</u>	<u>71,365</u>
<u>\$ 253,097</u>	<u>\$ 46,953</u>	<u>\$ 2,557</u>	<u>\$ 35,531</u>	<u>\$ 144,680</u>	<u>\$ 71,365</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	Vocational Education	Homeless Education	E-Rate
<u>ASSETS</u>			
Cash and investments	\$	\$ 2,027	\$
Accounts receivable			
Due from governmental entities	45,739		48,867
Inventory			
Total assets	<u>\$ 45,739</u>	<u>\$ 2,027</u>	<u>\$ 48,867</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds	45,739		7,626
Deferred revenues		2,027	48,867
Total liabilities	<u>45,739</u>	<u>2,027</u>	<u>56,493</u>
Fund balances (deficits):			
Nonspendable			
Restricted			
Unassigned			(7,626)
Total fund balances			<u>(7,626)</u>
Total liabilities and fund balances	<u>\$ 45,739</u>	<u>\$ 2,027</u>	<u>\$ 48,867</u>

Other Federal Projects	State Vocational Education	Other State Projects	Food Service	Civic Center	Community School
\$ 150,864	\$ 88,017	\$ 17,089	\$ 321,058	\$ 1,748,621	\$ 2,524,342 102,671
			32,571 45,370		
<u>\$ 150,864</u>	<u>\$ 88,017</u>	<u>\$ 17,089</u>	<u>\$ 398,999</u>	<u>\$ 1,748,621</u>	<u>\$ 2,627,013</u>
\$	\$	\$	\$	\$	\$
	88,017	17,089			
	<u>88,017</u>	<u>17,089</u>			
			45,370		
150,864			353,629	1,748,621	2,627,013
<u>150,864</u>			<u>398,999</u>	<u>1,748,621</u>	<u>2,627,013</u>
<u>\$ 150,864</u>	<u>\$ 88,017</u>	<u>\$ 17,089</u>	<u>\$ 398,999</u>	<u>\$ 1,748,621</u>	<u>\$ 2,627,013</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	Auxiliary Operations	Extracurricular Activities Fees Tax Credit	Gifts and Donations
<u>ASSETS</u>			
Cash and investments	\$ 1,087,339	\$ 462,656	\$ 226,692
Accounts receivable			39,921
Due from governmental entities			
Inventory	18,540		
Total assets	<u><u>\$ 1,105,879</u></u>	<u><u>\$ 462,656</u></u>	<u><u>\$ 266,613</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 74,629	\$ 13,931	\$ 13,513
Due to other funds			
Deferred revenues			
Total liabilities	<u>74,629</u>	<u>13,931</u>	<u>13,513</u>
Fund balances (deficits):			
Nonspendable	18,540		
Restricted	1,012,710	448,725	253,100
Unassigned			
Total fund balances	<u>1,031,250</u>	<u>448,725</u>	<u>253,100</u>
Total liabilities and fund balances	<u><u>\$ 1,105,879</u></u>	<u><u>\$ 462,656</u></u>	<u><u>\$ 266,613</u></u>

<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Grants and Gifts to Teachers</u>	<u>Joint Technical Education</u>	<u>Print Shop</u>	<u>Intergovernment al Agreements</u>
\$ 560,611	\$ 116,495	\$ 10,089	\$ 5,223,981	\$	\$ 21,019
<u>\$ 560,611</u>	<u>\$ 116,495</u>	<u>\$ 10,089</u>	<u>\$ 5,223,981</u>	<u>\$</u>	<u>\$ 21,019</u>
\$	\$	\$	\$ 913,480	\$ 23,271	\$
			<u>913,480</u>	<u>23,271</u>	
560,611	116,495	10,089	4,310,501	(23,271)	21,019
<u>560,611</u>	<u>116,495</u>	<u>10,089</u>	<u>4,310,501</u>	<u>(23,271)</u>	<u>21,019</u>
<u>\$ 560,611</u>	<u>\$ 116,495</u>	<u>\$ 10,089</u>	<u>\$ 5,223,981</u>	<u>\$</u>	<u>\$ 21,019</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	<u>Totals</u>
<u>ASSETS</u>	
Cash and investments	\$ 14,761,029
Accounts receivable	142,592
Due from governmental entities	1,597,130
Inventory	<u>63,910</u>
Total assets	<u><u>\$ 16,564,661</u></u>
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities:	
Accounts payable	\$ 1,038,069
Due to other funds	608,303
Deferred revenues	<u>164,393</u>
Total liabilities	<u><u>1,810,765</u></u>
Fund balances (deficits):	
Nonspendable	63,910
Restricted	14,720,883
Unassigned	<u>(30,897)</u>
Total fund balances	<u><u>14,753,896</u></u>
Total liabilities and fund balances	<u><u>\$ 16,564,661</u></u>

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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, 2013

	Classroom Site	Instructional Improvement	Structured English Immersion
Revenues:			
Other local	\$ 9,066	\$	\$
State aid and grants	4,096,737	578,237	395
Federal aid, grants and reimbursements			
Total revenues	<u>4,105,803</u>	<u>578,237</u>	<u>395</u>
Expenditures:			
Current -			
Instruction	3,939,609	790,246	
Support services - students and staff	411,439	214,472	395
Support services - administration		100,714	
Operation and maintenance of plant services		84,748	
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>4,351,048</u>	<u>1,190,180</u>	<u>395</u>
Excess (deficiency) of revenues over expenditures	<u>(245,245)</u>	<u>(611,943)</u>	
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(245,245)</u>	<u>(611,943)</u>	
Fund balances, beginning of year	1,470,404	2,494,290	
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 1,225,159</u>	<u>\$ 1,882,347</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>Adult Education</u>
\$	\$	\$	\$	\$	\$
1,978,638	334,636	4,876	131,625	1,983,425	277,143
<u>1,978,638</u>	<u>334,636</u>	<u>4,876</u>	<u>131,625</u>	<u>1,983,425</u>	<u>277,143</u>
981,460		1,901	38,299	1,230,201	160,269
847,070	306,421	2,702	89,511	640,091	101,366
60,701	11,053			2,100	
1,138					
350					
12,610	325				
<u>1,903,329</u>	<u>317,799</u>	<u>4,603</u>	<u>127,810</u>	<u>1,872,392</u>	<u>261,635</u>
<u>75,309</u>	<u>16,837</u>	<u>273</u>	<u>3,815</u>	<u>111,033</u>	<u>15,508</u>
(75,309)	(16,837)	(273)	(3,815)	(111,033)	(15,508)
<u>(75,309)</u>	<u>(16,837)</u>	<u>(273)</u>	<u>(3,815)</u>	<u>(111,033)</u>	<u>(15,508)</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, 2013

	Vocational Education	Homeless Education	E-Rate
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	615,966	53,176	29,973
Total revenues	<u>615,966</u>	<u>53,176</u>	<u>29,973</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	433,789	50,199	
Support services - administration	914		38,049
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	155,502		
Total expenditures	<u>590,205</u>	<u>50,199</u>	<u>38,049</u>
Excess (deficiency) of revenues over expenditures	<u>25,761</u>	<u>2,977</u>	<u>(8,076)</u>
Other financing sources (uses):			
Transfer out	(25,761)	(2,977)	
Total other financing sources (uses):	<u>(25,761)</u>	<u>(2,977)</u>	
Changes in fund balances			<u>(8,076)</u>
Fund balances, beginning of year			450
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$</u>	<u>\$ (7,626)</u>

Other Federal Projects	State Vocational Education	Other State Projects	Food Service	Civic Center	Community School
\$	\$	\$	\$	\$	\$
	629,276	615,404	2,355,282	175,584	2,619,137
92,338			906,753		
92,338	629,276	615,404	3,262,035	175,584	2,619,137
100,000	251,949	24,328		9,658	1,087,102
	96,903	600			145,091
	16,963			37,927	168,530
		590,476	7,496	92,372	39,153
					6,029
			3,089,754	1,083	823,040
	263,461		529		29,353
100,000	629,276	615,404	3,097,779	141,040	2,298,298
(7,662)			164,256	34,544	320,839
(7,662)			164,256	34,544	320,839
158,526			239,080	1,714,077	2,306,174
			(4,337)		
\$ 150,864	\$	\$	\$ 398,999	\$ 1,748,621	\$ 2,627,013

(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, 2013

	Auxiliary Operations	Extracurricular Activities Fees Tax Credit	Gifts and Donations
Revenues:			
Other local	\$ 2,006,037	\$ 381,094	\$ 305,525
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>2,006,037</u>	<u>381,094</u>	<u>305,525</u>
Expenditures:			
Current -			
Instruction	1,025,410	381,309	94,715
Support services - students and staff	439,503	480,630	119,970
Support services - administration	9,741	101	17,645
Operation and maintenance of plant services	375,212	4,816	13,028
Student transportation services	2,812	137,560	5,961
Operation of non-instructional services	143,361		
Capital outlay	91,008		12,030
Total expenditures	<u>2,087,047</u>	<u>1,004,416</u>	<u>263,349</u>
Excess (deficiency) of revenues over expenditures	<u>(81,010)</u>	<u>(623,322)</u>	<u>42,176</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(81,010)</u>	<u>(623,322)</u>	<u>42,176</u>
Fund balances, beginning of year	1,130,085	1,072,047	210,924
Increase (decrease) in reserve for inventory	(17,825)		
Fund balances (deficits), end of year	<u>\$ 1,031,250</u>	<u>\$ 448,725</u>	<u>\$ 253,100</u>

Textbooks	Insurance Refund	Grants and Gifts to Teachers	Joint Technical Education	Print Shop	Intergovernment al Agreements
\$ 15,171	\$	\$ 1,936	\$ 4,896,701	\$ 64,872	\$ 21,019
<u>15,171</u>		<u>1,936</u>	<u>4,896,701</u>	<u>64,872</u>	<u>21,019</u>
1,552		8,578	702,849		34,332
		1,168	1,039,946		
			666,514	92,534	
			709,545		
			199,465		
			5,850		
		870	1,552,253		
<u>1,552</u>		<u>10,616</u>	<u>4,876,422</u>	<u>92,534</u>	<u>34,332</u>
<u>13,619</u>		<u>(8,680)</u>	<u>20,279</u>	<u>(27,662)</u>	<u>(13,313)</u>
<u>13,619</u>		<u>(8,680)</u>	<u>20,279</u>	<u>(27,662)</u>	<u>(13,313)</u>
546,992	116,495	18,769	4,290,222	4,391	34,332
<u>\$ 560,611</u>	<u>\$ 116,495</u>	<u>\$ 10,089</u>	<u>\$ 4,310,501</u>	<u>\$ (23,271)</u>	<u>\$ 21,019</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, 2013

	<u>Totals</u>
Revenues:	
Other local	\$ 12,851,424
State aid and grants	5,920,049
Federal aid, grants and reimbursements	6,408,549
Total revenues	<u>25,180,022</u>
Expenditures:	
Current -	
Instruction	10,862,215
Support services - students and staff	5,422,818
Support services - administration	1,223,486
Operation and maintenance of plant services	1,917,984
Student transportation services	352,177
Operation of non-instructional services	4,063,088
Capital outlay	2,117,941
Total expenditures	<u>25,959,709</u>
Excess (deficiency) of revenues over expenditures	<u>(779,687)</u>
Other financing sources (uses):	
Transfer out	(251,513)
Total other financing sources (uses):	<u>(251,513)</u>
Changes in fund balances	<u>(1,031,200)</u>
Fund balances, beginning of year	15,807,258
Increase (decrease) in reserve for inventory	(22,162)
Fund balances, end of year	<u><u>\$ 14,753,896</u></u>

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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, 2013

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 9,066	\$ 9,066
State aid and grants		4,096,737	4,096,737
Federal aid, grants and reimbursements			
Total revenues		<u>4,105,803</u>	<u>4,105,803</u>
Expenditures:			
Current -			
Instruction	6,471,955	3,939,609	2,532,346
Support services - students and staff		411,439	(411,439)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>6,471,955</u>	<u>4,351,048</u>	<u>2,120,907</u>
Excess (deficiency) of revenues over expenditures	<u>(6,471,955)</u>	<u>(245,245)</u>	<u>6,226,710</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(6,471,955)</u>	<u>(245,245)</u>	<u>6,226,710</u>
Fund balances, beginning of year		1,470,404	1,470,404
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (6,471,955)</u>	<u>\$ 1,225,159</u>	<u>\$ 7,697,114</u>

Instructional Improvement			Structured English Immersion		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	578,237	578,237		395	395
	578,237	578,237		395	395
1,505,000	790,246	714,754			
	214,472	(214,472)	695	395	300
	100,714	(100,714)			
	84,748	(84,748)			
1,505,000	1,190,180	314,820	695	395	300
(1,505,000)	(611,943)	893,057	(695)		695
(1,505,000)	(611,943)	893,057	(695)		695
	2,494,290	2,494,290			
\$ (1,505,000)	\$ 1,882,347	\$ 3,387,347	\$ (695)	\$	\$ 695

(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, 2013

	Title I Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		1,978,638	1,978,638
Total revenues		<u>1,978,638</u>	<u>1,978,638</u>
Expenditures:			
Current -			
Instruction	1,690,899	981,460	709,439
Support services - students and staff		847,070	(847,070)
Support services - administration		60,701	(60,701)
Operation and maintenance of plant services		1,138	(1,138)
Student transportation services		350	(350)
Operation of non-instructional services			
Capital outlay		12,610	(12,610)
Total expenditures	<u>1,690,899</u>	<u>1,903,329</u>	<u>(212,430)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,690,899)</u>	<u>75,309</u>	<u>1,766,208</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(75,309)	(75,309)
Total other financing sources (uses):		<u>(75,309)</u>	<u>(75,309)</u>
Changes in fund balances	<u>(1,690,899)</u>		<u>1,690,899</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (1,690,899)</u>	<u>\$</u>	<u>\$ 1,690,899</u>

Professional Development and Technology Grants			Limited English and Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	334,636	334,636		4,876	4,876
	334,636	334,636		4,876	4,876
373,212	306,421 11,053	66,791 (11,053)	16,966	1,901 2,702	(1,901) 14,264
	325	(325)			
373,212	317,799	55,413	16,966	4,603	12,363
(373,212)	16,837	390,049	(16,966)	273	17,239
	(16,837)	(16,837)		(273)	(273)
	(16,837)	(16,837)		(273)	(273)
(373,212)		373,212	(16,966)		16,966
\$ (373,212)	\$	\$ 373,212	\$ (16,966)	\$	\$ 16,966

(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, 2013

	Indian Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		131,625	131,625
Total revenues		<u>131,625</u>	<u>131,625</u>
Expenditures:			
Current -			
Instruction		38,299	(38,299)
Support services - students and staff	130,000	89,511	40,489
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>130,000</u>	<u>127,810</u>	<u>2,190</u>
Excess (deficiency) of revenues over expenditures	<u>(130,000)</u>	<u>3,815</u>	<u>133,815</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(3,815)	(3,815)
Total other financing sources (uses):		<u>(3,815)</u>	<u>(3,815)</u>
Changes in fund balances	<u>(130,000)</u>		<u>130,000</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (130,000)</u>	<u>\$</u>	<u>\$ 130,000</u>

Special Education Grants			Johnson O'Malley		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	1,983,425	1,983,425			
	1,983,425	1,983,425			
1,984,530	1,230,201	754,329	13,727		13,727
	640,091	(640,091)			
	2,100	(2,100)			
1,984,530	1,872,392	112,138	13,727		13,727
(1,984,530)	111,033	2,095,563	(13,727)		13,727
	(111,033)	(111,033)			
	(111,033)	(111,033)			
(1,984,530)		1,984,530	(13,727)		13,727
\$ (1,984,530)	\$	\$ 1,984,530	\$ (13,727)	\$	\$ 13,727

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, 2013

	Adult Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		277,143	277,143
Total revenues		<u>277,143</u>	<u>277,143</u>
Expenditures:			
Current -			
Instruction	277,289	160,269	117,020
Support services - students and staff		101,366	(101,366)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>277,289</u>	<u>261,635</u>	<u>15,654</u>
Excess (deficiency) of revenues over expenditures	<u>(277,289)</u>	<u>15,508</u>	<u>292,797</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(15,508)	(15,508)
Total other financing sources (uses):		<u>(15,508)</u>	<u>(15,508)</u>
Changes in fund balances	<u>(277,289)</u>		<u>277,289</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (277,289)</u>	<u>\$</u>	<u>\$ 277,289</u>

Vocational Education			Homeless Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	615,966	615,966		53,176	53,176
	615,966	615,966		53,176	53,176
615,966	433,789 914	182,177 (914)	68,909	50,199	18,710
	155,502	(155,502)			
615,966	590,205	25,761	68,909	50,199	18,710
(615,966)	25,761	641,727	(68,909)	2,977	71,886
	(25,761)	(25,761)		(2,977)	(2,977)
	(25,761)	(25,761)		(2,977)	(2,977)
(615,966)		615,966	(68,909)		68,909
\$ (615,966)	\$	\$ 615,966	\$ (68,909)	\$	\$ 68,909

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, 2013

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		220,740	220,740
Total revenues		220,740	220,740
Expenditures:			
Current -			
Instruction			
Support services - students and staff		224,788	(224,788)
Support services - administration	700,000	381,812	318,188
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	700,000	606,600	93,400
Excess (deficiency) of revenues over expenditures	(700,000)	(385,860)	314,140
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	(700,000)	(385,860)	314,140
Fund balances, beginning of year		1,081,833	1,081,833
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (700,000)	\$ 695,973	\$ 1,395,973

E-Rate			Other Federal Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	29,973	29,973		92,338	92,338
	29,973	29,973		92,338	92,338
100,000	38,049	61,951	100,000	100,000	
100,000	38,049	61,951	100,000	100,000	
(100,000)	(8,076)	91,924	(100,000)	(7,662)	92,338
(100,000)	(8,076)	91,924	(100,000)	(7,662)	92,338
	450	450		158,526	158,526
\$ (100,000)	\$ (7,626)	\$ 92,374	\$ (100,000)	\$ 150,864	\$ 250,864

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, 2013

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		629,276	629,276
Federal aid, grants and reimbursements			
Total revenues		<u>629,276</u>	<u>629,276</u>
Expenditures:			
Current -			
Instruction		251,949	(251,949)
Support services - students and staff		96,903	(96,903)
Support services - administration		16,963	(16,963)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	717,293	263,461	453,832
Total expenditures	<u>717,293</u>	<u>629,276</u>	<u>88,017</u>
Excess (deficiency) of revenues over expenditures	<u>(717,293)</u>		<u>717,293</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(717,293)</u>		<u>717,293</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (717,293)</u>	<u>\$</u>	<u>\$ 717,293</u>

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	615,404	615,404		652,233	652,233
	615,404	615,404		652,233	652,233
	24,328	(24,328)		434	(434)
	600	(600)		62,028	(62,028)
			600,000	138,925	461,075
669,159	590,476	78,683		42,804	(42,804)
				70,772	(70,772)
				11,868	(11,868)
669,159	615,404	53,755	600,000	326,831	273,169
(669,159)		669,159	(600,000)	325,402	925,402
(669,159)		669,159	(600,000)	325,402	925,402
				2,018,304	2,018,304
\$ (669,159)	\$	\$ 669,159	\$ (600,000)	\$ 2,343,706	\$ 2,943,706

(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, 2013

	Food Service		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 2,355,282	\$ 2,355,282
State aid and grants			
Federal aid, grants and reimbursements		906,753	906,753
Total revenues		<u>3,262,035</u>	<u>3,262,035</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services		7,496	(7,496)
Student transportation services			
Operation of non-instructional services	3,900,000	3,089,754	810,246
Capital outlay		529	(529)
Total expenditures	<u>3,900,000</u>	<u>3,097,779</u>	<u>802,221</u>
Excess (deficiency) of revenues over expenditures	<u>(3,900,000)</u>	<u>164,256</u>	<u>4,064,256</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(3,900,000)</u>	<u>164,256</u>	<u>4,064,256</u>
Fund balances, beginning of year		239,080	239,080
Increase (decrease) in reserve for inventory		(4,337)	(4,337)
Fund balances (deficits), end of year	<u>\$ (3,900,000)</u>	<u>\$ 398,999</u>	<u>\$ 4,298,999</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 175,584	\$ 175,584	\$	\$ 2,619,137	\$ 2,619,137
	175,584	175,584		2,619,137	2,619,137
	9,658	(9,658)	3,200,000	1,087,102	2,112,898
	37,927	(37,927)		145,091	(145,091)
550,000	92,372	457,628		168,530	(168,530)
				39,153	(39,153)
	1,083	(1,083)		6,029	(6,029)
				823,040	(823,040)
				29,353	(29,353)
550,000	141,040	408,960	3,200,000	2,298,298	901,702
(550,000)	34,544	584,544	(3,200,000)	320,839	3,520,839
(550,000)	34,544	584,544	(3,200,000)	320,839	3,520,839
	1,714,077	1,714,077		2,306,174	2,306,174
\$ (550,000)	\$ 1,748,621	\$ 2,298,621	\$ (3,200,000)	\$ 2,627,013	\$ 5,827,013

(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, 2013

	Auxiliary Operations		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 2,006,037	\$ 2,006,037
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>2,006,037</u>	<u>2,006,037</u>
Expenditures:			
Current -			
Instruction	3,000,000	1,025,410	1,974,590
Support services - students and staff		439,503	(439,503)
Support services - administration		9,741	(9,741)
Operation and maintenance of plant services		375,212	(375,212)
Student transportation services		2,812	(2,812)
Operation of non-instructional services		143,361	(143,361)
Capital outlay		91,008	(91,008)
Total expenditures	<u>3,000,000</u>	<u>2,087,047</u>	<u>912,953</u>
Excess (deficiency) of revenues over expenditures	<u>(3,000,000)</u>	<u>(81,010)</u>	<u>2,918,990</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(3,000,000)</u>	<u>(81,010)</u>	<u>2,918,990</u>
Fund balances, beginning of year		1,130,085	1,130,085
Increase (decrease) in reserve for inventory		(17,825)	(17,825)
Fund balances (deficits), end of year	<u>\$ (3,000,000)</u>	<u>\$ 1,031,250</u>	<u>\$ 4,031,250</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 381,094	\$ 381,094	\$	\$ 305,525	\$ 305,525
	381,094	381,094		305,525	305,525
1,500,000	381,309	(381,309)	450,000	94,715	355,285
	480,630	1,019,370		119,970	(119,970)
	101	(101)		17,645	(17,645)
	4,816	(4,816)		13,028	(13,028)
	137,560	(137,560)		5,961	(5,961)
				12,030	(12,030)
1,500,000	1,004,416	495,584	450,000	263,349	186,651
(1,500,000)	(623,322)	876,678	(450,000)	42,176	492,176
(1,500,000)	(623,322)	876,678	(450,000)	42,176	492,176
	1,072,047	1,072,047		210,924	210,924
\$ (1,500,000)	\$ 448,725	\$ 1,948,725	\$ (450,000)	\$ 253,100	\$ 703,100

(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, 2013

	Insurance Proceeds		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 30,246	\$ 30,246
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		30,246	30,246
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	150,000	19,446	130,554
Operation of non-instructional services			
Capital outlay			
Total expenditures	150,000	19,446	130,554
Excess (deficiency) of revenues over expenditures	(150,000)	10,800	160,800
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	(150,000)	10,800	160,800
Fund balances, beginning of year		513,370	513,370
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (150,000)	\$ 524,170	\$ 674,170

Textbooks			Litigation Recovery		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 15,171	\$ 15,171	\$	\$ 1,294	\$ 1,294
	15,171	15,171		1,294	1,294
200,000	1,552	198,448	110,000		110,000
200,000	1,552	198,448	110,000		110,000
(200,000)	13,619	213,619	(110,000)	1,294	111,294
(200,000)	13,619	213,619	(110,000)	1,294	111,294
	546,992	546,992		645,545	645,545
\$ (200,000)	\$ 560,611	\$ 760,611	\$ (110,000)	\$ 646,839	\$ 756,839

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, 2013

	Indirect Costs		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration		77,642	(77,642)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services		95,077	(95,077)
Capital outlay	370,000	162,593	207,407
Total expenditures	370,000	335,312	34,688
Excess (deficiency) of revenues over expenditures	(370,000)	(335,312)	34,688
Other financing sources (uses):			
Transfer in		251,513	251,513
Transfer out			
Total other financing sources (uses):		251,513	251,513
Changes in fund balances	(370,000)	(83,799)	286,201
Fund balances, beginning of year		270,196	270,196
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (370,000)	\$ 186,397	\$ 556,397

Insurance Refund			Grants and Gifts to Teachers		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 1,936	\$ 1,936
				1,936	1,936
11,000		11,000	13,000	8,578 1,168	4,422 (1,168)
11,000		11,000	13,000	870 10,616	(870) 2,384
(11,000)		11,000	(13,000)	(8,680)	4,320
(11,000)		11,000	(13,000)	(8,680)	4,320
	116,495	116,495		18,769	18,769
\$ (11,000)	\$ 116,495	\$ 127,495	\$ (13,000)	\$ 10,089	\$ 23,089

(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, 2013

	Joint Technical Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 4,896,701	\$ 4,896,701
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>4,896,701</u>	<u>4,896,701</u>
Expenditures:			
Current -			
Instruction		702,849	(702,849)
Support services - students and staff		1,039,946	(1,039,946)
Support services - administration		666,514	(666,514)
Operation and maintenance of plant services		709,545	(709,545)
Student transportation services		199,465	(199,465)
Operation of non-instructional services		5,850	(5,850)
Capital outlay	<u>6,000,000</u>	<u>1,552,253</u>	<u>4,447,747</u>
Total expenditures	<u>6,000,000</u>	<u>4,876,422</u>	<u>1,123,578</u>
Excess (deficiency) of revenues over expenditures	<u>(6,000,000)</u>	<u>20,279</u>	<u>6,020,279</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(6,000,000)</u>	<u>20,279</u>	<u>6,020,279</u>
Fund balances, beginning of year		4,290,222	4,290,222
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (6,000,000)</u>	<u>\$ 4,310,501</u>	<u>\$ 10,310,501</u>

Print Shop			Intergovernmental Agreements		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 64,872	\$ 64,872	\$	\$ 21,019	\$ 21,019
	64,872	64,872		21,019	21,019
150,000	92,534	57,466	180,000	34,332	145,668
150,000	92,534	57,466	180,000	34,332	145,668
(150,000)	(27,662)	122,338	(180,000)	(13,313)	166,687
(150,000)	(27,662)	122,338	(180,000)	(13,313)	166,687
	4,391	4,391		34,332	34,332
\$ (150,000)	\$ (23,271)	\$ 126,729	\$ (180,000)	\$ 21,019	\$ 201,019

(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, 2013

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 13,535,197	\$ 13,535,197
State aid and grants		5,920,049	5,920,049
Federal aid, grants and reimbursements		6,629,289	6,629,289
Total revenues		<u>26,084,535</u>	<u>26,084,535</u>
Expenditures:			
Current -			
Instruction	19,007,400	10,862,649	8,144,751
Support services - students and staff	2,905,748	5,709,634	(2,803,886)
Support services - administration	1,550,000	1,821,865	(271,865)
Operation and maintenance of plant services	1,219,159	1,960,788	(741,629)
Student transportation services	150,000	371,623	(221,623)
Operation of non-instructional services	3,900,000	4,228,937	(328,937)
Capital outlay	7,087,293	2,292,402	4,794,891
Total expenditures	<u>35,819,600</u>	<u>27,247,898</u>	<u>8,571,702</u>
Excess (deficiency) of revenues over expenditures	<u>(35,819,600)</u>	<u>(1,163,363)</u>	<u>34,656,237</u>
Other financing sources (uses):			
Transfer in		251,513	251,513
Transfer out		(251,513)	(251,513)
Total other financing sources (uses):			
Changes in fund balances	<u>(35,819,600)</u>	<u>(1,163,363)</u>	<u>34,656,237</u>
Fund balances, beginning of year		20,336,506	20,336,506
Increase (decrease) in reserve for inventory		(22,162)	(22,162)
Fund balances (deficits), end of year	<u>\$ (35,819,600)</u>	<u>\$ 19,150,981</u>	<u>\$ 54,970,581</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, 2013

	Debt Service		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 18,885	\$ 18,885
Property taxes		7,462,235	7,462,235
Total revenues		<u>7,481,120</u>	<u>7,481,120</u>
Expenditures:			
Debt service -			
Principal retirement	5,720,000	5,720,000	
Interest and fiscal charges	1,887,025	1,737,024	150,001
Total expenditures	<u>7,607,025</u>	<u>7,457,024</u>	<u>150,001</u>
Excess (deficiency) of revenues over expenditures	<u>(7,607,025)</u>	<u>24,096</u>	<u>7,631,121</u>
Other financing sources (uses):			
Transfer in		1,297,223	1,297,223
Issuance of school improvement bonds		12,475,000	12,475,000
Payment to refunding escrow agent		(12,475,270)	(12,475,270)
Total other financing sources (uses):		<u>1,296,953</u>	<u>1,296,953</u>
Changes in fund balances	<u>(7,607,025)</u>	<u>1,321,049</u>	<u>8,928,074</u>
Fund balances, beginning of year		523,086	523,086
Fund balances (deficits), end of year	<u>\$ (7,607,025)</u>	<u>\$ 1,844,135</u>	<u>\$ 9,451,160</u>

CAPITAL PROJECTS FUNDS

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

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

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

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

Condemnation - to account for proceeds from right-of-way settlements and sales by condemnation or threat of condemnation.

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2013

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Condemnation</u>
<u>ASSETS</u>			
Cash and investments	\$ 6,914,019	\$ 500,635	\$ 159,808
Property taxes receivable	766,933		
Total assets	<u><u>\$ 7,680,952</u></u>	<u><u>\$ 500,635</u></u>	<u><u>\$ 159,808</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Due to other funds	\$	\$	\$
Deferred revenues	729,469		
Total liabilities	<u><u>729,469</u></u>		
Fund balances (deficits):			
Restricted	6,951,483	500,635	159,808
Unassigned			
Total fund balances	<u><u>6,951,483</u></u>	<u><u>500,635</u></u>	<u><u>159,808</u></u>
Total liabilities and fund balances	<u><u>\$ 7,680,952</u></u>	<u><u>\$ 500,635</u></u>	<u><u>\$ 159,808</u></u>

Energy and Water Savings	Building Renewal Grant	Totals
\$	\$ 5,971	\$ 7,580,433
		766,933
\$	\$ 5,971	\$ 8,347,366

\$ 607,003	\$	\$ 607,003
		729,469
607,003		1,336,472

	5,971	7,617,897
(607,003)		(607,003)
(607,003)	5,971	7,010,894
\$	\$ 5,971	\$ 8,347,366

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, 2013

	Unrestricted Capital Outlay	Adjacent Ways	Condemnation
Revenues:			
Other local	\$ 32,253	\$ 2,186	\$
Property taxes	5,869,057		
State aid and grants			
Total revenues	<u>5,901,310</u>	<u>2,186</u>	
Expenditures:			
Capital outlay	4,173,151		
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>4,173,151</u>		
Excess (deficiency) of revenues over expenditures	<u>1,728,159</u>	<u>2,186</u>	
Other financing sources (uses):			
Transfer out	(8,000,000)		
Total other financing sources (uses):	<u>(8,000,000)</u>		
Changes in fund balances	<u>(6,271,841)</u>	<u>2,186</u>	
Fund balances (deficits), beginning of year	13,223,324	498,449	159,808
Fund balances (deficits), end of year	<u>\$ 6,951,483</u>	<u>\$ 500,635</u>	<u>\$ 159,808</u>

Energy and Water Savings	Building Renewal Grant	Totals
\$	\$	\$
		34,439
		5,869,057
	125,753	125,753
	125,753	6,029,249
6,056,933	11,667	10,241,751
273,369		273,369
333,634		333,634
6,663,936	11,667	10,848,754
(6,663,936)	114,086	(4,819,505)
		(8,000,000)
		(8,000,000)
(6,663,936)	114,086	(12,819,505)
6,056,933	(108,115)	19,830,399
\$ (607,003)	\$ 5,971	\$ 7,010,894

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, 2013

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 32,253	\$ 32,253
Property taxes		5,869,057	5,869,057
State aid and grants			
Total revenues		<u>5,901,310</u>	<u>5,901,310</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Capital outlay	12,847,543	4,173,151	8,674,392
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures	<u>12,847,543</u>	<u>4,173,151</u>	<u>8,674,392</u>
Excess (deficiency) of revenues over expenditures	<u>(12,847,543)</u>	<u>1,728,159</u>	<u>14,575,702</u>
Other financing sources (uses):			
Transfer out		(8,000,000)	(8,000,000)
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):		<u>(8,000,000)</u>	<u>(8,000,000)</u>
Changes in fund balances	<u>(12,847,543)</u>	<u>(6,271,841)</u>	<u>6,575,702</u>
Fund balances (deficits), beginning of year		13,223,324	13,223,324
Fund balances (deficits), end of year	<u>\$ (12,847,543)</u>	<u>\$ 6,951,483</u>	<u>\$ 19,799,026</u>

Adjacent Ways			Soft Capital Allocation		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 2,186	\$ 2,186	\$	\$ 37,639	\$ 37,639
				253	253
				30,949	30,949
	2,186	2,186		68,841	68,841
				91,681	(91,681)
				68,469	(68,469)
				1,045	(1,045)
				212,065	(212,065)
150,000		150,000	4,502,314	1,815,477	2,686,837
150,000		150,000	4,502,314	2,188,737	2,313,577
(150,000)	2,186	152,186	(4,502,314)	(2,119,896)	2,382,418
				(6,074,332)	(6,074,332)
				(6,074,332)	(6,074,332)
(150,000)	2,186	152,186	(4,502,314)	(8,194,228)	(3,691,914)
	498,449	498,449		8,194,228	8,194,228
\$ (150,000)	\$ 500,635	\$ 650,635	\$ (4,502,314)	\$	\$ 4,502,314

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, 2013

	Bond Building		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 16,727	\$ 16,727
Property taxes			
State aid and grants			
Total revenues		<u>16,727</u>	<u>16,727</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Capital outlay	33,000,000	5,008,959	27,991,041
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs		160,000	(160,000)
Total expenditures	<u>33,000,000</u>	<u>5,168,959</u>	<u>27,831,041</u>
Excess (deficiency) of revenues over expenditures	<u>(33,000,000)</u>	<u>(5,152,232)</u>	<u>27,847,768</u>
Other financing sources (uses):			
Transfer out		(1,297,223)	(1,297,223)
Issuance of school improvement bonds		33,000,000	33,000,000
Premium on sale of bonds		1,280,497	1,280,497
Total other financing sources (uses):		<u>32,983,274</u>	<u>32,983,274</u>
Changes in fund balances	<u>(33,000,000)</u>	<u>27,831,042</u>	<u>60,831,042</u>
Fund balances (deficits), beginning of year		178,171	178,171
Fund balances (deficits), end of year	<u>\$ (33,000,000)</u>	<u>\$ 28,009,213</u>	<u>\$ 61,009,213</u>

Condemnation			Energy and Water Savings		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
			9,573,487	6,056,933	3,516,554
				273,369	(273,369)
				333,634	(333,634)
			9,573,487	6,663,936	2,909,551
			(9,573,487)	(6,663,936)	2,909,551
			(9,573,487)	(6,663,936)	2,909,551
	159,808	159,808		6,056,933	6,056,933
\$	\$ 159,808	\$ 159,808	\$ (9,573,487)	\$ (607,003)	\$ 8,966,484

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, 2013

	Building Renewal Grant		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
Property taxes			
State aid and grants		125,753	125,753
Total revenues		<u>125,753</u>	<u>125,753</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Capital outlay	221,738	11,667	210,071
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures	<u>221,738</u>	<u>11,667</u>	<u>210,071</u>
Excess (deficiency) of revenues over expenditures	<u>(221,738)</u>	<u>114,086</u>	<u>335,824</u>
Other financing sources (uses):			
Transfer out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):			
Changes in fund balances	<u>(221,738)</u>	<u>114,086</u>	<u>335,824</u>
Fund balances (deficits), beginning of year		(108,115)	(108,115)
Fund balances (deficits), end of year	<u>\$ (221,738)</u>	<u>\$ 5,971</u>	<u>\$ 227,709</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 88,805	\$ 88,805
	5,869,310	5,869,310
	156,702	156,702
	6,114,817	6,114,817
	91,681	(91,681)
	68,469	(68,469)
	1,045	(1,045)
	212,065	(212,065)
60,295,082	17,066,187	43,228,895
	273,369	(273,369)
	333,634	(333,634)
	160,000	(160,000)
60,295,082	18,206,450	42,088,632
(60,295,082)	(12,091,633)	48,203,449
	(15,371,555)	(15,371,555)
	33,000,000	33,000,000
	1,280,497	1,280,497
	18,908,942	18,908,942
(60,295,082)	6,817,309	67,112,391
	28,202,798	28,202,798
\$ (60,295,082)	\$ 35,020,107	\$ 95,315,189

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AGENCY FUNDS

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

Employee Withholding - to account for voluntary deductions and employee payroll temporarily held by the District until distributed.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2013

	Student Activities	Employee Withholding	Totals
<u>ASSETS</u>			
Cash and investments	\$ 1,218,077	\$ 5,442	\$ 1,223,519
Total assets	<u>\$ 1,218,077</u>	<u>\$ 5,442</u>	<u>\$ 1,223,519</u>
<u>LIABILITIES</u>			
Deposits held for others	\$	\$ 5,442	\$ 5,442
Due to student groups	1,218,077		1,218,077
Total liabilities	<u>\$ 1,218,077</u>	<u>\$ 5,442</u>	<u>\$ 1,223,519</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2013

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 1,170,900	\$ 2,382,909	\$ 2,335,732	\$ 1,218,077
Total assets	\$ 1,170,900	\$ 2,382,909	\$ 2,335,732	\$ 1,218,077
<u>Liabilities</u>				
Due to student groups	\$ 1,170,900	\$ 2,382,909	\$ 2,335,732	\$ 1,218,077
Total liabilities	\$ 1,170,900	\$ 2,382,909	\$ 2,335,732	\$ 1,218,077
<u>EMPLOYEE WITHHOLDING FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 58,607	\$ 58,297,039	\$ 58,350,204	\$ 5,442
Total assets	\$ 58,607	\$ 58,297,039	\$ 58,350,204	\$ 5,442
<u>Liabilities</u>				
Deposits held for others	\$ 58,607	\$ 58,297,039	\$ 58,350,204	\$ 5,442
Total liabilities	\$ 58,607	\$ 58,297,039	\$ 58,350,204	\$ 5,442
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 1,229,507	\$ 60,679,948	\$ 60,685,936	\$ 1,223,519
Total assets	\$ 1,229,507	\$ 60,679,948	\$ 60,685,936	\$ 1,223,519
<u>Liabilities</u>				
Due to student groups	\$ 1,170,900	\$ 2,382,909	\$ 2,335,732	\$ 1,218,077
Deposits held for others	58,607	58,297,039	58,350,204	5,442
Total liabilities	\$ 1,229,507	\$ 60,679,948	\$ 60,685,936	\$ 1,223,519

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net Position:					
Net investment in capital assets	\$ 129,831,578	\$ 105,875,208	\$ 89,384,724	\$ 68,025,798	\$ 57,618,229
Restricted	25,519,627	37,727,315	34,830,933	28,662,141	24,561,606
Unrestricted	29,480,761	49,969,908	61,381,934	63,936,241	53,470,968
Total net position	<u>\$ 184,831,966</u>	<u>\$ 193,572,431</u>	<u>\$ 185,597,591</u>	<u>\$ 160,624,180</u>	<u>\$ 135,650,803</u>
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net Position:					
Net investment in capital assets	\$ 39,691,197	\$ 24,689,400	\$ 9,735,555	\$ (4,233,088)	\$ (15,603,432)
Restricted	22,291,019	16,496,842	14,800,867	17,295,849	11,585,303
Unrestricted	48,213,467	44,159,310	41,950,396	40,659,039	35,752,796
Total net position	<u>\$ 110,195,683</u>	<u>\$ 85,345,552</u>	<u>\$ 66,486,818</u>	<u>\$ 53,721,800</u>	<u>\$ 31,734,667</u>

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

Note: The deficit in "Net investment in capital assets" in fiscal years 2004 and 2005 is due to certain District construction projects for renovations and improvements not being capitalized due to the District's capitalization policy. The projects were funded with bonded debt.

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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenses					
Instruction	\$ 62,186,090	\$ 61,887,082	\$ 59,591,785	\$ 66,515,928	\$ 63,390,746
Support services - students and staff	14,610,026	13,508,070	14,822,289	14,429,897	13,246,465
Support services - administration	12,470,013	10,516,696	10,339,089	10,605,978	9,921,468
Operation and maintenance of plant services	16,321,184	14,232,487	14,993,585	13,881,686	14,467,336
Student transportation services	5,016,725	4,333,504	4,165,060	4,289,107	2,992,897
Operation of non-instructional services	4,776,848	5,315,715	4,570,286	4,176,508	3,593,877
Interest on long-term debt	2,288,152	2,726,898	3,585,486	4,789,141	3,994,186
Total expenses	<u>117,669,038</u>	<u>112,520,452</u>	<u>112,067,580</u>	<u>118,688,245</u>	<u>111,606,975</u>
Program Revenues					
Charges for services:					
Instruction	8,582,437	5,596,416	8,937,388	6,915,814	6,610,458
Operation of non-instructional services	4,361,627	4,444,213	4,127,075	8,613,109	6,008,530
Other activities	878,685	640,920	532,559	955,815	447,755
Operating grants and contributions	7,951,441	9,419,083	9,790,006	8,397,780	7,369,359
Capital grants and contributions	431,573	368,306	443,387	589,495	710,239
Total program revenues	<u>22,205,763</u>	<u>20,468,938</u>	<u>23,830,415</u>	<u>25,472,013</u>	<u>21,146,341</u>
Net (Expense)/Revenue	<u><u>\$ (95,463,275)</u></u>	<u><u>\$ (92,051,514)</u></u>	<u><u>\$ (88,237,165)</u></u>	<u><u>\$ (93,216,232)</u></u>	<u><u>\$ (90,460,634)</u></u>

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenses					
Instruction	\$ 71,511,187	\$ 63,934,142	\$ 60,811,567	\$ 56,268,238	\$ 53,132,519
Support services - students and staff	11,908,804	11,929,322	11,037,979	10,640,475	10,024,232
Support services - administration	9,360,315	8,898,711	8,392,129	8,300,836	7,848,385
Operation and maintenance of plant services	13,033,113	12,983,185	11,656,608	11,979,198	11,481,699
Student transportation services	3,246,442	2,787,242	2,944,456	2,824,403	2,633,474
Operation of non-instructional services	4,209,647	3,852,277	6,975,625	6,307,380	6,025,894
Interest on long-term debt	4,864,530	6,240,063	7,089,032	7,905,162	8,626,774
Total expenses	<u>118,134,038</u>	<u>110,624,942</u>	<u>108,907,396</u>	<u>104,225,692</u>	<u>99,772,977</u>
Program Revenues					
Charges for services:					
Instruction	7,558,235	7,528,924	5,732,399	5,455,059	3,114,401
Operation of non-instructional services	6,058,733	6,315,978	7,455,945	7,342,655	5,904,851
Other activities	419,640	629,382	551,999	189,183	546,595
Operating grants and contributions	6,643,315	6,003,927	6,288,365	6,213,296	5,488,537
Capital grants and contributions	420,314	297,321	283,990	510,775	521,343
Total program revenues	<u>21,100,237</u>	<u>20,775,532</u>	<u>20,312,698</u>	<u>19,710,968</u>	<u>15,575,727</u>
Net (Expense)/Revenue	<u>\$ (97,033,801)</u>	<u>\$ (89,849,410)</u>	<u>\$ (88,594,698)</u>	<u>\$ (84,514,724)</u>	<u>\$ (84,197,250)</u>

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

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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net (Expense)/Revenue	\$ (95,463,275)	\$ (92,051,514)	\$ (88,237,165)	\$ (93,216,232)	\$ (90,460,634)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	56,544,816	59,277,439	63,712,165	62,941,487	64,426,366
Property taxes, levied for debt service	7,120,488	23,486,448	27,010,562	27,015,448	23,128,864
Property taxes, levied for capital outlay	5,976,282	5,274,515	5,531,562	9,604,269	6,484,852
Investment income	177,920	317,483	711,455	839,427	1,843,222
Unrestricted county aid	725,751	655,473		582,151	
Unrestricted state aid	15,907,946	10,752,661	16,016,749	15,054,157	20,032,450
Unrestricted federal aid	269,607	262,335	228,083	2,152,670	
Total general revenues	<u>86,722,810</u>	<u>100,026,354</u>	<u>113,210,576</u>	<u>118,189,609</u>	<u>115,915,754</u>
Changes in Net Position	<u>\$ (8,740,465)</u>	<u>\$ 7,974,840</u>	<u>\$ 24,973,411</u>	<u>\$ 24,973,377</u>	<u>\$ 25,455,120</u>

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net (Expense)/Revenue	\$ (97,033,801)	\$ (89,849,410)	\$ (88,594,698)	\$ (84,514,724)	\$ (84,197,250)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	58,710,268	55,090,899	55,543,698	57,429,666	57,976,463
Property taxes, levied for debt service	26,774,825	23,782,946	24,244,552	24,944,438	24,611,171
Property taxes, levied for capital outlay	8,521,701	4,151,998	4,602,074	8,207,229	7,571,820
Investment income	2,142,758	1,976,788	1,195,397	990,422	697,434
Unrestricted county aid		2,896	230,894	64,119	105,754
Unrestricted state aid	25,734,380	23,702,617	15,543,101	14,865,983	13,241,408
Total general revenues	<u>121,883,932</u>	<u>108,708,144</u>	<u>101,359,716</u>	<u>106,501,857</u>	<u>104,204,050</u>
Changes in Net Position	<u>\$ 24,850,131</u>	<u>\$ 18,858,734</u>	<u>\$ 12,765,018</u>	<u>\$ 21,987,133</u>	<u>\$ 20,006,800</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.

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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund:					
Nonspendable	\$ 1,285,931	\$ 3,360,675	\$ 910,355	\$	\$
Unassigned	8,934,837	10,795,232	25,046,751		
Reserved				2,529,175	191,463
Unreserved				7,743,525	9,541,760
Total General Fund	<u>\$ 10,220,768</u>	<u>\$ 14,155,907</u>	<u>\$ 25,957,106</u>	<u>\$ 10,272,700</u>	<u>\$ 9,733,223</u>
All Other Governmental Funds:					
Nonspendable	\$ 63,910	\$ 86,072	\$ 78,505	\$	\$
Restricted	52,192,128	36,360,957	36,523,361		
Unassigned	(637,900)	(108,115)	(47,807)		
Reserved				72,108	67,292
Unreserved, reported in:					
Special revenue funds				23,916,489	21,910,396
Capital projects funds				34,384,152	39,236,944
Debt service fund				1,794,671	1,293,651
Total all other governmental funds	<u>\$ 51,618,138</u>	<u>\$ 36,338,914</u>	<u>\$ 36,554,059</u>	<u>\$ 60,167,420</u>	<u>\$ 62,508,283</u>

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund:					
Reserved	\$ 923,138	\$ 1,467,895	\$ 1,416,862	\$ 1,280,705	\$ 1,115,678
Unreserved	3,997,760	3,806,681	4,777,228	9,436,561	9,322,506
Total General Fund	<u>\$ 4,920,898</u>	<u>\$ 5,274,576</u>	<u>\$ 6,194,090</u>	<u>\$ 10,717,266</u>	<u>\$ 10,438,184</u>
All Other Governmental Funds:					
Reserved	\$ 63,283	\$ 69,221	\$ 56,646	\$ 66,932	\$ 70,327
Unreserved, reported in:					
Special revenue funds	22,612,800	20,792,444	16,330,267	11,922,684	8,875,321
Capital projects funds	19,277,540	15,760,432	13,372,338	15,269,539	11,122,329
Debt service fund	2,403,522	268,540	467,439	1,341,585	1,819,920
Total all other governmental funds	<u>\$ 44,357,145</u>	<u>\$ 36,890,637</u>	<u>\$ 30,226,690</u>	<u>\$ 28,600,740</u>	<u>\$ 21,887,897</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.

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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Federal sources:					
Federal grants	\$ 5,722,536	\$ 5,667,066	\$ 6,545,450	\$ 6,642,337	\$ 5,537,442
State Fiscal Stabilization (ARRA)			228,083	2,152,670	
Education Jobs		1,282,140	1,381,297		
National School Lunch Program	906,753	567,858	224,128	91,647	98,703
Total federal sources	<u>6,629,289</u>	<u>7,517,064</u>	<u>8,378,958</u>	<u>8,886,654</u>	<u>5,636,145</u>
State sources:					
State equalization assistance	11,107,219	5,074,636	12,095,873	10,770,218	15,248,245
State grants	1,241,820	1,108,694	482,680	598,746	1,038,765
Other revenues	4,803,982	5,677,137	4,225,632	4,051,298	5,369,994
Total state sources	<u>17,153,021</u>	<u>11,860,467</u>	<u>16,804,185</u>	<u>15,420,262</u>	<u>21,657,004</u>
Local sources:					
Property taxes	69,551,857	88,178,915	94,685,405	97,910,610	90,713,382
County aid	725,751	655,473		582,151	
Food service sales	2,107,033	2,542,887	2,801,851	2,838,506	3,194,465
Investment income	172,439	313,001	702,167	810,306	1,766,337
Other revenues	12,445,411	9,563,516	12,399,114	15,224,557	11,276,966
Total local sources	<u>85,002,491</u>	<u>101,253,792</u>	<u>110,588,537</u>	<u>117,366,130</u>	<u>106,951,150</u>
Total revenues	<u><u>\$ 108,784,801</u></u>	<u><u>\$ 120,631,323</u></u>	<u><u>\$ 135,771,680</u></u>	<u><u>\$ 141,673,046</u></u>	<u><u>\$ 134,244,299</u></u>

(Continued)

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Federal sources:					
Federal grants	\$ 4,286,369	\$ 5,049,856	\$ 5,548,380	\$ 5,570,762	\$ 5,017,770
National School Lunch Program	19,471	47,058			
Total federal sources	<u>4,305,840</u>	<u>5,096,914</u>	<u>5,548,380</u>	<u>5,570,762</u>	<u>5,017,770</u>
State sources:					
State equalization assistance	15,268,594	12,952,322	9,332,608	8,281,210	8,779,357
State grants	1,661,800	1,204,334	1,031,650	1,243,008	932,717
School Facilities Board	951,960	3,358,949		1,649,106	4,748
Other revenues	8,401,128	7,391,346	6,219,707	5,564,897	3,882,562
Total state sources	<u>26,283,482</u>	<u>24,906,951</u>	<u>16,583,965</u>	<u>16,738,221</u>	<u>13,599,384</u>
Local sources:					
Property taxes	93,306,744	85,003,949	83,804,269	89,755,571	90,235,774
County aid	(867)	2,896	230,894	64,119	105,754
Food service sales	3,307,040	3,386,410	3,427,469	3,150,438	2,888,737
Investment income	2,058,868	1,880,628	1,105,536	970,103	683,394
Other revenues	12,374,580	11,088,575	10,312,874	9,836,459	6,789,742
Total local sources	<u>111,046,365</u>	<u>101,362,458</u>	<u>98,881,042</u>	<u>103,776,690</u>	<u>100,703,401</u>
Total revenues	<u><u>\$ 141,635,687</u></u>	<u><u>\$ 131,366,323</u></u>	<u><u>\$ 121,013,387</u></u>	<u><u>\$ 126,085,673</u></u>	<u><u>\$ 119,320,555</u></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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenditures:					
Current -					
Instruction	\$ 54,342,987	\$ 56,990,778	\$ 53,704,911	\$ 58,499,122	\$ 53,964,171
Support services - students and staff	13,548,557	13,155,119	14,350,033	13,251,846	12,850,018
Support services - administration	11,316,962	10,079,684	9,725,142	9,463,534	9,214,128
Operation and maintenance of plant services	14,392,666	14,178,512	14,925,947	14,408,073	13,192,484
Student transportation services	3,824,477	3,318,164	3,165,396	2,813,664	2,418,493
Operation of non-instructional services	4,615,772	4,289,609	4,386,270	3,905,618	3,531,346
Capital outlay	19,358,589	20,817,147	15,419,653	16,655,588	20,284,047
Debt service -					
Claims and judgements					834,097
Interest and fiscal charges	2,070,658	2,702,272	3,560,860	4,764,515	3,909,560
Principal retirement	5,993,369	22,090,000	22,850,000	22,055,000	20,535,000
Payment to refunded bond escrow agent					
Bond issuance costs	160,000				456,615
Total expenditures	<u><u>\$ 129,624,037</u></u>	<u><u>\$ 147,621,285</u></u>	<u><u>\$ 142,088,212</u></u>	<u><u>\$ 145,816,960</u></u>	<u><u>\$ 141,189,959</u></u>
Expenditures for capitalized assets	\$ 12,465,515	\$ 14,899,697	\$ 8,833,631	\$ 14,216,407	\$ 13,745,600
Debt service as a percentage of noncapital expenditures	7%	19%	20%	20%	19%

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenditures:					
Current -					
Instruction	\$ 59,073,389	\$ 55,417,451	\$ 51,715,953	\$ 48,088,722	\$ 44,868,581
Support services - students and staff	11,550,113	11,670,701	10,702,075	10,419,002	9,758,195
Support services - administration	8,837,230	8,362,378	7,951,661	7,778,122	7,229,057
Operation and maintenance of plant services	12,742,915	12,331,782	11,860,611	11,616,498	11,732,150
Student transportation services	2,205,371	2,100,660	2,050,729	1,930,504	1,720,858
Operation of non-instructional services	3,996,118	3,799,260	6,872,955	6,200,232	5,992,179
Capital outlay	10,428,785	7,284,107	7,644,372	7,547,858	10,674,925
Debt service -					
Claims and judgements					
Interest and fiscal charges	4,899,265	6,334,159	7,183,128	8,524,442	9,522,560
Principal retirement	19,540,000	18,385,000	18,055,000	17,150,000	15,835,000
Payment to refunded bond escrow agent	698,976				600,616
Bond issuance costs	194,190				261,653
Total expenditures	<u><u>\$ 134,166,352</u></u>	<u><u>\$ 125,685,498</u></u>	<u><u>\$ 124,036,484</u></u>	<u><u>\$ 119,255,380</u></u>	<u><u>\$ 118,195,774</u></u>
Expenditures for capitalized assets	\$ 1,408,101	\$ 1,008,000	\$ 978,193	\$ 1,575,056	\$ 4,155,422
Debt service as a percentage of noncapital expenditures	19%	20%	21%	22%	22%

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

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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Excess (deficiency) of revenues over expenditures	\$ (20,839,236)	\$ (26,989,962)	\$ (6,316,532)	\$ (4,143,914)	\$ (6,945,660)
Other financing sources (uses):					
School improvement bond issued	45,475,000				30,000,000
Premium on sale of bonds	1,280,497				396,615
Capital lease agreements		12,515,731			
Transfers in	9,548,736	150,911	318,294	219,532	265,328
Transfers out	(9,548,736)	(150,911)	(318,294)	(219,532)	(265,328)
Payment to refunded bond escrow agent	(12,475,270)				
Total other financing sources (uses)	<u>34,280,227</u>	<u>12,515,731</u>			<u>30,396,615</u>
Changes in fund balances	<u>\$ 13,440,991</u>	<u>\$ (14,474,231)</u>	<u>\$ (6,316,532)</u>	<u>\$ (4,143,914)</u>	<u>\$ 23,450,955</u>
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Excess (deficiency) of revenues over expenditures	\$ 7,469,335	\$ 5,680,825	\$ (3,023,097)	\$ 6,830,293	\$ 1,124,781
Other financing sources (uses):					
Refunding bonds issued	35,765,000				33,605,000
Premium on sale of bonds	576,234				1,933,787
Capital lease agreements					70,802
Transfers in	29,950	185,112	27,612	221,239	(70,802)
Transfers out	(29,950)	(185,112)	(27,612)	(221,239)	(35,277,134)
Payment to refunded bond escrow agent	(36,147,044)				
Total other financing sources (uses)	<u>194,190</u>				<u>261,653</u>
Changes in fund balances	<u>\$ 7,663,525</u>	<u>\$ 5,680,825</u>	<u>\$ (3,023,097)</u>	<u>\$ 6,830,293</u>	<u>\$ 1,386,434</u>

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Real Property		Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Valuation	Total Direct Rate	Estimated Actual Value	Ratio of Net Assessed to Estimated Actual Value	
	Residential Property	Commercial Property							
2013	\$ 1,502,591,764	\$ 2,131,839,784	\$ 422,109,259	\$ 908,198,173	\$3,148,342,634	2.42	\$ 28,760,346,473	10.95	%
2012	1,779,790,026	2,456,830,230	418,268,434	1,020,029,687	3,634,859,003	2.57	33,325,539,824	10.91	
2011	2,105,678,952	3,162,845,496	454,152,631	1,101,308,878	4,621,368,201	2.29	39,732,436,063	11.63	
2010	2,421,351,390	3,339,973,145	488,899,493	1,115,076,719	5,135,147,309	2.22	43,380,165,352	11.84	
2009					5,045,956,892	2.28	41,713,648,470	12.10	
2008					4,543,976,781	2.50	37,092,511,154	12.25	
2007					3,612,607,283	2.63	27,879,895,164	12.96	
2006					3,457,971,129	2.65	26,496,844,679	13.05	
2005					3,230,177,765	3.04	24,884,062,077	12.98	
2004					3,064,882,568	3.29	23,711,479,368	12.93	

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	\$ 1,582,649,621	\$ 1,760,757,460	\$ 2,415,393,187	\$ 2,582,124,689	\$ 2,376,170,362
Agricultural and Vacant	69,316,147	100,091,144	111,187,280	129,249,765	117,059,927
Residential (Owner Occupied)	1,157,123,514	1,371,708,377	1,611,953,345	1,910,957,731	2,088,749,232
Residential (Rental)	328,114,802	390,480,501	469,469,813	501,011,137	451,071,909
Railroad, Private Cars and Airlines	3,900,144	3,771,696	4,133,715	4,297,367	4,750,356
Historical Property	7,158,425	8,013,466	9,230,861	7,489,991	8,140,496
Certain Government Property Improvements	79,981	36,359	13,320	16,635	14,610
Total	<u>\$ 3,148,342,634</u>	<u>\$ 3,634,859,003</u>	<u>\$ 4,621,381,521</u>	<u>\$ 5,135,147,315</u>	<u>\$ 5,045,956,892</u>

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Commercial, Industrial, Utilities and Mining	\$ 2,161,316,073	\$ 2,024,212,165	\$ 1,888,743,552	\$ 1,781,336,188	\$ 1,635,317,167
Agricultural and Vacant	110,727,243	95,218,957	80,740,633	85,446,145	78,298,447
Residential (Owner Occupied)	1,889,743,413	1,201,822,047	1,208,446,585	1,100,697,514	1,086,966,682
Residential (Rental)	370,195,119	285,437,311	274,320,324	250,125,920	252,671,431
Railroad, Private Cars and Airlines	4,980,766	4,467,867	4,293,181	4,550,222	2,217,535
Historical Property	7,001,422	1,448,936	1,426,854	8,021,776	9,411,306
Certain Government Property Improvements	12,745				
Total	<u>\$ 4,543,976,781</u>	<u>\$ 3,612,607,283</u>	<u>\$ 3,457,971,129</u>	<u>\$ 3,230,177,765</u>	<u>\$ 3,064,882,568</u>

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

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

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

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

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

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

**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			
2013	0.47	1.24	0.05	0.18	1.37	0.01	0.10	2.14	1.82	N/A	0.05	3.18	0.05	1.81	0.61	2.42
2012	0.43	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	0.36	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	0.33	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
2006	N/A	1.20	0.05	0.21	1.03	0.01	0.12	1.40	1.82	1.28	3.98	3.73	0.06	1.73	0.92	2.65
2005	N/A	1.21	0.05	0.21	1.04	0.01	0.12	1.35	1.82	1.28	3.98	3.91	0.10	2.05	0.99	3.04
2004	N/A	1.28	0.05	0.21	1.08	0.01	0.12	1.35	1.82	1.28	4.19	4.09	0.10	2.24	1.05	3.29

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	2013			2004	
	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation		Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation
TWC-Chandler LLC	\$ 26,360,230	0.84 %		\$ 28,570,491	0.93 %
Qwest Corporation	26,187,093	0.83		56,459,360	1.84
Intel Corporation	25,467,691	0.81		45,088,324	1.47
Arizona Mills LLC	25,412,035	0.81		25,796,278	0.84
Arizona Public Service Company	23,702,642	0.75		21,109,214	0.69
Verizon Wireless	21,842,140	0.69			
Point South Mountain Resort LLC	16,467,064	0.52			
DDDRA Awhwatukee Foothills LLC	14,954,111	0.47		13,585,400	0.44
Honeywell International Inc.	12,317,942	0.39			
State Farm Mutual Automobile	7,285,008	0.23		9,930,605	0.32
Target Corporation	6,529,883	0.21		11,425,893	0.37
Motorola				26,389,648	0.86
AT&T				17,744,149	0.58
Total	<u>\$ 206,525,839</u>	<u>6.55 %</u>		<u>\$ 256,099,362</u>	<u>8.34 %</u>

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

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
2013	\$ 76,086,260	\$ 72,583,597	95.40 %	\$	\$ 72,583,597	95.40 %
2012	93,031,771	88,830,837	95.48	3,402,381	92,233,218	99.14
2011	103,111,472	99,326,741	96.33	3,759,089	103,085,830	99.98
2010	104,461,819	96,677,562	92.55	4,521,642	101,199,204	96.88
2009	89,460,685	83,924,411	93.81	4,483,074	88,407,485	98.82
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	1,921,443	83,332,777	99.98
2006	82,297,886	78,700,588	95.63	3,597,298	82,297,886	100.00
2005	80,225,641	79,720,529	99.37	505,112	80,225,641	100.00
2004	96,213,061	92,268,738	95.90	3,944,323	96,213,061	100.00

Source: The source of this information is the 2013 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:	Total	Percentage of Estimated Actual Value	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value	Per Capita	Percentage of Personal Income	
		Amounts Restricted for Principal									
2013	\$ 85,945,000	\$ 2,338,601	\$ 83,606,399	0.29 %	\$ 284	\$	\$ 85,945,000	0.30 %	\$ 292	N/A %	
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	
2006	153,980,000	1,167,778	152,812,222	0.58	508		153,980,000	0.58	512	0.13	
2005	171,130,000	N/A	171,130,000	0.69	569		171,130,000	0.69	569	0.15	
2004	186,965,000	N/A	186,965,000	0.79	621		186,965,000	0.79	621	0.18	

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, 2013

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa County Community College District	\$ 614,995,000	9.15 %	\$ 56,272,043
City of Chandler	417,822,000	23.29	97,310,744
City of Phoenix	1,588,275,000	8.43	133,891,583
City of Tempe	432,915,646	98.22	425,209,748
City of Mesa	290,270,000	0.22	638,594
Tempe Elementary School District No. 3	114,010,000	100.00	114,010,000
Kyrene Elementary School District No. 28	123,885,000	100.00	123,885,000
Subtotal, Overlapping Debt			<u>951,217,712</u>
Direct:			
Tempe Union High School District No. 213			<u>85,945,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 1,037,162,712</u></u>

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

Notes: 1) Estimated percentage of debt outstanding applicable to the District is calculated based on the District's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.

2) Outstanding debt as of June 30, 2012 is presented for the overlapping governments as this is the most recent available information.

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 2013:

Secondary assessed valuation	\$ 3,148,342,634
Debt limit (5% of assessed value)	157,417,132
Debt applicable to limit	<u>75,475,000</u>
Legal debt margin	<u><u>\$ 81,942,132</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2013:

Secondary assessed valuation	\$ 3,148,342,634
Debt limit (15% of assessed value)	472,251,395
Debt applicable to limit	<u>85,945,000</u>
Legal debt margin	<u><u>\$ 386,306,395</u></u>

Fiscal Year Ended June 30

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Debt Limit	\$ 472,251,395	\$ 545,228,850	\$ 693,205,230	\$ 770,272,096	\$ 756,893,534
Total net debt applicable to limit	<u>85,945,000</u>	<u>62,560,000</u>	<u>82,046,018</u>	<u>104,999,714</u>	<u>126,030,095</u>
Legal debt margin	<u><u>\$ 386,306,395</u></u>	<u><u>\$ 482,668,850</u></u>	<u><u>\$ 611,159,212</u></u>	<u><u>\$ 665,272,382</u></u>	<u><u>\$ 630,863,439</u></u>
Total net debt applicable to the limit as a percentage of debt limit	18%	11%	12%	14%	17%

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Debt Limit	\$ 681,596,517	\$ 541,891,092	\$ 518,695,669	\$ 484,526,665	\$ 459,732,385
Total net debt applicable to limit	<u>114,713,762</u>	<u>135,238,054</u>	<u>152,812,222</u>	<u>171,130,000</u>	<u>186,965,000</u>
Legal debt margin	<u><u>\$ 566,882,755</u></u>	<u><u>\$ 406,653,038</u></u>	<u><u>\$ 365,883,447</u></u>	<u><u>\$ 313,396,665</u></u>	<u><u>\$ 272,767,385</u></u>
Total net debt applicable to the limit as a percentage of debt limit	17%	25%	29%	35%	41%

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
2012	3,884,705	\$ N/A	\$ N/A	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
2005	3,648,545	120,716,738	33,178	4.1	301,000
2004	3,537,630	111,103,576	31,757	4.1	301,000
2003	3,406,170	102,277,852	30,182	5.3	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 2003 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 and 2012, the source of the information is the Arizona Office of Employment and Population Statistics.

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	2013			2004		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
Arizona State University	11,185	7.46	%	12,569	10.39	%
Maricopa Community Colleges	4,611	3.07				
Salt River Project	4,374	2.92		3,331	2.75	
Safeway	3,996	2.66				
Wells Fargo	3,576	2.38		6,601	5.46	
Freescale	3,000	2.00		4,779	3.95	
Honeywell	3,000	2.00		3,000	2.48	
JP Morgan Chase	2,377	1.58		2,377	1.96	
Kyrene School District	2,183	1.46		2,004	1.66	
US Airways	1,898	1.27				
Tempe Elementary District	1,665	1.11		1,772	1.46	
City of Tempe	1,519	1.01		1,679	1.39	
Tempe Union High School District	1,448	0.97		1,420	1.17	
Total	44,832	29.89	%	39,532	32.67	%
Total employment	150,000			121,000		

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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents	2	2			
Principals	7	7	7	7	7
Assistant principals	19	19	19	19	18
Total supervisory	<u>29</u>	<u>29</u>	<u>27</u>	<u>27</u>	<u>26</u>
Instruction					
Teachers	648	639	640	635	637
Other professionals (instructional)	21	19			
Aides	97	100	121	117	122
Total instruction	<u>766</u>	<u>758</u>	<u>761</u>	<u>752</u>	<u>759</u>
Student Services					
Nurses	9	9			
Counselors/Advisors	33	33			
Librarians	6	6	6	6	9
Technicians		18			
Other instructional support	39	58	107	101	98
Total student services	<u>87</u>	<u>124</u>	<u>113</u>	<u>107</u>	<u>107</u>
Support and Administration					
Clerical workers	115	124			
Maintenance workers	133	131			
Bus Drivers	46	53			
Food Service workers	67	51			
Other classified	34	23	282	244	243
Service Workers	122	71	170	186	180
Total support and administration	<u>517</u>	<u>453</u>	<u>452</u>	<u>430</u>	<u>423</u>
Total	<u><u>1,399</u></u>	<u><u>1,364</u></u>	<u><u>1,353</u></u>	<u><u>1,316</u></u>	<u><u>1,315</u></u>

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents					
Principals	7	7	7	7	7
Assistant principals	18	18	18	18	18
Total supervisory	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>
Instruction					
Teachers	669	697	695	659	663
Other professionals (instructional)					
Aides	110	109	113	112	102
Total instruction	<u>779</u>	<u>806</u>	<u>808</u>	<u>771</u>	<u>765</u>
Student Services					
Nurses					
Counselors/Advisors					
Librarians	12	12	13	12	13
Technicians					
Other instructional support	100	72	85	87	78
Total student services	<u>112</u>	<u>84</u>	<u>98</u>	<u>99</u>	<u>91</u>
Support and Administration					
Clerical workers					
Maintenance workers					
Bus Drivers					
Food Service workers					
Other classified	251	267	247	245	248
Service Workers	177	186	182	182	176
Total support and administration	<u>428</u>	<u>453</u>	<u>429</u>	<u>427</u>	<u>424</u>
Total	<u>1,345</u>	<u>1,369</u>	<u>1,361</u>	<u>1,323</u>	<u>1,306</u>

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

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
2013	13,544	\$ 102,041,421	\$ 7,534	0.29 %	\$ 117,669,038	\$ 8,688	4.85 %	766	17.7	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
2006	13,156	91,153,984	6,929	4.89	108,907,396	8,278	3.44	808	16.3	N/A
2005	13,024	86,033,080	6,606	4.04	104,225,692	8,003	2.71	771	16.9	N/A
2004	12,805	81,301,020	6,349	3.66	99,772,977	7,792	(2.07)	765	16.7	N/A

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

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

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

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

	Fiscal Year Ended June 30									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>Schools</u>										
<u>High</u>										
Buildings	75	75	75	75	75	75	75	75	75	75
Square feet	2,051,028	2,051,028	2,051,028	2,051,028	2,051,028	2,131,028	2,131,028	2,131,028	2,131,028	2,131,028
Capacity	18,511	18,511	18,511	18,511	18,511	25,675	25,675	25,675	25,675	25,675
Enrollment	13,643	13,545	13,636	13,242	12,701	13,116	13,430	13,344	12,968	13,004
<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	195,000	195,000	195,000	195,000	195,000
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	99	103	111	107	107	108	98	89	84	82
<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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