

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

TEMPE, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

Steven R. Adolph
Superintendent

Gregory A. Wyman, Ed.D.
Associate Superintendent

December 22, 2011

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, 2011.

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, 2011, 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, 2011, 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

Robin S. Arredondo-Savage

D. DeeAnne Clowes

Michelle I. Helm

Zita M. Johnson

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 13,636 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 15 separate elementary facilities. The District’s 2009-10 average daily membership was 12,844. The District employs 27 principals and administrators, 691 certified personnel and 598 classified personnel. This creates a student teacher ratio of approximately 19.2:1. 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 2011, the District had 51 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 and have received the state label of highly performing and excelling schools.

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. Due to the economic downturn, the Phoenix metropolitan area and the rest of Maricopa County are facing the challenge of maintaining fiscal stability during a period of unprecedented declines in revenue. The most critical public services must be maintained for the citizens with a significantly lower revenue base. According to the University of Arizona, Eller College of Management, Arizona's economy has been contracting since the third quarter of 2007, a few months before the nation's economy topped out. This was due to Arizona's participation in the housing bubble, which has now affected nearly every sector of the economy. Population growth has slowed, consumer spending has tightened, foreclosure rates are at all-time highs, and unemployment rates continue to increase. Maricopa County's unemployment rate was 8.8 percent as of June 2011, which remains below both the State of Arizona and the United States unemployment rates of 9.6 percent, and 9.2 percent, respectively (Bureau of Labor Statistics). Slight employment growth is expected by the end of 2011.

A few of the major firms represented in the Phoenix metropolitan area includes Banner Health Systems, Bashas', Honeywell International, Inc., Motorola, Wal-Mart Stores, Inc., and Wells Fargo Company. In addition, the metropolitan area provides excellent educational and training opportunities through seven community colleges, four private colleges and graduate schools, and one state university.

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 2010 population was estimated at 4,063,802 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 \$290 per capita.

Long-term Financial Planning. The District's 2010-11 student population is 13,636, which is higher than what was originally projected. This was a result of our continuing marketing plan and the expansion of alternative programs. Current school facilities are of adequate size to meet student needs.

The November 2007 election initiative for continuation of the maintenance and operation override and capital override was narrowly defeated. As a result, the District's 2008-09 maintenance and operation override was reduced by \$2.1 million and the capital override budget was reduced by \$2.3 million. Following a well-organized community effort, in November 2008 the District voters approved the restoration of the maintenance and operation override and capital override, as well as a \$30 million bond. In 2009-10, the District regained the budget capacity that was lost during the 2008-09 fiscal year. The capital override approval will provide \$6.0 million per year over the next seven years to meet the capital needs of the District.

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.

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, 2010. 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, 2010. 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 2010-11 certificates.

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

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

Respectfully submitted,


Dr. Kenneth R. Baca
Superintendent


Diane M. Meulemans, CPA
Chief Financial Officer

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2010

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

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, 2010

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.



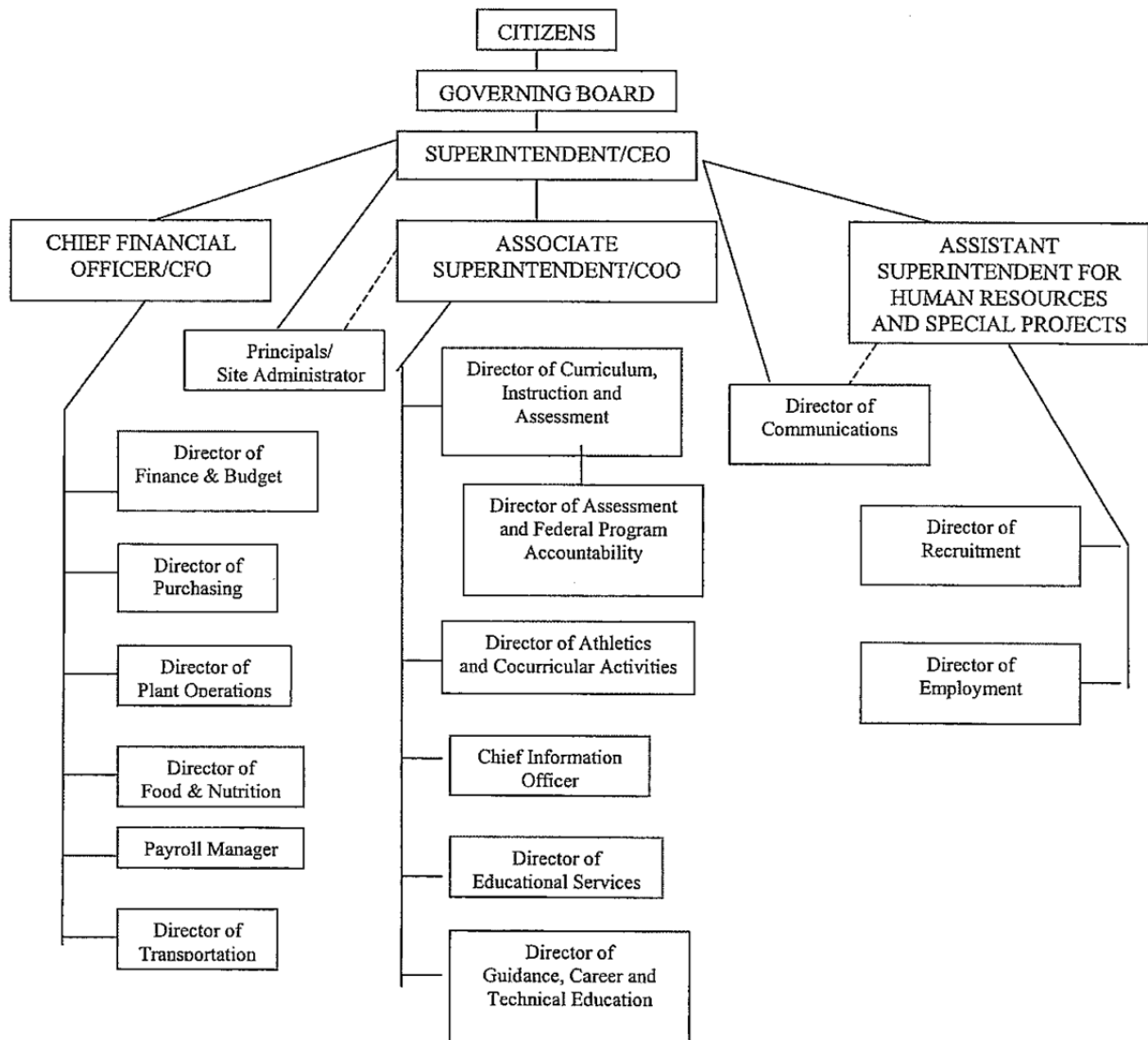
Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

DISTRICT ORGANIZATIONAL CHART



TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Zita M. Johnson
President

Michelle I. Helm
Vice President

David Schapira
Member

Mary Lou Taylor
Member

DeeAnne McClenahan
Member

ADMINISTRATIVE STAFF

Dr. Kenneth R. Baca, Superintendent

Dr. Gregory A. Wyman, Associate Superintendent

Diane M. Meulemans, CPA, Chief Financial Officer

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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HEINFELD, MEECH & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS



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, 2011, 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 District as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the year ended June 30, 2011, which represents a change in accounting principle.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2011, on our consideration of the District'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 58 and 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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.

A handwritten signature in blue ink that reads "Heinfeld, Meech & Co., P.C.".

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

December 22, 2011

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, 2011**

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 current fiscal year. 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 \$25.0 million which represents a 16 percent increase from the prior fiscal year as a result of the funding for debt service requirements exceeding depreciation expense on the related assets.
- General revenues accounted for \$113.2 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 \$23.8 million or 17 percent of total current fiscal year revenues.
- The District had approximately \$112.1 million in expenses related to governmental activities, a decrease of 6 percent from the prior fiscal year.
- Among major funds, the General Fund had \$75.7 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$72.2 million in expenditures. The General Fund's fund balance increase from \$23.8 million at the prior fiscal year end to \$26.0 million at the end of the current fiscal year was primarily due to efforts by the District to reduce spending in the current fiscal year.
- The Debt Service Fund had \$26.6 million in current fiscal year revenues, which primarily consisted of property taxes, and \$26.4 million in expenditures. The Debt Service Fund's fund balance increased from \$1.8 million at the prior fiscal year end to \$2.1 million at the end of the current fiscal year.
- The Unrestricted Capital Outlay Fund had \$5.9 million in current fiscal year revenues and \$7.4 million of expenditures. The Unrestricted Capital Outlay Fund's fund balance decreased from \$15.6 million to \$14.1 million due to the purchase of a new student management information system.
- Net assets for the Internal Service Funds increased \$4.1 million from the prior fiscal year. Operating revenues of \$11.5 million exceeded operating expenses of \$7.4 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, 2011**

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, 2011**

OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Debt Service, and Unrestricted Capital Outlay 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, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

During the year ended June 30, 2011, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB Statement No. 54 establishes standards for financial reporting, including note disclosures requirements, for fund balance classifications of the governmental funds and clarifies existing governmental fund type definitions. Additional information on the fund balance classifications, components of fund balance, and other information related to fund balance can be found in Note 2.

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 \$185.6 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, and vehicles, furniture and equipment), 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 special purposes, 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, 2011 and June 30, 2010.

	As of June 30, 2011	As of June 30, 2010
Current and other assets	\$ 110,568,501	\$ 116,266,624
Capital assets	171,224,345	166,525,898
Total assets, net	<u>281,792,846</u>	<u>282,792,522</u>
Current and other liabilities	6,310,487	10,220,377
Long-term liabilities	89,884,768	111,947,965
Total liabilities	<u>96,195,255</u>	<u>122,168,342</u>
Net assets:		
Invested in capital assets, net of related debt	89,384,724	68,025,798
Restricted	34,830,933	28,662,141
Unrestricted	61,381,934	63,936,241
Total net assets	<u>\$ 185,597,591</u>	<u>\$ 160,624,180</u>

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

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.

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 \$22.1 million of bonds.
- The addition of \$8.8 million in capital assets primarily through purchases of vehicles, furniture, and equipment, land and building improvements, and the addition of \$4.1 million in accumulated depreciation through current year depreciation expense.

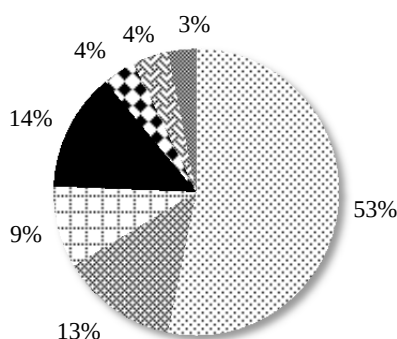
Changes in net assets. The District's total revenues for the current fiscal year were \$137.0 million. The total cost of all programs and services was \$112.1 million. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2011 and June 30, 2010.

	Fiscal Year Ended <u>June 30, 2011</u>	Fiscal Year Ended <u>June 30, 2010</u>
Revenues:		
Program revenues:		
Charges for services	\$ 13,597,022	\$ 16,484,738
Operating grants and contributions	9,790,006	8,397,780
Capital grants and contributions	443,387	589,495
General revenues:		
Property taxes	96,254,289	99,561,204
Investment income	711,455	839,427
Unrestricted county aid		582,151
Unrestricted state aid	16,016,749	15,054,157
Unrestricted federal aid	228,083	2,152,670
Total revenues	<u>137,040,991</u>	<u>143,661,622</u>
Expenses:		
Instruction	59,591,785	66,515,928
Support services – students and staff	14,822,289	14,429,897
Support services – administration	10,339,089	10,605,978
Operation and maintenance of plant services	14,993,585	13,881,686
Student transportation services	4,165,060	4,289,107
Operation of non-instructional services	4,570,286	4,176,508
Interest on long-term debt	3,585,486	4,789,141
Total expenses	<u>112,067,580</u>	<u>118,688,245</u>
Change in net assets	<u>\$ 24,973,411</u>	<u>\$ 24,973,377</u>

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

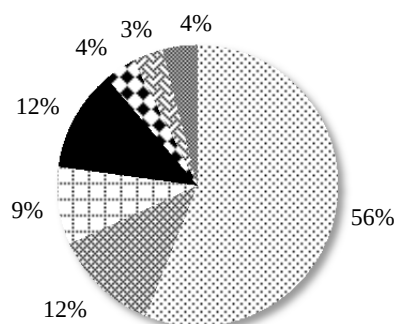
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Fiscal Year 2010-11 Expenses



⊞ Instruction
 --- Support services - administration
 ▼ Student transportation services
 ■ Interest on long-term debt

Fiscal Year 2009-10 Expenses



⊞ Support services - students and staff
 ■ Operation and maintenance of plant services
 ⊞ Operation of non-instructional services

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

- The decrease in program revenues – charges for services of \$2.9 million was due to a decrease in auxiliary operations revenue.
- The increase in program revenues – operating grants and contributions of \$1.3 million was a result of the Education Jobs Fund.
- The decrease of \$1.9 million in unrestricted federal aid was a result of one-time State Fiscal Stabilization monies received in the prior fiscal year.
- The decrease in instruction expenditures of \$6.9 million was a result of the District's efforts to reduce spending by a change in prepaid medical insurance.

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.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

	Year Ended June 30, 2011		Year Ended June 30, 2010	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 59,591,785	\$ (43,169,052)	\$ 66,515,928	\$ (54,250,928)
Support services – students and staff	14,822,289	(13,836,074)	14,429,897	(13,150,690)
Support services – administration	10,339,089	(8,758,911)	10,605,978	(8,324,501)
Operation and maintenance of plant services	14,993,585	(14,539,880)	13,881,686	(13,220,896)
Student transportation services	4,165,060	(4,134,549)	4,289,107	(4,008,324)
Operation of non-instructional services	4,570,286	(213,213)	4,176,508	4,528,248
Interest on long-term debt	3,585,486	(3,585,486)	4,789,141	(4,789,141)
Total	\$112,067,580	\$ (88,237,165)	\$118,688,245	\$ (93,216,232)

- The cost of all governmental activities this year was \$112.1 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$23.8 million.
- Net cost of governmental activities of \$88.2 million was financed by general revenues, which are made up of primarily property taxes of \$96.3 million and state aid of \$16.0 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$62.5 million, a decrease of \$8.0 million due primarily to utilization of bond proceeds received in a prior fiscal year for construction projects.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

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

The General Fund comprises 42 percent of the total fund balance. Approximately \$25.0 million, or 96 percent of the General Fund's fund balance constitutes unassigned fund balance.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$2.2 million to \$26.0 million as of fiscal year end was a result of student growth recognized at year end. General Fund revenues increased \$792,273 and General Fund expenditures decreased \$4.5 million.

The Debt Service Fund had \$26.6 million in fiscal year revenues, which consisted primarily of property taxes and \$26.4 million in expenditures. The Debt Service Fund's fund balance increased \$257,433 to \$2.1 million at current fiscal year end.

The Unrestricted Capital Outlay Fund had \$5.9 million in revenue, which primarily consisted of property taxes and \$7.4 million in expenditures. The Unrestricted Capital Outlay Fund's fund balance decreased \$1.5 million to \$14.1 million as of current fiscal year end.

Proprietary funds. Unrestricted net assets of the Internal Service Fund at the end of the fiscal year amounted to \$9.7 million. The increase of \$4.1 million from the prior fiscal year was primarily due to funding increases in anticipation of increased insurance premiums.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget for increased enrollment. The difference between the original budget and the final amended budget was a \$1.9 million increase, or 3 percent.

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

- The favorable variance of \$2.3 million in instruction was a result of budgeting the additional growth capacity recognized at year end.
- The unfavorable variance of \$521,964 in support services – administration was a result of a reclassification of expense after the final budget revision.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of year end, the District had invested \$249.6 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 \$8.8 million from the prior fiscal year primarily due to bond funded building improvements and capital funded technology purchases. Total depreciation expense for the current fiscal year was \$4.1 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2011 and June 30, 2010.

	As of <u>June 30, 2011</u>	As of <u>June 30, 2010</u>
Capital assets – non-depreciable	\$ 17,243,521	\$ 16,516,143
Capital assets – depreciable, net	<u>153,980,824</u>	<u>150,009,755</u>
Total	<u><u>\$ 171,224,345</u></u>	<u><u>\$ 166,525,898</u></u>

The estimated cost to complete current construction projects is \$2.3 million.

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

Debt Administration. At year end, the District had \$85.4 million in long-term debt outstanding, \$22.9 million due within one year. This represents a net decrease of \$22.1 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 \$693.2 million and the Class B debt limit is \$231.1 million, which is more than the respective outstanding debt.

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

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

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 2011-12 budget. Among them:

- Fiscal year 2010-11 budget balance carry forward.
- District student population.
- Increase in employer retirement contribution.
- Elimination of excess utilities funding.
- Increase in fuel costs.
- 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 decreased 2 percent to \$77.2 million in fiscal year 2011-12. This increase has not been committed because the District anticipates legislative action to address the unresolved State budget deficit. No new programs were added to the 2011-12 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, 2011

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 90,738,898
Property taxes receivable	8,617,702
Accounts receivable	570,922
Due from governmental entities	8,833,019
Prepaid items	780,877
Inventory	207,983
Total current assets	<u>109,749,401</u>
Noncurrent assets:	
Deferred charges	819,100
Land	14,067,323
Land improvements	19,421,183
Buildings and improvements	189,359,074
Vehicles, furniture and equipment	23,550,029
Construction in progress	3,176,198
Accumulated depreciation	<u>(78,349,462)</u>
Total noncurrent assets	<u>172,043,445</u>
Total assets	<u>281,792,846</u>
<u>LIABILITIES</u>	
Current liabilities:	
Overdraft of cash on deposit	829,871
Accounts payable	1,987,151
Construction contracts payable	823,217
Compensated absences payable	808,106
Accrued interest payable	1,776,931
Unearned revenues	699,218
Bonds payable	22,850,000
Total current liabilities	<u>29,774,494</u>
Noncurrent liabilities:	
Deferred bond items	194,099
Non-current portion of long-term obligations	<u>66,226,662</u>
Total noncurrent liabilities	<u>66,420,761</u>
Total liabilities	<u>96,195,255</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	89,384,724
Restricted for:	
Debt service	3,363,982
Special purposes	16,242,454
Capital outlay	15,224,497
Unrestricted	61,381,934
Total net assets	<u>\$ 185,597,591</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, 2011

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	\$ 59,591,785	\$ 8,937,388	\$ 7,041,958	\$ 443,387	\$ (43,169,052)
Support services - students and staff	14,822,289		986,215		(13,836,074)
Support services - administration	10,339,089	48,343	1,531,835		(8,758,911)
Operation and maintenance of plant services	14,993,585	453,705			(14,539,880)
Student transportation services	4,165,060	30,511			(4,134,549)
Operation of non-instructional services	4,570,286	4,127,075	229,998		(213,213)
Interest on long-term debt	3,585,486				(3,585,486)
Total governmental activities	<u>\$ 112,067,580</u>	<u>\$ 13,597,022</u>	<u>\$ 9,790,006</u>	<u>\$ 443,387</u>	<u>(88,237,165)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					63,712,165
Property taxes, levied for debt service					27,010,562
Property taxes, levied for capital outlay					5,531,562
Investment income					711,455
Unrestricted state aid					16,016,749
Unrestricted federal aid					228,083
Total general revenues					<u>113,210,576</u>
Changes in net assets					24,973,411
Net assets, beginning of year					<u>160,624,180</u>
Net assets, end of year					<u>\$ 185,597,591</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, 2011

	<u>General</u>	<u>Debt Service</u>	<u>Unrestricted Capital Outlay</u>
<u>ASSETS</u>			
Cash and investments	\$ 22,912,011	\$ 26,676,587	\$ 14,573,781
Property taxes receivable	6,768,001	1,314,326	535,375
Accounts receivable			
Due from governmental entities	2,731,554		
Due from other funds	259,355		
Prepaid items	780,877		
Inventory	129,478		
Total assets	<u><u>\$ 33,581,276</u></u>	<u><u>\$ 27,990,913</u></u>	<u><u>\$ 15,109,156</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Overdraft of cash on deposit	\$	\$	\$
Accounts payable	931,719		491,634
Construction contracts payable			
Due to other funds			
Deferred revenues	6,692,451	1,311,878	535,375
Bonds payable		22,850,000	
Bond interest payable		1,776,931	
Total liabilities	<u><u>7,624,170</u></u>	<u><u>25,938,809</u></u>	<u><u>1,027,009</u></u>
Fund balances:			
Nonspendable	910,355		
Restricted		2,052,104	14,082,147
Unassigned	25,046,751		
Total fund balances	<u><u>25,957,106</u></u>	<u><u>2,052,104</u></u>	<u><u>14,082,147</u></u>
Total liabilities and fund balances	<u><u>\$ 33,581,276</u></u>	<u><u>\$ 27,990,913</u></u>	<u><u>\$ 15,109,156</u></u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 17,362,141	\$ 81,524,520
	8,617,702
9,070	9,070
6,101,465	8,833,019
915,256	1,174,611
	780,877
78,505	207,983
<u>\$ 24,466,437</u>	<u>\$ 101,147,782</u>

\$ 829,871	\$ 829,871
519,712	1,943,065
823,217	823,217
1,174,611	1,174,611
699,218	9,238,922
	22,850,000
	1,776,931
<u>4,046,629</u>	<u>38,636,617</u>

78,505	988,860
20,389,110	36,523,361
(47,807)	24,998,944
<u>20,419,808</u>	<u>62,511,165</u>
<u>\$ 24,466,437</u>	<u>\$ 101,147,782</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, 2011

Total governmental fund balances	\$	62,511,165
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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	\$ 249,573,807	
Less accumulated depreciation	<u>(78,349,462)</u>	171,224,345

Property tax revenues will not be available to pay for current period expenditures and, therefore, are deferred in the funds.	8,539,704
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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	819,100	
Deferred bond items	<u>(194,099)</u>	625,001

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.	9,732,144
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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	(1,632,570)	
Compensated absences payable	(2,842,198)	
Bonds payable	<u>(62,560,000)</u>	<u>(67,034,768)</u>

Net assets of governmental activities	\$	<u>185,597,591</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, 2011

	<u>General</u>	<u>Debt Service</u>	<u>Unrestricted Capital Outlay</u>
Revenues:			
Other local	\$ 508,193	\$ 240,055	\$ 163,346
Property taxes	62,542,316	26,369,299	5,773,790
State aid and grants	12,095,873		
Federal aid, grants and reimbursements	524,972		
Total revenues	<u>75,671,354</u>	<u>26,609,354</u>	<u>5,937,136</u>
Expenditures:			
Current -			
Instruction	39,801,684		
Support services - students and staff	7,679,887		
Support services - administration	8,730,880		
Operation and maintenance of plant services	12,529,695		
Student transportation services	2,862,838		
Operation of non-instructional services	438,792		
Capital outlay	108,556		7,417,687
Debt service -			
Principal retirement		22,850,000	
Interest and fiscal charges		3,560,860	
Total expenditures	<u>72,152,332</u>	<u>26,410,860</u>	<u>7,417,687</u>
Excess (deficiency) of revenues over expenditures	<u>3,519,022</u>	<u>198,494</u>	<u>(1,480,551)</u>
Other financing sources (uses):			
Transfer in	259,355	58,939	
Transfer out			
Total other financing sources (uses):	<u>259,355</u>	<u>58,939</u>	
Changes in fund balances	<u>3,778,377</u>	<u>257,433</u>	<u>(1,480,551)</u>
Fund balances, beginning of year	23,797,549	1,794,671	15,562,698
Increase (decrease) in reserve for prepaid items	(1,589,815)		
Increase (decrease) in reserve for inventory	(29,005)		
Fund balances, end of year	<u>\$ 25,957,106</u>	<u>\$ 2,052,104</u>	<u>\$ 14,082,147</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 14,991,538	\$ 15,903,132
	94,685,405
4,708,312	16,804,185
7,853,986	8,378,958
<u>27,553,836</u>	<u>135,771,680</u>
13,903,227	53,704,911
6,670,146	14,350,033
994,262	9,725,142
2,396,252	14,925,947
302,558	3,165,396
3,947,478	4,386,270
7,893,410	15,419,653
	22,850,000
	3,560,860
<u>36,107,333</u>	<u>142,088,212</u>
<u>(8,553,497)</u>	<u>(6,316,532)</u>
	318,294
<u>(318,294)</u>	<u>(318,294)</u>
<u>(318,294)</u>	
<u>(8,871,791)</u>	<u>(6,316,532)</u>
29,285,202	70,440,120
	(1,589,815)
6,397	(22,608)
<u>\$ 20,419,808</u>	<u>\$ 62,511,165</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, 2011

Net changes in fund balances - total governmental funds **\$ (7,928,955)**

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

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

Expenditures for capitalized assets	\$ 8,833,631	
Less current year depreciation	<u>(4,117,930)</u>	4,715,701

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

Property taxes	1,568,884	
Intergovernmental	<u>(308,861)</u>	1,260,023

Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		22,850,000
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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	182,471	
Amortization of deferred bond items	(24,626)	
Loss on disposal of capital assets	(17,254)	
Compensated absences	<u>(174,274)</u>	(33,683)

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>4,110,325</u>
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Change in net assets in governmental activities **\$ 24,973,411**

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 FUNDS
JUNE 30, 2011

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 9,214,378
Accounts receivable	561,852
Total current assets	<u>9,776,230</u>
Total assets	<u>9,776,230</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	<u>44,086</u>
Total current liabilities	<u>44,086</u>
Total liabilities	<u>44,086</u>
<u>NET ASSETS</u>	
Unrestricted	9,732,144
Total net assets	<u><u>\$ 9,732,144</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 FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Governmental Activities: Internal Service Funds
Operating revenues:	
Contributions	\$ 11,467,097
Total operating revenues	<u>11,467,097</u>
Operating expenses:	
Premiums	7,309,166
Administrative Fees	56,894
Total operating expenses	<u>7,366,060</u>
Operating income (loss)	<u>4,101,037</u>
Nonoperating revenues (expenses):	
Investment income	9,288
Total nonoperating revenues (expenses)	<u>9,288</u>
Changes in net assets	<u>4,110,325</u>
Total net assets, beginning of year	5,621,819
Total net assets, end of year	<u><u>\$ 9,732,144</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, 2011

	Governmental Activities: Internal Service Fund
<u>Increase in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from contributions	\$ 10,906,697
Cash payments to suppliers for goods and services	<u>(7,321,974)</u>
Net cash provided by operating activities	<u>3,584,723</u>
Cash flows from investing activities:	
Investment income	<u>9,288</u>
Net cash provided by investing activities	<u>9,288</u>
Net increase in cash and cash equivalents	<u>3,594,011</u>
Cash and cash equivalents, beginning of year	<u>5,620,367</u>
Cash and cash equivalents, end of year	<u><u>\$ 9,214,378</u></u>

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

Operating income	\$ 4,101,037
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Increase in accounts receivable	(560,400)
Increase in accounts payable	<u>44,086</u>
Total adjustments	<u>(516,314)</u>
Net cash provided by operating activities	<u><u>\$ 3,584,723</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, 2011

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 1,449,556
Total assets	<u><u>\$ 1,449,556</u></u>
<u>LIABILITIES</u>	
Deposits held for others	\$ 222,415
Due to student groups	1,227,141
Total liabilities	<u><u>\$ 1,449,556</u></u>

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

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TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Tempe Union High School District No. 213 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2011, the District implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB Statement No. 54 establishes standards for financial reporting, including note disclosures requirements, for fund balance classifications of the governmental funds, and clarifies existing governmental fund type definitions.

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

A. Reporting Entity

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

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

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net 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.

These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

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

Property taxes, Federal, State and County aid, tuition and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Food services and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Deferred revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

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

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The District reports the following major governmental funds:

General Fund – The General Fund is the District's primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District's Maintenance and Operation Fund as well as the Medicaid Reimbursement, School Plant, Indirect Costs, Insurance Proceeds, Litigations Recovery, and Soft Capital Allocation Funds. These funds are maintained as separate funds for accounting and budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

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

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

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.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

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.

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

E. Investment Income

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

F. Receivables and Payables

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

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, 2011

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.

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. Prepaid items are recorded as expenditures when purchased in the fund financial statements and are offset by nonspendable fund balance.

J. Capital Assets

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

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

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

Land improvements	25 - 75 years
Buildings and improvements	15 - 75 years
Vehicles, furniture and equipment	5 - 25 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, 2011

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 accounts.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Cont'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.

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.

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Unrestricted Capital Outlay Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:				
Nonspendable:				
Inventory	\$ 129,478	\$	\$	\$ 78,505
Prepaid items	780,877			
Restricted:				
Debt service		2,052,104		
Capital projects			14,082,147	654,782
Bond building projects				3,570,379
Voter approved initiatives				2,644,166
Federal and State projects				85,929
Auxiliary operations				1,093,720
Food service				202,582
Community schools				1,993,533
Extracurricular activities				1,071,200
Joint Technical Education				6,426,434
Other purposes				2,646,385
Unassigned	25,046,751			(47,807)
Total fund balances	<u>\$ 25,957,106</u>	<u>\$2,052,104</u>	<u>\$14,082,147</u>	<u>\$ 20,419,808</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)

The July 1, 2010 fund balances of the General Fund and Non-Major Governmental Funds do not agree to the prior year financial statements for the reclassification of certain funds due to the new fund type definitions specified in GASB Statement No. 54.

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>
Fund balance, June 30, 2010, as previously reported	\$ 10,272,700	\$ 42,810,051
Reclassification of funds	<u>13,524,849</u>	<u>(13,524,849)</u>
Fund balance, July 1, 2010, as restated	<u>\$ 23,797,549</u>	<u>\$ 29,285,202</u>

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 \$47,807 in fund balance.

The deficit arose because of operations during the year. Additional revenues received in fiscal year 2011-12 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.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 4 – CASH AND INVESTMENTS

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$12,828,854, and the bank balance was \$11,769,159. Of the bank balance, \$250,000 was covered by Federal depository insurance, \$434,719 was guaranteed under the Dodd-Frank Wall Street Reform and Consumer Protection Act Temporary Provision, \$10,494,503 was covered by collateral held by the pledging financial institution in the District's name, and \$589,937 was uninsured and uncollateralized.

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, 2011

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	643 days	<u>\$79,359,600</u>
Total		<u>\$79,359,600</u>

In addition, negative cash remained after interfund borrowing, resulting in an overdraft with the County Treasurer in the Title I Grants Fund, a non-major governmental fund.

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, 2011

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	\$	\$ 1,947,606
Due from State government	<u>2,731,554</u>	<u>902,386</u>
Net due from governmental entities	<u>\$ 2,731,554</u>	<u>\$ 2,849,992</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)	\$ 6,692,451	\$
Delinquent property taxes receivable (Debt Service Fund)	1,311,878	
Delinquent property taxes receivable (Unrestricted Capital Outlay Fund)	535,375	
Grant drawdowns prior to meeting all eligibility requirements (Non-Major Governmental Funds)	<u> </u>	<u>699,218</u>
Total deferred revenue for governmental funds	<u>\$ 8,539,704</u>	<u>\$ 699,218</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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	2,448,820	3,148,127	2,420,749	3,176,198
Total capital assets, not being depreciated	16,516,143	3,148,127	2,420,749	17,243,521
Capital assets, being depreciated:				
Land improvements	18,147,160	1,274,023		19,421,183
Buildings and improvements	184,513,786	4,845,288		189,359,074
Vehicles, furniture and equipment	21,627,591	1,986,942	64,504	23,550,029
Total capital assets being depreciated	224,288,537	8,106,253	64,504	232,330,286
Less accumulated depreciation for:				
Land improvements	(10,524,640)	(578,026)		(11,102,666)
Buildings and improvements	(50,814,952)	(2,716,778)		(53,531,730)
Vehicles, furniture and equipment	(12,939,190)	(823,126)	(47,250)	(13,715,066)
Total accumulated depreciation	(74,278,782)	(4,117,930)	(47,250)	(78,349,462)
Total capital assets, being depreciated, net	150,009,755	3,988,323	17,254	153,980,824
Governmental activities capital assets, net	<u>\$166,525,898</u>	<u>\$ 7,136,450</u>	<u>\$ 2,438,003</u>	<u>\$171,224,345</u>

Depreciation expense was charged to governmental functions as follows.

Instruction	\$3,031,199
Support services – students and staff	17,796
Support services – administration	357,372
Operation and maintenance of plant services	131,906
Student transportation services	555,666
Operation of non-instructional services	23,991
Total depreciation expense – governmental activities	<u>\$4,117,930</u>

Construction Commitments – At year end the District had spent \$3.2 million on the projects and had estimated remaining contractual commitments of \$2.3 million. These projects are being funded with bond proceeds.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 7 – 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	Maturity	Outstanding Principal June 30, 2011	Due Within One Year
Governmental activities:					
Refunding Bonds, Series 2003	\$ 31,605,000	4.75-5.0%	7/1/11-14	\$ 23,255,000	\$ 7,345,000
Refunding Bonds, Series 2004	33,605,000	3.0-5.0%	7/1/11-12	13,330,000	6,230,000
Refunding Bonds, Series 2008	35,765,000	3.25-3.5%	7/1/11-13	18,825,000	9,275,000
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>\$ 85,410,000</u>	<u>\$ 22,850,000</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
	2012	\$ 22,850,000	\$ 3,126,068
	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
	2017-21	8,900,000	5,112,505
	2022-26	11,400,000	3,169,440
	2027-29	8,200,000	593,225
Total		<u>\$ 85,410,000</u>	<u>\$18,334,335</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, \$18.8 million of defeased bonds are still outstanding.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 8 – 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	\$107,465,000	\$	\$ 22,055,000	\$ 85,410,000	\$ 22,850,000
Compensated absences payable	2,667,924	872,072	697,798	2,842,198	808,106
Other postemployment healthcare benefits payable	1,815,041		182,472	1,632,570	
Governmental activity long-term liabilities	<u>\$111,947,965</u>	<u>\$ 872,072</u>	<u>\$ 22,935,270</u>	<u>\$ 89,884,768</u>	<u>\$ 23,658,106</u>

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds – At year end, several non-major governmental funds had negative cash balances of \$1,174,611 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:

	General Fund	Transfers in Debt Service Fund	Total
Transfers out			
Non-Major Governmental Funds	\$ 259,355	\$ 58,939	\$ 318,294
Total	<u>\$ 259,355</u>	<u>\$ 58,939</u>	<u>\$ 318,294</u>

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 10 – CONTINGENT LIABILITIES

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

Lawsuits – The District is a 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.

NOTE 11 – RISK MANAGEMENT

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

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

The District joined the Arizona School Alliance for Workers' Compensation, Inc. (Alliance) together with other school districts in the state for risks of loss related to workers' compensation claims. The Alliance is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays quarterly premiums to the Alliance for its employee workers' compensation coverage. The agreement provides that the Alliance will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 11 – RISK MANAGEMENT (Concl'd)

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 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Concl'd)

Funding Policy – The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 9.85 percent (9.60 percent for retirement and 0.25 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 9.85 percent (9.01 percent for retirement, 0.59 percent for health insurance premium, and 0.25 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:			
2011	\$ 3,844,051	\$ 251,719	\$ 106,661
2010	4,783,774	378,572	229,438
2009	4,723,502	567,530	295,588

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN

Plan Description – Under authority of the Governing Board, the District provides postretirement insurance (medical, prescription drugs, and vision) benefits, for certain retirees and their dependents, in accordance with the plan. The plan is a single-employer defined benefit plan administered by the District. The District contributes various percentages of these premiums based on the employees' consecutive years of service, date of declaration of intent to retire, age, and ASRS retirement eligibility status. In June 2008, the Governing Board passed a resolution to freeze the plan, as a result employees who meet eligibility requirements must have declared intent to retire on or before June 30, 2008 to participate. For the current fiscal year, the District contributed \$476,678 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 174 retirees.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN
(Cont'd)

Funding Policy – The District currently pays for postemployment benefits on a pay-as-you-go basis. Generally, resources from the General Fund are used to pay for post employment benefits. The District is studying the establishment of a trust that would be used to accumulate and invest assets necessary to pay for the accumulated liability. The District has set aside \$1.2 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.

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	\$ 330,833
Interest on net OPEB obligation	88,992
Adjustment to annual required contribution	<u>(125,619)</u>
Annual OPEB cost (expense)	294,206
Contributions made	(476,678)
Decrease in net OPEB obligation	<u>(182,471)</u>
Net OPEB obligation – beginning of year	<u>1,815,041</u>
Net OPEB obligation – end of year	<u><u>\$ 1,632,570</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ended June 30, 2011 and the two preceding years is as follows.

Fiscal Year Ended	Annual OPEB Cost Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2011	\$294,206	18%	\$1,632,570
June 30, 2010	456,772	25%	1,815,041
June 30, 2009	906,817	46%	1,977,607

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

**NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN
(Cont'd)**

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

Valuation date	July 1, 2009
Actuarial cost method	Entry age normal
Amortization method for actuarial accrued liabilities	30 year amortization closed
Remaining amortization period	26 years as of June 30, 2011
Discount rate	4.50%
Projected salary increases	N/A
Health care cost trend rate:	
Medical and Prescription Drug	9% graded down to an ultimate rate of 5% over 8 years
Retiree contribution increase	Consistent with medical/drug trends
ASRS subsidy increases	None
Cost of living adjustments	N/A

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

**NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN
(Concl'd)**

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2011	- 0 -	\$5,208,264	\$5,208,264	0%	N/A	N/A
June 30, 2010	- 0 -	5,208,264	5,208,264	0%	N/A	N/A
June 30, 2009	- 0 -	17,442,429	17,442,429	0%	63,409,415	27.5%

NOTE 14 – SUBSEQUENT EVENT

In November 2011, the District acquired Sustainability Energy Management Improvements under provisions of a long-term lease agreement classified as a capital lease. The total present value of the minimum lease payments of \$12,336,644 is payable over the next 15 years. Revenues from the Maintenance and Operations Fund will be used to pay the capital lease obligation.

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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, 2011

	Budgeted Amounts		Non-GAAP	Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
Revenues:				
Other local	\$	\$	\$ 162,414	\$ 162,414
Property taxes			62,541,033	62,541,033
State aid and grants			12,002,497	12,002,497
Federal aid, grants and reimbursements			228,083	228,083
Total revenues			<u>74,934,027</u>	<u>74,934,027</u>
Expenditures:				
Regular education				
Instruction	30,500,059	33,134,134	30,507,399	2,626,735
Support services - students and staff	4,929,662	4,490,850	5,058,811	(567,961)
Support services - administration	8,447,210	7,971,094	8,528,013	(556,919)
Operation and maintenance of plant services	12,218,105	13,269,313	12,471,418	797,895
Operation of non-instructional services	311,015	425,517	365,038	60,479
Total regular education	<u>56,406,051</u>	<u>59,290,908</u>	<u>56,930,679</u>	<u>2,360,229</u>
Special education				
Instruction	14,815,461	13,348,859	13,683,406	(334,547)
Support services - students and staff	2,677,615	2,920,936	2,581,958	338,978
Support services - administration	60,164	134,271	99,316	34,955
Operation and maintenance of plant services		5,934	6,479	(545)
Total special education	<u>17,553,240</u>	<u>16,410,000</u>	<u>16,371,159</u>	<u>38,841</u>
Pupil transportation				
Student transportation services	<u>2,770,876</u>	<u>2,961,181</u>	<u>2,853,027</u>	<u>108,154</u>
Total pupil transportation	<u>2,770,876</u>	<u>2,961,181</u>	<u>2,853,027</u>	<u>108,154</u>
Dropout prevention programs				
Instruction	197,699	197,699	197,697	2
Support services - students and staff	<u>2,715</u>	<u>2,715</u>	<u>2,715</u>	
Total dropout prevention programs	<u>200,414</u>	<u>200,414</u>	<u>200,412</u>	<u>2</u>
Total expenditures	<u>76,930,581</u>	<u>78,862,503</u>	<u>76,355,277</u>	<u>2,507,226</u>
Changes in fund balances	<u>(76,930,581)</u>	<u>(78,862,503)</u>	<u>(1,421,250)</u>	<u>77,441,253</u>
Fund balances, beginning of year			9,870,593	9,870,593
Increase (decrease) in reserve for prepaid items			3,399,050	3,399,050
Increase (decrease) in reserve for inventory			(29,005)	(29,005)
Fund balances (deficits), end of year	<u>\$ (76,930,581)</u>	<u>\$ (78,862,503)</u>	<u>\$ 11,819,388</u>	<u>\$ 90,681,891</u>

See accompanying notes to this schedule.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The adopted budget of the District is prepared on a basis consistent with accounting principles generally accepted in the United States of America with the following exceptions: 1) a portion of the General Fund activity is budgeted for separately as special revenue and capital projects funds, 2) a portion of fiscal year 2011-12 insurance payments were charged against the fiscal year 2010-11 budget, and 3) a portion of the fiscal year 2010-11 insurance payments were budgeted for in fiscal year 2009-10. Consequently, the following adjustments were necessary to present actual expenditures, increase (decrease) for prepaid items, fund balance at July 1, 2010, and fund balance at June 30, 2011 on a budgetary basis in order to provide a meaningful comparison.

	<u>Total Expenditures</u>	<u>Increase/ (Decrease) for Prepaid Items</u>	<u>Fund Balance, June 30, 2011</u>	<u>Fund Balance, July 1, 2010</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 72,152,332	\$ (1,589,815)	\$ 25,957,106	\$ 23,797,549
Fiscal year 2010-11 activity as special revenue funds	(398,649)		(4,761,059)	(4,331,568)
Fiscal year 2010-11 activity budgeted as capital projects funds			(9,376,659)	(9,208,117)
Fiscal year 2011-12 insurance payments charged against fiscal year 2010-11 budget	4,988,865	4,988,865		
Fiscal year 2010-11 insurance payments budgeted in 2009-10	<u>(387,271)</u>	<u> </u>	<u> </u>	<u>(387,271)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 76,355,277</u>	<u>\$ 3,399,050</u>	<u>\$ 11,819,388</u>	<u>\$ 9,870,593</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, 2011

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 12,360,150	\$ 5,001,991	\$ 17,362,141
Accounts receivable	9,070		9,070
Due from governmental entities	6,101,465		6,101,465
Due from other funds	915,256		915,256
Inventory	78,505		78,505
Total assets	<u>\$ 19,464,446</u>	<u>\$ 5,001,991</u>	<u>\$ 24,466,437</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Overdraft of cash on deposit	\$ 829,871	\$	\$ 829,871
Accounts payable	518,292	1,420	519,712
Construction contracts payable		823,217	823,217
Due to other funds	1,174,611		1,174,611
Deferred revenues	699,218		699,218
Total liabilities	<u>3,221,992</u>	<u>824,637</u>	<u>4,046,629</u>
Fund balances (deficits):			
Nonspendable	78,505		78,505
Restricted	16,163,949	4,225,161	20,389,110
Unassigned	(47,807)	(47,807)	(47,807)
Total fund balances	<u>16,242,454</u>	<u>4,177,354</u>	<u>20,419,808</u>
Total liabilities and fund balances	<u>\$ 19,464,446</u>	<u>\$ 5,001,991</u>	<u>\$ 24,466,437</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, 2011

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 14,925,990	\$ 65,548	\$ 14,991,538
State aid and grants	4,708,312		4,708,312
Federal aid, grants and reimbursements	7,853,986		7,853,986
Total revenues	<u>27,488,288</u>	<u>65,548</u>	<u>27,553,836</u>
Expenditures:			
Current -			
Instruction	13,903,227		13,903,227
Support services - students and staff	6,670,146		6,670,146
Support services - administration	994,262		994,262
Operation and maintenance of plant services	2,396,252		2,396,252
Student transportation services	302,558		302,558
Operation of non-instructional services	3,947,478		3,947,478
Capital outlay	2,450,818	5,442,592	7,893,410
Total expenditures	<u>30,664,741</u>	<u>5,442,592</u>	<u>36,107,333</u>
Excess (deficiency) of revenues over expenditures	<u>(3,176,453)</u>	<u>(5,377,044)</u>	<u>(8,553,497)</u>
Other financing sources (uses):			
Transfer out	(259,355)	(58,939)	(318,294)
Total other financing sources (uses):	<u>(259,355)</u>	<u>(58,939)</u>	<u>(318,294)</u>
Changes in fund balances	<u>(3,435,808)</u>	<u>(5,435,983)</u>	<u>(8,871,791)</u>
Fund balances, beginning of year	19,671,865	9,613,337	29,285,202
Increase (decrease) in reserve for inventory	6,397		6,397
Fund balances, end of year	<u>\$ 16,242,454</u>	<u>\$ 4,177,354</u>	<u>\$ 20,419,808</u>

SPECIAL REVENUE FUNDS

The following Special Revenue Funds are maintained by the District. Arizona Revised Statutes (A.R.S.) and the Uniform System of Financial Records (USFR) require the establishment of these funds for the specified financial activities.

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.

Family Literacy Program - to account for financial assistance received from the State for family literacy programs.

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.

**SPECIAL REVENUE FUNDS
(Concluded)**

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

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

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

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

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

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

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

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

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

Indirect Costs - to account for monies 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 Technological 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, 2011

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Structured English Immersion</u>
<u>ASSETS</u>			
Cash and investments	\$ 100,271	\$ 1,641,509	\$
Accounts receivable			
Due from governmental entities	671,958	230,428	
Due from other funds			65,173
Inventory			
Total assets	<u><u>\$ 772,229</u></u>	<u><u>\$ 1,871,937</u></u>	<u><u>\$ 65,173</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Overdraft of cash on deposit	\$	\$	\$
Accounts payable			
Due to other funds			
Deferred revenues			65,173
Total liabilities			<u>65,173</u>
Fund balances:			
Nonspendable			
Restricted	<u>772,229</u>	<u>1,871,937</u>	
Total fund balances	<u><u>772,229</u></u>	<u><u>1,871,937</u></u>	
Total liabilities and fund balances	<u><u>\$ 772,229</u></u>	<u><u>\$ 1,871,937</u></u>	<u><u>\$ 65,173</u></u>

<u>Compensatory Instruction</u>	<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Promote Informed Parent Choice</u>	<u>Limited English and Immigrant Students</u>
\$	\$	\$	\$	\$	\$
182,606	1,349,190	449,423	11,444	101	1,223
<u>\$ 182,606</u>	<u>\$ 1,349,190</u>	<u>\$ 449,423</u>	<u>\$ 11,444</u>	<u>\$ 101</u>	<u>\$ 1,223</u>
\$	\$ 829,871	\$	\$	\$	\$
	14,433	5,110			
	504,886	444,313	11,444		1,210
182,606				101	13
<u>182,606</u>	<u>1,349,190</u>	<u>449,423</u>	<u>11,444</u>	<u>101</u>	<u>1,223</u>
<u>\$ 182,606</u>	<u>\$ 1,349,190</u>	<u>\$ 449,423</u>	<u>\$ 11,444</u>	<u>\$ 101</u>	<u>\$ 1,223</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	Indian Education	Special Education Grants	Johnson O'Malley
<u>ASSETS</u>			
Cash and investments	\$	\$	\$
Accounts receivable			
Due from governmental entities	51,939		6,738
Due from other funds		204,557	
Inventory			
Total assets	<u><u>\$ 51,939</u></u>	<u><u>\$ 204,557</u></u>	<u><u>\$ 6,738</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Overdraft of cash on deposit	\$	\$	\$
Accounts payable	28,327		
Due to other funds	23,612	124,078	6,738
Deferred revenues		80,479	
Total liabilities	<u><u>51,939</u></u>	<u><u>204,557</u></u>	<u><u>6,738</u></u>
Fund balances:			
Nonspendable			
Restricted			
Total fund balances			
Total liabilities and fund balances	<u><u>\$ 51,939</u></u>	<u><u>\$ 204,557</u></u>	<u><u>\$ 6,738</u></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>
\$	\$	\$	\$	\$	\$
36,684	9,011 10,147	5,614	7,581	7,814 70,534	254,133
<u>\$ 36,684</u>	<u>\$ 19,158</u>	<u>\$ 5,614</u>	<u>\$ 7,581</u>	<u>\$ 78,348</u>	<u>\$ 254,133</u>
\$	\$	\$	\$	\$	\$
36,684	19,158	2,488 3,126			254,133
<u>36,684</u>	<u>19,158</u>	<u>5,614</u>			<u>254,133</u>
			7,581	78,348	
			<u>7,581</u>	<u>78,348</u>	
<u>\$ 36,684</u>	<u>\$ 19,158</u>	<u>\$ 5,614</u>	<u>\$ 7,581</u>	<u>\$ 78,348</u>	<u>\$ 254,133</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	<u>Extended School Year - Pupils with Disabilities</u>	<u>Adult Basic Education</u>	<u>Chemical Abuse Prevention Programs</u>
<u>ASSETS</u>			
Cash and investments	\$	\$	\$
Accounts receivable			
Due from governmental entities			
Due from other funds	958	7,591	354
Inventory			
Total assets	<u><u>\$ 958</u></u>	<u><u>\$ 7,591</u></u>	<u><u>\$ 354</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Overdraft of cash on deposit	\$	\$	\$
Accounts payable			
Due to other funds			
Deferred revenues	958	7,591	354
Total liabilities	<u>958</u>	<u>7,591</u>	<u>354</u>
Fund balances:			
Nonspendable			
Restricted			
Total fund balances			
Total liabilities and fund balances	<u><u>\$ 958</u></u>	<u><u>\$ 7,591</u></u>	<u><u>\$ 354</u></u>

<u>Academic Contests</u>	<u>Gifted</u>	<u>Family Literacy Program</u>	<u>Environmental Special Plate</u>	<u>Other State Projects</u>	<u>Food Service</u>
\$	\$	\$	\$	\$	\$ 177,219
					25,363
10,400	25,180	3,612	9,675	55,817	49,498
<u>\$ 10,400</u>	<u>\$ 25,180</u>	<u>\$ 3,612</u>	<u>\$ 9,675</u>	<u>\$ 55,817</u>	<u>\$ 252,080</u>
\$	\$	\$	\$	\$	\$
10,400	25,180	3,612	9,675	55,817	
<u>10,400</u>	<u>25,180</u>	<u>3,612</u>	<u>9,675</u>	<u>55,817</u>	
					49,498
					<u>202,582</u>
					<u>252,080</u>
<u>\$ 10,400</u>	<u>\$ 25,180</u>	<u>\$ 3,612</u>	<u>\$ 9,675</u>	<u>\$ 55,817</u>	<u>\$ 252,080</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	<u>Civic Center</u>	<u>Community School</u>	<u>Auxiliary Operations</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,643,794	\$ 2,002,568	\$ 1,107,768
Accounts receivable		9,070	
Due from governmental entities			
Due from other funds			
Inventory			29,007
Total assets	<u><u>\$ 1,643,794</u></u>	<u><u>\$ 2,011,638</u></u>	<u><u>\$ 1,136,775</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Overdraft of cash on deposit	\$	\$	\$
Accounts payable		18,105	14,048
Due to other funds			
Deferred revenues			
Total liabilities	<u>18,105</u>	<u>18,105</u>	<u>14,048</u>
Fund balances:			
Nonspendable			29,007
Restricted	1,643,794	1,993,533	1,093,720
Total fund balances	<u>1,643,794</u>	<u>1,993,533</u>	<u>1,122,727</u>
Total liabilities and fund balances	<u><u>\$ 1,643,794</u></u>	<u><u>\$ 2,011,638</u></u>	<u><u>\$ 1,136,775</u></u>

<u>Extracurricular Activities Fees Tax Credit</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>
\$ 1,076,392	\$ 345,551	\$ 521,637	\$ 116,000	\$ 17,936	\$ 3,530,060
					3,251,473
<u>\$ 1,076,392</u>	<u>\$ 345,551</u>	<u>\$ 521,637</u>	<u>\$ 116,000</u>	<u>\$ 17,936</u>	<u>\$ 6,781,533</u>
\$ 5,192	\$ 77,978	\$	\$	\$	\$ 355,099
<u>5,192</u>	<u>77,978</u>				<u>355,099</u>
1,071,200	267,573	521,637	116,000	17,936	6,426,434
<u>1,071,200</u>	<u>267,573</u>	<u>521,637</u>	<u>116,000</u>	<u>17,936</u>	<u>6,426,434</u>
<u>\$ 1,076,392</u>	<u>\$ 345,551</u>	<u>\$ 521,637</u>	<u>\$ 116,000</u>	<u>\$ 17,936</u>	<u>\$ 6,781,533</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	<u>Print Shop</u>	<u>Intergovernmental Agreements</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 32,795	\$ 46,650	\$ 12,360,150
Accounts receivable			9,070
Due from governmental entities			6,101,465
Due from other funds			915,256
Inventory			78,505
Total assets	<u>\$ 32,795</u>	<u>\$ 46,650</u>	<u>\$ 19,464,446</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Overdraft of cash on deposit	\$	\$	\$ 829,871
Accounts payable			518,292
Due to other funds			1,174,611
Deferred revenues			699,218
Total liabilities	<u></u>	<u></u>	<u>3,221,992</u>
Fund balances:			
Nonspendable			78,505
Restricted	32,795	46,650	16,163,949
Total fund balances	<u>32,795</u>	<u>46,650</u>	<u>16,242,454</u>
Total liabilities and fund balances	<u>\$ 32,795</u>	<u>\$ 46,650</u>	<u>\$ 19,464,446</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, 2011

	Classroom Site	Instructional Improvement	Title I Grants
Revenues:			
Other local	\$ 6,452	\$ 9,992	\$
State aid and grants	3,686,738	542,999	
Federal aid, grants and reimbursements			2,126,977
Total revenues	<u>3,693,190</u>	<u>552,991</u>	<u>2,126,977</u>
Expenditures:			
Current -			
Instruction	3,214,916	276,136	1,196,236
Support services - students and staff	360,354	28,854	783,965
Support services - administration			10,797
Operation and maintenance of plant services			
Student transportation services			3,703
Operation of non-instructional services			
Capital outlay			58,192
Total expenditures	<u>3,575,270</u>	<u>304,990</u>	<u>2,052,893</u>
Excess (deficiency) of revenues over expenditures	<u>117,920</u>	<u>248,001</u>	<u>74,084</u>
Other financing sources (uses):			
Transfer out			(74,084)
Total other financing sources (uses):			<u>(74,084)</u>
Changes in fund balances	<u>117,920</u>	<u>248,001</u>	
Fund balances (deficits), beginning of year	654,309	1,623,936	
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u><u>\$ 772,229</u></u>	<u><u>\$ 1,871,937</u></u>	<u><u>\$</u></u>

Professional Development and Technology Grants	Limited English and Immigrant Students	Indian Education	Special Education Grants	Adult Education	Vocational Education
\$	\$	\$	\$	\$	\$
485,790	36,484	130,322	2,404,879	253,506	652,454
485,790	36,484	130,322	2,404,879	253,506	652,454
458,229	4,286	45,776	1,420,973	127,894	10,035
2,327	30,680	84,169	855,758	112,509	345,192
		377			
	308		4,070		278,069
460,556	35,274	130,322	2,280,801	240,403	633,296
25,234	1,210		124,078	13,103	19,158
(25,234)	(1,210)		(124,078)	(13,103)	(19,158)
(25,234)	(1,210)		(124,078)	(13,103)	(19,158)
\$	\$	\$	\$	\$	\$

(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, 2011

	Homeless Education	E-Rate	Other Federal Projects
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	61,566		1,472,010
Total revenues	<u>61,566</u>		<u>1,472,010</u>
Expenditures:			
Current -			
Instruction	457	46	1,381,296
Support services - students and staff	55,170		
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	3,451		
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>59,078</u>	<u>46</u>	<u>1,381,296</u>
Excess (deficiency) of revenues over expenditures	<u>2,488</u>	<u>(46)</u>	<u>90,714</u>
Other financing sources (uses):			
Transfer out	(2,488)		
Total other financing sources (uses):	<u>(2,488)</u>		
Changes in fund balances		(46)	90,714
Fund balances (deficits), beginning of year		7,627	(12,366)
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$</u>	<u>\$ 7,581</u>	<u>\$ 78,348</u>

State Vocational Education	Other State Projects	Food Service	Civic Center	Community School	Auxiliary Operations
\$	\$	\$	\$	\$	\$
468,089	10,486	2,806,264	263,868	2,403,872	1,333,869
		229,998			
468,089	10,486	3,036,262	263,868	2,403,872	1,333,869
172,039	8,888		11,007	1,076,218	2,437,366
182,572	1,598			137,197	1,716,193
11,413			42,439	225,618	33,906
		30,434	101,448	75,394	1,364,634
				1,511	17,684
		3,043,286		743,046	156,346
102,065		683		52,261	316,468
468,089	10,486	3,074,403	154,894	2,311,245	6,042,597
		(38,141)	108,974	92,627	(4,708,728)
		(38,141)	108,974	92,627	(4,708,728)
		283,060	1,534,820	1,900,906	5,832,219
		7,161			(764)
\$	\$	\$	\$	\$	\$
		252,080	1,643,794	1,993,533	1,122,727

(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, 2011

	Extracurricular Activities Fees Tax Credit	Gifts and Donations	Textbooks
Revenues:			
Other local	\$ 1,015,646	\$ 548,698	\$ 30,318
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>1,015,646</u>	<u>548,698</u>	<u>30,318</u>
Expenditures:			
Current -			
Instruction	431,446	117,236	
Support services - students and staff	409,039	95,650	1,440
Support services - administration	719	8,511	
Operation and maintenance of plant services		7,188	
Student transportation services	2,038	196,130	
Operation of non-instructional services		1,100	
Capital outlay	206,164	64,482	
Total expenditures	<u>1,049,406</u>	<u>490,297</u>	<u>1,440</u>
Excess (deficiency) of revenues over expenditures	<u>(33,760)</u>	<u>58,401</u>	<u>28,878</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(33,760)</u>	<u>58,401</u>	<u>28,878</u>
Fund balances (deficits), beginning of year	1,104,960	209,172	492,759
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 1,071,200</u>	<u>\$ 267,573</u>	<u>\$ 521,637</u>

<u>Insurance Refund</u>	<u>Grants and Gifts to Teachers</u>	<u>Joint Technical Education</u>	<u>Print Shop</u>	<u>Intergovernmental Agreements</u>	<u>Totals</u>
\$ 861	\$ 3,025	\$ 6,409,720	\$ 49,307	\$ 44,098	\$ 14,925,990
					4,708,312
					7,853,986
<u>861</u>	<u>3,025</u>	<u>6,409,720</u>	<u>49,307</u>	<u>44,098</u>	<u>27,488,288</u>
	2,347	1,933,304		35,325	13,903,227
	470	1,011,107			6,670,146
		592,456	65,699		994,262
		817,154			2,396,252
	1,500	76,541			302,558
		3,700			3,947,478
		1,337,763	30,293		2,450,818
	<u>4,317</u>	<u>5,772,025</u>	<u>95,992</u>	<u>35,325</u>	<u>30,664,741</u>
<u>861</u>	<u>(1,292)</u>	<u>637,695</u>	<u>(46,685)</u>	<u>8,773</u>	<u>(3,176,453)</u>
					(259,355)
					<u>(259,355)</u>
<u>861</u>	<u>(1,292)</u>	<u>637,695</u>	<u>(46,685)</u>	<u>8,773</u>	<u>(3,435,808)</u>
115,139	19,228	5,788,739	79,480	37,877	19,671,865
					6,397
<u>\$ 116,000</u>	<u>\$ 17,936</u>	<u>\$ 6,426,434</u>	<u>\$ 32,795</u>	<u>\$ 46,650</u>	<u>\$ 16,242,454</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 6,452	\$ 6,452
State aid and grants		3,686,738	3,686,738
Federal aid, grants and reimbursements			
Total revenues		<u>3,693,190</u>	<u>3,693,190</u>
Expenditures:			
Current -			
Instruction	7,033,236	3,214,916	3,818,320
Support services - students and staff		360,354	(360,354)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>7,033,236</u>	<u>3,575,270</u>	<u>3,457,966</u>
Excess (deficiency) of revenues over expenditures	<u>(7,033,236)</u>	<u>117,920</u>	<u>7,151,156</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(7,033,236)</u>	<u>117,920</u>	<u>7,151,156</u>
Fund balances (deficits), beginning of year		654,309	654,309
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (7,033,236)</u>	<u>\$ 772,229</u>	<u>\$ 7,805,465</u>

Instructional Improvement			Structured English Immersion		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 9,992 542,999	\$ 9,992 542,999	\$	\$	\$
	552,991	552,991			
914,448 95,552	276,136 28,854	638,312 66,698	795		795
1,010,000	304,990	705,010	795		795
(1,010,000)	248,001	1,258,001	(795)		795
(1,010,000)	248,001	1,258,001	(795)		795
	1,623,936	1,623,936			
\$ (1,010,000)	\$ 1,871,937	\$ 2,881,937	\$ (795)	\$	\$ 795

(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, 2011

	Title I Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		2,126,977	2,126,977
Total revenues		<u>2,126,977</u>	<u>2,126,977</u>
Expenditures:			
Current -			
Instruction	1,399,902	1,196,236	203,666
Support services - students and staff	917,440	783,965	133,475
Support services - administration	12,635	10,797	1,838
Operation and maintenance of plant services			
Student transportation services	4,333	3,703	630
Operation of non-instructional services			
Capital outlay	68,100	58,192	9,908
Total expenditures	<u>2,402,410</u>	<u>2,052,893</u>	<u>349,517</u>
Excess (deficiency) of revenues over expenditures	<u>(2,402,410)</u>	<u>74,084</u>	<u>2,476,494</u>
Other financing sources (uses):			
Transfer in			
Transfer out	(74,084)	(74,084)	
Total other financing sources (uses):	<u>(74,084)</u>	<u>(74,084)</u>	
Changes in fund balances	<u>(2,476,494)</u>		<u>2,476,494</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (2,476,494)</u>	<u>\$</u>	<u>\$ 2,476,494</u>

Professional Development and Technology Grants			Limited English and Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	485,790	485,790		36,484	36,484
	485,790	485,790		36,484	36,484
576,580	458,229	118,351	7,206	4,286	2,920
2,928	2,327	601	51,583	30,680	20,903
579,508	460,556	118,952	518	308	210
			59,307	35,274	24,033
(579,508)	25,234	604,742	(59,307)	1,210	60,517
(25,234)	(25,234)		(1,210)	(1,210)	
(25,234)	(25,234)		(1,210)	(1,210)	
(604,742)		604,742	(60,517)		60,517
\$ (604,742)	\$	\$ 604,742	\$ (60,517)	\$	\$ 60,517

(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, 2011

	Indian Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		130,322	130,322
Total revenues		<u>130,322</u>	<u>130,322</u>
Expenditures:			
Current -			
Instruction	45,663	45,776	(113)
Support services - students and staff	83,961	84,169	(208)
Support services - administration	376	377	(1)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>130,000</u>	<u>130,322</u>	<u>(322)</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 (deficits), 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			Adult Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	2,404,879	2,404,879		253,506	253,506
	2,404,879	2,404,879		253,506	253,506
1,515,056	1,420,973	94,083	128,311	127,894	417
912,418	855,758	56,660	112,875	112,509	366
4,340	4,070	270			
2,431,814	2,280,801	151,013	241,186	240,403	783
(2,431,814)	124,078	2,555,892	(241,186)	13,103	254,289
(124,078)	(124,078)		(13,103)	(13,103)	
(124,078)	(124,078)		(13,103)	(13,103)	
(2,555,892)		2,555,892	(254,289)		254,289
\$ (2,555,892)	\$	\$ 2,555,892	\$ (254,289)	\$	\$ 254,289

(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, 2011

	Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		652,454	652,454
Total revenues		<u>652,454</u>	<u>652,454</u>
Expenditures:			
Current -			
Instruction	10,162	10,035	127
Support services - students and staff	349,555	345,192	4,363
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	281,584	278,069	3,515
Total expenditures	<u>641,301</u>	<u>633,296</u>	<u>8,005</u>
Excess (deficiency) of revenues over expenditures	<u>(641,301)</u>	<u>19,158</u>	<u>660,459</u>
Other financing sources (uses):			
Transfer in			
Transfer out	(19,158)	(19,158)	
Total other financing sources (uses):	<u>(19,158)</u>	<u>(19,158)</u>	
Changes in fund balances	<u>(660,459)</u>		<u>660,459</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (660,459)</u>	<u>\$</u>	<u>\$ 660,459</u>

Homeless Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	61,566	61,566		296,889	296,889
	61,566	61,566		296,889	296,889
570	457	113	900,000		900,000
68,780	55,170	13,610			
4,302	3,451	851			
73,652	59,078	14,574	900,000		900,000
(73,652)	2,488	76,140	(900,000)	296,889	1,196,889
(2,488)	(2,488)				
(2,488)	(2,488)				
(76,140)		76,140	(900,000)	296,889	1,196,889
				1,152,129	1,152,129
\$ (76,140)	\$	\$ 76,140	\$ (900,000)	\$ 1,449,018	\$ 2,349,018

(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, 2011

	E-Rate		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction		46	(46)
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		46	(46)
Excess (deficiency) of revenues over expenditures		(46)	(46)
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances		(46)	(46)
Fund balances (deficits), beginning of year		7,627	7,627
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$	\$ 7,581	\$ 7,581

Other Federal Projects			State Vocational Education		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$	\$	\$	\$
				468,089	468,089
	1,472,010	1,472,010			
	1,472,010	1,472,010		468,089	468,089
1,425,000	1,381,296	43,704	204,498	172,039	32,459
			217,018	182,572	34,446
			13,566	11,413	2,153
			121,322	102,065	19,257
1,425,000	1,381,296	43,704	556,404	468,089	88,315
(1,425,000)	90,714	1,515,714	(556,404)		556,404
(1,425,000)	90,714	1,515,714	(556,404)		556,404
	(12,366)	(12,366)			
\$ (1,425,000)	\$ 78,348	\$ 1,503,348	\$ (556,404)	\$	\$ 556,404

(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, 2011

	Extended School Year - Pupils with Disabilities		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction	15,339		15,339
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	15,339		15,339
Excess (deficiency) of revenues over expenditures	(15,339)		15,339
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	(15,339)		15,339
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (15,339)	\$	\$ 15,339

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	10,486	10,486		246,317	246,317
	10,486	10,486		246,317	246,317
42,380	8,888	33,492	50,958	14,776	36,182
7,620	1,598	6,022	111,750	32,403	79,347
			94,475	27,394	67,081
			178,637	51,798	126,839
			37,822	10,967	26,855
			76,358	22,141	54,217
50,000	10,486	39,514	550,000	159,479	390,521
(50,000)		50,000	(550,000)	86,838	636,838
(50,000)		50,000	(550,000)	86,838	636,838
				1,677,539	1,677,539
\$ (50,000)	\$	\$ 50,000	\$ (550,000)	\$ 1,764,377	\$ 2,314,377

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, 2011

	Food Service		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 2,806,264	\$ 2,806,264
State aid and grants			
Federal aid, grants and reimbursements		229,998	229,998
Total revenues		<u>3,036,262</u>	<u>3,036,262</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	38,607	30,434	8,173
Student transportation services			
Operation of non-instructional services	3,860,527	3,043,286	817,241
Capital outlay	866	683	183
Total expenditures	<u>3,900,000</u>	<u>3,074,403</u>	<u>825,597</u>
Excess (deficiency) of revenues over expenditures	<u>(3,900,000)</u>	<u>(38,141)</u>	<u>3,861,859</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(3,900,000)</u>	<u>(38,141)</u>	<u>3,861,859</u>
Fund balances (deficits), beginning of year		283,060	283,060
Increase (decrease) in reserve for inventory		7,161	7,161
Fund balances (deficits), end of year	<u>\$ (3,900,000)</u>	<u>\$ 252,080</u>	<u>\$ 4,152,080</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 263,868	\$ 263,868	\$	\$ 2,403,872	\$ 2,403,872
	263,868	263,868		2,403,872	2,403,872
19,187	11,007	8,180	1,303,804	1,076,218	227,586
73,977	42,439	31,538	166,210	137,197	29,013
176,836	101,448	75,388	273,329	225,618	47,711
			91,337	75,394	15,943
			1,830	1,511	319
			900,177	743,046	157,131
			63,313	52,261	11,052
270,000	154,894	115,106	2,800,000	2,311,245	488,755
(270,000)	108,974	378,974	(2,800,000)	92,627	2,892,627
(270,000)	108,974	378,974	(2,800,000)	92,627	2,892,627
	1,534,820	1,534,820		1,900,906	1,900,906
\$ (270,000)	\$ 1,643,794	\$ 1,913,794	\$ (2,800,000)	\$ 1,993,533	\$ 4,793,533

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Auxiliary Operations		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,333,869	\$ 1,333,869
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>1,333,869</u>	<u>1,333,869</u>
Expenditures:			
Current -			
Instruction	1,129,419	2,437,366	(1,307,947)
Support services - students and staff	795,244	1,716,193	(920,949)
Support services - administration	15,711	33,906	(18,195)
Operation and maintenance of plant services	632,340	1,364,634	(732,294)
Student transportation services	8,194	17,684	(9,490)
Operation of non-instructional services	72,448	156,346	(83,898)
Capital outlay	146,644	316,468	(169,824)
Total expenditures	<u>2,800,000</u>	<u>6,042,597</u>	<u>(3,242,597)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,800,000)</u>	<u>(4,708,728)</u>	<u>(1,908,728)</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(2,800,000)</u>	<u>(4,708,728)</u>	<u>(1,908,728)</u>
Fund balances (deficits), beginning of year		5,832,219	5,832,219
Increase (decrease) in reserve for inventory		(764)	(764)
Fund balances (deficits), end of year	<u>\$ (2,800,000)</u>	<u>\$ 1,122,727</u>	<u>\$ 3,922,727</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,015,646	\$ 1,015,646	\$	\$ 548,698	\$ 548,698
	1,015,646	1,015,646		548,698	548,698
616,700	431,446	185,254	73,044	117,236	(44,192)
584,672	409,039	175,633	54,799	95,650	(40,851)
1,028	719	309	5,303	8,511	(3,208)
			4,479	7,188	(2,709)
2,913	2,038	875	122,199	196,130	(73,931)
				1,100	(1,100)
294,687	206,164	88,523	40,176	64,482	(24,306)
1,500,000	1,049,406	450,594	300,000	490,297	(190,297)
(1,500,000)	(33,760)	1,466,240	(300,000)	58,401	358,401
(1,500,000)	(33,760)	1,466,240	(300,000)	58,401	358,401
	1,104,960	1,104,960		209,172	209,172
\$ (1,500,000)	\$ 1,071,200	\$ 2,571,200	\$ (300,000)	\$ 267,573	\$ 567,573

(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, 2011

	Insurance Proceeds		
	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Other local	\$	\$ 17,171	\$ 17,171
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>17,171</u>	<u>17,171</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	125,503	9,811	115,692
Operation of non-instructional services			
Capital outlay	<u>24,497</u>	<u>1,915</u>	<u>22,582</u>
Total expenditures	<u>150,000</u>	<u>11,726</u>	<u>138,274</u>
Excess (deficiency) of revenues over expenditures	<u>(150,000)</u>	<u>5,445</u>	<u>155,445</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(150,000)</u>	<u>5,445</u>	<u>155,445</u>
Fund balances (deficits), beginning of year		453,782	453,782
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (150,000)</u>	<u>\$ 459,227</u>	<u>\$ 609,227</u>

Textbooks			Litigation Recovery		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 30,318	\$ 30,318	\$	\$ 5,819	\$ 5,819
	<u>30,318</u>	<u>30,318</u>		<u>5,819</u>	<u>5,819</u>
200,000	1,440	198,560	110,000		110,000
<u>200,000</u>	<u>1,440</u>	<u>198,560</u>	<u>110,000</u>		<u>110,000</u>
<u>(200,000)</u>	<u>28,878</u>	<u>228,878</u>	<u>(110,000)</u>	<u>5,819</u>	<u>115,819</u>
<u>(200,000)</u>	<u>28,878</u>	<u>228,878</u>	<u>(110,000)</u>	<u>5,819</u>	<u>115,819</u>
	492,759	492,759		636,966	636,966
<u>\$ (200,000)</u>	<u>\$ 521,637</u>	<u>\$ 721,637</u>	<u>\$ (110,000)</u>	<u>\$ 642,785</u>	<u>\$ 752,785</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, 2011

	Indirect Costs		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 2,589	\$ 2,589
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		2,589	2,589
Expenditures:			
Current -			
Instruction			
Support services - students and staff	5,452	4,000	1,452
Support services - administration	103,800	76,157	27,643
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	85,577	62,787	22,790
Capital outlay	115,171	84,500	30,671
Total expenditures	310,000	227,444	82,556
Excess (deficiency) of revenues over expenditures	(310,000)	(224,855)	85,145
Other financing sources (uses):			
Transfer in		259,355	259,355
Transfer out			
Total other financing sources (uses):		259,355	259,355
Changes in fund balances	(310,000)	34,500	344,500
Fund balances (deficits), beginning of year		411,152	411,152
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (310,000)	\$ 445,652	\$ 755,652

Insurance Refund			Grants and Gifts to Teachers		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 861	\$ 861	\$	\$ 3,025	\$ 3,025
	<u>861</u>	<u>861</u>		<u>3,025</u>	<u>3,025</u>
11,000		11,000	7,068	2,347	4,721
			1,415	470	945
			4,517	1,500	3,017
<u>11,000</u>		<u>11,000</u>	<u>13,000</u>	<u>4,317</u>	<u>8,683</u>
<u>(11,000)</u>	<u>861</u>	<u>11,861</u>	<u>(13,000)</u>	<u>(1,292)</u>	<u>11,708</u>
<u>(11,000)</u>	<u>861</u>	<u>11,861</u>	<u>(13,000)</u>	<u>(1,292)</u>	<u>11,708</u>
	115,139	115,139		19,228	19,228
<u>\$ (11,000)</u>	<u>\$ 116,000</u>	<u>\$ 127,000</u>	<u>\$ (13,000)</u>	<u>\$ 17,936</u>	<u>\$ 30,936</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, 2011

	Joint Technical Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 6,409,720	\$ 6,409,720
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>6,409,720</u>	<u>6,409,720</u>
Expenditures:			
Current -			
Instruction	1,942,674	1,933,304	9,370
Support services - students and staff	1,016,007	1,011,107	4,900
Support services - administration	595,328	592,456	2,872
Operation and maintenance of plant services	821,114	817,154	3,960
Student transportation services	76,912	76,541	371
Operation of non-instructional services	3,718	3,700	18
Capital outlay	1,344,247	1,337,763	6,484
Total expenditures	<u>5,800,000</u>	<u>5,772,025</u>	<u>27,975</u>
Excess (deficiency) of revenues over expenditures	<u>(5,800,000)</u>	<u>637,695</u>	<u>6,437,695</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(5,800,000)</u>	<u>637,695</u>	<u>6,437,695</u>
Fund balances (deficits), beginning of year		5,788,739	5,788,739
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (5,800,000)</u>	<u>\$ 6,426,434</u>	<u>\$ 12,226,434</u>

Print Shop			Intergovernmental Agreements		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 49,307	\$ 49,307	\$	\$ 44,098	\$ 44,098
	49,307	49,307		44,098	44,098
102,663	65,699	36,964	180,000	35,325	144,675
47,337	30,293	17,044			
150,000	95,992	54,008	180,000	35,325	144,675
(150,000)	(46,685)	103,315	(180,000)	8,773	188,773
(150,000)	(46,685)	103,315	(180,000)	8,773	188,773
	79,480	79,480		37,877	37,877
\$ (150,000)	\$ 32,795	\$ 182,795	\$ (180,000)	\$ 46,650	\$ 226,650

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 15,197,886	\$ 15,197,886
State aid and grants		4,708,312	4,708,312
Federal aid, grants and reimbursements		8,150,875	8,150,875
Total revenues		<u>28,057,073</u>	<u>28,057,073</u>
Expenditures:			
Current -			
Instruction	19,086,420	13,918,003	5,168,417
Support services - students and staff	6,328,931	6,706,549	(377,618)
Support services - administration	1,295,119	1,097,813	197,306
Operation and maintenance of plant services	1,943,350	2,448,050	(504,700)
Student transportation services	350,703	312,369	38,334
Operation of non-instructional services	4,960,269	4,021,232	939,037
Capital outlay	2,629,160	2,559,374	69,786
Total expenditures	<u>36,593,952</u>	<u>31,063,390</u>	<u>5,530,562</u>
Excess (deficiency) of revenues over expenditures	<u>(36,593,952)</u>	<u>(3,006,317)</u>	<u>33,587,635</u>
Other financing sources (uses):			
Transfer in		259,355	259,355
Transfer out	(259,355)	(259,355)	
Total other financing sources (uses):	<u>(259,355)</u>		<u>259,355</u>
Changes in fund balances	<u>(36,853,307)</u>	<u>(3,006,317)</u>	<u>33,846,990</u>
Fund balances (deficits), beginning of year		24,003,433	24,003,433
Increase (decrease) in reserve for inventory		6,397	6,397
Fund balances (deficits), end of year	<u>\$ (36,853,307)</u>	<u>\$ 21,003,513</u>	<u>\$ 57,856,820</u>

DEBT SERVICE FUND

The following Debt Service Fund is maintained by the District. Arizona Revised Statutes (A.R.S.) and the Uniform System of Financial Records (USFR) require the establishment of this fund for specified financial activities.

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, 2011

	Debt Service		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 240,055	\$ 240,055
Property taxes		26,369,299	26,369,299
Total revenues		26,609,354	26,609,354
Expenditures:			
Debt service -			
Principal retirement	22,850,000	22,850,000	
Interest and fiscal charges	3,613,863	3,560,860	53,003
Total expenditures	26,463,863	26,410,860	53,003
Excess (deficiency) of revenues over expenditures	(26,463,863)	198,494	26,662,357
Other financing sources (uses):			
Transfer in		58,939	58,939
Total other financing sources (uses):		58,939	58,939
Changes in fund balances	(26,463,863)	257,433	26,721,296
Fund balances, beginning of year		1,794,671	1,794,671
Fund balances (deficits), end of year	\$ (26,463,863)	\$ 2,052,104	\$ 28,515,967

CAPITAL PROJECTS FUNDS

The following Capital Projects Funds are maintained by the District. Arizona Revised Statutes (A.R.S.) and the Uniform System of Financial Records (USFR) require the establishment of these funds for the specified financial activities.

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2011

	<u>Adjacent Ways</u>	<u>Bond Building</u>	<u>Condemnation</u>
<u>ASSETS</u>			
Cash and investments	\$ 495,654	\$ 4,347,209	\$ 159,128
Total assets	<u>\$ 495,654</u>	<u>\$ 4,347,209</u>	<u>\$ 159,128</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 1,420	\$
Construction contracts payable	<u></u>	<u>775,410</u>	<u></u>
Total liabilities	<u></u>	<u>776,830</u>	<u></u>
Fund balances (deficits):			
Restricted	495,654	3,570,379	159,128
Unassigned	<u></u>	<u></u>	<u></u>
Total fund balances	<u>495,654</u>	<u>3,570,379</u>	<u>159,128</u>
Total liabilities and fund balances	<u>\$ 495,654</u>	<u>\$ 4,347,209</u>	<u>\$ 159,128</u>

Building Renewal Grant	Totals
\$	\$ 5,001,991
\$	\$ 5,001,991

\$	\$ 1,420
47,807	823,217
47,807	824,637

	4,225,161
(47,807)	(47,807)
(47,807)	4,177,354
\$	\$ 5,001,991

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, 2011

	<u>Adjacent Ways</u>	<u>Bond Building</u>	<u>Condemnation</u>
Revenues:			
Other local	\$ 5,165	\$ 59,203	\$ 1,180
Total revenues	<u>5,165</u>	<u>59,203</u>	<u>1,180</u>
Expenditures:			
Capital outlay	<u></u>	5,394,785	<u></u>
Total expenditures	<u></u>	<u>5,394,785</u>	<u></u>
Excess (deficiency) of revenues over expenditures	<u>5,165</u>	<u>(5,335,582)</u>	<u>1,180</u>
Other financing sources (uses):			
Transfer out	<u></u>	(58,939)	<u></u>
Total other financing sources (uses):	<u></u>	<u>(58,939)</u>	<u></u>
Changes in fund balances	<u>5,165</u>	<u>(5,394,521)</u>	<u>1,180</u>
Fund balances, beginning of year	490,489	8,964,900	157,948
Fund balances (deficits), end of year	<u>\$ 495,654</u>	<u>\$ 3,570,379</u>	<u>\$ 159,128</u>

Building Renewal Grant	Totals
\$	\$ 65,548
	65,548
47,807	5,442,592
47,807	5,442,592
(47,807)	(5,377,044)
	(58,939)
	(58,939)
(47,807)	(5,435,983)
	9,613,337
\$ (47,807)	\$ 4,177,354

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, 2011

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 163,346	\$ 163,346
Property taxes		5,773,790	5,773,790
State aid and grants			
Total revenues		<u>5,937,136</u>	<u>5,937,136</u>
Expenditures:			
Current -			
Instruction			
Capital outlay	14,938,461	7,417,687	7,520,774
Total expenditures	<u>14,938,461</u>	<u>7,417,687</u>	<u>7,520,774</u>
Excess (deficiency) of revenues over expenditures	<u>(14,938,461)</u>	<u>(1,480,551)</u>	<u>13,457,910</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(14,938,461)</u>	<u>(1,480,551)</u>	<u>13,457,910</u>
Fund balances, beginning of year		15,562,698	15,562,698
Fund balances (deficits), end of year	<u>\$ (14,938,461)</u>	<u>\$ 14,082,147</u>	<u>\$ 29,020,608</u>

Adjacent Ways			Soft Capital Allocation		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 5,165	\$ 5,165	\$	\$ 73,883	\$ 73,883
				1,283	1,283
				93,376	93,376
	5,165	5,165		168,542	168,542
150,000		150,000	4,948,185		4,948,185
150,000		150,000	4,948,185		4,948,185
(150,000)	5,165	155,165	(4,948,185)	168,542	5,116,727
(150,000)	5,165	155,165	(4,948,185)	168,542	5,116,727
	490,489	490,489		9,208,117	9,208,117
\$ (150,000)	\$ 495,654	\$ 645,654	\$ (4,948,185)	\$ 9,376,659	\$ 14,324,844

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2011

	Bond Building		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 59,203	\$ 59,203
Property taxes			
State aid and grants			
Total revenues		<u>59,203</u>	<u>59,203</u>
Expenditures:			
Current -			
Instruction			
Capital outlay	11,100,000	5,394,785	5,705,215
Total expenditures	<u>11,100,000</u>	<u>5,394,785</u>	<u>5,705,215</u>
Excess (deficiency) of revenues over expenditures	<u>(11,100,000)</u>	<u>(5,335,582)</u>	<u>5,764,418</u>
Other financing sources (uses):			
Transfer out		(58,939)	(58,939)
Total other financing sources (uses):		<u>(58,939)</u>	<u>(58,939)</u>
Changes in fund balances	<u>(11,100,000)</u>	<u>(5,394,521)</u>	<u>5,705,479</u>
Fund balances, beginning of year		8,964,900	8,964,900
Fund balances (deficits), end of year	<u>\$ (11,100,000)</u>	<u>\$ 3,570,379</u>	<u>\$ 14,670,379</u>

Condemnation			Building Renewal Grant		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,180	\$ 1,180	\$	\$	\$
	1,180	1,180			
			156,000	47,807	108,193
			156,000	47,807	108,193
	1,180	1,180	(156,000)	(47,807)	108,193
	1,180	1,180	(156,000)	(47,807)	108,193
	157,948	157,948			
\$	\$ 159,128	\$ 159,128	\$ (156,000)	\$ (47,807)	\$ 108,193

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, 2011

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 302,777	\$ 302,777
Property taxes		5,775,073	5,775,073
State aid and grants		93,376	93,376
Total revenues		<u>6,171,226</u>	<u>6,171,226</u>
Expenditures:			
Current -			
Instruction	4,948,185		4,948,185
Capital outlay	26,344,461	12,860,279	13,484,182
Total expenditures	<u>31,292,646</u>	<u>12,860,279</u>	<u>18,432,367</u>
Excess (deficiency) of revenues over expenditures	<u>(31,292,646)</u>	<u>(6,689,053)</u>	<u>24,603,593</u>
Other financing sources (uses):			
Transfer out		(58,939)	(58,939)
Total other financing sources (uses):		<u>(58,939)</u>	<u>(58,939)</u>
Changes in fund balances	<u>(31,292,646)</u>	<u>(6,747,992)</u>	<u>24,544,654</u>
Fund balances, beginning of year		34,384,152	34,384,152
Fund balances (deficits), end of year	<u>\$ (31,292,646)</u>	<u>\$ 27,636,160</u>	<u>\$ 58,928,806</u>

AGENCY FUNDS

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

Employee Insurance - 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, 2011

	Student Activities	Employee Insurance	Totals
<u>ASSETS</u>			
Cash and investments	\$ 1,227,141	\$ 222,415	\$ 1,449,556
Total assets	<u>\$ 1,227,141</u>	<u>\$ 222,415</u>	<u>\$ 1,449,556</u>
<u>LIABILITIES</u>			
Deposits held for others	\$	\$ 222,415	\$ 222,415
Due to student groups	1,227,141		1,227,141
Total liabilities	<u>\$ 1,227,141</u>	<u>\$ 222,415</u>	<u>\$ 1,449,556</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2011

	<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	\$ 1,034,571	\$ 2,768,599	\$ 2,576,029	\$ 1,227,141
Total assets	\$ 1,034,571	\$ 2,768,599	\$ 2,576,029	\$ 1,227,141
<u>Liabilities</u>				
Due to student groups	\$ 1,034,571	\$ 2,768,599	\$ 2,576,029	\$ 1,227,141
Total liabilities	\$ 1,034,571	\$ 2,768,599	\$ 2,576,029	\$ 1,227,141
<u>PAYROLL CLEARING FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 129,498	\$ 57,773,973	\$ 57,681,056	\$ 222,415
Total assets	\$ 129,498	\$ 57,773,973	\$ 57,681,056	\$ 222,415
<u>Liabilities</u>				
Deposits held for others	\$ 129,498	\$ 57,773,973	\$ 57,681,056	\$ 222,415
Total liabilities	\$ 129,498	\$ 57,773,973	\$ 57,681,056	\$ 222,415
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 1,164,069	\$ 60,542,572	\$ 60,257,085	\$ 1,449,556
Total assets	\$ 1,164,069	\$ 60,542,572	\$ 60,257,085	\$ 1,449,556
<u>Liabilities</u>				
Deposits held for others	\$ 129,498	\$ 57,773,973	\$ 57,681,056	\$ 222,415
Due to student groups	1,034,571	2,768,599	2,576,029	1,227,141
Total liabilities	\$ 1,164,069	\$ 60,542,572	\$ 60,257,085	\$ 1,449,556

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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.

Due to cost considerations for the accumulation of data, the District has elected to present less than ten years of data, or data from less than nine years prior, for certain statistical schedules. This information will be accumulated and reported each year until the complete ten years of data is presented.

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

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

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

- Notes:** 1) The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 were adopted in fiscal year 2003 therefore only nine years are shown.
- 2) 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 NINE FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenses					
Instruction	\$ 59,591,785	\$ 66,515,928	\$ 63,390,746	\$ 71,511,187	\$ 63,934,142
Support services - students and staff	14,822,289	14,429,897	13,246,465	11,908,804	11,929,322
Support services - administration	10,339,089	10,605,978	9,921,468	9,360,315	8,898,711
Operation and maintenance of plant services	14,993,585	13,881,686	14,467,336	13,033,113	12,983,185
Student transportation services	4,165,060	4,289,107	2,992,897	3,246,442	2,787,242
Operation of non-instructional services	4,570,286	4,176,508	3,593,877	4,209,647	3,852,277
Interest on long-term debt	3,585,486	4,789,141	3,994,186	4,864,530	6,240,063
Total expenses	<u>112,067,580</u>	<u>118,688,245</u>	<u>111,606,975</u>	<u>118,134,038</u>	<u>110,624,942</u>
Program Revenues					
Charges for services:					
Instruction	8,937,388	6,915,814	6,610,458	7,558,235	7,528,924
Operation of non-instructional services	4,127,075	8,613,109	6,008,530	6,058,733	6,315,978
Other activities	532,559	955,815	447,755	419,640	629,382
Operating grants and contributions	9,790,006	8,397,780	7,369,359	6,643,315	6,003,927
Capital grants and contributions	443,387	589,495	710,239	420,314	297,321
Total program revenues	<u>23,830,415</u>	<u>25,472,013</u>	<u>21,146,341</u>	<u>21,100,237</u>	<u>20,775,532</u>
Net (Expense)/Revenue	<u><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>	<u><u>\$ (89,849,410)</u></u>

(Continued)

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses				
Instruction	\$ 60,811,567	\$ 56,268,238	\$ 53,132,519	\$ 55,828,619
Support services - students and staff	11,037,979	10,640,475	10,024,232	9,306,020
Support services - administration	8,392,129	8,300,836	7,848,385	8,028,015
Operation and maintenance of plant services	11,656,608	11,979,198	11,481,699	10,623,440
Student transportation services	2,944,456	2,824,403	2,633,474	2,574,704
Operation of non-instructional services	6,975,625	6,307,380	6,025,894	5,837,147
Interest on long-term debt	7,089,032	7,905,162	8,626,774	11,001,606
Total expenses	<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	5,732,399	5,455,059	3,114,401	784,200
Operation of non-instructional services	7,455,945	7,342,655	5,904,851	5,397,533
Other activities	551,999	189,183	546,595	470,351
Operating grants and contributions	6,288,365	6,213,296	5,488,537	6,116,786
Capital grants and contributions	283,990	510,775	521,343	3,542,063
Total program revenues	<u>20,312,698</u>	<u>19,710,968</u>	<u>15,575,727</u>	<u>16,310,933</u>
Net (Expense)/Revenue	<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.

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 were adopted in fiscal year 2003 therefore only nine years are shown.

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net (Expense)/Revenue	\$ (88,237,165)	\$ (93,216,232)	\$ (90,460,634)	\$ (97,033,801)	\$ (89,849,410)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	63,712,165	62,941,487	64,426,366	58,710,268	55,090,899
Property taxes, levied for debt service	27,010,562	27,015,448	23,128,864	26,774,825	23,782,946
Property taxes, levied for capital outlay	5,531,562	9,604,269	6,484,852	8,521,701	4,151,998
Investment income	711,455	839,427	1,843,222	2,142,758	1,976,788
Unrestricted county aid		582,151			2,896
Unrestricted state aid	16,016,749	15,054,157	20,032,450	25,734,380	23,702,617
Unrestricted federal aid	228,083	2,152,670			
Total general revenues	<u>113,210,576</u>	<u>118,189,609</u>	<u>115,915,754</u>	<u>121,883,932</u>	<u>108,708,144</u>
Changes in Net Assets	<u>\$ 24,973,411</u>	<u>\$ 24,973,377</u>	<u>\$ 25,455,120</u>	<u>\$ 24,850,131</u>	<u>\$ 18,858,734</u>

(Continued)

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net (Expense)/Revenue	\$ (88,594,698)	\$ (84,514,724)	\$ (84,197,250)	\$ (86,888,618)
General Revenues:				
Taxes:				
Property taxes, levied for general purposes	55,543,698	57,429,666	57,976,463	55,036,096
Property taxes, levied for debt service	24,244,552	24,944,438	24,611,171	24,052,814
Property taxes, levied for capital outlay	4,602,074	8,207,229	7,571,820	5,194,817
Investment income	1,195,397	990,422	697,434	1,044,577
Unrestricted county aid	230,894	64,119	105,754	240,116
Unrestricted state aid	15,543,101	14,865,983	13,241,408	13,377,058
Unrestricted federal aid				
Total general revenues	<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>\$ 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:** 1) The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 were adopted in fiscal year 2003 therefore only nine years are shown.
- 2) 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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund:					
Nonspendable	\$ 910,355				
Restricted					
Committed					
Assigned					
Unassigned	25,046,751				
Reserved		\$ 2,529,175	\$ 191,643	\$ 923,138	\$ 1,467,895
Unreserved		7,743,525	9,541,760	3,997,760	3,806,681
Total General Fund	<u>\$ 25,957,106</u>	<u>\$ 10,272,700</u>	<u>\$ 9,733,403</u>	<u>\$ 4,920,898</u>	<u>\$ 5,274,576</u>
All Other Governmental Funds:					
Nonspendable	\$ 78,505				
Restricted	36,523,361				
Committed					
Assigned					
Unassigned	(47,807)				
Reserved		\$ 72,108	\$ 67,292	\$ 63,283	\$ 69,221
Unreserved, reported in:					
Special revenue funds		23,916,489	21,910,396	22,612,800	20,792,444
Capital projects funds		34,384,152	39,236,944	19,277,540	15,760,432
Debt service fund		1,794,671	1,293,651	2,403,522	268,540
Total all other governmental funds	<u>\$ 36,554,059</u>	<u>\$ 60,167,420</u>	<u>\$ 62,508,283</u>	<u>\$ 44,357,145</u>	<u>\$ 36,890,637</u>

(Continued)

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Fund:					
Reserved	\$ 1,416,862	\$ 1,280,705	\$ 1,115,678	\$ 202,125	\$ 113,051
Unreserved	4,777,228	9,436,561	9,322,506	5,816,599	3,538,798
Total General Fund	<u>\$ 6,194,090</u>	<u>\$ 10,717,266</u>	<u>\$ 10,438,184</u>	<u>\$ 6,018,724</u>	<u>\$ 3,651,849</u>
All Other Governmental Funds:					
Reserved	\$ 56,646	\$ 66,932	\$ 70,327	\$ 69,804	\$ 77,860
Unreserved, reported in:					
Special revenue funds	16,330,267	11,922,684	8,875,321	12,890,771	7,204,799
Capital projects funds	13,372,338	15,269,539	11,122,329	8,037,379	19,681,358
Debt service fund	467,439	1,341,585	1,819,920	2,801,801	3,615,140
Total all other governmental funds	<u>\$ 30,226,690</u>	<u>\$ 28,600,740</u>	<u>\$ 21,887,897</u>	<u>\$ 23,799,755</u>	<u>\$ 30,579,157</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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Federal sources:					
Federal grants	\$ 6,545,450	\$ 6,642,337	\$ 5,537,442	\$ 4,286,369	\$ 5,049,856
State Fiscal Stabilization (ARRA)	228,083	2,152,670			
Education Jobs (ARRA)	1,381,297				
National School Lunch Program	224,128	91,647	98,703	19,471	47,058
Total federal sources	<u>8,378,958</u>	<u>8,886,654</u>	<u>5,636,145</u>	<u>4,305,840</u>	<u>5,096,914</u>
State sources:					
State equalization assistance	12,095,873	10,770,218	15,248,245	15,268,594	12,952,322
State grants	482,680	598,746	1,038,765	1,661,800	1,204,334
School Facilities Board				951,960	3,358,949
Other revenues	4,225,632	4,051,298	5,369,994	8,401,128	7,391,346
Total state sources	<u>16,804,185</u>	<u>15,420,262</u>	<u>21,657,004</u>	<u>26,283,482</u>	<u>24,906,951</u>
Local sources:					
Property taxes	94,685,405	97,910,610	90,713,382	93,306,744	85,003,949
County aid		582,151		(867)	2,896
Food service sales	2,801,851	2,838,506	3,194,465	3,307,040	3,386,410
Investment income	702,167	810,306	1,766,337	2,058,868	1,880,628
Other revenues	12,399,114	15,224,557	11,276,966	12,374,580	11,088,575
Total local sources	<u>110,588,537</u>	<u>117,366,130</u>	<u>106,951,150</u>	<u>111,046,365</u>	<u>101,362,458</u>
Total revenues	<u><u>\$ 135,771,680</u></u>	<u><u>\$ 141,673,046</u></u>	<u><u>\$ 134,244,299</u></u>	<u><u>\$ 141,635,687</u></u>	<u><u>\$ 131,366,323</u></u>

(Continued)

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Federal sources:					
Federal grants	\$ 5,548,380	\$ 5,570,762	\$ 5,017,770	\$ 5,113,273	\$ 3,967,970
State Fiscal Stabilization (ARRA)					
Education Jobs (ARRA)					
National School Lunch Program					
Total federal sources	<u>5,548,380</u>	<u>5,570,762</u>	<u>5,017,770</u>	<u>5,113,273</u>	<u>3,967,970</u>
State sources:					
State equalization assistance	9,332,608	8,281,210	8,779,357	9,026,841	8,030,041
State grants	1,031,650	1,243,008	932,717	1,530,958	706,144
School Facilities Board		1,649,106	4,748	1,057,087	2,699,896
Other revenues	6,219,707	5,564,897	3,882,562	3,856,703	4,156,001
Total state sources	<u>16,583,965</u>	<u>16,738,221</u>	<u>13,599,384</u>	<u>15,471,589</u>	<u>15,592,082</u>
Local sources:					
Property taxes	83,804,269	89,755,571	90,235,774	84,868,626	76,473,570
County aid	230,894	64,119	105,754	145,448	226,195
Food service sales	3,427,469	3,150,438	2,888,737	2,722,564	2,617,754
Investment income	1,105,536	970,103	683,394	839,384	2,197,790
Other revenues	10,312,874	9,836,459	6,789,742	5,496,432	3,040,787
Total local sources	<u>98,881,042</u>	<u>103,776,690</u>	<u>100,703,401</u>	<u>94,072,454</u>	<u>84,556,096</u>
Total revenues	<u><u>\$ 121,013,387</u></u>	<u><u>\$ 126,085,673</u></u>	<u><u>\$ 119,320,555</u></u>	<u><u>\$ 114,657,316</u></u>	<u><u>\$ 104,116,148</u></u>

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

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenditures:					
Current -					
Instruction	\$ 53,704,911	\$ 58,499,122	\$ 53,964,171	\$ 59,073,389	\$ 55,417,451
Support services - students and staff	14,350,033	13,251,846	12,850,018	11,550,113	11,670,701
Support services - administration	9,725,142	9,463,534	9,214,128	8,837,230	8,362,378
Operation and maintenance of plant services	14,925,947	14,408,073	13,192,484	12,742,915	12,331,782
Student transportation services	3,165,396	2,813,664	2,418,493	2,205,371	2,100,660
Operation of non-instructional services	4,386,270	3,905,618	3,531,346	3,996,118	3,799,260
Capital outlay	15,419,653	16,655,588	20,284,047	10,428,785	7,284,107
Debt service -					
Judgments against the district			834,097		
Interest and fiscal charges	3,560,860	4,764,515	3,909,560	4,899,265	6,334,159
Principal retirement	22,850,000	22,055,000	20,535,000	19,540,000	18,385,000
Payment to refunded bond escrow agent				698,976	
Bond issuance costs			456,615	194,190	
Total expenditures	<u>\$ 142,088,212</u>	<u>\$ 145,816,960</u>	<u>\$ 141,189,959</u>	<u>\$ 134,166,352</u>	<u>\$ 125,685,498</u>
Expenditures for capitalized assets	\$ 8,833,631	\$ 14,216,407	\$ 13,745,600	\$ 1,408,101	\$ 1,008,000
Debt service as a percentage of noncapital expenditures	20%	20%	19%	19%	20%

(Continued)

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Expenditures:					
Current -					
Instruction	\$ 51,715,953	\$ 48,088,722	\$ 44,868,581	\$ 44,883,467	\$ 38,336,658
Support services - students and staff	10,702,075	10,419,002	9,758,195	9,216,522	9,563,841
Support services - administration	7,951,661	7,778,122	7,229,057	7,449,407	6,981,972
Operation and maintenance of plant services	11,860,611	11,616,498	11,732,150	10,427,698	11,213,809
Student transportation services	2,050,729	1,930,504	1,720,858	1,686,612	1,680,818
Operation of non-instructional services	6,872,955	6,200,232	5,992,179	5,783,604	5,436,122
Capital outlay	7,644,372	7,547,858	10,674,925	16,563,190	33,192,577
Debt service -					
Judgments against the district					
Interest and fiscal charges	7,183,128	8,524,442	9,522,560	9,829,610	11,967,817
Principal retirement	18,055,000	17,150,000	15,835,000	15,620,000	14,210,000
Payment to refunded bond escrow agent			600,616		
Bond issuance costs			261,653	633,712	
Total expenditures	<u>\$ 124,036,484</u>	<u>\$ 119,255,380</u>	<u>\$ 118,195,774</u>	<u>\$ 122,093,822</u>	<u>\$ 132,583,614</u>
Expenditures for capitalized assets	\$ 978,193	\$ 1,575,056	\$ 4,155,422	\$ 6,753,433	\$ 9,277,119
Debt service as a percentage of noncapital expenditures	21%	22%	22%	22%	21%

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Excess (deficiency) of revenues over expenditures	\$ (6,316,532)	\$ (4,143,914)	\$ (6,945,660)	\$ 7,469,335	\$ 5,680,825
Other financing sources (uses):					
School improvement bonds issued			30,000,000		
Refunding bonds issued				35,765,000	
Premium on sale of bonds			396,615	576,234	
Transfers in	318,294	219,532	265,328	29,950	185,112
Transfers out	(318,294)	(219,532)	(265,328)	(29,950)	(185,112)
Payment to refunded bond escrow agent				(36,147,044)	
Total other financing sources (uses)			30,396,615	194,190	
Changes in fund balances	<u>\$ (6,316,532)</u>	<u>\$ (4,143,914)</u>	<u>\$ 23,450,955</u>	<u>\$ 7,663,525</u>	<u>\$ 5,680,825</u>
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Excess (deficiency) of revenues over expenditures	\$ (3,023,097)	\$ 6,830,293	\$ 1,124,781	\$ (7,436,506)	\$ (28,467,466)
Other financing sources (uses):					
School improvement bonds issued					
Refunding bonds issued			33,605,000	49,905,000	
Premium on sale of bonds			1,933,787	5,485,101	
Transfers in	27,612	221,239	70,802	293,593	1,165,270
Transfers out	(27,612)	(221,239)	(70,802)	(293,593)	(1,165,270)
Payment to refunded bond escrow agent			(35,277,134)	(54,756,389)	
Total other financing sources (uses)			261,653	633,712	
Changes in fund balances	<u>\$ (3,023,097)</u>	<u>\$ 6,830,293</u>	<u>\$ 1,386,434</u>	<u>\$ (6,802,794)</u>	<u>\$ (28,467,466)</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							
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	
2002					2,583,880,322	3.20	19,432,710,426	13.30	

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 Library	Flood Control District	Community College District	Fire District Assistance	Central Arizona Water	City of Tempe	City of Phoenix	City of Chandler	Tempe Elementary School District No. 3	Kyrene Elementary School District No. 28	East Valley Inst. Of Technology			
	Equalization													Primary	Secondary	Total
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
2002		1.27	0.04	0.23	1.11	0.01	0.13	1.35	1.82	1.29	4.41	4.37	N/A	2.08	1.11	3.20

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

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

Taxpayer	2011			2002	
	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation		Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation
Intel Corporation	\$ 38,307,441	0.83 %		\$ 37,466,265	1.45 %
Arizona Mills LLC	32,895,088	0.71		30,231,400	1.17
TWC-Chandler LLC	29,711,663	0.64		28,939,460	1.12
Pointe South Mountain Resort LLC	19,271,081	0.42		15,244,894	0.59
DDRA Awhwatukee Foothills LLC	16,378,913	0.35		12,402,626	0.48
Honeywell	13,300,547	0.29			
Target Corporation	11,233,154	0.24		11,369,073	0.44
Tempe Fountainhead Corporate LLC	10,737,308	0.23			
LBA Realty Fund	10,367,339	0.22		11,369,073	0.44
Breof Bnk2 Southwest LLC	7,706,800	0.17			
Wells Fargo Bank	7,040,800	0.15		14,211,342	0.55
FLY (CD) LLC/AWHQ LLC	6,755,303	0.15			
Arizona Public Service Company	4,200,815	0.09		16,536,834	0.64
Qwest Communications	113,410	0.00		52,711,159	2.04
Total	<u>\$ 208,019,662</u>	<u>4.50 %</u>		<u>\$ 230,482,126</u>	<u>8.92 %</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
2011	\$ 103,111,472	\$ 99,326,741	96.33 %	\$	\$ 99,326,741	96.33 %
2010	104,461,819	96,677,562	92.55	4,442,274	101,119,836	96.80
2009	89,460,685	83,924,411	93.81	4,438,209	88,362,620	98.77
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	1,915,268	83,326,602	99.97
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	3,939,926	96,208,664	100.00
2003	56,927,716	54,476,152	95.69	2,410,899	56,887,051	99.93
2002	50,651,983	48,818,045	96.38	1,833,706	50,651,751	100.00

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	Percentage of Estimated Actual Value	Per Capita	Total	Percentage of Estimated Actual Value	Per Capita	Percentage of Personal Income
2011	\$ 85,410,000	0.21 %	290	\$ 85,410,000	0.21 %	290	N/A %
2010	107,465,000	0.25	280	107,465,000	0.25	280	0.76
2009	128,000,000	0.31	400	128,000,000	0.31	400	0.87
2008	117,540,000	0.32	390	117,540,000	0.32	390	0.84
2007	135,925,000	0.49	452	135,925,000	0.49	452	1.03
2006	153,980,000	0.58	512	153,980,000	0.58	512	1.28
2005	171,130,000	0.69	569	171,130,000	0.69	569	1.54
2004	186,965,000	0.79	621	186,965,000	0.79	621	1.83
2003	202,585,000	0.98	673	202,585,000	0.98	673	2.09
2002	216,795,000	1.12	720	216,795,000	1.12	720	2.32

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, 2011

<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>62,560,000</u>
Total Direct and Overlapping Debt			<u><u>\$3,060,273,270</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, 2010 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 2011:

Secondary assessed valuation	\$4,621,368,201
Debt limit (5% of assessed value)	231,068,410
Debt applicable to limit	30,000,000
Legal debt margin	<u><u>\$ 201,068,410</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2011:

Secondary assessed valuation	\$ 4,621,368,201
Debt limit (15% of assessed value)	693,205,230
Debt applicable to limit	85,410,000
Legal debt margin	<u><u>\$ 607,795,230</u></u>

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Debt limit	\$ 693,205,230	\$770,272,096	\$756,893,534	\$ 681,596,517	\$ 541,891,092
Total net debt applicable to limit	<u>85,410,000</u>	<u>107,465,000</u>	<u>128,000,000</u>	<u>117,540,000</u>	<u>135,925,000</u>
Legal debt margin	<u><u>\$ 607,795,230</u></u>	<u><u>\$662,807,096</u></u>	<u><u>\$628,893,534</u></u>	<u><u>\$ 564,056,517</u></u>	<u><u>\$ 405,966,092</u></u>
Total net debt applicable to the limit as a percentage of debt limit	12%	14%	17%	17%	25%
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Debt limit	\$ 518,695,669	\$484,526,665	\$459,732,385	\$ 412,067,795	\$ 387,582,048
Total net debt applicable to limit	<u>153,980,000</u>	<u>171,130,000</u>	<u>186,965,000</u>	<u>202,585,000</u>	<u>216,795,000</u>
Legal debt margin	<u><u>\$ 364,715,669</u></u>	<u><u>\$313,396,665</u></u>	<u><u>\$272,767,385</u></u>	<u><u>\$ 209,482,795</u></u>	<u><u>\$ 170,787,048</u></u>
Total net debt applicable to the limit as a percentage of debt limit	30%	35%	41%	49%	56%

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>
2010	4,192,887	\$ N/A	\$ N/A	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
2001	3,192,125	93,544,549	29,270	4.2	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 is University of Arizona, Eller College of Management, Economic and Business Research Center.

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	2011			2002		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
Arizona State University	10,089	8.93	%	8,000	8.12	%
Wells Fargo Bank	4,236	3.75		1,120	1.14	
Salt River Project	3,331	2.95		2,175	2.21	
Motorola Inc.	3,000	2.66				
Honeywell	3,000	2.66		3,700	3.75	
Freescall	2,800	2.48				
JP Morgan Chase & Co.	2,377	2.10				
Kyrene School District	2,143	1.90		1,900	1.93	
US Airways	1,898	1.68		4,000	4.06	
Tempe Elementary District	1,845	1.63		1,900	1.93	
City of Tempe	1,813	1.61		2,000	2.03	
Tempe Union High School District	1,354	1.20				
FLY (CD) LLC/AWHQ LLC		-		3,800	3.86	
Bank One Corporation		-		1,700	1.72	
Tempe fountainhead Corporate LLC		-		1,700	1.72	
Conoco Phillips Co.		-		1,500	1.52	
IKON		-		1,279	1.30	
Medtronics		-		1,100	1.12	
Insight Enterprises Inc.		-		1,000	1.01	
Total	37,886	33.55	%	36,874	37.42	%
Total employment	112,956			98,566		

Source: The source of this information is City of Tempe, Arizona Community Development Department, Major 100 Employers List; and district records.

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

(Continued)

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Supervisory					
Superintendent	1	1	1	1	1
Principals	7	7	7	7	7
Assistant principals	18	18	18	19	18
Total supervisory	<u>26</u>	<u>26</u>	<u>26</u>	<u>27</u>	<u>26</u>
Instruction					
Teachers	695	659	663	655	607
Aides	113	112	102	100	98
Total instruction	<u>808</u>	<u>771</u>	<u>765</u>	<u>755</u>	<u>705</u>
Student Services					
Librarians	13	12	13	12	12
Other instructional support	85	87	78	79	122
Total student services	<u>98</u>	<u>99</u>	<u>91</u>	<u>91</u>	<u>134</u>
Support and Administration					
Service workers	182	182	176	189	182
Others	247	245	248	257	232
Total support and administration	<u>429</u>	<u>427</u>	<u>424</u>	<u>446</u>	<u>414</u>
Total	<u><u>1,361</u></u>	<u><u>1,323</u></u>	<u><u>1,306</u></u>	<u><u>1,319</u></u>	<u><u>1,279</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
2011	13,558	\$ 100,257,699	\$ 7,395	(7.20) %	\$ 112,067,580	\$ 8,266	(10.55) %	640	21.2	61.9 %
2010	12,844	102,341,857	7,968	2.43	118,688,245	9,241	1.29	635	20.2	72.2
2009	12,234	95,170,640	7,779	1.43	111,606,975	9,123	(0.91)	637	19.2	69.0
2008	12,831	98,405,136	7,669	5.37	118,134,038	9,207	7.12	669	19.2	65.7
2007	12,871	93,682,232	7,279	5.05	110,624,942	8,595	3.83	697	18.5	63.6
2006	13,156	91,153,984	6,929	4.89	108,907,396	8,278	3.44	695	18.9	N/A
2005	13,024	86,033,080	6,606	4.04	104,225,692	8,003	2.71	659	19.8	N/A
2004	12,805	81,301,020	6,349	3.66	99,772,977	7,792	(2.07)	663	19.3	N/A
2003	12,971	79,447,310	6,125	5.94	103,199,551	7,956	N/A	655	19.8	N/A
2002	12,663	73,213,220	5,782	N/A	N/A	N/A	N/A	607	20.9	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 NINE FISCAL YEARS

	Fiscal Year Ended June 30								
	<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
Square feet	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	25,675	25,675	25,675	25,675	25,675	25,675
Enrollment	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
Square feet	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
Buses	111	107	107	108	98	89	84	82	52
<u>Athletics</u>									
Football fields	12	12	12	12	12	12	12	12	12
Soccer fields	6	6	6	6	6	6	6	6	6
Running tracks	6	6	6	6	6	6	6	6	6
Baseball/softball	24	24	24	24	24	24	24	24	24
Swimming pools	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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