

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

**RIO RICO, ARIZONA**

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

Issued by:  
Business and Finance Department

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

**TABLE OF CONTENTS**

<b><u>INTRODUCTORY SECTION</u></b>	<b><u>Page</u></b>
Letter of Transmittal	i
ASBO Certificate of Excellence	vi
GFOA Certificate of Achievement	vii
Organizational Chart	viii
List of Principal Officials	ix
 <b><u>FINANCIAL SECTION</u></b>	
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) (Required Supplementary Information)	5
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-Wide Financial Statements:	
Statement of Net Position	18
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet – Governmental Funds	22
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	28

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

**TABLE OF CONTENTS (Cont'd)**

<b><u>FINANCIAL SECTION</u> (Cont'd)</b>	<b><u>Page</u></b>
<b>BASIC FINANCIAL STATEMENTS (Concl'd)</b>	
Statement of Assets and Liabilities – Fiduciary Funds	29
Notes to Financial Statements	30
<b>SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (Required Supplementary Information)</b>	
General Fund	50
Note to Required Supplementary Information	51
<b>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES</b>	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds – By Fund Type	57
Special Revenue Funds:	
Combining Balance Sheet	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	66
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	72
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	94

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

**TABLE OF CONTENTS (Cont'd)**

<b><u>FINANCIAL SECTION (Concl'd)</u></b>	<b><u>Page</u></b>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES (Concl'd)	
Capital Projects Funds:	
Combining Balance Sheet	96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	98
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	100
Agency Funds:	
Combining Statement of Assets and Liabilities	108
Combining Statement of Changes in Assets and Liabilities	110
<b><u>STATISTICAL SECTION</u></b>	
Financial Trends:	
Net Position by Component	115
Expenses, Program Revenues, and Net (Expense)/Revenue	116
General Revenues and Total Changes in Net Position	118
Fund Balances – Governmental Funds	120
Governmental Funds Revenues	122
Governmental Funds Expenditures and Debt Service Ratio	124
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	126

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

**TABLE OF CONTENTS (Cont'd)**

<b><u>STATISTICAL SECTION (Concl'd)</u></b>	<b><u>Page</u></b>
Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property	127
Assessed Value and Estimated Actual Value of Taxable Property by Class	128
Property Tax Assessment Ratios	129
Direct and Overlapping Property Tax Rates	130
Principal Property Taxpayers	131
Property Tax Levies and Collections	132
Debt Capacity:	
Outstanding Debt by Type	133
Direct and Overlapping Governmental Activities Debt	134
Legal Debt Margin Information	135
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	136
Principal Employers	137
Operating Information:	
Full-Time Equivalent District Employees by Type	138
Operating Statistics	140
Capital Assets Information	141

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## **INTRODUCTORY SECTION**



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December 16, 2013

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, 2013.

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

The District’s financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District’s

**Rodney K. Rich**  
Superintendent

**Isela Brown**  
Business Manager

financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

## **PROFILE OF THE DISTRICT**

The 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 3,195. Projected enrollment for fiscal year 2013-14 is anticipated to be 3,285.

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 95% of the students are minority students with a Hispanic heritage. Seventy percent of the pupils speak another language. The District employs around 439 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 to benefit from a more stable enrollment.

The District itself operates on a General Fund budget of about \$17.3 million. The educational programs in the District are supported by an additional \$4.1 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 \$160,225 in donations that were received from private agencies or individuals. The District continues to benefit from 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 technology 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 continues to work diligently on the development of the strategic plan. The District is currently reviewing information gathered for the development of the strategic plan. On the other hand, the District continues to update its Facilities Capital Action Plan that allows for monitoring and planning of capital improvements to our buildings. 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.** A school district foundation was formed and is now operational with a nine member board of directors. The purpose of the foundation is to provide scholarships for the students of Rio Rico High School. The foundation sponsors an Excellence in Education Awards Banquet. At the banquet scholarship recipients are honored and an "influential teacher" for each student is also honored. The school district has also continued to focus on the implementation of the Common Core Standards. With the support of E-rate funds the school district has upgraded its wireless network for the past two years. Rio Rico High School through a School Improvement Grant has enhanced accessibility to laptops, netbooks and tablets. All Title I schools have added mobile carts to our inventory of equipment. Finally, the school district significantly upgraded facilities this year with a "performance contract". HVAC systems were upgraded in three of our six buildings and lighting systems were enhanced across all buildings in the school district.

## AWARDS AND ACKNOWLEDGMENT

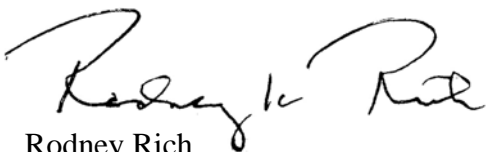
**Awards.** The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the thirteenth consecutive year that the District has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

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

**Acknowledgments.** The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the 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



*The Certificate of Excellence in Financial Reporting Award  
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, 2012*

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



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

Ron McCulley, CPPB, RSBO  
President

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

John D. Musso, CAE, RSBA  
Executive Director



Government Finance Officers Association

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

Presented to

**Santa Cruz Valley  
Unified School District No. 35  
Arizona**

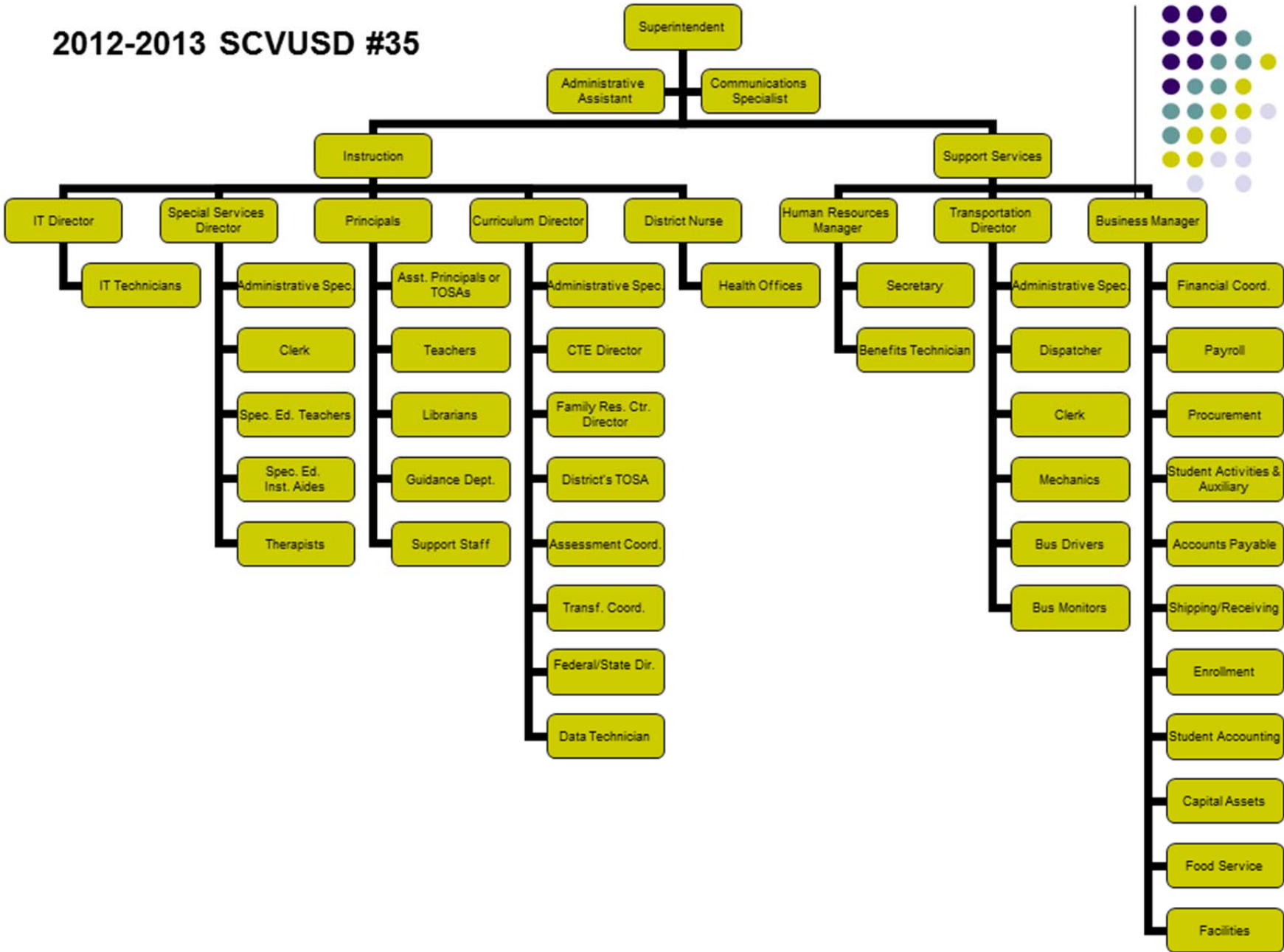
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO



# 2012-2013 SCVUSD #35



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

**LIST OF PRINCIPAL OFFICIALS**

**GOVERNING BOARD**

Joel Kramer  
President

Maria L Neuman  
Member

Susan Faubion  
Clerk

Brian Vandervoet  
Member

Victor M. Fontes  
Member

**ADMINISTRATIVE STAFF**

Rodney Rich, Superintendent

Stephen Schadler, Director of Curriculum

Isela Brown, Business Manager

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Governing Board  
Santa Cruz Valley Unified School District No. 35

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Santa Cruz Valley Unified School District No. 35 (District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Santa Cruz Valley Unified School District No. 35, as of June 30, 2013, 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.

### ***Change in Accounting Principle***

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

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 and budgetary comparison information on pages 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.

#### ***Other Information***

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

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2013, on our consideration of 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* in considering Santa Cruz Valley Unified School District No. 35's internal control over financial reporting and compliance.

*Heinfeld, Meech & Co., P.C.*

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

December 16, 2013

**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, 2013**

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 year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### **FINANCIAL HIGHLIGHTS**

- The District's total net position of governmental activities increased \$2.0 million which represents a 3 percent increase from the prior fiscal year as a result of an increase in cash reserves to pay for ongoing capital projects.
- General revenues accounted for \$21.3 million in revenue, or 73 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$7.9 million or 27 percent of total current fiscal year revenues.
- The District had approximately \$27.2 million in expenses related to governmental activities, a decrease of 7 percent from the prior fiscal year primarily as a result of cost saving efforts by the District due to the reduction in state funding.
- Among major funds, the General Fund had \$18.1 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$17.2 million in expenditures. The General Fund's fund balance increase from \$15.9 million at the prior fiscal year end to \$17.3 million at the end of the current fiscal year was primarily due to efforts by the District to maximize budget and cash carry forward for future year expenditures.

### **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.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2013**

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

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

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

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

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

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

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, 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.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$63.4 million at the current fiscal year end.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, and vehicles, furniture and equipment), less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted and may be used to meet the District's ongoing obligations to its citizens and creditors.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

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

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2013 and June 30, 2012.

	As of <u>June 30, 2013</u>	As of <u>June 30, 2012</u>
Current assets	\$ 31,194,213	\$ 26,371,052
Capital assets, net	<u>45,145,793</u>	<u>44,789,668</u>
<b>Total assets</b>	<u>76,340,006</u>	<u>71,160,720</u>
Current liabilities	922,995	883,870
Long-term liabilities	<u>12,051,097</u>	<u>8,902,075</u>
<b>Total liabilities</b>	<u>12,974,092</u>	<u>9,785,945</u>
<b>Net position:</b>		
Net investment in capital assets	34,297,573	37,031,052
Restricted	10,657,796	7,068,760
Unrestricted	<u>18,410,545</u>	<u>17,274,963</u>
<b>Total net position</b>	<u>\$ 63,365,914</u>	<u>\$ 61,374,775</u>

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

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

- The issuance of \$4.0 million in capital lease obligations.
- The principal retirement of \$955,000 of bonds.
- The addition of \$2.1 million in capital assets through the construction of energy efficient upgrades and purchases of vehicles, furniture and equipment.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

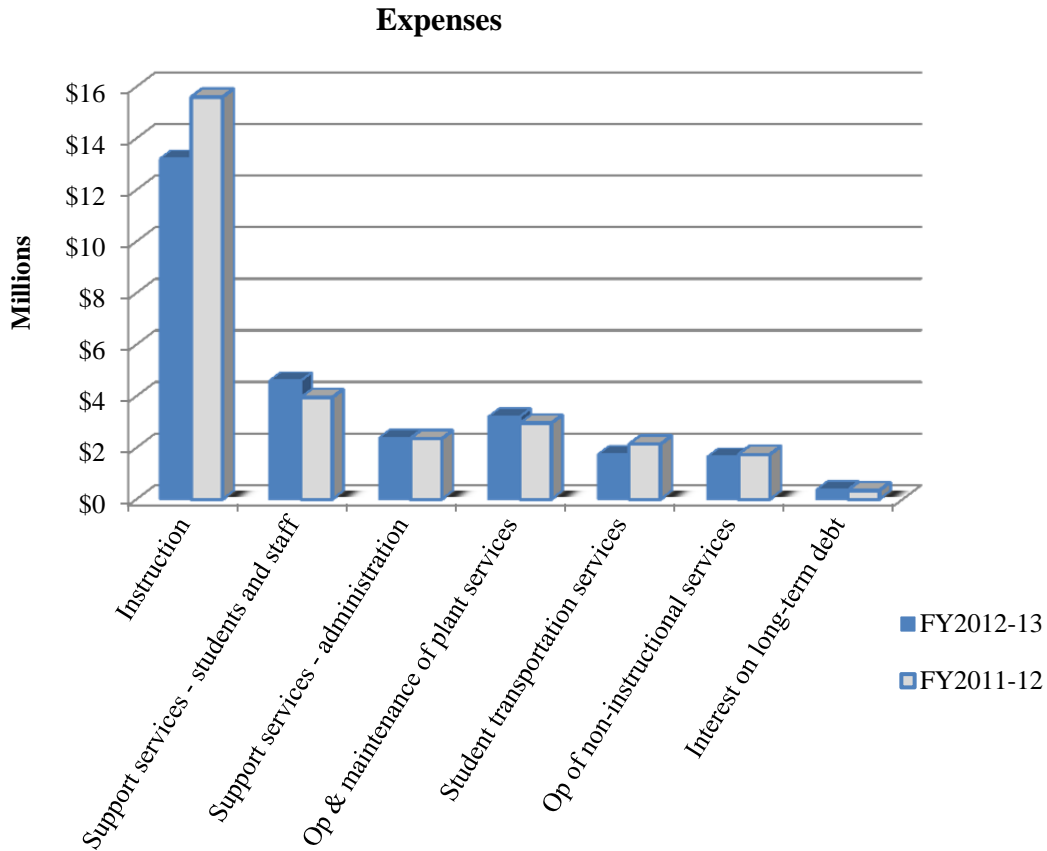
**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**

**Changes in net position.** The District's total revenues for the current fiscal year were \$29.1 million. The total cost of all programs and services was \$27.2 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2013 and June 30, 2012.

	Fiscal Year Ended <u>June 30, 2013</u>	Fiscal Year Ended <u>June 30, 2012</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 693,484	\$ 615,377
Operating grants and contributions	5,481,740	5,307,680
Capital grants and contributions	1,709,552	1,067,053
General revenues:		
Property taxes	9,573,818	10,424,100
Investment income	10,186	114,057
Unrestricted county aid	524,028	471,669
Unrestricted state aid	11,069,758	11,921,045
Unrestricted federal aid	81,836	106,488
<b>Total revenues</b>	<u>29,144,402</u>	<u>30,027,469</u>
<b>Expenses:</b>		
Instruction	13,205,520	15,599,674
Support services – students and staff	4,598,129	3,944,557
Support services – administration	2,380,489	2,344,181
Operation and maintenance of plant services	3,208,236	2,948,557
Student transportation services	1,739,769	2,135,651
Operation of non-instructional services	1,644,826	1,736,793
Interest on long-term debt	376,294	337,646
<b>Total expenses</b>	<u>27,153,263</u>	<u>29,047,059</u>
<b>Changes in net position</b>	1,991,139	980,410
<b>Net position, beginning</b>	<u>61,374,775</u>	<u>60,394,365</u>
<b>Net position, ending</b>	<u>\$ 63,365,914</u>	<u>\$ 61,374,775</u>

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

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



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

- The increase of \$642,499 in capital grants and contributions was the primarily due to funding from the School Facilities Board for school improvements and an insurance proceed claim during the year.
- The decrease in property tax revenues of \$850,282 was due to a decrease in the net secondary assessed valuation of taxable property within the District.
- State revenues decreased \$851,287 due to a decrease in average daily membership and state-wide budget cuts.
- Instruction expenses decreased \$2.4 million due to a reclassification of certain expenses into other functions and efforts by the District to reduce costs by eliminating several teaching positions and reducing curriculum materials in the current year.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

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

The following table presents the cost of the District's major functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

	<u>Year Ended June 30, 2013</u>		<u>Year Ended June 30, 2012</u>	
	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>
Instruction	\$ 13,205,520	\$ (9,831,942)	\$ 15,599,674	\$(11,941,524)
Support services – students and staff	4,598,129	(3,438,924)	3,944,557	(2,643,776)
Support services – administration	2,380,489	(1,392,856)	2,344,181	(2,282,875)
Operation and maintenance of plant services	3,208,236	(2,587,598)	2,948,557	(2,733,391)
Student transportation services	1,739,769	(1,718,712)	2,135,651	(2,072,399)
Operation of non-instructional services	1,644,826	77,839	1,736,793	(45,338)
Interest on long-term debt	376,294	(376,294)	337,646	(337,646)
<b>Total</b>	<u>\$ 27,153,263</u>	<u>\$ (19,268,487)</u>	<u>\$ 29,047,059</u>	<u>\$(22,056,949)</u>

- The cost of all governmental activities this year was \$27.2 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$7.9 million.
- Net cost of governmental activities of \$19.3 million was financed by general revenues, which are made up of primarily property taxes of \$9.6 million and unrestricted state aid of \$11.1 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.



**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$27.8 million, an increase of \$5.1 million due primarily to the issuance of capital lease obligations.

The General Fund comprises 62 percent of the total fund balance. Approximately \$16.9 million, or 98 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 \$1.4 million to \$17.3 million as of fiscal year end was a result of efforts by the District to maximize budget and cash carryforward for future year expenditures. General Fund revenues decreased \$2.2 million as a result of a decrease in property taxes due to a decrease in the net secondary assessed valuation of taxable property within the District and state-wide budget cuts. General Fund expenditures decreased \$635,510.

The Unrestricted Capital Outlay Fund's fund balance increased \$1.2 million due to efforts by the District to maximize budget and cash carryforward for upcoming capital projects.

**BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$30,723 increase, or less than one percent.

The State of Arizona does not require the District to prepare a revenue budget, and the revenue budget for the General Fund was not prepared. Variances between actual and budgeted revenues are a result. 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 \$892,276 in instruction was a result of unfilled teaching positions which were accommodated by instructional aides in other functions.
- The unfavorable variance of \$303,372 in operation and maintenance of plant services was a result of an unanticipated increase in facilities maintenance due to restructuring of the maintenance plan.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** As of year end, the District had invested \$67.9 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$2.1 million from the prior fiscal year, primarily due to energy efficient upgrades. Total depreciation expense for the current fiscal year was \$1.7 million.

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

	As of <u>June 30, 2013</u>	As of <u>June 30, 2012</u>
Capital assets – non-depreciable	\$ 6,064,656	\$ 4,510,150
Capital assets – depreciable, net	<u>39,081,137</u>	<u>40,279,518</u>
<b>Total</b>	<u><u>\$ 45,145,793</u></u>	<u><u>\$ 44,789,668</u></u>

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

**Debt Administration.** At year end, the District had \$11.1 million in long-term debt outstanding, \$1.2 million due within one year. This represents a net increase of \$3.0 million.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$50.4 million and the Class B debt limit is \$16.8 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, 2013**

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

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

- Fiscal year 2012-13 budget balance carry forward (estimated \$622,097).
- 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 increased less than one percent to \$17.2 million in fiscal year 2012-13. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2013-14 budget.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the 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 POSITION**  
**JUNE 30, 2013**

	Governmental Activities
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 21,302,982
Cash and investments - restricted	2,845,947
Property taxes receivable	1,724,489
Due from governmental entities	4,937,236
Prepaid items	383,559
Total current assets	31,194,213
Noncurrent assets:	
Land	4,510,150
Land improvements	4,332,606
Buildings and improvements	49,294,768
Vehicles, furniture and equipment	8,209,168
Construction in progress	1,554,506
Accumulated depreciation	(22,755,405)
Total noncurrent assets	45,145,793
<b>Total assets</b>	<b>76,340,006</b>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	218,822
Construction contracts payable	521,501
Compensated absences payable	325,000
Accrued interest payable	144,957
Unearned revenues	37,715
Obligations under capital leases	297,864
Bonds payable	920,000
Total current liabilities	2,465,859
Noncurrent liabilities:	
Non-current portion of long-term obligations	10,508,233
Total noncurrent liabilities	10,508,233
<b>Total liabilities</b>	<b>12,974,092</b>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	34,297,573
Restricted for:	
Federal and state projects	529,382
Food service	350,486
Other local initiatives	320,929
Debt service	459,060
Capital outlay	8,997,939
Unrestricted	18,410,545
<b>Total net position</b>	<b>\$ 63,365,914</b>

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, 2013**

<b>Functions/Programs</b>	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
Instruction	\$ 13,205,520	\$ 404,548	\$ 1,604,651	\$ 1,364,379	\$ (9,831,942)
Support services - students and staff	4,598,129		1,159,205		(3,438,924)
Support services - administration	2,380,489		987,633		(1,392,856)
Operation and maintenance of plant services	3,208,236	57,979	217,486	345,173	(2,587,598)
Student transportation services	1,739,769		21,057		(1,718,712)
Operation of non-instructional services	1,644,826	230,957	1,491,708		77,839
Interest on long-term debt	376,294				(376,294)
<b>Total governmental activities</b>	<u>\$ 27,153,263</u>	<u>\$ 693,484</u>	<u>\$ 5,481,740</u>	<u>\$ 1,709,552</u>	<u>(19,268,487)</u>

**General revenues:**

Taxes:

Property taxes, levied for general purposes	7,668,362
Property taxes, levied for debt service	879,141
Property taxes, levied for capital outlay	1,026,315
Investment income	10,186
Unrestricted county aid	524,028
Unrestricted state aid	11,069,758
Unrestricted federal aid	81,836

**Total general revenues**

21,259,626

**Changes in net position**

1,991,139

**Net position, beginning of year**

61,374,775

**Net position, end of year**

\$ 63,365,914

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, 2013**

	General	Debt Service	Unrestricted Capital Outlay
<b><u>ASSETS</u></b>			
Cash and investments	\$ 12,611,250	\$ 1,372,976	\$ 6,017,400
Cash and investments - restricted			
Property taxes receivable	1,411,193	151,041	162,255
Due from governmental entities	3,507,897		121,341
Due from other funds	760,781		
Prepaid items	383,559		
<b>Total assets</b>	<b>\$ 18,674,680</b>	<b>\$ 1,524,017</b>	<b>\$ 6,300,996</b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 137,997	\$	\$ 59,646
Construction contracts payable			18,698
Due to other funds			
Deferred revenues	1,263,369	117,153	143,947
Bonds payable		920,000	
Bond interest payable		144,957	
<b>Total liabilities</b>	<b>1,401,366</b>	<b>1,182,110</b>	<b>222,291</b>
Fund balances (deficits):			
Nonspendable	383,559		
Restricted		341,907	6,078,705
Unassigned	16,889,755		
<b>Total fund balances</b>	<b>17,273,314</b>	<b>341,907</b>	<b>6,078,705</b>
 <b>Total liabilities and fund balances</b>	<b>\$ 18,674,680</b>	<b>\$ 1,524,017</b>	<b>\$ 6,300,996</b>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 1,301,356	\$ 21,302,982
2,845,947	2,845,947
	1,724,489
1,307,998	4,937,236
	760,781
	383,559
<u>\$ 5,455,301</u>	<u>\$ 31,954,994</u>

\$ 21,179	\$ 218,822
502,803	521,501
760,781	760,781
37,715	1,562,184
	920,000
	144,957
<u>1,322,478</u>	<u>4,128,245</u>

	383,559
4,205,224	10,625,836
(72,401)	16,817,354
<u>4,132,823</u>	<u>27,826,749</u>
<u>\$ 5,455,301</u>	<u>\$ 31,954,994</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 POSITION**  
**JUNE 30, 2013**

<b>Total governmental fund balances</b>	<b>\$</b>	<b>27,826,749</b>
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 67,901,198	
Less accumulated depreciation	<u>(22,755,405)</u>	45,145,793
<p>Property tax revenues will not be available to pay for current period expenditures and, therefore, are deferred in the funds.</p>		
		1,524,469
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(949,663)	
Obligations under capital leases	(4,081,434)	
Bonds payable	<u>(6,100,000)</u>	<u>(11,131,097)</u>
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>63,365,914</u></b>

**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, 2013**

	<u>General</u>	<u>Debt Service</u>	<u>Unrestricted Capital Outlay</u>
<b>Revenues:</b>			
Other local	\$ 676,157	\$ 762	\$ 35,813
Property taxes	7,689,429	966,211	1,113,409
State aid and grants	9,632,730		335,944
Federal aid, grants and reimbursements	129,243		
<b>Total revenues</b>	<u>18,127,559</u>	<u>966,973</u>	<u>1,485,166</u>
<b>Expenditures:</b>			
Current -			
Instruction	8,324,727		
Support services - students and staff	2,540,794		
Support services - administration	2,074,813		
Operation and maintenance of plant services	2,713,367		
Student transportation services	1,370,847		
Operation of non-instructional services	35,926		
Capital outlay	144,083		196,397
Debt service -			
Principal retirement	3,896	920,000	50,588
Interest and fiscal charges	672	290,279	4,922
<b>Total expenditures</b>	<u>17,209,125</u>	<u>1,210,279</u>	<u>251,907</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>918,434</u>	<u>(243,306)</u>	<u>1,233,259</u>
<b>Other financing sources (uses):</b>			
Transfers in	254,277	618	
Transfers out			
Capital lease agreements			
<b>Total other financing sources (uses):</b>	<u>254,277</u>	<u>618</u>	
<b>Changes in fund balances</b>	<u>1,172,711</u>	<u>(242,688)</u>	<u>1,233,259</u>
<b>Fund balances, beginning of year</b>	15,888,445	584,595	4,845,446
Increase (decrease) in reserve for prepaid items	245,992		
Increase (decrease) in reserve for inventory	(33,834)		
<b>Fund balances, end of year</b>	<u>\$ 17,273,314</u>	<u>\$ 341,907</u>	<u>\$ 6,078,705</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 1,070,492	\$ 1,783,224
	9,769,049
1,757,313	11,725,987
5,979,537	6,108,780
<u>8,807,342</u>	<u>29,387,040</u>
3,175,964	11,500,691
1,823,232	4,364,026
108,252	2,183,065
303,022	3,016,389
35,409	1,406,256
1,562,219	1,598,145
2,782,424	3,122,904
	974,484
80,421	376,294
<u>9,870,943</u>	<u>28,542,254</u>
<u>(1,063,601)</u>	<u>844,786</u>
	254,895
(254,895)	(254,895)
4,021,482	4,021,482
<u>3,766,587</u>	<u>4,021,482</u>
<u>2,702,986</u>	<u>4,866,268</u>
1,446,589	22,765,075
	245,992
(16,752)	(50,586)
<u>\$ 4,132,823</u>	<u>\$ 27,826,749</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, 2013**

**Net changes in fund balances - total governmental funds** **\$ 5,061,674**

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	\$ 2,066,352	
Less current year depreciation	<u>(1,710,227)</u>	356,125

Issuance of obligations under capital leases provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.		(4,021,482)
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Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(195,231)	
Intergovernmental	<u>(47,407)</u>	(242,638)

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

Capital lease principal retirement	54,484	
Bond principal retirement	<u>920,000</u>	974,484

Compensated absence 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.		<u>(137,024)</u>
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**Change in net position in governmental activities** **\$ 1,991,139**

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2013**

	Agency
<b><u>ASSETS</u></b>	
Cash and investments	\$ 499,422
<b>Total assets</b>	<b>\$ 499,422</b>
 <b><u>LIABILITIES</u></b>	
Deposits held for others	\$ 403,419
Due to student groups	96,003
<b>Total liabilities</b>	<b>\$ 499,422</b>

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, 2013**

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

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

**A. Reporting Entity**

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

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include 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, 2013**

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

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

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

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

Separate financial statements are provided for governmental funds 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, 2013**

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

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

Property taxes, 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, 2013**

**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." Interfund balances between governmental funds are eliminated on the Statement of Net Position.

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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, 2013**

**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 and as expenditures when purchased in the fund financial statements.

**J. Capital Assets**

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

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	10 - 25 years
Buildings and improvements	5 - 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, 2013**

**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 position. Bond premiums and discounts, as well as issuance costs and the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight-line method over the term of the related debt.

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

**M. Interfund Activity**

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

**N. Net Position Flow Assumption**

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

**O. Estimates**

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

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

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

***Committed.*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District does not have a formal policy or procedures for the utilization of committed fund balance, accordingly, no committed fund balance amounts are reported.

***Assigned.*** Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or a management official delegated that authority by the formal Governing Board action. The District does not have a formal policy for the utilization of assigned fund balance, accordingly, no assigned fund balance amounts are reported.

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

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

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

	General Fund	Debt Service Fund	Unrestricted Capital Outlay Fund	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Prepays	\$ 383,559	\$	\$	\$
Restricted:				
Debt service		341,907		
Capital projects			6,078,705	2,988,501
Voter approved initiatives				331,162
Federal and State projects				214,146
Food service				350,486
Civic center activities				5,148
Extracurricular activities				84,245
Donor restricted gifts and donations				122,997
Other purposes				108,539
Unassigned	16,889,755			(72,401)
Total fund balances	\$17,273,314	\$ 341,907	\$ 6,078,705	\$ 4,132,823

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

**Individual Deficit Fund Balance** – At year end, the Vocational Education and Building Renewal Grant Funds, non-major governmental funds, reported deficits of \$15,926 and \$56,475 in fund balance, respectively.

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 4 – CASH AND INVESTMENTS**

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

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$435,793, and the bank balance was \$441,387. At year end, \$18,069 of the District's deposits were covered by collateral held by the pledging institution in the District's name.

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.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	Less than one year	\$24,212,558

*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, 2013**

**NOTE 5 – RECEIVABLES**

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

	<u>General Fund</u>	<u>Unrestricted Capital Outlay Fund</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:			
Due from Federal government	\$ 28,601	\$	\$ 823,929
Due from State government	3,479,296	121,341	454,141
Due from other districts			29,928
Net due from governmental entities	<u>\$3,507,897</u>	<u>\$ 121,341</u>	<u>\$ 1,307,998</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)	\$ 1,263,369	\$
Delinquent property taxes receivable (Debt Service Fund)	117,153	
Delinquent property taxes receivable (Unrestricted Capital Outlay Fund)	143,947	
Grant drawdowns prior to meeting all eligibility requirements (Non-Major Governmental Funds)		<u>37,715</u>
Total deferred revenue for governmental funds	<u>\$ 1,524,469</u>	<u>\$ 37,715</u>

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 6 – CAPITAL ASSETS**

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 4,510,150	\$	\$	\$ 4,510,150
Construction in progress		1,554,506		1,554,506
Total capital assets, not being depreciated	<u>4,510,150</u>	<u>1,554,506</u>		<u>6,064,656</u>
Capital assets, being depreciated:				
Land improvements	4,332,606			4,332,606
Buildings and improvements	49,180,811	113,957		49,294,768
Vehicles, furniture and equipment	7,825,868	397,889	14,589	8,209,168
Total capital assets being depreciated	<u>61,339,285</u>	<u>511,846</u>	<u>14,589</u>	<u>61,836,542</u>
Less accumulated depreciation for:				
Land improvements	(1,111,492)	(208,104)		(1,319,596)
Buildings and improvements	(14,339,417)	(1,084,941)		(15,424,358)
Vehicles, furniture and equipment	(5,608,858)	(417,182)	(14,589)	(6,011,451)
Total accumulated depreciation	<u>(21,059,767)</u>	<u>(1,710,227)</u>	<u>(14,589)</u>	<u>(22,755,405)</u>
Total capital assets, being depreciated, net	<u>40,279,518</u>	<u>(1,198,381)</u>		<u>39,081,137</u>
Governmental activities capital assets, net	<u>\$ 44,789,668</u>	<u>\$ 356,125</u>	<u>\$</u>	<u>\$ 45,145,793</u>

Depreciation expense was charged to governmental functions as follows.

Instruction	\$1,260,708
Support services – students and staff	60,761
Support services – administration	60,156
Operation and maintenance of plant services	125,147
Student transportation services	196,102
Operation of non-instructional services	7,353
Total depreciation expense – governmental activities	<u>\$1,710,227</u>

**Construction Commitments** – At year end, the District had contractual commitments related to various capital projects for the construction of energy efficient upgrades and roof repair. At year end the District had spent \$1.6 million on the projects and had estimated remaining contractual commitments of \$3.0 million. These projects are being funded with a Qualified Zone Academy Bond lease agreement and School Facilities Board grants.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES**

The District acquired copiers, an energy lighting system, and is in the process of energy efficient upgrades 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, Energy and Water Savings, 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.

	Governmental Activities
Asset:	
Construction in progress	\$ 1,095,114
Vehicles, furniture and equipment	694,164
Less: Accumulated depreciation	267,533
Total	\$ 1,521,745

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

	Governmental Activities
Year Ending June 30:	
2014	\$ 384,664
2015	201,541
2016	207,597
2017	213,836
2018	220,260
2019-23	1,204,632
2024-28	1,446,714
2029-33	976,532
Total minimum lease payments	4,855,776
Less: amount representing interest	774,342
Present value of minimum lease payments	\$ 4,081,434
Due within one year	\$ 297,864



**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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>Remaining Maturities</u>	<u>Outstanding Principal June 30, 2013</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%	7/1/13-24	\$ 4,870,000	\$ 320,000
School Improvement Bonds, Series 2008 (Class B)	4,250,000	3.5-4.0%	7/1/13-23	<u>2,150,000</u>	<u>600,000</u>
Total				<u>\$ 7,020,000</u>	<u>\$ 920,000</u>

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

Year ending June 30:	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 920,000	\$ 271,114
2015	460,000	242,614
2016	480,000	222,788
2017	500,000	202,112
2018	520,000	180,407
2019-23	2,965,000	545,176
2024-25	<u>1,175,000</u>	<u>43,700</u>
Total	<u>\$ 7,020,000</u>	<u>\$1,707,911</u>

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds payable	\$ 7,975,000	\$	\$ 955,000	\$ 7,020,000	\$ 920,000
Obligations under capital leases	114,436	4,021,482	54,484	4,081,434	297,864
Compensated absences payable	812,639	364,647	227,623	949,663	325,000
Governmental activity long-term liabilities	<u>\$ 8,902,075</u>	<u>\$4,386,129</u>	<u>\$ 1,237,107</u>	<u>\$12,051,097</u>	<u>\$ 1,542,864</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 eliminate negative cash of \$760,781 on deposit with the County Treasurer. All interfund balances are expected to be paid within one year.

**Interfund transfers:**

<u>Transfers out</u>	<u>Transfers in</u>		<u>Total</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	
Non-Major Governmental Funds	\$ 254,277	\$ 618	\$ 254,895
Total	<u>\$ 254,277</u>	<u>\$ 618</u>	<u>\$ 254,895</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, (2) to move Federal grant funds of restricted for indirect costs, and (3) to move cash balances remaining in discontinued funds to the General Fund.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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 a party to a number of various types of lawsuits, many of which normally occur in governmental operations. The ultimate outcome of the actions is not determinable, however, District management believes that the outcome of these proceedings, either individually or in the aggregate, will not have a materially adverse effect on the accompanying financial statements.

**Performance Audit** – The District has been selected by the State Office of the Auditor General to have a performance audit pursuant to A.R.S. section 41-1279.03.A. for the fiscal year ended June 30, 2013. This performance audit has not been completed, and although the results are unknown at this time, the District expects the results to be immaterial to the financial statements.

**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.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 12 – RISK MANAGEMENT (Concl'd)**

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

The District continues to carry commercial insurance for all other risks of loss, including employee life insurance.

**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).

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

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

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

	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
Years ended June 30,			
2013	\$ 1,375,429	\$ 87,222	\$ 32,205
2012	1,369,579	87,420	33,303
2011	1,257,287	82,331	34,886

**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, 2013**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other local	\$	\$	\$ 480,371	\$ 480,371
Property taxes			7,663,443	7,663,443
State aid and grants			9,551,984	9,551,984
<b>Total revenues</b>			<u>17,695,798</u>	<u>17,695,798</u>
<b>Expenditures:</b>				
Current -				
Instruction	9,373,763	9,009,351	8,117,075	892,276
Support services - students and staff	2,083,386	2,277,795	2,485,364	(207,569)
Support services - administration	1,921,258	2,055,000	1,976,439	78,561
Operation and maintenance of plant services	2,394,642	2,406,839	2,710,211	(303,372)
Student transportation services	1,474,369	1,527,821	1,365,623	162,198
Operation of non-instructional services	34,592	35,927	35,926	1
<b>Total expenditures</b>	<u>17,282,010</u>	<u>17,312,733</u>	<u>16,690,638</u>	<u>622,095</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(17,282,010)</u>	<u>(17,312,733)</u>	<u>1,005,160</u>	<u>18,317,893</u>
<b>Other financing sources (uses):</b>				
Transfers in			87,259	87,259
<b>Total other financing sources (uses):</b>			<u>87,259</u>	<u>87,259</u>
<b>Changes in fund balances</b>	<u>(17,282,010)</u>	<u>(17,312,733)</u>	<u>1,092,419</u>	<u>18,405,152</u>
<b>Fund balances, beginning of year</b>			13,929,934	13,929,934
Increase (decrease) in reserve for prepaid items			245,992	245,992
Increase (decrease) in reserve for inventory			(33,834)	(33,834)
<b>Fund balances (deficits), end of year</b>	<u>\$ (17,282,010)</u>	<u>\$ (17,312,733)</u>	<u>\$ 15,234,511</u>	<u>\$ 32,547,244</u>

See accompanying notes to this schedule.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2013**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

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

	<u>Total</u> <u>Expenditures</u>	<u>Increase for</u> <u>Prepaid Items</u>	<u>Fund Balance,</u> <u>June 30, 2013</u>	<u>Fund Balance,</u> <u>July 1, 2012</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 17,209,125	\$ 245,992	\$ 17,273,314	\$ 15,888,445
Fiscal year 2012-13 activity budgeted as special revenue funds	(472,757)		(679,854)	(684,411)
Fiscal year 2012-13 activity budgeted as capital projects funds	<u>(45,730)</u>	<u>                    </u>	<u>(1,358,949)</u>	<u>(1,274,100)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 16,690,638</u>	<u>\$ 245,992</u>	<u>\$ 15,234,511</u>	<u>\$ 13,929,934</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, 2013**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 1,010,613	\$ 290,743	\$ 1,301,356
Cash and investments - restricted		2,845,947	2,845,947
Due from governmental entities	1,006,648	301,350	1,307,998
<b>Total assets</b>	<u>\$ 2,017,261</u>	<u>\$ 3,438,040</u>	<u>\$ 5,455,301</u>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 21,179	\$	\$ 21,179
Construction contracts payable		502,803	502,803
Due to other funds	757,570	3,211	760,781
Deferred revenues	37,715		37,715
<b>Total liabilities</b>	<u>816,464</u>	<u>506,014</u>	<u>1,322,478</u>
Fund balances (deficits):			
Restricted	1,216,723	2,988,501	4,205,224
Unassigned	(15,926)	(56,475)	(72,401)
<b>Total fund balances</b>	<u>1,200,797</u>	<u>2,932,026</u>	<u>4,132,823</u>
 <b>Total liabilities and fund balances</b>	 <u>\$ 2,017,261</u>	 <u>\$ 3,438,040</u>	 <u>\$ 5,455,301</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, 2013**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues:</b>			
Other local	\$ 1,069,867	\$ 625	\$ 1,070,492
State aid and grants	1,403,588	353,725	1,757,313
Federal aid, grants and reimbursements	<u>5,979,537</u>		<u>5,979,537</u>
<b>Total revenues</b>	<u>8,452,992</u>	<u>354,350</u>	<u>8,807,342</u>
<b>Expenditures:</b>			
Current -			
Instruction	3,175,964		3,175,964
Support services - students and staff	1,823,232		1,823,232
Support services - administration	108,252		108,252
Operation and maintenance of plant services	303,022		303,022
Student transportation services	35,409		35,409
Operation of non-instructional services	1,562,219		1,562,219
Capital outlay	1,010,654	1,771,770	2,782,424
Debt service -			
Interest and fiscal charges		<u>80,421</u>	<u>80,421</u>
<b>Total expenditures</b>	<u>8,018,752</u>	<u>1,852,191</u>	<u>9,870,943</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>434,240</u>	<u>(1,497,841)</u>	<u>(1,063,601)</u>
<b>Other financing sources (uses):</b>			
Transfers out	(254,259)	(636)	(254,895)
Capital lease agreements		<u>4,021,482</u>	<u>4,021,482</u>
<b>Total other financing sources (uses):</b>	<u>(254,259)</u>	<u>4,020,846</u>	<u>3,766,587</u>
<b>Changes in fund balances</b>	<u>179,981</u>	<u>2,523,005</u>	<u>2,702,986</u>
<b>Fund balances, beginning of year</b>	1,037,568	409,021	1,446,589
Increase (decrease) in reserve for inventory	(16,752)		(16,752)
<b>Fund balances, end of year</b>	<u>\$ 1,200,797</u>	<u>\$ 2,932,026</u>	<u>\$ 4,132,823</u>

## SPECIAL REVENUE FUNDS

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

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

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

**Structured English Immersion** - to account for monies received to provide for the incremental cost of instruction to English language learners.

**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.

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

**Limited English & 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.

**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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2013**

	Classroom Site	Instructional Improvement	Structured English Immersion
<b><u>ASSETS</u></b>			
Cash and investments	\$ 245,412	\$	\$ 23,877
Due from governmental entities	75,515	58,636	
<b>Total assets</b>	\$ 320,927	\$ 58,636	\$ 23,877
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds		48,401	
Deferred revenues			23,877
<b>Total liabilities</b>		48,401	23,877
Fund balances (deficits):			
Restricted	320,927	10,235	
Unassigned			
<b>Total fund balances</b>	320,927	10,235	
 <b>Total liabilities and fund balances</b>	\$ 320,927	\$ 58,636	\$ 23,877

<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>
\$ 376,104	\$ 29,312	\$ 17,132	\$ 5,870	\$ 70,675	\$ 12,804
<u>\$ 376,104</u>	<u>\$ 29,312</u>	<u>\$ 17,132</u>	<u>\$ 5,870</u>	<u>\$ 70,675</u>	<u>\$ 12,804</u>
\$ 376,104	\$ 29,098	\$ 14,701	\$ 5,870	\$ 70,675	\$ 28,730
	214	2,431	5,870		
<u>376,104</u>	<u>29,312</u>	<u>17,132</u>	<u>5,870</u>	<u>70,675</u>	<u>28,730</u>
					(15,926)
					(15,926)
<u>\$ 376,104</u>	<u>\$ 29,312</u>	<u>\$ 17,132</u>	<u>\$ 5,870</u>	<u>\$ 70,675</u>	<u>\$ 12,804</u>

(Continued)

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2013**

	E-Rate	Other Federal Projects	State Vocational Education
<b><u>ASSETS</u></b>			
Cash and investments	\$ 82,610	\$	\$ 1,981
Due from governmental entities		291,526	
<b>Total assets</b>	\$ 82,610	\$ 291,526	\$ 1,981
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds		159,990	
Deferred revenues			1,981
<b>Total liabilities</b>		159,990	1,981
Fund balances (deficits):			
Restricted	82,610	131,536	
Unassigned			
<b>Total fund balances</b>	82,610	131,536	
 <b>Total liabilities and fund balances</b>	\$ 82,610	\$ 291,526	\$ 1,981

<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Gifts and Donations</u>	<u>Fingerprint</u>
\$ 18,640	\$ 345,289	\$ 5,148	\$ 84,245	\$ 122,997	\$ 1,421
	26,376				
<u>\$ 18,640</u>	<u>\$ 371,665</u>	<u>\$ 5,148</u>	<u>\$ 84,245</u>	<u>\$ 122,997</u>	<u>\$ 1,421</u>
\$ 15,298	\$ 21,179	\$	\$	\$	\$
3,342					
<u>18,640</u>	<u>21,179</u>				
	350,486	5,148	84,245	122,997	1,421
	<u>350,486</u>	<u>5,148</u>	<u>84,245</u>	<u>122,997</u>	<u>1,421</u>
<u>\$ 18,640</u>	<u>\$ 371,665</u>	<u>\$ 5,148</u>	<u>\$ 84,245</u>	<u>\$ 122,997</u>	<u>\$ 1,421</u>

(Continued)

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2013**

	Insurance Proceeds	Textbooks	Insurance Refund
<b><u>ASSETS</u></b>			
Cash and investments	\$ 73,612	\$ 4,937	\$ 13,214
Due from governmental entities			
<b>Total assets</b>	\$ 73,612	\$ 4,937	\$ 13,214
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Deferred revenues			
<b>Total liabilities</b>	_____	_____	_____
Fund balances (deficits):			
Restricted	73,612	4,937	13,214
Unassigned			
<b>Total fund balances</b>	73,612	4,937	13,214
 <b>Total liabilities and fund balances</b>	\$ 73,612	\$ 4,937	\$ 13,214

<u>Joint Technical Education</u>	<u>Totals</u>
\$	\$
29,928	1,010,613
<u>29,928</u>	<u>1,006,648</u>
<u>\$ 29,928</u>	<u>\$ 2,017,261</u>
\$	\$
14,573	21,179
<u>14,573</u>	<u>757,570</u>
	37,715
	<u>816,464</u>
15,355	1,216,723
<u>15,355</u>	<u>(15,926)</u>
	<u>1,200,797</u>
<u>\$ 29,928</u>	<u>\$ 2,017,261</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, 2013**

	Classroom Site	Instructional Improvement	County, City, and Town Grants
<b>Revenues:</b>			
Other local	\$	\$ 31	\$ 1,705
State aid and grants	965,490	135,594	
Federal aid, grants and reimbursements			
<b>Total revenues</b>	965,490	135,625	1,705
<b>Expenditures:</b>			
Current -			
Instruction	760,833	188,220	1,705
Support services - students and staff	89,621		
Support services - administration	3,106		
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	853,560	188,220	1,705
<b>Excess (deficiency) of revenues over expenditures</b>	111,930	(52,595)	
<b>Other financing sources (uses):</b>			
Transfers out			(11,266)
<b>Total other financing sources (uses):</b>			(11,266)
<b>Changes in fund balances</b>	111,930	(52,595)	(11,266)
<b>Fund balances (deficits), beginning of year</b>	208,997	62,830	11,266
Increase (decrease) in reserve for inventory			
<b>Fund balances, end of year</b>	\$ 320,927	\$ 10,235	\$

Structured English Immersion	Title I Grants	Professional Development and Technology Grants	Promote Informed Parent Choice	Limited English & Immigrant Students	Special Education Grants
\$ 90,073	\$ 1,384,825	\$ 112,646	\$ 50,712	\$ 150,917	\$ 495,112
<u>90,073</u>	<u>1,384,825</u>	<u>112,646</u>	<u>50,712</u>	<u>150,917</u>	<u>495,112</u>
87,449	704,498		17,290	40,906	395,927
286	449,512	100,828	30,128	57,243	77,740
2,338	32,991	5,840	596	1,167	8,967
	7,476				
	123,290			49,339	2,147
<u>90,073</u>	<u>1,317,767</u>	<u>106,668</u>	<u>48,014</u>	<u>148,655</u>	<u>484,781</u>
	67,058	5,978	2,698	2,262	10,331
	(67,058)	(5,978)	(2,698)	(2,262)	(10,331)
	<u>(67,058)</u>	<u>(5,978)</u>	<u>(2,698)</u>	<u>(2,262)</u>	<u>(10,331)</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, 2013**

	Vocational Education	E-Rate	Other Federal Projects
<b>Revenues:</b>			
Other local	\$	\$ 5,977	\$
State aid and grants			
Federal aid, grants and reimbursements	155,901	172,988	1,964,728
<b>Total revenues</b>	155,901	178,965	1,964,728
<b>Expenditures:</b>			
Current -			
Instruction	79,148	28,119	656,831
Support services - students and staff	37,029	18,731	739,382
Support services - administration			32,360
Operation and maintenance of plant services		109,496	55,438
Student transportation services			22,829
Operation of non-instructional services			
Capital outlay	51,524		322,924
<b>Total expenditures</b>	167,701	156,346	1,829,764
<b>Excess (deficiency) of revenues over expenditures</b>	(11,800)	22,619	134,964
<b>Other financing sources (uses):</b>			
Transfers out	(4,126)		(125,289)
<b>Total other financing sources (uses):</b>	(4,126)		(125,289)
<b>Changes in fund balances</b>	(15,926)	22,619	9,675
<b>Fund balances (deficits), beginning of year</b>		59,991	121,861
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (15,926)	\$ 82,610	\$ 131,536

State Vocational Education	Other State Projects	Food Service	Civic Center	Community School	Extracurricular Activities Fees Tax Credit
\$ 63,800	\$ 148,631	\$ 231,450	\$ 57,998	\$	\$ 37,622
<u>63,800</u>	<u>148,631</u>	<u>1,491,708</u>	<u>57,998</u>		<u>37,622</u>
		<u>1,723,158</u>			
32,630	540		1,042		34,783
28,043	148,091				
			72,428		
		1,562,219			
3,127		91,600	298		11,326
<u>63,800</u>	<u>148,631</u>	<u>1,653,819</u>	<u>73,768</u>		<u>46,109</u>
		<u>69,339</u>	<u>(15,770)</u>		<u>(8,487)</u>
		<u>(15,150)</u>		<u>(6,384)</u>	
		<u>(15,150)</u>		<u>(6,384)</u>	
		<u>54,189</u>	<u>(15,770)</u>	<u>(6,384)</u>	<u>(8,487)</u>
		<u>313,049</u>	<u>20,918</u>	<u>6,384</u>	<u>92,732</u>
		<u>(16,752)</u>			
<u>\$</u>	<u>\$</u>	<u>\$ 350,486</u>	<u>\$ 5,148</u>	<u>\$</u>	<u>\$ 84,245</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, 2013**

	Gifts and Donations	Fingerprint	Insurance Proceeds
<b>Revenues:</b>			
Other local	\$ 160,224	\$ 2,922	\$ 345,410
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	160,224	2,922	345,410
<b>Expenditures:</b>			
Current -			
Instruction	27,867		491
Support services - students and staff	29,986		
Support services - administration	4,427	2,613	
Operation and maintenance of plant services	341		35,833
Student transportation services			5,104
Operation of non-instructional services			
Capital outlay	67,251		248,075
<b>Total expenditures</b>	129,872	2,613	289,503
<b>Excess (deficiency) of revenues over expenditures</b>	30,352	309	55,907
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	30,352	309	55,907
<b>Fund balances (deficits), beginning of year</b>	92,645	1,112	17,705
Increase (decrease) in reserve for inventory			
<b>Fund balances, end of year</b>	\$ 122,997	\$ 1,421	\$ 73,612

<u>Textbooks</u>	<u>Litigation Recovery</u>	<u>Insurance Refund</u>	<u>Joint Technical Education</u>	<u>Totals</u>
\$ 2,208	\$ 17	\$	\$ 224,303	\$ 1,069,867
				1,403,588
				5,979,537
<u>2,208</u>	<u>17</u>		<u>224,303</u>	<u>8,452,992</u>
29			117,656	3,175,964
850	12,430		3,332	1,823,232
	1,789		12,058	108,252
			29,486	303,022
				35,409
				1,562,219
			39,753	1,010,654
<u>879</u>	<u>14,219</u>		<u>202,285</u>	<u>8,018,752</u>
<u>1,329</u>	<u>(14,202)</u>		<u>22,018</u>	<u>434,240</u>
<u>(3,717)</u>				<u>(254,259)</u>
<u>(3,717)</u>				<u>(254,259)</u>
<u>(2,388)</u>	<u>(14,202)</u>		<u>22,018</u>	<u>179,981</u>
7,325	14,202	13,214	(6,663)	1,037,568
				(16,752)
<u>\$ 4,937</u>	<u>\$</u>	<u>\$ 13,214</u>	<u>\$ 15,355</u>	<u>\$ 1,200,797</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, 2013**

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants		965,490	965,490
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>965,490</u>	<u>965,490</u>
<b>Expenditures:</b>			
Current -			
Instruction	985,407	760,833	224,574
Support services - students and staff	24,008	89,621	(65,613)
Support services - administration		3,106	(3,106)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>1,009,415</u>	<u>853,560</u>	<u>155,855</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,009,415)</u>	<u>111,930</u>	<u>1,121,345</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>(1,009,415)</u>	<u>111,930</u>	<u>1,121,345</u>
<b>Fund balances (deficits), beginning of year</b>		208,997	208,997
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (1,009,415)</u>	<u>\$ 320,927</u>	<u>\$ 1,330,342</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 31 135,594	\$ 31 135,594	\$	\$ 1,705	\$ 1,705
	<u>135,625</u>	<u>135,625</u>		<u>1,705</u>	<u>1,705</u>
181,870	188,220	(6,350)	13,000	1,705	11,295
<u>181,870</u>	<u>188,220</u>	<u>(6,350)</u>	<u>13,000</u>	<u>1,705</u>	<u>11,295</u>
<u>(181,870)</u>	<u>(52,595)</u>	<u>129,275</u>	<u>(13,000)</u>		<u>13,000</u>
				<u>(11,266)</u>	<u>(11,266)</u>
				<u>(11,266)</u>	<u>(11,266)</u>
<u>(181,870)</u>	<u>(52,595)</u>	<u>129,275</u>	<u>(13,000)</u>	<u>(11,266)</u>	<u>1,734</u>
	62,830	62,830		11,266	11,266
<u>\$ (181,870)</u>	<u>\$ 10,235</u>	<u>\$ 192,105</u>	<u>\$ (13,000)</u>	<u>\$</u>	<u>\$ 13,000</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, 2013**

	Structured English Immersion		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants		90,073	90,073
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>90,073</u>	<u>90,073</u>
<b>Expenditures:</b>			
Current -			
Instruction	113,952	87,449	26,503
Support services - students and staff		286	(286)
Support services - administration		2,338	(2,338)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>113,952</u>	<u>90,073</u>	<u>23,879</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(113,952)</u>		<u>113,952</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>(113,952)</u>		<u>113,952</u>
<b>Fund balances (deficits), beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (113,952)</u>	<u>\$</u>	<u>\$ 113,952</u>

Title I Grants			Professional Development and Technology Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	1,384,825	1,384,825		112,646	112,646
	<u>1,384,825</u>	<u>1,384,825</u>		<u>112,646</u>	<u>112,646</u>
1,751,498	704,498	1,047,000			
	449,512	(449,512)	193,755	100,828	92,927
	32,991	(32,991)		5,840	(5,840)
	7,476	(7,476)			
	123,290	(123,290)			
<u>1,751,498</u>	<u>1,317,767</u>	<u>433,731</u>	<u>193,755</u>	<u>106,668</u>	<u>87,087</u>
<u>(1,751,498)</u>	<u>67,058</u>	<u>1,818,556</u>	<u>(193,755)</u>	<u>5,978</u>	<u>199,733</u>
	(67,058)	(67,058)		(5,978)	(5,978)
	<u>(67,058)</u>	<u>(67,058)</u>		<u>(5,978)</u>	<u>(5,978)</u>
<u>(1,751,498)</u>		<u>1,751,498</u>	<u>(193,755)</u>		<u>193,755</u>
<u>\$ (1,751,498)</u>	<u>\$</u>	<u>\$ 1,751,498</u>	<u>\$ (193,755)</u>	<u>\$</u>	<u>\$ 193,755</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, 2013**

	Promote Informed Parent Choice		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		50,712	50,712
<b>Total revenues</b>		50,712	50,712
<b>Expenditures:</b>			
Current -			
Instruction		17,290	(17,290)
Support services - students and staff	78,487	30,128	48,359
Support services - administration		596	(596)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	78,487	48,014	30,473
<b>Excess (deficiency) of revenues over expenditures</b>	(78,487)	2,698	81,185
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(2,698)	(2,698)
<b>Total other financing sources (uses):</b>		(2,698)	(2,698)
<b>Changes in fund balances</b>	(78,487)		78,487
<b>Fund balances (deficits), beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (78,487)	\$	\$ 78,487

Limited English & Immigrant Students			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	150,917	150,917		495,112	495,112
	150,917	150,917		495,112	495,112
239,439	40,906	(40,906)	507,791	395,927	111,864
	57,243	182,196		77,740	(77,740)
	1,167	(1,167)		8,967	(8,967)
	49,339	(49,339)		2,147	(2,147)
239,439	148,655	90,784	507,791	484,781	23,010
(239,439)	2,262	241,701	(507,791)	10,331	518,122
	(2,262)	(2,262)		(10,331)	(10,331)
	(2,262)	(2,262)		(10,331)	(10,331)
(239,439)		239,439	(507,791)		507,791
\$ (239,439)	\$	\$ 239,439	\$ (507,791)	\$	\$ 507,791

(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, 2013**

	Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		155,901	155,901
<b>Total revenues</b>		155,901	155,901
<b>Expenditures:</b>			
Current -			
Instruction	189,911	79,148	110,763
Support services - students and staff		37,029	(37,029)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		51,524	(51,524)
<b>Total expenditures</b>	189,911	167,701	22,210
<b>Excess (deficiency) of revenues over expenditures</b>	(189,911)	(11,800)	178,111
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(4,126)	(4,126)
<b>Total other financing sources (uses):</b>		(4,126)	(4,126)
<b>Changes in fund balances</b>	(189,911)	(15,926)	173,985
<b>Fund balances (deficits), beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (189,911)	\$ (15,926)	\$ 173,985

Medicaid Reimbursement			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 107	\$ 107	\$	\$ 5,977	\$ 5,977
	129,243	129,243		172,988	172,988
	129,350	129,350		178,965	178,965
155,000	38,658	(38,658)		28,119	(28,119)
	55,258	99,742		18,731	(18,731)
	7,866	(7,866)			
	2,900	(2,900)	230,000	109,496	120,504
	5,224	(5,224)			
	22,385	(22,385)			
155,000	132,291	22,709	230,000	156,346	73,654
(155,000)	(2,941)	152,059	(230,000)	22,619	252,619
(155,000)	(2,941)	152,059	(230,000)	22,619	252,619
	70,169	70,169		59,991	59,991
\$ (155,000)	\$ 67,228	\$ 222,228	\$ (230,000)	\$ 82,610	\$ 312,610

**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, 2013**

	Other Federal Projects		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		1,964,728	1,964,728
<b>Total revenues</b>		<u>1,964,728</u>	<u>1,964,728</u>
<b>Expenditures:</b>			
Current -			
Instruction		656,831	(656,831)
Support services - students and staff	2,667,666	739,382	1,928,284
Support services - administration		32,360	(32,360)
Operation and maintenance of plant services		55,438	(55,438)
Student transportation services		22,829	(22,829)
Operation of non-instructional services			
Capital outlay		322,924	(322,924)
<b>Total expenditures</b>	<u>2,667,666</u>	<u>1,829,764</u>	<u>837,902</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,667,666)</u>	<u>134,964</u>	<u>2,802,630</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(125,289)	(125,289)
<b>Total other financing sources (uses):</b>		<u>(125,289)</u>	<u>(125,289)</u>
<b>Changes in fund balances</b>	<u>(2,667,666)</u>	<u>9,675</u>	<u>2,677,341</u>
<b>Fund balances (deficits), beginning of year</b>		121,861	121,861
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (2,667,666)</u>	<u>\$ 131,536</u>	<u>\$ 2,799,202</u>

State Vocational Education			Other State Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	63,800	63,800		148,631	148,631
	<u>63,800</u>	<u>63,800</u>		<u>148,631</u>	<u>148,631</u>
65,776	32,630	33,146		540	(540)
	28,043	(28,043)	180,062	148,091	31,971
	3,127	(3,127)			
<u>65,776</u>	<u>63,800</u>	<u>1,976</u>	<u>180,062</u>	<u>148,631</u>	<u>31,431</u>
<u>(65,776)</u>		<u>65,776</u>	<u>(180,062)</u>		<u>180,062</u>
<u>(65,776)</u>		<u>65,776</u>	<u>(180,062)</u>		<u>180,062</u>
<u>\$ (65,776)</u>	<u>\$</u>	<u>\$ 65,776</u>	<u>\$ (180,062)</u>	<u>\$</u>	<u>\$ 180,062</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, 2013**

	School Plant		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$ 544	\$ 544
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>544</u>	<u>544</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	435,000		435,000
Capital outlay			
<b>Total expenditures</b>	<u>435,000</u>		<u>435,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(435,000)</u>	<u>544</u>	<u>435,544</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>(435,000)</u>	<u>544</u>	<u>435,544</u>
<b>Fund balances (deficits), beginning of year</b>		368,292	368,292
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (435,000)</u>	<u>\$ 368,836</u>	<u>\$ 803,836</u>

Food Service			Civic Center		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 231,450	\$ 231,450	\$	\$ 57,998	\$ 57,998
	1,491,708	1,491,708			
	1,723,158	1,723,158		57,998	57,998
				1,042	(1,042)
			90,000	72,428	17,572
1,836,000	1,562,219	273,781			
	91,600	(91,600)		298	(298)
1,836,000	1,653,819	182,181	90,000	73,768	16,232
(1,836,000)	69,339	1,905,339	(90,000)	(15,770)	74,230
	(15,150)	(15,150)			
	(15,150)	(15,150)			
(1,836,000)	54,189	1,890,189	(90,000)	(15,770)	74,230
	313,049	313,049		20,918	20,918
	(16,752)	(16,752)			
\$ (1,836,000)	\$ 350,486	\$ 2,186,486	\$ (90,000)	\$ 5,148	\$ 95,148

(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, 2013**

	Community School		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current -			
Instruction	10,000		10,000
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>	10,000		10,000
<b>Excess (deficiency) of revenues over expenditures</b>	(10,000)		10,000
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(6,384)	(6,384)
<b>Total other financing sources (uses):</b>		(6,384)	(6,384)
<b>Changes in fund balances</b>	(10,000)	(6,384)	3,616
<b>Fund balances (deficits), beginning of year</b>		6,384	6,384
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (10,000)	\$	\$ 10,000

Auxiliary Operations			Extracurricular Activities Fees Tax Credit		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 171,271	\$ 171,271	\$	\$ 37,622	\$ 37,622
	<u>171,271</u>	<u>171,271</u>		<u>37,622</u>	<u>37,622</u>
11,800	143,826	(132,026)	118,533	34,783	83,750
	172	(172)			
	10	(10)			
	3,380	(3,380)		11,326	(11,326)
<u>11,800</u>	<u>147,388</u>	<u>(135,588)</u>	<u>118,533</u>	<u>46,109</u>	<u>72,424</u>
<u>(11,800)</u>	<u>23,883</u>	<u>35,683</u>	<u>(118,533)</u>	<u>(8,487)</u>	<u>110,046</u>
<u>(11,800)</u>	<u>23,883</u>	<u>35,683</u>	<u>(118,533)</u>	<u>(8,487)</u>	<u>110,046</u>
	48,962	48,962		92,732	92,732
<u>\$ (11,800)</u>	<u>\$ 72,845</u>	<u>\$ 84,645</u>	<u>\$ (118,533)</u>	<u>\$ 84,245</u>	<u>\$ 202,778</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, 2013**

	Gifts and Donations		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 160,224	\$ 160,224
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>160,224</u>	<u>160,224</u>
<b>Expenditures:</b>			
Current -			
Instruction		27,867	(27,867)
Support services - students and staff		29,986	(29,986)
Support services - administration		4,427	(4,427)
Operation and maintenance of plant services		341	(341)
Student transportation services			
Operation of non-instructional services			
Capital outlay	197,049	67,251	129,798
<b>Total expenditures</b>	<u>197,049</u>	<u>129,872</u>	<u>67,177</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(197,049)</u>	<u>30,352</u>	<u>227,401</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>(197,049)</u>	<u>30,352</u>	<u>227,401</u>
<b>Fund balances (deficits), beginning of year</b>		92,645	92,645
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (197,049)</u>	<u>\$ 122,997</u>	<u>\$ 320,046</u>

Fingerprint			Insurance Proceeds		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,922	\$ 2,922	\$	\$ 345,410	\$ 345,410
	<u>2,922</u>	<u>2,922</u>		<u>345,410</u>	<u>345,410</u>
				491	(491)
4,000	2,613	1,387		35,833	(35,833)
				5,104	(5,104)
			400,000	248,075	151,925
<u>4,000</u>	<u>2,613</u>	<u>1,387</u>	<u>400,000</u>	<u>289,503</u>	<u>110,497</u>
<u>(4,000)</u>	<u>309</u>	<u>4,309</u>	<u>(400,000)</u>	<u>55,907</u>	<u>455,907</u>
<u>(4,000)</u>	<u>309</u>	<u>4,309</u>	<u>(400,000)</u>	<u>55,907</u>	<u>455,907</u>
	1,112	1,112		17,705	17,705
<u>\$ (4,000)</u>	<u>\$ 1,421</u>	<u>\$ 5,421</u>	<u>\$ (400,000)</u>	<u>\$ 73,612</u>	<u>\$ 473,612</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, 2013**

	Textbooks		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 2,208	\$ 2,208
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>4,618</u>	<u>2,208</u>	<u>2,208</u>
<b>Expenditures:</b>			
Current -			
Instruction		29	(29)
Support services - students and staff	4,618	850	3,768
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>4,618</u>	<u>879</u>	<u>3,739</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(4,618)</u>	<u>1,329</u>	<u>5,947</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(3,717)	(3,717)
<b>Total other financing sources (uses):</b>		<u>(3,717)</u>	<u>(3,717)</u>
<b>Changes in fund balances</b>	<u>(4,618)</u>	<u>(2,388)</u>	<u>2,230</u>
<b>Fund balances (deficits), beginning of year</b>		7,325	7,325
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (4,618)</u>	<u>\$ 4,937</u>	<u>\$ 9,555</u>

Litigation Recovery			Indirect Costs		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 17	\$ 17	\$	\$ 2	\$ 2
	<u>17</u>	<u>17</u>		<u>2</u>	<u>2</u>
14,250	12,430 1,789	1,820 (1,789)		87,764 256	(87,764) (256)
<u>14,250</u>	<u>14,219</u>	<u>31</u>	<u>220,000</u>	<u>102,324</u>	<u>117,676</u>
<u>(14,250)</u>	<u>(14,202)</u>	<u>48</u>	<u>(220,000)</u>	<u>(190,342)</u>	<u>29,656</u>
				167,018	167,018
				<u>167,018</u>	<u>167,018</u>
<u>(14,250)</u>	<u>(14,202)</u>	<u>48</u>	<u>(220,000)</u>	<u>(23,324)</u>	<u>196,676</u>
	14,202	14,202		185,816	185,816
<u>\$ (14,250)</u>	<u>\$</u>	<u>\$ 14,250</u>	<u>\$ (220,000)</u>	<u>\$ 162,492</u>	<u>\$ 382,492</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, 2013**

	Insurance Refund		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current -			
Instruction	17,100		17,100
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>	17,100		17,100
<b>Excess (deficiency) of revenues over expenditures</b>	(17,100)		17,100
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(17,100)		17,100
<b>Fund balances (deficits), beginning of year</b>		13,214	13,214
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (17,100)	\$ 13,214	\$ 30,314

Advertisement			Joint Technical Education		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 15	\$ 15	\$	\$ 224,303	\$ 224,303
	15	15		224,303	224,303
13,600	2,734	10,866	229,356	117,656	111,700
				3,332	(3,332)
				12,058	(12,058)
				29,486	(29,486)
				39,753	(39,753)
<u>13,600</u>	<u>2,734</u>	<u>10,866</u>	<u>229,356</u>	<u>202,285</u>	<u>27,071</u>
<u>(13,600)</u>	<u>(2,719)</u>	<u>10,881</u>	<u>(229,356)</u>	<u>22,018</u>	<u>251,374</u>
<u>(13,600)</u>	<u>(2,719)</u>	<u>10,881</u>	<u>(229,356)</u>	<u>22,018</u>	<u>251,374</u>
	11,172	11,172		(6,663)	(6,663)
<u>\$ (13,600)</u>	<u>\$ 8,453</u>	<u>\$ 22,053</u>	<u>\$ (229,356)</u>	<u>\$ 15,355</u>	<u>\$ 244,711</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, 2013**

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 1,241,806	\$ 1,241,806
State aid and grants		1,403,588	1,403,588
Federal aid, grants and reimbursements		6,108,780	6,108,780
<b>Total revenues</b>		<u>8,754,174</u>	<u>8,754,174</u>
<b>Expenditures:</b>			
Current -			
Instruction	4,195,994	3,358,448	837,546
Support services - students and staff	3,557,285	1,878,662	1,678,623
Support services - administration	17,600	206,626	(189,026)
Operation and maintenance of plant services	320,000	306,178	13,822
Student transportation services		40,633	(40,633)
Operation of non-instructional services	2,271,000	1,562,219	708,781
Capital outlay	817,049	1,138,743	(321,694)
<b>Total expenditures</b>	<u>11,178,928</u>	<u>8,491,509</u>	<u>2,687,419</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(11,178,928)</u>	<u>262,665</u>	<u>11,441,593</u>
<b>Other financing sources (uses):</b>			
Transfers in		167,018	167,018
Transfers out		(254,259)	(254,259)
<b>Total other financing sources (uses):</b>		<u>(87,241)</u>	<u>(87,241)</u>
<b>Changes in fund balances</b>	<u>(11,178,928)</u>	<u>175,424</u>	<u>11,354,352</u>
<b>Fund balances (deficits), beginning of year</b>		1,721,979	1,721,979
Increase (decrease) in reserve for inventory		(16,752)	(16,752)
<b>Fund balances (deficits), end of year</b>	<u>\$ (11,178,928)</u>	<u>\$ 1,880,651</u>	<u>\$ 13,059,579</u>

## **DEBT SERVICE FUND**

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DEBT SERVICE**  
**YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original &amp; Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>			
Other local	\$	\$ 762	\$ 762
Property taxes		966,211	966,211
<b>Total revenues</b>		<u>966,973</u>	<u>966,973</u>
<b>Expenditures:</b>			
Debt service -			
Principal retirement	920,000	920,000	
Interest and fiscal charges	289,913	290,279	(366)
<b>Total expenditures</b>	<u>1,209,913</u>	<u>1,210,279</u>	<u>(366)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,209,913)</u>	<u>(243,306)</u>	<u>966,607</u>
<b>Other financing sources (uses):</b>			
Transfers in		618	618
<b>Total other financing sources (uses):</b>		<u>618</u>	<u>618</u>
<b>Changes in fund balances</b>	<u>(1,209,913)</u>	<u>(242,688)</u>	<u>967,225</u>
<b>Fund balances, beginning of year</b>		584,595	584,595
<b>Fund balances (deficits), end of year</b>	<u>\$ (1,209,913)</u>	<u>\$ 341,907</u>	<u>\$ 1,551,820</u>

## CAPITAL PROJECTS FUNDS

**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.

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

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

**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, 2013**

	<u>Adjacent Ways</u>	<u>Bond Building</u>	<u>Energy and Water Savings</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 77,529	\$ 213,214	\$
Cash and investments - restricted			2,845,947
Due from governmental entities			
<b>Total assets</b>	<u>\$ 77,529</u>	<u>\$ 213,214</u>	<u>\$ 2,845,947</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Construction contracts payable	\$	\$	\$ 148,189
Due to other funds			
<b>Total liabilities</b>			<u>148,189</u>
Fund balances (deficits):			
Restricted	77,529	213,214	2,697,758
Unassigned			
<b>Total fund balances</b>	<u>77,529</u>	<u>213,214</u>	<u>2,697,758</u>
<b>Total liabilities and fund balances</b>	<u>\$ 77,529</u>	<u>\$ 213,214</u>	<u>\$ 2,845,947</u>

<u>Building Renewal Grant</u>	<u>Totals</u>
\$	\$ 290,743
	2,845,947
301,350	301,350
<u>\$ 301,350</u>	<u>\$ 3,438,040</u>

\$ 354,614	\$ 502,803
3,211	3,211
<u>357,825</u>	<u>506,014</u>

	2,988,501
(56,475)	(56,475)
<u>(56,475)</u>	<u>2,932,026</u>
<u>\$ 301,350</u>	<u>\$ 3,438,040</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, 2013**

	Adjacent Ways	Bond Building	Energy and Water Savings
<b>Revenues:</b>			
Other local	\$           6	\$           618	\$
State aid and grants			
<b>Total revenues</b>	6	618	
<b>Expenditures:</b>			
Capital outlay		117,606	1,243,303
Debt service -			
Interest and fiscal charges			80,421
<b>Total expenditures</b>		117,606	1,323,724
<b>Excess (deficiency) of revenues over expenditures</b>	6	(116,988)	(1,323,724)
<b>Other financing sources (uses):</b>			
Transfers out		(618)	
Capital lease agreements			4,021,482
<b>Total other financing sources (uses):</b>		(618)	4,021,482
<b>Changes in fund balances</b>	6	(117,606)	2,697,758
<b>Fund balances, beginning of year</b>	77,523	330,820	
<b>Fund balances (deficits), end of year</b>	\$       77,529	\$       213,214	\$    2,697,758

Building Renewal Grant	New School Facilities	Totals
\$ 1	\$	\$ 625
353,725		353,725
<u>353,726</u>		<u>354,350</u>
410,657	204	1,771,770
		80,421
<u>410,657</u>	<u>204</u>	<u>1,852,191</u>
<u>(56,931)</u>	<u>(204)</u>	<u>(1,497,841)</u>
	(18)	(636)
		4,021,482
	<u>(18)</u>	<u>4,020,846</u>
<u>(56,931)</u>	<u>(222)</u>	<u>2,523,005</u>
456	222	409,021
<u>\$ (56,475)</u>	<u>\$</u>	<u>\$ 2,932,026</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, 2013**

	Unrestricted Capital Outlay		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 35,813	\$ 35,813
Property taxes		1,113,409	1,113,409
State aid and grants		335,944	335,944
<b>Total revenues</b>		<u>1,485,166</u>	<u>1,485,166</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Capital outlay	2,574,433	196,397	2,378,036
Debt service -			
Principal retirement	50,588	50,588	
Interest and fiscal charges	4,922	4,922	
<b>Total expenditures</b>	<u>2,629,943</u>	<u>251,907</u>	<u>2,378,036</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,629,943)</u>	<u>1,233,259</u>	<u>3,863,202</u>
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(2,629,943)</u>	<u>1,233,259</u>	<u>3,863,202</u>
<b>Fund balances, beginning of year</b>		4,845,446	4,845,446
<b>Fund balances (deficits), end of year</b>	<u>\$ (2,629,943)</u>	<u>\$ 6,078,705</u>	<u>\$ 8,708,648</u>

Adjacent Ways			Soft Capital Allocation		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 6	\$ 6	\$	\$ 23,847	\$ 23,847
				25,986	25,986
				80,746	80,746
	6	6		130,579	130,579
80,000		80,000	180,574	25,168	155,406
				15,994	(15,994)
			3,896	3,896	
			672	672	
80,000		80,000	185,142	45,730	139,412
(80,000)	6	80,006	(185,142)	84,849	269,991
(80,000)	6	80,006	(185,142)	84,849	269,991
	77,523	77,523		1,274,100	1,274,100
\$ (80,000)	\$ 77,529	\$ 157,529	\$ (185,142)	\$ 1,358,949	\$ 1,544,091

**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, 2013**

	Bond Building		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 618	\$ 618
Property taxes			
State aid and grants			
<b>Total revenues</b>		<u>618</u>	<u>618</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Capital outlay	468,589	117,606	350,983
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>468,589</u>	<u>117,606</u>	<u>350,983</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(468,589)</u>	<u>(116,988)</u>	<u>351,601</u>
<b>Other financing sources (uses):</b>			
Transfers out		(618)	(618)
<b>Total other financing sources (uses):</b>		<u>(618)</u>	<u>(618)</u>
<b>Changes in fund balances</b>	<u>(468,589)</u>	<u>(117,606)</u>	<u>350,983</u>
<b>Fund balances, beginning of year</b>		330,820	330,820
<b>Fund balances (deficits), end of year</b>	<u>\$ (468,589)</u>	<u>\$ 213,214</u>	<u>\$ 681,803</u>

Energy and Water Savings			Building Renewal Grant		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 1	\$ 1
				353,725	353,725
				353,726	353,726
	148,189	(148,189)	560,500	410,657	149,843
	148,189	(148,189)	560,500	410,657	149,843
	(148,189)	(148,189)	(560,500)	(56,931)	503,569
	(148,189)	(148,189)	(560,500)	(56,931)	503,569
				456	456
\$	\$ (148,189)	\$ (148,189)	\$ (560,500)	\$ (56,475)	\$ 504,025

**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, 2013**

	New School Facilities		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
Property taxes			
State aid and grants			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current -			
Instruction			
Capital outlay	500	204	296
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	500	204	296
<b>Excess (deficiency) of revenues over expenditures</b>	(500)	(204)	296
<b>Other financing sources (uses):</b>			
Transfers out		(18)	(18)
<b>Total other financing sources (uses):</b>		(18)	(18)
<b>Changes in fund balances</b>	(500)	(222)	278
<b>Fund balances, beginning of year</b>		222	222
<b>Fund balances (deficits), end of year</b>	\$ (500)	\$	\$ 500

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 60,285	\$ 60,285
	1,139,395	1,139,395
	770,415	770,415
	<u>1,970,095</u>	<u>1,970,095</u>
180,574	25,168	155,406
3,684,022	889,047	2,794,975
54,484	54,484	
5,594	5,594	
<u>3,924,674</u>	<u>974,293</u>	<u>2,950,381</u>
<u>(3,924,674)</u>	<u>995,802</u>	<u>4,920,476</u>
	<u>(636)</u>	<u>(636)</u>
	<u>(636)</u>	<u>(636)</u>
<u>(3,924,674)</u>	<u>995,166</u>	<u>4,919,840</u>
	6,528,567	6,528,567
<u>\$ (3,924,674)</u>	<u>\$ 7,523,733</u>	<u>\$ 11,448,407</u>

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## **AGENCY FUNDS**

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

**Employee 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 ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2013**

	Student Activities	Employee Insurance	State Retirement Clearing
<b><u>ASSETS</u></b>			
Cash and investments	\$ 96,003	\$ 136,474	\$ 265,191
<b>Total assets</b>	\$ 96,003	\$ 136,474	\$ 265,191
 <b><u>LIABILITIES</u></b>			
Deposits held for others	\$	\$ 136,474	\$ 265,191
Due to student groups	96,003		
<b>Total liabilities</b>	\$ 96,003	\$ 136,474	\$ 265,191

<u>Direct Deposit</u>	<u>Totals</u>
\$ 1,754	\$ 499,422
<u>\$ 1,754</u>	<u>\$ 499,422</u>

\$ 1,754	\$ 403,419
	96,003
<u>\$ 1,754</u>	<u>\$ 499,422</u>

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b><u>STUDENT ACTIVITIES FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ <u>114,067</u>	\$ <u>248,886</u>	\$ <u>266,950</u>	\$ <u>96,003</u>
Total assets	\$ <u><u>114,067</u></u>	\$ <u><u>248,886</u></u>	\$ <u><u>266,950</u></u>	\$ <u><u>96,003</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>114,067</u>	\$ <u>248,886</u>	\$ <u>266,950</u>	\$ <u>96,003</u>
Total liabilities	\$ <u><u>114,067</u></u>	\$ <u><u>248,886</u></u>	\$ <u><u>266,950</u></u>	\$ <u><u>96,003</u></u>
<b><u>EMPLOYEE INSURANCE FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ <u>623,483</u>	\$ <u>418,387</u>	\$ <u>905,396</u>	\$ <u>136,474</u>
Total assets	\$ <u><u>623,483</u></u>	\$ <u><u>418,387</u></u>	\$ <u><u>905,396</u></u>	\$ <u><u>136,474</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>623,483</u>	\$ <u>418,387</u>	\$ <u>905,396</u>	\$ <u>136,474</u>
Total liabilities	\$ <u><u>623,483</u></u>	\$ <u><u>418,387</u></u>	\$ <u><u>905,396</u></u>	\$ <u><u>136,474</u></u>
<b><u>STATE RETIREMENT CLEARING FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ <u>239,055</u>	\$ <u>3,005,733</u>	\$ <u>2,979,597</u>	\$ <u>265,191</u>
Total assets	\$ <u><u>239,055</u></u>	\$ <u><u>3,005,733</u></u>	\$ <u><u>2,979,597</u></u>	\$ <u><u>265,191</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>239,055</u>	\$ <u>3,005,733</u>	\$ <u>2,979,597</u>	\$ <u>265,191</u>
Total liabilities	\$ <u><u>239,055</u></u>	\$ <u><u>3,005,733</u></u>	\$ <u><u>2,979,597</u></u>	\$ <u><u>265,191</u></u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b><u>FEDERAL WITHHOLDING FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ _____	\$ 3,424,105	\$ 3,424,105	\$ _____
Total assets	\$ _____	\$ 3,424,105	\$ 3,424,105	\$ _____
<u>Liabilities</u>				
Deposits held for others	\$ _____	\$ 3,424,105	\$ 3,424,105	\$ _____
Total liabilities	\$ _____	\$ 3,424,105	\$ 3,424,105	\$ _____
<b><u>DIRECT DEPOSIT FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ _____	\$ 15,274,175	\$ 15,272,421	\$ 1,754
Total assets	\$ _____	\$ 15,274,175	\$ 15,272,421	\$ 1,754
<u>Liabilities</u>				
Deposits held for others	\$ _____	\$ 15,274,175	\$ 15,272,421	\$ 1,754
Total liabilities	\$ _____	\$ 15,274,175	\$ 15,272,421	\$ 1,754
<b><u>TOTAL AGENCY FUNDS</u></b>				
<u>Assets</u>				
Cash and investments	\$ 976,605	\$ 22,371,286	\$ 22,848,469	\$ 499,422
Total assets	\$ 976,605	\$ 22,371,286	\$ 22,848,469	\$ 499,422
<u>Liabilities</u>				
Deposits held for others	\$ 862,538	\$ 22,122,400	\$ 22,581,519	\$ 403,419
Due to student groups	114,067	248,886	266,950	96,003
Total liabilities	\$ 976,605	\$ 22,371,286	\$ 22,848,469	\$ 499,422

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## STATISTICAL SECTION

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

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

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>
<b>Net Position:</b>					
Net investment in capital assets	\$ 34,297,573	\$ 37,031,052	\$ 37,270,913	\$ 37,108,301	\$ 37,630,822
Restricted	10,657,796	7,068,760	7,417,337	6,437,540	5,475,472
Unrestricted	18,410,545	17,274,963	15,706,115	12,007,266	6,611,411
Total net position	<u><u>\$ 63,365,914</u></u>	<u><u>\$ 61,374,775</u></u>	<u><u>\$ 60,394,365</u></u>	<u><u>\$ 55,553,107</u></u>	<u><u>\$ 49,717,705</u></u>
	<u><b>2008</b></u>	<u><b>2007</b></u>	<u><b>2006</b></u>	<u><b>2005</b></u>	<u><b>2004</b></u>
<b>Net Position:</b>					
Net investment in capital assets	\$ 33,928,318	\$ 29,627,047	\$ 28,409,474	\$ 27,259,652	\$ 24,668,581
Restricted	4,446,463	3,006,021	1,914,843	2,311,798	1,928,205
Unrestricted	7,435,758	7,529,517	7,306,402	5,506,837	6,056,693
Total net position	<u><u>\$ 45,810,539</u></u>	<u><u>\$ 40,162,585</u></u>	<u><u>\$ 37,630,719</u></u>	<u><u>\$ 35,078,287</u></u>	<u><u>\$ 32,653,479</u></u>

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



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

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>
<b>Expenses</b>					
Instruction	\$ 13,205,520	\$ 15,599,674	\$ 13,732,409	\$ 14,118,196	\$ 14,970,015
Support services - students and staff	4,598,129	3,944,557	3,501,100	3,345,893	3,479,221
Support services - administration	2,380,489	2,344,181	1,970,869	2,107,260	2,197,992
Operation and maintenance of plant services	3,208,236	2,948,557	2,607,645	2,509,099	2,723,738
Student transportation services	1,739,769	2,135,651	1,858,397	1,958,552	2,110,630
Operation of non-instructional services	1,644,826	1,736,793	1,654,683	1,673,855	1,876,773
Interest on long-term debt	376,294	337,646	377,530	413,437	586,052
Total expenses	<u>27,153,263</u>	<u>29,047,059</u>	<u>25,702,633</u>	<u>26,126,292</u>	<u>27,944,421</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	404,548	367,929	268,777	25,263	34,872
Operation of non-instructional services	230,957	231,444	461,084	470,397	491,373
Other activities	57,979	16,004	52,219	13,923	169,436
Operating grants and contributions	5,481,740	5,307,680	4,514,364	4,458,640	3,512,962
Capital grants and contributions	1,709,552	1,067,053	362,734	224,253	125,593
Total program revenues	<u>7,884,776</u>	<u>6,990,110</u>	<u>5,659,178</u>	<u>5,192,476</u>	<u>4,334,236</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (19,268,487)</u>	<u>\$ (22,056,949)</u>	<u>\$ (20,043,455)</u>	<u>\$ (20,933,816)</u>	<u>\$ (23,610,185)</u>

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Expenses</b>					
Instruction	\$ 16,270,680	\$ 14,412,039	\$ 13,389,876	\$ 11,888,948	\$ 11,054,619
Support services - students and staff	3,126,917	2,288,847	2,271,436	2,009,695	1,790,159
Support services - administration	2,587,306	2,274,103	2,120,317	1,894,359	1,877,227
Operation and maintenance of plant services	2,659,926	2,206,998	1,942,231	1,637,921	1,965,543
Student transportation services	3,319,512	1,944,079	1,642,113	1,443,455	1,339,002
Operation of non-instructional services	1,801,911	1,496,647	1,453,162	1,502,113	1,249,295
Interest on long-term debt	533,750	322,573	341,482	424,276	517,914
Total expenses	<u>30,300,002</u>	<u>24,945,286</u>	<u>23,160,617</u>	<u>20,800,767</u>	<u>19,793,759</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	29,363	123,961	63,278	144,984	43,941
Operation of non-instructional services	473,296	471,416	391,879	399,684	326,880
Other activities	107,452	45,303	78,234	55,071	37,347
Operating grants and contributions	3,660,091	3,094,764	3,624,484	3,278,023	2,614,107
Capital grants and contributions	138,459	429,290	612,026	122,406	296,626
Total program revenues	<u>4,408,661</u>	<u>4,164,734</u>	<u>4,769,901</u>	<u>4,000,168</u>	<u>3,318,901</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (25,891,341)</u>	<u>\$ (20,780,552)</u>	<u>\$ (18,390,716)</u>	<u>\$ (16,800,599)</u>	<u>\$ (16,474,858)</u>

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

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

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>
<b>Net (Expense)/Revenue</b>	\$ (19,268,487)	\$ (22,056,949)	\$ (20,043,455)	\$ (20,933,816)	\$ (23,610,185)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	7,668,362	8,879,329	9,022,918	8,349,537	6,288,353
Property taxes, levied for debt service	879,141	119,986	1,168,528	1,491,052	2,620,766
Property taxes, levied for capital outlay	1,026,315	1,424,785	418,924	575,920	365,547
Investment income	10,186	114,057	68,988	182,265	324,510
Unrestricted county aid	524,028	471,669	425,737	375,955	
Unrestricted state aid	11,069,758	11,921,045	13,619,103	13,877,937	17,918,175
Unrestricted federal aid	81,836	106,488	160,515	1,916,552	
<b>Total general revenues</b>	<u>21,259,626</u>	<u>23,037,359</u>	<u>24,884,713</u>	<u>26,769,218</u>	<u>27,517,351</u>
<b>Changes in Net Position</b>	<u>\$ 1,991,139</u>	<u>\$ 980,410</u>	<u>\$ 4,841,258</u>	<u>\$ 5,835,402</u>	<u>\$ 3,907,166</u>

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Net (Expense)/Revenue</b>	\$ (25,891,341)	\$ (20,780,552)	\$ (18,390,716)	\$ (16,800,599)	\$ (16,474,858)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	5,223,908	3,914,635	3,781,704	3,415,662	3,022,404
Property taxes, levied for debt service	2,687,416	1,934,917	1,794,019	2,130,321	1,172,798
Property taxes, levied for capital outlay	96,828	344,700	405,402	482,880	1,453,824
Investment income	214,489	187,765	125,603	66,642	76,954
Unrestricted county aid	228,489	17,055	360,556	280,633	268,914
Unrestricted state aid	23,088,581	16,913,346	14,475,864	12,849,269	18,333,575
Unrestricted federal aid					
<b>Total general revenues</b>	<u>31,539,711</u>	<u>23,312,418</u>	<u>20,943,148</u>	<u>19,225,407</u>	<u>24,328,469</u>
<b>Changes in Net Position</b>	<u>\$ 5,648,370</u>	<u>\$ 2,531,866</u>	<u>\$ 2,552,432</u>	<u>\$ 2,424,808</u>	<u>\$ 7,853,611</u>

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

**Notes:** 1) The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

2) In fiscal years 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**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>
General Fund:					
Nonspendable	\$ 383,559	\$ 171,401	\$ 60,661	\$	\$
Unassigned	16,889,755	15,717,044	13,057,837		
Reserved				321,281	52,419
Unreserved				7,779,795	2,720,366
Total General Fund	<u>\$ 17,273,314</u>	<u>\$ 15,888,445</u>	<u>\$ 13,118,498</u>	<u>\$ 8,101,076</u>	<u>\$ 2,772,785</u>
All Other Governmental Funds:					
Nonspendable	\$	\$ 16,752	\$ 64,045	\$	\$
Restricted	10,625,836	6,866,541	7,421,785		
Unassigned	(72,401)	(6,663)	(72,611)		
Reserved				76,088	26,329
Unreserved, reported in:					
Special revenue funds				2,242,921	1,854,226
Capital projects funds				5,077,723	6,357,203
Debt service fund				1,829,177	1,629,059
Total all other governmental funds	<u>\$ 10,553,435</u>	<u>\$ 6,876,630</u>	<u>\$ 7,413,219</u>	<u>\$ 9,225,909</u>	<u>\$ 9,866,817</u>

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund:					
Reserved	\$ 280,820	\$ 89,609	\$ 56,114	\$ 65,542	\$ 66,582
Unreserved	2,324,347	3,946,600	3,468,738	1,696,070	1,145,095
Total General Fund	<u>\$ 2,605,167</u>	<u>\$ 4,036,209</u>	<u>\$ 3,524,852</u>	<u>\$ 1,761,612</u>	<u>\$ 1,211,677</u>
All Other Governmental Funds:					
Reserved	\$ 30,643	\$ 48,188	\$ 29,127	\$ 12,993	\$ 13,171
Unreserved, reported in:					
Special revenue funds	1,762,391	1,314,699	1,187,634	1,333,791	848,317
Capital projects funds	9,021,706	7,552,839	650,609	856,396	652,769
Debt service fund	1,072,490	652,167	657,319	480,171	378,296
Total all other governmental funds	<u>\$ 11,887,230</u>	<u>\$ 9,567,893</u>	<u>\$ 2,524,689</u>	<u>\$ 2,683,351</u>	<u>\$ 1,892,553</u>

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

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

**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>				
	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>
<b>Federal sources:</b>					
Federal grants	\$ 4,617,072	\$ 4,318,075	\$ 2,747,500	\$ 3,096,194	\$ 1,900,165
State Fiscal Stabilization (ARRA)			160,515	1,916,552	
Education Jobs		305,747	357,111		
National School Lunch Program	1,491,708	1,412,604	1,407,813	1,330,166	1,287,170
Total federal sources	<u>6,108,780</u>	<u>6,036,426</u>	<u>4,672,939</u>	<u>6,342,912</u>	<u>3,187,335</u>
<b>State sources:</b>					
State equalization assistance	9,968,674	10,779,974	12,664,698	12,908,761	14,872,746
State grants	656,229	194,617	153,469	95,653	259,947
School Facilities Board			103,893		2,560,561
Other revenues	1,101,084	1,214,328	919,570	893,819	1,274,943
Total state sources	<u>11,725,987</u>	<u>12,188,919</u>	<u>13,841,630</u>	<u>13,898,233</u>	<u>18,968,197</u>
<b>Local sources:</b>					
Property taxes	9,769,049	10,358,809	10,575,574	10,124,189	9,130,029
County aid	524,028	471,669	425,737	375,955	
Food service sales	230,932	231,444	338,848	374,455	405,072
Investment income	10,948	114,057	68,988	182,265	324,510
Other revenues	1,017,316	586,704	654,437	296,008	632,853
Total local sources	<u>11,552,273</u>	<u>11,762,683</u>	<u>12,063,584</u>	<u>11,352,872</u>	<u>10,492,464</u>
<b>Total revenues</b>	<u>\$ 29,387,040</u>	<u>\$ 29,988,028</u>	<u>\$ 30,578,153</u>	<u>\$ 31,594,017</u>	<u>\$ 32,647,996</u>

(Continued)

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Federal sources:</b>					
Federal grants	\$ 1,861,668	\$ 2,246,084	\$ 2,489,871	\$ 2,097,021	\$ 1,982,738
National School Lunch Program	1,240,038	1,087,135	1,108,174	1,156,193	840,005
Total federal sources	<u>3,101,706</u>	<u>3,333,219</u>	<u>3,598,045</u>	<u>3,253,214</u>	<u>2,822,743</u>
<b>State sources:</b>					
State equalization assistance	16,302,785	14,792,033	12,923,163	11,394,357	9,621,741
State grants	220,108	302,887	188,344	160,607	90,099
School Facilities Board	4,242,060	533,196	171,823	985,273	7,410,221
Other revenues	1,849,961	1,491,625	1,380,878	1,080,117	732,992
Total state sources	<u>22,614,914</u>	<u>17,119,741</u>	<u>14,664,208</u>	<u>13,620,354</u>	<u>17,855,053</u>
<b>Local sources:</b>					
Property taxes	7,714,965	6,680,663	6,698,655	5,864,642	5,763,523
County aid	228,489	17,055	360,556	280,633	268,914
Food service sales	393,611	391,382	313,155	287,519	238,701
Investment income	214,073	187,765	125,603	66,642	76,954
Other revenues	661,553	249,299	220,236	587,120	169,467
Total local sources	<u>9,212,691</u>	<u>7,526,164</u>	<u>7,718,205</u>	<u>7,086,556</u>	<u>6,517,559</u>
<b>Total revenues</b>	<u>\$ 34,929,311</u>	<u>\$ 27,979,124</u>	<u>\$ 25,980,458</u>	<u>\$ 23,960,124</u>	<u>\$ 27,195,355</u>

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

- Notes:** 1) The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.  
2) In fiscal year 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**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 11,500,691	\$ 12,911,651	\$ 13,107,676	\$ 11,905,545	\$ 13,391,074
Support services - students and staff	4,364,026	3,589,359	3,452,956	3,060,925	3,125,534
Support services - administration	2,183,065	2,065,800	2,004,249	1,932,452	2,152,038
Operation and maintenance of plant services	3,016,389	2,697,398	2,349,179	2,622,684	2,171,718
Student transportation services	1,406,256	1,708,131	1,717,676	1,527,010	1,674,368
Operation of non-instructional services	1,598,145	1,656,754	1,667,069	1,663,279	1,801,249
Capital outlay	3,122,904	1,809,302	1,391,765	3,041,607	7,337,114
Debt service -					
Claims and judgements					54,333
Interest and fiscal charges	376,294	337,646	377,530	413,437	523,326
Principal retirement	974,484	1,011,844	1,062,890	1,104,937	2,049,197
Bond issuance costs					
<b>Total expenditures</b>	<u>\$ 28,542,254</u>	<u>\$ 27,787,885</u>	<u>\$ 27,130,990</u>	<u>\$ 27,271,876</u>	<u>\$ 34,279,951</u>
Expenditures for capitalized assets	\$ 2,066,352	\$ 470,570	\$ 1,316,634	\$ 1,726,780	\$ 6,488,804
Debt service as a percentage of noncapital expenditures	5%	5%	6%	6%	9%

**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>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 14,612,065	\$ 12,325,138	\$ 11,483,556	\$ 10,586,680	\$ 8,510,055
Support services - students and staff	2,720,342	2,034,691	2,145,078	1,980,192	1,714,104
Support services - administration	2,442,913	2,117,122	2,180,502	1,848,489	1,825,048
Operation and maintenance of plant services	2,726,435	2,101,440	1,882,432	1,551,580	1,901,281
Student transportation services	1,940,452	1,596,924	1,227,142	1,214,735	1,075,159
Operation of non-instructional services	1,653,555	1,495,540	1,439,541	1,469,030	1,180,135
Capital outlay	9,942,456	2,929,914	2,032,087	1,950,868	9,700,139
Debt service -					
Interest and fiscal charges	453,666	252,389	277,798	360,592	454,230
Principal retirement	1,989,198	1,898,642	1,767,927	1,656,007	1,892,598
Bond issuance costs	115,494	118,800			
<b>Total expenditures</b>	<u>\$ 38,596,576</u>	<u>\$ 26,870,600</u>	<u>\$ 24,436,063</u>	<u>\$ 22,618,173</u>	<u>\$ 28,252,749</u>
Expenditures for capitalized assets	\$ 7,743,065	\$ 1,533,679	\$ 622,559	\$ 1,732,314	\$ 7,599,420
Debt service as a percentage of noncapital expenditures	8%	9%	9%	10%	11%

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

**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>				
	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ 844,786	\$ 2,200,143	\$ 3,447,163	\$ 4,322,141	\$ (1,631,955)
<b>Other financing sources (uses):</b>					
Capital lease agreements	4,021,482			46,621	11,875
Transfers in	254,895	150,668	54,658	257,634	207,068
Transfers out	(254,895)	(150,668)	(54,658)	(257,634)	(207,068)
Total other financing sources (uses)	<u>4,021,482</u>	<u></u>	<u></u>	<u>46,621</u>	<u>11,875</u>
<b>Changes in fund balances</b>	<u>\$ 4,866,268</u>	<u>\$ 2,200,143</u>	<u>\$ 3,447,163</u>	<u>\$ 4,368,762</u>	<u>\$ (1,620,080)</u>
	<u><b>2008</b></u>	<u><b>2007</b></u>	<u><b>2006</b></u>	<u><b>2005</b></u>	<u><b>2004</b></u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (3,667,265)	\$ 1,108,524	\$ 1,544,395	\$ 1,341,951	\$ (1,057,394)
<b>Other financing sources (uses):</b>					
Issuance of School Improvement Bonds	4,250,000	5,750,000			
Premium on sale of bonds	131,894	112,300			
Capital lease agreements		530,341	53,477		
Transfers in	75,119		36,055		
Transfers out	(75,119)		(36,055)		
Total other financing sources (uses)	<u>4,381,894</u>	<u>6,392,641</u>	<u>53,477</u>		
<b>Changes in fund balances</b>	<u>\$ 714,629</u>	<u>\$ 7,501,165</u>	<u>\$ 1,597,872</u>	<u>\$ 1,341,951</u>	<u>\$ (1,057,394)</u>

**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>							
2013	\$ 89,706,564	\$ 76,263,646	\$ 12,088,110	\$ 10,177,752	\$ 167,880,568	6.67	\$1,401,672,364	11.98	%
2012	99,948,202	80,381,877	14,918,878	10,597,612	184,651,345	6.76	1,546,864,985	11.94	
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	839,093,375	12.75	
2005					98,163,591	6.76	767,888,575	12.78	
2004					93,997,901	7.17	725,704,535	12.95	

**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**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS**  
**LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	\$ 37,968,928	\$ 38,223,576	\$ 40,953,955	\$ 41,628,043	\$ 37,458,410
Agricultural and Vacant	39,603,427	46,164,191	51,259,379	53,633,490	43,637,108
Residential (Owner Occupied)	63,396,669	89,889,987	107,551,069	109,399,500	97,870,222
Residential (Rental)	25,690,935	9,319,137	10,041,204	10,084,031	9,617,572
Railroad, Private Cars and Airlines	1,195,907	1,029,260	880,802	771,373	807,404
Historical Property	24,702	25,194	24,963	9,222	9,222
Certain Government Property Improvements					
<b>Total</b>	<b>\$ 167,880,568</b>	<b>\$ 184,651,345</b>	<b>\$ 210,711,372</b>	<b>\$ 215,525,659</b>	<b>\$ 189,399,938</b>

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Commercial, Industrial, Utilities and Mining	\$ 35,035,593	\$ 30,732,038	\$ 28,219,179	\$ 25,025,229	\$ 26,011,880
Agricultural and Vacant	29,936,629	26,857,185	24,427,709	23,915,326	24,089,527
Residential (Owner Occupied)	74,717,455	56,981,115	50,120,901	45,351,835	40,096,910
Residential (Rental)	5,812,308	3,601,583	2,916,017	2,790,623	2,586,472
Railroad, Private Cars and Airlines	833,358	1,284,205	1,283,425	1,075,997	1,208,531
Historical Property	4,581	4,581	4,581	4,581	4,581
Certain Government Property Improvements					
<b>Total</b>	<b>\$ 146,339,924</b>	<b>\$ 119,460,707</b>	<b>\$ 106,971,812</b>	<b>\$ 98,163,591</b>	<b>\$ 93,997,901</b>

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35**  
**PROPERTY TAX ASSESSMENT RATIOS**  
**LAST TEN FISCAL YEARS**

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

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

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

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

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

Fiscal Year Ended June 30	Overlapping Rates								District Direct Rates		
	State	County	County	Flood	Community	Fire	Tubac	Rio Rico	Primary	Secondary	Total
	Equalization	County	Rate	Control	College	District	F.D.	F.D.			
2013	0.47	2.82		0.56	0.07	0.10	3.26	3.65	5.61	1.06	6.67
2012	0.43	2.82		0.56	0.07	0.10	3.21	3.33	5.57	1.19	6.76
2011	0.36	2.82		0.56	0.07	0.10	3.14	3.00	5.66	1.10	6.76
2010		2.90		0.58		0.10	3.37	3.00	5.69	1.07	6.76
2009		3.01		0.60		0.10	2.63	2.74	5.02	1.55	6.57
2008		3.18		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

**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**

<u>Taxpayer</u>	<u>2013</u>		<u>2004</u>	
	<u>Secondary Assessed Valuation</u>	<u>Percentage of District's Net Assessed Valuation</u>	<u>Secondary Assessed Valuation</u>	<u>Percentage of District's Net Assessed Valuation</u>
Unisource Energy Corporation	\$ 15,393,489	9.17 %	\$ 2,272,805	2.42 %
Delta Properties LLP	4,725,280	2.81		
Wal-Mart Stores Inc.	2,270,254	1.35		
Qwest Corporation	2,112,494	1.26	1,196,666	1.27
Union Pacific Railroad	2,040,150	1.22	817,865	0.87
Vatere LLC	1,734,487	1.03	1,256,930	1.34
Tubac Management Co. LLC	1,678,688	1.00	533,765	0.57
Mariposa Shopping Center LP	1,628,846	0.97		
Crisantes Properties LLC	1,608,872	0.96		
Moreno Milo & Dabdoub Inc.	1,414,903	0.84		
Nogales Plaza Shopping Center	1,339,994	0.80		
Sulphur Springs Valley Elect.	1,311,919	0.78		
Rio Rico Properties Inc.	1,187,657	0.71	1,601,294	1.70
Rio Rico Utilities			938,393	1.00
Moroleon Inc.			637,074	0.68
Avatar Properties			628,465	0.67
Produce Exchange			430,455	0.46
<b>Total</b>	<u><u>\$ 38,447,033</u></u>	<u><u>22.90 %</u></u>	<u><u>\$ 10,313,712</u></u>	<u><u>10.97 %</u></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**

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Fiscal Years</b>	<b>Collected to the End of the Current Fiscal Year</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2013	\$ 10,135,105	\$ 9,097,999	89.77 %	\$	\$ 9,097,999	89.77 %
2012	10,731,923	9,563,796	89.12	535,156	10,098,952	94.10
2011	10,962,417	9,804,624	89.44	1,120,848	10,925,472	99.66
2010	10,588,576	9,457,465	89.32	1,116,522	10,573,987	99.86
2009	9,818,200	8,480,670	86.38	1,337,530	9,818,200	100.00
2008	9,069,450	8,405,813	92.68	662,145	9,067,958	99.98
2007	7,513,069	6,932,760	92.28	579,934	7,512,694	100.00
2006	7,018,115	5,264,318	75.01	1,753,492	7,017,810	100.00
2005	6,519,998	5,732,751	87.93	786,903	6,519,654	99.99
2004	6,615,521	5,677,617	85.82	937,543	6,615,160	99.99

**Source:** The source of this information is the 2013 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**

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value	Per Capita	Percentage of Personal Income	
2013	\$ 7,020,000		\$ 7,020,000	0.50 %	\$ 351	\$ 4,081,434	\$ 11,101,434	0.79 %	\$ 555	N/A %	
2012	7,975,000		7,975,000	0.52	379	114,436	8,089,436	0.52	384	0.68	
2011	8,970,000		8,970,000	0.51	606	171,280	9,141,280	0.52	618	0.77	
2010	10,000,000		10,000,000	0.56	667	239,170	10,239,170	0.57	683	0.90	
2009	11,885,000		11,885,000	0.76	490	267,486	12,152,486	0.78	501	1.06	
2008	13,700,000		13,700,000	1.16	765	419,808	14,119,808	1.19	789	1.40	
2007	11,190,000		11,190,000	1.19	895	594,006	11,784,006	1.25	943	1.25	
2006	7,120,000		7,120,000	0.85	440	222,307	7,342,307	0.88	453	0.88	
2005	8,730,000		8,730,000	1.14	672	256,757	8,986,757	1.17	691	1.15	
2004	9,924,362		9,924,362	1.37	651	337,764	10,262,126	1.41	673	1.41	

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

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2013**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Rio Rico Fire District	\$ 5,245,000	100.00 %	<u>\$ 5,245,000</u>
Subtotal, Overlapping Debt			<u>5,245,000</u>
Direct:			
Santa Cruz Valley Unified School District No. 35			<u>11,101,434</u>
Total Direct and Overlapping Debt			<u><u>\$ 16,346,434</u></u>

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

- Notes:**
- 1) Estimated percentage of debt outstanding applicable to the District is calculated based on the District's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.
  - 2) Outstanding debt as of June 30, 2012 is presented for the overlapping governments as this is the most recent available information.

**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 2013:**

Secondary assessed valuation	\$ 167,880,568
Debt limit (10% of assessed value)	16,788,057
Debt applicable to limit	<u>7,020,000</u>
Legal debt margin	<u>\$ 9,768,057</u>

**Total Legal Debt Margin Calculation for Fiscal Year 2013:**

Secondary assessed valuation	\$ 167,880,568
Debt limit (30% of assessed value)	50,364,170
Debt applicable to limit	<u>7,020,000</u>
Legal debt margin	<u>\$ 43,344,170</u>

**Fiscal Year Ended June 30**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Debt Limit	\$ 50,364,170	\$ 55,395,404	\$ 63,213,412	\$ 64,657,698	\$ 56,819,981
Total net debt applicable to limit	<u>7,020,000</u>	<u>7,975,000</u>	<u>8,970,000</u>	<u>10,000,000</u>	<u>11,885,000</u>
Legal debt margin	<u>\$ 43,344,170</u>	<u>\$ 47,420,404</u>	<u>\$ 54,243,412</u>	<u>\$ 54,657,698</u>	<u>\$ 44,934,981</u>
Total net debt applicable to the limit as a percentage of debt limit	14%	14%	14%	15%	21%

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Debt Limit	\$ 43,901,977	\$ 35,838,212	\$ 32,091,544	\$ 29,449,077	\$ 28,199,370
Total net debt applicable to limit	<u>13,700,000</u>	<u>11,190,000</u>	<u>7,120,000</u>	<u>8,730,000</u>	<u>9,924,362</u>
Legal debt margin	<u>\$ 30,201,977</u>	<u>\$ 24,648,212</u>	<u>\$ 24,971,544</u>	<u>\$ 20,719,077</u>	<u>\$ 18,275,008</u>
Total net debt applicable to the limit as a percentage of debt limit	31%	31%	22%	30%	35%

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

**Notes:** 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds and the statutory debt limit on Class B bonds. The calculations of the debt margins are presented in detail for the current fiscal year only.

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

**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>
2012	47,303	\$ N/A	\$ N/A	19.2 %	20,000
2011	48,088	1,193,646	25,037	17.1	21,063
2010	47,420	1,189,267	25,056	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

**Sources:** The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2003 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 and 2012, the source of the information is the Arizona Office of Employment and Population Statistics.

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

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

<u>Employer</u>	<u>2013</u>		<u>2004</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Management, business, science and arts occupations	3,991	23.50 %	3,400	26.57 %
Service occupations	3,044	17.92	2,825	22.08
Sales and office occupations	6,233	36.70	4,900	38.30
Natural resources, construction and maintenance occupations	1,480	8.71	320	2.50
Production, transportation and material moving occupations	2,236	13.17	1,350	10.55
Total	<u>16,984</u>	<u>100.00 %</u>	<u>12,795</u>	<u>100.00 %</u>
Total employment	<u>16,984</u>		<u>12,795</u>	

**Source:** The source of this information is the U.S. Census Bureau.

**Note:** Information by employer was not available; therefore information will be presented by class.

**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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Supervisory</b>					
Consultants/supervisors of instruction	4	4	3	4	4
Principals	6	6	6	6	6
Assistant principals	1	2	2	2	2
Total supervisory	<u>11</u>	<u>12</u>	<u>11</u>	<u>12</u>	<u>12</u>
<b>Instruction</b>					
Teachers	184	194	183	201	214
Other professionals (instructional)	3	5	4	3	2
Aides	55	60	62	64	41
Total instruction	<u>242</u>	<u>259</u>	<u>249</u>	<u>268</u>	<u>257</u>
<b>Student Services</b>					
Certified	28	24	21	18	19
Classified	42	39	37	45	33
Total student services	<u>70</u>	<u>63</u>	<u>58</u>	<u>63</u>	<u>52</u>
<b>Support and Administration</b>					
Administrators and supervisory staff	5	5	5	6	6
Support Staff	73	82	101	98	105
Total support and administration	<u>78</u>	<u>87</u>	<u>106</u>	<u>104</u>	<u>111</u>
<b>Total</b>	<u>401</u>	<u>421</u>	<u>424</u>	<u>447</u>	<u>432</u>

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Supervisory</b>					
Consultants/supervisors of instruction	4	4	5	5	5
Principals	5	5	5	5	5
Assistant principals	3	2	2	2	2
Total supervisory	<u>12</u>	<u>11</u>	<u>12</u>	<u>12</u>	<u>12</u>
<b>Instruction</b>					
Teachers	200	183	180	179	168
Other professionals (instructional)	2	2	2	2	2
Aides	47	37	46	49	45
Total instruction	<u>249</u>	<u>222</u>	<u>228</u>	<u>230</u>	<u>215</u>
<b>Student Services</b>					
Certified	16	9	10	10	10
Classified	33	36	14	13	11
Total student services	<u>49</u>	<u>45</u>	<u>24</u>	<u>23</u>	<u>21</u>
<b>Support and Administration</b>					
Administrators and supervisory staff	6	7	7	7	6
Support Staff	104	96	97	93	106
Total support and administration	<u>110</u>	<u>103</u>	<u>104</u>	<u>100</u>	<u>112</u>
<b>Total</b>	<u>420</u>	<u>381</u>	<u>368</u>	<u>365</u>	<u>360</u>

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



**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>
2013	3,195	\$ 24,068,572	\$ 7,533	(0.75) %	\$ 27,153,263	\$ 8,499	(5.06) %	242	13.2	75 %
2012	3,245	24,629,093	7,590	5.11	29,047,059	8,951	17.19	259	12.5	77
2011	3,365	24,298,805	7,221	7.91	25,702,633	7,638	(0.77)	249	13.5	77
2010	3,394	22,711,895	6,692	(2.47)	26,126,292	7,698	(2.37)	268	12.7	77
2009	3,544	24,315,981	6,861	(5.40)	27,944,421	7,885	(6.37)	257	13.8	74
2008	3,598	26,095,762	7,253	16.37	30,300,002	8,421	17.38	249	14.4	73
2007	3,477	21,670,855	6,233	6.36	24,945,286	7,174	7.61	222	15.7	73
2006	3,474	20,358,251	5,860	5.48	23,160,617	6,667	7.60	228	15.2	68
2005	3,357	18,650,706	5,556	(1.99)	20,800,767	6,196	(10.50)	230	14.6	73
2004	2,859	16,205,782	5,668	5.39	19,793,759	6,923	8.97	215	13.3	72

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

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

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

	<b>Fiscal Year Ended June 30</b>									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b><u>Schools</u></b>										
<b><u>Elementary</u></b>										
Buildings	34	34	34	34	34	33	32	32	32	32
Square feet	185,160	185,160	185,160	185,160	185,160	175,192	165,419	165,419	165,419	165,419
Capacity	1,916	1,916	1,916	1,916	1,916	1,758	1,628	1,628	1,628	1,628
Enrollment	1,506	1,506	1,506	1,552	1,618	1,715	1,672	1,598	1,529	1,339
<b><u>Middle</u></b>										
Buildings	13	13	13	13	13	12	12	12	12	12
Square feet	126,394	126,394	126,394	126,394	126,394	77,336	77,336	77,336	77,336	77,336
Capacity	871	871	871	871	871	761	761	761	761	761
Enrollment	895	895	895	886	910	893	879	875	863	791
<b><u>High</u></b>										
Buildings	18	18	18	18	18	18	18	18	18	18
Square feet	168,660	168,660	168,660	168,660	168,660	168,660	168,660	168,660	168,660	168,660
Capacity	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660
Enrollment	1,090	1,090	1,090	1,132	1,146	1,146	1,059	986	961	836
<b><u>Other</u></b>										
Buildings	5	5	5	4	3	3	3	3	3	3
Square feet	19,336	19,336	19,336	14,336	10,186	10,186	10,186	10,186	10,186	10,186
<b><u>Administrative</u></b>										
Buildings	3	3	3	3	2	2	2	2	2	2
Square feet	3,743	6,473	6,473	6,473	3,873	3,873	3,873	3,873	3,873	3,873
<b><u>Transportation</u></b>										
Garages	2	2	2	2	1	1	1	1	1	1
Buses	44	44	44	44	48	50	47	47	46	42
<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	5	5
Playgrounds	3	3	3	3	3	3	3	3	3	3

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

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