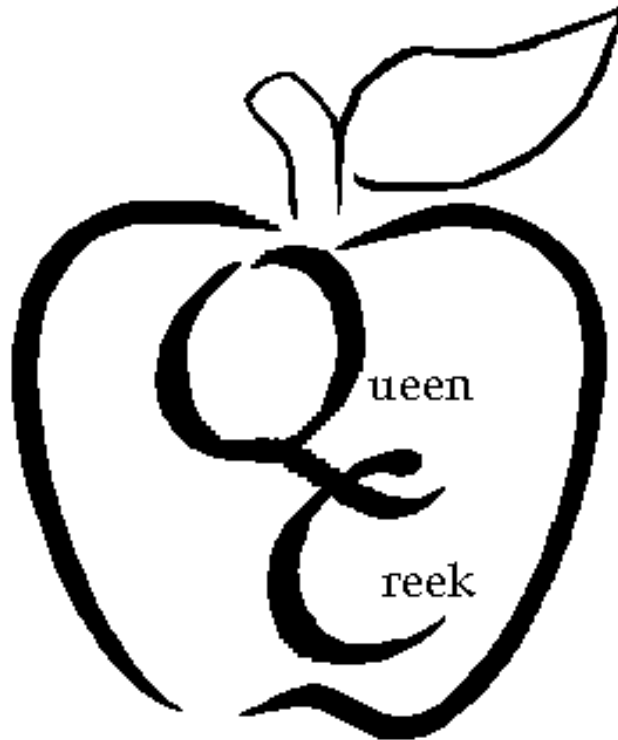

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013



Queen Creek Schools

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95

QUEEN CREEK, ARIZONA

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

Issued by:
Business and Finance Department

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	i
ASBO Certificate of Excellence	vi
GFOA Certificate of Achievement	vii
Organizational Chart	viii
List of Principal Officials	ix
 <u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) (Required Supplementary Information)	5
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	18
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet – Governmental Funds	22
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	28
Statement of Net Position - Proprietary Funds	29

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95

TABLE OF CONTENTS (Cont'd)

<u>FINANCIAL SECTION (Cont'd)</u>	<u>Page</u>
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	30
Statement of Cash Flows - Proprietary Funds	31
Statement of Assets and Liabilities – Fiduciary Funds	32
Notes to Financial Statements	33
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (Required Supplementary Information)	
General Fund	54
Note to Required Supplementary Information	55
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds - By Fund Type	61
Special Revenue Funds:	
Combining Balance Sheet	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	70
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	76

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95

TABLE OF CONTENTS (Cont'd)

<u>FINANCIAL SECTION (Concl'd)</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES (Concl'd)	
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	100
Capital Projects Funds:	
Combining Balance Sheet	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	104
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	106
Internal Service Funds:	
Combining Statement of Net Position	114
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	115
Combining Statement of Cash Flows	116
Agency Funds:	
Combining Statement of Assets and Liabilities	118
Combining Statement of Changes in Assets and Liabilities	119

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95

TABLE OF CONTENTS (Cont'd)

<u>STATISTICAL SECTION</u>	<u>Page</u>
Financial Trends:	
Net Position by Component	122
Expenses, Program Revenues, and Net (Expense)/Revenue	123
General Revenues and Total Changes in Net Position	125
Fund Balances – Governmental Funds	127
Governmental Funds Revenues	129
Governmental Funds Expenditures and Debt Service Ratio	131
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	133
Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property	134
Assessed Value and Estimated Actual Value of Taxable Property by Class	135
Property Tax Assessment Ratios	136
Direct and Overlapping Property Tax Rates	137
Principal Property Taxpayers	138
Property Tax Levies and Collections	139
Debt Capacity:	
Outstanding Debt by Type	140
Direct and Overlapping Governmental Activities Debt	141
Legal Debt Margin Information	142

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95

TABLE OF CONTENTS (Concl'd)

<u>STATISTICAL SECTION (Concl'd)</u>	<u>Page</u>
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	143
Principal Employers	144
Full-Time Equivalent District Employees by Type	145
Operating Information:	
Operating Statistics	147
Capital Assets Information	148

INTRODUCTORY SECTION

(This page intentionally left blank)

Queen Creek School District No.95

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

December 16, 2013

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, 2013.

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

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

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

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

PROFILE OF THE DISTRICT

The 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 average age of school buildings is 17 years. The 2012-13 average daily membership was 4,783, a decrease of 5 percent over the previous school year. Projected enrollment for fiscal year 2013-14 is 4,685, a decrease of 2 percent. The District employs (including contracted positions) 21 administrators, 265 certified classroom teachers, and 330 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 six "A" and one "B" school. QCUSD is also one of only eleven public schools in Arizona to receive an "A" grade three 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 Wal-Mart Stores, Inc., Canyon State Academy, and Target. 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 2013 population was estimated at 3,942,169 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 \$39,300. 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, 2012. This was the eighth 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, 2012. 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 2012-13 certificates.

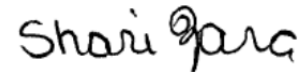
Acknowledgment. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the business and finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation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



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

Queen Creek Unified School District No. 95

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2012*

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



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

Ron McCulley, CPPB, RSBO
President

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

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

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

Presented to

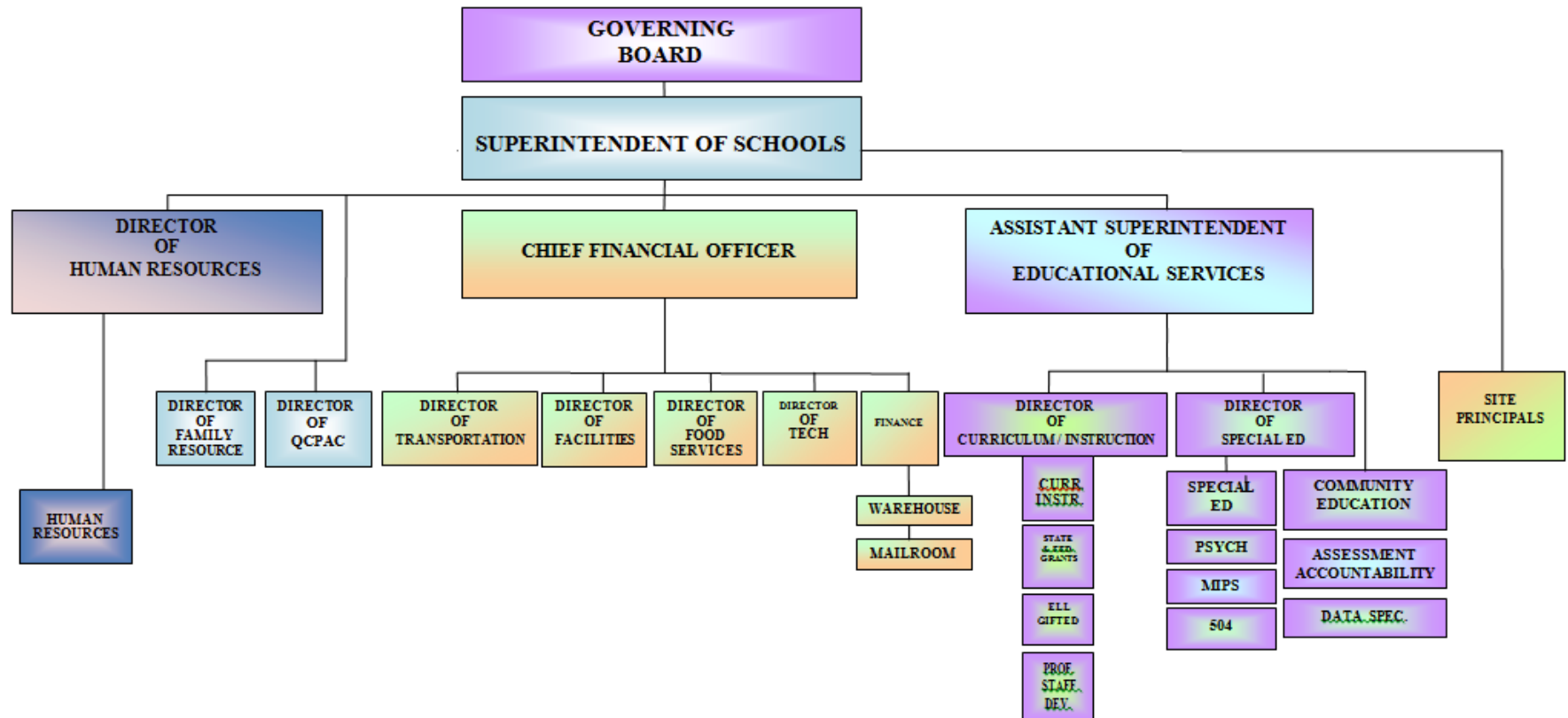
**Queen Creek
Unified School District No. 95
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Queen Creek Unified School District #95 2012-2013



QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Del Caron
President

Ken Braque
Vice President

Wendy Baggs
Member

Judah Nativio
Member

Laurie Roland
Member

ADMINISTRATIVE STAFF

Mr. Tom Lindsey
Superintendent

Shari Zara
Chief Financial Officer

(This page intentionally left blank)

FINANCIAL SECTION

(This page intentionally left blank)

INDEPENDENT AUDITOR'S REPORT

Governing Board
Queen Creek Unified School District No. 95

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Queen Creek Unified School District No. 95 (District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Queen Creek Unified School District No. 95, as of June 30, 2013, 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.

Change in Accounting Principle

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 and budgetary comparison information on pages 54 and 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2013, on our consideration of 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* in considering Queen Creek Unified School District No. 95's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

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

December 16, 2013

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

(This page intentionally left blank)

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

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

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities decreased \$2.8 million which represents a 3 percent decrease from the prior fiscal year.
- General revenues accounted for \$34.3 million in revenue, or 84 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6.7 million or 16 percent of total current fiscal year revenues.
- The District had approximately \$43.8 million in expenses related to governmental activities, an increase of 2 percent from the prior fiscal year.
- Among major funds, the General Fund had \$29.3 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$29.2 million in expenditures. The General Fund's fund balance increase from \$2.8 million at the end of the prior fiscal year end to \$3.0 million at the end of the current fiscal year was primarily a result of a decrease in instructional expenditures.
- Net position for the Internal Service Funds decreased \$560,450 from the prior fiscal year. Operating expenses of \$3.5 million exceeded operating revenues of \$2.9 million 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, 2013**

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

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

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into 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, 2013**

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, Debt Service, Unrestricted Capital Outlay and Bond Building Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

Proprietary fund. The District maintains one type of proprietary fund. The internal service funds are accounting devices used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds to account for its transportation services and employee insurance. Because these activities predominantly benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

The internal service funds are combined into a single, aggregated presentation in the proprietary fund 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, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$82.3 million at the current year end.

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

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

	As of June 30, 2013	As of June 30, 2012, as restated
Current and other assets	\$ 22,844,459	\$ 24,924,409
Capital assets, net	104,639,130	108,486,297
Total assets	<u>127,483,589</u>	<u>133,410,706</u>
Current and other liabilities	3,561,869	3,055,652
Long-term liabilities	41,570,885	45,210,306
Total liabilities	<u>45,132,754</u>	<u>48,265,958</u>
Net position:		
Net investment in capital assets	66,456,875	67,381,487
Restricted	7,392,501	8,991,884
Unrestricted	8,501,459	8,771,377
Total net position	<u>\$ 82,350,835</u>	<u>\$ 85,144,748</u>

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

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

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 Position.

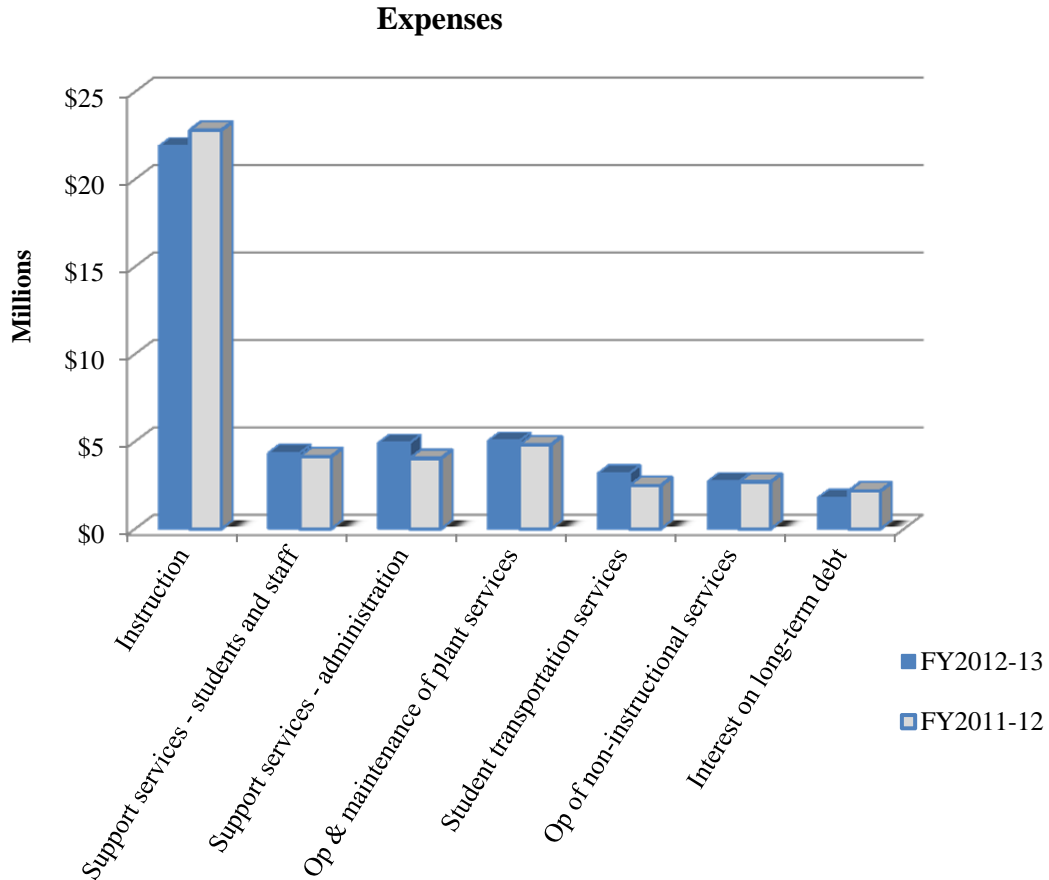
- The principal retirement of \$4.0 million of bonds.
- The net addition of \$1.3 million in capital assets through new school construction and other school improvements and purchases of vehicles, furniture and equipment.
- Depreciation expense was \$5.1 million.

Changes in net position. The District's total revenues for the current fiscal year were \$41.0 million. The total cost of all programs and services was \$43.8 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2013 and June 30, 2012.

	Fiscal Year Ended June 30, 2013	Fiscal Year Ended June 30, 2012, as restated
Revenues:		
Program revenues:		
Charges for services	\$ 3,268,226	\$ 3,825,245
Operating grants and contributions	3,364,968	3,464,539
Capital grants and contributions	63,496	946,245
General revenues:		
Property taxes	14,756,127	17,296,735
Investment income	53,147	77,778
Unrestricted county aid	1,591,696	1,702,194
Unrestricted state aid	17,704,187	17,913,050
Unrestricted federal aid	215,557	176,545
Total revenues	41,017,404	45,402,331
Expenses:		
Instruction	21,870,474	22,806,535
Support services – students and staff	4,346,679	4,133,729
Support services – administration	4,913,962	4,037,807
Operation and maintenance of plant services	5,035,818	4,807,697
Student transportation services	3,173,951	2,476,171
Operation of non-instructional services	2,709,009	2,682,684
Interest on long-term debt	1,761,424	2,164,724
Total expenses	43,811,317	43,109,347
Changes in net position	(2,793,913)	2,292,984
Net position, beginning	85,144,748	82,851,764
Net position, ending	\$ 82,350,835	\$ 85,144,748

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)



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

- Decrease in property tax revenues of \$2.5 million as a result of decreased assessed valuations.
- Decrease in capital grants and contributions of \$882,749 as a result of a prior year grant received for energy efficiency projects that was not received in the current fiscal year.

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

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

	Year Ended June 30, 2013		Year Ended June 30, 2012, as restated	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 21,870,474	\$ (19,538,085)	\$ 22,806,535	\$ (18,759,277)
Support services – students and staff	4,346,679	(3,246,730)	4,133,729	(3,304,393)
Support services – administration	4,913,962	(4,560,933)	4,037,807	(3,789,006)
Operation and maintenance of plant services	5,035,818	(4,769,780)	4,807,697	(4,484,240)
Student transportation services	3,173,951	(3,035,650)	2,476,171	(2,331,037)
Operation of non-instructional services	2,709,009	(323,886)	2,682,684	(162,503)
Interest on long-term debt	1,761,424	(1,639,563)	2,164,724	(2,042,862)
Total	\$ 43,811,317	\$ (37,114,627)	\$43,109,347	\$ (34,873,318)

- The cost of all governmental activities this year was \$43.8 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$6.6 million.
- Net cost of governmental activities of \$37.1 million was financed by general revenues, which are made up of primarily property taxes of \$14.8 million and state aid of \$17.7 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$12.7 million, a decrease of \$2.2 million due primarily to a decrease in property tax revenues.

The General fund comprises 24 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 increased \$200,830 to \$3.0 million as of fiscal year end primarily due to decrease in instructional expenditures. General Fund revenues decreased \$363,385 as a result of a decrease in other local revenues.

The fund balance in the Debt Service Fund decreased \$1.4 million primarily due to a decrease in property tax revenues.

The fund balance in the Unrestricted Capital Outlay Fund increased \$109,956 as capital expenditures decreased during the year.

The fund balance in the Bond Building Fund was \$2.4 million as of fiscal year end. The decrease in fund balance of \$777,445 was primarily due to ongoing construction projects.

Proprietary Funds. Unrestricted net position of the Internal Service Funds at the end of the fiscal year amounted to \$657,497. The decrease of \$560,450 was primarily due to an increase in premiums for health insurance.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget. 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.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$130.4 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net decrease prior to depreciation of \$616,858 from the prior fiscal year, primarily due to a decrease in vehicles, furniture and equipment. Total depreciation expense for the current fiscal year was \$5.1 million.

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

CAPITAL ASSETS AND DEBT ADMINISTRATION (Concl'd)

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

	<u>As of June 30, 2013</u>	<u>As of June 30, 2012</u>
Capital assets – non-depreciable	\$ 9,488,316	\$ 10,429,560
Capital assets – depreciable, net	95,150,814	98,056,737
Total	<u>\$ 104,639,130</u>	<u>\$ 108,486,297</u>

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

Debt Administration. At year-end, the District had \$40.6 million in long-term debt outstanding, \$4.0 million due within one year. This represents a net decrease of \$3.7 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 \$67.8 million and the Class B debt limit is \$22.6 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.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

- District student population (estimated 4,685).
- Increase in state retirement contribution of 3.6%.

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

Budgeted expenditures in the General Fund decreased 5 percent to \$27.4 million in fiscal year 2013-14. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2013-14 budget.

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

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

(This page intentionally left blank)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 13,468,489
Property taxes receivable	1,964,748
Accounts receivable	600,000
Due from governmental entities	6,811,222
Total current assets	22,844,459
Noncurrent assets:	
Land	9,488,316
Land improvements	4,020,093
Buildings and improvements	106,567,694
Vehicles, furniture and equipment	10,348,035
Accumulated depreciation	(25,785,008)
Total noncurrent assets	104,639,130
Total assets	127,483,589
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	1,969,492
Construction contracts payable	16,930
Accrued payroll and employee benefits	711,206
Compensated absences payable	41,513
Accrued interest payable	845,012
Unearned revenues	19,229
Bonds payable	4,010,000
Total current liabilities	7,613,382
Noncurrent liabilities:	
Non-current portion of long-term obligations	37,519,372
Total noncurrent liabilities	37,519,372
Total liabilities	45,132,754
 <u>NET POSITION</u>	
Net investment in capital assets	66,456,875
Restricted for:	
Federal and state projects	1,060,076
Food service	286,283
Other local initiatives	2,085,516
Debt service	257,029
Capital outlay	3,703,597
Unrestricted	8,501,459
Total net position	\$ 82,350,835

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, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 21,870,474	\$ 1,346,885	\$ 922,008	\$ 63,496	\$ (19,538,085)
Support services - students and staff	4,346,679	62,361	1,037,588		(3,246,730)
Support services - administration	4,913,962	31,081	321,948		(4,560,933)
Operation and maintenance of plant services	5,035,818	242,988	23,050		(4,769,780)
Student transportation services	3,173,951		138,301		(3,035,650)
Operation of non-instructional services	2,709,009	1,584,911	800,212		(323,886)
Interest on long-term debt	1,761,424		121,861		(1,639,563)
Total governmental activities	<u>\$ 43,811,317</u>	<u>\$ 3,268,226</u>	<u>\$ 3,364,968</u>	<u>\$ 63,496</u>	<u>(37,114,627)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	10,556,181
Property taxes, levied for debt service	4,199,946
Investment income	53,147
Unrestricted county aid	1,591,696
Unrestricted state aid	17,704,187
Unrestricted federal aid	215,557
Total general revenues	<u>34,320,714</u>

Changes in net position	(2,793,913)
Net position, beginning of year, as restated	<u>85,144,748</u>
Net position, end of year	<u>\$ 82,350,835</u>

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

(This page intentionally left blank)

FUND FINANCIAL STATEMENTS

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2013

	<u>General</u>	<u>Debt Service</u>	<u>Unrestricted Capital Outlay</u>
<u>ASSETS</u>			
Cash and investments	\$ 203,258	\$ 4,921,162	\$ 667,313
Property taxes receivable	1,834,800	129,948	
Due from governmental entities	5,906,475	60,931	48,865
Due from other funds			1,801,527
Total assets	<u><u>\$ 7,944,533</u></u>	<u><u>\$ 5,112,041</u></u>	<u><u>\$ 2,517,705</u></u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 984,886	\$	\$
Construction contracts payable			
Due to other funds	1,588,254		
Accrued payroll and employee benefits	533,878		
Deferred revenues	1,789,868	112,591	
Bonds payable		4,010,000	
Bond interest payable		845,012	
Total liabilities	<u><u>4,896,886</u></u>	<u><u>4,967,603</u></u>	
Fund balances (deficits):			
Restricted		144,438	2,517,705
Unassigned	3,047,647		
Total fund balances	<u><u>3,047,647</u></u>	<u><u>144,438</u></u>	<u><u>2,517,705</u></u>
 Total liabilities and fund balances	 <u><u>\$ 7,944,533</u></u>	 <u><u>\$ 5,112,041</u></u>	 <u><u>\$ 2,517,705</u></u>

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>
\$ 2,409,675	\$ 4,344,131	\$ 12,545,539
	794,951	1,964,748
		6,811,222
		1,801,527
<u>\$ 2,409,675</u>	<u>\$ 5,139,082</u>	<u>\$ 23,123,036</u>
\$ 16,930	\$ 127,104	\$ 1,111,990
	213,273	16,930
	169,377	1,801,527
	19,229	703,255
		1,921,688
		4,010,000
		845,012
<u>16,930</u>	<u>528,983</u>	<u>10,410,402</u>
2,392,745	4,617,767	9,672,655
	(7,668)	3,039,979
<u>2,392,745</u>	<u>4,610,099</u>	<u>12,712,634</u>
<u>\$ 2,409,675</u>	<u>\$ 5,139,082</u>	<u>\$ 23,123,036</u>

(This page intentionally left blank)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

Total governmental fund balances **\$ 12,712,634**

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

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

Governmental capital assets	\$ 130,424,138	
Less accumulated depreciation	<u>(25,785,008)</u>	104,639,130

Property tax revenues that will not be available to pay for current period expenditures and, therefore, are deferred in the funds.		1,902,459
--	--	-----------

The Internal Service Funds are used by management to charge the cost of transportation and insurance to the individual funds. The assets and liabilities of the Internal Service Funds are included in the Statement of Net Position.		657,497
---	--	---------

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

Compensated absences payable	(995,885)	
Bonds payable	<u>(36,565,000)</u>	<u>(37,560,885)</u>

Net position of governmental activities **\$ 82,350,835**

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, 2013

	General	Debt Service	Unrestricted Capital Outlay
Revenues:			
Other local	\$ 2,290,564	\$ 15,309	\$ 24,627
Property taxes	10,721,370	4,246,478	
State aid and grants	16,070,045		112,470
Federal aid, grants and reimbursements	215,557	121,861	
Total revenues	29,297,536	4,383,648	137,097
Expenditures:			
Current -			
Instruction	15,286,586		
Support services - students and staff	3,160,680		
Support services - administration	3,685,226		
Operation and maintenance of plant services	4,694,386		
Student transportation services	2,021,747		
Operation of non-instructional services	266,880		
Capital outlay	84,821		27,141
Debt service -			
Principal retirement		4,010,000	
Interest and fiscal charges		1,761,424	
Bond issuance costs		83,541	
Total expenditures	29,200,326	5,854,965	27,141
Excess (deficiency) of revenues over expenditures	97,210	(1,471,317)	109,956
Other financing sources (uses):			
Transfers in	103,620	7,783	
Transfers out			
Issuance of refunding bonds		3,540,000	
Premium on sale of bonds		186,466	
Payment to refunded bond escrow agent		(3,642,925)	
Total other financing sources (uses):	103,620	91,324	
Changes in fund balances	200,830	(1,379,993)	109,956
Fund balances, beginning of year	2,846,817	1,524,431	2,407,749
Fund balances, end of year	\$ 3,047,647	\$ 144,438	\$ 2,517,705

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>
\$ 15,792	\$ 2,583,703	\$ 4,929,995
	94	14,967,942
	1,573,509	17,756,024
	3,231,386	3,568,804
<u>15,792</u>	<u>7,388,692</u>	<u>41,222,765</u>
	3,173,236	18,459,822
	1,175,471	4,336,151
	321,940	4,007,166
	95,918	4,790,304
	160,368	2,182,115
	2,331,596	2,598,476
785,454	303,793	1,201,209
		4,010,000
		1,761,424
		83,541
<u>785,454</u>	<u>7,562,322</u>	<u>43,430,208</u>
<u>(769,662)</u>	<u>(173,630)</u>	<u>(2,207,443)</u>
		111,403
(7,783)	(103,620)	(111,403)
		3,540,000
		186,466
		(3,642,925)
<u>(7,783)</u>	<u>(103,620)</u>	<u>83,541</u>
<u>(777,445)</u>	<u>(277,250)</u>	<u>(2,123,902)</u>
3,170,190	4,887,349	14,836,536
<u>\$ 2,392,745</u>	<u>\$ 4,610,099</u>	<u>\$ 12,712,634</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, 2013

Net changes in fund balances - total governmental funds **\$ (2,123,902)**

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

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

Expenditures for capitalized assets	\$ 1,319,870	
Less current year depreciation	<u>(5,140,021)</u>	(3,820,151)

Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(211,815)
---	--	-----------

Repayments of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		4,010,000
---	--	-----------

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	(27,016)	
Compensated absences	<u>(60,579)</u>	(87,595)

The Internal Service Funds are used by management to charge the cost of transportation and insurance to the individual funds. The changes in net position of the Internal Service Funds are reported with governmental activities in the Statement of Activities.		<u>(560,450)</u>
---	--	------------------

Change in net position in governmental activities **\$ (2,793,913)**

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 922,950
Accounts receivable	600,000
Total current assets	1,522,950
Total assets	1,522,950
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	857,502
Accrued payroll and employee benefits	7,951
Total current liabilities	865,453
Total liabilities	865,453
 <u>NET POSITION</u>	
Unrestricted	657,497
Total net position	\$ 657,497

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 POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Governmental Activities: Internal Service Funds
Operating revenues:	
Charges for services	\$ 2,919,271
Total operating revenues	<u>2,919,271</u>
Operating expenses:	
Student transportation services	342,981
Premiums	3,143,194
Total operating expenses	<u>3,486,175</u>
Operating income (loss)	<u>(566,904)</u>
Nonoperating revenues (expenses):	
Investment income	6,454
Total nonoperating revenues (expenses)	<u>6,454</u>
Changes in net position	<u>(560,450)</u>
Total net position, beginning of year, as restated	1,217,947
Total net position, end of year	<u>\$ 657,497</u>

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 FUNDS
YEAR ENDED JUNE 30, 2013**

	<u>Governmental Activities: Internal Service Funds</u>
<u>Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from charges for services	\$ 2,319,271
Cash payments to suppliers for goods and services	<u>(2,620,722)</u>
Net cash used for operating activities	<u>(301,451)</u>
Cash flows from investing activities:	
Investment income	<u>6,454</u>
Net cash provided by investing activities	<u>6,454</u>
Net decrease in cash and cash equivalents	<u>(294,997)</u>
Cash and cash equivalents, beginning of year, as restated	<u>1,217,947</u>
Cash and cash equivalents, end of year	<u><u>\$ 922,950</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities</u>	
Operating income (loss)	\$ (566,904)
Adjustments to reconcile operating income to net cash used for operating activities:	
Changes in assets and liabilities:	
Increase in accounts receivable	(600,000)
Increase in accrued payroll and employee benefits	7,951
Increase in accounts payable	<u>857,502</u>
Total adjustments	<u>265,453</u>
Net cash used for operating activities	<u><u>\$ (301,451)</u></u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2013

	Agency
<u>ASSETS</u>	
Cash and investments	\$ 302,287
Total assets	\$ 302,287
 <u>LIABILITIES</u>	
Deposits held for others	\$ 191,563
Due to student groups	110,724
Total liabilities	\$ 302,287

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, 2013

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.

During the year ended June 30, 2013, the District implemented the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 establishes reporting guidance for certain elements of the financial statements which are distinct from assets and liabilities.

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

A. Reporting Entity

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

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

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

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

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

B. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, 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, 2013

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

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

Property taxes, 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 funds are 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, 2013

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 Funds – The Proprietary Funds are Internal Service Funds that account for activities related to transportation and activities related to the District's health insurance program.

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 and health insurance. 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, 2013

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

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

G. Property Tax Calendar

Property tax levies are obtained by applying tax rates against either the primary assessed valuation or the secondary assessed valuation. Primary and secondary valuation categories are composed of the exact same properties. However, the primary category limits the increase in property values to 10 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.

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 and as expenditures when purchased in the fund 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.

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

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

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

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

Land improvements	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 in varying amounts. Only benefits considered vested are recognized in the financial statements. The liability for vacation and sick leave is reported in 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.

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

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

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. Net Position Flow Assumption

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

N. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Cont'd)

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

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

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

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)

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

	General Fund	Debt Service Fund	Unrestricted Capital Outlay Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:					
Restricted:					
Debt service	\$	\$144,438	\$	\$	\$
Capital projects			2,517,705		1,185,892
Bond building projects				2,392,745	
Voter approved initiatives					711,159
Federal and State projects					348,917
Food service					286,283
JTED					754,587
Civic center projects					569,296
Community schools projects					668,192
Other purposes					93,441
Unassigned	3,047,647				(7,668)
Total fund balances	<u>\$ 3,047,647</u>	<u>\$144,438</u>	<u>\$ 2,517,705</u>	<u>\$ 2,392,745</u>	<u>\$ 4,610,099</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end, the following individual non-major governmental fund reported a deficit in fund balance.

Non-Major Governmental Fund	<u>Deficit</u>
Other Federal Projects:	\$ 7,668

The deficit arose because of operations during the year. Additional revenues received in fiscal year 2013-14 are expected to eliminate the deficit.

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4 – CASH AND INVESTMENTS

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$499,213 and the bank balance was \$507,516. At year end, all of the District’s deposits were covered by depository insurance or collateral held by the pledging financial institution in the District’s name.

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

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

	Average Maturities	Fair Value
County Treasurer’s investment pool	491 days	\$ 13,271,563
Total		\$ 13,271,563

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, 2013

NOTE 5 – RECEIVABLES

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

	General Fund	Debt Service Fund	Unrestricted Capital Outlay Fund	Non-Major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Due from other governmental entities:				
Due from Federal government	\$	\$ 60,931	\$	\$ 472,891
Due from State government	5,906,475		48,865	203,996
Due from other Districts				118,064
Net due from governmental entities	<u>\$ 5,906,475</u>	<u>\$ 60,931</u>	<u>\$ 48,865</u>	<u>\$ 794,951</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)	\$ 1,789,868	\$
Delinquent property taxes receivable (Debt Service Fund)	112,591	
Grant drawdowns prior to meeting all eligibility requirements (Non-Major Governmental Funds)		19,229
Total deferred revenue for governmental funds	<u>\$ 1,902,459</u>	<u>\$ 19,229</u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 6 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 9,488,316	\$	\$	\$ 9,488,316
Construction in progress	941,244	484,469	1,425,713	
Total capital assets, not being depreciated	<u>10,429,560</u>	<u>484,469</u>	<u>1,425,713</u>	<u>9,488,316</u>
Capital assets, being depreciated:				
Land improvements	3,783,130	249,548	12,585	4,020,093
Buildings and improvements	104,918,692	1,742,979	93,977	106,567,694
Vehicles, furniture and equipment	11,909,614	268,587	1,830,166	10,348,035
Total capital assets being depreciated	<u>120,611,436</u>	<u>2,261,114</u>	<u>1,936,728</u>	<u>120,935,822</u>
Less accumulated depreciation for:				
Land improvements	(790,721)	(88,776)	(12,585)	(866,912)
Buildings and improvements	(16,454,443)	(3,470,664)	(93,977)	(19,831,130)
Vehicles, furniture and equipment	(5,309,535)	(1,580,581)	(1,803,150)	(5,086,966)
Total accumulated depreciation	<u>(22,554,699)</u>	<u>(5,140,021)</u>	<u>(1,909,712)</u>	<u>(25,785,008)</u>
Total capital assets, being depreciated, net	<u>98,056,737</u>	<u>(2,878,907)</u>	<u>27,016</u>	<u>95,150,814</u>
Governmental activities capital assets, net	<u>\$108,486,297</u>	<u>\$ (2,394,438)</u>	<u>\$ 1,452,729</u>	<u>\$ 104,639,130</u>

Depreciation expense was charged to governmental functions as follows.

Instruction	\$ 3,440,583
Support services – students and staff	8,524
Support services – administration	405,529
Operation and maintenance of plant services	231,171
Student transportation services	944,652
Operation of non-instructional services	109,562
Total depreciation expense – governmental activities	<u>\$ 5,140,021</u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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	\$ _____	\$ 5,861,000	\$ 5,861,000	\$ _____

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, 2013	Due Within One Year
Governmental activities:					
Refunding Bonds, Series 2002	\$ 8,925,000	5.0%	7/1/14	\$ 2,010,000	\$
School Improvement Bonds, Project of 2002, Series A (2003)	8,720,000	3.5%	7/1/13	175,000	175,000
School Improvement Bonds, Project of 2002, Series B (2004)	5,500,000	3.4-4.0%	7/1/13-15	590,000	275,000
School Improvement Bonds, Project of 2005, Series A (2006)	9,265,000	4.0-5.0%	7/1/13-26	3,005,000	160,000
School Improvement Bonds, Projects of 2002 and 2005, Series 2008	14,580,000	4.0-5.0%	7/1/13-27	13,015,000	770,000
School Improvement Bonds, Projects of 2005, Series C 2010	8,735,000	3.5-6.75%	7/1/13-29	7,360,000	175,000
School Improvement Bonds, Project of 2010, Series A (2010)	6,000,000	2.5-4.0%	7/1/13-17	5,720,000	415,000
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	2.0-4.0%	7/1/13-18	1,895,000	270,000
Refunding Bonds, Series 2013	3,540,000	3.62%	7/1/13-17	3,540,000	1,770,000
Total				\$ 40,575,000	\$ 4,010,000

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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>
2014	\$ 4,010,000	\$ 1,672,051
2015	4,135,000	1,565,477
2016	4,270,000	1,400,813
2017	4,405,000	1,241,402
2018	4,945,000	1,064,494
2019-23	9,280,000	3,674,345
2024-28	8,115,000	1,655,988
2029-30	1,415,000	96,694
Total	<u>\$ 40,575,000</u>	<u>\$ 12,371,264</u>

During the year ended June 30, 2013, the District issued \$3,540,000 in refunding bonds, with an effective interest rate of 3.62 percent, to advance refund \$3,540,000 of outstanding general obligation bonds, with an average interest rate of 4.07 percent. The net proceeds of \$3,642,925, which includes \$186,466 of bond premium, (after payment of \$83,541 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent, to provide for all future debt service payments of the refunded general obligation bonds. As a result, the refunded general obligation bonds are considered to be defeased, and the liability for those bonds has been removed from the government-wide financial statements. This advance refunding was undertaken to reduce total debt service payments over the next 5 years by \$56,214 and to augment the District's Class B bonding capacity. The refunding resulted in an economic gain of \$60,949.

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	\$ 44,275,000	\$ 3,540,000	\$ 7,240,000	\$ 40,575,000	\$ 4,010,000
Compensated absences payable	935,306	531,401	470,822	995,885	41,513
Governmental activity long-term liabilities	<u>\$ 45,210,306</u>	<u>\$ 4,071,401</u>	<u>\$ 7,710,822</u>	<u>\$ 41,570,885</u>	<u>\$ 4,051,513</u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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	\$ 1,588,254
Non-Major Governmental Funds	213,273
Total	\$ 1,801,527

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	\$	\$ 7,783	\$ 7,783
Non-Major Governmental Funds	103,620		103,620
Total	\$ 103,620	\$ 7,783	\$ 111,403

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, 2013

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 – PRIOR PERIOD ADJUSTMENTS

The July 1, 2012, government-wide net position and the fund balance of the Internal Service Fund do not agree to the prior year financial statements due to a correction of an error.

	Statement of Activities	Internal Service Funds Employee Insurance Fund
Net position/fund balance, June 30, 2012, as previously reported	\$ 84,416,028	\$
Addition of Employee Insurance Fund	728,720	728,720
Net position/fund balance, July 1, 2012, as restated	\$ 85,144,748	\$ 728,720

NOTE 13 – RISK MANAGEMENT

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

The District 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.

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 13 – RISK MANAGEMENT (Concl'd)

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 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Concl'd)

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

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

	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
Years ended June 30,			
2013	\$ 2,031,605	\$ 128,834	\$ 47,569
2012	2,029,147	129,520	49,341
2011	1,751,759	114,710	48,606

(This page intentionally left blank)

**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, 2013

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 1,649,617	\$ 1,649,617
Property taxes			10,598,906	10,598,906
State aid and grants			15,924,750	15,924,750
Total revenues			<u>28,173,273</u>	<u>28,173,273</u>
Expenditures:				
Current -				
Instruction	16,495,368	15,244,787	14,772,220	472,567
Support services - students and staff	2,387,656	2,860,521	2,988,975	(128,454)
Support services - administration	3,329,078	3,684,611	3,499,738	184,873
Operation and maintenance of plant services	4,780,808	5,033,901	4,551,625	482,276
Student transportation services	1,843,364	1,996,605	2,018,164	(21,559)
Operation of non-instructional services	96,931	112,779	187,295	(74,516)
Total expenditures	<u>28,933,205</u>	<u>28,933,204</u>	<u>28,018,017</u>	<u>915,187</u>
Changes in fund balances	<u>(28,933,205)</u>	<u>(28,933,204)</u>	<u>155,256</u>	<u>29,088,460</u>
Fund balances (deficits), beginning of year			(2,690,700)	(2,690,700)
Fund balances (deficits), end of year	<u>\$ (28,933,205)</u>	<u>\$ (28,933,204)</u>	<u>\$ (2,535,444)</u>	<u>\$ 26,397,760</u>

See accompanying notes to this schedule.

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2013

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

	<u>Total Expenditures</u>	<u>Fund Balance, June 30, 2013</u>	<u>Fund Balance, July 1, 2012</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 29,200,326	\$ 3,047,647	\$ 2,846,817
Fiscal year 2012-13 activity budgeted as special revenue funds	(950,590)	(855,682)	(881,075)
Fiscal year 2012-13 activity budgeted as capital projects funds	<u>(231,719)</u>	<u>(4,727,409)</u>	<u>(4,656,442)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 28,018,017</u>	<u>\$ (2,535,444)</u>	<u>\$ (2,690,700)</u>

(This page intentionally left blank)

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

(This page intentionally left blank)

GOVERNMENTAL FUNDS

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 3,158,239	\$ 1,185,892	\$ 4,344,131
Due from governmental entities	794,951		794,951
Total assets	<u><u>\$ 3,953,190</u></u>	<u><u>\$ 1,185,892</u></u>	<u><u>\$ 5,139,082</u></u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 127,104	\$	\$ 127,104
Due to other funds	213,273		213,273
Accrued payroll and employee benefits	169,377		169,377
Deferred revenues	19,229		19,229
Total liabilities	<u><u>528,983</u></u>		<u><u>528,983</u></u>
Fund balances (deficits):			
Restricted	3,431,875	1,185,892	4,617,767
Unassigned	(7,668)		(7,668)
Total fund balances	<u><u>3,424,207</u></u>	<u><u>1,185,892</u></u>	<u><u>4,610,099</u></u>
 Total liabilities and fund balances	 <u><u>\$ 3,953,190</u></u>	 <u><u>\$ 1,185,892</u></u>	 <u><u>\$ 5,139,082</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, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 2,503,554	\$ 80,149	\$ 2,583,703
Property taxes		94	94
State aid and grants	1,573,509		1,573,509
Federal aid, grants and reimbursements	<u>3,231,386</u>		<u>3,231,386</u>
Total revenues	<u>7,308,449</u>	<u>80,243</u>	<u>7,388,692</u>
Expenditures:			
Current -			
Instruction	3,173,236		3,173,236
Support services - students and staff	1,175,471		1,175,471
Support services - administration	321,940		321,940
Operation and maintenance of plant services	95,918		95,918
Student transportation services	160,368		160,368
Operation of non-instructional services	2,331,596		2,331,596
Capital outlay	97,072	206,721	303,793
Total expenditures	<u>7,355,601</u>	<u>206,721</u>	<u>7,562,322</u>
Excess (deficiency) of revenues over expenditures	<u>(47,152)</u>	<u>(126,478)</u>	<u>(173,630)</u>
Other financing sources (uses):			
Transfers out	<u>(103,620)</u>		<u>(103,620)</u>
Total other financing sources (uses):	<u>(103,620)</u>		<u>(103,620)</u>
Changes in fund balances	<u>(150,772)</u>	<u>(126,478)</u>	<u>(277,250)</u>
Fund balances, beginning of year	3,574,979	1,312,370	4,887,349
Fund balances, end of year	<u>\$ 3,424,207</u>	<u>\$ 1,185,892</u>	<u>\$ 4,610,099</u>

SPECIAL REVENUE FUNDS

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

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

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

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.

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

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

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.

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

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

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

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

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

Adult Basic Education - to account for State financial assistance for continuous adult 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 received from Federal projects for administrative costs.

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

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

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2013

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 53,554	\$ 486,727	\$ 1,734
Due from governmental entities	114,795	89,201	
Total assets	<u>\$ 168,349</u>	<u>\$ 575,928</u>	<u>\$ 1,734</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits	28,977	4,141	
Deferred revenues			
Total liabilities	<u>28,977</u>	<u>4,141</u>	
Fund balances (deficits):			
Restricted	139,372	571,787	1,734
Unassigned			
Total fund balances	<u>139,372</u>	<u>571,787</u>	<u>1,734</u>
 Total liabilities and fund balances	 <u>\$ 168,349</u>	 <u>\$ 575,928</u>	 <u>\$ 1,734</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>
\$	\$	\$	\$	\$	\$
277,345	15,547	449	47,566	12,645	9,201
<u>\$ 277,345</u>	<u>\$ 15,547</u>	<u>\$ 449</u>	<u>\$ 47,566</u>	<u>\$ 12,645</u>	<u>\$ 9,201</u>
\$ 90,637	\$ 2,590	\$	\$	\$	\$
117,846	12,957	449	37,037	12,645	
68,862			10,529		
<u>277,345</u>	<u>15,547</u>	<u>449</u>	<u>47,566</u>	<u>12,645</u>	<u>9,201</u>
<u>\$ 277,345</u>	<u>\$ 15,547</u>	<u>\$ 449</u>	<u>\$ 47,566</u>	<u>\$ 12,645</u>	<u>\$ 9,201</u>

(Continued)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2013

	<u>E-Rate</u>	<u>Other Federal Projects</u>	<u>State Vocational Education</u>
<u>ASSETS</u>			
Cash and investments	\$ 321,331	\$	\$ 11,932
Due from governmental entities	27,586	26,466	
Total assets	<u>\$ 348,917</u>	<u>\$ 26,466</u>	<u>\$ 11,932</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds		32,339	
Accrued payroll and employee benefits		1,795	2,034
Deferred revenues			9,898
Total liabilities		<u>34,134</u>	<u>11,932</u>
Fund balances (deficits):			
Restricted	348,917		
Unassigned		(7,668)	
Total fund balances	<u>348,917</u>	<u>(7,668)</u>	
 Total liabilities and fund balances	 <u>\$ 348,917</u>	 <u>\$ 26,466</u>	 <u>\$ 11,932</u>

<u>Early Childhood Block Grant</u>	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>
\$ 54	\$ 76	\$ 256,031	\$ 572,634	\$ 692,861	\$ 82,674
<u>\$ 54</u>	<u>\$ 76</u>	<u>\$ 321,318</u>	<u>\$ 572,634</u>	<u>\$ 692,861</u>	<u>\$ 82,674</u>
\$	\$	\$ 26,228	\$	\$ 3,803	\$ 3,596
		8,807	3,338	20,866	
<u>54</u>	<u>76</u>	<u>35,035</u>	<u>3,338</u>	<u>24,669</u>	<u>3,596</u>
		286,283	569,296	668,192	79,078
		<u>286,283</u>	<u>569,296</u>	<u>668,192</u>	<u>79,078</u>
<u>\$ 54</u>	<u>\$ 76</u>	<u>\$ 321,318</u>	<u>\$ 572,634</u>	<u>\$ 692,861</u>	<u>\$ 82,674</u>

(Continued)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2013

	Career, Technical and Vocational Education Projects	Fingerprint	Textbooks
<u>ASSETS</u>			
Cash and investments	\$ 1,768	\$ 1,901	\$ 8,911
Due from governmental entities			
Total assets	\$ 1,768	\$ 1,901	\$ 8,911
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Deferred revenues			
Total liabilities			
Fund balances (deficits):			
Restricted	1,768	1,901	8,911
Unassigned			
Total fund balances	1,768	1,901	8,911
 Total liabilities and fund balances	\$ 1,768	\$ 1,901	\$ 8,911

<u>Insurance Refund</u>	<u>Joint Technical Education</u>	<u>Totals</u>
\$ 49	\$ 656,801	\$ 3,158,239
	118,064	794,951
<u>\$ 49</u>	<u>\$ 774,865</u>	<u>\$ 3,953,190</u>
\$	\$ 250	\$ 127,104
		213,273
	20,028	169,377
		19,229
	<u>20,278</u>	<u>528,983</u>
49	754,587	3,431,875
		(7,668)
<u>49</u>	<u>754,587</u>	<u>3,424,207</u>
<u>\$ 49</u>	<u>\$ 774,865</u>	<u>\$ 3,953,190</u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$ 1,057	\$ 2,385	\$
State aid and grants	1,315,598	206,074	8,501
Federal aid, grants and reimbursements			
Total revenues	1,316,655	208,459	8,501
Expenditures:			
Current -			
Instruction	1,427,373	179,562	209
Support services - students and staff			2,080
Support services - administration			931
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			4,500
Total expenditures	1,427,373	179,562	7,720
Excess (deficiency) of revenues over expenditures	(110,718)	28,897	781
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(110,718)	28,897	781
Fund balances, beginning of year	250,090	542,890	953
Fund balances, end of year	\$ 139,372	\$ 571,787	\$ 1,734

<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>1,232,884</u>	<u>68,941</u>	<u>15,156</u>	<u>617,040</u>	<u>213,019</u>	<u>52,207</u>
<u>1,232,884</u>	<u>68,941</u>	<u>15,156</u>	<u>617,040</u>	<u>213,019</u>	<u>52,207</u>
533,549		8,024	147,964	166,389	7,761
388,307	59,756	6,855	333,334	23,694	17,176
165,493	4,955		3,560	10,622	100
31,687					
24,900			111,763		704
<u>19,524</u>			<u>4,371</u>		<u>26,036</u>
<u>1,163,460</u>	<u>64,711</u>	<u>14,879</u>	<u>600,992</u>	<u>200,705</u>	<u>51,777</u>
<u>69,424</u>	<u>4,230</u>	<u>277</u>	<u>16,048</u>	<u>12,314</u>	<u>430</u>
<u>(69,424)</u>	<u>(4,230)</u>	<u>(277)</u>	<u>(16,048)</u>	<u>(12,314)</u>	<u>(430)</u>
<u>(69,424)</u>	<u>(4,230)</u>	<u>(277)</u>	<u>(16,048)</u>	<u>(12,314)</u>	<u>(430)</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 -
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	E-Rate	Other Federal Projects	State Vocational Education
Revenues:			
Other local	\$ 965	\$	\$
State aid and grants			42,852
Federal aid, grants and reimbursements	114,496	117,431	
Total revenues	115,461	117,431	42,852
Expenditures:			
Current -			
Instruction		1,402	25,228
Support services - students and staff		121,362	8,559
Support services - administration	62,195	1,438	
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			9,065
Total expenditures	62,195	124,202	42,852
Excess (deficiency) of revenues over expenditures	53,266	(6,771)	
Other financing sources (uses):			
Transfers out		(897)	
Total other financing sources (uses):		(897)	
Changes in fund balances	53,266	(7,668)	
Fund balances, beginning of year	295,651		
Fund balances (deficits), end of year	\$ 348,917	\$ (7,668)	\$

Other State Projects	Food Service	Civic Center	Community School	Extracurricular Activities Fees Tax Credit	Career, Technical and Vocational Education Projects
\$ 484	\$ 1,054,014	\$ 229,091	\$ 689,081	\$ 131,732	\$ 8
	800,212				
<u>484</u>	<u>1,854,226</u>	<u>229,091</u>	<u>689,081</u>	<u>131,732</u>	<u>8</u>
185		10,262	240,649	100,950	
299		9,334	39,861	35,880	
	4,922	16,853	3,555	110	
		58,112	3,723		
		225	250	18,233	
	2,066,695		264,901		
	13,469	19,221	886		
<u>484</u>	<u>2,085,086</u>	<u>114,007</u>	<u>553,825</u>	<u>155,173</u>	
	(230,860)	115,084	135,256	(23,441)	8
	(230,860)	115,084	135,256	(23,441)	8
	517,143	454,212	532,936	102,519	1,760
<u>\$</u>	<u>\$ 286,283</u>	<u>\$ 569,296</u>	<u>\$ 668,192</u>	<u>\$ 79,078</u>	<u>\$ 1,768</u>

(Continued)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Fingerprint	Textbooks	Insurance Refund
Revenues:			
Other local	\$ 1,866	\$ 96	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	1,866	96	
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	1,870		
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	1,870		
Excess (deficiency) of revenues over expenditures	(4)	96	
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(4)	96	
Fund balances, beginning of year	1,905	8,815	49
Fund balances, end of year	\$ 1,901	\$ 8,911	\$ 49

<u>Joint Technical Education</u>	<u>Totals</u>
\$ 393,259	\$ 2,503,554
	1,573,509
	3,231,386
<u>393,259</u>	<u>7,308,449</u>
323,729	3,173,236
128,974	1,175,471
45,336	321,940
2,396	95,918
4,293	160,368
	2,331,596
	97,072
<u>504,728</u>	<u>7,355,601</u>
<u>(111,469)</u>	<u>(47,152)</u>
	<u>(103,620)</u>
	<u>(103,620)</u>
<u>(111,469)</u>	<u>(150,772)</u>
866,056	3,574,979
<u>\$ 754,587</u>	<u>\$ 3,424,207</u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 1,057	\$ 1,057
State aid and grants		1,315,598	1,315,598
Federal aid, grants and reimbursements			
Total revenues		<u>1,316,655</u>	<u>1,316,655</u>
Expenditures:			
Current -			
Instruction	1,516,911	1,427,373	89,538
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>1,516,911</u>	<u>1,427,373</u>	<u>89,538</u>
Excess (deficiency) of revenues over expenditures	<u>(1,516,911)</u>	<u>(110,718)</u>	<u>1,406,193</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(1,516,911)</u>	<u>(110,718)</u>	<u>1,406,193</u>
Fund balances, beginning of year		250,090	250,090
Fund balances (deficits), end of year	<u>\$ (1,516,911)</u>	<u>\$ 139,372</u>	<u>\$ 1,656,283</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,385 206,074	\$ 2,385 206,074	\$	\$ 8,501	\$ 8,501
	<u>208,459</u>	<u>208,459</u>		<u>8,501</u>	<u>8,501</u>
486,649	179,562	307,087	450	209	241
			2,100	2,080	20
			1,000	931	69
<u>486,649</u>	<u>179,562</u>	<u>307,087</u>	<u>4,500</u>	<u>4,500</u>	<u>330</u>
<u>(486,649)</u>	<u>28,897</u>	<u>515,546</u>	<u>(8,050)</u>	<u>781</u>	<u>8,831</u>
<u>(486,649)</u>	<u>28,897</u>	<u>515,546</u>	<u>(8,050)</u>	<u>781</u>	<u>8,831</u>
	542,890	542,890		953	953
<u>\$ (486,649)</u>	<u>\$ 571,787</u>	<u>\$ 1,058,436</u>	<u>\$ (8,050)</u>	<u>\$ 1,734</u>	<u>\$ 9,784</u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		1,232,884	1,232,884
Total revenues		<u>1,232,884</u>	<u>1,232,884</u>
Expenditures:			
Current -			
Instruction	750,000	533,549	216,451
Support services - students and staff	750,000	388,307	361,693
Support services - administration	176,000	165,493	10,507
Operation and maintenance of plant services	32,000	31,687	313
Student transportation services	41,156	24,900	16,256
Operation of non-instructional services			
Capital outlay	20,000	19,524	476
Total expenditures	<u>1,769,156</u>	<u>1,163,460</u>	<u>605,696</u>
Excess (deficiency) of revenues over expenditures	<u>(1,769,156)</u>	<u>69,424</u>	<u>1,838,580</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(69,424)	(69,424)
Total other financing sources (uses):		<u>(69,424)</u>	<u>(69,424)</u>
Changes in fund balances	<u>(1,769,156)</u>		<u>1,769,156</u>
Fund balances, beginning of year			
Fund balances (deficits), end of year	<u>\$ (1,769,156)</u>	<u>\$</u>	<u>\$ 1,769,156</u>

Professional Development and Technology Grants			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	68,941	68,941		15,156	15,156
	68,941	68,941		15,156	15,156
70,000	59,756	10,244	10,000	8,024	1,976
13,806	4,955	8,851	11,647	6,855	4,792
83,806	64,711	19,095	21,647	14,879	6,768
(83,806)	4,230	88,036	(21,647)	277	21,924
	(4,230)	(4,230)		(277)	(277)
	(4,230)	(4,230)		(277)	(277)
(83,806)		83,806	(21,647)		21,647
\$ (83,806)	\$	\$ 83,806	\$ (21,647)	\$	\$ 21,647

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		617,040	617,040
Total revenues		<u>617,040</u>	<u>617,040</u>
Expenditures:			
Current -			
Instruction	150,000	147,964	2,036
Support services - students and staff	337,000	333,334	3,666
Support services - administration	5,042	3,560	1,482
Operation and maintenance of plant services			
Student transportation services	120,000	111,763	8,237
Operation of non-instructional services			
Capital outlay	5,000	4,371	629
Total expenditures	<u>617,042</u>	<u>600,992</u>	<u>16,050</u>
Excess (deficiency) of revenues over expenditures	<u>(617,042)</u>	<u>16,048</u>	<u>633,090</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(16,048)	(16,048)
Total other financing sources (uses):		<u>(16,048)</u>	<u>(16,048)</u>
Changes in fund balances	<u>(617,042)</u>		<u>617,042</u>
Fund balances, beginning of year			
Fund balances (deficits), end of year	<u>\$ (617,042)</u>	<u>\$</u>	<u>\$ 617,042</u>

Adult Education			Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	213,019	213,019		52,207	52,207
	213,019	213,019		52,207	52,207
170,000	166,389	3,611	26,312	7,761	18,551
26,000	23,694	2,306	50,000	17,176	32,824
17,020	10,622	6,398	1,000	100	900
			3,000	704	2,296
			70,000	26,036	43,964
213,020	200,705	12,315	150,312	51,777	98,535
(213,020)	12,314	225,334	(150,312)	430	150,742
	(12,314)	(12,314)		(430)	(430)
	(12,314)	(12,314)		(430)	(430)
(213,020)		213,020	(150,312)		150,312
\$ (213,020)	\$	\$ 213,020	\$ (150,312)	\$	\$ 150,312

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,730	\$ 1,730
State aid and grants			
Federal aid, grants and reimbursements		215,557	215,557
Total revenues		<u>217,287</u>	<u>217,287</u>
Expenditures:			
Current -			
Instruction	30,000	10,417	19,583
Support services - students and staff	164,227	82,330	81,897
Support services - administration	30,000	16,754	13,246
Operation and maintenance of plant services	80,000	39,647	40,353
Student transportation services	1,000	32	968
Operation of non-instructional services	150,000	76,911	73,089
Capital outlay	5,000	1,402	3,598
Total expenditures	<u>460,227</u>	<u>227,493</u>	<u>232,734</u>
Excess (deficiency) of revenues over expenditures	<u>(460,227)</u>	<u>(10,206)</u>	<u>450,021</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(460,227)</u>	<u>(10,206)</u>	<u>450,021</u>
Fund balances, beginning of year		309,717	309,717
Fund balances (deficits), end of year	<u>\$ (460,227)</u>	<u>\$ 299,511</u>	<u>\$ 759,738</u>

E-Rate			Other Federal Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 965	\$ 965	\$	\$	\$
	114,496	114,496		117,431	117,431
	115,461	115,461		117,431	117,431
	62,195	(62,195)	25,000	1,402	23,598
			501,948	121,362	380,586
			25,000	1,438	23,562
	62,195	(62,195)	551,948	124,202	427,746
	53,266	53,266	(551,948)	(6,771)	545,177
				(897)	(897)
				(897)	(897)
	53,266	53,266	(551,948)	(7,668)	544,280
	295,651	295,651			
\$	\$ 348,917	\$ 348,917	\$ (551,948)	\$ (7,668)	\$ 544,280

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		42,852	42,852
Federal aid, grants and reimbursements			
Total revenues	42,852	42,852	42,852
Expenditures:			
Current -			
Instruction	30,000	25,228	4,772
Support services - students and staff	10,000	8,559	1,441
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	12,715	9,065	3,650
Total expenditures	52,715	42,852	9,863
Excess (deficiency) of revenues over expenditures	(52,715)		52,715
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(52,715)		52,715
Fund balances, beginning of year			
Fund balances (deficits), end of year	\$ (52,715)	\$	\$ 52,715

Early Childhood Block Grant			Adult Basic Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
56		56	42,198		42,198
56		56	42,198		42,198
(56)		56	(42,198)		42,198
(56)		56	(42,198)		42,198
\$ (56)	\$	\$ 56	\$ (42,198)	\$	\$ 42,198

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Other State Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		484	484
Federal aid, grants and reimbursements			
Total revenues		<u>484</u>	<u>484</u>
Expenditures:			
Current -			
Instruction	5,000	185	4,815
Support services - students and staff	10,000	299	9,701
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>15,000</u>	<u>484</u>	<u>14,516</u>
Excess (deficiency) of revenues over expenditures	<u>(15,000)</u>		<u>15,000</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(15,000)</u>		<u>15,000</u>
Fund balances, beginning of year			
Fund balances (deficits), end of year	<u>\$ (15,000)</u>	<u>\$</u>	<u>\$ 15,000</u>

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,565	\$ 1,565	\$	\$ 1,054,014	\$ 1,054,014
				800,212	800,212
	<u>1,565</u>	<u>1,565</u>		<u>1,854,226</u>	<u>1,854,226</u>
			21,644	4,922	16,722
80,750		80,750	2,500,000	2,066,695	433,305
			40,000	13,469	26,531
<u>80,750</u>		<u>80,750</u>	<u>2,561,644</u>	<u>2,085,086</u>	<u>476,558</u>
(80,750)	1,565	82,315	(2,561,644)	(230,860)	2,330,784
<u>(80,750)</u>	<u>1,565</u>	<u>82,315</u>	<u>(2,561,644)</u>	<u>(230,860)</u>	<u>2,330,784</u>
	80,085	80,085		517,143	517,143
<u>\$ (80,750)</u>	<u>\$ 81,650</u>	<u>\$ 162,400</u>	<u>\$ (2,561,644)</u>	<u>\$ 286,283</u>	<u>\$ 2,847,927</u>

(Continued)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Civic Center		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 229,091	\$ 229,091
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>229,091</u>	<u>229,091</u>
Expenditures:			
Current -			
Instruction	50,000	10,262	39,738
Support services - students and staff	55,000	9,334	45,666
Support services - administration	100,000	16,853	83,147
Operation and maintenance of plant services	300,000	58,112	241,888
Student transportation services	28,730	225	28,505
Operation of non-instructional services			
Capital outlay	<u>100,000</u>	<u>19,221</u>	<u>80,779</u>
Total expenditures	<u>633,730</u>	<u>114,007</u>	<u>519,723</u>
Excess (deficiency) of revenues over expenditures	<u>(633,730)</u>	<u>115,084</u>	<u>748,814</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(633,730)</u>	<u>115,084</u>	<u>748,814</u>
Fund balances, beginning of year		454,212	454,212
Fund balances (deficits), end of year	<u>\$ (633,730)</u>	<u>\$ 569,296</u>	<u>\$ 1,203,026</u>

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 689,081	\$ 689,081	\$	\$ 562,247	\$ 562,247
	<u>689,081</u>	<u>689,081</u>		<u>562,247</u>	<u>562,247</u>
300,000	240,649	59,351	350,000	382,656	(32,656)
150,000	39,861	110,139	51,760	63,351	(11,591)
25,000	3,555	21,445	55,000	59,077	(4,077)
25,000	3,723	21,277	65,000	86,103	(21,103)
5,157	250	4,907	3,000	3,365	(365)
400,000	264,901	135,099	1,000	1,924	(924)
30,000	886	29,114			
<u>935,157</u>	<u>553,825</u>	<u>381,332</u>	<u>525,760</u>	<u>596,476</u>	<u>(70,716)</u>
<u>(935,157)</u>	<u>135,256</u>	<u>1,070,413</u>	<u>(525,760)</u>	<u>(34,229)</u>	<u>491,531</u>
<u>(935,157)</u>	<u>135,256</u>	<u>1,070,413</u>	<u>(525,760)</u>	<u>(34,229)</u>	<u>491,531</u>
	532,936	532,936		246,856	246,856
<u>\$ (935,157)</u>	<u>\$ 668,192</u>	<u>\$ 1,603,349</u>	<u>\$ (525,760)</u>	<u>\$ 212,627</u>	<u>\$ 738,387</u>

(Continued)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 131,732	\$ 131,732
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		131,732	131,732
Expenditures:			
Current -			
Instruction	374,245	100,950	273,295
Support services - students and staff	100,000	35,880	64,120
Support services - administration	5,000	110	4,890
Operation and maintenance of plant services			
Student transportation services	45,000	18,233	26,767
Operation of non-instructional services			
Capital outlay			
Total expenditures	524,245	155,173	369,072
Excess (deficiency) of revenues over expenditures	(524,245)	(23,441)	500,804
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(524,245)	(23,441)	500,804
Fund balances, beginning of year		102,519	102,519
Fund balances (deficits), end of year	\$ (524,245)	\$ 79,078	\$ 603,323

Gifts and Donations			Career, Technical and Vocational Education Projects		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 23,999	\$ 23,999	\$	\$ 8	\$ 8
	<u>23,999</u>	<u>23,999</u>		<u>8</u>	<u>8</u>
40,000	5,608	34,392	2,000		2,000
65,000	8,704	56,296			
30,000	2,218	27,782			
10,000	342	9,658			
10,000	186	9,814			
10,000	750	9,250			
21,938	2,600	19,338			
<u>186,938</u>	<u>20,408</u>	<u>166,530</u>	<u>2,000</u>		<u>2,000</u>
<u>(186,938)</u>	<u>3,591</u>	<u>190,529</u>	<u>(2,000)</u>	<u>8</u>	<u>2,008</u>
<u>(186,938)</u>	<u>3,591</u>	<u>190,529</u>	<u>(2,000)</u>	<u>8</u>	<u>2,008</u>
	141,503	141,503		1,760	1,760
<u>\$ (186,938)</u>	<u>\$ 145,094</u>	<u>\$ 332,032</u>	<u>\$ (2,000)</u>	<u>\$ 1,768</u>	<u>\$ 3,768</u>

(Continued)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Fingerprint		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 1,866	\$ 1,866
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>4,000</u>	<u>1,866</u>	<u>1,866</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	4,000	1,870	2,130
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>4,000</u>	<u>1,870</u>	<u>2,130</u>
Excess (deficiency) of revenues over expenditures	<u>(4,000)</u>	<u>(4)</u>	<u>3,996</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>(4)</u>	<u>3,996</u>
Fund balances, beginning of year		1,905	1,905
Fund balances (deficits), end of year	<u>\$ (4,000)</u>	<u>\$ 1,901</u>	<u>\$ 5,901</u>

Insurance Proceeds			Textbooks		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 16,431	\$ 16,431	\$	\$ 96	\$ 96
	<u>16,431</u>	<u>16,431</u>		<u>96</u>	<u>96</u>
			10,000		10,000
10,000	165	9,835			
70,000	16,669	53,331			
<u>70,000</u>	<u>16,254</u>	<u>53,746</u>			
<u>150,000</u>	<u>33,088</u>	<u>116,912</u>	<u>10,000</u>		<u>10,000</u>
<u>(150,000)</u>	<u>(16,657)</u>	<u>133,343</u>	<u>(10,000)</u>	<u>96</u>	<u>10,096</u>
<u>(150,000)</u>	<u>(16,657)</u>	<u>133,343</u>	<u>(10,000)</u>	<u>96</u>	<u>10,096</u>
	92,060	92,060		8,815	8,815
<u>\$ (150,000)</u>	<u>\$ 75,403</u>	<u>\$ 225,403</u>	<u>\$ (10,000)</u>	<u>\$ 8,911</u>	<u>\$ 18,911</u>

(Continued)

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 37	\$ 37
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		37	37
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		37	37
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances		37	37
Fund balances, beginning of year		8,353	8,353
Fund balances (deficits), end of year	\$	\$ 8,390	\$ 8,390

Indirect Costs			Insurance Refund		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
129,777	73,125	56,652			
<u>129,777</u>	<u>73,125</u>	<u>56,652</u>			
<u>(129,777)</u>	<u>(73,125)</u>	<u>56,652</u>			
	103,620	103,620			
	<u>103,620</u>	<u>103,620</u>			
<u>(129,777)</u>	<u>30,495</u>	<u>160,272</u>			
				49	49
<u>\$ (129,777)</u>	<u>\$ 30,495</u>	<u>\$ 160,272</u>	<u>\$</u>	<u>\$ 49</u>	<u>\$ 49</u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	Advertisement		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 11	\$ 11
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u> </u>	<u> 11</u>	<u> 11</u>
Expenditures:			
Current -			
Instruction	2,059		2,059
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> 2,059</u>	<u> </u>	<u> 2,059</u>
Excess (deficiency) of revenues over expenditures	<u> (2,059)</u>	<u> 11</u>	<u> 2,070</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> (2,059)</u>	<u> 11</u>	<u> 2,070</u>
Fund balances, beginning of year		2,501	2,501
Fund balances (deficits), end of year	<u> \$ (2,059)</u>	<u> \$ 2,512</u>	<u> \$ 4,571</u>

Joint Technical Education			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 393,259	\$ 393,259	\$	\$ 3,109,574	\$ 3,109,574
				1,573,509	1,573,509
				3,446,943	3,446,943
	<u>393,259</u>	<u>393,259</u>		<u>8,130,026</u>	<u>8,130,026</u>
600,000	323,729	276,271	4,970,880	3,571,917	1,398,963
400,000	128,974	271,026	2,754,682	1,329,856	1,424,826
115,000	45,336	69,664	764,289	473,279	291,010
10,816	2,396	8,420	592,816	238,679	354,137
15,000	4,293	10,707	272,043	163,951	108,092
			3,141,750	2,411,181	730,569
			379,153	117,328	261,825
<u>1,140,816</u>	<u>504,728</u>	<u>636,088</u>	<u>12,875,613</u>	<u>8,306,191</u>	<u>4,569,422</u>
<u>(1,140,816)</u>	<u>(111,469)</u>	<u>1,029,347</u>	<u>(12,875,613)</u>	<u>(176,165)</u>	<u>12,699,448</u>
				103,620	103,620
				<u>(103,620)</u>	<u>(103,620)</u>
<u>(1,140,816)</u>	<u>(111,469)</u>	<u>1,029,347</u>	<u>(12,875,613)</u>	<u>(176,165)</u>	<u>12,699,448</u>
	866,056	866,056		4,456,054	4,456,054
<u>\$ (1,140,816)</u>	<u>\$ 754,587</u>	<u>\$ 1,895,403</u>	<u>\$ (12,875,613)</u>	<u>\$ 4,279,889</u>	<u>\$ 17,155,502</u>

(This page intentionally left blank)

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, 2013

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Other local	\$	\$ 15,309	\$ 15,309
Property taxes		4,246,478	4,246,478
Federal aid, grants and reimbursements		60,930	60,930
Total revenues		<u>4,322,717</u>	<u>4,322,717</u>
Expenditures:			
Debt service -			
Principal retirement	4,010,000	4,010,000	
Interest and fiscal charges	2,601,826	1,761,424	840,402
Bond issuance costs		83,541	(83,541)
Total expenditures	<u>6,611,826</u>	<u>5,854,965</u>	<u>756,861</u>
Excess (deficiency) of revenues over expenditures	<u>(6,611,826)</u>	<u>(1,532,248)</u>	<u>5,079,578</u>
Other financing sources (uses):			
Transfers in		7,783	7,783
Issuance of refunding bonds		3,540,000	3,540,000
Premium on sale of bonds		186,466	186,466
Payment to refunded bond escrow agent		(3,642,925)	(3,642,925)
Total other financing sources (uses):		<u>91,324</u>	<u>91,324</u>
Changes in fund balances	<u>(6,611,826)</u>	<u>(1,440,924)</u>	<u>5,170,902</u>
Fund balances, beginning of year		1,524,431	1,524,431
Fund balances (deficits), end of year	<u>\$ (6,611,826)</u>	<u>\$ 83,507</u>	<u>\$ 6,695,333</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 – Capital - 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, 2013

	<u>Adjacent Ways</u>	<u>Gifts and Donations - Capital</u>	<u>New School Facilities</u>
<u>ASSETS</u>			
Cash and investments	\$ 432,116	\$ 515,442	\$ 238,334
Total assets	<u>\$ 432,116</u>	<u>\$ 515,442</u>	<u>\$ 238,334</u>
Fund balances:			
Restricted	\$ 432,116	\$ 515,442	\$ 238,334
Total fund balances	<u>432,116</u>	<u>515,442</u>	<u>238,334</u>
Total liabilities and fund balances	<u>\$ 432,116</u>	<u>\$ 515,442</u>	<u>\$ 238,334</u>

Totals

\$ 1,185,892
\$ 1,185,892

\$ 1,185,892
1,185,892

\$ 1,185,892

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, 2013

	Adjacent Ways	Gifts and Donations - Capital	Building Renewal
Revenues:			
Other local	\$ 17,772	\$ 60,836	\$ 310
Property taxes	94		
Total revenues	17,866	60,836	310
Expenditures:			
Capital outlay	48,967		73,034
Total expenditures	48,967		73,034
Changes in fund balances	(31,101)	60,836	(72,724)
Fund balances, beginning of year	463,217	454,606	72,724
Fund balances, end of year	\$ 432,116	\$ 515,442	\$

New School Facilities	Totals
\$ 1,231	\$ 80,149
<u>1,231</u>	<u>94</u>
	<u>80,243</u>
84,720	206,721
<u>84,720</u>	<u>206,721</u>
(83,489)	(126,478)
321,823	1,312,370
<u>\$ 238,334</u>	<u>\$ 1,185,892</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, 2013

	Unrestricted Capital Outlay		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 24,627	\$ 24,627
Property taxes			
State aid and grants		112,470	112,470
Total revenues		<u>137,097</u>	<u>137,097</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Capital outlay	1,802,727	27,141	1,775,586
Total expenditures	<u>1,802,727</u>	<u>27,141</u>	<u>1,775,586</u>
Excess (deficiency) of revenues over expenditures	<u>(1,802,727)</u>	<u>109,956</u>	<u>1,912,683</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(1,802,727)</u>	<u>109,956</u>	<u>1,912,683</u>
Fund balances, beginning of year		2,407,749	2,407,749
Fund balances (deficits), end of year	<u>\$ (1,802,727)</u>	<u>\$ 2,517,705</u>	<u>\$ 4,320,432</u>

Adjacent Ways			Soft Capital Allocation		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 17,772	\$ 17,772	\$	\$ 34,927	\$ 34,927
	94	94		122,464	122,464
				145,295	145,295
	<u>17,866</u>	<u>17,866</u>		<u>302,686</u>	<u>302,686</u>
			120,000	115,685	4,315
			20,000	17,320	2,680
			37,000	34,149	2,851
<u>462,277</u>	<u>48,967</u>	<u>413,310</u>	<u>54,720</u>	<u>64,565</u>	<u>(9,845)</u>
<u>462,277</u>	<u>48,967</u>	<u>413,310</u>	<u>231,720</u>	<u>231,719</u>	<u>1</u>
<u>(462,277)</u>	<u>(31,101)</u>	<u>431,176</u>	<u>(231,720)</u>	<u>70,967</u>	<u>302,687</u>
<u>(462,277)</u>	<u>(31,101)</u>	<u>431,176</u>	<u>(231,720)</u>	<u>70,967</u>	<u>302,687</u>
	463,217	463,217		4,656,442	4,656,442
<u>\$ (462,277)</u>	<u>\$ 432,116</u>	<u>\$ 894,393</u>	<u>\$ (231,720)</u>	<u>\$ 4,727,409</u>	<u>\$ 4,959,129</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, 2013

	Bond Building		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 15,792	\$ 15,792
Property taxes			
State aid and grants			
Total revenues	_____	15,792	15,792
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Capital outlay	3,201,586	785,454	2,416,132
Total expenditures	3,201,586	785,454	2,416,132
Excess (deficiency) of revenues over expenditures	(3,201,586)	(769,662)	2,431,924
Other financing sources (uses):			
Transfers out		(7,783)	(7,783)
Total other financing sources (uses):	_____	(7,783)	(7,783)
Changes in fund balances	(3,201,586)	(777,445)	2,424,141
Fund balances, beginning of year		3,170,190	3,170,190
Fund balances (deficits), end of year	\$ (3,201,586)	\$ 2,392,745	\$ 5,594,331

Gifts and Donations - Capital			Building Renewal		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 60,836	\$ 60,836	\$	\$ 310	\$ 310
	<u>60,836</u>	<u>60,836</u>		<u>310</u>	<u>310</u>
<u>499,807</u>		<u>499,807</u>	<u>72,981</u>	<u>73,034</u>	<u>(53)</u>
<u>499,807</u>		<u>499,807</u>	<u>72,981</u>	<u>73,034</u>	<u>(53)</u>
<u>(499,807)</u>	<u>60,836</u>	<u>560,643</u>	<u>(72,981)</u>	<u>(72,724)</u>	<u>257</u>
<u>(499,807)</u>	<u>60,836</u>	<u>560,643</u>	<u>(72,981)</u>	<u>(72,724)</u>	<u>257</u>
	<u>454,606</u>	<u>454,606</u>		<u>72,724</u>	<u>72,724</u>
<u>\$ (499,807)</u>	<u>\$ 515,442</u>	<u>\$ 1,015,249</u>	<u>\$ (72,981)</u>	<u>\$</u>	<u>\$ 72,981</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, 2013

	New School Facilities		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 1,231	\$ 1,231
Property taxes			
State aid and grants			
Total revenues	<u> </u>	<u> 1,231</u>	<u> 1,231</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Capital outlay	322,873	84,720	238,153
Total expenditures	<u>322,873</u>	<u>84,720</u>	<u>238,153</u>
Excess (deficiency) of revenues over expenditures	<u>(322,873)</u>	<u>(83,489)</u>	<u>239,384</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):	<u> </u>	<u> </u>	<u> </u>
Changes in fund balances	<u>(322,873)</u>	<u>(83,489)</u>	<u>239,384</u>
Fund balances, beginning of year		321,823	321,823
Fund balances (deficits), end of year	<u>\$ (322,873)</u>	<u>\$ 238,334</u>	<u>\$ 561,207</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 155,495	\$ 155,495
	122,558	122,558
	257,765	257,765
	<u>535,818</u>	<u>535,818</u>
120,000	115,685	4,315
20,000	17,320	2,680
37,000	34,149	2,851
6,416,971	1,083,881	5,333,090
<u>6,593,971</u>	<u>1,251,035</u>	<u>5,342,936</u>
<u>(6,593,971)</u>	<u>(715,217)</u>	<u>5,878,754</u>
	(7,783)	(7,783)
	<u>(7,783)</u>	<u>(7,783)</u>
<u>(6,593,971)</u>	<u>(723,000)</u>	<u>5,870,971</u>
	11,546,751	11,546,751
<u>\$ (6,593,971)</u>	<u>\$ 10,823,751</u>	<u>\$ 17,417,722</u>

(This page intentionally left blank)

INTERNAL SERVICE FUNDS

Transportation – to account for activities related to transportation.

Employee Insurance – to account for financial activity associated with the District's health insurance program.

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING STATEMENT OF NET POSITION -
ALL INTERNAL SERVICE FUNDS
JUNE 30, 2013

	Transportation	Employee Insurance	Totals
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 306,381	\$ 616,569	\$ 922,950
Accounts receivable		600,000	600,000
Total current assets	306,381	1,216,569	1,522,950
Total assets	306,381	1,216,569	1,522,950
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable		857,502	857,502
Accrued payroll and employee benefits	7,951		7,951
Total current liabilities	7,951	857,502	865,453
Total liabilities	7,951	857,502	865,453
<u>NET POSITION</u>			
Unrestricted	298,430	359,067	657,497
Total net position	\$ 298,430	\$ 359,067	\$ 657,497

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Transportation</u>	<u>Employee Insurance</u>	<u>Totals</u>
Operating revenues:			
Charges for services	\$ 149,940	\$ 2,769,331	\$ 2,919,271
Total operating revenues	<u>149,940</u>	<u>2,769,331</u>	<u>2,919,271</u>
Operating expenses:			
Student transportation services	342,981		342,981
Premiums		3,143,194	3,143,194
Total operating expenses	<u>342,981</u>	<u>3,143,194</u>	<u>3,486,175</u>
Operating income (loss)	<u>(193,041)</u>	<u>(373,863)</u>	<u>(566,904)</u>
Nonoperating revenues (expenses):			
Investment income	2,244	4,210	6,454
Total nonoperating revenues (expenses)	<u>2,244</u>	<u>4,210</u>	<u>6,454</u>
Changes in net position	<u>(190,797)</u>	<u>(369,653)</u>	<u>(560,450)</u>
Total net position, beginning of year, as restated	489,227	728,720	1,217,947
Total net position, end of year	<u>\$ 298,430</u>	<u>\$ 359,067</u>	<u>\$ 657,497</u>

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING STATEMENT OF CASH FLOWS - ALL INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013

	<u>Transportation</u>	<u>Employee Insurance</u>	<u>Totals</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>			
Cash flows from operating activities:			
Cash received from charges for services	\$ 149,940	\$ 2,169,331	\$ 2,319,271
Cash payments to suppliers for goods and services	<u>(335,030)</u>	<u>(2,285,692)</u>	<u>(2,620,722)</u>
Net cash provided by (used for) operating activities	<u>(185,090)</u>	<u>(116,361)</u>	<u>(301,451)</u>
Cash flows from investing activities:			
Investment income	<u>2,244</u>	<u>4,210</u>	<u>6,454</u>
Net cash provided by investing activities	<u>2,244</u>	<u>4,210</u>	<u>6,454</u>
Net increase (decrease) in cash and cash equivalents	<u>(182,846)</u>	<u>(112,151)</u>	<u>(294,997)</u>
Cash and cash equivalents, beginning of year, as restated	<u>489,227</u>	<u>728,720</u>	<u>1,217,947</u>
Cash and cash equivalents, end of year	<u>\$ 306,381</u>	<u>\$ 616,569</u>	<u>\$ 922,950</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>			
Operating income (loss)	\$ (193,041)	\$ (373,863)	\$ (566,904)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Changes in assets and liabilities:			
Increase in accounts receivable		(600,000)	(600,000)
Increase in accrued payroll and employee benefits	7,951		7,951
Increase in accounts payable		<u>857,502</u>	<u>857,502</u>
Total adjustments	<u>7,951</u>	<u>257,502</u>	<u>265,453</u>
Net cash provided by (used for) operating activities	<u>\$ (185,090)</u>	<u>\$ (116,361)</u>	<u>\$ (301,451)</u>

AGENCY FUNDS

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

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

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2013

	Student Activities	Employee Withholding	Totals
<u>ASSETS</u>			
Cash and investments	\$ 110,724	\$ 191,563	\$ 302,287
Total assets	\$ 110,724	\$ 191,563	\$ 302,287
 <u>LIABILITIES</u>			
Deposits held for others	\$	\$ 191,563	\$ 191,563
Due to student groups	110,724		110,724
Total liabilities	\$ 110,724	\$ 191,563	\$ 302,287

QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2013

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ <u>117,413</u>	\$ <u>211,113</u>	\$ <u>217,802</u>	\$ <u>110,724</u>
Total assets	\$ <u><u>117,413</u></u>	\$ <u><u>211,113</u></u>	\$ <u><u>217,802</u></u>	\$ <u><u>110,724</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>117,413</u>	\$ <u>211,113</u>	\$ <u>217,802</u>	\$ <u>110,724</u>
Total liabilities	\$ <u><u>117,413</u></u>	\$ <u><u>211,113</u></u>	\$ <u><u>217,802</u></u>	\$ <u><u>110,724</u></u>
<u>EMPLOYEE WITHHOLDING FUND</u>				
<u>Assets</u>				
Cash and investments	\$ <u>281,859</u>	\$ <u>10,476,088</u>	\$ <u>10,566,384</u>	\$ <u>191,563</u>
Total assets	\$ <u><u>281,859</u></u>	\$ <u><u>10,476,088</u></u>	\$ <u><u>10,566,384</u></u>	\$ <u><u>191,563</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>281,859</u>	\$ <u>10,476,088</u>	\$ <u>10,566,384</u>	\$ <u>191,563</u>
Total liabilities	\$ <u><u>281,859</u></u>	\$ <u><u>10,476,088</u></u>	\$ <u><u>10,566,384</u></u>	\$ <u><u>191,563</u></u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ <u>399,272</u>	\$ <u>10,687,201</u>	\$ <u>10,784,186</u>	\$ <u>302,287</u>
Total assets	\$ <u><u>399,272</u></u>	\$ <u><u>10,687,201</u></u>	\$ <u><u>10,784,186</u></u>	\$ <u><u>302,287</u></u>
<u>Liabilities</u>				
Deposits held for others	281,859	10,476,088	10,566,384	191,563
Due to student groups	<u>117,413</u>	<u>211,113</u>	<u>217,802</u>	<u>110,724</u>
Total liabilities	\$ <u><u>399,272</u></u>	\$ <u><u>10,687,201</u></u>	\$ <u><u>10,784,186</u></u>	\$ <u><u>302,287</u></u>

(This page intentionally left blank)

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.

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

	Fiscal Year Ended June 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net Position:					
Net investment in capital assets	\$ 66,456,875	\$ 67,381,487	\$ 64,655,506	\$ 63,793,016	\$ 63,604,011
Restricted	7,392,501	8,991,884	9,285,149	7,940,465	8,130,887
Unrestricted	8,501,459	8,042,657	8,340,009	14,372,858	7,126,370
Total net position	<u><u>\$ 82,350,835</u></u>	<u><u>\$ 84,416,028</u></u>	<u><u>\$ 82,280,664</u></u>	<u><u>\$ 86,106,339</u></u>	<u><u>\$ 78,861,268</u></u>
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net Position:					
Net investment in capital assets	\$ 58,058,474	\$ 41,714,868	\$ 42,651,748	\$ 35,352,934	\$ 23,980,847
Restricted	8,918,610	8,156,076	9,889,703	7,065,115	7,214,256
Unrestricted	4,793,066	5,118,611	(806,039)	326,171	2,222,000
Total net position	<u><u>\$ 71,770,150</u></u>	<u><u>\$ 54,989,555</u></u>	<u><u>\$ 51,735,412</u></u>	<u><u>\$ 42,744,220</u></u>	<u><u>\$ 33,417,103</u></u>

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

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

	Fiscal Year Ended June 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenses					
Instruction	\$ 21,870,474	\$ 22,806,535	\$ 25,469,481	\$ 22,463,400	\$ 23,824,526
Support services - students and staff	4,346,679	4,133,729	3,721,124	3,619,639	3,256,501
Support services - administration	4,913,962	4,039,139	4,078,970	3,774,973	3,495,391
Operation and maintenance of plant services	5,035,818	4,864,025	4,624,221	4,194,109	4,403,804
Student transportation services	3,173,951	2,572,302	2,759,707	2,537,094	2,794,472
Operation of non-instructional services	2,709,009	2,682,684	2,550,925	2,678,173	2,554,892
Interest on long-term debt	1,761,424	2,164,724	1,701,711	1,913,890	1,998,665
Total expenses	<u>43,811,317</u>	<u>43,263,138</u>	<u>44,906,139</u>	<u>41,181,278</u>	<u>42,328,251</u>
Program Revenues					
Charges for services:					
Instruction	1,346,885	2,157,197	1,156,518	2,935,950	4,653,737
Operation of non-instructional services	1,584,911	1,386,058	1,573,403	1,483,583	1,482,469
Other activities	336,430	281,990	241,334	182,577	102,244
Operating grants and contributions	3,364,968	3,464,539	5,457,717	3,834,782	3,064,025
Capital grants and contributions	63,496	946,245	188,495	91,108	53,382
Total program revenues	<u>6,696,690</u>	<u>8,236,029</u>	<u>8,617,467</u>	<u>8,528,000</u>	<u>9,355,857</u>
Net (Expense)/Revenue	<u>\$ (37,114,627)</u>	<u>\$ (35,027,109)</u>	<u>\$ (36,288,672)</u>	<u>\$ (32,653,278)</u>	<u>\$ (32,972,394)</u>

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenses					
Instruction	\$ 20,404,847	\$ 21,231,240	\$ 16,770,250	\$ 13,484,325	\$ 10,354,202
Support services - students and staff	2,762,388	2,641,338	2,686,689	2,057,089	1,648,926
Support services - administration	3,118,721	3,331,932	2,740,420	2,089,959	1,888,035
Operation and maintenance of plant services	3,377,888	3,443,083	3,449,246	3,206,022	3,406,551
Student transportation services	2,359,390	2,529,814	1,710,537	1,552,847	1,224,913
Operation of non-instructional services	1,946,545	2,174,926	2,473,377	1,943,658	1,637,783
Interest on long-term debt	1,301,040	1,435,948	1,092,742	1,132,666	1,013,585
Total expenses	<u>35,270,819</u>	<u>36,788,281</u>	<u>30,923,261</u>	<u>25,466,566</u>	<u>21,173,995</u>
Program Revenues					
Charges for services:					
Instruction	4,272,499	4,767,731	2,223,269	2,415,442	812,993
Operation of non-instructional services	1,366,446	1,271,368	1,458,315	1,206,517	1,007,293
Other activities	94,275	229,989	1,718,732	210,375	846,621
Operating grants and contributions	2,555,772	2,477,499	4,221,377	3,519,739	3,062,851
Capital grants and contributions	12,435	124,605	7,496,361	10,434,079	245,886
Total program revenues	<u>8,301,427</u>	<u>8,871,192</u>	<u>17,118,054</u>	<u>17,786,152</u>	<u>5,975,644</u>
Net (Expense)/Revenue	<u>\$ (26,969,392)</u>	<u>\$ (27,917,089)</u>	<u>\$ (13,805,207)</u>	<u>\$ (7,680,414)</u>	<u>\$ (15,198,351)</u>

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

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

	Fiscal Year Ended June 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net (Expense)/Revenue	\$ (37,114,627)	\$ (35,027,109)	\$ (36,288,672)	\$ (32,653,278)	\$ (32,972,394)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	10,556,181	10,378,153	8,709,558	11,630,814	8,937,858
Property taxes, levied for debt service	4,199,946	6,276,897	5,410,415	5,177,059	6,275,328
Property taxes, levied for capital outlay		641,685	3,087	571,512	1,941,941
Investment income	53,147	73,949	177,060	170,841	478,636
Unrestricted county aid	1,591,696	1,702,194	1,529,607	1,415,636	
Unrestricted state aid	17,704,187	17,913,050	16,233,632	18,536,624	19,402,889
Unrestricted federal aid	215,557	176,545	399,638	2,395,863	
Total general revenues	<u>34,320,714</u>	<u>37,162,473</u>	<u>32,462,997</u>	<u>39,898,349</u>	<u>37,036,652</u>
Changes in Net Position	<u>\$ (2,793,913)</u>	<u>\$ 2,135,364</u>	<u>\$ (3,825,675)</u>	<u>\$ 7,245,071</u>	<u>\$ 4,064,258</u>

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net (Expense)/Revenue	\$ (26,969,392)	\$ (27,917,089)	\$ (13,805,207)	\$ (7,680,414)	\$ (15,198,351)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	7,587,304	9,909,245	7,434,893	6,391,034	5,782,886
Property taxes, levied for debt service	5,141,899	4,003,039	3,003,475	2,581,787	2,336,113
Property taxes, levied for capital outlay	1,440,448	1,585,036	1,189,250	1,022,280	925,003
Investment income	605,385	531,156	344,858	178,555	201,338
Unrestricted county aid		9,650	794,491	563,634	481,307
Unrestricted state aid	28,974,951	15,280,094	9,805,326	6,878,348	6,360,688
Unrestricted federal aid					
Total general revenues	<u>43,749,987</u>	<u>31,318,220</u>	<u>22,572,293</u>	<u>17,615,638</u>	<u>16,087,335</u>
Changes in Net Position	<u>\$ 16,780,595</u>	<u>\$ 3,401,131</u>	<u>\$ 8,767,086</u>	<u>\$ 9,935,224</u>	<u>\$ 888,984</u>

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

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

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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund:					
Nonspendable	\$	\$	\$ 559,736	\$	\$
Unassigned	3,047,647	2,846,817	2,404,981		
Reserved				87,000	55,937
Unreserved				3,927,811	(672,589)
Total General Fund	<u>\$ 3,047,647</u>	<u>\$ 2,846,817</u>	<u>\$ 2,964,717</u>	<u>\$ 4,014,811</u>	<u>\$ (616,652)</u>
All Other Governmental Funds:					
Restricted	\$ 9,672,655	\$ 11,989,719	\$ 12,680,123	\$	\$
Unassigned	(7,668)				
Reserved					11,835
Unreserved, reported in:					
Special revenue funds				3,656,758	2,449,993
Capital projects funds				11,675,723	7,392,665
Debt service fund				462,312	1,803,071
Total all other governmental funds	<u>\$ 9,664,987</u>	<u>\$ 11,989,719</u>	<u>\$ 12,680,123</u>	<u>\$ 15,794,793</u>	<u>\$ 11,657,564</u>

(Continued)

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund:					
Reserved	\$ 97,697	\$ 96,326	\$ 74,651	\$ 64,388	\$ 18,964
Unreserved	(797,499)	(912,481)	(3,239,189)	(1,041,684)	1,154,799
Total General Fund	<u>\$ (699,802)</u>	<u>\$ (816,155)</u>	<u>\$ (3,164,538)</u>	<u>\$ (977,296)</u>	<u>\$ 1,173,763</u>
All Other Governmental Funds:					
Reserved	\$ 15,540	\$ 23,410	\$ 17,203	\$ 12,408	\$
Unreserved, reported in:					
Special revenue funds	1,990,409	1,172,004	2,110,452	1,081,569	810,456
Capital projects funds	14,814,716	10,468,073	6,698,955	8,338,757	3,892,869
Debt service fund	1,971,253	1,112,217	3,300,866	2,904,187	2,303,243
Total all other governmental funds	<u>\$ 18,791,918</u>	<u>\$ 12,775,704</u>	<u>\$ 12,127,476</u>	<u>\$ 12,336,921</u>	<u>\$ 7,006,568</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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Federal sources:					
Federal grants	\$ 2,768,592	\$ 3,248,936	\$ 2,621,250	\$ 2,607,013	\$ 1,657,165
State Fiscal Stabilization (ARRA)			206,352	2,395,863	
Education Jobs		14,078	917,233		
National School Lunch Program	800,212	1,134,123	997,948	965,022	744,955
Total federal sources	<u>3,568,804</u>	<u>4,397,137</u>	<u>4,742,783</u>	<u>5,967,898</u>	<u>2,402,120</u>
State sources:					
State equalization assistance	16,182,515	16,305,047	14,852,611	16,923,057	16,432,063
State grants	43,336	54,979	152,119	161,994	531,184
School Facilities Board					1,210,082
Other revenues	1,530,173	1,608,003	1,463,187	1,599,824	1,770,220
Total state sources	<u>17,756,024</u>	<u>17,968,029</u>	<u>16,467,917</u>	<u>18,684,875</u>	<u>19,943,549</u>
Local sources:					
Property taxes	14,967,942	17,497,504	14,206,124	16,929,326	16,272,129
County aid	1,591,696	1,702,194	1,529,607	1,415,636	
Food service sales	1,051,726	1,088,449	1,091,205	1,073,927	1,058,653
Investment income	46,693	72,190	172,801	148,371	478,635
Other revenues	2,239,880	2,870,045	3,036,913	3,682,622	5,361,622
Total local sources	<u>19,897,937</u>	<u>23,230,382</u>	<u>20,036,650</u>	<u>23,249,882</u>	<u>23,171,039</u>
Total revenues	<u>\$ 41,222,765</u>	<u>\$ 45,595,548</u>	<u>\$ 41,247,350</u>	<u>\$ 47,902,655</u>	<u>\$ 45,516,708</u>

(Continued)

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Federal sources:					
Federal grants	\$ 1,729,434	\$ 1,969,015	\$ 1,771,643	\$ 1,729,568	\$ 1,588,371
State Fiscal Stabilization (ARRA) Education Jobs					
National School Lunch Program	669,901	475,160	427,531	417,377	383,304
Total federal sources	<u>2,399,335</u>	<u>2,444,175</u>	<u>2,199,174</u>	<u>2,146,945</u>	<u>1,971,675</u>
State sources:					
State equalization assistance	15,284,839	13,180,719	15,801,021	15,492,617	6,236,030
State grants	144,670	105,087	125,978	123,519	49,719
School Facilities Board	11,376,637	232,406	278,608	273,170	109,955
Other revenues	2,340,414	1,874,666	2,247,346	2,203,482	886,937
Total state sources	<u>29,146,560</u>	<u>15,392,878</u>	<u>18,452,953</u>	<u>18,092,788</u>	<u>7,282,641</u>
Local sources:					
Property taxes	13,649,378	15,613,451	11,530,771	9,947,351	8,927,413
County aid	-	9,650	794,491	563,634	481,307
Food service sales	1,083,178	943,792	628,411	606,817	533,752
Investment income	605,385	531,156	224,106	256,200	164,514
Other revenues	4,650,042	5,325,296	5,777,936	3,996,505	2,749,602
Total local sources	<u>19,987,983</u>	<u>22,423,345</u>	<u>18,955,715</u>	<u>15,370,507</u>	<u>12,856,588</u>
Total revenues	<u>\$ 51,533,878</u>	<u>\$ 40,260,398</u>	<u>\$ 39,607,842</u>	<u>\$ 35,610,240</u>	<u>\$ 22,110,904</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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenditures:					
Current -					
Instruction	\$ 18,459,822	\$ 19,384,023	\$ 21,672,889	\$ 19,039,327	\$ 19,716,888
Support services - students and staff	4,336,151	3,944,558	3,278,062	3,362,298	3,191,127
Support services - administration	4,007,166	3,667,585	3,527,733	3,353,767	3,294,106
Operation and maintenance of plant services	4,790,304	4,662,920	4,354,014	3,961,052	3,858,567
Student transportation services	2,182,115	1,937,799	2,097,614	2,087,413	1,799,936
Operation of non-instructional services	2,598,476	2,599,139	2,415,905	2,553,279	2,518,427
Capital outlay	1,201,209	6,048,368	9,111,922	6,667,165	11,415,468
Debt service -					
Principal retirement	4,010,000	3,700,000	3,725,000	4,950,000	4,555,000
Interest, premium and fiscal charges	1,761,424	2,149,814	1,847,477	1,800,296	1,998,665
Bond issuance costs	83,541	83,000	217,566	287,507	
Total expenditures	<u><u>\$ 43,430,208</u></u>	<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>
Expenditures for capitalized assets	\$ 1,319,870	\$ 4,697,168	\$ 5,582,611	\$ 4,316,361	\$ 7,482,767
Debt service as a percentage of noncapital expenditures	14%	14%	12%	16%	15%

(Continued)

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenditures:					
Current -					
Instruction	\$ 18,145,299	\$ 17,643,297	\$ 15,743,499	\$ 11,694,907	\$ 9,057,911
Support services - students and staff	2,740,731	2,619,608	2,685,399	2,034,576	1,626,185
Support services - administration	3,112,161	3,109,120	2,636,988	1,952,472	1,696,107
Operation and maintenance of plant services	3,314,582	3,225,960	3,479,392	2,870,596	2,633,272
Student transportation services	1,719,673	1,766,063	3,850,375	2,246,032	1,913,240
Operation of non-instructional services	1,959,834	2,148,248	2,466,086	1,954,401	1,595,303
Capital outlay	24,101,492	9,508,302	7,699,888	12,245,899	6,104,979
Debt service -					
Principal retirement	3,580,000	5,015,000	2,360,000	1,857,596	1,354,844
Interest, premium and fiscal charges	1,261,111	1,365,233	1,097,960	1,137,884	1,013,585
Bond issuance costs	331,130	161,185		72,689	
Total expenditures	<u>\$ 60,266,013</u>	<u>\$ 46,562,016</u>	<u>\$ 42,019,587</u>	<u>\$ 38,067,052</u>	<u>\$ 26,995,426</u>
Expenditures for capitalized assets	\$ 23,259,607	\$ 7,011,845	\$ 10,820,357	\$ 12,470,662	\$ 6,544,480
Debt service as a percentage of noncapital expenditures	14%	17%	11%	12%	12%

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

(Concluded)

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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Excess (deficiency) of revenues over expenditures	\$ (2,207,443)	\$ (2,581,658)	\$ (11,000,832)	\$ (159,449)	\$ (6,930,808)
Other financing sources (uses):					
General obligation bonds issued			6,000,000	8,735,000	
Refunding bonds issued	3,540,000		3,265,000		
Premium on sale of bonds	186,466	68,090	472,735	173,913	
Issuance of school improvement bonds		2,265,000			
Transfers in	111,403	72,156	283,868	85,297	628,833
Transfers out	(111,403)	(72,156)	(283,868)	(85,297)	(628,833)
Payment to refunded bond escrow agent	(3,642,925)		(3,374,403)		
Total other financing sources (uses)	<u>83,541</u>	<u>2,333,090</u>	<u>6,363,332</u>	<u>8,908,913</u>	
Changes in fund balances	<u>\$ (2,123,902)</u>	<u>\$ (248,568)</u>	<u>\$ (4,637,500)</u>	<u>\$ 8,749,464</u>	<u>\$ (6,930,808)</u>
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Excess (deficiency) of revenues over expenditures	\$ (8,732,135)	\$ (6,301,618)	\$ (2,411,745)	\$ (2,456,812)	\$ (4,884,522)
Other financing sources (uses):					
General obligation bonds issued	14,580,000	9,265,000		5,578,274	
Premium on sale of bonds	291,201	153,467			
Transfers in	290,400	196,704	65,819	43,729	56,060
Transfers out	(290,400)	(196,704)	(65,819)	(43,729)	(56,060)
Total other financing sources (uses)	<u>14,871,201</u>	<u>9,418,467</u>		<u>5,578,274</u>	
Changes in fund balances	<u>\$ 6,139,066</u>	<u>\$ 3,116,849</u>	<u>\$ (2,411,745)</u>	<u>\$ 3,121,462</u>	<u>\$ (4,884,522)</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							
2013	\$ 136,000,880	\$ 135,565,394	\$ 32,871,036	\$ 78,392,861	\$ 226,044,449	7.61	\$2,320,598,230	9.74	%
2012	146,125,930	154,514,779	21,736,252	83,153,792	239,223,169	7.43	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	21,868,547	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	5.55	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	9.10	1,108,440,115	12.17	
2004					106,755,604	9.81	834,201,253	12.80	

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	\$ 58,777,356	\$ 54,619,273	\$ 100,317,286	\$ 95,003,683	\$ 52,902,088
Agricultural and Vacant	29,777,660	38,598,304	81,369,826	136,014,540	145,968,032
Residential (Owner Occupied)	123,602,375	133,122,309	160,505,884	198,572,692	205,046,856
Residential (Rental)	12,256,867	11,293,783	11,747,623	12,369,076	10,262,306
Railroad, Private Cars and Airlines	1,608,835	1,564,406	1,696,824	1,753,649	1,935,255
Historical Property	13,973	16,652	125,974	15,890	164,190
Certain Government Property Improvements	7,383	8,442			
Total	\$ 226,044,449	\$ 239,223,169	\$ 355,763,417	\$ 443,729,530	\$ 416,278,727

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Commercial, Industrial, Utilities and Mining	\$ 46,533,609	\$ 44,082,072	\$ 40,933,669	\$ 42,143,963	\$ 39,003,137
Agricultural and Vacant	116,929,213	70,334,491	52,249,651	45,489,231	33,195,024
Residential (Owner Occupied)	159,464,089	80,411,490	62,724,440	45,108,260	33,300,104
Residential (Rental)	8,407,726	4,017,215	1,664,024	1,026,021	871,465
Railroad, Private Cars and Airlines	1,671,804	1,175,953	1,145,837	1,090,534	385,874
Historical Property	169,685				
Certain Government Property Improvements					
Total	\$ 333,176,126	\$ 200,021,221	\$ 158,717,621	\$ 134,858,009	\$ 106,755,604

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

**QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	26 %	22 %	28 %	21 %	13 %
Agricultural and Vacant	13	16	23	31	35
Residential (Owner Occupied)	55	56	46	45	50
Residential (Rental)	5	5	3	3	2
Railroad, Private Cars and Airlines	1	1			
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Commercial, Industrial, Utilities and Mining	14 %	22 %	26 %	31 %	37 %
Agricultural and Vacant	35	35	33	34	31
Residential (Owner Occupied)	47	40	39	33	31
Residential (Rental)	3	2	1	1	1
Railroad, Private Cars and Airlines	1	1	1	1	0
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

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

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

Fiscal Year Ended June 30	Overlapping Rates							District Direct Rates		
	State	County	County Free	Flood Control District	Community College District	Fire District Assistance	East Valley Institute of Technology School District No. 401	Primary	Secondary	Total
	Equalization	County	Library							
2013	0.47	1.24	0.05	0.10	1.38	0.01	0.05	4.55	3.06	7.61
2012	0.43	1.24	0.05	0.18	1.21	0.01	0.05	3.84	3.59	7.43
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	N/A	1.03	0.04	0.14	0.94	0.01	0.05	3.43	2.03	5.46
2008	N/A	2.47	0.04	0.15	0.98	0.01	0.05	3.50	2.05	5.55
2007	N/A	2.74	0.05	0.20	1.06	0.01	0.05	7.27	2.77	10.04
2006	N/A	2.79	0.05	0.21	1.03	0.01	0.06	5.52	3.05	8.57
2005	N/A	2.79	0.05	0.21	1.04	0.01	0.10	6.05	3.05	9.10
2004	N/A	2.79	0.05	0.21	1.08	0.01	0.10	6.84	2.97	9.81

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

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

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

<u>Taxpayer</u>	<u>2013</u>		<u>2004</u>	
	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation
VHS Acquisition Corporation	\$ 5,726,891	2.53 %	\$ 2,503,050	2.34 %
Walmart Stores, Inc.	5,077,357	2.25	2,661,470	2.49
Desert Sky Mall LLC	4,653,510	2.06		
Abraxis Bioscience, Inc.	4,612,766	2.04		
Qwest Corporation	3,304,302	1.46	6,780,413	6.35
River Oaks Apartments	3,292,600	1.46	3,200,101	3.00
Del Mar Terrace Apartments	2,482,587	1.10	2,788,207	2.61
Vintage Apts LP	1,985,780	0.88	2,281,260	2.14
Desert Sky Esplanade LLC	1,932,945			
Red Mountain Asset Fund I LLC	1,853,247			
Westpen Associates			5,576,414	
John F. Long			3,960,521	
Southwest Gas Corporation			2,819,891	2.64
C-Acquisition Co., Inc.			2,344,629	2.20
Total	<u>\$ 34,921,985</u>	<u>13.77 %</u>	<u>\$ 34,915,957</u>	<u>23.77 %</u>

Source: The source of this information is the Maricopa 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
2013	\$ 17,252,220	\$ 16,212,703	93.97 %	\$	\$ 16,212,703	93.97 %
2012	18,487,658	17,411,556	94.18	928,938	18,340,494	99.20
2011	16,435,235	14,149,430	86.09	2,280,133	16,429,563	99.97
2010	19,375,272	16,671,448	86.04	2,085,781	18,757,229	96.81
2009	18,712,204	16,518,212	88.28	2,021,643	18,539,855	99.08
2008	15,289,991	14,143,364	92.50	1,092,576	15,235,940	99.65
2007	18,413,723	16,783,263	91.15	1,627,400	18,410,663	99.98
2006	12,159,137	11,525,085	94.79	631,012	12,156,097	99.97
2005	10,577,741	10,130,346	95.77	445,496	10,575,842	99.98
2004	9,309,455	8,869,392	95.27	438,773	9,308,165	99.99

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	
2013	\$ 40,575,000	\$ 83,507	\$ 40,491,493	1.74 %	\$ 1,538	\$	\$ 40,575,000	1.75 %	\$ 1,541	0.03 %	
2012	44,275,000	1,524,431	42,750,569	1.73	2,394		44,275,000	1.79	2,480	0.03	
2011	42,010,000	665,359	41,344,641	1.23	2,315		42,010,000	1.25	2,353	0.03	
2010	44,685,000	4,950,000	39,735,000	0.99	2,247		44,685,000	1.12	2,527	0.03	
2009	40,505,000	4,555,000	35,950,000	0.98	2,115		40,505,000	1.11	2,383	0.03	
2008	44,085,000	3,580,000	40,505,000	1.38	2,545		44,085,000	1.50	2,770	0.04	
2007	34,520,000	5,015,000	29,505,000	1.70	1,916		34,520,000	1.99	2,242	0.03	
2006	25,322,838	2,475,000	22,847,838	1.69	2,025		25,322,838	1.87	2,244	0.02	
2005	27,688,056	2,360,000	25,328,056	2.29	3,420		27,688,056	2.50	3,739	0.03	
2004	23,920,000	1,857,596	22,062,404	2.64	4,059	52,596	23,972,596	2.87	4,411	0.02	

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, 2013**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa County Community College District	\$ 614,995,000	0.72 %	\$ 4,427,964
City of Mesa	262,980,000	2.35	<u>6,180,030</u>
Subtotal, Overlapping Debt			<u>10,607,994</u>
Direct:			
Queen Creek Unified School District No. 95			<u>40,575,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 51,182,994</u></u>

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

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

**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 2013:

Secondary assessed valuation	\$ 226,044,449
Debt limit (10% of assessed value)	22,604,445
Debt applicable to limit	33,530,000
Legal debt margin	<u>\$ (10,925,555)</u>

Total Legal Debt Margin Calculation for Fiscal Year 2013:

Secondary assessed valuation	\$ 226,044,449
Debt limit (30% of assessed value)	67,813,335
Debt applicable to limit	40,575,000
Legal debt margin	<u>\$ 27,238,335</u>

Fiscal Year Ended June 30

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Debt Limit	\$ 67,813,335	\$ 71,766,951	\$ 106,729,025	\$ 133,118,859	\$ 124,883,618
Total net debt applicable to limit	<u>40,575,000</u>	<u>44,275,000</u>	<u>42,010,000</u>	<u>44,685,000</u>	<u>40,505,000</u>
Legal debt margin	<u>\$ 27,238,335</u>	<u>\$ 27,491,951</u>	<u>\$ 64,719,025</u>	<u>\$ 88,433,859</u>	<u>\$ 84,378,618</u>
Total net debt applicable to the limit as a percentage of debt limit	60%	62%	39%	34%	32%
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Debt Limit	\$ 99,952,838	\$ 60,006,366	\$ 47,615,286	\$ 40,457,403	\$ 32,026,681
Total net debt applicable to limit	<u>44,085,000</u>	<u>34,520,000</u>	<u>25,322,838</u>	<u>27,688,056</u>	<u>23,920,000</u>
Legal debt margin	<u>\$ 55,867,838</u>	<u>\$ 25,486,366</u>	<u>\$ 22,292,448</u>	<u>\$ 12,769,347</u>	<u>\$ 8,106,681</u>
Total net debt applicable to the limit as a percentage of debt limit	44%	58%	53%	68%	75%

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.

**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>
2013	3,942,169	\$ 147,374,500	\$ 39,300	9.1 %	27,963
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

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

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

<u>Employer</u>	<u>2013</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	706	34.48 %	625	37.03 %
Walmart	331	16.17		-
Canyon State Academy	300	14.66	200	11.85
Target	182	8.89		-
Town of Queen Creek, Arizona	152	7.43	180	10.66
Home Depot	132	6.45		-
Kohl's	92	4.49		-
Bashas	62	3.03		-
Safeway	60	2.93	175	10.37
Paradise Bakery	30	1.47		-
Alliance Lumber		-	90	5.33
Queen Creek Water Company		-	30	1.78
Total	<u>2,047</u>	<u>100.00 %</u>	<u>1,300</u>	<u>77.02 %</u>
Total employment	<u>2,047</u>		<u>1,688</u>	

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

Note: Information prior to 2005 is not available. In addition, information was only available for the six largest employers in 2005.

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

	Full-time Equivalent Employees as of June 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Supervisory					
Consultants/supervisors of instruction	10	9	4	4	4
Principals	7	6	7	7	7
Assistant principals	4	4	8	5	5
Total supervisory	<u>21</u>	<u>19</u>	<u>19</u>	<u>16</u>	<u>16</u>
Instruction					
Teachers	265	261	262	277	269
Other professionals (instructional)	4	7	3	1	
Aides	60	65	70	75	72
Total instruction	<u>329</u>	<u>333</u>	<u>335</u>	<u>353</u>	<u>341</u>
Student Services					
Librarians	1	1	1	1	1
Technicians	1	1	1	1	
Guidance counselors	8	13	7	9	10
Other professionals (noninstructional)	27	23	22	18	17
Total student services	<u>37</u>	<u>38</u>	<u>31</u>	<u>29</u>	<u>28</u>
Support and Administration					
Clerical workers	143	134	124	91	88
Unskilled laborers	86	80	83	98	109
Total support and administration	<u>229</u>	<u>214</u>	<u>207</u>	<u>189</u>	<u>197</u>
Total	<u><u>616</u></u>	<u><u>604</u></u>	<u><u>592</u></u>	<u><u>587</u></u>	<u><u>582</u></u>

(Continued)

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Supervisory					
Consultants/supervisors of instruction	6	6	5	2	3
Principals	6	6	6	5	5
Assistant principals	4	5	5	6	2
Total supervisory	<u>16</u>	<u>17</u>	<u>16</u>	<u>13</u>	<u>10</u>
Instruction					
Teachers	248	248	250	247	235
Other professionals (instructional)		1		2	
Aides	66	48	43	29	16
Total instruction	<u>314</u>	<u>297</u>	<u>293</u>	<u>278</u>	<u>251</u>
Student Services					
Librarians	1	1	2	3	4
Technicians	1	2	2	1	1
Guidance counselors	6	11	10	11	12
Other professionals (noninstructional)	17	39	38	33	23
Total student services	<u>25</u>	<u>53</u>	<u>52</u>	<u>48</u>	<u>40</u>
Support and Administration					
Clerical workers	73	72	73	61	55
Unskilled laborers	104	168	114	88	97
Total support and administration	<u>177</u>	<u>240</u>	<u>187</u>	<u>149</u>	<u>152</u>
Total	<u><u>532</u></u>	<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
2013	4,783	\$ 36,374,034	\$ 7,605	5.26 %	\$ 43,811,317	\$ 9,160	6.07 %	265	18.0	28.1 %
2012	5,010	36,196,024	7,225	(0.41)	43,263,138	8,635	(1.01)	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	(24.09)	35,270,819	7,280	(28.35)	248	19.5	25.2
2007	3,621	30,512,296	8,426	(10.99)	36,788,281	10,160	7.11	248	14.6	18.8
2006	3,260	30,861,739	9,467	12.71	30,923,261	9,486	0.90	250	13.0	27.4
2005	2,709	22,752,984	8,399	1.53	25,466,566	9,401	(0.59)	247	11.0	29.6
2004	2,239	18,522,018	8,272	7.19	21,173,995	9,457	N/A	235	9.5	30.9

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.

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

	Fiscal Year Ended June 30									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Schools										
Elementary										
Buildings	4	4	4	4	4	4	4	4	4	3
Square feet	254,144	254,144	254,144	254,144	252,817	252,817	252,814	229,144	229,144	166,144
Capacity	3,176	3,176	3,176	3,176	3,160	3,160	3,160	2,851	2,851	2,063
Enrollment	1,806	2,205	2,029	2,647	2,256	2,410	2,029	2,007	7,715	1,166
Middle										
Buildings	2	2	2	2	2	1	1	1	1	1
Square feet	241,261	241,261	241,261	241,261	241,261	131,446	131,446	131,446	131,446	131,446
Capacity	1,993	1,993	1,993	1,993	1,993	1,041	1,041	1,041	1,041	1,041
Enrollment	1,468	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	241,571	239,201	239,201	239,201	239,201	235,015	235,015	235,015	235,015	194,168
Capacity	1,993	1,993	1,993	1,993	1,993	1,956	1,956	1,956	1,956	1,618
Enrollment	1,674	1,581	1,679	1,694	1,750	1,774	1,525	1,311	992	776

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