
CHANDLER UNIFIED SCHOOL DISTRICT NO. 80

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2012



CHANDLER UNIFIED SCHOOL DISTRICT NO. 80

CHANDLER, ARIZONA

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

Issued by:
Business and Finance Department

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80

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INTRODUCTORY SECTION

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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 19, 2012

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, 2012.

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

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

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.

Approximately 40,000 students are served in 30 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 enabled the District to open an 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 over-expenditures 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 received a letter grade from A through F as part of Arizona LEARNS. Chandler Unified is one of only 11 districts in Arizona to earn a coveted "A" grade in each of the first two years. Overall, 65% (26) of the CUSD schools received an A. Maricopa County—32.33%, State—24.68%. This far outpaces the percentages of schools in Maricopa County that received an A and the percentage of schools in the State of Arizona that received an A. In addition, 34 schools in CUSD received an A or B grade. Administrative cost per pupil for CUSD is 27% less than the State average.

The District's dropout rate of 0.9% 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 (\$77 million for the graduating class of 2012).

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 49 times since 1983, the most of any school district in Arizona.

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 www.cusd80.com.

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. Phoenix is the state capital of Arizona and the sixth largest city in the United States. It is the center of the metropolitan area encompassed by Maricopa County. This metropolitan area also includes the cities of Mesa, Glendale, Tempe, Scottsdale, Chandler, Peoria, Goodyear, Tolleson, El Mirage, Surprise, Litchfield Park and Avondale; the towns of Buckeye and Gilbert as well as all unincorporated areas of the County. Maricopa County has a land area of 9,226 square miles, of which 1,441 square miles are incorporated (15.6 percent) and 7,785 square miles are unincorporated (84.4 percent). It is the fifth largest of Arizona's 15 counties, and the 14th largest county in the United States. Maricopa County is larger than five states and the District of Columbia. Twenty-four cities and towns are located within Maricopa County's outer boundaries. The County's 2011 population was 3,843,370 and is still expected to reach 6 million by 2030.

Arizona continues to suffer the effects of the economic downturn that began several years ago. National data continues to point to a modest but continued recovery that is expected to continue into next year before faster growth materializes. As of August 2012, unemployment remained around 7.3% for the County. The County's economy is based on high technology manufacturing, commercial activities (including construction and trade), service/tourism, retail trade, government and agriculture. In 2012, job growth gain has been less than 2% for the entire calendar year and only a slightly faster pace is anticipated in 2013. Major employers for the County include: Intel Corporation, Wal-Mart Stores, Banner Health System, Wells Fargo & Company, Bank of America and the University of Phoenix.

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.

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) opened 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, 2011. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2011. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

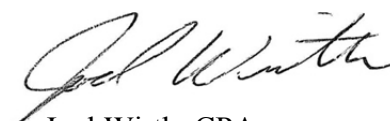
These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs’ requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year 2011-12 certificates.


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

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



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, 2011

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

President

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Chandler Unified School
District No. 80, Arizona

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

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



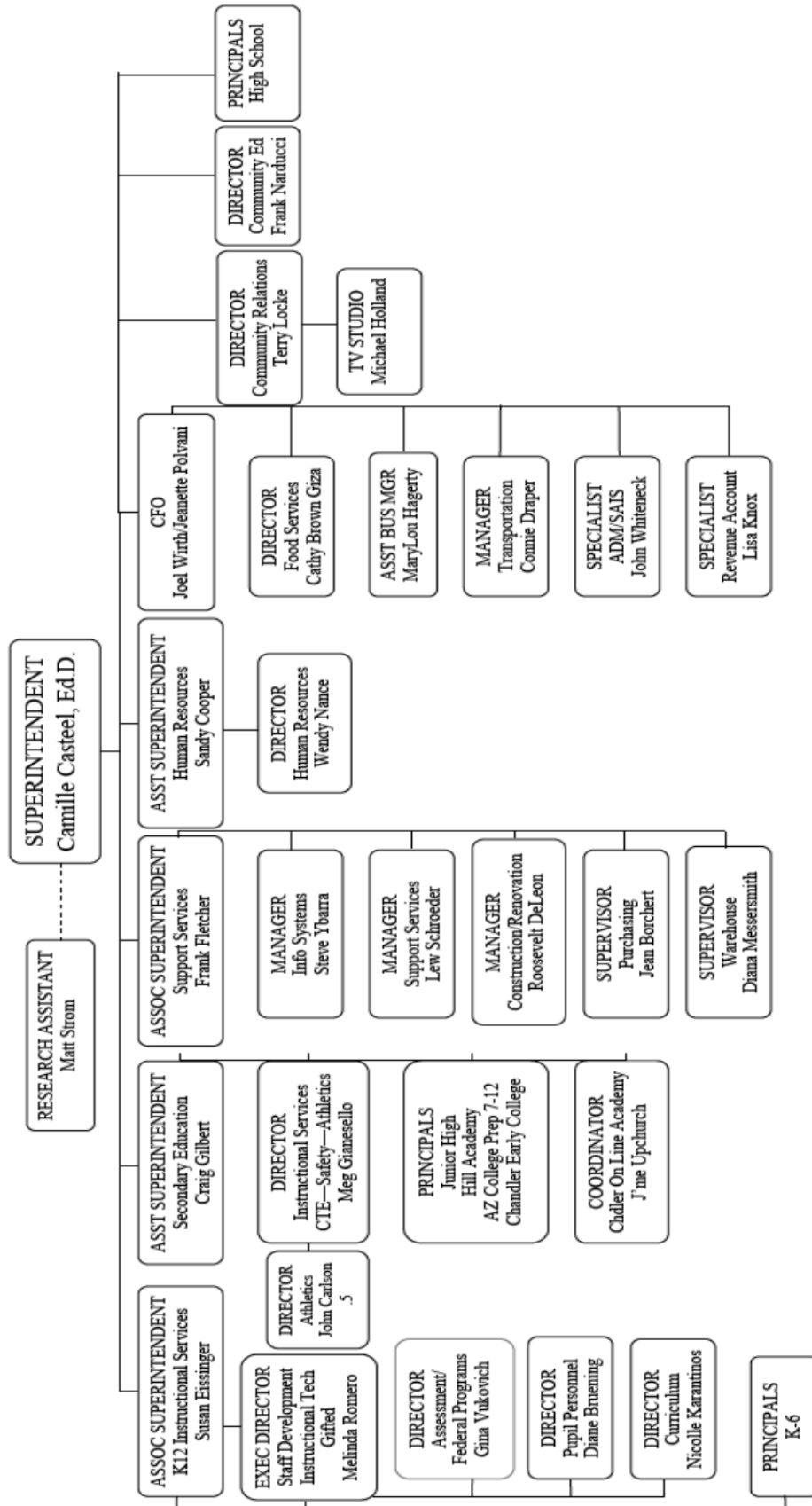
Christopher P. Moirice

President

Jeffrey R. Emer

Executive Director

CHANDLER UNIFIED SCHOOL DISTRICT
2011-12 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 M. Bredeson
Member

David F. 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

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FINANCIAL SECTION

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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, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Chandler Unified School District No. 80, as of June 30, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2012, 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 54 and 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Heinfeld, Meech & Co., P.C.

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

December 19, 2012

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

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**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

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, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net assets of governmental activities increased \$9.0 million which represents a 2 percent increase from the prior fiscal year which was not significant.
- General revenues accounted for \$242.3 million in revenue, or 83 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$49.1 million or 17 percent of total current fiscal year revenues.
- The District had approximately \$282.4 million in expenses related to governmental activities, a decrease of 2 percent from the prior fiscal year.
- Among major funds, the General Fund had \$205.2 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$212.1 million in expenditures. The General Fund's fund balance decrease from \$26.0 million at the prior fiscal year end to \$20.8 million at the end of the current fiscal year was primarily due to salary expenditures that were funded with Education Jobs monies in the prior year.

OVERVIEW OF FINANCIAL STATEMENTS

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

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, 2012**

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, 2012**

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.

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 \$392.3 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 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, 2012**

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, 2012 and June 30, 2011.

	As of June 30, 2012	As of June 30, 2011
Current assets	\$ 181,960,436	\$ 190,073,445
Capital assets, net	489,690,915	459,920,375
Total assets, net	<u>671,651,351</u>	<u>649,993,820</u>
Current and other liabilities	61,783,950	27,846,760
Long-term liabilities	217,538,612	238,795,786
Total liabilities	<u>279,322,562</u>	<u>266,642,546</u>
Net assets:		
Invested in capital assets, net of related debt	299,206,346	290,792,490
Restricted	40,482,863	48,221,343
Unrestricted	52,639,580	44,337,441
Total net assets	<u>\$ 392,328,789</u>	<u>\$ 383,351,274</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 \$16.0 million of bonds and \$900,767 of bond premium.
- The addition of \$43.9 million in capital assets through the construction of new schools, and other school improvements and purchases of vehicles, furniture and equipment.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

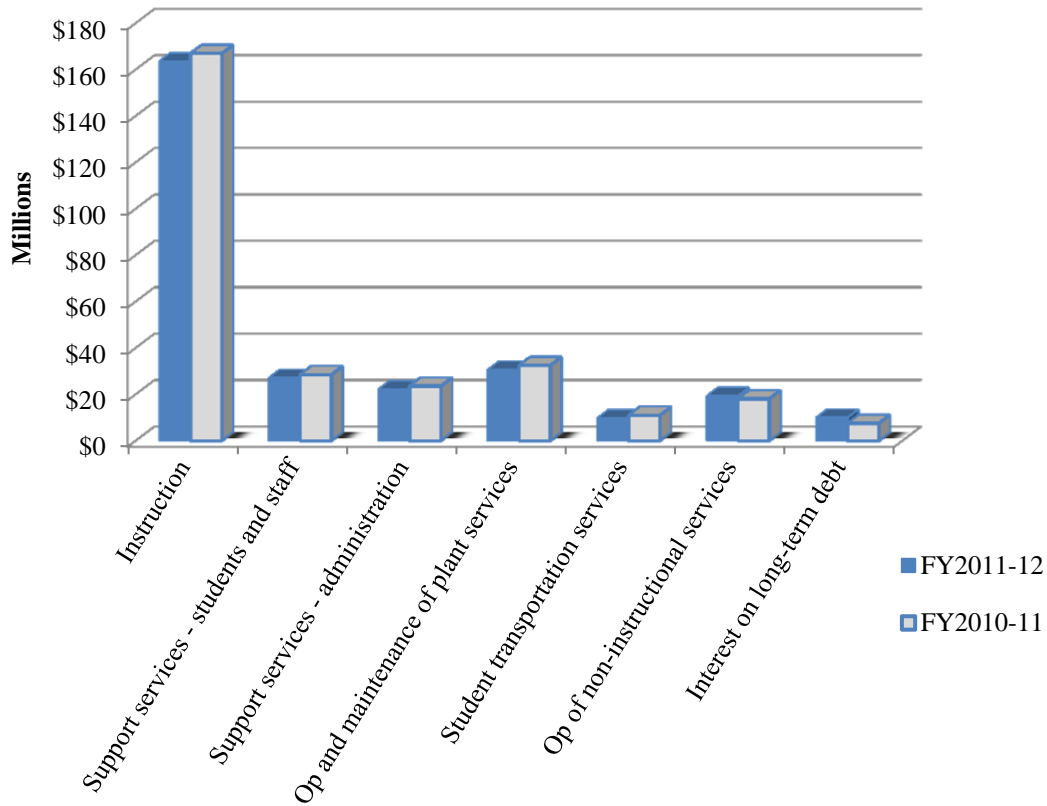
Changes in net assets. The District's total revenues for the current fiscal year were \$291.4 million. The total cost of all programs and services was \$282.4 million. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2012 and June 30, 2011.

	<u>Fiscal Year Ended June 30, 2012</u>	<u>Fiscal Year Ended June 30, 2011</u>
Revenues:		
Program revenues:		
Charges for services	\$ 23,394,252	\$ 23,920,448
Operating grants and contributions	24,577,873	30,477,791
Capital grants and contributions	1,107,427	1,261,054
General revenues:		
Property taxes	110,817,589	108,359,075
Investment income	615,998	1,214,554
Unrestricted county aid	10,827,469	10,490,730
Unrestricted state aid	119,135,679	117,269,988
Unrestricted federal aid	908,895	1,458,310
Total revenues	<u>291,385,182</u>	<u>294,451,950</u>
Expenses:		
Instruction	163,526,973	166,877,011
Support services – students and staff	27,076,214	28,394,163
Support services – administration	22,137,479	23,509,661
Operation and maintenance of plant services	30,591,102	32,392,290
Student transportation services	9,719,040	10,881,130
Operation of non-instructional services	19,329,250	18,061,525
Interest on long-term debt	10,027,609	7,496,046
Total expenses	<u>282,407,667</u>	<u>287,611,826</u>
Change in net assets	<u>8,977,515</u>	<u>6,840,124</u>
Net assets, beginning	<u>383,351,274</u>	<u>376,511,150</u>
Net assets, ending	<u>\$ 392,328,789</u>	<u>\$ 383,351,274</u>

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Expenses



The following is a significant current year transaction that has had an impact on the change in net assets.

- A decrease of \$5.9 million in operating grants and contributions due to decreases in funding under the American Reinvestment and Recovery Act, as well as decreased Education Jobs funding.

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, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

	<u>Year Ended June 30, 2012</u>		<u>Year Ended June 30, 2011</u>	
	<u>Total Expenses</u>	<u>Net burden on taxpayers</u>	<u>Total Expenses</u>	<u>Net burden on taxpayers</u>
Instruction	\$ 163,526,973	\$ (146,701,003)	\$ 166,877,011	\$ (141,550,748)
Support services – students and staff	27,076,214	(21,784,704)	28,394,163	(22,832,162)
Support services – administration	22,137,479	(21,354,495)	23,509,661	(23,191,919)
Operation and maintenance of plant services	30,591,102	(29,444,544)	32,392,290	(30,096,060)
Student transportation services	9,719,040	(8,867,254)	10,881,130	(10,524,411)
Operation of non-instructional services	19,329,250	3,238,105	18,061,525	3,738,813
Interest on long-term debt	10,027,609	(8,414,220)	7,496,046	(7,496,046)
Total	<u>\$ 282,407,667</u>	<u>\$ (233,328,115)</u>	<u>\$ 287,611,826</u>	<u>\$ (231,952,533)</u>

- The cost of all governmental activities this year was \$282.4 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$49.1 million.
- Net cost of governmental activities of \$233.3 million was financed by general revenues, which are made up of primarily property taxes of \$110.8 million and state and county aid of \$130.0 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 \$88.7 million, a decrease of \$43.4 million due to increased capital expenditures related to the creation of a new elementary school, multiple information technology projects, and various other renovations.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

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

The General Fund comprises 23 percent of the total fund balance. Approximately \$19.9 million, or 96 percent of the General Fund's fund balance constitutes unassigned fund balance.

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$5.2 million to \$20.8 million as of fiscal year end was a result of salary and wage expenditures which were paid for by Education Jobs Fund monies in the prior fiscal year and a decrease in career ladder funding. General Fund revenues increased \$2.1 million which was not significant. General Fund expenditures increased \$9.5 million, or 5 percent.

The fund balance of the Debt Service Fund increased \$905,950 to \$4.1 million as of fiscal year end as a result of decreased debt service payments.

The fund balance of the Bond Building Fund decreased \$38.3 million to \$20.4 million as of fiscal year end as a result of increased capital expenditures related to the creation of an elementary school, various renovations, and multiple information technology projects.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget to include carryover and student growth figures. The difference between the original budget and the final amended budget was a \$12.1 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. There were no significant variances in budgeted to actual expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$664.2 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 \$41.3 million from the prior fiscal year, primarily due to increased capital projects, including the creation of a new elementary school. Total depreciation expense for the current fiscal year was \$15.0 million.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

CAPITAL ASSETS AND DEBT ADMINISTRATION (Concl'd)

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

	<u>As of June 30, 2012</u>	<u>As of June 30, 2011</u>
Capital assets – non-depreciable	\$ 96,214,949	\$ 56,740,306
Capital assets – depreciable, net	393,475,966	403,180,069
Total	<u>\$ 489,690,915</u>	<u>\$ 459,920,375</u>

The estimated cost to complete current construction projects is \$4.4 million.

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

Debt Administration. At year end, the District had \$210.9 million in long-term debt outstanding, \$16.6 million due within one year. This represents a net decrease of \$16.9 million due to payments on outstanding debt.

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 \$651.4 million and the Class B debt limit is \$217.1 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 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 2012-13 budget. Among them:

- Fiscal year 2011-12 budget balance carry forward (estimated \$2,259,618).
- District student population (estimated 40,442).

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

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 3 percent to \$203.6 million in fiscal year 2012-13. 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 2012-13 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 120,841,219
Property taxes receivable	15,322,070
Due from governmental entities	44,100,488
Inventory	1,696,659
Total current assets	181,960,436
Noncurrent assets:	
Land	60,850,735
Land improvements	46,925,771
Buildings and improvements	483,976,228
Vehicles, furniture and equipment	37,099,610
Construction in progress	35,364,214
Accumulated depreciation	(174,525,643)
Total noncurrent assets	489,690,915
Total assets	671,651,351
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	2,844,159
Construction contracts payable	2,235,856
Credit line payable	22,031,000
Refundable deposits	7,622
Accrued payroll and employee benefits	3,156,584
Compensated absences payable	446,000
Accrued interest payable	4,435,461
Unearned revenues	73,268
Bonds payable	16,605,000
Tax anticipation notes payable	27,000,000
Total current liabilities	78,834,950
Noncurrent liabilities:	
Non-current portion of long-term obligations	200,487,612
Total noncurrent liabilities	200,487,612
Total liabilities	279,322,562
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	299,206,346
Restricted for:	
Federal and state projects	4,771,000
Food service	3,802,086
Other local initiatives	21,429,069
Debt service	4,424,324
Capital outlay	6,056,384
Unrestricted	52,639,580
Total net assets	\$ 392,328,789

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, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 163,526,973	\$ 4,996,244	\$ 10,722,299	\$ 1,107,427	\$ (146,701,003)
Support services - students and staff	27,076,214	10,034	5,281,476		(21,784,704)
Support services - administration	22,137,479	478,513	304,471		(21,354,495)
Operation and maintenance of plant services	30,591,102	997,082	149,476		(29,444,544)
Student transportation services	9,719,040	471,253	380,533		(8,867,254)
Operation of non-instructional services	19,329,250	16,441,126	6,126,229		3,238,105
Interest on long-term debt	10,027,609		1,613,389		(8,414,220)
Total governmental activities	<u>\$ 282,407,667</u>	<u>\$ 23,394,252</u>	<u>\$ 24,577,873</u>	<u>\$ 1,107,427</u>	<u>(233,328,115)</u>
General revenues:					
Taxes:					
					84,683,551
					25,507,746
					626,292
					615,998
					10,827,469
					119,135,679
					908,895
					<u>242,305,630</u>
					8,977,515
					<u>383,351,274</u>
					<u>\$ 392,328,789</u>

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

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FUND FINANCIAL STATEMENTS

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012

	General	Debt Service	Bond Building
<u>ASSETS</u>			
Cash and investments	\$ 35,873,737	\$ 24,285,960	\$ 22,681,287
Property taxes receivable	14,691,131	536,325	
Due from governmental entities	35,906,995	642,500	
Due from other funds			
Inventory	832,308		
Total assets	\$ 87,304,171	\$ 25,464,785	\$ 22,681,287
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 1,891,261	\$	\$
Construction contracts payable			2,235,856
Credit line payable	22,031,000		
Refundable deposits			
Due to other funds			
Accrued payroll and employee benefits	1,131,422		
Deferred revenues	14,412,704	365,048	
Bonds payable		16,605,000	
Bond interest payable		4,435,461	
Tax anticipation notes payable	27,000,000		
Total liabilities	66,466,387	21,405,509	2,235,856
Fund balances:			
Nonspendable	832,308		
Restricted		4,059,276	20,445,431
Assigned	103,947		
Unassigned	19,901,529		
Total fund balances	20,837,784	4,059,276	20,445,431
 Total liabilities and fund balances	 \$ 87,304,171	 \$ 25,464,785	 \$ 22,681,287

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 38,000,235	\$ 120,841,219
94,614	15,322,070
7,550,993	44,100,488
1,694,418	1,694,418
864,351	1,696,659
<u>\$ 48,204,611</u>	<u>\$ 183,654,854</u>

\$ 952,898	\$ 2,844,159
	2,235,856
	22,031,000
7,622	7,622
1,694,418	1,694,418
2,025,162	3,156,584
163,219	14,940,971
	16,605,000
	4,435,461
	27,000,000
<u>4,843,319</u>	<u>94,951,071</u>

864,351	1,696,659
35,296,551	59,801,258
7,200,390	7,304,337
	19,901,529
<u>43,361,292</u>	<u>88,703,783</u>
<u>\$ 48,204,611</u>	<u>\$ 183,654,854</u>

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CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

Total governmental fund balances	\$	88,703,783
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Amounts reported for *governmental activities* in the Statement of Net Assets are different because:

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

Governmental capital assets	\$ 664,216,558	
Less accumulated depreciation	<u>(174,525,643)</u>	489,690,915

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

Property taxes	14,415,452	
Intergovernmental	<u>452,251</u>	14,867,703

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

Compensated absences payable	(5,260,842)	
Other postemployment benefits payable	(1,347,770)	
Bonds payable	<u>(194,325,000)</u>	<u>(200,933,612)</u>

Net assets of governmental activities	\$	<u><u>392,328,789</u></u>
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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, 2012

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 14,240,352	\$ 113,129	\$ 212,269
Property taxes	82,719,344	25,679,759	
State aid and grants	107,351,068		
Federal aid, grants and reimbursements	908,895	1,613,389	
Total revenues	<u>205,219,659</u>	<u>27,406,277</u>	<u>212,269</u>
Expenditures:			
Current -			
Instruction	132,164,722		
Support services - students and staff	21,651,213		
Support services - administration	21,622,220		
Operation and maintenance of plant services	27,469,602		
Student transportation services	8,377,823		
Operation of non-instructional services	335,144		
Capital outlay	442,932		38,332,438
Debt service -			
Principal retirement		16,605,000	
Interest and fiscal charges		9,817,215	
Bond issuance costs		306,000	
Payment to refunded bond escrow agent		210,394	
Total expenditures	<u>212,063,656</u>	<u>26,938,609</u>	<u>38,332,438</u>
Excess (deficiency) of revenues over expenditures	<u>(6,843,997)</u>	<u>467,668</u>	<u>(38,120,169)</u>
Other financing sources (uses):			
Transfers in	2,093,153	132,282	
Transfers out			(132,282)
Issuance of refunding bonds		30,000,000	
Premium on sale of bonds		3,623,165	
Payment to refunded bond escrow agent		(33,317,165)	
Total other financing sources (uses):	<u>2,093,153</u>	<u>438,282</u>	<u>(132,282)</u>
Changes in fund balances	<u>(4,750,844)</u>	<u>905,950</u>	<u>(38,252,451)</u>
Fund balances, beginning of year	25,998,701	3,153,326	58,697,882
Increase (decrease) in reserve for inventory	(410,073)		
Fund balances, end of year	<u>\$ 20,837,784</u>	<u>\$ 4,059,276</u>	<u>\$ 20,445,431</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 23,659,207	\$ 38,224,957
536,341	108,935,444
13,722,053	121,073,121
18,969,160	21,491,444
<u>56,886,761</u>	<u>289,724,966</u>
22,468,127	154,632,849
5,423,065	27,074,278
541,692	22,163,912
660,904	28,130,506
690,600	9,068,423
18,955,849	19,290,993
7,357,654	46,133,024
	16,605,000
	9,817,215
	306,000
	210,394
<u>56,097,891</u>	<u>333,432,594</u>
<u>788,870</u>	<u>(43,707,628)</u>
	2,225,435
(2,093,153)	(2,225,435)
	30,000,000
	3,623,165
	(33,317,165)
<u>(2,093,153)</u>	<u>306,000</u>
<u>(1,304,283)</u>	<u>(43,401,628)</u>
44,273,522	132,123,431
392,053	(18,020)
<u>\$ 43,361,292</u>	<u>\$ 88,703,783</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, 2012

Net changes in fund balances - total governmental funds **\$ (43,419,648)**

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

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

Expenditures for capitalized assets	\$ 43,897,705	
Less current year depreciation	<u>(13,415,410)</u>	30,482,295

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

Property taxes	1,882,145	
Intergovernmental	<u>(221,929)</u>	1,660,216

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 principal retirement		16,605,000
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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	37,617	
Loss on disposal of capital assets	(711,755)	
Compensated absences	<u>4,323,790</u>	<u>3,649,652</u>

Change in net assets in governmental activities **\$ 8,977,515**

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, 2012

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 4,057,936
Total assets	<u>\$ 4,057,936</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 33,618
Deposits held for others	2,929,236
Due to governmental entities	165,520
Due to student groups	929,562
Total liabilities	<u>\$ 4,057,936</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, 2012

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.

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, 2012

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

B. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds 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, 2012

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

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

Property taxes, 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, 2012

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

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

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." Interfund balances between governmental funds are eliminated in the Statement of Net Assets.

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

G. Property Tax Calendar

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

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 general supplies inventories are valued at cost using the average cost method. Inventories of the Food Service Fund 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.

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

I. Prepaid Items

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

J. Capital Assets

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

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

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

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

Land improvements	20 years
Buildings and improvements	10-50 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.

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

L. Long-term Obligations

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

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

M. Interfund Activity

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

N. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Cont'd)

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

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

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

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

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.

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)

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

	General Fund	Debt Service Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	\$ 832,308	\$	\$	\$ 864,351
Restricted:				
Debt service		4,059,276		
Capital purposes				5,966,433
Bond building projects			20,445,431	
Voter approved initiatives				4,771,100
Food service				3,129,949
Community schools				6,788,403
Extracurricular activities fees				1,849,285
JTED				4,867,293
Other purposes				7,924,088
Assigned:				
Capital purposes				7,200,390
Other purposes	103,947			
Unassigned				
	19,901,529			
Total fund balances	\$ 20,837,784	\$ 4,059,276	\$ 20,445,431	\$ 43,361,292

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess Expenditures Over Budget – At year end, the District had expenditures in funds that exceeded the budgets, however this does not constitute a violation of any legal provisions, as the budget for these funds is simply an estimate and does not prevent the District exceeding the budget as long as the necessary revenue is earned.

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, 2012

NOTE 4 – CASH AND INVESTMENTS (Concl'd)

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$4,309,169 and the bank balance was \$4,014,126. In addition, the District had \$1,150 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	375 days	\$ 118,486,733
Arizona School Risk Retention Trust Investment Pool	411 days	2,102,103
Total		<u>\$ 120,588,836</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 AA+ 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, 2012

NOTE 5 – RECEIVABLES

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:			
Due from Federal government	\$ 452,251	\$ 642,500	\$ 2,603,257
Due from State government	35,454,744		3,931,166
Due from other districts			1,016,570
Net due from governmental entities	<u>\$ 35,906,995</u>	<u>\$ 642,500</u>	<u>\$ 7,550,993</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (General Fund)	\$ 13,960,453	\$
Delinquent property taxes receivable (Debt Service Fund)	365,048	
Delinquent property taxes receivable (Non-Major Governmental Funds)	89,951	
Grant drawdowns prior to meeting all eligibility requirements (Non-Major Governmental Funds)		73,268
Measurable but unavailable revenues (General Fund)	452,251	
Total deferred revenue for governmental funds	<u>\$ 14,867,703</u>	<u>\$ 73,268</u>

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 6 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 53,953,851	\$ 6,896,884	\$	\$ 60,850,735
Construction in progress	2,786,455	32,577,759		35,364,214
Total capital assets, not being depreciated	<u>56,740,306</u>	<u>39,474,643</u>		<u>96,214,949</u>
Capital assets, being depreciated:				
Land improvements	45,602,200	1,323,571		46,925,771
Buildings and improvements	481,888,459	2,087,769		483,976,228
Vehicles, furniture and equipment	38,692,652	1,011,722	2,604,764	37,099,610
Total capital assets being depreciated	<u>566,183,311</u>	<u>4,423,062</u>	<u>2,604,764</u>	<u>568,001,609</u>
Less accumulated depreciation for:				
Land improvements	(14,669,483)	(2,076,568)	(3,010)	(16,743,041)
Buildings and improvements	(128,092,680)	(10,599,864)		(138,692,544)
Vehicles, furniture and equipment	(20,241,079)	(738,978)	(1,889,999)	(19,090,058)
Total accumulated depreciation	<u>(163,003,242)</u>	<u>(13,415,410)</u>	<u>(1,893,009)</u>	<u>(174,525,643)</u>
Total capital assets, being depreciated, net	<u>403,180,069</u>	<u>(8,992,348)</u>	<u>711,755</u>	<u>393,475,966</u>
Governmental activities capital assets, net	<u>\$ 459,920,375</u>	<u>\$ 30,482,295</u>	<u>\$ 711,755</u>	<u>\$ 498,690,915</u>

Depreciation expense was charged to governmental functions as follows.

Instruction	\$ 9,489,781
Support services – students and staff	23,517
Support services – administration	355,279
Operation and maintenance of plant services	2,816,204
Student transportation services	576,832
Operation of non-instructional services	153,797
Total depreciation expense – governmental activities	<u>\$ 13,415,410</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 \$35,364,214 on the projects and had estimated remaining contractual commitments of \$4,404,336. These projects are being funded with bond proceeds.

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7 – SHORT TERM DEBT

Tax Anticipation Notes - In July 2011, the District issued \$27,000,000 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 2012. Short-term debt activity for the current fiscal year, was as follows.

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Tax anticipation notes	\$ 15,000,000	\$ 27,000,000	\$ 15,000,000	\$ 27,000,000

Revolving Line of Credit - The District has a \$41.5 million revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. The interest rate on the line was 2.145%. Short-term debt activity for the current fiscal year, was as follows.

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Revolving line of credit	\$ _____	\$ 63,672,000	\$ 41,641,000	\$ 22,031,000

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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. In addition, a portion of the District's school improvement bonds are Qualified School Construction Bonds, as such it is expected the District will receive direct subsidy payments from the United States of America for a portion of the interest due on the bonds. The District received \$1,613,389 in federal subsidies during the year.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2012	Due Within One Year
Governmental activities:					
Refunding Bonds, Series 1998	\$18,845,000	4.70%-5.20%	7/1/12-13	\$ 6,775,000	\$ 3,250,000
Refunding Bonds, Series 2004	20,000,000	4.50%-5.00%	7/1/12-16	15,865,000	4,730,000
School Improvement Bonds, Project of 2002 Series A (2003)	30,000,000	3.75%-4.00%	7/1/12-16	5,615,000	2,190,000
School Improvement Bonds, Series 2005	43,950,000	3.75% 5.00%	7/1/12-16	12,720,000	2,325,000
School Improvement Bonds, Series 2007	50,250,000	4.00%-4.375%	7/1/12-22	43,755,000	2,910,000
School Improvement Bonds, Series 2008	58,700,000	3.25%-5.00%	7/1/12-23	51,200,000	1,100,000
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 (QSCAB)	25,000,000	5.834%	7/1/25	25,000,000	
Refunding Bonds, Series 2012	30,000,000	2.00-4.00%	7/1/12-24	30,000,000	100,000
Total				<u>\$ 210,930,000</u>	<u>\$ 16,605,000</u>

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2013	\$ 16,605,000	\$ 8,721,575
2014	17,590,000	8,184,359
2015	17,545,000	7,440,590
2016	19,190,000	6,702,240
2017	19,115,000	5,908,415
2018-22	76,408,888	21,303,415
2023-27	44,476,112	8,007,603
Total	<u>\$ 210,930,000</u>	<u>\$ 66,268,197</u>

During the year ended June 30, 2012, the District issued \$30,000,000 in refunding bonds, with an effective interest rate of 3.28 percent, to advance refund \$30,000,000 of outstanding general obligation bonds, with an average interest rate of 4.33 percent. The net proceeds of \$33,527,559, which includes \$3,623,165 of bond premium, (after payment of \$306,000 in underwriting fees, insurance, and other issuance costs) plus an additional \$210,394 of Debt Service monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent, to provide for all future debt service payments of the refunded general obligation bonds. As a result, the refunded general obligation bonds are considered to be defeased, and the liability for those bonds has been removed from the government-wide financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$3,317,165. This advance refunding was undertaken to reduce total debt service payments over the next 12 years by \$2,089,012 and resulted in an economic gain of \$1,708,726.

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.

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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	\$ 226,925,000	\$ 30,000,000	\$ 45,995,000	\$ 210,930,000	\$ 16,605,000
Bond premium payable	900,767		900,767		
Compensated absences payable	9,584,632		4,323,790	5,260,842	446,000
Other postemployment benefits	1,385,387	384,043	421,660	1,347,770	
Governmental activity long-term liabilities	<u>\$ 238,795,786</u>	<u>\$ 30,384,043</u>	<u>\$ 51,641,217</u>	<u>\$ 217,538,612</u>	<u>\$ 17,051,000</u>

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows.

Due to/from other funds:

Due to	Due from Non-Major Governmental Funds
Non-Major Governmental Funds	\$ 1,694,418
Total	<u>\$ 1,694,418</u>

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

Interfund transfers:

Transfers out	Transfers in		
	General Fund	Debt Service Fund	Total
Bond Building Fund	\$	\$ 132,282	\$ 132,282
Non-Major Governmental Funds	2,093,153		2,093,153
Total	<u>\$ 2,093,153</u>	<u>\$ 132,282</u>	<u>\$ 2,225,435</u>

Transfers between funds were used to (1) move investment income earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund, (2) to move Federal grant funds restricted for indirect costs and (3) to transfer cash in excess of budgeted expenditures from the Soft Capital Allocation Fund, a non-major governmental fund, to the General Fund as allowed by A.R.S. §15-906(B).

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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.

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. To obtain access to professional management services and reinsurance and to achieve greater economies of scale, the District joined the following 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.

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 12 – RISK MANAGEMENT (Concl'd)

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

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 10.74 percent (10.5 percent for retirement and 0.24 percent for long-term disability) of the members' annual covered payroll and the District was required by statute to contribute at the actuarially determined rate of 10.74 percent (9.87 percent for retirement, 0.63 percent for health insurance premium, and 0.24 percent for long-term disability) of the members' annual covered payroll.

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

	<u>Retirement Fund</u>	<u>Health Benefit Supplement Fund</u>	<u>Long- Term Disability Fund</u>
Year ending June 30:			
2012	\$ 15,193,198	\$ 969,779	\$ 369,439
2011	14,416,156	944,010	400,004
2010	12,826,523	1,657,631	643,740

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 \$421,660 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	610
Retired employees	145
Total	<u>755</u>

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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. Generally, resources from the General Fund are used to pay for postemployment benefits.

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.

Annual required contribution	\$ 404,894
Interest on net OPEB obligation	69,264
Adjustment to annual required contribution	<u>(90,115)</u>
Annual OPEB cost (expense)	384,043
Contributions made	(421,660)
Decrease in net OPEB obligation	<u>(37,617)</u>
Net OPEB obligation – beginning of year	<u>1,385,387</u>
Net OPEB obligation – end of year	<u>\$ 1,347,770</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, 2012	\$ 384,043	\$ 421,660	109.79%	\$ 1,347,770
June 30, 2011	430,520	401,570	93.28%	1,385,387
June 30, 2010	450,834	431,894	95.80%	1,356,437

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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.

Valuation date	July 1, 2011
Actuarial cost method	Projected Unit Credit
Amortization method for actuarial accrued liabilities	30 year level dollar, open period
Remaining amortization period	25 years as of June 30, 2012
Interest rate	5.00%
Inflation rate	N/A
Projected salary increases	N/A
Health care cost trend rate:	
Medical and Prescription Drug	8% graded down to an ultimate rate of 6% 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.

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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 current and prior valuation years are presented below.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued 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, 2011	-0-	\$ 4,167,179	\$ 4,167,179	-0-	\$ 33,162,516	12.57%
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 2012, the District issued \$33,000,000 of tax anticipation notes in advance of property tax collections, depositing the proceeds in its General Fund.

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**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, 2012**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Other local	\$	\$	\$ 11,163,497	\$ 11,163,497
Property taxes			82,719,344	82,719,344
State aid and grants			107,351,068	107,351,068
Total revenues			<u>201,233,909</u>	<u>201,233,909</u>
Expenditures:				
Current -				
Instruction	126,309,011	132,860,343	129,849,239	3,011,104
Support services - students and staff	19,735,895	20,156,152	21,242,593	(1,086,441)
Support services - administration	18,501,189	20,525,467	21,236,587	(711,120)
Operation and maintenance of plant services	24,217,344	26,943,775	26,887,375	56,400
Student transportation services	8,253,069	8,600,077	8,338,964	261,113
Operation of non-instructional services	263,925	256,896	297,057	(40,161)
Total expenditures	<u>197,280,433</u>	<u>209,342,710</u>	<u>207,851,815</u>	<u>1,490,895</u>
Excess (deficiency) of revenues over expenditures	<u>(197,280,433)</u>	<u>(209,342,710)</u>	<u>(6,617,906)</u>	<u>202,724,804</u>
Other financing sources (uses):				
Transfers in			1,649,899	1,649,899
Total other financing sources (uses):			<u>1,649,899</u>	<u>1,649,899</u>
Changes in fund balances	<u>(197,280,433)</u>	<u>(209,342,710)</u>	<u>(4,968,007)</u>	<u>204,374,703</u>
Fund balances, beginning of year			7,091,489	7,091,489
Increase (decrease) in reserve for prepaid items			1,445,470	1,445,470
Increase (decrease) in reserve for inventory			(410,073)	(410,073)
Fund balances (deficits), end of year	<u>\$ (197,280,433)</u>	<u>\$ (209,342,710)</u>	<u>\$ 3,158,879</u>	<u>\$ 212,501,589</u>

See accompanying notes to this schedule.

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2012

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The adopted budget of the District is prepared on a basis consistent with accounting principles generally accepted in the United States of America with the following exceptions: 1) a portion of the General Fund activity is budgeted for separately as special revenue and capital projects funds, 2) a portion of fiscal year 2012-13 insurance payments were charged against the fiscal year 2011-12 budget, and 3) a portion of the fiscal year 2011-12 insurance payments were budgeted for in fiscal year 2010-11. Consequently, the following adjustments were necessary to present actual expenditures, increase in prepaid items, fund balance at July 1, 2011 and fund balance at June 30, 2012 on a budgetary basis in order to provide a meaningful comparison.

	<u>Total Expenditures</u>	<u>Increase in Prepaid Items</u>	<u>Fund Balance, June 30, 2012</u>	<u>Fund Balance, July 1, 2011</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 212,063,656	\$	\$ 20,837,784	\$ 25,998,701
Fiscal year 2011-12 activity budgeted as special revenue funds	(3,105,349)		(15,014,117)	(14,187,593)
Fiscal year 2011-12 activity budgeted as capital projects funds	(306,445)		(2,664,788)	(2,474,102)
Fiscal year 2012-13 insurance payments charged against fiscal year 2011-12 budget	1,445,470	1,445,470		
Fiscal year 2011-12 insurance payments budgeted in 2010-11	<u>(2,245,517)</u>			<u>(2,245,517)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 207,851,815</u>	<u>\$ 1,445,470</u>	<u>\$ 3,158,879</u>	<u>\$ 7,091,489</u>

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

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GOVERNMENTAL FUNDS

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2012

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 25,862,656	\$ 12,137,579	\$ 38,000,235
Property taxes receivable		94,614	94,614
Due from governmental entities	5,950,207	1,600,786	7,550,993
Due from other funds	1,694,418		1,694,418
Inventory	672,137	192,214	864,351
Total assets	<u>\$ 34,179,418</u>	<u>\$ 14,025,193</u>	<u>\$ 48,204,611</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 376,693	\$ 576,205	\$ 952,898
Refundable deposits	7,622		7,622
Due to other funds	1,694,418		1,694,418
Accrued payroll and employee benefits	2,025,162		2,025,162
Deferred revenues	73,268	89,951	163,219
Total liabilities	<u>4,177,163</u>	<u>666,156</u>	<u>4,843,319</u>
Fund balances:			
Nonspendable	672,137	192,214	864,351
Restricted	29,330,118	5,966,433	35,296,551
Assigned		7,200,390	7,200,390
Total fund balances	<u>30,002,255</u>	<u>13,359,037</u>	<u>43,361,292</u>
 Total liabilities and fund balances	 <u>\$ 34,179,418</u>	 <u>\$ 14,025,193</u>	 <u>\$ 48,204,611</u>

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, 2012

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 23,441,319	\$ 217,888	\$ 23,659,207
Property taxes		536,341	536,341
State aid and grants	13,130,215	591,838	13,722,053
Federal aid, grants and reimbursements	<u>18,969,160</u>		<u>18,969,160</u>
Total revenues	<u>55,540,694</u>	<u>1,346,067</u>	<u>56,886,761</u>
Expenditures:			
Current -			
Instruction	22,468,127		22,468,127
Support services - students and staff	5,423,065		5,423,065
Support services - administration	541,692		541,692
Operation and maintenance of plant services	660,904		660,904
Student transportation services	690,600		690,600
Operation of non-instructional services	18,955,849		18,955,849
Capital outlay	<u>1,148,122</u>	<u>6,209,532</u>	<u>7,357,654</u>
Total expenditures	<u>49,888,359</u>	<u>6,209,532</u>	<u>56,097,891</u>
Excess (deficiency) of revenues over expenditures	<u>5,652,335</u>	<u>(4,863,465)</u>	<u>788,870</u>
Other financing sources (uses):			
Transfers out	<u>(443,254)</u>	<u>(1,649,899)</u>	<u>(2,093,153)</u>
Total other financing sources (uses):	<u>(443,254)</u>	<u>(1,649,899)</u>	<u>(2,093,153)</u>
Changes in fund balances	<u>5,209,081</u>	<u>(6,513,364)</u>	<u>(1,304,283)</u>
Fund balances, beginning of year	24,593,335	19,680,187	44,273,522
Increase (decrease) in reserve for inventory	199,839	192,214	392,053
Fund balances, end of year	<u>\$ 30,002,255</u>	<u>\$ 13,359,037</u>	<u>\$ 43,361,292</u>

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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.

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, 2012

	Classroom Site	Instructional Improvement	County, City, and Town Grants
<u>ASSETS</u>			
Cash and investments	\$ 4,118,354	\$ 71,769	\$ 84,732
Due from governmental entities	1,670,382	659,998	
Due from other funds			
Inventory			
Total assets	\$ 5,788,736	\$ 731,767	\$ 84,732
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 28,674
Refundable deposits			
Due to other funds			54,819
Accrued payroll and employee benefits	1,749,403		1,239
Deferred revenues			
Total liabilities	1,749,403		84,732
Fund balances:			
Nonspendable			
Restricted	4,039,333	731,767	
Total fund balances	4,039,333	731,767	
 Total liabilities and fund balances	 \$ 5,788,736	 \$ 731,767	 \$ 84,732

<u>Structured English Immersion</u>	<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>
\$ 10,862	\$ 591,707	\$ 316,697	\$ 87,644	\$ 5,313 2,373	\$ 644,366
<u>\$ 10,862</u>	<u>\$ 591,707</u>	<u>\$ 316,697</u>	<u>\$ 87,644</u>	<u>\$ 7,686</u>	<u>\$ 644,366</u>
\$	\$ 9,391	\$ 2,865	\$	\$	\$ 16,642
	550,729	283,788	83,114	7,686	602,813
	31,587	30,044	4,530		24,911
<u>10,862</u>	<u>591,707</u>	<u>316,697</u>	<u>87,644</u>	<u>7,686</u>	<u>644,366</u>
<u>\$ 10,862</u>	<u>\$ 591,707</u>	<u>\$ 316,697</u>	<u>\$ 87,644</u>	<u>\$ 7,686</u>	<u>\$ 644,366</u>

(Continued)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Johnson O'Malley	Vocational Education	Other Federal Projects
<u>ASSETS</u>			
Cash and investments	\$	\$ 2,332	\$ 5,307
Due from governmental entities	1,044	67,551	54,011
Due from other funds			
Inventory			
Total assets	\$ 1,044	\$ 69,883	\$ 59,318
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 4,148	\$
Refundable deposits			
Due to other funds	1,044	62,283	48,142
Accrued payroll and employee benefits		3,452	11,176
Deferred revenues			
Total liabilities	1,044	69,883	59,318
Fund balances:			
Nonspendable			
Restricted			
Total fund balances			
Total liabilities and fund balances	\$ 1,044	\$ 69,883	\$ 59,318

<u>State Vocational Education</u>	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>
\$ 75,609	\$ 23,405	\$ 2,488,209 837,864	\$ 7,662,821	\$ 5,256,538 1,694,418	\$ 1,913,527
<u>\$ 75,609</u>	<u>\$ 23,405</u>	<u>672,137</u> <u>\$ 3,998,210</u>	<u>\$ 7,662,821</u>	<u>\$ 6,950,956</u>	<u>\$ 1,913,527</u>
\$ 29,524	\$ 6,660	\$ 127,616	\$ 8,307 7,622	\$ 78,624	\$ 64,242
46,085	424 16,321	68,508	6,948	83,929	
<u>75,609</u>	<u>23,405</u>	<u>196,124</u>	<u>22,877</u>	<u>162,553</u>	<u>64,242</u>
		672,137 3,129,949	7,639,944	6,788,403	1,849,285
		<u>3,802,086</u>	<u>7,639,944</u>	<u>6,788,403</u>	<u>1,849,285</u>
<u>\$ 75,609</u>	<u>\$ 23,405</u>	<u>\$ 3,998,210</u>	<u>\$ 7,662,821</u>	<u>\$ 6,950,956</u>	<u>\$ 1,913,527</u>

(Continued)

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Insurance Refund</u>
<u>ASSETS</u>			
Cash and investments	\$ 5,524	\$ 118,753	\$ 159,867
Due from governmental entities			
Due from other funds			
Inventory			
Total assets	<u>\$ 5,524</u>	<u>\$ 118,753</u>	<u>\$ 159,867</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Refundable deposits			
Due to other funds			
Accrued payroll and employee benefits			
Deferred revenues			
Total liabilities	<u> </u>	<u> </u>	<u> </u>
Fund balances:			
Nonspendable			
Restricted	<u>5,524</u>	<u>118,753</u>	<u>159,867</u>
Total fund balances	<u>5,524</u>	<u>118,753</u>	<u>159,867</u>
Total liabilities and fund balances	<u>\$ 5,524</u>	<u>\$ 118,753</u>	<u>\$ 159,867</u>

<u>Joint Technical Education</u>	<u>Totals</u>
\$ 3,859,734	\$ 25,862,656
1,016,570	5,950,207
	1,694,418
	672,137
<u>\$ 4,876,304</u>	<u>\$ 34,179,418</u>

\$	\$ 376,693
	7,622
	1,694,418
9,011	2,025,162
	73,268
<u>9,011</u>	<u>4,177,163</u>

	672,137
<u>4,867,293</u>	<u>29,330,118</u>
<u>4,867,293</u>	<u>30,002,255</u>
<u>\$ 4,876,304</u>	<u>\$ 34,179,418</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, 2012

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$ 9,368	\$ 6,625	\$
State aid and grants	9,959,824	1,516,287	328,981
Federal aid, grants and reimbursements			
Total revenues	9,969,192	1,522,912	328,981
Expenditures:			
Current -			
Instruction	7,720,860	1,610,742	
Support services - students and staff			229,425
Support services - administration			520
Operation and maintenance of plant services			19,363
Student transportation services			
Operation of non-instructional services			
Capital outlay			11,423
Total expenditures	7,720,860	1,610,742	260,731
Excess (deficiency) of revenues over expenditures	2,248,332	(87,830)	68,250
Other financing sources (uses):			
Transfers out			(12,284)
Total other financing sources (uses):			(12,284)
Changes in fund balances	2,248,332	(87,830)	55,966
Fund balances (deficits), beginning of year	1,791,001	819,597	(55,966)
Increase (decrease) in reserve for inventory			
Fund balances, end of year	\$ 4,039,333	\$ 731,767	\$

Structured English Immersion	Title I Grants	Professional Development and Technology Grants	Limited English & Immigrant Students	Indian Education	Special Education Grants
\$ 262,712	\$ 4,223,021	\$ 820,420	\$ 374,098	\$ 56,664	\$ 6,054,032
<u>262,712</u>	<u>4,223,021</u>	<u>820,420</u>	<u>374,098</u>	<u>56,664</u>	<u>6,054,032</u>
262,712	2,753,488		45,426	12,825	4,051,410
	1,158,079	789,093	315,092	35,767	1,426,892
	108,545		7,777		18,465
	5,656				28,824
	1,277		2,815		43,882
	41,507			6,143	268,320
<u>262,712</u>	<u>4,068,552</u>	<u>789,093</u>	<u>371,110</u>	<u>54,735</u>	<u>5,837,793</u>
	154,469	31,327	2,988	1,929	216,239
	(154,469)	(31,327)	(2,988)	(1,929)	(216,239)
	<u>(154,469)</u>	<u>(31,327)</u>	<u>(2,988)</u>	<u>(1,929)</u>	<u>(216,239)</u>
<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, 2012

	Johnson O'Malley	Vocational Education	Other Federal Projects
Revenues:			
Other local	\$	\$	\$ 196
State aid and grants			
Federal aid, grants and reimbursements	4,241	341,752	968,703
Total revenues	4,241	341,752	968,899
Expenditures:			
Current -			
Instruction	3,807	28,735	370,988
Support services - students and staff	302	205,923	335,165
Support services - administration		4,238	49,447
Operation and maintenance of plant services			3,675
Student transportation services			
Operation of non-instructional services			
Capital outlay		93,379	77,318
Total expenditures	4,109	332,275	836,593
Excess (deficiency) of revenues over expenditures	132	9,477	132,306
Other financing sources (uses):			
Transfers out	(132)	(9,477)	(14,409)
Total other financing sources (uses):	(132)	(9,477)	(14,409)
Changes in fund balances			117,897
Fund balances (deficits), beginning of year			(117,897)
Increase (decrease) in reserve for inventory			
Fund balances, end of year	\$	\$	\$

State Vocational Education	Other State Projects	Food Service	Civic Center	Community School	Extracurricular Activities Fees Tax Credit
\$ 237,575	\$ 824,836	\$ 7,894,604	\$ 1,736,736	\$ 8,599,974	\$ 2,299,875
<u>237,575</u>	<u>824,836</u>	<u>6,126,229</u> <u>14,020,833</u>	<u>1,736,736</u>	<u>8,599,974</u>	<u>2,299,875</u>
54,699	760,072		89,320	936,018	1,722,511
43,255	58,120		37,313	421,690	266,632
1,257	6,165	125,607	108,161	111,510	
26,637		244,497	310,035	8,599	579
			244,820	29,707	360,368
		13,475,902	223	5,479,724	
<u>111,727</u>	<u>479</u>	<u>123,162</u>	<u>90,466</u>	<u>115,101</u>	<u>144,353</u>
<u>237,575</u>	<u>824,836</u>	<u>13,969,168</u>	<u>880,338</u>	<u>7,102,349</u>	<u>2,494,443</u>
		<u>51,665</u>	<u>856,398</u>	<u>1,497,625</u>	<u>(194,568)</u>
		<u>51,665</u>	<u>856,398</u>	<u>1,497,625</u>	<u>(194,568)</u>
		3,550,582	6,783,546	5,290,778	2,043,853
		199,839			
<u>\$</u>	<u>\$</u>	<u>\$ 3,802,086</u>	<u>\$ 7,639,944</u>	<u>\$ 6,788,403</u>	<u>\$ 1,849,285</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, 2012

	Fingerprint	Textbooks	Insurance Refund
Revenues:			
Other local	\$ 4,396	\$ 10,582	\$ 989
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	4,396	10,582	989
Expenditures:			
Current -			
Instruction		2,675	
Support services - students and staff		9,171	
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures		11,846	
Excess (deficiency) of revenues over expenditures	4,396	(1,264)	989
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	4,396	(1,264)	989
Fund balances (deficits), beginning of year	1,128	120,017	158,878
Increase (decrease) in reserve for inventory			
Fund balances, end of year	\$ 5,524	\$ 118,753	\$ 159,867

<u>Joint Technical Education</u>	<u>Totals</u>
\$ 2,877,974	\$ 23,441,319
	13,130,215
	18,969,160
<u>2,877,974</u>	<u>55,540,694</u>
2,041,839	22,468,127
91,146	5,423,065
	541,692
13,039	660,904
7,731	690,600
	18,955,849
64,744	1,148,122
<u>2,218,499</u>	<u>49,888,359</u>
<u>659,475</u>	<u>5,652,335</u>
	(443,254)
	<u>(443,254)</u>
<u>659,475</u>	<u>5,209,081</u>
4,207,818	24,593,335
	199,839
<u>\$ 4,867,293</u>	<u>\$ 30,002,255</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, 2012

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 9,368	\$ 9,368
State aid and grants		9,959,824	9,959,824
Federal aid, grants and reimbursements			
Total revenues		<u>9,969,192</u>	<u>9,969,192</u>
Expenditures:			
Current -			
Instruction	11,819,225	7,720,860	4,098,365
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>11,819,225</u>	<u>7,720,860</u>	<u>4,098,365</u>
Excess (deficiency) of revenues over expenditures	<u>(11,819,225)</u>	<u>2,248,332</u>	<u>14,067,557</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(11,819,225)</u>	<u>2,248,332</u>	<u>14,067,557</u>
Fund balances (deficits), beginning of year		1,791,001	1,791,001
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (11,819,225)</u>	<u>\$ 4,039,333</u>	<u>\$ 15,858,558</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 6,625	\$ 6,625	\$	\$	\$
	1,516,287	1,516,287		328,981	328,981
	<u>1,522,912</u>	<u>1,522,912</u>		<u>328,981</u>	<u>328,981</u>
1,299,466	1,610,742	(311,276)		229,425	(229,425)
				520	(520)
				19,363	(19,363)
				<u>11,423</u>	<u>(11,423)</u>
<u>1,299,466</u>	<u>1,610,742</u>	<u>(311,276)</u>		<u>260,731</u>	<u>(260,731)</u>
<u>(1,299,466)</u>	<u>(87,830)</u>	<u>1,211,636</u>		<u>68,250</u>	<u>68,250</u>
				<u>(12,284)</u>	<u>(12,284)</u>
				<u>(12,284)</u>	<u>(12,284)</u>
<u>(1,299,466)</u>	<u>(87,830)</u>	<u>1,211,636</u>		<u>55,966</u>	<u>55,966</u>
	819,597	819,597		<u>(55,966)</u>	<u>(55,966)</u>
<u>\$ (1,299,466)</u>	<u>\$ 731,767</u>	<u>\$ 2,031,233</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, 2012

	Structured English Immersion		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants	262,725	262,712	(13)
Federal aid, grants and reimbursements			
Total revenues	<u>262,725</u>	<u>262,712</u>	<u>(13)</u>
Expenditures:			
Current -			
Instruction	262,725	262,712	13
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>262,725</u>	<u>262,712</u>	<u>13</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, end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

Title I Grants			Professional Development and Technology Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
5,111,703	4,223,021	(888,682)	1,455,173	820,420	(634,753)
<u>5,111,703</u>	<u>4,223,021</u>	<u>(888,682)</u>	<u>1,455,173</u>	<u>820,420</u>	<u>(634,753)</u>
3,000,000	2,753,488	246,512			
1,500,000	1,158,079	341,921	1,455,173	789,093	666,080
500,000	108,545	391,455			
10,000	5,656	4,344			
1,703	1,277	426			
100,000	41,507	58,493			
<u>5,111,703</u>	<u>4,068,552</u>	<u>1,043,151</u>	<u>1,455,173</u>	<u>789,093</u>	<u>666,080</u>
	154,469	154,469		31,327	31,327
	(154,469)	(154,469)		(31,327)	(31,327)
	<u>(154,469)</u>	<u>(154,469)</u>		<u>(31,327)</u>	<u>(31,327)</u>
<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, 2012

	Limited English & Immigrant Students		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	1,000,000	374,098	(625,902)
Total revenues	1,000,000	374,098	(625,902)
Expenditures:			
Current -			
Instruction	100,000	45,426	54,574
Support services - students and staff	800,000	315,092	484,908
Support services - administration	75,000	7,777	67,223
Operation and maintenance of plant services			
Student transportation services	25,000	2,815	22,185
Operation of non-instructional services			
Capital outlay			
Total expenditures	1,000,000	371,110	628,890
Excess (deficiency) of revenues over expenditures		2,988	2,988
Other financing sources (uses):			
Transfers in			
Transfers out		(2,988)	(2,988)
Total other financing sources (uses):		(2,988)	(2,988)
Changes in fund balances			
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances, end of year	\$	\$	\$

Indian Education			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
61,000	56,664	(4,336)	7,602,973	6,054,032	(1,548,941)
<u>61,000</u>	<u>56,664</u>	<u>(4,336)</u>	<u>7,602,973</u>	<u>6,054,032</u>	<u>(1,548,941)</u>
15,000	12,825	2,175	5,000,000	4,051,410	948,590
37,500	35,767	1,733	2,000,000	1,426,892	573,108
			27,973	18,465	9,508
			75,000	28,824	46,176
			100,000	43,882	56,118
8,500	6,143	2,357	400,000	268,320	131,680
<u>61,000</u>	<u>54,735</u>	<u>6,265</u>	<u>7,602,973</u>	<u>5,837,793</u>	<u>1,765,180</u>
	1,929	1,929		216,239	216,239
	(1,929)	(1,929)		(216,239)	(216,239)
	<u>(1,929)</u>	<u>(1,929)</u>		<u>(216,239)</u>	<u>(216,239)</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, 2012

	Johnson O'Malley		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	8,000	4,241	(3,759)
Total revenues	<u>8,000</u>	<u>4,241</u>	<u>(3,759)</u>
Expenditures:			
Current -			
Instruction	7,000	3,807	3,193
Support services - students and staff	1,000	302	698
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>8,000</u>	<u>4,109</u>	<u>3,891</u>
Excess (deficiency) of revenues over expenditures		<u>132</u>	<u>132</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(132)	(132)
Total other financing sources (uses):		<u>(132)</u>	<u>(132)</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>

Vocational Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 30,398	\$ 30,398
360,000	341,752	(18,248)	150,000	518,054	368,054
<u>360,000</u>	<u>341,752</u>	<u>(18,248)</u>	<u>150,000</u>	<u>548,452</u>	<u>398,452</u>
35,000	28,735	6,265	1,000	2,097	(1,097)
215,000	205,923	9,077	500	1,950	(1,450)
5,000	4,238	762	120,000	152,974	(32,974)
105,000	93,379	11,621	28,500	59,613	(31,113)
<u>360,000</u>	<u>332,275</u>	<u>27,725</u>	<u>150,000</u>	<u>216,634</u>	<u>(66,634)</u>
	9,477	9,477		331,818	331,818
	(9,477)	(9,477)			
	(9,477)	(9,477)			
				331,818	331,818
				6,946,530	6,946,530
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 7,278,348</u>	<u>\$ 7,278,348</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, 2012

	E-Rate		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 828	\$ 828
State aid and grants			
Federal aid, grants and reimbursements	340,000	390,841	50,841
Total revenues	<u>340,000</u>	<u>391,669</u>	<u>51,669</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	340,000	388,229	(48,229)
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>340,000</u>	<u>388,229</u>	<u>(48,229)</u>
Excess (deficiency) of revenues over expenditures		<u>3,440</u>	<u>3,440</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances		<u>3,440</u>	<u>3,440</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$</u>	<u>\$ 3,440</u>	<u>\$ 3,440</u>

Other Federal Projects			State Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 196	\$ 196	\$	\$	\$
414,761	968,703	553,942	342,382	237,575	(104,807)
<u>414,761</u>	<u>968,899</u>	<u>554,138</u>	<u>342,382</u>	<u>237,575</u>	<u>(104,807)</u>
160,000	370,988	(210,988)	75,000	54,699	20,301
160,000	335,165	(175,165)	60,000	43,255	16,745
35,000	49,447	(14,447)	7,382	1,257	6,125
2,761	3,675	(914)	50,000	26,637	23,363
57,000	77,318	(20,318)	150,000	111,727	38,273
<u>414,761</u>	<u>836,593</u>	<u>(421,832)</u>	<u>342,382</u>	<u>237,575</u>	<u>104,807</u>
	<u>132,306</u>	<u>132,306</u>			
	(14,409)	(14,409)			
	(14,409)	(14,409)			
	117,897	117,897			
	(117,897)	(117,897)			
<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, 2012

	Other State Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants	827,533	824,836	(2,697)
Federal aid, grants and reimbursements			
Total revenues	<u>827,533</u>	<u>824,836</u>	<u>(2,697)</u>
Expenditures:			
Current -			
Instruction	761,000	760,072	928
Support services - students and staff	59,000	58,120	880
Support services - administration	6,200	6,165	35
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	1,333	479	854
Total expenditures	<u>827,533</u>	<u>824,836</u>	<u>2,697</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)
\$	\$ 24,083	\$ 24,083	\$	\$ 7,894,604	\$ 7,894,604
				6,126,229	6,126,229
	<u>24,083</u>	<u>24,083</u>		<u>14,020,833</u>	<u>14,020,833</u>
			101,000	125,607	(24,607)
			200,000	244,497	(44,497)
			13,100,000	13,475,902	(375,902)
			100,000	123,162	(23,162)
			<u>13,501,000</u>	<u>13,969,168</u>	<u>(468,168)</u>
	<u>24,083</u>	<u>24,083</u>	<u>(13,501,000)</u>	<u>51,665</u>	<u>13,552,665</u>
	<u>24,083</u>	<u>24,083</u>	<u>(13,501,000)</u>	<u>51,665</u>	<u>13,552,665</u>
	79,864	79,864		3,550,582	3,550,582
				199,839	199,839
<u>\$</u>	<u>\$ 103,947</u>	<u>\$ 103,947</u>	<u>\$ (13,501,000)</u>	<u>\$ 3,802,086</u>	<u>\$ 17,303,086</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, 2012

	Civic Center		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,736,736	\$ 1,736,736
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>1,736,736</u>	<u>1,736,736</u>	<u>1,736,736</u>
Expenditures:			
Current -			
Instruction	125,000	89,320	35,680
Support services - students and staff	75,000	37,313	37,687
Support services - administration	150,000	108,161	41,839
Operation and maintenance of plant services	420,000	310,035	109,965
Student transportation services	350,000	244,820	105,180
Operation of non-instructional services	8,503	223	8,280
Capital outlay	150,000	90,466	59,534
Total expenditures	<u>1,278,503</u>	<u>880,338</u>	<u>398,165</u>
Excess (deficiency) of revenues over expenditures	<u>(1,278,503)</u>	<u>856,398</u>	<u>2,134,901</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(1,278,503)</u>	<u>856,398</u>	<u>2,134,901</u>
Fund balances (deficits), beginning of year		6,783,546	6,783,546
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (1,278,503)</u>	<u>\$ 7,639,944</u>	<u>\$ 8,918,447</u>

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 8,599,974	\$ 8,599,974	\$	\$ 1,913,802	\$ 1,913,802
	<u>8,599,974</u>	<u>8,599,974</u>		<u>1,913,802</u>	<u>1,913,802</u>
935,500	936,018	(518)	1,400,000	1,442,318	(42,318)
421,500	421,690	(190)	20,000	32,519	(12,519)
111,000	111,510	(510)	20,000	32,331	(12,331)
8,500	8,599	(99)	75,000	121,603	(46,603)
29,500	29,707	(207)	5,000	10,391	(5,391)
5,479,000	5,479,724	(724)	10,000	36,713	(26,713)
115,000	115,101	(101)	70,000	101,520	(31,520)
<u>7,100,000</u>	<u>7,102,349</u>	<u>(2,349)</u>	<u>1,600,000</u>	<u>1,777,395</u>	<u>(177,395)</u>
<u>(7,100,000)</u>	<u>1,497,625</u>	<u>8,597,625</u>	<u>(1,600,000)</u>	<u>136,407</u>	<u>1,736,407</u>
<u>(7,100,000)</u>	<u>1,497,625</u>	<u>8,597,625</u>	<u>(1,600,000)</u>	<u>136,407</u>	<u>1,736,407</u>
	5,290,778	5,290,778		1,586,384	1,586,384
<u>\$ (7,100,000)</u>	<u>\$ 6,788,403</u>	<u>\$ 13,888,403</u>	<u>\$ (1,600,000)</u>	<u>\$ 1,722,791</u>	<u>\$ 3,322,791</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, 2012

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 2,299,875	\$ 2,299,875
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		2,299,875	2,299,875
Expenditures:			
Current -			
Instruction	1,500,000	1,722,511	(222,511)
Support services - students and staff	99,500	266,632	(167,132)
Support services - administration			
Operation and maintenance of plant services	500	579	(79)
Student transportation services	200,000	360,368	(160,368)
Operation of non-instructional services			
Capital outlay	75,000	144,353	(69,353)
Total expenditures	1,875,000	2,494,443	(619,443)
Excess (deficiency) of revenues over expenditures	(1,875,000)	(194,568)	1,680,432
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(1,875,000)	(194,568)	1,680,432
Fund balances (deficits), beginning of year		2,043,853	2,043,853
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (1,875,000)	\$ 1,849,285	\$ 3,724,285

Gifts and Donations			Fingerprint		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 603,592	\$ 603,592	\$	\$ 4,396	\$ 4,396
	<u>603,592</u>	<u>603,592</u>		<u>4,396</u>	<u>4,396</u>
285,000	281,722	3,278	30,000		30,000
275,000	267,365	7,635			
120,000	116,912	3,088			
15,000	10,255	4,745			
1,813	991	822			
<u>44,000</u>	<u>36,082</u>	<u>7,918</u>			
<u>740,813</u>	<u>713,327</u>	<u>27,486</u>	<u>30,000</u>		<u>30,000</u>
<u>(740,813)</u>	<u>(109,735)</u>	<u>631,078</u>	<u>(30,000)</u>	<u>4,396</u>	<u>34,396</u>
<u>(740,813)</u>	<u>(109,735)</u>	<u>631,078</u>	<u>(30,000)</u>	<u>4,396</u>	<u>34,396</u>
	4,082,201	4,082,201		1,128	1,128
<u>\$ (740,813)</u>	<u>\$ 3,972,466</u>	<u>\$ 4,713,279</u>	<u>\$ (30,000)</u>	<u>\$ 5,524</u>	<u>\$ 35,524</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, 2012

	Textbooks		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 10,582	\$ 10,582
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u> </u>	<u>10,582</u>	<u>10,582</u>
Expenditures:			
Current -			
Instruction	5,000	2,675	2,325
Support services - students and staff	15,000	9,171	5,829
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>11,846</u>	<u>8,154</u>
Excess (deficiency) of revenues over expenditures	<u>(20,000)</u>	<u>(1,264)</u>	<u>18,736</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):	<u> </u>	<u> </u>	<u> </u>
Changes in fund balances	<u>(20,000)</u>	<u>(1,264)</u>	<u>18,736</u>
Fund balances (deficits), beginning of year		120,017	120,017
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (20,000)</u>	<u>\$ 118,753</u>	<u>\$ 138,753</u>

Indirect Costs			Insurance Refund		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 7,021	\$ 7,021	\$	\$ 989	\$ 989
	<u>7,021</u>	<u>7,021</u>		<u>989</u>	<u>989</u>
20,000	2,600	17,400	5,000		5,000
<u>80,000</u>	<u>7,164</u>	<u>72,836</u>			
<u>100,000</u>	<u>9,764</u>	<u>90,236</u>	<u>5,000</u>		<u>5,000</u>
<u>(100,000)</u>	<u>(2,743)</u>	<u>97,257</u>	<u>(5,000)</u>	<u>989</u>	<u>5,989</u>
	443,254	443,254			
	<u>443,254</u>	<u>443,254</u>			
<u>(100,000)</u>	<u>440,511</u>	<u>540,511</u>	<u>(5,000)</u>	<u>989</u>	<u>5,989</u>
	1,492,614	1,492,614		158,878	158,878
<u>\$ (100,000)</u>	<u>\$ 1,933,125</u>	<u>\$ 2,033,125</u>	<u>\$ (5,000)</u>	<u>\$ 159,867</u>	<u>\$ 164,867</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, 2012

	Joint Technical Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 2,877,974	\$ 2,877,974
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u> </u>	<u>2,877,974</u>	<u>2,877,974</u>
Expenditures:			
Current -			
Instruction	2,750,000	2,041,839	708,161
Support services - students and staff	250,000	91,146	158,854
Support services - administration			
Operation and maintenance of plant services	200,000	13,039	186,961
Student transportation services	72,118	7,731	64,387
Operation of non-instructional services			
Capital outlay	250,000	64,744	185,256
Total expenditures	<u>3,522,118</u>	<u>2,218,499</u>	<u>1,303,619</u>
Excess (deficiency) of revenues over expenditures	<u>(3,522,118)</u>	<u>659,475</u>	<u>4,181,593</u>
Other financing sources (uses):			
Transfers in			
Transfers out	3,522,118		(3,522,118)
Total other financing sources (uses):	<u>3,522,118</u>		<u>(3,522,118)</u>
Changes in fund balances		<u>659,475</u>	<u>659,475</u>
Fund balances (deficits), beginning of year		4,207,818	4,207,818
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 4,867,293</u>	<u>\$ 4,867,293</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$
1,432,640	26,021,043	26,021,043
16,503,610	13,130,215	11,697,575
<u>17,936,250</u>	<u>19,878,055</u>	<u>3,374,445</u>
	<u>59,029,313</u>	<u>41,093,063</u>
29,570,916	24,194,264	5,376,652
7,464,173	5,727,499	1,736,674
1,278,555	843,909	434,646
1,396,761	1,180,991	215,770
785,134	701,982	83,152
18,597,503	18,992,562	(395,059)
1,734,333	1,352,501	381,832
<u>60,827,375</u>	<u>52,993,708</u>	<u>7,833,667</u>
<u>(42,891,125)</u>	<u>6,035,605</u>	<u>48,926,730</u>
	443,254	443,254
3,522,118	(443,254)	(3,965,372)
<u>3,522,118</u>		<u>(3,522,118)</u>
<u>(39,369,007)</u>	<u>6,035,605</u>	<u>45,404,612</u>
	38,780,928	38,780,928
	199,839	199,839
<u>\$ (39,369,007)</u>	<u>\$ 45,016,372</u>	<u>\$ 84,385,379</u>

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DEBT SERVICE FUND

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

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Other local	\$	\$ 113,129	\$ 113,129
Property taxes		25,679,759	25,679,759
Federal aid, grants and reimbursements		1,613,389	1,613,389
Total revenues		<u>27,406,277</u>	<u>27,406,277</u>
Expenditures:			
Debt service -			
Principal retirement	16,605,000	16,605,000	
Interest and fiscal charges	10,019,155	9,817,215	201,940
Bond issuance costs		306,000	(306,000)
Payment to refunded bond escrow agent		210,394	(210,394)
Total expenditures	<u>26,624,155</u>	<u>26,938,609</u>	<u>(314,454)</u>
Excess (deficiency) of revenues over expenditures	<u>(26,624,155)</u>	<u>467,668</u>	<u>27,091,823</u>
Other financing sources (uses):			
Transfers in		132,282	132,282
Issuance of refunding bonds		30,000,000	30,000,000
Premium on sale of bonds		3,623,165	3,623,165
Payment to refunded bond escrow agent		(33,317,165)	(33,317,165)
Total other financing sources (uses):		<u>438,282</u>	<u>438,282</u>
Changes in fund balances	<u>(26,624,155)</u>	<u>905,950</u>	<u>27,530,105</u>
Fund balances, beginning of year		3,153,326	3,153,326
Fund balances (deficits), end of year	<u>\$ (26,624,155)</u>	<u>\$ 4,059,276</u>	<u>\$ 30,683,431</u>

CAPITAL PROJECTS FUNDS

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, 2012

	<u>Insurance Proceeds</u>	<u>Litigation Recovery</u>	<u>Unrestricted Capital Outlay</u>
<u>ASSETS</u>			
Cash and investments	\$ 126,868	\$ 214,746	\$ 5,549,729
Property taxes receivable			
Due from governmental entities			205,910
Inventory			
Total assets	<u>\$ 126,868</u>	<u>\$ 214,746</u>	<u>\$ 5,755,639</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 203,180
Deferred revenues			
Total liabilities			<u>203,180</u>
Fund balances:			
Nonspendable			
Restricted	126,868	214,746	5,552,459
Assigned			
Total fund balances	<u>126,868</u>	<u>214,746</u>	<u>5,552,459</u>
Total liabilities and fund balances	<u>\$ 126,868</u>	<u>\$ 214,746</u>	<u>\$ 5,755,639</u>

<u>Adjacent Ways</u>	<u>Soft Capital Allocation</u>	<u>Totals</u>
\$ 360,645	\$ 5,885,591	\$ 12,137,579
94,614		94,614
	1,394,876	1,600,786
	192,214	192,214
<u>\$ 455,259</u>	<u>\$ 7,472,681</u>	<u>\$ 14,025,193</u>
\$ 292,948	\$ 80,077	\$ 576,205
89,951		89,951
<u>382,899</u>	<u>80,077</u>	<u>666,156</u>
	192,214	192,214
72,360		5,966,433
	7,200,390	7,200,390
<u>72,360</u>	<u>7,392,604</u>	<u>13,359,037</u>
<u>\$ 455,259</u>	<u>\$ 7,472,681</u>	<u>\$ 14,025,193</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, 2012

	<u>Insurance Proceeds</u>	<u>Litigation Recovery</u>	<u>Unrestricted Capital Outlay</u>
Revenues:			
Other local	\$ 11,116	\$ 32,022	\$ 109,374
Property taxes			
State aid and grants			585,718
Total revenues	<u>11,116</u>	<u>32,022</u>	<u>695,092</u>
Expenditures:			
Capital outlay	<u>8,061</u>	<u>552</u>	<u>2,983,545</u>
Total expenditures	<u>8,061</u>	<u>552</u>	<u>2,983,545</u>
Excess (deficiency) of revenues over expenditures	<u>3,055</u>	<u>31,470</u>	<u>(2,288,453)</u>
Other financing sources (uses):			
Transfers out	<u> </u>	<u> </u>	<u> </u>
Total other financing sources (uses):	<u> </u>	<u> </u>	<u> </u>
Changes in fund balances	<u>3,055</u>	<u>31,470</u>	<u>(2,288,453)</u>
Fund balances, beginning of year	123,813	183,276	7,840,912
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 126,868</u>	<u>\$ 214,746</u>	<u>\$ 5,552,459</u>

<u>Adjacent Ways</u>	<u>Soft Capital Allocation</u>	<u>Totals</u>
\$ 4,699	\$ 60,677	\$ 217,888
536,341		536,341
	6,120	591,838
<u>541,040</u>	<u>66,797</u>	<u>1,346,067</u>
<u>1,738,617</u>	<u>1,478,757</u>	<u>6,209,532</u>
<u>1,738,617</u>	<u>1,478,757</u>	<u>6,209,532</u>
<u>(1,197,577)</u>	<u>(1,411,960)</u>	<u>(4,863,465)</u>
 	<u>(1,649,899)</u>	<u>(1,649,899)</u>
 	<u>(1,649,899)</u>	<u>(1,649,899)</u>
<u>(1,197,577)</u>	<u>(3,061,859)</u>	<u>(6,513,364)</u>
1,269,937	10,262,249	19,680,187
	192,214	192,214
<u>\$ 72,360</u>	<u>\$ 7,392,604</u>	<u>\$ 13,359,037</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, 2012

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 11,116	\$ 11,116
Property taxes			
State aid and grants			
Total revenues		<u>11,116</u>	<u>11,116</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Capital outlay	85,000	8,061	76,939
Total expenditures	<u>85,000</u>	<u>8,061</u>	<u>76,939</u>
Excess (deficiency) of revenues over expenditures	<u>(85,000)</u>	<u>3,055</u>	<u>88,055</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(85,000)</u>	<u>3,055</u>	<u>88,055</u>
Fund balances, beginning of year		123,813	123,813
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (85,000)</u>	<u>\$ 126,868</u>	<u>\$ 211,868</u>

Litigation Recovery			Unrestricted Capital Outlay		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 32,022	\$ 32,022	\$	\$ 109,374	\$ 109,374
	<u>32,022</u>	<u>32,022</u>		<u>585,718</u>	<u>585,718</u>
				<u>695,092</u>	<u>695,092</u>
<u>50,000</u>	<u>552</u>	<u>49,448</u>	<u>6,814,924</u>	<u>2,983,545</u>	<u>3,831,379</u>
<u>50,000</u>	<u>552</u>	<u>49,448</u>	<u>6,814,924</u>	<u>2,983,545</u>	<u>3,831,379</u>
<u>(50,000)</u>	<u>31,470</u>	<u>81,470</u>	<u>(6,814,924)</u>	<u>(2,288,453)</u>	<u>4,526,471</u>
<u>(50,000)</u>	<u>31,470</u>	<u>81,470</u>	<u>(6,814,924)</u>	<u>(2,288,453)</u>	<u>4,526,471</u>
	183,276	183,276		7,840,912	7,840,912
<u>\$ (50,000)</u>	<u>\$ 214,746</u>	<u>\$ 264,746</u>	<u>\$ (6,814,924)</u>	<u>\$ 5,552,459</u>	<u>\$ 12,367,383</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, 2012

	Adjacent Ways		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 4,699	\$ 4,699
Property taxes		536,341	536,341
State aid and grants			
Total revenues		<u>541,040</u>	<u>541,040</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Capital outlay	1,800,000	1,738,617	61,383
Total expenditures	<u>1,800,000</u>	<u>1,738,617</u>	<u>61,383</u>
Excess (deficiency) of revenues over expenditures	<u>(1,800,000)</u>	<u>(1,197,577)</u>	<u>602,423</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(1,800,000)</u>	<u>(1,197,577)</u>	<u>602,423</u>
Fund balances, beginning of year		1,269,937	1,269,937
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (1,800,000)</u>	<u>\$ 72,360</u>	<u>\$ 1,872,360</u>

Soft Capital Allocation			Bond Building		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 60,677	\$ 60,677	\$	\$ 212,269	\$ 212,269
	6,120	6,120			
	66,797	66,797		212,269	212,269
3,089,316	1,478,757	1,610,559	41,403,366	38,332,438	3,070,928
3,089,316	1,478,757	1,610,559	41,403,366	38,332,438	3,070,928
(3,089,316)	(1,411,960)	1,677,356	(41,403,366)	(38,120,169)	3,283,197
	(1,649,899)	(1,649,899)		(132,282)	(132,282)
	(1,649,899)	(1,649,899)		(132,282)	(132,282)
(3,089,316)	(3,061,859)	27,457	(41,403,366)	(38,252,451)	3,150,915
	10,262,249	10,262,249		58,697,882	58,697,882
	192,214	192,214			
\$ (3,089,316)	\$ 7,392,604	\$ 10,481,920	\$ (41,403,366)	\$ 20,445,431	\$ 61,848,797

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, 2012

	Gifts and Donations - Capital		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 497,131	\$ 497,131
Property taxes			
State aid and grants			
Total revenues		497,131	497,131
Expenditures:			
Current -			
Instruction	300,000	55,438	244,562
Support services - students and staff	200,000	11,243	188,757
Support services - administration	100,000	1,211	98,789
Capital outlay	500,000	238,553	261,447
Total expenditures	1,100,000	306,445	793,555
Excess (deficiency) of revenues over expenditures	(1,100,000)	190,686	1,290,686
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(1,100,000)	190,686	1,290,686
Fund balances, beginning of year		2,474,102	2,474,102
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (1,100,000)	\$ 2,664,788	\$ 3,764,788

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 927,288	\$ 927,288
	536,341	536,341
	591,838	591,838
	<u>2,055,467</u>	<u>2,055,467</u>
300,000	55,438	244,562
200,000	11,243	188,757
100,000	1,211	98,789
53,742,606	44,780,523	8,962,083
<u>54,342,606</u>	<u>44,848,415</u>	<u>9,494,191</u>
<u>(54,342,606)</u>	<u>(42,792,948)</u>	<u>11,549,658</u>
	<u>(1,782,181)</u>	<u>(1,782,181)</u>
	<u>(1,782,181)</u>	<u>(1,782,181)</u>
<u>(54,342,606)</u>	<u>(44,575,129)</u>	<u>9,767,477</u>
	80,852,171	80,852,171
	192,214	192,214
<u>\$ (54,342,606)</u>	<u>\$ 36,469,256</u>	<u>\$ 90,811,862</u>

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AGENCY FUNDS

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

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

Electronic Funds Transfer – to account for monies used for electronic payments to vendors and direct deposit payroll temporarily held by the District until distributed.

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, 2012

	<u>Student Activities</u>	<u>Employee Insurance</u>	<u>Electronic Funds Transfer</u>
<u>ASSETS</u>			
Cash and investments	\$ 963,180	\$ 1,461,713	\$ 1,467,523
Total assets	<u>\$ 963,180</u>	<u>\$ 1,461,713</u>	<u>\$ 1,467,523</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 33,618	\$	\$
Deposits held for others		1,461,713	1,467,523
Due to governmental entities			
Due to student groups	929,562		
Total liabilities	<u>\$ 963,180</u>	<u>\$ 1,461,713</u>	<u>\$ 1,467,523</u>

<u>Intergovernmental Agreements</u>	<u>Totals</u>
\$ 165,520	\$ 4,057,936
<u>\$ 165,520</u>	<u>\$ 4,057,936</u>
\$	\$ 33,618
165,520	2,929,236
<u>\$ 165,520</u>	165,520
<u>\$ 165,520</u>	<u>929,562</u>
<u>\$ 165,520</u>	<u>\$ 4,057,936</u>

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2012

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 880,111	\$ 1,246,486	\$ 1,163,417	\$ 963,180
Total assets	<u>\$ 880,111</u>	<u>\$ 1,246,486</u>	<u>\$ 1,163,417</u>	<u>\$ 963,180</u>
<u>Liabilities</u>				
Accounts payable	\$	\$ 33,618	\$	\$ 33,618
Due to student groups	<u>880,111</u>	<u>1,246,486</u>	<u>1,197,035</u>	<u>929,562</u>
Total liabilities	<u>\$ 880,111</u>	<u>\$ 1,280,104</u>	<u>\$ 1,197,035</u>	<u>\$ 963,180</u>
<u>EMPLOYEE INSURANCE FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 1,358,190	\$ 13,299,853	\$ 13,196,330	\$ 1,461,713
Total assets	<u>\$ 1,358,190</u>	<u>\$ 13,299,853</u>	<u>\$ 13,196,330</u>	<u>\$ 1,461,713</u>
<u>Liabilities</u>				
Deposits held for others	\$ 1,358,190	\$ 13,299,853	\$ 13,196,330	\$ 1,461,713
Total liabilities	<u>\$ 1,358,190</u>	<u>\$ 13,299,853</u>	<u>\$ 13,196,330</u>	<u>\$ 1,461,713</u>
<u>ELECTRONIC FUNDS TRANSFER</u>				
<u>Assets</u>				
Cash and investments	\$	\$ 156,567,553	\$ 155,100,030	\$ 1,467,523
Total assets	<u>\$</u>	<u>\$ 156,567,553</u>	<u>\$ 155,100,030</u>	<u>\$ 1,467,523</u>
<u>Liabilities</u>				
Deposits held for others	\$	\$ 156,567,553	\$ 155,100,030	\$ 1,467,523
Total liabilities	<u>\$</u>	<u>\$ 156,567,553</u>	<u>\$ 155,100,030</u>	<u>\$ 1,467,523</u>
<u>INTERGOVERNMENTAL AGREEMENTS</u>				
<u>Assets</u>				
Cash and investments	\$ 94,117	\$ 103,433	\$ 32,030	\$ 165,520
Total assets	<u>\$ 94,117</u>	<u>\$ 103,433</u>	<u>\$ 32,030</u>	<u>\$ 165,520</u>
<u>Liabilities</u>				
Due to governmental entities	\$ 94,117	\$ 188,661	\$ 117,258	\$ 165,520
Total liabilities	<u>\$ 94,117</u>	<u>\$ 188,661</u>	<u>\$ 117,258</u>	<u>\$ 165,520</u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 2,332,418	\$ 171,217,325	\$ 169,491,807	\$ 4,057,936
Total assets	<u>\$ 2,332,418</u>	<u>\$ 171,217,325</u>	<u>\$ 169,491,807</u>	<u>\$ 4,057,936</u>
<u>Liabilities</u>				
Accounts payable	\$	\$ 33,618	\$	\$ 33,618
Deposits held for others	1,358,190	169,867,406	168,296,360	2,929,236
Due to governmental entities	94,117	188,661	117,258	165,520
Due to student groups	<u>880,111</u>	<u>1,246,486</u>	<u>1,197,035</u>	<u>929,562</u>
Total liabilities	<u>\$ 2,332,418</u>	<u>\$ 171,336,171</u>	<u>\$ 169,610,653</u>	<u>\$ 4,057,936</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.

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

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net Assets:					
Invested in capital assets, net of related debt	\$ 299,206,346	\$ 290,792,490	\$ 280,973,330	\$ 271,346,813	\$ 274,575,054
Restricted	40,482,863	48,221,343	62,487,821	54,097,818	63,739,848
Unrestricted	52,639,580	44,337,441	34,490,256	25,391,956	20,106,379
Total governmental activities net assets	\$ 392,328,789	\$ 383,351,274	\$ 377,951,407	\$ 350,836,587	\$ 358,421,281
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net Assets:					
Invested in capital assets, net of related debt	\$ 235,668,544	\$ 179,332,346	\$ 141,442,113	\$ 110,675,236	\$ 74,518,056
Restricted	54,003,411	45,401,862	42,650,363	43,723,391	56,895,797
Unrestricted	26,707,508	26,013,815	30,648,507	27,428,013	25,225,394
Total governmental activities net assets	\$ 316,379,463	\$ 250,748,023	\$ 214,740,983	\$ 181,826,640	\$ 156,639,247

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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenses					
Instruction	\$ 163,526,973	\$ 166,877,011	\$ 161,837,168	\$ 173,594,344	\$ 164,521,068
Support services - students and staff	27,076,214	28,394,163	26,960,045	28,452,421	26,151,533
Support services - administration	22,137,479	23,509,661	22,166,871	23,604,982	20,836,773
Operation and maintenance of plant services	30,591,102	32,392,290	29,459,009	30,399,754	28,988,546
Student transportation services	9,719,040	10,881,130	9,607,141	9,969,991	7,264,375
Operation of non-instructional services	19,329,250	18,061,525	18,044,380	18,933,055	15,946,075
Interest on long-term debt	10,027,609	7,496,046	9,205,810	9,900,670	9,479,062
Total expenses	<u>282,407,667</u>	<u>287,611,826</u>	<u>277,280,424</u>	<u>294,855,217</u>	<u>273,187,432</u>
Program Revenues					
Charges for services:					
Instruction	4,996,244	5,577,144	773,984	381,205	323,317
Support services - students and staff	10,034	629,734	765,296	381,301	305,604
Support services - administration	478,513		88,724	20,061	12,662
Operation and maintenance of plant	997,082	1,877,912	16,947	53,881	1,170,792
Student Transportation	471,253			55,918	
Operation of non-instructional services	16,441,126	15,835,658	15,158,016	15,462,819	14,218,683
Operating grants and contributions	24,577,873	30,477,791	50,531,358	36,657,368	40,082,730
Capital grants and contributions	1,107,427	1,261,054	1,190,231	2,254,464	27,149,930
Total program revenues	<u>49,079,552</u>	<u>55,659,293</u>	<u>68,524,556</u>	<u>55,267,017</u>	<u>83,263,718</u>
Net (Expense)/Revenue	<u>\$ (233,328,115)</u>	<u>\$ (231,952,533)</u>	<u>\$ (208,755,868)</u>	<u>\$ (239,588,200)</u>	<u>\$ (189,923,714)</u>

(Continued)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses					
Instruction	\$ 146,936,532	\$ 136,106,510	\$ 117,137,497	\$ 102,928,570	\$ 91,482,220
Support services - students and staff	23,157,847	17,894,247	15,475,848	13,905,083	14,430,135
Support services - administration	18,881,732	15,655,690	14,209,726	13,696,264	13,367,558
Operation and maintenance of plant services	24,251,469	24,617,055	17,747,379	16,820,524	14,954,667
Student transportation services	8,750,312	8,392,464	7,954,938	9,219,075	5,842,860
Operation of non-instructional services	12,911,424	13,649,134	11,495,124	10,315,918	8,788,991
Interest on long-term debt	7,259,961	8,078,731	7,723,667	8,509,817	6,738,426
Total expenses	<u>242,149,277</u>	<u>224,393,831</u>	<u>191,744,179</u>	<u>175,395,251</u>	<u>155,604,857</u>
Program Revenues					
Charges for services:					
Instruction	1,355,216		55,161	3,968,613	3,024,937
Support services - students and staff			20,629		
Support services - administration			4,786		
Operation and maintenance of plant	944,157	1,067,364	277,114	690,811	410,401
Student Transportation			815,548		
Operation of non-instructional services	6,903,187	7,093,112	6,269,126	5,947,132	4,852,043
Operating grants and contributions	35,508,968	34,497,685	29,113,583	20,711,299	16,529,516
Capital grants and contributions	44,854,185	32,606,414	14,561,698	20,030,436	34,715,013
Total program revenues	<u>89,565,713</u>	<u>75,264,575</u>	<u>51,117,645</u>	<u>51,348,291</u>	<u>59,531,910</u>
Net (Expense)/Revenue	<u>\$ (152,583,564)</u>	<u>\$ (149,129,256)</u>	<u>\$ (140,626,534)</u>	<u>\$ (124,046,960)</u>	<u>\$ (96,072,947)</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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net (Expense)/Revenue	\$ (233,328,115)	\$ (231,952,533)	\$ (208,755,868)	\$ (239,588,200)	\$ (189,923,714)
General Revenues:					
Property taxes					
Property taxes, levied for general purposes	84,683,551	82,014,404	86,005,833	82,338,004	71,634,769
Property taxes, levied for debt service	25,507,746	26,344,671	23,257,885	24,711,887	25,864,315
Property taxes, levied for capital outlay	626,292		4,389,300	508,750	3,213,099
Investment income	615,998	1,214,554	1,148,586	2,930,561	3,277,566
Unrestricted county aid	10,827,469	10,490,730	9,879,568		
Unrestricted state aid	119,135,679	117,269,988	92,305,080	121,094,266	127,415,405
Unrestricted federal aid	908,895	1,458,310	13,266,976		
Other			2,141,289	1,635,478	560,378
Total Government Activities:	242,305,630	238,792,657	232,394,517	233,218,946	231,965,532
Changes in Net Assets	\$ 8,977,515	\$ 6,840,124	\$ 23,638,649	\$ (6,369,254)	\$ 42,041,818

(Continued)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net (Expense)/Revenue	\$ (152,583,564)	\$ (149,129,256)	\$ (140,626,534)	\$ (124,046,960)	\$ (96,072,947)
General Revenues:					
Property taxes					
Property taxes, levied for general purposes	62,017,516	55,127,084	53,577,404	48,726,209	43,461,830
Property taxes, levied for debt service	23,698,472	23,050,821	21,281,483	19,728,173	20,103,916
Property taxes, levied for capital outlay	7,159,439	5,120,660	5,699,867	4,956,229	8,887,765
Investment income	3,081,030	2,587,993	1,897,130	872,469	866,905
Unrestricted county aid	85,990	7,231,471	6,337,096	5,472,988	5,064,878
Unrestricted state aid	117,159,654	88,022,699	81,821,154	73,342,752	65,726,955
Unrestricted federal aid					
Other	5,012,903	3,995,568	2,926,743	3,502,516	1,833,922
Total Government Activities:	<u>218,215,004</u>	<u>185,136,296</u>	<u>173,540,877</u>	<u>156,601,336</u>	<u>145,946,171</u>
Changes in Net Assets	<u>\$ 65,631,440</u>	<u>\$ 36,007,040</u>	<u>\$ 32,914,343</u>	<u>\$ 32,554,376</u>	<u>\$ 49,873,224</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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:					
Nonspendable	\$ 832,308	\$ 1,242,381			
Restricted					
Assigned	103,947	2,170,447			
Unassigned	19,901,529	22,585,873			
Reserved			\$ 898,110	\$ 1,268,583	\$ 1,275,595
Unreserved			9,422,139	5,993,432	11,059,872
Total General Fund	<u>\$ 20,837,784</u>	<u>\$ 25,998,701</u>	<u>\$ 10,320,249</u>	<u>\$ 7,262,015</u>	<u>\$ 12,335,467</u>
All Other Governmental Funds:					
Nonspendable	\$ 864,351	\$ 472,298			
Restricted	59,801,258	95,564,046			
Assigned	7,200,390	10,262,249			
Unassigned		(173,863)			
Reserved			\$ 461,660	\$ 408,259	\$ 353,626
Unreserved, reported in:					
Special revenue funds			33,264,821	28,674,474	32,099,550
Capital projects funds			5,734,017	7,518,124	8,287,982
Debt service fund			39,942,388	49,031,650	16,764,772
Total all other governmental funds	<u>\$ 67,865,999</u>	<u>\$ 106,124,730</u>	<u>\$ 79,402,886</u>	<u>\$ 85,632,507</u>	<u>\$ 57,505,930</u>

(Continued)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund:					
Reserved	\$ 687,967	\$ 562,652	\$ 717,037	\$ 790,268	\$ 708,751
Unreserved	10,663,106	10,407,583	16,575,477	15,475,393	13,000,822
Total General Fund	<u>\$ 11,351,073</u>	<u>\$ 10,970,235</u>	<u>\$ 17,292,514</u>	<u>\$ 16,265,661</u>	<u>\$ 13,709,573</u>
All Other Governmental Funds:					
Reserved	\$ 422,466	\$ 419,496	\$ 451,743	\$ 378,696	\$ 311,922
Unreserved, reported in:					
Special revenue funds	24,820,258	19,973,955	17,479,298	13,857,064	12,125,147
Capital projects funds	5,779,631	4,793,207	5,107,161	5,045,562	5,656,363
Debt service fund	54,821,497	28,823,580	55,079,161	24,209,917	38,802,365
Total all other governmental funds	<u>\$ 85,843,852</u>	<u>\$ 54,010,238</u>	<u>\$ 78,117,363</u>	<u>\$ 43,491,239</u>	<u>\$ 56,895,797</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:

(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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Federal sources:					
Federal grants	\$ 15,467,391	\$ 14,993,389	\$ 13,627,566	\$ 11,885,873	\$ 10,282,581
State Fiscal Stabilization (ARRA)		1,194,557	13,266,976		
Education Jobs	107,704	7,017,462			
National School Lunch Program	5,916,349	6,046,703	5,445,247	4,026,765	3,769,502
Total federal sources	<u>21,491,444</u>	<u>29,252,111</u>	<u>32,339,789</u>	<u>15,912,638</u>	<u>14,052,083</u>
State sources:					
State equalization assistance	107,942,906	108,612,582	87,087,004	121,092,808	127,095,451
State grants	1,062,411	1,043,501	18,128,955	2,958,820	1,581,078
School Facilities Board				2,254,464	26,564,774
Other revenues	12,067,804	11,089,418	10,353,319	12,124,931	17,488,888
Total state sources	<u>121,073,121</u>	<u>120,745,501</u>	<u>115,569,278</u>	<u>138,431,023</u>	<u>172,730,191</u>
Local sources:					
Property taxes	108,935,444	107,114,442	106,475,575	105,315,825	99,895,062
County aid	10,827,469	10,490,730	9,566,820		
Food service sales	7,873,837	7,448,743	7,643,407	7,603,643	7,098,910
Investment income	615,998	1,214,554	1,148,586	2,930,561	3,277,566
Other revenues	18,907,653	18,738,151	18,661,714	15,914,823	17,358,317
Total local sources	<u>147,160,401</u>	<u>145,006,620</u>	<u>143,496,102</u>	<u>131,764,852</u>	<u>127,629,855</u>
Total revenues	<u><u>\$ 289,724,966</u></u>	<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>

(Continued)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Federal sources:					
Federal grants	\$ 10,199,331	\$ 10,680,149	\$ 9,854,421	\$ 9,119,705	\$ 7,301,422
State Fiscal Stabilization (ARRA) Education Jobs					
National School Lunch Program	3,506,021	3,112,417	2,904,954	2,807,360	2,706,105
Total federal sources	<u>13,705,352</u>	<u>13,792,566</u>	<u>12,759,375</u>	<u>11,927,065</u>	<u>10,007,527</u>
State sources:					
State equalization assistance	21,740,934	85,630,454	80,608,888	73,342,752	65,105,229
State grants	139,378,214	34,905,241	1,110,449	20,546,635	31,789,527
School Facilities Board	1,608,529	1,319,230	14,471,617	147,816	3,255,755
Other revenues	13,921,974	12,389,986	8,554,409	7,506,576	5,432,298
Total state sources	<u>176,649,651</u>	<u>134,244,911</u>	<u>104,745,363</u>	<u>101,543,779</u>	<u>105,582,809</u>
Local sources:					
Property taxes	92,894,992	83,001,552	80,417,407	73,325,797	72,321,884
County aid	85,990	7,231,471	6,337,096	5,472,988	5,064,878
Food service sales	6,458,773	5,797,920	5,154,154	4,933,912	3,942,453
Investment income	3,081,030	2,587,993	1,897,130	872,469	860,686
Other revenues	14,924,494	13,447,445	13,206,650	9,788,803	7,560,093
Total local sources	<u>117,445,279</u>	<u>112,066,381</u>	<u>107,012,437</u>	<u>94,393,969</u>	<u>89,749,994</u>
Total revenues	<u>\$ 307,800,282</u>	<u>\$ 260,103,858</u>	<u>\$ 224,517,175</u>	<u>\$ 207,864,813</u>	<u>\$ 205,340,330</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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenditures:					
Current -					
Instruction	\$ 154,632,849	\$ 151,400,235	\$ 151,675,594	\$ 162,545,125	\$ 155,380,849
Support services - students and staff	27,074,278	27,354,414	26,924,216	28,510,174	26,070,330
Support services - administration	22,163,912	21,557,673	21,411,460	22,700,240	20,898,410
Operation and maintenance of plant services	28,130,506	28,782,561	32,792,671	37,055,082	39,631,451
Student transportation services	9,068,423	9,065,798	9,939,226	9,704,720	13,283,853
Operation of non-instructional services	19,290,993	17,751,253	17,911,828	18,836,748	15,863,146
Capital outlay	46,133,024	10,702,323	7,362,435	14,123,195	46,166,521
Debt service -					
Interest, premium and fiscal charges	9,817,215	9,735,025	9,424,601	10,137,272	9,628,353
Principal retirement	16,605,000	20,490,767	16,087,783	17,707,563	15,361,532
Payment to refunded bond escrow agent	210,394				
Bond issuance costs	306,000	414,250		438,565	
Total expenditures	<u>\$ 333,432,594</u>	<u>\$ 297,254,299</u>	<u>\$ 293,529,814</u>	<u>\$ 321,758,684</u>	<u>\$ 342,284,445</u>
Expenditures for capitalized assets	\$ 43,897,705	\$ 7,906,464	\$ 15,586,238	\$ 24,470,854	\$ 73,086,576
Debt service as a percentage of noncapital expenditures	9%	10%	9%	9%	9%

(Continued)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenditures:					
Current -					
Instruction	\$ 144,684,544	\$ 126,133,490	\$ 109,451,390	\$ 99,028,694	\$ 87,043,061
Support services - students and staff	23,026,061	17,799,708	15,272,423	13,673,944	14,148,330
Support services - administration	18,735,914	15,704,397	13,878,997	13,016,722	13,074,856
Operation and maintenance of plant services	26,933,838	23,117,114	16,958,871	15,710,599	14,121,684
Student transportation services	9,231,317	10,179,399	8,502,398	8,585,557	5,204,297
Operation of non-instructional services	12,753,110	13,377,285	11,424,655	10,251,543	8,522,726
Capital outlay	66,334,405	58,818,356	35,663,349	34,831,170	33,922,273
Debt service -					
Interest, premium and fiscal charges	7,381,343	8,214,100	7,757,100	8,485,015	6,800,288
Principal retirement	17,305,722	17,002,781	15,559,752	15,283,192	13,765,272
Payment to refunded bond escrow agent			351,548	236,935	347,432
Bond issuance costs	359,310				
Total expenditures	<u>\$ 326,745,564</u>	<u>\$ 290,346,630</u>	<u>\$ 234,820,483</u>	<u>\$ 219,103,371</u>	<u>\$ 196,950,219</u>
Expenditures for capitalized assets	\$ 77,737,837	\$ 59,750,706	\$ 35,468,528	\$ 35,320,778	\$ 34,017,407
Debt service as a percentage of noncapital expenditures	10%	11%	12%	13%	13%

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

(Concluded)

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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Excess (deficiency) of revenues over expenditures	\$ (43,707,628)	\$ (2,250,067)	\$ (2,124,645)	\$ (35,650,171)	\$ (27,872,316)
Other financing sources (uses):					
General obligation bonds issued		45,000,000		58,700,000	
Refunding bonds issued	30,000,000				
Premium on sale of bonds	3,623,165	1,158,832		1,171,115	
Transfers in	2,225,435	1,501,964	456,865	348,101	247,768
Transfers out	(2,225,435)	(1,501,964)	(456,865)	(348,101)	(247,768)
Payment to refunded bond escrow agent	(33,317,165)				
Total other financing sources (uses)	306,000	46,158,832	-	59,871,115	-
Changes in fund balances	\$ (43,401,628)	\$ 43,908,765	\$ (2,124,645)	\$ 24,220,944	\$ (27,872,316)
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Excess (deficiency) of revenues over expenditures	\$ (18,945,282)	\$ (30,242,772)	\$ (10,303,308)	\$ (11,238,558)	\$ 8,390,111
Other financing sources (uses):					
General obligation bonds issued	51,031,449		44,807,885		30,462,320
Refunding bonds issued				21,928,377	10,071,554
Capital lease agreements			1,148,584		
Transfers in	284,674	260,049	228,529	253,044	136,614
Transfers out	(284,674)	(260,049)	(228,529)	(253,044)	(136,614)
Payment to refunded bond escrow agent				(21,686,580)	(10,197,933)
Total other financing sources (uses)	51,031,449	-	45,956,469	241,797	30,335,941
Changes in fund balances	\$ 32,086,167	\$ (30,242,772)	\$ 35,653,161	\$ (10,996,761)	\$ 38,726,052

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							
2012	\$ 1,538,140,204	\$ 803,274,759	\$ 128,241,732	\$ 2,469,656,695	\$ 298,367,799	\$ 2,171,288,896	5.71	\$ 21,184,343,386	10.2 %
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	1,577,878,984	6.33	13,821,674,451	11.4
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

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
2012	0.43	1.24	1.21	2.87	1.27	1.79	1.15	1.95	3.73	1.98	5.71
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	4.49
2009		1.03	0.94	2.17	1.18	1.40	1.15	1.95	3.26	1.32	4.58
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	6.89
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

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 FISCAL YEAR NINE YEARS PRIOR**

<u>Taxpayer</u>	<u>2012</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>
McClelland Family Partnership	\$ 7,883,769	2.25 %	\$ 7,265,532	2.08 %
Qwest	5,572,598	1.59		
Corning Gilbert, Inc.	3,673,136	1.05		
Burlington Northern Santa Fe	2,388,256	0.68	3,108,809	0.89
ICG-ORE	3,224,637	0.92		
Koll Bren Schreiber Realty Advisors	3,103,752	0.89	3,108,809	0.89
Hensley and Co.	2,792,606	0.80		
Presson Equity Partners LLP	2,762,473	0.79		
Oak Park Medical Building LTD	2,163,306	0.62		
RGR Family Limited Partnership	2,001,777	0.57		
U.S. West Communications			5,309,427	1.52
Price Relt, Inc.			2,759,505	0.79
Smith Arnold A./Rachel			2,410,200	0.69
UPS, Inc.			2,025,966	0.58
Lou Grubb Chevrolet			1,956,105	0.56
Bryan Industrial Properties			1,886,244	0.54
Southwest Gas Corporation			1,886,244	0.54
Total	<u>\$ 35,566,310</u>	<u>10.16 %</u>	<u>\$ 31,716,841</u>	<u>9.08 %</u>

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

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
2012	\$ 125,213,643	\$ 117,879,099	94.14 %	\$ 117,879,099	94.14 %	
2011	124,872,625	118,099,660	94.58	7,334,543	110,765,117	88.70
2010	126,666,025	112,467,632	88.79	14,154,273	126,621,905	99.97
2009	119,658,082	110,283,421	92.17	3,122,380	113,405,801	94.77
2008	115,522,309	111,669,356	96.66	2,195,455	113,864,811	98.57
2007	107,227,818	104,418,063	97.38	2,796,589	107,214,652	99.99
2006	93,940,905	90,388,629	96.22	3,545,731	93,934,360	99.99
2005	89,882,486	86,611,182	96.36	3,266,837	89,878,019	100.00
2004	82,065,334	79,263,047	96.59	2,796,433	82,059,480	99.99
2003	80,018,405	77,337,313	96.65	2,679,859	80,017,172	100.00

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
2012	\$ 210,930,000	\$ 4,059,276	\$ 206,870,724	0.98 %	\$ 940	\$	\$ 210,930,000	1.00 %	940	0.00148 %
2011	226,925,000	3,153,326	223,771,674	0.87	953		226,925,000	0.88	953	0.00160
2010	186,420,767	5,734,017	180,686,750	0.61	737		180,686,750	0.61	737	0.00123
2009	202,508,550	7,518,124	194,990,426	0.67	804		194,990,426	0.67	804	0.00140
2008	161,516,113	8,287,982	153,228,131	0.61	649		153,228,131	0.61	649	0.00116
2007	176,877,645	5,779,631	171,098,014	1.08	731		171,098,014	1.08	731	0.00142
2006	143,933,367	986,424	142,946,943	1.03	608		142,946,943	1.03	608	0.00129
2005	160,365,545	5,107,161	155,258,384	1.19	714	570,603	155,828,987	1.20	716	0.00152
2004	131,397,316	5,045,562	126,351,754	1.08	620		126,351,754	1.08	620	0.00130
2003	144,043,857	5,656,363	138,387,494	1.46	716	2,695,561	141,083,055	1.49	729	0.00151

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, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Maricopa County Community College District	\$ 614,995,000	5.42 %	\$ 33,332,729
City of Chandler	417,855,000	66.32	277,121,436
Town of Gilbert	178,635,000	11.48	20,507,298
Subtotal, Overlapping Debt			<u>330,961,463</u>
Direct:			
Chandler Unified School District No. 80			<u>210,930,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 541,891,463</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 2012:

Secondary assessed valuation	\$2,171,288,896
Debt limit (10% of assessed value)	217,128,890
Debt applicable to limit	<u>194,510,000</u>
Legal debt margin	<u><u>\$ 22,618,890</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2012:

Secondary assessed valuation	\$2,171,288,896
Debt limit (30% of assessed value)	651,386,669
Debt applicable to limit	<u>210,930,000</u>
Legal debt margin	<u><u>\$ 440,456,669</u></u>

Fiscal Year Ended June 30

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total Debt limit	\$ 651,386,669	\$ 808,035,794	\$ 931,640,352	\$ 928,887,203	\$ 806,034,103
Total net debt applicable to limit	<u>210,930,000</u>	<u>226,925,000</u>	<u>180,686,750</u>	<u>194,990,426</u>	<u>153,228,131</u>
Legal debt margin	<u><u>\$ 440,456,669</u></u>	<u><u>\$ 581,110,794</u></u>	<u><u>\$ 750,953,602</u></u>	<u><u>\$ 733,896,777</u></u>	<u><u>\$ 652,805,972</u></u>
Total net debt applicable to the limit as a percentage of debt limit	32%	28%	19%	21%	19%

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Debt limit	\$ 519,152,989	\$ 447,421,388	\$ 417,481,813	\$ 373,427,729	\$ 307,592,397
Total net debt applicable to limit	<u>171,098,014</u>	<u>138,153,736</u>	<u>155,258,384</u>	<u>126,351,754</u>	<u>138,387,494</u>
Legal debt margin	<u><u>\$ 348,054,975</u></u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	33%	31%	37%	34%	45%

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>
2011	3,843,370	\$ 142,864,275	\$ 37,352	8.4 %	224,442
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

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis.
The source of the "Population" and "Unemployment Rate" information is University of Arizona, Eller College of Management, Economic and Business Research Center.
The source of the "Estimated District Population" is the U.S. Census Bureau, Small Area Income and Poverty Estimates.

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

<u>Employer</u>	<u>2012</u>		<u>2003</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	49,800	2.94 %	49,850	2.93 %
Wal-Mart Stores Inc.	30,635	1.81	15,895	0.93
Banner Health Systems	25,825	1.53	15,520	0.91
City of Phoenix	15,100	0.89	13,155	0.77
Wells Fargo Company	13,310	0.79	8,800	0.52
Maricopa County	12,790	0.76	15,525	0.91
Apollo Group Inc.	11,000	0.65		
Arizona State University	11,185	0.66	9,110	0.53
Bank of America	13,300	0.79		
Intel Corp.	10,300	0.61	10,000	0.59
JP Morgan Chase & Co	10,600	0.63		
Mesa Public Schools	8,380	0.50		
U.S. Postal Service	8,020	0.47	11,405	0.67
US Airways	9,090	0.54		
Honeywell			15,000	0.88
The Kroger Co.			13,500	0.79
Motorola			10,600	0.62
America West Holdings Corp.			9,300	0.55
Target Corp.			8,070	0.47
Luke Air Force Base			8,000	0.47
American Express Co.			7,225	0.42
Safeway Inc.			9,100	0.53
Qwest Communications Inc.			7,700	0.45
Banc One Corp.			7,600	0.45
Total	<u>229,335</u>	<u>13.57 %</u>	<u>245,355</u>	<u>14.39 %</u>
Total employment	<u>1,692,300</u>		<u>1,704,221</u>	

Source: The Business Journal Book of Lists

Note: The principal employers were not available for the District alone, therefore the principal employers for Maricopa County are presented.

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

	Full-time Equivalent Employees as of June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Supervisory					
Instructional administrators	5	5	5	5	6
Noninstructional administrators	10	10	10	10	10
Principals	40	39	39	39	36
Assistant principals	21	19	19	20	17
Total supervisory	<u>76</u>	<u>73</u>	<u>73</u>	<u>74</u>	<u>69</u>
Instruction					
Elementary classroom teachers	852	847	836	720	851
Secondary classroom teachers	613	596	566	543	591
ESE teachers	190	190	180	200	193
Other teachers	298	291	321	361	221
Aides	263	287	332	444	446
Total instruction	<u>2,216</u>	<u>2,211</u>	<u>2,235</u>	<u>2,268</u>	<u>2,302</u>
Student Services					
Counselors	66	66	66	60	62
Psychologists	17	15	16	15	15
Librarians	34	34	34	31	32
Other professionals (noninstructional)	68	64	64	58	65
Technicians	74	108	77	78	69
Total student services	<u>259</u>	<u>287</u>	<u>257</u>	<u>242</u>	<u>243</u>
Support and Administration					
Office/Clerical	170	170	154	186	174
Transportation	178	176	296	317	265
Food Services	200	204	173	178	157
Skilled crafts	195	199	138	106	140
Unskilled laborers	345	345	350	447	340
Total support and administration	<u>1,088</u>	<u>1,094</u>	<u>1,111</u>	<u>1,234</u>	<u>1,076</u>
Total	<u><u>3,639</u></u>	<u><u>3,665</u></u>	<u><u>3,676</u></u>	<u><u>3,818</u></u>	<u><u>3,690</u></u>

(Continued)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Supervisory				
Instructional administrators	5	5	5	5
Noninstructional administrators	9	9	9	9
Principals	34	31	28	26
Assistant principals	17	16	16	13
Total supervisory	<u>65</u>	<u>61</u>	<u>58</u>	<u>53</u>
Instruction				
Elementary classroom teachers	785	718	660	589
Secondary classroom teachers	552	520	468	431
ESE teachers	202	189	175	160
Other teachers	214	195	192	185
Aides	438	494	462	355
Total instruction	<u>2,191</u>	<u>2,116</u>	<u>1,957</u>	<u>1,720</u>
Student Services				
Counselors	57	54	49	44
Psychologists	15	14	10	12
Librarians	30	28	26	24
Other professionals (noninstructional)	43	39	36	38
Technicians	62	56	48	35
Total student services	<u>207</u>	<u>191</u>	<u>169</u>	<u>153</u>
Support and Administration				
Office/Clerical	244	229	208	185
Transportation	160	159	158	155
Food Services	154	220	188	169
Skilled crafts	122	121	106	104
Unskilled laborers	259	204	190	157
Total support and administration	<u>939</u>	<u>933</u>	<u>850</u>	<u>770</u>
Total	<u><u>3,402</u></u>	<u><u>3,301</u></u>	<u><u>3,034</u></u>	<u><u>2,696</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
2012	37,771	\$ 260,360,961	\$ 6,893	(0.04) %	\$ 282,407,667	\$ 7,477	(3.53) %	1,953	19.3	32.8 %
2011	37,110	255,911,934	6,896	(4.32)	287,611,826	7,750	(4.51)	1,924	19.3	31.8
2010	36,166	260,654,995	7,207	(9.00)	293,529,814	8,116	(11.03)	1,824	19.8	29.3
2009	35,270	279,352,089	7,920	(1.22)	321,758,684	9,123	(9.87)	1,823	19.3	24.7
2008	33,815	271,128,039	8,018	9.23	342,284,445	10,122	(0.67)	1,862	18.2	22.2
2007	32,063	235,364,784	7,341	8.27	326,745,564	10,191	6.80	1,752	18.3	24.2
2006	30,430	206,311,393	6,780	8.30	290,346,630	9,541	13.90	1,444	21.1	28.5
2005	28,032	175,488,734	6,260	0.17	234,820,483	8,377	(1.96)	1,382	20.3	25.0
2004	25,643	160,267,059	6,250	4.13	219,103,371	8,544	2.72	1,298	19.8	25.0
2003	23,677	142,114,954	6,002	17.48	196,950,219	8,318	21.04	1,218	19.4	25.0

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

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

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

	Fiscal Year Ended June 30									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>Schools</u>										
<u>Elementary</u>										
Square feet	1,942,250	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
Capacity	24,276	24,276	24,276	24,276	22,137	22,137	18,182	17,318	15,642	14,456
Enrollment		22,013	21,145	20,844	19,884	18,990	17,876	16,890	15,445	14,407
<u>Middle</u>										
Square feet	635,092	635,092	635,092	602,322	600,446	600,446	562,923	449,407	449,407	451,283
Capacity	7,505	7,505	7,505	7,505	7,505	7,505	7,036	5,617	5,617	5,641
Enrollment	5,982	5,738	5,632	5,474	5,201	5,018	4,921	4,814	4,230	3,904
<u>High</u>										
Square feet	1,492,717	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
Capacity	15,588	15,588	15,588	15,588	15,588	15,588	12,061	11,764	11,037	7,970
Enrollment	11,562	11,154	10,693	10,107	9,717	9,073	8,253	7,453	6,629	5,808
<u>Administrative</u>										
Square feet	64,321	64,321	64,321	64,321	49,437	35,271	35,271	35,271	35,271	35,271
<u>Transportation</u>										
Garages	2	2	2	2	2	2	1	1	1	1
Buses	204	204	209	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>Athletics</u>										
Football fields	9	9	9	9	9	9	8	8	8	7
Running tracks	9	9	9	9	9	9	8	8	8	7
Baseball/softball	38	38	38	38	38	38	34	34	30	26
Swimming pools	4	4	4	4	4	4	2	2	2	2
Playgrounds	62	62	62	61	60	56	51	47	39	38

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

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