

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**

**RIO RICO, ARIZONA**

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

Issued by:  
Business and Finance Department

# **SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**

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## **INTRODUCTORY SECTION**



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# SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35

**RODNEY RICH**  
SUPERINTENDENT

**ISELA BROWN**  
BUSINESS MANAGER

December 19, 2011

Citizens and Governing Board  
Santa Cruz Valley Unified School District No. 35  
1374 W. Frontage Road  
Rio Rico, AZ 85648-2006

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 Santa Cruz Valley Unified School District No. 35 (District) for the fiscal year ended June 30, 2011.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

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**Educate Everyone Every Day**

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

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

## **PROFILE OF THE DISTRICT**

The Santa Cruz Valley Unified School District No. 35 is one of five public school districts located in Santa Cruz County, Arizona. It provides a program of public education from kindergarten through grade twelve with an average daily membership of 3,365. Projected enrollment for fiscal year 2011-12 is anticipated to be 3,350.

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 elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services and athletic functions.

The annual expenditure budget serves as the foundation for the District's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual expenditure budget approved by the District's Governing Board.

The expenditure budget is prepared by fund for all Governmental Funds, and includes function and object code detail for the General Fund and some Special Revenue and Capital Projects Funds. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all funds. Funds that are not required to legally adopt a budget may have overexpenditures of budgeted funds. The budget for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented. However, this does not affect the District's ability to expend monies.

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

**Local Economy.** The Santa Cruz Valley Unified School District No. 35 (District) is located in the community of Rio Rico. The community's 39,000 acres roll gently down from the Santa Rita Mountains through the San Cayetano Foothills westward to the Santa Cruz River. The District boundaries also include the communities of Tumacacori, Tubac and Amado and cover a total of two hundred and sixty-six square miles. The population is varied in nature. About 85% of the students are minority students with a Hispanic heritage. Seventy percent of the pupils speak another language. The District employs around 400 teachers and classified personnel of which the majority resides within the District boundaries.

Given the proximity to the border with Mexico cross-border trade and local small retailers characterize the regional economy. As part of the American Recovery and Reinvestment Act (ARRA), a project is underway to expand and modernize the port, it is expected that this major project will significantly impact the local economy with job creation. Average daily membership (ADM) has fluctuated in recent years with several years of declines. However, with the potential job creation from the port expansion, the District expects enrollment to increase around 2% in the near future.

The District itself operates on a General Fund budget of about \$17.9 million. The educational programs in the District are supported by an additional \$5.5 million in Federal and State grants. This governmental money may or may not be renewed from year to year. A barometer of the amount of support from the community is shown by the \$122,000 in donations that were received from private agencies or individuals. In November 2010 the community allowed the District to renew a 5% Maintenance and Operations override allowing the District to reach a good financial position, especially given the constraints of the State's school funding plan.

**Long-term Financial Planning.** As we divert from a growing pattern in enrollment to a non-growing phase our long-term financial plan focus is to ensure that our current cost structure does not over commit to an unsustainable level of expenditures to prevent dramatic and painful cuts if not first scaled back gradually. The District's long-term financial plan is linked to address our District's educational goals, such as the need to invest in new curriculum that will better serve our student body. The District continues to monitor closely enrollment projections and state funding in an effort to recognize in advance potential concerns and make adjustments if needed. The Governing Board is at the initial phase of reviewing the District's strategic plan as well as developing a Facilities Capital Action Plan. These two planning strategies will help identify and finance long-term strategies to address critical issues that are particular to the District, such as coping with changes in enrollment, or meeting federal or state educational standards. The ultimate financial goal is to deliver the best value possible to our community and our children.

**Major Initiatives of the District.** In November of 2010 our voters approved the renewal of our 5% M&O override. With this renewal the District indicated a need to focus on Early Childhood Education. As the State Legislature has reduced funding for Pre-school and Kindergarten we needed to refocus our override expenditures to maintain those programs for our students and our community. The Governing Board has established an Early Literacy Initiative for our school district. Success with that initiative requires Pre-school programs, all day kindergarten, and reduced class sizes at Kindergarten, 1st and 2nd grades. Our community understands this focus and is supportive of our efforts in this arena.

## **AWARDS AND ACKNOWLEDGMENT**

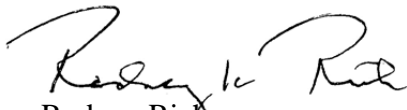
**Awards.** The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This was the eleventh consecutive year that the District has 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, 2010. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year 2010-11 certificates.

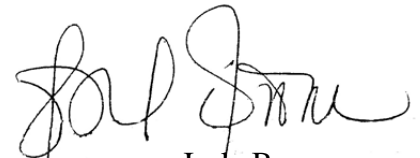
**Acknowledgments.** The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the business and finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation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

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

Respectfully submitted,



Rodney Rich  
Superintendent



Isela Brown  
Business Manager

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**

**For its Comprehensive Annual Financial Report (CAFR)**

**For the Fiscal Year Ended June 30, 2010**

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

A handwritten signature in cursive script, appearing to read 'Chuck Lindeman'.

President

A handwritten signature in cursive script, appearing to read 'John D. Mueso'.

Executive Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Santa Cruz Valley  
Unified School District No. 35  
Arizona

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

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



*Linda C. Sandison*

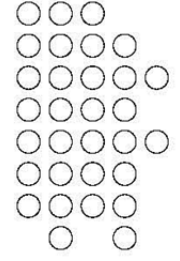
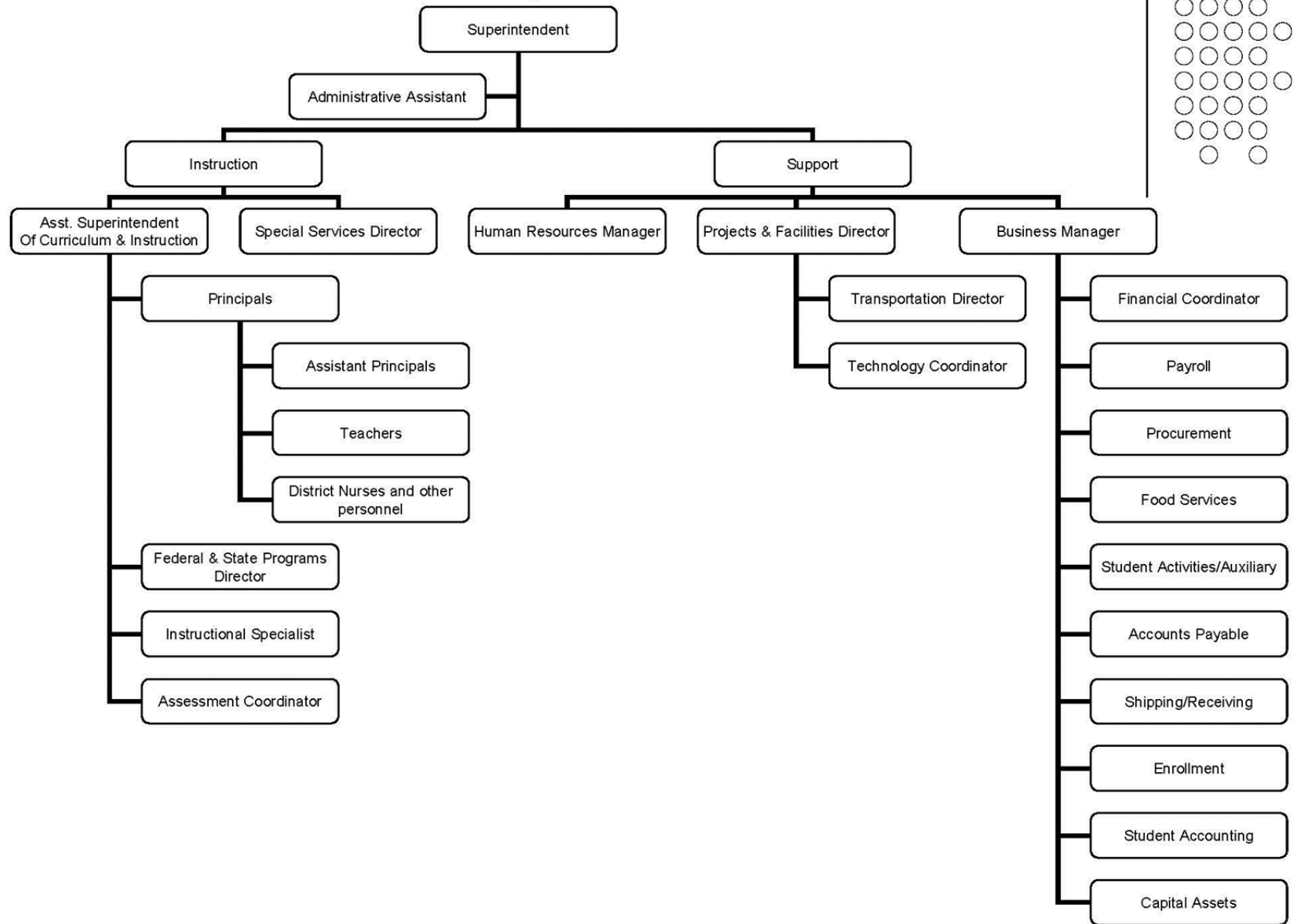
President

*Jeffrey R. Emer*

Executive Director



# Santa Cruz Valley Unified School District No. 35



**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**

**LIST OF PRINCIPAL OFFICIALS**

**GOVERNING BOARD**

Brian Vandervoet  
President

Rosie Simpson  
Member

Harry Clapeck  
Clerk

Joel Kramer  
Member

Susan Faubion  
Member

**ADMINISTRATIVE STAFF**

Rodney Rich, Superintendent

Isela Brown, Business Manager

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## **FINANCIAL SECTION**



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



## INDEPENDENT AUDITORS' REPORT

Governing Board  
Santa Cruz Valley Unified School District No. 35

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Santa Cruz Valley Unified School District No. 35 (District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Santa Cruz Valley Unified School District No. 35, as of June 30, 2011, 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2011, on our consideration of the Santa Cruz Valley Unified School District No. 35'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 50 and 51 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.  
Certified Public Accountants

December 19, 2011

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



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**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2011**

As management of the Santa Cruz Valley Unified School District No. 35 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the current fiscal year. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**FINANCIAL HIGHLIGHTS**

- The District's total net assets of governmental activities increased \$4.8 million which represents a 9 percent increase from the prior fiscal year as a result of efforts by the District to maximize budget and cash carryforward for future year's expenses.
- General revenues accounted for \$24.9 million in revenue, or 81 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$5.7 million or 19 percent of total current fiscal year revenues.
- The District had approximately \$25.7 million in expenses related to governmental activities, a decrease of 2 percent from the prior fiscal year.
- Among major funds, the General Fund had \$21.9 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$18.5 million in expenditures. The General Fund's fund balance increase from \$9.9 million at the prior fiscal year end to \$14.1 million at the end of the current fiscal year was primarily due to efforts by the District to maximize budget and cash carryforward for future year's expenses.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2011**

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

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

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

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

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2011**

**OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)**

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

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

**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.

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2011**

**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 \$60.4 million at the current fiscal year end.

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

The following table presents a summary of the District's net assets for the fiscal years ended June 30, 2011 and June 30, 2010.

	As of June 30, 2011	As of June 30, 2010
Current assets	\$ 25,145,790	\$ 20,716,957
Capital assets, net	46,081,373	46,507,257
<b>Total assets, net</b>	<u>71,227,163</u>	<u>67,224,214</u>
Current liabilities	897,856	598,044
Long-term liabilities	9,934,942	11,073,063
<b>Total liabilities</b>	<u>10,832,798</u>	<u>11,671,107</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt	37,270,913	37,108,301
Restricted	7,417,337	6,437,540
Unrestricted	15,706,115	12,007,266
<b>Total net assets</b>	<u>\$ 60,394,365</u>	<u>\$ 55,553,107</u>

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2011**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**

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

The District's financial position is the product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following are significant current year transactions that had an impact on the Statement of Net Assets.

- The increase of \$4.4 million in current assets was primarily as a result of the District minimizing expenses to increase cash balances.
- The principal retirement of \$1.0 million of bonds.
- The net addition of \$1.3 million in capital assets through the construction of a new administration building and purchases of vehicles, furniture and equipment.

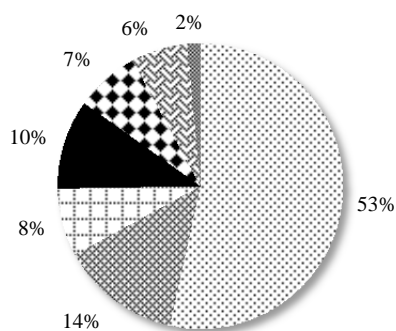
**Changes in net assets.** The District's total revenues for the current fiscal year were \$30.5 million. The total cost of all programs and services was \$25.7 million. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2011 and June 30, 2010.

	Fiscal Year Ended <u>June 30, 2011</u>	Fiscal Year Ended <u>June 30, 2010</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 782,080	\$ 509,583
Operating grants and contributions	4,514,364	4,458,640
Capital grants and contributions	362,734	224,253
General revenues:		
Property taxes	10,610,370	10,416,509
Investment income	68,988	182,265
Unrestricted county aid	425,737	375,955
Unrestricted state aid	13,619,103	13,877,937
Unrestricted federal aid	160,515	1,916,552
<b>Total revenues</b>	<u>30,543,891</u>	<u>31,961,694</u>
<b>Expenses:</b>		
Instruction	13,732,409	14,118,196
Support services – students and staff	3,501,100	3,345,893
Support services – administration	1,970,869	2,107,260
Operation and maintenance of plant services	2,607,645	2,509,099
Student transportation services	1,858,397	1,958,552
Operation of non-instructional services	1,654,683	1,673,855
Interest on long-term debt	377,530	413,437
<b>Total expenses</b>	<u>25,702,633</u>	<u>26,126,292</u>
<b>Change in net assets</b>	<u>\$ 4,841,258</u>	<u>\$ 5,835,402</u>

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2011**

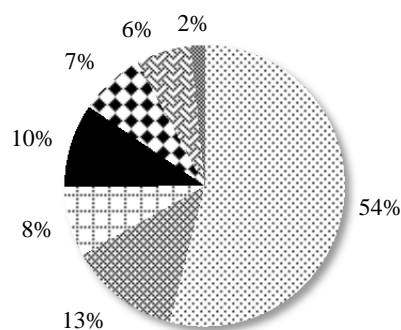
**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**

**Fiscal Year 2010-11 Expenses**



⊗ Instruction  
 ▤ Support services - administration  
 ▨ Student transportation services  
 ⊗ Interest on long-term debt

**Fiscal Year 2009-10 Expenses**



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

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

- The increase of \$272,497 in charges for services was a result of the District's first year of participation in a joint technical education district.
- The decrease of \$1.8 million in unrestricted federal aid was due to a significant reduction of state fiscal stabilization monies from the federal government.
- The decrease of \$385,787 in instruction expense was primarily due to a decrease in student population and state-wide budget cuts.

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.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2011**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)**

	<u>Year Ended June 30, 2011</u>		<u>Year Ended June 30, 2010</u>	
	Total	Net	Total	Net
	Expenses	(Expense)/ Revenue	Expenses	(Expense)/ Revenue
Instruction	\$ 13,732,409	\$(10,873,035)	\$ 14,118,196	\$(11,800,265)
Support services – students and staff	3,501,100	(2,677,662)	3,345,893	(2,392,701)
Support services – administration	1,970,869	(1,943,244)	2,107,260	(2,039,824)
Operation and maintenance of plant services	2,607,645	(2,527,801)	2,509,099	(2,484,884)
Student transportation services	1,858,397	(1,858,397)	1,958,552	(1,931,633)
Operation of non-instructional services	1,654,683	214,214	1,673,855	128,928
Interest on long-term debt	377,530	(377,530)	413,437	(413,437)
<b>Total</b>	<u>\$ 25,702,633</u>	<u>\$(20,043,455)</u>	<u>\$ 26,126,292</u>	<u>\$(20,933,816)</u>

- The cost of all governmental activities this year was \$25.7 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$5.7 million.
- Net cost of governmental activities of \$20.0 million was financed by general revenues, which are made up of primarily property taxes of \$10.6 million and unrestricted state aid of \$13.6 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 \$21.5 million, an increase of \$4.2 million due primarily to efforts by the District to maximize budget and cash carryforward for future year's maintenance and operations expenditures.



**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2011**

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

The General Fund comprises 66 percent of the total fund balance. Approximately \$13.1 million, or 92 percent of the General Fund's fund balance constitutes unassigned fund balance.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$4.2 million to \$14.1 million as of fiscal year end was a result of efforts by the District to maximize cash carryforward in an effort to be better prepared to address cash flow issues as a result of the roll over of state aid payments. General Fund revenues decreased \$604,540 and General Fund expenditures increased \$1.0 million.

The Unrestricted Capital Outlay Fund's fund balance increased \$952,441 due to efforts by the District to reduce expenditures and maximize cash carryforward for upcoming capital projects.

**BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised the General Fund annual expenditure budget due to modifications on the District's ADM counts. The difference between the original budget and the final amended budget was a \$92,693 decrease, or less than one percent.

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

- The favorable variance of \$167,431 in regular education support services – administration was a result of the reclassification of all attendance clerks and registrars into support services - students and staff.
- The favorable variance of \$80,035 in special education support services – students and staff was a result of vacancy savings.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2011**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** As of year end, the District had invested \$65.4 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 \$1.2 million from the prior fiscal year, primarily due to building renovations. Total depreciation expense for the current fiscal year was \$1.6 million.

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

	As of June 30, 2011	As of June 30, 2010
Capital assets – non-depreciable	\$ 4,510,150	\$ 4,657,751
Capital assets – depreciable, net	41,571,223	41,849,506
<b>Total</b>	<u>\$ 46,081,373</u>	<u>\$ 46,507,257</u>

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

**Debt Administration.** At year end, the District had \$9.1 million in long-term debt outstanding, \$1.1 million due within one year. This represents a net decrease of \$1.1 million.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 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 \$63.2 million and the Class B debt limit is \$21.1 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 7 through 9.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2011**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Many factors were considered by the District's administration during the process of developing the fiscal year 2011-12 budget. Among them:

- Fiscal year 2010-11 budget balance carry forward (estimated \$600,000).
- Decreasing student population.
- Stable salary and benefit costs.

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

Budgeted expenditures in the General Fund decreased 3 percent to \$17.4 million in fiscal year 2011-12. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2011-12 budget.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Santa Cruz Valley Unified School District No. 35, 1374 W. Frontage Road, Rio Rico, Arizona 85648-2006.

## **BASIC FINANCIAL STATEMENTS**

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## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

	Governmental Activites
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 16,286,920
Property taxes receivable	1,927,784
Accounts receivable	40,185
Due from governmental entities	5,742,412
Prepaid items	1,023,783
Inventory	124,706
Total current assets	<u>25,145,790</u>
Noncurrent assets:	
Land	4,510,150
Land improvements	4,332,606
Buildings and improvements	49,165,805
Vehicles, furniture and equipment	7,370,304
Accumulated depreciation	<u>(19,297,492)</u>
Total noncurrent assets	<u>46,081,373</u>
<b>Total assets</b>	<u><b>71,227,163</b></u>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	115,856
Construction contracts payable	364,308
Compensated absences payable	350,000
Accrued interest payable	182,206
Unearned revenues	235,486
Obligations under capital leases	56,844
Bonds payable	995,000
Total current liabilities	<u>2,299,700</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>8,533,098</u>
Total noncurrent liabilities	<u>8,533,098</u>
<b>Total liabilities</b>	<u><b>10,832,798</b></u>
<b><u>NET ASSETS</u></b>	
Invested in capital assets, net of related debt	37,270,913
Restricted for:	
Special purposes	1,392,095
Debt service	1,932,413
Capital outlay	4,092,829
Unrestricted	<u>15,706,115</u>
<b>Total net assets</b>	<u><b>\$ 60,394,365</b></u>

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2011**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instruction	\$ 13,732,409	\$ 268,777	\$ 2,227,863	\$ 362,734	\$ (10,873,035)
Support services - students and staff	3,501,100		823,438		(2,677,662)
Support services - administration	1,970,869		27,625		(1,943,244)
Operation and maintenance of plant services	2,607,645	52,219	27,625		(2,527,801)
Student transportation services	1,858,397				(1,858,397)
Operation of non-instructional services	1,654,683	461,084	1,407,813		214,214
Interest on long-term debt	377,530				(377,530)
<b>Total governmental activities</b>	<u>\$ 25,702,633</u>	<u>\$ 782,080</u>	<u>\$ 4,514,364</u>	<u>\$ 362,734</u>	<u>(20,043,455)</u>
<b>General revenues:</b>					
Taxes:					
Property taxes, levied for general purposes					9,022,918
Property taxes, levied for debt service					1,168,528
Property taxes, levied for capital outlay					418,924
Investment income					68,988
Unrestricted county aid					425,737
Unrestricted state aid					13,619,103
Unrestricted federal aid					160,515
<b>Total general revenues</b>					<u>24,884,713</u>
<b>Changes in net assets</b>					4,841,258
<b>Net assets, beginning of year</b>					<u>55,553,107</u>
<b>Net assets, end of year</b>					<u>\$ 60,394,365</u>

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



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## **FUND FINANCIAL STATEMENTS**

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2011**

	<u>General</u>	<u>Debt Service</u>	<u>Unrestricted Capital Outlay</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 8,009,053	\$ 2,919,106	\$ 3,708,540
Property taxes receivable	1,666,413	190,513	70,858
Accounts receivable	9,437		
Due from governmental entities	4,809,406		267,020
Due from other funds	49,990		
Prepaid items	1,023,783		
Inventory	60,661		
<b>Total assets</b>	<u><u>\$ 15,628,743</u></u>	<u><u>\$ 3,109,619</u></u>	<u><u>\$ 4,046,418</u></u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 51,355	\$	\$ 30,083
Construction contracts payable			
Due to other funds			
Deferred revenues	1,435,107	158,045	61,257
Bonds payable		995,000	
Bond interest payable		182,206	
<b>Total liabilities</b>	<u><u>1,486,462</u></u>	<u><u>1,335,251</u></u>	<u><u>91,340</u></u>
Fund balances (deficits):			
Nonspendable	1,084,444		
Restricted		1,774,368	3,955,078
Unassigned	13,057,837		
<b>Total fund balances</b>	<u><u>14,142,281</u></u>	<u><u>1,774,368</u></u>	<u><u>3,955,078</u></u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 15,628,743</u></u>	<u><u>\$ 3,109,619</u></u>	<u><u>\$ 4,046,418</u></u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 1,650,221	\$ 16,286,920
30,748	1,927,784
665,986	40,185
156,665	5,742,412
	206,655
	1,023,783
64,045	124,706
<u>\$ 2,567,665</u>	<u>\$ 25,352,445</u>

\$ 34,418	\$ 115,856
364,308	364,308
206,655	206,655
308,743	1,963,152
	995,000
	182,206
<u>914,124</u>	<u>3,827,177</u>

64,045	1,148,489
1,662,107	7,391,553
(72,611)	12,985,226
<u>1,653,541</u>	<u>21,525,268</u>
<u>\$ 2,567,665</u>	<u>\$ 25,352,445</u>

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**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

<b>Total governmental fund balances</b>	<b>\$</b>	<b>21,525,268</b>
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Amounts reported for *governmental activities* in the Statement of Net Assets are different because:

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

Governmental capital assets	\$ 65,378,865	
Less accumulated depreciation	<u>(19,297,492)</u>	46,081,373

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

Property taxes	1,654,409	
Intergovernmental	<u>73,257</u>	1,727,666

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

Compensated absences payable	(793,662)	
Obligations under capital leases	(171,280)	
Bonds payable	<u>(7,975,000)</u>	<u>(8,939,942)</u>

<b>Net assets of governmental activities</b>	<b>\$</b>	<b><u>60,394,365</u></b>
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**The notes to the basic financial statements are an integral part of this statement.**

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	<u>General</u>	<u>Debt Service</u>	<u>Unrestricted Capital Outlay</u>
<b>Revenues:</b>			
Other local	\$ 648,433	\$ 10,817	\$ 36,767
Property taxes	8,931,944	1,259,230	372,430
State aid and grants	11,998,535		666,163
Federal aid, grants and reimbursements	293,317		
<b>Total revenues</b>	<u>21,872,229</u>	<u>1,270,047</u>	<u>1,075,360</u>
<b>Expenditures:</b>			
Current -			
Instruction	10,015,178		
Support services - students and staff	2,407,576		
Support services - administration	1,960,101		
Operation and maintenance of plant services	2,252,917		
Student transportation services	1,692,818		
Operation of non-instructional services	34,769		
Capital outlay	76,720		28,178
Debt service -			
Principal retirement	11,998	995,000	55,892
Interest and fiscal charges	2,549	364,413	10,568
<b>Total expenditures</b>	<u>18,454,626</u>	<u>1,359,413</u>	<u>94,638</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>3,417,603</u>	<u>(89,366)</u>	<u>980,722</u>
<b>Other financing sources (uses):</b>			
Transfers in	20,101	34,557	
Transfers out			
<b>Total other financing sources (uses):</b>	<u>20,101</u>	<u>34,557</u>	
<b>Changes in fund balances</b>	<u>3,437,704</u>	<u>(54,809)</u>	<u>980,722</u>
<b>Fund balances, beginning of year</b>	9,941,414	1,829,177	3,002,637
Increase (decrease) in reserve for prepaid items	773,354		(28,281)
Increase (decrease) in reserve for inventory	(10,191)		
<b>Fund balances, end of year</b>	<u>\$ 14,142,281</u>	<u>\$ 1,774,368</u>	<u>\$ 3,955,078</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 791,993	\$ 1,488,010
11,970	10,575,574
1,176,932	13,841,630
4,379,622	4,672,939
<u>6,360,517</u>	<u>30,578,153</u>
3,092,498	13,107,676
1,045,380	3,452,956
44,148	2,004,249
96,262	2,349,179
24,858	1,717,676
1,632,300	1,667,069
1,286,867	1,391,765
	1,062,890
	377,530
<u>7,222,313</u>	<u>27,130,990</u>
<u>(861,796)</u>	<u>3,447,163</u>
	54,658
<u>(54,658)</u>	<u>(54,658)</u>
<u>(54,658)</u>	
<u>(916,454)</u>	<u>3,447,163</u>
2,553,757	17,326,985
	745,073
16,238	6,047
<u>\$ 1,653,541</u>	<u>\$ 21,525,268</u>



**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2011**

**Net changes in fund balances - total governmental funds** **\$ 4,198,283**

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	\$ 1,316,634	
Less current year depreciation	<u>(1,628,364)</u>	(311,730)

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

Property taxes	(32,162)	
Intergovernmental	<u>(2,100)</u>	(34,262)

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	67,890	
Bond principal retirement	<u>995,000</u>	1,062,890

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.

Loss on disposal of capital assets	(114,154)	
Compensated absences	<u>40,231</u>	<u>(73,923)</u>

**Change in net assets in governmental activities** **\$ 4,841,258**

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2011**

	<u>Agency</u>
<b><u>ASSETS</u></b>	
Cash and investments	\$      457,105
<b>Total assets</b>	<u><u>\$      457,105</u></u>
<b><u>LIABILITIES</u></b>	
Deposits held for others	\$      338,033
Due to student groups	<u>119,072</u>
<b>Total liabilities</b>	<u><u>\$      457,105</u></u>

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Santa Cruz Valley Unified School District No. 35 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

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

**A. Reporting Entity**

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

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include the only 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, and athletic functions.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

**B. Government-Wide and Fund Financial Statements**

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

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

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

Separate financial statements are provided for governmental funds 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.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

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

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

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

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

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

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

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 the Student Activities Fund, which accounts for monies raised by students to finance student clubs and organizations held by the District as an agent. In addition, funds that account for employee withholdings before the monies are remitted to the appropriate entities are included in the Agency Funds.

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

**D. Cash and Investments**

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.

**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.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

**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.

**H. Inventory**

The transportation inventory is valued at cost using the last-in/first out (LIFO) cost method; whereas, all other inventories are valued at cost using the average cost 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.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

**I. Prepaid Items**

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

**J. Capital Assets**

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

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

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

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

Land improvements	20 - 25 years
Buildings and improvements	20 - 50 years
Vehicles, furniture and equipment	5 - 20 years

**K. Compensated Absences**

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Accrued sick leave is earned by all full-time employees at a rate of one and a quarter days for every month. All full-time classified employees earn vacation at rates depending on length of service; however, accumulated vacation must be taken within 12 months after it is earned or it will be forfeited. Upon termination, employees in good standing are eligible to be paid for all accumulated sick leave at the rate of \$55 per day or the first step on the classified salary schedule.



**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

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.

**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.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

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

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

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

*Assigned.* Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or a management official delegated that authority by the formal Governing Board action.

*Unassigned.* Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had be 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.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)**

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Unrestricted Capital Outlay Fund</u>	<u>Non-Major Governmental Funds</u>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Inventory	\$ 60,661	\$	\$	\$ 64,045
Prepaid items	1,023,783			
<b>Restricted:</b>				
Debt service		1,774,368		
Capital projects			3,955,078	76,494
Bond building projects				330,820
Voter approved initiatives				170,650
Federal and State projects				305,142
Food service				325,642
Civic center activities				158,186
Extracurricular activities				85,028
Donor restricted gifts and donations				100,412
Other purposes				109,733
<b>Unassigned</b>	<u>13,057,837</u>			<u>(72,611)</u>
Total fund balances	<u>\$14,142,281</u>	<u>\$1,774,368</u>	<u>\$ 3,955,078</u>	<u>\$ 1,653,541</u>

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

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>
Fund balance, June 30, 2010, as previously reported	\$ 8,101,076	\$ 4,394,095
Reclassification of funds	<u>1,840,338</u>	<u>(1,840,338)</u>
Fund balance, July 1, 2010, as restated	<u><u>\$ 9,941,414</u></u>	<u><u>\$ 2,553,757</u></u>

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Individual Deficit Fund Balance** – At year end, the Building Renewal Fund, a non-major governmental fund reported a deficit of \$72,611 in fund balance.

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

**Excess Expenditures Over Budget** – At year end, the District had expenditures in 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 \$154,684, and the bank balance was \$417,265. At year end, the District's deposits were entirely covered by Federal depository insurance.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 4 – CASH AND INVESTMENTS (Concl'd)**

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	30 days	<u>\$16,589,341</u>
Total		<u>\$16,589,341</u>

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

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

*Custodial Credit Risk – Investments.* The District's investment in the County Treasurer's investment pool represents a proportionate interest in the pool's portfolio; however, the District's portion is not identified with specific investments and is not subject to custodial credit risk.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 5 – RECEIVABLES**

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

	General Fund	Unrestricted Capital Outlay Fund	Non-Major Governmental Funds
Due from other governmental entities:			
Due from State government	\$4,809,406	\$ 267,020	\$ 367,602
Due from Federal government			298,384
Net due from governmental entities	<u>\$4,809,406</u>	<u>\$ 267,020</u>	<u>\$ 665,986</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (General Fund)	\$ 1,435,107	\$
Delinquent property taxes receivable (Debt Service Fund)	158,045	
Delinquent property taxes receivable (Unrestricted Capital Outlay Fund)	61,257	
Grant drawdowns prior to meeting all eligibility requirements (Non-Major Governmental Funds)		235,486
Measurable but unavailable revenues (Non-Major Governmental Funds)	<u>73,257</u>	
Total deferred revenue for governmental funds	<u>\$ 1,727,666</u>	<u>\$ 235,486</u>

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 6 – CAPITAL ASSETS**

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,624,304	\$	\$ 114,154	\$ 4,510,150
Construction in progress	33,447		33,447	
Total capital assets, not being depreciated	<u>4,657,751</u>		<u>147,601</u>	<u>4,510,150</u>
Capital assets, being depreciated:				
Land improvements	4,218,253	114,353		4,332,606
Buildings and improvements	48,180,935	984,870		49,165,805
Vehicles, furniture and equipment	7,119,446	250,858		7,370,304
Total capital assets being depreciated	<u>59,518,634</u>	<u>1,350,081</u>		<u>60,868,715</u>
Less accumulated depreciation for:				
Land improvements	(690,777)	(209,425)		(900,202)
Buildings and improvements	(12,109,875)	(1,155,121)		(13,264,996)
Vehicles, furniture and equipment	(4,868,476)	(263,818)		(5,132,294)
Total accumulated depreciation	<u>(17,669,128)</u>	<u>(1,628,364)</u>		<u>(19,297,492)</u>
Total capital assets, being depreciated, net	<u>41,849,506</u>	<u>(278,283)</u>		<u>41,571,223</u>
Governmental activities capital assets, net	<u>\$46,507,257</u>	<u>\$ (278,283)</u>	<u>\$ 147,601</u>	<u>\$46,081,373</u>

Depreciation expense was charged to governmental functions as follows.

Instruction	\$1,094,098
Support services – students and staff	113,997
Support services – administration	53,914
Operation and maintenance of plant services	105,284
Student transportation services	256,368
Operation of non-instructional services	4,703
Total depreciation expense – governmental activities	<u>\$1,628,364</u>

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES**

The District acquired buses, copiers, and an energy lighting 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 and General Funds are used to pay the capital lease obligations.

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

	<u>Governmental Activities</u>
Asset:	
Vehicles, furniture and equipment	\$ 730,359
Less: Accumulated depreciation	<u>242,719</u>
Total	<u><u>\$ 487,640</u></u>

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

Year Ending June 30:	<u>Governmental Activities</u>
2012	\$ 65,777
2013	60,078
2014	<u>62,503</u>
Total minimum lease payments	188,358
Less: amount representing interest	<u>17,079</u>
Present value of minimum lease payments	<u><u>\$ 171,279</u></u>
Due within one year	<u><u>\$ 56,844</u></u>



**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE**

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

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Maturity</u>	<u>Outstanding Principal June 30, 2011</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
School Improvement Bonds, Series 2007 (Class B)	\$ 5,750,000	4.0-4.5%	7/1/11-24	\$ 5,470,000	\$ 295,000
School Improvement Bonds, Series 2008 (Class B)	4,250,000	3.0-4.0%	7/1/11-23	3,500,000	700,000
Total				<u>\$ 8,970,000</u>	<u>\$ 995,000</u>

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

		<u>Governmental Activities</u>	
<u>Year ending June 30:</u>		<u>Principal</u>	<u>Interest</u>
	2012	\$ 995,000	\$ 346,263
	2013	955,000	309,014
	2014	920,000	271,114
	2015	460,000	242,614
	2016	480,000	222,788
	2017-21	2,130,000	673,595
	2022-25	3,030,000	297,800
Total		<u>\$ 8,970,000</u>	<u>\$2,363,188</u>

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 9 – CHANGES IN LONG-TERM LIABILITIES**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable	\$ 10,000,000	\$	\$ 1,030,000	\$ 8,970,000	\$ 995,000
Obligations under capital leases	239,170		67,890	171,280	56,844
Compensated absences payable	833,893	393,274	433,505	793,662	350,000
Governmental activity long-term liabilities	<u>\$ 11,073,063</u>	<u>\$ 393,274</u>	<u>\$ 1,531,395</u>	<u>\$ 9,934,942</u>	<u>\$ 1,401,844</u>

**NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

At year end, interfund balances were as follows.

**Due to/from other funds** – Interfund borrowing was used to (1) record indirect cost charges of \$49,990 due to the General Fund at year end and (2) to eliminate negative cash of \$156,665 on deposit with the County Treasurer. All interfund balances are expected to be paid within one year.

**Interfund transfers:**

	Transfers in		
Transfers out	General Fund	Debt Service Fund	Total
Non-Major Governmental Funds	<u>\$ 20,101</u>	<u>\$ 34,557</u>	<u>\$ 54,658</u>
Total	<u>\$ 20,101</u>	<u>\$ 34,557</u>	<u>\$ 54,658</u>

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 11 – CONTINGENT LIABILITIES**

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

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

**NOTE 12 – RISK MANAGEMENT**

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

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

The District's employees have health and accident insurance coverage with the Arizona School Board Association Insurance Trust (ASBAIT). ASBAIT 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 ASBAIT for employees' health and accident insurance coverage. The agreement provides that ASBAIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

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

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

**Funding Policy** – The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 9.85 percent (9.60 percent for retirement and 0.25 percent for long-term disability) of the members' annual covered payroll and the District was required by statute to contribute at the actuarially determined rate of 9.85 percent (9.01 percent for retirement, 0.59 percent for health insurance premium, and 0.25 percent for long-term disability) of the members' annual covered payroll.

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

	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
Years ended June 30,			
2011	\$ 1,257,287	\$ 82,331	\$ 34,886
2010	1,123,566	88,915	53,888
2009	1,147,133	137,828	71,786

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL**  
**YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Non-GAAP	Variance with
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Other local	\$ 90,000	\$ 90,000	\$ 495,350	\$ 405,350
Property taxes	4,901,182	4,901,182	8,874,257	3,973,075
State aid and grants	12,498,818	12,498,818	11,917,481	(581,337)
Federal aid, grants and reimbursements			160,515	160,515
<b>Total revenues</b>	<u>17,490,000</u>	<u>17,490,000</u>	<u>21,447,603</u>	<u>3,957,603</u>
<b>Expenditures:</b>				
<b>Regular education</b>				
Instruction	8,292,233	8,113,387	7,773,681	339,706
Support services - students and staff	1,777,044	1,879,803	1,849,134	30,669
Support services - administration	2,031,931	1,966,224	1,798,793	167,431
Operation and maintenance of plant services	2,217,028	2,338,679	2,190,376	148,303
Operation of non-instructional services	36,904	36,904	30,895	6,009
<b>Total regular education</b>	<u>14,355,140</u>	<u>14,334,997</u>	<u>13,642,879</u>	<u>692,118</u>
<b>Special education</b>				
Instruction	1,614,476	1,546,370	1,501,913	44,457
Support services - students and staff	495,372	462,942	382,907	80,035
Support services - administration	37,613	37,311	33,852	3,459
<b>Total special education</b>	<u>2,147,461</u>	<u>2,046,623</u>	<u>1,918,672</u>	<u>127,951</u>
<b>Pupil transportation</b>				
Student transportation services	1,588,652	1,616,940	1,510,747	106,193
<b>Total pupil transportation</b>	<u>1,588,652</u>	<u>1,616,940</u>	<u>1,510,747</u>	<u>106,193</u>
<b>Total expenditures</b>	<u>18,091,253</u>	<u>17,998,560</u>	<u>17,072,298</u>	<u>926,262</u>
<b>Changes in fund balances</b>	<u>(601,253)</u>	<u>(508,560)</u>	<u>4,375,305</u>	<u>4,883,865</u>
<b>Fund balances, beginning of year</b>			6,923,912	6,923,912
Increase (decrease) in reserve for prepaid items			886,402	886,402
Increase (decrease) in reserve for inventory			(10,191)	(10,191)
<b>Fund balances (deficits), end of year</b>	<u>\$ (601,253)</u>	<u>\$ (508,560)</u>	<u>\$ 12,175,428</u>	<u>\$ 12,683,988</u>

See accompanying notes to this schedule.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2011**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

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

	<u>Total Expenditures</u>	<u>Increase for Prepaid Items</u>	<u>Fund Balance, June 30, 2011</u>	<u>Fund Balance, July 1, 2010</u>
Statement of Revenues, Expenditures and Changes in Fund Balances –				
Governmental Funds	\$ 18,454,626	\$ 773,354	\$ 14,142,281	\$ 9,941,414
Fiscal year 2010-11 activity budgeted as special revenue funds	(265,257)		(757,246)	(739,742)
Fiscal year 2010-11 activity budgeted as capital projects funds	(52,955)		(1,209,607)	(1,100,596)
Fiscal year 2011-12 insurance payments charged against fiscal year 2010-11 budget	113,048	113,048		
Fiscal year 2010-11 insurance payments budgeted in 2009-10	<u>(1,177,164)</u>			<u>(1,177,164)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 17,072,298</u>	<u>\$ 886,402</u>	<u>\$ 12,175,428</u>	<u>\$ 6,923,912</u>



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

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## **GOVERNMENTAL FUNDS**

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**JUNE 30, 2011**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 1,055,103	\$ 595,118	\$ 1,650,221
Accounts receivable	30,748		30,748
Due from governmental entities	562,093	103,893	665,986
Due from other funds	156,665		156,665
Inventory	64,045		64,045
<b>Total assets</b>	<u><u>\$ 1,868,654</u></u>	<u><u>\$ 699,011</u></u>	<u><u>\$ 2,567,665</u></u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 34,418	\$	\$ 34,418
Construction contracts payable		364,308	364,308
Due to other funds	206,655		206,655
Deferred revenues	308,743		308,743
<b>Total liabilities</b>	<u>549,816</u>	<u>364,308</u>	<u>914,124</u>
Fund balances (deficits):			
Nonspendable	64,045		64,045
Restricted	1,254,793	407,314	1,662,107
Unassigned	(72,611)	(72,611)	(72,611)
<b>Total fund balances</b>	<u>1,318,838</u>	<u>334,703</u>	<u>1,653,541</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 1,868,654</u></u>	<u><u>\$ 699,011</u></u>	<u><u>\$ 2,567,665</u></u>

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**YEAR ENDED JUNE 30, 2011**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues:</b>			
Other local	\$ 788,073	\$ 3,920	\$ 791,993
Property taxes		11,970	11,970
State aid and grants	1,073,039	103,893	1,176,932
Federal aid, grants and reimbursements	4,379,622		4,379,622
<b>Total revenues</b>	<u>6,240,734</u>	<u>119,783</u>	<u>6,360,517</u>
<b>Expenditures:</b>			
Current -			
Instruction	3,092,498		3,092,498
Support services - students and staff	1,045,380		1,045,380
Support services - administration	44,148		44,148
Operation and maintenance of plant services	96,262		96,262
Student transportation services	24,858		24,858
Operation of non-instructional services	1,632,300		1,632,300
Capital outlay	533,573	753,294	1,286,867
<b>Total expenditures</b>	<u>6,469,019</u>	<u>753,294</u>	<u>7,222,313</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(228,285)</u>	<u>(633,511)</u>	<u>(861,796)</u>
<b>Other financing sources (uses):</b>			
Transfers out	(20,101)	(34,557)	(54,658)
<b>Total other financing sources (uses):</b>	<u>(20,101)</u>	<u>(34,557)</u>	<u>(54,658)</u>
<b>Changes in fund balances</b>	<u>(248,386)</u>	<u>(668,068)</u>	<u>(916,454)</u>
<b>Fund balances, beginning of year</b>	1,550,986	1,002,771	2,553,757
Increase (decrease) in reserve for inventory	16,238		16,238
<b>Fund balances, end of year</b>	<u>\$ 1,318,838</u>	<u>\$ 334,703</u>	<u>\$ 1,653,541</u>

## **SPECIAL REVENUE FUNDS**

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

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

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

**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.

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

**Limited English and Immigrant Students** - to account for financial assistance received for educational services and costs for limited English and immigrant children.

**Special Education Grants** - to account for supplemental financial assistance received to provide a free, appropriate public education to disabled children.

**Johnson-O'Malley** - to account for financial assistance received to meet the unique educational needs of eligible Indian children.

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

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

**Other Federal Projects** - to account for financial assistance received for other supplemental federal projects.

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

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

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

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

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

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

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

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

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

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

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

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

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



**SPECIAL REVENUE FUNDS  
(Concluded)**

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

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

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

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

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

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

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

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**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2011**

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$	\$ 93,626	\$ 11,208
Accounts receivable			
Due from governmental entities	141,312	53,179	
Due from other funds			
Inventory			
<b>Total assets</b>	<u><u>\$ 141,312</u></u>	<u><u>\$ 146,805</u></u>	<u><u>\$ 11,208</u></u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds	44,210		
Deferred revenues	73,257		
<b>Total liabilities</b>	<u><u>117,467</u></u>		
Fund balances:			
Nonspendable			
Restricted	23,845	146,805	11,208
<b>Total fund balances</b>	<u><u>23,845</u></u>	<u><u>146,805</u></u>	<u><u>11,208</u></u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 141,312</u></u>	<u><u>\$ 146,805</u></u>	<u><u>\$ 11,208</u></u>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Promote Informed Parent Choice</u>	<u>Limited English &amp; Immigrant Students</u>	<u>Special Education Grants</u>	<u>Vocational Education</u>
\$	\$ 33,223	\$	\$ 5,533	\$	\$
19,276		5,333	156,665	120,921	2,623
<u>\$ 19,276</u>	<u>\$ 33,223</u>	<u>\$ 5,333</u>	<u>\$ 162,198</u>	<u>\$ 120,921</u>	<u>\$ 2,623</u>
\$ 503 18,773	\$ 114	\$ 66 5,267	\$	\$ 289 120,632	\$ 2,623
<u>19,276</u>	<u>33,109 33,223</u>	<u>5,333</u>	<u>162,198 162,198</u>	<u>120,921</u>	<u>2,623</u>
<u>\$ 19,276</u>	<u>\$ 33,223</u>	<u>\$ 5,333</u>	<u>\$ 162,198</u>	<u>\$ 120,921</u>	<u>\$ 2,623</u>

(Continued)

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2011**

	<u>Other Federal Projects</u>	<u>State Vocational Education</u>	<u>Other State Projects</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 116,580	\$ 9,739	\$ 30,472
Accounts receivable			
Due from governmental entities	188,593		
Due from other funds			
Inventory			
<b>Total assets</b>	<u><u>\$ 305,173</u></u>	<u><u>\$ 9,739</u></u>	<u><u>\$ 30,472</u></u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 31	\$	\$ 32
Due to other funds			
Deferred revenues		9,739	30,440
<b>Total liabilities</b>	<u>31</u>	<u>9,739</u>	<u>30,472</u>
Fund balances:			
Nonspendable			
Restricted	305,142		
<b>Total fund balances</b>	<u>305,142</u>		
<b>Total liabilities and fund balances</b>	<u><u>\$ 305,173</u></u>	<u><u>\$ 9,739</u></u>	<u><u>\$ 30,472</u></u>

<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Gifts and Donations</u>	<u>Fingerprint</u>
\$ 329,140	\$ 139,859	\$ 6,384	\$ 85,028	\$ 100,412	\$ 608
30,856	30,748				
64,045					
<u>\$ 424,041</u>	<u>\$ 170,607</u>	<u>\$ 6,384</u>	<u>\$ 85,028</u>	<u>\$ 100,412</u>	<u>\$ 608</u>
\$ 19,204	\$ 12,421	\$	\$	\$	\$
15,150					
<u>34,354</u>	<u>12,421</u>				
64,045					
325,642	158,186	6,384	85,028	100,412	608
<u>389,687</u>	<u>158,186</u>	<u>6,384</u>	<u>85,028</u>	<u>100,412</u>	<u>608</u>
<u>\$ 424,041</u>	<u>\$ 170,607</u>	<u>\$ 6,384</u>	<u>\$ 85,028</u>	<u>\$ 100,412</u>	<u>\$ 608</u>

(Continued)

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2011**

	<u>Insurance Proceeds</u>	<u>Textbooks</u>	<u>Litigation Recovery</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 22,607	\$ 9,259	\$ 44,439
Accounts receivable			
Due from governmental entities			
Due from other funds			
Inventory			
<b>Total assets</b>	<u><u>\$ 22,607</u></u>	<u><u>\$ 9,259</u></u>	<u><u>\$ 44,439</u></u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Deferred revenues			
<b>Total liabilities</b>	<u></u>	<u></u>	<u></u>
Fund balances:			
Nonspendable			
Restricted	22,607	9,259	44,439
<b>Total fund balances</b>	<u><u>22,607</u></u>	<u><u>9,259</u></u>	<u><u>44,439</u></u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 22,607</u></u>	<u><u>\$ 9,259</u></u>	<u><u>\$ 44,439</u></u>

Insurance Refund	Joint Technical Education	Totals
\$ 12,876	\$ 4,110	\$ 1,055,103
		30,748
		562,093
		156,665
		64,045
<u>\$ 12,876</u>	<u>\$ 4,110</u>	<u>\$ 1,868,654</u>

\$	\$ 1,758	\$ 34,418
		206,655
		308,743
	<u>1,758</u>	<u>549,816</u>

		64,045
<u>12,876</u>	<u>2,352</u>	<u>1,254,793</u>
<u>12,876</u>	<u>2,352</u>	<u>1,318,838</u>
<u>\$ 12,876</u>	<u>\$ 4,110</u>	<u>\$ 1,868,654</u>



**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	Classroom Site	Instructional Improvement	County, City, and Town Grants
<b>Revenues:</b>			
Other local	\$ 41	\$ 174	\$ 523
State aid and grants	794,255	125,315	
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>794,296</u>	<u>125,489</u>	<u>523</u>
<b>Expenditures:</b>			
Current -			
Instruction	1,224,606	156,182	
Support services - students and staff	125,706		
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>1,350,312</u>	<u>156,182</u>	<u></u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(556,016)</u>	<u>(30,693)</u>	<u>523</u>
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses):</b>	<u></u>	<u></u>	<u></u>
<b>Changes in fund balances</b>	<u>(556,016)</u>	<u>(30,693)</u>	<u>523</u>
<b>Fund balances, beginning of year</b>	579,861	177,498	10,685
Increase (decrease) in reserve for inventory			
<b>Fund balances, end of year</b>	<u>\$ 23,845</u>	<u>\$ 146,805</u>	<u>\$ 11,208</u>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Promote Informed Parent Choice</u>	<u>Limited English &amp; Immigrant Students</u>	<u>Special Education Grants</u>	<u>Vocational Education</u>
\$	\$	\$	\$	\$	\$
652,474	161,475	84,439	139,269	566,409	107,010
<u>652,474</u>	<u>161,475</u>	<u>84,439</u>	<u>139,269</u>	<u>566,409</u>	<u>107,010</u>
377,243		46,385	54,887	467,288	65,077
254,660	158,609	35,981	80,108	78,348	2,208
17,388	2,432		1,490	3,848	
			83		
				4,703	
723					
511		1,800	2,351	10,560	39,725
<u>650,525</u>	<u>161,041</u>	<u>84,166</u>	<u>138,919</u>	<u>564,747</u>	<u>107,010</u>
<u>1,949</u>	<u>434</u>	<u>273</u>	<u>350</u>	<u>1,662</u>	
(1,949)	(434)	(273)	(350)	(1,662)	
<u>(1,949)</u>	<u>(434)</u>	<u>(273)</u>	<u>(350)</u>	<u>(1,662)</u>	
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	Other Federal Projects	State Vocational Education	Other State Projects
<b>Revenues:</b>			
Other local	\$ 10,328	\$	\$
State aid and grants		57,073	96,396
Federal aid, grants and reimbursements	1,260,733		
<b>Total revenues</b>	<u>1,271,061</u>	<u>57,073</u>	<u>96,396</u>
<b>Expenditures:</b>			
Current -			
Instruction	500,998	16,014	313
Support services - students and staff	134,518	27,824	96,083
Support services - administration	10,551		
Operation and maintenance of plant services	54,877		
Student transportation services	8,898		
Operation of non-instructional services			
Capital outlay	294,551	13,235	
<b>Total expenditures</b>	<u>1,004,393</u>	<u>57,073</u>	<u>96,396</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>266,668</u>		
<b>Other financing sources (uses):</b>			
Transfers out	(283)		
<b>Total other financing sources (uses):</b>	<u>(283)</u>		
<b>Changes in fund balances</b>	<u>266,385</u>		
<b>Fund balances, beginning of year</b>	38,757		
Increase (decrease) in reserve for inventory			
<b>Fund balances, end of year</b>	<u>\$ 305,142</u>	<u>\$</u>	<u>\$</u>

Food Service	Civic Center	Community School	Extracurricular Activities Fees Tax Credit	Gifts and Donations	Fingerprint
\$ 340,440	\$ 52,888	\$	\$ 49,787	\$ 112,382	\$ 3,504
1,407,813					
<u>1,748,253</u>	<u>52,888</u>		<u>49,787</u>	<u>112,382</u>	<u>3,504</u>
			33,760	45,484	
				7,147	
				3,580	3,237
	18,572			727	
1,608,077				23,500	
63,350			8,915	38,668	
<u>1,671,427</u>	<u>18,572</u>		<u>42,675</u>	<u>119,106</u>	<u>3,237</u>
76,826	34,316		7,112	(6,724)	267
(15,150)					
<u>(15,150)</u>					
61,676	34,316		7,112	(6,724)	267
311,773	123,870	6,384	77,916	107,136	341
16,238					
<u>\$ 389,687</u>	<u>\$ 158,186</u>	<u>\$ 6,384</u>	<u>\$ 85,028</u>	<u>\$ 100,412</u>	<u>\$ 608</u>

(Continued)

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	Insurance Proceeds	Textbooks	Litigation Recovery
<b>Revenues:</b>			
Other local	\$ 14,899	\$ 2,517	\$ 266
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>14,899</u>	<u>2,517</u>	<u>266</u>
<b>Expenditures:</b>			
Current -			
Instruction		3,315	
Support services - students and staff		2,365	23,856
Support services - administration			1,622
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	966		25,994
<b>Total expenditures</b>	<u>966</u>	<u>5,680</u>	<u>51,472</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>13,933</u>	<u>(3,163)</u>	<u>(51,206)</u>
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>13,933</u>	<u>(3,163)</u>	<u>(51,206)</u>
<b>Fund balances, beginning of year</b>	8,674	12,422	95,645
Increase (decrease) in reserve for inventory			
<b>Fund balances, end of year</b>	<u>\$ 22,607</u>	<u>\$ 9,259</u>	<u>\$ 44,439</u>

Insurance Refund	Joint Technical Education	Totals
\$ 14,838	\$ 185,486	\$ 788,073
		1,073,039
		4,379,622
<u>14,838</u>	<u>185,486</u>	<u>6,240,734</u>
	100,946	3,092,498
1,986	15,981	1,045,380
		44,148
	22,003	96,262
	11,257	24,858
		1,632,300
	32,947	533,573
<u>1,986</u>	<u>183,134</u>	<u>6,469,019</u>
<u>12,852</u>	<u>2,352</u>	<u>(228,285)</u>
		(20,101)
		<u>(20,101)</u>
<u>12,852</u>	<u>2,352</u>	<u>(248,386)</u>
24		1,550,986
		16,238
<u>\$ 12,876</u>	<u>\$ 2,352</u>	<u>\$ 1,318,838</u>

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	Classroom Site		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 41	\$ 41
State aid and grants	1,514,000	794,255	(719,745)
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>1,514,000</u>	<u>794,296</u>	<u>(719,704)</u>
<b>Expenditures:</b>			
Current -			
Instruction	1,766,903	1,232,354	534,549
Support services - students and staff	25,000	125,706	(100,706)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>1,791,903</u>	<u>1,358,060</u>	<u>433,843</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(277,903)</u>	<u>(563,764)</u>	<u>(285,861)</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(277,903)</u>	<u>(563,764)</u>	<u>(285,861)</u>
<b>Fund balances, beginning of year</b>		579,861	579,861
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (277,903)</u>	<u>\$ 16,097</u>	<u>\$ 294,000</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 150,000	\$ 174 125,315	\$ 174 (24,685)	\$ 100	\$ 523	\$ 523 (100)
<u>150,000</u>	<u>125,489</u>	<u>(24,511)</u>	<u>100</u>	<u>523</u>	<u>423</u>
500,000	171,677	328,323	13,000		13,000
<u>500,000</u>	<u>171,677</u>	<u>328,323</u>	<u>13,000</u>		<u>13,000</u>
<u>(350,000)</u>	<u>(46,188)</u>	<u>303,812</u>	<u>(12,900)</u>	<u>523</u>	<u>13,423</u>
<u>(350,000)</u>	<u>(46,188)</u>	<u>303,812</u>	<u>(12,900)</u>	<u>523</u>	<u>13,423</u>
	177,498	177,498		10,685	10,685
<u>\$ (350,000)</u>	<u>\$ 131,310</u>	<u>\$ 481,310</u>	<u>\$ (12,900)</u>	<u>\$ 11,208</u>	<u>\$ 24,108</u>

(Continued)



**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	Structured English Immersion		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current -			
Instruction	1,000		1,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	1,000		1,000
<b>Excess (deficiency) of revenues over expenditures</b>	(1,000)		1,000
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(1,000)		1,000
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (1,000)	\$	\$ 1,000

Compensatory Instruction			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				652,474	652,474
				652,474	652,474
20,000		20,000	572,620	435,351	137,269
			368,075	279,840	88,235
			23,411	17,799	5,612
			951	723	228
			672	511	161
20,000		20,000	965,729	734,224	231,505
(20,000)		20,000	(965,729)	(81,750)	883,979
			(1,949)	(1,949)	
			(1,949)	(1,949)	
(20,000)		20,000	(967,678)	(83,699)	883,979
\$ (20,000)	\$	\$ 20,000	\$ (967,678)	\$ (83,699)	\$ 883,979

(Continued)

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	Professional Development and Technology Grants		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		161,475	161,475
<b>Total revenues</b>		<u>161,475</u>	<u>161,475</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff	206,904	170,231	36,673
Support services - administration	2,956	2,432	524
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>209,860</u>	<u>172,663</u>	<u>37,197</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(209,860)</u>	<u>(11,188)</u>	<u>198,672</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	(434)	(434)	
<b>Total other financing sources (uses):</b>	<u>(434)</u>	<u>(434)</u>	
<b>Changes in fund balances</b>	<u>(210,294)</u>	<u>(11,622)</u>	<u>198,672</u>
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (210,294)</u>	<u>\$ (11,622)</u>	<u>\$ 198,672</u>

Title IV Grants			Promote Informed Parent Choice		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				84,439	84,439
				84,439	84,439
18,600		18,600	61,583	54,133	7,450
			45,340	39,855	5,485
			2,048	1,800	248
18,600		18,600	108,971	95,788	13,183
(18,600)		18,600	(108,971)	(11,349)	97,622
			(273)	(273)	
			(273)	(273)	
(18,600)		18,600	(109,244)	(11,622)	97,622
\$ (18,600)	\$	\$ 18,600	\$ (109,244)	\$ (11,622)	\$ 97,622

(Continued)

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	Limited English & Immigrant Students		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		139,269	139,269
<b>Total revenues</b>		<u>139,269</u>	<u>139,269</u>
<b>Expenditures:</b>			
Current -			
Instruction	122,354	54,887	67,467
Support services - students and staff	187,212	83,982	103,230
Support services - administration	3,321	1,490	1,831
Operation and maintenance of plant services	185	83	102
Student transportation services			
Operation of non-instructional services			
Capital outlay	5,241	2,351	2,890
<b>Total expenditures</b>	<u>318,313</u>	<u>142,793</u>	<u>175,520</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(318,313)</u>	<u>(3,524)</u>	<u>314,789</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	(350)	(350)	
<b>Total other financing sources (uses):</b>	<u>(350)</u>	<u>(350)</u>	
<b>Changes in fund balances</b>	<u>(318,663)</u>	<u>(3,874)</u>	<u>314,789</u>
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (318,663)</u>	<u>\$ (3,874)</u>	<u>\$ 314,789</u>

Special Education Grants			Johnson O'Malley		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	566,409	566,409			
	566,409	566,409			
543,788	521,522	22,266	9,005		9,005
82,622	79,239	3,383			
4,012	3,848	164			
4,904	4,703	201			
11,011	10,560	451			
646,337	619,872	26,465	9,005		9,005
(646,337)	(53,463)	592,874	(9,005)		9,005
(1,662)	(1,662)				
(1,662)	(1,662)				
(647,999)	(55,125)	592,874	(9,005)		9,005
\$ (647,999)	\$ (55,125)	\$ 592,874	\$ (9,005)	\$	\$ 9,005

(Continued)

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		107,010	107,010
<b>Total revenues</b>		<u>107,010</u>	<u>107,010</u>
<b>Expenditures:</b>			
Current -			
Instruction	76,646	65,077	11,569
Support services - students and staff	2,601	2,208	393
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	46,787	39,725	7,062
<b>Total expenditures</b>	<u>126,034</u>	<u>107,010</u>	<u>19,024</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(126,034)</u>		<u>126,034</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(126,034)</u>		<u>126,034</u>
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (126,034)</u>	<u>\$</u>	<u>\$ 126,034</u>

Medicaid Reimbursement			Other Federal Projects		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 821	\$ 821	\$	\$ 10,328	\$ 10,328
	132,802	132,802		1,260,733	1,260,733
	133,623	133,623		1,271,061	1,271,061
49,223	21,474	27,749	1,019,990	562,867	457,123
131,011	57,154	73,857	250,785	138,392	112,393
			19,120	10,551	8,569
			99,444	54,877	44,567
			16,124	8,898	7,226
2,466	1,076	1,390	533,766	294,551	239,215
182,700	79,704	102,996	1,939,229	1,070,136	869,093
(182,700)	53,919	236,619	(1,939,229)	200,925	2,140,154
			(283)	(283)	
			(283)	(283)	
(182,700)	53,919	236,619	(1,939,512)	200,642	2,140,154
	132,475	132,475		38,757	38,757
\$ (182,700)	\$ 186,394	\$ 369,094	\$ (1,939,512)	\$ 239,399	\$ 2,178,911

(Continued)



**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants		57,073	57,073
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>57,073</u>	<u>57,073</u>
<b>Expenditures:</b>			
Current -			
Instruction	18,745	16,014	2,731
Support services - students and staff	32,568	27,824	4,744
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	15,492	13,235	2,257
<b>Total expenditures</b>	<u>66,805</u>	<u>57,073</u>	<u>9,732</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(66,805)</u>		<u>66,805</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(66,805)</u>		<u>66,805</u>
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (66,805)</u>	<u>\$</u>	<u>\$ 66,805</u>

Chemical Abuse Prevention Programs			Gifted		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
2,046		2,046	838		838
2,046		2,046	838		838
(2,046)		2,046	(838)		838
(2,046)		2,046	(838)		838
\$ (2,046)	\$	\$ 2,046	\$ (838)	\$	\$ 838

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	Environmental Special Plate		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current -			
Instruction	5,000		5,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	5,000		5,000
<b>Excess (deficiency) of revenues over expenditures</b>	(5,000)		5,000
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(5,000)		5,000
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (5,000)	\$	\$ 5,000

Other State Projects			School Plant		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	96,396	96,396	3,300	1,715	(1,585)
	96,396	96,396	3,300	1,715	(1,585)
363	313	50			
125,077	107,705	17,372			
			430,000	2,793	427,207
125,440	108,018	17,422	430,000	2,793	427,207
(125,440)	(11,622)	113,818	(426,700)	(1,078)	425,622
(125,440)	(11,622)	113,818	(426,700)	(1,078)	425,622
				369,069	369,069
\$ (125,440)	\$ (11,622)	\$ 113,818	\$ (426,700)	\$ 367,991	\$ 794,691

(Continued)

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	Food Service		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 340,440	\$ 340,440
State aid and grants			
Federal aid, grants and reimbursements	1,800,000	1,407,813	(392,187)
<b>Total revenues</b>	<u>1,800,000</u>	<u>1,748,253</u>	<u>(51,747)</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	1,803,790	1,608,077	195,713
Capital outlay	71,060	63,350	7,710
<b>Total expenditures</b>	<u>1,874,850</u>	<u>1,671,427</u>	<u>203,423</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(74,850)</u>	<u>76,826</u>	<u>151,676</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	(15,150)	(15,150)	
<b>Total other financing sources (uses):</b>	<u>(15,150)</u>	<u>(15,150)</u>	
<b>Changes in fund balances</b>	<u>(90,000)</u>	<u>61,676</u>	<u>151,676</u>
<b>Fund balances, beginning of year</b>		311,773	311,773
Increase (decrease) in reserve for inventory		16,238	16,238
<b>Fund balances (deficits), end of year</b>	<u>\$ (90,000)</u>	<u>\$ 389,687</u>	<u>\$ 479,687</u>

Civic Center			Community School		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$ 10,000	\$ 52,888	\$ 42,888	\$	\$	\$
<u>10,000</u>	<u>52,888</u>	<u>42,888</u>	<u></u>	<u></u>	<u></u>
			10,000		10,000
169,800	18,572	151,228			
<u>169,800</u>	<u>18,572</u>	<u>151,228</u>	<u>10,000</u>	<u></u>	<u>10,000</u>
<u>(159,800)</u>	<u>34,316</u>	<u>194,116</u>	<u>(10,000)</u>	<u></u>	<u>10,000</u>
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<u>(159,800)</u>	<u>34,316</u>	<u>194,116</u>	<u>(10,000)</u>	<u></u>	<u>10,000</u>
	123,870	123,870		6,384	6,384
<u>\$ (159,800)</u>	<u>\$ 158,186</u>	<u>\$ 317,986</u>	<u>\$ (10,000)</u>	<u>\$ 6,384</u>	<u>\$ 16,384</u>

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$ 5,000	\$ 122,784	\$ 117,784
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>5,000</u>	<u>122,784</u>	<u>117,784</u>
<b>Expenditures:</b>			
Current -			
Instruction	11,800	124,376	(112,576)
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>11,800</u>	<u>124,376</u>	<u>(112,576)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(6,800)</u>	<u>(1,592)</u>	<u>5,208</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(6,800)</u>	<u>(1,592)</u>	<u>5,208</u>
<b>Fund balances, beginning of year</b>		31,824	31,824
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (6,800)</u>	<u>\$ 30,232</u>	<u>\$ 37,032</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 50,000	\$ 49,787	\$ (213)	\$ 100,000	\$ 112,382	\$ 12,382
<u>50,000</u>	<u>49,787</u>	<u>(213)</u>	<u>100,000</u>	<u>112,382</u>	<u>12,382</u>
98,887	33,760	65,127	66,994	45,484	21,510
			10,527	7,147	3,380
			5,273	3,580	1,693
			1,071	727	344
			34,613	23,500	11,113
<u>26,113</u>	<u>8,915</u>	<u>17,198</u>	<u>56,954</u>	<u>38,668</u>	<u>18,286</u>
<u>125,000</u>	<u>42,675</u>	<u>82,325</u>	<u>175,432</u>	<u>119,106</u>	<u>56,326</u>
<u>(75,000)</u>	<u>7,112</u>	<u>82,112</u>	<u>(75,432)</u>	<u>(6,724)</u>	<u>68,708</u>
<u>(75,000)</u>	<u>7,112</u>	<u>82,112</u>	<u>(75,432)</u>	<u>(6,724)</u>	<u>68,708</u>
	77,916	77,916		107,136	107,136
<u>\$ (75,000)</u>	<u>\$ 85,028</u>	<u>\$ 160,028</u>	<u>\$ (75,432)</u>	<u>\$ 100,412</u>	<u>\$ 175,844</u>

(Continued)



**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	Fingerprint		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$ 5,000	\$ 3,504	\$ (1,496)
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>5,000</u>	<u>3,504</u>	<u>(1,496)</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	3,000	3,237	(237)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>3,000</u>	<u>3,237</u>	<u>(237)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>2,000</u>	<u>267</u>	<u>(1,733)</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>2,000</u>	<u>267</u>	<u>(1,733)</u>
<b>Fund balances, beginning of year</b>		341	341
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ 2,000</u>	<u>\$ 608</u>	<u>\$ (1,392)</u>

Insurance Proceeds			Textbooks		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 20,000	\$ 14,899	\$ (5,101)	\$ 1,500	\$ 2,517	\$ 1,017
<u>20,000</u>	<u>14,899</u>	<u>(5,101)</u>	<u>1,500</u>	<u>2,517</u>	<u>1,017</u>
			5,040	3,315	1,725
			3,595	2,365	1,230
<u>30,000</u>	<u>966</u>	<u>29,034</u>			
<u>30,000</u>	<u>966</u>	<u>29,034</u>	<u>8,635</u>	<u>5,680</u>	<u>2,955</u>
<u>(10,000)</u>	<u>13,933</u>	<u>23,933</u>	<u>(7,135)</u>	<u>(3,163)</u>	<u>3,972</u>
<u>(10,000)</u>	<u>13,933</u>	<u>23,933</u>	<u>(7,135)</u>	<u>(3,163)</u>	<u>3,972</u>
	8,674	8,674		12,422	12,422
<u>\$ (10,000)</u>	<u>\$ 22,607</u>	<u>\$ 32,607</u>	<u>\$ (7,135)</u>	<u>\$ 9,259</u>	<u>\$ 16,394</u>

(Continued)

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	Litigation Recovery		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$ 10,000	\$ 266	\$ (9,734)
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>10,000</u>	<u>266</u>	<u>(9,734)</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff	46,348	23,856	22,492
Support services - administration	3,151	1,622	1,529
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	50,501	25,994	24,507
<b>Total expenditures</b>	<u>100,000</u>	<u>51,472</u>	<u>48,528</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(90,000)</u>	<u>(51,206)</u>	<u>38,794</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(90,000)</u>	<u>(51,206)</u>	<u>38,794</u>
<b>Fund balances, beginning of year</b>		95,645	95,645
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (90,000)</u>	<u>\$ 44,439</u>	<u>\$ 134,439</u>

Indirect Costs			Insurance Refund		
<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$ 30,000	\$ 4,475	\$ (25,525)	\$	\$ 14,838	\$ 14,838
<u>30,000</u>	<u>4,475</u>	<u>(25,525)</u>	<u></u>	<u>14,838</u>	<u>14,838</u>
80,134	23,026	57,108	15,000	1,986	13,014
<u>119,866</u>	<u>34,443</u>	<u>85,423</u>	<u></u>	<u></u>	<u></u>
<u>200,000</u>	<u>57,469</u>	<u>142,531</u>	<u>15,000</u>	<u>1,986</u>	<u>13,014</u>
<u>(170,000)</u>	<u>(52,994)</u>	<u>117,006</u>	<u>(15,000)</u>	<u>12,852</u>	<u>27,852</u>
20,101	20,101				
<u>20,101</u>	<u>20,101</u>	<u></u>	<u></u>	<u></u>	<u></u>
<u>(149,899)</u>	<u>(32,893)</u>	<u>117,006</u>	<u>(15,000)</u>	<u>12,852</u>	<u>27,852</u>
	191,991	191,991		24	24
<u>\$ (149,899)</u>	<u>\$ 159,098</u>	<u>\$ 308,997</u>	<u>\$ (15,000)</u>	<u>\$ 12,876</u>	<u>\$ 27,876</u>

(Continued)

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	Advertisement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$ 500	\$ 63	\$ (437)
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>500</u>	<u>63</u>	<u>(437)</u>
<b>Expenditures:</b>			
Current -			
Instruction	20,000	915	19,085
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>20,000</u>	<u>915</u>	<u>19,085</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(19,500)</u>	<u>(852)</u>	<u>18,648</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(19,500)</u>	<u>(852)</u>	<u>18,648</u>
<b>Fund balances, beginning of year</b>		14,383	14,383
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (19,500)</u>	<u>\$ 13,531</u>	<u>\$ 33,031</u>

Joint Technical Education			Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 185,486	\$ 185,486	\$ 235,300	\$ 917,931	\$ 682,631
			1,664,100	1,073,039	(591,061)
			1,800,000	4,512,424	2,712,424
	185,486	185,486	3,699,400	6,503,394	2,803,994
133,239	106,795	26,444	5,147,664	3,450,314	1,697,350
19,938	15,981	3,957	1,552,603	1,163,471	389,132
			144,378	67,585	76,793
32,672	26,187	6,485	303,172	100,446	202,726
14,045	11,257	2,788	35,073	24,858	10,215
			1,839,354	1,632,300	207,054
41,106	32,947	8,159	1,443,083	571,885	871,198
241,000	193,167	47,833	10,465,327	7,010,859	3,454,468
(241,000)	(7,681)	233,319	(6,765,927)	(507,465)	6,258,462
			20,101	20,101	
			(20,101)	(20,101)	
(241,000)	(7,681)	233,319	(6,765,927)	(507,465)	6,258,462
				2,290,728	2,290,728
				16,238	16,238
\$ (241,000)	\$ (7,681)	\$ 233,319	\$ (6,765,927)	\$ 1,799,501	\$ 8,565,428

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## **DEBT SERVICE FUND**

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

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



**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL DEBT SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	Debt Service		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$ 25,000	\$ 10,817	\$ (14,183)
Property taxes	1,500,000	1,259,230	(240,770)
<b>Total revenues</b>	<u>1,525,000</u>	<u>1,270,047</u>	<u>(254,953)</u>
<b>Expenditures:</b>			
Debt service -			
Principal retirement	995,000	995,000	
Interest and fiscal charges	1,505,000	364,413	1,140,587
<b>Total expenditures</b>	<u>2,500,000</u>	<u>1,359,413</u>	<u>1,140,587</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(975,000)</u>	<u>(89,366)</u>	<u>885,634</u>
<b>Other financing sources (uses):</b>			
Transfers in		34,557	34,557
<b>Total other financing sources (uses):</b>		<u>34,557</u>	<u>34,557</u>
<b>Changes in fund balances</b>	<u>(975,000)</u>	<u>(54,809)</u>	<u>920,191</u>
<b>Fund balances, beginning of year</b>		1,829,177	1,829,177
<b>Fund balances (deficits), end of year</b>	<u>\$ (975,000)</u>	<u>\$ 1,774,368</u>	<u>\$ 2,749,368</u>

## CAPITAL PROJECTS FUNDS

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

**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.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2011**

	<u>Adjacent Ways</u>	<u>Bond Building</u>	<u>Building Renewal</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 76,004	\$ 518,103	\$ 521
Due from governmental entities			103,893
<b>Total assets</b>	<u>\$ 76,004</u>	<u>\$ 518,103</u>	<u>\$ 104,414</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Construction contracts payable	\$	\$ 187,283	\$ 177,025
<b>Total liabilities</b>	<u></u>	<u>187,283</u>	<u>177,025</u>
Fund balances (deficits):			
Restricted	76,004	330,820	
Unassigned			(72,611)
<b>Total fund balances</b>	<u>76,004</u>	<u>330,820</u>	<u>(72,611)</u>
<b>Total liabilities and fund balances</b>	<u>\$ 76,004</u>	<u>\$ 518,103</u>	<u>\$ 104,414</u>

New School Facilities	Totals
\$ 490	\$ 595,118
	103,893
<u>\$ 490</u>	<u>\$ 699,011</u>

<u>\$</u>	<u>\$ 364,308</u>
	364,308

490	407,314
	(72,611)
<u>490</u>	<u>334,703</u>
<u>\$ 490</u>	<u>\$ 699,011</u>

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	<u>Adjacent Ways</u>	<u>Bond Building</u>	<u>Building Renewal</u>
<b>Revenues:</b>			
Other local	\$ 443	\$ 3,164	\$ 3
Property taxes	11,970		
State aid and grants			103,893
<b>Total revenues</b>	<u>12,413</u>	<u>3,164</u>	<u>103,896</u>
<b>Expenditures:</b>			
Capital outlay	<u>97,484</u>	<u>478,000</u>	<u>177,025</u>
<b>Total expenditures</b>	<u>97,484</u>	<u>478,000</u>	<u>177,025</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(85,071)</u>	<u>(474,836)</u>	<u>(73,129)</u>
<b>Other financing sources (uses):</b>			
Transfers out	<u></u>	<u>(34,557)</u>	<u></u>
<b>Total other financing sources (uses):</b>	<u></u>	<u>(34,557)</u>	<u></u>
<b>Changes in fund balances</b>	<u>(85,071)</u>	<u>(509,393)</u>	<u>(73,129)</u>
<b>Fund balances, beginning of year</b>	161,075	840,213	518
<b>Fund balances (deficits), end of year</b>	<u>\$ 76,004</u>	<u>\$ 330,820</u>	<u>\$ (72,611)</u>

New School Facilities	Totals
\$ 310	\$ 3,920
	11,970
	103,893
<u>310</u>	<u>119,783</u>
 785	 753,294
<u>785</u>	<u>753,294</u>
 (475)	 (633,511)
  	 (34,557)
  	 (34,557)
 (475)	 (668,068)
 965	 1,002,771
<u>\$ 490</u>	<u>\$ 334,703</u>

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$ 30,000	\$ 36,767	\$ 6,767
Property taxes	82,680	372,430	289,750
State aid and grants	547,320	666,163	118,843
<b>Total revenues</b>	<u>660,000</u>	<u>1,075,360</u>	<u>415,360</u>
<b>Expenditures:</b>			
Capital outlay	2,657,563	28,178	2,629,385
Debt service -			
Principal retirement	55,892	55,892	
Interest and fiscal charges	10,568	10,568	
<b>Total expenditures</b>	<u>2,724,023</u>	<u>94,638</u>	<u>2,629,385</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,064,023)</u>	<u>980,722</u>	<u>3,044,745</u>
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(2,064,023)</u>	<u>980,722</u>	<u>3,044,745</u>
<b>Fund balances, beginning of year</b>		3,002,637	3,002,637
Increase (decrease) in reserve for prepaid items		(28,281)	(28,281)
<b>Fund balances (deficits), end of year</b>	<u>\$ (2,064,023)</u>	<u>\$ 3,955,078</u>	<u>\$ 6,019,101</u>

Adjacent Ways			Soft Capital Allocation		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 5,000	\$ 443	\$ (4,557)	\$ 25,000	\$ 23,225	\$ (1,775)
50,000	11,970	(38,030)	35,725	57,687	21,962
			84,275	81,054	(3,221)
<u>55,000</u>	<u>12,413</u>	<u>(42,587)</u>	<u>145,000</u>	<u>161,966</u>	<u>16,966</u>
250,000	97,484	152,516	215,012	38,408	176,604
			11,998	11,998	
			2,549	2,549	
<u>250,000</u>	<u>97,484</u>	<u>152,516</u>	<u>229,559</u>	<u>52,955</u>	<u>176,604</u>
<u>(195,000)</u>	<u>(85,071)</u>	<u>109,929</u>	<u>(84,559)</u>	<u>109,011</u>	<u>193,570</u>
<u>(195,000)</u>	<u>(85,071)</u>	<u>109,929</u>	<u>(84,559)</u>	<u>109,011</u>	<u>193,570</u>
	161,075	161,075		1,100,596	1,100,596
<u>\$ (195,000)</u>	<u>\$ 76,004</u>	<u>\$ 271,004</u>	<u>\$ (84,559)</u>	<u>\$ 1,209,607</u>	<u>\$ 1,294,166</u>

(Continued)



**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	Bond Building		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 3,164	\$ 3,164
Property taxes			
State aid and grants			
<b>Total revenues</b>		<u>3,164</u>	<u>3,164</u>
<b>Expenditures:</b>			
Capital outlay	1,302,000	478,000	824,000
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>1,302,000</u>	<u>478,000</u>	<u>824,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,302,000)</u>	<u>(474,836)</u>	<u>827,164</u>
<b>Other financing sources (uses):</b>			
Transfers out		(34,557)	(34,557)
<b>Total other financing sources (uses):</b>		<u>(34,557)</u>	<u>(34,557)</u>
<b>Changes in fund balances</b>	<u>(1,302,000)</u>	<u>(509,393)</u>	<u>792,607</u>
<b>Fund balances, beginning of year</b>		840,213	840,213
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	<u>\$ (1,302,000)</u>	<u>\$ 330,820</u>	<u>\$ 1,632,820</u>

Building Renewal			New School Facilities		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 3	\$ 3	\$	\$ 310	\$ 310
180,000	103,893	(76,107)			
180,000	103,896	(76,104)		310	310
184,000	177,025	6,975	1,000	785	215
184,000	177,025	6,975	1,000	785	215
(4,000)	(73,129)	(69,129)	(1,000)	(475)	525
(4,000)	(73,129)	(69,129)	(1,000)	(475)	525
	518	518		965	965
\$ (4,000)	\$ (72,611)	\$ (68,611)	\$ (1,000)	\$ 490	\$ 1,490

(Continued)

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$ 60,000	\$ 63,912	\$ 3,912
Property taxes	168,405	442,087	273,682
State aid and grants	811,595	851,110	39,515
<b>Total revenues</b>	<u>1,040,000</u>	<u>1,357,109</u>	<u>317,109</u>
<b>Expenditures:</b>			
Capital outlay	4,609,575	819,880	3,789,695
Debt service -			
Principal retirement	67,890	67,890	
Interest and fiscal charges	13,117	13,117	
<b>Total expenditures</b>	<u>4,690,582</u>	<u>900,887</u>	<u>3,789,695</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,650,582)</u>	<u>456,222</u>	<u>4,106,804</u>
<b>Other financing sources (uses):</b>			
Transfers out		(34,557)	(34,557)
<b>Total other financing sources (uses):</b>		<u>(34,557)</u>	<u>(34,557)</u>
<b>Changes in fund balances</b>	<u>(3,650,582)</u>	<u>421,665</u>	<u>4,072,247</u>
<b>Fund balances, beginning of year</b>		5,106,004	5,106,004
Increase (decrease) in reserve for prepaid items		(28,281)	(28,281)
<b>Fund balances (deficits), end of year</b>	<u>\$ (3,650,582)</u>	<u>\$ 5,499,388</u>	<u>\$ 9,149,970</u>

## **AGENCY FUNDS**

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

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

**State Retirement Clearing** - to account for payroll deductions to be remitted to the Arizona State Retirement System temporarily held by the District as an agent.

**Federal Withholding** - to account for payroll deductions to be remitted to the Federal government temporarily held by the District as an agent.

**Direct Deposit** - to account for employee payroll checks temporarily held by the District as an agent.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2011**

	Student Activities	Employee Insurance	State Retirement Clearing
<b><u>ASSETS</u></b>			
Cash and investments	\$ 119,072	\$ 338,024	\$ 9
<b>Total assets</b>	<u>\$ 119,072</u>	<u>\$ 338,024</u>	<u>\$ 9</u>
<b><u>LIABILITIES</u></b>			
Deposits held for others	\$	\$ 338,024	\$ 9
Due to student groups	119,072		
<b>Total liabilities</b>	<u>\$ 119,072</u>	<u>\$ 338,024</u>	<u>\$ 9</u>

Totals	
\$	457,105
\$	457,105

\$	338,033
	119,072
\$	457,105

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b><u>STUDENT ACTIVITIES FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ <u>112,538</u>	\$ <u>254,886</u>	\$ <u>248,352</u>	\$ <u>119,072</u>
Total assets	\$ <u><u>112,538</u></u>	\$ <u><u>254,886</u></u>	\$ <u><u>248,352</u></u>	\$ <u><u>119,072</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>112,538</u>	\$ <u>254,886</u>	\$ <u>248,352</u>	\$ <u>119,072</u>
Total liabilities	\$ <u><u>112,538</u></u>	\$ <u><u>254,886</u></u>	\$ <u><u>248,352</u></u>	\$ <u><u>119,072</u></u>
<b><u>EMPLOYEE INSURANCE FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ <u>71,075</u>	\$ <u>436,154</u>	\$ <u>169,205</u>	\$ <u>338,024</u>
Total assets	\$ <u><u>71,075</u></u>	\$ <u><u>436,154</u></u>	\$ <u><u>169,205</u></u>	\$ <u><u>338,024</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>71,075</u>	\$ <u>436,154</u>	\$ <u>169,205</u>	\$ <u>338,024</u>
Total liabilities	\$ <u><u>71,075</u></u>	\$ <u><u>436,154</u></u>	\$ <u><u>169,205</u></u>	\$ <u><u>338,024</u></u>
<b><u>STATE RETIREMENT CLEARING FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ <u>158,702</u>	\$ <u>2,762,458</u>	\$ <u>2,921,151</u>	\$ <u>9</u>
Total assets	\$ <u><u>158,702</u></u>	\$ <u><u>2,762,458</u></u>	\$ <u><u>2,921,151</u></u>	\$ <u><u>9</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>158,702</u>	\$ <u>2,762,458</u>	\$ <u>2,921,151</u>	\$ <u>9</u>
Total liabilities	\$ <u><u>158,702</u></u>	\$ <u><u>2,762,458</u></u>	\$ <u><u>2,921,151</u></u>	\$ <u><u>9</u></u>

	<b><u>Beginning Balance</u></b>	<b><u>Additions</u></b>	<b><u>Deductions</u></b>	<b><u>Ending Balance</u></b>
<b><u>FEDERAL WITHHOLDING FUND</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ _____	\$ <u>3,494,395</u>	\$ <u>3,494,395</u>	\$ _____
Total assets	\$ _____	\$ <u>3,494,395</u>	\$ <u>3,494,395</u>	\$ _____
<b><u>Liabilities</u></b>				
Deposits held for others	\$ _____	\$ <u>3,494,395</u>	\$ <u>3,494,395</u>	\$ _____
Total liabilities	\$ _____	\$ <u>3,494,395</u>	\$ <u>3,494,395</u>	\$ _____
<b><u>DIRECT DEPOSIT FUND</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ _____	\$ <u>15,734,123</u>	\$ <u>15,734,123</u>	\$ _____
Total assets	\$ _____	\$ <u>15,734,123</u>	\$ <u>15,734,123</u>	\$ _____
<b><u>Liabilities</u></b>				
Deposits held for others	\$ _____	\$ <u>15,734,123</u>	\$ <u>15,734,123</u>	\$ _____
Total liabilities	\$ _____	\$ <u>15,734,123</u>	\$ <u>15,734,123</u>	\$ _____
<b><u>TOTAL AGENCY FUNDS</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ <u>342,315</u>	\$ <u>22,682,016</u>	\$ <u>22,567,226</u>	\$ <u>457,105</u>
Total assets	\$ <u>342,315</u>	\$ <u>22,682,016</u>	\$ <u>22,567,226</u>	\$ <u>457,105</u>
<b><u>Liabilities</u></b>				
Deposits held for others	\$ <u>229,777</u>	\$ <u>22,427,130</u>	\$ <u>22,318,874</u>	\$ <u>338,033</u>
Due to student groups	<u>112,538</u>	<u>254,886</u>	<u>248,352</u>	<u>119,072</u>
Total liabilities	\$ <u>342,315</u>	\$ <u>22,682,016</u>	\$ <u>22,567,226</u>	\$ <u>457,105</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.

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

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**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NET ASSETS BY COMPONENT**  
**LAST NINE FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b>Net Assets:</b>					
Invested in capital assets, net of related debt	\$ 37,270,913	\$ 37,108,301	\$ 37,630,822	\$ 33,928,318	\$ 29,627,047
Restricted	7,417,337	6,437,540	5,475,472	4,446,463	3,006,021
Unrestricted	15,706,115	12,007,266	6,611,411	7,435,758	7,529,517
Total net assets	<u>\$ 60,394,365</u>	<u>\$ 55,553,107</u>	<u>\$ 49,717,705</u>	<u>\$ 45,810,539</u>	<u>\$ 40,162,585</u>

	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	\$ 28,409,474	\$ 27,259,652	\$ 24,668,581	\$ 15,261,406
Restricted	1,914,843	2,311,798	1,928,205	3,112,424
Unrestricted	7,306,402	5,506,837	6,056,693	6,426,038
Total net assets	<u>\$ 37,630,719</u>	<u>\$ 35,078,287</u>	<u>\$ 32,653,479</u>	<u>\$ 24,799,868</u>

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

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST NINE FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b>Expenses</b>					
Instruction	\$ 13,732,409	\$ 14,118,196	\$ 14,970,015	\$ 16,270,680	\$ 14,412,039
Support services - students and staff	3,501,100	3,345,893	3,479,221	3,126,917	2,288,847
Support services - administration	1,970,869	2,107,260	2,197,992	2,587,306	2,274,103
Operation and maintenance of plant services	2,607,645	2,509,099	2,723,738	2,659,926	2,206,998
Student transportation services	1,858,397	1,958,552	2,110,630	3,319,512	1,944,079
Operation of non-instructional services	1,654,683	1,673,855	1,876,773	1,801,911	1,496,647
Interest on long-term debt	377,530	413,437	586,052	533,750	322,573
Total expenses	<u>25,702,633</u>	<u>26,126,292</u>	<u>27,944,421</u>	<u>30,300,002</u>	<u>24,945,286</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	268,777	25,263	34,872	29,363	123,961
Operation of non-instructional services	461,084	470,397	491,373	473,296	471,416
Other activities	52,219	13,923	169,436	107,452	45,303
Operating grants and contributions	4,514,364	4,458,640	3,512,962	3,660,091	3,094,764
Capital grants and contributions	362,734	224,253	125,593	138,459	429,290
Total program revenues	<u>5,659,178</u>	<u>5,192,476</u>	<u>4,334,236</u>	<u>4,408,661</u>	<u>4,164,734</u>
<b>Net (Expense)/Revenue</b>	<u><u>\$ (20,043,455)</u></u>	<u><u>\$ (20,933,816)</u></u>	<u><u>\$ (23,610,185)</u></u>	<u><u>\$ (25,891,341)</u></u>	<u><u>\$ (20,780,552)</u></u>

(Continued)

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST NINE FISCAL YEARS**  
**(Accrual basis of accounting)**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Expenses</b>				
Instruction	\$ 13,389,876	\$ 11,888,948	\$ 11,054,619	\$ 9,640,732
Support services - students and staff	2,271,436	2,009,695	1,790,159	1,164,448
Support services - administration	2,120,317	1,894,359	1,877,227	1,500,213
Operation and maintenance of plant services	1,942,231	1,637,921	1,965,543	1,409,750
Student transportation services	1,642,113	1,443,455	1,339,002	1,144,895
Operation of non-instructional services	1,453,162	1,502,113	1,249,295	1,162,040
Interest on long-term debt	341,482	424,276	517,914	743,962
Total expenses	<u>23,160,617</u>	<u>20,800,767</u>	<u>19,793,759</u>	<u>16,766,040</u>
<b>Program Revenues</b>				
Charges for services:				
Instruction	63,278	144,984	43,941	128,978
Operation of non-instructional services	391,879	399,684	326,880	255,713
Other activities	78,234	55,071	37,347	22,140
Operating grants and contributions	3,624,484	3,278,023	2,614,107	2,199,847
Capital grants and contributions	612,026	122,406	296,626	48,783
Total program revenues	<u>4,769,901</u>	<u>4,000,168</u>	<u>3,318,901</u>	<u>2,655,461</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (18,390,716)</u>	<u>\$ (16,800,599)</u>	<u>\$ (16,474,858)</u>	<u>\$ (14,110,579)</u>

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

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS**  
**LAST NINE FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b>Net (Expense)/Revenue</b>	\$ (20,043,455)	\$ (20,933,816)	\$ (23,610,185)	\$ (25,891,341)	\$ (20,780,552)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	9,022,918	8,349,537	6,288,353	5,223,908	3,914,635
Property taxes, levied for debt service	1,168,528	1,491,052	2,620,766	2,687,416	1,934,917
Property taxes, levied for capital outlay	418,924	575,920	365,547	96,828	344,700
Investment income/(loss)	68,988	182,265	324,510	214,073	187,765
Unrestricted county aid	425,737	375,955		228,489	17,055
Unrestricted state aid	13,619,103	13,877,937	17,918,175	23,088,581	16,913,346
Unrestricted federal aid	160,515	1,916,552			
<b>Total general revenues</b>	<b><u>24,884,713</u></b>	<b><u>26,769,218</u></b>	<b><u>27,517,351</u></b>	<b><u>31,539,295</u></b>	<b><u>23,312,418</u></b>
<b>Changes in Net Assets</b>	<b><u>\$ 4,841,258</u></b>	<b><u>\$ 5,835,402</u></b>	<b><u>\$ 3,907,166</u></b>	<b><u>\$ 5,647,954</u></b>	<b><u>\$ 2,531,866</u></b>

(Continued)

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS**  
**LAST NINE FISCAL YEARS**  
**(Accrual basis of accounting)**

	<u><b>2006</b></u>	<u><b>2005</b></u>	<u><b>2004</b></u>	<u><b>2003</b></u>
<b>Net (Expense)/Revenue</b>	\$ (18,390,716)	\$ (16,800,599)	\$ (16,474,858)	\$ (14,110,579)
<b>General Revenues:</b>				
Taxes:				
Property taxes, levied for general purposes	3,781,704	3,415,662	3,022,404	3,498,047
Property taxes, levied for debt service	1,794,019	2,130,321	1,172,798	2,484,854
Property taxes, levied for capital outlay	405,402	482,880	1,453,824	170,320
Investment income/(loss)	125,603	66,642	76,954	(36,443)
Unrestricted county aid	360,556	280,633	268,914	261,072
Unrestricted state aid	14,475,864	12,849,269	18,333,575	16,987,953
Unrestricted federal aid				
<b>Total general revenues</b>	<u>20,943,148</u>	<u>19,225,407</u>	<u>24,328,469</u>	<u>23,365,803</u>
<b>Changes in Net Assets</b>	<u>\$ 2,552,432</u>	<u>\$ 2,424,808</u>	<u>\$ 7,853,611</u>	<u>\$ 9,255,224</u>

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

- Notes:**
- 1) The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 were adopted in fiscal year 2003 therefore only nine years are shown.
  - 2) In fiscal year 2003, investment income included an investment loss due to a loss suffered in the participation of the Local Government Investment Pool.
  - 3) The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.
  - 4) In fiscal years 2010 and 2011, the District received unrestricted federal aid as a result of the American Recovery and Reinvestment Act of 2009.

**(Concluded)**



**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
General Fund:					
Nonspendable	\$ 1,084,444	\$	\$	\$	\$
Restricted					
Committed					
Assigned					
Unassigned	13,057,837				
Reserved		321,281	52,419	280,820	89,609
Unreserved		7,779,795	2,720,366	2,324,347	3,946,600
Total General Fund	<u>\$ 14,142,281</u>	<u>\$ 8,101,076</u>	<u>\$ 2,772,785</u>	<u>\$ 2,605,167</u>	<u>\$ 4,036,209</u>
All Other Governmental Funds:					
Nonspendable	\$ 64,045				
Restricted	7,421,785				
Committed					
Assigned					
Unassigned	(72,611)				
Reserved		\$ 76,088	\$ 26,329	\$ 30,643	\$ 48,188
Unreserved, reported in:					
Special revenue funds		2,242,921	1,854,226	1,762,391	1,314,699
Capital projects funds		5,077,723	6,357,203	9,021,706	7,552,839
Debt service fund		1,829,177	1,629,059	1,072,490	652,167
Total all other governmental funds	<u>\$ 7,413,219</u>	<u>\$ 9,225,909</u>	<u>\$ 9,866,817</u>	<u>\$ 11,887,230</u>	<u>\$ 9,567,893</u>

	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
General Fund:					
Reserved	\$ 56,114	\$ 65,542	\$ 66,582	\$ 37,648	\$ 14,806
Unreserved	3,468,738	1,696,070	1,145,095	1,416,158	177,600
Total General Fund	<u>\$ 3,524,852</u>	<u>\$ 1,761,612</u>	<u>\$ 1,211,677</u>	<u>\$ 1,453,806</u>	<u>\$ 192,406</u>
All Other Governmental Funds:					
Reserved	\$ 29,127	\$ 12,993	\$ 13,171	\$ 28,086	\$ 12,912
Unreserved, reported in:					
Special revenue funds	1,187,634	1,333,791	848,317	530,400	343,499
Capital projects funds	650,609	856,396	652,769	1,284,839	1,039,844
Debt service fund	657,319	480,171	378,296	850,474	344,530
Total all other governmental funds	<u>\$ 2,524,689</u>	<u>\$ 2,683,351</u>	<u>\$ 1,892,553</u>	<u>\$ 2,693,799</u>	<u>\$ 1,740,785</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 new standard replaces the previous reserved, unreserved, and designated fund balance categories with five classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b>Federal sources:</b>					
Federal grants	\$ 2,747,500	\$ 3,096,194	\$ 1,900,165	\$ 1,861,668	\$ 2,246,084
National School Lunch Program	1,407,813	1,330,166	1,287,170	1,240,038	1,087,135
Education Jobs (ARRA)	357,111				
State Fiscal Stabilization (ARRA )	160,515	1,916,552			
Total federal sources	<u>4,672,939</u>	<u>6,342,912</u>	<u>3,187,335</u>	<u>3,101,706</u>	<u>3,333,219</u>
<b>State sources:</b>					
State equalization assistance	12,664,698	12,908,761	14,872,746	16,302,785	14,792,033
State grants	153,469	95,653	259,947	220,108	302,887
School Facilities Board	103,893		2,560,561	4,242,060	533,196
Other revenues	919,570	893,819	1,274,943	1,849,961	1,491,625
Total state sources	<u>13,841,630</u>	<u>13,898,233</u>	<u>18,968,197</u>	<u>22,614,914</u>	<u>17,119,741</u>
<b>Local sources:</b>					
Property taxes	10,575,574	10,124,189	9,130,029	7,714,965	6,680,663
County aid	425,737	375,955		228,489	17,055
Food service sales	338,848	374,455	405,072	393,611	391,382
Investment income/(loss)	68,988	182,265	324,510	214,073	187,765
Other revenues	654,437	296,008	632,853	661,553	249,299
Total local sources	<u>12,063,584</u>	<u>11,352,872</u>	<u>10,492,464</u>	<u>9,212,691</u>	<u>7,526,164</u>
<b>Total revenues</b>	<u>\$ 30,578,153</u>	<u>\$ 31,594,017</u>	<u>\$ 32,647,996</u>	<u>\$ 34,929,311</u>	<u>\$ 27,979,124</u>
	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
<b>Federal sources:</b>					
Federal grants	\$ 2,489,871	\$ 2,097,021	\$ 1,982,738	\$ 1,259,993	\$ 1,060,933
National School Lunch Program	1,108,174	1,156,193	840,005	886,488	779,252
Total federal sources	<u>3,598,045</u>	<u>3,253,214</u>	<u>2,822,743</u>	<u>2,146,481</u>	<u>1,840,185</u>
<b>State sources:</b>					
State equalization assistance	12,923,163	11,394,357	9,621,741	8,787,863	7,567,829
State grants	188,344	160,607	90,099	104,693	120,849
School Facilities Board	171,823	985,273	7,410,221	7,447,999	537,289
Other revenues	1,380,878	1,080,117	732,992	755,879	729,796
Total state sources	<u>14,664,208</u>	<u>13,620,354</u>	<u>17,855,053</u>	<u>17,096,434</u>	<u>8,955,763</u>
<b>Local sources:</b>					
Property taxes	6,698,655	5,864,642	5,763,523	5,892,764	5,745,019
County aid	360,556	280,633	268,914	261,072	224,152
Food service sales	313,155	287,519	238,701	197,539	245,794
Investment income/(loss)	125,603	66,642	76,954	(35,894)	83,915
Other revenues	220,236	587,120	169,467	218,911	190,918
Total local sources	<u>7,718,205</u>	<u>7,086,556</u>	<u>6,517,559</u>	<u>6,534,392</u>	<u>6,489,798</u>
<b>Total revenues</b>	<u>\$ 25,980,458</u>	<u>\$ 23,960,124</u>	<u>\$ 27,195,355</u>	<u>\$ 25,777,307</u>	<u>\$ 17,285,746</u>

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

- Notes:**
- 1) In fiscal year 2003, investment income included an investment loss due to a loss suffered in the participation of the Local Government Investment Pool.
  - 2) The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.
  - 3) In fiscal year 2010 and 2011, the District received unrestricted federal aid as a result of the American Recovery and Reinvestment Act of 2009

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>	<u><b>2008</b></u>	<u><b>2007</b></u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 13,107,676	\$ 11,905,545	\$ 13,391,074	\$ 14,612,065	\$ 12,325,138
Support services - students and staff	3,452,956	3,060,925	3,125,534	2,720,342	2,034,691
Support services - administration	2,004,249	1,932,452	2,152,038	2,442,913	2,117,122
Operation and maintenance of plant services	2,349,179	2,622,684	2,171,718	2,726,435	2,101,440
Student transportation services	1,717,676	1,527,010	1,674,368	1,940,452	1,596,924
Operation of non-instructional services	1,667,069	1,663,279	1,801,249	1,653,555	1,495,540
Capital outlay	1,391,765	3,041,607	7,337,114	9,942,456	2,929,914
Debt service -					
Claims and judgments			54,333		
Interest and fiscal charges	377,530	413,437	523,326	453,666	252,389
Principal retirement	1,062,890	1,104,937	2,049,197	1,989,198	1,898,642
Bond issuance costs				115,494	118,800
<b>Total expenditures</b>	<u><u>\$ 27,130,990</u></u>	<u><u>\$ 27,271,876</u></u>	<u><u>\$ 34,279,951</u></u>	<u><u>\$ 38,596,576</u></u>	<u><u>\$ 26,870,600</u></u>
Expenditures for capitalized assets	\$ 1,316,634	\$ 1,726,780	\$ 6,488,804	\$ 7,743,065	\$ 1,533,679
Debt service as a percentage of noncapital expenditures	6%	6%	9%	8%	9%

(Continued)

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 11,483,556	\$ 10,586,680	\$ 8,510,055	\$ 8,185,996	\$ 7,414,305
Support services - students and staff	2,145,078	1,980,192	1,714,104	1,111,291	775,755
Support services - administration	2,180,502	1,848,489	1,825,048	1,451,654	1,396,615
Operation and maintenance of plant services	1,882,432	1,551,580	1,901,281	1,323,307	1,259,894
Student transportation services	1,227,142	1,214,735	1,075,159	978,391	882,838
Operation of non-instructional services	1,439,541	1,469,030	1,180,135	1,142,469	982,225
Capital outlay	2,032,087	1,950,868	9,700,139	8,854,495	1,496,178
Debt service -					
Claims and judgments					
<b>Interest and fiscal charges</b>	277,798	360,592	454,230	1,040,765	1,529,688
Principal retirement	1,767,927	1,656,007	1,892,598	917,076	945,448
Bond issuance costs				126,990	
<b>Total expenditures</b>	<u>\$ 24,436,063</u>	<u>\$ 22,618,173</u>	<u>\$ 28,252,749</u>	<u>\$ 25,132,434</u>	<u>\$ 16,682,946</u>
Expenditures for capitalized assets	\$ 622,559	\$ 1,732,314	\$ 7,599,420	\$ 7,793,409	\$ 990,858
Debt service as a percentage of noncapital expenditures	9%	10%	11%	12%	16%

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

**(Concluded)**

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ 3,447,163	\$ 4,322,141	\$ (1,631,955)	\$ (3,667,265)	\$ 1,108,524
<b>Other financing sources (uses):</b>					
Issuance of school improvement bonds				4,250,000	5,750,000
Issuance of refunding bonds					
Premium on sale of bonds				131,894	112,300
Capital lease agreements		46,621	11,875		530,341
Transfers in	54,658	257,634	207,068	75,119	
Transfers out	(54,658)	(257,634)	(207,068)	(75,119)	
Payment to refunded bond escrow agent					
Total other financing sources (uses)		46,621	11,875	4,381,894	6,392,641
<b>Changes in fund balances</b>	<b><u>\$ 3,447,163</u></b>	<b><u>\$ 4,368,762</u></b>	<b><u>\$ (1,620,080)</u></b>	<b><u>\$ 714,629</u></b>	<b><u>\$ 7,501,165</u></b>
	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ 1,544,395	\$ 1,341,951	\$ (1,057,394)	\$ 644,873	\$ 602,800
<b>Other financing sources (uses):</b>					
Issuance of school improvement bonds					
Issuance of refunding bonds				9,218,946	
Premium on sale of bonds				235,804	
Capital lease agreements	53,477			404,535	
Transfers in	36,055				
Transfers out	(36,055)				
Payment to refunded bond escrow agent				(9,327,760)	
Total other financing sources (uses)	53,477			531,525	
<b>Changes in fund balances</b>	<b><u>\$ 1,597,872</u></b>	<b><u>\$ 1,341,951</u></b>	<b><u>\$ (1,057,394)</u></b>	<b><u>\$ 1,176,398</u></b>	<b><u>\$ 602,800</u></b>

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO.35**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Real Property</b>		<b>Personal Property</b>	<b>Less: Tax Exempt Real Property</b>	<b>Total Taxable Assessed Valuation</b>	<b>Total Direct Rate</b>	<b>Estimated Actual Value</b>	<b>Ratio of Net Assessed to Estimated Actual Value</b>	
	<b>Residential Property</b>	<b>Commercial Property</b>							
2011	\$ 118,276,465	\$ 89,826,418	\$ 12,327,546	\$ 9,719,057	210,711,372	6.76	\$ 1,759,527,826	11.98	%
2010	120,001,485	91,762,089	12,766,213	9,004,128	215,525,659	6.76	1,781,578,529	12.10	
2009					189,399,938	6.57	1,565,005,637	12.10	
2008					146,339,924	6.80	1,185,103,422	12.35	
2007					119,460,707	6.58	942,940,070	12.67	
2006					106,971,812	6.64	839,093,975	12.75	
2005					98,163,591	6.76	767,888,575	12.78	
2004					93,997,901	7.17	725,704,535	12.95	
2003					89,278,332	7.58	684,805,586	13.04	
2002					86,091,098	8.01	623,357,525	13.81	

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

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Overlapping Rates</b>						<b>District Direct Rates</b>		
	<b>County</b>	<b>County Equalization Rate</b>	<b>Flood Control District</b>	<b>Fire District Assistance</b>	<b>Tubac Fire Department</b>	<b>Rio Rico Fire Department</b>	<b>Primary</b>	<b>Secondary</b>	<b>Total</b>
2011	2.82	0.00	0.56	0.10	3.14	3.00	5.66	1.10	6.76
2010	2.90	0.00	0.58	0.10	3.37	3.00	5.69	1.07	6.76
2009	3.01	0.00	0.60	0.10	2.63	2.74	5.02	1.55	6.57
2008	3.18	0.00	0.61	0.10	2.64	2.75	4.94	1.86	6.80
2007	3.30	0.44	0.61	0.10	2.64	2.75	5.02	1.56	6.58
2006	3.35	0.44	0.61	0.10	2.64	2.79	4.90	1.74	6.64
2005	3.66	0.46	0.61	0.10	2.63	2.78	4.80	1.96	6.76
2004	3.66	0.47	0.61	0.10	2.62	2.77	5.19	1.98	7.17
2003	3.66	0.49	0.61	0.10	2.61	2.26	4.99	2.59	7.58
2002	3.56	0.50	0.61	0.10	2.59	2.20	5.17	2.84	8.01

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

Taxpayer	2011		2002	
	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation
Vatere LLC	\$ 2,611,119	1.24 %	\$ 1,256,930	1.46 %
Unisource Energy Corporation	2,375,380	1.13	2,272,805	2.64
Rio Rico Properties	2,116,256	1.00	1,601,294	1.86
Tubac Management Co. LLC	1,901,802	0.90		
Rio Rico Utilities Inc.	1,240,482	0.59	938,393	1.09
Moroleon Inc., an Arizona Corporation	929,384	0.44	637,074	0.74
H/7 Corporation	734,992	0.35		
Passaic Investment LLC	645,325	0.31		
Qwest Communications	374,519	0.18	1,196,666	1.39
Produce Exchange Inc.	343,794	0.16	430,455	0.50
Union Pacific Railroad			817,865	0.95
Tubac Ranch Properties			533,765	0.62
Avatar Properties Inc.			628,465	0.73
Total	<u>\$ 13,273,053</u>	<u>6.30 %</u>	<u>\$ 9,056,782</u>	<u>10.52 %</u>

**Source:** The source of this information is the Santa Cruz County Assessor's records.



**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 10,962,417	\$ 9,804,624	89.44 %		\$ 9,804,624	89.44 %
2010	10,588,576	9,457,465	89.32	407,767	9,865,232	93.17
2009	9,818,200	8,480,670	86.38	1,303,126	9,783,796	99.65
2008	9,069,450	8,405,813	92.68	656,107	9,061,920	99.92
2007	7,513,069	6,932,760	92.28	580,309	7,513,069	100.00
2006	7,018,115	5,264,318	75.01	1,753,797	7,018,115	100.00
2005	6,519,998	5,732,751	87.93	787,247	6,519,998	100.00
2004	6,615,521	5,677,617	85.82	937,904	6,615,521	100.00
2003	6,631,494	5,492,104	82.82	1,139,390	6,631,494	100.00
2002	6,684,533	5,778,125	86.44	906,408	6,684,533	100.00

**Source:** The source of this information is the Santa Cruz 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.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>General Obligation Bonds</b>				<b>Total Outstanding Debt</b>			
	<b>General Obligation Bonds</b>	<b>Percentage of Estimated Actual Value</b>	<b>Per Capita</b>	<b>Capital Leases</b>	<b>Total</b>	<b>Percentage of Estimated Actual Value</b>	<b>Per Capita</b>	<b>Percentage of Personal Income</b>
2011	\$ 8,970,000	0.51 %	606	\$ 171,280	9,141,280	0.52 %	618	N/A %
2010	10,000,000	0.56	667	239,170	10,239,170	0.57	683	0.90
2009	11,885,000	0.76	490	267,486	12,152,486	0.78	501	1.06
2008	13,700,000	1.16	765	419,808	14,119,808	1.19	1,130	1.40
2007	11,190,000	1.19	895	594,006	11,784,006	1.25	943	1.25
2006	7,120,000	0.85	440	222,307	7,342,307	0.88	453	0.88
2005	8,730,000	1.14	672	256,757	8,986,757	1.17	691	1.15
2004	9,924,362	1.37	651	337,764	10,262,126	1.41	673	1.41
2003	11,730,749	1.71	938	371,416	12,102,165	1.77	968	1.78
2002	12,765,501	2.05	1,070	26,350	12,791,851	2.05	1,072	1.87

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2011**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Rio Rico Fire District	\$ 3,670,000	100 %	\$ 3,670,000
Direct:			
Santa Cruz Valley Unified School District No. 35			<u>9,141,280</u>
Total Direct Debt			<u>\$ 12,811,280</u>

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

- Notes:** 1) Outstanding debt as of June 30, 2010 is presented for the overlapping governments as this is the most recent available information.
- 2) 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.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

**Class B Bond Legal Debt Margin Calculation for Fiscal Year 2011:**

Secondary assessed valuation	\$ 210,711,372
Debt limit (10% of assessed value)	21,071,137
Debt applicable to limit	<u>8,970,000</u>
Legal debt margin	<u><u>\$ 12,101,137</u></u>

**Legal Debt Margin Calculation for Fiscal Year 2011:**

Secondary assessed valuation	\$ 210,711,372
Debt limit (30% of assessed value)	63,213,412
Debt applicable to limit	<u>8,970,000</u>
Legal debt margin	<u><u>\$ 54,243,412</u></u>

<b>Fiscal Year Ended June 30</b>					
	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>	<u><b>2008</b></u>	<u><b>2007</b></u>
Debt limit	\$ 63,213,412	\$ 64,657,698	\$ 56,819,981	\$ 43,901,977	\$ 35,838,212
Total net debt applicable to limit	<u>8,970,000</u>	<u>10,000,000</u>	<u>11,885,000</u>	<u>13,700,000</u>	<u>11,190,000</u>
Legal debt margin	<u><u>\$ 54,243,412</u></u>	<u><u>\$ 55,687,698</u></u>	<u><u>\$ 44,934,981</u></u>	<u><u>\$ 32,016,977</u></u>	<u><u>\$ 24,648,212</u></u>
Total net debt applicable to the limit as a percentage of debt limit	14%	15%	21%	31%	31%
	<u><b>2006</b></u>	<u><b>2005</b></u>	<u><b>2004</b></u>	<u><b>2003</b></u>	<u><b>2002</b></u>
Debt limit	\$ 32,091,544	\$ 29,449,077	\$ 28,199,370	\$ 26,783,500	\$ 25,827,329
Total net debt applicable to limit	<u>7,120,000</u>	<u>8,730,000</u>	<u>9,924,362</u>	<u>11,730,749</u>	<u>12,765,501</u>
Legal debt margin	<u><u>\$ 24,971,544</u></u>	<u><u>\$ 20,719,077</u></u>	<u><u>\$ 18,275,008</u></u>	<u><u>\$ 15,052,751</u></u>	<u><u>\$ 13,061,828</u></u>
Total net debt applicable to the limit as a percentage of debt limit	22%	30%	35%	44%	49%

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

**Note:** 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.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35  
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2010	47,420	\$ N/A	\$ N/A	16.3 %	14,800
2009	47,900	1,137,493	25,987	14.6	15,000
2008	47,471	1,141,556	26,466	9.9	24,235
2007	46,907	1,008,541	23,744	7.3	17,900
2006	45,245	939,156	22,326	7.7	12,500
2005	44,055	838,841	19,967	9.0	16,200
2004	42,410	779,232	19,110	9.7	13,000
2003	40,800	729,208	18,190	9.8	15,250
2002	29,840	678,762	17,139	10.3	12,500
2001	29,325	683,879	17,518	8.8	11,931

**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 State of Arizona,  
Department of Economic Security.

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**PRINCIPAL EMPLOYERS**  
**CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2011</u>			<u>2002</u>		
	<u>Employees</u>	<u>Percentage of Total Employment</u>		<u>Employees</u>	<u>Percentage of Total Employment</u>	
Private	8,800	19.01	%			%
Goods Producing	750	1.62		1,541	42.21	
Government	3,950	8.53		1,023	28.00	
Private Service Providing	8,050	17.39		366	10.02	
Nonfarm	12,750	27.54		421	11.53	
Service-providing	12,000	25.92		301	8.24	
Total	<u>46,300</u>	<u>100.00</u>	%	<u>3,652</u>	<u>100.00</u>	%
 Total employment	 <u>46,300</u>			 <u>3,652</u>		

**Source:** The source of the fiscal year 2011 information is the Department of Economic Security ([www.workforce.az.gov](http://www.workforce.az.gov)). The source of the fiscal year 2002 information is the Santa Cruz County Chamber of Commerce.

**Note:** 1) Information is presented at the county-wide industry level as this is the most accurate information currently available for the District.

2) The Department of Economic Security updated how the information was categorized in Fiscal Year 2011.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE**  
**LAST TEN FISCAL YEARS**

<b>Full-time Equivalent Employees as of June 30</b>					
	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>	<u><b>2008</b></u>	<u><b>2007</b></u>
<b>Supervisory</b>					
Consultants/supervisors of instruction	3	4	4	4	4
Principals	2	6	6	5	5
Assistant principals	6	2	2	3	2
Total supervisory	<u>11</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>11</u>
<b>Instruction</b>					
Teachers	183	201	214	200	183
Other professionals (instructional)	4	3	2	2	2
Aides	62	64	41	47	37
Total instruction	<u>249</u>	<u>268</u>	<u>257</u>	<u>249</u>	<u>222</u>
<b>Student Services</b>					
Certified	21	18	19	16	9
Classified	37	45	33	33	36
Total student services	<u>58</u>	<u>63</u>	<u>52</u>	<u>49</u>	<u>45</u>
<b>Support and Administration</b>					
Administrators and supervisory staff	5	6	6	6	7
Support staff	101	98	105	104	96
Total support and administration	<u>106</u>	<u>104</u>	<u>111</u>	<u>110</u>	<u>103</u>
<b>Total</b>	<u><u>424</u></u>	<u><u>447</u></u>	<u><u>432</u></u>	<u><u>420</u></u>	<u><u>381</u></u>

(Continued)

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE**  
**LAST TEN FISCAL YEARS**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Supervisory</b>					
Consultants/supervisors of instruction	5	5	5	3	3
Principals	5	5	5	4	4
Assistant principals	2	2	2	2	2
Total supervisory	<u>12</u>	<u>12</u>	<u>12</u>	<u>9</u>	<u>9</u>
<b>Instruction</b>					
Teachers	180	179	168	152	140
Other professionals (instructional)	2	2	2	2	1
Aides	46	49	45	35	43
Total instruction	<u>228</u>	<u>230</u>	<u>215</u>	<u>189</u>	<u>184</u>
<b>Student Services</b>					
Certified	10	10	10	10	8
Classified	14	13	11	10	11
Total student services	<u>24</u>	<u>23</u>	<u>21</u>	<u>20</u>	<u>19</u>
<b>Support and Administration</b>					
Administrators and supervisory staff	7	7	6	5	4
Support staff	97	93	106	92	86
Total support and administration	<u>104</u>	<u>100</u>	<u>112</u>	<u>97</u>	<u>90</u>
<b>Total</b>	<u><u>368</u></u>	<u><u>365</u></u>	<u><u>360</u></u>	<u><u>315</u></u>	<u><u>302</u></u>

**Source:** District's human resources department records.

**(Concluded)**



**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Average Daily Membership</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Expenses</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil- Teacher Ratio</b>	<b>Percentage of Free/Reduced Students</b>
2011	3,365	\$ 24,298,805	7,221	7.91 %	\$ 25,702,633	7,638	(0.77) %	183	18.4	77 %
2010	3,394	22,711,895	6,692	(2.47)	26,126,292	7,698	(2.37)	201	16.9	77
2009	3,544	24,315,981	6,861	(5.40)	27,944,421	7,885	(6.37)	214	16.6	74
2008	3,598	26,095,762	7,253	16.37	30,300,002	8,421	17.38	200	18.0	73
2007	3,477	21,670,855	6,233	6.36	24,945,286	7,174	7.61	183	19.0	73
2006	3,474	20,358,251	5,860	5.48	23,160,617	6,667	7.60	180	19.3	68
2005	3,357	18,650,706	5,556	(1.99)	20,800,767	6,196	(10.50)	179	18.8	73
2004	2,859	16,205,782	5,668	5.39	19,793,759	6,923	8.97	168	17.0	72
2003	2,639	14,193,108	5,378	3.62	16,766,040	6,353	N/A	152	17.4	57
2002	2,449	12,711,632	5,191	(22.44)	N/A	N/A	N/A	140	17.5	59

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

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

2) N/A indicates the information is not available due to the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 not being adopted until fiscal year 2003.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**CAPITAL ASSETS INFORMATION**  
**LAST TEN FISCAL YEARS**

	<b>Fiscal Year Ended June 30</b>									
	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
<b><u>Schools</u></b>										
<b>Elementary</b>										
Buildings	34	34	34	33	32	32	32	32	26	26
Square feet	185,160	185,160	185,160	175,192	165,419	165,419	165,419	165,419	124,469	124,469
Capacity	1,916	1,916	1,916	1,758	1,628	1,628	1,628	1,628	1,467	1,467
Enrollment	1,506	1,552	1,618	1,715	1,672	1,598	1,529	1,339	1,300	1,071
<b>Middle</b>										
Buildings	13	13	13	12	12	12	12	12	5	5
Square feet	126,394	126,394	126,394	77,336	77,336	77,336	77,336	77,336	56,865	56,865
Capacity	871	871	871	761	761	761	761	761	604	604
Enrollment	895	886	910	893	879	875	863	791	781	620
<b>High</b>										
Buildings	18	18	18	18	18	18	18	18	13	13
Square feet	168,660	168,660	168,660	168,660	168,660	168,660	168,660	168,660	111,795	111,795
Capacity	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,056	1,056
Enrollment	1,090	1,132	1,146	1,146	1,059	986	961	836	771	612
<b>Other</b>										
Buildings	5	4	3	3	3	3	3	3	3	3
Square feet	19,336	14,336	10,186	10,186	10,186	10,186	10,186	10,186	10,186	10,186
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b><u>Administrative</u></b>										
Buildings	3	3	2	2	2	2	2	2	2	2
Square feet	6,473	6,473	3,873	3,873	3,873	3,873	3,873	3,873	3,873	3,873
<b><u>Transportation</u></b>										
Garages	2	2	1	1	1	1	1	1	1	1
Buses	44	44	48	50	47	47	46	42	39	39
<b><u>Athletics</u></b>										
Football fields	1	1	1	1	1	1	1	1	1	1
Soccer fields	1	1	1	1	1	1	1	1	1	1
Running tracks	1	1	1	1	1	1	1	1	1	1
Baseball/softball	5	5	5	5	5	5	5	5	3	3
Playgrounds	3	3	3	3	3	3	3	3	2	2

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

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

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