



Comprehensive Annual Financial Report

For The Year Ended June 30, 2012

**Paradise Valley
Unified School District**

Cultivating world-class thinkers

Phoenix, Arizona

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69

PHOENIX, ARIZONA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2012

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Julie Bacon.....	Member
Nancy Case.....	Member
Anne Greenberg.....	Member
Mark Lane.....	Member

SUPERINTENDENT

Dr. James P. Lee

Prepared by:
Business Services Office
Tom Elliott, Assistant Superintendent of Business Services

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69

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INTRODUCTORY SECTION

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December 21, 2012

Governing Board
Paradise Valley Unified School District No. 69
15002 North 32nd Street
Phoenix, Arizona 85032-4441

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 Paradise Valley Unified School District No. 69 (District) for the fiscal year ended June 30, 2012.

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

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

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 not only report 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. The Paradise Valley Unified School District offers a premiere education to students in kindergarten through grade 12. The District has 32 elementary schools offering free, full-day kindergarten through grade six; eight middle schools with grades seven and eight; six high schools, grades nine through 12; and one on-line school serving grades kindergarten through 12. The District offers a variety of education programs including K-12 International Baccalaureate; Core Knowledge©; Science, Technology, Engineering, Math and Global Geography; gifted and special education, fine arts, career and technical education, before- after-school programs, sports and extracurricular activities, and pre-K programs.

The District is located in 98 square miles of northeast metropolitan Phoenix and a portion of north Scottsdale. With nearly 33,000 students, the District is the seventh-largest school district in the state of Arizona. The District employs 108 administrators, 1,782 certified classroom teachers, and 1,664 support personnel.

The vision of the Paradise Valley Unified School District is that the District will be the national leader in setting high standards for student achievement in a college-ready environment that instills a sense of community. All students will acquire a thirst for learning through challenging and engaging content that is individually crafted to propel them into the 21st century confident, poised and prepared with skills that will endure the test of time and ensure individual success.

The mission of the Paradise Valley Unified School District is to cultivate, lead, and inspire world-class, innovative thinkers and expert communicators through a focus on the relationship between educator and student built around challenging, meaningful, and engaging curriculum.

We believe:

- All students can achieve... and all means all
- The individual student is our main focus
- The highest quality educators guarantee the highest quality education
- Parents are partners and valued resources in the educational process
- Global mindedness is essential for students
- Technology plays a critical role in the lives and successes of our students
- Community and business partnerships are essential

In 2011-12, District students surpassed the state-wide AIMS proficiency levels in math, reading, writing, and science in every tested grade from 5-18% higher depending on the grade and subject combination. In addition, the median percentile ranking for District students exceeded the national 50th percentile on the Stanford 10 assessment for Grade 2 in math and Grade 9 in reading, math, and language.

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 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 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 annual expenditure budget serves as the foundation for the District's financial planning and control. The objective of 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 necessary revenue is earned. The District is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented. However, this does not affect the District's ability to expend monies.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy. The Phoenix metropolitan area and the rest of Maricopa County was one of the fastest growing regional markets in the United States throughout the 1990's and early 2000's. The economy is based on high technology manufacturing and commercial activities (including construction and trade), tourism, government and agriculture. The economy relies on a combination of warm climate, a substantial well educated labor pool, a wide range of support industries, and a governmental climate that is supportive of economic growth and investment. The local economy appears to be turning around following the economic downturn of the last few years.

A few of the major firms represented in the Phoenix metropolitan area include Honeywell International, Inc., Banner Health Systems, Wal-Mart Stores, Inc., Wells Fargo Company and Bashas'. The University Of Arizona College Of Medicine has recently expanded to a four-year program in downtown Phoenix. Major employers within the District boundaries are Mayo Clinic Hospital, Vanguard Group, American Express Travel Services, Wal-Mart Stores, several resort hotels, as well as the District. 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 2011 population was estimated at 3,843,370 and is still expected to reach 6 million by 2030.

Service is the largest employment sector in the County, partly fueled by the tourism 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.

The District's financial condition reflects the strength of the local economy. The District's tax base is relatively strong with secondary assessed valuation increasing nearly 5.65 percent annually since 2003. Assessed values in the district as well as state and county-wide have fallen in recent years. From 2009-10 to 2012-13, the District's primary assessed value has fallen approximately 27.75 percent and in that same time period, the secondary assessed value has fallen approximately 38.61 percent. During this time period, the decrease in both primary and secondary assessed values on commercial property were significantly greater than the decreases in residential property. Assessed values are projected to decrease slightly in 2013-14 and stabilize thereafter increasing at more moderate rates as compared to the prior ten years.

Long-term Financial Planning. Much of the District's long-term financial planning has been refocused to address the impact of the economic downturn on the District's future operations. The District is midway in a planned five-year reduction in spending necessary to bring its expenditure budget within the spending limits imposed by the state of Arizona. The District continues to make changes in its service delivery to conserve resources as its contingency funds continue to dwindle. In the 2012-13 budget, funding for education in Arizona increased for the first time since 2008-09, but it has a long way to go to recover the \$23.8 million in funding lost since 2007-08. Current projections show the District's budget will be balanced in the 2016-17 year. In the meantime, remaining contingency monies will be spent over the next three years as the District implements significant spending reductions to balance its budget.

Planning is heavily impacted by the voter-approved portions of its budget, which includes budget overrides and bonds for construction and renovation. Budget overrides are for both capital and operations. Bonds are strictly for capital items. Bond funds provide the ability for the District to plan for the renovation of existing facilities and the construction of new schools in the growth areas of the District. Recent legislation expanded the use of bond monies for furniture, equipment, technology and similar capital items in addition to land and facilities.

In November 2011, the District voters passed a bond and override election. The bond authorizes the issuance of up to \$203 million of which approximately \$147 million is for facilities and the balance is for technology, furniture & equipment. The capital override is seven years in length and provides significant funding for instructional materials that the District is unable to obtain from state funding.

Operational overrides have been used to establish and sustain lower class sizes, as well as programs in kindergarten through third grade.

AWARDS AND ACKNOWLEDGMENTS

Awards. The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the twenty-third consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2011. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year 2011-12 certificates.

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the business services office. Each member of the office 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,

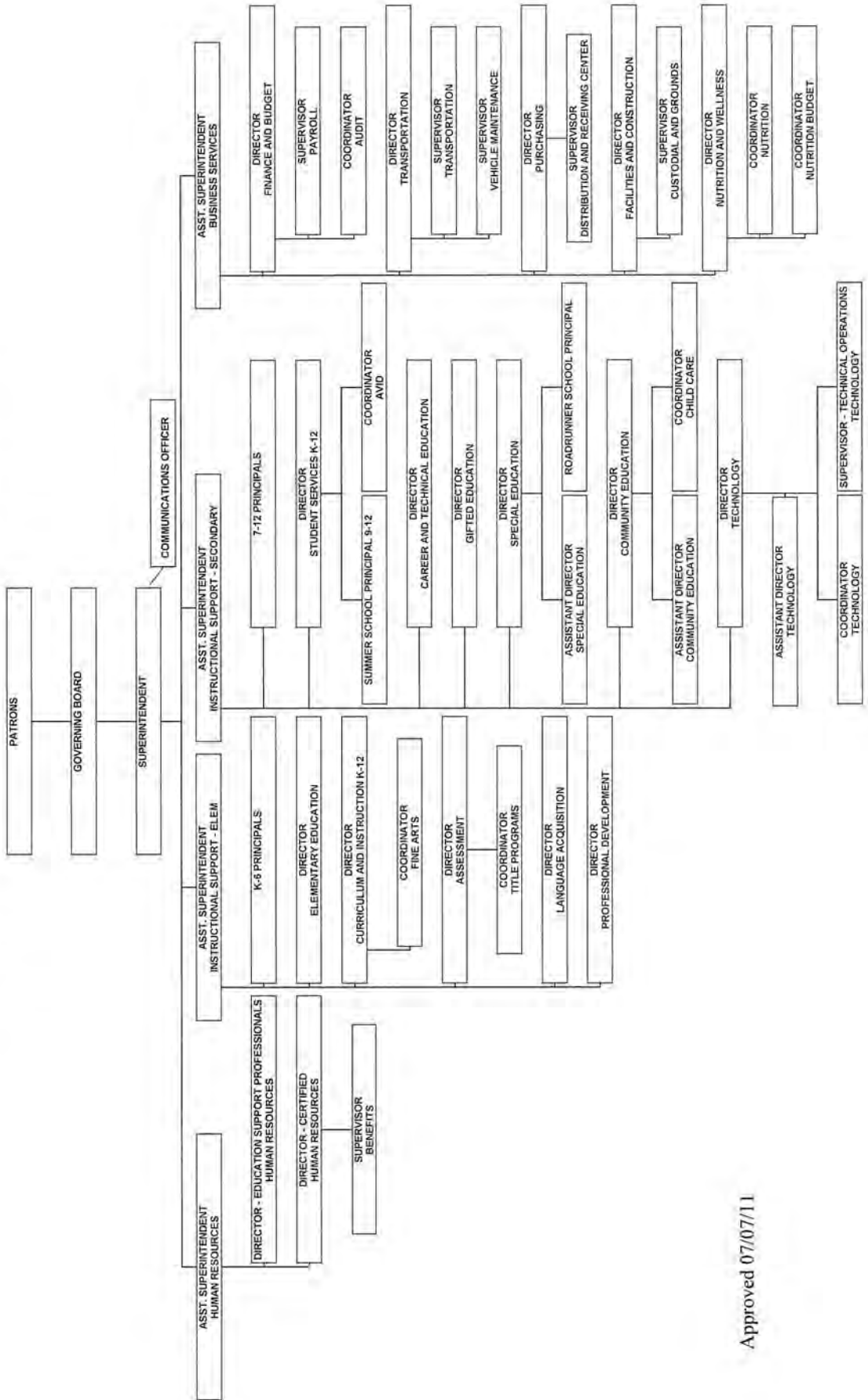


Dr. James P. Lee
Superintendent



Tom Elliott
Assistant Superintendent of
Business Services

PARADISE VALLEY UNIFIED SCHOOL DISTRICT 2011-12 ORGANIZATIONAL CHART



Approved 07/07/11

Governing Board

Paradise Valley
Unified School District
Cultivating world-class thinkers



Dr. Sue M. Skidmore
President



Ms. Julie Bacon
Member



Ms. Nancy Case
Member



Ms. Anne Greenberg
Member



Mr. Mark Lane
Member

Superintendency

**Paradise Valley
Unified School District**
Cultivating world-class thinkers



Dr. James P. Lee
Superintendent



Dr. Lillian R. Baribault
*Assistant Superintendent
of Instructional Support
Elementary*



Dr. Patrick Sweeney
*Assistant Superintendent
of Instructional Support
Secondary*



Mr. Tom Elliott
*Assistant Superintendent
of Business Services*



Dr. Karen Gasket
*Assistant Superintendent
of Human Resources*

Association of School Business Officials International



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

Paradise Valley Unified School District No.

69

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2011*

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



A handwritten signature in black ink, reading "Brian L. Mee".

Brian L. Mee, SFO, RSBA
President

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

John D. Musso, CAE, RSBA
Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Paradise Valley Unified
School District No. 69

Arizona

For its Comprehensive Annual

Financial Report

for the Fiscal Year Ended

June 30, 2011

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



Christopher P. Moynell

President

Jeffrey R. Enos

Executive Director

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Governing Board
Paradise Valley Unified School District No. 69

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Paradise Valley Unified School District No. 69 (District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Paradise Valley Unified School District No. 69 as of June 30, 2012, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2012, 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 54 and 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Heinfeld, Meech & Co., P.C.

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

December 21, 2012

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

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**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

As management of the Paradise Valley Unified School District No. 69 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net assets of governmental activities increased \$16.9 million, which represents a 6 percent increase from the prior fiscal year, as a result of increases in state aid.
- General revenues accounted for \$242.4 million in revenue, or 84 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$46.7 million, or 16 percent of total current fiscal year revenues.
- The District had approximately \$272.3 million in expenses related to governmental activities, a decrease of 1 percent from the prior fiscal year.
- Among major funds, the General Fund had \$175.0 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$187.3 million in expenditures. The General Fund's fund balance decrease from \$46.5 million at the prior fiscal year end to \$35.6 million at the end of the current fiscal year was primarily due to a large insurance prepayment charged against the District's prior year Maintenance and Operation Fund budget; however the expenditure was reported in the current year.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is 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.

**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

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 two categories: governmental 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.

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

**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)

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 Fund, Debt Service Fund, and Bond Building Fund, 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.

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$302.1 million at the current fiscal year end.

The largest portion of the District's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net assets are restricted by statute for special purposes, debt service repayment and capital outlay investment.

**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

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

	As of <u>June 30, 2012</u>	As of <u>June 30, 2011</u>
Current and other assets	\$ 222,081,147	\$ 194,800,619
Capital assets, net	<u>438,153,411</u>	<u>431,805,042</u>
Total assets, net	<u>660,234,558</u>	<u>626,605,661</u>
Current and other liabilities	44,020,833	41,240,957
Long-term liabilities	<u>314,158,477</u>	<u>300,231,016</u>
Total liabilities	<u>358,179,310</u>	<u>341,471,973</u>
Net assets:		
Invested in capital assets, net of related debt	196,012,654	176,022,580
Restricted	28,924,672	22,922,832
Unrestricted	<u>77,117,922</u>	<u>86,188,276</u>
Total net assets	<u>\$ 302,055,248</u>	<u>\$ 285,133,688</u>

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

The District's financial position is the product of several financial transactions including the net results 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 have had an impact on the Statement of Net Assets.

- The principal retirement of \$38.3 million of bonds.
- The addition of \$28.4 million in capital assets through school improvements and purchases of vehicles, furniture and equipment.
- The issuance of \$54.0 million of school improvement bonds.

**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

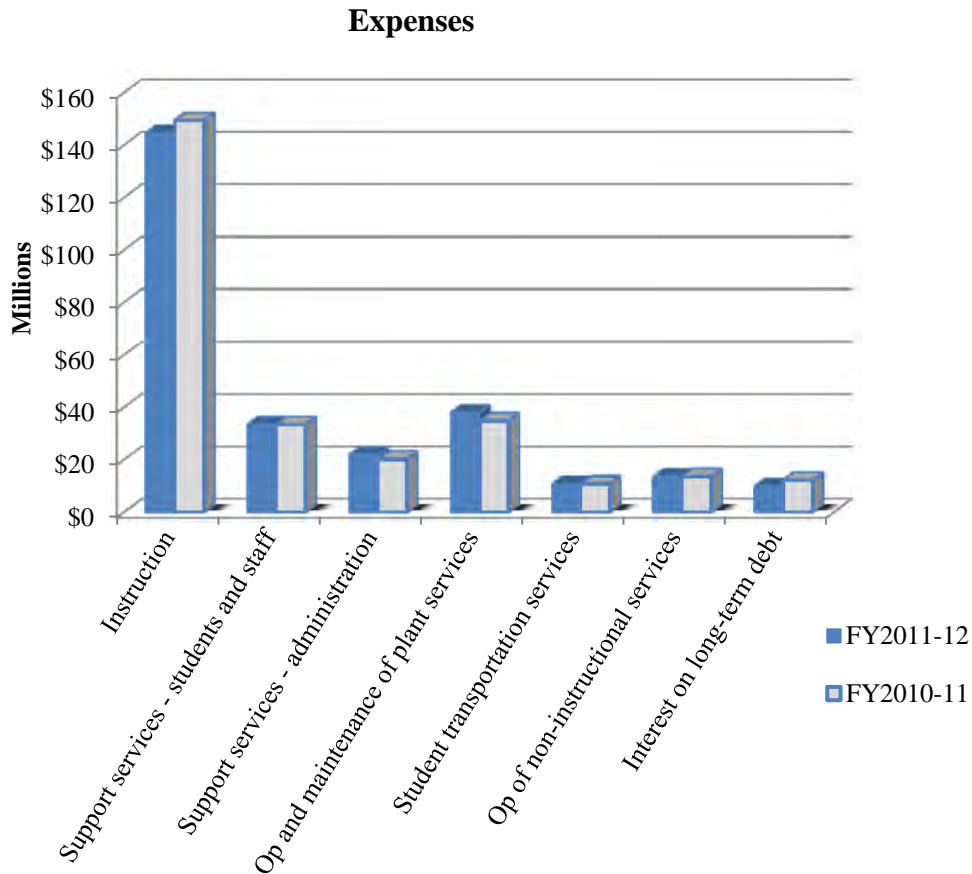
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Changes in net assets. The District's total revenues for the current fiscal year were \$289.2 million. The total cost of all programs and services was \$272.3 million. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2012 and June 30, 2011.

	<u>Fiscal Year Ended June 30, 2012</u>	<u>Fiscal Year Ended June 30, 2011</u>
Revenues:		
Program revenues:		
Charges for services	\$ 16,075,109	\$ 16,919,589
Operating grants and contributions	28,893,657	33,156,225
Capital grants and contributions	1,779,774	868,586
General revenues:		
Property taxes	167,344,777	173,183,932
Investment income	724,048	1,289,084
Unrestricted county aid	4,806,643	4,844,269
Unrestricted state aid	68,681,502	66,310,677
Unrestricted federal aid	885,259	2,142,260
Total revenues	<u>289,190,769</u>	<u>298,714,622</u>
Expenses:		
Instruction	144,715,498	149,355,794
Support services – students and staff	33,464,769	33,331,954
Support services – administration	21,893,121	20,170,843
Operation and maintenance of plant services	37,904,353	34,741,772
Student transportation services	10,799,671	10,703,072
Operation of non-instructional services	13,566,276	13,518,059
Interest on long-term debt	9,925,521	12,108,525
Total expenses	<u>272,269,209</u>	<u>273,930,019</u>
Change in net assets	<u>16,921,560</u>	<u>24,784,603</u>
Net assets, beginning	<u>285,133,688</u>	<u>260,349,085</u>
Net assets, ending	<u>\$ 302,055,248</u>	<u>\$ 285,133,688</u>

**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)



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

- Unrestricted state aid increased from \$66.3 million to \$68.7 million for the current fiscal year primarily due to an increase in classroom site fund revenues.
- Property taxes decreased \$5.8 million due to decreased assessed value of properties surrounding the District.
- Decrease in operating grants and contributions of \$4.3 million due to less funding received under the ARRA program.

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.

**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

	Year Ended June 30, 2012		Year Ended June 30, 2011	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 144,715,498	\$ (126,059,084)	\$ 149,355,794	\$ (124,828,134)
Support services - students and staff	33,464,769	(25,648,682)	33,331,954	(23,847,615)
Support services - administration	21,893,121	(21,472,627)	20,170,843	(19,989,121)
Operation and maintenance of plant services	37,904,353	(35,510,397)	34,741,772	(32,840,412)
Student transportation services	10,799,671	(10,618,049)	10,703,072	(10,610,554)
Operation of non-instructional services	13,566,276	1,911,556	13,518,059	1,238,742
Interest on long-term debt	9,925,521	(8,123,386)	12,108,525	(12,108,525)
Total	\$ 272,269,209	\$ (225,520,669)	\$ 273,930,019	\$ (222,985,619)

- The cost of all governmental activities this year was \$272.3 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$46.7 million.
- Net cost of governmental activities of \$225.5 million was financed by general revenues, which are made up of primarily property taxes of \$167.3 million and state aid of \$68.7 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 \$123.4 million, an increase of \$24.3 million due primarily to the issuance of \$54.0 million of school improvement bonds.

**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

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

The General Fund is the principal operating fund of the District. The General Fund comprises 29 percent of the total fund balance. Approximately 47 percent of the General Fund's fund balance is unassigned. The decrease in fund balance of \$11.0 million in the General Fund to \$35.6 million as of fiscal year end is due to an increase in current expenditures.

General Fund revenues decreased \$7.3 million primarily as a result of a decrease in property taxes due to a decrease in the assessed value of properties surrounding the District. General Fund expenditures increased \$15.2 million as a result of a large insurance prepayment charged against the District's prior year Maintenance and Operation Fund budget; however the expenditure was reported in the current year.

The fund balance in the Debt Service Fund was \$6.2 million as of fiscal year end. The increase in fund balance of \$2.0 during the year was due to a transfer from the Bond Building Fund.

The fund balance in the Bond Building Fund was \$60.3 million as of fiscal year end. The increase in fund balance of \$27.7 million during the year was primarily due to the issuance of \$54.0 million of school improvement bonds.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget for an increase in retirement costs due to mid-year legislative action and an increase in student count. The difference between the original budget and the final amended budget was a \$1.6 million increase, or less than 1 percent.

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

- The favorable variance of \$8.1 million in instruction resulted from a decrease of prepaid insurance of \$7.8 million.
- The unfavorable variance of \$2.1 million in operation and maintenance of plant services was a result of increased custodial and utility costs.

**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$695.8 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$25.0 million from the prior fiscal year, primarily due to the addition of building improvements. Total depreciation expense for the current year was \$21.4 million.

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

	As of June 30, 2012	As of June 30, 2011
Capital assets - non-depreciable	\$ 40,573,533	\$ 33,401,921
Capital assets - depreciable, net	397,579,878	398,403,121
Total	\$ 438,153,411	\$ 431,805,042

The estimated cost to complete current construction projects is \$11.4 million.

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

Debt Administration. At year-end, the District had \$302.5 million in long-term debt outstanding, \$37.3 million due within one year. This represents a net increase of \$14.0 million.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$988.4 million and the Class B debt limit is \$329.5 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 8 – 10.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

- Fiscal year 2011-12 budget balance carry forward (estimated \$5.6 million).
- Employee salaries (average increase of 1.4 percent).
- Future spending reductions due to the use of contingency funds to support the current year budget.

**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (Concl'd)

Also considered in the development of the budget is the state economy.

Budgeted expenditures in the General Fund increased 1 percent to \$186.0 million in fiscal year 2012-13. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2012-13 budget. A new school was added to the 2012-13 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business Services Office, Paradise Valley Unified School District No. 69, 15002 North 32nd Street, Phoenix, Arizona 85032.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 174,208,242
Property taxes receivable	19,715,034
Deposits	302,767
Due from governmental entities	23,732,640
Prepaid items	3,193,945
Inventory	928,519
Total current assets	222,081,147
Noncurrent assets:	
Land	30,264,986
Land improvements	29,324,235
Buildings and improvements	581,964,225
Vehicles, furniture and equipment	43,926,157
Construction in progress	10,308,547
Accumulated depreciation	(257,634,739)
Total noncurrent assets	438,153,411
Total assets	660,234,558
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	5,782,093
Construction contracts payable	6,596,875
Accrued payroll and employee benefits	577,801
Compensated absences payable	1,523,500
Accrued interest payable	5,832,051
Unearned revenues	232,013
Bonds payable	37,345,000
Tax anticipation notes payable	25,000,000
Total current liabilities	82,889,333
Noncurrent liabilities:	
Non-current portion of long-term obligations	275,289,977
Total noncurrent liabilities	275,289,977
Total liabilities	358,179,310
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	196,012,654
Restricted for:	
Federal and state projects	4,417,272
Food service	1,034,052
Other local initiatives	7,584,604
Debt service	7,126,975
Capital outlay	8,761,769
Unrestricted	77,117,922
Total net assets	\$ 302,055,248

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 144,715,498	\$ 5,852,746	\$ 11,023,894	\$ 1,779,774	\$ (126,059,084)
Support services - students and staff	33,464,769	217,583	7,598,504		(25,648,682)
Support services - administration	21,893,121		420,494		(21,472,627)
Operation and maintenance of plant services	37,904,353	1,019,458	1,374,498		(35,510,397)
Student transportation services	10,799,671		181,622		(10,618,049)
Operation of non-instructional services	13,566,276	8,985,322	6,492,510		1,911,556
Interest on long-term debt	9,925,521		1,802,135		(8,123,386)
Total governmental activities	<u>\$ 272,269,209</u>	<u>\$ 16,075,109</u>	<u>\$ 28,893,657</u>	<u>\$ 1,779,774</u>	<u>(225,520,669)</u>
 General revenues:					
Taxes:					
					111,452,164
					46,779,871
					9,112,742
					724,048
					4,806,643
					68,681,502
					885,259
					<u>242,442,229</u>
					16,921,560
					<u>285,133,688</u>
					<u>\$ 302,055,248</u>

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

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FUND FINANCIAL STATEMENTS

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012

	General	Debt Service	Bond Building
<u>ASSETS</u>			
Cash and investments	\$ 37,896,673	\$ 48,552,091	\$ 66,921,118
Property taxes receivable	17,742,025	1,609,852	
Deposits			
Due from governmental entities	18,678,574		
Due from other funds	3,074,422		
Prepaid items	3,193,945		
Inventory	749,694		
Total assets	\$ 81,335,333	\$ 50,161,943	\$ 66,921,118
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 4,665,322	\$	\$
Construction contracts payable			6,596,875
Due to other funds			
Accrued payroll and employee benefits	61,529		
Accrued interest payable	142,083		
Deferred revenues	15,883,354	934,990	
Bonds payable		37,345,000	
Bond interest payable		5,689,968	
Tax anticipation notes payable	25,000,000		
Total liabilities	45,752,288	43,969,958	6,596,875
Fund balances:			
Nonspendable	3,943,639		
Restricted		6,191,985	60,324,243
Assigned	15,088,139		
Unassigned	16,551,267		
Total fund balances	35,583,045	6,191,985	60,324,243
 Total liabilities and fund balances	\$ 81,335,333	\$ 50,161,943	\$ 66,921,118

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 20,838,360	\$ 174,208,242
363,157	19,715,034
302,767	302,767
5,054,066	23,732,640
	3,074,422
	3,193,945
178,825	928,519
<u>\$ 26,737,175</u>	<u>\$ 225,155,569</u>

\$ 1,116,771	\$ 5,782,093
	6,596,875
3,074,422	3,074,422
516,272	577,801
	142,083
728,843	17,547,187
	37,345,000
	5,689,968
	25,000,000
<u>5,436,308</u>	<u>101,755,429</u>

178,825	4,122,464
21,122,042	87,638,270
	15,088,139
	16,551,267
<u>21,300,867</u>	<u>123,400,140</u>
<u>\$ 26,737,175</u>	<u>\$ 225,155,569</u>

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PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

Total governmental fund balances **\$ 123,400,140**

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 funds.

Governmental capital assets	\$ 695,788,150	
Less accumulated depreciation	<u>(257,634,739)</u>	438,153,411

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

Property taxes	17,055,683	
Intergovernmental	<u>259,491</u>	17,315,174

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

Other postemployment benefits payable	(5,372,306)	
Compensated absences payable	(6,321,171)	
Bonds payable	<u>(265,120,000)</u>	<u>(276,813,477)</u>

Net assets of governmental activities **\$ 302,055,248**

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 6,178,137	\$ 138,428	\$ 260,203
Property taxes	109,732,567	47,163,790	
State aid and grants	58,186,445		
Federal aid, grants and reimbursements	885,259	1,802,135	
Total revenues	<u>174,982,408</u>	<u>49,104,353</u>	<u>260,203</u>
Expenditures:			
Current -			
Instruction	108,425,980		
Support services - students and staff	24,057,880		
Support services - administration	18,739,186		
Operation and maintenance of plant services	26,569,122		
Student transportation services	9,104,721		
Operation of non-instructional services	387,076		
Capital outlay	2,900		26,325,561
Debt service -			
Principal retirement		37,345,000	
Interest and fiscal charges		12,017,964	
Bond issuance costs			412,000
Total expenditures	<u>187,286,865</u>	<u>49,362,964</u>	<u>26,737,561</u>
Excess (deficiency) of revenues over expenditures	<u>(12,304,457)</u>	<u>(258,611)</u>	<u>(26,477,358)</u>
Other financing sources (uses):			
Transfers in	1,569,137	2,268,405	
Transfers out			(2,268,405)
Issuance of school improvement bonds			54,000,000
Premium on sale of bonds			2,435,207
Total other financing sources (uses):	<u>1,569,137</u>	<u>2,268,405</u>	<u>54,166,802</u>
Changes in fund balances	<u>(10,735,320)</u>	<u>2,009,794</u>	<u>27,689,444</u>
Fund balances, beginning of year	46,541,097	4,182,191	32,634,799
Increase (decrease) in reserve for inventory	(222,732)		
Fund balances, end of year	<u>\$ 35,583,045</u>	<u>\$ 6,191,985</u>	<u>\$ 60,324,243</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 16,510,721	\$ 23,087,489
9,311,110	166,207,467
12,437,893	70,624,338
26,232,177	28,919,571
<u>64,491,901</u>	<u>288,838,865</u>
21,637,035	130,063,015
8,594,080	32,651,960
683,251	19,422,437
2,778,508	29,347,630
245,926	9,350,647
12,518,862	12,905,938
9,164,122	35,492,583
1,672,261	39,017,261
46,221	12,064,185
	412,000
<u>57,340,266</u>	<u>320,727,656</u>
<u>7,151,635</u>	<u>(31,888,791)</u>
	3,837,542
(1,569,137)	(3,837,542)
	54,000,000
	2,435,207
<u>(1,569,137)</u>	<u>56,435,207</u>
<u>5,582,498</u>	<u>24,546,416</u>
15,697,467	99,055,554
20,902	(201,830)
<u>\$ 21,300,867</u>	<u>\$ 123,400,140</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

Net changes in fund balances - total governmental funds **\$ 24,344,586**

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	\$ 28,444,374	
Less current year depreciation	<u>(21,382,500)</u>	7,061,874

Issuance of school improvement bonds provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Assets. (54,000,000)

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

Property taxes	1,137,310	
Intergovernmental	<u>(71,901)</u>	1,065,409

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

Capital lease principal retirement	1,672,261	
Bond principal retirement	<u>37,345,000</u>	39,017,261

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 benefits payable	(162,425)	
Deferred charges on issuance of debt	115,457	
Loss on disposal of capital assets	(713,505)	
Compensated absences	<u>192,903</u>	<u>(567,570)</u>

Change in net assets in governmental activities **\$ 16,921,560**

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2012

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 2,501,769
Total assets	<u>\$ 2,501,769</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 57,021
Deposits held for others	656,377
Due to governmental entities	52,558
Due to student groups	<u>1,735,813</u>
Total liabilities	<u>\$ 2,501,769</u>

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Paradise Valley Unified School District No. 69 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

A. Reporting Entity

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

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

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

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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 County, State and Federal aid, and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental 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.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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, State, Federal 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. 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, Advertisement, District Services, 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.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

Bond Building Fund - The Bond Building Fund accounts for monies received from District bond issues that are used to acquire sites, construct or renovate school buildings, improve school grounds, and purchase transportation vehicles.

Additionally, the District reports the following fund type:

Fiduciary Funds - The Fiduciary Funds are Agency Funds which account for resources held by the District on behalf of others. This fund type includes 1) the Student Activities Fund which accounts for monies raised by students to finance student clubs and organizations held by the District as an agent, 2) funds that account for employee withholdings before the monies are remitted to the appropriate entities and 3) activities related to agreements with other governments where the District is the fiscal agent.

The agency funds are custodial in nature and do not have a measurement focus and are reported using the accrual basis of accounting. The agency funds are reported by fund type.

D. Cash and Investments

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.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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% from the previous year, while there is no limit to the increase in property values for secondary valuation. Override and debt service tax rates are applied to the secondary assessed valuation and all other tax rates are applied to the primary assessed valuation.

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

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.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

H. Inventory

All inventories are valued at cost using the weighted average method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

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

I. Prepaid Items

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

J. Capital Assets

Capital assets, which include land and improvements, buildings and improvements, vehicles, furniture, 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.

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

Land improvements	20 years
Buildings and improvements	20 - 50 years
Vehicles, furniture and equipment	3 - 15 years

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

K. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. All full-time certified employees earn 10 days of accrued sick leave each year. Classified employees earn sick leave based upon scheduled weekly hours. All accrued sick leave is cumulative without limit, and vest after five years of service (except for Cabinet employees who vest after four years of service). Classified employees earn vacation at a rate of 5-20 days per year. 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.

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.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

N. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

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 the management official delegated that authority by the formal Governing Board action. The Board delegated the responsibility to the Assistant Superintendent for Business Services.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)

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>Bond Building Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:				
Nonspendable:				
Inventory	\$ 749,694	\$	\$	\$ 178,825
Prepaid items	3,193,945			
Restricted:				
Debt service		6,191,985		
Capital projects				8,524,430
Bond building projects			60,324,243	
Voter approved initiatives				3,623,249
Auxiliary operations				4,001,074
Food service				978,982
Civic center				1,471,536
Other purposes				2,522,771
Assigned:				
Projected budgetary deficit	15,088,139			
Unassigned:	16,551,267			
Total fund balances	<u>\$ 35,583,045</u>	<u>\$ 6,191,985</u>	<u>\$ 60,324,243</u>	<u>\$ 21,300,867</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

NOTE 4 - CASH AND INVESTMENTS

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$8,368,755 and the bank balance was \$8,366,294.

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 activity and performance of the pools are reviewed monthly by the State Board of Investment. 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.

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	375 days	\$ 168,341,256
Total		<u>\$ 168,341,256</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 - CASH AND INVESTMENTS (Concl'd)

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.

NOTE 5 - RECEIVABLES

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

	General Fund	Non-Major Governmental Funds
Due from other governmental entities:		
Due from Federal government	\$	\$ 3,064,824
Due from State government	18,247,090	1,989,242
Due from County government	431,484	
Net due from governmental entities	\$ 18,678,574	\$ 5,054,066

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5 – RECEIVABLES (Concl'd)

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)	\$ 15,883,354	\$
Delinquent property taxes receivable (Debt Service Fund)	934,990	
Delinquent property taxes receivable (Non-Major Governmental Funds)	237,339	
Grant drawdowns prior to meeting all eligibility requirements (Non-Major Governmental Funds)		232,013
Measurable but unavailable revenues (Non-Major Governmental Funds)	<u>259,491</u>	
Total deferred revenue for governmental funds	<u>\$ 17,315,174</u>	<u>\$ 232,013</u>

NOTE 6 - CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 30,257,920	\$ 7,066	\$	\$ 30,264,986
Construction in progress	3,144,001	9,554,713	2,390,167	10,308,547
Total capital assets, not being depreciated	<u>33,401,921</u>	<u>9,561,779</u>	<u>2,390,167</u>	<u>40,573,533</u>
Capital assets, being depreciated:				
Land improvements	29,064,163	368,845	108,773	29,324,235
Buildings and improvements	562,275,404	19,702,498	13,677	581,964,225
Vehicles, furniture and equipment	46,069,925	1,201,419	3,345,187	43,926,157
Total capital assets being depreciated	<u>637,409,492</u>	<u>21,272,762</u>	<u>3,467,637</u>	<u>655,214,617</u>
Less accumulated depreciation for:				
Land improvements	(12,006,274)	(1,345,388)	(49,926)	(13,301,736)
Buildings and improvements	(198,648,660)	(16,400,843)	(12,821)	(215,036,682)
Vehicles, furniture and equipment	(28,351,437)	(3,636,269)	(2,691,385)	(29,296,321)
Total accumulated depreciation	<u>(239,006,371)</u>	<u>(21,382,500)</u>	<u>(2,754,132)</u>	<u>(257,634,739)</u>
Total capital assets, being depreciated, net	<u>398,403,121</u>	<u>(109,738)</u>	<u>713,505</u>	<u>397,579,878</u>
Governmental activities capital assets, net	<u>\$ 431,805,042</u>	<u>\$ 9,452,041</u>	<u>\$ 3,103,672</u>	<u>\$ 438,153,411</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 6 - CAPITAL ASSETS (Concl'd)

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 11,662,424
Support services - students and staff	264,999
Support services - administration	1,928,247
Operation and maintenance of plant services	5,669,126
Student transportation services	1,413,228
Operation of non-instructional services	444,476
Total depreciation expense - governmental activities	<u>\$ 21,382,500</u>

Construction Commitments – At year end, the District had contractual commitments related to renovations at various District schools. At year end the District had spent \$10,308,547 on the projects and had estimated remaining contractual commitments of \$11,367,687. These projects are being funded with bond proceeds.

NOTE 7 – SHORT TERM DEBT

Tax Anticipation Notes – In August 2011, the District issued \$25,000,000 in tax anticipation notes in advance of property tax collections, depositing the proceeds in the General Fund. These notes are necessary to provide cash flow as most tax revenue is collected in November and May. Property tax revenues of the General Fund will be used to repay these notes in July 2012. Short-term debt activity for the current fiscal year was as follows.

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Tax anticipation notes	<u>\$ 30,000,000</u>	<u>\$ 25,000,000</u>	<u>\$ 30,000,000</u>	<u>\$ 25,000,000</u>

Revolving Line of Credit - The District has a \$20,000,000 revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. The interest rate on the line was 2.145%. Short-term debt activity for the current fiscal year was as follows.

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Revolving line of credit	<u>\$ -0-</u>	<u>\$ 872,000</u>	<u>\$ 872,000</u>	<u>\$ -0-</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 8 - OBLIGATIONS UNDER CAPITAL LEASES

The District has acquired computer equipment and a telecommunication system under the provisions of long-term lease agreements classified as capital leases. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the Unrestricted Capital Outlay Fund, a non-major governmental fund, are used to pay the capital lease obligations. The District made the final payment on the capital lease obligation during the year ended June 30, 2012.

The assets acquired through capital leases that meet the District's capitalization threshold are as follows.

	Governmental Activities
Asset:	
Building improvements	\$ 3,258,425
Vehicles, furniture and equipment	3,205,067
Less: Accumulated depreciation	(1,968,918)
Total	\$ 4,494,574

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$149,000,000 million remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. In addition, a portion of the District's school improvement bonds are Qualified School Construction Bonds, as such the District will receive direct subsidy payments from the United States of America for a portion of the interest due on the bonds. The District received \$1,802,135 in federal subsidies during the year.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2012	Due Within One Year
Governmental activities:					
School Improvement Bonds Project of 1990, Series E (1994)	\$ 19,700,000	6.8%	7/1/12	\$ 3,700,000	\$ 3,700,000
School Improvement Bonds Project of 1994, Series B (1995)	34,905,000	7.0%	7/1/12	2,000,000	2,000,000
School Improvement Bonds Project of 1994, Series C (1997)	38,390,000	6.25%	7/1/14	5,175,000	
Refunding Bonds, Series 2002	32,400,000	4.75-5.25%	7/1/12-14	18,925,000	1,530,000

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE (Cont'd)

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2012	Due Within One Year
Governmental activities:					
Refunding Bonds, Second Series 2002 School Improvement Bonds Project of 1999, Series D (2003)	14,000,000	4.0-5.25%	7/1/12-15	11,005,000	320,000
Refunding Bonds, Second Series 2003 School Improvement Bonds Project of 1999, Series E (2004)	19,800,000	5.0%	7/1/12	1,650,000	1,650,000
Refunding Bonds, Series 2004	16,000,000	3.0%	7/1/12-13	14,930,000	150,000
Refunding Bonds, Series 2005 School Improvement Bonds Project of 2005, Series A (2006) (Class B)	16,500,000	3.625%	7/1/12	840,000	840,000
School Improvement Bonds Project of 2005, Series B (2007) (Class B)	19,895,000	3.5-5.2%	7/1/12-16	19,680,000	1,410,000
School Improvement Bonds Project of 2005, Series C (2008) (Class B)	13,890,000	3.25-5.0%	7/1/12-14	13,890,000	3,555,000
Refunding Bonds, Series 2008 School Improvement Bonds Project of 2005, Series D (2009) (Class B)	41,075,000	4.0-4.75%	7/1/15-19	31,925,000	
School Improvement Bonds Project of 2005, Series E (Class B) (Qualified School Construction Bonds)	40,000,000	4.125-5.0%	7/1/12-15	17,500,000	2,500,000
School Improvement Bonds Project of 2011, Series A (2012)	40,000,000	3.25-5.0%	7/1/12-19	21,000,000	2,000,000
Total	37,190,000	3.5-4.5%	7/1/12-16	29,360,000	14,815,000
	15,000,000	3.0-3.5%	7/1/13-19	9,400,000	
	22,095,000	3.45-3.5%	7/1/12-15	21,860,000	1,475,000
	25,625,000	6.0-7.5%	7/1/12-26	25,625,000	1,400,000
	54,000,000	2.0-4.0%	7/1/13-31	54,000,000	
				<u>\$ 302,465,000</u>	<u>\$ 37,345,000</u>

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2013	\$ 37,345,000	\$ 12,133,790
2014	41,595,000	10,779,415
2015	40,470,000	9,020,447
2016	40,260,000	7,225,753
2017	38,315,000	5,541,605
2018-22	54,309,444	17,433,650
2023-27	22,755,556	12,936,850
2028-32	27,415,000	2,603,338
Total	<u>\$ 302,465,000</u>	<u>\$ 77,674,848</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE (Concl'd)

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, \$23,970,000 of defeased bonds are still outstanding.

NOTE 10 - CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 286,745,000	\$ 54,000,000	\$ 38,280,000	\$ 302,465,000	\$ 37,345,000
Obligations under capital leases	1,672,261		1,672,261		
Compensated absences payable	6,514,074	899,257	1,092,160	6,321,171	1,523,500
Other postemployment benefits payable	5,209,881	2,788,869	2,626,444	5,372,306	
Governmental activity long-term liabilities	<u>\$ 300,141,216</u>	<u>\$ 57,688,126</u>	<u>\$ 43,670,865</u>	<u>\$ 314,158,477</u>	<u>\$ 38,868,500</u>

NOTE 11 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows.

Due to/from other funds:

Due to	Due from Non-Major Governmental Funds
General Fund	\$ 3,074,422
Total	<u>\$ 3,074,422</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 11 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Concl'd)

At year end, several funds had negative cash balances in the Treasurer's pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with other funds. All interfund balances are expected to be paid within one year.

Interfund transfers:

Transfers out	Transfers in		
	General Fund	Debt Service Fund	Total
Bond Building Fund	\$	\$ 2,268,405	\$ 2,268,405
Non-Major Governmental Funds	1,569,137		1,569,137
Total	\$ 1,569,137	\$ 2,268,405	\$ 3,837,542

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

NOTE 12 - CONTINGENT LIABILITIES

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

Performance Audit – The District has been selected by the State Office of the Auditor General to have a performance audit pursuant to A.R.S. section 41-1279.03.A. for the fiscal year ended June 30, 2011. This performance audit has not been completed, and although the results are unknown at this time, the District expects the results to be immaterial to the financial statements.

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. In addition, a lawsuit is currently in process regarding taxable property within the District. Although the District is not a direct party to the lawsuit, an unfavorable outcome could have a significant impact on the District's property taxes.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 12 - CONTINGENT LIABILITIES (Concl'd)

Lease-To-Own Agreement - The Arizona Schools Facilities Board (SFB) entered into a lease in January 2003 to finance costs of the District's new school facilities pursuant to A.R.S. 15-2004, 15-2005 and 15-2006. The SFB is required to make all lease payments, however if the SFB does not make the lease payments, the District has the option to make the payments on behalf of the SFB to ensure the facilities do not revert back to the lessor.

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

NOTE 13 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District joined the Valley Schools Insurance Trust (VSIT), Valley Schools Employee Benefit Trust (VSEBT), and the Valley Schools Worker's Compensation Pool (VSWCP) together with several school districts in the State.

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 Valley Schools Insurance Trust (VSIT). VSIT is a public entity risk pool currently operating as a common risk management and insurance program for school districts. The District pays monthly premiums to VSIT for its general insurance coverage. The agreement provides that VSIT will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

The District's employees have health and accident insurance coverage with the Valley Schools Employee Benefit Trust (VSEBT). VSEBT is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays a monthly premium to VSEBT for employees' health and accident insurance coverage. The agreement provides that VSEBT will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 13 - RISK MANAGEMENT (Concl'd)

The District joined the Valley Schools Workers' Compensation Pool (VSWCP) together with other school districts in the state for risks of loss related to workers' compensation claims. VSWCP 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 monthly premiums to VSWCP for its employee workers' compensation coverage. The agreement provides that VSWCP will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

NOTE 14 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 14 - 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 10.74 percent (10.5 percent for retirement and 0.24 percent for long-term disability) of the members' annual covered payroll and the District was required by statute to contribute at the actuarially determined rate of 10.74 percent (9.87 percent for retirement, 0.63 percent for health insurance premium, and 0.24 percent for long-term disability) of the members' annual covered payroll.

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

	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
Years ended June 30,			
2012	\$ 12,767,957	\$ 814,976	\$ 310,467
2011	11,646,170	762,624	323,146
2010	10,851,239	858,731	520,443

NOTE 15 - OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN

Plan Description – Under authority of the Governing Board, the District provides postretirement insurance (health, dental and life) on behalf of its eligible retirees up to age 65 through a single-employer defined benefit plan administered by the District. To be eligible for District-paid benefits, a retiree must have attained eligibility for early retirement under the Arizona State Retirement (ASRS), and must participate in one of the District's Early Retirement Plans. Eligible retirees receive a District reimbursement for premiums under the ASRS Retiree Group Insurance plan of up to \$364 per month (retiree only) or \$686 per month (retiree plus dependent coverage). Individuals who retired on or after July 1, 2005 are subject to the retiree only cap. Retired Cabinet members are not subject to the caps mentioned, and are eligible for dental and life insurance under the District sponsored plans. A separate financial report is not issued for the plan. The number of participants as of July 1, 2011, the effective date of the biannual OPEB, follows.

	Participants
Active employees	3,418
Retired employees	552
Total	3,970

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN (Cont'd)

Funding Policy – The District currently pays for postemployment benefits on a pay-as-you-go basis. Although 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, these financial statements assume that pay-as-you-go funding will continue. Generally, resources from the General Fund are used to pay for postemployment benefits.

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

Annual required contribution	\$ 2,868,997
Interest on net OPEB obligation	266,182
Adjustment to annual required contribution	<u>(346,310)</u>
Annual OPEB cost (expense)	2,788,869
Contributions made	<u>(2,626,444)</u>
Increase in net OPEB obligation	162,425
Net OPEB obligation – beginning of year	<u>5,209,881</u>
Net OPEB obligation – end of year	<u><u>\$ 5,372,306</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 years ended June 30, 2012, and the two preceding years is as follows.

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2012	\$ 2,788,869	\$ 2,626,444	94%	\$ 5,372,306
June 30, 2011	3,528,237	2,886,388	82%	5,209,881
June 30, 2010	3,545,668	2,517,424	71%	4,568,032

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 – 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 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 and 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, 2011
Actuarial cost method	Projected Unit Credit
Amortization method for actuarial accrued liabilities	30 year, level dollar, open
Remaining amortization period	30 years
Interest rate	5.0%
Inflation rate	N/A
Health care cost trend rate:	
Medical and Prescription Drug	8% graded down to an ultimate rate of 5% over 3 years
Retiree contribution increase	Frozen

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 – 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. The current and prior valuation years are presented below.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-1)/c)
July 1, 2011	-0-	\$ 25,413,536	\$ 25,413,536	-0-	\$ 122,654,469	20.7%
July 1, 2009	-0-	26,489,759	26,489,759	-0-	126,001,812	21.0%
July 1, 2007	-0-	29,214,982	29,214,982	-0-	151,082,626	19.3%

NOTE 16 – SUBSEQUENT EVENTS

In July 2012, the District issued \$30,000,000 of tax anticipation notes in advance of property tax collections, depositing the proceeds in its General Fund.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
(Required Supplementary Information)**

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$ 3,952,651	\$ 3,952,651	\$ 5,649,333	\$ 1,696,682
Property taxes	112,801,635	112,801,635	109,732,567	(3,069,068)
State aid and grants	57,841,790	57,841,790	56,591,758	(1,250,032)
Total revenues	<u>174,596,076</u>	<u>174,596,076</u>	<u>171,973,658</u>	<u>(2,622,418)</u>
Expenditures:				
Current -				
Instruction	111,777,282	108,682,923	100,610,483	8,072,440
Support services - students and staff	22,619,412	23,355,552	23,852,961	(497,409)
Support services - administration	15,875,000	17,868,537	18,634,121	(765,584)
Operation and maintenance of plant services	23,589,000	24,442,346	26,569,122	(2,126,776)
Student transportation services	8,455,215	9,447,823	8,920,139	527,684
Operation of non-instructional services	353,534	440,125	382,129	57,996
Total expenditures	<u>182,669,443</u>	<u>184,237,306</u>	<u>178,968,955</u>	<u>5,268,351</u>
Excess (deficiency) of revenues over expenditures	<u>(8,073,367)</u>	<u>(9,641,230)</u>	<u>(6,995,297)</u>	<u>2,645,933</u>
Other financing sources (uses):				
Transfers in			3,274,000	3,274,000
Total other financing sources (uses):			<u>3,274,000</u>	<u>3,274,000</u>
Changes in fund balances	<u>(8,073,367)</u>	<u>(9,641,230)</u>	<u>(3,721,297)</u>	<u>5,919,933</u>
Fund balances, beginning of year	8,073,367	8,073,367	14,368,242	6,294,875
Increase (decrease) in reserve for prepaid items			3,684,503	3,684,503
Increase (decrease) in reserve for inventory			(222,732)	(222,732)
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ (1,567,863)</u>	<u>\$ 14,108,716</u>	<u>\$ 15,676,579</u>

See accompanying notes to this schedule.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2012

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The adopted budget of the District is prepared on a basis consistent with accounting principles generally accepted in the United States of America with the following exceptions: 1) a portion of the General Fund activity is budgeted for separately as special revenue and capital project funds, 2) a portion of fiscal year 2012-13 insurance payments were charged against the fiscal year 2011-12 budget, and 3) a portion of the fiscal year 2011-12 insurance payments were budgeted for in fiscal year 2010-11. Consequently, the following adjustments were necessary to present actual expenditures, increase for prepaid items, fund balance at July 1, 2011, and fund balance at June 30, 2012 on a budgetary basis in order to provide a meaningful comparison.

	Total Expenditures	Increase for Prepaid Items	Fund Balance, June 30, 2012	Fund Balance, July 1, 2011
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 187,286,865	\$	\$ 35,583,045	\$ 46,541,097
Fiscal year 2011-12 activity budgeted as special revenue	(502,413)		(17,799,757)	(15,356,171)
Fiscal year 2011-12 activity budgeted as capital projects funds			(3,674,572)	(5,316,684)
Fiscal year 2012-13 insurance payments charged against fiscal year 2011-12 budget	3,684,503	3,684,503		
Fiscal year 2011-12 insurance payments budgeted in 2010-11	(11,500,000)			(11,500,000)
Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual - General Fund	\$ 178,968,955	\$ 3,684,503	\$ 14,108,716	\$ 14,368,242

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

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GOVERNMENTAL FUNDS

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2012

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 11,560,176	\$ 9,278,184	\$ 20,838,360
Property taxes receivable		363,157	363,157
Deposits	302,767		302,767
Due from governmental entities	5,045,615	8,451	5,054,066
Inventory	178,825		178,825
Total assets	<u><u>\$ 17,087,383</u></u>	<u><u>\$ 9,649,792</u></u>	<u><u>\$ 26,737,175</u></u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 228,748	\$ 888,023	\$ 1,116,771
Due to other funds	3,074,422		3,074,422
Accrued payroll and employee benefits	516,272		516,272
Deferred revenues	491,504	237,339	728,843
Total liabilities	<u><u>4,310,946</u></u>	<u><u>1,125,362</u></u>	<u><u>5,436,308</u></u>
Fund balances:			
Nonspendable	178,825		178,825
Restricted	12,597,612	8,524,430	21,122,042
Total fund balances	<u><u>12,776,437</u></u>	<u><u>8,524,430</u></u>	<u><u>21,300,867</u></u>
 Total liabilities and fund balances	 <u><u>\$ 17,087,383</u></u>	 <u><u>\$ 9,649,792</u></u>	 <u><u>\$ 26,737,175</u></u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2012

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 16,155,948	\$ 354,773	\$ 16,510,721
Property taxes		9,311,110	9,311,110
State aid and grants	12,334,700	103,193	12,437,893
Federal aid, grants and reimbursements	<u>26,232,177</u>		<u>26,232,177</u>
Total revenues	<u>54,722,825</u>	<u>9,769,076</u>	<u>64,491,901</u>
Expenditures:			
Current -			
Instruction	21,630,443	6,592	21,637,035
Support services - students and staff	8,593,585	495	8,594,080
Support services - administration	683,190	61	683,251
Operation and maintenance of plant services	2,778,417	91	2,778,508
Student transportation services	220,001	25,925	245,926
Operation of non-instructional services	12,518,862		12,518,862
Capital outlay	2,443,348	6,720,774	9,164,122
Debt service -			
Principal retirement		1,672,261	1,672,261
Interest and fiscal charges		46,221	46,221
Total expenditures	<u>48,867,846</u>	<u>8,472,420</u>	<u>57,340,266</u>
Excess (deficiency) of revenues over expenditures	<u>5,854,979</u>	<u>1,296,656</u>	<u>7,151,635</u>
Other financing sources (uses):			
Transfers out	<u>(1,569,137)</u>		<u>(1,569,137)</u>
Total other financing sources (uses):	<u>(1,569,137)</u>		<u>(1,569,137)</u>
Changes in fund balances	<u>4,285,842</u>	<u>1,296,656</u>	<u>5,582,498</u>
Fund balances, beginning of year	8,469,693	7,227,774	15,697,467
Increase (decrease) in reserve for inventory	20,902		20,902
Fund balances, end of year	<u>\$ 12,776,437</u>	<u>\$ 8,524,430</u>	<u>\$ 21,300,867</u>

SPECIAL REVENUE FUNDS

Classroom Site - to account for the financial activity for the portion of state sales tax collections and permanent state school fund earnings as approved by the voters in 2000.

Instructional Improvement - to account for the activity of monies received from gaming revenue.

County, City and Town Grants - to account for monies received from county, city and town grants.

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.

Limited English & 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.

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 the education of homeless students.

Medicaid Reimbursement - to account for reimbursements related to specific health services provided to eligible students.

E-Rate - to account for financial assistance received for broadband internet and telecommunication costs.

Other Federal Projects - to account for financial assistance received for other supplemental federal projects, including the Education Jobs Bill monies.

State Vocational Education - to account for financial assistance received for the preparation of individuals for employment.

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

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

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

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

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

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

Career, Technical and Vocational Education Projects - to account for activity related to the production and subsequent sale of items produced in an instructional program by career, technical and vocational education pupils.

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

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

Indirect Costs - to account for monies transferred from Federal projects for administrative costs.

Advertisement - to account for monies received from the sale of advertising.

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

District Services - to account for the financial activity of providing goods and services to departments or schools within the District, or other districts on a cost reimbursement basis.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Classroom Site	Instructional Improvement	Compensatory Instruction
<u>ASSETS</u>			
Cash and investments	\$ 550,860	\$ 1,091,598	\$ 46,129
Deposits			
Due from governmental entities	1,415,383	565,408	
Inventory			
Total assets	\$ 1,966,243	\$ 1,657,006	\$ 46,129
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Deferred revenues			46,129
Total liabilities			46,129
Fund balances:			
Nonspendable			
Restricted	1,966,243	1,657,006	
Total fund balances	1,966,243	1,657,006	
 Total liabilities and fund balances	\$ 1,966,243	\$ 1,657,006	\$ 46,129

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Special Education Grants</u>	<u>Vocational Education</u>
\$	\$	\$	\$	\$	\$
878,183	172,269	143,614	81,290	610,920	94,779
<u>\$ 878,183</u>	<u>\$ 172,269</u>	<u>\$ 143,614</u>	<u>\$ 81,290</u>	<u>\$ 610,920</u>	<u>\$ 94,779</u>
\$ 25,134	\$ 9,356	\$ 6,007	\$	\$ 41,619	\$
705,432	162,913	113,510	61,048	484,436	72,464
147,617		24,097	20,242	84,865	22,315
<u>878,183</u>	<u>172,269</u>	<u>143,614</u>	<u>81,290</u>	<u>610,920</u>	<u>94,779</u>
<u>\$ 878,183</u>	<u>\$ 172,269</u>	<u>\$ 143,614</u>	<u>\$ 81,290</u>	<u>\$ 610,920</u>	<u>\$ 94,779</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	<u>Homeless Education</u>	<u>E-Rate</u>	<u>Other Federal Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 661	\$ 492,023	\$
Deposits			
Due from governmental entities		294,151	76,871
Inventory			
Total assets	<u>\$ 661</u>	<u>\$ 786,174</u>	<u>\$ 76,871</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			60,277
Accrued payroll and employee benefits			8,745
Deferred revenues	661	259,491	
Total liabilities	<u>661</u>	<u>259,491</u>	<u>69,022</u>
Fund balances:			
Nonspendable			
Restricted		526,683	7,849
Total fund balances		<u>526,683</u>	<u>7,849</u>
Total liabilities and fund balances	<u>\$ 661</u>	<u>\$ 786,174</u>	<u>\$ 76,871</u>

<u>State Vocational Education</u>	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Auxiliary Operations</u>
\$ 80,279	\$ 104,944	\$ 1,377,810	\$ 1,471,536	\$ 952,917	\$ 4,061,649
		302,767			
		712,747			
		55,070			123,755
<u>\$ 80,279</u>	<u>\$ 104,944</u>	<u>\$ 2,448,394</u>	<u>\$ 1,471,536</u>	<u>\$ 952,917</u>	<u>\$ 4,185,404</u>
\$	\$	\$	\$	\$	\$
		1,414,342		60,407	51,441
				199,257	9,134
<u>80,279</u>	<u>104,944</u>	<u>1,414,342</u>	<u></u>	<u>259,664</u>	<u>60,575</u>
<u>80,279</u>	<u>104,944</u>	<u>1,414,342</u>	<u></u>	<u>259,664</u>	<u>60,575</u>
		55,070			123,755
		978,982	1,471,536	693,253	4,001,074
		1,034,052	1,471,536	693,253	4,124,829
<u>\$ 80,279</u>	<u>\$ 104,944</u>	<u>\$ 2,448,394</u>	<u>\$ 1,471,536</u>	<u>\$ 952,917</u>	<u>\$ 4,185,404</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Gifts and Donations	Career, Technical and Vocational Education	Textbooks
<u>ASSETS</u>			
Cash and investments	\$ 949,578	\$ 30,137	\$ 209,066
Deposits			
Due from governmental entities			
Inventory			
Total assets	\$ 949,578	\$ 30,137	\$ 209,066
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 34,784	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Deferred revenues			
Total liabilities	34,784		
Fund balances:			
Nonspendable			
Restricted	914,794	30,137	209,066
Total fund balances	914,794	30,137	209,066
 Total liabilities and fund balances	\$ 949,578	\$ 30,137	\$ 209,066

<u>Joint Technical Education</u>	<u>Totals</u>
\$ 140,989	\$ 11,560,176
	302,767
	5,045,615
	178,825
<u>\$ 140,989</u>	<u>\$ 17,087,383</u>

\$	\$ 228,748
	3,074,422
	516,272
	491,504
	<u>4,310,946</u>

	178,825
<u>140,989</u>	<u>12,597,612</u>
<u>140,989</u>	<u>12,776,437</u>
<u>\$ 140,989</u>	<u>\$ 17,087,383</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$ 167	\$ 5,824	\$ 11,723
State aid and grants	9,254,138	1,298,953	
Federal aid, grants and reimbursements			
Total revenues	9,254,305	1,304,777	11,723
Expenditures:			
Current -			
Instruction	6,059,014	813,855	11,723
Support services - students and staff	268,811	192,764	
Support services - administration		13,252	
Operation and maintenance of plant services			
Student transportation services		1,124	
Operation of non-instructional services			
Capital outlay			
Total expenditures	6,327,825	1,020,995	11,723
Excess (deficiency) of revenues over expenditures	2,926,480	283,782	
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	2,926,480	283,782	
Fund balances (deficits), beginning of year	(960,237)	1,373,224	
Increase (decrease) in reserve for inventory			
Fund balances, end of year	\$ 1,966,243	\$ 1,657,006	\$

Structured English Immersion	Compensatory Instruction	Title I Grants	Professional Development and Technology Grants	Title IV Grants	Limited English & Immigrant Students
\$ 535,509	\$ 7,767	\$ 7,946,032	\$ 1,109,869	\$ 1,123,231	\$ 632,903
<u>535,509</u>	<u>7,767</u>	<u>7,946,032</u>	<u>1,109,869</u>	<u>1,123,231</u>	<u>632,903</u>
535,509	7,767	4,594,671		698,997	422,212
		2,233,183	1,084,848	346,996	112,459
		306,107		67,419	1,902
		786			6,562
		12,130		1,617	
		715,486	567	8,202	84,438
<u>535,509</u>	<u>7,767</u>	<u>7,862,363</u>	<u>1,085,415</u>	<u>1,123,231</u>	<u>627,573</u>
		83,669	24,454		5,330
		(83,669)	(24,454)		(5,330)
		<u>(83,669)</u>	<u>(24,454)</u>		<u>(5,330)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Indian Education	Special Education Grants	Vocational Education
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	39,346	6,340,625	614,087
Total revenues	39,346	6,340,625	614,087
Expenditures:			
Current -			
Instruction	12,213	3,274,418	74,339
Support services - students and staff	26,801	2,762,383	428,079
Support services - administration		4,025	
Operation and maintenance of plant services		56,980	
Student transportation services		138,094	
Operation of non-instructional services			
Capital outlay		28,319	107,434
Total expenditures	39,014	6,264,219	609,852
Excess (deficiency) of revenues over expenditures	332	76,406	4,235
Other financing sources (uses):			
Transfers out	(332)	(76,406)	(4,235)
Total other financing sources (uses):	(332)	(76,406)	(4,235)
Changes in fund balances			
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances, end of year	\$	\$	\$

Homeless Education	E-Rate	Other Federal Projects	State Vocational Education	Other State Projects	Food Service
\$	\$ 3,575	\$ 26	\$	\$	\$ 2,800,706
38,800	191,788	1,377,732	224,889	1,013,444	6,492,510
<u>38,800</u>	<u>195,363</u>	<u>1,377,758</u>	<u>224,889</u>	<u>1,013,444</u>	<u>9,293,216</u>
12,800		207,119	122,936	24,147	
5,673		240,567	50,264	107,036	
	13,700	16,696			40,756
	178,042	127,732	4,923	876,722	
20,000		872	3,402		3,147
					7,497,016
		786,425	43,364	5,539	8,747
<u>38,473</u>	<u>191,742</u>	<u>1,379,411</u>	<u>224,889</u>	<u>1,013,444</u>	<u>7,549,666</u>
<u>327</u>	<u>3,621</u>	<u>(1,653)</u>			<u>1,743,550</u>
(327)		(3,386)			(1,370,998)
<u>(327)</u>		<u>(3,386)</u>			<u>(1,370,998)</u>
	3,621	(5,039)			372,552
	523,062	12,888			641,816
					19,684
<u>\$</u>	<u>\$ 526,683</u>	<u>\$ 7,849</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,034,052</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Civic Center	Community School	Auxiliary Operations
Revenues:			
Other local	\$ 1,029,677	\$ 6,187,580	\$ 4,189,849
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	1,029,677	6,187,580	4,189,849
Expenditures:			
Current -			
Instruction	65,504	212,311	3,540,118
Support services - students and staff		6,728	
Support services - administration	52,089	136,241	
Operation and maintenance of plant services	317,777	870,836	259,546
Student transportation services		14,758	19,192
Operation of non-instructional services	122,875	4,895,989	2,758
Capital outlay	32,530	42,091	306,215
Total expenditures	590,775	6,178,954	4,127,829
Excess (deficiency) of revenues over expenditures	438,902	8,626	62,020
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	438,902	8,626	62,020
Fund balances (deficits), beginning of year	1,032,634	684,627	4,061,591
Increase (decrease) in reserve for inventory			1,218
Fund balances, end of year	\$ 1,471,536	\$ 693,253	\$ 4,124,829

Gifts and Donations	Career, Technical and Vocational Education	Fingerprint	Textbooks	Joint Technical Education	Totals
\$ 712,879	\$ 46,718	\$ 10,121	\$ 38,307	\$ 1,118,796	\$ 16,155,948
				325,254	12,334,700
<u>712,879</u>	<u>46,718</u>	<u>10,121</u>	<u>38,307</u>	<u>1,444,050</u>	<u>26,232,177</u>
					<u>54,722,825</u>
237,581	48,500		29,839	624,870	21,630,443
38,263			18,406	670,324	8,593,585
20,416		10,121		466	683,190
74,536				3,975	2,778,417
5,665					220,001
224					12,518,862
270,565				3,426	2,443,348
<u>647,250</u>	<u>48,500</u>	<u>10,121</u>	<u>48,245</u>	<u>1,303,061</u>	<u>48,867,846</u>
<u>65,629</u>	<u>(1,782)</u>		<u>(9,938)</u>	<u>140,989</u>	<u>5,854,979</u>
					(1,569,137)
					<u>(1,569,137)</u>
<u>65,629</u>	<u>(1,782)</u>		<u>(9,938)</u>	<u>140,989</u>	<u>4,285,842</u>
849,165	31,919		219,004		8,469,693
					20,902
<u>\$ 914,794</u>	<u>\$ 30,137</u>	<u>\$</u>	<u>\$ 209,066</u>	<u>\$ 140,989</u>	<u>\$ 12,776,437</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 167	\$ 167
State aid and grants	8,290,903	9,254,138	963,235
Federal aid, grants and reimbursements			
Total revenues	<u>8,290,903</u>	<u>9,254,305</u>	<u>963,402</u>
Expenditures:			
Current -			
Instruction	8,691,912	6,059,014	2,632,898
Support services - students and staff		268,811	(268,811)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>8,691,912</u>	<u>6,327,825</u>	<u>2,364,087</u>
Excess (deficiency) of revenues over expenditures	<u>(401,009)</u>	<u>2,926,480</u>	<u>3,327,489</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(401,009)</u>	<u>2,926,480</u>	<u>3,327,489</u>
Fund balances (deficits), beginning of year	(1,585,755)	(960,237)	625,518
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (1,986,764)</u>	<u>\$ 1,966,243</u>	<u>\$ 3,953,007</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 1,070,494	\$ 5,824 1,298,953	\$ 5,824 228,459	\$	\$ 11,723	\$ 11,723
<u>1,070,494</u>	<u>1,304,777</u>	<u>234,283</u>		<u>11,723</u>	<u>11,723</u>
1,026,897	813,855	213,042		11,723	(11,723)
104,600	192,764	(88,164)			
9,500	13,252	(3,752)			
	1,124	(1,124)			
<u>1,140,997</u>	<u>1,020,995</u>	<u>120,002</u>		<u>11,723</u>	<u>(11,723)</u>
<u>(70,503)</u>	<u>283,782</u>	<u>354,285</u>			
<u>(70,503)</u>	<u>283,782</u>	<u>354,285</u>			
1,250,000	1,373,224	123,224			
<u>\$ 1,179,497</u>	<u>\$ 1,657,006</u>	<u>\$ 477,509</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Structured English Immersion		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants	525,000	535,509	10,509
Federal aid, grants and reimbursements			
Total revenues	<u>525,000</u>	<u>535,509</u>	<u>10,509</u>
Expenditures:			
Current -			
Instruction	525,000	535,509	(10,509)
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>525,000</u>	<u>535,509</u>	<u>(10,509)</u>
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances			
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

Compensatory Instruction			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 53,848	\$ 7,767	\$ (46,081)	\$ 5,841,000	\$ 7,946,032	\$ 2,105,032
<u>53,848</u>	<u>7,767</u>	<u>(46,081)</u>	<u>5,841,000</u>	<u>7,946,032</u>	<u>2,105,032</u>
53,848	7,767	46,081	4,341,000	4,594,671	(253,671)
			670,000	2,233,183	(1,563,183)
			250,000	306,107	(56,107)
				786	(786)
				12,130	(12,130)
			580,000	715,486	(135,486)
<u>53,848</u>	<u>7,767</u>	<u>46,081</u>	<u>5,841,000</u>	<u>7,862,363</u>	<u>(2,021,363)</u>
				83,669	83,669
				(83,669)	(83,669)
				(83,669)	(83,669)
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	916,365	1,109,869	193,504
Total revenues	916,365	1,109,869	193,504
Expenditures:			
Current -			
Instruction			
Support services - students and staff	916,365	1,084,848	(168,483)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		567	(567)
Total expenditures	916,365	1,085,415	(169,050)
Excess (deficiency) of revenues over expenditures		24,454	24,454
Other financing sources (uses):			
Transfers in			
Transfers out		(24,454)	(24,454)
Total other financing sources (uses):		(24,454)	(24,454)
Changes in fund balances			
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances, end of year	\$	\$	\$

Title IV Grants			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
519,750	1,123,231	603,481	495,000	632,903	137,903
<u>519,750</u>	<u>1,123,231</u>	<u>603,481</u>	<u>495,000</u>	<u>632,903</u>	<u>137,903</u>
369,750	698,997	(329,247)	390,000	422,212	(32,212)
150,000	346,996	(196,996)	75,000	112,459	(37,459)
	67,419	(67,419)		1,902	(1,902)
	1,617	(1,617)		6,562	(6,562)
	8,202	(8,202)	30,000	84,438	(54,438)
<u>519,750</u>	<u>1,123,231</u>	<u>(603,481)</u>	<u>495,000</u>	<u>627,573</u>	<u>(132,573)</u>
				5,330	5,330
				(5,330)	(5,330)
				(5,330)	(5,330)
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Indian Education		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	40,381	39,346	(1,035)
Total revenues	<u>40,381</u>	<u>39,346</u>	<u>(1,035)</u>
Expenditures:			
Current -			
Instruction	12,381	12,213	168
Support services - students and staff	28,000	26,801	1,199
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>40,381</u>	<u>39,014</u>	<u>1,367</u>
Excess (deficiency) of revenues over expenditures		<u>332</u>	<u>332</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(332)	(332)
Total other financing sources (uses):		<u>(332)</u>	<u>(332)</u>
Changes in fund balances			
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

Special Education Grants			Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
6,479,360	6,340,625	(138,735)	532,765	614,087	81,322
<u>6,479,360</u>	<u>6,340,625</u>	<u>(138,735)</u>	<u>532,765</u>	<u>614,087</u>	<u>81,322</u>
3,449,360	3,274,418	174,942	47,765	74,339	(26,574)
2,800,000	2,762,383	37,617	400,000	428,079	(28,079)
	4,025	(4,025)			
60,000	56,980	3,020			
140,000	138,094	1,906			
30,000	28,319	1,681	85,000	107,434	(22,434)
<u>6,479,360</u>	<u>6,264,219</u>	<u>215,141</u>	<u>532,765</u>	<u>609,852</u>	<u>(77,087)</u>
	76,406	76,406		4,235	4,235
	(76,406)	(76,406)		(4,235)	(4,235)
	<u>(76,406)</u>	<u>(76,406)</u>		<u>(4,235)</u>	<u>(4,235)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Homeless Education		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	49,500	38,800	(10,700)
Total revenues	<u>49,500</u>	<u>38,800</u>	<u>(10,700)</u>
Expenditures:			
Current -			
Instruction	15,000	12,800	2,200
Support services - students and staff	6,500	5,673	827
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	28,000	20,000	8,000
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>49,500</u>	<u>38,473</u>	<u>11,027</u>
Excess (deficiency) of revenues over expenditures		<u>327</u>	<u>327</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(327)	(327)
Total other financing sources (uses):		<u>(327)</u>	<u>(327)</u>
Changes in fund balances			
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

Medicaid Reimbursement			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 44,957	\$ 44,957	\$	\$ 3,575	\$ 3,575
850,000	885,259	35,259	275,000	191,788	(83,212)
<u>850,000</u>	<u>930,216</u>	<u>80,216</u>	<u>275,000</u>	<u>195,363</u>	<u>(79,637)</u>
15,000	12,910	2,090			
92,296	90,238	2,058	15,000	13,700	1,300
			885,000	178,042	706,958
	1,013	(1,013)			
<u>107,296</u>	<u>104,161</u>	<u>3,135</u>	<u>900,000</u>	<u>191,742</u>	<u>708,258</u>
<u>742,704</u>	<u>826,055</u>	<u>83,351</u>	<u>(625,000)</u>	<u>3,621</u>	<u>628,621</u>
<u>742,704</u>	<u>826,055</u>	<u>83,351</u>	<u>(625,000)</u>	<u>3,621</u>	<u>628,621</u>
6,800,000	7,036,205	236,205	400,000	523,062	123,062
<u>\$ 7,542,704</u>	<u>\$ 7,862,260</u>	<u>\$ 319,556</u>	<u>\$ (225,000)</u>	<u>\$ 526,683</u>	<u>\$ 751,683</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Other Federal Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 26	\$ 26
State aid and grants			
Federal aid, grants and reimbursements	1,014,750	1,377,732	362,982
Total revenues	1,014,750	1,377,758	363,008
Expenditures:			
Current -			
Instruction	105,000	207,119	(102,119)
Support services - students and staff	120,000	240,567	(120,567)
Support services - administration		16,696	(16,696)
Operation and maintenance of plant services	85,000	127,732	(42,732)
Student transportation services		872	(872)
Operation of non-instructional services			
Capital outlay	704,750	786,425	(81,675)
Total expenditures	1,014,750	1,379,411	(364,661)
Excess (deficiency) of revenues over expenditures		(1,653)	(1,653)
Other financing sources (uses):			
Transfers in			
Transfers out		(3,386)	(3,386)
Total other financing sources (uses):		(3,386)	(3,386)
Changes in fund balances		(5,039)	(5,039)
Fund balances (deficits), beginning of year		12,888	12,888
Increase (decrease) in reserve for inventory			
Fund balances, end of year	\$	\$ 7,849	\$ 7,849

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	School Plant		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$ 225,000	\$ 223,427	\$ (1,573)
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>225,000</u>	<u>223,427</u>	<u>(1,573)</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	715,000	125,837	589,163
Support services - administration		2,000	(2,000)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		1,887	(1,887)
Total expenditures	<u>715,000</u>	<u>129,724</u>	<u>585,276</u>
Excess (deficiency) of revenues over expenditures	<u>(490,000)</u>	<u>93,703</u>	<u>583,703</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(490,000)</u>	<u>93,703</u>	<u>583,703</u>
Fund balances (deficits), beginning of year	1,530,000	1,331,287	(198,713)
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 1,040,000</u>	<u>\$ 1,424,990</u>	<u>\$ 384,990</u>

Food Service			Civic Center		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 3,200,000	\$ 2,800,706	\$ (399,294)	\$ 720,000	\$ 1,029,677	\$ 309,677
5,500,000	6,492,510	992,510			
<u>8,700,000</u>	<u>9,293,216</u>	<u>593,216</u>	<u>720,000</u>	<u>1,029,677</u>	<u>309,677</u>
			69,000	65,504	3,496
	40,756	(40,756)	56,000	52,089	3,911
	3,147	(3,147)	330,000	317,777	12,223
9,000,000	7,497,016	1,502,984	128,000	122,875	5,125
	8,747	(8,747)	37,000	32,530	4,470
<u>9,000,000</u>	<u>7,549,666</u>	<u>1,450,334</u>	<u>620,000</u>	<u>590,775</u>	<u>29,225</u>
<u>(300,000)</u>	<u>1,743,550</u>	<u>2,043,550</u>	<u>100,000</u>	<u>438,902</u>	<u>338,902</u>
	(1,370,998)	(1,370,998)			
	<u>(1,370,998)</u>	<u>(1,370,998)</u>			
<u>(300,000)</u>	<u>372,552</u>	<u>672,552</u>	<u>100,000</u>	<u>438,902</u>	<u>338,902</u>
300,000	641,816	341,816	800,000	1,032,634	232,634
	19,684	19,684			
<u>\$</u>	<u>\$ 1,034,052</u>	<u>\$ 1,034,052</u>	<u>\$ 900,000</u>	<u>\$ 1,471,536</u>	<u>\$ 571,536</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Community School		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$ 5,650,000	\$ 6,187,580	\$ 537,580
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>5,650,000</u>	<u>6,187,580</u>	<u>537,580</u>
Expenditures:			
Current -			
Instruction	170,000	212,311	(42,311)
Support services - students and staff		6,728	(6,728)
Support services - administration	110,000	136,241	(26,241)
Operation and maintenance of plant services	780,000	870,836	(90,836)
Student transportation services		14,758	(14,758)
Operation of non-instructional services	4,550,000	4,895,989	(345,989)
Capital outlay		42,091	(42,091)
Total expenditures	<u>5,610,000</u>	<u>6,178,954</u>	<u>(568,954)</u>
Excess (deficiency) of revenues over expenditures	<u>40,000</u>	<u>8,626</u>	<u>(31,374)</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>40,000</u>	<u>8,626</u>	<u>(31,374)</u>
Fund balances (deficits), beginning of year	700,000	684,627	(15,373)
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 740,000</u>	<u>\$ 693,253</u>	<u>\$ (46,747)</u>

Auxiliary Operations			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 4,500,000	\$ 4,189,849	\$ (310,151)	\$ 500,000	\$ 712,879	\$ 212,879
<u>4,500,000</u>	<u>4,189,849</u>	<u>(310,151)</u>	<u>500,000</u>	<u>712,879</u>	<u>212,879</u>
3,700,000	3,540,118	159,882	350,000	237,581	112,419
				38,263	(38,263)
				20,416	(20,416)
400,000	259,546	140,454	80,000	74,536	5,464
	19,192	(19,192)		5,665	(5,665)
	2,758	(2,758)		224	(224)
<u>400,000</u>	<u>306,215</u>	<u>93,785</u>	<u>420,000</u>	<u>270,565</u>	<u>149,435</u>
<u>4,500,000</u>	<u>4,127,829</u>	<u>372,171</u>	<u>850,000</u>	<u>647,250</u>	<u>202,750</u>
	62,020	62,020	(350,000)	65,629	415,629
	62,020	62,020	(350,000)	65,629	415,629
4,200,000	4,061,591	(138,409)	850,000	849,165	(835)
	1,218	1,218			
<u>\$ 4,200,000</u>	<u>\$ 4,124,829</u>	<u>\$ (75,171)</u>	<u>\$ 500,000</u>	<u>\$ 914,794</u>	<u>\$ 414,794</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Career, Technical and Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 25,000	\$ 46,718	\$ 21,718
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	25,000	46,718	21,718
Expenditures:			
Current -			
Instruction	47,000	48,500	(1,500)
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	47,000	48,500	(1,500)
Excess (deficiency) of revenues over expenditures	(22,000)	(1,782)	20,218
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(22,000)	(1,782)	20,218
Fund balances (deficits), beginning of year	39,000	31,919	(7,081)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ 17,000	\$ 30,137	\$ 13,137

Fingerprint			Textbooks		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 6,500	\$ 10,121	\$ 3,621	\$ 25,000	\$ 38,307	\$ 13,307
<u>6,500</u>	<u>10,121</u>	<u>3,621</u>	<u>25,000</u>	<u>38,307</u>	<u>13,307</u>
15,000	10,121	4,879	100,000	29,839	70,161
			100,000	18,406	81,594
<u>15,000</u>	<u>10,121</u>	<u>4,879</u>	<u>200,000</u>	<u>48,245</u>	<u>151,755</u>
<u>(8,500)</u>		<u>8,500</u>	<u>(175,000)</u>	<u>(9,938)</u>	<u>165,062</u>
<u>(8,500)</u>		<u>8,500</u>	<u>(175,000)</u>	<u>(9,938)</u>	<u>165,062</u>
			200,000	219,004	19,004
<u>\$ (8,500)</u>	<u>\$</u>	<u>\$ 8,500</u>	<u>\$ 25,000</u>	<u>\$ 209,066</u>	<u>\$ 184,066</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Indirect Costs		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$ 80,000	\$ 28,842	\$ (51,158)
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>80,000</u>	<u>28,842</u>	<u>(51,158)</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	1,274,958	66,172	1,208,786
Support services - administration		5,875	(5,875)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services		4,947	(4,947)
Capital outlay			
Total expenditures	<u>1,274,958</u>	<u>76,994</u>	<u>1,197,964</u>
Excess (deficiency) of revenues over expenditures	<u>(1,194,958)</u>	<u>(48,152)</u>	<u>1,146,806</u>
Other financing sources (uses):			
Transfers in	1,290,438	1,569,137	278,699
Transfers out			
Total other financing sources (uses):	<u>1,290,438</u>	<u>1,569,137</u>	<u>278,699</u>
Changes in fund balances	<u>95,480</u>	<u>1,520,985</u>	<u>1,425,505</u>
Fund balances (deficits), beginning of year	6,100,000	6,766,492	666,492
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 6,195,480</u>	<u>\$ 8,287,477</u>	<u>\$ 2,091,997</u>

Advertisement			Joint Technical Education		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 9,500	\$ 3,800	\$ (5,700)	\$ 1,190,317	\$ 1,118,796	\$ (71,521)
<u>9,500</u>	<u>3,800</u>	<u>(5,700)</u>	<u>1,190,317</u>	<u>325,254</u> <u>1,444,050</u>	<u>325,254</u> <u>253,733</u>
30,000	1,588	28,412	600,000	624,870	(24,870)
			645,038	670,324	(25,286)
				466	(466)
				3,975	(3,975)
<u>30,000</u>	<u>1,588</u>	<u>28,412</u>	<u>1,245,038</u>	<u>3,426</u> <u>1,303,061</u>	<u>(3,426)</u> <u>(58,023)</u>
<u>(20,500)</u>	<u>2,212</u>	<u>22,712</u>	<u>(54,721)</u>	<u>140,989</u>	<u>195,710</u>
<u>(20,500)</u>	<u>2,212</u>	<u>22,712</u>	<u>(54,721)</u>	<u>140,989</u>	<u>195,710</u>
81,352	82,019	667	300,000		(300,000)
<u>\$ 60,852</u>	<u>\$ 84,231</u>	<u>\$ 23,379</u>	<u>\$ 245,279</u>	<u>\$ 140,989</u>	<u>\$ (104,290)</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	District Services		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 120,000	\$ 190,577	\$ 70,577
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>120,000</u>	<u>190,577</u>	<u>70,577</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration		5,364	(5,364)
Operation and maintenance of plant services			
Student transportation services	190,000	184,582	5,418
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>190,000</u>	<u>189,946</u>	<u>54</u>
Excess (deficiency) of revenues over expenditures	<u>(70,000)</u>	<u>631</u>	<u>70,631</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(70,000)</u>	<u>631</u>	<u>70,631</u>
Fund balances (deficits), beginning of year	80,000	140,168	60,168
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 10,000</u>	<u>\$ 140,799</u>	<u>\$ 130,799</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 16,251,317	\$ 16,647,551	\$ 396,234
10,809,780	12,334,700	1,524,920
22,513,871	27,117,436	4,603,565
<u>49,574,968</u>	<u>56,099,687</u>	<u>6,524,719</u>
24,237,333	21,630,443	2,606,890
8,161,576	8,798,504	(636,928)
577,796	788,255	(210,459)
3,120,000	2,778,417	341,583
358,000	404,583	(46,583)
13,678,000	12,523,809	1,154,191
2,341,750	2,446,248	(104,498)
<u>52,474,455</u>	<u>49,370,259</u>	<u>3,104,196</u>
<u>(2,899,487)</u>	<u>6,729,428</u>	<u>9,628,915</u>
1,290,438	1,569,137	278,699
<u>1,290,438</u>	<u>(1,569,137)</u>	<u>(1,569,137)</u>
<u>(1,609,049)</u>	<u>6,729,428</u>	<u>8,338,477</u>
22,044,597	23,825,864	1,781,267
	20,902	20,902
<u>\$ 20,435,548</u>	<u>\$ 30,576,194</u>	<u>\$ 10,140,646</u>

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DEBT SERVICE FUND

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Other local	\$ 1,001,675	\$ 138,428	\$ (863,247)
Property taxes	50,083,770	47,163,790	(2,919,980)
Federal aid, grants and reimbursements	<u>1,802,135</u>	<u>1,802,135</u>	<u>1,802,135</u>
Total revenues	<u>51,085,445</u>	<u>49,104,353</u>	<u>(1,981,092)</u>
Expenditures:			
Debt service -			
Principal retirement	37,345,000	37,345,000	
Interest and fiscal charges	<u>12,366,520</u>	<u>12,017,964</u>	<u>348,556</u>
Total expenditures	<u>49,711,520</u>	<u>49,362,964</u>	<u>348,556</u>
Excess (deficiency) of revenues over expenditures	<u>1,373,925</u>	<u>(258,611)</u>	<u>(1,632,536)</u>
Other financing sources (uses):			
Transfers in	<u>175,000</u>	<u>2,268,405</u>	<u>2,093,405</u>
Total other financing sources (uses):	<u>175,000</u>	<u>2,268,405</u>	<u>2,093,405</u>
Changes in fund balances	<u>1,548,925</u>	<u>2,009,794</u>	<u>460,869</u>
Fund balances, beginning of year	3,403,253	4,182,191	778,938
Fund balances, end of year	<u>\$ 4,952,178</u>	<u>\$ 6,191,985</u>	<u>\$ 1,239,807</u>

CAPITAL PROJECTS FUNDS

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

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

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.

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

New School Facilities - to account for monies received from the School Facilities Board to be used for constructing new school facilities and purchasing land for new school sites.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2012

	Insurance Proceeds	Litigation Recovery	Unrestricted Capital Outlay
<u>ASSETS</u>			
Cash and investments	\$ 160,217	\$ 231,390	\$ 8,801,892
Property taxes receivable			338,516
Due from governmental entities			8,451
Total assets	\$ 160,217	\$ 231,390	\$ 9,148,859
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 847,833
Deferred revenues			212,698
Total liabilities			1,060,531
Fund balances:			
Restricted	160,217	231,390	8,088,328
Total fund balances	160,217	231,390	8,088,328
 Total liabilities and fund balances	 \$ 160,217	 \$ 231,390	 \$ 9,148,859

<u>Adjacent Ways</u>	<u>New School Facilities</u>	<u>Totals</u>
\$ 62,726	\$ 21,959	\$ 9,278,184
24,641		363,157
		8,451
<u>\$ 87,367</u>	<u>\$ 21,959</u>	<u>\$ 9,649,792</u>
\$ 40,190	\$	\$ 888,023
24,641		237,339
<u>64,831</u>		<u>1,125,362</u>
22,536	21,959	8,524,430
<u>22,536</u>	<u>21,959</u>	<u>8,524,430</u>
<u>\$ 87,367</u>	<u>\$ 21,959</u>	<u>\$ 9,649,792</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012

	Insurance Proceeds	Litigation Recovery	Unrestricted Capital Outlay
Revenues:			
Other local	\$ 81,087	\$ 215,757	\$ 45,639
Property taxes			9,163,697
State aid and grants			103,193
Total revenues	81,087	215,757	9,312,529
Expenditures:			
Current -			
Instruction	6,592		
Support services - students and staff	495		
Support services - administration	61		
Operation and maintenance of plant services	91		
Student transportation services	25,925		
Capital outlay	19,455		5,815,753
Debt service -			
Principal retirement			1,672,261
Interest and fiscal charges			46,221
Total expenditures	52,619		7,534,235
Changes in fund balances	28,468	215,757	1,778,294
Fund balances, beginning of year	131,749	15,633	6,310,034
Fund balances, end of year	\$ 160,217	\$ 231,390	\$ 8,088,328

<u>Adjacent Ways</u>	<u>Building Renewal</u>	<u>New School Facilities</u>	<u>Totals</u>
\$ 10,940	\$ 1,227	\$ 123	\$ 354,773
147,413			9,311,110
<u>158,353</u>	<u>1,227</u>	<u>123</u>	<u>103,193</u>
			<u>9,769,076</u>
			6,592
			495
			61
			91
			25,925
329,669	555,897		6,720,774
			1,672,261
<u>329,669</u>	<u>555,897</u>	<u></u>	<u>46,221</u>
			<u>8,472,420</u>
(171,316)	(554,670)	123	1,296,656
193,852	554,670	21,836	7,227,774
<u>\$ 22,536</u>	<u>\$</u>	<u>\$ 21,959</u>	<u>\$ 8,524,430</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$ 145,000	\$ 81,087	\$ (63,913)
Property taxes			
State aid and grants			
Total revenues	145,000	81,087	(63,913)
Expenditures:			
Current -			
Instruction		6,592	(6,592)
Support services - students and staff		495	(495)
Support services - administration		61	(61)
Operation and maintenance of plant services		91	(91)
Student transportation services		25,925	(25,925)
Capital outlay	275,000	19,455	255,545
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures	275,000	52,619	222,381
Excess (deficiency) of revenues over expenditures	(130,000)	28,468	158,468
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):			
Changes in fund balances	(130,000)	28,468	158,468
Fund balances, beginning of year	215,000	131,749	(83,251)
Fund balances (deficits), end of year	\$ 85,000	\$ 160,217	\$ 75,217

Litigation Recovery			Unrestricted Capital Outlay		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 1,000	\$ 215,757	\$ 214,757	\$ 42,855	\$ 45,639	\$ 2,784
			9,479,876	9,163,697	(316,179)
			77,519	103,193	25,674
<u>1,000</u>	<u>215,757</u>	<u>214,757</u>	<u>9,600,250</u>	<u>9,312,529</u>	<u>(287,721)</u>
231,633		231,633	15,837,030	5,815,753	10,021,277
				1,672,261	(1,672,261)
				46,221	(46,221)
<u>231,633</u>	<u></u>	<u>231,633</u>	<u>15,837,030</u>	<u>7,534,235</u>	<u>8,302,795</u>
<u>(230,633)</u>	<u>215,757</u>	<u>446,390</u>	<u>(6,236,780)</u>	<u>1,778,294</u>	<u>8,015,074</u>
<u>(230,633)</u>	<u>215,757</u>	<u>446,390</u>	<u>(6,236,780)</u>	<u>1,778,294</u>	<u>8,015,074</u>
15,000	15,633	633	5,982,511	6,310,034	327,523
<u>\$ (215,633)</u>	<u>\$ 231,390</u>	<u>\$ 447,023</u>	<u>\$ (254,269)</u>	<u>\$ 8,088,328</u>	<u>\$ 8,342,597</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012

	Adjacent Ways		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$ 2,000	\$ 10,940	\$ 8,940
Property taxes	151,115	147,413	(3,702)
State aid and grants			
Total revenues	<u>153,115</u>	<u>158,353</u>	<u>5,238</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay	350,000	329,669	20,331
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures	<u>350,000</u>	<u>329,669</u>	<u>20,331</u>
Excess (deficiency) of revenues over expenditures	<u>(196,885)</u>	<u>(171,316)</u>	<u>25,569</u>
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):			
Changes in fund balances	<u>(196,885)</u>	<u>(171,316)</u>	<u>25,569</u>
Fund balances, beginning of year	196,885	193,852	(3,033)
Fund balances (deficits), end of year	<u>\$ <u>22,536</u></u>	<u>\$ <u>22,536</u></u>	<u>\$ <u>22,536</u></u>

Soft Capital Allocation			Bond Building		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 86,576	\$ 37,201	\$ (49,375)	\$ 175,000	\$ 260,203	\$ 85,203
18,602	1,594,687	1,576,085			
<u>105,178</u>	<u>1,631,888</u>	<u>1,526,710</u>	<u>175,000</u>	<u>260,203</u>	<u>85,203</u>
3,817,978		3,817,978	37,000,000	26,325,561	10,674,439
<u>3,817,978</u>		<u>3,817,978</u>	<u>37,000,000</u>	<u>412,000</u>	<u>(412,000)</u>
<u>(3,712,800)</u>	<u>1,631,888</u>	<u>5,344,688</u>	<u>(36,825,000)</u>	<u>26,737,561</u>	<u>10,262,439</u>
	(3,274,000)	(3,274,000)		(2,268,405)	(2,268,405)
				54,000,000	54,000,000
				2,435,207	2,435,207
	<u>(3,274,000)</u>	<u>(3,274,000)</u>		<u>54,166,802</u>	<u>54,166,802</u>
<u>(3,712,800)</u>	<u>(1,642,112)</u>	<u>2,070,688</u>	<u>(36,825,000)</u>	<u>27,689,444</u>	<u>64,514,444</u>
3,865,062	5,316,684	1,451,622	32,000,000	32,634,799	634,799
<u>\$ 152,262</u>	<u>\$ 3,674,572</u>	<u>\$ 3,522,310</u>	<u>\$ (4,825,000)</u>	<u>\$ 60,324,243</u>	<u>\$ 65,149,243</u>

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PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012

	Building Renewal		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$ 500	\$ 1,227	\$ 727
Property taxes			
State aid and grants			
Total revenues	<u>500</u>	<u>1,227</u>	<u>727</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay	556,670	555,897	773
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures	<u>556,670</u>	<u>555,897</u>	<u>773</u>
Excess (deficiency) of revenues over expenditures	<u>(556,170)</u>	<u>(554,670)</u>	<u>1,500</u>
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):	<u> </u>	<u> </u>	<u> </u>
Changes in fund balances	<u>(556,170)</u>	<u>(554,670)</u>	<u>1,500</u>
Fund balances, beginning of year	25,000	554,670	529,670
Fund balances (deficits), end of year	<u>\$ (531,170)</u>	<u>\$</u>	<u>\$ 531,170</u>

New School Facilities			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 200	\$ 123	\$ (77)	\$ 453,131	\$ 652,177	\$ 199,046
			9,630,991	9,311,110	(319,881)
			96,121	1,697,880	1,601,759
<u>200</u>	<u>123</u>	<u>(77)</u>	<u>10,180,243</u>	<u>11,661,167</u>	<u>1,480,924</u>
				6,592	(6,592)
				495	(495)
				61	(61)
				91	(91)
				25,925	(25,925)
			58,068,311	33,046,335	25,021,976
				1,672,261	(1,672,261)
				46,221	(46,221)
				412,000	(412,000)
			<u>58,068,311</u>	<u>35,209,981</u>	<u>22,858,330</u>
<u>200</u>	<u>123</u>	<u>(77)</u>	<u>(47,888,068)</u>	<u>(23,548,814)</u>	<u>24,339,254</u>
				(5,542,405)	(5,542,405)
				54,000,000	54,000,000
				2,435,207	2,435,207
				<u>50,892,802</u>	<u>50,892,802</u>
<u>200</u>	<u>123</u>	<u>(77)</u>	<u>(47,888,068)</u>	<u>27,343,988</u>	<u>75,232,056</u>
21,500	21,836	336	42,320,958	45,179,257	2,858,299
<u>\$ 21,700</u>	<u>\$ 21,959</u>	<u>\$ 259</u>	<u>\$ (5,567,110)</u>	<u>\$ 72,523,245</u>	<u>\$ 78,090,355</u>

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AGENCY FUNDS

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

Employee Withholding - to account for voluntary deductions temporarily held by the District as an agent.

Intergovernmental Agreements - to account for the financial activities relating to agreements with other governments not required to be accounted for elsewhere.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2012

	<u>Student Activities</u>	<u>Employee Withholding</u>	<u>Intergovernmental Agreements</u>	<u>Totals</u>
<u>ASSETS</u>				
Cash and investments	\$ 1,792,834	\$ 656,377	\$ 52,558	\$ 2,501,769
Total assets	<u>\$ 1,792,834</u>	<u>\$ 656,377</u>	<u>\$ 52,558</u>	<u>\$ 2,501,769</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 57,021	\$	\$	\$ 57,021
Deposits held for others		656,377		656,377
Due to governmental entities			52,558	52,558
Due to student groups	1,735,813			1,735,813
Total liabilities	<u>\$ 1,792,834</u>	<u>\$ 656,377</u>	<u>\$ 52,558</u>	<u>\$ 2,501,769</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2012

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 1,907,088	\$ 2,499,894	\$ 2,614,148	\$ 1,792,834
Total assets	<u>\$ 1,907,088</u>	<u>\$ 2,499,894</u>	<u>\$ 2,614,148</u>	<u>\$ 1,792,834</u>
<u>Liabilities</u>				
Accounts payable	\$ 103,711	\$ 57,021	\$ 103,711	\$ 57,021
Due to student groups	<u>1,803,377</u>	<u>2,442,873</u>	<u>2,510,437</u>	<u>1,735,813</u>
Total liabilities	<u>\$ 1,907,088</u>	<u>\$ 2,499,894</u>	<u>\$ 2,614,148</u>	<u>\$ 1,792,834</u>
<u>EMPLOYEE WITHHOLDING FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 967,817	\$ 150,995,713	\$ 151,307,153	\$ 656,377
Total assets	<u>\$ 967,817</u>	<u>\$ 150,995,713</u>	<u>\$ 151,307,153</u>	<u>\$ 656,377</u>
<u>Liabilities</u>				
Deposits held for others	\$ 967,817	\$ 150,995,713	\$ 151,307,153	\$ 656,377
Total liabilities	<u>\$ 967,817</u>	<u>\$ 150,995,713</u>	<u>\$ 151,307,153</u>	<u>\$ 656,377</u>
<u>INTERGOVERNMENTAL AGREEMENTS</u>				
<u>Assets</u>				
Cash and investments	\$ 57,465	\$ 202	\$ 5,109	\$ 52,558
Total assets	<u>\$ 57,465</u>	<u>\$ 202</u>	<u>\$ 5,109</u>	<u>\$ 52,558</u>
<u>Liabilities</u>				
Due to governmental entities	\$ 57,465	\$ 202	\$ 5,109	\$ 52,558
Total liabilities	<u>\$ 57,465</u>	<u>\$ 202</u>	<u>\$ 5,109</u>	<u>\$ 52,558</u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 2,932,370	\$ 153,495,809	\$ 153,926,410	\$ 2,501,769
Total assets	<u>\$ 2,932,370</u>	<u>\$ 153,495,809</u>	<u>\$ 153,926,410</u>	<u>\$ 2,501,769</u>
<u>Liabilities</u>				
Accounts payable	\$ 103,711	\$ 57,021	\$ 103,711	\$ 57,021
Deposits held for others	967,817	150,995,713	151,307,153	656,377
Due to governmental entities	57,465	202	5,109	52,558
Due to student groups	<u>1,803,377</u>	<u>2,442,873</u>	<u>2,510,437</u>	<u>1,735,813</u>
Total liabilities	<u>\$ 2,932,370</u>	<u>\$ 153,495,809</u>	<u>\$ 153,926,410</u>	<u>\$ 2,501,769</u>

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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.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net Assets:					
Invested in capital assets, net of related debt	\$ 196,012,654	\$ 176,022,580	\$ 160,661,662	\$ 127,938,896	\$ 100,442,019
Restricted	28,924,672	22,922,832	17,737,162	11,378,245	18,127,395
Unrestricted	77,117,922	86,188,276	81,950,261	65,397,462	57,186,595
Total net assets	\$ 302,055,248	\$ 285,133,688	\$ 260,349,085	\$ 204,714,603	\$ 175,756,009
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net Assets:					
Invested in capital assets, net of related debt	\$ 79,703,626	\$ 59,365,927	\$ 44,278,386	\$ 32,884,682	\$ 24,027,890
Restricted	15,905,703	13,002,726	10,388,384	9,988,885	9,713,307
Unrestricted	62,489,752	57,208,518	52,738,243	43,599,757	29,221,600
Total net assets	\$ 158,099,081	\$ 129,577,171	\$ 107,405,013	\$ 86,473,324	\$ 62,962,797

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenses					
Instruction	\$ 144,715,498	\$ 149,355,794	\$ 143,639,485	\$ 161,786,151	\$ 164,954,448
Support services - students and staff	33,464,769	33,331,954	32,308,029	35,713,562	36,486,590
Support services - administration	21,893,121	20,170,843	19,236,103	20,942,425	20,690,478
Operation and maintenance of plant services	37,904,353	34,741,772	32,348,934	31,587,202	34,575,514
Student transportation services	10,799,671	10,703,072	9,978,363	12,180,897	10,668,617
Operation of non-instructional services	13,566,276	13,518,059	13,919,139	13,889,640	14,511,903
Interest on long-term debt	9,925,521	12,108,525	14,620,061	15,958,885	14,670,380
Total expenses	272,269,209	273,930,019	266,050,114	292,058,762	296,557,930
Program Revenues					
Charges for services:					
Instruction	5,852,746	6,804,793	5,277,697	6,805,449	10,759,076
Operation of non-instructional services	8,985,322	8,794,072	8,243,231	9,110,163	6,815,752
Other activities	1,237,041	1,320,724	1,020,534	1,279,525	1,064,385
Operating grants and contributions	28,893,657	33,156,225	27,482,455	21,260,522	19,263,923
Capital grants and contributions	1,779,774	868,586	1,472,994	7,162,237	1,871,769
Total program revenues	46,748,540	50,944,400	43,496,911	45,617,896	39,774,905
Net (Expense)/Revenue	\$ (225,520,669)	\$ (222,985,619)	\$ (222,553,203)	\$ (246,440,866)	\$ (256,783,025)

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses					
Instruction	\$ 155,490,731	\$ 150,059,633	\$ 141,197,483	\$ 138,280,303	\$ 140,063,922
Support services - students and staff	29,739,646	27,094,916	25,032,240	28,497,306	27,433,710
Support services - administration	19,306,401	17,484,944	15,201,005	16,301,486	15,494,573
Operation and maintenance of plant services	32,459,824	30,538,751	27,412,846	26,253,168	25,659,354
Student transportation services	9,481,071	8,611,945	7,761,683	8,052,670	8,181,635
Operation of non-instructional services	16,663,858	15,693,089	14,762,798	11,081,163	8,080,460
Interest on long-term debt	20,091,934	15,646,852	18,280,278	18,520,633	22,379,386
Total expenses	<u>283,233,465</u>	<u>265,130,130</u>	<u>249,648,333</u>	<u>246,986,729</u>	<u>247,293,040</u>
Program Revenues					
Charges for services:					
Instruction	8,456,610	7,566,357	1,279,511	4,844,300	3,204,501
Operation of non-instructional services	7,240,138	7,111,112	13,025,421	6,847,943	4,016,014
Other activities	1,229,655	1,350,970	262,551	3,053,190	5,404,954
Operating grants and contributions	18,382,646	18,061,566	19,184,610	19,228,547	15,342,053
Capital grants and contributions	515,394	966,307	58,095	371,429	1,224,497
Total program revenues	<u>35,824,443</u>	<u>35,056,312</u>	<u>33,810,188</u>	<u>34,345,409</u>	<u>29,192,019</u>
Net (Expense)/Revenue	<u>\$ (247,409,022)</u>	<u>\$ (230,073,818)</u>	<u>\$ (215,838,145)</u>	<u>\$ (212,641,320)</u>	<u>\$ (218,101,021)</u>

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	2012	2011	2010	2009	2008
Net (Expense)/Revenue	\$ (225,520,669)	\$ (222,985,619)	\$ (222,553,203)	\$ (246,440,866)	\$ (256,783,025)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	111,452,164	114,852,436	117,156,382	109,437,808	103,826,364
Property taxes, levied for debt service	46,779,871	49,093,399	53,371,303	51,922,395	51,457,604
Property taxes, levied for capital outlay	9,112,742	9,238,097	15,888,545	13,755,708	13,202,253
Investment income	724,048	1,289,084	1,589,826	3,311,501	5,472,071
Unrestricted county aid	4,806,643	4,844,269	5,440,422		
Unrestricted state aid	68,681,502	66,310,677	74,298,910	96,972,048	110,308,210
Unrestricted federal aid	885,259	2,142,260	10,442,297		
Total general revenues	242,442,229	247,770,222	278,187,685	275,399,460	284,266,502
Changes in Net Assets	\$ 16,921,560	\$ 24,784,603	\$ 55,634,482	\$ 28,958,594	\$ 27,483,477

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net (Expense)/Revenue	\$ (247,409,022)	\$ (230,073,818)	\$ (215,838,145)	\$ (212,641,320)	\$ (218,101,021)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	98,526,984	90,531,829	86,552,511	85,862,648	76,097,322
Property taxes, levied for debt service	47,937,378	45,902,832	42,518,603	40,783,003	37,915,788
Property taxes, levied for capital outlay	16,568,632	13,042,821	10,068,419	12,039,038	10,467,099
Investment income	6,712,586	2,563,030	3,006,700	1,153,141	3,101,087
Unrestricted county aid	73,466	5,661,290	5,699,420	5,982,930	6,012,637
Unrestricted state aid	106,111,886	94,544,174	88,924,181	91,426,737	95,470,351
Total general revenues	<u>275,930,932</u>	<u>252,245,976</u>	<u>236,769,834</u>	<u>237,247,497</u>	<u>229,064,284</u>
Changes in Net Assets	<u>\$ 28,521,910</u>	<u>\$ 22,172,158</u>	<u>\$ 20,931,689</u>	<u>\$ 24,606,177</u>	<u>\$ 10,963,263</u>

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

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

(Concluded)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:					
Nonspendable	\$ 3,943,639	\$ 4,166,371			
Assigned	15,088,139	1,331,287			
Unassigned	16,551,267	41,043,439			
Reserved			\$ 8,926,118	\$ 4,492,713	\$ 1,971,392
Unreserved			13,033,163	(183,523)	6,858,424
Total General Fund	<u>\$ 35,583,045</u>	<u>\$ 46,541,097</u>	<u>\$ 21,959,281</u>	<u>\$ 4,309,190</u>	<u>\$ 8,829,816</u>
All Other Governmental Funds:					
Nonspendable	\$ 178,825	\$ 157,923			
Restricted	87,638,270	53,316,771			
Unassigned		(960,237)			
Reserved			\$ 134,508	\$ 121,739	\$ 120,677
Unreserved, reported in:					
Special revenue funds			20,051,414	18,251,572	20,921,981
Capital projects funds			24,109,849	33,487,404	53,974,042
Debt service fund			4,676,117	5,940,753	9,601,351
Total all other governmental funds	<u>\$ 87,817,095</u>	<u>\$ 52,514,457</u>	<u>\$ 48,971,888</u>	<u>\$ 57,801,468</u>	<u>\$ 84,618,051</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund:					
Reserved	\$ 1,396,551	\$ 2,137,128	\$ 1,839,870	\$ 1,276,548	\$ 1,594,985
Unreserved	7,460,902	4,586,206	8,809,757	9,507,220	464,147
Total General Fund	<u>\$ 8,857,453</u>	<u>\$ 6,723,334</u>	<u>\$ 10,649,627</u>	<u>\$ 10,783,768</u>	<u>\$ 2,059,132</u>
All Other Governmental Funds:					
Reserved	\$ 140,971	\$ 268,706	\$ 103,292	\$ 284,743	\$ 88,975
Unreserved, reported in:					
Special revenue funds	19,377,130	17,090,758	14,569,699	9,359,698	7,342,841
Capital projects funds	12,571,741	46,631,894	20,744,092	11,150,307	22,678,853
Debt service fund	5,620,433	5,391,487	3,778,058	3,558,073	2,964,162
Total all other governmental funds	<u>\$ 37,710,275</u>	<u>\$ 69,382,845</u>	<u>\$ 39,195,141</u>	<u>\$ 24,352,821</u>	<u>\$ 33,074,831</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.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Federal sources:					
Federal grants	\$ 22,006,074	\$ 21,904,980	\$ 19,524,018	\$ 14,556,658	\$ 14,724,123
State Fiscal Stabilization (ARRA)		806,350	11,666,553		
Education Jobs	420,987	6,237,496			
National School Lunch Program	6,492,510	5,962,729	5,571,252	5,034,386	4,459,883
Total federal sources	<u>28,919,571</u>	<u>34,911,555</u>	<u>36,761,823</u>	<u>19,591,044</u>	<u>19,184,006</u>
State sources:					
State equalization assistance	58,289,638	58,850,858	71,174,600	78,250,611	91,918,589
State grants	1,781,609	580,194	925,217	1,912,823	1,951,486
School Facilities Board					1,403,856
Other revenues	10,553,091	8,077,349	9,456,741	11,610,249	16,985,965
Total state sources	<u>70,624,338</u>	<u>67,508,401</u>	<u>81,556,558</u>	<u>91,773,683</u>	<u>112,259,896</u>
Local sources:					
Property taxes	166,207,467	174,100,482	177,650,952	170,716,864	168,815,989
County aid	4,806,643	4,844,269	5,440,422		
Food service sales	2,798,976	2,629,752	2,691,663	2,733,393	3,089,224
Investment income	759,674	1,289,084	1,589,826	3,311,501	5,379,412
Other revenues	14,722,196	15,227,341	13,354,348	14,933,754	15,642,648
Total local sources	<u>189,294,956</u>	<u>198,090,928</u>	<u>200,727,211</u>	<u>191,695,512</u>	<u>192,927,273</u>
Total revenues	<u><u>\$ 288,838,865</u></u>	<u><u>\$ 300,510,884</u></u>	<u><u>\$ 319,045,592</u></u>	<u><u>\$ 303,060,239</u></u>	<u><u>\$ 324,371,175</u></u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Federal sources:					
Federal grants	\$ 12,952,089	\$ 12,895,263	\$ 13,863,019	\$ 14,289,725	\$ 11,483,584
National School Lunch Program	4,183,825	4,063,952	4,045,008	3,380,047	3,031,171
Total federal sources	<u>17,135,914</u>	<u>16,959,215</u>	<u>17,908,027</u>	<u>17,669,772</u>	<u>14,514,755</u>
State sources:					
State equalization assistance	88,417,515	77,408,167	75,521,508	79,934,436	79,600,902
State grants	1,723,158	1,612,126	1,781,682	1,795,513	1,119,538
School Facilities Board	2,818,798	2,259,844	2,215,811	1,627,547	6,182,346
Other revenues	14,914,541	14,876,163	12,622,711	9,045,925	9,676,338
Total state sources	<u>107,874,012</u>	<u>96,156,300</u>	<u>92,141,712</u>	<u>92,403,421</u>	<u>96,579,124</u>
Local sources:					
Property taxes	164,628,070	146,533,023	140,647,815	138,402,488	123,198,768
County aid	73,466	5,661,290	5,761,554	6,043,827	6,084,993
Food service sales	3,020,457	3,154,506	3,120,146	3,043,933	3,042,018
Investment income	5,961,444	2,563,030	2,120,999	1,057,831	1,811,254
Other revenues	14,029,278	12,403,946	11,385,203	11,826,437	10,419,348
Total local sources	<u>187,712,715</u>	<u>170,315,795</u>	<u>163,035,717</u>	<u>160,374,516</u>	<u>144,556,381</u>
Total revenues	<u>\$ 312,722,641</u>	<u>\$ 283,431,310</u>	<u>\$ 273,085,456</u>	<u>\$ 270,447,709</u>	<u>\$ 255,650,260</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)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenditures:					
Current -					
Instruction	\$ 130,063,015	\$ 123,274,282	\$ 133,021,603	\$ 144,263,025	\$ 145,136,187
Support services - students and staff	32,651,960	32,628,978	31,217,980	32,563,059	34,185,893
Support services - administration	19,422,437	17,961,360	17,426,832	18,333,569	16,923,049
Operation and maintenance of plant services	29,347,630	27,908,173	28,251,133	28,041,293	27,347,796
Student transportation services	9,350,647	8,816,949	8,344,900	8,789,126	8,733,521
Operation of non-instructional services	12,905,938	13,282,265	12,301,829	13,487,074	13,390,482
Capital outlay	35,492,583	16,510,738	25,475,184	51,114,901	64,158,354
Debt service -					
Judgements against the district				811,837	
Principal retirement	39,017,261	40,758,240	43,919,747	42,689,451	36,398,236
Interest, premium and fiscal charges	12,064,185	12,046,412	14,712,047	16,484,843	15,582,647
Bond issuance costs	412,000	364,556		154,731	773,818
Total expenditures	<u>\$ 320,727,656</u>	<u>\$ 293,551,953</u>	<u>\$ 314,671,255</u>	<u>\$ 356,732,909</u>	<u>\$ 362,629,983</u>
Expenditures for capitalized assets	\$ 28,444,374	\$ 13,751,871	\$ 20,906,535	\$ 37,908,442	\$ 46,340,680
Debt service as a percentage of noncapital expenditures	17%	19%	20%	19%	16%

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenditures:					
Current -					
Instruction	\$ 134,680,200	\$ 128,171,272	\$ 124,159,515	\$ 117,229,326	\$ 117,413,361
Support services - students and staff	29,524,234	26,332,044	25,084,463	27,294,881	26,424,320
Support services - administration	16,701,422	15,313,073	14,508,169	14,757,350	14,358,651
Operation and maintenance of plant services	26,097,874	25,008,665	23,059,651	22,598,577	22,550,790
Student transportation services	7,387,572	6,869,662	6,681,813	6,603,175	6,236,815
Operation of non-instructional services	15,800,263	15,353,755	14,073,119	10,615,472	7,265,416
Capital outlay	60,083,178	35,191,953	23,681,583	30,950,543	45,430,047
Debt service -					
Principal retirement	27,989,914	30,661,981	25,572,243	22,428,862	17,034,699
Interest, premium and fiscal charges	23,128,123	16,288,720	18,422,042	18,678,947	23,055,545
Bond issuance costs		282,833	559,262	212,857	566,442
Total expenditures	<u>\$ 341,392,780</u>	<u>\$ 299,473,958</u>	<u>\$ 275,801,860</u>	<u>\$ 271,369,990</u>	<u>\$ 280,336,086</u>
 Expenditures for capitalized assets	 \$ 43,772,098	 \$ 19,886,627	 \$ 10,335,425	 \$ 18,037,985	 \$ 32,535,856
 Debt service as a percentage of noncapital expenditures	 17%	 17%	 17%	 16%	 16%

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

(Concluded)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Excess (deficiency) of revenues over expenditures	\$ (31,888,791)	\$ 6,958,931	\$ 4,374,337	\$ (53,672,670)	\$ (38,258,808)
Other financing sources (uses):					
General obligation bonds issued	54,000,000	25,625,000		15,000,000	80,000,000
Proceeds from sale of bonds					
Premium on sale of bonds	2,435,207	212,048		205,745	1,579,337
Refunding bonds issued		22,095,000			37,190,000
Premium on sale of refunding bonds		1,636,791			1,220,625
Capital lease agreements				4,607,333	2,740,000
Transfers in	3,837,542	2,472,478	5,299,236	2,601,327	3,650,162
Transfers out	(3,837,542)	(2,472,478)	(5,299,236)	(2,601,327)	(3,650,162)
Payment to refunded bond escrow agent		(23,667,053)			(38,145,562)
Total other financing sources (uses)	<u>56,435,207</u>	<u>25,901,786</u>	<u>-</u>	<u>19,813,078</u>	<u>84,584,400</u>
Changes in fund balances	<u>\$ 24,546,416</u>	<u>\$ 32,860,717</u>	<u>\$ 4,374,337</u>	<u>\$ (33,859,592)</u>	<u>\$ 46,325,592</u>
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Excess (deficiency) of revenues over expenditures	\$ (28,670,139)	\$ (16,042,648)	\$ (2,716,404)	\$ (922,281)	\$ (24,685,826)
Other financing sources (uses):					
General obligation bonds issued		41,075,000	16,500,000		
Proceeds from sale of bonds					19,737,807
Premium on sale of bonds		766,387	197,549		155,955
Refunding bonds issued			33,785,000	16,000,000	35,380,000
Premium on sale of refunding bonds			2,833,105	1,129,147	2,797,702
Capital lease agreements				834,719	
Transfers in	2,353,907	2,357,020	837,995	989,080	1,138,533
Transfers out	(2,353,907)	(2,357,020)	(837,995)	(989,080)	(1,138,533)
Payment to refunded bond escrow agent			(36,272,942)	(16,916,290)	(37,705,022)
Total other financing sources (uses)	<u>-</u>	<u>41,841,387</u>	<u>17,042,712</u>	<u>1,047,576</u>	<u>20,366,442</u>
Changes in fund balances	<u>\$ (28,670,139)</u>	<u>\$ 25,798,739</u>	<u>\$ 14,326,308</u>	<u>\$ 125,295</u>	<u>\$ (4,319,384)</u>

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Real Property		Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Valuation	Total Direct Rate	Estimated Actual Value	Ratio of Net Assessed to Estimated Actual Value
	Residential Property	Commercial Property						
2012	\$ 1,830,258,298	\$ 1,860,991,535	\$ 200,181,505	\$ 596,905,642	\$ 3,294,525,696	5.71	\$ 29,480,405,329	11.18 %
2011	2,193,001,954	2,602,687,731	191,265,219	760,740,722	4,226,214,182	4.90	36,602,314,594	11.55
2010	2,662,760,630	2,673,423,227	203,850,632	756,057,118	4,783,977,371	4.62	41,314,099,070	11.58
2009					4,710,461,653	4.73	41,104,611,974	11.46
2008					4,097,280,916	5.28	35,062,126,331	11.69
2007					2,954,249,943	6.45	23,952,819,172	12.33
2006					2,721,453,993	6.24	22,347,014,668	12.18
2005					2,461,947,755	6.53	20,210,300,022	12.18
2004					2,232,270,576	7.07	19,204,009,882	11.62
2003					1,976,448,582	7.23	16,823,289,269	11.75

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

- Notes:** 1) Total taxable assessed valuation is displayed by major component beginning with fiscal year ended June 30, 2010.
2) For purposes of calculating the assessed value as a percentage of actual value, the tax-exempt property was included in the assessed value.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Overlapping Rates							District Direct Rates		
	State	County	Flood Control District	Community College District	Central Arizona Water	City of Phoenix	City of Scottsdale	Primary	Secondary	Total
	Equalization									
2012	0.43	1.24	0.18	1.21	0.10	1.82	1.09	3.33	2.37	5.71
2011	0.36	1.05	0.15	0.97	0.10	1.82	0.90	3.01	1.89	4.90
2010	0.33	0.99	0.14	0.88	0.10	1.82	0.74	2.98	1.64	4.62
2009		1.03	0.14	0.94	0.10	1.82	0.79	2.98	1.75	4.73
2008		1.10	0.15	0.98	0.10	1.82	0.79	3.30	1.97	5.28
2007		1.18	0.20	1.06	0.12	1.82	0.97	3.81	2.64	6.45
2006		1.20	0.21	1.03	0.12	1.82	1.04	3.55	2.69	6.24
2005		1.21	0.21	1.04	0.12	1.82	1.07	3.84	2.69	6.53
2004		1.28	0.21	1.08	0.12	1.82	1.12	4.29	2.78	7.07
2003		1.29	0.21	1.11	0.13	1.82	1.15	4.53	2.70	7.23

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

**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

Taxpayer	2012		2003	
	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation
Arizona Public Service	\$ 69,305,057	2.10 %	\$ 56,166,209	2.84 %
Host Kierland LP	46,239,618	1.40		
JW Marriott Desert/CNL	29,233,421	0.89		
Scottsdale Princess Partnership	21,788,332	0.66		
Vestar DRM-OPCO LLC	20,650,161	0.63	10,783,825	0.55
Paradise Valley Mall LLC	17,291,324	0.52		
Thomson Property Tax Services	13,251,456	0.40		
SDQ Fee LLC	14,426,952	0.44		
VHS Acquisition Subsidiary No. 1 Inc.	14,414,238	0.44	6,199,982	0.31
Pacific Promenate LLC	12,887,405	0.39		
First American Title			24,399,643	1.23
US West/Qwest			19,942,252	1.01
Mony PTC Properties			16,203,881	0.82
Paradise Village Investment			11,248,533	0.57
Westday Associates			10,519,559	0.53
Southwest Gas Association			9,696,238	0.49
Wal-Mart Stores, Inc.			9,407,969	0.48
Swiftsure Realty Corporation			7,898,614	0.40
Pederson/BVT Promednade Assoc.			7,302,376	0.37
East Thunderbird Square			6,478,025	0.33
Walton Scottsdale Investors I LLC			6,318,101	0.32
Prudential Insurance Co. of America			6,294,868	0.32
Stmicroelectronics Inc			5,923,846	0.30
Westwood Financial Holdings LLC				
Total	<u>\$ 259,487,964</u>	<u>7.87 %</u>	<u>\$ 214,783,921</u>	<u>10.87 %</u>

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 187,335,477	\$ 177,989,201	95.01 %	\$	\$ 177,989,201	95.01 %
2011	198,636,145	188,780,584	95.04	9,604,193	198,384,777	99.87
2010	182,988,150	166,403,394	90.94	9,037,337	175,440,731	95.88
2009	174,262,452	161,854,586	92.88	10,317,008	172,171,594	98.80
2008	170,337,044	164,800,262	96.75	5,477,069	170,277,331	99.96
2007	183,949,268	179,547,197	97.61	4,338,118	183,885,315	99.97
2006	164,133,867	158,929,735	96.83	5,131,631	164,061,366	99.96
2005	155,369,930	150,140,744	96.63	5,059,544	155,200,288	99.89
2004	154,739,562	148,466,557	95.95	6,222,731	154,689,288	99.97
2003	137,195,892	132,387,238	96.50	4,745,623	137,132,861	99.95

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.

**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value	Per Capita	Percentage of Personal Income
2012	\$302,465,000	\$ 6,191,985	\$ 296,273,015	1.00 %	\$ 1,259	\$	\$ 296,273,015	1.00 %	1,259	2.07 %
2011	248,465,000	4,182,191	244,282,809	0.67	1,077	1,672,261	245,955,070	0.67	1,084	1.73
2010	296,650,000	35,530,000	261,120,000	0.63	1,291	4,150,501	265,270,501	0.64	1,309	1.80
2009	344,440,000	47,790,000	296,650,000	0.72	1,462	6,540,248	303,190,248	0.74	1,490	2.17
2008	365,660,000	36,220,000	329,440,000	0.94	1,552	2,832,366	332,272,366	0.95	1,564	2.51
2007	316,357,875	30,697,875	285,660,000	1.19	1,582	270,602	285,930,602	1.19	1,583	2.37
2006	346,857,875	30,500,000	316,357,875	1.42	1,734	440,516	316,798,391	1.42	1,736	2.85
2005	331,167,875	25,385,000	305,782,875	1.51	1,656	602,497	306,385,372	1.52	1,659	3.00
2004	336,987,875	22,320,000	314,667,875	1.64	1,685	789,740	315,457,615	1.64	1,689	3.25
2003	355,222,019	18,234,144	336,987,875	2.00	1,776	63,833	337,051,708	2.00	1,776	3.60

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Maricopa County Community College District	\$ 671,250,000	8.50 %	\$ 57,056,250
City of Phoenix	1,544,489,000	18.05	278,780,265
City of Scottsdale	573,380,000	18.69	107,164,722
Subtotal, Overlapping Debt			<u>443,001,237</u>
Direct:			
Paradise Valley Unified School District No. 69	302,465,000	100.00	<u>302,465,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 745,466,237</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.

Note: 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.

**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Total Legal Debt Margin Calculation for Fiscal Year 2012:

Secondary assessed valuation	\$ 3,294,525,696
Debt limit (30% of assessed value)	988,357,709
Debt applicable to limit	<u>302,465,000</u>
Legal debt margin	<u><u>\$ 685,892,709</u></u>

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total Debt limit	\$ 988,357,709	\$ 1,267,864,255	\$ 1,435,193,211	\$ 1,413,138,496	\$ 1,229,184,275
Total net debt applicable to limit	<u>302,465,000</u>	<u>248,465,000</u>	<u>261,120,000</u>	<u>296,650,000</u>	<u>329,440,000</u>
Legal debt margin	<u><u>\$ 685,892,709</u></u>	<u><u>\$ 1,019,399,255</u></u>	<u><u>\$ 1,174,073,211</u></u>	<u><u>\$ 1,116,488,496</u></u>	<u><u>\$ 899,744,275</u></u>
Total net debt applicable to the limit as a percentage of debt limit	31%	20%	18%	21%	27%
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Debt limit	\$ 886,274,983	\$ 816,436,198	\$ 738,584,327	\$ 669,681,173	\$ 592,934,575
Total net debt applicable to limit	<u>285,660,000</u>	<u>316,357,875</u>	<u>305,782,875</u>	<u>314,667,875</u>	<u>336,987,875</u>
Legal debt margin	<u><u>\$ 600,614,983</u></u>	<u><u>\$ 500,078,323</u></u>	<u><u>\$ 432,801,452</u></u>	<u><u>\$ 355,013,298</u></u>	<u><u>\$ 255,946,700</u></u>
Total net debt applicable to the limit as a percentage of debt limit	32%	39%	41%	47%	57%

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.

**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
CLASS B BOND LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2012:

Secondary assessed valuation	\$ 3,294,525,696
Debt limit (10% of assessed value)	329,452,570
Debt applicable to limit	<u>188,535,000</u>
Legal debt margin	<u><u>\$ 140,917,570</u></u>

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total Debt limit	\$ 329,452,570	\$ 422,621,418	\$ 478,397,737	\$ 471,046,165	\$ 409,728,092
Total net debt applicable to limit	<u>188,535,000</u>	<u>150,095,000</u>	<u>143,540,000</u>	<u>164,195,000</u>	<u>164,975,000</u>
Legal debt margin	<u><u>\$ 140,917,570</u></u>	<u><u>\$ 272,526,418</u></u>	<u><u>\$ 334,857,737</u></u>	<u><u>\$ 306,851,165</u></u>	<u><u>\$ 244,753,092</u></u>
Total Class B debt applicable to the limit as a percentage of Class B debt limit	57%	36%	30%	35%	40%
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Debt limit	\$ 295,424,994	\$ 272,145,399	\$ 246,194,776	\$ 223,227,058	\$ 197,644,858
Total net debt applicable to limit	<u>124,975,000</u>	<u>112,910,000</u>	<u>79,725,000</u>	<u>71,800,000</u>	<u>77,100,000</u>
Legal debt margin	<u><u>\$ 170,449,994</u></u>	<u><u>\$ 159,235,399</u></u>	<u><u>\$ 166,469,776</u></u>	<u><u>\$ 151,427,058</u></u>	<u><u>\$ 120,544,858</u></u>
Total Class B debt applicable to the limit as a percentage of Class B debt limit	42%	41%	32%	32%	39%

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.

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

**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2011	3,843,370	\$142,864,275	\$ 37,352	8.4 %	240,225
2010	3,817,117	142,091,618	35,319	8.5	230,663
2009	4,023,331	147,122,078	37,168	8.3	229,800
2008	3,987,942	139,665,253	36,135	4.9	235,600
2007	3,907,492	132,423,154	35,046	3.2	235,600
2006	3,792,675	120,716,738	33,178	3.5	200,000
2005	3,648,545	111,103,576	31,757	4.1	200,000
2004	3,742,460	102,277,852	30,160	4.5	200,000
2003	3,598,440	96,998,974	29,020	5.0	200,000
2002	3,296,300	93,544,549	29,117	5.3	200,000

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.

**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2012</u>		<u>2003</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Paradise Valley Unified School District 69	3,616	0.21 %	3,600	0.21 %
Mayo Clinic	3,043	0.18	1,898	0.11
American Express	2,400	0.14	1,200	0.07
Vanguard	2,085	0.12	1,500	0.09
Marriott	1,050	0.06		
The Prudential Insurance Company Of America	1,010	0.06		
City Of Phoenix	989	0.06	653	0.04
Frys Food Stores	903	0.05	550	0.03
Walmart	824	0.05	1,065	0.06
International Cruise Excursions Inc	747	0.04		
Prudential Real Estate Relocation Services	734	0.04	900	0.05
Go Daddy Software Inc	700	0.04		
The Fairmont Scottsdale Princess	700	0.04	707	0.04
Costco Wholesale	680	0.04		
Choice Hotels International Inc.	664	0.04	376	0.02
Autokam Ltd.	660	0.04		
Allied Waste Industries Inc.	647	0.04		
M Culinary Concepts LLC	600	0.04		
Home Depot	585	0.03	558	0.03
Henkel Consumer Goods	557	0.03		
STMicroelectronics, Inc.			901	0.05
Dial Corporation A Henkel Corporation			602	0.04
Pointe Hilton Resorts			520	0.03
JDA Software, Inc.			487	0.03
Sumco USA			410	0.02
Structural 1 Company Inc.			400	0.02
Liberty Mutual			400	0.02
Loftco Inc.			370	0.02
Kmart Corporation			350	0.02
Total	<u>23,194</u>	<u>1.35 %</u>	<u>17,447</u>	<u>1.00 %</u>
Total employment	<u>1,692,300</u>		<u>1,704,221</u>	

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

**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees as of June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Supervisory					
Consultants/supervisors of instruction	42	39	40	44	42
Principals	46	41	42	39	43
Assistant principals	20	17	20	16	20
Total supervisory	<u>108</u>	<u>97</u>	<u>102</u>	<u>99</u>	<u>105</u>
Instruction					
Teachers	1,782	1,782	1,792	1,683	2,030
Aides	378	320	316	286	352
Total instruction	<u>2,160</u>	<u>2,102</u>	<u>2,108</u>	<u>1,969</u>	<u>2,382</u>
Student Services					
Other student service workers	69	57	66	69	27
Total student services	<u>69</u>	<u>57</u>	<u>66</u>	<u>69</u>	<u>27</u>
Support and Administration					
Other classified	1,218	1,013	1,062	1,098	713
Total support and administration	<u>1,218</u>	<u>1,013</u>	<u>1,062</u>	<u>1,098</u>	<u>713</u>
Total	<u><u>3,555</u></u>	<u><u>3,269</u></u>	<u><u>3,338</u></u>	<u><u>3,235</u></u>	<u><u>3,227</u></u>

**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Supervisory					
Consultants/supervisors of instruction	17	27	27	27	25
Principals	44	44	44	44	43
Assistant principals	20	16	16	16	16
Total supervisory	<u>81</u>	<u>87</u>	<u>87</u>	<u>87</u>	<u>84</u>
Instruction					
Teachers	2,043	1,901	1,917	1,909	1,851
Other professionals (instructional)	104	97	91	86	81
Aides	387	278	287	284	290
Total instruction	<u>2,534</u>	<u>2,276</u>	<u>2,295</u>	<u>2,279</u>	<u>2,222</u>
Student Services					
Librarians	37				
Other student service workers		37	34	28	35
Total student services	<u>37</u>	<u>37</u>	<u>34</u>	<u>28</u>	<u>35</u>
Support and Administration					
Other classified	842	817	822	734	708
Total support and administration	<u>842</u>	<u>817</u>	<u>822</u>	<u>734</u>	<u>708</u>
Total	<u><u>3,494</u></u>	<u><u>3,217</u></u>	<u><u>3,238</u></u>	<u><u>3,128</u></u>	<u><u>3,049</u></u>

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2012	31,577	\$ 233,741,627	\$ 7,402	4.17 %	\$ 272,269,209	\$ 8,622	(0.84) %	1,782	17.7	35.1 %
2011	31,504	223,872,007	7,106	(2.42)	273,930,019	8,695	3.47	1,782	17.7	34.4
2010	31,659	230,564,277	7,283	(4.81)	266,050,114	8,404	(7.67)	1,792	17.7	33.4
2009	32,087	245,477,146	7,650	0.83	292,058,762	9,102	(0.61)	1,683	19.1	32.1
2008	32,384	245,716,928	7,588	8.28	296,557,930	9,158	6.21	2,030	16.0	28.6
2007	32,850	230,191,565	7,007	7.35	283,233,465	8,622	8.13	2,043	16.1	27.7
2006	33,251	217,048,471	6,528	5.56	265,130,130	7,974	7.20	1,901	17.5	28.0
2005	33,565	207,566,730	6,184	4.04	249,648,333	7,438	0.87	1,917	17.5	33.0
2004	33,496	199,098,781	5,944	2.94	246,986,729	7,374	0.31	1,909	17.5	31.0
2003	33,640	194,249,353	5,774	4.42	247,293,040	7,351	N/A	1,851	18.2	28.0

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

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>Schools</u>										
<u>Elementary</u>										
Buildings	117	114	114	114	113	113	109	107	107	104
Square feet	2,373,034	2,284,370	2,284,370	2,284,370	2,268,508	2,219,343	2,179,927	2,109,770	2,109,770	2,022,690
Capacity	34,146	33,346	33,346	30,674	30,412	29,307	28,340	27,636	24,636	26,882
Enrollment	18,021	17,459	17,314	17,710	17,753	17,706	18,078	18,312	18,591	18,331
<u>Middle</u>										
Buildings	68	68	68	68	68	68	68	68	68	68
Square feet	766,450	766,450	766,450	766,450	766,450	766,450	766,450	766,450	766,450	766,450
Capacity	8,546	8,546	8,546	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Enrollment	4,848	5,019	4,950	5,045	5,213	5,308	5,273	5,404	5,550	5,711
<u>High</u>										
Buildings	52	52	51	50	46	44	44	44	43	43
Square feet	1,662,596	1,662,596	1,649,479	1,636,362	1,589,042	1,568,902	1,568,902	1,559,940	1,545,353	1,545,353
Capacity	16,503	16,503	16,503	12,751	12,489	12,072	12,072	11,886	11,514	11,514
Enrollment	10,396	10,068	10,351	9,987	10,043	10,614	10,910	10,880	10,824	10,708
<u>Administrative</u>										
Buildings	11	11	11	10	10	10	10	10	10	9
Square feet	112,691	212,691	212,691	201,115	196,251	196,251	196,251	196,251	196,251	181,212
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	172	172	173	164	173	173	173	173	173	173
<u>Athletics</u>										
Football fields	12	12	12	12	12	12	12	12	12	12
Soccer fields	44	44	44	44	44	44	44	44	44	44
Running tracks	44	44	44	44	44	44	44	44	44	44
Baseball/softball	88/89	88/89	88/89	88/89	88/89	88/89	88/89	88/89	88/89	88/89
Playgrounds	33	33	33	33	32	32	32	32	32	32

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

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