

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35

RIO RICO, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Issued by:
Business and Finance Department

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35

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INTRODUCTORY SECTION

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December 7, 2015

Citizens and Governing Board
Santa Cruz Valley Unified School District No. 35
1374 W. Frontage Road
Rio Rico, AZ 85648-2006

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Santa Cruz Valley Unified School District No. 35 (District) for the fiscal year ended June 30, 2015.

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, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's

David Y. Verdugo
Superintendent

Stephen Schadler
Assistant Superintendent

financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE DISTRICT

The Santa Cruz Valley Unified School District No. 35 is one of five public school districts located in Santa Cruz County, Arizona. It provides a program of public education from preschool through grade twelve with an average daily membership of 3,201. Projected enrollment for fiscal year 2015-16 is anticipated to be 3,300. The average age of the District facilities is 19 years.

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

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools. The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation

purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services and athletic functions.

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy. The Santa Cruz Valley Unified School District No. 35 (District) is located in the community of Rio Rico. The community's 39,000 acres roll gently down from the Santa Rita Mountains through the San Cayetano Foothills westward to the Santa Cruz River. The District boundaries also include the communities of Tumacacori, Tubac and Amado and cover a total of two hundred and sixty-six square miles. The population is varied in nature. About 95 percent of the students are minority students with a Hispanic heritage. Seventy percent of the pupils speak another language. The District employs around 420 teachers and classified personnel of which the majority resides within the District boundaries.

Given the proximity to the border with Mexico cross-border trade and local small retailers characterize the regional economy. The recently expanded port of entry has the potential to create new job opportunities in the area. The District expects to benefit from a more stable enrollment as a result. Average daily membership (ADM) has fluctuated in recent years with several years of declines. 2014-15 was the first year the District experienced a slight increase in enrollment. The District continues to monitor any community initiatives that could result in a change in enrollment.

The District itself operates on a General Fund budget of about \$17.4 million. The educational programs in the District are supported by an additional \$4.5 million in Federal and State grants. This governmental money may or may not be renewed from year to year. A barometer of the amount of support from the community is shown by the \$168,000 in donations that were received from private agencies or individuals. The District continues to benefit from a 5 percent Maintenance and Operations override allowing the District to reach a good financial position, especially given the constraints of the State's school funding plan.

Long-term Financial Planning. While the District continues to be challenged by the lack of funding from the State, the District endures to work intensely to designate its resources in a manner that supports the District's vision and core values. The long-term financial focus is to ensure that our current cost structure does not over commit to an unsustainable level of expenditures to prevent dramatic and painful cuts if not first scaled back gradually. The District's long-term financial plan is linked to address our District's educational goals, the capital plan, revenue, and expenditure projections. The District continues to monitor closely enrollment and State funding in an effort to recognize in advance potential concerns and make adjustments if needed. The District is currently reviewing financial information gathered for the development of a comprehensive long-term plan. The District continues to update its Facilities Capital Action Plan that allows for monitoring and planning of capital improvements to our buildings. These two planning strategies will help identify and finance long-term strategies to address critical issues that are particular to the District, such as coping with changes in enrollment, or meeting federal or state educational standards. The ultimate financial goal is to deliver the best value possible to our community and our children.

Major Initiatives of the District. The SCVUSD No. 35 has continued to focus on the implementation of the Arizona College and Career Readiness Standards and the new assessment AzMerit. The District has created academic committees to align curriculum and assessments for student success. The District also continues to maintain a curriculum cycle that is dedicated to sustaining a rigorous college and career instructional program. This includes budgeting for the materials needed for the instructional program. Due to the AzMerit assessment being electronic we are committed to developing a plan to meet this requirement. We will continue to utilize E-Rate funding to assist with this endeavor. The District is committed to ensuring that all students will have an opportunity for academic options including college or career preparedness programs. The commitment to college preparedness is demonstrated by the District continuing to be part of the Arizona Move on When Ready initiative by providing Cambridge curriculum from grades 6-10. In addition to Cambridge there has been the addition of the Advanced Placement Capstone for grades 11-12 including a commitment from the District that all students in Advanced Placement courses will take the AP examination funded by the District. The District has also continued to support the career pathway by providing a rich and robust career and technical education program at Rio Rico High School. The District continues to explore opportunities for partnership with local businesses and community entities. The District will continue to explore grants that would assist in meeting the needs of our students.

AWARDS AND ACKNOWLEDGMENT

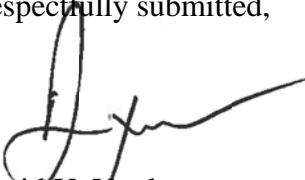
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the fifteenth consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2014. 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 ended June 30, 2015 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,



David Y. Verdugo
Superintendent



Isela Brown
Business Manager

Association of School Business Officials International



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

Santa Cruz Valley Unified School District No. 35

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

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



A handwritten signature in black ink, appearing to read "M. Pepera", written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read "John D. Musso", written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

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

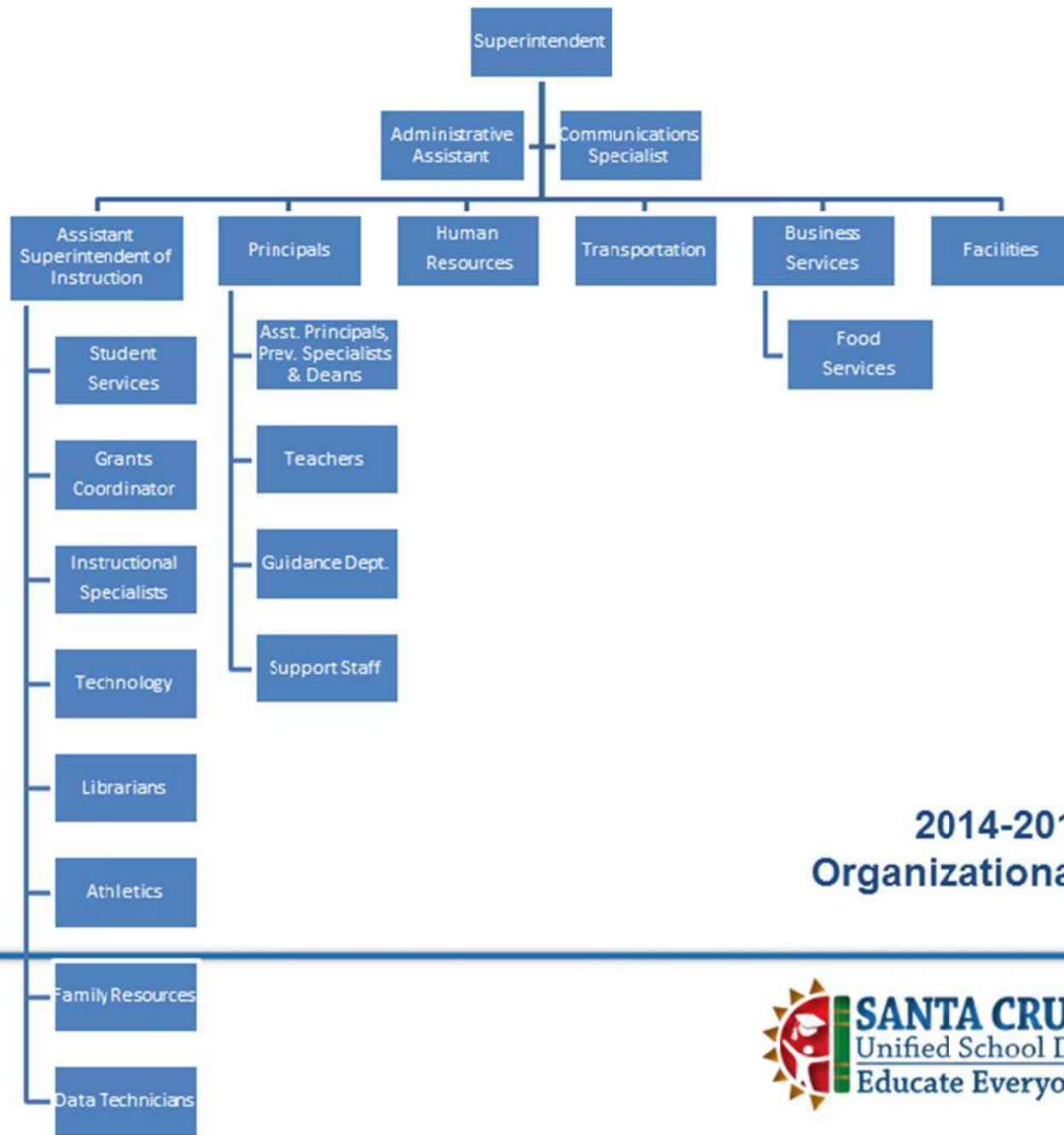
Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



2014-2015 Organizational Chart



SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Maria L Neuman, President

Susan Faubion, Clerk

Brian Vandervoet, Member

John Hays, Member

Rosie Simpson, Member

ADMINISTRATIVE STAFF

David Y. Verdugo, Superintendent

Stephen Schadler, Assistant Superintendent

Isela Brown, Business Manager

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Santa Cruz Valley Unified School District No. 35

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Santa Cruz Valley Unified School District No. 35 (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Santa Cruz Valley Unified School District No. 35, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for the year ended June 30, 2015, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Introductory Section, Combining and Individual Fund Financial Statements and Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Financial Statements and Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2015, on our consideration of Santa Cruz Valley Unified School District No. 35's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Cruz Valley Unified School District No. 35's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

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

December 7, 2015

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

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**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

As management of the Santa Cruz Valley Unified School District No. 35 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2015. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities decreased \$1.9 million which represents a five percent decrease from the prior fiscal year due to the use of available beginning balances and unfunded depreciation expense.
- General revenues accounted for \$19.5 million in revenue, or 77 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$5.8 million or 23 percent of total current fiscal year revenues.
- The District had approximately \$27.2 million in expenses related to governmental activities, an increase of less than one percent from the prior fiscal year.
- Among major funds, the General Fund had \$17.1 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$17.6 million in expenditures. The General Fund's fund balance decreased from \$17.1 million at the prior fiscal year end, to \$16.8 million at the end of the current fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$37.3 million at the current fiscal year end.

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2015 and June 30, 2014.

	As of June 30, 2015	As of June 30, 2014
Current assets	\$ 26,059,979	\$ 27,349,130
Capital assets, net	45,032,074	46,648,253
Total assets	<u>71,092,053</u>	<u>73,997,383</u>
Deferred outflows	<u>2,527,634</u>	
Current liabilities	159,738	508,381
Long-term liabilities	31,991,264	10,314,865
Total liabilities	<u>32,151,002</u>	<u>10,823,246</u>
Deferred inflows	<u>4,157,437</u>	
Net position:		
Net investment in capital assets	36,443,644	37,445,725
Restricted	7,994,025	8,339,778
Unrestricted	<u>(7,126,421)</u>	<u>17,388,634</u>
Total net position	<u>\$ 37,311,248</u>	<u>\$ 63,174,137</u>

At the end of the current fiscal year the District reported a negative unrestricted net position of \$7.1 million as a result of an unfunded pension liability. Positive net position was reported in the other two categories.

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

- The principal retirement of \$480,000 of bonds.
- The addition of \$22.2 million in pension liabilities due to the implementation of new pension reporting standards.
- The depreciation of existing assets resulting in the addition of \$1.8 million in accumulated depreciation.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

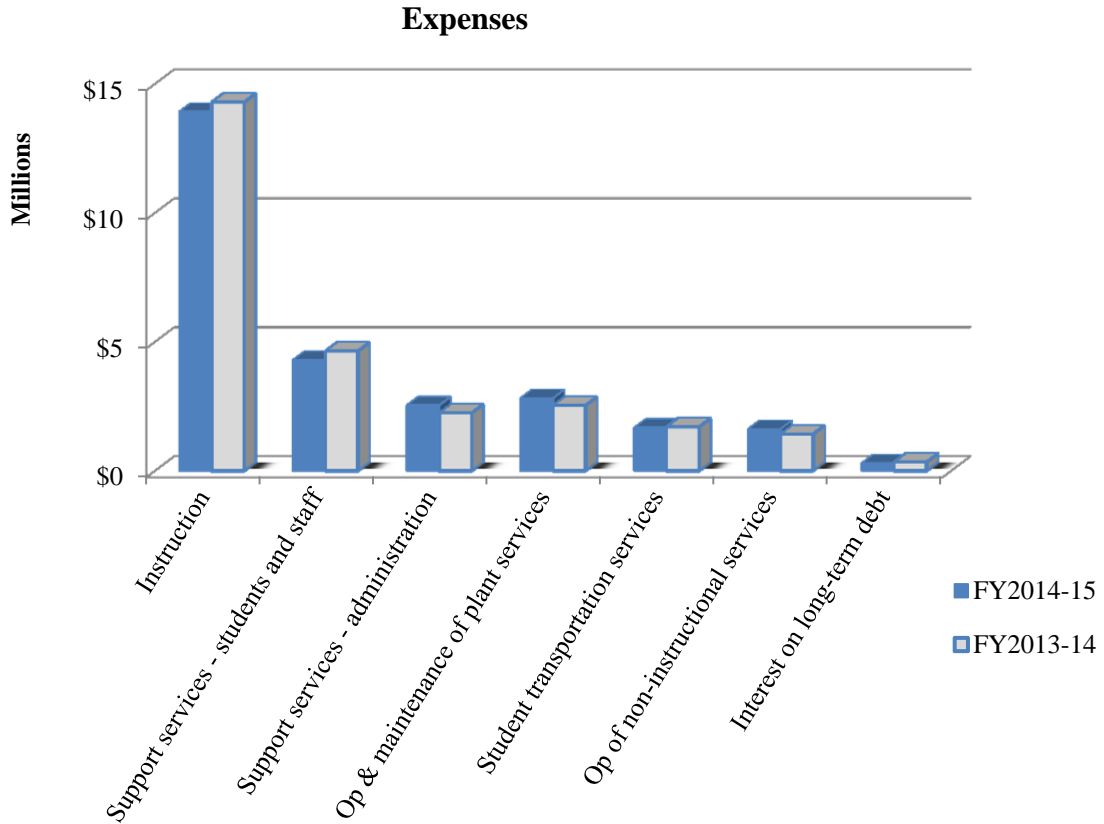
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$25.3 million. The total cost of all programs and services was \$27.2 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2015 and June 30, 2014.

	<u>Fiscal Year Ended June 30, 2015</u>	<u>Fiscal Year Ended June 30, 2014</u>
Revenues:		
Program revenues:		
Charges for services	\$ 721,519	\$ 625,316
Operating grants and contributions	4,721,462	5,489,621
Capital grants and contributions	350,758	784,910
General revenues:		
Property taxes	6,716,492	7,985,829
Investment income	6,427	15,861
Unrestricted county aid	476,666	490,680
Unrestricted state aid	12,027,908	11,496,187
Unrestricted federal aid	229,179	101,218
Total revenues	<u>25,250,411</u>	<u>26,989,622</u>
Expenses:		
Instruction	13,924,663	14,291,945
Support services – students and staff	4,301,611	4,643,246
Support services – administration	2,544,283	2,243,769
Operation and maintenance of plant services	2,820,726	2,534,369
Student transportation services	1,675,586	1,704,321
Operation of non-instructional services	1,621,420	1,424,036
Interest on long-term debt	301,076	339,713
Total expenses	<u>27,189,365</u>	<u>27,181,399</u>
Changes in net position	<u>(1,938,954)</u>	<u>(191,777)</u>
Net position, beginning, as restated	<u>39,250,202</u>	<u>63,365,914</u>
Net position, ending	<u>\$ 37,311,248</u>	<u>\$ 63,174,137</u>

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- The decrease of \$768,159 in operating grants and contributions was primarily due to decreased grant funding from the School Improvement Grants.
- The decrease of \$434,152 in capital grants and contributions was primarily due to decreased E-Rate funding from the Schools and Libraries Division and decreased grant funding from the School Facilities Board.
- The decrease in property tax revenues of \$1.3 million was due to a decrease in the net secondary assessed valuation of taxable property within the District and a decrease in the primary tax rate.
- The decrease of \$341,635 in support services – students and staff expenses and the increase of \$300,514 in support services – administration expenses was primarily due to a correction in travel coding for non-teaching positions.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	<u>Year Ended June 30, 2015</u>		<u>Year Ended June 30, 2014</u>	
	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>
Instruction	\$ 13,924,663	\$ (11,110,469)	\$ 14,291,945	\$(10,710,965)
Support services – students and staff	4,301,611	(3,222,784)	4,643,246	(3,141,376)
Support services – administration	2,544,283	(2,409,235)	2,243,769	(2,152,698)
Operation and maintenance of plant services	2,820,726	(2,576,954)	2,534,369	(2,282,406)
Student transportation services	1,675,586	(1,633,769)	1,704,321	(1,661,846)
Operation of non-instructional services	1,621,420	(141,339)	1,424,036	7,452
Interest on long-term debt	301,076	(301,076)	339,713	(339,713)
Total	<u>\$ 27,189,365</u>	<u>\$ (21,395,626)</u>	<u>\$ 27,181,399</u>	<u>\$(20,281,552)</u>

- The cost of all governmental activities this year was \$27.2 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$5.8 million.
- Net cost of governmental activities of \$21.4 million was financed by general revenues, which are made up of primarily property taxes of \$6.7 million and unrestricted state aid of \$12.0 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.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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 \$24.8 million, a decrease of \$671,094 due primarily to a decrease in property tax revenues due to a decrease in the net secondary assessed valuation of taxable property within the District and a decrease in the primary tax rate.

The General Fund comprises 68 percent of the total fund balance. All of the General Fund's fund balance of approximately \$16.8 million is unassigned.

General Fund revenues decreased \$866,904 as a result of a decrease in property tax revenues due to a decrease in the net secondary assessed valuation of taxable property within the District and a decrease in the primary tax rate. General Fund expenditures increased \$494,732.

Other Federal Projects Fund revenues decreased \$359,626 and expenditures decreased \$322,607 due to decreased grant funding from School Improvement Grants

The Unrestricted Capital Outlay Fund's fund balance decreased \$105,145 due to vehicles and office equipment purchased in the current year.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$382,321 increase, or two percent.

The State of Arizona does not require the District to prepare a revenue budget, and the revenue budget for the General Fund was not prepared. Variances between actual and budgeted revenues are a result. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The favorable variance of \$232,880 in instruction expense was a result of unanticipated additional budget capacity due to growth in enrollment.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of year end, the District had invested \$71.4 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 \$40,363 from the prior fiscal year, primarily due to vehicle and technology purchases. Total depreciation expense for the current fiscal year was \$1.8 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2015 and June 30, 2014.

	<u>As of June 30, 2015</u>	<u>As of June 30, 2014</u>
Capital assets – non-depreciable	\$ 4,510,150	\$ 4,510,150
Capital assets – depreciable, net	40,521,924	42,138,103
Total	<u>\$ 45,032,074</u>	<u>\$ 46,648,253</u>

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

Debt Administration. At year end, the District had \$8.8 million in long-term debt outstanding, \$642,544 due within one year. Long-term debt decreased by \$614,037.

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 20 percent of the secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$43.1 million and the Class B debt limit is \$28.7 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 7 through 9.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

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 2015-16 budget. Among them:

- Fiscal year 2014-15 budget balance carry forward (estimated \$590,000).
- District student population (estimated 3,300).

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

Budgeted expenditures in the General Fund increased two percent to \$17.7 million in fiscal year 2015-16. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2015-16 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Santa Cruz Valley Unified School District No. 35, 1374 W. Frontage Road, Rio Rico, Arizona 85648-2006.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 20,413,386
Property taxes receivable	1,195,609
Accounts receivable	7,255
Due from governmental entities	4,443,729
Total current assets	26,059,979
Noncurrent assets:	
Capital assets not being depreciated	4,510,150
Capital assets, net of accumulated depreciation	40,521,924
Total noncurrent assets	45,032,074
Total assets	71,092,053
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	2,527,634
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	148,023
Compensated absences payable	300,000
Unearned revenues	11,715
Obligations under capital leases	142,544
Bonds payable	500,000
Total current liabilities	1,102,282
Noncurrent liabilities:	
Non-current portion of long-term obligations	31,048,720
Total noncurrent liabilities	31,048,720
Total liabilities	32,151,002
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	4,157,437
 <u>NET POSITION</u>	
Net investment in capital assets	36,443,644
Restricted for:	
Instructional purposes	559,116
Federal and state projects	60,289
Food service	170,680
Noninstructional purposes	160,208
Debt service	702,344
Capital outlay	6,341,388
Unrestricted	(7,126,421)
Total net position	\$ 37,311,248

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 13,924,663	\$ 621,767	\$ 1,841,669	\$ 350,758	\$ (11,110,469)
Support services - students and staff	4,301,611		1,078,827		(3,222,784)
Support services - administration	2,544,283		135,048		(2,409,235)
Operation and maintenance of plant services	2,820,726	37,561	206,211		(2,576,954)
Student transportation services	1,675,586		41,817		(1,633,769)
Operation of non-instructional services	1,621,420	62,191	1,417,890		(141,339)
Interest on long-term debt	301,076				(301,076)
Total governmental activities	<u>\$ 27,189,365</u>	<u>\$ 721,519</u>	<u>\$ 4,721,462</u>	<u>\$ 350,758</u>	<u>(21,395,626)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	5,680,036
Property taxes, levied for debt service	715,479
Property taxes, levied for capital outlay	320,977
Investment income	6,427
Unrestricted county aid	476,666
Unrestricted state aid	12,027,908
Unrestricted federal aid	229,179

Total general revenues 19,456,672

Changes in net position (1,938,954)

Net position, beginning of year, as restated 39,250,202

Net position, end of year \$ 37,311,248

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

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FUND FINANCIAL STATEMENTS

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015

	General	Other Federal Projects	Unrestricted Capital Outlay
<u>ASSETS</u>			
Cash and investments	\$ 12,673,013	\$	\$ 6,042,277
Property taxes receivable	1,033,218		61,988
Accounts receivable	3,000		
Due from governmental entities	3,587,316	252,864	146,777
Due from other funds	490,057		
Total assets	\$ 17,786,604	\$ 252,864	\$ 6,251,042
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 83,871	\$ 42,557	\$
Due to other funds		210,307	
Unearned revenues			
Total liabilities	83,871	252,864	
Deferred inflows of resources:			
Unavailable revenues - property taxes	951,425		57,336
Fund balances (deficits):			
Restricted			6,193,706
Unassigned	16,751,308		
Total fund balances	16,751,308		6,193,706
 Total liabilities, deferred inflows of resources and fund balances	\$ 17,786,604	\$ 252,864	\$ 6,251,042

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 1,698,096	\$ 20,413,386
100,403	1,195,609
4,255	7,255
456,772	4,443,729
	490,057
<u>\$ 2,259,526</u>	<u>\$ 26,550,036</u>

\$ 21,595	\$ 148,023
279,750	490,057
11,715	11,715
<u>313,060</u>	<u>649,795</u>

<u>99,375</u>	<u>1,108,136</u>
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1,864,711	8,058,417
(17,620)	16,733,688
<u>1,847,091</u>	<u>24,792,105</u>

<u>\$ 2,259,526</u>	<u>\$ 26,550,036</u>
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SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Total governmental fund balances **\$ 24,792,105**

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

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

Governmental capital assets	\$ 71,375,577	
Less accumulated depreciation	<u>(26,343,503)</u>	45,032,074

Some property tax receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.		1,108,136
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	2,527,634	
Deferred inflows of resources related to pensions	<u>(4,157,437)</u>	(1,629,803)

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

Compensated absences payable	(937,228)	
Obligations under capital leases	(3,649,533)	
Net pension liability	(22,244,503)	
Bonds payable	<u>(5,160,000)</u>	<u>(31,991,264)</u>

Net position of governmental activities **\$ 37,311,248**

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	General	Other Federal Projects	Unrestricted Capital Outlay
Revenues:			
Other local	\$ 660,389	\$	\$ 20,034
Property taxes	5,908,042		358,947
State aid and grants	10,303,636		421,088
Federal aid, grants and reimbursements	229,179	1,031,894	
Total revenues	17,101,246	1,031,894	800,069
Expenditures:			
Current -			
Instruction	8,898,277	568,100	
Support services - students and staff	2,742,309	212,235	
Support services - administration	2,231,100	28,508	
Operation and maintenance of plant services	2,298,452	1,307	
Student transportation services	1,383,772	26,399	
Operation of non-instructional services	37,060		
Capital outlay	33,929	140,161	703,673
Debt service -			
Principal retirement			134,037
Interest and fiscal charges			67,504
Total expenditures	17,624,899	976,710	905,214
Excess (deficiency) of revenues over expenditures	(523,653)	55,184	(105,145)
Other financing sources (uses):			
Transfers in	307,489		
Transfers out		(55,184)	
Total other financing sources (uses):	307,489	(55,184)	
Changes in fund balances	(216,164)		(105,145)
Fund balances, beginning of year	17,122,472		6,298,851
Increase (decrease) in reserve for prepaid items	(155,000)		
Fund balances, end of year	\$ 16,751,308	\$	\$ 6,193,706

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 750,783	\$ 1,431,206
718,917	6,985,906
1,406,170	12,130,894
3,710,746	4,971,819
<u>6,586,616</u>	<u>25,519,825</u>
2,584,267	12,050,644
1,161,163	4,115,707
105,801	2,365,409
207,611	2,507,370
27,571	1,437,742
1,553,435	1,590,495
175,676	1,053,439
480,000	614,037
233,572	301,076
<u>6,529,096</u>	<u>26,035,919</u>
<u>57,520</u>	<u>(516,094)</u>
	307,489
<u>(252,305)</u>	<u>(307,489)</u>
<u>(252,305)</u>	
<u>(194,785)</u>	<u>(516,094)</u>
2,041,876	25,463,199
	(155,000)
<u>\$ 1,847,091</u>	<u>\$ 24,792,105</u>

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

Net changes in fund balances - total governmental funds **\$ (671,094)**

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	\$ 198,609	
Less current year depreciation	<u>(1,804,102)</u>	(1,605,493)

Some property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(269,414)
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Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Capital lease principal retirement	134,037	
Bond principal retirement	<u>480,000</u>	614,037

Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred pension items, is reported as pension expense in the Statement of Activities.

Current year pension contributions	1,397,103	
Pension expense	<u>(1,347,474)</u>	49,629

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

Loss on disposal of assets	(10,686)	
Compensated absences	<u>(45,933)</u>	<u>(56,619)</u>

Changes in net position in governmental activities **\$ (1,938,954)**

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2015

	Agency
<u>ASSETS</u>	
Cash and investments	\$ 189,384
Total assets	\$ 189,384
 <u>LIABILITIES</u>	
Deposits held for others	\$ 87,465
Due to student groups	101,919
Total liabilities	\$ 189,384

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Santa Cruz Valley Unified School District No. 35 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This Statement requires governments providing defined benefit pensions to recognize the long-term obligation for pension benefits as a liability, and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

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.

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consequently, the District's financial statements include the only funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services, and athletic functions.

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

Property taxes, unrestricted federal, state, and county aid, tuition and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Food services and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Unearned 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 unavailable revenues 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 certain activities budgeted in separate funds in accordance with A.R.S. These funds are maintained as separate funds for and budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

Other Federal Projects Fund – The Other Federal Projects Fund accounts for financial assistance received for other supplemental federal projects.

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Additionally, the District reports the following fund type:

Fiduciary Funds – The Fiduciary Funds are agency funds which account for resources held by the District on behalf of others. This fund type includes the Student Activities Fund, which accounts for monies raised by students to finance student clubs and organizations held by the District as an agent. In addition, funds that account for employee withholdings before the monies are remitted to the appropriate entities are included in the Agency Funds.

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

D. Cash and Investments

A.R.S. require the District to deposit all cash with the County Treasurer, except as discussed below. Cash with the County Treasurer 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.

Statute authorizes the District to separately invest monies of the Bond Building and Debt Service Funds in the State Treasurer's investment pools; obligations issued and guaranteed by the United States or any of its agencies or instrumentalities; specified state and local government bonds and notes; and interest bearing savings accounts or certificates of deposit.

Statute authorizes the District to deposit monies of the Auxiliary Operations and Student Activities Funds in bank accounts. Monies in these funds may also be invested. In addition, statute authorizes the District to maintain various bank accounts such as clearing accounts to temporarily deposit receipts before they are transmitted to the County Treasurer; revolving accounts to pay minor disbursements; and withholdings accounts for taxes and employee insurance programs. Some of these bank accounts may be interest bearing.

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Statute requires collateral for deposits of Bond Building and Debt Service Funds monies in interest bearing savings accounts and certificates of deposit at 101 percent of all deposits not covered by federal depository insurance.

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Arizona statute requires a pooled collateral program for public deposits and a Statewide Collateral Pool Administrator (Administrator) in the State Treasurer's Office. The purpose of the pooled collateral program is to ensure that governmental entities' public deposits placed in participating depositories are secured with collateral of 102 percent of the public deposits, less any applicable deposit insurance. An eligible depository may not retain or accept any public deposit unless it has deposited the required collateral with a qualified escrow agent or the Administrator. The Administrator manages the pooled collateral program, including reporting on each depository's compliance with the program.

E. Investment Income

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

F. Receivables and Payables

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

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

G. Property Tax Calendar

The County Treasurer is responsible for collecting property taxes for all governmental entities within the county. The county levies real and personal property taxes on or before the third Monday in August, that 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.

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.

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Prepaid Items

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

I. Capital Assets

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

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

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

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

Land improvements	10 - 25 years
Buildings and improvements	5 - 50 years
Vehicles, furniture and equipment	5 - 20 years

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Accrued sick leave is earned by all full-time employees at a rate of one and a quarter days for every month. All full-time classified employees earn vacation at rates depending on length of service; however, accumulated vacation must be taken within 12 months after it is earned or it will be forfeited. Upon termination, employees in good standing are eligible to be paid for all accumulated sick leave at the rate of \$55 per day or the first step on the classified salary schedule.

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.

M. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts, as well as 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.

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

N. 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.

O. Net Position Flow Assumption

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

P. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

Restricted. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation. Restricted fund balance reported as “other purposes” includes various activities such as civic center, community schools, extracurricular activities fees tax credit, and gifts and donations which are externally restricted as to use by Arizona Revised Statutes and donors.

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

	General Fund	Unrestricted Capital Outlay Fund	Non-Major Governmental Funds
Fund Balances:			
Restricted:			
Debt service	\$	\$	\$ 602,969
Capital projects		6,193,706	311,449
Bond building projects			
Instructional purposes			422,071
Federal and state projects			60,289
Food service			170,680
Extracurricular activities			64,536
Donor restricted gifts and donations			137,045
Noninstructional purposes			95,672
Unassigned	16,751,308		(17,620)
Total fund balances	\$ 16,751,308	\$ 6,193,706	\$ 1,847,091

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end, the Vocational Education Fund, a non-major governmental fund, reported a deficit of \$17,620 in fund balance.

The deficit arose because of operations during the year and prior years. Additional revenues received in fiscal year 2015-16 are expected to eliminate the deficit.

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$218,370 and the bank balance was \$223,450.

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	Less than one year	\$20,384,400

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

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

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 – RECEIVABLES

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

	General Fund	Other Federal Projects Fund	Unrestricted Capital Outlay Fund	Non-Major Governmental Funds
Due from other governmental entities:				
Due from federal government	\$ 18,217	\$ 252,864	\$	\$ 223,318
Due from state government	3,569,099		146,777	154,192
Due from other districts				79,262
Net due from governmental entities	\$ 3,587,316	\$ 252,864	\$ 146,777	\$ 456,772

NOTE 6 – CAPITAL ASSETS

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

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 4,510,150	\$	\$	\$ 4,510,150
Total capital assets, not being depreciated	4,510,150			4,510,150
Capital assets, being depreciated:				
Land improvements	4,351,082			4,351,082
Buildings and improvements	53,962,137	61,148		54,023,285
Vehicles, furniture and equipment	8,511,845	137,461	158,246	8,491,060
Total capital assets being depreciated	66,825,064	198,609	158,246	66,865,427
Less accumulated depreciation for:				
Land improvements	(1,524,152)	(204,810)		(1,728,962)
Buildings and improvements	(16,718,013)	(1,211,366)		(17,929,379)
Vehicles, furniture and equipment	(6,444,796)	(387,926)	(147,560)	(6,685,162)
Total accumulated depreciation	(24,686,961)	(1,804,102)	(147,560)	(26,343,503)
Total capital assets, being depreciated, net	42,138,103	(1,605,493)	10,686	40,521,924
Governmental activities capital assets, net	\$ 46,648,253	\$ (1,605,493)	\$ 10,686	\$ 45,032,074

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows.

Instruction	\$1,350,381
Support services – students and staff	82,207
Support services – administration	84,526
Operation and maintenance of plant services	118,744
Student transportation services	155,192
Operation of non-instructional services	13,052
Total depreciation expense – governmental activities	<u>\$1,804,102</u>

NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES

The District acquired energy efficient upgrades under the provisions of a long-term lease agreement classified as a capital lease. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. Revenues from the Unrestricted Capital Outlay Fund are used to pay the capital lease obligation. Amortization of assets held under capital leases is included in depreciation expense.

The assets acquired through capital leases that meet the District’s capitalization threshold are as follows.

	<u>Governmental Activities</u>
Asset:	
Building improvements	\$ 4,021,482
Less: Accumulated depreciation	<u>(367,324)</u>
Total	<u>\$ 3,654,158</u>

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES

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

Year Ending June 30:	Governmental Activities
2016	\$ 207,597
2017	213,836
2018	220,260
2019	226,878
2020	233,694
2021-25	1,297,195
2026-30	1,534,923
2031-33	<u>335,188</u>
Total minimum lease payments	4,269,571
Less: amount representing interest	<u>620,038</u>
Present value of minimum lease payments	<u>\$ 3,649,533</u>
Due within one year	<u>\$ 142,544</u>

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bonds. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2015	Due Within One Year
Governmental activities:					
School Improvement Bonds, Series 2007 (Class B)	\$ 5,750,000	4.0-4.5%	7/1/15-24	\$ 3,875,000	\$ 360,000
School Improvement Bonds, Series 2008 (Class B)	4,250,000	3.5-4.0%	7/1/15-23	<u>1,285,000</u>	<u>140,000</u>
Total				<u>\$ 5,160,000</u>	<u>\$ 500,000</u>

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

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
2016	\$ 500,000	\$ 212,662
2017	520,000	191,562
2018	545,000	169,252
2019	565,000	145,850
2020	595,000	121,200
2021-24	2,435,000	97,400
Total	\$ 5,160,000	\$ 937,926

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:					
General obligation bonds	\$ 5,640,000	\$	\$ 480,000	\$ 5,160,000	\$ 500,000
Obligations under capital leases	3,783,570		134,037	3,649,533	142,544
Net pension liability	23,923,935		1,679,432	22,244,503	
Compensated absences payable	891,295	380,422	334,489	937,228	300,000
Governmental activity long-term liabilities	\$ 34,238,800	\$ 380,422	\$ 2,627,958	\$31,991,264	\$ 942,544

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10– INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows.

Due to/from other funds – At year end, the Other Federal Projects Fund and non-major governmental funds had negative cash balances of \$490,057 in the Treasurer’s pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers – Transfers between funds were used to move federal grant funds of \$307,489 restricted for indirect costs.

NOTE 11 – CONTINGENT LIABILITIES

Compliance –Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures/expenses that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

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

NOTE 12 – RISK MANAGEMENT

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

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12 – RISK MANAGEMENT

The District's employees have health and accident insurance coverage with the Arizona School Board Association Insurance Trust (ASBAIT). ASBAIT is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays a monthly premium to ASBAIT for employees' health and accident insurance coverage. The agreement provides that ASBAIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

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

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

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description. District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at www.azasrs.gov.

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Benefits Provided. The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* Any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* Any years age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.60 percent (11.48 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.60 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2015 were \$1,397,103.

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

In addition, the District was required by statute to contribute at the actuarially determined rate of 9.57 percent (9.51 for retirement and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS.

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

		Health Benefit Supplement Fund		Long-Term Disability Fund
Year ending June 30:				
2015	\$	75,692	\$	15,395
2014		80,299		32,120
2013		87,222		32,205

Pension Liability. At June 30, 2015, the District reported a liability of \$22.2 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the District’s proportion was 0.15 percent, which was an decrease of less than 0.01 percent from its proportion measured as of June 30, 2013.

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2015, the District recognized pension expense of \$1.3 million and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,130,531	\$
Net difference between projected and actual earnings on pension plan investments		3,889,877
Changes in proportion and differences between contributions and proportionate share of contributions		267,560
Contributions subsequent to the measurement date	<u>1,397,103</u>	
Total	<u>\$ 2,527,634</u>	<u>\$ 4,157,437</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2016	\$	(597,265)
2017		(597,265)
2018		(859,908)
2019		(972,468)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Actuarial Assumptions. The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 30, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8.0%
Projected salary increases	3.0-6.75%
Inflation	3.0%
Permanent base increases	Included
Mortality rates	1994 GAM Scale BB

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2011. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	63%	7.03%
Fixed income	25%	3.20
Real estate	8%	4.75
Commodities	4%	4.50
Total	<u>100%</u>	

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Discount Rate. The discount rate used to measure the ASRS total pension liability was 8.0 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Proportionate share of the net pension liability	\$28,115,911	\$22,244,503	\$19,058,969

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

Beginning Net Position Restatement. The implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, represents a change in accounting principle. Net position as of July 1, 2014, has been restated as follows for this change in accounting principle:

	Statement of Activities
Net position, June 30, 2014, as previously reported	\$ 63,174,137
Net pension liability	(23,923,935)
Net position, July 1, 2014, as restated	\$ 39,250,202

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REQUIRED SUPPLEMENTARY INFORMATION

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Non-GAAP Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other local	\$	\$	\$ 480,305	\$ 480,305
Property taxes			5,908,042	5,908,042
State aid and grants			10,241,802	10,241,802
Total revenues			<u>16,630,149</u>	<u>16,630,149</u>
Expenditures:				
Current -				
Instruction	8,739,198	8,863,025	8,630,145	232,880
Support services - students and staff	2,616,009	2,664,905	2,672,579	(7,674)
Support services - administration	1,883,944	2,068,353	2,041,888	26,465
Operation and maintenance of plant services	2,361,584	2,358,711	2,214,500	144,211
Student transportation services	1,401,091	1,429,153	1,371,761	57,392
Operation of non-instructional services	37,046	37,046	37,060	(14)
Total expenditures	<u>17,038,872</u>	<u>17,421,193</u>	<u>16,967,933</u>	<u>453,260</u>
Changes in fund balances	<u>(17,038,872)</u>	<u>(17,421,193)</u>	<u>(337,784)</u>	<u>17,083,409</u>
Fund balances, beginning of year			16,271,113	16,271,113
Increase (decrease) in reserve for prepaid items			(155,000)	(155,000)
Fund balances (deficits), end of year	<u>\$ (17,038,872)</u>	<u>\$ (17,421,193)</u>	<u>\$ 15,778,329</u>	<u>\$ 33,199,522</u>

See accompanying notes to this schedule.

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OTHER FEDERAL PROJECTS
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal aid, grants and reimbursements	\$	\$	\$ 1,031,894	\$ 1,031,894
Total revenues			<u>1,031,894</u>	<u>1,031,894</u>
Expenditures:				
Current -				
Instruction	1,244,953	1,028,508	568,100	460,408
Support services - students and staff	465,098	384,238	212,235	172,003
Support services - administration	62,473	51,612	28,508	23,104
Operation and maintenance of plant services	2,864	2,366	1,307	1,059
Student transportation services	57,852	47,794	26,399	21,395
Capital outlay	307,153	253,753	140,161	113,592
Total expenditures	<u>2,140,393</u>	<u>1,768,271</u>	<u>976,710</u>	<u>791,561</u>
Excess (deficiency) of revenues over expenditures	<u>(2,140,393)</u>	<u>(1,768,271)</u>	<u>55,184</u>	<u>1,823,455</u>
Other financing sources (uses):				
Transfers out	(55,184)	(55,184)	(55,184)	
Total other financing sources (uses):	<u>(55,184)</u>	<u>(55,184)</u>	<u>(55,184)</u>	
Changes in fund balances	<u>(2,195,577)</u>	<u>(1,823,455)</u>		<u>1,823,455</u>
Fund balances, beginning of year				
Fund balances (deficits), end of year	<u>\$ (2,195,577)</u>	<u>\$ (1,823,455)</u>	<u>\$</u>	<u>\$ 1,823,455</u>

See accompanying notes to this schedule.

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2015

	<u>2015</u>
District's proportion of the net pension liability (asset)	15.03%
District's proportionate share of the net pension liability (asset)	\$ 22,244,503
District's covered-employee payroll	\$ 13,384,013
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	166.20%
Plan fiduciary net position as a percentage of the total pension liability	69.49%

SCHEDULE OF CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2015

	<u>2015</u>
Actuarially determined contribution	\$ 1,397,103
Contributions in relation to the actuarially determined contribution	<u>1,397,103</u>
Contribution deficiency (excess)	<u>\$</u>
District's covered-employee payroll	\$ 12,835,316
Contributions as a percentage of covered-employee payroll	10.88%

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The District budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for the following items.

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.

The following schedule reconciles expenditures and fund balances at the end of year:

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 17,624,899	\$ 16,751,308
Activity budgeted as special revenue funds	(656,966)	(972,979)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 16,967,933	\$ 15,778,329

NOTE 2 – PENSION PLAN SCHEDULES

Actuarial Assumptions for Valuations Performed. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

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

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GOVERNMENTAL FUNDS

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2015

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 784,706	\$ 601,941	\$ 311,449
Property taxes receivable		100,403	
Accounts receivable	4,255		
Due from governmental entities	456,772		
Total assets	<u>\$ 1,245,733</u>	<u>\$ 702,344</u>	<u>\$ 311,449</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 21,595	\$	\$
Due to other funds	279,750		
Unearned revenues	11,715		
Total liabilities	<u>313,060</u>		
Deferred inflows of resources:			
Unavailable revenues - property taxes		<u>99,375</u>	
Fund balances (deficits):			
Restricted	950,293	602,969	311,449
Unassigned	(17,620)		
Total fund balances	<u>932,673</u>	<u>602,969</u>	<u>311,449</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 1,245,733</u>	 <u>\$ 702,344</u>	 <u>\$ 311,449</u>

Total Non-
Major
Governmental
Fund

\$ 1,698,096
100,403
4,255
456,772

\$ 2,259,526

\$ 21,595
279,750

11,715

313,060

99,375

1,864,711

(17,620)

1,847,091

\$ 2,259,526

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2015

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Other local	\$ 731,906	\$ 162	\$ 18,715
Property taxes		718,638	279
State aid and grants	1,406,170		
Federal aid, grants and reimbursements	3,710,746		
Total revenues	<u>5,848,822</u>	<u>718,800</u>	<u>18,994</u>
Expenditures:			
Current -			
Instruction	2,584,267		
Support services - students and staff	1,161,163		
Support services - administration	105,801		
Operation and maintenance of plant services	207,611		
Student transportation services	27,571		
Operation of non-instructional services	1,553,435		
Capital outlay	145,391		30,285
Debt service -			
Principal retirement		480,000	
Interest and fiscal charges		233,572	
Total expenditures	<u>5,785,239</u>	<u>713,572</u>	<u>30,285</u>
Excess (deficiency) of revenues over expenditures	<u>63,583</u>	<u>5,228</u>	<u>(11,291)</u>
Other financing sources (uses):			
Transfers out	(252,305)		
Total other financing sources (uses):	<u>(252,305)</u>		
Changes in fund balances	<u>(188,722)</u>	<u>5,228</u>	<u>(11,291)</u>
Fund balances, beginning of year	1,121,395	597,741	322,740
Fund balances, end of year	<u>\$ 932,673</u>	<u>\$ 602,969</u>	<u>\$ 311,449</u>

Total Non-
Major
Governmental
Funds

\$ 750,783
718,917
1,406,170
3,710,746
6,586,616

2,584,267
1,161,163
105,801
207,611
27,571
1,553,435
175,676

480,000
233,572
6,529,096

57,520

(252,305)
(252,305)

(194,785)

2,041,876

\$ 1,847,091

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.

Student Success - to account for student success monies.

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

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

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

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

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

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

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

National Forest Fees - to account for monies allocated for the purposes of benefiting public schools and public roads in counties where national forests are situated.

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

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.

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

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

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

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

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Classroom Site	Instructional Improvement	County, City, and Town Grants
<u>ASSETS</u>			
Cash and investments	\$ 266,210	\$ 1,669	\$ 2,167
Accounts receivable			
Due from governmental entities	97,642	56,550	
Total assets	\$ 363,852	\$ 58,219	\$ 2,167
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Unearned revenues	_____	_____	_____
Total liabilities	_____	_____	_____
Fund balances (deficits):			
Restricted	363,852	58,219	2,167
Unassigned			
Total fund balances	363,852	58,219	2,167
 Total liabilities and fund balances	\$ 363,852	\$ 58,219	\$ 2,167

<u>Structured English Immersion</u>	<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Promote Informed Parent Choice</u>	<u>Limited English & Immigrant Students</u>	<u>Special Education Grants</u>
\$ 2,825	\$	\$	\$	\$	\$
	119,255	19,647	13,527	9,580	33,215
<u>\$ 2,825</u>	<u>\$ 119,255</u>	<u>\$ 19,647</u>	<u>\$ 13,527</u>	<u>\$ 9,580</u>	<u>\$ 33,215</u>
\$	\$ 3,328	\$	\$	\$	\$
	115,927	19,647	13,527	9,580	33,215
<u>2,825</u>	<u>119,255</u>	<u>19,647</u>	<u>13,527</u>	<u>9,580</u>	<u>33,215</u>
<u>\$ 2,825</u>	<u>\$ 119,255</u>	<u>\$ 19,647</u>	<u>\$ 13,527</u>	<u>\$ 9,580</u>	<u>\$ 33,215</u>

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Vocational Education	National Forest Fees	E-Rate
<u>ASSETS</u>			
Cash and investments	\$	\$ 32,225	\$ 22,140
Accounts receivable			
Due from governmental entities	7,068		7,526
Total assets	\$ 7,068	\$ 32,225	\$ 29,666
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 1,602
Due to other funds	24,688		
Unearned revenues			
Total liabilities	24,688		1,602
Fund balances (deficits):			
Restricted		32,225	28,064
Unassigned	(17,620)		
Total fund balances	(17,620)	32,225	28,064
 Total liabilities and fund balances	\$ 7,068	\$ 32,225	\$ 29,666

<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>
\$ 2,159	\$ 6,731	\$ 167,359 4,255 13,500	\$ 21,355	\$ 31,500	\$ 64,536
<u>\$ 2,159</u>	<u>\$ 6,731</u>	<u>\$ 185,114</u>	<u>\$ 21,355</u>	<u>\$ 31,500</u>	<u>\$ 64,536</u>
\$	\$	\$ 14,434	\$	\$	\$
<u>2,159</u>	<u>6,731</u>	<u>14,434</u>	<u></u>	<u></u>	<u></u>
<u>2,159</u>	<u>6,731</u>	<u>14,434</u>	<u></u>	<u></u>	<u></u>
		170,680	21,355	31,500	64,536
		<u>170,680</u>	<u>21,355</u>	<u>31,500</u>	<u>64,536</u>
<u>\$ 2,159</u>	<u>\$ 6,731</u>	<u>\$ 185,114</u>	<u>\$ 21,355</u>	<u>\$ 31,500</u>	<u>\$ 64,536</u>

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	<u>Gifts and Donations</u>	<u>Fingerprint</u>	<u>Textbooks</u>
<u>ASSETS</u>			
Cash and investments	\$ 137,045	\$ 2,216	\$ 11,355
Accounts receivable			
Due from governmental entities			
Total assets	<u>\$ 137,045</u>	<u>\$ 2,216</u>	<u>\$ 11,355</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Unearned revenues			
Total liabilities	<u> </u>	<u> </u>	<u> </u>
Fund balances (deficits):			
Restricted	137,045	2,216	11,355
Unassigned			
Total fund balances	<u>137,045</u>	<u>2,216</u>	<u>11,355</u>
Total liabilities and fund balances	<u>\$ 137,045</u>	<u>\$ 2,216</u>	<u>\$ 11,355</u>

<u>Insurance Refund</u>	<u>Joint Technical Education</u>	<u>Totals</u>
\$ 13,214	\$	\$ 784,706
		4,255
	79,262	456,772
<u>\$ 13,214</u>	<u>\$ 79,262</u>	<u>\$ 1,245,733</u>
\$	\$ 2,231	\$ 21,595
	63,166	279,750
		11,715
	<u>65,397</u>	<u>313,060</u>
13,214	13,865	950,293
		(17,620)
<u>13,214</u>	<u>13,865</u>	<u>932,673</u>
<u>\$ 13,214</u>	<u>\$ 79,262</u>	<u>\$ 1,245,733</u>

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$ 14	\$ 9	\$
State aid and grants	1,171,708	131,476	
Federal aid, grants and reimbursements			
Total revenues	1,171,722	131,485	
Expenditures:			
Current -			
Instruction	1,056,719	136,057	
Support services - students and staff	118,788		
Support services - administration	4,057		
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	1,179,564	136,057	
Excess (deficiency) of revenues over expenditures	(7,842)	(4,572)	
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(7,842)	(4,572)	
Fund balances (deficits), beginning of year	371,694	62,791	2,167
Fund balances, end of year	\$ 363,852	\$ 58,219	\$ 2,167

Structured English Immersion	Title I Grants	Professional Development and Technology Grants	Promote Informed Parent Choice	Limited English & Immigrant Students	Special Education Grants
\$ 12,144	\$ 1,135,110	\$ 125,050	\$ 91,893	\$ 106,925	\$ 436,858
<u>12,144</u>	<u>1,135,110</u>	<u>125,050</u>	<u>91,893</u>	<u>106,925</u>	<u>436,858</u>
11,581	529,481		34,143	19,395	355,469
563	426,723	97,399	48,571	85,128	49,031
	75,911	18,389	2,373	1,597	
	481				
	9,832				
	9,289				
<u>12,144</u>	<u>1,051,717</u>	<u>115,788</u>	<u>85,087</u>	<u>106,120</u>	<u>404,500</u>
	83,393	9,262	6,806	805	32,358
	(83,393)	(9,262)	(6,806)	(805)	(32,358)
	<u>(83,393)</u>	<u>(9,262)</u>	<u>(6,806)</u>	<u>(805)</u>	<u>(32,358)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Vocational Education	National Forest Fees	E-Rate
Revenues:			
Other local	\$	\$	\$ 2,636
State aid and grants			
Federal aid, grants and reimbursements	122,990	113,501	160,529
Total revenues	122,990	113,501	163,165
Expenditures:			
Current -			
Instruction	83,992	73,478	
Support services - students and staff	15,746		82,745
Support services - administration			
Operation and maintenance of plant services		41,287	93,734
Student transportation services		396	
Operation of non-instructional services			
Capital outlay	21,472		
Total expenditures	121,210	115,161	176,479
Excess (deficiency) of revenues over expenditures	1,780	(1,660)	(13,314)
Other financing sources (uses):			
Transfers out	(1,209)		
Total other financing sources (uses):	(1,209)		
Changes in fund balances	571	(1,660)	(13,314)
Fund balances (deficits), beginning of year	(18,191)	33,885	41,378
Fund balances (deficits), end of year	\$ (17,620)	\$ 32,225	\$ 28,064

State Vocational Education	Other State Projects	Food Service	Civic Center	Community School	Extracurricular Activities Fees Tax Credit
\$ 42,765	\$ 48,077	\$ 62,277	\$ 37,565	\$ 30,925	\$ 49,588
<u>42,765</u>	<u>48,077</u>	<u>1,417,890</u>	<u>37,565</u>	<u>30,925</u>	<u>49,588</u>
		<u>1,480,167</u>			
17,196			5,169		35,190
22,766	48,077			150	21,518
			20,130		
2,803			1,916		5,930
		1,553,435			
		11,898	619		7,285
<u>42,765</u>	<u>48,077</u>	<u>1,565,333</u>	<u>27,834</u>	<u>150</u>	<u>69,923</u>
		<u>(85,166)</u>	<u>9,731</u>	<u>30,775</u>	<u>(20,335)</u>
		<u>(118,472)</u>			
		<u>(118,472)</u>			
		<u>(203,638)</u>	<u>9,731</u>	<u>30,775</u>	<u>(20,335)</u>
		374,318	11,624	725	84,871
<u>\$</u>	<u>\$</u>	<u>\$ 170,680</u>	<u>\$ 21,355</u>	<u>\$ 31,500</u>	<u>\$ 64,536</u>

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	<u>Gifts and Donations</u>	<u>Fingerprint</u>	<u>Textbooks</u>
Revenues:			
Other local	\$ 167,973	\$ 1,381	\$ 5,082
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>167,973</u>	<u>1,381</u>	<u>5,082</u>
Expenditures:			
Current -			
Instruction	28,842		412
Support services - students and staff	35,791		276
Support services - administration	1,973	938	
Operation and maintenance of plant services	1,932		
Student transportation services	3,903		
Operation of non-instructional services			
Capital outlay	76,785		
Total expenditures	<u>149,226</u>	<u>938</u>	<u>688</u>
Excess (deficiency) of revenues over expenditures	<u>18,747</u>	<u>443</u>	<u>4,394</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>18,747</u>	<u>443</u>	<u>4,394</u>
Fund balances (deficits), beginning of year	118,298	1,773	6,961
Fund balances, end of year	<u>\$ 137,045</u>	<u>\$ 2,216</u>	<u>\$ 11,355</u>

Insurance Refund	Joint Technical Education	Totals
\$	\$ 374,456	\$ 731,906
		1,406,170
		3,710,746
	<u>374,456</u>	<u>5,848,822</u>
	208,724	2,584,267
	96,873	1,161,163
		105,801
	50,047	207,611
	2,791	27,571
		1,553,435
	<u>18,043</u>	<u>145,391</u>
	<u>376,478</u>	<u>5,785,239</u>
	<u>(2,022)</u>	<u>63,583</u>
		<u>(252,305)</u>
		<u>(252,305)</u>
	<u>(2,022)</u>	<u>(188,722)</u>
13,214	15,887	1,121,395
<u>\$ 13,214</u>	<u>\$ 13,865</u>	<u>\$ 932,673</u>

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 14	\$ 14
State aid and grants		1,171,708	1,171,708
Federal aid, grants and reimbursements			
Total revenues		<u>1,171,722</u>	<u>1,171,722</u>
Expenditures:			
Current -			
Instruction	1,256,685	1,056,719	199,966
Support services - students and staff	118,979	118,788	191
Support services - administration		4,057	(4,057)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>1,375,664</u>	<u>1,179,564</u>	<u>196,100</u>
Excess (deficiency) of revenues over expenditures	<u>(1,375,664)</u>	<u>(7,842)</u>	<u>1,367,822</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(1,375,664)</u>	<u>(7,842)</u>	<u>1,367,822</u>
Fund balances (deficits), beginning of year		371,694	371,694
Fund balances (deficits), end of year	<u>\$ (1,375,664)</u>	<u>\$ 363,852</u>	<u>\$ 1,739,516</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 9 131,476	\$ 9 131,476	\$	\$	\$
	<u>131,485</u>	<u>131,485</u>			
136,050	136,057	(7)	2,000		2,000
<u>136,050</u>	<u>136,057</u>	<u>(7)</u>	<u>2,000</u>		<u>2,000</u>
<u>(136,050)</u>	<u>(4,572)</u>	<u>131,478</u>	<u>(2,000)</u>		<u>2,000</u>
<u>(136,050)</u>	<u>(4,572)</u>	<u>131,478</u>	<u>(2,000)</u>		<u>2,000</u>
	62,791	62,791		2,167	2,167
<u>\$ (136,050)</u>	<u>\$ 58,219</u>	<u>\$ 194,269</u>	<u>\$ (2,000)</u>	<u>\$ 2,167</u>	<u>\$ 4,167</u>

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Structured English Immersion		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		12,144	12,144
Federal aid, grants and reimbursements			
Total revenues		<u>12,144</u>	<u>12,144</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	14,969	11,581	3,388
Support services - administration		563	(563)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>14,969</u>	<u>12,144</u>	<u>2,825</u>
Excess (deficiency) of revenues over expenditures	<u>(14,969)</u>		<u>14,969</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(14,969)</u>		<u>14,969</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$ (14,969)</u>	<u>\$</u>	<u>\$ 14,969</u>

Student Success			Title I Grants		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	61,834	61,834		1,135,110	1,135,110
	61,834	61,834		1,135,110	1,135,110
61,834	55,994	5,840	1,491,914	529,481	962,433
	5,441	(5,441)		426,723	(426,723)
	399	(399)		75,911	(75,911)
				481	(481)
				9,832	(9,832)
				9,289	(9,289)
61,834	61,834		1,491,914	1,051,717	440,197
(61,834)		61,834	(1,491,914)	83,393	1,575,307
				(83,393)	(83,393)
				(83,393)	(83,393)
(61,834)		61,834	(1,491,914)		1,491,914
\$ (61,834)	\$	\$ 61,834	\$ (1,491,914)	\$	\$ 1,491,914

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		125,050	125,050
Total revenues		<u>125,050</u>	<u>125,050</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	237,979	97,399	140,580
Support services - administration		18,389	(18,389)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>237,979</u>	<u>115,788</u>	<u>122,191</u>
Excess (deficiency) of revenues over expenditures	<u>(237,979)</u>	<u>9,262</u>	<u>247,241</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(9,262)	(9,262)
Total other financing sources (uses):		<u>(9,262)</u>	<u>(9,262)</u>
Changes in fund balances	<u>(237,979)</u>		<u>237,979</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$ (237,979)</u>	<u>\$</u>	<u>\$ 237,979</u>

Promote Informed Parent Choice			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	91,893	91,893		106,925	106,925
	91,893	91,893		106,925	106,925
161,649	34,143	(34,143)		19,395	(19,395)
	48,571	113,078	174,806	85,128	89,678
	2,373	(2,373)		1,597	(1,597)
<u>161,649</u>	<u>85,087</u>	<u>76,562</u>	<u>174,806</u>	<u>106,120</u>	<u>68,686</u>
<u>(161,649)</u>	<u>6,806</u>	<u>168,455</u>	<u>(174,806)</u>	<u>805</u>	<u>175,611</u>
	(6,806)	(6,806)		(805)	(805)
	(6,806)	(6,806)		(805)	(805)
<u>(161,649)</u>		<u>161,649</u>	<u>(174,806)</u>		<u>174,806</u>
<u>\$ (161,649)</u>	<u>\$</u>	<u>\$ 161,649</u>	<u>\$ (174,806)</u>	<u>\$</u>	<u>\$ 174,806</u>

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		436,858	436,858
Total revenues		<u>436,858</u>	<u>436,858</u>
Expenditures:			
Current -			
Instruction	459,493	355,469	104,024
Support services - students and staff		49,031	(49,031)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>459,493</u>	<u>404,500</u>	<u>54,993</u>
Excess (deficiency) of revenues over expenditures	<u>(459,493)</u>	<u>32,358</u>	<u>491,851</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(32,358)	(32,358)
Total other financing sources (uses):		<u>(32,358)</u>	<u>(32,358)</u>
Changes in fund balances	<u>(459,493)</u>		<u>459,493</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$ (459,493)</u>	<u>\$</u>	<u>\$ 459,493</u>

Vocational Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 156	\$ 156
	122,990	122,990		229,179	229,179
	122,990	122,990		229,335	229,335
143,191	83,992	59,199	180,871	67,251	113,620
	15,746	(15,746)		64,156	(64,156)
				1,644	(1,644)
				10,796	(10,796)
	21,472	(21,472)		26,399	(26,399)
143,191	121,210	21,981	180,871	170,246	10,625
(143,191)	1,780	144,971	(180,871)	59,089	239,960
	(1,209)	(1,209)			
	(1,209)	(1,209)			
(143,191)	571	143,762	(180,871)	59,089	239,960
	(18,191)	(18,191)		62,408	62,408
\$ (143,191)	\$ (17,620)	\$ 125,571	\$ (180,871)	\$ 121,497	\$ 302,368

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	National Forest Fees		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		113,501	113,501
Total revenues		<u>113,501</u>	<u>113,501</u>
Expenditures:			
Current -			
Instruction		73,478	(73,478)
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services		41,287	(41,287)
Student transportation services		396	(396)
Operation of non-instructional services			
Capital outlay			
Total expenditures		<u>115,161</u>	<u>(115,161)</u>
Excess (deficiency) of revenues over expenditures		<u>(1,660)</u>	<u>(1,660)</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances		<u>(1,660)</u>	<u>(1,660)</u>
Fund balances (deficits), beginning of year		33,885	33,885
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 32,225</u>	<u>\$ 32,225</u>

E-Rate			State Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,636	\$ 2,636	\$	\$	\$
	160,529	160,529		42,765	42,765
	163,165	163,165		42,765	42,765
200,000	82,745	117,255	43,787	17,196	(17,196)
	93,734	(93,734)		22,766	21,021
				2,803	(2,803)
<u>200,000</u>	<u>176,479</u>	<u>23,521</u>	<u>43,787</u>	<u>42,765</u>	<u>1,022</u>
<u>(200,000)</u>	<u>(13,314)</u>	<u>186,686</u>	<u>(43,787)</u>		<u>43,787</u>
<u>(200,000)</u>	<u>(13,314)</u>	<u>186,686</u>	<u>(43,787)</u>		<u>43,787</u>
	41,378	41,378			
<u>\$ (200,000)</u>	<u>\$ 28,064</u>	<u>\$ 228,064</u>	<u>\$ (43,787)</u>	<u>\$</u>	<u>\$ 43,787</u>

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Other State Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		48,077	48,077
Federal aid, grants and reimbursements			
Total revenues		<u>48,077</u>	<u>48,077</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	151,821	48,077	103,744
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>151,821</u>	<u>48,077</u>	<u>103,744</u>
Excess (deficiency) of revenues over expenditures	<u>(151,821)</u>		<u>151,821</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(151,821)</u>		<u>151,821</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$ (151,821)</u>	<u>\$</u>	<u>\$ 151,821</u>

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 101	\$ 101	\$	\$ 62,277	\$ 62,277
				1,417,890	1,417,890
	101	101		1,480,167	1,480,167
366,300	11,611	354,689			
			1,800,000	1,553,435	246,565
				11,898	(11,898)
366,300	11,611	354,689	1,800,000	1,565,333	234,667
(366,300)	(11,510)	354,790	(1,800,000)	(85,166)	1,714,834
				(118,472)	(118,472)
				(118,472)	(118,472)
(366,300)	(11,510)	354,790	(1,800,000)	(203,638)	1,596,362
	369,080	369,080		374,318	374,318
\$ (366,300)	\$ 357,570	\$ 723,870	\$ (1,800,000)	\$ 170,680	\$ 1,970,680

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Civic Center		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 37,565	\$ 37,565
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>37,565</u>	<u>37,565</u>
Expenditures:			
Current -			
Instruction		5,169	(5,169)
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	45,000	20,130	24,870
Student transportation services		1,916	(1,916)
Operation of non-instructional services			
Capital outlay		619	(619)
Total expenditures	<u>45,000</u>	<u>27,834</u>	<u>17,166</u>
Excess (deficiency) of revenues over expenditures	<u>(45,000)</u>	<u>9,731</u>	<u>54,731</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(45,000)</u>	<u>9,731</u>	<u>54,731</u>
Fund balances (deficits), beginning of year		11,624	11,624
Fund balances (deficits), end of year	<u>\$ (45,000)</u>	<u>\$ 21,355</u>	<u>\$ 66,355</u>

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 30,925	\$ 30,925	\$	\$ 176,826	\$ 176,826
	<u>30,925</u>	<u>30,925</u>		<u>176,826</u>	<u>176,826</u>
30,000	150	29,850	11,800	142,433	(130,633)
				135	(135)
				1,049	(1,049)
<u>30,000</u>	<u>150</u>	<u>29,850</u>	<u>11,800</u>	<u>5,131</u>	<u>(5,131)</u>
<u>(30,000)</u>	<u>30,775</u>	<u>60,775</u>	<u>(11,800)</u>	<u>148,748</u>	<u>(136,948)</u>
				<u>28,078</u>	<u>39,878</u>
<u>(30,000)</u>	<u>30,775</u>	<u>60,775</u>	<u>(11,800)</u>	<u>28,078</u>	<u>39,878</u>
	725	725		88,373	88,373
<u>\$ (30,000)</u>	<u>\$ 31,500</u>	<u>\$ 61,500</u>	<u>\$ (11,800)</u>	<u>\$ 116,451</u>	<u>\$ 128,251</u>

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 49,588	\$ 49,588
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		49,588	49,588
Expenditures:			
Current -			
Instruction	120,910	35,190	85,720
Support services - students and staff		21,518	(21,518)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services		5,930	(5,930)
Operation of non-instructional services			
Capital outlay		7,285	(7,285)
Total expenditures	120,910	69,923	50,987
Excess (deficiency) of revenues over expenditures	(120,910)	(20,335)	100,575
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(120,910)	(20,335)	100,575
Fund balances (deficits), beginning of year		84,871	84,871
Fund balances (deficits), end of year	\$ (120,910)	\$ 64,536	\$ 185,446

Gifts and Donations			Fingerprint		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 167,973	\$ 167,973	\$	\$ 1,381	\$ 1,381
	<u>167,973</u>	<u>167,973</u>		<u>1,381</u>	<u>1,381</u>
	28,842	(28,842)			
	35,791	(35,791)			
	1,973	(1,973)	3,000	938	2,062
	1,932	(1,932)			
	3,903	(3,903)			
<u>260,353</u>	<u>76,785</u>	<u>183,568</u>			
<u>260,353</u>	<u>149,226</u>	<u>111,127</u>	<u>3,000</u>	<u>938</u>	<u>2,062</u>
<u>(260,353)</u>	<u>18,747</u>	<u>279,100</u>	<u>(3,000)</u>	<u>443</u>	<u>3,443</u>
<u>(260,353)</u>	<u>18,747</u>	<u>279,100</u>	<u>(3,000)</u>	<u>443</u>	<u>3,443</u>
	118,298	118,298		1,773	1,773
<u>\$ (260,353)</u>	<u>\$ 137,045</u>	<u>\$ 397,398</u>	<u>\$ (3,000)</u>	<u>\$ 2,216</u>	<u>\$ 5,216</u>

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Textbooks		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 5,082	\$ 5,082
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>5,082</u>	<u>5,082</u>
Expenditures:			
Current -			
Instruction	9,000	412	8,588
Support services - students and staff		276	(276)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>9,000</u>	<u>688</u>	<u>8,312</u>
Excess (deficiency) of revenues over expenditures	<u>(9,000)</u>	<u>4,394</u>	<u>13,394</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(9,000)</u>	<u>4,394</u>	<u>13,394</u>
Fund balances (deficits), beginning of year		6,961	6,961
Fund balances (deficits), end of year	<u>\$ (9,000)</u>	<u>\$ 11,355</u>	<u>\$ 20,355</u>

Litigation Recovery			Indirect Costs		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 3,001	\$ 3,001	\$	\$	\$
	<u>3,001</u>	<u>3,001</u>			
3,500	1,150	2,350	337,932	2,454 133 185,785 72,206 166	(2,454) (133) 152,147 (72,206) (166)
<u>3,500</u>	<u>1,150</u>	<u>2,350</u>	<u>337,932</u>	<u>2,399</u> <u>263,143</u>	<u>(2,399)</u> <u>74,789</u>
<u>(3,500)</u>	<u>1,851</u>	<u>5,351</u>	<u>(337,932)</u>	<u>(263,143)</u>	<u>74,789</u>
				307,489	307,489
				<u>307,489</u>	<u>307,489</u>
<u>(3,500)</u>	<u>1,851</u>	<u>5,351</u>	<u>(337,932)</u>	<u>44,346</u>	<u>382,278</u>
	3,783	3,783		327,258	327,258
<u>\$ (3,500)</u>	<u>\$ 5,634</u>	<u>\$ 9,134</u>	<u>\$ (337,932)</u>	<u>\$ 371,604</u>	<u>\$ 709,536</u>

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Insurance Refund		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction	14,000		14,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	14,000		14,000
Excess (deficiency) of revenues over expenditures	(14,000)		14,000
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(14,000)		14,000
Fund balances (deficits), beginning of year		13,214	13,214
Fund balances (deficits), end of year	\$ (14,000)	\$ 13,214	\$ 27,214

Advertisement			Joint Technical Education		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 374,456	\$ 374,456
				374,456	374,456
			435,906	208,724	227,182
450	234	216		96,873	(96,873)
				50,047	(50,047)
				2,791	(2,791)
				18,043	(18,043)
450	234	216	435,906	376,478	59,428
(450)	(234)	216	(435,906)	(2,022)	433,884
(450)	(234)	216	(435,906)	(2,022)	433,884
	457	457		15,887	15,887
\$ (450)	\$ 223	\$ 673	\$ (435,906)	\$ 13,865	\$ 449,771

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 911,990	\$ 911,990
State aid and grants		1,468,004	1,468,004
Federal aid, grants and reimbursements		3,939,925	3,939,925
Total revenues		<u>6,319,919</u>	<u>6,319,919</u>
Expenditures:			
Current -			
Instruction	4,323,654	2,852,399	1,471,255
Support services - students and staff	1,133,990	1,230,893	(96,903)
Support services - administration	344,882	295,013	49,869
Operation and maintenance of plant services	411,300	291,563	119,737
Student transportation services		39,582	(39,582)
Operation of non-instructional services	1,800,000	1,553,435	246,565
Capital outlay	260,353	179,320	81,033
Total expenditures	<u>8,274,179</u>	<u>6,442,205</u>	<u>1,831,974</u>
Excess (deficiency) of revenues over expenditures	<u>(8,274,179)</u>	<u>(122,286)</u>	<u>8,151,893</u>
Other financing sources (uses):			
Transfers in		307,489	307,489
Transfers out		(252,305)	(252,305)
Total other financing sources (uses):		<u>55,184</u>	<u>55,184</u>
Changes in fund balances	<u>(8,274,179)</u>	<u>(67,102)</u>	<u>8,207,077</u>
Fund balances (deficits), beginning of year		1,972,754	1,972,754
Fund balances (deficits), end of year	<u>\$ (8,274,179)</u>	<u>\$ 1,905,652</u>	<u>\$ 10,179,831</u>

DEBT SERVICE FUND

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2015

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 162	\$ 162
Property taxes		718,638	718,638
Total revenues		<u>718,800</u>	<u>718,800</u>
Expenditures:			
Debt service -			
Principal retirement	480,000	480,000	
Interest and fiscal charges	232,913	233,572	(659)
Total expenditures	<u>712,913</u>	<u>713,572</u>	<u>(659)</u>
Changes in fund balances	<u>(712,913)</u>	<u>5,228</u>	<u>718,141</u>
Fund balances, beginning of year		597,741	597,741
Fund balances (deficits), end of year	<u>\$ (712,913)</u>	<u>\$ 602,969</u>	<u>\$ 1,315,882</u>

CAPITAL PROJECTS FUNDS

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

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

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; supplying school buildings with furniture, equipment, and technology; improving school grounds; or purchasing pupil transportation vehicles.

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

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015

	Insurance Proceeds	Adjacent Ways	Bond Building
<u>ASSETS</u>			
Cash and investments	\$ 11,564	\$ 78,320	\$ 221,103
Total assets	\$ 11,564	\$ 78,320	\$ 221,103
Fund balances:			
Restricted	\$ 11,564	\$ 78,320	\$ 221,103
Total fund balances	11,564	78,320	221,103
Total liabilities and fund balances	\$ 11,564	\$ 78,320	\$ 221,103

<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$ 5	\$ 457	\$ 311,449
<u>\$ 5</u>	<u>\$ 457</u>	<u>\$ 311,449</u>
\$ 5	\$ 457	\$ 311,449
<u>5</u>	<u>457</u>	<u>311,449</u>
<u>\$ 5</u>	<u>\$ 457</u>	<u>\$ 311,449</u>

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2015

	<u>Insurance Proceeds</u>	<u>Adjacent Ways</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 18,633	\$ 21	\$ 61
Property taxes		279	
Total revenues	<u>18,633</u>	<u>300</u>	<u>61</u>
Expenditures:			
Capital outlay	<u>30,285</u>		
Total expenditures	<u>30,285</u>		
Changes in fund balances	<u>(11,652)</u>	<u>300</u>	<u>61</u>
Fund balances, beginning of year	23,216	78,020	221,042
Fund balances, end of year	<u>\$ 11,564</u>	<u>\$ 78,320</u>	<u>\$ 221,103</u>

<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$	\$	\$ 18,715
		279
		<u>18,994</u>
		30,285
		<u>30,285</u>
		(11,291)
5	457	322,740
<u>\$ 5</u>	<u>\$ 457</u>	<u>\$ 311,449</u>

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2015

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 18,633	\$ 18,633
Property taxes			
State aid and grants			
Total revenues		18,633	18,633
Expenditures:			
Capital outlay	33,250	30,285	2,965
Debt service - Principal retirement			
Interest and fiscal charges			
Total expenditures	33,250	30,285	2,965
Changes in fund balances	(33,250)	(11,652)	21,598
Fund balances, beginning of year		23,216	23,216
Fund balances (deficits), end of year	\$ (33,250)	\$ 11,564	\$ 44,814

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 20,034	\$ 20,034	\$	\$ 21	\$ 21
	358,947	358,947		279	279
	421,088	421,088			
	800,069	800,069		300	300
2,599,341	703,673	1,895,668	78,000		78,000
134,037	134,037				
67,504	67,504				
2,800,882	905,214	1,895,668	78,000		78,000
(2,800,882)	(105,145)	2,695,737	(78,000)	300	78,300
	6,298,851	6,298,851		78,020	78,020
\$ (2,800,882)	\$ 6,193,706	\$ 8,994,588	\$ (78,000)	\$ 78,320	\$ 156,320

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2015

	Bond Building		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 61	\$ 61
Property taxes			
State aid and grants			
Total revenues		<u>61</u>	<u>61</u>
Expenditures:			
Capital outlay	221,095		221,095
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>221,095</u>		<u>221,095</u>
Changes in fund balances	<u>(221,095)</u>	<u>61</u>	<u>221,156</u>
Fund balances, beginning of year		221,042	221,042
Fund balances (deficits), end of year	<u>\$ (221,095)</u>	<u>\$ 221,103</u>	<u>\$ 442,198</u>

Energy and Water Savings			Building Renewal Grant		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
156,641		156,641	450		450
156,641		156,641	450		450
(156,641)		156,641	(450)		450
	5	5		457	457
\$ (156,641)	\$ 5	\$ 156,646	\$ (450)	\$ 457	\$ 907

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2015

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 38,749	\$ 38,749
Property taxes		359,226	359,226
State aid and grants		421,088	421,088
Total revenues		<u>819,063</u>	<u>819,063</u>
Expenditures:			
Capital outlay	3,088,777	733,958	2,354,819
Debt service -			
Principal retirement	134,037	134,037	
Interest and fiscal charges	67,504	67,504	
Total expenditures	<u>3,290,318</u>	<u>935,499</u>	<u>2,354,819</u>
Changes in fund balances	<u>(3,290,318)</u>	<u>(116,436)</u>	<u>3,173,882</u>
Fund balances, beginning of year		6,621,591	6,621,591
Fund balances (deficits), end of year	<u>\$ (3,290,318)</u>	<u>\$ 6,505,155</u>	<u>\$ 9,795,473</u>

AGENCY FUNDS

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

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2015

	Student Activities	Employee Insurance	Totals
<u>ASSETS</u>			
Cash and investments	\$ 101,919	\$ 87,465	\$ 189,384
Total assets	\$ 101,919	\$ 87,465	\$ 189,384
 <u>LIABILITIES</u>			
Deposits held for others	\$	\$ 87,465	\$ 87,465
Due to student groups	101,919		101,919
Total liabilities	\$ 101,919	\$ 87,465	\$ 189,384

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2015

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ <u>82,122</u>	\$ <u>246,886</u>	\$ <u>227,089</u>	\$ <u>101,919</u>
Total assets	\$ <u><u>82,122</u></u>	\$ <u><u>246,886</u></u>	\$ <u><u>227,089</u></u>	\$ <u><u>101,919</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>82,122</u>	\$ <u>246,886</u>	\$ <u>227,089</u>	\$ <u>101,919</u>
Total liabilities	\$ <u><u>82,122</u></u>	\$ <u><u>246,886</u></u>	\$ <u><u>227,089</u></u>	\$ <u><u>101,919</u></u>
<u>EMPLOYEE INSURANCE FUND</u>				
<u>Assets</u>				
Cash and investments	\$ <u>73,095</u>	\$ <u>1,715,082</u>	\$ <u>1,700,712</u>	\$ <u>87,465</u>
Total assets	\$ <u><u>73,095</u></u>	\$ <u><u>1,715,082</u></u>	\$ <u><u>1,700,712</u></u>	\$ <u><u>87,465</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>73,095</u>	\$ <u>1,715,082</u>	\$ <u>1,700,712</u>	\$ <u>87,465</u>
Total liabilities	\$ <u><u>73,095</u></u>	\$ <u><u>1,715,082</u></u>	\$ <u><u>1,700,712</u></u>	\$ <u><u>87,465</u></u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ <u>155,217</u>	\$ <u>1,961,968</u>	\$ <u>1,927,801</u>	\$ <u>189,384</u>
Total assets	\$ <u><u>155,217</u></u>	\$ <u><u>1,961,968</u></u>	\$ <u><u>1,927,801</u></u>	\$ <u><u>189,384</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>73,095</u>	\$ <u>1,715,082</u>	\$ <u>1,700,712</u>	\$ <u>87,465</u>
Due to student groups	<u>82,122</u>	<u>246,886</u>	<u>227,089</u>	<u>101,919</u>
Total liabilities	\$ <u><u>155,217</u></u>	\$ <u><u>1,961,968</u></u>	\$ <u><u>1,927,801</u></u>	\$ <u><u>189,384</u></u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net Position:					
Net investment in capital assets	\$ 36,443,644	\$ 37,445,725	\$ 34,297,573	\$ 37,031,052	\$ 37,270,913
Restricted	7,994,025	8,339,778	10,657,796	7,068,760	7,417,337
Unrestricted	(7,126,421)	17,388,634	18,410,545	17,274,963	15,706,115
Total net position	\$ 37,311,248	\$ 63,174,137	\$ 63,365,914	\$ 61,374,775	\$ 60,394,365
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net Position:					
Net investment in capital assets	\$ 37,108,301	\$ 37,630,822	\$ 33,928,318	\$ 29,627,047	\$ 28,409,474
Restricted	6,437,540	5,475,472	4,446,463	3,006,021	1,914,843
Unrestricted	12,007,266	6,611,411	7,435,758	7,529,517	7,306,402
Total net position	\$ 55,553,107	\$ 49,717,705	\$ 45,810,539	\$ 40,162,585	\$ 37,630,719

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

Note: The decrease in unrestricted net position during fiscal year 2015 is due to the implementation of the pension reporting standards.

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

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses					
Instruction	\$ 13,924,663	\$ 14,291,945	\$ 13,205,520	\$ 15,599,674	\$ 13,732,409
Support services - students and staff	4,301,611	4,643,246	4,598,129	3,944,557	3,501,100
Support services - administration	2,544,283	2,243,769	2,380,489	2,344,181	1,970,869
Operation and maintenance of plant services	2,820,726	2,534,369	3,208,236	2,948,557	2,607,645
Student transportation services	1,675,586	1,704,321	1,739,769	2,135,651	1,858,397
Operation of non-instructional services	1,621,420	1,424,036	1,644,826	1,736,793	1,654,683
Interest on long-term debt	301,076	339,713	376,294	337,646	377,530
Total expenses	<u>27,189,365</u>	<u>27,181,399</u>	<u>27,153,263</u>	<u>29,047,059</u>	<u>25,702,633</u>
Program Revenues					
Charges for services:					
Instruction	621,767	496,114	404,548	367,929	268,777
Operation of non-instructional services	62,191	57,510	230,957	231,444	461,084
Other activities	37,561	71,692	57,979	16,004	52,219
Operating grants and contributions	4,721,462	5,489,621	5,481,740	5,307,680	4,514,364
Capital grants and contributions	350,758	784,910	1,709,552	1,067,053	362,734
Total program revenues	<u>5,793,739</u>	<u>6,899,847</u>	<u>7,884,776</u>	<u>6,990,110</u>	<u>5,659,178</u>
Net (Expense)/Revenue	<u>\$ (21,395,626)</u>	<u>\$ (20,281,552)</u>	<u>\$ (19,268,487)</u>	<u>\$ (22,056,949)</u>	<u>\$ (20,043,455)</u>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenses					
Instruction	\$ 14,118,196	\$ 14,970,015	\$ 16,270,680	\$ 14,412,039	\$ 13,389,876
Support services - students and staff	3,345,893	3,479,221	3,126,917	2,288,847	2,271,436
Support services - administration	2,107,260	2,197,992	2,587,306	2,274,103	2,120,317
Operation and maintenance of plant services	2,509,099	2,723,738	2,659,926	2,206,998	1,942,231
Student transportation services	1,958,552	2,110,630	3,319,512	1,944,079	1,642,113
Operation of non-instructional services	1,673,855	1,876,773	1,801,911	1,496,647	1,453,162
Interest on long-term debt	413,437	586,052	533,750	322,573	341,482
Total expenses	<u>26,126,292</u>	<u>27,944,421</u>	<u>30,300,002</u>	<u>24,945,286</u>	<u>23,160,617</u>
Program Revenues					
Charges for services:					
Instruction	25,263	34,872	29,363	123,961	63,278
Operation of non-instructional services	470,397	491,373	473,296	471,416	391,879
Other activities	13,923	169,436	107,452	45,303	78,234
Operating grants and contributions	4,458,640	3,512,962	3,660,091	3,094,764	3,624,484
Capital grants and contributions	224,253	125,593	138,459	429,290	612,026
Total program revenues	<u>5,192,476</u>	<u>4,334,236</u>	<u>4,408,661</u>	<u>4,164,734</u>	<u>4,769,901</u>
Net (Expense)/Revenue	<u>\$ (20,933,816)</u>	<u>\$ (23,610,185)</u>	<u>\$ (25,891,341)</u>	<u>\$ (20,780,552)</u>	<u>\$ (18,390,716)</u>

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net (Expense)/Revenue	\$ (21,395,626)	\$ (20,281,552)	\$ (19,268,487)	\$ (22,056,949)	\$ (20,043,455)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	5,680,036	7,399,054	7,668,362	8,879,329	9,022,918
Property taxes, levied for debt service	715,479	72,282	879,141	119,986	1,168,528
Property taxes, levied for capital outlay	320,977	514,493	1,026,315	1,424,785	418,924
Investment income	6,427	15,861	10,186	114,057	68,988
Unrestricted county aid	476,666	490,680	524,028	471,669	425,737
Unrestricted state aid	12,027,908	11,496,187	11,069,758	11,921,045	13,619,103
Unrestricted federal aid	229,179	101,218	81,836	106,488	160,515
Total general revenues	<u>19,456,672</u>	<u>20,089,775</u>	<u>21,259,626</u>	<u>23,037,359</u>	<u>24,884,713</u>
Changes in Net Position	<u>\$ (1,938,954)</u>	<u>\$ (191,777)</u>	<u>\$ 1,991,139</u>	<u>\$ 980,410</u>	<u>\$ 4,841,258</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net (Expense)/Revenue	\$ (20,933,816)	\$ (23,610,185)	\$ (25,891,341)	\$ (20,780,552)	\$ (18,390,716)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	8,349,537	6,288,353	5,223,908	3,914,635	3,781,704
Property taxes, levied for debt service	1,491,052	2,620,766	2,687,416	1,934,917	1,794,019
Property taxes, levied for capital outlay	575,920	365,547	96,828	344,700	405,402
Investment income	182,265	324,510	214,489	187,765	125,603
Unrestricted county aid	375,955		228,489	17,055	360,556
Unrestricted state aid	13,877,937	17,918,175	23,088,581	16,913,346	14,475,864
Unrestricted federal aid	1,916,552				
Total general revenues	<u>26,769,218</u>	<u>27,517,351</u>	<u>31,539,711</u>	<u>23,312,418</u>	<u>20,943,148</u>
Changes in Net Position	<u>\$ 5,835,402</u>	<u>\$ 3,907,166</u>	<u>\$ 5,648,370</u>	<u>\$ 2,531,866</u>	<u>\$ 2,552,432</u>

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

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

2) In fiscal years 2010 and 2011, the District received unrestricted federal aid as a result of the American Recovery and Reinvestment Act of 2009.

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:					
Nondisposable	\$	\$ 155,000	\$ 383,559	\$ 171,401	\$ 60,661
Unassigned	16,751,308	16,963,689	16,889,755	15,717,044	13,057,837
Total General Fund	\$ 16,751,308	\$ 17,118,689	\$ 17,273,314	\$ 15,888,445	\$ 13,118,498
All Other Governmental Funds:					
Nondisposable	\$	\$	\$	\$ 16,752	\$ 64,045
Restricted	8,058,417	8,362,701	10,625,836	6,866,541	7,421,785
Unassigned	(17,620)	(18,191)	(72,401)	(6,663)	(72,611)
Total all other governmental funds	\$ 8,040,797	\$ 8,344,510	\$ 10,553,435	\$ 6,876,630	\$ 7,413,219

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:					
Reserved	\$ 321,281	\$ 52,419	\$ 280,820	\$ 89,609	\$ 56,114
Unreserved	7,779,795	2,720,366	2,324,347	3,946,600	3,468,738
Total General Fund	<u>\$ 8,101,076</u>	<u>\$ 2,772,785</u>	<u>\$ 2,605,167</u>	<u>\$ 4,036,209</u>	<u>\$ 3,524,852</u>
All Other Governmental Funds:					
Reserved	\$ 76,088	\$ 26,329	\$ 30,643	\$ 48,188	\$ 29,127
Unreserved, reported in:					
Special revenue funds	2,242,921	1,854,226	1,762,391	1,314,699	1,187,634
Capital projects funds	5,077,723	6,357,203	9,021,706	7,552,839	650,609
Debt service fund	1,829,177	1,629,059	1,072,490	652,167	657,319
Total all other governmental funds	<u>\$ 9,225,909</u>	<u>\$ 9,866,817</u>	<u>\$ 11,887,230</u>	<u>\$ 9,567,893</u>	<u>\$ 2,524,689</u>

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

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

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

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Federal sources:					
Federal grants	\$ 3,553,929	\$ 4,262,452	\$ 4,617,072	\$ 4,318,075	\$ 2,747,500
State Fiscal Stabilization (ARRA)					160,515
Education Jobs				305,747	357,111
National School Lunch Program	1,417,890	1,373,878	1,491,708	1,412,604	1,407,813
Total federal sources	<u>4,971,819</u>	<u>5,636,330</u>	<u>6,108,780</u>	<u>6,036,426</u>	<u>4,672,939</u>
State sources:					
State equalization assistance	10,662,890	10,111,413	9,968,674	10,779,974	12,664,698
State grants	102,987	208,250	656,229	194,617	153,469
School Facilities Board		138,542			103,893
Other revenues	1,365,017	1,384,774	1,101,084	1,214,328	919,570
Total state sources	<u>12,130,894</u>	<u>11,842,979</u>	<u>11,725,987</u>	<u>12,188,919</u>	<u>13,841,630</u>
Local sources:					
Property taxes	6,985,906	8,132,748	9,769,049	10,358,809	10,575,574
County aid	476,666	490,680	524,028	471,669	425,737
Food service sales	62,191	57,510	230,932	231,444	338,848
Investment income	6,427	15,861	10,948	114,057	68,988
Other revenues	885,922	960,433	1,017,316	586,704	654,437
Total local sources	<u>8,417,112</u>	<u>9,657,232</u>	<u>11,552,273</u>	<u>11,762,683</u>	<u>12,063,584</u>
Total revenues	<u><u>\$ 25,519,825</u></u>	<u><u>\$ 27,136,541</u></u>	<u><u>\$ 29,387,040</u></u>	<u><u>\$ 29,988,028</u></u>	<u><u>\$ 30,578,153</u></u>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Federal sources:					
Federal grants	\$ 3,096,194	\$ 1,900,165	\$ 1,861,668	\$ 2,246,084	\$ 2,489,871
State Fiscal Stabilization (ARRA)	1,916,552				
National School Lunch Program	1,330,166	1,287,170	1,240,038	1,087,135	1,108,174
Total federal sources	<u>6,342,912</u>	<u>3,187,335</u>	<u>3,101,706</u>	<u>3,333,219</u>	<u>3,598,045</u>
State sources:					
State equalization assistance	12,908,761	14,872,746	16,302,785	14,792,033	12,923,163
State grants	95,653	259,947	220,108	302,887	188,344
School Facilities Board		2,560,561	4,242,060	533,196	171,823
Other revenues	893,819	1,274,943	1,849,961	1,491,625	1,380,878
Total state sources	<u>13,898,233</u>	<u>18,968,197</u>	<u>22,614,914</u>	<u>17,119,741</u>	<u>14,664,208</u>
Local sources:					
Property taxes	10,124,189	9,130,029	7,714,965	6,680,663	6,698,655
County aid	375,955		228,489	17,055	360,556
Food service sales	374,455	405,072	393,611	391,382	313,155
Investment income	182,265	324,510	214,073	187,765	125,603
Other revenues	296,008	632,853	661,553	249,299	220,236
Total local sources	<u>11,352,872</u>	<u>10,492,464</u>	<u>9,212,691</u>	<u>7,526,164</u>	<u>7,718,205</u>
Total revenues	<u>\$ 31,594,017</u>	<u>\$ 32,647,996</u>	<u>\$ 34,929,311</u>	<u>\$ 27,979,124</u>	<u>\$ 25,980,458</u>

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

- Notes:** 1) The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.
2) In fiscal year 2010 and 2011, the District received unrestricted federal aid as a result of the American Recovery and Reinvestment Act of 2009.

(Concluded)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenditures:					
Current -					
Instruction	\$ 12,050,644	\$ 12,079,386	\$ 11,500,691	\$ 12,911,651	\$ 13,107,676
Support services - students and staff	4,115,707	4,504,380	4,364,026	3,589,359	3,452,956
Support services - administration	2,365,409	2,105,603	2,183,065	2,065,800	2,004,249
Operation and maintenance of plant services	2,507,370	2,529,207	3,016,389	2,697,398	2,349,179
Student transportation services	1,437,742	1,476,195	1,406,256	1,708,131	1,717,676
Operation of non-instructional services	1,590,495	1,399,352	1,598,145	1,656,754	1,667,069
Capital outlay	1,053,439	4,079,832	3,122,904	1,809,302	1,391,765
Debt service -					
Interest and fiscal charges	301,076	339,713	376,294	337,646	377,530
Principal retirement	614,037	757,864	974,484	1,011,844	1,062,890
Bond issuance costs					
Total expenditures	\$ 26,035,919	\$ 29,271,532	\$ 28,542,254	\$ 27,787,885	\$ 27,130,990
Expenditures for capitalized assets	\$ 198,609	\$ 3,434,016	\$ 2,066,352	\$ 470,570	\$ 1,316,634
Debt service as a percentage of noncapital expenditures	4%	4%	5%	5%	6%

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenditures:					
Current -					
Instruction	\$ 11,905,545	\$ 13,391,074	\$ 14,612,065	\$ 12,325,138	\$ 11,483,556
Support services - students and staff	3,060,925	3,125,534	2,720,342	2,034,691	2,145,078
Support services - administration	1,932,452	2,152,038	2,442,913	2,117,122	2,180,502
Operation and maintenance of plant services	2,622,684	2,171,718	2,726,435	2,101,440	1,882,432
Student transportation services	1,527,010	1,674,368	1,940,452	1,596,924	1,227,142
Operation of non-instructional services	1,663,279	1,801,249	1,653,555	1,495,540	1,439,541
Capital outlay	3,041,607	7,337,114	9,942,456	2,929,914	2,032,087
Debt service -					
Interest and fiscal charges	413,437	523,326	453,666	252,389	277,798
Principal retirement	1,104,937	2,049,197	1,989,198	1,898,642	1,767,927
Bond issuance costs			115,494	118,800	
Total expenditures	<u>\$ 27,271,876</u>	<u>\$ 34,225,618</u>	<u>\$ 38,596,576</u>	<u>\$ 26,870,600</u>	<u>\$ 24,436,063</u>
Expenditures for capitalized assets	\$ 1,726,780	\$ 6,488,804	\$ 7,743,065	\$ 1,533,679	\$ 622,559
Debt service as a percentage of noncapital expenditures	6%	9%	8%	9%	9%

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

(Concluded)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Excess (deficiency) of revenues over expenditures	\$ (516,094)	\$ (2,134,991)	\$ 844,786	\$ 2,200,143	\$ 3,447,163
Other financing sources (uses):					
Capital lease agreements			4,021,482		
Transfers in	307,489	268,033	254,895	150,668	54,658
Transfers out	<u>(307,489)</u>	<u>(268,033)</u>	<u>(254,895)</u>	<u>(150,668)</u>	<u>(54,658)</u>
Total other financing sources (uses)			<u>4,021,482</u>		
Changes in fund balances	<u>\$ (516,094)</u>	<u>\$ (2,134,991)</u>	<u>\$ 4,866,268</u>	<u>\$ 2,200,143</u>	<u>\$ 3,447,163</u>
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Excess (deficiency) of revenues over expenditures	\$ 4,322,141	\$ (1,577,622)	\$ (3,667,265)	\$ 1,108,524	\$ 1,544,395
Other financing sources (uses):					
Issuance of School Improvement Bonds			4,250,000	5,750,000	
Premium on sale of bonds			131,894	112,300	
Capital lease agreements	46,621	11,875		530,341	53,477
Transfers in	257,634	207,068	75,119		36,055
Transfers out	<u>(257,634)</u>	<u>(207,068)</u>	<u>(75,119)</u>		<u>(36,055)</u>
Total other financing sources (uses)	<u>46,621</u>	<u>11,875</u>	<u>4,381,894</u>	<u>6,392,641</u>	<u>53,477</u>
Changes in fund balances	<u>\$ 4,368,762</u>	<u>\$ (1,565,747)</u>	<u>\$ 714,629</u>	<u>\$ 7,501,165</u>	<u>\$ 1,597,872</u>

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
PRIMARY ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 37,323,291	\$ 37,113,776	\$ 37,816,295	\$ 38,223,576	\$ 40,541,229
Agricultural and Vacant	30,203,692	32,685,909	38,311,677	46,164,191	39,147,985
Residential (Owner Occupied)	52,469,908	56,842,196	63,260,241	89,889,987	102,564,593
Residential (Rental)	21,053,055	22,450,194	25,671,063	9,319,137	9,797,267
Railroad, Private Cars and Airlines	1,619,043	1,273,466	1,178,283	1,029,260	766,953
Historical Property	<u>20,446</u>	<u>19,869</u>	<u>18,498</u>	<u>25,194</u>	<u>13,535</u>
Total	<u>\$ 142,689,435</u>	<u>\$ 150,385,410</u>	<u>\$ 166,256,057</u>	<u>\$ 184,651,345</u>	<u>\$ 192,831,562</u>
Estimated Actual Value (Full Cash Value)	\$ 1,205,501,603	\$ 1,261,336,702	\$ 1,401,672,364	\$ 1,546,864,985	\$ 1,759,527,826
Ratio of Primary Assessed Value to Estimated Actual Value	12%	12%	12%	12%	11%
Total Direct Rate	5.72	6.23	6.67	6.76	6.76

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	\$ 39,953,178	\$ 35,756,344	\$ 33,774,597	\$ 29,880,584	\$ 27,839,968
Agricultural and Vacant	34,948,616	29,907,797	23,926,022	22,954,284	23,615,077
Residential (Owner Occupied)	95,346,290	82,252,503	67,266,118	54,935,338	49,705,795
Residential (Rental)	8,945,663	8,054,883	5,331,182	3,521,470	2,902,878
Railroad, Private Cars and Airlines	684,519	745,471	781,691	1,236,951	1,206,318
Historical Property	<u>337</u>	<u>5,741</u>	<u>4,581</u>	<u>4,581</u>	<u>4,581</u>
Total	<u>\$ 179,878,603</u>	<u>\$ 156,722,739</u>	<u>\$ 131,084,191</u>	<u>\$ 112,533,208</u>	<u>\$ 105,274,617</u>
Estimated Actual Value (Full Cash Value)	\$ 1,781,578,529	\$ 1,565,005,637	\$ 1,185,103,422	\$ 942,940,070	\$ 839,093,375
Ratio of Primary Value to Estimated Actual Value	10%	10%	11%	12%	13%
Total Direct Rate	6.76	6.57	6.80	6.58	6.64

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

Note: The primary assessed value generates revenues for general District operations.

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
SECONDARY ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 37,692,539	\$ 37,172,077	\$ 37,968,928	\$ 38,223,576	\$ 40,953,955
Agricultural and Vacant	30,476,102	32,851,855	39,603,427	46,164,191	51,259,379
Residential (Owner Occupied)	52,560,044	56,954,093	63,396,669	89,889,987	107,551,069
Residential (Rental)	21,138,606	22,475,369	25,690,935	9,319,137	10,041,204
Railroad, Private Cars and Airlines	1,631,579	1,283,294	1,195,907	1,029,260	880,802
Historical Property	<u>23,461</u>	<u>24,432</u>	<u>24,702</u>	<u>25,194</u>	<u>24,963</u>
Total	<u>\$ 143,522,331</u>	<u>\$ 150,761,120</u>	<u>\$ 167,880,568</u>	<u>\$ 184,651,345</u>	<u>\$ 210,711,372</u>
Ratio of Secondary Assessed Value to Estimated Actual Value	12%	12%	12%	13%	12%
Total Direct Rate	\$ 5.72	\$ 6.23	\$ 6.67	\$ 6.76	\$ 6.76

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	\$ 41,628,043	\$ 37,458,410	\$ 35,035,593	\$ 30,732,038	\$ 28,219,179
Agricultural and Vacant	53,633,490	43,637,108	29,936,629	26,857,185	24,427,709
Residential (Owner Occupied)	109,399,500	97,870,222	74,717,455	56,981,115	50,120,901
Residential (Rental)	10,084,031	9,617,572	5,812,308	3,601,583	2,916,017
Railroad, Private Cars and Airlines	771,373	807,404	833,358	1,284,205	1,283,425
Historical Property	<u>9,222</u>	<u>9,222</u>	<u>4,581</u>	<u>4,581</u>	<u>4,581</u>
Total	<u>\$ 215,525,659</u>	<u>\$ 189,399,938</u>	<u>\$ 146,339,924</u>	<u>\$ 119,460,707</u>	<u>\$ 106,971,812</u>
Ratio of Secondary Assessed Value to Estimated Actual Value	12%	12%	12%	13%	13%
Total Direct Rate	6.76	6.57	6.80	6.58	6.64

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

Note: The secondary assessed value generates revenues to service District bonded debt requirements and other voter-approved overrides.

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	19 %	20 %	20 %	20 %	21 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	16	15	15	15	17

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	22 %	23 %	24 %	25 %	25 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	18	20	21	22	21

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

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

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

Fiscal Year Ended June 30	Overlapping Rates								District Direct Rates		
	State	County	County	Flood	Community	Fire	Tubac	Rio Rico	Primary	Secondary	Total
	Equalization	County	Equalization Rate	Control District	College District	District Assistance	F.D.	F.D.			
2015	0.51	3.65	0.00	0.73	0.45	0.10	3.40	3.78	4.63	1.10	5.72
2014	0.51	3.42	0.00	0.68	0.42	0.10	3.29	3.75	5.23	0.99	6.23
2013	0.47	2.82	0.00	0.56	0.07	0.10	3.26	3.65	5.61	1.06	6.67
2012	0.43	2.82	0.00	0.56	0.07	0.10	3.21	3.33	5.57	1.19	6.76
2011	0.36	2.82	0.00	0.56	0.07	0.10	3.14	3.00	5.66	1.10	6.76
2010	0.00	2.90	0.00	0.58	0.00	0.10	3.37	3.00	5.69	1.07	6.76
2009	0.00	3.01	0.00	0.60	0.00	0.10	2.63	2.74	5.02	1.55	6.57
2008	0.00	3.18	0.00	0.61	0.00	0.10	2.64	2.75	4.94	1.86	6.80
2007	0.00	3.30	0.44	0.61	0.00	0.10	2.64	2.75	5.02	1.56	6.58
2006	0.00	3.35	0.44	0.61	0.00	0.10	2.64	2.79	4.90	1.74	6.64

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

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

Taxpayer	2015		2006	
	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation
Delta Properties LLP	5,989,208	4.17 %		%
Mariposa Shopping Center LP	2,505,520	1.75		
Wal-Mart Stores Inc.	2,234,889	1.56		
Tubac Management Co. LLC	1,553,280	1.08	663,225	0.62
SOAC Properties Corporation	1,542,782	1.07		
Crisantes Properties LLC	1,468,050	1.02		
Nogales Plaza Shopping Center	1,275,811	0.89		
Home Depot USA INC	1,007,670	0.70		
Loma Linda Mall LLC	925,079	0.64		
Rio Rico Properties Inc.	886,138	0.62	1,989,676	1.86
Santa Cruz County Electric & Gas Co.			2,824,056	2.64
Vatere LLC			1,561,789	1.46
Qwest Corporation			1,486,908	1.39
Rio Rico Utilities			1,165,993	1.09
Union Pacific Railroad			1,016,232	0.95
Moroleon Inc.			791,591	0.74
Produce Exchange			534,859	0.50
Avatar Properties			780,894	0.73
Total	<u>\$ 19,388,427</u>	<u>13.51</u> %	<u>\$ 12,815,223</u>	<u>11.98</u> %

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

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
2015	\$ 8,013,590	\$ 6,494,095	81.04 %	\$	\$ 6,494,095	81.04 %
2014	9,339,374	7,599,947	81.38	1,310,905	8,910,852	95.41
2013	10,135,105	9,097,999	89.77	918,525	10,016,524	98.83
2012	10,731,923	9,563,796	89.12	1,146,127	10,709,923	99.80
2011	10,962,417	9,804,624	89.44	1,145,369	10,949,993	99.89
2010	10,588,576	9,457,465	89.32	1,123,170	10,580,635	99.93
2009	9,818,200	8,480,670	86.38	1,337,530	9,818,200	100.00
2008	9,069,450	8,405,813	92.68	662,145	9,067,958	99.98
2007	7,513,069	6,932,760	92.28	579,934	7,512,694	100.00
2006	7,018,115	5,264,318	75.01	1,753,593	7,017,911	100.00

Source: The source of this information is the 2015 Santa Cruz County Treasurer's records.

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

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income	
2015	\$ 5,160,000	\$ 602,969	\$ 4,557,031	0.38 %	\$ 169	\$ 3,649,533	\$ 8,809,533	0.73 %	\$ 327	N/A %	
2014	5,640,000	700,275	4,939,725	0.39	249	3,783,570	9,423,570	0.75	476	0.73	
2013	7,020,000	459,060	6,560,940	0.47	328	4,081,434	11,101,434	0.79	555	0.84	
2012	7,975,000	788,818	7,186,182	0.46	341	114,436	8,089,436	0.52	384	0.68	
2011	8,970,000	1,932,413	7,037,587	0.40	476	171,280	9,141,280	0.52	618	0.77	
2010	10,000,000	2,077,924	7,922,076	0.44	528	239,170	10,239,170	0.57	683	0.90	
2009	11,885,000	1,842,653	10,042,347	0.64	414	267,486	12,152,486	0.78	501	1.06	
2008	13,700,000	2,077,924	11,622,076	0.98	649	419,808	14,119,808	1.19	789	1.40	
2007	11,190,000	1,842,653	9,347,347	0.99	748	594,006	11,784,006	1.25	943	1.25	
2006	7,120,000	1,432,234	5,687,766	0.68	351	222,307	7,342,307	0.88	453	0.88	

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

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2015**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Rio Rico Fire District	\$ 4,970,000	100.00 %	\$ 4,970,000
Subtotal, Overlapping Debt			<u>4,970,000</u>
Direct:			
Santa Cruz Valley Unified School District No. 35			<u>8,809,533</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 13,779,533</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Secondary Assessed Valuation		3.18 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$	353
As a Percentage of Net Secondary Assessed Valuation		6.64 %
As a Percentage of Estimated Actual Value (Full Cash Value)		0.79 %

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

- Notes:** 1) Estimated percentage of debt outstanding applicable to the District is calculated based on the District's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.
- 2) Outstanding debt as of June 30, 2014 is presented for the overlapping governments as this is the most recent available information.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2015:

Secondary assessed valuation	\$ 143,522,331
Debt limit (20% of assessed value)	28,704,466
Debt applicable to limit	5,160,000
Legal debt margin	<u><u>\$ 23,544,466</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2015:

Secondary assessed valuation	\$ 143,522,331
Debt limit (30% of assessed value)	43,056,699
Debt applicable to limit	5,160,000
Legal debt margin	<u><u>\$ 37,896,699</u></u>

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 43,056,699	\$ 45,228,336	\$ 50,364,170	\$ 55,395,404	\$ 63,213,412
Total net debt applicable to limit	<u>5,160,000</u>	<u>5,640,000</u>	<u>7,020,000</u>	<u>7,975,000</u>	<u>8,970,000</u>
Legal debt margin	<u><u>\$ 37,896,699</u></u>	<u><u>\$ 39,588,336</u></u>	<u><u>\$ 43,344,170</u></u>	<u><u>\$ 47,420,404</u></u>	<u><u>\$ 54,243,412</u></u>
Total net debt applicable to the limit as a percentage of debt limit	12%	12%	14%	14%	14%
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt Limit	\$ 64,657,698	\$ 56,819,981	\$ 43,901,977	\$ 35,838,212	\$ 32,091,544
Total net debt applicable to limit	<u>10,000,000</u>	<u>11,885,000</u>	<u>13,700,000</u>	<u>11,190,000</u>	<u>7,120,000</u>
Legal debt margin	<u><u>\$ 54,657,698</u></u>	<u><u>\$ 44,934,981</u></u>	<u><u>\$ 30,201,977</u></u>	<u><u>\$ 24,648,212</u></u>	<u><u>\$ 24,971,544</u></u>
Total net debt applicable to the limit as a percentage of debt limit	15%	21%	31%	31%	22%

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

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

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2014	49,554	\$ N/A	\$ N/A	13.2 %	20,959
2013	49,554	1,297,082	27,734	18.0	19,800
2012	47,303	1,322,797	27,964	19.2	20,000
2011	48,088	1,193,646	25,037	17.1	21,063
2010	47,420	1,189,267	25,056	16.3	14,800
2009	47,900	1,137,493	25,987	14.6	15,000
2008	47,471	1,141,556	26,466	9.9	24,235
2007	46,907	1,008,541	23,744	7.3	17,900
2006	45,245	939,156	22,326	7.7	12,500
2005	44,055	838,841	19,967	9.0	16,200

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis.

The source of the "Population" and "Unemployment Rate" information from 2005 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2014, the source of the information is the Arizona Office of Employment and Population Statistics.

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

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

<u>Employer</u>	<u>2015</u>		<u>2006</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
US Border Patrol	670	3.87	537	3.24
Nogales Unified School District #1	563	3.25 %	741	4.48 %
US Customs and Border Protection	457	2.64	387	2.34
Super Wal-Mart	430	2.48	640	3.87
Santa Cruz Valley Unified School District #35	386	2.23	437	2.64
Santa Cruz County	309	1.78	415	2.51
City of Nogales	269	1.55	304	1.84
Mariposa Community Health Center, Inc.	248	1.43	193	1.17
Tubac Golf Resort	190	1.10		
Carondelet Health Network - Holy Cross Hospital	178	1.03	249	1.50
Canchola Group			80	0.48
Total	<u>3,700</u>	<u>21.36 %</u>	<u>3,983</u>	<u>24.07 %</u>
Total employment	<u>17,328</u>		<u>16,550</u>	

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

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

	Full-time Equivalent Employees as of June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Supervisory					
Consultants/supervisors of instruction	4	4	4	4	3
Principals	6	6	6	6	6
Assistant principals	2	1	1	2	2
Total supervisory	<u>12</u>	<u>11</u>	<u>11</u>	<u>12</u>	<u>11</u>
Instruction					
Teachers	183	183	184	194	183
Other professionals (instructional)	4	3	3	5	4
Aides	65	55	55	60	62
Total instruction	<u>252</u>	<u>241</u>	<u>242</u>	<u>259</u>	<u>249</u>
Student Services					
Certified	20	28	28	24	21
Classified	47	42	42	39	37
Total student services	<u>67</u>	<u>70</u>	<u>70</u>	<u>63</u>	<u>58</u>
Support and Administration					
Administrators and supervisory staff	4	5	5	5	5
Support Staff	71	72	73	82	101
Total support and administration	<u>75</u>	<u>77</u>	<u>78</u>	<u>87</u>	<u>106</u>
Total	<u><u>406</u></u>	<u><u>399</u></u>	<u><u>401</u></u>	<u><u>421</u></u>	<u><u>424</u></u>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Supervisory					
Consultants/supervisors of instruction	4	4	4	4	5
Principals	6	6	5	5	5
Assistant principals	2	2	3	2	2
Total supervisory	<u>12</u>	<u>12</u>	<u>12</u>	<u>11</u>	<u>12</u>
Instruction					
Teachers	201	214	200	183	180
Other professionals (instructional)	3	2	2	2	2
Aides	64	41	47	37	46
Total instruction	<u>268</u>	<u>257</u>	<u>249</u>	<u>222</u>	<u>228</u>
Student Services					
Certified	18	19	16	9	10
Classified	45	33	33	36	14
Total student services	<u>63</u>	<u>52</u>	<u>49</u>	<u>45</u>	<u>24</u>
Support and Administration					
Administrators and supervisory staff	6	6	6	7	7
Support Staff	98	105	104	96	97
Total support and administration	<u>104</u>	<u>111</u>	<u>110</u>	<u>103</u>	<u>104</u>
Total	<u><u>447</u></u>	<u><u>432</u></u>	<u><u>420</u></u>	<u><u>381</u></u>	<u><u>368</u></u>

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

(Concluded)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
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
2015	3,201	\$ 24,067,367	\$ 7,519	(1.30) %	\$ 27,189,365	\$ 8,494	(1.16) %	252	12.7	76 %
2014	3,163	24,094,123	7,617	1.12	27,181,399	8,594	1.12	241	13.1	76
2013	3,195	24,068,572	7,533	(0.75)	27,153,263	8,499	(5.06)	242	13.2	75
2012	3,245	24,629,093	7,590	5.11	29,047,059	8,951	17.19	259	12.5	77
2011	3,365	24,298,805	7,221	7.91	25,702,633	7,638	(0.77)	249	13.5	77
2010	3,394	22,711,895	6,692	(2.47)	26,126,292	7,698	(2.37)	268	12.7	77
2009	3,544	24,315,981	6,861	(5.40)	27,944,421	7,885	(6.37)	257	13.8	74
2008	3,598	26,095,762	7,253	16.37	30,300,002	8,421	17.38	249	14.4	73
2007	3,477	21,670,855	6,233	6.36	24,945,286	7,174	7.61	222	15.7	73
2006	3,474	20,358,251	5,860	5.48	23,160,617	6,667	7.60	228	15.2	68

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

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

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

	Fiscal Year Ended June 30									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Schools</u>										
Elementary										
Buildings	34	34	34	34	34	34	34	33	32	32
Square feet	185,160	185,160	185,160	185,160	185,160	185,160	185,160	175,192	165,419	165,419
Capacity	1,916	1,916	1,916	1,916	1,916	1,916	1,916	1,758	1,628	1,628
Enrollment	1,413	1,395	1,506	1,506	1,506	1,552	1,618	1,715	1,672	1,598
Middle										
Buildings	13	13	13	13	13	13	13	12	12	12
Square feet	126,394	126,394	126,394	126,394	126,394	126,394	126,394	77,336	77,336	77,336
Capacity	871	871	871	871	871	871	871	761	761	761
Enrollment	775	791	895	895	895	886	910	893	879	875
High										
Buildings	18	18	18	18	18	18	18	18	18	18
Square feet	168,660	168,660	168,660	168,660	168,660	168,660	168,660	168,660	168,660	168,660
Capacity	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660
Enrollment	1,125	1,106	1,090	1,090	1,090	1,132	1,146	1,146	1,059	986
Other										
Buildings	5	5	5	5	5	4	3	3	3	3
Square feet	19,336	19,336	19,336	19,336	19,336	14,336	10,186	10,186	10,186	10,186
<u>Administrative</u>										
Buildings	3	3	3	3	3	3	2	2	2	2
Square feet	3,743	3,743	3,743	6,473	6,473	6,473	3,873	3,873	3,873	3,873
<u>Transportation</u>										
Garages	2	2	2	2	2	2	1	1	1	1
Buses	44	44	44	44	44	44	48	50	47	47
<u>Athletics</u>										
Football fields	1	1	1	1	1	1	1	1	1	1
Soccer fields	1	1	1	1	1	1	1	1	1	1
Running tracks	1	1	1	1	1	1	1	1	1	1
Baseball/softball	5	5	5	5	5	5	5	5	5	5
Playgrounds	3	3	3	3	3	3	3	3	3	3

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

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