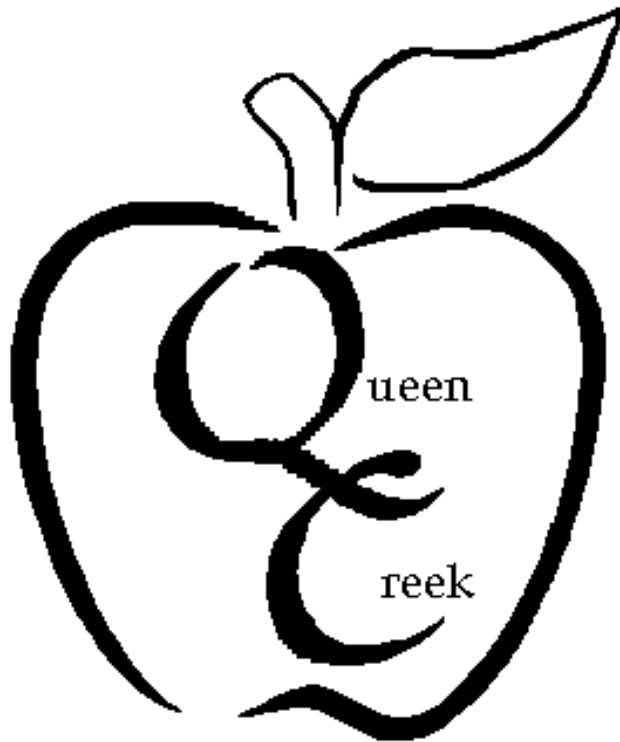


COMPREHENSIVE ANNUAL FINANCIAL REPORT



Queen Creek Schools

Fiscal Year Ended June 30, 2012

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95

QUEEN CREEK, ARIZONA

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

Issued by:
Business and Finance Department

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95

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INTRODUCTORY SECTION

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Queen Creek School District No.95

20217 East Chandler Heights Road Queen Creek, Arizona 85142 Phone (480) 987-5935 Fax (480) 987-9714

December 17, 2012

Citizens and Governing Board
Queen Creek Unified School District No. 95
20217 East Chandler Heights Road
Queen Creek, Arizona 85142

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 Queen Creek Unified School District No. 95 (District) for the fiscal year ended June 30, 2012.

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

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

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

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

PROFILE OF THE DISTRICT

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from kindergarten through grade twelve.

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, bookstore, and athletic functions.

The District covers 44 square miles in the southeastern portion of Maricopa County, Arizona. The District overlaps the Town of Queen Creek and the City of Mesa, the principal communities of the District. The District consists of seven school sites, four elementary schools, one middle school, one junior high, and one high school. The 2011-12 average daily membership was 5,010, a decrease of 3 percent over the previous school year. The District employs (including contracted positions) 19 administrators, 261 certified classroom teachers, and 324 support personnel.

The District's tax base continues to have above-average income and housing values. Commercial and industrial building and residential building permits indicate continuing future growth and tax base stabilization.

The District and community have set an expectation of high standards for academic achievement and work ethic for the District's students and employees. Excellence is continuously reinforced as we prepare our students to develop their fullest potential academically, emotionally, and physically. Students, teachers, administrators, and parents all work together to maintain the high performance standards for which the District is recognized. On average, the District's students score above the state and national means on AIMS and Stanford 10 Tests in reading, language, and math. The District has received the grade of "A" from the Arizona Department of Education. The District has four "A" and three "B" schools. QCUSD is also one of only eleven public schools in Arizona to receive an "A" grade two years in a row.

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy. The Phoenix metropolitan area and the rest of Maricopa County was one of the fastest growing regional markets in the United States. However, the economy was hit hard by the recent recession.

A few of the major firms represented in the Phoenix metropolitan area include Honeywell International, Inc., Banner Health Systems, Wal-Mart Stores, Inc., Wells Fargo Company, and Bashas'. The principal economic activity of the Town of Queen Creek and the outlying portions of the Town is agriculture. Major employers within the District boundaries are DMB Mesa Proving Grounds, TRW Vehicle Safety System, and a large industrial park just north of the District is in Williams Gateway Airport. In addition, the metropolitan area provides excellent educational and training opportunities through seven community colleges, four private colleges and graduate schools, and one state university.

Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,226 square miles. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such towns as Gilbert, Paradise Valley and Fountain Hills. Maricopa County is currently the nation's fourth largest county in terms of population size and the 14th in land area. The County's 2012 population was estimated at 3,843,370 a modest increase from the prior year.

The District's financial condition reflects the local economy. The District's tax base is similar to the Phoenix Metro area where valuations have decreased. However, developers recognize the southeastern portion of Maricopa County as the next potential growth area. Wealth levels in the area are average, as indicated by household income per capita at about \$35,319. Debt is moderate at about \$2,315 per capita and 1.3 percent of market value. The Town of Queen Creek includes a large percentage of young professionals and families with a median household income of \$63,700.

Long-term Financial Planning. The District is utilizing a combination of voter approved bonds and overrides to prepare for additional population growth and movement by building, remodeling and equipping the elementary schools, middle school, junior high, and high school with the new technology.

AWARDS AND ACKNOWLEDGMENTS

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

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

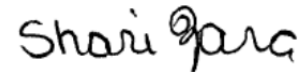
Acknowledgment. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the business and finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation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



Tom Lindsey
Superintendent



Shari Zara
Chief Financial Officer

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2011

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

President

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Queen Creek Unified School
District No. 95, Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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



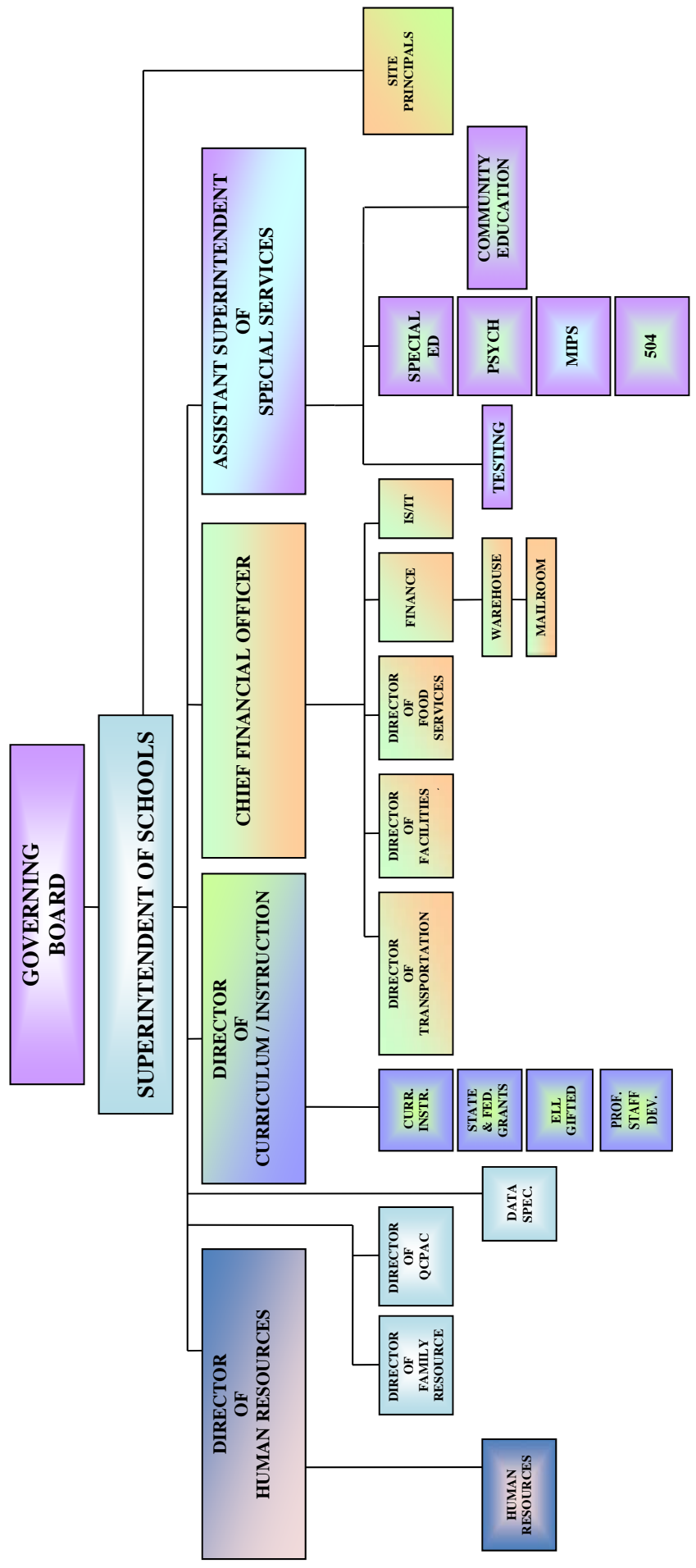
Christopher P. Morille

President

Jeffrey R. Enos

Executive Director

Queen Creek Unified School District #95 2011-2012



QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Del Caron
President

Wendy Baggs
Vice President

Ken Brague
Member

Jeff Black
Member

Laurie Roland
Member

ADMINISTRATIVE STAFF

Mr. Tom Lindsey
Superintendent

Shari Zara
Chief Financial Officer

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Governing Board
Queen Creek Unified School District No. 95

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Queen Creek Unified School District No. 95 (District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Queen Creek Unified School District No. 95, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2012 on our consideration of the Queen Creek Unified School District No. 95's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 and budgetary comparison information on pages 52 and 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Heinfeld, Meech & Co., P.C.

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

December 17, 2012

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

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**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

As management of the Queen Creek Unified School District No. 95 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net assets of governmental activities increased \$2.1 million which represents a 3 percent increase from the prior fiscal year as a result of an increase in both primary and secondary tax rates which resulted in an increase in property tax revenues.
- General revenues accounted for \$37.2 million in revenue, or 82 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$8.2 million or 18 percent of total current fiscal year revenues.
- The District had approximately \$43.3 million in expenses related to governmental activities, a decrease of 4 percent from the prior fiscal year.
- Among major funds, the General Fund had \$29.7 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$29.3 million in expenditures. The General Fund's fund balance decrease from \$3.0 million at the end of the prior fiscal year end to \$2.8 million at the end of the current fiscal year was a result of a decrease in reserve for prepaid items.
- Net assets for the Internal Service Funds decreased \$113,507 from the prior fiscal year. Operating expenses of \$291,634 exceeded operating revenues of \$174,404 at the end of the current fiscal year.

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.

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

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

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

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

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

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

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

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)

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

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

Proprietary fund. The District maintains one type of proprietary fund. The internal service fund is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service fund to account for its transportation services. Because this service predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Due to their custodial nature, fiduciary funds do not have a measurement focus.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances - budget and actual has been provided for the General Fund as required supplementary information.

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$84.4 million at the current year end.

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

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

	As of June 30, 2012	As of June 30, 2011
Current and other assets	\$ 24,195,689	\$ 27,037,656
Capital assets, net	108,486,297	106,572,426
Total assets, net	<u>132,681,986</u>	<u>133,610,082</u>
Current and other liabilities	3,055,652	4,750,039
Long-term liabilities	45,210,306	46,579,379
Total liabilities	<u>48,265,958</u>	<u>51,329,418</u>
Net assets:		
Invested in capital assets, net of related debt	67,381,487	64,655,506
Restricted	8,991,884	9,285,149
Unrestricted	8,042,657	8,340,009
Total net assets	<u>\$ 84,416,028</u>	<u>\$ 82,280,664</u>

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

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

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

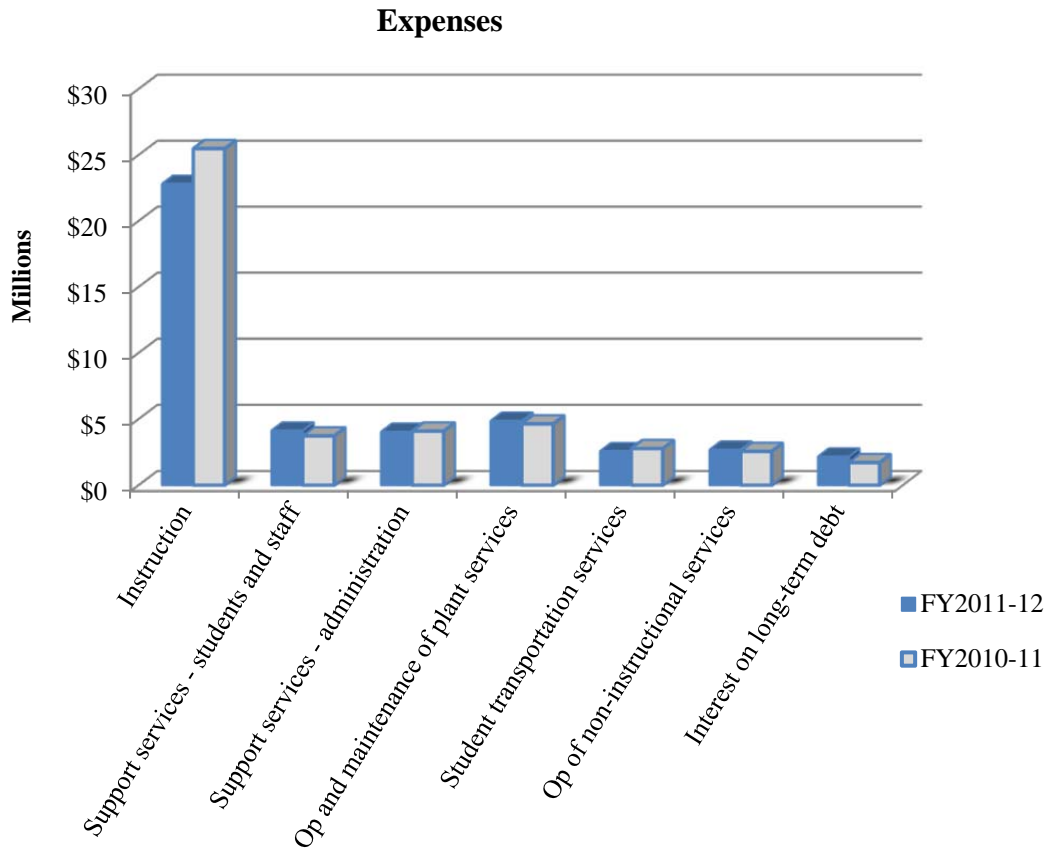
- The principal retirement of \$3.7 million of bonds.
- The net addition of \$4.7 million in capital assets through new school construction and other school improvements and purchases of vehicles, furniture and equipment.
- The issuance of \$2.3 million in general obligation bonds.

Changes in net assets. The District's total revenues for the current fiscal year were \$45.4 million. The total cost of all programs and services was \$43.3 million. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2012 and June 30, 2011.

	<u>Fiscal Year Ended June 30, 2012</u>	<u>Fiscal Year Ended June 30, 2011</u>
Revenues:		
Program revenues:		
Charges for services	\$ 3,825,245	\$ 2,971,255
Operating grants and contributions	3,464,539	5,457,717
Capital grants and contributions	946,245	188,495
General revenues:		
Property taxes	17,296,735	14,123,060
Investment income	73,949	177,060
Unrestricted county aid	1,702,194	1,529,607
Unrestricted state aid	17,913,050	16,233,632
Unrestricted federal aid	176,545	399,638
Total revenues	<u>45,398,502</u>	<u>41,080,464</u>
Expenses:		
Instruction	22,806,535	25,469,481
Support services – students and staff	4,133,729	3,721,124
Support services – administration	4,039,139	4,078,970
Operation and maintenance of plant services	4,864,025	4,624,221
Student transportation services	2,572,302	2,759,707
Operation of non-instructional services	2,682,684	2,550,925
Interest on long-term debt	2,164,724	1,701,711
Total expenses	<u>43,263,138</u>	<u>44,906,139</u>
Change in net assets	<u>2,135,364</u>	<u>(3,825,675)</u>
Net assets, beginning	<u>82,280,664</u>	<u>86,106,339</u>
Net assets, ending	<u>\$ 84,416,028</u>	<u>\$ 82,280,664</u>

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)



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

- Increase in property tax revenues of \$3.2 million as a result of an increase in both primary and secondary tax rates.
- An increase of \$853,990 in charges for services primarily due to an increase in auxiliary operations revenue.

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

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

	Year Ended June 30, 2012		Year Ended June 30, 2011	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 22,806,535	\$ (18,759,277)	\$ 25,469,481	\$ (21,125,940)
Support services – students and staff	4,133,729	(3,304,393)	3,721,124	(2,947,709)
Support services – administration	4,039,139	(3,790,338)	4,078,970	(3,824,586)
Operation and maintenance of plant services	4,864,025	(4,540,568)	4,624,221	(4,283,260)
Student transportation services	2,572,302	(2,427,168)	2,759,707	(2,548,221)
Operation of non-instructional services	2,682,684	(162,503)	2,550,925	20,893
Interest on long-term debt	2,164,724	(2,042,862)	1,701,711	(1,579,849)
Total	\$ 43,263,138	\$ (35,027,109)	\$ 44,906,139	\$ (36,288,672)

- The cost of all governmental activities this year was \$43.3 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$8.2 million.
- Net cost of governmental activities of \$35.0 million was financed by general revenues, which are made up of primarily property taxes of \$17.3 million and state aid of \$17.9 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.

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$14.8 million, a decrease of \$808,304.

The General fund comprises 19 percent of the total fund balance. All of the General Fund's fund balance constitutes unassigned fund balance.

The General Fund is the principal operating fund of the District. The fund balance decreased \$117,900 to \$2.8 million as of fiscal year end primarily due to decrease in reserve for prepaid items. General Fund revenues increased \$3.4 million as a result of an increase in property taxes due to an increase in the tax rates.

The fund balance in the Debt Service Fund increased \$859,072, for changes in bonded debt requirements.

The fund balance in the Unrestricted Capital Outlay Fund decreased \$1.2 million as capital expenditures increased.

The fund balance in the Bond Building Fund was \$3.2 million as of fiscal year end. The decrease in fund balance of \$647,890 was primarily due to ongoing construction projects.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in student membership. The difference between the original budget and the final amended budget was a \$874,810 increase, or 3 percent.

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

- The favorable variance of \$1.1 million in instruction was a result of planning for budget balance carry forward.

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$131.0 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 \$4.6 million from the prior fiscal year, primarily due to various construction projects. Total depreciation expense for the current fiscal year was \$2.8 million.

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

	<u>As of June 30, 2012</u>	<u>As of June 30, 2011</u>
Capital assets – non-depreciable	\$ 10,429,560	\$ 13,429,038
Capital assets – depreciable, net	98,056,737	93,143,388
Total	<u>\$ 108,486,297</u>	<u>\$ 106,572,426</u>

The estimated cost to complete current construction projects is \$404,462.

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

Debt Administration. At year-end, the District had \$44.3 million in long-term debt outstanding, \$3.7 million due within one year. This represents a net decrease of \$1.5 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 \$71.8 million and the Class B debt limit is \$23.9 million. Due to a decline in the District's secondary assessed valuation, the District does not have any current bonding capacity.

Additional information on the District's long-term debt can be found in Notes 8 and 9.

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

- District student population (estimated 4,900).
- Decrease in state retirement contribution of .40%.

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 1 percent to \$28.9 million in fiscal year 2012-13. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2012-13 budget.

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, Queen Creek Unified School District No. 95, 20217 East Chandler Heights Road, Queen Creek, Arizona 85142.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 15,236,291
Property taxes receivable	2,296,616
Due from governmental entities	6,662,782
Total current assets	24,195,689
Noncurrent assets:	
Land	9,488,316
Land improvements	3,783,130
Buildings and improvements	104,918,692
Vehicles, furniture and equipment	11,909,614
Construction in progress	941,244
Accumulated depreciation	(22,554,699)
Total noncurrent assets	108,486,297
Total assets	132,681,986
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	957,201
Construction contracts payable	348,180
Accrued payroll and employee benefits	737,488
Compensated absences payable	92,221
Accrued interest payable	986,082
Unearned revenues	26,701
Bonds payable	3,700,000
Total current liabilities	6,847,873
Noncurrent liabilities:	
Non-current portion of long-term obligations	41,418,085
Total noncurrent liabilities	41,418,085
Total liabilities	48,265,958
 <u>NET ASSETS</u>	
Invested in capital assets, net of related debt	67,381,487
Restricted for:	
Federal and state projects	1,088,631
Food service	517,143
Other local initiatives	1,969,205
Debt service	1,683,554
Capital outlay	3,733,351
Unrestricted	8,042,657
Total net assets	\$ 84,416,028

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 22,806,535	\$ 2,157,197	\$ 943,816	\$ 946,245	\$ (18,759,277)
Support services - students and staff	4,133,729		829,336		(3,304,393)
Support services - administration	4,039,139		248,801		(3,790,338)
Operation and maintenance of plant services	4,864,025	281,990	41,467		(4,540,568)
Student transportation services	2,572,302		145,134		(2,427,168)
Operation of non-instructional services	2,682,684	1,386,058	1,134,123		(162,503)
Interest on long-term debt	2,164,724		121,862		(2,042,862)
Total governmental activities	<u>\$ 43,263,138</u>	<u>\$ 3,825,245</u>	<u>\$ 3,464,539</u>	<u>\$ 946,245</u>	<u>(35,027,109)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	10,378,153
Property taxes, levied for debt service	6,276,897
Property taxes, levied for capital outlay	641,685
Investment income	73,949
Unrestricted county aid	1,702,194
Unrestricted state aid	17,913,050
Unrestricted federal aid	176,545
Total general revenues	<u>37,162,473</u>

Changes in net assets	2,135,364
Net assets, beginning of year	<u>82,280,664</u>
Net assets, end of year	<u>\$ 84,416,028</u>

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

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FUND FINANCIAL STATEMENTS

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012

	General	Debt Service	Unrestricted Capital Outlay
<u>ASSETS</u>			
Cash and investments	\$ 193,245	\$ 6,081,714	\$ 542,994
Property taxes receivable	2,055,662	226,991	13,963
Due from governmental entities	5,482,919	60,931	185,054
Due from other funds			1,750,446
Total assets	\$ 7,731,826	\$ 6,369,636	\$ 2,492,457
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 805,345	\$	\$ 71,476
Construction contracts payable			
Due to other funds	1,538,899		
Accrued payroll and employee benefits	598,846		
Deferred revenues	1,941,919	159,123	13,232
Bonds payable		3,700,000	
Bond interest payable		986,082	
Total liabilities	4,885,009	4,845,205	84,708
Fund balances:			
Restricted		1,524,431	2,407,749
Unassigned	2,846,817		
Total fund balances	2,846,817	1,524,431	2,407,749
 Total liabilities and fund balances	 \$ 7,731,826	 \$ 6,369,636	 \$ 2,492,457

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

<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 3,510,367	\$ 4,411,297	\$ 14,739,617
	933,878	2,296,616
		6,662,782
		1,750,446
<u>\$ 3,510,367</u>	<u>\$ 5,345,175</u>	<u>\$ 25,449,461</u>
\$ 340,177	\$ 80,380	\$ 957,201
	8,003	348,180
	211,547	1,750,446
	131,195	730,041
	26,701	2,140,975
		3,700,000
		986,082
<u>340,177</u>	<u>457,826</u>	<u>10,612,925</u>
3,170,190	4,887,349	11,989,719
		2,846,817
<u>3,170,190</u>	<u>4,887,349</u>	<u>14,836,536</u>
<u>\$ 3,510,367</u>	<u>\$ 5,345,175</u>	<u>\$ 25,449,461</u>

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QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

Total governmental fund balances	\$	14,836,536
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Amounts reported for *governmental activities* in the Statement of Net Assets are different because:

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

Governmental capital assets	\$ 131,040,996	
Less accumulated depreciation	<u>(22,554,699)</u>	108,486,297

Property tax revenues that will not be available to pay for current period expenditures and, therefore, are deferred in the funds.	2,114,274
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The Internal Service Fund is used by management to charge the cost of transportation to individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Assets.	489,227
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(935,306)	
Bonds payable	<u>(40,575,000)</u>	<u>(41,510,306)</u>

Net assets of governmental activities	\$	<u>84,416,028</u>
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The notes to the basic financial statements are an integral part of this statement.

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012

	<u>General</u>	<u>Debt Service</u>	<u>Unrestricted Capital Outlay</u>
Revenues:			
Other local	\$ 2,782,759	\$ 25,012	\$ 61,408
Property taxes	10,911,213	6,532,111	54,058
State aid and grants	15,790,404		514,643
Federal aid, grants and reimbursements	176,545	121,862	
Total revenues	<u>29,660,921</u>	<u>6,678,985</u>	<u>630,109</u>
Expenditures:			
Current -			
Instruction	16,164,721		
Support services - students and staff	3,005,376		
Support services - administration	3,358,058		
Operation and maintenance of plant services	4,535,189		
Student transportation services	1,788,095		
Operation of non-instructional services	379,889		
Capital outlay	30,012		1,815,632
Debt service -			
Principal retirement		3,700,000	
Interest and fiscal charges		2,149,814	
Bond issuance costs			
Total expenditures	<u>29,261,340</u>	<u>5,849,814</u>	<u>1,815,632</u>
Excess (deficiency) of revenues over expenditures	<u>399,581</u>	<u>829,171</u>	<u>(1,185,523)</u>
Other financing sources (uses):			
Transfers in	42,255	29,901	
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):	<u>42,255</u>	<u>29,901</u>	
Changes in fund balances	<u>441,836</u>	<u>859,072</u>	<u>(1,185,523)</u>
Fund balances, beginning of year	2,964,717	665,359	3,593,272
Increase (decrease) in reserve for prepaid items	(559,736)		
Fund balances, end of year	<u>\$ 2,846,817</u>	<u>\$ 1,524,431</u>	<u>\$ 2,407,749</u>

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

Bond Building	Non-Major Governmental Funds	Total Governmental Funds
\$ 16,463	\$ 2,847,236	\$ 5,732,878
	122	17,497,504
	1,662,982	17,968,029
	4,098,730	4,397,137
<u>16,463</u>	<u>8,609,070</u>	<u>45,595,548</u>
	3,219,302	19,384,023
	939,182	3,944,558
	309,527	3,667,585
	127,731	4,662,920
	149,704	1,937,799
	2,219,250	2,599,139
2,884,542	1,318,182	6,048,368
		3,700,000
		2,149,814
83,000		83,000
<u>2,967,542</u>	<u>8,282,878</u>	<u>48,177,206</u>
<u>(2,951,079)</u>	<u>326,192</u>	<u>(2,581,658)</u>
		72,156
(29,901)	(42,255)	(72,156)
2,265,000		2,265,000
68,090		68,090
<u>2,303,189</u>	<u>(42,255)</u>	<u>2,333,090</u>
<u>(647,890)</u>	<u>283,937</u>	<u>(248,568)</u>
3,818,080	4,603,412	15,644,840
		(559,736)
<u>\$ 3,170,190</u>	<u>\$ 4,887,349</u>	<u>\$ 14,836,536</u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

Net changes in fund balances - total governmental funds **\$ (808,304)**

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	\$ 4,697,168	
Less current year depreciation	<u>(2,768,884)</u>	1,928,284

Issuance of school improvement bonds provides current financial resources to governmental funds but the issuance increases long term liabilities in the Statement of Net Assets. (2,265,000)

Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (200,769)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets 3,700,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Loss on disposal of capital assets	(14,413)	
Compensated absences	<u>(90,927)</u>	(105,340)

The Internal Service Fund is used by management to charge the cost of transportation to individual funds. The changes in net assets of the Internal Service Fund is reported with governmental activities in the Statement of Activities. (113,507)

Change in net assets in governmental activities **\$ 2,135,364**

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 496,674
Total current assets	<u>496,674</u>
Total assets	<u>496,674</u>
 <u>LIABILITIES</u>	
Current liabilities:	
Accrued payroll and employee benefits	<u>7,447</u>
Total current liabilities	<u>7,447</u>
Total liabilities	<u>7,447</u>
 <u>NET ASSETS</u>	
Unrestricted	<u>489,227</u>
Total net assets	<u>\$ 489,227</u>

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Governmental Activities: Internal Service Funds
Operating revenues:	
Charges for services	\$ 174,404
Total operating revenues	174,404
Operating expenses:	
Student transportation services	291,634
Total operating expenses	291,634
Operating income (loss)	(117,230)
Nonoperating revenues (expenses):	
Investment income	3,723
Total nonoperating revenues (expenses)	3,723
Changes in net assets	(113,507)
Total net assets, beginning of year	602,734
Total net assets, end of year	\$ 489,227

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

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
YEAR ENDED JUNE 30, 2012**

	<u>Governmental Activities: Internal Service Fund</u>
<u>Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from charges for services	\$ 174,404
Cash payments to suppliers for goods and services	<u>(284,187)</u>
Net cash used for operating activities	<u>(109,783)</u>
Cash flows from investing activities:	
Investment income	<u>3,723</u>
Net cash provided by investing activities	<u>3,723</u>
Net decrease in cash and cash equivalents	<u>(106,060)</u>
Cash and cash equivalents, beginning of year	<u>602,734</u>
Cash and cash equivalents, end of year	<u><u>\$ 496,674</u></u>
<u>Reconciliation of Operating Income to Net Cash Used for Operating Activities</u>	
Operating income	\$ (117,230)
Adjustments to reconcile operating income to net cash used for operating activities:	
Changes in assets and liabilities:	
Increase in accrued payroll and employee benefits	<u>7,447</u>
Net cash used for operating activities	<u><u>\$ (109,783)</u></u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2012

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 399,272
Total assets	<u>\$ 399,272</u>
<u>LIABILITIES</u>	
Deposits held for others	\$ 281,859
Due to student groups	117,413
Total liabilities	<u>\$ 399,272</u>

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Queen Creek Unified School District No. 95 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

A. Reporting Entity

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

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

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

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

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

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

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

The District reports the following major governmental funds:

General Fund – The General Fund is the District's primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District's Maintenance and Operation Fund as well as the Medicaid Reimbursement, School Plant, Auxiliary Operations, Gifts and Donations, Insurance Proceeds, Litigation Recovery, 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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

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

Bond Building Fund – The Bond Building Fund accounts 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.

Additionally, the District reports the following fund types:

Proprietary Fund – The Proprietary Fund is an Internal Service Fund that accounts for activities related to transportation.

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 Proprietary Fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting and are presented in a single column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's internal service fund is charges to District departments for transportation. Operating expenses for the internal service fund includes the cost of goods and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

D. Cash and Investments

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at year end were cash and investments held by the County Treasurer.

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 fund financial statements and in nonoperating revenue in the proprietary fund financial statements.

F. Receivables and Payables

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

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

G. Property Tax Calendar

Property tax levies are obtained by applying tax rates against either the primary assessed valuation or the secondary assessed valuation. Primary and secondary valuation categories are composed of the exact same properties. However, the primary category limits the increase in property values to 10 percent from the previous year, while there is no limit to the increase in property values for secondary valuation. Override and debt service tax rates are applied to the secondary assessed valuation and all other tax rates are applied to the primary assessed valuation.

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

The County also levies various personal property taxes during the year, which are due the second Monday of the month following receipt of the tax notice, and become delinquent 30 days thereafter.

Pursuant to A.R.S., a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

H. 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.

I. Capital Assets

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

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

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

Land improvements	15 – 50 years
Buildings and improvements	20 – 50 years
Vehicles, furniture and equipment	5 – 15 years

J. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Sick leave for support staff personnel is a designated amount of compensated leave that is granted to a staff member. Twelve-month employees who work 30 or more hours per week earn 13 days per year on a pro rata basis. Eleven month employees who work 30 or more hours per week earn 10 days per year on a pro rata basis, ten month employees who work 30 or more hours per week earn 8 days per year on a pro rata basis and nine month employees who work 30 or more hours per week earn 6 days per year on a pro rata basis.

Any support staff member who works 30 or more hours per week and who has been employed by the District for more than five years will receive, upon leaving the District, \$50 a day reimbursement for up to the accumulated maximum of 150 general leave days. Vacation time may be accumulated to a maximum of 50 days. Once an employee has reached the 50-day limit, any days accrued over that limit by June 30 of the current year will be forfeited. Upon retirement, resignation, termination, or death, the employee or the employee's estate shall be paid for accumulated vacation days, which are limited to the number of vacation days earned.

The current and long-term liabilities, including related benefits, for accumulated vacation and sick leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

K. Long-term Obligations

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

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

L. 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 and after nonoperating revenues/expenses in proprietary funds.

M. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Cont'd)

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

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

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

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

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

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:					
Restricted:					
Debt service	\$	\$ 1,524,431	\$	\$	
Capital projects			2,407,749		1,312,370
Bond building projects				3,170,190	
Voter approved initiatives					792,980
Federal and State projects					295,651
Food service					517,143
JTED					866,056
Other purposes					1,103,149
Unassigned	<u>2,846,817</u>				
Total fund balances	<u>\$ 2,846,817</u>	<u>\$ 1,524,431</u>	<u>\$ 2,407,749</u>	<u>\$ 3,170,190</u>	<u>\$ 4,887,349</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

NOTE 4 – CASH AND INVESTMENTS

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 – CASH AND INVESTMENTS (Concl'd)

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 \$600,956 and the bank balance was \$640,633.

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 and County Treasurer investment pools approximates the value of the participant's shares in the pool and the participants' shares are not identified with specific investments. No regulatory oversight is provided for the County Treasurer's investment pool and that pool's structure does not provide for shares.

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	375 days	<u>\$ 15,034,607</u>
Total		<u>\$ 15,034,607</u>

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

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

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5 – RECEIVABLES

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Unrestricted Capital Outlay Fund</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:				
Due from Federal government	\$	\$ 60,931	\$	\$ 502,712
Due from State government	5,482,919		185,054	319,948
Due from other Districts				111,218
Net due from governmental entities	<u>\$ 5,482,919</u>	<u>\$ 60,931</u>	<u>\$ 185,054</u>	<u>\$ 933,878</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)	\$ 1,941,919	\$
Delinquent property taxes receivable (Debt Service Fund)	159,123	
Delinquent property taxes receivable (Unrestricted Capital Outlay Fund)	13,232	
Grant drawdowns prior to meeting all eligibility requirements (Non-Major Governmental Funds)		26,701
Total deferred revenue for governmental funds	<u>\$ 2,114,274</u>	<u>\$ 26,701</u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 6 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 9,488,316	\$	\$	\$ 9,488,316
Construction in progress	3,940,722	2,342,868	5,342,346	941,244
Total capital assets, not being depreciated	<u>13,429,038</u>	<u>2,342,868</u>	<u>5,342,346</u>	<u>10,429,560</u>
Capital assets, being depreciated:				
Land improvements	3,713,245	69,885		3,783,130
Buildings and improvements	99,373,761	5,544,931		104,918,692
Vehicles, furniture and equipment	9,913,551	2,081,830	85,767	11,909,614
Total capital assets being depreciated	<u>113,000,557</u>	<u>7,696,646</u>	<u>85,767</u>	<u>120,611,436</u>
Less accumulated depreciation for:				
Land improvements	(704,493)	(86,228)		(790,721)
Buildings and improvements	(14,364,912)	(2,089,531)		(16,454,443)
Vehicles, furniture and equipment	(4,787,764)	(593,125)	(71,354)	(5,309,535)
Total accumulated depreciation	<u>(19,857,169)</u>	<u>(2,768,884)</u>	<u>(71,354)</u>	<u>(22,554,699)</u>
Total capital assets, being depreciated, net	93,143,388	4,927,762	14,413	98,056,737
Governmental activities capital assets, net	<u>\$ 106,572,426</u>	<u>\$ 7,270,630</u>	<u>\$ 5,356,759</u>	<u>\$ 108,486,297</u>

Depreciation expense was charged to governmental functions as follows.

Instruction	\$ 1,985,115
Support services – students and staff	1,872
Support services – administration	206,878
Operation and maintenance of plant services	75,371
Student transportation services	441,067
Operation of non-instructional services	58,581
Total depreciation expense – governmental activities	<u>\$ 2,768,884</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the construction of a lighting upgrade, and warehouse renovations. At year end the District had spent \$941,244 on the projects and had estimated remaining contractual commitments of \$404,462. These projects are being funded with bond proceeds.

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7 – REVOLVING LINE OF CREDIT

The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. General Fund revenues will be used to repay the line of credit as cash becomes available. Short-term debt activity for the current fiscal year, was as follows.

	Beginning Balance	Issued	Redeemed	Ending Balance
Revolving line of credit	\$ -0-	\$ 2,798,000	\$ 2,798,000	\$ -0-

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general bonds. Of the total amount originally authorized, \$6,735,000 remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. In addition, a portion of the District's school improvement bonds are Qualified Build America Bonds, as such the District will receive direct subsidy payments from the United States of America for a portion of the interest due on the bonds.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2012	Due Within One Year
Governmental activities:					
School Improvement Bonds, Project of 1995, Series D (2001)	\$ 4,115,000	4.2-5.0%	7/1/12-16	\$ 100,000	\$ 100,000
Refunding Bonds, Series 2002	8,925,000	5.0%	7/1/12-14	5,335,000	1,555,000
School Improvement Bonds, Project of 2002, Series A (2003)	8,720,000	3.5-3.75%	7/1/12-18	1,510,000	225,000
School Improvement Bonds, Project of 2002, Series B (2004)	5,500,000	3.3-4.0%	7/1/12-19	1,525,000	275,000
School Improvement Bonds, Project of 2005, Series A (2006)	9,265,000	4.046-5.0%	7/1/12-26	3,155,000	150,000
School Improvement Bonds, Projects of 2002 and 2005, Series 2008	14,580,000	3.75-5.0%	7/1/12-27	13,760,000	745,000
School Improvement Bonds, Projects of 2005, Series C 2010	8,735,000	3.5-6.75%	7/1/13-29	7,360,000	
School Improvement Bonds, Project of 2010, Series A (2010)	6,000,000	2.5-4.0%	7/1/12-17	6,000,000	280,000
Refunding Bonds, Series 2010	3,265,000	3.5-4.0%	7/1/15-16	3,265,000	
School Improvement Bonds, Project of 2010, Series B (2011)	2,265,000	1.25-3.0%	7/1/12-18	2,265,000	370,000
Total				\$ 44,275,000	\$ 3,700,000

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE (Concl'd)

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>
2013	\$ 3,700,000	\$ 1,898,953
2014	4,010,000	1,740,733
2015	4,260,000	1,565,003
2016	4,505,000	1,393,977
2017	4,605,000	1,226,590
2018-22	12,300,000	4,172,164
2023-27	7,850,000	2,090,365
2028-30	3,045,000	238,644
Total	<u>\$ 44,275,000</u>	<u>\$ 14,326,429</u>

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>
Governmental activities:					
Bonds payable	\$ 45,735,000	\$ 2,265,000	\$ 3,725,000	\$ 44,275,000	\$ 3,700,000
Compensated absences payable	844,379	534,798	443,871	935,306	92,221
Governmental activity long-term liabilities	<u>\$ 46,579,379</u>	<u>\$ 2,799,798</u>	<u>\$ 4,168,871</u>	<u>\$ 45,210,306</u>	<u>\$ 3,792,221</u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows.

Due to/from other funds:

Due to	Due from Unrestricted Capital Outlay Fund
General Fund	\$ 1,538,899
Non-Major Governmental Funds	211,547
Total	\$ 1,750,446

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

Interfund transfers:

Transfers out	Transfers in		
	General Fund	Debt Service Fund	Total
Bond Building Fund	\$ 42,255	\$ 29,901	\$ 29,901
Non-Major Governmental Funds	42,255	29,901	42,255
Total	\$ 42,255	\$ 29,901	\$ 72,156

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

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.

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 11 – CONTINGENT LIABILITIES (Concl'd)

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

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

The District continues to carry commercial insurance for all other risks of loss, including workers' compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

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

Funding Policy – The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 10.74 percent (10.5 percent for retirement and 0.24 percent for long-term disability) of the members' annual covered payroll and the District was required by statute to contribute at the actuarially determined rate of 10.74 percent (9.87 percent for retirement, 0.63 percent for health insurance premium, and 0.24 percent for long-term disability) of the members' annual covered payroll.

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

	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
Years ended June 30,			
2012	\$ 2,029,147	\$ 129,520	\$ 49,341
2011	1,751,759	114,710	48,606
2010	1,400,124	110,801	67,152

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 1,712,220	\$ 1,712,220
Property taxes			8,356,701	8,356,701
State aid and grants			14,662,608	14,662,608
Total revenues			<u>24,731,529</u>	<u>24,731,529</u>
Expenditures:				
Current -				
Instruction	15,514,133	16,156,323	15,095,533	1,060,790
Support services - students and staff	2,270,464	2,385,695	2,872,355	(486,660)
Support services - administration	3,330,988	3,446,479	3,211,972	234,507
Operation and maintenance of plant services	4,812,412	4,814,310	4,465,389	348,921
Student transportation services	1,809,918	1,809,918	1,784,133	25,785
Operation of non-instructional services	96,931	96,931	178,130	(81,199)
Total expenditures	<u>27,834,846</u>	<u>28,709,656</u>	<u>27,607,512</u>	<u>1,102,144</u>
Changes in fund balances	<u>(27,834,846)</u>	<u>(28,709,656)</u>	<u>(2,875,983)</u>	<u>25,833,673</u>
Fund balances, beginning of year			745,019	745,019
Increase (decrease) in reserve for prepaid items			(559,736)	(559,736)
Fund balances (deficits), end of year	<u>\$ (27,834,846)</u>	<u>\$ (28,709,656)</u>	<u>\$ (2,690,700)</u>	<u>\$ 26,018,956</u>

See accompanying notes to this schedule.

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2012

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

	<u>Total</u> <u>Expenditures</u>	<u>Fund Balance</u> <u>June 30, 2012</u>	<u>Fund Balance,</u> <u>July 1, 2011</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 29,261,340	\$ 2,846,817	\$ 2,964,717
Fiscal year 2011-12 activity budgeted as special revenue funds	(1,237,617)	(881,075)	(847,724)
Fiscal year 2011-12 activity budgeted as capital projects funds	(226,211)	(4,656,442)	(1,181,974)
Fiscal year 2011-12 insurance payments budgeted in 2010-11	<u>(190,000)</u>	<u> </u>	<u>(190,000)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General	<u>\$ 27,607,512</u>	<u>\$ (2,690,700)</u>	<u>\$ 745,019</u>

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

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GOVERNMENTAL FUNDS

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2012

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 3,090,924	\$ 1,320,373	\$ 4,411,297
Due from governmental entities	933,878		933,878
Total assets	<u><u>\$ 4,024,802</u></u>	<u><u>\$ 1,320,373</u></u>	<u><u>\$ 5,345,175</u></u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 80,380	\$ 8,003	\$ 80,380
Construction contracts payable		8,003	8,003
Due to other funds	211,547		211,547
Accrued payroll and employee benefits	131,195		131,195
Deferred revenues	26,701		26,701
Total liabilities	<u><u>449,823</u></u>	<u><u>8,003</u></u>	<u><u>457,826</u></u>
Fund balances:			
Restricted	<u>3,574,979</u>	<u>1,312,370</u>	<u>4,887,349</u>
Total fund balances	<u><u>3,574,979</u></u>	<u><u>1,312,370</u></u>	<u><u>4,887,349</u></u>
 Total liabilities and fund balances	 <u><u>\$ 4,024,802</u></u>	 <u><u>\$ 1,320,373</u></u>	 <u><u>\$ 5,345,175</u></u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2012

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 2,479,003	\$ 368,233	\$ 2,847,236
Property taxes		122	122
State aid and grants	1,662,982		1,662,982
Federal aid, grants and reimbursements	4,098,730		4,098,730
Total revenues	<u>8,240,715</u>	<u>368,355</u>	<u>8,609,070</u>
Expenditures:			
Current -			
Instruction	3,219,302		3,219,302
Support services - students and staff	939,182		939,182
Support services - administration	309,527		309,527
Operation and maintenance of plant services	127,731		127,731
Student transportation services	149,704		149,704
Operation of non-instructional services	2,219,250		2,219,250
Capital outlay	997,782	320,400	1,318,182
Total expenditures	<u>7,962,478</u>	<u>320,400</u>	<u>8,282,878</u>
Excess (deficiency) of revenues over expenditures	<u>278,237</u>	<u>47,955</u>	<u>326,192</u>
Other financing sources (uses):			
Transfers out	(42,255)		(42,255)
Total other financing sources (uses):	<u>(42,255)</u>		<u>(42,255)</u>
Changes in fund balances	<u>235,982</u>	<u>47,955</u>	<u>283,937</u>
Fund balances, beginning of year	3,338,997	1,264,415	4,603,412
Fund balances, end of year	<u>\$ 3,574,979</u>	<u>\$ 1,312,370</u>	<u>\$ 4,887,349</u>

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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.

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

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

Limited English & 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.

Adult Education - to account for financial assistance received from the Federal government for adult education programs.

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

Homeless Education - to account for financial assistance received for the education of homeless students.

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

**SPECIAL REVENUE FUNDS
(Concluded)**

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.

Early Childhood Block Grant - to account for financial assistance received for preschool education.

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.

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

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 transferred from Federal projects for administrative costs.

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

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

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Classroom Site	Instructional Improvement	County, City, and Town Grants
<u>ASSETS</u>			
Cash and investments	\$ 54,144	\$ 456,953	\$ 953
Due from governmental entities	227,454	92,494	
Total assets	\$ 281,598	\$ 549,447	\$ 953
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits	31,508	6,557	
Deferred revenues			
Total liabilities	31,508	6,557	
Fund balances:			
Restricted	250,090	542,890	953
Total fund balances	250,090	542,890	953
 Total liabilities and fund balances	 \$ 281,598	 \$ 549,447	 \$ 953

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Special Education Grants</u>	<u>Adult Education</u>	<u>Vocational Education</u>
\$ 238,414	\$ 16,150	\$ 18,992	\$ 53,750	\$ 13,737	\$ 1,892
<u>\$ 238,414</u>	<u>\$ 16,150</u>	<u>\$ 18,992</u>	<u>\$ 53,750</u>	<u>\$ 13,737</u>	<u>\$ 1,892</u>
\$ 60,284 133,335 44,795	\$ 16,150	\$ 10,569 8,423	\$ 42,673 11,077	\$ 10,966 2,771	\$ 1,892
<u>238,414</u>	<u>16,150</u>	<u>18,992</u>	<u>53,750</u>	<u>13,737</u>	<u>1,892</u>
<u>\$ 238,414</u>	<u>\$ 16,150</u>	<u>\$ 18,992</u>	<u>\$ 53,750</u>	<u>\$ 13,737</u>	<u>\$ 1,892</u>

(Continued)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	E-Rate	Other Federal Projects	State Vocational Education
<u>ASSETS</u>			
Cash and investments	\$ 275,840	\$ 13,435	\$ 11,320
Due from governmental entities	21,896		
Total assets	\$ 297,736	\$ 13,435	\$ 11,320
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits	2,085		
Deferred revenues		13,435	11,320
Total liabilities	2,085	13,435	11,320
Fund balances:			
Restricted	295,651		
Total fund balances	295,651		
 Total liabilities and fund balances	\$ 297,736	\$ 13,435	\$ 11,320

<u>Early Childhood Block Grant</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Career, Technical and Vocational Education Projects</u>
\$ 54	\$ 387,574	\$ 463,739	\$ 544,121	\$ 102,519	\$ 1,760
\$ 54	139,773	\$ 463,739	\$ 544,121	\$ 102,519	\$ 1,760
<u>54</u>	<u>527,347</u>	<u>463,739</u>	<u>544,121</u>	<u>102,519</u>	<u>1,760</u>
\$	\$	\$ 9,527	\$	\$	\$
	10,204		11,185		
54			11,185		
<u>54</u>	<u>10,204</u>	<u>9,527</u>	<u>11,185</u>		
	517,143	454,212	532,936	102,519	1,760
	<u>517,143</u>	<u>454,212</u>	<u>532,936</u>	<u>102,519</u>	<u>1,760</u>
<u>54</u>	<u>527,347</u>	<u>463,739</u>	<u>544,121</u>	<u>102,519</u>	<u>1,760</u>

(Continued)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Fingerprint	Textbooks	Insurance Refund
<u>ASSETS</u>			
Cash and investments	\$ 1,905	\$ 8,815	\$ 49
Due from governmental entities			
Total assets	\$ 1,905	\$ 8,815	\$ 49
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Deferred revenues			
Total liabilities			
Fund balances:			
Restricted	1,905	8,815	49
Total fund balances	1,905	8,815	49
 Total liabilities and fund balances	 \$ 1,905	 \$ 8,815	 \$ 49

<u>Joint Technical Education</u>	<u>Totals</u>
\$ 765,851	\$ 3,090,924
111,218	933,878
<u>\$ 877,069</u>	<u>\$ 4,024,802</u>
\$	\$ 80,380
	211,547
11,013	131,195
	<u>26,701</u>
<u>11,013</u>	<u>449,823</u>
866,056	3,574,979
<u>866,056</u>	<u>3,574,979</u>
<u>\$ 877,069</u>	<u>\$ 4,024,802</u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
Revenues:			
Other local	\$ 1,922	\$ 2,868	\$ 2
State aid and grants	1,395,508	212,495	5,750
Federal aid, grants and reimbursements			
Total revenues	<u>1,397,430</u>	<u>215,363</u>	<u>5,752</u>
Expenditures:			
Current -			
Instruction	1,604,495	189,136	3,356
Support services - students and staff	6,201		1,443
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>1,610,696</u>	<u>189,136</u>	<u>4,799</u>
Excess (deficiency) of revenues over expenditures	<u>(213,266)</u>	<u>26,227</u>	<u>953</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(213,266)</u>	<u>26,227</u>	<u>953</u>
Fund balances, beginning of year	463,356	516,663	
Fund balances, end of year	<u>\$ 250,090</u>	<u>\$ 542,890</u>	<u>\$ 953</u>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Special Education Grants</u>	<u>Adult Education</u>	<u>Vocational Education</u>
\$	\$	\$	\$	\$	\$
<u>961,329</u>	<u>100,460</u>	<u>27,097</u>	<u>625,428</u>	<u>195,520</u>	<u>20,476</u>
<u>961,329</u>	<u>100,460</u>	<u>27,097</u>	<u>625,428</u>	<u>195,520</u>	<u>20,476</u>
372,229		21,758	205,487	148,226	2,120
360,037	90,943	4,902	288,419	27,730	1,900
160,032	7,909		3,271	11,853	802
20,226					
22,567			112,904		135
<u>10,632</u>			<u>5,868</u>	<u>5,164</u>	<u>15,116</u>
<u>945,723</u>	<u>98,852</u>	<u>26,660</u>	<u>615,949</u>	<u>192,973</u>	<u>20,073</u>
<u>15,606</u>	<u>1,608</u>	<u>437</u>	<u>9,479</u>	<u>2,547</u>	<u>403</u>
<u>(15,606)</u>	<u>(1,608)</u>	<u>(437)</u>	<u>(9,479)</u>	<u>(2,547)</u>	<u>(403)</u>
<u>(15,606)</u>	<u>(1,608)</u>	<u>(437)</u>	<u>(9,479)</u>	<u>(2,547)</u>	<u>(403)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	E-Rate	Other Federal Projects	State Vocational Education
Revenues:			
Other local	\$ 1,964	\$	\$
State aid and grants			49,229
Federal aid, grants and reimbursements	97,941	936,356	
Total revenues	99,905	936,356	49,229
Expenditures:			
Current -			
Instruction		10,498	18,864
Support services - students and staff		5,800	24,300
Support services - administration	47,574		2,313
Operation and maintenance of plant services		14,078	
Student transportation services			
Operation of non-instructional services			
Capital outlay		905,713	3,752
Total expenditures	47,574	936,089	49,229
Excess (deficiency) of revenues over expenditures	52,331	267	
Other financing sources (uses):			
Transfers out		(267)	
Total other financing sources (uses):		(267)	
Changes in fund balances	52,331		
Fund balances, beginning of year	243,320		
Fund balances, end of year	\$ 295,651	\$	\$

<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Career, Technical and Vocational Education Projects</u>	<u>Fingerprint</u>
\$ 1,090,023	\$ 254,731	\$ 569,980	\$ 108,193	\$ 10	\$ 1,871
<u>1,134,123</u>					
<u>2,224,146</u>	<u>254,731</u>	<u>569,980</u>	<u>108,193</u>	<u>10</u>	<u>1,871</u>
	14,644	217,977	76,453		
	8,011	8,862	13,070		
3,309	19,299	7,481			2,106
	63,409	6,780			
	260	167	8,241		
2,089,023		130,227			
607	26,408	4,087	6,215		
<u>2,092,939</u>	<u>132,031</u>	<u>375,581</u>	<u>103,979</u>		<u>2,106</u>
<u>131,207</u>	<u>122,700</u>	<u>194,399</u>	<u>4,214</u>	<u>10</u>	<u>(235)</u>
<u>(11,908)</u>					
<u>(11,908)</u>					
<u>119,299</u>	<u>122,700</u>	<u>194,399</u>	<u>4,214</u>	<u>10</u>	<u>(235)</u>
397,844	331,512	338,537	98,305	1,750	2,140
<u>\$ 517,143</u>	<u>\$ 454,212</u>	<u>\$ 532,936</u>	<u>\$ 102,519</u>	<u>\$ 1,760</u>	<u>\$ 1,905</u>

(Continued)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Textbooks	Insurance Refund	Joint Technical Education
Revenues:			
Other local	\$ 192	\$	\$ 447,247
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	192		447,247
Expenditures:			
Current -			
Instruction			334,059
Support services - students and staff			97,564
Support services - administration			43,578
Operation and maintenance of plant services			23,238
Student transportation services			5,430
Operation of non-instructional services			
Capital outlay			14,220
Total expenditures			518,089
Excess (deficiency) of revenues over expenditures	192		(70,842)
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	192		(70,842)
Fund balances, beginning of year	8,623	49	936,898
Fund balances, end of year	\$ 8,815	\$ 49	\$ 866,056

Totals

\$ 2,479,003
1,662,982
4,098,730
8,240,715

3,219,302
939,182
309,527
127,731
149,704
2,219,250
997,782
7,962,478

278,237

(42,255)
(42,255)

235,982

3,338,997

\$ 3,574,979

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 1,922	\$ 1,922
State aid and grants		1,395,508	1,395,508
Federal aid, grants and reimbursements			
Total revenues		<u>1,397,430</u>	<u>1,397,430</u>
Expenditures:			
Current -			
Instruction	1,523,997	1,604,495	(80,498)
Support services - students and staff	224,152	6,201	217,951
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>1,748,149</u>	<u>1,610,696</u>	<u>137,453</u>
Excess (deficiency) of revenues over expenditures	<u>(1,748,149)</u>	<u>(213,266)</u>	<u>1,534,883</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(1,748,149)</u>	<u>(213,266)</u>	<u>1,534,883</u>
Fund balances, beginning of year		463,356	463,356
Fund balances (deficits), end of year	<u>\$ (1,748,149)</u>	<u>\$ 250,090</u>	<u>\$ 1,998,239</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,868	\$ 2,868	\$	\$ 2	\$ 2
	212,495	212,495		5,750	5,750
	<u>215,363</u>	<u>215,363</u>		<u>5,752</u>	<u>5,752</u>
408,797	189,136	219,661	6,900	3,356	3,544
				1,443	(1,443)
<u>408,797</u>	<u>189,136</u>	<u>219,661</u>	<u>6,900</u>	<u>4,799</u>	<u>2,101</u>
<u>(408,797)</u>	<u>26,227</u>	<u>435,024</u>	<u>(6,900)</u>	<u>953</u>	<u>7,853</u>
<u>(408,797)</u>	<u>26,227</u>	<u>435,024</u>	<u>(6,900)</u>	<u>953</u>	<u>7,853</u>
	516,663	516,663			
<u>\$ (408,797)</u>	<u>\$ 542,890</u>	<u>\$ 951,687</u>	<u>\$ (6,900)</u>	<u>\$ 953</u>	<u>\$ 7,853</u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Structured English Immersion		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants	4,564		(4,564)
Federal aid, grants and reimbursements			
Total revenues	<u>4,564</u>		<u>(4,564)</u>
Expenditures:			
Current -			
Instruction	4,564		4,564
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>4,564</u>		<u>4,564</u>
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances			
Fund balances, beginning of year			
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

Title I Grants			Professional Development and Technology Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
<u>2,177,676</u>	<u>961,329</u>	<u>(1,216,347)</u>	<u>103,434</u>	<u>100,460</u>	<u>(2,974)</u>
<u>2,177,676</u>	<u>961,329</u>	<u>(1,216,347)</u>	<u>103,434</u>	<u>100,460</u>	<u>(2,974)</u>
2,177,676	372,229	1,805,447			
	360,037	(360,037)	103,434	90,943	12,491
	160,032	(160,032)		7,909	(7,909)
	20,226	(20,226)			
	22,567	(22,567)			
	<u>10,632</u>	<u>(10,632)</u>			
<u>2,177,676</u>	<u>945,723</u>	<u>1,231,953</u>	<u>103,434</u>	<u>98,852</u>	<u>4,582</u>
	<u>15,606</u>	<u>15,606</u>		<u>1,608</u>	<u>1,608</u>
	<u>(15,606)</u>	<u>(15,606)</u>		<u>(1,608)</u>	<u>(1,608)</u>
	<u>(15,606)</u>	<u>(15,606)</u>		<u>(1,608)</u>	<u>(1,608)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Title IV Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	11,928		(11,928)
Total revenues	<u>11,928</u>		<u>(11,928)</u>
Expenditures:			
Current -			
Instruction	11,928		11,928
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>11,928</u>		<u>11,928</u>
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances			
Fund balances, beginning of year			
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

Promote Informed Parent Choice			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
444		(444)	31,332	27,097	(4,235)
444		(444)	31,332	27,097	(4,235)
444		444	31,332	21,758	9,574
				4,902	(4,902)
444		444	31,332	26,660	4,672
				437	437
				(437)	(437)
				(437)	(437)
\$	\$	\$	\$	\$	\$

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	987,639	625,428	(362,211)
Total revenues	<u>987,639</u>	<u>625,428</u>	<u>(362,211)</u>
Expenditures:			
Current -			
Instruction	987,639	205,487	782,152
Support services - students and staff		288,419	(288,419)
Support services - administration		3,271	(3,271)
Operation and maintenance of plant services			
Student transportation services		112,904	(112,904)
Operation of non-instructional services			
Capital outlay		5,868	(5,868)
Total expenditures	<u>987,639</u>	<u>615,949</u>	<u>371,690</u>
Excess (deficiency) of revenues over expenditures		<u>9,479</u>	<u>9,479</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(9,479)	(9,479)
Total other financing sources (uses):		<u>(9,479)</u>	<u>(9,479)</u>
Changes in fund balances			
Fund balances, beginning of year			
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

Adult Education			Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
230,790	195,520	(35,270)	48,619	20,476	(28,143)
<u>230,790</u>	<u>195,520</u>	<u>(35,270)</u>	<u>48,619</u>	<u>20,476</u>	<u>(28,143)</u>
230,790	148,226	82,564	24,309	2,120	22,189
	27,730	(27,730)		1,900	(1,900)
	11,853	(11,853)		802	(802)
				135	(135)
	5,164	(5,164)	24,310	15,116	9,194
<u>230,790</u>	<u>192,973</u>	<u>37,817</u>	<u>48,619</u>	<u>20,073</u>	<u>28,546</u>
	2,547	2,547		403	403
	(2,547)	(2,547)		(403)	(403)
	<u>(2,547)</u>	<u>(2,547)</u>		<u>(403)</u>	<u>(403)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Homeless Education		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	663		(663)
Total revenues	663		(663)
Expenditures:			
Current -			
Instruction	663		663
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	663		663
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances			
Fund balances, beginning of year			
Fund balances, end of year	\$	\$	\$

Medicaid Reimbursement			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,310	\$ 2,310	\$	\$ 1,964	\$ 1,964
220,227	176,545	(43,682)	205,373	97,941	(107,432)
<u>220,227</u>	<u>178,855</u>	<u>(41,372)</u>	<u>205,373</u>	<u>99,905</u>	<u>(105,468)</u>
220,227	7,623	(7,623)			
	67,842	152,385			
	19,279	(19,279)	205,373	47,574	157,799
	42,553	(42,553)			
	6,776	(6,776)			
<u>220,227</u>	<u>144,073</u>	<u>76,154</u>	<u>205,373</u>	<u>47,574</u>	<u>157,799</u>
	34,782	34,782		52,331	52,331
	34,782	34,782		52,331	52,331
	274,935	274,935		243,320	243,320
<u>\$</u>	<u>\$ 309,717</u>	<u>\$ 309,717</u>	<u>\$</u>	<u>\$ 295,651</u>	<u>\$ 295,651</u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Other Federal Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	917,234	936,356	19,122
Total revenues	917,234	936,356	19,122
Expenditures:			
Current -			
Instruction	11,521	10,498	1,023
Support services - students and staff		5,800	(5,800)
Support services - administration			
Operation and maintenance of plant services		14,078	(14,078)
Student transportation services			
Operation of non-instructional services			
Capital outlay	905,713	905,713	
Total expenditures	917,234	936,089	(18,855)
Excess (deficiency) of revenues over expenditures		267	267
Other financing sources (uses):			
Transfers in			
Transfers out		(267)	(267)
Total other financing sources (uses):		(267)	(267)
Changes in fund balances			
Fund balances, beginning of year			
Fund balances, end of year	\$	\$	\$

State Vocational Education			Early Childhood Block Grant		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 60,361	\$ 49,229	\$ (11,132)	\$ 54	\$	\$ (54)
<u>60,361</u>	<u>49,229</u>	<u>(11,132)</u>	<u>54</u>	<u></u>	<u>(54)</u>
30,361	18,864	11,497	54		54
30,000	24,300	5,700			
	2,313	(2,313)			
	<u>3,752</u>	<u>(3,752)</u>			
<u>60,361</u>	<u>49,229</u>	<u>11,132</u>	<u>54</u>	<u></u>	<u>54</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Other State Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants	7,220		(7,220)
Federal aid, grants and reimbursements			
Total revenues	<u>7,220</u>		<u>(7,220)</u>
Expenditures:			
Current -			
Instruction	7,220		7,220
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>7,220</u>		<u>7,220</u>
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances			
Fund balances, beginning of year			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,451	\$ 1,451	\$	\$ 1,090,023	\$ 1,090,023
				1,134,123	1,134,123
	<u>1,451</u>	<u>1,451</u>		<u>2,224,146</u>	<u>2,224,146</u>
				3,309	(3,309)
83,431		83,431	2,210,015	2,089,023	120,992
				607	(607)
<u>83,431</u>		<u>83,431</u>	<u>2,210,015</u>	<u>2,092,939</u>	<u>117,076</u>
(83,431)	1,451	84,882	(2,210,015)	131,207	2,341,222
				(11,908)	(11,908)
				(11,908)	(11,908)
<u>(83,431)</u>	<u>1,451</u>	<u>84,882</u>	<u>(2,210,015)</u>	<u>119,299</u>	<u>2,329,314</u>
	78,634	78,634		397,844	397,844
<u>\$ (83,431)</u>	<u>\$ 80,085</u>	<u>\$ 163,516</u>	<u>\$ (2,210,015)</u>	<u>\$ 517,143</u>	<u>\$ 2,727,158</u>

(Continued)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Civic Center		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 254,731	\$ 254,731
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>254,731</u>	<u>254,731</u>
Expenditures:			
Current -			
Instruction		14,644	(14,644)
Support services - students and staff		8,011	(8,011)
Support services - administration		19,299	(19,299)
Operation and maintenance of plant services	258,730	63,409	195,321
Student transportation services		260	(260)
Operation of non-instructional services			
Capital outlay		26,408	(26,408)
Total expenditures	<u>258,730</u>	<u>132,031</u>	<u>126,699</u>
Excess (deficiency) of revenues over expenditures	<u>(258,730)</u>	<u>122,700</u>	<u>381,430</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(258,730)</u>	<u>122,700</u>	<u>381,430</u>
Fund balances, beginning of year		331,512	331,512
Fund balances (deficits), end of year	<u>\$ (258,730)</u>	<u>\$ 454,212</u>	<u>\$ 712,942</u>

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 569,980	\$ 569,980	\$	\$ 992,079	\$ 992,079
	<u>569,980</u>	<u>569,980</u>		<u>992,079</u>	<u>992,079</u>
1,059,157	217,977	841,180	455,760	664,299	(208,539)
	8,862	(8,862)		30,662	(30,662)
	7,481	(7,481)		50,290	(50,290)
	6,780	(6,780)		22,925	(22,925)
	167	(167)		3,387	(3,387)
	130,227	(130,227)		199,666	(199,666)
	4,087	(4,087)		14,736	(14,736)
<u>1,059,157</u>	<u>375,581</u>	<u>683,576</u>	<u>455,760</u>	<u>985,965</u>	<u>(530,205)</u>
<u>(1,059,157)</u>	<u>194,399</u>	<u>1,253,556</u>	<u>(455,760)</u>	<u>6,114</u>	<u>461,874</u>
<u>(1,059,157)</u>	<u>194,399</u>	<u>1,253,556</u>	<u>(455,760)</u>	<u>6,114</u>	<u>461,874</u>
	338,537	338,537		240,742	240,742
<u>\$ (1,059,157)</u>	<u>\$ 532,936</u>	<u>\$ 1,592,093</u>	<u>\$ (455,760)</u>	<u>\$ 246,856</u>	<u>\$ 702,616</u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 108,193	\$ 108,193
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		108,193	108,193
Expenditures:			
Current -			
Instruction	333,893	76,453	257,440
Support services - students and staff		13,070	(13,070)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services		8,241	(8,241)
Operation of non-instructional services			
Capital outlay		6,215	(6,215)
Total expenditures	333,893	103,979	229,914
Excess (deficiency) of revenues over expenditures	(333,893)	4,214	338,107
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(333,893)	4,214	338,107
Fund balances, beginning of year		98,305	98,305
Fund balances (deficits), end of year	\$ (333,893)	\$ 102,519	\$ 436,412

Gifts and Donations			Career, Technical and Vocational Education Projects		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 26,431	\$ 26,431	\$	\$ 10	\$ 10
	<u>26,431</u>	<u>26,431</u>		<u>10</u>	<u>10</u>
186,938	7,865	179,073	2,000		2,000
	7,707	(7,707)			
	1,107	(1,107)			
	360	(360)			
	575	(575)			
	2,093	(2,093)			
<u>186,938</u>	<u>19,707</u>	<u>167,231</u>	<u>2,000</u>		<u>2,000</u>
<u>(186,938)</u>	<u>6,724</u>	<u>193,662</u>	<u>(2,000)</u>	<u>10</u>	<u>2,010</u>
<u>(186,938)</u>	<u>6,724</u>	<u>193,662</u>	<u>(2,000)</u>	<u>10</u>	<u>2,010</u>
	134,779	134,779		1,750	1,750
<u>\$ (186,938)</u>	<u>\$ 141,503</u>	<u>\$ 328,441</u>	<u>\$ (2,000)</u>	<u>\$ 1,760</u>	<u>\$ 3,760</u>

(Continued)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Fingerprint		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 1,871	\$ 1,871
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>4,000</u>	<u>1,871</u>	<u>1,871</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	4,000	2,106	1,894
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>4,000</u>	<u>2,106</u>	<u>1,894</u>
Excess (deficiency) of revenues over expenditures	<u>(4,000)</u>	<u>(235)</u>	<u>3,765</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>(4,000)</u>	<u>(235)</u>	<u>3,765</u>
Fund balances, beginning of year		2,140	2,140
Fund balances (deficits), end of year	<u>\$ (4,000)</u>	<u>\$ 1,905</u>	<u>\$ 5,905</u>

Insurance Proceeds			Textbooks		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 29,713	\$ 29,713	\$	\$ 192	\$ 192
	<u>29,713</u>	<u>29,713</u>		<u>192</u>	<u>192</u>
			10,000		10,000
141,500	3,962	137,538			
<u>8,500</u>	<u>8,500</u>	<u>137,538</u>	<u>10,000</u>		<u>10,000</u>
<u>150,000</u>	<u>12,462</u>	<u>137,538</u>	<u>10,000</u>		<u>10,000</u>
<u>(150,000)</u>	<u>17,251</u>	<u>167,251</u>	<u>(10,000)</u>	<u>192</u>	<u>10,192</u>
<u>(150,000)</u>	<u>17,251</u>	<u>167,251</u>	<u>(10,000)</u>	<u>192</u>	<u>10,192</u>
	74,809	74,809		8,623	8,623
<u>\$ (150,000)</u>	<u>\$ 92,060</u>	<u>\$ 242,060</u>	<u>\$ (10,000)</u>	<u>\$ 8,815</u>	<u>\$ 18,815</u>

(Continued)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 47	\$ 47
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		47	47
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures		47	47
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances		47	47
Fund balances, beginning of year		8,306	8,306
Fund balances (deficits), end of year	\$	\$ 8,353	\$ 8,353

Indirect Costs			Insurance Refund		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 124	\$ 124	\$	\$	\$
	124	124			
129,777	75,410	54,367			
129,777	75,410	54,367			
(129,777)	(75,286)	54,491			
	42,255	42,255			
	42,255	42,255			
(129,777)	(33,031)	96,746			
	33,031	33,031		49	49
\$ (129,777)	\$	\$ 129,777	\$	\$ 49	\$ 49

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Advertisement		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 13	\$ 13
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		13	13
Expenditures:			
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			
Total expenditures	10,000		10,000
Excess (deficiency) of revenues over expenditures	(10,000)	13	10,013
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(10,000)	13	10,013
Fund balances, beginning of year		2,488	2,488
Fund balances (deficits), end of year	\$ (10,000)	\$ 2,501	\$ 12,501

Joint Technical Education			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 447,247	\$ 447,247	\$	\$ 3,531,171	\$ 3,531,171
			72,199	1,662,982	1,590,783
			4,935,359	4,275,275	(660,084)
	<u>447,247</u>	<u>447,247</u>	<u>5,007,558</u>	<u>9,469,428</u>	<u>4,461,870</u>
851,477	334,059	517,418	8,367,420	3,899,089	4,468,331
	97,564	(97,564)	577,813	1,045,393	(467,580)
	43,578	(43,578)	339,150	455,613	(116,463)
	23,238	(23,238)	400,230	197,531	202,699
	5,430	(5,430)		153,666	(153,666)
			2,293,446	2,421,009	(127,563)
	14,220	(14,220)	938,523	1,027,794	(89,271)
<u>851,477</u>	<u>518,089</u>	<u>333,388</u>	<u>12,916,582</u>	<u>9,200,095</u>	<u>3,716,487</u>
<u>(851,477)</u>	<u>(70,842)</u>	<u>780,635</u>	<u>(7,909,024)</u>	<u>269,333</u>	<u>8,178,357</u>
				42,255	42,255
				<u>(42,255)</u>	<u>(42,255)</u>
<u>(851,477)</u>	<u>(70,842)</u>	<u>780,635</u>	<u>(7,909,024)</u>	<u>269,333</u>	<u>8,178,357</u>
	936,898	936,898		4,186,721	4,186,721
<u>\$ (851,477)</u>	<u>\$ 866,056</u>	<u>\$ 1,717,533</u>	<u>\$ (7,909,024)</u>	<u>\$ 4,456,054</u>	<u>\$ 12,365,078</u>

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DEBT SERVICE FUND

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

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE
YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Other local	\$	\$ 25,012	\$ 25,012
Property taxes		6,532,111	6,532,111
Federal aid, grants and reimbursements		121,862	121,862
Total revenues		<u>6,678,985</u>	<u>6,678,985</u>
Expenditures:			
Debt service -			
Principal retirement	5,650,046	3,700,000	1,950,046
Interest and fiscal charges		2,149,814	(2,149,814)
Total expenditures	<u>5,650,046</u>	<u>5,849,814</u>	<u>(199,768)</u>
Excess (deficiency) of revenues over expenditures	<u>(5,650,046)</u>	<u>829,171</u>	<u>6,479,217</u>
Other financing sources (uses):			
Transfers in		29,901	29,901
Total other financing sources (uses):		<u>29,901</u>	<u>29,901</u>
Changes in fund balances	<u>(5,650,046)</u>	<u>859,072</u>	<u>6,509,118</u>
Fund balances, beginning of year		665,359	665,359
Fund balances (deficits), end of year	<u>\$ (5,650,046)</u>	<u>\$ 1,524,431</u>	<u>\$ 7,174,477</u>

CAPITAL PROJECTS FUNDS

Unrestricted Capital Outlay - to account for transactions relating to the acquisition of capital items.

Adjacent Ways - to account for monies received to finance improvements of public ways adjacent to school property.

Soft Capital Allocation - to account for transactions relating to the acquisition of short-term capital items required to meet academic adequacy standards.

Bond Building - to account for proceeds from District bond issues that are expended on the acquisition or lease of sites, construction or renovation of school buildings, improving school grounds, or purchasing pupil transportation vehicles.

Gifts and Donations - to account for gifts and donations to be expended for capital acquisitions.

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

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2012

	Adjacent Ways	Gifts and Donations - Capital	Building Renewal
<u>ASSETS</u>			
Cash and investments	\$ 471,220	\$ 454,606	\$ 72,724
Total assets	\$ 471,220	\$ 454,606	\$ 72,724
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Construction contracts payable	\$ 8,003	\$	\$
Total liabilities	8,003		
Fund balances:			
Restricted	463,217	454,606	72,724
Total fund balances	463,217	454,606	72,724
 Total liabilities and fund balances	 \$ 471,220	 \$ 454,606	 \$ 72,724

<u>New School Facilities</u>	<u>Totals</u>
\$ 321,823	\$ 1,320,373
<u>\$ 321,823</u>	<u>\$ 1,320,373</u>

<u>\$</u>	<u>\$ 8,003</u>
	<u>8,003</u>

<u>321,823</u>	<u>1,312,370</u>
<u>321,823</u>	<u>1,312,370</u>
<u>\$ 321,823</u>	<u>\$ 1,320,373</u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012

	<u>Adjacent Ways</u>	<u>Gifts and Donations - Capital</u>	<u>Building Renewal</u>
Revenues:			
Other local	\$ 13,490	\$ 352,411	\$ 420
Property taxes	122		
Total revenues	<u>13,612</u>	<u>352,411</u>	<u>420</u>
Expenditures:			
Capital outlay	<u>294,514</u>		<u>3,906</u>
Total expenditures	<u>294,514</u>		<u>3,906</u>
Changes in fund balances	<u>(280,902)</u>	<u>352,411</u>	<u>(3,486)</u>
Fund balances, beginning of year	744,119	102,195	76,210
Fund balances, end of year	<u>\$ 463,217</u>	<u>\$ 454,606</u>	<u>\$ 72,724</u>

New School Facilities	Totals
\$ 1,912	\$ 368,233
<u>1,912</u>	<u>122</u>
	<u>368,355</u>
21,980	320,400
<u>21,980</u>	<u>320,400</u>
(20,068)	47,955
341,891	1,264,415
<u>\$ 321,823</u>	<u>\$ 1,312,370</u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 61,408	\$ 61,408
Property taxes		54,058	54,058
State aid and grants		514,643	514,643
Total revenues		<u>630,109</u>	<u>630,109</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Capital outlay	3,210,622	1,815,632	1,394,990
Debt service -			
Bond issuance costs			
Total expenditures	<u>3,210,622</u>	<u>1,815,632</u>	<u>1,394,990</u>
Excess (deficiency) of revenues over expenditures	<u>(3,210,622)</u>	<u>(1,185,523)</u>	<u>2,025,099</u>
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):			
Changes in fund balances	<u>(3,210,622)</u>	<u>(1,185,523)</u>	<u>2,025,099</u>
Fund balances, beginning of year		3,593,272	3,593,272
Fund balances (deficits), end of year	<u>\$ (3,210,622)</u>	<u>\$ 2,407,749</u>	<u>\$ 5,618,371</u>

Adjacent Ways			Soft Capital Allocation		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 13,490 122	\$ 13,490 122	\$	\$ 18,371 2,554,512 1,127,796	\$ 18,371 2,554,512 1,127,796
	<u>13,612</u>	<u>13,612</u>		<u>3,700,679</u>	<u>3,700,679</u>
597,694	294,514	303,180	245,299 7,345	199,401 26,810	45,898 (19,465)
<u>597,694</u>	<u>294,514</u>	<u>303,180</u>	<u>252,644</u>	<u>226,211</u>	<u>26,433</u>
<u>(597,694)</u>	<u>(280,902)</u>	<u>316,792</u>	<u>(252,644)</u>	<u>3,474,468</u>	<u>3,727,112</u>
<u>(597,694)</u>	<u>(280,902)</u>	<u>316,792</u>	<u>(252,644)</u>	<u>3,474,468</u>	<u>3,727,112</u>
	744,119	744,119		1,181,974	1,181,974
<u>\$ (597,694)</u>	<u>\$ 463,217</u>	<u>\$ 1,060,911</u>	<u>\$ (252,644)</u>	<u>\$ 4,656,442</u>	<u>\$ 4,909,086</u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012

	Bond Building		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 16,463	\$ 16,463
Property taxes			
State aid and grants			
Total revenues		16,463	16,463
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Capital outlay	26,299,723	2,884,542	23,415,181
Debt service -			
Bond issuance costs		83,000	(83,000)
Total expenditures	26,299,723	2,967,542	23,332,181
Excess (deficiency) of revenues over expenditures	(26,299,723)	(2,951,079)	23,348,644
Other financing sources (uses):			
Transfers out		(29,901)	(29,901)
Issuance of school improvement bonds		2,265,000	2,265,000
Premium on sale of bonds		68,090	68,090
Total other financing sources (uses):		2,303,189	2,303,189
Changes in fund balances	(26,299,723)	(647,890)	25,651,833
Fund balances, beginning of year		3,818,080	3,818,080
Fund balances (deficits), end of year	\$ (26,299,723)	\$ 3,170,190	\$ 29,469,913

Gifts and Donations - Capital			Building Renewal		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 352,411	\$ 352,411	\$	\$ 420	\$ 420
	<u>352,411</u>	<u>352,411</u>		<u>420</u>	<u>420</u>
200,000		200,000	353,000	3,906	349,094
<u>200,000</u>		<u>200,000</u>	<u>353,000</u>	<u>3,906</u>	<u>349,094</u>
<u>(200,000)</u>	<u>352,411</u>	<u>552,411</u>	<u>(353,000)</u>	<u>(3,486)</u>	<u>349,514</u>
<u>(200,000)</u>	<u>352,411</u>	<u>552,411</u>	<u>(353,000)</u>	<u>(3,486)</u>	<u>349,514</u>
	102,195	102,195		76,210	76,210
<u>\$ (200,000)</u>	<u>\$ 454,606</u>	<u>\$ 654,606</u>	<u>\$ (353,000)</u>	<u>\$ 72,724</u>	<u>\$ 425,724</u>

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QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012

	New School Facilities		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 1,912	\$ 1,912
Property taxes			
State aid and grants			
Total revenues	<u> </u>	<u> 1,912</u>	<u> 1,912</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Capital outlay	545,000	21,980	523,020
Debt service -			
Bond issuance costs			
Total expenditures	<u> 545,000</u>	<u> 21,980</u>	<u> 523,020</u>
Excess (deficiency) of revenues over expenditures	<u> (545,000)</u>	<u> (20,068)</u>	<u> 524,932</u>
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):	<u> </u>	<u> </u>	<u> </u>
Changes in fund balances	<u> (545,000)</u>	<u> (20,068)</u>	<u> 524,932</u>
Fund balances, beginning of year		341,891	341,891
Fund balances (deficits), end of year	<u> \$ (545,000)</u>	<u> \$ 321,823</u>	<u> \$ 866,823</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 464,475	\$ 464,475
	2,608,692	2,608,692
	1,642,439	1,642,439
	<u>4,715,606</u>	<u>4,715,606</u>
245,299	199,401	45,898
7,345	26,810	(19,465)
31,206,039	5,020,574	26,185,465
	83,000	(83,000)
<u>31,458,683</u>	<u>5,329,785</u>	<u>26,128,898</u>
<u>(31,458,683)</u>	<u>(614,179)</u>	<u>30,844,504</u>
	(29,901)	(29,901)
	2,265,000	2,265,000
	68,090	68,090
	<u>2,303,189</u>	<u>2,303,189</u>
<u>(31,458,683)</u>	<u>1,689,010</u>	<u>33,147,693</u>
	9,857,741	9,857,741
<u>\$ (31,458,683)</u>	<u>\$ 11,546,751</u>	<u>\$ 43,005,434</u>

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AGENCY FUNDS

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

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2012

	Student Activities	Employee Insurance	Totals
<u>ASSETS</u>			
Cash and investments	\$ 117,413	\$ 281,859	\$ 399,272
Total assets	\$ 117,413	\$ 281,859	\$ 399,272
<u>LIABILITIES</u>			
Deposits held for others	\$	\$ 281,859	\$ 281,859
Due to student groups	117,413		117,413
Total liabilities	\$ 117,413	\$ 281,859	\$ 399,272

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2012

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ <u>127,003</u>	\$ <u>171,232</u>	\$ <u>180,822</u>	\$ <u>117,413</u>
Total assets	\$ <u><u>127,003</u></u>	\$ <u><u>171,232</u></u>	\$ <u><u>180,822</u></u>	\$ <u><u>117,413</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>127,003</u>	\$ <u>171,232</u>	\$ <u>180,822</u>	\$ <u>117,413</u>
Total liabilities	\$ <u><u>127,003</u></u>	\$ <u><u>171,232</u></u>	\$ <u><u>180,822</u></u>	\$ <u><u>117,413</u></u>
<u>EMPLOYEE WITHHOLDING FUND</u>				
<u>Assets</u>				
Cash and investments	\$ <u>404,777</u>	\$ <u>9,767,481</u>	\$ <u>9,890,399</u>	\$ <u>281,859</u>
Total assets	\$ <u><u>404,777</u></u>	\$ <u><u>9,767,481</u></u>	\$ <u><u>9,890,399</u></u>	\$ <u><u>281,859</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>404,777</u>	\$ <u>9,767,481</u>	\$ <u>9,890,399</u>	\$ <u>281,859</u>
Total liabilities	\$ <u><u>404,777</u></u>	\$ <u><u>9,767,481</u></u>	\$ <u><u>9,890,399</u></u>	\$ <u><u>281,859</u></u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ <u>531,780</u>	\$ <u>9,938,713</u>	\$ <u>10,071,221</u>	\$ <u>399,272</u>
Total assets	\$ <u><u>531,780</u></u>	\$ <u><u>9,938,713</u></u>	\$ <u><u>10,071,221</u></u>	\$ <u><u>399,272</u></u>
<u>Liabilities</u>				
Deposits held for others	404,777	9,767,481	9,890,399	281,859
Due to student groups	<u>127,003</u>	<u>171,232</u>	<u>180,822</u>	<u>117,413</u>
Total liabilities	\$ <u><u>531,780</u></u>	\$ <u><u>9,938,713</u></u>	\$ <u><u>10,071,221</u></u>	\$ <u><u>399,272</u></u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net Assets:					
Invested in capital assets, net of related debt	\$ 67,381,487	\$ 64,655,506	\$ 63,793,016	\$ 63,604,011	\$ 58,058,474
Restricted	8,991,884	9,285,149	7,940,465	8,130,887	8,918,610
Unrestricted	8,042,657	8,340,009	14,372,858	7,126,370	4,793,066
Total net assets	\$ 84,416,028	\$ 82,280,664	\$ 86,106,339	\$ 78,861,268	\$ 71,770,150
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	
Net Assets:					
Invested in capital assets, net of related debt	\$ 41,714,868	\$ 42,651,748	\$ 35,352,934	\$ 23,980,847	
Restricted	8,156,076	9,889,703	7,065,115	7,214,256	
Unrestricted	5,118,611	(806,039)	326,171	2,222,000	
Total net assets	\$ 54,989,555	\$ 51,735,412	\$ 42,744,220	\$ 33,417,103	

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 were adopted in fiscal year 2004 therefore only nine years are shown.

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST NINE FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	2012	2011	2010	2009	2008
Expenses					
Instruction	\$ 22,806,535	\$ 25,469,481	\$ 22,463,400	\$ 23,824,526	\$ 20,404,847
Support services - students and staff	4,133,729	3,721,124	3,619,639	3,256,501	2,762,388
Support services - administration	4,039,139	4,078,970	3,774,973	3,495,391	3,118,721
Operation and maintenance of plant services	4,864,025	4,624,221	4,194,109	4,403,804	3,377,888
Student transportation services	2,572,302	2,759,707	2,537,094	2,794,472	2,359,390
Operation of non-instructional services	2,682,684	2,550,925	2,678,173	2,554,892	1,946,545
Interest on long-term debt	2,164,724	1,701,711	1,913,890	1,998,665	1,301,040
Total expenses	43,263,138	44,906,139	41,181,278	42,328,251	35,270,819
Program Revenues					
Charges for services:					
Instruction	2,157,197	1,156,518	2,935,950	4,653,737	4,272,499
Operation of non-instructional services	1,386,058	1,573,403	1,483,583	1,482,469	1,366,446
Other activities	281,990	241,334	182,577	102,244	94,275
Operating grants and contributions	3,464,539	5,457,717	3,834,782	3,064,025	2,555,772
Capital grants and contributions	946,245	188,495	91,108	53,382	12,435
Total program revenues	8,236,029	8,617,467	8,528,000	9,355,857	8,301,427
Net (Expense)/Revenue	\$ (35,027,109)	\$ (36,288,672)	\$ (32,653,278)	\$ (32,972,394)	\$ (26,969,392)

(Continued)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST NINE FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30			
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenses				
Instruction	\$ 21,231,240	\$ 16,770,250	\$ 13,484,325	\$ 10,354,202
Support services - students and staff	2,641,338	2,686,689	2,057,089	1,648,926
Support services - administration	3,331,932	2,740,420	2,089,959	1,888,035
Operation and maintenance of plant services	3,443,083	3,449,246	3,206,022	3,406,551
Student transportation services	2,529,814	1,710,537	1,552,847	1,224,913
Operation of non-instructional services	2,174,926	2,473,377	1,943,658	1,637,783
Interest on long-term debt	1,435,948	1,092,742	1,132,666	1,013,585
Total expenses	36,788,281	30,923,261	25,466,566	21,173,995
Program Revenues				
Charges for services:				
Instruction	4,767,731	2,223,269	2,415,442	812,993
Operation of non-instructional services	1,271,368	1,458,315	1,206,517	1,007,293
Other activities	229,989	1,718,732	210,375	846,621
Operating grants and contributions	2,477,499	4,221,377	3,519,739	3,062,851
Capital grants and contributions	124,605	7,496,361	10,434,079	245,886
Total program revenues	8,871,192	17,118,054	17,786,152	5,975,644
Net (Expense)/Revenue	\$ (27,917,089)	\$ (13,805,207)	\$ (7,680,414)	\$ (15,198,351)

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 were adopted in fiscal year 2004 therefore only nine years are shown.

(Concluded)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net (Expense)/Revenue	\$ (35,027,109)	\$ (36,288,672)	\$ (32,653,278)	\$ (32,972,394)	\$ (26,969,392)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	10,378,153	8,709,558	11,630,814	8,937,858	7,587,304
Property taxes, levied for debt service	6,276,897	5,410,415	5,177,059	6,275,328	5,141,899
Property taxes, levied for capital outlay	641,685	3,087	571,512	1,941,941	1,440,448
Investment income	73,949	177,060	170,841	478,636	605,385
Unrestricted county aid	1,702,194	1,529,607	1,415,636		
Unrestricted state aid	17,913,050	16,233,632	18,536,624	19,402,889	28,974,951
Unrestricted federal aid	176,545	399,638	2,395,863		
Total general revenues	37,162,473	32,462,997	39,898,349	37,036,652	43,749,987
Changes in Net Assets	\$ 2,135,364	\$ (3,825,675)	\$ 7,245,071	\$ 4,064,258	\$ 16,780,595

(Continued)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30			
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net (Expense)/Revenue	\$ (27,917,089)	\$ (13,805,207)	\$ (7,680,414)	\$ (15,198,351)
General Revenues:				
Taxes:				
Property taxes, levied for general purposes	9,909,245	7,434,893	6,391,034	5,782,886
Property taxes, levied for debt service	4,003,039	3,003,475	2,581,787	2,336,113
Property taxes, levied for capital outlay	1,585,036	1,189,250	1,022,280	925,003
Investment income	531,156	344,858	178,555	201,338
Unrestricted county aid	9,650	794,491	563,634	481,307
Unrestricted state aid	15,280,094	9,805,326	6,878,348	6,360,688
Unrestricted federal aid				
Total general revenues	31,318,220	22,572,293	17,615,638	16,087,335
Changes in Net Assets	\$ 3,401,131	\$ 8,767,086	\$ 9,935,224	\$ 888,984

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

- Notes:** 1) The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 were adopted in fiscal year 2004 therefore only nine years are shown.
- 2) The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

(Concluded)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:					
Nonspendable		\$ 559,736			
Unassigned	\$ 2,846,817	2,404,981			
Reserved			\$ 87,000	\$ 55,937	\$ 97,697
Unreserved			3,927,811	(672,589)	(797,499)
Total General Fund	<u>\$ 2,846,817</u>	<u>\$ 2,964,717</u>	<u>\$ 4,014,811</u>	<u>\$ (616,652)</u>	<u>\$ (699,802)</u>
All Other Governmental Funds:					
Restricted	\$ 11,989,719	\$ 12,680,123			
Reserved				\$ 11,835	\$ 15,540
Unreserved, reported in:					
Special revenue funds			\$ 3,656,758	2,449,993	1,990,409
Capital projects funds			11,675,723	7,392,665	14,814,716
Debt service fund			462,312	1,803,071	1,971,253
Total all other governmental funds	<u>\$ 11,989,719</u>	<u>\$ 12,680,123</u>	<u>\$ 15,794,793</u>	<u>\$ 11,657,564</u>	<u>\$ 18,791,918</u>

(Continued)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund:					
Reserved	\$ 96,326	\$ 74,651	\$ 64,388	\$ 18,964	\$ 88,815
Unreserved	(912,481)	(3,239,189)	(1,041,684)	1,154,799	189,020
Total General Fund	<u>\$ (816,155)</u>	<u>\$ (3,164,538)</u>	<u>\$ (977,296)</u>	<u>\$ 1,173,763</u>	<u>\$ 277,835</u>
All Other Governmental Funds:					
Reserved	\$ 23,410	\$ 17,203	\$ 12,408		
Unreserved, reported in:					
Special revenue funds	1,172,004	2,110,452	1,081,569	\$ 810,456	\$ 469,101
Capital projects funds	10,468,073	6,698,955	8,338,757	3,892,869	10,575,208
Debt service fund	1,112,217	3,300,866	2,904,187	2,303,243	1,812,560
Total all other governmental funds	<u>\$ 12,775,704</u>	<u>\$ 12,127,476</u>	<u>\$ 12,336,921</u>	<u>\$ 7,006,568</u>	<u>\$ 12,856,869</u>

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

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

(Concluded)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Federal sources:					
Federal grants	\$ 3,248,936	\$ 2,621,250	\$ 2,607,013	\$ 1,657,165	\$ 1,729,434
State Fiscal Stabilization (ARRA)		206,352	2,395,863		
Education Jobs	14,078	917,233			
National School Lunch Program	1,134,123	997,948	965,022	744,955	669,901
Total federal sources	<u>4,397,137</u>	<u>4,742,783</u>	<u>5,967,898</u>	<u>2,402,120</u>	<u>2,399,335</u>
State sources:					
State equalization assistance	16,305,047	14,852,611	16,923,057	16,432,063	15,284,839
State grants	54,979	152,119	161,994	531,184	144,670
School Facilities Board				1,210,082	11,376,637
Other revenues	1,608,003	1,463,187	1,599,824	1,770,220	2,340,414
Total state sources	<u>17,968,029</u>	<u>16,467,917</u>	<u>18,684,875</u>	<u>19,943,549</u>	<u>29,146,560</u>
Local sources:					
Property taxes	17,497,504	14,206,124	16,929,326	16,272,129	13,649,378
County aid	1,702,194	1,529,607	1,415,636	-	-
Food service sales	1,088,449	1,091,205	1,073,927	1,058,653	1,083,178
Investment income	72,190	172,801	148,371	478,635	605,385
Other revenues	2,870,045	3,036,913	3,682,622	5,361,622	4,650,042
Total local sources	<u>23,230,382</u>	<u>20,036,650</u>	<u>23,249,882</u>	<u>23,171,039</u>	<u>19,987,983</u>
Total revenues	<u><u>\$ 45,595,548</u></u>	<u><u>\$ 41,247,350</u></u>	<u><u>\$ 47,902,655</u></u>	<u><u>\$ 45,516,708</u></u>	<u><u>\$ 51,533,878</u></u>

(Continued)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Federal sources:					
Federal grants	\$ 1,969,015	\$ 1,771,643	\$ 1,729,568	\$ 1,588,371	\$ 1,049,059
National School Lunch Program	475,160	427,531	417,377	383,304	253,157
Total federal sources	<u>2,444,175</u>	<u>2,199,174</u>	<u>2,146,945</u>	<u>1,971,675</u>	<u>1,302,216</u>
State sources:					
State equalization assistance	13,180,719	15,801,021	15,492,617	6,236,030	8,849,864
State grants	105,087	125,978	123,519	49,719	70,558
School Facilities Board	232,406	278,608	273,170	109,955	156,043
Other revenues	1,874,666	2,247,346	2,203,482	886,937	1,258,697
Total state sources	<u>15,392,878</u>	<u>18,452,953</u>	<u>18,092,789</u>	<u>7,282,641</u>	<u>10,335,162</u>
Local sources:					
Property taxes	15,613,451	11,530,771	9,947,351	8,927,413	4,629,333
County aid	9,650	794,491	563,634	481,307	461,568
Food service sales	943,792	628,411	606,817	533,752	378,768
Investment income	531,156	224,106	256,200	164,514	169,238
Other revenues	5,325,296	5,777,936	3,996,505	2,749,602	1,775,611
Total local sources	<u>22,423,345</u>	<u>18,955,715</u>	<u>15,370,507</u>	<u>12,856,588</u>	<u>7,414,518</u>
Total revenues	<u><u>\$ 40,260,398</u></u>	<u><u>\$ 39,607,842</u></u>	<u><u>\$ 35,610,241</u></u>	<u><u>\$ 22,110,904</u></u>	<u><u>\$ 19,051,896</u></u>

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

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

(Concluded)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenditures:					
Current -					
Instruction	\$ 19,384,023	\$ 21,672,889	\$ 19,039,327	\$ 19,716,888	\$ 18,145,299
Support services - students and staff	3,944,558	3,278,062	3,362,298	3,191,127	2,740,731
Support services - administration	3,667,585	3,527,733	3,353,767	3,294,106	3,112,161
Operation and maintenance of plant services	4,662,920	4,354,014	3,961,052	3,858,567	3,314,582
Student transportation services	1,937,799	2,097,614	2,087,413	1,799,936	1,719,673
Operation of non-instructional services	2,599,139	2,415,905	2,553,279	2,518,427	1,959,834
Capital outlay	6,048,368	9,111,922	6,667,165	11,415,468	24,101,492
Debt service -					
Judgements against the district				99,332	
Principal retirement	3,700,000	3,725,000	4,950,000	4,555,000	3,580,000
Interest, premium and fiscal charges	2,149,814	1,847,477	1,800,296	1,998,665	1,261,111
Bond issuance costs	83,000	217,566	287,507		331,130
Total expenditures	<u><u>\$ 48,177,206</u></u>	<u><u>\$ 52,248,182</u></u>	<u><u>\$ 48,062,104</u></u>	<u><u>\$ 52,447,516</u></u>	<u><u>\$ 60,266,013</u></u>
Expenditures for capitalized assets	\$ 4,697,168	\$ 5,582,611	\$ 4,316,361	\$ 7,482,767	\$ 23,259,607
Debt service as a percentage of noncapital expenditures	13%	12%	15%	15%	13%

(Continued)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenditures:					
Current -					
Instruction	\$ 17,643,297	\$ 15,743,499	\$ 11,694,907	\$ 9,057,911	\$ 8,238,576
Support services - students and staff	2,619,608	2,685,399	2,034,576	1,626,185	1,402,451
Support services - administration	3,109,120	2,636,988	1,952,472	1,696,107	1,711,218
Operation and maintenance of plant services	3,225,960	3,479,392	2,870,596	2,633,272	2,555,626
Student transportation services	1,766,063	3,850,375	2,246,032	1,913,240	812,302
Operation of non-instructional services	2,148,248	2,466,086	1,954,401	1,595,303	1,385,959
Capital outlay	9,508,302	7,699,888	12,245,899	6,104,979	5,338,856
Debt service -					
Judgements against the district					
Principal retirement	5,015,000	2,360,000	1,857,596	1,354,844	425,000
Interest, premium and fiscal charges	1,365,233	1,097,960	1,137,884	1,013,585	735,594
Bond issuance costs	161,185		72,689		280,864
Total expenditures	<u>\$ 46,562,016</u>	<u>\$ 42,019,587</u>	<u>\$ 38,067,052</u>	<u>\$ 26,995,426</u>	<u>\$ 22,886,446</u>
Expenditures for capitalized assets	\$ 7,011,845	\$ 10,820,357	\$ 12,470,662	\$ 6,544,480	N/A
Debt service as a percentage of noncapital expenditures	16%	11%	12%	12%	6%

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

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Excess (deficiency) of revenues over expenditures	\$ (2,581,658)	\$ (11,000,832)	\$ (159,449)	\$ (6,930,808)	\$ (8,732,135)
Other financing sources (uses):					
General obligation bonds issued		6,000,000	8,735,000		14,580,000
Refunding bonds issued		3,265,000			
Premium on sale of bonds	68,090	472,735	173,913		291,201
Issuance of school improvement bonds	2,265,000				
Transfers in	72,156	283,868	85,297	628,833	290,400
Transfers out	(72,156)	(283,868)	(85,297)	(628,833)	(290,400)
Payment to refunded bond escrow agent		(3,374,403)			
Total other financing sources (uses)	<u>2,333,090</u>	<u>6,363,332</u>	<u>8,908,913</u>	<u>-</u>	<u>14,871,201</u>
Changes in fund balances	<u>\$ (248,568)</u>	<u>\$ (4,637,500)</u>	<u>\$ 8,749,464</u>	<u>\$ (6,930,808)</u>	<u>\$ 6,139,066</u>
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Excess (deficiency) of revenues over expenditures	\$ (6,301,618)	\$ (2,411,745)	\$ (2,456,811)	\$ (4,884,522)	\$ (3,834,550)
Other financing sources (uses):					
General obligation bonds issued	9,265,000		5,578,274		8,720,000
Refunding bonds issued					280,864
Premium on sale of bonds	153,467				
Transfers in	196,704	65,819	43,729	56,060	31,340
Transfers out	(196,704)	(65,819)	(43,729)	(56,060)	(31,340)
Payment to refunded bond escrow agent					
Total other financing sources (uses)	<u>9,418,467</u>	<u>-</u>	<u>5,578,274</u>	<u>-</u>	<u>9,000,864</u>
Changes in fund balances	<u>\$ 3,116,849</u>	<u>\$ (2,411,745)</u>	<u>\$ 3,121,463</u>	<u>\$ (4,884,522)</u>	<u>\$ 5,166,314</u>

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Real Property		Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Valuation	Total Direct Rate	Estimated Actual Value	Ratio of Net Assessed to Estimated Actual Value	
	Residential Property	Commercial Property							
2012	\$ 146,125,930	\$ 154,514,779	\$ 21,736,252	\$ 83,153,792	\$ 239,223,169	7.44	\$ 2,469,456,868	9.69	%
2011	172,544,280	266,351,944	23,443,504	106,576,311	355,763,417	4.92	3,352,358,177	10.61	
2010	211,957,878	310,253,194	20,114,898	100,350,089	443,729,530	5.01	3,994,336,170	11.11	
2009					416,278,727	5.46	3,654,128,107	11.39	
2008					333,176,126	5.54	2,933,394,279	11.36	
2007					200,021,221	10.04	1,735,301,057	11.53	
2006					158,717,621	8.57	1,353,730,896	11.72	
2005					134,858,009	9.11	1,108,440,115	12.17	
2004					106,755,604	9.81	834,201,253	12.80	
2003					87,213,239	6.27	541,708,412	16.10	

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.

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates									
	State Equalization	County	County Free Library	Flood Control District	Community College District	Fire District Assistance	East Valley Institute of Technology School District No. 401	District Direct Rates		
								Primary	Secondary	Total
2012	0.43	1.24	0.05	0.18	1.21	0.01	0.05	3.84	3.59	7.44
2011	0.36	1.05	0.04	0.10	0.97	0.01	0.05	2.65	2.27	4.92
2010	0.33	0.99	0.04	0.14	0.88	0.01	0.05	3.27	1.74	5.01
2009		1.03	0.04	0.14	0.94	0.01	0.05	3.43	2.03	5.46
2008		2.47	0.04	0.15	0.98	0.01	0.05	3.50	2.05	5.54
2007		2.74	0.05	0.20	1.06	0.01	0.05	7.27	2.77	10.04
2006		2.79	0.05	0.21	1.03	0.01	0.06	5.52	3.05	8.57
2005		2.79	0.05	0.21	1.04	0.01	0.10	6.05	3.05	9.11
2004		2.79	0.05	0.21	1.08	0.01	0.10	6.84	2.97	9.81
2003		2.89	0.04	0.21	1.11	0.01	0.11	4.73	1.54	6.27

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

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

Taxpayer	2012		2003	
	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation
McClelland Family Partnership	\$ 5,382,521	2.25 %	\$ 7,265,532	2.08 %
Qwest	3,803,648	1.59		
Corning Gilbert, Inc.	2,511,843	1.05		
ICG-ORE	2,200,853	0.92		
Koll Bren Schreiber Realty Advisors	2,129,086	0.89	3,108,809	0.89
Hensley and Co.	1,913,785	0.80		
Presson Equity Partners LLP	1,889,863	0.79		
Burlington Northern Santa Fe	1,626,718	0.68	3,108,809	0.89
Oak Park Medical Building LTD	1,483,184	0.62		
RGR Family Limited Partnership	1,363,572	0.57		
U.S. West Communications			5,309,427	1.52
Price Relt, Inc.			2,759,505	0.79
Smith Arnold A./Rachel			2,410,200	0.69
UPS, Inc.			2,025,966	0.58
Lou Grubb Chevrolet			1,956,105	0.56
Bryan Industrial Properties			1,886,244	0.54
Southwest Gas Corporation			1,886,244	0.54
Total	\$ 24,305,073	10.16 %	\$ 31,716,841	9.08 %

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

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 18,487,658	\$ 17,411,556	94.18 %	-	\$ 17,411,556	94.18 %
2011	16,435,235	14,149,430	86.09	1,209,703	15,359,133	93.45
2010	19,375,272	16,671,448	86.04	2,367,822	19,039,270	98.27
2009	18,712,204	16,518,212	88.28	1,557,825	18,076,037	96.60
2008	15,289,991	14,143,364	92.50	967,345	15,110,709	98.83
2007	18,413,723	16,783,263	91.15	1,573,580	18,356,843	99.69
2006	12,159,137	11,525,085	94.79	629,801	12,154,886	99.97
2005	10,577,741	10,130,346	95.77	443,711	10,574,057	99.97
2004	9,309,455	8,869,392	95.27	438,013	9,307,405	99.98
2003	4,848,807	4,507,898	92.97	339,585	4,847,483	99.97

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

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

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

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt			
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value	Per Capita	Percentage of Personal Income
2012	\$ 44,275,000	\$ 1,524,431	\$ 42,750,569	1.73 %	\$ 1,682	\$	\$ 42,750,569	1.73 %	1,682	0.30 %
2011	42,010,000	665,359	41,344,641	1.23	2,353		41,344,641	1.23	2,353	0.29
2010	44,685,000	4,950,000	39,735,000	0.99	2,503		39,735,000	0.99	2,503	0.27
2009	40,505,000	4,555,000	35,950,000	0.98	2,291		35,950,000	0.98	2,291	0.26
2008	44,085,000	3,580,000	40,505,000	1.38	2,593		40,505,000	1.38	2,593	0.31
2007	34,520,000	5,015,000	29,505,000	1.70	2,169		29,505,000	1.70	2,169	0.24
2006	25,322,838	2,475,000	22,847,838	1.69	1,644		22,847,838	1.69	1,644	0.21
2005	27,688,056	2,360,000	25,328,056	2.29	2,454		25,328,056	2.29	2,454	0.25
2004	23,920,000	1,857,596	22,062,404	2.64	3,230	52,596	22,115,000	2.65	3,237	0.23
2003	25,225,000	1,354,844	23,870,156	4.41	4,641	102,440	23,972,596	4.43	4,660	0.25

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Maricopa County Community College District	\$ 614,995,000	0.72 %	\$ 4,427,964
City of Mesa	283,735,000	2.35	6,667,773
Subtotal, Overlapping Debt			<u>\$ 11,095,737</u>
Direct:			
Queen Creek Unified School District No. 95			<u>44,275,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 55,370,737</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.

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

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

Secondary assessed valuation	\$ 239,223,169
Debt limit (10% of assessed value)	23,922,317
Debt applicable to limit	35,575,000
Cash on deposit with County Treasurer in Debt Service Fund at year end	6,081,714
Legal debt margin	<u>\$ (5,570,969)</u>

Total Legal Debt Margin Calculation for Fiscal Year 2012:

Secondary assessed valuation	\$ 239,223,169
Debt limit (30% of assessed value)	71,766,951
Debt applicable to limit	44,275,000
Legal debt margin	<u>\$ 27,491,951</u>

Fiscal Year Ended June 30

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total Debt limit	\$ 71,766,951	\$ 106,729,025	\$ 133,118,859	\$ 124,883,618	\$ 99,952,838
Total net debt applicable to limit	<u>44,275,000</u>	<u>42,010,000</u>	<u>39,735,000</u>	<u>35,950,000</u>	<u>40,505,000</u>
Legal debt margin	<u>\$ 27,491,951</u>	<u>\$ 64,719,025</u>	<u>\$ 93,383,859</u>	<u>\$ 88,933,618</u>	<u>\$ 59,447,838</u>
Total net debt applicable to the limit as a percentage of debt limit	62%	39%	30%	29%	41%

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Debt limit	\$ 60,006,366	\$ 47,615,286	\$ 40,457,403	\$ 32,026,681	\$ 26,163,972
Total net debt applicable to limit	<u>29,505,000</u>	<u>22,847,838</u>	<u>25,328,056</u>	<u>22,062,404</u>	<u>23,870,156</u>
Legal debt margin	<u>\$ 30,501,366</u>	<u>\$ 24,767,448</u>	<u>\$ 15,129,347</u>	<u>\$ 9,964,277</u>	<u>\$ 2,293,816</u>
Total net debt applicable to the limit as a percentage of debt limit	49%	48%	63%	69%	91%

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.

3) Due to a decline in the District's secondary assessed valuation, the District does not have any current bonding capacity.

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
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	3,843,370	\$ 142,864,275	\$ 37,352	8.4 %	26,329
2011	3,817,117	142,091,618	35,319	9.1	17,856
2010	4,023,132	147,122,078	37,168	8.3	17,856
2009	3,987,942	139,665,253	36,135	5.1	17,680
2008	3,907,492	132,423,154	35,046	3.2	17,000
2007	3,792,675	120,716,738	33,178	4.2	15,916
2006	3,895,205	111,103,576	31,757	4.2	15,400
2005	3,742,460	102,277,852	30,160	4.6	11,285
2004	3,598,440	96,998,974	29,020	5.4	7,405
2003	3,296,300	96,594,549	28,900	5.8	5,435

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis.
The source of the "Population" and "Unemployment Rate" information is University of Arizona, Eller College of Management, Economic and Business Research Center.
The source of the National Center for Education Statistics (2011 Census)

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR SEVEN YEARS PRIOR**

<u>Employer</u>	<u>2012</u>		<u>2005</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Queen Creek Unified School District	725	38.6 %	625	37.0 %
Walmart	315	16.8	-	-
Canyon State Academy	200	10.6	200	11.8
Target	177	9.4	-	-
Town of Queen Creek	163	8.7	180	10.7
Home Depot	140	7.4	-	-
Bashas	73	3.9	-	-
Paradise Bakery	40	2.1	-	-
Project Challenge	23	1.2	-	-
Petco	15	0.8	-	-
Alliance Lumber	9	0.5	90	5.3
Safeway	-	-	175	10.4
Queen Creek Water Company	-	-	30	1.8
Total	<u>1,880</u>	<u>100.00 %</u>	<u>1,300</u>	<u>77.01 %</u>
Total employment	<u>1,880</u>		<u>1,688</u>	

Source: The source of this information is District's bond statement.

Note: Information prior to 2005 is not available.

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST NINE FISCAL YEARS**

	Full-time Equivalent Employees as of June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Supervisory					
Consultants/supervisors of instruction	9	4	4	4	6
Principals	6	7	7	7	6
Assistant principals	4	8	5	5	4
Total supervisory	<u>19</u>	<u>19</u>	<u>16</u>	<u>16</u>	<u>16</u>
Instruction					
Teachers	261	262	277	269	248
Other professionals (adult)	7	3	1		
Aides	65	70	75	72	66
Total instruction	<u>333</u>	<u>335</u>	<u>353</u>	<u>341</u>	<u>314</u>
Student Services					
Librarians	1	1	1	1	1
Technicians	1	1	1		1
Guidance counselors	13	7	9	10	6
Other professionals (noninstructional)	23	22	18	17	17
Total student services	<u>38</u>	<u>31</u>	<u>29</u>	<u>28</u>	<u>25</u>
Support and Administration					
Clerical and service workers	134	124	91	88	73
Unskilled laborers	80	83	98	109	104
Total support and administration	<u>214</u>	<u>207</u>	<u>189</u>	<u>197</u>	<u>177</u>
Total	<u><u>604</u></u>	<u><u>592</u></u>	<u><u>587</u></u>	<u><u>582</u></u>	<u><u>532</u></u>

(Continued)

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE**

	Full-time Equivalent Employees as of June 30			
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Supervisory				
Consultants/supervisors of instruction	6	5	2	3
Principals	6	6	5	5
Assistant principals	5	5	6	2
Total supervisory	<u>17</u>	<u>16</u>	<u>13</u>	<u>10</u>
Instruction				
Teachers	248	250	247	235
Other professionals (adult)	1		2	
Aides	48	43	29	16
Total instruction	<u>297</u>	<u>293</u>	<u>278</u>	<u>251</u>
Student Services				
Librarians	1	2	3	4
Technicians	2	2	1	1
Guidance counselors	11	10	11	12
Other professionals (noninstructional)	39	38	33	23
Total student services	<u>53</u>	<u>52</u>	<u>48</u>	<u>40</u>
Support and Administration				
Clerical and service workers	72	73	61	55
Unskilled laborers	168	114	88	97
Total support and administration	<u>240</u>	<u>187</u>	<u>149</u>	<u>152</u>
Total	<u><u>607</u></u>	<u><u>548</u></u>	<u><u>488</u></u>	<u><u>453</u></u>

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

(Concluded)

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2012	5,010	\$ 36,196,024	\$ 7,225	(0.41) %	\$ 43,249,698	\$ 8,633	(1.03) %	261	19.2	28.7 %
2011	5,148	37,346,217	7,255	10.58	44,906,139	8,723	10.93	262	19.6	33.0
2010	5,237	34,357,136	6,560	(1.19)	41,181,278	7,864	(3.81)	277	18.9	32.0
2009	5,178	34,379,051	6,639	3.79	42,328,251	8,175	12.29	269	19.2	23.4
2008	4,845	30,992,280	6,397	(24.1)	35,270,819	7,280	(28.35)	248	19.5	25.2
2007	3,621	30,512,296	8,426	(11.0)	36,788,281	10,160	7.11	247	14.7	18.8
2006	3,260	30,861,739	9,467	12.7	30,923,261	9,486	0.90	231	14.1	27.4
2005	2,709	22,752,984	8,399	1.53	25,466,566	9,401	(0.59)	194	14.0	29.6
2004	2,239	18,522,018	8,272	7.19	21,173,995	9,457	N/A	149	15.0	30.9
2003	2,087	16,106,132	7,717	(18.7)	N/A	N/A	N/A	114	18.3	35.2

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

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

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

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Schools										
Elementary										
Buildings	4	4	4	4	4	4	4	4	3	3
Square feet	254,144	254,144	254,144	252,817	252,817	252,814	229,144	229,144	166,144	166,144
Capacity	3,176	3,176	3,176	3,160	3,160	3,160	2,851	2,851	2,063	2,063
Enrollment	2,205	2,029	2,647	2,256	2,410	2,029	2,007	7,715	1,166	403
Middle										
Buildings	2	2	2	2	1	1	1	1	1	1
Square feet	241,261	241,261	241,261	241,261	131,446	131,446	131,446	131,446	131,446	33,058
Capacity	1,993	1,993	1,993	1,993	1,041	1,041	1,041	1,041	1,041	1,024
Enrollment	1,502	1,542	1,165	1,150	1,085	948	942	731	574	
High										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	239,201	239,201	239,201	239,201	235,015	235,015	235,015	235,015	194,168	194,168
Capacity	1,993	1,993	1,993	1,993	1,956	1,956	1,956	1,956	1,618	1,618
Enrollment	1,581	1,679	1,694	1,750	1,774	1,525	1,311	992	776	727

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

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