

**TEMPE UNION HIGH SCHOOL
DISTRICT NO. 213**

Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2012

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

TEMPE, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Issued by:
Finance Department

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

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INTRODUCTORY SECTION

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Tempe★Union

HIGH SCHOOL DISTRICT

500 WEST GUADALUPE ROAD • TEMPE, ARIZONA 85283-3599 • PHONE: (480) 839-0292 • www.tuhsd.k12.az.us

Dr. Kenneth R. Baca
Superintendent

Dr. Gregory A. Wyman
Associate Superintendent

January 29, 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, 2012.

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, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

Governing Board

Michelle I. Helm

Zita M. Johnson

D. DeeAnne McClenahan

David Schapira

Mary Lou Taylor

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 13,736 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 164 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 (“Tempe”), which represents approximately 53% of the District’s population. The cities of Chandler, Guadalupe, Mesa, Scottsdale and Phoenix, Arizona (“Chandler”, “Guadalupe”, “Mesa”, “Scottsdale” and “Phoenix,” respectively), 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 45 separate elementary facilities. The District’s 2011-12 average daily membership was 13,580. The District employs 46 principals and administrators, 697 certified personnel and 638 classified personnel. This creates a student teacher ratio of approximately 20.6:1. The District currently has one alternative high school and six comprehensive high schools, one of which includes a program for gifted students. The District has no plans to build additional schools in the foreseeable future.

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, and recruit and retain highly qualified, diverse staff. 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. For several years, the District has boasted an average of over 20 National Merit Scholars each year. In fall 2012, the District had 49 National Merit Scholarship semi-finalists. 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 3 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. The Phoenix metropolitan area and the rest of Maricopa County continued its gradual recovery from the economic recession during the fiscal year. Maricopa County's unemployment rate was 7.4 percent as of June 2012, which remains below both the State of Arizona and the United States unemployment rates of 8.5 percent, and 8.2 percent, respectively (Bureau of Labor Statistics). Slight employment growth is expected by the end of 2012.

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 3,880,244 and expected to reach 6.2 million by 2030.

Service is the largest employment sector in the County, partly fueled by the \$2+ billion per year 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. Debt is moderate at about \$249 per capita.

Long-term Financial Planning. The District student population continued to grow in 2011-12. 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 2012 election initiative for a \$75 million bond for building improvements was passed. However, the November 2012 election initiative to increase the maintenance and operation override from 10% to 15% was narrowly defeated. As a result, the District's 2012-13 maintenance and operation override will remain at 10%.

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.
- 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, 2011. 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, 2011. 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 2011-12 certificates.

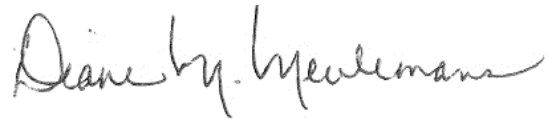
Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kenneth R. Baca", with a long horizontal flourish extending to the right.

Dr. Kenneth R. Baca
Superintendent

A handwritten signature in black ink, appearing to read "Diane M. Meulemans", with a long horizontal flourish extending to the right.

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, 2011*

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



Brian L. Mee, SFO, RSBA
President

John D. Musso, CAE, RSBA
Executive Director

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, 2011

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



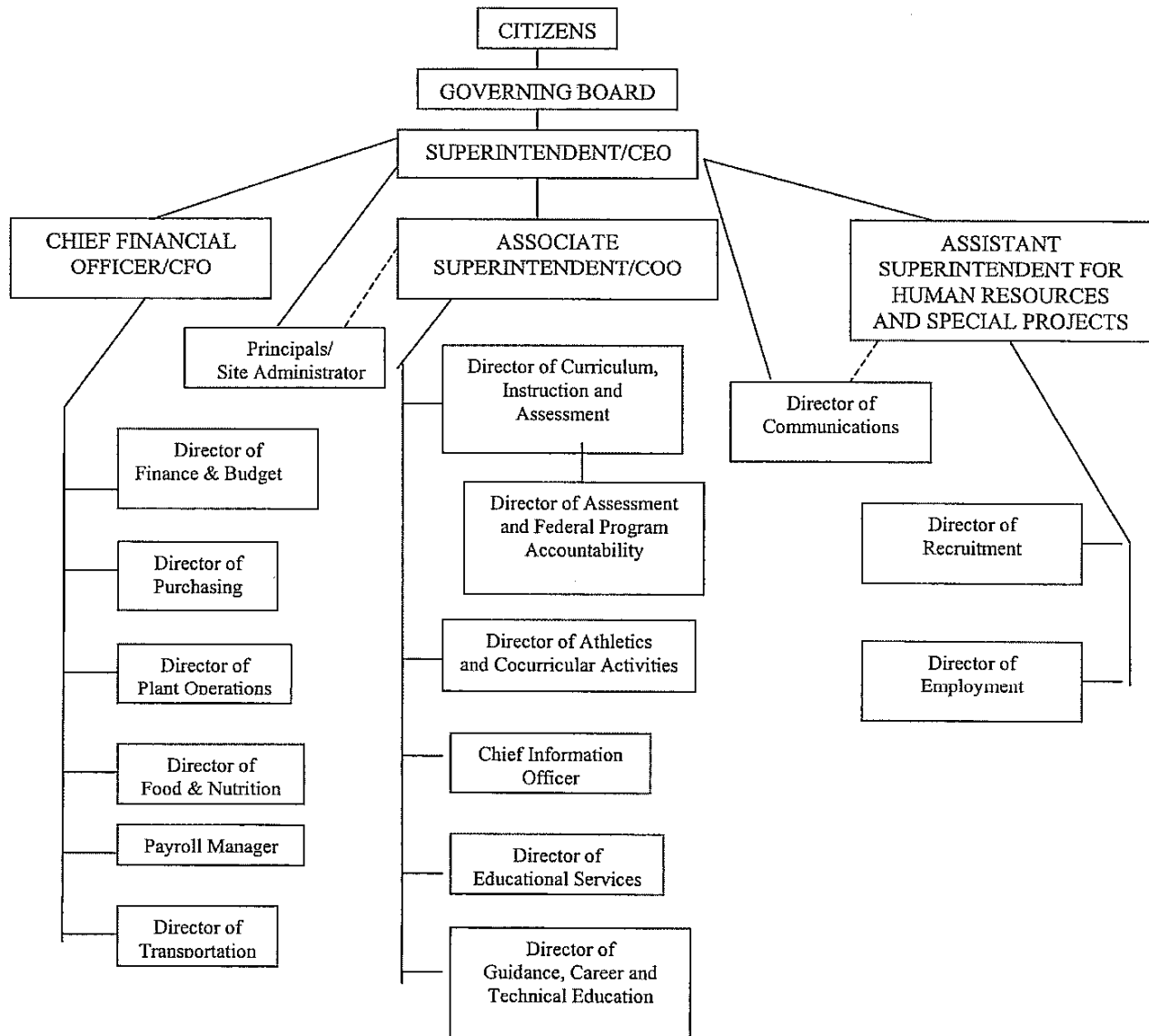
Christopher P. Moirrell

President

Jeffrey R. Enen

Executive Director

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
DISTRICT ORGANIZATIONAL CHART



TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Michelle I. Helm
President

DeeAnne McClenahan
Vice President

Mary Lou Taylor
Member

David Schapira
Member

Zita M. Johnson
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

Dr. Linda Littell, Director of Communications

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Governing Board
Tempe Union High School District No. 213

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tempe Union High School District No. 213 (District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Tempe Union High School District No. 213 as of June 30, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2013, on our consideration of the 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* and should be considered in assessing the results of our audit.

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

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

Heinfeld, Meech & Co., P.C.

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

January 29, 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, 2012**

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, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net assets of governmental activities increased \$8.0 million which represents a 4 percent increase from the prior fiscal year.
- General revenues accounted for \$100.0 million in revenue, or 83 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$20.5 million or 17 percent of total current fiscal year revenues.
- The District had approximately \$112.5 million in expenses related to governmental activities, an increase of less than one percent from the prior fiscal year.
- Among major funds, the General Fund had \$65.7 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$80.1 million in expenditures. The General Fund's fund balance decrease from \$26.0 million at the prior fiscal year end to \$14.2 million at the end of the current fiscal year was primarily due to a decrease in state equalization funding due to a decrease in the funding formula.
- The Debt Service Fund had \$23.3 million in current fiscal year revenues, which primarily consisted of property taxes, and \$24.8 million in expenditures. The Debt Service Fund's fund balance decreased from \$2.1 million at the prior fiscal year end to \$523,086 at the end of the current fiscal year due to utilization of prior year fund balance.
- The Unrestricted Capital Outlay Fund had \$6.0 million in current fiscal year revenues and \$6.9 million of expenditures. The Unrestricted Capital Outlay Fund's fund balance decreased from \$14.1 million to \$13.2 million at the end of the current fiscal year.
- The Energy and Water Savings Fund had \$6.5 million in current fiscal year expenditures. The Energy and Water Savings Fund's fund balance increased \$6.1 million as a result of the District entering into a capital lease agreement for \$12.5 million during the fiscal year.
- Net assets for the Internal Service Funds increased \$720,691 from the prior fiscal year. Operating revenues of \$11.0 million exceeded operating expenses of \$10.3 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, 2012**

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

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

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

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting and focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

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, Unrestricted Capital Outlay, and Energy and Water Savings Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

Proprietary funds. The District maintains one type of proprietary fund. The internal service 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 its Employee Benefit Trust to finance self-insurance for the financing of the District's self-insurance for employee benefits. However, as of May 1, 1996, the District was no longer self-insured for employee health and accident claims. The Employee Benefit Trust Fund is currently used for payment of commercial insurance premiums and to make payment on remaining claims applicable to prior years. 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, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$193.6 million at the current fiscal year end.

The largest portion of the District's net assets 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 debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net assets are restricted for federal and state projects, food service, other local initiatives, debt service repayment, and capital outlay investment.

The following table presents a summary of the District's net assets for the fiscal years ended June 30, 2012 and June 30, 2011.

	As of June 30, 2012	As of June 30, 2011
Current and other assets	\$ 100,032,904	\$ 110,568,501
Capital assets	180,772,768	171,224,345
Total assets, net	<u>280,805,672</u>	<u>281,792,846</u>
Current and other liabilities	7,995,682	6,310,487
Long-term liabilities	79,237,559	89,884,768
Total liabilities	<u>87,233,241</u>	<u>96,195,255</u>
Net assets:		
Invested in capital assets, net of related debt	105,875,208	89,384,724
Restricted	37,727,315	34,830,933
Unrestricted	49,969,908	61,381,934
Total net assets	<u>\$ 193,572,431</u>	<u>\$ 185,597,591</u>

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

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

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 Assets.

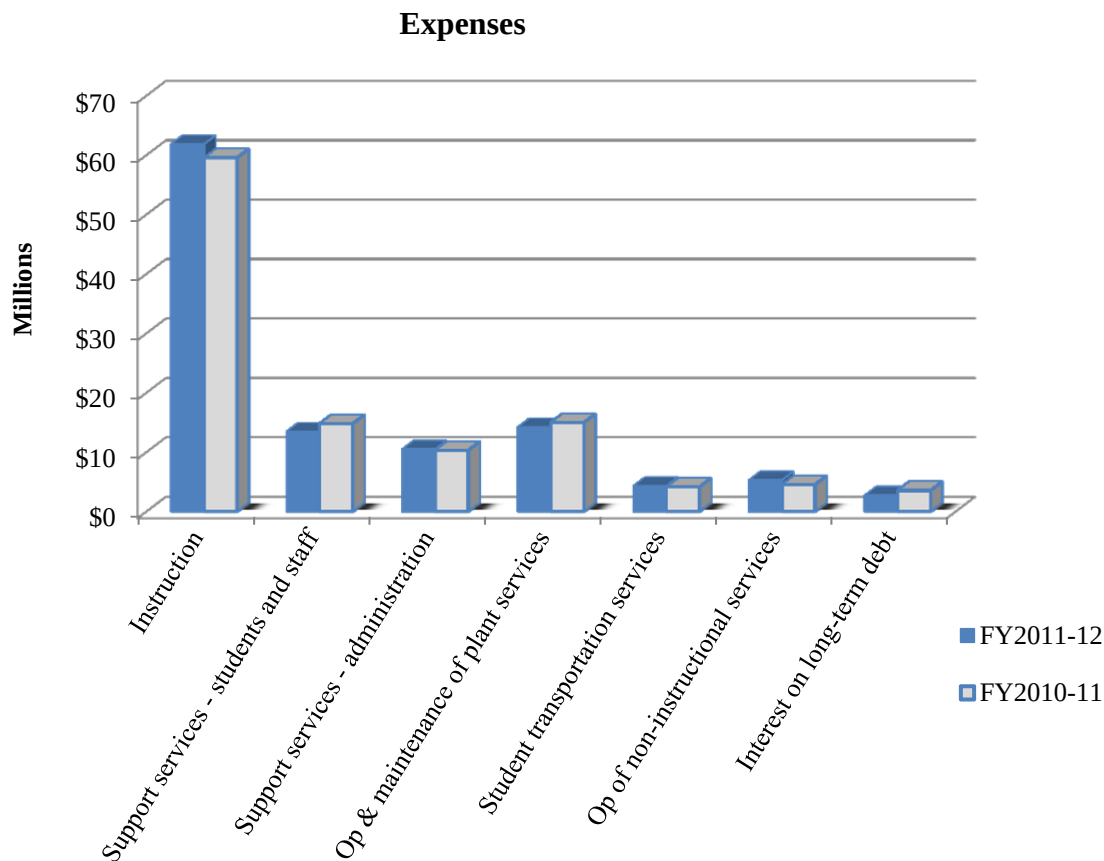
- The principal retirement of \$22.9 million of bonds.
- The addition of \$14.9 million in capital assets primarily through purchases of vehicles, furniture, and equipment, land and building improvements, and the addition of \$5.0 million in accumulated depreciation through current year depreciation expense.
- The issuance of \$12.5 million in capital lease obligations.

Changes in net assets. The District's total revenues for the current fiscal year were \$120.5 million. The total cost of all programs and services was \$112.5 million. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2012 and June 30, 2011.

	Fiscal Year Ended <u>June 30, 2012</u>	Fiscal Year Ended <u>June 30, 2011</u>
Revenues:		
Program revenues:		
Charges for services	\$ 10,681,549	\$ 13,597,022
Operating grants and contributions	9,419,083	9,790,006
Capital grants and contributions	368,306	443,387
General revenues:		
Property taxes	88,038,402	96,254,289
Investment income	317,483	711,455
Unrestricted county aid	655,473	
Unrestricted state aid	10,752,661	16,016,749
Unrestricted federal aid	262,335	228,083
Total revenues	<u>120,495,292</u>	<u>137,040,991</u>
Expenses:		
Instruction	61,887,082	59,591,785
Support services – students and staff	13,508,070	14,822,289
Support services – administration	10,516,696	10,339,089
Operation and maintenance of plant services	14,232,487	14,993,585
Student transportation services	4,333,504	4,165,060
Operation of non-instructional services	5,315,715	4,570,286
Interest on long-term debt	2,726,898	3,585,486
Total expenses	<u>112,520,452</u>	<u>112,067,580</u>
Change in net assets	<u>\$ 7,974,840</u>	<u>\$ 24,973,411</u>
Net assets, beginning	<u>185,597,591</u>	<u>160,624,180</u>
Net assets, ending	<u>\$ 193,572,431</u>	<u>\$ 185,597,591</u>

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)



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

- The decrease of \$2.9 million in charges for services was primarily due to a decrease in joint technical education funding as a result of legislature changes.
- The decrease in property taxes of \$8.2 million was due to a decrease in the net secondary assessed valuation.
- The decrease in unrestricted state aid of \$5.3 million was due to a decrease in state equalization funding due to a decrease in the funding formula.
- The increase of \$2.3 million in instruction expenditures was primarily due to an increase in instructional salaries and classroom expenses.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

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, 2012		Year Ended June 30, 2011	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 61,887,082	\$ (50,581,120)	\$ 59,591,785	\$ (43,169,052)
Support services – students and staff	13,508,070	(10,674,202)	14,822,289	(13,836,074)
Support services – administration	10,516,696	(10,413,648)	10,339,089	(8,758,911)
Operation and maintenance of plant services	14,232,487	(13,021,816)	14,993,585	(14,539,880)
Student transportation services	4,333,504	(4,330,186)	4,165,060	(4,134,549)
Operation of non-instructional services	5,315,715	(303,644)	4,570,286	(213,213)
Interest on long-term debt	2,726,898	(2,726,898)	3,585,486	(3,585,486)
Total	\$112,520,452	\$ (92,051,514)	\$ 112,067,580	\$ (88,237,165)

- The cost of all governmental activities this year was \$112.5 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$20.5 million.
- Net cost of governmental activities of \$92.1 million was financed by general revenues, which are made up of primarily property taxes of \$88.0 million and state aid of \$10.8 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, 2012**

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 \$50.5 million, a decrease of \$12.0 million due primarily to the utilization of bond proceeds received in a prior year for construction projects and the utilization of prior year fund balance to supplement the decrease in state aid funding.

The General Fund comprises 28 percent of the total fund balance. Approximately \$10.8 million, or 76 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 \$11.8 million to \$14.2 million as of fiscal year end was a result of utilization of prior year fund balance to supplement the loss of property tax and state aid revenues. General Fund revenues decreased \$9.9 million as a result of decreased property tax revenue and a reduction in state equalization funding. General Fund expenditures increased \$8.0 million as a result of increased instructional expenses.

The Debt Service Fund had \$23.3 million in fiscal year revenues, which consisted primarily of property taxes and \$24.8 million in expenditures. The Debt Service Fund's fund balance decreased \$1.5 million to \$523,086 at current fiscal year end due to the utilization of fund balance.

The Unrestricted Capital Outlay Fund had \$6.0 million in revenue, which primarily consisted of property taxes and \$6.9 million in expenditures.

The Energy and Water Savings Fund had \$6.5 million in current fiscal year expenditures. The Energy and Water Savings Fund's fund balance increased \$6.1 million as a result of the District entering into a capital lease agreement during the year.

Proprietary funds. Unrestricted net assets of the Internal Service Fund at the end of the fiscal year amounted to \$10.5 million. Net assets increased \$720,691 from the prior year.

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 \$2.0 million decrease, or 3 percent.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

BUDGETARY HIGHLIGHTS (Concl'd)

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

- The favorable variance of \$823,983 in instruction was a result of budgeting for additional growth capacity.
- The favorable variance of \$825,993 in support services – students and staff was a result of open positions at the District that were originally budgeted for.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$262.3 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 \$12.8 million from the prior fiscal year primarily due to bond funded building improvements. Total depreciation expense for the current fiscal year was \$5.0 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2012 and June 30, 2011.

	As of June 30, 2012	As of June 30, 2011
Capital assets – non-depreciable	\$ 20,358,062	\$ 17,243,521
Capital assets – depreciable, net	160,414,706	153,980,824
Total	<u>\$ 180,772,768</u>	<u>\$ 171,224,345</u>

The estimated cost to complete current construction projects is \$7.1 million.

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

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

CAPITAL ASSETS AND DEBT ADMINISTRATION (Concl'd)

Debt Administration. At year end, the District had \$75.1 million in long-term debt outstanding, \$22.4 million due within one year. This represents a net decrease of \$22.9 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 \$545.2 million and the Class B debt limit is \$181.7 million, which is more than the respective outstanding debt.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2012-13 budget. Among them:

- Fiscal year 2011-12 budget balance carry forward.
- District student population.
- Increase in employer retirement contribution.
- Various other budget reductions.

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 3 percent to \$77.6 million in fiscal year 2012-13. No new programs were added to the 2012-13 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 ASSETS
JUNE 30, 2012

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 71,413,753
Cash and investments - restricted	9,163,002
Property taxes receivable	8,908,761
Accounts receivable	2,044,899
Due from governmental entities	4,316,724
Prepaid items	3,235,400
Inventory	211,347
Total current assets	<u>99,293,886</u>
Noncurrent assets:	
Deferred charges	739,018
Land	14,067,323
Land improvements	19,933,747
Buildings and improvements	197,095,946
Vehicles, furniture and equipment	24,944,910
Construction in progress	6,290,739
Accumulated depreciation	<u>(81,559,897)</u>
Total noncurrent assets	<u>181,511,786</u>
Total assets	<u>280,805,672</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	2,357,093
Construction contracts payable	3,242,113
Compensated absences payable	856,573
Accrued interest payable	1,349,137
Unearned revenues	908,696
Obligations under capital leases	273,369
Bonds payable	22,090,000
Total current liabilities	<u>31,076,981</u>
Noncurrent liabilities:	
Deferred bond items	138,643
Non-current portion of long-term obligations	56,017,617
Total noncurrent liabilities	<u>56,156,260</u>
Total liabilities	<u>87,233,241</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	105,875,208
Restricted for:	
Federal and state projects	4,123,670
Food service	239,080
Other local initiatives	11,444,508
Debt service	1,359,299
Capital outlay	20,560,758
Unrestricted	49,969,908
Total net assets	<u>\$ 193,572,431</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, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 61,887,082	\$ 5,596,416	\$ 5,341,240	\$ 368,306	\$ (50,581,120)
Support services - students and staff	13,508,070		2,833,868		(10,674,202)
Support services - administration	10,516,696	41,519	61,529		(10,413,648)
Operation and maintenance of plant services	14,232,487	599,401	611,270		(13,021,816)
Student transportation services	4,333,504		3,318		(4,330,186)
Operation of non-instructional services	5,315,715	4,444,213	567,858		(303,644)
Interest on long-term debt	2,726,898				(2,726,898)
Total governmental activities	<u>\$ 112,520,452</u>	<u>\$ 10,681,549</u>	<u>\$ 9,419,083</u>	<u>\$ 368,306</u>	<u>(92,051,514)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					59,277,439
Property taxes, levied for debt service					23,486,448
Property taxes, levied for capital outlay					5,274,515
Investment income					317,483
Unrestricted county aid					655,473
Unrestricted state aid					10,752,661
Unrestricted federal aid					262,335
Total general revenues					<u>100,026,354</u>
Changes in net assets					7,974,840
Net assets, beginning of year					<u>185,597,591</u>
Net assets, end of year					<u>\$ 193,572,431</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, 2012

	<u>General</u>	<u>Debt Service</u>	<u>Unrestricted Capital Outlay</u>
<u>ASSETS</u>			
Cash and investments	\$ 8,950,851	\$ 23,849,633	\$ 13,548,799
Cash and investments - restricted			
Property taxes receivable	7,305,923	948,803	654,035
Accounts receivable			
Due from governmental entities	2,498,277		
Due from other funds	757,830		
Prepaid items	3,235,400		
Inventory	125,275		
Total assets	<u><u>\$ 22,873,556</u></u>	<u><u>\$ 24,798,436</u></u>	<u><u>\$ 14,202,834</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 1,776,915	\$	\$ 357,266
Construction contracts payable			
Due to other funds			
Deferred revenues	6,940,734	836,213	622,244
Bonds payable		22,090,000	
Bond interest payable		1,349,137	
Total liabilities	<u><u>8,717,649</u></u>	<u><u>24,275,350</u></u>	<u><u>979,510</u></u>
Fund balances (deficits):			
Nonspendable	3,360,675		
Restricted		523,086	13,223,324
Unassigned	10,795,232		
Total fund balances	<u><u>14,155,907</u></u>	<u><u>523,086</u></u>	<u><u>13,223,324</u></u>
Total liabilities and fund balances	<u><u>\$ 22,873,556</u></u>	<u><u>\$ 24,798,436</u></u>	<u><u>\$ 14,202,834</u></u>

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

<u>Energy and Water Savings</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 9,163,002	\$ 16,618,948	\$ 62,968,231
		9,163,002
		8,908,761
	10,909	10,909
	1,818,447	4,316,724
		757,830
		3,235,400
	86,072	211,347
<u>\$ 9,163,002</u>	<u>\$ 18,534,376</u>	<u>\$ 89,572,204</u>

\$ 3,106,069	\$ 196,235	\$ 2,330,416
	136,044	3,242,113
	757,830	757,830
	908,696	9,307,887
		22,090,000
		1,349,137
<u>3,106,069</u>	<u>1,998,805</u>	<u>39,077,383</u>

6,056,933	86,072	3,446,747
	16,557,614	36,360,957
	(108,115)	10,687,117
<u>6,056,933</u>	<u>16,535,571</u>	<u>50,494,821</u>
<u>\$ 9,163,002</u>	<u>\$ 18,534,376</u>	<u>\$ 89,572,204</u>

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TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

Total governmental fund balances	\$	50,494,821
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Amounts reported for *governmental activities* in the Statement of Net Assets are different because:

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

Governmental capital assets	\$ 262,332,665	
Less accumulated depreciation	<u>(81,559,897)</u>	180,772,768

Property tax revenues will not be available to pay for current period expenditures and, therefore, are deferred in the funds.	8,399,191
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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	739,018	
Deferred bond items	<u>(138,643)</u>	600,375

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 Assets.	10,452,835
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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	(1,317,118)	
Compensated absences payable	(2,844,710)	
Capital leases	(12,515,731)	
Bonds payable	<u>(40,470,000)</u>	<u>(57,147,559)</u>

Net assets of governmental activities	\$	<u>193,572,431</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, 2012

	<u>General</u>	<u>Debt Service</u>	<u>Unrestricted Capital Outlay</u>
Revenues:			
Other local	\$ 1,359,528	\$ 71,918	\$ 83,340
Property taxes	59,029,156	23,185,610	5,964,149
State aid and grants	5,074,636		
Federal aid, grants and reimbursements	262,335		
Total revenues	<u>65,725,655</u>	<u>23,257,528</u>	<u>6,047,489</u>
Expenditures:			
Current -			
Instruction	46,608,927		
Support services - students and staff	7,777,558		
Support services - administration	9,025,854		
Operation and maintenance of plant services	12,267,023		
Student transportation services	2,977,955		
Operation of non-instructional services	492,595		
Capital outlay	972,447		6,906,312
Debt service -			
Principal retirement		22,090,000	
Interest and fiscal charges		2,702,272	
Total expenditures	<u>80,122,359</u>	<u>24,792,272</u>	<u>6,906,312</u>
Excess (deficiency) of revenues over expenditures	<u>(14,396,704)</u>	<u>(1,534,744)</u>	<u>(858,823)</u>
Other financing sources (uses):			
Transfer in	145,185	5,726	
Transfer out			
Capital lease agreements			
Total other financing sources (uses):	<u>145,185</u>	<u>5,726</u>	
Changes in fund balances	<u>(14,251,519)</u>	<u>(1,529,018)</u>	<u>(858,823)</u>
Fund balances, beginning of year	25,957,106	2,052,104	14,082,147
Increase (decrease) in reserve for prepaid items	2,454,523		
Increase (decrease) in reserve for inventory	(4,203)		
Fund balances, end of year	<u>\$ 14,155,907</u>	<u>\$ 523,086</u>	<u>\$ 13,223,324</u>

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

<u>Energy and Water Savings</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	\$ 11,560,091	\$ 13,074,877
		88,178,915
	6,785,831	11,860,467
	7,254,729	7,517,064
	<u>25,600,651</u>	<u>120,631,323</u>
	10,381,851	56,990,778
	5,377,561	13,155,119
	1,053,830	10,079,684
	1,911,489	14,178,512
	340,209	3,318,164
	3,797,014	4,289,609
6,458,798	6,479,590	20,817,147
		22,090,000
		2,702,272
<u>6,458,798</u>	<u>29,341,544</u>	<u>147,621,285</u>
<u>(6,458,798)</u>	<u>(3,740,893)</u>	<u>(26,989,962)</u>
		150,911
	(150,911)	(150,911)
<u>12,515,731</u>	<u></u>	<u>12,515,731</u>
<u>12,515,731</u>	<u>(150,911)</u>	<u>12,515,731</u>
<u>6,056,933</u>	<u>(3,891,804)</u>	<u>(14,474,231)</u>
	20,419,808	62,511,165
		2,454,523
	7,567	3,364
<u>\$ 6,056,933</u>	<u>\$ 16,535,571</u>	<u>\$ 50,494,821</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, 2012

Net changes in fund balances - total governmental funds **\$ (12,016,344)**

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

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 14,899,397	
Less current year depreciation	<u>(5,029,601)</u>	9,869,796

Obligations under capital leases provide current financial resources to governmental funds, but the issuance increase long term liabilities in the Statement of Net Assets.	(12,515,731)
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Some property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(140,513)
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Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	22,090,000
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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	315,452	
Amortization of deferred bond items	(24,626)	
Loss on disposal of capital assets	(321,373)	
Compensated absences	<u>(2,512)</u>	(33,059)

The Internal Service Fund is used by management to charge the cost of employees insurance to the individual funds. The change in net assets of the Internal Service Fund is reported with governmental activities in the Statement of Activities.	<u>720,691</u>
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Change in net assets in governmental activities **\$ 7,974,840**

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2012

	Governmental Activities: Internal Service Fund
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 8,445,522
Accounts receivable	<u>2,033,990</u>
Total current assets	<u>10,479,512</u>
Total assets	<u><u>10,479,512</u></u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	<u>26,677</u>
Total current liabilities	<u>26,677</u>
Total liabilities	<u><u>26,677</u></u>
<u>NET ASSETS</u>	
Unrestricted	10,452,835
Total net assets	<u><u>\$ 10,452,835</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 ASSETS -
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Governmental Activities: Internal Service Fund
Operating revenues:	
Contributions	\$ 10,995,225
Total operating revenues	<u>10,995,225</u>
Operating expenses:	
Premiums	10,178,029
Administrative Fees	100,987
Total operating expenses	<u>10,279,016</u>
Operating income (loss)	<u>716,209</u>
Nonoperating revenues (expenses):	
Investment income	4,482
Total nonoperating revenues (expenses)	<u>4,482</u>
Changes in net assets	<u>720,691</u>
Total net assets, beginning of year	9,732,144
Total net assets, end of year	<u><u>\$ 10,452,835</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, 2012

	Governmental Activities: Internal Service Fund
<u>Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from contributions	\$ 9,523,087
Cash payments to suppliers for goods and services	<u>(10,296,425)</u>
Net cash used by operating activities	<u>(773,338)</u>
Cash flows from investing activities:	
Investment income	<u>4,482</u>
Net cash provided by investing activities	<u>4,482</u>
Net decrease in cash and cash equivalents	<u>(768,856)</u>
Cash and cash equivalents, beginning of year	<u>9,214,378</u>
Cash and cash equivalents, end of year	<u><u>\$ 8,445,522</u></u>

Reconciliation of Operating Income to Net Cash Used by Operating Activities

Operating income	\$ 716,209
Adjustments to reconcile operating income to net cash used by operating activities:	
Changes in assets and liabilities:	
Increase in accounts receivable	(1,472,138)
Decrease in accounts payable	<u>(17,409)</u>
Total adjustments	<u>(1,489,547)</u>
Net cash used by operating activities	<u><u>\$ (773,338)</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 FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2012

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 1,229,507
Total assets	<u>\$ 1,229,507</u>
<u>LIABILITIES</u>	
Deposits held for others	\$ 58,607
Due to student groups	1,170,900
Total liabilities	<u>\$ 1,229,507</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, 2012

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.

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.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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.

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.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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, Litigations Recovery, Indirect Costs, and Soft Capital Allocation Funds. These funds are maintained as separate funds for accounting and budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

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. However, as of May 1, 1996, the District was no longer self-insured for employee health and accident claims. The Employee Benefit Trust Fund is currently used for payment of commercial insurance premiums and to make payment on remaining claims applicable to prior years.

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, 2012

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.

Certain resources set aside as unspent lease proceeds are classified as cash and investments – restricted on the statement of net assets/balance sheet, because their use is limited by applicable debt agreements.

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."

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, 2012

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.

J. Capital Assets

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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. Twelve-month employees earn a maximum of fourteen days of sick leave each year, while ten and nine-month employees earn thirteen and twelve days of sick leave, respectively. In the event of termination, an employee is reimbursed for accrued sick leave at varying rates depending on the number of years of service and the number of sick days accumulated. All twelve-month classified employees earn vacation at a rate of one day per month. After 5 years of continuous service employees receive three weeks and after ten years employees receive four weeks. However, earned vacation must be taken within twelve months after the end of the fiscal year in which it was earned. The current and long-term liabilities, including related benefits, for accumulated vacation and sick leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

L. Long-term Obligations

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. No committed fund balance amounts are reported.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)

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

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

	General Fund	Debt Service Fund	Unrestricted Capital Outlay Fund	Energy and Water Savings Fund	Non-Major Governmental Funds
Fund Balances:					
Nonspendable:					
Inventory	\$ 125,275	\$	\$	\$	\$ 86,072
Prepaid items	3,235,400				
Restricted:					
Debt service		523,086			
Capital projects			13,223,324	6,056,933	836,428
Voter approved initiatives					3,964,694
Federal and State projects					158,976
Auxiliary operations					1,093,720
Food service					189,373
Community schools					2,306,174
Extracurricular activities					1,072,047
Joint Technical Education					4,290,222
Other purposes					2,645,980
Unassigned	10,795,232				(108,115)
Total fund balances	<u>\$ 14,155,907</u>	<u>\$ 523,086</u>	<u>\$ 13,223,324</u>	<u>\$ 6,056,933</u>	<u>\$ 16,535,571</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end, the Building Renewal Grant fund, a non-major governmental fund, reported a deficit of \$108,115 in fund balance.

The deficit arose because of operations during the year. Additional revenues received in fiscal year 2012-13 are expected to eliminate the deficit.

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

NOTE 4 – CASH AND INVESTMENTS

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$21,003,798, and the bank balance was \$21,130,674.

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 – CASH AND INVESTMENTS (Concl'd)

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	375 days	<u>\$60,802,464</u>
Total		<u><u>\$60,802,464</u></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, 2012

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.

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:		
Due from Federal government	\$ 18,297	\$ 743,001
Due from State government	2,479,980	1,013,627
Due from other districts		61,819
Net due from governmental entities	<u>\$ 2,498,277</u>	<u>\$ 1,818,447</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (General Fund)	\$ 6,940,734	\$
Delinquent property taxes receivable (Debt Service Fund)	836,213	
Delinquent property taxes receivable (Unrestricted Capital Outlay Fund)	622,244	
Grant drawdowns prior to meeting all eligibility requirements (Non-Major Governmental Funds)		908,696
Total deferred revenue for governmental funds	<u>\$ 8,399,191</u>	<u>\$ 908,696</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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	3,176,198	6,290,739	3,176,198	6,290,739
Total capital assets, not being depreciated	17,243,521	6,290,739	3,176,198	20,358,062
Capital assets, being depreciated:				
Land improvements	19,421,183	512,564		19,933,747
Buildings and improvements	189,359,074	8,001,471	264,599	197,095,946
Vehicles, furniture and equipment	23,550,029	3,270,821	1,875,940	24,944,910
Total capital assets being depreciated	232,330,286	11,784,856	2,140,539	241,974,603
Less accumulated depreciation for:				
Land improvements	(11,102,666)	(615,210)		(11,717,876)
Buildings and improvements	(53,531,730)	(3,069,618)	(71,175)	(56,530,173)
Vehicles, furniture and equipment	(13,715,066)	(1,344,773)	(1,747,991)	(13,311,848)
Total accumulated depreciation	(78,349,462)	(5,029,601)	(1,819,166)	(81,559,897)
Total capital assets, being depreciated, net	153,980,824	6,755,255	321,373	160,414,706
Governmental activities capital assets, net	<u>\$ 171,224,345</u>	<u>\$13,045,994</u>	<u>\$ 3,497,571</u>	<u>\$180,772,768</u>

Depreciation expense was charged to governmental functions as follows.

Instruction	\$3,042,523
Support services – students and staff	19,260
Support services – administration	308,725
Operation and maintenance of plant services	143,910
Student transportation services	571,192
Operation of non-instructional services	943,991
Total depreciation expense – governmental activities	<u>\$5,029,601</u>

Construction Commitments – At year end the District had spent \$6.3 million on the projects and had estimated remaining contractual commitments of \$7.1 million. These projects are being funded with bond and lease proceeds.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES

The District has acquired utility management equipment under the provisions of a long-term lease agreement classified as a capital lease. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. Proceeds from the capital lease have been recorded as restricted cash in the Energy and Water Savings Fund and will be drawn on to fund the utility management equipment. Revenues from the Energy and Water Savings Fund, a major governmental fund, will be used to pay the capital lease obligation. As of year end approximately \$5.6 million in capital lease additions were construction in progress, and therefore, have not yet begun depreciating.

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

Year Ending June 30:	Governmental Activities
2013	\$ 607,004
2014	819,813
2015	846,279
2016	896,472
2017	935,057
2018-22	5,236,264
2023-27	6,272,319
Total minimum lease payments	15,613,208
Less: amount representing interest	3,097,477
Present value of minimum lease payments	<u>\$ 12,515,731</u>
Due within one year	<u>\$ 273,369</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

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

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2012	Due Within One Year
Governmental activities:					
Refunding Bonds, Series 2003	\$ 31,605,000	5.00%	7/1/12-14	\$ 15,910,000	\$ 5,440,000
Refunding Bonds, Series 2004	33,605,000	3.0-5.0%	7/1/12	7,100,000	7,100,000
Refunding Bonds, Series 2008	35,765,000	3.50%	7/1/12-13	9,550,000	9,550,000
School Improvement Bonds, Project of 2008, Series 2009 (Class B)	30,000,000	3.25-4.75%	7/1/15-28	30,000,000	
Total				<u>\$ 62,560,000</u>	<u>\$ 22,090,000</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
	2013	\$ 22,090,000	\$ 2,217,649
	2014	5,720,000	1,594,024
	2015	4,750,000	1,332,274
	2016	1,500,000	1,189,150
	2017	1,600,000	1,138,776
	2018-22	9,300,000	4,790,255
	2023-27	12,000,000	2,676,064
	2028-29	5,600,000	270,075
Total		<u>\$ 62,560,000</u>	<u>\$15,208,267</u>

In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At year end, \$9.6 million of defeased bonds are still outstanding.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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	\$ 85,410,000	\$	\$ 22,850,000	\$ 62,560,000	\$ 22,090,000
Obligations under capital leases		12,515,731		12,515,731	273,369
Compensated absences payable	2,842,198	663,634	661,122	2,844,710	856,573
Other postemployment healthcare benefits payable	1,632,570		315,452	1,317,118	
Governmental activity long-term liabilities	<u>\$ 89,884,768</u>	<u>\$ 13,179,365</u>	<u>\$ 23,826,574</u>	<u>\$ 79,237,559</u>	<u>\$ 23,219,942</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 \$757,830 in the Treasurer’s pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers – Transfers between funds were used to (1) move investment income of \$5,726 earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund and (2) to move Federal grant funds of \$145,185 restricted for indirect costs.

NOTE 11 – CONTINGENT LIABILITIES

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

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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.

During the fiscal year 1986, the District established the Employee Benefit Trust Fund (an internal service fund) to account for and finance its uninsured risks of loss related to employee health and accidents. As of May 1, 1996, the District was no longer self-insured for employee health and accident claims. The Fund is currently used for payment of commercial insurance premiums and to make payment on remaining claims applicable to prior years. The employees paid from the General, Special Revenue, and Capital Projects Funds participate in the program and make payments to the Employee Benefit Trust Fund.

The District also continues to carry commercial insurance for employee dental, life, and short-term disability insurance. 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.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

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

Funding Policy – The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 10.74 percent (10.50 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 10.74 percent (9.87 percent for retirement, 0.63 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:			
2012	\$ 5,896,106	\$ 376,347	\$ 143,370
2011	5,223,676	342,061	144,941
2010	4,783,774	378,572	229,438

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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 \$531,543 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.

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 \$1.2 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	5,050
Adjustment to annual required contribution	<u>(7,568)</u>
Annual OPEB cost (expense)	216,001
Contributions made	(531,453)
Decrease in net OPEB obligation	<u>(315,452)</u>
Net OPEB obligation – beginning of year	<u>1,632,570</u>
Net OPEB obligation – end of year	<u><u>\$ 1,317,118</u></u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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, 2012 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, 2012	\$ 216,001	\$ 531,453	246%	\$ 1,317,118
June 30, 2011	294,206	476,678	162%	1,632,570
June 30, 2010	294,206	456,772	155%	1,815,041

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	25 years as of June 30, 2012
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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

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%

NOTE 15 – SUBSEQUENT EVENTS

The District had no bonds authorized and unissued as of June 30, 2012; however, on November 6, 2012, voters approved \$75.0 million in new school improvement bonds. In addition, as of July 1, the District became self-insured for employee health and accident claims.

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**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, 2012

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 779,047	\$ 779,047
Property taxes			59,029,156	59,029,156
State aid and grants			5,074,636	5,074,636
Total revenues			<u>64,882,839</u>	<u>64,882,839</u>
Expenditures:				
Current -				
Instruction	43,842,761	42,156,234	41,332,251	823,983
Support services - students and staff	7,436,954	8,040,818	7,214,825	825,993
Support services - administration	9,250,661	8,840,098	8,637,785	202,313
Operation and maintenance of plant services	13,283,746	12,576,471	12,213,319	363,152
Student transportation services	3,077,860	3,088,278	2,932,653	155,625
Operation of non-instructional services	323,844	467,891	400,418	67,473
Total expenditures	<u>77,215,826</u>	<u>75,169,790</u>	<u>72,731,251</u>	<u>2,438,539</u>
Changes in fund balances	<u>(77,215,826)</u>	<u>(75,169,790)</u>	<u>(7,848,412)</u>	<u>67,321,378</u>
Fund balances, beginning of year			6,830,523	6,830,523
Increase (decrease) in reserve for prepaid items			2,454,523	2,454,523
Increase (decrease) in reserve for inventory			(4,203)	(4,203)
Fund balances (deficits), end of year	<u>\$ (77,215,826)</u>	<u>\$ (75,169,790)</u>	<u>\$ 1,432,431</u>	<u>\$ 76,602,221</u>

See accompanying notes to this schedule.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2012

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The adopted budget of the District is prepared on a basis consistent with accounting principles generally accepted in the United States of America with the following exceptions:

- 1) a portion of the General Fund activity is budgeted for separately as special revenue funds,
- 2) a portion of the General Fund activity is budgeted for separately as capital projects funds,
- 3) a portion of the fiscal year 2011-12 insurance payments were budgeted for in fiscal year 2010-11. Consequently, the following adjustments were necessary to present actual expenditures, fund balance at July 1, 2011, and fund balance at June 30, 2012 on a budgetary basis in order to provide a meaningful comparison.

	<u>Total Expenditures</u>	<u>Fund Balance, June 30, 2012</u>	<u>Fund Balance, July 1, 2011</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 80,122,359	\$ 14,155,907	\$ 25,957,106
Fiscal year 2011-12 activity budgeted as special revenue funds	(1,173,823)	(4,529,248)	(4,761,059)
Fiscal year 2011-12 activity budgeted as capital projects funds	(1,228,420)	(8,194,228)	(9,376,659)
Fiscal year 2011-12 insurance payments budgeted in 2010-11	<u>(4,988,865)</u>	<u> </u>	<u>(4,988,865)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 72,731,251</u>	<u>\$ 1,432,431</u>	<u>\$ 6,830,523</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, 2012

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 15,646,476	\$ 972,472	\$ 16,618,948
Accounts receivable	10,909		10,909
Due from governmental entities	1,818,447		1,818,447
Inventory	86,072		86,072
Total assets	<u><u>\$ 17,561,904</u></u>	<u><u>\$ 972,472</u></u>	<u><u>\$ 18,534,376</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 196,235	\$	\$ 196,235
Construction contracts payable		136,044	136,044
Due to other funds	649,715	108,115	757,830
Deferred revenues	908,696		908,696
Total liabilities	<u><u>1,754,646</u></u>	<u><u>244,159</u></u>	<u><u>1,998,805</u></u>
Fund balances (deficits):			
Nonspendable	86,072		86,072
Restricted	15,721,186	836,428	16,557,614
Unassigned		(108,115)	(108,115)
Total fund balances	<u><u>15,807,258</u></u>	<u><u>728,313</u></u>	<u><u>16,535,571</u></u>
Total liabilities and fund balances	<u><u>\$ 17,561,904</u></u>	<u><u>\$ 972,472</u></u>	<u><u>\$ 18,534,376</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, 2012

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 11,374,397	\$ 185,694	\$ 11,560,091
State aid and grants	6,213,455	572,376	6,785,831
Federal aid, grants and reimbursements	7,254,729		7,254,729
Total revenues	<u>24,842,581</u>	<u>758,070</u>	<u>25,600,651</u>
Expenditures:			
Current -			
Instruction	10,381,851		10,381,851
Support services - students and staff	5,377,561		5,377,561
Support services - administration	1,053,830		1,053,830
Operation and maintenance of plant services	1,911,489		1,911,489
Student transportation services	340,209		340,209
Operation of non-instructional services	3,797,014		3,797,014
Capital outlay	2,278,205	4,201,385	6,479,590
Total expenditures	<u>25,140,159</u>	<u>4,201,385</u>	<u>29,341,544</u>
Excess (deficiency) of revenues over expenditures	<u>(297,578)</u>	<u>(3,443,315)</u>	<u>(3,740,893)</u>
Other financing sources (uses):			
Transfer out	(145,185)	(5,726)	(150,911)
Total other financing sources (uses):	<u>(145,185)</u>	<u>(5,726)</u>	<u>(150,911)</u>
Changes in fund balances	<u>(442,763)</u>	<u>(3,449,041)</u>	<u>(3,891,804)</u>
Fund balances, beginning of year	16,242,454	4,177,354	20,419,808
Increase (decrease) in reserve for inventory	7,567		7,567
Fund balances, end of year	<u>\$ 15,807,258</u>	<u>\$ 728,313</u>	<u>\$ 16,535,571</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.

Compensatory Instruction - to account for monies received for programs in addition to normal classroom instruction to improve the English proficiency of current 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.

Title IV Grants - to account for financial assistance received for chemical abuse awareness programs and expanding projects that benefit educational and health needs of the communities.

Promote Informed Parent Choice - to account for financial assistance received to promote parent choices in the education of their students.

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.

Extended School Year – Pupils with Disabilities - to account for financial assistance for year-round services for the special education program.

Adult Basic Education - to account for financial assistance for continuous adult education.

Chemical Abuse Prevention Programs - to account for financial assistance received for chemical abuse awareness programs.

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

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

Environmental Special Plate - to account for the proceeds received from the sale of environmental license plates.

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.

SPECIAL REVENUE FUNDS (Concluded)

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 transferred from Federal projects for administrative costs.

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

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

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

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

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

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TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Structured English Immersion</u>
<u>ASSETS</u>			
Cash and investments	\$ 772,935	\$ 2,228,848	\$ 8,398
Accounts receivable			
Due from governmental entities	697,469	265,442	
Inventory			
Total assets	<u><u>\$ 1,470,404</u></u>	<u><u>\$ 2,494,290</u></u>	<u><u>\$ 8,398</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Deferred revenues			8,398
Total liabilities			<u>8,398</u>
Fund balances:			
Nonspendable			
Restricted	1,470,404	2,494,290	
Total fund balances	<u>1,470,404</u>	<u>2,494,290</u>	
Total liabilities and fund balances	<u><u>\$ 1,470,404</u></u>	<u><u>\$ 2,494,290</u></u>	<u><u>\$ 8,398</u></u>

Compensatory Instruction	Title I Grants	Professional Development and Technology Grants	Title IV Grants	Promote Informed Parent Choice	Limited English and Immigrant Students
\$ 182,449	\$	\$	\$	\$ 202	\$ 16,468
	116,019	428,726	11,282		
<u>\$ 182,449</u>	<u>\$ 116,019</u>	<u>\$ 428,726</u>	<u>\$ 11,282</u>	<u>\$ 202</u>	<u>\$ 16,468</u>
\$	\$ 42,982 73,037	\$ 428,726	\$ 11,282	\$	\$
<u>182,449</u>	<u>116,019</u>	<u>428,726</u>	<u>11,282</u>	<u>202</u>	<u>16,468</u>
<u>182,449</u>				<u>202</u>	<u>16,468</u>
<u>\$ 182,449</u>	<u>\$ 116,019</u>	<u>\$ 428,726</u>	<u>\$ 11,282</u>	<u>\$ 202</u>	<u>\$ 16,468</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Indian Education	Special Education Grants	Johnson O'Malley
<u>ASSETS</u>			
Cash and investments	\$	\$ 140,142	\$
Accounts receivable			
Due from governmental entities	85,146		6,974
Inventory			
Total assets	<u>\$ 85,146</u>	<u>\$ 140,142</u>	<u>\$ 6,974</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 23,453	\$	\$
Due to other funds	61,693		6,974
Deferred revenues		140,142	
Total liabilities	<u>85,146</u>	<u>140,142</u>	<u>6,974</u>
Fund balances:			
Nonspendable			
Restricted			
Total fund balances			
Total liabilities and fund balances	<u>\$ 85,146</u>	<u>\$ 140,142</u>	<u>\$ 6,974</u>

<u>Adult Education</u>	<u>Vocational Education</u>	<u>Homeless Education</u>	<u>E-Rate</u>	<u>Other Federal Projects</u>	<u>State Vocational Education</u>
\$	\$	\$ 334	\$ 450	\$ 158,526	\$ 479,268
1,475	15,812				
<u>\$ 1,475</u>	<u>\$ 15,812</u>	<u>\$ 334</u>	<u>\$ 450</u>	<u>\$ 158,526</u>	<u>\$ 479,268</u>
\$	\$	\$	\$	\$	\$
1,475	15,812				
<u>1,475</u>	<u>15,812</u>	<u>334</u>	<u></u>	<u></u>	<u>479,268</u>
		<u>334</u>	<u></u>	<u></u>	<u>479,268</u>
			450	158,526	
			<u>450</u>	<u>158,526</u>	
<u>\$ 1,475</u>	<u>\$ 15,812</u>	<u>\$ 334</u>	<u>\$ 450</u>	<u>\$ 158,526</u>	<u>\$ 479,268</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Extended School Year - Pupils with Disabilities	Adult Basic Education	Chemical Abuse Prevention Programs
<u>ASSETS</u>			
Cash and investments	\$ 951	\$ 5,700	\$ 346
Accounts receivable			
Due from governmental entities			
Inventory			
Total assets	<u>\$ 951</u>	<u>\$ 5,700</u>	<u>\$ 346</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Deferred revenues	951	5,700	346
Total liabilities	<u>951</u>	<u>5,700</u>	<u>346</u>
Fund balances:			
Nonspendable			
Restricted			
Total fund balances			
Total liabilities and fund balances	<u>\$ 951</u>	<u>\$ 5,700</u>	<u>\$ 346</u>

Academic Contests	Gifted	Environmental Special Plate	Other State Projects	Food Service	Civic Center
\$ 10,527	\$ 54,105	\$ 9,806	\$	\$ 111,806	\$ 1,714,077
			50,716	77,567	
				49,707	
<u>\$ 10,527</u>	<u>\$ 54,105</u>	<u>\$ 9,806</u>	<u>\$ 50,716</u>	<u>\$ 239,080</u>	<u>\$ 1,714,077</u>
\$	\$	\$	\$	\$	\$
			50,716		
<u>10,527</u>	<u>54,105</u>	<u>9,806</u>	<u></u>	<u></u>	<u></u>
<u>10,527</u>	<u>54,105</u>	<u>9,806</u>	<u>50,716</u>	<u></u>	<u></u>
				49,707	
				189,373	1,714,077
				239,080	1,714,077
<u>\$ 10,527</u>	<u>\$ 54,105</u>	<u>\$ 9,806</u>	<u>\$ 50,716</u>	<u>\$ 239,080</u>	<u>\$ 1,714,077</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Community School	Auxiliary Operations	Extracurricular Activities Fees Tax Credit
<u>ASSETS</u>			
Cash and investments	\$ 2,254,582	\$ 1,136,924	\$ 1,072,047
Accounts receivable	10,909		
Due from governmental entities	61,819		
Inventory		36,365	
Total assets	<u><u>\$ 2,327,310</u></u>	<u><u>\$ 1,173,289</u></u>	<u><u>\$ 1,072,047</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 21,136	\$ 43,204	\$
Due to other funds			
Deferred revenues			
Total liabilities	<u>21,136</u>	<u>43,204</u>	
Fund balances:			
Nonspendable		36,365	
Restricted	2,306,174	1,093,720	1,072,047
Total fund balances	<u>2,306,174</u>	<u>1,130,085</u>	<u>1,072,047</u>
Total liabilities and fund balances	<u><u>\$ 2,327,310</u></u>	<u><u>\$ 1,173,289</u></u>	<u><u>\$ 1,072,047</u></u>

<u>Gifts and Donations</u>	<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Grants and Gifts to Teachers</u>	<u>Joint Technical Education</u>	<u>Print Shop</u>
\$ 239,196	\$ 546,992	\$ 116,495	\$ 18,769	\$ 4,327,410	\$ 4,391
<u>\$ 239,196</u>	<u>\$ 546,992</u>	<u>\$ 116,495</u>	<u>\$ 18,769</u>	<u>\$ 4,327,410</u>	<u>\$ 4,391</u>
\$ 28,272	\$	\$	\$	\$ 37,188	\$
<u>28,272</u>				<u>37,188</u>	
210,924	546,992	116,495	18,769	4,290,222	4,391
<u>210,924</u>	<u>546,992</u>	<u>116,495</u>	<u>18,769</u>	<u>4,290,222</u>	<u>4,391</u>
<u>\$ 239,196</u>	<u>\$ 546,992</u>	<u>\$ 116,495</u>	<u>\$ 18,769</u>	<u>\$ 4,327,410</u>	<u>\$ 4,391</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Intergovernment al Agreements	Totals
<u>ASSETS</u>		
Cash and investments	\$ 34,332	\$ 15,646,476
Accounts receivable		10,909
Due from governmental entities		1,818,447
Inventory		86,072
Total assets	<u>\$ 34,332</u>	<u>\$ 17,561,904</u>
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$	\$ 196,235
Due to other funds		649,715
Deferred revenues		908,696
Total liabilities		<u>1,754,646</u>
Fund balances:		
Nonspendable		86,072
Restricted	34,332	15,721,186
Total fund balances	<u>34,332</u>	<u>15,807,258</u>
Total liabilities and fund balances	<u>\$ 34,332</u>	<u>\$ 17,561,904</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, 2012

	Classroom Site	Instructional Improvement	Structured English Immersion
Revenues:			
Other local	\$ 7,192	\$ 6,998	\$
State aid and grants	4,263,742	841,907	3,407
Federal aid, grants and reimbursements			
Total revenues	<u>4,270,934</u>	<u>848,905</u>	<u>3,407</u>
Expenditures:			
Current -			
Instruction	3,206,482	222,719	181
Support services - students and staff	366,277	3,656	2,436
Support services - administration		177	790
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>3,572,759</u>	<u>226,552</u>	<u>3,407</u>
Excess (deficiency) of revenues over expenditures	<u>698,175</u>	<u>622,353</u>	
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>698,175</u>	<u>622,353</u>	
Fund balances, beginning of year	772,229	1,871,937	
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 1,470,404</u>	<u>\$ 2,494,290</u>	<u>\$</u>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Limited English and Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>	<u>Johnson O'Malley</u>
\$	\$	\$	\$	\$	\$
1,868,057	436,166	47,930	135,579	1,911,208	4,860
<u>1,868,057</u>	<u>436,166</u>	<u>47,930</u>	<u>135,579</u>	<u>1,911,208</u>	<u>4,860</u>
938,498		3,431	28,457	1,200,525	4,719
809,335	421,310	43,540	107,122	651,136	
37,841	4,367			2,025	
7,885					
3,210					
16,991				249	
<u>1,813,760</u>	<u>425,677</u>	<u>46,971</u>	<u>135,579</u>	<u>1,853,935</u>	<u>4,719</u>
<u>54,297</u>	<u>10,489</u>	<u>959</u>		<u>57,273</u>	<u>141</u>
(54,297)	(10,489)	(959)		(57,273)	(141)
<u>(54,297)</u>	<u>(10,489)</u>	<u>(959)</u>		<u>(57,273)</u>	<u>(141)</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, 2012

	<u>Adult Education</u>	<u>Vocational Education</u>	<u>Homeless Education</u>
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	254,009	629,972	36,701
Total revenues	<u>254,009</u>	<u>629,972</u>	<u>36,701</u>
Expenditures:			
Current -			
Instruction	140,466	6,380	
Support services - students and staff	106,145	442,451	35,576
Support services - administration		2,300	
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		165,338	
Total expenditures	<u>246,611</u>	<u>616,469</u>	<u>35,576</u>
Excess (deficiency) of revenues over expenditures	<u>7,398</u>	<u>13,503</u>	<u>1,125</u>
Other financing sources (uses):			
Transfer out	(7,398)	(13,503)	(1,125)
Total other financing sources (uses):	<u>(7,398)</u>	<u>(13,503)</u>	<u>(1,125)</u>
Changes in fund balances			
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

<u>E-Rate</u>	<u>Other Federal Projects</u>	<u>State Vocational Education</u>	<u>Adult Basic Education</u>	<u>Other State Projects</u>	<u>Food Service</u>
\$	\$	\$	\$	\$	\$
		497,988	3,291	603,120	2,541,949
	1,362,389				567,858
	<u>1,362,389</u>	<u>497,988</u>	<u>3,291</u>	<u>603,120</u>	<u>3,109,807</u>
	1,282,211	184,135		23,019	
		118,684	3,291	973	
7,131		9,441			
				579,128	31,311
					3,090,573
		185,728			1,132
<u>7,131</u>	<u>1,282,211</u>	<u>497,988</u>	<u>3,291</u>	<u>603,120</u>	<u>3,123,016</u>
<u>(7,131)</u>	<u>80,178</u>				<u>(13,209)</u>
<u>(7,131)</u>	<u>80,178</u>				<u>(13,209)</u>
7,581	78,348				252,080
					209
<u>\$ 450</u>	<u>\$ 158,526</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 239,080</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, 2012

	Civic Center	Community School	Auxiliary Operations
Revenues:			
Other local	\$ 214,089	\$ 2,481,022	\$ 1,907,453
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>214,089</u>	<u>2,481,022</u>	<u>1,907,453</u>
Expenditures:			
Current -			
Instruction	11,048	1,070,731	1,059,239
Support services - students and staff	142	143,237	387,561
Support services - administration	43,781	238,523	8,767
Operation and maintenance of plant services	88,328	1,708	390,674
Student transportation services		10,319	3,199
Operation of non-instructional services	507	663,122	40,812
Capital outlay		40,741	17,201
Total expenditures	<u>143,806</u>	<u>2,168,381</u>	<u>1,907,453</u>
Excess (deficiency) of revenues over expenditures	<u>70,283</u>	<u>312,641</u>	
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>70,283</u>	<u>312,641</u>	
Fund balances, beginning of year	1,643,794	1,993,533	1,122,727
Increase (decrease) in reserve for inventory			7,358
Fund balances, end of year	<u>\$ 1,714,077</u>	<u>\$ 2,306,174</u>	<u>\$ 1,130,085</u>

Extracurricular Activities Fees Tax Credit	Gifts and Donations	Textbooks	Insurance Refund	Grants and Gifts to Teachers	Joint Technical Education
\$ 959,316	\$ 302,287	\$ 25,604	\$ 495	\$ 4,600	\$ 2,881,698
<u>959,316</u>	<u>302,287</u>	<u>25,604</u>	<u>495</u>	<u>4,600</u>	<u>2,881,698</u>
414,391	117,227			3,028	463,802
426,248	164,672	249		739	1,131,413
	13,112				645,610
6,082	325				806,048
111,748	17,431				194,302
					2,000
	46,169				1,774,735
<u>958,469</u>	<u>358,936</u>	<u>249</u>		<u>3,767</u>	<u>5,017,910</u>
<u>847</u>	<u>(56,649)</u>	<u>25,355</u>	<u>495</u>	<u>833</u>	<u>(2,136,212)</u>
<u>847</u>	<u>(56,649)</u>	<u>25,355</u>	<u>495</u>	<u>833</u>	<u>(2,136,212)</u>
1,071,200	267,573	521,637	116,000	17,936	6,426,434
<u>\$ 1,072,047</u>	<u>\$ 210,924</u>	<u>\$ 546,992</u>	<u>\$ 116,495</u>	<u>\$ 18,769</u>	<u>\$ 4,290,222</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, 2012

	Print Shop	Intergovernment al Agreements	Totals
Revenues:			
Other local	\$ 41,482	\$ 212	\$ 11,374,397
State aid and grants			6,213,455
Federal aid, grants and reimbursements			7,254,729
Total revenues	<u>41,482</u>	<u>212</u>	<u>24,842,581</u>
Expenditures:			
Current -			
Instruction		1,162	10,381,851
Support services - students and staff		11,368	5,377,561
Support services - administration	39,965		1,053,830
Operation and maintenance of plant services			1,911,489
Student transportation services			340,209
Operation of non-instructional services			3,797,014
Capital outlay	29,921		2,278,205
Total expenditures	<u>69,886</u>	<u>12,530</u>	<u>25,140,159</u>
Excess (deficiency) of revenues over expenditures	<u>(28,404)</u>	<u>(12,318)</u>	<u>(297,578)</u>
Other financing sources (uses):			
Transfer out			(145,185)
Total other financing sources (uses):			<u>(145,185)</u>
Changes in fund balances	<u>(28,404)</u>	<u>(12,318)</u>	<u>(442,763)</u>
Fund balances, beginning of year	32,795	46,650	16,242,454
Increase (decrease) in reserve for inventory			7,567
Fund balances, end of year	<u>\$ 4,391</u>	<u>\$ 34,332</u>	<u>\$ 15,807,258</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, 2012

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 7,192	\$ 7,192
State aid and grants		4,263,742	4,263,742
Federal aid, grants and reimbursements			
Total revenues		<u>4,270,934</u>	<u>4,270,934</u>
Expenditures:			
Current -			
Instruction	5,811,061	3,206,482	2,604,579
Support services - students and staff		366,277	(366,277)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>5,811,061</u>	<u>3,572,759</u>	<u>2,238,302</u>
Excess (deficiency) of revenues over expenditures	<u>(5,811,061)</u>	<u>698,175</u>	<u>6,509,236</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(5,811,061)</u>	<u>698,175</u>	<u>6,509,236</u>
Fund balances, beginning of year		772,229	772,229
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (5,811,061)</u>	<u>\$ 1,470,404</u>	<u>\$ 7,281,465</u>

Instructional Improvement			Structured English Immersion		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 6,998 841,907	\$ 6,998 841,907	\$	\$ 3,407	\$ 3,407
	848,905	848,905		3,407	3,407
1,505,000	222,719 3,656 177	1,282,281 (3,656) (177)	11,400	181 2,436 790	(181) 8,964 (790)
1,505,000	226,552	1,278,448	11,400	3,407	7,993
(1,505,000)	622,353	2,127,353	(11,400)		11,400
(1,505,000)	622,353	2,127,353	(11,400)		11,400
	1,871,937	1,871,937			
\$ (1,505,000)	\$ 2,494,290	\$ 3,999,290	\$ (11,400)	\$	\$ 11,400

(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, 2012

	Title I Grants		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		1,868,057	1,868,057
Total revenues		<u>1,868,057</u>	<u>1,868,057</u>
Expenditures:			
Current -			
Instruction	2,556,790	938,498	1,618,292
Support services - students and staff		809,335	(809,335)
Support services - administration		37,841	(37,841)
Operation and maintenance of plant services		7,885	(7,885)
Student transportation services		3,210	(3,210)
Operation of non-instructional services			
Capital outlay		16,991	(16,991)
Total expenditures	<u>2,556,790</u>	<u>1,813,760</u>	<u>743,030</u>
Excess (deficiency) of revenues over expenditures	<u>(2,556,790)</u>	<u>54,297</u>	<u>2,611,087</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(54,297)	(54,297)
Total other financing sources (uses):		<u>(54,297)</u>	<u>(54,297)</u>
Changes in fund balances	<u>(2,556,790)</u>		<u>2,556,790</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (2,556,790)</u>	<u>\$</u>	<u>\$ 2,556,790</u>

Professional Development and Technology Grants			Limited English and Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	436,166	436,166		47,930	47,930
	436,166	436,166		47,930	47,930
474,611	421,310 4,367	53,301 (4,367)	47,930	3,431 43,540	(3,431) 4,390
474,611	425,677	48,934	47,930	46,971	959
(474,611)	10,489	485,100	(47,930)	959	48,889
	(10,489)	(10,489)		(959)	(959)
	(10,489)	(10,489)		(959)	(959)
(474,611)		474,611	(47,930)		47,930
\$ (474,611)	\$	\$ 474,611	\$ (47,930)	\$	\$ 47,930

(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, 2012

	Indian Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		135,579	135,579
Total revenues		<u>135,579</u>	<u>135,579</u>
Expenditures:			
Current -			
Instruction		28,457	(28,457)
Support services - students and staff	130,000	107,122	22,878
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>135,579</u>	<u>(5,579)</u>
Excess (deficiency) of revenues over expenditures	<u>(130,000)</u>		<u>130,000</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
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)
\$	\$	\$	\$	\$	\$
	1,911,208	1,911,208		4,860	4,860
	1,911,208	1,911,208		4,860	4,860
1,890,383	1,200,525	689,858		4,719	(4,719)
	651,136	(651,136)			
	2,025	(2,025)			
	249	(249)			
1,890,383	1,853,935	36,448		4,719	(4,719)
(1,890,383)	57,273	1,947,656		141	141
	(57,273)	(57,273)		(141)	(141)
	(57,273)	(57,273)		(141)	(141)
(1,890,383)		1,890,383			
\$ (1,890,383)	\$	\$ 1,890,383	\$	\$	\$

(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, 2012

	Adult Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		254,009	254,009
Total revenues		<u>254,009</u>	<u>254,009</u>
Expenditures:			
Current -			
Instruction	254,289	140,466	113,823
Support services - students and staff		106,145	(106,145)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>254,289</u>	<u>246,611</u>	<u>7,678</u>
Excess (deficiency) of revenues over expenditures	<u>(254,289)</u>	<u>7,398</u>	<u>261,687</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(7,398)	(7,398)
Total other financing sources (uses):		<u>(7,398)</u>	<u>(7,398)</u>
Changes in fund balances	<u>(254,289)</u>		<u>254,289</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (254,289)</u>	<u>\$</u>	<u>\$ 254,289</u>

Vocational Education			Homeless Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	629,972	629,972		36,701	36,701
	629,972	629,972		36,701	36,701
616,218	6,380	(6,380)	61,230	35,576	25,654
	442,451	173,767			
	2,300	(2,300)			
	165,338	(165,338)			
616,218	616,469	(251)	61,230	35,576	25,654
(616,218)	13,503	629,721	(61,230)	1,125	62,355
	(13,503)	(13,503)		(1,125)	(1,125)
	(13,503)	(13,503)		(1,125)	(1,125)
(616,218)		616,218	(61,230)		61,230
\$ (616,218)	\$	\$ 616,218	\$ (61,230)	\$	\$ 61,230

(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, 2012

	Medicaid Reimbursement		
	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		262,335	262,335
Total revenues		<u>262,335</u>	<u>262,335</u>
Expenditures:			
Current -			
Instruction		149,429	(149,429)
Support services - students and staff	900,000	290,166	609,834
Support services - administration		189,925	(189,925)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>900,000</u>	<u>629,520</u>	<u>270,480</u>
Excess (deficiency) of revenues over expenditures	<u>(900,000)</u>	<u>(367,185)</u>	<u>532,815</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(900,000)</u>	<u>(367,185)</u>	<u>532,815</u>
Fund balances, beginning of year		1,449,018	1,449,018
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (900,000)</u>	<u>\$ 1,081,833</u>	<u>\$ 1,981,833</u>

E-Rate			Other Federal Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				1,362,389	1,362,389
				1,362,389	1,362,389
			1,282,141	1,282,211	(70)
	7,131	(7,131)			
	7,131	(7,131)	1,282,141	1,282,211	(70)
	(7,131)	(7,131)	(1,282,141)	80,178	1,362,319
	(7,131)	(7,131)	(1,282,141)	80,178	1,362,319
	7,581	7,581		78,348	78,348
\$	\$ 450	\$ 450	\$ (1,282,141)	\$ 158,526	\$ 1,440,667

(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, 2012

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		497,988	497,988
Federal aid, grants and reimbursements			
Total revenues		<u>497,988</u>	<u>497,988</u>
Expenditures:			
Current -			
Instruction	644,981	184,135	460,846
Support services - students and staff		118,684	(118,684)
Support services - administration		9,441	(9,441)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		185,728	(185,728)
Total expenditures	<u>644,981</u>	<u>497,988</u>	<u>146,993</u>
Excess (deficiency) of revenues over expenditures	<u>(644,981)</u>		<u>644,981</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(644,981)</u>		<u>644,981</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (644,981)</u>	<u>\$</u>	<u>\$ 644,981</u>

Extended School Year - Pupils with Disabilities			Adult Basic Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				3,291	3,291
				3,291	3,291
15,339		15,339		3,291	(3,291)
15,339		15,339		3,291	(3,291)
(15,339)		15,339			
(15,339)		15,339			
\$ (15,339)	\$	\$ 15,339	\$	\$	\$

(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, 2012

	Other State Projects		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		603,120	603,120
Federal aid, grants and reimbursements			
Total revenues		<u>603,120</u>	<u>603,120</u>
Expenditures:			
Current -			
Instruction		23,019	(23,019)
Support services - students and staff		973	(973)
Support services - administration			
Operation and maintenance of plant services	668,414	579,128	89,286
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>668,414</u>	<u>603,120</u>	<u>65,294</u>
Excess (deficiency) of revenues over expenditures	<u>(668,414)</u>		<u>668,414</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(668,414)</u>		<u>668,414</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (668,414)</u>	<u>\$</u>	<u>\$ 668,414</u>

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 392,056	\$ 392,056	\$	\$ 2,541,949	\$ 2,541,949
				567,858	567,858
	392,056	392,056		3,109,807	3,109,807
600,000	29,513	(29,513)			
	56,722	543,278			
	38,854	(38,854)		31,311	(31,311)
	12,230	(12,230)	3,900,000	3,090,573	809,427
	810	(810)		1,132	(1,132)
600,000	138,129	461,871	3,900,000	3,123,016	776,984
(600,000)	253,927	853,927	(3,900,000)	(13,209)	3,886,791
(600,000)	253,927	853,927	(3,900,000)	(13,209)	3,886,791
	1,764,377	1,764,377		252,080	252,080
				209	209
\$ (600,000)	\$ 2,018,304	\$ 2,618,304	\$ (3,900,000)	\$ 239,080	\$ 4,139,080

(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, 2012

	Civic Center		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 214,089	\$ 214,089
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>214,089</u>	<u>214,089</u>
Expenditures:			
Current -			
Instruction		11,048	(11,048)
Support services - students and staff		142	(142)
Support services - administration		43,781	(43,781)
Operation and maintenance of plant services	550,000	88,328	461,672
Student transportation services			
Operation of non-instructional services		507	(507)
Capital outlay			
Total expenditures	<u>550,000</u>	<u>143,806</u>	<u>406,194</u>
Excess (deficiency) of revenues over expenditures	<u>(550,000)</u>	<u>70,283</u>	<u>620,283</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(550,000)</u>	<u>70,283</u>	<u>620,283</u>
Fund balances, beginning of year		1,643,794	1,643,794
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (550,000)</u>	<u>\$ 1,714,077</u>	<u>\$ 2,264,077</u>

Community School			Auxiliary Operations		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 2,481,022	\$ 2,481,022	\$	\$ 1,907,453	\$ 1,907,453
	<u>2,481,022</u>	<u>2,481,022</u>		<u>1,907,453</u>	<u>1,907,453</u>
3,200,000	1,070,731	2,129,269	3,000,000	1,059,239	1,940,761
	143,237	(143,237)		387,561	(387,561)
	238,523	(238,523)		8,767	(8,767)
	1,708	(1,708)		390,674	(390,674)
	10,319	(10,319)		3,199	(3,199)
	663,122	(663,122)		40,812	(40,812)
	40,741	(40,741)		17,201	(17,201)
<u>3,200,000</u>	<u>2,168,381</u>	<u>1,031,619</u>	<u>3,000,000</u>	<u>1,907,453</u>	<u>1,092,547</u>
<u>(3,200,000)</u>	<u>312,641</u>	<u>3,512,641</u>	<u>(3,000,000)</u>		<u>3,000,000</u>
<u>(3,200,000)</u>	<u>312,641</u>	<u>3,512,641</u>	<u>(3,000,000)</u>		<u>3,000,000</u>
	1,993,533	1,993,533		1,122,727	1,122,727
				7,358	7,358
<u>\$ (3,200,000)</u>	<u>\$ 2,306,174</u>	<u>\$ 5,506,174</u>	<u>\$ (3,000,000)</u>	<u>\$ 1,130,085</u>	<u>\$ 4,130,085</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 959,316	\$ 959,316
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>959,316</u>	<u>959,316</u>
Expenditures:			
Current -			
Instruction		414,391	(414,391)
Support services - students and staff	1,500,000	426,248	1,073,752
Support services - administration			
Operation and maintenance of plant services		6,082	(6,082)
Student transportation services		111,748	(111,748)
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>1,500,000</u>	<u>958,469</u>	<u>541,531</u>
Excess (deficiency) of revenues over expenditures	<u>(1,500,000)</u>	<u>847</u>	<u>1,500,847</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(1,500,000)</u>	<u>847</u>	<u>1,500,847</u>
Fund balances, beginning of year		1,071,200	1,071,200
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (1,500,000)</u>	<u>\$ 1,072,047</u>	<u>\$ 2,572,047</u>

Gifts and Donations			Insurance Proceeds		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 302,287	\$ 302,287	\$	\$ 138,128	\$ 138,128
	302,287	302,287		138,128	138,128
450,000	117,227	(117,227)			
	164,672	285,328			
	13,112	(13,112)		32,000	(32,000)
	325	(325)		6,683	(6,683)
	17,431	(17,431)	150,000	45,302	104,698
	46,169	(46,169)			
450,000	358,936	91,064	150,000	83,985	66,015
(450,000)	(56,649)	393,351	(150,000)	54,143	204,143
(450,000)	(56,649)	393,351	(150,000)	54,143	204,143
	267,573	267,573		459,227	459,227
\$ (450,000)	\$ 210,924	\$ 660,924	\$ (150,000)	\$ 513,370	\$ 663,370

(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, 2012

	Textbooks		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 25,604	\$ 25,604
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		25,604	25,604
Expenditures:			
Current -			
Instruction			
Support services - students and staff	200,000	249	199,751
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	200,000	249	199,751
Excess (deficiency) of revenues over expenditures	(200,000)	25,355	225,355
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	(200,000)	25,355	225,355
Fund balances, beginning of year		521,637	521,637
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (200,000)	\$ 546,992	\$ 746,992

Litigation Recovery			Indirect Costs		
<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 2,760	\$ 2,760	\$	\$ 1,548	\$ 1,548
	<u>2,760</u>	<u>2,760</u>		<u>1,548</u>	<u>1,548</u>
110,000		110,000		79,422	(79,422)
				79,947	(79,947)
<u>110,000</u>	<u></u>	<u>110,000</u>	<u>350,000</u>	<u>162,820</u>	<u>187,180</u>
<u>(110,000)</u>	<u>2,760</u>	<u>112,760</u>	<u>350,000</u>	<u>322,189</u>	<u>27,811</u>
			<u>(350,000)</u>	<u>(320,641)</u>	<u>29,359</u>
				145,185	145,185
<u></u>	<u></u>	<u></u>	<u></u>	<u>145,185</u>	<u>145,185</u>
<u>(110,000)</u>	<u>2,760</u>	<u>112,760</u>	<u>(350,000)</u>	<u>(175,456)</u>	<u>174,544</u>
	642,785	642,785		445,652	445,652
<u>\$ (110,000)</u>	<u>\$ 645,545</u>	<u>\$ 755,545</u>	<u>\$ (350,000)</u>	<u>\$ 270,196</u>	<u>\$ 620,196</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Insurance Refund		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 495	\$ 495
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>495</u>	<u>495</u>
Expenditures:			
Current -			
Instruction	11,000		11,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>11,000</u>		<u>11,000</u>
Excess (deficiency) of revenues over expenditures	<u>(11,000)</u>	<u>495</u>	<u>11,495</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(11,000)</u>	<u>495</u>	<u>11,495</u>
Fund balances, beginning of year		116,000	116,000
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (11,000)</u>	<u>\$ 116,495</u>	<u>\$ 127,495</u>

Grants and Gifts to Teachers			Joint Technical Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 4,600	\$ 4,600	\$	\$ 2,881,698	\$ 2,881,698
	4,600	4,600		2,881,698	2,881,698
13,000	3,028	9,972		463,802	(463,802)
	739	(739)		1,131,413	(1,131,413)
				645,610	(645,610)
				806,048	(806,048)
				194,302	(194,302)
				2,000	(2,000)
			6,000,000	1,774,735	4,225,265
13,000	3,767	9,233	6,000,000	5,017,910	982,090
(13,000)	833	13,833	(6,000,000)	(2,136,212)	3,863,788
(13,000)	833	13,833	(6,000,000)	(2,136,212)	3,863,788
	17,936	17,936		6,426,434	6,426,434
\$ (13,000)	\$ 18,769	\$ 31,769	\$ (6,000,000)	\$ 4,290,222	\$ 10,290,222

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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, 2012

	Print Shop		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 41,482	\$ 41,482
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>41,482</u>	<u>41,482</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	150,000	39,965	110,035
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		29,921	(29,921)
Total expenditures	<u>150,000</u>	<u>69,886</u>	<u>80,114</u>
Excess (deficiency) of revenues over expenditures	<u>(150,000)</u>	<u>(28,404)</u>	<u>121,596</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(150,000)</u>	<u>(28,404)</u>	<u>121,596</u>
Fund balances, beginning of year		32,795	32,795
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (150,000)</u>	<u>\$ 4,391</u>	<u>\$ 154,391</u>

Intergovernmental Agreements			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 212	\$ 212	\$	\$ 11,908,889	\$ 11,908,889
				6,213,455	6,213,455
				7,517,064	7,517,064
	212	212		25,639,408	25,639,408
	1,162	(1,162)	20,293,984	10,531,280	9,762,704
180,000	11,368	168,632	4,571,389	5,697,240	(1,125,851)
			750,000	1,411,899	(661,899)
			1,218,414	1,957,026	(738,612)
			150,000	385,511	(235,511)
			3,900,000	3,889,191	10,809
			6,350,000	2,441,835	3,908,165
180,000	12,530	167,470	37,233,787	26,313,982	10,919,805
(180,000)	(12,318)	167,682	(37,233,787)	(674,574)	36,559,213
				145,185	145,185
				(145,185)	(145,185)
(180,000)	(12,318)	167,682	(37,233,787)	(674,574)	36,559,213
	46,650	46,650		21,003,513	21,003,513
				7,567	7,567
\$ (180,000)	\$ 34,332	\$ 214,332	\$ (37,233,787)	\$ 20,336,506	\$ 57,570,293

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DEBT SERVICE FUND

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

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, 2012

	Debt Service		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 71,918	\$ 71,918
Property taxes		23,185,610	23,185,610
Total revenues		23,257,528	23,257,528
Expenditures:			
Debt service -			
Principal retirement	22,090,000	22,090,000	
Interest and fiscal charges	2,706,275	2,702,272	4,003
Total expenditures	24,796,275	24,792,272	4,003
Excess (deficiency) of revenues over expenditures	(24,796,275)	(1,534,744)	23,261,531
Other financing sources (uses):			
Transfer in		5,726	5,726
Total other financing sources (uses):		5,726	5,726
Changes in fund balances	(24,796,275)	(1,529,018)	23,267,257
Fund balances, beginning of year		2,052,104	2,052,104
Fund balances (deficits), end of year	\$ (24,796,275)	\$ 523,086	\$ 25,319,361

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.

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

Building Renewal Grant – to account for building renewal grant monies that districts may request from the School Facilities Board.

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2012

	<u>Adjacent Ways</u>	<u>Bond Building</u>	<u>Condemnation</u>
<u>ASSETS</u>			
Cash and investments	\$ 498,449	\$ 283,545	\$ 159,808
Total assets	<u>\$ 498,449</u>	<u>\$ 283,545</u>	<u>\$ 159,808</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Construction contracts payable	\$	\$ 105,374	\$
Due to other funds	<u></u>	<u></u>	<u></u>
Total liabilities	<u></u>	<u>105,374</u>	<u></u>
Fund balances (deficits):			
Restricted	498,449	178,171	159,808
Unassigned	<u></u>	<u></u>	<u></u>
Total fund balances	<u>498,449</u>	<u>178,171</u>	<u>159,808</u>
Total liabilities and fund balances	<u>\$ 498,449</u>	<u>\$ 283,545</u>	<u>\$ 159,808</u>

Building Renewal	Building Renewal Grant	Totals
\$ 30,670	\$	\$ 972,472
<u>\$ 30,670</u>	<u>\$</u>	<u>\$ 972,472</u>
\$ 30,670	\$	\$ 136,044
	108,115	108,115
<u>30,670</u>	<u>108,115</u>	<u>244,159</u>
		836,428
	(108,115)	(108,115)
	<u>(108,115)</u>	<u>728,313</u>
<u>\$ 30,670</u>	<u>\$</u>	<u>\$ 972,472</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012

	<u>Adjacent Ways</u>	<u>Bond Building</u>	<u>Condemnation</u>
Revenues:			
Other local	\$ 2,795	\$ 182,219	\$ 680
State aid and grants			
Total revenues	<u>2,795</u>	<u>182,219</u>	<u>680</u>
Expenditures:			
Capital outlay		3,568,701	
Total expenditures		<u>3,568,701</u>	
Excess (deficiency) of revenues over expenditures	<u>2,795</u>	<u>(3,386,482)</u>	<u>680</u>
Other financing sources (uses):			
Transfer out		(5,726)	
Total other financing sources (uses):		<u>(5,726)</u>	
Changes in fund balances	<u>2,795</u>	<u>(3,392,208)</u>	<u>680</u>
Fund balances (deficits), beginning of year	495,654	3,570,379	159,128
Fund balances (deficits), end of year	<u>\$ 498,449</u>	<u>\$ 178,171</u>	<u>\$ 159,808</u>

Building Renewal Grant	Totals
\$	\$ 185,694
572,376	572,376
<u>572,376</u>	<u>758,070</u>
632,684	4,201,385
<u>632,684</u>	<u>4,201,385</u>
(60,308)	(3,443,315)
	(5,726)
	<u>(5,726)</u>
(60,308)	(3,449,041)
(47,807)	4,177,354
<u>\$ (108,115)</u>	<u>\$ 728,313</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 83,340	\$ 83,340
Property taxes		5,964,149	5,964,149
State aid and grants			
Total revenues		<u>6,047,489</u>	<u>6,047,489</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Capital outlay	<u>13,677,722</u>	<u>6,906,312</u>	<u>6,771,410</u>
Total expenditures	<u>13,677,722</u>	<u>6,906,312</u>	<u>6,771,410</u>
Excess (deficiency) of revenues over expenditures	<u>(13,677,722)</u>	<u>(858,823)</u>	<u>12,818,899</u>
Other financing sources (uses):			
Transfer out			
Capital lease agreements			
Total other financing sources (uses):			
Changes in fund balances	<u>(13,677,722)</u>	<u>(858,823)</u>	<u>12,818,899</u>
Fund balances (deficits), beginning of year		14,082,147	14,082,147
Fund balances (deficits), end of year	<u>\$ (13,677,722)</u>	<u>\$ 13,223,324</u>	<u>\$ 26,901,046</u>

Adjacent Ways			Soft Capital Allocation		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 2,795	\$ 2,795	\$	\$ 45,989	\$ 45,989
	2,795	2,795		45,989	45,989
				138,382	(138,382)
				243,054	(243,054)
				30,000	(30,000)
				8,167	(8,167)
150,000		150,000	5,037,491	808,817	4,228,674
150,000		150,000	5,037,491	1,228,420	3,809,071
(150,000)	2,795	152,795	(5,037,491)	(1,182,431)	3,855,060
(150,000)	2,795	152,795	(5,037,491)	(1,182,431)	3,855,060
	495,654	495,654		9,376,659	9,376,659
\$ (150,000)	\$ 498,449	\$ 648,449	\$ (5,037,491)	\$ 8,194,228	\$ 13,231,719

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, 2012

	Bond Building		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 182,219	\$ 182,219
Property taxes			
State aid and grants			
Total revenues		<u>182,219</u>	<u>182,219</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Capital outlay	4,000,000	3,568,701	431,299
Total expenditures	<u>4,000,000</u>	<u>3,568,701</u>	<u>431,299</u>
Excess (deficiency) of revenues over expenditures	<u>(4,000,000)</u>	<u>(3,386,482)</u>	<u>613,518</u>
Other financing sources (uses):			
Transfer out		(5,726)	(5,726)
Capital lease agreements			
Total other financing sources (uses):		<u>(5,726)</u>	<u>(5,726)</u>
Changes in fund balances	<u>(4,000,000)</u>	<u>(3,392,208)</u>	<u>607,792</u>
Fund balances (deficits), beginning of year		3,570,379	3,570,379
Fund balances (deficits), end of year	<u>\$ (4,000,000)</u>	<u>\$ 178,171</u>	<u>\$ 4,178,171</u>

Condemnation			Energy and Water Savings		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 680	\$ 680	\$	\$	\$
	680	680			
			12,741,487	6,458,798	6,282,689
			12,741,487	6,458,798	6,282,689
	680	680	(12,741,487)	(6,458,798)	6,282,689
				179,087	179,087
				179,087	179,087
	680	680	(12,741,487)	(6,279,711)	6,461,776
	159,128	159,128			
\$	\$ 159,808	\$ 159,808	\$ (12,741,487)	\$ (6,279,711)	\$ 6,461,776

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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, 2012

	Building Renewal Grant		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
Property taxes			
State aid and grants		572,376	572,376
Total revenues		<u>572,376</u>	<u>572,376</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Capital outlay	715,169	632,684	82,485
Total expenditures	<u>715,169</u>	<u>632,684</u>	<u>82,485</u>
Excess (deficiency) of revenues over expenditures	<u>(715,169)</u>	<u>(60,308)</u>	<u>654,861</u>
Other financing sources (uses):			
Transfer out			
Capital lease agreements			
Total other financing sources (uses):			
Changes in fund balances	<u>(715,169)</u>	<u>(60,308)</u>	<u>654,861</u>
Fund balances (deficits), beginning of year		(47,807)	(47,807)
Fund balances (deficits), end of year	<u>\$ (715,169)</u>	<u>\$ (108,115)</u>	<u>\$ 607,054</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 315,023	\$ 315,023
	5,964,149	5,964,149
	572,376	572,376
	6,851,548	6,851,548
	138,382	(138,382)
	243,054	(243,054)
	30,000	(30,000)
	8,167	(8,167)
36,321,869	18,375,312	17,946,557
36,321,869	18,794,915	17,526,954
(36,321,869)	(11,943,367)	24,378,502
	(5,726)	(5,726)
	179,087	179,087
	173,361	173,361
(36,321,869)	(11,770,006)	24,551,863
	27,636,160	27,636,160
\$ (36,321,869)	\$ 15,866,154	\$ 52,188,023

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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 FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2012

	Student Activities	Employee Withholding	Totals
<u>ASSETS</u>			
Cash and investments	\$ 1,170,900	\$ 58,607	\$ 1,229,507
Total assets	<u>\$ 1,170,900</u>	<u>\$ 58,607</u>	<u>\$ 1,229,507</u>
<u>LIABILITIES</u>			
Deposits held for others	\$	\$ 58,607	\$ 58,607
Due to student groups	1,170,900		1,170,900
Total liabilities	<u>\$ 1,170,900</u>	<u>\$ 58,607</u>	<u>\$ 1,229,507</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2012

	<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	\$ 1,227,141	\$ 2,836,824	\$ 2,893,065	\$ 1,170,900
Total assets	\$ 1,227,141	\$ 2,836,824	\$ 2,893,065	\$ 1,170,900
<u>Liabilities</u>				
Due to student groups	\$ 1,227,141	\$ 2,836,824	\$ 2,893,065	\$ 1,170,900
Total liabilities	\$ 1,227,141	\$ 2,836,824	\$ 2,893,065	\$ 1,170,900
<u>EMPLOYEE WITHHOLDING FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 222,415	\$ 62,173,082	\$ 62,336,890	\$ 58,607
Total assets	\$ 222,415	\$ 62,173,082	\$ 62,336,890	\$ 58,607
<u>Liabilities</u>				
Deposits held for others	\$ 222,415	\$ 62,173,082	\$ 62,336,890	\$ 58,607
Total liabilities	\$ 222,415	\$ 62,173,082	\$ 62,336,890	\$ 58,607
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 1,449,556	\$ 65,009,906	\$ 65,229,955	\$ 1,229,507
Total assets	\$ 1,449,556	\$ 65,009,906	\$ 65,229,955	\$ 1,229,507
<u>Liabilities</u>				
Due to student groups	\$ 1,227,141	\$ 2,836,824	\$ 2,893,065	\$ 1,170,900
Deposits held for others	222,415	62,173,082	62,336,890	58,607
Total liabilities	\$ 1,449,556	\$ 65,009,906	\$ 65,229,955	\$ 1,229,507

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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 ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

Fiscal Year Ended June 30					
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net Assets:					
Invested in capital assets, net of related debt	\$ 105,875,208	\$ 89,384,724	\$ 68,025,798	\$ 57,618,229	\$ 39,691,197
Restricted	37,727,315	34,830,933	28,662,141	24,561,606	22,291,019
Unrestricted	49,969,908	61,381,934	63,936,241	53,470,968	48,213,467
Total net assets	<u>\$ 193,572,431</u>	<u>\$ 185,597,591</u>	<u>\$ 160,624,180</u>	<u>\$ 135,650,803</u>	<u>\$ 110,195,683</u>
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net Assets:					
Invested in capital assets, net of related debt	\$ 24,689,400	\$ 9,735,555	\$ (4,233,088)	\$ (15,603,432)	\$ (29,000,051)
Restricted	16,496,842	14,800,867	17,295,849	11,585,303	11,339,637
Unrestricted	44,159,310	41,950,396	40,659,039	35,752,796	28,347,199
Total net assets	<u>\$ 85,345,552</u>	<u>\$ 66,486,818</u>	<u>\$ 53,721,800</u>	<u>\$ 31,734,667</u>	<u>\$ 10,686,785</u>

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

Note: The deficit in "Invested in capital assets, net of related debt" in fiscal years 2003-2005 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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenses					
Instruction	\$ 61,887,082	\$ 59,591,785	\$ 66,515,928	\$ 63,390,746	\$ 71,511,187
Support services - students and staff	13,508,070	14,822,289	14,429,897	13,246,465	11,908,804
Support services - administration	10,516,696	10,339,089	10,605,978	9,921,468	9,360,315
Operation and maintenance of plant services	14,232,487	14,993,585	13,881,686	14,467,336	13,033,113
Student transportation services	4,333,504	4,165,060	4,289,107	2,992,897	3,246,442
Operation of non-instructional services	5,315,715	4,570,286	4,176,508	3,593,877	4,209,647
Interest on long-term debt	2,726,898	3,585,486	4,789,141	3,994,186	4,864,530
Total expenses	<u>112,520,452</u>	<u>112,067,580</u>	<u>118,688,245</u>	<u>111,606,975</u>	<u>118,134,038</u>
Program Revenues					
Charges for services:					
Instruction	5,596,416	8,937,388	6,915,814	6,610,458	7,558,235
Operation of non-instructional services	4,444,213	4,127,075	8,613,109	6,008,530	6,058,733
Other activities	640,920	532,559	955,815	447,755	419,640
Operating grants and contributions	9,419,083	9,790,006	8,397,780	7,369,359	6,643,315
Capital grants and contributions	368,306	443,387	589,495	710,239	420,314
Total program revenues	<u>20,468,938</u>	<u>23,830,415</u>	<u>25,472,013</u>	<u>21,146,341</u>	<u>21,100,237</u>
Net (Expense)/Revenue	<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>	<u><u>\$ (97,033,801)</u></u>

(Continued)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses					
Instruction	\$ 63,934,142	\$ 60,811,567	\$ 56,268,238	\$ 53,132,519	\$ 55,828,619
Support services - students and staff	11,929,322	11,037,979	10,640,475	10,024,232	9,306,020
Support services - administration	8,898,711	8,392,129	8,300,836	7,848,385	8,028,015
Operation and maintenance of plant services	12,983,185	11,656,608	11,979,198	11,481,699	10,623,440
Student transportation services	2,787,242	2,944,456	2,824,403	2,633,474	2,574,704
Operation of non-instructional services	3,852,277	6,975,625	6,307,380	6,025,894	5,837,147
Interest on long-term debt	6,240,063	7,089,032	7,905,162	8,626,774	11,001,606
Total expenses	<u>110,624,942</u>	<u>108,907,396</u>	<u>104,225,692</u>	<u>99,772,977</u>	<u>103,199,551</u>
Program Revenues					
Charges for services:					
Instruction	7,528,924	5,732,399	5,455,059	3,114,401	784,200
Operation of non-instructional services	6,315,978	7,455,945	7,342,655	5,904,851	5,397,533
Other activities	629,382	551,999	189,183	546,595	470,351
Operating grants and contributions	6,003,927	6,288,365	6,213,296	5,488,537	6,116,786
Capital grants and contributions	297,321	283,990	510,775	521,343	3,542,063
Total program revenues	<u>20,775,532</u>	<u>20,312,698</u>	<u>19,710,968</u>	<u>15,575,727</u>	<u>16,310,933</u>
Net (Expense)/Revenue	<u>\$ (89,849,410)</u>	<u>\$ (88,594,698)</u>	<u>\$ (84,514,724)</u>	<u>\$ (84,197,250)</u>	<u>\$ (86,888,618)</u>

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net (Expense)/Revenue	\$ (92,051,514)	\$ (88,237,165)	\$ (93,216,232)	\$ (90,460,634)	\$ (97,033,801)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	59,277,439	63,712,165	62,941,487	64,426,366	58,710,268
Property taxes, levied for debt service	23,486,448	27,010,562	27,015,448	23,128,864	26,774,825
Property taxes, levied for capital outlay	5,274,515	5,531,562	9,604,269	6,484,852	8,521,701
Investment income	317,483	711,455	839,427	1,843,222	2,142,758
Unrestricted county aid	655,473		582,151		
Unrestricted state aid	10,752,661	16,016,749	15,054,157	20,032,450	25,734,380
Unrestricted federal aid	262,335	228,083	2,152,670		
Total general revenues	<u>100,026,354</u>	<u>113,210,576</u>	<u>118,189,609</u>	<u>115,915,754</u>	<u>121,883,932</u>
Changes in Net Assets	<u>\$ 7,974,840</u>	<u>\$ 24,973,411</u>	<u>\$ 24,973,377</u>	<u>\$ 25,455,120</u>	<u>\$ 24,850,131</u>

(Continued)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net (Expense)/Revenue	\$ (89,849,410)	\$ (88,594,698)	\$ (84,514,724)	\$ (84,197,250)	\$ (86,888,618)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	55,090,899	55,543,698	57,429,666	57,976,463	55,036,096
Property taxes, levied for debt service	23,782,946	24,244,552	24,944,438	24,611,171	24,052,814
Property taxes, levied for capital outlay	4,151,998	4,602,074	8,207,229	7,571,820	5,194,817
Investment income	1,976,788	1,195,397	990,422	697,434	1,044,577
Unrestricted county aid	2,896	230,894	64,119	105,754	240,116
Unrestricted state aid	23,702,617	15,543,101	14,865,983	13,241,408	13,377,058
Unrestricted federal aid					
Total general revenues	<u>108,708,144</u>	<u>101,359,716</u>	<u>106,501,857</u>	<u>104,204,050</u>	<u>98,945,478</u>
Changes in Net Assets	<u>\$ 18,858,734</u>	<u>\$ 12,765,018</u>	<u>\$ 21,987,133</u>	<u>\$ 20,006,800</u>	<u>\$ 12,056,860</u>

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

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:					
Nonspendable	\$ 3,360,675	\$ 910,355	\$	\$	\$
Unassigned	10,795,232	25,046,751			
Reserved			2,529,175	191,643	923,138
Unreserved			7,743,525	9,541,760	3,997,760
Total General Fund	<u>\$ 14,155,907</u>	<u>\$ 25,957,106</u>	<u>\$ 10,272,700</u>	<u>\$ 9,733,403</u>	<u>\$ 4,920,898</u>
All Other Governmental Funds:					
Nonspendable	\$ 86,072	\$ 78,505	\$	\$	\$
Restricted	36,360,957	36,523,361			
Unassigned	(108,115)	(47,807)			
Reserved			72,108	67,292	63,283
Unreserved, reported in:					
Special revenue funds			23,916,489	21,910,396	22,612,800
Capital projects funds			34,384,152	39,236,944	19,277,540
Debt service fund			1,794,671	1,293,651	2,403,522
Total all other governmental funds	<u>\$ 36,338,914</u>	<u>\$ 36,554,059</u>	<u>\$ 60,167,420</u>	<u>\$ 62,508,283</u>	<u>\$ 44,357,145</u>

(Continued)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund:					
Reserved	\$ 1,467,895	\$ 1,416,862	\$ 1,280,705	\$ 1,115,678	\$ 202,125
Unreserved	3,806,681	4,777,228	9,436,561	9,322,506	5,816,599
Total General Fund	<u>\$ 5,274,576</u>	<u>\$ 6,194,090</u>	<u>\$ 10,717,266</u>	<u>\$ 10,438,184</u>	<u>\$ 6,018,724</u>
All Other Governmental Funds:					
Reserved	\$ 69,221	\$ 56,646	\$ 66,932	\$ 70,327	\$ 69,804
Unreserved, reported in:					
Special revenue funds	20,792,444	16,330,267	11,922,684	8,875,321	12,890,771
Capital projects funds	15,760,432	13,372,338	15,269,539	11,122,329	8,037,379
Debt service fund	268,540	467,439	1,341,585	1,819,920	2,801,801
Total all other governmental funds	<u>\$ 36,890,637</u>	<u>\$ 30,226,690</u>	<u>\$ 28,600,740</u>	<u>\$ 21,887,897</u>	<u>\$ 23,799,755</u>

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54 were adopted in fiscal year 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Federal sources:					
Federal grants	\$ 5,667,066	\$ 6,545,450	\$ 6,642,337	\$ 5,537,442	\$ 4,286,369
State Fiscal Stabilization (ARRA)		228,083	2,152,670		
Education Jobs	1,282,140	1,381,297			
National School Lunch Program	567,858	224,128	91,647	98,703	19,471
Total federal sources	<u>7,517,064</u>	<u>8,378,958</u>	<u>8,886,654</u>	<u>5,636,145</u>	<u>4,305,840</u>
State sources:					
State equalization assistance	5,074,636	12,095,873	10,770,218	15,248,245	15,268,594
State grants	1,108,694	482,680	598,746	1,038,765	1,661,800
School Facilities Board					951,960
Other revenues	5,677,137	4,225,632	4,051,298	5,369,994	8,401,128
Total state sources	<u>11,860,467</u>	<u>16,804,185</u>	<u>15,420,262</u>	<u>21,657,004</u>	<u>26,283,482</u>
Local sources:					
Property taxes	88,178,915	94,685,405	97,910,610	90,713,382	93,306,744
County aid	655,473		582,151		(867)
Food service sales	2,542,887	2,801,851	2,838,506	3,194,465	3,307,040
Investment income	313,001	702,167	810,306	1,766,337	2,058,868
Other revenues	9,563,516	12,399,114	15,224,557	11,276,966	12,374,580
Total local sources	<u>101,253,792</u>	<u>110,588,537</u>	<u>117,366,130</u>	<u>106,951,150</u>	<u>111,046,365</u>
Total revenues	<u>\$ 120,631,323</u>	<u>\$ 135,771,680</u>	<u>\$ 141,673,046</u>	<u>\$ 134,244,299</u>	<u>\$ 141,635,687</u>

(Continued)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Federal sources:					
Federal grants	\$ 5,049,856	\$ 5,548,380	\$ 5,570,762	\$ 5,017,770	\$ 5,113,273
State Fiscal Stabilization (ARRA)					
Education Jobs					
National School Lunch Program	47,058				
Total federal sources	<u>5,096,914</u>	<u>5,548,380</u>	<u>5,570,762</u>	<u>5,017,770</u>	<u>5,113,273</u>
State sources:					
State equalization assistance	12,952,322	9,332,608	8,281,210	8,779,357	9,026,841
State grants	1,204,334	1,031,650	1,243,008	932,717	1,530,958
School Facilities Board	3,358,949		1,649,106	4,748	1,057,087
Other revenues	7,391,346	6,219,707	5,564,897	3,882,562	3,856,703
Total state sources	<u>24,906,951</u>	<u>16,583,965</u>	<u>16,738,221</u>	<u>13,599,384</u>	<u>15,471,589</u>
Local sources:					
Property taxes	85,003,949	83,804,269	89,755,571	90,235,774	84,868,626
County aid	2,896	230,894	64,119	105,754	145,448
Food service sales	3,386,410	3,427,469	3,150,438	2,888,737	2,722,564
Investment income	1,880,628	1,105,536	970,103	683,394	839,384
Other revenues	11,088,575	10,312,874	9,836,459	6,789,742	5,496,432
Total local sources	<u>101,362,458</u>	<u>98,881,042</u>	<u>103,776,690</u>	<u>100,703,401</u>	<u>94,072,454</u>
Total revenues	<u>\$ 131,366,323</u>	<u>\$ 121,013,387</u>	<u>\$ 126,085,673</u>	<u>\$ 119,320,555</u>	<u>\$ 114,657,316</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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenditures:					
Current -					
Instruction	\$ 56,990,778	\$ 53,704,911	\$ 58,499,122	\$ 53,964,171	\$ 59,073,389
Support services - students and staff	13,155,119	14,350,033	13,251,846	12,850,018	11,550,113
Support services - administration	10,079,684	9,725,142	9,463,534	9,214,128	8,837,230
Operation and maintenance of plant services	14,178,512	14,925,947	14,408,073	13,192,484	12,742,915
Student transportation services	3,318,164	3,165,396	2,813,664	2,418,493	2,205,371
Operation of non-instructional services	4,289,609	4,386,270	3,905,618	3,531,346	3,996,118
Capital outlay	20,817,147	15,419,653	16,655,588	20,284,047	10,428,785
Debt service -					
Claims and judgements				834,097	
Interest and fiscal charges	2,702,272	3,560,860	4,764,515	3,909,560	4,899,265
Principal retirement	22,090,000	22,850,000	22,055,000	20,535,000	19,540,000
Payment to refunded bond escrow agent					698,976
Bond issuance costs				456,615	194,190
Total expenditures	<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>	<u><u>\$ 134,166,352</u></u>
Expenditures for capitalized assets	\$ 14,899,697	\$ 8,833,631	\$ 14,216,407	\$ 13,745,600	\$ 1,408,101
Debt service as a percentage of noncapital expenditures	19%	20%	20%	19%	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>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenditures:					
Current -					
Instruction	\$ 55,417,451	\$ 51,715,953	\$ 48,088,722	\$ 44,868,581	\$ 44,883,467
Support services - students and staff	11,670,701	10,702,075	10,419,002	9,758,195	9,216,522
Support services - administration	8,362,378	7,951,661	7,778,122	7,229,057	7,449,407
Operation and maintenance of plant services	12,331,782	11,860,611	11,616,498	11,732,150	10,427,698
Student transportation services	2,100,660	2,050,729	1,930,504	1,720,858	1,686,612
Operation of non-instructional services	3,799,260	6,872,955	6,200,232	5,992,179	5,783,604
Capital outlay	7,284,107	7,644,372	7,547,858	10,674,925	16,563,190
Debt service -					
Claims and judgements					
Interest and fiscal charges	6,334,159	7,183,128	8,524,442	9,522,560	9,829,610
Principal retirement	18,385,000	18,055,000	17,150,000	15,835,000	15,620,000
Payment to refunded bond escrow agent				600,616	
Bond issuance costs				261,653	633,712
Total expenditures	<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>	<u><u>\$ 122,093,822</u></u>
Expenditures for capitalized assets	\$ 1,008,000	\$ 978,193	\$ 1,575,056	\$ 4,155,422	\$ 6,753,433
Debt service as a percentage of noncapital expenditures	20%	21%	22%	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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Excess (deficiency) of revenues over expenditures	\$ (26,989,962)	\$ (6,316,532)	\$ (4,143,914)	\$ (6,945,660)	\$ 7,469,335
Other financing sources (uses):					
School improvement bonds issued				30,000,000	
Refunding bonds issued					35,765,000
Premium on sale of bonds				396,615	576,234
Capital lease agreements	12,515,731				
Transfers in	150,911	318,294	219,532	265,328	29,950
Transfers out	(150,911)	(318,294)	(219,532)	(265,328)	(29,950)
Payment to refunded bond escrow agent					(36,147,044)
Total other financing sources (uses)	<u>12,515,731</u>	<u></u>	<u></u>	<u>30,396,615</u>	<u>194,190</u>
Changes in fund balances	<u>\$ (14,474,231)</u>	<u>\$ (6,316,532)</u>	<u>\$ (4,143,914)</u>	<u>\$ 23,450,955</u>	<u>\$ 7,663,525</u>
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Excess (deficiency) of revenues over expenditures	\$ 5,680,825	\$ (3,023,097)	\$ 6,830,293	\$ 1,124,781	\$ (7,436,506)
Other financing sources (uses):					
Refunding bonds issued				33,605,000	49,905,000
Premium on sale of bonds				1,933,787	5,485,101
Transfers in	185,112	27,612	221,239	70,802	293,593
Transfers out	(185,112)	(27,612)	(221,239)	(70,802)	(293,593)
Payment to refunded bond escrow agent				(35,277,134)	(54,756,389)
Total other financing sources (uses)	<u></u>	<u></u>	<u></u>	<u>261,653</u>	<u>633,712</u>
Changes in fund balances	<u>\$ 5,680,825</u>	<u>\$ (3,023,097)</u>	<u>\$ 6,830,293</u>	<u>\$ 1,386,434</u>	<u>\$ (6,802,794)</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							
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	2.30	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	
2003					2,747,118,636	3.33	20,625,118,872	13.32	

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
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates													District Direct Rates		
	State	County	County Free	Flood Control	Community College	Fire District	Central Arizona	City of	City of	City of	Tempe Elementary	Kyrene Elementary	East Valley			
	Equalization	County	Library	District	District	Assistance	Water	Tempe	Phoenix	Chandler	School District No. 3	School District No. 28	Inst. Of Technology	Primary	Secondary	Total
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	2.30
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		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		1.10	0.04	0.15	0.98	0.01	0.10	1.40	1.82	1.20	3.82	3.49	0.05	1.74	0.76	2.50
2007		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		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		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		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
2003		1.29	0.04	0.21	1.11	0.01	0.13	1.35	1.82	1.28	4.27	4.18	N/A	2.19	1.13	3.33

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	2012			2003	
	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	0.73	%	\$	%
Qwest Corporation	26,187,093	0.72		56,427,413	2.05
Intel Corporation	25,467,691	0.70		44,929,908	1.64
Arizona Mills Mall LLC	25,412,035	0.70		26,053,220	0.95
Arizona Public Service Company	23,702,642	0.65		20,781,776	0.76
Verizon Wireless	21,842,140	0.60			
Pointe South Mountain Resort LLC	16,467,064	0.45			
DDRA Ahwatukee Foothills LLC	14,954,111	0.41			
Honeywell International Inc	12,317,942	0.34			
Tempe Fountainhead Corporate LLC	10,086,610	0.28			
KBSII Fountainhead LLC	8,808,101	0.24			
State Farm Mutual Automobile Insurance Co	8,708,152	0.24		9,930,765	0.36
T-Mobile	8,196,595	0.23			
Pky Fund II Phoenix I LLC	7,879,999	0.22			
Target Corporation	7,731,122	0.21		29,329,813	1.07
Total	<u>\$ 244,121,527</u>	<u>6.72</u>	%	<u>\$ 187,452,895</u>	<u>6.83</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
2012	\$ 93,031,771	\$ 88,830,837	95.48 %	\$	\$ 88,830,837	95.48 %
2011	103,111,472	99,326,741	96.33	3,743,172	103,069,913	99.96
2010	104,461,819	96,677,562	92.55	4,487,870	101,165,432	96.84
2009	89,460,685	83,924,411	93.81	4,469,802	88,394,213	98.81
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	1,921,075	83,332,409	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
2003	56,927,716	54,476,152	95.69	2,410,902	56,887,054	99.93

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

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

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

**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									
2012	\$ 62,560,000	\$ 1,359,299	\$ 61,200,701	0.18 %	\$ 206	\$ 12,515,731	\$ 73,716,432	0.22 %	\$ 249	N/A %	
2011	85,410,000	3,363,982	82,046,018	0.21	278		82,046,018	0.21	278	0.57	
2010	107,465,000	2,465,286	104,999,714	0.24	274		104,999,714	0.24	274	0.74	
2009	128,000,000	1,969,905	126,030,095	0.30	394		126,030,095	0.30	394	0.86	
2008	117,540,000	2,826,238	114,713,762	0.31	381		114,713,762	0.31	381	0.82	
2007	135,925,000	686,946	135,238,054	0.49	449		135,238,054	0.49	449	1.02	
2006	153,980,000	1,167,778	152,812,222	0.58	508		152,812,222	0.58	508	1.27	
2005	171,130,000	N/A	171,130,000	0.69	569		171,130,000	0.69	569	1.54	
2004	186,965,000	N/A	186,965,000	0.79	621		186,965,000	0.79	621	1.83	
2003	202,585,000	N/A	202,585,000	0.98	673		202,585,000	0.98	673	2.09	

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, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Maricopa County Community College District	\$ 683,835,000	8.65 %	\$ 59,151,728
City of Chandler	564,990,000	16.46	92,997,354
City of Phoenix	7,206,987,949	30.49	2,197,410,626
City of Tempe	731,786,092	52.26	382,431,412
City of Mesa	1,364,734,313	0.32	4,367,150
Tempe Elementary School District No. 3	129,200,000	100.00	129,200,000
Kyrene Elementary School District No. 28	132,155,000	100.00	132,155,000
Subtotal, Overlapping Debt			<u>2,997,713,270</u>
Direct:			
Tempe Union High School District No. 213			<u>73,716,432</u>
Total Direct and Overlapping Debt			<u><u>\$3,071,429,702</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, 2011 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 2012:

Secondary assessed valuation	\$ 3,634,859,003
Debt limit (5% of assessed value)	181,742,950
Debt applicable to limit	<u>30,000,000</u>
Legal debt margin	<u><u>\$ 151,742,950</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2012:

Secondary assessed valuation	\$ 3,634,859,003
Debt limit (15% of assessed value)	545,228,850
Debt applicable to limit	<u>62,560,000</u>
Legal debt margin	<u><u>\$ 482,668,850</u></u>

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total Debt limit	\$ 545,228,850	\$ 693,205,230	\$ 770,272,096	\$ 756,893,534	\$ 681,596,517
Total net debt applicable to limit	<u>62,560,000</u>	<u>82,046,018</u>	<u>104,999,714</u>	<u>126,030,095</u>	<u>114,713,762</u>
Legal debt margin	<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>	<u><u>\$ 566,882,755</u></u>
Total net debt applicable to the limit as a percentage of debt limit	11%	12%	14%	17%	17%
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Debt limit	\$ 541,891,092	\$ 518,695,669	\$ 484,526,665	\$ 459,732,385	\$ 412,067,795
Total net debt applicable to limit	<u>135,238,054</u>	<u>152,812,222</u>	<u>171,130,000</u>	<u>186,965,000</u>	<u>202,585,000</u>
Legal debt margin	<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>	<u><u>\$ 209,482,795</u></u>
Total net debt applicable to the limit as a percentage of debt limit	25%	29%	35%	41%	49%

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**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2011	3,843,370	\$ N/A	\$ N/A	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	4.4	301,000
2003	3,406,170	102,277,852	30,182	5.3	301,000
2002	3,296,250	96,998,974	29,452	5.6	301,000

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2002 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For the year 2011 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	2012			2003		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
Arizona State University	11,185	7.46	%	12,569	10.38	%
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	5.45	
Freescall	3,000	2.00		4,779	3.95	
Honeywell	3,000	2.00		3,000	2.48	
Kyrene School District	2,401	1.60		2,205	1.82	
JP Morgan Chase	2,377	1.58		2,377	1.96	
US Airways	1,898	1.27				
Tempe Elementary District	1,671	1.11		1,778	1.47	
Tempe Union High School District	1,615	1.08		1,212	1.00	
City of Tempe	1,519	1.01		1,679	1.39	
Insight Enterprises Inc.	1,418	0.95		1,400	1.16	
TEAM security	1,232	0.82				
Varian Electronics	1,200	0.80				
Edward Jones	1,170	0.78				
Express Scripts	1,170	0.78				
Sundt	1,057	0.70				
Total	52,470	34.97	%	40,931	33.81	%
Total employment	150,000			121,054		

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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents	2				
Principals	7	7	7	7	7
Assistant principals	19	19	19	18	18
Total supervisory	<u>29</u>	<u>27</u>	<u>27</u>	<u>26</u>	<u>26</u>
Instruction					
Teachers	639	640	635	637	669
Other professionals (instructional)	19				
Aides	100	121	117	122	110
Total instruction	<u>758</u>	<u>761</u>	<u>752</u>	<u>759</u>	<u>779</u>
Student Services					
Nurses	9				
Counselors/Advisors	33				
Librarians	6	6	6	9	12
Technicians	18				
Other instructional support	58	107	101	98	100
Total student services	<u>124</u>	<u>113</u>	<u>107</u>	<u>107</u>	<u>112</u>
Support and Administration					
Clerical workers	124				
Maintenance workers	131				
Bus Drivers	53				
Food Service workers	51				
Other classified	23	282	244	243	251
Service workers	71	170	186	180	177
Total support and administration	<u>453</u>	<u>452</u>	<u>430</u>	<u>423</u>	<u>428</u>
Total	<u><u>1,364</u></u>	<u><u>1,353</u></u>	<u><u>1,316</u></u>	<u><u>1,315</u></u>	<u><u>1,345</u></u>

(Continued)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents					
Principals	7	7	7	7	7
Assistant principals	18	18	18	18	19
Total supervisory	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>27</u>
Instruction					
Teachers	697	695	659	663	655
Other professionals (instructional)					
Aides	109	113	112	102	100
Total instruction	<u>806</u>	<u>808</u>	<u>771</u>	<u>765</u>	<u>755</u>
Student Services					
Nurses					
Counselors/Advisors					
Librarians	12	13	12	13	12
Technicians					
Other instructional support	72	85	87	78	79
Total student services	<u>84</u>	<u>98</u>	<u>99</u>	<u>91</u>	<u>91</u>
Support and Administration					
Clerical workers					
Maintenance workers					
Bus Drivers					
Food Service workers					
Other classified	267	247	245	248	257
Service workers	186	182	182	176	189
Total support and administration	<u>453</u>	<u>429</u>	<u>427</u>	<u>424</u>	<u>446</u>
Total	<u><u>1,369</u></u>	<u><u>1,361</u></u>	<u><u>1,323</u></u>	<u><u>1,306</u></u>	<u><u>1,319</u></u>

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

(Concluded)

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

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
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
2003	12,971	79,447,310	6,125	5.94	103,199,551	7,956	N/A	755	17.2	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 due to the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 not being adopted until fiscal year 2003.

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

	Fiscal Year Ended June 30									
	<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>2003</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	2,131,028	2,131,028	2,131,028	2,131,028	2,131,028	2,131,028
Capacity	18,511	18,511	18,511	18,511	25,675	25,675	25,675	25,675	25,675	25,675
Enrollment	13,545	13,636	13,242	12,701	13,116	13,430	13,344	12,968	13,004	12,540
<u>Administrative</u>										
Buildings	8	8	8	8	8	8	8	8	8	8
Square feet	176,300	176,300	176,300	176,300	195,000	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	103	111	107	107	108	98	89	84	82	52
<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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