

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80

Comprehensive Annual Financial Report

for the Fiscal Year Ended June 30, 2011



CHANDLER UNIFIED SCHOOL DISTRICT NO. 80

CHANDLER, ARIZONA

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

Issued by:
Business and Finance Department

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	i
ASBO Certificate of Excellence	vii
Organizational Chart	viii
List of Principal Officials	ix
 <u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (Required Supplementary Information)	5
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Assets	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 Assets	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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80

TABLE OF CONTENTS (Cont'd)

<u>FINANCIAL SECTION (Cont'd)</u>	<u>Page</u>
BASIC FINANCIAL STATEMENTS (Concl'd)	
Statement of Fiduciary Assets and Liabilities	29
Notes to Financial Statements	30
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (Required Supplementary Information)	
General Fund	52
Note to Required Supplementary Information	53
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds – By Fund Type	59
Special Revenue Funds:	
Combining Balance Sheet	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	68
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	74
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	98

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80

TABLE OF CONTENTS (Cont'd)

<u>FINANCIAL SECTION (Concl'd)</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES (Concl'd)	
Capital Projects Funds:	
Combining Balance Sheet	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	102
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	104
Agency Funds:	
Combining Statement of Fiduciary Assets and Liabilities	112
Combining Statement of Changes in Fiduciary Assets and Liabilities	114
<u>STATISTICAL SECTION</u>	
Financial Trends:	
Net Assets by Component	116
Expenses, Program Revenues, and Net (Expense)/Revenue	117
General Revenues and Total Changes in Net Assets	119
Fund Balances – Governmental Funds	121
Governmental Funds Revenues	123
Governmental Funds Expenditures and Debt Service Ratio	125
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	127

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80

TABLE OF CONTENTS (Concl'd)

<u>STATISTICAL SECTION (Concl'd)</u>	<u>Page</u>
Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property	128
Direct and Overlapping Property Tax Rates	129
Principal Property Taxpayers	130
Property Tax Levies and Collections	131
Debt Capacity:	
Outstanding Debt by Type	132
Direct and Overlapping Governmental Activities Debt	133
Legal Debt Margin Information	134
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	135
Principal Employers	136
Operating Information:	
Full-Time Equivalent District Employees by Type	137
Operating Statistics	139
Capital Assets Information	140

(This page intentionally left blank)

INTRODUCTORY SECTION

(This page intentionally left blank)



CHANDLER UNIFIED SCHOOL DISTRICT NO. 80

James T. Perry Administration Center • 1525 West Frye Road • Chandler, Arizona 85224
(480) 812-7000 • FAX: (480) 812-7015

"Dedicated to Excellence"

Camille Casteel, Ed.D., Superintendent

December 22, 2011

Citizens and Governing Board
Chandler Unified School District No. 80
1525 West Frye Road
Chandler, Arizona 85224

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 Chandler Unified School District No. 80 (District) for the fiscal year ended June 30, 2011.

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

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

Governing Board

Annette Auxier
(480) 786-3544

Karen M. Bredeson
(480) 718-9124

David F. Evans
(480) 797-8585

Barbara Mozden
(480) 497-5703

Robert J.C. Rice
(480) 963-0307

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 preschool 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, and bookstore and athletic functions.

The District encompasses 79 square miles in the southeastern portion of Maricopa County and is located approximately 20 miles southeast of the City of Phoenix. The District includes both urban and rural populations.

Approximately 38,000 students are served in 29 elementary schools, seven junior highs, four comprehensive high schools and two alternative schools, Chandler Early College on the campus of Chandler Gilbert Community College and Hill Learning Academy. Community support for a bond election in 2010 will enable the District to open a thirtieth elementary school in 2012.

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

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

District Accomplishments

Student and staff success define the Chandler Unified School District. Beginning in 2011, schools and school districts receive a letter grade from A through F as part of Arizona LEARNS. Chandler Unified is one of only 14 districts in Arizona to earn a coveted "A" grade.

The District's dropout rate of 0.9 percent is below the state and national averages. Student success is also measured by achievement on the AIMS scores (above state averages) and college tuition earned (\$56 million for the graduating class of 2011).

Because of the outstanding educational programs offered in the Chandler Unified School District, schools have earned A+ recognition from the Arizona Educational Foundation or Blue Ribbon status 47 times since 1983.

The year 2011 proved to be a banner year for recognition of staff, students and schools. Superintendent Dr. Camille Casteel received an eSchool News Tech-Savvy Superintendent national award. Hamilton High School's "We the People...The Citizens and the Constitution" team captured a state title.

Chandler high schools are consistently among the best in Arizona year after year. In 2011, the Hamilton High girls' soccer team and Chandler girls' track and field squad won state championships. It was the Wolves' sixth straight state title. Basha, Chandler, Hamilton and Perry swept the top four positions in the State Division II marching band championships.

Staff accolades include Cindy Pino of Perry High earning a 2012 Teacher Ambassador for Excellence and Leticia Rodriguez-Davis of Hartford Sylvia Encinas Elementary earning a Rodel Foundation Exemplary Teacher Award.

The Chandler Unified School District embraces accountability as a means to improve student performance and we strive to perform at levels greater than state and national standards. Our Governing Board has adopted a 10-year strategic plan called Journey 2020 to position CUSD as a premier district of choice. At the heart of Journey 2020 are strategies centered around:

- 1) student achievement;
- 2) outstanding staff;
- 3) effective resource management;
- 4) culture of success.

We invite you to learn about Journey 2020 on our web site at ww2.chandler.k12.az.us.

Chandler Unified has earned a reputation as a district that offers challenging curriculum, including a self-contained program for gifted students called Chandler Academically Talented Students (CATS), honors, Advanced Placement and International Baccalaureate programs. CUSD collaborates well with parents, staff and the community in all aspects of education, including joint-use cooperative efforts. To leverage taxpayer dollars, the District has partnered with the City of Chandler and Town of Gilbert to build and operate the Chandler Center for the Arts, municipal libraries, municipal pools and a transportation complex.

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 City of Phoenix is the capital and largest city of Arizona and is the county seat as well. Phoenix was founded in 1870 and incorporated in 1881. The city encompasses an area of over 500 square miles. Phoenix is the fifth most populous city in the United States and according to the 2005 census, the population of the city was 1,475,834. The Phoenix metropolitan area is the population and economic activity center of the entire state. Phoenix is one of the leaders in the economics of the Southwestern area of the United States. It enjoys a highly diversified economic base consisting of manufacturing, agriculture, tourism, construction, education, distribution centers, finance and retailing.

The Phoenix metropolitan area and the rest of Maricopa County have struggled financially in the past couple of years along with the rest of the State. While the economy has slowed, the Phoenix metropolitan area still includes Honeywell International, Inc., Banner Health Systems, Wal-Mart Stores, Inc., Wells Fargo Company and Bashes'.

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 2010 population was estimated at 3,817,117 and is still expected to reach 6 million by 2030. Maricopa County has a very wide range of economic sectors supporting it, and for some time, the County enjoyed an unemployment rate that was somewhat lower than the national average.

Long-term Financial Planning. The District’s Mission is “to provide students with the knowledge, skills and attitude necessary to be lifelong learners and responsible citizens.” The District’s Vision Statement stresses four key points: student success, parent satisfaction, staff which experiences accomplishment, and a community which takes pride in its school system.

Keeping our mission and vision in mind, our ten-year strategic plan, Journey 2020, has been designed to establish Chandler Unified School District as a district of choice and focuses on ensuring academic excellence, outstanding staff, effective resource management, and a culture of success.

The Chandler Unified School District continues to experience growth, with an annual increase of approximately 1,000 students. The district opened Chandler Traditional Junior High and an alternative school, Hill Learning Academy, in 2009. Carlson Elementary (K-6) and Arizona College Prep - Erie Campus (7-12) will open in July 2012. It is projected the district will need two more elementary schools.

Chandler Unified School District is proud of how it has managed its resources in an era of restricted budgets and accountability. Management has built a contingency fund in excess of \$25 million.

The District has also achieved some of the highest bond ratings in the State of Arizona. The District currently maintains a bond rating of “Aa3” from Moody’s and “AA” from Standard and Poor’s.

AWARDS AND ACKNOWLEDGMENT


Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2010. In order to be awarded this certificate, 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.

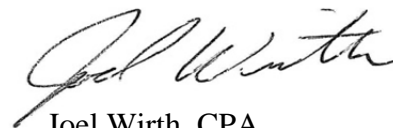
This certificate is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs’ requirements and we are submitting it to ASBO and the Government Financial Officers Association (GFOA) to determine its eligibility for the fiscal year 2010-11 certificates.


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

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

Respectfully submitted,


Dr. Camille Casteel
Superintendent of Schools


Joel Wirth, CPA
Chief Financial Officer


Jeanette Polvani
Chief Financial Officer



This Certificate of Excellence in Financial Reporting is presented to

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80

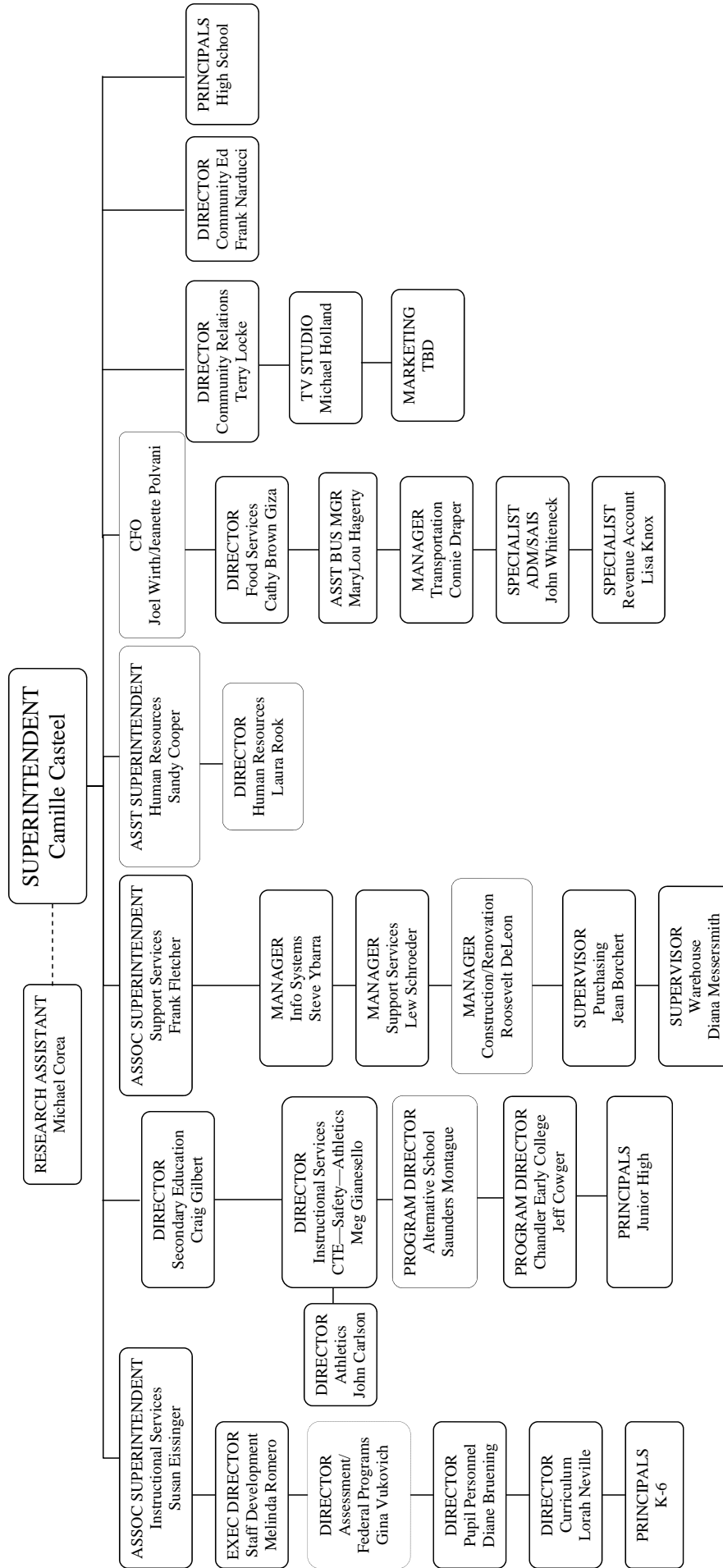
For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2010

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

President

Executive Director

CHANDLER UNIFIED SCHOOL DISTRICT
2010-11 ORGANIZATIONAL CHART



CHANDLER UNIFIED SCHOOL DISTRICT NO. 80

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Barbara Mozdzen
President

Annette Auxier
Member

Robert J.C. Rice
Vice President

Karen Bredeson
Member

David Evans
Member

ADMINISTRATIVE STAFF

Dr. Camille Casteel
Superintendent of Schools

Joel Wirth, CPA
Chief Financial Officer

Jeanette Polvani
Chief Financial Officer

Susan Eissinger
Associate Superintendent for Instructional Services

Frank Fletcher
Associate Superintendent for Support Services

Sandy Cooper
Associate Superintendent for Human Resources

Craig Gilbert
Director of Secondary Education

(This page intentionally left blank)

FINANCIAL SECTION

(This page intentionally left blank)



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



INDEPENDENT AUDITORS' REPORT

Governing Board
Chandler Unified School District No. 80

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chandler Unified School District No. 80 (District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Chandler Unified School District No. 80, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2011, on our consideration of Chandler Unified School District No. 80's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

December 22, 2011

Page 2

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

(This page intentionally left blank)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

As management of the Chandler Unified School District No. 80 (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, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net assets of governmental activities increased \$6.8 million which represents a 2 percent increase from the prior fiscal year which was not significant.
- General revenues accounted for \$238.8 million in revenue, or 81 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$55.7 million or 19 percent of total current fiscal year revenues.
- The District had approximately \$287.6 million in expenses related to governmental activities, an increase of 4 percent from the prior fiscal year.
- Among major funds, the General Fund had \$203.2 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$202.6 million in expenditures. The General Fund's fund balance increase from \$24.9 million at the prior fiscal year end to \$26.0 million at the end of the current fiscal year was primarily due to increased property tax revenues.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

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

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

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

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

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

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)

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, the fiduciary funds do not have a measurement focus.

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$383.4 million at the current fiscal year end.

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

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

	As of June 30, 2011	As of June 30, 2010
Current assets	\$ 190,073,445	\$ 161,733,296
Capital assets, net	459,920,375	467,810,055
Total assets, net	<u>649,993,820</u>	<u>629,543,351</u>
Current and other liabilities	27,846,760	43,791,194
Long-term liabilities	238,795,786	207,800,750
Total liabilities	<u>266,642,546</u>	<u>251,591,944</u>
Net assets:		
Invested in capital assets, net of related debt	290,792,490	280,973,330
Restricted	48,221,343	62,487,821
Unrestricted	44,337,441	34,490,256
Total net assets	<u>\$ 383,351,274</u>	<u>\$ 377,951,407</u>

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

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

- The principal retirement of \$19.1 million of bonds and \$413,595 of bond premium.
- The addition of \$7.9 million in capital assets through the construction of new schools, and other school improvements and purchases of vehicles, furniture and equipment.
- The issuance of \$45.0 million of school improvement bonds.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

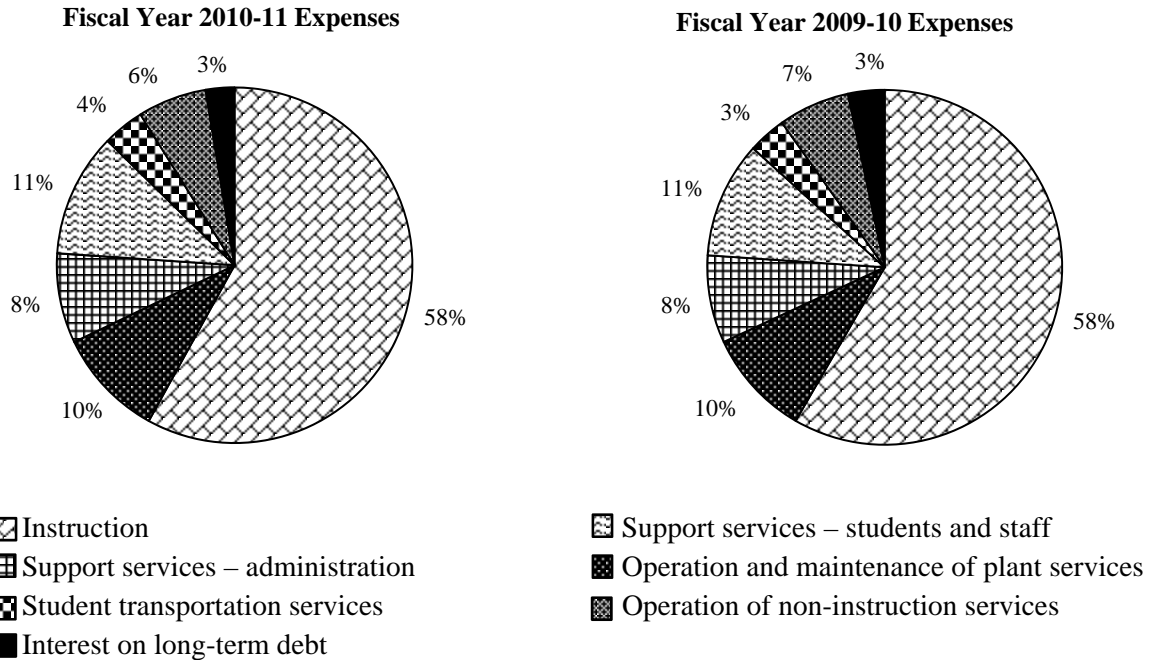
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Changes in net assets. The District's total revenues for the current fiscal year were \$294.5 million. The total cost of all programs and services was \$287.6 million. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2011 and June 30, 2010.

	<u>Fiscal Year Ended June 30, 2011</u>	<u>Fiscal Year Ended June 30, 2010</u>
Revenues:		
Program revenues:		
Charges for services	\$ 23,920,448	\$ 16,802,967
Operating grants and contributions	30,477,791	50,531,358
Capital grants and contributions	1,261,054	1,190,231
General revenues:		
Property taxes	108,359,075	113,653,018
Investment income	1,214,554	1,148,586
Unrestricted county aid	10,490,730	9,566,820
Unrestricted state aid	117,269,988	105,884,804
Unrestricted federal aid	1,458,310	2,141,289
Total revenues	<u>294,451,950</u>	<u>300,919,073</u>
Expenses:		
Instruction	166,877,011	161,837,168
Support services – students and staff	28,394,163	26,960,045
Support services – administration	23,509,661	22,166,871
Operation and maintenance of plant services	32,392,290	29,459,009
Student transportation services	10,881,130	9,607,141
Operation of non-instructional services	18,061,525	18,044,380
Interest on long-term debt	7,496,046	9,205,810
Total expenses	<u>287,611,826</u>	<u>277,280,424</u>
Change in net assets	<u>\$ 6,840,124</u>	<u>\$ 23,638,649</u>

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)



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

- An increase of \$11.4 million in unrestricted state aid due to increased student enrollment.
- A decrease of \$20.1 million in operating grants and contributions due to decreases in funding under the American Reinvestment and Recovery Act.

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.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

	Year Ended June 30, 2011		Year Ended June 30, 2010	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 166,877,011	\$(141,550,748)	\$ 161,837,168	\$ (121,920,937)
Support services – students and staff	28,394,163	(22,832,162)	26,960,045	(20,328,422)
Support services – administration	23,509,661	(23,191,919)	22,166,871	(21,398,881)
Operation and maintenance of plant services	32,392,290	(30,096,060)	29,459,009	(29,099,523)
Student transportation services	10,881,130	(10,524,411)	9,607,141	(9,404,135)
Operation of non-instructional services	18,061,525	3,738,813	18,044,380	2,601,840
Interest on long-term debt	7,496,046	(7,496,046)	9,205,810	(9,205,810)
Total	<u>\$ 287,611,826</u>	<u>\$ (231,952,533)</u>	<u>\$ 277,280,424</u>	<u>\$ (208,755,868)</u>

- The cost of all governmental activities this year was \$287.6 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$55.7 million.
- Net cost of governmental activities of \$232.0 million was financed by general revenues, which are made up of primarily property taxes of \$108.4 million and state and county aid of \$127.8 million

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$132.1 million, an increase of \$43.8 million due primarily to the issuance of \$45.0 million of school improvement bonds.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

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

The General Fund comprises 20 percent of the total fund balance. Approximately \$22.6 million, or 87 percent of the General Fund's fund balance constitutes unassigned fund balance.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$1.1 million to \$26.0 million as of fiscal year end was a result of increased property tax revenues. General Fund revenues increased \$1.5 million which was not significant. General Fund expenditures increased \$4.3 million, or 2 percent.

The fund balance of the Debt Service Fund decreased \$2.6 million to \$3.2 million as of fiscal year end as a result of the principal retirement of bonds and bond premium.

The Fund balance of the Bond Building Fund increased \$40.4 million to \$58.7 million as of fiscal year end as a result of the issuance of \$45.0 million of school improvement bonds.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget due to increased enrollment. The difference between the original budget and the final amended budget was a \$12.3 million increase, or 6 percent.

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

- The favorable variance of \$13.2 million in instructional expenditures was primarily a result of salary expenditures budgeted in the General Fund but paid by the Education Jobs Grant.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$622.9 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$7.8 million from the prior fiscal year, primarily due to HVAC upgrades and the construction of a new school. Total depreciation expense for the current fiscal year was \$15.7 million.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

CAPITAL ASSETS AND DEBT ADMINISTRATION (Concl'd)

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

	<u>As of June 30, 2011</u>	<u>As of June 30, 2010</u>
Capital assets – non-depreciable	\$ 56,740,306	\$ 57,802,459
Capital assets – depreciable, net	403,180,069	410,007,596
Total	<u>\$ 459,920,375</u>	<u>\$ 467,810,055</u>

The estimated cost to complete current construction projects is \$26.5 million.

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

Debt Administration. At year end, the District had \$227.8 million in long-term debt outstanding, \$16.9 million due within one year. This represents a net increase of \$25.5 million due to the issuance of \$45.0 million in school improvement bonds.

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 \$808.0 million and the Class B debt limit is \$269.3 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 8 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 2011-12 budget. Among them:

- Fiscal year 2010-11 budget balance carry forward (estimated \$7,065,250).
- District student population (estimated 39,384).

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

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

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 6 percent to \$197.3 million in fiscal year 2011-12. Budgeted expenditures decreased because the District does not include carryover or student growth figures in the adopted budget. The District anticipates revising the budget to include these figures later in the year. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2011-12 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Chandler Unified School District No. 80, 1525 West Frye Road, Chandler, Arizona 85224.

BASIC FINANCIAL STATEMENTS

(This page intentionally left blank)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental Activites
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 133,305,074
Property taxes receivable	13,879,080
Accounts receivable	93,734
Due from governmental entities	41,080,878
Inventory	1,714,679
Total current assets	190,073,445
Noncurrent assets:	
Land	53,953,851
Land improvements	45,602,200
Buildings and improvements	481,888,459
Vehicles, furniture and equipment	38,692,652
Construction in progress	2,786,455
Accumulated depreciation	(163,003,242)
Total noncurrent assets	459,920,375
Total assets	649,993,820
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	3,768,688
Construction contracts payable	1,739,072
Accrued payroll and employee benefits	1,787,813
Compensated absences payable	2,142,317
Accrued interest payable	5,467,616
Unearned revenues	83,571
Bonds payable	15,995,000
Bond premium payable	900,767
Tax anticipation notes payable	15,000,000
Total current liabilities	46,884,844
Noncurrent liabilities:	
Non-current portion of long-term obligations	219,757,702
Total noncurrent liabilities	219,757,702
Total liabilities	266,642,546
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	290,792,490
Restricted for:	
Special purposes	24,850,769
Debt service	3,690,387
Capital outlay	19,680,187
Unrestricted	44,337,441
Total net assets	\$ 383,351,274

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 166,877,011	\$ 5,577,144	\$ 18,488,065	\$ 1,261,054	\$ (141,550,748)
Support services - students and staff	28,394,163	629,734	4,932,267		(22,832,162)
Support services - administration	23,509,661		317,742		(23,191,919)
Operation and maintenance of plant services	32,392,290	1,877,912	418,318		(30,096,060)
Student transportation services	10,881,130		356,719		(10,524,411)
Operation of non-instructional services	18,061,525	15,835,658	5,964,680		3,738,813
Interest on long-term debt	7,496,046				(7,496,046)
Total governmental activities	<u>\$ 287,611,826</u>	<u>\$ 23,920,448</u>	<u>\$ 30,477,791</u>	<u>\$ 1,261,054</u>	<u>(231,952,533)</u>
General revenues:					
Taxes:					
					82,014,404
					26,344,671
					1,214,554
					10,490,730
					117,269,988
					1,458,310
					<u>238,792,657</u>
					6,840,124
					<u>376,511,150</u>
					<u>\$ 383,351,274</u>

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

(This page intentionally left blank)

FUND FINANCIAL STATEMENTS

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2011

	General	Debt Service	Bond Building
<u>ASSETS</u>			
Cash and investments	\$ 7,305,086	\$ 25,217,815	\$ 60,436,954
Property taxes receivable	13,043,125	835,955	
Accounts receivable	4,978		
Due from governmental entities	34,954,974		
Due from other funds			
Inventory	1,242,381		
Total assets	\$ 56,550,544	\$ 26,053,770	\$ 60,436,954
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 2,389,749	\$	\$
Construction contracts payable			1,739,072
Due to other funds			
Accrued payroll and employee benefits	491,668		
Deferred revenues	12,670,426	537,061	
Bonds payable		15,995,000	
Bond premium payable		900,767	
Bond interest payable		5,467,616	
Tax anticipation notes payable	15,000,000		
Total liabilities	30,551,843	22,900,444	1,739,072
Fund balances (deficits):			
Nonspendable	1,242,381		
Restricted		3,153,326	58,697,882
Assigned	2,170,447		
Unassigned	22,585,873		
Total fund balances	25,998,701	3,153,326	58,697,882
 Total liabilities and fund balances	\$ 56,550,544	\$ 26,053,770	\$ 60,436,954

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 40,345,219	\$ 133,305,074
	13,879,080
88,756	93,734
6,125,904	41,080,878
1,536,722	1,536,722
472,298	1,714,679
<u>\$ 48,568,899</u>	<u>\$ 191,610,167</u>

\$ 1,378,939	\$ 3,768,688
	1,739,072
1,536,722	1,536,722
1,296,145	1,787,813
83,571	13,291,058
	15,995,000
	900,767
	5,467,616
	15,000,000
<u>4,295,377</u>	<u>59,486,736</u>

472,298	1,714,679
33,712,838	95,564,046
10,262,249	12,432,696
(173,863)	22,412,010
<u>44,273,522</u>	<u>132,123,431</u>
<u>\$ 48,568,899</u>	<u>\$ 191,610,167</u>

(This page intentionally left blank)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

Total governmental fund balances	\$	132,123,431
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 622,923,617	
Less accumulated depreciation	<u>(163,003,242)</u>	459,920,375
<p>Some revenues will not be available to pay for current period expenditures and, therefore, are deferred in the funds.</p>		
Property taxes	12,533,307	
Intergovernmental	<u>674,180</u>	13,207,487
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(9,584,632)	
Other postemployment benefits payable	(1,385,387)	
Bonds payable	<u>(210,930,000)</u>	<u>(221,900,019)</u>
Net assets of governmental activities	\$	<u><u>383,351,274</u></u>

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 14,336,625	\$ 227,945	\$ 239,274
Property taxes	80,662,931	26,451,511	
State aid and grants	106,077,392		
Federal aid, grants and reimbursements	2,088,044		
Total revenues	<u>203,164,992</u>	<u>26,679,456</u>	<u>239,274</u>
Expenditures:			
Current -			
Instruction	122,559,257		
Support services - students and staff	21,111,806		
Support services - administration	21,214,839		
Operation and maintenance of plant services	28,236,011		
Student transportation services	8,653,494		
Operation of non-instructional services	404,562		
Capital outlay	384,253		4,608,301
Debt service -			
Principal retirement		20,490,767	
Interest and fiscal charges		9,735,025	
Bond issuance costs			414,250
Total expenditures	<u>202,564,222</u>	<u>30,225,792</u>	<u>5,022,551</u>
Excess (deficiency) of revenues over expenditures	<u>600,770</u>	<u>(3,546,336)</u>	<u>(4,783,277)</u>
Other financing sources (uses):			
Transfers in	536,319	965,645	
Transfers out			(965,645)
Issuance of school improvement bonds			45,000,000
Premium on sale of bonds			1,158,832
Total other financing sources (uses):	<u>536,319</u>	<u>965,645</u>	<u>45,193,187</u>
Changes in fund balances	<u>1,137,089</u>	<u>(2,580,691)</u>	<u>40,409,910</u>
Fund balances, beginning of year, as restated	24,940,462	5,734,017	18,287,972
Increase (decrease) in reserve for inventory	(78,850)		
Fund balances, end of year	<u>\$ 25,998,701</u>	<u>\$ 3,153,326</u>	<u>\$ 58,697,882</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 23,088,334	\$ 37,892,178
	107,114,442
14,668,109	120,745,501
27,164,067	29,252,111
<u>64,920,510</u>	<u>295,004,232</u>
28,840,978	151,400,235
6,242,608	27,354,414
342,834	21,557,673
546,550	28,782,561
412,304	9,065,798
17,346,691	17,751,253
5,709,769	10,702,323
	20,490,767
	9,735,025
	414,250
<u>59,441,734</u>	<u>297,254,299</u>
<u>5,478,776</u>	<u>(2,250,067)</u>
	1,501,964
(536,319)	(1,501,964)
	45,000,000
	1,158,832
<u>(536,319)</u>	<u>46,158,832</u>
<u>4,942,457</u>	<u>43,908,765</u>
39,320,427	88,282,878
10,638	(68,212)
<u>\$ 44,273,522</u>	<u>\$ 132,123,431</u>

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

Net changes in fund balances - total governmental funds	\$	43,840,553
Amounts reported for <i>governmental activities</i> 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	\$ 7,906,464	
Less current year depreciation	<u>(15,714,170)</u>	(7,807,706)
Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Assets.		
Issuance of school improvement bonds		(45,000,000)
Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	1,244,633	
Intergovernmental	<u>(1,796,915)</u>	(552,282)
Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		
Bond premium	900,767	
Bond principal retirement	<u>19,590,000</u>	20,490,767
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Other postemployment benefits	(28,950)	
Deferred charges on issuance of debt	(1,121,750)	
Loss on disposal of capital assets	(81,974)	
Amortization of deferred bond items	2,616,147	
Compensated absences	<u>(5,514,681)</u>	<u>(4,131,208)</u>
Change in net assets in governmental activities	\$	<u>6,840,124</u>

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2011

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 2,332,418
Total assets	<u><u>\$ 2,332,418</u></u>
<u>LIABILITIES</u>	
Deposits held for others	\$ 1,358,190
Due to governmental entities	94,117
Due to student groups	880,111
Total liabilities	<u><u>\$ 2,332,418</u></u>

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Chandler Unified School District No. 80 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

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

A. Reporting Entity

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

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

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

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

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

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

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

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

The District reports the following major governmental funds:

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

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

Bond Building Fund – The Bond Building Fund accounts for 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 type:

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

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

D. Cash and Investments

A.R.S. require the District to deposit certain cash with the County Treasurer. That cash is pooled for investment purposes, except for cash of the Debt Service and Bond Building Funds that may be invested separately. Interest earned from investments purchased with pooled monies is allocated to each of the District's funds based on their average balances. As required by statute, interest earnings of the Bond Building Fund are recorded initially in that fund, but then transferred to the Debt Service Fund. All investments are stated at fair value.

E. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment income is included in other local revenue in the fund financial statements.

F. Receivables and Payables

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

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

G. Property Tax Calendar

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

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

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

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

H. Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

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

I. Prepaid Items

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

J. Capital Assets

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

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

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

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

Land improvements	7-50 years
Buildings and improvements	25-50 years
Vehicles, furniture and equipment	5-25 years

K. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Employees who work 20+ hours per week earn one day of sick leave for each calendar month. All sick leave rolls over to the next fiscal year without limit. All twelve-month employees working 30+ hours per week earn vacation; however, accumulated vacation should be used prior to separation. In the event of termination, an employee is reimbursed for accrued leave at varying rates depending on position of administrative, classified or support, number of days accumulated, and years of experience. The current and long-term liabilities, including related benefits, for accumulated vacation and sick leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

L. Long-term Obligations

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

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

M. Interfund Activity

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

N. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS/PRIOR PERIOD ADJUSTMENT

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

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

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

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2 – FUND BALANCE CLASSIFICATIONS/ PRIOR PERIOD ADJUSTMENT (Cont'd)

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

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

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

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

	General Fund	Debt Service Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	\$ 1,242,381	\$	\$	\$ 472,298
Restricted:				
Debt service		3,153,326		
Capital purposes				9,417,938
Bond building projects			58,697,882	
Voter approved initiatives				2,610,598
Food service				3,078,284
JTED				4,207,818
Other purposes				14,398,200
Assigned:				
Capital purposes				10,262,249
Other purposes	79,864			
Employee benefits	2,090,583			
Unassigned	<u>22,585,873</u>			<u>(173,863)</u>
Total fund balances	<u>\$ 25,998,701</u>	<u>\$ 3,153,326</u>	<u>\$ 58,697,882</u>	<u>\$ 44,273,522</u>

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2 – FUND BALANCE CLASSIFICATIONS/PRIOR PERIOD ADJUSTMENT (Concl'd)

The July 1, 2010 fund balances/net assets of the government-wide financial statements, General Fund and Non-Major Governmental Funds do not agree to the prior year financial statements for the reclassification of certain funds due to the new fund type definitions specified in GASB Statement No. 54. In addition, fund balance/net assets was restated for the correction of errors. In the prior year, there was a revenue recognition error and the balance in the Trust Investment Pool was omitted.

	Government- wide Statement of Activities	General Fund	Non-Major Governmental Funds
Fund balance, June 30, 2010, as previously reported	\$ 377,951,407	\$ 10,320,249	\$ 55,380,897
Reclassification of funds for GASB 54		15,835,670	(15,835,670)
Correction of errors:			
Trust Investment Pool omission	2,056,952	2,056,952	
Revenue recognition	(3,497,209)	(3,272,409)	(224,800)
Fund balance, July 1, 2010, as restated	\$ 376,511,150	\$ 24,940,462	\$ 39,320,427

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balances – At year end, the following individual non-major governmental funds reported deficits in fund balance.

	Deficit
Non-Major Governmental Funds:	
County, City and Town Grants	\$ 55,966
Other Federal Projects	117,897

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

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

NOTE 4 – CASH AND INVESTMENTS

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 4 – CASH AND INVESTMENTS (Concl'd)

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$2,128,808 and the bank balance was \$2,066,767. At year end all of the District’s deposits were covered by Federal depository insurance. In addition, the District had \$250 of cash on hand at year end.

The State Treasurer’s pools are external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool-Government (Pool 7), with no regulatory oversight. The pools are not required to register (and are not registered) with the Securities and Exchange Commission. The activity and performance of the pools are reviewed monthly by the State Board of Investment. The fair value of each participant’s position in the State Treasurer investment pools approximates the value of the participant’s shares in the pool and the participants’ shares are not identified with specific investments. No regulatory oversight is provided for the County Treasurer’s investment pool and that pool’s structure does not provide for shares.

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	643 days	\$ 131,417,851
Arizona School Risk Retention Trust Investment Pool	551 days	<u>2,090,583</u>
Total		<u><u>\$ 133,508,434</u></u>

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

Credit Risk. The District has no investment policy that would further limit its investment choices. As of year end, the District’s investment in the County Treasurer’s investment pool did not receive a credit quality rating from a national rating agency. Investments held in the Arizona School Risk Retention Trust Investment Pool were rated between A- and AAA by Standard and Poor’s.

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.

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 5 – RECEIVABLES

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

	General Fund	Non-Major Governmental Funds
Due from other governmental entities:		
Due from Federal government	\$ 465,917	\$ 1,687,394
Due from State government	34,450,057	3,637,472
Due from City government	39,000	
Due from other districts		801,038
Net due from governmental entities	\$ 34,954,974	\$ 6,125,904

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.

	Unavailable	Unearned
Delinquent property taxes receivable (General Fund)	\$ 11,996,246	\$
Delinquent property taxes receivable (Debt Service Fund)	537,061	
Grant drawdowns prior to meeting all eligibility requirements (Non-Major Governmental Funds)		83,571
Measurable but unavailable revenues (General Fund)	674,180	
Total deferred revenue for governmental funds	\$ 13,207,487	\$ 83,571

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 6 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 53,176,796	\$ 777,055	\$	\$ 53,953,851
Construction in progress	4,625,663	5,183,484	7,022,692	2,786,455
Total capital assets, not being depreciated	<u>57,802,459</u>	<u>5,960,539</u>	<u>7,022,692</u>	<u>56,740,306</u>
Capital assets, being depreciated:				
Land improvements	45,374,417	227,783		45,602,200
Buildings and improvements	474,113,189	7,775,270		481,888,459
Vehicles, furniture and equipment	37,870,165	965,564	143,077	38,692,652
Total capital assets being depreciated	<u>557,357,771</u>	<u>8,968,617</u>	<u>143,077</u>	<u>566,183,311</u>
Less accumulated depreciation for:				
Land improvements	(12,642,754)	(2,026,729)		(14,669,483)
Buildings and improvements	(117,500,675)	(10,592,005)		(128,092,680)
Vehicles, furniture and equipment	(17,206,746)	(3,095,436)	(61,103)	(20,241,079)
Total accumulated depreciation	<u>(147,350,175)</u>	<u>(15,714,170)</u>	<u>(61,103)</u>	<u>(163,003,242)</u>
Total capital assets, being depreciated, net	<u>410,007,596</u>	<u>(6,745,553)</u>	<u>81,974</u>	<u>403,180,069</u>
Governmental activities capital assets, net	<u>\$ 467,810,055</u>	<u>\$ (785,014)</u>	<u>\$ 7,104,666</u>	<u>\$ 459,920,375</u>

Depreciation expense was charged to governmental functions as follows.

Instruction	\$ 10,236,698
Support services – students and staff	160,914
Support services – administration	881,553
Operation and maintenance of plant services	2,891,245
Student transportation services	1,285,109
Operation of non-instructional services	258,651
Total depreciation expense – governmental activities	<u>\$ 15,714,170</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the construction of an elementary school and the conversion of another school into a high school. At year end the District had spent \$2,786,455 on the projects and had estimated remaining contractual commitments of \$26,496,062. These projects are being funded with bond proceeds.

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 7 – SHORT TERM DEBT – TAX ANTICIPATION NOTES

In August 2010, the District issued \$15,000,000 in tax anticipation notes in advance of property tax collections, depositing the proceeds in the General Fund. These notes are necessary to provide cash flow as most tax revenue is collected in November and May. Property tax revenues of the General Fund will be used to repay these notes in July 2011. Short-term debt activity for the current fiscal year, was as follows.

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax anticipation notes	\$ 28,000,000	\$ 15,000,000	\$ 28,000,000	\$ 15,000,000

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$39,315,000 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.

Purpose	Original Amount Issued	Interest Rates	Maturity	Outstanding Principal June 30, 2011	Due Within One Year
Governmental activities:					
School Improvement and Refunding Bonds, Series 1994	\$ 15,000,000	6.25%	7/1/11	\$ 2,930,000	\$ 2,930,000
Refunding Bonds, Series 1995	12,739,065	6.25%	7/1/11	900,767	900,767
Refunding Bonds, Series 1998	18,845,000	4.375%-5.20%	7/1/11-13	9,675,000	2,900,000
Refunding Bonds, Series 2004	20,000,000	2.75%-5.00%	7/1/11-16	17,435,000	1,570,000
School Improvement Bonds, Project of 2002 Series A (2003)	30,000,000	3.50%-5.00%	7/1/11-18	15,385,000	2,700,000
School Improvement Bonds, Series 2005	43,950,000	3.00% - 5.00%	7/1/11-24	37,750,000	2,100,000
School Improvement Bonds, Series 2007	50,250,000	4.00%-4.375%	7/1/11-22	46,550,000	2,795,000
School Improvement Bonds, Series 2008	58,700,000	3.00%-5.00%	7/1/11-23	52,200,000	1,000,000
School Improvement Bonds, Project of 2010 Tax-Exempt Series A-1	20,000,000	2.50%-5.00%	7/1/14-26	20,000,000	
School Improvement Bonds, Project of 2010 Federally taxable/State tax exempt Series A-2 (QSCB)	25,000,000	5.834%	7/1/25	25,000,000	
Total				\$ 227,825,767	\$ 16,895,767

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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:	Governmental Activities		
	Principal	Premium	Interest
2012	\$ 15,995,000	\$ 900,767	\$ 8,375,875
2013	16,505,000		9,178,263
2014	17,590,000		8,446,863
2015	17,545,000		7,703,094
2016	19,190,000		6,964,744
2017-21	69,375,000		24,714,275
2022-26	66,775,000		11,251,222
2027	3,950,000		98,750
Total	<u>\$ 226,925,000</u>	<u>\$ 900,767</u>	<u>\$ 76,733,086</u>

In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At year end, \$6,220,000 of defeased bonds are still outstanding.

NOTE 9 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 201,060,000	\$ 45,000,000	\$ 19,135,000	\$ 226,925,000	\$ 15,995,000
Bond premium payable	1,314,362		413,595	900,767	900,767
Compensated absences payable	4,069,951	5,514,681		9,584,632	2,142,317
Other postemployment benefits	1,356,437	430,520	401,570	1,385,387	
Governmental activity long-term liabilities	<u>\$ 207,800,750</u>	<u>\$ 50,945,201</u>	<u>\$ 19,950,165</u>	<u>\$ 238,795,786</u>	<u>\$ 19,038,084</u>

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows.

Due to/from other funds:

	Due from Non-Major Governmental Funds
Due to Non-Major Governmental Funds	\$ 1,536,722
Total	\$ 1,536,722

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 in		
	General Fund	Debt Service Fund	Total
Transfers out Bond Building Fund	\$	\$ 965,645	\$ 965,645
Non-Major Governmental Funds	536,319		536,319
Total	\$ 536,319	\$ 965,645	\$ 1,501,964

Transfers between funds were used to (1) move investment income and premium earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund 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.

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 11 – CONTINGENT LIABILITIES (Concl'd)

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

NOTE 12 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was unable to obtain insurance at a cost it considered to be economically justifiable, therefore the District joined the following pools. One of the Chief Executive Officers provides services, and is compensated accordingly, to the property and liability pool and employee health and accident insurance pools described below.

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

The District's employees have health and accident insurance coverage with the 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 amount for each insured event.

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

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

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

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

	Retirement Fund	Health Benefit Supplement Fund	Long- Term Disability Fund
Year ending June 30:			
2011	\$ 14,416,156	\$ 944,010	\$ 400,004
2010	12,826,523	1,657,631	643,740
2009	13,039,009	1,733,033	825,254

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN

Plan Description – Under authority of the Governing Board, the District provides postretirement insurance (health and dental) benefits, for certain retirees and their dependents, in accordance with the Employee Retirement Postemployment Plan. The plan is a single-employer defined benefit plan administered by the District. The plan provides medical and dental coverage for eligible retirees, their spouses and dependents and premium subsidies to retirees. To be eligible for District-paid benefits, an individual must have been hired by the District prior to July 1, 1999, completed at least 20 years of full-time employment with the District, and either attained age 55 or completed 80 points under the Arizona State Retirement System (ASRS). The retiree must also have not yet reached the age for commencement of Medicare benefits (age 65) at the time of retirement. The plan does not issue an annual financial report and it is not included in the reports of any other retirement system or entity. For the first 18 months after retirement, an eligible retiree must elect to be covered under one of the District’s three medical plan options. The District pays retiree premiums, net of \$150 ASRS subsidy, with the balance after the District’s contribution, if any, being the responsibility of the retiree. After 18 months, the retiree must transfer to ASRS in order to continue to receive a District contribution. The District then pays a monthly healthcare subsidy of \$250 to the retiree until age 65. Effective July 1, 2009, future retirees may not remain on the District medical and dental plans, they must move to another carrier. For the current fiscal year, the District contributed \$401,570 for these benefits. The District’s regular insurance providers underwrite the retiree policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. The number of participants as of the effective date of the biannual OPEB valuation, follows.

	<u>Participants</u>
Active employees	787
Retired employees	139
Total	<u>926</u>

Funding Policy – The District currently pays for postemployment benefits on a pay-as-you-go basis. These financial statements assume that pay-as-you-go funding will continue.

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN (Cont'd)

Annual required contribution	\$ 450,834
Interest on net OPEB obligation	67,484
Adjustment to annual required contribution	<u>(87,798)</u>
Annual OPEB cost (expense)	430,520
Contributions made	(401,570)
Increase in net OPEB obligation	<u>28,950</u>
Net OPEB obligation – beginning of year	<u>1,356,437</u>
Net OPEB obligation – end of year	<u>\$ 1,385,387</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ended June 30, 2011 and the two preceding years is as follows.

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2011	\$ 430,520	\$ 401,570	93.28%	\$ 1,385,387
June 30, 2010	450,834	431,894	95.80	1,356,437
June 30, 2009	1,154,172	466,904	40.45	1,357,811

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit cost between the employer and plan members to that point. The projection of future benefit payments involves estimates of the value of reported amounts and assumptions about the probability of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Amounts determined and the funded status of the plan and the annual required contributions of the District are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The more significant actuarial assumptions and methods used in the calculation of the employer contributions for the current fiscal year were as follows.

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN (Concl'd)

Valuation date	July 1, 2009
Actuarial cost method	Projected Unit Credit
Amortization method for actuarial accrued liabilities	30 years, level dollar amount
Remaining amortization period	26 years as of June 30, 2011
Discount rate	5.00%
Projected salary increases	N/A
Health care cost trend rate:	
Medical and Prescription Drug	7% graded down to an ultimate rate of 5% over 2 years
Retiree contribution increase	Consistent with medical/drug trends
ASRS subsidy increases	None
Cost of living adjustments	N/A

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

Schedule of Funding Progress – The following schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The District receives an actuarial valuation biannually, and the actuarial valuation data for three years is included in the schedule.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-1)/c)
July 1, 2009	-0-	\$ 4,511,750	\$ 4,511,750	-0-	\$ 35,874,377	12.58%
July 1, 2009	-0-	4,511,750	4,511,750	-0-	35,090,073	12.86%
July 1, 2007	-0-	7,676,052	7,676,052	-0-	151,417,900	5.07%

NOTE 15 – SUBSEQUENT EVENT

Tax Anticipation Notes

In July 2011, the District issued \$27,000,000 of tax anticipation notes in advance of property tax collections, depositing the proceeds in its General Fund.

(This page intentionally left blank)

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Other local	\$	\$	\$ 11,343,503	\$ 11,343,503
Property taxes			80,662,931	80,662,931
State aid and grants			106,077,392	106,077,392
Federal aid, grants and reimbursements			1,194,557	1,194,557
Total revenues			<u>199,278,383</u>	<u>199,278,383</u>
Expenditures:				
Regular education				
Instruction	100,916,188	109,020,515	96,489,279	12,531,236
Support services - students and staff	16,452,082	17,528,446	16,425,141	1,103,305
Support services - administration	18,993,912	20,624,535	20,770,537	(146,002)
Operation and maintenance of plant services	24,954,622	26,709,296	28,887,712	(2,178,416)
Operation of non-instructional services	266,117	283,462	372,828	(89,366)
Total regular education	<u>161,582,921</u>	<u>174,166,254</u>	<u>162,945,497</u>	<u>11,220,757</u>
Special education				
Instruction	24,278,529	23,931,555	23,317,784	613,771
Support services - students and staff	4,328,251	4,354,040	4,174,141	179,899
Support services - administration	500	500	3,656	(3,156)
Total special education	<u>28,607,280</u>	<u>28,286,095</u>	<u>27,495,581</u>	<u>790,514</u>
Pupil transportation				
Student transportation services	8,033,111	8,091,464	8,542,198	(450,734)
Total pupil transportation	<u>8,033,111</u>	<u>8,091,464</u>	<u>8,542,198</u>	<u>(450,734)</u>
Dropout prevention programs				
Instruction	107,505	107,505	66,011	41,494
Support services - students and staff			41,494	(41,494)
Total dropout prevention programs	<u>107,505</u>	<u>107,505</u>	<u>107,505</u>	
Total expenditures	<u>198,330,817</u>	<u>210,651,318</u>	<u>199,090,781</u>	<u>11,560,537</u>
Changes in fund balances	<u>(198,330,817)</u>	<u>(210,651,318)</u>	<u>187,602</u>	<u>210,838,920</u>
Fund balances, beginning of year, as restated			6,982,737	6,982,737
Increase (decrease) in reserve for prepaid items			2,245,517	2,245,517
Increase (decrease) in reserve for inventory			(78,850)	(78,850)
Fund balances (deficits), end of year	<u>\$ (198,330,817)</u>	<u>\$ (210,651,318)</u>	<u>\$ 9,337,006</u>	<u>\$ 219,988,324</u>

See accompanying notes to this schedule.

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

	<u>Total Expenditures</u>	<u>Increase in Prepaid Items</u>	<u>Fund Balance, June 30, 2011</u>	<u>Fund Balance, July 1, 2010</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 202,564,222	\$	\$ 25,998,701	\$ 24,940,462
Fiscal year 2010-11 activity budgeted as special revenue funds	(2,946,168)		(14,187,593)	(13,110,257)
Fiscal year 2010-11 activity budgeted as capital projects funds	(272,790)		(2,474,102)	(2,347,468)
Fiscal year 2011-12 insurance payments charged against fiscal year 2010-11 budget	2,245,517	2,245,517		
Fiscal year 2010-11 insurance payments budgeted in 2009-10	<u>(2,500,000)</u>			<u>(2,500,000)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 199,090,781</u>	<u>\$ 2,245,517</u>	<u>\$ 9,337,006</u>	<u>\$ 6,982,737</u>

(This page intentionally left blank)

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

(This page intentionally left blank)

GOVERNMENTAL FUNDS

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2011

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 21,714,084	\$ 18,631,135	\$ 40,345,219
Accounts receivable	88,254	502	88,756
Due from governmental entities	4,627,712	1,498,192	6,125,904
Due from other funds	1,536,722		1,536,722
Inventory	472,298		472,298
Total assets	\$ 28,439,070	\$ 20,129,829	\$ 48,568,899
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 929,297	\$ 449,642	\$ 1,378,939
Due to other funds	1,536,722		1,536,722
Accrued payroll and employee benefits	1,296,145		1,296,145
Deferred revenues	83,571		83,571
Total liabilities	3,845,735	449,642	4,295,377
Fund balances (deficits):			
Nonspendable	472,298		472,298
Restricted	24,294,900	9,417,938	33,712,838
Assigned		10,262,249	10,262,249
Unassigned	(173,863)		(173,863)
Total fund balances	24,593,335	19,680,187	44,273,522
 Total liabilities and fund balances	 \$ 28,439,070	 \$ 20,129,829	 \$ 48,568,899

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2011

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 22,447,326	\$ 641,008	\$ 23,088,334
State aid and grants	12,132,919	2,535,190	14,668,109
Federal aid, grants and reimbursements	27,164,067		27,164,067
Total revenues	<u>61,744,312</u>	<u>3,176,198</u>	<u>64,920,510</u>
Expenditures:			
Current -			
Instruction	28,262,848	578,130	28,840,978
Support services - students and staff	6,135,708	106,900	6,242,608
Support services - administration	322,571	20,263	342,834
Operation and maintenance of plant services	546,550		546,550
Student transportation services	412,304		412,304
Operation of non-instructional services	17,346,691		17,346,691
Capital outlay	3,555,251	2,154,518	5,709,769
Total expenditures	<u>56,581,923</u>	<u>2,859,811</u>	<u>59,441,734</u>
Excess (deficiency) of revenues over expenditures	<u>5,162,389</u>	<u>316,387</u>	<u>5,478,776</u>
Other financing sources (uses):			
Transfers out	(536,319)		(536,319)
Total other financing sources (uses):	<u>(536,319)</u>		<u>(536,319)</u>
Changes in fund balances	<u>4,626,070</u>	<u>316,387</u>	<u>4,942,457</u>
Fund balances, beginning of year, as restated	19,956,627	19,363,800	39,320,427
Increase (decrease) in reserve for inventory	10,638		10,638
Fund balances, end of year	<u>\$ 24,593,335</u>	<u>\$ 19,680,187</u>	<u>\$ 44,273,522</u>

SPECIAL REVENUE FUNDS

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

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

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

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

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

Compensatory Instruction - to account for monies received for programs in addition to normal classroom instruction to improve the English proficiency of current English language learners.

Title I Grants - to account for financial assistance received for the purpose of improving the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards.

Professional Development and Technology Grants - to account for financial assistance received to increase student academic achievement through improving teacher quality.

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

Indian Education - to account for financial assistance received for Indian education at preschool, elementary, secondary and adult levels.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,385,482	\$ 245,743	\$
Accounts receivable			
Due from governmental entities	1,565,426	573,854	
Due from other funds			
Inventory			
Total assets	<u><u>\$ 2,950,908</u></u>	<u><u>\$ 819,597</u></u>	<u><u>\$</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 29,724
Due to other funds			24,467
Accrued payroll and employee benefits	1,159,907		1,775
Deferred revenues			
Total liabilities	<u><u>1,159,907</u></u>	<u><u></u></u>	<u><u>55,966</u></u>
Fund balances (deficits):			
Nonspendable			
Restricted	1,791,001	819,597	
Unassigned			(55,966)
Total fund balances	<u><u>1,791,001</u></u>	<u><u>819,597</u></u>	<u><u>(55,966)</u></u>
Total liabilities and fund balances	<u><u>\$ 2,950,908</u></u>	<u><u>\$ 819,597</u></u>	<u><u>\$</u></u>

<u>Structured English Immersion</u>	<u>Compensatory Instruction</u>	<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Indian Education</u>
\$ 13,281	\$ 67	\$	\$	\$	\$
		609,217	418,903	68,560	11,222
<u>\$ 13,281</u>	<u>\$ 67</u>	<u>\$ 609,217</u>	<u>\$ 418,903</u>	<u>\$ 68,560</u>	<u>\$ 11,222</u>
\$	\$	\$ 38,219	\$ 10,000	\$	\$
		565,638	408,058	66,442	11,222
		5,360	845	2,118	
<u>13,281</u>	<u>67</u>	<u>609,217</u>	<u>418,903</u>	<u>68,560</u>	<u>11,222</u>
<u>13,281</u>	<u>67</u>	<u>609,217</u>	<u>418,903</u>	<u>68,560</u>	<u>11,222</u>
<u>\$ 13,281</u>	<u>\$ 67</u>	<u>\$ 609,217</u>	<u>\$ 418,903</u>	<u>\$ 68,560</u>	<u>\$ 11,222</u>

(Continued)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	Special Education Grants	Johnson O'Malley	Vocational Education
<u>ASSETS</u>			
Cash and investments	\$	\$	\$
Accounts receivable			
Due from governmental entities	363,273	113	42,664
Due from other funds			
Inventory			
Total assets	\$ 363,273	\$ 113	\$ 42,664
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 56,189	\$	\$ 132
Due to other funds	306,736	113	40,899
Accrued payroll and employee benefits	348		1,633
Deferred revenues			
Total liabilities	363,273	113	42,664
Fund balances (deficits):			
Nonspendable			
Restricted			
Unassigned			
Total fund balances			
Total liabilities and fund balances	\$ 363,273	\$ 113	\$ 42,664

<u>Homeless Education</u>	<u>Other Federal Projects</u>	<u>State Vocational Education</u>	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>
\$	\$	\$ 53,382	\$ 19,542	\$ 3,460,681	\$ 6,819,015
3,838	1,053			42,327	7,840
				168,551	
				472,298	
<u>\$ 3,838</u>	<u>\$ 1,053</u>	<u>\$ 53,382</u>	<u>\$ 19,542</u>	<u>\$ 4,143,857</u>	<u>\$ 6,826,855</u>
\$	\$	\$	\$	\$	\$
3,838	7,136	658	1,728	545,985	28,721
	109,309				
	2,505				
				47,290	14,588
		52,724	315		
		17,499			
<u>3,838</u>	<u>118,950</u>	<u>53,382</u>	<u>19,542</u>	<u>593,275</u>	<u>43,309</u>
				472,298	
				3,078,284	6,783,546
	(117,897)				
	(117,897)				
				<u>3,550,582</u>	<u>6,783,546</u>
<u>\$ 3,838</u>	<u>\$ 1,053</u>	<u>\$ 53,382</u>	<u>\$ 19,542</u>	<u>\$ 4,143,857</u>	<u>\$ 6,826,855</u>

(Continued)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>
<u>ASSETS</u>			
Cash and investments	\$ 3,917,635	\$ 2,101,583	\$ 1,335
Accounts receivable	38,087		
Due from governmental entities			
Due from other funds	1,536,722		
Inventory			
Total assets	<u><u>\$ 5,492,444</u></u>	<u><u>\$ 2,101,583</u></u>	<u><u>\$ 1,335</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 142,463	\$ 57,472	\$ 207
Due to other funds			
Accrued payroll and employee benefits	59,203	258	
Deferred revenues			
Total liabilities	<u><u>201,666</u></u>	<u><u>57,730</u></u>	<u><u>207</u></u>
Fund balances (deficits):			
Nonspendable			
Restricted	5,290,778	2,043,853	1,128
Unassigned			
Total fund balances	<u><u>5,290,778</u></u>	<u><u>2,043,853</u></u>	<u><u>1,128</u></u>
Total liabilities and fund balances	<u><u>\$ 5,492,444</u></u>	<u><u>\$ 2,101,583</u></u>	<u><u>\$ 1,335</u></u>

<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Joint Technical Education</u>	<u>Totals</u>
\$ 120,017	\$ 158,878	\$ 3,417,443	\$ 21,714,084
			88,254
		801,038	4,627,712
			1,536,722
			472,298
<u>\$ 120,017</u>	<u>\$ 158,878</u>	<u>\$ 4,218,481</u>	<u>\$ 28,439,070</u>
		\$ 10,663	\$ 929,297
			1,536,722
			1,296,145
			83,571
		<u>10,663</u>	<u>3,845,735</u>
			472,298
120,017	158,878	4,207,818	24,294,900
<u>120,017</u>	<u>158,878</u>	<u>4,207,818</u>	<u>(173,863)</u>
			24,593,335
<u>\$ 120,017</u>	<u>\$ 158,878</u>	<u>\$ 4,218,481</u>	<u>\$ 28,439,070</u>

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$ 4,407	\$ 3,736	\$
State aid and grants	9,410,869	1,352,271	214,500
Federal aid, grants and reimbursements			
Total revenues	9,415,276	1,356,007	214,500
Expenditures:			
Current -			
Instruction	6,777,615	649,698	
Support services - students and staff	674,905		151,351
Support services - administration			1,710
Operation and maintenance of plant services			3,437
Student transportation services			
Operation of non-instructional services			
Capital outlay			105,782
Total expenditures	7,452,520	649,698	262,280
Excess (deficiency) of revenues over expenditures	1,962,756	706,309	(47,780)
Other financing sources (uses):			
Transfers out			(8,186)
Total other financing sources (uses):			(8,186)
Changes in fund balances	1,962,756	706,309	(55,966)
Fund balances (deficits), beginning of year	(171,755)	113,288	
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ 1,791,001	\$ 819,597	\$ (55,966)

<u>Structured English Immersion</u>	<u>Compensatory Instruction</u>	<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Indian Education</u>
\$	\$	\$	\$	\$	\$
111,778		4,467,194	926,961	257,974	41,580
<u>111,778</u>		<u>4,467,194</u>	<u>926,961</u>	<u>257,974</u>	<u>41,580</u>
111,778	10,948	2,961,625		45,858	8,160
		1,253,136	896,672	195,823	32,061
		96,920		8,202	
		7,555			
		1,898		6,066	
		5,974			
<u>111,778</u>	<u>10,948</u>	<u>4,327,108</u>	<u>896,672</u>	<u>255,949</u>	<u>40,221</u>
	(10,948)	140,086	30,289	2,025	1,359
		(140,086)	(30,289)	(2,025)	(1,359)
		<u>(140,086)</u>	<u>(30,289)</u>	<u>(2,025)</u>	<u>(1,359)</u>
	(10,948)				
	10,948				
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Special Education Grants	Johnson O'Malley	Vocational Education
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	7,146,960	4,009	324,641
Total revenues	7,146,960	4,009	324,641
Expenditures:			
Current -			
Instruction	5,175,315	2,172	58,902
Support services - students and staff	1,450,682	480	174,193
Support services - administration	37,509		1,208
Operation and maintenance of plant services	380		
Student transportation services	77,055		
Operation of non-instructional services			
Capital outlay	178,175	1,282	82,438
Total expenditures	6,919,116	3,934	316,741
Excess (deficiency) of revenues over expenditures	227,844	75	7,900
Other financing sources (uses):			
Transfers out	(227,844)	(75)	(7,900)
Total other financing sources (uses):	(227,844)	(75)	(7,900)
Changes in fund balances			
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$	\$	\$

<u>Homeless Education</u>	<u>Other Federal Projects</u>	<u>State Vocational Education</u>	<u>Gifted</u>	<u>Other State Projects</u>	<u>Food Service</u>
\$	\$	\$	\$	\$	\$
		286,328	107	757,066	7,477,507
7,028	7,941,017				6,046,703
<u>7,028</u>	<u>7,941,017</u>	<u>286,328</u>	<u>107</u>	<u>757,066</u>	<u>13,524,210</u>
1,845	7,259,723	64,713		703,808	
4,969	358,797	85,477	107	43,880	
	37,719	4,813		6,066	123,826
	4,053	5,486			438,933
				336	
					12,039,154
	380,281	125,839		2,976	229,317
<u>6,814</u>	<u>8,040,573</u>	<u>286,328</u>	<u>107</u>	<u>757,066</u>	<u>12,831,230</u>
214	(99,556)				692,980
(214)	(18,341)				(100,000)
<u>(214)</u>	<u>(18,341)</u>				<u>(100,000)</u>
	(117,897)				592,980
					2,946,964
					10,638
<u>\$</u>	<u>\$ (117,897)</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3,550,582</u>

(Continued)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>
Revenues:			
Other local	\$ 1,934,385	\$ 8,437,135	\$ 1,952,640
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>1,934,385</u>	<u>8,437,135</u>	<u>1,952,640</u>
Expenditures:			
Current -			
Instruction	4,458	844,343	1,587,154
Support services - students and staff		664,891	47
Support services - administration	285	238	
Operation and maintenance of plant services		21,071	7,162
Student transportation services		71,954	253,097
Operation of non-instructional services		5,307,537	
Capital outlay	107,571	129,871	42,883
Total expenditures	<u>112,314</u>	<u>7,039,905</u>	<u>1,890,343</u>
Excess (deficiency) of revenues over expenditures	<u>1,822,071</u>	<u>1,397,230</u>	<u>62,297</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>1,822,071</u>	<u>1,397,230</u>	<u>62,297</u>
Fund balances (deficits), beginning of year	4,961,475	3,893,548	1,981,556
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 6,783,546</u>	<u>\$ 5,290,778</u>	<u>\$ 2,043,853</u>

<u>Fingerprint</u>	<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Joint Technical Education</u>	<u>Totals</u>
\$ 5,203	\$ 12,193	\$ 1,472	\$ 2,618,648	\$ 22,447,326
				12,132,919
				27,164,067
<u>5,203</u>	<u>12,193</u>	<u>1,472</u>	<u>2,618,648</u>	<u>61,744,312</u>
	748		1,993,985	28,262,848
4,075	11,673		136,564	6,135,708
			58,473	322,571
			1,898	546,550
				412,304
				17,346,691
			<u>2,162,862</u>	<u>3,555,251</u>
<u>4,075</u>	<u>12,421</u>		<u>4,353,782</u>	<u>56,581,923</u>
<u>1,128</u>	<u>(228)</u>	<u>1,472</u>	<u>(1,735,134)</u>	<u>5,162,389</u>
				(536,319)
				(536,319)
<u>1,128</u>	<u>(228)</u>	<u>1,472</u>	<u>(1,735,134)</u>	<u>4,626,070</u>
	120,245	157,406	5,942,952	19,956,627
				10,638
<u>\$ 1,128</u>	<u>\$ 120,017</u>	<u>\$ 158,878</u>	<u>\$ 4,207,818</u>	<u>\$ 24,593,335</u>

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 4,407	\$ 4,407
State aid and grants		9,410,869	9,410,869
Federal aid, grants and reimbursements			
Total revenues		<u>9,415,276</u>	<u>9,415,276</u>
Expenditures:			
Current -			
Instruction	13,632,779	6,777,615	6,855,164
Support services - students and staff	1,020,357	674,905	345,452
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>14,653,136</u>	<u>7,452,520</u>	<u>7,200,616</u>
Excess (deficiency) of revenues over expenditures	<u>(14,653,136)</u>	<u>1,962,756</u>	<u>16,615,892</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(14,653,136)</u>	<u>1,962,756</u>	<u>16,615,892</u>
Fund balances (deficits), beginning of year		(171,755)	(171,755)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (14,653,136)</u>	<u>\$ 1,791,001</u>	<u>\$ 16,444,137</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 3,736	\$ 3,736	\$	\$	\$
	1,352,271	1,352,271		214,500	214,500
	<u>1,356,007</u>	<u>1,356,007</u>		<u>214,500</u>	<u>214,500</u>
1,299,466	649,698	649,768		151,351	(151,351)
				1,710	(1,710)
				3,437	(3,437)
				<u>105,782</u>	<u>(105,782)</u>
<u>1,299,466</u>	<u>649,698</u>	<u>649,768</u>		<u>262,280</u>	<u>(262,280)</u>
<u>(1,299,466)</u>	<u>706,309</u>	<u>2,005,775</u>		<u>(47,780)</u>	<u>(47,780)</u>
				<u>(8,186)</u>	<u>(8,186)</u>
				<u>(8,186)</u>	<u>(8,186)</u>
<u>(1,299,466)</u>	<u>706,309</u>	<u>2,005,775</u>		<u>(55,966)</u>	<u>(55,966)</u>
	113,288	113,288			
<u>\$ (1,299,466)</u>	<u>\$ 819,597</u>	<u>\$ 2,119,063</u>	<u>\$</u>	<u>\$ (55,966)</u>	<u>\$ (55,966)</u>

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Structured English Immersion		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants	128,971	111,778	(17,193)
Federal aid, grants and reimbursements			
Total revenues	128,971	111,778	(17,193)
Expenditures:			
Current -			
Instruction	128,971	111,778	17,193
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	128,971	111,778	17,193
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances			
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances, end of year	\$	\$	\$

Compensatory Instruction			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 15,311	\$	\$ (15,311)	\$	\$	\$
<u>15,311</u>	<u></u>	<u>(15,311)</u>	<u>5,753,554</u>	<u>4,467,194</u>	<u>(1,286,360)</u>
<u>15,311</u>	<u></u>	<u>(15,311)</u>	<u>5,753,554</u>	<u>4,467,194</u>	<u>(1,286,360)</u>
15,311	10,948	4,363	3,814,445	2,961,625	852,820
			1,613,985	1,253,136	360,849
			124,829	96,920	27,909
			9,731	7,555	2,176
			2,445	1,898	547
			<u>7,694</u>	<u>5,974</u>	<u>1,720</u>
<u>15,311</u>	<u>10,948</u>	<u>4,363</u>	<u>5,573,129</u>	<u>4,327,108</u>	<u>1,246,021</u>
	<u>(10,948)</u>	<u>(10,948)</u>	<u>180,425</u>	<u>140,086</u>	<u>(40,339)</u>
			<u>(180,425)</u>	<u>(140,086)</u>	<u>40,339</u>
			<u>(180,425)</u>	<u>(140,086)</u>	<u>40,339</u>
	<u>(10,948)</u>	<u>(10,948)</u>			
	10,948	10,948			
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	1,302,319	926,961	(375,358)
Total revenues	1,302,319	926,961	(375,358)
Expenditures:			
Current -			
Instruction			
Support services - students and staff	1,259,765	896,672	363,093
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	1,259,765	896,672	363,093
Excess (deficiency) of revenues over expenditures	42,554	30,289	(12,265)
Other financing sources (uses):			
Transfers in			
Transfers out	(42,554)	(30,289)	12,265
Total other financing sources (uses):	(42,554)	(30,289)	12,265
Changes in fund balances			
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances, end of year	\$	\$	\$

Limited English & Immigrant Students			Indian Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
708,095	257,974	(450,121)	42,972	41,580	(1,392)
<u>708,095</u>	<u>257,974</u>	<u>(450,121)</u>	<u>42,972</u>	<u>41,580</u>	<u>(1,392)</u>
125,872	45,858	80,014	8,433	8,160	273
537,502	195,823	341,679	33,135	32,061	1,074
22,513	8,202	14,311			
16,650	6,066	10,584			
<u>702,537</u>	<u>255,949</u>	<u>446,588</u>	<u>41,568</u>	<u>40,221</u>	<u>1,347</u>
<u>5,558</u>	<u>2,025</u>	<u>(3,533)</u>	<u>1,404</u>	<u>1,359</u>	<u>(45)</u>
<u>(5,558)</u>	<u>(2,025)</u>	<u>3,533</u>	<u>(1,404)</u>	<u>(1,359)</u>	<u>45</u>
<u>(5,558)</u>	<u>(2,025)</u>	<u>3,533</u>	<u>(1,404)</u>	<u>(1,359)</u>	<u>45</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	8,909,921	7,146,960	(1,762,961)
Total revenues	<u>8,909,921</u>	<u>7,146,960</u>	<u>(1,762,961)</u>
Expenditures:			
Current -			
Instruction	6,451,925	5,175,315	1,276,610
Support services - students and staff	1,808,526	1,450,682	357,844
Support services - administration	46,761	37,509	9,252
Operation and maintenance of plant services	474	380	94
Student transportation services	96,062	77,055	19,007
Operation of non-instructional services			
Capital outlay	222,126	178,175	43,951
Total expenditures	<u>8,625,874</u>	<u>6,919,116</u>	<u>1,706,758</u>
Excess (deficiency) of revenues over expenditures	<u>284,047</u>	<u>227,844</u>	<u>(56,203)</u>
Other financing sources (uses):			
Transfers in			
Transfers out	(284,047)	(227,844)	56,203
Total other financing sources (uses):	<u>(284,047)</u>	<u>(227,844)</u>	<u>56,203</u>
Changes in fund balances			
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

Johnson O'Malley			Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
4,000	4,009	9	434,017	324,641	(109,376)
<u>4,000</u>	<u>4,009</u>	<u>9</u>	<u>434,017</u>	<u>324,641</u>	<u>(109,376)</u>
2,167	2,172	(5)	78,747	58,902	19,845
479	480	(1)	232,881	174,193	58,688
			1,615	1,208	407
<u>1,279</u>	<u>1,282</u>	<u>(3)</u>	<u>110,212</u>	<u>82,438</u>	<u>27,774</u>
<u>3,925</u>	<u>3,934</u>	<u>(9)</u>	<u>423,455</u>	<u>316,741</u>	<u>106,714</u>
<u>75</u>	<u>75</u>		<u>10,562</u>	<u>7,900</u>	<u>(2,662)</u>
<u>(75)</u>	<u>(75)</u>		<u>(10,562)</u>	<u>(7,900)</u>	<u>2,662</u>
<u>(75)</u>	<u>(75)</u>		<u>(10,562)</u>	<u>(7,900)</u>	<u>2,662</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Homeless Education		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		7,028	7,028
Total revenues		<u>7,028</u>	<u>7,028</u>
Expenditures:			
Current -			
Instruction		1,845	(1,845)
Support services - students and staff		4,969	(4,969)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures		<u>6,814</u>	<u>(6,814)</u>
Excess (deficiency) of revenues over expenditures		<u>214</u>	<u>214</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(214)	(214)
Total other financing sources (uses):		<u>(214)</u>	<u>(214)</u>
Changes in fund balances			
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

Medicaid Reimbursement			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 49,983	\$ 49,983	\$	\$ 766	\$ 766
100,000	629,734	529,734	340,000	263,753	(76,247)
100,000	679,717	579,717	340,000	264,519	(75,481)
1,522	2,575	(1,053)			
91,439	154,700	(63,261)			
5,947	10,062	(4,115)	340,000	449,725	(109,725)
1,092	1,848	(756)			
100,000	169,185	(69,185)	340,000	449,725	(109,725)
	510,532	510,532		(185,206)	(185,206)
	510,532	510,532		(185,206)	(185,206)
	6,435,998	6,435,998		185,206	185,206
\$	\$ 6,946,530	\$ 6,946,530	\$	\$	\$

(Continued)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Other Federal Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	7,659,204	7,941,017	281,813
Total revenues	7,659,204	7,941,017	281,813
Expenditures:			
Current -			
Instruction	6,899,652	7,259,723	(360,071)
Support services - students and staff	341,001	358,797	(17,796)
Support services - administration	35,848	37,719	(1,871)
Operation and maintenance of plant services	3,852	4,053	(201)
Student transportation services			
Operation of non-instructional services			
Capital outlay	361,420	380,281	(18,861)
Total expenditures	7,641,773	8,040,573	(398,800)
Excess (deficiency) of revenues over expenditures	17,431	(99,556)	(116,987)
Other financing sources (uses):			
Transfers in			
Transfers out	(17,431)	(18,341)	(910)
Total other financing sources (uses):	(17,431)	(18,341)	(910)
Changes in fund balances		(117,897)	(117,897)
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$	\$ (117,897)	\$ (117,897)

State Vocational Education			Gifted		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 411,400	\$ 286,328	\$ (125,072)	\$	\$ 107	\$ 107
<u>411,400</u>	<u>286,328</u>	<u>(125,072)</u>	<u></u>	<u>107</u>	<u>107</u>
92,981	64,713	28,268			
122,815	85,477	37,338		107	(107)
6,915	4,813	2,102			
7,882	5,486	2,396			
<u>180,807</u>	<u>125,839</u>	<u>54,968</u>	<u></u>	<u>107</u>	<u>(107)</u>
<u>411,400</u>	<u>286,328</u>	<u>125,072</u>	<u></u>	<u>107</u>	<u>(107)</u>
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Other State Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants	629,739	757,066	127,327
Federal aid, grants and reimbursements			
Total revenues	<u>629,739</u>	<u>757,066</u>	<u>127,327</u>
Expenditures:			
Current -			
Instruction	585,439	703,808	(118,369)
Support services - students and staff	36,500	43,880	(7,380)
Support services - administration	5,046	6,066	(1,020)
Operation and maintenance of plant services			
Student transportation services	279	336	(57)
Operation of non-instructional services			
Capital outlay	2,475	2,976	(501)
Total expenditures	<u>629,739</u>	<u>757,066</u>	<u>(127,327)</u>
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances			
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 8,708	\$ 8,708	\$	\$ 7,477,507	\$ 7,477,507
				6,046,703	6,046,703
	<u>8,708</u>	<u>8,708</u>		<u>13,524,210</u>	<u>13,524,210</u>
			124,535	123,826	709
			441,446	438,933	2,513
			12,108,081	12,039,154	68,927
			230,630	229,317	1,313
			<u>12,904,692</u>	<u>12,831,230</u>	<u>73,462</u>
	<u>8,708</u>	<u>8,708</u>	<u>(12,904,692)</u>	<u>692,980</u>	<u>13,597,672</u>
			(100,573)	(100,000)	573
			<u>(100,573)</u>	<u>(100,000)</u>	<u>573</u>
	<u>8,708</u>	<u>8,708</u>	<u>(13,005,265)</u>	<u>592,980</u>	<u>13,598,245</u>
	71,156	71,156		2,946,964	2,946,964
				10,638	10,638
<u>\$</u>	<u>\$ 79,864</u>	<u>\$ 79,864</u>	<u>\$ (13,005,265)</u>	<u>\$ 3,550,582</u>	<u>\$ 16,555,847</u>

(Continued)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Civic Center		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 1,934,385	\$ 1,934,385
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>1,934,385</u>	<u>1,934,385</u>
Expenditures:			
Current -			
Instruction	42,669	4,458	38,211
Support services - students and staff			
Support services - administration	2,728	285	2,443
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	<u>1,029,603</u>	<u>107,571</u>	<u>922,032</u>
Total expenditures	<u>1,075,000</u>	<u>112,314</u>	<u>962,686</u>
Excess (deficiency) of revenues over expenditures	<u>(1,075,000)</u>	<u>1,822,071</u>	<u>2,897,071</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(1,075,000)</u>	<u>1,822,071</u>	<u>2,897,071</u>
Fund balances (deficits), beginning of year		4,961,475	4,961,475
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (1,075,000)</u>	<u>\$ 6,783,546</u>	<u>\$ 7,858,546</u>

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 8,437,135	\$ 8,437,135	\$	\$ 1,898,953	\$ 1,898,953
	<u>8,437,135</u>	<u>8,437,135</u>		<u>1,898,953</u>	<u>1,898,953</u>
799,010	844,343	(45,333)	1,336,429	1,302,091	34,338
629,193	664,891	(35,698)	11,298	11,008	290
225	238	(13)	22,046	21,480	566
19,940	21,071	(1,131)	126,472	123,223	3,249
68,091	71,954	(3,863)			
5,022,574	5,307,537	(284,963)	30,132	29,358	774
122,898	129,871	(6,973)	77,123	75,142	1,981
<u>6,661,931</u>	<u>7,039,905</u>	<u>(377,974)</u>	<u>1,603,500</u>	<u>1,562,302</u>	<u>41,198</u>
<u>(6,661,931)</u>	<u>1,397,230</u>	<u>8,059,161</u>	<u>(1,603,500)</u>	<u>336,651</u>	<u>1,940,151</u>
<u>(6,661,931)</u>	<u>1,397,230</u>	<u>8,059,161</u>	<u>(1,603,500)</u>	<u>336,651</u>	<u>1,940,151</u>
	3,893,548	3,893,548		1,249,733	1,249,733
<u>\$ (6,661,931)</u>	<u>\$ 5,290,778</u>	<u>\$ 11,952,709</u>	<u>\$ (1,603,500)</u>	<u>\$ 1,586,384</u>	<u>\$ 3,189,884</u>

(Continued)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,952,640	\$ 1,952,640
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		1,952,640	1,952,640
Expenditures:			
Current -			
Instruction	1,301,397	1,587,154	(285,757)
Support services - students and staff	39	47	(8)
Support services - administration			
Operation and maintenance of plant services	5,873	7,162	(1,289)
Student transportation services	207,529	253,097	(45,568)
Operation of non-instructional services			
Capital outlay	35,162	42,883	(7,721)
Total expenditures	1,550,000	1,890,343	(340,343)
Excess (deficiency) of revenues over expenditures	(1,550,000)	62,297	1,612,297
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(1,550,000)	62,297	1,612,297
Fund balances (deficits), beginning of year		1,981,556	1,981,556
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (1,550,000)	\$ 2,043,853	\$ 3,593,853

Gifts and Donations			Fingerprint		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 626,386	\$ 626,386	\$	\$ 5,203	\$ 5,203
	<u>626,386</u>	<u>626,386</u>		<u>5,203</u>	<u>5,203</u>
254,976	267,148	(12,172)			
257,093	269,365	(12,272)			
135,932	142,421	(6,489)	30,000	4,075	25,925
3,721	3,899	(178)			
2,169	2,273	(104)			
<u>72,609</u>	<u>76,075</u>	<u>(3,466)</u>			
<u>726,500</u>	<u>761,181</u>	<u>(34,681)</u>	<u>30,000</u>	<u>4,075</u>	<u>25,925</u>
<u>(726,500)</u>	<u>(134,795)</u>	<u>591,705</u>	<u>(30,000)</u>	<u>1,128</u>	<u>31,128</u>
<u>(726,500)</u>	<u>(134,795)</u>	<u>591,705</u>	<u>(30,000)</u>	<u>1,128</u>	<u>31,128</u>
	4,216,996	4,216,996			
<u>\$ (726,500)</u>	<u>\$ 4,082,201</u>	<u>\$ 4,808,701</u>	<u>\$ (30,000)</u>	<u>\$ 1,128</u>	<u>\$ 31,128</u>

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Textbooks		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 12,193	\$ 12,193
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>12,193</u>	<u>12,193</u>
Expenditures:			
Current -			
Instruction	1,204	748	456
Support services - students and staff	18,796	11,673	7,123
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>20,000</u>	<u>12,421</u>	<u>7,579</u>
Excess (deficiency) of revenues over expenditures	<u>(20,000)</u>	<u>(228)</u>	<u>19,772</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(20,000)</u>	<u>(228)</u>	<u>19,772</u>
Fund balances (deficits), beginning of year		120,245	120,245
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (20,000)</u>	<u>\$ 120,017</u>	<u>\$ 140,017</u>

Indirect Costs			Insurance Refund		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 8,902	\$ 8,902	\$	\$ 1,472	\$ 1,472
	<u>8,902</u>	<u>8,902</u>		<u>1,472</u>	<u>1,472</u>
100,000	3,775	96,225	5,000		5,000
<u>100,000</u>	<u>3,775</u>	<u>96,225</u>	<u>5,000</u>		<u>5,000</u>
<u>(100,000)</u>	<u>5,127</u>	<u>105,127</u>	<u>(5,000)</u>	<u>1,472</u>	<u>6,472</u>
	536,319	536,319			
	<u>536,319</u>	<u>536,319</u>			
<u>(100,000)</u>	<u>541,446</u>	<u>641,446</u>	<u>(5,000)</u>	<u>1,472</u>	<u>6,472</u>
	951,168	951,168		157,406	157,406
<u>\$ (100,000)</u>	<u>\$ 1,492,614</u>	<u>\$ 1,592,614</u>	<u>\$ (5,000)</u>	<u>\$ 158,878</u>	<u>\$ 163,878</u>

(Continued)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	Joint Technical Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 2,618,648	\$ 2,618,648
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>2,618,648</u>	<u>2,618,648</u>
Expenditures:			
Current -			
Instruction	2,112,891	1,993,985	118,906
Support services - students and staff	144,708	136,564	8,144
Support services - administration			
Operation and maintenance of plant services	61,960	58,473	3,487
Student transportation services	2,011	1,898	113
Operation of non-instructional services			
Capital outlay	<u>2,291,838</u>	<u>2,162,862</u>	<u>128,976</u>
Total expenditures	<u>4,613,408</u>	<u>4,353,782</u>	<u>259,626</u>
Excess (deficiency) of revenues over expenditures	<u>(4,613,408)</u>	<u>(1,735,134)</u>	<u>2,878,274</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(4,613,408)</u>	<u>(1,735,134)</u>	<u>2,878,274</u>
Fund balances (deficits), beginning of year		5,942,952	5,942,952
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (4,613,408)</u>	<u>\$ 4,207,818</u>	<u>\$ 8,821,226</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 25,041,024	\$ 25,041,024
1,185,421	12,132,919	10,947,498
25,254,082	28,057,554	2,803,472
<u>26,439,503</u>	<u>65,231,497</u>	<u>38,791,994</u>
38,989,764	29,832,087	9,157,677
8,169,595	6,422,431	1,747,164
650,432	641,172	9,260
1,027,298	1,133,459	(106,161)
395,236	414,577	(19,341)
17,160,787	17,376,049	(215,262)
4,746,968	3,708,316	1,038,652
<u>71,140,080</u>	<u>59,528,091</u>	<u>11,611,989</u>
<u>(44,700,577)</u>	<u>5,703,406</u>	<u>50,403,983</u>
	536,319	536,319
<u>(642,629)</u>	<u>(536,319)</u>	<u>106,310</u>
<u>(642,629)</u>		<u>642,629</u>
<u>(45,343,206)</u>	<u>5,703,406</u>	<u>51,046,612</u>
	33,066,884	33,066,884
	10,638	10,638
<u>\$ (45,343,206)</u>	<u>\$ 38,780,928</u>	<u>\$ 84,124,134</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.

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2011

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 227,945	\$ 227,945
Property taxes		26,451,511	26,451,511
Total revenues		<u>26,679,456</u>	<u>26,679,456</u>
Expenditures:			
Debt service -			
Principal retirement	20,490,767	20,490,767	
Interest and fiscal charges	5,930,689	9,735,025	(3,804,336)
Total expenditures	<u>26,421,456</u>	<u>30,225,792</u>	<u>(3,804,336)</u>
Excess (deficiency) of revenues over expenditures	<u>(26,421,456)</u>	<u>(3,546,336)</u>	<u>22,875,120</u>
Other financing sources (uses):			
Transfers in		965,645	965,645
Total other financing sources (uses):		<u>965,645</u>	<u>965,645</u>
Changes in fund balances	<u>(26,421,456)</u>	<u>(2,580,691)</u>	<u>23,840,765</u>
Fund balances, beginning of year		5,734,017	5,734,017
Fund balances (deficits), end of year	<u>\$ (26,421,456)</u>	<u>\$ 3,153,326</u>	<u>\$ 29,574,782</u>

CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2011

	<u>Insurance Proceeds</u>	<u>Litigation Recovery</u>	<u>Unrestricted Capital Outlay</u>
<u>ASSETS</u>			
Cash and investments	\$ 123,813	\$ 182,774	\$ 7,773,248
Accounts receivable		502	
Due from governmental entities			192,714
Total assets	<u>\$ 123,813</u>	<u>\$ 183,276</u>	<u>\$ 7,965,962</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ _____	\$ _____	\$ 125,050
Total liabilities	<u>_____</u>	<u>_____</u>	<u>125,050</u>
Fund balances:			
Restricted	123,813	183,276	7,840,912
Assigned			
Total fund balances	<u>123,813</u>	<u>183,276</u>	<u>7,840,912</u>
Total liabilities and fund balances	<u>\$ 123,813</u>	<u>\$ 183,276</u>	<u>\$ 7,965,962</u>

<u>Adjacent Ways</u>	<u>Soft Capital Allocation</u>	<u>Totals</u>
\$ 1,269,937	\$ 9,281,363	\$ 18,631,135
		502
	1,305,478	1,498,192
<u>\$ 1,269,937</u>	<u>\$ 10,586,841</u>	<u>\$ 20,129,829</u>
\$ _____	\$ 324,592	\$ 449,642
<u>_____</u>	<u>324,592</u>	<u>449,642</u>
1,269,937		9,417,938
<u>_____</u>	10,262,249	10,262,249
<u>1,269,937</u>	<u>10,262,249</u>	<u>19,680,187</u>
<u>\$ 1,269,937</u>	<u>\$ 10,586,841</u>	<u>\$ 20,129,829</u>

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2011

	<u>Insurance Proceeds</u>	<u>Litigation Recovery</u>	<u>Unrestricted Capital Outlay</u>
Revenues:			
Other local	\$ 46,865	\$ 27,064	\$ 150,875
State aid and grants			554,272
Total revenues	<u>46,865</u>	<u>27,064</u>	<u>705,147</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration		20,103	
Capital outlay	28,389		1,427,599
Total expenditures	<u>28,389</u>	<u>20,103</u>	<u>1,427,599</u>
Changes in fund balances	<u>18,476</u>	<u>6,961</u>	<u>(722,452)</u>
Fund balances, beginning of year, as restated	105,337	176,315	8,563,364
Fund balances, end of year	<u>\$ 123,813</u>	<u>\$ 183,276</u>	<u>\$ 7,840,912</u>

<u>Adjacent Ways</u>	<u>Soft Capital Allocation</u>	<u>Totals</u>
\$ 13,190	\$ 403,014	\$ 641,008
	1,980,918	2,535,190
<u>13,190</u>	<u>2,383,932</u>	<u>3,176,198</u>
	578,130	578,130
	106,900	106,900
	160	20,263
	698,530	2,154,518
	<u>1,383,720</u>	<u>2,859,811</u>
<u>13,190</u>	<u>1,000,212</u>	<u>316,387</u>
1,256,747	9,262,037	19,363,800
<u>\$ 1,269,937</u>	<u>\$ 10,262,249</u>	<u>\$ 19,680,187</u>

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2011

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 46,865	\$ 46,865
State aid and grants			
Total revenues		<u>46,865</u>	<u>46,865</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Capital outlay	85,000	28,389	56,611
Debt service -			
Bond issuance costs			
Total expenditures	<u>85,000</u>	<u>28,389</u>	<u>56,611</u>
Excess (deficiency) of revenues over expenditures	<u>(85,000)</u>	<u>18,476</u>	<u>103,476</u>
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):			
Changes in fund balances	<u>(85,000)</u>	<u>18,476</u>	<u>103,476</u>
Fund balances, beginning of year, as restated		105,337	105,337
Fund balances (deficits), end of year	<u>\$ (85,000)</u>	<u>\$ 123,813</u>	<u>\$ 208,813</u>

Litigation Recovery			Unrestricted Capital Outlay		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 27,064	\$ 27,064	\$	\$ 150,875	\$ 150,875
				554,272	554,272
	<u>27,064</u>	<u>27,064</u>		<u>705,147</u>	<u>705,147</u>
50,000	20,103	29,897	6,928,802	1,427,599	5,501,203
<u>50,000</u>	<u>20,103</u>	<u>29,897</u>	<u>6,928,802</u>	<u>1,427,599</u>	<u>5,501,203</u>
<u>(50,000)</u>	<u>6,961</u>	<u>56,961</u>	<u>(6,928,802)</u>	<u>(722,452)</u>	<u>6,206,350</u>
<u>(50,000)</u>	<u>6,961</u>	<u>56,961</u>	<u>(6,928,802)</u>	<u>(722,452)</u>	<u>6,206,350</u>
	176,315	176,315		8,563,364	8,563,364
<u>\$ (50,000)</u>	<u>\$ 183,276</u>	<u>\$ 233,276</u>	<u>\$ (6,928,802)</u>	<u>\$ 7,840,912</u>	<u>\$ 14,769,714</u>

(Continued)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2011

	Adjacent Ways		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 13,190	\$ 13,190
State aid and grants			
Total revenues		<u>13,190</u>	<u>13,190</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Capital outlay	500,000		500,000
Debt service -			
Bond issuance costs			
Total expenditures	<u>500,000</u>		<u>500,000</u>
Excess (deficiency) of revenues over expenditures	<u>(500,000)</u>	<u>13,190</u>	<u>513,190</u>
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):			
Changes in fund balances	<u>(500,000)</u>	<u>13,190</u>	<u>513,190</u>
Fund balances, beginning of year, as restated		1,256,747	1,256,747
Fund balances (deficits), end of year	<u>\$ (500,000)</u>	<u>\$ 1,269,937</u>	<u>\$ 1,769,937</u>

Soft Capital Allocation			Bond Building		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 403,014	\$ 403,014	\$	\$ 239,274	\$ 239,274
	1,980,918	1,980,918			
	2,383,932	2,383,932		239,274	239,274
2,928,125	578,130	2,349,995			
85,800	106,900	(21,100)			
	160	(160)			
1,351,215	698,530	652,685	9,583,604	4,608,301	4,975,303
				414,250	(414,250)
4,365,140	1,383,720	2,981,420	9,583,604	5,022,551	4,561,053
(4,365,140)	1,000,212	5,365,352	(9,583,604)	(4,783,277)	4,800,327
				(965,645)	(965,645)
				45,000,000	45,000,000
				1,158,832	1,158,832
				45,193,187	45,193,187
(4,365,140)	1,000,212	5,365,352	(9,583,604)	40,409,910	49,993,514
	9,262,037	9,262,037		18,287,972	18,287,972
\$ (4,365,140)	\$ 10,262,249	\$ 14,627,389	\$ (9,583,604)	\$ 58,697,882	\$ 68,281,486

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2011

	Gifts and Donations - Capital		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 399,424	\$ 399,424
State aid and grants			
Total revenues		399,424	399,424
Expenditures:			
Current -			
Instruction	100,000	41,602	58,398
Support services - students and staff			
Support services - administration			
Capital outlay	1,000,000	231,188	768,812
Debt service -			
Bond issuance costs			
Total expenditures	1,100,000	272,790	827,210
Excess (deficiency) of revenues over expenditures	(1,100,000)	126,634	1,226,634
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):			
Changes in fund balances	(1,100,000)	126,634	1,226,634
Fund balances, beginning of year, as restated		2,347,468	2,347,468
Fund balances (deficits), end of year	\$ (1,100,000)	\$ 2,474,102	\$ 3,574,102

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 1,279,706	\$ 1,279,706
	2,535,190	2,535,190
	<u>3,814,896</u>	<u>3,814,896</u>
3,028,125	619,732	2,408,393
85,800	106,900	(21,100)
50,000	20,263	29,737
19,448,621	6,994,007	12,454,614
	414,250	(414,250)
<u>22,612,546</u>	<u>8,155,152</u>	<u>14,457,394</u>
<u>(22,612,546)</u>	<u>(4,340,256)</u>	<u>18,272,290</u>
	(965,645)	(965,645)
	45,000,000	45,000,000
	1,158,832	1,158,832
	<u>45,193,187</u>	<u>45,193,187</u>
<u>(22,612,546)</u>	<u>40,852,931</u>	<u>63,465,477</u>
	39,999,240	39,999,240
<u>\$ (22,612,546)</u>	<u>\$ 80,852,171</u>	<u>\$ 103,464,717</u>

(This page intentionally left blank)

AGENCY FUNDS

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

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

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2011

	<u>Student Activities</u>	<u>Employee Insurance</u>	<u>Intergovernment al Agreements</u>
<u>ASSETS</u>			
Cash and investments	\$ 880,111	\$ 1,358,190	\$ 94,117
Total assets	<u>\$ 880,111</u>	<u>\$ 1,358,190</u>	<u>\$ 94,117</u>
<u>LIABILITIES</u>			
Deposits held for others	\$	\$ 1,358,190	\$
Due to governmental entities			94,117
Due to student groups	880,111		
Total liabilities	<u>\$ 880,111</u>	<u>\$ 1,358,190</u>	<u>\$ 94,117</u>

Totals

\$ 2,332,418
\$ 2,332,418

\$ 1,358,190
94,117
880,111
\$ 2,332,418

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2011

	<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	\$ 891,659	\$ 1,298,249	\$ 1,309,797	\$ 880,111
Total assets	<u>\$ 891,659</u>	<u>\$ 1,298,249</u>	<u>\$ 1,309,797</u>	<u>\$ 880,111</u>
<u>Liabilities</u>				
Due to student groups	\$ 891,659	\$ 1,298,249	\$ 1,309,797	\$ 880,111
Total liabilities	<u>\$ 891,659</u>	<u>\$ 1,298,249</u>	<u>\$ 1,309,797</u>	<u>\$ 880,111</u>
<u>EMPLOYEE INSURANCE FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 28,323	\$ 57,317,646	\$ 55,987,779	\$ 1,358,190
Total assets	<u>\$ 28,323</u>	<u>\$ 57,317,646</u>	<u>\$ 55,987,779</u>	<u>\$ 1,358,190</u>
<u>Liabilities</u>				
Deposits held for others	\$ 28,323	\$ 57,317,646	\$ 55,987,779	\$ 1,358,190
Total liabilities	<u>\$ 28,323</u>	<u>\$ 57,317,646</u>	<u>\$ 55,987,779</u>	<u>\$ 1,358,190</u>
<u>INTERGOVERNMENTAL AGREEMENTS</u>				
<u>Assets</u>				
Cash and investments	\$	\$ 154,992	\$ 60,875	\$ 94,117
Total assets	<u>\$</u>	<u>\$ 154,992</u>	<u>\$ 60,875</u>	<u>\$ 94,117</u>
<u>Liabilities</u>				
Due to governmental entities	\$	\$ 219,831	\$ 125,714	\$ 94,117
Total liabilities	<u>\$</u>	<u>\$ 219,831</u>	<u>\$ 125,714</u>	<u>\$ 94,117</u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 919,982	\$ 58,770,887	\$ 57,358,451	\$ 2,332,418
Total assets	<u>\$ 919,982</u>	<u>\$ 58,770,887</u>	<u>\$ 57,358,451</u>	<u>\$ 2,332,418</u>
<u>Liabilities</u>				
Deposits held for others	\$ 28,323	\$ 57,317,646	\$ 55,987,779	\$ 1,358,190
Due to governmental entities		219,831	125,714	94,117
Due to student groups	<u>891,659</u>	<u>1,298,249</u>	<u>1,309,797</u>	<u>880,111</u>
Total liabilities	<u>\$ 919,982</u>	<u>\$ 58,835,726</u>	<u>\$ 57,423,290</u>	<u>\$ 2,332,418</u>

STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net Assets:					
Invested in capital assets, net of related debt	\$ 290,792,490	\$ 280,973,330	\$ 271,346,813	\$ 274,575,054	\$ 235,668,544
Restricted	48,221,343	62,487,821	54,097,818	63,739,848	54,003,411
Unrestricted	44,337,441	34,490,256	25,391,956	20,106,379	26,707,508
Total governmental activities net assets	\$ 383,351,274	\$ 377,951,407	\$ 350,836,587	\$ 358,421,281	\$ 316,379,463
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Net Assets:					
Invested in capital assets, net of related debt	\$ 179,332,346	\$ 141,442,113	\$ 110,675,236	\$ 74,518,056	\$ 67,908,925
Restricted	45,401,862	42,650,363	43,723,391	56,895,797	16,946,099
Unrestricted	26,013,815	30,648,507	27,428,013	25,225,394	21,910,999
Total governmental activities net assets	\$ 250,748,023	\$ 214,740,983	\$ 181,826,640	\$ 156,639,247	\$ 106,766,023

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenses					
Instruction	\$ 166,877,011	\$ 161,837,168	\$ 173,594,344	\$ 164,521,068	\$ 146,936,532
Support services - students and staff	28,394,163	26,960,045	28,452,421	26,151,533	23,157,847
Support services - administration	23,509,661	22,166,871	23,604,982	20,836,773	18,881,732
Operation and maintenance of plant services	32,392,290	29,459,009	30,399,754	28,988,546	24,251,469
Student transportation services	10,881,130	9,607,141	9,969,991	7,264,375	8,750,312
Operation of non-instructional services	18,061,525	18,044,380	18,933,055	15,946,075	12,911,424
Interest on long-term debt	7,496,046	9,205,810	9,900,670	9,479,062	7,259,961
Non-capital adjacent ways site improvements					
Total expenses	287,611,826	277,280,424	294,855,217	273,187,432	242,149,277
Program Revenues					
Charges for services:					
Instruction	5,577,144	773,984	381,205	323,317	1,355,216
Support services - students and staff	629,734	765,296	381,301	305,604	
Support services - administration		88,724	20,061	12,662	
Operation and maintenance of plant	1,877,912	16,947	53,881	1,170,792	944,157
Student Transportation			55,918		
Operation of non-instructional services	15,835,658	15,158,016	15,462,819	14,218,683	6,903,187
Operating grants and contributions	30,477,791	50,531,358	36,657,368	40,082,730	35,508,968
Capital grants and contributions	1,261,054	1,190,231	2,254,464	27,149,930	44,854,185
Total program revenues	55,659,293	68,524,556	55,267,017	83,263,718	89,565,713
Net (Expense)/Revenue	\$ (231,952,533)	\$ (208,755,868)	\$ (239,588,200)	\$ (189,923,714)	\$ (152,583,564)

(Continued)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Expenses					
Instruction	\$ 136,106,510	\$ 117,137,497	\$ 102,928,570	\$ 91,482,220	\$ 78,990,986
Support services - students and staff	17,894,247	15,475,848	13,905,083	14,430,135	12,068,852
Support services - administration	15,655,690	14,209,726	13,696,264	13,367,558	11,428,940
Operation and maintenance of plant services	24,617,055	17,747,379	16,820,524	14,954,667	13,342,068
Student transportation services	8,392,464	7,954,938	9,219,075	5,842,860	4,854,079
Operation of non-instructional services	13,649,134	11,495,124	10,315,918	8,788,991	7,656,185
Interest on long-term debt	8,078,731	7,723,667	8,509,817	6,738,426	10,822,786
Non-capital adjacent ways site improvements					2,429,990
Total expenses	<u>224,393,831</u>	<u>191,744,179</u>	<u>175,395,251</u>	<u>155,604,857</u>	<u>141,593,886</u>
Program Revenues					
Charges for services:					
Instruction		55,161	3,968,613	3,024,937	1,181,182
Support services - students and staff		20,629			
Support services - administration		4,786			
Operation and maintenance of plant	1,067,364	277,114	690,811	410,401	
Student Transportation		815,548			
Operation of non-instructional services	7,093,112	6,269,126	5,947,132	4,852,043	4,979,037
Operating grants and contributions	34,497,685	29,113,583	20,711,299	16,529,516	15,720,627
Capital grants and contributions	32,606,414	14,561,698	20,030,436	34,715,013	19,675,037
Total program revenues	<u>75,264,575</u>	<u>51,117,645</u>	<u>51,348,291</u>	<u>59,531,910</u>	<u>41,555,883</u>
Net (Expense)/Revenue	<u>\$ (149,129,256)</u>	<u>\$ (140,626,534)</u>	<u>\$ (124,046,960)</u>	<u>\$ (96,072,947)</u>	<u>\$ (100,038,003)</u>

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

(Concluded)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net (Expense)/Revenue	\$ (231,952,533)	\$ (208,755,868)	\$ (239,588,200)	\$ (189,923,714)	\$ (152,583,564)
General Revenues:					
Property taxes					
Property taxes, levied for general purposes	82,014,404	86,005,833	82,338,004	71,634,769	62,017,516
Property taxes, levied for debt service	26,344,671	23,257,885	24,711,887	25,864,315	23,698,472
Property taxes, levied for capital outlay		4,389,300	508,750	3,213,099	7,159,439
Investment income	1,214,554	1,148,586	2,930,561	3,277,566	3,081,030
Unrestricted county aid	10,490,730	9,879,568			85,990
Unrestricted state aid	117,269,988	92,399,761	121,094,266	127,415,405	117,159,654
Unrestricted federal aid	1,458,310	13,172,295			
Other		2,141,289	1,635,478	560,378	5,012,903
Total Government Activities:	<u>238,792,657</u>	<u>232,394,517</u>	<u>233,218,946</u>	<u>231,965,532</u>	<u>218,215,004</u>
Changes in Net Assets	<u>\$ 6,840,124</u>	<u>\$ 23,638,649</u>	<u>\$ (6,369,254)</u>	<u>\$ 42,041,818</u>	<u>\$ 65,631,440</u>

(Continued)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Net (Expense)/Revenue	\$ (149,129,256)	\$ (140,626,534)	\$ (124,046,960)	\$ (96,072,947)	\$ (100,038,003)
General Revenues:					
Property taxes					
Property taxes, levied for general purposes	55,127,084	53,577,404	48,726,209	43,461,830	38,162,682
Property taxes, levied for debt service	23,050,821	21,281,483	19,728,173	20,103,916	19,566,798
Property taxes, levied for capital outlay	5,120,660	5,699,867	4,956,229	8,887,765	5,802,131
Investment income	2,587,993	1,897,130	872,469	866,905	1,423,404
Unrestricted county aid	7,231,471	6,337,096	5,472,988	5,064,878	4,555,019
Unrestricted state aid	88,022,699	81,821,154	73,342,752	65,726,955	58,817,953
Unrestricted federal aid					
Other	3,995,568	2,926,743	3,502,516	1,833,922	2,323,982
Total Government Activities:	<u>185,136,296</u>	<u>173,540,877</u>	<u>156,601,336</u>	<u>145,946,171</u>	<u>130,651,969</u>
Changes in Net Assets	<u>\$ 36,007,040</u>	<u>\$ 32,914,343</u>	<u>\$ 32,554,376</u>	<u>\$ 49,873,224</u>	<u>\$ 30,613,966</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)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund:					
Nonspendable	\$ 1,242,381				
Restricted					
Committed					
Assigned	2,170,447				
Unassigned	22,585,873				
Reserved		\$ 898,110	\$ 1,268,583	\$ 1,275,595	\$ 687,967
Unreserved		9,422,139	5,993,432	11,059,872	10,663,106
Total General Fund	\$ 25,998,701	\$ 10,320,249	\$ 7,262,015	\$ 12,335,467	\$ 11,351,073
All Other Governmental Funds:					
Nonspendable	\$ 472,298				
Restricted	95,564,046				
Committed					
Assigned	10,262,249				
Unassigned	(173,863)				
Reserved		\$ 461,660	\$ 408,259	\$ 353,626	\$ 422,466
Unreserved, reported in:					
Special revenue funds		33,264,821	28,674,474	32,099,550	24,820,258
Capital projects funds		5,734,017	7,518,124	8,287,982	5,779,631
Debt service fund		39,942,388	49,031,650	16,764,772	54,821,497
Total all other governmental funds	\$ 106,124,730	\$ 79,402,886	\$ 85,632,507	\$ 57,505,930	\$ 85,843,852

(Continued)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Fund:					
Reserved	\$ 562,652	\$ 717,037	\$ 790,268	\$ 708,751	\$ 655,775
Unreserved	10,407,583	16,575,477	15,475,393	13,000,822	10,269,025
Total General Fund	<u>\$ 10,970,235</u>	<u>\$ 17,292,514</u>	<u>\$ 16,265,661</u>	<u>\$ 13,709,573</u>	<u>\$ 10,924,800</u>
All Other Governmental Funds:					
Reserved	\$ 419,496	\$ 451,743	\$ 378,696	\$ 311,922	\$ 443,618
Unreserved, reported in:					
Special revenue funds	19,973,955	17,479,298	13,857,064	12,125,147	10,669,003
Capital projects funds	4,793,207	5,107,161	5,045,562	5,656,363	4,634,610
Debt service fund	28,823,580	55,079,161	24,209,917	38,802,365	5,286,007
Total all other governmental funds	<u>\$ 54,010,238</u>	<u>\$ 78,117,363</u>	<u>\$ 43,491,239</u>	<u>\$ 56,895,797</u>	<u>\$ 21,033,238</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)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Federal sources:					
Federal grants	\$ 14,993,389	\$ 13,627,566	\$ 11,885,873	\$ 10,282,581	\$ 10,199,331
State Fiscal Stabilization (ARRA)	1,194,557	13,266,976			
Education Jobs (ARRA)	7,017,462				
National School Lunch Program	6,046,703	5,445,247	4,026,765	3,769,502	3,506,021
Total federal sources	<u>29,252,111</u>	<u>32,339,789</u>	<u>15,912,638</u>	<u>14,052,083</u>	<u>13,705,352</u>
State sources:					
State equalization assistance	108,612,582	87,087,004	121,092,808	127,095,451	21,740,934
State grants	1,043,501	18,128,955	2,958,820	1,581,078	139,378,214
School Facilities Board			2,254,464	26,564,774	1,608,529
Other revenues	11,089,418	10,353,319	12,124,931	17,488,888	13,921,974
Total state sources	<u>120,745,501</u>	<u>115,569,278</u>	<u>138,431,023</u>	<u>172,730,191</u>	<u>176,649,651</u>
Local sources:					
Property taxes	107,114,442	106,475,575	105,315,825	99,895,062	92,894,992
County aid	10,490,730	9,566,820			85,990
Food service sales	7,448,743	7,643,407	7,603,643	7,098,910	6,458,773
Investment income	1,214,554	1,148,586	2,930,561	3,277,566	3,081,030
Other revenues	18,738,151	18,661,714	15,914,823	17,358,317	14,924,494
Total local sources	<u>145,006,620</u>	<u>143,496,102</u>	<u>131,764,852</u>	<u>127,629,855</u>	<u>117,445,279</u>
Total revenues	<u><u>\$ 295,004,232</u></u>	<u><u>\$ 291,405,169</u></u>	<u><u>\$ 286,108,513</u></u>	<u><u>\$ 314,412,129</u></u>	<u><u>\$ 307,800,282</u></u>

(Continued)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Federal sources:					
Federal grants	\$ 10,680,149	\$ 9,854,421	\$ 9,119,705	\$ 7,301,422	\$ 5,850,376
State Fiscal Stabilization (ARRA) Education Jobs (ARRA)					
National School Lunch Program	3,112,417	2,904,954	2,807,360	2,706,105	2,434,290
Total federal sources	<u>13,792,566</u>	<u>12,759,375</u>	<u>11,927,065</u>	<u>10,007,527</u>	<u>8,284,666</u>
State sources:					
State equalization assistance	85,630,454	80,608,888	73,342,752	65,105,229	57,908,938
State grants	34,905,241	1,110,449	20,546,635	31,789,527	20,275,112
School Facilities Board	1,319,230	14,471,617	147,816	3,255,755	1,337,580
Other revenues	12,389,986	8,554,409	7,506,576	5,432,298	6,407,321
Total state sources	<u>134,244,911</u>	<u>104,745,363</u>	<u>101,543,779</u>	<u>105,582,809</u>	<u>85,928,951</u>
Local sources:					
Property taxes	83,001,552	80,417,407	73,325,797	72,321,884	63,802,430
County aid	7,231,471	6,337,096	5,472,988	5,064,878	4,555,019
Food service sales	5,797,920	5,154,154	4,933,912	3,942,453	3,809,195
Investment income	2,587,993	1,897,130	872,469	860,686	1,423,404
Other revenues	13,447,445	13,206,650	9,788,803	7,560,093	4,675,006
Total local sources	<u>112,066,381</u>	<u>107,012,437</u>	<u>94,393,969</u>	<u>89,749,994</u>	<u>78,265,054</u>
Total revenues	<u>\$ 260,103,858</u>	<u>\$ 224,517,175</u>	<u>\$ 207,864,813</u>	<u>\$ 205,340,330</u>	<u>\$ 172,478,671</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)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenditures:					
Current -					
Instruction	\$ 151,400,235	\$ 151,675,594	\$ 162,545,125	\$ 155,380,849	\$ 144,684,544
Support services - students and staff	27,354,414	26,924,216	28,510,174	26,070,330	23,026,061
Support services - administration	21,557,673	21,411,460	22,700,240	20,898,410	18,735,914
Operation and maintenance of plant services	28,782,561	32,792,671	37,055,082	39,631,451	26,933,838
Student transportation services	9,065,798	9,939,226	9,704,720	13,283,853	9,231,317
Operation of non-instructional services	17,751,253	17,911,828	18,836,748	15,863,146	12,753,110
Capital outlay	10,702,323	7,362,435	14,123,195	46,166,521	66,334,405
Debt service -					
Judgments against the district					
Interest, premium and fiscal charges	9,735,025	9,424,601	10,137,272	9,628,353	7,381,343
Principal retirement	20,490,767	16,087,783	17,707,563	15,361,532	17,305,722
Payment to refunded bond escrow agent					
Bond issuance costs	414,250		438,565		359,310
Total expenditures	<u>\$ 297,254,299</u>	<u>\$ 293,529,814</u>	<u>\$ 321,758,684</u>	<u>\$ 342,284,445</u>	<u>\$ 326,745,564</u>
Expenditures for capitalized assets	\$ 7,906,464	\$ 15,586,238	\$ 24,470,854	\$ 73,086,576	\$ 77,737,837
Debt service as a percentage of noncapital expenditures	11%	9%	10%	9%	10%

(Continued)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Expenditures:					
Current -					
Instruction	\$ 126,133,490	\$ 109,451,390	\$ 99,028,694	\$ 87,043,061	\$ 78,431,265
Support services - students and staff	17,799,708	15,272,423	13,673,944	14,148,330	11,969,651
Support services - administration	15,704,397	13,878,997	13,016,722	13,074,856	11,507,690
Operation and maintenance of plant services	23,117,114	16,958,871	15,710,599	14,121,684	12,686,471
Student transportation services	10,179,399	8,502,398	8,585,557	5,204,297	5,249,720
Operation of non-instructional services	13,377,285	11,424,655	10,251,543	8,522,726	7,904,554
Capital outlay	58,818,356	35,663,349	34,831,170	33,922,273	24,107,140
Debt service -					
Judgments against the district					
Interest, premium and fiscal charges	8,214,100	7,757,100	8,485,015	6,800,288	11,117,255
Principal retirement	17,002,781	15,559,752	15,283,192	13,765,272	8,844,443
Payment to refunded bond escrow agent		351,548	236,935	347,432	
Bond issuance costs					
Total expenditures	<u>\$ 290,346,630</u>	<u>\$ 234,820,483</u>	<u>\$ 219,103,371</u>	<u>\$ 196,950,219</u>	<u>\$ 171,818,189</u>
Expenditures for capitalized assets	\$ 59,750,706	\$ 35,468,528	\$ 35,320,778	\$ 34,017,407	\$ 18,608,545
Debt service as a percentage of noncapital expenditures	11%	12%	13%	13%	12%

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Excess (deficiency) of revenues over expenditures	\$ (2,250,067)	\$ (2,124,645)	\$ (35,650,171)	\$ (27,872,316)	\$ (18,945,282)
Other financing sources (uses):					
General obligation bonds issued	45,000,000		58,700,000		51,031,449
Premium on sale of bonds	1,158,832		1,171,115		
Transfers in	1,501,964	456,865	348,101	247,768	284,674
Transfers out	(1,501,964)	(456,865)	(348,101)	(247,768)	(284,674)
Total other financing sources (uses)	46,158,832	-	59,871,115	-	51,031,449
Changes in fund balances	\$ 43,908,765	\$ (2,124,645)	\$ 24,220,944	\$ (27,872,316)	\$ 32,086,167
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Excess (deficiency) of revenues over expenditures	\$ (30,242,772)	\$ (10,303,308)	\$ (11,238,558)	\$ 8,390,111	\$ 660,482
Other financing sources (uses):					
General obligation bonds issued		44,807,885		30,462,320	
Refunding bonds issued			21,928,377	10,071,554	
Premium on sale of bonds					
Capital lease agreements		1,148,584			2,981,510
Transfers in	260,049	228,529	253,044	136,614	149,719
Transfers out	(260,049)	(228,529)	(253,044)	(136,614)	(149,719)
Payment to refunded bond escrow agent			(21,686,580)	(10,197,933)	
Total other financing sources (uses)	-	45,956,469	241,797	30,335,941	2,981,510
Changes in fund balances	\$ (30,242,772)	\$ 35,653,161	\$ (10,996,761)	\$ 38,726,052	\$ 3,641,992

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Real Property		Personal Property	Total Assessed Value	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							
2011	\$ 1,808,489,149	\$ 1,093,535,652	\$ 136,527,784	\$ 3,038,552,585	\$ 345,099,937	\$ 2,693,452,648	4.84	\$ 25,755,491,706	10.5 %
2010	2,170,017,973	1,133,005,477	136,156,838	3,439,180,288	333,712,449	3,105,467,839	4.48	29,506,401,969	10.5
2009	2,282,123,811	944,648,770	145,510,187	3,372,282,768	272,658,759	3,099,624,009	4.59	29,299,993,619	10.6
2008	1,977,305,411	809,676,426	136,480,317	2,923,462,154	236,681,812	2,686,780,342	5.16	25,282,552,724	10.6
2007	1,194,816,343	607,547,950	117,290,963	1,919,655,256	189,145,293	1,730,509,963	6.33	15,871,812,853	10.9
2006	1,107,986,993	485,297,166	147,400,341	1,740,684,500	162,805,516	1,491,404,626	6.33	13,821,674,451	10.8
2005	940,402,180	452,641,450	156,613,887	1,549,657,517	158,051,473	1,391,606,044	6.90	13,000,955,720	10.7
2004				1,377,735,470	132,976,374	1,244,759,096	7.04	11,704,361,655	10.6
2003				1,131,165,094	105,857,105	1,025,307,989	7.79	9,462,887,834	10.8
2002				1,011,204,467	79,090,684	932,113,783	7.86	8,414,233,475	11.1

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, 2005.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates								District Direct Rates		
	State Equalization	County	Community College District	Sun Lakes Fire District	City of Chandler	City of Tempe	Town of Gilbert	Town of Queen Creek	Primary	Secondary	Total
2011	0.36	1.05	0.97	2.60	1.18	1.40	1.15	1.95	3.18	1.66	4.84
2010	0.33	0.99	0.88	2.33	1.18	1.40	1.15	1.95	3.18	1.31	4.48
2009		1.03	0.94	2.17	1.18	1.40	1.15	1.95	3.26	1.32	4.59
2008		1.10	0.98	2.17	1.25	1.40	1.15	1.95	3.64	1.52	5.16
2007		1.18	1.06	2.68	1.28	1.40	1.15	0.00	4.18	2.15	6.33
2006		1.20	1.03	2.68	1.25	1.40	1.15	0.00	4.09	2.24	6.33
2005		1.21	1.04	2.68	1.28	1.35	1.15	0.00	4.59	2.30	6.90
2004		1.28	1.08	2.19	1.28	1.35	1.15	0.00	4.69	2.35	7.04
2003		1.29	1.11	2.14	1.28	1.35	1.15	0.00	5.08	2.71	7.79
2002		1.27	1.11	1.90	1.29	1.35	1.20	0.00	4.99	2.87	7.86

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND EIGHT YEARS AGO**

<u>Taxpayer</u>	<u>2011</u>		<u>2003</u>	
	<u>Secondary Assessed Valuation</u>	<u>Percentage of District's Net Assessed Valuation</u>	<u>Secondary Assessed Valuation</u>	<u>Percentage of District's Net Assessed Valuation</u>
Bank of America NA	\$ 28,281,253	1.05 %	\$	%
Covance Laboratories Inc.	19,392,859	0.72		
Wells Fargo Bank NA	18,584,823	0.69		
Intel Corporation	18,046,133	0.67	66,213,378	6.46
Chandler Festival SPE LLC	12,120,537	0.45		
RNS Center Limited Partnership	9,157,739	0.34		
Qwest Corporation	9,157,739	0.34	13,209,766	1.29
CCI B Chandler II LLC	8,888,394	0.33		
Southwest Gas Corporation	8,888,394	0.33	5,600,375	0.55
Freescale Semiconductor Inc.	8,349,703	0.31		
Motorola, Inc.			76,840,051	7.49
Microchip Technology			12,909,461	1.26
Sun Lakes Marketing			5,712,115	0.56
Shea Homes			5,302,932	0.52
Charles Schwab & Co.			5,250,785	0.51
Orbital Sciences Corp.			4,720,024	0.46
Amkor Electronics			3,906,432	0.38
Total	<u>\$ 140,867,574</u>	<u>5.23 %</u>	<u>\$ 199,665,319</u>	<u>19.48 %</u>

Source: The source of this information is the Office of the Assessor of the County.

Note: Information from 2002 is not available. Therefore, 2003 information is presented.

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 124,872,625	\$ 118,099,660	94.58 %	\$	\$ 118,099,660	94.58 %
2010	126,666,025	112,467,632	88.79	7,787,665	120,255,297	94.94
2009	119,658,082	110,283,421	92.17	7,588,457	117,871,878	98.51
2008	115,522,309	111,669,356	96.66	3,837,135	115,506,491	99.99
2007	107,227,818	104,418,063	97.38	2,802,680	107,220,743	99.99
2006	93,940,905	90,388,629	96.22	3,547,408	93,936,037	99.99
2005	89,882,486	86,611,182	96.36	3,265,161	89,876,343	99.99
2004	82,065,334	79,263,047	96.59	2,801,047	82,064,094	100.00
2003	80,018,405	77,337,313	96.65	2,678,719	80,016,032	100.00
2002	69,806,288	67,997,648	97.41	1,803,908	69,801,556	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.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
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
2011	\$ 210,930,000	\$ 3,153,326	\$ 207,776,674	0.81 %	\$ 872	\$	\$ 207,776,674	0.81 %	\$ 872	1.46 %
2010	186,420,767	5,734,017	180,686,750	0.61	715		180,686,750	0.61	715	1.23
2009	202,508,550	7,518,124	194,990,426	0.67	774		194,990,426	0.67	774	1.40
2008	161,516,113	8,287,982	153,228,131	0.61	615		153,228,131	0.61	615	1.16
2007	176,877,645	5,779,631	171,098,014	1.08	707		171,098,014	1.08	707	1.42
2006	143,933,367	986,424	142,946,943	1.03	603		142,946,943	1.03	603	1.29
2005	160,365,545	5,107,161	155,258,384	1.19	691	570,603	155,828,987	1.20	694	1.52
2004	131,397,316	5,045,562	126,351,754	1.08	596		126,351,754	1.08	596	1.30
2003	144,043,857	5,656,363	138,387,494	1.46	688	2,695,561	141,083,055	1.49	701	1.51
2002	127,201,176	4,634,610	122,566,566	1.46	647	3,548,604	126,115,170	1.50	666	1.40

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2011

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Maricopa County Community College District	\$ 587,390,000	5.42 %	\$ 31,836,538
City of Chandler	459,715,000	66.32	304,882,988
Town of Gilbert	195,320,000	11.48	22,422,736
Subtotal, Overlapping Debt			<u>359,142,262</u>
Direct:			
Chandler Unified School District No. 80			<u>210,930,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 570,072,262</u></u>

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

Note: Estimated percentage of debt outstanding applicable to the District is calculated based on the District's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

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

Secondary assessed valuation	\$2,693,452,648
Debt limit (10% of assessed value)	269,345,265
Debt applicable to limit	<u>203,105,000</u>
Legal debt margin	<u><u>\$ 66,240,265</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2011:

Secondary assessed valuation	\$2,693,452,648
Debt limit (30% of assessed value)	808,035,794
Debt applicable to limit	<u>207,776,674</u>
Legal debt margin	<u><u>\$ 600,259,120</u></u>

Fiscal Year Ended June 30

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Debt limit	\$ 808,035,794	\$ 931,640,352	\$ 928,887,203	\$ 806,034,103	\$ 519,152,989
Total net debt applicable to limit	<u>207,776,674</u>	<u>180,686,750</u>	<u>194,990,426</u>	<u>153,228,131</u>	<u>171,098,014</u>
Legal debt margin	<u><u>\$ 600,259,120</u></u>	<u><u>\$ 750,953,602</u></u>	<u><u>\$ 733,896,777</u></u>	<u><u>\$ 652,805,972</u></u>	<u><u>\$ 348,054,975</u></u>
Total net debt applicable to the limit as a percentage of debt limit	26%	19%	21%	19%	33%

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Debt limit	\$ 447,421,388	\$ 417,481,813	\$ 373,427,729	\$ 307,592,397	\$ 279,634,135
Total net debt applicable to limit	<u>138,153,736</u>	<u>155,258,384</u>	<u>126,351,754</u>	<u>138,387,494</u>	<u>122,566,566</u>
Legal debt margin	<u><u>\$ 309,267,652</u></u>	<u><u>\$ 262,223,429</u></u>	<u><u>\$ 247,075,975</u></u>	<u><u>\$ 169,204,903</u></u>	<u><u>\$ 157,067,569</u></u>
Total net debt applicable to the limit as a percentage of debt limit	31%	37%	34%	45%	44%

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.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2010	3,817,117	\$ 142,091,618	\$ 35,319	8.7 %	238,199
2009	4,023,331	147,122,078	29,395	8.3	252,856
2008	3,987,942	139,665,253	29,005	4.9	251,788
2007	3,907,492	132,423,154	25,951	3.2	249,056
2006	3,792,675	120,716,738	30,693	3.5	241,910
2005	3,648,545	111,103,576	30,667	4.1	236,877
2004	3,742,460	102,277,852	31,809	4.5	224,644
2003	3,598,440	96,998,974	31,458	5.0	211,984
2002	3,296,300	93,544,549	33,159	5.3	201,262
2001	3,192,100	89,771,608	35,218	4.1	189,498

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information is University of Arizona, Eller College of Management, Economic and Business Research Center.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND NINE YEARS AGO**

<u>Employer</u>	<u>2011</u>		<u>2002</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Intel Corporation	9,400	7.27 %	10,000	57.75 %
Chandler Unified School District No. 80	3,000	2.32		
Wells Fargo	2,240	1.73		
Verizon Wireless	2,000	1.55		
City of Chandler	1,625	1.26		
Orbital Sciences Corp.	1,625	1.26	480	2.77
Chandler Regional Hospital	1,600	1.24		
Microchip Technology Inc.	1,485	1.15	500	2.89
Freescale Semiconductor Inc.	1,450	1.12		
Avnet, Inc.	780	0.60	500	2.89
Bank of America	750	0.58		
Pearson Education	720	0.56		
Basha's	700	0.54		
Toyota Financial Services	600	0.46		
Tri City Mechanical	500	0.39		
Allied Interstate	450	0.35		
Marvell Technologies	450	0.35		
Americredit	375	0.29		
Covance	350	0.27		
Rogers Corporation	330	0.26	195	1.13
Inter-Tel Inc.	263	0.20	300	1.73
Goodrich Turbo	225	0.17		
Motorola			2,230	12.88
SpeedFarmIPEC, Inc.			600	3.47
MTD (Formerly Ryobi Outdoor Products)			445	2.57
Durel Corp.			350	2.02
Avnet C.M.G.			280	1.62
Signal Technology Corp.			250	1.44
Amkor Electronics			240	1.39
Redman Homes, Inc.			200	1.16
Walbar Metals, Inc./Arizona Division			200	1.16
Oberg-Arizona			170	0.98
Isola Laminates			150	0.87
Pentagon Technologies			150	0.87
Gould, Inc.			75	0.43
Total	<u>30,918</u>	<u>23.92 %</u>	<u>17,315</u>	<u>100 %</u>
Total employment	<u>129,229</u>		<u>17,315</u>	

Source: The source of this information is the City of Chandler Economic Development Department.

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST EIGHT FISCAL YEARS

	Full-time Equivalent Employees as of June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Supervisory					
Instructional administrators	5	5	5	6	5
Noninstructional administrators	10	10	10	10	9
Principals	39	39	39	36	34
Assistant principals	19	19	20	17	17
Total supervisory	<u>73</u>	<u>73</u>	<u>74</u>	<u>69</u>	<u>65</u>
Instruction					
Elementary classroom teachers	847	836	720	851	785
Secondary classroom teachers	596	566	543	591	552
ESE teachers	190	180	200	193	202
Other teachers	291	321	361	221	214
Aides	287	332	444	446	438
Total instruction	<u>2,211</u>	<u>2,236</u>	<u>2,267</u>	<u>2,302</u>	<u>2,190</u>
Student Services					
Counselors	66	66	60	62	57
Psychologists	15	16	15	15	15
Librarians	34	34	31	32	30
Other professionals (noninstructional)	64	64	58	65	43
Technicians	108	77	78	69	62
Total student services	<u>287</u>	<u>256</u>	<u>241</u>	<u>243</u>	<u>207</u>
Support and Administration					
Office/Clerical	170	154	186	174	244
Transportation	176	296	317	265	160
Food Services	204	173	178	157	154
Skilled crafts	199	138	106	140	122
Unskilled laborers	345	350	447	340	259
Total support and administration	<u>1,094</u>	<u>1,110</u>	<u>1,233</u>	<u>1,075</u>	<u>939</u>
Total	<u><u>3,665</u></u>	<u><u>3,674</u></u>	<u><u>3,815</u></u>	<u><u>3,689</u></u>	<u><u>3,401</u></u>

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST EIGHT FISCAL YEARS**

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Supervisory			
Instructional administrators	5	5	5
Noninstructional administrators	9	9	9
Principals	31	28	26
Assistant principals	16	16	13
Total supervisory	<u>61</u>	<u>58</u>	<u>53</u>
Instruction			
Elementary classroom teachers	718	660	589
Secondary classroom teachers	520	468	431
ESE teachers	189	175	160
Other teachers	195	192	185
Aides	494	462	355
Total instruction	<u>2,116</u>	<u>1,957</u>	<u>1,720</u>
Student Services			
Counselors	54	49	44
Psychologists	14	10	12
Librarians	28	26	24
Other professionals (noninstructional)	39	36	38
Technicians	56	48	35
Total student services	<u>190</u>	<u>168</u>	<u>153</u>
Support and Administration			
Office/Clerical	229	208	185
Transportation	159	158	155
Food Services	220	188	169
Skilled crafts	121	106	104
Unskilled laborers	204	190	157
Total support and administration	<u>934</u>	<u>850</u>	<u>771</u>
Total	<u><u>3,301</u></u>	<u><u>3,034</u></u>	<u><u>2,698</u></u>

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

Note: Information prior to fiscal year 2003-04 is not available.

(Concluded)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
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
2011	37,181	\$ 255,911,934	\$ 6,883	(2.05) %	\$ 287,611,826	\$ 7,735	(2.25) %	1,924	19.3	28.5 %
2010	37,093	260,654,995	7,027	(6.69)	293,529,814	7,913	(8.77)	1,824	20.3	42.2
2009	37,093	279,352,089	7,531	(1.09)	321,758,684	8,674	(9.76)	1,823	20.3	41.2
2008	35,610	271,128,039	7,614	9.77	342,284,445	9,612	(0.17)	1,862	19.1	40.0
2007	33,934	235,364,784	6,936	14.01	326,745,564	9,629	12.47	1,752	19.4	41.0
2006	33,913	206,311,393	6,084	10.87	290,346,630	8,562	16.61	1,444	23.5	42.0
2005	31,983	175,488,734	5,487	1.65	234,820,483	7,342	(0.50)	1,382	23.1	47.0
2004	29,692	160,267,059	5,398	3.25	219,103,371	7,379	1.85	1,298	22.9	48.0
2003	27,184	142,114,954	5,228	2.32	196,950,219	7,245	5.43	1,218	22.3	45.0
2002	25,004	127,749,351	5,109	N/A	171,818,189	6,872	N/A	1,143	21.9	45.0

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

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

2) N/A indicates that the information is not available due to the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 not being adopted until fiscal year 2002.

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<u>Schools</u>										
<u>Elementary</u>										
Square feet	1,942,250	1,942,250	1,942,250	1,771,092	1,771,092	1,454,714	1,385,636	1,251,615	1,156,669	1,125,169
Capacity	24,276	24,276	24,276	22,137	22,137	18,182	17,318	15,642	14,456	14,062
Enrollment	22,013	21,145	20,844	19,884	18,990	17,876	16,890	15,445	14,407	13,888
<u>Middle</u>										
Square feet	635,092	635,092	602,322	600,446	600,446	562,923	449,407	449,407	451,283	365,578
Capacity	7,505	7,505	7,505	7,505	7,505	7,036	5,617	5,617	5,641	4,570
Enrollment	5,738	5,632	5,474	5,201	5,018	4,921	4,814	4,230	3,904	3,502
<u>High</u>										
Square feet	1,492,717	1,492,717	1,467,183	1,465,307	1,465,307	1,133,798	1,105,915	1,037,584	749,252	746,214
Capacity	15,588	15,588	15,588	15,588	15,588	12,061	11,764	11,037	7,970	7,938
Enrollment	11,154	10,693	10,107	9,717	9,073	8,253	7,453	6,629	5,808	5,475
<u>Administrative</u>										
Square feet	64,321	64,321	64,321	49,437	35,271	35,271	35,271	35,271	35,271	35,271
<u>Transportation</u>										
Garages	2	2	2	2	2	1	1	1	1	1
Buses	204	209	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>Athletics</u>										
Football fields	9	9	9	9	9	8	8	8	7	7
Running tracks	9	9	9	9	9	8	8	8	7	7
Baseball/softball	38	38	38	38	38	34	34	30	26	23
Swimming pools	4	4	4	4	4	2	2	2	2	2
Playgrounds	62	62	61	60	56	51	47	39	38	34

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

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